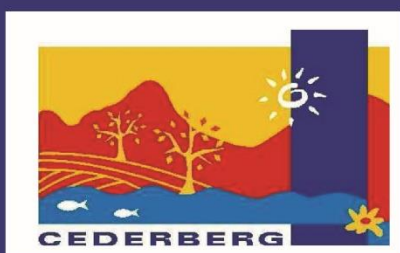


Cederberg Municipality



Annual Report



2016/17

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Mayor's Message

MAYOR'S MESSAGE



It is with great pleasure to present to you the Annual Report of Cederberg Municipality for 2016/2017.

Management within local government has a significant role to play in strengthening the link between the citizen and governments overall priorities and spending plans. The goal should be to enhance service delivery aimed at improving the quality of life for all people within Cederberg. The challenge is to do more with the available resources. We need to remain focused on the effective delivery of core municipal services through the application of efficient and effectiveness service delivery mechanisms.

The application of sound financial management principles for the compilation of the Municipality's financial plan is essential and critical to ensure that the Municipality remains financially viable and that sustainable municipal service are provided economically and equitably to all communities.

A turn-around strategy (financial plan) was implemented at the Municipality which specifically focuses on cost containment measures and revenue enhancement. Turn-around strategies usually take about 3 years to reach its set goals. One also need to take into account the current decline in the South African economy of which Cederberg Municipality is not immune to. Due to the harsh economic conditions there was a slight decrease in debtor's collections for 2016/17 of 88.19% in comparison with the prior year of 90.49%.

Given the hash economic conditions, and taking into account the decrease in the debtors collection rate, Management were still able to improve on the following ratios:

- 🇷🇷 The current assets to liabilities ratio increased to 0.75:1 in comparison with 0.64:1 of the prior year.
- 🇷🇷 The average creditors' repayment days improved to 71 days in comparison with 80 days in the prior year.
- 🇷🇷 Outstanding trade payables as at year-end were R29 244 734, in comparison with R40 800 082 of the prior year.

Given the above-mentioned improvement in ratios, Management is of the opinion that the implementation of the turn-around strategy is effective, and Management will be able to reap the rewards of the said implementation within the next 1 to 2 years

The municipality business and service delivery priorities were reviewed during the year and has embarked on implementing a range of revenue collection strategies to optimize the collection of debt owed by consumers

I thank the administration for managing in very difficult financial conditions, for steering the ship through difficult financial realties at Cederberg and for keeping their focus on our mandate. My word of appreciation to all those that's prepared to join forces with us to make Cederberg a better place for all.

J. Barnard

Executive Mayor: Cederberg Municipality

Municipal Manager Overview

MUNICIPAL MANAGER OVERVIEW

The 2016/17 financial year was the first year of the 5 year term in office of the newly Political and Administrative leadership. Council must be applauded for bringing stability to Cederberg, politically and administratively.

The fact that we managed to an unqualified without findings' (clean audit) Auditor-General report for the 2016/17 financial year, bears testimony to the efforts invested to stabilize the Municipality and to steer the organization on a different trajectory. The fact that this clean audit was only achieved 17 years after amalgamation of the various towns and areas, bears testimony to the challenges faced politically, administratively and financially.

This 2016/17 annual report is the first step of a very long journey of constant introspection, changing of mind-sets and comfort zones, continuous co-operation between Council executing its oversight role and the administrations pursuit of strategic and operational best practices.

The 2016/17 annual report is hereby submitted to Council and the broader Cederberg community with a realization that there are a lot of room for service delivery improvement, backlogs to be address and new turn around plans to be implemented.

The main challenges of poverty, unemployment and inequality impact negatively on our revenue streams and together with infrastructure backlogs and financial sustainability remains a serious threat to the rendering of sustainable value- for- money services.

Cederberg is under severe financial constraints and an integrated financial recovery plan was implemented to ensure the financial viability and economic sustainability of the municipality. This, together with the Long term financial strategy that's a work in progress, form the backbone of a strategy to improve our credit rating, create a climate conducive for investment and economic growth.

The revenue collection capacity within the finance division must be improved in order to ensure us achieving our revenue target to ensure financial sustainability and predictable service delivery. This is evident in the services receivable bad debt book that is increasing, which are compounded by tough economic conditions.

The Municipality has identified its top 5 risks and measures and systems have been put in place in order to mitigate the negative consequences that might occur due to the identified risks. This is an ongoing process to achieve service excellence, likewise with all the other combined assurance matters and institutions.

Lastly, compliance with the King III report remains an important function of Municipality that seeks to continue promoting cooperative Governance within all 3 spheres of governance.

As accounting officer, I would like to convey a word of thanks to the Speaker, Executive Mayor, Deputy-Mayor, Mayoral Committee members and Councillors for their support under very difficult condition.

A special word of thanks to my Senior Management, staff and our communities in their support and understanding of the challenge we face as a service-rendering organization.

In conclusion, the interest of our citizens should reign supreme above all other interest, in pursuit of fulfilling our Constitutional mandate.

Louis Volschenk

Municipal Manager

Chapter 1: Executive Summary

CHAPTER 1

EXECUTIVE SUMMARY

1.1 MUNICIPAL OVERVIEW

This report addresses the performance of the Cederberg Municipality in the Western Cape in respect of its core legislative obligations. Local government must create the participatory framework that defines and enhances the relationship between elected leaders and their communities. This requires that the Council of the Municipality provides regular and predictable reporting on programme performance and the general state of affairs in their locality.

The 2016/17 Annual Report reflects on the performance of the Cederberg Municipality for the period 1 July 2016 to 30 June 2017. The Annual Report is prepared in terms of Section 121(1) of the MFMA, in terms of which the Municipality must prepare an Annual Report for each financial year.

1.1.1 Vision and Mission

The Cederberg Municipality committed itself to the following vision and mission:

Vision:

“Cederberg Municipality, your future of good governance, service excellence, opportunities and a better life”

Mission:

“We will achieve our vision by:

-  *Developing and executing policies and projects, which are responsive and providing meaningful redress*
-  *Unlocking opportunities with for economic growth and development for community prosperity*
-  *Ensure good governance, financial viability and sustainability*
-  *Ensure sustainable, efficient and effective service delivery in an environmental sustainable manner*
-  *Promote quality services in a cost-effective manner through partnerships, information, knowledge management and connectivity.*
-  *Making communities safer*
-  *Advancing capacity building programs for both our staff and the community”*

Chapter 1: Executive Summary

1.2 MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

1.2.1 Population

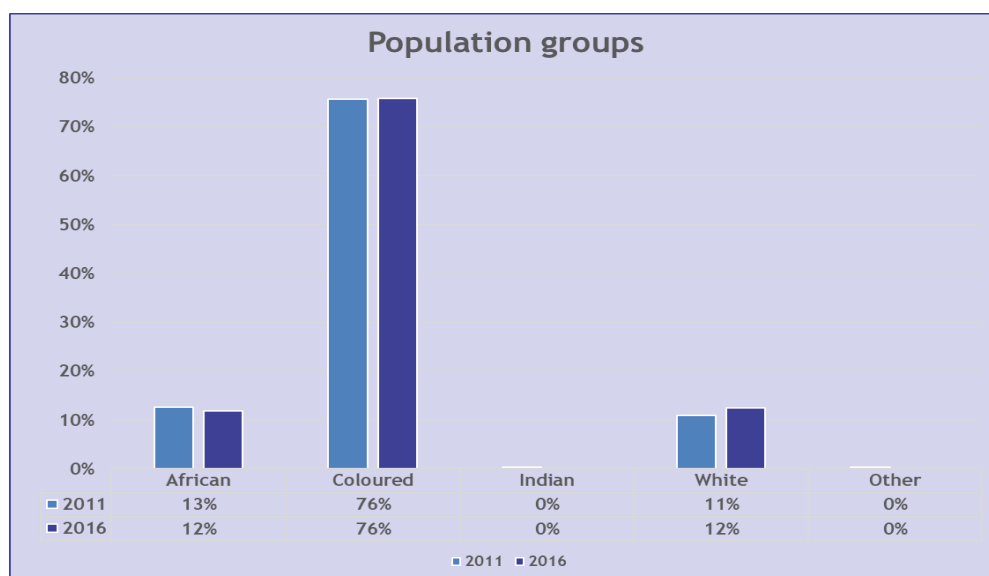
a) Total Population

The graph below indicates the total population within the municipal area:

Year	African	Coloured	Indian	White	Other	Total
2011	6 308	37 651	171	5 462	175	47 767
2016	6 260	40 111	0	6 578	0	52 949

Source: Census 2011 and Community Survey 2016

Table 1: Population



Graph 1: Population by Race

1.2.2 Demographic Information

Municipal Geographical Information

The Municipality covers a total area of 8 007 square kilometres (3 092 sq. mi), stretching from the Atlantic Ocean in the West to the Doring River in the east. The Olifants River flows from south to north through the centre of the municipal area. The Cederberg Mountains rise from the eastern bank of the river; to the west of the river are low ranges of hills descending to the coastal plain. The Municipality abuts on the Matzikama Municipality to the north, the Hantam Municipality to the east, and the Witzenberg and Bergriver Municipalities to the south.

Chapter 1: Executive Summary

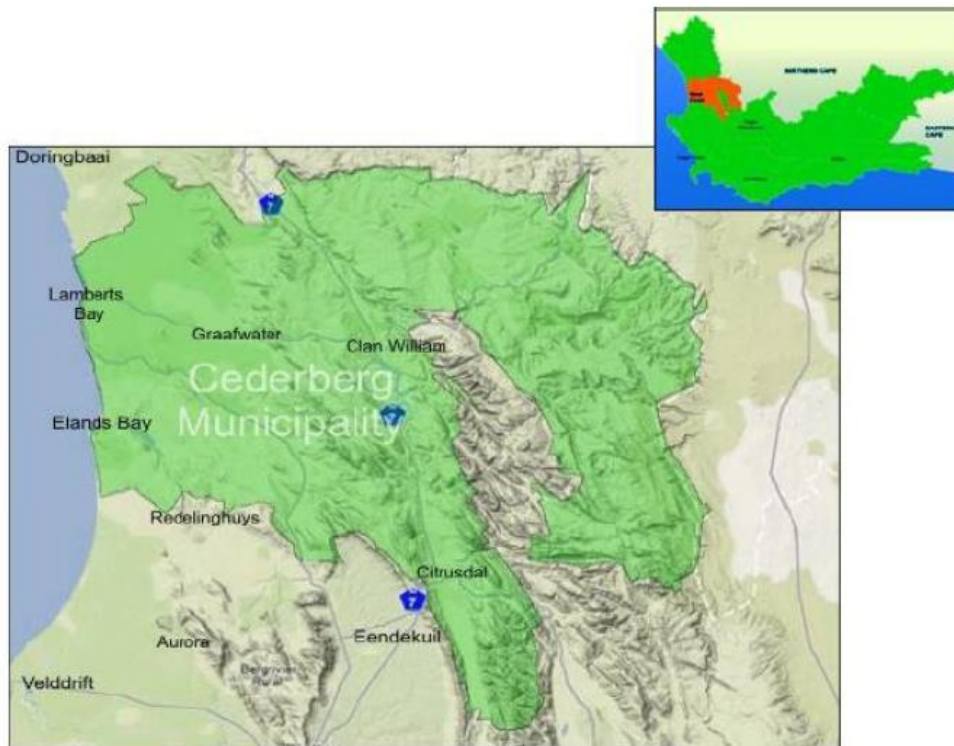


Figure 1: Cederberg Area Map

Wards

The Municipality was structured into the following 6 Wards:

Ward	Areas
1	Citrusdal (Farms)
2	Citrusdal (Town Area)
3	Clanwilliam
4	Graafwater and Elands Bay
5	Lamberts Bay and Leipoldville
6	Wupperthaland Algeria

Table 2: Municipal Wards

Towns

Citrusdal

Citrusdal originated as a service centre for the agricultural sector in the Upper Elephants River valley. The citrus industry is the main source of income in the town's hinterland. Because of the labour-intensive nature of the activity, the town experienced an influx of seasonal workers. Unemployment has increased along with a rise in population numbers. The local export economy is vulnerable to the fluctuating exchange rate of the Rand, and the concomitant decline in export value has negative implications for the economic base of the town. The nearby hot spring presents some tourism and recreation potential. However, only limited growth is expected here.

Chapter 1: Executive Summary

Clanwilliam

Originated as a “central place” town in an agriculturally orientated environment on fertile land and surrounded with abundant water resources. This town currently fulfills the function of main administrative town for the municipal district, as well as being a service and commercial centre for the surrounding population. The environment presents a diversified resource potential, i.e. the natural beauty of the Cederberg Wilderness area, the Clanwilliam dam, wild flowers, the rock art at Boesmanskloof and various heritage resources (e.g. near Wupperthal). Although the economic base of the town is embedded in the agricultural sector, tourism also became a growing component. Other sectors of the economy include light industries, especially with respect to the town’s two most important export products, namely shoe making and Rooibos tea cultivation. Clanwilliam has good accessibility on the N7 route between Cape Town, Northern Cape and Namibia.

Elands Bay

Elands Bay is to a certain extent an isolated settlement, which can partly be ascribed to the fact that the access routes to the town are mainly gravel roads. The town thus functions as a low order service center and holiday town that supplies mainly basic goods and services to its local inhabitants. The fishing industry forms the main economic base, but it is showing a declining trend as a consequence of the quota limitations on fishing for the local community. Agriculture, especially potato farming, makes a steady contribution to the economy. The town has also become known as one of the surfing venues in the world. In 2009, Baboon Point was declared a Provincial Heritage Site due to its unique value and significance as the history of the Khoisan. The prominence of this point on the West Coast of South Africa, and the strong link to early evidence of Khoi and San interaction makes this area of national and international importance. To protect and use the site in a sustainable manner which can benefit Elands Bay and Cederberg community a conservation management plan is currently being developed. Heritage Western Cape, the provincial heritage resources authority and governing body responsible for the site is overseeing this process and has appointed Eco Africa Environmental Consultants.

Graafwater

Graafwater is located halfway between Clanwilliam and Lamberts Bay. The town originated as a railway station, but this function is no longer a driving force. Most of the people living here are seasonal workers on the surrounding farms as agriculture provides the economic base. This Sandveld town serves only as a service point for the most basic needs of the immediately surrounding farms. Rooibos tea and potatoes are the most important agricultural products.

Lamberts Bay

Lamberts Bay is a coastal town with its reason for existence linked to the fishing industry and the Harbour. The building of a processing factory for fishmeal, lobster packaging and potato chips led to sound growth that makes a substantial contribution to the town’s economic base. The greatest asset of the town is its impressive coastline and unique Bird Island, which is a favorite tourist destination.

Wupperthal

This picturesque place has been a Moravian mission station since 1865. The village today consists of an old thatched Church, a store, and terraces of neat thatched-roofed little cottages. Excellent velskoen (known throughout the country) are made and tobacco is dried and worked into rolls (roltabak). The other main products of the area are dried fruit, dried beans and rooibos tea. Since 1995 development aid to Wupperthal has come in the form of grants, interest free loans and donations from various sources. Among projects that benefited from these was a 4X4 route around the district, a caravan park, two guesthouses, the revamping of a tea production facility and a needlework centre.

Chapter 1: Executive Summary

Key Economic Activities

The Municipality is dependent upon the following economic activities:

Key Economic Activities	Description
Agriculture and fishing	The biggest sector in the Cederberg Municipality is the Agricultural and fishing sectors. It is well known that both these sectors are in decline due to fish stocks and the agricultural sector employing less people on a permanent basis and more people on a seasonal basis. The economy in Cederberg is highly seasonal with a huge influx of seasonal workers to harvest the citrus and grapes from January to July
Institutional and community, social and personal services	The second biggest employer in the municipality is the institutional and the community, social and personal services sectors with just over 20% of people employed
Tourism and agri-processing	The tourism (4%) and agricultural processing sectors are possibly the two sectors with the greatest chance to sustainably create jobs

Table 3: Key Economic Activities

1.3 SERVICE DELIVERY OVERVIEW

1.3.1 Basic Services Delivery Highlights

The table below specifies the basic service delivery highlights for the year:




Highlights	Description
New borehole development in Graafwater	A new borehole was drilled, tested and equipped to provide water for the Graafwater community
Lamberts Bay Waste Water Treatment Works (WWTW)	Lamberts Bay WWTW will be commissioned in September/October 2017
Electrification project at Lamberts Bay	 The first phase of this project started in 2015 with the rectification of the 11kv switching station building.  The second phase in 2016 included the purchase of the switching station.  The third phase will be the installation of the switchgear and the electrification of the 123 informal houses
Department of Environmental Affairs (DEA) waste programme	Youth jobs in waste created

Table 4: Basic Services Delivery Highlights

1.3.2 Basic Services Delivery Challenges

The table below specifies the basic service delivery challenges for the year:

Challenge	Actions to address
Lack of funding to address infrastructure needs	The water delivery capacity for towns such as Citrusdal, needs to be upgraded. Wupperthal and Algeria water provision are very restricted and inadequate
Insufficient funding for capital projects	The following WWTW requires upgrading: Elands Bay; Graafwater; Clanwilliam and Algeria
Upgrade the bulk intake at Clanwilliam	Negotiations with Eskom must take place to upgrade the bulk supply to Clanwilliam
Funding shortage/constraints	Source additional funding

Table 5: Basic Services Delivery Challenges

Chapter 1: Executive Summary

1.3.3 Proportion of Households with Access to Basic Services

The table below indicates the proportion of households with access to basic services:

KPI	Municipal Achievement	
	2015/16	2016/17
Number of formal residential properties that receive piped water (credit and prepaid water) that is connected to the municipal water infrastructure network and billed for the service as at 30 June 2017	4 974	4 973
Number of formal residential properties connected to the municipal electrical infrastructure network (credit and prepaid electrical metering)(Excluding Eskom areas) and billed for the service as at 30 June 2017	7 847	7 515
Number of formal residential properties connected to the municipal waste water sanitation/sewerage network for sewerage service, irrespective of the number of water closets (toilets) and billed for the service as at 30 June 2017	4 335	4 408
Number of formal residential properties for which refuse is removed once per week and billed for the service as at 30 June 2017	4 973	5 023

Table 6: Households with Minimum Level of Basic Services

1.4 FINANCIAL HEALTH OVERVIEW

1.4.1 Financial Viability Highlights

The table below specifies the financial viability highlights for the year:

Highlight	Description
Revenue enhancement project	The project was approved by Council and resulted in an increase in payment ratios of debtors, and a decrease in the outstanding debtors book
Audit of electrical and water meters	A service provider has been appointed to audit all electrical and water meters as part of revenue protection and minimising the losses of water and electricity
Strict financial discipline	Cash flow committee implemented. Realistic budget and cut back of expenditure

Table 7: Financial Viability Highlights

1.4.2 Financial Viability Challenges

The table below specifies the financial viability challenges for the year:

Challenge	Action to address
Growing indigent base	Strict verification process must be implemented in the registration of indigents to ensure all registered indigents receive subsidy
Influx in informal settlements	Actions with relevant spheres of government

Table 8: Financial Viability Challenges

Chapter 1: Executive Summary

1.4.3 National Key Performance Indicators - Municipal Financial Viability and Management (Ratios)

The following table indicates the Municipality's performance in terms of the National Key Performance Indicators required in terms of the Local Government: Municipal Planning and the Performance Management Regulations of 2001 and Section 43 of the MSA. These key performance indicators are linked to the National Key Performance Area namely Municipal Financial Viability and Management.

KPA & Indicator	2015/16	2016/17
Financial viability measured in terms of the municipality's ability to meet its service debt obligations as at 30 June 2017 ((Total operating revenue-operating grants received)/debt service payments due within the year))	11.29%	9.52%
Financial viability measured in terms of the municipality's ability to meet its service debt obligations as at 30 June 2017 ((Short Term Borrowing + Bank Overdraft + Short Term Lease + Long Term Borrowing + Long Term Lease) / Total Operating Revenue - Operating Conditional Grant)	24.55%	20.92%
Financial viability measured in terms of the available cash to cover fixed operating expenditure as at 30 June 2017 ((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, and Provision for Bad Debts, Impairment and Loss on Disposal of Assets))	0.05	0.6

Table 9: National KPI's for Financial Viability and Management

1.4.4 Financial Overview

The table below indicates the financial overview for the year:

Details	Original budget	Adjustment Budget	Actual
	R'000		
Income			
Grants	90 860	111 794	77 883
Taxes, Levies and tariffs	161 990	161 052	159 599
Other	12 942	41 349	35 208
Sub Total	265 792	314 196	272 690
Less Expenditure	230 106	272 469	260 779
Net surplus/(deficit)	35 686	41 727	11 911

Table 10: Financial Overview

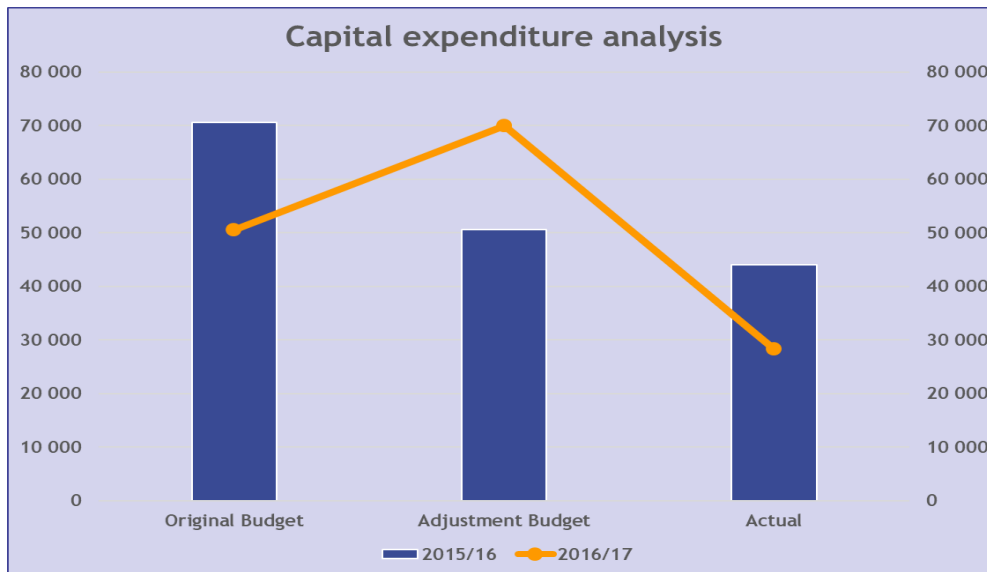
1.4.5 Total Capital Expenditure

The table below indicates the total capital expenditure for the year:

Detail	2015/16	2016/17
	R'000	
Original Budget	70 581	50 561
Adjustment Budget	50 574	70 035
Actual	44 017	28 253
% Spent	87%	40%

Table 11: Total Capital Expenditure

Chapter 1: Executive Summary



Graph 2: Capital Expenditure Analysis

1.5 AUDITOR-GENERAL REPORT

1.5.1 Audited Outcomes

The Auditor-General of South Africa has a constitutional mandate and, as the Supreme Audit Institution (SAI) of South Africa, exists to strengthen our country's democracy by enabling oversight, accountability and governance in the public sector through auditing, thereby building public confidence. In short, the auditor-general checks the spending of public money by looking at whether it has been used ideally and for the purposes intended. This is done by annually checking all government spending. In turn, this can be described as an audit.

The Auditor-General's annual audit examines 3 areas:

- 🇿🇦 Fair presentation and absence of significant misstatements in financial statements
- 🇿🇦 Reliable and credible performance information for predetermined objectives
- 🇿🇦 Compliance with all laws and regulations governing financial matters

There can be 5 different outcomes to an audit, once the Municipality has submitted their financial statements to the Auditor-General, which can be simply defined as follow:

- 🇿🇦 **A clean audit:** The financial statements are free from material misstatements and there are no material findings on reporting on predetermined objectives or non-compliance with legislation.
- 🇿🇦 **Unqualified audit with findings:** The financial statements contain material misstatements. Unless we express a clean audit come, findings have been raised on either reporting on predetermined objectives or non-compliance with legislation, or both these aspects.
- 🇿🇦 **Qualified audit opinion:** The financial statements contain material misstatements in specific amounts, or these insufficient evidences for us to conclude that specific amounts included in the financial statements are not materially misstated.
- 🇿🇦 **Adverse Audit Opinion:** The financial statements contain material misstatements that are not confined to specific amounts, or the misstatements represent a substantial portion of the financial statements
- 🇿🇦 **Disclaimer of Audit opinion:** The auditee provided insufficient evidence in the form of documentation on which to base an audit opinion. The lack of sufficient evidence is not confined to specific amounts, or represents a substantial portion of the information contained in the financial statements

Chapter 1: Executive Summary

The table below indicates the audit opinion received in 2015/16 and 2016/17 financial years:

Year	2015/16	2016/17
Opinion received	Unqualified	Unqualified

Table 12: Opinion Received

1.6 2016/17 IDP/BUDGET PROCESS

The table below provides details of the 2016/17 IDP/Budget process:

No	Activity	Responsible person	Date
Pre-Budgeting Processes/Tasks			
1	Make public the targets and indicators as set out in the SDBIP (no later than 14 days after the approval of the SDBIP) and submit to National & Provincial Treasury (no later than 10 days after the approval of the SDBIP)	IDP/PMS	10 July 2015
2	Submit monthly report on the budget for period ending 30 June 2015 within 10 working days to the Executive Mayor	Manager Budget	14 July 2015
3	2014/2015 4th Quarter Performance Report tabled to Council	IDP/PMS	31 July 2015
4	District IDP/LED Forum	IDP/PMS	21 August 2015
5	District IDP CC	IDP/PMS	21 August 2015
6	Submit monthly report on the budget for period ending 31 July 2015 within 10 working days to the Executive Mayor	Manager Budget	14 August 2015
7	District Alignment Workshop	IDP/PMS	26-27 August 2015
8	IDP/Budget Process Plan approved by Council	Municipal Manager	28 August 2015
9	Table Annual Performance Report and Annual Financial Statements to Council	Municipal Manager	28 August 2015
10	Submit the Annual Performance Report and Annual Financial Statements to the Auditor-General	IDP/PMS CFO	31 August 2015
11	Advertisement of IDP/Budget Process Plan on website/local newspaper/notice boards	IDP/PMS	4 September 2015
12	Provincial IDP Managers Forum	IDP/PMS	3-4 September 2015
13	Submit monthly report on the budget for period ending 31 August 2015 within 10 working days to Executive Mayor	Manager Budget	14 September 2015
14	IDP Public Meetings	IDP/PMS	28 September 2015 - 6 October 2015
15	IDP Public Meetings	IDP/PMS	28 September 2015 - 6 October 2015
16	IDP Indaba 1 (Joint Planning Initiative)	Municipal Manager	7 October 2015 - 8 October 2015
17	Submit monthly report on the budget for period ending 30 September 2015 within 10 working days to the Executive Mayor	Manager Budget	14 October 2015
18	Submit 1 st Quarter Performance Report to MAYCO	IDP/PMS	23 October 2015
19	Submit monthly report on the budget for period ending 31 October 2015 within 10 working days to the Executive Mayor	Manager Budget	13 October 2015

Chapter 1: Executive Summary

No	Activity	Responsible person	Date
20	Provincial IDP Managers Forum	IDP/PMS	3 December 2015 - 4 December 2015
21	Submit 1 st Quarter Performance Report to Council	IDP/PMS	8 December 2016
22	Submit Monthly Report on the Budget for period ending 30 November 2015 within 10 working days to Executive Mayor	Manager Budget	14 December 2015
23	Submit Monthly Report on the budget for period ending 31 December 2015 within 10 working days to the Executive Mayor	Manager Budget	14 December 2015
24	Submit Mid-Year Performance Assessment Report to Executive mayor	IDP/PMS	25 January 2016
25	Submit Mid-Year Budget Assessment to Executive Mayor	CFO	25 January 2016
26	Submit 2 nd Quarter Performance Report to Council	IDP/PMS	28 January 2016
27	Table Draft Annual Report 2014/2015 to Council	Municipal Manager	28 January 2016
28	Submit Mid-Year Budget and Performance Report to Council	IDP/PMS CFO	28 January 2016
29	Submit Mid-Year Budget and Performance Report to Provincial Treasury, National Treasury and Department of Local Government	Municipal Manager	31 January 2016
30	Make Public the Mid-Year Budget and Performance Report	Municipal Manager	31 January 2016
31	Make public the Annual Report for comments	IDP/PMS	5 February 2016
32	Submit monthly report on the budget for period ending 31 January 2016 within 10 working days to the Executive Mayor	Manager Budget	12 February 2016
33	IDP Indaba 2	Municipal Manager	29 February 2016
34	Council considers and adopts 2015/2016 Adjustment Budget and potential revised 2015/2016 SDBIP	Municipal Manager	29 February 2016
35	Advertise the approved 2015/2016 Adjustment Budget and submit budget and B Schedule to National Treasury as required per legislation (within 10 working days)	Manager Budget	14 March 2016
36	Provincial IDP Managers Forum	IDP/PMS	3-4 March 2016
37	Submit monthly report on the budget for period ending 29 February 2016 within 10 working days to Executive Mayor	Manager Budget	14 March 2016
38	Budget Steering Committee Meeting	CFO	14 March 2016
39	Table Draft IDP/Budget/SDBIP to Council	Municipal Manager	30 March 2016
40	Table Oversight Report to Council	Municipal Manager	30 March 2016
41	Submit the draft IDP/SDBIP and budget to Department of Local Government, National and Provincial Treasury	IDP/PMS CFO	5 April 2016
42	Advertise the Draft IDP/SDBIP/Budget and other required documents and provide at least 21 days for public comments and submissions	IDP/PMS CFO	8 April 2017
43	Make public the Oversight Report within 7 days of adoption (MFMA Sec 129)	IDP/PMS	8 April 2017
44	Submit the Annual Report and Oversight Report to the Provincial Legislature as per circular	IDP/PMS	8 April 2017
45	Submit monthly report on the budget for period ending 31 March 2016 within 10 working days to the Executive Mayor	Manager Budget	15 April 2016
46	Community Roadshow to consult the Draft IDP, SDBIP and Budget	IDP/PMS	18-26 April 2016

Chapter 1: Executive Summary

No	Activity	Responsible person	Date
		CFO	
47	Submit 3 rd Quarter Performance Report to MAYCO	IDP/PMS	26 April 2016
48	LG MTEC 3 IDP and Budget Assessments by Provincial Treasury Department of LC	Municipal Manager	29 April 2016
49	Submit monthly report on the budget for period ending 30 April 2016 within 10 working days to the Executive Mayor	Manager Budget	13 May 2016
50	Budget Steering Committee Meeting	CFO	17 May 2016
51	MAYCO Meeting to approve Revised IDP and the Budget (at least 30 days before the start of the budget year)	Municipal Manager	19 May 2016
52	Submit 3 rd Quarter Performance Report to Council	IDP/PMS	25 May 2016
53	Council to adopt Revised IDP and the budget (at least 30 days before the start of the budget year)	Municipal Manager	25 May 2016
54	Place the IDP, multi-year budget, all budget-related documents and all budget-related policies on the website	IDP/PMS CFO	1 June 2016
55	Submit a copy of the revised IDP to MEC for LG (within 10 days of the adoption of the plan)	IDP/PMS	1 June 2016
56	Submit approved budget to National and Provincial Treasuries (both printed and electronic formats)	CFO	1 June 2016
57	Give notice to the public of the adoption of the IDP (within 14 days of the adoption of the plan) and budget (within 10 working days)	IDP/PMS CFO	3 June 2016
58	Submit to the Executive Mayor the SDBIP for the budget year (no later than 14 days after the approval of the annual budget)	Municipal Manager	8 June 2016
59	Submit monthly report on the budget for period ending 31 May 2016 within 10 working days to the Executive Mayor	Manager Budget	14 June 2016
60	Executive Mayor takes all reasonable steps to ensure that SDBIP is approved (within 28 days after approval of budget)	Municipal Manager	22 June 2016
61	Make public the projections, targets and indicators as set out in the SDBIP (no later than 14 days after the approval of the SDBIP) and submit to National and Provincial Treasuries (no later than 10 working days after the approval of the SDBIP)	IDP/PMS	6 July 2016
Community Participation Process			
62	Ward 1 - Citrusdal farms public meeting	Ward Councilor	24 April 2016
63	Ward 2 - Citrusdal Town		19 April 2016
64	Ward 3 - Clanwilliam		20 April 2016
65	Ward 4 - Graafwater		21 April 2016
66	Ward 4 - Paleisheuwel		25 April 2016
67	Ward 4 - Elands Bay		26 April 2016
68	Ward 5 - Lamberts Bay		28 April 2016
69	Ward 5- Leipoldtville		2 May 2016
70	Ward 6 - Algeria		3 May 2016
71	Ward 6 - Wupperthal		4 May 2016
Budget Preparatory Process			
72	Budget process plan approved by Council 2016/17	Executive Mayor	31 August 2015

Chapter 1: Executive Summary

































No	Activity	Responsible person	Date
73	Budget steering committee meeting took place	Executive Mayor	23 March 2016
Budgetary Policies			
74	<ul style="list-style-type: none">  Customer Care Improvement Policy  EPWP Policy  Funding and Reserves Policy  Grants-In-Aid-Policy  Indigent Support Policy  Infrastructure Investment and Capital Policy  Investment Policy  Long-Term Financial Plan Policy  Performance Management Framework Policy  Petty Cash Policy  Property Rates Policy  Relocation Policy  Supply Chain Management Policy  Special Rating Arrears Policy  Study Aid Policy  Study Bursary Policy  Tariff Rules Building Development Management Tariff Structure for 2015-2016  Tariff Rules Town Planning Tariff Structure for 2015-2016  Tariff Structure Policy  Travel and Subsistence Allowances Policy  Virement Policy  Accounting Policy to AFS  Asset Management Policy  Borrowing Policy  Budget Policy  Capital Contribution for Bulk Services Policy  Creditors- Councillors and Staff Payment Policy  Customer Care Credit Control and Debt Collection Policy  Revenue Enhancement Policy  Policy on the Writing-off of Irrecoverable Debt  Property Rates By-law 2015 (To give effect to Property Rates Policy)  Cash Management and Investment Policy 	Executive Mayor	31 March 2016
Tabling of Budget			
75	Draft Annual report 2015/16 approved	Executive Mayor	31 January 2016
75	Draft budget approved by Council & Draft IDP 16/17 approved	Executive Mayor	31 March 2016
76	Final Budget approved by Council	Executive Mayor	30 May 2016
Finalising			
77	Final Annual report 2015/16 approved by Council	Executive Mayor	31 January 2016

Table 13:2016/17 IDP/Budget Process

Chapter 2: Good Governance

CHAPTER 2

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

Good governance has 8 major characteristics. It is participatory, consensus oriented, accountable, transparent, responsive, effective and efficient, equitable and inclusive and follows the rule of law. It assures that corruption is minimized, the views of minorities are taken into account and that the voices of the most vulnerable in society are heard in decision-making. It is also responsive to the present and future needs of society.

2.1 NATIONAL KEY PERFORMANCE INDICATORS - GOOD GOVERNANCE AND PUBLIC PARTICIPATION

The following table indicates the municipality's performance in terms of the National Key Performance Indicator required in terms of the Local Government: Municipal Planning and the Performance Management Regulations 796 of 2001 and section 43 of the MSA. This key performance indicator is linked to the National Key Performance Area - Good Governance and Public Participation.

Indicator	Unit of measurement	Municipal Achievement
		2016/17
Monitor the quarterly percentage of the municipal capital budget actually spent on capital projects [(Amount actually spent on capital projects/ Amount budgeted for capital projects)x100]	% of capital budget spent on capital projects	40%

Table 14: National KPIs - Good Governance and Public Participation Performance

2.2 PERFORMANCE HIGHLIGHTS - GOOD GOVERNANCE AND PUBLIC PARTICIPATION

The table below specifies the highlights for the year:



Highlights	Description
Libraries completed	The Citrusdal and Elands Bay libraries are completed.
Upgrading of sports hall facilities	The upgrade in Lamberts Bay is completed
Local Economic Development (LED) strategies and implementation plan approved	Finalisation and approval of the LED implementation plan and strategy
Handover taxis to co-ops	The handover of taxis took place in February 2017. The taxis were donated by the Department of Rural Development and Land Reform (DRDLR) to the Wupperthal rural transport & Citrusdal rural transport. A truck was donated to Red Cedar Cosmetics (Wupperthal) and a stove, chairs, umbrellas was donated to Lekkerbekkie Restaurant by DRDLR
Emerging farmers	The emerging farmers took part in the Clanwilliam agri expo completion
Implementation of the Cederberg Municipality: By-Law on Municipal Land Use Planning, effective as from 1 June 2016. Appointed a Candidate Town Planner and assisted with all relevant requirements of a Town Planner. Revising the Cederberg Spatial Development Framework for the next five years	 By-Law on Municipal Land Use Planning as gazetted in Provincial Gazette Extraordinary No. 7604 dated 15 April 2016  Proclamation by the Premier of the Western Cape: Commencement of the Western Cape Land Use Planning Act, 2014 (Act 3 of 2014) within Cederberg Municipality Area. Gazetted in Provincial Gazette Extraordinary No. 7622 dated 01.06.2016

Table 15: Good Governance and Public Participation Performance Highlights

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2.3 CHALLENGES - GOOD GOVERNANCE AND PUBLIC PARTICIPATION

The table below specifies the challenges for the year:

Challenges
The Municipality is having trouble with training locations for staff as well as transport of staff to training venues
The Internal Audit and Risk Department is experiencing shortage of staff due to lack of financial resources
The Municipality does not have a designated person to drive social programs. At the IDP meetings a lot of challenges identified are socially related

Table 16: Good Governance and Public Participation Challenges

2.4 GOVERNANCE STRUCTURE

2.4.1 Political Governance Structure

The Council performs both legislative and executive functions. They focus on legislative, oversight and participatory roles, and have delegated its executive function to the Mayor and the Executive Committee. Their primary role is to debate issues publicly and to facilitate political debate and discussion. Apart from their functions as decision makers, councillors are also actively involved in community work and the various social programmes in the municipal area.

a) Council

Below is a table that categorised the councillors within their specific political parties and wards for the 2011/16 elective period:

Name of Councillor	Capacity	Political Party	Ward representing or proportional
Lorna Scheepers	Executive Mayor Speaker	ANC	Ward 3
Charmain September	Deputy Executive Mayor	ANC	Proportional Representation (PR)
William Abels	Member Mayoral Committee	ANC	Ward 6
Danville Smith	Member of Mayoral Committee	ANC	Ward 5
Johan Muller	Speaker	ANC	Ward 1
Julio Fransman	Chairperson of Municipal Public Accounts Committee	ANC	Ward 2
Judy Mouton	Councillor	DA	PR
Letta Maseko	Councillor	DA	PR
Colin Erasmus	Councillor	DA	PR
Jimmy Barnard	Councillor	DA	Ward 4
Sylvia Newman	Councillor	COPE	PR
Peter Petersen	Councillor	COPE	PR
Benjamin Zass	Councillor	PAC	PR

Table 17: Council 2011-2016

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The Municipal Council comprises of 11 elected councillors, made up from 6 ward councillors and 5 proportional representation councillors. The portfolio committees are made up of councillors drawn from all political parties. Below is a table that categorised the councillors within their specific political parties and wards for the 2016/17 financial year:

Name of Councillor	Capacity	Political Party	Ward representing or proportional
William Farmer	Speaker	DA	Ward 5
Jimmy Barnard	Executive Mayor	DA	Ward 4
Benjamin Zass	Deputy Executive Mayor	DA	Ward 3
Raymond Pretorius	Member Mayoral Committee	DA	Ward 2
Rhoda Witbooi	Member of Mayoral Committee	DA	Ward 6
Jan Meyer	Chairperson of Municipal Public Accounts Committee	DA	Ward 1
Marianne Nel	Councillor	ANC	PR
Danville Smith (replaced by Lorna Scheepers in January 2017)	Councillor	ANC	PR
Evelyn Majikejela	Councillor	ANC	PR
Nosiphiwo Qunta	Councillor	ANC	PR
Francina Sokuyeka (replaced by Jonas White in January 2017)	Councillor	ADC	PR

Table 18: Council 2016/17

b) Executive Committee

The Executive Mayor of the Municipality, Jimmy Barnard, assisted by the Executive Committee, heads the executive arm of the Municipality. The Mayor is at the centre of the system of governance, since executive powers are vested in him to manage the day-to-day affairs. This means that he has an overarching strategic and political responsibility. The key element of the executive model is that executive power is vested in the Mayor, delegated by the Council, and as well as the powers assigned by legislation. Although accountable for the strategic direction and performance of the Municipality, the Mayor operates in concert with the Executive Committee.

The name and portfolio of each Member of the Executive Committee is listed in the table below at 30 June 2017:

Name of member	Capacity
Jimmy Barnard	Executive Mayor
Benjamin Zass	Deputy Executive Mayor
Raymond Pretorius	Member of Mayoral Committee
Rhoda Witbooi	Member of Mayoral Committee

Table 19: Executive Committee 2016/17

c) Portfolio Committees

Section 80 committees are permanent committees that specialise in a specific functional area of the municipality and may in some instances make decisions on specific functional issues. They advise the executive committee on policy matters and make

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recommendations to Council. Section 79 committees are temporary and appointed by the executive committee as needed. They are usually set up to investigate a particular issue and do not have any decision making powers. Just like Section 80 committees they can also make recommendations to Council. Once their *ad hoc* task had been completed, Section 79 committees are usually disbanded. External experts, as well as Councillors can be included on Section 79 committees.

The portfolio committees for the 2016/17 Mayoral term and their Chairpersons are as follow:








Corporate & HR Services Committee	
Chairperson	Other members
Jan Meyer	Rhoda Witbooi
	Evelyn Majikejela
	Jonas White
Infrastructure Services Committee	
Chairperson	Other members
Raymond Pretorius	Benjamin Zass
	Lorna Scheepers
Municipal Public Accounts Committee	
Chairperson	Other members
Jan Meyer	Jonas White
	Nosiphiwo Qunta

Table 20: Portfolio Committees





d) Political decision-taking

Section 53 of the MSA stipulates inter alia that the respective roles and areas of responsibility of each political structure and political office bearer of the Municipality and of the Municipal Manager must be defined. The section below is based on the Section 53 role clarification.

Municipal Council

-  governs by making and administrating laws, raising taxes and taking decisions that affect people's rights;
-  is a tax authority that may raise property taxes and service levies;
-  is the primary decision maker and takes all the decisions of the Municipality except those that are delegated to political structures, political office bearers, individual Councillors or officials;
-  can delegate responsibilities and duties for the purposes of fast and effective decision making;
-  must strive towards the constitutional objects of local government;
-  must consult the community with respect to local government matters; and
-  is the only decision maker on non-delegated matters such as the approval of the IDP and budget

Executive Mayor

-  is the executive and political leader of the Municipality and is in this capacity supported by the Executive Committee;
-  is the social and ceremonial head of the Municipality;
-  must identify the needs of the Municipality and must evaluate progress against key performance indicators;
-  is the defender of the public's right to be heard;

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- has many responsibilities with respect to the annual budget, the budget process, budget control and various other financial matters; and
- performs the duties and exercise the responsibilities that were delegated to him by the Council

Executive Committee

- its members are elected by the Mayor from the ranks of Councilors;
- its functional responsibility area is linked to that of the Mayor to the extent that he must operate together with the members of the Executive Committee;
- its primary task is to assist the Mayor in the execution of his powers - it is in fact an “extension of the once of Mayor”; and
- the committee has no powers of its own - decision making remains that of the Mayor.

2.4.2 Administrative Governance Structure

The Municipal Manager is the Chief Accounting Officer of the Municipality. He is the head of the administration, and primarily has to serve as chief custodian of service delivery and implementation of political priorities. He is assisted by his direct reports, which constitutes the Management Team, whose structure is outlined in the table below:

Name of Official	Department
Gerrit Matthyse - Municipal Manager (until 4 July 2017)	Office of the Municipal Manager
Louis Volschenk - Acting Municipal Manager	Office of the Municipal Manager
Elrico Alfred - Director: Financial Services (CFO)	Financial Services
Annalie McCallum - Director: Corporate Services	Corporate Services
Reginald Bent - Director: Community Services	Community Services
Phemelo Majnei - Director: Technical Services	Technical Services

Table 21: Administrative Governance Structure

COMPONENT B: INTERGOVERNMENTAL RELATIONS

In terms of the Constitution of South Africa, all spheres of government and all organs of state within each sphere must co-operate with one another in mutual trust and good faith fostering friendly relations. They must assist and support one another; inform and consult one another on matters of common interest; coordinate their actions, adhering to agreed procedures and avoid legal proceedings against one another.

2.5 INTERGOVERNMENTAL RELATIONS

2.5.1 Intergovernmental Structures

To adhere to the principles of the Constitution as mentioned above the Municipality participates in the following intergovernmental structures:

Name of Structure	Members	Outcomes of Engagements/Topics Discussed
Women’s Day	Cederberg Municipality; Rural Impact; Child Welfare; Clanwilliam Community Police Forum (CPF); Age in Action; South African Police Services (SAPS); Nikoa	Women of strength

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Name of Structure	Members	Outcomes of Engagements/Topics Discussed
External Stakeholders	Cederberg Municipality; DCS; Kindersorg; Rural Impact; SAPS; CPF	Crime Victims' Rights Week

Table 22: Intergovernmental Structures

2.5.2 Joint projects and functions with Sector Departments





All the functions of government are divided between the different spheres namely National, Provincial and Local. The Municipality therefore share their area and community with other spheres of government and their various sector departments and has to work closely with national and provincial departments to ensure the effective implementation of various projects and functions. The table below provides detail of such projects and functions:

Name of Project/ Function	Expected Outcome/s of the Project	Sector Department/s involved
Crime Victims Rights Week	Reached 1000 people in the community and schools. Explain to the victims their rights. Counselling to the victims	Cederberg Municipality; DCS; "Kindersorg"; Rural Impact; SAP; CPF

Table 23: Joint projects and functions with Sector Departments

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

Section 16 of the MSA refers specifically to the development of a culture of community participation within municipalities. It states that a municipality must develop a culture of municipal governance that complements formal representative government with a system of participatory governance. For this purpose it must encourage and create conditions for the local community to participate in the affairs of the community. Such participation is required in terms of:

-  the preparation, implementation and review of the IDP;
-  establishment, implementation and review of the performance management system;
-  monitoring and review of the performance, including the outcomes and impact of such performance; and
-  preparation of the municipal budget.

2.6 PUBLIC MEETINGS

2.6.1 Ward Committees

The ward committees support the ward councillor who receives reports on development, participate in development planning processes, and facilitate wider community participation. To this end, the Municipality constantly strives to ensure that all ward committees function optimally with community information provision; convening of meetings; ward planning; service delivery; IDP formulation and performance feedback to communities.

a) Ward 1: Louisville, Montana, Kareeville, Sunrise (Portion)

Name of representative	Capacity representing
Louween Bok	ALG
Susanna Douries	Health and Welfare
Karools Farao	Churches
Kido Owies	Crime

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Name of representative	Capacity representing
Jeanetta Titus	Women, Elderly and Disabled
Royleen Frans	Farm Workers
Gertro Douries	Sport and Culture
Frederik Lenee	Geographic and Housing
Malie Titus	Rural Development

Table 24: Ward 1 Committee Members

b) Ward 2

Name of representative	Capacity representing
Abraham Lategan	Geographic
Willem Andrew	Crime
Petrus Smith	Education and Youth
Jolanda Basson	Tourism
Anitha Kotze	Women, Elderly and Disabled
Charles Ningi	Geographic
Roelf Hugo	Chamber of Commerce
Nicolaas Waterboer	Churches
Jawano Zimri	Sport and Culture
Shireez Hector	Health

Table 25: Ward 2 Committee Members

c) Ward 3

Name of representative	Capacity representing
Shaun Conradie	Education and Youth
Wellington Nkebetwane	Community - Khayelitsa
Elizabeth Witbooi	Women, Elderly and Disabled
Riaan van Zyl	Economic Development and Tourism
Daniel Ludick	Crime
Peet Viljoen	Community - Clanwilliam
Nickey Crosney	Sport
Ilse Lochner	Chamber of Commerce
Johannes Beukes	Health
Louisa Swartz	Churches

Table 26: Ward 3 Committee Members

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d) Ward 4

Name of representative	Capacity representing
Will Mouton	Geographic - Graafwater North
Maria Strauss	Geographic - Graafwater South
Ilze Phipson	Hwalth and Welfare
Maria Zass	Small Farmers
Margaritha Strauss	Churches
Christo Hammers	Sport
Andre Coetzee	Chamber of Commerce
BJ Burger	Crime
Jonathan van der Westerhuizen	Rural and Economic
Elvino Sass	Education and Youth

Table 27: Ward 4 Committee Members

e) Ward 5

Name of representative	Capacity representing
Sarah Foentjies	Education
Annalize Friesley	Youth
Arend de Waal	Chamber of Commerce
Neels Mostert	Geographic
Willem Auret	Health
Jeff Schalk	Geographic
Winston Abrahams	Sport
Gerrit Alfred	Geographic
Henry Arangie	Crime
Getrude Angle	Geographic

Table 28: Ward 5 Committee Members

f) Ward 6

Name of representative	Capacity representing
Ricardo Hoorn	Geographic
Brenda Farmer	Geographic
Magrieta Afrika	Geographic
Amelia Koopman	Geographic
Malvern Fabrik	Geographic
Megan Salomo	Geographic
Renee Veloen	Geographic
Gregory Koopman	Geographic
Richolene Coetzee	Geographic

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Name of representative	Capacity representing
Barnett Cornellison	Geographic

Table 29: Ward 6 Committee Members

2.6.2 Representative Forums

a) Labour Forum

The table below specifies the members of the Labour Forum for the 2016/17 financial year:

Name of representative	Capacity
Councillor Raymond Preotius	Chairperson
Councillor Rhoda Witbooi	Member
Louis Voslchenk	Acting Municipal Manager
Elrico Alfred	Chief Financial Officer
Reginald Bent	Director: Community Development Services
Annalie McCallum	Director: Corporate and Strategic Services
Bino Farmer	SAMWU Shopsteward
Dinah Saiset	SAMWU Shopsteward
Mlungiseleli Bele	SAMWU Shopsteward
Kallie Watt	IMATU Shopsteward
Shirley-Ann Mouton	IMATU Shopsteward
Michael Swarts	IMATU Shopsteward
Muriel Links	IMATU Shopsteward
Henry Witbooi	Manager: Human Resources
Enrico Sampson	HR Practitioner: Labour Relations
Jessica Cloete	Committee Services Officer

Table 30: Labour Forum

COMPONENT D: CORPORATE GOVERNANCE

Corporate governance is the set of processes, practices, policies, laws and stakeholders affecting the way an institution is directed, administered or controlled. Corporate governance also includes the relationships among the many stakeholders involved and the goals for which the institution is governed.

2.7 RISK MANAGEMENT

In terms of Section 62 of the MFMA (1)(c)(i) *“the accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure- that the municipality has and maintains effective, efficient and transparent systems - of financial and risk management and internal control;”*...

The management of risk is the process by which the Accounting Officer, the CFO and the other senior management of a Municipality will pro-actively, purposefully and regularly, but at least annually, identify and define current as well as emerging business, financial and operational risks and identify appropriate, business and cost effective methods of managing these risks within the Municipality, as well as the risk to the stakeholders.




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Purpose and Scope

This policy addresses key elements of the risk management framework to be implemented and maintained by the Municipality, which will allow for the management of risks within defined risk/return parameters, risk appetite and tolerances as well as risk management standards. As such, it provides a framework for the effective identification, evaluation, management measurement and reporting of the Municipality's risks.









Objectives

The objective of the risk policy is to ensure that a strategic plan is developed that should address the following:

-  an effective risk management architecture;
-  a reporting system to facilitate risk reporting; and
-  an effective culture of risk assessment

The role of the service departments is to identify, review and manage their risks on an ongoing basis, making risk management an integral or natural part of the organisational processes and procedures. Risk management should be embedded in the organisation, it becomes an intrinsic part of business planning and decision making - there is no direction taken without looking at potential risks.

The table below include the top risks of the Municipality:

Risk	Current Controls	Residual Risk Exposure	Risk Owner
Lack of financial viability and economic sustainability	3 year strategic plan	Within risk appetite	All Directorates - All Directors
Inability to provide timely and effective services to the community	Masterplans and asset register	Within risk appetite	Engineering Department
Poor retention of staff to deliver effective services	 Skills Development Policy implemented  Advertise of positions	Within risk appetite	Corporate and Strategic Services
Inability to deliver projects due to lack of financial resources and current government funding model	Received MIG funds to implement the water and stormwater pipes	Within risk appetite	Engineering and Technical Services
Uncontrolled growth of informal settlements	 Relocation of informal settlements  Funds received from Department of Human Settlements	Below risk appetite	Community Services
Loss of income and/or legal fines for the non- compliance of landfill sites in the region	 Establish Intern Municipal Cooperation Forum  Memorandum of Agreement between municipalities and the district	Below risk appetite	Engineering and Technical Services
Increase in poverty, unemployment, inequality and crime	 Intergovernmental interventions  EPWP/CWP/ Cooperatives	Within risk appetite	All departments
Cost of compliance, under-funded mandates and insufficient equitable share	Legal instruments as MOA, MOU etc.	Within risk appetite	Office of the Municipal Manager
Outstanding implementation of task evaluation as per new organisational structure	New organisational and outcome of TASK evaluation	Within risk appetite	Corporate and Strategic Services
Inability to provide the community with water services	Water and electricity meters- audit conducted	Exceeds risk tolerance	Engineering and Technical Services

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Risk	Current Controls	Residual Risk Exposure	Risk Owner
Risk of power failures and possible safety concerns due to overloading of network	Audit conducted on the Electricity supply	Exceeds risk tolerance level	Engineering and Technical Services

Table 31: Top Risks

The role of the risk committee is to provide timely and useful enterprise risk management report to the audit committee of the Municipality. The report contains the current top risks of the Municipality, which includes:

- 🇿🇦 the key strategic and financial risks facing the Municipality (all extreme and high risk exposures);
- 🇿🇦 the key operational risks per strategic goal (top 5 risks per objective as per risk exposure from high to low)

Further detail of the roles of the risk committee is included in the approved risk committee charter.

Name of Committee Member	Capacity
Louis Volschenk	Acting MM
Craig Sheldon	Risk/Legal/Compliance Section Head
Joylyon Goeieman	Internal Auditor
Phemelo Majeni	Director Technical Services
Elrico Alfred	Chief Financial Officer (CFO)
Reginald Bent	Director Community Services
Annelie McCallum	Director Corporate Services

Table 32: Risk Committee

2.8 ANTI-CORRUPTION AND ANTI-FRAUD

Section 83(c) of the MSA refers to the implementation of effective bidding structures to minimize the possibility of fraud and corruption and the MFMA, Section 112(1) (m)(i) identify supply chain measures to be enforced to combat fraud and corruption, favoritism and unfair and irregular practices. Section 115(1) of the MFMA states that the accounting officer must take steps to ensure mechanisms and separation of duties in a supply chain management system to minimize the likelihood of corruption and fraud.

a) Developed Strategies

Name of strategy	Developed (Yes/No)	Date Adopted
Fraud and Corruption Prevention Policy	Yes	30 May 2017
Fraud and Corruption Prevention Strategy	Yes	30 May 2017

Table 33: Strategies

b) Implementation of Strategies

Strategies to implement	Key Risk Areas	Key measures to curb corruption and fraud
Code of Ethics	Use of consultants where not necessary	Inadequate resource of the risk management function

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Strategies to implement	Key Risk Areas	Key measures to curb corruption and fraud
Whistle Blowing Policy	Inadequate risk management capacity	 Incidence reporting register/database  Awareness workshops

Table 34: Implementation of the Strategies

2.9 AUDIT COMMITTEE














Section 166(2) of the MFMA states that an audit committee is an independent advisory body which must -

(a) advise the municipal council, the political office-bearers, the accounting officer and the management staff of the municipality, on matters relating to -

-  internal financial control;
-  risk management;
-  performance Management; and
-  effective Governance.

The audit committee have the following main functions as prescribed in section 166 (2) (a-e) of the MFMA and the Local Government Municipal and Performance Management Regulation:

a) Functions of the Audit Committee

-  To advise the Council on all matters related to compliance and effective governance.
-  To review the annual financial statements to provide Council with an authoritative and credible view of the financial position of the municipality, its efficiency and its overall level of compliance with the MFMA, the annual Division of Revenue Act (DoRA) and other applicable legislation.
-  Respond to the council on any issues raised by the Auditor-General in the audit report.
-  To review the quarterly reports submitted to it by the internal audit.
-  To evaluate audit reports pertaining to financial, administrative and technical systems.
-  The compilation of reports to Council, at least twice during a financial year.
-  To review the performance management system and make recommendations in this regard to Council.
-  To identify major risks to which Council is exposed and determine the extent to which risks have been minimised.
-  To review the annual report of the Municipality.
-  Review the plans of the internal audit function and in so doing; ensure that the plan addresses the high-risk areas and ensure that adequate resources are available.
-  Provide support to the internal audit function.
-  Ensure that no restrictions or limitations are placed on the internal audit section.
-  Evaluate the activities of the internal audit function in terms of their role as prescribed by legislation.

b) Members of the Audit Committee

The following table indicates the members of the audit committee:

Name of representative	Capacity
Pieter Strauss	Chairperson
Leone Arendse	Member

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Name of representative	Capacity
Marjorie Van den Heever	Member

Table 35: Members of the Audit Committee

2.10 PERFORMANCE AUDIT COMMITTEE

The Municipal Planning and Performance Management Regulations require that the performance audit committee is comprised of a minimum of three members, the majority of whom are external (neither a Councillor nor an employee) of the Municipality. Section 14(2) (b) of the Municipal Planning and Performance Management Regulations further stipulates that the performance audit committee must include at least one person who has expertise in performance management. It is also a requirement of the regulations in Section 14(2)(d) that the Council of a municipality designate neither a member of the performance audit committee who is neither a Councillor nor an employee of the Municipality as the chairperson of the committee.

In terms of Section 166(4) (a) of the MFMA, an audit committee must consist of at least three persons with appropriate experience, of who the majority may not be in the employ of the Municipality.

Section 166(5) of the MFMA, requires that the members of an audit committee must be appointed by the Council of the Municipality. One of the members, not in the employ of the Municipality, must be appointed as the chairperson of the committee. No Councillor may be a member of an audit committee.

Both the Municipal Planning and Performance Management Regulations and the MFMA, indicate that three is the minimum number of members needed to comprise a performance audit committee. While the regulations preclude the appointment of a Councillor as chairperson of the performance audit committee, the MFMA excludes the involvement of a Councillor in the composition of a performance audit committee entirely.

Section 14(3) (a) of the Municipal Planning and Performance Management Regulations requires that the performance audit committee of a Municipality must meet at least twice during each financial year. However, additional special meetings of the performance audit committee may be called for by any member of the committee, where sufficient justification exists in terms of Section 14(3) (b) of the Municipal Planning and Performance Management Regulation.

a) Functions of the Performance Audit Committee

In terms of Section 14(4) (a) of the Municipal Planning and Performance Management Regulations the performance audit committee has amongst others the responsibility to -

- i) review the quarterly reports produced and submitted by the internal audit process;
- ii) review the Municipality's performance management system and make recommendations in this regard to the Council of the Municipality; and
- iii) at least twice during each financial year submit a performance audit report to the Council of the Municipality.

b) Members of the Performance Audit Committee

The following table indicates the members of the performance audit committee:

Name of representative	Capacity
Pieter Strauss	Chairperson
Leone Arendse	Member
Marjorie van den Heever	Member

Table 36: Members of the Performance Audit Committee

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2.11 COMMUNICATION

Local government has a legal obligation and a political responsibility to ensure regular and effective communication with the community. The Constitution of the Republic of South Africa, 1996 and other statutory enactments all impose an obligation on local government and require high levels of transparency, accountability, openness, participatory democracy and direct communication with the communities to improve the lives of all.

Good customer care is clearly of fundamental importance to any organisation. A successful communication strategy therefore links the people to the Municipality's programme for the year.

Below is a communication checklist of the compliance to the communication requirements:

Newsletters

Type of Newsletter	Distributed
Internal	Yes
External	No

Table 37: Newsletter

Awareness Campaigns

Topic	Dates	Target Groups
Madiba Day	18 July 2017	Community
Staff Wellness Day	6 October 2017	Municipal staff

Table 38: Awareness Campaigns

Additional Communication Channels Utilised

Channel	Yes/No
SMS system	Yes
Call system and whatsapp	Yes

Table 39: Additional Communication Channels Utilised

2.12 WEBSITE

Municipalities are required to develop and maintain a functional website that displays relevant information as per the requirements of Section 75 of the MFMA and Section 21A and B of the MSA as amended.

The website should serve as a mechanism to promote accountability and transparency to communities and therefore information posted should be accurate and timeously updated.

The municipal website is a key communication mechanism in terms of service offering, information sharing and public participation. It is a communication tool that should allow easy and convenient access to relevant information. The municipal website should serve as an integral part of the Municipality's communication strategy.

Chapter 2: Good Governance

The table below gives an indication about the information and documents that are published on our website.

Description of information and/or document	Yes/No
Municipal contact details (Section 14 of the Promotion of Access to Information Act)	
Full Council details	Yes
Contact details of the Municipal Manager	Yes
Contact details of the CFO	Yes
Physical address of the Municipality	Yes
Postal address of the Municipality	Yes
Financial Information (Sections 53, 75, 79 and 81(1) of the MFMA)	
Draft Budget 2016/17	Yes
Adjusted Budget 2016/17	Yes
Asset Management Policy	Yes
Customer Care, Credit control & Debt collection Policy	Yes
Indigent Policy	Yes
Investment & Cash Management Policy	Yes
Rates Policy	Yes
Supply Chain Management Policy	Yes
Tariff Policy	Yes
Virement Policy	Yes
Travel and Subsistence Policy	Yes
SDBIP 2016/17	Yes
Budget and Treasury Office Structure	No
IDP and Public Participation (Section 25(4)(b) of the MSA and Section 21(1)(b) of the MFMA)	
Reviewed IDP for 2016/17	Yes
IDP Process Plan for 2016/17	Yes
Supply Chain Management (Sections 14(2), 33, 37 & 75(1)(e)&(f) and 120(6)(b) of the MFMA and Section 18(a) of the National SCM Regulation)	
List of capital assets that have been disposed	Yes
Long term borrowing contracts	Yes
SCM contracts above R30 000	Yes
Section 37 of the MFMA; No 56 of 2003 (Unsolicited Bids/Contracts)	Yes
Public invitations for formal price quotations	Yes
Reports (Sections 52(d), 71, 72 & 75(1)(c) and 129(3) of the MFMA)	
Annual Report of 2015/16	Yes
Oversight reports	Yes
Mid-year budget and performance assessment	Yes
Quarterly Reports	Yes
Monthly Budget Statement	Yes
Local Economic Development (Section 26(c) of the MSA)	

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Description of information and/or document	Yes/No
Local Economic Development Strategy	No
LED Policy Framework	No
Economic Profile	No
LED projects	No
Performance Management (Section 75(1)(d) of the MFMA)	
Performance Agreements for employees appointed as per S57 of MSA	Yes

Table 40: Website Checklist

Chapter 3: Service Delivery Performance

CHAPTER 3






This chapter provides an overview of the key service achievements of the municipality that came to fruition during 2016/17 in terms of the deliverables achieved compared to the key performance objectives and indicators in the IDP.

3.1 OVERVIEW OF PERFORMANCE WITHIN ORGANISATION

Performance management is a process which measures the implementation of the organisation's strategy. It is also a management tool to plan, monitor measure and review performance indicators to ensure effectiveness and the impact of service delivery by the municipality.

At local government level performance management is institutionalized through the legislative requirements on the performance management process for Local Government. Performance management provides the mechanism to measure whether meet its strategic goals, set by the organisation and its employees are met.

The Constitution of SA (1996). Section 152, dealing with the objectives of Local government paves the way for performance management with requirements for an "accountable government". The democratic values and principles in terms of Section 195 (1) are also linked with the concept of performance management. With reference to the principles of inter alia:

-  the promotion of efficient, economic and effective use of resources,
-  Accountable public administration
-  To be transparent by providing information,
-  To be responsive to the needs of the community,
-  And to facilitate a culture of public service and accountability amongst staff.

The Municipal Systems Act (MSA), 2000 requires municipalities to establish a performance management system. Further, the MSA and the Municipal Finance Management Act (MFMA) requires the Integrated Development Plan (IDP) to be aligned to the municipal budget and to be monitored for the performance of the budget against the IDP via the Service Delivery Budget Implementation Plan (SDBIP).

In addition, Regulation 7 (1) of the Local Government: Municipal Planning and Performance Management Regulations, 2001 states that "A Municipality's Performance Management System entails a framework that describes and represents how the municipality's cycle and processes of performance planning. Monitoring, Measurement, review, reporting and improvement will be conducted, organised and managed, including determining the roles of the different role players. "Performance management is not only relevant to the organisation as a whole, but also to the individuals employed in the organisation as well as the external service providers and the Municipal Entities. This framework, inter alia, reflects the linkage between the IDP, Budget, SDBIP and individual and service provider performance

3.1.1 Legislative Requirements

In terms of section 46 (1) (a) of the Municipal Systems Act, a municipality must prepare for each financial year a performance report reflecting the municipality's and any service provider's performance during the financial year, including comparison with targets of and with performance in the previous financial year. The report must, furthermore, indicate the development and service delivery priorities and the performance targets set by the municipality for the following financial year and measures that were or are to be taken to improve performance

Chapter 3: Service Delivery Performance

3.1.2 Organisational Performance

Strategic performance indicates how well the municipality is meeting its objectives and which policies and processes are working. All government institutions must report on strategic performance to ensure that service delivery is efficient, effective and economical. Municipalities must develop strategic plans and allocate resources for the implementation. The implementation must be monitored on an on-going basis and the results must be reported on during the financial year to various role-players to enable them to timeously implement corrective measures where required.

This report highlights the strategic performance in terms of the municipality's Top Layer Service Delivery Budget Implementation Plan (SDBIP), high level performance in terms of the National Key Performance Areas, performance on the National Key Performance Indicators prescribed in terms of section 43 of the Municipal Systems Act, 2000 and an overall summary of performance on municipal services.

3.1.3 Performance Management System used in the financial year 2016/17

a) Adoption of a Performance Management Framework

The municipality drafted a performance framework in the 2013/2014 financial year and it was approved by Council on 29 May 2014.

b) The IDP and the Budget

The 4th Reviewed IDP for 2016/17 and the budget for 2016/17 were approved by Council on 26 May 2016. The IDP process and the performance management processes are integrated. The IDP fulfils the planning stage of performance management. Performance Management in turn, fulfils the implementation management, monitoring and evaluation of the IDP.

The strategy map below illustrates the strategic link of the focus areas of the municipality with the national key performance areas.

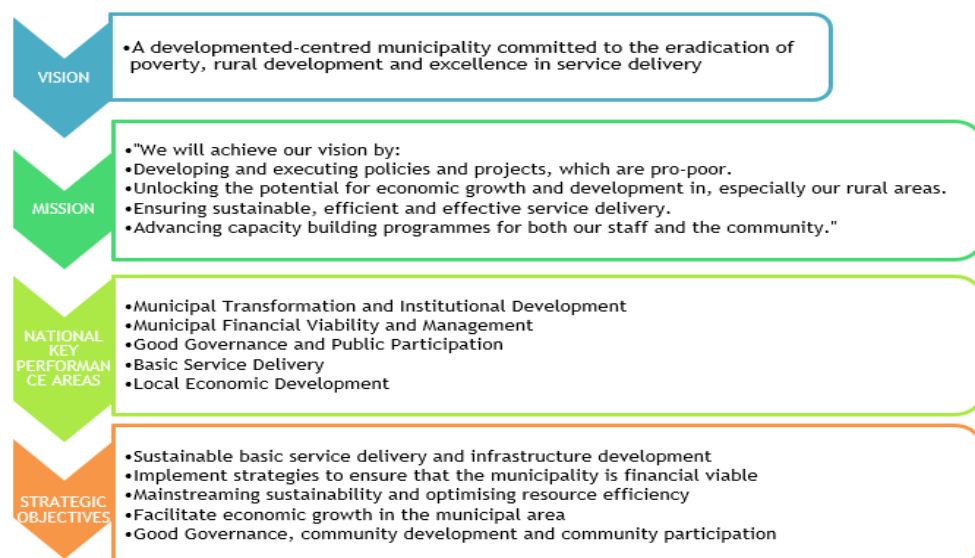






Figure 1: Strategy Map

Chapter 3: Service Delivery Performance






c) The Service Delivery Budget Implementation Plan

The organisational performance is evaluated by means of a municipal scorecard (Top Layer SDBIP) at organisational level and through the service delivery budget implementation plan (SDBIP) at directorate and departmental levels. The SDBIP is a plan that converts the IDP and budget into measurable criteria on how, where and when the strategies, objectives and normal business process of the municipality is implemented. It also allocates responsibility to directorates to deliver the services in terms of the IDP and Budget.

The MFMA Circular No. 13 prescribes that:



-  The IDP and budget must be aligned
-  The budget must address the strategic priorities
-  The SDBIP should indicate what the municipality is going to do during next 12 months
-  The SDBIP should form the basis for measuring the performance against goals set during the budget/IDP processes.

The SDBIP were prepared as per legislation and the Top Layer SDBIP was approved by the Executive Mayor on 13 June 2016. The Top Layer SDBIP was revised with the Adjustment Budget in terms of section 26 (2) (c) of the Municipal Budget and Reporting Regulations and an adjusted Top Layer SDBIP was approved by the Council on the 28 February 2017. The following were considered in the development of the amended Top Layer SDBIP:

-  Areas to be addressed and root causes of the Auditor-General management letter, as well as the risks identified during the 2015/2016 audit
-  Alignment with the IDP, National KPA's, Municipal KPA's and IDP objectives
-  Alignment with the Adjustment Budget
-  Oversight Committee Report on the Annual Report 2015/2016
-  The risks identified by the Internal Auditor during the municipal risk analysis

d) The Municipal Scorecard (Top Layer SDBIP)

The Municipal scorecard (Top Layer SDBIP) consolidate service delivery targets set by Council/senior management and provide an overall picture of performance for the municipality as a whole, reflecting performance on its strategic priorities. Components of the Top Layer SDBIP include:

-  One-year detailed plan, but should include a three-year capital plan
-  The 5 necessary components include:
 - Monthly projections of revenue to be collected for each source
 - Expected revenue to be collected NOT billed
 - Monthly projections of expenditure (operating and capital) and revenue for each vote
 - Section 71 format (Monthly budget statements)
 - Quarterly projections of service delivery targets and performance indicators for each vote
 - Non-financial measurable performance objectives in the form of targets and indicators
 - Output NOT input / internal management objectives
 - Level and standard of service being provided to the community
 - Ward information for expenditure and service delivery
 - Detailed capital project plan broken down by ward over three years

The following diagram illustrates the establishment, components and review of the municipal scorecard (Top Layer SDBIP):

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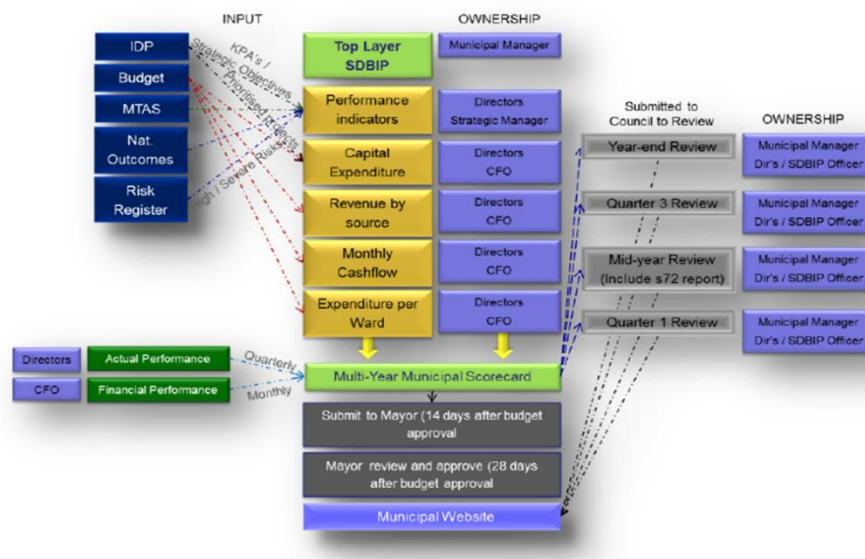


Figure 2: Components of the Municipal Scorecard (Top Layer)

Top Layer KPI's were prepared based on the following:

- Key Performance Indicators (KPI's) for the programmes/activities identified to address the strategic objectives as documented in the IDP.
- KPI's identified during the IDP and KPI's that need to be reported to key municipal stakeholders.
- KPI's to address the required National Agenda Outcomes, priorities and minimum reporting requirements.

It is important to note that the Municipal Manager needs to implement the necessary systems and process to provide the POE's for reporting and auditing purposes

e) Departmental Scorecards

The departmental scorecards (detail SDBIP) capture the performance of each defined department. Unlike the municipal scorecard, which reflects on the strategic performance of the municipality, the departmental SDBIP provide detail of each outcome for which top management are responsible for. It was compiled by senior managers for their directorate and consists of objectives, indicators and targets derived from the approved Top Layer SDBIP, the approved budget and measurable service delivery indicators related to each functional area.

The following diagram illustrates the establishment, components and review of the departmental SDBIP:

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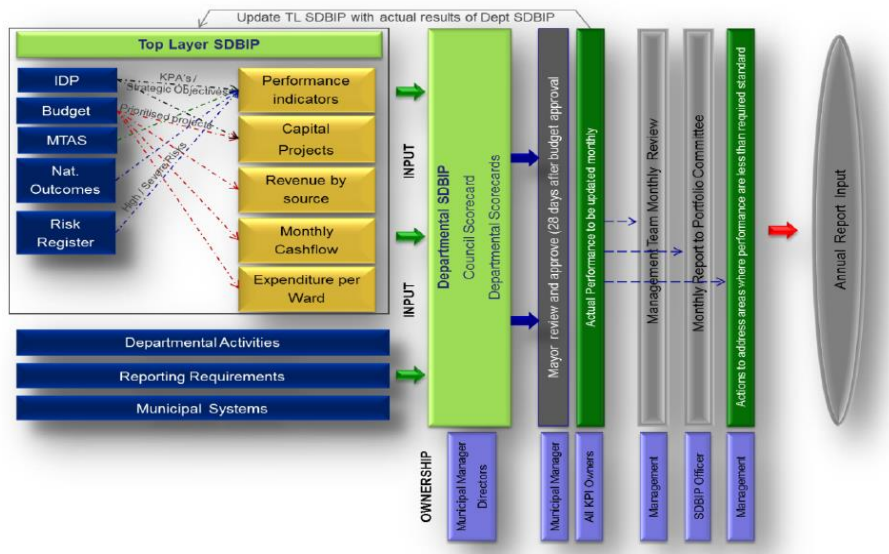


Figure 3: Components of the Departmental SDBIP

f) Actual Performance

The municipality utilizes an electronic web based system on which KPI owners update actual performance on a monthly basis. KPI owners report on the results of the KPI by documenting the following information on the performance system:

- The actual result in terms of the target set.
- The output/outcome of achieving the KPI.
- The calculation of the actual performance reported. (if %)
- A performance comment.
- Actions to improve the performance against the target set, if the target was not achieved.

It is the responsibility of every KPI owner to maintain a portfolio of evidence to support actual performance results updated.

3.1.4 Performance Management

Performance Management is prescribed by chapter 6 of the Municipal Systems Act, Act 32 of 2000 and the Municipal Planning and Performance Management Regulations, 796 of August 2001. Section 7 (1) of the aforementioned regulation states that “A Municipality’s Performance Management System entails a framework that describes and represents how the municipality’s cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organized and managed, including determining the responsibilities of the different role players. “This framework, inter alia, reflects the linkage between the IDP, Budget, SDBIP and individual and service provider performance.

(a) Organisational Performance

The organisational performance is monitored and evaluated via the SDBIP and the performance process can be summarised as follows:

- The Top Layer SDBIP was approved on 13 June 2016.
- The web based system sent automated e-mails to the users of the system as a reminder to all staff responsible for updating their actual performance against key performance indicator targets by the 20th of every month for the previous month’s performance.

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Additionally, the performance system administrator reminded all departments on a monthly basis to update their actual performance on the web based system.

(b) Individual Performance Management - Municipal Managers and Managers directly accountable to the Municipal Manager

The Municipal Systems Act, 2000 (Act 32 of 2000) prescribes that the municipality must enter into performance based agreements with all s57 managers and that performance agreements must be reviewed annually. This process and the format are further regulated by Regulation 805 (August 2006). The performance agreements for the 2016/2017 financial were signed during July 2016.

The appraisal of the performance in terms of the signed agreements takes place twice per annum as regulated. The appraisal was done by an evaluation panel as indicated in the signed performance agreements and in terms of Regulation 805 and consisted of the following people:

- Executive Mayor
- Portfolio Chairperson
- Municipal manager
- Chairperson of the Performance Audit Committee
- Municipal Manager from other municipality

3.2 INTRODUCTION TO STRATEGIC AND MUNICIPAL PERFORMANCE FOR 2016/17

3.2.1 Strategic Service Delivery Budget Implementation Plan (Top Layer)

The purpose of strategic performance reporting is to report specifically on the implementation and achievement of IDP outcomes. This section should provide an overview on the strategic achievement of a municipality in terms of the strategic intent and deliverables achieved as stated in the IDP. The Top Layer (strategic) SDBIP is the municipality's strategic plan and shows the strategic alignment between the different documents (IDP, Budget and Performance Agreements).

In the paragraphs below the performance achieved is illustrated against the Top layer SDBIP according to the IDP (strategic) objectives.

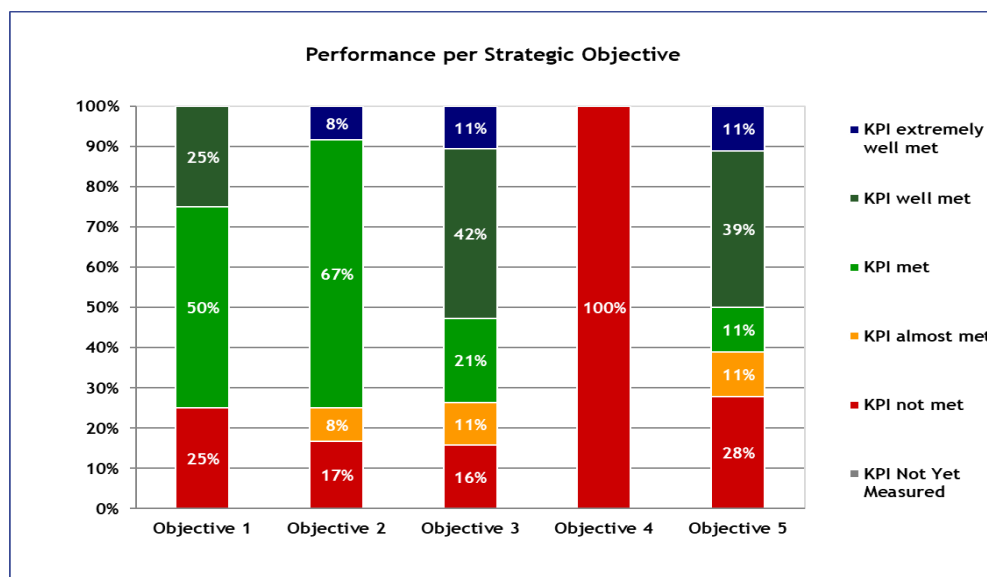
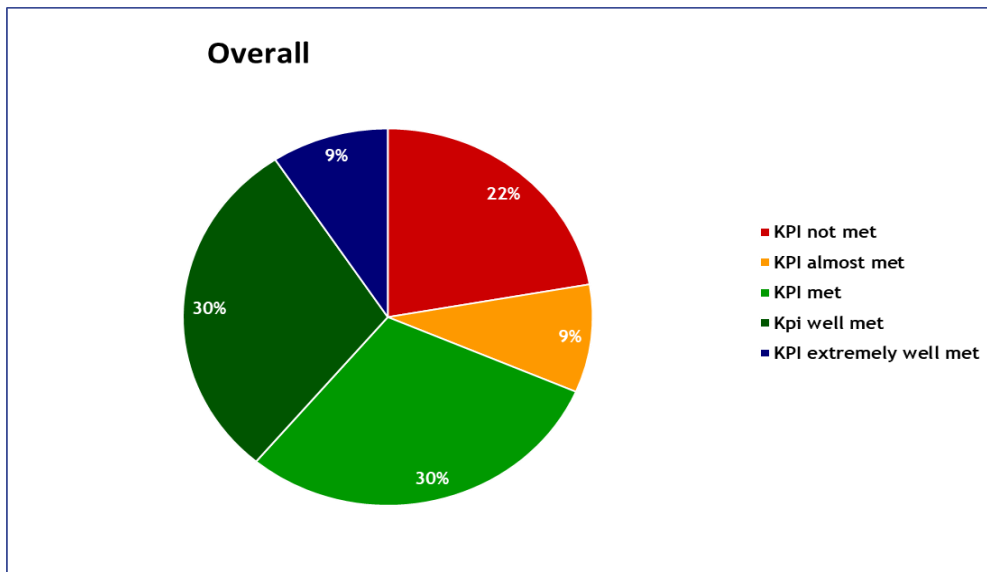
The following table explains the method by which the overall assessment of actual performance against targets set for the key performance indicators (kpi's) of the SDBIP is measured:

Category	Colour	Explanation
KPI Not Yet Measured	N/A	KPI's with no targets or actuals in the selected period
KPI Not Met	R	0% > = Actual/Target < 75%
KPI Almost Met	O	75% > = Actual/Target < 100%
KPI Met	G	Actual/Target = 100%
KPI Well Met	G2	100% > Actual/Target < 150%
KPI Extremely Well Met	B	Actual/Target > = 150%

Figure 4: SDBIP Measurement Criteria

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The overall performance results achieved by the Municipality in terms of the Top Layer SDBIP are indicated in the tables and graphs below:



Graph 3: Top Layer SDBIP per Strategic Objectives

Measurement Category	Objective 1	Objective 2	Objective 3	Objective 4	Objective 5	Total
	Facilitate economic growth in the municipal area	Good governance, community development and community participation	Implement strategies to ensure that the municipality is financial viable	Mainstreaming sustainability and optimising resource efficiency	Sustainable basic services delivery and infrastructure development	
KPI Not Yet Measured	0	0	0	0	0	0
KPI Not Met	1	2	3	1	5	12

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Measurement Category	Objective 1	Objective 2	Objective 3	Objective 4	Objective 5	Total
	Facilitate economic growth in the municipal area	Good governance, community development and community participation	Implement strategies to ensure that the municipality is financial viable	Mainstreaming sustainability and optimising resource efficiency	Sustainable basic services delivery and infrastructure development	
KPI Almost Met	0	1	2	0	2	5
KPI Met	2	8	4	0	2	16
KPI Well Met	1	0	8	0	7	16
KPI Extremely Well Met	0	1	2	0	2	5
Total	4	12	19	1	18	54

Table 41: Top Layer SDBIP per Strategic Objectives

a) Facilitate Economic Growth in the Municipal Area

Ref	KPI	Unit of Measurement	Ward	Actual performance for 2015/16	Overall Performance 2016/17						Actual	R
					Target							
					Q1	Q2	Q3	Q4	Annual			
TL10	Create 100 jobs opportunities in terms of EPWP by 30 June 2017	Number of job opportunities created in terms of EPWP	All	196	0	0	0	100	100	109	G2	
TL43	Spend 90% of approved project budget for upgrading of Elands Bay Fisheries National Project by 30 June 2017 {(Actual expenditure divided by the total approved project budget) x 100}	% of budget spent	All	4 buildings completed	0%	20%	65%	90%	90%	90%	G	
TL46	Sign lease agreements with emerging farmers in 5 wards by 30 June 2017	Number of lease agreements signed	All	New performance indicator for 2016/17. No comparative audit results available	0	0	0	5	5	0	R	
Corrective measures			Lease Agreements to be signed with emerging farmers									
TL50	Review the LED Strategy and submit to Council by 31 December 2016	Reviewed Strategy submitted to council	All	New performance indicator for 2016/17. No comparative audit results available	0	1	0	0	1	1	G	

Table 42: Facilitate Economic Growth in the Municipal Area

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b) Good Governance, Community Development and Community Participation

Ref	KPI	Unit of Measurement	Ward	Actual performance for 2015/16	Overall Performance 2016/17						
					Target					Actual	R
					Q1	Q2	Q3	Q4	Annual		
TL11	Appointments in 3 highest levels of management that comply with the Employment Equity Plan	Number of appointments made in 3 highest levels of management	All	1	0	0	0	1	1	4	B
TL12	Percentage of municipality's personnel budget actually spent on implementing its workplace skills plan measured as at 30 June 2017 ((Total Actual Training Expenditure/ Total personnel Budget)x100))	% of municipality's personnel budget actually spent on implementing its workplace skills plan as at 30 June 2017	All	0.35%	0%	0%	0%	1%	1%	0.27%	R
Corrective measures			<p>The KPI does not conform to the SMART principle, in the sense that it is not Attainable. I have raised the concern during the setting of the target, because the training budget for 2016/2017 was much lower than the 1% (R812 705.02) required achieving the target. In order to rectify this matter, the following is proposed:</p> <p>a) the training budget must be brought in line with the 1% as per the KPI; or b) the KPI must be adjusted in line with our available funds for training</p>								
TL17	Review the system of delegations and submit to council by 31 December 2016	Reviewed System of Delegations submitted to Council	All	New performance indicator for 2016/17. No comparative audit results available	0	1	0	0	1	1	G
TL18	Review the Standing Rules of Order and submit to Council by 30 September	Reviewed Standing Rules of order submitted to Council	All	New performance indicator for 2016/17. No comparative audit results available	1	0	0	0	1	1	G
TL44	Complete phase 1 of the upgrade of the Graafwater and Clanwilliam sportfields by 30 June 2017	Phase 1 of upgrade completed	3; 4	New performance indicator for 2016/17. No comparative audit results available	0	0	0	1	1	0	R
Corrective measures			KPI will not be met in the current financial year 2016/17, but will roll over to the next financial year								
TL45	Spend 90% of approved project budget for upgrading Community facilities by end of June 2017 {(Actual expenditure divided by the total approved project budget) x 100}	% of budget spent	All	New performance indicator for 2016/17. No comparative audit results available	0%	20%	65%	90%	90%	73%	O
Corrective measures			See Capital Expenditure (CAPEX) report as portfolio of evidence (POE) of April 2017, with adjustment budget an additional R150 000 was added, original budget amount was R100 000								
TL47	Spend 90 % of approved budget to upgrade the Elands	% of budget spent	All	New performance indicator for	0%	20%	65%	90%	90%	90%	G

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Ref	KPI	Unit of Measurement	Ward	Actual performance for 2015/16	Overall Performance 2016/17							
					Target					Actual	R	
					Q1	Q2	Q3	Q4	Annual			
	Bay Multi purpose hall by 30 June 2017 {(Actual expenditure divided by the total approved project budget) x 100}			2016/17. No comparative audit results available								
TL51	Complete the annual Risk Assessment and submit the strategic and operational risk register to the risk Committee by 31 March 2017	Submit strategic and operational risk to the risk committee	All	0	0	0	1	0	1	1	1	G
TL52	Develop and submit the risk based audit plan for 2017/18 to the Audit Committee by 28 February 2017	Risk based audit plan submitted to the Audit Committee	All	0	0	0	1	0	1	1	1	G
TL53	Draft the annual performance report for 2015/16 and submit to the Auditor General by 31 August 2016	Annual performance report for 2015/16 drafted and submitted to the Auditor General	All	1	0	1	0	0	1	1	1	G
TL54	Compile and submit the final annual report and oversight report for 2015/16 to Council by 31 March 2017	Final annual report and oversight report for 2015/16 submitted to Council	All	1	0	0	1	0	1	1	1	G
TL55	Submit the final 4th Generation IDP to Council by 31 May 2017	Final IDP submitted to Council	All	1	0	0	0	1	1	1	1	G

Table 43: Good Governance, Community Development and Community Participation

c) Implement Strategies to Ensure that the Municipality is Financial Viable

Ref	KPI	Unit of Measurement	Ward	Actual performance for 2015/16	Overall Performance 2016/17						
					Target					Actual	R
					Q1	Q2	Q3	Q4	Annual		
TL1	Number of formal residential properties that receive piped water (credit and prepaid water) that is connected to the municipal water infrastructure network and billed for the service as at 30 June 2017	Number of residential properties which are billed for water or have pre paid meters	All	4 974	4 965	4 965	4 965	4 965	4 965	4 973	G2
TL2	Number of formal residential properties connected to the municipal electrical infrastructure network (credit and prepaid electrical metering)(Excluding Eskom areas) and	Number of residential properties which are billed for electricity or have pre paid meters (Excluding Eskom areas)	All	7 847	7 615	7 615	7 615	7 615	7 615	7 515	O

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Ref	KPI	Unit of Measurement	Ward	Actual performance for 2015/16	Overall Performance 2016/17						Actual	R
					Target							
					Q1	Q2	Q3	Q4	Annual			
	billed for the service as at 30 June 2017											
Corrective measures			7515 residential properties are billed for electricity									
TL3	Number of formal residential properties connected to the municipal waste water sanitation/sewerage network for sewerage service, irrespective of the number of water closets (toilets) and billed for the service as at 30 June 2017	Number of residential properties which are billed for sewerage	All	4 335	4 320	4 320	4 320	4 320	4 320	4 408	G2	
TL4	Number of formal residential properties for which refuse is removed once per week and billed for the service as at 30 June 2017	Number of residential properties which are billed for refuse removal	All	4 973	4 960	4 960	4 960	4 960	4 960	5 023	G2	
TL5	Provide free basic water to indigent households as per the requirements in the indigent policy as at 30 June 2017	Number of households receiving free basic water a	All	2 148	1 852	1 852	1 852	1 852	1 852	2 012	G2	
TL6	Provide free basic electricity to indigent households as per the requirements in the indigent policy as at 30 June 2017	Number of households receiving free basic electricity	All	2 148	1 972	1 972	1 972	1 972	1 972	1 984	G2	
TL7	Provide free basic sanitation to indigent households as per the requirements in the indigent policy as at 30 June 2017	Number of households receiving free basic sanitation services	All	2 128	1 901	1 901	1 901	1 901	1 901	1 903	G2	
TL8	Provide free basic refuse removal to indigent households as per the requirements in the indigent policy as at 30 June 2017	Number of households receiving free basic refuse removal	All	2 148	1 944	1 944	1 944	1 944	1 944	2 012	G2	
TL9	Monitor the quarterly percentage of the municipal capital budget actually spent on capital projects [(Amount actually spent on capital projects/ Amount budgeted for capital projects)x100]	% of capital budget spent on capital projects	All	New performance indicator for 2016/17. No comparative audit results available	10%	20%	60%	90%	90%	40%	R	

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Ref	KPI	Unit of Measurement	Ward	Actual performance for 2015/16	Overall Performance 2016/17						
					Target					Actual	R
					Q1	Q2	Q3	Q4	Annual		
Corrective measures			<p>3 Major capital projects affected the spending of the capital budget as follows: 1. tenders advertised for the construction of the Sea Outfall for the desalination plant in Lamberts Bay came in at almost double the amount of available budget. The municipal team could therefore not utilize available funding. A roll over application will be submitted. An additional funding request was sent to the Department of Water and Sanitation (DWS) in the 2016/17 financial year (FY). 2. The full annual MIG allocation of R14 952 000 for the 2016/17 FY was spent. Additional funds received from the SRSA, were subject to requirements by SRSA prior to project registration which was only effected in November 2016. A roll over application supported by the SRSA will be submitted to finalize the implementation of the project in the 2017/18 FY. 3. Funding in the amount of R13 000 000 was received from the Department of Human Settlements (DHS) in March 2017 for the completion of the Citrusdal Waste Water Treatment Plant (WWTP), 3 months was not sufficient to utilize these funds for the electrical and mechanical components of the plant. The project is in progress for completion in the 2017/18 FY</p>								
TL13	Financial viability measured in terms of the municipality's ability to meet it's service debt obligations as at 30 June 2017 ((Total operating revenue-operating grants received)/debt service payments due within the year))	% of debt coverage	All	11.29%	0%	0%	0%	45%	45%	9.52%	B
TL14	Financial viability measured in terms of the municipality's ability to meet it's service debt obligations as at 30 June 2017 ((Short Term Borrowing + Bank Overdraft + Short Term Lease + Long Term Borrowing + Long Term Lease) / Total Operating Revenue - Operating Conditional Grant)	% of outstanding service debtors	All	24.55%	0%	0%	0%	30%	30%	20.92%	B
TL15	Financial viability measured in terms of the available cash to cover fixed operating expenditure as at 30 June 2017 ((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, and Provision for Bad Debts, Impairment and Loss on Disposal of Assets))	Number of months it takes to cover fix operating expenditure with available cash	All	0.05	0	0	0	1	1	0.6	R
Corrective measures			<p>In the current year a financial turn-around strategy was implemented as part of the long-term financial plan. The results of the said implementation were as follow: The current assets to liabilities ratio increased to 0.71:1 in comparison with 0.64:1 of the prior year. The average creditors' repayment 69 days in comparison with 80 days in the prior year. Outstanding trade payables as at year-end were R 28 631 071, in comparison with R 40 800 082 of the prior year. Despite a worsening economic conditions, the Municipality was able to maintain its excellent collection ratio.</p>								

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Ref	KPI	Unit of Measurement	Ward	Actual performance for 2015/16	Overall Performance 2016/17						Actual	R
					Target							
					Q1	Q2	Q3	Q4	Annual			
			<p>A cash shortfall of R 11 043 113 as reported in note 2 is only of a temporary nature. After year-end the municipality was able to maintain positive cash balances of R 46 538 680 which is more than sufficient address all outstanding statutory obligations.</p> <p>In addition, harsh austerity measures has been implemented. The 2017/18 budget approved by Council is projecting a cash surplus of R 15 796 501 over the MTREF period. The said authority measures will have no negative impact on service delivery</p>									
TL16	Improve the available cash to cover fixed operating expenditure ration with 5% by 30 June 2017 [(Ratio at 30 June 17 - Ratio at 30 June 16)/Ratio at 30 June 16] x100]	Ratio improved by 5%	All	New performance indicator for 2016/17. No comparative audit results available	0%	0%	0%	5%	5%	0.60%	R	
Corrective measures			<p>In the current year a financial turn-around strategy was implemented as part of the long-term financial plan. The results of the said implementation were as follow: The current assets to liabilities ratio increased to 0.71:1 in comparison with 0.64:1 of the prior year.</p> <p>The average creditors' repayment 69 days in comparison with 80 days in the prior year. Outstanding trade payables as at year-end were R 28 631 071, in comparison with R 40 800 082 of the prior year.</p> <p>Despite a worsening economic conditions, the Municipality was able to maintain its excellent collection ratio. A cash shortfall of R 11 043 113 as reported in note 2 is only of a temporary nature. After year-end the municipality was able to maintain positive cash balances of R 46 538 680 which is more than sufficient address all outstanding statutory obligations.</p> <p>In addition, harsh austerity measures have been implemented. The 2017/18 budget approved by Council is projecting a cash surplus of R 15 796 501 over the MTREF period. The said authority measures will have no negative impact on service delivery</p>									
TL20	Spent 90% of the Financial Management Grant by 30 June 2017	% of FMG grant spent	All	100%	0%	20%	0%	90%	90%	100%	G2	
TL21	Submit financial statements to the Auditor General by 31 August 2016	Approved financial statements submitted to the Auditor-General	All	1	1	0	0	0	1	1	G	
TL22	Achievement of a payment percentage of 90% quarterly ((Gross Debtors Closing Balance + Billed Revenue - Gross Debtors Opening Balance + Bad Debts Written Off)/Billed Revenue) x 100	Payment % achieved	All	90%	90%	90%	90%	90%	90%	88.19%	O	
Corrective measures			The Municipality is in the process of a long term financial strategy plan									
TL23	Achieve an unqualified audit opinion by 31 March 2017 for the 2015/16 financial year	Unqualified Audit opinion received	All	1	0	0	1	0	1	1	G	
TL24	Submit the draft main budget to Council by 31 March 2017	Draft main budget submitted to Council	All	1	0	0	1	0	1	1	G	
TL25	Submit the adjustments budget	Adjustment budget submitted to Council	All	1	0	0	1	0	1	1	G	

Chapter 3: Service Delivery Performance

Ref	KPI	Unit of Measurement	Ward	Actual performance for 2015/16	Overall Performance 2016/17							
					Target					Actual	R	
					Q1	Q2	Q3	Q4	Annual			
	to Council by 28 February 2017											

Table 44: Implement Strategies to Ensure that the Municipality is Financial Viable

d) Mainstreaming Sustainability and Optimizing Resource Efficiency

Ref	KPI	Unit of Measurement	Ward	Actual performance for 2015/16	Overall Performance 2016/17						
					Target					Actual	R
					Q1	Q2	Q3	Q4	Annual		
TL19	Finalise the job descriptions for all staff members and submit for Task evaluation by 30 June 2017 [(Total number of job descriptions finalised/Total number of staff members)x100]	% of Job descriptions finalised and submitted for task evaluation	All	New performance indicator for 2016/17. No comparative audit results available	0%	0%	0%	100%	100%	38.80%	R
Corrective measures				The job descriptions were submitted to the TASK committee during September 2016. Some of the jobs were evaluated, but due to the fact that newly elected council decided to change the organogram again, we were advised by the TASK committee to rather submit the all the job descriptions after the finalization of the final organogram							

Table 45: Mainstreaming Sustainability and Optimizing Resource Efficiency

e) Sustainable Basic Services Delivery and Infrastructure Development

Ref	KPI	Unit of Measurement	Ward	Actual performance for 2015/16	Overall Performance 2016/17						
					Target					Actual	R
					Q1	Q2	Q3	Q4	Annual		
TL26	Limit unaccounted for water to less than 15% by 30 June 2017 {(Number of Kilolitres Water Purchased or Purified - Number of Kilolitres Water Sold (incl free basic water) / Number of Kilolitres Water Purchased or Purified }x100}	% unaccounted water	All	12%	20%	18%	16%	15%	15%	12.76%	B
TL27	Limit unaccounted for electricity to less than 13% by 30 June 2017 {(Number of Electricity Units Purchased and/or Generated - Number of Electricity Units Sold (incl Free basic electricity) / Number of Electricity Units Purchased and/or Generated) }x100}	% unaccounted electricity	All	13.60%	20%	18%	16%	13%	13%	6.20%	B
TL28	90% spent of the project budget for the Lamberts Bay	% of the project budget spent per quarter	5	New performance indicator for	10%	20%	65%	90%	90%	100%	G2

Chapter 3: Service Delivery Performance

Ref	KPI	Unit of Measurement	Ward	Actual performance for 2015/16	Overall Performance 2016/17							
					Target					Actual	R	
					Q1	Q2	Q3	Q4	Annual			
	Housing Bulk Electricity Upgrade Phase 2 by 30 June 2017 [(Total expenditure on the project/ Approved budget for the project)x100]			2016/17. No comparative audit results available								
TL29	90% spent of the approved maintenance budget for electricity services by 30 June 2017 [(Total expenditure on maintenance/ Approved budget for maintenance)x100]	% maintenance budget spent per quarter	All	New performance indicator for 2016/17. No comparative audit results available	25%	40%	60%	90%	90%	86.67%	O	
Corrective measures			A portion of the budgeted amount for operations was allocated to the capital electricity budget									
TL30	Purchase a new refuse removal truck by 30 June 2017	Refuse removal truck purchased	All	New performance indicator for 2016/17. No comparative audit results available	0	0	0	1	1	0	R	
Corrective measures			IT was budgeted for the 2016/17 FY, however during the adjustment budget the funds were revised due to outstanding decisions on the implementation of the regional dumpsite as well as cash flow constraints. Implementation decision of the Regional waste site to be finalized and required service vehicles to be budgeted together with associated infrastructure, including transfer stations in Clanwilliam and drop off sites									
TL31	Purchase new light duty vehicles for Electricity and Town Planning by 30 June 2017	Number of LDV's purchased	All		0	0	0	2	2	2	G	
TL32	90% spent of the project budget for the design and installation of roads and storm water infrastructure for Citrusdal by 30 June 2017 [(Total expenditure on project/ Approved budget for the project)x100]	% of project budget spent per quarter	2	24%	0%	20%	65%	90%	90%	109%	G2	
TL33	90% spent of the approved maintenance budget for roads and stormwater by 30 June 2017 [(Total expenditure on maintenance/ Approved budget for maintenance)x100]	% maintenance budget spent per quarter	All	New performance indicator for 2016/17. No comparative audit results available	25%	40%	60%	90%	90%	105.98%	G2	
TL34	90% spent of the 2016/17 budget for the Upgrade of the Wastewater Treatment Works Phase 2 in Lamberts Bay by 30 June 2017	% of the project budget spent per quarter	5	143.10% (Phase 1)	0%	20%	65%	90%	90%	111%	G2	

Chapter 3: Service Delivery Performance

Ref	KPI	Unit of Measurement	Ward	Actual performance for 2015/16	Overall Performance 2016/17						
					Target					Actual	R
					Q1	Q2	Q3	Q4	Annual		
	[(Total expenditure on the project/ Approved budget for the project)x100]										
TL35	90% spent of the approved project budget for the Citrusdal WWTW infrastructure upgrade by 30 June 2017 [(Total expenditure on project/ Approved budget for the project)x100]	% of the project budget spent per quarter	2	New performance indicator for 2016/17. No comparative audit results available	0%	20%	65%	90%	90%	119%	G2
TL36	90% spent of the approved maintenance budget for waste water by 30 June 2017 [(Total expenditure on maintenance/ Approved budget for maintenance)x100]	% maintenance budget spent per quarter	All	New performance indicator for 2016/17. No comparative audit results available	25%	40%	60%	90%	90%	106.69%	G2
TL37	100% spent of the MIG grant by 30 June 2017 [(Total expenditure on MIG Grant/ Approved MIG allocation)x100]	% of budget spent	All	100%	0%	20%	65%	100%	100%	73.8%	R
Corrective measures			The full annual MIG allocation of R14 952 000 for the 2016/17 FY was spent. Additional funds received from the SRSA, were subject to requirements by SRSA prior to project registration which was only effected in November 2016. A roll over application supported by the SRSA will be submitted to finalize the implementation of the project in the 2017/18 FY								
TL38	90% spent of the project budget for the construction of the desalination plant - Lamberts Bay by 30 June 2017 [(Total expenditure on project/ Approved budget for the project)x100]	% of budget spent	5	New performance indicator for 2016/17. No comparative audit results available	0%	0%	0%	90%	90%	12.4%	R
Corrective measures			Tenders advertised for the construction of the Sea Outfall for the desalination plant in Lamberts Bay came in at almost double the amount of available budget. The municipal team could therefore not utilize available funding. A roll over application will be submitted. An additional funding request was sent to the DWS in the 2016/17 FY								
TL40	95% of the water samples comply with SANS 241 micro biological parameters {(Number of water samples that comply with SANS21 indicators/Number of water samples tested)x100}	% of water samples complying with SANS 241 micro biological parameters	All	87%	95%	95%	95%	95%	95%	86.30%	O
Corrective measures			Compliance of micro biological parameters of samples from rural towns, including Wupperthal, Algeria and Leipoldtville are affected by the lack of treatment systems in these areas. The municipality is continuously applying for funding for the installation of water treatment infrastructure and identification of new sources of water. Funding received in the 2016/17 FY for the drilling and equipment of boreholes in Algeria and Wupperthal should show an improvement upon completion of this project								




Chapter 3: Service Delivery Performance

Ref	KPI	Unit of Measurement	Ward	Actual performance for 2015/16	Overall Performance 2016/17						
					Target					Actual	R
					Q1	Q2	Q3	Q4	Annual		
TL41	90% spent of the approved maintenance budget for water by 30 June 2017 [(Total expenditure on maintenance/ Approved budget for maintenance)x100]	% maintenance budget spent per quarter	All	New performance indicator for 2016/17. No comparative audit results available	25%	40%	60%	90%	90%	108.98%	G2
TL42	Report to Council on the implementation of the regional dump site plan as per agreement with West Coast DM	Number of report submitted	All	New performance indicator for 2016/17. No comparative audit results available	0	1	0	1	1	1	R
Corrective measures			Presentation done at Council meeting by Mr Jan Palm								
TL48	Review the housing delivery/human settlement plan and submit to Council by 30 September 2016	Housing delivery / human settlement plan reviewed and submitted to council	All	New performance indicator for 2016/17. No comparative audit results available	1	0	0	0	0	1	G
TL49	Review the Informal Settlements Strategy and submit to Council by 31 March 2017	Reviewed Strategy submitted to council	All	New performance indicator for 2016/17. No comparative audit results available	0	0	1	0	0	0	R
Corrective measures			Item was submitted to Council, Council referred item back to Administration to be workshopped, item was not workshopped by Council as yet								




Table 46: Sustainable Basic Services Delivery and Infrastructure Development

3.2.2 Service Providers Strategic Performance

Section 76 (b) of the MSA states that KPI's should inform the indicators set for every municipal entity and service provider with whom the municipality has entered into a service delivery agreement.

-  Service Provider means a person or institution or any combination of persons and institutions which provide a municipal service.
-  External service provider means an external mechanism referred to in subsection 75 (b) which provides a municipal service or a municipality.
-  A service delivery agreement means an agreement between a municipality and an institution or person mentioned in section 76 (b) in terms of which a municipal service is provided by that institution or person, either for its own account or on behalf of the municipality.

Section 121 (b) of the MFMA and Section 46 of the MSA further state that a municipality should include the following related to service providers in its annual report:

-  The performance of each service provider
-  A comparison of the performance with targets set for and performance in the previous financial year; and
-  Measures taken to improve performance.

Chapter 3: Service Delivery Performance

Section 116 (2) of the MFMA further states that the Accounting Officer of a municipality must:

- 🇷🇺 Take all reasonable steps to ensure that a contract or agreement procured through the supply chain management policy of the municipality or municipal entity is properly enforced;
- 🇷🇺 Monitor on a monthly basis the performance of the contractor under the contract or agreement.

The purpose of this section is to provide information related to the performance of external service providers. Only services rendered for amount more than R200 000 are listed.

The table below indicates service providers utilised according to functional areas:

3.2.2.1 Office of the Municipal Manager

Description of services rendered	Term of contract	Performance Progress	Performance Comment	Corrective Measures
Performance Management review - 1 st Quarter (RAKOMA)	1 July 2014 - 30 June 2016	Completed	Satisfied	N/A
Performance Management review - 2 nd Quarter (RAKOMA)	1 July 2014 - 30 June 2016	Completed	Satisfied	N/A
Performance Management review - 3 rd Quarter (RAKOMA)	1 July 2014 - 30 June 2016	Completed	Satisfied	N/A
Performance Management review - 4 th Quarter (RAKOMA)	1 July 2014 - 30 June 2016	Completed	Satisfied	N/A
Performance Management System (Ignite Advisory Services)	20 November 2016 - 20 November 2019	Good	Good	N/A

Table 47: Service Providers: Office of the Municipal Manager

3.2.2.2 Financial Services

Description of services rendered	Term of contract	Performance Progress	Performance Comment	Corrective Measures
Design, Print and Distribution of Municipal Accounts (Cab Holdings)	1 July 2016 - 30 June 2017	Satisfactory	Satisfactory	None
Fujitsu	1 July 2016 - 30 June 2017	Good	Good	None
General and Additional Valuations (HCB Valuers)	1 October 2015 - 30 June 2020	Good	Good	None
Prepaid Electricity Vending (Ontec)	1 October 2015 - 31 October 2018	Satisfactory	Good	None
Assistance with compilation of Annual Financial Statements (Siyanda)	1 December 2015 - 30 November 2018	Good	Good	None

Chapter 3: Service Delivery Performance

Description of services rendered	Term of contract	Performance Progress	Performance Comment	Corrective Measures
Short Term Insurance (AON)	Contract ended - 30 June 2017	Satisfactory	Satisfactory	None
Audit of all Water and Electricity Meters, Capturing of Data of meters in the Cederberg Municipal Area (MOTLA Consulting Engineers (Pty) Ltd)	18 May 2016 - 19 November 2016	Satisfactory	Satisfactory	None
Appointment of an Auctioneer (Go industry Dove bid)	26 June 2014 - 26 June 2017	Good	Good	None

Table 48: Service Providers: Financial Services

3.2.2.3 Community Development Services

Description of services rendered	Term of contract	Performance Progress	Performance Comment	Corrective Measures
Carins Building Services: Building Work Labour	Once off contract	Complete	Average	Contract completed within timeframe
ASLA	On going	Average	Not always within timeframes	Put more pressure to get better performance
TMT	3 years	Good	Dispute arises, due to cases being withdrawn.	Cederberg to be more committed. Officers not always available and payments are outstanding to the service provide.

Table 49: Service Providers: Community Development Services

3.2.2.4 Corporate and Strategic Services

Description of services rendered	Term of contract	Performance Progress	Performance Comment	Corrective Measures
Organogram (AGITO Minds)	23 February 2016 - 2 May 2016	Completed	Good	N/A
Records Management (Quidity)	11 February 2016 -30 March 2018	Ongoing	Good	N/A
Office Automation (Nashua)	10 October 2017 -31 December 2020	Ongoing	Good	N/A
Security Services (Ranger Services)	1 July 2017 - 30/06/2018	Ongoing	Good	N/A
Alarms and Armed Response (B and S)	1 July 2017 -30 June 2020	Ongoing	Good	N/A

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Description of services rendered	Term of contract	Performance Progress	Performance Comment	Corrective Measures
Advertising (Rita Du Toit Recruitment and Advertising)	1 July 2017 -30 June 2020	Ongoing	Good	N/A
Travel and Accommodation (TWF Travel)	1 July 2017 -30 June 2018	Ongoing	Good	N/A

Table 50: Service Providers: and Strategic Services

3.2.2.5 Engineering and Planning Services

Description of services rendered	Term of contract	Performance Progress	Performance Comment	Corrective Measures
Carins Building Services: Building Work Labour	October 2015-Jan-Feb 2016	Completed	Good	N/A
West Coast NCS Builders: Building Work Labour	July 2015-June 2016	Completed	Good	N/A
West Coast NCS Builders: Supply Building Materials	July 2015-June 2016	Completed	Good	N/A
SI Sam Eng. Services: Engineering Works	July 2016-June 2017	Completed	Good	N/A
Van Dyk Stene: Supply of paving materials	July 2016-July 2017	Completed	Good	N/A

Table 51: Service Providers: and Strategic Services

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3.2.3 Municipal Functions

a) Analysis of Functions

The municipal functions areas are as indicated below:

Municipal Function	Municipal Function Yes / No
Constitution Schedule 4, Part B functions:	
Air pollution	No
Building regulations	Yes
Child care facilities	Yes
Electricity and gas reticulation	Yes
Fire fighting services	MOU with District
Local tourism	Yes
Municipal airports	Yes
Municipal planning	Yes
Municipal health services	No
Municipal public transport	Yes
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law	No
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto	No
Stormwater management systems in built-up areas	Yes
Trading regulations	Yes
Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems	Yes
Constitution Schedule 5, Part B functions:	
Beaches and amusement facilities	Yes
Billboards and the display of advertisements in public places	Yes
Cemeteries, funeral parlors and crematoria	Yes
Cleansing	Yes
Control of public nuisances	Yes
Control of undertakings that sell liquor to the public	Yes
Facilities for the accommodation, care and burial of animals	Yes
Fencing and fences	Yes
Licensing of dogs	Yes
Licensing and control of undertakings that sell food to the public	Yes
Local amenities	Yes
Local sport facilities	Yes
Markets	Yes
Municipal abattoirs	No

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Municipal Function	Municipal Function Yes / No
Municipal parks and recreation	Yes
Municipal roads	Yes
Noise pollution	Yes
Pounds	No
Public places	Yes
Refuse removal, refuse dumps and solid waste disposal	Yes
Street trading	Yes
Street lighting	Yes
Traffic and parking	Yes

Table 52: Functional Areas

3.3 COMPONENT A: BASIC SERVICES

This component includes basic service delivery highlights and challenges, includes details of services provided for water, waste water (sanitation), electricity, waste management, housing services and a summary of free basic services.

3.3.1 WATER PROVISION

a) Introduction to Water Services

Water is probably the most fundamental and indispensable of natural resources - fundamental to life, the environment, food production, hygiene and power generation, Poverty reduction and improved water management are inextricably linked. Section 4B of the Constitution lists water and sanitation services limited to portable water supply systems and domestic waste water and sewerage disposal systems as a local government function. Basic water is defined as 25 litres of potable water per day supplied within 200 metres of a household

b) Highlights: Water Services

The table below specifies the highlight for the year:

Highlights	Description
Graafwater new borehole development	A new borehole was drilled, tested and equipped to provide water for Graafwater community.
Graafwater Water Treatment Works (WTW) refurbishment	Reservoir assessment and repairs commence with the installation and repairs of a third borehole; replace all bulk meters and connected them to the Ascada; alterations to old pump room to new offices; repairs to boreholes; telemetry upgrading; construction of conservancy tank and repair of the fencing.
Lamberts Bay raw water storage reservoir refurbishment	Massive losses from reservoir urged the entire repairs of the reservoir
Leipoldtville borehole and reservoir repairs	The replacement of steel pipes at the borehole and the leakages on the drinking water reservoir were repaired.

Table 53: Water Services Highlight

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c) Challenges: Water Services

The table below specifies the challenges for the year:

Description	Actions to address
Lack of funding to address infrastructure needs	The water delivery capacity for towns such as Citrusdal needs to be upgraded. Wuppertal and Algeria water provision is very restricted and inadequate.

Table 54: Water Services Challenges

d) Service Delivery Levels

Total Use of Water by Sector (cubic meters)				
Year	Agriculture	Forestry	Industrial	Domestic
2015/16	Unknown	Unknown	Included in Domestic	2 145 662
2016/17	Unknown	Unknown	Included in Domestic	3 617 874

Table 55: Water Use by Sector (Cubic Meters)

Below is a table that specifies the different water service delivery levels per households for the financial years 2015/16 and 2016/17:

Description	2015/16	2016/17
	Actual	Actual
Household		
Water: (above minimum level)		
Piped water inside dwelling	4 653	4 960
Piped water inside yard (but not in dwelling)	1 410	1 410
Using public tap (within 200m from dwelling)	111	111
Other water supply (within 200m)	0	0
Minimum Service Level and Above Sub-total	6 174	6 481
Minimum Service Level and Above Percentage	3.3%	3.3%
Water: (below minimum level)		
Using public tap (more than 200m from dwelling)	1 100	1 100
Other water supply (more than 200m from dwelling)	0	0
No water supply	0	0
Below Minimum Service Sub-total	0	0
Below Minimum Service Level Percentage	0	0
Total number of Households (formal and informal)	4 974 (formal hh)	7 325
<i>Include informal settlements</i>		

Table 56: Water Service Delivery Levels: Households

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e) Employees: Water Services

The following table indicates the staff composition for this division:

Employees: Water Services					
Job Level	2015/16	2016/17			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	12	12	15	14	1
4 - 6	3	3	2	2	0
7 - 9	4	4	3	3	0
10 - 12	2	2	0	0	0
13 - 15	1	1	0	0	0
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
Total	22	22	20	19	1

Table 57: Employees: Water Services

f) Capital: Water Services

The following table indicates the capital expenditure for this division:

Capital Expenditure 2016/17: Water Services					
Capital Projects	2016/17				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	14 487 000	19 017 889	4 872 111	-14 145 777	19 017 889
Boreholes Algeria	0	1 850 000	1 537 083	(312 917)	1 850 000
Equipment & meter replacement	100 000	915 219	717 280	(197 939)	915 219
Infrastructure Water Services - Clanwilliam	0	310 486	0	(310 486)	310 486
Infrastructure Water Services - Lamberts Bay	0	79 140	0	(79 140)	79 140
RBIG: Regional Water Supply and Desalination	14 387 000	14 388 000	1 565 154	(12 822 846)	14 388 000
Upgrading Graafwater Water Scheme	0	1 475 044	1 052 594	(422 450)	1 475 044

Table 58: Capital Expenditure 2016/17: Water Services

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3.3.2 WASTE WATER (SANITATION) PROVISION

The department of Water and Sanitation commenced with the regulation of water services in South Africa as early as 2004 but intensified this approach with the introduction of the much celebrated incentive-based regulatory approaches which includes the Green Drop and the newly introduced No Drop Certification programmes. These programmes excelled beyond expectations since it stimulated politicians. Despite the good efforts it remains a massive challenge for Cederberg Municipality to comply with all standards set by the Local Government. The funding requirement to address the infrastructure backlogs in the waste water sector deteriorates every year as a result of an increase of the inflation rate. However, section 4B of the Constitution lists water and sanitation services limited to potable water supply systems, domestic waste water and sewerage disposal systems as a local government function. Cederberg Municipality would like to enhance the backlog eradication in order to improve the overall compliance in operations and management.

a) Highlights: Waste Water (Sanitation) Provision

The table below specify the highlight for the year:

Highlights	Description
Lamberts Bay Waste Water Treatment Works (WWTW)	Lamberts Bay WWTW will be commissioned in Sept/Oct 2017.
Citrusdal WWTW	Citrusdal WWTW is under construction and will be commissioned at the end of March 2018

Table 59: Waste Water (Sanitation) Provision Highlight

b) Challenges: Waste Water (Sanitation) Provision

The table below specifies the challenges for the year:

Description	Actions to address
Insufficient funding for Capital projects	The following WWTW requires upgrading: Elands Bay; Graafwater; Clanwilliam and Algeria.
Process Controllers	Budget approved vacancies will be filled in line with the approved organogram and

Table 60: Waste Water (Sanitation) Provision Challenges

c) Services Delivery levels: Waste Water (Sanitation) Provision

Below is a table that specifies the different sanitation service delivery levels per households for the financial years 2015/16 and 2016/17:

Description	2015/16	2016/17
	Actual	Actual
<u>Household</u>		
<u>Sanitation/Sewerage: (above minimum level)</u>		
Flush toilet (connected to sewerage)	4 335	4 408
Flush Toilet (with Septic tank)	514	514
Chemical Toilet	20	20
Pit Toilet (ventilated)	0	0

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Description	2015/16	2016/17
	Actual	Actual
Household		
Sanitation/Sewerage: (above minimum level)		
Other toilet provisions (above minimum service level)	379	379
Minimum Service Level and Above Sub-Total	379	379
Minimum Service Level and Above Percentage	8.7%	8.7%
Sanitation/Sewerage: (below minimum level)		
Bucket Toilet	0	0
Other Toilet provisions (below minimum service level)	0	0
No toilet provisions	2000	2000
Below Minimum Service Level Sub-Total	2000	2000
Below Minimum Service Level Percentage	7.8%	7.8%
Total number of households	7 500	7 500

Table 61: Waste Water (Sanitation) Provision Service Delivery Levels

d) Employees: Waste Water (Sanitation) Provision

The following table indicates the staff composition for this division:

Employees: Sanitation Services					
Job Level	2015/16	2016/17			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	7	40	12	28	70
4 - 6	6	22	6	16	72.7
7 - 9	0	4	2	2	50
10 - 12	0	2	1	1	50
13 - 15	0	1	1	0	0
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
Total	13	69	22	47	68

Table 62: Employees Waste Water (Sanitation) Provision

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e) Capital: Waste Water (Sanitation) Provision

The following table indicates the capital expenditure for this division:

Capital Expenditure 2016/17: Sanitation Services					
Capital Projects	2016/17				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	15 731 650	26 666 154	13 278 625	-13 387 529	26 666 154
Citrusdal WWTW	0	13 315 000	805 061	(12 509 939)	13 315 000
Infrastructure Sanitation Services - Clanwilliam	0	162 033	0	(162 033)	162 033
MIG: Upgrade WWTW Phase 2 Lamberts Bay	8 821 650	10 363 045	10 098 442	(264 603)	10 363 045
RBIG: Citrusdal WWTW	2 660 000	2 660 000	2 279 959	(380 041)	2 660 000
RBIG: Clanwilliam WWTW	4 000 000	0	0	0	0
Equipment	250 000	166 076	95 164	(70 912)	166 076

Table 63: Capital Expenditure 2016/17: Waste Water (Sanitation) Provision

3.3.3 ELECTRICITY

a) Introduction to Electricity

Local Government plays a very important role in the provision of electricity. Section 153 of the Constitution places the responsibility on municipalities to ensure the provision of services to communities in a sustainable manner for economic and social support.

Service Backlogs

The municipality cannot allow any development in Clanwilliam due to a shortage of electricity from the Eskom bulk intake point. Negotiations between Eskom and the municipality is on-going to solve this problem

Infrastructure

The municipality is responsible for the distribution of electricity in all urban areas including Clanwilliam, Citrusdal, Lamberts Bay, Elands Bay and Graafwater. Eskom distributes electricity to the areas not serviced by the municipality.

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b) Highlights: Electricity

The table below specifies the highlights for the year:

Highlights	Description
Electrification project at Lamberts Bay	The first phase of this project started in 2015 with the rectification of the 11kv switching station building. The second phase in 2016 was to purchase the switching station. The third phase will be the installation of the switchgear and the electrification of the 123 informal houses.
Refurbishment of 11 kv switchgear	The 11 kv switch gear in Citrusdal was serviced to secure safe switching.

Table 64: Electricity Highlights

c) Challenges: Electricity

The table below specifies the challenges for the year:

Description	Actions to address
Upgrade the bulk intake at Clanwilliam	Negotiation with Eskom to upgrade the bulk supply to Clanwilliam

Table 65: Electricity Challenges

d) Service Delivery Levels: Electricity

The table below specifies the service delivery levels for the year:

Households		
Description	2015/16	2016/17
	Actual	Actual
	No.	No.
<u>Households</u>		
Electricity	7 183	7 515
Total number of households	7 974	8 500
<i>Number of debtors according to the billing system</i>		

Table 66: Electricity Service Delivery Levels

e) Employees: Electricity

The following table indicates the staff composition for this division:

Employees: Electricity Services					
Job Level	2015/16	2016/17			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0

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Employees: Electricity Services					
Job Level	2015/16	2016/17			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
4 - 6	5	10	6	4	40
7 - 9	2	6	3	3	50
10 - 12	3	5	4	1	20
13 - 15	1	1	1	0	0
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
Total	11	22	14	8	36

Table 67: Employees: Electricity Services

f) Capital: Electricity

The following table indicates the capital expenditure for this division:

Capital Expenditure 2016/17: Electricity Services					
Capital Projects	2016/17				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	3 365 000	4 513 078	3 512 477	(1 000 601)	4 513 078
Vehicles	315 000	280 000	277 282	(2 718)	280 000
Upgrade Network	0	614 013	419 321	(194 692)	614 013
Equipment	50 000	119 065	58 332	(60 733)	119 065
Integrated National Electrification Programme (INEP)	3 000 000	3 000 000	2 757 541	(242 459)	3 000 000
Replace Streetlight	0	150 000	0	(150 000)	150 000
Replace Streetlights Clanwilliam Main Road	0	350 000	0	(350 000)	350 000

Table 68: Capital Expenditure 2016/17: Electricity

3.3.4 WASTE MANAGEMENT (REFUSE COLLECTIONS, WASTE DISPOSAL, STREET CLEANING AND RECYCLING)

a) Introduction to Waste Management

The fragmented and uncoordinated way pollution and waste has been dealt with, as well as insufficient resources to implement and monitor existing legislation, contributes largely to the unacceptably high levels of pollution and waste in South Africa. Through the promulgation and implementation of various pieces of policies, legislation, standards and guidelines as well as the implementation of co-operative governance as envisaged in the Constitution this situation will be improved. The current fragmentation, duplication and lack of co-ordination will be eliminated.

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Pollution and waste management is not the exclusive preserve of government. The private sector and civil society have crucial roles to play. The fostering of partnerships between government and the private sector is a prerequisite for sustainable and effective pollution and waste management to take place. Similarly, the spirit of partnerships and co-operative governance between organs of state is equally important due to the crosscutting nature of pollution and waste management.

b) Highlights: Waste Management

The table below specifies the highlights for the year:

Highlights	Description
Youth jobs in waste	Department of Environmental Affairs (DEA) waste programme

Table 69: Waste Management Highlights

c) Challenges: Waste Management

The table below specifies the challenges for the year:

Description	Actions to address
Funding shortage/constraints	Source additional funding
Landfill site capacity	Regional waste site: shortage of funds

Table 70: Waste Management Challenges

d) Service Delivery Levels: Waste Management

The table below specifies the service delivery levels for the year:

Description	Households	
	2015/16	2016/17
	Actual	Actual
	No.	No.
<u>Solid Waste Removal: (Minimum level)</u>		
Removed at least once a week	4 944	4 944
<i>Minimum Service Level and Above sub-total</i>	4 944	4 944
<i>Minimum Service Level and Above percentage</i>	100%	100%
<u>Solid Waste Removal: (Below minimum level)</u>		
Removed less frequently than once a week	0	0
Using communal refuse dump	0	0
Using own refuse dump	0	0
Other rubbish disposal	0	0
No rubbish disposal	0	0
<i>Below Minimum Service Level sub-total</i>	0	0
<i>Below Minimum Service Level percentage</i>	0%	0%
Total number of households	4 944	4 944

Table 71: Waste Management Service Delivery Levels

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e) Employees: Waste Management

The following table indicates the staff composition for this division:

Employees: Solid Waste Services					
Job Level	2015/16	2016/17			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	60	30	28	2	6.6
4 - 6	6	11	5	6	54
7 - 9	5	3	3	0	0
10 - 12	4	0	0	0	0
13 - 15	0	1	0	1	100
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
Total	75	45	36	9	20

Table 72: Employees: Waste Management

f) Capital: Waste Management

R'000					
Capital Projects	2016/17				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
General vehicles and specialised/engineering	0	5 000	1 241	(3 759)	5 000
Refuse: equipment	50	89	89	0	89
Specialised/engineering vehicles and plant	1 500	0	0	0	0



Table 73: Capital Expenditure 2016/17: Waste Management

3.3.5 HOUSING

a) Introduction to Housing

Housing need:

The need for an integrated residential development approach that address the whole spectrum of residential needs has been identified and the following main income categories have been considered:

-  Subsidy housing R0 - R3 500 per month
-  GAP housing R3 501-R15 000

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Given the strategic decision to focus on subsidy and gap Housing, the needs can be summarized as follows:

Subsidy	4 411
Gap	917

Table 74: Housing needs

b) Highlights: Housing

The table below specifies the highlights for the year:

Highlights	Description
Title deeds	Properties registered on beneficiaries names
Lamberts Bay housing project	Planning of project

c) Challenges: Housing

The table below specifies the challenges for the year:

Description	Actions to address
Updating of housing database	Invite beneficiaries to update database

Table 75: Housing Challenges

d) Service Delivery Levels

The following table shows the increase in the number of people on the housing waiting list. There are current approximately 5 328 households on the waiting list.

Financial year	Number of housing units on waiting list	% Housing waiting list increase/(decrease)
2015/16	5 328	1.9%
2016/17	5 385	1%

**Compared to 2015/16 there was an increase in 2016/17 and the housing units on the waiting list increased during 2016/17*

Table 76: Housing Waiting List

A summary of houses built, includes:

Financial year	Allocation	Amount spent	% spent	Number of houses built	Number of sites serviced
	R'000	R'000			
2015/16	407	380	93	0	0
2016/17	536	536	100	0	0

Table 77: Houses Built and Sites Services

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e) Employees: Housing

The following table indicates the staff composition for this division:

Employees: Housing					
Job Level	2015/16	2016/17			
	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	1	0	1	100
10 - 12	2	3	2	1	33
13 - 15	2	2	2	0	0
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
Total	4	6	4	2	33

Table 78: Employees: Housing

3.3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT

a) Introduction

The table indicates the percentage of indigent households that have access to free basic municipal services. In accordance with the approved indigent policy of the municipality, all households earning less than R2 800 per month will receive the free basic services as prescribed by national policy. The table, furthermore, indicates the total number of indigent households and other households that received free basic services in the past two financial years.

The table below indicates that 29.86% of the total number of households received free basic services in 2016/2017 financial year:

Financial year	Number of households								
	Total no of HH	Free Basic Electricity		Free Basic Water		Free Basic Sanitation		Free Basic Refuse Removal	
		No. Access	%	No. Access	%	No. Access	%	No. Access	%
2015/16	2 247	2 225	99%	2 247	100%	2 240	99%	2 247	50% Subsidised
2016/17	2 012	1 984	99%	2 012	100%	1 950	97%	2 012	100%

Table 79: Free Basic Services to Indigent Households

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Electricity									
Financial year	Indigent Households			Non-indigent households			Households in Eskom areas		
	No. of HH	Unit per HH (kwh)	Value	No. of HH	Unit per HH (kwh)	Value	No. of HH	Unit per HH (kwh)	Value
			R'000			R'000			R'000
2015/16	2 225	50	153 458	7 524	120	69 753 268	22	120	23 772
2016/17	1 984	50	140 864	7 515	120	77 869 060	22	120	168 004

Table 80: Free Basic Electricity Services to Indigent Households

Water						
Financial year	Indigent Households			Non-indigent households		
	No. of HH	R value per HH	Value	No. of HH	R value per HH	Value
			R'000			R'000
2015/16	2 247	6	783 386	4 976	25	15 918 239
2016/17	2 012	6	780 612	4 937	25	17 432 164

Table 81: Free Basic Water Services to Indigent Households

Sanitation						
Financial year	Indigent Households			Non-indigent households		
	No. of HH	R value per HH	Value	No. of HH	R value per HH	Value
			R'000			R'000
2015/16	2 240	1	3 078 412	4 335	1	7 024 707
2016/17	1 950	18140	3 348 044	4 408	1	7 190 928

Table 82: Free Basic Sanitation Services to Indigent Households

Refuse Removal						
Financial year	Indigent Households			Non-indigent households		
	No. of HH	Service per HH per week	Value	No. of HH	R value per HH	Value
			R'000			R'000
2015/16	2 247	1	378 720	4 976	1	5 209 593
2016/17	2 012	1	379 684	5 023	1	5 608 804

Table 83: Free Basic Refuse Removal Services to Indigent Households

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Financial Performance 2016/17: Cost to Municipality of Free Basic Services Delivered				
Services Delivered	2015/16	2016/17		
	Actual	Budget	Adjustment Budget	Actual
	R'000			
Water	783 385	822 183	822 183	780 611
Waste Water (Sanitation)	3 078 411	3 349 400	3 349 400	3 348 043
Electricity	18 598	91 124	183 600	168 004
Waste Management (Solid Waste)	378 720	403 025	403 025	379 684



Table 84: Cost to Municipality of Free Basic Services Delivered

3.4 COMPONENT B: ROAD TRANSPORT

3.4.1 ROADS

a) Introduction to Roads

The municipality has 100 km of tarred municipal roads and 19 km of gravel roads. The upgrading of municipal roads needs urgent attention as it is estimated that life expectancy of municipal roads surfacing, and structure is 6 and 11 years respectively. The following backlog exists in terms of municipal roads:

-  Roads: upgrading of gravel roads to tar - backlog 19 km
-  Roads: maintenance: reseal and rehabilitation - backlog 24 km

The Cederberg Pavement Management System (PMS) has been updated.

b) Highlights: Roads

The table below specifies the highlights for the year:

Highlight	Description
Upgrading of roads	Upgrading of gravel roads in Citrusdal

Table 85: Roads Highlights

c) Challenges: Roads

The table below specifies the challenges for the year:

Description	Actions to address
Funding shortage/constraints	Source additional funding

Table 86: Roads Challenges

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d) Service Delivery Levels and Statistics: Roads

The table below specifies the service delivery levels for the year:

Gravel Road Infrastructure: Kilometres				
Year	Total gravel roads (km)	New gravel roads constructed (km)	Gravel roads upgraded to tar (km)	Gravel roads graded/maintained (km)
2015/16	19	0	1	4
2016/17	19	0	0	2

Table 87: Gravel Road Infrastructure

Tarred Road Infrastructure: Kilometres					
Year	Total tarred roads (km)	New tar roads (km)	Existing tar roads re-tarred (km)	Existing tar roads re-sheeted (km)	Tar roads maintained (km)
2015/16	98	0	0	1	4
2016/17	100	0	0	1	4

Table 88: Tarred Road Infrastructure

The table below shows the costs involved for the maintenance and construction of roads within the municipal area:

Financial year	Gravel			Tar		
	New	Gravel - Tar	Maintained	New	Re-worked	Maintained
	R'000	R'000	R'000	R'000	R'000	R'000
2015/16	0	1 800	70	0	0	375
2016/17	0	2 520	270	0	0	550

Table 89: Cost of Construction/Maintenance of Roads

e) Employees: Roads

The following table indicates the staff composition for this division:

Employees: Roads					
Job Level	2015/16	2016/17			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	10	14	14	0	0
4 - 6	7	12	7	5	71
7 - 9	3	3	3	0	0
10 - 12	0	1	0	1	100
13 - 15	0	0	0	0	0
16 - 18	1	0	0	0	0
19 - 20	0	0	0	0	0

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Employees: Roads					
Job Level	2015/16		2016/17		
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
Total	21	30	24	6	20

Table 90: Employees: Roads

f) Capital: Roads

The following table indicates the capital expenditure for this division:

Capital Expenditure 2016/17: Roads and Storm water					
Capital Projects	Budget	Adjustment Budget	Actual Expenditure	Variance from budget	Total Project Value
Total All	5 444 200	3 999 055	3 366 274	(632 781)	3 999 055
Speed Bumps	0	22 600	22 600	0	22 600
MIG: Roads and Storm water Clanwilliam	500 000	0	0	0	0
MIG: Roads and Storm water Citrusdal	4 844 200	3 450 781	3 318 001	(132 780)	3 450 781
Equipment	100 000	25 674	25 673	(1)	25 674
Upgrade Roads	0	500 000	0	(500 000)	500 000

Table 91: Capital Expenditure 2016/17: Roads

3.4.2 WASTE WATER (STORMWATER DRAINAGE)

a) Highlights: Waste Water (Stormwater)

The table below specifies the highlights for the year:

Highlight	Description
Construction of Citrusdal roads and storm water project.	Multi-year MIG project. Phase includes Nieuwoud Street storm water upgrades, paving of school access road off Muller street, Cemetery access road off Voortrekker street, Industrial area roads and storm water
Annual high pressure jet cleaning of drains and storm water pipes in major towns. Routine maintenance with available funds.	Annual cleaning of storm water pipes and drains

Table 92: Waste Water (Stormwater) Highlights

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b) Challenges: Waste Water (Stormwater)

The table below specifies the challenges for the year:

Description	Actions to address
Roads and stormwater master plans required for the towns of Lamberts Bay, Elands Bay and Graafwater	Municipality and MISA signed a Technical Support Plan for development of master plans by MISA
Insufficient funding for implementation of master plans	Funding to be sourced from MIG. Further challenges are the backlogs on the existing MIG funded projects including wastewater which are multi-year projects

Table 93: Waste Water (Stormwater) Challenges

c) Services Delivery Levels and Statistics

The table below shows the total kilometers of stormwater system maintained and upgraded as well as the kilometers of new stormwater pipes installed:

Stormwater Infrastructure: Kilometres				
Year	Total stormwater measures (km)	New stormwater measures (km)	Stormwater measures upgraded (km)	Stormwater measures maintained (km)
2015/16	20	0	0	3
2016/17	30	0	0	3

Table 94: Waste Water (Stormwater) Services Delivery Statistics

The table below indicates the amount of money spend on storm water projects:

Stormwater Measures			
Year	New	Upgraded	Maintained
2015/16	0	0	100 000
2016/17	0	0	270 000

Table 95: Waste Water (Stormwater) Services Delivery Statistics - Financials

d) Employees: Waste Water (Stormwater)

The following table indicates the staff composition for this division:

Employees: Waste Water (Storm water drainage)					
Job Level	2015/16		2016/17		
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	8	9	4	5	55
4 - 6	0	0	0	0	0
7 - 9	0	0	0	0	0
10 - 12	0	0	0	0	0

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Employees: Waste Water (Storm water drainage)					
Job Level	2015/16	2016/17			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
13 - 15	1	0	0	0	0
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
Total	9	9	4	5	55

Table 96: Employees: Waste Water (Stormwater)

3.5 COMPONENT C: PLANNING AND LOCAL ECONOMIC DEVELOPMENT (LED)

3.5.1 PLANNING

a) Introduction to Planning

Land use planning for Cederberg Municipality is handled by the Engineering & Planning Department

b) Highlights: Planning

The table below specifies the highlights for the year:

Highlights	Description
Implementation of the Cederberg Municipality: By-Law on Municipal Land Use Planning, effective as from 01 June 2016. Appointed a Candidate Town Planner and assisted with all relevant requirements of a Town Planner. Revising the Cederberg Spatial Development Framework for the next five years.	By-Law on Municipal Land Use Planning as gazetted in Provincial Gazette Extraordinary No. 7604 dated 15 April 2016 Proclamation by the Premier of the Western Cape: Commencement of the Western Cape Land Use Planning Act, 2014 (Act 3 of 2014) within Cederberg Municipality Area. Gazetted in Provincial Gazette Extraordinary No. 7622 dated 01.06.2016

Table 97: Planning Highlights

c) Challenges: Planning

The table below specifies the challenges for the year:

Description	Actions to address
Department under capacitated w.r.t. human resources. Network capabilities also restrict the Department to be more efficient, i.e. reliable internet access and updating relevant data for the Municipality. Furthermore, limited printing and scanning facilities restrict the Department providing support to different departments and public enquiries	To appoint at least: 1 x Admin assistant, 1 x Building Inspector. The Department is working on obtaining a Qualified Professional Town Planner. Obtaining A0/A1 scanner and printer. Upgrading network capabilities

Table 98: Planning Challenges

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d) Service Delivery Levels: Planning

The table below specifies the service delivery levels for the year:

Applications for Land Use Development				
Detail	Formalisation of Townships		Rezoning	
	2015/16	2016/17	2015/16	2016/17
Planning application received	0	0	27	69
Applications not approved	0	0	2	0
Applications closed	0	0	19	68
Applications outstanding at year end	0	0	8	1
Awaiting DEA&DP decision	0	0	0	1

Table 99: Applications for Land Use Development

Type of service	2015/16	2016/17
Building plans application processed	192	194
Total surface (m ²)	1 367 009	29 664
Approximate value	R126 167 354	R173 539 280
Residential extensions	6 097m ² ; R17 582 000	17 076m ² ; R76 842 000
Land use applications processed	54	69

Table 100: Additional Performance Town Planning and Building Control

d) Employees: Planning

The following table indicates the staff composition for this division:

Employees: Planning					
Job Level	2015/16	2016/17			
	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	0	1	100
10 - 12	2	5	2	3	60
13 - 15	1	2	1	1	50
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
Total	4	8	3	4	50

Table 101: Employees: Planning

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3.5.2 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLACES)

Local Economic Development (LED) is a cross-cutting discipline, and is reliant upon all the departments within the municipality in order to be successful. The municipality has recognised the importance of LED as a vehicle for growth and poverty alleviation and has committed itself to create an enabling environment within which economic growth and development can be achieved.

The Cederberg Municipality LED Unit is working hard to create institutional capacity and the necessary policies and procedures to ensure that LED becomes ingrained in the way that we do things in the municipality.

a) *Highlights: LED*

The table below includes the highlights with the implementation of the LED Strategy:

Highlights	Description
Hosting of a Local Economic Development Summit	A LED Summit was held in March 2017, which brought together small businesses and entrepreneurs from the entire Cederberg area, where priorities and challenges were discussed. All these inputs were captured and taken into account when putting together the LED Implementation Plan
Updating of LED Strategy	The new approved LED Strategy incorporated inputs from the 2010 LED Strategy and 2013 PACA Report and Medium Term LED Strategy. Strategy was approved by Council in January 2016, and forms the backbone of Cederberg Municipality's strategic vision to achieve local economic development.
Development of LED Implementation Plan for all wards in Cederberg Municipality	The LED Implementation Plan is a consultative document that outlines the type and nature of various initiatives that will be undertaken in the 6 wards to facilitate and promote LED in Cederberg Municipality.
Support to Department of Public Works regarding Operation Phakisa	Cederberg Municipality actively supports and promotes initiatives undertaken as part of the Operation Phakisa by Department of Public Works, to ensure that the government properties at small harbours of Lambert's Bay and Eland's Bay are made available for purposes of investment and economic development
Strategic Procurement Initiatives	Undertaking of various procurement initiatives to support and empower local, emerging entrepreneurs
Support to Cooperatives	The municipality supported a number of cooperatives through training and capacity building initiatives. The municipality also worked closely with Department of Rural Development and Land Reform to provide funding to 5 local cooperatives.
Events Support to Promote LED	Cederberg Municipality works closely with event organisers to ensure that local content is prioritised at events held in the municipal area.

Table 102: LED Highlights

b) *Challenges: LED*

The table below includes the challenges with the implementation of the LED Strategy:

Description	Actions to address
Lack of capacity	Appointment of suitably skilled LED practitioner to support LED Manager; implementation of EPWP project with emphasis on LED

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Description	Actions to address
Policy environment not yet sufficient	The LED Manager is in process to develop a number of the most important policies and by-laws: informal trading, events, investor-friendly SOP's.

Table 103: Challenges LED

c) Employees: LED

Employees: LED					
Job Level (T-grade)	2015/16	2016/17			
	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	0	1	100
7 - 9	0	2	2	0	0
10 - 12	0	1	1	0	0
13 - 15	1	1	1	0	0
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
Total	1	5	4	1	20

Table 104: Employees: LED

3.5.3 Tourism

a) Introduction to Tourism

The Cederberg Integrated Tourism Development and Marketing Strategy that was developed in 2013 continuous to serve as the guide for all the activities of this department.

Tourism is one of the main growth and job-creating sectors in the local economy. The strategy will guide the enhancement of existing tourism products and underneath and develop new sustainable tourism commodities to achieve an optimum mix that will attract specific market

Five strategic objectives were identified:

Strategic Objective	Sub-Objective
1. Tourism Development: Unlock the true tourism potential of the Cederberg through the development of a range of new and existing tourism products, experiences and events that fulfil visitor requirements and maximize income, contributing to local economic development and growth.	1.1 Community Based Tourism: Mainstream community based tourism initiatives by implementing a portfolio of marketable tourism products and services in hitherto marginalized, rural communities of the Cederberg e.g. Elands Bay and Wupperthal. 1.2 Catalytic Tourism Development Projects: Identify and develop new and existing portfolio of high-profile catalytic tourism products that will enhance the profile of the Cederberg as a national tourism destination of note. 1.3 Extreme Sports Tourism: Develop the Cederberg's extreme and adventure sports potential as a vibrant tourism sub-sector in the region.

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Strategic Objective	Sub-Objective
	<p>1.4 Niche Tourism: Develop viable niche tourism sectors specifically birding, mountain biking routes, cultural and heritage routes, botanical/herb-tourism and agro-tourism.</p> <p>1.5 Events Tourism: Develop an exciting, well-planned portfolio of major and community events that stimulates inclusive economic growth, job-creation and promotes social cohesion and community development.</p>
<p>2 Tourism Transformation: Create conditions conducive for genuine, bottom-up tourism transformation and specifically the inclusion of previously disadvantaged areas and individuals in the Cederberg Tourism Association industry.</p>	<p>2.1 Institutional Arrangements: Review and improve the current local tourism institutional arrangements in line with national policy guidelines.</p> <p>2.2 Representativeness: Develop and implement a realistic blueprint for participation and inclusion of all sectors of the community with a stake in tourism.</p> <p>2.3 Compliance with relevant legislation: Establish a mechanism that will facilitate and enforce applicable laws and regulations in the local tourism industry i.e. Tourism BEE Codes, BBBEE prescripts and others.</p>
<p>3 Tourism Marketing: Market and promote the Cederberg area as a world class, year round, outdoor-adventure and cultural tourism destination.</p>	<p>3.1 Digital destination marketing strategy: Develop and implement a cutting-edge digital marketing strategy based on a cost-effective and efficient electronic marketing portal and website.</p> <p>3.2: Media exposure: Exploit the region's media exposure to increase tourist numbers.</p> <p>3.3 Information Portal: Develop a comprehensive information portal where users can access current and accurate regional tourism and related information.</p> <p>3.4 Communication strategy: Develop an internal and external communication plan to improve lines of communication to fast track tourism development.</p>
<p>4. Tourism Funding and Resource Mobilization: Develop and implement a sustainable tourism funding and resource model in support of Cederberg's development, growth and marketing objectives.</p>	<p>4.1 Funding of LTO: Review and strengthen the current Municipal-LTO funding model in order to maximize marketing and development return on investment.</p> <p>4.2 Resource Mobilization: Lobby national and provincial government, public entities, international funders and private companies to become partners in tourism development and marketing.</p>
<p>5. Tourism Monitoring and Evaluation: Develop and implement a practical Monitoring and Evaluation system to monitor, review and assess the progress in tourism development and marketing.</p>	<p>5.1 Tourism Research Intelligence: Set up a reliable tourism research and intelligence unit linked to a monitoring and evaluation component.</p> <p>5.2 Source reliable tourism marketing statistics and development data that will assist in evaluating current initiatives and provide options for future developments.</p>

Table 105: Tourism Strategic Objectives

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b) Highlights: Tourism

The table below includes the highlights with the implementation of the Tourism Strategy:

Highlights	Description
Tourism transformation	Local tourism organisations are realigning their activities to become more transformational and development-oriented.
Integrated Events	Events that are being hosted in Cederberg Municipality are becoming more representative of all its inhabitants, with a bigger focus on handmade and locally produced quality goods
Capacity building	There are a number of initiatives aimed at capacitating local entrepreneurs in the tourism industry

Table 106: Highlights: Tourism

c) Challenges: Tourism

The table below includes the challenges with the implementation of the Tourism Strategy:

Description	Actions to address
Lack of understanding about the concept of transformation	There are still instances where the concept of transformation is not fully understood by all tourism stakeholders, which may impact negatively on growing the industry. The tourism department is constantly engaging the local tourism organisation and local tourism associations to encourage these institutions to implement transformational initiatives.
Funding from Municipality	The economic reality within Cederberg has forced the municipality to implement measures to curb spending. Unfortunately the funding for tourism has been reduced, which had forced the local tourism organisations to review their operations and processes.

Table 107: Challenges: Tourism

d) Employees: Tourism

Employees: Tourism					
Job Level (T-grade)	2015/16		2016/17		
	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	1	0	0	0	0
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
Total	1	0	0	0	0

Table 108: Employees: Local Economic Development

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3.6 COMPONENT D: COMMUNITY AND SOCIAL SERVICES

3.6.1 LIBRARIES

a) Introduction to Libraries

Cederberg Municipality have 7 libraries and 1 wheelie wagon. The libraries are in the following areas:

Town	Number of libraries
Citrusdal	2
Clanwilliam	1
Graafwater	1
Lamberts Bay	1
Elands Bay	1
Wupperthal	1
Algeria	1 Wheelie Wagon

Table 109: Libraries in the Municipal Area

b) Highlights: Libraries

The table below specifies the highlights for the year:

Highlight	Description
Two new Libraries in Cederberg	The opening of the Citrusdal Library was on the 19th of June 2017. The Elands Bay Library has moved to the new site and its open to the public

Table 110: Libraries Highlights

c) Challenges: Libraries

The table below specifies the challenges for the year:

Description	Actions to address
Transport	A big problem, and the engineering Department don't always want to assist is with transport. We need transport for programs and outreaches on the surrounding farms and schools and for the Senior Librarian for Library visits

Table 111: Libraries Challenges

d) Service statistics for Libraries

The table below specifies the service statistics for the year:

Service statistic	2015/16	2016/17
Library members	3 462	4 385
Books circulated	123 120	112 800

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Service statistic	2015/16	2016/17
Exhibitions held	65	125
Internet users	2 500	5 328
New library service points or Wheelie Wagons	None	None
Children programs	0	50
Visits by school groups	155	200
Book group meetings for adults	0	0
Primary and Secondary Book Education sessions	0	10

Table 112: Service Statistics for Libraries

e) Employees: Library Services

The following table indicates the staff composition for this division:

Employees: Libraries					
Job Level	2015/16	2016/17			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	2	2	2	0	0
4 - 6	8	8	8	0	0
7 - 9	0	0	0	0	0
10 - 12	7	7	7	0	0
13 - 15	0	0	0	0	0
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
Total	17	17	17	0	0

Table 113: Employees: Libraries

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f) Capital: Library Services

Capital Expenditure 2016/17: Library Services					
Capital Projects	2016/17				
	Budget	Adjustment Budget	Actual Expenditure	Variance from budget	Total Project Value
Total All	300 000	408 451	324 369	(84 082)	408 451
Elands Bay Multi-Purpose Centre	300 000	280 000	276 294	(3 706)	280 000
Library Citrusdal	0	128 451	48 075	(80 376)	128 451

Table 114: Capital Expenditure: Libraries

3.6.2 CEMETERIES

a) Highlights: Cemeteries

The table below specifies the highlights for the year:

Highlights	Description
Policy	Policy in place to address the challenges with pauper funerals

Table 115: Cemeteries Highlights

b) Challenges: Cemeteries

The table below specifies the challenges for the year:

Description	Actions to address
Vandalism is a big concern in our municipal areas. Lack of social development opportunities for the youth create vandalism in the areas.	Implementation of EPWP and other programmes to curb vandalism; deployment of law enforcement officers across all cemeteries. More visible policing by the SAPS around the cemeteries. School intervention programmes to ensure cemeteries are not used by the school children to do criminal activities
Reaching full capacity	Cederberg Municipality to conduct thorough investigation on the capacity of all cemeteries, and to incorporate the development of new cemeteries on spatial development framework. Cleaning of available areas next to the current cemeteries area.

Table 116: Cemeteries Challenges

c) Service Statistics for Cemeteries

The table below specifies the service delivery levels for the year:

Type of service	2015/16	2016/17
Burials	13	13

Table 117: Service Statistics for Cemeteries

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3.7 COMPONENT G: SECURITY AND SAFETY

This component includes: traffic; law enforcement; fire and disaster management

3.7.1 LAW ENFORCEMENT

a) Highlights: Law Enforcement

Highlights	Description
Appointment of law enforcement officers	Trained 15 Young people as Law Enforcement Officers
More offenders was corrected in their lawlessness	Better visibility and fines issued for offences.
The trust of Community increase	We receive positive feedback from communities

Table 118: Law Enforcement Highlights

b) Challenges: Law Enforcement

Description	Actions to address
Unable to use municipal Vehicles	Vehicles cant be use by Law enforcement officers, due they appointment under EPWP.It will be corrected when they permanent appointed.
Overtime constrains	Not sufficient overtime to cover all complaints.
Safety equipment	Safety equipment very expensive

Table 119: Law Enforcement Challenges

c) Service Statistics for Law Enforcement

Details	2015/16	2016/17
Number of by-law infringements attended	220	793
Number of officers in the field on an average day	16	15
Number of officers on duty on an average day	16	15

Table 120: Service Statistics for Law Enforcement

d) Employees: Law Enforcement

Employees: Law Enforcement					
Job Level	2015/16	2016/17			
	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	2	17	2	15	88
10 - 12	0	0	0	0	0
13 - 15	0	0	0	0	0

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Employees: Law Enforcement					
Job Level	2015/16	2016/17			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
Total	2	17	2	15	88

Table 121: Employees: Law Enforcement

3.7.2 TRAFFIC SERVICES

a) Highlights: Traffic Services

The table below specifies the highlights for the year:

Highlights	Description
Appointment of 2 Traffic Officers	Speed Enforcement and Traffic Enforcement
Scholar Patrol	Establishment of Scholar Patrols
Income of department increase significant	Better control and increases in offences
Patrol Vehicles	Two new patrol vehicles was purchased

Table 122: Traffic Services Highlights

b) Challenges: Traffic Services

The table below specify the challenge for the year:

Challenges	Actions to overcome
Shortage of equipment	More revenue to be make available
Shortage of staff	More revenue to be make available
Shortage of Vehicles	Old vehicles sold on auction. More vehicles needs to be made available and we still have a shortage
Discipline/Organogram	Organogram to be approved, but not sufficient funds to do appointments

Table 123: Traffic Services Challenge

c) Additional Performance Service statistics for Traffic Services

The table below specifies the service delivery levels for the year:

Details	2015/16	2016/17
Motor vehicle licenses processed	2 112	36 673
Learner driver licenses processed	1 574	1 559
Driver licenses processed	1 251	1 481
Driver licenses issued	413	401
Fines issued for traffic offenses	3 109	44 844

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Details	2015/16	2016/17
R-value of fines collected	559 300	4 935 200,00
Roadblocks held	16	63
Complaints attended to by Traffic Officers	64	220
Awareness initiatives on public safety	7	6
Number of road traffic accidents during the year	428	325
Number of officers in the field on an average day	3	3
Number of officers on duty on an average day	3	3

Table 124: Service Statistics for Traffic Services

d) Employees: Traffic Services

The following table indicates the staff composition for this division:

Employees: Traffic Services					
Job Level	2015/16		2016/17		
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	2	2	2	0	0
4 - 6	4	5	2	3	60
7 - 9	4	17	6	11	64
10 - 12	2	2	2	0	0
13 - 15	1	2	1	1	50
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
Total	13	28	13	15	53

Table 125: Employees: Traffic Services

3.7.3 FIRE SERVICES AND DISASTER MANAGEMENT

a) Introduction to Fire Services and Disaster Management

A memorandum of Understanding exists between West Coast District and Cederberg to perform the responsibilities of Cederberg Municipality regarding the structural phase and other related fire and rescue services. The Cederberg Municipality Fire and Disaster Department consist of only a Disaster and Fire Officer supported by the District municipality.

b) Highlights: Fire Services and Disaster Management

The table below specify the highlight for the year:

Highlights	Description
New Fire Truck Received that are based at Citrusdal	10 minutes response to all Fire in Citrusdal Area, Closes Fire Station is in Clanwilliam takes them an hour to get Citrusdal.

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Highlights	Description
Community Emergency response Team. The First 3 modules of Events Safety	Grade 11 that joint the program 2016

Table 126: Fire Services and Disaster Management Highlight

c) Challenges: Fire Services and Disaster Management Services

The table below specifies the challenges for the year:

Challenges	Actions to overcome
Human Resources	Appoint of permanent personnel in the region
Three young men are on the Firefighter 1 training in wolsekloof	No sufficient budget for Fire Fighting Service as stated in the Structures Act.

Table 127: Fire Services and Disaster Management Challenges

d) Service Statistics for Fire Services and Disaster Management

The table below specifies the service delivery levels for the year:

Details	2015/16	2016/17
Operational call-outs	412	270
Awareness initiatives on fire safety	25	30
Total fires attended in the year	135	145
Average turnout time - urban areas	312	350
Average turnout time - rural areas	347	310

Table 128: Service Statistics for Fire Services

3.16.5 Employees: Fire Services and Disaster Management

The following table indicates the staff composition for this division:

Employees: Fire Services and Disaster Management					
Job Level	2015/16		2016/17		
	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	7	0	7	100
7 - 9	0	1	0	1	100
10 - 12	1	1	1	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	9	1	8	88

Table 129: Employees: Fire Services and Disaster Management

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3.8 COMPONENT H: SPORT AND RECREATION

3.8.1 SPORT AND RECREATION

a) Highlights: Sport and Recreation

The table below specify the highlight for the year:

Highlight
Allocation of R7.6m to upgrade the Clanwilliam Sport Grounds.

Table 130: Sport and Recreation Highlight

b) Challenges: Sport and Recreation

The table below specify the challenge for the year:

Description	Actions to address
Over-utilisation of sport fields	Establishment of facility management committees to take ownership of fields to ensure sustainable utilisation of fields
Vandalism of sport facilities	Increased security, establishment of facility management committees
Soccer/football not affiliated to an association	Municipality will support local soccer clubs to affiliate with the relevant sport body; municipality to enlist assistance from Provincial Department of Cultural Affairs and Sport to render further support to the soccer clubs
Insufficient number of fields to accommodate increasing number of sport teams	Council to build more fields; better planning in respect of current available facilities

Table 131: Sport and Recreation Challenge

c) Service Statistics for Sport and Recreation

The table below specifies the service delivery levels for the year:

Type of service	2015/16	2016/17
Community parks		
Number of parks with play park equipment	4	4
Number of wards with community parks	6	6
Sport fields		
Number of wards with sport fields	5	6
Number of sport associations utilizing sport fields	20	20
R-value collected from utilization of sport fields	R158 600	R205 258.87
Sport halls		
Number of wards with sport halls	4	4
Number of sport associations utilizing sport halls	20	20
R-value collected from rental of sport halls	R158 600	R205 258.87

Table 132: Service Statistics for Sport and Recreation

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d) Employees: Sport and Recreation

Employees: Sport and Recreation					
Job Level	2015/16	2016/17			
	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 133: Employees: Sport and Recreation

e) Capital: Sport and Recreation

The following table indicates the capital expenditure for this division:

Capital Expenditure 2016/17: Sport and Recreation					
Capital Projects	2016/17				
	Budget	Adjustment Budget	Actual Expenditure	Variance From Budget	Total Project Value
Total All	8 129 000	8 125 221	619 262	(7 505 959)	8 125 221
Upgrade Sport Facilities	250 000	40 416	0	(40 416)	40 416
Upgrade Swimming Pools	200 000	0	0	0	0
Upgrade Sport Facilities	0	15 231	13 581	(1 650)	15 231
MIG: Upgrade Sportfields Clanwilliam and Graafwater	7 679 000	7 613 421	205 548	(7 407 873)	7 613 421
Upgrade Sportsfield Lamberts Bay	0	456 153	400 134	(56 020)	456 153

Table 134: Capital Expenditure 2016/17: Sport and Recreation

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3.9 COMPONENT 1: CORPORATE POLICY OFFICES AND OTHER SERVICES

This component includes: executive and council; financial services; human resource services; ICT services; legal services; and procurement services.

3.9.1 FINANCIAL SERVICES

a) Highlights: Financial Services

The table below specifies the highlights for the year:

Highlights	Description
Revenue enhancement project	This project was approved by Council and resulted in an increase in payment ratios of debtors; also a decrease in the outstanding debtors book
Audit of electrical and water meters	Service Provider appointed to audit all electrical and water meters as part of revenue protection and minimising the losses of water and electricity
Strict financial discipline	Cash flow committee implemented; Realistic budget and cut back of expenditure

Table 135: Financial Services Highlights

b) Challenges: Financial Services

The table below specifies the challenges for the year:

Description	Actions to address
Growing indigent base	Strict verification process to register on indigent register and receive subsidy
Influx in informal settlements	Actions with relevant spheres of government

Table 136: Financial Services Challenges

c) Debt Recovery

The following table represents the debt recovery for the financial years 2015/16 and 2016/17:

Details of the types of account raised and recovered	Debt Recovery					
	R'000					
	2015/16			2016/17		
	Billed in Year	Actual for accounts billed in year	Pro-portion of accounts value billed that were collected %	Billed in Year	Actual for accounts billed in year	Pro-portion of accounts value billed that were collected %
Property Rates	32 076 304	33 716 033	105%	41 427 081	36 171 816	87%
Electricity	52 452 524	53 562 195	102%	54 754 815	52 903 841	97%
Water	28 789 874	26 665 036	93%	31 284 799	25 365 939	81%

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Details of the types of account raised and recovered	Debt Recovery					
	R'000					
	2015/16			2016/17		
	Billed in Year	Actual for accounts billed in year	Pro-portion of accounts value billed that were collected %	Billed in Year	Actual for accounts billed in year	Pro-portion of accounts value billed that were collected %
Sanitation	9 576 427	9 107 184	95%	11 882 142	8 726 323	73%
Refuse	8 134 261	7 372 331	91%	9 617 891	7 232 031	75%

Table 137: Debt Recovery

d) Employees: Financial Services

The following table indicates the staff composition for this division:

Employees: Finance					
Job Level	2015/16	2016/17			
	Employees	Posts (approved)	Employees (posts filled)	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0
4 - 6	17	15	12	3	20
7 - 9	8	16	10	6	37
10 - 12	6	10	8	2	20
13 - 15	2	3	3	0	0
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
Total	33	44	33	11	25


Table 138: Employees: Financial Services


Chapter 3: Service Delivery Performance

3.9.3 HUMAN RESOURCE SERVICES


a) Introduction to Human Resource Services

The Human Resource Department has a staff component comprising of the following positions:

 Manager: Human Resources

 4 x HR Practitioners responsible for:

- Training, EAP & EPAS
- Health & Safety
- Recruitment & Selection and Support
- Labour Relations

 1 x Human Resource Administrator responsible for all administrative functions pertaining to leave, medical aid, pension, UIF, etc

(i) Filing of vacant posts

The Cederberg Municipality, a low to medium capacity municipality, is rated as a category 3 municipality and it must still compete with higher graded, higher income municipalities for the available skills in the region, the province and ultimately the country. With that challenge in mind, the municipality must still endeavour to appoint the right people with the right skills and competencies at the right time to achieve the organisation's strategic plan. Filling vacant, critical positions is a challenge for a municipality sized and categorised as the Cederberg Municipality, because skilled people can earn much more at a higher graded municipality or in the private sector.

In 2016/2017 financial year, the Cederberg Municipality has filled 55 vacancies, of which 45 were external appointments, whilst 12 staff members left the employment of the municipality during the same financial year.


(ii) Recruitment and selection

The Cederberg Municipality adopted a revised Recruitment and Selection policy was reviewed in May 2016 for the 2016/2017 financial year. The aim of the policy is to streamline the appointment of personnel whilst keeping within the legal framework as enshrined in the various pieces of labour related legislation.

(iii) Labour Relations

It is imperative that good industrial relations are fostered between the employer and employees. Employees are engaged on certain structures created by Local Government Bargaining Council to address issues of mutual interest to the employer and the employees. These structures are:

 Health & Safety

 Local Labour Forum (LLF)

Chapter 3: Service Delivery Performance

Occupational Health & Safety 2016/17				
OHS				
Injuries		Compensation for Occupational Injuries and Diseases (COID) Applications	Disabling Injuries	Schedule 8 Investigations (Ill Health)
Temp	0	0	0	0
Perm	19	19	0	2

Table 139: Occupational Health and Safety 2016/17

The Safety and health of our employees and their families are of the utmost importance to the Council. Therefore all possible steps are taken to ensure a healthy and safe working environment.

The Health and Safety policy and plan have been submitted to Council for review, as well as the Employee Wellness Policy.

The number of injuries on duty has steadily increased over time and 19 injuries were reported of which 19 injuries went through the Compensation for Occupational Injuries and Diseases (COID) process whereby injuries reported to the Compensation Commissioner.

b) Highlights: Human Resources

The table below specifies the highlights for the year:

Highlights	Description
New MFMP intake	10 Officials underwent MFMP training in the second intake
Wellness day	The Cederberg Wellness Day took place in Elands Bay for the first time and saw items such as cycling, volleyball, rugby and a fun walk.
Better Together Games	Cederberg took part in the Better Together games in Vredenburg for the first time
Employee Assistance	An employee assistance initiative was started whereby 7 employees formed part of the programme.

Table 140: Human Resources Highlights

c) Challenges: Human Resources

The table below specifies the challenges for the year:

Challenges	Description
Training Budget	Insufficient to address training needs
Low Staff Morale	Staff is resistant to change

Table 141: Human Resources Challenges

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d) Employees: Human Resources

The following table indicates the staff composition for this division:

Employees: Human Resource Services					
Job Level	2015/16	2016/17			
	Employees	Posts (approved)	Employees (posts filled)	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	2	1	1	50
10 - 12	2	3	2	1	33
13 - 15	1	1	1	0	0
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
Total	4	6	4	2	33

Table 142: Employees: Human Resources

3.9.4 INFORMATION AND COMMUNICATION TECHNOLOGY SERVICES

a) Introduction to Information and Communication Technology (ICT) Services

It is responsible IT to ensure that all technical systems of the municipality are functioning and operating effectively. Backups are done daily and stored for safekeeping. The maintenance of the municipal system and financial systems are outsourced. The network and computer hardware are maintained by the IT department. Structural changes to the website are also done by IT. The municipality has grown from 50 devices (computers) to almost 200 devices within 5 years.

b) Highlights: ICT Services

Highlights	Description
Introduction of new website	Launch of new upgraded and functional website
ICT Grant funding plan	<ol style="list-style-type: none"> 1. Replacement of laptops 2. Wi- fi setup in Council Chambers 3. Data warehousing 4. Conference Recording systems repairs 5. Tel -trace system 6. Upgrading of desktops

Table 143: ICT Highlights

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c) Challenges: ICT Services

Description	Actions to address
mSCOA	ICT Manager vacancy was advertised but the applicant's interviewed was not competent. ICT managers position to be re-advertised
Council approval of ICT Strategic Policy	Draft ICT Strategic Policy

Table 144: ICT Challenges

d) Employees: ICT

Employees: ICT Services					
Job Level	2015/16	2016/17			
	Employees	Posts (approved)	Employees (posts filled)	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	1	2	1	1	50
13 - 15	0	1	0	1	100
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
Total	1	3	1	2	66

Table 145: Employees: ICT

e) Capital Expenditure: ICT

Capital Expenditure 2016/17: ICT Services					
Capital Projects	2016/17				
	Budget	Adjustment Budget	Actual Expenditure	Variance from budget	Total Project Value
Total All	290 000	761 000	726 956	(34 044)	780 400
MSCOA Hardware	0	121 000	140 400	19 400	140 400
MSCOA Server	0	330 000	279 230	(50 770)	330 000
Vetting System	200 000	0	0	0	0
IT Equipment and Software	90 000	310 000	307 326	(2 674)	310 000

Table 146: Capital Expenditure: ICT

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3.9.5 LEGAL SERVICES

a) Highlights: Legal Services

Highlights	Description
Finalisation of lease agreements, MOU's, MOA's contracts, SLA's in requisite time etc.	Documentation archived in the records section
Internal and external advisory role	Legal assistance to directors, managers, officials in general and assistance to external legal practitioners
Purchased a new risk system	New risk system of Ignite

Table 147: Legal Services Highlights

b) Challenges: Legal Services

Description	Actions to address
No delegations to finalise matters	Municipal Manager to delegate matters
No support staff assistance	Filling of vacancies
No control over SLA register; tender register, etc	Senior management to address this issue

Table 148: Legal Services Challenges

c) Employees: Legal Services

Employees: Legal Services					
Job Level	2015/16	2016/17			
	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	2	0	2	100
10 - 12	0	0	0	0	0
13 - 15	1	1	1	0	0
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
Total	1	3	1	2	66

Table 149: Employees: Legal Services

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3.9.6 PROCUREMENT SERVICES

a) Highlights: Procurement Services

The table below specifies the highlights for the year:

Highlights	Description
Compliance	Comply with statutory requirements
Transparency	All SCM contracts in terms of Section 75 (1)(g) of the MFMA are published on the municipal website
Training to SCM Officials	Three officials have completed the minimum competency
Alignment of SCM processes and procedures that will ensure compliance	NT and PT guidelines and regulations are strictly adhered to

Table 150: Procurement Services Highlights

b) Challenges: Procurement Services

The table below specifies the challenges for the year:

Description	Actions to address
Lack of capacity	The SCM unit consist of only three officials
Inadequate sourcing of goods and services	Development of procurement strategies

Table 151: Procurement Services Challenges

c) Service Statistics for Procurement Services

The table below specifies the service delivery levels for the year:

Description	Total No	Monthly Average	Daily Average
Requests processed	3 043	253.6	12.7
Orders processed	2 543	212	10.6
Requests cancelled or referred back	500	41.7	2.1

Table 152: Service Statistics for Procurement Division

d) Details of Deviations for Procurement Services

Type of deviation	Number of deviations	Value of deviations R	Percentage of total deviations value
Clause 36(1)(a)(i)- Emergency	15	R689 248	22%
Clause 36(1)(a)(ii)- Sole Supplier	16	R308 138	10%
Clause 36(1)(a)(v)- Impractical/impossible	84	R2 159 561	68%
Total	115	R3 156 947	100%

Table 153: Statistics of Deviations from the SCM Policy

Chapter 4: Organisational Development Performance

CHAPTER 4

4.1 NATIONAL KEY PERFORMANCE INDICATORS - MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT

The following table indicates the municipality's performance in terms of the National Key Performance Indicators required in terms of the Local Government: Municipal Planning and the Performance Management Regulations of 2001 and section 43 of the MSA. These key performance indicators are linked to the National Key Performance Area - Municipal Transformation and Organisational Development.

4.2 INTRODUCTION TO THE MUNICIPAL WORKFORCE

The Municipality currently employs 278 (excluding non-permanent) officials, who individually and collectively contribute to the achievement of Municipality's objectives. The primary objective of Human Resource Management is to render and innovative HR service that address both skills development and an administrative function.

4.2.1 Employment Equity

The Employment Equity Act (1998) Chapter 3, Section 15(1) states that affirmative action measures are measures designed to ensure that suitable qualified people from designated groups have equal employment opportunities and are equitably represented in all occupational categories and levels in the workforce of a designated employer. The National performance indicators are also reference to: "Number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan".

a) Employment Equity targets/actual

African	Coloured	Indian	White
Actual June	Actual June	Actual June	Actual June
41	241	1	12

Table 154: 2016/17 EE Actual by Racial Classification

Male	Female	Disability
Actual June	Actual June	Actual June
195	99	17

Table 155: 2016/17 EE Actual by Gender Classification

b) Employment Equity vs. Population

Description	African	Coloured	Indian	White	Total
Population numbers	35%	45%	1%	17%	98%(exc other)
% Population	17%	66%	0.5%	16%	100%
Number for positions filled	41	240	1	12	294

Table 156: EE Population 2016/17 (including non-permanent officials)

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c) Specific Occupational Categories - Race

The table below indicates the number of employees by race within the specific occupational categories:

Occupational Categories	Female				Male				Total
	A	C	I	W	A	C	I	W	
Top Management	0	3	0	1	1	0	0	0	5
Senior management	0	5	0	0	0	1	0	4	9
Professionally qualified and experienced specialists and mid- management	1	12	0	2	1	10	0	3	29
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	1	17	0	2	0	16	0	0	36
Semi-skilled and discretionary decision making	9	51	1	0	3	24	0	0	89
Unskilled and defined decision making	16	72	0	0	9	29	0	0	126
Total permanent	27	160	1	5	14	80	0	7	294

Table 157: Occupational Categories

d) Departments - Race

The table below shows the number of employees per department as well as the profile by race. The Engineering services department, being the service delivery arm of the municipality, is the largest component.

Employee Distribution per Directorate					
Directorate	African	Coloured	Indian	White	Total
Municipal Manager	1	3	0	1	5
Corporate & Strategic Services	0	29	0	4	33
Financial Services	3	18	0	0	21
Community & Development Services	7	58	1	3	69
Engineering & Planning Services	32	130	0	4	166
Office of the Mayor (Council)	44	249	1	11	305
Total permanent	0	29	0	4	33

Table 158: Departments: Race

4.2.2 Vacancy Rate

The approved organogram for the municipality has 460 posts for the 2015/2016 financial year and the 400 in the 2016/2017 financial year. The actual positions filled are indicated in the tables below by post level and functional level. 168 Posts vacant at the end of 2015/2016, resulting in a vacancy rate of 37% compared to 96 posts in 2016/2017 resulting in vacancy rate of 24%. Below is a table that indicates the vacancies within the municipality:

Per Functional Level		
Functional area	Filled	Vacant
Municipal Manager	4	4
Corporate and Strategic Services	21	8

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Per Functional Level		
Functional area	Filled	Vacant
Financial Services	34	7
Community and Development Services	164	53
Engineering And Planning Services	70	23
Office of the Mayor (Council)	11	0
Total	304	96

Table 159: Vacancies per Department

The table below indicates the number of staff per level expressed as total positions and current vacancies express as full time staff equivalent:

Salary Level	Number of current critical vacancies	Total posts as per organogram
Municipal Manager	0	1
Chief Financial Officer	0	1
Other Section 57 Managers	0	3
Senior management (T14-T19)	5	18
Total	5	23

Table 160: Full Time Staff Equivalents

4.2.3 Turnover Rate

A higher turnover may be costly to a municipality and might negatively affect productivity, service delivery and institutional memory/organisational knowledge. Below is a table that shows the employee movement in 2016/2017.

Employee Movement					
Movement Type	African	Coloured	Indian	White	Total
Termination	3	9	0	0	12
Recruited Internal	1	8	0	1	10
Recruited External	11	33	0	1	45
Transferred / Placement	0	0	0	0	0
Total	15	50	0	2	67

Table 161: Employee Movement

4.3 MANAGING THE MUNICIPAL WORKFORCE

Managing the municipal workforce refers to analyzing and coordinating employee behavior.

4.3.1 Injuries

An occupational injury is a personal injury, disease or death resulting from an occupational accident. Compensation claims for such occupational injuries are calculated according to the seriousness of the injury/disease and can be costly to a municipality. Occupational injury will influence the loss of man hours and therefore financial and productivity performance.

The injury rate shows an increase with 12 employees injured in 2015/2016 against 19 employees in the 2016/2017 financial year.

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The table below indicates the total number of injuries within the different directorates:

Directorates	2015/16	2016/17
Municipal Manager	0	0
Corporate and Strategic Services	2	0
Financial Services	0	0
Community and Development Services	4	6
Engineering and Planning Services	13	13
Total	19	19

Table 162: Injuries

4.3.2 HR Policies and Plans

Policies and plans provide guidance for fair and consistent staff treatment and a consistent approach to the managing of staff.

The table below shows the HR policies and plans that are approved and that still needs to be developed:

Policies	
Name of policy	Policy approved Yes/No
Sexual harassment	Yes
Subsistence and Travelling	Yes
Training & Development	Yes
Language	Yes
Cell Phone	Yes
Study	Yes
IT	Yes
HIV/AIDS	Yes
Induction programme	Yes
Recruitment and Selection	Yes
Employment Equity	Yes
Substance Abuse	Yes
Smoking Policy	Yes
Overtime	Yes
Unauthorized Absence	Yes

Table 163: HR Policies and Plans

4.4 CAPACITATING THE MUNICIPAL WORKFORCE

Section 68(1) of the MSA states that municipality must develop its human resource capacity to a level that enables it to perform its functions and exercise its powers in an economical, effective, efficient and accountable way. For this purpose, the human resource capacity of a municipality must comply with the Skills Development Act (SDA), 1998 (Act No. 81 of 1998), and the Skills Development Levies Act, 20 1999 (Act No. 28 of 1999).

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4.4.1 Skills Matrix

The table below indicates the number of beneficiaries per occupational category who underwent training in the financial year. The total Training budget for 2016/2017 financial year was R 250 000.00 the amount of money spent on training for the same financial year was R222 465.54 which amounts to 89% spent. The tables below show the number of individuals (headcount) trained.

Occupational Category	Female				Male				Total				Total
	A	C	I	W	A	C	I	W	A	C	I	W	
Legislators	3	2	0	0	0	4	0	0	3	8	0	0	11
Managers	1	0	0	0	1	8	0	2	2	8	0	2	12
Professionals	0	2	0	1	0	4	0	0	0	6	0	1	7
Technicians And Trade Workers	0	0	0	0	1	3	0	0	1	3	0	0	4
Community And Personal Service Workers	0	2	0	0	0	3	0	0	0	5	0	0	5
Clerical And Administrative Workers	0	10	0	0	0	2	0	0	0	12	0	0	12
Sales Workers	0	0	0	0	0	0	0	0	0	0	0	0	0
Machine Operators And Drivers	0	0	0	0	2	4	0	0	2	4	0	0	6
Elementary Workers	3	2	0	0	0	4	0	0	3	8	0	0	11
Totals	1	0	0	0	1	8	0	2	2	8	0	2	12

Table 164: Skills Matrix

4.4.2 Skills Development - Budget Allocation

Year	Total Allocated	Total Spend	% Spent
2015/16	R255 000.00	R249 292.00	98%
2016/17	R250000.00	R222465.54	89%

Table 165: Budget allocated and spent for skills development

4.4.3 MFMA Competencies

In terms of Section 83 (1) of the MFMA, the accounting officer, senior managers, the chief financial officer, non-financial managers and other financial officials of a municipality must meet the prescribed financial management competency levels that are key to successful implementation of the Municipal Finance Management Act. National Treasury has prescribed such financial management competencies in Government Notice 493 dated 15 June 2007.

To assist the above-mentioned officials to acquire the prescribed financial competencies, National Treasury, with the collaboration of various stakeholders and role-players in the local government sphere, develop an outcomes-based NQF level 6 qualifications in municipal finance management. In terms of the Government Notice 493 of 15 June 2007, "(1) No municipality or municipal entity may, with effect 1 January 2013 (exempted until 30 September 2015 as per Government Notice No. 179 of 14 March 2014), employ a person as a financial official if that person does not meet the competency levels prescribed for the relevant position in terms of these Regulations."

Many of the employees who went on the statutory training courses for the financial department such as the Local Government Accounting Certificate (LGAC) and the Local Government The Municipality continued with the statutory MFMP course during the 2016/2017 financial year. The course which started in June 2016 is expected to finish in December 2016, after which another session will be rolled out to the next level of employees.

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The table below provides details of the financial competency development progress as required by the regulation:

Description	Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))
Financial Officials			
Accounting officer	1	1	0
Chief financial officer	1	1	1
Senior managers	2	1	1
Any other financial officials	2	0	3
Supply Chain Management Officials			
Heads of supply chain management units	2	0	2
Supply chain management senior managers	0	0	0

Table 166: Budget Allocated and Spent for Skills Development

4.5 MANAGING THE MUNICIPAL WORKFORCE EXPENDITURE

Section 66 of the MSA states that the accounting officer of a municipality must report to the Council on all expenditure incurred by the municipality on staff salaries, wages, allowances and benefits. This is in line with the requirements of the Public Service Regulations, (2002), as well as National Treasury Budget and Reporting Regulations SA22 and SA23.

4.5.1 Personnel Expenditure

Below is a summary of Councillor and Staff benefits for the year under review, please note that R5 932 558 was spend on salaries, but has been included under operating grant expenditure:

Below is a summary of Councilor and staff benefits for the year under review:

Financial year	2015/2016		2016/2017	
	Actual	Original Budget	Adjusted Budget	Actual
	R	R	R	R
Councilors (Political Office Bearers plus Other)				
Salary	3 022 411	3 474 403	3 732 464	3 743 655
Pension Contributions	371 567	387 024	526 598	437 382
Medical Aid Contributions	122 581	125 333	53 835	74 721
Motor vehicle allowance	418 884	468 692	288 000	267 550
Cell phone allowance	44 268	22 120	250 800	215 395
Housing allowance	0	0	0	0
Other benefits or allowances	35 813	0	0	37 804
In-kind benefits	0	0	0	0
Sub Total	4 015 524	4 477 572	4 851 697	4 776 507

Chapter 4: Organisational Development Performance

Financial year	2015/2016		2016/2017	
Description	Actual	Original Budget	Adjusted Budget	Actual
	R	R	R	R
% increase/ (decrease)	N/A	12%	8%	-2%
Senior Managers of the Municipality				
Basic Salary and Wages	2 723 237	2 865 128	3 124 000	2 653 668
Pension Contributions	433 248	337 523	366 000	405 812
Medical Aid Contributions	0	30 607	33 000	29 084
Performance Bonus	0	0	411 000	312 815
Motor vehicle allowance	777 199	1 095 619	895 000	880 866
Cell phone allowance	0	37 752	62 000	66 300
Housing allowance	217 189	217 190	217 000	192 991
Other benefits or allowances	2 007 537	0	74 000	146 331
Leave Pay Out	0	0	0	269 856
Long Service Awards	0	344 230	0	0
Sub Total	6 158 412	4 928 049	5 183 000	4 957 723
% increase/ (decrease)	N/A	(20%)	5%	(4%)
Other Municipal Staff				
Basic Salaries and Wages	44 075 448	42 516 000	43 546 000	48 538 450
Pension Contributions	7 234 196	7 759 000	7 418 000	7 872 949
Medical Aid Contributions	2 709 645	2 974 000	3 426 000	2 950 641
Motor vehicle allowance	3 248 963	3 425 000	3 339 000	3 425 382
Cell phone allowance	0	190 000	342 000	251 581
Housing allowance	644 646	701 000	657 000	674 298
Overtime	3 249 746	1 900 000	2 729 000	3 651 247
Other benefits or allowances	10 500 280	9 387 000	9 853 000	11 022 006
Sub Total	71 662 924	68 852 000	71 310 000	78 386 554
% increase	N/A	(4%)	4%	10%
Total Municipality	81 836 860	78 257 621	81 344 697	88 120 784
% increase/ (decrease)	N/A	(4%)	4%	8%

Table 167: Personnel Expenditure

Chapter 5: Financial Performance

CHAPTER 5

This chapter provides details regarding the financial performance of the Municipality for the 2016/17 financial year.

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

The Statement of Financial Performance provides an overview of the financial performance of the Municipality and focuses on the financial health of the Municipality.

5.1 FINANCIAL SUMMARY

The table below indicates the summary of the financial performance for the 2016/17 financial year:

The table below shows a summary of performance against budgets:

Financial Summary						
R'000						
Description	2015/16	2016/17		2016/17 %Variance		
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
Financial Performance						
Property rates	31 329	40 904	39 816	38 308	(6.78)	(3.94)
Service charges	107 121	118 473	119 744	118 330	(0.12)	(1.20)
Investment revenue	356	368	538	863	57.42	37.74
Transfers recognised - operational	71 338	44 950	53 335	50 308	10.65	(6.02)
Other own revenue	24 670	15 188	42 304	36 944	58.89	(14.51)
Total revenue (excluding capital transfers and contributions)	234 814	219 882	255 737	244 754	10.16	(4.49)
Employee costs	78 230	73 780	76 493	83 344	11.48	8.22
Remuneration of councilors	4 328	4 478	4 852	4 777	6.26	(1.57)
Debt impairment	19 646	10 000	40 820	32 327	69.07	(26.27)
Depreciation & asset impairment	15 876	18 314	17 290	16 045	(14.14)	(7.76)
Finance charges	9 968	7 146	7 408	7 887	9.40	6.07
Materials and bulk purchases	63 222	67 024	67 497	67 597	0.85	0.15
Transfers and grants	0	0	0	0	N/A	N/A
Other expenditure	69 469	49 364	58 109	48 803	(1.15)	(19.07)
Total expenditure	260 739	230 106	272 469	260 779	11.76	(4.48)
Surplus/(deficit)	(25 925)	(10 224)	(16 732)	(16 026)	36.21	(4.41)
Transfers recognised - capital	42 245	45 910	58 459	27 575	(66.49)	(112.00)
Contributions recognised - capital & contributed assets	0	0	0	362	100.00	100.00
Surplus/(deficit) after capital transfers & contributions	16 320	35 687	41 727	11 911	(199.61)	(250.32)
Capital Expenditure & Funds Sources						

Chapter 5: Financial Performance

Financial Summary						
R'000						
Description	2015/16	2016/17			2016/17 %Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
Capital Expenditure						
Transfers recognised - capital	39 671	45 911	58 459	22 966	(99.91)	(154.55)
Public contributions & donations	0	0	0	0	N/A	N/A
Borrowing	817	0	0	0	N/A	N/A
Internally generated funds	3 529	4 650	11 576	5 287	12.06	(118.92)
Total sources of capital funds	44 017	50 561	70 035	28 253	(78.95)	(147.88)
Financial Position						
Total current assets	42 824	52 540	44 161	64 412	18.43	31.44
Total non-current assets	559 707	517 427	522 427	570 727	9.34	8.46
Total current liabilities	66 844	40 126	40 126	85 590	53.12	53.12
Total non-current liabilities	87 643	82 552	87 552	89 594	7.86	2.28
Community wealth/equity	448 044	447 290	438 910	459 955	2.75	4.58
Cash Flows						
Net cash from (used) operating	39 355	56 452	73 187	47 876	(17.91)	(52.87)
Net cash from (used) investing	(43 604)	(50 561)	(70 035)	(27 115)	(86.47)	(158.28)
Net cash from (used) financing	178	(2 088)	(2 088)	(950)	(119.80)	(119.80)
Cash/cash equivalents at the year end	(4 071)	3 803	1 065	19 811	80.80	94.63
Cash Backing/Surplus Reconciliation						
Cash and investments available	0	11 208	2 829	22 301	49.74	87.32
Application of cash and investments	0	(7 586)	(477)	(33 059)	77.05	98.56
Balance - surplus (shortfall)	0	3 622	2 352	(10 758)	133.67	121.86
Asset Management						
Asset register summary (WDV)	559 707	517 427	517 427	570 727	9.34	9.34
Depreciation & asset impairment	15 876	18 314	17 290	16 045	(14.14)	(7.76)
Renewal of existing assets	0	0	0	0	N/A	N/A
Repairs and maintenance	6 626	14 161	9 450	9 820	(44.20)	3.77
Free Services						
Cost of free basic services provided	0	0	0	0	N/A	N/A
Revenue cost of free services provided	4 394	9 344	9 344	4 649	(100.97)	(100.97)
Households Below Minimum Service Level						
Water	2	0	0	2	100.00	100.00
Sanitation/sewerage	2	0	0	2	100.00	100.00
Energy	2	6	6	2	(202.42)	(202.42)

Chapter 5: Financial Performance

Financial Summary						
R'000						
Description	2015/16	2016/17			2016/17 %Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
Refuse	2	0	0	2	100.00	100.00

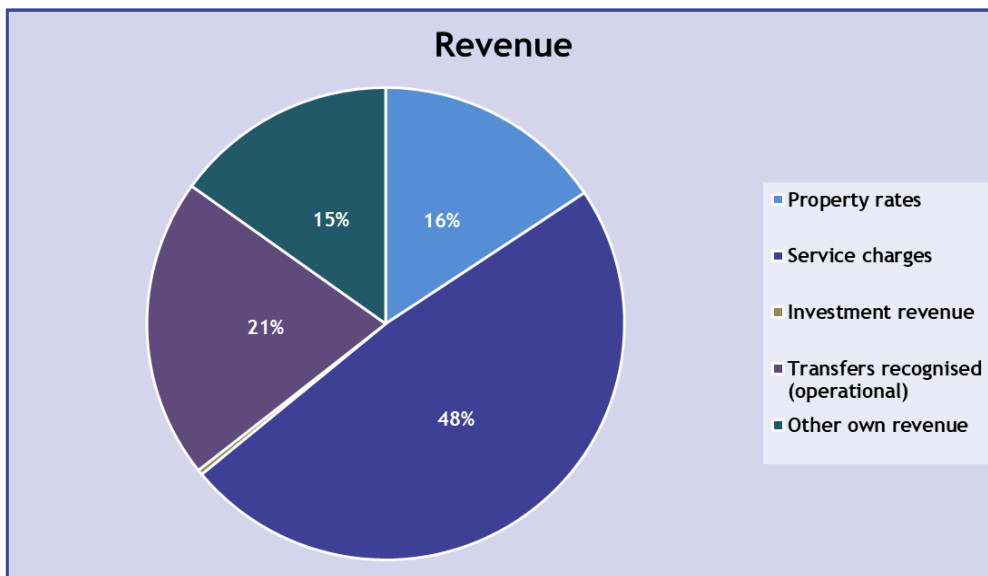
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.

Table 168: Financial Performance 2016/17

Financial Year	Revenue				Operating expenditure			
	Budget	Actual	Diff.	%	Budget	Actual	Diff.	%
	R'000				R'000			
2015/16	245 132	234 814	(10 318)	(4)	251 691	260 739	(9 048)	(4)
2016/17	255 737	244 754	(10 983)	(4)	272 469	260 779	11 690	4

Table 169: Performance Against Budgets

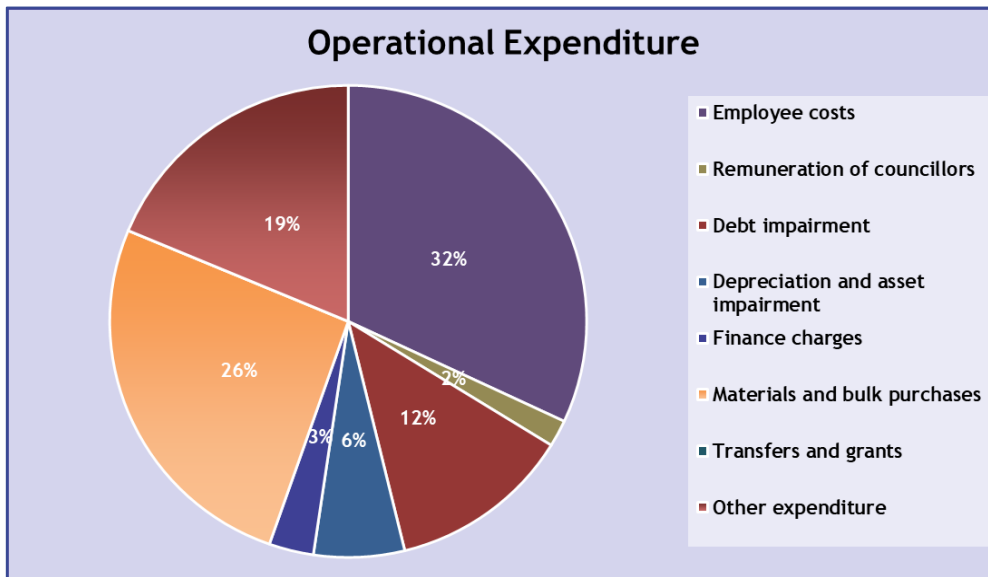
The following graph indicates the various types of revenue items in the municipal budget for 2016/17



Graph 4: Revenue

Chapter 5: Financial Performance

The following graph indicates the various types of expenditure items in the municipal budget for 2016/17



Graph 5: Operating Expenditure

5.1.1 Revenue Collection by Vote

The table below indicates the revenue collection performance by vote:

Vote Description	2015/16	2016/17			2016/17 % Variance	
	Actual (Audited Outcome)	Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
	R'000				%	
Executive and Council	2 146	1 173	1 900	1 900	38.27	0.00
Office of the Municipal Manager	525	120	1 870	538	77.69	(247.63)
Financial Services	42 297	45 788	44 635	48 667	5.92	8.28
Community Development Services	51 443	22 982	52 974	42 053	45.35	(25.97)
Corporate and Strategic Services	1 826	917	1 521	744	(23.28)	(104.41)
Engineering and Planning Services	178 823	194 813	211 295	178 789	(8.96)	(18.18)
Total Revenue by Vote	277 059	265 793	314 196	272 690	2.53	(15.22)

Table 170: Revenue by Vote

Chapter 5: Financial Performance

5.1.2 Revenue Collection by Source

The table below indicates the revenue collection performance by source for the 2016/17 financial year:

Description	2015/16	2016/17			2016/17 % Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
	R'000				%	
Property rates	31 329	40 904	39 816	38 308	(6.78)	(3.94)
Property rates - penalties & collection charges	0	0	0	0	N/A	N/A
Service charges - electricity revenue	69 753	77 534	78 241	77 869	0.43	(0.48)
Service charges - water revenue	22 648	25 133	25 341	24 417	(2.93)	(3.78)
Service charges - sanitation revenue	7 968	8 946	8 851	8 812	(1.51)	(0.43)
Service charges - refuse revenue	6 752	6 860	7 310	7 231	5.13	(1.10)
Service charges - other	0	0	0	0	N/A	N/A
Rentals of facilities and equipment	3 252	3 663	4 276	3 755	2.45	(13.86)
Interest earned - external investments	356	368	538	863	57.42	37.74
Interest earned - outstanding debtors	3 539	2 613	1 492	2 961	11.74	49.61
Dividends received	0	0	0	0	N/A	N/A
Fines	8 689	3 047	30 528	21 178	85.61	(44.14)
Licences and permits	987	1 024	1 044	1 118	8.41	6.62
Agency services	1 598	1 472	1 772	1 699	13.41	(4.24)
Transfers recognised - operational	71 338	44 950	53 335	50 308	10.65	(6.02)
Other revenue	6 603	3 369	3 193	6 232	45.94	48.77
Gains on disposal of PPE	0	0	0	0	N/A	N/A
Total Revenue (excluding capital transfers and contributions)	234 814	219 882	255 737	244 754	10.16	(4.49)

Table 171: Revenue by Source

5.1.3 Operational Services Performance

The table below indicates the operational services performance for the 2016/17 financial year:

Financial Performance of Operational Services						
Description	2015/16	2016/17			2016/17 % Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
	R'000				%	
Operating Cost						
Water	43 013	43 523	42 083	43 293	(0.53)	2.80
Waste water (sanitation)	2 040	3 539	3 790	4 096	13.60	7.48
Electricity	66 113	71 533	71 325	71 425	(0.15)	0.14

Chapter 5: Financial Performance

Financial Performance of Operational Services						
Description	2015/16	2016/17			2016/17 % Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
	R'000				%	
Operating Cost						
Waste management	2 704	2 977	3 397	3 460	13.97	1.83
Housing	0	500	3 198	1 597	68.69	(100.25)
Component A: sub-total	113 869	122 072	123 792	123 871	1.45	0.06
Roads and stormwater	4 909	9 823	6 327	6 144	(59.87)	(2.98)
Component B: sub-total	4 909	9 823	6 327	6 144	(59.87)	(2.98)
Planning	1	729	79	8	(8 474.66)	(827.74)
Component C: sub-total	1	729	79	8	(8 474.66)	(827.74)
Social services & community development	59 765	27 769	58 415	51 510	46.09	(13.41)
Component D: sub-total	59 765	27 769	58 415	51 510	46.09	(13.41)
Environmental Protection	0	0	0	0	N/A	N/A
Component E: sub-total	0	0	0	0	N/A	N/A
Traffic & licensing	0	0	0	0	N/A	N/A
Fire Services and Disaster Management	0	0	0	0	N/A	N/A
Component F: sub-total						
Holiday Resorts and Campsites	0	0	0	0	N/A	N/A
Swimming Pools, Stadiums and Sport Ground	0	630	718	0	N/A	N/A
Community halls, facilities, Thusong centres	0	0	0	0	N/A	N/A
Component G: sub-total	0	630	718	0-	N/A	N/A
Financial Services	49 230	38 955	50 906	50 342	22.62	(1.12)
Office of the MM	10 799	9 023	11 660	9 828	8.18	(18.64)
Administration	0	0	0	0	N/A	N/A
HR	22 167	21 104	20 572	19 076	(10.64)	(7.84)
Component H: sub-total	82 196	69 083	83 138	79 245	12.82	(4.91)
Total Expenditure	260 739	230 106	272 469	260 779	11.76	(4.48)

In this table, operational income (but not levies or tariffs) is offset against operational expenditure leaving a net operational expenditure total for each service. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.

Table 172: Operational Services Performance

Chapter 5: Financial Performance

5.2 FINANCIAL PERFORMANCE PER MUNICIPAL FUNCTION

The tables below indicates the financial performance per municipal function:

5.2.1 Water Services

Description	2015/16	2016/17			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	33 056	31 105	35 995	35 162	11.54
Expenditure:					
Employees	31 872	31 977	34 534	35 466	9.84
Repairs and Maintenance	1 094	3 978	1 734	2 004	(98.54)
Other	10 046	7 569	5 814	5 824	(29.96)
Total Operational Expenditure	43 013	43 523	42 083	43 293	(0.53)
Net Operational (Service) Expenditure	(9 957)	(12 419)	(6 088)	(8 131)	(52.73)
<i>Variations are calculated by dividing the difference between the actual and original budget by the actual.</i>					

Table 173: Financial Performance: Water Services

5.2.2 Waste Water (Sanitation)

Description	2015/16	2016/17			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	16 133	17 776	16 636	16 606	(7.04)
Expenditure:					
Employees	0	0	0	0	N/A
Repairs and Maintenance	969	1 199	1 882	2 036	41.12
Other	1 071	2 340	1 908	2 061	(13.58)
Total Operational Expenditure	2 040	3 539	3 790	4 096	13.60
Net Operational (Service) Expenditure	14 094	14 237	12 846	12 510	(13.80)
<i>Variations are calculated by dividing the difference between the actual and original budget by the actual.</i>					
<i>Employees have been included in Water Services</i>					

Table 174: Financial Performance: Waste Water (Sanitation) Services

Chapter 5: Financial Performance

5.2.3 Electricity

Description	2015/16	2016/17			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	75 911	98 656	84 868	84 514	(16.73)
Expenditure:					
Employees	0	0	0	0	N/A
Repairs and Maintenance	1 181	3 760	1 276	1 099	(242.26)
Other	64 932	67 773	70 049	70 326	3.63
Total Operational Expenditure	66 113	71 533	71 325	71 425	(0.15)
Net Operational (Service) Expenditure	9 798	27 123	13 543	13 089	(107.22)
<p><i>Variances are calculated by dividing the difference between the actual and original budget by the actual. Employees have been included in Water Services</i></p>					

Table 175: Financial Performance: Electricity

5.2.4 Waste Management

Description	2015/16	2016/17			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	13 155	6 870	13 829	13 800	50.21
Expenditure:					
Employees	0	0	0	0	N/A
Repairs and Maintenance	774	842	838	859	2.03
Other	1 930	2 135	2 559	2 601	17.91
Total Operational Expenditure	2 704	2 977	3 397	3 460	13.97
Net Operational (Service) Expenditure	10 451	3 894	10 432	10 340	62.34
<p><i>Variances are calculated by dividing the difference between the actual and original budget by the actual. Employees have been included in Water Services</i></p>					

Table 176: Financial Performance: Waste Management

Chapter 5: Financial Performance

5.2.5 Housing

Description	2015/16	2016/17			Variance to Budget
	Actual	Original Budget	Adjusted Budget	Actual	
	R'000				
Total Operational Revenue	8	500	3 198	1 602	68.80
Expenditure:					
Employees	0	0	0	0	N/A
Repairs and Maintenance	0	0	0	0	N/A
Other	0	500	3 198	1 597	68.69
Total Operational Expenditure	0	500	3 198	1 597	68.69
Net Operational (Service) Expenditure	8	0	0	5	100.00
<p><i>Variances are calculated by dividing the difference between the actual and original budget by the actual. Employees have been included in Water Services</i></p>					

Table 177: Financial Performance: Housing

5.2.6 Roads and Stormwater

Description	2015/16	2016/17			Variance to Budget
	Actual	Original Budget	Adjusted Budget	Actual	
	R'000				
Total Operational Revenue	63	88	88	49	(81.63)
Expenditure:					
Employees	0	0	0	0	N/A
Repairs and Maintenance	1 333	2 673	1 875	1 942	(37.66)
Other	3 576	7 150	4 453	4 203	(70.13)
Total Operational Expenditure	4 909	9 823	6 327	6 144	(59.87)
Net Operational (Service) Expenditure	(4 846)	(9 734)	(6 239)	(6 096)	(59.69)
<p><i>Variances are calculated by dividing the difference between the actual and original budget by the actual. Employees have been included in Water Services</i></p>					

Table 178: Financial Performance: Roads and Stormwater

Chapter 5: Financial Performance

5.2.7 Planning (Development Management, Spatial Planning and Environmental Management, Building Control, And Property Management)

Description	2015/16	2016/17			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	918	2 105	1 514	1 404	(49.93)
Expenditure:					
Employees	0	0	0	0	N/A
Repairs and Maintenance	0	0	0	0	N/A
Other	1	729	79	8	(8 474.66)
Total Operational Expenditure	1	729	79	8	(8 474.66)
Net Operational (Service) Expenditure	917	1 377	1 435	1 396	1.37
<i>Variations are calculated by dividing the difference between the actual and original budget by the actual. Employees have been included in Water Services</i>					

Table 179: Financial Performance: Planning

5.2.8 Social Services (Child Care; Aged Care; Social Programmes and Community Development)

Description	2015/16	2016/17			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	48 702	14 784	49 683	40 129	63.16
Expenditure:					
Employees	21 199	16 123	22 381	23 652	31.83
Repairs and Maintenance	689	948	1 225	1 126	15.76
Other	37 877	10 698	34 809	26 732	59.98
Total Operational Expenditure	59 765	27 769	58 415	51 510	46.09
Net Operational (Service) Expenditure	(11 063)	(12 985)	(8 732)	(11 380)	(14.10)
<i>Variations are calculated by dividing the difference between the actual and original budget by the actual</i>					

Table 180: Financial Performance: Social Services

Chapter 5: Financial Performance

5.2.9 Swimming Pools and Sport Grounds

Description	2015/16	2016/17			Variance to Budget
	Actual	Original Budget	Adjusted Budget	Actual	
	R'000				
Total Operational Revenue	53	0	0	0	N/A
Expenditure:					
Employees	0	0	0	0	N/A
Repairs and Maintenance	0	0	0	0	N/A
Other	0	0	0	0	N/A
Total Operational Expenditure	0	0	0	0	N/A
Net Operational (Service) Expenditure	53	0	0	0	N/A
<i>Variances are calculated by dividing the difference between the actual and original budget by the actual</i>					

Table 181: Financial Performance: Swimming Pools and Sport Grounds

5.2.10 Office of the MM

Description	2015/16	2016/17			Variance to Budget
	Actual	Original Budget	Adjusted Budget	Actual	
	R'000				
Total Operational Revenue	2 670	1 293	3 770	2 438	46.97
Expenditure:					
Employees	7 816	6 932	7 087	6 996	0.91
Repairs and Maintenance	0	0	0	0	N/A
Other	2 983	2 091	4 573	2 832	26.16
Total Operational Expenditure	10 799	9 023	11 660	9 828	8.18
Net Operational (Service) Expenditure	(8 129)	(7 730)	(7 890)	(7 390)	(4.61)
<i>Variances are calculated by dividing the difference between the actual and original budget by the actual</i>					

Table 182: Financial Performance: Office of the MM

Chapter 5: Financial Performance

5.2.11 HR

Description	2015/16	2016/17			Variance to Budget %
	Actual	Original Budget	Adjusted Budget	Actual	
	R'000				
Total Operational Revenue	1 691	917	1 521	744	(23.28)
Expenditure:					
Employees	9 823	11 711	10 592	9 570	(22.37)
Repairs and Maintenance	539	745	705	446	(67.07)
Other	11 805	8 649	9 275	9 060	(4.54)
Total Operational Expenditure	22 167	21 104	20 572	19 076	(10.64)
Net Operational (Service) Expenditure	(20 476)	(20 187)	(19 051)	(18 332)	(10.12)
<i>Variances are calculated by dividing the difference between the actual and original budget by the actual</i>					

Table 183: Financial Performance: Corporate Services

5.2.12 Financial Services

Description	2015/16	2016/17			Variance to Budget %
	Actual	Original Budget	Adjusted Budget	Actual	
	R'000				
Total Operational Revenue	42 454	45 788	44 635	48 667	5.92
Expenditure:					
Employees	11 847	11 940	12 487	12 437	4.00
Repairs and Maintenance	47	100	461	310	67.74
Other	37 33	26 915	37 958	37 595	28.41
Total Operational Expenditure	49 230	38 955	50 906	50 342	22.62
Net Operational (Service) Expenditure	(6 775)	6 833	(6 271)	(1 675)	507.90
<i>Variances are calculated by dividing the difference between the actual and original budget by the actual</i>					

Table 184: Financial Performance: Financial Services

Chapter 5: Financial Performance

5.3 GRANTS

5.3.1 Grant Performance

Description	2015/16	2016/17			2016/17 Variance	
	<i>Actual (Audited Outcome)</i>	Budget	Adjust- ments Budget	Actual	Original Budget	Adjust- ments Budget
	R'000				%	
Operating Transfers and Grants						
National Government:	38 711	40 434	40 366	40 366	-0.17	0.00
Equitable share	34 235	37 173	37 173	37 173	0.00	0.00
Municipal Systems Improvement Grant (MSIG)	795	0	0	0	N/A	N/A
EPWP	1 007	1 000	1 000	1 000	0.00	0.00
MIG - Project Management Unit	1 144	786	718	718	(9.55)	0.00
Finance Management Grant (FMG)	1 450	1 475	1 475	1 475	0.00	0.00
Department of Water Affairs	81	0	0	0	N/A	N/A
Provincial Government:	32 627	4 516	12 970	9 943	54.58	(30.45)
Human Settlement Development Grant	336	500	3 198	1 602	68.80	(99.58)
Library Services MRF	3 471	3 642	3 647	3 647	0.16	0.01
CDW Support	162	170	149	130	(30.94)	(14.61)
Housing Consumer Education	8	0	0	0	N/A	N/A
Road Maintenance	62	84	84	46	(84.50)	(84.50)
Development of Sport and Recreational Facilities	53	0	0	0	N/A	N/A
Marine Living Resources Fund	26 472	0	2 825	2 825	100.00	0.00
IDP Grant	44	0	62	28	100.00	(120.30)
Financial Management Support Grant	826	0	1 120	1 120	100.00	0.00
Municipal Infrastructure Support Grant	669	0	6	6	100.00	0.00
Implementation Bulk SMS System	25	0	0	0	N/A	N/A
Municipal Capacity Building Grant	500	120	1 870	538	77.69	(247.63)
Spatial Development Framework (SDF)	0	0	8	0	N/A	N/A
Total Operating Transfers and Grants	71 338	44 950	53 335	50 308	10.65	(6.02)
<i>Variations are calculated by dividing the difference between actual and original/adjustments budget by the actual.</i>						

Table 185: Grant Performance for 2016/17

Chapter 5: Financial Performance

5.3.2 Conditional Grants

Details	2015/16	2016/17			2016/17 Variance	
	Actual	Budget	Adjustments Budget	Actual	Variance	
	Actual (Audited Outcome)				Budget	Adjustments Budget
	R'000				%	
National Government	44 042	49 153	46 378	27 761	(77.06)	(67.06)
Municipal Infrastructure Grant (MIG)	15 280	22 631	22 631	16 703	(35.49)	(35.49)
MSIG	930	0	0	0	N/A	N/A
FMG	1 450	1 475	1 475	1 475	0.00	0.00
Integrated National Electrification Programme (INEP)	3 000	3 000	3 000	3 000	0.00	0.00
Department of Water Affairs	81	0	0	0	N/A	N/A
EPWP	1 007	1 000	1 000	1 000	0.00	0.00
Regional Bulk Infrastructure Grant (RBIG)	19 614	21 047	17 048	4 383	(380.15)	(288.92)
WSOG - O&M	2 679	0	1 224	1 200	100.00	(2.01)
Provincial Government	35 307	4 534	28 243	12 949	64.99	(118.11)
SDF	0	0	8	0	N/A	N/A
Human Settlement Development Grant	336	0	3 198	1 854	100.00	(72.49)
Library Services	2 660	0	0	0	N/A	N/A
Library Services MRF	3 491	3 660	3 660	3 660	0.00	0.00
CDW Support	162	170	170	130	(30.94)	(30.94)
Housing Consumer Education	8	0	59	57	100.00	(3.94)
Road Maintenance	62	84	84	46	(84.50)	(84.50)
Development of Sport and Recreational Facilities	53	0	15	15	100.00	0.00
Marine Living Resources Fund	26 472	0	2 825	2 825	100.00	0.00
IDP Grant	44	0	62	28	100.00	(120.30)
Financial Management Support Grant	826	0	1 120	1 120	100.00	0.00
Municipal Infrastructure Support Grant	669	0	6	6	100.00	0.00
Implementation Bulk SMS System	25	0	0	0	N/A	N/A
Municipal Capacity Building Grant	500	120	1 870	538	77.69	(247.63)
Municipal Drought Support Grant	0	0	1 850	1 752	100.00	(5.58)
Acceleration of Housing Delivery	0	500	13 315	918	45.52	(1 350.80)
Total	79 349	53 687	74 621	40 710	(31.88)	(83.30)

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

Table 186: Conditional Grant

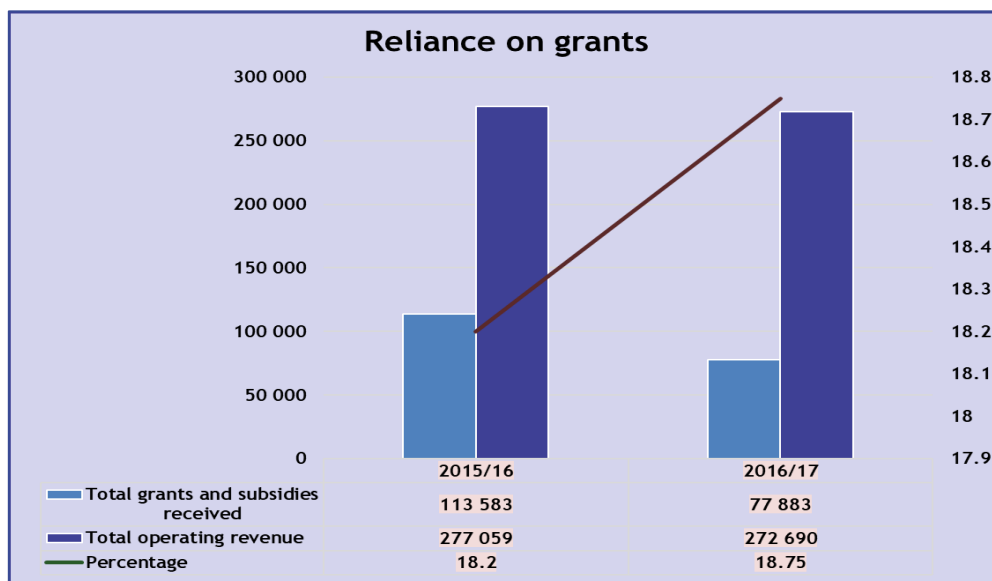
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5.3.3 Level of Reliance on Grants & Subsidies

Financial year	Total grants and subsidies received	Total Operating Revenue	Percentage
	R'000		%
2015/16	113 583	277 059	41.00
2016/17	77 883	272 690	28.56

Table 187: Reliance on Grants

The following graph indicates the municipality's reliance on grants as percentage for the last two financial years



Graph 6: Reliance on Grants

5.4 ASSET MANAGEMENT

5.4.1 Repairs and Maintenance

Description	2015/16	2016/17			
	Actual	Original Budget	Adjustment Budget	Actual	Budget variance
		R' 000			
Repairs and Maintenance Expenditure	6 626	14 161	9 450	9 820	3.91

Table 188: Repairs & Maintenance

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5.5 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

5.5.1 Liquidity Ratio

Description	Basis of calculation	2015/16	2016/17
Current Ratio	Current assets/current liabilities	0.64	0.75
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	0.64	0.75
Liquidity Ratio	Monetary assets/current liabilities	0.60	0.72

Table 189: Liquidity Financial Ratio

5.5.2 IDP Regulation Financial Viability Indicators

Description	Basis of calculation	2015/16	2016/17
Cost Coverage	(Available cash + Investments)/monthly fixed operational expenditure	0.00	(0.58)
Total Outstanding Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	0.24	0.21
Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	41.41	43.77

Table 190: Financial Viability National KPAs

5.5.3 Borrowing Management

Description	Basis of calculation	2015/16	2016/17
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	2.39%	1.84%

Table 191: Borrowing Management

5.5.4 Employee costs

Description	Basis of calculation	2015/16	2016/17
Employee costs	Employee costs/(Total Revenue - capital revenue)	31.66%	33.79%

Table 192: Employee Costs

5.5.5 Repairs & Maintenance

Description	Basis of calculation	2015/16	2016/17
Repairs & Maintenance	R&M (Total Revenue excluding capital revenue)	1.18%	1.72%

Table 193: Repairs & Maintenance

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COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

5.6 SOURCES OF FINANCE

5.6.1 Capital Expenditure: Funding Sources

The table below indicates the capital expenditure by funding source for the 2016/17 financial year:

Capital Expenditure: Funding Sources						
Details	2015/16	2016/17				
	Audited outcome	Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance	Actual to OB Variance
Source of Finance						
Description	R'000				%	
External loans	817	0	0	0	N/A	N/A
Grants and subsidies	39 671	45 911	58 459	22 966	21.46	(154.55)
Own funding	3 529	4 650	11 576	5 287	59.83	(118.92)
Total	44 017	50 561	70 035	28 253	27.81	(147.88)
Percentage of Finance						
External loans	2%	0%	0%	0%		
Grants and subsidies	90%	91%	83%	81%		
Own funding	8%	9%	17%	19%		
Capital Expenditure						
Description	R'000				%	
Water and sanitation	29 251	37 548	43 861	17 190	14.39	(155.16)
Electricity	2 668	3 000	3 710	2 758	19.14	(34.54)
Housing	0	0	0	0	N/A	N/A
Roads and Stormwater	1 397	5 344	3 453	3 524	(54.79)	2.02
Other	10 700	4 669	19 011	4 783	75.44	(297.50)
Total	44 017	50 561	70 035	28 253	27.81	(147.88)
Percentage of Expenditure						
Water and sanitation	66	74	63	61		
Electricity	6	6	5	10		
Housing	0	0	0	0		
Roads and stormwater	3	11	5	12		
Other	24	9	27	17		

Table 194: Capital Expenditure by Funding Source

Chapter 5: Financial Performance

5.6.2 Capital Spending on Largest Capital Projects

Name of Project	2016/17				
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance	Adjustment variance
	R'000			%	
Upgrade WWTW phase 2 Lamberts Bay	8 822	10 363	10 098	0.01	(0.00)
Upgrade roads and stormwater Citrusdal	4 844	3 451	3 318	(0.05)	(0.00)
Electrification informal housing Lamberts Bay	3 000	3 000	2 758	(0.01)	(0.01)
Regional water supply and desalination	14 387	14 388	1 565	(0.82)	(0.82)
Boreholes Algeria	-	1 850	1 537	0.10	(0.02)
Name of Project - A	Upgrade WWTW phase 2 Lamberts Bay				
Objective of Project	Upgrade WWTW to unlock housing				
Delays	None				
Future Challenges	None				
Anticipated citizen benefits	6 120				
Name of Project - B	Upgrade roads and stormwater Citrusdal				
Objective of Project	Upgrade roads and stormwater in Citrusdal				
Delays	None				
Future Challenges	None				
Anticipated citizen benefits	7 177				
Name of Project - C	Electrification informal housing Lamberts Bay				
Objective of Project	Electrification of informal housing in Lamberts Bay				
Delays	None				
Future Challenges	None				
Anticipated citizen benefits	130 households				
Name of Project - D	Regional water supply and desalination				
Objective of Project	Desalination plant				
Delays	Shortfall on project				
Future Challenges	Countering funding for project				
Anticipated citizen benefits	6 120				
Name of Project - E	Boreholes Algeria				
Objective of Project	Drought relief in Algeria				
Delays	None				
Future Challenges	None				
Anticipated citizen benefits	120				

Table 195: Capital Spending on Largest Capital Projects

Chapter 5: Financial Performance

5.6.3 Municipal Infrastructure Grant (MIG) Expenditure on Service Backlogs

The table below indicates the MIG expenditure on service backlogs:

MIG Expenditure on Service Backlogs					
Details	Budget	Adjustments Budget	Actual	Variance	
				Budget	Adjustment Budget
	R'000			%	%
Infrastructure - roads and transport	4 844 200	3 450 781	3 318 001	(46.00)	(4.00)
Infrastructure - sanitation	8 821 650	10 363 045	10 098 442	12.64	(2.62)
Recreational facilities - sport facilities	7 679	7 613 421	205 548	(3 635.87)	(3 603.97)
Total	21 344 850	21 427 247	13 621 991	(56.69)	(57.30)

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

Table 196: MIG Expenditure on Service Backlogs

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

Cash flow management is critical to the municipality as it enables the organisation to assess whether enough cash is available at any point in time to cover the council's commitments. Cash flow is rigorously managed and monitored on a regular basis.

5.7 CASH FLOW

Cash Flow Outcomes				
R'000				
Description	2015/16	2016/17		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
	R'000			
Cash flow from operating activities				
Receipts				
Property rates, penalties & collection charges	32 090	36 047	36 847	32 840
Service charges	92 856	110 503	112 926	104 951
Other revenue	13 767	10 899	16 390	16 081
Government - operating	71 789	44 950	53 335	80 209
Government - capital	42 245	45 910	58 459	27 575
Interest	3 895	2 197	1 800	3 824
Dividends	0	0	0	0
Payments				
Suppliers and employees	(212 011)	(192 203)	(188 428)	(214 937)

Chapter 5: Financial Performance

Cash Flow Outcomes				
R'000				
Description	2015/16	2016/17		
	<i>Audited Outcome</i>	<i>Original Budget</i>	<i>Adjusted Budget</i>	<i>Actual</i>
	R'000			
Finance charges	(5 278)	(1 850)	(1 980)	(2 668)
Transfers and Grants	0	0	(16 162)	0
Net cash from/(used) operating activities	39 355	56 452	73 187	47 876
Cash flows from investing activities				
Receipts				
Proceeds on disposal of PPE	413	0	0	641
Decrease (increase) in non-current debtors	0	0	0	0
Decrease (increase) other non-current receivables	0	0	0	0
Decrease (increase) in non-current investments	0	0	0	0
Payments				
Capital assets	(44 017)	(50 561)	(70 035)	(27 756)
Net cash from/(used) investing activities	(43 604)	(50 561)	(70 035)	(27 115)
Cash flows from financing activities				
Receipts				
Short term loans	0	0	0	0
Borrowing long term/refinancing	4 000	0	0	1 414
Consumer deposits	113	0	0	150
Payments				
Repayment of borrowing	(3 935)	(2 088)	(2 088)	(2 514)
Net cash from/(used) financing activities	178	(2 088)	(2 088)	(950)
Net increase/ (decrease) in cash held	(4 071)	3 803	1 065	19 811
Cash/cash equivalents at the year begin:	6 561	2 972	1 764	2 490
Cash/cash equivalents at the yearend:	2 490	6 776	2 829	22 301

Table 197: Cash flow

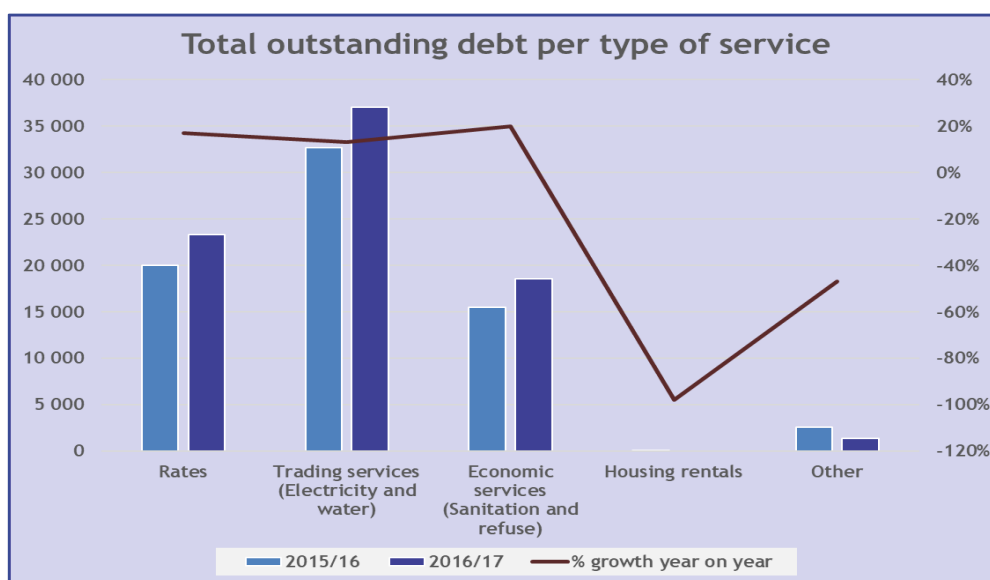
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5.8 GROSS OUTSTANDING DEBTORS PER SERVICE

Financial year	Rates	Trading services	Economic services	Housing rentals	Other	Total
		(Electricity and Water)	(Sanitation and Refuse)			
R'000						
2015/16	19 976	32 647	15 452	9	2 540	70 624
2016/17	23 357	37 031	18 536	0	1 355	80 279
Difference	3 381	4 384	3 084	(9)	(1 185)	9 655
% growth year on year	17	13	20	(98)	(47)	14

Note: Figures exclude provision for bad debt

Table 198: Gross Outstanding Debtors per Service



Graph 7: Total Outstanding Debtors per Type of Service

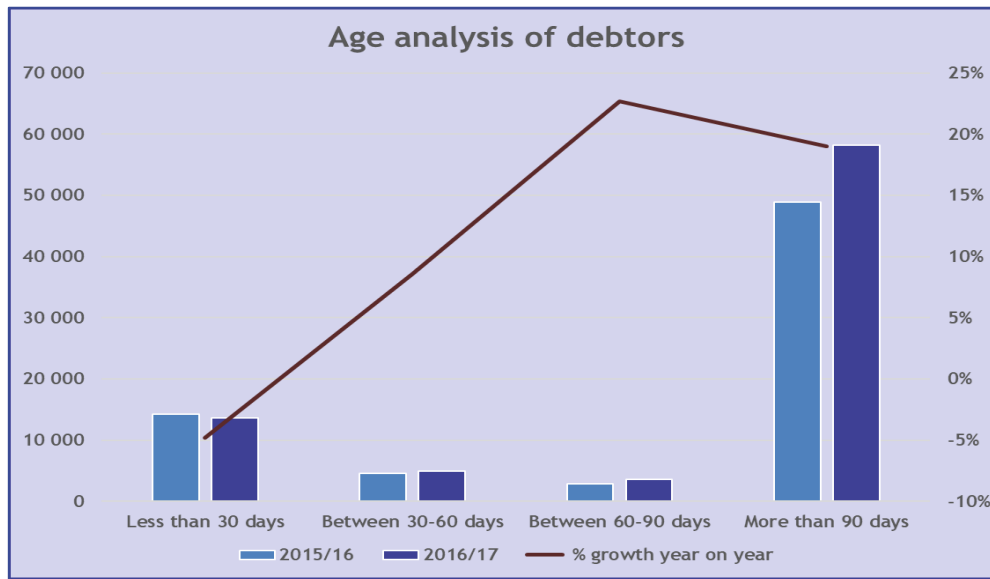
5.9 TOTAL DEBTORS AGE ANALYSIS

Financial year	Less than 30 days	Between 30-60 days	Between 60-90 days	More than 90 days	Total
	R'000				
2015/16	14 284	4 515	2 898	48 928	70 624
2016/17	13 599	4 903	3 555	58 222	80 279
Difference	(685)	388	657	9 295	9 655
% growth year on year	(5)	9	23	19	14

Note: Figures exclude provision for bad debt.

Table 199: Service Debtor Age Analysis

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Graph 8: Service Debtor Age Analysis

5.10 BORROWING AND INVESTMENTS

Infrastructure needs to be replaced and therefore borrowings for periods of 15 years are taken up to lessen the impact on consumers.

5.10.1 Actual Borrowings

Actual Borrowings		
R' 000		
Instrument	2015/16	2016/17
	R'000	
Long-term loans (annuity/reducing balance)	22 356	20 105
Financial leases	298	1 946
Total	22 654	22 052

Table 200: Actual Borrowings

5.10.2 Municipal Investments

Actual Investments		
R'000		
Investment type	2015/16	2016/17
	Actual	
	R'000	
Deposits - Bank	174	19 433
Total	174	19 433

Table 201: Municipal Investments

Chapter 6: Auditor-General Findings

CHAPTER 6

COMPONENT A: AUDITOR-GENERAL OPINION 2015/16

6.1 AUDITOR-GENERAL REPORT 2015/16

2015/16	
Main issues raised under emphasis of matter	Corrective steps implemented/ to be implemented
Material losses and impairments	
As disclosed in note 46 to the financial statements, the municipality incurred electricity distribution losses of 12,87% or 8 304 174 kWh during the year under review	With reference to the Water meter audit performed and the "War on Leaks" programme which is currently underway the municipality strives to further reduce water losses
As disclosed in note 3 to the financial statements, the municipality has provided for impairment of receivables from exchange transactions amounting to R23 million	If one looks from a holistic point of view when comparing the collection rate of the current year to the prior year, one will notice an increase in the collection rate from 86% to 90%. Management therefore considered the budget for debt impairment to be adequate as it was in-line with the previous year's budget which was deemed sufficient, given that the actual amounts were showing an increase in collection rates. However, when GRAP 104 was applied during the calculation of debt impairment it was noted that the majority good payers were still paying good and therefore good collections were still being made from these consumers, irrespective of the increases in tariffs. However, there were a significant amount of good payers (previously not impaired) who became bad payers in the current year, resulting that these debtors whom were not previously impaired, had to be impaired in order to meet the requirements of GRAP 104. In addition, there were not a significant amount of bad payers (previously impaired) that changed their status to good payers. It was therefore only during the detail calculation of debt impairment that Management became aware that debt impairment was significantly under budget for in order to meet the requirements of GRAP 104. From a holistic point of view, when comparing the collection rates (86% vs 90%), Management is of the opinion that sound assumptions were applied during the budget process and that the overspending of the debt impairment budget is considered a technicality in order to conform to the requirements of GRAP 104
As disclosed in note 4 to the financial statements, the municipality has provided for impairment receivables from non-exchange transactions amounting to R24.2 million	
Growing concern	
The municipality had adverse key financial ratios, such as creditor's payment period and current assets to current liabilities. These conditions, along with other matters, indicate the existence of a material uncertainty that may cast significant doubt on the municipality's ability to operate as a going concern	The municipality is in the process to formulate a financial strategic plan to ensure that they improve the status of cash flow in the medium to long term. Funds were received from Provincial Treasury for this project. More corrective actions: <ol style="list-style-type: none"> 1. Implementation of the Cash Committee; 2. Realistic Budget; 3. Implementing a Revenue Enhancement Policy, Plan and Project; 4. Aligning our Credit Control and Indigent Policy to this project; 5. Strict Credit control and cut and block of services are applied

Chapter 6: Auditor-General Findings

2015/16	
Main issues raised under emphasis of matter	Corrective steps implemented/ to be implemented
Restatement of corresponding figures	
The corresponding figures for 30 June 2015 have been restated as a result of an error discovered during the 2015-2016 financial year in the financial statements of the municipality at, and for the year ended, 30 June 2015	This restatement was corrected
Compliance with legislation	
Annual Report and Annual Financial Statements	
The Council failed to adopt an oversight report containing the Council's comments on the annual report within prescribed timelines, as required by Section 129 (1) of the MFMA	With the appointment of the new Municipal Manager and strengthening of the administration this issue is fully addressed and resolved
Expenditure management	
Money owed by the municipality was not always paid within 30 days, as required by section 65 (2)(e) of the MFMA	Refer to actions implemented to enhance cash flow. Cost containment measures as highlighted in Circular 80 has also been implemented to reduce unnecessary expenditure.
Procurement and Contract Management	
Goods and services with a transaction value of below R200 000 were procured without obtaining the required price quotations, in contravention of by SCM regulation 17 (a) and (c)	All issues, findings were addressed by the Operation Clean Audit project.
Goods and services of a transaction value above R200 000 were procured without inviting competitive bids, as required by SCM regulation 19 (a). Deviations were approved by the accounting officer even though it was not impractical to invite competitive bids, in contravention of SCM regulation 36 (1).	
HR Management	
The Municipal Manager was appointed without having met the prescribed minimum competency levels as required by Section 54A (2) of the MSA	This issue has been resolved

Table 202: AG Report on Financial Performance 2015/16

COMPONENT B: AUDITOR-GENERAL OPINION 2016/17

6.2 AUDITOR-GENERAL REPORT 2016/17

2016/17	
Main Issues under emphasis of matter	Corrective steps implemented/to be implemented
Material Losses and impairments	
As disclosed in note 46 to the financial statements, the municipality incurred water distribution losses of 12,76%	This is a slight decrease from the previous year. The War On Leaks team is assisting the municipality with mitigating all known leakages but also in training and educating the public on the control and monitoring of water consumption.
As disclosed in note 3 to the financial statements, the municipality has provided for impairment of receivables from exchange transactions amounting to R30,4 million	Provision made in terms of GRAP. Current Policy of Council in terms of write off very conservative.

Chapter 6: Auditor-General Findings

2016/17	
Main Issues under emphasis of matter	Corrective steps implemented/to be implemented
As disclosed in note 4 to the financial statements, the municipality has provided for impairment of receivables from non-exchange transactions amounting to R40,8 million.	New Traffic Management service provider was appointed late in 2015/16. The 2016/17 year is the full extent of fines issued by new service provider.
Going Concern	
Based on a high level of review of the selected financial indicators, the municipality is in a sound financial position as at 30 June 2017. However, the debtors' collection days and creditors payment period remain a concern, especially since the debtors' collection period overlaps with the creditors payment period; however, the current ratio is a concern as current liabilities significantly exceed current assets. This indicates that the municipality might be unable to pay its current or short-term obligations. It further raises the question about the municipality's financial viability and its ability to continue operating optimally at its current capacity or as a going concern	<p>The municipality embarked on the following corrective actions:</p> <ol style="list-style-type: none"> 1. Implementation of the Cash Committee; 2. Realistic Budget. 3. Approaching NT and PT regarding funding of various capital projects; 4. Awareness campaign with regards to Councilors, Provincial and National Treasury of the economic and social problems and challenges the municipality face in an ever decreasing positive economic climate; 5. Embarking on a Long Term Financial Strategy plan. 6. Implementing a Revenue Enhancement Policy, Plan and Project; 7. Aligning our Credit Control and Indigent Policy to this project; 8. Applying to PT for funding to perform a Water and Electricity meter audit to decrease our water and electricity losses; 9. Applying for funding of a Strategic Sustainability Plan to PT; 10. Numerous meetings with the private sector to expedite growth in the community;
Restatement of corresponding figures	
As disclosed in note 39 to the financial statements, the corresponding figures for 30 June 2016 have been restated as a result of an error discovered during the 2016-17 financial year in the financial statements of the municipality at, and for the year ended, 30 June 2016.	N/A
Predetermined Objectives	
Implement strategies to ensure that the municipality is financial viable	
The non-compliance with laws and regulations was not material enough to be reported in the audit report. The failure to make timely payments when due, was caused by lack of adequate funding due to under collection on revenue earned over the year. Furthermore, the municipality concentrated on payments of historical debt specifically to Eskom where a settlement ring-fencing agreement was entered into.	The cash and cash equivalents has increased significantly from the prior to the current year. Additionally, the net cash flows for the year from operating activities have also increased from the prior year. Creditors as a percentage of cash and cash equivalents have decreased significantly in the current year and indicates an increased ability by the municipality to meet its short term obligations and day to day operational expenses. The current liabilities as a percentage of net cash inflows for the year from operating activities further indicates that the municipality might not be able to meet its operating obligations, service its short-term debt and withstand tough economic conditions.
Sustainable basic service delivery and infrastructure development	
No Findings	N/A
Compliance with legislation	

Chapter 6: Auditor-General Findings






2016/17	
Main Issues under emphasis of matter	Corrective steps implemented/to be implemented
Annual Report and Annual Financial Statements	
The non-compliance with laws and regulations was not material enough to be reported in the audit report	N/A
Expenditure Management	
Money owed by the municipality was not always paid within 30 days, as required by section 65 (2) (e) of the MFMA.	Finalised; Improvements were made with regard with paying creditors within 30 days, however, due to limited cash resources, the action plan remains in progress.
Procurement and Contract Management	
No Findings; No irregular expenditure was incurred in the current financial year was as a result of the contravention of SCM legislation. Further no irregular expenditure incurred in previous years, was identified in the current year.	N/A
IT Management	
The municipality does not have an adequate IT Governance Framework in place	Filling of vacancy for IT Manager is Finalised. The position was advertised. Successful candidate was appointed.
Revenue Management	
The high debtors' collection period of 98.9 days and the increase in the debt impairment provision is an indication of the municipality experiencing challenges in the collection of outstanding debts	<ul style="list-style-type: none">  Embarking on a Long Term Financial Strategy plan.  Implementing a Revenue Enhancement Policy, Plan and Project;  Aligning our Credit Control and Indigent Policy to this project;  Cut and Block of Electricity services;  Hand over to Attorneys of clients older than 90 days;

Table 203: AG Report on Financial Performance 2016/17

List of Abbreviations

LIST OF ABBREVIATIONS

AG	Auditor-General	LED	Local Economic Development
AFS	Annual Financial Statements	MAYCOM	Executive Mayoral Committee
CAPEX	Capital Expenditure	MFMA	Municipal Finance Management Act (Act No. 56 of 2003)
CBP	Community Based Planning	MIG	Municipal Infrastructure Grant
CFO	Chief Financial Officer	MM	Municipal Manager
CMTF	Council Meets The People	MMC	Member of Mayoral Committee
COGHSTA	Department of Cooperative Governance, Human settlements and Traditional Affairs	MSA	Municipal Systems Act No. 32 of 2000
DPLG	Department of Provincial and Local Government	MTECH	Medium Term Expenditure Committee
DWA	Department of Water Affairs	NCOP	National Council of Provinces
EE	Employment Equity	NERSA	National Energy Regulator South Africa
EPWP	Extended Public Works Programme	NGO	Non-governmental organisation
EXCO	Executive Committee	NT	National Treasury
FBS	Free Basic Services	OPEX	Operating expenditure
GAMAP	Generally Accepted Municipal Accounting Practice	PMS	Performance Management System
GRAP	Generally Recognised Accounting Practice	PT	Provincial Treasury
HR	Human Resources	SALGA	South African Local Government Association
IDP	Integrated Development Plan	SAMDI	South African Management Development Institute
IFRS	International Financial Reporting Standards	SCM	Supply Chain Management
IMFO	Institute for Municipal Finance Officers	SDBIP	Service Delivery and Budget Implementation Plan
KPA	Key Performance Area	SDF	Spatial Development Framework
KPI	Key Performance Indicator		

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