

Breedee Valley Municipality Annual Report 2010/11



As approved by Council on 29 March 2012

Resolution Number: C21/2012

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EXECUTIVE MAYOR'S FOREWORD



MAYOR'S FOREWORD

I have great pleasure to introduce the 2010/2011 Annual Report of the Breede Valley Municipality. In terms of Section 46 of the Municipal Systems Act No. 32 of 2000 and Section 121 (2) of the Municipal Finance Management Act No. 56 of 2003 municipal entities must prepare an annual report for each financial year, reflecting on their performances – comparing performances with the targets of the previous financial year and setting out measures taken to improve performance. This Annual Report represents the Breede Valley Municipality's accomplishments and challenges in exercising its developmental responsibility as the tier of government closest to the people.

Notwithstanding some complex challenges during the year under review I am satisfied that the Breede Valley Municipality complied with statutory requirements and succeeded in maintaining a satisfactory level of service delivery. The upgrading of the sewerage works, the construction of the N1 intersection and expansion of the existing road network are of special significance since it will most definitely enhance the Municipality's competitiveness with regard to economic investment. It will also contribute to the broadening of the tax base and stimulate investor confidence.

In terms of administration, in addition to optimal service delivery, Council is striving to improve on the past three financial years' unqualified audits, to attain a clean report by 2013.

In terms of developmental local government, the recent country wide service delivery protests signal an important message, namely the inclusion of our communities in the matters of local government.

South African society, following the first democratic elections in 1994 has entered an era of hope with high expectations of a better life for all its citizens. Although political liberation was obtained, social and economic inequalities continue to haunt South Africans with many still living under the poverty line. This is also the case in the Breede Valley.

To address these inequalities and heightened expectations, post-apartheid South Africa opted for a developmental approach with local government identified as the key site of delivery and development. Local government in terms of policy and legislation is at the coalface of development, entrusted with the responsibility to turn around the plight of the poor through participatory democracy and the implementation of development and service delivery programs.

In order to accommodate the economic and social needs of our people and to address inequalities in our communities it is of paramount importance that development in its broadest sense is attended to as a matter of urgency.

The challenge for Council is to address inequalities and expectations without compromising stability and recent successes in service delivery as portrayed in this annual report. A balanced and inclusive approach must be pursued.

I would like to thank all members of council for their participation and contribution during the course of the 2010/2011 financial year. A special word of thanks goes to our management and staff, who in terms of the Breede Valley Municipality's mission, are treasured as the organisation's most valuable resource and key to service delivery.



Cllr. Basil Kivedo

Executive Mayor

MUNICIPAL MANAGER'S FOREWORD



ACTING MUNICIPAL MANAGER'S FOREWORD

It is with great acknowledgement to the Breede Valley officials and management that I present the Annual Report for the 2010/ 2011 financial year.

I am satisfied that it represents a true reflection of the financial & functional performance position of Breede Valley and that all statutory and administrative requirements regarding the Annual Report have been complied with. I am also convinced that the work in preparing and finalising the product was done with our vision of a unique and caring Valley of service excellence, opportunity and growth, in the minds of our dedicated personnel.

The year under review was in many respects a celebration of various accomplishments under tremendously difficult circumstances. A year that is known for:

- Its vibrant yet unstable **political situation**;
- The preparation for a **new political term of office**;
- The **difficult economic circumstances** known and felt by the world at large;
- An **increase in the unemployment** and as a result the indigent portfolio of Breede Valley Municipality;
- **Xenophobic turmoil** in De Doorns
- The **boom in our informal settlements** that create tremendous strain and pressures on the available resources of Council, etc.

Notwithstanding the circumstances, the Municipality wants to highlight the following accomplishments:

- In terms of development the Municipality was **rated the seventh best local authority** in a national audit, performed by an independent company called Municipal IQ's."
- The **multi million rand upgrading of our sewerage works and road network** to accommodate the need for commercial expansion will open up new investment opportunities, which will most certainly address unemployment;
- The cooperation in bringing about the **new bridge on the N1 interchange** a definite first for Worcester along with the traffic circles that resulted out of the initiative;
- **Major housing projects** as well as sustainable service delivery benefitted our communities;
- After a **succession of unqualified audit reports** the past few years we are looking forward to improve on these achievements;

- This annual report is a **team effort**, a combination of the skill and wisdom of **various partners in excellence**;
- The Auditor-General acknowledged the progress made in the drivers of internal control to achieve clean administration, most notably the improved quality of the financial statements submitted for auditing, as well as the improvements effected to the performance management system of the municipality, which for the first time resulted in the production of an annual performance report. **The Municipality again received an unqualified audit opinion with other matters.**
- I believe that with all requirements been addressed and our **performance management system fully functional** we are in a position to attain a clean report by 2013; and
- An objective independent **Credit Rating of A3** that is indicative of a **healthy and sustainable financial position**; and
- With great appreciation to the response of the Breede Valley community and other stakeholders, on our call for debt recovery the Municipality accomplishes a **97% debt recovery rate.**

The Municipality is also faced with different challenges that need to be addressed, such as:

- Low **morale & unacceptable conduct of staff**
- Greater **focus on Local Economic.**
- **Broadening the Tax base**
- Create a greater **sense of responsibility in the broader Breede Valley community**
- **Squatter Control**
- Proper **prioritisation of limited resources** to.
- Seek for **innovative ways to provide services**
- Constant and continuous **improvement of debt recovery**;
- **Expenditure Management** such as Fleet management, Overtime, Telephone Cost, Leave administration, etc.;
- **Restructuring and alignment of the organisational structure**
- To ensure the **successful implementation of the Vision, Mission and objectives** of the new political regime, etc.

It is with great appreciation that I acknowledge the efforts of the Breede Valley Management team and Official with the specific acknowledgement of the constructive contribution from the previous Municipal Manager, Mr. Allan Paulse, who lead the team during the financial year under review. I also want to acknowledge the constant political guidance received from the Breede Valley Municipal Council.

But mostly, as a public servant, who is constantly reminded by the plea of the poor and society at large, **respectfully acknowledge and thank the Breede Valley community for their patience, constant sensitisation and demand for a better life for all.**

Acting Municipal Manager

Breede Valley Municipality

A handwritten signature in black ink, appearing to read 'D. Thomas', written over a horizontal line.

DAVID McTHOMAS

CHAPTER 1

MUNICIPAL OVERVIEW



CHAPTER 1: INTRODUCTION AND MUNICIPAL OVERVIEW

1.1 MUNICIPAL OVERVIEW

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

The 2010/11 Annual Report reflects on the performance of the Breede Valley Municipality for the period 1 July 2010 to 30 June 2011. The Annual Report is prepared in terms of Section 121(1) of the Municipal Finance Management Act (MFMA), in terms of which the Municipality must prepare an Annual Report for each financial year.

1.1.1 VISION AND MISSION

The Breede Valley Municipality committed itself to the vision and mission of:

Vision:

“A Unique and caring valley of service excellence, opportunity and growth”

Mission:

“To provide sustainable and affordable services in a safe and healthy environment whilst promoting social and economic welfare through participative governance and committed service orientated approach to treasure the staff as the organisation’s most valuable resource and key to service delivery”

1.1.2 DEMOGRAPHIC INFORMATION

A) MUNICIPAL GEOGRAPHICAL INFORMATION

The most striking feature of the Breede Valley in the Western Cape is its scenic beauty. Majestic mountains, fertile valleys, vineyards and vast plains, covered with indigenous semi-desert vegetation, captivate the soul. The Region has an estimated population of **198 700 (inclusive of the informal settlements)**, covers an area of **3 015 km²** and comprises of the towns Worcester, De Doorns, Rawsonville, Touws River and the Matroosberg rural area. The Breede valley has a vibrant economy, based on strong agricultural, manufacturing and tourism sectors. The commercial and service sectors are also well-developed.

Wards

The Municipality is currently structured into the following 21 Wards:

WARD	AREAS
1	The entire community of Touws river, including business and residential areas
2	De Doorns South Stofland, Hasie Square, Ekuphumleni
3	The Centre of De Doorns
4	De Doorns Town Centre and adjacent Farm Areas
5	De Doorns Farming areas including Brandwag, De Wet and Sand Hills
6	N1 Worcester entrance, Altona, Brandwag, Tuindorp, Bergsig, Van Riebeeck Park, Panorama
7	Residential areas of partly Esselenpark and Worcester West
8	The Chessies and part of Worcester South
9	Roodewal Area
10	Hexpark and Johnsonspark Area
11	Noble Park
12	OVD, Parkersdam and Russell Scheme
13	Avianpark
14	Riverview Flat and Parkersdam Area
15	Langerug, Panorama and Goudini
16	Zwelethemba
17	Zwelethemba Residential space next to R300 on Robertson Road
18	Zwelethemba
19	Part of the centre of Rawsonville and outlying farming community
20	Part of the centre of Rawsonville, and areas towards N1
21	Avianpark and all surrounding informal areas

Table 1: Municipal Wards

De Doorns, Hex River Valley

De Doorns lies on the main route to and from Cape Town, Johannesburg and Port Elizabeth. With its wide range of service and commercial facilities, De Doorns has become the business and shopping centre for the entire valley and surrounding towns. De Doorns is a town with a particularly impressive cultural heritage. In 1819 De Doorns was proclaimed a sub-drostdy of Tulbagh. Two farms were bought for the purpose of laying out a town. In 1822 De Doorns was proclaimed a full drostdy.

The little town of De Doorns lies at the centre of the Hex River Valley only one and a half hours' drive from Cape Town, just off the N1 and 35 kilometres north of Worcester, in the midst of South Africa's Table Grape industry.

This is a valley of vineyard upon vineyard, historical Cape Dutch homesteads, and snow-capped mountains during winter that combine to make it one of the most picturesque valleys, particularly during autumn when the different vines give rise to a display of variegated colour so rich that all who see it are inspired and none left untouched by its beauty.

De Doorns literally translated means 'the thorns' in Dutch and refers to the Acacia thorn trees that dominate the Hex River banks. De Doorns' wine cellar boasts the longest harvest season in the world, from December through until April, and the area exports some 17 million cartons of grapes annually. Farms here lie nestled between the Hex and Quadou Mountains, which provide much in the way of hiking, mountain biking and rock climbing.

Rawsonville

Rawsonville is a small wine growing and farming community in the Breede River Valley of the Western Cape province of South Africa. The town forms part of the Breede Valley Local Municipality, and is located in a scenic portion of the valley on the eastern flanks of the Du Toitskloof Mountains.

The climate is hinterland (further from oceanic influences) Mediterranean, with cool, rainy winters and warm, dry summers. Due to its more inland location, winters can sometimes get frosty, with heavy snowfalls sometimes falling on the surrounding high-ground, summers are generally pleasant, although some February and March days can reach 38°C or higher.

The area is known for the Breedekloof Wine Route with its 22 Cellars and Wine Estates and also hosts the annual Breedekloof extreme sports festival. The economy remains heavily reliant on serving the agricultural community, however tourism in the form of weekend retreats are becoming more important to the town's income. Rawsonville is 90 km to the east of Cape Town and 15 km to the west of the large town of Worcester.

Touws River

On 7 November 1877, the Worcester-Matjiesfontein section of the Cape Government Railways' Cape Town-Kimberley main line was opened to traffic. The line included a station, originally named "Montagu Road", where the line bridged the Touws River. The name was given in reference to the town of Montagu, which lies about 90 kilometres (56 mi) to the south by road. In 1883 the station was renamed "Touwsrivier".

The town of Touws River developed around the railway depot, at which locomotives were changed after the climb over the Hex River Pass. It was particularly busy because of the need to bank trains over the pass; banking locomotives were turned at Touws River to return to De Doorns. From 1924 it also served as the junction for the branch line to Ladismith. The closing of the Ladismith branch in 1981 and the opening of the Hex River Tunnel in 1989 reduced the importance of Touws River as a depot.

Touws River received municipal government in 1962; with the transformation of local government in South Africa it has been incorporated into the Breede Valley Local Municipality. It is located in ward 1 of the local municipality, which in turn falls within the Cape Winelands District Municipality.

Touws River is located at an elevation of 770 meters (2,530 ft) on the south-western edge of the Great Karoo, east of the Hex River Mountains and north of the Langeberg, at the point where the Donkies River flows into the Touws River. It lies just to the south of the N1 highway, 180 kilometres (110 mi) by road from Cape Town. The railway line passes through the town, with the yards and depot being located just to the north-east; by rail it is 257 kilometres (160 mi) from Cape Town.

Worcester

Worcester is a town in the Western Cape, South Africa. It is located 120 km north-east of Cape Town on the N1 highway north to Johannesburg.

The Breede Valley Local Municipality was formed in December 2000 encompassing the towns of Touws River, De Doorns, Worcester and Rawsonville.

Worcester is the largest town in the Breede Valley Municipality, home to approximately 100 000 people, including those people living on the surrounding farms. It is an old town established in 1820 and named after Lord Charles Somerset's nephew, the Marquis de Worcester. In 1823 there were only 10 houses in Worcester. It also serves as the administrative capital of the Breede Valley Local Municipality and as regional headquarters for most National and Provincial Government Departments. The town also serves as the hub of the Western Cape's interior commercial, distribution and retail activity with a shopping mall, well developed central business district and infrastructure.

Worcester is also the largest wine growing region in South Africa, both in number of vines and volume of wine produced, accounting for 20% of the total production. There is plenty to see and do in the area and being so centrally situated with the surrounding towns and other places of interest an hour or less drive from Worcester it is an ideal base from which to explore the region.

Below is a map that indicates the five municipalities within the Cape Winelands District area:

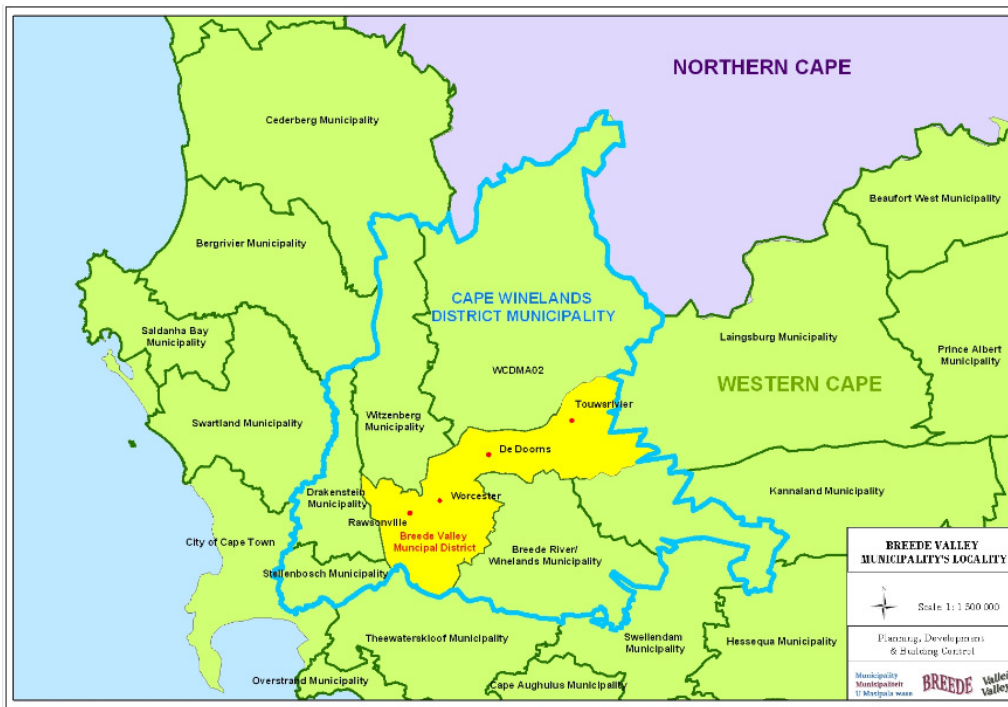


Figure 1: Western Cape Area map

B) POPULATION

Population size provides an indication of the volume of demand for government services in a particular geographical space. It also serves as a planning measure to assist budget planners to match available resources to address the relative demand for services. Breede Valley has the 3rd largest population in Cape Winelands District with a population size of **134 270** in 2007 in accordance with the census of Stats SA.

a) Total Population

The table below indicates the total population within the municipal area from the Stats SA, Community Survey of 2007:

2001	2007
146 028	134 270

Table 2: Demographic information of the municipal area – Total population

Source: Stats SA, Community Survey 2007

c) HOUSEHOLDS

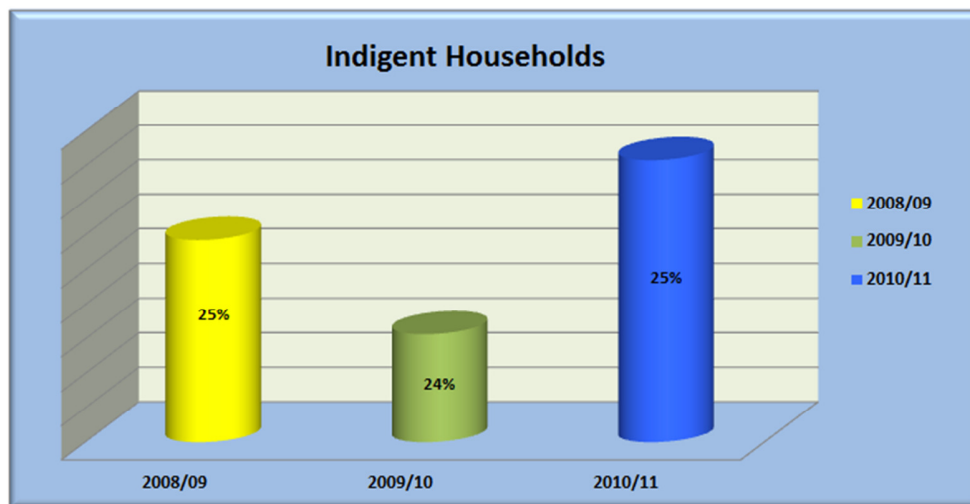
The total number of households within the municipal area decreased from **26 317** households in 2009/10 financial year to a total of **25 791** households in 2010/11 financial year. This indicates a decrease in the total number of households within the municipal area over the two years.

Households	2008/09	2009/10	2010/11
Number of households in municipal area	*24 936	*26 317	*25 791
Number of indigent households in municipal area	6 227	6 429	6 560

Table 3: Total number of households

**Note: The numbers of the households were amended and will therefore not match the figures in the previous year annual report.*

The graph below shows that the total number of indigent households increased from **6 429** in 2008/09 to **6 560** in 2010/11 financial year.



Graph 1: Total % indigent households within the municipal area

D) KEY ECONOMIC ACTIVITIES

Intensive agricultural areas are located along river courses. The Municipality is dependent upon the following economic activities:

Key Economic Activities	Description
Agriculture	Winery
	Table grapes, olives, dairy
Tourism	Agri- and Outdoor Tourism, Wine Route, Big 5, Guesthouses and B&B's, Canoeing and fishing, Hiking in mountains
Manufacturing	Textiles, Steel tankers, Food processing, Brandy and Wood products

Table 4: Key Economic activities

1.1.3 SOCIO ECONOMIC INFORMATION

A) SOCIO ECONOMIC GROWTH

The socio-economic information for the municipal area is as follows:

Housing Backlog	Unemployment Rate	Households with No Income	People older than 14 years illiterate	HIV/AIDS Prevalence
	%	#	%	%
25 300	19.7	3 138	20.1	8.8

Table 5: Socio Economic information

1.1.4 MUNICIPAL CHALLENGES

The following general challenges are experienced by the Municipality:

CHALLENGES	ACTIONS TO ADDRESS
Local Economic Development and as a result broadening of the Tax base	The Municipality is in process to upgrade certain of its bulk services, such as the Worcester Waste Water Treatment Plant in order to create the capacity for future developments
High economic pressures during the 2010/ 2011 financial year that had a negative impact on service delivery	Improve the debt recovery rate further Enhance LED to eventually broaden the Tax base and promote employment creation Create an understanding with management and the community that it can't be business as usual.
Low moral & unacceptable conduct of staff that sometimes culminates in unprofessional and disloyal behaviour.	The implementation of an appropriate code of conduct, strengthened by a performance management system that speaks to all levels of the municipality will definitely assist to address the issue. Staff moral need to be further enhanced through a proper

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CHALLENGES	ACTIONS TO ADDRESS
	PMS that is linked to a recognition and reward system
Greater focus on Local Economic Development.	The collaboration with other stakeholders, such as business, to ensure that the investment made in the upgrading of our bulk services, with reference to the Worcester Waste Water Treatment Plant, is being capitalised on, especially with the aim in mind to better the life of the poor through job creation.
Broadening the Tax base of the Municipality.	To ensure an appropriate revenue resource based that will enhance financial health and sustainability.
Create a greater sense of responsibility in the broader Breede Valley community.	Create a sense of responsibility that speaks to the moral generation of a society with self-respect and pride and an understanding that something, like for instance irresponsible refuse/ rubbish distribution, above others, can create a high cost burden on the coffers of the municipalities and may result in unnecessary tariff increases for the community's pockets.
Squatter Control and control on informal settlements.	There's a need that squatter control be constructively implemented to reduce the further expansion of a situation that will not only become uncontrollable but will impact negatively on the resources and pockets of the Breede Valley Society.
Proper prioritisation of limited resources.	To efficiently, effectively and economically address the ultimate priorities of basic service delivery and as a result proper control over expenditures, such as proper fleet management, etc. Will assist that limited resources end up in the right priorities.
Seek for innovative ways to provide/ render services.	To ensure that the required standard of service delivery, such as refuse removal & filling of potholes etc. is rendered, it is important that new ways are found to deal with service delivery, due to the fact that we know that resources are limited. It can't be business as usual.
Constant and continuous improvement of debt recovery;	Although the debt recovery rate is good, the good is not well enough anymore and BVM acknowledges that it needs to pull out all stops to improve on the current rate.
Restructuring and alignment of the organisational structure.	To really ensure that we use our staff compliment in the most effective and efficient way it became a priority to ensure that we review the organisational structure in the context of proper alignment to ensure effectiveness and efficiency in service delivery along with economy in resource utilization.
To ensure the successful implementation of the Vision, Mission and objectives of the new political regime, etc.	This really indicates the importance of the alignment of the administration to ensure the staff is keen to implement the objectives to the best of their ability.
Expenditure Management	To ensure that proper control takes place over expenditures such as, Fleet Management, Overtime, telephones, Leave Administration, etc.

Table 6: Municipal Challenges

CHAPTER 2

Governance



CHAPTER 2: GOVERNANCE

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

2.1 NATIONAL KEY PERFORMANCE INDICATORS - GOOD GOVERNANCE AND PUBLIC PARTICIPATION

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

KPA & INDICATORS	MUNICIPAL ACHIEVEMENT	MUNICIPAL ACHIEVEMENT	MUNICIPAL ACHIEVEMENT
	2008/09	2009/10	2010/11
The percentage of a municipality's capital budget actually spent on capital projects identified for a particular financial year in terms of the municipality's integrated development plan	82.49	92.48	93.48

Table 7: National KPIs - Good Governance and Public Participation Performance

2.2 PERFORMANCE HIGHLIGHTS - GOOD GOVERNANCE AND PUBLIC PARTICIPATION

Highlight	Description
Audit Committee	New Audit Committee was appointed and is fully operational
Seventh most productive local municipality in the Municipal Productivity Index (MPI)	Breed Valley has been named as the seventh most productive local municipality in Municipal IQ's fifth annual Municipal Productivity Index (MPI) for the 2010/11 financial year

Table 8: Good Governance and Public Participation Performance Highlights

2.3 CHALLENGES - GOOD GOVERNANCE AND PUBLIC PARTICIPATION

Description	Actions to address
The lack of proper Council Chambers with separate Caucus rooms, data projector, recording, sound and translation system, catering facilities, etc. hampers efficient Council	A Memorandum of Agreement (Reciprocity Agreement) with the Cape Winelands District Municipality to utilise their Council Chambers, meeting facilities and Translation Service

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Description	Actions to address
meetings and the hiring of alternative venues and service providers to be able to provide an acceptable if not totally efficient service is expensive (approximately R16 500 per meeting).	Providers is being investigated which will provide far more efficient meetings and be more cost effective (approximately R7 000 per meeting).
The Internal Audit Unit is ineffective due to insufficient staff, budget & a lack of system descriptions.	The lack of resources (staff, budget, etc.) has been reported to the Audit Committee, and the committee has recommended that it be addressed with the urgency it deserves. Current cost savings on Internal Audit's budget will be utilised to appoint temporary staff to assist with the ineffectiveness. The ineffective Internal Audit structure has also been changed to reflect current Internal Audit best practice and legislated approach. Prioritising of focus areas in terms of our Audit Plan taking into consideration available resources.
The role and function of Internal Audit is misunderstood.	Through the Audit Committee's support and assistance the role & function of Internal Audit is emphasized. Continuous education of the auditees on the role and function of Internal Audit through the formal internal audit process.
Internal Audit is held responsible for functions outside its scope of operation, such as Risk Management, Fraud Prevention & Investigations.	Provincial Treasury is responsible to monitor, evaluate and support municipalities with regards to the implementation of good governance principles (i.e. risk management & fraud prevention). The Bi-Annual Corporate Governance Assessment Report of Provincial Treasury communicates to the relevant stakeholders key concerns identified, and the required actions which need to be taken by the Municipality linked to timeframes and responsible officials to improve the status of governance within the Municipality.
The importance of Internal Audit in the municipality is not realised.	The Audit Committee supports and assists in clarifying the role & function of Internal Audit, as well as emphasizing our importance. Continuous education of the auditee on the importance of Internal Audit; as well as support from Provincial Treasury in monitoring and evaluating the effectiveness of Internal Audit, as an assurance provider with regards to the implementation of good governance principles in municipalities.
The value which Internal Audit could add, once fully effective, is underestimated.	The Audit Committee supports and assists in emphasizing our importance, as well as the value which Internal Audit could add to the municipality once fully effective. Continuous education of the auditee on the importance and value add which could be derived from Internal Audit, as a management tool. Support from Provincial Treasury (as an oversight body) in monitoring and evaluating the effectiveness of Internal Audit, as an assurance provider regards the implementation of good governance principles in municipalities.

Table 9: Good Governance and Public Participation Challenges

2.4 GOVERNANCE STRUCTURE

2.4.1 POLITICAL GOVERNANCE STRUCTURE

The council performs both legislative and executive functions. It focuses on legislative, oversight and participatory roles, and has delegated its executive function to the Executive Mayor and the Mayoral Committee. It's primary role is to debate issues publicly and to facilitate political debate and discussion. Apart from their functions as policy makers, Councillors are also actively involved in community work and the various social programmes in the municipal area.

A) COUNCIL

Below is a table that categorised the councillors within their specific political parties and wards before 18 May 2011:

Name of councillor	Capacity	Political Party	Ward representing or proportional
C. Ntsomi	Executive Mayor	ANC	proportional
T.J. Pedro (Until 28 March 2011)	Deputy Executive Mayor	NPP	proportional
B.J. Damons (From 20 April 2011)	Deputy Executive Mayor	NPP	proportional
J.J. Januarie (Until 19 August 2010)	The Speaker, Councillor	ANC	Ward 1
H. Willemse (20 August 2010 – 22 November 2010)	The Speaker, Councillor	Independent	Ward 8
C. Ismail (23 November 2010 - 15 April 2011)	The Speaker, Councillor	ANC	Ward 14
L. Richards (From 20 April 2011 to 18 May 2011)	The Speaker, Councillor	ANC	Ward 13
M.N. Lubisi	Councillor	ANC	Ward 2
F. Speelman	Councillor	Independent	Ward 3
P. Marran	Councillor	ANC	Ward 4
C.N Barends	Councillor	ANC	Ward 5
J.P. Kritzinger	Councillor	DA	Ward 6
N. Nel	Councillor	DA	Ward 7
G.L. Daames	Councillor	NPP	Ward 9

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Name of councillor	Capacity	Political Party	Ward representing or proportional
G. Stalmeester	Councillor	DA	Ward 10
A.H.E. Uys	Councillor	DA	Ward 11
E.Y. Sheldon	Councillor	DA	Ward 12
N.P. Mercur	Councillor	DA	Ward 15
P. Tyira	Councillor	Independent	Ward 16
N.S. Ndyalvan	Councillor	ANC	Ward 17
V.V. Malangeni	Councillor	ANC	Ward 18
S. Goedeman	Councillor	DA	Ward 19
P.B.B. Du Toit	Councillor	DA	Ward 20
C. Africa	Councillor	DA	proportional
N. H. Africa	Councillor	NPP	proportional
J. Brand	Councillor	NPP	proportional
M.N. Bushwana	Councillor	ANC	proportional
A. Cuttings	Councillor	ID	proportional
A.M. Du Toit	Councillor	DA	proportional
S. Geldenhuys	Councillor	ANC	proportional
S.E. James	Councillor	ANC	proportional
A.E. Jordaan	Councillor	DA	proportional
E.S.C. Manel	Councillor	DA	proportional
T.B. Mbhele	Councillor	DA	proportional
S.B. Mfutwana	Councillor	ANC	proportional
M. Sampson	Councillor	DA	proportional
A. Steyn	Councillor	DA	proportional
S. Syster	Councillor	NPP	proportional
A.C. Titus	Councillor	NPP	proportional
J.W. Van Der Westhuizen	Councillor	FF+	proportional
A.J. Williams	Councillor	ANC	proportional
C.F. Wilskut	Councillor	BO	proportional

Table 10: Council until 18 May 2011

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Below is a table that categorised the councillors within their specific political parties and wards after 18 May 2011:

Name of councillor	Capacity	Political Party	Ward representing or proportional
B.D. Kivedo	Executive Mayor	DA	proportional
J.D. Levendal	Deputy Executive Mayor	DA	proportional
A. Steyn	The Speaker	DA	Ward 6
J.P. Appels	Councillor	BO	proportional
P.G. Smith	Councillor	COPE	Ward 1
M.N. Lubisi	Councillor	ANC	Ward 2
P.B. Januarie	Councillor	ANC	Ward 3
P. Marran	Councillor	ANC	Ward 4
B.J. Kriegler	Councillor	DA	Ward 5
W.R. Meiring	Councillor	DA	Ward 7
N.V. Steto	Councillor	ANC	Ward 8
G. Stalmeester	Councillor	DA	Ward 10
M. Sampson	Councillor	DA	Ward 11
E.Y. Sheldon	Councillor	DA	Ward 12
R. Farao	Councillor	DA	Ward 13
C. Ismail	Councillor	Independent	Ward 14
J.A. Boshoff	Councillor	DA	Ward 15
N. Jali	Councillor	ANC	Ward 16
P. Tyira	Councillor	ANC	Ward 17
T.B. Dyonta	Councillor	DA	Ward 18
S. Goedeman	Councillor	DA	Ward 19
R. Blom	Councillor	DA	Ward 20
T.M. Wehr	Councillor	DA	Ward 21
W.M. Blom	Councillor	DA	proportional
M.N. Bushwana	Councillor	ANC	proportional
A.M. Du Toit	Councillor	DA	proportional
L. Dyabooi	Councillor	ANC	proportional
S.E. James	Councillor	ANC	proportional
J.J. Januarie	Councillor	ANC	proportional
A.E. Jordaan	Councillor	DA	proportional
B.V. Klein	Councillor	ANC	proportional
S. Lakey	Councillor	DA	proportional
E.S.C. Manel	Councillor	DA	proportional

BREEDE VALLEY MUNICIPALITY ANNUAL REPORT 2010/11

Name of councillor	Capacity	Political Party	Ward representing or proportional
S.J. Mei	Councillor	DA	proportional
S.B. Mfutwana	Councillor	ANC	proportional
B.W. Ntshingila	Councillor	ANC	proportional
L. Richards	Councillor	ANC	proportional
J. Schneider	Councillor	DA	proportional
J.F. Van Zyl	Councillor	DA	proportional
H. Willemse	Councillor	CI	proportional
C.F. Wilskut	Councillor	BO	proportional

Table 11: Council after 18 May 2011

Below is a table which indicates the Council meetings attendance for the 2010/11 financial year:

Meeting dates	Number of items submitted	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
30 July 2010	9	97	3
19 August 2010	3	100	-
25 August 2010	2	97	3
13 September 2010	11	95	3
26 October 2010	6	85	15
18 November 2010	11	85	13
22 November 2010	3	90	10
15 December 2010	19	77	13
31 January 2011	13	92	5
15 February 2011	1	79	15
28 February 2011	20	95	3
31 March 2011	7	97	3
20 April 2011	2	87	3
5 May 2011	5	97	3
31 May 2011	20	100	-

Table 12: Council meetings

B) EXECUTIVE MAYORAL COMMITTEE

The Executive Mayor of the Municipality, **Councillor C. Ntsomi (prior to 18 May 2011)** and **Councillor B.D. Kivedo (after 18 May 2011)**, assisted by the Mayoral Committee, heads the executive arm of the Municipality. The Executive Mayor is at the centre of the system of governance, since executive powers are vested in him to manage the day-to-day affairs. This means that he has an overarching strategic and political responsibility. The key element of the executive model is that executive power is vested in the Executive Mayor, delegated by the Council, and as well as the powers assigned by legislation. Although accountable for the strategic direction and performance of the Municipality, the Executive Mayor operates in concert with the Mayoral Committee.

The name and portfolio of each Member of the Mayoral Committee is listed in the table below for the period 1 July to 18 May:

Name of member	Capacity
The Executive Mayor, Cllr. C. Ntsomi	Chairperson
The Deputy Executive Mayor, Cllr. T.J. Pedro	MMC: Spatial & Development Planning, LED, Tourism & Sport portfolio
The Deputy Executive Mayor, Cllr. B.J. Damons	MMC: Spatial & Development Planning, LED, Tourism & Sport portfolio
Cllr. P. Marran	MMC: Community Protection Services portfolio
Cllr. L. Richards	MMC: Corporate Services portfolio
Cllr. C. Ismail	MMC: Financial Services portfolio
Cllr. P. Tyira	MMC: Housing portfolio
Cllr. S.B. Mfutwana	MMC: Social Development & Human Capital Development portfolio
Cllr. G.L. Daames	MMC: Vulnerable Groups portfolio
Cllr. M.N. Bushwana	MMC: Corporate Services portfolio
Cllr. J.J. Januarie	MMC: Financial Services portfolio
Cllr. N.H. Africa	MMC: Vulnerable Groups portfolio

Table 13: Executive Mayoral Committee until 18 May 2011

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The name and portfolio of each member of the Mayoral Committee is listed in the table below for the period 19 May to 30 June 2011:

Name of member	Capacity
The Executive Mayor: Cllr. B.D. Kivedo	Chairperson
The Deputy Executive Mayor: Cllr. J.D. Levendal	MMC: Basic Services, Traffic, Community Safety, Ombudsman
Cllr. W.M. Blom	MMC: Financial Services, Internal Audit, IDP
Cllr. A.E. Jordaan	MMC: Agriculture & Rural Development, Disaster Management (Fire & Rescue included)
Cllr. A.M. Du Toit	MMC: LED & Tourism (Business & Agri-business included)
Cllr. S. Goedeman	MMC: Environment & Recreation, Sport; Arts & Culture (Heritage matters included)
Cllr. M. Sampson	MMC: Community Services, Social Development, Women, Youth, Disabled, Library Services
Cllr. E.Y. Sheldon	MMC: Housing
Cllr. W.R. Meiring	MMC: Human Resources, PMS, Technical Services (Civil & Planning Services)
Cllr. J.F. Van Zyl	MMC: Corporate Services, Communication & Marketing

Table 14: Executive Mayoral Committee after 18 May 2011

The table below indicates the dates of the Committee meetings and the number of reports submitted to Council for the 2010/11 financial year:

Meeting date	Number of items submitted to council
17 August 2010 (100% attendance)	11 items under delegated authority
26 November 2010 (63% attendance)	10 items under delegated authority
3 February 2011 (63% attendance)	1 item under delegated authority
4 April 2011 (38% attendance)	3 items under delegated authority
16 May 2011 (83% attendance)	7 items under delegated authority

Table 15: Committee Meetings

(Please note that the name and functions of the committees have on numerous occasions been altered due to the change of council.)

C) COMMITTEES

On 28 January 2008 Council resolved that there would be three types of "Council" meetings:

- Plenary Committee (only for want of a different name) that should meet on the first Tuesday of every month to discuss matters that need to be referred to MAYCO or Council and to make suitable recommendations;
- MAYCO Committee that should meet on the third Tuesday of every month to consider the recommendations of the Plenary Committee and to resolve all matters referred to it in terms of delegated authority; and
- Council Meetings that should meet at least four times a year to resolve matters that have not been delegated to officials or MAYCO.

The Plenary Committee is chaired by the Speaker and all councillors attend; MAYCO is chaired by the Executive Mayor and the Deputy Executive Mayor and six "portfolio" councillors serve on MAYCO (we do not have portfolio committees, the portfolio councillors on MAYCO are responsible for motivating matters applicable to their respective portfolios); Council meets to meet legislative compliance issues (only four matters which they cannot delegate – passing of by-laws, approval of budgets, imposition of rates and other taxes, levies and duties and the raising of loans).

The Plenary Committee was accepted instead of Section 79 or Section 80 Committees. However, on the few occasions when Plenary Committee meetings were scheduled, the meetings were adjourned, for various reasons, before any items could be discussed. Consequently, during the year under review, all items were resolved by either MAYCO (under delegated authority) or Council.

2.4.2 ADMINISTRATIVE GOVERNANCE STRUCTURE

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

Name of Official	Department	Performance agreement signed
		(Yes/No)
Mr. A.A. Paulse	Municipal Manager	Yes
Mr. M.K. Gagu	Corporate Services	Yes
Mr. D. McThomas	Financial Services	Yes
Mr. W.H. Visser	Operational Services	Yes
Dr. W.R. Murray	Public Safety and Community Development	Yes

Table 16: Administrative Governance Structure

2.5 PUBLIC ACCOUNTABILITY

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

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

2.5.1 WARD COMMITTEES

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

Ward 1: The entire community of Touws River, including business and residential areas

Name of representative	Capacity representing	Number meetings held during the year
Mr. John Sass	Education	4
Mr. Daantjies Prins	Health	
Ms. Ria Kock	Housing	
Ms. Magdeleen Prins	Women	
Mr. Gerrit Jaftha	Community safety	
Mr. Eusewes Prins	Sport	
Ms. Elmarie Prins	Youth	
Mr. Gerrit Theunissen	Business	
Ms. Jacky Nicholas	Women, Children and Youth	

Table 17: Ward 1 Committee Meetings

Ward 2: De Doorns South, Stofland, Hasie Square, and Ekuphumleni

Name of representative	Capacity representing	Number meetings held during the year
Mr. Xolani Cesiko	Sport	4
Mr. Poulus Khuselo Mpondwana	Small Farmers	
Ms. Ester Mfuthwana	Women	
Ms. Buyelwa Qodolwana	Education	
Mr. Vatsha Makaleni	Religion	
Ms. Sara Smith	Health	
Ms. Wilhelmina Fuller	Elderly	
Mr. Themba Mbhele	Youth	
Mr. Johannes Rathipe	Disabled	
Mr. Patrick Nbalma	Farm Workers	

Table 18: Ward 2 Committee Meetings

Ward 3: The Centre of De Doorns

Name of representative	Capacity representing	Number meetings held during the year
Mr. Eric Thomas	Education	4
Mr. Keith Solomons	Youth	
Ms. Olga Pendu	Elderly	
Ms. Magaret Jacobs	Farms	
Ms. Anna Steyller	Disabled	
Mr. Doris Du Preez	Health	
Ms. Anna Thomas	Safety and Security	
Ms. Cynthia Mema	Women	
Mr. Kosie Pozyn	Business	
Mr. Isak Pekaam	Arts & Culture	

Table 19: Ward 3 Committee Meetings

Ward 4: De Doorns Town Centre and adjacent Farm Areas

Name of representative	Capacity representing	Number meetings held during the year
Mr. Louis Flippies	Elderly	4
Mr. B Patrick	Safety and Security	
Mr. Prent Sammy	Sport	
Ms. Magrieta Pieterse	Health	
Ms. Cecilia Cewana	Education	
Mr. Bongile Gidela	Youth	
Ms. Sokhaba Nolitha	Women	
Mr. Cewana Mpumelelo	Housing	
Mr. Hennie Windvogel	Farm areas	

Table 20: Ward 4 Committee Meetings

Ward 5: De Doorns Farming areas including Brandwag, De Wet and Sand Hills

Name of representative	Capacity representing	Number meetings held during the year
Ms. Evelyn Mekriga	Youth	4
Mr. Willem Vermeulen	Elderly	
Ms. Michelle Stredders	Education	
Mr. Andrew Jantjies	Farms	
Ms. Veronica Jabane	Women	
Mr. Dennis Libo	Churches	
Mr. Nomgqibelo Kweza	Disabled	
Mr. Jack Swartz	Housing	

Table 21: Ward 5 Committee Meetings

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Ward 6: N1 Worcester entrance, Altona, Brandwag, Tuindorp, Bergsig, Van Riebeeck Park, Panorama

Name of representative	Capacity representing	Number meetings held during the year
Mr. Hugo Geldenhuys	Community Services	0
Ms. Tinkie Conradie	Churches	
Mr. Karel Dienner	Safety and Security	
Ms. Alida Basson	Disabled	
Mr. Amdreas van Lil	Health	
Mr. Stefans Els	Business	

Table 22: Ward 6 Committee Meetings

Ward 7: Residential areas of partly Esselenpark and Worcester West

Name of representative	Capacity representing	Number meetings held during the year
Mr. Kobus Neethling	Safety and Security	0
Mr. Johan Van Der Walt	Elderly	
Mr. Jacobus Naude	Senior Citizens	
Mr. Desmond De Koker	Disabled	
Mr. Willmar Jaftha	Youth	
Mr. J.C Cupido	Senior citizens Esselenpark	
Ms. Let Williams	Women	

Table 23: Ward 7 Committee Meetings

Ward 8: The Chessies and part of Worcester South

Name of representative	Capacity representing	Number meetings held during the year
Ms. Fronana Visagie	Labour	4
Ms. Maria Kampher	Health	
Ms. Angelique Kamfer	Disabled	
Ms. Irene Plaatjies	Women	
Mr. Graham Farland	Youth	
Mr. Warren Hendriks	Business	

Table 24: Ward 8 Committee Meetings

Ward 9: Roodewal Area

Name of representative	Capacity representing	Number meetings held during the year
Ms. Belinda Booyesen	Housing	4
Ms. Francis Moos	Safety	
Ms. Lilian Prins	Senior Citizens	
Ms. Jessica Williams	Business	
Ms. Susan Booyesen	Religion	
Ms. Christina Moos	Tourism	
Ms. Marlene Jaftha	Education	
Ms. Drien Olkers	Women	
Mr. Etienne Cupido	Youth	

Table 25: Ward 9 Committee Meetings

Ward 10: Hexpark and Johnsonspark Area

Name of representative	Capacity representing	Number meetings held during the year
Ms. Lien Daniels	Health	4
Ms. Spasie Kees	Old Ages	
Mr. Andre Diedericks	Agriculture	
Ms. Elde Wilskut	Disabled	
Mr. Wilfred V Niekerk	Education	
Ms. Kette Eland	Women	
Ms. Dulci Thomas	Churches	

Table 26: Ward 10 Committee Meetings

Ward 11: Noble Park

Name of representative	Capacity representing	Number meetings held during the year
Mr. Alver Uys	Sport	4
Mr. James Cupido	Education	
Mr. Trevor Karriem	Security and Safety	
Ms. Mina Demas	Elderly	
Ms. Wilhelmina Jones	Disabled	
Mr. Adam Williams	Youth	

Table 27: Ward 11 Committee Meetings

Ward 12: OVD, Parkersdam and Russel Scheme

Name of representative	Capacity representing	Number meetings held during the year
Ms. Evelyn Johnson	Disabled	4
Ms. Veronica Grootboom	Religion	
Mr. Jobin Carnow	Arts and Culture	
Mr. Amanda Smit	Disabled	
Mr. Anna Esau	Social Health	
Mr. Rieyaaz Savahl	Youth	
Ms. Sophie Williams	Elderly	
Mr. Charles Nonney	Informal	
Ms. Siena Booyesen	Women	
Mr. Trevor Samson	Health	
Mr. Freek Masimala	Community Safety	

Table 28: Ward 12 Committee Meetings

Ward 13: Avian Park

Name of representative	Capacity representing	Number meetings held during the year
Ms. Natasha Triskey	Youth	4
Ms. Emily Solomons	Elderly	
Ms. Lenie Pierce	Disabled	
Ms. Esther Fushana	Safety & Security	
Ms. Martha Jaftha	Education	
Ms. Bertha Klein	Day Care	
Ms. Lindie Angeline	Women	
Mr. Christie Fransman	Sport	
Mr. Derick Goodheart	Housing	
Mr. Zolile April	Arts & Culture	

Table 29: Ward 13 Committee Meetings

Ward 14: Riverview Flat and Parkersdam Area

Name of representative	Capacity representing	Number meetings held during the year
Ms. Joan Abrahams	Youth	4
Mr. Jacobus Wyngaard	Housing	
Ms. Dora Esau	Senior Citizens	
Ms. Valencia Wilskut	Women	

Table 30: Ward 14 Committee Meetings

Ward 15: Langerug, Panorama and Goudini

Name of representative	Capacity representing	Number meetings held during the year
Mr. Rodney Karriem	Sport and Recreation	4
Ms. Francis Hugo	Elderly	
Mr. Pieters Francis	Disabled	
Mr. Willem Welgemoed	Safety & Security	
Ms. E Hamman	Women & Children and Youth	
Mr. Hubert Johnson	Religion	
Mr. Lesley Cornelius	Social Services	

Table 31: Ward 15 Committee Meetings

Ward 16: Zwelethemba

The committee does not exist anymore as per a letter written by Councillor P Tyira to the Speaker.

Ward 17: Zwelethemba Residential space next to R300 on Robertson Road

Name of representative	Capacity representing	Number meetings held during the year
Ms. Mimi Williams	Women	4
Mr. Mbuyiselo Weliso	Disabled	
Mr. Simphiwe Ndzima	Education	
Ms. Thandanani Ntuli	Social Development	
Mr. Maphingane Madoda	Sport	
Ms. Neliswa Ndzeku	Youth	
Ms. Portia Allam	Safety and Security	
Mr. Thabo Mohlauli	Health	
Mr. Mvula Ndzeku	Business	
Lt. Col. Parks Maliti	Business	

Table 32: Ward 17 Committee Meetings

Ward 18: Zwelethemba

Name of representative	Capacity representing	Number meetings held during the year
Mr. B Ramasesane	Religion	4
Ms. Hapiness Jacobs	Housing	
Mr. Pololo Thaliwe	Safety and Security	
Ms. Nomabhongo Mnyuka	Old Age	
Ms. Thuliswa Nonkonana	Youth	
Ms. Nosiseko Kelepu	Education	
Mr. Luyanda George	Sports	
Ms. Ntombomzi Zathu	Health	
Ms. Nozinzile Nkumatela	Women	
Mr. Vuyane Gqandu	Disabled	
Mr. Moroesi Monlakola	Small Farmers	

Table 33: Ward 18 Committee Meetings

Ward 19: Part of the centre of Rawsonville and outlying farming community

The ward stretches over a wide and vast area, including mainly farming communities. The structure of the ward committee reflected the vastness of the area with representatives residing in differing outlying corners of the ward. The ambition was to reflect a better representative structure than with previous years, though implementation remained a huge challenge amidst resource challenges. The ward councillor therefore initiated ward committee meetings with selected ward committee members though addressing issues which affect the entire ward. This remains a challenge as innovativeness and more resources would be required in the new term to address matters of this nature.

Name of representative	Capacity representing	Number meetings held during the year
Ms. Fransiena Van Rooy	Elderly	0
Ms. Cecilia Bratt	Social Services	
Mr. Wayne Bratt	Sport	
Ms. Sophia Swartz	Transport	
Ms. Sharon Pietersen	Housing	
Mr. Jannie Claasen	Disabled	
Mr. Piet Hendricks	Agriculture	
Ms. Elsabe Davids	Women	
Mr. Steven Bosman	Health	
Ms. Richelle Davids	Local Economic Development	
Ms. Fransiena Van Rooy	Elderly	

Table 34: Ward 19 Committee Meetings

Ward 20: Part of the centre of Rawsonville, and areas towards N1

Upon the election of the ward 20 ward committee no formal ward committee activities were recorded by the coordinating office. A number of activities undertaken centred mainly on ward based projects initiated by the ward councillor in collaboration with self-identified volunteers. A more concerted effort is required in the new financial year and term of council to ensure functionality of the current and foreseen ward committee, to strengthen participatory government in this ward.

Ward 21: Avian Park and surrounding informal areas

Ward 21 did not exist for the bigger part of the financial year; it was only constituted in terms of the new demarcation.

2.5.2 FUNCTIONALITY OF WARD COMMITTEE

The purpose of a ward committee is:

- to get better participation from the community to inform council decisions;
- to make sure that there is more effective communication between the Council and the community; and
- to assist the ward councillor with consultation and report-backs to the community.

Ward committees should be elected by the community they serve. A ward committee may not have more than 10 members and women should be well represented. The ward councillor serves on the ward committee and act as the chairperson. Although ward committees have no formal powers, they advise the ward councillor who makes specific submissions directly to the council. These committees play a very important role in the development and annual revision of the integrated development plan of the area.

The table below provides information on the establishment of Ward Committees and their functionality:

Ward Number	Committee established: Yes / No	Number of reports submitted to the Speakers/IDP Office	Number meetings held during the year	Committee functioning effectively: Yes / No	Actions to address
1	Yes	4	4	Yes	Capacitating of ward committees and the provision of a Ward Office
2	Yes	4	4	Yes	
3	Yes	4	4	Yes	
4	Yes	4	4	Yes	
5	Yes	4	4	Yes	
6	Yes	0	0	No	
7	Yes	0	0	No	
8	Yes	4	4	Yes	
9	Yes	4	4	Yes	
10	Yes	4	4	Yes	
11	Yes	4	4	Yes	
12	Yes	4	4	Yes	
13	Yes	4	4	Yes	
14	Yes	4	4	Yes	
15	Yes	4	4	Yes	
16	Yes	4	4	Yes	
17	Yes	4	4	Yes	

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Ward Number	Committee established: Yes / No	Number of reports submitted to the Speakers/IDP Office	Number meetings held during the year	Committee functioning effectively: Yes / No	Actions to address
18	Yes	4	4	Yes	
19	Yes	0	0	No	
20	No	0	0	No	
21	No	0	0	No	

Table 35: Functioning of Ward Committees

2.5.3 REPRESENTATIVE FORUMS

A) LABOUR FORUM

The table below specifies the members of the Labour forum for the 2010/11 financial year:

Name of representative	Capacity	Meeting dates
L Richards	ClIr	1 September 2010 9 November 2010 14 December 2010
S Geldenhuys	ClIr	
P Marran	ClIr	
B Mfutwana	ClIr	
C Ismail	ClIr	
A Du Toit	ClIr	
G Stalmeester	ClIr	
P Du Toit	ClIr	
A Titus	ClIr	
A Pause	Municipal Manager	
D McThomas	Director: Finance	
WR Murray	Director: Community Services	
W Visser	Director: Operations	
M Gagu	Director: Corporate	
W Soldaat	SAMWU	
Z Petersen	SAMWU	
D Wehr	SAMWU	
J Damens	SAMWU	
Z Sophi	SAMWU	
J George	SAMWU	
W Visagie	IMATU	
D Maart	IMATU	
R Plaatjies	IMATU	
R Oliphant	IMATU	
G Pharo	IMATU	
J France	Manager: HR	
W Cloete	Labour Relations Officer	

Table 36: Labour Forum

B) IDP FORUM

Breed Valley municipality constituted a Ward Committee Summit which acted as an IDP Forum where prioritising of ward needs were dealt with.

2.6 CORPORATE GOVERNANCE

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

2.6.1 ANTI-CORRUPTION AND ANTI-FRAUD

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

A) DEVELOPED STRATEGIES

Name of strategy	Developed Yes/No	Date Adopted/Reviewed
Anti-corruption strategy	Yes	Adopted at Audit Committee only
Fraud prevention strategy	Yes	Adopted at Audit Committee only

Table 37: Strategies

B) IMPLEMENTATION OF STRATEGIES

Strategies to implement	Key Risk Areas	Key measures to curb corruption and fraud
Organisational Culture	<ul style="list-style-type: none"> Setting the tone at the top Transparency Public awareness 	Commitment to creating an environment that is based on the prevention of fraud and corruption. This is achieved by promoting openness and honesty in all Council activities. The Council requires all individuals and organisations associated in whatever way with the Council to act with integrity and that Council Members and Employees, at all levels, will lead by example in these matters. The Council's Members and Employees play an important part in creating, maintaining and promoting this culture. They are encouraged to voice any serious concerns about any aspect of the Council's activities. The Council has drafted a 'Whistle blowing' policy, which ensures that concerns raised will be properly investigated in a professional and confidential manner.

Strategies to implement	Key Risk Areas	Key measures to curb corruption and fraud
Prevention	<ul style="list-style-type: none"> • Recruitment and Selection policies • Code of conduct for Councillors and Employees 	<p>The Council recognises that a key preventative measure in the fight against fraud and corruption is to employ staffs who have high standards in terms of propriety and integrity. The Council strives to achieve this through effective recruitment policies and procedures which include:</p> <ol style="list-style-type: none"> i) obtaining written references prior to appointing staff, including those employed on a temporary or contract basis ii) undertaking police checks for designated posts where the post holder may deal with vulnerable people or where the duties require the highest level of propriety <p>Upon appointment all staff is issued with the Employee Code of Conduct and are required to sign a statement to the effect that this has been read and understood. The Employee Code of Conduct details the standards all employees must uphold to maintain the integrity of the Council's activities. The Code includes rules regarding relationships, personal interests, gifts and hospitality and confidentiality. The Code may be amended due to requirements from time to time and employees are expected to comply with the amended requirements from the date they are introduced. More particularly, all of the Council's contracts of employment will also incorporate mandatory requirements arising from any Employee Code of Conduct for local authority employees issued by government.</p>
Detection	<ul style="list-style-type: none"> • Efficient and Effective systems of control. • Availability of open confidential communication channels 	<p>The preventative measures undertaken by the Council, particularly the implementation of sound control systems, have been designed to deter fraud and provide indicators of fraudulent activity. It is often the alertness of employees and the public to such indicators that enables detection to occur and the appropriate to take place when there is evidence that fraud or corruption may be in progress. Despite the best effort of financial managers and internal audit many incidents of fraud are discovered by chance or 'tip-off' and the Council has in place arrangements to enable such information to be properly dealt with.</p>
Investigation	<ul style="list-style-type: none"> • Objectivity and independence of investigating team. • Appropriate and uniform sanctions 	<p>The investigation of any other suspected fraud or corruption is carried out by either in-house or externally appointed forensic investigators. Upon completion of the investigation, a report is issued to the Municipal Manager who, with the CFO, has joint responsibility for determining what further action to take. A copy of the report will also be issued to the Head of Department concerned</p> <p>The reporting procedure is essential as it ensures:</p> <ol style="list-style-type: none"> i) the consistent treatment of information regarding any suspected fraud and/or corruption ii) an effective investigation by an experienced investigative team iii) the proper implementation of a structured response to any suspected act of fraud and/or corruption iv) that the investigation will be undertaken in accordance with the Prevention of Corrupt Activities Act of 2004.
Education and Training	Efficient and effective implementation of training and induction programmes	<p>The Council recognises that the continuing success of the Anti-Fraud and Corruption Policy, and its credibility, will depend largely on the effectiveness of staff throughout the organization. Senior management will be responsible for ensuring that all staff are properly trained in the procedures that they should follow when undertaking their duties.</p>

Table 38: Implementation of the Strategies

2.6.2 AUDIT COMMITTEE/S

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

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

- internal financial control;
- risk management;
- performance management; and
- effective governance.

A) FUNCTIONS OF THE AUDIT COMMITTEE

The previous audit committee was not functional and a new functional Audit Committee was appointed on 28 February 2011, which has a dual role as a Performance Audit Committee as well.

The Audit Committee have the following main functions as prescribed in section 166 (2) (a-e) of the Municipal Finance Management Act, 2003 and the Local Government Municipal and Performance Management Regulation:

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

B) MEMBERS OF THE AUDIT COMMITTEE

Name of representative	Capacity	Meeting dates
Mr. B.J. Lodewyk	Chairman	12 April 2011 25 May 2011 29 June 2011
Dr. B. Jansen van Rensburg	Member	
Ms. N. Salie	Member	
Mr. A.P. Croutz	Member	

Table 39: Members of the Audit Committee

2.6.3 PERFORMANCE AUDIT COMMITTEE

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

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

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

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

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

A) FUNCTIONS OF THE PERFORMANCE AUDIT COMMITTEE

In terms of Section 14(4) (a) of the Regulations the performance audit committee has the responsibility to -

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

B) MEMBERS OF THE PERFORMANCE AUDIT COMMITTEE

Name of Member	Capacity	Experience	Meeting dates
Mr. B.J. Lodewyk	Chairman	Chartered Accountant(SA)	15 June 2011
Dr. B. Jansen van Rensburg	Member	Doctorate in Economics	
Ms. N. Salie	Member	BCom Finance(Hons)	
Mr. A.P. Croutz	Member	B. Proc	

Table 40: Members of the Performance Audit Committee

2.6.4 INTERNAL AUDITING

Section 165 (2) (a), (b) and (c) of the MFMA requires that:

The internal audit unit of a municipality must –

- (a) prepare a risk based audit plan and an internal audit program for each financial year; and
- (b) advise the accounting officer and report to the audit committee on the implementation on the internal audit plan and matters relating to:
 - (i) Internal audit;
 - (ii) internal controls;
 - (iii) accounting procedures and practices;
 - (iv) risk and risk management;
 - (v) performance management;
 - (vi) loss control; and
 - (vii) compliance with this Act, the annual Division of Revenue Act and any other applicable legislation; and
- (c) perform such other duties as may be assigned to it by the accounting officer.

Breede Valley Municipality has an in-house Internal Audit function consisting of three auditors and two clerks; the Chief Audit Executive position however, has been vacant from 1st March 2011.

The Strategic Audit Plan sets out the scope, conduct and timing of internal audit work all areas audited after the organization's risks were reviewed from the rolling three year Strategic Audit Plan and all risk areas not addressed provided the basis for the Annual Audit Plan for 2010/2011. The Strategic Audit Plan is reviewed each year so that it can be amended to reflect changing priorities and meet the emerging needs of Breede Valley Municipality.

High level overview of our approach

In line with the relevant legislative requirements(MFMA including Treasury Regulations), together with Internal Audit International Best Practice as prescribed by the Institute of Internal Auditors(IIA), we have tailored a risk based approach designed to provide a high value service specifically designed to meet our needs.

Some of the key objectives identified include:

- Developing a comprehensive internal audit approach with the existing resources;
- Perform an organisation wide risk assessment in accordance with good governance standards and leading practice methodologies;
- Devise a comprehensive internal audit plan for the next twelve months and identify areas to be covered during the next three year period.

In particular, we are of the view that the Auditor-General is a key stakeholder and through our development process, we will ensure that duplication of work is minimised and that a greater degree of reliance may be placed on the internal audit coverage and work performed.

To ensure that we meet Internal Audit's objective of adding value and improving BVM's operations, we propose to develop and agree a 'Value Charter' for Internal Audit. This tailored BVM Internal Audit Charter will clearly specify our requirements from our service, the assignment objectives and appropriate performance measurement criteria against which the performance of our internal audit service will be measured.

We will discuss and agree this with appropriate levels of management to ensure a firm understanding of management's key concerns and ascertain risk criteria and business objectives on which the risk assessment and audit planning phases will be based.

Risk assessment phase

The risk assessment phase is focused on identifying those risks which potentially impair the achievement of BVM's objectives. We will work with management and other key stakeholders to leverage our knowledge of the municipality to establish risk priorities for auditable units. BVM's internal audit methodology shifts the focus of

assurance from controls on individual transactions, to controls on business processes, and then assesses risks within those processes.

In undertaking the risk assessment we would give consideration to the following areas:

- BVM's integrated development plan and strategic objectives.
- The issues covered by the reports issued by the Office of the Auditor-General.
- The impact of any pending new legislation on key business processes.
- Outputs from our high-level process walk-through's and discussions with management.
- The appropriate level of interaction with BVM management to consolidate their concerns and facilitate their participation in the risk assessment process.
- Past incidences of fraud or material breakdown in internal control.

Internal Audit will use the outputs from the risk assessment phase to develop a risk based inventory of business process which we use to define and assign internal audit priorities for BVM's various departments. Audit planning activities will be supported by our extensive knowledge resources that will provide us with innovative and field-tested audit strategies, leading practices, value ideas and other subject matter expertise.

Our combined methodology will be used to develop a comprehensive 12 month audit plan and three year rolling coverage strategy based on outputs and prioritised according to high risk areas and critical municipal processes.

In undertaking our work we considered the extent of assurance required after taking into account other internal and external reviews delivered by the Auditor General and any other relevant assurance providers over the past twelve months.

The final internal audit plan was agreed with management prior to submission to the Audit Committee for approval. The three year rolling coverage plan compiled formed the foundation of the execution of the internal audit activities. Having been validated with management, the three year rolling coverage plan is a sound basis for ensuring a cost effective resource utilisation, which is aligned to your objectives and address the areas which stakeholders and management were most concerned about.

Execution phase

The execution phase would typically involve the following activities:

Validate Initial Scope

- The individual internal audit scope and objectives will be validated and agreed upon prior to commencing the execution of each individual audit assignment. The internal audit scope and objectives would be clearly

linked to the risk assessment and internal audit coverage areas as identified in the internal audit planning phase.

Assignment Execution

- During audit execution, internal audit will perform detailed reviews of agreed-upon areas and processes to establish the adequacy and effectiveness of current internal controls in place to counter the internal and external risks facing the BVM.
- The execution process facilitates the identification of areas of over- and under-control which potentially results in duplication of effort, fruitless expenditure and uncontrolled exposures.

Reporting

- Internal audit will communicate risk, control and process issues, and co-develop appropriate corrective action plans with relevant management. Once validated and agreed, formal audit reports are presented for distribution in terms of the pre-agreed communication protocols.

Follow-up of corrective action plans

At agreed intervals, internal audit will assess the degree of corrective action taken to satisfactorily resolve previously reported audit issues. Internal audit will communicate the status of corrective action, and develop with management appropriate remedial action plans to satisfactorily resolve previously reported issues. Formal follow-up audit reports are presented for distribution as per the pre-agreed communication protocols.

Communicating Results

Internal Audit should present to the Audit Committee on a regular basis, the results of internal audit activities that have been performed over reporting periods.

Typically the report should include feedback on the following:

- Status of audit coverage achieved against the plan
- Executive summary of significant issues
- Status of follow-up corrective action
- Significant risk areas identified outside internal audit scope
- Performance results against the Value Charter

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Annual Audit Plan

The Risk Based Audit Plan for 2010/11 which was executed based on the above Approach and Methodology; was only implemented 17% with available resources, which is attributable to vacancies and lack of capacity. The table below provides detail on audits completed:

BREEDE VALLEY MUNICIPALITY – ANNUAL AUDIT PLAN 2010/2011				
Description			No of Hours estimated	Date completed
Phase 1				
Risk profile and priorities-update			200	30 June 2010
Pro Audit Process Inputs			200	30 June 2010
Phase 2				
Compiling Risk Based Audit Plan			40	30 June 2010
Management Meetings			300	30 June 2011
Phase 3				
Audit Engagement	Departmental System	Detail	No of Hours	Date completed
Finance	Financial Services	Revenue: Sundries & Rentals	400	Rolled over to the 2011/12 Internal Audit Plan
		Annual Stock Take	200	23 June 2011
		Stores/Follow Up	100	28 February 2011
		Payroll: Deductions	200	Rolled over to the 2011/12 Internal Audit Plan
		Supply Chain/Procurement	400	Rolled over to the 2011/12 Internal Audit Plan
		Tenders/Contracts	200	Rolled over to the 2011/12 Internal Audit Plan
Corporate Services	Human Resources	WSP Training Budget vs. Implementation	300	Not executed due to lack of staff
		Recruitment & Selection Policy	200	Not executed-due to lack of staff
Performance Information	Governance	Performance Bonuses	100	Not executed-due to lack of staff
		Performance Information	200	Not executed-due to lack of staff & non-availability of quarterly performance reports.
Operational Services	Services	Cemeteries/follow up	100	Rolled over to the 2011/12 Internal Audit Plan
		SDBIP's	300	Not executed due to lack of staff
Continuous Auditing/Consulting			1 000	30 June 2011
Junior Internal Audit Assistance			240	30 June 2011
Ad Hoc audits			200	23 June 2011
Training CPD			200	30 June 2011
Total Hours			5 080	-

Table 41: Internal Audit Coverage Plan

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Below are the functions of the Internal Audit Unit that was performed during the financial year under review:

Function	Date/Number
Risk analysis completed/reviewed	30 June 2010
Risk based audit plan approved for 2010/11 financial year	29 June 2011
Internal audit programme drafted and approved	29 June 2011
Number of audits conducted and reported on	3
Audit reports included the following key focus areas:	
<i>Internal controls</i>	3
<i>Accounting procedures and practices</i>	3
<i>Risk and risk management</i>	3
<i>Performance management</i>	-
<i>Loss control</i>	1
<i>Compliance with the MFMA and other legislation</i>	3

Table 42: Internal Audit Functions

2.6.5 BY-LAWS AND POLICIES

Section 11 of the MSA gives municipal Councils the executive and legislative authority to pass and implement by-laws and policies.

No by-laws were revised/adopted during the 2010/11 financial year.

Below is a list of all the municipal by-laws:

By-laws developed/revised	Date of Publication
Aerodrome by-law	22 October 2008
Cemeteries and crematoria by-law	22 October 2008
Commonage by-law	22 October 2008
Electricity supply by-law	22 October 2008
Fences and fencing by-law	22 October 2008
Fire safety by-law	22 October 2008
Impoundment of animals by-law	22 October 2008
Outdoor advertising and signage by-law	22 October 2008
Property rates by-law	22 October 2008
By-law relating to prevention of public nuisance and public nuisance arising from keeping of animals	22 October 2008
By-law relating to roads and streets	22 October 2008
Informal trading by-law	22 October 2008

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By-laws developed/revised	Date of Publication
Public amenities by-law	22 October 2008
Sporting facilities by-law	22 October 2008
Storm water management by-laws	22 October 2008
Sanitation services and industrial effluent	22 October 2008
By-law relating to water supply	22 October 2008
Solid waste disposal by-law	22 October 2008

Table 43: By-laws

Below is a list of all the policies developed and reviewed during the financial year:

Policies developed/ revised	Date adopted	Public Participation Conducted Prior to adoption of policy (Yes/No)	Date of Publication
Asset management	5 May 2011	Yes	1 July 2011
Fund & reserves	5 May 2011	Yes	1 July 2011
Cash & investment	5 May 2011	Yes	1 July 2011
Standby allowance	5 May 2011	Yes	1 July 2011
Overtime	5 May 2011	Yes	1 July 2011
Property rates	5 May 2011	Yes	1 July 2011
Tariffs	5 May 2011	Yes	1 July 2011
Customer care and management	5 May 2011	Yes	1 July 2011
Debt collection	5 May 2011	Yes	1 July 2011
Indigent	5 May 2011	Yes	1 July 2011
Cell phone	5 May 2011	Yes	1 July 2011
Acting allowance section 57 employees	5 May 2011	Yes	1 July 2011
Supply chain management	5 May 2011	Yes	1 July 2011

Table 44: Policies

2.6.6 COMMUNICATION

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

The communities, on the other hand, have a right and a responsibility to participate in local government affairs and decision-making and ample provision is made in the abovementioned legislation for them to exercise their right in this respect. Our democratic government is committed to the principle of ***Batho Pele*** and this, in simple terms, means that those we elect to represent us (councillors at the municipal level) and those who are employed to serve us (the municipal officials at municipal level) must always put people first in what they do.

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

Communication activities	Yes/No
Communication unit	Yes, comprises of 3 officials
Communication strategy	Yes, still in draft
Communication policy	Yes, still in draft
Customer satisfaction surveys	Yes, part of satisfaction surveys by Cape Winelands District Municipality
Functional complaint management systems	Yes, complaints systems are currently not integrated, but all complaints are managed at departmental level
Newsletters distributed at least quarterly	Newsletters are issued monthly, attached to municipal accounts

Table 45: Communication Activities

2.6.7 WEBSITE

A municipal website should be an integral part of a municipality's communication infrastructure and strategy. It serves as a tool for community participation, improves stakeholder involvement and facilitates stakeholder monitoring and evaluation of municipal performance. Section 75 of the MFMA requires that the municipalities place key documents and information on their website, including the IDP, the annual budget, adjustments budgets and budget related documents and policies.

Below is a website checklist to indicate the compliance to Section 75 of the MFMA:

Documents published on the Municipal website	Date Published
Current annual and adjustments budgets and all budget-related documents	31 March 2011
All current budget implementation policies	31 March 2011
Tariff policy	12 August 2011
Credit control policy	12 August 2011
Valuation policy	12 August 2011
SCM policy	12 August 2011
Annual report (2009/10)	16 May 2011
Performance agreements required in terms of section 57 (1) (b) of the Municipal Systems Act for	22 February 2011

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Documents published on the Municipal website	Date Published
2010/11	
All service delivery agreements for 2010/11	12 August 2011
All long-term borrowing contracts for 2010/11	n/a
All supply chain management contracts above the prescribed value for 2010/11	Monthly
Information statement containing a list of assets over a prescribed that have been disposed of in terms of section 14 (2) or (4) of the MFMA during 2010/11	14 April 2011
Contracts agreed in 10/11 to which subsection (1) of section 33 of the MFMA apply, subject to subsection (3) of that section	n/a
Public-private partnership agreements referred to in section 120 of the MFMA made in 2010/11	n/a
All quarterly reports tabled in the council in terms of section 52 (d) of the MFMA during 2010/11	12 August 2011

Table 46: Website Checklist

CHAPTER 3

ORGANISATIONAL DEVELOPMENT PERFORMANCE



CHAPTER 3: ORGANISATIONAL DEVELOPMENT PERFORMANCE

3.1 NATIONAL KEY PERFORMANCE INDICATORS – MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT

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

KPA & INDICATORS	MUNICIPAL ACHIEVEMENT	MUNICIPAL ACHIEVEMENT	MUNICIPAL ACHIEVEMENT
	2008/09	2009/10	2010/11
The number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan	6	3	0
The percentage of a municipality's budget actually spent on implementing its workplace skills plan	0.65	0.51	0.26

Table 47: National KPIs– Municipal Transformation and Organisational Development

3.2 PERFORMANCE HIGHLIGHTS – MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT

Highlight	Description
Various Human Resources Policies were approved by Council <ul style="list-style-type: none"> ➤ Occupational Health and Safety ➤ Attendance and Punctuality ➤ Success Planning ➤ Scarce Skills Policy ➤ Training Policy ➤ Recruitment and Selection Policy 	Each policy was first submitted to the Local Labour Forum for consultation, and then submitted to Council for approval on 20 February 2011.
Skills Audit forms were completed for each employee and the Skills Development Plan for 2011/2012 was compiled	The skills audit forms indicate the possible gaps of people in various positions which need to be addressed through training and development

Table 48: Performance Highlights– Municipal Transformation and Organisational Development

3.3 CHALLENGES – MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT

Challenge	Actions to address
Finalisation of the new Organisation Structure	The old approved 2006 Organisation Structure did not make provision for strategic positions required for services delivery as identified in the annual Integrated Development Plan
The completion of the training in the Minimum Competency Modules, prescribed by National Treasury, remains concern and a challenge. All financial staff have to comply by 1 January 2013, as well as Senior Managers.	Three groups were identified at Breede Valley Municipality who started the training. A large group of senior managers and senior operational staff attend the training sessions on a monthly basis, causing many work and performance related problems due to their absence from work.

Table 49: Challenges – Municipal Transformation and Organisational Development

3.4 INTRODUCTION TO THE MUNICIPAL WORKFORCE

The Breede Valley Municipality currently employs **913** (excluding non-permanent positions) officials, who individually and collectively contribute to the achievement of Municipality's objectives. The primary objective of Human Resource Management is to render an innovative HR service that addresses both skills development and an administrative function.

3.4.1 EMPLOYMENT EQUITY

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

A) EMPLOYMENT EQUITY TARGETS/ACTUAL

Please note that we currently do not have an Employment Equity plan for the years 2010-2015, as stipulated in our challenges. We have appointed an Acting Employment Equity Officer to help us overcome the current challenge.

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B) EMPLOYMENT EQUITY VS. POPULATION

Description	African	Coloured	Indian	White	Total
Population numbers	29 235	95 790	516	20 492	146 033
% Population	20.01	65.59	0.35	14.03	100
Number for positions filled	261	564	2	86	913
Number for positions filled for the 2010/11 financial year	12	35	0	5	52
% for Positions filled	28.59	61.77	0.22	9.42	100

Table 50: EE population 2010/11

Note: The total population numbers is based on projection done by the Breede Valley municipality

C) OCCUPATIONAL CATEGORIES – RACE

Below is a table that indicate the number of employees by race within the specific occupational categories:

Posts filled									
Occupational categories	Male				Female				Total
	A	C	I	W	A	C	I	W	
Legislators, senior officials and managers	4	9	1	8	0	0	0	2	24
Professionals	3	11	0	5	2	4	0	3	28
Technicians and associate professionals	3	30	1	13	1	7	0	3	58
Clerks	19	51	0	9	31	79	0	18	207
Service and sales workers	14	33	0	11	5	14	0	1	78
Craft and related trades workers	10	62	0	13	1	1	0	0	87
Plant and machine operators and assemblers	11	41	0	0	0	2	0	0	54
Elementary occupations	127	150	0	0	30	70	0	0	377
Total permanent	191	387	2	59	70	177	0	27	913
Non- permanent	56	96	0	0	13	46	0	0	211
Grand total	247	483	2	59	83	223	0	27	1 124

Table 51: Occupational Categories

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D) OCCUPATIONAL LEVELS - RACE

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

Occupational Levels	Male				Female				Total
	A	C	I	W	A	C	I	W	
Top Management	1	3	0	1	0	0	0	0	5
Senior management	2	7	1	11	0	1	0	2	24
Professionally qualified and experienced specialists and mid- management	2	16	0	6	2	1	0	0	27
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	40	115	1	33	39	89	0	25	342
Semi-skilled and discretionary decision making	19	65	0	8	9	33	0	0	134
Unskilled and defined decision making	127	181	0	0	20	53	0	0	381
Total permanent	191	387	2	59	70	177	0	27	913
Non- permanent employees	56	96	0	0	13	46	0	0	211
Grand total	247	483	2	59	83	223	0	27	1 124

Table 52: Occupational Levels

E) DEPARTMENTS - RACE

The following table categories the number of employees by race within the different departments:

Department	Male				Female				Total
	A	C	I	W	A	C	I	W	
Municipal Manager	2	5	0	2	2	3	0	1	15
Corporate Services	12	23	0	6	9	15	0	4	69
Financial Services	16	36	0	5	15	36	0	14	122
Public Safety and Community Services	26	46	2	16	16	58	0	6	170
Operational Services	135	277	0	30	28	65	0	2	537
Total permanent	191	387	2	59	70	177	0	27	913
Non- permanent	56	96	0	0	13	46	0	0	211
Grand total	237	483	2	59	83	223	0	27	1 124

Table 53: Department - Race

3.4.2 VACANCY RATE

The approved organigram for the municipality had **945** posts for the 2010/11 financial year. The actual positions filled are indicated in the tables below by post level and by functional level. **32** Posts were vacant at the end of 2010/11, resulting in a vacancy rate of **3.4%**.

Below is a table that indicates the vacancies within the municipality:

PER POST LEVEL		
Post level	Filled	Vacant
MM & MSA section 57 & 56	5	0
Middle management	24	2
Professionals	27	3
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	342	8
Unskilled and defined decision making	132	10
General Workers	383	9
Total	913	32
PER FUNCTIONAL LEVEL		
Functional area	Filled	Vacant
Municipal Manager	15	2
Corporate Services	69	7
Financial Services	121	8
Public Safety and Community Services	176	3
Operational Services	532	12
Total	913	32

Table 54: Vacancy rate per post and functional level

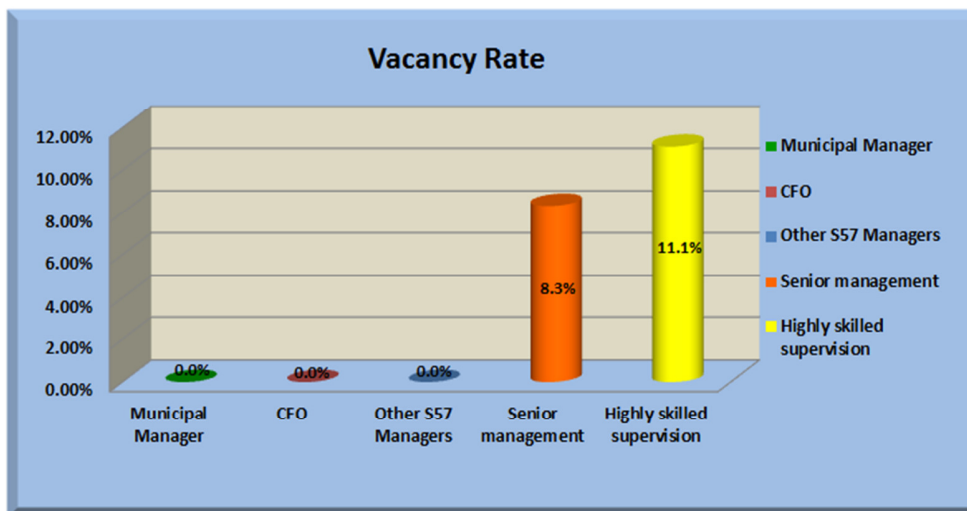
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The table below indicates the number of staff per level expressed as total positions and current vacancies expressed as full time staff equivalents:

Salary Level	Number of current critical vacancies	Number total posts as per organigram	Vacancy job title	Vacancies (as a proportion of total posts per category)
Municipal Manager	0	1	n/a	0.0%
Chief Financial Officer	0	1	n/a	0.0%
Other Section 57 Managers	0	3	n/a	0.0%
Senior management	2	24	HR Manager Audit Manager	8.3%
Highly skilled supervision	3	27	Head Technical x2 Engineer Technical	11.1%
Total	5	56	-	9.0%

Table 55: Vacancy rate per salary level

The following graph specifies the vacancy rate as a percentage per salary level:



Graph 2: Vacancy rate

3.4.3 TURNOVER RATE

A high turnover may be costly to a municipality and might negatively affect productivity, service delivery and institutional memory/organizational knowledge. Below is a table that shows the turnover rate within the municipality. The turnover rate shows a **decrease** from **8.2%** in 2009/10 to **4.4%** in 2010/11.

The table below indicates the turn-over rate over the last three years:

Financial year	Total no appointments at the end of each Financial Year	New appointments	No Terminations during the year	Turn-over Rate
2008/09	860	132	62	7.2
2009/10	911	89	75	8.2
2010/11	913	52	40	4.4

Table 56: Turnover Rate

The reason for the decrease in the turnover rate for the 2010/11 financial year is because there were less retirements, dismissals and resignations.

3.5 MANAGING THE MUNICIPAL WORKFORCE

Managing the municipal workforce refers to analysing and coordinating employee behaviour.

3.5.1 INJURIES

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

The injury rate shows a slight **decrease** for the 2010/11 financial year from **127** employees injured against **134** employees in the 2009/10 financial year.

Incidents are investigated to determine whether there was any negligence involved to ensure that it is an actual injury on duty.

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

Directorates	2008/09	2009/10	2010/11
Municipal Manager	0	0	1
Corporate Services	7	5	6
Financial Services	3	8	6
Public Safety and Community Services	8	8	7
Operational Services	71	113	107
Total	89	134	127

Table 57: Injuries

Injuries in the Operational Services are normally higher due to the nature of work and the constant handling of equipment and machinery.

3.5.2 SICK LEAVE

The number of day's sick leave taken by employees has service delivery and cost implications. The monitoring of sick leave identifies certain patterns or trends. Once these patterns are identified, corrective action can be taken.

The total number of employees that have taken sick leave during the 2010/11 financial year shows a **slight increase** when comparing it with the 2009/10 financial year.

The table below indicates the total number sick leave days taken within the different directorates:

Department	2008/09	2009/10	2010/11
Municipal Manager	57.00	105.00	68.00
Corporate Services	640.50	763.00	726.50
Financial Services	897.50	1 391.50	1 225.50
Public Safety and Community Services	1 732.00	1 959.50	2119
Operational Services	4 384.00	5 854.50	6 029.50
Total	7 711.00	10 073.50	10 168.50

Table 58: Sick Leave

52 New appointments were made which caused an increase in the number of sick leave days taken.

3.5.3 HR POLICIES AND PLANS

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

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

Approved policies	
Name of policy	Date approved/ revised
Occupational Health and Safety Policy	28 February 2011
Attendance and Punctuality	28 February 2011
Succession Planning	28 February 2011
Scarce Skills Policy	28 February 2011
Training Policy	28 February 2011
Recruitment and Selection Policy	28 February 2011
Policies still to be developed	
Name of policy	Proposed date of approval
HIV and AIDS policy	31 March 2012
Smoking policy	31 March 2012
Bursary policy	31 December 2012
Essential users scheme policy	31 March 2012

Table 59: HR policies and plans

The Human Resources department submits policies to the Local Labour Forum on a regular basis for review purposes.

3.5.4 EMPLOYEE PERFORMANCE REWARDS

In accordance with regulation 32, a performance bonus, based on affordability, may be paid to an employee, after -

- (1) The annual report for the financial year under review has been tabled and adopted by the municipal council;
- (2) an evaluation of performance in accordance with the provisions of regulation 23; and
- (3) approval of such evaluation by the municipal council as a reward for outstanding performance.

The evaluation of the performance of Section 57 managers forms the basis for rewarding outstanding performance.

The table below shows the total number of Section 57 that received performance rewards for the 2009/10 financial year. The 2010/11 financial year's performance bonuses will only be awarded after the annual report was tabled:

Race	Gender	Number of beneficiaries	Total number of employees received performance rewards	% Employees received performance rewards
African	Female	0	0	0
	Male	1	1	100
Asian	Female	0	0	0
	Male	0	0	0
Coloured	Female	0	0	0
	Male	3	3	100
White	Female	0	0	0
	Male	1	1	100
Disability	Female	0	0	0
	Male	0	0	0
Total		5	5	100

Table 60: Performance Rewards

The Performance Management System will (was) be rolled out to all employees from post level 1 to post level 6 in 2011/2012.

3.6 CAPACITATING THE MUNICIPAL WORKFORCE

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

3.6.1 SKILLS MATRIX

The table below indicates the number of employees that received training in the year under review:

Management level	Gender	Number of employees identified for training at start of the year	Number of Employees that received training
MM and S57	Female	0	0
	Male	5	5
Legislators, senior officials and managers	Female	13	0
	Male	27	0
Associate professionals and Technicians	Female	7	7
	Male	25	25
Professionals	Female	3	0
	Male	15	2
Clerks	Female	67	45
	Male	65	53
Service and sales workers	Female	58	1
	Male	72	10
Craft and related trade workers	Female	0	0
	Male	0	0
Plant and machine operators and assemblers	Female	12	6
	Male	53	46
Elementary occupations	Female	99	82
	Male	166	119
Sub total	Female	259	141
	Male	428	260
Total		687	401

Table 61: Skills Matrix

Note: The reason why the figures differ from those in table 63 is due to the fact that some employees that have been identified for training are being identified for more than one training/workshop/skills course. In some instances the employees that are attending learnerships are also booked for a skills course.

The reason for the total work force not being trained is due to the following:

- Insufficient funds budgeted for training
- Shortage of staff to be released for training

The following training was provided for employees trained:

- Skills programs and other short courses
- Minimum competencies
- Water learner ships
- Admin and bookkeeping learner ship
- Telematic water learner ship
- Local Government Accounting certificate
- Internal audit technician

3.6.2 SKILLS DEVELOPMENT – TRAINING PROVIDED

The Skills Development Act (1998) and the Municipal Systems Act, (2000), require employers to supply employees with the necessary training in order to develop its human resource capacity. Section 55(1)(f) states that as head of administration the Municipal Manager is responsible for the management, utilization and training of staff.

Occupational categories	Gender	Number of employees as at the beginning of the financial year	Training provided within the reporting period						
			Learnerships		Skills programmes & other short courses		Total		
			Actual	Target	Actual	Target	Actual	Target	% Variance
MM and S57	Female	0	0	0	0	0	0	0	0
	Male	5	4	5	2	5	6	10	(40)
Legislators, senior officials and managers	Female	4	1	4	0	0	1	4	(75)
	Male	21	8	15	4	10	12	25	(52)
Professionals	Female	20	6	10	5	10	11	20	(45)
	Male	25	17	25	7	15	24	40	(40)
Technicians and associate professionals	Female	20	1	4	6	10	7	14	(50)
	Male	70	1	3	10	30	11	33	(66)
Clerks	Female	128	8	15	12	30	20	45	(55)
	Male	78	17	30	12	30	29	60	(51)
Service and sales workers	Female	24	12	24	7	15	19	39	(51)
	Male	30	0	0	10	15	10	15	(33)
Craft and related trade workers	Female	2	0	0	0	0	0	0	0
	Male	30	4	4	13	20	17	24	(29)
Plant and machine operators and assemblers	Female	17	0	0	2	10	2	10	(80)
	Male	53	0	0	8	25	8	25	(68)
Elementary occupations	Female	87	0	0	40	60	40	60	(33)
	Male	299	0	0	120	160	120	160	(25)
Sub total	Female	302	28	57	72	135	100	192	(47)
	Male	611	51	82	186	310	237	392	(39)
Total		913	79	139	258	445	337	584	(42)

Table 62: Skills Development

3.6.3 SKILLS DEVELOPMENT - BUDGET ALLOCATION

The table below indicates that a total amount of **R 1 315 223** were allocated to the workplace skills plan and that **100.91%** of the total amount was spent in the 2010/11 financial year:

Total personnel budget	Total Allocated	Total Spend	% Spent
R 175 407 246	R 1 315 223	R 1 327 143	100.91

Table 63: Budget allocated and spent for skills development

The reason for the above is because of the non-availability of providers and the high cost of identified training.

LGSETA requires all municipalities to submit monthly training reports with evidence of attendance in order to ensure that actual training is taking place in terms of the Skills Development Plan submitted for the 2010/2011 financial year.

3.7 MANAGING THE MUNICIPAL WORKFORCE EXPENDITURE

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

3.7.1 PERSONNEL EXPENDITURE

The percentage personnel expenditure is essential in the budgeting process as it reflects on current and future efficiency. The table below indicates the percentage of the municipal budget that was spent on salaries and allowance for the past three financial years and that the municipality is well within the national norm of between 35 to 40%:

Financial year	Total Expenditure salary and allowances	Total Operating Expenditure	Percentage
	R'000	R'000	(%)
2008/09	*126 187	433 849	*29
2009/10	*158 528	*471 632	*34
2010/11	175 407	564 531	31

Table 64: Personnel Expenditure

**Note: figures in the previous years were amended and will therefore not match the figures in the previous year annual report.*

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

Financial year	2007/08	2008/09	2009/10	2010/11		
Description	Actual	Actual	Actual	Original Budget	Adjusted Budget	Actual
	R'000	R'000	R'000	R'000	R'000	R'000
Councillors (Political Office Bearers plus Other)						
Salary	5 090	6 105	6 821	10 066	7 710	7 344
Pension Contributions	107	679	783	0	777	763
Medical Aid Contributions	626	139	173	0	163	150
Motor vehicle allowance	0	1443	1 313	0	1 225	1 208
Cell phone allowance	0	451	487	533	533	509
Housing allowance	0	197	193	0	191	171
Other benefits or allowances	2 189	0	0	0	0	0
In-kind benefits	0	0	0	0	0	0
Sub Total - Councillors	8 012	9 014	9 770	10 599	10 599	10 145
% increase/ (decrease)	-	12.5	8.4	8.5	-	(4.3)
Senior Managers of the Municipality						
Pension Contributions	1 807	2 473	2 949	3 137	2 932	3 269
Pension Contributions	0	0	0	331	295	207
Medical Aid Contributions	0	0	0	91	91	84
Motor vehicle allowance	424	530	551	598	551	551
Cell phone allowance	0	0	0	0	0	0
Housing allowance	0	0	0	0	0	0
Performance Bonus	83	228	444	566	579	519
Other benefits or allowances	267	285	288	208	185	8
In-kind benefits	0	0	0	0	0	0
Sub Total - Senior Managers of Municipality	2 581	3 516	4 232	5 203	4 741	4 638
% increase/ (decrease)	-	36.2	20.4	16.5	(6.0)	(0.1)
Other Municipal Staff						
Basic Salaries and Wages	69 470	73 817	89 598	112 920	102 457	99 036
Pension Contributions	11 253	20 550	14 513	17 136	16 878	16 418
Medical Aid Contributions	7 671	8 935	10 415	13 450	13 816	11 805
Motor vehicle allowance	0	*2 955	3 539	4 353	4 097	3 971
Cell phone allowance	0	0	*0	63	359	454
Housing allowance	0	1 663	1 251	1 198	1010	972

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Financial year	2007/08	2008/09	2009/10	2010/11		
Description	Actual	Actual	Actual	Original Budget	Adjusted Budget	Actual
	R'000	R'000	R'000	R'000	R'000	R'000
Overtime	6 985	8 255	9 448	5 999	9 867	10 239
Other benefits or allowances	*(3 985)	*(2 519)	*15 761	*(1 284)	*17 704	*17 729
Sub Total - Other Municipal Staff	91 394	113 656	144 526	153 837	166 189	160 624
% increase/ (decrease)	-	24.4	27.2	6.4	8.0	(3.3)
Total Municipality	101 987	126 187	158 528	169 639	181 530	175 407
% increase/ (decrease)	-	23.7	25.6	6.8	7.1	(3.3)

Table 65: Personnel Expenditure

**Note: figures in the previous years were amended and will therefore not match the figures in the previous year annual report.*

CHAPTER 4

STRATEGIC PERFORMANCE



CHAPTER 4: STRATEGIC PERFORMANCE

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

This chapter speaks to the strategic performance highlights in terms of the Municipality's IDP and the performance on basic service delivery. Additionally it also reflects in particular on the historical infra-structure, maintenance and service delivery backlogs and how these are addressed in part through the MIG projects. Moreover it also speaks to the spending priorities for the following year. Finally, it addresses the communication and public participation processes of the Municipality to give a holistic view of how the Municipality communicates performance to its stakeholders.

The Strategy map in figure 2 specifies the strategic link of the focus areas of the Breede Valley Municipality aligned with the National Key Performance Areas. The National Key Performance Areas are aligned with the Strategic Objectives that were identified in the 2010/11 reviewed IDP. The strategic objectives are linked to the outcomes for 2010/11. These alignments are directly linked to the Breede Valley municipality's vision and mission.

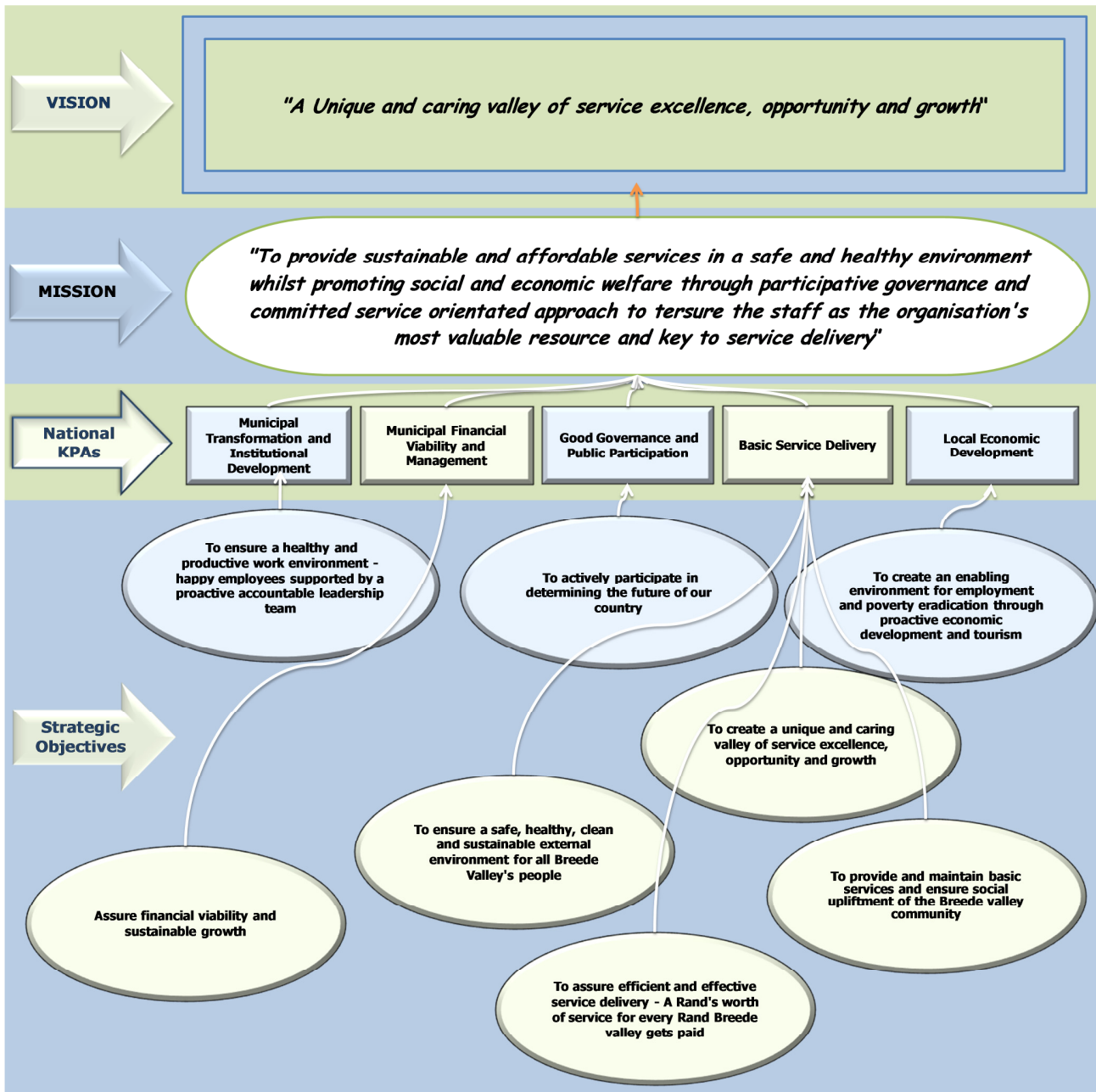


Figure 2: Strategy Map

The Municipal Systems Act, 2000 (Act 32 of 2000) and the Local Government: Municipal Planning and the Performance Management Regulations 2001 require municipalities to adopt a performance management system. Once the IDP and budget have been prepared and approved, the Municipality prepared their Service Delivery and Budget Implementation Plan (SDBIP) in accordance with the MFMA and MFMA Circular 13. The SDBIP indicates monthly performance targets, financial performance targets and assigns responsibility to execute the respective

performance targets. The Municipality assessed its performance on a monthly basis and reported progress on performance against targets set to Council quarterly and ultimately presents the annual performance results in this annual report.

4.1 NATIONAL KEY PERFORMANCE INDICATORS – BASIC SERVICE DELIVERY AND LOCAL ECONOMIC DEVELOPMENT

The following table indicates the municipality’s performance in terms of the National Key Performance Indicators required in terms of the Local Government: Municipal Planning and the Performance Management Regulations of 2001 and section 43 of the MSA. These key performance indicators are linked to the following two National Key Performance Areas: Basic Service Delivery and Local Economic Development.

KPA & INDICATORS	MUNICIPAL ACHIEVEMENT	MUNICIPAL ACHIEVEMENT	MUNICIPAL ACHIEVEMENT
	2008/09	2009/10	2010/11
Basic Service Delivery			
The number of households earning less than R 1 100 per month with access to free basic services	No records	6 227	6 560
The percentage of households with access to basic level of water	99.50	98.81	100
The percentage of households with access to basic level of sanitation	94.57	94.20	94.30
The percentage of households with access to basic level of electricity	100	100	100
The percentage of households with access to basic level of solid waste removal	100	100	100
Local economic development			
The number of jobs created through municipality’s local economic development initiatives including capital projects	No records	384	613

Table 66: National KPIs – Basic Service Delivery and Local Economic Development

Note: The percentages in the table above shows percentages of erven within the urban edge areas.

4.2 STRATEGIC SERVICE DELIVERY BUDGET IMPLEMENTATION PLAN (TOP LAYER)

The purpose of strategic performance reporting is to report specifically on the implementation and achievement of IDP outcomes. This section should provide an overview on the strategic achievement of a municipality in terms of the strategic intent and deliverables achieved as stated in the IDP. The top layer (strategic) SDBIP is the Municipality’s strategic plan and shows the strategic alignment between the different documents. (IDP, Budget and Performance Agreements). The Municipality compiled a top layer SDBIP for the first time in the 2010/11 financial year.

In the paragraphs below the performance achieved, is illustrated against the top layer SDBIP according to the 5 National Key Performance Areas linked to the Municipal Key Performance Areas and IDP (strategic) Objectives.

The following figure illustrates the method in which the strategic service delivery budget implementation plan is measured:

Category	Color	Explanation
KPI's Not Yet Measured	Grey	KPIs with no targets or actuals in the selected period.
KPI's Not Met	Red	0% >= Actual/Target < 75%
KPI's Almost Met	Orange	75% >= Actual/Target < 100%
KPI's Met	Green	Actual/Target = 100%
KPI's Well Met	Dark Green	100% > Actual/Target < 150%
KPI's Extremely Well Met	Dark Blue	Actual/Target >= 150%

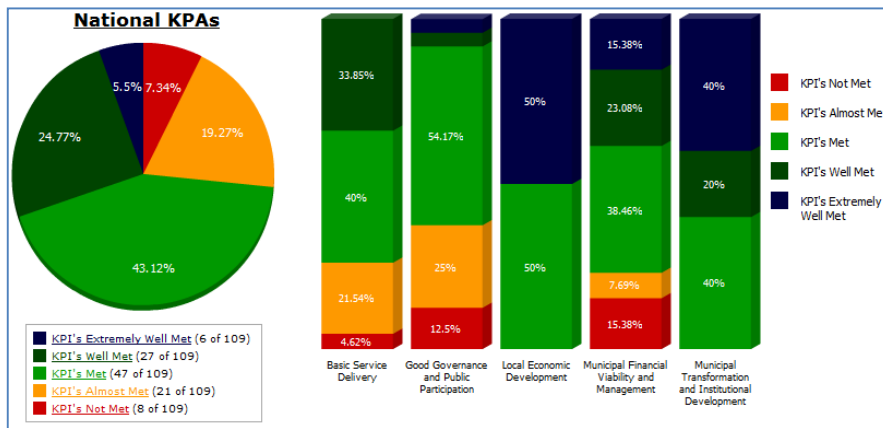
Figure 3: SDBIP Measurement Categories

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

Directorates	Total KPIs	KPIs Extremely Well Met	KPIs Well Met	KPIs Met	KPIs almost Met	KPIs not Met
Basic Service Delivery	65	0	22	26	14	3
Good Governance and Public Participation	24	1	1	13	6	3
Local Economic Development	2	1	0	1	0	0
Municipal Financial Viability and Management	13	2	3	5	1	2
Municipal Transformation and Institutional Development	5	2	1	2	0	0
Breed valley Municipality	109	6	27	47	21	8

Table 67: Top Layer SDBIP Performance per National KPA

The graph below displays the performance per National Key Performance Areas:



Graph 3: Performance per National Key Performance Area

Below is the top level SDBIP according to the 5 National Key Performance Areas linked to the Municipal Key Performance Areas and IDP strategic objectives.

4.2.1 TOP LEVEL SDBIP - GOOD GOVERNANCE AND PUBLIC PARTICIPATION

The National Key Performance Area Good Governance and Public Participation is linked to the strategic objective: "To actively participate in determining the future of our country"

KPI Name	Unit of Measurement	Wards	Baseline	Actual Performance 09/10	Annual Target	Overall Performance for the Year		Performance comment
						Target	Actual	
Approval of SDBIP	Approval of SDBIP before legislative deadline	All	100%	New KPI	100%	100%	100%	n/a
IDP endorsed by all wards	No of ward committees endorsing IDP	All	20	New KPI	21	21	20	Endorsement of the IDP was conducted at a 'Ward Committee Summit'
IDP endorsed by community organisations and stakeholders as local social compacts	% of community organisations and stakeholders endorsing IDP	All	50%	New KPI	80%	80%	100%	n/a
IDP to include all required sectoral plans	No of required sectoral plans included	All	8	New KPI	8	8	7	The outstanding Sector Plan, Pollution Management Plan is not a priority for BVM, though funding will be sourced to draft this Sector Plan
Reviewed IDP	IDP reviewed by	All	100%	New KPI	100%	100%	100%	IDP was reviewed with the

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KPI Name	Unit of Measurement	Wards	Baseline	Actual Performance 09/10	Annual Target	Overall Performance for the Year		Performance comment
						Target	Actual	
	May Annually							budget.
Strengthen role of communities	No of ward based development plans completed, by March annually	All	20	New KPI	21	21	17	n/a
Annual performance reporting	Draft Annual report submitted to AG by end September	All	1	New KPI	1	1	1	n/a
Annual performance reporting	Final Annual report and oversight report of council submitted before legislative deadline	All	1	New KPI	4	1	1	n/a
Functional performance audit committee	No of meetings of the performance audit committee	All	0	New KPI	4	4	1	The Audit Committee was only appointed on 28 February 2011, and has a dual role as Performance Audit Committee; and due to time constraints could only hold 1 meeting during May 2011, and was not able to comply to legislation which prescribes 2 Performance Audit Committee meetings per year (Section 14(3)(a) of LG: Municipal Planning and Performance Management Regulations, 2001). Corrective action: Compliance to the above legislation will be ensured for the 2011/2012 financial year.
Institutional Performance management system in place	Individual performance management system implemented up to the lowest level	All	Level 19	New KPI	100%	80%	60%	A dedicated section for individual performance management will be established under the auspices of the Human Resources Department. It is envisaged that IPM will be cascaded incrementally over three financial years.
Institutional Performance management system in place	No of performance agreements signed on time	All	5	New KPI	100	5	5	n/a

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KPI Name	Unit of Measurement	Wards	Baseline	Actual Performance 09/10	Annual Target	Overall Performance for the Year		Performance comment
						Target	Actual	
Effective communication with communities	Development or review of communication policy	All	0%	New KPI	100%	100%	100%	n/a
Effective functioning of ward committees	No of ward committee meetings per ward per annum	All	4	New KPI	1	4	6	n/a
Improved good governance	% Implementation of anti-corruption policy	All	0	New KPI	100%	100%	0%	The Anti-Corruption Policy was approved at Audit Committee level, but not yet approved by Council. Corrective action: It is foreseen that the Anti-Corruption Policy, which forms part of the Fraud Prevention Plan as prescribed by DPLG (Department: Provincial & Local Government) as part of its Local Government Anti-Corruption Strategy (LGACS) will be approved by Council in the new financial year.
Effective functioning of committee system	No of sec 79 committee meetings per committee per annum	All	11	New KPI	11	11	11	Although Council resolved to introduce Section 79 Committees, Chairpersons were never officially appointed so the Committees have never been convened. A new Council was inaugurated on 31 May 2011 but it was resolved that the item concerning the Structuring of Council stands over to the next Council meeting.
Reaching of employment equity targets	% of targets reached	All	80%	New KPI	90%	90%	35%	Some positions have been identified as scarce skills, thus resulting in targets not being reached.
IDP and sectoral plans aligned with Spatial development plan	% alignment	All	100%	New KPI	100%	100%	80%	The Management Team which monitors implementation of the IDP will scrutinise alignment of all Sector plans with the SDF
Functional Internal Audit unit	Approved Risk based audit plan by September 2010	All	100%	New KPI	100%	100%	100%	The new Audit Committee was appointed by Council on 28 February 2011, and the 1st Audit Committee Meeting was held on 12 April 2011. The IA Plan for 2010/2011 was put on the

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KPI Name	Unit of Measurement	Wards	Baseline	Actual Performance 09/10	Annual Target	Overall Performance for the Year		Performance comment
						Target	Actual	
								agenda of 12 April 2011 for approval. The AC resolved that this item stand over to the next meeting. The IA Plan for 2010/2011 was then put on the agenda of the meeting of 25 May 2011, for approval by the AC. It was once again decided by the AC for the item to stand over to the next meeting. The approval of the 2010/2011 IA Plan is placed on the agenda for 29 June 2011, together with the approval of the 2011/2012 Risk Based IA Plan. The RBAP for 2010/2011 was approved on the Audit Committee meeting of 29 June 2011.
Municipality complying with all relevant legislation	% compliance with legislation	All	50%	New KPI	70%	90%	90%	Comply with policies. All finance policies were approved.
Complaints and customer care	% of complaints attended to within 48 hours	2	90%	New KPI	90%	90%	72.08%	All complaints was been dealt with in a professional manner. No complaints are outstanding. the only challenge when it comes to service delivery complaints, was the supply chain processes
Spatial development plan aligned with PSDF and PGDS	% alignment	All	100%	New KPI	100%	100%	100%	n/a
Creation of effective capacity	Vacancy level as % of approved organigram of funded	All	70%	New KPI	100%	100%	100%	Vacancy filled internally with the same staff member that was seconded from Operations by June.
Approval of adjustments budget	Approval of adjustments budget before legislative deadline	All	100%	New KPI	100%	100%	100%	Budget 2011/2012 was tabled on 28 February 2011 and approved on time.
Approval of Main budget	Approval of Main budget before legislative deadline	All	100%	New KPI	100%	100%	100%	Budget 2011/2012 was tabled on 28 February 2011 and approved on time.

Table 68: Top Layer SDBIP – Good Governance and Public Participation

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4.2.2 TOP LAYER SDBIP - MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT

The National Key Performance Area Municipal Transformation and Institutional Development is linked to the strategic objective: *"To ensure a healthy and productive work environment – happy employees supported by a productive accountable leadership team"*

KPI Name	Unit of Measurement	Wards	Baseline	Actual Performance 09/10	Annual Target	Overall Performance for the Year		Performance comment
						Target	Actual	
Effective and up to date By-laws	% of By-laws revised annually	All	100%	New KPI	100%	100%	100%	n/a
Effective and up to date HR policies	Revision of all HR policies annually by 30 June 2010	All	100%	New KPI	100%	100%	100%	n/a
Effective labour relations	No of meetings of the LLF	All	4	New KPI	4	4	13	4 meetings already held by December.
Targeted skills development	% Implementation of skills development plan within budget	All	100%	New KPI	100%	100%	150%	A total of 370 staff members were trained.

Table 69: Top Layer SDBIP – Municipal Transformation and Institutional Development

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4.2.3 TOP LAYER SDBIP - MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT

The National Key Performance Area Municipal Financial Viability and Management is linked to the strategic objective: "Assure financial viability and sustainable growth"

KPI Name	Unit of Measurement	Wards	Baseline	Actual Performance 09/10	Annual Target	Overall Performance for the Year		Performance comment
						Target	Actual	
Improved revenue collection	% Debt recovery rate	All	97%	New KPI	80%	80%	97%	n/a
Percentage of property valuations disputed	% disputed	All	3%	New KPI	3%	3%	0%	No objections were received for the supplementary valuation roll
Preparation of financial statements	Financial statements submitted on time	All	1	New KPI	1	1	1	n/a
Improvement in conditional grant spending - capital	% of total conditional capital grants spent	All	60%	New KPI	100%	100%	94.21%	n/a
Improvement in conditional grant spending - operational	% of total conditional operational grants spent	All	50%	New KPI	100%	100%	67.53%	Actual operating grants spent via budget
Updated indigent register for the provision of free basic services	Updated indigent register by 30 June 2010 Annually	All		New KPI	100%	100%	100%	The list was sent through to SAMRAS for 4677 household who had applied by the 30th of June 2011 and is available electronically.
Clean audit	# of qualifications raised by AG in AG report addressed	All	0%	New KPI	0	0	0	The following documents were compiled to ensure that the goal is accomplish: -BVM Audit Action Plan -Financial Year End Programme -Key Control Checklist List of Monthly Recons to be completed.
Clean audit	#of other matters raised by AG in AG report addressed	All	0%	New KPI	0	0	0	
Effective SCM system	No of successful appeals	All	4	New KPI	3	0	0	n/a
Asset management	Maintained asset register	All	4	New KPI	4	4	14	Preliminary

Table 70: Top Layer SDBIP – Municipal Financial Viability and Management

4.2.4 TOP LAYER SDBIP - LOCAL ECONOMIC DEVELOPMENT

The National Key Performance Area Local Economic Development is linked to the strategic objective: "To create an enabling environment for employment and poverty and poverty eradication through proactive economic development and tourism"

KPI Name	Unit of Measurement	Wards	Baseline	Actual Performance 09/10	Annual Target	Overall Performance for the Year		Performance comment
						Target	Actual	
Employment through job creation schemes	No of temporary jobs created	All	100	New KPI	120	120	613	Person days - 128 108
Reviewed and aligned LED strategy	LED strategy reviewed every 5 years	All	100%	New KPI	100%	100%	100%	n/a

Table 71: Top Layer SDBIP – Local Economic Development

4.2.5 TOP LAYER SDBIP - BASIC SERVICE DELIVERY

The National Key Performance Area Basic Service Delivery is linked to the strategic objectives: "To ensure a safe, healthy, clean and sustainable external environment for all Breede Valley's people", "To create a unique and caring valley of service excellence, opportunity and growth" and "To provide an maintain basic services and ensure social upliftment of the Breede Valley community"

KPI Name	Unit of Measurement	Wards	Baseline	Actual Performance 09/10	Annual Target	Overall Performance for the Year		Performance comment
						Target	Actual	
Maintenance of grave yards	% of maintenance budget of grave yards spent	All	50%	New KPI	100%	100%	82%	Urgent instruction has been given to speed up expenditure. Major works currently in progress and will be reflected in next report.
Maintenance of grave yards	Implementation of Master plan for grave yards	All	100%	New KPI	100%	100%	92.50%	Master Plan requirements are implemented as these become necessary. (Done in accordance with approved capital budget and availability of funds.)
Maintenance of recreational areas	% of maintenance budget of recreational areas spent	All	50%	New KPI	100%	100%	95.40%	Delays experienced in appointment of General Workers (beyond control of Civil Works Dept.) No Foreman in place. Foreman appointed as from 1 March 2011.

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KPI Name	Unit of Measurement	Wards	Baseline	Actual Performance 09/10	Annual Target	Overall Performance for the Year		Performance comment
						Target	Actual	
								Anticipated that performance will be positively addressed going forward. Foreman appointed as from 1 March 2011.
Maintenance of recreational areas	Development and implementation of maintenance plan for recreational areas	All	0	New KPI	1	1	1	n/a
Effective capital spending	% spent of approved electricity capital projects	All	50%	New KPI	85%	85%	63.92%	Purchase orders been cancelled / request for rollover
Effective capital spending	% spent of approved electricity capital projects	All	50%	New KPI	80%	80%	66.70%	No Warehouse stock (light fittings) available to complete project - Avian Park
Effective management public lighting budget	% spent of approved public lighting budget	All	50%	New KPI	90%	90%	105.87%	Over expenditure / June labour costs
Maintenance of electricity assets	% of maintenance budget of electricity spent	All	50%	New KPI	80%	80%	106.24%	Over expenditure / June labour costs [
Maintenance of electricity assets	% of maintenance budget of electricity spent	All	50%	New KPI	80%	80%	110.15%	Over expenditure / June labour costs [
Network capacity utilisation	% of Notified Maximum Demand (NMD)	All	40%	New KPI	80%	80%	90.44%	n/a
Network Load Factor	System Down time correct within 2 days	All	60%	New KPI	100%	100%	100%	n/a
Network losses	% - kWh lost	All	16%	New KPI	15%	15%	6.61%	n/a
Network losses	KW billed/ KW used by Municipality (kWh lost)	All	16%	New KPI	15%	15%	6.61%	Still be determined from SAMRAS system
Occupational Health and Safety	Nr of disabling incidents	All	5	New KPI	10	10	1.5	Still be determined from SAMRAS system
Occupational Health and Safety - Number of disabling incidents	# - Incidents	All	5	New KPI	10	10	13	n/a

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KPI Name	Unit of Measurement	Wards	Baseline	Actual Performance 09/10	Annual Target	Overall Performance for the Year		Performance comment
						Target	Actual	
Land Use Planning Ordinance (LUPO)	Implementation of the Land Use Planning Ordinance (LUPO) within legislative timeframes	All	75%	New KPI	100%	80%	80%	n/a
Effective capital spending	% spent of approved Municipal roads capital projects	All	90%	New KPI	95%	95%	100%	n/a
Km of new road for previously un-serviced areas	No of kilometres	All	100%	New KPI	100%	100%	75%	None done as no capital roads project has been approved for this financial year
Maintenance of Municipal roads	% of maintenance budget of Municipal roads spent	All	90%	New KPI	95%	95%	94.40%	Figures based on SAMRAS expenditure. (Final 2010 / 2011 figures for all towns.)
Maintenance of Municipal roads	Kms of roads patched and resealed according to approved maintenance plan	All	4.6km	New KPI	2	2	2	n/a
Sport facilities	% of the budget spent for the operation and maintenance of sport facilities	All	50%	New KPI	100%	100%	83.10%	n/a
% of HH receiving free basic refuse removal	% of HH	All	100%	New KPI	100%	100%	100%	n/a
% of HH that meet agreed sanitation service standards (at least once a week): Formal areas	% of HH without that meet minimum standard sanitation	All	100%	New KPI	100%	100%	100%	n/a
% of HH that meet agreed sanitation service standards (at least once a week): informal areas	% of HH without/ No of HH that meet minimum standard sanitation	All	100%	New KPI	100%	100%	100%	n/a
Effective capital spending	% spent of approved waste	All	60%	New KPI	95%	95%	100%	n/a

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KPI Name	Unit of Measurement	Wards	Baseline	Actual Performance 09/10	Annual Target	Overall Performance for the Year		Performance comment
						Target	Actual	
	management capital projects							
Maintenance of refuse removal assets	% of approved operational and maintenance budget spend	All	90%	New KPI	95%	95%	93.80%	n/a
Maintenance of refuse sites	% of approved operational and maintenance budget spend	All	70%	New KPI	95%	95%	95%	n/a
Effective capital spending	% spent of approved storm water capital projects	All	100%	New KPI	100%	100%	100%	n/a
Effective capital spending	% spent of approved waste water management capital projects	All	60%	New KPI	95%	95%	101.89%	Worcester WwTW
Improvement of sanitation system capacity	% spent of approved sanitation capital projects	All	100%	New KPI	100%	100%	101.73%	Additional budget for De Doorns South of N1 development was made available by the Department Human Settlement.
Maintenance of sanitation assets (Bulk services)	% of approved operational and maintenance budget spend	All	90%	New KPI	95%	95%	97%	Total budget for four Wastewater plants R2,274,460 expenditure R2,213,352 - 97,3%
Maintenance of sanitation assets (Reticulation)	% of approved operational and maintenance budget spend	All	90%	New KPI	95%	95%	86.70%	n/a
Maintenance of storm water assets	% of operational and maintenance budget spent	All	100%	New KPI	100%	100%	105.70%	Over-expenditure caused by additional work shortly before the end of the financial year caused by excessive heavy rains with resultant flooding of the informal squatters' are (A.S.)
Percentage of HH that meet agreed sanitation service standards (at least VIP on site): Formal areas	% of HH that meet agreed minimum standard sanitation	All	100%	New KPI	100%	100%	100%	n/a
Percentage of HH that meet agreed sanitation	% of HH that meet minimum standard	All	100%	New KPI	100%	100%	95%	95% of informal households within the urban edge do have excess to basic sanitation

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KPI Name	Unit of Measurement	Wards	Baseline	Actual Performance 09/10	Annual Target	Overall Performance for the Year		Performance comment
						Target	Actual	
service standards (at least VIP on site): Informal areas	sanitation							services (at least VIP on site). Informal households outside formal township developments do not have excess to basic sanitation services (at least VIP on site).
Percentage of HH with storm water system: Informal areas	% of HH that meet agreed standards	All	100%	New KPI	100%	100%	100%	n/a
Percentage of House Holds with storm water system: Formal areas	% of HH that meet agreed standards	All	100%	New KPI	100%	100%	100%	n/a
Quality of waste water discharge	% water quality level of waste water discharge	All	40%	New KPI	70%	70%	77.38%	n/a
Effective capital spending	% spent of approved water capital projects	All	60%	New KPI	95%	95%	101.10%	Additional funding was made available by the Department of Human Settlement for the De Doorns South of N1 Development.
Effective capital spending	% spent of approved water purification capital projects	All	60%	New KPI	95%	95%	100%	No budget approved
Excellent water quality (SANS 241)	% water quality level as per blue drop project	All	98%	New KPI	99%	99%	99%	n/a
Maintenance of water assets (Bulk services)	% of approved operational and maintenance budget spend	All	90%	New KPI	95%	95%	93%	Total budget R2,366,460 - Expenditure R2,196,486 - 92.8% - Under spent due to Pipeline maintenance could not be finalised because of inclement weather conditions.
Maintenance of water assets (Reticulation)	% of approved operational and maintenance budget spend	All	90%	New KPI	95%	95%	90.40%	n/a
New water connections	% of new water connections as projected within the budget	All	90%	New KPI	95%	95%	100%	n/a
Percentage of HH that meet agreed service standards (cleaned piped	% of HH achieving agreed service standards	All	100%	New KPI	100%	100%	100%	n/a

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KPI Name	Unit of Measurement	Wards	Baseline	Actual Performance 09/10	Annual Target	Overall Performance for the Year		Performance comment
						Target	Actual	
water 200m from household): Informal areas								
Percentage of HH that meet agreed service standards (cleaned piped water 200m from household): Formal areas	% of HH achieving agreed service standards	All	100%	New KPI	100%	100%	100%	n/a
Percentage water losses	KL billed/ KL used by Municipality (%)	All	33%	New KPI	25%	25%	33.70%	1. Non-Revenue Water Basic % System Input By Value = 33.7% 2. Real Losses Detailed Infrastructure Leakage Index = 7.1
New electricity connections as per applications made	No of new electricity connections	All	225	New KPI	300	300	149	Only 149 new applications received. Budget for 149 connections spent.
Maintenance of halls and facilities	% of maintenance budget of halls and facilities spent	All	85%	New KPI	95%	95%	100%	Budget was exceeded by about R7000.00.
Maintenance of halls and facilities	Development and implementation of maintenance plan for halls and facilities	All	0%	New KPI	85%	85%	85%	A schedule of what needs to be checked and the frequency of each item's checking was developed for all the buildings.
No of HH receiving free basic electricity	No of indigent households receiving free basic water	All	6227	New KPI	6,227	6,227	6,560	The list is available electronically
Quantum of free basic electricity received	Kwh per month per household	All	50	New KPI	50	50	50	n/a
Quantum of free basic refuse removal received	R value per month per household	All	105	New KPI	R 114	R 114	R 114	n/a
Percentage of HH receiving free basic sanitation	% of HH	All	100%	New KPI	100%	100%	100%	n/a
Quantum of free basic sanitation received	R value per month per household	All	120	New KPI	R 145	R 145	R 145	n/a
No of HH	# of households	All	17400	New KPI	17,400	17,400	18,064	n/a

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KPI Name	Unit of Measurement	Wards	Baseline	Actual Performance 09/10	Annual Target	Overall Performance for the Year		Performance comment
						Target	Actual	
receiving free basic water	that received 6kl of free basic water							
No of HH receiving free basic water	# of indigent households that received 10kl of free basic water	All	6227	New KPI	6,227	6,227	6,560	The list of indigent household who are eligible for 10 KL of free basic water is available electronically.
Quantum of free basic water received	Kl per month per household	All	6kl	New KPI	6	6	6	Every household receives free 6 kilolitres of water.
Quantum of free basic water received	Kl per month per indigent household	All	10kl	New KPI	10	10	10	Refer to the invoice on the file
% of HH that meet agreed stds (all existing informal settlements to be formalised with land use plans for econ and social facilities and with the provision of permanent basic services)	80% of HH that meet standards	3; 4; 5; 6;	80%	New KPI	10%	80%	85%	85% of HH that meet agreed stds
Implementation of Integrated Human Settlement Strategy	40% implemented to policy or 3 projects	3; 4; 5; 6; 10;	100%	New KPI	100%	100%	100%	3 Projects were already in implementation stage by June 2011.
Develop and implement a comprehensive law enforcement strategy	% Decrease in traffic violations	All	31%	New KPI	100%	28.50%	28.50%	n/a
Effective fire brigade service	% of Fire Brigade service that meets agreed standards	All	15%	New KPI	27%	20%	15%	Other than upgrade of satellite fire station, no substantive change due to no improvement in staff establishment and fleet resources
Reviewed Disaster Management Framework/ Plan	Disaster Management Framework/ Plan reviewed Annually	All	100%	New KPI	1	1	1	n/a
Percentage of HH with no recreational areas	% of towns without recreational areas	All	0%	New KPI	0%	0%	0%	n/a

Table 72: Top Layer SDBIP – Basic Service Delivery

4.3 DEVELOPMENT AND SERVICE DELIVERY PRIORITIES FOR 2011/12

The main development and service delivery priorities for 2011/12 forms part of the Municipality's top layer SDBIP for 2011/12 and are indicated in the table below:

4.3.1 ASSURE FINANCIAL VIABILITY AND SUSTAINABLE GROWTH

KPI	Unit of Measurement	Wards	Annual Target
Financial viability measured in terms of the available cash to cover fixed operating expenditure	Cost coverage ((Available cash + investments)/ Monthly fixed operating expenditure	All	2.08
Financial viability measured in terms of the Municipality's ability to meet its service debt obligations	Debt coverage ((Total operating revenue-operating grants received)/debt service payments due within the year)	All	8.7
Financial viability measured in terms of the outstanding service debtors	Service debtors to revenue: (Total outstanding service debtors/ revenue received for services)	All	14.2
Compliance with GRAP 16, 17 & 102 to ensure effective asset management	No. of findings in the audit report on non-compliance	All	0
Compliance with the SCM Regulations (MFMA) measured by the limitation of successful appeals against the Municipality	No. of successful appeals	All	0
Improved revenue collection	% Debt recovery rate	All	95%
Improvement in capital conditional grant spending measured by the % spent	% of the grant spent	All	100%
Improvement in operational conditional grant spending measured by the % spent	% of the grant spent	All	95%
No of Root causes of issues raised by AG in AG report of the previous financial year addressed to promote a clean audit	No of Root causes addressed	All	20
Review of valuation roll by June 2010	Review by June 2010	All	100%

Table 73: Services Delivery Priorities for 2011/12

4.3.2 TO ACTIVELY PARTICIPATE IN DETERMINING THE FUTURE OF OUR COUNTRY

KPI	Unit of Measurement	Wards	Annual Target
Effective functioning of council measured in terms of the number of council meetings per annum	No of council meetings per annum	All	4
Effective functioning of the executive Mayoral committee measured by the number of MAYCO meetings	No of MAYCO meetings per annum	All	10
Functional performance audit committee measured by the number of meetings per annum	No of meetings held	All	4
No of Section 57 performance agreements signed by the end of July	No of performance agreements signed	All	5
Annual revision of the anti-corruption policy and implementation of quarterly awareness actions	Number of actions implemented	All	4
Average Citizen satisfaction rate as per the survey	% Citizen satisfaction rate	All	70
Effective functioning of ward committees to ensure consistent and regular communication with residents	No of ward committee meetings per ward per annum	All	84
IDP reviewed and approved annually by the end of May	IDP approved by the end of May	All	100%
Review of communication policy by end June to ensure effective communication with the community	Communication policy reviewed by end June	All	100%
Risk based audit plan approved by June	Plan approved	All	100%
Strengthen the role of communities by facilitating ward based development plans	No of ward based development plans completed	All	21
The Municipality comply with all the relevant legislation	No. of findings in the audit report on non-compliance with laws and regulations	All	0
The Municipality listens and talks back to its people by ensuring that the IDP is endorsed by all wards	No of ward committees endorsing the IDP (One per Town)	All	4
The Municipality listens and talks back to its people by ensuring that the IDP is endorsed by community organisations and stakeholders as local social compacts	No of community organisations and stakeholders endorsing the IDP	All	4
The IDP is comprehensive and complies with the requirements of the Systems Act	No of required sectoral plans included in the IDP	All	6

Table 74: Services Delivery Priorities for 2011/12

4.3.3 TO CREATE AN ENABLING ENVIRONMENT FOR EMPLOYMENT AND POVERTY ERADICATION THROUGH PROACTIVE ECONOMIC DEVELOPMENT AND TOURISM

KPI	Unit of Measurement	Wards	Annual Target
Maintenance of halls and facilities	% of maintenance budget of halls and facilities spent	All	95%
Review the maintenance plan for halls and facilities by end of June 2012 for the 2012/13 financial year	Plan reviewed by the end of June	All	100%
The number of jobs created through Municipality's local economic development initiatives including capital projects	Number of jobs created of contracts assigned to SMME's	All	120
Recreational areas is maintained measured by the % of the maintenance budget spent	% of budget spent	All	98%
Municipal parks and recreational areas is provided to all households measured by the provisioning of recreational areas for all new formal and informal developments	% of recreational areas for all new developments	All	100%
Re-establishment of the sport office to service community sport needs, including a sport strategic framework by Mar 2012	Office established and framework submitted	All	100%

Table 75: Services Delivery Priorities for 2011/12

4.3.4 TO ENSURE A HEALTHY AND PRODUCTIVE WORK ENVIRONMENT - HAPPY EMPLOYEES SUPPORTED BY A PROACTIVE ACCOUNTABLE LEADERSHIP TEAM

KPI	Unit of Measurement	Wards	Annual Target
Targeted skills development measured by the implementation of the workplace skills plan	% of the budget spent on implementation of the WSP	All	1
Institutional Performance management system in place and implement levels 0 - 6 (Van der Merwe system)	Number of levels implemented	All	6
Effective and up to date By-laws	No of By-laws review annually	All	18
Effective labour relations by facilitating regular LLF meetings per annum	No of meetings of the LLF per annum	All	4
Review the Information and Communication Technology master systems plan by end June	Plan reviewed by the end of June	All	100%
Revise identified HR policies by the end of June to ensure compliant and up to date HR policies	No of policies reviewed	All	5
Creation of an effective institution with sustainable capacity	% Budgeted vacancy level as % of approved organigram (National norm between 10-15%)	All	15%
Implementation of skills development plan with targeted skills development	No of personnel actually trained as per the approved budget	All	200

Table 76: Services Delivery Priorities for 2011/12

4.3.5 TO ENSURE A SAFE, HEALTHY, CLEAN AND SUSTAINABLE EXTERNAL ENVIRONMENT FOR ALL BREDE VALLEY'S PEOPLE

KPI	Unit of Measurement	Wards	Annual Target
Disaster Management plan reviewed by the end of June	Plan reviewed by the end of June	All	100%
High profile community complaints effectively negotiated and resolved within one month after complaint has been lodged	Number of results achieved / number of high profile complaints lodged (%)	All	95%
Implement a comprehensive law enforcement strategy to decrease high risk violations	2% decrease in high risk violations	All	2%
Review the Fire Management Plan by end March	Review by the end of March	All	100%

Table 77: Services Delivery Priorities for 2011/12

4.3.6 TO PROVIDE AND MAINTAIN BASIC SERVICES AND ENSURE SOCIAL UPLIFTMENT OF THE BREDE VALLEY COMMUNITY

KPI	Unit of Measurement	Wards	Annual Target
All existing informal settlements are formalised with land use plans for economic and social facilities and with the provision of permanent basic services	No of households that meet standards	All	500
Implementation of Integrated Human Settlement Strategy measured by the number of projects (De Doorns - phase 4, Zwelethemba – phase 2, Avian Park – phase 3) complying with approved strategy by the end of June	Number of projects implemented	All	3
Provision of free basic electricity in terms of the equitable share requirements	No of households receiving free basic electricity	All	6 800
Provision of free basic electricity in terms of the equitable share requirements	Quantum of free basic electricity per household	All	50
Provision of free basic refuse removal in terms of the equitable share requirements	No of households receiving free basic refuse removal	All	6 800
Provision of free basic refuse removal in terms of the equitable share requirements	Quantum of free basic refuse removal per month per household	All	122.99
Provision of free basic sanitation in terms of the equitable share requirements	No of households receiving free basic sanitation	All	6 800
Provision of free basic sanitation in terms of the equitable share requirements	Quantum of free basic sanitation provided per households	All	174
Provision of free basic water in terms of the equitable share requirements	No of households receiving free basic water	All	6 800

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KPI	Unit of Measurement	Wards	Annual Target
Quantum of free basic water per household in terms of the equitable share requirements	Quantum of free basic water provided per household	All	10
Value of contracts assigned to SMME's to enhance economic development	Value of contracts assigned	All	3 300 000
Provision of electricity that are connected to the municipal electricity grid to all informal areas	No of informal areas that meet agreed service standards	2; 12; 18	500
Provision of electricity that are connected to the municipal electricity grid to all formal areas	No of formal areas that meet agreed service standards	All	22 641
Provision of refuse removal, refuse dumps and solid waste disposal to all formal areas	No of formal households for which refuse is removed at least once a week	All	22 641
Provision of refuse removal, refuse dumps and solid waste disposal to all informal areas	No of informal households for which refuse is removed at least once a week	2; 12; 18	500
Provision of sanitation systems limited to domestic waste water and sewerage disposal to formal households	No of formal households that have at least VIP on site	All	22 641
Provision of sanitation systems limited to domestic waste water and sewerage disposal to informal households	No of informal households that have at least VIP on site	2; 12; 18	500
Provision of storm water management systems in built up areas to all formal households	No of households with	All	22 641
Provision of cleaned piped water to all formal households within 200m from the household	No of formal households that meet agreed service standards for piped water	All	22641
Provision of cleaned piped water to all informal households within 200m from the household	No of informal households that meet agreed service standards for piped water	2; 12; 18	500
Graveyards is maintained measured by the % of the maintenance budget spent	% of budget spent	All	98%
Effective electricity capital spending measured by the % of budget spent	% spent of approved electricity capital projects	All	98%
Effective management of electricity provisioning systems	% of total electricity losses	All	3%
Electricity assets is maintained in terms of the prioritised maintenance per the maintenance plan within approved maintenance budget	% of maintenance budget of electricity spent	All	96%
Electricity connections to provide electricity reticulation to new housing developments	No of new electricity connections	All	200
New 11/66kV electricity Substation at Worcester	% Of project completed	9; 10; 11; 12; 13; 14	100%
Spatial development framework aligned with PSDF and PGDS by the end of October	Review and submitted to PGWC annually by the end of June	All	100%
Spatial Development Framework reviewed and submitted to the Department of Environmental Affairs and Development Planning by the end of December	Framework submitted	All	100%

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KPI	Unit of Measurement	Wards	Annual Target
Maintenance of municipal roads	% of maintenance budget of municipal roads spent	All	98%
Municipal roads is maintained measured by the kms of roads resealed according to approved maintenance plan	Km's of roads resealed	All	2.5km
Revision and update of the maintenance plan for municipal roads by January 2012	% completion of the revised plan	All	100%
Maintenance of refuse removal assets	% of maintenance budget of refuse removal spent	All	98%
Initiate a business plan towards the improvement of the landfill site capacity subject to the Regional Integrated Waste Management Plan by the end July 2011	Consultant appointed	All	100%
Development of a Storm water Master Plan by the end of June	% completion of the Plan	All	20%
Improvement of sewerage purification systems (Bulk services) in Worcester by the end of June	% completion of the project	All	100%
Storm water assets is maintained in terms of the maintenance budget spent	% of maintenance budget of storm water spent	All	98%
Upgrading of the Worcester Wastewater Treatment Works	% of upgrading completed	5; 6; 7; 8; 9; 10; 11; 12; 13; 14; 15; 16; 17; 18; 19	100%
Quality of waste water discharge measured by the % waste water discharge that comply with microbial content	% waste water discharge that comply with microbial content	All	95%
Augmentation of the Stetteynskloof Bulk Water Supply at Worcester and Rawsonville	% of project completed	5; 6; 7; 8; 9; 10; 11; 12; 13; 14; 15; 16; 17; 18; 19; 20; 21	100%
Effective management of water provisioning systems to limit unaccounted water	% of water unaccounted for	All	30%
Effective water capital spending measured by the % of budget spent	% spent of approved water capital projects	All	98%
New water connections to provide for potable water supply systems	No of new water connections per quarter	All	200
Water assets are maintained in terms of the maintenance budget spent	% of maintenance budget of water spent	All	98%
Excellent water quality measured by the quality of water as per SANS 241 criteria	% water quality level	All	95%

KPI	Unit of Measurement	Wards	Annual Target
Execution of water saving awareness initiative in terms of the Water Demand Management plan	Number of initiatives	All	2

Table 78: Basic Service Delivery Priorities for 2011/12

4.4 BASIC SERVICE DELIVERY

4.4.1 BASIC SERVICES DELIVERY PERFORMANCE HIGHLIGHTS

Highlight	Description
Commencement with WWwTW substation project	Construction of a new 66 / 11 kV Substation
Commencement of renovation of municipal flats into new administrative office block.	Two municipal flats are being converted into office accommodation.
Upgrading switchgear at Protea Substation	Replaced old 11kV switchgear with new panels.
Upgrading switchgear at Brewelskloof Hospital Substation	Replaced old 11kV switchgear with new panels.
Upgrading of Worcester Waste Water Treatment Plant (WWwTW)	An investment of R250 million was done over the period of the project to upgrade the WWwTW plant and an electricity substation as part of the improvement of bulk services to unblock future economic development in the BVM region

Table 79: Basic Services Delivery Highlights

4.4.2 BASIC SERVICES DELIVERY CHALLENGES

Service Area	Challenge	Actions to address
Hasie Square – De Doorns	Removal of existing services to facilitate re allocating of residents to Stofland	n/a
Ekuphumleni – De Doorns	Removal of existing services to facilitate re allocating of residents to Stofland	n/a
MV / HV Switchgear maintenance program	To complete as much of the programmed maintenance work within the available financial resources for the financial year.	To complete as much of the programmed maintenance work within the available financial resources for the financial year.
LV Network maintenance program	To complete as much of the programmed maintenance work within the available financial resources for the financial year.	To complete as much of the programmed maintenance work within the available financial resources for the financial year.
Vehicle fleet	To maximize on the availability of vehicles available in the fleet	The replacement of aging vehicles within the fleet

Table 80: Basic Services Delivery Challenges

4.4.3 ACCESS TO FREE BASIC SERVICES

The following table indicates the percentage of indigent households that have access to free basic municipal services. In accordance with the approved indigent policy of the municipality, all households earning less than **R 2 700** per month will receive the free basic services as prescribed by national policy.

The access to free basic services is summarised into the different services as specified in the following table:

Electricity									
Financial year	Indigent Households			Non-indigent households			Households in Eskom areas		
	No of HH	Unit per HH (kwh)	Value	No of HH	Unit per HH (kwh)	Value	No of HH	Unit per HH (kwh)	Value
			R'000			R'000			R'000
2008/09	6 227	50	1 250	0	0	0	135	50	39
2009/10	6 429	50	2 084	0	0	0	135	50	78
2010/11	6 560	50	3 031	0	0	0	905	50	302

Table 81: Free basic Electricity services to indigent households

Water						
Financial year	Indigent Households			Non-indigent households		
	No of HH	Unit per HH (kl)	Value	No of HH	Unit per HH (kl)	Value
			R'000			R'000
2008/09	6 227	10	1 297	17 891	6	3 727
2009/10	6 429	10	1 490	18 071	6	4 188
2010/11	6 560	10	1 680	18 426	6	4 721

Table 82: Free basic Water services to indigent households

Sanitation						
Financial year	Indigent Households			Non-indigent households		
	No of HH	R value per HH	Value	No of HH	Unit per HH per month	Value
			R'000			R'000
2008/09	6 227	103	3 451	0	0	0
2009/10	6 429	121	4 500	0	0	0
2010/11	6 560	145	4 853	0	0	0

Table 83: Free basic Sanitation services to indigent households

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Refuse Removal						
Financial year	Indigent Households			Non-indigent households		
	No of HH	Service per HH per week	Value	No of HH	Unit per HH per month	Value
			R'000			R'000
2008/09	6 227	1	3 253	0	0	0
2009/10	6 429	1	4 357	0	0	0
2010/11	6 560	1	3 836	0	0	0

Table 84: Free basic Refuse Removal services to indigent households per type of service

4.4.4 ACCESS TO BASIC LEVEL OF SERVICES

The following table indicates the number of households that **gained access for the first time** to the different types of basic services during the 2010/11 financial year:

Type of service	2007/08	2008/09	2009/10	2010/11
Housing	50	214	100	161
Serviced Sites	0	653	577	473
Water	187	411	577	473
Sanitation	0	411	577	473
Refuse removal	0	411	577	473
Electricity	1 355	1 134	1 066	139
Streets & Storm Water	0	411	577	473

Table 85: Access to basic level of services

a) CAPITAL BUDGET SPENT ON MUNICIPAL SERVICES

The percentage (%) of the total approved capital budget spent on each municipal service respectively for the 2008/09, 2009/10 and 2010/11 financial years respectively are as follows:

Financial Year	Housing	Water	Sanitation	Refuse Removal	Electricity	Streets & Storm Water	Community facilities
	(%)	(%)	(%)	(%)	(%)	(%)	(%)
2008/09	Part of Opex	*17.96	*19.27	*0	*14.83	*18.81	*0
2009/10	Part of Opex	*19.94	*38.44	*0	*14.26	*15.05	*0
2010/11	Part of Opex	4.41	*62.38	*0	*10.19	*11.53	*0.37

Table 86: Capex

**Note: figures in the previous years were amended and will therefore not match the figures in the previous year annual report.*

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The following table indicates the total amount of capital expenditure on assets by asset class for the past three financial years:

Description	2007/08	2008/09	2009/10	2010/11		
	Actual	Actual	Actual	Original Budget	Adjustment Budget	Actual Expenditure
Capital expenditure on new assets by Asset Class/Sub-class (R'000)						
Infrastructure	*63 328	70 185	119 389	117 365	137 832	132 471
Infrastructure - Road transport	*10 765	18 419	20 337	1 931	17 263	16 957
Roads, Pavements & Bridges	n/a	n/a	n/a	1 931	11 756	11 450
Infrastructure - Electricity	*8 883	14 521	19 263	31 476	22 661	14 986
Transmission & Reticulation	n/a	n/a	n/a	31 476	22 576	14 946
Street Lighting	n/a	n/a	n/a	0	85	41
Infrastructure - Water	*6 659	17 582	26 939	530	6 922	6 489
Dams & Reservoirs	n/a	n/a	n/a	0	0	0
Infrastructure - Sanitation	*36 715	18 871	51 934	81 928	89 523	94 040
Reticulation	n/a	n/a	n/a	0	7 595	7 641
Infrastructure - Other	*306	792	916	1 500	1 463	0
Waste Management	n/a	n/a	n/a	0	0	0
Other	n/a	n/a	n/a	1 500	1 463	2 268
Community	n/a	n/a	n/a	0	0	543
Parks & gardens	n/a	n/a	n/a	0	0	0
Sports fields & stadia	n/a	n/a	n/a	0	0	0
Community halls	n/a	n/a	n/a	0	0	0
Recreational facilities	n/a	n/a	n/a	0	0	125
Other	n/a	n/a	n/a	0	0	0
Heritage assets	n/a	n/a	n/a	0	0	0
Investment properties	n/a	n/a	n/a	0	0	0
Other assets	*29 314	*10 383	5 370	4 916	9 094	4 378
General vehicles	n/a	n/a	n/a	420	1 375	822
Plant & equipment	n/a	n/a	n/a	388	1 033	566
Furniture and other office equipment	n/a	n/a	n/a	487	992	467
Civic Land and Buildings	n/a	n/a	n/a	0	0	1 923
Other	n/a	n/a	n/a	0	2	5

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Description	2007/08	2008/09	2009/10	2010/11		
	Actual	Actual	Actual	Original Budget	Adjustment Budget	Actual Expenditure
Agricultural assets	n/a	n/a	n/a	0	0	0
Biological assets	n/a	n/a	n/a	0	0	0
Intangibles	114	208	181	178	196	142
Total Capital Expenditure on new assets	92 756	80 777	124 940	122 459	147 122	137 534

Table 87: Total capital expenditure on assets

**Note: figures in the previous years were amended and will therefore not match the figures in the previous year annual report.*

B) PERCENTAGE SPENDING ON TOTAL CAPITAL BUDGET

The total percentage (%) of the capital budget for the past three years is indicated in the table below:

Financial year	% of Capital budget spent	Reasons for under spending
2007/08	89.26	Delay in appointment of Contractors & Non-performance of Contractors: Unspent portion transferred to 2008/09
2008/09	82.49	Delay in appointment of Contractors: Unspent portion transferred to 2009/10
2009/10	92.48	Planning for new Electrical substation delayed/Vehicles delivered late/Contractors for extension to Fire station not appointed: Unspent portion transferred to 2010/2011
2010/11	93.48	Appointment of Contractor for Electrical Substation delayed: Unspent portion transferred to 2011/12 / Electrification Avian Park delayed because of late transfers of Grant: Included in 2011/12 Budget

Table 88: Total capital expenditure

C) SUMMARY OF BACKLOGS THAT MUST STILL BE ADDRESSED

The following backlogs exist in the municipal area that must still be addressed:

Area	Total nr of households affected	Timeframe to be addressed	Cost to address
			R'000
Housing	23 500	About 30 years	500 000
Water (on site)	3 918	Approximately 10 years	44 500
Sanitation	3 918	Approximately 10 years	50 400
Refuse removal (at least once a week at site)	3 918	Approximately 10 years	5 000
Electricity (in house)	0	n/a	n/a
Streets and storm water	3 918	Approximately 10 years	70 300

Table 89: Backlogs

Note: The backlogs for basic services are for households outside the urban edge

4.4.5 WATER AND SANITATION

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

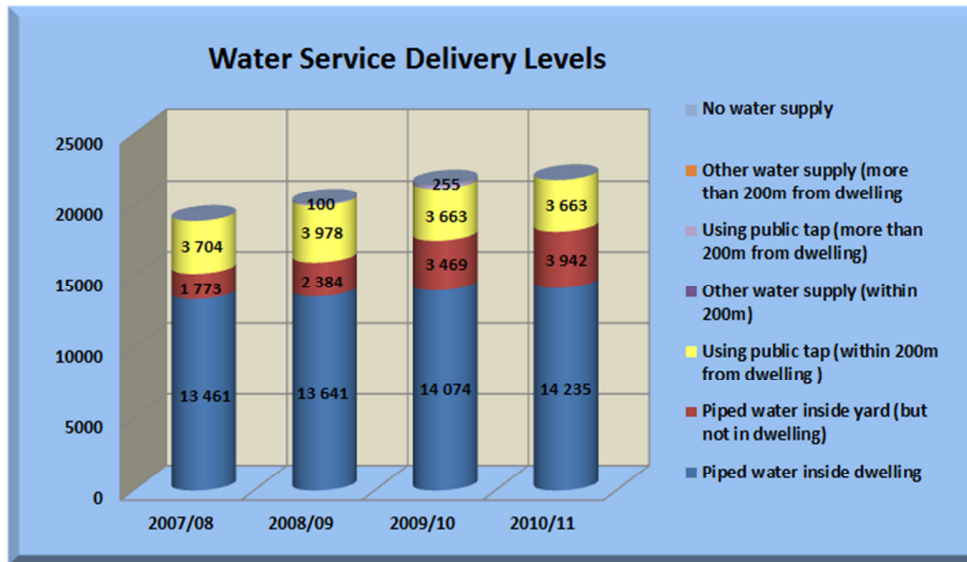
A) WATER SERVICE DELIVERY LEVELS

Below is a table that specifies the different water service delivery levels per households **within the urban edge area** for the financial years 2007/08, 2008/09, 2009/10 and 2010/11:

Description	2007/08	2008/09	2009/10	2010/11
	Actual	Actual	Actual	Actual
Household				
<u>Water: (above minimum level)</u>				
Piped water inside dwelling	13 461	13 641	14 074	14 235
Piped water inside yard (but not in dwelling)	1 773	2 384	3 469	3 942
Using public tap (within 200m from dwelling)	3 704	3 978	3 663	3 663
Other water supply (within 200m)	0	0	0	0
<i>Minimum Service Level and Above Sub-total</i>	18 938	20 003	21 206	21 940
<i>Minimum Service Level and Above Percentage</i>	100.00	99.50	98.81	100.00
<u>Water: (below minimum level)</u>				
Using public tap (more than 200m from dwelling)	0	100	255	0
Other water supply (more than 200m from dwelling)	0	0	0	0
No water supply	0	0	0	0
<i>Below Minimum Service Level Sub-total</i>	0	100	255	0
<i>Below Minimum Service Level Percentage</i>	0.00	0.50	1.19	0
Total number of households (formal and informal)	18 938	20 103	21 461	21 940

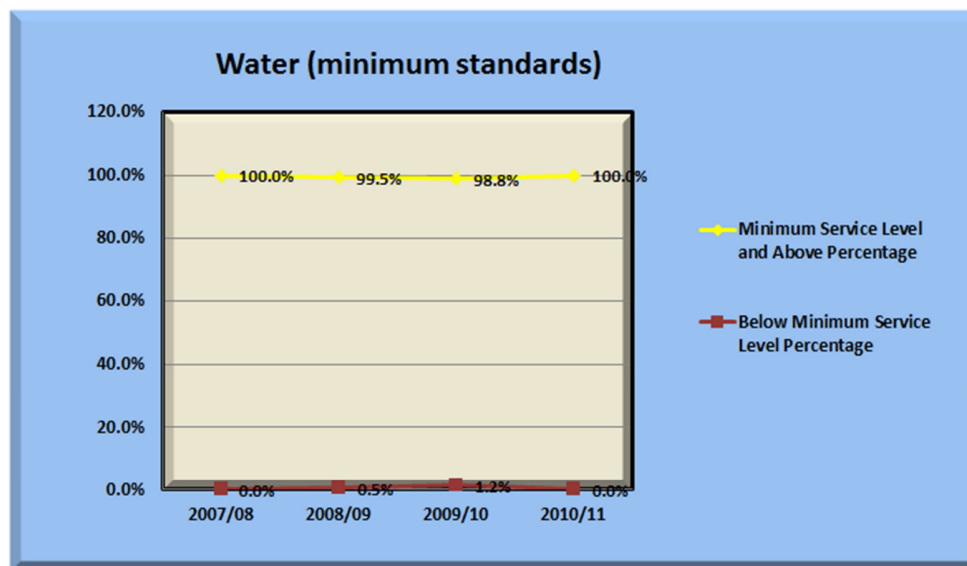
Table 90: Water service delivery levels

The graph below shows the different water service delivery levels per total households and the progress per year:



Graph 4: Water service delivery levels

The graph below reflects the water service level below and above minimum standards:



Graph 5: Water with minimum service level

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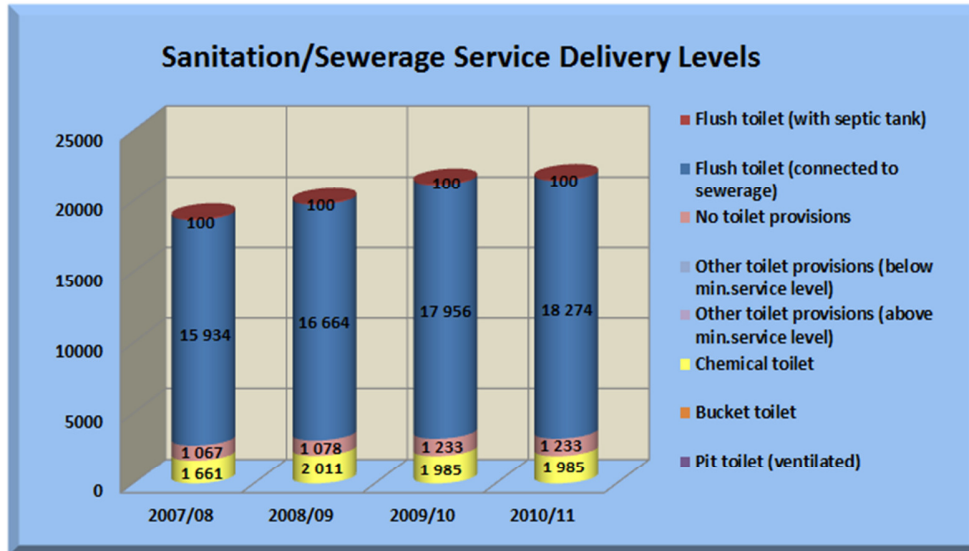
B) SANITATION SERVICE DELIVERY LEVELS

Below are a table that specifies the different sanitation service delivery levels per households **within the urban edge area** for the financial years 2007/08, 2008/09, 2009/10 and 2010/11:

Description	2007/08	2008/09	2009/10	2010/11
	Actual	Actual	Actual	Actual
Household				
<i>Sanitation/sewerage: (above minimum level)</i>				
Flush toilet (connected to sewerage)	15 934	16 664	17 956	18 274
Flush toilet (with septic tank)	100	100	100	100
Chemical toilet	1 661	2 011	1 985	1 985
Pit toilet (ventilated)	0	0	0	0
Other toilet provisions (above minimum service level)	0	0	0	0
<i>Minimum Service Level and Above Sub-total</i>	17 695	18 775	20 041	20 359
<i>Minimum Service Level and Above Percentage</i>	94.31	94.57	94.20	94.30
<i>Sanitation/sewerage: (below minimum level)</i>				
Bucket toilet	0	0	0	0
Other toilet provisions (below minimum service level)	0	0	0	0
No toilet provisions	1 067	1 078	1 233	1 233
<i>Below Minimum Service Level Sub-total</i>	1 067	1 078	1 233	1 233
<i>Below Minimum Service Level Percentage</i>	5.69	5.43	5.80	5.71
Total number of households	18 762	19 853	21 274	21 592

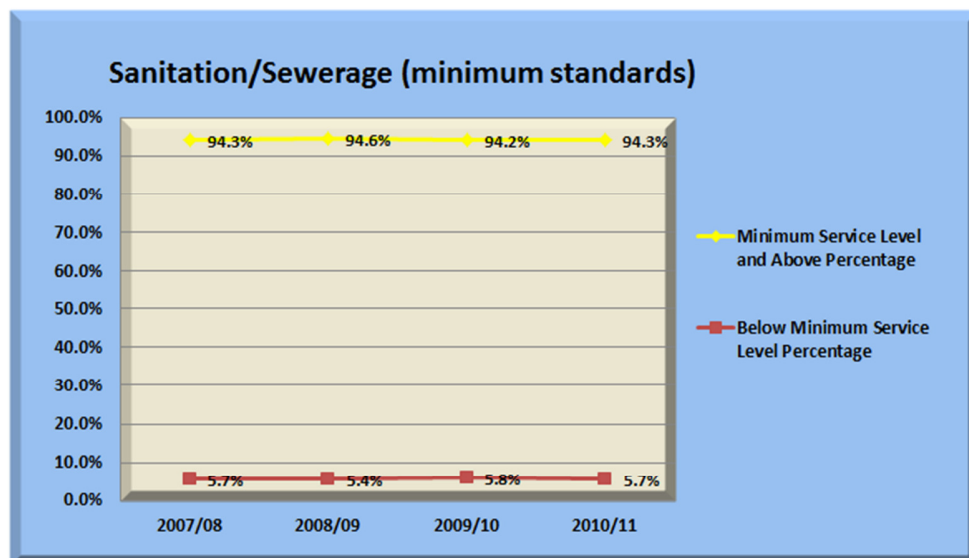
Table 91: Sanitation service delivery levels

The graph below shows the different sanitation/sewerage service delivery levels per total households and the progress per year:



Graph 6: Sanitation/Sewerage Service Delivery Levels

The graph below shows the total number of households which are below and above minimum sanitation standards:



Graph 7: Sanitation/Sewerage minimum standards

4.4.6 ELECTRICITY

Local Government plays a very important role in the provision of electricity. Section 153 of the Constitution places the responsibility on municipalities to ensure the provision of services to communities in a sustainable manner for economic and social support. The table below indicates the different service delivery level standards for electricity in all formal areas within the Municipality:

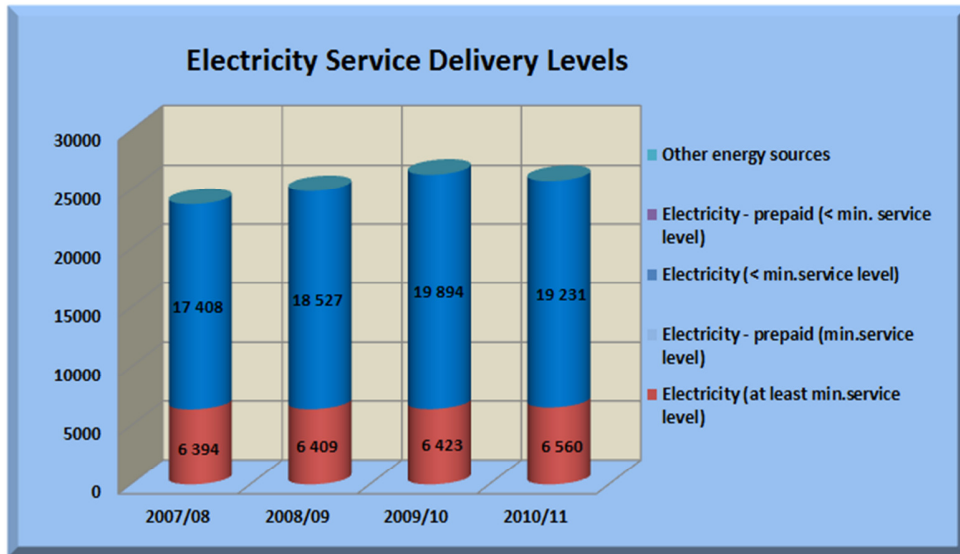
The Energy Losses for the 2009/10 financial year was **10.41%** whilst the losses in the 2010/2011 financial year were only **6.61%**. This outcome gives an end result of **3.8%** reduction in energy losses that is a huge achievement for the Municipality.

The table below indicates the different service delivery level standards for electricity **within the urban edge area** of the Municipality:

Description	2007/08	2008/09	2009/10	2010/11
	Actual	Actual	Actual	Actual
Household				
<i>Energy: (above minimum level)</i>				
Electricity (at least minimum service level)	6 394	6 409	6 423	6 560
Electricity - prepaid (minimum service level)	17 408	18 527	19 894	19 231
<i>Minimum Service Level and Above Sub-total</i>	23 802	24 936	26 317	25 791
<i>Minimum Service Level and Above Percentage</i>	100	100	100	100
<i>Energy: (below minimum level)</i>				
Electricity (< minimum service level)	0	0	0	0
Electricity - prepaid (< min. service level)	0	0	0	0
Other energy sources	0	0	0	0
<i>Below Minimum Service Level Sub-total</i>	0	0	0	0
<i>Below Minimum Service Level Percentage</i>	0	0	0	0
Total number of households	23 802	24 936	26 317	25 791

Table 92: Electricity service delivery levels

The following graph shows the number of households categorised into the different service levels:



Graph 8: Electricity Service Delivery Levels

4.4.7 HOUSING

The following table shows the increase in the number of people on the housing waiting list. There are currently approximately **25 300** applicants on the waiting list.

Housing waiting list	Nr of people on Housing waiting list	% Housing waiting list increase
2007/08	13 540	25
2008/09	23 657	80
2009/10	24 200	10
2010/11	25 300	10

Table 93: Housing waiting list

A total amount of **R 32 000 000** was allocated to build houses and to service sites during the financial year under review. A summary of houses built and sites serviced includes:

Financial year	Allocation	Amount spent	% spent	Number of houses built	Number of sites serviced
	(R'000)	(R'000)	(%)	(#)	(#)
2007/08	31 556	2 952	9	35	0
2008/09	44 110	34 863	79	214	653
2009/10	52 255	34 012	65	100	577
2010/11	32 000	58 413	182	280	700

Table 94: Housing

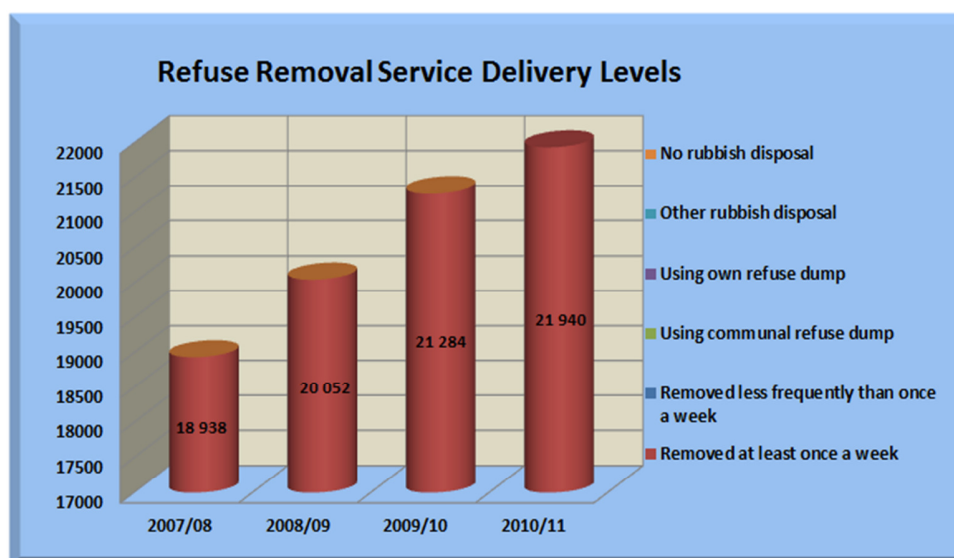
4.4.8 REFUSE REMOVAL

The table below indicates the different refuse removal service delivery level standards **within the urban edge area** of the Municipality:

Description	2007/08	2008/09	2009/10	2010/11
	Outcome	Actual	Actual	Actual
Household				
<i>Refuse Removal: (Minimum level)</i>				
Removed at least once a week	18 938	20 052	21 284	21 940
<i>Minimum Service Level and Above Sub-total</i>	18 938	20 052	21 284	21 940
<i>Minimum Service Level and Above Percentage</i>	100	100	100	100
<i>Refuse Removal: (Below minimum level)</i>				
Removed less frequently than once a week	0	0	0	0
Using communal refuse dump	0	0	0	0
Using own refuse dump	0	0	0	0
Other rubbish disposal	0	0	0	0
No rubbish disposal	0	0	0	0
<i>Below Minimum Service Level Sub-total</i>	0	0	0	0
<i>Below Minimum Service Level percentage</i>	0	0	0	0
Total number of households	18 938	20 052	21 284	21 940

Table 95: Refuse removal service delivery levels

The following graph indicates the different refuse removal standards which the households are receiving:



Graph 9: Refuse removal service delivery levels

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4.4.9 ROADS

The following tables give an overview of the total kilometres of roads maintained and new roads tarred:

A) TARRED ROADS

Financial year	Total km tarred roads	Km of new tar roads	Km existing tar roads re-tarred	Km of existing tar roads re-sheeted	Km tar roads maintained
2008/09	316	0.42	0	19	316
2009/10	316	0	0	12	316
2010/11	321.4	1.7	0	1.5	321.4

Table 96: Tarred roads

B) GRAVELLED ROADS

Financial year	Total km gravel roads	Km new gravel roads constructed	Km gravel roads upgraded to tar	Km gravel roads graded/maintained
2008/09	36.5	4.4	0	36.5
2009/10	40.9	6.2	0	40.9
2010/11	40.3	0	0	40.3

Table 97: Gravelled roads

C) COST OF CONSTRUCTION/MAINTENANCE

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

Financial year	Gravel			Tar		
	New R'000	Gravel – Tar R'000	Maintained R'000	New R'000	Re-worked R'000	Maintained R'000
2007/08	0	2 246	97	0	0	843
2008/09	6 492	0	244	1 404	0	2 119
2009/10	9 594	0	258	0	0	2 239
2010/11	0	0	517	16 000	0	2 489

Table 98: Cost of Road Construction

4.4.10 STORM WATER

A) STORM WATER INFRASTRUCTURE

The table below shows the total kilometres of storm water maintained and upgraded as well as the kilometres of new storm water pipes installed:

Financial year	Total km storm water measures	Km new storm water measures	Km storm water measures upgraded	Km storm water measures maintained
2008/09	87.5	0.711	88.2	88.2
2009/10	88.2	1.846	90	90
2010/11	90	0	0	90

Table 99: Storm water infrastructure

B) COST OF CONSTRUCTION/MAINTENANCE

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

Financial year	Storm water Measures	
	Capital R'000	Maintained R'000
2007/08	0	551
2008/09	4 400	532
2009/10	5 351	641
2010/11	0	994

Table 100: Cost of construction/maintenance of storm water systems

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4.5 MUNICIPAL INFRASTRUCTURE AND OTHER GRANTS

The Municipality had a total amount of **R 49 542 892** for infrastructure and other capital projects available that was received in the form of grants from the National and Provincial Governments during the 2010/11 financial year. The performance in the spending of these grants is summarised as follows:

Description	2008/09		2009/10		2010/11	
	Amount Received	Amount Spent	Amount Received	Amount Spent	Amount Received	Amount Spent
	R'000					
National Government:						
Integrated National Electrification Programme	152	1 178	6 000	7 643	-	-
MIG	8 857	15 567	34 267	12 363	-	18 390
Provincial Government:						
De Doorns Taxi Shelter	0	50	0	0	-	-
Speed calming: Springveld Str.	0	90	0	0	-	-
Zwelethemba Taxi rank	0	5	0	0	-	-
Dept Of Transport (Received prior 2008)	0	35	0	0	-	-
Zwelethemba hostel upgrading (Received prior 2008)	0	22	0	381	-	-
Department Sport	650	0	0	0	-	-
Library equipment	157	157	46	46	169	169
Resealing Proclaimed roads	764	764	1 680	1 680	1 545	1 545
Extension Worc WwTW	200	200	0	0	-	-
G I S	0	0	104	104	-	-
Man Supp Grant: HR	0	0	50	37	-	4
Zwelethemba Services (2008/09 = refund on previously spent)	18 613	18 077	608	1 002	-	-
UIISP: De Doorns Services	0	0	25 000	27 497	28 494	27 717
District Municipality:						
Equipment: Waste water purification	0	49	0	0	-	-
Purchase land Hasie Square (Received prior 2008)	0	0	0	0	-	-
Housing Consumer Education	0	0	0	0	-	-
Upgrading Pump Station	510	510	0	0	-	-
Water System	600	600	0	0	-	-
Waste Disposal Equipment Sandhills	200	0	0	200	-	-
Water Project: Taps	90	90	0	0	-	-
Bitumen Surface: Paving Man System	0	0	1 500	1 500	1 300	1 300
Water Reticulation: Informal areas	0	0	420	420	-	-
Other grant providers:						
Nat Lottery: Zwelethemba Sport	500	39	0	0	-	125

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Description	2008/09		2009/10		2010/11	
	Amount Received	Amount Spent	Amount Received	Amount Spent	Amount Received	Amount Spent
	R'000					
United Bulk: Tanker	-	-	-	-	100	100
Workmanship and Materials	-	-	-	-	190	190
Waterloo library: Books	-	-	-	-	2	2

Table 101: Spending of grants

4.6 ADDITIONAL PERFORMANCE

The table below enclose all additional performance of the Municipality:

Type of service	2008/09	2009/10	2010/11
General Law enforcement			
Motor vehicle licenses processed	103 351	109 193	111 689
Learner driver licenses processed	25 152	24 141	24 785
Driver licenses issued	915	896	1 885
Fines issued for traffic offenses	29 212	13 629	13 388
R-value of fines collected	9 816 280	8 911 231	7 579 772
Operational call-outs	No records	No records	55
Roadblocks held	No records	No records	26
Complaints attended to by Traffic Officers	No records	No records	Included under operational call-outs
Special Functions – Escorts	No records	No records	209
Awareness initiatives on public safety	No records	No records	117
Fire Services			
Operational call-outs	518	656	603
Estimated Fire Losses	R 8 646 200	R 40 833 700	R 31 441 600
Awareness initiatives on fire safety	440 Scholars Trained	1039 Scholars Trained	658 Scholars Trained
Town Planning and Building Control			
Building plans application processed	726	705	973
Total surface (m ²)	71 126	67 955	22 544
Approximate value	R 317 615 000	R 288 918 000	R 322 648 000
New residential dwellings	79	92	332
Residential extensions	325	320	274
New Business buildings	10	5	2
Business extensions	91	59	54
Rural applications	101	74	71

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Type of service	2008/09	2009/10	2010/11
Land use applications processed	No records	No records	68 (applications approved) 84 (applications received)
Libraries			
Library members	30 595	29 241	31 035
Books circulated	504 000	513 777	504 647
Exhibitions held	80	148	255
Internet users	-	-	23 370
New library service points or Wheelie Wagons	1	-	1
Children programmes	34	100 plus 2101 Toy Library participants	166 plus 2272 Toy Library participants
Visits by school groups	7	17	20
Book group meetings for adults	5	4	4
Primary and Secondary Book Education sessions	6	12	15
Social Services			
Trees planted	No records	250	550
Veggie gardens established	No records	No records	2
Soup kitchens established or supported	No records	No records	2
Initiatives to increase awareness on child abuse	No records	No records	4
Youngsters educated and empowered	No records	No records	4
Initiatives to increase awareness on women	No records	No records	4
Initiatives to increase awareness on Early Childhood Development	No records	No records	4
Initiatives to increase awareness on substance abuse and high drug and alcohol related crimes	No records	No records	2
Special events hosted (World's Aids Day, World Arbour day, World Disability Day, Youth Day, 16 Days of activism against women abuse)	No records	No records	2
Local economic development initiatives			
Small businesses assisted	No records	No records	104
SMME's trained	No records	No records	172
Community members trained for tourism	No records	No records	24
Local artisans and crafters assisted	No records	No records	18
Recycling awareness programmes	No records	No records	1

Table 102: Additional Performance

4.7 LED

4.7.1 HIGHLIGHTS: LED

The following performance highlights with regard to the implementation of the LED strategy are:

Highlights	Description
A big project in wine and olive industry is in its final planning phase in the Worcester East Irrigation areas	Core Dept Rural development and Land Reform priorities on infrastructure and rural development projects
New council embrace a Public Partnership which will pave the way for complimentary service delivery activities in The Worcester East Irrigation Scheme	We will resume implementation of Public Private Partnership (PPP) in Worcester CBD
Investment Promotion	Investment Promotion completed with the input of the business chambers
Global insight were procured which make economic analysis much more easier	Economic analysis can be done internally

Table 103: LED Highlights

4.7.2 CHALLENGES: LED

The following challenges with regard to the implementation of the LED strategy are:

Description	Actions to address
No involvement of strategic managers in LED	LED outputs must be written in the performance contracts of MM and it Directors
Limited operational budget provision for LED	Principle decision to incorporate a tariff to fund economic growth activities
No capacity to undertake LED	Political decision to implement the proposed organisational structure for LED
Implement the Public Private Partnership as a point of priority	This project will effect cooperation between the Municipality and the local private sector

Table 104: Challenges LED

4.7.3 LED STRATEGY

The LED strategy, along with the LED process plan, is completed and is being implemented. Breede Valley Municipality has an established a LED forum comprising of diverse membership emanating from various sectors of society. The LED is built around commitment to develop a climate in which economic development and economic growth can prosper.

With reference to our new organisational design the section for LED and Tourism are placed under the cluster Department Planning and Economic Development and are reporting to the Senior Manager: Planning and

Economic Development. The implementation of project actions relies heavily on the availability of funding to fund our envisaged interventions.

The activities that are performed in the department range from the following:

- Facilitating training for new and emerging businesses.
- Assistance with project concepts for emerging groups within the Municipality.
- Attend to clients who were referred by ward councillor and require general assistance with a business and land reform.
- Perform adjudicatory duties in district wide funding allocation forum as per working agreement with the various B municipalities and the District Municipality.
- Attend to potential investors which need information and guidance from the Municipality.
- Manage partnership between Municipality and Local Tourism organisation based on service level agreements in relation to tourism marketing work.
- Serve in project management capacity to steer land reform implementation projects in the municipality and furthermore serve on the District committee where funding for agricultural development and land free form is approved.
- Review strategies and lease with potential funders to fund project earmarked to enhance local economic development.
- Referral of entrepreneurs for mentorship in their businesses.
- Attendance to suppliers of services that wish to partner with the Municipality around our LED and tourism programmers.
- Engage in local and regional economic strategic planning and reviews.

In Breede Valley Municipality which has an agricultural based economy, our LED interventions must try to effect transformation by introducing new entrants to established industries with a view to effect empowerment and ownership. In selecting partnerships with the private sector is essential when we target projects in the business value chain aimed at empowerment and ownership.

The LED strategy identifies various issues and strategic areas for intervention such as:

Strategic areas	Description
Use tourism to effect BEE and build brand of origin	Develop an anchor attraction near Kleinplasië
Promote projects to initiate the growth of a local olive industry	Project aimed at using extra water rights to effect empowerment are in a planning phase in The Worcester East Planning unit. Key departments involved are the Department of Water Affairs and the Department of Rural Development and Land Reform
Assessment of structures and define complementary roles	Have partnerships with wine and tourist organisations working on a proposal to propose a project to the National Department of tourism to rehabilitate and upgrade buildings and infrastructure at Kleinplasië.
Define a coherent marketing strategy for tourism	Service level agreements are with Local Tourism Associations to assist us with marketing. We put in resources to develop our brands and we use all funding to our disposal to exhibit our new BVM BRANDS, through great corporate gifts, publications etc.
Biotechnology	Programme suspended as we don't implement projects of a municipality but rather create the environment for business to develop.
Building entrepreneurship	A series of training and mentorship are in place to effect entrepreneurial development in our municipal area.
Ascertain the infrastructure backlogs to become an area that attract outside investment	Our Strategic planning framework will exhibit all the constraints as identified by local business

Table 105: LED Strategic areas

The progress with regard to the implementation of the LED strategy can be summarised as follows:

There is little progress as the senior management never used the LED Strategy as a planning - and reference tool to determine budget priorities. It was rather left to the official tasked with LED activities to propose projects to a range of government departments for funding. After the election there was more ownership and leadership to affect LED. We are now in a Strategic planning process driven by the Mayoral committee, the private sector and official in planning and LED to determine long term economic growth objectives.

The LED strategy identifies various issues and strategic areas for intervention such as:

Objectives	Strategies
Development of anchor attraction for tourism	Apply for conditional grant to upgrade Kleinplasië
Formulate new long term goals in partnership with private sector and provincial government	A new document that will guide future actions with regards to local economic development
Develop an organisation that can undertake LED interventions.	Recruit professionals to execute LED activities

Table 106: LED Objectives and Strategies

4.7.4 ECONOMIC ACTIVITY

The table below identifies the economic activity within the different sectors:

Sector	2008/09
Agric, forestry and fishing	18.85
Mining and quarrying	0.23
Manufacturing	14.21
Wholesale and retail trade	18.1
Finance, property, etc.	13.65
Community and social services	5.68
Infrastructure services	1.02
Transport and Communication	10.39
General Government Services	14.07
Construction	3.8
Total	100

Table 107: Economic activity by sector

4.7.5 LED INITIATIVES

With a limited budget for LED Projects and one official assisting with LED implementation the following has been initiated as set out in the table below and identifies the detail of the various LED initiatives in the municipal area:

Description of project	No of Jobs created	Total Investment	Amount spent to date	Performance Highlights
An investment promotion programme was initiated whereby company profile and strength were exhibited in electronic journals over a period of 12 months to establish contact with potential trade partners.	Unable to provide figure as jobs is created in Private sector	80 000	80 000	New markers were sourced for wine exporters
Participate with the roll-out of SEED funding grants: although funded by CWDM, the LED offices assisted entrepreneurs to access the grants	52 jobs	CWDM Funding	From CWDM budget	Partnership emerged as various institutions of the public sector collaborate to support emerging entrepreneurs
All new interventions are subject to the outcome of our strategic planning phase that will commence in October	None. This project is a detailed strategic planning exercise amongst role players	400 000 (external payment of facilitator)	PAWC	We depend on the ability of the private sector to create jobs

Table 108: LED initiatives

4.8 TOURISM

4.8.1 AIM AND FUNCTION OF TOURISM SECTION

The Tourism Sector had TV coverage nationally as well as internationally. Fiesta, a KykNet production had a focus on the Breedekloof Wine & Tourism's Soetes and Soup. Hex River Valley Tourism had an insert on Pasella, a SABC2 production. Pasella also visited Touws River and we had requests for accommodation via their website. Worcester featured on DSTV's sport channels with the ABSA Cape Epic's visit during March 2011. Exposure of this calibre can only promise a steady flow of visitors and investors, which can be verified with the monthly statistics held in the Tourism Office. Intensive marketing in Europe is a bare necessity to establish partnerships for the local economic development in tourism for the Breede Valley Municipal Area. The Tourism Sector is growing in strength by building on the strong partnership with the Private Sector.

4.8.2 THE LOCAL TOURISM ORGANISATION (LTO)

The LTO is chaired by the Portfolio Head of LED & Tourism from the Breede Valley Municipality. Seats are for the three accredited Local Tourism Associations (LTA), which comprises of Breedekloof Wine and Tourism, Worcester Tourism Association and Hex River Valley Tourism as well as the officials from the Breede Valley Municipality involved with Planning, Local Economic Development and Tourism.

The Service Level Agreements with a grant of R50 000 for each town is still in place and enable the LTA to better marketing of their town as well as developing the PDI sector.

The LTO's objectives are:

- Co-ordinate events and marketing shows
- Promoting the Breede Valley as a tourism destination
- Development of tourism routes i.e. Agri Tourism, Historic Routes, etc.
- Compiling of packages to target tour operators
- Create awareness of tourism products and attractions
- Establish an Arts & Crafts Association to develop this dynamic sector in tourism

4.8.3 THE CAPE WINELANDS DISTRICT MUNICIPALITY (CWDM) LTA STRUCTURE

The CWDM invites all LTA's and LTO's to be a part of their marketing strategy as we all work together in one goal – promote the District as a Tourism Destination. Each financial year they inform the various organisations of their planned attendance of exposés. Due to this, there are bi-monthly meetings to update on arrangements and feedback on projects. CWDM fund each LTA for a development project. The LTA submits a Business Plan of the

development project upon which a SLA is signed by the Municipal Manager. A report on the project must be submitted. During the financial year 2010/2011 we participated in the following meetings:

- 28 July 2010 in Stellenbosch
- 29 September 2010 in Wolseley
- 24 November 2010 in De Doorns
- 26 January 2011 in Franschhoek
- 30 March 2011 in Robertson
- 25 May 2011 in Drakenstein

Marketing 2010/2011

The exposés attended for the said period:

- Getaway: September 2010 in Johannesburg
- Annual Worcester Agricultural Show: 26 – 30 January 2011
- Beeld Holiday Makers Show: 11 – 13 February 2011 in Johannesburg
- ABSA Cape Epic: 30 March – 1 April 2011 in Worcester
- Tourism Indaba: 7 – 10 May 2011 in Durban
- Outdoor and Adventure Expo: 10 – 12 June 2011 in Johannesburg



Beeld Holiday Makers Show

The above exposés were well attended. The branding of Breede Valley Tourism is more familiar to the public each year. There is still room for improvement, but the steady growth in enquiries and follow up requests are satisfying.

Successful marketing is repetitive and visible. The first print of the regional brochure is out of stock. This booklet was very popular at the Beeld Holiday Makers Show, which emphasizes the need for marketing material. Itineraries are being set out to invite various tour operators to the Breede Valley to hook in on the market of tour busses.

4.8.4 TRAINING/DEVELOPMENT

Arts & Crafts are important attractions as visitors / tourists always want memorabilia of the town / region they visited. The Tourism Department works closely with the Cape Craft and Design Institute (CCDI). The following workshops were presented:

October 2010's Business Training focused on:

- Business Administration
- Costing and Pricing
- Sales Techniques and Negotiations

March 2011's Creativity Training was for:

- Visual Awareness
- Basic Drawing Skills
- Trends and Colours

The funding from CWDM was used for Corporate Training of a Tourism Student. Shameelah Ismail is from Worcester, but studies in Cape Town. She assisted with organising of events, basic office administration, and telephonic enquiries as well as assisting tourists with information.

4.8.5 TOURISM AWARENESS/EVENTS

Annual events in the Breede Valley Municipal Region:

Annual Event	Date
Wine, Woman and Song was held in De Doorns, introducing the women to tourism	July 2010
Breedekloof Soetes & Soup	July 2010
Breedekloof Outdoor Festival	October 2010
International Day for the Disabled at Worcester Museum	December 2010
Worcester Agricultural Show at Kleinplasia with Huisgenoot	January 2011
A Love Affair Arts & Crafts Market in De Doorns	February 2011
Harvest of Joy in Scherpenheuvel, Worcester	March 2011
RAMfest at Nekkies	March 2011
Nuy Valley Fest by Worcester Wine Route	May 2011

Table 109: Tourism Awareness/Events

Numerous smaller events were also hosted and attended.

Breede Valley Tourism links in with Cape Winelands District Municipality in the Tourism Awareness Schools Project.

4.9 SERVICE PROVIDERS STRATEGIC PERFORMANCE

During the year under review the Municipality did not have a formal system in place to measure the performance of all service providers. The implementation of the performance framework will include measures to measure the performance of service providers. Each manager, however, regularly monitored and ensured that service providers complied with the requirements of the appointed contract. Details regarding service providers appointed will be included in the Municipality's Annual Report for 2011/2012.

CHAPTER 5

FUNCTIONAL PERFORMANCE



CHAPTER 5: FUNCTIONAL PERFORMANCE

This chapter provides information on the functional performance of the Municipality on the implementation of the Top Layer and Departmental SDBIP for 2010/11.

The municipal functional areas are as indicated below:

Municipal Function	Municipal Function: Yes / No
Constitution Schedule 4, Part B functions:	
Air pollution	No
Building regulations	Yes
Child care facilities	No
Electricity and gas reticulation	Yes
Fire fighting services	Yes
Local tourism	Yes
Municipal airports	Yes
Municipal planning	Yes
Municipal health services	No
Municipal public transport	Yes
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law	Yes
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto	No
Storm water management systems in built-up areas	yes
Trading regulations	Yes
Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems	Yes
Constitution Schedule 5, Part B functions:	
Beaches and amusement facilities	None
Billboards and the display of advertisements in public places	Yes
Cemeteries, funeral parlours and crematoria	Yes
Cleansing	Yes
Control of public nuisances	Yes
Control of undertakings that sell liquor to the public	Yes
Facilities for the accommodation, care and burial of animals	No
Fencing and fences	Yes
Licensing of dogs	Yes

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Municipal Function	Municipal Function: Yes / No
Licensing and control of undertakings that sell food to the public	No
Local amenities	Yes
Local sport facilities	Yes
Markets	Yes
Municipal abattoirs	No
Municipal parks and recreation	Yes
Municipal roads	Yes
Noise pollution	Yes
Pounds	No
Public places	Yes
Refuse removal, refuse dumps and solid waste disposal	Yes
Street trading	Yes
Street lighting	Yes
Traffic and parking	Yes

Table 110: Functional Areas

5.1 PERFORMANCE HIGHLIGHTS PER FUNCTIONAL AREAS

Directorate/ Functional area	Sub Directorate	Highlights
Office of the Municipal Manager	Area Manager: De Doorns	The successful relocation of families from the dangerous 'Riverbed in Hasie Square' to the municipal serviced sites, south of the N1
		The resolve and closure of the 'Foreign National's CAMP' and rehabilitation of the De Doorns –West Sports ground. Foreign nationals were successfully resettled.
	Area Manager: Touws River	Creating of approximately 300 temporary employment opportunities for residents of Touws River.
		Successfully preventing the erection/development of an informal/squatter housing area next to the N1.
		The allocation of a Mobile Fire station to the Touws River community is viewed as an achievement amidst threat to personal and public property due/by sporadic fires.
	Corporate Communication and marketing	Finalisation of the municipal logo and municipal council communication strategy
		Finalisation of council communication policy
	IDP	Development and approval of ward based plans for specific wards as models for the 3 rd Generation IDP
		Adoption of the 2010/2011 IDP Review by Council
	Internal Audit	A new functional Audit Committee was appointed on 28 February 2011, which also

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Directorate/ Functional area	Sub Directorate	Highlights
		functions as a Performance Audit Committee.
		The approved Internal Audit Charter was amended by the above Audit Committee on 29 June 2011.
		The Annual Risk Assessment for 2011/2012 was completed on 24 June 2011.
		The 2011/2012 Internal Audit Plan was approved on 29 June 2011.
		The whole Internal Audit Unit was registered on an internal audit learnership (Diploma: Technician: Internal Audit)(NQF6) on 23 March 2011, which is in line with the Continuing Professional Development of internal auditors, as prescribed by the International Standards for the Professional Practice of Internal Auditing of the Institute of Internal Auditors(IIA).
	PMS	Implementation of the Live Performance Management System in Breede Valley Municipality
	Strategic Services	Facilitating Ward Committee Summit
	Bulk Services: Commonage	Appointment of security personnel to result in less vandalism along the fence between Zwelethemba and the adjacent farming community.
	Planning: GIS	<p>Significant progress was made in GIS in the financial year 2010/11. Most notable of these achievements was the following:</p> <ul style="list-style-type: none"> • Phase B of the GIS Treasury Layer Project was completed. • A second (replacement) GIS assistant was appointed to complete Phase B of the GIS Treasury Layer Project. • Four ArcGIS 9.3.1 Single User software packages were upgraded to the latest version, ArcGIS 10. • Worcester has been completed in the zoning verification project. • The ArcGIS Server (A system that allows for the publishing of inter/intranet based maps and info) was migrated from a desktop computer to a virtual server. • The streets database has been updated with the latest information. • The street number database has been updated with the latest information. • The farms cadastral database has been updated with the latest information. • The erven cadastral database has been updated with the latest information. • Updated and more detailed street maps for all four towns were produced. • A project was initiated in which a complete spatial analysis of all accounts of all properties was implemented. • A partnership between the Department Planning, Development and Building Control and the Department Civil Works was developed in which all civil works spatial datasets, currently maintained by the IMQS, will be migrated to the ArcGIS format and be maintained in house. • Progress has been made with regards to the partnership formed with the Municipality of Sneek (Located in the Netherlands), the Wetterskip Fryslân (Water Board Located in the Netherlands) and the Breede Overstrand Catchment Agency (BOCMA) in which solutions will be sought using GIS to locate water loss. • Development of an inter-municipal GIS partnership between the BVM and Witzenberg
	Civil works: Building Maintenance	<p>Outsourcing of building maintenance activities.</p> <p>New appointments enable more tasks to be carried out internally.</p>

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Directorate/ Functional area	Sub Directorate	Highlights
		Employment and training EPWP personnel resulted in positive outcomes.
	Civil works: Cemeteries	Elaborate landscaping and beautification of New Worcester Cemetery.
		Painting of New Worcester Cemetery facilities.
		On-going development of burial methods.
	Civil works: Environmental Management	Appointment of suitably qualified staff resulted in positive outcomes.
		Tree planting projects at various locations.
		Deforestation in Rawsonville area.
	Planning: LED	We have cemented our partnership with the local business to such an extent that Council is considering entering into a legally constituted Public Private Partnership to manage certain complementary service delivery activities in the CBD.
		We earned widespread respect as we have assisted around twelve firms to establish national and international connectivity through subscribing to an online investment promotion newsletter.
		We have accurate economic and demographic data which get updated every quarter. This will assist us to make important management decisions around interventions to support local economic development.
	Electricity	Commencement with WWwTW substation project
		Commencement of renovation of municipal flats into new administrative office block.
		Upgrading switchgear at Protea & Brewelskloof Substations
	Civil works: Mechanical Workshop	Problematic Supply Chain issues resolved (procurement processes streamlined)
		Employment and training EPWP personnel resulted in positive outcomes.
	Civil works: Municipal Roads	Appointment of Roads Foreman accelerated general road maintenance.
		Employing and training EPWP personnel resulted in positive outcomes.
		Resealing of various municipal and proclaimed roads - approx. 1.2 kms.
	Civil works: Recreational Facilities	Upgrading of various sports ground buildings.
	Civil works: Refuse removal: Disposal	Appointed new Foreman / 2x Truck Drivers / 1 x Tractor Driver / 2 x General Workers
Approx. 59 Small Contractors utilised for general cleansing operations creating approx. 550 temporary (projects) job opportunities.		
Additional 20 skip bins acquired and distributed in informal and low cost housing areas.		
Roll-out of Wheelie Bins continued. Cumulative @ 43 % in Worcester and 100% in Rawsonville.		
Bulk services: Refuse removal: Landfill sites	We managed to stem the illegal entry into the site by vagrants. The direct result is that the Department of Environmental Affairs commended us (BVM) in complying with regulations.	
Civil works: Refuse removal: Recycling	Basic recycling continues at Touws River Waste Transfer Station (forerunner to bigger facilities).	
Bulk services: Resorts	Successfully staging social events which include RAM Fest, Earth Dance and Swallows	

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Directorate/ Functional area	Sub Directorate	Highlights
	and swimming pools	Biker Rally.
	Bulk services: Sewerage purification	BVM managed to improve its Green Drop score from 33% in 2009 to 78,5% in 2011. Funding from Department of Water Affairs and the Netherlands enabled us to up-skill a number of staff members.
	Civil works: Sewerage: Network	Reconstruction of manholes in Hex River following DWAF Directive (December 2010) Structured High Pressure cleaning programme in place.
	Planning: Town Planning	<p>During September 2010, the Breede Valley Municipality was notified that it has been selected as one of 6 Municipalities within the Western Cape Province to receive support in undertaking a gap analysis of the Spatial Development Framework, Human Settlement Plan and strategic argument of the IDP via the next phase of the Built Environment Support Programme (BESP), a joint initiative from the Department of Environmental Affairs and Development Planning (DEADP) and the Department of Human Settlements (DHS). DEADP and DHS will jointly appoint and manage the consultant, fund the BESP as well as provide funding for the review of the SDF.</p> <p>The predominant amount of urban development applications are for residential purposes, mainly featuring group housing and flats. The demand for housing is still in the foreground with individual subdivisions as well as higher density residential developments taking precedence. The following applications were approved: Altona Residential development (2600 residential units as well as business component), Barclay Farm (183 residential units), Worcester Hills Development (±64 964m² of mixed residential and business development) and the Worcester Island Development (±124.35hectares business development).</p> <p>In the rural areas, non- agricultural development was still mainly tourist orientated with restaurants, conference facilities, guest houses and resorts predominant. Two applications were received for the development of Solar Farms within the BVM near Touws River and Worcester. The establishment of renewable energy technology is supported by the Government's White Paper of Renewable Energy Policy (2003), and applications are currently in process.</p>
	Bulk Services: Water supply	Even though BVM only increased its Blue Drop score from 74% to 85.9%, we were commended by the assessors for the improvement since the previous cycle.
	Financial Services	<p>Financial Planning</p> <p>Unqualified audit report for the last 3 years with full GRAP implementation</p> <p>Revenue</p> <p>Increased payment rate to 97.05%</p> <p>7 Officials completing CPMD course with WITS University</p> <p>Valuations</p> <p>Implementation of 6th supplementary roll</p>
Public Safety and Community Development Services	<p>Fire, Rescue and disaster management services: Fire safety & risk management</p> <p>131 Dangerous Goods Permits Issued</p> <p>206 Fire Clearances Issued</p> <p>417 Fire Regulatory Inspections Conducted / 711 Building Plans Scrutinised</p> <p>Fire, Rescue and disaster management services: Office of the chief fire officer</p> <p>100 % Completion of Satellite Fire Station Upgrade</p> <p>Disaster Risk Management Plan and Framework for 2012 IDP Completed</p> <p>Fire Services Master Plan reviewed and updated</p> <p>Fire, Rescue and disaster management</p> <p>00:06:43 Average Attendance Times to Incidents</p> <p>36% Average Rider Availability</p>	

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Directorate/ Functional area	Sub Directorate	Highlights
	services: Operations	339 Operational Risk Visits Conducted / 762 Fire Hydrants Tested
	Fire, Rescue and disaster management services: Training & Support Services	14 Trench Rescue Technicians Qualified
		16 Confined Space Rescue Technicians Qualified
		30 seconds Average Call Receiving Time
	Library & information services	Sandhills Wheelie Wagon Project (Official opening: November 2010)
		Goudini Library: Internet Connectivity Project (Officially started December 2010)
		Esselen Library: Internet Connectivity Project (Officially started January 2011)
	Traffic & Law Enforcement Services: Administration	Establish a speed- and red-light offence management system
		Introduce a parking management system for the Worcester CBD
		Upgrading of security with the installation of CCTV cameras
	Traffic & Law Enforcement Services: Law Enforcement	An additional facility was created at the De Doorns Traffic Centre for the collection of traffic fines.
		Introduce a parking management system for the Worcester CBD
		An Anti-Alcohol and Drugs Centre (SHADOW) was established at the Traffic Department in partnership with the Department of Transport and Public Works.
	Traffic & Law Enforcement Services: Licensing	The establishment of an administrative back office in Rawsonville for the management of speed violations.
		The extension of working hours to increase service delivery to the public.
The appointment of the first female employee to the rank of Superintendent.		
Corporate Services	Corporate Support	Improvement of the electronic records management system (Collaborator) year on year. The acceptance of the Committee Management Module in Collaborator by Executive Management which we hope to implement fully in the 2011 / 2012 financial year.
	ICT	<u>Disaster Preparedness and Management</u> Part of being prepared for disasters has been the virtualising of the servers in our server room. Three HP servers, on which VMWARE has been installed, form the platform of our virtual system. Windows and Linux servers were set up on VMWARE and the data migrated from the physical servers to the "virtual" servers.
	Housing	Avian Park Housing development took off after long drawn out delays due to not getting suitable tenderers
		Relocated people from slum area to serviced sites Tender process finalised for development of Zwelethemba phase 2

Table 111: Performance highlights per functional area

5.2 OVERVIEW OF PERFORMANCE

The performance statistics in the table below and all the graphs in the following sub paragraphs include performance in terms of the Departmental SDBIP, which measures operational performance, as well as, the performance in terms of the Top Layer SDBIP. The graph for each directorate is an overview of the overall results of all the KPIs measured in terms of the municipal SDBIP performance management system.

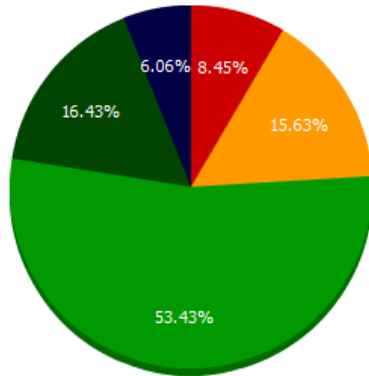
Directorates	Financial Year	Total KPIs	KPIs Extremely Well Met	KPIs Well Met	KPIs Met	KPIs almost Met	KPIs not Met
Office of the Municipal Manager	2009/10	42	n/a	n/a	34	0	8
	2010/11	114	5	6	66	18	19
Financial Services	2009/10	68	n/a	n/a	56	5	7
	2010/11	123	9	16	69	20	9
Operational Services	2009/10	104	n/a	n/a	79	19	6
	2010/11	197	5	45	115	30	2
Public Safety & Community Development Services	2009/10	41	n/a	n/a	35	2	4
	2010/11	93	12	16	42	13	10
Corporate Services	2009/10	43	n/a	n/a	38	5	0
	2010/11	100	7	20	43	17	13
Breed Valley Municipality	2009/10	298	n/a	n/a	242	31	25
	2010/11	627	38	103	335	98	53

Table 112: Summary of total performance

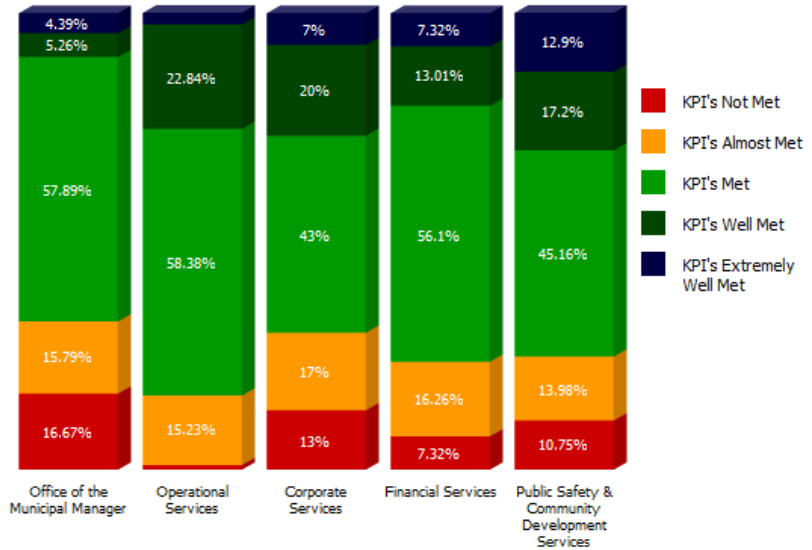
Note: The table above does not include KPI's not measured yet in the Top Layer and Departmental SDBIP and two KPIs were deleted in terms of the applicable protocol. A reason for the deletion was that there were no targets for these specific KPIs.

The following graph indicates the overall results of all the KPIs measured of the various directorates in terms of the municipal SDBIP performance management system:

Breed Valley Municipality



■ KPI's Extremely Well Met (38 of 627)
■ KPI's Well Met (103 of 627)
■ KPI's Met (335 of 627)
■ KPI's Almost Met (98 of 627)
■ KPI's Not Met (53 of 627)



Graph 10: Overall performance of directorates

5.3 PERFORMANCE PER FUNCTIONAL AREA (DEPARTMENTAL/OPERATIONAL SDBIP)

5.3.1 OFFICE OF THE MUNICIPAL MANAGER

The Office of the Municipal Manager SDBIP consists of the following divisions:

- Municipal Manager
- Area Manager: De Doorns
- Area Manager: Touws River
- Corporate Communication and Marketing
- IDP
- Internal Audit
- Ombudsman
- PMS
- Strategic Services
- Admin & Mayoral Office

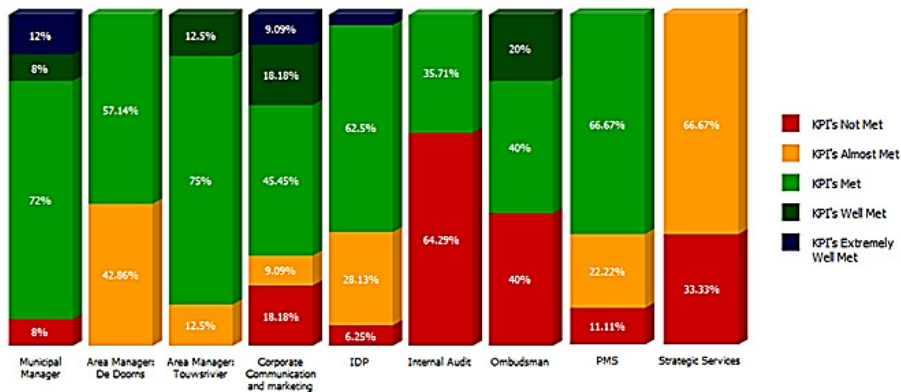
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The Operational Key Performance Indicators for Office of the Municipal Manager are aligned to the following National Key Performance Areas, Municipal Key Performance Areas and the IDP Strategic Objectives:

National Key Performance Area	Municipal Key Performance Area	IDP Strategic Objectives
Good Governance and Public Participation	Good Governance and Public Participation	To actively participate in determining the future of our country
Municipal Financial Viability and Management	Municipal Financial Viability and Management	Assure financial viability and sustainable growth
Municipal Transformation and Institutional Development	Municipal Transformation and Institutional Development	To ensure a healthy and productive work environment – happy employees supported by a productive accountable leadership team
Basic Service Delivery	Basic Service Delivery	To ensure a safe, healthy, clean and sustainable external environment for all Breede Valley’s people
		To create a unique and caring valley of service excellence, opportunity and growth
		To provide an maintain basic services and ensure social upliftment of the Breede Valley community
Local Economic Development	Local Economic Development	To create an enabling environment for employment and poverty and poverty eradication through proactive economic development and tourism

Table 113: Functional alignment – Office of the Municipal Manager

The following graph indicates the performance of the various sub-directorates within Office of the Municipal Manager directorate in terms of the municipal SDBIP performance management system:



Graph 11: Office of the Municipal Manager, sub-directorate performance

5.3.2 OPERATIONAL SERVICES

The Operational Services SDBIP consists of the following divisions:

- Director: Operational Services
- Planning: Building Control
- Bulk Services: Commonage
- Planning: GIS
- Civil works: Building Maintenance
- Civil works: Cemeteries
- Civil works: Environmental Management
- Planning: LED
- Electricity
- Civil works: Mechanical Workshop
- Civil works: Municipal Roads
- Project Management: Capital
- Civil works: Recreational Facilities
- Civil works: Refuse removal: Disposal
- Bulk services: Refuse removal: Landfill sites
- Civil works: Refuse removal: Public Toilets
- Civil works: Refuse removal: Recycling
- Bulk services: Resorts and swimming pools
- Bulk services: Sewerage purification
- Civil works: Sewerage: Network
- Civil works: Storm water
- Planning: Town Planning
- Bulk Services: Water supply
- Civil works: Water services: Networks

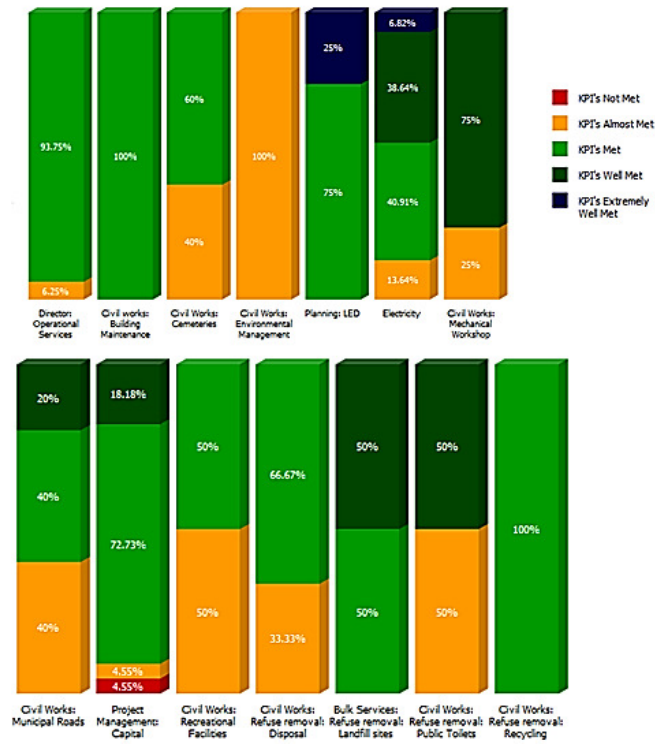
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The Operational Key Performance Indicators for Operational Services are aligned to the follow National Key Performance Areas, Municipal Key Performance Areas and the IDP Strategic Objectives:

National Key Performance Area	Municipal Key Performance Area	IDP Strategic Objectives
Good Governance and Public Participation	Good Governance and Public Participation	To actively participate in determining the future of our country
Municipal Financial Viability and Management	Municipal Financial Viability and Management	Assure financial viability and sustainable growth
Municipal Transformation and Institutional Development	Municipal Transformation and Institutional Development	To ensure a healthy and productive work environment – happy employees supported by a productive accountable leadership team
Basic Service Delivery	Basic Service Delivery	To ensure a safe, healthy, clean and sustainable external environment for all Breede Valley’s people
		To create a unique and caring valley of service excellence, opportunity and growth
		To provide and maintain basic services and ensure social upliftment of the Breede Valley community
Local Economic Development	Local Economic Development	To create an enabling environment for employment and poverty and poverty eradication through proactive economic development and tourism

Table 114: Functional alignment – Operational Services

The following graph indicates the performance of the various sub-directorates within Operational Services directorate in terms of the municipal SDBIP performance management system:



Graph 12: Operational Services sub-directorate performance

5.3.3 FINANCIAL SERVICES

The Financial Services SDBIP consists of the following divisions:

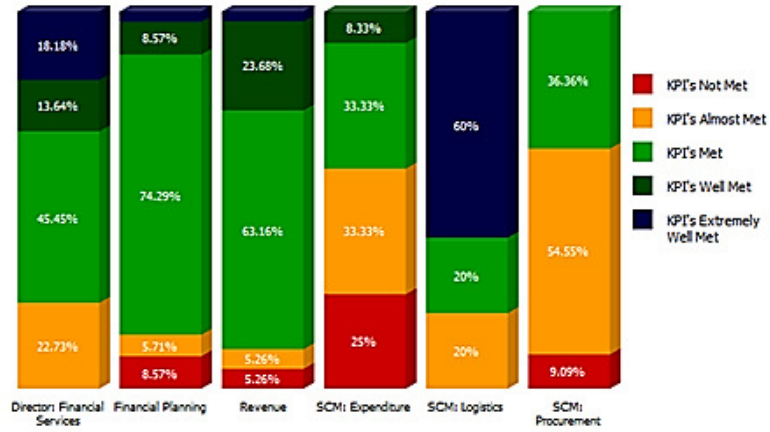
- Director: Financial Services
- Financial Planning
- Revenue
- SCM: Logistics
- SCM: Expenditure
- SCM: Procurement
- Valuations

The Operational Key Performance Indicators for Financial Services are aligned to the following National Key Performance Areas, Municipal Key Performance Areas and the IDP Strategic Objectives:

National Key Performance Area	Municipal Key Performance Area	IDP Strategic Objectives
Good Governance and Public Participation	Good Governance and Public Participation	To actively participate in determining the future of our country
Municipal Financial Viability and Management	Municipal Financial Viability and Management	Assure financial viability and sustainable growth
Municipal Transformation and Institutional Development	Municipal Transformation and Institutional Development	To ensure a healthy and productive work environment – happy employees supported by a productive accountable leadership team
Basic Service Delivery	Basic Service Delivery	To ensure a safe, healthy, clean and sustainable external environment for all Breede Valley’s people
		To create a unique and caring valley of service excellence, opportunity and growth
		To provide an maintain basic services and ensure social upliftment of the Breede Valley community

Table 115: Functional alignment – Financial Services

The following graph indicates the performance of the various sub-directorates within Financial Services directorate in terms of the municipal SDBIP performance management system:



Graph 13: Financial Services sub-directorate performance

5.3.4 PUBLIC SAFETY AND COMMUNITY DEVELOPMENT SERVICES

The Public Safety and Community Development Services SDBIP consist of the following divisions:

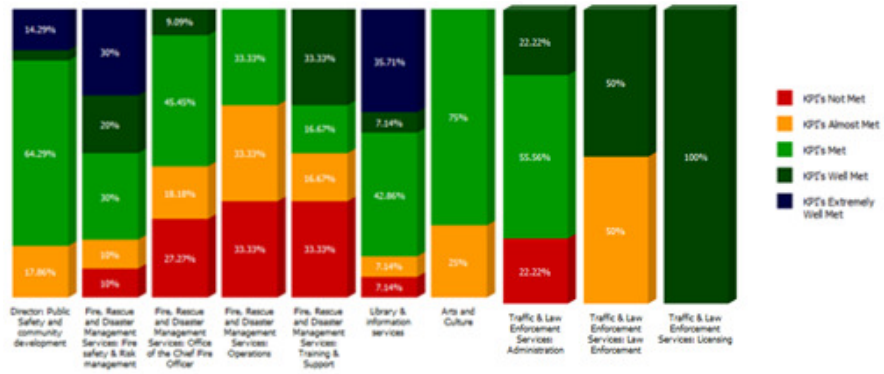
- Director: Public Safety and Community Development Services
- Fire, rescue and disaster management services: Fire safety & Risk management
- Fire, rescue and disaster management services: Office of the Chief Fire Officer
- Fire, rescue and disaster management services: Operations
- Fire, rescue and disaster management services: Training & Support Services
- Library & information services
- Arts and Culture
- Traffic & Law enforcement services: Administration
- Traffic & Law enforcement services: Law enforcement
- Traffic & Law enforcement services: Licensing

The Operational Key Performance Indicators for Public Safety and Community Development Services are aligned to the following National Key Performance Areas, Municipal Key Performance Areas and the IDP Strategic Objectives:

National Key Performance Area	Municipal Key Performance Area	IDP Strategic Objectives
Good Governance and Public Participation	Good Governance and Public Participation	To actively participate in determining the future of our country
Municipal Financial Viability and Management	Municipal Financial Viability and Management	Assure financial viability and sustainable growth
Municipal Transformation and Institutional Development	Municipal Transformation and Institutional Development	To ensure a healthy and productive work environment – happy employees supported by a productive accountable leadership team
Basic Service Delivery	Basic Service Delivery	To ensure a safe, healthy, clean and sustainable external environment for all Breede Valley's people
		To create a unique and caring valley of service excellence, opportunity and growth
		To provide an maintain basic services and ensure social upliftment of the Breede Valley community
Local Economic Development	Local Economic Development	To create an enabling environment for employment and poverty and poverty eradication through proactive economic development and tourism

Table 116: Functional alignment – Public Safety and Community Development Services

The following graph indicates the performance of the various sub-directorates within Public Safety and Community Development Services directorate in terms of the municipal SDBIP performance management system:



Graph 14: Public Safety and Community Development Services sub-directorate performance

5.3.5 CORPORATE SERVICES

The Corporate Services SDBIP consists of the following divisions:

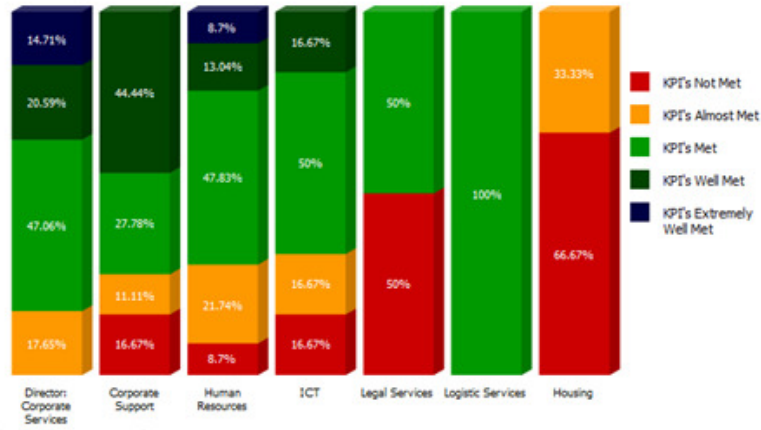
- Director: Corporate Services
- Corporate Support
- Human Resources
- ICT
- Legal Services
- Logistic Services
- Housing

The Operational Key Performance Indicators for Corporate Services are aligned to the following National Key Performance Areas, Municipal Key Performance Areas and the IDP Strategic Objectives:

National Key Performance Area	Municipal Key Performance Area	IDP Strategic Objectives
Good Governance and Public Participation	Good Governance and Public Participation	To actively participate in determining the future of our country
Municipal Financial Viability and Management	Municipal Financial Viability and Management	Assure financial viability and sustainable growth
Municipal Transformation and Institutional Development	Municipal Transformation and Institutional Development	To ensure a healthy and productive work environment – happy employees supported by a productive accountable leadership team
Basic Service Delivery	Basic Service Delivery	To ensure a safe, healthy, clean and sustainable external environment for all Breede Valley’s people
		To create a unique and caring valley of service excellence, opportunity and growth
		To provide an maintain basic services and ensure social upliftment of the Breede Valley community

Table 117: Functional alignment – Corporate Services

The following graph indicates the performance of the various sub-directorates within Corporate Services directorate in terms of the municipal SDBIP performance management system:



Graph 15: Corporate Services sub-directorate performance

CHAPTER 6

FINANCIAL PERFORMANCE



CHAPTER 6: FINANCIAL PERFORMANCE

6.1 FINANCIAL VIABILITY HIGHLIGHTS

Highlight	Description
The Breede Valley Municipality upheld its Credit Rating status for the past 3 years even under the current economic circumstances.	<p>The following information was received from Moody's Investors Services, an independent company that did our Credit Rating. The A3.za national scale issuer rating of Breede Valley primarily reflects its sound liquidity position, which offsets the fiscal pressure arising from its high debt exposure. The rating also reflects the narrow financial performance and the modest economic base, which is concentrated</p> <p>On grape farming, with an associated growing manufacturing industry.</p> <p>National Peer Comparison: Breede Valley Municipality is rated in the mid-range of the 17 local municipalities rated by Moody's in South Africa, whose ratings span from A1.za to Baa2.za. Breede Valley's relative position reflects higher-than-average debt and debt service levels, offset by adequate - albeit volatile - operating balances and a stronger liquidity position compared to its national peers</p>
Credit strengths	<p>Sound liquidity position</p> <p>Adequate, albeit narrow, financial results</p> <p>Good administration and governance</p>

Table 118: Financial Viability Highlights

6.2 FINANCIAL VIABILITY CHALLENGES

Challenge	Action to address
Credit challenges	<p>High debt exposure</p> <p>Financing requirements for its large capital expenditure budget</p>
Good stable credit rating	<p>Improvement only possible through broadening of the Tax base via Local Economic Development.</p> <p>Ensure also decrease in debt exposure.</p>
Successful implementation of GRAP	<p>Implementation of a proper year end process plan for the 2010/ 2011 financial year</p>
Successful implementation and maintenance of Budget Reforms	<p>Constant planning and maintenance of the budget reforms and processes to comply with new requirements</p>
Completion of Asset register for all assets and proper maintenance of such a register	<p>Constant improvement in the control processes to uphold and improve the asset management process through a proper asset register</p>
Daily bank reconciliations	<p>Daily bank reconciliations that result in accurate monthly bank reconciliations are done</p>

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Challenge	Action to address
Very good debt collection rate	The Municipality accomplish a very good debt collection rate of 97% - even taking into account the current economic circumstances that impacted negatively on payers' ability within the BVM region and elsewhere.
Limited tax base	Borrowing to upgrade the bulk services such as the Worcester Waste Water Treatment Plant and corresponding electricity substation. To unblock LED and as a result broaden the Tax base.
Clean Audit reports	To ensure that the Municipality achieve a clean audit report in according to the requirements in future. To adhere to legislative, governance, internal audit, performance management and GRAP requirements.
Proper Budgetary planning and control	Ensure that proper planning, prioritisation and control take place as far as budgets are concerned.
Improve the Supply Chain Management system to respond appropriately to the service delivery needs of the organisation	Review the Supply Chain Management policy and assessment document by Provincial Treasury and implement recommendations and best practices. Implementation of an electronic SCM system.
New valuation role to be implemented 2012	A proper plan is already in place to update the valuation roll and is in a very advance stage of completion.
Enhancement of debt recovery strategy	Review of the current system and processes will be done and new dimensions will be implemented to enhance the debt recovery rate etc.

Table 119: Financial Viability Challenges

6.3 FINANCIAL SUSTAINABILITY

A) NATIONAL KEY PERFORMANCE INDICATORS - MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT

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

KPA & INDICATOR	2008/09	2009/10	2010/11
Debt coverage ((Total operating revenue-operating grants received)/debt service payments due within the year)	6.77	12.02	10.41
Service debtors to revenue – (Total outstanding service debtors/ revenue received for services)	*14.38%	*11.45%	11.78%
Cost coverage ((Available cash+ investments)/ Monthly fixed operating expenditure)	3.08	2.96	2.71

Table 120: National KPIs for financial viability and management

**Note: figures in the previous years were amended and will therefore not match the figures in the annual performance report.*

6.3.1 OPERATING RESULTS

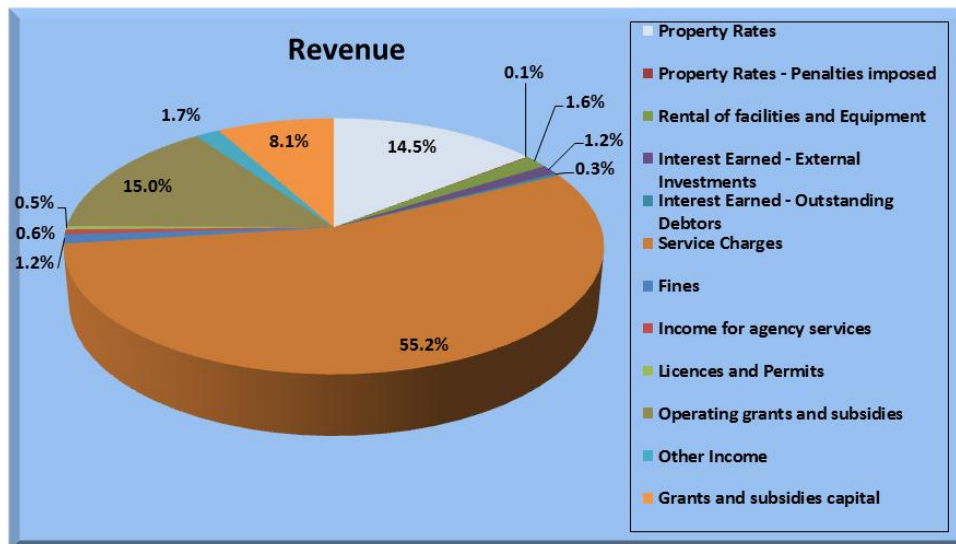
The table below shows a summary of performance against budgets:

Financial Year	Revenue				Operating expenditure			
	Budget	Actual	Diff.	%	Budget	Actual	Diff.	%
	R'000	R'000	R'000		R'000	R'000	R'000	
2007/08	330 405	338 332	7 927	102.4	332 025	385 648	53 623	116.2
2008/09	468 642	462 441	(6 201)	98.7	459 551	433 849	(25 702)	94.4
2009/10	473 273	468 822	4 451	99	489 103	471 632	17 471	96.43
2010/11	587 856	565 578	(22 278)	96.21	585 564	564 531	(21 033)	96.41

Table 121: Performance against budgets

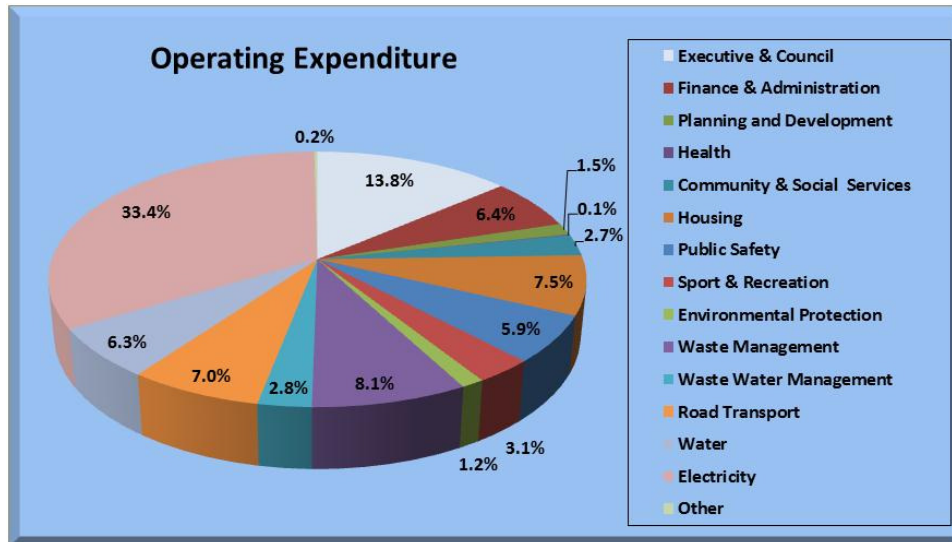
The Municipality received R565,578 million revenue for the year of which R564,531 million was utilised for operating expenditure. Salaries, allowances and expenditure with regards to bulk services make up most of the total operating expenditure of the Municipality. **Electricity** and **Grants** account for most of the revenue for the year under review.

The following graph indicates the various types of revenue items in the municipal final budget for 2010/11:



Graph 16: Revenue

The following graph indicates the various types of expenditure items in the municipal budget for 2010/11:



Graph 17: Operating expenditure

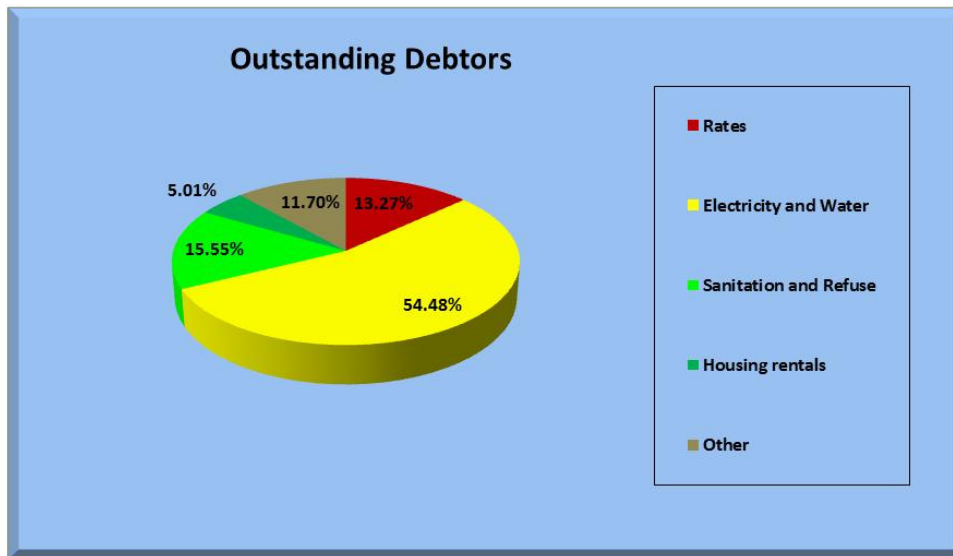
6.3.2 OUTSTANDING DEBTORS

A) GROSS OUTSTANDING DEBTORS PER SERVICE

Financial year	Rates	Trading services	Economic services	Housing rentals	Other	Total
		(Electricity and Water)	(Sanitation and Refuse)			
	R'000	R'000	R'000	R'000	R'000	R'000
2008/09	12 830	33 712	14 829	3 124	11 625	76 120
2009/10	11 123	34 250	12 338	2 988	9 087	69 786
2010/11	9 745	40 018	11 424	3 677	8 597	73 461
Difference	(1 378)	5 768	(914)	689	(490)	3 675
% growth year on year	13.27	54.48	15.55	5.01	11.70	100.00

Table 122: Gross outstanding debtors per service

The following graph indicates the total outstanding debt per type of service for 2010/11:



Graph 18: Debt per type of service

B) TOTAL DEBTORS AGE ANALYSIS

Financial year	Less than 30 days	Between 30-60 days	Between 60-90 days	More than 90 days	Total
	R'000	R'000	R'000	R'000	R'000
2008/09	34 152	3 023	1 925	37 020	76 120
2009/10	28 622	2 830	1 581	36 754	69 786
2010/11	42 178	2 958	1 824	26 501	73 461
Difference	13 556	128	243	(10 253)	3 675
% growth year on year	47	5	15	(28)	5

Table 123: Service debtor age analysis

Note: Figures exclude provision for bad debt.

6.3.3 VIABILITY INDICATORS

A) LEVEL OF RELIANCE ON GRANTS AND SUBSIDIES

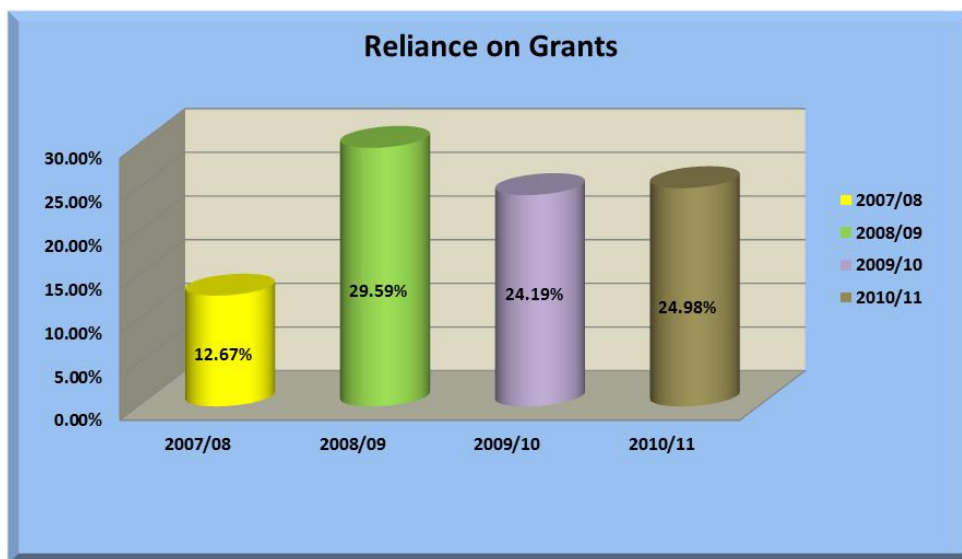
Financial year	Total grants and subsidies recognised	Total Operating Revenue	Percentage (%)
	R'000	R'000	
2007/08	46 529	*338 332	13
2008/09	136 847	462 441	30
2009/10	113 363	*468 822	24
2010/11	141 283	565 578	25

Table 124: Reliance on grants

*Note: figures in the previous years were amended and will therefore not match the figures in the previous year annual report.

The Municipality is more reliant on grants to finance expenditure than other municipalities with the same nature, due to our limited revenue raising capacity.

The following graph indicates the Municipality's reliance on grants as percentage for the last three financial years:



Graph 19: Reliance on grants as %

BREEDE VALLEY MUNICIPALITY ANNUAL REPORT 2010/11

B) LIQUIDITY RATIO

Financial year	Net current assets	Net current liabilities	Ratio
	R'000	R'000	
2007/08	175 925	99 089	1.78:1
2008/09	180 508	83 372	2.17:1
2009/10	185 278	134 018	1:38:1
2010/11	195 523	128 579	1:52:1

Table 125: Liquidity ratio

Although the Municipality's liquidity ratio has declined over the past three financial years, it is still in a favourable position to meet its current liabilities and the ratio is within the national norm of 1.5:1.

6.3.4 AUDITED OUTCOMES

Year	2005/2006	2006/2007	2007/2008	2008/2009	2009/2010	2010/11
Status	Qualified	Qualified	Unqualified	Unqualified	Unqualified	Unqualified

Table 126: Audit outcomes

The following table provides the details on the audit outcomes for the previous financial year with the corrective steps implemented:

2010/11	
Issue raised	Corrective step implemented
Emphasis of matter:	
Significant uncertainties	
As disclosed in note 40 to the financial statements, the Municipality is a defendant in one lawsuit, 136 public liability claims and 16 claims for damages. The outcome of these matters cannot presently be determined.	n/a
Contingent assets As disclosed in note 40 to the financial statements, the Municipality holds a claim on the reimbursement of legal fees and the recovery of funds from former employees. Furthermore, the Municipality lodged a dispute with the South African Revenue Service on the assessment of the Municipality's value-added tax (VAT) resulting from the outcome of an audit conducted by SARS on the Municipality's VAT account.	Dispute raised with SARS regarding VAT assessment and plans to consult with labour unions to start with the recovery of money due by employees
Restatement of corresponding figures As disclosed in note 42 to the financial statements, the corresponding figures for 30 June 2010 have been restated as a result of errors discovered during the 2010-11 financial year in the financial statements of the Breede Valley Municipality at, and for the year ended 30 June 2010.	GRAP training for all individuals who assists with the compilation of AFS

BREEDE VALLEY MUNICIPALITY ANNUAL REPORT 2010/11

2010/11	
Issue raised	Corrective step implemented
Emphasis of matter:	
Material losses	
As disclosed in appendix E to the financial statements, the Municipality incurred water losses amounting to R15, 9 million (4 949 987 kilolitre or 32, 65% of the units supplied) during the financial year.	Proper recording of the unmetered water portion. Ensure that the disclosures regarding losses are properly done. The constant implementation of the aspects indicated under the comments of management
Emphasis of matter:	
Subsequent event As disclosed in note 48 to the financial statements the services of the Municipal Manager was terminated during September 2011.	n/a
Emphasis of matter:	
Additional matters	
Material inconsistencies No material inconsistencies were identified between the draft annual reports submitted for review and the financial statements. The final printer's proof of the annual report will be reviewed on receipt thereof any material inconsistencies then identified will be communicated to management. Should the inconsistencies not be corrected, it may result in the matter being included in the audit report.	n/a
Unaudited supplementary schedules The supplementary information set out on pages 61 to 87 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and accordingly I do not express an opinion thereon.	None

Table 127: 2010/11 Detail on audit outcomes

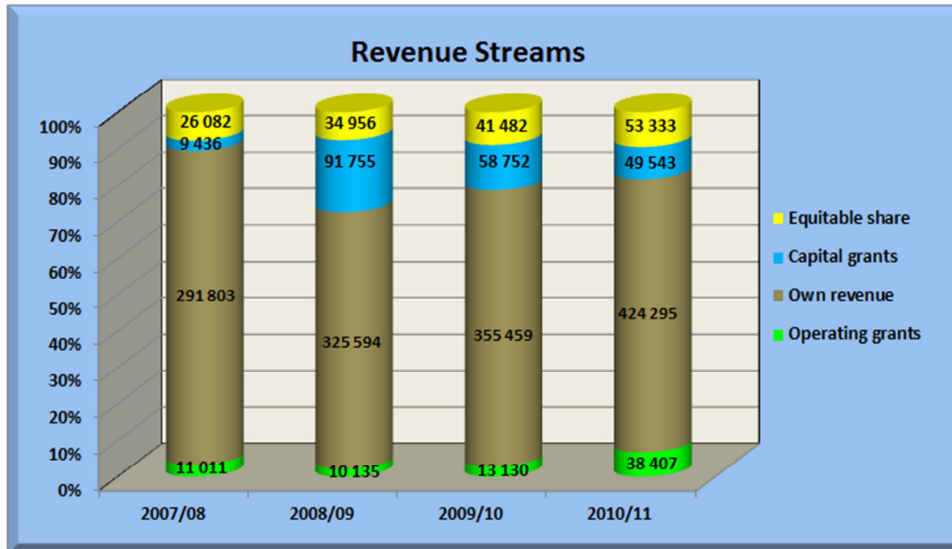
6.3.5 EQUITABLE SHARE VS TOTAL REVENUE

Description of revenue	Amount recognised 2007/08	Amount recognised 2008/09	Amount recognised 2009/10	Amount recognised 2010/11
	R'000	R'000	R'000	R'000
Equitable share	26 082	34 956	41 482	53 333
Capital grants	9 436	91 755	58 752	49 543
Operating grants	11 011	10 135	13 130	38 407
Own revenue	*291 803	325 594	*355 459	424 295
Total revenue	*338 332	462 441	*468 822	565 578

Table 128: Equitable share vs. total revenue

**Note: figures in the previous years were amended and will therefore not match the figures in the previous year annual report.*

The following graph indicates the various revenue streams of the Municipality for the past three financial years:



Graph 20: Revenue streams

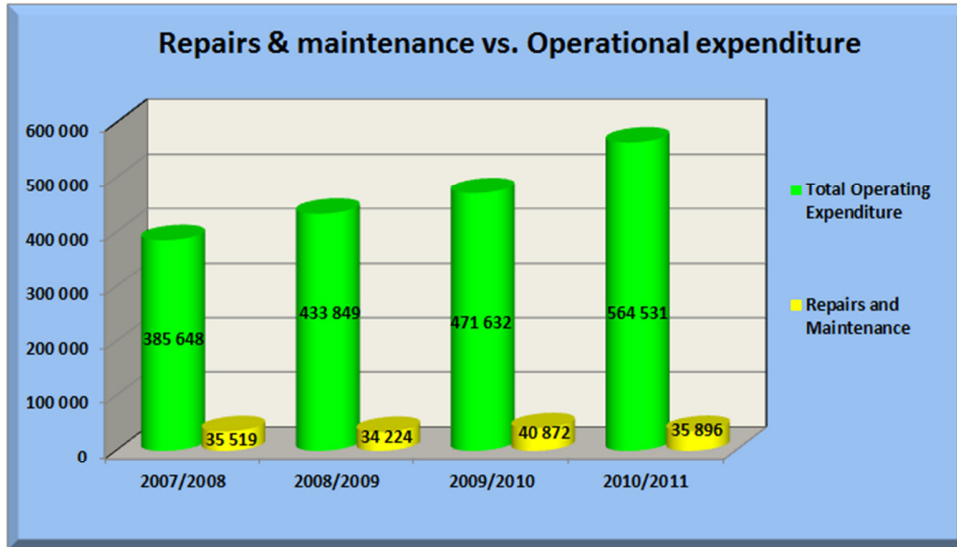
6.3.6 REPAIRS AND MAINTENANCE

Description	2007/2008	2008/2009	2009/2010	2010/11
	R'000	R'000	R'000	R'000
Total Operating Expenditure	385 648	*433 849	471 632	564 531
Repairs and Maintenance	*35 519	*34 224	*40 872	*35 896
% of total OPEX	*9.21	*8.10	*8.67	*6.36

Table 129: Repairs & maintenance as % of total OPEX

*Note: figures in the previous years were amended and will therefore not match the figures in the previous year annual report.

The following graph indicates the percentage of the budget that was spent on repairs & maintenance in relation to the operational budget:



Graph 21: Repairs and maintenance as percentage of OPEX

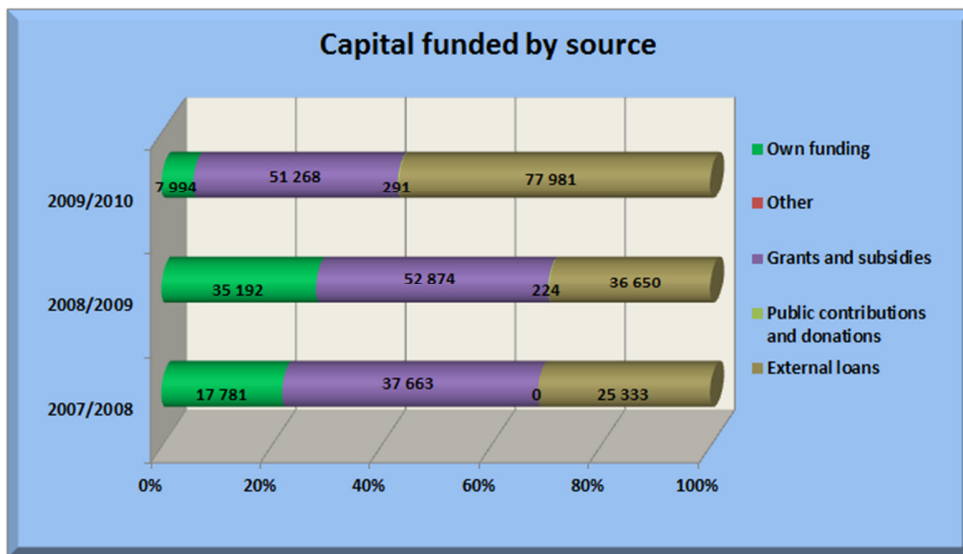
6.3.7 CAPITAL FUNDED BY SOURCE

Description Source	2008/2009	2009/2010	2010/11
	R'000	R'000	R'000
External loans	25 333	*36 650	77 981
Grants and subsidies	37 663	52 874	51 268
Public contributions and donations	0	*224	291
Own funding	17 781	*35 192	*7 994
Other	0	0	0
Total capital expenditure	80 777	124 940	137 534

Table 130: Capital funded by source

*Note: figures in the previous years were amended and will therefore not match the figures in the previous year annual report.

The following graph indicates capital expenditure funded by the various sources:



Graph 22: Capital funded by source

LIST OF ABBREVIATIONS

AG	Auditor-General
BVM	Breed Valley Municipality
CAPEX	Capital Expenditure
CBP	Community Based Planning
CFO	Chief Financial Officer
DPLG	Department of Provincial and Local Government
DWAF	Department of Water Affairs and Forestry
EE	Employment Equity
GAMAP	Generally Accepted Municipal Accounting Practice
GRAP	Generally Recognised Accounting Practice
HR	Human Resources
IDP	Integrated Development Plan
IFRS	International Financial Reporting Standards
IMFO	Institute for Municipal Finance Officers
KPA	Key Performance Area
KPI	Key Performance Indicator
LED	Local Economic Development
MAYCO	Executive Mayoral Committee
MFMA	Municipal Finance Management Act (Act No. 56 of 2003)
MMC	Member of the Mayoral Committee
MIG	Municipal Infrastructure Grant
MM	Municipal Manager
MMC	Member of Mayoral Committee
MSA	Municipal Systems Act No. 32 of 2000

MTECH	Medium Term Expenditure Committee
NGO	Non-governmental organisation
NT	National Treasury
OPEX	Operating expenditure
PMS	Performance Management System
PT	Provincial Treasury
SALGA	South African Local Government Organisation
SAMDI	South African Management Development Institute
SCM	Supply Chain Management
SDBIP	Service Delivery and Budget Implementation Plan
SDF	Spatial Development Framework
PPP	Public Private Partnership

ANNEXURE A: FINANCIAL STATEMENTS

ANNEXURE B: REPORT OF THE AUDITOR-GENERAL

ANNEXURE B: REPORT OF THE AUDITOR-GENERAL

**REPORT OF THE AUDITOR-GENERAL TO THE WESTERN CAPE PROVINCIAL PARLIAMENT
AND THE COUNCIL ON BREEDE VALLEY MUNICIPALITY**

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the accompanying financial statements of the Breede Valley Municipality, which comprise the statement of financial position as at 30 June 2011, and the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 6 to 60 of Annexure A.

Accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Local Government: Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2010 (Act No. 1 of 2010) (DoRA), and for such internal control as management determines necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor-General's responsibility

3. As required by section 188 of the Constitution of the Republic of South Africa, 1996 and section 4 of the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), my responsibility is to express an opinion on these financial statements based on my audit.
4. I conducted my audit in accordance with International Standards on Auditing and *General Notice 1111 of 2010* issued in *Government Gazette 33872 of 15 December 2010*. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
6. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

7. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Breede Valley Municipality as at 30 June 2011, and its financial performance and cash flows for the year then ended in accordance with SA Standards of GRAP and the requirements of the MFMA and DoRA.

Emphasis of matters

8. I draw attention to the matters below. My opinion is not modified in respect of these matters:

Significant uncertainties

9. As disclosed in note 40 to the financial statements, the municipality is a defendant in one lawsuit, 136 public liability claims and 16 claims for damages. The outcome of these matters cannot presently be determined.

Contingent assets

10. As disclosed in note 40 to the financial statements, the municipality holds a claim on the reimbursement of legal fees and the recovery of funds from former employees. Furthermore, the municipality lodged a dispute with the South African Revenue Service on the assessment of the municipality's value-added tax (VAT) resulting from the outcome of an audit conducted by SARS on the municipality's VAT account.

Restatement of corresponding figures

11. As disclosed in note 42 to the financial statements, the corresponding figures for 30 June 2010 have been restated as a result of errors discovered during the 2010-11 financial year in the financial statements of the Breede Valley Municipality at, and for the year ended 30 June 2010.

Material losses

12. As disclosed in appendix E to the financial statements, the municipality incurred water losses amounting to R15,9 million (4 949 987 kilolitre or 32,65% of the units supplied) during the financial year.

Subsequent event

13. As disclosed in note 48 to the financial statements the services of the municipal manager was terminated during September 2011.

Additional matter

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

Unaudited supplementary schedules

15. The supplementary information set out on pages 61 to 87 of Annexure A does not form part of the financial statements and is presented as additional information. I have not audited these schedules and accordingly I do not express an opinion thereon.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

16. In accordance with the PAA and in terms of *General notice 1111 of 2010*, issued in *Government Gazette 33872 of 15 December 2010*, I include below my findings on the annual performance report as set out on pages 82 to 96 and material non-compliance with laws and regulations applicable to the municipality.

Predetermined objectives

17. There are no material findings on the annual performance report.

Compliance with laws and regulations

Strategic planning and performance management

18. The accounting officer of the municipality did not by 25 January 2011 assess the performance of the municipality during the first half of the financial year, taking into account the municipality's service delivery performance during the first half of the financial year and the service delivery targets and performance indicators set in the service delivery and budget implementation plan as required by section 72(1)(a)(ii) of the MFMA.

19. The accounting officer of the municipality did not submit the results of the assessment on the performance of the municipality during the first half of the financial year to the mayor of the municipality and the provincial treasury as required by section 72(1)(b) of the MFMA.

Budgets

20. The municipality incurred expenditure in excess of the limits of the amounts provided for in the votes in the approved budget, in contravention of section 15 of the MFMA.

21. The total unforeseen and unavoidable expenditure incurred for which no provision was made in the approved budget, exceeded R15 million in contravention of regulation 72(c) of the Municipal Budget and Reporting Regulation, 2009.

22. The mayor did not submit three out of the four quarterly reports to council on the implementation of the budget and the financial state of affairs of the municipality within 30 days after the end of each quarter, as required by section 52(d) of the MFMA.

Audit committee

23. The audit committee, which also serves as the performance audit committee, did not function during the first nine months of the financial year, as required by section 166 of the MFMA and by regulation 14(3)(a) and 14(4)(a) of the Municipal Planning and Performance Management Regulations, 2001, in that it did not advise the council, the accounting officer and/or the management staff of the municipality on matters relating to internal financial control and internal audits, risk management, accounting policies, performance management, effective governance, compliance with applicable legislation and performance evaluation for the first nine months of the year. It also did not respond to the council on any issues raised by the Auditor-General in the audit report, review the quarterly reports of the internal auditors on their audits of the performance measurements of the municipality and review the municipality's performance management system. The audit committee further did not make recommendations to the council of the municipality and submit a report to the council regarding the performance management system at least twice during the financial year.

Internal audit

24. The internal audit unit did not function, as required by section 165(2) of the MFMA, in that internal audit did not report to the audit committee on matters relating to internal audit, internal controls, accounting procedures and practices, risk and risk management and loss control during the first nine months of the financial year.
25. Internal audit did not, during the first nine months of the financial year, report to the audit committee on matters relating to compliance with the MFMA, the DoRA and other applicable legislation, as required by section 165(2)(b) of the MFMA.
26. The internal audit processes and procedures did not include assessments of the functionality of the municipality's performance management system and whether the system complied with the requirements of the Municipal Systems Act, 2000 (Act No. 32 of 2000) as required by regulation 14(1)(b)(i) and 14(1)(b)(ii) of the Local Government: Municipal Planning and Performance Management Regulations, 2001, *General Notice R. 796, issued in Government Gazette 22605 of 24 August 2001*.
27. The internal audit processes and procedures did not include assessments of the extent to which the municipality's performance measurements were reliable in measuring the performance of the municipality on key as well as general performance indicators as required by regulation 14(1)(b)(iii) of the Municipal Planning and Performance Management Regulations, 2001.
28. The internal auditors of the municipality did not audit the performance measurements on a continuous basis and did not submit quarterly reports on their audits to the municipal manager and the performance audit committee as required by the Municipal Planning and Performance Management Regulations, 2001.

Procurement and contract management

29. Awards were made to providers who are persons in service of other state institutions or whose directors/ principal shareholders are persons in service of other state institutions in contravention of the requirements of the Municipal Supply Chain Management (SCM) Regulations (GNR. 868 of 30 May 2005), regulations 44. Furthermore, the providers failed to declare that they were in the service of the state, as required by SCM regulation 13(c).

Expenditure management

30. The accounting officer did not take reasonable steps to prevent irregular expenditure, as required by section 62(1)(d) of the MFMA.

INTERNAL CONTROL

31. In accordance with the PAA and in terms of *General notice 1111 of 2010*, issued in *Government Gazette 33872 of 15 December 2010*, I considered internal control relevant to my audit, but not for the purpose of expressing an opinion on the effectiveness of internal control. The matters reported below are limited to the significant deficiencies that resulted in the findings on the annual performance report and the findings on compliance with laws and regulations included in this report.

Leadership

32. The accounting officer did not implement adequate processes to complete and submit the mid-year assessment of the performance of the municipality within the deadline required by section 72(1) of the MFMA, nor did council exercise oversight responsibility regarding performance reporting and compliance to ensure that it was done.
33. The Speaker did not ensure that council meetings were held within the 30 day deadline to enable the Mayor to submit all quarterly reports, as stipulated in section 52(d) of the MFMA, nor did the mayor monitor and enforce the requirement. Leadership, therefore, did not exercise oversight responsibility regarding financial and performance reporting and compliance.
34. The accounting officer and his delegated officials did not exercise adequate oversight responsibility over compliance with laws and regulations to prevent irregular expenditure.

Financial and performance management

35. The municipality did not implement controls over daily and monthly processing and reconciling of transactions to prevent unauthorised expenditure. Furthermore, management did not sufficiently monitor that transactions were incurred within the limits of the approved appropriation per vote even though monthly budget statements were produced in terms of section 71 of the MFMA.

Governance

36. The audit committee did not promote accountability and service delivery through evaluating and monitoring responses to risks and providing oversight over the effectiveness of the internal control environment including financial and performance reporting and compliance with laws and regulations, since the audit committee which was in place for the first nine months of the year did not adequately deliver on its mandate.
37. The leadership of the municipality did not ensure that there was an adequately resourced and functioning internal audit unit that identified internal control deficiencies and recommends corrective action effectively. The internal audit was not given direction by the audit committee during the first nine months of the year and, therefore, could not audit and report in terms of the internal audit plans. Although the internal audit had included the auditing of predetermined objectives in its audit plan for 2010-11, this work could not be completed before the end of the financial year due to capacity constraints and the non-availability of quarterly performance reports.

OTHER REPORTS

Investigations

38. One criminal investigation into the alleged irregular and unlawful conduct relating to the theft of monies in the previous financial year was in progress at year-end. As per note 47 to the financial statements another such criminal investigation commenced after year- end.
39. Irregular expenditure was incurred for the past three years in relation to a contract entered into with a supplier. An investigation was conducted into this matter and the applicable official dismissed. The appeal of the official's dismissal was still in progress at year-end.

Auditor - General

Cape Town

30 November 2011



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

ANNEXURE C: REPORT OF THE PERFORMANCE AUDIT COMMITTEE

ANNEXURE C: REPORT OF THE PERFORMANCE AUDIT COMMITTEE

REPORT OF THE AUDIT COMMITTEE

The Audit Committee reports in terms of its responsibilities arising from section 166 of the MFMA.

The members of the Audit Committee for the 2011/2012 financial year consist of the following individuals:

Mr. B.J. Lodewyk (Chairperson)

Dr. B.P. Jansen van Rensburg

Ms. N. Salie

Mr. A.P. Croutz

Evaluation of Annual Financial Statements for the 2010/2011 financial year

The Audit Committee has

- Reviewed and discussed with the Accounting Officer the Audited Annual Financial Statements to be included in the Annual Report;
- Reviewed the Auditor-General's management letter and responses from management;
- Reviewed significant adjustments resulting from the audit.

The Audit Committee concurs and accepts the conclusion of the Auditor-General on the Audited Annual Financial Statements and is of the opinion that the Audited Annual Financial Statements, read together with the Report of the Auditor-General, be accepted.



Barry Lodewyk

Chairperson of the Audit Committee

Date: 11 January 2012

ANNEXURE D: OVERSIGHT REPORT ON ANNUAL REPORT

ANNEXURE D: OVERSIGHT REPORT ON ANNUAL REPORT
