



FINAL ANNUAL REPORT

ON THE PERFORMANCE OF

KAROO HOOGLAND MUNICIPALITY

FOR THE 2014/15 FINANCIAL YEAR

**IN TERMS OF
SECTION 46 OF THE LOCAL GOVERNMENT MUNICIPAL SYSTEMS ACT, 2000
AND
SECTION 121 OF THE MUNICIPAL FINANCIAL MANAGEMENT ACT, 2003**

**DRAFT : SEPTEMBER 2015 SUBMITTED
FINAL : January 2016**

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Volume IV	Audit Recovery Plan/ Audit Action Plan 2014/2015 (Only Soft Copy on CD)
Volume V	Organogram (Approved Organogram will be submitted after jobdescriptions have been completed in February 2016)
Volume VI	Personnel Information
Volume VII	Schedule of Key Deadlines for 2016/2017 Budget & IDP Process (Soft Copy on CD)
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CHAPTER I:

MAYOR'S FOREWORD & EXECUTIVE SUMMARY

COMPONENT A: MAYOR'S FORWARD

Our aim is to build the capacity of Karoo Hoogland Local Municipality to facilitate effective transparent governance and sustainability so that Council is able to meet its community's needs consequently.

During the financial year of 2014/15 the following successes were achieved which also formed part of the approved IDP:

- Frequent Community meetings;
- Monthly Council meetings;
- Establishment of Ward Committees;
- Quarterly newsletter to the community;
- New Municipal Website;
- Monthly public notices and advertisements in the Local Newspaper;
- Revision of all financial policies
- Creating of jobs through EPWP Projects

Council meets the People

Public participation serves as one of the cornerstones of local government. The Karoo Hoogland Municipal council embarked on a Council Meets the People programme.

During this programme the Council visits all the wards in the Municipal jurisdiction and interact with the community in the following manners:

- Sector meetings e.g. Meetings with the youth bodies, businesses and church organisations.
- Door to door assessment of the conditions of the residents (profile assessment form)
- Community meetings

Public participation Meetings were held with the community regarding the IDP and Budget. Council also held community meetings before there Council meetings in each ward. Ward Committees were established in three of the wards and only a few meetings were held during the year. During October 2014, February 2015, March 2015 and May 2015 Budget and IDP meetings were held with the community.

The national development plan also states that active citizenry and social activism is necessary for democracy and development to flourish. The state cannot merely act on behalf of the people – it has to act with the people, working together with other institutions to provide opportunities for the advancement of all communities.

In trying to adhere to the projections of the National Development plan we as Karoo Hoogland Municipality have worked on a few projects during the 2013/2014 and 2014/2015 financial years. The following are some of the salient projects to be undertaken over the medium-term.

They include:

- Paving of all streets in all three towns;
- Development and upgrading of new sports grounds;
- Electrification projects;
- Bulk water projects in Sutherland (Commenced in 2015/2016);
- Sutherland Internal Water network;
- Williston Bulk water supply (Commenced 2014/2015);
- EPWP upgrading of streets projects

Partnerships

It is worth mentioning that the Municipality have some successful partnerships with SKA, SALT and various community organisations and rate payer's associations. Management is continuously working on new initiatives to enter into new partnerships that are beneficial to the community and could better access to services and better our people's lives.

I wish to take this opportunity to thank the residents for their continued support for our projects and initiatives. I also want to thank the Councillors and the staff for spending long hours in enabling us to adhere to the local government requirements as contained in the MFMA, the Municipal Systems Act, the Public Finance Management Act and all the other legislation which governs local government. I am very proud to say that Karoo Hoogland Municipality received a Qualified Audit Opinion. Well done to all the personnel with this major improvement.

As we move into the 2015/2016 Financial year and also nearing the next municipal election, we will strive to fulfil our vision and mission and keep on trying to better service delivery to the community.

Mr JP Julies

Mayor

21 January 2016



COMPONENT B : EXECUTIVE SUMMARY

I.1 MUNICIPAL MANAGER'S OVERVIEW

The Karoo Hoogland Municipality annual report for the 2014/2015 financial year was compiled in line with the Local Government Municipal Systems Act 32 of 2000, the Local Government: Municipal Finance Management Act 56 of 2003, as well as as other legislation which governs local government.

Karoo Hoogland's Annual Report for the 2014/2015 financial year gives one a picture of the work that was done. The Municipality always strive to achieve service excellence in the services that they deliver to the community. Obviously the municipality is not perfect and there is still much that the municipality can do, must do and wants to do.

It is clear that as the municipality is moving into the next financial year, the various challenges will be even greater. This will place tremendous burdens on our communities, who will depend on the municipal services to be rendered. The Municipality is, together with all the various role players, looking forward to again delivering services.

It is worth mentioning that the municipality have moved away from three years in a row of a disclaimer opinion to a qualified audit report.

The Management wish to express its appreciation to the political leadership for the opportunities that they gave us to serve the people of Karoo Hoogland. The personnel's efforts in implementing the municipality's mandate are able to contribute to make a difference in the quality of the lives of our community.

Mr G.W von Möllendorf

Municipal Manager

20 January 2016

VISION

"Karoo Hoogland will be an economical growth node in the Northern Cape, earmarked by active community participation. Council must create an environment that will enhance economic development with specific focus on poverty alleviation and the creation of direct and indirect job opportunities. Residents will have direct access to basic minimum services and a culture of pay for services must be promoted. Special focus on the development of life skills, infrastructure and education will add to economic growth. A safe and healthy environment must be ensured for the communities of Karoo Hoogland." And To provide an affordable quality service to inhabitants and visitors in Karoo Hoogland municipal jurisdiction and to executing the policies and programs of the Council.

MISSION

As an authority that delivers municipal services to Karoo Hoogland municipal jurisdiction, we attempt, by means of a motivated staff, to develop Karoo Hoogland municipal jurisdiction increasingly as a pleasant, safe and affordable living and workplace for its residents - and a hospitable and relaxed visiting place for its visitors.

I.2 MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

INTRODUCTION TO BACKGROUND DATA

The Municipal Systems Act, Act 32 of 2000 states that:

- A Municipality is a state of organ within the local sphere of government exercising legislative and executive authority within an area determined in terms of the Local Government Municipal Demarcation Act, 1998
- It consist of – the political structures and administration of the municipality and the community of the municipality

As stated by the act above. The Municipality represent the interests of the community and must take decisions that are reasonable and in the interest of the community. Municipalities cannot take decisions if the following issues are not taken into consideration. The IDP and the budgeting processes are affected by the following issues. Stats SA served as the source of information for the following information.

Karoo Hoogland Municipality consists of Sutherland, Williston and Fraserburg and surrounding rural area.

The municipality comprises an area of 32 274 km² and falls within the area of jurisdiction of Namakwa District Municipality.

Houses * 2194 (Households serviced)

Households levied : * 2309

Population * 11601 (Sensus 2011)

Registered erven * 4398

Total Households * 3378 (Including Rural areas)

Indigents as at 30/06/2015 * 929

	TOTAL POPULATION	PERCENTAGE OF POPULATION PER WARD	PERCENTAGE INDIGENTS OF EACH WARD	AMOUNT OF HOUSES PER WARD	AVERAGE AMOUNT OF INDIGENT HOUSEHOLDS	HOUSING BACKLOG AS AT 2015	TOTAL NR OF HOUSEHOLD S*3.5 PEOPLE = TOTAL INDIGENT PERSONS
TOTAL POPULATION STATSA 2011	11601	100%					5614
POPULATION : SUTH : WARD 3	2204	19.00%	77.81%	630	240	250	1715
POPULATION : FRASERBURG : WARD 2	2668	23.00%	67.82%	837	387	130	1810
POPULATION : WILLISTON : WARD 1	3133	27.01%	66.69%	727	297	300	2090
POPULATION : RURAL AREAS : WARD 3	3596	31.00%					
TOTAL REGISTERED INDIGENTS PER MONTH	JUL '14	AUG '14	SEP '14	OCT '14	NOV '14	DEC '14	
TOTALS	1028	986	977	949	930	866	
	JAN '15	FEB '15	MAR '15	APR '15	MAY '15	JUN '15	
TOTALS	915	908	920	925	924	929	

Households with access to water and basic services: 2194

Households with access to sanitation: 2194

Households with access to electricity: 2194

Households with access to refuse removal: 2194

Karoo Hoogland Municipality have a total population of approximately 11 601 according to STATS SA Survey done in 2011. Karoo Hoogland is situated in the most Southern part of the Northern Cape and falls within the area of jurisdiction of Namaqua District Municipality with its head office located in Springbok. The three main towns in Karoo Hoogland are Williston, Fraserburg and Sutherland which are respectively 499 km, 592 km and 539 km from Springbok. Karoo Hoogland Municipality is divided into 4 Wards and there is an estimate of 2194 houses and 2309 households in the towns serviced by the Municipality.

POPULATION DISTRIBUTION IN KAROO HOOGLAND MUNICIPAL AREA

Fraserburg : 23% of total population

Non Urban areas (Rural) : 31% of total population

Sutherland: 19% of total population

Williston : 27% of total population

It is evident that the most significant portion of Karoo Hoogland's urban population resides in Williston (27%). The Karoo Hoogland LM also has a large rural population, with 31% of its population residing in the non-urban (NU) regions within the Municipality which covers approximately 99% of the LMs geographical area.

The age distribution of a population is important because the largest age group inevitably indicates its own demands on the market. A large number of residents are still dependant on government grants. This tendency in it self have a negative influence on the payment of services and a total approximately 900 households are subsidised by the service subsidized scheme monthly.

The Karoo Hoogland population can be regarded as having a high **dependency ratio**. With **10%** of the population over the age of 65 and **27.7%** are under 15 years. *The latter youth group will be demanding education, housing and jobs in the near future.* The Karoo Hoogland gender distribution is 49.7% males and 50, 3% females.

According to Census 2011, Karoo Hoogland Municipality has a total population count of 12 588, of which 78,9% are coloured, 14,6% are white, with black African, and Asian/Indian making up the remaining population. Of those aged 20 years and older, 26,5% completed some secondary schooling, 21,1 % completed some primary schooling, 18,5% have no schooling, 16,9% completed Grade 12, and 7,4% completed primary school.

Chart Data

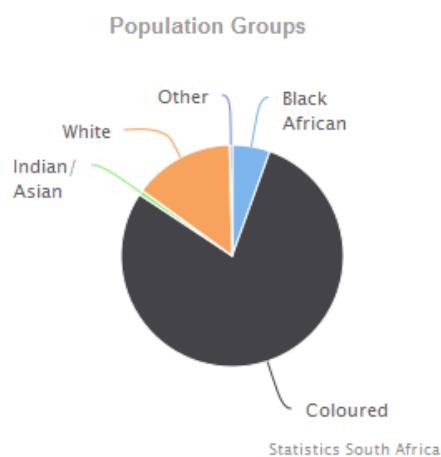
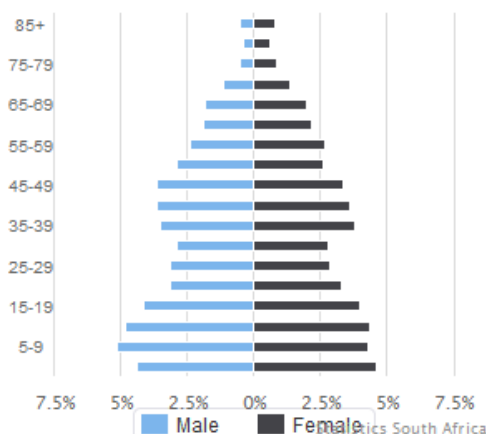
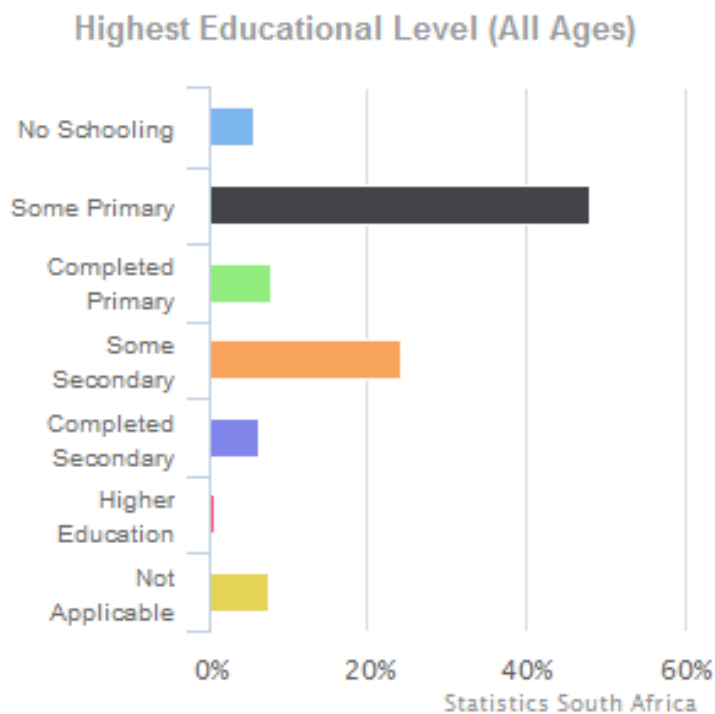
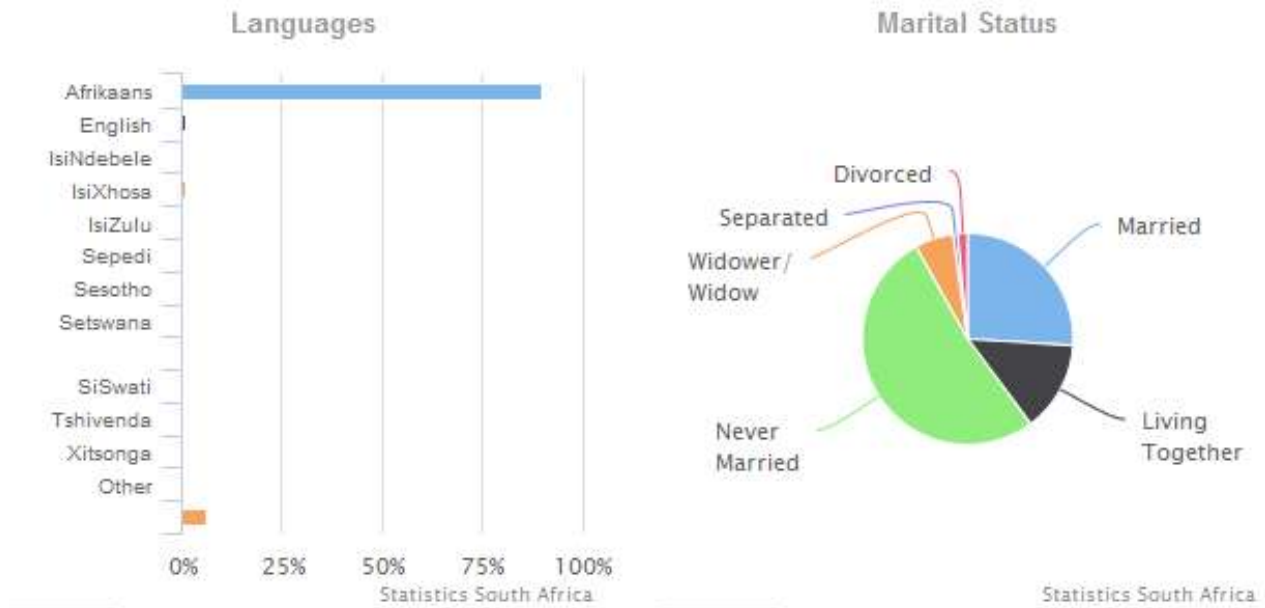


Chart Data

Sex and Age Distribution





The average population growth rates between 2001 and 2010 are as follows:

- Northern Cape Province (0.3%)
- Namakwa District Municipality (-0.1%)
- Karoo Hoogland Local Municipality (-1.7%) And from 2010 - 2015 (1,8% growth)

Wards within the Municipal Boundaries:

- Ward 1 - Williston
- Ward 2 - Fraserburg
- Ward 3 - Rural surroundings
- Ward 4 - Sutherland

ITEM	NUMBER BY 2011
POPULATION	11601 / 12500(2015)
POPULATION GROWTH	1,8% (according to Statssa website)
POPULATION BY AGE	<15 yrs. : 27,7% 15 - 65yrs : 62.3% (working age) 65+ yrs. : 10%
UNEMPLOYMENT RATE	14,6%
YOUTH UNEMPLOYMENT RATE	20%
NO SCHOOLING AGED 20+	18,4%
HIGHER EDUCATION AGED 20+	8,7%
MATRIC AGED 20+	16,9%
FEMALE HEADED HOUSEHOLDS	30,6%
HOUSING OWNED/PAYING OFF	47,3%
HOUSEHOLDS (TOWNS & RURAL)	3378
REGISTERED INDIGENTS AS AT 30 JUNE 2015	929
HOUSES IN TOWNS	2194
HOUSEHOLDS LEVIED FOR SANITATION	2309
AVERAGE HOUSEHOLD SIZE	3.5 - 3.7 people
REFUSE DISPOSAL	Refuse Removed by local authority/Private : 2194
WATER	Piped water inside dwelling : 1596 Piped water inside yard : 598 Access to water : All households- 2194 Municipal boreholes : 15 (water sources for towns)
TOILET FACILITIES	Total sanitation accounts levied : 2309 Flush Toilets connected : 702 Flush toilet with septic : 798 UDS Toilet : 809 serviced by Municipal Contractor
ALL HOUSEHOLDS HAVE ACCESS TO WATER, SANITATION AND ELECTRICITY	100%

Population Details

Age	2009/10			2010/11			2011/12		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Age: 0 - 14	1342	1466	2808	1351	1466	2817	1364	1478	2842
Age: 15 - 24	834	911	1745	842	917	1759	858	929	1787
Age: 25 - 40	1121	1225	2346	1118	1219	2337	1114	1206	2320
Age: 41 - 64	1626	1776	3402	1630	1779	3409	1642	1780	3422
Age: 65+	575	629	1204	582	636	1218	591	639	1230
Source: QUANTEC and estimated amounts									
	11505			10540			11601		
	2010			2011			2012		

Population Details

Age	2012/13			2013/14			2014/15		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Age: 0 - 14	1398	1509	2907	1410	1527	2937	1438	1580	3018
Age: 15 - 24	876	932	1808	898	950	1848	913	973	1886
Age: 25 - 40	1137	1229	2366	1149	1240	2389	1177	1293	2470
Age: 41 - 64	1663	1807	3470	1675	1825	3500	1696	1851	3547
Age: 65+	606	653	1259	624	671	1295	655	695	1350
Source: QUANTEC and estimated amounts									
	11810			11969			12271		
	2013			2014			2015		

SOCIO ECONOMIC STATUS

Chart [Data](#)

Employment for those aged 15-64

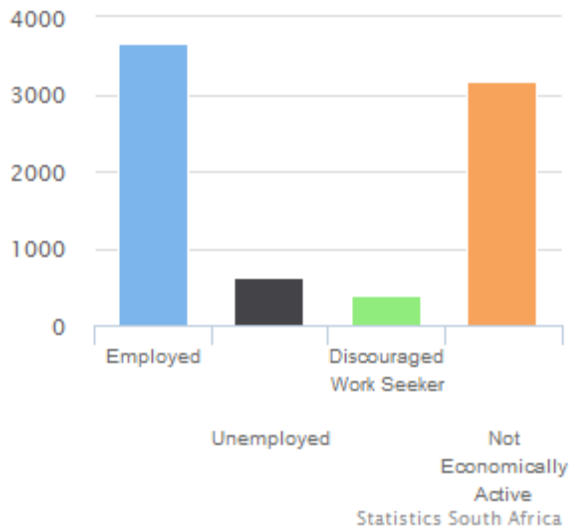
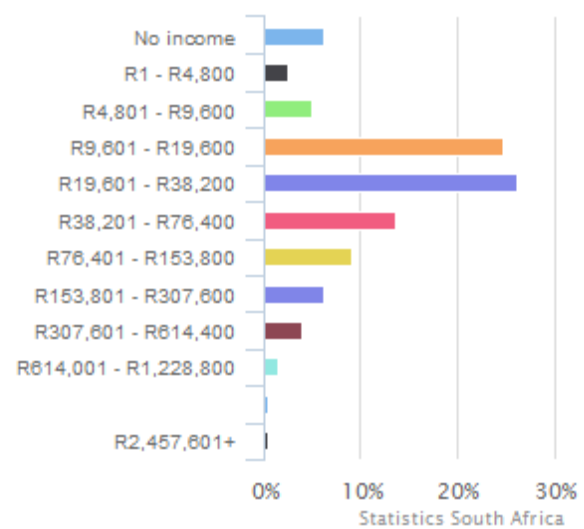
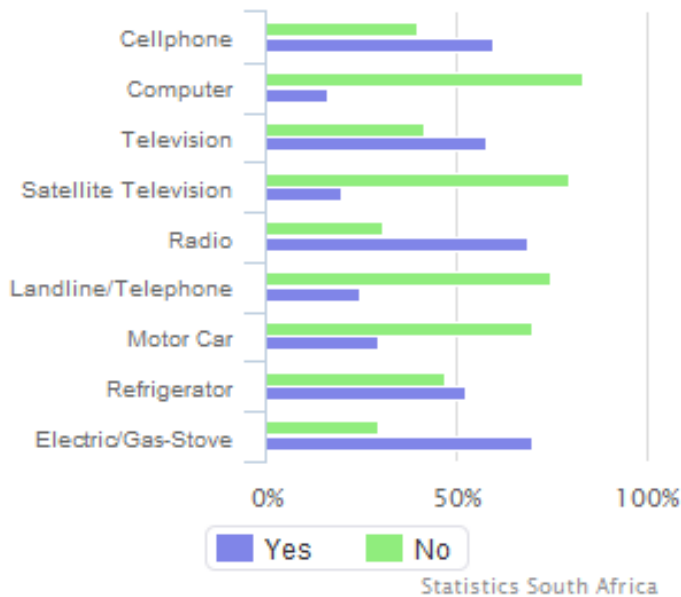


Chart [Data](#)

Average Household Income



Household Goods



Overview of Neighbourhoods within Karoo Hoogland Municipality

Settlement Type	2014		2015	
	Households	Population	Households	Population
Towns	3388	11601	3388	12271
Williston	727	3133	727	3133
Fraserburg	847	2668	847	2668
Sutherland	630	2204	630	2204
Rural Areas	1184	3596	1184	3596
Sub-Total				
Total	3388	11601	3388	11601

TI.2.6

COMMENT ON BACKGROUND DATA:

Demographic information constitutes the bedrock of all socio-economic planning. The collection, analysis and dissemination of accurate demographic information enable policy makers to plan for the future development of a country. Issues such as the future size of the labour market, unemployment, job creation, poverty and environmental degradation are intrinsically linked to demographic processes. It is therefore important to base future development policies and programmes on the most accurate demographic information available.

2011 Census Data : Population data and also STASSA data has been used

I.3 DEVELOPMENT GOALS

With our vision and the above as guidelines, the input and needs of the inhabitants as a base and the background information, which the Council already has, the following prioritized areas of potential have been identified for developments in the Municipal area:

- ❖ KAROO HOOGLAND MUNICIPALITY must make a positive contribution to the sustainable growth and development within its boundaries with special reference to economic and social youth development.
- ❖ To further enhance the current infrastructure with special reference to basic services and roads.
- ❖ The promotion of a safe and tourism friendly environment should be furthered in order to promote tourism and investor interest in the region. (*Tourism, i.e. eco-tourism, agri-tourism and astro-tourism*)
- ❖ The promotion of human resources within the organization through apprenticeships and skills development.
- ❖ To better the involvement of social organizations and churches.

CHALLENGES FACED BY THE MOST POVERTY STRICKEN WARDS

- High rate of teenage pregnancies
- Increase in drug and alcohol abuse
- HIV/AIDS
- Education and literacy
- Lack of basic life skills
- Increase in crime
- Tuberculosis
- Domestic violence
- High unemployment rate

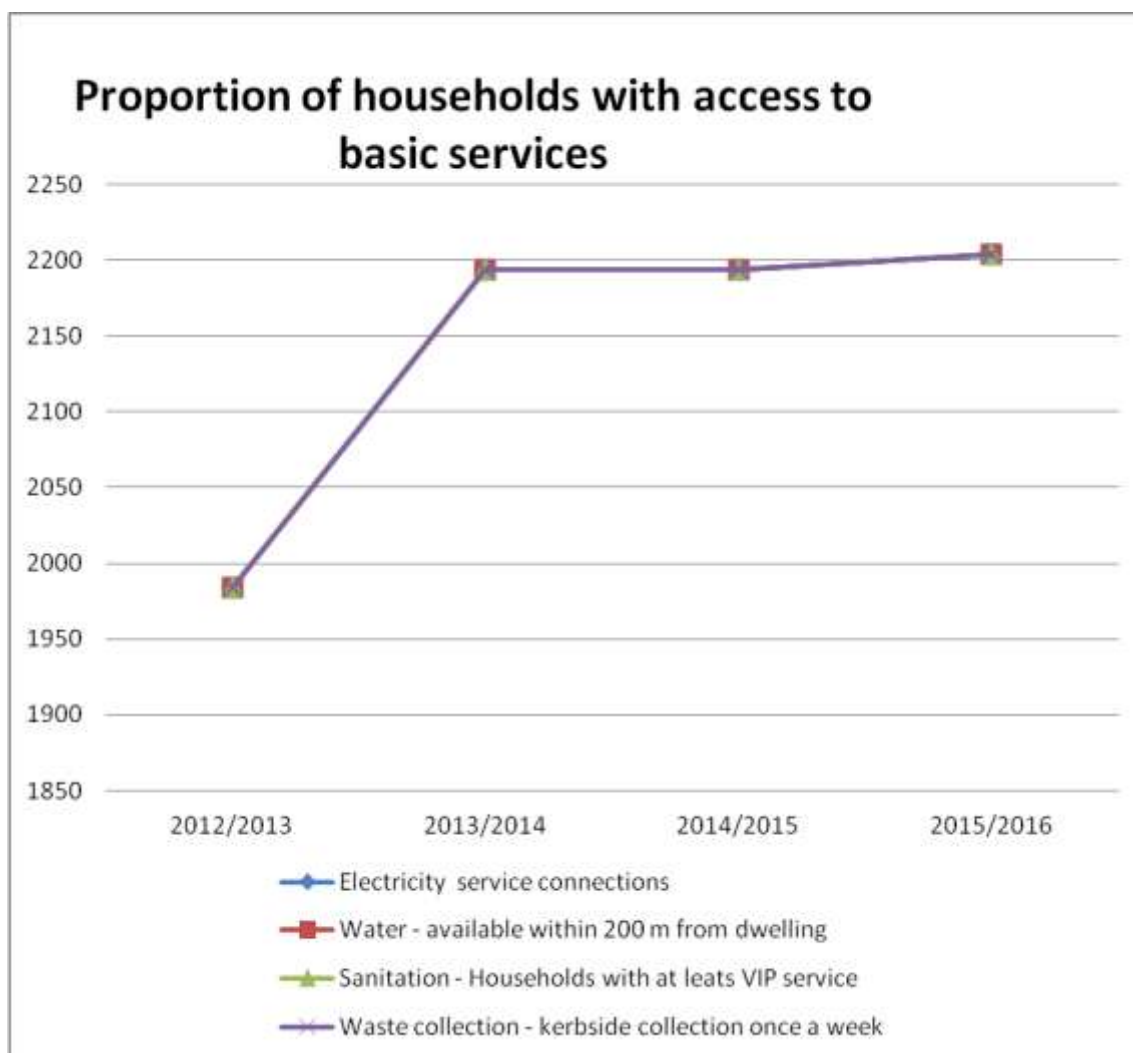
I.4 PGDS DEVELOPMENT TARGETS

- To maintain an average annual economic growth rate of between 4% - 6%
- To halve the unemployment rate by 2016
- To reduce the number of households living in absolute poverty by 5% per annum
- To improve the literacy rate by 50% by 2016
- To reduce infant mortality by two third by 2016
- To reduce maternal mortality by two third by 2016
- To provide shelter for all by 2016
- To eliminate sanitation problems by 2016
- To reduce crime by 10% by 2016
- To stabilize the prevalence rate of HIV/ Aids and begin the reverse by 2016
- To redistribute 30% of productive agricultural land to PDI's by 2016
- To conserve and protect 6,5% of our valuable biodiversity by 2016 and
- To provide adequate infrastructure for economic growth and development by 2016.

The achievement of the above will see the municipality growing economically and become viable to minimize poverty levels.

I.5 SERVICE DELIVERY OVERVIEW

The Municipality deliver services to Williston, Sutherland, Fraserburg and surrounding farms.



SERVICE DELIVERY CHALLENGES FACED BY THE MUNICIPALITY

- With reference to the provision of basic services (water, electricity and sanitation) the municipality does not face any serious challenges as all households in the municipality receive basic services such as electricity, water and sanitation.
- The major challenge is to address the **housing backlogs** in all three towns as well as the road infrastructure.

ELECTRICITY

The Municipality supplies electricity to Fraserburg and part of Williston. The other part of Williston as well as Sutherland and the rural areas are serviced by ESKOM.

WATER

All households in the Karoo Hoogland Municipal area have access to water.

SANITATION

- All households in the Karoo Hoogland Municipal area have access to basic sanitation.
- Some of the erven in all three towns are connected to a waterborne sewerage system.
- Some erven are still equipped with sewerage drains and the sewerage is removed with sewerage removal vehicles.
- The balance of the erven has dry sanitation toilets, which are also serviced by the municipality.

ROADS

- The Municipality is only responsible for the maintenance of certain secondary roads in the three towns.
- The main roads in the three towns as well as the roads in the rural area are provincial proclaimed roads.
- The tar roads are not in a good condition and will have to be resealed in the future.

LANDFILL SITE

There are landfill sites in each of the three towns and need to be upgraded in the future.

The landfill site in Fraserburg is licensed with a permit. The landfill sites in Williston and Sutherland are being upgraded to be licensed.

ACCESS TO ESSENTIAL SERVICES

- The Municipality deliver all essential services in Williston, Fraserburg and Sutherland.
- All households have access to water.
- All households have access to sanitation.
- All households have access to electricity.
- All households have access to refuse removal.

The Municipality deliver services to **929** indigent households.(as at 30 June 2015)

I.6 FINANCIAL HEALTH OVERVIEW

AUDITOR GENERAL REPORT

The Auditor General's Report on the 2014/2015 Financial Year was received in November 2015. The Municipality did submit annual financial statements for the year under review on 31 August 2015.

COMMENTS ON THE ANNUAL REPORT PROCESS.

The Annual Financial Statements for the 2014/15 was completed and handed in on 31 August 2015. The Municipality also does not have a Performance Management System in place but is dealing with this matter currently. An Audit Action Plan was developed to address the queries and qualifications in the Auditor General's Report for 2014/2015

FINANCIAL OVERVIEW

Financial Overview - 2014/2015			
			R'000
Details	Original budget	Adjustment Budget	Actual
Income			
Grants	R 27 893	R 27 893	R 30 469
Taxes, Levies and tariffs	R 19 724	R 19 724	R 18 253
Other	R 2 341	R 2 341	R 2 831
Sub Total	R 49 958	R 49 958	R 51 553
Less Expenditure	R 63 577	R 63 577	R 55 079
Net Total*	-R 13 619	-R 13 619	-R 3 526
* Note: surplus/(defecit)			
			T1.4.2

Operating Ratios	
Detail	%
Employee Cost	34%
Repairs & Maintenance	2%
Bulk Purchases	15%
	T1.4.3

Total Capital Expenditure: 2013/2014 - 2015/2016			
			R'000
Detail	2013/2014	2014/2015	2015/2016
Original Budget	10279	10490	8005
Adjustment Budget	10279	10490	11505
Actual	12430	11973	1041
		T1.4.4	

1.7 ORGANISATIONAL DEVELOPMENT OVERVIEW

A total of 86 permanent employees and a Municipal Manager with 2 directors were employed. The Organisational structure is being reviewed and a new organogram will be adopted in 2015/2016.

1.8 AUDITOR GENERAL REPORT

AUDITOR GENERAL REPORT YEAR 2014/2015

Karoo Hoogland Municipality received a qualified audit opinion for the 2014/2015 financial year. Karoo Hoogland Municipality received a disclaimer audit opinion for the 2013/2014 financial year.

The Municipality was qualified on Property, Plant and Equipment for 2014/2015 and qualified for Commitments, Cash flow, Fruitless and Wasteful expenditure and Taxes for 2013/2014 that was not resolved in 2014/2015. In 2013/2014 the Municipality did receive a disclaimer with a total of 18 qualifications. Therefore it clearly indicated the substantial improvement from the previous year AFS and Audit Report. The Municipality will however strive to resolve the 2013/2014 issues that was not cleared and is currently dealing with it by means of the audit action plan.

I.9 STATUTORY ANNUAL REPORT PROCESS

STATUTORY ANNUAL REPORT PROCESS		
No.	Activity	Timeframe
1	Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period	July
2	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	
3	Finalise the 4th quarter Report for previous financial year	
4	Submit draft year 1 Annual Report to Internal Audit and Auditor-General	
5	Selected personnel submit draft annual report information to admin officer for compilation of Draft Annual Report before the 10th of the month	
6	Audit/Performance committee considers draft Annual Report of municipality	August
7	Mayor tables the unaudited Annual Report	
8	Municipality submits draft Annual Report including consolidated annual financial statements and performance report to Auditor General	
9	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase	
10	Auditor General audits Annual Report including consolidated Annual Financial Statements and Performance data	September - October
11	Municipalities receive and start to address the Auditor General's comments	November
12	Draft Annual Report being finalised with updated information from officials	
13	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor- General's Report	
14	Audited Annual Report is made public and representation is invited	
15	Oversight Committee assesses Annual Report	
16	Final Annual report tabled to Council	January
17	Final Annual Report submitted to necessary Departments and AG and Treasury	
18	Council adopts Oversight report	February
19	Oversight report is made public	
20	Oversight report is submitted to relevant provincial councils	March
21	Commencement of draft Budget/ IDP finalisation for next financial year. Annual Report and Oversight Reports to be used as input January	

CHAPTER 2 : GOVERNANCE

Chapter 3, Section 18, of the Local Government: Municipal Structures Act, 1998 (Act 117 of 1998) provides that:

- Municipalities must have a municipal council.
- A municipal Council must meet at least quarterly.
- A municipal council consists of a number of councillors determined by the MEC of Local government and traditional affairs in the province concerned by notice in the government gazette.
- A municipality has the power to designate councillors determined by the MEC for Local government and traditional affairs as full time. An MEC's determination must be in accordance with policy frame work as determined by the Minister after consulting the MECs for Local government and traditional affairs.

Chapter 7, Section 152(1) of the Constitution of the Republic of South Africa, 1996, states the following objects of local government:

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

Chapter 3, Section 19(2), of the Local Government: Municipal Structures Act, 1998 (Act 117 of 1998) states that a municipality must annually review:

- (a) the needs of the community;
- (b) its priorities to meet those needs;
- (c) its processes for involving the community;
- (d) its organisational and delivery mechanisms for meeting the needs of the community; and
- (e) its overall performance in achieving the objectives referred to in subsection (1).

Section 19(3) of the Local Government: Municipal Structures Act, 1998 (Act 117 of 1998) determines that a council must develop mechanisms to consult the community and community organisations in performing its functions and exercising its powers.

The Municipal Demarcation Board annually undertakes capacity assessments of all local authorities in South Africa and makes recommendations to the Provincial MEC of Local Government with regard to the capacity of each municipality to perform its functions in terms of the Municipal Structures Act. The powers and functions of KHM were not adjusted for the year under review. The municipality still performs 21 functions which is more than the average of 20 in our province.

COMPONENT A : POLITICAL AND ADMINISTRATIVE GOVERNANCE

Chapter 7, Section 151 of the Constitution of the Republic of South Africa, 1996, defines the status of municipalities as follows:

- (1) The local sphere of government consists of municipalities, which must be established for the territory of the republic.
- (2) The executive and legislative authority of a municipality is vested in its municipal council.
- (3) A municipality has the right to govern, on its own initiative, the local government affairs of its community, subject to national and provided for in the constitution.
- (4) The national and provincial government may not compromise, impede a municipality's ability or right to exercise its powers or perform its functions.

Public Meetings

Nature and purpose of meeting	Date of events	Number of Participating Municipal Councillors	Number of Participating Municipal Administrators	Number of Community members attending	Dates and manner of feedback given to community
IDP & Budget : public participation meeting	10.02.2015	5	3	18	
IDP & Budget : public participation meeting	11.02.2015	6	4	41	
IDP & Budget : public participation meeting	12.02.2015	4	3	46	
IDP & Budget : public participation meeting	25.03.2015	6	3	22	
IDP & Budget : public participation meeting	4.05.2015	7	4	15	
IDP & Budget : public participation meeting	11.05.2015	6	3	32	
Ward meetings	0				
Imbizo's : Council meets the people	26.08.2014	7	2	53	
Imbizo's : Council meets the people	27.10.2014	5	1	24	
Imbizo's : Council meets the people	24.02.2015	5	2	39	
Imbizo's : Council meets the people	24.05.2015	5	1	42	
Imbizo's : Council meets the people	22.06.2015	6	1	38	
General Council Meetings	7				
Special Council Meetings	5				
LLF Meetings	1				
Committee meetings	10				

T2.4.3

2.1 POLITICAL GOVERNANCE

The Karoo Hoogland Council consists of 7 Councillors. There are 4 Ward Councillors and 3 PR Councillors. Only the Mayor is a full time Councillor of the Municipality.

The Municipal Council was elected on the 18 May 2011 and the results of the election was made public on 21 May 2011. It is led by a Coalition of the two (2) Democratic Alliance (DA) representatives and the two (2) Congress of the People (COPE) representatives. There are also three (3) members of the African National Congress (ANC). In December 2012, the Proportional Councillor PJ Van Wyk passed away and was substituted by Councillor E Vermeulen who was appointed in February 2013. Proportional Councillor AJ V Van Wyk resigned in August 2013 and was substituted by Councillor MM Van Wyk who was appointed the same month. In December 2014 the Ward Councillor CM Fortuin for Ward 1 resigned and a bi-election was held on 1 April 2015 where Councillor K Koopman was elected as the new Ward Councillor for Ward 1.

Also refer to **Annexure B** which sets out committees and committee purposes.

The seven Current councillors represent the following political parties:

○	Councillor JP Julies	-	COPE	(Mayor/Speaker)
○	Councillor (Ms) GM Beukes	-	ANC	
○	Councillor JE Davids	-	ANC	
⊖	Councillor (Ms) CM Fortuin	-	ANC	Resigned on 4 December 2014
⊕	Councillor K Koopman	-	ANC	Appointed per bi-election on 1 April 2015
○	Councillor JJ Van Der Colff	-	DA	
○	Councillor MM van Wyk	-	DA	
○	Councillor (Ms) E Vermeulen	-	COPE	

In terms of Section 9 of the Local Government: Municipal Structures Act (No. 117 of 1998) KHM is a Category B municipality with a plenary executive system combined with a ward participatory system.

In terms of Section 79 of the Local Government: Municipal Systems Act, 1998 (Act 117 of 1998) Council has established the following Section 79 Committees:

ADMINISTRATIVE / FINANCIAL COMMITTEE (4 COUNCILLORS)

This Committee is dealing with all the financial aspects, administrative aspects and personnel aspects of the Municipality.

TECHNICAL COMMITTEE (4 COUNCILLORS)

This Committee is dealing with all the projects, service delivery and infrastructure of the Municipality.

MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (4 COUNCILLORS)

This Committee is dealing with all relevant financial, audit issues. However this committee was not functional in the year under review.

ECONOMIC DEVELOPMENT AND TOURISM (4 COUNCILLORS)

This Committee is dealing with all relevant local economic development and tourism issues. However this committee was not functional in the year under review because the issues were discussed at the Administrative Committee.

LAND USE COMMITTEE (4 COUNCILLORS)

This Committee is dealing with all relevant land use, planning and commonage issues. However this committee was not functional in the year under review. The issues were discussed at the Infrastructure Committee.

LOCAL LABOUR FORUM COMMITTEE (3 COUNCILLORS, MM, 5 REPRESENTATIVES FROM SAMWU AND IMATU)

This Committee is dealing with all Labour related issues which are not bargained for in the Main Collective Agreement.

The Finance/Administration Committee and the Technical/Infrastructure Committee meets every second month at least two/three weeks before all General Council meetings to have in-depth discussions on the topics or subjects raised by the community leaders. (11 August 2014, 13 October 2014, 17 February 2015, 16 April 2015, 8 June 2015)

Total of **12** Council meetings were held during the year - 5 Special Meetings and 7 General Meetings

Total of **10** Committee meetings were held during the year.

Total of Community Meetings : **4** (27 August 2014, 27 Oct 2014, 24 Feb 2015, 22 June 2015)

Total of IDP & Budget meetings with the Community : **7** (10,11,12 Feb 2015, 24 March 2015, 4,5,11 May 2015)

Total of **1** LLF meeting with Employees. (22 April 2015)

The Administration under the leadership of the Municipal Manager, are requested to advise Council accordingly and executive decisions as taken.

There is a sound relationship between the political leadership and the administrative staff of the Institution.



2.2 ADMINISTRATIVE GOVERNANCE

In terms of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) Section 60 the Municipal Manager of a municipality is the accounting officer of that municipality for the purposes of the Act and must provide guidance on compliance with the Act to political structures, political officer bearers, and officials of the municipality and any entity under the sole or shared control of the municipality.

In accordance with the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) Section 61 (1) a Municipal Manager must:

- “(a) act with fidelity, honesty, integrity and in the best interest of the municipality in managing its financial affairs;*
- (b) disclose to the municipal council and mayor all material facts which are available to the accounting officer or reasonably discoverable, and which in any way might influence the decisions or actions of the council or mayor;*
- (c) seek, within the sphere of influence of the accounting officer, to prevent any prejudice to the financial interest of the municipality.”*

The Municipal Manager is the head of the administration of Karoo Hoogland Municipality and provides the link between the political and administrative arms of the Municipality. Section 66 of the Local Government:

Municipal Systems Act, 2000 (Act 32 of 2000) states the following:

- “66(1) a municipal manager within a policy framework, determine by the municipal council and subject to any applicable legislation, must*
- (a) develop a staff establishment for the municipality and submit the staff establishment to the municipal council for approval.”*

In terms of the above-mentioned section the Municipal Manager embarked on a process of reviewing the staff establishment since October 2013. The new proposed staff establishment tabled by the Consultant was pre-approved by Council January 2014. Council adopted the new Organogram on 9 December 2015, however a few processes should follow before being fully implemented.

The organisational compilation of the office of the Municipal Manager is as follows:

Office of the Mayor

Office of the Municipal Manager

Macro-structure:

Directorate Corporate Services

Directorate Financial Services

Directorate Infrastructure Services

MUNICIPAL MANAGER

Mr G W von Mollendorf (APPOINTED 4 NOVEMBER 2013)

CORPORATE SERVICE MANAGER - VACANT

Mr L Nothnagel (RESIGNED APRIL 2014)

CHIEF FINANCIAL OFFICER

Mr MK Botha (RESIGNED NOVEMBER 2014)

Acting CHIEF FINANCIAL OFFICER

Mr SJ Myburgh (Appointed January 2015)

DEPUTY HEAD OF INFRASTRUCTURE SERVICES

Mr FJ Lotter (Acting as Head since September 2011)

HEAD OF INFRASTRUCTURE SERVICES - VACANT

COMPONENT B : INTERGOVERNMENTAL RELATIONS

2.3 INTERGOVERNMENTAL RELATIONS

NATIONAL INTERGOVERNMENTAL STRUCTURES

The Intergovernmental Relations Framework Act, 2005 (Act 13 of 2005) states that the role of the National Intergovernmental Forums is:

- To raise matters of national interest within that functional area with provincial governments and, if appropriate, organized local government and to hear their views on those matters
- To consult provincial governments and, if appropriate, organized local government on-
 - The development of national policy and legislation relating to matters affecting that functional area.
 - The implementation of national policy and legislation with respect to that functional area.
 - The co-ordination and alignment within that functional area of strategic and performance plans and priorities, objectives and strategies across national, provincial and local governments.
 - The co-ordination and alignment of the strategic and performance plans and priorities, objectives and strategies of the provincial government and local government in the province

PROVINCIAL INTERGOVERNMENTAL STRUCTURE

As stated by Intergovernmental Relations Framework Act, 2005 (Act 13 of 2005), the role of the Provincial Intergovernmental forums are:

- The implementation in the province of national policy and legislation affecting local government interests.
- Matters arising in the Presidents co-coordinating council and other national intergovernmental forums affecting local government interests in the province.
- National policy and legislation relating to matters affecting local government interests in the province.
- The co-ordination of provincial and municipal development planning to facilitate coherent planning in the province as a whole.

DISTRICT INTERGOVERNMENTAL STRUCTURES

According to the Intergovernmental Relations Framework Act, 2005 (Act 13 of 2005), the role of the District Intergovernmental forums is:

- to serve as a consultative forum for the district municipality and the local municipalities in the district to discuss and consult each other on matters of mutual interest including-
 - ✓ Draft national and provincial policy and legislation relating to matters affecting local government interests in the district.

CURRENT STRUCTURES IN PLACE

Meetings and interactions on the following levels are regularly attended to enhance the Municipality regarding National and Provincial Government Policies and practices.

- Work closely with District Municipality, Provincial Government and SALGA to finalize the Provincial Urban Development Framework.
- Rollout of National Local Government anti-corruption strategy to all Municipalities and coordinate the implementation of the strategy at a local level.
- Support regarding implementation of the Municipal Property Rates Act.
- Support Municipality to comply with MFMA priority areas for implementation.
- The Provincial IDP engagement process and ensure alignment with LED strategies of Municipalities and PGDS.
- Alignment of all sector plans with the PGDS and IDP's and the NSDP so as to meet service delivery targets.
- District to align sector plans i.e Housing and MIG and Municipalities IDP.
- Alignment of LED with District LED and the Provincial PGDS.
- Regular Back 2 Basics Reporting to the District since February 2015 as well as bi-annually reporting.

COMPONENT C : PUBLIC ACCOUNTABILITY AND PARTICIPATION

2.4 PUBLIC MEETINGS

Procedures for community participation processes as set out in legislation adhered to by timeously giving out meeting notices. The Council had meetings on the various towns with community meetings the previous night with before the Council meetings.

The municipality has made special efforts to enhance communication with the general public through various organized structures. The relationship with organized NGO's such as local ratepayer's associations has improved drastically during the 2014/2015 financial year and regular meetings are being held to discuss matters of mutual interest. Council has endeavored to meet its legal obligations with regarding public participation with special reference to the following meetings which were held:

- IDP meetings
- Budget meetings

Ward Committees were established; however, unfortunately there were only three wards that held a few meetings.

Public Newsletters were circulated as well as public notices to keep the community informed.

- Timeous distribution of Council agendas resulting in an almost 100% attendance of scheduled meetings.
- It is a priority to implement a Document Management System to track and monitor Council resolutions for effective communication.
- A Council Resolution Register have been developed and are being updated monthly to track completion of resolutions
- The Old Municipal website focused on tourism and in June 2015 in the 2014/15 financial year a new website was developed where all required documents are being uploaded like the Budget, IDP, AFS, SDBIP, Policies etc

COMMUNITY DEVELOPMENT WORKERS

- CDW's deployed.
- There are 5 CDW's in KHM. Two in Fraserburg, two in Sutherland and one in Williston.
- There is a fairly good relationship with them and they are mainly being utilized to promote communication between Council and the public.

DISTRICT IGR FORUM FUNCTIONALITY

- The IGR in the Namaqua District is functional and is attended by the Mayor and the Municipal Manager on a regular basis.

2.5 IDP PARTICIPATION AND ALIGNMENT

IDP Participation and Alignment Criteria*	Yes/No
Does the municipality have impact, outcome, input, output indicators?	YES
Does the IDP have priorities, objectives, KPIs, development strategies?	YES
Does the IDP have multi-year targets?	YES
Are the above aligned and can they calculate into a score?	YES
Does the budget align directly to the KPIs in the strategic plan?	YES
Do the IDP KPIs align to the Section 57 Managers	YES
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	NO
Were the indicators communicated to the public?	YES
Were the four quarter aligned reports submitted within stipulated time frames?	NO
<i>* Section 26 Municipal Systems Act 2000</i>	<i>72.5.1</i>

COMPONENT D: CORPORATE GOVERNANCE

OVERVIEW OF CORPORATE GOVERNANCE

Municipalities must exercise their executive and legislative authority within a system of co-operative government as outlined in Section 41 of the Constitution.

The corporate governance component is clearly identified and prescribed in the Municipal Systems Act as well as the Municipal Financial Management Act. The following sub-components are highlighted:

2.6 RISK MANAGEMENT

The MFMA Section 62 (1) c required the Municipality to ensure that the Municipality has and maintain effective, efficient and transparent systems —

- i) Of financial and risk management and internal control.

The Municipality does have a Risk Management Policy in place as required in the above section.

An Internal Audit Unit as well as an External Audit Committee is not functional at the municipality. However discussions with the District Municipality will lead to a shared-services Internal Audit Unit as well as an audit committee to be established during 2015/2016.

2.7 ANTI-CORRUPTION AND FRAUD

The municipality has a Fraud and Anti-Corruption Strategy in place.

2.8 SUPPLY CHAIN MANAGEMENT

Supply Chain Management (SCM) is necessary to ensure a sustainable and accountable supply chain that promotes black economic empowerment and local economic development. The drafting and implementation of both an SCM policy and procedures have ensured that the processes are fair, equitable, transparent, competitive, environmentally friendly and cost effective, in accordance with the rules and regulations from the different spheres of government.

The municipality is currently operating a centralized SCM unit meaning that all procurement processes are dealt by the supply chain unit, which will promote and enhance an open and fair tendering process to all suppliers, regardless of the particular communication media that they may have access to. This system will level the playing field for all suppliers and also ensure that the amount of irregular expenditure will be minimized.

SUPPLY CHAIN MANAGEMENT UNIT (STAFF ESTABLISHMENT)

Tenders / orders / Quotations

- 1 x Manager Supply Chain Management
- 1 x Senior Clerk Supply Chain Management
- 2 x Supply Chain Management Clerks (Financial Interns)

REVISED PREFERENTIAL PROCUREMENT REGULATIONS REPORTING

Reports of all awards made above R100 000 have been submitted to National Treasury, Provincial Treasury and CoGHSTA in terms of SCM circular no 19 of 2008 by form of the Back 2 Basics Reporting done each month since October 2014.

IMPLEMENTATION OF SUPPLY CHAIN MANAGEMENT POLICY

The Old SCM Policy was adopted by the Council of Karoo Hoogland Municipality on 24 August 2005 in terms of Section 3 of the MFMA, 2003 (Act No.56 of 2003). The SCM policy is implemented. The policy was reviewed; work shopped and was adopted by council during June 2014 and also again during June 2015 for the 2015/2016 year.. The whole SCM policy was revised to incorporate all new legislation and requirements.

COMMITTEES

The Municipality has established the following bid committees in May 2015:

Opening of tenders:

At least two officials must be involved in the opening of tender documentation.

Administration	Admin Officer (C Viljoen)
Finance	Income Clerk (J Vlok)

Bid specifications committee / Section 27

Finance	CFO (S Myburgh)
Technical	Acting Technical Manager (F Lötter)
Administration	Admin Officer (C Viljoen)

Bid evaluation committee / Section 28

Section 28(2) A bid evaluation committee must as far as possible be composed of at least one supply chain management official.

Finance	Deputy CFO (Chair) (SJ van Schalkwyk)
Finance	Head of SCM (D Vermeulen)
Finance	Head Income Official (A Louw)

Bid adjudication committee / Section 29

Section 29(2) A bid adjudication committee **must** consist of **at least four** senior managers and **must** include-
(Karoo Hoogland Municipality only has a Municipal Manager and a CFO and a Director: Infrasrtucture. We do not have enough Senior managers to attend to this Committee and therefore have to use other personnel)

Finance	CFO(S Myburgh)	Compulsory
Finance	SCM Official (W Malgas)	Compulsory
Technical	Acting Technical Manager (F Lötter)	Compulsory
Administration	Admin Officer (C Viljoen)	

Any possible conflicts of interest are declared at all bid committee meetings, by means of a signed register and a declaration form.

IMPLEMENTATION OF MBD DOCUMENTS

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

Challenges: Service providers not completing all municipal bid documents, and quoting not according to the specifications.

Proposed solution: Educate service providers on the importance of completion of municipal bid documents by holding workshops in 2015/2016.

Challenges: Not enough suppliers on the database.

Proposed Solution: Advertise via National newspapers and our website as well as other websites for suppliers outside of KHM's area of jurisdiction.

Challenges: Not enough staff on current personnel structure to adhere to Regulations prescribing the amount of members per bid committee. Karoo Hoogland Municipality cannot afford to appoint an extra senior manager for the sole purpose of complying with the bid committee regulations.

Proposed solution: Karoo Hoogland will apply to the AG to accept our necessary steps taken to adhere is far as possible to comply to non fraudulent awarding of tenders due to a short in personnel.

SUPPLIER DATABASE

The Municipality has developed and implemented a database of suppliers. Adverts are placed annually in the newspapers and on the website to invite suppliers to register on the municipal database. Service providers may however register on the database at any stage as there is no closing date for registration.

TRAINING With the implementation of the new centralised unit, workshops will be organized for both SCM personnel as well all directorates by the Provincial Departments in 2015/2016.

2.9 BY-LAWS

No new by-laws were adopted by Council during the year under review.

The Municipality has various policies in place. However, to date only few policies have been promulgated as by-laws. Various policies were revised during the 2014/2015 financial year with the view to promulgate them as by-laws. However processes take long and community input are being obtained. New By-laws will be gazette in 2015/2016.

2.10 WEBSITES : www.karoohoogland.gov.za

The Municipal website was developed in June 2015 in the 2014/2015 financial year to be compliant to upload compulsory documents requested by legislation for the community to view and comment on. Some documents have been uploaded, but still needs further upgrading to meet the legislative requirements.

COMMENT ON MUNICIPAL WEBSITE: CONTENT AND ACCESS www.karoohoogland.gov.za

The following documentation was uploaded on the Municipal Website in 2014/2015:

- Budget
- Financial Statements
- IDP
- SDBIP
- Policies
- Notices

KAROO HOOGLAND MUNICIPALITY : WEBSITE REPORT (OCTOBER 2015)

During March 2015 the Municipality requested quotations for the design and maintenance of a new website complying with all required documents. The tender closed in April 2015 and tender committees were held during May 2015. Web Ateljee in Upington was awarded the tender for the design. In July 2015 the new website **www.karoohoogland.gov.za** went live. We are awaiting a manual from the company to do updates and maintenance ourselves.

Information uploaded on the website as required by NC Provincial Treasury's Questionnaire

QUESTION / INFORMATION	YES / NO	IF NO, REASON :
Is the 2015/2016 Draft Annual Budget published on the website?	YES, Final	
Are the updated budget related policies published on the website?	YES	
Is the 2013/2014 Annual Report published on the website?	YES	
Is the 2015/2016 SDBIP published on the website?	YES	
Is the revised IDP published on the website?	YES	
Is the list of disposed assets published on the website?	YES	
Are the long-term borrowing contracts published on the website?	Not yet, busy with	To be uploaded in 2015/2016 // DBSA
Are the SCM contracts published on the website?	Not yet, busy with	To be uploaded in 2015/2016 // SEBATA // Website // Mubesko // Nexia S AB&T // Van de Wall
Contracts to which section 33 apply, subject to subsection (3) of that section? PPP	NONE, Not applicable	The municipality do not have PPP
Are the S52(d) reports published on the website?	Not yet, will start from October 2015	The municipality did not have S52 reports, however we submitted our first Annual Performance report on the SDBIP of 2014/2015 and will start to submit these reports in 2015/2016
Accommodation list	YES	
Necessary Policies	YES	
Financial Reports // Sec 71 & Sec 72	YES	On request
Dates of Council Meetings	YES	
Tariffs	YES	
Vision & mission	YES	
PAIA Manual	DRAFT, YES	
Supply Chain Management Policy	YES	
Notices & Newsletters & Vacancies	YES	
Performance Agreement of MM	YES	
Personnel Forms and Information	YES	
Complaints Page/Form	YES	

2.11 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

The Municipality has difficulty with the following services due to lack of sufficient funds to attend to all the necessary maintenance:-

- Electricity
- Water supply
- Road maintenance

The upgrading of these three services will reduce the amount of complaints by the general public. The maintenance of the tar roads is currently not done sufficiently and is still a concern of the community at this stage. The municipality is currently utilizing the funds received through the EPWP program to repair potholes in all three towns. A MIG project for the paving of streets in all three towns is still awaiting approval.

COMPLAINTS REGISTER

A Complaints Register have been instituted at all three towns' offices where the public can write down their complaints and which are being addressed accordingly. On the new website the community as well as other people can also make complaints which are received as emails and are acted upon within a week of receipt.



CHAPTER 3:

SERVICE DELIVERY PERFORMANCE

The council has spent the following amounts in the last three years on projects in the municipality:

1. High mast lights: Amandelboom Williston (R1 788 730)
2. Streetlights in Fraserburg & Sutherland (R780 572)
3. Electrification of 210 Houses in Fraserburg (R1 800 000)
4. Construction of two reservoirs : Sutherland (R7 042 243)
5. Construction of new reservoir : Fraserburg (R9 241 163)
6. Upgrading of Electrification Substation : Fraserburg (R2 500 000)
7. Upgrading of Internal Water Network : Fraserburg (R15 018 311)
8. EPW Projects :
 - i. Storm water canal closed : Fraserburg (R300 000)
 - ii. Upgrade of sidewalks : Sutherland (R200 000)
 - iii. Upgrade of pavilion at sports ground (R200 000)
 - iv. Cleaning / Upgrade of refuge sites : Williston /Sutherland (R200 000)

These projects were all part of the IDP that was communicated to the community. The municipality appoints people out of the community on all the various projects like EPWP projects.

Projects still awaiting registration in 2014/2015 that was approved by Council are as follows:

- UPGRADING OF SPORT FACILITIES;
- PAVING OF GRAVEL ROADS

Herewith the extraction from the IDP showing the said projects. Herewith also the extraction from the minutes of the Special Council meeting held on 30 May 2013 where the IDP was approved:

4. APPROVAL OF IDP 2012/2017

4.1 COUNCIL RESOLVED THAT:

- a) Council accepts and approves the IDP, as presented at a General Council Meeting on 27 November 2012.

Proposed : Councillor CM Fortuin
Seconded: Councillor JE Davids

The following projects form part of the multiyear strategic projects in the IDP and have already been approved for implementation in **2015/16** financial year

- Construction of Sutherland Storm water system. (commenced in 2014/2015)
- Upgrading for the water treatment works for the purification of the water in Sutherland
- Upgrading of Williston Internal Water reticulation system.
- Development /Upgrading of Three Sports Grounds.
- Paving of gravel roads in three towns

NATURAL RESOURCES:

Karoo Hoogland Municipality has 14 Production Boreholes + 1 Recharge Borehole :

Fraserburg : 5 Boreholes / 1 Reservoir
Williston : 5 Boreholes + 1 Recharge Borehole / 3 Reservoirs
Sutherland : 4 Boreholes / 2 Reservoirs



BASIC SERVICES

3.1 WATER PROVISION

The Municipality is dependent on underground water resources and a system of borehole pumps and pipelines are in place to feed the reservoirs in the three towns from where it is further reticulated to all households. During the previous year under review new reservoirs were built in Fraserburg, specifically to increase the storage capacity to ensure sufficient availability during power failures.

Water Service Delivery Levels	
Description	2014/2015
	Actual No
Water : (above min level)	2194
Pipe water inside dwelling	1596
Pipe water inside yard (but not in dwelling)	598
Using public tap (within 200m from dwelling)	0
Other water supply within 200m	0
Minimum Service Level and Above	0
Water : (supply by owners themselves) (agricultural erven)	0
No water supply	0
Total number of houses	2194

Total Use of Water by Sector (cubic meters)

	Agriculture	Forestry	Industrial	Domestic	Unaccountable water losses
2014/2015				290720	40395
2015/2016					

T3.1.2

EMPLOYEES WATER SERVICES

The Municipality does not have separate personnel attending to this function as there is a general working team who attend to all infrastructure matters including the provision of water. A portion of the total salary budget is allocated to water services as indicated in the table below.

1	Financial Performance Year 1: Water Services					
2	R'000					
3		2013/2014	2014/2015			
4	Details	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
5	Total Operational Revenue	4 743	5 500	5 500	2 931	-88%
6	Expenditure:					
7	Employees	1 380	1 509	1 509	1 523	1%
8	Repairs and Maintenance	-	177	177	163	-9%
9	Other	2 680	1 934	1 934	3 321	42%
10	Total Operational Expenditure	4 060	3 620	3 620	5 007	28%
11	Net Operational Expenditure	683	1 880	1 880	(2 076)	191%
12	Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					T3.1.8

1	Capital Expenditure Year 2014/2015					
2	R' 000					
3		2014/2015				
4	Capital Projects	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
5	Total All	600	600	1 900	68%	47 Mil
6						
7	WillistonWater	600	600	1 900	68%	47 Mil
8						
9						
10						
11	Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.)					T3.1.9

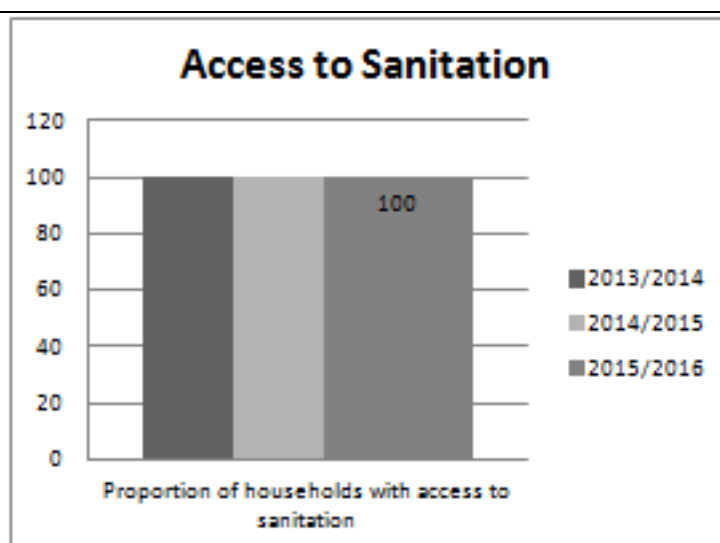
3.2 WASTE WATER (SANITATION) PROVISION

- All households in the Karoo Hoogland Municipal area have access to basic sanitation.
- Some of the erven in all three towns are connected to a waterborne sewerage system.
- Some erven are still equipped with sewerage drains and the sewerage are removed with sewerage removal vehicles.
- The balance of the erven has dry sanitation toilets, which are also serviced by the municipality.
- All three towns have oxidation ponds.

The following projects form part of the multiyear strategic projects in the IDP.

- Eradication of UDS Toilets (809 households remaining)
- Installation of full waterborne sewer system
 - To ensure proper operation and maintenance of existing infrastructure and equipment
 - Replace individual septic tanks with full waterborne sewer system
 - Reduce municipal capital and maintenance costs by removing suction trucks
 - Upgrading of oxidation ponds (completed)

SANITATION SERVICE DELIVERY LEVELS : HOUSEHOLDS	
Description	Year 2014/15
	Actual No
Sanitation / Sewerage (above minimum level)	2309
Flush toilet (connected to sewerage)	702
Flush toilet with septic tank	798
Other Toilet Provisions (above minimum service level)	809
No toilet provision	0
Total households	2309



Use data below to populate graph

Access To Sanitation

Access to Sanitation

	Proportion of households with access to sanitation
2013/2014	100
2014/2015	100
2015/2016	100

T3.2.6

EMPLOYEES SANITATION SERVICES

The Municipality does not have separate personnel attending to this function as there is a general working team who attend to all infrastructure matters including the provision of sanitation. A portion of the total salary budget is allocated to sanitation services as indicated in the table below.

Financial Performance 2014/2015: Sanitation Services					
R'000					
	2013/2014	2014/2015			
Details	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	3 833	7 997	7 997	3 008	-166%
Expenditure:					
Employees	3 000	3 108	3 108	670	-364%
Repairs and Maintenance		625	625	977	36%
Other	1 298	1 721	1 721	2 158	20%
Total Operational Expenditure	4 298	5 454	5 454	3 805	-43%
Net Operational Expenditure	(465)	2 543	2 543	(797)	419%
Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					T3.2.8

1	Capital Expenditure 2014/2015: Sanitation Services					
2	R' 000					
3		2014/2015				
		Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
4	Capital Projects					
5	Waste Water Treatment Works Fraserburg	8 890	8 890	-	#DIV/0!	R 12 Mil
6						
7				-		
8						
9						
10						
11	Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.)					T3.2.9

3.3 ELECTRICITY PROVISION

The Municipality supplies electricity to Fraserburg and part of Williston. The other part of Williston as well as Sutherland and the rural areas are serviced by ESKOM.

The following project was completed in the 2013/2014:

- ❖ Upgrading of Electrical Substation : Fraserburg
- ❖ Electrical reticulation throughout Fraserburg is mainly by means of overhead 11kV and low voltage. The age of these networks are in excess of 40 years and have degraded to such a state that normal maintenance and refurbishment is not adequate anymore to ensure safe and reliable operation.

ELECTRICITY SERVICE DELIVERY LEVELS	
Description	Year 2014/15
	Actual No
Energy (above minimum level) conventional meters	0
Electricity —pre-paid (min service level)	2194
Total number of households	2194

Electricity Service Policy Objectives Taken From IDP									
Service Objectives	Outline Service Targets	2014/2015		2015/2016			2016/2017	2018/2019	
		Target	Actual	Target		Actual	Target		
Service Indicators		*Previous Year		*Previous Year	*Current Year		*Current Year	*Current Year	*Following Year
(i)		(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)
Service Objective xxx									
ELECTRICAL INFRASTRUCTURE : To enhance sustainable service delivery through infrastructure development. To ensure proper and maintenance of existing infrastructure and equipment.	Fraserburg is mainly by means of overhead 11kV and low voltage The age of these networks are in excess of 40 years and have degraded to such a state that normal maintenance and refurbishment is not adequate anymore to ensure safe and reliable operation								
Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the Year 0 Budget/IDP round; * 'Current Year' refers to the targets set in the Year 1 Budget/IDP round. * 'Following Year' refers to the targets set in the Year 2 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Intergrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.									
T3.3.5									

The following posts are approved on the organogram and are budgeted for :

- Electrician (I)
- General Worker Electrical (I)

1	Financial Performance 2014/2015: Electricity Services					
2	R'000					
3		2013/2014	2014/2015			
4	Details	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
5	Total Operational Revenue	8 942	10 679	10 679	8 868	-20%
6	Expenditure:					
7	Employees	702	748	748	1 375	46%
8	Repairs and Maintenance	-	45	45	328	86%
9	Other	7 430	8 503	8 503	7 705	-10%
10	Total Operational Expenditure	8 132	9 296	9 296	9 408	1%
11	Net Operational Expenditure	810	1 383	1 383	(540)	356%
12	Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					T3.3.7

1	Capital Expenditure 2014/2015: Electricity Services					
2	R' 000					
3		2014/2015				
4	Capital Projects	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
5	Total All	1 000	1 000	1 000	0%	
6						
7	Fraserburg Electrification	1 000	1 000	1 000	0%	
8						
9						
10						
11	Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).					T3.3.8

3.4 WASTE MANAGEMENT

The Municipality has an Integrated Waste Management Plan 2014/2018 in place which was compiled by the District Municipality. The Municipality has a refuse removal team in each of the three towns. These teams are responsible for the removal of domestic as well as business refuse. The teams each comprises of a tractor driver and general workers and the refuse are collected manually and transported to the landfill sites in each town. Black bags are available to the public at the municipality in which refuse must be placed for removal. The municipality must ensure proper operation and maintenance of existing infrastructure and equipment through licensing and upgrading of landfill sites.

1	Solid Waste Service Delivery Levels				
2					Houses
3		2012/2013	2013/2014	2014/2015	2015/2016
4	Description	Actual	Actual	Actual	Actual
5		No.	No.	No.	No.
6	Solid Waste Removal: (Minimum level)				
7	Removed at least once a week	1984	1984	1984	2204
8	Minimum Service Level and Above sub-total	1984	1984	1984	2204
9	Minimum Service Level and Above percentage	1	1	1	1
10	Solid Waste Removal: (Below minimum level)				
11	Removed less frequently than once a week				
12	Using communal refuse dump				
13	Using own refuse dump				
14	Other rubbish disposal				
15	No rubbish disposal				
16	Below Minimum Service Level sub-total	0	0	0	0
17	Below Minimum Service Level percentage	0	0	0	0
18	Total number of houses	1984	1984	1984	2204
19					T3.4.2

1	Financial Performance Year 2014/2015: Solid Waste Management Services					
2	R'000					
3		2013/2014	2014/2015			
4	Details	Actual	Original Budget	Adjustment Bu	Actual	Variance to Budget
5	Total Operational Revenue	3 579			2 639	100%
6	Expenditure:					
7	Employees				42	100%
8	Repairs and Maintenance				71	100%
9	Other		75	75	5 049	99%
10	Total Operational Expenditure		75	75	5 162	99%
11	Net Operational Expenditure	3 579	(75)	(75)	(2 523)	97%
12	Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					T3.4.7

3.5 HOUSING

The Municipality does not have a specific staff component to deal with housing matters as the provision of housing is a Provincial function. If a housing project is approved the services Consulting Engineers and Contractors are procured through prescribed SCM Principles. An objective of the municipality is also to enhance sustainable service delivery through infrastructure development with reference to the housing backlog of 680 houses by 2020.

During the 2013/14 financial year no new housing projects were funded.

During the 2014/15 financial year it was announced that 150 new erven will be planned in Williston.

During 2015/2016 15 new houses will also be built in Fraserburg.

During the 2015/16 a total housing project for all three towns will be submitted to address the housing need.

Housing Service Policy Objectives Taken From IDP								
Service Objectives	Outline Service Targets	2014/2015		2015/2016		2016/2017	2018/2019	
		Target	Actual	Target		Target		
Service Indicators		*Previous Year		*Previous Year	*Current Year	*Current Year	*Current Year	
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(viii)	(ix)	(x)
Service Objective xxx								
PROPER HOUSING/EXISTING SETTLEMENTS : To enhance sustainable service delivery through infrastructure development	Build 680 BNG top structures for beneficiaries in Williston(300), Sutherland(240) and Fraserburg(130) - Target to be reached by 2020	0 additional houses (680 houses required)	0 additional houses (680 houses required)	15 additional houses (680 houses required)	15 additional houses (680 houses required)	100 additional houses (680 houses required)	100 additional houses (680 houses required)	100 additional houses (680 houses required)

3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT

Due to the level of unemployment and subsequent poverty in the local municipal area, there are households that are unable to pay for normal municipal services. The Municipality therefore adopted an Indigent Management Policy to ensure that these households have access to at least all basic municipal services and was guided in the formulation of this Policy by the National Government's Policy in this regard.

All households who qualify in terms of the said policy, receives a subsidy on property rates as well as other service charges such as water, refuse and electricity (50kWh of electricity per month free of charge as well as 6000 liters water per household per month (appr. 200 liters of water/ day))

Only households where the accountholder or property owner has registered as indigent in terms of the municipality's annual registration program and whose registration has been approved and entered into the register of indigents qualify for the above concessions.

The subsidies on rates and the specified service charges will be determined as part of each annual budget and in terms of the Municipality's Policies on property rates and tariffs.

Currently there are **929** households that are receiving indigent support on a monthly basis. However this amount varies each month as the indigents need to apply monthly as we found that household situations differ each month.

	TOTAL POPULATION	PERCENTAGE OF POPULATION PER WARD	PERCENTAGE INDIGENTS OF EACH WARD	AMOUNT OF HOUSES PER WARD	AVERAGE AMOUNT OF INDIGENT HOUSEHOLDS	HOUSING BACKLOG AS AT 2015	TOTAL NR OF HOUSEHOLD \$*3.5 PEOPLE = TOTAL INDIGENT PERSONS
TOTAL POPULATION STATS 2011	11601	100%					5614
POPULATION : SUTH : WARD 3	2204	19.00%	77.81%	630	240	250	1715
POPULATION : FRASERBURG : WARD 2	2668	23.00%	67.82%	837	387	130	1810
POPULATION : WILLISTON : WARD 1	3133	27.01%	66.69%	727	297	300	2090
POPULATION : RURAL AREAS : WARD 3	3596	31.00%					
TOTAL REGISTERED INDIGENTS PER MONTH	JUL '14	AUG '14	SEP '14	OCT '14	NOV '14	DEC '14	
TOTALS	1028	986	977	949	930	866	
	JAN '15	FEB '15	MAR '15	APR '15	MAY '15	JUN '15	
TOTALS	915	908	920	925	924	929	

1	Financial Performance 2014/2015 : Cost to Municipality of Free Basic Services Delivered					
2		2013/2014	2014/2015 '000			
				Adjustment		Variance to
3	Services Delivered	Actual	Budget	Budget	Actual	Budget
4	Water	515	600	600	650	8%
5	Waste Water (Sanitation)	865	1 059	1 059	924	-15%
6	Electricity	295	233	233	307	24%
7	Waste Management (Solid Waste)	1 102	1 208	1 208	847	-43%
8	Total	2 777	3 100	3 100	2 728	-14%
9					T3.6.4	

Each month a Free Basic Services Report are being submitted to Mr Frank Van den Heever in Springbok at the CoGHSTA offices as well as to the Namakwa District Municipality and Provincial Treasury. An Assessment of Municipal Free Basic Services for 2015/2016 was also submitted to the above departments. Karoo Hoogland Municipality is frequently monitoring the indigent and free basic services.

ROAD TRANSPORT

3.7 ROADS

Williston, Fraserburg and Sutherland have tar roads and gravel roads. The Municipality must submit projects to MIG for the upgrading of roads regularly. The tar roads are currently in a poor condition with potholes occurring all over the roads. The Municipality endeavors to arrange training for its personnel to repair potholes and also purchase the necessary equipment and material to do the work in the future.

The Municipality however does not have the financial capacity to budget for the repair of all the potholes. The Municipality submitted a business plan to MIG to pave the roads in Williston, Fraserburg and Sutherland. Not only will this improve the infrastructure but also the health of the community to curb the dust in the dry Karoo.

Although this was project no. 5.1.6 of the IDP (Extract below) the Council never received any approval to carry on with this most needed project. The MIG Office also could not indicate why the project was not approved. The municipality was informed in writing to continue with the other two projects that were registered that was not priority as decided by the community. The municipality was therefore forced to abandon this project and execute a less favorable project not to forfeit the MIG Funds.

KAROO HOOGLAND MUNICIPALITY
IDP 2012 - 2017

Project Nr: 5.1.6	Project Name:				Location:				EIA Required:													
	Surfacing of existing gravel roads				Ward 1, Ward 2, Ward 4																	
Objective:	Indicators:				Status:																	
To enhance sustainable service delivery through infrastructure development					Awaits MIG approval and registration																	
Project Output:	Target Group/Area																					
Surfacing of internal gravel roads using labour intensive methods Manufacturing paving blocks on site using local labour Surfacing of roads with concrete paving blocks	Communities Fraserburg, Williston and Sutherland																					
Main Activities:	Responsible Person:				2012		2013		2014		2015		2016									
Planning and design 2012 Construction 2013 - 2015	Head Infrastructure				1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4		
Cost :	2012/ 2013	2013/ 2014	2014/ 2015	2015/ 2016	Financing Resources:																	
R 80 million					MIG																	

The following projects form part of the multiyear strategic projects in the IDP:

- ♣ Surfacing of existing gravel roads
- ♣ Surfacing of internal gravel roads using labour intensive methods
- ♣ Manufacturing paving blocks on site using local labour
- ♣ Surfacing of roads with concrete paving blocks
- ♣ Construction 2013 - 2016
- ♣ Cross cutting Infrastructure : Upgrading of all major routes
- ♣ Upgrade of all major routes
- ♣ Fabrication of stones
- ♣ Public lighting (High mass)
- ♣ Safety of streets (Speed bumps)
- ♣ Fencing of BNG Houses

- ♣ Upgrading of Community Hall
- ♣ Signage Street names and Numbers
- ♣ Upgrading of pedestrians routes
- ♣ Multipurpose center
- ♣ Driver License Testing Centre
- ♣ Upgrade of Swimming pool

A	B	C	D
Road Service Policy Objectives Taken From IDP			
Service Objectives		2016/2017	2018/2019
		Target	
Service Indicators	Outline Service Targets		
(i)	(ii)	(viii)	(ix)
Service Objective xxxx			
Surfacing of existing gravel roads	Surfacing of internal gravel roads using labour intensive methods Manufacturing paving blocks on site using local labour Surfacing of roads with concrete paving blocks Construction 2013 - 2016		
Cross Cutting Infrastructure : upgrader of all major routes	Upgrade of all major routes Fabrication of stones Public lighting (High mass) Safety of streets (Speed bumps) Upgrading of Playing grounds Fencing of BNG Houses Upgrading of Community Hall Signage Street names and Numbers Upgrading of pedestrians routes Multipurpose center Driver License Testing Centre Upgrade of Swimming pool Solar geysers		

EMPLOYEES ROAD SERVICES

The Municipality does not have separate personnel attending to this function as there is a general working team who attend to all infrastructure matters including road services. A portion of the total salary budget is allocated to road services.

Financial Performance 2014/2015: Road Services

R'000

Details	2013/2014	2014/2015			
	Actual	Original Budget	Adjustment Bu	Actual	Variance to Budget
Total Operational Revenue				138	100%
Expenditure:					
Employees		1 588	1 588	14	-11243%
Repairs and Maintenance		194	194	76	-155%
Other		172	172	6 247	97%
Total Operational Expenditure		1 954	1 954	6 337	69%
Net Operational Expenditure		(1 954)	(1 954)	(6 199)	68%
Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					T3.7.8

	A	B	C	D	E	F
1	Capital Expenditure 2014/2015 : Road Services					
2	R' 000					
3		2014/2015				
			Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
4	Capital Projects	Budget				
5	Roads and Stormwater	9 688	9 688	9 688	0%	
6						
7						
8						
9						
10						
11	Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).					T3.7.9
12						

3.8 WASTE WATER STORMWATER DRAINAGE

Storm water drainage forms an integral part of road infrastructure. Due to the fact that the road infrastructure in the three towns is not up to standard it results in poor storm water drainage during times of heavy rain. The maintenance and construction of storm water structures will only be addressed once the municipality receives funds for the upgrading of its road infrastructure.

The Municipality does not have separate personnel attending to this function or a budget in this regard.

3.9 TRANSPORT

The Municipality does not have a Transport Plan for any of the three towns due to the lack of any major form of transport. The majority of the community does not have the means to pay for the transport and as the current statistics indicate various other methods is used for transport. Transport is **not a function** of the Municipality, however, there is potential to expand this industry, particularly the provision of public transport through economic development.

The majority of the Karoo Hoogland Local Municipality's population (82.3%) travel to school or to work by foot. Around 6.7% of the Karoo Hoogland population make use of public transport (i.e. the bus, train, taxi, or lifts with other people); while 1.6% make use of bicycles and 9.4% use their own private transport. Donkeys and horses as well as donkey/horse carts are also widely used in the area.

Significant portions of Karoo Hoogland's population are living in small, dispersed settlements and have limited transport capacity to travel the often significant distances between urban centres. As many of these households are also living in poverty, the lack of transport adds to the so-called "poverty trap", as these people are less able to conduct, for example, informal activities to alleviate their circumstances.

COMPONENT C: PLANNING AND DEVELOPMENT

3.10 PLANNING

The Municipality does not have a Planning department and for the purposes of specific town planning matters, the municipality procures the services of a Professional Town planner.

All other land use management matters are dealt with in terms of the Northern Cape Development and Planning Act. The municipality does have a Land Use Management Plan as well as a Spatial Development Framework and all matters in this regard are handled by the Corporate Services Department.

According to the MFMA, low cost housing development and associated services as planning and surveying is not a municipal function (with regard to financing of the project) and therefore no capital projects in this regard could be provided for, as no housing project has been approved by province during the past year. No other township establishment projects have been undertaken during the past year.

During the previous year under review the Spatial Land Use Management Act was passed by Parliament and all future land use management matters will be dealt with in terms of the new provisions of this Act. The municipality will receive assistance from Dept of Rural Development to gazette their new By-Law in this regard in 2015/2016. The new By-Law was gazette in November 2015.

Herewith our **SPLUMA READINESS REPORT : NOVEMBER 2015**

All the below documents are attached as Volume X

- Previous Council decisions with regards to SPLUMA READINESS **(attached)**
- Received Proposed Guideline by-Law in May 2015 and advertised it.
- Council approval for the By-Law on 8th June and 23 June 2015 as the Committee minutes was approved there. **(attached)**
- Letter to CoGHSTA requesting financial assistance (attached)
- Evidence of advert for By-Law in Local Newspaper
- New Shortened Revised By-Law received in July 2015. (attached)
- Revised By-Law discussed on 17 August 2015 at Committee meeting - the minutes was approved on 27 August 2015(attached)
- Example of Notice — old and new updated one attached
- Email to S Grobbelaar and N Louw as requested with regards to applications received
- Gazette where By-Law was published 19 October 2015 (Notice 154 of 2015)
<http://www.gpwonline.co.za/Gazettes/Pages/Provincial-Gazettes-Northern-Cape.aspx>

Karoo Hoogland Municipality decided to be part of the Namaqua District Municipality's Tribunal when dealing with Land Use Applications according to the new SPLUM Act. We also published the new By-law as seen above and are currently on track with the new legislation, It is however a problem because the Municipal Tribunal have not yet been established and we are already receiving application which need to be processed.

3.11 LOCAL ECONOMIC DEVELOPMENT

Municipalities have a Constitutional Mandate to promote Local Economic Development (LED). Section 153 of the Constitution of the Republic of South Africa, 1996 states that: *“A municipality must structure and manage its administration, and budgeting and planning processes to give priority to the basic needs of the community, and to promote the social and economic development of the community.”*

Economic development can be defined as an *“activity that seeks to improve the economic well-being and quality of life for a community, by creating and/or retaining jobs”*.

Local Economic Development (LED) is an approach to sustainable economic development that encourages residents of local communities to work together to stimulate local economic activity that will result in, inter alia, an improvement in the quality of life for all in the local community.

SECTOR OF EMPLOYMENT, 2009 (SOURCE: QUANTEC DATA 2009)

	Northern Cape	Namakwa DM	Karoo Hoogland LM
Agriculture, forestry and fishing	16.6%	12.6%	23.5%
Manufacturing	3.8%	2.8%	5.3%
Electricity, gas and water	0.6%	0.4%	0.1%
Construction	4.6%	5.7%	1.8%
Wholesale and retail trade, catering and accommodation	16.1%	14.6%	15.5%
Transport, storage and communication	3.2%	3.3%	2.2%
Finance, insurance, real estate and business services	9.2%	8.1%	5.0%
Community, social and personal services	15.5%	17.7%	28.8%
General government	22.3%	18.6%	17.7%

From 1995 to 2009, an average GDP (Gross Domestic Product) growth rate of -0.9% was observed in Karoo Hoogland, which was inadequate to create sufficient jobs in the local economy to reduce the unemployment rate. Karoo Hoogland Municipality has a draft Local Economic Development Strategy which will be reviewed and approved in 2015/2016 financial year.

In relation to two years ago's EPWP projects of the upgrading of Bergstraat (Williston) and the Eradication of Persopis trees, there were no EPWP projects during the financial (2013/14) year. In 2014/15 EPWP projects jobs created: 45.

The following priorities will be revisited in 2015/2016 and personnel will again actively take part to ensure the reaching of these goals:

THE FOLLOWING LOCAL ECONOMIC DEVELOPMENT POLICY OBJECTIVES WERE TAKEN FROM THE IDP:

Priority Issue: Education, illiteracy and skills development

Objectives:

- Engage with schools and relevant stakeholders regarding access to and development of training infrastructure
- Establish, with relevant stakeholders, general training and skills development programmes accessible by the community
- Engage with relevant stakeholders regarding the enhancement of education in the area

Priority Issue: The successful implementation of the new LED strategy:

Objective:

- To establish partnerships with relevant stakeholders and consult with them in the successful implementation of the LED strategy

Priority Issue: The development of a tourism industry:

Objectives:

- Develop a tourism strategy in consultation with stakeholders
- Develop skills and services related to tourism
- Develop tourism infrastructure
- The marketing of Karoo Hoogland as a tourism destination
- Establishment and enhancement of festivals unique to the area

Priority Issue: Stimulate local economy

Objectives:

- Attract potential investors through incentive programmes
- Develop basic infrastructure on vacant municipal land e.g. water, electricity
- Enhance skills and SMME development with a view to marketing services outside the region
- Identify agricultural projects for development and marketing

Priority Issue: Address social challenges that hinder economic development

Objectives:

- Establish, in consultation with stakeholders, a strategy for the management of alcohol abuse and related welfare challenges
- Develop or identify infrastructure to support social welfare programmes
- Develop and enforce by-laws relating to establishments that contribute to social challenges
- Develop youth empowerment programmes
- Develop and source skills related to social development

Priority Issue: Safe and affordable haven for visitors and residents

Objectives:

- Development of public facilities such as parks, sport and recreational infrastructure
- Engage with business sector regarding affordability of goods
- Develop, in collaboration with stakeholders, a crime prevention strategy
- Develop, in collaboration with relevant government departments, sufficient available health services
- Enhance access to public transport

Priority Issue: Develop environmental Policies and by laws

Objectives:

- To address environmental challenges and compile strategies
- Wetland Protection Strategy
- Revised and implement Integrated Waste Management Strategy
- Develop and Implement Environmental by laws
- Develop, mechanism to ensure environmental accountability and reporting
- Develop Climate Change Strategy and business plans to implement

COMPONENT D : COMMUNITY & SOCIAL SERVICES

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

3.12 LIBRARIES, ARCHIVES, MUSEUMS, COMMUNITY FACILITIES AND OTHER

INTRODUCTION TO COMMUNITY AND SOCIAL SERVICES (LIBRARIES, ARCHIVES, MUSEUMS, GALLERIES, COMMUNITY FACILITIES, OTHER THEATRES, ZOOS ETC)

LIBRARIES

The Municipality has four Libraries that render services to the communities of Williston, Fraserburg, Ammerville (suburb in Fraserburg) and Sutherland.

MUSEUMS

The Municipality operates and maintains two museums, one each in the towns of Williston and Fraserburg. The Municipality also budgeted for financial support to the privately owned Museum, NP van Wyk Louw Museum, in Sutherland in the 2015/2016 financial year.

COMMUNITY FACILITIES

The municipality has a community hall in Williston and two in Fraserburg. The one in Williston is totally vandalized and have been out of use from the past eight years. The two in Fraserburg are frequently being used for dances, community meetings and other events. The Municipality also makes the Community Hall in Ammerville (Fraserburg) available for grant payouts. The Councillors also make use of the community halls for community and ward committee meetings. This is quite a headache when organizing IDP and Budget meetings in Williston and Sutherland as we have to rent facilities, usually the Sneeuwlokkie hall in Sutherland and the Nico Bekker Hostel Hall in Williston. Williston also has the Church hall and a big hall owned by the "Landbougenootskap" which also have catering facilities.

ARCHIVES

The Section Registry processes all incoming correspondence from the Community in the Postal Register, which are then indexed on the electronic Document Management System. All Transfer documentation of erven is kept safely in the Registry. All payments received through the postal system are handled in a Register. Filing is done on a daily basis by one official.

The records management function is articulated according to the National Archives and Records Service of South Africa Act (Act 43 of 1996). An approved filing plan from National Archives are being used. A duplication service is rendered for the Municipality in general as well as a messenger service for delivery of documents and mail.

It is in our planning for 2015/2016 and 2016/2017 to prioritize the records management department's policies, resources, responsibilities, training, strategic plan, classification system, procedures and storage.

About 2400 documents were handled by the section through postage mail and faxes as well as hand deliveries for the 2014/2015 financial year. Approximately 20 Worthy Non-Spam Work Related Emails per day received on the karooadmin@telkomsa.net email account in the 2014/2015 financial year. This amounts to more or less 4800 emails for the year under review.

Libraries; Archives; Museums; Galleries; Community Facilities; Other Policy Objectives Taken From IDP			
Service Objectives		2014/2015	
		Target	Actual
Service Indicators	Outline Service Targets	*Previous Year	
(i)	(ii)	(iii)	(iv)
Service Objective xxx			
Development of public facilities such as parks sport and recreational infrastructure.	Upgrading of Historical Buildings		
Develop skills and services related to tourism.	Registration of Heritage Sites		
Develop Tourism Infrastructure	Protection of Paleo Surface		
	Upgrad of Mesuseum Fraserburg		
	Karoo Indigenous Knowledge Poster		

A	B	C	D	E	F
Financial Performance 2014/2015: Libraries; Archives; Museums; Galleries; Community Facilities; Other					
R'000					
Details	2013/2014	2014/2015			
	Actual	Original Budge	Adjustment Bu	Actual	Variance to Budget
Total Operational Revenue				353	100%
Expenditure:					
Employees	838	666	666	51	-1206%
Repairs and Maintenance				-	
Other		24	24	107	78%
Total Operational Expenditure	838	690	690	158	-337%
Net Operational Expenditure	(838)	(690)	(690)	195	454%
Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					T3.52.5

3.13 CEMETERIES AND CREMATORIUMS

The Municipality has a cemetery in each of the towns which are maintained by municipal workers. The Municipality does not have any crematoriums.

	A	B	C	D	E	F
1	Financial Performance 2014/2015 : Cemeteries and Crematoriums					
2	R'000					
3		2013/2014	2014/2015			
4	Details	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
5	Total Operational Revenue				30	100%
6	Expenditure:					
7	Employees				1 035	100%
8	Repairs and Maintenance				11	100%
9	Other				9	100%
10	Total Operational Expenditure				1 055	100%
11	Net Operational Expenditure				(1 025)	100%
12	Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					T3.55.5

The Municipality does not have separate personnel attending to this function or a budget for it.

The following project has been identified in the IDP:

- Environmental Impact assessment with the view to expand current cemeteries

The municipality also issue grave plots to applicants. For the cycle 2014/2015 a total of almost 90 graveplots/burials were made in municipal cemeteries.

3.14 CHILD CARE; AGED CARE; SOCIAL PROGRAMMES

The Municipality does not provide this service as it is a Provincial function. Although by law it is a function of the municipality it is not affordable and the municipality does not budget for this function. However the Department of Social Development did establish a pre-school(crèche)(Early Childhood Development Centre) in Williston on erven that the municipality made available. Further schools will be developed in Fraserburg and Sutherland in the future.

A safe park / playground will also be developed by ISIBINDI next to the pre-primary school in Williston. The said institutions indicated that the same development will take place in Fraserburg and Sutherland in the future. The municipality did already identified erven for it to be developed on.

There are currently two old age houses in Williston for the community, one in Fraserburg and one in Sutherland. These old age houses are administered by an NPO called ACVV. It must be stressed that these old aged houses do struggle to survive financially.

COMPONENT E : ENVIRONMENTAL PROTECTION

The function is currently residing at the District Municipality, who is the designated licensing authority, issuing licenses to premises or industries. The Karoo Hoogland Municipality has however a monitoring function in this regard. Pollution control forms part Environmental Health, in the absence of a section dedicated to Pollution control, solely. Namaqua District Municipality remains responsible for the enforcement of Pollution Control.

3.15 POLLUTION CONTROL

The Municipality does not provide this service as it is a Provincial function and services are provided by Namakwa District Municipality.

INTRODUCTION TO POLLUTION CONTROL

Pollution Control form part of Environmental Health and there is no separate section for pollution control.

Environmental Pollution consists of:

1. Dirty or unsightly conditions

- a) Accumulation of refuse, debris, including glass, paper, rags, tins, trash, ash and coal.
- b) Overgrown weeds and long grass, existence of thicket, shrub or any poisonous plants.
- c) Accumulation of wreck, chassis, engine or other part of a motor vehicle which is unsightly and may pose a health nuisance.
- d) Offensive smells from any activity on premises.
- e) Stagnant water and dumping or littering of waste on premises.
- f) Breeding of flies or mosquitoes.
- g) Harbourage of rodents or other vermin on the premises.

2. Littering, dumping and burning of waste

- a) Dumping, throwing or littering of waste, including rubbish, glass, tins, paper, car wrecks or parts of motor vehicles, dead animals, waste water or flushing water or other litter or waste, whether liquid or solid, on or in a street, road, bridge, thoroughfare, open space, vacant stand, public place or any watercourse.
- b) Burning or permitting of burning of any waste material, including tyres, rubbish, garden refuse, paper or other material on any premises in such a way as to create a health nuisance or health hazard.

SERVICE STATISTICS FOR POLLUTION CONTROL

Inform the community via pamphlets and radio talks, door to door campaigns, workshops, regarding alternative measures to be taken such as the boiling of water, the adding of a disinfectant like bleach when water do not comply with safety standards. With regards to the 2014/2015 financial year, none failures occurred in terms of safe drinking water. When failures would occur, the community will be alerted immediately as to the said precautionary measures.

Air pollution

Service delivery priorities:

At local level our function is only to observe and monitor air pollution and also react on complains from the community if a nuisance occur in the jurisdiction of the local municipality, we either serve a notice to rectify the problem immediately or refer it to the district municipality for further investigations and where necessary, legal steps deemed. The District Municipality, Namakwa, is also the licensing authority in terms of premises or industries, requiring licences for their respective activities. An investigation into the use of Asbestos housing and the usage of coal inside the houses to prepare food has commenced in 2014/2015.

The impact:

Air pollution in general has a detrimental effect on the inhalation system of the body which can cause sinusitis or even lung disorders if exposed over long periods.

Measures taken to improve:

If a nuisance occurs in the jurisdiction of the local municipality, we either serve a notice to rectify the problem immediately or refer it to the district municipality for them to withdrawn the licence of the premise if applicable.

Environmental pollution:

Service delivery priorities:

- Waste removal from households is done once every week and from the business sectors twice every week.
- Daily observations for illegal dumping and handling of refuse complaints.
- Delivering of black plastic bags to all the households in the jurisdiction to minimize illegal dumping.
- Medical Waste is being collected and removed from the hospitals and clinics by private companies who specify in this field.

The impact:

Environmental pollution causes economical restrains for the tax payers and illegal dumping leads to unhygienic conditions.

Measures taken to improve:

Complaints about illegal dumping which could not be traced to a specific person are rectified every Friday by the Refuse Removal Section. If a person, responsible for the illegal dumping could be identified, a notice is given which grants him/her five working days to rectify the problem otherwise it will be done by the refuse removal services at cost to the polluter.

3.16 BIO-DIVERSITY (INLCUDING CLIMATE CHANGE)

Climate Change is currently emanate and is increasing faster than it was anticipated by scientists. Climate Change is effected mostly by the increasing of the average global temperature due to the increased greenhouse gasses emissions in the atmosphere. The effect of the changing climate have an impact on people's livelihoods as well as on our wildlife and the environment.

The level of the impact of climate change depends on the rate of increasing earth temperature. Climate change will cause some regions to become wetter and others warmer, while some regions will be more at risk of heat waves, drought, flooding and natural disasters. Climate change could ruin food chains and ecosystems, putting whole species at risk of extinction. Taken into account the above a look at Karoo Hoogland and its bio-diversity and the effect on it, we are in the need of some urgent planning for the future in this region.

Giving the following background the reader will understand the necessity of such an action plan and funding for these future climate change projects.

Karoo Hoogland is an area consisting of a flat landscape. Rainfall occurs mainly in summer between 100mm - 300mm per year. This area a a key biodiversity location with a significant biodiversity that not only contains critical water management sites, but also unique invertebrate plant live.

Karoo Hoogland is home to wide variety of bulbs, monkey beetles, bees and wasps. This biodiversity can contribute to the future socio economic well being of the inhabitants.

Taken the above in account the effect of climate change could influence the community's livelihoods especially the poor communities reliant on agriculture and farming. The further risk of climate change in increased intensity of drought will lead to complete desertification and further water scarcity. Fire will be a constant risk due to hot winds and dead or dry vegetation. Subsistence farmers will suffer the most and are likely to lose their livelihood to the encroaching desert.

Local Government is on the front line of implementation and service delivery and thus need to pursue adequate mitigation and adaption strategies, which include participation from the public sector, private sector and NGOs.

Climate Change is complex and therefore requires a collective action. A sectoral approach is not advisable as this challenge requires a multi sectoral strategy. There is a need for collaboration amongst all stakeholders and the Northern Cape Government needs to play a leading role in this regard.

3.17 SKA & SALT

SAAO

A document SALT Collateral Benefits Plan was compiled in July 1999 outlining the benefits SALT will have for South Africa specifically in terms of astronomy technology industrial and educational empowerment.

Parallel to these developments the SAAO and the previous Council of Karoo Hoogland Municipality signed a partnership agreement. A range of joint projects were identified through a series of community workshops and LED funds were granted in 1999/2000 to kickstart the projects under the auspices of the mentioned partnership agreement.

The Main thrust of the agreement is that SALT provide opportunities to alleviate poverty in the region through the development of and educational tourism strategy, SALT is itself is a major tourism destination but remains predominantly a research facility. To expose the public and especially children to astronomy.

As to date more than 10 000 tourist visit the SAAO and SALT Astro Tourism has become a main contributor to economic growth in the Municipality.

SKA

The Karoo Array Telescope (MeerKAT) project involves the construction of a world class radiotelescope which is being built by the Department of Science and Technology and National Research Foundation near the towns of Carnarvon and Williston.

The construction of the SKA is expected to cost about 1.5 billion euros. The operations and maintenance of a large telescope normally cost about 10% of the capital costs per year. This means the international SKA consortium will be spending approximately 100 to 150 million Euros per year on the telescope.

Karoo Hoogland Municipality envisage a agreement between them and Kareeberg Municipality the purpose of this twining agreement is to ensure that the local communities benefit from the economic opportunities that will come from the construction of the SKA.

3.18 COMMONAGE

The Municipality has four Farms on which previously disadvantaged farmers farm on and benefit on. However the one, Verjaagsfontein, is still registered in the District Municipality's name. Rural Development and Land Reform will assist in projects to address the current veld deterioration situation in 2015/2016.

The municipality also has historic commonage areas close to the towns where farming activities are accommodated.

3.19 APPLICATIONS RECEIVED FOR DEVELOPMENTS OF RENEWABLE ENERGY

KARUSA & SOETWATER WINDFARM // ANEL GREENPOWER

- EIA completed
- A post for a stakeholder manager has been advertised for the communities of Sutherland, Laingsburg and Matjiesfontein that will benefit from this project
- Construction to commence in 2015/2016 (June 2016)

ROGGEVELD WINDFARM // SAVANAH ENVIRONMENTAL

Busy with applications

SUURPLAAT WINDFARM // SAVANAH ENVIRONMENTAL

Busy with applications

3.20 OCCURRENCE OF NATURAL PHENOMENA'S

It is clear when you take the above into account that climate change is happening. In October 2012 an earthquake of about 3.6 on the scale occurred in Williston. In the 2015 year, the Northern Cape as well as South Africa experienced a drought and lowest average rainfall since 110 years. Flooding usually occurs every 13 years in our municipal area. In April 2001 and in 1988 flooding occurred. All statistics and weather reporters warns about El Nino and La Nina every now and then on the news. Natural phenomena's are occurring more and more unpredictably and even the seasons are changing. Winters starts later and lasts longer and the same with summer.

Karoo Hoogland need to plan for these changing times in 2015/2016 and 2016/2017 as well as prepare contingency plans for when disaster may strike.

COMPONENT F : HEALTH

3.21 CLINICS

This is a Provincial function and provided by the Department of Health. The service is however not satisfactory due to the shortage of doctors, ambulances as well as inferior conditions of the road infrastructure between the towns.

Williston, Fraserburg and Sutherland each have a hospital with limited services rendered at these facilities. The function to provide Health Services is the Provincial Government Department of Health's respectively. A new Community Health Centre has been planned to be constructed in Williston since 2010 but the project is currently on hold.

The services at the current facility are not always satisfactory due to the shortage of medical personnel and limited ambulance services. Patients in the rural areas are dependent on ambulance services and the gravel roads are not in a suitable condition.

3.22 HEALTH / AMBULANCE SERVICES

This is a Provincial function and provided by the Department of Health. The service is however not satisfactory due to the shortage of doctors, ambulances as well as inferior conditions of the road infrastructure between the towns. The services at the current facility are not always satisfactory due to the shortage of medical personnel and limited ambulance services. Patients in the rural areas are dependent on ambulance services and the gravel roads are not in a suitable condition.

3.23 HEALTH INSPECTIONS, FOOD & ABATTOIR LICENSING & INSPECTION

In each of the three towns there are abattoirs that are privately owned. The Municipality cannot afford to appoint an Environmental Health Inspector and is this service rendered and financed by Namakwa District Municipality on a contract base to the Municipality. All food and abattoir property owners have to apply to the municipality for inspections where after, if they are found to be suitable, they receive an Inspection Certificate.

INTRODUCTION TO HEALTH INSPECTIONS; FOOD & ABATTOIR LICENCING AND INSPECTIONS

Health inspections are done by the Environmental Health Practitioner (EHPs) and he is concerned with the administration, inspection, monitoring, education and regulation as prescribed in environmental health legislation. He act as a public arbiter of environmental health standards, maintaining close contact with the community.

They develop professional standards and apply them in environmental health and the main functions can be described as:

1. Ensure safe food:
 - a. All food handling premises must be in possession of COA's (Certificate of Acceptability) - which implies that health requirements are met in terms of R962 (Foodstuffs, Cosmetics and Disinfectants Act, 1972 (Act 54 of 1972)).

All Food handlers were reached and educated through health awareness campaigns.

2. Ensure safe water through continues sampling
3. Ensure safe medical waste disposal. Maintain a compliance ratio of 95% through the year.
4. Accommodate informal trading by implementing minimum health standards and equip informal food handlers with health education

Safe Water:

Actual samples taken by this division in 2014/2015 which includes quality and compliance monitoring was 108 (9 per town per month x 12) water samples in all three towns with a population ratio of approximately 12 500 people.

COMPONENT G : SECURITY AND SAFETY

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

3.24 FIRE / DISASTER MANAGEMENT

Fire Services is currently a function of the Namakwa District Municipality however the Municipality do have a water truck and fire units for emergencies to attend to. The compiling of a Disaster Management Plan is currently a responsibility of Namakwa District Municipality who assists us with it.

The present budget constrains also impacts on the purchase of much needed equipment and hampers service delivery to the community and business's. The risks are increasing with the present local economic growth and preventative/rehabilitative measures needs to be put in place in order to ensure a safe living environment for all communities.

3.25 OTHER DISASTER MANAGEMENT

Annual drills are held by the District Municipality to assess competency with volunteers and all involved stake holders e.g. SAPS, Department of Health, EMS, ACSA, SANDE, Provincial Traffic and other government departments are involved.

MOTOR VEHICLE ACCIDENT REPORTED :	10
FIRE RELATED ACCIDENTS REPORTED:	7

A project where the community could voluntarily apply for their problem animals to be put down was completed by the Department of Veterinarian Services of Calvinia and Environmental/Municipal Health Services.

3.26 LAW ENFORCEMENT OF BY-LAWS

The enforcement of by-laws are very difficult as the municipality does not have a Law Enforcement Officer or a Security Unit who can enforce the laws. A few by-laws will be gazette in 2015/2016 and 2016/2017 and the need for a Law Enforcement Officer will be addressed.

COMPONENT H : SPORT AND RECREATION

3.27 SPORT AND RECREATION

The Municipality has sport grounds in Williston and Fraserburg which are maintained by municipal staff.

Williston

- The current sport facility is more than 40 years old.
- During 2013/2014 financial year the Council spend R300 000 to maintain and repair the pavilion in order for it to be safe. The wooden seats were removed, steel welding repaired and the wooden seats replaced.
- All the schools and the local rugby clubs make use of this facility.
- The sports ground is in walking distance and no previous complaints have been received in this regard.
- Due to the absence of a proper fence and a secure entrance the normal vandalism take place.
- The municipality does have personnel there during the day time that irrigates the grass and so small repairs.
- The local rugby club plays all their matches there and the community attends the matches.
- The municipality cannot afford more than one sport facility and do budget each year for maintenance.
- Currently due to the drought, the grass is diminishing but water is available at the sport grounds.
- The sport facility is also as such included in the approved Spatial Development Plan of the Municipality.
- The Tennis court is also nearby the sport ground and is utilized by the community.
- The sport ground is named after Mr JA Louw (Das Louw Stadium) who died at the age of 100 years in 2014. Mr Louw (established the sport facility and the swimming pool years back in his term of Mayor.
- The swimming pool are in operation each year from November till March.

1 Financial Performance 2014/2015: Sport and Recreation					
2 R'000					
3		2013/2014	2014/2015		
			Original	Adjustment	
4	Details	Actual	Budget	Budget	Variance to Budget
5	Total Operational Revenue	20	24	24	-
6	Expenditure:				
7	Employees	1 376	860	860	119 -623%
8	Repairs and Maintenance				34 100%
9	Other				170 100%
10	Total Operational Expenditure	1 376	860	860	323 -166%
11	Net Operational Expenditure	(1 356)	(836)	(836)	(323) -159%
12	Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.				T3.68.4

Fraserburg

- The sport facility also need an adequate fence and entrance to keep it safeguarded and protected from vandalism which occurs frequently.
- There is only one sport facility and it's being utilized by all the schools and the local rugby club.
- There are boreholes and enough water and the grass is in a good condition due to the stable water supply.
- The sport ground does not have a specific name at this stage.
- The tennis courts are also nearby situated.
- The sport facility is mostly utilized by the disadvantaged community.
- Maintenance is also done within the budget limits.

Sutherland

- There is no sport facility for the community, only a rugby field at the school which is in a poor condition.
- The municipality assists each year with maintenance so that athletics could be held.
- The proposed site for 2015/2016 or 2016/2017 of the sport facility will be at Rebelskop.

The municipality has sufficient parks in the urban and suburban areas for local residents to use for relaxation and recreation. There is however a shortage of parks in the peri-urban and rural areas of the municipality. This shortage is slowly being attended to through development of additional parks in these neighbourhoods.



COMPONENT I : CORPORATE POLICY OFFICES AND OTHER SERVICES

3.28 EXECUTIVE AND COUNCIL

The Municipal Council consists of 1 full time Mayor and 6 part time councillors. The Municipal Manager is the Chief Executive Officer of the Council and also the Accounting Officer in terms of the MFMA.

The main priorities of Council are outlined in the Key Performance Areas as contained in the IDP.

Financial Performance 2014/2015: The Executive and Council					
R'000					
	2013/2014	2014/2015			
Details	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	4 916	10 641	10 641	14 990	29%
Expenditure:					
Employees	6 323	7 019	7 019	3 182	-121%
Repairs and Maintenance	-	18	18	107	83%
Other	2 465	3 756	3 756	7 677	51%
Total Operational Expenditure	8 788	10 793	10 793	10 966	2%
Net Operational Expenditure	(3 872)	(152)	(152)	4 024	104%
Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					T3.69.5

SERVICE DELIVERY

Priority Issue: Lack of infrastructure for proper service delivery

Objectives:

- To enhance sustainable service delivery through infrastructure development
- To ensure proper operation and maintenance of existing infrastructure and equipment
- To develop appropriate skills required for efficient service delivery
- To ensure a healthy environment for all residents with reference to combinable diseases
- Provision of standard sanitation for all residents
- Improve the storm water infrastructure
- Improve road infrastructure

FINANCIAL VIABILITY

Priority Issues: The development of a financial plan with strategies to ensure that Karoo Hoogland will be a financial viable entity.

Objectives:

- To seek commitment of provincial treasury to assist with the development of a financial plan.
- To convert to mSCoA in July 2016
- Continuous focus on credit control

MUNICIPAL TRANSFORMATION AND ORGANIZATIONAL DEVELOPMENT

Priority Issues: To establish proper administrative and institutional infrastructure to properly regulate the implementation of the IDP

Objectives:

- Implementation of a new organogram with job descriptions

GOOD GOVERNANCE AND PUBLIC PARTICIPATION

Priority Issue: To ensure that the Constitution of South Africa is applied in Karoo Hoogland to improve the quality of life of all its citizens and to establish a society based on democratic values, social justice and fundamental human rights.

Objectives

- To actively involve the public in local government management
 - To monitor and evaluate the performance of council in terms of its PMS
- 

3.29 FINANCIAL SERVICES

This section is being dealt with in detail in Chapter 5.

Debt Recovery					
R' 000					
Details of the types of account raised and recovered	2013/2014		2014/2015		
	Actual for accounts billed in year	Proportion of accounts value billed that were collected in the year %	Billed in Year	Actual for accounts billed in year	Proportion of accounts value billed that were collected %
Property Rates	4 303	73%	4 780	3 872	81%
Electricity - B					
Electricity - C	7 000	98%	7 776	7 543	97%
Water - B					
Water - C	2 020	76%	2 075	1 619	78%
Sanitation	1 605	81%	1 978	1 622	82%
Refuse	1 479	72%	1 642	1 215	74%
Other	293	65%	779	475	61%
B- Basic; C= Consumption. See chapter 6 for the Auditor General's rating of the quality of the financial Accounts and the systems behind them. T3.70.2					

1	Financial Performance 2014/2015: Financial Services					
2	R'000					
3		2013/2014	2014/2015			
4	Details	Actual	Original Budget	Adjustment Bu	Actual	Variance to Budget
5	Total Operational Revenue	22 348	3 463	3 463	25 799	87%
6	Expenditure:					
7	Employees	6 100	6 853	6 853	9 125	25%
8	Repairs and Maintenance				1 118	100%
9	Other	7 352	3 954	3 954	9 639	59%
10	Total Operational Expenditure	13 452	10 807	10 807	19 882	46%
11	Net Operational Expenditure	8 896	(7 344)	(7 344)	5 917	224%
12	Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					T3.70.5

3.30 HUMAN RESOURCE SERVICES

There are 106 posts approved on the current organogram and there are currently 20 vacancies on the approved organogram. Due to budget constraints the Municipality is not able to appoint all personnel as indicated on the approved organogram.

Karoo Hoogland Municipality underwent a Work-study process to revise the organizational structure in 2013/2014 for implementation in 2015/2016 financial year. Karoo Hoogland Municipality recognized the significance and importance of the development and management of its employees in order to deliver an optimal service to the community.

STAFFING AND MANAGEMENT PROFILE

- The total staff complement as at 30 June 2015 was 86 permanent employees.
- 3 Financial Interns are also employed at 30 June 201

STATUS OF MANAGERIAL POSITIONS AS AT 30 JUNE 2015

- Municipal Manager was appointed in November 2013
- Head of Corporate Services is currently vacant
- Deputy Head of Infrastructure Services appointed on 1 September 2011
- Chief Financial Officer resigned in November 2014
- Acting Chief Financial Officer appointed January 2015

SKILLS DEVELOPMENT AND TRAINING

- ☐ The WSP was submitted on in time in terms of legislative requirements.
- ☐ In order to promote and enhance skills development and training, a HR Officer was appointed during the 2010/2011 year.

EMPLOYMENT EQUITY PLANS & IMPLEMENTATION REPORTS

- The Employment Equity Report is revised and submitted to the Departments of Labour and COGHSTA every two years. It was submitted in January 2014 for the period 2012- 2013. It will need to be submitted in 2016 again.

3.31 INFORMATION & COMMUNICATION TECHNOLOGY (ICT) SERVICES

INTRODUCTION TO INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

The establishment of ICT department within Karoo Hoogland Municipality to render a service to all departments through effective, efficient and cost effective systems and equipment that enhances the performance of these departments in service delivery to inhabitants, was not budgeted for. The ICT services are being delivered by SEBATA with regard to our telephone, network and financial system. However, the setup of email and internet are being done by regular staff with a little bit of knowledge in these fields.

Council has one server on which its systems run. These systems are for financial management, document management, prepaid services, security and connectivity, communication, e-natis vehicle registration management. Council business is conducted from 16 different buildings spread over the whole servicing area including the three towns. Within the buildings a wired network connects as well as wireless network connects, the offices to a main switch connected to the servers.

The IT Department should support all system users, maintains equipment and is responsible for the purchasing of equipment either for replacement or new staff. Keeping track with technology changes is always challenging due to budget constraints. IT services are also being outsourced or contracted when needed.

COMMENT ON THE PERFORMANCE OF ICT SERVICES OVERALL:

New PC's, Laptops and printers were purchased in the event the equipment had become redundant or uneconomical to repair. Same was purchased for new positions as the need arose.

3.32 PROPERTY, LEGAL, RISK MANAGEMENT & PROCUREMENT SERVICES

LEGAL SERVICES

The Municipality does not have a separate division with personnel to attend to legal services. The Legal Services division/function delivers a supporting function to all directorates in the municipality. The division forms part of the Office of the Municipal Manager. This office handles all requests for legal advice and legal aid in respect of municipal matters. Some of these services are also outsourced or contracted.

This office is also responsible for the contracts of the municipality. A number of new contracts we concluded and contracts that expired were renewed.

RISK MANAGEMENT

Risk Management is the identification, assessment, and prioritization of risks through a structured and systematic process followed by coordinated and economical application of resources to minimize, monitor, and control the probability and/or impact of risks. When properly executed risk management can provide reasonable assurance to Council and management that the municipality will be successful in achieving its objectives and goals.

Managing business risks associated with in the municipality is an ongoing process involving different levels within the organisation. Even though risks identified may have a low likelihood of occurring or controls are in place mitigating the risks, a continuous approach of monitoring and testing of controls needs to be done by management supported by the internal audit function.

The municipality started a shared services agreement with the District Municipality for Internal Audit Services. They only started their process in 2014/2015.

This report serves as a basis in the preparation of the Internal Audit Plan as it highlights the business risks that management deems needs to be concentrated on first.

PROPERTY

The Council will develop a Property Disposal Policy in 2015/2016. However, some vacant erven have been advertised in 2013/2014 and are in the process of being sold and disposed of.

A	B	C	D	E	F
Financial Performance 2014/2015: Property; Legal; Risk Management; and Procurement Services					
R'000					
	2013/2014	2014/2015			
Details	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue				225	100%
Expenditure:					
Employees				1	100%
Repairs and Maintenance				190	100%
Other	-	102	102	75	-36%
Total Operational Expenditure	-	102	102	266	62%
Net Operational Expenditure	-	(102)	(102)	(41)	-149%
Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					T3.73.5

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

Legal Advice was requested from external sources on the following matters on quite a few matters. The Council used Van de Wall & Associates, Wessels & Smith Attorneys and GB Kempen & De Wet Nel in different cases and requests.

No new By-laws were adopted by the Council during the period under review.

Council adopted and reviewed the following policies on 26 May 2015:

- a) Tarrif Policy
- b) Write Off Policy
- c) Indigent Policy
- d) Budget Policy
- e) Property Rates Policy
- f) Customer Care, Credit Control and Debt Collection Policy
- g) Banking, Investment and Interest Policy
- h) Borrowing Policy
- i) Subsistence and Travelling Policy
- j) Supply Chain Management Policy
- k) Unauthorised, Irregular, Fruitless and Wastefull Policy
- l) Gift and Rewards Policy

RISK MANAGEMENT

Perform assessment as per approved risk assessment plan.

Report on findings on a quarterly basis. This will only commence in the 2015/2016 financial year.

RISK MANAGEMENT POLICY:

The objective of the risk policy is to ensure that a strategic plan is developed that assist management to make informed decisions which will:

- Improve the municipality's performance on decision making and planning;
- Promote a more innovative, less risk averse culture in which the taking of calculated risks in pursuit of opportunities to benefit the municipality is encourage;
- Provide a sound basis for integrated risk management and internal control a components of good corporate governance;
- Promote a reporting system which will facilitate risk reporting; and
- Promote an effective culture of risk assessment.

Risk Management Strategy:

The roles and responsibilities of all stakeholders are clearly defined in the approved risk management strategy

e.g Council; Accounting Officers; Risk Management Committee; line managers; Internal Audit; Risk Officer.

Risk Management Methodology:

The risk management processes are clearly defined in the risk management framework.

Risk Management Committee Charter:**Is about the roles and responsibilities of the committee amongst others:**

- a) To ensure that risks are managed and monitored effectively;
- b) To evaluate reports from the concerned departments;
- c) Review annually the risk management policy, charter, framework and strategy and recommend it for approval by Council and the Accounting Officer;
- d) Review the institution's risk identification and assessment methodologies to obtain reasonable assurance of the completeness and accuracy of the risk register;
- e) Report to the Accounting Officer any material changes to the risk profile of the Institution;
- f) Review any material findings and recommendations by assurance providers on the system of risk management and monitor that appropriate action is instituted to address the identified weaknesses;

Risk management implementation plan

Outline Karoo Hoogland Local Municipality risk management activities that will be carried out in the 2015/2016 financial year. The risk management implementation plan for the Municipality is hereby prepared to give effect to the implementation of the risk management policy and strategy and to sets out all risk management activities planned.

PROPERTY

Only one erven had been disposed of and the other are still in the process to be completed in 2015/2016.



COMPONENT J : MISCELLANEOUS

3.33 AIRFIELDS

Karoo Hoogland Municipality has one registered/licensed Airfield in Williston. However we are in the process of deregistering/delicensing because the maintenance cost is too high as well as the insurance. It is foreseen that the maintenance of the airfield will be privatized in 2015/2016. Sutherland also has a privately owned airfield.

COMPONENT K : ORGANISATIONAL PERFORMANCE SCORECARD

3.34 MUNICIPAL SCORECARDS

The Annual Performance Report for 2014/2015 is attached as Volume II.

CHAPTER 4

ORGANISATIONAL DEVELOPMENT PERFORMANCE

INTRODUCTION

The Organizational Structure was reviewed in January 2014 by Council to decrease the amount of posts and directors to be able to have an affordable organogram but that will still deliver all the functions. Management retained a healthy relationship with employees by meeting with recognized labour unions on the Local Labour Forum.

COMPONENT A :INTRODUCTION TO THE MUNICIPAL PERSONNEL

4.1 EMPLOYEE TOTALS, TURNOVERS AND VACANCIES

There are 106 posts approved on the current organogram and there are currently 20 vacancies on the approved organogram. Due to budget constraints the Municipality is not able to appoint all personnel as indicated on the approved organogram.

Karoo Hoogland Municipality underwent a Work-study process to revise the organizational structure in 2013/2014 for implementation in 2015/2016 financial year. Karoo Hoogland Municipality recognized the significance and importance of the development and management of its employees in order to deliver an optimal service to the community.

STAFFING AND MANAGEMENT PROFILE

- The total staff complement as at 30 June 2015 was 86 permanent employees.
- 3 Financial Interns were also employed at 30 June 2015.

STATUS OF MANAGERIAL POSITIONS AS AT 30 JUNE 2015

- Municipal Manager was appointed in November 2013
- Head of Corporate Services is currently vacant
- Deputy Head of Infrastructure Services appointed on 1 September 2011
- Chief Financial Officer resigned in November 2014
- Acting Chief Financial Officer appointed January 2015

Employees			
Description	2013/2014	2014/2015	
	Employees	Employees	
	No.	No.	
Water	12	10	
Waste Water (Sanitation)	25	21	
Electricity	3	2	
Waste Management			
Housing			
Waste Water (Stormwater Drainage)			
Roads	13	10	
Finances	17	15	
Sport and Recreation	7	7	
Local Economic Development			
Planning (Strategic & Regulatory)			
Local Economic Development			
Community & Social Services	3	3	
Corporate Policy Offices and Other	22	18	
Totals	102	86	
Headings follow the order of services as set out in chapter 3. Service totals should equate to those included in the Chapter 3 employee schedules. Employee and Approved Posts numbers are as at 30 June.			74.1.1

COMPONENT B : MANAGING THE MUNICIPAL WORKFORCE

INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT

The Municipal Manager held meetings with all employees in the three directorates to explain service delivery objectives and priorities. The municipality complied with all collective agreements and all core policies are in place. Bi-Monthly meetings of managers and supervisors took place to discuss workforce management issues.

4.2 POLICIES

HR Policies and Plans			
	Name of Policy	Completed	Reviewed
		%	%
1	Affirmative Action	0.00%	
2	Attraction and Retention	0.00%	
3	Code of Conduct for employees	100.00%	
4	Delegations, Authorisation & Responsibility	100.00%	100.00%
5	Disciplinary Code and Procedures	100.00%	
6	Essential Services	0.00%	
7	Employee Assistance / Wellness	0.00%	
8	Employment Equity	0.00%	
9	Exit Management	0.00%	
10	Grievance Procedures	100.00%	
11	HIV/Aids	100.00%	
12	Human Resource and Development	0.00%	
13	Information Technology	50.00%	
14	Job Evaluation	50.00%	
15	Leave	100.00%	
16	Occupational Health and Safety	50.00%	
17	Official Housing	0.00%	
18	Official Journeys	0.00%	
19	Official transport to attend Funerals	0.00%	
20	Official Working Hours and Overtime	100.00%	
21	Organisational Rights	100.00%	
22	Payroll Deductions	50.00%	
23	Performance Management and Development	0.00%	
24	Recruitment, Selection and Appointments	100.00%	
25	Remuneration Scales and Allowances	0.00%	
26	Resettlement	100.00%	
27	Sexual Harassment	100.00%	
28	Skills Development	0.00%	
29	Smoking	100.00%	
30	Special Skills	0.00%	
31	Work Organisation	0.00%	
32	Uniforms and Protective Clothing	0.00%	
33	Other:		

PERSONNEL AND HR POLICIES TO BE DISCUSSED AT THE NEXT LLF TO BE IMPLEMENTED IN 2015/2016:

PERSONEELBELEIDE:

- a. Waarneming
- b. Prosedure vir die aanstelling van personeel deur die MB (10 April 2014)
- c. Seksuele teistering
- d. Studente-werk
- e. Verlofbeleid & prosedure
- f. Incapacity: Poor work performance policy
- g. Incapacity: ill health and Injury Policy
- h. Attendance and Punctuality Policy

GENERAL POLICIES

NO	Name of Policy	Date adopted by Council
3	AMPTELIKE WERKSURE / OFFICIAL OFFICE HOURS	10 JULIE 2001
4	ARGIEF / ARCHIVE	10 JULIE 2001
5	ARMLASTIGE BEGRAFNISSE/ INDIGENT FUNERALS	10 JULIE 2001
6	BANKFASILITEITE & TEKENMAGTE / BANKING FACILITIES & SIGNING AUTHORITY	10 JULIE 2001 15 MEI 2013
7	BATEBESTUUR / ASSET MANAGEMENT	5 DESEMBER 2001
9	DISSIPLINêRE PROSEDURE / DISCIPLINARY PROCEDURE	KOLLEKTIEF BEDING / COLLECTIVE
10	GEBRUIK VAN ALKOHOLIESE DRANK / USE OF ALCOHOL	9 JUNIE 2005
11	GELYKE GELEENTHEDE / EQUAL OPPORTUNITIES	10 JULIE 2001
12	GRIEWE PROSEDURE / GRIEVANCE PROCEDURE	23 JUNIE 2004 & 30 JUNIE 2004
13	HIV/VIGS / AIDS	3 NOVEMBER 2004 23 JUNIE 2004 & 30 JUNIE 2004
14	INTERNET	29 AUGUSTUS 2002
15	KOMMUNIKASIE / COMMUNICATION	31 JANUARIE 2007
16	KORRESPONDENSIE / CORRESPONDENCE	10 JULIE 2001
19	MEDIA	29 AUGUSTUS 2002
20	MIGRASIE / MIGRATION (RELOCATION)	10 JULIE 2001

24	REGULERING VAN DIE AANHOU VAN DIERE, HONDE, PLUIMVEE & BYE / ANIMAL CONTROL	
25	REIS & VERBLYF / TRAVEL & SUBSISTENCE	NUUTSTE VORM: JUNIE 2013, 15 NOVEMBER 2011 29 AUGUSTUS 2002 10 JULIE 2001
26	RENTE / INTEREST	10 JULIE 2001
27	ROOK / SMOKING	17 OKTOBER 2007
28	SELFOON / CELLPHONE	10 JULIE 2001
29	SPORT	3 NOVEMBER 2004
30	STANDAARD DIENSVoorwaardes / BASIC CONDITIONS OF SERVICE	WORD KOLLEKTIEF BEDING
31	STRAATHANDEL / INFORMELE HANDEL / INFORMAL STREET VENDORS	4 JUNIE 2002
32	STRATE / STREETS	WORD KOLLEKTIEF BEDING
33	SUBSIDIE VIR BEHOEFTIGE HUISHOUDINGS / INDIGENT HOUSING SUBSIDY	10 JULIE 2001
34	UITDIENSTREDINGSBONUSSE / RETIREMENT BONUS	10 MAART 2004
35	VERBOD OP & BEHEER OOR DIE AFVURING VAN VUURWERKE / CONTROL OF FIREWORKS	23 JUNIE 2004 & 30 JUNIE 2004 10 MAART 2004
36	VERHURING VAN AMPTELIKE WONINGS / RENTAL OF OFFICIAL HOUSES	10 JULIE 2001
37	VERKLARING VAN VERTROUOLIKHEID / DECLARATION OF CONFIDENTIALITY	10 MAART 2004
38	VERLOF / LEAVE	10 JULIE 2001
41	VOERTUIG / VEHICLE	10 JULIE 2001
42	VOORKOMING & ONDERDRUKKING VAN OORLASTE / PREVENTION OF NUISANCES	
43	VOORRAADBEHEER / ASSET CONTROL	10 JULIE 2001
44	WATERDIENSPLAN / WATER SERVICES PLAN	DRAFT
45	WERWING & KEURING/ RECRUITMENT	23 JUNIE 2004 & 30 JUNIE 2004 4 JUNIE 2002
46	WET OP BEVORDERING VAN TOEGANG TOT INLIGTING / ACCESS TO INFORMATION	29 OKTOBER 2003
47	EIENDOMSBELASTINGBELEID / RATES POLICY	5 FEBRUARIE 2009 26 MEI 2009
48	TARIEFBELEID / TARIFF POLICY	5 MEI 2011 15 SEPTEMBER 2008
49	BEGROTINGS BELEID / BUDGET POLICY	5 MEI 2011
50	MEENTBELEID / COMMONAGE POLICY	

NEW & REVISED POLICIES 2014/2015

- a) Tarrif Policy
- b) Write Off Policy
- c) Indigent Policy
- d) Budget Policy
- e) Property Rates Policy
- f) Customer Care, Credit Control and Debt Collection Policy
- g) Banking, Investment and Interest Policy
- h) Borrowing Policy
- i) Subsistence and Travelling Policy
- j) Supply Chain Management Policy
- k) Unauthorised, Irregular, Fruitless and Wastefull Policy
- l) Gift and Rewards Policy
- m) System of Delegations

DRAFT POLICIES 2014/2015

Manual for Promotion of Access to Information

DRAFT BY-LAWS 2014/2015

Spatial Planning and Land Use Regulations By-law

POLICIES TO BE REVISED AND NEWLY DEVELOPED IN 2015/2016 & 2016/2017

- Asset Management Policy
- Supply Chain Management Policy
- Commonage Policy
- IT Security & Management Policy
- Property disposal Policy
- Building Regulations Policy
- Internal Communication Policy
- Emergency Housing Policy
- Commonage Policy

DRAFT POLICIES THAT WERE ADVERTISED AND WENT THROUGH THE PUBLIC PARTICIPATION PROCESS AND AR READY TO BE PROMULGATED IN 2015/2016:

- a) By-Law : The Council's Caravan Parks
 - b) By-Law : Advertising Signs
 - c) By-Law : Parking of Heavy Vehicles and Caravans
 - d) Wetstoepassing
 - e) Begraafplase
 - f) Elektrisiteit
 - g) Beheer oor aanhou van honde
 - h) Beheer oor aanhou van diere, pluimvee en bye
- 

4.3 INJURIES, SICKNESS AND SUSPENSIONS

Number of days and Cost of Sick Leave (excluding injuries on duty)		
	Total sick leave	Proportion of sick leave without medical certification
Salary band	Days	%
Lower skilled (Levels 1-2)	566	76%
Skilled (Levels 3-5)	20	15%
Highly skilled production (levels 6-8)	39	20%
Highly skilled supervision (levels 9-12)		
Senior management (Levels 13-15)	36	0%
MM and S57	3	0%
Total	664	

COMMENT ON INJURY AND SICK LEAVE:

No fatal accidents occurred in the work place. The municipality complied with the requirements of the Occupational Health and Safety Act. Training was provided to employees who work in confined spaces. Employees working with chemicals and those that are exposed to sewerage were sent for medical testing. Workers who became permanently incapacitated were assisted to apply to the pension funds for disability benefits.

COMMENT ON SUSPENSIONS AND CASES OF FINANCIAL MISCONDUCT:

No employees were suspended for fraud and theft. No cases were reported.

4.4 PERFORMANCE REWARDS

No system for performance rewards is in place.

COMPONENT C :CAPACITATING THE MUNICIPAL WORKFORCE

INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT

The main focus for the year was compliance with the Minimum Competency Regulations for Senior and Middle Managers. However, sufficient training was not done and necessary training still need to be done. Training for Councillors, LLF members and Infrastructure personnel was planned for 2015/2016.

4.5 SKILLS DEVELOPMENT & TRAINING & MINIMUM COMPETENCY LEVEL REPORTING

This information is attached as Volume XI.

COMPONENT D : MANAGING THE WORKFORCE EXPENDITURE**4.6 EMPLOYEE EXPENDITURE**

The personnel expenditure information is attached as per the Annual Financial Statements Table SA22 - please refer to Volume VI.

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

No posts were upgraded during the year and there was no variance from normal practice.

DISCLOSURES OF FINANCIAL INTERESTS

All directors and Councillors declared their financial interests as prescribed in the performance Regulation 805 of 2006.

CHAPTER 5

FINANCIAL PERFORMANCE

STATEMENTS OF FINANCIAL PERFORMANCE

This Key Performance Area is without any doubt the most important one, since no business or organization can fulfill its obligations without financial resources and sound financial management. The performance of Karoo Hoogland during the year under review must be benchmarked against the performance during the previous financial years.

While the 2008/09 and 2009/10 and especially 2010/11 saw a major improvement in the financial results and the Audit opinion, the 2011/12 and 2012/13 showed a drastic decline in both the administration and financial viability of the Council.

The Budget and IDP were approved within the time limits and further financial constraints were put in place to ensure that the Municipality can fore full its obligations. The municipality is still depending on grants for any major projects.

The Annual Financial Statements for the three previous years were completed and Council received the 2013/2014 audit report in January 2015. The two previous reports were also received in 2015 and an audit recovery plan was drawn up to rectify the various issues as indicated in the report. Most of these issues relating to the Misstatements on the AFS was addressed and rectified.

The Annual Financial Statements provides an overview of the financial performance of the municipality for the year under review and focuses on the financial health of the municipality as at year-en 30 June 2015.

5.1 STATEMENT OF FINANCIAL PERFORMANCE

Table A1 Budget Summary added here.

Financial Performance of Operational Services					
R '000					
Description	2013/2014 Actual	2014/2015 Budget	2014/2015 Adjustments	2014/2015 Actual	Variance %
Operating Cost					
Water	(1 018)	1 880	1 880	(2 076)	191%
Waste Water (Sanitation)	(1 676)	2 543	2 543	(797)	419%
Electricity	(511)	1 383	1 383	(540)	356%
Waste Management	3 089	-	-	(2 523)	100%
Corporate Services	(3 850)	(5 353)	(5 353)	(180)	-2874%
Roads	(12 277)	(11 640)	(11 640)	(6 199)	-88%
Planning and Development	(152)	(75)	(75)	-	
Community & Social Services	(231)	(145)	(145)	(830)	83%
Environmental Protection	-	(2)	(2)	-	
Health	(44)	(30)	(30)	-	
Budget and Treasury	11 646	(6 852)	(6 852)	5 917	216%
Sport and Recreation	(1 356)	(836)	(836)	(323)	-159%
Executive and Council	1 953	5 508	5 508	4 024	-37%
Total Expenditure	(4 427)	(13 619)	(13 619)	(3 527)	-286%

5.2 GRANTS

Grants received were spent during the period under review. 2014/2015

Grant Performance					
R' 000					
Description	2013/2014 Actual	2014/2015 Budget	2014/2015 Adjustment	2014/2015 Actual	Variance %
Operating Transfers and Grants					
National Government:					
Equitable share		14 669	14 669	14 669	0%
Municipal Systems Improvement		934	934	934	0%
LGFM Grant		1 800	1 800	1 800	0%
Provincial Government:					
LG Seta		7	7	7	0%
EPWP		1 000	1 000	1 348	26%
LDF		1 093	1 093	899	-22%
Total Operating Transfers and Grants		19 503	19 503	19 657	1%
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.					

5.3 ASSETMANAGEMENT

The Municipality had an outdated Asset Management Policy of 2010 in place. In 2014/2015 the municipality started processes to procure a tender from another municipality to upgrade our Asset Management Register. The Asset Management Policy will also be revised during 2015/2016.

Repair and Maintenance Expenditure: 2014/2015

R' 000

	2013/2014	2014/2015	2014/2015	2014/2015	Variance
	Actual	Budget	Adjustment	Actual	%
Repairs and Maintenance	772	506	506	3 076	84%
					T5.3.4

Asset management is undertaken in terms of the MFMA and based on a comprehensive asset management policy to be revised. The Asset Management Policy provides direction for management to monitor, purchase, account, control and dispose of Assets (PPE, Investment Property, Intangible Assets, Heritage Assets) to ensure that:

There is full implementation of the approved Asset Management Policy as required in terms of section 63 of the MFMA.

- * To verify assets in possession of the Council annually and during the course of the financial year.
- * To keep a complete and balanced record of all assets in possession of the Council.
- * To ensure the report in writing of all asset losses, where applicable.
- * That assets are valued and accounted for in accordance with a statement of GRAP.
- * That assets are properly maintained and safeguarded.

SPENDING AGAINST CAPITAL BUDGET

5.4 CAPITAL EXPENDITURE

The funding for the capital budget is derived from Grants. All funds received were spent.

MIG R 8 890 000
RBIG R 1 920 005

Capital Expenditure of largest projects*

R' 000

Name of Project	Current Year: Year 2014/2015			Variance Current Year: 2015/2016	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjustment variance (%)
Fraserburg Water	9383000			1	1
Electricity Fraserburg	2500000			1	1
Vehicles	200000			1	1

CASH FLOW MANAGEMENT AND INVESTMENTS

5.5 CASH FLOW

INTRODUCTION TO CASH FLOW MANAGEMENT AND INVESTMENTS

Cash flow management is the process of monitoring, analyzing, and adjusting the municipality's cash flows. The most important aspect of cash flow management is avoiding extended cash shortages, caused by having too great a gap between cash inflows and outflows.

CASHFLOW OUTCOMES

Description	2013/14	2014/2015	2014/2015	2014/2015	Variance
R thousand	Audited Outcome	Original Budget	Adjusted Budget	Actual	%
CASH FLOW FROM OPERATING ACTIVITIES					
Receipts	48 532	58 528	58 528	51 552	
Property rates, penalties & collection charges	4 762	4 109	4 109	4 780	14%
Service charges	12 112	13 048	13 048	13 473	3%
Other revenue	1 582	13 478	13 478	1 915	-604%
Government - operating	17 872	17 403	17 403	18 496	6%
Government - capital	12 059	10 490	10 490	11 973	12%
Interest	146			915	100%
Dividends					
Payments	(36 624)	(75 181)	(75 181)	(55 079)	-36%
Suppliers and employees	(29 891)	(75 181)	(75 181)	(49 526)	-52%
Finance charges	(507)			(2 040)	100%
Transfers and Grants	(6 227)			(3 514)	100%
NET CASH FROM/(USED) OPERATING ACTIVITIES	11 908	(16 653)	(16 653)	(3 527)	-372%
CASH FLOWS FROM INVESTING ACTIVITIES					
Receipts					
Proceeds on disposal of PPE					
Decrease (Increase) in non-current debtors					
Decrease (increase) other non-current receivables	941			(132)	100%
Decrease (increase) in non-current investments					
Payments					
Capital assets	(10 279)			(10 721)	100%
NET CASH FROM/(USED) INVESTING ACTIVITIES	(9 337)	-	-	(10 853)	100%
CASH FLOWS FROM FINANCING ACTIVITIES					
Receipts					
Short term loans					
Borrowing long term/refinancing					
Increase (decrease) in consumer deposits	(14)			(116)	100%
Payments					
Repayment of borrowing	(83)			(127)	100%
NET CASH FROM/(USED) FINANCING ACTIVITIES	(98)	-	-	(243)	100%
NET INCREASE/ (DECREASE) IN CASH HELD	2 473	(16 653)	(16 653)	(14 624)	-14%
Cash/cash equivalents at the year begin:	658			3 149	100%
Cash/cash equivalents at the year end:	3 131	(16 653)	(16 653)	(11 474)	-45%

5.6 BORROWING AND INVESTMENTS

No funds were borrowed under the period of review.

DBSA	Long Term Liability	R 2 626 694
Current Portion of Long Term Liability		R 173 141

Actual Borrowings Year -1 to Year 1

R' 000			
Instrument	2013/2014	2014/2015	2015/2016
Long-Term Loans (non-annuity)	2 627	2 454	2 378
Financial Leases	74	75	76
Municipality Total	2 701	2 529	2 454
			T5.10.2

Municipal and Entity Investments

R' 000			
	2013/2014	2014/2015	2015/2016
Investment* type	Actual	Actual	Actual
Municipality			
Deposits - Bank	3149	2918	3168
			T5.10.4

OTHER FINANCIAL MATTERS

5.7 SUPPLY CHAIN MANAGEMENT

Due to the limited number of suppliers in the region it happens often that goods and services are procured from the sole suppliers. During the previous periods under review the then Municipal Manager flaunted SCM regulations on a few occasions and were contractors appointed without following the correct procedures. These transgressions are pointed out in the Annual Financial Statements for review by the Auditor — General.

The Supply Chain Policy was revised and updated to new Regulations in this regard. The municipality has made significant strides to ensure that the policies and procedures have been adhering too. Important vacancies have been filled, and computer software has been advanced to ensure transparency within the municipality. Turnaround strategies and Action Plans have been developed to address short comings in the SCM units and regular audits are performed to address potential risk in the municipality. The municipality prides itself in complying with the MFMA Act No 56 of 2003 and the SCM policy.

Other matters that we need to adhere to were the following:

1. Goods and services with a transaction value of below R200 000 were procured without obtaining the required price quotations as required by SCM Regulation 17(a) & (c).
2. 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).
3. Construction projects were not always registered with the Construction Industry Development Board (CIDB), as required by section 22 of the CIDB Act, 2000 (Act No. 38 of 2000) and CIDB Regulation 18.
4. Contracts and quotations were awarded to providers whose tax matters had not been declared by the South African Revenue Service to be in order, as required by SCM Regulation 43.
5. Awards were made to providers who are in the service of other state institutions or whose directors are in the service of other state institutions, in contravention of MFMA 112(j) and SCM Regulations 44. Similar awards were identified in the prior year and no effective steps were taken to prevent or combat the abuse of the SCM process in accordance with SCM Regulation 38(1).

5.8 GRAP COMPLIANCE

Karoo Hoogland Municipality's Annual Financial Statements is fully GRAP compliant. The Financial Statements were compiled by the Acting CFO Mr. SJ Myburgh.

GRAP is the acronym for Generally Recognized Accounting Practice. GRAP sets the rules and formats by which municipalities are required to maintain their financial accounts. Various GRAP standards have been incorporated in the Annual Financial Statements.

CHAPTER 6:

AUDITOR GENERAL AUDIT FINDINGS

COMPONENT A : Auditor General Opinion of Financial Statements : 2013/2014

6.1 Auditor General Reports: 2013/2014 & Previous years

The Final Management Report and Report of the Auditor General for 2013/2014 is attached as Volume III
Audit Opinion for 2013/2014: Disclaimer

Auditor-General Report on Financial Performance 2014/2015

Audit Report Status*:	
Qualified Opinion	PPE
	Commitments
	Taxes
	Fruitless and Wasteful
	Cashflow

Note:*The report status is supplied by the Auditor General and ranges from unqualified (at best); to unqualified with other matters specified; qualified; adverse; and disclaimed (at worse)

Auditor-General Report on Service Delivery Performance: 2014/2015

Audit Report Status:	
Non-Compliance Issues	Remedial Action Taken
	T6.1.2

COMPONENT B : Auditor General Opinion for 2014/2015

6.2 Auditor General Report 2014/2015

The Final Management Report and Report of the Auditor General for 2013/2014 is attached as Volume III.
Audit Opinion for 2014/2015: Qualified