



MMASEPALA WA SELEHAE-LOCAL MUNICIPALITY-PLAASLIKE MUNISIPALITIET

DRAFT ANNUAL REPORT 2012/2013



MALUTI-A-PHOFUNG MUNICIPALITY

ANNUAL PERFORMANCE REPORT 2012/2013

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1. Foreword by the Executive Mayor



EXECUTIVE MAYOR'S FOREWORD

I feel greatly privileged to present Annual Report for 2012/2013 financial year to our stakeholders and the community of Maluti A Phofung at large. I must acknowledge that this was not an easy year, but through our collective efforts we have indeed made a difference in the lives of our communities.

It gives me a sense of great relief to mention that most multiyear projects are on track. To mention but a few, is the completion of Phuthaditjhaba Stadium phase 1. The Indoor Sports Facility within the stadium is still under construction. The phase 1 Water Treatment Plant of Sterkfontein Bulk Water Supply project has been completed. Once the Phase 2 is completed, it would ease the pressure of water shortages in other areas.

Despite a myriad of developmental challenges, save to say that we have not failed to deliver on our constitutional mandate regardless of the limited resources at our disposal. As rural municipality, we shoulder huge responsibility to turn the tide and make Maluti A Phofung a better place to live in. In achieving this goal, it would require our collective wisdom to reduce poverty, unemployment and inequality to bring vibrancy in our local economy.

The constant growth in the population size of Maluti A Phofung jurisdiction demands of us to change the strategic approach in delivering basic services. It is crucial to mention this as a challenge as it speaks directly to the carrying capacity of electricity supply, water supply and provision of sanitation. I cannot agree more that our infrastructure is rapidly ageing and creating huge setbacks.

Nevertheless I wish to reaffirm that we are committed to become the best service delivery vehicle for the community of Maluti A Phofung going forward.

In presenting this 2012/2013 Annual Report, I think it is appropriate of me to thank Council, Council Committees and Mayoral Committee for the immense contribution they have made thus far, and not forgetting our dedicated staff who work tirelessly to serve our people. I also wish to thank our stakeholders and our communities at large.

A handwritten signature in black ink, appearing to read 'S. Moleleki', is written over a horizontal dotted line.

Cllr S. MOLELEKI

EXECUTIVE MAYOR

2. Performance Overview

Municipal Manager's Overview

The Municipality has managed to implement most projects and activities that are incorporated in the Municipal Turn Around Strategy. Public Participation on Budget/IDP undertaken was commendable in general because most communities and wards were consulted; as a result we were able to proudly adopt our IDP & Budget for 2013/14. We have made extensive efforts by paying special attention on Audit Action Plan with a broader plan of changing the Audit Opinion for the better. The Municipal Public Accounts Committee (MPAC) is very central & forthright on our achievements in this regard. This committee is highly commended.

Maluti-A-Phofung is still holding a “Blue Drop” status, meaning that our water is safe for drinking and highly purified. On sanitation we as MAP still hold "Green Drop" Status. One of the commendable achievements is that our Municipality has spent all its Municipal Infrastructure Grant (MIG) for the year under review. Much as we are making a difference in roads constructions, electricity maintenance, water supply and sanitation, much still have to be done to change the lives of our communities.

We have made a great progress in revitalizing our Local Economic Development Programmes (LED) to a level where we have engaged big network companies to invest in Maluti-A-Phofung i.e. (MTN & VODACOM). The future of Maluti-A-Phofung looks brighter with the future investments in Harrismith. e.g Logistical Hub, Vehicle Distribution Centre etc.

Charles Mopeli and Phuthaditjhaba Stadia are currently ready for utilization even by professional teams. All these new developments on sports are great signs of success that will put Maluti-A-Phofung on the map. As much as land for development is a scarce resource in this municipality, we have made good plans and progress in Kestel, Harrismith and QwaQwa to avail land for our community and for development.

2.1 INTRODUCTION

The Local Government: Municipal Systems Act 2000 (Act No 32 of 2000) (the MSA) obliges the municipality (MAP) to develop and implement a performance management system (PMS). The PMS is a framework that describes and represents how MAP's cycle and processes of planning, monitoring, measuring, reviewing, reporting and improving its performance will be conducted, organised and managed and what roles different role-players will fulfil in the process. It produces evidence of the extent to which the municipality implemented its integrated development plan (IDP) and serves as basis for identifying the reasons for underperformance in order to take corrective action in a timely fashion.

Section 46 of the MSA further requires that MAP must, at least once during a year, measure and review its performance against the KPIs and performance targets contained in its PMS and prepare an annual performance report. These measurements will indicate in what areas MAP performed satisfactorily and where improvements are required.

2.2 BACKGROUND

There are 97 172 households within the municipality, according to the census held in 2007. Two settlement types dominate the municipality, namely urban-type settlements such as Phuthaditjhaba, Intabazwe, Harrismith, Kestell, Tshiame and Tlholong and non-urban settlements. Non-urban type settlements may be classified into two distinct settlement types, namely commercial farming areas and communally-owned land.

The municipality does not provide basic municipal services to people living in commercial farming areas, unless they can access those services at their own cost, such as library services and building control.

Dotted around the municipality are several significant developments, such as Montrose City, truck stops and filling stations, accommodation establishments such as LalaNathi Lodge and Qwantani Resort to which the Municipality does not provide services.

2.2.1 General Key Performance Indicators

The Municipal Planning and Performance Management Regulations (2001) in terms of the MSA set the requirements for performance management out in detail. The Regulations also contain general KPIs which all municipalities must apply. The municipality's performance against these general KPIs is discussed in this Chapter.

2.2.2 *National Key Performance Area: Service Delivery*

The following key performance indicators were measured:

Key Performance Indicator	2009/10	2010/11	2011/2012	2012/2013
The percentage of households with access to basic level of water	82%	94%	96%	
The percentage of households with access to basic level of sanitation	57%	66.6%	71%	
The percentage of households with access to basic level of electricity	87.5%	90.12%	94%	
The percentage of households with access to basic level of solid waste removal	33%	33%	33%	
The percentage of a municipality's capital	93.3%	100%	100%	

budget actually spent on capital projects identified for the financial year				
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The municipality is making progress with the provision of access to basic services in the municipal area.

2.2.3 National Key Performance Area: Financial Viability

2.2.3.1 Debt Coverage Ratio

The debt coverage ratio indicates the municipality's ability to generate sufficient income for debt servicing to interest, principal and lease payments. A low debt coverage ratio (i.e. < 1) indicates that the municipality might encounter difficulties meeting debt service/finance charge obligations from own operating revenue. A high ratio (i.e. > 1) indicates relatively low expenses and a good financial position.

The municipality will have to introduce measures to improve their debt coverage ratio, as they currently do not have sufficient net income to service the debt, if no grants are received. The following formula is used to determine the ratio:

Debt coverage ratio = Surplus for the year – Operating grants + Grants paid + Finance cost + Non-cash items ÷ Debt service payments

Debt coverage ratio – Excluding grants received and paid:

	2012/2013	2011/2012	2010/2011
Total revenue received	R 1,138,268,390	R 1,183,813,630	R 855,971,038
Less: Debt impairment	R -56,209,276	R -96,509,285	R -62,104,595
Less: Government grants	R -634,002,409	R -599,506,814	R -481,953,913
Income excluding grants received and debt impairment (A)	R 448,056,605	R 487,797,531	R 311,912,530
Operating expenditure as per the AFS	R 1,266,389,731	R 1 222 887 079	R 719 978 558
Add back: Depreciation	R – 295,600,062	R – 308 707 432	R -286 380 460
Add back: Finance cost	R – 8,919,020	R -2,807,255	R -3 115 632
Add back: Grants paid	R – 111,646,340	R -119,698,617	R -68 499 000
Expenditure – cash (B)	R 850,224,309	R 791 673 775	R 361 983 466
Net income (A – B)	R -402,167,704	R -303 876 244	R -50 070 936
Finance cost	R -8,919,020	R -2,807,255	R -3,115,632
Principal payments for the year	R 4,155,066	R 38,605	R 5,760,367
Lease payments for the year	R 4,145,416	R 10,695,602	R 561,595
Debt service payments	R 618,538	R 7,926,952	R 9,43,594

	2012/2013	2011/2012	2010/2011
Debt coverage ratio	-650.19	-38.33	-53.06
(Net income/debt service payments)			

2.2.3.2 Outstanding service debtors to revenue ratio

The outstanding service debtors to revenue ratio indicates the average number of days debtors (property rates, water sales, electricity sales, sewage removal and refuse removal) are outstanding. An acceptable norm is 56 days.

As general guideline debtors older than 90 - 120 days is deemed to be irrecoverable. On 30 June 2013 R338, 276,910 (2012: R490, 761,932) debtors was impaired.

Outstanding service debtors to revenue ratio:	2012/2013	2011/2012	2010/2011
A = Year end service debtors (Excluding impairment)	R 119,256,947	R 148,729,315	R 153,215,311
B = Service revenue (Incl. Property rates)	R 504,265,981	R 539 157 705	R 354 401 206
A ÷ B X 365 days	83.95 days	100.68 days	157.79 days

The municipality will have to introduce and enforce stricter credit control and debt collection measures to ensure the financial viability of the municipality.

2.3.4.3 Cost coverage ratio

The cost coverage ratio indicates the cash flow situation of the municipality, i.e. whether it has the cash available to cover its expenses during a specified period. If the result of the equation is > 1 it means that the Municipality has sufficient cash to cover one month's expenses. If it is <1, the municipality cannot cover a month's expenses, which means that it will not be able to meet its commitments. Ideally the ratio should be 3 or > 3, i.e. the Municipality should have sufficient cash to cover three month's expenses. Cost coverage is determined by using the following formula:

$$\text{Cost coverage} = \text{All available cash} + \text{Investments} \div \text{Monthly fixed operating expenditure}$$

	2012/2013	2011/2012	2010/2011
All available cash	R 3.332,493	R 12 465 150	R 9 088 639
Short term investments (Current)	R 2,670,662	R 425 687	R 39 851 756
Monthly fixed operating expenditure	R 41,926,234	R 17 011 372	R 14 792 497
Cost coverage ratio	0,14	0.73	3.26
	(All available cash + Investments ÷ Fixed monthly expenditure)		

2.3.4.4. Liquidity ratio

Liquidity is an indicator that indicates whether the Municipality will be able to meet its short term obligations and is expressed by the following formula. If the result of the equation is 1 or more, the Municipality would be able to meet its short term obligations:

$$\text{LIQUIDITY} = \text{Current assets} \div \text{Current liabilities}$$

<u>Liquidity ratio:</u>	2012/2013	2011/2012	2010/2011
Current Assets	R 188,437,958	R 198,727,182	R 257,352,009
Current liabilities	R 304,924,075	R 211,570,564	R 245,409,407
Ratio	0.61	0.93	1.04
(Current assets ÷ Current liabilities)			

In the short term the municipality will be able to meet its short term obligations. The municipality should however strive to increase the ratio to at least 2.

2.3.4.5 Solvency ratio

Solvency is an indicator that indicates whether the Municipality would be able to meet its long term obligations i.e. whether the Municipality would be able to meet its long term obligations if it is dissolved (in the case of private enterprise if it is liquidated). If the result of the equation is 1 or more, the Municipality would be able to meet its long term obligations:

$$\text{Solvency} = \text{Surplus for the year} + \text{Non-cash items} \div \text{Long term liabilities} + \text{Short term liabilities}$$

<u>Solvency ratio:</u>	2012/2013	2011/2012	2010/2011
Surplus for the year	-128,034,937	R -38 532 892	R 157 887
<i>Add back: Non-cash items</i>			
Depreciation and amortisation	R 295,600,062	R 308 707 432	R 286 380 460
Debt impairment	R 56,209,276	R 131 082 851	R 62 104 595
Fair value adjustments	R 86,404	R -540 557	R -8 986 337
	R 223,860,805	R 400 716 834	R -181 701 651
Short term liabilities	R 304,924,074	R 217 776 026	R 232 323 586
Long term liabilities	85,921,249	R 32 959 930	R 30 960 115
Total liabilities	R 390,845,323	R 250 735 956	R 263 283 701
Solvency ratio	0,57	1.60	-0.69

3. Infrastructure Services

3.1 Electricity

The Municipality does not reticulate electricity in the whole of its area of jurisdiction, but only in the area for which it holds an electricity distribution license. Eskom provides electricity in those parts of the Municipality that falls outside the Municipality's license area.

	2010/11	2011/12	2012/13
Electricity distribution losses %	34%	30,5%	42%
Electricity maintenance budget	R9,000,000	R9,500,000	R9,800,000
Maintenance budget actually spent	R9,000,000	R9,500,000	R9,800,000
Power failures reported	73	54	54
Average time taken to restore power	3.5 hours	3.5 hours	3 hours

3.2 Water

The following results were achieved during the financial year under review. Notably water losses decreased again during this financial year as seen below.

Key Performance Indicator	2010/11	2011/12	2012/13
% Water distribution loss	31%	30%	30%
R budgeted for maintenance	R28,000,000	R29,200,000	R31,000,000
R spent on maintenance	R28,000,000	R29,200,000	R31,000,000

A water services audit was conducted in conjunction with DWA and blue drop status was achieved in the financial year. The water quality plan was completed as to apply for the water licenses awaiting approval water distribution licenses from the department of water affairs.

3.3 Sanitation

Blockages of sewer mains decreased and are the result of the increased expenditure on maintenance of the sewage network as shown below. The time taken to clear mainline blockages is, however, still too long and should be decreased.

Key Performance Indicator	2010/11	2011/12	2012/13
Mainline blockages reported per town	271	254	230
Average time taken to resolve mainline complaints	5 Hours	4,5 Hours	4 Hours
R budgeted for maintenance	R16,500,000	R17,300,000	R18,000,000
R spent on maintenance	R16,500,000	R17,300,000	R18,000,000

The quality of the purification works is shown below. The municipality achieved green drop status for purification during the financial year. The municipality increased the number of tests conducted and achieved a success rating of 98.82% for compliance.

Key Performance Indicator	2010/11	2011/12	2012/13
No of tests conducted	9460	9480	10101
No of tests complying with national standards	9323	9416	9982
% of tests complying with national standards	98.55%	99.3%	98.82%
Did the municipality achieve a green drop status?	Yes	Yes	Yes

3.4 Municipal Transformation and Organisational Development

The directorate developed a training schedule based on a work skills plan and the following training was completed in the financial year:

MIG and EPWP training	: 05 employees
High voltage Regulations	: 20 employees
Learner ship- Electrical	: 12 employees
Learner ship- Mechanical	: 7 employees
Occupational Health and Safety Act	: 15 employees

All post levels 1-3 have a performance and development plan for the 2012/13 financial year.

3.5 Municipal Infrastructure Grant

The MIG grant spending for the past four financial years are reflected in the table below:

Financial year	Available funding	Amount spent	% spent
2009/10	R 117, 013, 125	R 111, 908, 290	95.5%
2010/11	R 142, 458, 572	R 142, 458, 572	100%
2011/12	R 171, 336, 000	R 171, 336, 000	100%
2012/13	R 207, 842, 000	R 207, 842, 000	100%

Certificate of expenditure - MIG projects

Amount Allocated per Sector

Date	Budget Estimate	Amount Received	Actual Expenditure	Balance
Jul-12	74,904,000.00	74,904,000.00	10,722,005.90	64,181,994.10
Aug-12	-	-	14,063,209.10	-14,063,209.10
Sep-12	-	-	12,179,012.02	-12,179,012.02
Oct-12	-	-	7,999,452.56	-7,999,452.56
Nov-12	65,590,000.00	65,590,000.00	17,851,007.27	47,738,992.73
Dec-12	-	-	12,909,667.05	-6,237,142.49
Jan-13	-	-	6,237,142.49	-12,909,667.05
Feb-13	-	-	14,397,075.33	-14,397,075.33
Mar-13	67,348,000.00	67,348,000.00	21,150,650.76	46,197,349.24
Apr-13	-	-	25,257,866.33	-25,257,866.33
May-13	-	-	28,859,015.99	-28,859,015.99
Jun-13	-	-	36,215,895.20	-36,215,895.20
Total	207,842,000.00	207,842,000.00	207,842,000.00	

Item No	Capital Projects	Amount Allocated For 2012/2013	Expenditure As At 30 June 2012	Labour Employed	Planned no of Out puts	Status and Comment
	MIG Capital Expenditure					
1	Roads and Storm Water	R 51,008,964	R 46,122,268. 25	328	31 km	
2	Sanitation	R 82,030,613	R 59,484,876. 05	231	6369 household connections	
3	Water Supply	R 38,080,600	R 29,339,314. 80	201	5554 household connections	
4	Sports and Recreational	R 25,067,972	R 18,791,362. 71	77	3	
5	Cemeteries and Fencing	R 3,664,730	R 3,664,730. 00	33	1.2km	
6	Highmast Lights	R 2,557,091	R 1,599,935. 82	0	153	
	DWA					
7	Bulk Water Supply	R 63, 620, 000		140		
	DoE					
8	Electricity	R 10,000,000				
	External Loan					
9	Offices	R 22, 000, 000	R 5,032,332.41	17	75%	
10	Smart Meter	R 35,000,000				
11	Yellow Fleet	R 40,000,000				
	Own Source					
12	Turfontein / Makeneng Paved Road	R6,500,000				
13	Intergrated Energy Centre	R 6,000,000				
14	CCTV	R 10,000,000				

INFRASTRUCTURE PROJECTS

Projects Implemented by the PMU during the 2012/2013 Financial Year

Roads and Stormwater Projects

Item No	Name Of Project	Description Of Works	KM Paved	Funding Source	Project Value	Approved Budget For 2012/2013	Expenditure As At 30 June 2012	Status Of Project As At 30 June 2013
1	Disaster Park Paved roads Phase 2	Construction of 6km Paved roads	4,025	MIG	R 14,352,600. 00	R 7,445,629. 02	R 6,906,970. 98	Complete
2	Phuthaditjhaba Paved Roads Phase 2	Construction of 6km Paved roads	6	MIG	R 27,000,000. 00	R 10,273,979. 47	R 16,726,020. 53	Complete
3	Tsiame B Paved Roads Phase 2	Construction of 6km Paved roads	3,7	MIG	R 29,890,800. 00	R 10,376,389. 32	R 10,369,568.06	Practical Completion
4	Intabazwe Paved Roads Phase 2	Construction of 6km Paved roads	2,7	MIG	R 20,000,000. 00	R 8,912,967. 47	R 6,895,176. 33	86% Construction
5	Intabazwe/Harrismith Ext 3 New Surfaced Roads	Construction of surfaced roads	3,1	MIG	R 36,259,410. 00	R 12,000,000. 00	R 9,137,915.86	83% Construction
6	Namahadi Paved Roads Phase 1	Construction of 4km Paved roads	0	MIG	R 26,235,805. 00	R 2,000,000. 00	R 2,000,000. 00	Tender Stage

Item No	Name Of Project	Description Of Works	Network /Bulk	Funding Source	Project Value	Approved Budget For 2012/2013	Expenditure As At 30 June 2012	Status Of Project As At 30 June 2013
1	Wilge Waste Water Treatment Works	Construction of the waste water treatment works	Bulk	MIG	R 77,862,000. 00	R 12,000,000. 00	R 11,495,138. 87	8% Construction
2	VIP Toilets Phase 9	Construction of 8000 VIP toilets in Qwaqwa	4000	MIG	R 60,545,808. 00	R 24,944,423.47	R 24,944,423. 47	Defects Liability
3	Kestell/Tlolong Water Networks	Construction of water network system, bulk water and 2ml ground reservoir	Bulk	MIG	R 15,326,017. 00	R 3,500,000.00	R 1,135,685.89	10% Construction
4	QwaQwa Rural: Water network Project Phase 2 of 4	Provision of water services for network extensions and erf. Connnections for the QwaQwa	Bulk	MIG	R 72,633,823.00	R 24,529,332.90	R 26,808,743.74	95% Construction

		rural areas						
5	QwaQwa Rural: Water network Project Phase 3 of 4	Provision of water services for network extension s and erf. Connections for the QwaQwa rural areas	Bulk	MIG	R 37,499,392.95	R 7,051,267.00	R 3,019,682.91	Tender Stage
6	VIP Toilets Phase 10	Construction of 6000 VIP Toilets in Qwaqwa	6000	MIG	R 51,977,133.16	R 30,484,804.00	R 13,012,102.15	45% Construction
7	Makholokweng Sewer	Construction of Bulk sewer, pumping main and erf. Connections		MIG	R 23,217,087.00	R 12,000,000.00	R 9,519,479.27	75% Construction
8	Mandela Park Sanitation	Provision of sanitation services to 650 stands	650	MIG	R 10,100,000.00	R 2,600,000.00	R 512,346.76	Re-Tender Stage
9	Makholokweng Reservoir	Construction of a 4ml Reservoir	Bulk	MIG	R 7,329,694.00	R 3,000,000.00	R 654,613.30	Tender Adjudication
10	Sterkfontein Bulk Water Supply	Construction of water treatment plant	Bulk	DWA	R	R 63,620,000.00	R	Construction

Water and Sanitation projects

High Mast Lights

Item No	Name Of Project	Description Of Works	No. of High mast lights	Funding Source	Project Value	Approved Budget For 2012/2013	Expenditure As At 30 June 2012	Status Of Project As At 30 June 2013
1	High Mast Lights in 4 towns	Construction of 153 high mast lights	153	MIG	R 32,381,897.00	R 2,557,091.00	R 1,599,897.00	1% Construction

Electricity

Item No	Name Of Project	Description Of Works	No. of Connections	Funding Source	Project Value	Approved Budget For 2012/2013	Expenditure As At 30 June 2012	Status Of Project As At 30 June 2013
1	Electrification Programme 2700	Construction of reticulation networks in various wards	2700	DoE	R	R 10,000,000.00	R	

Public facilities and others

Item No	Name Of Project	Description Of Works	Funding Source	Project Value	Approved Budget For 2012/2013	Expenditure As At 30 June 2012	Status Of Project As At 30 June 2013
1	Phuthaditjhaba New Indoors, sports and recreational facilities	Construction of multi-purpose hall	MIG	R 29,070,000.00	R 19,000,000.00	R 16,791,362.71	66% Construction
2	Intabazwe New Indoors, sports and recreational facilities	Construction of multi-purpose hall	MIG	R 29,070,000.00	R 3,567,972.00	R 0. 00	Tender Evaluation
3	Tsiam: Sediba Hall	Upgrading of Sediba Townhall	MIG	R 11,172,000.00	R 2,500,000.00	R 2,000,000.00	8% Construction
4	Fencing and Infrastructure at Cemeteries (Phase 1B)	Fencing and cleaning cemeteries	MIG	R 23,010,000.00	R 3,664,730.00	R	99% Construction
5	Refurbishment of Old Maluti Offices	Refurbishment of old municipal building	External Loan	R 24,000,000.00	R 23,000,000.00	R 5,032,332.41	75% Construction

Contract administration:

Item No	Project Title	Start Date	Target date of completion	Revised target date
1	VIP Toilets Phase 9	01 July 2011	31 Dec 2012	31 January 2013
2	Wilge: Upgrading of Waste Water Treatment Works	04 April 2013	14 July 2014	
3	Kestell/Tlholong Water Networks, Bulk Services and a New 2ml Ground Storage	15 May 2013	15 February 2013	
4	QwaQwa Rural Water Networks Phase 2	01 August 2011	31 May 2013	
5	QwaQwa Rural Water Networks Phase 3A	TBA	TBA	TBA
6	VIP Toilets Phase 10	11 February 2013	15 November 2013	
7	Makholokweng Sewer	01 September 2012	18 August 2013	
8	Mandela Park Sanitation	TBA	TBA	TBA
9	Makholokweng Reservoir	15 April 2013	14 December 2013	

10	Sterkfontein Water Treatment Plant – Civil / Structural Works	05 February 2009	July 2013	
11	Sterkfontein Water Treatment Plant – Mechanical / Electrical Works	05 February 2009	April 2013	
Item No	Project Title	Start Date	Target date of completion	Revised target date
12	Sterkfontein Water Treatment Plant – Pipeline Phase 2	17 January 2011	19 October 2012	
13	Sterkfontein Water Treatment Plant – Northern Bulk Reservoirs	31 January 2012	19 March 2013	
14	Sterkfontein Raw Water Abstraction	06 June 2011	30 October 2013	
15	Metsi Matsho Water Supply	TBA	TBA	TBA
16	153 High Mast Lights in 4 Towns	24 June 2013	17 May 2014	
17	Phuthaditjhaba New Indoor Sports and Recreational Facility	19 April 2012	19 December 2013	
18	Intabazwe New Indoor Sports and Recreational Facility	TBA	TBA	TBA
19	Upgrading of Sediba Hall	11 March 2013	11 March 2014	
20	Fencing and Infrastructure at Cemeteries Phase 2	31 January 2012	19 March 2013	
21	Refurbishment of Old Maluti Offices	23 April 2012	30 June 2013	
22	Disaster Park Paved Roads Phase 2	14 February 2012	15 May 2013	
23	Intabazwe Ext. 3 New Surfaced Roads Phase 1	16 May 2012	19 July 2013	
24	Intabazwe Paved Roads Phase 2	16 May 2012	15 August 2013	
25	Tsiame B Paved Roads Phase 2	07 February 2012	06 May 2013	
26	Phuthaditjhaba Paved Roads Phase 2	11 August 2011	31 May 2013	
27	Namahadi Paved Roads Phase 1	TBA	TBA	TBA

SUMMARY REPORT

Projects Details as At 30 June 2013

NR	NAME OF PROJECT	PROJECT CATEGORY	CONSULTANT	CONTRACTOR	LABOUR INTENSIVE PROJECT Y/N	NO. OF HOUSEHOLDS TO BENEFIT	PLANNED NO OF PEOPLE TRAINED	NO. OF PEOPLE TRAINED	PLANNED LABOUR TO BE EMPLOYED	LABOUR EMPLOYED	RATING AND REMARKS
1	Construction of VIP Toilets Phase 9	Sanitation	Phofung Consultants	Kambila Construction	Y	4500	99	99	99	117	
2	Wilge Waste Water Treatment Works Phase 1	Sanitation	Miletus Consultants	Rob's Investments	Y	18157	12	0	60	14	
3	Kestell/Tlholong Water Networks, Bulk water supply and 2ml storage	Water	Khato Consulting Engineers	Group Two Trading	Y	1950	36	16	30	0	
4	QwaQwa Rural Water Network Phase 2 of 4	Water	Khato Consulting Engineers	Dee Dee Enterprise, Kinek & J. Bravo	Y	7698	50	60	120	167	
5	QwaQwa Rural Water Network Phase 3A of 4	Water	Khato Consulting Engineers	TBA	Y	3346	84	0	50	0	
6	Construction of VIP Toilets Phase 10	Water	Phofung Consultants	Kambila Construction	Y	6000	400	42	85	42	
7	Makholokweng Sewer	Sanitation	Kgato Project Management	Chuene Business Enterprise	Y	1400	20	58	50	58	
8	Mandela Park Sanitation	Sanitation	Aurecon	TBA	Y	650	67	0	65	0	
9	Makholokweng Reservoir	Water	Kgato Project Management	Umso Construction	Y	1300	20	0	20	16	
10	Sterkfontein Water Treatment Plant – Civil and Structural Works	Water	Miletus	Phello Construction	Y		15	13	50	28	
11	Sterkfontein Water Treatment Plant – Mechanical / Electrical Works	Water	Miletus	Metsi Projects	Y		15	12	50	24	

NR	NAME OF PROJECT	PROJECT CATEGORY	CONSULTANT	CONTRACTOR	LABOUR INTERNSIVE PROJECT Y/N	NO. OF HOUSEHOLDS TO BENEFIT	PLANNED NO OF PEOPLE TRAINED	NO. OF PEOPLE TRAINED	PLANNED LABOUR TO BE EMPLOYED	LABOUR EMPLOYED	RATING AND REMARKS
12	Sterkfontein Water Treatment Plant – Pipelines Phase 2	Water	Miletus	Ruwacon	Y		30	22	50	26	
13	Sterkfontein Northern Bulk Reservoirs	Water	Miletus	Moseme Kinek JV	Y		20	0	60	44	
14	Sterkfontein Raw Water Abstraction	Water	Miletus	Wamesa	Y		10	6	30	18	
15	Metsi Matsho Water Supply	Water	Miletus	TBA	Y		30	0	50	0	
16	153 High Mast Lights in 4 Towns	Highmast Lights	S & W Consulting Engineers	Nkanyezi / Superfecta Trading JV	Y	18077	10	0	100	0	
17	Phuthaditjhaba New Indoor Sports and Recreational Facility	Sports and Recreational facilities	SVP Quantity Surveyors	Mofomo Construction	Y	50399	30	20	110	62	
18	Intabazwe New Indoor Sports and Recreational facility	Sports and Recreational facilities	SVP Quantity Surveyors	TBA	Y	14596	30	0	110	0	
19	Upgrading of Sediba Hall	Community Halls	SVP Quantity Surveyors	HDM Catering and Projects	Y	5647	30	0	50	15	

NR	NAME OF PROJECT	PROJECT CATEGORY	CONSULTANT	CONTRACTOR	LABOUR INTERNSHIP PROJECT Y/N	NO. OF HOUSEHOLDS TO BENEFIT	PLANNED NO OF PEOPLE TRAINED	NO. OF PEOPLE TRAINED	PLANNED LABOUR TO BE EMPLOYED	LABOUR EMPLOYED	RATING AND REMARKS
20	Fencing and Infrastructure at all Cemeteries	Cemeteries	RudNat Projects cc	Dee Dee Enterprises	Y	119200	30	16	110	33	
21	Refurbishment of Old Maluti Offices		Kgato Project Management	Freelance Mokoena JV	Y		20	0	50	17	
22	Disaster Park Paved Roads Phase 2	Roads & Stormwater	RudNat Projects	Mnqayana Construction	Y	2435	30	20	180	51	
23	Intabazwe Ext. 3 Roads Phase 1	Roads & Stormwater	Proper Consulting Engineers	Motaung Creations	Y	6671	75	7	75	34	
24	Intabazwe Paved Roads Phase 2	Roads & Stormwater	Ilifa Africa Engineers	Savuma / Big Bravo JV	Y	900	50	43	53	62	
25	Phuthaditjhaba Paved Roads Phase 2	Roads & Stormwater	RudNat Projects cc	Mnqayana General Construction	Y	332	60	20	100	120	
26	Namahadi Paved Roads Phase 1	Roads & Stormwater	RudNat / SVP Quantity Surveyors	TBA	Y	5128	40	0	180	0	
27	Tshiame Paved Roads Phase 2	Roads & Stormwater	DMV Baeletsi	TS Construction	Y	6000	40	22	81	61	

3.6 REPORT AGAINST INTEGRATED DEVELOPMENT PLAN:

3.6.1 WATER AND ELECTRICITY SERVICES

OBJECTIVES	KPIs	PROGRESS ACHIEVED	CHALLENGES	REASON FOR NOT ACHIEVING	EXPENDITURE
1. . To accelerate the delivery of infrastructure services	Total number of facilities constructed New indoor sports facility and Sediba Hall upgrade	66% 8%	None None	N/A N/A	R 19 000 000.00 R 2 500 000.00
	Total km of paved roads constructed				

	(a) Phuthas Roads phase 2	100%	None	N/A	R 10 273 979.47
	(b) Tshiame Roads phase 2	98%	None	N/A	R 10 376 389.32
	(c) Intabazwe Roads phase2	86%	None	N/A	R 8 912 967.42
	(d) Disaster Park phase 2	100% Completed	None	N/A	R 7 445 629.02
	(e) Intabazwe Ext 3 phase 1	68% Completed	None	N/A	R 9 057 355.48
	Number of VIP toilets constructed	99%	None	N/A	R 24 944 423.47
	Number of household serviced with potable water Qwa Qwa rural and Tlholong	100% 25% 10%	None	N/A	R 37 360 010.00
	Number of water treatment plants upgraded	100%	None	N/A	R 620 000.00
	Number of cemeteries with proper infrastructure	100%	N/A	N/A	R 4 197 307.06
	Number of <u>reservoirs</u> constructed)	52%	N/A	N/A	R 5 358 189.90
	Number of new highmast lights installed	0%	Project approved late	Will only implement 01 July 2013	R 0.00
	Number of waste water treatment plants upgraded	8%	N/A	N/A	R 7 000 000.00
	Number of household connected to sewer networks	75%	N/A	N/A	R 15 073 810.97
	Number of bulk water schemes constructed	Phase 1- 100% Phase 2 – 90% Phase 3 – 15%	N/A	N/A	R 65 000 000.00
	Installation of Electricity connection Ha nchabeng 355 Ha Rankopane 50 Hasethunya 100 Letshalemaduke 108 Diyatalawa 65 Total 678	Total of 678 connections completed	None	N/A	R 10 000 000.00

	Demand side management project office	Business plan completed	None	N/A	R 3 000 000.00
2. To creation job opportunities	Number of job created on projects	899	None	N/A	R 0.00
3. To prepare departmental draft budget	Preparation of budget on time	Completed	None	N/A	N/A
4. Management of the departmental votes	Reduced percentage of audit queries	Only three queries received	None	N/A	N/A
5. To respond to internal and external audit queries	Number of audit queries	Respond to all audit queries	None	N/A	N/A
6. To measure community satisfaction	Number of surveys conducted in MaP on services delivery	Completed	None	N/A	N/A
7. To improve waste removal services and management of landfill sites	Implement a programme for the disposal of domestic waste and commercial services to industrial and business customers	75%	- Breakdown refuse - Shortage of waste equipment	- Breakdown refuse - Shortage of waste equipment	R 33 236 086.00
	Update and maintain waste collection equipment	50%	- Lack of vehicle Services	Lack of vehicle Services	R 3 000 000.00
	Managing the landfill sites	100%	None	N/A	R 3 785 000.00
	Minimizing illegal dumping	50%	Shortage of equipment	Shortage of equipment	R 2 000 000.00
8. To promote compliance to environmental legislation, policies and by laws	Integrated Waste Management Plan developed	Service provider has been appoint and status quo report available for Phase 1	None	- - Appointment letter. Status quo report	R 245 000.00
	Air Quality Management Plan developed	Not implemented	Not Budgeted	Not Budgeted	R 0.00

	Waste Management bylaws reviewed and developed	Completed	None	Completed	R 300 000.00
	Air Quality Management by laws development	Not implemented	Not budgeted	Not Budgeted	R0. 00
9. To increase awareness by educating communities about environmental issues and how protect the environment	Number of cleaning campaigns organized	2 Cleaning	None	N/A	R 200 000.00
	Support celebration of environmental calendar days e.g.WED/WWD etc.	2 celebration WED/WWD held	None	N/A	R 200 000.00

4. HUMAN SETTLEMENTS, SPATIAL DEVELOPMENT AND PLANNING

4.1 Housing and land

OBJECTIVES	KPI	PROGRESS ACHIEVED	CHALLENGES	REASON FOR NOT ACHIEVING	EXPENDITURE
To enhance skills development in the department	No. Of skilled and competent staff members	Only one employee attended the housing policy training from February to April 2013	19 officials could not be capacitated because the skills development program could not be approved by the skills development committee	Non implementation of the program by the skills development officer	R1 250.00 X 15 = R18 750 + R5 200.00 X 3 = R15 600.00 (accommodation & travelling) R34 350.00
To eradicate the informal settlements	No. Of illegal structures on unproclaimed areas to be eradicated	<ul style="list-style-type: none"> ➤ Relocation of 15 households inside Vulindlela school premises ➤ Application for condemnation in Bluegumbosch 199 awarded and application for leave of appeal dismissed against morena Tsholo. Defendants file for Petition. ➤ Impoundment of containers at Setsing, Phuthaditjhaba & Harrismith taxi rank 	<ul style="list-style-type: none"> ➤ Resistance to relocate from community members however public meetings convened by the Councillor resolved the issues ➤ Defence application forwarded by morena Tsholo against eviction order dated 12 July 2012 ➤ Inability to access the invaded portion of land because of serious threats to municipal officers ➤ Resistance by hawkers and failure to reclaim their impounded properties from the municipalities 	<ul style="list-style-type: none"> ➤ Achieved ➤ Achieved ➤ Achieved 	<ul style="list-style-type: none"> ➤ R12.24 X 80l diesel ➤ Overtime for 10 officials ➤ Legal costs – Balden & Vogel Attorneys (R125 00.00)

					<ul style="list-style-type: none"> ➤ R12.24 X 320l diesel ➤ Overtime for 20 officials
To renovate the municipal buildings	No. of renovated & upgraded buildings:	➤ Partly achieved	➤ Delay in re-designing the concrete roof structure by a structural engineer.	➤ Project rolled over to the new financial year; 2013 – 2014 and approved by BCS on the 16/07/2013 for advertisement	➤ R1 700 000.00 (no spending)
	<ul style="list-style-type: none"> ➤ Intabazwe community centre – Phase 2 	➤ Partly achieved	➤ Cash flow challenges	➤ Unavailability of funds however project rolled over to new financial year and approved by BCS on the 16/07/2013 for advertisement	➤ R789 000.00 (no spending)
	<ul style="list-style-type: none"> ➤ Intabazwe white house 	➤ Partly achieved	➤ Cash flow challenges	<ul style="list-style-type: none"> ➤ Unavailability of funds however project advertised on local newspapers on the 21 June 2013 	➤ R1 000 000.00 (not spent)
	<ul style="list-style-type: none"> ➤ Procurement of chairs Harrismith town hall, Naledi hall & Embizweni hall ➤ Repair and painting of fence in Harrismith municipal offices, 	➤ Not achieved	➤ Change of project and funds meant for repairs redirected to the Kestel security fence	➤ Change of project and funds meant for repairs redirected to the Kestel security fence, however, project advertised and closed on	➤ R1 000 000.00 (Not spent)

	<p>Intabazwe & Harrismith library / Kestel municipal offices palisade fencing</p> <p>➤ Repairs of the plumbing system in municipal buildings</p>	<p>➤ Achieved</p>	<p>➤ The targeted building had to be replaced with the new building where there was a dire need to repair both male and female ablution facility, which was posing a health hazard to employees</p>	<p>07/06/2013, technical submitted on 18/07/2013 for evaluation</p>	<p>➤ R152 000.00</p>
To fence the municipal townlands & commonages	No. of safe & secured commonages & town lands	<p>➤ Achieved: general heights Harrismith</p> <p>➤ 90% achieved by end of financial year: commonage 6 & 7 in Kestell</p>	<p>➤ None</p> <p>➤ Delayed by contractor</p>	<p>➤ None</p> <p>➤ Delayed by contractor</p>	<p>➤ R 454 000.00</p> <p>➤ R179 000.00</p>
To accelerate the delivery of housing	<p>➤ Contracts signed with the department of human settlements & land availability agreements with the municipality</p>	<p>➤ Land availability agreement signed with ROBS, GT Molefe, Group Two, Together Trust, Harakisha, SUBCOBIZ and Momoxa building Contractors</p>	<p>➤ Difficult terrain, inaccessible roads, delayed & duplicated inspections by Province, delayed payments by Province</p>	<p>➤ Construction stopped while in process due to budgetary constraints</p>	<p>➤ Grant from the Province R72 123.00 / house</p>
To review the Human Settlements Sector Plan	<p>➤ No. of workshops held to ensure updated human Settlements Sector Plan</p>	<p>➤ 4 public participation sessions held in Harrismith, Kestell, Phuthaditjhaba & Qwaqwa Rural</p>	<p>➤ Resistance from the public to participate in compiling documents</p>	<p>➤ Compliance strategy from the Human Settlements Dept. To follow their guide lines before approving the sector plan</p>	<p>Refreshments = R 25 000.00</p>

To generate revenue & sell sites within MAP	<ul style="list-style-type: none"> ➤ No. of sites sold and leased town lands and other municipal properties 	<ul style="list-style-type: none"> ➤ 150 stands sold at R10 000.00 each = R150 000.00 ➤ Hospital stand (ERF 4795) at Harrismith sold at R1 300 000.00 ➤ ERF 10817 next to Thiboloha School sold at R215 000.00 ➤ ERF 931 Harrismith sold at R550 000.00 ➤ ERF 2793 Bluegumbosch sold at R40 000.00 ➤ ERF 5002 Intabazwe Ext. 1 sold at R 20 000.00 ➤ ERF 5012, 13, 14 & 15 Intabazwe Ext. 1 sold at R70 000.00 combined ➤ Farm 2/131 Glenkhyber sold at R472.000.00 ➤ Site 443, 448 & 449 Kestel Industrial site sold at R80 000.00 each 	<ul style="list-style-type: none"> ➤ Delayed payments to finalise purchase price 	<ul style="list-style-type: none"> ➤ None 	R 2 162 000.00 (Income)
To upgrade and maintain the GIS system	<ul style="list-style-type: none"> ➤ Contract signed, Quarterly updates 	<ul style="list-style-type: none"> ➤ The Service Level Agreement of TGIS has been extended for further 3 years at the beginning of July. ➤ The last quarterly update was in April. ➤ 	<ul style="list-style-type: none"> ➤ Renovations of the old municipal building interrupted the quarterly visits, which in turn happened on unscheduled dates 		R 242 504.00

To facilitate Cemetery Investigation	➤ To have two cemeteries	➤ Record of Decision received on two identified sites. Both sites are suitable for cemetery establishment			R 500 000.00
To accelerate the delivery of housing	➤ No of Quality houses built and completed	Routine: Foundations = 83 Wall Plates = 40 Completed = 28 BNG Houses Foundations = 442 Wall Plates = 287 Completed = 144	➤ Transportation ➤ Shortage of Staff ➤ Late payment to contractor	➤ Challenges at between the province and the contractors including amongst others, delay in payments let to non-completion of the projects on specified times	R10 608 000.00 R 6 888 000.00 R10 385 712.00 (paid by the Province to the contractors)
To inspect the housing projects and other building projects	➤ No of Quality BNG houses and private houses as well as no of building projects in MaP	BNG Houses Foundations = 442 Wall Plates = 287 Completed = 144 Routine: Pre Site Inspection= 334 Foundations = 83 Wall Plates = 40 Roof = 9 Plumbing =4 Completed = 28 Notices Issued = 180	➤ Transportation		R10 608 000.00 R 6 888 000.00 R10 385 712.00 (paid by the Province to the contractors)
To implement Building Control Regulations	➤ No of workshops held aimed at Informing community members of building control regulations	➤ 4 workshops for councilors ➤ 5 workshops for community	➤ Poor attendance of the Public ➤ Transportation,		60l X 11.24 = R674.40

To review the Spatial Development Framework	<ul style="list-style-type: none"> ➤ 4 participatory workshops with communities in Kestell, Tshiame, Harrismith, and Phuthaditjhaba 	<ul style="list-style-type: none"> ➤ The review is currently under way, phase 1,2,3, has been completed 	<ul style="list-style-type: none"> ➤ Appointment of the service provider was done by the National Department of Rural Development and Land Reform in March, which was the beginning of their financial year. 	<ul style="list-style-type: none"> ➤ Due to the late appointment of the service provider, the project could not be completed in time for adoption by the council before end of municipal financial year, it will however be completed during the current financial year 	R 370 000.00 (by DRDLR)
To enforce and update the Land Use Management Scheme	<ul style="list-style-type: none"> ➤ 32 Processed town planning applications 	<ul style="list-style-type: none"> ➤ A total of 32 applications were processed. 	<ul style="list-style-type: none"> ➤ Approval of the LUMS still pending at the Province due to the dispute between COGTA and Dept. Of Agriculture. ➤ In the meantime, the Harrismith Town Planning Scheme is still being used to regulate the use of land on formally promulgated areas within MAP. ➤ Town Planning Schemes still used for processing of town planning applications. 		R 521 000.00

To plan and survey 2000 erven in Rural QwaQwa	<ul style="list-style-type: none"> ➤ 3000 	<ul style="list-style-type: none"> ➤ A total of ±8000 erven were covered during the financial year 2010/11 and the service provider could not be paid as the budgeted amount was less. ➤ These were paid during the financial year under review, and the payment was made for ±1200 erven (town planning and Geotech) and ±3000 erven (Floodline and Slopes Analysis) in line with the budget. ➤ The outstanding erven already done have been budgeted for during the financial year 2013/14. ➤ The municipality however needs to decide on whether to continue with the process after addressing all the current challenges and appoint a service provider as the contract of the one that was appointed has expired 	<ul style="list-style-type: none"> ➤ Internal funds are not sufficient to cover the planned number of erven in one financial year and this has resulted in the project stretching over a number of years over and above the initially planned period. ➤ At this pace, it will take another 15 years to cover the outstanding areas. ➤ The other challenges are with regard to buy-in by all relevant stakeholders, their understanding of the project and the implementation of the final product of the process. 		R4 300 000.00
To establish townships	<ul style="list-style-type: none"> ➤ 1990 erven ➤ Three townships 	<ul style="list-style-type: none"> ➤ Weltevrede- Awaits ROD from Environmental Affairs. 	<ul style="list-style-type: none"> ➤ It is difficult to determine the exact date of completion of each phase/stage as they are all dependent on the 	<ul style="list-style-type: none"> ➤ Note should be taken that a township establishment approval is a lengthy 	R 545 832

		<ul style="list-style-type: none"> ➤ Harrismith Ext. 34- Awaiting approval at Surveyer General ➤ Harrismith ext 35- Service provide still busy with the new draft according to new scope. 	approval by various stakeholders.	process that takes a minimum of two years.	
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5. LOCAL ECONOMIC DEVELOPMENT AND TOURISM

5.1 Local Economic Development and Tourism projects

OBJECTIVES	KPI	PROGRESS ACHIEVED	CHALLENGES	REASON FOR NOT ACHIEVING	EXPENDITURE
To draw new investment in the area	Reviewed LED Strategy.	The strategy is at the implementation phase.	Shortage of staff in the department hinders efficient implementation of the strategy.	Shortage of staff	None
	Reviewed tourism sector plan	The sector plan is at the implementation phase.	Shortage of staff in the department hinders efficient implementation of the strategy.	Shortage of staff	None
	Developed incentive policy	Incentive policy is included in the LED Strategy.	The budget is not enough to implement the recommendations	The allocation that has been given to the department was not sufficient	None
	Established LED forum	LED Forum has been established although it is not fully functional. The department is organising this structure in such a way that it will have the meaningful impact on the local economy.	Shortage of staff to coordinate the activities	The department is under staffed.	None
	No. of engagements with investors	<p>The Premier launched the Tshiame Development where the German delegation was present. The envisaged developments are:</p> <ul style="list-style-type: none"> • Vehicle Distribution Centre • Parts and Accessories Centre • Food processing plant <p>As part of the broader picture towards this development, the Harrismith Logistics Hub has been included. The municipality appointed the service provider that will prepare the identified site for the establishment of Integrated Energy Centre at Makwane. This project was funded by Sasol.</p>	<p>Allocated budget to the LED Department will not be sufficient should the investors request incentives from the municipality</p> <p>Road widening will impact of the paving of the site hence it is absolutely important that the contractor completes his task before the main contractor commence with pavement of the site</p>	<p>Still at the planning stages. There has been engagements with National, Provincial and Local stakeholders concerning the envisaged developments in Tshiame and Harrismith</p> <p>Road designs from the engineers</p>	<p>Detea and FDC Expenses</p> <p>R14 M From Sasol</p>

		Brick work and roofing has been completed and bulk services have been supplied by the municipality. The only outstanding work is road-widening of which the contractor is waiting for the designs from the Engineers.			
	Branding of bus shelters by Vodacom <ul style="list-style-type: none"> Bus shelters around Maluti a Phofung branded and visible to commuters Creation of positive business environment which will increase economic boost around the area 	30 out of 67 bus shelters around Kestel, Harrismith and Phuthaditjhaba are branded with Vodaom Logo.	The Department of LED achieved its objective without any challenges	None	Vodacom incurred all the project cost.
	Vodacom community Container <ul style="list-style-type: none"> Creation of job opportunities and for young people in the rural villages of Maluti a Phofung. 	<ul style="list-style-type: none"> Vodacom donated 2 internet containers to 8 young people residing in the rural villages of Maluti a Phofung. Contract signed to ensure proper relationship between the two parties. 	None	None	Vodacom incurred all project costs

Expand agriculture sector in the region	No. of farming activities and agro-processing projects/business implemented	<ul style="list-style-type: none"> LED Department together with the Department of Agriculture, the DTI, SEDA and Detea established the task team to assist the emerging farmers to become sustainable commercial farmers. The selected farmers are as follows: <ul style="list-style-type: none"> De Hoogte Farm <ul style="list-style-type: none"> The farm will be assisted with production inputs for maize. A new service provider has been appointed to start with the business plans The Department of Agriculture will assist the Farm to decide on the area of product specialization <p>The Manhaar</p> <ul style="list-style-type: none"> The milking parlour is completed The Cooperative has challenge of low milk production Generator is used to generate electricity until the electricity issue is sorted Twenty cows 20 still to be by Milk SA <p>Thlalefo Farm</p> <ul style="list-style-type: none"> A service could not be contracted to do business as the project beneficiaries have failed to submit tax clearance certificate to SEDA. The cooperative is now called Majesito 	Capital to implement this project on a full scale	Lack of financial boost	SEDA incurred training costs, Agriculture and DTI incurred other costs.
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		<p>Kgolokoeng Farm</p> <ul style="list-style-type: none"> ▪ Makgolokweng potato- planted 5 +7 ha and ready for harvesting. ▪ The farm will harvest 190 beans. ▪ The business plan for this project was delayed due to budget constraints, however new service providers have been appointed <p>Alta farm</p> <ul style="list-style-type: none"> ▪ Alta farm currently harvesting dry beans on 80ha. ▪ The farms intention is to produce potatoes as well ▪ The farm will be part of the Agri-SETA training ▪ They want to be farm dairy ,but the challenge is that there is no land ▪ Department of Agriculture to meet with Me Alta to finalise product speciality ▪ The business plan is almost complete, waiting for CVs of the directors <p>General comments on all projects</p> <ul style="list-style-type: none"> ▪ The payment of business plans by farmers remains a challenge, farmers do not afford the 10% ▪ The marketing plan should be part of the business plan(Mr Tau will discuss with service providers) 			
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		<ul style="list-style-type: none"> ▪ The Service provider should be flexible in terms of receiving payment from the farmers ▪ It was proposed that the Land Bank be approached in order to assist on the 10% for farmers <p>Thabo Mofutsanyane Textile project</p> <ul style="list-style-type: none"> ▪ CIS Unit (the dti) have visited the project and it was concluded that the members do not have cooperative readiness ▪ The dti(CIS) advised that the members be trained through SEDA before another application can be submitted <p>Fresh Produce Depot Facility Workshop</p> <ul style="list-style-type: none"> ▪ The feasibility report is currently being finalized and will shared be shared with the stakeholders at the workshop for inputs <p>The Workshop was held on the 22th of May 2013</p>			
	Facilitate infrastructure development in the farming communities	Milk SA has applied to the DBSA for funding to electrify the dairy farms. The application is still in the process.	Funds to electrify all the farms within MAP which are not electrified	Limited funds and the application that was made to DBSA by Milk SA have not been approved yet.	Applications of R20m was made to DBSA by Milk SA and it is still in progress
To expand the Mining and minerals beneficiation sector	No. of emerging and small scale miners formalized.	The LED has engaged MINTEK and ServiceSeta to come with the strategy of assisting the small scale miners to become viable.	The challenge that the department is faced with is to find the suitable site for the miners to operate.	Finding relevant space for mining operation especially for the clay brick manufactures	None

			This challenge has brought all other processes on hold as it is not possible to formalize this sector without the proper site.		
	Established quarry project.	Currently there is only one company that mines quarry. Feasibility study will have to be conducted to determine the sustainability of this project.	The challenge is about the site where there are enough deposits.	Mining permits will not be issued unless suitable land has been identified and secured.	None
	Establish viable clay-bricks mining project.	There are currently over 100 illegal miners opposite Riverside. These miners can be formalised because there are issues about the site that they are occupying.	There is a problem about the site where the clay brick manufactures are currently operating. The municipality disapproved the site below the Old Parliament Building due to the number of reasons ranging from criminal activities and Environmental impact. Alternative site has been identified at Makoane Village but the manufactures are reluctant to relocate to that identified site due to the quality of the clay.	Site identification	
To expand the manufacturing sector	No. of retained companies and new entrants into this sector.	The LED department has requested the assistance of FDC to assess the number of manufacturing companies and the products that they produce. This process will assist to engage with the relevant investors not to duplicate and create unnecessary competition.	Manufacturing sector in general is experiencing high production costs which has led to many factories down-sizing the number of employees and others closing down	After engaging with some of the factory owners, they have indicated that the other problem is that the government is continuously introducing the red tapes that hinder their factories to become profitable.	None

To strengthen the institutional capacity of the SMMEs and increase the number of emerging businesses	No. of workshops and information sessions conducted	<ul style="list-style-type: none"> ▪ SEDA and the dti to offer training to the Textile's Women Project 	Formal market	Quality of the products and capacity to meet the required quantities.	At SEDA Costs
	No. of Identified funding institutions	<ul style="list-style-type: none"> • National Empowerment Fund (NEF) has launched a branch in Bloemfontein to assist the Free State business people. • Plans are in place to organise with stakeholders the information sessions for the SMMEs to introduce the available opportunities. Included in the plans is the community of ward 22 next to the development of Ingula Pump Storage. The department assisted the community of ward 22 with transport to the outreach programme where are sector departments were invited to provide them with the services. 	Not easily accessible to the SMEs	Most of these funding institutions are either in Bloemfontein or in Gauteng and requires that applications should be forwarded through their websites and which becomes a problem to most of the SMME's	Travelling costs to attend the meetings and workshops Transport costs to ferry the farms community to the outreach programme that was organized by the different Government Departments, LEDs from the District Local municipality and Eskom at Ingula.
	Introduce SMMEs to new business opportunities	<ul style="list-style-type: none"> • Plans are in place to organise with stakeholders the information sessions for the SMMEs to introduce the available opportunities. Included in the plans is the community of ward 22 next to the development of Ingula Pump Storage. 	Access to the services	Distance and shortage of staff to assist in processing the applications/ opportunities	

		The department assisted the community of ward 22 with transport to the outreach programme where are sector departments were invited to provide them with the services.			
	No. of developed and maintained facilities that accommodate SMMEs	A service provider has been appointed to build 60 hawkers stall at the Harrismith Taxi rank. Construction has started with the excavation of 15 stalls and brick work	None.	None	R 146 000.00
	No. of skills audit conducted	SEDA has been engaged to conduct the skills audit and conduct trainings for the SMMEs. Leak plugging Workshop was held in Intabazwe to encourage local circulation of money.	Shortage of staff from SEDA	SEDA services the entire district with limited resources	
To expand tourism sector in the region	No. of developed brochures	A request to print brochures will be made in the next financial year. Information will include the establishments which were not in the previous brochures.	None	None	None
	Maluti a Phofung Gospel Festival <ul style="list-style-type: none"> Improve tourism opportunities around the area Market Maluti a Phofung Local municipality as a tourism destination. 	<ul style="list-style-type: none"> Number of tourists from all over SA attended the event. Hotels and B&B were fully booked and the profit margins for different businesses increased. Upcoming artists got exposure by performing with well- known names in the music industries. Expenditure used to implement project is equal to the income. 	<ul style="list-style-type: none"> Hotel and B&B were fully booked and other people were to be booked far from the venue. 	<ul style="list-style-type: none"> The LED department achieved its objective 	R1,4 M

	No of exhibitions, events organised and attended	<ul style="list-style-type: none"> • The Director LED and the Manager attended Tourism Indaba Exhibition in May 2013. • Rhino Rally was successfully held on the 29 September 2012 in Harrismith. The department contributed by hiring two mobi-shower trailers with toilets for the event. • African new year's day celebration was held in August 2012 at Basotho Cultural Village • The department transported crafters to participate at the exhibitions and the department of Sports Arts and Culture provided accommodation and the stalls. • The department transported and provided accommodation to crafters to participate at the Cherry Festival. • Dates of the event are still to be confirmed for BergBohaai. • The Tourism Month celebrations were held in the Eastern Cape. The Deputy Minister of Tourism visited MAP on the 8 September 2012, and the following areas were visited: 	Shortage of staff	No proper coordination with other stakeholders due to the shortage of staff	Accommodation costs 2 mobi-showers None Transport costs Transport costs None Thabo Mofutsanyana incurred the catering costs
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		<p>Qwa Qwa Guest House Witsieshoek Mountain Lodge The following areas were just fly overs: Wetsi's Cave Metsi Matsho Maloti Hiking Trails</p> <ul style="list-style-type: none"> The department did not attend Annual Polo Player Cross Tournament due to the fact that the organisers did not inform tourism department about the dates of the event. 			None
	No. of developed tourism products, services and infrastructure required to expand tourism	<p>10 learners are placed in the Tourism Ambassador Programme which is funded by the National Department of Tourism.</p> <p>The duration of this programme is 10 months. Learners will be trained on: Customer Service, Table Attendant, Events Coordination Tourism in general</p>	This programme could have accommodated many learners if the product owners were will to participate.	Non availability of the tourism establishments to place the learners.	Transport costs to Bethlehem to attend practical lessons
	Erecting first phase of tourism signage	Tourism signage has been installed in Qwa Qwa and Kestel. Harrismith will be catered for in the second phase and it will also include the remaining attractions of both Qwa Qwa and Kestel	Phase 1 took too long before it could be implemented	Logistical arrangements between the National Department of Tourism and CSIR delayed the implementation of this project	National Department Project
	Funded tourism projects implemented	As per annexure A	Not able to meet the deadlines of the projects' completion	Budget constraints and the turnaround time to approve the amended business plans.	National Department Projects

6. SPORTS ARTS AND CULTURE

The Directorate reported on the objectives that they were tasked with below. The Directorate also addressed the challenges that were faced during the financial year and proposed solutions to ensure better service delivery.

6.1 Sports, arts and culture

OBJECTIVES	KPIs	PROGRESS ACHIEVED	CHALLENGES	REASON FOR NOT ACHIEVING	EXPENDITURE
To promote and develop sporting codes	To identify the need for different sporting codes to resuscitate and established new ones	On-going program	<ul style="list-style-type: none"> • Lack of qualified officials • Transport and transportation • Equipment's 	Achieved with limited resources available	Operational budget was utilized
Access to Sports and Recreation Facilities	Members of the community are regularly granted permission to utilize Sports and recreation facilities when they need such facilities	On -going process	<ul style="list-style-type: none"> • Lack of machinery to assist village sports fields • Lack of capacity to accommodate various sporting and recreational activities 	Achieved with limited resources	MIG funding and OPEX
To maintain sports and recreational facilities	Mowing of grass, fertilization and marking of lines is undertaken in accordance with various sporting needs	Done on continuous basis	<ul style="list-style-type: none"> • Short lifespan of line marking machine • Transportation of resources to various sports and recreation facilities • Lack of storage space at various sports and recreation facilities 	Achieved with limited resources	OPEX

Maintenance of open spaces and alien invader plants	Cutting and removal of unwanted vegetation is regularly done on open spaces and access roads	Undertaken on continuous basis	<ul style="list-style-type: none"> • Proper machinery to be availed. • Adequate resources to be provided for specific specialised activities. • Specialised regular training of personnel to identify resistant species to particular chemicals. • Regular repairs of horticultural equipment. 	Achieved with limited resources	OPEX
Cutting of overgrown grass around MAP areas	Cutting of overgrown grass takes place on regular basis	Undertaken on regular basis	<ul style="list-style-type: none"> • Purchasing of proper maintenance machinery and equipment 	Achieved with limited resources	OPEX
Cutting and maintenance of grass at cemeteries	Overgrown grass at cemeteries is cut to acceptable level to enhance the status of such areas	Undertaken on regular basis	<ul style="list-style-type: none"> • Lack of resources (proper transport for cemetery workers, machinery e.g. water pumps during rainy seasons, brush cutters and grass mowers). 	Achieved with limited resources	OPEX
Provision of graves	Graves are provided on weekly basis to all formalised cemeteries within municipal jurisdiction	Executed on regular basis	<ul style="list-style-type: none"> • More land to be acquired for possible extension of current formalised cemeteries • Caretakers and security guards be employed at various cemeteries • Theft of both headstones and tombstones specifically at Bluegumbosch and Old Phuthaditjhaba cemeteries 	Achieved with limited resources	MIG funding and OPEX

7. COMMUNITY SERVICES

7.1 Social Development

OBJECTIVE	KEY PERFORMANCE INDICATOR (KPI)	PROGRESS ACHIEVED	CHALLENGES	REASONS FOR NOT ACHIEVING	EXPENDITURE
1. To facilitate provision of Social Security Services	1.1 No. of specific indigent applicants assessed	1.1.1 Seven (7) Psycho - Social reports for Non Profit Organizations (NPO's) were completed.	None	Two (2) NPOs were not assessed due to relevant documents not submitted.	None
	1.2 No. of pauper burial applicants attended to	1.2.1 122 pauper burials applications attended to	None	10 applications for pauper burials cancelled	R 142 430.00
2. To raise awareness with the community on social problems occurring in their specific wards and services rendered	2.1 No. of communities/ wards benefited from awareness's raised on their social problems and services rendered	2.1.1 Participated in training of Older Persons Forum to clarify their roles and responsibilities on 16 August 2012 and 08 May 2013.	None	None	None
		2.1.2 Participated in training of Beirut Luncheon Club on the rights of Older persons - 30 October 2012.	None	None	None
		2.1.3 Training of the Local Aids Council members on HIV and AIDS and TB strategic plan. 31 October 2012			R 3 500.00

		<p>2.1.4 Participated in holding of Children's dialogue event. Two hundred (200) children attended.</p> <p>Topics covered were;</p> <ul style="list-style-type: none"> - HIV & Aids, - Human trafficking - Substance Abuse <p>Venue: Intabazwe – Harrismith on 29 November 2012.</p>	Conduct group work with the children and referral of affected children.	Funding for training and stipend of Care Givers.	R 4 225.00
		<p>2.1.5 Held dialogues with Orphans and Vulnerable Children (OVC) in eight (8) Qwaqwa Wards</p> <p>Dates: 6,8,9,13 and 20 April 2013</p> <p>Topics covered:</p> <ul style="list-style-type: none"> - Human trafficking - HIV and AIDS - Substance Abuse - Teenage Pregnancy 	Conduct group work with the children and referral of affected children.	Funding for training and stipend of Care Givers.	DoSD funded the event
		<p>2.1.6 Local Drug Action Committee held awareness Campaign on Substance Abuse with Ward 22 community members on 20 June 2013.</p> <p>A minimum of 100 community members attended the event.</p>	None	None	None
	2.2 No. Of wards benefited from national events conducted	2.2.1 Local Drug Action Committee Commemorated Mental Health Month on 27 July 2012.	None	None	None
		2.2.2 Participated in arranging for the opening and celebration of Social Development Month which was held on 03 October 2012			

		2.2.3 Raised awareness on Sex Workers as part of 16 days on no Violence against Women and Children on 29 November 2012 at Naledi Hall Intabazwe – Harrismith.			
		2.2.4 Celebrated Children's Day with Save the Children (UK) on 14 December 2012	None	None	None
		2.2.5 The municipality with the assistance of Older Persons Forum and the community renovated Phumelela Tsoelopele Community Centre (Intabazwe) on Mandela Day – 18 July 2012	None	None	R 19 360.53
		2.2.6 Celebrated International Older Persons Day at Basotho Cultural Village together with Older Persons on 26 October 2012	None	None	R 56 600.00
		2.2.7 11 December 2012 Celebrated World Aids Day with MAP officials in Harrismith	None	None	None
		2.2.8 Celebrated International Substance Abuse with the community and the Premier's Office on 26 June 2013 in Bethlehem.	None	None	None
		2.2.9 Commemorated International day on No Tobacco Day with the Free State University on 29 May 2013.	None	None	None
		2.2.10 Commemorated Elder Abuse Day in Tsiamé Harrismith in June 2013. A minimum number of four hundred (400) older persons attended the event.	None	None	R 35 600.00

3. To reduce the spreading of HIV/AIDS through the Task Teams of the Local Aids Council (LAC)	3.1 Local Aids established	3.1.1 Held Local Aids Council meeting and adopted Task Team plans: Date: 05 September 2012	None	None	R3 500.00
		3.1.2 Held Local Aids Council meeting and adopted Task Teams reports: Date: 07 November 2012	None	None	R4 225.00
		3.1.3 Finalized MAP – HIV & AIDS Strategic Plan – 2012 – 2016 at the LAC meetings held on 3 September 2012.	Implementation of the MAP – HIV & AIDS Strategic Plan	In January a HIV and Aids Coordinator was employed from Executive Mayor Office to implement the (Local Aids Council) programme	As above
4. To facilitate the development of the Local Drug Action Committee	4.1 Established the Local Drug Action Committee and implemented the Mini Drug Master Plan	4.1.1 The Local Drug Action Committee was established and bi monthly meetings are held to report on their plans.	Training of the Committee and the Councillors to clarify the roles and responsibilities.	None	None
		4.1.2 Visited four (4) Schools in which Ke Moja (I'm fine without drugs) programmes are implemented in order to identify children with Substance Addiction. The Local Drug Action Committee made a plan on how to assist this children	Lack of transport to carry out the plans effectively.	Sometime there is no transport to attend meetings on time.	None
5. To develop support networks for Older persons	5.1 No. Of Older persons receiving comprehensive service	5.1.1 Sports; Eleven (11) Luncheon Clubs supported in their Golden Games events such as running and walking	As above	As above	R 16 500.00

		5.1.2 Life Skills Education: - Primary Health Care e.g. Talks on life style deceases Social Security Services e.g. Types of grants and grants management Social Development Services e.g. Family relationships	As above	As above	None
6. To eradicate poverty	6.1 No. Of programs focusing on poverty alleviation	6.1.1 Seven (7) After Care Centres for Orphans and Vulnerable Children.	Funding of projects for older persons and vulnerable households	Fund raising for the projects for older persons and vulnerable households.	The DoSD is funding the after care and soup kitchen projects.
	6.2 No. of programmes promoting access to food in vulnerable households.	6.2.1 Participated in establishing and supervision of seven (7) After Care Centres and Soup Kitchen projects for MAP Orphans and Vulnerable Children (OVC) Task Team monthly.	Establishing After Care Centres and Soup kitchens projects in every ward.	None	As above
7. To ensure the provision of the Social Development service	7.1 No. Of supervision sessions held	7.1.1 Weekly meetings held	Lack of allocation transport for our Section.	Lack of transport has an effect on our performance.	Salaries
	7.2 No. Staff Training programmes provided.	7.2.1 No training provided by the municipality	Skill Development Plan budget spending, though no training was provided.	Skill Development Plan not implemented	R 16 030.72

7.2 Public Libraries

The municipality managed and operated the following public libraries –

- Intabazwe
- Kestell
- Children's library
- RJR Masiea library
- Tshiame library
- Harrismith library

Objectives	Key Performance Indicator	Progress Achieved	Challenges	Reasons for not achieving	Expenditure
1. To improve people's life skills	1.1. No. of life skills awareness programmes presented	8 Life skills programmes presented: <ul style="list-style-type: none"> • Healthy People are Happy People • Be your own employer • Business Corner • Culture & Heritage • Poverty alleviation • Citizenship • Moral Regeneration • Hand Craft 	<ul style="list-style-type: none"> • Lack of staff • Lack of transport 	<ul style="list-style-type: none"> • The vacant positions are not yet filled • Whenever, the personnel are supposed to conduct outreach services or attend extension programs we are told that there is no transport or vehicles are not available. 	R 30 000.00
2. To contribute towards the improvement of education	2.1. No. of learning material issued	<ul style="list-style-type: none"> • 2,788 	<ul style="list-style-type: none"> • The Prolib System which is always downShortage of computers 	<ul style="list-style-type: none"> • Prolib system which is always down hamper the circulation of library material; • only one Computers is operating at the circulation desk, even if users are intending to loan books but due to long queue, they end up leaving without borrowing material they are interested at; 	R50,000.00

	2.2 No of educational programs conducted	10 Programs: <ul style="list-style-type: none"> • Literacy numeracy classes; • Basic computer classes; • Reading –aloud session • career guidance • Block loan • International Literacy Week; • School Projects • Assignment: Life long learning; • Availability of Unisa Assignment post box • visits to schools; 	<ul style="list-style-type: none"> • appropriate space 	<ul style="list-style-type: none"> • Need an additional room where extension activities can be held away from disturbing users wishing to study quietly; • With Transport we receive the same respond that transport is not available; 	
3. To improve access to libraries and functioning of libraries	3.1 No. of outreach programs conducted	7 Outreach programs: <ul style="list-style-type: none"> • Visits to Primary Schools; • To Secondary Schools; • Tshiya Resource centre; • Publicize the library fortnightly over the Qwa-Qwa radio; • Visits to Pre-schools; 			
	3.2 No. of children's programs conducted	5 Programs Conducted: <ul style="list-style-type: none"> • Toy library; • Parental Guidance; • Reading for pleasure; • Story Hour; • Holidays program 			

	3.3 No. of exhibitions set up	8 Exhibitions: <ul style="list-style-type: none"> • 21/02/2012 &13 • Mother Language Day; • 9- 14/03/2012; • 10- 15/03/2013 National Library Week; • 23/04/2012/13 World Book Day; • 25/05/2012/13 – Africa Day; • 9/08/2012 National Women’s Day; 	<ul style="list-style-type: none"> • Lack of staff operating in Lending areas • Lack of exhibition material 	<ul style="list-style-type: none"> • Libraries vacant positions have not filled, therefore we run short of staff assisting in all four lending sections; • We have submitted the requisitions as arranged, it took too long to receive the goods requested in other instances they end up not received at all; 	Operational budget
	3.4 No. of user education conducted to new members	<ul style="list-style-type: none"> • 5000 			Operational budget
4.To ensure that community have access to relevant information	4.1 No. of consignment received	<ul style="list-style-type: none"> • 2374 	<ul style="list-style-type: none"> • Lack of material 	<ul style="list-style-type: none"> • due to lack of current study material, the users unable to complete their assignments, lack of inappropriate study material discourage them; 	Operational budget
	4.2 No. of questionnaires completed and attended	<ul style="list-style-type: none"> • 2609 			Operational budget

	4.3 No. of computer usage	<ul style="list-style-type: none"> 2016 			
	4.4 Weeded and damaged library material	<ul style="list-style-type: none"> 566 			Operational budget
	4.5 Suggestion register	<ul style="list-style-type: none"> 40 			
	4.6 Special request	<ul style="list-style-type: none"> 83 			Operational budget

8. PUBLIC SAFETY AND TRANSPORT

8.1 Public safety, roads and transport

OBJECTIVES	KPI	PROGRESS ACHIEVED	CHALLENGES	REASON FOR NOT ACHIEVING	EXPENDITURE
To increase personnel	No staff to be employed	04	Review of organizational structure		Operational
To purchase equipment	No of equipment purchased	20	None	None	
To train personnel	No of personnel trained	33	None	None	Operational
	No of drivers and operators to be work shopped	04	Lack of staff to conduct trainings	Few members are unable to reach target	R 00.00
To increase municipal fleet	No of fleet to be purchased	58	None	None	R3m
To maintain correct equipment & fleet in a good working conditions	No of vehicle inspections to be conducted	02	Shortage of staff	Members are unable to process the program fully	R 00.00
	No of monitoring service to service providers	12	None	None	
	No of queries resolved in fleet management committee meetings	02	Lack of staff	Only staff and fuel misuse queries were attended to	
To create a safe environment	No of road blocks	15	None	None	Operational
	No of scholar patrol to be monitored	229	None	Nome	
	Decrease of road accident	1.25%	Shifts are not covering 24hrs	Conditions of service by Bargaining council	
To improve the payment of fines	No of warrant of arrests executed	137	Outside warrants are unable to be served	Wrong address by offenders	
To ensure control of livestock	No of animals impounded	278	Feeding and medication	None	

To improve response time on emergency services	Percentage on response time requirement as per national standard	58%	Defectiveness of fire engines and response	Defectiveness of motor vehicles	
	Percentage on communication as per national standard	77%	Two ways radio not functioning		
	Percentage on emergency communication as per workload standard				
To improve response efficiency of emergency service	No of equipment to be maintained	20	None	None	
To increase public safety awareness	No of awareness to be held	11	None	None	
To accelerate the delivery of infrastructure services	Has been transferred to infrastructure Directorate				
To improve the payment of traffic fines	Amount to be collected through partnership with service provider	R 926 443.34	Contract with service provider not yet operating	Anticipated speed checking devices were not installed	R 00.00 (operational)

9. CORPORATE SERVICES

10.1 Skills Development

The following number of employees and councillors were trained during the year under review:

Key Performance Indicator	2009/10	2010/11	2011/12	2012/2013
Employees attending training and skills development courses	100	332	66	
Councillors attending training and skills development courses	66	65	0	

10.2 Effective people management

Key Performance Indicator	2009/10	2010/11	2011/12	2012/2013
No of employees absent from work without reason	110		15	
No of employees on sick leave	226	248	249	
No of man days lost due to sick leave taken	2011	1959	2542	

10.3 Integrated development plan:

OBJECTIVES	KPI	PROGRESS ACHIEVED	CHALLENGES	REASON FOR NOT ACHIEVING	EXPENDITURE
1. To ensure that the records are kept in a safe place	No. of fire proof cabinets procured	0	Unsecured documents unavailability of space due to renovations of Municipal building	Lack of office space due to renovations of the Municipal building	
2. To render an effective and efficient record management systems to Council	% of Compliance with Archives Act	40%	Electronic Records Management System not yet implemented	Requesting	
3. To administer the booking and cleaning of Council building and halls	% of bookings administered	80%	Shortage of staff	Awaiting final review of the Organisational Structure	
	% of cleaned Council buildings	70%	Shortage of staff	Recruitment policy not properly effected	

4. To provide Council and Mayoral Committee with administrative support	No. of meetings held and supported	21	Understaffed	Recruitment policy not properly followed and effected	
5. To recruit competent employees in order for the municipality to achieve its IDP objectives	No. of competent staff appointed	69	Understaffed	Recruitment processes not effectively applied	
6. To capacitate all employees of the necessary skills	No. of training provided to all employees	05	Staff need to be trained or developed	Request not approved in time .Budget fragmented	
7. To conduct a holistic employer / employee relations training	Regulate the relations between employer and employee	10%	Shortage of staff	Understaffed	
8. Discipline and grievances inquiry	No. of reduced cases of misconduct	04	Waiting for trial dates	Waiting for trial dates	
9. To develop an organisational structure for the municipal to execute the IDP	% of a developed organisational structure	75%	Recruitment policy not followed to the latter	Do not recruit according to the expectation	
	No. of posts filled to execute IDP	69%	Understaffed	Do not recruit according to the expectation	
10. To develop a Wellness Programme in order to address the wellness of employees	% developed wellness programme	10%	Programme not yet fully rolled out	Service provider appointed , implementation not yet started	
	No. of employee attended wellness programme	177 ???	Information not properly coordinated	Poor flow of information	
11. To ensure that legal matters for and against Council are expeditiously dealt with	No. of cases submitted	35	None compliance and none payments for services rendered	Increase no of Legal disputes costs by how pay of Service Provider	
12. To ensure that all contracts and other legal documents are kept in a safe environment	No. of fire proof cabinets for legal documents procured	0	Renovations of building	Difficult to provide information/proof when needed	
13. To ensure that all contracts that are entered into are legally correct and are compiled in terms of relevant legislation	% compliance of all contracts entered into	0	Contracts transferred and monitored by Supply Chain	Not our competency anymore	
14. To provide professional legal services	% of professional legal services provided	90%	Delay in securing trial dates and the postponement made	Delays and postponement made	

15. To determine compliance with policies , plans , procedures laws and regulations	Review of processes and procedures in order to align Municipal practices with relevant legislation		Not complying	Not complying	
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10 FINANCIAL SERVICES

10.1 Expenditure

Key performance indicator	2012/2013	2011/2012	2010/2011
Total actual Income		1,183,813,630.00	868,879,288.00
Total Expenditure		-1,001,890,951.00	-724,300,783.00
Expenditure on salaries and wages		-175,058,574	-148,392,329
Expenditure on maintenance		-48,851,417	-7,313,102
Expenditure on general expenses		-76,503,842	-41,963,741
Expenditure on bulk purchases		-321,139,312.00	-237,515,076.00

10.2 Reporting against the objectives in the integrated development plan

10.2.1 FINANCIAL ACCOUNTING

OBJECTIVES	KPI	PROGRESS ACHIEVED	CHALLENGES	REASON FOR NOT ACHIEVING	EXPENDITURE
Management of key financial and governance areas such as asset and risk management	Renewal and placement of outside insurance cover All municipal assets are verified and insured at correct amounts	(100% by June 2i013)			
Management of key financial and governance areas such as asset and risk management	Ensure that Insurance claims are done in time	As at end of each quarter All the claims are attended to as and when they occur. The insurance has paid all the claims.	The assets department is not fully functional and the personnel needs to be capacitated use of consultants is still maintained		
Management of key financial and governance	All audit queries attended to timeously during the audit in response to the Auditor General	80%	Other audit queries will only be cleared upon preparation of the 12/13 AFS		

Management of key financial and governance	Timeous completion of annual financial statements for 2012/2013 financial year	100% by completion by 31st August 2013			
Management of key financial and governance	VAT return submitted by 25th of each month	12 VAT returns annual by 25th of each month	The vat control account is not agreeing to the SARS records and an appeal has been launched against SARS assessments		
Management of key financial and governance	% Reduction in number of unreconciled accounts	98%			
Management of key financial and governance	Readiness and fully balanced financial information as per Asset Register for disclosure in the financial statements of the Council	100% by 31st August 2013			
Ensure that loans and investments are recorded and the registers are updated accordingly	Regular updating of loans and investments on the financial system	100%			
Management of key financial and governance	Net Debtors to Annual income Ratio of outstanding service debtors to revenue actually received for service	Target :22.5% Actual : 16.4% for the 4th quarter			
Management of key financial and governance	Facilitate Annual Credit rating review	n/a			
Management of key financial and governance	Percentage of operating budget spent for unit	Target:98% Actual:2% for the 4th quarter	The total percentage is 12% due to the fact that Depreciation is realised at the end of the financial year in the financial statements (31/08/13)		

10.2.2 REVENUE UNIT

OBJECTIVES	KPI	PROGRESS ACHIEVED	CHALLENGES	REASON FOR NOT ACHIEVING	EXPENDITURE
percentage of indigent households who receive free basic water and electricity	All registered indigents receive free basic services (50kwh electricity, 6kl water, 100% refuse, sewerage and rates	All registered indigents received free basic services	Unregistered indigents who come forth after the list has been approved by council		R12,277,668.46 spent because in the previous quarters, expenditure was only based on free basic electricity
Management of key financial and governance	Revenue collected as a percentage of billed amount	72% was collected	The Municipality still has some difficulties in revenue collection		R411, 587, 000 was collected for 12/13, Public works paid their long outstanding debt
Management of key financial and governance	Services timeously billed	87% of the total budget was billed	Old meters that need replacement		R571, 070, 144 was billed for 12/13
Management of key financial and governance	% Payments receipts and banked timeously and allocated to the correct debtors account	95%	Financial system at times		
Management of key financial and governance	Auditing of 35% of water and electricity meters faulty meters	10%	The electricity auditors were only reinstated in June 2013.		
Management of key financial and governance	Numbers of Automated electricity and water meters installed	Total meters currently installed : 96 890	Shortage of staff Mountainous areas		
Management of key financial and governance	Percentage of meters read	98% of the meters installed were read	Inaccessible houses		
Management of key financial and governance	Complaint financial policies (Financial policies reviewed annually)	30% Of the policies were reviewed	None		

Management of key financial and governance	Percentage reduction in the number of queries/ complains from debtors.	90%	Financial system at times		
Management of key financial and governance	All audit queries attended to timeously during the audit in response to the Auditor General	Audit queries will be answered in the first and second quarters of 13/14			

10.2.3 BUDGET UNIT

OBJECTIVES	KPI	PROGRESS ACHIEVED	CHALLENGES	REASON FOR NOT ACHIEVING	EXPENDITURE
Ensure that proper budgetary processes are adhered to.	Budget process plan to be approved on or before 31 August 2012	The 2013/2014 Budget process plan was approved by council on the 19th of July 2013.			
Ensure that proper budgetary processes are adhered to.	Draft budget to be adopted 90 days before the start of the new financial year	The Draft Budget was tabled to council 90 before the start of the financial year			
Ensure that proper budgetary processes are adhered to.	Approval of the annual budget 30 days before the start of the new financial year.	To be tabled to council 30 days before the start of the 2013/2014 financial year			
Ensure that information (preparation of expenditure & Revenue, forecast, variance analysis and reasons with corrective actions) is received by Council and Government institutions timeously.	Provision and maintenance of a fully integrated accounting system to provide management information with month-end and quarterly reports available on target date.	69% of the Operating budget was spent for 12/13 70% of the Capital expenditure was spent for 12/13	Depreciation is only realized on the Financial statements The unspent part of capex was supposed to be covered by the DBSA loan which was not received during 12/13 financial year		R1, 103, 685, 463 is the total operating expenditure for 12/13 R290, 693, 020 is the total capital expenditure for 12/13

10.2.4 EXPENDITURE UNIT

OBJECTIVES	KPI	PROGRESS ACHIEVED	CHALLENGES	REASON FOR NOT ACHIEVING	EXPENDITURE
Management of key financial and governance areas such as payment of suppliers within the prescribed period	Percentage Suppliers and vendors paid in accordance with relevant policy and procedure	100%	Invoices not received in time Financial difficulties the Municipality undergo during the year		R1,103, 685, 463 for the operating expenditure as at 30 June 2013 R290, 693, 020 for the capital expenditure as at 30 June 2013
Management of key financial and governance areas such as EFT payments	Percentage of electronic payments	100%			
Ensuring enhanced service delivery with efficient institutional arrangement	All necessary Annual Report inputs made for Finance Directorate (percentage	100% as per corporate plan and instructions			
Ensuring enhanced service delivery with efficient institutional arrangement	Percentage implementation of Organisation and Individual Performance Management for Finance Directorate as per Corporate principles and policies	100% as per corporate plan and instructions			
Management of key financial and governance	All audit queries attended to timeously during the audit in response to the Auditor General	Audit queries will be attended to during the first and second quarters of the 13/14 financial year	12/13 is normally audited during the 1 st quarter of 13/14 financial year		

10.2.5 SUPPLY CHAIN UNIT

OBJECTIVES	KPI	PROGRESS ACHIEVED	CHALLENGES	REASON FOR NOT ACHIEVING	EXPENDITURE
Management of key financial and governance	All audit queries attended to timeously during the audit in response to the Auditor General	80%	Audit queries relating to SCM will be addressed during the 1 st and the 2 nd quarters of the 13/14 financial year		
Management of key financial and governance areas such as income received and expenditure	Percentage of operating budget spent for the Unit	81%			The spending of R5.3mil of R9.0mil which constitutes 59% of the total unit operating budget thus far is satisfactory and we do not anticipate overspending by year end.
Establish costs effective procurement systems to result value for money	To ensure goods and services are procured from registered service providers at the right time, place and quality.	100%: Verification and updating of suppliers details is done on regular basis.			

Management of key financial and governance	report on monthly basis to section 80 committee on the implementation of supply chain management	12 (monthly)			
	report on monthly basis to section 80 committee on stock movements	9 (monthly)			
	report on quarterly basis to the Executive Mayor on the implementation of supply chain management	4 (quarterly)			
	report on annual basis section 80 committee and Council on stock counts	None			
	monthly verification of suppliers on the National Treasury's database of restricted bidders	12 (monthly)			
	Updating of the suppliers into the database on Quarterly basis	4 (quarterly)			
	Verification of supplier details on annual basis	1 (annually)			
	Supply Chain Management application module (Service level agreement)	12 (monthly)			
	Advertisement for potential suppliers on annual basis	1 (annually)			
	Review of supply chain management policy on annual basis	1 (annually)			

11 EXECUTIVE SERVICES

11.1 Management and Accounting

Management meetings are planned to be held biweekly to monitor implementation status of and progress towards objectives. Departments also hold sectional meetings. The Challenges in 2012/2013 were the delays in receiving projects lists from sector departments and filling vacant positions of senior managers

11.2 Integrated Development Planning and Performance Management

The process plan to review the IDP for 2013/2014 was developed and approved by council on 30th of May 2013. The 2013/2014 budget was approved by the council on the same day. The Annual report for 2011/2012 was considered on the same day and approved.

The budget monthly statements were submitted to the Executive Mayor as per the legislation.

11.3 Corporate and co-operative governance

The schedules for the mayoral committee and council meetings was developed and completed. Schedules for the public participation for both IDP and budget processes was developed and the public was invited for participation.

11.4 Stakeholder and role player participation in municipal affairs

Participative meetings (Representative Forum) were conducted which included Government Departments, business forum, NGO's, SOE's and CBO's.

11.5 Monitor and evaluate Municipal Performance

Quarterly Performance Reports are submitted to Council for review. 36 Quarterly performance reports submitted to Council.

11.6 ICT

The following ICT policies and procedures were developed were developed in 2011/2012 and monitored in 2012/2013. ICT Policies and procedures are to be reviewed in the new financial year

- Back up policy
- Change control
- IT access control
- Business continuity
- Disaster recovery plan
- IT Outsourcing
- IT Security

- IT Steering Committee
- Laptop Security Policy
- Logical Policy
- MAP IT Asset Management
- Physical access to server room policy
- Segregation of duties
- Sharing of information policy
- SLA policy
- Software installation policy

No shutdown incidents on the e-mail system occurred due to server and system technical errors.

The internet system was managed throughout the period.

The links and the content of the website were updated.

IP phones was successfully installed and managed in the new municipal building, the roll out to the old municipal building was successful.

11.7 Stakeholder Participation in Municipal Affairs

The municipality achieved the following in terms of the communication strategy:

- Internal newsletter published monthly.
- The information on the website is updated regularly
- Media Monitoring and analysis is done on a daily basis
- Responses to media enquiries done regularly
- Media statements and media interviews are done regularly
- Participation in communication forums
- Publicised campaigns, events and activities of different directorates in the municipality
- Support the office of the executive mayor with research and speechwriting.

11.8.1 INTEGRATED DEVELOPMENT PLAN

11.8.1 Office of Municipal Manager, Internal Audit and IT

OFFICE OF THE MUNICIPAL MANAGER					
OBJECTIVES	KPI	PROGRESS ACHIEVED	CHALLENGES	REASON FOR NOT ACHIEVING	EXPENDITURE
1. To ensure long term planning, knowledge management, and efficient coordination of service delivery	% implementation of Turn-Around strategy aligned to Outcomes 7(Rural development) and 9(Responsive, accountable, efficient and effective local government)	90% implementation of the turnaround strategy achieved	Delays in filling of vacant positions	Staff shortage	
2. To ensure proper coordination and management of IDP and performance review	% of reviewed and completed IDP within prescribed legislative time frames.	Reviewed IDP 2013/2014 completed and approved on time	Lack of participation by sector departments	Delays in receiving projects lists from sector departments	
	No. of signed performance agreements within prescribed legislative time frames.	Out of 9 only 7 agreements developed	LED and Sports positions were vacant	Delay in filling vacant positions of senior managers	
	No. of signed SDBIPs Implementation plans within prescribed legislative time frames.	9 SDBIPs signed and submitted to COGTA	New configuration posed a challenge in reporting		
3. To ensure effective coordination of governance processes and compliance to legislative requirements	% compliance to governance processes and legislative requirements	36 Quarterly performance reports submitted to Council.	Change of reconfiguration affected consistent reporting		
4. To encourage communities to participate in the activities of the Municipality	No. of wards inclusive of stakeholders participated in IDP review	Public participation on IDP and Budget took place in 35 wards.	Communities cannot separate between mandates of different spheres of government		

5. To ensure effective administrative management and coordination of strategic issues by all managers	No. of quarterly reports submitted to Council	36 quarterly performance reports submitted to Council	Change in configuration of directorates affected consistent reporting		
6. To ensure the compilation of the budget in terms of the budget process (MFMA)	No. of wards inclusive of stakeholders participated in the budget review	35 wards participated in budget compilation			
7. To ensure quality infrastructural development	% of reduced backlogs on electricity				
	% of reduced backlogs on roads				

INTERNAL AUDIT					
OBJECTIVES	KPI	PROGRESS ACHIEVED	CHALLENGES	REASON FOR NOT ACHIEVING	EXPENDITURE
1. To monitor risk management process	Increased % of monitoring risk management process	78%			
2. To monitor the reliability and integrity of financial and operating information	Number of internal audit reports on evaluation of: Section 71 reports; Section 72 report; and Conditional grants reports.	50%	Slow internal recruitment processes	Shortage of staff	
3. To monitor compliance with policies, plans, procedures laws and regulations	Number of internal audit reports on compliance matters.	50%	Slow internal recruitment processes	Shortage of staff	

4. To review the means of safeguarding assets and as appropriate verify the existence of such assets.	Number of internal audit reports on asset management.	50%	Slow internal recruitment processes	Shortage of staff	
5. To appraise the Effective, Economical and Efficient use of resources.	Number of internal audit reports on effective, economical and efficient resources.	50%	Slow internal recruitment processes	Shortage of staff	
6. Review operations or programs to ascertain whether results are consistent with the established objectives and goals and whether the operations or programs are being carried out as planned.	Number of internal audit reports on review of performance information.	40%	Slow internal recruitment processes	Shortage of staff	
7. Review and appraise the control systems.	Number of internal audit reports on control environment (existence of controls) in each directorate.	75%			
8. To monitor internal controls through effective internal auditing and accounting	Number of internal audit reports on adequacy and effectiveness of internal controls.	75%			
<p>In addition the following policy documents were reviewed and approved by the Audit Committee and Council :-</p> <p>Internal Audit Charter Internal Audit Committee Charter Internal Audit Approach and Methodology Internal Audit Plans</p> <p>AUDIT COMMITTEE MEETINGS</p> <p>Only two meeting were held during the year because of non-availability of members</p> <p>Note – It must be remembered that the Internal Audit Unit is a support unit to the Office of the Accounting Officer, that is, To provide quality audit services in terms of an integrated audit approach and to provide advice and information to management and the Audit Committee in a cost-effective manner. Although Internal Audit Unit is not a revenue generating function, it is an essential support and control function to assist Management in order to prevent losses and even to generate savings for Council.</p>					

INFORMATION TECHNOLOGY					
OBJECTIVES	KPI	PROGRESS ACHIEVED	CHALLENGES	REASON FOR NOT ACHIEVING	EXPENDITURE
1. To protect data during power failures.	No. of Uninterruptable Power Supply (UPS) installed.	4	Budget		
2. To manage councils e-mails and account creations.	No. of email addresses managed.	100%			
3. To educate users on ICT security issues	No. of users to be educated in ICT security issues	0	Shortage of staff	ICT Policies and procedures are to be reviewed in the new financial year	R 950 000.00
4. To implement municipal website as per legislative requirement MFMA.	% of compliance to implement municipal website as per legislative requirement MFMA.	100%			
5. To perform IT audit on all municipal IT infrastructure.	No. of operating computers assessed and their condition	25%	Shortage of staff		
	No of printers assessed	0	Shortage of staff		
6. To secure and safeguard municipal data, systems and infrastructure.	No. of ICT policies complied with.	0	Budget	ICT Policies and procedures are to be reviewed in the new financial year	R 950 000.00

7. To enforce ICT policies and monitor the use of municipal systems.	No. of ICT policies implemented to tighten systems securities.	0	Budget	ICT Policies and procedures are to be reviewed in the new financial year	R 950 000.00
8. To standardise computing environment	No of new computers installed.	80%			
9. To provide Systems maintenance, support and upgrade	Smooth running of the systems	50%	Shortage of staff and lack of resources	The IT Section does not have all time access to vehicles to respond to emergencies.	
			Poor power supply	The municipal generator is not working, and that had huge and bad impact on the systems	
10. To provide technical support, service desk, maintenance and upgrades on WLAN,LAN, Servers and all computing equipment	Smooth operations of municipal computing equipment and infrastructure	50%	Shortage of staff	The IT section has only two junior technicians to support more than 140 users. The section is operating without the network technicians, server technicians and DBAs.	
11. To implement Disaster Recovery Plan and Business Continuity Plan	Recover and ensure business continuity from major disaster	0	Shortage of staff Budget	Shortage of staff	

COMMUNICATIONS					
OBJECTIVES	KPI	PROGRESS ACHIEVED	CHALLENGES	REASON FOR NOT ACHIEVING	EXPENDITURE
1. To facilitate better communication integration and co-ordination within the municipality	No. of internal newsletters published.	4	No printing resources	Newsletters could not be printed due to lack of printing capacities	
2. To ensure consistent communication and better liaison among directorates	No. of management road shows	80			
3. To communicate activities, programmes and successes of MAP	% of local people aware of municipality activities, programmes and policies	80%	Lack of marketing for activities	Some Directorates communicate their activities on last minute basis	
4. To have up to date information on a well-developed website	% of well -developed and maintained website	20%	Lack of content management	Communications Unit has no manager to approve quality and accuracy of information to be placed on the website	
5. Ensuring that positive relations are maintained with the media	No. of media events	0	Proposals to host Media Events turned down	Focus resources on more impactful measures	
	% of Media Coverage of Municipal Activities and Programmes	80%	Lack of marketing for activities	Some Directorates communicate their activities on last minute basis	
	No. of media statements/advisories/commentaries/letters to the editor released/ media interviews	170			
	No. of visits to media	2	Only QwaQwa Radio	Resources limited	

	houses				
	% of Media Monitoring and Analysis	70%	Received limited and free newspapers	There was no budget allocated for subscriptions	
6. To maintain uniform corporate identity	% Staff understanding Corporate Identity Manual	70%	Staff members don't understand the importance of correct usage of logo	No workshop has been conducted to teach all staff members on how to use the logo	
	% of local people can identify municipality brand	80%			
7. To win the support of stakeholders	% of stakeholders engagements and management	90%			
8. To determine communication context and to establish the public mood	No. of environmental scanning and research activities	0			

