

**DRAFT ANNUAL REPORT
PRINCE ALBERT MUNICIPALITY
2017/18**



NOVEMBER 2018

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Chapter 1 MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

COMPONENT A: MAYOR'S FOREWORD



EXECUTIVE MAYOR: GOLIATH LOTTERING

As in years before Prince Albert Municipality has strived within its financial and administrative capacity, to create an enabling environment for all inhabitants to participate in Local Government activities.

Building on an unqualified (clean) audit in the previous financial year, we continued with strict financial management, while not compromising on service delivery. Regrettably we lost our unqualified without matters financial status to an unqualified with matters, due to the fact that we did not indicate local content in our supply chain documentation. I wish to emphasise that even with the regressing of our audit status we still implemented strict financial control that our community can have confidence in.

As a people-centred municipality we continued to contribute to the improvement of the general standards of living of the people in the municipal area by creating jobs through labour intensive practices, EPWP programmes such as Youth in Waste and the Wolwekloof Internship of the Department of Community Safety. The Municipality also have a policy that requires contractors to employ local labour and this ensured that on an average between 80 and 260 EPWP work opportunities, of which 30 were female participants, were generated in our ASLA Devco Housing project.

The Municipality are continuing their efforts in meeting the nine objectives of the National Development Plan, eg. job creation, improving the quality of school education, eradicating spatial divides by inclusive development, improving infrastructure, creating a sustainable economy, improving public health, improving public services, eradicating corruption levels and improving social cohesion. The National Development Plan is further supported by the Western Cape Growth and Development Strategy that aims to make the Western Cape a home for all. The partnerships enjoyed with the respective Provincial and National government departments are critical in taking these goals and changing it to implementable programs that improve our residents and communities' quality of life.

The Municipality completed 243 houses in Prince Albert and won second runner -up in the Govan Mbeki Award. This was the first low cost housing project in the Prince Albert community in the last fifteen years. The Municipality fully supports the notion that preference be given to the older beneficiaries and are therefore very proud that 45% of the project beneficiaries are over 60 years of age. The project also accommodated four Military Veterans and five beneficiaries that are using a wheel chair full time. We will continue to

engage with the Department of Local Government to continue our housing delivery pipeline to restore dignity and address the imbalances of the past.

This reporting year posed significant challenges in respect of drought mitigation. We were declared a drought disaster management area and had to maintain careful demand management to ensure continued water supply. A special word of appreciation is extended to the Department of Local Government as well as the Municipal Infrastructure Grant Programme for availing funds and procuring a Section 30 Directive from the Premier to allow exemption of certain environmental processes.

Without money we cannot fulfil our constitutional mandate regarding service delivery and governance. Though the debt collection ratio for the Municipality were at 86%, the debt collection ratio for Klaarstroom and Leeu Gamka remains significantly lower than in Prince Albert. To address this unfortunate situation, debt collection campaigns continued. It is, however, imperative that national initiatives to conclude an agreement on debt collection with Escom be prioritised. Without such an agreement rural municipalities' financial sustainability will always be at risk.

As a Municipality is a partnership between councillors, municipal staff and the community, effective public participation is paramount. During the reporting year several public engagements were undertaken, supported by the ward committees as connecting mechanism between the community and Council. The revamping of the ward committee to a block representative system seem to work better than in the past. We still reviewed the system and will improve the flow of communication within and between the system so as to capacitate our communities.

A special word of thanks is extended to the ward committee members that assisted in the awareness campaigns on water saving. Your help was and remain invaluable.

Our Constitutional mandate remains Basic Service Delivery and we strive to operate within the legislative framework of Local Government. Although compliance has become an expensive exercise, it remains a priority for the Prince Albert Municipality. Though we received an unqualified audit with matters our endeavours in obtaining an unqualified audit with no findings will continue. The emphasis will however, always remain on accountable service delivery first.

Our humble appeal to residents and other stakeholders is to work with us as we continue to build a resilient economy and a better life for all. Our focus in the coming months will be to stay the course of sound fiscal management, to capitalize on revenue raising opportunities and to attract investors to our area.

I wish to thank Council for their continued efforts to ensure a sustainable and accountable government for our residents, as well as management and all staff for their dedicated efforts to ensure that we provide basic services and governance above the norm. My most sincere gratitude is expressed towards our residents, business and governmental stakeholders for

their continued support. It remains a privilege to lead such a committed and dedicated community.

This annual performance report will be advertised and submitted for public scrutiny up to 15 January 2019. The comments received were taken into consideration with the final adoption of the annual report.

Sincerely

Goliath Lottering

EXECUTIVE MAYOR

Component B: Executive Summary

1.1 *Municipal Manager's Overview*

Prince Albert Municipality is a category B municipality performing the functions set out in Schedule 4 B and 5B.

The reporting year produced significant challenges in respect of service delivery with our area, amongst other municipalities in the Western Cape being declared a drought disaster area. We are extremely grateful to the Departments of Local Government, Water and Sanitation, the Municipal Infrastructure Grant Programme and the Department of the Premier for their support in availing funding to sink additional boreholes, to fund a reverse osmosis plant in Leeu Gamka and to increase the storage capacity in some of our reservoirs. A special word of thanks goes to the Kweekvallei Water Users for their co-operation and support in supplementing the towns' water levels when needed; to the staff that through hard work and dedication ensured continued service delivery and especially to the community members for their support.

Prince Albert Municipality's residents remain restricted to 90 litres of water per person per day. Facing the holiday season, we will renew our efforts to ensure that this be adhered to. We cannot manage this crisis without the assistance and co-operation of our communities and we ask that each and every one please adhere to the restricted usage so as to ensure that water remains available to all.

Prince Albert Municipality have been struggling to provide services with a very old fleet prone to break-downs. This situation placed immense pressure on service delivery and in fact lead to service delivery breakdowns. Through sound financial management over the past term Prince Albert Municipality succeeded to build a cash surplus that allowed them to fund and purchase some new fleet vehicles that will improve the situation. The Municipality will have to continue on this road and invest in service delivery equipment and a working fleet or the Municipality will experience service delivery disruptions that will undermine good governance.

Ageing infrastructure remains a risk, but efforts continue to replace aged infrastructure. With limited resources our maintenance program does, however, focus on re-active rather than pro-active maintenance.

Council will also have to carefully consider the best future service delivery options available and affordable to its residents eg connecting South End Prince Albert to the sanitation reticulation network vs purchasing a new honey sucker.

We are extremely proud of the 243 houses that was build in Prince Albert and resulted in Prince Albert Municipality being awarded second runner up in the Govan Mbeki Awards. Our thanks go out to our development partners in this project.

The Municipality does not have information technology department or IT personnel and therefore lacks the capacity and appropriate skilled IT resources to implement IT controls and processes. This should be addressed in future organisational development.

Though the Municipality did not maintain its unqualified without matters audit status, but regressed to an unqualified audit with matters, I am confident in the sound financial management practices of the Municipality. The matter withholding the Municipality from a clean audit, have already been addressed and we are well on our way to resuming the unqualified without matters audit status in the current financial year.

With a limited income generating base and nationally acknowledged poverty pockets the financial viability of the municipality is an area of great concern and a primary risk. The challenge on debt collection in Eskom service delivery areas must be addressed to ensure continued financial sustainability and viability of municipalities.

Both the Council and staff should be commended for this achievement that forms the basis to good governance and accountability. This commitment to serving the best interest of our communities was also reflected in the Municipality's continued maintenance of the national service delivery standards.

Ageing infrastructure remains a risk, but efforts continue to replace aged infrastructure. With limited resources our maintenance program do, however, focus on re-active rather than pro-active maintenance.

The Expanded Public Works programme, combined with the Community Works Programme continued to provide several previously unemployed persons with an income, combatting not only unemployment and poverty, but restoring dignity.

The above initiatives are all in support of reducing the five top risks facing the municipality, namely financial viability, debt collection, a limited income base, poverty pockets and ageing infrastructure. These risks remain the same as in the previous years.

This will be my last year where I will be presenting the draft Annual Report to Council and our community as I have taken the position as Municipal Manager of Saldanha Bay Municipality as of 3 December 2018. When I embark on this new career challenge in Saldana Bay Municipality I do so by standing on the shoulders of all Councillors, staff and community members of Prince Albert Municipality. You have taught me so much and allowed me to grow into a person that will now lead the

fastest growing Municipality in the Western Cape. I do not have adequate words to express my gratitude to you all. Please know that I will carry you in my hearts always and I am confident that your future is in good hands. Mr Jannie Neethling, our very capable Chief Financial Officer was appointed as acting Municipal Manager. I trust that you will give him the same support that you have granted me in the past.

It has been a privilege to lead this Municipality and I wish to extend a sincere vote of thanks to the Executive Mayor, Speaker, management, staff, ward committees and members of the public for their support through the years. You will be missed.

To my Heavenly Father – thank You!

I herewith present the draft Annual Report for the financial year 1 July 2017 to 30 June 2018 to you as a true reflection of the performance of Prince Albert Municipality, with the firm dedication that we could not have achieved any of this, without you, our community.

HFW Mettler

MUNICIPAL MANAGER

1.2 Municipal Overview

This report addresses the performance of the Prince Albert Municipality in the Western Cape in respect of its core legislative obligations. Local government must create the participatory framework that defines and enhances the relationship between elected leaders and their communities. This requires that the council of the municipality provides regular and accurate reporting on programme performance and the general state of affairs in their locality. The 2017/18 Annual Report reflects on the performance of the Prince Albert Municipality for the period 1 July 2017 to 30 June 2018.

The Annual Report is prepared in terms of Section 121(1) of the Local Government: Municipal Finance Management Act (MFMA), requiring the municipality to prepare an Annual Report for each financial year.

1.2.1 Municipal Vision and Mission

Prince Albert Municipality committed itself to the following vision and mission:

Vision

Prince Albert, an area characterized by high quality of living and service delivery.

Mission

To create an enabling environment that achieves our vision, in the delivering of quality and sustainable services, to our community.

1.3. Demography

1.3.1 Population

Prince Albert's municipal area is divided into four wards. Ward one includes the Leeu-Gamka and Prince Albert Road areas, including surrounding farms, while ward 2 represents Klarstroom, the farming areas surrounding Seekoeigat, Oukloof Dam and Drie Riviere as well as a portion of Prince Albert South (Below Church Street) Ward three includes the portion of Prince Albert North End surrounding the Pentecostal Protestant Church, while ward 4 includes the area of Rondsnskrik in Prince Albert and a portion of Prince Albert South above Church Street.

According to the 2011 Census, Prince Albert Local Municipality has a total population of 14 091 people, of which 84,5% are coloured, 11,8% are white, with the other population groups making up the remaining 3,7%. A growth rate of 2.23% is estimated with a population density of 2 person per 2km².

Of those aged 20 years and older, 6,9% have completed primary school, 16,7% have some secondary education, 16,9% have completed matric, 8,7% have some form of higher education.

a) Total Population

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

2001	2008	2011	2012*	2013*	2014*	2015*	2016*	2017*	2018*	% growth
10 512	12 106	13 136	13 428	13 728	14 034	14 346	14 673	15 000	15345	2.23%
<i>Source: Stats SA Census, 2011 * Guestimate based on growth rate determined in 2011 census</i>										

Table 1.: Demographic information of the municipal area – Total population

b) Population profile

The following profile reflects the municipal area's total population per age group as per the last official census.

Year	Age Groups			Dependency ratio
	Children 0-14 years	Working Age 15-65 years	Aged 65+	
2011	3883	8 410	839	56.2
2018	3692	9 323	1 076	51.1
2023	3 532	9 940	1 281	48.4

Table 2: Population profile (SEP report: 2018)

1.3.2 Households

The following table reflects the number of households in the municipal area as well as the indigent households per financial year.

Households	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Number of households in municipal area	2 234	2411	2511	2536	2554	2809
Number of indigent households in municipal area	783	646	687	951	872	893

Table 2.: Total number of households

1.3.3 Socio Economic Status

The following table reflects key socio-economic statistics of the area as per 2018 SEP report.

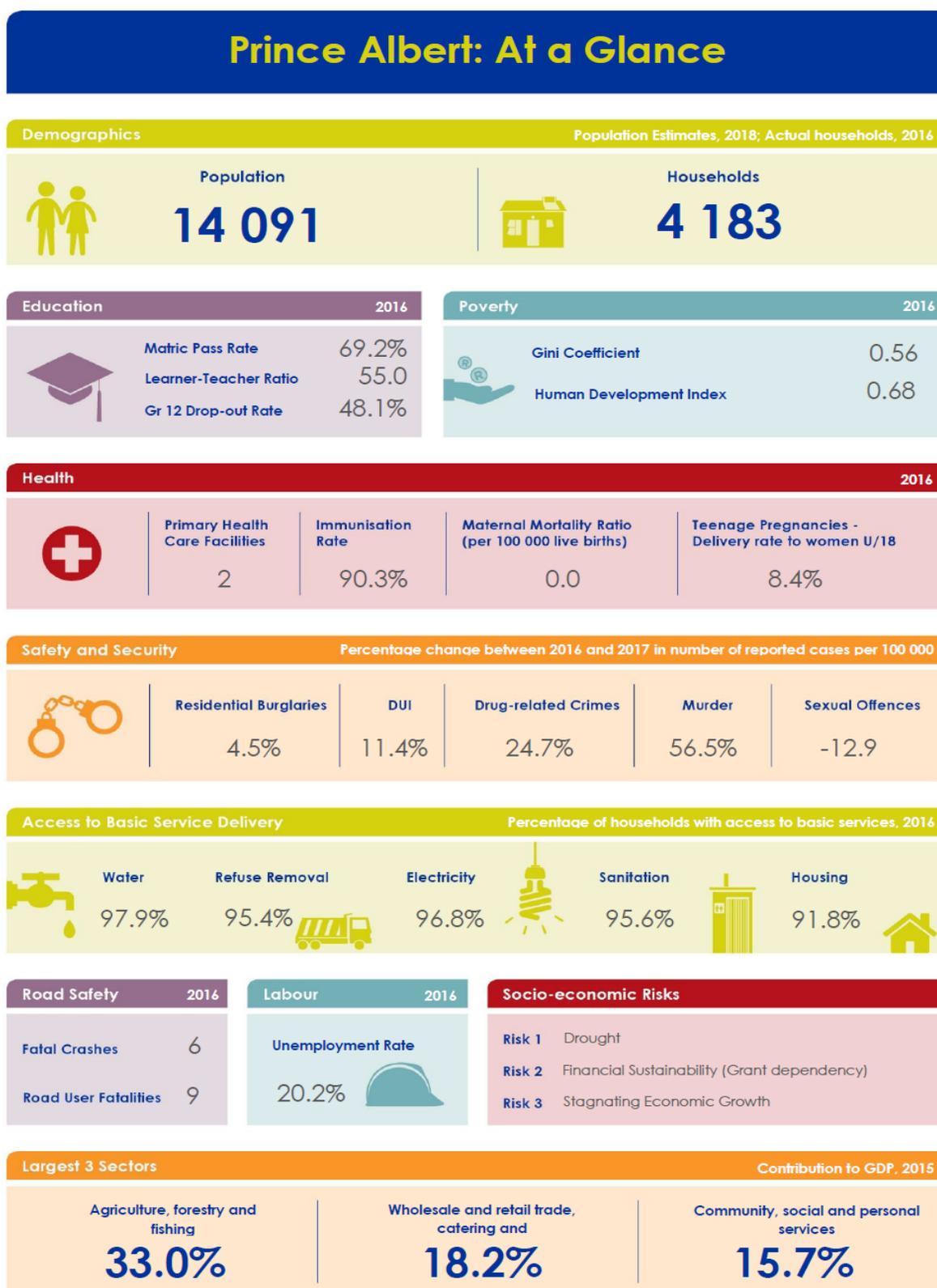


Table 3.: Socio Economic Status

1.4 Service Delivery Overview

1.4.1 Basic services delivery performance highlights

The following table reflects the basic service delivery performance highlights for the reporting financial year.

Highlights	Description
Upgrading of sport facilities in Klaarstroom	The ablution facilities have been upgraded
Successful drought management	Strict demand management has been implemented resulting in continuous water supply
Upgrade of raw water storage	Raw water storage capacity extension commenced
Completion of housing project in Prince Albert	243 houses build in Prince Albert
Electrification of 243 houses in Prince Albert	Bridging finance allowed for 243 houses to be connected to the electricity grid in Prince Albert

Table 4.: Basic Services Delivery Highlights

1.4.2 Basic services delivery challenges

The following table reflects the basic service delivery challenges for the reporting year.

Ward	Challenge	Actions to address
All	Ensure quality water provision	Continuous training of water process controllers
All	Upgrade road infrastructure	Pothole repair programme developed
All	Improve and erect road signage and markings	Road markings to be established as per available budget
All	Improve access control at landfill sites	Appoint staff to improve access control
Ward 2, 3, 4	Upgrade electricity network	Budget for replacement of old network
All	Sewerage trucks not road worthy – high cost of service	Purchase new truck; investigate possibility to connect sewerage tanks to sanitation network

Table 5.: Basic Services Delivery Challenges

1.4.3 Proportion of Households with access to Basic Services

The following table reflects the proportion of households with access to basic services.

Proportion of Households with minimum level of Basic services					
Detail	2013/14 (%)	2014/15 (%)	2015/16 (%)	2016/17 (%)	2017/18 (%)
Electricity service connections	100%	100%	100%	100%	100%
Water - available within 200 m from dwelling	100%	100%	100%	100%	100%
Sanitation - Households with at least VIP service	100%	88.8%	88.8%	88.88%	88.88%
Waste collection - kerbside collection once a week	100%	100%	100%	100%	100%

Table 6.: Households with minimum level of Basic Services

1.5 FINANCIAL VIABILITY

1.5.1 Financial Viability Highlights

The following table reflects the financial viability highlights for the reporting year.

Highlight	Description
Financial statements drafted internally	Only nominal support from consultants in verification process
mSCOA preparation	mSCOA preparation in line with national milestones
Transfer to Capital Replacement reserve	The municipality's available cash reserves were enough to enable a transfer to the CRR for funding of future capital projects

Table 7.: Financial Viability Highlights

1.5.2 Financial Viability Challenges

The following table reflects the financial viability challenges for the reporting year.

Challenge	Action to address
Capacity constraints	Multi skilling of staff
mSCOA compliance	Financial support application

Challenge	Action to address
Debt collection – especially in Eskom areas;	Appointment of dedicated staff for debt collection
Increase in bad debt provision due to increase in outstanding water debtors	In new financial year (16/17) staff were employed for leak detection and repair
Incompatibility of financial software system	Change from Abakus to VISTA – continuous engagement with service provider to ensure successful transfer of system

Table 8.: Financial Viability Challenges

1.5.4 Financial Overview

The following table provides a financial overview on the reporting year.

Details	Original budget 2017/18	Adjustment Budget	Actual
	R'000		
Income			
Grants	42 809	46 304	34 592
Taxes, Levies and tariffs	23 867	23 392	24 335
Other	10 504	12 495	17 541
Sub Total	77 180	82 191	76 468
Less Expenditure	68 351	71 161	67 487
Net surplus/(deficit)	8 830	11 030	8 981

Table 9.: Financial Overview

1.5.5 Total Capital Expenditure

The following table provides a total capital expenditure profile for the reporting year.

Detail	2013/14	2014/15	2015/16	2016/17	2017/18
	R'000				
Original Budget	17,919	15,358	10,293	8,701	8,528
Adjustment Budget	24,019	33,922	36,389	9,894	17,383
Actual		12,713	15,296	9,162	10,841

	20,405				
% Spent	85%	37%	42%	93%	62%

Table 9: Total capital expenditure.

1.6 Organisational Development Overview

1.6.1 Municipal Transformation and Organisational Development

The following table provides an overview of the municipal transformation and organizational development highlights for the reporting year.

Highlights	Description
Job Descriptions updated	All job descriptions updated internally
EE Plan submitted	EE Plan submitted within allocated timeframe
Workplace Skills Plan submitted	Submitted within timeframe
HR policies reviewed	Several HR policies reviewed including EE policy, smoking policy, succession policy, workplace safety, etc reviewed
Organisational review	Organisational review undertaken
Vacancy rate	Vacancy rate at 22.68% hampering service delivery. Technical Manager was appointed in January 2018

Table 10.: Municipal Transformation and Organisational Development Highlights

1.6.2 Municipal Transformation and Organisational Development Challenges

The following table reflects the challenges pertaining the municipal transformation and organizational development for the reporting year.

Description	Actions to address
Capacity constraints	22.68% vacancy rate in organisation – no funding to fill vacancies
Limited skills base	Skills funding limited
Challenges attracting and retaining staff	Remuneration packages too low and geographical location hampering attraction and retention of staff
Performance management	Capacity constraints hampering implementing performance management to lowest level

Table 11.: Municipal Transformation and Organisational Development Challenges

1.7 Auditor General Report

1.7.1 Audited Outcomes

The following table reflects the audited outcomes since 2010.

Year	2010/11	2011/12	2012/13	2014/15	2015/16	2016/17	2017/18
Opinion received	Qualified	Unqualified	Unqualified	Unqualified	Unqualified	Unqualified with no matters - clean audit	Unqualified with matters

Table 12.: Audit Outcomes

1.8 2017/18 IDP/Budget Process

The Process Plan is indicated in Addendum A for the 2018/19 IDP/Budget process.

COMPONENT B

Chapter 2: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

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

2.1 NATIONAL KEY PERFORMANCE INDICATORS - GOOD GOVERNANCE AND PUBLIC PARTICIPATION

The following tables indicates the municipality's performance in terms of the National Key Performance Indicators required in terms of the Local Government: Municipal Planning and the Performance Management Regulations 796 of 2001 and section 43 of the Local Government: Municipal System Act, 2000 (MSA). This key performance indicator is linked to the National Key Performance Area - Good Governance and Public Participation.

Below is a table that indicates capital expenditure for the 2017/18 financial year:

KPA & Indicators	Municipal Achievement				
	2013/14	2014/15	2015/16	2016/17	2017/18
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	85	37	42	78.8%	74.7%

Table 13.: Capital budget spend

2.2 Performance Highlights - Good Governance and Public Participation

Below is a table that indicates the highlights pertaining good governance and public participation for the 2017/18 financial year:

Highlight	Description
Ward committee functioning reviewed	Ward committee functioning reviewed annually
Ward committee training	Ward committees trained twice in financial year
Community meetings	Community meetings have high attendance numbers
Website upgraded and functioning	Website administration done internally
Bulk SMS messaging	Bulk SMS messaging provided with assistance of Department of Local Government
Municipal programme on Radio Gamkaland	Municipality hosts a municipal radio programme 4 times per week
Stakeholder engagements instituted	Municipality instituted a Stakeholder Engagement Forum to liaise with other sector departments to ensure maximum impact on service delivery

Table 14.: **Good Governance and Public Participation Performance Highlights**

2.3 Challenges - Good Governance and Public Participation

Below is a table that indicates the challenges pertaining good governance and public participation for the 2017/18 financial year:

Description	Actions to address
Not all ward committee members perform optimally	Training on ward committee role and municipal programmes
Ward committee activities to be strengthened	Ward committee summit and ad hoc engagements with ward committees on specific programmes
Limited communication tools for area	Use combination of communication tools – utilise Radio Gamkaland. Four hourly time slots per week
Quarterly feedback in wards not	Ward feedback meetings scheduled

Description	Actions to address
compliant in regularity	under chairmanship of ward councillors

Table 15.: **Good Governance and Public Participation Performance Challenges**

Council

Below is a table that categorizes the councillors within their specific political parties and wards for the 2017/18 financial year:

Name of councillor	Capacity	Political Party	Ward representing or proportional (PR)
Cllr. G .Lottering	Mayor	KGP	Ward Councillor: ward 3
Cllr S Botes	Speaker	DA	PR Councillor
Cllr L K Jaquet	Deputy Mayor	DA	Ward Councillor: ward 2
Cllr M D Jaftha	Councillor Representative to District Municipality	KGP	Ward Councillor: ward 4
Cllr E Maans	Councillor	ANC	Ward Councillor: Ward 1
Cllr S Piedt	Councillor	ANC	PR Councillor
Cllr M Steyn	Councillor	DA	PR Councillor

Table 16.: **Council per political affiliation**

Below is a table which indicates the Council meetings attendance for the 2017/18 financial year:

Meeting dates	Type of Council meeting	Council Meetings Attendance	Apologies for non-attendance
29/08/2018	Special	85%	0%
28/09/2017	General	85%	0%
30/11/2017	Special	100%	0%
8/12/2017	General	100%	0%
19/01/2018	Special	100%	0%
24/01/2018	Special	100%	0%
5/02/2018	Special	100%	0%
29/03/2018	Special	100%	0%

Meeting dates	Type of Council meeting	Council Meetings Attendance	Apologies for non-attendance
10/04/2018	General	100%	0%
29/05/2018	Special	100%	0%
6/01/2018	General	100%	0%
28/06/2018	Special	100%	0%
<i>Numbers between brackets indicate non-attendance without apology</i>			

Table 18 Council meetings

Though no General Meeting occurred in the third quarter, the meeting took place on 10 April 2018. The high attendance rate of councillors and the positive interaction resulting in a stable council, should be commended.

Executive Mayoral Committee

Prince Albert Municipality have an Executive Mayor, Cllr Goliath Lottering, but has no Mayoral Committee.

a) **Portfolio Committees**

Section 80 committees are permanent committees that specialize in a specific functional area of the municipality and may in some instances make decisions on specific functional issues. They advise the Executive Mayor on policy matters and make recommendations to the Executive Mayor. Section 79 committees are temporary and appointed by the council as needed. They are usually set up to investigate a particular issue and do not have any decision making powers, except those delegated to them by Council. Once their *ad hoc* task had been completed, Section 79 committees are usually disbanded. External experts, as well as Councillors can be included on Section 79 committees. The following Section 80 committees were utilized in the reporting year.

i) **Finance Committee**

All councillors in Prince Albert Council form part of the respective Portfolio Committees. The following table reflects the attendance of the respective councillors in the finance committee meetings. The Finance Committee is under the chairmanship of Cllr G Lottering and deals with financial matters in the municipality.

Name of member	Capacity	Meeting dates
Cllr G Lottering	Chairperson	13/09/2017

Name of member	Capacity	Meeting dates
Cllr M Jaftha	Member	20/11/2017 20/03/2018 22/05/2018
Cllr S Botes	Member	
Cllr M Steyn	Member	
Cllr L K Jaquet	Member	
Cllr E Maans	Member	
Cllr S Piedt	Member	

Table 17.: Finance Committee

ii) Personnel and Transformation Committee

All councillors in Prince Albert Council form part of the respective Portfolio Committees. The following table reflects the attendance of the respective councillors in the finance committee meetings. The Personnel and Transformation Committee is under the chairmanship of Cllr M Jaftha and deals with Human Resources and institutional development.

Name of member	Capacity	Meeting dates
Cllr M D Jaftha	Chairperson	12/09/2017 15/11/2017 19/03/2018 21/05/2018
Cllr G Lottering	Member	
Cllr S Botes	Member	
Cllr M Steyn	Member	
Cllr L K Jaquet	Member	
Cllr E Maans	Member	
Cllr S Piedt	Member	

Table 18.: Personnel and Transformation Committee

iii) Civil Services Committee

All councillors in Prince Albert Council form part of the respective Portfolio Committees. The Civil Service Committee is under the chairmanship of Cllr M Steyn and deals with technical matters and basic service delivery matters. Most of the

Municipality's capital expenditure can be traced back to the Technical Department and thus this portfolio monitors capital expenditure and MIG expenditure.

The following table reflects the attendance of the respective councillors in the civil services committee meetings.

Name of member	Capacity	Meeting dates
M Steyn	Chairperson	13/09/2017 20/11/2017 20/03/2018 22/05/2018
Cllr M D Jaftha	Member	
Cllr S Botes	Member	
Cllr G Lottering	Member	
Cllr E Maans	Member	
Cllr S Piedt	Member	
Cllr L Jaquet	Member	

Table 19.: Civil Services Committee

iv) **Community Services and Development Committee**

All councillors in Prince Albert Council form part of the respective Portfolio Committees. The following table reflects the attendance of the respective councillors in the finance committee meetings. The Community Services and Development Committee is under the chairmanship of Cllr L Jaquet and deals with community and land use matters.

Name of member	Capacity	Meeting dates
Cllr L K Jaquet	Chairperson	12/09/2017 20/11/2017 19/03/2018 21/05/2018
Cllr M Steyn	Member	
Cllr M Jaftha	Member	
Cllr G Lottering	Member	
Cllr E Maans	Member	
Cllr S Piedt	Member	
Cllr S Botes	Member	

Table 21: Community Services and Development Committee

2.4.2 Administrative Governance Structure

The Municipal Manager is the Chief Accounting Officer of the municipality. He is the Head of the Administration and primarily has to serve as chief custodian of service delivery and implementation of political priorities. He is assisted by his direct reports, which constitutes the Management Team. The table below indicates the management structure of Prince Albert Municipality.

Name of Official	Department	Performance agreement signed
		(Yes/No)
Heinrich Mettler	Municipal Manager	Yes
Jannie Neethling	Chief Financial Officer	Yes
Anneleen Vorster	Senior Operational Manager	Yes

Table 22: Administrative Governance Structure

2.5 Intergovernmental Relations

South Africa has an intergovernmental system that is based on the principle of cooperation between the three spheres of government – local, provincial and national. While responsibility for certain functions is allocated to a specific sphere, many other functions are shared among the three spheres.

Chapter 3 of the Constitution describes the three spheres as being 'distinctive, interdependent and interrelated' and enjoins them to 'cooperate with one another in mutual trust and good faith'. An important element of this cooperative relationship is that there needs to be a clear understanding of each sphere of government's powers and functions to ensure that a sphere of government or organ of state does not encroach on the geographical, functional or institutional integrity of government in another sphere.

2.5.1 Provincial Intergovernmental Structures

Provincial intergovernmental relations are mostly aimed at oversight and monitoring as set out in various pieces of legislation pertaining to local and provincial government. It does, however, take on a supporting role in the sharing of best-practices and knowledge sharing. Provincial intergovernmental structures include MINMAY meetings, Provincial Task Groups and FORA such as the Provincial Public Participation Forum and SALGA Work Groups. Various Provincial FORA exist in every field of Local Government. The benefit of such FORA is a more integrated and coordinated planning process ensuring optimum use of available resources.

We participate in the following intergovernmental forums:

- ∞ Municipal Managers Forum where Municipal Managers engage on municipal matters
- ∞ Back to Basics Forum
- ∞ Central Karoo Corporate Forum
- ∞ Community Water Forum
- ∞ CFO Forums where the CFO's of municipality engage on financial matters
- ∞ Central Karoo District Coordinating Forum where the municipalities in the Central Karoo District engage about shared matters.
- ∞ Central Karoo Communications Forum where municipalities in the Central Karoo engage on communication and public participation.
- ∞ Central Karoo IDP Forum where municipalities in the Central Karoo engage with each other on integrated development planning.
- ∞ Thusong Centre Provincial Forum where the Thusong Managers in the Province engage on shared service matters and programs.
- ∞ MIG Manager/Municipality Coordination Meetings – Western Cape Department of Local Government where municipalities and the Local Government engage on MIG spending and projects.
- ∞ Central Karoo Bilateral Meeting – Department of Water Affairs where the municipalities and Department engage on water service matters.
- ∞ The Provincial Transport Technical Committee (ProvTech) – Western Cape Department of Transport and Public Works where the municipalities engage on Technical matters.
- ∞ The Provincial Transport Committee (ProvCom) – Western Cape Department of Transport and Public Works where municipalities and the Department engage on integrated transport matters.
- ∞ Integrated Waste Management Forum – Western Cape Department of Environmental Affairs and Development Planning where the Department and municipality engage with each other on integrated waste matters.
- ∞ Western Cape Recycling Action Group – Western Cape Department of Environmental Affairs and Development Planning where municipalities and the department engage on recycling and raising awareness on such.

- ∞ SALGA Working Groups – SALGA where the municipalities in the Western Cape engage and workshop municipal infrastructure matters, Labour relations, local economic development etc.
- ∞ Working for Water: Implementing Agent Managers Forum – National Department of Environmental Affairs where the Department and municipalities on the work for water program.
- ∞ Provincial Communication Forum where all provincial municipalities and Province communicate on communication matters.
- ∞ Provincial Public Participation Forum where all provincial municipality engage on public participation matters.
- ∞ Provincial ICT Forum where municipalities and provincial departments engage on ICT matters.
- ∞ Provincial Air Quality Management Forum where municipalities and province engage on air quality management.
- ∞ Provincial Head Planning Forum where the Heads of Planning of the municipalities and Province engage with each other on planning matters.
- ∞ Shared Service Forums where municipalities in the Central Karoo and Province engage with each other on Shared Service Functions.
- ∞ Central Karoo Disaster Management Forum where Municipalities in the Central Karoo engage on Disaster Management Matters.
- ∞ Chief Traffic Forum where the Chiefs of Traffic in the Western Cape, the Department of Public Transport, the Department of Justice and the Department of Community Safety engage on traffic law enforcement
- ∞ E-Natis Provincial Task Team where E-Natis users engage with each other on E-Natis management
- ∞ Central Karoo RIMS Forum where nominated law enforcement officials engage on law enforcement and incident management.
- ∞ DAPOTT in the Central Karoo engage with departmental and potential role players and beneficiaries on the establishment of Agri Parks related projects.

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

2.6.1 Public Meetings

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

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

The table below details public communication and participatory initiatives held by the municipality during the financial year under review:

Nature and purpose of meeting	Date of events	Number of Participating Municipal Councillors	Number of Participating Municipal Administrators
Radio programme	Monday to Thursday every week	Not applicable	Two
SMS messaging	Continuous	Not applicable	One
Bulk e-mail distribution	Continuous	Not applicable	Two
CWP Referencing Committee	Once every two months	All	Two

Stakeholder Engagement	29/11/2017	Four	One
Ward committee summit	17/02/2017	Four	Two
IDP meetings	23-28/10/2017	All	Four
Indigent registration	June 2018	All	Two
Water restrictions	December 2017 to February 2018	All	Three
Thusong outreaches	15 August 2017 and 30 October 2018	All	Five
Debt Collection Campaigns	Continuous during reporting year	All	4

2.6.2 Ward Committees

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

a) **Ward 1: Leeu Gamka; Prince Albert Road and Farms**

Name of representative	Capacity representing	Dates of meetings
Cllr E Maans	Ward councillor	15 July 2017 Door to Door
J Moloï -Vacant September	Block representative: 2	15 August 2017 Door to Door
G Booysen	Block representative: 3	06 September 2017 Meeting
J Adolf replaced by R Lottering July 2017	Block representative: 4	15 October 2017 Door to Door
D Steenkamp	Block representative: 5	07 November 2017 Meeting
P de Klerk	Block representative: 6	15 December 2017 Door to Door
M Oliphant replaced by K Vister March 2018	Block representative: 7	23 January 2018 Meeting
B Paulsen Vacant November 2017	Block representative: 8	15 March 2018 Door to Door
B Rossouw Vacant January 2018	Block representative: 9	15 May 2018 Door to Door
L Murray Vacant May 2018	Farm representative	06 June 2018 Meeting
N Baadjies	Block representative: 1	

Table 24: Ward 1 Committee Meetings

b) **Ward 2: Prince Albert (Prince Albert South, Klaarstroom and farm areas)**

Name of representative	Capacity representing	Dates of meetings
Cllr L K Jaquet	Ward Councillor	07 July 2017 Meeting
A Goosen	Block representative	15 August 2017 Door to Door
A Pienaar	Block representative	06 September 2017 Meeting
A Wildschut – J Plaatjies replaced as secondi	Block representative	09 November 2017 Meeting
M Steyn Vacant	Business representative	15 January 2018 Door to Door
Stephan Schoeman replaced by G Van Hasselt	Farm representative	15 March 2018 Door to Door
Ellen Joubert	Tourism representative	12 April 2018 Meeting
Rai Verran replace by R Waterston	Heritage representative	15 May 2018 Door to Door
		15 June 2018 Door to Door

Table 25: Ward 2 Committee Meetings

c) **Ward 3: Prince Albert**

Name of representative	Capacity representing	Dates of meetings
Cllr G Lottering	Ward Councillor	07 July 2017 Meeting
Emmerential Manewil	Block representative 9	15 August 2017 Door to Door
Jo Anne Blou	Block representative 2	18 September 2017 Block meetings
Beaudine Tock	Block representative 8	
Jacobus Cupido Vacant June 2018	Block representative 1	15 October 2017 Door to Door
		20 November 2017 Block

Name of representative	Capacity representing	Dates of meetings
Reagan Kammies vacant December 2017	Block representative 2	meetings 15 December 2017 Door to Door
Enid Muriel Griebelaar	Block representative 6	23 January 2018 Meeting
Lorencia Hesqua replace by D Schroeder	Block representative 3	15 February 2018 Door to Door
Shorida Lezaan Windvogel	Block representative 5	15 March 2018 Door to Door
Fransina Januarie	Block representative 10	15 May 2018 Door to Door 06 June 2018 Meeting

Table 26: Ward 3 Committee Meetings

d) **Ward 4: Prince Albert Rondsokrik and Portion of South End**

Name Of Representative	Capacity Representing	Dates of meetings
Cllr M D Jaffha	Ward Councillor	15 July 2017 Door to Door
W Jansen (resigned) replace by M Willemse	Block representative	15 August 2017 Door to Door 15 October 2017 Door to Door
G Abrahams	Block representative	24 January 2018 Meeting
JJ Windvogel (snr) (resign)	Block representative	15 March 2018 Door to Door
Y van Wyk	Block representative	12 April 2018 Meeting
J du Toit	Block representative	15 May 2018 Door to Door
K Koonthea	Block representative	15 June 2018 Door to Door
H Pieterse	Block representative	

Table 27: Ward 4 Committee Meetings

2.6.3 Functionality of Ward Committee

The purpose of a ward committee is:

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

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

As some difficulties were experienced with the feedback from sector representatives to their respective sectors and general feedback to the community, the Municipality concluded that their ward committees were not functioning optimally. Council adopted the block based representative ward committee system. This meant that

the sectors no longer had seats reserved for them on the ward committee, but they had to nominate someone living in a specific block to represent their interests. This new system operated on a combination of door-to-door visits, block meetings and ward committee meetings. Some wards functioned better than others. The ward committee members were trained on municipal policies and programmes. The ward committee meetings are open to the public and the community can attend said meetings and by arrangement with the ward councillor, provide input into meetings. Sectors can by prior arrangement, address ward committees with the approval of the ward councillor. The ward committee can also invite the sector to address them on a specific topic.

The ward committees reviewed the functioning of the ward committee system in June 2018 and made some additional changes that is hoped will improve its function and ensure improved citizen involvement in municipal activities. The ward committees will in future undertake door-to-door visits in the first month, convene block meetings in the second and attend ward committee and ward feedback meetings in the third month.

The table below provides information on the establishment of ward committees and their functionality:

2.6.3 Functionality of Ward Committee

Ward Number	Committee established Yes / No	Number of reports submitted to the Speakers Office	Number meetings held during the year	Number of quarterly meetings held during year	Committee functioning effectively (Yes / No)
1	Yes	96	4	0	Yes
2	Yes	72	4	0	Yes
3	Yes	108	4	2	Yes
4	Yes	84	2	0	Yes

Table 28: Functioning of Ward Committees

2.6.4 Representative Forums

a) Labour Forum

The table below specifies the members of the Labour Forum for the 2017/18 financial year:

Name of representative	Capacity	Meeting dates
Cllr S Botes	Chairperson	14/09/2017
C G Baadjies	IMATU	20/11/2017

Name of representative	Capacity	Meeting dates
B May	IMATU	29/01/2018
M D Jafftha	Councilor	24/04/2018
H Mettler	Employer	23/05/2018
D Mooneys	Employer	

Table 29: Labour Forum

It should be noted that Prince Albert Municipality have no SAMWU members left. While IMATU remains the dominant union, MATUSA procured organisational rights at Prince Albert Municipality. They are, however not part of the Collective Bargaining Agreement and therefore not a member of the Local Labour Forum. The Municipality created a separate consultative forum for MATUSA so as not to exclude a significant portion of our work force.

2.7 Risk Management

The table below reflects the Risk Committee:

Member	Capacity	Department
1. H Mettler	Chairperson	Municipal Manager
2. J Neethling	Member / Champion	Finance
3. A Vorster	Member/ Champion	Corporate and Community Services
4. CJ van Wyk	Member	Audit Committee member

Table 30: Risk Committee

COMPONENT D: 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.

2.8 RISK MANAGEMENT

Prince Albert Municipality is committed to the optimal management of risks in order to achieve our vision, deliver on our core business and key objectives.

In the course of conducting our day-to-day business operations, we are exposed to a variety of risks. These risks include operational and other risks that are material and require comprehensive controls and on-going oversight.

To ensure business success we have adopted an enterprise-wide integrated approach to the management of risks. By embedding the risk management process into key business processes such as planning, operations and new projects, we will be better equipped to identify events affecting our objectives and to manage risks in ways that are consistent with the approved risk appetite.

To further implement the enterprise-wide approach, we have taken a number of steps to reinforce a culture of disciplined risk-taking.

Council is responsible for oversight of the risk management processes and has delegated its day-to-day implementation to the Accounting Officer. The Accounting Officer, who is accountable for the overall governance of the municipality's risks, has delegated this role to the Risk Officer (RO) and management. The RO will ensure that the framework is implemented and that Council and the Risk Management Committee (RMC) receive appropriate reporting on the municipality's risk profile and risk management process. Management will execute their responsibilities outlined in the Risk Management Strategy. All other officials are responsible for incorporating risk management into their day-to-day activities.

For the 2017/18 financial year the top 5 strategic and operational risks identified are as follows:

2.8.1 Strategic Risks

- The risk of financial sustainability for the immediate and longer term – Being addressed through the development of a long-term financial strategy.
- Capital funding for projects decreasing, leading to increase in external funding required – Included in the long-term financial strategy.
- Replacing old dilapidated infrastructure network – MIG funding applications submitted
- Re-vitalise local economy – through Agri Parks projects, labour intensive capital projects, neighbourhood revitalization initiatives such as the establishment of Parks, upgrading of roads etc.

2.8.2 Operational Risks

- Lack of division of functions in employment corps – internal audit program to include spot checks

- Flat organisational structure with limited capacity – develop smarter ways to work.
- Outdated land use register – new register to be compiled.
- Registered town planner required – assistance from Provincial departments to be solicited.
- Ageing infrastructure – business plan to be submitted via MIG and partnerships
- Retaining qualified professional staff – appoint key staff members

2.8.3 Anti-Corruption and Anti-Fraud

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

a) Developed Strategies

Name of strategy	Developed Yes/No	Date Adopted/Reviewed
Anti-corruption and Fraud Prevention strategy and Implementation plan	Yes	Reviewed in June 2018
Risk Management Policy	Yes	Reviewed in June 2018
Risk Management Strategy and Implementation Plan	Yes	Reviewed in June 2018

Table 31: Strategies

b) Members of the Audit Committee which is also the Performance Audit Committee

Name of representative	Capacity	Meeting dates
A Dippenaar	Chairperson	

Name of representative	Capacity	Meeting dates
S Delport	Member (resigned in March 2018)	29 August 2017 8 December 2017
JC van Wyk	Member	15 March 2018
A Badenhorst	Internal Auditor	8 June 2018

Table 32: Members of the Audit Committee

The Municipality struggled to fill the vacancy on the Audit Committee, though we advertised twice. This resulted in the fact that the Audit Committee did not have a quorum at the meetings of 15 March 2018 and 8 June 2018. The Audit Committee did however continue with said meetings to assist in the Oversight function of the Municipality. The vacancy was filled in the 2018/19 financial year.

2.9 Internal Auditing

2.9.1 Annual Audit Plan

The Risk Based Audit Plan for 2017/18 was executed with the available resources. The table below provides detail on audits completed:

Description		No of Hours	Date completed	
Phase 1				
Revisiting current risk profile, priorities and management action plans		16	February 2018	
Phase 2				
Compiling Risk Based Audit Plan		16	February 2018	
Phase 3				
Audit Engagement	Departmental System	Detail	No of Hours	Time Frame
Grants/DoRA	Finance Department	Grant allocations verification of spending/adherence to DORA requirements	160	June 2018
PMS (4 x quarterly reviews)	All departments	4 x Quarterly internal audit reviews as required by MSA	440	Quarterly
Income	Finance	Water & Electricity	128	June - August 2018. Final report issued: October 2018
Expenditure	Finance	Expenditure management and EFT	172	March -June 2018
SCM	Finance	Compliance to legislative requirements	176	December 2017 – June 2018
Laws & regulations	All	Compliance to	Incorporated	Continuously

Description			No of Hours	Date completed
	departments	legislative requirements	in all areas	
mSCOA review	Finance	Internal audit of msCOA self-assessments	240	December 2017 - May 2018
Human Resources	Corporate	Leave and Attendance	96	November 2017
Total Hours			1444	

Table 33: Internal Audit Coverage Plan

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

Function
Risk analysis completed/reviewed
Risk based audit plan approved for 2017/18 financial year
Internal audit programme drafted and approved
Number of audits conducted and reported on
Grants
Performance management
mSCOA Review
Human Resources: Recruitment and Appointments

2.10 By-Laws and Policies

In preparing for the new SPLUMA legislation the Municipality developed a Municipal Planning By-Law which was taken through the public participation processes and approved by Council in the reporting year. The promulgation of said by-law took place in the current financial year.

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
Banking, cash management and	29 May 2018	Yes

Policies developed/ revised	Date adopted	Public Participation Conducted Prior to adoption of policy Yes/No
Investment policy		
Long Term Financial Planning policy	29 May 2018	Yes
Budget Policy	29 May 2018	Yes
Funding and Reserves Policy	29 May 2018	Yes
Credit Control policy	29 May 2018	Yes
Asset Management policy	6 June 2018	Yes
Travel and Subsistence policy	30 March 2018	Yes
Tariff Policy	29 May 2018	Yes
Supply Chain Management Policy	29 May 2018	Yes
Rates Policy	29 May 2018	Yes
Overtime Policy	29 June 2018	Yes
Indigent Policy	29 May 2018	Yes
Capital Contribution Policy	29 May 2018	Yes
Borrowings Policy	29 May 2018	Yes
Staff provisioning	29 June 2018	Yes
Employment Equity Policy	29 June 2018	Yes
Succession planning	10 April 2018	Yes
Substance Abuse	10 April 2018	Yes
Smoking policy	28 June 2018	Yes

Table 36: Policies developed and reviewed

2.11 Communication

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

The communities, on the other hand, have a right and a responsibility to participate in local government affairs and decision-making and ample provision is made in the above-mentioned legislation for them to exercise their right in this respect. Our democratic government is committed to the principle of **Batho Pele** that is based on the principle of consultation, setting service standards, increased access, courtesy, providing information, openness and transparency, redress and value-for-money. This, in simple terms, means that those we elect to represent us (Councillors at the municipal level) and those who are employed to serve us (the municipal officials at municipal level) must always put people first in what they do. South Africa has adopted a system of developmental local government, which addresses the inequalities and backlogs of the past while ensuring that everyone has access to basic services, to opportunities and an improved quality of life.

To be successful, communications must focus on the issues that are shown to impact on the residents' perceptions, quality of service, value for money and efficiencies. They should ideally look to close the communication-consultation loop, i.e. tell people how they can have a say and demonstrate how those who have given their views have had a real impact.

Prince Albert Municipality firmly believes and publicly advocate that a municipality cannot be seen as Councillors and administration only, but that the community forms the heart of the Municipality. Without the community to partner with the councillors and administration in municipal initiatives, the initiatives will be once-offs that will have very limited impact on the community's quality of life and economic partnerships.

The Municipality made significant strides in keeping the community informed and involved. With the assistance of the Communication and Public Participation unit of the Department of Local Government a bulk sms messaging system was put in place. This allows the municipality to inform the community on service delivery issues but also reminds them to participate in planning and public meetings.

The Municipality also commenced with a weekly radio programme on Radio Gamkaland every Monday to Thursday from 12h00 to 13h00. This program is used to not only disseminate information, but to capacitate the community on municipal and government process that will encourage a more active involvement in municipal matters. The challenge remains that the radio station's coverage is very poor in Klaarstroom and also in some areas of Prince Albert.

Though it is understood that not everyone listens to Radio Gamkaland this medium enables the Municipality to reach the rural and farming areas and has made a significant improvement as it is mostly the affluent residents that purchase the local newspaper that only appears once a month. The radio programme enabled the Municipality to move from notices of meetings and service delivery disruptions towards citizen capacitation where the community is informed how to engage with the Municipality and departmental role players, the working of integrated development planning, performance management and how to keep the Municipality accountable. The Municipality re-prioritized their budget allocation and

could not appoint a communication official. This will remain a priority in future budgets.

The table below provides details regarding the municipality's use of various communication platforms

Communication activities	Yes/No
Communication unit	Yes
Communication strategy	Yes
Communication Policy	Yes
Customer satisfaction surveys	No
Website	Yes
Public meetings	Yes
Ward committee meetings	Yes
Interest Group Engagements	Yes
Bulk SMS messaging	Yes
Functional complaint management systems	Yes
Newsletters distributed electronically	Yes
Pamphleting	Yes
Thusong Outreaches	Yes

Table 37: Communication platforms

2.13 Website

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

Documents published on the Municipal website	Published (Yes/No)
Current annual and adjustments budgets and all budget-related documents, including SDBIP	Yes
Tariff policy	Yes
Credit control policy	Yes
Valuation policy	Yes
Rates policy	Yes
SCM policy	Yes
Annual report for 2016/17 (Draft)	Yes
All service delivery agreements for 2017/18	No
All supply chain management contracts above the prescribed	No

Documents published on the Municipal website	Published (Yes/No)
value for 2017/18	
Performance agreements required in terms of section 57 (1) (b) of the Municipal Systems Act for 2017/18	Yes
All quarterly reports tabled in the council in terms of section 52 (d) of the MFMA during 2017/18	Yes

Table 38: Website Checklist

2.14 Supply Chain Management

2.14.1 Competitive Bids in Excess of R200 000

a) Bid Committee Meetings

The attendance figures of members of the bid specification committee are as follows:

Member	Percentage attendance
M April	100%
Donovan Plaatjies	100%
A America	100%

Table 39: Attendance of members of bid specification committee

The attendance figures of members of the bid evaluation committee are as follows:

Member	Percentage attendance
PW Erasmus	100%
Donovan Plaatjies	100%
Christa Baadjies	100%

Table 40: Attendance of members of bid evaluation committee

The attendance figures of members of the bid adjudication committee are as follows:

Member	Percentage attendance
Ms. D Mooneys	100%
Ms K van der Mescht	100%

Member	Percentage attendance
Mr JD Neethling	100%
Ms A Vorster	100%

Table 41: Attendance of members of bid adjudication committee

The percentages as indicated above include the attendance of those officials acting in the position of a bid committee member.

b) Awards Made by the Bid Adjudication Committee

The ten highest bids awarded by the bid adjudication committee are as follows:

Bid number	Title of bid	Successful Bidder	Value of bid awarded
70/2017	Maintenance of IT System	Ubertech	Transversal Agreement
128/2017	Appointment of Consulting Engineers for Various Municipal Infrastructure and Building Projects	Niel Lyners & Associates Makukhane Consulting Engineers Bvi Consulting Engineers Bde Consulting Engineers Bergstan Element Consulting Engineers Royal Haskoning DHV Gibb Bigen Africa	Transversal Agreement

Bid number	Title of bid	Successful Bidder	Value of bid awarded
117/2017	Upgrading of Prince Albert Raw Water Storage Units	PHAMBILI CIVILS	R5463492.00
28/2018	Reshaping of Prince Albert Waste Disposal Facility	Phambili Civils	R479 668.04
58/2018	Supply and Delivery of Cherrypicker	Panelrite Motor Body Works	R281 750.00
65/2018	Supply and Delivery of 4x Bakkies (towbar & canopy included)	Geat Services	R695 360.00
74/2018	Supply and Delivery of Pumps	Jan Nel Elektries	R182 779.63

Table 42 Ten highest bids awarded by bid adjudication committee

c) Awards Made by the Accounting Officer

No bids awarded by the Accounting Officer for the reporting year.

a) Appeals lodged by aggrieved bidders

No appeals were lodged against any bid or tender during the reporting year.

2.14.2 Deviation from Normal Procurement Processes

The following table provides a summary of deviations approved on an annual and monthly basis respectively:

Type of deviation	Number of deviations	Value of deviations	Percentage of total deviations value
Sole suppliers	0	R 0.00	0%
Emergency	2	R 60171.20	15.38%
Impractical	11	R 121 298.8	84.61%
Total	13	R 181470.00	100%

Table 43: Summary of deviations

2.14.3 Logistics Management

As at 30 June 2018, the value of stock at the municipal stores amounted to R R329414.88

The system of disposal management must ensure the following:

- immovable property is sold only at market related prices except when the public interest or the plight of the poor demands otherwise;
- movable assets are sold either by way of written price quotations, a competitive bidding process, auction or at market related prices, whichever is the most advantageous;
- Firearms are not sold or donated to any person or institution within or outside the Republic unless approved by the National Conventional Arms Control Committee;
- Immovable property is let at market related rates except when the public plight of the poor demands otherwise;
- All fees, charges, rates, tariffs, scales of fees or other charges relating to the letting of immovable property are annually reviewed;
- Where assets are traded in for other assets, the highest possible trade-in price is negotiated; and
- In the case of the free disposal of computer equipment, the provincial department of education is first approached to indicate within 30 days whether any of the local schools are interested in the equipment.

We are complying with section 14 of the MFMA which deals with the disposal of capital assets. The current policies in place aim to provide the guidelines for the disposal of all obsolete and damaged assets.

CHAPTER 3

Service Delivery Performance (Performance Report Part I)

Introduction

The Prince Albert Municipality is one of the four municipalities in the Central Karoo District is approximately 400 km north of Cape Town and about 170km south of Beaufort West on the N1. It includes the scenic town of Prince Albert as well as the settlements of Leeu-Gamka and Klaarstroom, Prince Albert Road and Seekoeigat and surrounding rural area. Situated at the foot of the famous Swartberg Pass the town of Prince Albert town is renowned for its historic architecture and agricultural products. It is known as the oasis of the Karoo desert and attracts local and foreign tourists throughout the year. It is also historically an agricultural services hub that still provides its people and satellite towns with essential services.

Prince Albert has the potential for becoming the tourism hub to drive the growth of tourism within the Central Karoo region.

Component A: Basic Services

Introduction to Basic Services

This component includes basic service delivery highlights and challenges, includes details of services provided for water, waste water (sanitation), electricity, waste management, housing services and a summary of free basic services.

3.1 Water Provision

Introduction to Water Provision

Prince Albert Municipality is the water service provider for the towns of Klaarstroom, Prince Albert, Prince Albert Road and Leeu Gamka. Prince Albert's bulk water supply is provided from nine boreholes with varying supply levels. These boreholes draw water from the Table Mountain, Bokkeveld and Witteberg Group aquifers. The boreholes are in a good condition and frequent maintenance is carried out. The total licensed abstraction for these boreholes is 0.229 million m³/a. This supply is augmented by a steady stream (bergbron) from the Drops River which is the only surface water source to the town. The licensed abstraction from this source is 0.471 million m³/ annum and supplies water irrigation through a furrow network to South End in Prince Albert. The Municipal water allocation is 17 hours of scheduled irrigation water per week, in Prince Albert town. The water is purified at the Prince Albert Water Treatment Works. The water supply system had insufficient capacity to supply the future water requirements for future developments. Water constraints within Prince Albert are a significant and pressing issue, particularly during the drier months of the year where water flow from the Dorps River is very low and therefore the Municipality embarked on a focused demand management initiative in November 2017 and reduced water use per consumer to 90 liters per person per day in January 2018.

Leeu-Gamka and Klaarstroom have no surface water allocations and is solely dependent on its boreholes. In 2016 the Transnet borehole was added to the Leeu Gamka water supply system with a potential abstraction rate of 300m³ per day, thus augmenting the other two boreholes in Leeu Gamka. Four additional boreholes were sunk, two will be equipped and connected to the network. A reverse osmosis plant to purify the water in Leeu Gamka to ensure that it is potable was established and resulted in significant improvement in the water quality of Leeu Gamka. In Klaarstroom four additional boreholes were constructed and completed to augment the two current boreholes in 2016.

The boreholes in Prince Albert town provide water to the treatment plant by a combined 160 mm diameter PVC pipe and 100 mm diameter AS-pipe supply system. Boreholes 1 to 6 have a low iron content compared to boreholes 7 to 9's high iron content.

Currently only water from boreholes 7, 8 and 9 are being purified by means of an iron removal plant, as the capacity of the plant is limited. The low iron content wells and mountain source delivers water directly to the existing three raw water balancing dams with a total capacity of 2147 kl at the treatment plant.

In summer, the Municipality have to carefully manage the supply, due to decreased runoff and the low level of the water table as well as carefully manage the demand due to very hot conditions, increased users in the holidays, and reckless usage by inhabitants. With the ever-rising municipal consumption, the available resources are no longer sufficient and shortages may occur during the summer season, as the provision of boreholes also decreases and the Storage Infrastructure was insufficient to store water over longer periods. The Municipality thus embarked on a phased process to increase the storage capacity in Prince Albert by raising the reservoir sides of the existing reservoir. This first phase project commenced in early 2018 and the first phase is to be completed in October 2018.

The Municipality wish to thank the Kweekvallei Water Board for their support in providing emergency water relief to the Municipality during the height of the drought in January and February 2018. Despite increasing pressure Prince Albert Municipality was able to manage and provide an adequate supply of water to the areas within its jurisdiction, mostly due to curbing the allowed water use to 90 liters per person per day.

Engagements with the Department of Environmental Affairs and Development Planning and the Department of Water Affairs subsequently lead to the granting of exemption from the requirements of NEMA in terms of Section 30A(1) to allow Prince Albert Municipality to carry out listed activities in terms of the NEMA Environmental Impact Assessment (EIA) Regulations, 2014, as amended to allow the Municipality to address the water provisioning needs of the community of Prince Albert. The listed activities may include the following:

- Development of structures or infrastructures
- Expansion of structures or infrastructures
- Maintenance
- Replacement of structures or infrastructures
- Abstraction of water

- Diversion of natural spring water
- Development of Desalination Plants
- Re-use of waste water

The Municipality is using this exemption to establish a diversion structure in the Dorps River to divert river run-off into the irrigation/ surface water supply furrow of the Kweekvallei Irrigation Board. This project is still ongoing.

In Leeu Gamka a reverse osmosis plant was established and put into operation. The osmosis plant significantly improved the quality of water in Leeu Gamka.

The water sources currently used for the towns in the PAM's Management Area are as follows:

- Prince Albert: Dorps River and nine boreholes.
- Leeu-Gamka: Three boreholes
- Klaarstroom: Three boreholes
- Prince Albert Road: Boreholes

It must be noted that a regional wide drought in the Western Cape Province lead to the declaration of a Provincial State of Disaster, declared on 24 May 2017 and it still applies to the whole municipal area. Over the past years Prince Albert has received below average rainfall.

Water losses are restricted to the minimum. Water losses for 2016/17 was 15.16%, with 2017/18's losses at 16.7%. These losses are measured from the source to the sector meters and include the losses in the purification works. The Municipality must emphasise that the watering of the sport fields is not metered separately from the construction supply and is reflected as non-revenue water. A meter will be installed during the 18/19 financial year at the sport facilities. The Municipality curbed water losses by means of a door to door campaign where they repaired water leakages on private property. This was done not only to curb water losses but to mitigate the drought conditions prevailing in the area.

The Prince Albert municipal area, with the emphasis on Leeu Gamka and Klaarstroom was declared a drought area by Provincial government and at present are still declared a drought area. The Municipality will continue to promote responsible water use.

In light of the Provincial Emergency water situation the Municipality undertook the following initiatives:

- (i) Drafted a Water Supply Emergency Intervention Plan to address the current water supply emergency situation and to ensure resilience with respect to water supply security into the future.
- (ii) A generic Environmental Management Programme was drafted for the diversion structure in the Dorps River.
- (iii) An additional 8 boreholes were sunk. Some of these will be equipped depending on the quality and yield.

- (iv) The Municipality continues to implement water consumption restrictions within its jurisdiction. At present the water restrictions are at Level 4 with only 90 liters per of water per person per day allowed.
- (v) Water leak detection and repair campaigns were undertaken continuously.

a) Highlights: Water Services

Highlights in respect of Water services are indicated below.

Highlights	Description
Boreholes drilled	Eight additional boreholes were drilled within the Prince Albert Municipal area. These boreholes will have to be connected to the network
Leak detection programme	The Municipality launched a door to door leak detection and repair programme as part of their demand and drought relief strategy.
Effective Drought management during summer months	Water restrictions was implemented. Careful water monitoring was done over the dry season thus avoiding any service interruptions.
Drought relief	Funding was secured for emergency drought relief in the form of additional boreholes and farmers were also supported with feed for their animals. Funding was procured to do diversion as well as the extension of the borehold field the Dorps River, but this is still in the early stages.
Water process controllers	Water process controllers appointed in all towns and currently undergoing training.
Reverse osmosis plant	A reverse osmosis plant was established and put into operation in Leeu Gamka, improving water quality. Through the establishment of the osmosis plant the network was redesigned to accommodate raw and treated water storage units.
Cleaning of reservoirs	The reservoirs were cleaned.
Water Forum	A Water Forum was established for the Municipal area with public representation as well as sector representation.
Summer Holiday program	The Municipality reduced water use by opening a municipal swimming pool that saved water on individual portable pools that had to be cleaned and filled up daily during the summer months.
Funding for additional raw water storage	The first phase to increase the water storage capacity at the reservoirs in Prince Albert was undertaken and should be completed in October 2018.

Table 42: Water Services Highlights

b) Challenges: Water Services

Challenges in respect of the water services are indicated below.

Description	Actions to address
Water loss monitoring	Water losses reflected slightly higher than the previous financial year. This is due to pressure control connected to the drought leading to more burst pipes. Meters to be installed to account for water used.
Limited water storage	The 0.87 ML reservoir was upgraded for the first phase to increase the storage capacity and currently in the processes of raising the storage unit walls.
Improve water quality and capacity in Leeu Gamka	Additional boreholes sunk in Leeu Gamka. Reverse osmosis plant put into operation
Pollution of Ground water (Septic tanks)	Lobby for funding to eradicate 400+ conservancy and septic tank. Install if possible waterborne sewerage systems in the Prince Albert Town area.
Misuse of water by residents	Implement an awareness campaign on responsible water use
Drought conditions	Water restrictions implemented and careful water demand management to take place

Table 43: Water Services Challenges

c) Water Service (piped water) Delivery Levels

The following table indicates the Municipality's performance in supplying water within the minimum service level as prescribed by the national government. Please note that the increase in units serviced is allocated to the new housing development in Prince Albert.

Description	2014/15	2015/16	2016/17	2017/18	
	Actual	Actual	Actual	Actual as per census – including farms	Actual as serviced by Municipality
	No.	No.		No	No
Water: (above min level)					
Piped (tap) water inside dwelling/institution	2318	2536	2554	2 495	2809
Piped (tap) water inside yard	0	0	0	93	28
Piped (tap) water on community stand: distance less than 200m from	28	28	28	93	34

Description	2014/15	2015/16	2016/17	2017/18	
	Actual	Actual	Actual	Actual as per census – including farms	Actual as serviced by Municipality
	No.	No.		No	No
Minimum Service Level and Above sub-total	2346	2564	2582	3 518	2871
Minimum Service Level and Above Percentage	100%	100%	100%	98.3%	100%
Water: (below min level)					
Piped (tap) water on community stand: distance between 200m and 500m from dwelling/institution	25	0	0	0	0
Using public tap (more than 200m from dwelling), distance between 500m and 1000m (1km) from dwelling /institution	5	0	0	0	0
Piped (tap) water on community stand: distance greater than 1000m (1km) from dwelling/institution	6	0	0	0	0
No access to piped (tap) water	24	0	0	0	0
Below Minimum Service Level sub-total	60	0	0	60	0
Below Minimum Service Level Percentage	1.7%	0	0	0	0
Total number of households	2406	2564	2582	3578	2871
<p>Included in the above table: Formal residential, Informal residential, Traditional residential Farms, Parks and recreation Collective living quarters, Industrial Small holdings, Commercial <i>The above table 2017/18 are populated as per the Census 2011 data for Source of Water, Type of dwelling and includes all dwellings</i></p>					

Table 44: Water Service delivery levels: Households based on 2011 Census data

Access to free basic water:

	Number /Proportion of households receiving 6 kl free #			
2013/14	2014/15	2015/16	2016/17	2017/18
2 063	2318	2334	2364	2809

Table 45: Source: PAMUN Audited SDBIP 2013/14 – 2017/18

Please note that the increase in free basic water is allocated to the new housing development in Prince Albert.

Service delivery indicators

The table below reflects the municipality's performance pertaining basic service provision within the 2017/18 financial year.

Ref	KPI	Unit of Measurement	Wards	Previous Year Performance	Overall Performance for 2017/18			Comment
					Target	Actual	R	
TL19	Provision of clean piped water to formal residential properties which are connected to the municipal water infrastructure network.	Number of formal residential properties that meet agreed service standards for piped water	All	2536	2554	2809		The over performance is due to the housing project in Prince Albert.
TL20	Provide 6kl free basic water per household per month to registered indigent account holders	No of registered indigent account holders receiving 6kl of free water	All	872	900	893		This is application dependent. Awareness and outreach campaigns were held in support
TL30	Excellent water quality measured by the compliance of water Lab results with SANS 241 criteria for Prins-Albert, Leeu-Gamka and Klarstroom	% of test results complying with SANS 241	All	86.3%	80%	81.47%		Water quality improved due to appointment of water process controller and osmosis plant in Leeu Gamka.
TL33	Draft the Water Service Development Plan and submit to Council for approval by the end of June 2018	Reviewed Plan approved by council by end of June	All	0	1	0		Plan could not be compiled due to capacity constraints. Dept of Water Affairs agreed to assist with funding, but withdrew the

Ref	KPI	Unit of Measurement	Wards	Previous Year Performance	Overall Performance for 2017/18			Comment
					Target	Actual	R	
								offer.
TL34	Limit water losses to not more than 15% {(Number of Kiloliters Water Purchased or Purified - Number of Kiloliters Water Sold) / Number of Kiloliters Water Purchased or Purified × 100}	% Water losses achieved (Number of Kiloliters Water Purchased or Purified - Number of Kiloliters Water Sold) / Number of Kiloliters Water Purchased or Purified × 100}	All	15.16%	15%	16.74%		Water losses increased with 10%+. This was due to the drought with reduced water use and also due to burst pipes corresponding to reduced water pressure.

Table 46: Service delivery indicators: Water services

d) Employees: Water Services

The following table depicts the staff deployment in respect of water services. As most of the staff in Prince Albert Municipality performs dual functions, these numbers cannot be reconciled perfectly.

Job Level	2014/15	2015/16	2016/17	2017/18		
	Employees	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	No.	%
0 – 3	1	3	0	0	0	
4 – 6	2	3	1	1	2	33%
7 – 9	2	1	1	1	0	
10 – 12	0	0	0	0	0	
13 – 15	0	0	0	0	0	
16 – 18	0	0	0	0	0	
19 – 20	0	0	0	0	0	
Total	5	7	2	2	2	28.57

Table 47: Employees: Water Services

e) Capital: Water Services

The following table reflects the municipality's capital expenditure for the 2017/18 financial year in respect of water services.

Capital Expenditure 2017/2018: Water Services					
R'000					
Capital Projects	2017/2018				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget %	Total Project Value
Water Reservoir	1,500	3,994	4,001	0%	R6 000 000
Drought relief- boreholes	–	500	440	12%	R500 000
Drought relief - boreholes	–	2,000	162	92%	R2 000 000
3 Chlorine scales	–	50	20	61%	R20 000
Total	1,500	6,544	4,623	33%	–

Table 48: Capital Expenditure 2017/18: Water Services

3.2 Waste water (sanitation) provision

Introduction to Sanitation Provision

The four towns in the PAM area each have their own wastewater collection and treatment facility. Prince Albert, Klarstroom and Leeu-Gamka have oxidation pond systems for WWTW, whereas Prince Albert Road is served by a communal septic tank and soak-away.

Klaarstroom

The sanitation system for Klarstroom comprises a full waterborne system. The Klarstroom WWTW does not hold any permit or license but function under a general authorisation. Wastewater is screened in town and pumped to the WWTW. The works has a design capacity of 50 kl/day and was constructed in 1970. This WWTW was recently upgraded by the addition of a septic tank, an anaerobic pond, an oxidation pond and an effluent reservoir from which the final effluent is irrigated onto an adjacent field.

Leeu-Gamka

The treatment works is a pond system comprising: Four primary ponds operating in parallel. The WWTW was originally constructed in 1985 with a design capacity of 140 kl/ day. This has recently been upgraded to accommodate the 252 housing units that was completed in 2015. Final effluent is used for irrigation into the adjacent field.

Funding to relieve the residents of the Transnet areas from the bucket system is still needed and the Municipality is collaborating with the Department of Human Settlements to provide bulk infrastructure in this respect. The wastewater is screened at the pump station before being pumped to the WWTW. The night fall (buckets) are deposited in a manhole upstream of the central pumping station. The buckets are washed and stored at the central pumping station.

Prince Albert

The Prince Albert WWTW, a pond system was designed to treat 623 kl/day (with the final effluent being used for irrigation at the adjacent nursery and farm. The treated effluent conforms to irrigation standards. The WWTW in Prince Albert was upgraded to handle current and future flows for the 20-year design horizon and to efficiently remove screenings, grit, rags, stones and other foreign objects and prevent them from entering the maturation pond system.

The sanitation system consists of a waterborne system as well as septic tanks. These septic tanks are serviced by means of a sanitation team with appropriate equipment and vehicles who collect sewerage and deposit it into a pump network that is connected to the waterborne network. This division came under immense pressure during the reporting year due to the natural wear and tear on the vehicle fleet that runs 7 days a week for about 14 hours per day. The Municipality thus resolved to purchase a new honey sucker vehicle in the 2018/19 financial year. The Municipality also drafted a business plan to change the conservancy tank system into a sanitation reticulation network. Due to the high cost of this proposed project, it will have to be phased in depending on available funding.

The WWTW were upgraded under budget for the new housing development that was completed in 2018.

The sewerage tariff for the septic and conservancy tank removal was well below actual cost and therefore the tariff was increased with 30% for the 2017/18 financial year. Extensive public participation took place in preparation of the increase. This service is still subsidised by the Municipality and further increases is forthcoming.

a) Highlights: Waste Water (Sanitation) Provision

The following table depicts the highlights in respect of sanitation services for the reporting year.

Highlights	Description
Approvals and installations of new connections	More people connected to waterborne systems.
Upgrade of Prince Albert Waste Water Treatment Works	New aerators installed. Outlet allows for chlorinazation.
License for sewerage water re-use in Prince Albert	A license for the re-use of treated sewerage water was procured in Prince Albert
Future planning for waterborne system	Costing of installation for a waterborne system in South End in Prince Albert completed. Currently sourcing funding
Funding allocation to support honey sucker service	New honey sucker to be purchased in 2018/19
Water process controllers	Process controllers appointed and in training to improve compliance and reporting

Table 49: Waste Water (Sanitation) Provision Highlights

b) Challenges: Waste Water (Sanitation) Provision

The following table depicts the challenges in respect of sanitation services within the reporting year. The Municipality continually encourage residents to connect, where possible, to the sewerage reticulation network. The performance of this division correlates closely with an available maintenance budget, with particular reference to the honey sucker vehicles. This division performed their function under extreme pressure due to the poor quality of the service fleet and it was thus decided to purchase a new honey sucker in the 2018/19 financial year.

Description	Actions to address
Licensing of WWTW's	Currently operating under general authorisation. Funding to be sourced
Septic and Conservancy tanks in South End	Source funding to connect to waterborne system. Tariffs to be brought in line with cost of service
Scheduled sewerage suction hampered by breakages on honey sucker due to aged vehicles	Scheduled maintenance on equipment with Leeu-Gamka's equipment as standby but breakages occurred often and put this service under extreme pressure. A new honey sucker to be purchased in the 2018/19 financial year
Need to eradicate bucket system in Transnet areas	Funding needed to address bulk infrastructure shortcomings and to connect Transnet areas to sanitation network

Table 50: Waste Water (Sanitation) Provision Challenges

c) Sanitation Service Delivery Levels

The table below depicts the sanitation service levels for the 2017/18 financial year in comparison to the previous financial year. It must be noted that the census numbers include the farming areas where the Municipality do not supply a direct service. Please note that the increase in flush toilets serviced is allocated to the new housing development in Prince Albert.

Households					
Description	2014/15	2015/16	2016/17	2017/18	
	Outcome	Outcome	Outcome	Actual as per Census 2011	Actual as Serviced by municipality
	No.	No.	No.	No.	No.
Sanitation/sewerage: (above minimum level)					
Flush toilet (connected to sewerage)	2056	2085	2081	2274	2411
Flush toilet (with septic tank)	314	315	330	645	330
Chemical toilet	0	0	0	3	0
Pit toilet with ventilated (VIP)	0	0	0	175	0
Pit toilet without ventilated	0	0	0	62	0
Other toilet provisions (above min.service level)	0	0	0	0	0
Minimum Service Level and Above sub-total	2370	2400	2411	3159	2 741

Households					
Description	2014/15	2015/16	2016/17	2017/18	
	Outcome	Outcome	Outcome	Actual as per Census 2011	Actual as Serviced by municipality
	No.	No.	No.	No.	No.
Minimum Service Level and Above Percentage	98.9%	98.9%	98.9%	88%	98.7%
Sanitation/sewerage: (below minimum level)					
Bucket toilet	26	36	36	148	36
Other	0	0	0	125	0
No toilet provisions	0	0	0	148	0
Below Minimum Service Level sub-total	26	36	36	421	36
Below Minimum Service Level Percentage	1.2%	1.2%	12%	1.5%	1.3%
Total households	2396	2436	3 580	2447	98.70
The above table 2017/18 are populated as per the Census 2011 data for Toilet Facilities by Type of dwelling and include all dwellings					

Table 51: Sanitation levels

Service Delivery Indicators Waste Water (Sanitation)

The following table depicts the service delivery progress made in respect of waste water management within the reporting year.

Ref	KPI	Unit of Measurement	Wards	Previous Year Performance	Overall Performance for 2017/18			Comments
					Target	Actual	R	
TL21	Provision of sanitation services to residential properties which are connected to the municipal waste water (sanitation/sewerage) network & are billed for sewerage service, irrespective of the number of water closets (toilets).	No of residential properties which are billed for sewerage in accordance to the financial system.	All	2416	2416	2681		The Municipality overperformed in this KPI due to the addition of the new housing development in Prince Albert
TL22	Provision of free basic sanitation services to registered indigent account holders which are connected to the municipal waste water (sanitation/sewerage) network & are billed for	No of indigent account holders receiving free basic sanitation in terms of Equitable	All	872	900	893		The Municipality could not reach this target. This target is based on applications and the Municipality launched

Ref	KPI	Unit of Measurement	Wards	Previous Year Performance	Overall Performance for 2017/18			Comments
					Target	Actual	R	
	sewerage service, irrespective of the number of water closets (toilets).	share requirements.						awareness campaigns and outreaches to address the short coming
TL31	Excellent waste water quality measured by the compliance of waste water Lab results with SANS irrigation standard (for Prins-Albert, Leeu-Gamka and Klaarstroom)	% of Lab Results complying with SANS Irrigation standards.	All	76.39%	90%	81.25%		This target could not be reached due to capacity constraints . Water process controllers were appointed.

Table 52: Service delivery indicators: Waste Water

Employees: Sanitation Services1

The table below indicates the staff component in respect of waste water / sanitation services. It must be borne in mind that staff performs a dual function and the employee statistics can thus not be seen in isolation.

Job Level	2014/15	2015/16	2016/17		2017/18		
	Employees	Employees	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.		No.	No.	No.	No	%
0 – 3	3	3	3	6	3	3	100%
4 – 6	1	1	0	4	0	2	50%
7 – 9	1	1	1	1	1	0	
10 – 12	0	0	0	0	0	0	
13 – 15	0	0	0	0	0	0	
16 – 18	0	0	0	0	0	0	
19 – 20	0	0	0	0	0	0	
Total	5	5	4	11	4	5	45%

Table 53: Employees Waste Water (Sanitation) Provision

d) Capital: Sanitation Services

There was no capital expenditure on sanitation services during the reporting year.

3.3 Electricity

Introduction to Electricity

The municipality provides a reliable service within NERSA specified limits within the area of supply. In the areas of Klaarstroom and Leeu-Gamka, electricity is directly supplied by ESCOM, thus impacting on revenue collection and the implementation of Prince Albert Municipality's credit control and debt collection policy. This is detrimental to the municipality's sustainability as is evident in the low payment rate in these areas. Several efforts have been made by the Municipality to conclude a credit collection agreement with Eskom but this was unsuccessful. SALGA is currently driving this process and have obtained a legal opinion stating that electricity distribution is a municipal function as per the Constitution and that Eskom can only provide said services by agreement. This proposed agreement will then include a clause on debt collection and can have a major positive change in the finances of especially rural municipalities. The Municipality and Eskom engaged and confirmed the current service delivery boundary determination for each entity. The Municipality will in future explore the possibility to service the electricity network for new housing developments in Klaarstroom and Leeu-Gamka so as to improve their credit control initiatives. A service area verification between Eskom and Prince Albert Municipality was also undertaken during the reporting year.

The Municipality have build 243 houses in Prince Albert and have provided electricity in each of these homes.

The Municipality received their Electricity Master Plan from the consultants at the end of June 2017 and have made significant strides in improving their back-up equipment by repairing some of their transformers and they also purchased a cherry picker that will have a significant impact on the maintenance programme – especially pertaining trees threatening the infrastructure and the repair of street lighting.

The electrician previously appointed resigned and a new advert was put out to fill this vacancy in the 2018/19 financial year.

The sport facilities in Klaarstroom and Leeu-Gamka each received flood lights to enable sport in the evening and several darkened areas were also addressed by the strategic placement of lights.

a) Highlights: Electricity

The following highlights pertaining electricity provision during the reporting financial year are emphasised.

Highlights	Description
Electricity Master plan	Electricity Master Plan completed in June 2018 and provides the background for the implementation of the electricity maintenance programme
Cherry picker purchased	A cherry picker was purchased to improve maintenance

Transformers repaired	Transformers were repaired and can be used as back-up
Electricity losses reduced	Electricity losses was curbed at 13%
Electrification of new houses	243 houses connected to the electricity grid in Prince Albert
Dark spots addressed	Some dark spots that were a safety concern were addressed by strategic lighting
Lighting at sports fields	The sports fields of Leeu Gamka and Klaarstroom were supplied with lights to allow activities during the evening

Table 55: Electricity Highlights

b) Challenges: Electricity

The following challenges pertaining electricity provision during the reporting financial year are emphasised.

Description	Actions to address
Street lighting	Street lighting remains a challenge and a proper maintenance programme must be developed
Trees threatening the electricity network	A maintenance programme addressing this challenge must be developed
Resigning of in-house electrician	Vacancy advertised
Measures to control usage	Sound operating procedures and awareness campaigns
Re-activate asset maintenance within funding constraints	Draft asset management plan

Table 56: Electricity Challenges

c) Electricity Service Delivery Levels

The table below depicts the Municipality's performance in the current financial year against the previous financial year. It must be noted that the farms and Eskom-supplied areas are included in the Census statistics depicted below. Please note that the increase in units serviced is allocated to the new housing development in Prince Albert.

Description	Households				
	2014/15	2015//16	2016/17	Census 2011	2017/18
	Actual	Actual	Actual		Actual as Serviced by municipality
	No.	No.	No.	No.	
Energy: (above minimum level)					
Electricity (at least min.service level)	309	282	490	278	246

Households					
Description	2014/15	2015//16	2016/17	Census 2011	2017/18
	Actual	Actual	Actual		Actual as Serviced by municipality
	No.	No.		No	
Electricity - prepaid (min.service level)	1812	1992	1 948	2072	1879
Minimum Service Level and Above sub-total	2121	2274	2 438	2350	2125
Minimum Service Level and Above Percentage	100	100	100	100	100
Energy: (below minimum level)					
Electricity (< min.service level)	0		9	0	0
Electricity - prepaid (< min. service level)	0	0	0	0	0
Other energy sources	0	0	0	0	0
Below Minimum Service Level sub-total	0	0	9	0	0
Below Minimum Service Level Percentage	0	0	0	0	0
Total number of households	2 121	2 274	2 348	2350	2125

Table 57: Electricity Service Levels

Service Delivery Indicators

Energy provision is progressively seen as a basic human right. The table below depicts the municipality's performance against the service delivery indicators for electricity provision.

Ref	KPI	Unit of Measurement	Wards	Previous Year Performance	Overall Performance for 2017/18			Comments
					Target	Actual	R	
TL15	Number of Residential account holders connected to the municipal electrical infrastructure network (credit and prepaid electrical metering)	# of Residential account holders connected to the municipal electrical infrastructure network (credit and prepaid electrical metering)	All	1674	2110	2559		Target was over achieved due to housing project in Prince Albert
TL16	Provide 50kwh free basic electricity to registered indigent account holders connected to the municipal and Eskom electrical infrastructure network	No of indigent account holders receiving free basic electricity which are connected to the municipal and Eskom electrical infrastructure network	All	872	900	893		This KPI is application based. The Municipality launched awareness campaigns and outreaches in support.

TL35	Limit electricity losses to not more than 15% {(Number of Electricity Units Purchased and/or Generated - Number of Electricity Units Sold) / Number of Electricity Units Purchased and/or Generated) × 100}	% Electricity losses achieved (Number of Electricity Units Purchased and/or Generated - Number of Electricity Units Sold) / Number of Electricity Units Purchased and/or Generated) × 100	All	14.54%	15%	13%	Electricity losses was improved on previous year with meter auditing and monitoring.
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Table 58: Electricity KPI's

d) Employees: Electricity

This service is provided via a service level agreement. The Municipality appointed an electrician during the reporting year, but this official resigned at year-end. and there is no internal staff allocated to this particular service. The Manager: Infrastructure is responsible for overseeing the work of the service provider, while the Incident Clerk provides administrative assistance on logging of electricity complaints.

Job Level	2014/15	2015/16	2016/18	2017/18		Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %
	Employees	Employees	Employees	Posts	Employees		
	No.	No	No.	No.	No.		
0 – 3	0	0	0	0	0	0	
4 – 6	0	2	0	2	0	2	100%
7 – 9	0	1	0	1	0	1	100%
10 – 12	0	1	0	1	0	1	100%
13 – 15	0	0	0	0	0	0	
16 – 18	0	0	0	0	0	0	
19 – 20	0	0	0	0	0	0	
Total	0	4	0	4	0	4	100%

Table 59: Employees: Electricity services150

Capital Expenditure 2017/18: Electricity Services					
R' 000					
Capital Projects	2017/18				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Electricity RDP Houses	1000	3500	2895	17%	3500
Electrical Line Leeu Gamka		70	59	16%	70

Lighting West End ward 1		100	-	100%	100
Lights at community hall ward 2		50	34	32%	50
Lights at informal settlement ward 2		60	53	11%	60
Lighting in Buitekant Street ward 2		150	24	84%	150
Lighting between hospital and Kronke- and Mossie Street		60	-	100%	60
Lighting in Dahlia Street from Botterblom and Kanarie Streets, ward 4		60	3	96%	60
Sport Field lighting ward 2		250	169	32%	250
Sport Field ward 1		250	166	33%	250
Electrical equipment		25	-	100%	25
Total	1000	4575	3404	57%	4575

Capital Expenditure 2017/18: Electricity Provision

3.4 Waste management

Introduction to Waste Management

Waste is collected on a weekly basis and each service point is supplied with black bags by the municipality. In order to better manage distribution households are encouraged to collect the bags at the Technical offices. Prince Albert has three waste removal vehicles: a Kia 2.7l small truck equipped for daily collection of refuse, a 2.7l Kia small truck equipped for garden refuse and a Tractor for the removal of domestic waste in Leeu-Gamka. These vehicles have a maximum capacity of 6m³ per vehicle. The waste collection in Klaarstroom and Prince Albert Road is managed from Prince Albert. The service delivery in Leeu Gamka is severely hampered by the frequent break-down of the tractor. Though repaired quickly, this has a disruptive influence on the system.

There are five existing mini-transfer stations for garden waste disposal in the North End of Prince Albert. These facilities have been fenced during the reporting year, but are not designed nor intended for household waste. Unfortunately, they are being used as general waste depots as opposed to garden waste depots. The residents of North End do not have large gardens and thus generate insignificant volumes of garden refuse. The Municipality uses the CWP program as well as other EPWP programmes to manage the mini-transfer stations. Illegal dumping still proves to be a challenge in some of the areas. Residents are encouraged through the ward committee system to report such transgressions.

All landfill sites in the municipal area are licensed. The landfill sites are prone to smouldering and the Fire Prevention staffing component closely monitors this on all landfill sites within our boundaries. During the reporting year the fires at the landfill sites decreased significantly, but the transfer stations within the communities remained fire prone. Inspections undertaken by the Western Cape Government: Environmental Affairs and Development Planning during the year in respect of the landfill site in Prince Albert indicated that no ethane gas was detected. The Municipality struggles to control access to the landfill sites in spite of the deployment of Youth Jobs in Waste participants at the landfill sites. An action plan to address non-compliance was presented to the DEADP for the Prince Albert landfill site. The airspace of all landfill sites is reaching critical status as Prince Albert only had one to three years left and Leeu Gamka two years. The Municipality thus embarked on a reshaping and compacting process of the landfill site in Prince Albert that enabled the extension of the Prince Albert landfill sites' lifespan with another two to three years.

One of the biggest challenges facing the landfill sites are windblown litter. The Department of Environmental Affairs and Development Planning issued a directive that no reclamation may be done at the landfill site in Prince Albert. They recommended that a two-bag system for recycling be employed. A Material Recovery Facility should be investigated and constructed as soon as possible.

The Municipality will purchase a compactor for refuse removal in the 2018/19 financial year that will enable them to save, airspace and extend the recycling initiative to North End, Prince Albert Road, Leeu Gamka and Klaarstroom.

The Municipality will have to secure funding for the environmental and planning processes in the extension of the landfill sites or the identification of alternative sites, as well as the rehabilitation of the existing sites. The Municipality did embark on a shared service initiative to investigate the possible establishment of a regional landfill site in Leeu Gamka.

Highlights: Waste Management

The table below depicts the highlights of the waste management service for the reporting year. The co-operation and support of the private sector should be applauded, but recycling should be revisited in the next financial year to ensure that it becomes cost-effective, yet within the supplied license conditions of the waste disposal facility.

Highlights	Description
Compactor truck	Council approved the purchase of a rear end compactor truck for 2018/19
Pick-a-Piece	Part of recycling strategy and Education.
Regional landfill site investigation	A regional landfill site investigation is underway for establishing a regional site in Leeu Gamka
Reshaping and compacting of Prince Albert landfill site	At least two to three years were added to the landfill site's lifespan

Table 60: Waste Management Highlights

Challenges: Waste Management

The challenges pertaining waste management for the 2017/18 financial year is depicted below with transport and recycling as matters that must be addressed with urgency.

Description	Actions to address
Transport still a challenge	A compactor will be purchased in 2018/19 financial year
2 Bag system	An awareness campaign must be launched to increase public buy-in
Recycling	Management of transport from Oudtshoorn. Tonnage too low to cover transport and haulage costs. Recyclables in many cases not processed after collection. Recycling project to be extended to include North End, Prince Albert Road, Leeu Gamka and Klaarstroom.
Gate control and numerous entry points	Investigate security on premises.; Fencing of premises to deter uncontrolled access
Illegal dumping	Stricter control measure needs to be implemented.
Litigation	Litigation was instituted against the Municipality – the Municipality is contesting the matter
Windblown litter	Establish a Material Recovery Facility

Table 61: Waste Management Challenges

Waste Management Service Delivery Levels

The table below depicts the municipality's performance against the service delivery indicators for waste management provision in comparison with the previous financial year. Please note that the increase in units serviced is allocated to the new housing development in Prince Albert.

Description	Households				
	2014/15	2015/16	2016/17	Census 2011	2017/18
	Actual	Actual	Actual	Actual	Actual as serviced by
	No.	No	No	No.	No.
Solid Waste Removal: (Minimum level)					
Removed at least once a week	2452	2475	2 480	1 989	2726
Minimum Service Level and Above sub-total	2 452	2 475	2 480	1 989	2726
Minimum Service Level and Above percentage	100%	100%	100%	100%	100%
Solid Waste Removal: (Below minimum level)					
Removed less frequently than once a week	0	0	0	0	0
Using communal refuse dump	0	0	0	0	0
Using own refuse dump	0	0	0	0	0
Other rubbish disposal	0	0	0	0	0
No rubbish disposal	0	0	0	0	0

Description	Households				
	2014/15	2015/16	2016/17	Census 2011	2017/18
	Actual No.	Actual No	Actual No	Actual No.	Actual as serviced by No.
Below Minimum Service Level sub-total	0	0	0	0	0
Below Minimum Service Level percentage	0	0	0	0	0
Total number of households	2 452	2 475	2 480	1989	2726

Table 62: Waste Management Service Delivery Levels

Service Delivery Indicators

The service delivery indicators below reflect the performance of the solid waste management for the 2017/18 financial year. The recycling unit was destroyed in a fire and must be restored.

Ref	KPI	Unit of Measurement	Wards	Previous Year Performance	Overall Performance for 2017/18			Comments
					Target	Actual	R	
TL17	Provide refuse removal, refuse dumps and solid waste disposal to households within the municipal area	Number of households for which refuse is removed at least once a week	All	2480	2368	2726		Please note that the increase in units serviced is allocated to the new housing development in Prince Albert.
TL18	Provision of free basic refuse removal, refuse dumps and solid waste disposal to registered indigent account holders	No of indigent account holders receiving free basic refuse removal monthly	All	872	900	893		This KPI is application based. The Municipality launched awareness campaigns in support of KPI

Employees: Waste Management

The table below reflects the staff component for solid waste management in the reporting year, compared to 2014/15 to 2017/18. It must be noted that staff perform dual functions and thus the staffing table below cannot be read in isolation.

Job Level	2014/15	2015/16	2016/17	2017/18			
	Employees	Employees	Employees	Posts	Employees	Vacancies (fulltime equivalent)	Vacancies (as a % of total posts)
	No.			No.	No.	No.	%
0 – 3	5	5	3	7	3	4	57.14%
4 – 6	2	1	2	2	2	0	
7 – 9	0	0	0	0	0	0	
10 – 12	0	0	0	0	0	0	
13 – 15	0	0	0	0	0	0	
16 – 18	0	0	0	0	0	0	
19 – 20	0	0	0	0	0	0	
Total	7	6	5	9	5	4	44.44%

Table 64: Employees: Waste Management Services

Capital: Solid Waste Management

The table below indicates the capital expenditure on roads.

Capital Expenditure 2017/18: Waste Management					
R'000					
Capital Projects	2017/18				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Rehabilitation of Landfill Site	588	588	588	100%	588
Total	588	588	588	100%	588

Table 83: Capital Expenditure 2017/18: Roads

3.5 Housing

Prince Albert Municipality supports the following objectives in respect of housing

- Promotion of equal access to housing for Prince Albert residents
- Transparency
- Prevention of unfair discrimination
- Promotion of fair administrative justice
- Apply the principle of “first come first serve” subjected to approved framework
- Proper recording of all housing applicants

Council follows the following working procedure in respect of the allocation of housing.

Prince Albert Municipality has a housing waiting list in excess of 1102 persons awaiting assistance in terms of government housing subsidies. The housing waiting list is updated annually during community outreaches, that includes radio talks, visits to farms and Thusong Outreaches. Applicants also have the opportunity to apply continuously without the year and may also update their submitted details on a continuous basis.

The applicants' details are captured on the Western Cape Housing Database.

To ensure that the most marginalised of the community are protected, Council did not appoint a Housing Committee for the project, but rather resolved to implement the guidelines of the Western Cape Department of Human Settlement's Circular No 10 of 2015.

According to Circular 10 the following principles is agreed upon:

- (a) Age-based prioritisation will take place with preference given to household heads that are 40 years or older based on the registration date order, from the earliest date of registration to the most recent, except in cases where:
 - (i) A household is selected via the quota for households affected by permanent disability, in which case age-base prioritisation must strictly not be applied;
 - (ii) A household is selected via the approved Military Veteran's database in which case age-based prioritisation will not be applied.
- (b) Where no household with the beneficiary older than 40 years exist on the waiting list for that specific catchment area, the Municipality will accommodate applicants from the 35-39-year age group in preference that the oldest person will be helped first.
- (c) Should the 35-39 age group be exhausted on the waiting list, the municipality may select beneficiaries from the 30 to 34-year-old cohort, and so on until all available opportunities have been filled.
- (d) All applicants must reside in the municipal jurisdiction for at least five years and must be registered on the database for at least three years.

The above procedure was agreed upon by Council to protect the most vulnerable within our communities.

In Prince Albert municipal area people earning less than R3 500 per month per household can qualify for a normal housing subsidy, while GAP housing applicants can qualify if they earn between R3 500 and R15 000 per month.

The housing waiting list for the whole of Prince Albert Municipality's jurisdiction reflect 1 102 applicants. This decrease in the waiting list can be attributed to the fact that the municipality cleaned their housing waiting list and build 243 houses in Prince Albert.

The Municipality build BNG 243 houses on a portion of erf 743 Prince Albert and provided services to all these houses. This project was the first low cost housing project to the Prince Albert community in the last 15 years. A low theft ratio occurred during the Prince Albert Housing project. The last house handover took place on the 10th of May 2018 and there were approximately 45% of the beneficiaries over 60 years old. 80 beneficiaries already received

their title deeds, with the remaining portion to receive their title deeds in September 2018. The Municipality is one of the only Municipalities in the Western Cape outside of the Metropole to supply houses to Military Veterans. The Municipality was nominated for the Govan Mbeki award with this project.

The changes to the land use planning legislation, specifically SPLUMA and the impact that this legislation will have on planning matters and the Spatial Development Framework (SDF) lead to the decision to review the Integrated Human Settlement Plan after the review of the SDF that will now be done in terms of the new legislation. Council commenced with the SDF review process but resolved to adopt the 2014 SDF as is, while the town farm policy is still being developed. The Western Cape: Department of Environmental Affairs and Planning is reviewing the SDF on behalf of the Prince Albert Municipality. Due to capacity constraints the process could not be completed and therefore the Municipality yet again adopted the 2014 SDF.

The United Nations Habitat Programme defines informal settlements as unplanned settlements and areas where housing is not in compliance with current planning and building regulations.

Informal Settlements

Prince Albert Municipality have two Informal Settlements defined as above and a short overview of said settlements are as follows:

Klaarstroom

The Klaarstroom Informal Settlement is the biggest in the municipal area with 32 structures as on 30 June 2018 with an average 4-5 residents per structure. Residents have access to two communal taps and water at these taps adhered to the bacteriological standards of SANS 241. Residents shared three flush toilets amongst themselves. Some of the structures use solar panels for energy, but most use wood. Storm water ditches and intakes are present with adequate drainage. No health nuisances were reported by the Environmental Health Officer of the Central Karoo District. The Municipality assigned their housing implementing agent, ASLA, to prepare an application for emergency housing to provide formal housing to the residents of Klaarstroom Informal Settlement, but not all of the residents will qualify for formal housing subsidies.

Prince Albert

Prince Albert Informal Settlement exist of two informal structures. These structures were moved to Tortelduif Street and supplied with a tap and toilet facilities. The Municipality have a waiting list of 132 residents to procure informal corrugated iron structures. The Municipality is engaging with the Western Cape: Department of Human Settlements to develop such structures and have identified Tortelduif Street and the outer boundary of North End for this development.

There is a need for guidance at both existing settlements on premises hygiene, food safety, communicable diseases, indoor air quality, water safety and savings as well as sanitation.

The Western Cape Government: Human Settlements indicated in June 2018 that the following housing pipeline for Prince Albert municipal area is supported.

Priority	Projects	Programme	2018/2019			2019/2020			2020/2021		
			Sites Serviced	Houses Built	Funding *100	Sites Serviced	Houses Built	Funding * 100	Sites Serviced	Houses Built	Funding * 100
1	Project 3288: Prince Albert Erf 743 (451 services & 391 units Total)	IRDP		148	19240	232	232				
2	Access to Basic Services (100 Services) Prince Albert Informal Area	?	100	100	2500						
3	Toilets to Houses: (PA 402)(KS 40)(LG 188)	?		630							
4	Project 3289: Prince Albert Gap (69) FLISP	IRDP						1497			
5	Project 3288: Prince Albert Erf 743 Phase 2 (60 Enhanced serviced Sites to be used for FLISP)	IRDP				60		4140			
6	Project xxxx: Klaarstroom (50 Serviced sites and Top Structures)	UISP				50	50	3450			
9	Project 2718(3): Transnet Housing (64 Services + 92 Upgrade structure) Access to Basic Services	UISP							64		
10	Project xxxx: Leeu Gamka Area 2 Gap (20) FLISP	IRDP/CRU							20		
11	Project xxxx: Klaarstroom Area 2 Gap (18) FLISP	IRDP/CRU							18		
12	Project xxxx: Leeugamka Erf (127 opportunities)	IRDP				127	127				

Table 65: Housing Pipeline

The Housing Database has been cleaned and the housing officials trained in the improved use of the housing data base. Letters were issued to those that are included on the housing waiting list but have previously owned property or a portion of property as well as previous beneficiaries. Continuous data cleansing has been done through community outreaches.

Highlights: Housing

The following highlights in respect of the housing division are reflected below.

Highlights	Description
Completion of 243 housing units	Completion of 243 housing units. Municipality was nominated for the Govan Mbeki award with this project.
Military veteran housing	Prince Albert Municipality is the first municipality in the Western Cape, outside of metropole, to provide housing to military veterans
Updating of housing waiting list	Housing waiting list was updated in all towns with newest information

Data cleansing	Housing waiting list was cleansed and have no duplications
Compilation of Integrated Human Settlement Plan	Plan adopted in June 2018

Table 66: Housing Highlights

Challenges: Housing

The following challenges in respect of housing during the reporting year are:

Description	Actions to address
R 21 million still needed for the Transnet bulk infrastructure and upgrade of Transnet houses	Apply to province for more funding.
Housing application for people below 35 years and people not qualifying for subsidies	Funding applications to Province
Need for middle class housing is sharply increasing	Apply for CRU funding instead of GAP funding
Toilets outside houses	Municipality to prepare business plan and secure funding
Re-location of Klaarstroom transit area	ASLA tasked to prepare application

Table 67: Housing Challenges

The table below reflects the number of households without access to basic housing in relation to households reflected on the municipal billing system. Please note that the increase in formal households is allocated to the new housing development in Prince Albert.

Year end	Number of households with access to basic housing		
	*Total households (including formal and informal settlements)	Households in formal settlements	Percentage of HHs in formal settlements
2013/14	2 115	2 063	98
2014/15	2 374	2 318	98
2015/16	2 584	2536	98
2016/17	2 554	2456	98
2017/18	2878	2809	98
*Number of household where the municipality is responsible for basic services (financial stats)			

Table 68: Households with access to basic housing

The following table shows the decrease in the number of people on the housing waiting list. There are currently approximately 1 102 housing units on the waiting list. The decrease is due to the housing development in Prince Albert during the reporting year.

Financial year	Number of housing units on waiting list	% Housing waiting list increase/(decrease)
2013/14	1 488	(3.3%)
2014/15	1 248	(16%)
2015/16	1 369	9.7%
2016/17	1367	0%
2017/18	1102	(19.39%)

Table 69: Housing waiting list

The increase in the housing waiting list was due to the awareness campaigns and outreaches to update the housing waiting list in all the areas within Prince Albert. A summary of subsidised houses built is indicated below. The Municipality completed 243 housing units in Prince Albert during the reporting year.

Financial year	Allocation	Amount spent	% spent	Number of houses built	Number of sites serviced
	R'000	R'000			
2013/14	1 885	8 689	0	30	262
2014/15	22 352	22 170	99%	222	0
2015/16	676	0	0%	0	0
2016/17	14203	11339	80%	0	0
2017/18	12646	12346	100%	243	243

Table 70: Housing Funding spend

The following table indicates service delivery performance in respect of housing. Please note that no changes were made to the Integrated Human Settlement Pipeline and a plan was not drafted as this will form an integral part of the Spatial Development Framework that will be compiled with the new 5-year Integrated Development Plan in order to align all plans as prescribed in Local Government: Municipal Systems Act, 2000.

Ref	KPI	Unit of Measurement	Wards	Previous Year Performance	Overall Performance for 2017/18		
					Target	Actual	R
TL13	Draft the Integrated Human Settlement Plan by June 2018	Plan completed by the end of June	All	0	1	1	

3.6 Free Basic Services and Indigent Support

Introduction

A debtor is considered indigent if the total monthly household income is equal to two times the amount of state funded social pensions or less (currently R 3 200 per month). All indigent households individually receive 6 kl water and 50kWh electricity free each month.

Furthermore, an indigent debtor also receives a subsidy on refuse removal and sewerage, rates and the availability charge in respect of water.

All indigents have to renew their applications annually in order to qualify for the benefits. The Municipality continuously promoted the registration of indigent households to support vulnerable households.

The 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 R3 200 per month will receive the free basic services as prescribed by national policy.

The Municipality, under the championship of Executive Mayor, G Lottering, embarked on a door-to-door awareness campaign where possible participants of the indigent subsidy scheme was encouraged to apply and to pay outstanding debt. No debt was written off during the reporting years other than debt of the deceased.

The table below indicates that 38.29 % of the total number of households received free basic services in 2013/14 financial year whilst it increased to 29.63 % in the 2014/15 financial year; 37.50% in the 2015/16 financial year and 34.14% in the 2016/17 financial year. 31.79% of households received indigent support during the 2017/18 financial year.

Financial year	Number of households								
	Total no of HH	Free Basic Electricity		Free Basic Water		Free Basic Sanitation		Free Basic Refuse Removal	
		No. Access	%	No. Access	%	No. Access	%	No. Access	%
2013/14	2 063	790	38.29%	2 063	100%	790	38.29%	790	38.29%
2014/15	2 318	687	29.63%	2 318	100%	687	29.63%	687	29.63%
2015/16	2 536	951	37.50%	2 334	92.03%	951	37.50%	951	37.50%
2016/17	2 554	872	34.14%	2554	100%	872	34.14	872	34.14%
2017/18	2809	893	31.79	2487	100%	893	31.79	893	31.79

Table 71: Free basic services to indigent households

Financial year	Free Basic Electricity								
	Indigent Households			Non-indigent households			Indigent Households in Eskom areas		
	No. of HH	Unit per HH (kwh)	Value R'000	No. of HH	Unit per HH (kwh)	Value R'000	No. of HH	Unit per HH (kwh)	Value R'000
2013/14	568	50	247	1273	0	0	222	50	158
2014/15	465	50	271	1631	0	0	222	50	142
2015/16	952	50	328	1 585	0	0	334	50	65
2016/17	607	50	322	1 478	0	0	265	50	140
2017/18	629	50	374	1916	0	0	264	50	157

Table 72: Free basic electricity services to indigent households

Water						
Financial year	Indigent Households			Non-indigent households		
	No. of HH	Unit per HH (kl)	Value	No. of HH	Unit per HH (kl)	Value
			R'000			R'000
2013/14	790	6 kl	292	1 273	6 kl	451
2014/15	687	6 kl	237	1 631	6kl	562
2015/16	951	6 kl	399	1 383	6kl	580
2016/17	872	6 kl	383	1 492	6 kl	656
2017/18	893	6kl	391	1594	6kl	698

Table 73: Free basic Water services to indigent households

Sanitation						
Financial year	Indigent Households			Non-indigent households		
	No. of HH	R value per HH	Value	No. of HH	Unit per HH per month	Value
			R'000			R'000
2013/14	790	77.25	675	1273	0	0
2014/15	687	83.43	641	1 631	0	0
2015/16	951	97.31	901	1585	0	0
2016/17	872	110.93	993	1539	0	0
2017/18	893	119.74	1048	1788	0	0

Table 74: Free basic sanitation services to indigent households

Refuse Removal						
Financial year	Indigent Households			Non-indigent households		
	No. of HH	Service per HH per week	Value	No. of HH	Unit per HH per month	Value
			R'000			R'000
2013/14	790	47.45	435	1273	0	0
2014/15	687	51.25	394	1 631	0	0
2015/16	951	97.31	901	1 585	0	0
2016/17	872	67.83	570	1 608	0	0
2017/18	893	73.22	645	1833	0	0

Table 75: Free basic Refuse Removal services to indigent households per type of service

The following table indicates the cost to the Municipality to provide free basic services. The cost of these free services is covered by an Equitable Share Grant received from the national government.

Financial Performance 2017/18: Cost to Municipality of Free Basic Services Delivered					
Services Delivered	2016/17	2017/18			
	Actual	Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Water	1039	1287	1040	1080	-5%
Waste Water (Sanitation)	933	1124	1124	1048	7%
Electricity	463	459	520	531	-2%
Waste Management (Solid Waste)	571	688	670	645	4%
Total	3006	3558	3354	3313	1%

Table 76: Financial Performance 2017/18: Cost to Municipality of Free Basic Services Delivered

Service delivery indicators

The following table shows the municipality's performance against the set targets in respect of indigent support for the 2017/18 financial year. The targets in the table below not reached can be contributed to the fact that the KPI's are application based. The Municipality launched several awareness campaigns and outreaches to reach the targets.

Ref	KPI	Unit of Measurement	Wards	Previous Year Performance	Overall Performance 2017/18		
					Target	Actual	R
TL16	Provide 50kwh free basic electricity to registered indigent account holders connected to the municipal and Eskom electrical infrastructure network	No of indigent account holders receiving free basic electricity which are connected to the municipal and Eskom electrical infrastructure network	All	872	900	893	
TL18	Provision of free basic refuse removal, refuse dumps and solid waste disposal to registered indigent account holders	No of indigent account holders receiving free basic refuse removal monthly	All	872	900	893	
TL20	Provide 6kl free basic water per household per month to registered indigent account holders	No of registered indigent account holders receiving 6kl of free water	All	872	900	893	
TL22	Provision of free basic sanitation services to registered indigent account holders which are connected to the municipal waste water (sanitation/sewerage) network & are billed for sewerage service, irrespective of the number of water closets (toilets).	No of indigent account holders receiving free basic sanitation in terms of Equitable share requirements.	All	872	900	893	

Table 77: Indigent support performance

Component B: Roads

This component includes: roads; transport; and storm water.

3.7 Roads

Introduction to Roads

The primary road system in the Prince Albert municipal area consists of national and provincial roads. The N1 runs on a northeast-south-westerly axis and carries approximately 3012 vehicles per day. The N12 runs on a north-south axis through Klaarstroom and connects to Oudtshoorn, George, the Southern Cape region and the N2. The N12 carries approximately 780 vehicles per day. Although a national route, it is a provincial road maintained by Province.

All of the towns within the municipal boundary are accessible either by road or by railway. Leeu-Gamka and Welgemoed are primarily accessible by the national railway and the N1 (connecting to the R353) passing through their jurisdictions. Prince Albert and Klaarstroom have no access to railway transportation. The main town of Prince Albert can only be accessed by main roads, e.g. the R328 (46 km from the N1) and R353 (40 km from the N1) and several secondary roads. The town of Klaarstroom can be reached by making use of the N12, R407 and other secondary roads. Secondary roads provide access to the other rural areas within the municipal area. These roads are mostly gravel roads.

Other provincial roads in our area include the:

- R407 that runs on an east-west axis from Willowmore, through Klaarstroom, on to Prince Albert and in a north-westerly direction to Prince Albert Road, where it connects to the N1. This road is paved all the way from Klaarstroom to Prince Albert Road.
- R328 from Oudtshoorn, a gravel road that runs over the Swartberg Pass, connecting with the R407 at Prince Albert.
- R353, a gravel road that runs from Prince Albert northwards to the N1, close to Leeu-Gamka.

The total roads in municipality amount to 1 741.2 kilometres of roads. The total amount of roads comprises of 257.6 (14%) kilometres of surfaced roads and 1 483.6 (85.2%) kilometres of gravel roads. Roads within the municipal urban edges amount to 41.69 kilometres (Klaarstroom, Leeu Gamka, Prince Albert Road and Prince Albert).

The Swartberg Pass connecting Prince Albert with Oudtshoorn is seen as a provincial heritage site. The Swartberg Pass' repairs commenced during June 2017 and though the work was estimated to take 18 months, the work was completed sooner and the Pass was re-opened in April 2018, exactly one year after it was damaged.

The maintenance of the roads within the municipal area remains a challenge with a limited operational budget. The neglect of several years has since culminated in a situation that requires more maintenance and capital expenditure than the limited budget of Prince Albert Municipality can afford. Roads was upgraded in North-End Prince Albert and the main road

in Prince Albert was also upgraded under a provincial contract, providing welcome work opportunities within the municipal communities. The provincial road between Prince Albert and Prince Albert Road were also upgraded.

a) Highlights: Roads

The following highlights in respect of the roads division are reflected for the 2017/18 financial year.

Highlights	Description
Training sessions with personnel to effectively repair potholes	Potholes repairs and effective use of equipment.
Opening of Swartberg Pass	Opening of Swartberg Pass one year after it was damaged
Upgrade of main road in Prince Albert	Provincial upgrade of main road in Prince Albert
Upgrade of provincial road between Prince Albert and Prince Albert Road	Provincial upgrade of provincial road between Prince Albert and Prince Albert Road. This created a lot of job opportunities within the local community.
Road construction in North- End	Road construction in Prince Albert North were undertaken.
Speed calming measures	Speed humps erected within communities

Table 78: Roads Highlights

b) Challenges: Roads

The following challenges in respect of the roads division are provided in respect of the reporting financial year.

Description	Actions to address
Pothole repairs	Material and Equipment must be budgeted
Maintenance on gravel roads	Resources and capacity must be budgeted
Pavements in main road. Roots of trees lifting pavement making it dangerous	Pavements in main road to be upgraded.
No alternative drive through town than main road	Source funding to upgrade Mark street and/or De Beer Street. Long term solution.
Storm water channels old and do not cater to the need of the growing town	MIG application to be drafted for funding for upgrade of stormwater system

Table 79: Roads Challenges

No gravel roads were upgraded to tar within the area during the reporting year, with 20.7 km's of tar road maintained during said period. The municipality recognises the challenges to maintain the road infrastructure and requested external funding to assist the Municipality in this respect.

Tarred Road Infrastructure: Kilometres					
Year	Total tarred roads	New tar roads	Existing tar roads re-tarred	Existing tar roads re-sheeted	Tar roads maintained
2013/14	20.7	0	0	0	20.7
2014/15	20.7	0	0	0	20.7
2015/16	20.7	0	0	0	20.7
2016/17	20.7	0	0	0	20.7
2017/18	20.7	0	0	0	20.7

Table 80: Tarred road infrastructure

Service Delivery Indicators

A survey was done internally by the Department on pot holes and the need for road repair. Much has been done on the operational side to decrease the potholes within the municipal area, but as the roads are old and there is little funding to do major repairs and rebuild, maintenance remains a challenge.

Financial performance on roads

The table below indicates the capital expenditure on roads.

Capital Expenditure 2017/18: Roads					
R'000					
Capital Projects	2017/18				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
PA Link Road North End	2396	2 396	2382	99%	2396
Klaarstroom Side Walks	250	250	247	99%	250
Paving Granaatbos – ward 1	-	150	-	0%	150
Speed Humps Aalwyn Street ward 2	-	10	10	96	10
Speed humps Mickey ward 2	-	10	5	0%	10
Speed Humps at Klaarstroom guest house	-	10	56	52%	300

Capital Expenditure 2017/18: Roads					
R'000					
Capital Projects	2017/18				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Speed humps 10 streets ward 3		300	-	19%	25
Speed humps in Middelweg ward 3	-	25	-	0%	25
Speedhumps in Malva and Kamp Street ward 3	-	25	-	0%	60
Speed humps in Sipres, de Wiff and Voor Street	-	60	-	0%	160
Paving at EE Centre ward 4	-	160	-	0%	-
Side walks in Leeu Gamka	200	-	-	0%	-
Side walks in Prince Albert	424	-	-	0%	-
Upgrade storm water	600	-	-	0%	-
Upgrade storm water	779	-	-	0%	-
Total	4648	3396	2700	21%	3396

Table 83: Capital Expenditure 2017/18: Roads

c) Employees: Roads

The table below reflects the staffing component of the Roads department of the 2017/18 financial year as compared to previous years. Again, it must be noted that staff perform dual functions and are not allocated to the Roads division specifically.

Job Level	2014/15	2015/16	2016/17	2017/18			
	Employees	Employees	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	No.	No.	%
0 – 3	2	4	4	4	4	4	100%
4 – 6	0	1	2	3	2	2	33%
7 – 9	0	2	0	0	0	0	
10 – 12	0	0	0	0	0	0	
13 – 15	0	1	0	0	0	0	
16 – 18	0	0	0	0	0	0	
19 – 20	0	0	0	0	0	0	

Total	2	4	7	7	7	7	
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Table 82: Employees: Roads

Component C: Planning and Local Economic Development

3.8 Planning

Introduction to Planning

Spatial Planning and Land Use saw significant changes due to the development of the Land Use Planning Act and the Spatial Planning Land Use Act. These legislative changes required the Municipality to draft a by law on land use planning. Legislative disputes on a national and provincial level resulted in a lengthy consultation process that in the end saw Council adopting a Planning By-Law in June 2015. Prince Albert Municipality was promulgated as SPLUMA compliant in March 2016 and the Planning By-Law came into effect from 1 March 2016.

Council resolved to review the Spatial Development Framework of 2014 and advertised the process and received inputs. Council however resolved to adopt the 2014 SDF with the Integrated Development Plan and to continue the process to develop a town farm policy for incorporation in the proposed amended SDF. The Western Cape Department of Environmental Affairs: Planning is assisting the Municipality with drafting a reviewed Spatial Development Plan. This plan was not completed during the reporting year with the status quo report only tabled in July 2018. The development of an Integrated Human Settlement Plan was approved by Council in June 2018.

Council opted to have their own Tribunal and not share the costs with other Municipalities as the transport costs would be too high due to the distances to be travelled. The Land Use Tribunal was promulgated to include the following persons: Heinrich Mettler, Justin Lesch, Karin van der Mescht, Elma Vreken and Dalene Carstens. Ms. Vreken and Ms Carstens are staff members appointed by the Provincial government to serve on the tribunal of Prince Albert. There is currently a vacancy on the Tribunal due to the resignation of the Manager: Technical Services (J Lesch). The newly appointed Technical Manager, Mr Ashley America, will fill this vacancy.

Much has been done to compile a land use register since 1985 to lay the preparation of a new zoning map as part of the SDF review. Much progress has been made with the detection of Illegal land use in collaboration with the local tourism bureau. The operators of illegal land use activities have for the most of it, applied to rectify the matters.

Highlights: Planning

The following highlights in respect of the planning division for the 2017/18 financial year are reported below.

Highlights	Description
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Planning By Law enforcement	Collaboration with Tourism office to identify and enforce compliance on illegal land use activities
Strengthening the institutional knowledge on land use	New procedures and control measures were instituted to ensure compliance and shared with the public at community meetings and on radio
MISA student appointed	MISA student appointed as town planner
Improved building control	Building Inspections done as per legislation

Table 85: Planning Highlights

a) Challenges: Planning

The table beneath reflect the challenges in respect of Planning for the 2017/18 financial year.

Description	Actions to address
Zoning scheme outdated	Zoning register drafted
Zoning scheme by law to be drafted	A new zoning scheme by law must be drafted with the assistance of Province
Providing approval within 120 days	Most applications considered within allotted time frame
Building control capacity	Building control capacity to be increased with training and mentorship
No registered town planner on organogram	MISA town planner intern allocated to Prince Albert.
Legal cost	A legal specialist to be appointed to handle litigation

Table 86: Planning Challenges

Service Delivery Indicators

The table below reflects the planning division's performance in respect of the 2017/18 financial year. The challenges in approving planning applications within the 120-timeframe has been previously explained elsewhere in the report.

Ref	KPI	Unit of Measurement	Wards	Previous Year Performance	Overall Performance for 2017/18		
					Target	Actual	R
TL37	Preparation of the draft IDP review for submission to council to ensure compliance with	IDP reviewed by 31 March annually	All	1	1		

	legislation by 31 March annually			(Adopted before 31 March)			
T38	Preparation of the final IDP review for submission to Council to ensure compliance with legislation by 31 May annually	Final IDP review completed to submit to Council by 30 May 2018	All	1 (Adopted by 30 May)	1	1	

Table 87: Planning indicators

b) Service Statistics: Land Use Development

The enforcement of land use saw a significant improvement in the reporting year. The turn-around time of 120 days is not feasible and it was especially difficult to enforce land use principles pertaining house shops. Council approved a deviation option for the parking requirements for business operations whereby an annual fee can be paid in lieu of supplying parking on premises.

A Misa town planner intern was assigned to Prince Albert to bolster capacity in the land use division. The possibility of appointing a registered town planner for the Central Karoo is currently being investigated to bolster capacity in this division.

The enforcement of building control was severely lacking in previous years. The enforcement of building control requirements has not shown significant improvement in the reporting financial year.

The following table indicates the building applications processed during the reporting financial year.

Additional Performance: Town Planning and Building Control			
Type of service	2015/16	2016/17	2017/18
Building plans application processed	40	44	75
Total surface (m2)	5 078	5018.48	7803.69
Approximate value (Rand)	25 552 768	13 340 000	22 068 223
Residential extensions	34	41	70
Land use applications processed	27	31	35

Table 88: Additional Performance Town Planning and Building Control

Service delivery indicators

The table below reflects the planning division's performance in respect of the 2017/18 financial year. The target in TL 10 could not be reached due to the fact that the Municipality do not have a registered town planner and is supported by the Western Cape Provincial Department of Planning that are also suffering under capacity constraints and could not complete the review in time. The 2014 SDF was thus again adopted with the IDP and it is hoped that the reviewed SDF will be completed in the first semester of the 2018/19 financial year.

Ref	KPI	Unit of Measurement	Wards	Previous Year Performance	Overall Performance for 2017/18		
					Target	Actual	R
TL10	Review the spatial development framework and submit to council by end June	Reviewed SDF submitted to Council by end June	All	1	1	0	

3.9 Local Economic Development

The purpose of Local Economic Development (LED) is to improve the vibrancy and sustainability of local economies, which will ultimately lead to better living conditions for the majority of the population. LED is not about direct projects with the poor, but more about recognising the scale of this impact by business on poverty levels, and making this even greater. Working directly with the poor is also important but is called Social development, not to be confused with Economic Development.

The role of the Municipality is to facilitate economic development by creating a conducive environment for business development and unlock opportunities to increase participation amongst all sectors of society in the mainstream economy. Government can obviously not plan or implement LED effectively if the private sector, who is the key driver of a local economy, is not included in such development processes.

Economic activity within municipal boundaries is important as it shows the extent of human development and living standards of communities. Although municipalities have no power to increase or decrease taxes in order to stimulate economic activity, there are few levers that local government authorities have control over to contribute to economic performance, including, among others, procurement of goods and services, job creation through expanded public works programmes as well as creating an enabling environment for small businesses.

The ability of households to pay for services such as water, electricity, sanitation, and refuse removal depends on income generated from economic activities. A slowdown in economic activity may result in job losses and inability of households to pay for services leading to reduced municipal revenues. Data on macroeconomic performance, especially the

information on sectoral growth and employment, is useful for municipalities' revenue and expenditure projections.

In the Prince Albert municipal area, the agriculture, forestry and fishing sector make up almost 20.0 per cent of the GDP, making this area heavily reliant on this sector and thus very vulnerable to any changes, on a national and global scale, that impact this sector, including the drought, rising fuel, maize and feed prices, changes in consumer demand as well as local pests, diseases and predation prevalent in livestock. The other main economic sectors include the wholesale, catering and accommodation sector and the general government sector.

Prince Albert GDP performance per sector, 2005 – 2016										
Sector	Contribution to GDP (%)	R million value	Trend		Real GDP growth (%)					
			2015	2015	2005 - 2015	2010 - 2015	2011	2012	2013	2014
Primary Sector	19.9	83.2	3.2	1.4	1.2	2.3	3.3	9.2	-2.7	-9.0
Agriculture, forestry and fishing	19.9	83.2	3.2	1.4	1.2	2.3	3.3	9.2	-2.7	-9.0
Mining and quarrying	0.0	-	-	-	-	-	-	-	-	-
Secondary Sector	13.8	57.7	3.7	2.0	-1.6	0.0	2.4	6.5	0.0	1.5
Manufacturing	3.1	13.0	1.6	3.1	-0.5	1.5	-2.6	5.4	3.4	-1.5
Electricity, gas and water	2.3	9.8	3.7	3.5	4.9	2.9	1.8	3.1	4.0	-4.1
Construction	8.3	34.9	4.9	1.3	-3.4	-1.4	4.7	7.7	-2.3	4.1
Tertiary Sector	66.4	277.7	4.7	4.2	6.2	5.0	4.9	2.7	2.8	2.0
Wholesale and retail trade, catering and accommodation	14.9	62.3	2.7	2.9	4.2	3.8	2.0	1.1	1.0	1.4
Transport, storage and communication	8.7	36.3	3.8	2.9	4.4	3.1	3.8	3.2	1.3	1.5
Finance, insurance, real estate and business services	8.5	35.5	6.9	5.0	6.5	6.2	3.7	4.5	6.4	4.1
General government	21.5	90.0	5.4	5.0	7.6	5.0	6.2	4.5	2.2	2.8
Community, social and personal services	12.8	53.7	5.5	4.9	7.8	7.0	7.9	-0.1	4.1	0.0
Total Prince Albert	100	418.5	4.1	3.2	4.1	3.8	4.3	4.6	1.1	-0.7

Source: Quantec Research, 2017 (e denotes estimate)

In 2016, it is estimated that the Prince Albert municipal area's economy contracted by 0.7 per cent; this is the first time the local economy of Prince Albert has contracted over the past decade. This is as a result of the contraction of the agriculture, forestry and fishing (9.0 per cent), the electricity, gas and water (4.1 per cent) and the manufacturing (1.5 per cent) sectors.

Over the past two years, the primary and secondary sectors have performed poorly. On the contrary, the tertiary sector has managed to expand at above average rates.

With regard to local economic development, the Department of Economic Affairs and Tourism assisted the Municipality in developing a PACA LED strategy which was included in the IDP as possible areas for development. This strategy was enhanced by the Municipality's participation in the Small-Town Regeneration Programme. SALGA's Small Towns Regeneration (STR) Programme was launched in 2013. Through road shows and workshops in each province the conceptual approach of the programme highlighting the importance and role of small towns in SA's space economy was facilitated. As a result, various municipalities opted to participate in the programme particularly in the North West, Mpumalanga, KZN, Eastern Cape, Western Cape and the Northern Cape. SALGA subsequently hosted its inaugural national Small Towns Regeneration Conference in October 2015 (Mangaung, Free State) which focused on the challenges and opportunities agriculture, tourism, transport and logistics and mining towns. Subsequent to the conference, the Central Karoo District Municipality requested SALGA to host an exploratory dialogue on issues common to the Karoo towns and municipalities within the District. It was soon realised that many of the neighbouring municipalities and towns in the Karoo are faced with common threats and opportunities and would therefore benefit from exploring these issues collectively. For this reason, the invitation to dialogue was extended to all municipalities neighbouring Central Karoo, spanning four provinces.

A number of stakeholders have programmes that support small town development, local economic development and rural development. It is important for small town development, regeneration and rural planning to operate under a truly domestically driven development vision and coordinated strategies for working towards the vision.

The collaboration between key stakeholders to support Municipalities in the Karoo to make an impact on the sustainable livelihoods of people should be the focus for development planning. Successful implementation of development plans depends on common ownership of the problems and proposed solutions by the people who will be affected. This common ownership may arise from a consensus about the goals and the necessary actions, or from a negotiated compromise between groups with different goals. The common ownership can be achieved through the various approaches, methodology and tools from the respective stakeholders supporting local economic development.

Large parts of the Karoo have seen a growth in value-added activities including game farming. Food production and processing for the local and export market has also been growing. The economy of a large part of the Karoo depends on sheep farming, while the Karakul pelt industry is important in the Gordonia region. But the agricultural sector is small compared with the mining especially diamond mining and now the newly Renewable Energy Independent Power Producer projects. The potential of mining uranium with a recoverable amount of approximately 31 000 tons. Mining companies are in the process of conducting EIA's in the Eastern Cape and Western Cape areas for uranium mining.

At present the companies exploring Shale Gas development in the Karoo have withdrawn their initiatives.

The role of Local Government in these catalytic projects to ensure sustainable, accountable governance for not only current generations, but future generations.

The Municipality procured funding for the establishment of an agro processing plant in Prince Albert and is currently in the EIA phase. The sites have been fenced.

Key to the Municipality's local economic support is preference provided to local suppliers and labour-intensive job creation through the Expanded Public Works Program as well as the Community Workers Program.

Local economic initiatives were funded through operational budgets and emphasised the necessity to structure operational actions and processes in such a way that it supports local economic development. The most notable of these actions are the labour-intensive employment projects such as EPWP and CWP, the procurement process that provides support to local suppliers and ensuring that services are affordable, sustainable and of a good quality.

Broadband

Broadband penetration offers immense economic benefits by fostering competition, encouraging innovation, developing human capital and by building infrastructure. Improved connectivity will attract new business and investments, reduce the cost of doing business and will offer small, medium and micro enterprises access to new markets.

The World Bank found that for every 10 per cent increase in broadband penetration in developing countries, there is an increase of 1.38 per cent in GDP growth. Municipal broadband initiatives (internet services provided by a municipality) also offer great potential for enhanced economic growth and development, provided they address the key pillars of access, readiness (skills) and usage (stimulating demand for the Internet).

Improved internet penetration and accessibility also offers direct benefits for local government entities to improve the efficiency and effectiveness of public services. These benefits include the roll-out of e-services that will allow for the online payment of municipal accounts, motor vehicle registrations, animal registrations, reporting of infrastructure defects, free indigent services applications, career applications as well as tender applications. Online feedback mechanisms via social media will also support the facilitation of public participation during the annual reporting process and will offer constituents a platform to express public satisfaction.

Greater connectivity will also allow public servants remote access to information such as previous traffic infringements, building plan applications and outstanding accounts, for example.

In the Central Karoo, 24.51 per cent of households had access to the internet in 2011. In comparison, 27.87 per cent of households in Prince Albert have access to the internet - the highest penetration rate in the District. This high rate bodes well for enhanced economic growth by improving access, readiness and usage of the Internet.

In order to improve access and stimulate usage of the Internet, the Western Cape Broadband Initiative will be implementing Wi-Fi hotspots at a Provincial government building in every ward across the Province. These hotspots will allow limited free access (250 Mb per month) to any citizen, as well as allow all gov.za websites to be accessed free of charge. Wi-Fi hotspots will be installed in 15 wards across the Central Karoo. These includes the already installed hotspots in each of the 3 of the 4 wards in the Prince Albert Municipality, namely the Access Centre in Prince Albert, the access centres in Leeu Gamka and Klaarstroom. A further hotspot will be connected in ward 2 at the Thusong Centre in future. The original planning was to complete this project within three years, commencing in 2017, but this project has been delayed without a specific date for completion.

The Western Cape Government is planning to provide Point of Presence sites in each of the main towns of the Central Karoo, where the Municipality will then have the opportunity to connect one main site per municipal area, to receive 10 MB per second downloads.

a) Highlights: LED

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

Highlights	Description
Community gardens and subsistence farming on Treintjiesrivier and commonage	Small subsistence farming by several emerging businesses on commonage and Treintjiesriver
Access Centre	Operation of 5 Access Centres in Prince Albert.
EPWP workers employed	164 employment opportunities were established via the EPWP program, while Council facilitated additional labour job opportunities during the establishment of the parks project mentioned above
Agri Parks project planned	Agri Park satellite to be launched in Prince Albert with one area for apricot plantations that was fenced during the reporting year
Capacitating SMME's	Workshop held with emerging contractors and SMME's on municipal procurement
Signing of service delivery agreement on funding for skills development	External service provider employed to secure funding for skills development in Prince Albert municipal area

Table 91: LED highlights

b) Challenges: LED

The following challenges with regard to the promotion of local economic development are:

Description	Actions to address challenges
Funding to facilitate projects	Compile business cases to submit for external funding
Funding for Environmental Impact Assessment before AGRI Parks project implementation	EIA funding procured through Dept Of Rural Development
Improve management of Treintjiesrivier	Engagements with stakeholders and drafting of management plan; verification of contracts. Improve control and oversight on farm
No functioning business chamber	Ad hoc engagements with SMME's and SBI
No dedicated personnel	Source funding to appoint dedicated personnel.

Table 92: Challenges LED

c) LED Strategy

The Municipality entered into an agreement with the University of Stellenbosch to do a socio-economic assessment of existing structures and programmes within the Municipal area and to identify opportunities to provide forward growth within the community.

A key concept throughout this process is partnership: partnerships within the municipality, as well as with others outside the municipal building, with whom these endeavours can be undertaken. The mapping exercise lead to several exploratory engagements with the public on possible future partnerships in local economic and social development. These projects are ongoing.

The Municipality is also leading the Agri Parks initiatives in the Central Karoo and is awaiting specialist environmental studies before the final application and public participation processes to establish an apricot plantation in Prince Albert.

Service Delivery Indicators

The performance for economic development in the reporting financial year is reflected below.

Ref	KPI	Unit of Measurement	Wards	Previous Year Performance	Overall Performance for 2017/18			Comments
					Target	Actual	R	
TL39	Implementation of the Local Economic Development Strategy	Number of LED interventions/ activities / programmes implemented	All	5	4	4		
TL29	The number of temporary jobs created through the municipality's local economic	Number of people temporary appointed to be in the EPWP	All	222	50	164		The Municipality overperformed. The Municipality availed

development EPWP projects, measured by the number of people temporary appointed to be in the EPWP programmes for the period.	programs					additional funding in the adjustment budget to support this KPI.
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Table 93: LED performance

In the table below the Expanded Public Works participants are reflected in respect of the 2015/16 financial year, compared to the 2016/17 and 2017/18 financial years. The Municipality availed additional funding to support this KPI during the adjustment period.

Expanded Public Works Programme (EPWP)

Job creation through EPWP projects		
Details	EPWP Projects	Jobs created through EPWP projects
		# of Work Opportunities Created
2015/16	Infrastructure repair & Maintenance (Prince Albert, Klarstroom & Leeu Gamka) Roads & Stormwater Manitenance (Prince Albert, Klarstroom & Leeu Gamka) Parks & Town Beautification (Prince Albert, Klarstroom & Leeu Gamka) Waste Collection – Prince Albert	197
2016/17	Infrastructure repair & Maintenananc e (Prince Albert, Klarstroom & Leeu Gamka) Roads & Stormwater Manitenance (Prince Albert, Klarstroom & Leeu Gamka) Parks & Town Beautification (Prince Albert, Klarstroom & Leeu Gamka) Waste Collection – Prince Albert Facility Maintenance – Prince Albert	222
2017/18	Infrastructure repair & Maintenananc e (Prince Albert, Klarstroom & Leeu Gamka) Roads & Stormwater Manitenance (Prince Albert, Klarstroom & Leeu Gamka) Parks & Town Beautification (Prince Albert, Klarstroom & Leeu Gamka) Waste Collection – Prince Albert Facility Maintenance – Prince Albert	164

Table 94: Job creation through EPWP* projects

Component D: Community and Social Services

3.11 Libraries

Introduction

Libraries are a provincial function and the municipality is performing the function on an agency basis. The function is fully funded by province. The libraries are functioning very well and enjoyed an annual circulation of 75 386 which is lower than last year's 84 508. The internet access within libraries provides valuable support to persons without these facilities and it is the learners of our local school that are the primary users of these facilities. Internet users averaged 12 per day. Approximately 15 school outreaches were averaged per month. Outreaches were undertaken to the disabled, the aged, schools, etc. National library week 2018 was celebrated and with the support of the Friends of the Library a morning tea event was held for all readers over 60 years. The library won the provincial award for the best small municipality in the Western Cape during the previous year and maintained a high service standard. The Municipality were also once again, very actively involved with the planning and organising of the Reading Festival (Leesfees) held in Prince Albert.

The satellite library at the Thusong Centre in Prince Albert established during October 2014 to be nearer to the community of North-End continued its good performance during the reporting year.

a) Highlights: Libraries

The following highlights in respect of the reporting year can be seen below.

Highlights	Description
Library Week 2018	Morning tea for users over 60 years
Library outreach.	Visits to crèches, Tea parties for readers, Visits to Old age care centre
Agreement with UNISA	An agreement was reached with UNISA to accommodate students and UNISA libraries.
Workstations for students to do research	All three libraries provide access to computers
Wheelie Wagon at Thusong Centre in Prince Albert have high circulation	Circulation numbers at Thusong Centre very high

Table 95: Libraries Highlights

b) Challenges: Libraries

The following challenges in respect of libraries remained during the reporting year.

Description	Actions to address
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Room for users to read books	Refer extension to future budgets
Library in Prince Albert is far from the previously disadvantaged community.	Consider moving library to Thusong Centre for greater community access

c) Service statistics for Libraries

The following statistics in respect of the libraries are reflected below

Type of service	2013/14	2014/15	2015/16	2016/17	2017/1/8
Library members	3 341	3572	3 933	4 050	5080
Books circulated	8 118	28317	76 892	84 508	75 386
Exhibitions held	18/year	24	20 year	24 per year	24 per year
Internet users	An average of 20 per day.	average of 20 per day	Average of 20 per day	Average of 20 per day	Average of 12 per day
New library service points or Wheelie Wagons	1	1	0	0	0
Children programmes	2/month	4/month	2 per month	2 per month	2 per month
Visits by school groups	Average 10 times per month	Average 12/month	Average of 12 per month	Average 12 per month	Average 15 per month
Book group meetings for adults	2/year	2/year	4 per year	4 per year	4 per year
Primary and Secondary	6/year	12/year	12 per year	12 per year	12 per year

Table 97: Service statistics for Libraries

d) Employees: Libraries

The library employee establishment is indicated below in respect of the reporting year.

Job Level	2014/15	2015/16	2016/17	2017/18			
	Employees	Posts	Posts	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total)
	No.	No.	No.	No	No.	No.	%
0 – 3	3	3	3	0	0	0	
4 – 6	2	3	3	2	2	1	50%
7 – 9	0	0	0	0	0	0	
10 – 12	1	1	1	1	1	0	
13 – 15	0	0	0	0	0	0	
16 – 18	0	0	0	0	0	0	
19 – 20	0	0	0	0	0	0	

Total	6	7	7	6	6	1
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Table 98: Employees: Libraries

3.12 Cemeteries

Introduction

We have five cemeteries in the municipal area Prince Albert two (2), Leeu-Gamka two (2) and one (1) at Klaarstroom. There is sufficient space in all cemeteries at present but new cemeteries are needed. An electronic burial register has been compiled to address the risks of double burials.

a) Highlights: Cemeteries

Highlights	Description
EPWP programme	Clean all cemeteries including privately owned and historical heritage sites.
Ablution facilities at cemeteries	Ablution facilities at cemeteries repaired

Table 99: Cemeteries Highlights

b) Challenges: Cemeteries

The following challenges in respect of cemeteries were identified.

Description	Actions to address
Cemetery required for Klaarstroom, Leeu Gamka and Prince Albert	Available land to be identified and zoned accordingly
Prince Albert Road in need of Cemetery	No land available – share site in Prince Albert and Leeu Gamka
Vandalism	Ablution facilities vandalised at all cemeteries

Table 100: Cemeteries Challenges

c) Employees: Cemeteries

The table below indicate the staffing component for cemeteries during the reporting year. It must be noted that staff perform dual functions and the staffing numbers cannot be seen in isolation.

Job Level	2014/15	2015/16	2016/17	2017/18			
	Employees	Employee	Employees	Posts	Employee	Vacancies (fulltime equivalents)	Vacancies (as % of total)
	No.	No.	No.	No.	No	No.	%
0 – 3	3	6	2	6	0	2	

4 – 6	3	3	3	3	2	2	33%
7 – 9	0	0	1	0	0	0	
10 – 12	0	1	0	1	1	0	
13 – 15	0	0	0	0	0	0	
16 – 18	0	0	0	0	0	0	
19 – 20	0	0	0	0	0	0	
Total	6	10	6	10	6	4	66%

Table 101: Employees: Cemeteries

Component E: Environmental Protection

3.14 Air Quality Control

The Air Quality Management Plan for Prince Albert Municipality has been developed to comply with the National Environmental Management: Air Quality Act 39 of 2004 (AQA) that requires Municipalities to introduce Air Quality Management Plans (AQMP) that set out what will be done to achieve the prescribed air quality standards.

As detailed in the AQA a local municipality has two primary statutory obligations with which it must comply and these obligations are: -

- designate an Air Quality Officer (AQO)
- incorporate an Air Quality Management Plan in its IDP

At Prince Albert Municipality the Manager: Corporate and Community Services is responsible for air quality management. Training needs to be provided to said official to ensure that Air Quality Management enjoys serious priority in the operations and integrated planning of the Municipality. No Air Quality Management Committee was established in the municipal area. As there is limited capacity within the Municipality it is suggested that a regional Air Quality Management Forum must be established to ensure peer-learning and the sharing of best practices.

The Municipality drafted their Air Quality Management Plan in late 2014 and it was reviewed in May 2018. Noise control is one of the more predominant complaints received by Prince Albert Municipality.

At present there is no funding set aside to undertake and implement Air Quality Management and it is suggested that a Shared Service option be investigated.

Highlights: Air Quality Management

Highlights	Description
Air Quality Plan	Plan reviewed in May 2018

Noise control	Noise control is undertaken on an ad hoc basis
Air Quality Control Officer	Manager: Corporate and Community Services appointed

Table 102: Cemeteries Highlights

Challenges: Air Quality Control

The following challenges in respect of cemeteries were identified.

Description	Actions to address
Air Quality Management awareness	Awareness must be raised
Capacity and budget constraints	There is extremely limited capacity and budget available
Alignment with regional air quality plan and by-laws	Regional Air Quality Forum to be established

Table 103: Air Quality Control Challenges

Component F: Health

Local municipalities no longer provide health services such as clinics and ambulance services, health inspection services and abattoirs.

Component G: Security and Safety

This component includes: traffic; law enforcement as well as fire and disaster management.

3.15 Law Enforcement

Law enforcement is performed by two permanent traffic officers who also operate the DTLC and they are supported by one Clerk of the Court. One of the Law Enforcement Officers was appointed as Management Representative of the DLTC

The Department of Community Services entered into an agreement with the Municipality to train youth from the community as Law Enforcement Officers on the EPWP program. Eight youngsters were trained with two youth whose contracts had to be cancelled and another three who have resigned. Two of these youths were trained as Fire Fighters but resigned after training. Three of the earlier eight youth enrolled in the Law Enforcement Programme still remains and are actively involved in law enforcement activities. The following table indicates the law enforcement function in respect of the reporting year compared to the 2016/17 to 2017/18 financial years

Details	2013/14	2014/15	2015/16	2016/17	2017/18
Animals impounded	0	0	0	0	0
Number of by-law infringements attended	0	5	8	3	5
Number of officers in the field on an average day	1	2	1	2	2
Number of officers on duty on an average day	1	2	1	1	4

Table 104: Law Enforcement Data

3.15.2 Traffic Services

Two law enforcement officials tended to Traffic Services, with the one Clerk of the Court providing back-office assistance. One of the Traffic Officials was arrested by the HAWKS and suspended in March 2016 pending disciplinary procedures. These procedures were concluded in 2018 with a verdict of not guilty. The official resumed service but has to undergo re-training as he was inactive for longer than 18 months.

GRAP principles require all traffic fines issued to be calculated as income, while the norm income collected in local government (for traffic fines) reflects only 20%. The income from fine collection for the reporting year was R751 030.00.

a) Highlights: Traffic Services

The following highlight in respect of Traffic Services can be noted during the reporting year.

Highlights	Description
Co-operation with provincial traffic	The co-operation between the Municipality's traffic and provincial officers improved
Regular scheduled meetings between role players	Regular scheduled meetings between SAPS, Provincial and municipal traffic as well as prosecutor
Road Incident Management Steering Committee	Prince Albert forms part of the Road Incident Management Steering Committee where Mr M February represents the Municipality

Table 105: Traffic Services Highlights

b) Challenges: Traffic Services

The following challenges in respect of traffic services must be noted during the reporting year.

Challenges	Actions to overcome
Collect outstanding fines	Cost of issue of Warrant of Arrest is high
Lack of official transport	Private transport increase expenditure – need to purchase official traffic vehicle. A municipal vehicle for traffic has now been purchased.
Poor relationship with courts	The relationship with the judicial sector remains a challenge
Hawks investigation and litigation completed	Officer found not guilty – officer to be retrained
Securing law enforcement on 80 zone in Leeu Gamka	Submission to Dept Roads and National Prosecuting Authority; outcome awaited
Overspending on overtime	Control measures to be instituted to mitigate over-spending

Table 106: Traffic Services Challenges

c) Performance Service statistics for Traffic Services

The following performance service statistics for traffic services are reflected below in respect of the reporting year.

Details	2015/16	2016/17	2017/18
Motor vehicle licenses processed	R1 303 898.35	R1 3749 36.75	R1 584 505
Learner driver licenses processed	377	257	248
Driver licenses processed	275	260	267
Driver licenses issued	275	204	231
Fines issued for traffic offenses	3 716 850	12 192 100	R7 236 350
R-value of fines collected	595 486.01	1 620 310	R751 030
Roadblocks held	88	18	14
Complaints attended to by Traffic Officers	6	6	4
Awareness initiatives on public safety	3	2	2
Number of road traffic accidents during the year	33	27	24
Number of officers in the field on an average day	1	1	1
Number of officers on duty on an average day	1	1	2

Table 107: Additional performance Service Statistics for Traffic Services

d) Employees: Traffic Services

The table below indicates the traffic service staff establishment for the reporting year, in comparison with 2017/18

Job Level	2015/16	2016/17	2017/18			
	Employees	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No	No.	No.	No.	%
0 – 3	0	0	0	0	0	
4 – 6	2	1	1	1	1	50%
7 – 9	2	0	2	0	2	100%
10 – 12	3	2	2	2	0	

Job Level	2015/16	2016/17	2017/18			
	Employees	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No	No.	No.	No.	%
13 – 15	0	0	0	0	0	
16 – 18	0	0	0	0	0	
19 – 20	0	0	0	0	0	
Total	7	2	6	2	3	

Table 108: Employees: Traffic Services

3.16 Fire Services and Disaster Management

In terms of Schedule 4 Part B of the Constitution, Fire Fighting Services is a municipal function. The Prince Albert Municipality does not have a formal, full-time Fire Services Unit. The Fire Fighting function is coordinated by the Fire Officer in the Municipality who is also responsible for occupational health and safety. Eight officials, at the level of labourers, previously received training in the basics of Fire Fighting and provides additional capacity when needed. They perform dual functions and are not specifically allocated to fire services. Protective clothing and sufficient equipment remain a challenge for these officials. Fire Services are delivered by means of a vehicle with 1 000 litre water tank and a fire-fighting truck. Several training exercises in collaboration with Breede-Valley Municipality and the Provincial Government were undertaken where the local firefighting officials received training.

The Municipality extinguished 48 fires in the municipal area during the year.

The Municipality also prioritised a Shared Service for a centralised call centre for emergency services that will be situated in Beaufort West. This is a project that will come into effect only after subsidisation from Provincial government. The Municipality will enjoy Hazmatt support from the Central Karoo District Municipality and is engaging with role players on the future deployment of Work on Fire teams within the municipal area to strengthen capacity.

The Municipality reviewed their Disaster Management Plan in May 2018.

Highlights: Fire Services and Disaster Management

Highlights	Description
Staff exhibits a good working ethic.	Fire fighters have a good sense of cooperation and team work.
Disaster Management Plan reviewed	Disaster Management Plan reviewed – awareness raised on fire requirements
Staff training	Staff training was undertaken on the correct application of equipment and the correct protocol to be followed

Table 109: Fire Services and Disaster Management Highlights

a) Challenges: Fire Services and Disaster Management

The challenges in respect of Fire and Disaster Management Services for the reporting financial year are reflected below.

Challenges	Actions to overcome
Lack of capacity	Staff need to be trained, while equipment need to be upgraded
Procure funding from SANRAL for services rendered	Engagements needed to get SANRAL to reimburse municipality for services rendered on N1
Need for fire-fighting protective clothing and training	Staff do not have sufficient protective clothing and training
Fire-fighting capacity in Klaarstroom and Leeu Gamka must be improved	Funding application to Provincial Disaster Management Centre
Veld fires	An integrated approach towards veld fires (C-function) must be developed

Table 110: Fire Services and Disaster Management Challenges

b) Service statistics for Fire Services

The following service statistics for fire services are provided in the table below in respect of fire services.

Details	2013/14	2014/15	2015/16	2016/17	2017/18
Operational call-outs	27	24	41	43	48
Reservists and volunteers trained	2	0	1	0	0
Awareness initiatives on fire safety	0	0	0	0	0
Total fires attended in the year	27	24	38	34	48
Total of other incidents attended in the year	0	0	3	0	0
Average turnout time - urban areas	9 min	Not measured	3 min (hospital)	Not measured	Not measured
Average turnout time - rural areas	60 min	Not measured	Not measured	Not measured	Not measured
Fire fighters in post at year end	0	1	1 full time	1 full time	1 full time
Total fire appliances at year end	1	1	2	2	2
Average number of appliances off the road during the year	1	1	0	0	0

Table 111: Fire Services and Disaster Management Data

c) Employees: Fire Services and Disaster Management

The following staff establishment in respect of fire and disaster management for the reporting financial year is reflected below.

Job Level	2014/15	2015/16	2016/17	2017/18			
	Employees	Employees	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a %)
	No.	No.	No.	No.	No.	No.	%
0 – 3	0	0	0	0	0	0	
4 – 6	0	0	0	0	0	0	
7 – 9	1	1	2	2	1	1	50%
10 – 12	0	0	0	0	0	0	
13 – 15	0	0	0	0	0	0	
16 – 18	0	0	0	0	0	0	
19 – 20	0	0	0	0	0	0	
Total	1	1	2	2	1	1	50%

Table 112: Employees: Fire services and Disaster Management

Capital Expenditure

The table below indicates the capital expenditure on disaster management.

Capital Expenditure 2017/18 Disaster Management					
R'000					
Capital Projects	2017/18				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
None	0	0	0	0	0
Total	0	0	0	0	0

Table 83: Capital Expenditure 2017/18: Disaster Management

Component H: Sport and Recreation

Introduction

This component includes: community parks; sports fields; sports halls; stadiums; swimming pools; and camp sites.

3.17 Sport and Recreation

We have four (4) sports grounds consisting of 3 combined rugby and soccer fields, one (1) soccer field in Prince Albert and 3 netball fields as well as one swimming pool. Severe challenges are experienced with over-utilisation of the existing facilities. In Klaarstroom vandalism and a lack of water to irrigate sport fields contributed to below-standard sporting facilities. During the reporting year, the Municipality planted grass and secured water to the Klaarstroom sport fields. Lighting on the field was erected in Klaarstroom and Leeu Gamka to allow for activities during the evening. Shaded pavilions remain a priority. In Prince Albert the Sydwell Williams field are not used due to the sub-standard condition of the field. During the latter part of the reporting year, Sydwell Williams has been used as an exercise field. The Central Karoo District became independent from Boland and South Western District. Sport councils for all towns within the Central Karoo were elected.

Seven public parks were maintained.

The half Olympic size swimming pool was opened with two life savers that were trained in first aid. With the assistance of EMS and the holiday programme community members were trained to swim.

Prince Albert Municipality adopted a Sport Plan for the development of a sport precinct in Prince Albert. An application for funding was submitted after the approval of said sport plan. This plan is the first phase of the sport plan development for the municipal area with further development for the outer towns.

a) Highlights: Sport and Recreation

Highlights	Descriptions
Holiday programmes	Several holiday programmes took place
Swimming pool	Half Olympic size swimming pool opened
Life Saving courses	Several youngsters were trained in first aid and life saving
Fencing at sport fields	The fences around the sport fields were improved
Lighting at sport fields	Lighting established at Klaarstroom and Leeu Gamka sport fields
Upgrading of Klaarstroom sport field	Grass field upgraded

Table 113: Sport and Recreation highlights

b) Challenges: Sport and Recreation

Challenges in respect of sport and recreation for the reporting year are reflected below:

Challenges	Actions to overcome
Insufficient equipment and maintenance budget to maintain facilities	Equipment must be maintained via maintenance plan and control measures implemented
Funding for sporting codes and facilities needed	Funding proposals for external funding prepared
Security at facilities	Security at facilities must be improved to protect assets – especially in Klaarstroom – community asked to report vandalism
Overuse of facilities	Due to a lack of suitable facilities, some of the fields are overused – lighting needed

Table 114: Sport and Recreation Challenges

c) Service statistics for Sport and Recreation

The following statistics in respect of Sport and Recreation for the reporting financial year are reflected below.

Type of Service	2013/14	2014/15	2015/16	2017/18
Community Parks				
Number of parks with play park equipment	3	4	7	7
Number of wards with community parks	2	4	4	4
Sport fields				
Number of wards with sport fields	4	4	4	4
Number of sport associations utilizing sport fields	2	3	3	3

Table 115: Additional performance information for Sport and Recreation

d) Capital: Sport and Recreation Services

The capital expenditure in respect of sport and recreation for the reporting financial year can be seen below.

Capital Expenditure 2017/18: Sport and Recreation					
R'000					
Capital Projects	2017/18				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Lighting Sports Field	250	-	-	0%	-

Storm Water	242	-		0%	-
CRR Toilets at Klaarstroom library		40	-	0%	40
Prince Albert Church Street public toilets -ward 3	-	110	-	66%	110
Swimming Pool - staircase	-	60	73	86%	60
Swimming pool – creapy crawley	-	10	52	82%	10
Repair sport ground buildings	-	250	8	0%	250
Informal park between EE Centre and Rondomskrik ward 4	-	160	-	0%	160
Total	492	630	133	26%	630

Table 116: Capital Expenditure 2017/18: Sport and Recreation

Component I: Corporate Policy Offices and Other Services

Introduction

This component includes: executive and council; financial services; human resource services; ICT services; legal services; and procurement services.

3.18 Executive and Council

Executive and Council

The Council of Prince Albert Municipality strives to ensure effective cooperation between Council, Administration and the broader Community.

The core business in terms of basic service delivery remains crucial and therefore public participation is encouraged. The municipality have an active ward committee system, a representative IDP Forum for consultation on the budget and IDP. This public participation is supported by sectorial engagements with e.g. the Prince Albert Ratepayers, the Prince Albert Cultural Foundation, the Council of Stakeholders in Leeu-Gamka, sporting codes, etc. The municipality established youth committees within the respective towns and build these structures to provide the youth with a voice in local government matters.

Policies, by-laws and planning matters are published and public comment invited and incorporated. The public are encouraged to attend ward and council meetings.

Councillors and officials know that all actions need to be in a disciplined manner. We are a transparent and accountable Municipality and have since inception established a good working relationship with Provincial and National Government.

Council has elevated the Oversight Committee to a MPAC and provided training sessions to the members of said committee in an effort to improve oversight.

a) Highlights: Executive and Council

The following highlights for the Executive and Council for the reporting financial year can be found below.

Highlights	Description
Good cooperation	Meeting per schedule - excellent attendance record
Transparency	Council meetings are open
Accountability	Reporting on time
Networking	Excellent working relationship with Province and National
Stability	No disruption of meetings
Public participation	Regular feedback meetings to Community. Ward based. Monthly ward committee engagements. Radio sessions
Communication	Paperless Council engagements, through the use of electronic equipment, thus savings as well as easily maintained interaction between Councillors and Administration

Table 117: Executive and Council Highlights

b) Challenges: Executive and Council

Description	Actions to address
High cost of meetings, due to distances and high accommodation	Video Conferencing, in order to curb on expenditure due for substance and travel allowances
Roving Council meetings to include other parts of the community	Raise funds to acquire recording and sound equipment to facilitate better public participation and take the Council to the

Table 118: Executive and Council challenges

3.19 Financial Services

The Prince Albert Municipality strive to obtain a clean audit, for this reason compliance to the Municipal Finance Management Act and regulations are key in our endeavours to ensure cost-effective and efficient service delivery in the interest of our communities. Reporting to National and Provincial Treasury is adhered to by means of monthly Section 71-reports, the mid-year Section 72 report, the Section 46 report, etc.

One of the biggest operations of the financial year is changing the accounting system from ABAKUS to VESTA and ensuring MSCOA compliance. Several obstacles remain with this project, but are closely monitored with the assistance of National and Provincial Treasury.

a) Highlights: Financial Services

The following highlights in respect of the reporting year for the financial department are reflected below:

Highlights	Description
Unqualified Audit Opinion – financial year 2016/17	Clean audit on PDO 's
Cash Surplus	Cash available exceed the cash commitments

Table 119: Financial Services Highlights

b) Challenges: Financial Services

The following challenges in respect of the reporting year for the financial department are reflected below.

Description	Actions to address
Grant Dependent	We need funding from National and Provincial Government to comply to legislative requirements
MSCOA compliance	Changing from the ABAKUS financial system to the VISTA financial system to ensure MSCOA compliance
Expand income base	Verify income sources to ensure all services are correctly levied
Low payment percentage in Klaarstroom and Leeu-Gamka	Continue with debtor payment awareness programs, and petition SALGA and COGTA to salvage the Eskom delivery area dilemma

Table 120: Financial Services Challenges

c) Debt recovery statistics

The following table indicates the debt recovery statistics for the reporting year.

Details of the types of account	Debt Recovery		
	R'000		
	2015/16	2016/17	2017/18

raised and recovered	Billed In Year	Actual for accounts billed in year	Proportion of accounts value billed that were collected in the year	Billed in Year	Actual for accounts billed in year	Proportion of accounts value billed that were collected	To be billed in Year	Estimated turnout for accounts to be billed in year	Estimated Proportion of accounts to be billed that will be collected
Property Rates	2 681	2 483	93%	2906	2730	93%	3603	3353	93%
Electricity	6 540	6 554	100%	7179	7233	100%	8030	7775	97%
Water	2 770	2 127	77%	4181	2252	54%	4477	3147	70%
Sanitation	2 177	2 005	92%	3346	2494	75%	5144	4359	85%
Refuse	1 231	930	76%	2042	1019	50%	2640	1954	74%

The debt recovery remains an area the efforts of concern. The Municipality will continue their efforts to strengthen debt collection. Effective debt collection is hampered by the fact that Klaarstroom, Leeu Gamka and Prince Albert Road are within the Eskom service area and the Municipality cannot block or disconnect electricity services in cases of non-payment. The Municipality should seriously consider pre-paid water units to support effective credit control in these areas.

d) Employees: Financial Services

The financial service department's staff establishment for 2015/16, compared to the 2013/14; 2014/15, 2016/17 and 2017/18 financial year is depicted on the next page. The municipality has one of the smallest finance departments in the country and do not have the prescribed Budget Office. The Municipality built on its efforts of the previous year to draft their annual financial statements in house with an oversight done by the Internal Auditors, Mubesko and the Audit Committee.

Job Level	2014/15	2015/16	2016/17	2017/18			
	Employees	Employees	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as % of total)
	No.	No.	No.	No.	No.	No.	%
0 – 3	1	0	0	0	0	0	
4 – 6	3	4	4	5	4	1	20%
7 – 9	1	1	1	1	1	0	
10 – 12	0	0	0	0	0	0	
13 – 15	0	0	1	0	1	0	
16 – 18	1	0	0	0	0	0	
19 – 20	1	1	1	1	1	0	
Total	7	7	6	7	6	1	16.66%

Table 122: Employees: Financial services

Service Delivery Indicators

The following table portrays the service delivery indicators for the financial function in respect of the reporting year.

Ref	KPI	Unit of Measurement	Wards	Previous Year Performance	Overall Performance for 2017/18			Comments
					Target	Actual	R	
TL15	Number of Residential account holders connected to the municipal electrical infrastructure network (credit and prepaid electrical metering)	# of Residential account holders connected to the municipal electrical infrastructure network (credit and prepaid electrical metering)	All	1674	2110	2559		This KPI was overperformed due to the establishment of the new housing development in Prince Albert
TL16	Provide 50kwh free basic electricity to registered indigent account holders connected to the municipal and Eskom electrical infrastructure network	No of indigent account holders receiving free basic electricity which are connected to the municipal and Eskom electrical infrastructure network	All	872	900	893		This KPI could not be reached as it is application driven. The Municipality did embark on awareness campaigns in support of this KPI
TL17	Provide refuse removal, refuse dumps and solid waste disposal to households within the municipal area	Number of households for which refuse is removed at least once a week	All	2480	2368	2726		This KPI was overperformed due to the establishment of the new housing development in Prince Albert
TL18	Provision of free basic refuse removal, refuse dumps and solid waste disposal to registered indigent account holders	No of indigent account holders receiving free basic refuse removal monthly	All	872	900	893		This KPI could not be reached as it is application driven. The Municipality did embark on awareness campaigns in support of this KPI
TL19	Provision of clean piped water to formal residential properties which are connected to the municipal water infrastructure network.	Number of formal residential properties that meet agreed service standards for piped water	All	2536	2554	2809		This KPI was overperformed due to the establishment of the new housing development in Prince Albert
TL20	Provide 6kl free basic water per household per month to registered indigent account holders	No of registered indigent account holders receiving 6kl of free water	All	872	900	893		This KPI could not be reached as it is application driven. The Municipality did embark on awareness campaigns in support of this KPI
TL21	Provision of sanitation services to properties which are connected to the municipal waste water (sanitation/sewerage)	Number of Households receiving sanitation services	All	2411	2416	2681		This KPI was overperformed due to the establishment of the new housing development

Ref	KPI	Unit of Measurement	Wards	Previous Year Performance	Overall Performance for 2017/18			Comments
					Target	Actual	R	
	network & are billed for sewerage service, irrespective of the number of water closets (toilets). [
TL22	Provision of free basic sanitation services to registered indigent account holders which are connected to the municipal waste water (sanitation/sewerage) network & are billed for sewerage service, irrespective of the number of water closets (toilets).	No of indigent account holders receiving free basic sanitation in terms of Equitable share requirements.	All	872	900	893		This KPI could not be reached as it is application driven. The Municipality did embark on awareness campaigns in support of this KPI
TL23	Maintain a Year to Date (YTD) debtor's payment percentage of 85% over a twelve month period	Payment percentage (%) of debtors over 12 months rolling period	All	85.6%	85%	86%		The Municipality over performed due to debt collection initiatives, but debt collection should be improved
TL24	Maintain a financially unqualified audit opinion for the 2017/18 financial year	Financial statements considered free from material misstatements as per Auditor General report	All	1	1	1		None
TL25	Financial viability measured in terms of the municipality's ability to meet its service debt obligations ((Total operating revenue-operating grants received)/debt service payments due within the year)	((Total operating revenue-operating grants received)/debt service payments due within the year)	All	389.79	362.1	641		The target was not reached due to the limited rates base of the municipality
TL26	Financial viability measured in terms of the outstanding service debtors (Total outstanding service debtors/ revenue received for services)	(Total outstanding service debtors/ revenue received for services) X100	All	26.3%	62%	13%		This target was over performed on due to excellent budget control.
TL27	Financial viability measured in terms of the available cash to cover fixed operating expenditure ((Available cash+ investments)/ Monthly fixed operating expenditure)	((Available cash+ investments)/ Monthly fixed operating expenditure)	All	4.76%	1.2%	5.4%		This target was over performed on due to excellent cost containment and budget control.
TL28	Develop action plans to address the top 10 risks by the end of June	Number risk mitigation plans submitted to the Audit Committee by the end of June	All	10	10	10		None

Table 123: Financial performance

3.20 Human Resource Services

The Human Resource Department have only two dedicated staff members of which one is a contract worker. The Skills Development Facilitator performs dual functions within the corporate service division. The Municipality undertook a HR profiling audit to determine the challenges within the HR division.

Highlights: Human Resources

The following highlights in respect of the HR division for the reporting financial year is portrayed below:

Highlights	Description
Review of organogram	Organogram reviewed in 2018
EPWP contracts concluded for 164 persons	Contract administration in respect of EPWP workers successfully undertaken
Improved oversight on over time	Stronger control measures implemented
12 Officials appointed	12 Appointments made
Manager: infrastructure appointed	Manager Infrastructure appointed
Full functioning of LLF	LLF meetings every 2 months

Table 124: Human Resources Highlights

a) Challenges: Human Resources

The following challenges in respect of HR management as it pertains the reporting year are indicated below.

Description	Actions to address
HR policies are out-dated.	Policies reviewed – to be tabled at LLF
High vacancy rate is 22.68%	Vacancy rate needs to be addressed within financial constraints
Individual performance agreements to be concluded	PMS agreements to be cascaded to lower levels

Table 125: Human Resources Challenges

Service Delivery Indicators

The table below reflects the performance of the HR department for the reporting year.

Ref	KPI	Unit Measurement	of Wards	Previous Year Performance	Overall Performance for 2017/18			Comments
					Target	Actual	R	

TL11	The % of the Municipality's training budget spent, measured as (Total Actual Training Expenditure/Approved Training Budget x 100)	% of training budget spent as at 30 June 2017	All	88.64%	100%	99%	The Municipality nearly reached this target. Unfortunately, scheduled training was postponed and the full allocation could not be spend.
TL14	The number of people from employment equity target groups employed (appointed) in the three highest levels of management in compliance with Prince Albert Census Demographic statistical data	Number of people employed (appointed)	All	2	3	2	This target is dependent on vacancies.

Table 126: Service delivery indicators: Human Resources

d) Employees: Human Resources

The table below indicates the staff establishment for the HR function in respect of the reporting year.

Job Level	2014/15	2015/16	2016/17	2017/18			
	Employees	Employees	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	No.	No.	%
0-3	0	1	1	1	1	0	-
4-6	0	3	3	3	3	0	-
7-9	0	0	0	0	0	0	-
10-12	1	2	2	2	2	0	-
13-15	0	1	1	1	1	0	-
16-18	0	0	0	0	0	0	-
19-20	0	0	0	0	0	0	-
Total	1	7	7	7	7	0	

-Table 127: Employees: Human Resource services-

Component J: Miscellaneous Municipal Farm

The farm Treintjiesrivier (portion 1 of the farm Damascus no.153 in the Prince Albert area) was purchased in 2005. The farm is situated 6 kilometres west of Prince Albert and has a harsher climatic aspect than properties situated on the east, where river systems are stronger. It is located on the edge of the mountain range and thus includes mountain land as well as 'karoo plains'. The size of the farm is 5580 hectares and includes the following resources, according to the valuation report at the time of purchase:

Summary of Agricultural Assets

Type of asset Extent	Extent (ha)	Valuators estimated
Irrigated land (lucerne)	7.0	280 000
Irrigated land (cash crops)	1.5	52 500
Dry with potential to irrigate	11.5	57 500
Grazing	5 560.3	3 058 000
Total land value		3 448 000
Accommodation		867 000
Other buildings		336 480
Dams		362 000
Total value		5 013 980

Table 128: Treintjiesrivier use

New lease agreements were concluded with the emerging farmers on Treintjiesrivier and the commonage. Workshops were held with the emerging farmers of Prince Albert, Klaarstroom and Leeu Gamka to identify assistance required and future objectives. The Municipality provided support to the emerging farmers on the procurement of additional live stock; emergency drought relief and obtaining identifying marks on live stock. The South African Police assisted the Municipality and farmers with the counting of live stock and advised on legal compliance in respect of live stock theft and movements. Two ladies from Treintjiesrivier won the best agricultural garden award in the Western Cape for their garden on Treintjiesrivier. Uncontrolled access and theft remains a big challenge for emerging farmers.

Component K: Organisational Performance Scorecard

Organisational Performance Management and Top-Level SDBIP Report

The performance system followed for 2017/18

The performance management system that was implemented and followed for the 2017/18 financial year is described below:

a) Approval of the Top Level SDBIP 2017/18

The SDBIP for 2017/18 were prepared as described in the paragraphs below and the Top Layer SDBIP approved by the Executive Mayor on 25 June 2017.

The organisational performance is evaluated by means of a municipal scorecard (Top Layer SDBIP) at organisational level and through the service delivery budget implementation plan (SDBIP) at departmental levels.

The SDBIP is a plan that converts the IDP and budget into measurable criteria on how, where and when the strategies, objectives and normal business process of the municipality is implemented. It also allocates responsibility to directorates to deliver the services in terms of the IDP and budget.

The MFMA Circular No.13 prescribes that:

- The IDP and budget must be aligned.
- The budget must address the strategic priorities.
- The SDBIP should indicate what the municipality is going to do during the next 12 months.
- The SDBIP should form the basis for measuring the performance against goals set during the budget /IDP proc

b) Adoption of a Performance Management Framework

The municipality`s reviewed performance management framework was adopted by Council on 29 June 2015 and was reviewed on 10 April 2018.

The IDP and the budget

The 2017/18 IDP was approved together with the 2017/18 budget by Council on 30 May 2017. The IDP process and the performance management process are integrated. The IDP fulfils the planning stage of performance management. Performance management in turn, fulfils the implementation management, monitoring and evaluation of the IDP.

c) Performance Agreements

All MSA Section 57/56 Performance Agreements was signed with respective employees

d) Audit Committee

Two Audit Committee members has been re-appointed for a further period of five years. An additional committee member was appointed late in the financial year after the resignation of the third member of the Audit Committee. This committee acts as both the audit and performance audit committee.

Municipal Public Accounts Committee (MPAC)

This committee has been established and training was provided. Councillor Mark Steyn was appointed as Chairperson of the MPAC.

e) Quarterly Performance Reporting to Council

Reporting on the Top-Level SDBIP for 2017/18 has been submitted to Council in terms of Section 52 (d) of The Local Government: Municipal Finance Management Act, No 56 of 2003, but not always within the prescribed time-frame due to capacity constraints.

f) Annual Reporting to Council

The annual report has been submitted to council as per the legislative prescripts and requirements. The final annual and oversight report was adopted by Council on 28 March 2018

The municipal scorecard (Top Layer SDBIP)

The municipal scorecard (Top Layer SDBIP) consolidate service delivery targets set by Council / senior management and provide an overall picture of performance for the municipality as a whole, reflecting performance on its strategic priorities

Top Layer KPI's were aligned with the IDP Implementation Map (iMAP) that was prepared based on the following:

- Key performance indicators (KPI's) for the programmes / activities identified to address the strategic objectives as documented in the IDP.
- KPI's identified during the IDP and KPI's that need to be reported to key municipal stakeholders.

KPI's were developed for each department. Each KPI have clear monthly targets and are assigned to the person responsible for the KPI's.

Actual performance

Actual performance is updated in a Portfolio of Evidence and audited by the Internal Auditors.

3.21 Performance against the National Key Performance Indicators

The following tables indicate the Municipality's performance in terms of the National Key Performance Indicators prescribed in terms of the Local Government: Municipal Planning and the Performance Management Regulations of 2001 and section 43 of the Municipal Systems Act, 2000 (Act 32 of 2000- as amended) These Key Performance Indicators are linked to the National Key Performance Areas.

3.21.1 Municipal Transformation and Institutional Development

In the table below the nationally prescribed performance indicator in respect of Transformation and Institutional Development is reflected.

Ref no.	Key Performance Indicator (KPI)	Municipal Achievement 2016/17	Municipal Achievement 2017/18	Comments
TL11	The % of the Municipality's training budget spent, measured as (Total Actual Training Expenditure/Approved Training Budget x 100)	88.64%	99%	The target could not be reached as training was postponed at the last minute
TL12	Review following the required policies (vehicle allowance, vehicle use, bursary policy, sexual harassment, Whistle blowing, Prevention of nepotism) and submit to council for approval	0	5	Policies was approved within timeframe
TL14	The number of people from employment equity target groups employed in the three highest levels of management in compliance with Prince Albert Census Demographic statistical data	2	2	Target was not reached – this is vacancy based and subject to applications.
TL40	Ensuring performance by the timeous development and signing of the Section 57 performance agreements in adherence to the Performance Framework	New KPI	3	Target was reached.
TL41	To ensure that formal evaluations per section 57 employee is completed bi-annually	New KPI	1	Due to capacity constraints, the target could not be reached.

Table 129: Municipal transformation and institutional development performance

Only two people of the targeted group was in service of the Municipality on the three highest levels. This was due to the resignation of the Manager: Technical Services and the vacancies at present.

The training budget was over-spent. Additional training sponsored via alternative revenue sources was provided to complement the training from the training budget.

3.21.2 Basic Service Delivery

In the table below the nationally prescribed performance indicator in respect of Basic Service Delivery is reflected.

Ref no.	Key Performance Indicator (KPI)	Municipal Achievement 2016/17	Municipal Achievement 2017/18	Comments
TL10	Review the spatial development framework and submit to council by end June 2018	1	0	The KPI could not be achieved due to capacity constraints in the Provincial Department spearheading this project.
TL13	Review the Integrated Human Settlement Plan	0	1	This target was reached.
TL15	Number of Residential account holders connected to the municipal electrical infrastructure network (credit and prepaid electrical metering)	1674	2559	This target was over performed due to the housing project in Prince Albert.
TL17	Provide refuse removal, refuse dumps and solid waste disposal to households within the municipal area	2480	2726	This target was over performed due to the housing project in Prince Albert
TL19	Provision of clean piped water to formal residential properties which are connected to the municipal water infrastructure network.	2536	2809	This target was over performed due to the housing project in Prince Albert
TL21	Provision of sanitation services to properties which are connected to the municipal waste water network (sanitation/sewerage) network & are billed for sewerage service, irrespective of the number of water closets (toilets).	2416	2681	This target was over performed due to the housing project in Prince Albert
TL30	Excellent water quality measured by the compliance of water Lab results with SANS 241 criteria for Prins-Albert, Leeu-	86%	81.47%	Water quality was good due to appointment of process controllers and

	Gamka and Klarstroom.			establishment of osmosis plant.
TL31	Excellent waste water quality measured by the compliance of waste water Lab results with SANS irrigation standard (for Prins-Albert, Leeu-Gamka and Klarstroom)	76.39%	81.25%	This target improved due to appointment of water process controllers.
TL32	% of the maintenance budget for Roads spent [(Actual expenditure divided by the total approved budget)x100]	59.25%	78.38%	The budget expenditure improved due to budget monitoring.
TL33	Draft the Water Service Development Plan and submit to council for approval by the end of June 2018	0	0	This target could not be reached due to capacity constraints. The Department of Water Affairs offered funding to do this, but this financial offer has since been withdrawn.
TL34	Limit water losses to not more than 15% {(Number of Kiloliters Water Purchased or Purified - Number of Kiloliters Water Sold) / Number of Kiloliters Water Purchased or Purified × 100}	15.16%	16.74%	Water losses increased with approximately 10%. This was due to drought conditions that resulted in less water use by consumers and more burst pipes due to pressure management.
TL35	Limit electricity losses to not more than 15% {(Number of Electricity Units Purchased and/or Generated - Number of Electricity Units Sold) / Number of Electricity Units Purchased and/or Generated) × 100}	14.54%	13%	This target was reached due to meter auditing and monitoring.

TL36	Draft an Integrated Infrastructure Asset Management Plan	0	0	This target could not be reached due to capacity constraints.
TL42	Implementation of programs and awareness initiatives held in terms of social welfare as per project plan signed off by MM	New KPI	24	Most of these projects were ongoing such as sms messaging and facebook, radio programmes.

Table 130: Basic Service Delivery Performance

3.2.1.3 Local Economic Development

In the table below the nationally prescribed performance indicator in respect of Local Economic Development is reflected.

Ref no.	Key Performance Indicator (KPI)	Municipal Achievement 2016/17	Municipal Achievement 2017/18	Comment
TL29	The number of temporary jobs created through the municipality's local economic development EPWP projects, measured by the number of people temporary appointed to be in the EPWP programmes for the period.	222	164	The Municipality over performed on this KPI as the Municipality allocated additional funding at the adjustment budget.
TL39	Implementation of the Local Economic Development Strategy	5	4	The Municipality focus on systems and not necessarily projects.

Table 131: Temporary jobs created

3.21.3 Municipal Financial Viability and Management

In the table below the nationally prescribed performance indicator in respect of Municipal Financial Viability and Management is reflected.

Ref no.	Key Performance Indicator (KPI)	Municipal Achievement 2016/17	Municipal Achievement 2017/18	Comments
TL1	Draft annual performance report available for submission to Auditor-General together with Annual Financial Statements by not later than 31 August	1	1	Draft performance report submitted within timeframe.

Ref no.	Key Performance Indicator (KPI)	Municipal Achievement 2016/17	Municipal Achievement 2017/18	Comments
TL3	The % of the Municipality's capital budget spent on capital projects identified in the IDP, measured as the Total actual Year to Date (YTD) Capital Expenditure/ Total Approved Annual or Adjusted Capital Budget x 100	92%	74.7%	Capital expenditure monitored through budget control. Due to capacity constraints not all projects allocated in the adjustment budget could be completed.
TL5	The main budget is approved by Council by end of May 2018	1	1	The main budget was approved by the end of May 2018.
TL8	The adjustment budget is approved by Council by end of February 2018	1	1	The adjustment budget was approved by the end of February 2018
TL24	Maintain a Year to Date (YTD) debtors payment percentage of 85%, excluding traffic services	86%	86%	The debtors payment percentage was reached but more must be done to improve debt collection.
TL25	Financial viability measured in terms of the municipality's ability to meet it's service debt obligations ((Total operating revenue-operating grants received)/debt service payments due within the year)	389.79	641	Target met adequately
TL26	Financial viability measured in terms of the outstanding service debtors (Total outstanding service debtors/ revenue received for services)	26.33%	13%	Target was met adequately, but outstanding debtors remains a challenge .
TL27	Financial viability measured in terms of the available cash to cover fixed operating expenditure ((Available cash+ investments)/ Monthly fixed operating expenditure)	4.76%	5.4%	The Municipality improved its financial position due to cost containment initiatives.
TL28	Develop action plans to address the top 10 risks before end of June	10	10	The Municipality developed the action plans within the

Ref no.	Key Performance Indicator (KPI)	Municipal Achievement 2016/17	Municipal Achievement 2017/18	Comments
	2018			allowed timeframe.

Table 132: Financial Viability Indicators

3.21.4 Good Governance and Public Participation

In the table below the nationally prescribed performance indicator in respect of Good Governance and Public Participation is reflected.

Ref no.	Key Performance Indicator (KPI)	Municipal Achievement 2016/17	Municipal Achievement 2017/18	Comments
TL2	Submit the Mid- Year Performance Report in terms of sec72 of the MFMA to council to monitor the overall municipal performance and decide on corrective measures if necessary	1	1	The Municipality submitted the Section 72 report within the timeframe.
TL4	Risk based audit plan approved by Audit Committee for 2017/18	1	1	The risk-based audit plan was approved.
TL6	Effective functioning of Council meetings	5	3	Council meetings were held regularly, but in quarter 3 there were no general council meeting as per the KPI description
TL7	Effective functioning of Councils committee system	5	4	Committee meetings were held regularly.
TL9	The Top Layer SDBIP is approved by the Mayor within 28 days after the Main Budget has been approved	1	1	The TL SDBIP as approved within the allowed timeframe.
TL37	Preparation of the draft IDP review for submission to council to ensure compliance with legislation 31 March annually	1	1	The draft IDP review was approved by 31 March.
TL38	Preparation of the final IDP review for submission to council to	1	1	The final IDP was approved by 31 May.

ensure compliance with legislation by 31 May annually			
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Table 133: Capital budget expenditure according to IDP

3.22 Overall performance per Municipal KPA

The following table illustrates the Municipality's overall performance per Municipal Key Performance Area.

3.22.1 Basic service delivery & infrastructure development

Ref	IDP Ref	Pre-determined Objectives	KPI	Unit of Measurement	Previous Year Performance	Annual Target	Period-To-Date As At June 2018		
							Target	Actual	R
TL10		To deliver services in terms of agreed service levels	Review the spatial development framework and submit to council by end June	Reviewed SDF submitted to Council by end June	1	1	1	0	
TL13		To deliver services in terms of agreed service levels	Review the Integrated Human Settlement Plan by June 2018	Plan completed by the end of June	0	1	1	1	
TL15		To deliver services in terms of agreed service levels	Number of Residential account holders connected to the municipal electrical infrastructure network (credit and prepaid electrical metering)	# of Residential account holders connected to the municipal electrical infrastructure network (credit and prepaid electrical metering)	1,674	2,110	2,110	2559	
TL16		To deliver services in terms of agreed service levels	Provide 50kwh free basic electricity to registered indigent account holders connected to the municipal and Eskom electrical infrastructure network	No of indigent account holders receiving free basic electricity which are connected to the municipal and Eskom electrical infrastructure network	872	900	900	893	

TL17		To deliver services in terms of agreed service levels	Provide refuse removal, refuse dumps and solid waste disposal to households within the municipal area	Number of households for which refuse is removed at least once a week	2,475	2,368	2,368	2726	
TL18		To deliver services in terms of agreed service levels	Provision of free basic refuse removal, refuse dumps and solid waste disposal to registered indigent account holders	No of indigent account holders receiving free basic refuse removal monthly	872	900	900	893	
TL19		To deliver services in terms of agreed service levels	Provision of clean piped water to formal residential properties which are connected to the municipal water infrastructure network.	Number of formal residential properties that meet agreed service standards for piped water	2,536	2,554	2554	2809	
TL20		To deliver services in terms of agreed service levels	Provide 6kl free basic water per household per month to registered indigent account holders	No of registered indigent account holders receiving 6kl of free water	872	900	900	893	
TL21		To deliver services in terms of agreed service levels	Provision of sanitation services to properties which are connected to the municipal waste water (sanitation/sewerage) network & are billed for sewerage service, irrespective of the number of water closets (toilets).	Number of Households receiving sanitation services	2416	2,416	2,416	2681	

TL22	To deliver services in terms of agreed service levels	Provision of free basic sanitation services to registered indigent account holders which are connected to the municipal waste water (sanitation/sewerage) network & are billed for sewerage service, irrespective of the number of water closets (toilets).	No of indigent account holders receiving free basic sanitation in terms of Equitable share requirements.	872	900	900	893	
TL30	To deliver services in terms of agreed service levels	Excellent water quality measured by the compliance of water Lab results with SANS 241 criteria for Prins-Albert, Leeu-Gamka and Klarstroom	% of test results complying with SANS 241	86%	80%	80%	81.47%	
TL31	To deliver services in terms of agreed service levels	Excellent waste water quality measured by the compliance of waste water Lab results with SANS irrigation standard (for Prins-Albert, Leeu-Gamka and Klarstroom)	% of Lab Results comply with SANS Irrigation standards.	76.39%	90%	90%	81.25%	
TL32	To deliver services in terms of agreed service levels	% of the maintenance budget for Roads spent [(Actual expenditure divided by the total approved budget)x100]	% of Road maintenance budget actually spent	59%	100%	100%	78.38%	

TL33		To deliver services in terms of agreed service levels	Draft the Water Service Development Plan and submit to Council for approval by the end of June 2018	Reviewed Plan approved by council by end of June	0	1	1	0	
TL34		To deliver services in terms of agreed service levels	Limit water losses to not more than 15% {(Number of Kiloliters Water Purchased or Purified - Number of Kiloliters Water Sold) / Number of Kiloliters Water Purchased or Purified × 100}}	% Water losses achieved (Number of Kiloliters Water Purchased or Purified - Number of Kiloliters Water Sold) / Number of Kiloliters Water Purchased or Purified × 100)	15.16%	15%	15%	16.74%	
TL35	143	To deliver services in terms of agreed service levels	Limit electricity losses to not more than 15% {(Number of Electricity Units Purchased and/or Generated - Number of Electricity Units Sold) / Number of Electricity Units Purchased and/or Generated) × 100}}	% Electricity losses achieved (Number of Electricity Units Purchased and/or Generated - Number of Electricity Units Sold) / Number of Electricity Units Purchased and/or Generated) × 100	14.54%	16%	15%	13%	
TL36		To deliver services in terms of agreed service levels	Develop the Integrated Infrastructure Asset Management Plan	Completed plan by end of June 2018	0	0	1	0	
TL42		To deliver services in terms of agreed service levels	Implementation of programmes and awareness initiatives held in terms of social welfare as per project	Number of programmes and initiatives implemented	-	-	24	24	

TL3	68	To deliver services in terms of agreed service levels	The % of the Municipality's capital budget spent on capital projects identified in the IDP, measured as the Total actual Year to Date (YTD) Capital Expenditure/ Total Approved Annual or Adjusted Capital Budget x 100	The percentage (%) of a municipality's Annual or Adjusted capital budget spent on capital projects identified in the IDP for the 2017/18 financial year	55.56	90%	90%	74.7%	
TL5		To promote a culture of good governance	The main budget is approved by Council by end of May 2018	Approval of Main Budget before the end of May annually	1	1	1	1	
TL8		To promote a culture of good governance	The adjustment budget is approved by Council by end of February 2018	Approval of Adjustments Budget before the end of February 2018	1	1	1	1	
TL23		To implement mechanisms to improve debt collection	Maintain a Year to Date (YTD) debtors payment percentage of 85% over a twelve month period	Payment percentage (%) of debtors over 12 months rolling period	86%	85%	85%	86%	
TL24		To promote a culture of good governance	Maintain a financially unqualified audit opinion for the 2017/18 financial year	Financial statements considered free from material misstatements as per Auditor General report	1	1	1	1	
TL25		To implement mechanisms to improve debt collection	Financial viability measured in terms of the municipality's ability to meet its service debt obligations ((Total operating revenue-operating grants received)/debt service payments due within the year)	((Total operating revenue-operating grants received)/debt service payments due within the year)	389.79	389.79	362.1	641	
TL26		To improve financial reporting	Financial viability measured in terms of the outstanding service debtors (Total outstanding service	(Total outstanding service debtors/ revenue	26.33%	62%	62%	13%	

			debtors/ revenue received for services)	received for services)X100					
TL27	142	To improve financial reporting	Financial viability measured in terms of the available cash to cover fixed operating expenditure ((Available cash+ investments)/ Monthly fixed operating expenditure)	((Available cash+ investments)/ Monthly fixed operating expenditure)	4.76%	1.2	1.2	5.4%	
TL28	143	To promote a culture of good governance	Develop action plans to address the top 10 risks	Number risk mitigation plans submitted to the Audit Committee by the end of June	10	10	10	10	

Table 136: Municipal performance according to financial sustainability and development Key Performance Indicators

3.22.4 Good governance and public participation

Ref	IDP Ref	Pre-determined Objectives	KPI	Unit of Measurement	Previous Year Performance	Annual Target	Period-To-Date As At June 2018		
							Target	Actual	R
TL2		To promote a culture of good governance	Submit the Mid-Year Performance Report in terms of Section 72 of the MFMA to council to monitor the overall municipal performance and decide on corrective measures if necessary	Mid-year report submitted to council and treasury by end of January annually	1	1	1	1	
TL4		To promote a culture of good governance	Risk based audit plan approved by Audit Committee for 2016/17 by February	Risk based audit plan approved by February 2018	1	1	1	0	
TL6		To promote a culture of good governance	Ensure that all Council meet once every quarter	Number of ordinary council meetings	5	4	4	3	

TL7		To promote a culture of good governance	Ensure that all Council's section 80 committees meet once every quarter	Number of Council sec 80 committee meetings	5	4	4	4	
TL9		To improve financial reporting	The Top Layer SDBIP is approved by the Mayor within 28 days after the Main Budget has been approved	Top Layer SDBIP approved by the Mayor within 28 days after the main budget has been approved	1	1	1	1	
TL37		To promote a culture of good governance	Preparation of the draft IDP review for submission to council to ensure compliance with legislation by 31 March annually	IDP reviewed by 31 March annually	1	1	1	1	
TL38		To promote a culture of good governance	Preparation of the final IDP review for submission to Council to ensure compliance with legislation by 31 May annually	Final IDP review completed to submit to Council by 30 May 2018	1	1	1	1	
Not on TL	153	To promote a culture of good governance	Submit final Annual Report and oversight report to council before legislative deadline	Final Annual Report and oversight report submitted to council	100%	100%	100%	100%	

Table 137: Municipal performance according to Good Governance and Public Participation Key Performance Indicators

3.22.5 Institutional development & transformation

Ref	IDP Ref	Pre-determined Objectives	KPI	Unit of Measurement	Previous Year Performance	Annual Target	Period-To-Date As At June 2018		
							Target	Actual	R
TL11		To develop and implement staff development and retention plans	The % of the Municipality's training budget spent, measured as (Total Actual Training Expenditure/Approved Training Budget x 100)	% of training budget spent as at 30 June 2018	88.64%	100%	100%	99%	

TL12		To develop and implement staff development and retention plans	Review following the required policies (Cell phone policy, PMS policy framework, occupational health and safety, protective clothing, smoking policy) and submit to council for approval	Number of reviewed policies approved by council by the end of June	0	5	5	5	
TL14	137	To develop and implement staff development and retention plans	The number of people from employment equity target groups employed (appointed) in the three highest levels of management in compliance with Prince Albert Census Demographic statistical data	Number of people employed (appointed)	2	3	3	2	
TL40		To develop and implement staff development and retention plans	Ensuring performance by the timeous development and signing of the Section 57 performance agreements in adherence to the Performance Framework	Number of signed performance agreements of Section 57 managers within 14 days of approval of the SDBIP	3	3	3	3	
TL41		To develop and implement staff development and retention plans	To ensure that formal evaluations per section 57 employee is completed bi-annually	Number of formal evaluations completed per Section 57 employee	-	2	2	1	

Table 138: Municipal performance according to Institutional Development and Transformation Key Performance Indicators

3.23 Top-Layer Service Delivery and Budget Implementation (SDBIP) Scorecard: 2017/18 per Strategic Objectives

The following tables reflect the Municipality's performance for 2017/18 according to the Municipality's Strategic Objectives:

a) **To commit to continues improvement of human skills and resources to deliver effective services**

Ref	IDP Ref	KPI	Unit of Measurement	Wards	Previous year	Year-To-Date As At June 2018				
						Target	Actual	R	Performance Comment	Corrective Measures
TL11		The % of the Municipality's training budget spent, measured as (Total Actual Training Expenditure/Approved Training Budget x 100)	% of training budget spent as at 30 June 2018	All	88.64%	100%	99%		Target not reached	No corrective measures needed
TL12		Review following the required policies (Cell phone policy, PMS policy framework, occupational health and safety, protective clothing, smoking policy) and submit to council for approval	Number of reviewed policies approved by council by the end of June	All	0	5	5		Policies reviewed by June 2018	None needed
TL14		The number of people from employment equity target groups employed (appointed) in the three highest levels of management in compliance with Prince Albert Census Demographic statistical data	Number of people employed (appointed)	All	2	3	2		The target is dependent on vacancies and available skills	None needed
TL40		Ensuring performance by the timeous development and signing of the Section 57	Number of signed performance agreements of	ALL	-	3	3		The signed agreements were signed within the timeframe.	None needed

		performance agreements in adherence to the Performance Framework	Section 57 managers within 14 days of approval of the SDBIP						
TL41		To ensure that formal evaluations per section 57 employee is completed bi-annually	Number of formal evaluations completed per Section 57 employee	ALL	-	2	1	Target not met due to capacity constraints	One official send for training to support PMS function. Capacity constraints remain

b) To enhance participatory democracy

Ref	ID P Ref	KPI	Unit of Measurement	Previous year performance	Year-To-Date as at June 2018				
					Target	Actual	R	Performance Comment	Corrective Measures
TL2		Submit the Mid-Year Performance Report in terms of Section 72 of the MFMA to council to monitor the overall municipal performance and decide on corrective measures if necessary	Mid-year report submitted to council and treasury by 25th January annually	All	1	1		Submitted in time	None needed
TL4		Risk based audit plan approved by Audit Committee for 2017/18 by February	Risk based audit plan approved by February 2018	All	1	0		Plan was Approved in March 2018	Plan was approved late, but only with a few days with no negative impact
TL6		Effective functioning of Council meetings	Number of Council general meetings	All	4	3		Council met for special council meetings	Ensure that a general council meeting is scheduled for each quarter
TL7		Effective functioning of Councils committee system	Number of Council Section 80 committee meetings	All	4	4		Council committee meetings held regularly.	None needed

			per operation al area meet once every quarter						
TL9		The Top Layer SDBIP is approved by the Mayor within 28 days after the Main Budget has been approved	Top Layer SDBIP approved by the Mayor within 28 Days after approval of Main Budget	All	1	1		SDBIP approved within timeframe	None needed
TL37		Preparation of the draft IDP review for submission to council to ensure compliance with legislation by 31 March annually	IDP reviewed by 31 March annually	1	1	1		Approved in March 2018	None needed
TL38		Preparation of the final IDP review for submission to Council to ensure compliance with legislation by 31 May annually	Final IDP review completed to submit to Council by 30 May 2018	1	1	1		Approved in May 2018	None needed

c) To promote the general standards of living

Ref	IDP Ref	KPI	Unit of Measurement	Previous year	Year-To-Date As At June 2018				
					Target	Actual	R	Performance Comment	Corrective Measures
TL42		Implementation of programs and awareness initiatives held in terms of social welfare as per project plan signed off by MM	Number of awareness initiatives and programs launched within community	New KPI	24	24		Target was met	Strive to fulfill obligations within available capacity.

d) To maintain financial viability and sustainability through prudent expenditure and sound financial management systems

Ref	IDP Ref	KPI	Unit of Measurement	Wards	Previous year	Year-To-Date As At June 2018				
						Target	Actual	R	Performance Comment	Corrective Measures
TL1		Draft annual performance report available for submission to Auditor-General together with Annual Financial Statements by not later than 31 August	Draft annual performance report submitted by 30 August annually	All	1	1	1		Target reached	None
TL3		The % of the Municipality's capital budget spent on capital projects identified in the IDP, measured as the Total actual Year to Date (YTD) Capital Expenditure / Total Approved Annual or Adjusted Capital Budget x 100	The percentage (%) of a municipality's Annual or Adjusted capital budget spent on capital projects identified in the IDP for the 2017/18 financial year	All	92%	100%	74.7%		Target not reached due to capacity constraints	Commence with capital projects earlier
TL5		The main budget is approved by Council by end of May 2018	Approval of Main Budget before the end of May annually	All	1	1	1			None needed

TL8		The adjustment budget is approved by Council by end of February 2018	Approval of Adjustments Budget before the end of February 2018	All	1	1	1		Adjustment budget approved by Council by February 2018	None needed
TL23		Maintain a Year to Date (YTD) debtors payment percentage of 85% over a twelve month period	Payment percentage (%) of debtors over 12 months rolling period	All	86%	85%	86%		Debt collection needs to be improved in outer towns	None needed
TL24		Maintain a financially unqualified audit opinion for the 2017/18 financial year	Financial statements considered free from material misstatements as per Auditor General report	All	1	1	1		Unqualified obtained (clean audit)	Implement remedial action in management report
TL25		Financial viability measured in terms of the municipality's ability to meet its service debt obligations ((Total operating revenue-operating grants received)/ debt service payments due within the year)	((Total operating revenue-operating grants received)/debt service payments due within the year)	All	389.79	362.1	641		To be confirmed with AFS	

TL26		Financial viability measured in terms of the outstanding service debtors (Total outstanding service debtors/ revenue received for services)	(Total outstanding service debtors/ revenue received for services)X100	All	26.33 %	62%	13%		Achieved	None needed
TL27		Financial viability measured in terms of the available cash to cover fixed operating expenditure ((Available cash+ investments)/ Monthly fixed operating expenditure)	((Available cash+ investments)/ Monthly fixed operating expenditure)	All	4.76	1.2	5.4		Municipality has sufficient cash to cover expenditure	None needed
TL28		Develop action plans to address the top 10 risks	Number risk mitigation plans submitted to the Audit Committee by the end of June	All	10	10	10		Risk mitigation addressed in May	None needed
Not on TL		Submit final Annual Report and oversight report to council before legislative deadline	Final Annual Report and oversight report submitted to Council	All	100%	100%	100%		Submitted in time	None needed

e) To promote sustainable integrated development through social and spatial integration that eradicates the apartheid legacy

Ref	IDP Ref	KPI	Unit of Measurement	Wards	Previous Year	Year-To-Date As At June 2018				
						Targ	Act	R	Performanc	Corrective

						et	ual		e Comment	Measures
TL10	12	Review the spatial development framework and submit to council by end June	Reviewed SDF submitted to Council by end June	All	1	1	0		The Western Cape Provincial Government to assist in reviewing the SDF. SDF to be table to council by end of August 2018	SDF to be tabled to council by end of August 2018
TL13		Draft the Integrated Human Settlement Plan by June 2018	Plan completed by the end of June	0	All	1	1		The draft Human Settlement Plan was approved by June 2018.	None needed

f) To provide quality affordable and sustainable services on an equitable basis

Ref	IDP Ref	KPI	Unit of Measurement	Wards	Previous performance	Year-To-Date As At June 2018				
						Target	Actual	R	Performance Comment	Corrective Measures
TL15		Number of Residential account holders connected to the municipal electrical infrastructure network (credit and prepaid electrical metering)	# of Residential account holders connected to the municipal electrical infrastructure network (credit and prepaid electrical metering)	2; 3; 4	1674	2,110	2559		Target exceeded due to housing development in Prince Albert	None needed
TL16		Provide 50kwh free basic electricity to registered indigent account holders connected to the municipal and Eskom electrical infrastructure network	No of indigent account holders receiving free basic electricity which are connected to the municipal and Eskom electrical infrastructure network	All	872	900	893		Target not reached. Subsidies are application based and beyond municipal control	Indigent outreached were held and will continue to ensure maximum participation
TL17		Provide refuse removal, refuse dumps and solid waste disposal to households within the municipal area	Number of account holders for which refuse is removed at least once a week	All	2480	2368	2726		Target exceeded due to housing development in Prince Albert	None needed
TL18		Provision of free basic refuse removal, refuse dumps and solid waste disposal to registered indigent account	No of indigent account holders receiving free basic refuse removal monthly	All	872	900	893		Target not reached. Subsidies are application based and beyond municipal control	Indigent outreached were held and will continue to ensure maximum participation

		holders								
TL19		Provision of clean piped water to formal residential properties which are connected to the municipal water infrastructure network.	Number of formal residential properties that meet agreed service standards for piped water	All	2536	2,554	2809		Target exceeded due to housing development in Prince Albert	None needed
TL20		Provide 6kl free basic water per household per month to registered indigent account holders	No of registered indigent account holders receiving 6kl of free water	All	872	900	893		Target not reached. Subsidies are application based and beyond municipal control	Indigent outreached were held and will continue to ensure maximum participation
TL21		Provision of sanitation services to residential properties which are connected to the municipal waste water (sanitation/sewerage) network & are billed for sewerage service, irrespective of the number of water closets (toilets).	No of residential properties which are billed for sewerage in accordance to the financial system.	All	2416	2,416	2681		Target exceeded due to housing development in Prince Albert	None needed

TL22		Provision of free basic sanitation services to registered indigent account holders which are connected to the municipal waste water (sanitation/sewerage) network & are billed for sewerage service, irrespective of the number of water closets (toilets).	No of indigent account holders receiving free basic sanitation in terms of Equitable share requirements.	All	872	900	893		Target not reached. Subsidies are application based and beyond municipal control	Indigent outreach were held and will continue to ensure maximum participation
TL30		Excellent water quality measured by the compliance of water Lab results with SANS 241 criteria for Prins-Albert, Leeu-Gamka and Klarstroom	% of Lab Results complying with SANS 241.	All	86.32%	80%	81.47%		Lab Results for drinking water	Water process controllers appointed and in training
TL31		Excellent waste water quality measured by the compliance of waste water Lab results with SANS irrigation standard (for Prins-Albert, Leeu-Gamka and Klarstroom	% of Lab Results complying with SANS Irrigation standards.	All	76.39%	90%	81.25%		Target not reached due to capacity constraints	Water process controllers appointed and in training, SOP's to be developed

TL32		% of the maintenance budget for Roads spent [(Actual expenditure divided by the total approved budget)x100]	% of Road maintenance budget actually spent	All	59%	100%	78.38%		Target not reached due to capacity constraints	Monthly budget control to be undertaken
TL33		Draft the Water Service Development Plan and submit to council for approval by the end of June 2018	Reviewed Plan approved by council	All	0	1	0		No funding available	DWS has committed funding, plan will be developed in the 2018/19 financial year
TL34		Limit water losses to not more than 15% {(Number of Kiloliters Water Purchased or Purified - Number of Kiloliters Water Sold) / Number of Kiloliters Water Purchased or Purified × 100}	% Water losses achieved (Number of Kiloliters Water Purchased or Purified - Number of Kiloliters Water Sold) / Number of Kiloliters Water Purchased or Purified × 100)	All	15.16%	15%	16.74%		Target not reached due to drought conditions with limited use during drought and more burst pipes due to pressure control.	Implement meters at sport fields and install more valves to improve water loss control.
TL35	143	Limit electricity losses to not more than 15% {(Number of Electricity Units Purchased and/or Generated - Number of Electricity Units Sold) / Number of Electricity Units Purchased and/or Generated) × 100}	% electricity losses achieved (Number of Electricity Units Purchased and/or Generated - Number of Electricity Units Sold) / Number of Electricity Units Purchased and/or Generated) × 100	All	14.54%	15%	13%		Target exceeded due to monitoring and meter audit.	None needed

TL36		Develop an Integrated Infrastructure Asset Management Plan	Completed plan by end of June 2018	All	1	1	0		No funding available	Council has approved an infrastructure policy. Infrastructure Asset Management will be done accordingly until funding becomes available.
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g) To stimulate, strengthen and improve the economy for sustainable growth

Ref	IDP Ref	KPI	Unit of Measurement	Wards	Previous performance	Year-To-Date As At June 2018				
						Target	Actual	R	Performance Comment	Corrective Measures
TL39		Implementation of the Local Economic Development Strategy	Number of LED interventions/ activities / programmes implemented		5	4	4		Target reached. Municipality concentrate on systems rather than projects.	None needed
TL29		The number of temporary jobs created through the municipality's local economic development EPWP projects, measured by the number of people temporary appointed to be in the EPWP programmes for the period.	Number of people temporary appointed to be in the EPWP programs	All	222	50	164		Target exceeded due to additional funding made available during the adjustment budget.	None needed

3.24 Service Providers Strategic Performance

Section 76(b) of the MSA states that KPIs should inform the indicators set for every municipal entity and service provider with whom the municipality has entered into a service delivery agreement.

Service provider means a person or institution or any combination of persons and institutions which provide a municipal service

- External service provider means an external mechanism referred to in section 76(b) which provides a municipal service for a municipality
- Service delivery agreement means an agreement between a municipality and an institution or person mentioned in section 76(b) in terms of which a municipal service is provided by that institution or person, either for its own account or on behalf of the municipality

Section 121(b) of the MFMA and Section 46 of the MSA further state that a municipality should include the following related to service providers in its annual report:

- The performance of each service provider
- a Comparison of the performance with targets set for and performances in the previous financial year; and
- measures taken to improve performance

The purpose of this section is to provide information related to the performance of external service providers. Only services rendered for an amount more than R200 000 are listed.

The table below indicates service providers utilised according to functional areas:

a) Office of the Municipal Manager

Description of services rendered	Term of contract	Performance areas	Performance rating	Performance comment	Corrective measures
Internal Audit and Risk Management.	3 years	Provision of internal audit, compliance and risk management support services.	Good	Shared services agreement with Beaufort West, CKDM and Laingsburg. Service provider, Meyer Otto	Skills transfer on lower level in the absence of qualified internal
Study by University of Stellenbosch	Duration of Project	Develop innovative governance model	Excellent Service	n/a	n/a

Table 143: Service Providers Performance – Office of the Municipal Manager

b) Financial Services

Description of services rendered	Term of contract	Performance areas	Performance rating	Performance comment	Corrective measures
Mubesko	3 years	Review of AFS	Excellent Service	n/a	n/a
Syntell	3 years	Licence Fees for prepaid Electricity			
Ubertech	3 years	IT Support	Excellent Service	n/a	n/a

Table 144: Service Providers Performance – Financial Services

c) Infrastructure Services -

Service delivery is key and 70% of the budget are spend by the technical department.

Description of services rendered	Term of contract	Performance Areas	Performance Rating	Performance Comment	Corrective measures
GEOS	3 years	Consulting Engineer	Excellent Services	n/a	n/a
Element	3 years	Consulting Engineer	Excellent Services	n/a	n/a
Royal Haskoning	3 years	Consulting Engineer	Excellent Services	n/a	n/a
Makuhane t/a CVW	3 years	Consulting Engineer	Excellent Services	n/a	n/a
SRK Consulting	3 years	Consulting Engineer	Excellent Services	n/a	n/a
Jan Nel Elektries	3 Year	Electricity Contractor	Excellent Services	n/a	n/a
Weskaap Laboratorium dienste	1 year	Water and waste water testing lab	Excellent Services	n/a	n/a
Conlog	When needed	Prepaid Meters	Excellent Services	n/a	n/a
Jan Nel Elektries	1month	BoreHole Equipment	Excellent Services	n/a	n/a
National Garage	When needed	Fuel	Excellent Service	n/a	
Klein Karoo Kooperasie	When needed	Supply & delivery of material & equipment	Excellent Services		n/a
Cash Build	When needed	Supply & delivery of material & equipment	Excellent Services		n/a
VSR Digging	When needed	Hire of TLB	Excellent Services		
Auto Tech	When needed	Service of vehicles	Excellent services	n/a	

Table 145: Service Providers Performance – Infrastructure Services

d) Corporate & Community Services

Description of services rendered	Term of contract	Performance Areas	Performance Rating	Performance Comment	Corrective measures
Radio gamkaland	September 2016	Communication with community	Good	Contract ended on 30 June	New SLA with successful
TVS	Contract commenced 30 June 2016	Traffic Management System	Good	SLA agreement reached	SLA agreement concluded
Business Solutions	1 June to be renewed annually	Records Management	Good	Project ongoing	None

Table 146: Service Provider Performance – Strategic & Community Services

e) Development & Strategic Support

Description of services rendered	Term of contract	Performance Areas	Performance Rating	Performance Comment	Corrective measures
Ignite Advisory Services	1 year	Performance Management, Complaints assist	Satisfied with services rendered	n/a	n/a

Chapter 4

Organisational Development Performance (Performance Report Part 2)

Component A: Introduction to the Municipal Personnel

Introduction

The Prince Albert Municipality currently employs 75 (excluding non-permanent positions) officials, who individually and collectively contribute to the achievement of the Municipality's objectives. Tables below includes 52 permanent employees, 16 contract workers, 3 financial interns, 2 Water meter readers, and 1 part-time library assistant.

4.1 Employee Totals, Turnover and Vacancies

The table below categorizes 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	0	1	0	1	0	0	0	1	3
Senior management	0	1	0	0	0	0	0	0	1
Professionally qualified and experienced specialists and mid- management	0	2	0	1	0	0	0	0	3
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	0	21	0	0		19		3	43
Semi-skilled and discretionary decision making	0	5	0	1	0	0	0	0	6
Unskilled and defined decision making	0	14	0	1	0	4	0	0	19
Total permanent	0	30	0	2	0	18	0	2	52
Non- permanent employees	0	14	0	2	0	5	0	2	23
Grand total	0	44	0	4	0	23	0	4	75

Table: Occupational levels:

The table below reflects permanent staff. It must be noted that staff employed on contract include two persons from the employment equity target groups on the three highest levels of management, comprising of five staff members.

KPA & Indicators	Municipal Achievement	Municipal Achievement
	2016/17	2017/18
The number of people from employment equity target groups permanently employed in the three highest levels of management in compliance with a municipality's approved employment equity plan	2	2
The percentage of a municipality's budget actually spent on implementing its workplace skills plan	88.64%	99%

National KPIs– Municipal Transformation and Organisational Development

4.2.1 Employment Equity

The Employment Equity Act (1998) Chapter 3, Section 15 (1) confirms affirmative action as measures designed to ensure that suitable qualified people from designated groups enjoys equal employment opportunities and are equitably represented in all occupational categories and levels in the workforce of a designated employer. An Employment Equity Plan was drafted in the reporting year and submitted to the Department of Labour. The Department was also approached for assistance in implementing the policy.

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

Occupational Categories	Male				Female				Total
	A	C	I	W	A	C	I	W	
Legislators, senior officials and managers	0	2	0	2	0	0	0	1	5
Professionals	0	0	0	0	0	0	0	0	0
Technicians and associate professionals	0	2	0	0	0	0	0	0	2
Clerks	0	21	0	0	0	19	0	3	43
Service and sales workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	0	5	0	1	0	0	0	0	6
Elementary occupations	0	14	0	1	0	4	0	0	19
Total permanent	0	30	0	2	0	18	0	2	52
Non-permanent	0	14	0	2	0	5	0	2	23
Grand total	0	44	0	4	0	23	0	4	75

Occupational Categories

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

Department	Male				Female				Total
	A	C	I	W	A	C	I	W	
Office of the Municipal Manager	0	2	0	0	0	0	0	0	2
Strategic Services	0	13	0	0	0	14	0	4	31
Technical and Electrical Services	0	25	0	2	0	2	0	0	29
Financial Services	0	4	0	2	0	7	0	0	13
Total permanent	0	30	0	2	0	18	0	2	52
Non- permanent	0	14	0	2	0	5	0	2	23
Grand total	0	44	0	4	0	23	0	4	75

Department - Race

4.2.2 Vacancy Rate

The approved organogram for the municipality reflected 97 posts for the 2017/18 financial year. The actual positions filled are indicated in the tables below by post level and by functional level. 22 Posts were vacant at the end of 2017/18, resulting in a vacancy rate of 22.68%.

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

Per Task Level		
Task level	Filled	Vacant
MM & MSA section 57 & 56	3	0
Middle management (T14-T19)	1	0
Admin Officers (T4-T13)	35	11
General Workers (T3)	29	11
Grant remuneration outside TASK level	7	0
Total	75	22
Per Functional Level		
Functional area	Filled	Vacant
Office of the Municipal Manager	2	1
Corporate & Community Services	30	9
Technical and Electrical Services	29	8
Financial Services	7	4
Appointments from Grants	7	0
Total	75	22

Vacancy rate per post and functional level

4.2.3 Turnover rate

Small, rural municipalities find it difficult to attract and retain skilled staff as they cannot compete with bigger municipalities in terms of salary, skills transfer and opportunities. This results in a high turn-over of staff. A high turnover rate for staff member's impacts negatively on a municipality as it may be costly to a municipality and might negatively affect productivity, service delivery and institutional memory/organizational knowledge. Below is a table that shows the turnover rate within the municipality. The turnover rate is estimated at 14.66% and is mainly due to retirement and financial interns that resign after they are trained to seek opportunities elsewhere. This high turnover rate show case the need for staff retention and the challenges faced by isolated rural municipalities.

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

Financial year	Total no appointments at the end of each Financial Year	New appointments	No Terminations during the year	Turn-over Rate
2013/14	67	12	9	14.52
2014/15	68	5	3	11.76
2015/2016	63	5	10	23.80
2016/17	72	22	12	16.66
2017/18	75	14	11	14.66

Table 154: Turnover Rate

Component B: Managing the Municipal Workforce

Introduction

The municipal workforce forms the foundation of service delivery and the effective management of the municipal workforce will be paramount.

4.2 HR Policies and Plans

Policies and plans provide guidance for fair and consistent staff treatment and an equitable, fair and open approach to the managing of staff.

The table below reflects the HR policies and plans that are in operation within the Municipality and that must be annually reviewed.

Approved policies	
Name of policy	Date approved/ revised
Employment Policy	2003
Internal Conditions of Service	2003
Sexual harassment	2007

Subsistence and Travelling	May 2017
Training & Development	2014
Language	2015
Support Staff	2007
Cell Phone	2018
Induction Training and Staff Orientation	2007
Internal control: Salaries and grants	2007
Study	2014
IT	2007
HIV/AIDS	2007
Induction programme	2008
Recruitment and Selection	2018
Employment Equity	2018
Incapacity / Ill-Health	2012
Substance Abuse	2018
Smoking Policy	2018
Overtime	June 2017
Retirement Planning	2012
Unauthorized Absence	2012
Uniform Protective Clothing	2018
Employment on 5/8 basis	2012
Policy on imprisoned employees	2012
Scarce skills policy	2012
Extended medical aid contribution policy	June 2017

Table 155: HR policies and plans

As indicated above most of the HR policies are out-dated and must be reviewed within the next financial year to ensure that they are relevant and address the needs of management and the staff component.

4.3 Injuries, Sickness and Suspensions

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. Occupational injury will influence the loss of man hours and therefore financial and productivity performance. The Municipality appointed Workplace Safety Representatives within the municipality for the respective departments as required by legislation. These employees are:

- Marchel April
- Christiaan Minnaar
- Henry Lekay
- Merwyn Maans
- Danvor Sarelse

- Jafftha de Wee
- Burnet May

SALGA was requested to provide training to the officials in respect of workplace safety. Workplace health and safety training took place during the reporting year and awareness around occupational health and safety has improved among the work force. Four workplace injuries were reported during 2017/18, of which one is an EPWP worker.

Sick Leave

Sick leave has a direct impact on the productivity of a municipality and therefore it must be closely monitored to ensure that no abuse takes place. Sick leave records are maintained by the Human Resource department and management closely monitors this.

The total number of employees that have taken sick leave during the 2017/18 showed a significant increase and the majority of sick leave taken was due to an official suffering serious illness.

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

Department	2013/14	2014/15	2015/16	2016/17	2017/18
Office of the Municipal Manager	0	69	7	7	30
Strategic Services and Corporate	102	45	108	120	151
Technical and Electrical Services	110	138	219	165	175
Financial Services	18	15	43	41	54
Total	230	267	377	333	410

Table 156: Sick Leave

Component C: Capacitating the Municipal Workforce

4.4 Skills Development and Training

Section 68(1) of the Local Government: Municipal Systems Act, 2000 (MSA) states that a municipality must develop its human resource capacity to a level that enables it to perform its functions and exercise its powers in an economical, effective, efficient and accountable manner. 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).

MFMA Competency Levels Training

In terms of Section 83 (1) of the MFMA, the accounting officer, senior managers, the chief financial officer, non-financial managers and other financial officials of a municipality must meet the prescribed financial management competency levels that are key to the successful implementation of the Municipal Finance Management Act. National Treasury has

prescribed such financial management competencies in Government Notice 493 dated 15 June 2007.

To assist the above-mentioned officials to acquire the prescribed financial competencies, National Treasury, with the collaboration of various stakeholders and role players in the local government sphere, developed an outcomes-based NQF Level 6 qualification in municipal finance management. In terms of the Government Notice 493 of 15 June 2007, "(1) No municipality or municipal entity may, with effect 1 January 2013, employ a person as a financial official if that person does not meet the competency levels prescribed for the relevant position in terms of these Regulations."

The table below provides details of the financial competency development progress as on 30 June 2017.

Description	Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	Competency assessments completed (Regulation 14(4)(b) and (d))	Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))
Financial Officials				
Accounting officer	1	1	1	1
Chief financial officer	1	1	1	1
Senior managers	1	1 Busy with Minimum Competency	1	0
Any other financial officials	7	3 Busy with Minimum Competency 4 New Staff Enrolled for Minimum Competency Training.	0	2
Supply Chain Management Officials				
Heads of supply chain management units	0	0	0	0
Supply chain management senior managers	1	1 Busy with Minimum Competency	0	0
TOTAL	11	11	3	4

Table 157: Budget allocated and spent for skills development

Skills Matrix

Funding for skills development in Prince Albert Municipality is extremely limited. The Municipality contracted a service provider to source external funding to enhance skills development opportunities, not only within the municipality, but for the community as well. The Environmental Education Centre in Prince Albert will be partly utilised as a training facility in this respect.

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

Management level	Gender	Number of Employees that received training (2016/17)	Number of Employees that received training (2017/18)
MM and S57	Female	0	1
	Male	3	2
Legislators, senior officials and managers	Female	5	1
	Male	5	1
Associate professionals and Technicians	Female	0	2
	Male	2	1
Professionals	Female	5	0
	Male	1	6
Clerks	Female	6	10
	Male	4	4
Service and sales workers	Female	0	0
	Male	2	1
Craft and related trade workers	Female	0	0
	Male	0	0
Plant and machine operators and assemblers	Female	0	0
	Male	3	1
Elementary occupations	Female	2	0
	Male	4	1
Sub total	Female	13	14
	Male	16	17
Total		29	31

Table 158: Skills Matrix

Component D: Managing the Municipal Workforce Expenditure

Introduction

Section 66 of the Local Government: Municipal Systems Act, 2000 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.

4.5 Employee Expenditure

The percentage personnel expenditure in relation to the total operational expenditure of a municipality is essential in the budgeting process as it reflects affordability. The table below indicates the percentage of the municipal budget that was spent on salaries and allowance for the past two financial years as a percentage of the total operating expenditure. Prince Albert Municipality is well within the national norm of between 35 to 40% as reflected below.

Financial year	Total Expenditure salary and allowances	Total Operating Expenditure	Percentage
	R'000	R'000	
2013/2014	14 813	66 915	22.13%
2014/2015	15 517	69 190	22.43%
2015/16	13 048	70 705	18.45%
2016/17	14 116	75 125	18.79%
2017/18	19 515	67 487	28.92%

Table 159: Personnel Expenditure

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

Financial year	2016/17		2017/18	
	Actual	Original Budget	Adjusted Budget	Actual
	R,000	R,000	R,000	R,000
Councillors (Political Office Bearers plus Other)				
Basic Salary & Wages	1,897	2,102	2,102	2,084
Pension & Medical Aid Contributions	23	80	80	
Motor vehicle allowance	528	587	587	533
Cell phone allowances	178	147	147	311
Housing allowances	–	–	–	
Other benefits or allowances	–	–	–	

In-kind benefits	–	–	–	
Sub Total	2,627	2,915	2,915	2,928
% increase/ (decrease)	0.14%	9.89%	0.00%	0.45%
Senior Managers of the Municipality				
Basic Salary & Wages	1,947	2,926	2,926	2,166
Pension and Medical Aid Contributions	255	150	150	293
Motor vehicle allowance	226	226	226	270
Cell phone allowance	42	54	54	42
Housing allowance	18	–	–	18
Performance Bonus	–	204	204	–
Other benefits or allowances	–	4	4	–
Sub Total	2,488	3,565	3,565	2,790
% increase/ (decrease)	-2.32%	30%	0%	-28%

CHAPTER 5: FINANCIAL PERFORMANCE

This chapter provides details regarding the financial performance of the municipality for the 2017/18 financial year.

Component A: Statements of Financial Performance

The Statement of Financial Performance provides an overview of the financial performance of the municipality and focuses on the financial health of the municipality.

5.1 Financial Summary

The table below indicates the summary of the financial performance for the 2017/18 financial year:

Description	2016/17	2017/18			2017/18 Variance	
	Actual (Audited Outcome)	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
	R'000				%	
Financial Performance						
Property rates	3 426	3 680	3 680	3 766	2%	2%
Revenue cost of free services provided: Property rates	(552)	(620)	(620)	(600)	-3%	-3%
Service charges	23 916	24 365	23 686	24 482	0%	3%
Revenue cost of free services provided: Service charges	(3 006)	(3 558)	(3 354)	(3 313)	-7%	-1%
Investment revenue	2 283	1 060	2 380	2 588	144%	9%
Transfers recognised - operational	23 398	34 200	36 635	24 028	-30%	-34%
Other own revenue	18 063	9 444	10 115	14 953	58%	48%
Total Revenue (excluding capital transfers and contributions)	67 527	68 571	72 522	65 904	-4%	-9%
Employee costs	14 766	18 919	18 259	19 515	3%	7%
Remuneration of councillors	2 627	2 915	2 915	2 928	0%	0%
Depreciation & asset impairment	5 382	2 813	2 813	5 463	94%	94%
Finance charges	1 751	-	-	1 686	#DIV/0!	#DIV/0!
Materials and bulk purchases	7 922	8 474	7 900	8 007	-6%	1%
Repairs and Maintenance	703	1 969	1 954	379	-81%	-81%
Other expenditure	30 470	33 262	37 321	29 507	-11%	-21%
Total Expenditure	63 621	68 351	71 161	67 487	-1%	-5%
Surplus/(Deficit)	3 906	221	1 361	(1 582)	-818%	-216%
Transfers recognised - capital	(14 690)	(8 609)	(9 669)	(10 564)	23%	9%

Surplus/(Deficit) after capital transfers & contributions	18 596	8 830	11 030	8 981	2%	-19%
Transfers recognised - capital						
Transfers recognised - capital	(14 690)	(8 609)	(9 669)	(10 564)	23%	9%
Total sources of capital funds	(14 690)	(8 609)	(9 669)	(10 564)	23%	9%
Total current assets						
Total current assets	34 936	23 400	37 504	34 857	49%	-7%
Total non-current assets						
Total non-current assets	135 970	121 802	130 664	141 391	16%	8%
Total current liabilities						
Total current liabilities	12 877	8 404	8 454	25 428	203%	201%
Total non-current liabilities						
Total non-current liabilities	24 503	25 659	24 635	7 863	-69%	-68%
Net cash from (used) financing						
Net cash from (used) financing						
Cash/cash equivalents at the year end	133 527	111 139	135 079	142 957	29%	6%
Cash and investments available						
Cash and investments available	27 412	19 042	30 400	25 414	33%	-16%
Application of cash and investments						
Application of cash and investments						
Balance - surplus (shortfall)						
Asset management						
Asset register summary (WDV)						
Asset register summary (WDV)	124 419	121 802	130 664	133 102	9%	2%
Depreciation & amortisation						
Depreciation & amortisation	2 296	2 813	2 813	5 463	94%	94%
Renewal of Existing Assets						
Renewal of Existing Assets	-	-	-	-	0%	0%
Repairs and Maintenance						
Repairs and Maintenance	703	1 969	1 954	379	-81%	-81%
Free services						
Cost of Free Basic Services provided						
Cost of Free Basic Services provided	3 558	4 178	3 974	3 913	-6%	-2%
Revenue cost of free services provided						
Revenue cost of free services provided	3 558	4 178	3 974	3 913	-6%	-2%
Households below minimum service level						
Water:						
Water:	0	0	0	0	0	0
Sanitation/sewerage:						
Sanitation/sewerage:	0	0	0	0	0	0
Energy:						
Energy:	0	0	0	0	0	0
Refuse:						
Refuse:	0	0	0	0	0	0

Financial Performance 2017/18

Financial Performance 2017/18

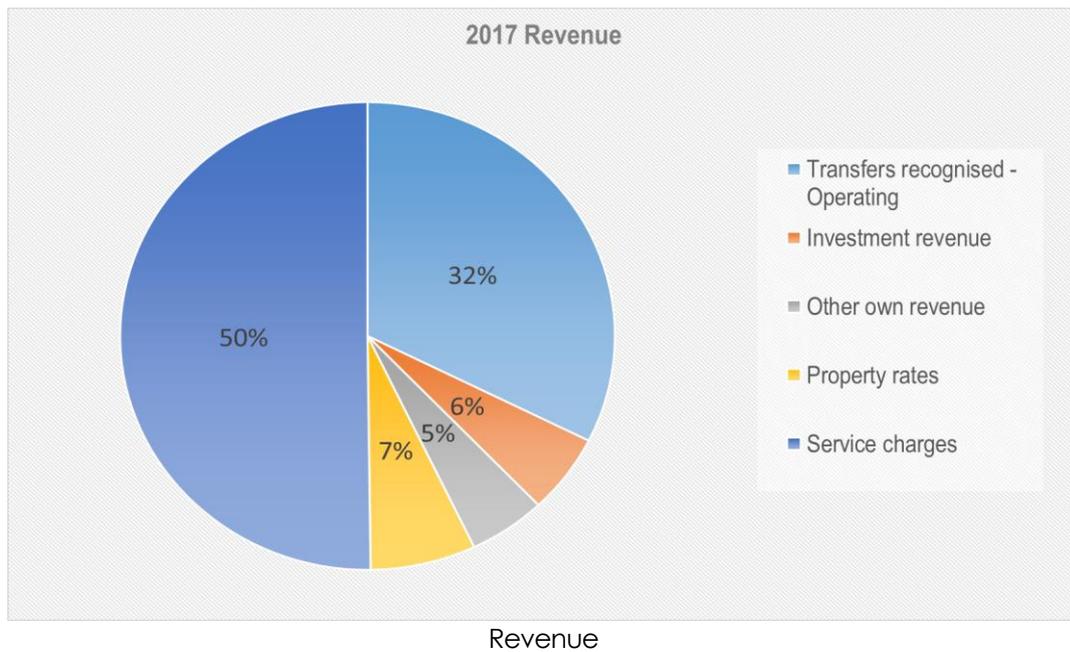
The table below shows a summary of performance against budgets:

Financial Year	Revenue				Operating expenditure			
	Budget	Actual	Diff.	%	Budget	Actual	Diff.	%
	(R'000)				(R'000)			
2014/15	106 319	82 614	(23 705)	-29%	71 028	69 531	(1 497)	-2%
2015/16	86 419	72 120	(14 299)	-20%	59 527	50 635	(8 892)	-18%
2016/17	87 726	82 216	(5 510)	-7%	68 165	63 621	(4 544)	-7%
2017/18	82 191	76 468	(5 723)	-7%	71 161	67 487	(3 675)	-5%

Performance against budgets

The following graph indicates the various types of revenue items in the municipal budget for 2017/18

Revenue per percentage



The following graph indicates the various types of expenditure items in the municipal budget for 2016/2017

5.1.1 Revenue collection by Vote

The table below indicates the Revenue collection performance by Vote:

Vote Description	2016/17	2017/18		2017/18 Variance		
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
	R'000				%	
1.1 - MUNICIPAL MANAGER	650	1 000	1 000	-	-100%	-100%
1.2 - COUNCIL GENERAL EXPENSES	3 077	3 180	3 180	17 677	456%	456%
2.1 - FINANCIAL SERVICES	4 388	5 449	6 640	4 036	-26%	-39%
2.2 - PROPERTY RATES	2 873	3 060	3 060	3 166	3%	3%
2.3 - GRANTS AND SUBSIDIES	23 957	24 088	29 743	20 248	-16%	-32%
3.1 - CORPORATE SERVICES	1 181	1 280	1 304	304	-76%	-77%
3.2 - STRATEGIC SERVICES	-	-	-	-	0%	0%
3.3 - IDP	300	400	400	-	-100%	-100%
3.7 - LIBRARY	(30)	-	-	-	0%	0%
3.9 - GALLERY	-	-	-	-	0%	0%
3.10 - THUSONG SERVICE CENTRE	-	-	-	-	0%	0%
4.1 - SOCIAL SERVICES	481	999	999	-	-100%	-100%
4.2 - GRAVEYARD	10	11	11	14	29%	29%
4.2 - LICENCES AND TRAFFIC	-	-	-	-	0%	0%
4.3 - LIBRARY	1 433	1 508	1 508	1 510	0%	0%
4.4 - COMMUNITY DEVELOPMENT WORKERS	75	1 314	74	74	-94%	0%
4.5 - GALLERY	-	-	-	-	0%	0%
4.5 - SEWERAGE	-	-	-	-	0%	0%
4.6 - PUBLIC WORKS	-	-	-	-	0%	0%
4.6 - THUSONG SERVICE CENTRE	184	200	200	210	5%	5%
4.7 - CIVIL DEFENCE	24	10	74	52	417%	-30%
4.7 - WATER SERVICES	-	-	-	-	0%	0%
4.8 - LICENCES AND TRAFFIC	12 437	4 440	4 168	6 769	52%	62%
4.9 - SPORT AND RECREATION	283	283	321	41	-86%	-87%
5.1 - REFUSE	2 693	2 491	2 609	1 515	-39%	-42%
5.2 - SEWERAGE	4 474	3 873	3 994	2 906	-25%	-27%
5.3 - PUBLIC WORKS	2 701	2 437	2 438	1 187	-51%	-51%
5.4 - WATER SERVICES	5 048	4 978	4 575	3 319	-33%	-27%
5.5 - ELECTRICITY SERVICES	15 976	16 181	15 893	13 441	-17%	-15%
Total Revenue by Vote	82 216	77 180	82 191	76 468		

Variations are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A3. It should also be noted that the Equitable share was originally budgeted between the services revenue, but had to be taken out due to mSCOA and displayed under Council General expenses, 1.2, from now onwards.

5.1.2 Revenue collection by Source

The table below indicates the revenue collection performance by source for the 2017/18 financial year:

Description	2016/17	2017/18			2017/18 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
	R'000				%	
Property rates	2 873	3 060	3 060	3 166	3%	3%
Service Charges - electricity revenue	13 721	13 920	13 670	13 939	0%	2%
Service Charges - water revenue	4 667	4 845	4 195	4 407	-9%	5%
Service Charges - sanitation revenue	3 487	3 597	3 718	3 954	10%	6%
Service Charges - refuse revenue	2 040	2 003	2 103	2 182	9%	4%
Less: Subsidy to Indigent Households	(3 006)	(3 558)	(3 354)	(3 313)	-7%	-1%
Public contributions	–	–	–	–	0%	0%
Rentals of facilities and equipment	398	373	398	487	31%	23%
Interest earned - external investments	2 283	1 060	2 380	2 588	144%	9%
Interest earned - outstanding debtors	510	780	500	573	-27%	15%
Contributed assets	1 400	–	–	2 538	0%	0%
Fines	11 919	4 010	3 710	6 507	62%	75%
Licences and permits	263	180	208	262	46%	26%
Service in Kind	3 068	1 450	2 670	3 411	135%	28%
Transfers recognised - operational	23 398	34 200	36 635	24 028	-30%	-34%
Transfers to CRR	–	300	–	–	-100%	#DIV/0!
Third Party Payments	–	–	–	–	0%	0%
Other revenue	432	2 352	2 629	910	-61%	-65%
Gains on disposal of PPE	–	–	–	–	0%	0%
Actuarial Gains	73	–	–	264	0%	0%
Total Revenue (excluding capital transfers and contributions)	67 527	68 571	72 522	65 904	-4%	-9%

Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A4.

5.1.3 Operational Services Performance

The table below indicates the Operational services performance for the 2017/18 financial year:

Operational Services Performance						
Description	2016/17	2017/18			2017/18 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
	R'000				%	
Operating Cost						
Water	2 971	4 037	3 995	3 337	-17%	-16%
Waste Water (Sanitation)	2 238	3 438	3 104	2 401	-30%	-23%
Electricity	10 775	10 093	11 382	11 417	13%	0%
Waste Management	5 143	1 903	1 813	4 983	162%	175%
Component A: sub-total	21 127	19 471	20 294	22 138	14%	9%
Roads	5 194	5 075	4 583	6 477	28%	41%
Component B: sub-total	5 194	5 075	4 583	6 477	28%	41%
Planning	118	440	393	344	-22%	-13%
Component C: sub-total	118	440	393	344	-22%	-13%
Community & Social Services	2 723	4 803	3 490	2 955	-38%	-15%
Executive and Council	5 488	6 360	7 210	6 923	9%	-4%
Finance and Administration	12 316	21 535	24 397	15 540	-28%	-36%
Security and Safety	12 089	5 088	5 006	7 881	55%	57%
Sport and Recreation	465	793	895	698	-12%	-22%
Corporate Policy Offices and Other	4 101	4 785	4 893	4 530	-5%	-7%
Component D: sub-total	37 182	43 364	45 891	38 527	-11%	-16%
Total Expenditure	63 621	68 351	71 161	67 487	-1%	-5%

In this table operational income is offset against operational expenditure leaving a net operational expenditure total for each service. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.

5.2 Financial Performance per Municipal Function

5.2.1 Water Services

Description	2016/17	2017/18			Variance to Budget %
	Actual	Original Budget	Adjustment Budget	Actual	
	R'000				
Total Operational Revenue	5 048	4 978	4 575	3 319	-27%
Expenditure:					
Employees	653	934	863	827	-4%
Repairs and Maintenance	75	335	335	10	-97%
Depreciation	659	550	550	719	31%
Other	–	–	–	–	0%
Total Operational Expenditure	1 387	1 819	1 748	1 556	-11%
Net Operational (Service)	3 661	3 159	2 827	1 763	-38%
Variances are calculated by dividing the difference between the actual and original budget by the actual.					

5.2.2 Waste Water (Sanitation)

Description	2016/17	2017/18			Variance to Budget %
	Actual	Original Budget	Adjustment Budget	Actual	
	R'000				
Total Operational Revenue	4 474	3 873	3 994	2 906	-27%
Expenditure:					
Employees	611	1 029	755	619	-18%
Repairs and Maintenance	181	350	350	40	-89%
Depreciation	769	1 200	1 200	829	-31%
Other	–	–	–	–	#DIV/0!
Total Operational Expenditure	1 561	2 579	2 305	1 488	-35%
Net Operational (Service) Expenditure	2 913	1 294	1 689	1 418	-16%
Variances are calculated by dividing the difference between the actual and original budget by the actual.					

5.2.3 Electricity

Description	2016/17		2017/18		
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	15 976	16 181	15 893	13 441	-15%
Expenditure:					
Employees	–	327	266	176	-34%
Bulk purchases	7 922	8 474	7 900	8 007	1%
Repairs and Maintenance	122	213	238	49	-80%
Depreciation	84	70	70	207	195%
Other	–	–	–	–	0%
Total Operational Expenditure	8 128	9 084	8 474	8 438	0%
Net Operational (Service) Expenditure	7 848	7 097	7 419	5 003	-33%

Variations are calculated by dividing the difference between the actual and original budget by the actual.

Financial Performance: Electricity

5.2.4 Waste Management

Description	2016/17		2017/18		
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	2 693	2 491	2 609	515 ¹	-42%
Expenditure:					
Employees	574	892	802	675	-16%
Repairs and Maintenance	50	170	170	114	-33%
Depreciation	2 777	50	50	272 ²	4445%
Other	1 236	–	–	140 ¹	0%
Total Operational Expenditure	4 636	1 112	1 022	202 ⁴	311%
Net Operational (Service)	(1 943) ⁽¹⁾	1 379	1 587	687 ⁽²⁾	-269%

Variations are calculated by dividing the difference between the actual and original budget by the actual.

5.2.5 Roads and storm water

Description	2016/17		2017/18		
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	2 701	2 437	2 438	1 187	-51%
Expenditure:					
Employees	2 132	2 894	2 447	3 288	34%
Repairs and Maintenance	(16)	519	519	11	-98%
Depreciation	720	450	450	725	61%
Other	–	–	–	–	0%
Total Operational Expenditure	2 835	3 863	3 416	4 023	18%
Net Operational (Service)	(134)	(1 426)	(978)	(2 837)	190%
Variances are calculated by dividing the difference between the actual and original budget by the actual.					

Financial Performance: Roads and storm water

5.2.6 Security and Safety

Description	2016/17		2017/18		
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	12 460	4 450	4 242	6 821	61%
Expenditure:					
Employees	1 232	1 402	1 360	1 374	1%
Repairs and Maintenance	21	78	58	24	-58%
Depreciation	64	–	–	272	0%
Other	–	–	–	–	0%
Total Operational Expenditure	1 316	1 479	1 418	1 670	18%
Net Operational (Service)	11 144	2 971	2 824	5 151	82%
Variances are calculated by dividing the difference between the actual and original budget by the actual.					

Financial Performance: Security and Safety

5.2.7 Sport and Recreation

Description	2016/17	2017/18			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	283	283	321	41	-87%
Expenditure:					
Employees	344	597	666	534	-20%
Repairs and Maintenance	7	114	114	75	-34%
Depreciation	–	–	–	–	0%
Other	–	–	–	–	0%
Total Operational Expenditure	350	711	780	609	-22%
Net Operational (Service)	(68)	(428)	(459)	(569)	24%
Variances are calculated by dividing the difference between the actual and original budget by the actual.					

Financial Performance: Sport and Recreation

5.2.8 Executive and council

Description	2016/17	2017/18			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	3 727	4 180	4 180	17 677	323%
Employees	4 117	4 566	5 066	5 067	0%
Repairs and Maintenance	–	32	12	–	-100%
Depreciation	11	13	13	41	214%
Other	–	–	–	–	0%
Total Operational Expenditure	4 128	4 611	5 091	5 108	0%
Net Operational (Service)	(401)	(431)	(911)	12 569	-1479%
Variances are calculated by dividing the difference between the actual and original budget by the actual.					

Financial Performance: Executive and council

5.2.9 Financial Services

Description	2016/17		2017/18		
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	31 219	32 597	39 443	27 450	-30%
Expenditure:					
Employees	3 677	4 100	3 970	4 852	22%
Repairs and Maintenance	84	35	35	–	-100%
Depreciation	172	200	200	249	24%
Other	515	–	–	546	0%
Total Operational Expenditure	4 448	4 335	4 205	5 647	34%
Net Operational (Service)	26 771	28 263	35 239	21 802	-38%
Variances are calculated by dividing the difference between the actual and original budget by the actual.					

Financial Performance: Financial Services

5.2.10 Planning & Development (IDP)

Description	2016/17		2017/18		
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	300	400	400	–	-100%
Expenditure:					
Employees	103	284	285	293	3%
Repairs and Maintenance	–	4	4	–	-100%
Depreciation	–	–	–	–	0%
Other	15	153	104	50	-51%
Total Operational Expenditure	118	440	393	344	-13%
Net Operational (Service)	182	(40)	7	(344)	-4793%
Variances are calculated by dividing the difference between the actual and original budget by the actual.					

Financial Performance: IDP

5.2.11 Corporate Services

Description	2016/17		2017/18		
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				

Total Operational Revenue	1 181	1 280	1 304	304	-77%
Expenditure:					
Employees	1 869	2 197	2 223	2 344	5%
Repairs and Maintenance	–	20	20	–	-100%
Depreciation	81	50	50	61	22%
Other	2 152	2 519	2 601	2 125	-18%
Total Operational Expenditure	4 101	4 785	4 893	4 530	-7%
Net Operational (Service)	(2 920)	(3 506)	(3 590)	(4 226)	18%
Variances are calculated by dividing the difference between the actual and original budget by the actual.					

5.2.12 ICT

Description	2016/17	2017/18			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	2 154	4 032	2 792	1 808	-35%
Expenditure:					
Employees	2 082	2 613	2 471	2 395	-3%
Repairs and Maintenance	180	99	99	56	-44%
Depreciation	45	230	230	89	-61%
Other	415	1 861	691	415	-40%
Total Operational Expenditure	2 723	4 803	3 490	2 955	-15%
Net Operational (Service)	(569)	(772)	(699)	(1 146)	64%
Variances are calculated by dividing the difference between the actual and original budget by the actual.					

Financial Performance: ICT

5.2.13 Operating Transfers and Grants

Description	2016/17	2017/18			2017/18 Variance	
	Actual	Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
	R'000				%	
Operating Transfers and Grants						
National Government:	27 029	28 580	28 961	28 961		
Equitable Share	16 192	17 652	17 652	17 652	0%	0%
Local Government Financial Management Grant	1 625	1 700	1 700	1 700	0%	0%
Municipal Infrastructure Grant	7 212	7 228	7 609	7 609	5%	0%
EPWP	1 000	1 000	1 000	1 000	0%	0%
Integrated National Electrification Program	1 000	1 000	1 000	1 000	0%	0%
Provincial Government:	16 605	12 848	14 218	30 851		

WC Financial Management Improvement Grant	–	–	1 430	1 100	0%	0%
CDW	75	–	74	74	#DIV/0!	0%
Financial Capacity - Capacity building (Rollover)	–	–	120	120	0%	0%
Financial Capacity - Internship (Rollover)	–	–	60	–	0%	0%
Housing Beneficiaries	14 203	10 739	10 739	24 982	133%	133%
Sport and Recreation	–	557	–	–	0%	0%
Capacity Building	–	–	240	240	0%	0%
Electricity Master Plan	–	–	–	–	0%	0%
Mscosa Grant	220	–	–	330	0%	#DIV/0!
Drought Relief	–	–	–	2 000	0%	0%
Road Maintenance	–	50	50	–	0%	0%
Additional Drought relief for Boreholes	500	–	–	500	0%	#DIV/0!
Internship recruitment	180	–	–	–	0%	#DIV/0!
Library Grant	1 427	1 502	1 505	1 505	0%	0%
District Municipality:	–	–	125	125		
Financial Capacity - MSCOA training	–	–	125	125	#DIV/0!	0
Other grant providers:	–	23	23	23		
Skills Development Fund Levy		23	23	23	0%	0%
EPWP						
Total Operating Transfers and Grants	43 634	41 451	43 327	59 960	45%	38%
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.						

5.3 Grants

5.3.1 Grant Performance

Grant Performance for 2017

5.3.2 Conditional Grants (Excluding MIG)

Details	Budget	Adjustments Budget	Actual	Variance		Major conditions applied by donor
				Budget	Adjustments Budget	
	R'000			%		
Equitable Share	17 652	17 652	17 652	0%	0%	
Local Government Financial Management Grant	1 700	1 700	1 700	0%	0%	
EPWP	1 000	1 000	1 000	0%	0%	
Integrated National Electrification Program	1 000	1 000	1 000	0%	0%	
Sport and Recreation	557	–	–	-100%	#DIV/0!	
Road Maintenance	50	50	–	-100%	-100%	
Financial Capacity - Internship (Rollover)	–	60	–	#DIV/0!	-100%	
CDW	–	74	74	#DIV/0!	0%	
Housing Beneficiaries	10 739	10 739	24 982	133%	133%	
WC Financial Management Improvement Grant	–	1 430	1 100	#DIV/0!	-23%	
Mscosa Grant	–	–	330	#DIV/0!	#DIV/0!	
Drought Relief	–	–	2 000	#DIV/0!	#DIV/0!	
Additional Drought relief for Boreholes	–	–	500	#DIV/0!	#DIV/0!	
Capacity Building	–	240	240	#DIV/0!	0%	
Library Grant	1 502	1 505	1 505	0%	0%	
Financial Capacity - Capacity building (Rollover)	–	120	120	#DIV/0!	0%	
District Municipality:						
Financial Capacity - MSCOA training	–	125	125	#DIV/0!	0%	
Other grant providers:						
Skills Development Fund Levy	23	23	23	0%	0%	
Total	34 223	35 718	52 351			
* This includes any other grant excluding Municipal Infrastructure Grant (MIG) which is dealt with in par 5.3.1. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.						

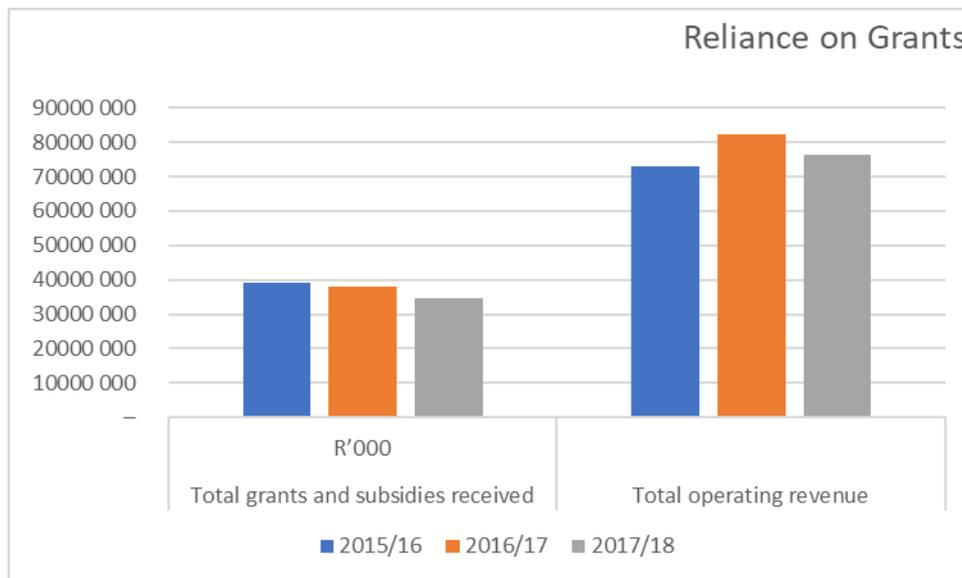
Conditional Grant (excl. MIG)

5.3.3 Level of Reliance on Grants & Subsidies

Financial year	Total grants and subsidies received		Total operating revenue		Percentage
	R'000				%
2015/16	123	39	926	72	53,65%
2016/17	087	38	216	82	46,33%
2017/18	592	34	468	76	45,24%

Reliance on grants

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



5.4 Asset Management

The objectives of the Asset Management within the Prince Albert Municipality are to assist officials in understanding their legal and managerial responsibilities with regard to assets and to ensure the effective and efficient control of the municipality's assets through:

- proper recording of assets from authorisation to acquisition and to subsequent disposal;
- providing for safeguarding procedures;
- setting proper guidelines as to authorised utilization and;
- prescribing for proper maintenance.

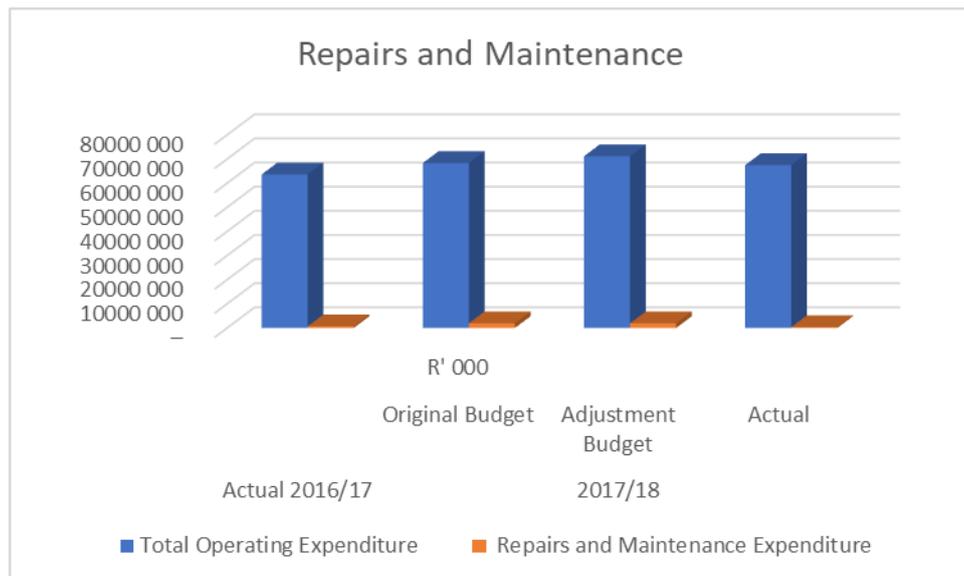
The key elements of the Asset Management Policy represent:

- Statutory and Regulatory Framework / Responsibilities and Accountabilities
- Financial Management / Internal Controls / Management of Control Items
- Management and Operation of Assets / Classification & Components
- Accounting for Assets / Financial Disclosure
- Regular Asset counts are conducted in accordance with the prescriptions of the Asset Management Policy. Information regarding Asset Register updates in respect of disposals, adjustments, review of useful life etc. is based on submissions by user departments in accordance with the procedures in place.

5.4.1 Repairs and Maintenance

Description	Actual 2016/17	2017/18			
		Original Budget	Adjustment Budget	Actual	Budget variance
		R' 000			%
Total Operating Expenditure	63 621	68 351	71 161	67 487	-5%
Repairs and Maintenance Expenditure	703	1 969	1 954	379	-81%
% of total OPEX	1,11%	2,88%	2,75%	0,56%	

Repairs & maintenance as % of total Operating Expenditure. The following graph indicates the percentage of the budget that was spent on Repairs & Maintenance in relation to the operational expenditure



Repairs & Maintenance v/s Operational Expenditure

5.5 Financial Ratios Based on Key Performance Indicators

5.5.1 Liquidity Ratio

Description	Basis of calculation	2015/16	2016/17	2017/18
		Audited outcome	Audited outcome	Audited Outcome
Current Ratio	Current assets/current liabilities	1,72	2,71	4,4
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	1,07	2,39	5,4
Liquidity Ratio	Monetary Assets/Current Liabilities	1,43	2,2	3,2

Liquidity Financial Ratio

5.5.2 IDP Regulation Financial Viability Indicators

Description	Basis of calculation	2015/16	2016/17	2017/18
		Audited outcome	Audited outcome	Audited outcome
Cost Coverage	(Available cash + Investments – Unspent Grants)/monthly fixed operational expenditure	3,85	4,84	4,44
Total Outstanding Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	0,10	0,08	0,08
Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year	51,09	5,51	14,46

Financial Viability National KPAs

5.5.3 Employee costs

Description	Basis of calculation	2015/16	2016/17	2017/18
		Audited outcome	Audited outcome	Audited outcome
Employee costs	Employee costs/(Total Expenditure)	26%	23%	29%

Employee Costs

COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

5.6 Sources of Finance

The table below indicates the capital expenditure by funding source for the 2016/17 financial year:

Details	2016/17	2017/18				
	Actual	Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance	Actual to OB Variance
Capital Expenditure: Funding Sources						
Description	R'000				%	
External loans	–	–	–	–	0%	0%
Public contributions and donations	–	–	–	–	0%	0%
Grants and subsidies	14 690	8 609	9 669	10 564	23%	9%
Own funding	527	300	7 155	257	-14%	-96%
Other	–	–	–	–	0%	0%
Total	15 217	8 909	16 824	10 821	21%	-36%
Capital expenditure						
Description	R'000				%	
Water and sanitation	4 786	1 500	6 494	4 236	182%	-35%
Electricity	1 213	1 000	4 550	3 042	204%	-33%
Waste Management	–	588	588	441	-25%	-25%
Roads and storm water	–	4 648	3 396	1 756	-62%	-48%
Sport and recreation	–	492	630	–	-100%	-100%
Governance and administration	–	300	1 570	518	73%	-67%
Other	7 065	–	155	849	#DIV/0!	448%
Total	13 333	8 528	17 383	10 841	27%	-38%
Percentage of expenditure						
Water and sanitation	31%	17%	39%	39%		
Electricity	8%	11%	27%	28%		
Roads and storm water	2%	52%	20%	16%		
Other	46%	0%	1%	8%		

Capital Expenditure by funding source

5.7 Capital Spending on 5 Largest Projects

Projects with the highest capital expenditure in 2017/18

Name of Project	2017/18				
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance	Adjustment variance
	R'000			%	
Roads Infrastructure	2 396	2 396	1 756	0,00%	-26,72%
Water Reservoir	1 500	3 994	4 236	0,00%	6,05%
Electricity	–	3 500	3 042	0,00%	-13,10%

Capital Expenditure by Source

Details	2016/17	2017/18				
	Actual	Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance	Actual to OB Variance
Capital Expenditure: Funding Sources						
Description	R'000			%		
External loans	–	–	–	–	0%	0%
Public contributions and donations	–	–	–	–	0%	0%
Grants and subsidies	14 690	8 609	9 669	10 564	23%	9%
Own funding	527	300	7 155	257	-14%	-96%
Other	–	–	–	–	0%	0%
Total	15 217	8 909	16 824	10 821	21%	-36%
Capital expenditure						
Description	R'000			%		
Water and sanitation	4 786	1 500	6 494	4 236	182%	-35%
Electricity	1 213	1 000	4 550	3 042	204%	-33%
Waste Management	–	588	588	441	-25%	-25%
Roads and storm water	269	4 648	3 396	1 756	-62%	-48%
Sport and recreation	–	492	630	–	-100%	-100%
Governance and administration	–	300	1 570	518	73%	-67%
Other	7 065	–	155	849	#DIV/0!	448%
Total	13 333	8 528	17 383	10 841	27%	-38%
Percentage of expenditure						
Water and sanitation	31%	17%	39%	39%		
Electricity	8%	11%	27%	28%		
Roads and storm water	2%	52%	20%	16%		
Other	46%	0%	1%	8%		

5.8 Basic Service and Infrastructure Backlogs – Overview

5.8.1 Service Backlogs

Households (HHs)				
Description	Service level above minimum standard		Service level below minimum standard	
	No. HHs	% HHs	No. HHs	% HHs
Water	2 244	100	0	0
Sanitation	2 116	100	0	0
Electricity	2 292	100	0	0
Waste management	2 198	100	0	0

Service Backlogs

5.8.2 Municipal Infrastructure Grant (MIG)

This grant is intended to provide specific capital finance for basic municipal infrastructure backlogs for poor households, micro enterprises and social institutions servicing poor communities.

Municipal Infrastructure Grant (MIG)* Expenditure 2017/18 on Service backlogs					
Details	Budget	Adjustment Budget	Actual	Variance	
				Budget	Adjustments Budget
	R'000			%	%
Lightning Sportsfield	250	–		- 100,00%	#DIV/0!
Roads Infrastructure	2 396	2 396	2 396	0,00%	0,00%
Side Walks Klaarstroom	250	250	250	0,00%	0,00%
Side Walks Leeu Gamka	200	–		- 100,00%	#DIV/0!
Side Walks Prince Albert	424	–		- 100,00%	#DIV/0!
Water Reservoir	1 500	3 994	3 994	166,28%	0,00%
Storm Water	242	–		- 100,00%	#DIV/0!
Upgrade Storm Water	600	–		- 100,00%	#DIV/0!
Upgrade Storm Water	779	–		- 100,00%	#DIV/0!
Rehability of Landfill Site	588	588	588	0,00%	0,00%
Total	7 229	7 229	7 229		

* MIG is a government grant program designed to fund a reduction in service backlogs, mainly: Water; Sanitation; Roads; Electricity. Expenditure on new, upgraded and renewed infrastructure. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.

Component C: Cash Flow Management and Investments

Cash flow management is critical to the municipality as it enables the organisation to assess whether enough cash is available at any point in time to cover the council's commitments. Cash flow is rigorously managed and monitored on a regular basis.

5.9 Cash Flow

Description	2016/17	2017/18		
	Audited Outcome	Original Budget	Adjustment Budget	Actual
R'000				
Cash flow from operating activities				
Receipts				
Ratepayers and other	20 338	31 166	33 391	20 623
Government - operating	23 427	35 646	34 694	23 751
Government - capital	14 690	-	-	10 609
Interest	2 793	1 840	2 910	3 162
Dividends				
Payments				
Suppliers and employees	(43 459)	(65 617)	(68 492)	(48 132)
Finance charges	(1 294)	(85)	(55)	(1 158)
Transfers and Subsidies	(115)	(2 650)	-	(380)
Net cash from/(used) operating activities	16 379	300	2 448	8 475
Cash flows from investing activities				
Purchase of Property, Plant and Equipment	(15 773)			(10 841)
Disposal of Fixed Assets	-			449
Purchase of Intangible Assets	(23)			(21)
Net cash from/(used) investing activities	(15 795)	-	-	(10 413)

Cash flows from financing activities				
Loans repaid	(70)			(69)
New loans raised	132			-
Increase in Consumer Deposits	18			10
Net cash from/(used) financing activities	79	-	-	(59)
Net increase/ (decrease) in cash held	663	300	2 448	(1 997)
Cash/cash equivalents at the year begin:	26 748	28 259	27 952	27 412
Cash/cash equivalents at the year-end:	27 412	28 559	30 400	25 414

5.10 Gross Outstanding Debtors per Service

Financial year	Rates	Trading services	Economic services	Other	Total
		(Electricity and Water)	(Sanitation and Refuse)		
(R'000)					
2016/17	892	3 337	1 692	188	6 109
2017/18	1 142	4 922	3 169	446	9 678
Difference	250	1 584	1 477	258	3 569
% movement year on year	21,88%	32,19%	46,60%	57,88%	

Gross outstanding debtors per service

5.11 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)				
2015/16	901	598	585	12 192	14 276
2016/17	859	630	466	3 262	5 217
2017/18	999	682	508	7 489	9 678
Difference	140	52	42	4 227	4 461
% growth year on year	14%	8%	8%	56%	46%
Note: Figures exclude provision for bad debt					

Service debtor age analysis

5.12 Borrowing and Investments

Infrastructure needs to be replaced and therefore borrowings for periods of 15 years are taken up to lessen the impact on consumers.

5.12.1 Actual Borrowings

Instrument	2015/16	2016/17	2017/18
	R'000		
Financial Leases	74	135	66
Other Securities	-	-	-
Total	74	135	66

5.12.2 Municipal Investments

Investment type	2015/16	2016/17	2017/18
	Actual	Actual	Actual
	R'000	R'000	R'000
Deposits - Bank	26 748	27 412	25 414
Other			
Total	26 748	27 412	25 414

Municipal Investments

Component D: Other Financial Matters

5.13 GRAP Compliance

GRAP and GAMAP are accounting practices that Municipalities need to abide by. The Public Finance Management Act, 1999 and the MFMA prescribes the standards of Generally Accepted Municipal Accounting Practice (GAMAP).

The Accounting Standards Board (Board) is required in terms of the Public Finance Management Act (PFMA) and the MFMA to determine generally recognised accounting practice referred to as Standards of Generally Recognised Accounting Practice (**GRAP**). The Board must determine **GRAP** for:

- departments (national and provincial);

- public entities;
- constitutional institutions;
- IT
- municipalities and boards, commissions, companies, corporations, funds or other entities under the ownership control of a municipality; and
- Parliament and the provincial legislatures.

The Board considers that the Standards of GAMAP constitute GRAP for municipalities. GAMAP is an interim solution until such time as it is replaced by a Standard. IMQS understands that the minimum compliance requirement at this point in time is a GIS enabled GRAP compliant Asset Register.

The municipality is 100% GRAP compliant since 2008/09.

Chapter 6

6.1 Auditor General Report

The public sector auditor assesses the stewardship of public funds, implementation of government policies and compliance with key legislation in objective manner.

The scope of the annual audit performed for each auditee is prescribed in the Public Audit Act and the general notice issued in terms thereof. It includes the following:

- Providing assurance that the financial statements are free from misstatements that will affect the users of the financial statements
- Reporting on the usefulness and reliability of the information in the annual performance report
- Reporting on material non-compliance with key legislation
- Identifying the key internal control deficiencies that should be addressed to achieve an unqualified audit with no findings

Performance audits may also be performed to determine whether resources have been procured economically and are used effectively and efficiently.

The Auditor General stated that the Annual Financial Statements for 2017/18 were represented fairly, in all material respects, the financial performance and cash flows for the year ended in accordance with the South African Standards of GRAP and the requirements of the MFMA and DORA. An unqualified audit opinion with matters but no findings has been expressed. The Auditor General indicated that the financial statements of the Municipality were fairly represented in all material aspects as it reflects the financial position of the Prince Albert Municipality as at 30 June 2018 and its financial performance and cash flows for the year then ended, in accordance with the SA Standards of GRAP and the requirements of the MFMA and DORA.

The following matters have been emphasised:

- No material findings were raised on the usefulness and reliability of the reported performance information for the selected objectives, however material misstatements in the annual performance report submitted for auditing were identified, but corrected by management and thus no material findings on the usefulness and reliability of the reported performance information were found.
- The financial statements present fairly, in all material respects, the financial position of the Prince Albert Municipality as at 30 June 2018, and its financial performance and cash flows for the year then ended in accordance with South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2015 (Act No. 1 of 2015) (DoRA).

- As disclosed in note 44 and 45 to the financial statements, the corresponding figures for 30 June 2017 have been restated as a result of the reclassification due to the implementation of mSCOA and errors discovered during 2017-18, in the financial statements of the Prince Albert Municipality at, and for the year ended, 30 June 2018.
- The full report is available as an annexure C to the Annual Report.

6.2 **REPORT FROM AUDIT COMMITTEE CHAIRPERSON**

Attached as Annexure D is the report from the Audit Committee Chairperson on the reporting year.