ANNUAL REPORT

ON THE PERFORMANCE OF

KAROO HOOGLAND MUNICIPALITY

FOR THE 2018/2019 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

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Volume I	**Annual Financial Statements for 2018/2019** (Only Soft Copy on CD) submitted to the AG
Volume II	**Annual Performance Report for 2018/2019** (Soft Copy on CD)
Volume III	**Final Management Report & Report of the Auditor General for 2018/2019** (Only Soft Copy on CD)
Volume IV	**Audit Recovery Plan/ Audit Action Plan 2018/2019** (Only Soft Copy on CD)
Volume V	**Organogram** (Approved by Council in December 2015) (Only Soft Copy)
Volume VI	**Personnel Information as at 30 June 2019** (Only Soft Copy)
Volume VII	**Schedule of Key Deadlines for 2018/2019 Budget & IDP Process approved August 2018** (Soft Copy on CD)
Volume IIX	**Minimum Competency Level Report as at 30 June 2019** (Only Soft copy)
Volume IX	**Report on the Implementation of the Supply Chain Policy 2018/2019** (Only Soft Copy)

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CHAPTER 1:
MAYOR'S FOREWORD & EXECUTIVE SUMMARY

COMPONENT A: MAYOR'S FORWORD

"It is always the right time to do the right thing" ***(Martin Luther King)***

During the year under review we have experienced extreme good times in relation to service delivery, however I am of the view that we can still do better. One of the key reasons for the success was the leadership that has been provided both politically and administratively. As a leadership core, we were absolutely united by having:

- Clear vision
- Showed compassion during our interaction with citizens
- Prudent resource management
- Ensure that projects are executed to meet quality, time and budget specifications
- Have the necessary professionalism and requisite skills so that consultants are not so heavily involved in the administration.

Reflecting back on the previous years the municipality is sustainable and services were rendered to the various towns and communities.

Public participation

Meetings were held with the community regarding the IDP and Budget. Council also held community meetings before some Council meetings in each ward which were well attended by the communities. Regular ward committee meetings were held in three of the wards during the year. IDP and Budget engagement meetings with the public took place in a different manner where the ward committees and other committees were involved before the community meetings took place to be more prepared for the bigger meetings in the evenings. Low attendance is still an issue and we will strive to get the community actively involved in the coming year.

During this programme the Council visited 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

We have experienced some system challenges with our financial system but we have made a commitment to develop early detection mechanisms to avoid the problem.

We have completed various strategic infrastructure projects for the year under review.

Another key challenge that we have experienced is decline in our tax base, and I have instructed the administration to come up with vigorous programs, ideas on how to curb it. Furthermore, the impact of the ongoing drought and the effects thereof on the agriculture sector, which is a key economic driver in our area is also impacting on job creation and on the revenue.

The vision and mission of Karoo Hoogland Municipality must always be in our minds as the Council strives to reach a higher goal.

Along this way I would like to thank the community at large, our administration for the positive contribution and positive attitude in a very challenging time. As I look ahead, we as a team must have common goals and have perseverance to endure.

Ms VC Wentzel (Mayor)
Mayor
24 January 2020

COMPONENT B : EXECUTIVE SUMMARY

1.1 MUNICIPAL MANAGER'S OVERVIEW

The year under review marked a period of changes of which the biggest challenge was to ensure stability in the institution.

Achievements

The Municipality recorded progress in achieving objectives in terms of the five key performance areas applicable to local government, as are reflected below and outlined in this Annual Report:

- Basic service delivery and infrastructure development
- Municipal transformation and development
- Local economic development
- Municipal financial viability and management
- Good governance and public participation

Performance highlights over the review period include the following:

(a) Provision of potable water to 80% of households,

(b) Provision of water and sanitation connection to new households.

(c) Achievement of 100% compliance with drinking water standards (South Africa National Standards 241).

(d) Implementing renewable energy projects (e.g. solar heating and wind energy) .

(e) Paving of various streets in Williston

(f) Embarking on the development for a Spatial Development Plan.

The Year ahead

This Annual Report serves as a record of and accounting mechanism to communities on the institution's achievements and challenges, as well as the mitigation and remedial measures implemented to address the latter. While it reflects that progress has been made in service delivery, there are undeniably challenges.

To strengthen and streamline the institution and its operations to enable the institution to expand service delivery to the residents of Karoo Hoogland Municipality, inter alia the following interventions/actions will be prioritized in the year ahead:

A. Stabilizing the administration by filling key strategic vacancies.

B. Sourcing available national and international funding to augment key service delivery projects and replace aging and poor infrastructure.

C. Strengthening our Ward Committee System to enhance effective public participation.

D. Making the vision and mission of the municipality our motto to provide a strategic thrust for the Municipality's long-term development planning.

E. Addressing irregular, fruitless and wasteful expenditure and improving the audit opinion by the Audit-General and introducing corrective measures towards obtaining a clean audit.

F. Review of Supply Chain Management Policy, system and processes.

G. Vigorously instilling a culture of performance within the institution.

H. Promoting financial discipline and management.

Finally, I would like to express my sincere gratitude to all Councilors, officials and the residents of Karoo Hoogland Local Municipality for their dedication, support and co-operation, which enable the institution to excel and withstanding all challenges.

"Service delivery begins with me"

Mr JJ Fortuin
Municipal Manager
21 January 2020

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.

MISSION

Provide local leadership on environmental sustainability and climate change response. 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.

NEW SPATIAL DEVELOPMENT VISION

1.2 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.

This report addresses the performance of Karoo Hoogland Municipality in the Northern Cape in respect of its core legislative obligations. The participatory framework requires that the Council of the Municipality provides regular and predictable reporting on project performance and the general state of affairs in their area.

The 2018/19 annual report reflects on the performance of Karoo Hoogland Municipality for the period 1 July 2018 to 30 June 2019. The annual report is prepared in accordance with Section 121(1) of the Municipal Finance Management Act (MFMA), in terms of which the Municipality must prepare an annual report for each financial year.

POWERS AND FUNCTIONS OF KAROO HOOGLAND MUNICIPALITY

The Karoo Hoogland Municipality was established in 2000. Karoo Hoogland is a **category B municipality** as determined in terms of Municipal Structures Act (1998). Karoo Hoogland is a municipality with a Collective Executive System as contemplated in Section 2(a) of the Northern Province Determination of Types of Municipalities Act (2000).

The establishment of the municipality fulfilled the local government transformation process as articulated by the White Paper on Local Government, 1998. The White Paper envisaged the form and nature of new local government structures in the country. The new local government structures are mandated to improve the quality of life of their citizens and residents. In terms of its category B status the Karoo Hoogland Municipality has been empowered to perform the **following functions** as bestowed upon it by the Constitution in terms of section 156(1) and the division of powers and functions.

Municipal Functions/District		
Municipal Functions	Function Applicable To Municipality	District
Water Provision	✓	
Waste Water (Sanitation)	✓	
Electricity Provision	✓	
Waste Management	✓	
Housing	✓ (with funding from CoGHSTA)	
Free Basic Services	✓	
Road Transport	✓	
Waste Water Storm Water Drainage	✓	
Community Social Services	✓	
Museums	✓	
Cemeteries	✓	
Environmental Protection	✓	
Health	✓	
Health Inspections and Abattoir		✓

Security and Safety		✓
Sport and Recreation	✓	
Disaster Management		✓
Air pollution		✓
Building regulations		✓
Firefighting services		✓

Municipal Functions/District		
Municipal Functions	Function Applicable To Municipality	District
Local tourism	✓	
Municipal planning	✓	
Trading regulations	✓	
Control of public nuisances	✓	
Fencing and fences	✓	
Licensing and control of undertaking that sell food to the public	✓	
Municipal Parks	✓	
Waste Water Storm Water Drainage	✓	

(*Stats SA served as the source of information for the following information.)*

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

The municipality comprises an area of 29 423 km^2 and falls within the area of jurisdiction of Namakwa District Municipality.

Houses * 2204 (Households serviced)
Households billed: * 2204
Population * 13069 (Community Survey Census 2016)
Registered erven * 4398
Informal structures * 11
Total Households * 3094 (Including Rural areas)
Indigents as at 30/06/2019 * 912

Households with access to water and basic services: 2204

Households with access to sanitation: 2204
Households with access to electricity: 2204
Households with access to refuse removal: 2204

Karoo Hoogland Municipality have a total population of approximately **13069** according to STATS SA Customer Survey done in 2016. 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 devided into 4 Wards and there is an estimate of 2204 households in the towns serviced by the Municipality.

The 4 wards:

Ward 1	Williston
Ward 2	Fraserburg
Ward 3	Rural Areas
Ward 4	Sutherland

The Municipal Council of Karoo consists of 7 members. Four (4) represents wards and three (3) are proportional representatives of political parties.

The seven Current councillors represent the following political parties:
Elected on 10 August 2016

Councillor (Ms) VC Wentzel	ANC	(Mayor/Speaker)
Councillor (Ms) AM Januarie	COPE	
Councillor JE Davids	ANC	
Councillor G Klazen	ANC	Chief Whip
Councillor JJ Van Der Colff	DA	
Councillor JJ Jacobs	DA	
Councillor J Jooste	ANC	

	TOTAL POPULATION 2016	PERCENTAGE OF TOTAL POPULATION PER WARD IN 2016 PER CURRENT MUNICIPAL IDP	CORRECT AMOUNT OF HOUSES PER WARD AS PER FINANCIAL SYSTEM OF KHM	AVERAGE PEOPLE PER HOUSE-HOLD = POPULATION / HH	AVERAGE AMOUNT OF REGISTERED INDIGENT HOUSE-HOLDS on average for 2018/2019	HOUSING BACKLOG AS AT 2019 (HOUSE-HOLDS)	BACKYARD DWELLERS AS PER IDP 2009 - 2011	Informal Structures as at 2018/2019
TOTAL POPULATION (COMMUNITY SURVEY 2016)	13069	100%	3094		912	790	215	
POPULATION : SUTHERLAND : WARD 4	2613	20 %	630	4.1	255	250	39	
POPULATION : FRASERBURG : WARD 2	3006	23 %	847	3.6	382	120	116	
POPULATION : WILLISTON : WARD 1	3660	28 %	727	5.0	275	300	60	11
POPULATION : RURAL AREAS : WARD 3	3790	29 %	900	4.2		120		

POPULATION DISTRIBUTION IN KAROO HOOGLAND MUNICIPAL AREA

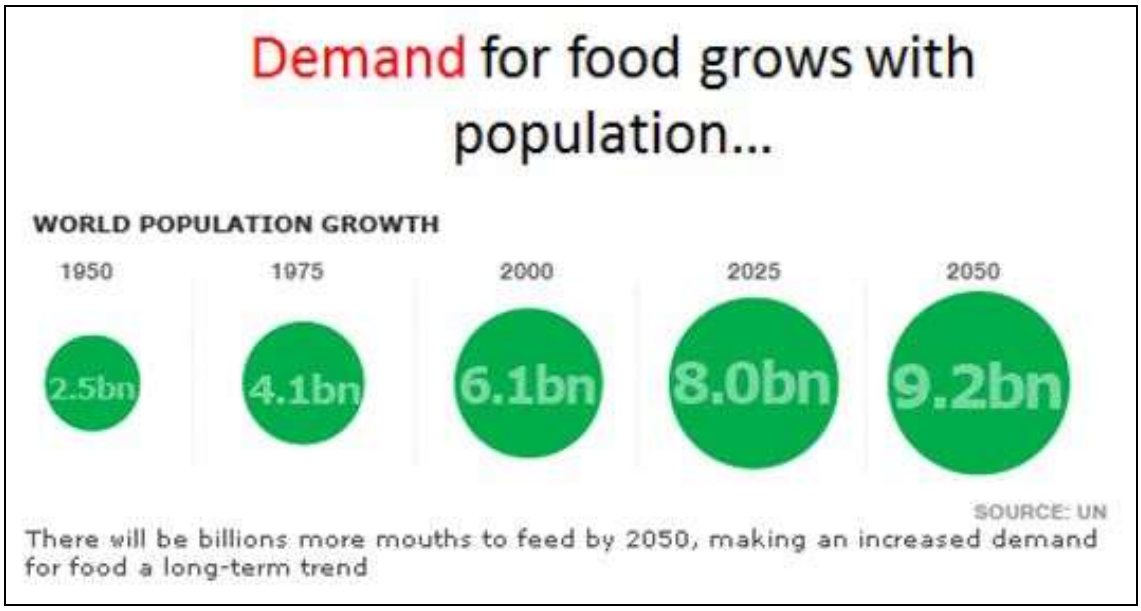
Fraserburg : 23% of total population
Non Urban areas (Rural) : 29% of total population
Sutherland: 20% of total population
Williston : 28% of total population

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 tendancy in it self have a negative influence on the payment of services and a total approximately 900 households are subsidiced by the service subsidized scheme monthly.

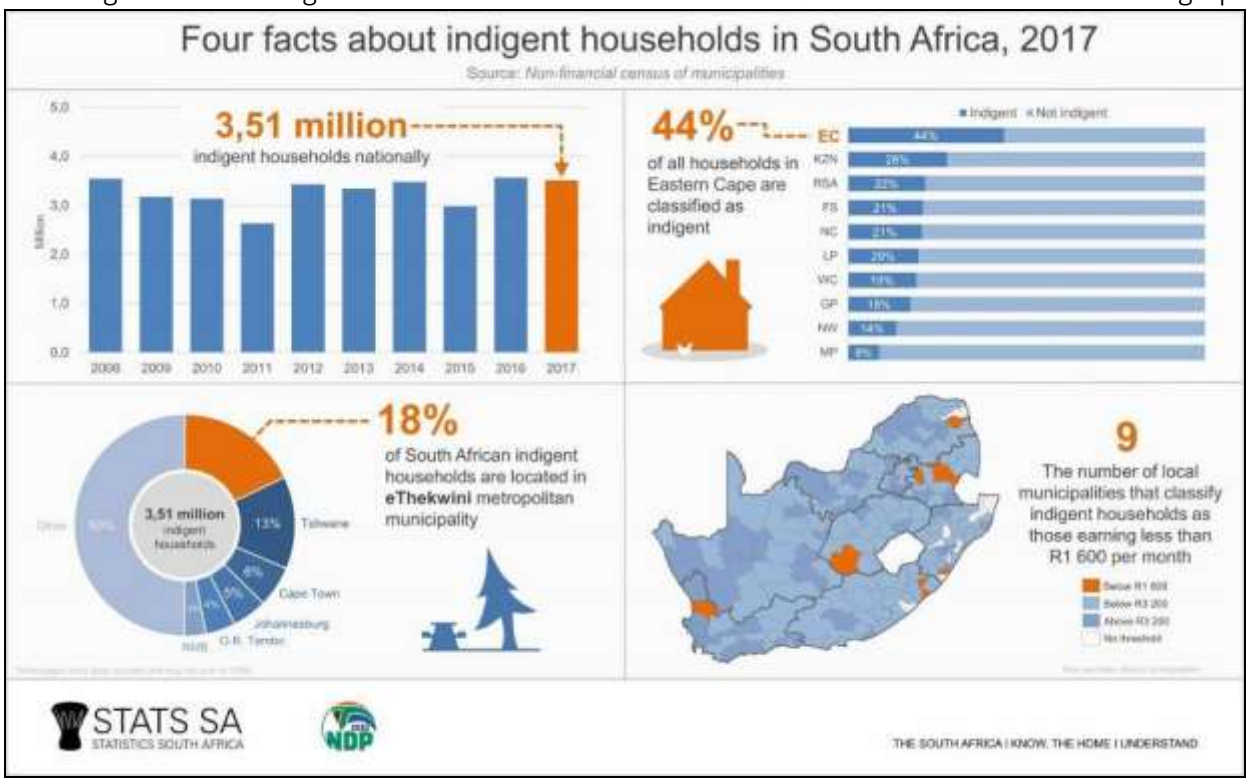
The Karoo Hoogland population can be regarded as having a high **dependency ratio**. With **10%** of the population over the age of 65 and **27.7%** are under 15 years. *The latter youth group will be demanding education, housing and jobs in the near future.* The Karoo Hoogland gender distribution is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

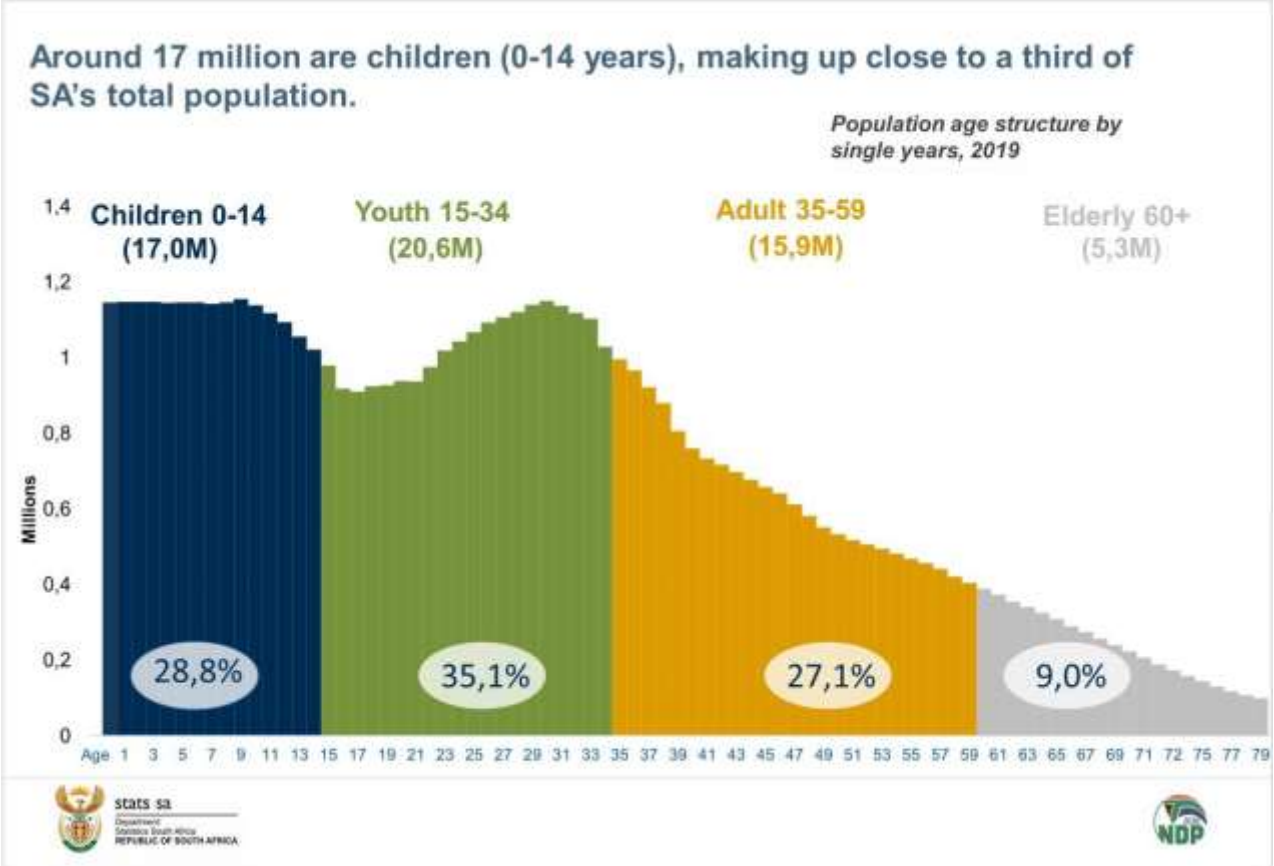
Facts and important information to take into consideration when looking at the ratios and figures for Karoo Hoogland to be able to compare against the country and then the world as well.

In the figure below, the world population growth are predicted and it is something which should also be looked at in Karoo Hoogland Municipality for the demand for food as a long term trend.



In the figure below Indigent Households in South Africa in 2017's facts are set out in an infographic.





The Karoo Hoogland is predominantly rural in nature with a high unemployment rate resulting in high poverty levels and is linked with many other places through shared environmental, social and economic systems and structures.

Table 1: Population by sex, 1996-2016

1996			2001			2011			2016*		
Male	Female	**Total**	Male	Female	**Total**	Male	Female	**Total**	Male	Female	**Total**
6 020	6 367	**12 387**	5 006	5 506	**10 512**	6 253	6 335	**12 588**	6 559	6 510	**13 069**

* Note: Caution should be used by the reader when interpreting the values for municipalities in Namakwa due to the large out of scope Dwelling Units sampled for the survey.

Table 1 shows that the population of Karoo Hoogland has increased from 12 387 persons in 1996 to 13 069 persons in 2016. The number of males increased by 539 persons from 6 020 persons in 1996 to 6 559 persons in 2016, whilst the number of females increased marginally by 143 persons over the same period. Gender proportions show there are more males than females in the municipality.

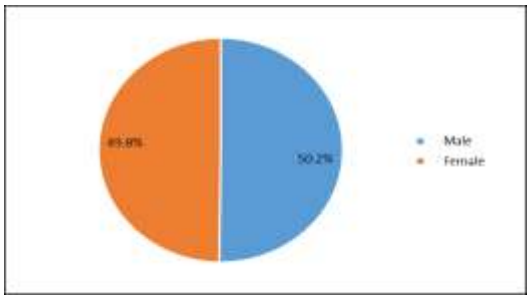


Figure 2: Percentage distribution of the population in Karoo Hoogland by sex, 2016

Figure 2 depicts a greater proportion of males than females in Karoo Hoogland municipality, at 50.2% and 49.8% respectively.

Table 2: Population by group type, 1996-2016

	1996	2001	2011	2016
Coloured	9 865	8 348	9 934	10 319
White	2 290	1 866	1 832	2 616
Black African	98	285	694	88
Indian or Asian	1	13	83	46
Other	-	-	45	-
Unspecified	133	-	-	-
Total	12 387	10 512	12 588	13 069

Table 2 summarizes the number of persons by population by group type from 1996 to 2016. There was an increase in the Coloured, Indian/Asian and White population groups from 1996 to 2016, whilst the Black African population group shows a decline over the same period. There is a greater proportional increase in the Coloured, followed by the White population over the past 20 years.

Figure 3: Percentage distribution of the population by group type, 2016

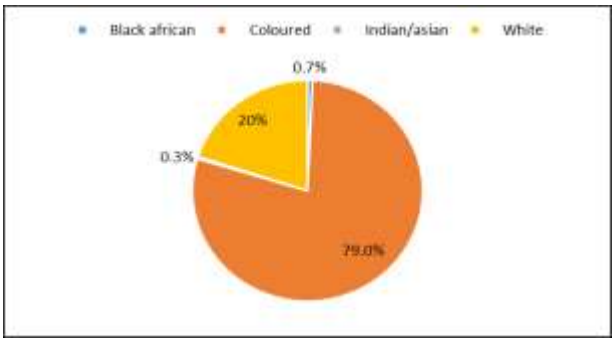


Figure 3 outlines the percentage distribution of the population of Karoo Hoogland in 2016, where the Coloured population group accounts for 79.0% of the

population of the municipality, followed by the White, Black African and Indian/Asian population groups.

Figure 4: Distribution of the total population by age group and sex, 2016

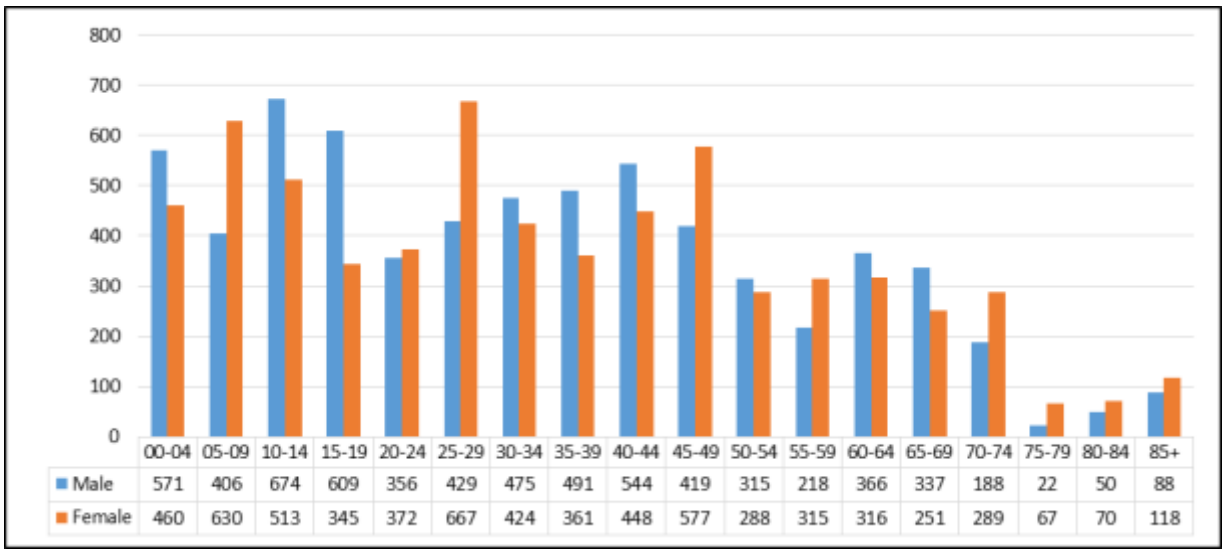


Figure 4 indicates that the greater proportion of the population in Karoo Hoogland is young, consisting mainly of children and youth. There is however a greater proportion of males compared to females for ages from 30 to 44 years, and the female population shows a slightly greater proportion in numbers compared to males for ages 70 and above. This signifies a greater lifespan for females than males.

Table 12: Highest level of education for persons aged 20 years and above, 1996-2016

	No schooling	Some Primary	Complete Primary	Some Secondary	Grade 12/Std 10	Higher	Total
Number							
1996	3 632	2 989	792	2 070	746	604	10 833
2001	2 273	2 868	684	2 116	956	532	9 429
2011	1 617	3 579	827	2 643	1 337	659	10 663
2016	1 161	1 227	734	2 264	2 298	1 008	8 692
Percent (%)							
1996	33.5	27.6	7.3	19.1	6.9	5.6	100.0
2001	24.1	30.4	7.2	22.4	10.1	5.6	100.0
2011	15.2	33.6	7.8	24.8	12.5	6.2	100.0
2016	13.4	14.1	8.4	26.1	26.4	11.6	100.0

*Excludes “do not know” and “unspecified”

Table 12 shows an improvement in the level of education in Karoo Hoogland over the period 1996 to 2016, where there was a decline in the number and percentage of persons aged 20 years and above with no schooling (from 33.5% to 13.4%). There is an improvement in the number and percentage of persons with a higher education, from 5.6% in 1996 to 11.6% in 2016. There is also a significant increase observed in the proportion of persons who have Grade 12/Standard 10.

Table 13: Highest level of education by population group for persons aged 20 years and above, 2016

	No schooling	Some Primary	Complete Primary	Some Secondary	Grade 12/Std 10	Higher	Total
Number							
Black African	24	40	23	-	-	-	88
Coloured	2 029	3 104	840	2 814	1 225	121	10 132
Indian/Asian	-	26	19	-	-	-	45
White	105	263	81	126	1 155	887	2 616
Percent (%)							
Black African	27.7	45.7	26.6	-	-	-	100.0
Coloured	20.0	30.6	8.3	27.8	12.1	1.2	100.0
Indian/Asian	-	57.5	42.5	-	-	-	100.0
White	4.0	10.0	3.1	4.8	44.1	33.9	100.0

*Excludes "do not know" and "unspecified"

Table 13 shows that 27.7% of the Black Africans in Karoo Hoogland municipality have no schooling when compared to other population groups, followed by the Coloured population group (20%). It shows that the White population group is better educated compared to other population groups.

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 - 2016 (1,8% growth)

ITEM	NUMBER BY 2011	NUMBER BY 2016
POPULATION	12 588	13069
POPULATION GROWTH	1,8% (according to Statssa website)	-
HOUSEHOLDS (TOWNS & RURAL)	3094	3094
HOUSES IN TOWNS	2194	2194
HOUSEHOLDS LEVIED FOR SANITATION	2309	2309
AVERAGE HOUSEHOLD SIZE	3.6 – 4.7 people	3.6 – 5 people
REFUSE DISPOSAL	Refuse Removed by local authority/Private : 2194	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)	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	Total sanitation accounts levied : 2309 Flush Toilets connected : 702 Flush toilet with septic : 798 UDS Toilet : 809 serviced by Municipal EPWP Part time employees
ALL HOUSEHOLDS HAVE ACCESS TO WATER, SANITATION AND ELECTRICITY	100%	100%

Population Details

	2016/2017			2017/2018			2018/2019		
Age	**Male**	**Female**	**Total**	**Male**	**Female**	**Total**	**Male**	**Female**	**Total**
Age: 0 - 14	1609	1635	**3244**	1627	1657	**3284**	1642	1677	**3319**
Age: 15 - 24	1024	1038	**2062**	1038	1049	**2087**	1049	1067	**2116**
Age: 25 - 40	1350	1330	**2680**	1369	1349	**2718**	1388	1368	**2756**
Age: 41 - 64	1910	1870	**3780**	1941	1893	**3834**	1972	1916	**3888**
Age: 65+	741	723	**1464**	782	749	**1531**	816	764	**1580**
Total			**13230**			**13454**			**13659**

Source: QUANTEC and estimated amounts

13230	**13454**	**13659**
2017	**2018**	**2019**

The above figures are estimated and not to be used as true reflection, It will only be confirmed with the Census in 2021

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 and Customer Survey 2016 Data : Population data and also STASSA data has been used. All the information from STATSSA cannot be used as the amount of households for 2011 as per their website are incorrect and outdated, therefore the amount of Households have been extracted from the municipality's financial system. The current population figures from STATSSA are being used. However the average amount of people per household from STATSSA cannot be used and was recalculated as per the current population and households being used.

The Total Indigent population are being calculated as follows: All the registered indigent households plus the housing backlog - then that figure are being multiplied with the average amount of people per household to get the total indigent population. As per the IDP document of 2009 – 2011 there were a few backyard dwellers and those people are also being added to the figure calculated above.

1.3 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
- Increase in HIV/AIDS cases
- Education and literacy
- Lack of basic life skills
- Increase in crime
- Increase in Tuberculosis cases
- Domestic violence
- High unemployment rate

1.4 NORTHERN CAPE PROVINCIAL GROWTH AND DEVELOPMENT PLAN VISION 2030

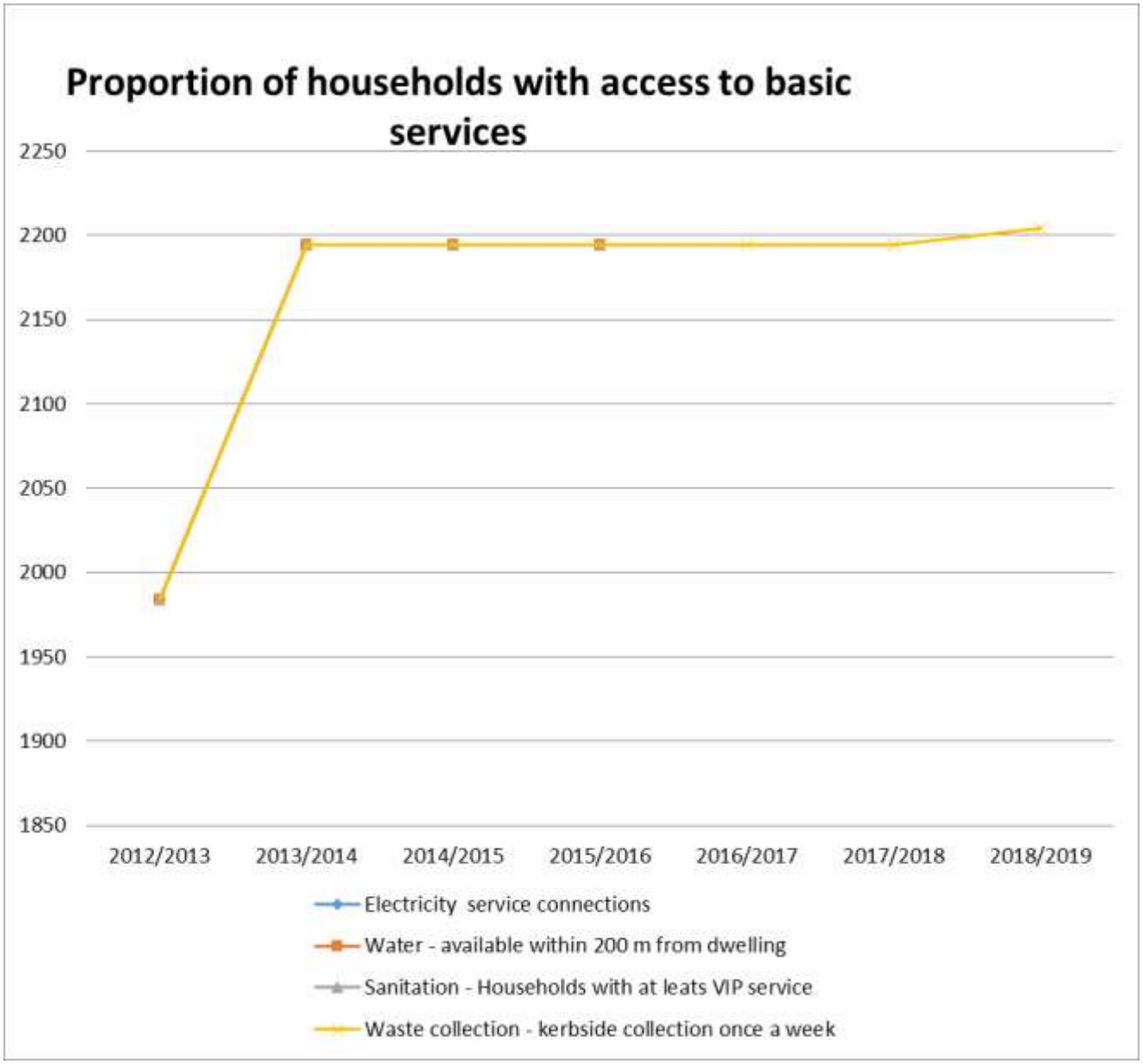
The Northern Cape Provincial Growth and Development Plan – Vision 2030 offer a long term goal. As a long term strategic plan, it MUST serve four broad objectives:

- Providing overarching goals for achieving by 2030
- Building consensus on the key obstacles and what needs to be done to overcome these obstacles to achieve the 2030 goals
- Provide a shared long term strategic framework within which more detailed planning can take place in order to advance the goals set in this document for 2030.
- Creating a basis for making choices about how best to use limited resources

The NC PGDP was revised and the vision was incorporated in Karoo Hoogland's IDP to align with the vision for 2030 as well as with the National Development Plan.

1.5 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 as well as the backyard dwellers in all three towns as well as the road infrastructure. Also some informal structures were erected and need urgent attention.
- With the current drought situation it is inevitable to try and source new water resources and find new viable boreholes with possible funding when the drought are declared a disaster.

ELECTRICITY

The Municipality supplies electricity to Fraserburg and a part of Williston. A part of Williston (called Amandelboom) 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(UDS) , which are also serviced by the municipality, however this is very unhygienic as it is being used incorrectly.

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.
- A lot of the gravel roads have been paved through a MIG project in 2018/2019 and the project continues into the next financial year for further paving.

LANDFILL SITE

There are landfill sites in each of the three towns and it need to be upgraded in the future to comply with regulations and to the specific conditions of the licences. The landfill site in Fraserburg is licensed with a permit. The licensing of the Williston and Sutherland landfill sites were done and received in 2016/2017 year. The conditions in the licenses will need to be adhered to in 2019/2020.

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 912 indigent households. (as at 30 June 2019)

1.6 FINANCIAL HEALTH OVERVIEW

AUDITOR GENERAL REPORT

The Auditor General's Report on the 2018/2019 Financial Year was received on 5 December 2019. The Municipality did submit annual financial statements for the year under review on 30 August 2019. The outcome is a **qualified opinion.** An audit action plan was compiled and the findings of the AG is currently being addressed.

COMMENTS ON THE ANNUAL REPORT PROCESS

The Annual Financial Statements for the 2018/2019 was completed and handed in on 30 August 2019. The Municipality did not have a Performance Management System in place but was dealing with this matter in the 2018/2019 financial year. An Audit Action Plan was developed to address the queries of the Auditor General's Report for the 2018/2019 financial year and it was submitted to the relevant authorities as required by legislation.

FINANCIAL OVERVIEW

Financial Overview – 2018/2019			
Details	***Original budget***	***Adjustment Budget***	***Actual***
Income			
Grants	67,938,000	67,546,000	83,042,028
Taxes, Levies and tariffs	28,113,000	24,061,000	26,579,637
Other	6,319,000	7,791,000	4,228,308
Sub Total	102,370,000	99,398,000	113,849,973
***Less* Expenditure**	97,569,000	99,343,000	112,168,478
Net Total*	4,801,000	55,000	1,681,495
* Note: surplus/- deficit			

Operating Ratios		Actuals
Detail	**%**	
Employee Cost	38%	R 24,198,680
Repairs & Maintenance	2%	R 1,504,479
Finance Charges	6%	R 3,754,773
Impairment	5%	R 3,399,304
General Expenses	49%	R 30,906,119
TOTAL expenditure		R 63,763,355

1.7 ORGANISATIONAL DEVELOPMENT OVERVIEW

A total of **83 permanent employees** and a Municipal Manager with 2 directors were employed as well as **5 contract employees** were employed. The Organizational structure was reviewed from 2013 until 2015 and a new Organogram were approved on 9 December 2015 with 94 posts. Personnel Placements onto the new organogram started in June 2016. All positions on the new Organogram now have task evaluated job descriptions. All job descriptions have been subjected to TASK Job Evaluation, thereafter the outcomes were implemented in April 2018.

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. A few processes were followed before being fully implemented. In 2014 & 2015 personnel were given the chance to make input to the Organogram and the proposed organogram was tabled to the LLF in 2015. Only one union gave their input and it was addressed where necessary. Personnel received their proposed job descriptions to make changes and to customize it to their current duties. Those job descriptions were then evaluated by the TASK Job Evaluation Audit Committee. The placements onto the new organogram commenced in June 2016. The outcome of the TASK Job Evaluation Audit Committee were received in November 2017 and was implemented in April 2018.

During the year under review, a few new appointments were made for crucial positions.

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

- Office of the Mayor
- Office of the Municipal Manager

Macro-structure: Directorates

- Directorate Corporate Services (No Director)
- Directorate Financial Services
- Directorate Infrastructure Services

MUNICIPAL MANAGER

Mr JJ Fortuin (01 February 2018 – one year after Local Elections in 2021)

CHIEF FINANCIAL OFFICER

Mr SJ Myburgh (Appointed as CFO on five year contract from July 2016 - 2021)

HEAD OF INFRASTRUCTURE SERVICES

Mr FJ Lotter (Appointed as Director: Infrastructure from June 2016)

1.8 AUDITOR GENERAL REPORT

AUDITOR GENERAL REPORT YEAR 2018/2019

Karoo Hoogland Municipality received an **unqualified audit opinion** for the first time in **2017/2018**. Karoo Hoogland Municipality received a disclaimer audit opinion for the 2013/2014 financial year. The Municipality was qualified on PPE 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 indicates the substantial improvement from the previous year's AFS and Audit Report. For the 2015/2016 the only qualifications received was for PPE and Investment Property. For the 2016/2017 the municipality was qualified on PPE and Commitments.

For 2018/2019 the municipality regressed to a **qualified** audit opinion due to the following:

The Municipality has converted to the new mSCOA financial system from Sebata FMS to Sebata EMS. The methodology on the property rates from FMS differs substantially from EMS as on EMS the system do not provide for the capital portion on **Property Rates**. On FMS the municipality billed property rates once a year namely August of each year on the capital of property rates. The system then writes automatically each month's property rates to the current portion and simultaneously decrease the capital amount of each month's portion. However EMS do not provide for this. On EMS property rates are levied on a monthly basis having the effect that property rates for the last six months were billed twice as the Municipality only went live on EMS during December 2018. Sebata officials is currently working on this to get the issue resolved in this financial year. Corrections will then be passed in this financial year to correct the qualification.

1.9 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 Draft 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 - November
11	Municipalities receive and start to address the Auditor General's comments	December - January January
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	Annual report tabled to Council Tabled Annual Report made public and representations invited	
16	Final Annual Report submitted to necessary Departments and AG and Treasury	January/February
17	Oversight Committee assesses Annual Report	
18	Council adopts Oversight report	March
19	Oversight report is made public	
20	Oversight report is submitted to relevant provincial councils	April
21	Commencement of draft Budget/ IDP finalisation for next financial year. Annual Report and Oversight Reports to be used as input	

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 this 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 & Council 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	19.11.2018	3	2	28	Next meeting
IDP & Budget : public participation meeting	20.11.2018	3	2	37	
IDP & Budget : public participation meeting	21.11.2018	5	2	25	
IDP & Budget : public participation meeting	23.04.2019	3	4	35	
IDP & Budget : public participation meeting	24.04.2019	4	4	31	
IDP & Budget : public participation meeting	25.04.2019	3	3	18	
Ward meetings		**Councillors**	**Attendance of committee**		
Ward 1 : Williston	18.08.2018 12.09.2018 11.10.2018 13.11.2018 28.01.2019 11.06.2019	1	90%		
Ward 2 : Fraserburg	13.08.2018 11.09.2018 14.10.2018 06.11.2018 03.12.2018 13.02.2019 04.06.2019	1	80%		
Ward 3 : Rural Areas	-	-	-		
Ward 4 : Sutherland	03.09.2018 11.10.2018 21.11.2018 13.02.2019 14.06.2019	2	80%		

		Number of meetings	Average attendance of Councillors	Average attendance of Management	Average attendance of community when allowed
General Council Meetings	30.08.2018 31.10.2018 05.12.2018 30.01.2019 31.01.2019 27.02.2019 28.03.2019 26.04.2019 30.05.2019	**9**	**70%**	**90%**	Between 2 and 15 people from public normally attends the General Council Meetings
Special Council Meetings	06.07.2018	**1**	**80%**	**70%**	
LLF Meetings	02.07.2018 11.09.2018 27.11.2018 13.03.2019 11.04.2019 27.06.2019	**6**			
Sub-Committee's of LLF Health & Safety Committee (4 per year) Employment Equity Committee (4 per year) Training Committee (2 per year)	16.08.2018 08.11.2018 25.03.2019 20.06.2019	**10**			
Committee meetings (includes the following: Finance and Administration Committee Infrastructure Committee IDP & Budget Steering Committee	13.11.2018 (2) 31.10.2018 04.03.2019	**4**			
Audit Committee Meetings	31.08.2018 02.11.2018 25.06.2019 26.06.2019	**4**			
MSCOA meetings	(Every third Month)	**4**			

2.1 POLITICAL GOVERNANCE

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

The **Current** Municipal Council was elected on 3 August 2016 and the results of the election was made public on 10 August 2016. It is led by four (4) members of the African National Congress (ANC). There are also two (2) Democratic Alliance (DA) representatives and one (1) Congress of the People (COPE) representative. These Councillors only operated from 10 August 2016 which was in the (2016/2017) financial year and which was reported on in that annual report.

The seven Current councillors represent the following political parties: (2016 – 2021) (Elected on 10 August 2016)

- Councillor (Ms) V Wentzel - ANC (Mayor/Speaker)
- Councillor J Jooste - ANC
- Councillor JE Davids - ANC
- Councillor G Klazen - ANC
- Councillor JJ Van Der Colff - DA
- Councillor JJ Jacobs - DA
- Councillor (Ms) AM Januarie - 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.
Chairperson : Councillor VC Wentzel (Mayor)

INFRASTRUCTURE / TECHNICAL COMMITTEE (4 COUNCILLORS)
This Committee is dealing with all the projects, service delivery and infrastructure of the Municipality.
Chairperson : Councillor G Klazen

MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (3 COUNCILLORS)
This Committee is dealing with all relevant financial, audit issues.
Chairperson : Councillor JE Davids

LOCAL LABOUR FORUM COMMITTEE (3 COUNCILLORS, MM, 5 REPRESENTATIVES FROM SAMWU AND IMATU TOGETHER)
This Committee is dealing with all Labour related issues which are not bargained for in the Main Collective Agreement. Total of 4 LLF meetings with Employees.

Chairperson : Councillor JE Davids

The Finance/Administration Committee and the Technical/Infrastructure Committee meets every six months 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.

*Total of **10** Council meetings were held during the year – **1** Special Meetings and **9** General Meetings*
*Total of **4** Committee meetings were held during the year.*
*Total of **3** MPAC meetings were held during the year.*
*Total of **6** LLF meeting with Employees.*
Personnel Meetings with the MM : no meetings

The Municipal Public Account Committee (MPAC) fulfils the duty of an oversight committee, and comprises of nonexecutive Councillors, with the specific purpose of providing Council with comments and recommendations on the annual report. The Oversight Committee's report is published separately in accordance with MFMA guidelines. The MPAC investigates fruitless, wasteful and unauthorised expenditure and makes recommendations to Council.

Apart from their functions as policy makers, Councillors are actively involved in community work and the various social programmes in the municipal area.

Municipal Council

- Governs by making and administrating laws, raising taxes and taking decisions that affect people's rights
- Tax authority that may raise property taxes and service levies
- Primary decision maker and takes all the decisions of the Municipality except those that are delegated to political structures, political once bearers, individual councillors or officials
- Delegate responsibilities and duties for the purposes of fast and effective decision making
- Strive towards the constitutional objects of local government
- Consult the community with respect to local government matters
- Only decision maker on non-delegated matters such as the approval of the Integrated Development Plan (IDP) and budget

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

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 MANAGERS OF KAROO HOOGLAND OVER THE PAST TEN YEARS
Mr L Nothnagel (Acting: 2009 – 2011)
Mr MK Botha (Acting during 2011)
Mr E Saayman (1 January 2012 – February 2013)
Mr JT Loubser (Seconded from NDM: April 2013 – August 2013)
Mr FJ Rootman (Seconded from Hantam: September 2013 – October 2013)
Mr G W von Mollendorf (4 NOVEMBER 2013 – 30 June 2017)
Mr BJ Swartland (Acting: Seconded by MEC) (25 July 2017 – 7 December 2017)
Mr SJ Myburgh (Acting: 1 July 2017 – 24 July 2017 & 8 Dec 2017 – 31 Jan 2018)
CURRENT MM: Mr JJ Fortuin (1 February 2018 –)

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."

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

- Office of the Mayor
- Office of the Municipal Manager

Macro-structure: Directorates

- Directorate Corporate Services (No Director) (Outcome of the investigation whether such a small municipality can afford this position)
- Directorate Financial Services
- Directorate Infrastructure Services

The Municipal Manager must see to the execution of the decisions of the political structures and political office-bearers of the Municipality. The Municipal Manager must facilitate participation by the local community in the affairs of the Municipality and must also develop and maintain a system whereby community satisfaction with municipal services is assessed.

He is assisted by his senior management team, whose structure is outlined in the table below:

CHIEF FINANCIAL OFFICER
Mr SJ Myburgh (Appointed as Acting CFO January 2015 – June 2016) (Appointed as CFO on five year contract from July 2016 - 2021)

HEAD OF INFRASTRUCTURE SERVICES
Mr FJ Lotter (Acting as Head since September 2011) (Appointed as Director: Infrastructure from June 2016)

He entered into performance agreements with both the directors.

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 past four financial years 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 regular meetings.

Accountability was enhanced by circulating more newsletters as well as public notices to keep the community informed.

- Timeous distribution of Council agendas resulting in more than 70% attendance of scheduled meetings.
- It is a priority to implement a Document Management System to track and monitor Council resolutions for effective communication.
- 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.
- The New Municipal website (www.karoohoogland.gov.za) are being maintained by KHM personnel with assistance from Web Ateljee (Service Provider) and 99% of the required documents were placed on the website during the year under review.

Accountability and community participation were enhanced by engagements through the following:-

- ✓ Messages on municipal accounts
- ✓ Local Newspaper: Die Noordwester
- ✓ Pamphlets handed out at houses
- ✓ Posters on strategic places in towns
- ✓ Whats-app Group notices
- ✓ Community Development Workers (COGTA)
- ✓ E-mails to Ward Committee Chairpersons
- ✓ Emailing of Newsletters

COMMUNITY DEVELOPMENT WORKERS

- CDW's deployed.
- There are 4 CDW's in KHM. One 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?	YES – was addressed in 2018/2019
Were the indicators communicated to the public?	YES
Were the four quarterly aligned reports submitted within stipulated time frames?	Partially
** Section 26 Municipal Systems Act 2000*	

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 and the Risk Evaluation in terms of the 2018/19 financial period were done by 2 of the District Municipality's Internal Audit Interns, Ms. V. Larie and Ms. S. Mxokozeli, and by the municipality's Internal Auditor Ms. D. Smit during July 2018, and the Risk evaluation were accepted for the 2018/19 financial year.

An Internal Audit Unit as well as an External Audit Committee were not functional at the municipality. However, discussions with the District Municipality lead to a shared-services Internal Audit Unit as well as an audit committee being established during 2015/2016. The Shared Internal Audit Unit visited the municipality in September 2015 for the first time and commenced with work. They audited the leave management and the asset management processes. The municipality received two reports from them and it was tabled at the first Audit Committee meeting in January 2016. After this meeting the Internal Audit Team attended a meeting at KHM in April 2016 and none thereafter. Communication problems lead to misunderstandings between the District Municipality and KHM which lead to Internal Audit not performing and the municipality not being informed of the reasons. The reasons were only made known to the municipality in August 2016 of which the District Municipality claimed that they did not receive the necessary funding from other departments to continue providing the Shared Services and that KHM must commit to paying for the assistance before any services will continue.

During 2016/2017 no suitable alternative and solution could be reached for internal audit. The endeavors will continue in the 2017/2018 year to request assistance in this regard from the District and also to appoint personnel internally to assist the District with Internal Audit.

During the 2016/2017 the Audit Committee did function however no relevant and proper reporting could be done as no Internal Audit Unit was established. The Auditor General attended the Audit Committee meeting at 29 August 2016 and again on 28 August 2017 and are aware of the situation and the problems it leads to.

During the 2018/2019 an Internal Audit Unit as well as an External Audit Committee was functional at the municipality. Discussions with the District Municipality continued with the shared-services Internal Audit Unit, up to October 2018 only as Ms. D. Smit was permanently appointed as the Internal Auditor as of from 01 November 2018. The shared service Audit Committee is still ongoing.
Ms. D. Smit, along with the assistance and guidance from Ms. V. Larie and overall supervision from Ms. V. Fitzpatrick from Namakwa District Municipality audited Record Management and Performance Management Quarter 1.

Ms. D. Smit audited Performance Management (Quarter2 – Quarter3), UIF & Deviations, Subsistence & Travel Allowance and Appointments & Re-Appointments. The municipality received overall 7 reports from the Internal Audit unit and it was tabled at the following Audit Committee meeting's dated 02 November 2018, 25 June 2019 and 26 June 2019. Follow-up audits were also conducted during the 2018/19 financial period on the reports issued by Internal Audit for 2017/18 and 2018/19, as well as the 2015/16 Leave Management report which was issued by District Municipality during their shared services in the 2015/16 financial period.

2.7 ANTI-CORRUPTION AND FRAUD

The municipality has a Fraud and Anti-Corruption Strategy in place which was tabled and adopted by Council in 2015/2016 and was revised in 2017/2018. A Disciplinary Board was also established and Mr J Brandt from Springbok are the representative for Karoo Hoogland Municipality. However the Board was not functional during 2017/2018 and during 2018/2019. The processes of this board were explained to management and Council on several occasions by Mr Ezra Tantsi. Mr Tantsi from NCPT conducted several workshops at KHM on Financial Misconduct *(Chapter 15 of the Municipal Finance Management Act 56 of 2003 provides the legal framework for financial misconduct and financial offences and the purpose of this act is to set out processes and procedures to effectively deal with all allegations of financial misconduct. Subsequent to that, on the 30 May 2014 National Treasury issued regulation 37699 on Financial Misconduct procedures and criminal proceedings), System of Delegations,* the Financial Management Capability Maturity Mode (FMCMM), Reviews and Website Compliance issues.

DISCIPLINARY BOARD ESTABLISHMENT

Herewith I give the Extraction of the Minutes of a Finance Committee Meeting Decision on 20 June 2016 which was approved on 13 July 2016 by Council.

Herewith the Extract:

4.6 DISCIPLINARY BOARD ESTABLISHMENT (FINANCIAL MISCONDUCT)

Die Raad neem kennis van 'n skrywe waar KHM versoek word om 'n "Discliplinary Board" te stig asook gepaardgaande inligting.

BESLUIT DAT:

a) die volgende lede op die "Discliplinary Board" sal dien:
- *i. Mnr J Brandt van Provinsiale Tesourie, Springbok*
- *ii. Een lid van die Oudit Komitee van Hantam Munisipaliteit*
- *iii. Een lid van die Interne Oudit Span van NDM*

The Terms of Reference for this Board as well as the Roles and the Responsibilities were also handed over to the Municipality. This Board however have not met once. It has been noted that the Municipality must appoint new members to this Disciplinary Board to investigate the matters referred to them of Financial Misconduct in the 2019/2020 year.

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
1 x Supply Chain Management Clerk
1 x Financial Intern for SCM

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. It is also being uploaded onto National Treasury's website. (www.treasury.gov.za)

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 SCM policy is reviewed annually. The policy for 2017/2018 was reviewed; workshopped and adopted by council during May 2017 and during August 2017. The whole SCM policy was revised to incorporate all new legislation and requirements as well as the SIPDM. The policies were workshopped and reviewed during May 2019 and revised with input from Internal Audit during July 2019.

The quarterly reporting on the Implementation of the Supply Chain Management Policy for 2018/2019 were developed and will be attached to this document as Volume XI. All SCM reporting since July 2018 have been done to Council.

BID/TENDER COMMITTEES

In the 2018/2019 financial year the following changes were made to the SCM committees:

The Municipality has established the following bid committees on 12 July 2018:

Opening of tenders:

The following officials have been delegated, keeping in mind that at least one SCM Official should be present and a minimum of two officials from KHM should manage the procedure.

Finance	Income Clerk (J Vlok)
Finance	Clerk: Expenditure and SCM (HG Louw)
Finance	Financial Intern (LA Januarie)
Administration	Admin Clerk: Committee's & Auxiliary Services

Bid specifications committee / Section 27

Finance	Director: Finance (CFO) (S Myburgh)
Technical	Director: Infrastructure (F Lötter)
Administration	Manager: Admin (C Viljoen)
Finance	Accountant: Expenditure & SCM (G Vermeulen) (Chair)
Finance	Clerk: Expenditure and SCM (HG Louw) **(Secretary)**
Corporative	HR Manager (D Malan)
Corporative	Manager: Community Services (A Gibbons)
Infrastructure	Infrastructure: Foreman (A Erasmus)

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	Accountant BTO (Chair) (SJ van Schalkwyk)
Finance	Clerk: Expenditure & SCM (C Erasmus)
Finance	Accountant Revenue (A Louw)
Finance	Creditor: Control Officer (W Malho)

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: Infrastructure. We do not have enough senior managers to attend to this Committee and therefore have to use other personnel)

Finance	Director: Finance (CFO) (SJ Myburgh)
Finance	Accountant: Expenditure & SCM (G Vermeulen)
Technical	Director: Infrastructure (FJ Lötter) (Chair)
Corporative	Manager: Community Services (A Gibbons)
Corporative	HR Manager (D Malan)
Corporative	Personal Assistant: Municipal Manager (A Hendricks) (Secretary)

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

About **11 Bid Committee meetings** were held during 2018/2019.

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. All tenderers must complete MBD 4, MBD 6.1, MBD 8 and MBD 9 and must be registered on the CSD.

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 2018/2019 and in the coming years.

Challenges: Not enough suppliers registered on the CSD that deliver services and goods to our vast outlaying area.
Proposed Solution: Advertise via National newspapers and our website as well as other websites for suppliers outside of KHM's area of jurisdiction. Amend the policy to elaborate on the deviations.

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 as far as possible to comply with correct awarding of tenders due to a short in personnel.

TRAINING With the implementation of the new centralised unit, workshops were organized for all SCM personnel as well as all directorates by the Provincial Departments in 2018/2019. However, continuous training will be inevitable as legislation and regulations changes almost annually. Training will also commence in the other towns of Karoo Hoogland as this has been identified as a need.

CSD

No vendor may be used if they are not registered on the Central Suppliers Database and their registration documents must be provided to the SCM unit. Training have been given to vendors and to personnel to assist with registration on the CSD. The municipality annually advertises to encourage the local service providers to register on the CSD.

All deviations from the SCM Regulations were recorded and tabled to Council in 2018/2019.

STANDARD INFRASTRUCTURE PROCUREMENT DEVELOPMENT MANAGEMENT POLICY

In May 2017 staff from Provincial Treasury visited Karoo Hoogland with a standard SIPDM Policy that needed to be customized and implemented from 1 July 2017. However the policy could not be personalised before the Council meeting and workshopped with all the personnel involved. It has now gone to Council in 2017/2018 in August 2017 and was approved effective from 1 July 2017. This policy streamlines the Procurement of Infrastructure development on bigger projects and sets definite goals and targets and also procedures to follow to adhere to national legislation in terms of procurement. Staff from Provincial Treasury also visited Karoo Hoogland on 18 June 2018 for a follow up training session. The policy was again updated and approved on 6 July 2018 for the 2018/2019 financial year.

2.9 BY-LAWS

Only one by-law was adopted by Council during the 2016/2017 financial year.

The Municipality have various **policies** in place. However, to date only few policies have been promulgated as by-laws. Various policies were revised during the 2016/2017 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 gazetted in 2019/2020. The **Keeping of Dogs By-law** was promulgated on 7 November 2016 after the full community participation process were done.

The following By-Laws will be promulgated and advertised during 2019/2020:

- ✓ Keeping of animals
- ✓ Tariff By-Law
- ✓ Credit Control By-Law
- ✓ Property Rates by-Law
- ✓ Public Nuisance By-Law
- ✓ Electricity By-Law
- ✓ Cemetery By-Law
- ✓ Water By-Law
- ✓ Caravan Parks By-Law
- ✓ Heavy Vehicles By-Law
- ✓ Street Trading By-law
- ✓ Advertising Signs By-law

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. During the 2015/2016 financial year a lot of effort were put into getting the municipal website compliant to legislation.

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

The following documentation was uploaded on the Municipal Website with reference to documents pertaining to the 2016/2017, 2017/2018 and 2018/2019 financial year:

- Budget
- Annual Financial Statements
- IDP
- SDBIP
- Policies
- Notices
- Advertisements
- Vacancies
- News
- Land Use Application Forms
- Standard Forms to the Public
- Bidding documentation together with all mandatory forms to be completed by all suppliers
- Reports on expenditure and tenders
- By-Laws – Keeping of Dogs and SPLUMA, Credit Control and Property Rates
- Building application forms
- Accommodation and Tourism
- Projects

- Dates of Council meetings as well as minutes of Council meetings
- AG Report for 2015/2016, 2016/2017, 2017/2018
- Awards made to suppliers/tenderers
- Valuation Roll
- All Notices for tenders and Quotations were uploaded

KAROO HOOGLAND MUNICIPALITY: WEBSITE REPORT (JUNE 2019)

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 sat 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.

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

QUESTION / INFORMATION	YES / NO	IF NO, REASON :
Is the 2018/2019 Draft Annual Budget published on the website?	YES, and Final	
Are the updated budget related policies published on the website?	YES	
Is the 2017/2018 Annual Report published on the website?	YES	
Is the 2019/2020 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, old list	The new list will be published as soon as assets are disposed and approved by Council in the new year
Are the long-term borrowing contracts published on the website?	Yes	DBSA
Are the SCM contracts published on the website?	Yes	SEBATA // Website : Webateljee //Mubesko // Nexia SA B&T // Van de Wall as well as total contract register and tender award register
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?	YES	All Financial reports are on the website
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	YES	
Supply Chain Management Policy	YES	
Notices & Newsletters & Vacancies	YES	
Performance Agreement of MM	YES	
Personnel Forms and Information	YES	
Complaints Page/Form	YES	
Valuation Roll	YES	
Annual Financial Statements 17/18	Yes	On request

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 Williston has commenced and will continue in the 2109/2020 year.

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 a weekly basis. On the website the community as well as other people can also make complaints or requests which are received as emails and are acted upon within a week of receipt. It are being followed up regularly.

2.12 MUNICIPAL OVERSIGHT COMMITTEES (MPAC & IDP/BUDGET STEERING COMMITTEE

MPAC were established during 2017/2018 and met twice to compile the Oversight Report. The Committee was re-establish during the 2018/2019. During the 2018/2019 the MPAC did not comply with due dates and they then met late with the Oversight Report only in April 2019 due to a constitutional issue. It was resolved and then the committee held their meeting.

2.13 PERFORMANCE MONITORING OF SERVICE PROVIDERS, CONTRACTORS & CONSULTANTS

The Performance of Service Providers such as Consultants and Contractors should also be monitored and were a discussion point during the Audit period from August 2017 – November 2017. It was found that more effective controls should be put in place to monitor the performance of all service providers and contractors. As Contractors and Service Providers were mostly appointed on Grant Funding Projects and Infrastructure projects monthly reporting to the Provincial Departments was a legal requirement which our municipality fully complied with. All reporting were done on time and quarterly meetings with the Section Departments as well as monthly site meetings with contractors assisted in contractors' performance being measured. However, more effective measures and controls were put in place in 2018/2019 like the Appointments and Use of Consultants Policy which was adopted by council, to ensure that a proper GAP Analysis are being done, skills transfer take place and the effective monitoring of the consultants and contractors.

CHAPTER 3:
SERVICE DELIVERY PERFORMANCE

The council has spent the following amounts in the last five 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. Rebelskop Storm water : Sutherland (Completed in 2016/2017)
9. Bulk Water Network : Sutherland (Completed in 2018/2019)
10. Upgrading of Williston Internal Water reticulation system. (RBIG funding)EIA and IRS finalised April 2016 (Total project cost ; R37 000 000 – to be completed 2018/2019)
11. EPW Projects 2015/2016 and 2016/2017 :
    i. Street maintenance in all three towns : R1 000 000
12. Bulk Water Supply : Williston (Completed in 2018/2019)
13. Upgrading of streets : Williston (40% Completed in 2018/2019)
14. Internal water network upgrade : Sutherland (40% Completed in 2018/2019)
15. Medium voltage upgrading in Fraserburg & EEI in Williston & Fraserburg – (Completed in 2018/2019)
16. Replacement of AC pipes : Fraserburg (Completed in 2018/2019)

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

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 Final IDP from 2017/2022 was approved on **26 May 2017** by Council and again on **29 May 2018.** (Draft IDP was tabled to Council on 29 March 2017.)

The Following projects commenced in **2017/2018** for which funding have been secured:

- MIG funds : Sutherland Water (R 13 680 000)
- WSIG Boreholes Williston (R4 million)
- Department of Energy Upgrading Fraserburg (R1 million)
- EEDSM Upgrading of Streetlights (R2 million)
- EPWP Project Upgrading of Uys Street (R1 Million)
- MIG Project Paving of Streets in Williston (R 800 000)
- CWP Projects

Also, the projects that commenced in **2018/2019** for which funding has been secured:

- Paving of Streets: Williston
- Streetlights: Fraserburg & Williston
- Replacement of Lights for 15 Houses: Fraserburg
- Internal Water Network: Sutherland
- Bulk water and boreholes: Williston

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 upgraded and (in the year under review) in place to feed the reservoirs in the three towns from where it is further reticulated to all households. During the previous years 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	2018/2019
	Actual No
Water : (above min level)	2204
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	2204

Total Use of Water by Sector (cubic meters)

	Agriculture	Forestry	Industrial	Domestic	Unaccountable water losses
2014/2015				290720	40395
2015/2016				273529	28889
2016/2017				289092	15768
2017/2018				269185	22095
2018/2019				269004	17513

The implementing of prepaid water meters has been recognized as a Good Practice by Karoo Hoogland Municipality. Karoo Hoogland Municipality were also able to increase credit control measures with the implementation of these prepaid meters in areas where the public do not buy their electricity from us.

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.

FINANCIAL PERFORMANCE 2018/2019 : WATER SERVICES			
Detail	Budget	Actual	Variance to Budget
Total Operational Revenue	R 7,377,500.00	R 7,693 ,371.00	Over collect
Expenditure:			
Employees	735,600	638,021	
Repair and Maintenance	215,000	247,461	Overspent
Other	1,153,100	2,498,280	Overspent
Total Operational Expenditure	2,104,500	3,383,762	
Surplus /(Deficit)	5,273,000	4,309,609	

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	
	2018/2019
Description	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	11 (shacks)
Total households	2309

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 2017/2018 : SANITATION SERVICES			
Detail	Budget	Actual	Variance to Budget
Total Operational Revenue	8,961,300	8,867,778	Under collect
Expenditure:			
Employees	1,254,340	1,953,693	Overspent
Repair and Maintenance	1,146,000	851,875	Underspent
Other	3,598,900	2,073,133	Underspent
Total Operational Expenditure	5,003,240	4,872,928	
Surplus /(Deficit)	3,958,060	3,994,850	

FINANCIAL PERFORMANCE 2018/2019 : SANITATION SERVICES			
Detail	Budget	Actual	Variance to Budget
Total Operational Revenue	R 8,181,600.00	R 8,611,924.00	Over collect
Expenditure:			
Employees	R 1,840,200.00	R 2,079,076.00	Overspent
Repair and Maintenance	R 185,000.00	R 304,795.00	Overspent
Other	R 1,923,000.00	R 1,149,973.00	Underspent
Total Operational Expenditure	R 3,948,200.00	R 3,533,844.00	
Surplus /(Deficit)	R 4,233,400.00	R 5,078,080.00	

Waste Water (Sanitation) Service Policy Objectives Taken From IDP							
Service Objectives		2018/2019		2019/2020		2020/2021	2021/2022
		Target	Actual	Target	Actual	Target	
Service Indicators	Outline Service Targets	*Previous Year				Current year	
Service Objective							
Provision of toilets within standard	All households have minimum waste water /sanitation services.	**809**	**0**	**200**		**400**	**209**
Eradication of UDS Toilets : To ensure a healthy environment for all residents with reference to combinable diseases	**The target will be for all households to have waterbourne toilets.**						
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 Planning and design Construction						

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	
	2018/2019
Description	Actual No
Energy (above minimum level) conventional meters	0
Electricity –pre-paid (min service level)	2204
Total number of households	2204

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

- Electrician (1)
- General Worker Electrical (1)

Electricity Service Policy Objectives Taken From IDP									
Service Objectives		**2016/2017**		**2017/2018**			**2018/2019**		**2019/2020**
		Target	**Actual**	**Target**		**Actual**	**Target**		
Service Indicators	**Outline Service Targets**	***Previous Year**		***Previous Year**	***Current Year**		***Current Year**	***Current Year**	***Following Year**
(i)	**(ii)**	**(iii)**	**(iv)**	**(v)**	**(vi)**	**(vii)**	**(viii)**	**(ix)**	**(x)**
Service Objective									
ELECTRICAL INFRASTRUCTURE : To enhance sustainable service delivery through infrastructure development	**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**	Phase 1 : Electrical upgrading of Electrical network in Fraserburg	Achieved	EEDSM Projects - Replacement of old lights with LED Lights	Achieved	Achieved	EEDSM Project	Achieved	EEDSM Projects

FINANCIAL PERFORMANCE 2017/2018 : ELECTRICITY SERVICES			
Detail	Budget	Actual	Variance to Budget
Total Operational Revenue	12,463,200	13,576,858	Over Collect
Expenditure:			
Employees	798,100	766,750	Underspent
Repair and Maintenance	170,000	332,054	Overspent
Other	10,028,900	9,720,539	Underspent
Total Operational Expenditure	10,997,000	10,819,343	
Surplus /(Deficit)	1,466,200	2,757,515	

FINANCIAL PERFORMANCE 2018/2019 : ELECTRICITY SERVICES			
Detail	Budget	Actual	Variance to Budget
Total Operational Revenue	R 12,209,300.00	R 12,174,335.00	%
Expenditure:			
Employees	R 841,000.00	R 845,149.00	%
Repair and Maintenance	R 160,000.00	R 176,945.00	%
Other	R 9,527,300.00	R 8,977,724.00	
Total Operational Expenditure	R 10,528,300.00	R 9,999,818.00	%
Surplus /(Deficit)	R 1,681,000.00	R 2,174,517.00	

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.

Solid Waste Service Delivery Levels – Nr of Households				
Description	2015/2016	2016/2017	2017/2018	2018/2019
	Actual	Actual	Actual	Actual
	No.	No.	No.	No
Solid Waste Removal: (Minimum level)				
Removed at least once a week	1984	1984	2204	2204
Minimum Service Level and Above sub-total	1984	1984	2204	2204
Minimum Service Level and Above percentage	100%	100%	100%	100%
Solid Waste Removal: (Below minimum level)				
Removed less frequently than once a week				
Using communal refuse dump				
Using own refuse dump				
Other rubbish disposal				
No rubbish disposal				
Below Minimum Service Level sub-total	0	0	0	0
Below Minimum Service Level percentage	0	0	0	0
Total number of households	1984	1984	2204	2204

FINANCIAL PERFORMANCE 2017/2018 : REFUSE SERVICES / SOLID WASTE			
Detail	Budget	Actual	Variance to Budget
Total Operational Revenue	8,120,400	8,128,515	Over Collect
Expenditure:			
Employees	1,496,040	1,694,994	Overspent
Repair and Maintenance	44,000	73,271	Overspent
Other	1,676,700	3,493,609	Overspent
Total Operational Expenditure	3,216,740	5,261,875	
Surplus /(Deficit)	4,903,660	2,866,640	

FINANCIAL PERFORMANCE 2018/2019 : REFUSE SERVICES / SOLID WASTE			
Detail	Budget	Actual	Variance to Budget
Total Operational Revenue	R 7,612,700.00	R 7,821,857.00	Over collect
Expenditure:			
Employees	R 2,093,600.00	R 1,495,027.00	Underspent
Repair and Maintenance	R 140,000.00	R 258,977.00	Overspent
Other	R 815,100.00	R 4,083,909.00	Overspent
Total Operational Expenditure	R 3,065,500.00	R 5,837,913.00	
Surplus /(Deficit)	R 4,547,200.00	R 1,983,944.00	

3.5 HOUSING

The Municipality does not have a specific staff component to deal with housing matters as the provision of housing was a Provincial function. When a housing project is approved the services of 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 eradication of the housing backlog of **680 houses by 2030**. This backlog does not include the backyard dwellers which are found being reported through the IDP. About 215 backyard dwellers are found in all three towns and this amount varies through the years as people move around and leave town for work in other towns as well as move here when construction work arises. Through the **National Housing Needs Register** it is being predicted that the backyard dwellers and people with a need for housing increases annually.

During the 2014/15 financial year it was announced that 150 new erven will be planned and developed in Williston. The Planning phase commenced in 2015/2016 for these 150 erven. The SPLUMA applications was submitted in 2016/2017 for the Williston 150 erven and it is also when the EIA process commenced. Due to a delay in approval from certain national departments and the final RoD from Environmental Affairs the Town Planning application was only approved by the Municipal Planning Tribunal on 13 September 2018. The municipality is busy applying for the funding for the internal services and bulk services as well as the top structures. The building of top structures can only commence when the sites are serviced by the different service providers which in this case are ESKOM and the municipality. The municipality await the approval of the business plans which was submitted in August 2018.

During 2013/2014 an outstanding 15 new houses should have been built on the previous 225 Fraserburg Housing Project. Due to lack of competent contractors this project would only be completed in 2017/2018. However this project was not completed in 2017/2018. This project were taken over by CoGHSTA Regional in Springbok to finalize.

During the 2015/16 a total housing project for all three towns was submitted to address the housing need.
In 2016/2017 two new housing projects were registered and approved and the town planning processes commenced:

- 150 Erven Williston (Town Planning application successful during September 2018)
- 100 Erven Sutherland (Town Planning application not yet successfully submitted)

A **Housing Sector Plan were being developed in 2017/2018** in partnership with Namakwa District Municipality. This plan will adhere to the Housing Needs of the Municipality in the future. The Plan was however not concluded and the process continued in the 2018/2019 year.

The Municipality submitted a business plan to transfer Title Deeds which are still in the name of the Municipality for old housing projects. The status as at 30 June 2019 as no deeds were transferred during 2018/2019:

		2016/2017		2017/2018	
	Total Targets	Target	Actuals	Target	Actual
Williston	226	0	0	226	0
Sutherland	81	81	81	0	0
Fraserburg	225	205	205	20	20

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.

FINANCIAL PERFORMANCE 2017/2018 : COST OF SUBSIDIES TO INDIGENT HOUSEHOLDS			
Service	Budget	Actual	Variance to Budget
Water	745,000	1,007,422	Under Budget
Electricity	401,000	524,200	Under Budget
Sanitation	980,000	1,206,198	Under Budget
Refuse	880,000	1,088,748	Under Budget
Rates	505,000	560,265	Under Budget
Total	3,511,000	4,346,833	

FINANCIAL PERFORMANCE 2018/2019 : COST OF SUBSIDIES TO INDIGENT HOUSEHOLDS			
Service	Budget	Actual	Variance to Budget
Water	111,900	1,094,815	
Electricity	540,900	560,314	Under Budget
Sanitation	1,265,000	1,222,994	
Refuse	1,117,500	1,084,176	
Rates	615,100	580,265	Under Budget
Total	4,254,500	4,542,564	

Currently there are **912** 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.

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. Karoo Hoogland Municipality is frequently monitoring the indigent and free basic services. Please see in the tables below how the indigents' situations changes monthly and varies during the year.

2018/2019 – STATISTICS FOR INDIGENTS

QUARTER 1 : INDIGENTS (JULY – SEPTEMBER 2018)			
	JULY 2018	AUGUST 2018	SEPTEMBER 2018
TOTAL	946	726	768

QUARTER 2 : INDIGENTS (OCTOBER – DECEMBER 2018)			
	OCTOBER 2018	NOVEMBER 2018	DECEMBER 2018
TOTAL	789	867	884

QUARTER 3 : INDIGENTS (JANUARY – MARCH 2019) 2018/2019			
	JANUARY 2019	FEBRUARY 2019	MARCH 2019
TOTAL	861	911 912	

QUARTER 4 : INDIGENTS (APRIL – JUNE 2018) 2017/2018			
	APRIL 2019	MAY 2019	JUNE 2019
TOTAL	912	912	912

ROAD AND 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.

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
- Cross cutting Infrastructure : Upgrading of all major routes
- Fabrication of stones
- Safety of streets (Speed bumps)
- Fencing of BNG Houses
- Upgrading of Community Halls
- Signage : Street names and Numbers
- Upgrading of pedestrians routes
- Multipurpose center
- Driver License Testing Centre
- Upgrade of Swimming pool

KPA 1: BASIC SERVICE DELIVERY

Priority Issue: Review SDF for Integration of new projects

Strategic Objectives:

- Revision of spatial development framework once the IDP has been approved to ensure that all new projects are contained in the SDF
- Reduction in the level of Service Delivery backlogs
- Settlements must be located in climate safe locations, reducing climate related risk and vulnerability.
- To facilitate economic growth and job creation
- Accessibility of emergency services to the community
- To ensure communities are contributing towards Climate Change and reduction of Carbon footprint
- To provide a Systematic Integrated Spatial Land Development Policy

- Increase Regulations of built environment

Programme:
- SDF
- Climate Change
- SPLUMA

Priority Issue: Lack of infrastructure for proper service delivery
Strategic 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
- Infrastructure plans should be evaluated to ensure that they are sustainable resilient, and in climate safe locations
- Reduction in the level of service delivery Backlogs
- To Facilitate Economic Growth and Job Creation
- Facilitate Promotion of health and Well-being of communities
- Facilitate Promotion of education upliftment within communities
- Facilitate safe and secure neighborhoods
- Optimize availability of municipal vehicles
- Increase the accessibility of emergency services to the community
- To ensure communities are contributing towards climate change

Programmes:
- Electrification
- Water and Sanitation
- Roads and Storm Water
- Waste Management
- Housing
- Project Management
- Health Services
- Cemeteries
- Education Libraries
- Safety and Security
- DLTC
- Climate Change
- Public Transport
- EPWP
- Fleet Management
- Disaster Management
- Environmental Management

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 2017/2018 : ROAD SERVICES			
Detail	Budget	Actual	Variance to Budget
Total Operational Revenue	1,000,000	1,000,000	
Expenditure:			
Employees	2,055,200	872,433	Underspent
Repair and Maintenance	225,000	68,155	Underspent
Other	1,269,000	5,624,208	Overspent
Total Operational Expenditure	3,549,200	6,564,796	
Surplus /(Deficit)	-2,549,200	-5,564,796	

FINANCIAL PERFORMANCE 2018/2019 : ROAD SERVICES			
Detail	Budget	Actual	Variance to Budget
Total Operational Revenue	0	0	
Expenditure:			
Employees	2,371,900	3,919,542	Overspent
Repair and Maintenance	157,000	41,530	Underspent
Other	375,800	3,108,715	Underspent
Total Operational Expenditure	2,905,500	7,069,787	
Surplus /(Deficit)	(2,905,500)	(7,069,787)	

3.8 WASTE WATER STORM WATER 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.

Stormwater Policy Objective From IDP : Goal Achieved

Objective: Bulk water supply: Maintenance and Construction of stormwater structures
Targets: To enhance sustainable service delivery through infrastructure development (Applications and Businessplan 2011)

Sutherland Rebelskop Stormwater Upgrade – MIG Funding - Achieved – Done by Eagle Building JV

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.

Williston, Fraserburg and Sutherland have tar 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. Provincial routes need to be resealed. The current conditions have a very negative impact on the local economy as easy access is not available for potential investors and tourist. The municipality received funding from the Namakwa District Municipality and Department of Public Works in the 2016-2017 financial year for the paving of existing gravel roads in the municipal area. In Fraserburg 2 kilometers were paved and for Sutherland one street will be paved. The municipality did submit a business plan to MIG to pave all existing gravel roads in the coming financial years. 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.

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 2014/2015 year 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 received assistance from Dept of Rural Development to gazette their new By-Law in the 2015/2016.

The Local Government Planning and Performance Regulations (2001) stipulate the content of the SDF. In terms of Section 4 of Regulations the SDF is required to.

- Give effect to principles contained in Chapter 1 of the Development Facilitation Act, 1995
- Set out objectives that reflect desired spatial form of the Municipality
- Contain strategies and policies regarding the manner in which to achieve the objectives which must:
- Indicate the desire pattern of land use
- Indicate the direction of growth
- Provide strategic guidance in respect to location and nature of development
- Set out basic guidelines for land use management system
- Set out a capital investment framework for development programmes
- Incorporation a strategic assessment of the environmental impact land within the Municipality
- Identify programmes and projects for development of land within the Municipality
- Be aligned with neighboring municipal SDF's
- Provide visual representation of the desired spatial form which
- Must indicate areas in which the intensity of land development could be either increased or reduced
- Must indicate desired and undesired utilization of land in an area
- Indicate conservation of both the built and natural environment
- Must indicate where public private land development and Infrastructure investment should take place
- May delineate the urban edge
- Must identify where priority spending is required

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

A new By-Law was promulgated in November 2015. In a previous Annual Report of 2015/2016 a full SPLUMA Report with all preparations done and Council Decisions taken were attached. For the 2017/2018 year under review only a register of the applications and the progress thereof have been recorded as Karoo Hoogland Municipality now form part of the District Municipality's Municipal Planning Tribunal who decides on applications after the full process have been completed.

SPLUMA administrators at Karoo Hoogland appointed by Council :
Municipal Manager & Manager : Admin

Municipal Planning Tribunal active since March 2016

With the SPLUM Act and Regulations the SDF must be revised before 2020 and a request for assistance was send to the Department of Rural Development and Land Reform in this regard. The Department concluded the Terms of Reference for the tender process during November 2017. The current SDF was developed and approved by Council in 2010/2011 and must be revised before 2019 to include new legislation. SKA proposed to sponsor the revision of the SDF as this is a very expensive project. The tender for a consultant to do the revision of the SDF commenced in 2017/2018 during Feb 2018 – April 2018. In June 2018 a Consultant Ditsamai was appointed and the process commenced in July 2018. The process of revision was done and concluded in March 2019. Final approval by Council was done on 30 August 2019. Karoo Hoogland Municipality now have a Revised and SPLUMA Compliant SDF. Please visit our website for the result of which we are very proud.

List and progress of Applications received and in process for 2018/2019: Windfarms, Rezoning, Consolidations, Subdivisions summarized in Register

Progress On Applications for Land Use Development																	
Detail	Formalisation of Townships				Freestanding Cellular Communication Base Station				Rezoning				Built Environment/ Building plan applications				
	2015/2016	2016/2017	2017/2019	2018/2019	2015/2016	2016/2017	2017/2018	2018/2019	2015/2016	2016/2017	2017/2018	2018/2019	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
Planning application received		1	1			2	3			3	1	8	3	9	10		11
Determination/approval made in year of receipt												3	3	9	8		6
Determination/approval made in following year						2	2			3	1	6					
Applications withdrawn							1					1					
Applications outstanding at year end		1	2			2	2			3	1	4			2		2
Application for land for housing		1										1					

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*".

Circulate local generated money and money received via value chain and local procurement in the local community to increase the number of times profit can be added to an ever growing bigger volume of local currency that will subsequently grow the economy and create local ownership and employment. This require that local resources are added value to and exported. Furthermore local residential, commercial and industrial demands are supplied by locally owned enterprises, thus circulating local currency and obtaining external currency to grow the local GDP.

Karoo Hoogland Municipality has a draft Local Economic Development Strategy which will be reviewed and approved in 2019/2020 financial year.

JOBS CREATED THROUGH EPWP

In relation to no jobs created in the 2017/2018 year, in the 2018/2019 Karoo Hoogland Municipality created **110 EPWP jobs** through projects funded by MIG.

Community Works Program

The implementation period was from 1 April 2017 to 31 March 2018.

The Community Work Programme (CWP) was established to provide an employment safety net to eligible members of target communities by offering them a minimum number of regular days of work each month.

The programme targets unemployed and underemployed people. The stipends participants receive supplement their existing livelihood means and provide them with a basic level of income security. They also assists those whose livelihood activities are insufficient to lift them out of abject poverty.

The CWP is an innovative offering from government to provide a job safety net for unemployed people of working age. It provides a bridging opportunity for unemployed youth and others who are actively looking for employment opportunities.
The programme provides them with extra cash to support them in their search for full-time or part-time employment. Programme participants do community work thereby contributing to improvements that benefit all community members.

Purpose of the CWP

- To provide an employment safety net. The CWP recognizes that sustainable employment solutions will take time, particularly in reaching marginal economic areas.
- To contribute to the development of public assets and services in poor communities.
- To strengthen community development approaches.
- To improve the quality of life for people in marginalized economic areas by providing work experience, enhancing dignity and promoting social and economic inclusion.

The rationale for availing 8 days of work a month in the CWP was in order to allow participants to engage in other income generating activities for the remainder of the month. The idea was that most unemployed people would not normally sit and do nothing while unemployed. Instead they would find some "piece jobs," take up part-time or casual employment or self-employment.

The plan for Karoo Hoogland LM will focus on Local Economic Development in all the wards the key development issues to be address by the CWP anchor sector is;

- Economic Tourism and Environment
- Economic Job Creation
- Education
- Heath and Social

JOBS CREATED THROUGH CWP

3LDevelopment was appointed as the new implementing agent for the Community Works Programme in Karoo Hoogland from 1st April 2019. The total amount of participants in the programme is at 429 out of site that need to have 550 beneficiaries. Registration on this programme is continuously as beneficiaries leave the programme for better employment opportunities.

The municipality actively participate in the **Northern Cape Economic Development Forum** to report and ensure that economics changes are implemented on a local level.

Th following programmes was conducted to empower **Small Medium Enterprises**;

- SEDA Training for Small Enterprises 13 June 2018.
- Roggeveld Windfarm Engagement Meeting 12 June 2018
- Nordex Energy Roggeveld Wind Farm Meeting 10 July 2018
- Community Mapping Introduction Meeting 25 July 2018
- EDD Roadshow Planning Meeting 7 September 2018
- Engagement Meeting between Building Energy, Nordex Energy South Africa 10 September 2018
- Community Engagement Meeting Job and Economic Opportunities 23 October 2019
- Engagement Meeting with Nordex Energy South Africa 15 October 2019
- Economic Development Department 20 October 2018
- Sutherland Economic Survey 12 November 2018
- SEDA Information Session 13 November 2018
- CIPC Business Registration 29 November 2018

OTHER JOBS CREATED THROUGH CAPITAL PROJECTS & SECTOR DEPARTMENTS

With the commenced of construction on Capital Projects funded through MIG the following amount of jobs was also created:

2016/2017

CAPITAL PROJECTS (CONTRACTORS)

Project:	Ward:	Amount of jobs:	Duration
Rebelskop Stormwater upgrading	4(Sutherland)	15	18 months
Paving of Streets Williston	1(Williston)	20	18 months
Sutherland Bulk Water Network	4(Sutherland)	15	6 Months
Sutherland Sport Facility	4(Sutherland)	15	6 Months

2017/2018

Water Reticulation Network	4(Sutherland)	15	12 months
Williston Borehole Phase 1 Construction	1(Williston)	4	4 months

2017/2018

DEPARTMENT OF PUBLIC WORKS

Reseal of Fraserburg/Leeu Gamka Tar Road	2(Fraserburg)	20	6 months
Reseal of Fraserburg/Williston Tar Road	2(Fraserburg)	20	6 months
Reseal of Williston/Carnarvon Tar Road	1(Williston)	25	6 months
Maintenance of Provincial Tar Roads	4(Sutherland)	15	6 months

2018/2019

Department of Environmental Affairs and Nature Conservation

- Williston Bricklaying 20 people
- Fraserburg 20 people
- Sutherland 20 people

Department of Public Works

- Reseal of Fraserburg/Leeu Gamka Tar Road 6 months
- Reseal of Fraserburg/Williston Tar Road 6 months
- Maintenance of the Calvinia road 3 months

2018/2019 – MIG Projects

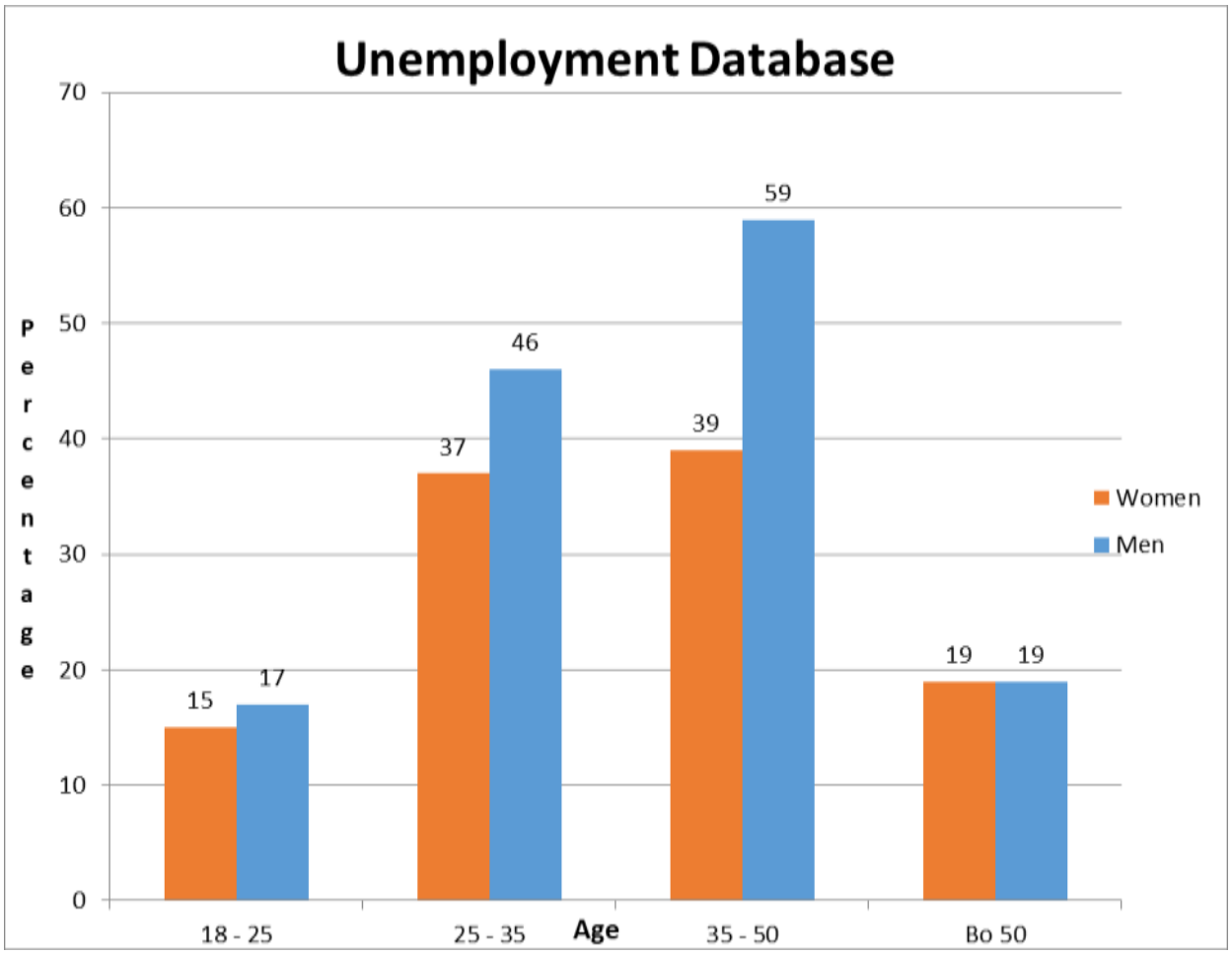
Bulk Water Supply	1	(Williston)	20
Upgrading of Streets	1	(Williston)	30
Internal Water Network	3	(Sutherland)	10

UNEMPLOYMENT DATABASE

Karoo Hoogland Municipality compiled a registration process for unemployed jobseekers to complete a formal registration form of their employment status, the application form is available on the website of the municipality for jobseekers that have access to internet facilities to download the form and complete and send it back via the municipal's e-mail address, the application form is also available at the offices of the Community Development Workers (CDW's) and at the offices of the municipality.

Jobseekers get employed according to the criteria of the municipality and needs of the individual. They get employed through the EPWP projects, CWP, Sector Departments and the municipality.

In 2018/2019 through the assistance of Nordex Energy South Africa an unemployment databases was created for job seekers in **Sutherland.**



The following priorities were revisited in 2018/2019 and personnel actively took part to ensure the reaching of these goals – however not all were achieved:

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

Programmes:

- Economic Growth and Development
- Poverty Alleviation
- Tourism
- SMME Development

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.

ENVIRONMENTAL PROTECTION

The municipality does not provide these services as it is a provincial function and services are provided by Namakwa District Municipality.

HEALTH

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

There are a total of 3 clinics in the municipal area. According to CSIR planning standards there should be 1 hospital per 25 000 people and 1 clinic per 5 000 people.

Because of the distance of the clinics communities have requested for mobile unites to serve them but also to assist those living in the rural areas.

HEALTH INSPECTIONS AND ABATTOIR

The services is rendered and financed by Namakwa District Municipality on a contract base to the municipality.

SECURITY AND SAFTY

Fire and Disaster Management 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 assist us with it.

It is critical that the municipality galvanizes community structures to assist the police services to prevent and combat crime. At the local level Karoo Hoogland LM should focus on the development of effective by laws including whistle-blowing on corruption and fraud and encouraging the participation of council and residents in Community Policing Forums and other activities aimed at eliminating criminal tendencies.

SPORT AND RECREATION

The municipality has sport grounds in Williston and Fraserburg which are maintained by municipal staff. The current focus of the municipality is to maintain the existing sports facilities. A sport facility will be constructed for Sutherland however this is a multi-year project as the MIG funding will be used. It commenced in 2018/2019.

The municipality will work closely with the Department of Sports and Recreation to assist sporting codes with training and equipment to develop the various sporting codes and to be active for the years to come.

COMMUNITY PARTICIPATION

The medium for communication includes Municipal newsletters, Annual Report, local and National Newspapers, Ward committee system, Community Development workers (CDW's), as well as loud-hailing.
The Local Municipality has been incrementally increasing public participation, however there is a need to increase the number of residents and communities. The present reliance on the intermitted and often fragmented processes of consultation and participation orchestrated through IDPs and budgeting processes are inadequate. The municipality would be revising its public participation and communication strategies. The municipality would further enhance existing IGR structures to improve public participation. The municipality sustained a good relationship with its internal and external stakeholders. Traditional leaders participate in the council meetings and also take part in the IDP consultation process through the office of the Mayor.

Other structures that participate in the IDP development are as follows:

- CPF (Community Policing Forum)
- NGO's and CBO's
- Farmers associations
- CDW's (Community Development Workers)
- ESKOM
- Sector departments and the District municipality
- Early Childhood Development Centres
- The Aged centres
- Women Caucus
- Local Aids Council
- Disability forum
- Provincial and National sector departments

COMMUNITY PARTICIPATION CHALLENGES

- Lack of budget for communications
- Shortage of communication personnel
- Lack of working resources- branding material
- Capacity building
- No enough coverage of municipal good news- units do not submit for both newsletter, website, print
- media in general

PROGRAMMES (OFFICE OF THE MAYOR)

Through the Office of the Mayor the municipality have budgeted to support special programs for the 2017-2018 financial year that will focus and address to attend to social matters in the Karoo Hoogland municipal area however more needs to be done to concur the social injustices. The office of the mayor will embarked on the Community Works Program (COGTHA) and One House Hold One Hectar/One Household Two Dairy Cows programme, One Rural Ward One Intergrated Development Centre (Department of Rural Development and Land Reform to address socio economic Development.

The right to food is entrenched as Constitutional mandate in RS, i) Section 27 (1b) of the Bill of Rights "every citizen has a right to have access to food and water" ii) Senction 28 (1c) every child has the right to basic nutrition, shelter, basic health care and social services'', iii) Section 35 (2e) "every detained person and sentenced prisoner has a right to adequate nutrition.

The National Development Plan identifies food security and nutrition as both a consequence of poverty and inequality as well as cause. As a result the NDP makes reference to a number of steps that will improve food security and nutrition including the expanded use of irrigation security of land tenure (especially for women) the promotion of nutrition education etc.

Government of South Africa introduced the outcomes approach as a programme of action to realise service delivery. DAFF prioritizes its effort on three Outcomes: 4 promoting job creation; 7 ensuring vibrant equitable and sustainable rural communities to attain food security for all and 10 environmental sustainability.

THE OBJECTIVES OF THE 1HH1HA PROGRAMME:

- Contribute to the reduction of Poverty in rural areas;
- Revive a caliber of highly productive Black Commercial Smallholder Farmers;
- Build a sense of security of tenure increase the involvement of individual household in production activities and minimizes controversies on CPI lead landed projects
- Create viable rural small to medium agricultural enterprises;
- To build competencies and broaden the skills base targeted households and communities;
- The restoration of the Social Capital and beauty of uBuntu as the currency that cements social cohesion among rural households.
- Rebuilding the sanctity and dignity of family life as most critical success factor in the Rural Socio-economic Transformation efforts of the state.

BENEFITS FOR THE 1HH1HA PROGRAMME

- Job creation and people employed
- Business
- Beneficiaries development
- Health benefits
- Poverty alleviation and food security
- Tenure security
- Access to land for production
- Household Income
- Access to markets
- Skills

YOUTH AND THE AGED

- Organise and coordinate youth programmes within the municipality
- Initiate and run youth developmental programmes
- Organise seminars and educational workshops on various issues such as health, career guidance, business management etc.
- Network with National and Provincial and District agencies aimed at youth development
- The youth are faced with a huge challenge of unemployment
- Inadequate educational facilities/institutions such as technikons, FET colleges and Universities
- Poverty alleviation programmes for the youth
- Inadequate old aged homes for the elders

WOMEN

Women across the municipality are faced with a number challenges that needs the attention of government and the society to act on and ensure better living of women. The municipality, through the Office of the Mayor, will established a Women Caucus Forum that will pay attention to issues of women. The role of the will forum is to establish and co-ordinate programmes and also deal with problematic issues that impacts negatively on women.

THE DISABLED

While there is limited information on employment rates for the disabled, low literacy, low employment rates and widespread social stigma are making it difficult for disabled people to participate in economic activities in the municipal area. It is vital the municipality and other governmental agencies should create conditions for the disabled to access educational and employment opportunities. In addition, the municipality endeavours to facilitate:

- interventions that will include deepening preventative health programs
- screen all children at a young age
- empower disabled young adults with employable skills
- encourage the private sector to employ people with disabilities
- ensure full integration by overcoming stigma
- promote newer thinking and better coordination of programs
- Improve the measurement of disability to ensure that the scale of disability is better understood.
- In addition, the public participation processes in the municipality should actively encourage persons with
- Disabilities to be visible and active participants in the development process.

5 MORAL REGENERATION CHARTER

There is a global observation that people have gone astray from their cultural norms and values, religion and believes. The role of the forum is to establish structures that will assist making co-ordination much easier. The office of the Mayor will play a major role by developing programmes that will realise the objectives of the forum identified special groups needs are:

- Transport to attend meetings
- Skills development programme
- Employment opportunities that will help meet 2% target
- Brail machine for the visual impairment (Disabled group)
- Stationary for all special schools and centres
- Provision of water and electricity in needy centres
- Financial assistance to the youth
- HIV/AIDS council co-ordination
- Old-aged centre requires a building

EARLY CHILD DEVELOPMENT (ECD)

Centres for early child development have been established in most of the villages. Some of these centres get support from the Social Development department whilst others depend on contributions by beneficiaries. The office of the Mayor is constantly meeting with representatives of these centres with an aim to give support where necessary. The municipality has to develop programmes that will help alleviate challenges the ECD centres are faced with.

Challenges facing ECDs are:

- Lack of proper learning centers
- Funding
- Inadequate support by National, Provincial and both local and district municipalities

CHILDREN'S RIGHTS

The municipality was chosen along with two (2) others to participate in a sponsored programme conducted by Save the Children South Africa (Scsa) for the purpose of mainstreaming children's rights into local government. The project aimed to address the absence of municipal action plans for children or child rights strategy, absence of a dedicated budget for children's issues, minimal participation of children in decisions that affect them; lack of coordination forums for children's issues, and no policy for children's issues.

The municipalities need to developed a municipal action plans for children which will service as a guide to mainstream children's and prioritise children's issues within the integrate development plans and budget. A focal point to this initiative is the establishment of Ward-based children's committees to create a platform for children to participate in Municipal decision-making processes.

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 2016/2017 financial year, however they did not claim it.

COMMUNITY FACILITIES

The municipality has a community hall in Williston and two in Fraserburg. The one in Amandelboom (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 Sneeuvlokkie 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. New Supply Chain regulations makes the renting of venues very difficult as more than three quotations should always be obtained.

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. During 2018/2019 the records management department's policies, resources, responsibilities, training, strategic plan, classification system, procedures and storage as well as update the File Plan was prioritized. (also for Electronic Document Management).An Action Plan was drafted and attended to with regular input and assistance from Internal Audit and the District Municipality. A few outstanding policies still need to be revised and developed.

In the 2015/2016 financial year all office personnel received personalized email accounts which includes your first letter of your name and your surname @karoohoogland.gov.za – The karooadmin@karoohoogland.gov.za email account's traffic increased to over 5700 emails for the 2016/2017 year. As companies and community members become more "internet savvy" they tend to make more use of email than faxing. During 2017/2018 the Archive/Registry email also became more active and weekly emails are being distributed via email from info@karoohoogland.gov.za – It is

however not possible to give the correct amount of emails as emails are received on all email addresses and about 30% of emails received are junk emails. Correspondence must be distributed within 3 days and 80% of the time that is achieved.

FINANCIAL PERFORMANCE 2017/2018 : LIBRARIES,ARCHIVES,MUSEUMS,COMMUNITY FACILITIES			
Detail	Budget	Actual	Variance to Budget
Total Operational Revenue	1,688,300	1,744,424	Over collect
Expenditure:			
Employees	1,319,100	1,222,781	Underspent
Repair and Maintenance	44,500	138,890	Overspent
Other	456,800	256,394	Underspent
Total Operational Expenditure	1,820,400	1,618,065	
Surplus /(Deficit)	-132,100	126,359	

FINANCIAL PERFORMANCE 2018/2019 : LIBRARIES,ARCHIVES,MUSEUMS,COMMUNITY FACILITIES			
Detail	Budget	Actual	Variance to Budget
Total Operational Revenue	2,357,700	1,743,188	Underspent
Expenditure:			
Employees	2,345,600	1,412,838	Underspent
Repair and Maintenance	309,400	338,665	Overspent
Other	356,600	382,967	Overspent
Total Operational Expenditure	3,009,600	1,618,065	
Surplus /(Deficit)	(651,900)	(391,282)	

3.13 CEMETERIES AND CREMATORUIMS

The Municipality has a cemetery in each of the towns which are maintained by municipal workers. The Municipality does not have any crematoriums operated by municipal personnel however the municipality owns a few mortuaries which are being rented for that purpose.

Adequate provision is made for cemeteries in all three wards. Priority will be given to investigate new sites for future generations.

FINANCIAL PERFORMANCE 2017/2018 : CEMETERIES SERVICES			
Detail	Budget	Actual	Variance to Budget
Total Operational Revenue	9,000	11,906	Over collect
Expenditure:			
Employees	0	0	
Repair and Maintenance	1,000	2,080	Overspent
Other	0	0	
Total Operational Expenditure	1,000	2,080	
Surplus /(Deficit)	8,000	9,826	

FINANCIAL PERFORMANCE 2018/2019 : CEMETERIES SERVICES			
Detail	Budget	Actual	Variance to Budget
Total Operational Revenue	12,700	5,433	Over collect
Expenditure:			
Employees	0	0	
Repair and Maintenance	0	0	
Other	1,000	0	
Total Operational Expenditure	1,000	0	
Surplus /(Deficit)	11,700	5,433	

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.

	2015/2016	2016/2017	2017/2018	2018/2019
Graveplots/burials :	97	131	54	43

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.

The Williston Drop In Centre received a grant to build a new Multi-Purpose Centre. They requested land from the municipality to build this Centre and an area was identified. The Spatial Planning processes for this centre commenced in 2016/2017. The centre was built during 2017/2018 and the transport of the erven was delayed and commenced in 2019/2020 only.

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.

Protecting the Natural Environment is a priority for Karoo Hoogland taking in consideration with specific reference to global warming which contribute to climate change.

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 2018/2019 financial year, no failures occurred in terms of safe drinking water. When failures would occur, the community are 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. A report in this regard was received in 2015/2016 and business plans to address the problems identified followed in 2016/2017. The Final Provincial Plan/Strategy for Air Quality Management has been compiled by the Department of Environmental Affairs and implementation will commence in 2018/2019 and 2019/2020 after proper consultation with municipalities.

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.

Indoor air quality is a major determination of personal exposure to pollutants in today's world. Manny people spend much of their time in numerous different indoor environments.

The ambient air quality of South Africa is regulated by the National Environmental Management Air Quality Act 39 of 2004 governed by the constitution which states that everyone has the right to and environment that is

not harmful to their health or well-being. One way to characterize indoor air quality is to examine typical residence for levels of pollutants that are common place. Another way is to examine energy efficient residences to determine which pollutants if any are at increased levels.

Sutherland is a town with about three thousand inhabitants in the Northern Cape Province it lies in the western Roggeveld Mountains in the karoo. Sutherland is the coldest town in South Africa with an average yearly temperature of 11.3 degree Celsius and an annual minimum temperature of 2.8 degree Celsius snowfall is common in winter. The coldest temperature recorded in Sutherland was – 16.4 degree Celsius on 12 July 2003 the climate in the region is semi-arid.

3.16 BIO-DIVERSITY (INCLUDING 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 has 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.

Karoo Hoogland is home to wide variety of bulbs, riverine rabbit, 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.

There is a need for collaboration amongst all stakeholders and the Northern Cape Government needs to play a leading role in this regard. The municipality try to attend all forums with regard to Climate Change and have already submitted business plans to DENC. However it was unsuccessful in the 2015/2016 year. The municipality is fully aware of the impact Climate Change has and the indirect effect on the environment as 2014/2015, 2015/2016 and 2016/2017 were very dry years where most of the municipal rural areas still have a harsh drought. Water restrictions have been implemented as per request from Department of Water Affairs since October 2015. Action Plans and projects were drafted to address these eminent issues in 2018/2019 and precautionary measures to be set in place in 2019/2020 to minimize the risk of having less and less water in the future.

Namakwa District Municipality compiled a District Climate Change Vulnerability Strategy (after a full scale assessment was done) for implementation by all seven municipalities within the District. The ideal would be that all future developments must adhere and align to this Strategy.

Climate

"Climate change" refers to any change in climate over time, whether due to natural variability or as a result of human activity. Current climate change, often referred to as global warming, is caused by the emission of large amounts of Greenhouse Gases and is a direct result of human industrial activities. The United Nations Framework Convention on Climate Change (UNFCCC) defines climate change as "a change of climate which is attributed directly or indirectly to human activity that alters the composition of the global atmosphere and which is in addition to natural climate variability observed over comparable time periods."

Rainfall

Rainfall in the Namakwa District is already very variable, and very low compared with the rest of South Africa. There are already noticeable water constraints that impact on the ability of municipalities to deliver water services effectively. Median and worst case scenarios predict a decrease in rainfall for Namakwa's winter rainfall areas, with average annual rainfall projected to decrease by up to 30% along the west coast by 2100. This drying trend is particularly strong towards the end of the rainy season. Changes in weather patterns in the summer rainfall areas can be expected as a result of climate change and the Namakwa District is likely to experience some combination of the two rainfall impacts. A best case scenario to 2050 indicates there may some early increase in rainfall, followed by drying later as frontal systems shift southwards. There are likely to be more frequent and more intense rainfall related extreme weather events such as droughts and storms. The NDM is already drought prone, and while little change is projected in the immediate future, droughts are expected to increase in frequency and severity by up to 50% towards the end of the century.

Temperature

The Karoo Hoogland LM is already a hot place, with summer day-time temperatures regularly reaching the high into the 30s Celsius. Climate scientists predict a rise in average temperatures as a result of climate change. A significant trend for increasing temperatures is already shown by weather stations in the Northern Cape tacking temperature data from 1960-2003. Under a relatively unmitigated scenario for future climate change, the Namakwa District can expect a 1-3°C increase in temperature along the coast by 2050, rising to a 3-4°C increase in temperatures by 2100. The interior can expect greater increases in temperature, between 3-6°C increased in temperatures by 2100.

Coastal Processes

According to the IPCC (2007), sea levels are projected to rise globally by 15 to 95cm by 2100. The coastline may be impacted by 'storm surges' and rising sea levels. The town of Port Nolloth, for example, has been affected by storm surges in the past (most recently in 2009) and may be at risk from the same in the future. Although overall vulnerability to these processes is fairly low due to a steep, rocky coastline evolved in response to historical big swell and wave action, there are nodes of vulnerability around towns, fishing fleets, and estuaries.

Impacts Analysis

A combination of increasing temperatures and reduced and/or more variable rainfall could have severe negative impacts for the Namakwa District. The municipality is characterized by fairly high levels of poverty and inequality, isolated communities, and a large geographical area, which results in a vulnerable population. Large numbers of people, both private and communal, are also directly dependent on agriculture, and therefore on functioning ecosystems and water regimes, for their livelihoods. These are sensitive to climate change. Water quality and availability will likely be the greatest area of impact in the Karoo Hoogland.

Conclusion

Climate change threatens food security, poverty alleviation and sustainable socio-economic growth, core mandates of the municipality. Climate change will impact persons and groups that are already vulnerable. Policy decisions taken in the next decade will largely determine the dimension of the impact of climate change. Eco-systems-based adaptation approaches, using nature and biodiversity to help people cope with and respond to the negative impacts of climate change, will have an important role to play in the Karoo Hoogland.

Local government is in the front line of implementation and service delivery, and thus local government needs to pursue adequate mitigation and adaptation strategies, which should include participation from the public sector, the private sector and NGOs. There is a need for collaboration amongst all stakeholders. It is also necessary that progressive planning and risk assessment must be done to minimize the effects of climate change. In the case of the Karoo Hoogland municipality these risk assessments have already been completed in the Disaster Management Plans for each municipality and the Climate Change Vulnerability Assessment for the District.

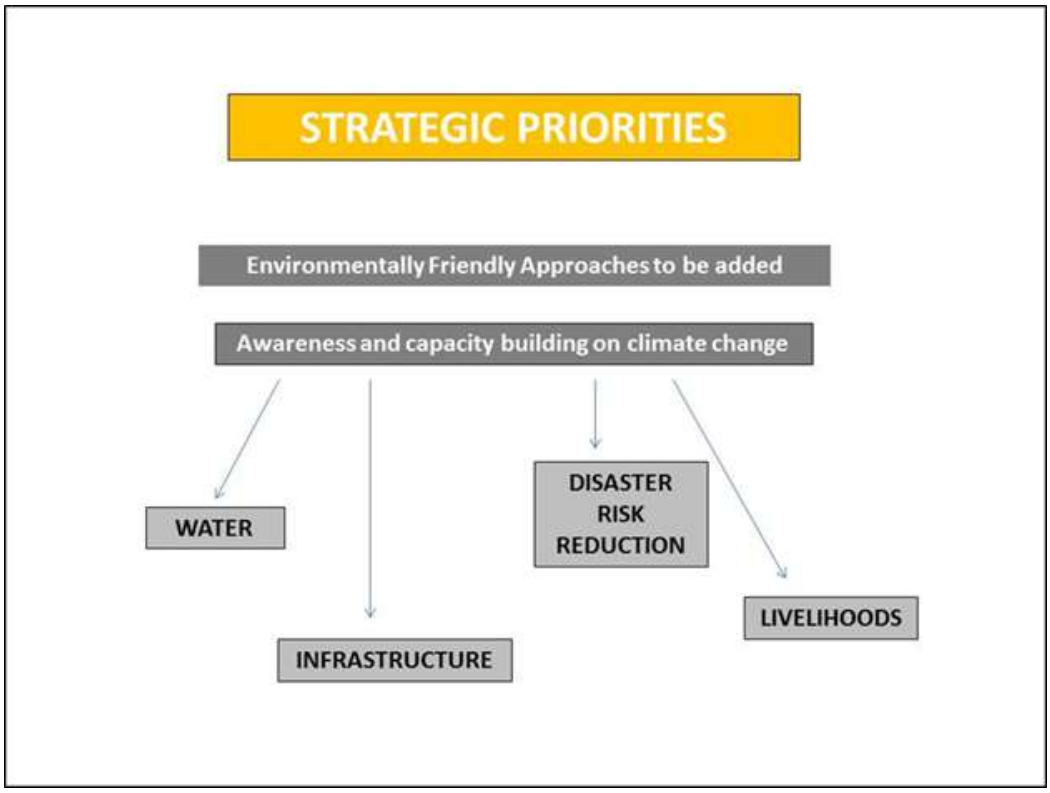
Planning can include:

 Over the short term: Disaster risk reduction and disaster relief preparedness, early warning systems for adverse weather, pest and disease occurrence; adequate support for vulnerable groups; equitable disbursement of financial assistance; and the identification and prioritised sustainable management of ecosystems (including agricultural lands) that provide critical ecosystem services such as water retention and flood protection, and their restoration where these are damaged or compromised.

 Over the medium term: Develop an enhanced understanding of longer term climate variability and change and use this to devise adequate disaster management for affected regions; develop sector-specific strategies to cope with variability as a precursor for adaptation to long term climate trends. This could include working with farmers to test and adopt best practices for land and nature resource management in order to quantify the benefits and overcome the challenges of adaptation approaches, restoration and maintenance of key ecosystem services (grazing land, rivers, and wetlands).

 Over the long term: Significant investments in new adaptation tools, technologies and techniques in conserving, rehabilitating and restoring natural ecosystems to continue to improve the ability of people and society to withstand the adverse impacts to climate variability and climate change at all time frames.

While the short term planning needs can be easily addressed in IDP processes, medium and longer term processes should be incorporated into a climate change response plan linked to the Northern Cape Climate Change Response Strategy.



BACKGROUND: The purpose of the Karoo Succulent Ecosystem Programme (SKEP) is to provide for the conservation of the biome known as the Succulent Karoo. This biome covers approximately 116 000km² and stretches from the south-west to the north-west of South Africa and southern Namibia. It is considered an international biodiversity hotspot, comprising a diverse range of flora, reptiles and invertebrates, many of which are endemic to the region. However. Only 3, 5% of this biome falls under formal conservation areas and there is pressure on the environment from humans in the form of mining, crop agriculture, and ostrich farming. Overgrazing, illegal collection of fauna and flora, and climate change. In response to these threats, the SKEP programme was developed.

One of the outcomes of the programme was the delineation of nine geographic priority areas with the Succelent Karoo biome. The delineation process undertaken was as follows, "These areas were delimited based on agglomerations of high irreplaceability planning units (few components of key ecological processes. Where the priority areas bordered one another the boundaries were defined on the basis of biotic discontinuities, e.g fundamental differences between the biota of the sandy coastal plain compared to the granite Namaqualand uplands. Within each of these geographic priority areas, fines scale conservation planning will be required to guide local land-use planning and decision-making and for reserve design."

These 9 geographic regions are listed as follows:

Bushmanland Insebergs
Central Breede Valley
Central Little Karoo
Cenral Nanaqualand Coast
Greater Richtersveld
Bokkeveld-Hantam-Roggeveld
Knersvlakte
Namaqua Uplands
Spergebiet

A portion of the Karoo Hoogland is covered by the Bokkeveld-Hantam-Roggeveld geographic priority area and must be considered in terms of planning and conversation initiatives.

It is important to ensure that long term environmental sustainability is promoted through the planning process. The biodiversity principle and land use guidelines proposed for Karoo Hoogland in terms of the Namakwa District Biodiversity Sector Plan 2008 are therefore supported with regard to long term sustainable planning.

The Biodiversity Sector Plan, 2008 identifies Critical Biodiversity Areas (CBA's) in terms of the landscape terrestrial and aquatic features that are critical for retaining biodiversity. The categories and recommended land use activities are briefly discussed hereunder.

At present, these are broad advisory statements to guide planners and provide better informed
Spatial Development Frameworks and Integrated Development Plans. The situation on the grounds should still be verified by an ecologist before a decision on land use taken.

Water Conservation

A water Conservation and Water Demand Management strategy must be implemented to reduce water losses in all three towns. Rain water harvesting can potentially benefit individual household and Municipality by reducing the strain on the existing ground water resources. Re-use of effluent from the waste water treatment works must be investigated against the cost and technical requirements.

Water bodies

Dams and rivers that form part of the Water Supply system, or any water resource, should be managed in a sustainable way, especially when development or change in land use is envisaged. Compliance with the requirements of the Department of Water Affairs, when developing around dams, alongside rivers or when

crossing rivers or streams, is a prerequisite. Proposed watercourses crossing must be placed in areas where the impact on the watercourse will be minimal.

In terms of the National Water Act 1998, no development shall be permitted below the 1:100 year flood line, to be determined by professional engineer. A 100m buffer for rivers was demarcated for non-perennial rivers due to the absence of flood line calculations. Wetlands and perched water tables need to be identified and protected from being encroached on by development.

HERITAGE

National Heritage Resource Act, 1999 (Act 25 of 1999), provides for the establishment of the South African Heritage Resource Agency (SAHRA), and a Provincial Heritage Resource Authority in each province, which replaced the National Monuments Council (NMC). The Northern Cape Heritage Resources Authority is Ngwao Boswa Kapa Bokoni (Heritage Northern Cape), commonly known as Boswa. SAHRA and Boswa are obliged to identify those places tha respectively have special national and or provincial significance in terms of heritage assessment criteria. A heritage resource is protected by law from certain actions (alteration, subdivision, and change in land use) without the necessary contents from relevant authority.

In terms of types of protection of heritage resources, the well-known category of national monument has replaced or modified by a category of provincial heritage site for sites of outstanding national importance. The new scope of the act allows members of the public to identify places with qualities that are of special national or provincial significance to be declared national or provincial heritage sites.

In Karoo Hoogland are several identified heritage sites with one heritage house identified in Sutherland. Fraserburg has a heritage grid in the town which consists largely of heritage houses and Parsonga Church. Williston has in excess of 10 houses identified with heritage characteristics and the bulk of these are the corbelled houses which are unique to this area.

The availability and accessibility of resource (natural or human) determines the potential for economic development of a specific area. The Main economic sectors of the Karoo Hoogland Municipality are agriculture and tourism.

The largely area of the Karoo Hoogland is characterized by sheep farms and small towns with agriculture forming the backbone of the Karoo Hoogland economy.

With the amalgamation of the three towns of Williston, Fraserburg and Sutherland into one municipal area, a strategy has to be devised to link these towns economically and to ensure and integrated approach in the economic rejuvenation of these towns.

Historically, this area is dominated by farming, in particular sheep farming, with the climate, vegetation and large tracts of grazing land ideally suited to this economic pursuit. Large areas of this municipal area are still dedicated to sheep farming and, as a result, the towns are characterized by limited infrastructure development, low population density and large scale poverty due to limited employment opportunities.

Kruisrivier : Reburial
The University of Cape Town under the leadership of Professor Loretta Feris about human remains that was unethically obtained in 1920's. These remains was donated by a farmer Cornelius Coetzee from Kruisrivier Sutherland.

The remains of 11 people of which 9 is from Sutherland area. To restore the injustice caused by the illegal removal of the human remains and to return it to the descendants in Sutherland and drive the process of re-burial consultation took place with the families other stakeholders, leadership as well as the broader public.

At a council meeting Karoo Hoogland nominated Mayor VC Wentzel, Councillor Jeremy Davids and Mr Allistar Gibbons to be part of task team that will ensure the process of reburial will be done according to the law.

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 (twinning) agreement. A range of joint projects were identified through a series of community workshops and LED funds were granted in 1999/2000 to kick start 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 SALT collateral benefits Plan. Education, Economic Development and Tourism are addressed through this agreement and a dedicated department has been established. SALT itself is a major tourism destination but remains predominantly a research facility. To expose the public and especially children to astronomy is part of their future goals.

SALT Astro Tourism has become a main contributor to economic growth in the Municipality. Through SALT Astro Tourism is popular among South Africans and a total number of 10 000 tourists visit the facility annually.

SKA

The Karoo Array Telescope (MeerKAT) project involves the construction of a world call radio telescope 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 an agreement between them and Kareeberg Municipality for 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.

SKA also fund the revision of the SDF in 2017/2018 and 2018/2019 as mentioned earlier.

The municipality envisages to sign a twinning agreement with the SKA built on and expand the current twinning agreement with SALT.

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 promised to assist with projects to address the current veld Detorization situation in 2015/2016 and 2016/2017 and 2017/2018, however no assistance was given. We look forward to 2019/2020 for assistance and better working relationships.

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

The Commonage policy enjoyed attention during 2017/2018 to be aligned with national and provincial strategies and vision. It was approved by Council during May 2018.

The municipality revised its commonage policy for better cooperation between the municipality and small scale farmers as from 1 December 2018 the commonage land of the municipality is 100% occupied by previous disadvantage farmers. However the municipality need assistance in terms of infrastructure and maintenance of these farms and commonage land.

3.19 APPLICATIONS AS WELL AS ENVIRONMENTAL IMPACT ASSESSMENT NOTIFICATIONS RECEIVED FOR DEVELOPMENTS OF RENEWABLE ENERGY & MINERAL MINING

WINDFARMS & 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 commenced

ROGGEVELD WINDFARM // SAVANAH ENVIRONMENTAL

SPLUMA Application approved

SUURPLAAT WINDFARM // SAVANAH ENVIRONMENTAL
Applications in progress

SUTHERLAND RIETRUG RENEWABLE ENERGY FACILITY //ROODE & ASSOCIATES (2017/2018)
SPLUMA Applications approved

140MR BRANDVALLEY WIND ENERGY SOLAR FACILITY //G7 ENERGIES
Applications in progress

PROPOSED KOMSBERG EAST AND WEST WIND ENERGY FACILITY //EIMS
Applications submitted

MINERALS/MINING PERMIT APPLICATIONS

APPLICATION FOR MINING PERMIT BY POWER CONSTRUCTION (EDMS) LTD
Portion 3 of Farm 99 Jakhals Valley (Sutherland)

APPLICATION FOR MINING PERMIT BY SITE PLAN CONSULTING
Farm 209 Remainder (Sutherland)

STRATEGIC ENVIRONMENTAL ASSESSMENT FOR SHALE GAS BY CSIR AND OTHER DEPARTMENTS (2015/2016)
Study Area : Eastern Cape, Northern Cape and Western Cape and includes 27 local municipalities encompassing 171 811km^2

APPLICATION FOR PROSPECTING RIGHT (PROPOSED PROSPECTING OF URANIUM AND MOLYBDENUM BY SARMCO GROUP (PTY) LTD) WEALTH-AGE HOUSE OF CAPITAL
Includes about 29 farms in the Fraserburg Area within Karoo Hoogland Municipality

Applications for Borrow Pits and Quarry : Sutherland also approved during 2019/2020 to deliver material to the KARUSA and SOETWATER windfarms for construction.

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, 2016 and 2017 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 2018/2019 as well as prepare contingency plans for when disaster may strike. It was also mentioned in the Audit Committee that the Finance Department should budget for drought for the collection rate that might decrease as when farmers experience drought it has an effect on their payment of the accounts. This will be taken into consideration in the 2019/2020 financial year.

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 2018/2019 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 13069 people (including the rural areas).

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.

In 2017/2018 some fires occurred where houses burnt down in Williston where the District Municipality assisted the municipality. Four veld fires also occurred in our area.

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, SANDF, Provincial Traffic and other government departments are involved.

	2015/2016	2016	2017	2018
MOTOR VEHICLE ACCIDENTS REPORTED TOTALS :	18	23	14	16
FIRE RELATED ACCIDENTS REPORTED:	6	-	4	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 as well as by the Fraserburg Offices of this Department.

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. Only one by-law was gazetted in 2016/2017 and the need for a Law Enforcement Officer must be addressed. The Keeping of Dogs was promulgated on 7 November 2016 and a few more to follow in 2019/2020. Unfortunately no new by-laws could be promulgated during 2017/2018 or 2018/2019 due to budget constraints, but the need for by-laws became evident in 2017/2018 and 2018/2019 and will be addressed in 2019/2020 as well as the enforcement of these by-laws.

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, steal 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 grace 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 JA 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. However due to water restrictions the swimming pool did not open in the 2015/2016, the 2016/2017, 2017/2018 and the 2018/2019 year.

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 was 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 2016/2017 of the sport facility was at Rebelskop. This project planning phase commenced in 2015/2016 and the phase 1 construction commenced in 2016/2017.
- Construction of a new sport facility for the community continued in 2017/2018 and was finalized in 2018/2019.

FINANCIAL PERFORMANCE 2017/2018 : SPORT AND RECREATION			
Detail	Budget	Actual	Variance to Budget
Total Operational Revenue	2,500	2,075	Under collect
Expenditure:			
Employees	822,800	1,034,288	Overspent
Repair and Maintenance	208,000	64,784	Underspent
Other	26,500	6,147	Underspent
Total Operational Expenditure	1,057,300	1,105,219	
Surplus /(Deficit)	-1,054,800	-1,103,144	
FINANCIAL PERFORMANCE 2018/2019 : SPORT AND RECREATION			
Detail	Budget	Actual	Variance to Budget
Total Operational Revenue	(-12,100)	1,308	
Expenditure:			
Employees	1,139,100	832,670	Underspent
Repair and Maintenance	150,000	19,293	Underspent
Other	10,100	11,411	Overspent
Total Operational Expenditure	1,299,200	863,374	
Surplus /(Deficit)	(1,311,300)	(86,066)	

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 2017/2018 : EXECUTIVE AND COUNCIL			
Detail	Budget	Actual	Variance to Budget
Total Operational Revenue	1,963,800	2,118,547	Over collect
Expenditure:			
Employees	8,257,300	7,231,832	Underspent
Repair and Maintenance	0	7,710	Overspent
Other	2,370,700	5,804,986	Overspent
Total Operational Expenditure	10,628,000	13,044,528	
Surplus /(Deficit)	-8,664,200	-10,925,981	

FINANCIAL PERFORMANCE 2018/2019 : EXECUTIVE AND COUNCIL			
Detail	Budget	Actual	Variance to Budget
Total Operational Revenue	2,208,800	2,353,146	Over collect
Expenditure:			
Employees	8,984,700	7,576,580	Underspent
Repair and Maintenance	0	0	
Other	2,296,800	5,470,546	Overspent
Total Operational Expenditure	11,281,500	13,047,126	
Surplus /(Deficit)	(9,073,500)	-10,693,981	

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

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 and aligning the Organogram to the SDBIP and the IDP
- To develop a Performance Management System in 2018/2019

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

HIGHLIGHTS

The table below gives a brief description of all the highlights for Executive and Council during the 2018/19 financial year:

- ✓ **Council meetings:** Regular (almost monthly) Council meetings were held – attendance more than 70%
- ✓ **Ward committee meetings:** 3 ward committees were fully functional
- ✓ **Effective Service Delivery**: No service delivery protests during 2018/19
- ✓ **Performance agreements:** Performance agreements were signed by the Municipal Manager and all senior managers reporting to the Municipal Manager

Functional Committees of Council

- ✓ MPAC was fully functional and held regular meetings
- ✓ Regular Local Labour Forum meetings held
- ✓ Audit Committee held meetings regularly
- ✓ Health and Safety Committee members were appointed
- ✓ IDP & Budget Steering Committee held two meetings in October 2018 and March 2019

CHALLENGES

The table below gives a brief description of Executive and Council challenges during the 2018/2019 financial year:

- ✓ Functionality of ward committee in Ward 3 (no meetings were held)
- ✓ No Disciplinary Board established
- ✓ No Risk Committee
- ✓ Employment Equity Committee and Training Committee to amalgamate in 2019/2020
- ✓ Financial constraints for building maintenance Budget for equipment in the 2019/2020 and for future years

3.29 FINANCIAL SERVICES

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

DEBT RECOVERY 2017/2018			
Detail	Billed	Actual	% Collected
Property Rates	6,083,977	4,684,662	77%
Electricity	9,362,485	9,128,423	98%
Water	3,917,541	2,820,629	72%
Sanitation	3,845,733	2,999,671	78%
Refuse	3,107,541	2,330,655	75%
Other	801,452	485,392	60%
DEBT RECOVERY 2018/2019			
Detail	Billed	Actual	% Collected
Property Rates	7,189,200	5,130,886	71%
Electricity	9,920,268	8,654,053	87%
Water	3,043,914	2,222,940	73%
Sanitation	2,965,455	2,010,089	67%
Refuse	2,253,455	1,018,512	45%
Other	-	1,018,512	%

FINANCIAL PERFORMANCE 2017/2018 : FINANCIAL SERVICES			
Detail	Budget	Actual	Variance to Budget
Total Operational Revenue	12,636,800	11,460,500	Under collect
Expenditure:			
Employees	6,904,100	7,491,477	Overspent
Repair and Maintenance	77,000	13,037	Underspent
Other	8,593,000	5,886,028	Underspent
Total Operational Expenditure	15,574,100	13,390,542	
Surplus /(Deficit)	-2,937,300	-1,930,042	
FINANCIAL PERFORMANCE 2018/2019 : FINANCIAL SERVICES			
Detail	Budget	Actual	Variance to Budget
Total Operational Revenue	14,282,800	13,089,742	Under collect
Expenditure:			
Employees	8,097,900	7,974,621	Underspent
Repair and Maintenance	44,000	51,438	Overspent
Other	7,890,000	9,882,080	Overspent
Total Operational Expenditure	16,031,900	17,908,139	
Surplus /(Deficit)	(1,749,100)	4,818,396	

HIGHLIGHTS

The table below gives a brief description of all the highlights for financial services during the 2018/19 financial year:

- ✓ Standard operating procedures Implemented within the financial year and to finalise within 2019/2020
- ✓ Annual tenders implemented – Procurement Plan adopted
- ✓ Creditors Arrangements was made with SALGA and AG
- ✓ New valuation roll to be adopted as from 1 July 2018
- ✓ Supply Chain Policies reviewed and updated and strictly
- ✓ Investigations Committee appointed to investigate Irregular Expenditure and report in 2109/2020

CHALLENGES

The table below gives a brief description of the financial services challenges during the 2018/19 financial year:

Outstanding debtors

Outstanding debt was handed over to lawyers and dealt with accordingly. It need more attention in 2019/2020

Cash flow

The Municipality developed and adopted a cost containment policy as prescribed by national Treasury and strict measures are put in place to reduce expenditure.

3.30 HUMAN RESOURCE SERVICES

There are 93 posts approved on the current organogram and there are currently 6 vacancies on the approved organogram. The vacancies will be addressed in 2019/2020.

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 2018 was 83 permanent employees.

STATUS OF MANAGERIAL POSITIONS AS AT 30 JUNE 2019

- Municipal Manager was appointed on 1 February 2018 and his contract will terminate one year after the Local Elections in 2021
- Director: Corporate Services was vacant since May 2014, However on the new organogram the Directorate Corporate Services do not have a director.
- Director: Infrastructure Services appointed on 1 June 2016 on a permanent basis.
- Director: Financial Services was appointed on 1 July 2016 until 30 June 2021

SKILLS DEVELOPMENT AND TRAINING

The WSP was submitted in time in terms of legislative requirements.

All Councillors, some office personnel and general workers received training during the 2017/2018 year as well as the Municipal Manager.

Minimum Competency Level Training's process of recognition of prior learning commenced in June 2016. The Municipality received the Statements of Result in August 2018.

EMPLOYMENT EQUITY PLANS & IMPLEMENTATION REPORTS

- The Employment Equity Report (EE02 & EE04) was submitted on 19 December 2018
- The Employment Equity Forum held 2 meetings
- The Employment Equity Forum extended the duration of the current Employment Equity Plan (EE12) from 01 February 2018 to 31 December 2020, in order to develop a new Employment Equity Plan.

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, connectivity and communication. E-natis vehicle registration management are done by Department Transport. Council business is conducted from 16 different buildings spread over the whole servicing area including the three towns. Within the some 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 as no specialized IT personnel is employed by KHM. There is no need to appoint a permanent specialized IT person as most of the IT work is done by SEBATA.

The following policies were adopted by Council on 29 August 2017 effective from 1 July 2017 to adhere to audit outcomes and to regulate the IT departments work:

a. Change Policy and Procedure (ITC)
b. Patch Management Policy and Procedure (ITC)
c. Internet Acceptable Use Policy (ITC)
d. Back-up Policy and Procedure (ITC)
e. Physical Protection of IT Facility Policy (ITC)
f. User Account Management Policy (ITC)
g. IT Risk Management Policy (ITC)

EXTRACT FROM COUNCIL MEETING MINUTES OF 29 AUGUST 2017:

18.3 DRAFT IT POLICIES

The policies were distributed to Council.

RESOLVED THAT :

ii. Council take note of the following policies;
iii. Council add the following to the Internet Acceptable Use Policy that when it is proven that a staff member of KHM was responsible for contaminating the systems of KHM that the person will be held responsible for the cost in this regard (4.3 adjusted);
iv. The following policies be approved and implemented from 1 July 2017;
    a. Change Policy and Procedure (ITC)
    b. Patch Management Policy and Procedure (ITC)

c. Internet Acceptable Use Policy (ITC)
d. Back-up Policy and Procedure (ITC)
e. Physical Protection of IT Facility Policy (ITC)
f. User Account Management Policy (ITC)
g. IT Risk Management Policy (ITC)

v. That these policies be distributed to all personnel and that they sign for receipt thereof.

Also, the ICT policy were workshopped and adopted with council in 2018/2019 financial year for implementation in 2019/2020 financial year.

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. Some was purchased for new positions as the need arose. Our ICT equipment is mSCOA ready. A new Service provider for prepaid vending was contracted who didn't have the capacity to render the service as required by use and the contract had to be cancelled.

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 were 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 and in 2015/2016 two risk evaluations were done. In 2015/2016 the Internal Audit Team did not perform as well as expected and certain issues will be addressed in this regard. In 2016/2017 other options for Internal Audit Services were explored and investigated to have this unit be fully functional and so that they can report to the Audit Committee.

The Risk Evaluation / Assessment in terms of the 2017/18 financial period were done by Provincial Treasury in December 2016 and received in September 2017 in respect of the 2016/17 financial period. As a result of receiving the Risk register and Risk assessment only within the 2017/18 financial year, the Risk evaluation were accepted for the 2017/18 financial year.

The Municipality had a shared services agreement with the District Municipality for Internal Audit Services. The Risk Evaluation in terms of the 2018/19 financial period were done by 2 of the District Municipality's Internal Audit Interns, Ms. V. Larie and Ms. S. Mxokozeli, and by the municipality's Internal Auditor Ms. D. Smit during July 2018, and the Risk evaluation were accepted for the 2018/19 financial year.

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 2019/2020. However, some vacant erven have been advertised in 2013/2014 and are in the process of being sold and disposed of. Only 6 erven have been transferred to the new owners in 2015/2016. The other almost 63 were done and finalised in 2017/2018. The municipality also received assistance from CoGHSTA to help home owners who cannot afford the transfer costs and who has been living in their homes for a long time now without their deeds to be transferred in their names. This process commenced in 2015/2016 and all three towns will benefit from this effort to finalise transferring of deeds to their owners. This process completion will depend on the active participation of the community.

FINANCIAL PERFORMANCE 2017/2018 : PROPERTIES			
Detail	Budget	Actual	Variance to Budget
Total Operational Revenue	992,400	409,850	Under collect
Expenditure:			
Employees	926,100	813,137	Underspent
Repair and Maintenance	190,000	10,458	Underspent
Other	127,600	64,636	Underspent
Total Operational Expenditure	1,243,700	888,230	
Surplus /(Deficit)	-251,300	-478,380	

*2018/2019 Financial Performance : Properties

The Financial Performance for the Properties are Included in Community Facilities table for their financial performance

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

LEGAL SERVICES

Legal Advice was requested from external sources on quite a few matters. The Council used Van de Wall & Associates and GB Kempen & De Wet Nel in different cases and requests in the 2016/2017, 2017/2018 year as well as in the 2018/2019 year.

Council adopted and reviewed the following policies on 26 May 2017:

6.3 BY-LAWS & POLICIES : FINANCIAL ADMINISTRATION

Policies to which none amendments were made during the reviewing process :

a. Property Rates Policy
b. Credit Control Policy, Customer Care and bad debt
c. Indigent Policy (Deernis)
d. Budget Policy

e. Borrowing Policy
f. Write Off Policy
g. Gift and Reward Policy
h. Bank Investment and Interest Policy
i. Unauthorised, irregular, Fruitless and Wasteful Expenditure policy
j. Fraud Prevention Plan/Policy
k. Risk Management Strategy/ Policy
l. Road & Water Maintenance Policies

Policies to which some amendments were made during the reviewing process:

1. Subsistence and Traveling Policy *(Annual Travel tariff changes)*
2. Supply Chain Management Policy *(Prescribed changes from Provincial Treasury amended)*
3. Tariff Policy *(Tariffs changed)*
4. Ward Committee Policy *(Stipend changed to R500)*

RISK MANAGEMENT

Perform assessment as per approved risk assessment plan.
Report on findings on a quarterly basis should have been addressed in 2016/2017. However the report on the assessment from Provincial Treasury that was done in December 2016 was only received back in September 2017. Therefore it could only receive attention in 2017/2018. The MSCOA Risk Register was updated monthly since October 2015. The Risk register that was updated in July 2014 was revised and progress was reported on in 2016/2017 and in 2017/2018.

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.
- Progress on the Risk register should be reported quarterly and preventative measures should be put in place.
- Internal Audit should be established to be able to apply risk management effectively.

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 (Plan in place 2018/2019)

Outline Karoo Hoogland Local Municipality risk management activities that will be carried out in the 2018/2019 financial year. The risk management implementation plan for the Municipality should hereby be prepared to give effect to the implementation of the risk management policy and strategy and to sets out all risk management activities planned. However this area lacked attention due to no Internal Audit Unit or assistance from the District and sector Departments. This is a high risk area and should enjoy serious attention in the 2019/2020 year. Risk Evaluation should be done annually with assistance from Provincial Treasury.

Karoo Hoogland Local Municipality received assistance from Provincial Treasury with the development and implementation of the Risk Management Implementation Plan applicable to the 2018/19 financial year.

The Plan was approved by the Director: Risk Management NCPT, Mr. SM Ruiters, the Accounting Officer, Mr. JJ. Fortuin, and the Chief Financial Officer, Mr. SJ. Myburgh, on **03 April 2019**, whereby the plan was outlined as of from 01 April 2019 up to 30 June 2019.

COMPONENT J : MISCELLANEOUS

3.33 AIRFIELDS

Karoo Hoogland Municipality has one registered/licensed Airfield in Williston. However it was deregistered/delicensed in 2015/2016 because the maintenance cost is too high as well as the insurance. The maintenance of the airfield was privatized in 2018/2019.

Sutherland also has a privately owned airfield as well as a municipal airfield which are not registered. Sutherland municipal airfield was leased in 2018/2019 to Otto Gerntholtz. A Contract is in place. Renewal of this contract will be done during 2019/2020 as the lessee already indicated renewal.

COMPONENT K : ORGANISATIONAL PERFORMANCE SCORECARD

3.34 MUNICIPAL SCORECARDS

The Annual Performance Report for 2018/2019 is attached as Volume II. A Performance Management System was introduced at the Municipality during the 2018/2019 Financial Year this has been audited and a qualification has been issued. Reports are being extracted directly from the system as it forms part of the EMS system which is an integrated system. Moving forward the system is being refined to ensure that all reporting deadlines are met in terms of section 52 and section 72 of the MFMA. All the Municipal KPI's as approved by council will be contained in the system and all managers have been issued with their respective SOP's so that Performance Management can be properly evaluated moving forward from the 2018/2019 financial year.

3.35 B2B REPORTING

Monthly reporting on the Back 2 Basics template received from National Treasury are done regularly. However no feedback from this reporting has ever been received and the municipality do not find this reporting to be effective when no feedback are being received.

3.36 FREE BASIC SERVICES REPORTING

Government's Free Basic Service (FBS) commitment was borne out of numerous debates on ways to address the needs of the masses of impoverished citizens of South Africa. The right of all citizens to have at least a basic level of service is a right that is entrenched within the South African Constitution (Act 108 of 1996). This right has been actualized in government's commitment towards the provision

of Free Basic Water (FBW), Free Basic Sanitation (FBSan) and Free Basic Electricity (FBE) to economically disadvantaged communities (indigents).

The Department of Co-Operate Governance Human Settlements and Traditional Affairs (COGHSTA) is commissioning a provincial study to provide information and insight on the implementation status of municipalities, challenges experienced and support required.

A number of difficulties were highlighted in relation to the provision of FBS in existing documentation. These included the following:

- Statistics available do not provide a detailed picture of FBS at municipal level in the Northern Cape Province.
- There is a lack of information on the challenges faced by municipalities in delivering FBS.
- The impacts that FBS has on poverty is unknown.
- Information on which municipalities is experiencing difficulties and would require support in rolling out FBS is absent.

In rolling out of the study, COGHSTA require municipalities to completing the following templates monthly:

1. Municipal Free Basic Services assessment form.
2. Indigent statistical information.

Karoo Hoogland Municipality submit these monthly reporting templates regularly. Herewith an extract of the information requested in these reports and the municipalities status with reference to these questions:

POLICY DEVELOPMENT	
Indigent Policy	YES, Annual revision : 30 May 2018
Free basic water policy (including assessment of free basic water in a Rural Context and Free Basic Water Implementation for Farm dwellers)	YES, included in Indigent Policy, - not a separate policy
Free Basic Sanitation Policy	YES, included in Indigent Policy, - not a separate policy
Free Basic Electricity Policy (including Free Basic Alternative Energy)	YES, included in Indigent Policy, - not a separate policy
Free basic Refuse Removal Policy	YES, included in Indigent Policy, - not a separate policy
Credit Control and Debt Collection Policy	YES, Annual revision : 30 May 2018

FREE BASIC SERVICES INSTITUTIONAL ARRANGEMENTS	
Mechanisms to manage and monitor Free Basic services	Indigent Policy and monthly application forms

REGULATION		
Services bylaws with conditions as required by the acts.	Not in place - only Property Rates bylaw annually gazette	Would like assistance with regards to system monitoring and compliance
Mechanisms to ensure compliance with bylaws	Policies to ensure compliance annually revised, however still in the process of reviewing necessary bylaws	Would like assistance with regards to system monitoring and compliance
Registration of landfill sites	Fraserburg landfill registered - - AECOM appointed by the Dept of Environmental Affairs to register Williston and Sutherland landfill sites. – Williston and Sutherland Landfill sites received their licenses in 2016/2017. Sector Departments to assist to fund business plans to comply with license specifications and conditions in 2019/2020	
WATER CONSERVATION AND DEMAND MANAGEMENT		
Water conservation and demand management strategy	Not in place	Would like some assistance in this regard
PERFORMANCE MANAGEMENT AND MONITORING : FBS and Water service		
Performance management systems with FBS kpa's	In place - monitored by provincial treasury	Training on the full operation now in progress
Water service monitoring and evaluation (M&E) system	Not in place - to review and update Water Services Development Plan in 2015 November - updating the information - was tabled to Council in March 2016 and was adopted by Council on 26 April 2016 – This plan was also captured electronically by DWS in 2016/2017 and are annually revised.	

All indigents benefit from Free Basic Services.

3.37 SERVICE DELIVERY PERFORMANCE REPORTING

Quarterly Service Delivery Performance Reports pre-set up by Provincial Treasury are being received annually which focus on infrastructure. These documents must then be populate for the year ahead and then quarterly targets should be set and reported on quarterly to keep track of performance. The municipality submit these reports within a month after a quarter. It should however also be tabled to Council but because of all the other reporting and the information in this report also in the Director : Infrastructure's Report tabled at Council meetings and committee meetings these reports have not been tabled. It will be a priority in 2019/2020.

3.38 CONTRACT MANAGEMENT

Contract Management is a function in the Office of the Municipal Manager. To manage the administration of contracts to ensure compliance with contractual terms and conditions. This function is however partially attended to by the Manager: Administration. Contract management has found to be a very difficult issue since 2010 because of the following:

- No policies that regulate a specific process and procedure to ensure open, transparent and equal opportunity for the community to be able to lease or rent from the municipality.
- Different Municipal Managers have different opinions and procedures which they deem to be correct
- Different Standards and legislation need to be adhered to.

These issues has now become priorities and the need for a policy to be drafted and approved by Council on how to regulate these processes and contracts will be addressed in 2019/2020.

Currently property are being leased from the municipality and current personnel have to work with old outdated contracts. The Municipality are in the process of getting their contract management up to date and also implementing the legislation where it has previously not been adhered to.

A Contract Register are being kept and updated as well as monitored quarterly to ensure compliance with the terms and conditions.

However, more effective control measures need to be put in place to ensure full compliance and a more transparent and uniform procedure to follow.

3.39 LGMIM

Local Government Management Improvement Model (LGMIM)

The National Development Plan (NDP) on a Capable and Developmental State envisioned that by 2030 we will have a developmental local state that is accountable, focused on citizen's priorities and capable of delivering high-quality services consistently and sustainably through co-operative governance and participatory democracy. The quality of management practices is critical to improving performance, productivity and service delivery within the public sector.

LGMIM provides an integrated and holistic view of a municipality's performance across several critical key performance areas, thus making it easier to prioritize areas that are in need of significant improvement and potential support. At the same time, LGMIM can assist sector departments and other stakeholders in identifying areas where frameworks and guidelines could be improved.

3.40 PERFORMANCE MANAGEMENT AND THE SDBIP

ATTACH THE 4TH QUARTER REPORT THAT WAS DRAFTED ON THE PROGRESS OF THE IMPLEMENTATION OF PERFORMANCE MEASUREMENT

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 provide all the functions/services. Management retained a healthy relationship with employees by meeting with recognized labour unions on the Local Labour Forum. The new Organogram was approved on 9 December 2015. Placements onto the new organogram commenced in June 2016.

COMPONENT A:

INTRODUCTION TO THE MUNICIPAL PERSONNEL

4.1 EMPLOYEE TOTALS, TURNOVERS AND VACANCIES

There are 93 posts approved on the current organogram and there are currently 9 vacancies on the approved organogram. . The vacancies will be addressed in 2019/2020.

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 2019 was 79 permanent employees, 5 fixed term contract employees, 4 Financial Interns, 2 Students and 18 Project workers.

STATUS OF MANAGERIAL POSITIONS AS AT 30 JUNE 2019

- Municipal Manager was appointed in February 2018 and his contract will terminate one year after the Local Elections in 2021
- Director: Corporate Services was vacant since May 2014, However on the new organogram the Directorate Corporate Services do not have a director.
- Director: Infrastructure Services appointed on 1 June 2016 on a permanent basis.
- Director: Financial Services was appointed on 1 July 2016 until 30 June 2021

Employees 2018/2019 (Actuals)				
	2017/2018	2018/2019		
Description	Employees	Approved Posts	Employees	Vacancies
	No.	No.	No.	No.
Water	3	9	7	2
Waste Water (Sanitation)	10	6	6	0
Electricity	2	2	1	1
Refuse	13	18	15	3
Roads	20	12	12	0
Finances	17	17	17	0
Planning (Strategic & Regulations)	3	3	3	0
Community Services	11	16	14	2
Corporate Offices and Other	12	10	9	1
	No.	No.	No.	No.
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.				T4.1.1

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. In 2018/2019 personnel meetings per town were held quarterly in the form of a HR Workshop. LLF meetings were regularly held and the organogram consultation process started in May 2018.

4.2 POLICIES

HR Policies and Plans Target (Old policies, Needs revision, New, Draft) 0% = Not in place 100% = In place				
	NAME OF POLICY	STATUS 2015/2016	2016/2017 ACHIEVED	2018/2019 ACHIEVED
		%		
	Code of Conduct for employees	100.00%	100.00%	100.00%
	Delegations, Authorisation & Responsibility	100.00%	100.00%	100.00%
	Disciplinary Code and Procedures	100.00%	100.00%	100.00%
	Essential Services	0.00%	0.00%	DRAFT
	Employee Assistance / Wellness	0.00%	0.00%	DRAFT
	Employment Equity	70%	90%	100%
	Exit Management	0.00%	0.00%	DRAFT
	Grievance Procedures	100.00%	100%	100%

11	HIV/Aids	100.00%	100%	100%
12	Human Resource and Development	40%	70%	100%
13	Information Technology	85%		100%
14	Job Evaluation	85%		100%
15	Leave	100.00%	100%	100%
16	Occupational Health and Safety	70%	90%	100%
17	Official Housing	0.00%	0.00%	REVISION OF OLD tba
18	Official Journeys	0.00%	0.00%	Included within Travel and Subsistence Policy
19	Official transport to attend Funerals	0.00%	0.00%	0.00%
20	Official Working Hours and Overtime	100.00%	100.00%	REVISION
21	Organisational Rights	100.00%	100.00%	100.00%
22	Payroll Deductions	75%	80%	100.00%
23	Performance Management and Development	15%	25%	100.00%
24	Recruitment, Selection and Appointments	70%	85%	100.00%
25	Remuneration Scales and Allowances	70%	85%	100.00%
26	Resettlement	100.00%	100.00%	100.00%
27	Sexual Harassment	100.00%	100.00%	100.00%
28	Skills Development	45%	70%	100%
29	Smoking	80%	95%	100%
30	Special Skills	0.00%	0.00%	DRAFT
31	Work Organisation	0.00%	0.00%	DRAFT
32	Uniforms and Protective Clothing	15%	90%	100%
33	Other:			
34	Telephone Policy	100%	100%	REVISION

PERSONNEL AND HR POLICIES THAT WAS DISCUSSED AT THE LLF LEVEL AND WORKSHOPPED DURING TWO HR POLICY WORKSHOPS IN 2017/18 AND WAS IMPLEMENTED IN SEPTEMBER 2018:

New & Revised HR Policies:

1) Acting Policy
2) Attendance and Punctuality Policy
3) Confidentiality Policy
4) Dress Code Policy
5) Education Training and Development Policy
6) Employment Equity
7) Exit Management Policy
8) Incapacity due to Ill Health/Injury
9) Incapacity due to Poor Work Performance
10) Leave Management Policy
11) Occupational Health and Safety Policy
12) Overtime Policy
13) Recruitment and Selection Policy
14) Sexual Harassment Policy
15) Smoking
16) Student Assistant Policy

17) Substance Abuse Policy
18) Succession Planning Policy
19) Transport Allowance
20) Whistle Blowing Policy

GENERAL POLICIES STATUS

Name of Policy	Date adopted by Council	STATUS
AMPTELIKE WERKSURE / OFFICIAL OFFICE HOURS	10 JULIE 2001	2016 working hours changed
ARGIEF / ARCHIVE	10 JULIE 2001	Action Plan for 2018/2019 in place and 2019/2020
ARMLASTIGE BEGRAFNISSE/ INDIGENT FUNERALS	10 JULIE 2001	NEED REVISION
BANKFASILITEITE & TEKENMAGTE / BANKING FACILITIES & SIGNING AUTHORITY (REVIEWED AND UPDATED – 2016/2017)	10 JULIE 2001 15 MEI 2013	SYSTEM OF DELEGATIONS REGULATES ANNUAL REVISION
BATEBESTUUR / ASSET MANAGEMENT (REVIEWED AND UPDATED – 2016/2017)	5 DESEMBER 2001	effective
GEBRUIK VAN ALKOHOLIESE DRANK / USE OF ALCOHOL (REVIEWED AND UPDATED – 2016/2017)	9 JUNIE 2005	NEED REVISION
GELYKE GELEENTHEDE / EQUAL OPPORTUNITIES (REVIEWED AND UPDATED – 2016/2017)	10 JULIE 2001	NEED REVISION
INTERNET	29 AUGUSTUS 2002	NEED REVISION
KOMMUNIKASIE / COMMUNICATION	31 JANUARIE 2007	NEED URGENT REVISION in 2019/2020
KORRESPONDENSIE / CORRESPONDENCE (REVIEWED – 2016/2017)	10 JULIE 2001	NEED URGENT REVISION in 2019/2020
MEDIA	29 AUGUSTUS 2002	NEED REVISION in 2019/2020
MIGRASIE / MIGRATION (RELOCATION)	10 JULIE 2001	IN PROCESS
REIS & VERBLYF / TRAVEL & SUBSISTENCE (REVIEWED AND UPDATED AND APPROVED – 2016/2017)	NUUTSTE VORM: JUNIE 2013, *15 NOVEMBER 2011* 29 AUGUSTUS 2002 10 JULIE 2001	ANNUALLY UPDATED - LAST APPROVED ON 13 JULY 2016 and 26 May 2017 and 30 May 2018
RENTE / INTEREST	10 JULIE 2001	NEED REVISION
SELFOON / CELLPHONE	10 JULIE 2001	NEED REVISION
SPORT	3 NOVEMBER 2004	NEED REVISION
STRAATHANDEL / INFORMELE HANDEL / INFORMAL STREET VENDORS / BY-LAW	4 JUNIE 2002	COUNCIL WILL REVISIT IN 2019/2020
STRATE / STREETS		NEED REVISION
SUBSIDIE VIR BEHOEFTIGE HUISHOUDINGS / INDIGENT HOUSING SUBSIDY (REVIEWED AND UPDATED – 2016/2017)	10 JULIE 2001	ANNUALLY REVIEWED
UITDIENSTREDINGSBONUSSE / RETIREMENT BONUS	10 MAART 2004	
VERBOD OP & BEHEER OOR DIE AFVURING VAN VUURWERKE	23 JUNIE 2004 & 30 JUNIE 2004	NEEDS TO BE PROMULGATED – BY-LAW

/ CONTROL OF FIREWORKS	10 MAART 2004	
VERHURING VAN AMPTELIKE WONINGS / RENTAL OF OFFICIAL HOUSES (REVIEWED AND UPDATED – 2016/2017)	10 JULIE 2001	REVIEWED IN 2016/2017 To be updated in 2019/2020
VOERTUIE / VEHICLE	10 JULIE 2001	URGENT REVISION
VOORKOMING & ONDERDRUKKING VAN OORLASTE / PREVENTION OF NUISANCES		NEED TO BE REVISED AND PROMULGATED AS BY-LAW
WATERDIENSPLAN / WATER SERVICES PLAN	DRAFT	2016/2017 DRAFT APPROVED – NEED TO PROMULGATE
WET OP BEVORDERING VAN TOEGANG TOT INLIGTING / ACCESS TO INFORMATION – MANUAL AND POLICY	2015/2016	MANUAL REVISED DURING 2018/2019
MEENTBELEID / COMMONAGE POLICY		Revised and approved on 30 May 2018

NEW & REVISED POLICIES – STILL EFFECTIVE IN 2018/2019

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

POLICIES DEVELOPED AND APPROVED IN 2015/2016 & 2016/2017 2017/2018 AND EFFECTIVE IN 2018/2019

- Asset Management Policy
- Supply Chain Management Policy
- IT Security & Management Policy

DRAFT POLICIES THAT WERE ADVERTISED AND WENT THROUGH THE PUBLIC PARTICIPATION PROCESS AND ARE READY TO BE PROMULGATED 2019/2020:

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 diere, pluimvee en bye

4.3 INJURIES, SICKNESS AND SUSPENSIONS

NUMBER OF DAYS AND COST OF SICK LEAVE (EXCLUDING INJURIES ON DUTY)						
	2016/2017		2017/2018		2018/2019	
	Total sick leave	Proportion of sick leave without medical certification	Total sick leave	Proportion of sick leave without medical certification	Total sick leave	Proportion of sick leave without medical certification
Salary band	Days	%	Days	%	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)	125	0%				
MM and S57	15	0%				
Total	765					

**The 2017/2018 and 2018/2019 Information have not been received by 16:00 on 27 January 2020 when the full Annual Report was completed. Information will be updated when received.

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 form 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. It will receive attention in 2019/2020.

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, Infrastructure personnel and training on the new EMS Financial system from SEBATA were done in 2018/2019.

4.5 SKILLS DEVELOPMENT & TRAINING & MINIMUM COMPETENCY LEVEL REPORTING

This information is attached as Volume VIII.

Financial Competency Development: Progress Report as at 30 June 2019						
Description	A. Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	B. Total number of officials employed by municipal entities (Regulation 14(4)(a) and (c)	Consolidated: Total of A and B	Consolidated: Competency assessments completed for A and B (Regulation 14(4)(b) and (d))	Consolidated: Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Consolidated: Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))
Financial Officials						
Accounting officer	1		1	1	1	0
Chief financial officer	1		1	1	1	1
Senior managers	1		1	1	1	0
Any other financial officials	3		3	0	0	1
Supply Chain Management Officials						
Heads of supply chain management units	1		1	0	0	0
Supply chain management senior managers	0		0			
TOTAL	7	0	7	3	3	2

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

Skills Matrix as at 30 June 2019

Management level	Gender	Employees in post as at 30 June 2018/2019	Number of skilled employees required and actual as at 30 June 2019											
			Learnerships			**Skills programmes & other short courses**			Other forms of training			Total		
		No.	Actual: End of 2017/2018	Actual: End of 2018/2019	Target at end of 2019/2020	Actual: End of 2017/2018	Actual: End of 2018/2019	Target at end of 2019/2020	Actual: End of 2017/2018	Actual: End of 2018/2019	Target at end of 2019/2020	Actual: End of 2017/2018	Actual: End of 2018/2019	Target at end of 2019/2020
MM and s57	Female	0												
	Male	3		1					2			2	1	
Councillors, senior officials and managers	Female	3							1			1		
	Male	7							2			2		
Technicians and associate professionals*	Female	6							1			1		
	Male	7												
Professionals	Female	3							2			2		
	Male	2							2			2		
Sub total	Female	12							4			4		
	Male	19		1					6			6	1	
Total		31	0	1	0	0	0	0	10	0	0	10	1	0

*Registered with professional Associate Body e.g CA (SA) T4.5.1

COMPONENT D :

MANAGING THE WORKFORCE EXPENDITURE

4.6 EMPLOYEE EXPENDITURE

The personnel expenditure information is attached as per the Annual Financial Statements Table SA24 - 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. Only placements onto the new Organogram were being finalised.

DISCLOSURES OF FINANCIAL INTERESTS
All directors and Councillors declared their financial interests as prescribed in the performance Regulation 805 of 2006. (Annexure J)

4.7 EMPLOYEE WELLNESS

The Municipality was supported by the Employee Wellness Unit of the Namakwa District Municipality(NDM). Mr Laban of the NDM visited Karoo Hoogland Municipality twice to exchange information. Sadly Mr Laban retired in 2018, therefor the municipality is still awaiting communication from the replacement of Mr Laban.

4.8 WORKFORCE COMMITTEES AND PLATFORMS

The Local Labour Forum held 5 meetings and the membership consists of *3 COUNCILLORS, MM, HR MANAGER, 5 REPRESENTATIVES FROM SAMWU AND IMATU).*

Three HR Workshops were held to inform all employees about the various Collective Agreements, as well as the different benefits that employees are entitled to. Two HR Workshops were held as part of the consultation process to review and approve 20 HR Policies.

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 constrains were put in place to ensure that the Municipality can adhere to its obligations. The municipality is still depending on grants for any major projects.

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-end 30 June 2019.

5.1 STATEMENT OF FINANCIAL PERFORMANCE

For a better picture and to compare against the previous audited financial year, find 2018/2019 Budget Summary

NC066 Karoo Hoogland - Table A1 Budget Summary (2018/2019)

Description	2018/19 Medium Term Revenue & Expenditure Framework		
R thousands	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Financial Performance			
Property rates	6,574	6,725	7,095
Service charges	17,453	18,306	18,984
Investment revenue	403	394	415
Transfers recognised - operational	23,918	26,369	28,834
Other own revenue	5,882	5,291	5,019
Total Revenue (excluding capital transfers and contributions)	54,230	57,084	60,347
Employee costs	25,753	27,230	28,724
Remuneration of councillors	2,668	2,798	2,934
Depreciation & asset impairment	400	400	400
Finance charges	231	224	217
Materials and bulk purchases	9,474	9,809	10,258
Transfers and grants	–	–	–
Other expenditure	15,648	15,665	16,541
Total Expenditure	54,175	56,125	59,075
Surplus/(Deficit)	55	959	1,272
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	44,020	33,087	13,274
Contributions recognised - capital & contributed assets	–	–	–
Surplus/(Deficit) after capital transfers & contributions	44,075	34,046	14,546
Share of surplus/ (deficit) of associate	–	–	–
Surplus/(Deficit) for the year	44,075	34,046	14,546
Capital expenditure & funds sources			
Capital expenditure	44,020	33,087	13,274
Transfers recognised - capital	44,020	33,087	13,274
Public contributions & donations	–	–	–
Borrowing	–	–	–
Internally generated funds	–	–	–
Total sources of capital funds	44,020	33,087	13,274
Financial position			
Total current assets	10,248	10,802	11,385
Total non current assets	274,212	307,555	321,099
Total current liabilities	6,947	7,308	7,688
Total non current liabilities	3,144	3,000	2,764
Community wealth/Equity	274,370	308,049	322,032
Cash flows			
Net cash from (used) operating	46,943	37,112	17,761
Net cash from (used) investing	(44,020)	(33,087)	(13,274)
Net cash from (used) financing	(279)	(279)	(279)
Cash/cash equivalents at the year end	3,933	7,679	11,888
Cash backing/surplus reconciliation			
Cash and investments available	1,318	1,389	1,464
Application of cash and investments	(8,486)	(8,914)	(9,372)
Balance - surplus (shortfall)	9,804	10,302	10,835

Asset management			
Asset register summary (WDV)	270,271	303,402	316,721
Depreciation	400	400	400
Renewal of Existing Assets	–	–	–
Repairs and Maintenance	1,341	1,250	1,228
Free services			
Cost of Free Basic Services provided	4,042	4,266	4,502
Revenue cost of free services provided	4,240	4,473	4,719
Households below minimum service level			
Water:	–	–	–
Sanitation/sewerage:	1	1	1
Energy:	–	–	–
Refuse:	–	–	–

5.2 GRANTS

Grants received were spent during the period under review. (2018/2019)

GRANT PERFORMANCE 2017/2018					
	'000				
Description	2016/2017 Actual	2017/2018 Budget	2017/2018 Adjustment	2017/2018 Actual	Variance %
Operating Transfers and Grants					
National Government:	17,423	20,098	20,098	20,098	0%
Equitable Share	15,598	18,198	18,198	18,198	0%
MSIG					
FMG	1,825	1,900	1,900	1,900	0%
Provincial Government:	2,978	2,667	2,667	2,667	0%
LG SETA					
EPWP	1,000	1,000	1,000	1,000	0%
RBIG					
LDF	1,978	1,667	1,667	1,481	-11%
Total operating Transfers and Grants	20,401	22,765	22,765	22,765	

2018/2019 Grant Performance

KAROO HOOGLAND MUNICIPALITY
DISCLOSURES OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 OF 2003

Grant Description	Balance at 1 July 2018 R	Contributions during the year R	Operating Expenditure during the year Transferred to Revenue R	Capital Expenditure during the year Transferred to Revenue R	Total Expenditure during the year Transferred to Revenue	Grants Withheld R	Balance at 30 June 2019 R	Unspent 30 June 2019 (Creditor) R	Unpaid 30 June 2019 (Debtor) R
UNSPENT CONDITIONAL GOVERNMENT GRANTS AND RECEIPTS									
National Government Grants									
Integrated Electrification Programme		1 000 000	-	1 000 000	1 000 000	-	-		-
Financial Management Grant		1 970 000	1 970 000		1 970 000	-	-	-	-
Municipal Infrastructure Grant		18 020 000		18 020 000	18 020 000		-	-	-
Municipal Systems Improvement Grant					-	-	-	-	-
Energy Efficiency and Demand Side Management Grant		3 000 000	-	3 000 000	3 000 000	-	-	-	-
Water Services Infrastructure Grant	192 128	9 500 000		9 500 128	9 500 000	(192 000)	-	-	
Regional Bulk Infrastructure Grant		27 000 000	27 000 000	27 000 000	27 000 000				
Total National Government Grants	**192 128**	**60 490 000**	**28 970 000**	**58 520 128**	**60 490 000**	**(192 000)**	**-**	**-**	**-**
Provincial Government Grants									
Expanded Public Works Programme					-	-	-	-	-
Library Services	575 966	1 497 000	1 376 512		1 376 512	-	696 454	696 454	-
Total Provincial Government Grants	**575 966**	**1 497 000**	**1 376 512**	**-**	**1 376 512**	**-**	**696 454**	**696 454**	**-**
Other Grants									
District Municipality Surplus funds	-	-	-	-	-	-	-	-	-
NALA	-	-	-	-	-	-	-	-	-
Total Other Grants	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Equitable Share	-	20 251 000	20 251 000	-	20 251 000	-	-	-	-
TOTAL GOVERNMENT GRANTS	**768 094**	**82 238 000**	**50 597 512**	**58 520 128**	**82 117 512**	**(192 000)**	**696 454**	**696 454**	**-**

5.3 ASSETMANAGEMENT

The Municipality had an outdated Asset Management Policy and Asset Register from 2010 in place. In 2014/2015 the municipality started processes to procure a tender from another municipality to upgrade and update our Asset Management Register. The Asset Management Policy was revised during 2015/2016 and the process of updating and unbundling assets commenced in 2015/2016 and continued in 2016/2017 and 2017/2018. The process has been completed and only additions has been made. Focus on the previous year finding and were addressed by internal staff and contracted service by Mubesko.

Repairs and Maintenance 2017/2018					
	'000				
Description	2016/2017 Actual	2017/2018 Budget	2017/2018 Adjustment	2017/2018 Actual	Variance %
Repairs and Maintenance	1,779	3,328	3,328	3,778	13%
-					-

Repairs and Maintenance 2018/2019					
	'000				
Description	2017/2018 Actual	2018/2019 Budget	2018/2019 Adjustment	2018/2019 Actual	Variance %
Repairs and Maintenance	1,166	1,361	1,361	1,504	11%

Asset management is undertaken in terms of the MFMA and based on a comprehensive asset management policy that was revised during 2016/2017 and again during 2017/2018 and again during 2018/2019. The Asset Management Policy provides direction for management to monitor, purchase, account, control and dispose of Assets (PPE, Investment Property, Intangible Assets and 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 18 020 000
INEP	R 1 000 000
EEDSM	R 3 000 000
WSIG	R 9 500 000
RBIG	R 27 000 000

CAPITAL EXPENDITURE 2018/2019

	'000				
Description	2017/2018 Actual	2018/2019 Budget	2018/2019 Adjustment	2018/2019 Actual	Variance %
MIG	14,645	8,020	18,020	18,020	0%
INEP	1,000	1,000	1,000	1,000	0%
EEDSM	2,000	3,000	3,000	3,000	0%
WSIG	3,808	5,000	9,500	9,500	0%
RBIG	0	27,000	27,000	27,000	0%

LARGEST PROJECTS 2018/2019

- ✓ Williston Bulk Water Supply Phase 3 (Mechanical and Civil)
- ✓ Williston Streets Paving
- ✓ Sutherland Internal Water network

Also see Annexure F for the Projects per Ward

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

NC066 Karoo Hoogland - Table A7 Budgeted Cash Flows

Description	Ref	2018/19 Medium Term Revenue & Expenditure Framework		
R thousand		Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts				
Property rates		6,574	6,725	7,095
Service charges		17,453	18,306	18,984
Other revenue		4,262	3,581	3,215
Government - operating	1	23,918	26,369	28,834
Government - capital	1	44,020	33,087	13,274
Interest		2,023	2,103	2,220
Dividends		–	–	–
Payments				
Suppliers and employees		(51,076)	(52,835)	(55,643)
Finance charges		(231)	(224)	(217)
Transfers and Grants	1	–	–	–
NET CASH FROM/(USED) OPERATING ACTIVITIES		**46,943**	**37,112**	**17,761**
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts				
Proceeds on disposal of PPE		–	–	–
Decrease (Increase) in non-current debtors		–	–	–
Decrease (increase) other non-current receivables		–	–	–
Decrease (increase) in non-current investments		–	–	–
Payments				
Capital assets		(44,020)	(33,087)	(13,274)
NET CASH FROM/(USED) INVESTING ACTIVITIES		**(44,020)**	**(33,087)**	**(13,274)**
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts				
Short term loans		–	–	–
Borrowing long term/refinancing		–	–	–
Increase (decrease) in consumer deposits		–	–	–
Payments				
Repayment of borrowing		(279)	(279)	(279)
NET CASH FROM/(USED) FINANCING ACTIVITIES		**(279)**	**(279)**	**(279)**

NET INCREASE/ (DECREASE) IN CASH HELD		**2,644**	**3,746**	**4,208**
Cash/cash equivalents at the year begin:	2	**1,289**	**3,933**	**7,679**
Cash/cash equivalents at the year end:	2	**3,933**	**7,679**	**11,888**

References

1. Local/District municipalities to include transfers from/to District/Local Municipalities

2. Cash equivalents includes investments with maturities of 3 months or less

3. The MTREF is populated directly from SA30.

Total receipts	98,250	90,171	73,621
Total payments	(95,328)	(86,146)	(69,134)
	2,923	4,025	4,487
Borrowings & investments & c.deposits	–	–	–
Repayment of borrowing	(279)	(279)	(279)
	2,644	3,746	4,208
	–	–	–

5.6 BORROWING AND INVESTMENTS

No funds were borrowed under the period of review.

DBSA Long Term Liability

BORROWING 2017/2018			
	‘000		
Description	2015/2016	2016/2017	2017/2018
DBSA Non Current	2,268	2,012	1,875
DBSA Current	182	161	230
Finance Leases	301	406	326

INVESTMENTS 2017/2018			
	‘000		
Description	2015/2016	2016/2017	2017/2018
Deposits Bank	6,503	3,520	2,414

BORROWING 2018/2019			
	‘000		
Description	2016/2017	2017/2018	2018/2019
DBSA Non Current	2,012	1.875	1,664
DBSA Current	161	230	211
Finance Leases	406	326	304

INVESTMENTS 2018/2019			
	‘000		
Description	2016/2017	2017/2018	2018/2019
Deposits Bank	3,520	2,414	5,974

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 were pointed out in previous 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 adhered to. 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.

5.8 GRAP COMPLIANCE

Karoo Hoogland Municipality's Annual Financial Statements is fully GRAP compliant. The Financial Statements for 2015/2016 were compiled by the then Acting CFO Mr. SJ Myburgh with assistance from Nexia SAB&T whose services was procured from another municipality's tender processes. The 2016/2017 AFS were also compiled by the CFO, Mr SJ Myburgh (Appointed on contract from 1 July 2016) with assistance from Nexia SAB&T as well as the 2017/2018 AFS and the 2018/2019 AFS were compiled with the assistance from Mubesko.

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.

5.9 REPORTING ITO LEGISLATION

The Municipality is submitting all monthly, quarterly, bi-annually and annual reports as per the MFMA. The AFS was also submitted before the due date of 31 August 2019 to the office of the AG and Provincial Treasury.

5.10 UNAUTHORISED, IRREGULAR AND FRUITLESS EXPENDITURE REPORTING

The Municipality have appointed an investigation team that will investigate all UIF expenditure and will report to the MM at the end of April 2019. The MM will determine whether officials will be kept liable for these expenses and will submit his report to the Disciplinary Board for further investigation and recommendations. The Disciplinary Board will then report back to the MM and Council on their findings. Monthly registers of UIF are kept and will be used for investigation purposes. Monthly reports on UIF are also submitted to Provincial Treasury.

5.11 MSCOA COMPLIANCE

Various challenges with the implementation of mSCOA are experienced and the cost involved with the implementation are approximately R 5 Million. Challenges on the billing module, SCM module, salary module and prepaid sales hamper effective administration within, mainly the finance department. The Service Provider and the municipality are working close together to resolve these issues but obviously at a high cost. The HR module is also not implemented as yet and the salaries will be implemented by 1 March 2020 to run concurrently with the income tax year.

5.12 INTERNAL AUDITING

The Municipality have appointed an internal auditor to perform the internal audit function although we are still using the shared service from the district to train our official and to assist and monitor her activities. Internal audit reports are regularly submitted to the MM and the Audit Committee

Ms. V. Fitzpatrick is the head of the Internal Audit Unit, as she is the Head of the Internal Audit unit of the Namakwa District Municipality, as we are in shared services with the District Municipality, as we are in shared services with the District Municipality.

It was decided at the Council meeting held on 30 January 2018 that Ms. D. Smit should be appointed as the Internal Auditor of Karoo Hoogland Municipality, on a probation period of 6 months from 01 February 2018 to 31 July 2018. Ms. D. Smit will be directly accountable to the Municipal Manager. The contract was entered into by the Municipal Manager Mr. JJ. Fortuin and Ms. D. Smit on 01 February 2018. Ms. D. Smit was permanently appointed on 01 November 2018 and the permanent contract was entered into by the Municipal Manager Mr. JJ. Fortuin and Ms. D. Smit on 01 November 2018.

The internal audit unit is independent and Internal audits are performed in terms of the approved Internal Audit Methodology of Namakwa District Municipality absorbed by Karoo Hoogland Municipality.

During the 2018/2019 an Internal Audit Unit was functional at the municipality. Discussions with the District Municipality continued with the shared-services Internal Audit Unit, up to October 2018 only, as Ms. D. Smit was permanently appointed as the Internal Auditor as of from 01 November 2018.

<u>The following audits were conducted by Internal Audit during the 2018/2019 financial year:</u>

- Record Management;
- Performance Management (Quarter1 – Quarter3);
- UIF & Deviations;
- Subsistence & Travel Allowance; and
- Appointments & Re-Appointments

The municipality received overall 7 reports from the Internal Audit unit and it was tabled at the following Audit Committee meeting's dated 02 November 2018, 25 June 2019 and 26 June 2019. Follow-up audits were also conducted during the 2018/19 financial period on the reports issued by Internal Audit for 2017/18 and 2018/19, as well as the 2015/16 Leave Management report which was issued by District Municipality during their shared services in the 2015/16 financial period.

5.13 AUDIT COMMITTEE

Currently the municipality makes use of the shared service from the district. Regular meetings were held during 2018/2019 and constructive recommendations were made by the Audit Committee to address issues and challenges that the municipality is facing. The Draft AFS for 2018/2019 was also tabled at the Audit Committee meeting on 30 August 2019 and positive inputs were received. The municipality will however be looking to appointing their own Audit Committee in 2020, due to the high cost involved for the shared service.

5.14 EXTERNAL AUDITING

Management have experienced challenges with the external auditors mainly due to the language barrier and the fact that most of our minutes of meetings is in Afrikaans and not in English, however it seems that this issues is slowly resolving itself as much less challenges were experienced during the 2018/2019 audit. The cost of external auditing is very high and the municipality cannot afford such high cost as this is making up nearly 8% of our total operating expenditure budget. National Treasury have assisted the municipality for the past two years in contributing 1 % of our total operating expenditure budget towards the payment of external audit fees.

5.15 SERVICE PROVIDERS PROCURED FROM ANOTHER ORGAN OF STATE (SECT 32)

2017/2018

Management have appointed 3 service providers making use of Section 32 of the SCM Regulations appointments for the following services during 2017/2018:

Nexia-SAB&T	Assistance with the compilation of AFS on Caseware. The cost is approximately R 270 000.00 per annum
HCB Valuers	Compilation of new valuation roll for Karoo Hoogland Municipal Area. The cost is approximately R 490 000.00 for the first year and then R 100 000.00 per year for the next 4 years.
Mubesko	Assistance with the compilation of GRAP 17 Asset register and disclosures on AFS. The cost is approximately R 450 000.00 per year.

2018/2019

Management have appointed 3 service providers making use of Section 32 of the SCM Regulations appointments for the following services during 2018/2019:

Mubesko	Assistance with the compilation of AFS on Caseware. The cost is approximately R 290 000.00 per annum
HCB Valuers	Compilation of new valuation roll for Karoo Hoogland Municipal Area. The cost is approximately R 490 000.00 for the first year and then R 100 000.00 per year for the next 4 years.
Mubesko	Assistance with the compilation of GRAP 17 Asset register and disclosures on AFS. The cost is approximately R 600 000.00 per year.
Ribicon	Consulting engineers appointed on section 32 from for upgrading of bulk water Fraserburg. Cost is determined by the size of the project and engineering guidelines.

Lyners	Consulting engineers appointed on section 32 from Mossel bay Municipality for various infrastructure projects within Karoo Hoogland Municipal Area. Cost is determined by the size of the project and engineering guidelines.
B-Efficient functions.	No Section 32 necessary as this service provider is the only one performing these

CHAPTER 6: AUDITOR GENERAL AUDIT FINDINGS

COMPONENT A : Auditor General Opinion of Financial Statements : 2017/2018

6.1 Auditor General Reports: 2017/2018 & Previous years

Herewith a summary of the past years' audit opinions and qualifications to compare and point out the major improvements:

YEAR	2015/2016	2016/2017	2017/2018
Opinion	QUALIFIED	QUALIFIED	UNQUALIFIED
Accumulated Surplus			
PPE	?	x	
Commitments		x	
Revenue Exchange			
Revenue Non-Exchange			
Trade Receivables			
Other Receivables			
Irregular			
LT Liabilities			
Trade Payables			
Other Grant Expenditure			
Unauthorised Expenditure			
Contingent Liabilities			
Cash flow			
Taxes			
Unpaid Grants			
Unspent Grants			
Expenses			
Employee Benefits			
Fruitless			
Prior Period Errors			
Investment Property	?		
TOTALS	2	2	

COMPONENT B : Auditor General Opinion for 2018/2019

6.2 Auditor General Report 2018/2019

The Final Management Report and Report of the Auditor General for 2018/2019 is attached as Volume III.

Audit Opinion for 2018/2019: Qualified

ANNEXURES, VOLUMES AND APPENDIXES

ANNEXURE A :
COUNCILLORS, COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

Councillors, Committees Allocated and Council Attendance - Councillors as at 30 June 2019

Council Members	Full Time / Part Time	Committees Allocated	*Ward and/ or Party Represented	Percentage Council Meetings Attendance			
				PERCENTAGE ATTENDED	AMOUNT OF TOTAL MEETINGS ATTENDED		TOTAL AMOUNT ATTENDED
					SPECIAL	GENERAL	
	FT/PT			%	1	9	10=100%
MS VC WENTZEL	FT	FINANCE & ADMIN, INFRASTRUCTURE	PROPOR / ANC	100%	1	9	10
MR JE DAVIDS	PT	FINANCE & ADMIN MPAC LLF	WARD 4 /ANC	100%	1	9	10
MR J JOOSTE	PT	FINANCE & ADMIN, INFRASTRUCTURE, MPAC & LLF	WARD 2 / ANC	90%	0	9	9
MR G KLAZEN	PT	MPAC INFRASTRUCTURE	WARD 1 / ANC	100%	1	9	10
MR JJ VAN DER COLFF	PT	LLF	WARD 3 / DA	70%	1	6	7
MR JJ JACOBS	PT	FINANCE & ADMIN, INFRASTRUCTURE, MPAC	PROPOR / DA	70%	1	6	7
MS AM JANUARIE	PT		PROPOR / COPE	100%	1	9	10

Note: * Councillors appointed on a proportional basis do not have wards allocated to them

ANNEXURE B:
COMMITTEES & COMMITTEE PURPOSES

Committees (other than Mayoral / Executive Committee) and Purposes of Committees		
Municipal Committees	Purpose of Committee	ACTIVE COMMITTEE
FINANCE & ADMINISTRATION	Financial Administration Audit Reports Finance Reporting Appointments Remuneration Risk Management Public relations Strategic Plans Imbizo Public Participation IDP Planning / SPLUMA	**active**
LOCAL LABOUR FORUM	Labour Relations not addressed in the MCA Only recommendation accepted / no decision making authority	**active**
Sub committee's Training, Employment Equity, Health & Safety	Training, Employment Equity, Health & Safety	**Active - to become one**
INFRASTRUCTURE	Infrastructure Service Delivery Electrical Services Parks & Streets Fleet Management Commonage Planning / SPLUMA	**active**
MPAC	Oversight on Finance Committee	**active**
OVERSIGHT COMMITTEE	MPAC does Oversight roll on Annual Reporting	**active**
SECTION 32	Reporting on Fruitless,Irregular, Wastefull Expenditure	**active**
IDP & BUDGET STEERING COMMITTEE		**active**
LAND REFORM AND COMMONAGE		**N/A - covered at Finance Committee**
LOCAL ECONOMIC DEVELOPMENT & TOURISM	LED Tourism & Marketing	**N/A - covered at Finance Committee**

ANNEXURE C :

THIRD TIER ADMINISTRATIVE STRUCTURE

Third Tier Structure	
Directorate	**Director/Manager (State title and name)**
Office of the Municipal Manager	Filled : Mr JJ Fortuin (App: Feb 2018)
Directorate : Corporate Services	Vacant // Not budgeted for
Directorate : Finance	Filled : Mr SJ Myburgh
Directorate : Infrastructure	Filled : Mr FJ Lotter

ANNEXURE D :
FUNCTIONS OF MUNICIPALITY

Municipal Functions/District		
Municipal Functions	Function Applicable To Municipality	District
Water Provision	✓	
Waste Water (Sanitation)	✓	
Electricity Provision	✓	
Waste Management	✓	
Housing	✓ (with funding from CoGHSTA)	
Free Basic Services	✓	
Road Transport	✓	
Waste Water Storm Water Drainage	✓	
Community Social Services	✓	
Museums	✓	
Cemeteries	✓	
Environmental Protection	✓	
Health	✓	
Health Inspections and Abattoir		✓
Security and Safety		✓
Sport and Recreation	✓	
Disaster Management		✓
Air pollution		✓
Building regulations		✓
Firefighting services		✓

Municipal Functions/District		
Municipal Functions	Function Applicable To Municipality	District
Local tourism	✓	
Municipal planning	✓	
Trading regulations	✓	
Control of public nuisances	✓	
Fencing and fences	✓	
Licensing and control of undertaking that sell food to the public	✓	
Municipal Parks	✓	
Waste Water Storm Water Drainage	✓	

(*Stats SA served as the source of information for the following information.)*

ANNEXURE E :
WARD REPORTING

Functionality of Ward Committees					
Ward Name (Number)	Name of Ward Councillor and elected Ward committee members	Committee established (Yes / No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
1	COUNCILLOR G KLAZEN	YES	6		
2	COUNCILLOR J JOOSTE	YES	7		
3	COUNCILLOR JJ VAN DER COLFF	YES	0		
4	COUNCILLOR JE DAVIDS	YES	5		

*** No ward committee meeting recommendations were received from ward councillors to be considered by Council*

ANNEXURE F :
WARD INFORMATION

Commitments as at 31 August 2019

Contracts and tender register

Reference Nr	Project Description	Project Value (contract value) VAT INCL	CONTRACT AWARDED TO	Accumulated payments value of total contract	TOTAL PAYMENTS	RETENTIONS	TOTAL EXPENDITURE	OVERPAID	MOTIVATION FOR OVERPAYMENT	TOTAL AMOUNT OF CONTRACT VALUE OUTSTANDING	COMMITMENT TO BE DISCLOSED IN THE AFS	NOTES
MIG 1358 SHEET REF: PAYMENTS & RETENTIONS MIG2	NEW WATER TREATMENT WORKS FOR SUTHERLAND	13,680,000.00	PRENTEC	**100%**	12,178,895.86	681,012.25	12,859,908.12	-		820,091.88	820,091.88	** Possible penalties and then commitment amount will be much less
MIG 1307 SHEET REF: PAYMENTS & RETENTIONS MIG3	NEW SPORT FACILITY IN SUTHERLAND	2,027,718.22	ACV CIVILS	**100%**	2,028,605.10	-	2,028,605.10	886.88		-	-	Project completed - no more commitments
WSIG SHEET REF : PAYMENTS & RETENETIONS WSIG1	WILLISTON BOREHOLES AND ASSOCIATED PIPELINES	3,224,474.15	DE JAGER LOODGIETERS KONTRAKTEURS	**100%**	3,244,534.14	-	3,244,534.14	20,059.99		-		
MIG 1307 SHEET REF: PAYMENTS & RETENTIONS MIG4	NEW SPORT FACILITY IN SUTHERLAND : PHASE 2	4,495,525.00	DE JAGER LOODGIETERS KONTRAKTEURS	**100%**	4,270,632.02	224,770.11	4,495,402.13	-	CONTRACT EXTENDED WITH EXTRA GRANT ALLOCATIONS	-	-	Contract extended with extra grant allocations only retention outstanding
Khotso Pula Nala Project funded by NDM	CONSTRUCTION OF ROAD IN SUTHERLAND : LABOUR FOR INSTALLATION	320,158.20	HARDIE CONSTRUCTION	**100%**	320,158.20	-	320,158.20	-		-	-	-
RBIG	WILLISTON BULK WATER SUPPLY - CIVIL WORKS PHASE 3	17,577,750.00	JVZ JV	**89%**	15,586,146.60	-	15,586,146.60			1,991,603.40	1,991,603.40	

RBIG	WILLISTON BULK WATER SUPPLY - MECHANICAL AND ELECTRICAL EQUIPMENT - PHASE 3	8,412,215.00	TRICOM AFRICA (Viking Pony Africa)	**93%**	7,441,151.09	356,064.56	7,797,215.65			614,999.35	614,999.35	
MIG 1446	WILLISTON STREETS AND STORMWATER UPGRADES : WILLISTON UPGRADING OF STREETS PHASE 1	6,944,511.90	DE JAGER LOODGIETERS KONTRAKTEURS	**99.995%**	6,596,942.17	347,207.48	6,944,149.65	-	CONTRACT EXTENDED WITH EXTRA GRANT ALLOCATIONS	362.25	362.25	Contract extended with extra grant allocations only retention outstanding
MIG 1255	SUTHERLAND WATER RETICULATION - SUTHERLAND INTERNAL WATER NETWORK UPGRADE - PHASE 1	7,458,492.75	DE JAGER LOODGIETERS KONTRAKTEURS	**99.989%**	7,084,767.89	372,882.52	7,457,650.41	-	CONTRACT EXTENDED WITH EXTRA GRANT ALLOCATIONS	842.34	842.34	Contract extended with extra grant allocations only retention outstanding
MIG 1255	SUTHERLAND WATER RETICULATION - SUTHERLAND INTERNAL WATER NETWORK UPGRADE - PHASE 2	7,336,797.60	PHAMBILE CIVILS	**0%**				-		7,336,797.60	7,336,797.60	
INEP & EEDSM	MEDIUM VOLTAGE UPGRADING IN FRASERBURG AND EEI IN WILLISTON AND FRASERBURG (EEDSM PROJECT)	4,578,728.78	VE RETICULATION	**85%**	3,893,763.78	-	3,893,763.78	-		684,965.00	684,965.00	
WSIG SHEET REF : NR 12 - DE JAGER - AC PIPES FRA	REPLACEMENT OF AC PIPES - FRASERBURG	3,532,999.53	DE JAGER LOODGIETERS KONTRAKTEURS SEC 32 DR BEYERS NAUDE MUNI	**108%**	3,829,263.01	-	3,829,263.01	296,263.48		-	-	
WSIG	WILLISTON BULK WATER SUPPLY PHASE 2	4,111,500.00	DE JAGER LOODGIETERS KONTRAKTEURS	**100%**	3,909,098.45	205,742.03	4,114,840.47	3,340.47		-	-	
					66,474,859.86	**2,187,678.96**	**68,456,796.79**	**317,210.35**	**-**	**11,449,661.82**	**11,449,661.82**	

SEBATA Votes:

COMMITMENTS AMOUNT TO BE DISCLOSED IN AFS IN AUGUST 2019

ANNEXURE G :

RECOMMENDATIONS OF THE AUDIT COMMITTEE 2018/2019

ANNEXURE H :
LONG TERM CONTRACTS & PPP

None

ANNEXURE I :
SERVICE PROVIDER PERFORMANCE SCHEDULE

Municipal Entity/Service Provider Performance Schedule

Name of Entity & Purpose	(a) Service Indicators	2017/2018		2018/2019	
	(b) Service Targets	TARGET	ACTUAL	TARGET	ACTUAL
SEBATA	MSCOA COMPLIANCY – EMS - FINANCIAL SYSTEM	Fully Converted to MSCOA SEBATA Software	In Process/ Not finalised	Fully Converted to MSCOA SEBATA Software	In Process/ Not finalised
MUBESKO	ASSISTANCE WITH GRAP COMPLIANT ASSET REGISTER AND UNBUNDLING OF ASSETS	UNBUNDLED ASSETS AND GRAP COMPLIANT ASSET REGISTER	TO COMPLETE	UNBUNDLED ASSETS AND GRAP COMPLIANT ASSET REGISTER - REVISE	COMPLETE
MUBESKO	ASSISTANCE WITH AUDIT FILE AND ANNUAL FINANCIAL STATEMENTS, ASSISTANCE, COMPLIANCE AND SKILLS TRANSFER			AUDIT FILE COMPILED AND AFS	COMPLETED QUALIFIED OPINION
HCB VALUERS	VALUATION ROLL COMPILATION			COMPILATION OF NEW VALUATION ROLL	COMPLETED
NIEL LYNERS	CONSULTING ENGINEER MONITOR CONTRACTORS ON VARIOUS PROJECTS	CONSULTING ENGINEER MONITOR CONTRACTOR S ON VARIOUS PROJECTS	COMPLETE D – EXCELLENT FEEDBACK	CONSULTING ENGINEER MONITOR CONTRACTOR S ON VARIOUS PROJECTS	COMPLETED – EVALUATION AND MONITORING OF PROJECTS DONE
RIBICON CONSULTING	CONSULTING ENGINEERS: MONITOR THE UPGRADING OF BULK WATER FRASERBURG			MONITORING CONTRACTOR	COMPLETED

ANNEXURE J :

DISCLOSURE OF FINANCIAL INTERESTS: COUNCIL, DIRECTORS, SCM OFFICIALS, BID COMMITTEE MEMBERS AND OTHER PERSONNEL

Disclosures of Financial Interests

Period 1 July 2018 to 30 June 2019		
Position	**Name**	**Description of Financial interests* (Nil / Or details)**
Mayor	Veruschska Charlene Wentzel	Nil
Councillor	Anna M Januarie	Nil
	Jeremia Elias Davids	Nil
	Giel Klazen	Nil
	J Jooste	Public Office bearer at Dept of Public Works in Fraserburg
	J J van der Colff	Member of Williston Vleis Kooperasie (Shareholder) Fulltime Farmer in KHM Area
	JJ Jacobs	Work as a HIV and Aids-Counsellor for an NGO
Municipal Manager	JJ Fortuin	Own a House in Calvinia
Chief Financial Officer	SJ Myburgh	Own a House in Bloemfontein
Head Infrastructure	FJ Lotter	Own a House in Fraserburg
Other S57 Officials	N/A	

* Financial interests to be disclosed even if they incurred for only parts of the year. See MBRR SA34A

ANNEXURE K :
REVENUE COLLECTION – PERFORMANCE BY VOTE & BY SOURCE

ANNEXURE K (i)
REVENUE COLLECTION – PERFORMANCE BY VOTE

NC066 Karoo Hoogland - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	Current Year 2017/18		2018/19 Medium Term Revenue & Expenditure Framework		
R thousand		Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Revenue by Vote	1					
Council		2,156	2,156	2,059	2,259	2,455
Finance		17,513	17,513	5,508	5,270	5,313
Rates		–	–	8,775	9,133	9,708
Municipal Manager		137	137	149	157	165
Refuse		8,120	8,120	7,613	8,249	8,883
Libraries		1,717	1,717	1,658	1,660	1,745
Commonage		–	–	778	681	716
Townhall & Buildings		12	12	(79)	(83)	(87)
Cemeteries		9	9	13	13	14
Parks trees and recreation		4,478	4,478	(12)	(13)	(14)
Health		–	–	–	–	–
Streets and Public Works		1,942	1,942	2,406	2,426	2,482
Electricity		12,463	12,463	16,209	17,953	18,396
Water		16,924	16,924	44,992	33,617	14,330
Sanitation		9,036	9,035	8,182	8,849	9,515
Total Revenue by Vote	2	**74,507**	**74,506**	**98,250**	**90,171**	**73,621**
Expenditure by Vote ***to be appropriated***	1					
Council		4,754	4,754	4,570	4,754	4,947
Finance		14,915	14,915	15,310	15,215	16,113
Rates		1,151	1,151	722	780	822
Municipal Manager		5,977	5,977	6,712	7,079	7,467
Refuse		2,337	2,337	3,066	3,150	3,324
Libraries		1,669	1,669	1,658	1,770	1,865
Commonage		1,369	1,369	1,293	1,334	1,320
Townhall & Buildings		176	176	59	62	66
Cemeteries		80	80	1	1	1
Parks trees and recreation		1,007	1,007	1,299	1,371	1,446
Health		–	–	–	–	–
Streets and Public Works		3,985	3,985	2,906	3,060	3,222
Electricity		12,824	12,824	13,528	11,085	11,668
Water		1,872	1,872	2,105	2,307	2,430
Sanitation		3,624	3,624	3,948	4,160	4,384
Total Expenditure by Vote	2	**55,740**	**55,740**	**57,175**	**56,125**	**59,075**
Surplus/(Deficit) for the year	2	**18,767**	**18,767**	**41,075**	**34,046**	**14,546**

References

1. Insert 'Vote'; e.g. department, if different to functional classification structure

2. Must reconcile to Budgeted Financial Performance (revenue and expenditure)

3. Assign share in 'associate' to relevant Vote

ANNEXURE K :

REVENUE COLLECTION – PERFORMANCE BY VOTE & BY SOURCE

ANNEXURE K (ii)

REVENUE COLLECTION – PERFORMANCE BY SOURCE

NC066 Karoo Hoogland - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Revenue By Source									
Property rates	2	5,814	6,238	5,941	5,941	5,941	6,574	6,725	7,095
Service charges - electricity revenue	2	8,772	10,109	10,143	10,143	10,143	9,855	10,291	10,531
Service charges - water revenue	2	2,880	3,055	3,291	3,291	3,291	2,820	2,975	3,138
Service charges - sanitation revenue	2	2,635	3,070	3,072	3,072	3,072	2,667	2,813	2,966
Service charges - refuse revenue	2	2,046	2,313	2,313	2,313	2,313	2,098	2,214	2,336
Service charges - other		–	9	–	–	–	–	13	14
Rental of facilities and equipment		798	725	961	961	961	734	635	667
Interest earned - external investments		348	300	300	300	300	403	394	415
Interest earned - outstanding debtors		1,254	1,545	1,542	1,542	1,542	1,620	1,710	1,804
Dividends received		–	–				–	–	–
Fines, penalties and forfeits		4	5	21	21	21	10	11	11
Licences and permits		–	–	351	351	351	–	–	–
Agency services		315	–	295	295	295	294	310	327
Transfers and subsidies		23,759	29,765	22,846	22,846	22,846	26,918	26,369	28,834
Other revenue	2	1,697	2,052	2,245	2,245	2,245	3,237	2,626	2,210
Gains on disposal of PPE		–		12	12	12			
Total Revenue (excluding capital transfers and contributions)		**50,322**	**59,185**	**53,331**	**53,331**	**53,331**	**57,230**	**57,084**	**60,347**
Expenditure By Type	-								
Employee related costs	2	20,120	22,225	22,164	22,164	22,164	25,753	27,230	28,724
Remuneration of councillors		2,129	2,613	2,779	2,779	2,779	2,668	2,798	2,934
Debt impairment	3	4,545	2,438	2,830	2,830	2,830	2,468	2,666	2,815
Depreciation & asset impairment	2	7,047	400	400	400	400	400	400	400
Finance charges		1,282	514	315	315	315	231	224	217
Bulk purchases	2	8,182	7,990	7,990	7,990	7,990	8,113	8,559	9,030
Other materials	8		8,979	1,809	1,809	1,809	1,361	1,250	1,228
Contracted services		–	1,046	8,417	8,417	8,417	1,106	1,166	1,230
Transfers and subsidies		–	–	258	258	258	–	–	–
Other expenditure	4, 5	14,904	12,886	8,777	8,777	8,777	15,075	11,833	12,496
Loss on disposal of PPE									
Total Expenditure		**58,208**	**59,091**	**55,740**	**55,740**	**55,740**	**57,175**	**56,125**	**59,075**
Surplus/(Deficit)		**(7,886)**	**95**	**(2,408)**	**(2,408)**	**(2,408)**	**55**	**959**	**1,272**
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		9,414	8,145	21,145	21,145	21,145	41,020	33,087	13,274
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	6	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (in-kind - all)				**30**	**30**	30			
Surplus/(Deficit) after capital transfers & contributions		**1,528**	**8,240**	**18,767**	**18,767**	**18,767**	**41,075**	**34,046**	**14,546**
Taxation									
Surplus/(Deficit) after taxation		**1,528**	**8,240**	**18,767**	**18,767**	**18,767**	**41,075**	**34,046**	**14,546**
Attributable to minorities									
Surplus/(Deficit) attributable to municipality		**1,528**	**8,240**	**18,767**	**18,767**	**18,767**	**41,075**	**34,046**	**14,546**
Share of surplus/ (deficit) of associate	7								
Surplus/(Deficit) for the year		**1,528**	**8,240**	**18,767**	**18,767**	**18,767**	**41,075**	**34,046**	**14,546**

References

1. Classifications are revenue sources and expenditure type

2. Detail to be provided in Table SA1

3. Previously described as 'bad or doubtful debts' - amounts shown should reflect the change in the provision for debt impairment

4. Expenditure type components previously shown under repairs and maintenance should be allocated back to the originating expenditure group/item; e.g. employee costs

5. Repairs & maintenance detailed in Table A9 and Table SA34c

6. Contributions are funds provided by external organisations to assist with infrastructure development; e.g. developer contributions (detail to be provided in Table SA1)

7. Equity method (Includes Joint Ventures)

8. All materials not part of 'bulk' e.g road making materials, pipe, cable etc.

ANNEXURE L :
CONDITIONAL GRANTS RECEIVED : EXCLUDING MIG

NC066 Karoo Hoogland - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
RECEIPTS:	1, 2									
-										
Operating Transfers and Grants										
National Government:		**17,403**	**19,542**	**19,503**	**28,098**	**21,098**	**21,098**	**25,221**	**29,668**	**32,046**
Local Government Equitable Share		14,669	15,812	16,678	18,198	18,198	18,198	20,251	22,233	24,179
Finance Management		1,800	1,800	1,825	1,900	1,900	1,900	1,970	2,435	2,867
Municipal Systems Improvement		934	930	–	–	–	–	–	–	–
Energy Efficiency and Demand Management					2,000			3,000	5,000	5,000
Water Services Operating Subsidy					4,000				–	–
Integrated National Electrification Programme					1,000			–	–	–
EPWP			1,000	1,000	1,000	1,000	1,000	–	–	–
Provincial Government:		**715**	**1,713**	**1,743**	**1,667**	**1,667**	**1,667**	**1,697**	**1,701**	**1,788**
Sport and Recreation		715	1,713	1,743	1,667	1,667	1,667	1,697	1,701	1,788
EPWP										
District Municipality:		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
[insert description]										
Other grant providers:		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
[insert description]										
Total Operating Transfers and Grants	5	**18,118**	**21,255**	**21,246**	**29,765**	**22,765**	**22,765**	**26,918**	**31,369**	**33,834**
Capital Transfers and Grants										
National Government:		**10,490**	**10,005**	**7,744**	**8,145**	**21,145**	**21,145**	**40,020**	**33,087**	**13,274**
Regional Bulk Infrastructure		600	2,000					27,000	20,000	–
Municipal Infrastructure Grant (MIG)		9,890	8,005	7,744	8,145	14,145	14,145	8,020	8,087	8,274
WSIG						7,000	7,000	5,000	5,000	5,000
Provincial Government:		**–**	**–**	**1,600**	**–**	**–**	**–**	**1,000**	**–**	**–**
INEP				1,600				1,000		
District Municipality:		**–**	**1,000**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Pula Nala			1,000							
Other grant providers:		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
[insert description]										
Total Capital Transfers and Grants	5	**10,490**	**11,005**	**9,344**	**8,145**	**21,145**	**21,145**	**41,020**	**33,087**	**13,274**
TOTAL RECEIPTS OF TRANSFERS & GRANTS		**28,608**	**32,260**	**30,590**	**37,910**	**43,910**	**43,910**	**67,938**	**64,456**	**47,108**

References

1. Each transfer/grant is listed by name as gazetted together with the name of the transferring department or municipality, donor or other organisation

2. Amounts actually RECEIVED; not revenue recognised (objective is to confirm grants transferred)

3. Replacement of RSC levies

4. Housing subsidies for housing where ownership transferred to organisations or persons outside the control of the municipality

5. Total transfers and grants must reconcile to Budgeted Cash Flows

6. Motor vehicle licensing refunds to be included under 'agency' services (Not Grant Receipts)

ANNEXURE M (i):
CAPITAL EXPENDITURE – NEW ASSETS PROGRAMME

NC066 Karoo Hoogland - Supporting Table SA34a Capital expenditure on new assets by asset class

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Capital expenditure on new assets by Asset Class/Sub-class										
-										
Infrastructure		**9,896**	**6,903**	**7,601**	**6,920**	**16,670**	**16,670**	**41,020**	**33,087**	**13,274**
Roads Infrastructure		–	–	714	942	942	942	2,406	2,426	2,482
Roads				714	942	942	942	2,406	2,426	2,482
Road Structures										
Road Furniture										
Capital Spares										
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Drainage Collection										
Storm water Conveyance										
Attenuation										
Electrical Infrastructure		–	835	1,486	–	3,000	3,000	1,000	5,000	5,000
Power Plants										
HV Substations										
HV Switching Station										
HV Transmission Conductors										
MV Substations										
MV Switching Stations										
MV Networks										
LV Networks			835	1,486		3,000	3,000	1,000	5,000	5,000
Capital Spares										
Water Supply Infrastructure		933	6,068	5,401	5,978	12,728	12,728	37,614	25,661	5,792
Dams and Weirs										
Boreholes										
Reservoirs										
Pump Stations										
Water Treatment Works										
Bulk Mains										
Distribution		933	6,068	5,401	5,978	12,728	12,728	37,614	25,661	5,792
Distribution Points										
PRV Stations										
Capital Spares										
Sanitation Infrastructure		8,963	–	–	–	–	–	–	–	–
Pump Station										
Reticulation		8,963								
Waste Water Treatment Works										
Outfall Sewers										
Toilet Facilities										
Capital Spares										
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–
Landfill Sites										
Waste Transfer Stations										
Waste Processing Facilities										
Waste Drop-off Points										

Waste Separation Facilities										
Electricity Generation Facilities										
Capital Spares										
Rail Infrastructure	–	–	–	–	–	–	–	–	–
Rail Lines									
Rail Structures									
Rail Furniture									
Drainage Collection									
Storm water Conveyance									
Attenuation									
MV Substations									
LV Networks									
Capital Spares									
Coastal Infrastructure	–	–	–	–	–	–	–	–	–
Sand Pumps									
Piers									
Revetments									
Promenades									
Capital Spares									
Information and Communication Infrastructure	–	–	–	–	–	–	–	–	–
Data Centres									
Core Layers									
Distribution Layers									
Capital Spares									
Community Assets	**–**	**129**	**1,085**	**1,225**	**4,475**	**4,475**	**–**	**–**	**–**
Community Facilities	–	129	–	–	–	–	–	–	–
Halls		129							
Centres									
Crèches									
Clinics/Care Centres									
Fire/Ambulance Stations									
Testing Stations									
Museums									
Galleries									
Theatres									
Libraries									
Cemeteries/Crematoria									
Police									
Parks									
Public Open Space									
Nature Reserves									
Public Ablution Facilities									
Markets									
Stalls									
Abattoirs									
Airports									
Taxi Ranks/Bus Terminals									
Capital Spares									
Sport and Recreation Facilities	–	–	1,085	1,225	4,475	4,475	–	–	–
Indoor Facilities									
Outdoor Facilities			1,085	1,225	4,475	4,475			

Capital Spares										
Heritage assets	–	–	–	–	–	–	–	–	–
Monuments									
Historic Buildings									
Works of Art									
Conservation Areas									
Other Heritage									
Investment properties	–	–	–	–	–	–	–	–	–
Revenue Generating	–	–	–	–	–	–	–	–	–
Improved Property									
Unimproved Property									
Non-revenue Generating	–	–	–	–	–	–	–	–	–
Improved Property									
Unimproved Property									
Other assets	**1,213**	**390**	**1,279**	**–**	**–**	**–**	**–**	**–**	**–**
Operational Buildings	1,213	390	1,279	–	–	–	–	–	–
Municipal Offices	1,213	390	1,279						
Pay/Enquiry Points									
Building Plan Offices									
Workshops									
Yards									
Stores									
Laboratories									
Training Centres									
Manufacturing Plant									
Depots									
Capital Spares									
Housing	–	–	–	–	–	–	–	–	–
Staff Housing									
Social Housing									
Capital Spares									
Biological or Cultivated Assets	–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets									
Intangible Assets	–	–	–	–	–	–	–	–	–
Servitudes									
Licences and Rights	–	–	–	–	–	–	–	–	–
Water Rights									
Effluent Licenses									
Solid Waste Licenses									
Computer Software and Applications									
Load Settlement Software Applications									
Unspecified									
Computer Equipment	–	–	–	–	–	–	–	–	–
Computer Equipment									
Furniture and Office Equipment	–	–	–	–	–	–	–	–	–
Furniture and Office Equipment									

Machinery and Equipment		–	–	–	–	–	–	–	–	–
Machinery and Equipment										
Transport Assets		–	–	–	–	–	–	–	–	–
Transport Assets										
Libraries		–	–	–	–	–	–	–	–	–
Libraries										
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals										
Total Capital Expenditure on new assets	1	**11,109**	**7,422**	**9,966**	**8,145**	**21,145**	**21,145**	**41,020**	**33,087**	**13,274**

References

1. Total Capital Expenditure on new assets (SA34a) plus Total Capital Expenditure on renewal of existing assets (SA34b) plus Total Capital Expenditure on upgrading of existing assets (SA34e) must reconcile to total capital expenditure in Budgeted Capital Expenditure

ANNEXURE M (ii):

CAPITAL EXPENDITURE – UPGRADE & RENEWAL PROGRAMME

NC066 Karoo Hoogland - Supporting Table SA34b Capital expenditure on the renewal of existing assets by asset class

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Capital expenditure on renewal of existing assets by Asset Class/Sub-class										
-										
Infrastructure		–	–	–	–	–	–	–	–	–
Roads Infrastructure		–	–	–	–	–	–	–	–	–
Roads										
Road Structures										
Road Furniture										
Capital Spares										
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Drainage Collection										
Storm water Conveyance										
Attenuation										
Electrical Infrastructure		–	–	–	–	–	–	–	–	–
Power Plants										
HV Substations										
HV Switching Station										
HV Transmission Conductors										
MV Substations										
MV Switching Stations										
MV Networks										
LV Networks										
Capital Spares										
Water Supply Infrastructure		–	–	–	–	–	–	–	–	–
Dams and Weirs										
Boreholes										
Reservoirs										
Pump Stations										
Water Treatment Works										
Bulk Mains										
Distribution										
Distribution Points										
PRV Stations										
Capital Spares										
Sanitation Infrastructure		–	–	–	–	–	–	–	–	–
Pump Station										
Reticulation										
Waste Water Treatment Works										
Outfall Sewers										
Toilet Facilities										
Capital Spares										
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–
Landfill Sites										
Waste Transfer Stations										
Waste Processing Facilities										

Waste Drop-off Points									
Waste Separation Facilities									
Electricity Generation Facilities									
Capital Spares									
Rail Infrastructure	–	–	–	–	–	–	–	–	–
Rail Lines									
Rail Structures									
Rail Furniture									
Drainage Collection									
Storm water Conveyance									
Attenuation									
MV Substations									
LV Networks									
Capital Spares									
Coastal Infrastructure	–	–	–	–	–	–	–	–	–
Sand Pumps									
Piers									
Revetments									
Promenades									
Capital Spares									
Information and Communication Infrastructure	–	–	–	–	–	–	–	–	–
Data Centres									
Core Layers									
Distribution Layers									
Capital Spares									
Community Assets	–	–	–	–	–	–	–	–	–
Community Facilities	–	–	–	–	–	–	–	–	–
Halls									
Centres									
Crèches									
Clinics/Care Centres									
Fire/Ambulance Stations									
Testing Stations									
Museums									
Galleries									
Theatres									
Libraries									
Cemeteries/Crematoria									
Police									
Parks									
Public Open Space									
Nature Reserves									
Public Ablution Facilities									
Markets									
Stalls									
Abattoirs									
Airports									
Taxi Ranks/Bus Terminals									
Capital Spares									
Sport and Recreation Facilities	–	–	–	–	–	–	–	–	–
Indoor Facilities									
Outdoor Facilities									
Capital Spares									

Heritage assets		–	–	–	–	–	–	–	–	–
Monuments										
Historic Buildings										
Works of Art										
Conservation Areas										
Other Heritage										
Investment properties		–	–	–	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–
Improved Property										
Unimproved Property										
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Improved Property										
Unimproved Property										
Other assets		–	–	–	–	–	–	–	–	–
Operational Buildings		–	–	–	–	–	–	–	–	–
Municipal Offices										
Pay/Enquiry Points										
Building Plan Offices										
Workshops										
Yards										
Stores										
Laboratories										
Training Centres										
Manufacturing Plant										
Depots										
Capital Spares										
Housing		–	–	–	–	–	–	–	–	–
Staff Housing										
Social Housing										
Capital Spares										
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets										
Intangible Assets		–	–	–	–	–	–	–	–	–
Servitudes										
Licences and Rights		–	–	–	–	–	–	–	–	–
Water Rights										
Effluent Licenses										
Solid Waste Licenses										
Computer Software and Applications										
Load Settlement Software Applications										
Unspecified										
Computer Equipment		–	–	–	–	–	–	–	–	–
Computer Equipment										
Furniture and Office Equipment		–	–	–	–	–	–	–	–	–
Furniture and Office Equipment										
Machinery and Equipment		–	–	–	–	–	–	–	–	–
Machinery and Equipment										

Transport Assets		–	–	–	–	–	–	–	–	–
Transport Assets										
Libraries		–	–	–	–	–	–	–	–	–
Libraries										
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals										
Total Capital Expenditure on renewal of existing assets	1	–	–	–	–	–	–	–	–	–
Renewal of Existing Assets as % of total capex		*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*
Renewal of Existing Assets as % of deprecn"		*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*

References

1. Total Capital Expenditure on renewal of existing assets (SA34b) plus Total Capital Expenditure on new assets (SA34a) plus Total Capital Expenditure on upgrading of existing assets (SA34e) must reconcile to total capital expenditure in Budgeted Capital Expenditure

ANNEXURE N:

CAPITAL PROGRAMMES BY PROJECT 2018/2019

NC066 Karoo Hoogland - Supporting Table SA36 Detailed capital budget

Municipal Vote/Capital project	Ref	Program/Project description	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	GPS co-ordinates	Total Project Estimate	Prior year outcomes		2018/19 Medium Term Revenue & Expenditure Framework			Project information	
R thousand	4		6	3	3	5		Audited Outcome 2016/17	Current Year 2017/18 Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21	Ward location	New or renewal
Parent municipality:														
List all capital projects grouped by Municipal Vote														
Steets Paving Williston		Paving of streets in Willsiton	Yes	*Roads Infrastructure*	*Roads*				822	2,406	2,426	2,482	1	New
Street lighting Fraserburg and Williston		Replacement of Streetlights with LED's	Yes	*Electrical Infrastructure*	*LV Networks*				2,000	–	–	–	1 and 2	New
Electricity network in Fraserburg		Upgrade electricity network in Fraserburg	Yes	*Electrical Infrastructure*	*LV Networks*				1,000	1,000	–	–	2	New
Sutherland Water Network		Upgrade water reticulation network	Yes	*Water Supply Infrastructure*	*Distribution*				–	5,614	5,661	5,792	4	New
Bulk water supply Williston		Develop bulk water supply	Yes	*Water Supply Infrastructure*	*Boreholes*				–	32,000	20,000	–	1	New
Parent Capital expenditure	1									**41,020**	**28,087**	**8,274**		
Entities:														
List all capital projects grouped by Entity														
Entity A														
Water project A														
Entity B														
Electricity project B														
Entity Capital expenditure								–	–	–	–	–		
Total Capital expenditure								–	3,822	41,020	28,087	8,274		

References

1. Must reconcile with Budgeted Capital Expenditure

2. As per Table SA6

3. As per Table SA34

4. Projects that fall above the threshold values applicable to the municipality as identified in regulation 13 of the Municipal Budget and Reporting Regulations must be listed individually. Other projects by programme by Vote

5. Correct to seconds. Provide a logical starting point on networked infrastructure.

6. Distinguish projects approved in terms of MFMA section 19(1)(b) and MRRR Regulation 13

Check –

VOLUME I:

AFS FOR 2018/2019

(only Soft copy available at Offices)

(separately submitted to AG)

VOLUME II:

ANNUAL PERFORMANCE REPORT FOR 2018/2019

(only Soft copy available at Offices)

(separately submitted to AG)

VOLUME III:

FINAL MANAGEMENT REPORT & REPORT OF THE AUDITOR GENERAL

(only Soft copy available at Offices)
(separately submitted to AG)

VOLUME IV:

AUDIT ACTION PLAN 2018/2019

(only Soft copy available at Offices)

(separately submitted to AG)

VOLUME V:

APPROVED ORGANOGRAM AS AT 30 JUNE 2019

(only Soft copy available at Offices)

(separately submitted to AG)

VOLUME VI:

PERSONNEL INFORMATION AS AT 30 JUNE 2019

NC066 Karoo Hoogland - Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers	Ref	Budget Year 2018/2019		
Number	1,2	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities				
Councillors (Political Office Bearers plus Other Councillors)		7	7	–
Board Members of municipal entities	4			
Municipal employees	5			
Municipal Manager and Senior Managers	3	3	1	2
Other Managers	7	3	3	
Professionals		–	–	–
Finance		4	4	
Spatial/town planning				
Information Technology				
Roads				
Electricity				
Water				
Sanitation				
Refuse				
Other		4	4	
Technicians				–
Finance				
Spatial/town planning				
Information Technology				
Roads		4	4	
Electricity				
Water				
Sanitation				
Refuse				
Other		2		2
Clerks (Clerical and administrative)		10	9	– 1
Service and sales workers		5	5	
Skilled agricultural and fishery workers				
Craft and related trades				
Plant and Machine Operators		16	16	–
Elementary Occupations		37	37	–
TOTAL PERSONNEL NUMBERS	9	**88**	**83**	**5**
% increase		–	–	–

Total municipal employees headcount	6, 10	**88**	**83**	**5**
Finance personnel headcount	8, 10	**18**	**18**	**-**
Human Resources personnel headcount	8, 10	**2**	**2**	**–**

References
1. Positions must be funded and aligned to the municipality's current organisational structure
2. Full Time Equivalent (FTE). E.g. One full time person = 1FTE. A person working half time (say 4 hours out of 8) = 0.5FTE.

3. s57 of the Systems Act

4. Include only in Consolidated Statements

5. Include municipal entity employees in Consolidated Statements
6. Include headcount (number fo persons, Not FTE) of managers and staff only (exclude councillors)

7. Managers who provide the direction of a critical technical function

8. Total number of employees working on these functions

9. Correct as at 30 June

10. Must account for all budgeted positions, as per the municipal organogram

VOLUME VII:

SCHEDULE OF KEY DEADLINES FOR 2020/2021 BUDGET & IDP PROCESS APPROVED AUGUST 2019

(only Soft copy available at Offices)

(separately submitted to AG)

VOLUME IIX:

MINIMUM COMPETENCY LEVEL REPORT AS AT 30 JUNE 2019

MFMA: MUNICIPAL REGULATIONS ON MINIMUM COMPETENCY LEVELS

SIX MONTHLY IMPLEMENTATION REPORT: SCHEDULE

Every municipality must submit this schedule to National Treasury disclosing for the 6 months ending 31 December and 30 June:
1. the total number of financial and supply chain management officials employed by the municipality and each of its municipal entities, and of those officials:
2. how many have undertaken a competency assessment, and
3. how many have complying performance agreements, including the attainment of competencies as a performance target.
4. Should you wish to provide additional information please include comments in the box below or forward a separate letter to the National Treasury MFMA Implementation Unit, Private Bag X115, Pretoria, 0001.

The schedule must be submitted no later than one month after the 6 month period end (i.e.30 January and 30 July). No extension of time will be given. This information must also be reflected in the municipality's Annual Report as at the end of the financial year to which the report relates. A municipal entity must submit its information to the parent municipality no later than 20 January and 20 July and also reflect this in its own Annual Report.

To save the file press the following keys at the same time with Caps Lock off: Ctrl-Shift-S. Save file as: Muncde_COM_ccyy_Sn.xls (e.g. GT411_COM_2008_S1.xls)
The electronic return must be emailed to lgdatabase@treasury.gov.za.

DECLARATION: The Municipal Manager/ Chief Executive Officer certifies this to be a true and accurate record of the implementation of the MFMA Municipal regulations on Competency Levels for officials in the municipality and/ or municipal entity for the six month period.

Municipal Manager/ CFO name:	JJ Fortuin	Email:	munman@karoohoogland.gov.za
Telephone:	053 3913 003	Date (ccyy/mm/dd):	6/30/2019
Mun Code:	NC066	Municipality Name:	Karoo Hoogland
Financial Year:	2018/19	Six Month Period:	S2 Jan - June

Description	A. Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	B. Total number of officials employed by municipal entities (Regulation 14(4)(a) and (c)	Consolidated: Total of A and B	Consolidated: Competency assessments completed for A and B (Regulation 14(4)(b) and (d))	Consolidated: Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Consolidated: Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))
Financial Officials						
Accounting officer	1	0	1	1	1	0
Chief financial officer	1	0	1	1	1	1
Senior managers	1	0	1	1	1	0
Any other financial officials	3	0	3	0	0	1
Supply Chain Management Officials						
Heads of supply chain management units	1	0	1	0	0	0
Supply chain management senior managers	0	0	0	0	0	0
TOTAL	**7**	**0**	**7**	**3**	**3**	**2**
Comments	*The Accounting Officer is currently doing his MFMP through FACHS Business Consulting and Training was complete the course by July 2019.*					

VOLUME IX:

REPORT ON THE IMPLEMENTATION OF THE SUPPLY CHAIN POLICY FOR 2018/2019

(only Soft copy available at Offices)

(separately submitted to AG)

APPENDIX A:

ANNUAL REPORT CHECKLIST FOR INFORMATION CONTAINED