

2010/11

Theewaterskloof Municipality



Annual Report

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TABLE OF CONTENTS

TABLE OF CONTENTS	1
LIST OF TABLES	5
LIST OF FIGURES	7
LIST OF GRAPHS	8
EXECUTIVE MAYOR’S FOREWORD	9
MUNICIPAL MANAGER’S FOREWORD	12
CHAPTER 1: INTRODUCTION AND MUNICIPAL OVERVIEW	16
1.1 MUNICIPAL OVERVIEW	16
1.1.1 <i>Vision and Mission</i>	16
1.1.2 <i>IDP/BUDGET THEME</i>	17
1.1.3 <i>Demographic Information</i>	17
A) Municipal Geographical Information	17
B) Population	20
C) Households	21
D) Key Economic Activities	21
1.1.4 <i>Socio Economic Information</i>	24
A) Socio Economic growth	24
B) Population by Gender	24
C) Population categories by Age	25
1.1.5 <i>Municipal Challenges</i>	25
CHAPTER 2	27
(PLEASE PROVIDE PHOTOS TO DEVELOP FRONT PAGE)	27
CHAPTER 2: GOVERNANCE	28
2.1 PERFORMANCE HIGHLIGHTS - GOOD GOVERNANCE AND PUBLIC PARTICIPATION	28
2.2 CHALLENGES - GOOD GOVERNANCE AND PUBLIC PARTICIPATION	28
2.3 GOVERNANCE STRUCTURE	28
2.3.1 <i>Political Governance Structure</i>	28
A) Council	29
B) Executive Mayoral Committee	31

Theewaterskloof Local Municipality Annual Report 2010/11

C) Portfolio Committees.....	32
2.3.2 Administrative Governance Structure	34
2.4 PUBLIC ACCOUNTABILITY.....	34
2.4.1 Ward Committees	35
2.4.2 Functionality of Ward Committee	39
2.4.3 Representative Forums.....	40
A) Labour Forum.....	40
B) IDP Forum	41
2.4.4 Izimbizo	41
2.5 CORPORATE GOVERNANCE	42
2.5.1 Anti-Corruption and anti-fraud	42
A) Developed Strategies	43
2.5.2 Audit Committee	43
A) Functions of the Audit Committee.....	43
B) Members of the Audit Committee.....	44
2.5.3 Performance Audit Committee.....	44
A) Functions of the Performance Audit Committee	45
B) Members of the Performance Audit Committee	45
2.5.4 Internal Auditing	45
2.5.5 Auditor General.....	46
2.5.6 By-Laws and Policies.....	46
2.5.7 Communication	47
2.5.8 Websites.....	48
2.5.9 Idp/budget process schedule.....	49
CHAPTER 3	50
(PLEASE PROVIDE PHOTOS TO DEVELOP FRONT PAGE)	50
CHAPTER 3: ORGANISATIONAL DEVELOPMENT PERFORMANCE	51
3.1 PERFORMANCE HIGHLIGHTS – MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT	51
3.2 CHALLENGES – MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT.....	52

3.3	INTRODUCTION TO THE MUNICIPAL WORKFORCE	52
3.3.1	<i>Employment Equity</i>	53
A)	Employment Equity targets/actual	53
B)	Employment Equity vs Population	53
C)	Occupational Categories - Race	54
D)	Occupational Levels - Race.....	54
E)	Departments - Race	55
3.3.2	<i>Vacancy Rate</i>	55
3.3.3	<i>Turnover rate</i>	56
3.4	MANAGING THE MUNICIPAL WORKFORCE.....	57
3.4.1	<i>Injuries</i>	57
3.4.2	<i>Sick Leave</i>	58
3.4.3	<i>HR Policies and Plans</i>	58
3.5	CAPACITATING THE MUNICIPAL WORKFORCE	59
3.5.1	<i>Skills Matrix</i>	60
3.5.2	<i>Skills Development – Training provided</i>	60
3.5.3	<i>Skills Development - Budget allocation</i>	62
3.6	MANAGING THE MUNICIPAL WORKFORCE EXPENDITURE.....	62
3.6.1	<i>Personnel Expenditure</i>	62
CHAPTER 4	.....	65
(PLEASE PROVIDE PHOTOS TO DEVELOP FRONT PAGE)	.....	65
CHAPTER 4: STRATEGIC PERFORMANCE	.....	66
4.1	NATIONAL KEY PERFORMANCE INDICATORS	66
4.2	GENERAL PRIORITY AREAS.....	68
4.3	BASIC SERVICE DELIVERY	69
4.3.1	<i>basic service delivery performance highlights</i>	69
4.3.2	<i>basic service delivery challenges</i>	70
4.3.3	<i>Access to Free Basic Services</i>	71
4.3.4	<i>Access to basic level of services</i>	72

Theewaterskloof Local Municipality Annual Report 2010/11

A)	Capital budget spent on municipal services.....	72
B)	Percentage spending on total capital budget	74
C)	Summary of backlogs that must still be addressed.....	75
4.3.5	<i>Water and Sanitation</i>	75
A)	Water Service Delivery Levels	75
B)	Sanitation Service Delivery Levels.....	77
4.3.6	<i>Electricity</i>	79
4.3.7	<i>Housing</i>	81
A)	Municipal infrastructure and other grants.....	81
4.3.8	<i>Refuse Removal</i>	82
4.3.9	<i>Roads</i>	82
A)	Tarred Roads.....	83
B)	Graveled Roads	83
C)	Cost of Construction/Maintenance.....	83
4.3.10	<i>Stormwater</i>	84
a)	Storm Water Infrastructure	84
B)	Cost of Construction/Maintenance.....	84
4.4	LED	84
4.4.1	<i>LED Strategy</i>	84
4.4.2	<i>Economic Activity</i>	85
4.4.3	<i>LED initiatives</i>	86
4.4.4	<i>Challenges: LED</i>	87
CHAPTER 5	.....	88
(PLEASE PROVIDE PHOTOS TO DEVELOP FRONT PAGE)	.....	88
CHAPTER 5: FUNCTIONAL PERFORMANCE	.....	89
5.1	OVERVIEW OF PERFORMANCE	92
5.2	PERFORMANCE PER FUNCTIONAL AREA.....	94
A)	Top Level.....	94
CHAPTER 6	.....	110

(PLEASE PROVIDE PHOTOS TO DEVELOP FRONT PAGE)	110
CHAPTER 6: FINANCIAL PERFORMANCE	111
6.1 FINANCIAL SUSTAINABILITY	111
a) Municipal Financial Viability and Management - National KPIs	111
6.1.1 <i>Operating Results</i>	111
6.1.2 <i>Outstanding Debtors</i>	112
A) Gross outstanding debtors per service	112
B) Total debtors age analysis.....	113
6.1.3 <i>Viability indicators</i>	113
a) Level of reliance on grants and subsidies.....	113
B) Liquidity ratio	114
6.1.4 <i>Audited Outcomes</i>	114
6.1.5 <i>Equitable Share vs Total Revenue</i>	114
6.1.6 <i>Repairs and Maintenance</i>	114
6.1.7 <i>Capital funded by source</i>	115
6.1.8 <i>assessments by municipal accounting officer with respect to MFMA SECTION 121 (3)</i>	116
a) assessment by the municipal accounting OFFICER – MFMA section 121 (3)(e).....	116
B) Assessment by the municipality’s Accounting Officer –MFMA SECTION 121 (3) (F).....	121
C) Assessment by the municipality’s Accounting Officer –MFMA SECTION 121 (3) (G).....	122
D) Assessment by the municipality’s Accounting Officer –MFMA SECTION 121 (3) (h)	122
LIST OF ABBREVIATIONS	123
ANNEXURE A: FINANCIAL STATEMENTS	1
ANNEXURE B: REPORT OF THE AUDITOR GENERAL	1
ANNEXURE C: REPORT OF THE AUDIT COMMITTEE	1

LIST OF TABLES

TABLE 1: MUNICIPAL WARDS.....	18
TABLE 2: DEMOGRAPHIC INFORMATION OF THE MUNICIPAL AREA – TOTAL POPULATION	20
TABLE 3: TOTAL NUMBER OF HOUSEHOLDS	21
TABLE 4: KEY ECONOMIC ACTIVITIES	22
TABLE 5: DESCRIPTION OF ECONOMIC ACTIVITIES	23

Theewaterskloof Local Municipality Annual Report 2010/11

TABLE 6: SOCIO ECONOMIC INFORMATION	24
TABLE 7: DEMOGRAPHIC INFORMATION OF THE MUNICIPAL AREA – GENDER	24
TABLE 8: POPULATION CATEGORIES BY AGE	25
TABLE 9: MUNICIPAL CHALLENGES	26
TABLE 10: GOOD GOVERNANCE AND PUBLIC PARTICIPATION PERFORMANCE HIGHLIGHTS	28
TABLE 11: GOOD GOVERNANCE AND PUBLIC PARTICIPATION CHALLENGES	28
TABLE 12A: COUNCIL	30
TABLE 12B: COUNCIL	30
TABLE 13: COUNCIL MEETINGS	31
TABLE 14: EXECUTIVE MAYORAL COMMITTEE	32
TABLE 15: COMMITTEE MEETINGS.....	32
TABLE 16: PORTFOLIO COMMITTEES	34
TABLE 17: ADMINISTRATIVE GOVERNANCE STRUCTURE.....	34
TABLE 18: WARD 1 COMMITTEE MEETINGS	35
TABLE 19: WARD 2 COMMITTEE MEETINGS	36
TABLE 20: WARD 3 COMMITTEE MEETINGS	36
TABLE 21: WARD 4 COMMITTEE MEETINGS	36
TABLE 22: WARD 5 COMMITTEE MEETINGS	37
TABLE 23: WARD 6 COMMITTEE MEETINGS	37
TABLE 24: WARD 7 COMMITTEE MEETINGS	37
TABLE 25: WARD 8 COMMITTEE MEETINGS	38
TABLE 26: WARD 9 COMMITTEE MEETINGS	38
TABLE 27: WARD 10 COMMITTEE MEETINGS	38
TABLE 28: WARD 11 COMMITTEE MEETINGS	38
TABLE 29: WARD 12 COMMITTEE MEETINGS	39
TABLE 30: FUNCTIONING OF WARD COMMITTEES.....	40
TABLE 31: LABOUR FORUM	41
TABLE 32: IDP FORUM.....	41
TABLE 33: IZIMBIZO	42
TABLE 34: STRATEGIES.....	43
TABLE 35: MEMBERS OF THE AUDIT COMMITTEE.....	44
TABLE 36: MEMBERS OF THE AUDIT COMMITTEE.....	45
TABLE 37 INTERNAL AUDIT FUNCTIONS.....	46
TABLE 38: BY-LAWS	46
TABLE 39: POLICIES.....	47
TABLE 40: COMMUNICATION ACTIVITIES	48
TABLE 41: WEBSITE CHECKLIST	49
TABLE 42: PERFORMANCE HIGHLIGHTS– MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT	52
TABLE 43: CHALLENGES – MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT	52
TABLE 44: 2010/101EE TARGETS/ACTUAL BY RACIAL CLASSIFICATION.....	53
TABLE 45: 2010/11 EE TARGETS/ACTUAL BY GENDER CLASSIFICATION	53
TABLE 46 EE POPULATION 2010/11.....	53
TABLE 47: OCCUPATIONAL CATEGORIES	54
TABLE 48: OCCUPATIONAL LEVELS	55
TABLE 49: DEPARTMENT - RACE	55
TABLE 50: VACANCY RATE PER POST AND FUNCTIONAL LEVEL.....	56
TABLE 51: VACANCY RATE PER SALARY LEVEL.....	56
TABLE 52: TURNOVER RATE.....	57
TABLE 53: INJURIES.....	58
TABLE 54: SICK LEAVE	58

Theewaterskloof Local Municipality Annual Report 2010/11

TABLE 55: HR POLICIES AND PLANS	59
TABLE 56: SKILLS MATRIX	60
TABLE 57: SKILLS DEVELOPMENT	62
TABLE 58: BUDGET ALLOCATED AND SPENT FOR SKILLS DEVELOPMENT.....	62
TABLE 59: PERSONNEL EXPENDITURE	63
TABLE 60: PERSONNEL EXPENDITURE	64
TABLE 61: PERFORMANCE IN TERMS OF THE NATIONAL KEY PERFORMANCE INDICATORS	67
TABLE 62: GENERAL PRIORITY AREAS	68
TABLE 63: BASIC SERVICE DELIVERY PERFORMANCE HIGHLIGHTS	69
TABLE 64: BASIC SERVICE DELIVERY CHALLENGES	70
TABLE 65: FREE BASIC SERVICES TO INDIGENT HOUSEHOLDS	71
TABLE 66: ACCESS TO BASIC LEVEL OF SERVICES	ERROR! BOOKMARK NOT DEFINED.
TABLE 67: CAPEX.....	72
TABLE 68: TOTAL CAPITAL EXPENDITURE ON NEW ASSETS.....	74
TABLE 69: TOTAL CAPITAL EXPENDITURE.....	74
TABLE 70: BACKLOGS	75
TABLE 71: WATER SERVICE DELIVERY LEVELS	76
TABLE 72: SANITATION SERVICE DELIVERY LEVELS	78
TABLE 73: ELECTRICITY SERVICE DELIVERY LEVELS	79
TABLE 74: HOUSING.....	81
TABLE 75: MUNICIPAL INFRASTRUCTURE AND OTHER GRANTS	82
TABLE 76: REFUSE REMOVAL SERVICE DELIVERY LEVELS	82
TABLE 77: TARRERD ROADS	83
TABLE 78: GRAVELED ROADS	83
TABLE 79: COST OF CONSTRUCTION/MAINTENANCE OF ROADS	83
TABLE 80: STORMWATER INFRASTRUCTURE	84
TABLE 81: COST OF CONSTRUCTION/MAINTENANCE OF STORMWATER SYSTEMS.....	84
TABLE 82: IMPLEMENTATION OF THE LED STRATEGY	85
TABLE 83: ECONOMIC ACTIVITY BY SECTOR.....	86
TABLE 84: LED INITIATIVES.....	86
TABLE 85: FUNCTIONAL BREAKDOWN	91
TABLE 87: SUMMARY OF TOTAL PERFORMANCE- TOP LEVEL	93
TABLE 88: KPI PERFORMANCE: TOP LEVEL SDBIP	109
TABLE 89: NATIONAL KPI'S FOR FINANCIAL VIABILITY AND MANAGEMENT.....	111
TABLE 90: PERFORMANCE AGAINST BUDGETS.....	111
TABLE 91: GROSS OUTSTANDING DEBTORS PER SERVICE	112
TABLE 92: SERVICE DEBTOR AGE ANALYSIS	113
TABLE 93: RELIANCE ON GRANTS	113
TABLE 94: LIQUIDITY RATIO	114
TABLE 95: AUDIT OUTCOMES.....	114
TABLE 96: EQUITABLE SHARE VS TOTAL REVENUE	114
TABLE 97: REPAIRS & MAINTENANCE AS % OF TOTAL OPEX	115
TABLE 98: CAPITAL FUNDED BY SOURCE	115

LIST OF FIGURES

FIGURE 1: VISION AND MISSION	16
FIGURE 2: THEEWATERSKLOOF AREA MAP	18

LIST OF GRAPHS

GRAPH 1: TOTAL POPULATION GROWTH	20
GRAPH 2: TOTAL % INDIGENT HOUSEHOLDS WITHIN THE MUNICIPAL AREA	21
GRAPH 3: GENDER POPULATION.....	24
GRAPH 4: POPULATION CATEGORIES BY AGE.....	25
GRAPH 5: WATER SERVICE DELIVERY LEVELS	76
GRAPH 6: WATER WITH MINIMUM SERVICE LEVEL	77
GRAPH 7: SANITATION/SEWERAGE SERVICE DELIVERY LEVELS	78
GRAPH 8: SANITATION/SEWERAGE MINIMUM STANDARDS	78
GRAPH 9: ELECTRICITY SERVICE DELIVERY LEVELS	80
GRAPH 10: ELECTRICITY LEVELS ABOVE MINIMUM STANDARDS	80
GRAPH 11: DEBT PER TYPE OF SERVICE	112
GRAPH 12: RELIANCE ON GRANTS AS %.....	113
GRAPH 13: REPAIRS AND MAINTENANCE AS PERCENTAGE OF OPEX.....	115
GRAPH 14: CAPITAL FUNDED BY SOURCE	116

EXECUTIVE MAYOR'S FOREWORD

Background

I present this report after the municipal elections of 2011 and in the first year of my second tenure as executive mayor. This annual report covers the financial year 2010/2011, the last of the second council of Theewaterskloof municipality.

Through the outcome of the elections the government remained the same. This is more than a political statement; it confirms the trust the people has in our performance and abilities as a government and that they want us to continue with the post turnaround plan for the municipality.

The re-election of the same government; as well as the executive mayor and speaker has a practical spin-off as it takes momentum into the third term and enables council to continue with plans, projects and strategies introduced in the previous term.

Maintaining the political leadership, and the presence of a fit-for-purpose administrative leadership, appointed in the second term, adds to the high degree of effective management of the municipality. We approach the third term with an established, capable and experienced administration.

Context of the Annual Report

My report is based on the powers and functions of local municipalities as described in the Local Government: Municipal Systems Act (32 Of 2000) and the Local Government: Municipal Structures Act (117 of 1998). The assessments I make and the conclusions I reach about Theewaterskloof Municipality's position in 2010/2011 is based on the prescriptions of the Acts. The annual report for 2010/2011 provides a realistic overview of the state of the municipality, council and administration. It articulates specific insight in the various directorates and functions of the municipality. It deliberates functional service delivery and the financial state of affairs of the municipality. In context with the Acts, I can declare that we did well in the report year and took the municipality forward.

Primary challenge: Sustainable income

Although the municipality needs a broadened income base to add to rates and taxes as to facilitate income sustainability, financial control and management of the municipality is on a sustainable standard. It states that the municipality utilised its limited resources sensibly and that it resulted in growth, development and improved service delivery.

The level of financial management allows council to address the most important challenge for local authorities: financial sustainability. It gives us an opportunity to negotiate and develop alternative income and municipal funding models with national government and treasury. As a relatively poor municipality with a narrow tax basis we will commence negotiations, plans and strategies as soon as possible. If not, the municipality will reach a point of melt down in the years to come.

Primary achievements

In regards to the report year and those building up to it I want to emphasise a few achievements of the municipality:

- A turn-around strategy, implemented in 2006, transformed Theewaterskloof Municipality from a weak local government to a municipality "fit for purpose".

- The success of Theewaterskloof municipality's turn-around strategy was confirmed when it received an award from National Business Awards (NBA) 2010 for the best local government in service delivery. The municipality also received the awards for the best housing project and best housing officer from the National Housing Board.
- In 2006 the municipality was crippled by political instability, insufficient and ineffective administrative and management structures, crisis management, unsubstantiated centralization, a lack of service delivery and deteriorating infrastructure. Communities were not part of local government processes and a people's Integrated Development Plan (IDP) did barely exist. "Turn around" unlocked service delivery by this municipality. It instilled political stability, good corporate governance, improved relations with stakeholders, a reduced gap between stakeholder expectations and municipal abilities and infrastructure and bulk service upgrades and expansions. "Turn-around" became a reality through critical political and administrative investigations, planning and interventions including annual planning sessions and strategies such as "capacity building", "financial viability" and "mind the gap".
- Decentralization took service delivery and public participation to communities and resulted in extended town management systems, extended community involvement, participative governance, effective town management systems, service level agreements (SLA) and efficient ward committees.
- Developmental initiatives resulted in a local economic development (LED)-strategy and fast tracked economic growth and poverty alleviation through job creation.
- Institutional readiness resulted in a functional municipal administration and sound financial management and control. The municipality received five audit qualifications before 2006. Audited statements for 2007/08, 2008/09 and 2009/2011 were unqualified.
- Corporate governance induced performance enhancing mechanisms such as town grading and training processes.

Future challenges and priorities

Success brought with it the responsibility and challenges to develop on higher levels – although a nice one, compared to the situation in 2006, the new Council's primary challenge is to create income sustainability and capacities and abilities to provide in the ever escalating needs for services and delivery. These pivotal matters will lead to improved human and infrastructure abilities and capacities in regards to service delivery.

The council and administration will utilise the structures created in the previous term to steer away from the melt down-scenario in the 2012/2013 year.

The report underpins the fact that a solid foundation exists for the third term of the Theewaterskloof municipal council. Theewaterskloof Municipality is ideally positioned to serve its people in terms of the legal and statutory obligations of municipalities.

Acknowledgements

I have stated on several occasions that we are blessed to have in our midst, one of the finest – if not the best – municipal manager in South Africa. I thank Mr. Stan Wallace for the incredible work he did with his management team and all other staff.

I thank the Executive Committee of the first term for their support and dedication to this fine municipality - it was a privilege to lead people of your caliber.

I already discussed the importance of a council of unity and I thank all parties who made it possible. I salute a dedicated council.

Thanks to directors, town managers and all personnel; thank you all for your ongoing support and co-operation.

Thank you to the public who worked with us and actively participated in processes that lead to good municipal governance and services. Thank you for supporting us and for allowing us to serve you.

I Praise our Heavenly Father for His guidance, without Him nothing would have been possible.

Alderman Chris Punt
Executive Mayor

MUNICIPAL MANAGER'S FOREWORD

Background of Organisation and Mandate

The annual report for 2010/2011 reflects the requirements of Sections 155 and 156 of the Constitution of the Republic of South Africa (108 Of 1996); the Local Government: Municipal Systems Act (32 Of 2000) and the Local Government: Municipal Structures Act (117 of 1998).

Implementing the mandates stated in the Acts, is the responsibility of the directorates of operations, development, finances, corporate and technical services.

Jointly and collectively these directorates are responsible to provide key municipal functions such as administration, management, financial control, human resources, infrastructure maintenance and development, service delivery, Integrated Development Plan (IDP), local economic development (LED), town management, budgeting, communication and community participation.

A functional administration, with functionaries fit for purpose, was secured in the second term of the municipality.

The administration and the personnel are experienced, capable and serve the people and the local government with substantial abilities and capacities.

The nature and qualities of the administration allows the municipality to continue its functions with confidence and provides momentum for the third term of the authority.

Priorities of the report year

As requested in the prescriptions for the prologue of the municipal manager in the annual report I focus on key matters:

- The election of the third council of the Theewaterskloof Municipality occurred in the report year. The election did not influence the daily activities of the municipality and the latter acknowledges the good conduct of all role players and political parties.
- Political unity and a functional council directed the administrative route in an exceptional manner. Professional and functional cooperation between political and administration spheres of the municipality created an environment for municipal growth and development.
- The municipality completed the bulk of the turnaround strategy, implemented in the second term, and created an organisation with exceptional levels of readiness in regards to delivery of legal mandates. At the end of the report year and the second term the municipality is ready to address key tasks to secure the short and long term sustainability of the municipality.
- In the report year the municipality adhered to national prescriptions for the drafting of a ward based IDP. By means of ward meetings and substantial community participation the municipality formulated a third generation people's IDP, reflecting the needs of all communities. The IDP was integrated with the budget and is indeed a plan that dictates service delivery by the municipality and serves as a road map for the next five years.
- Council adopted a budget with a development theme as to improve infrastructure and service delivery and to provide comprehensive basic services to all people and especially indigent families.

- The municipality succeeded with improved service delivery despite a narrow rates and tariff base, limited income sources and escalating unemployment and poverty in the municipal area through a decentralised service delivery approach with effective centralised corporate guidance, support and oversight.
- Local Economic Development was identified as one of the strategic objectives of the municipality and with the support of the Development Bank of Southern Africa it facilitated the founding of the Cape Country Meander, the tourism brand of Theewaterskloof. The general public, tourism organisations and private sector participated in the development of the Meander. Tourism remains a key economic activity and job creator in the area and contributed towards poverty alleviation through the jobs and income generation.
- The AG confirmed that the municipality's financial control and management is good and that it contributed to a fourth unqualified audit report. The municipality value the audit report as it is the result of an independent and extensive verification process.

Financial statement

The state of financial management and control in Theewaterskloof municipality is good. The municipality is credible and succeeds to obtain loans and to repay it.

In terms of control and management the municipality is performing above average but as good as it can be.

A narrow and declining rates base, economic and agricultural stagnation, massive migration of people to the municipal area, especially Grabouw and Villiersdorp, and the need for funds to provide sustainable services to a fast growing population forces the municipality to develop and adopt a financial sustainability turnaround strategy as a central theme for the next five years.

Excessive rates and tariff increases from a limited source is out of the question and sustainable solutions will have to be more innovative.

The council of the third term and the administration will have to work as one and relentlessly to negotiate a more appropriate municipal funding model with the national government. The current model is outdated to the extent that it originated prior to 1994 when municipalities only had to provide services to a minority of middle class people. It is not a model that can continue in South Africa.

Final assessment

Theewaterskloof municipality succeeded with its goals for the report year and concluded internal capacity development that allows the authority to be the best it can be. The Municipality succeeded with its credo to become one of the best in the Western Cape and even on a national level. At the end of the year and subsequently the second term of the municipality the authority is positioned to work towards advanced goals to obtain long term sustainability.

The council of the third term is essentially challenged in terms of financial sustainability and will focus on this.

Acknowledgements

Municipalities in South Africa proved that a local authority is only as good as its political structure is. The council was and still is an active and functional one and contributed immensely to the success of 2010/2011.

I thank Alderman Chris Punt, executive mayor, and his committee for exceptional leadership. I acknowledge the dedication of the entire council and all political parties represented on it.

I thank my senior management team who did not leave a stone unturned in the thrust to create excellent third tier governance. I thank the deputy directors, the managers and the personnel for their considerate efforts.

I thank the public for working with us in the true spirit of masakhane "build together". Thank you for participating in public processes and for embracing the extent of democracy we offered you. Thank you for allowing us to serve you.

I acknowledge the guidance from our Heavenly Father.

Stan Wallace

Municipal Manager

CHAPTER 1

MUNICIPAL OVERVIEW



CHAPTER 1: INTRODUCTION AND MUNICIPAL OVERVIEW

1.1 MUNICIPAL OVERVIEW

The 2010/11 Annual Report reflects on the performance of the 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.

It aims to provide the reader with an insight into the activities of the municipality during the past year.

1.1.1 VISION AND MISSION

The Municipality committed itself to the vision and mission of:



Figure 1: Vision and Mission

1.1.2 IDP/BUDGET THEME

The IDP/Budget theme chosen for the purpose of longer term planning, public participation, IDP, PMS and for stakeholder management was **"MIND THE GAP"**

Minding the gap is a plan to guide us in developing our capacity to the optimum. This included the optimisation of our management capacity and the mechanisms we use in managing the organisation, our skills level and the general productivity of our staff, our financial viability, the technology we use, our fleet and other facilities, the processes and methodology we follow, as well as material management.

1.1.3 DEMOGRAPHIC INFORMATION

A) MUNICIPAL GEOGRAPHICAL INFORMATION

The Theewaterskloof Municipality is the largest local authority in the Overberg District, embracing the City of Cape Town on its western boundary and sharing the eastern coastline with the Overstrand Municipality. It is the most populous municipality in the Overberg District (44% of the total district population). Its economic activity, as measured by Gross Regional Product, accounts for 41% of the broader District economy.

Theewaterskloof Municipality can be categorised as a rural area with open spaces and farming activities as is clear from the land and areas occupied by agriculture, small holdings and other land uses.

Wards

The Municipal Demarcation Board has delimited the Municipality into 13 Wards. The wards are currently structured as follows:

WARD	AREAS
1	Riviersonderend
2	Greyton & Genadendal (Hewelkroon, Bereaville, Bosmanskloof, Voorstekraal)
3	Caledon (Bergsig, Santa, Uitsig, Myddleton, Station)
4	Caledon (Diepgrat, Dorp, Tesselaarsdal)
5	Villiersdorp (Highnoon, South Field, Bo-Radyn, Helderstroom, Sunnyside, Mareedal, Fisantekraal, Uitkyk Ongegund, Spesbona, Rouxville, Fairview, Skoongesig, Erfkamp, Wolfskloof, Non-Parell, Kaaimansgat, Uitvlug), Phukom en New Crest
6	Villiersdorp (Twaalfontein, Emerald View, Vyerboom Kooperasie, Theewaterskloof Plaas, Draaiberg, Tweefontein, Tiekasfontein, Waterval Plaas, Normandie, Brandwag), Goniwepark, Nuwedorp en Westside
7	Botrivier (including Lebanon and de Rust)
8	Grabouw (Rooidakke, Iraq, Pineview North, Elgin Timbers, Applegarth, Proefplaas,)
9	Grabouw (All Farms under the Vyerboom Area)
10	Grabouw (All Farms from Vuki Farm to Monteith Farm)

WARD	AREAS
11	Grabouw (Pineview, Beverly Hills, Beverley Hills Informal Settlement, Waterworks)
12	Grabouw (Hillside,Slangpark, Melrose, Xolanaledi, Oudebrug, Applewaithe)
13	Grabouw (Town, Melrose,Siteview, Dennekruin, Molteno Park, Klipkop, Pineview North)

Table 1: Municipal Wards

Below is a map of the Western Cape that indicates the location of the Municipality in the Overberg District area:



Figure 2: Theewaterskloof Area map

GRABOUW

Closest proximity to Cape Town, and is the Municipality’s largest economic centre. Grabouw and the broader Elgin Valley are an agricultural area and home to the bulk of the apple and pear farming and the fruit and beverage manufacturing. It hosts three of the largest apple packing houses – Two-a-day, Kromco and Valley Packers, the first of Appletiser’s manufacturing plants and Elgin fruit juices. There is also a growing viticulture industry in the area. The area is well known for its cut flowers and gardens. In addition to agriculture, the area is becoming a well known tourism destination with two famous farm stalls (Orchards and Peregrine), the Eikenhof Dam, several farm-based facilities, the annual open gardens festival, the MTO forestry plantations and various conservancies.

VYEBOOM AND VILLIERSDORP

Both apple and pear growing areas, with some viticulture. The area is probably best known for the Theewaterskloof Dam which supplies Cape Town with its water and serves as a significant water sport and recreational destination.

The Vyeboom valley on the western side of Villiersdorp is responsible for a large percentage of the apple and pear crops of the district. Several fruit farms have their own cold storage rooms because the exporting of fruit has become an enormous industry.

CALEDON

Is home to the Municipal headquarters, an agricultural service centre and the location of choice for most regional government services in the area. Two economic landmarks in the town are SAB Masters' largest malting plant in the Southern Hemisphere to which almost 100% of the barley produce is delivered, and the Caledon Casino and hot springs, a popular destination for passing tourists and visitors. The surrounding farmlands grow barley, canola and wheat, and there is some dairy activity.

GREYTON

To the northeast of Caledon, is largely a tourist destination and lifestyle living destination. The surrounding area is farmlands, largely producing deciduous fruit.

Greyton is a peaceful town in a beautiful mountain setting, where various outdoor activities can be enjoyed. On entering Greyton, the jewel of the Overberg, one is immediately reminded of an Old English Village. This beautiful small town is nestled at the foot of the Riviersonderend Mountains with the Riviersonderend River on its boundary.

GENADENDAL

Just before Greyton, are an old Moravian mission station and a small settlement with large tracts of communal land.

BOTRIVIER

Mainly tourism-based with some manufacturing and potential for future expansion of its light manufacturing.

RIVIERSONDEREND

Is the north-eastern edge of the Municipal boundary and the last town you pass through on the N2 before entering Swellendam Municipal area. It is a small farming village on the N2 Garden Route. Dry land farming dominates in the area.

B) POPULATION

The municipality is estimated to account for **44%** or **107 009** of the Overberg District’s population in 2009.

a) Total Population

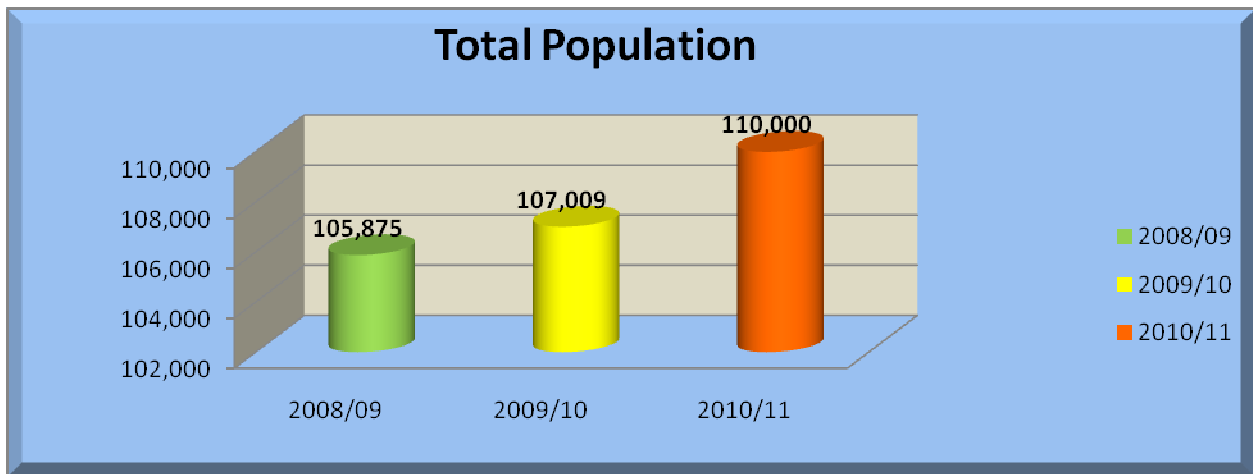
The table below indicates the total population within the municipal area:

2007/08	2008/09	2009/10	2010/2011
103 281	105 875	107 009	110 000

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

The population growth for the 2008/09 financial year was **2,5%** , 2009/10 financial year the population growth increased with **1,1%** and the 2010/11 financial year it is estimated that the population growth has increased by **2.7%**.

The graph below illustrate the yearly population growth for the municipal area.



Graph 1: Total Population Growth

Contradictory to estimates above (Regional Development Profile 2010), Theewaterskloof is estimated to have a population of between 90,000 and 110,000 people. Formal population estimates vary between 86

719 (Community Survey 2007) and 103 281 (Centre for Actual Research, 2005). Informal estimates from the Municipality are even higher at around 110 000 people.

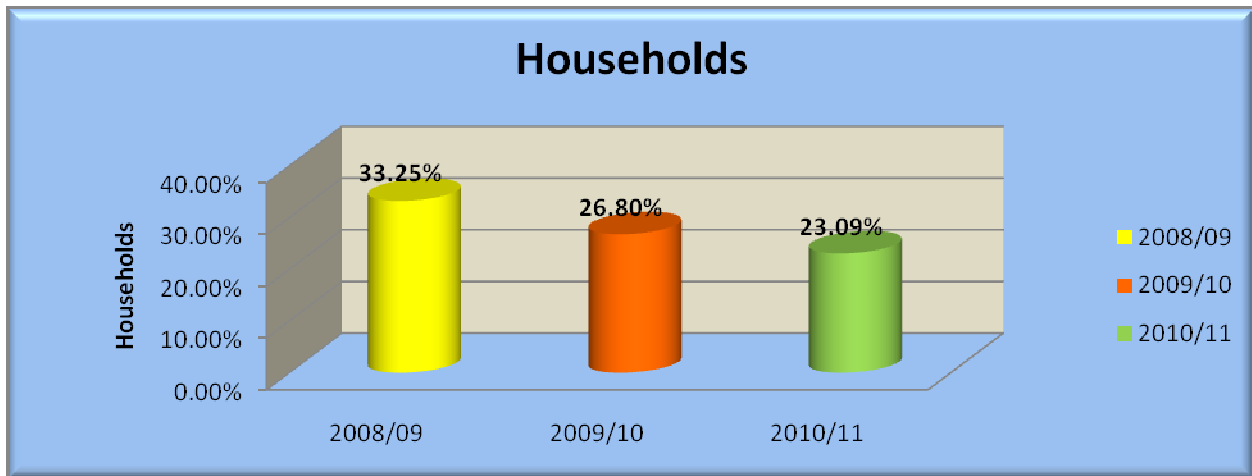
C) HOUSEHOLDS

The total number of households within the municipal area increased from **22056** households in 2009/10 financial year to a total of **22906** households in 2010/11 financial year.

Households	2008/09	2009/10	2010/11
Number of households in municipal area	21173	22056	22906
Number of indigent households in municipal area	7039	5911	5289
Percentage of indigent households in municipal area	33.25%	26.80%	23.09%

Table 3: Total number of households

The graph below shows that the total number of indigent households decreased from **5911** in 2009/10 to **5 289** in 2010/11 financial year.



Graph 2: Total % indigent households within the municipal area

D) KEY ECONOMIC ACTIVITIES

Agricultural production generates **36.47%** of the local economy, making this the predominant sector. Its importance is further emphasized by the contribution of agri-processing within the local manufacturing sector. The manufacturing sector, as a whole, accounts for **12.46%** of the local economy. There is also a growing tourism sector captured in the wholesale & retail trade, catering & accommodation sector, which contributed **R 203,6 million** or **13.88%** of the local economy as indicated in the table below:

Key Economic Activities	1995	2000	2005	Share	Avg Growth	Avg Growth	Avg Growth
	Rmn	Rmn	Rmn	2005(%)	1995-2005	2000-2005	2004-2005
Agriculture, forestry & fishing	421.81	481.67	535.00	36.47	2.41	2.12	4.47
Manufacturing	204.47	188.63	182.82	12.48	(1.11)	(0.62)	1.68
Electricity & Water	17.57	19.17	20.85	1.42	1.73	1.70	2.08
Construction	40.40	41.14	51.14	3.49	2.39	4.45	6.06
Wholesale & retail; catering & accommodation	121.88	158.67	203.58	13.88	5.26	5.11	6.07
Transport & communication	56.90	82.09	105.90	7.22	6.41	5.22	3.41
Financial & business services	114.20	130.53	174.11	11.87	4.31	5.93	4.21
CSP Services	68.86	72.02	74.57	5.08	0.80	0.70	3.25
General government services	160.03	136.93	140.02	9.54	(1.33)	0.45	3.46

Table 4: Key Economic activities

The economic activities are described in the table below:

Key Economic Activities	Description
Agriculture, forestry & fishing	<p>Agricultural production generates 36,5% of the local economy, making this the predominant sector. Its importance is further emphasized by the contribution of agri-processing within the local manufacturing sector. The Theewaterskloof economy is dominated by agriculture – both primary production and manufacturing. The sector is well organised with various produce-based organisations. The pome fruit producers are organised in the Elgin-Grabouw-Villiersdorp-Vyeboom Farmers’ Association with an office based in Grabouw.</p> <p>The wine farmers are part of a wine guild, and the wheat and barley farmers are organised under the Grain Association of South Africa. There is also a separate barley association, a dairy association and an emerging farmers’ group called the Small Farmers’ Association. Nationally, the agricultural sector has been a stagnant performer, growing at around 3% below annual GDP growth. In the last 10 years, the Theewaterskloof agricultural sector has out-performed the national agricultural sector growth despite the slump in the forestry, pome, grain and wine markets globally. This is testament to the business skill and entrepreneurial acumen in the area.</p>
Manufacturing	<p>Both nationally and in Theewaterskloof, manufacturing has been in decline. Manufacturing in the area is largely agri-processing (90% of turnover). Beverages account for 41% of the manufacturing sector with well-known fruit juice brands and Appletiser located in the Grabouw-Elgin Valley and SAB’s largest malt processing plant in the southern hemisphere located in Caledon. A further 37% of the area’s manufacturing is classified as processed and canned fruit and vegetables. This sector, together with the fresh fruit industry, accounts for the bulk of the exports out of the area.</p>

	<p>Despite the slow growth in the sector, opportunities exist for niche market value-adding, as demonstrated by the success of value-adding businesses like the bottled fruit syrups produced by the Feast-De-Renaissance business. There are opportunities to identify other similar high-end niche markets to add value to the raw produce.</p> <p>Clothing is a new sector entering the market, taking advantage of the availability of labour, easy access to Cape Town and cheap light-industrial premises in the area.</p>
Construction	<p>The construction sector has grown steadily, notching over 6% growth between 2004 and 2005. Growth in the sector has also out-performed the national GDP averages, both in the local economy and the adjacent Overstrand and Cape Town economies.</p> <p>Traditionally, Theewaterskloof has been known for its artisan pool drawn from both Genadendal and Grabouw. The presence of the Overberg Training College which provides construction-related training, the established carpentry business in the area and the ready pool of labour make it an ideal site for construction businesses to locate and from which to source workers. Interestingly, the bulk of the construction activity in the area, using 2006 data, is in the electrical contracting arena, suggesting that there is a large amount of electrical sub-contracting based in the area.</p>
Wholesale & retail; catering & accommodation	<p>The wholesale & retail trade, catering & accommodation sector has been one of the fastest growing sectors in the area. Most of this growth has been concentrated around the local tourism industry.</p> <p>The retail sector is very dependent on the agricultural sector, in so far as much of the local money in circulation is earned from this sector. While growth locally has generally mirrored national growth (with some peaks and troughs), the current resident volumes combined with the lack of serviced land available for development are major constraints on the development of the potential in this sector. However, the anticipated upturn in the agricultural economy and Theewaterskloof's proximity to Cape Town and Overstrand (both of which are nearing capacity), presents an opportunity. This, combined with the Municipality's plans to expand its bulk infrastructure, creates potential to expand the rates base and create the conditions for sector growth.</p>
Transport & communication	<p>The transport sector has also been a growth driver. Again this can be attributed to the general upturn in the sector and to the location of several freight transport businesses and Gaffley's public transport in the area.</p>
Financial & business services	<p>The business services sector has been a steady growth driver in the local economy and deserves to be encouraged. The growth can largely be attributed to the upturn in the property market and the large agricultural service industry. There is, however, some talk of elements of this relocating to Stellenbosch due to challenges related to attracting managers into the area and in particular housing them. In both Grabouw and Caledon, there is a shortage of middle income housing stock. This has driven house prices up and is a disincentive to locating in the area.</p> <p>This sector requires a critical mass to consolidate and, if secured, is likely to continue to drive growth in the area.</p>
Tourism	<p>There is also a growing tourism sector captured in the wholesale & retail trade, catering & accommodation sector, which contributed R 203,6 million or 13,9% of the local economy.</p>

Table 5: Description of Economic activities

1.1.4 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 (%)	Average pass rate for numeracy and literacy (%) : Grade
9 306	42	31	77.6

Table 6: Socio Economic information

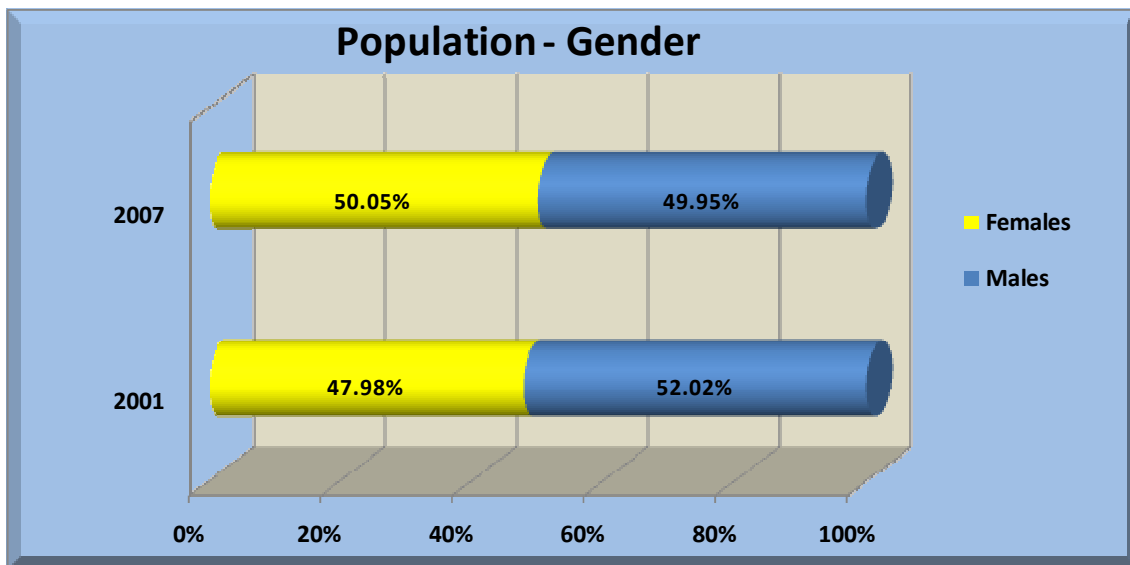
B) POPULATION BY GENDER

Theewaterskloof had more males than females in 2001 but slightly fewer males than females in 2007. The gender ratio of males per females changed from 108.4 males per 100 females in 2001 to 99.8 males per 100 females in 2007. Males share of the total population reduced from **52,0%** in 2001 to **49,9%** in 2007 whilst females share increased from **47,9%** to **50,1%** over the same period.

Population - Gender	2001	2007
Females	44 750	43 403
Males	48 527	43 317
Total	93 277	86 720

Table 7: Demographic information of the municipal area – Gender

The following graph displays the female to male ratio.



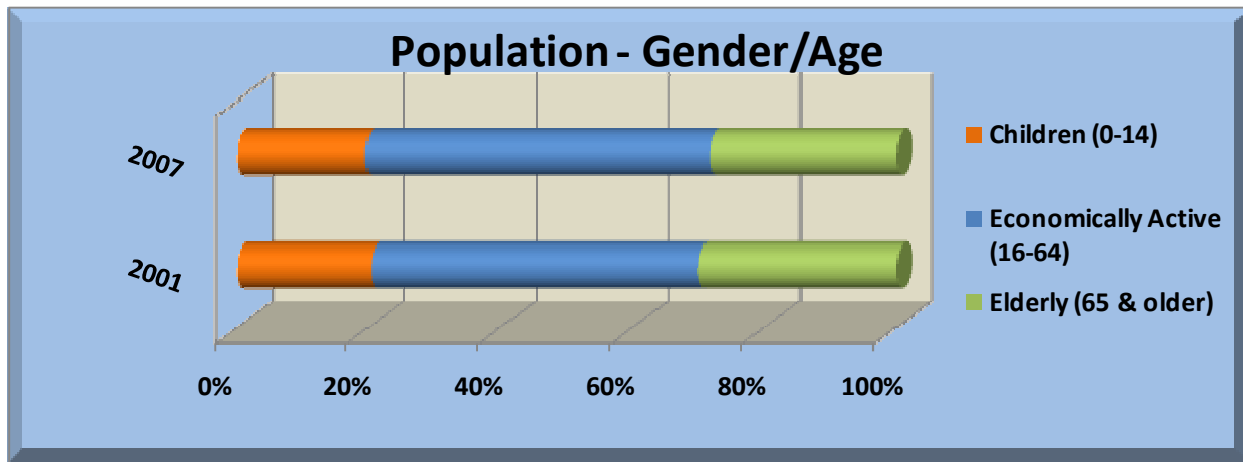
Graph 3: Gender Population

C) POPULATION CATEGORIES BY AGE

Population - Gender/Age	2001 (%)	2007 (%)
Children (0-14)	27.7	26.1
Economically Active (16-64)	68.2	70.1
Elderly (65 & older)	41.0	38.0

Table 8: Population categories by age

The graph below indicates the population categories by age



Graph 4: Population categories by age

1.1.5 MUNICIPAL CHALLENGES

The following general challenges are experienced by the municipality:

CHALLENGES	ACTIONS TO ADDRESS
Employment and job creation	
Poverty, job creation and crime	<ul style="list-style-type: none"> • LED should receive a greater Poverty Alleviation focus in the budget which includes sustainable livelihoods and Skills development • Focus should shift to business retention and SMME development rather than SMME establishment • NGOs represent the voices of the marginalised and provide bridges into the economy for unskilled and unemployed residents and emerging businesses. This includes, but is not limited to, providing skills-based training, employment intermediation services and an entrepreneurship development programme. To play these roles effectively, the sector needs to be organised, coordinated and resourced • Sector-based organisations have been called on to champion interventions and business leaders are needed to identify on-going opportunities
Environment	

CHALLENGES	ACTIONS TO ADDRESS
<p>Our natural environment remains our biggest asset and more should be done in optimizing such an asset</p>	<ul style="list-style-type: none"> • To enhance the development of tourism driven development next to the Theewaterskloof dam • To have a more holistic development approach in terms of housing and holiday/leisure activities. • To support sporting eco tourism eg mountain bike route, mountaineering, abseil and other adrenalin filled, outdoor activities • Further development of hiking trails in partnership with Cape Nature.
Infrastructure and backlogs	
<p>Inability in resolving Infrastructure and Bulk services over short Term.</p>	<ul style="list-style-type: none"> • While the municipality endeavours to protect our environment, the need for further development to provide quality of life for all requires an open mind • Continuous updating of our Master Planning will provide the municipality with answers, however, shortage of funds could result in further backlogs • Undertake assessment of short, medium and long term infrastructure and bulk services needs and requirements and plan accordingly for replacement, upgrading, and expansion and develop financial and funding solutions and projections
Housing	
<p>Slow Delivery of Housing due to insufficient funding from Province as well as unavailability of Land in some area.</p>	<ul style="list-style-type: none"> • Identify and proceed with land purchase and or transfer • Find Alternative means of addressing Farm Worker Housing • Improve the management of new housing developments through proactive planning and submission of project applications for funding • New greenfield project in Grabouw Rooidakke will enable a true • Opportunity for integration in that beneficiaries will be sourced / selected from the housing register and mixture of farm workers, Waterworks and Irak residents will participate
Social and community development	
<p>Not Municipal core function Lack of institutional capacity Lack strategies & funding</p>	<ul style="list-style-type: none"> • Partnerships to be initiated with government institutions, NGO's, NPO's, CBO's , Business and other Private institutions • A database of NGO's, NPO's, & CBO's needs to be coordinated and established by the Municipality. This would ensure integration of initiatives and funding • Calendar of events to be published

Table 9: 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 PERFORMANCE HIGHLIGHTS - GOOD GOVERNANCE AND PUBLIC PARTICIPATION

Highlight	Description
Maintained a system of delegations	<ul style="list-style-type: none"> In terms of Section 59(2) of the Local Government: Municipal Systems Act, 32 of 2000. The system of delegations of Council must be reviewed when a new council is elected. For this reason an item on the adoption of Council's delegations was prepared for presentation to the Council elect at its First Council meeting held on 31 May 2011.
Adoption of a public participation strategy	The Strategy was adopted in July 2010

Table 10: Good Governance and Public Participation Performance Highlights

2.2 CHALLENGES - GOOD GOVERNANCE AND PUBLIC PARTICIPATION

Description	Actions to address
Standard of Ward committee consultation with its constituencies- The Ward Committee system has in many ways not served its optimum purpose and mainly because the Municipality had a problem in obtaining the support for and the participation of the masses in supporting the Ward Committees as the formal structure for interacting with the TWK.	<ul style="list-style-type: none"> A structured and on-going relationship with the community should be developed to improve the conditions of the community and through which the expectations and perceptions of the masses can more successfully be managed

Table 11: Good Governance and Public Participation Challenges

2.3 GOVERNANCE STRUCTURE

2.3.1 POLITICAL GOVERNANCE STRUCTURE

The council performs both legislative and executive functions. They focus on legislative, oversight and participatory roles, and have delegated its executive function to the Executive Mayor and the Mayoral Committee. Their primary role is to debate issues publicly and to facilitate political debate and discussion.

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

A) COUNCIL

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

Table 12A: councillors up until 19 May 2011:

Table 12B: newly elected councillors as from 19 May 2011

Name of councilor	Capacity	Political Party	Ward representing or proportional	Comment
C.B. Punt	Mayor	DA	Proportional	
S.Vashu	Deputy Mayor	DA	Deputy from April 2010	
P. Stanfliet	Deputy Mayor	ID / DA	Deputy Mayor Ward 7.	Was Deputy Mayor and Councilor until April 2010 / Became a Ward Councilor from November 2010 until the municipal elections in 2011.
C.Vosloo	Speaker	DA	Ward 5	
L. De Bruyn	Executive Mayoral Committee	DA	Ward 3	
A. Hattingh	Executive Mayoral Committee	DA	Ward 11	
M.Tshaka	Executive Mayoral Committee	DA	Proportional	
P.Adams	Proportional Councilor	DA	Ward 1	Resigned on 22 March 2011 and replaced by I Sileku in April 2011
S.Baird	Proportional Councilor	DA/OD	Ward 1	
A.Arendse	Proportional Councilor	DA	Ward 2	
K. Tiemie	Ward Councilor	DA	Ward 1	
M. Damon	Ward Councilor	ANC	Ward 10	
J. Pheiffer	Ward Councilor	ID	Ward 7	Resigned in June 2010 and replaced by P Stanfliet November 2011
S.Fredericks	Ward Councilor	DA	Ward 9	
V.C.Mazembe	Ward Councilor	ANC	Ward 6	
A. Hanekom	Ward Councilor	DA	Ward 4	
J. Nellie	Proportional Councilor	ANC	Ward 6	
C. November	Ward Councilor	ANC	Ward 8	
K. Papier	Proportional Councilor	ID	Ward 3 PR	
T. Simmers	Proportional Councilor	ACDP	Ward 3 PR	
M.Appel	Proportional	ANC	Ward 7 PR	

Theewaterskloof Local Municipality Annual Report 2010/11

	Councillor			
C. Booyesen - Nefdt	Ward Councillor	DA	Ward 12	
D. Ruiters	Proportional Councillor	ANC	Ward 3	
C.Wood	Ward Councillor	DA	Ward 2	Resigned on 22 March 2011

Table 12A: Council

Name of councillor	Capacity	Political Party	Ward representing or proportional
C.B. Punt	Mayor	DA	Proportional
P Stanfliet	Deputy Mayor	DA	Ward Councillor / Executive Mayoral Committee
C Vosloo	Speaker	DA	Proportional
K Papier	Executive Mayoral Committee	DA	Ward 3
M Tshaka	Executive Mayoral Committee	DA	Ward 13
N De Wet	Executive Mayoral Committee	DA	Ward 5
C Booyesen-Neft	Executive Mayoral Committee	DA	Ward 11
G Carelse	Executive Mayoral Committee	COPE	Proportional
K Tiemie	Ward Councillor	DA	Ward 1
M Hector	Ward Councillor	DA	Ward 2
M Koegelenberg	Ward Councillor	DA	Ward 4
J Nellie	Ward Councillor	ANC	Ward 6
C Thembani	Ward Councillor	ANC	Ward 8
N Pieterse	Ward Councillor	DA	Ward 9
M Plato	Ward Councillor	DA	Ward 10
U Sipunzi	Ward Councillor	ANC	Ward 12
I Sileku	Proportional Councillor	DA	Proportional
C. November	Proportional Councillor	ANC	Proportional
S Witbooi	Proportional Councillor	ANC	Proportional
P De Wet	Proportional Councillor	ANC	Proportional
F Mankayi	Proportional Councillor	ANC	Proportional
J Hendriks	Proportional Councillor	ANC	Proportional
A Cupido	Proportional Councillor	ANC	Proportional
M Nongxaza	Proportional Councillor	NICO	Proportional
D Abrahams	Proportional Councillor	NPP	Proportional

Table 12B: Council

Kindly note that Section 26(1) of the Local Government: Municipal Structures Act, 1998 provides that councillors are elected as members of municipal councils for a period ending when the next council is declared elected. Section 64 of the Local Government: Municipal Electoral Act, 2000 furthermore provides that the Electoral Commission (a) determines the result of the election in the municipality (b) records the result on a prescribed form and (c) declares the result in public. The local representative of the Electoral Commission recorded and declared the results of the election on 19 May 2011.

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

Meetings of the Council			
Meeting dates	Number of reports submitted	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
30-Jul-10	28	21	2
26-Aug-10	10	20	3
28-Oct-10	25	20	2
25-Nov-10	12	22	1
25-Jan-11	9	19	4
24-Mar-11	12	16	5
05 May 11		17	5
31-May-11	25	25	0
Special Council Meetings			
14-Sep-10	2	22	1
30-Nov-10	1	15	8
14-Dec-10	2	17	6
09-Feb-11	1	18	5

Table 13: Council meetings

B) EXECUTIVE MAYORAL COMMITTEE

The Executive Mayor of the Municipality, Councillor Punt, 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. The old Mayoral committee subsided on 17 May 2011. The New Council came into power on 18th May 2011 and was officially inaugurated on 30th May 2011

Name of member- OLD	Capacity
Alderman C B Punt	Executive Mayor
Councillor S Vashu	Deputy Mayor
Councillor L de Bruyn	Fulltime Councillor
Councillor M Tshaka	Fulltime Councillor
Councillor C Vosloo	Fulltime Councillor
Councillor A Hattingh	Fulltime Councillor
Name of member-NEW	Capacity
Alderman C.B. Punt	Executive Mayor

Theewaterskloof Local Municipality Annual Report 2010/11

Deputy Mayor P Stanfliet	Deputy Mayor
Councilor Glen Carelse	Fulltime Councilor
Councilor Karel Papier	Fulltime Councilor
Councilor M. Tshaka	Fulltime Councilor
Councilor N. De Wet	Fulltime Councilor
Councilor Booysen-Nefdt	Fulltime Councilor

Table 14: Executive Mayoral Committee

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 dates	Number of reports submitted to council
Executive Mayoral Committee	
20-Jul-10	26 items - 26 refer to Council
17-Aug-10	2 items - 2 refer to Council
23-Sep-10	9 items - 9 refer to Council
19-Oct-10	12 items - 11 refer to Council
16-Nov-10	3 items - 3 refer to Council
18-Jan-11	5 items - 5 refer to Council
15-Feb-11	10 items - 10 refer to Council
15-Mar-11	10 items - 10 refer to Council
19-Apr-11	15 items - 15 refer to Council
Special EMC Meetings	
19-Oct-10	1 item - none refer to Council
03-Dec-10	1 item - 1 refer to Council
08-Feb-11	1 item - none refer to Council
17-Feb-11	2 items - none refer to Council
22-Mar-11	1 item - 1 refer to Council
19-Apr-11	1 item - 1 refer to Council

Table 15: Committee Meetings

C) PORTFOLIO COMMITTEES

The Port Folio Committees are in effect in the main and in an advisory capacity responsible for the Corporate Management related decisions i.e. in respect of a specific port folio and which in our instance are Finance, Corporate, Development, Technical and Operations. Such Committees need to ensure that suitable strategies, policies, working procedures, service standards, parameters etc are in place in terms of which a particular support service, resource of the Council or service of the Council is performed, managed

Theewaterskloof Local Municipality Annual Report 2010/11

and administered. The framework in terms of which the Ward Committees and the Town Managers need to act is determined at such a level. Such a committee also corporately monitors compliance with such corporate requirements and monitor performance of the organization in terms of the strategies and standards set by it.

The portfolio committees up until the 19th of May 2011 comprised of the following Chairpersons and councilors:

Date of meeting	Chairperson	Section 79 or 80 Committee	Number of reports submitted to council
Corporate Services			
13-Jul-10	Councillor SJ Vashu	Section 79	2 Items - 2 refer to EMC
07-Sep-10	Councillor SJ Vashu	Section 79	1 Items 0 refer to EMC
05-Oct-10	Councillor SJ Vashu	Section 79	4 Items - 4 refer to EMC
09-Nov-10	Councillor SJ Vashu	Section 79	3 Item - 2 refer to EMC
01-Feb-11	Councillor SJ Vashu	Section 79	2 Items - 1 refer to EMC
01-Mar-11	Councillor SJ Vashu	Section 79	6 Items - 5 refer to EMC
Development Services			
13-Jul-10	Councillor L de Bruyn	Section 79	7 Items - 6 refer to EMC
07-Sep-10	Councillor L de Bruyn	Section 79	8 Items - 8 refer to EMC
05-Oct-10	Councillor L de Bruyn	Section 79	4 Items - 4 refer to EMC
09-Nov-10	Councillor L de Bruyn	Section 79	4 Item -3 refer to EMC
01-Feb-11	Councillor L de Bruyn	Section 79	9 Items - 8 refer to EMC
01-Mar-11	Councillor L de Bruyn	Section 79	3Items -3 refer to EMC
05-Apr-11	Councillor L de Bruyn	Section 79	7 Items - 7 refer to EMC
Technical Services			
14-Jul-10	Councillor AJ Hattingh	Section 79	3 Item -2 refer to EMC
08-Sep-10	Councillor AJ Hattingh	Section 79	3 Item - 3 refer to EMC
08-Nov-10	Councillor AJ Hattingh	Section 79	3Items -2 refer to EMC
02-Feb-11	Councillor AJ Hattingh	Section 79	3 Items -3 refer to EMC
02-Mar-11	Councillor AJ Hattingh	Section 79	1 Items - 0 refer to EMC
06-Apr-11	Councillor AJ Hattingh	Section 79	3 Items - 2 refer to EMC

Date of meeting	Chairperson	Section 79 or 80 Committee	Number of reports submitted to council
Financial Services			
19-Jul-10	Councillor M Tshaka	Section 79	6 Items -6 refer to EMC
16 Aug 201	Councillor M Tshaka	Section 79	2 Items - 1 refer to EMC
21-Sep-10	Councillor M Tshaka	Section 79	1 Item - 1 refer to EMC
18-Oct-10	Councillor M Tshaka	Section 79	5 Items - 5 refer to EMC
15-Nov-10	Councillor M Tshaka	Section 79	2 Items - 2 refer to EMC
17-Jan-11	Councillor M Tshaka	Section 79	5 Item - 5refer to EMC
14-Feb-11	Councillor M Tshaka	Section 79	1 Item - 1 refer to EMC
14-Mar-11	Councillor M Tshaka	Section 79	3 Items - 2 refer to EMC
18-Apr-11	Councillor M Tshaka	Section 79	4 Item -4 refer to EMC

Table 16: Portfolio Committees

2.3.2 ADMINISTRATIVE GOVERNANCE STRUCTURE

A key priority of the Top Management has been to establish a solid leadership core within the organisation which permeates through to middle and supervisory management levels. The Top Management Structure is outlined in the table below:

Name of Official	Department	Performance agreement signed
		(Yes/No)
Horace Wallace	Municipal Manager	Yes
Joseph Isaacs	Director Corporate Services	Yes
Stephen Jacobs	Director Finance	Yes
Monwabisi Gxoyiya	Director Development	Yes
Jan Barnard	Director Operations	Yes
Conrad van Heerden	Director Technical Services	Yes

Table 17: Administrative Governance Structure

2.4 PUBLIC ACCOUNTABILITY

Section 16 of the MSA refers specifically to the development of a culture of community participation within municipalities. It states that a municipality must develop a culture of municipal governance that complements formal representative government with a system of participatory governance. For this

purpose it must encourage and create conditions for the local community to participate in the affairs of the community. Such participation is required in terms of:

- The preparation, implementation and review of the IDP;
- Establishment, implementation and review of the performance management system;
- Monitoring and review of the performance, including the outcomes and impact of such performance; and
- Preparation of the municipal budget

Theewaterskloof Municipality utilises its ward committees and Town Advisory forums as the primary consultative structure and access point to ensure public participation and accountability.

2.4.1 WARD COMMITTEES

The ward committee is in the main a service delivery management mechanism. This body guides the Town Manager in terms of local service delivery needs, priorities, standards and also acts as the representative monitoring body through which the local community can monitor service delivery implementation, progress and general performance. The successful functioning of the Town Management model is to a large extent reliant on the successful functioning of the Ward Committee system.

Ward 1: Riviersonderend

Name of representative	Capacity representing	Number of meetings held during the year
Hans Jurie Human	Agriculture	6
Maria Magdalena Vaaltyn	Joe Slovo Informal Settlement	
L. Blom	Sport	
G. September	Social Services	
T. Baartman	Riviersonderend Community Foundation	
P. Brouwer	Religion	
Vacant	Farm Workers Union	
Vacant	Youth	
Clive Sanderburgh	Ratepayers Association	

Table 18: Ward 1 Committee Meetings

Ward 2: Greyton & Genadendal

Name of representative	Capacity entity representing	Number of meetings held during the year
C. Van Lingen	Agriculture	6
A Viljoen	Bareaville	
C. Barthus	Voorstekraal	

C.B. R. Wessels	Genadendal	
C. Windvogel	Greyton	
J Duncan	Greyton Residents Organisation	
H. Memanie	Youth	
Charlton Cole Smith	Sport and Recreation	
G. Juries	Genadendal Transformation Committee	
Petrus Madjiet	Boschmanskloof	

Table 19: Ward 2 Committee Meetings

Ward 3: Caledon

Name of representative	Capacity representing	Number of meetings held during the year
Vacant	Community Police Forum	6
Anthony De Bruyn	Bergsig	
Magdaleen Isaacs	Side Saviva	
Evelyn Kiewietz	Myddelton	
Natasha Arendse	The Grail	
Pastor Kenny Hoffman	Religion	
Bronson Europa	Vlei View	
Jane Arendse	Uitsig	
Andrew Barry	HIV/Aids	
Terrance Carlton Fortuin	Education and Sport	

Table 20: Ward 3 Committee Meetings

Ward 4: Caledon

Name of representative	Capacity representing	Number of meetings held during the year
Demas Pietersen	Tesselaarsdal	6
Martie Koegelenberg	Tourism	
Michelle Wessels	Museum	
J. S. Hauman	Diepgat	
Vacant	Health	
De Wet Badenhorst	Fauna and Flora	
Riaan Els	Business Chamber	
Mattheus Willemse	Community Police Forum	
Johlene Norval	Elders	

Table 21: Ward 4 Committee Meetings

Ward 5: Villiersdorp

Name of representative	Capacity representing	Number of meetings held during the year
A Louw	Tourism	6
Daniel Daniels	Bo- Radyn	
Pompe Van Der Meerdervoort	Ratepayers Association	
Hendrik Schoeman	Argriculture	
Nelis Lambrecht	Business Chamber	

Nick De Wet	Community Police Forum	
Sameul Kleynhans	Villiersdorp	
P. J. Harmse	Helderstroom	

Table 22: Ward 5 Committee Meetings

Ward 6: Villiersdorp

Name of representative	Capacity representing	Number of meetings held during the year
Thandabantu Mbonjwe	Sport/Education	6
Roseline Dyonta	Welfare and Health	
A van Stade	Religion	
Thembela Sihoyo	Women	
Essiena Philander	Youth	
T.Grobblelaar	Theewaterskloof Country Estate Home Owners Association	
Iris Miriam Murray	Education	
Ernst Poswa	HIV/Aids	
Alice Dilman	Community Police Forum	
L Mbudelni	Taxi Organisation	

Table 23: Ward 6 Committee Meetings

Ward 7: Botrivier

Name of representative	Capacity representing	Number of meetings held during the year
Sameul Linders	Lebanon	6
James Daniels	Sport and Recreation	
Isaac Adonis	Youth	
B. Europa	Health and Welfare	
Charles Jaars	Religion	
Johan Van Niekerk	Ratepayers Association	
Dries Appelgryn	Botrivier	
G Chait	HIV/ AIDS	
S Gallie	Fase 1,2,3	

Table 24: Ward 7 Committee Meetings

Ward 8: Grabouw

Name of representative	Capacity representing	Number of meetings held during the year
Catherine M. Mohlomi	Religion	6
Simon Ranosi	Housing	
Zoliswa Mketi	Arts and Crafts	
Sandra Jafta	Youth	
Funikele Binjana	Rooidakke	
Hendrik Mozes	Appletizer Park	
Vacant	Pineview North	

Vacant	Pineview Elfco	
Vacant	Education	
Vacant	Health and Welfare	
Vacant		

Table 25: Ward 8 Committee Meetings

Ward 9: Grabouw

Name of representative	Capacity representing	Number of meetings held during the year
Lena Saayman	Elgin Timbers	6
Keith Bradley	EGVV	
Joan April	Vyeboom Health	
Garanisa Julies	Molteno	
Janet Ambrose	Stille Hoop	
Helen Skirmand	Women on Farms	
Wilfred Mathibane	Ou Werf	
David Tieties	Dennebos	
Beverley Engelbrecht	Fortuin Farms	

Table 26: Ward 9 Committee Meetings

Ward 10: Grabouw

Name of representative	Capacity representing	Number of meetings held during the year
Jack Johnson	Dennegeur	6
Richard Damons	Kentucky	
Aflred Mhlabe	Dennegeur	
Johannes Janse	Norham	
Clara Hendricks	Fine Farms	
Jacobus Booyesen	Vuki	
Henry Januarie	Maxonia	
Owen Booyesen	Sunridge	
Pieter Arnold	Monteith	

Table 27: Ward 10 Committee Meetings

Ward 11: Grabouw

Name of representative	Capacity representing	Number of meetings held during the year
Rodney Johnson	Business Chamber	6
Thandeka Ndlebe	Waterworks	
Sydwel Bidi	Beverley Hills	
Albert Pontac	Pineview	

Table 28: Ward 11 Committee Meetings

Ward 12: Grabouw

Name of representative	Capacity representing	Number of meetings held during the year
Henry Syster	Hillside	6
Mncedisi Mshwenya	Ouderbrug	
William Nomxhanya	Applethwaite	
Novusikhaya Mzimba	Melrose	
Dorothy Koppies	Xola Naledi	
Nomthandazo Mkuku	Site View	
Vuyokaze Rudidi	Youth	
Aaron Nondoda Mbalo	Religion	
John Kleinschmidt	Bosbou	

Table 29: Ward 12 Committee Meetings

2.4.2 FUNCTIONALITY OF WARD COMMITTEE

The Local Government: Municipal Structures Act, 1998 provides for the establishment of ward committees.

The primary function of a ward committee is:

- to assist the ward councilor in understanding the needs and the views of the community;
- to be a formal communication channel between the community and the municipal council;
- to raise issues of concern about the local ward to the ward councilor and;
- To make sure ward residents have a say in decisions, planning and projects that the council or municipality undertakes which have an impact on the ward.

A ward committee should consist of up to ten members who serve as volunteers and may represent a certain sector. Examples of such sectors are:

- women’s groups or;
- ratepayers associations;
- geographic area
- Community within the ward.

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 Speaker's Office	Number meetings held during the year	Committee functioning effectively (Yes / No)	Actions to address
1	Yes	All the minutes as submitted to the speaker's office	6	Yes	A major issue to address amongst all ward committees is regular feedback to the public as well as their respective Constituencies
2	Yes		6	Yes	
3	Yes		6	Yes	
4	Yes		6	Yes	
5	Yes		6	Yes	
6	Yes		6	Yes	
7	Yes		6	Yes	
8	Yes		6	Yes	
9	Yes		6	Yes	
10	Yes		6	Yes	
11	Yes		6	Yes	
12	Yes		6	Yes	

Table 30: Functioning of Ward Committees

2.4.3 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
Mr. A Hattingh	Councillor	28 July 2010
Mr. K Papier	Councillor	August 2010 - No meeting – no quorum
Ms D Ruiters	Councillor	15 Sept 2010
Mr. J Vashu	Councillor	29 October 2010
Mr. J Isaacs	Director Corporate Services	24 November 2010
Mr. C van Heerden	Director Technical Services	26 Jan 2011
Mr. J Barnard	Director Operations	24 Feb 2011
Mr. M H Gxoyiya	Director Development	30 March 2011
Mr. S N Jacobs	Director Financial Services	20 April 2011
Mr. J Amansure	Manager Human Resources	May 2011 – no meeting due to

Name of representative	Capacity	Meeting dates
Mr. W M Riddles	SAMWU	elections Jun 2011 – no meeting due to elections
Mr. E Johnson	SAMWU	
Mr. T Sias	SAMWU	
Ms B Shuma	SAMWU	
Mr. L Mbaku	SAMWU	
Mr. H Witbooi	SAMWU	
Mr. M August	IMATU	
Mr. A B Faul	IMATU	
Mr. J P Shuma	IMATU	

Table 31: Labour Forum

B) IDP FORUM

Name of representative	Capacity	Meeting dates
Mr Stan Wallace	Municipal Manager	02 August 2010 17 September 2010
Mr Stephen Jacobs	Director Finance	
Mr Joseph Isaacs	Director Corporate Services	
Mr Honey Gxoyiya	Director Development	
Mr Conrad van Heerden	Director Technical Services	
Mr Jan Barnard	Director Operations	
Mrs Belinda Swartland	Manager IDP/PMS	
Alderman C B Punt	Executive Mayor	
Councilor S Vashu	Deputy Mayor	
Councilor L de Bruyn	Fulltime Councilor	
Councilor M Tshaka	Fulltime Councilor	
Councilor C Vosloo	Fulltime Councilor	
Councilor A Hattingh	Fulltime Councilor	

Table 32: IDP Forum

2.4.4 IZIMBIZO

Izimbizo gives further effect and concrete expression to participatory democracy so that communities can exercise their rights to be heard, and assist with the national effort to build a better life for all.

Government launched the Imbizo programme in 2001 as a period of intensified activity where all spheres of government - national, provincial and local - interact with the people across the country. The Imbizo initiative plays an important role as an interactive style of governance, which creates more space for public participation and involvement around interactive implementation of government's Programme of Action.

Imbizo is about unmediated communication between government and its people. It is a forum for enhancing dialogue and interaction between senior government executives and ordinary people and provides an opportunity for government to communicate its programmes and progress directly to the people. Izimbizo also promotes participation of the public in the programmes to improve their lives. Interaction through Izimbizo highlights particular problems needing attention, blockages in implementation of policy, or policy areas that may need review. It draws public input into how best to tackle challenges and gives the President and others direct access to what people say and feel about government and service delivery, to listen to their concerns, their grievances and advice about the pace and direction of government's work.

The table below indicates the dates of Municipal Izimbizo:

Date of events	Event Purpose	Number of Participating Municipal Councilors	Number of Participating Municipal Officials	Number of Community members attending
	IDP & Budget review	15 Councilors	12 Municipal officials	1046 registered community members
23 rd and 24 th June 2011	Thusong Mobile	5	5	500

Table 33: Izimbizo

2.5 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.

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

Theewaterskloof Municipalities Anti Corruption Policy was adopted by council in November 2008.

One of the main purposes of an Anti Corruption policy is to ensure that the Municipality is in compliance with the Municipal Systems Act, Act No. 32 of 2000 which requires the Municipality, amongst other things to develop and adopt appropriate systems and procedures that contribute to effective and efficient management of the municipality and its resources.

A) DEVELOPED STRATEGIES

Name of strategy	Developed Yes/No	Date Adopted
Anti corruption strategy	Yes	27 November 2008

Table 34: Strategies

2.5.2 AUDIT COMMITTEE

Section 166(2) of the MFMA states that an audit committee is an independent advisory body which must 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 Audit Committee have the following main functions as prescribed in section 166 (2) (a-e) of the Municipal Finance Management Act, 2003, Local Government Municipal and Performance Management Regulation, 2001 and the office of the Auditor-General:

- 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 Dora and other applicable legislation;
- Respond to the council on any issues raised by the Auditor-General in the audit report;
- To review the quarterly reports submitted to it by the internal audit;

- To evaluate audit reports pertaining to financial, administrative and technical systems;
- The compilation of reports to Council, at least twice during a financial year;
- To review the performance management system and make recommendations in this regard to Council;
- To identify major risks to which Council is exposed and determine the extent to which risks have been minimized;
- To review the annual report of the municipality;
- Review the plans of the Internal Audit function and in so doing; ensure that the plan addresses the high-risk areas and ensure that adequate resources are available.
- Provide support to the Internal Audit function.
- Ensure that no restrictions or limitations are placed on the Internal Audit section.

B) MEMBERS OF THE AUDIT COMMITTEE

Name of representative	Capacity	Meeting dates
CW Martin	Chairperson	30-Jul-10
GN Lawrence	Member	30 September 2010 (Combined AC & PAC)
LM Matseliso	Member	26-Nov-10
WP Coetzee	Member	21 January 2011 (Combined AC & PAC)
N Ontong	Member	11-Feb-11 27-May-11

Table 35: Members of the Audit Committee

2.5.3 PERFORMANCE AUDIT COMMITTEE

The Regulations require that the performance audit committee comprises of a minimum of three members, the majority of whom are external people. 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.

- 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 representative	Capacity	Meeting dates
CW Martin	Chairperson	31 August 2010
GN Lawrence	Member	26 November 2010
F Toefy	Member (Resigned 30 Sep 2010)	11 February 2011
		27 May 2011
W Jacobs	Member (Appointed 01 Feb 2011)	30 September 2010 (Combined AC & PAC)
		21 January 2011 (Combined AC & PAC)

Table 36: Members of the Audit Committee

2.5.4 INTERNAL AUDITING

Section 165 (2) (a), (b)(iv) 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;
- (b) Advise the accounting officer and report to the audit committee on the implementation on the internal audit plan and matters relating to:
 - Risk and risk management

The Deputy Director Internal Audit was appointed in September 2009. Prior to this appointment, the internal audit unit was allocated under the Director Finance. In order to prevent the possibility of biasness, the internal audit unit was relocated to the office of the Municipal Manager. The current unit comprises of a Deputy Director Internal Audit, an Internal Auditor and an Internal Audit Clerk.

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	Jan-10
Risk based audit plan approved for 2009/10 financial year	30-Jun-10
Internal audit programme drafted and approved	30-Jun-10
Number of audits conducted and reported on	26
Audit reports included the following key focus areas:	
Internal controls	12
Accounting procedures and practices	8
Risk and risk management	18
Performance management	3
Loss control	3
Compliance with the MFMA and other legislation	3

Table 37 Internal Audit Functions

2.5.5 AUDITOR GENERAL

The municipality was audited by the Auditor-General of South Africa in terms of section 188 of the Constitution and section 4 of the Public Audit Act and section 126 of the MFMA and the audit report for the financial year under review is in chapter 7 of this report.

2.5.6 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.

The following by-laws were developed and reviewed during the financial year:

By-laws developed/revised	Date adopted	Public Participation Conducted Prior to adoption of By-Laws (Yes/No)	Date of Publication
Indigent Policy	05 - May-11	No	05 – May - 2011
Credit Control & Debt Collection	05 - May-11	No	26-Sep-08

Table 38: 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
Risk Policy	09 February 2011	N/A	09 February 2011
Rates Policy	05 May 2011	yes	05 May 2011
Youth Development Strategic Framework	09 February 2011	N/A	09 February 2011
Delegation of Powers and Duties Policy	24 March 2011	N/A	N/A
Guideline on short term insurance and accompanying processes and procedures	24 March 2011	N/A	N/A
Disaster Management Policy	05 May 2011	N/A	N/A
Medical Assistance for former employees	05 May 2011	N/A	N/A

Table 39: Policies

2.5.7 COMMUNICATION

With the turnaround strategy implemented prior to the 2010/2011 financial year, communication focused on extended organisational readiness to improve discourse between the municipality and its citizens.

Communication was critical for all to understand municipal abilities and limitations and for the authority to understand the vast needs of communities for local government services and products.

Communication succeeded to find synergy between the municipality and its citizens on the matters of service delivery.

Communication succeeded to inform the public of municipal development and the current municipal state of functionality, viability, sustainability and continued growth.

Communication, through town newsletters, corporate newsletters, interaction with the media and public participation processes, informed citizens of the commitment, ability and means of council to improve local governance in Theewaterskloof.

Communication, through the town management system, ward committees, SLA's, public forums, IDP planning and the budgeting process, extended democratic values and took participative governance to the doorsteps of citizens.

The role of effective communication contributed to recognition for the municipality as a service delivery entity. The Municipality received the African Access National Business Award for Service Delivery and the best housing project from the SA housing Foundation in 2010.

As in the past functional communication between the municipality and its citizens will focus on:

- The mandated functions and tasks of Theewaterskloof Municipality;
- Municipal infrastructure development and advanced service delivery;
- Developments and strategies to facilitate financial sustainability through additional income sources; and
- The ideal future for the municipality and its clients.

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

Communication activities	Yes/No
Communication unit	Yes
Communication strategy	Yes
Communication Policy	No
Customer satisfaction surveys	No
Functional complaint management systems	Yes
Newsletters distributed at least quarterly	Yes

Table 40: Communication Activities

2.5.8 WEBSITES

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 Yes/ No
Current annual and adjustments budgets and all budget-related documents	June 2010
All current budget-related policies	June 2010
The previous annual report (09/10)	March 2011

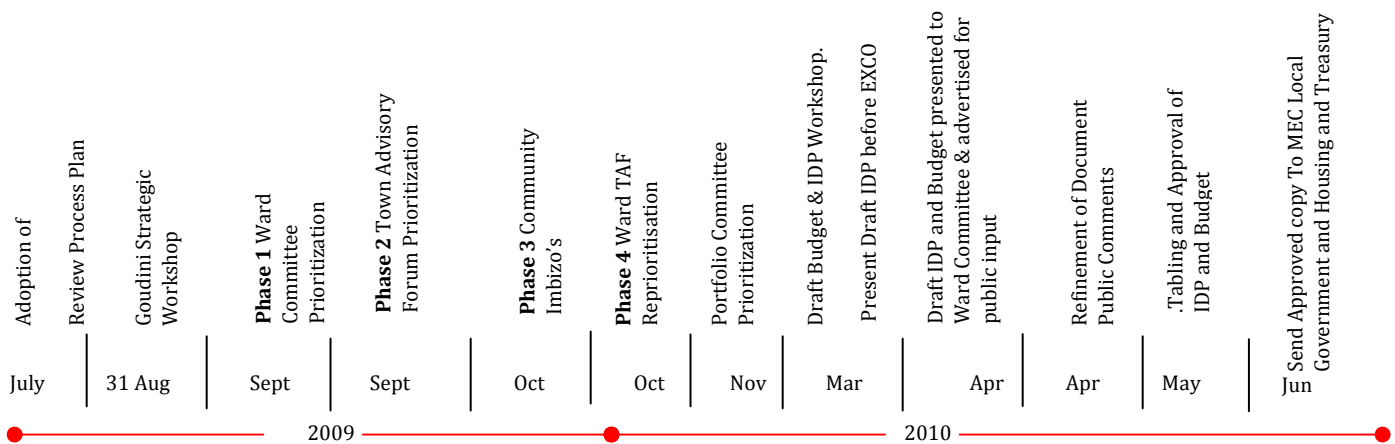
Documents published on the Municipal website	Date Published Yes/ No
All current performance agreements required in terms of section 57 (1) (b) of the Municipal Systems Act (09/10)	October 2010
All service delivery agreements (10/11)	No
All long-term borrowing contracts (10/11)	Yes
All supply chain management contracts above a prescribed value (give value) for 10/11	Published Monthly
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during 10/11	Published Annually
Contracts agreed in 10/11 to which subsection (1) of section 33 apply, subject to subsection (3) of that section	n/a
Public-private partnership agreements referred to in section 120 made in 10/11	n/a
All quarterly reports tabled in the council in terms of section 52 (d) during 10/11	Published Monthly

Table 41: Website Checklist

2.5.9 IDP/BUDGET PROCESS SCHEDULE

The Theewaterskloof Municipal Council approved the IDP Process Plan and Budget Schedule, detailing the process for the IDP and Budget for 2010/11 in July 2009.

The Main activities of the IDP process were as follows:



CHAPTER 3

ORGANISATIONAL DEVELOPMENT PERFORMANCE

CHAPTER 3: ORGANISATIONAL DEVELOPMENT PERFORMANCE

3.1 PERFORMANCE HIGHLIGHTS – MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT

Highlight	Description
Improved Health and Safety	The Municipality is serious about OH&S in the workplace and as such is striving to ensure a safe working environment for all staff. To this end safety committees have been established and are operational in all workplaces and corporate offices. The results show that there was a decrease in injuries on duty which is a direct result of our efforts to change the behavior of staff.
	Monthly inspections and audits are done and any areas or deviations are addressed immediately. The Municipality furthermore approved a policy on Protected Clothing as well as an occupational health and safety policy to further enhance safety in the workplace
	A number of training programmes were initiated in respect of Occupational Health and Safety as identified in the WSP and this included: First Aid and Fire Marshal training, Incident Investigation as well as Management and Health and Safety Representative training
Capacity Building	Training as identified in the Workplace Skills Plan was based on the IDP objectives of the municipality and included the following initiatives: Learner ships - Water and Waste Water Treatment, IDP, Local Government Accounting Certificate. Other training included: Fraud Prevention, Law Enforcement, IT, Project Management, Electrical, ABET. We also started with the minimum competency training as required by the MFMA regulations
	A comprehensive Skills and Development Plan was approved and implemented for 2009/2010
Organizational Structure	The municipality currently has an approved Organizational Structure and vacancies which became vacant in the normal course of the year were filled to allow the municipality to deliver on its key mandate to the community. The organizational structure was continuously updated in terms of any amendments
Employment Equity	An Employment Equity Committee was established to monitor and address issues as prescribed by the Act. The EE committee furthermore reviewed and updated the Equity Plan for the municipality
T.A.S.K. Job Evaluations	All the remaining positions were evaluated in terms of the TASK Job evaluation system, and the Final Outcome

	Report was implemented. All the positions on the organogram have an audited Job description.
Policies and Procedures	The following policies were approved by the Management Team as well as the Local Labour Forum, and will be implemented after approval by Council: Employment Equity Policy; Substance Abuse Policy; Employment Practice Policy as well as a policy on Medical Assistance for former employees.

Table 42: Performance Highlights– Municipal Transformation and Organisational Development

3.2 CHALLENGES – MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT

Challenge	Actions to address
Attract and Retain Scarce Skills	Our current remunerations structure as governed by South African Local Government Bargaining Council collective agreements is not market related and as such, a scarce skills policy must be put in place to attract and retain scarce skills.
Human Resource Policies and Procedures	Human Resources policies and procedures are reviewed annually or when required.
Productivity Investigation	The municipality resolved to embark on a productivity enhancement programme which will start off with an investigation by a service provider. The main aim being improved productive to ensure the efficient use of resources as well as effective service delivery

Table 43: Challenges – Municipal Transformation and Organisational Development

3.3 INTRODUCTION TO THE MUNICIPAL WORKFORCE

The political and administrative leadership acknowledge that in meeting the services delivery challenges faced by the communities of the Theewaterskloof area, the human capital of this organization is its primary asset. Managing the human capital in an effective, efficient and productive manner requires that the HR policies, practices and methodologies are continuously reviewed and updated.

The Municipality currently employs 594 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.

3.3.1 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

Year	African			Coloured			Indian			White		
	Target	Actual	Target reach	Target	Actual	Target reach	Target	Actual	Target reach	Target	Actual	Target reach
2010	114	105	92%	422	422	100%	1	1	100%	58	54	93%
2011	205	105	51%	457	423	93%	4	2	50%	111	53	48%

Table 44: 2010/101EE targets/Actual by racial classification

Year	Male			Female			Disability		
	Target	Actual	Target reach	Target	Actual	Target reach	Target	Actual	Target reach
2010	415	408	98%	181	175	97%	2	2	100%
2011	415	408	98%	305	175	57%	2	0	0%

Table 45: 2010/11 EE targets/actual by gender classification

B) EMPLOYMENT EQUITY VS POPULATION

Description	African	Coloured	Indian	White	Total
Population numbers	24 435	70 475	124	11 975	107009
% Population	23	66	0	11	100
Number for positions filled	91	447	1	55	594
% for Positions filled	15	75	0	9	100

Table 46 EE population 2010/11

C) OCCUPATIONAL CATEGORIES - RACE

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

Occupational categories	Posts filled								Total
	Male				Female				
	A	C	I	W	A	C	I	W	
Legislators, senior officials and managers	1	8	0	12	0	1	1	6	29
Professionals	0	7	0	1	0	2	0	2	12
Technicians and associate professionals	1	19	0	6	0	3	0	0	29
Clerks	6	36	0	0	8	67	0	24	141
Service and sales workers	6	18	0	4	0	3	0	0	31
Craft and related trades workers	3	26	0	0	0	0	0	0	29
Plant and machine operators and assemblers	11	58	0	0	0	3	0	0	72
Elementary occupations	41	122	0	0	12	39	0	0	214
Total permanent	69	294	0	23	20	118	1	32	557
Non- permanent	1	17	0	0	1	18	0	0	37
Grand total	70	311	0	23	21	136	1	32	594

Table 47: Occupational Categories

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	3	0	0	0	4	11
Senior management	0	8	0	8	0	1	1	6	24
Professionally qualified and experienced specialists and mid- management	0	13	0	6	0	2	0	2	23
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	2	24	0	4	0	4	0	0	34
Semi-skilled and discretionary decision making	23	0	0	2	8	69	0	20	233

Occupational Levels	Male				Female				Total
	A	C	I	W	A	C	I	W	
Unskilled and defined decision making	43	0	0	0	12	42	1	0	232
Total permanent	69	294	0	23	20	118	1	32	557
Non- permanent employees	1	17	0	0	1	18	0	0	37
Grand total	70	311	0	23	21	126	1	32	594

Table 48: 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	
Corporate Services	2	15	0	0	1	11	0	2	31
Finance	1	13	0	3	0	12	0	7	36
Development	2	4	0	1	1	5	1	9	22
Operations	60	246	0	7	18	89	0	12	432
Technical Services	4	15	0	9	0	3	0	0	31
Total permanent	69	294	0	23	20	120	1	32	557
Non- permanent	1	17	0	0	1	18	0	0	37
Grand total	70	311	0	23	21	138	1	32	594

Table 49: Department - Race

3.3.2 VACANCY RATE

The approved organogram for the municipality had **728** posts for the 2010/11 financial year. The actual positions filled are indicated in the tables below by post level and by functional level. **169** Posts were vacant at the end of 2010/11.

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

PER POST LEVEL		
Post level	Filled	Vacant
MM & MSA section 57	6	0
Middle management	13	4

PER POST LEVEL		
Post level	Filled	Vacant
Admin Officers	33	18
General Workers	226	48
Total	278	70
PER FUNCTIONAL LEVEL		
Functional area	Filled	Vacant
Corporate Services	21	11
Finance	37	6
Development	22	15
Operations	448	54
Technical Services	31	13
Total	559	169

Table 50: Vacancy rate per post and functional level

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

Salary Level	Number of current critical vacancies	Number total posts as per organogram	Vacancy job title	Vacancies (As a proportion of total posts per category)
Municipal Manager	0	1	0	0%
Chief Financial Officer	0	1	0	0%
Other S57 Managers	0	5	0	0%
Senior management	0	24	0	0%
Highly skilled supervision	9	32	0	28%
Total	9	63		14%

Table 51: Vacancy rate per salary level

3.3.3 TURNOVER RATE

A high turnover may be costly to a municipality and might negatively affect productivity, service delivery and institutional memory/organizational knowledge. The critical challenge for the current administration is

to attract and retain scarce skills in the workplace. Currently, the salary packages offered by Theewaterskloof Municipality are not as competitive as those of our neighboring municipalities and the private sector. Below is a table that shows the turnover rate within the municipality. The turnover rate shows a slight **decrease** from **5.47%** in 2009/10 to 3.95 in 2010/11.

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

Financial year	New appointments	No total appointments as of beginning of Financial Year	No Terminations during the year	Turn-over Rate
2008/09	15	559	3	0.54%
2009/10	64	585	32	5.47%
2010/11	44	557	22	3.95%

Table 52: Turnover Rate

3.4 MANAGING THE MUNICIPAL WORKFORCE

The Human Resource division comprises of HR Administrative Services. This section is responsible for the administration of leave, fringe benefits, medical aid contributions and housing schemes. The Occupational health and Safety section, as well as the Training and skills development.

3.4.1 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 major **decrease** for the 2010/11 financial year from **113** employees injured against **53** employees in the 2009/10 financial year.

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	2	1	1
Finance	0	2	1

Directorates	2008/09	2009/10	2010/11
Development	0	1	1
Operations	117	108	48
Technical Services	2	1	1
Total	121	113	53

Table 53: Injuries

3.4.2 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 taken sick leave during the 2010/11 financial year shows an **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
Corporate Services	189	378	227
Finance	279	569.5	390
Development	126	298	104
Operations	1641	1886	2804
Technical Services	155	327	213
Total	2390	3458.5	3738

Table 54: Sick Leave

3.4.3 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 policies for the procedure for the appointment of personnel and the recruitment of "scarce skills" were developed during the 2009/10 financial year.

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
Travel and Subsistence Policy	26-May-10
Vehicle Allowance Policy	27-Nov-08
Recruitment and Selection Policy	01-Apr-03
Overtime Policy	25-Oct-07
Gift Policy	27-Oct-10
Smoking Policy	26-May-09
Sexual Harassment Policy	26-May-09
Study Bursary Policy	15-Oct-10
Health and Safety Policy	15-Oct-08
Protective Clothing Policy	29-Jul-10
Policies still to be developed	
Name of policy	Proposed date of approval
Alcohol and Drug Abuse	Nov-11
Induction Policy	Nov-11
HIV/Aids Policy	Nov-11
IT Policy	Nov-11
HIV/Aids Policy	Jul-11
IT Policy	Mar-11

Table 55: HR policies and plans

3.5 CAPACITATING THE MUNICIPAL WORKFORCE

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

Policies for internal bursaries are in place. The training committee which follows a well organized procedure involving all relevant role-players meets on a monthly basis after the local labour forum meeting. Transparent regulation of all courses involves the unions SAMWU and IMATU in all decision making.

3.5.1 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	2	3
Legislators, senior officials and managers	Female	2	2
	Male	6	7
Associate professionals and Technicians	Female	1	1
	Male	18	21
Professionals	Female	4	4
	Male	9	13
Sub total	Female	7	7
	Male	35	44
Total		42	51

Table 56: Skills Matrix

3.5.2 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.

Focus has changed to one of securing SETA-accredited training providers to present and administer all courses, with all course results being captured on the Payday electronic HR information system. All skills development activities are being governed by the annual Workplace Skills Plan (WSP), as required by the Local Government SETA (LGSETA).

Theewaterskloof Local Municipality Annual Report 2010/11

Included in the WSP, is a comprehensive staff development and mentoring strategy in order to make Theewaterskloof Municipality an attractive employment option for competent, professional and dedicated staff. Part of this strategy is to use retired professional people to act as Coaches and Mentors to implement on the job training.

Occupational categories	Gender	Learnerships		Skills programmes & other short courses		Other forms of training		Total		
		Actual	Target	Actual	Target	Actual	Target	Actual	Target	% Variance
MM and S57	Female	0	0	0	0	0	0			
	Male	0	0	3	2	0	0	3	2	-50.00%
Legislators, senior officials and managers	Female	0	0	2	2	0	0	2	2	0.00%
	Male	0	0	8	7	0	0	8	7	-14.29%
Professionals	Female	0	0	4	4	0	0	4	4	0.00%
	Male	0	0	13	9	0	0	13	9	-44.44%
Associate professionals and Technicians	Female	0	0	1	1	0	0	1	1	0.00%
	Male	0	0	21	18	0	0	21	18	-16.67%
Clerks	Female	0	0	22	24	0	0	22	24	8.33%
	Male	0	0	10	11	0	0	10	11	9.09%
Service and sales workers	Female	0	0	9	4	0	0	9	4	125.00%
	Male	0	0	17	15	0	0	17	15	-13.33%
Craft and related trade workers	Female	0	0	0	0	0	0			
	Male	0	0	0	0	0	0			
Plant and machine operators and assemblers	Female	1	1	0	0	0	0	1	1	0.00%
	Male	6	6	2	6	0	0	8	12	33.33%
Elementary occupations	Female	0	0	3	7	0	0	3	7	57.14%
	Male	4	4	30	48	0	0	34	52	34.62%
Sub total	Female	1	1	41	42			42	43	2.33%
	Male	0	0	104	116	0	0	104	116	10.34%

Occupational categories	Gender	Learnerships		Skills programmes & other short courses		Other forms of training		Total		
		Actual	Target	Actual	Target	Actual	Target	Actual	Target	% Variance
Total		1	1	145	158	0	0	146	159	8.18%

Table 57: Skills Development

3.5.3 SKILLS DEVELOPMENT - BUDGET ALLOCATION

The table below indicates that a total amount of **R 500 000** was allocated to the Workplace skills plan and that **77.24%** of the total amount was spend in the 2010/11 financial year:

Year	Total personnel budget	Total Allocated for Skills Development	Total Spend	% Spend
`2010	81 550 000	500 000	435 370	87.00%
`2011	92,132,000	500,000	386,184	77.24%

Table 58: Budget allocated and spent for skills development

3.6 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.

3.6.1 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 (excluding councilor remuneration) 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	74 296	199 046	37

Theewaterskloof Local Municipality Annual Report 2010/11

Financial year	Total Expenditure salary and allowances	Total Operating Expenditure	Percentage
	(R'000)	(R'000)	(%)
2009/10	89 964	244 528	37
2010/11	96 475	257 309	37

Table 59: Personnel Expenditure

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

Financial year	2007/8	2008/9	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	4,648	4,507	4,728	4,514	4,990	4,933
Pension Contributions						
Medical Aid Contributions						
Motor vehicle allowance		410	648	1,505	795	792
Cell phone allowance	238	520	278	310	297	297
Housing allowance						
Other benefits or allowances						
In-kind benefits						
Sub Total	5 070	4 886	5 437	5 915	5 915	5 654
% increase-		(3.6)	11.3	8.8	0	(4.4)
Senior Managers of the Municipality						
Salary	2,181	2,671	3,790	4,245	4,245	4,281
Pension Contributions	216	177	304	340	340	352
Medical Aid Contributions	71	51	72	81	81	80
Motor vehicle allowance	492	526	575	644	644	578
Cell phone allowance	35	52	53	60	60	53

Theewaterskloof Local Municipality Annual Report 2010/11

Financial year	2007/8	2008/9	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
Housing allowance	139	84	104	116	116	106
Performance Bonus	320		392	439	439	668
Other benefits or allowances	66	56	94	105	105	315
In-kind benefits						
Sub Total	3,519	3,616	5,384	6,030	6,030	6,433
% increase		3%	49%	12%		19%
Other Municipal Staff						
Basic Salaries and Wages	34,511	41,003	48,750	55,519	55,899	58,325
Pension Contributions	5,890	7,015	8,855	9,817	9,601	9,974
Medical Aid Contributions	1,530	2,115	2,551	2,570	2,596	2,747
Motor vehicle allowance	2,833	3,763	4,151	4,539	3,941	3,976
Cell phone allowance	-	-	-	-	-	
Housing allowance	481	633	576	588	552	542
Overtime	2,310	2,555	2,907	2,246	2,948	2,102
Other benefits or allowances	6,380	8,267	10,761	7,602	10,565	8,174
Sub Total	53,937	65,352	78,553	82,881	86,102	85,840
% increase		21%	20%	6%		9%
Total Municipality	62,342	74,405	89,591	95,240	98,214	98,295
% increase						

Table 60: Personnel Expenditure

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 timorously implement corrective measures where required.

This chapter speaks to the strategic performance highlights in terms of the Municipality's IDP, performance on basic service delivery and backlogs addressed the MIG projects as well as the spending priorities for the following year. 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 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

The following table indicates the municipality's performance in terms of the National Key Performance Indicators as required in terms of the Local Government: Municipal Planning and the Performance Management Regulations of 2001.

KPA & INDICATORS	MUNICIPAL ACHIEVEMENT	MUNICIPAL ACHIEVEMENT	MUNICIPAL ACHIEVEMENT
	2008/09	2009/10	2010/11
Basic Service Delivery			
(a) The percentage of households with access to basic level of water & sanitation	97	99	99
(b) The percentage of households earning less than R 1100 per month with access to free basic services	47	53	23.09

KPA & INDICATORS	MUNICIPAL ACHIEVEMENT	MUNICIPAL ACHIEVEMENT	MUNICIPAL ACHIEVEMENT
	2008/09	2009/10	2010/11
(c) The percentage of households with access to basic level of electricity	11.6	10.9	10.5
(d) The percentage of households with access to basic level of solid waste removal	45	63	62.4
(a) 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			
(b) (b) The percentage of a municipality's budget actually spent on implementing its workplace skills plan	85%	87%	67%
<u>Local economic development</u>			
The number of jobs created through municipality's local economic development initiatives including capital projects	350	1185	2243
<u>Municipal financial viability and management</u>			
Financial viability as expressed by the following ratios:			
繼 Debt coverage ((Total operating revenue-operating grants received)/debt service payments due within the year)	3.08 <i>(error in calculation)</i> 12.7 <i>(correction)</i>	3.14 <i>(error in calculation)</i> 15.62 <i>(correction)</i>	16.32
繼 Service debtors to revenue – (Total outstanding service debtors/ revenue received for services)	0.17	0.18	0.17
繼 Cost coverage ((Available cash+ investments)/ Monthly fixed operating expenditure)	0.38	0.07	1.73
<u>Good governance and public participation</u>			
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	70	81	79

Table 61: Performance in terms of the National Key Performance Indicators

4.2 GENERAL PRIORITY AREAS

The following table indicates the specific areas in which challenges are experienced by the municipality. They are categorised in general priority areas that are aligned with the National Key Performance areas.

National Key Performance Area	Priority Area	Challenges	Actions to address
Municipal Transformation and Institutional Development	HR and IT Strategy	Absence of longer term planning	<ul style="list-style-type: none"> It is the intention to make a critical assessment of expectations and needs and to through longer term planning address how such an expectation can be addressed over the next five years Minding the gap requires a plan that will guide us in developing our capacity to the optimum. This will require the optimisation of our management capacity and the mechanisms we use in managing the organisation, our skills level and the general productivity of our staff, our financial viability, the technology we use, our fleet and other facilities, the processes and methodology we follow, as well as material management.
Basic Service Delivery	Service Delivery Improvement Plan	Absence of longer term planning. Lack of service level standards results in unrealistic expectations.	
Financial Viability and Management	Financial Viability Strategy and Implementation Plan and the 5 year Financial Plan	Referred to as one of the worst financially managed municipalities in the media. However, this does not refer to financial management but rather financial sustainability.	
LED	LED Implementation Plan	LED unable to secure the financial viability of the municipality	
Good Governance and Public Participation	Structuring and capacitating of ward committees	Ward committee members are not active within their constituencies.	

Table 62: General priority areas

4.3 BASIC SERVICE DELIVERY

4.3.1 BASIC SERVICE DELIVERY PERFORMANCE HIGHLIGHTS

Highlight	Description
Installation of a lift at the head office	Providing a disability friendly environment for the public and staff
Grabouw Hillside hoemas	Area Lighting for safety purposes—No streetlights
Upgrading of Streets & Storm water	Improving riding quality of roads and safe conveyance of stormwater from road surfaces
Voorstekraal 150kl Reservoir	Augmenting bulk water supply infrastructure of the village through placement of an additional reservoir
Bulk Water Capacity Upgrading (Phase 3) New 550 to 500 mm dia pipeline between Ekenhoff Dam Worcester Street Pump station & Collinskop Boosters PS	New raw water pipeline to increase water supply to Grabouw
Bulk Water Infrastructure Upgrading (3ml Reservoir & Pump Station, 100m Pumpline to new Reservoir & 150m new 315dia line to connect to existing res)	Augmenting bulk water supply infrastructure of Botrivier through construction of a new reservoir and pump station
Water Treatment Plant Capacity	Additional water treatment module constructed at Grabouw waterworks to increase water supply to the town
Upgrading of Electricity network Bego/Van Deur Str	Replacing of old overhead distribution networks with new underground networks to allow for safe, reliable and efficient distribution of electricity to consumers.
Upgrading of Berg / Barnard Str.	
Electricity prepaid meters	Replacement of conventional meters with prepaid meters
Villiersdorp- Goniwe Park netwerk	Replacing of old overhead distribution networks with new underground networks to allow for safe, reliable and efficient distribution of electricity to consumers. Installation of a 315 kva miniature substation to replace the old 200kva transformer
Upgrading of Hoopvol Str. Netwerk	Replacing of old overhead distribution networks with new underground networks to allow for safe, reliable and efficient distribution of electricity to consumers. Installation of a 315 kva minisub to replace the old 200kva transformer
Bulk Sewer Capacity upgrading (Phase 3) Upgrading of Pineview PS to 100l/s and new 315mm rising main	Increasing the capacity of the Pineview pump station to cater for the additional sewage from the housing project

Table 63: Basic Service Delivery Performance Highlights

4.3.2 BASIC SERVICE DELIVERY CHALLENGES

Service Area	Challenges	Actions to address
Villiersdorp	Housing	Purchase of land, namely destiny. Transfer of land to Municipality. EIA study. Acquisition of funding to install basic services.
Law Enforcement	To Improve service	Skills development by training and to extend the Law Enforcement force by appointing more law enforcement officers
Streets	Upgrade dirt roads to more appropriate and cost effective permanent road surfaces	Undertake a condition assessment of current roads and assess the needs for an alternative surface in terms of criteria agreed upon by council and prepared in consultation with the ward committees. Consider and design appropriate affordable solutions and report to council in consultation with Ward Committees
Complaint System	Improves complaints system for purpose of infra structural repairs and maintenance	present a report for adoption by the portfolio committee on an approved customer relations system and that will improve responses to repair and service delivery
Street Maintenance	The improved and scheduled maintenance of dirt and permanent surface	Establish surface standards for roads and design a maintenance program that will achieve and maintain such standards and implement the maintenance program in an affordable and phased manner if necessary. Such standards should be build into SLA's for the various towns and should also be audited through the town grading auditing process. Standards however need to be appropriate and realistic and does not have to be 5 star affordability remains criteria. In the process be guided by SLA and SOP standards
Villiersdorp	Electricity to informal settlement	Infrastructure like housing and plots, accessibility

Table 64: Basic Service Delivery Challenges

4.3.3 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 2 160 per month will receive the free basic services as prescribed by national policy.

Financial year	Number of households								
	Total no of HH	Free Basic Electricity		Free Basic Water		Free Basic Sanitation		Free Basic Refuse Removal	
		Access	%	Access	%	Access	%	Access	%
2008/09	21 173	1 138	5.4	7 039	33.2	7 039	33.2	7 039	33.2
2009/10	22 056	508	2.3	5 911	26.8	5 911	26.8	5 911	26.8
2010/11	16538	1032	6.2	5636	34	5483	33.1	5638	34

Table 65: Free basic services to indigent households

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			R			R
2008/09	1 138	50	27 699	2 471	50	805 389	Not available	Not available	Not available
2009/10	508	50	18 443	2 401	50	894 127	Not available	Not available	Not available
2010/11	1,032	50	51,600	4,228	700,00	728	Not available	Not available	Not available

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			R
2008/09	7 039	6	351 950	13 343	9.99	659 706
2009/10	5 911	6	325 105	13 343	13.02	948 560

Theewaterskloof Local Municipality Annual Report 2010/11

2010/11	5,636	6	290 895	13,600	10.71	834 242
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Sanitation:

Financial year	Indigent Households			Non-indigent households		
	No of HH	R value per HH pm	Value	No of HH	R value per HH pm	Value
			R'000			R'000
2008/09	7 039	64.74	455 705	8 098	64.74	524 265
2009/10	5 911	71.20	420 863	12 008	71.20	854 970
2010/11	5,289	76.9	406 724	12 373	76.9	951 484

Refuse removal:

Financial year	Indigent Households			Non-indigent households		
	No of HH	Service per HH per week	Value	No of HH	Service per HH per week	Value
			R'000			R'000
2008/09	7 039	63.89	449 722	9 633	63.89	615 452
2009/10	5 911	70.20	414 952	13 963	70.20	980 203
2010/11	5 289	76.45	404 344	14 312	76.45	1 094 152

4.3.4 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	24	38	14	0	5	3	0
2009/10	29	31	5	0	6	21	1
2010/11	104.68	85.24	42.87	0	50.07	80.39	98.75

Table 67: Capex

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

Description	2008/09	2009/10	2010/11		
	Actual	Actual	Original Budget	Adjustment Budget	Actual Expenditure
<u>Capital expenditure on new assets by Asset Class/Sub-class</u>	R'000	R'000	R'000	R'000	R'000
<u>Infrastructure</u>	35,056	38,540	51,879	47,746	33,029
Infrastructure - Road transport	2,193	9,505	16,019	13,602	10,935
<i>Roads, Pavements & Bridges</i>	2,193	9,505			
<i>Storm water</i>				16,019	13,602
Infrastructure - Electricity	2,415	3,921	3,845	5,978	6,002
<i>Transmission & Reticulation</i>	2,194	3,921	3,845	5,978	6,002
<i>Street Lighting</i>	221				
Infrastructure - Water	10,947	22,722	21,043	16,591	16,577
<i>Dams & Reservoirs</i>	5,167			150	150
<i>Water purification</i>	5,468	5,174			
<i>Reticulation</i>	313	17,548	21,043	16,441	16,427
Infrastructure - Sanitation	26,700	6,220	4,147	13,291	11,564
<i>Reticulation</i>	26,368				
<i>Sewerage purification</i>	332	6,220	4,147	13,291	11,564
Infrastructure - Other	0				
<i>Waste Management</i>	26 736				
<i>Other</i>	4 301				
<u>Community</u>	960	18	308	–	692
Parks & gardens			13		
Sports fields & stadium			295		692
Community halls					
Recreational facilities	960	18			
Other					
<u>Heritage assets</u>					
<u>Investment properties</u>	32,371	–	27,125	29,330	29,344

Description	2008/09	2009/10	2010/11		
	Actual	Actual	Original Budget	Adjustment Budget	Actual Expenditure
Housing development	32,371		27,125	29,330	29,344
<u>Other assets</u>	5,940	25,425	5,136	1,843	4,261
General vehicles	1,844	362	2,271		
Specialised vehicles	2,095	4,497			
Plant & equipment	171	1,249			282
Computers - hardware/equipment	590	760			
Furniture and other office equipment	299	351	1,506	1,843	3,461
Civic Land and Buildings	941	973	1,359		518
Other Buildings		17,233			
Furniture and other office equipment					
Civic Land and Buildings					
Other					
<u>Agricultural assets</u>					
<u>Biological assets</u>					
<u>Intangibles</u>					
Total Capital Expenditure on new assets	82,251	60,499	71,108	83,052	82,043

Table 68: Total capital expenditure on new assets

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
2008/ 09	70.25	Loans, roll over, Ebstream not started
2009/ 10	82.30	<i>Roll Over Loans- Roll Over projects</i>
2010/2011	83.09	Values on roll over projects for 2011/12

Table 69: 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	9 306	31 Years	930 000
Water (on site)	61	5 year plan	900
Sanitation	475	5 year	2 000
Refuse removal (at least once a week at site)	0	0	0
Electricity (in house)	600	Not available	4 800
Streets and storm water			

Table 70: Backlogs

4.3.5 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 liters 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 in all formal areas for the financial years 2008/09, 2009/10 and 2010/11:

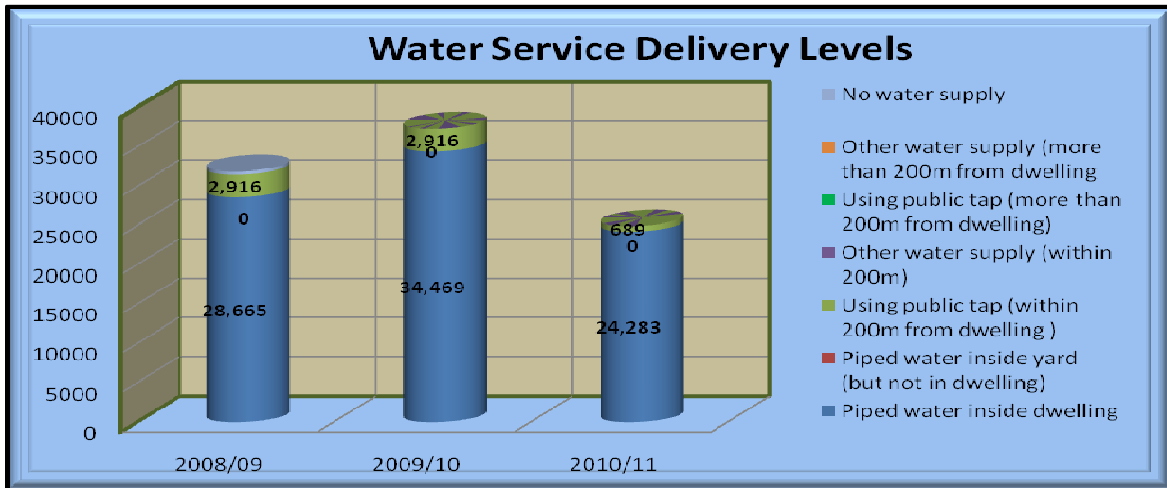
A major discrepancy between the 2009/2010 and 2010/2011 financial year exists. The discrepancy is due to lack of accurate data. A water services audit was conducted on the current state of services by the municipality as well as the consultant responsible for the update of the water services plan. The outcome of the survey was compared to the accounts as well as the master plan.

Description	2008/09	2009/10	2010/11
	Actual	Actual	Actual
Household			
<i>Water: (above minimum level)</i>			
Piped water inside dwelling	28 665	34 469	24,283

Description	2008/09	2009/10	2010/11
	Actual	Actual	Actual
Piped water inside yard (but not in dwelling)	0	0	0
Using public tap (within 200m from dwelling)	2 916	2 916	689
Other water supply (within 200m)	0	0	0
Minimum Service Level and Above sub-total	31 581	37 385	37,385
Minimum Service Level and Above Percentage	100	98	100
Water: (below minimum level)			
Using public tap (more than 200m from dwelling)	0	0	0
Other water supply (more than 200m from dwelling)	0	0	0
No water supply	374	0	61
Below Minimum Service Level sub-total	374	0	61
Below Minimum Service Level Percentage	1.17	0	0
Total number of households (formal and informal)	31 955	37 385	24 972

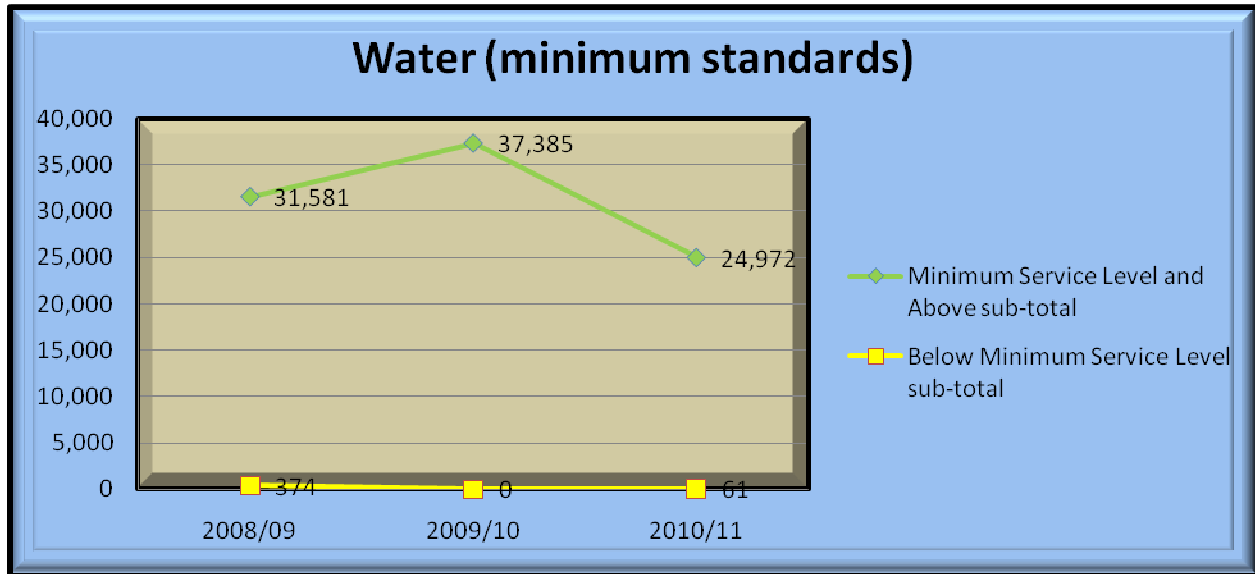
Table 71: Water service delivery levels

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



Graph 5: Water service delivery levels

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



Graph 6: Water with minimum service level

B) SANITATION SERVICE DELIVERY LEVELS

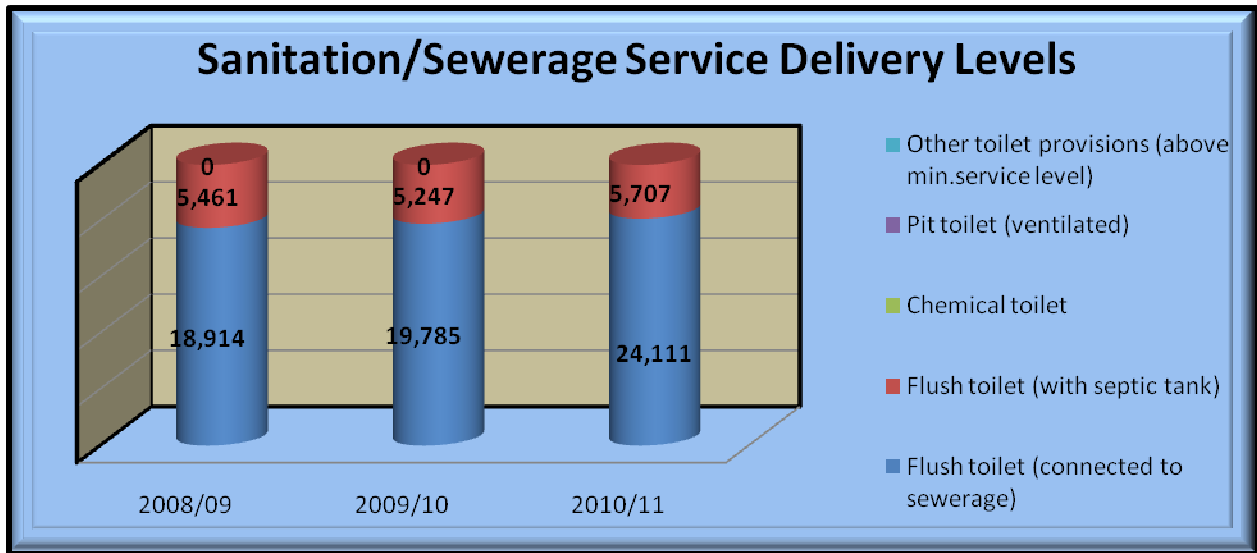
Below is a table that specifies the different sanitation service delivery levels per households in all formal areas for the financial years 2008/09, 2009/10 and 2010/11:

Description	2008/09	2009/10	2010/11
	Actual	Actual	Actual
Household			
<i>Sanitation/sewerage: (above minimum level)</i>			
Flush toilet (connected to sewerage)	18,914	19,785	24,111
Flush toilet (with septic tank)	5,461	5,247	5,707
Chemical toilet	0	0	
Pit toilet (ventilated)	0	0	
Other toilet provisions (above minimum service level)	0	0	
<i>Minimum Service Level and Above sub-total</i>	24375	25032	29818
<i>Minimum Service Level and Above Percentage</i>			
<i>Sanitation/sewerage: (below minimum level)</i>			
Bucket toilet	0	0	0
Other toilet provisions (below minimum service level)	0	0	0
No toilet provisions	0	0	475
<i>Below Minimum Service Level sub-total</i>	0	0	475

Description	2008/09	2009/10	2010/11
	Actual	Actual	Actual
<i>Below Minimum Service Level Percentage</i>	0	0	1.57
Total number of households	24 375	25 032	30 295

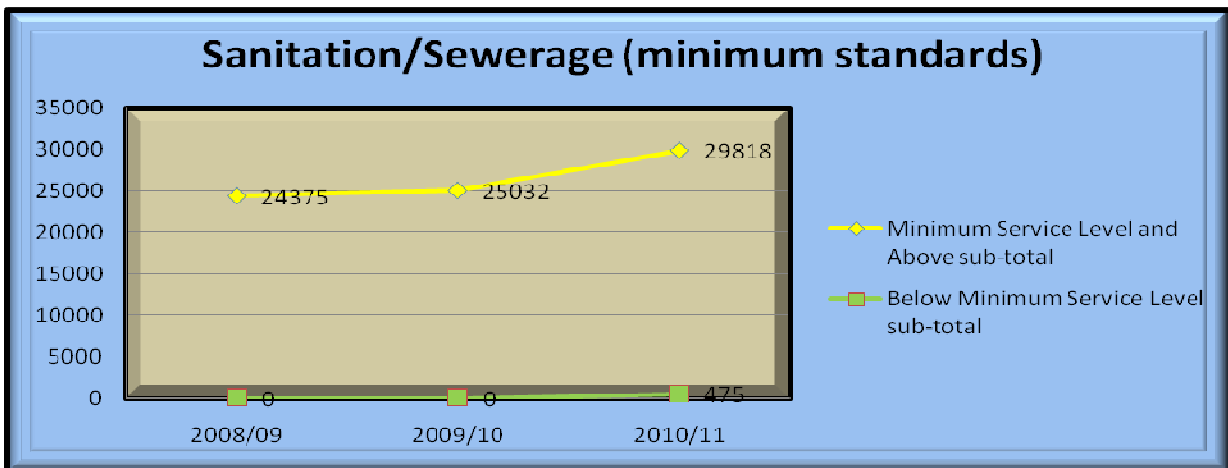
Table 72: Sanitation service delivery levels

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



Graph 7: Sanitation/Sewerage Service Delivery Levels

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



Graph 8: Sanitation/Sewerage minimum standards

4.3.6 ELECTRICITY

Local Government plays a very important role in the provision 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 electricity purchase and distribution functions of the municipality are administered as follows and include:

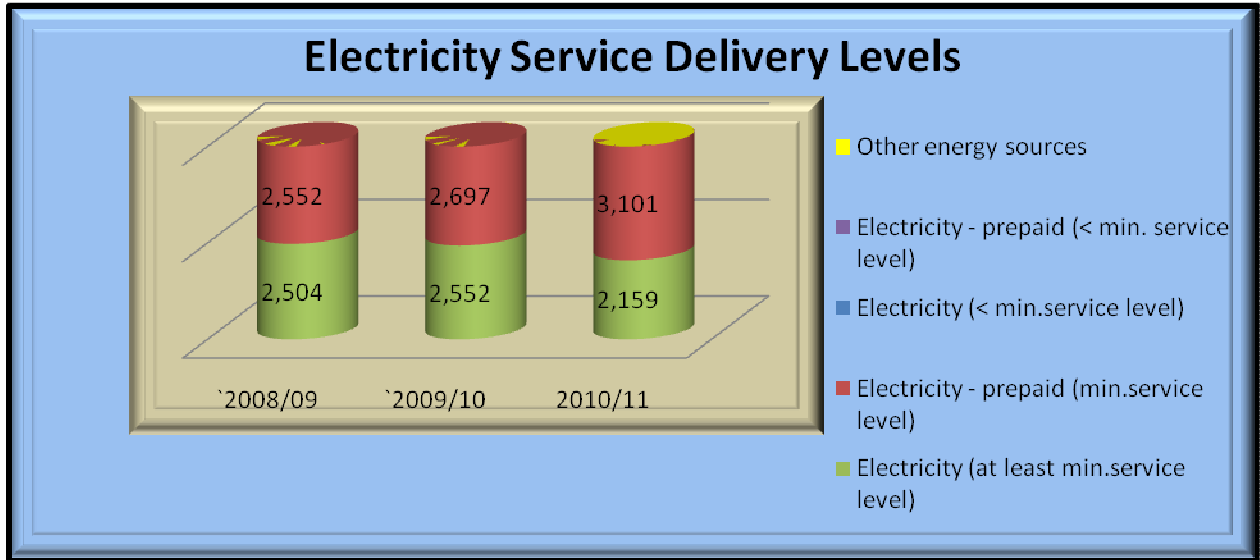
- The effective and efficient distribution and reticulation of energy in the following towns (Caledon, Villiersdorp, Greyton and Riviersonderend. Grabouw, Genadendal, Tesselaarsdal, Botrivier and Middleton reside within Eskom jurisdiction).
- Distribute electricity subject to the license conditions set by NERSA.

The table below indicates the different service delivery level standards for electricity in all formal areas within the municipality:

Description	2008/09	2009/10	2010/11
	Actual	Actual	Actual
Household			
<i>Energy: (above minimum level)</i>			
Electricity (at least minimum service level)	2 504	2 552	2,159
Electricity - prepaid (minimum service level)	2 552	2 697	3,101
<i>Minimum Service Level and Above sub-total</i>	5 056	5 249	5260
<i>Minimum Service Level and Above Percentage</i>	100%	100%	100%
<i>Energy: (below minimum level)</i>			
Electricity (< minimum service level)	0	0	0
Electricity - prepaid (< min. service level)	0	0	0
Other energy sources	0	0	0
<i>Below Minimum Service Level sub-total</i>	0	0	0
<i>Below Minimum Service Level Percentage</i>	0	0	0%
Total number of households	5 056	5 249	5260

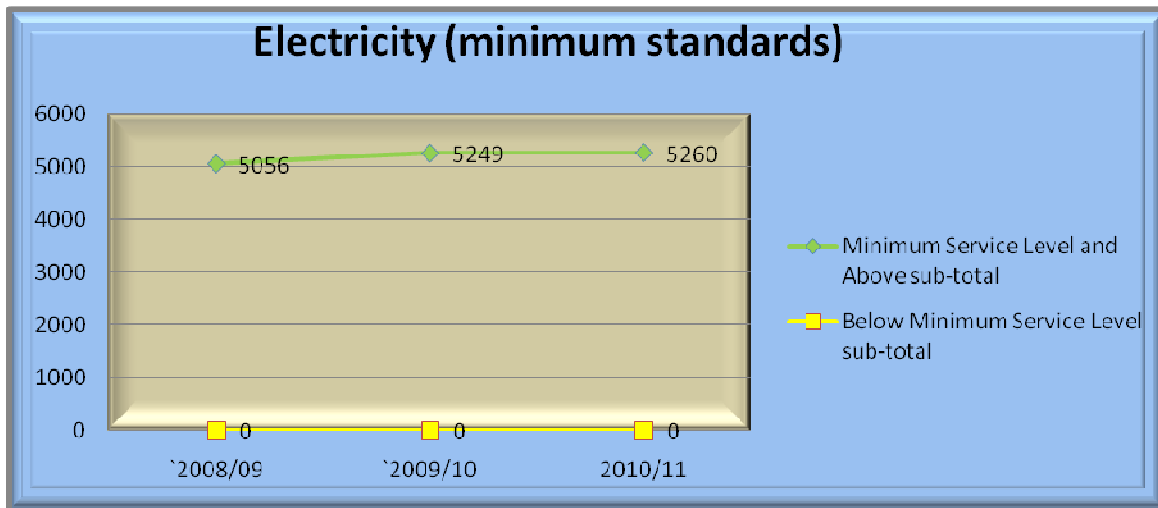
Table 73: Electricity service delivery levels

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



Graph 9: Electricity Service Delivery Levels

The graph below shows the amount of households that receive electricity above minimum electricity standards.



Graph 10: Electricity levels above minimum standards

4.3.7 HOUSING

There are currently approximately 9306 applications on the Municipal Housing Register. Various factors mentioned below will influence the housing implementation plan i.e.

- There is no indication on what the future DORA allocation per municipality will be. Should the status quo remain, the service delivery period of +/- 31 years will remain.
- The mixture of serviced stands vs. the construction of houses also affects the time frame delivery period. The more services sites that are allocated will result that more people can be help from the same DORA allocation.

The rate of influx into the municipal area is unknown. Should this rate increase, this will result in a longer period to address the housing delivery program. A summary of houses built, includes:

Financial year	Allocation	Amount spent	% spent	Number of houses built	Number of sites serviced
	R'000	R'000			
2008/09	19 000	13 376	70.4	242	242
2009/10	24 668	27 125	109.95	307	307
2010/ 2011	29,330	32,582	1.1	297	597

Table 74: Housing

A) MUNICIPAL INFRASTRUCTURE AND OTHER GRANTS

The Municipality had a total amount of **R 47 701 million** for infrastructure and other capital projects available that was received in the form of grants from the National and Provincial Government 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
National Government						
Municipal Infrastructure Grant	18 933	11 848	20 512	22 692	15 400	20 306
National Electrification programme	0	310	2 337	2 337	0	0
Provincial Government						
Housing	11 421	12 637	27 133	27 125	32 241	30 437
Proclaimed Main Roads	1 453	1 453	252	252	60	60
Total	31 807	26 248	50 234	52 406	47 701	52 803

Table 75: Municipal Infrastructure and other grants

4.3.8 REFUSE REMOVAL

The table below indicates the different refuse removal service delivery level standards within the municipality.

Description	2008/09	2009/10	2010/11
	Actual	Actual	Actual
Household			
<i>Refuse Removal: (Minimum level)</i>			
<i>Removed at least once a week</i>	19 196	19 196	21 324
Minimum Service Level and Above sub-total	19 196	19 196	21 324
Minimum Service Level and Above percentage	100%	100%	100%
<i>Refuse Removal: (Below minimum level)</i>			
Removed less frequently than once a week	0.816	0.816	0.816
Using communal refuse dump	1.366	1.366	1.366
Using own refuse dump	6.816	6.816	6.816
Other rubbish disposal	n/a	n/a	n/a
No rubbish disposal	0.384	0.384	0.384
Below Minimum Service Level sub-total	9.383	9.383	9.383
Below Minimum Service Level percentage			
Total number of households	19196	19196	21 324

Table 76: Refuse removal service delivery levels

4.3.9 ROADS

The Municipality has the mandate from Government to perform all relevant services regarding roads and stormwater in those areas included within the boundaries of the WC031 area in terms of Schedule 4B and 5B, i.e. "Municipal Public Transport; Storm water Management Systems in built-up areas". Apart from various National and Provincial legislation and White and Green Papers this division is also responsible to execute all Council resolutions, policies and delegated powers by council. Roads outside the town areas are still the responsibility of the District Council.

The following tables give an overview of the total kilometers 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	160.60	2.105	1	3	n/a
2009/10	160.60	0.55	5.08	0	n/a
2010/11	163.6	0.3	7		n/a

Table 77: Tarred roads

B) GRAVELED 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	98.8	0.27	2.105	98.8
2009/10	96.7	0	0.3	97
2010/11	96.4	0	0.4	96.4

Table 78: 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
2008/09	0	775	10 667	0	958	13 946
2009/10	0	0	8 932	0	0	14 574
2010/11	R 0	700	R 591	0	11,500	1,379

Table 79: Cost of construction/maintenance of roads

4.3.10 STORMWATER

A) STORM WATER INFRASTRUCTURE

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

Financial year	Total km Stormwater measures	Km new stormwater measures	Km stormwater measures upgraded	Km stormwater measures maintained
2008/09	160.6	0.5	1.8	n/a
2009/10	160.6	0.5	1.1	158.0
2010/11	160.8	2.0	1.0	N/A

Table 80: Storm water infrastructure

B) COST OF CONSTRUCTION/MAINTENANCE

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

Financial year	New R'000	Upgraded R'000	Maintained R'000
2008/09	155	116	59
2009/10	0	0	0
2010/11	100		104

Table 81: Cost of construction/maintenance of storm water systems

4.4 LED

4.4.1 LED STRATEGY

The progress with the implementation of the LED strategy is indicated in the table below:

Strategy Pillar	Desired outcome	Outside funding leveraged	Impact
Agriculture	Improved communication & participation; Retained rebates	Non financial support	Rebates retained & relationship strengthened
Light Industry	Facilitate release of industrial land for development. Retained clothing sector; Aligned SDF with LED strategy	Non financial support	R240 000 monthly injection into Caledon (wages)
Sustainability	Positioning TWK to become a leader	R500 000 Danish	Positioned TWK as the

	in sustainable practices & create an attractive investment environment.	Government under 2030 Strategy	competitive local authority, leading through innovation Designed 2030 Strategy with supporting 2030 Socio-Economic Indicator Study
Human Development & creating an Enabling environment	Skilled & empowered community	R150 000 from P3 Project, R190 000 in SME training from SEDA, DEDAT and CCDI CWP Program in Grabouw To the value of R500 000 per month	Entrepreneurial training 78 participants attended Buy-local campaign initiated through the 'leak-plugging' workshops with 140 attendees; 50 participant attended the Cape Craft and Design Institute's workshops in Genadendal 1200 job opportunities created SMME Indaba: 506 participants attended, with 17 exhibitors from banking and government sectors.
Tourism	Established Tourism Destination: the Cape Country Meander.	R210 000 for Mountain biking trails R260 000 through media in PR value	R60 mil private capital investment 128 jobs created Launched the TCCM brand, with supporting marketing material and website.

Table 82: Implementation of the LED strategy

4.4.2 ECONOMIC ACTIVITY

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

Sector	2008/09	2009/10	2010/11
Agric, forestry and fishing	991,401	1,052,260	958,379
Mining and quarrying	14,909	16,991	22,718
Manufacturing	424,331	460,814	488,061
Wholesale and retail trade	492,279	586,921	672,658
Finance, property, etc.	389,939	462,979	500,576
Community and social services	406,684	521,148	590,868
Infrastructure services	148,158	207,918	216,204
Total	2,867,701	3,309,031	3,449,464

Sector	2008/09	2009/10	2010/11
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Table 83: Economic activity by sector

4.4.3 LED INITIATIVES

The table below identifies the details of the various LED initiatives in the municipal area:

Description of project	No of Jobs created	Total Investment	Amount spent to date	Performance Highlights
		R'000	R'000	
Program: Tourism growth and development	128 work opportunities created in hospitality sector	2,245 000	2, 169 320	New tourism destination launched Destination marketing tools established: website, map, and brochure Unified brand and structure Increased PR of R350 000 in media exposure Cultural route developed, Mountain biking plan developed and submitted to potential funders.
Program:SMME Development	96 job opportunities through establishment of 24 cooperatives	96,098	96,098	SMME Open Day Indaba hosted, with 512 delegates attending and 17 exhibitors partaking in the event. 6 SMMEs directly supported through Business Incubation Centre
Light Industrial /Clothing Manufacturing	154 jobs per month	550,000	248,000 per month	Retained and expanded clothing and textile sector in Caledon
Community Works Program	1200 jobs per months created	5,225,000	4,724,310	1200 job opportunities created through the CWP program

Table 84: LED initiatives

4.4.4 CHALLENGES: LED

Description	Actions to address
Retain and Renew Agricultural Sector	Partner with the local farming associations, the Department of Agriculture and Rural Development and DBSA rural development programme to develop innovative solutions to rural and peri-urban development and the current impasse around land reform. Build on the strategies of the War on Poverty and Integrated Rural Development approaches
Incentivize and Innovate Light industrial (make Theewaterskloof an attractive place to do business)	Developing investment guidelines, leveraging existing incentives and resources for businesses and collecting and packaging relevant information on the local economy; Reducing red tape and facilitating fast approvals of plans and related regulatory applications; Ensuring employment intermediation services. This will provide a platform for expanding the economic base in the region.
Develop and Grow tourism	Establish TWK as THE premier mountain biking destination in South Africa and the Southern Hemisphere by building up its network of mountain biking trails and services. Expand tourism product offerings by focusing on developments on the dams using public land, developing Nuweberg and the development of new themed routes such as a cultural or wine route.

CHAPTER 5

FUNCTIONAL PERFORMANCE



CHAPTER 5: FUNCTIONAL PERFORMANCE

The functional performance of the municipality provides comprehensive information on the implementation of the SDBIP and relevant Functional Area reporting schedules.

The functional breakdown per Directorate is as follows:

Directorate	Functions
<p>Corporate Services</p>	<p>LEGAL ADVISORY Both the Director and deputy Director Corporate Services are the Legal Officers for the organisation and provide legal support to all Directorates</p>
	<p>ADMINISTRATION</p> <ul style="list-style-type: none"> • Give administrative support to the Council and its political structures • Corporate support for other Directorates and Town offices • Provision of secretariat services to all directorates • The management of the municipality’s incoming and outgoing mail including the distribution and dispatch of correspondence to and from the public • The management of access to records • The management of Security and Cleaning Services • The management of the Switchboard
	<p>INFORMATION TECHNOLOGY The Information Technology department serves as support function for the whole of the organization:</p> <ul style="list-style-type: none"> • Maintaining the IT and communication Infrastructure • Facilitate the integration of information systems • Establishing and maintaining proper backup procedures and systems • Ensuring information security
	<p>HUMAN RESOURCES The Human resource department also provides a support function to all directorates, towns, staff and political executive leadership within the municipality The overall objective of this unit is to transform the organisation into an effective developmental organization by:</p> <ul style="list-style-type: none"> • Ensuring a skilled workforce through training and selection • Ensuring sound HR administration • Ensuring an informed labour force by practicing sound labour relations • Ensuring a sound organisational structure
<p>Finance</p>	<p>Expenditure and Supply Chain Management</p> <ul style="list-style-type: none"> • Salaries: Implementation of approved payroll, paying of salaries, allowances and accounting for payroll implementation • Creditors: Payment and recording of creditors’ payments and reconciliations • Supply Chain Management: Responsible for the Administration and Management of Procurement of goods and services (i.e. Acquisition Management in particular) • Bank Reconciliation • Administration and Management of Investments

Directorate	Functions
	<ul style="list-style-type: none"> • Administration and Management of Loans • Maintain Professionalism, Honesty, Integrity and Internal Controls <p>Revenue Section</p> <ul style="list-style-type: none"> • Facilitation and application for Municipal Services • Debtors Billing Administration and Management • Meter Reading • Administration of Clearance Certificates • Rendering of Monthly Consumer / Rates Debtors Accounts • Debtors Customer Care and Query Administration • Receipting and bank revenue management • Credit Control, Debt Collection and Indigents Management • Maintain Professionalism, Honesty, Integrity and Internal Controls <p>Budget Office</p> <ul style="list-style-type: none"> • Budget • In-year Reporting • Annual Financial Statements, • Budgetary Management and Control • Asset Management • Insurance Management • Costing Services (commencing in September 2009) • Financial Viability • Co-ordinate Financial Policy Formulation • Financial Management Workshops under leadership of CFO • Maintain Professionalism, Honesty, Integrity and Internal Controls
<p>Development</p>	<p>INTEGRATED DEVELOPMENT PLANNING</p> <p>This department provides a unique support service to all departments, community and council. It is responsible for the coordination and management of the IDP process, Organisational Performance Management, Annual Reporting, Service Delivery and Budget Implementation Plan, and Social Development</p> <p>LOCAL ECONOMIC DEVELOPMENT (LED) AND TOURISM.</p> <ul style="list-style-type: none"> • Create an enabling environment for economic development • Increase economic opportunities for people • Promote intergovernmental collaboration • Build local Capacity • Encourage PPP in Local economic Development • Monitor and evaluate LED strategy. • Capacitate SMME's <p>HOUSING AND INTEGRATED HUMAN SETTLEMENT</p> <p>The function of this department is to facilitate, manage and maintain low cost housing development within the Theewaterskloof municipality</p> <p>TOWN PLANNING /GIS & BUILDING CONTROL</p> <p>The role of the Town Planning section is to implement Council's Planning Instruments, Plans and Policies to preserve and promote Theewaterskloof physical environment and social and economic welfare of the community</p>

Directorate	Functions
	<p>PROPERTY MANAGEMENT</p> <p>The Property Management section has to ensure that Municipal owned immovable assets are managed efficiently, effectively and economically and are dealt with in a manner which will ensure the maximum benefit to the municipality and the community</p>
Operations	Responsible for the day to service delivery within all Theewaterskloof Towns
Technical Services	<p>WATER DISTRIBUTION AND TREATMENT</p> <p>(Supply potable water in accordance with (SABS 241) to the residents within its jurisdiction. In terms of Schedule 4B of the Constitution: "Water and Sanitation Services limited to potable water supply systems")</p>
	<p>ROADS</p> <p>The Theewaterskloof Municipality is responsible for the roads and storm water reticulation within the towns of the WC031 established municipal area. The Roads and Stormwater Division functions as a division on its own headed by the Assistant manager of each town. This unit has 85 trained technical, artisans and other operational staff</p>
	<p>ELECTRICITY DISTRIBUTION</p> <p>The electricity purchase and distribution functions of the municipality are administered as follows and include:</p> <ul style="list-style-type: none"> • The effective and efficient distribution and reticulation of energy in the following towns (Caledon, Villiersdorp, Greyton and Riviersonderend. Grabouw, Genadendal, Tesselaarsdal, Botrivier and Middleton reside within Eskom jurisdiction) • Distribute electricity subject to the license conditions set by NERSA
	<p>ELECTRICITY/STREET LIGHTING</p> <ul style="list-style-type: none"> • Provide adequate street lighting for urban areas • Maintain/Repair of faulty street lights • Upgrade of existing services as well as new developments <p>These services extend to include Theewaterskloof (Caledon, Greyton, Riviersonderend and Villiersdorp, but do not take account rural areas such as Tesselaarsdal, Botrivier, Grabouw, Genadendal which resides within the jurisdiction of provincial Government</p>
	<p>WASTE WATER MANAGEMENT (SEWERAGE)</p> <p>Theewaterskloof Municipality provides sewerage collection systems, comprising water borne sewer networks, bucket removal system and vacuum tanker service where necessary, and treats the collected effluent at 7 sewage treatment plants. Further services include the provision and maintenance of communal toilets in informal areas</p>
	<p>SOLID WASTE MANAGEMENT</p> <p>Theewaterskloof municipality is responsible for the day to day operations in every town and for the removal and collection of the waste, cleaning of road reserves and most public open places. There are three Transfer-stations in the Municipal jurisdiction, one in Grabouw, Villiersdorp and the other in Botriver. Caledon has a licensed waste site but Genadendal, Greyton and Riviersonderend is not permitted yet</p>
	<p>FLEET MANAGEMENT</p> <ul style="list-style-type: none"> • To manage and maintain all fleet of the municipality • To provide sufficient municipal services to all residence within the municipal boundary
	<p>ENVIRONMENTAL MANAGEMENT</p> <p>Environmental management departments are responsible for overall conserving of conservation areas and the implementation conservation projects. The department is also involved in the cleaning of rivers, invasive vegetation and greening of the Theewaterskloof Municipal area</p>

Table 85: Functional breakdown

5.1 OVERVIEW OF PERFORMANCE

The municipality adopted and implemented an electronic performance management system for the first time during the 2009/2010 financial year upon which a performance framework policy was adopted by council in January 2010. The system allows for comprehensive reporting and monitoring.

The performance management and reporting cycle includes timeframes to complete the process. The cycle starts with the strategy formulation and includes the IDP and budget processes. The IDP and budget is then converted to a Service Delivery Budget Implementation Plan (SDBIP) which serves as a corporate performance management tool and cascades down to the PMS of the municipality.

The IDP process and the performance management process are seamlessly integrated. The IDP fulfils the planning stage of performance management. Performance management in turn, fulfils the implementation management, monitoring and evaluation of the IDP.

As part of the Performance Management System, the SDBIP is a plan where the IDP and budget is converted into measurable criteria on how, where and when the strategies, objectives and normal business processes of the municipality are implemented. It also allocates responsibility to departments and towns to deliver the services in the IDP and budget.

The SDBIP, in terms of performance measurement and management is made up of two parts namely the **"Top Level SDBIP"** and the **"Departmental SDBIP"**.

The Top Layer SDBIP contains the consolidated service delivery targets and in-year deadlines, and links such targets to top management. Only the Top Layer SDBIP is made public and tabled before the council.

Circular 13 of the MFMA stipulates that The Top Layer SDBIP and its targets cannot be revised without notifying the council, and if there is to be changes made in service delivery targets and performance indicators, this must be with the approval of the council, following approval of an adjustments budget (section 54(1)(c) of MFMA). Council approval is necessary to ensure that the mayor or municipal manager do not revise service delivery targets downwards in the event where there is poor performance.

The Departmental SDBIP provides more detail on each output for which top management is responsible and it serves as the portfolio of evidence for the Top Layer SDBIP. The Top Layer SDBIP is therefore the summary of all the departmental SDBIP's.

Changes to the 2010/2011 SDBIP with respect to the SMART principles (*specific, measurable, realistic and time bound*) were initiated and approved by council to ensure that indicators and targets were better defined and easily measurable. Recommendations were also made by the Auditor General after the pre-audit which recommended changes to be made.

The table below highlights the performances of the different directorates. It includes both the Top Level indicators as well as Departmental Indicators with specific reference to the performances of sub directorates.

KPA	Total KPA's	No KPA's not achieved
Basic Service Delivery	28	9
Good Governance	22	5
Municipal Transformation	8	2
Local Economic Development	7	1
Financial Viability	9	4
Total	74	21

Table 86: Top level: Summary of total performance

Directorate	Total KPIs	KPIs met	KPIs almost met	KPIs not met
Executive & Council	7	4	1	2
Corporate Services	8	5	2	1
Finance	22	18	2	2
Development	15	9	2	4
Operations	4	2	1	2
Technical Services	17	5	2	10
Overall for Municipality	74	43	10	21

Table 87: Summary of total performance- Top Level

5.2 PERFORMANCE PER FUNCTIONAL AREA

A) TOP LEVEL

Directorate	IDP Goal/ Objective	Municipal KPA	KPI Name	Unit of Measurement	Baseline	KPI Calculation Type	Revised Target	ACTUAL	ACTUAL COMMENTS & MITIGATION
REF: 4 Executive & Council	Effective Financial Reporting	Good Governance (GG)	Approval of adjustments budget	Approval of adjustments budget before legislative deadline	end January 2011	Stand-alone	1 approval by end January 2011	1	Council: Revised Budget approved at Council meeting of 25 January 2011.
REF: 3 Executive & Council	Effective Financial Reporting	Good Governance (GG)	Approval of Main budget	Approval of Main budget before legislative deadline	end May 2011	Stand-alone	1 approval by end May 2011	1	COUNCIL approved 2011/2012 budget on 05 May 2011. ref C25/2011
REF: 18 Executive & Council	Implementati on of Communicatio n Strategy	Good Governance (GG)	Compliance with implementatio n plan	Adoption of communication strategy and policy and compliance with targets as set out in the implementation plan	100%	Stand-alone	1 plan by end March	1	Policy approved at council on 3/3/2011, Ref:SR06/2011
REF: 15 Executive & Council	To enhance the financial viability of the municipality	Financial Viability (FV)	Integrated, structured corporate effort in improving financial Viability	Adoption and Implementation of Departmental financial Viability plans by portfolio committees	1	Accumulativ e	5	0	Directorates have not Adopted departmental financial viability strategies. However, Departmental inputs were submitted to the director finance for inclusion in the consolidated 5 year financial viability strategy which has since been adopted by council.
REF: 47 Executive & Council	To enhance the financial viability of the municipality	Financial Viability (FV)	Integrated, structured corporate effort in improving financial Viability	Implementation of 3 cost saving projects per directorates as identified in the departmental financial viability plans.	15	Accumulativ e	15	13	Directorates Development and Technical services implemented 2 projects each instead of the planned 3. New cost savings and or revenue generating projects will be identified and implemented in the new financial year

Theewaterskloof Local Municipality Annual Report 2010/11

Directorate	IDP Goal/ Objective	Municipal KPA	KPI Name	Unit of Measurement	Baseline	KPI Calculation Type	Revised Target	ACTUAL	ACTUAL COMMENTS & MITIGATION
REF: 20 Executive & Council	Implementation of an Anti Corruption Strategy	Good Governance (GG)	Adoption and rollout of Anti Corruption implementation plan	Adoption of plan and facilitate 5 Town workshops	5	Accumulative	1 plan	0	Policy was adopted in 2008 by council. Legislation requires revision of such plan. Internal auditor must attend a course at the end of July (capacitated) in order to revise the plan. Workshops with corporate as well as Town offices will follow upon adoption of revised plan. Training was attended during July 2011, new policy approved by council on 27/10/2011
REF: 5 Executive & Council	Perform an oversight role and Monitor and evaluate the organisational PMS and SDBIP system and Annual Reporting	Good Governance (GG)	Approval of SDBIP	Approval of SDBIP before legislative deadline	11-Jun	Stand-alone	1 approval by 11-Jun 2011	1	SDBIP adopted 02 June within the legislative deadlines of 28 days after the approval of the IDP and Budget (05th May).
REF: 19 Corporate	Plan and implement the restructuring, establishment, induction, training and institutionalization of ward committees for the next 5 year term	Good Governance (GG)	Plan and establish an effective, efficient, fully functional and empowered ward committee	Draft Ward committee empowerment implementation plan and adopt by management by end February 2011	1 Plan	Accumulative	1 plan	1	Adopted 31 May 2011. ref: C6/2011/ B91/2011
REF: 28 Corporate	Ensuring an Establishment with graded positions which will enable TWK to attract suitably qualified employees in its employ	Good Governance (GG)	Implement an agreed and approved Job evaluation system for all approved positions on the organisational structure	Implement job evaluation results off all approved positions by July 2011	100%	Carry Over	100% of posts evaluated implemented	100%	All JD's had been evaluated and implemented at the end of June. Busy with review and appeal phase.
REF: 27 Corporate	To establish current levels of Human Resources Productivity in the TWK and introduce steps to	Municipal Transformation and Institutional Development (MTID)	completion of HR productivity assessment and improvement project	Productivity Improvement process plan reviewed and approved by combined management and Mayco	1	Stand-alone	1 plan approved by end March	1	Business improvement process started within selected departments. Proposed plan to be reviewed and presented for approval to management. Funds had been secured in

Theewaterskloof Local Municipality Annual Report 2010/11

Directorate	IDP Goal/ Objective	Municipal KPA	KPI Name	Unit of Measurement	Baseline	KPI Calculation Type	Revised Target	ACTUAL	ACTUAL COMMENTS & MITIGATION
	optimise productivity as defined in the financial viable								the 2011/2012 budget. Tender is being prepared for advertisement after which an appointment will be made
REF: 40 Corporate	Revenue Enhancement	Financial Viability (FV)	Establish Supplementary valuation Roll. Ensure Smooth appeal process.	Establish Supplementary valuation Roll. Ensure Smooth appeal process.	1	Stand-alone	2 rolls implemented	2	Both rolls were received from valuers and advertised for inspection according to the MPRA
REF: 39 Corporate	To establish an IT system that will meet the operational demands of users during the next 5 years	Good Governance (GG)	Audit of ICT infrastructure and soft ware in accordance with legal external audit and the functional requirements of the municipality	External Audit report presented to Management by end June 2011	1 audit report	Stand-alone	1 external audit by June 2011	1	IT infrastructure audit completed by the Auditor General during May.
REF: 30 Corporate	To ensure sound labour relation practices in terms of Human Resources related legislation, policies and procedures	Good Governance (GG)	Adoption and role out of HR Policy implementation plan	Adoption of Implementation plan by end June 2011	1	Accumulative	1 plan	0	The draft process was discussed with the Director: Corporate Services, amendments made and the draft will be forwarded to the management team meeting during September 2011. We could not submit the draft to the management meeting due to a delay in our internal processes.
REF: 80 Corporate	Completion of the HR productivity assessment and improvement project	Financial Viability (FV)	The number of people from employment equity target groups employed in the three highest levels of management in compliance with the municipalities approved employment equity plan	no of EE groups appoint in the following posts (1) Top management, (2) Senior management (3) Professionally qualified /mid management	16	Stand-alone	80% of vacancies filled with EE candidates	72%	11 vacancies for the 2010/2011 financial year. 8 EE positions were filled. The filling of vacancies is guided by other factors such as the availability of EE candidates.
REF: 84 Corporate	Establish value adding internal support	Financial Viability (FV)	% of budget actual spent on implementing its workplace skills plan	at least 95 % of budget spent by 4th quarter	87%	Carry Over	95%	77%	Planned budget R 500 000.00. Actual budget spent = R 387 948.61. The approval of a learner ship program

Theewaterskloof Local Municipality Annual Report 2010/11

Directorate	IDP Goal/ Objective	Municipal KPA	KPI Name	Unit of Measurement	Baseline	KPI Calculation Type	Revised Target	ACTUAL	ACTUAL COMMENTS & MITIGATION
									by LGSETA delayed the tender process. Tender was approved on 3/06/2011 and implementation started in July 2012.
REF: 51 Technical Services	Sound Financial management	Financial Viability (FV)	In time completion of all capital projects	95 % of Capital Budget spent	81%	Carry Over	95%	83%	It was impossible to get permission from national Government for the construction of the Greyton-Genadendal pipeline which had to be rolled over to the new financial year 2011/12.
REF: 61 Technical Services	Transformation of service delivery standards	Service Delivery and Integrated Human Settlements (SDIHS)	No of HH that meet agreed service standards (connected to the national grid)	# of HH achieving agreed service standards/ No of HH	5249	Stand-alone	5249	5257	5257 connections received from department finance and are based on the accounts and serviced plots. The additional connections are evident on job cards.
REF: 49 Technical Services	Development of a structure plan to enhance the appearance of nature gardens and reserves	Good Governance (GG)	Adoption of Structure plan	structure plan adopted by council by April 2011	1	Stand-alone	1 plan adopted by end April	0	Unable to gather what the requirement is from national. Elections hampered the process. Once it has been established what is required a decision will be made as to whether the study will be conducted internally or externally.
REF: 52 Technical Services	Transformation of service delivery standards	Service Delivery and Integrated Human Settlements (SDIHS)	No of HH that meet agreed sanitation service standards (at least once a week) -Formal & In-Formal areas	No of HH that meet minimum standard sanitation	39504	Stand-alone	39504	17401	Unavailability of accurate statistics. Target is based on number of house holds billed which is not representative as some households receive more than one account. Directorate Technical Services has embarked on a survey to determine no of users within the municipality. Actual data will be available at the end of August

Theewaterskloof Local Municipality Annual Report 2010/11

Directorate	IDP Goal/ Objective	Municipal KPA	KPI Name	Unit of Measurement	Baseline	KPI Calculation Type	Revised Target	ACTUAL	ACTUAL COMMENTS & MITIGATION
REF: 57 Technical Services	Transformation of service delivery standards	Service Delivery and Integrated Human Settlements (SDIHS)	Excellent water quality	% water quality level as per blue drop project. Assessment report -80% Green Drop Status	100%	Stand-alone	1 report	1	Status of 80% not reached. Report indicates overall improvement from previous assessments (2009). Blue Drop increased from 49% to 75.4% and green drop from 30% to 65.4%
REF: 76 Technical Services	Implementation of Fleet strategy	Service Delivery and Integrated Human Settlements (SDIHS)	Adoption of Fleet strategy	Adoption of strategy by council by May 2011	1	Stand-alone	1 plan approved end October	0	Target not met. To be carried over to new financial year. Lack of internal capacity to finalize plan. Has been carried over to new financial year and is estimated to be completed in March/April 2012.
REF: 89 Technical Services	Refine asset register of water and sewerage network to include a detailed replacement and refurbishment schedule for water and sewerage treatment plan	Financial Viability (FV)	Completion of at least one water and one sewerage treatment plant replacement and refurbishment schedule for the next five years.	asset register to be completed by end June 2011	1	Stand-alone	1 update by JUNE 2011	0	Insufficient capacity to populate the "municipal assist" software. Quotation was requested from the company that supplied the software to do the population after which full maintenance and replacement schedules will be available.
REF: 75 Technical Services	Determine the Gap between ideal and actual maintenance standards in various towns with regard to corporate maintenance programme for infrastructure	Service Delivery and Integrated Human Settlements (SDIHS)	Adoption of report and formulation of rectification plan including staffing strategies at treatment plants	report adopted by portfolio committee by November 2010	1	Stand-alone	1 adopted report by Nov 2010	0	All process controllers are attending a course in water and waste water treatment which will render them sufficiently trained to comply with DWA requirements. Once results of the training are available it will be possible to recommend corrective action. Awaiting results after which report will be drafted.

Theewaterskloof Local Municipality Annual Report 2010/11

Directorate	IDP Goal/ Objective	Municipal KPA	KPI Name	Unit of Measurement	Baseline	KPI Calculation Type	Revised Target	ACTUAL	ACTUAL COMMENTS & MITIGATION
REF: 93 Technical Services	Transform the standard of service delivery in Genadendal and Greyton for treatment plants	Service Delivery and Integrated Human Settlements (SDIHS)	Lifting of service level standards as specified by department of Water Affairs for maintenance of treatment plants	set service level standards to meet best practice	100%	Stand-alone	1 SLA adopted	0%	SLA not documented. Continuous monitoring and evaluation takes place in response to the analysis report. SLA should have read Operations and maintenance manual which will be available once KPI 89 has been concluded.
REF: 77 Technical Services	Implementation of Solid waste management strategy and transformation programme	Service Delivery and Integrated Human Settlements (SDIHS)	Implementation of recycling programme	Signed contract for implementation in at least one town	1	Stand-alone	1 signed contract	0	After Supply chain process was followed and quotes received, Management resolved that contract is not to be awarded in current format this year due to insufficient funding
REF: 72 Technical Services	Transformation of service delivery standards	Service Delivery and Integrated Human Settlements (SDIHS)	No of HH that meet agreed sanitation service standards (at least VIP on site) -Formal Informal areas	# of HH without/ No of HH without minimum standard sanitation	0	Stand-alone	0	0	Lack reliable stats. (Problem areas, Grabouw and Villiersdorp). Survey was conducted to determine no of users within the municipality. Actual data will be available at the end of December once survey on informal settlements has been conducted.
REF: 91 Technical Services	Secure the quality of water and waste water and institute remedial steps at treatment works.	Service Delivery and Integrated Human Settlements (SDIHS)	Ensuring measurements in order to comply with DWA requirements in respect to potable water and final effluent	assess shortcomings and report to portfolio committee bi annually (December 2010 and June 2011)	2	Accumulative	2 reports	1	Report will be tabled during July/August 2011 with full information regarding previous year. Blue Drop score increased to 75%. First report reference: B 188/2010
REF: 73 Technical Services	Transformation of service delivery standards	Service Delivery and Integrated Human Settlements (SDIHS)	No of HH that meet agreed service standards (cleaned piped water 200m from household) - Formal & Informal areas	# of HH achieving agreed service standards/ No of HH	37 385	Stand-alone	39,504	17 815	Survey conducted to determine large users and users with a low or 0 meter reading. Survey also includes acquiring the zone meters, which will assist in the advance monitoring of the water losses, as well as house holds achieving service standards. Current target is no of billings issued which is inaccurate as some hh receive more than one

Theewaterskloof Local Municipality Annual Report 2010/11

Directorate	IDP Goal/ Objective	Municipal KPA	KPI Name	Unit of Measurement	Baseline	KPI Calculation Type	Revised Target	ACTUAL	ACTUAL COMMENTS & MITIGATION
									billing. stats will be available at the end of August
REF: 85 Technical Services	Infrastructure and bulk service capacity improvement	Service Delivery and Integrated Human Settlements (SDIHS)	Improvement of water purification system capacity	% progress with respect to approved projects on Capital Budget	90%	Carry Over	100%	84%	Capital projects on water are underway. Planned budget = R 14 079 133. Actual budget spent = R 11 829 446 as per capital report from budget. Certain amounts of problems were experienced with consultants. Blacklisting of under performing contractors and consultants must be considered.
REF: 90 Technical Services	Roll out strategy of dividing residential areas into more manageable zones in order to compare bulk supply with metered consumption	Financial Viability (FV)	Reduction in water demand, lower unit cost and increase affordability to the consumer	Distribution losses to be contained within 15% of water sold within Caledon by June 2011	15%	Stand-alone	15%	15%	Total % lost is within the annual target = 15%.
REF: 102 Technical Services	Transform the standard of service delivery in Genadendal and Greyton for treatment plants	Service Delivery and Integrated Human Settlements (SDIHS)	Percentage electricity losses	KW billed/ KW used by municipality	R 504 2711= 8,2%	Stand-alone	12%	8.19%	total % lost is within the annual target = 8.19%
REF: 74 Technical Services	Create structure and process for the utilisation of excess mineral water from the hot water spring in Caledon	Service Delivery and Integrated Human Settlements (SDIHS)	Investigation and determination of quality and quantity of "excess water" not utilised by the SPA	adoption of report containing recommendations by management by November 2010	1	Stand-alone	1 report adopted end Nov 2010	0	Ref: B132/2010- Item submitted to management- referred back. Target not met - still awaiting information from current client regarding usage and proposed utilization of water. To be continued in new financial year.

Theewaterskloof Local Municipality Annual Report 2010/11

Directorate	IDP Goal/ Objective	Municipal KPA	KPI Name	Unit of Measurement	Baseline	KPI Calculation Type	Revised Target	ACTUAL	ACTUAL COMMENTS & MITIGATION
REF: 9 Development	Finalisation of revised SDF and formulation of Sectoral Plans (Development Plans)	Good Governance (GG)	Finalisation and approval of Spatial Development Plan	Adoption of SDF by end June 2011	1	Stand-alone	1 approval	0	Draft SDF received and advertised on 8 October 2010. Public participation took place during month of November 2010. Comments processed. Final amended report will be presented to council in August. Council was in recess. New council was not prepared to take decisions as they were not well informed. Workshop with new council took place on 15 August.
REF: 31 Development	Review, draft and adopt policies/by-laws to ensure the successful implementation of the Town Management Model	Municipal Transformation and Institutional Development (MTID)	Draft identified by-laws and present final proposals to council	The following by-laws drafted and presented to council by January 2011 (Informal Business, Public nuisance issues, stray animals and illegal structures)	4	Accumulative	3 plans completed	3	The by-laws have been rationalized, verified and they addressed all the issues identified in the SDBIP. Indicator should have read drafting of fine list as the laws were in place. We were unable to implement by-laws due to the lack of a fine list. Fine list has since been approved. The management of illegal structures are covered in our Housing policy (Revised 17 March 2009) - SR33/2009. Draft Signage and house shop policies have been sent out for comments and work shopped with town managers. The illegal structures policy was kept in abeyance by the request of council due to political implications. The informal trader's policy was adopted by council in 2009.

Theewaterskloof Local Municipality Annual Report 2010/11

Directorate	IDP Goal/ Objective	Municipal KPA	KPI Name	Unit of Measurement	Baseline	KPI Calculation Type	Revised Target	ACTUAL	ACTUAL COMMENTS & MITIGATION
REF: 24 Development	Perform an oversight role and Monitor and evaluate the organisational PMS and SDBIP system and Annual Reporting	Good Governance (GG)	Adoption and implementation of PMS Process Plan	Adoption of PMS Process Plan/Checklist and implementation of activities as indicated	100	Stand-alone	1 plan	1	Compliance checklist has been order from Ignite Advisory Services as an additional module to the PMS system. Will be finalized by end September 2011 as first priority is finalizing the new SDBIP on the Ignite System. Currently identifying end users to specific legislative requirements.
REF: 8 Development	Implementation and Roll out of LED and Tourism Strategies	Local Economic Development (LED)	Adoption of LED/tourism Implementation Plan	Adoption of Implementation Plan by Municipal Manager by end June 2011	100	Stand-alone	1 plan	1	Implementation plan for led is part of the LED Strategy which was adopted in 2009. Tourism Implementation plan adopted 25 May 2010: REF: SC30/2010. Implementation plan was revised and approved by Management on 20 June 2011
REF: 6 Development	Implementation and Roll out of LED and Tourism Strategies	Local Economic Development (LED)	Enhancement of economic development	% of contracts advertised assigned to emerging contractors	minimum 20% of total contracts advertised	Carry Over	20%	5%	Target not achieved due to lack of internal systems to do calculations and provided statistics. The current dashboard will be edited and the formula corrected to give accurate percentile reports
REF: 7 Development	To create opportunities and meet the needs of all residents to ensure an enabling and financially viable municipality	Local Economic Development (LED)	The number of jobs created through the municipalities led initiatives including capital projects	# EPWP, CWP and other jobs created as a result of the implementation of LED and Human Development initiatives (Full Time Equivalent number people *number days/230)	200	Carry Over	350	382	CWP= 1200 jobs EPWP = 831. Total number of jobs opportunities created = 2031, this equates to 382 full time equivalent opportunities.

Theewaterskloof Local Municipality Annual Report 2010/11

Directorate	IDP Goal/ Objective	Municipal KPA	KPI Name	Unit of Measurement	Baseline	KPI Calculation Type	Revised Target	ACTUAL	ACTUAL COMMENTS & MITIGATION
REF: 50 Development	Undertake a service delivery GAP analysis i.ro Law Enforcement Issues. Define the GAP, establish cause, design remedial strategies, and roll out implementation	Municipal Transformation and Institutional Development (MTID)	Law enforcement Gap analysis completed and reported to Mayco	Report on findings and remedial actions to address these findings adopted by Mayco by end March 2011	1	Stand-alone	1 report	0	Law enforcement gap analysis was completed during the month of June. The following aspects were addressed: personnel, training, communication and equipment, vehicles, equity, impound facilities and complaints. Findings will be discussed with Town managers into a workshop during February. The workshop will determine the progress forward.
REF: 68 Development	Enhance Municipal Capacity through partnerships	Good Governance (GG)	Development of Partnerships with external stakeholders (maintaining existing partnerships and creating new partnerships)	One new partnerships (Grabouw Business Partnership) established by end June 2011 (Mou in place)	1	Stand-alone	1 MOU	0	The complexity of establishing the partnership has not been reflected in the high level outcomes suggested in the program plan. A business opportunity had to be created where additional income could be generated from the private sector. Lack of trust from the private sector had to be reestablished by the creation of a concrete business opportunity to contribute towards town renewal and curb midtown decay.
REF: 10 Development	Ensure compliance to all relevant legislation	Good Governance (GG)	Develop 3rd generation IDP	IDP approved by May Annually	100%	Stand-alone	1 approved plan by end May 2011	1	IDP approved 05 May 2011. ref C25/2011
REF: 67 Development	Role out of the Elgin Grabouw Sustainability project plan	Local Economic Development (LED)	Implementation of activities as identified in the project plan	4 satisfactory reports to steering committee	4	Accumulative	4 reports	3	3 steering committee meetings held for the financial year where reports were presented. Fourth quarter meeting fell within the new financial year.

Theewaterskloof Local Municipality Annual Report 2010/11

Directorate	IDP Goal/ Objective	Municipal KPA	KPI Name	Unit of Measurement	Baseline	KPI Calculation Type	Revised Target	ACTUAL	ACTUAL COMMENTS & MITIGATION
REF: 44 Development	formalisation of informal settlements	Service Delivery and Integrated Human Settlements (SDIHS)	Implementatio n of Upgrade of informal Settlements programme (UISP) with regards to serviced sites	1169 sites serviced (water, sewerage and electricity) in the Rooidakke area	1000	Accumulativ e	200	265	The initial housing approval was for the emergency housing programme for 1169 erven. This programme allows for the installation of rudimentary services which according to the National norm is 15 HH per tap and 5 HH per toilet. The roads, taps and toilets per stand are only covered in the Upgrading of informal settlements programme. With the conversion to the informal settlements programme, the erven in the Rooidakke area were divided into phases as depicted on the map. Although reporting for the 2010/2011 financial year was based on phase 2 of the project as it includes sewer, water and storm water connections. The remainder of the 693 erven is not fully service with regards to water, sewer and storm water and will therefore only be reported on in the new financial year. Grabouw electricity connection is dependent on Eskom

Theewaterskloof Local Municipality Annual Report 2010/11

Directorate	IDP Goal/ Objective	Municipal KPA	KPI Name	Unit of Measurement	Baseline	KPI Calculation Type	Revised Target	ACTUAL	ACTUAL COMMENTS & MITIGATION
REF: 43 Development	To ensure the spending of operational budgets in an effective and productive manner by Town Managers	Service Delivery and Integrated Human Settlements (SDIHS)	Implementation of Integrated Human Settlement Plan	100% of approved budget spent as per implementation plan	100%	Stand-alone	100%	103%	Total budget Spent R 30 379 653
REF: 69 Development	Expedite the conclusion of specifically identified Property transactions	Financial Viability (FV)	Present project implementation plans for the following property transactions: (Extension 12, Gysie Queen, Flight Park, Gap 108, Victoria Hall and Caravan Park development)	Project plans adopted by mayor by end September 2010	100%	Stand-alone	100%	100%	Project plans adopted by Development portfolio in September and monthly status reports on projects is sent to the mayor.
REF: 70 Development	To ensure financial viability through revenue generation	Financial Viability (FV)	Increase in property sales	% Revenue collection as per budgeted amount	% of 4 000 000	Stand-alone	100%	94%	Budget R 4 390 000. Income=R 4 125 189.27. Even not sold will be re advertised.
REF: 71 Development	Functional and proactive community participation system that promotes participatory governance and involvement in the IDP process of all sectors.	Good Governance (GG)	IDP endorsed by community organizations and stakeholders as local social compacts	% of adverse response from community organizations and stakeholder groupings that implies the rejection of the 3rd generation IDP	0%	Zero %	0%	0%	Comments on idp were received from GRRO during the idp public comment process. Response was forwarded to the chairperson. No rejection of the Idp was implied.
REF: 24 Finance	Project manage the successful implementation of the Risk Management Plan	Good Governance (GG)	Introduction of risk management culture and practice	council approved Risk Management revised Policy, Risk management implementation plan, strategy and committee charter	100%	Stand-alone	1 policy	1 policy	Adopted by council on 9 February 2011 REF: SC 04/2011
REF: 33 Finance	ensure the reliability and consumer friendliness of the municipal Bill	Service Delivery and Integrated Human Settlements (SDIHS)	An integrated and structured corporate effort to ensure the reliability of the corporate Bill	that could impact on the reliability of the Bill and the adoption and implementation of a resultant remedial plan	100%	Stand-alone	1 assessment report	1	User friendly Bill has been developed and public participation concluded for critical comments and this has been approved. Recovery of income not previously levied:

Theewaterskloof Local Municipality Annual Report 2010/11

Directorate	IDP Goal/ Objective	Municipal KPA	KPI Name	Unit of Measurement	Baseline	KPI Calculation Type	Revised Target	ACTUAL	ACTUAL COMMENTS & MITIGATION
REF: 35 Finance	Achieve an unqualified audit	Financial Viability (FV)	Improve GRAP Standards, Accounting Financial Management and Internal controls	Complete and correct asset register (Updated and GRAP compliant as per AG report)	100%	Stand-alone	1 report	1	Working in line with all Grap regulations. See financial statements
REF: 34 Finance	Ensure financial viability of the Annual review of the tariff structure	Financial Viability (FV)	Restructuring of tariffs	Development and adoption of a Baseline Tariff model and improved tariff policy by council	100%	Stand-alone	1 policy	1	Tariff policy together with final budget adopted - 4 May 2011. Ref C 25/2011
REF: 36 Finance	Improved Budget process and costing	Financial Viability (FV)	Improve and introduce cost and cost benefit Analysis	Monthly reporting of significant overspending and under spending to Finance portfolio committee on a monthly basis	10 reports	Accumulative	10 reports	12	The reporting forms part of monthly report to portfolio
REF: 79 Finance	Achieve an unqualified audit	Good Governance (GG)	Clean audit	% of Root causes of issues raised by AG in AG report addressed	100%	Carry Over	100%	100%	Addressed via the Management report, available in the 2009/2010 Annual report, which was tabled before council? Same process to be followed in the 2010/2011 financial year
REF: 83 Finance	Effective Financial Reporting	Good Governance (GG)	MFMA s71 Reporting	# reports	monthly reporting	Accumulative	12 reports	12	submitted monthly to portfolio and quarterly to council and monthly to Provincial Treasury & National Treasury-
REF: 100 Finance	Transform the standard of service delivery in Genadendal and Greyton for treatment plants	Service Delivery and Integrated Human Settlements (SDIHS)	No of HH receiving free basic electricity	No of HH	508	Stand-alone	8,000	6363	Same as KPI 94
REF: 94 Finance	Transform the standard of service delivery in Genadendal and Greyton for treatment plants	Service Delivery and Integrated Human Settlements (SDIHS)	No of HH receiving free basic refuse removal	No of HH	5911	Stand-alone	8,000	6,363	This is not an underperformance. Municipality has budgeted for 8000 indigent HH to receive free basic services. Only an amount of 6363 applied and qualified. road show visits were done in each town to assist people to apply. If the

Theewaterskloof Local Municipality Annual Report 2010/11

Directorate	IDP Goal/ Objective	Municipal KPA	KPI Name	Unit of Measurement	Baseline	KPI Calculation Type	Revised Target	ACTUAL	ACTUAL COMMENTS & MITIGATION
									indigent budget figure is too low and more hh apply and qualify, we would have an insufficient budget to provide these services
REF: 96 Finance	Transform the standard of service delivery in Genadendal and Greyton for treatment plants	Service Delivery and Integrated Human Settlements (SDIHS)	No of HH receiving free basic sanitation	No of HH	5911	Stand-alone	8,000	6,363	Same as KPI 94
REF: 98 Finance	Transform the standard of service delivery in Genadendal and Greyton for treatment plants	Service Delivery and Integrated Human Settlements (SDIHS)	No of HH receiving free basic water	No of HH	5911	Stand-alone	8,000	6,363	Same as KPI 94
REF: 101 Finance	Transform the standard of service delivery in Genadendal and Greyton for treatment plants	Service Delivery and Integrated Human Settlements (SDIHS)	Quantum of free basic electricity received	Kwh per month per household	50	Stand-alone	46 kwh	50	50 units per HH.
REF: 95 Finance	Transform the standard of service delivery in Genadendal and Greyton for treatment plants	Service Delivery and Integrated Human Settlements (SDIHS)	Quantum of free basic refuse removal received	R value per month per household	70.2	Stand-alone	R 87	R 87	87.15.
REF: 97 Finance	Transform the standard of service delivery in Genadendal and Greyton for treatment plants	Service Delivery and Integrated Human Settlements (SDIHS)	Quantum of free basic sanitation received	R value per month per household	71.2	Stand-alone	R 88	R 88	87.67 per indigent.
REF: 99 Finance	Transform the standard of service delivery in Genadendal and Greyton for treatment plants	Service Delivery and Integrated Human Settlements (SDIHS)	Quantum of free basic water received	kl per month per household	60	Stand-alone	66	R 65.84	6kl for all residents and Indigents get basic fee R 65.84. (Subsidy).

Theewaterskloof Local Municipality Annual Report 2010/11

Directorate	IDP Goal/ Objective	Municipal KPA	KPI Name	Unit of Measurement	Baseline	KPI Calculation Type	Revised Target	ACTUAL	ACTUAL COMMENTS & MITIGATION
REF: 78 Finance	Process RE- engineering	Good Governance (GG)	Process optimization intervention/i mproving productivity and Optimal Utilization of Resources	Management Approved implementation plan	100%	Carry Over	1 plan	1%	Management approval on 2 November 2010
REF: 81 Finance	Effective Financial Reporting	Good Governance (GG)	Reporting on conditional grant spending - capital	% of total conditional capital grants spent	104%	Carry Over	100%	99.85%	As per section 71 report
REF: 82 Finance	Effective Financial Reporting	Good Governance (GG)	Reporting on conditional grant spending - operational	% of total conditional operational grants spent	92%	Carry Over	100%	74%	As per section 71 report
REF: 88 Finance	Project manage the financial viability strategy	Financial Viability (FV)	Financial viability	Cost coverage ((Available cash+ investments)/ Monthly fixed operating expenditure	0.07%	Stand-alone	30 days	36.35da ys	average of 36.35 days as at end June
REF: 86 Finance	Project manage the financial viability strategy	Financial Viability (FV)	Financial viability	Debt coverage ((Total operating revenue- operating grants received)/debt service payments due within the year)	3.14%	Stand-alone	11.66%	13.53%	average of 13.53% as at end June
REF: 87 Finance	Project manage the financial viability strategy	Financial Viability (FV)	Financial viability	Service debtors to revenue – (Total outstanding service debtors/ revenue received for services)	0.18%	Stand-alone	0.18%	0.66%	average of 0.66% as at end June
REF: 92 Finance	SMME Empowermen t	Local Economic Development (LED)	Empowerment of smme's to become competitive	Facilitate workshops/open days per Town for upcoming SMME's to present tender procedures, documentation ect.	5	Accumulativ e	1	1	An SMME open day was held on 22nd June. Individuals from all towns were bussed into Caledon where the initiative took place. 516 people attended and 18 exhibitors supported the indaba.
REF: 66 Operations	Organisational Development: Project plan	Municipal Transformati on and Institutional Development (MTID)	Draft a project plan for the implementatio n of the Organisational development Plan	Project plan approved by MM by March 2011	1	Stand-alone	1 plan	0	Directorate operates without 2 town managers from July until November. Much time was spent on stabilizing these towns. A strategic workshop was facilitated by the MM in February 2011. The draft OD plan to be submitted to MM

Theewaterskloof Local Municipality Annual Report 2010/11

Directorate	IDP Goal/ Objective	Municipal KPA	KPI Name	Unit of Measurement	Baseline	KPI Calculation Type	Revised Target	ACTUAL	ACTUAL COMMENTS & MITIGATION
									with S57 performance update by end September
REF: 42 Operations	To ensure the spending of operational budgets in an effective and productive manner by Town Managers	Financial Viability (FV)	Proper spending of operational budget	Spend at least 95% of the Operational Budget under control of Town Managers.	87%	Carry Over	95%	84%	As per town audits, actual spending of operational budget per per was as follows: Caledon/Botriver = R 95.6%, Grabouw 94.5%, Villiersdorp 97.3%, RSE 91.9%, Greyton/Genadendal 84.5%. Underperformance is due to the absence of tow town managers from July to November.
REF: 65 Operations	Maintain all current SLA'S in the different Towns and Extend the project to Greyton and Tesselaarsdal.	Service Delivery and Integrated Human Settlements (SDIHS)	Quarterly performance reviews of each SLA in each Town	To achieve an average rating of 3 per SLA after 4 performance ratings as per SLA Dashboard.	Rating of 3 per SLA	Stand-alone	4	2	Due to the dissolution of council 4 assessments could not take place. Only 2 towns have an average rating of 3 after 2 performance ratings. All other towns have an average rating of 2.
REF: 45 Operations	Manage and coordinate town Audits and Town Grading processes according to approved project plans	Good Governance (GG)	Draft a project plan for the 2010/2011 financial year	Project plan approved by Town Grading Committee by November 2010.	1	Accumulative	1	1	Project plan was compiled in conjunction with the Project Manager and signed off by the MM on 30/6/2011.
REF: 46 Operations	Standardization of corporate standards: Implementation and Standardization of all corporate SOP's and Policies as agreed with all corporate department	Good Governance (GG)	Reach an agreement with all corporate directors on the implementation of SOP's and Policies	Signed agreement between Directors Corporate and Technical by November 2010 on SOP's and Policies for implementation	1 agreement	Accumulative	4	4	Agreements signed with Directors Development, Technical, Finance and Corporate.

Table 88: KPI Performance: Top Level SDBIP

CHAPTER 6

FINANCIAL PERFORMANCE

CHAPTER 6: FINANCIAL PERFORMANCE

6.1 FINANCIAL SUSTAINABILITY

A) MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT - NATIONAL KPIS

KPA & INDICATOR	2008/09	2009/10	2010/11
Debt coverage ((Total operating revenue-operating grants received)/debt service payments due within the year)	3.08	3.14	16.32
Service debtors to revenue – (Total outstanding service debtors/ revenue received for services)	0.17	0.18	0.17
Cost coverage ((Available cash+ investments)/ Monthly fixed operating expenditure	0.38	0.07	1.75

Table 89: National KPI's for financial viability and management

6.1.1 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	
2008/09	235 916	210189	(25 727)	89	230 374	199 046	31 328	86
2009/10	259 388	251 228	(8 160)	97	269 222	244 528	24 694	91
2010/11	322,595,458	288,415,820	(34 179 638)	-11	282,063,736	274,147,274	(7,916,462)	-3

Table 90: Performance against budgets

The municipality received **R 288,416 million** revenue for the year of which **R 274,147 million** was utilized for operating expenditure. Salaries and councilor allowances were 40% of the operating expenditure for the year under review and the percentage is well within the national norm of between 35-40%. Bulk purchases of water and electricity and expenditure with regards to grants and subsidies that were received from other spheres of government along with salaries and allowances makes up most of the total operating expenditure of the municipality. Grant and subsidies received property tax and service charges account for most of the revenue for the year under review.

6.1.2 OUTSTANDING DEBTORS

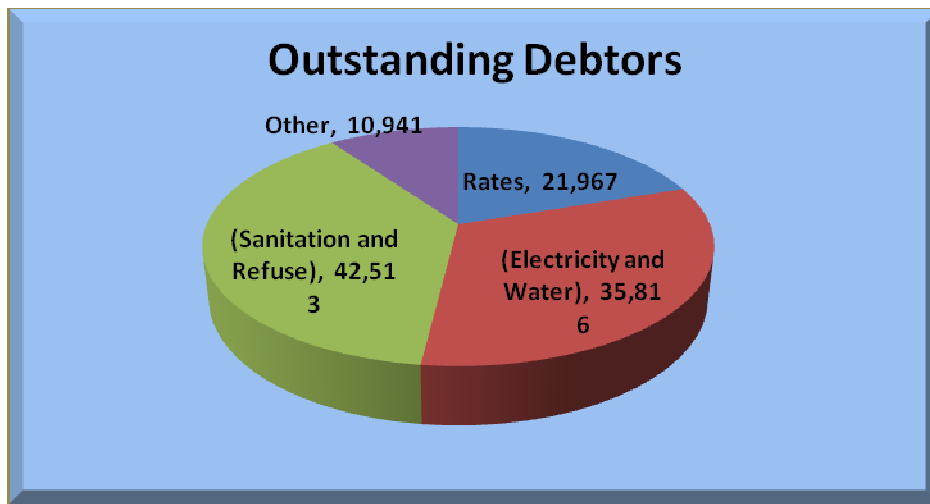
A) GROSS OUTSTANDING DEBTORS PER SERVICE

Financial year	Rates	Trading services	Economic services	Other	Total
		(Electricity and Water)	(Sanitation and Refuse)		
	R'000	R'000	R'000	R'000	R'000
2009/10	22 877	32 104	38 188	8 498	101 667
2010/2011	21,967	35,816	42,513	10,941	111,237
Difference	(910)	3,712	4,325	2,443	9,570
% growth year on year	-4%	10%	10%	22%	9%

Table 91: Gross outstanding debtors per service

Note: Figures exclude provision for bad debt

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



Graph 11: 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
2009/10	9217	4 500	3	87 947	101 667
2010/2011	9 216 540	4 499 671	3 434	87 948 136	101 667 781
Difference	9 127 410	5 601 841	364 607	93 610 387	108 704 244
% growth year on year	89 130	1 102 170	361 173	5 662 251	7 036 463

Table 92: Service debtor age analysis

Note: Figures exclude provision for bad debt

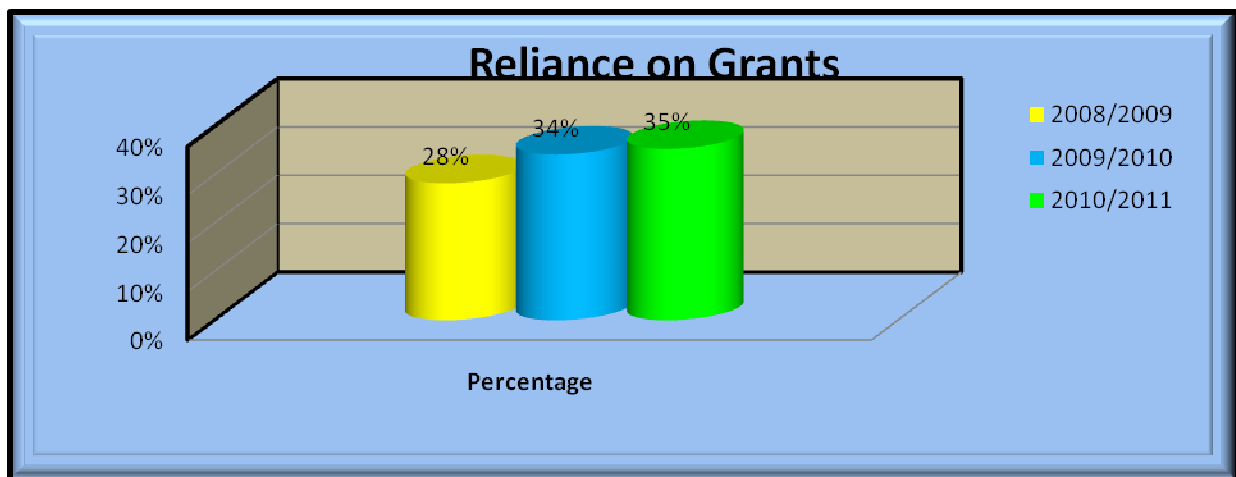
6.1.3 VIABILITY INDICATORS

A) LEVEL OF RELIANCE ON GRANTS AND SUBSIDIES

Financial year	Total grants and subsidies received	Total Operating Revenue	Percentage
	R'000	R'000	%
2008/09	59 558	210 189	28
2009/10	91 845	251 228	37
2010/2011	102,254,582	288,415,820	35

Table 93: Reliance on grants

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



Graph 12: Reliance on grants as %

B) LIQUIDITY RATIO

Financial year	Net current assets	Net current liabilities	Ratio
	(R'000)	(R'000)	
2008/09	55 099	48 912	1.13:1
2009/10	36 349	50 697	0.72:1
2010/11	53,070,145	51,782,376	1.02

Table 94: Liquidity ratio

The ratio is currently below the national norm of 1.5:1.

6.1.4 AUDITED OUTCOMES

Year	2008/2009	2009/2010	2010/2011
Status	Unqualified	Unqualified	Unqualified

Table 95: Audit outcomes

6.1.5 EQUITABLE SHARE VS TOTAL REVENUE

Description of revenue	Amount received 2008/09	Amount received 2009/10	Amount received 2010/11
	R'000	R'000	R'000
Equitable share	26 554	33 167	43,654
Capital grants	24 846	52 705	53,512
Operating grants	8 158	39 140	47,883
Own revenue	150 631	126 216	859
Total revenue	210 189	251 228	186,161

Table 96: Equitable share vs total revenue

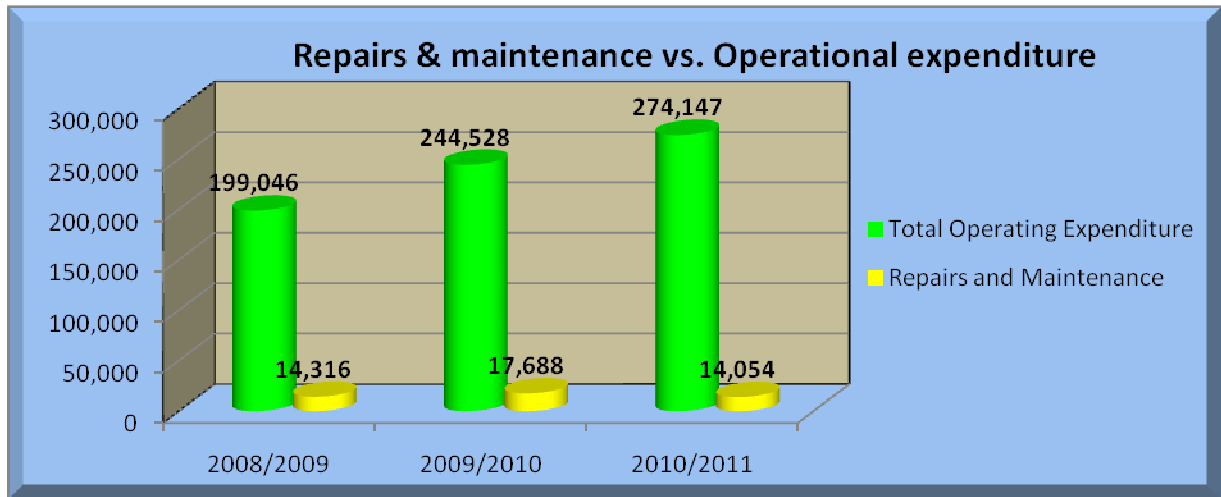
6.1.6 REPAIRS AND MAINTENANCE

Description	2008/2009	2009/2010	2010/2011
	R'000	R'000	R'001
Total Operating Expenditure	199 046	244 528	274,147
Repairs and Maintenance	14 317	17 688	14,054

Description	2008/2009	2009/2010	2010/2011
	R'000	R'000	R'001
% of total OPEX	7.19	7.23	5.13%

Table 97: Repairs & maintenance as % of total OPEX

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



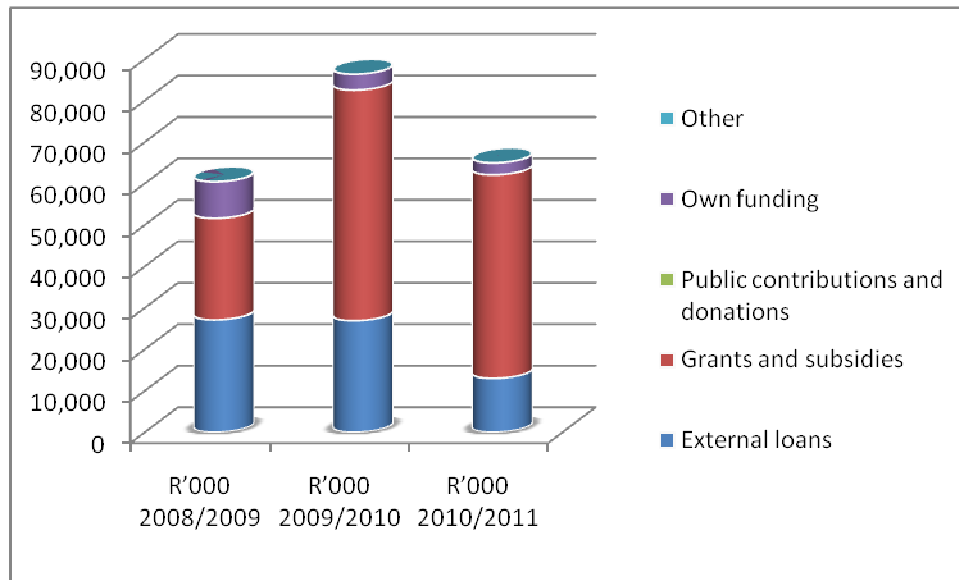
Graph 13: Repairs and maintenance as percentage of OPEX

6.1.7 CAPITAL FUNDED BY SOURCE

Description Source	2008/2009	2009/2010	2010/2011
	R'000	R'000	R'000
External loans	27 127	26 926	13 011
Grants and subsidies	24 484	55 625	49 144
Public contributions and donations	0	0	0
Own funding	8 843	3 833	2 866
Other	0	0	0
Total capital expenditure	60 454	86 384	64 993

Table 98: Capital funded by source

The following graph indicates capital expenditure funded by the various sources



Graph 14: Capital funded by source

6.1.8 ASSESSMENTS BY MUNICIPAL ACCOUNTING OFFICER WITH RESPECT TO MFMA SECTION 121 (3)

A) ASSESSMENT BY THE MUNICIPAL ACCOUNTING OFFICER – MFMA SECTION 121 (3)(E)

Local Government is the most difficult institution to work in. It consists of the most diverse services and has the most (and diverse) customers. It must bear the brunt for all public services, irrespective whether it is a provincial or national government function (including unfunded mandates).

What makes it even more difficult, is the fact that it is flooded with ever-changing and increasing legislation/regulations and costly accounting standards to comply with. A municipality is also a high politicized institution.

Municipalities have no choice about who their customers are and must provide services to all, irrespective whether they have the means or ability to pay and face many pressure groups who want to have more and better services and expect to pay less.

Despite all the above-mentioned challenges it remains one of the most exciting institutions to work in and to serve.

The Purpose of this Report is to give insight into the many challenges faced by our (and many other) municipality, how we deal/have dealt with the challenges and many projects and interventions / initiatives to address the challenges.

We firmly believe, looking back where we were in 2006, that we have achieved a great deal and we need to be proud, yet humble about our achievements.

We are also not complacent because there are still many steep mountains ahead and we believe that with a positive mindset and politicians and administration sharing the same vision, we will succeed. We are grateful for the excellent and stable political leadership which has been emulated by the administrative leadership.

Realities:

Municipalities are at a disadvantage from the date when consumers apply for services because unlike the private sector you may not refuse the provision of services even if a person is not credit-worthy.

The only way of restricting Indigents and other consumers, to consume within the free basic limits and affordability limits, respectively is by way of Prepaid Meters after proper consultation and provided that it is included in the municipality's By-laws.

Factors Impacting of Debt Collection (most of which are beyond our control:

- Most consumers have limited disposable income after tax (25-42%) has been deducted, along with Medical Aid, Pension Contribution, Bonds/ Rental, Travel Cost, Garnishee Orders (mostly from loan sharks), Education Fees, Insurance Policies have been deducted.
- Above inflation increases associated with Eskom Bulk Purchases are directly impacting on affordability and subsequently the ability of consumers to pay for services. This affects municipalities, consumers and businesses alike.
- Non Supply of Electricity: highest outstanding debts, lowest payment levels are in towns where Eskom supplies electricity- Lobbying with SALGA, Fiscal Commission, Treasury (will meet NERSA in due course)
- Economic recession
- High and increasing Unemployment and Seasonal Workforce
- Many businesses collapsed / on the brink of collapse due to economic melt-down.
- The escalation of Social Grant Dependence (from ± 2 million in 2000 to ± 14 million in 2011).
- Legal Action is a very time consuming and onerous process
- Significant reduction in Disposable Income
- Petrol increased by 22% and Diesel by 34% in 2011
- Increase in Food, Transport Cost, Material & Other Commodities
- SALGA Levies: Tariff increased by 40%: real increase is ± 55%
- Audit Fees increased between 2008 – 2011 from R1,2m– R1,8m (46.7%) R1.9m (6.5%) – R2.3m (21%)

- Income Erosion: Over 20% of Assessment Rates Revenue finances Housing Administration and Libraries (Unfunded/Under-funded Mandates).
- High School Drop-out rate, most of these youth are unemployed / not employable, adding to the already high unemployment rate.

National Treasury's Press Release dated 14 December 2011 iro the Local Government Revenue and Expenditure for the First Quarter Local Government Section 71 Report highlights the following:

Municipal Category	Budgeted Collection Rate	Actual Collection Rate
Aggregate	91.80%	65.50%
Metros	93.60%	64.90%
Secondary Cities		81.20%

According to National Treasury's Report, the under- performance of actual collections against billed revenue can be attributed to, amongst others:

- Affordability of municipal services.
- Economic slowdown

Credit Control and Debt Collection

It is often said and is easy to say that Municipalities are not competent to collect the outstanding debt!

It is acceptable that municipalities can do much more to improve Debt Collection.

The following are some of the Challenges and Solutions in Debt Collection:

- No Credit Control, Debt Collection and Indigents Policy – Drafted, work-shopped and Approved Policy and By-laws: implemented fairly, equitably, transparently and without fear or favour.
- No dedicated Staff and Unit- Established Unit with dedicated staff (although not fully staffed) and Staff was empowered, supported, motivated and held accountable for targets set. Regular Reporting and write off of irrecoverable debts must be affected.

- Proper Debt Collection System- procured a system through DBSA Grant funding. We however had many interface problems but most of the problems have been resolved.
- Follow-up of Arrangements- Many defaulters made arrangements but did not honor such arrangements due to no or weak follow-up system. The Debt Collection system assist a great deal and classifies all the steps followed and to be followed as well as a diary system.
- SMS System.
- Attorneys were used and they were ineffective- Closed and withdrawn all cases and files and we are handling the entire Debt collection Value Cycle in-house)
- illegal Connections and inability/unwillingness of SAPD to assist
- Farms: especially addresses and old valuation problems- obtained details and addresses of farms from various sources and external. Meeting/Communicating with those who have disputes in order to reach amicable solutions
- Debt Profiling- increased debtors grouping from 5 to 70 to get a better understanding of who the debtors are and their ability to pay, including categories for various government employees (Eg. SAPD, Correctional Services, Teachers, Education, Hospital, etc)
- Credibility of the Bill- Bill has been re-designed to be more user-friendly and Debtors Data Cleansing is in progress
- Legal Processes are very slow and there could be more than one summons per debtor as new debt arises while old debt is pursued
- No Sheriffs available for a long time (Grabouw & Caledon) - communicated with the Body of Sheriffs (this has been sorted out)
- Officials in Towns not always co-operating- this has since been addressed and resolved with Town Managers
- Indigents Thresholds- Several Policy amendments were effected to address indigents and unaffordability
- Setting Collection Targets and Monitoring: a simplified Excel Daily monitoring Barometer was developed to measure the actual collection to date against the target set.
- Uncontrolled Water and Electricity Consumption- Implementation of Prepaid Water and Electricity Meters and Free Repairs of Indigent Household Water Leaks (cheaper to repair than the cost of water lost and not paid for)
- Prepaid Meters: the Way to Go: a pro-active credit control tool instead of reactive debt collection processes.
- Prepaid Water and Electricity Meters Installation Programme has commenced in 2010 and the aim is to curb consumption of electricity and water above affordability levels.

- It replaces the inhuman water restrictions ("Trickle-flow" System)
- Improves water management and water usage within affordable limits which leads to a decrease in bad debts as well as the detection of leakages.
- Target = Installation of 5000 Prepaid Water Meters before the end of June 2012.
- Electricity Prepaid Meters are Currently being rolled out to all households
- R5.2m (water) & R3m (Electricity) is budgeted for 2011/12
- These initiatives is of utmost importance to curb water and electricity wastage and to eliminate/decrease bad debts
- The annual projected decrease in bad debts are R3m and R2.7m for water and electricity
- This represents 6% of the water & electricity revenue
- Meters are installed free of charge
- Municipal Bills must be Credible and therefore the Debtors Data Cleansing Assignments. Debtor information is being updated and properly profiled/categorized for ease of identification. Adequate resources (competent staff and electronic was acquired and attorneys were terminated municipalities abdicate responsibilities to attorneys and they lose control and get ripped- off)
- Improved Customer Care.
- Adoption of a Zero- tolerance on Fraud and Corruption: ensuring that Ratepayers can trust the municipality with their money.
- Good Governance and a Good Reputation is very important.
- Account Query Mechanism in place for consumers to communicate queries/perceived queries on account.

It should be noted that small Municipalities and those with low revenue base are inclined to be slower in writing off debt because of extra effort to try and recover as much as possible.

Debtors Profile:

- ***Eskom distribution Towns: Highest Outstanding Debt(>70%)***
- ***Genadendal = ± 15%***

One of the smallest towns several Legal Action processes cannot be finalized: properties held in trust. Genadendal Transformation Committee: Land held in trust. The town with high illegal reconnections

- **Households** – almost 50%
- **New Indigent Debtors** = almost 10%

- (We believe that all Indigent households have not registered and re-registered despite all efforts of going on roadshows to complete applications forms and having such facilities at all town offices)
- **RDPHouses** = >20%: Debtors Data Cleansing Project has also identified countless RDP Households with high outstanding amounts as a result of owners who have vacated the houses. A meeting will be scheduled with Department of Human Settlements to discuss possible solutions and recourse. This is a national phenomenon.
- **Umyezo School** in Grabouw owes± R0.5m: there is a single meter in the name of the School which also supplies the school and Hillside Hostel. No department wants to take ownership of the account. Service Disconnections cannot be affected.
- Government Departments send us from pillars to post: departments do not want to take responsibility for debts. Public Works do not know their Properties and also not where they are leasing properties. We assisted to identify most of their properties and wrote letters to the various MEC's in 2011.

B) ASSESSMENT BY THE MUNICIPALITY'S ACCOUNTING OFFICER –MFMA SECTION 121 (3) (F)

Revenue by source	2011 (Actual)	2011 (Budget)
Property Rates	41,130,046	41,000,000
Government Grants and Subsidies	101,395,347	103,449,627
Public Contributions and Donations	859,235	-
Actuarial Gains	-	-
Third Party Payments	414,278	-
Fines	3,627,434	4,073,300
Fair Value Adjustments	11,432,276	-
Service Charges	108,733,355	121,485,744
Rental of Facilities and Equipment	1,351,701	1,780,000
Interest Earned - external investments	1,664,552	1,700,000
Interest Earned - outstanding debtors	7,389,348	8,000,000
Licences and Permits	2,612,474	75,000
Agency Services	1,778,155	1,730,000
Other Income	2,450,940	39,301,787
Gain on disposal of Property, Plant and Equipment	-	-
	284,839,141	322,595,458

C) ASSESSMENT BY THE MUNICIPALITY'S ACCOUNTING OFFICER –MFMA SECTION 121 (3) (G)

Full implementation of GRAP and in particular GRAP 17 and the Unbundling of Assets was a mammoth task and resulted in the financial statements being submitted a few days after the due date. We also had insufficient time to review and certain errors were detected and financial statements had to be amended.

We are currently busy with an Action Plan for the 2011/12 Financial Statements and Audit to address short-comings identified and to start earlier to allow more time to review by management as well as internal Audit and Audit Committee. The Quarterly Assessment Dashboard of the Auditor General is also a useful tool.

D) ASSESSMENT BY THE MUNICIPALITY'S ACCOUNTING OFFICER –MFMA SECTION 121 (3) (H)

An amount of R4, 460,425 is reflected as "Unauthorized Expenditure". This was unavoidable, mostly book entries (and TASK Salary Grading resulted in the R350, 685 Salary overspending in Traffic, again after years of uncertainty had to be implemented retrospectively).

Also bearing in mind the 2010/2011 Budget was approved by Council in May 2010 and the Financial Statements were completed at the end of August 2011 following Unbundling and Re-valuation of Fixed Assets, Calculation of Backlog Depreciation and the Impairment of Debtors and Provisions made.

LIST OF ABBREVIATIONS

AG	Auditor-General
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
MAYCOM	Executive Mayoral Committee
MFMA	Municipal Finance Management Act (Act No. 56 of 2003)
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

ANNEXURE A: FINANCIAL STATEMENTS

ANNEXURE B: REPORT OF THE AUDITOR GENERAL

ANNEXURE C: REPORT OF THE AUDIT COMMITTEE
