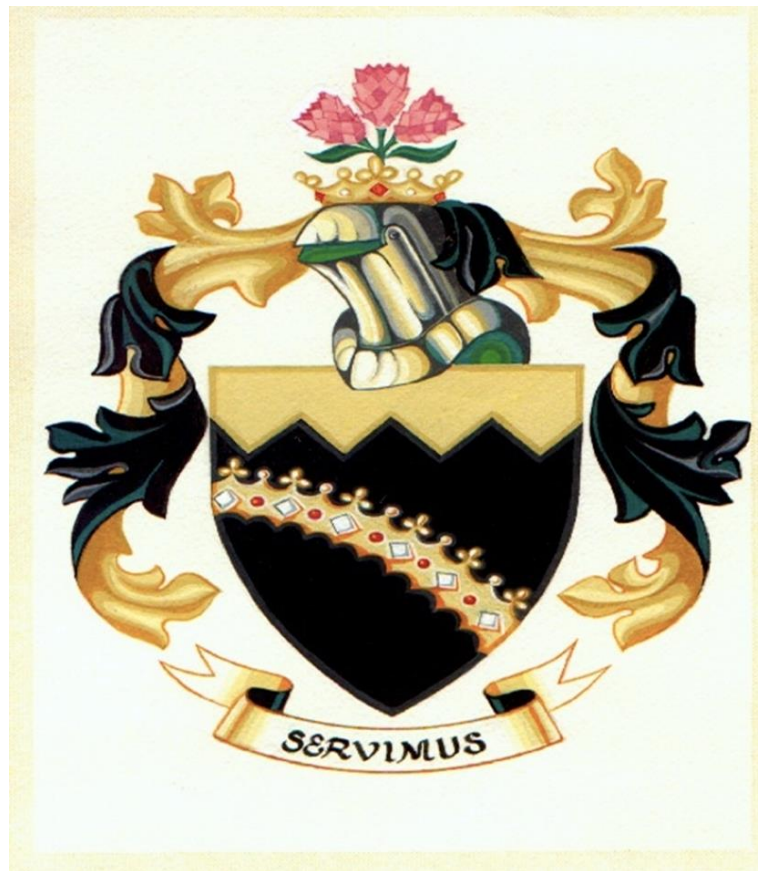


DRAFT ANNUAL REPORT
PRINCE ALBERT MUNICIPALITY
2016/17



DECEMBER 2017

TABLE OF CONTENTS

1. Chapter 1: Mayor's Foreword and Executive Summary	3
2. Chapter 2: Good Governance	13
3. Performance Management	36
4. Chapter 4	117
5. Chapter 5	153

ANNEXURES

6. Annexure : PAMUN IDP Budget Table 2016 (p 12)	
7. Annexure: Prince Albert GRAP Annual Financial Statements	
8. Annexure: Audit Report	
9. Annexure: Corrective Audit Plan	

Chapter 1 MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

COMPONENT A: MAYOR'S FOREWORD



EXECUTIVE MAYOR: GOLIATH LOTTERING

The 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. We are very proud that we have obtained a clean audit for the 2016/17 financial year. We just missed it during the 2015/16 financial year, but with a concerted effort we now have obtained this, as to yet, elusive recognition for our hard work. Some heartfelt thanks go to the Municipal Manager, Chief Financial Officer, all staff as well as Council. You have really done our community proud under difficult circumstances. Thank you for honouring the trust we placed in you!

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.

The Municipality are harnessing 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 partnered with the University of Stellenbosch to map and identify current and future partnerships that can be enhanced to improve the living conditions and future of the community. The report resulting from this partnership were tabled to Council in August 2017, but this has already galvanised the community to take initiative and start their own projects such as a soup kitchen in Leeu Gamka.

The Municipality continued their efforts to establish a long-distance learning centre in Prince Albert and will continue talks with the University of Stellenbosch in this respect. An

agreement was reached with UNISA to provide easier access to study material at the local library. Prince Albert Municipality did significant work in improving the quality of our neighbourhoods. The holiday programs initiated in the parks and recreational facilities not only provide positive outlets for excess energy, but is an opportunity to build relations with the community and combat crime.

Local economic development was supported by job creation, skills enhancement programs, and the requirement that local unemployed people must be used by contractors. The Municipality is also a partner in the establishment of Agri Parks within the Central Karoo. The Municipality envisions an apricot plantation and dried fruit facility in Prince Albert. A private investor and the Department of Rural Development are partnering in this initiative.

Without money we cannot fulfil our constitutional mandate regarding service delivery and governance. Though the debt collection ratio for the Municipality were at 80%, the debt collection ratio for Klaarstroom and Leeu Gamka remains significantly lower than in Prince Albert. To address this unfortunate situation, debt collection initiatives and partnerships continued with the Mayor and Councillors more actively involved in debt collection campaigns. Several initiatives to support the poor by writing off debt on a Rand to Rand basis were launched and the Municipality will continue to focus on effective debt collection and support to the poorest of the poor. 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 Municipality identified several shortcomings such as ineffective sector engagements and the lack of sector feedback meetings as challenges to be addressed in the current and future financial years. This led to the ward committee policy being reviewed and changed to block-based ward representation. The newly elected ward committees seem to be functioning effectively, but has since its establishment been reviewed thrice to ensure the effectivity thereof. Two capacitating workshops were also held with ward committee members to ensure that they are informed about Council processes and initiatives. Monitoring of ward committees have also improved significantly.

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 and we are proud to once again have obtained an unqualified audit. Our endeavours in obtaining a clean audit will continue, but the emphasis will always remain on accountable service delivery first.

Our humble appeal to residents and other stakeholders are 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. We will redouble our efforts to ensure efficiency of expenditure and enhance transparency.

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 28 February 2018. 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 Municipality's performance is commended in that it obtained a clean audit for the reporting year, following the previous year's unqualified audit. Much improvement has been made towards obtaining a clean audit previously out of reach because of deviations in respect of procurement. Due to geographical location it is extremely difficult for a rural municipality such as Prince Albert to always procure three quotations resulting in a high number of deviations. Obtaining a clean audit under these circumstances and with the limited capacity we have, is something to be very proud of. This is a testament to the fact that Prince Albert is indeed the leading municipality in the Central Karoo.

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.

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. Though the financial position seems to have improved some with the grant assistance and capacity programs run by the Department of Provincial Treasury and the Department of Local Government, the Municipality faces serious concern regarding the increase in outstanding debtors. Several initiatives were launched to collect outstanding debtors, but reflected only limited success. Poor debt payment remains a risk, but the debt collection initiatives that commenced in the reporting year, combined with an initiative to write off debt for the poorest of the poor, illustrates not only the municipality's commitment towards realistic financial management, but also Council's commitment to alleviating the distress of the poor. Debt collection remained a priority and staff was appointed to undertake debt collection within the lower-payment communities of Klaarstroom and Leeu Gamka. Unfortunately, despite Council's best efforts, this initiative did not yield the expected increase in payment ratios.

For the first time in years income from traffic violations reached their expected budgetary targets, even with the limited human resource capacity available

The half Olympic size swimming pool in Prince Albert was completed as well as the upgrade of the waste water treatment works in Prince Albert and due to strict budgetary control and project management the latter was completed under budget.

Site preparation for the new housing project in Prince Albert commenced in July 2016. All services for the housing project have been completed and is ready for progression to the top structures, once funding is available in the 2017/18 financial year.

Prince Albert municipal area was declared a provincial drought disaster area at the beginning of 2016. This drought disaster status is still applicable at present. The Department of Local Government: Disaster Management provided funding to alleviate the pressure on the water resources. Funding was used to establish additional boreholes in Klaarstroom, Leeu Gamka and Prince Albert. The Department of Agriculture continued their support to the farmers in the area with feed for livestock.

The municipal area also faced two significant veld fires during the reporting year. One in the Meiringspoort area, resulting in the closing of the Pass and one at the entrance of Prince Albert, where all the municipal boreholes are situated. These fires took takes to bring under control and highlighted the Municipality's vulnerability in disaster situations. The fire at Prince Albert's entrance was followed a month later by a flash flood that destroyed the municipal boreholes, the Swartberg Pass and damaged the newly built 872 ML storage reservoir. The Municipality operated on a boil alert for potable water for nearly three months afterwards and received assistance from the Department of Local Government: Disaster Management, the Provincial Roads Department and the Kweekvallei Water Board to alleviate the situation. At present, all but one borehole, the main borehole feeding town, has been repaired. The Municipality remain on Level 1 water restrictions.

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. Maintenance plans will be drafted to address these issues and the need for pro-active maintenance and sufficient funding has been emphasised to the newly elected Council, resulting in greater budgetary awareness on asset 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. While supervision remains a challenge, great success with the Community Works Programme were again experienced in Klaarstroom, with much improvement in Leeu Gamka.

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 year.

Prince Albert Municipality has the same legal compliance burden than bigger municipalities. The Municipality commends the Provincial and National Departments of Treasury in their support to improve the financial management capacity of the Municipality. The financial statements were drafted in house with consultant support. The Annual Performance Report for the reporting year shows that we have indeed succeeded in meeting our constitutional and legislative requirements and I am confident that we will continue to do so in future.

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 continued support during the reporting year. We present the draft Annual Report for the financial year 1 July 2016 to 30 June 2017 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 2016/17 Annual Report reflects on the performance of the Prince Albert Municipality for the period 1 July 2016 to 30 June 2017.

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 Prince Albert South and a portion of North End surrounding the Sydwell Williams Centre. Ward three includes the portion of Prince Albert North End surrounding the Pentecostal Protestant Church, while ward 4 includes the area of Rondsokrik in Prince Albert as well as Klaarstroom and the farming areas surrounding Seekoegat, Oukloof Dam and Drie Riviere.

According to the 2011 Census, Prince Albert Local Municipality has a total population of 13 136 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*	% growth
10 512	12 106	13 136	13 428	13 728	14 034	14 346	14 673	15 000	2

Source: Stats SA Census, 2011 * Guestimate based on growth rate determined in 2011 census

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.

Age	2011/12*		
	Male	Female	Total
Age: 0-9	1253	1355	2608
Age: 10-14	653	625	1278
Age: 15-19	597	544	1141
Age: 20-24	573	558	1131
Age: 25-39	1380	1370	2750
Age: 40- 54	1217	1224	2441
Age: 55-69	604	652	1256
Age: 70-84	199	277	476
Age: 85+	20	30	55

Table 2: Population profile

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
Number of households in municipal area	2 234	2411	2511	2536	2554
Number of indigent households in municipal area	783	646	687	951	872

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 2011 Census SA.

Financial year	Housing Backlog	Unemployment Rate	People older than 14 years illiterate	HIV/AIDS Prevalence	Urban/rural household split
2011/12	35.2%	6.8%	41%	2.1%	804

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	Planting of grass at Klaarstroom sports grounds
Improve Waste Water Treatment Plant	Inlet system upgraded
Upgrade of road network in North End	North End Roads rebuild and pothole repair
Electricity master plan	Master plan drafted
Increased capacity in terms of electricity	Electrician appointed

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	Water process controllers appointed and in training at present
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	Master plan developed – maintenance 0as per available budget
All	Improve vehicle fleet	Fleet management principles established; purchase vehicles through CRR
All	Attracting and retention of qualified staff	Restructuring of organogram, restructuring of remuneration packages as part of retention strategy

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	2012/13 (%)	2013/14 (%)	2014/15 (%)	2015/16 (%)	2016/17 (%)
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	100%	88.8%	88.8%	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
Unqualified audit report	Unqualified audit report
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
Debt collection – especially in Escom 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 soft ware system	Change from Abakus to VISTA one month before end of financial year

Table 8.: Financial Viability Challenges

1.5.4 Financial Overview

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

Details	Original budget	Adjustment Budget	Actual
	R'000		

Details	Original budget	Adjustment Budget	Actual
	R'000		
Income			
Grants	39,893	51,523	47,868
Taxes, Levies and tariffs	22,907	22,613	23,805
Other	10,494	13,590	21,968
Sub Total	73,294	87,726	93,641
Less Expenditure	54,498	57,481	75,342
Net surplus/(deficit)	18,796	30,245	18,814

Table 9.: Financial Overview

1.5.5 Total Capital Expenditure

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

Detail	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
	R'000					
Original Budget	53 443	7741	17919	15 358	10,293	18,793
Adjustment Budget	53 443	7741	24019	33 922	36,389	30,243
Actual	82 363	8356	20405	12 713	15,296	
% Spent	154	108	85	37%	42%	78.8%

Table 10.: 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
Electrician was appointed	Appointment since May 2017
Snr Accountant vacancy filled	Snr Accountant appointed in April 2017 to compile financial statements internally

Highlights	Description
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, Extended medical aid policy, overtime policy, Appointment policy
Organisational review	Organisational review undertaken
Job descriptions compiled	1 st phase of Job descriptions compiled
Vacancy rate reduced	Vacancy rate reduced from 39% to 25.77%

Table 11.: **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	25% vacancy rate in organisation – no funding to fill vacancies
Limited skills base	Skills funding limited
Challenges attracting and retaining staff	Remuneration packages to low and geographical location hampering attraction and retention of staff
Performance management	Capacity constraints hampering implementing performance management to lowest level

Table 12.: **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
Opinion received	Qualified	Unqualified	Unqualified	Unqualified	Unqualified	

Table 13.: **Audit Outcomes**

1.8 2015/16 IDP/Budget Process

The Process Plan is indicated in Addendum A for the 2015/16 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 2016/17 financial year:

KPA & Indicators	Municipal Achievement	Municipal Achievement	Municipal Achievement	Municipal Achievement	Municipal Achievement
	2012/13	2013/14	2014/15	2015/16	2016/17
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 developme	100	85	37	42	78.8%

KPA & Indicators	Municipal Achievement	Municipal Achievement	Municipal Achievement	Municipal Achievement	Municipal Achievement
	2012/13	2013/14	2014/15	2015/16	2016/17
nt plan					

Table 14.: 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 2016/17 financial year:

Highlight	Description
Ward committees' establishment	Ward committees established
Ward committee training	Ward committees trained twice in financial year
Ward committee policy review	Policy reviewed to consider practical applications
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
Train the trainer training for ward committee establishment	Three staff members trained for training for ward committees
Engagements to establish Radio Gamkaland satellite station in Prince Albert	Memorandum of Understanding concluded – station in operation since 2016/17 financial year with four weekly radio slots by Municipality

Table 15.: 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 2016/17 financial year:

Description	Actions to address
Quality of feedback to ward committees poor	Management Report to ward councillors before meetings
Ward committee support to be strengthened	Ward committee support officials appointed in 2017/18
Limited communication tools for area	Use combination of communication tools – utilise Radio Gamkaland. Four hourly time slots per week
Quarterly feedback in wards	Ward feedback meetings scheduled under chairmanship of mayor

Table 16.: Good Governance and Public Participation Performance Challenges

a) **Council**

Below is a table that categorizes the councilors within their specific political parties and wards for the 2016/17 financial year:

Name of councilor	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	Councilor Representative to District Municipality	KGP	Ward Councillor: ward 4
Cllr E Maans	Councilor	ANC	Ward Councillor: Ward 1
Cllr S Piedt	Councilor	ANC	PR Councillor
Cllr L J Botha	Councilor Resigned in April 2017	DA	PR Councillor
Cllr M Steyn	Member since 12 June 2017	DA	PR Councillor replacing L J Botha

Table 17.: Council per political affiliation

Below is a table which indicates the Council meetings attendance for the 2016/17 financial year:

Meeting dates	Type of Council meeting	Council Meetings Attendance	Apologies for non-attendance
19/07/2016	Special	100%	0%
16/08/2016	Special Council meeting to elect new council	100%	0%
24/08/2016	Special	100%	0%
30/08/2016	Special	100%	0%
29/09/2016	General	100%	0%
17/10/2017	Special	100%	0%
06/12/2016	General	100%	0%
15/12/2016	Special	99%	1%
24/01/2017	Special	100%	0%
02/03/2017	General	100%	0%
23/03/2017	Special	99%	1%
30/03/2017	Special	99%	1%
18/04/2017	Special	99%	1%
04/05/2017	General	99%	1%
30/05/2017	Special	100%	0%
12/06/2017	Special	100%	0%
29/06/2017	General	100	0%
<i>Numbers between brackets indicate non-attendance without apology</i>			

Table 18.: Council meetings

b) Executive Mayoral Committee

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

b) 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	14/09/2016 14/11/2016 15/02/2017 19/04/2017 13/06/2017
Cllr M Jaftha	Member	
Cllr S Botes	Member	
Cllr L J Botha Cllr M Steyn	Member Member since 12 June 2017	
Cllr L K Jaquet	Member	
Cllr E Maans	Member	
Cllr S Piedt	Member	

Table 19.: 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	13/09/2016 08/11/2016
Cllr G Lottering	Member	13/02/2017

Name of member	Capacity	Meeting dates
Cllr S Botes	Member	19/04/2017 12/06/2017
Cllr L J Botha Cllr M Steyn	Member Member since 12 June 2017	
Cllr L K Jaquet	Member	
Cllr E Maans	Member	
Cllr S Piedt	Member	

Table 20.: 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 L Botha (until April 2017, when cllr S Botes acted as interim chairperson till the appointment of a new councillor to replace Cllr L Botha) 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 councilors in the civil services committee meetings.

Name of member	Capacity	Meeting dates
Cllr L J Botha M Steyn	Chairperson Member since 12 June 2017	14/09/2016 08/11/2016 13/02/2017
Cllr M D Jafftha	Member	18/04/2017
Cllr S Botes	Member	13/06/2017
Cllr G Lottering	Member	
Cllr E Maans	Member	
Cllr S Piedt	Member	
Cllr L Jacquet	Member	

Table 21.: 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	
Cllr M D Jaftha Cllr M Steyn	Member Member since 12 June 2017	13/09/2016 14/11/2016 14/02/2017
Cllr L J Botha	Member	18/04/2017
Cllr G Lottering	Member	12/06/2017
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. It must be noted that the Manager: Infrastructure Services left the employment of Prince Albert Municipality at the end of February 2016. The position was advertised twice. The position was offered to an applicant, but declined due to low remuneration and the contractual nature of the position. The organogram was reviewed and the position was re-advertised to be filled in September 2017. The Community Liaison Officer, who has technical experience, was moved to Prince Albert in the PMU position to assist with the day to day oversight and coordination of the Technical Department, while the Municipal Manager took over the management of the Technical Department. 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

Name of Official	Department	Performance agreement signed
		(Yes/No)
Jannie Neethling	Chief Financial Officer	Yes
Anneleen Vorster	Manager: Corporate and Community Services	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 is 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
- ∞ 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	Continuou s	Not applicable	One
Bulk distribution e-mail	Continuou s	Not applicable	Two

CWP acknowledgement	25 October 2017	All	Three
Ward committee summit	28 February 2017	Four	Two
Ward committee summit	8 April 2017	All	Four
Community meeting: Leeu Gamka	11 May 2017	All	Four
Title Deed Restoration Project	11 May 2017	Two	Two
Leeu Gamka Emerging Farmers	11 May 2017	Two	Two
Indigent registration	8,12-15, 19-20 June 2017	All	Two
House Shop and Noise Pollution	27 June 2017	Two	Two
Water restrictions	Continuous	All	Three
Emergency relief after flash flood	10 April 2017	All	Three
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	28 February 2017 14 March 2017 8 April 2017 7 April 2017
J Moloji	Block representative: 2	
G Booysen	Block representative: 3	
J Adolf replaced by R Lottering	Block representative: 4	
D Steenkamp	Block representative: 5	
P de Klerk	Block representative: 6	
M Oliphant	Block representative: 7	
B Paulsen	Block representative: 8	
B Rossouw	Block representative: 9	
L Murray	Farm representative	
N Baadjies	Block representative: 1	

Table 24: Ward 1 Committee Meetings

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

Name of representative	Capacity representing	Dates of meetings
Cllr L K Jaquet	Ward Councillor	14 November 2017 28 February 2017 14 March 2017 8 April 2017 18 May 2017
A Goosen	Block representative	
A Pienaar	Block representative	
A Wildschut – J Plaatjies replaced as secondi	Block representative	
M Steyn	Business representative	

Name of representative	Capacity representing	Dates of meetings
Stephan Schoeman	Farm representative	
Ellen Joubert	Tourism representative	
Rai Verran	Heritage representative	

Table 25: Ward 2 Committee Meetings

c) **Ward 3: Prince Albert**

Name of representative	Capacity representing	Dates of meetings
Cllr G Lottering	Ward Councillor	29 October 2016 23 January 2017 28 February 2017 15 March 2017 8 April 2017
Emmerential Manewil	Block representative 9	
Jo Anne Blou	Block representative 2	
Beaudine Tock	Block representative 8	
Jacobus Cupido	Block representative 1	
Reagan Kammies	Block representative	
Enid Muriel Griebelaar	Block representative 6	
Lorencia Hesqua	Block representative 3	
Shorida Lezaan Windvogel	Block representative 5	
Fransina Januarie	Block representative 10	

Table 26: Ward 3 Committee Meetings

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

Name Of Representative	Capacity Representing	Dates of meetings
Cllr M D Jafftha	Ward Councillor	29 October 2016 14 November 2016 23 January 2017 6 February 2017 28 February 2017
W Jansen (resigned)	Block representative	
G Abrahams	Block representative	
JJ Windvogel (snr)	Block representative	
Y van Wyk	Block representative	
J du Toit	Block representative	
K Koonthea	Block representative	
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 councilor 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 councilor serves on the ward committee and act as the chairperson. Although ward committees have no formal powers, they advise the ward councilor 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. A public participation process commenced and the community decided on a 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. 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 table below provides information on the establishment of ward committees and their functionality:

Ward Number	Committee established Yes / No	Number of reports submitted to the Speakers Office	Number meetings held during the year	Number of quarterly meetings held during year	Committee functioning effectively (Yes / No)
1	Yes	10	4	3	Yes
2	Yes	10	5	3	Yes
3	Yes	10	5	3	Yes
4	Yes	10	5	3	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 2016/17 financial year:

Name of representative	Capacity	Meeting dates
C G Baadjies up to 13/10/16 then replaced by Cllr S Botes	Chairperson: Imatu member	13/10/2016
C G Baadjies	Imatu	14/11/2016
A Waterboer	SAMWU	16/02/2017
M D Jaftha	Councillor	<u>Sub committee</u> 02/05/2015
H Mettler	Employer	03/05/2017
D Mooneys	Employer	14/06/2017

Table 29: Labour Forum

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. P Theron	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 2016/17 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.
- Poor record keeping – implementation of electronic record system
- Loss of key data – Off site backup facility needed
- 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 2017
Risk Management Policy	Yes	Reviewed in June 2017
Risk Management Strategy and	Yes	Reviewed in June 2017

Name of strategy	Developed Yes/No	Date Adopted/Reviewed
Implementation Plan		

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	23/08/2016 29/11/2016 24/02/2017 26/05/2017
S Delpont	Member	
M van Wyk	Member	
P Theron	Member	
A Badenhorst	Internal Auditor	

Table 32: Members of the Audit Committee

2.9 Internal Auditing

2.9.1 Annual Audit Plan

The Risk Based Audit Plan for 2016/17 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		40	August 2016 – May 2017	
Phase 2				
Compiling Risk Based Audit Plan		24	February 2017	
Phase 3				
Audit Engagement	Departmental System	Detail	No of Hours	Time Frame
Performance management	All departments	4 x Quarterly internal audit reviews as required by MSA	400	Quarterly
Grants verification of spending	Finance department	Grant allocations verification of	124	May/June 2017

Description			No of Hours	Date completed
		spending/adherence to DORA requirements		
Housing	Community Services	Administration of the Waiting List	120	November & December 2016
Administration	Corporate Services	Council Resolutions, Registration and Archive System	64	November & December 2016
HR	Corporate Services	Recruitment and Appointments	80	August & September 2016
mSCOA Review	Finance department	mSCOA readiness assessment	40	May 2017
Traffic	Community Services	Law Enforcement, Learners and Drivers Licensing	200	October & November 2017
Laws & Regulations	All Departments	Compliance	Ongoing	Incorporated in areas above
Continuous Auditing/Consulting				Ongoing – monthly basis
Junior Internal Audit Assistance				Ongoing – daily basis
Training CPD				Ongoing
Total Hours			1092	

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 2016/17 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

Function
Traffic
Administration
Housing

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 Investment policy	30 May 2017	Yes
Long Term Financial Planning policy	30 May 2017	Yes
Budget Policy	30 May 2017	Yes
Funding and Reserves Policy	30 May 2017	Yes
Credit Control policy	30 May 2017	Yes
Asset Management policy	30 May 2017	Yes
Travel and Subsistence policy	30 May 2017	Yes
Tariff Policy	30 May 2017	Yes
Supply Chain Management Policy	30 May 2017	Yes
Recruitment and Selection Policy	30 May 2017	Yes
Rates Policy	30 May 2017	Yes
Overtime Policy	29 June 2017	No -LLF

Policies developed/ revised	Date adopted	Public Participation Conducted Prior to adoption of policy Yes/No
Indigent Policy	30 May 2017	Yes
Capital Contribution Policy	30 May 2017	Yes
Borrowings Policy	30 May 2017	Yes
Staff provisioning	29 June 2017	No-LLF
Employment Equity Policy	29 June 2017	No-LLF
Extended medical aid contributions policy	29 June 2017	No-LLF
Travel and subsistence policy	30 May 2017	No LLF
Ward Committee Policy	23 March 2017	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 faced currently is 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 will step up their communication strategy by appointing a staff member to provide impetus to the strategy as capacity constraints are currently hampering a dedicated effort.

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

Communication activities	Yes/No
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 2016/17	No
All supply chain management contracts above the prescribed value for 2016/17	No
Performance agreements required in terms of section 57 (1) (b) of the Municipal Systems Act for 2016/17	Yes
All quarterly reports tabled in the council in terms of section 52 (d) of the MFMA during 2016/17	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%
Mirna Jooste (till December 2016)	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
B Joubert till 28 October 2016	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%
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
64/2016	Implementing Agent for	ASLA	Transversal

Bid number	Title of bid	Successful Bidder	Value of bid awarded
	Housing		Agreement
59/2016	Supply and transport of grass for the Klaarstroom sportfield	PHAMBILI CIVILS	R305 520.00
59/2016	Supply and transport of grass for the Klaarstroom sportfield	PHAMBILI CIVILS	R305 520.00
58/2016	Electrical services in Prince Albert	JAN NEL ELEKTRIES	R776 580.32
51/2016	Construction of Half Olympic Size pool	BUSHACTIVE	R3 204 309.00
57/2016	Geo Hidrologist	PARSONS AND ASSOCIATES SKR CONSULTING UMVUTO GEOSS	OP DATABASIS PLAAS
2/2017	Drilling and testing of boreholes and pump installation Klaarstroom and Leeu Gamka	GOBORA DRILLING (2LEEU GAMKA EN 1 KLAARSTROOM) GDSA TOETS VAN 3 BOORGATE	R1255 476.30 R277 647.00

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.

e) 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	1	R 137 370	23%
Impractical	70	R 964 628	77%
Total	71	R 1101998	100%

Table 43. : Summary of deviations

2.14.3 Logistics Management

As at 30 June 2017, 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's bulk water supply is provided from nine boreholes with varying supply levels. This supply is augmented by a steady stream (bergbron) that is the municipal allocation of the water furrow that supply the irrigation water to the South End of Prince Albert. The Municipal water allocation is 17.25 hours of scheduled irrigation water per week, in Prince Albert town. Leeu-Gamka and Klaarstroom have no irrigation 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. Two additional boreholes were sunk in 2017, but these boreholes must still be fitted out and connected to the network. It is urgently necessary to establish a reverse osmosis plant to purify the water in Leeu Gamka to ensure that it is potable. In Klaarstroom an additional borehole was constructed and completed to augment the two current boreholes in 2016. Three additional boreholes were sunk in 2017 but these boreholes must still be connected to the water supply.

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 4 have a low iron content compared to boreholes 5 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 is insufficient to store water over longer periods. Cognisance of this ever present risk must be taken. The levels of the Oukloof Dam supplying the Prince Albert municipal area is currently at 10%.

During the latter part of 2016 the storage capacity in Prince Albert was increased with the establishment of a 847 kl dam at the entrance of Prince Albert , Klaarstroom's side. This reservoir was damaged in a flash flood during April 2017. The flash flood also destroyed the bore holes feeding town of which the main borehole at the Swartberg Pass could still not be repaired. All other boreholes at the town entrance has been repaired and are yielding water, but with the main borehole out of operation Level 1 water restrictions still apply. The Municipality wish to thank the Kweekvallei Water Board for their support in providing emergency water relief to the Municipality during the flash flood. A boiling alert was put in place as a safety precaution after the flash flood. This boiling alert was officially lifted on 30 June 2017. Despite increasing pressure Prince Albert Municipality was able to manage and provide an adequate supply of water to the areas within its jurisdiction; however, the current emergency situation being experienced across the province with respect of water supply, has been exacerbated by prolonged lack of expected rainfall and ongoing climatic anomalies. The current state of water security in Prince Albert, Klaarstroom and Leeu Gamka is mainly due to a lack of infrastructure (pumping and conveyance capacity) to abstract and take water to the respective reservoirs. Unless infrastructure is upgraded urgently, the towns will remain stressed for bulk water supply even if adequate rain is received. 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 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. Over the past years Prince Albert has received below average rainfall. Based on the forecast for the summer of 2017/18 it is expected that the rainfall will be very limited. This situation was exacerbated by the extensive wild fires in March 2017 and flood event that occurred on 9 April 2017.

Water losses are restricted to the minimum. The average water losses target for 2016/17 was not reached. Water losses for 2016/17 was 15.16%. 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 and are reflected as water losses, though the water is not losted, it is just not metered. A meter will be installed during the 17/18 financial year at the sport facilities. The Municipality curbed water losses by 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. Funding was also secured to undertake a water audit and the results and subsequent remedial actions will be implemented in the coming financial year.

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

- (i) Draft 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 must be drafted before any of the listed activities in terms of NEMA to secure water reticulation and abstraction, must be drafted and submitted to the relevant authority.
- (iii) Provide water extraction and reticulation networks.
- (iv) The Municipality will implement water consumption restrictions within its jurisdiction. At present the water restrictions are at Level 1, but stricter restrictions may be enforced, should the need arise.
- (v) Water leak detection and repair campaigns must be undertaken continuously.

a) Highlights: Water Services

Highlights in respect of Water services are indicated below.

Highlights	Description
Boreholes drilled	Six additional boreholes were drilled within the Prince Albert Municipal area. These boreholes will have to be connected to the
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.
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.
Water process controllers	Water process controllers appointed in all towns and currently undergoing training.
Summer Holiday program	Municipality purchased movable swimming pools, which was used during the holidays to lure children and youth to stadiums. This was especially good since it effectively lured them out of the upstream water source that was usually used, thus minimizing pollution of the Dorps river. This program was also successful since it countered over use due to hot weather as people flocked to the recreational area.
Funding for additional raw water storage	Raw storage dam was completed and damaged to the dam was repaired after the April 2017 flash flood.

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 higher than it is due to the fact that the sport fields are not metered. Meters to be installed to account for water used.
Water storage reservoir and boreholes damaged in flash flood	The 1 ML reservoir was repaired and all but the main borehole was repaired. Water restrictions applied and a boil alert was implemented and lifted on 30 June 2017
Improve water quality and capacity in Leeu Gamka	Additional boreholes sunk in Leeu Gamka. Funding application for reverse osmosis plant for Leeu Gamka repaired
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.

Description	2014/15	2015/16	2016/17	
	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	2 495	2554
Piped (tap) water inside yard	0	0	930	0
Piped (tap) water on community stand: distance less than 200m from dwelling/institution	28	28	93	28
Minimum Service Level and Above sub-total	2346	2564	3 518	2582
Minimum Service Level and Above Percentage	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
Using public tap (more than 200m from dwelling), distance between 500m and 1000m (1km) from dwelling/institution	5	0	0	0

Description	2014/15	2015/16	2016/17	
	Actual	Actual	Actual as per census including farms	Actual as serviced by Municipality
	No.	No.	No	No
Piped (tap) water on community stand: distance greater than 1000m (1km) from dwelling/institution	6	0	0	0
No access to piped (tap) water	24	0	0	0
Below Minimum Service Level sub-total	60	0	60	0
Below Minimum Service Level Percentage	1.7%	0	0	0
Total number of households	2406	2564	3578	2582
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 2016/17 are populated as per the Census 2011 data for Source of Water, Type of dwelling and includes all dwellings</i>				

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

Access to free basic water:

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

Table 45: Source: PAMUN Audited SDBIP 2013/14 – 2016/17

Service delivery indicators

The table below reflects the municipality's performance pertaining basic service provision within the 2016/17 financial year.

Ref	KPI	Unit of Measurement	Wards	Previous Year Performance	Overall Performance for 2016/17		
					Target	Actual	R
TL20	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	2485	2554	
TL21	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	951	870	872	

Ref	KPI	Unit of Measurement	Wards	Previous Year Performance	Overall Performance for 2016/17		
					Target	Actual	R
TL33	Excellent water quality measured by the compliance of water Lab results with SANS 241 criteria for Prins-Albert, Leeu-Gamka and Klaarstroom	% of test results complying with SANS 241	All	91.3	80%	86.32%	G2
TL38	Effective management of water provisioning systems to minimize water losses by implementing measures to reduce water losses	Percentage (%) water losses calculated on a twelve month rolling period as KL billed/KL used	All	12.44%	15%	15.16%	R
TL37	Review the Water Service Development Plan and submit to Council for approval by the end of June 2017	Reviewed Plan approved by council by end of June	All	0	1	0	R

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

Table 47: Employees: Water Services

e) Capital: Water Services

The following table reflects the municipality's capital expenditure for the 2016/17 financial year in respect of water services.

Capital Expenditure 2016/2017: Water Services					
R'000					
Capital Projects	2016/2017				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget %	Total Project Value
Prince Albert Water Reservoir	858	1 300	1 402	N/A	1 300
Drought relief Boreholes	-	1 510	1 510	N/A	1 510
Drought relief Boreholes (2)	-	500	113	(22.6)	500
Drought Relief Boreholes (3)	0	500	0	(100)	0
Total	858	3810	3025	(122.6)	3310

Table 48: Capital Expenditure 2016/17: 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, Klaarstroom 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 Klaarstroom comprises a full waterborne system. The Klaarstroom 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. It consists of an anaerobic pond and an oxidation pond with the final effluent overflowing into the 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. Final effluent is used for irrigation into the adjacent field. The mains of this project is still unfunded and needs to be upgraded so as to eradicate the bucket system. 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, or it is discharged uncontrolled to the lower lying areas adjacent to the site. The sanitation system consists of a waterborne system as well as septic tanks. These septic tanks is services 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. The WWTW were upgraded under budget for the new housing development to be build in 2017.

The sewerage tariff were not cost effective and the tariff was increased with 30% for the 2017/18 financial year. Extensive public participation took place in preparation of the increase.

The table below specifies the different sanitation service delivery levels per households for the financial years 2013/14 to 2016/17 in the areas in which the municipality is responsible for the delivery of the service:

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	Project completed under budget
Elimination of bucket system in Prince Albert Road	Package plant completed.
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 so as to move away from the operational costs. The performance of this division correlates closely with an available maintenance budget, with particular reference to the honey sucker vehicles.

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 happens often.
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 2016/17 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.

Households				
Description	2014/15	2015/16	2016/17	
	Outcome	Outcome	Actual as per Census 2011	Actual as Serviced by municipality
	No.	No.	No	No.
Sanitation/sewerage: (above minimum level)				
Flush toilet (connected to sewerage)	2056	2085	2 274	2 081
Flush toilet (with septic tank)	314	315	645	330
Chemical toilet	0	0	3	0
Pit toilet with ventilated (VIP)	0	0	175	0
Pit toilet without ventilated	0	0	62	0
Other toilet provisions (above min.service level)	0	0	0	0
Minimum Service Level and Above sub-total	2370	2400	3 159	2 411
Minimum Service Level and Above Percentage	98.9%	98.9%	88%	98.9%
Sanitation/sewerage: (below minimum level)				
Bucket toilet	26	36	148	36
Other	0	0	125	0
No toilet provisions	0	0	148	0
Below Minimum Service Level sub-total	26	36	421	36
Below Minimum Service Level Percentage	1.2%	1.2%	12%	1.5%
Total households	2396	2436	3 580	2447
The above table 2016/17 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 2016/17		
					Target	Actual	R
TL35	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	2399	2397	2411	G 2
TL23	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	951	870	872	G
TL34	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	90%	90%	76.39	O

Table 52: Service delivery indicators: Waste Water

Employees: Sanitation Services

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				Vacancies of posts	(as a total)
	Employees	Employees	Posts	Employees	Vacancies (fulltime equivalents)	% of posts		
	No.	No.	No.	No.	No.	%		

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

Table 53: Employees Waste Water (Sanitation) Provision

d) Capital: Sanitation Services

The table below indicates the capital expenditure on sanitation services for the 2016/17 financial year. Expenditure was focused on Prince Albert as the waste water treatment works there had to be upgraded to ensure legislative compliance and to increase the capacity to accommodate the 243 houses to be build within the area.

Capital Expenditure 2016/17: Sanitation Services					
R' 000					
Capital Projects	2016/2017				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Prince Albert Waste water treatment works	2 193	3 261	1 402	(42.9)	3 261
Klaarstroom Sewerage	-	50	50	0	50
Total	2 193	3 311	1 452	42.9%	3 311

Table 54: Capital Expenditure 2016/17: Waste Water (Sanitation) Provision

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

effort has been made by the Municipality to conclude a credit collection agreement with SALGA 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 is encouraging energy saving by public notices and is investigating and testing alternative energy development within the area. Several presentations for green energy was made and the Municipality is working closely with the University of Stellenbosch to research such alternatives. An audit was also undertaken by the Municipality to locate illegal and faulty electricity meters.

The Municipality received their Electricity Master Plan from the consultants at the end of June 2017.

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 2017
Smart Metering Pilot Project in final stages	Service provider negotiated funding for pilot project. Data was collected through the system, which were used to assess smart metering and to plan accordingly. Due to public resistance, this project was cancelled.
Electricity Meter Audit	All meters were audited, sealed and captured on a database
Electricity losses reduced	Electricity losses was curbed to 8%
Electrician appointed	A junior electrician was appointed at the end of the financial year

Table 55: Electricity Highlights

b) Challenges: Electricity

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

Description	Actions to address
Old / dilapidated transformer and system	Project registration through MIG

No equipment and electrical tools	To budget
Measure to control usage	Sound operating procedures and awareness campaigns
Electricity smart metering project	The delay in registering units purchased led to public resistance of the system and Council resolved to discontinue the process
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.

Households				
Description	2014/15	2015//16	2016/17	
	Actual	Actual as	Census	Actual as Serviced by
	No.	per	2011	municipality
Energy: (above minimum level)				
Electricity (at least min.service level)	309	282	490	278
Electricity - prepaid (min.service level)	1812	1992	1 948	2072
Minimum Service Level and Above sub-total	2121	2274	2 438	2350
Minimum Service Level and Above Percentage	100	100	100	100
Energy: (below minimum level)				
Electricity (< min.service level)	0		9	0
Electricity - prepaid (< min. service level)	0	0	0	0
Other energy sources	0	0	0	0
Below Minimum Service Level sub-total	0	0	9	0
Below Minimum Service Level Percentage	0	0	0	0
Total number of households	2 121	2 274	2 348	2350

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 2016/17		
					Target	Actual	R

TL16	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	1738	2110	1674	O
TL17	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	951	870	872	G
TL39	Effective management of electricity provisioning systems evaluated i.t.o. electricity losses	Percentage (%) of electricity losses calculated on a twelve month rolling period as kWh sold/kWh purchased	All	12.44%	15%	14.54%	B

Table 58: Electricity KPI's

d) Employees: Electricity

This service is provided via a service level agreement 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	2016/17			
	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	0	2	2	0	2	100%
7 – 9	0	1	1	0	1	100%
10 – 12	0	1	1	0	1	100%
13 – 15	0	0	0	0	0	
16 – 18	0	0	0	0	0	
19 – 20	0	0	0	0	0	
Total	0	4	4	0	4	100%

Table 59: Employees: Electricity services

Capital Expenditure 2016/2017: Electricity Services	
R' 000	
Capital Projects	2016/2017

	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Prince Albert Switchgear	1 000	1 000	1 000	(0)	1 000
Total	1 000	1 000	1 000	(0)	1 000

Capital Expenditure 2016/17: 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. 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 opposed to garden waste depots as it was originally intended. 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 fires at 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. The vacancy in the position of Technical Manager also hampers management and oversight of 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 has one years left and Leeu Gamka is on two years. 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.

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.

Highlights	Description
Youth Jobs in Waste programme implemented	Youths employed
Pick-a-Piece	Part of recycling strategy and Education.
Integrated Waste Management Plan reviewed by DEADP & DEA	Review completed

Table 60: Waste Management Highlights

Challenges: Waste Management

The challenges pertaining waste management for the 2016/17 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	Buy more vehicles.
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. Leading to demoralisation of staff. The frequent fires destroyed the recyclable materials stored at the landfill site
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.
Fire	Stricter access control at storage areas
Recycling unit destroyed	Establish new recycling unit

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.

Description	Households			
	2014/15	2015/16	Census 2011	2016/17
	Actual No.		Actual No.	Actual as serviced by No.

Description	Households			
	2014/15	2015/16	Census 2011	2016/17
	Actual No.		Actual No.	Actual as serviced by No.
Solid Waste Removal: (Minimum level)				
Removed at least once a week	2452	2475	1 989	2 480
Minimum Service Level and Above sub-total	2 452	2 475	1 989	2 480
Minimum Service Level and Above percentage	100%	100%	100%	100%
Solid Waste Removal: (Below minimum level)				
Removed less frequently than once a week	0	0	0	0
Using communal refuse dump	0	0	0	0
Using own refuse dump	0	0	0	0
Other rubbish disposal	0	0	0	0
No rubbish disposal	0	0	0	0
Below Minimum Service Level sub-total	0	0	0	0
Below Minimum Service Level percentage	0	0	0	0
Total number of households	2 452	2 475	1989	2 480

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 2016/17 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 2016/17		
					Target	Actual	R
TL8	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	2475	2368	2480	G2
TL19	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	951	870	872	0

Table 63: Service delivery indicators: Solid waste management

Employees: Waste Management

The table below reflects the staff component for solid waste management in the reporting year, compared to 2014/15 to 2016/17. 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			
	Employees	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.		No.	No.	No.	%
0 – 3	5	5	7	3	4	57.14%
4 – 6	2	1	2	2	0	
7 – 9	0	0	0	0	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	7	6	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 2016/17: Solid Waste					
R'000					
Capital Projects	2016/17				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Fencing	0	300	300	0	300
Total	0	300	300	0	300

Table 83: Capital Expenditure 2016/17: 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 1300 persons awaiting assistance in terms of government housing subsidies. The housing waiting list is updated annually during community outreaches, that includes outreaches to the farming communities. 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.

At present the Municipality's Housing Implementation Agent, ASLA, installed services on a portion of erf 743 Prince Albert in preparation of Council establishing 243 top structures on said erf as part of the IRDP project for Prince Albert.

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 1 367 applicants. This increase in the waiting list can be attributed to the fact that the waiting list is updated annually in each town and more and more applications are received.

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 amended SDF will thus only be approved in the first semester of the 2017/18 financial year and thus the Integrated Human settlement plan will then be reviewed.

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 31 structures as on 30 June 2017 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 24. Residents shared two flush toilets amongst themselves. As this is below the legislative standard the Municipality installed another toilet in July 2017, with an additional toilet still to be installed. 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 was 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.

There is a need for guidance at both 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 October 2013 that the following housing pipeline for Prince Albert municipal area is supported. The only change in the pipeline below is that Project 3288 will include 243 houses and not 300.

Municipal Area	Project Number and Name	Program	Number of Opportunities	Earliest Implementation Year	Recommendation
Prince Albert	3 288 Prince Albert Enhanced Services (300 units) IRDP	IRDP	243 (previously 300)	2016/17	Project supported by PPC, but it was recommended that the earliest implementation date be changed to 2016/17
Leeu-Gamka	2 718 (3): Transnet Housing Leeu-Gamka & Prince Albert Road (92)	UISP (originally 92)	Tbd	Tbd	Project conditionally supported by PPC if all planning processes successfully completed and at the availability of sufficient bulk capacity

Municipal Area	Project Number and Name	Program	Number of Opportunities	Earliest Implementation Year	Recommendation
	services) UISP				
Leeu-Gamka	3 033: Leeu-Gamka (331 services & 251 units) IRDP & GAP (69 units) FLISP	IRDP	252	Completed	Project supported by PPC, but the number of housing opportunities must be reduced to 252 and only enhanced services will be provided.
Prince Albert	3 289: Prince Albert GAP (69 services) IRDP & (69 units) FLISP	IRDP	69	2016/17	Project "3033.03" not supported by PPC. The project application must be re-submitted to allow for the relocation of the project to Prince Albert and that the earliest implementation date be shifted to 2016/17.
Prince Albert	3290: Prince Albert Klaarstroom Enhanced Services (30 services) IRDP	IRDP	30	2022/23	Project provisionally supported by PPC, but it was recommended that the project be views as an extreme long term priority for the municipality thus the earliest implementation date must be changed to 2022/23.

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
Service installation in preparation of Prince Albert Housing project	Services were installed in preparation of the Prince Albert housing project
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

Table 66: Housing Highlights

Challenges: Housing

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

Description	Actions to address
-------------	--------------------

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.
Compilation of Integrated Human Settlement Plan	Referred to 2017/18 financial year to align with SDF review in terms of SLUMA
Increasing waiting list	Funding applications to Province
Need for middle class housing is sharply increasing	Apply for CRU funding instead of GAP funding
Beneficiary administration	Due to challenges in respect of external beneficiary administration it was decided that beneficiary administration will be conducted internally in future
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.

Year end	Number of households with access to basic housing		
	*Total (including 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

*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 housing units on the waiting list.

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%

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. It must be noted that while no houses were build

in the reporting year, the Municipality did install services in preparation of the 243 houses to be build in 2017. The bulk infrastructure in Prince Albert were also upgraded to ensure that there is sufficient capacity for service delivery.

Financial year	Allocation	Amount spent	% spent	Number 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%		

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 2016/17		
					Target	Actual	R
TL14	Review the Integrated Human Settlement Plan by June 2017	Plan completed by the end of June	All	0	1	0	R

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 3 000 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 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 000 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. The Municipality launched several initiatives to write off old debt and to support indigents. These initiatives include the writing off of debt on a 50-50 basis and later on debt was written off on a 70-30 basis. R1 0043 899.01 was written off as bad debt during the reporting year.

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. These figures are based on the average for the financial year.

Financial year	Number of households									
	Total no HH	Free Electricity		Basic Free Water		Basic Free Sanitation		Basic Free Removal		Basic Refuse
		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%	

Table 71: Free basic services to indigent households

Free Basic Electricity												
Financial year	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	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			

Table 72: Free basic electricity services to indigent households

Water								
Financial year	Indigent Households				Non-indigent households			
	No. of HH	Unit HH (kl)	Value R'000	No. of HH	Unit HH (kl)	Value R'000	No. of HH	Unit HH (kl)
2013/14	790	6 kl	292	1 273	6 kl	451		
2014/15	687	6 kl	237	1631	6kl	562		
2015/16	951	6 kl	399	1 383	6kl	580		

2016/17	872	6 kl	383	1 492	6 kl	656
---------	-----	------	-----	-------	------	-----

Table 73: Free basic Water services to indigent households

Sanitation							
Financial year	Indigent Households			Non-indigent households			
	No. of HH	R per HH	Value	No. of HH	Unit HH month	per per	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

Table 74: Free basic sanitation services to indigent households

Refuse Removal							
Financial year	Indigent Households			Non-indigent households			
	No. of HH	Service per per week	Value	No. of HH	Unit HH month	per per	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

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 2016/17: Cost to Municipality of Free Basic Services Delivered					
Services Delivered	2014/15		2015/16		
	Actual	Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Water	979	1207	1060	1039	(1.98)
Waste Water (Sanitation)	901	1086	1086	933	(14.08)
Electricity	393	491	491	462	(5.90)
Waste Management (Solid Waste)	562	664	600	570	(5.00)
Total	2835	3448	3237	3004	(7.19)

Table 76: Financial Performance 2016/17: 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 2016/17 financial year.

Ref	KPI	Unit of Measurement	Wards	Previous Year Performance	Overall Performance for 2016/17		
					Target	Actual	R
TL19	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	951	870	872	G2
TL17	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	951	870	872	G2
TL21	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	951	870	872	G2
TL23	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	951	870	872	G

Table 77: Indigent support performance

Component B: Roads

This component includes: roads; transport; and waste water (storm water drainage).

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.

The Swartberg Pass connecting Prince Albert with Oudtshoorn is seen as a provincial heritage site. This Pass was severely damaged during a flash flood in Prince Albert during April 2017. The Western Cape Government commenced with repair work, estimated to take 18 months. The Swartberg Pass is closed for all public use. This is needed to ensure the safety of the public and the construction crew. The closing of the Swartberg Pass is extremely detrimental to the tourism industry of Prince Albert.

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. A survey of urgent maintenance work on roads was undertaken in 2014/15 and subsequently upgrades were undertaken in 2015/16 and 2016/17.

a) Highlights: Roads

The following highlights in respect of the roads division are reflected for the 2016/17 financial year.

Highlights	Description
Training sessions with personnel to effectively prepare breakages of roads.	Potholes repairs and effective use of equipment.
Proposals for the resealing of main road submitted for outer years.	Request to the Department of Public Works and Transport to waive the 20% capital cost contribution for outer year resealing.
Road construction in North- End and Leeu-Gamka	Road construction in Prince Albert North were undertaken.

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 roads tarred	New tar roads	Existing roads re-tarred	Existing roads sheeted	Tar re-	Tar maintained roads
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

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 are 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 2016/17: Roads	
R'000	
Capital Projects	2016/17

	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Sidewalks	0	333	299	(89.89)	333
Prince Albert Storm water	0	444	488	0	444
Total	0	777	787	(89.89)	777

Table 83: Capital Expenditure 2016/17: Roads

c) Employees: Roads

The table below reflects the staffing component of the Roads department of the 2016/17 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	Posts	2016/17		
	Employees	Employees		Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.		No.	No.	%
0 - 3	2	4	4	4	100%	
4 - 6	0	1	3	2	33%	
7 - 9	0	2	0	0		
10 - 12	0	0	0	0		
13 - 15	0	1	0	0		
16 - 18	0	0	0	0		
19 - 20	0	0	0	0		
Total	2	4	7	7		

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 development of an Integrated Human Settlement Plan will commence on the completion of the newly amended SDF during late 2017.

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. This position will be filled on the appointment of the new Technical Manager.

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. The Municipality need to institute legal proceedings against further transgressors after due process have been followed.

Notification and the procuring of public participation on land use application remains a challenge due to the fact that the community newspaper only appear once a month and advertising in other main stream newspapers, are not welcomed by residents. This is especially true in Leeu Gamka, Prince Albert Road and Klarstroom and thus the municipality resolved to hold community meetings in these areas when applications of such a nature has been received.

a) Highlights: Planning

The following highlights in respect of the planning division for the 2016/17 financial year are reported below.

Highlights	Description
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
Improved building control	Building Inspections done as per legislation

Table 85: Planning Highlights

b) Challenges: Planning

The table beneath reflect the challenges in respect of Planning for the 2016/17 financial year.

Description	Actions to address
Zoning scheme outdated	Zoning register drafted
Providing approval within 120 days	This is not possible due to the challenges in respect of a reporting newspaper, comment periods and council meetings that do not align as well as the time it takes the registered town planner to compile reports
Building control capacity	Building control capacity to be increased with training and mentorship
No registered town planner on organogram	Support agreement with Province to be formalised
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 2016/17 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 2016/17		
					Target	Actual	R
TL41	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	All	Adopted before 31 March	1	1	G
T42	Preparation of the final IDP	Final IDP review	All	Adopted	1	1	G

review for submission to Council to ensure compliance with legislation by 31 May annually	completed to submit to Council by 30 May 2017	by 30 May			
---	---	-----------	--	--	--

Table 87: Planning indicators

c) 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. Several engagements with the house shop owners and community members were held to resolve these issues. Delegations were drafted within the reporting year to comply with SPLUMA and the Planning By-Law of Prince Albert.

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. A full-time building control officer were appointed to improve building control management.

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

Additional Performance: Town Planning and Building Control				
Type of service	2013/14	2014/15	2015/16	2016/17
Building plans application processed	47	43	40	44
Total surface (m2)	5 053	5 397.99	5 078	5018.48
Approximate value (Rand)	24 254 000	18 971500	25 552 768	13 340 000
Residential extensions	21	42	34	41
Land use applications processed	34	81	27	31

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 2015/16 financial year.

Ref	KPI	Unit of Measurement	Wards	Previous Year Performance	Overall Performance for 2016/17		
					Target	Actual	R
TL11	Review the spatial development framework and submit to council by end June	Reviewed SDF submitted to Council by end June	All	0	1	1	G

3.9 Local Economic Development

Economic growth in South Africa has been deteriorating since 2012. GDP growth of 2.5 per cent, 2.2 per cent and 1.5 per cent was achieved in 2012, 2013 and 2014 respectively.⁶ Initiatives to bolster economic growth on a national scale have been undertaken and progress has been made - talks to establish a more sustainable labour relations environment have been undertaken, and administrative reforms to reduce red tape have been implemented. Key structural issues which hinder the desired growth levels nevertheless remain in place. Given the close linkages between the municipalities in the Province and the national economy, the metro and district (and thus local) municipalities in the Western Cape are impacted by current state and fluctuations in the national economy.

Prince Albert contributed the second largest share (14 per cent or R380 million) to the District's GDP of R2.7 billion in 2013.

Despite its relatively small contribution to GDP, in comparison to Beaufort West, Prince Albert was the fastest growing local municipality in the District with average year-on-year growth of 4.5 per cent for the period 2005 - 2013. This growth is not only above the District's average of 3.9 per cent, but also significantly above that of the Province on 3.4 per cent over the same period. Prince Albert managed to grow by 4.9 per cent per annum during the recessionary period (2008 - 2009). This impressive growth rate however moderated during the recovery period (2010 - 2013) to 3.1 per cent which is significantly off the trend rate of 4.5 per cent.

Economic growth is underscored by significant variations in industry-specific growth rates. Growth in a particular industry depends on a number of factors (economies of scale, technological developments

As mentioned previously, Prince Albert has been the fastest growing municipality in the District at 4.5 per cent for the period 2005 - 2013.

This performance was largely supported by strong growth within the construction and commercial services industry which maintained average growth of 11.6 and 6.8 per cent respectively - the two fastest growing sectors within Prince Albert.

Growth within the manufacturing (1.3 per cent) and general government and community, social and personal (CSP) services sectors (2.2 per cent) were less favourable. At 1.3 per cent, manufacturing growth was particularly weak in comparison to the other local municipalities and the District average of 8.8 per cent.

Prince Albert's agriculture sector contracted which, in particular the declining real income generated from the agricultural sector, potentially influenced growth in other service sectors. The contraction of the agriculture sector was notable throughout the District.

The three largest contributors to GDP in 2013 for Prince Albert were the finance, insurance and business services (33 per cent), construction (15 per cent) as well as agriculture, forestry and fishing (13 per cent) sectors. The finance sector is grouped within the broader commercial services sector which, maintained the second highest growth rate throughout the period 2005 - 2013.

Unemployment and inequality are enormous challenges in South Africa and while the Municipality cannot ensure local economic development, they must strive to create an environment conducive for sustainable economic growth. It is realised that in striving to reach the National Development Goals contained in the National Development Plan integrated action on grass-roots level that focus on impact and is linked to the national policies and budget processes will be needed.

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 in the 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 tans. Mining companies are in the process of conducting ELA's in the Eastern Cape and Western Cape areas for uranium mining. The shale gas fracking is currently in consultation phase and a figure of 13 trillion cubic feet of gas since starting up in 1992.

Around 28% of the Karoo has been estimated to be commercial development . Unique to the Karoo the presence of dolerite dykes intruding into targeted shale, which makes accessing the natural gas much more difficult and uncertain. In order to access the natural trapped by shale, the Hydraulic Fracturing process is required which is where vertical drilling is used to puncture deep boreholes to access deeply buried shale deposits. Once production casing is in place and punctured where fracking will occur, fluids are pumped in at high pressure to release the shale gas by fracturing the solid formations trapping it. This process requires the use of different chemicals and large quantities of water. The composition of the fluid used during the fracturing process is different for every location.

The role of Local Government in these catalytic projects needs to be strengthened and the partnerships with key stakeholders need to be established at an early stage. The Central Karoo hosted a summit where a collective response to the shale gas development was discussed. The capacity of Municipalities in the Karoo need to be supported to engage in these major investment projects that will contribute to the sustainability of the livelihood of the people in the region.

The Municipality procured funding for the establishment of an agro processing plant in Prince Albert and the Municipality are currently taking this process further. 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.

Due to the funding restrictions within the Prince Albert Municipal budget no provision for a specific local economic development project were provided for. This 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.

Unemployment remains one of South Africa's biggest challenges. Overall unemployment (as per the narrow definition) stood at 25 per cent as at the end of 2014.⁷ Skills shortages, weak economic growth and electricity supply constraints are among the most significant constraints on employment growth. The NDP aims to reduce unemployment to 6 per cent by 2030. Improvements in education and training are integral to the attainment of this goal. These issues are structural and are felt at a local government level, where high levels of unemployment put significant strain on municipal funds.

As mentioned previously, Prince Albert is the second most dominant regional economy in the Central Karoo District (14 per cent contribution to GDPR in 2013). This contribution is however eclipsed by the economy of Beaufort West which contributed 69 per cent to GDPR. Prince Albert employs 15 per cent of the District's workforce. Beaufort West and Laingsburg employ 65 and 11 per cent respectively. Despite maintaining positive GDPR growth rate across this period, Prince Albert shed jobs at -1.9 per cent.

The commercial services sector was the largest employer in Prince Albert in 2013, employing 32 per cent of the Municipality's working population in 2013. In turn, the general government and CSP services and the agriculture sectors employed relatively the same percentage of the working population at 24 and 23 per cent respectively.

Table 90: Central Karoo District: GDPR growth vs net employment, 2005 - 2013

Industry	Laingsburg		Prince Albert		Beaufort West		Central Karoo District	
	GDPR	Net	GDPR	Net	GDPR	Net	GDPR	Net
Agriculture, forestry and fishing	-0.60%	-370	-1.60%	-661	-1.10%	-805	-0.70%	-2 175
Manufacturing	11.60%	46	1.30%	-2	8.40%	138	8.80%	269
Construction	8.90%	-5	11.60%	48	7.30%	-104	8.60%	-88
Commercial services	2.20%	-17	6.80%	166	3.40%	493	3.90%	727
General	1.50%	-20	2.20%	19	4.20%	503	3.50%	432
Community, social and personal services								
Other	4.90%	8	0.00%	0	-2.10%	3	0.70%	11
Total	2.60%	-358	4.50%	-430	3.80%	228	3.90%	-824

Source: *Municipal Economic Review and Outlook (MERO), 2015*

Consequent to the contraction of the agricultural sector in Prince Albert for the period 2005 - 2013, net employment within this sector decreased by 661. Although only the manufacturing sector further shed jobs (2) across this period, job creation within the other

sectors were not sufficient enough to compensate for the losses within the agriculture sector.

As expected, the fastest two growing sectors in Prince Albert (construction and commercial services) generated the most jobs. However, the construction sector, which grew by an impressive 11.6 per cent, only managed to create an additional 48 jobs. In comparison, the commercial services sector, which grew by 6.8 per cent, created substantially more jobs at 166.

Consideration of employment figures per skills sector indicates that there has been an increased demand for skilled and highly skilled labour within Prince Albert as employment in these categories increased by 0.8 and 0.4 per cent respectively for the period 2005 - 2013.

Semi-skilled and unskilled labour constitutes approximately 40 per cent of the total labour force in Prince Albert. It is therefore concerning to note that employment within this skills sector contracted by 5.9 per cent. This pattern is prevalent across the Central Karoo District. The job losses in this sector are congruent with the job losses experienced in the agricultural and construction sectors and can, amongst other factors, be attributed to the mechanisation of certain labour practices within these industries.

There has also been a substantial increase in employment within the informal skills sector across the Central Karoo and to the extent of 4.2 per cent in Prince Albert. Importantly, this district wide increase coincides with net job losses within the agricultural sector across the same period which indicates that the agricultural losses could potentially be absorbed within the informal sector as the workforce turns towards self-employment opportunities.

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 had 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 over the next three years. 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 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 to Prince Albert of which three has already been opened
EPWP workers employed	234 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 was awarded to Beaufort West with surrounding areas to act as satellites.
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

Prosperity summit held	Mapping and unleashing potential development partnerships
------------------------	---

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 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 dedicated personnel	Source funding to appoint dedicated personnel.

Table 92: Challenges LED

c) LED Strategy

The municipality could not source external funding to compile an integrated economic development 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.

Prince Albert's sector contribution to the growth domestic product rate (GDPR 2000-2011%) is indicated in the following table:

Sector	2014/15	2015/16	2016/17
	% of Region's (GDPR)		
Agriculture, forestry and fishing	16.1	-1.8	4.8
Mining and quarrying	0	-	0.2
Manufacturing	9.9	3.9	7.6
Electricity & gas and water	0	-	1.1
Construction	13.2	13.3	4.8
Wholesale and Retail Trade, catering & accommodation	14	3.7	17.3
Transport, storage & communication	5.8	-3.0	14.4
Finance, insurance, real estate and business services	22.4	13.8	25.7
Community and social and personal services	5.9	1.2	6.9
General government	12.7	1.0	17.1

Average annual growth, 2000-2011		4.2
----------------------------------	--	-----

Municipal growth across sectors: 2000 - 2011
(The figures for 2016/17 are based on the Quantec Research data sourced from the MERO 2017)

Economic sectors contribution to Prince Albert's economy and employment by sector are summarized in the following table:

Relative Sector Contribution in terms of GDP and Employment, 2016

Economic Sector Contributions	2014/15		2015/16		2016/17	
	% Sector contribution	% employment by sector	% Sector contribution	% employment by sector	% Sector contribution	% employment by sector
Agriculture, forestry and fishing	-1.8	16.1	12.2%	22.6%	24.9	29.6
Mining and quarrying	0.0%	0.0%	0.0%	0.0%	0.0	0.0
Manufacturing	3.9	9.9	7.2%	4.4%	1.7	1.1
Electricity, Gas & water	-	0.5	0.0%	0.0%	1.7	0.3
Construction	13.3	13.2	14.3%	16.7%	6.0	7.8
Retail and Accommodation	3.7	14	12.1%	16.3%	12.1	18.7
Transport & Communication	-3.0	5.8	3.8%	1.4%	8.2	3.4
Finance & Business	13.8	22.4	34.4%	14.2%	11.1	5.9
Community and social services	1.2	5.9	4.7%	14.7%	10.9	16.7
General government	1.0		11.3%	9.7%	23.2	16.5
Total	100	87.8	100	100	100	100

Economic Employment by Sector (Source: Quantec Database, 2016)

Service Delivery Indicators

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

Ref	KPI	Unit of Measurement	Wards	Previous Performance	Year	Overall Performance for 2016/17		
						Target	Actual	R
TL43	Implementation of the Local Economic Development Strategy	Number of interventions/ activities programmes implemented	LED / All	6		4	5	B

TL32	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	319	50	222
------	---	---	-----	-----	----	-----

Table 93: LED performance

LED Maturity

The Western Cape, Department of Economic Development and Tourism (WCG:DEDAT) embarked in 2012 on a benchmarking process called LED maturity assessments, Benchmarking of LED practices and performances increase awareness and insight of leaders at Municipalities about:

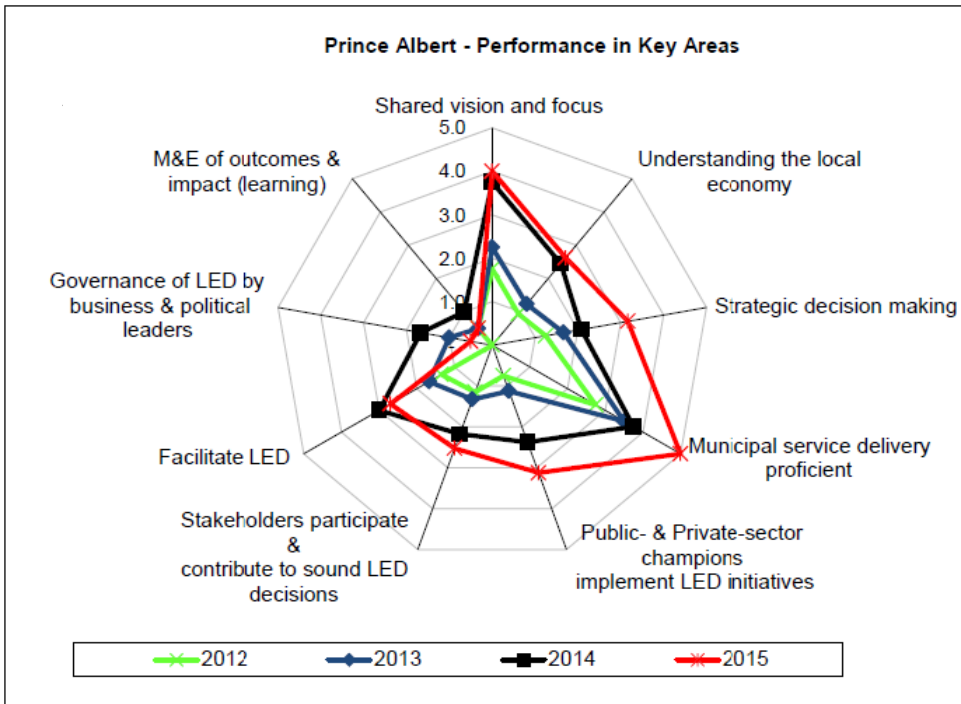
- Factors critical to LED success,
- Which aspects of LED practices work in the Municipality and which do not,
- The root causes of their LED failures, and
- Options to learn from other who have succeeded where they have failed

The Prince Albert Municipality`s assessment were held in 2015. The improvements are commendable but much improvement is still required. Having benefitted from a PACA process, the priority is firstly to follow through on implementation. With implementation comes credibility and on-going support from stakeholders.

The 2015 assessment shows continued improvement in almost all areas. The following learning activities are proposed for the next year:

1. Focus on implementing the PACA initiatives to completion. Refer to the LED good practice guidelines to identify gaps in current practices.
2. Sharpen up the understanding of the local economy. Refer to the LED good practice guidelines to identify gaps in current practices.
3. Utilise learning opportunities offered by WCG: DEDAT, SALGA, CENLED/UWC and others.
4. Measure the results and value added and report progress to stakeholders quarterly.
5. Much can be learnt from peer municipality success stories such as George and Theewaterskloof.

The following tables and diagram below illustrate the growth in LED from 2012 until 2015 with the next maturity assessment.



The Municipality also embarked on a partnership with the University of Stellenbosch to identify strategic partnerships that will enable economic development, enhance service delivery and improve the living conditions of all residents. The project was launched in the reporting year, but will continue in the current financial year.

In the table below the Expanded Public Works participants are reflected in respect of the 2015/16 financial year, compared to the 2016/17 financial year.

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, Klaarstroom & Leeu Gamka) Roads & Stormwater Manitenance (Prince Albert, Klaarstroom & Leeu Gamka) Parks & Town Beautification (Prince Albert, Klaarstroom & Leeu Gamka) Waste Collection – Prince Albert Facility Maintenance – Prince Albert	197
2016/17	Infrastructure repair & Maintenance (Prince Albert, Klaarstroom & Leeu Gamka) Roads & Stormwater Manitenance (Prince Albert, Klaarstroom & Leeu Gamka) Parks & Town Beautification (Prince Albert, Klaarstroom & Leeu Gamka) Waste Collection – Prince Albert Facility Maintenance – Prince Albert	222

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 84 508, with outreaches within the community that included outreaches to the disabled, the aged, schools, etc. National library week in May 2017 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. The Municipality were also 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. 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.

a) Highlights: Libraries

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

Highlights	Description
Library Week 2017	Morning tea for users over 60 years
Library outreach.	Visits to crèches, Tea parties for readers, Visits to Old age care centre
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
Winning of Provincial Award	Winning of award as best provincial municipality in the Western Cape

Table 95: Libraries Highlights

b) Challenges: Libraries

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

Description	Actions to address
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 Environmental Education Centre

Table 96: Libraries Challenges

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
Library members	3 341	3572	3 933	4 050
Books circulated	8 118	28317	76 892	84 508
Exhibitions held	18/year	24	20 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
New library service points or Wheelie Wagons	1	1	0	0
Children programmes	2/month	4/month	2 per month	2 per mmonth
Visits by school groups	Average 10 times per month	Average 12/month	Average of 12 per month	Average 12 per month
Book group meetings for adults	2/year	2/year	4 per year	4 per year
Primary and Secondary	6/year	12/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	
	Employees	Posts	Posts	Employees	Vacancies equivalents	(fulltime Vacancies (as a % of total posts)
	No.	No.	No.	No.	No.	%
0-3	3	3	3	0	0	
4-6	2	3	3	2	1	50%
7-9	0	0	0	0	0	
10-12	1	1	1	1	0	
13-15	0	0	0	0	0	
16-18	0	0	0	0	0	
19-20	0	0	0	0	0	

Total	6	7	7	6	1	
-------	---	---	---	---	---	--

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.
Electronic cemetery register	Electronic register for Prince Albert is compiled

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	Negotiate with Farmers for land

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		Vacancies (fulltime equivalents)	Vacancies % of posts	(as a % of total)
	Employees	Employee	Posts	Employees			
	No.	No.	No.	No.			
					No.	%	

0-3	3	6	6	2	2	
4-6	3	3	3	3	2	33%
7-9	0	0	0	1	0	
10-12	0	1	1	0	0	
13-15	0	0	0	0	0	
16-18	0	0	0	0	0	
19-20	0	0	0	0	0	
Total	6	10	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) 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 will be 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 again suggested that a regional Air Quality Management Forum must be established to ensure peer-learning and the sharing of best practices. It will also ensure that Air Quality Management remains on the regional agenda.

The Municipality drafted their Air Quality Management Plan in late 2014 and it was reviewed in May 2017. A draft Air Quality Management By Law was drafted and put out for public comment in June 2017.

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 2017
Air Quality By Law	Draft By Law put out for public comment in June 2017
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: Cemeteries 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. Significant improvement on the management of the DLTC have been made. Unfortunately, one of the Law Enforcement Officers were arrested by the Hawks. This investigation is currently still underway. 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. Six youth obtained qualifications as law enforcement officers and are now employed by the Municipality on the Municipality's Expanded Public Works programme.

The following table indicates the law enforcement function in respect of the reporting year compared to the 2015/16 financial year.

Details	2013/14	2014/15	2015/16	2016/17
---------	---------	---------	---------	---------

Animals impounded	0	0	0	0
Number of by-law infringements attended	0	5	8	3
Number of officers in the field on an average day	1	2	1	2
Number of officers on duty on an average day	1	2	1	1

Table 104: Law Enforcement Data

3.7.2 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. Traffic infringements administration and collections were put out on tender with no successful bidder. The tender was set out again and the tender was awarded to Traffic Violation Solutions. A Service Level Agreement was concluded with this service provider. In the meanwhile the Municipality reached an agreement with Beaufort West Municipality to undertake the traffic violation administration and the collection of fees. Several meetings with legislative role players were held to ensure legal compliance. 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%.

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 to address challenges
Concluding of Service Level Agreement	Service Level Agreement concluded with new Service Provider on collection of fines and fine collection improved significantly
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
Poor relationship with courts	The relationship with the judicial sector remains a challenge
Suspension of officer	Disciplinary procedure scheduled to be commenced
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	2013/14	2014/15	2015/16	2016/17
Motor vehicle licenses processed	103 (R106 5016.60)	5 350 (R1 152 176.20)	(R1 303 898.35)	R1 3749 36.75
Learner driver licenses processed	432	427	377	257
Driver licenses processed	295	198	275	260
Driver licenses issued	227	293	275	204
Fines issued for traffic offenses	1 034	21 340	3 716 850	12 192 100
R-value of fines collected	65 150	944 046	595 486.01	1 620 310
Roadblocks held	4	14	88	18
Complaints attended to by Traffic Officers	3	0	6	6
Awareness initiatives on public safety	3	1	3	2
Number of road traffic accidents during the year	35	15	33	27
Number of officers in the field on an average day	3	2	1	1
Number of officers on duty on an average day	3	2	1	1

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 2016/17

Job Level	2014/2015	2015/16	2016/17			
	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	1	2	2	1	1	50%
7 - 9	2	2	2	0	2	100%
10 - 12	0	3	3	2	1	33%
13 - 15	0	0	0	0	0	
16 - 18	0	0	0	0	0	
19 - 20	0	0	0	0	0	
Total	3	7	7	2	4	57.14%

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 act as the Fire Services unit of the Municipality. They perform dual functions and are not specifically allocated to fire services. Protective clothing and sufficient equipment remains a challenge for these officials. Fire Services are delivered by means of a vehicle with 1 000 litre water tank. With the support of the District Municipality fire fighting uniforms were obtained. A new fire fighting truck was received and training on the truck took place.

The Municipality extinguished 34 fires in the municipal area during the year. Two of these fires raged for several days as they were classified as veld fires and required concerted efforts. One of these fires were in Meiringspoort, originating from lightning and causing road closures over several days. The Eden District, Provincial Disaster Management, Cape Nature and local fire fighters collaborated to control this fire. The fire in April 2017 at the entrance of Prince Albert town (from Klarstroom) lasted 6 days and damaged the bore holes of the Municipality.

The fire was followed merely a month later by a flash flood destroying the boreholes of Prince Albert, damaging the Swartberg Pass and the 1 ML reservoir.

The Municipality prioritised training of the municipal officials in respect of fire fighting and disaster mitigation. The Municipality requested training from the Overberg District Municipality and Breedevallei Municipality. Due to the Knysna fire disaster, the training was postponed to the current financial 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 2017.

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.
Fire truck	A fire truck was donated to the Municipality
Disaster Management Plan reviewed	Disaster Management Plan reviewed – awareness raised on fire requirements

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
Outdated equipment and truck	Application to Provincial Disaster Management
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
Operational call-outs	27	24	41	43
Reservists and volunteers trained	2	0	1	0
Awareness initiatives on fire safety	0	0	0	0
Total fires attended in the year	27	24	38	34
Total of other incidents attended in the year	0	0	3	0
Average turnout time - urban areas	9 min	Not measured	3 min (hospital)	Not measured
Average turnout time - rural areas	60 min	Not measured	Not measured	Not measured
Fire fighters in post at year end	0	1	1 full time	1 full time
Total fire appliances at year end	1	1	2	2
Average number of appliance off the road during the year	1	1	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		Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %
	Employees	Employees	Posts	Employees		
	No.	No.	No.	No.		
0-3	0	0	0	0	0	
4-6	0	0	0	0	0	
7-9	1	1	2	1	1	50%
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	1	1	2	1	1	50%

Table 112: Employees: Fire services and Disaster Management

Capital Expenditure

The table below indicates the capital expenditure on roads.

Capital Expenditure 2016/17: Disaster Management	
R'000	
Capital Projects	2016/17

	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Donated Fire Truck	0	0	0	0	1 400
Total	0	0	0	0	1 400

Table 83: Capital Expenditure 2016/17: 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. 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 is needed as well as shaded seating. In Prince Albert the Sydwell Williams field are not used due to the sub-standard condition of the field. A half Olympic size swimming pool was completed during the reporting year. The Odendaal Sports Facilities are over utilised as it is used almost daily for the practice of soccer, rugby and by schools. The Leeu Gamka field needs flood lights and shaded seating.

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 and lighting was established at the Adult recreational parks in Prince Albert and Leeu Gamka respectively.

a) Highlights: Sport and Recreation

Highlights	Descriptions
Holiday programmes	Several holiday programmes took place
Fencing at sport fields	The fences around the sport fields were improved
Upgrade of parks	Adult parks were upgraded with lighting and improved sewerage connections

Upgrading of Leeu Gamka sport field	Ablution facilities 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
Lighting at sport fields	Lighting could lessen the overuse of facilities and improve security – application for funding for Klaarstroom and Leeu Gamka
Security at facilities	Security at facilities must be improved to protect assets – especially in Klaarstroom – community asked to report vandalism
Water for sport fields	Water must be secured for Klaarstroom sport facilities – engagements with school board
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.

below.

Capital Expenditure 2016/17: Sport and Recreation					
R'000					
Capital Projects	2016/17				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Prince Albert Swimming pool	1 714	1 714	1 603	(93.35)	3 584
Ablution block for Sport and Recreation area	1 704	1 704	1 378	(80.1)	1 378
Klaarstroom Sport ground	500	500	583	-(16.6)	583
Total	3 918	3 918	3 564	(90.1)	5 545

Table 116: Capital Expenditure 2016/17: Sport and Recreation

Please note that the repairs on the tennis and netball courts was incorrectly budgeted as a capital expenditure, but it is in fact repairs and maintenance and thus should not be under capital projects.

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 people

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.

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 2015/16	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
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 raised and recovered	Debt Recovery								
	R'000								
	2014/15			2015/16			2016/17		
	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	3 200	2741	86%	2 681	2 483	93%	2906	2730	93%

Electricity	7 650	7 197	94%	6 540	6 554	100%	7 179	7 233	100%
Water	3 910	2 850	73%	2 770	2 127	77%	4 181	2 252	54%
Sanitation	2 310	1 424	61%	2 177	2 005	92%	3 346	2 494	75%
Refuse	1 776	1 231	69%	1 231	930	76%	2 042	1 019	50%

d) Employees: Financial Services

The municipality has one of the smallest finance departments in the country and do not have the prescribed Budget Office.

e) Employees: Financial Services

The financial service department's staff establishment for 2015/16, compared to the 2013/14; 2014/15 and 2016/17 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.

Job Level	2014/15		2015/16		2016/17		
	Employees		Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.		No.	No.	No.	No.	%
0 – 3	1		0	0	0	0	
4 – 6	3		4	5	4	1	20%
7 – 9	1		1	1	1	0	
10 – 12	0		0	0	0	0	
13 – 15	0		0	0	1	0	
16 – 18	1		0	0	0	0	
19 – 20	1		1	1	1	0	
Total	7		7	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 2016/17		
					Target	Actual	R
TL16	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	1738	2110	1674	O
TL17	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	951	870	872	G
TL18	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	2475	2368	2480	G2
TL19	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	951	850	872	G2
TL20	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	2485	2554	G2
TL21	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	951	870	872	G2
TL35	Provide sanitation services to households that meets sanitation standard	Number of Households receiving sanitation services	All	2399	2370	2411	G2
TL23	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	951	870	872	G2
TL24	Maintain a Year to Date (YTD) debtors payment percentage of 90% over a twelve month period	Payment percentage (%) of debtors over 12 months rolling period	All	85.64%	90%	86%	O

Ref	KPI	Unit of Measurement	Wards	Previous Year Performance	Overall Performance for 2016/17		
					Target	Actual	R
TL25	Maintain an financially unqualified audit opinion for the 2016/17 financial year	Financial statements considered free from material misstatements as per Auditor General report	All	1	1	1	G
TL28	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)	((Total operating revenue-operating grants received)/debt service payments due within the year)	All	389.79	362.1	389.79	G2
TL29	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	74.17%	62%	26.33%	B
TL30	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	5.15%	1.2%	4.76%	B
TL31	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	G

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 on 17 October 2016 and 30 June 2017
EPWP contracts concluded for 234 persons	Contract administration in respect of EPWP workers successfully undertaken

Improved oversight on over time	Stronger control measures implemented
22 Officials appointed	22 Appointments made e.g. Appointment of Senior Accountant, 5 Waterprocess Controller-Interns, permanent appointment of 3 Library officials, Appointment of IDP Coordinator.
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 25,77%	Vacancy rate needs to be addressed within financial constraints
Individual performance agreements to be concluded	PMS agreements to be combined with verification of job descriptions for TASK –evaluation and review of Organogram
Critical positions vacant	Manager: Infrastructure Services still vacant

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 of Measurement	Wards	Previous Year Performance	Overall Performance for 2016/17		
					Target	Actual	R
TL12	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	109.64	100%	88.64%	○
TL15	The number of people from employment equity target groups employed (appointed) in the three highest levels of management in compliance with Prince	Number of people employed (appointed)	All	2	3	2	○

Albert Demographic data	Census statistical							
-------------------------	--------------------	--	--	--	--	--	--	--

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

Table 127: Employees: Human Resource services

Component J: Miscellaneous

Municipal Farm

The farm Treintjiesriver (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 (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 2016/17

The performance management system that was implemented and followed for the 2016/17 financial year is described below:

a) Approval of the Top Level SDBIP 2016/17

The SDBIP for 2016/17 were prepared as described in the paragraphs below and the Top Layer SDBIP approved by the Executive Mayor on 24 June 2016.

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 still in operation during the reporting year.

c) The IDP and the budget

The 2016/17 IDP was approved together with the 2016/17 budget by Council on 29 May 2016. 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.

d) Performance Agreements

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

e) Audit Committee

The Audit Committee has been established on the 28 of May 2013 and subsequently appointment and approved by council. This committee acts as both the audit and performance audit committee This Audit Committee's service period was extended to consider the 2015/16 financial year. Council resolved to retain the audit committee and just filled one vacancy.

f) Municipal Public Accounts Committee (MPAC)

This committee has been established and training was provided.

g) Quarterly Performance Reporting to Council

Reporting on the Top-Level SDBIP for 2015/16 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.

h) 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 23 March 2017.

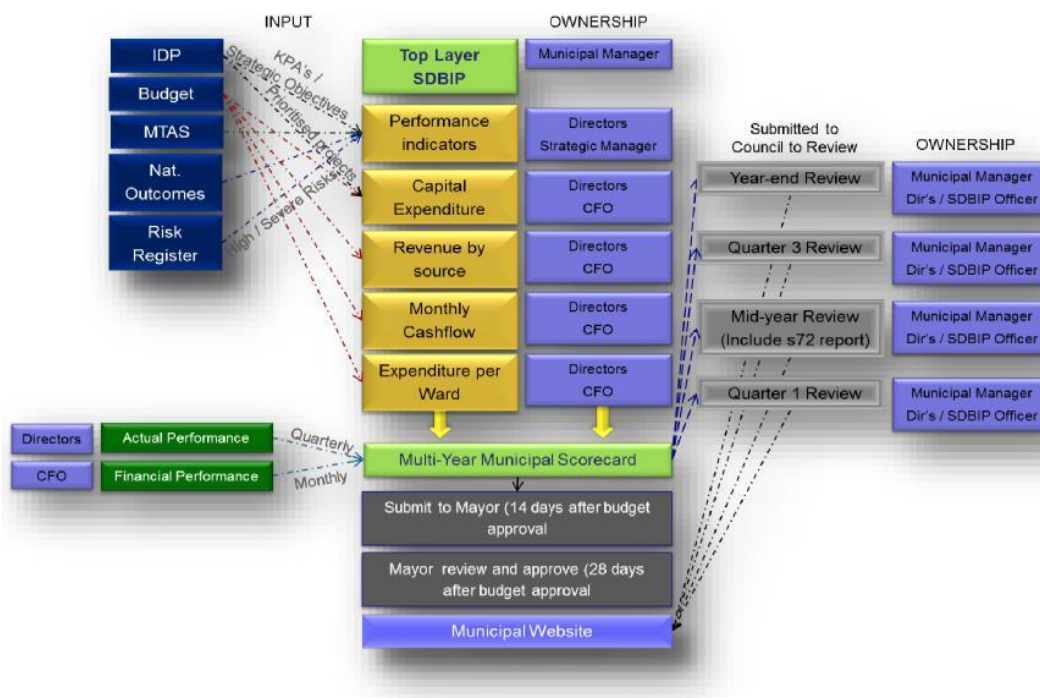
The municipal scorecard (Top Layer SDBIP)

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. Components of the Top Layer SDBIP include:

One-year detailed plan, but should include a three-year capital plan, and should include the following key components;

- Monthly projections of revenue to be collected for each source
- Expected revenue to be collected NOT billed
- Monthly projections of expenditure (operating and capital) and revenue for each vote
- Quarterly projections of service delivery targets and performance indicators for each vote
- Non-financial measurable performance objectives in the form of targets and indicators
- Detailed capital project plan broken down by ward over three years

The following diagram illustrates the establishment, components and review of the municipal scorecard (Top Layer SDBIP):



The Top (TL) SDBIP illustration

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

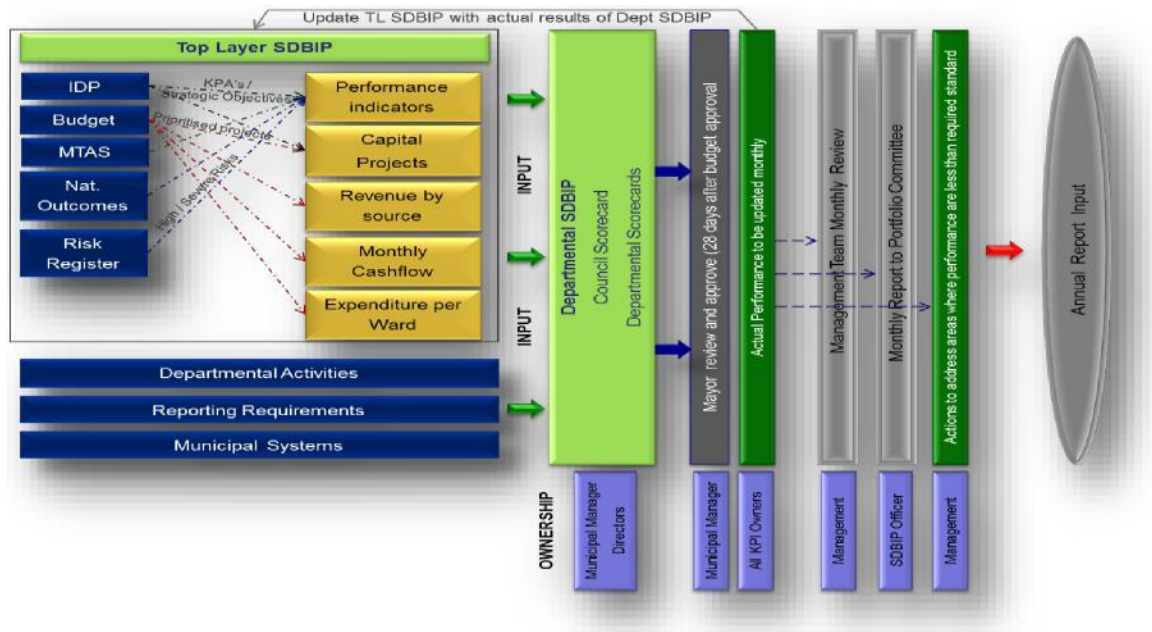
- Key performance indicators (KPI's) for the programmes / activities identified to address the strategic objectives as documented in the IDP.
- KPI's identified during the IDP and KPI's that need to be reported to key municipal stakeholders.

Departmental scorecards

The departmental scorecards (detail SDBIP) capture the performance of each defined directorate or department. Unlike the municipal scorecard, which reflects on the strategic

performance of the municipality, the departmental SDBIP provide detail of each outcome for which top management are responsible for, in other words a comprehensive picture of the performance of that department/sub-department. It consists of objectives, indicators and targets derived from the approved Top Layer SDBIP, the approved budget and measurable service delivery indicators related to each functional area.

The following diagram illustrates the establishment, components and review of the departmental SDBIP:



KPI's were developed for each department. Each KPI have clear monthly targets and are assigned to the person responsible for the KPI's. The departmental KPI link back to the top-layer SDBIP.

Actual performance

The municipality utilizes an electronic web based system on which KPI owners update actual performance on a monthly basis. KPI owners report on the results of the KPI by documenting the following information on the performance system:

- The actual result in terms of the target set.
- The output/outcome of achieving the KPI.
- The calculation of the actual performance reported. (If %)
- A performance comment.
- Actions to improve the performance against the target set, if the target was not achieved.

It is the responsibility of every KPI owner to maintain a portfolio of evidence to support actual performance results updated.

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 2013/14	Municipal Achievement 2014/15	Municipal Achievement 2015/16	Municipal Achievement 2016/17
TL32	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 programs for the period.	4	319	197	222
TL12	The % of the Municipality's training budget spent, measured as (Total Actual Training Expenditure/Approved Training Budget x 100)	0.14%	65%	109.64%	88.64%

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 2013/14	Municipal Achievement 2014/15	Municipal Achievement 2015/16	Municipal Achievement 2016/17
TL35	Provide sanitation services to households that meets sanitation standards	2,150	2,370	2399	2411
TL16	Number of Residential account holders connected to the municipal electrical infrastructure network (credit and prepaid electrical metering)	2,382	2,121	1738	1674
TL18	Provide refuse removal, refuse dumps and solid waste disposal to households within the municipal area	2,333	2,452	2475	2480
TL20	Provision of clean piped water to formal residential properties which are connected to the municipal water infrastructure network.	2,231	2,511	2536	2554
TL36	% of the maintenance budget for Roads spent [(Actual expenditure divided by the total approved budget)x100]	-	-	-	59.25%

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 2013/14	Municipal Achievement 2014/15	Municipal Achievement 2015/16	Municipal Achievement 2016/17
TL32	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.	209	319	197	222
TL43	Implementation of the Local Economic Development Strategy		Not measured	6	5

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 2013/14	Municipal Achievement 2014/15	Municipal Achievement 2015/16	Municipal Achievement 2016/17
TL28	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)	11.19%	0	389.79	389.79
TL29	Financial viability measured in terms of the outstanding service debtors (Total outstanding service debtors/ revenue received for services)	7.41	61%	74.17%	26.33%
TL30	Financial viability measured in terms of the available cash to cover fixed operating expenditure ((Available cash+ investments)/ Monthly fixed operating expenditure)	150	1.02%	5.15	4.76%

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 2013/14	Municipal Achievement 2014/15	Municipal Achievement 2015/16	Municipal Achievement 2016/17
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	85%	37.86	55.56%	92%

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 2017		
							Target	Actual	R

							t		
TL11	12	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	0	1	1	1	G
TL3	35	To develop and implement risk and water safety plans	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 2016/17 financial year	55.56	90%	90%	92%	G
TL16	40	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)	1,738	2,110	2,110	1674	0
TL17	102	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	951	870	870	872	G
TL18	48	Provide refuse removal, refuse dumps and solid waste disposal to households within the municipal area	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	2480	G
TL19	103	To deliver services in terms of agreed service levels	Provision of free basic refuse removal, refuse dumps and solid waste disposal to	No of indigent account holders receiving free basic refuse removal monthly	951	870	870	872	G 2

			registered indigent account holders							
TL20	63	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	2,485	2,485	2554	G	
TL21	100	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	951	870	870	872	G	
TL35	139	To deliver services in terms of agreed service levels	Provide sanitation services to households that meets sanitation standards	Number of Households receiving sanitation services	2,399	2,370	2,370	2411	G	
TL23	101	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.	951	870	870	872	G	
TL33	73	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 Klaarstroom	% of test results complying with SANS 241	91.3%	80%	80%	86.32%	G 2	

	86	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 Klaarstroom)	% of Lab Results comply with SANS Irrigation standards.	90%	90%	90%	76.39%	O
TL38	138	To deliver services in terms of agreed service levels	Limit water losses to not more than 16% $\{(\text{Number of Kiloliters Water Purchased or Purified} - \text{Number of Kiloliters Water Sold}) / \text{Number of Kiloliters Water Purchased or Purified} \times 100\}$	% Water losses achieved (Number of Kiloliters Water Purchased or Purified - Number of Kiloliters Water Sold) / Number of Kiloliters Water Purchased or Purified $\times 100$)	12.44%	15%	15%	15.16%	R
TL39	143	To deliver services in terms of agreed service levels	Limit electricity losses to not more than 15% $\{(\text{Number of Electricity Units Purchased and/or Generated} - \text{Number of Electricity Units Sold}) / \text{Number of Electricity Units Purchased and/or Generated} \times 100\}$	% Water losses achieved (Number of Electricity Units Purchased and/or Generated - Number of Electricity Units Sold) / Number of Electricity Units Purchased and/or Generated $\times 100$	12.44%	16%	15%	14.54%	B
TL37	145	To deliver services in terms of agreed service levels	Review the Water Service Development Plan and submit to Council for approval by the end of June 2017	Reviewed Plan approved by council by end of June	0	1	1	0	R
TL36		To develop and implement an infrastructure management and maintenance plan	% of the maintenance budget for Roads spent $[(\text{Actual expenditure divided by the total approved budget}) \times 100]$	% of Road maintenance budget actually spent	0	100%	100%	59.25%	O

TL14	147	To review all sectorial plans and align with LED and SDF	Review the Integrated Human Settlement Plan by June 2017	Plan completed by the end of June	0	1	0	0	R
------	-----	--	--	-----------------------------------	---	---	---	---	---

Table 134: Municipal performance according to Key Performance Indicators

3.2.2.2 Economic Development

Ref	IDP Ref	Pre-determined Objectives	KPI	Unit of Measurement	Previous Year Performance	Annual Target	Period-To-Date As At June 2017		
							Target	Actual	R
TL43	13	To develop and grow LED and particularly SMME opportunities	Implementation of the Local Economic Development Strategy	Number of LED interventions/ activities / programmes implemented	6	4	4	5	B
TL32	14	To develop and grow LED and particularly SMME opportunities	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 programs for the period.	Number of people temporary appointed to be in the EPWP programs	197	50	50	222	B

Table 135: Municipal performance according to Economic Development Key Performance Indicators

3.2.2.3 Financial sustainability & development

Ref	IDP Ref	Pre-determined Objectives	KPI	Unit of Measurement	Previous Year Performance	Annual Target	Period-To-Date As At June 2017		
							Target	Actual	R

TL12	15	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 2017	109.64%	100%	100%	88.64%	O
TL24	107	To implement mechanisms to improve debt collection	Maintain a Year to Date (YTD) debtors payment percentage of 90% over a twelve month period	Payment percentage (%) of debtors over 12 months rolling period	85.64%	90%	90%	86%	O
TL25	108	To improve financial management by addressing the AG reporting matters	Maintain an financially unqualified audit opinion for the 2016/17 financial year	Financial statements considered free from material misstatements as per Auditor General report	1	1	1	1	G
TL5	134	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 2017	1	1	1	1	G
TL28	140	To improve financial reporting	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)	((Total operating revenue-operating grants received)/debt service payments due within the year)	389.79	389.79	362.1	389.79	G
	141	To improve financial reporting	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	74.17%	62%	62%	26.33%	B
TL30	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)	5.15%	1.2	1.2	4.76%	B
TL31	143	To improve financial management by addressing the AG reporting matters	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	G
TL6	150	To develop a long term financial strategy	The main budget is approved by Council by the legislative deadline	Approval of Main Budget before the end of May annually	1	1	1	1	G

TL9	151	To develop a long term financial strategy	The adjustment budget is approved by Council by the legislative deadline	Approval of Adjustments Budget before the end of February annually	1	1	1	1	G
TL10	152	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	G

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 2017		
							Target	Actual	R
TL7	148	To promote a culture of good governance	Ensure that all Council meet once every quarter	Number of ordinary council meetings	5	4	4	5	B
TL8	149	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	5	B
TL4	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	1	1	100%	100%	G
TL1		To promote a culture of good governance	Draft annual performance report available for submission to the Auditor-General together with Annual Financial Statements by no later than 31 August	Draft annual performance report submitted to AG by 31 August	1	1	1	1	G

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	G
TL41		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	G
TL42		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 2017	1	1	1	1	G

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 2017		
							Target	Actual	R
TL13	104	To promote a culture of good governance	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	1	4	4	0	R
TL15	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	B

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

3.23 Top-Layer Service Delivery and Budget Implementation (SDBIP) Scorecard: 2016/17 per Strategic Objectives

The following tables reflect the Municipality's performance for 2015/16 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 2017				
						Target	Actual	R	Performance Comment	Corrective Measures
TL12	15	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	109.64%	100%	88.64%	O	Target not reached because fire fighting training could not take place due to Knysna emergency	Training of fire brigade postponed due to Knysna emergency - to be completed in September 2017
TL13	104	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	1	4	0	R	Policies in target not reviewed, but policies needed for operational management drafted	Other policies referred to LLF
TL15	137	The number of people from employment equity target groups employed (appointed) in the three highest levels of management in compliance with Prince Albert	Number of people employed (appointed)	All	2	3	2	O	Only 2 PDI's as there are 2 vacancies at present	Fill vacancies with cognizance of EE targets

		Census Demographic statistical data							
--	--	-------------------------------------	--	--	--	--	--	--	--

b) To enhance participatory democracy

Ref	IDP Ref	KPI	Unit of Measurement	Previous year performance	Year-To-Date As At June 2017				
					Target	Actual	R	Performance Comment	Corrective Measures
TL41		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	G	Approved in March 2017	None
TL42		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 2017	1	1	1	G	Approved in May 27	None
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	G	Submitted in time	None needed

c) To improve the general standards of living

Ref	IDP Ref	KPI	Unit of Measurement	Previous performance	Wards	Year-To-Date As At June 2017			
						Target	Actual	R	Performance Comment

None

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 2017				
						Target	Actual	R	Performance Comment	Corrective Measures
TL24	107	Maintain a Year to Date (YTD) debtors payment percentage of 90% over a twelve month period	Payment percentage (%) of debtors over 12 months rolling period	All	85.64 %	90%	86%	O	Poor payment from Escom areas	Report to Council; Awareness campaigns on debt collection
TL25	108	Maintain a financially unqualified audit opinion for the 2016/17 financial year	Financial statements considered free from material misstatements as per Auditor General report	All	1	1	1	G	Unqualified obtained	Implement remedial action in management report
TL5	134	Risk based audit plan approved by Audit Committee for 2016/17 by February	Risk based audit plan approved by February 2017	All	1	1	1	G	Approved in Feb 2017	Not needed
TL28	140	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)	((Total operating revenue-operating grants received)/debt service payments due within the year)	All	389.79	362.1	389.79	G2	Target reached	None needed

TL29	141	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	74.17%	62%	26.33 %	B	Achieved	Target wrongly defined. Should be 100%-62% = 38%, smaller reported progress constitutes better performance.
TL30	142	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	5.15	1.2	4.76	B	Municipality has sufficient cash to cover expenditure	None needed
TL31	143	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	G	Risk mitigation addressed in May	None needed
TL7	148	Ensure that all Council meet once every quarter	Number of ordinary council meetings	All	5	4	5	B	Council meeting on 30 June	None needed
TL8	149	Ensure that all Council's section 80 committees meet once every quarter	Number of Council sec 80 committee meetings	All	5	4	5	B	5 Portfolio meetings held	None needed
TL6	150	The main budget is approved by the legislative deadline	Approval of Main Budget before the end of May annually	All	1	1	1	G	Approved May 2017	None needed

TL9	151	The adjustment budget is approved by Council by the legislative deadline	Approval of Adjustments Budget before the end of February annually	All	1	1	1	G	2nd adjustment budget approved in this quarter. not part of KPI	None needed
TL10	152	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	All	1	1	1	G	Approved in June	None needed
TL4	153	Submit final Annual Report and oversight report to council before legislative deadline	Final Annual Report and oversight report submitted to Council	All	1	100%	100%	G	Submitted in time	None needed
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 on time	All	1	1	1	G	Submitted in time	None needed

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

Ref	ID P R e f	KPI	Unit of Measurement	Wards	Previous Year	Year-To-Date As At June 2017				
						Target	Actual	R	Performance Comment	Corrective Measures
TL11	12	Review the spatial development framework and submit to council by end June	Reviewed SDF submitted to Council by end June	All	0	1	1	G	New SDF to be reviewed as part of the 5-year IDP to ensure SPLUMA compliance	New SDF to be reviewed in 2-17/18

TL14	14 7	Review the Integrated Human Settlement Plan by June 2017	Plan completed by the end of June	0	All	1	0	R	To be reviewed with adoption of new 5-year IDP to enable SPLUMA compliance	To be reviewed as part of new 5-year IDP

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 2017				
						Target	Actual	R	Performance Comment	Corrective Measures
TL3	35	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 2016/17 financial year	All	55.56%	90%	92%	R	Reached target	A roll over application was submitted and contractors appointed
TL16	40	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	1,738	2,110	1674	O	Target not reached	Pre-paid to be taken into account
TL17	102	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	951	870	872	G2	Target reached	Not needed
TL19	103	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	951	870	872	G2	Achieved	Not needed

TL20	63	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	2,485	2554		Target achieved	Target achieved
TL21	100	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	951	870	872		Indigent beneficiaries	Not needed
TL22	139	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	2399	2,370	2416	G2	Target reached	Not needed
TL23	101	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	951	870	872	G2	Indigent beneficiaries	Not needed

TL33	73	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	91.3	80%	86.32%	G2	Lab Results for drinking water	Water process controllers appointed and in training
TL34	86	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	90%	90%	76.39%	G	Target not reached	Water process controllers appointed and in training
TL36		% of the maintenance budget for Roads spent [(Actual expenditure divided by the total approved budget)x100]	% of Road maintenance budget actually spent	All	100%	100%	59.25%	O	Target not reached	Monthly budget control to be undertaken
TL37	145	Review the Water Service Development Plan and submit to council for approval by the end of June 2017	Reviewed Plan approved by council	All	0	1	0	G	Plan to be tabled in October 2017	Plan to be tabled in October 2017
TL40		Review the Integrated Infrastructure Asset Management Plan	Review of plan completed by the end of June	All	0	1	1		Plan reviewed in June 2017	Not needed
TL18	48	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	2475	2,368	2480	G2	Refuse removal at households	None needed

TL39	14 3	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}}	% Water 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	12.44	15%	14.54%	B	Target reached	None needed
TL38	13 8	Limit water losses to not more than 16% {(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	17.04%	15%	15.16%	R	Target not reached	Implement meters at sport fields

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 2017				
						Target	Actual	R	Performance Comment	Corrective Measures

TL43	13	Implementation of the Local Economic Development Strategy	Number of LED interventions/ activities / programmes implemented		6	4	5	B	Wolwekloof training initiative in support of job creation; chicken project; 2 training programmes	None
TL32	14	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	197	50	222	B	Target achieved	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
Legal Services	3 years	Legal disciplinary hearing and support services	Good	Shared services agreement with Beaufort West, CKDM and Laingsburg. Legal specialist appointed, stationed in BFW, Contract considered to be renewed in the next financial year	Skills transfer on lower level in the absence of qualified internal personnel
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 Appointed stationed at CKDM	Skills transfer on lower level in the absence of qualified internal personnel
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	Duration of project	Audit on electricity meters			
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
Aurecon	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
Nako Iliso	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
RMS	Pilot project	Smart metering	Pilot underway	n/a	n/a
ASLA	3 year	Turnkey implementation agent	Satisfied with performance	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
Home Hardware	When needed	Supply & delivery of material & equipment	Excellent Services		n/a
VSR Digging	When needed	Hire of TLB	Excellent Services		
South Cape Auto	When needed	Service of viches	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 June 2016	Traffic Management System	Good	SLA agreement reached	SLA agreement concluded

African Creek	Contract commenced in 2014 for two years	Training and sourcing of funding	Poor	Administrative arrangements poor	Engagement with service provider to improve logistical arrangements
Jan Nel Elektries	July 2016 for 3 years	Electrical services	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	of	Term of contract	of Performance Areas	Performance Rating	Performance Comment	Corrective measures
Ignite Services	Advisory	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 52 (excluding non-permanent positions) officials, who individually and collectively contribute to the achievement of the Municipality's objectives. The primary objective of Human Resource (HR) management is to render an innovative HR service that addresses both skills development and sound administration of in-house personnel. Tables below includes 52 permanent employees, 7 contract workers, 5 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	0	0	0	0	0	0	0	0
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	16	0	0	0	18	0	2	36
Semi-skilled and discretionary decision making	0	4	0	1	0	0	0	0	5
Unskilled and defined decision making	0	19	0	1	0	5	0	0	25
Total permanent	0	29	0	2	0	19	0	2	52
Non- permanent employees	0	13	0	2	0	4	0	1	20
Grand total	0	42	0	4	0	23	0	3	72

Occupational Levels

The table below reflects permanent staff. It must be noted that staff employed on contract include three (3) 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	Municipal Achievement
	2014/15	2015/16	2016/17
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	3	2	2
The percentage of a municipality's budget actually spent on implementing its workplace skills plan	65%	109.64%	88.64%

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	1	0	1	0	0	0	1	3
Professionals	0	0	0	1	0	0	0	0	1
Technicians and associate professionals	0	2	0	0	0	0	0	0	2
Clerks	0	16	0	0	0	18	0	2	36
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	4	0	1	0	0	0	0	5
Elementary occupations	0	19	0	1	0	5	0	0	25
Total permanent	0	29	0	2	0	19	0	2	52
Non-permanent	0	13	0	2	0	4	0	1	20
Grand total	0	42	0	4	0	23	0	3	72

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	4	0	0	0	0	0	0	4
Strategic Services	0	13	0	0	0	13	0	3	29
Technical and Electrical Services	0	21	0	2	0	2	0	0	25
Financial Services	0	4	0	2	0	8	0	0	14
Total permanent	0	29	0	2	0	19	0	2	52
Non- permanent	0	13	0	2	0	4	0	1	20
Grand total	0	42	0	4	0	23	0	3	72

Department - Race

4.2.2 Vacancy Rate

The approved organogram for the municipality reflected 97 posts for the 2016/17 financial year. The actual positions filled are indicated in the tables below by post level and by functional level. 25 Posts were vacant at the end of 2016/17, resulting in a vacancy rate of 25.77%.

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	2
Admin Officers (T4-T13)	39	14
General Workers (T3)	23	9
Grant remuneration outside TASK level	6	0
Total	72	25
Per Functional Level		
Functional area	Filled	Vacant
Office of the Municipal Manager	4	0
Corporate & Community Services	18	11
Technical and Electrical Services	30	11
Financial Services	14	3
Appointments from Grants	6	0
Total	72	25

Vacancy rate per post and functional level

4.2.2 Vacancy Rate

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 shows an increase from 11.76% in 2014/15 to 23.80% in 2015/16 and 47.22. This high turn-over rate showcase 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 appointments the end of Financial Year	no at each	New appointments	No during the year	Terminations	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	47.22

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	2007
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	June 2017
Employment Equity	June 2017
Incapacity / Ill-Health	2012
Substance Abuse	2012
Smoking Policy	2012
Overtime	June 2017
Retirement Planning	2012
Unauthorized Absence	2012
Uniform Protective Clothing	2012
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. Training is however needed on the administration of occupational health and safety claims and this will be done by the Compensation Commissioner during 2016/17. Two workplace injuries were reported during 2016/17, 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 2016/17 showed a significant decrease and the majority of sick leave taken was due to two officials suffering serious illness that required both of them to be declared unfit for duty. A third official suffering chronic illness, were to be referred for investigation to determine if he is fit for duty during the new financial year.

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

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

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 of whose performance agreements comply Regulation (Regulation 14(4)(f))	number of officials with 16	Total 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. Training starts in September 2017	0		1
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		3

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 identified for training at start of the year (2014/15)	Number of Employees that received training (2014/15)	Number of employees identified for training at start of the year (2015/16)	Number of Employees received training (2015/16)
MM and S57	Female	0	0	0	0
	Male	3	3	3	3
Legislators, senior officials and managers	Female	4	4	6	5
	Male	5	5	7	5
Associate professionals and Technicians	Female	0	0	0	0
	Male	3	3	3	2
Professionals	Female	3	3	6	5
	Male	1	1	1	1
Clerks	Female	9	5	11	6
	Male	7	3	7	4
Service and sales workers	Female	0	0	2	0
	Male	0	0	3	2
Craft and related trade workers	Female	0	0	0	0
	Male	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0
	Male	5	3	6	3
Elementary occupations	Female	1	1	2	2
	Male	7	2	11	4
Sub total	Female	13	9	21	13
	Male	23	12	31	16
Total		36	21	52	29

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 salary and allowances	Expenditure	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%

Table 159: Personnel Expenditure

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

Financial year	2015/16		2016/17	
	Actual	Original Budget	Adjusted Budget	Actual
	R,000	R,000	R,000	R,000
Councillors (Political Office Bearers plus Other)				
Basic Salary & Wages	1 795	1 897	1 897	1 897
Pension & Medical Aid Contributions	111	23 294	23 294	23 294
Motor vehicle allowance	533	527 750	527 750	527 750
Cell phone allowances	146	178 245	178 245	178 245
Housing allowances	0	0	0	0
Other benefits or allowances	0	0	0	0
In-kind benefits	0	0	0	0
Sub Total	2 585	2 627	2 627	2 627
% increase/ (decrease)	0.14%	-1.01%	-1.01%	-1.01%
Senior Managers of the Municipality				
Basic Salary & Wages	2 382	2 962	2 962	1 947
Pension and Medical Aid Contributions	287	10	10	38

Financial year	2015/16	2016/17		
Description	Actual	Original Budget	Adjusted Budget	Actual
	R,000	R,000	R,000	R,000
Motor vehicle allowance	268	201	201	226
Cell phone allowance	50	54	54	235
Housing allowance	18	18	18	42
Performance Bonus	0	0	0	0
Other benefits or allowances	0	0	0	0
Sub Total	3 005	3 245	3 245	2 488
% increase/ (decrease)	-2.32%	8%	8%	-12%
Other Municipal Staff				
Basic Salary & Wages	7 106	9 225	8 106	8 330
Pension and Medical Aid Contributions	1 198	2 130	2 060	1 739
Motor vehicle allowance	356	54	54	56
Cell phone allowance	0	74	74	60
Housing allowance	82	117	117	106
Overtime	1 071	572	572	598
Performance Bonus	0	0	0	0
Other benefits or allowances	178	229	204	739
Sub Total	9 991	12 401	11 229	11 628
% increase	-6.31%	24%	10%	10%
Total Municipality	15 580	18 273	18 273	16 743
% increase/ (decrease)	-4.54%	15%	15%	7%

Table 160: Personnel Expenditure

CHAPTER 5: FINANCIAL PERFORMANCE

This chapter provides details regarding the financial performance of the municipality for the 2016/17 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 2016/17 financial year:

Description	2015/16	2016/17		2016/17 Variance		
	Actual (Audited Outcome)	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
	R'000			%		
Financial Performance						
Property rates	3,214	3,119	3,403	3,426	10%	1%
Service charges	21,824	21,144	23,035	23,937	13%	4%
Investment revenue	1,622	1,363	1,600	2,283	67%	43%
Transfers recognised - operational	25,005	28,657	31,361	34,364	20%	10%
Other own revenue	10,467	12,022	13,439	19,725	64%	47%
Total Revenue (excluding capital transfers and contributions)	62,132	66,305	72,838	83,734	26%	15%
Employee costs	12,994	14,508	15,690	14,116	-3%	-10%
Remuneration of councillors	2,586	2,433	2,641	2,627	8%	-1%
Depreciation & asset impairment	2,336	2,285	2,553	5,591	145%	119%
Finance charges	863	413	450	1,740	322%	287%
Materials and bulk purchases	7,525	7,479	7,955	7,851	5%	-1%
Repairs and Maintenance	634	2,314	2,556	1,217	-47%	-52%
Other expenditure	23,963	32,663	36,320	41,983	29%	16%

Total Expenditure	50,901	62,095	68,165	75,125	21%	10%
Surplus/(Deficit)	11,231	4,210	4,673	8,609	105%	84%
Transfers recognised - capital	(14,118)	(15,939)	(18,726)	(13,504)	-15%	-28%
Surplus/(Deficit) after capital transfers & contributions	25,349	20,148	23,399	22,113	10%	-5%
Capital funds						
Transfers recognised - capital	(14,118)	(15,939)	(18,726)	(13,504)	-15%	-28%
Total sources of capital funds	(14,118)	(15,939)	(18,726)	(13,504)	-15%	-28%
Assets and liabilities						
Total current assets	32,248	5,187	11,031	34,922	573%	217%
Total non-current assets	122,237	115,187	125,424	132,587	15%	6%
Total current liabilities	18,729	3,129	3,265	24,498	683%	650%
Total non-current liabilities	23,999	6,719	12,678	12,699	89%	0%
Operating activities						
Net cash from (used) operating						
Net cash from (used) investing						
Net cash from (used) financing						
Cash/cash equivalents at the year end	111,757	110,526	120,512	130,313	18%	8%
Balance sheet						
Cash and investments available	26,748	2,753	8,596	27,412	896%	219%
Application of cash and investments						
Balance - surplus (shortfall)						
Asset management						
Asset register summary (WDV)	111,134	100,123	105,860	124,758	25%	18%
Depreciation & amortization	2,296	2,080	2,553	5,577	168%	118%
Renewal of Existing Assets	-	-	-	-	0%	0%
Repairs and Maintenance	634	2,314	2,556	1,217	-47%	-52%
Free services						
Cost of Free Basic Services provided	3,324	3,512	3,837	3,558	1%	-7%
Revenue cost of free services provided	3,324	3,512	3,837	3,558	1%	-7%
Households below minimum service level						
Water:	0	0	0	0	0	0
Sanitation/sewerage:	0	0	0	0	0	0

Energy:	0	0	0	0	0	0
Refuse:	0	0	0	0	0	0

Financial Performance 2016/17

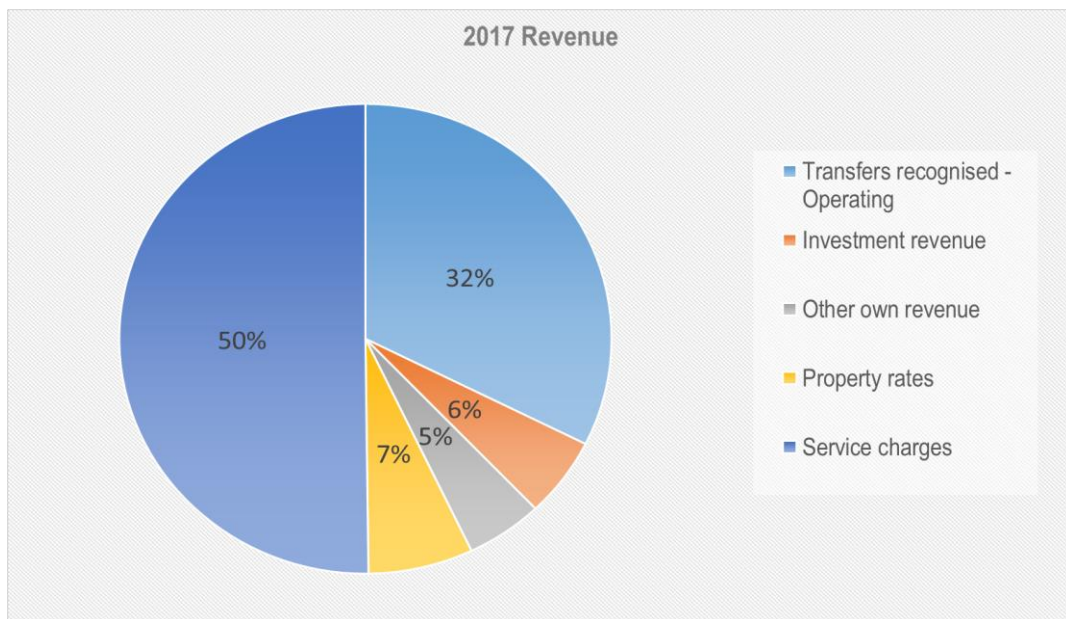
The table below shows a summary of performance against budgets:

Financial Year	Revenue				Operating expenditure			
	Budget	Actual	Diff.	%	Budget	Actual	Diff.	%
	(R'000)				(R'000)			
2013/14	69 897	79 632	9 735	12%	45 875	66 519	20 644	31%
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	82 342	(5 385)	-7%	68 165	63 771	(4 394)	-7%

Performance against budgets

The following graph indicates the various types of revenue items in the municipal budget for 2016/17

Revenue per percentage



Revenue

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	2015/16	2016/17	2016/17 Variance	Actual	Original Budget	Adjustments Budget
	Actual	Original Budget	Adjusted Budget			
	R'000	%				
1.1 - MUNICIPAL MANAGER	650	596	650	650	9%	0%
1.2 - COUNCIL GENERAL EXPENSES	1 627	2 696	3 068	3 077	14%	0%
2.1 - FINANCIAL SERVICES	6 429	5 454	6 024	6 066	11%	1%
2.2 - PROPERTY RATES	2 725	2 582	2 803	2 873	11%	3%
2.3 - GRANTS AND SUBSIDIES	23 916	22 452	24 635	22 399	0%	-9%
3.1 - CORPORATE SERVICES	1 354	969	1 064	1 181	22%	11%
3.2 - STRATEGIC SERVICES	-	-	-	-	0%	0%
3.3 - IDP	-	275	300	300	9%	0%
3.7 - LIBRARY	-	-	-	(30)	0%	0%
3.9 - GALLERY	-	-	-	-	0%	0%
3.10 - THUSONG SERVICE CENTRE	-	-	-	-	0%	0%
4.1 - SOCIAL SERVICES	482	441	481	481	9%	0%
4.2 - GRAVEYARD	23	11	11	10	-6%	-5%
4.2 - LICENCES AND TRAFFIC	-	-	-	-	0%	0%
4.3 - LIBRARY	1 217	1 310	1 430	1 433	9%	0%
4.4 - COMMUNITY DEVELOPMENT WORKERS	72	69	75	75	9%	0%
4.5 - GALLERY	-	-	-	-	0%	0%
4.5 - SEWERAGE	-	-	-	-	0%	0%
4.6 - PUBLIC WORKS	-	-	-	-	0%	0%
4.6 - THUSONG SERVICE CENTRE	386	165	180	184	12%	2%
4.7 - CIVIL DEFENCE	1	9	10	24	157%	135%
4.7 - WATER SERVICES	-	-	-	-	0%	0%
4.8 - LICENCES AND TRAFFIC	4 067	6 531	7 440	12 431	90%	67%
4.9 - SPORT AND RECREATION	283	259	283	283	9%	0%
5.1 - REFUSE	2 464	2 291	2 508	2 693	18%	7%
5.2 - SEWERAGE	4 123	12 163	14 616	4 474	-63%	-69%
5.3 - PUBLIC WORKS	2 475	1 583	1 727	2 690	70%	56%
5.4 - WATER SERVICES	4 993	4 482	4 894	5 048	13%	3%
5.5 - ELECTRICITY SERVICES	15 640	14 392	15 529	15 998	11%	3%

Total Revenue by Vote	72 926	78 732	87 726		
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A3					

Revenue by Vote

5.1.2 Revenue collection by Source

The table below indicates the revenue collection performance by source for the 2016/17 financial year:

Description	2015/16	2016/17	2016/17 Variance	Actual	Original Budget	Adjustments Budget
	Actual	Original Budget	Adjusted Budget			
	R'000	%				
Property rates	2 725	2 582	2 803	2 873	11%	3%
Service Charges - electricity revenue	12 813	12 232	13 300	13 742	12%	3%
Service Charges - water revenue	4 062	4 152	4 534	4 667	12%	3%
Service Charges - sanitation revenue	3 104	2 988	3 268	3 487	17%	7%
Service Charges - refuse revenue	1 845	1 772	1 933	2 040	15%	6%
Less: Subsidy to Indigent Households	(2 835)	(2 975)	(3 237)	(3 006)	1%	-7%
Public contributions	13	-	-	-	0%	0%
Rentals of facilities and equipment	337	375	411	388	3%	-6%
Interest earned - external investments	1 622	1 363	1 600	2 283	67%	43%
Interest earned - outstanding debtors	956	593	607	510	-14%	-16%
Contributed assets	-	-	-	1 400	0%	0%
Fines	3 552	6 076	7 010	11 919	96%	70%
Licences and permits	264	226	180	263	16%	46%
Service in Kind	2 813	1 210	1 320	3 068	154%	132%
Transfers recognised - operational	24 995	28 657	31 361	23 025	-20%	-27%
Transfers to CRR	-	1 277	1 436	-	-100%	-100%
Third Party Payments	-	-	-	-	0%	0%
Other revenue	2 343	2 265	2 476	2 105	-7%	-15%
Gains on disposal of PPE	33	-	-	-	0%	0%
Actuarial Gains	166	-	-	73	0%	0%
Total Revenue (excluding capital transfers and	58 808	62 793	69 001	68 838	10%	0%

contributions)						
<p>Variations are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A4.</p>						

Revenue by Source

5.1.3 Operational Services Performance

The table below indicates the Operational services performance for the 2016/17 financial year:

Operational Services Performance						
Description	2015/16	2016/17		2016/17 Variance		
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
	R'000				%	
Operating Cost						
Water	2 787	2 785	3 106	2 993	7%	-4%
Waste Water (Sanitation)	2 612	2 675	2 955	2 238	-16%	-24%
Electricity	10 119	10 750	11 469	10 775	0%	-6%
Waste Management	1 889	1 696	1 852	5 353	216%	189%
Component A: sub-total	17 406	17 905	19 382	21 358	19%	10%
Roads	5 036	3 602	3 932	5 194	44%	32%
Component B: sub-total	5 036	3 602	3 932	5 194	44%	32%
Planning	275	290	290	118	-59%	-59%
Component C: sub-total	275	290	290	118	-59%	-59%
Community & Social Services	2 110	2 893	3 155	2 726	-6%	-14%
Executive and Council	4 963	5 464	5 955	5 488	0%	-8%
Finance and Administration	13 376	20 480	22 586	12 327	-40%	-45%
Security and Safety	4 273	6 770	7 713	12 089	79%	57%
Sport and Recreation	342	648	702	465	-28%	-34%
Corporate Policy Offices and Other	3 119	4 043	4 450	4 005	-1%	-10%
Component D: sub-total	28 184	40 298	44 561	37 101	-8%	-17%
Total Expenditure	50 901	62 095	68 165	63 771	3%	-6%
<p>In this table operational income is offset against operational expenditure leaving a net operational expenditure total for each service. Variations are calculated by dividing the difference between actual and original/adjustments budget by the actual.</p>						

Operational Services Performance

5.2 Financial Performance per Municipal Function

5.2.1 Water Services

Description	2015/16		2016/17		
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	4 993	4 482	4 894	5 048	3%
Expenditure:					
Employees	362	605	653	653	0%
Repairs and Maintenance	(55)	270	295	112	-62%
Depreciation	534	479	550	659	20%
Other	1 945	1 432	1 608	1 568	-2%
Total Operational Expenditure	2 787	2 785	3 106	2 993	-4%
Net Operational (Service)	2 206	1 697	1 788	2 056	15%
Variances are calculated by dividing the difference between the actual and original budget by the actual.					

Financial Performance: Water services

5.2.2 Waste Water (Sanitation)

Description	2015/16		2016/17		
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	4 123	3 752	4 102	4 474	9%
Expenditure:					
Employees	852	792	850	610	-28%
Repairs and Maintenance	136	274	312	198	-37%
Depreciation	951	826	950	769	-19%
Other	673	782	842	661	-22%

Total Operational Expenditure	2 612	2 675	2 955	2 238	-24%
Net Operational (Service) Expenditure	1 512	1 078	1 147	2 236	95%
Variances are calculated by dividing the difference between the actual and original budget by the actual.					

Financial Performance: Waste Water (Sanitation) services

5.2.3 Electricity

Description	2015/16	2016/17			Variance to Budget
	Actual	Original Budget	Adjustment Budget	Actual	
R'000					%
Total Operational Revenue	15 640	14 392	15 529	15 998	3%
Expenditure:					
Employees	–	212	219	–	-100%
Bulk purchases	7 525	7 479	7 955	7 922	0%
Repairs and Maintenance	150	292	325	217	-33%
Depreciation	64	55	60	84	40%
Other	2 379	2 712	2 910	2 551	-12%
Total Operational Expenditure	10 119	10 750	11 469	10 775	-6%
Net Operational (Service) Expenditure	5 521	3 643	4 060	5 223	29%
Variances are calculated by dividing the difference between the actual and original budget by the actual.					

Financial Performance: Electricity

5.2.4 Waste Management

Description	2015/16	2016/17			Variance to Budget %
	Actual	Original Budget	Adjustment Budget	Actual	
	R'000				
Total Operational Revenue	2 464	2 291	2 508	2 693	7%
Expenditure:					
Employees	606	761	826	574	-31%
Repairs and Maintenance	62	143	160	87	-45%
Depreciation	46	46	50	2 987	5873%
Other	1 174	746	816	1 705	109%
Total Operational Expenditure	1 889	1 696	1 852	5 353	189%
Net Operational (Service)	575	596	656	(2 660)	-506%
Variances are calculated by dividing the difference between the actual and original budget by the actual.					

Financial Performance: Waste Management

5.2.5 Roads and storm water

Description	2015/16	2016/17			Variance to Budget %
	Actual	Original Budget	Adjustment Budget	Actual	
	R'000				
Total Operational Revenue	2 475	1 583	1 727	2 690	56%
Expenditure:					
Employees	2 524	1 713	1 839	2 118	15%
Repairs and Maintenance	204	392	438	295	-32%
Depreciation	446	402	450	720	60%
Other	1 862	1 096	1 206	2 061	71%
Total Operational Expenditure	5 036	3 602	3 932	5 194	32%
Net Operational (Service)	(2 561)	(2 019)	(2 205)	(2 504)	14%

Variations 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	2015/16		2016/17		Variance to Budget %
	Actual	Original Budget	Adjustment Budget	Actual	
	R'000				
Total Operational Revenue	4 068	6 540	7 450	12 455	67%
Expenditure:					
Employees	1 098	1 196	1 304	1 232	-6%
Repairs and Maintenance	37	66	73	19	-73%
Depreciation	0	–	–	64	0%
Other	3 138	5 508	6 336	10 774	70%
Total Operational Expenditure	4 273	6 770	7 713	12 089	57%
Net Operational (Service)	(205)	(230)	(263)	366	-239%

Variations 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	2015/16		2016/17		Variance to Budget %
	Actual	Original Budget	Adjustment Budget	Actual	
	R'000				
Total Operational Revenue	283	259	283	283	0
Expenditure:					
Employees	293	415	439	343	-22%
Repairs and Maintenance	17	127	142	55	-61%
Depreciation	–	–	–	–	0%
Other	33	106	121	67	-45%
Total Operational Expenditure	342	648	702	465	-34%
Net Operational (Service)	(60)	(389)	(419)	(183)	-56%

Variations 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	2015/16		2016/17		
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	2 277	3 291	3 718	3 727	0%
Employees	3 839	3 902	4 248	4 117	-3%
Repairs and Maintenance	–	92	100	–	-100%
Depreciation	12	10	13	11	-13%
Other	1 112	1 459	1 595	1 360	-15%
Total Operational Expenditure	4 963	5 464	5 955	5 488	-8%
Net Operational (Service)	(2 686)	(2 172)	(2 237)	(1 761)	-21%

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

Financial Performance: Executive and council

Description	2015/16		2016/17		
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	33 070	30 488	33 462	31 339	-6%
Expenditure:					
Employees	2 411	3 319	3 577	3 062	-14%
Repairs and Maintenance	23	342	371	86	-77%
Depreciation	170	216	200	172	-14%

Other	10 773	16 603	18 437	9 007	-51%
Total Operational Expenditure	13 376	20 480	22 586	12 327	-45%
Net Operational (Service)	19 694	10 009	10 876	19 012	75%
Variances are calculated by dividing the difference between the actual and original budget by the actual.					

5.2.9 Financial Services

Financial Performance: Financial Services

5.2.10 Planning & Development (IDP)

Description	2015/16		2016/17		
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	-	275	300	300	0%
Expenditure:					
Employees	219	177	171	103	-40%
Repairs and Maintenance	-	4	4	-	-100%
Depreciation	-	-	-	-	0%
Other	56	109	115	15	-87%
Total Operational Expenditure	275	290	290	118	-59%
Net Operational (Service)	(275)	(15)	10	182	1651%
Variances are calculated by dividing the difference between the actual and original budget by the actual.					

Financial Performance: IDP

5.2.11 COMMUNITY

Description	2015/16	2016/17
-------------	---------	---------

	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	2 181	1 996	2 177	2 154	-1%
Expenditure:					
Employees	1 694	2 048	2 235	2 062	-8%
Repairs and Maintenance	54	294	317	144	-54%
Depreciation	48	205	230	45	-80%
Other	313	346	373	475	27%
Total Operational Expenditure	2 110	2 893	3 155	2 726	-14%
Net Operational (Service)	71	(897)	(979)	(572)	-42%
Variances are calculated by dividing the difference between the actual and original budget by the actual.					

Financial Performance: ICT

Description	2015/16		2016/17			2016/17 Variance	
	Actual	Balance 1 July 2016	Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
	R'000						%
Operating Transfers and Grants							
National Government:							
Equitable Share	15 247		16 192	16 192	16 192	0%	0%
Local Government Financial Management Grant	1 600		1 625	1 625	1 625	0%	0%
Municipal Infrastructure Grant	9 466	2 682	7 212	7 212	7 212	0%	0%
Municipal Systems Improvement Grant	942					0%	0%
EPWP	1 000		1 000	1 000	1 000	0%	0%
Integrated National Electrification Program	3 000		1 000	1 000	1 000	0%	0%
Provincial Government:							
Financial Management Improvement Grant	5 535	2 509	-	-	-	0%	0%
CDW	72	-	75	75	75	0%	0%
Thusong Centre	211	-	-	-	-	0%	0%
Roads Maintenance	30	-	-	-	-	0%	0%
Housing Beneficiaries	-		10 092	14 203	14 203	41%	0%
Accelerated housing	5 000	4 748	-	-	-	0%	0%
Infrastructure support grant	237	-	-	-	-	0%	0%
Electricity Master Plan	250	-	-	-	-	0%	0%
Msooa Grant		-	-	220	220	0%	0%
Drought Relief	500	500	-	-	-	0%	0%
Advertising sms's	29	-	-	-	-	0%	0%

IDP related Projects	200	-	-	-	-	0%	0%
Additional Drought relief for Boreholes	-	-	-	500	500	0%	0%
Internship recruitment	-	-	-	180	180	0%	0%
Library Grant	1 299	-	1 427	1 427	1 427	0%	0%
Total Operating Transfers and Grants	44 618	10 438	38 623	43 634	43 634	13%	0%

Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.

5.2.12 Corporate

Description	2015/16		2016/17		
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	1 354	969	1 064	1 181	11%
Expenditure:					
Employees	1 681	1 803	1 969	1 869	-5%
Repairs and Maintenance	6	18	20	2	-90%
Depreciation	64	46	50	81	61%
Other	1 369	2 177	2 412	2 054	-15%
Total Operational Expenditure	3 119	4 043	4 450	4 005	-10%
Net Operational (Service)	(1 766)	(3 074)	(3 387)	(2 825)	-17%

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

Financial Performance: Property Management

5.3 Grants

5.3.1 Grant Performance

Grant Performance for 2017

5.3.2 Conditional Grants (Excluding MIG)

Details	Balance	Budget	Adjustments Budget	Actual	Variance		Major conditions applied by donor
					Budget	Adjust ments Budget	
					R'000		
Equitable Share	-	16 192	16 192	16 192	0%	0%	
Local Government Financial Management Grant	-	1 625	1 625	1 625	0%	0%	
EPWP	-	1 000	1 000	1 000	0%	0%	
Integrated National Electrification Program	-	1 000	1 000	1 000	0%	0%	
Financial Management Improvement Grant	2 509	-	-	-	0%	0%	
CDW	-	75	75	75	0%	0%	
Housing Beneficiaries	-	10 092	14 203	10 092	0%	-29%	
Accelerated housing	4 748	-	-	-	0%	0%	
Msoa Grant	-	-	220	220	0%	0%	
Drought Relief	500	-	-	-	0%	0%	
Additional Drought relief for Boreholes	-	-	500	500	0%	0%	
Internship recruitment	-	-	180	180	0%	0%	
Library Grant	-	1 427	1 427	1 427	0%	0%	
Total	7 756	31 411	36 422	32 311			

* 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.

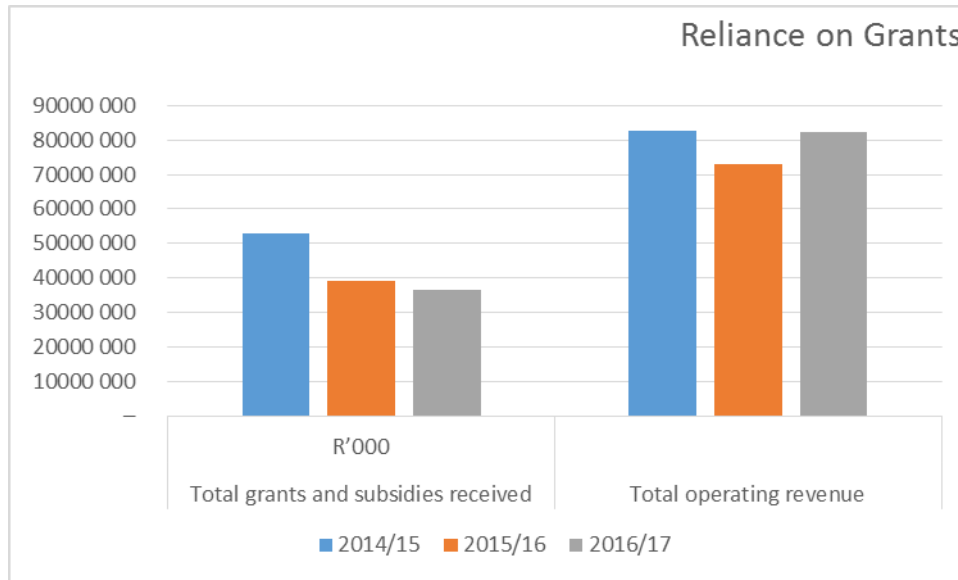
Conditional Grant (excl. MIG)

5.3.3 Level of Reliance on Grants & Subsidies

Financial year	Total grants and subsidies received	Total operating revenue	Percentage
	R'000		%
2014/15	52 962	82 614	64,11%
2015/16	39 123	72 926	53,65%
2016/17	36 529	82 342	44,36%

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:

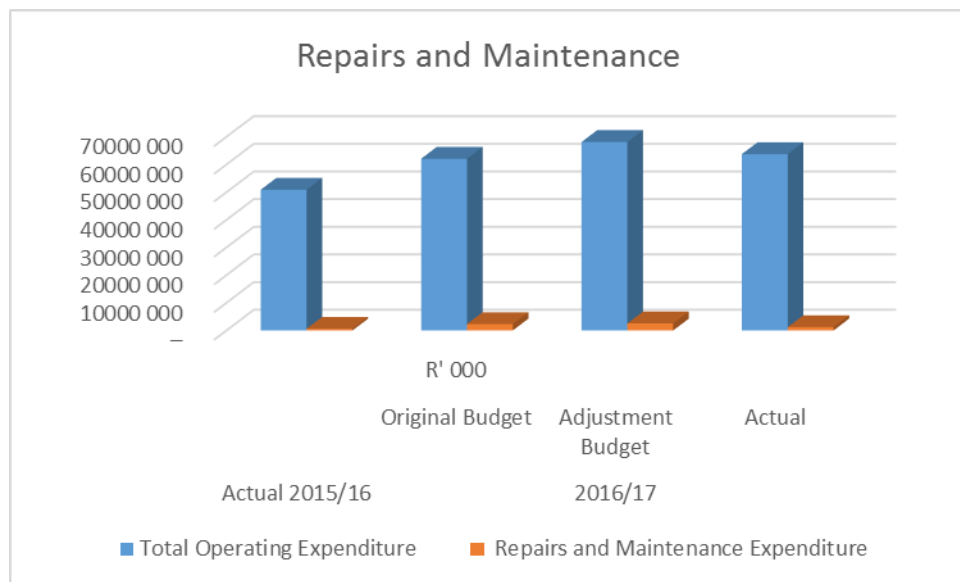
- Statutory and Regulatory Framework / Responsibilities and Accountabilities
- Financial Management / Internal Controls / Management of Control Items
- Management and Operation Of Assets / Classification & Components
- Accounting for Assets / Financial Disclosure

- 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 2015/16	2016/17			
		Original Budget	Adjustment Budget	Actual	Budget variance
		R' 000			%
Total Operating Expenditure	50 901	62 095	68 165	63 771	-6%
Repairs and Maintenance Expenditure	634	2 314	2 556	1 217	-52%
% of total OPEX	1,25%	3,73%	3,75%	1,91%	

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	2014/15	2015/16	2016/17
		Audited outcome	Audited outcome	Audited Outcome
Current Ratio	Current assets/current liabilities	1,3	1,72	2,8
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	0,56	1,07	3,1
Liquidity Ratio	Monetary Assets/Current Liabilities	0,93	1,4	2,2

Liquidity Financial Ratio

5.5.2 IDP Regulation Financial Viability Indicators

Description	Basis of calculation	2014/15	2015/16	2016/17
		Audited outcome	Audited outcome	Audited outcome
Cost Coverage	(Available cash + Investments – Unspent Grants)/monthly fixed operational expenditure	0,87	3,85	3,66
Total Outstanding Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	0,62	0,10	0,08
Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	783,15	51,09	45,64

Financial Viability National KPAs

5.5.3 Employee costs

Description	Basis of calculation	2014/15	2015/16	2016/17
		Audited outcome	Audited outcome	Audited outcome
Employee costs	Employee costs/(Total Revenue - capital revenue)	19%	26%	19%

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	2015/16	2016/17				
	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	14 118	15 939	18 726	13 504	-15%	-28%
Own funding	1 253	850	1 286	257	-70%	-80%
Other	–	–	–	–	0%	0%
Total	15 372	16 789	20 011	13 761	-18%	-31%
Capital expenditure						
Description	R'000				%	
Water and sanitation	3 331	3 051	11 905	4 786	57%	-60%
Electricity	251	1 000	1 000	1 213	21%	21%
Roads and storm water	9 673	2 086	1 464	269	-87%	-82%
Other	2 161	2 564	4 569	7 065	176%	55%
Total	15 416	8 701	18 938	13 333	53%	-30%
Percentage of expenditure						
Water and sanitation	21,67%	18%	59%	35%		
Electricity	1,63%	6%	5%	9%		
Roads and storm water	63%	12%	7%	2%		
Other	14,06%	15%	23%	51%		

Capital Expenditure by funding source

5.7 Capital Spending on 5 Largest Projects

Projects with the highest capital expenditure in 2016/17

Name of Project	2016/17				
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance	Adjustment variance
	R'000			%	
DOHS LG RISING RING MAIN 2	–	2 323	2 323	0,00%	0,00%
DOHS LG PUMPING MAIN STAGE 2	–	1 204	1 204	0,00%	0,00%
L/G and PA Road DOHS Intermediate Installation and Pack. Plant	–	2 140	2 140	0,00%	0,00%
P/A Upgrade Wastewater Treat.	1 954	4 330	4 330	122%	0,00%
P/A New Reservoir	1 571	1 319	1 319	-16%	0,00%

Capital Expenditure on the 5 Largest Projects

Name of Project	Prince Albert WWTW
Objective of Project	Waste Water Treatment
Delays	N/A
Future Challenges	Project in progress
Anticipated citizen benefits	Proper Sewer System

Name of Project	Leeu Gamka WWTW
Objective of Project	Waste Water Treatment
Delays	N/A
Future Challenges	Project in progress
Anticipated citizen benefits	Proper Sewer System

Name of Project	Electricity
Objective of Project	Electricity distribution
Delays	INEP funding received over 2 years
Future Challenges	Project Completed
Anticipated citizen benefits	Less electricity outages

Name of Project	Leeu Gamka & Price Albert Roads
Objective of Project	Roads system for housing
Delays	N/A
Future Challenges	None anticipated

Anticipated citizen benefits	Improved road system
-------------------------------------	----------------------

Name of Project	Prince Albert Reservoir
Objective of Project	Water distribution
Delays	N/A
Future Challenges	Project Completed
Anticipated citizen benefits	Less water outages

5.8 Basic Service and Infrastructure Backlogs – Overview

5.8.1 Service Backlogs

Description	Households (HHs)			
	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 2016/17 on Service backlogs					
Details	Budget	Adjustment	Actual	Variance	
		Budget		Budget	Adjustments
	R'000			%	%
Infrastructure - Road transport					
Roads, Pavements & Bridges	1 886	1 886	1 886	0,00%	0,00%
Infrastructure – Electricity					
Transmission & Reticulation	1 000	1 000	1 000	0,00%	0,00%
Infrastructure - Water					
Dams & Reservoirs	858	858	858	0,00%	0,00%
Infrastructure - Sanitation					
Sewerage purification	2 193	2 193	2 193	0,00%	0,00%
Infrastructure – Other					
Waste Management	200	200	244	22,06%	22,06%
Other Specify:					

Swimming pool	1 075	1 075	2 981	177,35 %	177,35%
Total	7 212	7 212	9 162		
* 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.					

Municipal Infrastructure Grant (MIG)

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	2015/16	2016/17		
	Audited Outcome	Original Budget	Adjustment Budget	Actual
R'000				
Cash flow from operating activities				
Receipts				
Ratepayers and other	28 056	22 555	20 018	18 846
Government - operating	24 073	23 530	30 581	52 035
Government - capital	23 373	7 293	18 759	14 816
Interest	2 578	500	810	2 793
Dividends				
Payments				
Suppliers and employees	(27 201)	(41 397)	(33 357)	(51 328)
Finance charges	(863)		270	(1 751)

Net cash from/(used) operating activities	50 016	12 481	37 081	35 411
Cash flows from investing activities				
Purchase of Property, Plant and Equipment	(25 984)	(10 293)	(20 530)	(15 821)
Disposal of Investment Properties	7			–
Purchase of Intangible Assets	(105)			(23)
Net cash from/(used) investing activities	(26 083)	(10 293)	(20 530)	(15 844)
Cash flows from financing activities				
Loans repaid	(75)	–	–	(74)
New loans raised	74	–	–	132
Increase in Consumer Deposits	20	–	–	18
Net cash from/(used) financing activities	19	–	–	75
Net increase/ (decrease) in cash held	15 618	2 189	16 551	663
Cash/cash equivalents at the year begin:	11 130	564	11 540	26 748
Cash/cash equivalents at the year-end:	26 748	2 753	28 092	27 412

Source: MBRR SA7

5.10 Gross Outstanding Debtors per Service

Financial year	Rates	Trading services	Economic services	Other	Total
		(Electricity and Water)	(Sanitation and Refuse)		
(R'000)					
2015/16	784	7 518	5 825	149	14 276
2016/17	892	3 337	1 692	188	6 109
Difference	108	(4 180)	(4 132)	39	(8 166)
% movement year on year	12,09%	-125,26%	-244,19%	20,65%	

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)				
2014/15	798	588	515	9 214	11 115
2015/16	901	598	585	12 192	14 276
2016/17	859	630	466	3 262	5 217
Difference	(42)	32	(119)	(8 930)	(9 059)
% growth year on year	-5%	5%	-26%	-274%	-174%
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	2014/15	2015/16	2016/17
	R'000		
Long-Term Loans (annuity/reducing balance)	-	-	-
Long-Term Loans (non-annuity)	-	-	-
Local registered stock	-	-	-
Instalment Credit	-	-	-
Financial Leases	75	74	135
PPP liabilities	-	-	-
Finance Granted By Cap Equipment Supplier	-	-	-
Marketable Bonds	-	-	-
Non-Marketable Bonds	-	-	-
Bankers Acceptances	-	-	-
Financial derivatives	-	-	-
Other Securities	-	-	-
Total	75	74	135

5.12.2 Municipal Investments

Investment type	2014/15	2015/16	20156/17
	Actual	Actual	Actual
	R'000	R'000	R'000
Securities - National Government			
Listed Corporate Bonds			
Deposits - Bank	11 130	26 748	27 412
Deposits - Public Investment Commissioners			
Deposits - Corporation for Public Deposits			
Bankers Acceptance Certificates			
Negotiable Certificates of Deposit - Banks			
Guaranteed Endowment Policies (sinking)			
Repurchase Agreements - Banks			
Municipal Bonds			
Other			
Total	11 130	26 748	27 412

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 a clean audit

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 2016/17 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 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 2017 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.
- As disclosed in note 34 to the financial statements, the corresponding figures for 30 June 2016 have been restated as a result of errors discovered during 2016-17, in the financial statements of the Prince Albert Municipality at, and for the year ended 30 June 2016.
- As disclosed in notes 15 and 16 to the financial statements, the municipality has provided for impairment of trade receivables from exchange transactions and other receivables from non-exchange transactions in the amounts of R4 million

and R20.9 million respectively, as management's impairment assessment indicated that these debtors would default on their accounts.

- As disclosed in note 39.4 to the financial statements, the municipality suffered electricity distribution losses of 14.54% or 1 533 655 kilowatts with a value of R1 384 602 during the year.
- The full report is available as an annexure to the Annual Report.

6.2 **CORRECTIVE AUDIT ACTION PLAN**

Attached as Annexure C is the corrective audit action plan resulting from the findings and expression of the Auditor General on the reporting period.

