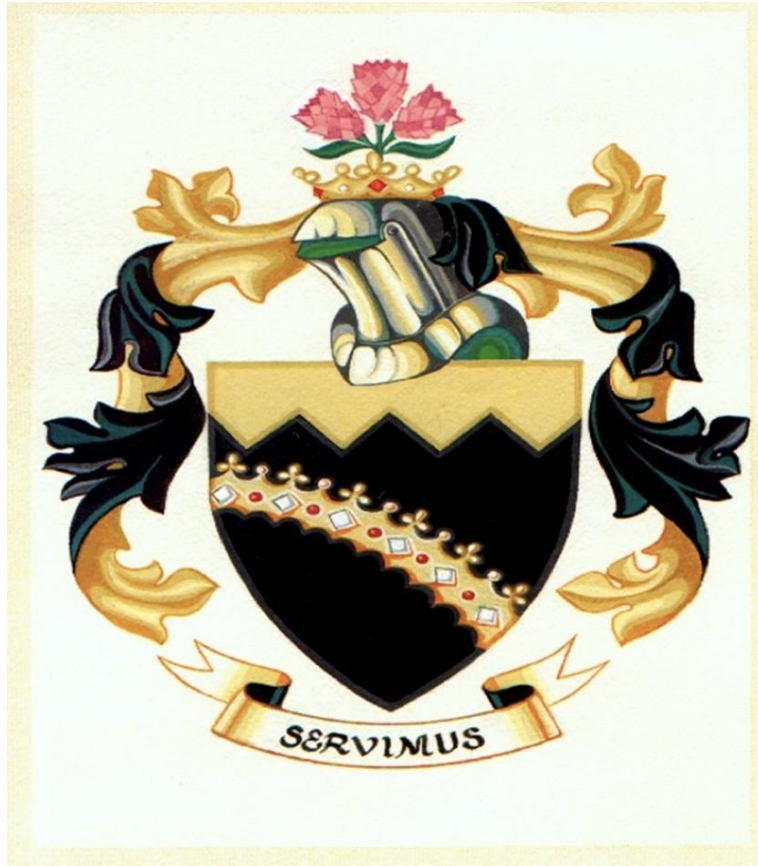


**ANNUAL REPORT**  
**PRINCE ALBERT MUNICIPALITY**  
**2015/16**



**January 2017**

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# 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 have once again done our utmost best to provide a democratic and accountable government to all people in the municipal area and I am proud to say that the elections of 2016 did in no way disrupt the service delivery of the Municipality.

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 continued their efforts to establish a long distance learning centre in Prince Albert, but had no success thus far. Due to the importance of this initiative efforts in this respect will continue. Seven parks were established in the municipal jurisdiction. Due to funding shortages finishing work on some of these parks were still outstanding and this were tended to during the reporting year. It is important to note that proper project management is integral to all projects to ensure that quality work is delivered and all projected work are completed on time and within budget. 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 Department is partners 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 85.64%, 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 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 lead to the ward committee policy being reviewed and changed to block-based ward representation.

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.

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 2017. 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 another unqualified audit for the reporting year, following the previous year's unqualified audit. Much improvement has been made towards obtaining a clean audit and was only out of reach because of deviations in respect of procurement. Due to geographical locations it is extremely difficult for a rural municipality such as Prince Albert to always procure three quotations resulting in a high number of deviations. It must be emphasised, however, that this in no way indicates any irregular or fraudulent activities.

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 will remain a priority and it is recommended to Council that staff be appointed to undertake debt collection within the lower-payment communities of Klaarstroom and Leeu Gamka.

Low income from traffic violations resulted in Prince Albert Municipality appointing a new service provider. The income from traffic violations since the appointment have since steadily grown, with positive results experienced in the first semester of the 2016/17 financial year.

The public participation process on the environmental impact assessment for the envisioned housing project in Prince Albert was completed and with the support of the Department of Human Settlements preparation for the implementation of the housing project was completed in the reporting year. This included the improvement of water storage in Prince Albert and the upgrading of the waste water treatment works. This enabled the municipality to commence with site preparation for the new housing project in Prince Albert in July 2016.

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 and upgrade the water storage facility in Prince Albert by building a 872 litre reservoir. The Department is also instrumental in reaching a formal agreement with Transnet to use the water from the Transnet borehole in Leeu Gamka to improve water security in the area. During the height of the drought bottled water was also distributed by the aforementioned Department to vulnerable households in Klaarstroom and Leeu Gamka. The Department of Agriculture supported the farmers in the area with feed for livestock.

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. The Department of Environmental Affairs supported the Municipality excellently in this respect. The use of the Expanded Public Works program, labour intensive projects and the endeavours to stimulate the local economy through new investment are part of the municipality's initiative to address the risk of a limited income base and reducing poverty pockets. While supervision remains a challenge, great success with the Community Works Programme were experienced in Klaarstroom. Lessons learned in this town, is now being implemented elsewhere.

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 Chartered Accountant responsible for the in house drafting of the financial statements has since left the Municipality's employment, which will result in the fact that the Municipality will in future, again, have to employ consultants to draft the financial statements.

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 Annual Report for the financial year 1 July 2015 to 30 June 2016 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 2015/16 Annual Report reflects on the performance of the Prince Albert Municipality for the period 1 July 2015 to 30 June 2016.

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 Rondomskek 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 2km<sup>2</sup>.



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*	% growth
10 512	12 106	<b>13 136</b>	13 428	13 728	14 034	14 346	14 673	2.23%

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

**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
Improve water storage in Prince Albert	872 ML water reservoir build
Improve Waste Water Treatment Plant	Inlet system upgraded
Upgrade of road network in North End	North End Roads rebuild and pothole repair

**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 processing staff to be appointed and trained
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	Funding applications submitted
All	Improve vehicle fleet	Fleet management principles established; purchase vehicles through CRR

**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 (%)
Electricity service connections	100	100%	100%	100%
Water - available within 200 m from dwelling	100	100%	100%	100%
Sanitation - Households with at least VIP service	100	100%	88.8%	88.8%
Waste collection - kerbside collection once a week	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

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		
Income			
Grants	31,543	54,890	39,037
Taxes, Levies and tariffs	21,519	20,788	21,229
Other	11,012	10,741	11,854
<b>Sub Total</b>	<b>64,074</b>	<b>86,419</b>	<b>72,120</b>
Less Expenditure	-53,779	-59,527	-50,635
<b>Net surplus/(deficit)</b>	<b>10,296</b>	<b>26,892</b>	<b>21,485</b>

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
	R'000				
Original Budget	53 443	7741	17919	15 358	10,293
Adjustment Budget	53 443	7741	24019	33 922	36,389
Actual	82 363	8356	20405	12 713	15,296
% Spent	154	108	85	37%	42%

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
Building Inspector was appointed	Appointment since January 2016
Staff meetings held	Staff meetings held twice per annum
Workplace Skills Plan submitted	Submitted within timeframe

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	39% vacancy rate in organisation – no funding to fill vacancies
Limited skills base	Skills funding limited

*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
<b>Opinion received</b>	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 2015/16 financial year:

KPA & Indicators	Municipal Achievement	Municipal Achievement	Municipal Achievement	Municipal Achievement
	2012/13	2013/14	2014/15	2015/16
The percentage of a municipality's capital budget actually spent on capital projects identified for a particular financial year in terms of the municipality's integrated development plan	100	85	37	42

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 2015/16 financial year:

Highlight	Description
Ward committees functioning	Ward committees functioning

Highlight	Description
Community meetings	Community meetings have high attendance numbers
Website upgraded and functioning	Website administration done internally
MPAC training	MPAC training provided
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
Ward committee policy reviewed	Ward committee policy changed to ward based representation
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 2015/16 financial year:

Description	Actions to address
Quality of feedback to ward committees poor	Management Report to ward councillors before meetings
Need to improve ward committee capacity	Provincial Ward Committee Conference attended – lead to changes to policy
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 councillors within their specific political parties and wards for the 2015/16 financial year:

Name of councillor	Capacity	Political Party	Ward representing or proportional (PR)
Mr. G .Lottering	Mayor	KGP	Ward Councillor: ward 3
Miss. M. Jaftha	Speaker	KGP	Ward Councillor: ward 2
Mr. N.S. Abrahams	Deputy Mayor	ANC	Ward Councillor: ward 1
Mr. I.J. Windvogel	Councillor	KGP	Ward Councillor: ward 4
Mrs. C .Stols	Councillor	ANC	PR Councillor
Mr S Botes	Councillor	DA	PR Councillor
Ms L Jacquet	Councillor	DA	PR Councillor

**Table 17.: Council per political affiliation**

Below is a table which indicates the Council meetings attendance for the 2015/16 financial year:

Meeting dates	Type of Council meeting	Council Meetings Attendance	Apologies for non-attendance
30/06/2016	General	100%	0%
27/08/2016	Special	100%	0%
11/09/2016	Special	85%	0%
14/10/2016	General	100%	0%
4/12/2016	General	100%	0%
23/01/2016	Special	100%	0%
6/02/2016	Special	100%	0%
12/03/2016	General	85%	0%
23/03/2016	Special	85%	0%
27/03/2016	Special	57%	43%
24/04/2017	Special	100%	0%
27/05/2016	Special	100%	0%
17/06/2016	General	100%	0%
29/06/2016	Special	71%	29%
<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 councilors in the finance committee meetings. The Finance Committee is under the chairmanship of Cllr G Lottering and deals with financial matters in the municipality.

<b>Name of member</b>	<b>Capacity</b>	<b>Meeting dates</b>
Cllr. G. Lottering	Chairperson	
Miss. M. Jafftha	Member	17/07/15
Mr. N.S. Abrahams	Member	11/09/15
Mr. I.J. Windvogel	Member	20/11/15
Mrs. C .Stols	Member	24/02/16
Mr S Botes	Member since	03/06/16
Ms L Jacquet	Member since	

**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 councilors in the finance committee meetings. The Personnel and Transformation Committee is under the chairmanship of Cllr M Jafftha and deals with Human Resources and institutional development.

<b>Name of member</b>	<b>Capacity</b>	<b>Meeting dates</b>
Miss M Jafftha	Chairperson	14/07/15 8/09/15 17/11/15 23/02/16 02/06/16
Mr G Lottering	Member	
Mr. N.S. Abrahams	Member	
Mr. I.J. Windvogel	Member	
Mrs. C .Stols	Member	
Mr S Botes	Member	
Ms L Jacquet	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 I Windvogel 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.

<b>Name of member</b>	<b>Capacity</b>	<b>Meeting dates</b>
Mr I J Windvogel	Chairperson	16/07/15 11/09/15 19/11/15 03/03/16 03/06/16
Miss. M. Jafftha	Member	
Mr. N.S. Abrahams	Member	
Mr. G Lottering	Member	
Mrs. C .Stols	Member	
Mr S Botes	Member	
Ms 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 C Stols and deals with community and land use matters.

<b>Name of member</b>	<b>Capacity</b>	<b>Meeting dates</b>
Ms C Stols	Chairperson	15/07/15 8/09/15 18/11/15 23/02/16 02/06/16
Miss. M. Jafftha	Member	
Mr. N.S. Abrahams	Member	
Mr. G Lottering	Member	
Mr I J Windvogel	Member	
Mr S Botes	Member	
Ms L Jacquet	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 not advertised due to the upcoming elections, held in August 2016. 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.

<b>Name of Official</b>	<b>Department</b>	<b>Performance agreement signed</b>
		<b>(Yes/No)</b>
Heinrich Mettler	Municipal Manager	Yes
Jannie Neethling	Chief Financial Officer	Yes
Anneleen Vorster	Manager: Corporate and Community Services	Yes
Justin Lesch up to 28 February 2016	Manager: Infrastructure 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 of meeting	and of	Date of events	Number of Participating Municipal Councillors	Number of Participating Municipal Administrators
Sport council establishment		July 2015	2	2
House Awareness Shop with Foreigners		16 July 2015	1	2
Provincial Committee Summit	Ward	16 July 2015	4	3
Sport Indaba		28 July 2015	2	2

Community Safety Plan to be drafted	16 July 2015	1	2
Supplementary Valuation Roll	November 2015	0	2
IDP Time Schedule compilation	July 2015	1	1
House Shop Policy	January 2016	4	2
Draft Annual Report and Adjustment Budget	January 2016	7	5
Budget and Rates Tariffs and related budgetary policies	March 2016	7	5
Draft IDP, SDBIP, budget and Oversight Report	March-April 2016	7	5
IDP Inputs	July 2016	1	2
Ward Committee Policy	June to July 2016	5	3
Water Restrictions	December 2015 to June	4	5
SMS Database compilation	March to June 2016	4	4



Debt Collection Campaigns	Continuous during reporting year	7	4
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### 2.6.2 Ward Committees

The ward committees support the Ward Councilor 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. N.S. Abrahams	Ward Councillor	
Cllr. C. Stols	PR Councillor	27/06/15
Vacant	Churches	17/08/15
Mr. D. Steenkamp	Safety	21/09/15
Mr. R. Swartz	Sport	19/09/15
Vacant	Representative Prince Albert Road	30/11/2015
		21/01/2016
Mrs. M. Oliphant	Businesses	22/02/2016
Mr. K. Stols	Health	18/03/2016
Mrs. A. Booysen	NGO	11/04/2016
Miss. M. Fielies	Elderly	11/04/2016
Mr. A. Booysen	School Governing Body	30/05/2016
Mrs. L. Faroo	Food Security	18/06/2016

Table 24: Ward 1 Committee Meetings

#### b) Ward 2: Prince Albert

Name of representative	Capacity representing	Dates of meetings
Cllr. M.D. Jaftha	Ward Councillor	30/07/2015
Cllr. L. Jacquet	PR Councillor	18/08/2015
Vacant	Tourism	22/09/2015

Name of representative	Capacity representing	Dates of meetings
Mr. R. Waterston	Chamber Of Commerce	20/10/2015
Miss. B. Castle	Ratepayers Association	1/12/2015
Mr. J. Mckenna	Cultural Foundation	16/01/2016
Vacant	Education	23/02/2016
Mr. J. Du Tiot	Elderly	16/03/2016
Mr. G. Erasmus	NGO	14/04/2016
Mrs. M. Mooneys	Church	30/05/2016
Mrs. L. Jaquet	Safety	18/06/2016

Table 25: Ward 2 Committee Meetings

c) **Ward 3: Prince Albert**

Name of representative	Capacity representing	Dates of meetings
Cllr. G. Lottering	Ward Councillor	30/07/2015
Miss. L. Hesque	NGO	19/08/2015
Mr. M. Berlin	Elderly	23/09/2015
Miss. F. Januarie	Churches	20/10/2015
Miss. A.Hoorn	Health	1/12/2015
Mr. J. Pietersen	Sport	27/01/2016
Vacant	Argriculture	23/02/2016
Miss. E. Manewille	Youth	16/03/2016
Vacant	Women	14/04/2016
Mrs. H. Mckay	Education	30/05/2016
		18/06/2016

Table 26: Ward 3 Committee Meetings

d) **Ward 4: Prince Albert Rondomskrik/Klaarstroom and Farms**

<b>Name Of Representative</b>	<b>Capacity Representing</b>	<b>Dates of meetings</b>
Cllr. I.J. Windvogel	Ward Councillor	
Cllr.S.Botes	PR Councillor	29/07/2015
Mr. H. Piedt	Education	19/08/2015
Mrs. J. Plaatjies	Safety	23/09/2015
Vacant	NGO	20/10/2015
Mr. J. Loff	Farmers	1/12/2015
Mr. J. Jantjies	Youth	2/12/2015
Miss. B. Ackerman	Elderly	27/01/2016
Mrs. D. Lottering	Business	23/02/2016
Miss. S. Piedt	Health	16/03/2016
Mr. S. Fister	Farmworkers	12/04/2016
Mr. I.Cupido	Sport	30/05/2016
		18/06/2016

**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. This challenge was discussed at the Provincial Ward Committee Summit attended by ward councillors and representatives of all ward committees. It was resolved that the ward committee policy should change. 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	11	11	3	Limited
2	Yes	11	11	3	Limited
3	Yes	11	11	3	Limited
4	Yes	12	11	3	Limited

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 2013/14 financial year:

Name of representative	Capacity	Meeting dates
P Oliphant up to 28/02/16 then replaced by C Baadjies	Chairperson: Imatu member	Sub committee: 21/07/2015 26/03/2016 LLF 1/09/2015 18/09/2015 22/09/2015 14/01/2016
A Arendse	Imatu	
A Waterboer	SAMWU	
N Abrahams	Employer	
H Mettler	Employer	
D Mooneys	Employer	

Table 29: Labour Forum

#### 2.7 Risk Management

The table below reflects the Risk Committee:

Member	Capacity	Department
1. H Mettler	Chairperson	Municipal Manager

<b>Member</b>	<b>Capacity</b>	<b>Department</b>
2. J Neethling	Member / Champion	Finance
3. A Vorster	Member/ Champion	Corporate and Community Services
4. J Lesch up to 28/02/2016	Member/ Champion	Technical Services
5. R Fransen	Risk Officer	Municipal Manager
6. 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 2015/16 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 2016
Risk Management Policy	Yes	Reviewed in June 2016
Risk Management Strategy and Implementation Plan	Yes	Reviewed in June 2016

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	25/08/2015
M van Wyk	Member	13/12/2015
P Theron	Member	16/03/2016
A Badenhorst	Internal Auditor	7/05/2016

Table 32: Members of the Audit Committee

## 2.9 Internal Auditing

### 2.9.1 Annual Audit Plan

The Risk Based Audit Plan for 2015/16 was executed with the available resources. The table below provides detail on audits completed:

Description		No of Hours	Date completed	
<b>Phase 1</b>				
Revisiting current risk profile and priorities		16	February 2016	
<b>Phase 2</b>				
Compiling Risk Based Audit Plan		24	March 2016	
<b>Phase 3</b>				
Audit Engagement	Departmental System	Detail	No of Hours	Quarterly

Description			No of Hours	Date completed
Performance management	All departments	4 x Quarterly internal audit reviews as required by MSA	400	March 2016 – June 2016  May 2016  June 2016
Income	Finance Department	Policies and procedures, Pre-paid electricity, Water, Electricity, Taxes, Credit Control & Debtors	536	
Supply Chain Management	Finance Department	Policies & Procedures, Tenders, Quotations, Deviations, adherence to SCM Regulations	88	
Grants verification of spending	Finance department	Grant allocations verification of spending/adherence to DORA requirements	124	
Contracts	All departments	Contract Management	80	
Administration	Corporate Services	Registration and Archive System	120	June/July 2016
HR	Corporate Services	Disciplinary Processes	96	June/July 2016
Laws & Regulations	All Departments	Compliance	96	Incorporated in areas above
Continuous Auditing/Consulting				Ongoing – monthly basis
Junior Internal Audit Assistance				Ongoing – daily basis
Training CPD				Ongoing
<b>Total Hours</b>			<b>1580</b>	

**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



Function
Risk based audit plan approved for 2015/16 financial year
Internal audit programme drafted and approved
Number of audits conducted and reported on
Grants
Performance management
Income
SCM
Contracts
Administration
HR: Disciplinary Procedures

## 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:

<b>Policies developed/ revised</b>	<b>Date adopted</b>	<b>Public Participation Conducted Prior to adoption of policy Yes/No</b>
Banking and Investment policy	27 May 2016	Yes
Long Term Financial Planning policy	27 May 2016	Yes
Credit Control policy	27 May 2016	Yes
Asset Management policy	27 May 2016	Yes
Travel and Subsistence policy	27 May 2016	Yes
Tariff Policy	27 May 2016	Yes
Supply Chain Management Policy	27 May 2016	Yes
Recruitment and Selection Policy	27 May 2016	Yes
Rates Policy	27 May 2016	Yes
Encroachment Policy	27 May 2016	Yes
Indigent Policy	27 May 2016	Yes
Capital Contribution Policy	27 May 2016	Yes
Borrowings Policy	27 May 2016	Yes
House Shop By Law	23 March 2016	Yes
Ward Committee Policy	Embarked on public participation process	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 laid the groundwork in establishing a satellite radio station (Radio Gamkaland) in Prince Albert. This resulted in the Municipality hosting four hour long slots on municipal matters every week during the 2016/17 financial year. 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 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

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

**Table 37: Communication platforms**

### **2.13 Website**

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

<b>Documents published on the Municipal website</b>	<b>Published (Yes/No)</b>
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 2015/16 (Draft)	Yes
All service delivery agreements for 2015/16	No
All supply chain management contracts above the prescribed value for 2015/16	No
Performance agreements required in terms of section 57 (1) (b) of the Municipal Systems Act for 2015/16	Yes
All quarterly reports tabled in the council in terms of section 52 (d) of the MFMA during 2015/16	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
Bertus Joubert	100%
Donovan Plaatjies	100%
Louwrence Lesch (till 31 December 2015)	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
Bertus Joubert	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
Mr. J Lesch till 29/02/2016	100%
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
	Appointment of a service	CAB HOLDINGS	Transversal Agreement

<b>Bid number</b>	<b>Title of bid</b>	<b>Successful Bidder</b>	<b>Value of bid awarded</b>
52/2015	provider for the printing and distribution of the monthly municipal accounts and newsletters		
69/2015	Implementing Agent for Housing Development Programmes	ASLA	R6630395.48
72/2015	Innovative Governance Model	UNIVERSITY STELLENBOSCH	R1 300 000
66/2015	Revenue enhancement auditing electricity prepayment and conventional meters and associated connections	SYNTELL	R267 276.00
8/2016	Financial and business support services	MUBESKO	Transversal agreement
7/2016	Supply and copy of photocopier machines	KONICA MINOLTA	Transversal agreement
18/2016	Back office for fine collection in Prince Albert Municipal area	TRAFFIC VIOLATIONS SOLUTIONS (PTY) LTD	R648805.00

**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	77	R 1,768,650	77%
Emergency	1	R 3,520	0%
Impractical	2	R 534,000	23%
<b>Total</b>	<b>80</b>	<b>R 2,306,170</b>	<b>100%</b>

*Table 43. : Summary of deviations*

**2.14.3 Logistics Management**

As at 30 June 2016, the value of stock at the municipal stores amounted to R227,000.

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 Leeu Gamka the Transnet borehole was added to the water supply system with a potential abstraction rate of 300m<sup>3</sup> per day, thus augmenting the other two boreholes in Leeu Gamka. The water quality is in potable range but special care was taken to ensure taste. In Klaarstroom an additional borehole was constructed and completed to augment the two current boreholes.

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

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

Water losses are restricted to the minimum. The average water losses target for 2015/16 was not reached. Water losses for 2015/16 was 17.04%. These losses are measured from the source to the sector meters and include the losses in the purification works. The Municipality aimed to curb water losses by issuing a three month period 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 Klarstroom was declared a drought area by Provincial government and at present are still declared a drought area. Bottled water was distributed among the residents of Klarstroom and Leeu Gamka in partnership with the Department of Social Development.

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.

**a) Highlights: Water Services**

Highlights in respect of Water services are indicated below.

Highlights	Description
Water week	Awareness campaign was done in partnership with the Department of Water Affairs and a visit was brought by scholars to the water works in Beaufort West
Effective management summer months	Drought during Water restrictions was implemented. A Drought Declaration was issued by Council and Council applied for and secured R2million for emergency drought relief. 5liter bottled water was distributed in Klarstroom and Leeu Gamka in partnership with the Department of Social Services. Careful water monitoring was done over the dry season.
Drought proclamation	Funding was secured for emergency drought relief in the form of additional boreholes and farmers were also supported with feed for their animals.

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.
Additional boreholes	Two additional boreholes were procured. One was built with MIG funding in Klaarstroom, while negotiations were initiated and the use of the Transnet borehole in Leeu Gamka was approved. Formalising the latter agreement is still underway.
Funding for additional raw water storage	Funding was secured for the extension of the Municipality's raw water storage, but this project is still underway and will only be completed in 2016/17.
Water meter audit	A water meter audit was undertaken. The results and accompanying remedial recommendations will be implemented in 2016/17.

**Table 42: Water Services Highlights**

## b) Challenges: Water Services

Challenges in respect of the water services are indicated below.

Description	Actions to address
Pollution of Runoff water (People swimming)	Build swimming pools to accommodate summer recreation. The first phase of the swimming pool in Prince Albert was completed, with the next phase to be completed in 2015/16.
Water storage	The first 1 Ml reservoir was completed in Prince Albert.
Improve water quality and capacity in Leeu Gamka	Procure permanent use of Transnet borehole; engage with Transnet and Provincial government on reaching an agreement.
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	2013/14	2014/15	2015/16	
	Actual	Actual	Actual as per census including farms	Actual as serviced by Municipality
	No.	No.	No	No
<b>Water: (above min level)</b>				
Piped (tap) water inside dwelling/institution	2 274	2 318	2 495	2536
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
<b>Minimum Service Level and Above sub-total</b>	<b>2 302</b>	<b>2 346</b>	<b>3 518</b>	<b>2564</b>
<b>Minimum Service Level and Above Percentage</b>	<b>100%</b>	<b>100%</b>	<b>98.3%</b>	<b>100%</b>
<b>Water: (below min level)</b>				
Piped (tap) water on community stand: distance between 200m and 500m from dwelling/institution	0	25	0	0
Using public tap (more than 200m from dwelling), distance between 500m and 1000m (1km) from	0	5	0	0
Piped (tap) water on community stand: distance greater than 1000m (1km) from dwelling/institution	0	6	0	0
No access to piped (tap) water	0	24	0	0
<b>Below Minimum Service Level sub-total</b>	<b>0</b>	<b>60</b>	<b>0</b>	<b>0</b>
<b>Below Minimum Service Level Percentage</b>	<b>0</b>	<b>1.7%</b>	<b>0</b>	<b>0</b>
<b>Total number of households</b>	<b>2 231</b>	<b>3 578</b>	<b>3578</b>	<b>2564</b>
<b>Included in the above table:</b> Formal residential, Informal residential, Traditional residential Farms, Parks and recreation Collective living quarters, Industrial Small holdings, Commercial <i>The above table 2014/15 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:**

	Number /Proportion of households receiving 6 kl free #	
	2013/14	2015/16
	2 063	2334

**Table 45: Source: PAMUN Audited SDBIP 2013/14 – 2015/16**

Access to the six kilolitres free water has decreased in the reporting year. As the indigent population has not decreased, an awareness campaign was launched by the Municipality to ensure that indigent residents are aware of the indigent support program.

**Service delivery indicators**

The table below reflects the municipality's performance pertaining basic service provision within the 2015/16 financial year.

Ref	KPI	Unit of Measurement	Wards	Previous Year Performance	Overall Performance for 2015/16		
					Target	Actual	R
TL10	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	2511	2485	2536	
TL11	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	687	870	951	
TL14	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	91.7%	80%	87%	G2
TL23	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	8.7%	15%	17.04%	R
TL29	Review the Water Service Development Plan and submit to Council for approval by the end of June 2016	Reviewed Plan approved by council by end of June	All	0	1	0	R

**Table 46: Service delivery indicators: Water services**

Please note that in terms of TL 29 an error was made in tabling the amendment of the SDBIP to Council in that the Target was set at 100%, but it should have been 1. The Annual Report reflects the target as 1, as the performance was not reached, this does not signify a material change.

#### **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	2013/14		2014/15		2015/16	
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies of (as total)	
	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		
<b>Total</b>	<b>5</b>	<b>7</b>	<b>2</b>	<b>2</b>	<b>28.57</b>	

**Table 47: Employees: Water Services**

**e) Capital: Water Services**

The following table reflects the municipality's capital expenditure for the 2015/16 financial year in respect of water services.

<b>Capital Expenditure 2015/16: Water Services</b>					
<b>R'000</b>					
<b>Capital Projects</b>	<b>2015/16</b>				
	<b>Budget</b>	<b>Adjustment Budget</b>	<b>Actual Expenditure</b>	<b>Variance from original budget %</b>	<b>Total Project Value</b>
Prince Albert Raw Water Reservoir	1 571	2 683	1 213	(22.80)	2 683
Klaarstroom Borehole and Piping	587	710	607	3.43	710
Leeu Gamka Rising Ring Main	-	2 400	146	N/A	2 400
Leeu Gamka Pumping Main	-	1 500	84	N/A	1 500
Leeu Gamka and PA Road Water Treatment Package Plant	-	1 826	-	N/A	1 826
Leeu Gamka Boreholes	-	790	-	N/A	790
Klaarstroom New Boreholes	-	1 220	-	N/A	1 220
<b>Total</b>	<b>2 158</b>	<b>11 129</b>	<b>2 050</b>	<b>(5.01)</b>	<b>11 129</b>

**Table 48: Capital Expenditure 2015/16: Water Services**

The Klaarstroom borehole and piping project was completed, but the Prince Albert reservoir project was delayed due to the tenders received, being in significant excess to the funding available. The tender is to be re-considered and the scope of the tender will be changed to make it more attainable. New funding for the project will be solicited.

**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; however, it was recently upgraded to provide for the upcoming 251 houses and the Transnet area. 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 is in the process of upgrading to provide for the planned 350 RDP housing units to be build soon. This upgrade is a multi-year project and will continue over several years,

The table below specifies the different sanitation service delivery levels per households for the financial years 2013/14 to 2015/16 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 Waste Water Treatment Works in Klaarstroom	Inlet of septic tank construction completed
Upgrade of Prince Albert Waste Water Treatment Works	First phase is underway
Upgrade of WWTW in Leeu Gamka	Capacity proportional standards of WWTW upgrade to accommodate sewerage from Transnet area
Elimination of bucket system in Prince Albert Road	Waterborne system installed, 28 bucket users backlog eradicated. Package plant to be completed.

Procurement of funding for improvement of WWTW	Received R600 k from Department of Local Government to augment upgrade of Prince Albert WWTW. Constructing underway to accommodate new housing project
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**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
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 2015/ 16 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	2013/14	2014/15	2015/16	
	Outcome	Outcome	Actual as per Census 2011	Actual as Serviced by municipality
	No.	No.	No	No.
<b>Sanitation/sewerage: (above minimum level)</b>				
Flush toilet (connected to sewerage)	1835	2056	2 274	2 085
Flush toilet (with septic tank)	320	314	645	315
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
<b>Minimum Service Level and Above sub-total</b>	<b>2 155</b>	<b>2370</b>	<b>3 159</b>	<b>2 400</b>



Households				
Description	2013/14	2014/15	2015/16	
	Outcome	Outcome	Actual as per Census 2011	Actual as Serviced by municipality
	No.	No.	No	No.
<b>Minimum Service Level and Above Percentage</b>	<b>98.8%</b>	<b>98.9%</b>	<b>88%</b>	<b>98.5%</b>
<b>Sanitation/sewerage: (below minimum level)</b>				
Bucket toilet	26	26	148	36
Other	0	0	125	0
No toilet provisions	0	0	148	0
<b>Below Minimum Service Level sub-total</b>	<b>26</b>	<b>421</b>	<b>421</b>	<b>36</b>
<b>Below Minimum Service Level Percentage</b>	<b>1.2%</b>	<b>1.2%</b>	<b>12%</b>	<b>1.5%</b>
<b>Total households</b>	<b>2 181</b>	<b>3580</b>	<b>3 580</b>	<b>2436</b>
The above table 2015/16 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 2015/16		
					Target	Actual	R
TL12	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	2370	2397	2399	G2
TL13	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	687	870	951	G2
TL15	Excellent waste water quality measured by the compliance of waste water Lab results with SANS irrigation standard (for Prins-	% of Lab Results complying with SANS Irrigation standards.	All	63.3%	90%	77.78%	O

Ref	KPI	Unit of Measurement	Wards	Previous Year Performance	Overall Performance for 2015/16		
					Target	Actual	R
	Albert, Leeu-Gamka and Klaarstroom)						

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	2013/14	2014/15	2015/16			
	Employees	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies % of total posts
	No.	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	
<b>Total</b>	<b>5</b>	<b>5</b>	<b>11</b>	<b>4</b>	<b>5</b>	<b>45%</b>

Table 53: Employees Waste Water (Sanitation) Provision

### d) Capital: Sanitation Services

The table below indicates the capital expenditure on sanitation services for the 2015/16 financial year. Expenditure was focused on Leeu-Gamka and Prince Albert Road as the waste water treatment works there had to be upgraded to ensure legislative compliance and to increase the capacity to accommodate the 252 houses build within the area as well as connect the Prince Albert Road residence to the sanitation network and eradicate the bucket system still in operation.

Capital Expenditure 2015/16: Sanitation Services	
R' 000	
Capital Projects	2015/16

	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Klaarstroom Waste Water Treatment Plant	-	754	685	N/A	754
Prince Albert Waste Water Treatment Plant	1 954	4 966	3 069	57.04	4 966
Leeu Gamka Waste Water Treatment Plant	-	3 198	2 469	N/A	3 198
PA Road Intermediate Sewerage Connections	-	1 424	2 401	N/A	1 424
<b>Total</b>	<b>1 954</b>	<b>10 342</b>	<b>8 624</b>	<b>341.35%</b>	<b>10 342</b>

**Table 54: Capital Expenditure 2015/16: 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 effortst 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 o research such alternatives. An audit was also undertaken by the Municipality to locate illegal and faulty electricity meters.

#### a) Highlights: Electricity

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

Highlights	Description
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Transformer Assessment was undertaken	R 2 000 000 was allocated to Prince Albert for Network upgrade
Electricity Master plan	Funding was procured from Province to draft said plan. The drafting of the plan is underway.
Smart Metering Pilot Project in final stages	Service provider negotiated funding for pilot project. Data is currently collected through the system, which will be used to assess smart metering and to plan accordingly
Electricity Meter Audit	All meters were audited, sealed and captured on a database
Electricity losses reduced	Electricity losses was curbed to 12.44%

**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
No electrician appointed	Position funded – advertised in 2015/16 financial year but no suitable candidate could be found
Measure to control usage	Sound operating procedures and awareness campaigns
Re-activate asset maintenance within funding constraints	Draft asset management plan

**Table 56: Electricity Challenges**

## c) Electricity Service Delivery Levels

The table below depicts the Municipality's performance in the current financial year against the previous financial year. It must be noted that the farms and Eskom-supplied areas are included in the Census statistics depicted below.

Description	Households			
	2013/14	2014/15	2015/16	
	Actual No.	Actual per No.	as Census 2011	Actual as Serviced by municipality
<b>Energy: (above minimum level)</b>				
Electricity (at least min.service level)	433	309	490	282
Electricity - prepaid (min.service level)	1949	1 812	1 948	1992
<b>Minimum Service Level and Above sub-total</b>	<b>2 382</b>	<b>2121</b>	<b>2 438</b>	<b>2274</b>
<b>Minimum Service Level and Above Percentage</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>
<b>Energy: (below minimum level)</b>				

Households				
Description	2013/14	2014/15	2015/16	
	Actual	Actual as per	Census 2011	Actual as Serviced by municipality
	No.	No.		
Electricity (< min.service level)	0		9	0
Electricity - prepaid (< min. service level)	0	0	0	0
Other energy sources	0	0	0	0
<b>Below Minimum Service Level sub-total</b>	<b>0</b>	<b>0</b>	<b>9</b>	<b>0</b>
<b>Below Minimum Service Level Percentage</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total number of households</b>	<b>2 023</b>	<b>2 438</b>	<b>2 348</b>	<b>2 274</b>

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 2014/15		
					Target	Actual	R
TL6	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	2121	2110	1738	O
TL7	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	687	870	951	B
TL24	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	8.26%	15%	12.44%	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	2013/14	2014/15	2015/16			
	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	
<b>Total</b>	<b>0</b>	<b>4</b>	<b>4</b>	<b>0</b>	<b>4</b>	<b>100%</b>

**Table 59: Employees: Electricity services**

Capital Expenditure 2015/16: Electricity Services					
R' 000					
Capital Projects	2015/16				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Prince Albert Switchgear	3 000	0	2 648	(11.72)	3 000
<b>Total</b>	<b>3 000</b>	<b>0</b>	<b>2 648</b>	<b>(11.72)</b>	<b>3 000</b>

**Capital Expenditure 2015/16: 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.

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. 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 two years left and Leeu Gamka is on three 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
Leeu Gamka and Klaarstroom landfill sites registered	Landfill sites registered
Weighbridge installed at Prince Albert	Weighbridge to determine waste storage implemented just before year-end

Table 60: Waste Management Highlights

### Challenges: Waste Management

The challenges pertaining waste management for the 2015/16 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			
	2013/14	2014/15	Census 2011	2015/16
	Actual No.		Actual No.	Actual as serviced by No.
<b>Solid Waste Removal: (Minimum level)</b>				
Removed at least once a week	2 333	2 452	1 989	2 475
Minimum Service Level and Above sub-total	2 333	2 452	1 989	2 475
Minimum Service Level and Above percentage	100%	100%	100%	100%
<b>Solid Waste Removal: (Below minimum level)</b>				
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
<b>Total number of households</b>	<b>2 333</b>	<b>2 452</b>	<b>1989</b>	<b>2 475</b>

**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 2015/16 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 2014/15		
					Target	Actual	R



Ref	KPI	Unit of Measurement	Wards	Previous Year Performance	Overall Performance for 2014/15		
					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	2452	2368	2475	G2
TL9	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	687	870	951	G2

**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 2013/144 and 2014/15 and now 2015/16. It must be noted that staff perform dual functions and thus the staffing table below cannot be read in isolation.

Job Level	2013/14	2014/15	2015/16			
	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	
<b>Total</b>	<b>7</b>	<b>6</b>	<b>9</b>	<b>5</b>	<b>4</b>	<b>44.44%</b>

**Table 64: Employees: Waste Management Services**

### Capital: Solid Waste Management

No capital expenditure was incurred in respect of solid waste management during the 2015/16 financial year.

### 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.

1. All persons who want to qualify for state financed housing must complete the standard application form to be registered on the housing database.
2. Only applicants who appears on the housing database will be considered for any state subsidized housing assistance
3. Completed applications shall be lodged with the Community Services manager who shall capture the information in the Housing Database in a separate list called the Housing Waiting List
4. Housing allocation shall be decided on a first come first serve basis subject to the provisions below:
  - (a) Applicants shall be Prince Albert Area residents for a period not less than five (5) years
  - (b) The waiting list will be Categorized in to three main categories and allocation will be made as per the following proportion (category A)
    - i. Squatters (in camps) 15%
    - ii. Farmworkers 10%
    - iii. Back yard dwellers and others 75%
  - (c) The aged, the disabled, HIV/AIDS victims and persons staying in dangerous or very vulnerable situations shall be prioritised without unduly undermining the principle of first come first serve. The proportional allocation will be as follows with priority to those with dependants (category B)
    - i. Disabled 5%
    - ii. Married 25%
    - iii. "Widow/widowers 25%
    - iv. Unmarried 35%
    - v. Aged 60 and above 10%
  - (d) Allocation of housing subsidies shall comply with the provisions of the Housing Act, the Housing Code, the Provincial and Municipal housing policies

It is important to note that recent national and provincial policy directives indicate that persons older than forty years will receive preference in future.

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 1 369 people against 2014/15's 1248 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 Municipality's Housing Implementation Agent, ASLA, prepared another housing application for Prince Albert on a portion of erf 743 for which the Basic Assessment Report was completed and advertised. This application is for 243 residential erven, one public open space and accompanying roads. The approval of said rezoning and subdivision was approved by Council on 28 August 2015. The Waste Water Treatment Plant in Prince Albert is currently being upgraded to accommodate this new housing development.

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.

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.

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 26 structures as on 16 May with an average 4-5 residents per structure. Residents have access to one communal tap and water at this tap adhered to the bacteriological standards of SANS 241 when tested on 16 May. Residents share one flush toilet amongst themselves. Some of the structures use solar panels for energy, but most use wood. Storm water ditches and intakes are present with adequate drainage. No health nuisances was reported by the Environmental Health Officer of the Central Karoo District on his inspection on 16 May 2016.

The Municipality requested 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. Residents use the communal tap at the nearby cemetery, but there are no sanitation facilities or storm water channels to service these structures and wood is used as energy source. There are no refuse removal and refuse are dumped at the nearby refuse transfer site, resulting in litter around the two houses.

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 services) UISP	UISP (originally 92)	Tbd	Tbd	Project conditionally supported by PPC if all planning processes successfully completed and at the availability of sufficient bulk capacity
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	IRDP	69	2016/17	Project "3033.03" not supported

Municipal Area	Project Number and Name	Program	Number of Opportunities	Earliest Implementation Year	Recommendation
	Albert GAP (69 services) IRDP & (69 units) FLISP				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
Completion of land use process for the new Prince Albert Housing development	NEMA and Land use approval obtained
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
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 2016/17 financial year to align with SDF review in terms of SLUMA
Increasing waiting list	Funding applications to Province

Description	Actions to address
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

\*Number of household where the municipality is responsible for basic services (financial stats)

**Table 68: Households with access to basic housing**

The following table shows the decrease in the number of people on the housing waiting list. There are currently approximately 1 248 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%

**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.

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

**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 2015/16		
					Target	Actual	R
TL31	Develop a Integrated Human Settlements Plan	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 R2 820 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 R2 820 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. R191 385.18 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 and to 37.50% in the 2015/16 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%

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 (kwh)	Value R'000	No. of HH	Unit per (kwh)	Value R'000	No. of HH	Unit per (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	

Table 72: Free basic electricity services to indigent households

Water							
Financial year	Indigent Households			Non-indigent households			
	No. of HH	Unit per HH (kl)	Value R'000	No. of HH	Unit per HH (kl)	Value R'000	
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	

Table 73: Free basic Water services to indigent households

Sanitation							
Financial year	Indigent Households			Non-indigent households			
	No. of HH	R per HH value	Value R'000	No. of HH	Unit per HH month	Value 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	

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 R'000	No. of HH	Unit per HH month	Value 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	

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 2015/16: 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	799	1060	1060	979	(7.64)
Waste Water (Sanitation)	641	886	770	901	1.68
Electricity	413	453	360	393	(13.25)
Waste Management (Solid Waste)	394	545	545	562	3.17
<b>Total</b>	<b>2247</b>	<b>2944</b>	<b>2735</b>	<b>2835</b>	<b>(3.70)</b>

Table 76: Financial Performance 2015/16: 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 2015/16 financial year.

Ref	KPI	Unit of Measurement	Wards	Previous Year Performance	Overall Performance for 2015/16		
					Target	Actual	R
TL9	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	687	870	951	G2
TL7	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 municipa and Eskoml electrical infrastructure network	All	687	870	951	G2
TL11	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	687	870	951	G2
TL13	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	687	870	951	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 comprise 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 needs urgent maintenance and the Municipality is engaging with the Provincial Roads Department and Department of Cultural Affairs to see to the upgrade of said pass.

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 rolling-over in 2016/17. Stormwater is included under the roads division.

#### a) Highlights: Roads

The following highlights in respect of the roads division are reflected for the 2015/16 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.
Pedestrian pathways in North- End and Leeu-Gamka	Walk and Bicycle pathways was constructed

**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.
Trees in De Beer Street, Prince Albert needs to be trimmed	Liaise with environmental expert on maintenance of De Beer Street trees
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 tarred	Existing roads sheeted	Tar maintained roads
2013/14	20.7	0	0	0	0	20.7
2014/15	20.7	0	0	0	0	20.7
2015/16	20.7	0	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.

**c) Employees: Roads**

The table below reflects the staffing component of the Roads department of the 2015/16 financial year as compared to 2014/15 and 2013/14. Again it must be noted that staff perform dual functions and are not allocated to the Roads division specifically.

Job Level	2013/14	2014/15	2015/16			
	Employees	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies % of total posts
	No.	No.	No.	No.	No.	%
0 - 3	2	4	4	4	4	100%
4 - 6	0	1	3	2	2	33%
7 - 9	0	2	0	0	0	
10 - 12	0	0	0	0	0	
13 - 15	0	1	0	0	0	
16 - 18	0	0	0	0	0	
19 - 20	0	0	0	0	0	
<b>Total</b>	<b>2</b>	<b>4</b>	<b>7</b>	<b>7</b>	<b>7</b>	

Table 82: Employees: Roads

**d) Capital: Roads**

The following table reflects the capital expenditure of the roads division for 2015/16.

Capital Expenditure 2015/16: Roads					
R'000					
Capital Projects	2015/16				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Sidewalks	707	0	620	(12.29)	707
Fencing	-	200	182	N/A	200
Prince Albert Stormwater	123	0	108	(12.28)	123
<b>Total</b>	<b>830</b>	<b>200</b>	<b>910</b>	<b>9.67</b>	<b>1 030</b>

Table 83: Capital Expenditure 2015/16: 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.

With these new changes – that took much longer than was both national, provincial and local government anticipated, there will be a new way to draft and review the Spatial Development Framework. The Spatial Development Framework is a key planning instrument in the development of an Integrated Human Settlement Plan and thus the review of the Spatial Development Plan and the drafting of the Integrated Human Settlement Plan were postponed to coincide with the new five year term of Council after the election in August 2016.

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 are 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 of land use decision since 1985 to lay the preparation of a new zoning map as part of the SDF review. Illegal land use have been addressed to some degree, but the lack of capacity is still hampering the monitoring and enforcing of this aspect.

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 every a month and advertising in other main stream newspapers, are not welcomed by residents.

Prince Albert Municipality was promulgated as SPLUMA compliant in March 2016 and the Planning By-Law came into effect from 1 March 2016. The Department of Local Government provided a registered town planner to provide assistance in the signing off on land use planning applications.

The Municipality operated without a Building Control Officer for most of the year, with a temporary appointment only made in January 2016. This appointment has since been made permanent and has resulted in improved control over building activities. .

With regard to the Integrated Development Planning; the approved process plan was followed.

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 found to be basic and informed by the business community of Prince Albert. It provides a good basis to develop a full-fledged local economic development strategy. The

Municipality realises the need to identify catalyst projects to contribute to the establishment of an economic value chain and sustainable economic growth. While a tender was allocated for the sourcing of funding for the drafting and implementing of a Local Economic Development Strategy, no funding have been generated thus far.

The Municipality in partnership with the Department of Environmental Affairs, Rural Development and Land Reform as well as the Department of the Premier developed an Economic Education Centre that offered an Access Centre with a business hub, training and meeting facilities as well as internet access to all residents. These facilities are used optimally. Access Centres were also developed in Klaarstroom and Leeu Gamka.

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.

**a) Highlights: Planning**

The following highlights in respect of the planning division for the 2015/16 financial year are reported below.

Highlights	Description
Planning By Law	Planning By Law adopted in June 2015
SPLUMA compliance	Prince Albert Municipality was promulgated as SPLUMA compliant on 1 March 2016
Stricter control in respect of land use	Land use changes are now applied for
Strengthening the institutional knowledge on land use	New procedures and control measures were instituted to ensure compliance
Tribunal appointed	Tribunal appointed and assistance secured from Province, both in respect of capacity and funding
Improved building control	Building Control Officer appointed in January 2016

**Table 85: Planning Highlights**

**b) Challenges: Planning**

The table beneath reflect the challenges in respect of Planning for the 2015/16 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
Poor legal compliance and enforcement by Municipality	Capacity must be increased

**Table 86: Planning Challenges**

## Service Delivery Indicators

The table below reflects the planning division's performance in respect of the 2015/16 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 2015/16		
					Target	Actual	R
TL40	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
T41	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 2016	All	Adopted by 30 May	1	1	G

**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 this 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
Building plans application processed	47	43	40
Total surface (m2 )	5 053	5 397.99	5 078
Approximate value (Rand)	24 254 000	18 971500	25 552 768
Residential extensions	21	42	34
Land use applications processed	34	81	27

**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 2015/16		
					Target	Actual	R
TL1	Review the spatial development framework and submit to council by end June	Reviewed SDF submitted to Council by end June	All	New KPI	1	0	R

### 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.<sup>6</sup> 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 GDPR of R2.7 billion in 2013.

Despite its relatively small contribution to GDPR, 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.

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.<sup>7</sup> 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 GDP in 2013). This contribution is however eclipsed by the economy of Beaufort West which contributed 69 per cent to GDP. 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 GDP 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
<b>Total</b>	<b>2.60%</b>	<b>-358</b>	<b>4.50%</b>	<b>-430</b>	<b>3.80%</b>	<b>228</b>	<b>3.90%</b>	<b>-824</b>

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](http://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.

**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
BSP parks project	EPWP based establishment and upgrading of parks in municipal area
Renewable energy sustainability investigation launched	First phase on possible renewable energy plant investigation launched
Access Centre	Allocation of 5 Access Centres to Prince Albert of which three has already been opened

EPWP workers employed	197 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

**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
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 is sourcing external funding to compile an integrated economic development strategy. Though funding has not been received, the principles of quality strategic economic planning at the municipal level includes the setting up of effective structures for managing the economic strategy process (1), preparing a good strategic analysis of the municipality (2), strategy formulation (3) and strategy implementation (4).

A key concept throughout this process is partnership: partnerships within the municipality, as well as with others outside the municipal building, with whom these four steps are undertaken together.

At present the Municipality is driving the visioning process within the community to procure communal buy-in on what type of towns we want in our areas. Once agreement can be reached on these matters, further initiatives can be built upon the results. No funding to draft and implement this strategy has been received.

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
	% of Region's (GDPR)	
Agriculture, forestry and fishing	16.1	-1.8
Mining and quarrying	0	-
Manufacturing	9.9	3.9
Electricity & gas and water	0	-
Construction	13.2	13.3
Wholesale and Retail Trade, catering & accommodation	14	3.7

Transport, storage & communication	5.8	-3.0
Finance, insurance, real estate and business services	22.4	13.8
Community and social and personal services	5.9	1.2
General government	12.7	1.0
Average annual growth, 2000-2011		4.2

Municipal growth across sectors: 2000 - 2011

(The figures for 2014/15 are based on the Quantec Research data sourced from the MERO 2013)

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, 2015

Economic Sector Contributions	2014/15		2015/16	
	% Sector contribution	% employment by sector	% Sector contribution	% employment by sector
Agriculture, forestry and fishing	-1.8	16.1	12.2%	22.6%
Mining and quarrying	0.0%	0.0%	0.0%	0.0%
Manufacturing	3.9	9.9	7.2%	4.4%
Electricity, Gas & water	-	0.5	0.0%	0.0%
Construction	13.3	13.2	14.3%	16.7%
Retail and Accommodation	3.7	14	12.1%	16.3%
Transport & Communication	-3.0	5.8	3.8%	1.4%
Finance & Business	13.8	22.4	34.4%	14.2%
Community and social services	1.2	5.9	4.7%	14.7%
General government	1.0		11.3%	9.7%
<b>Total</b>	<b>100</b>	<b>87.8</b>	<b>100</b>	<b>100</b>

Economic Employment by Sector (Source: Quantec Database, 2015)

### 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 2015/16		
						Target	Actual	R
TL2	Implementation of the Local Economic Development Strategy	Number of LED interventions/ activities / programmes implemented	All	2		4	6	B

TL3	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	197
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**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:

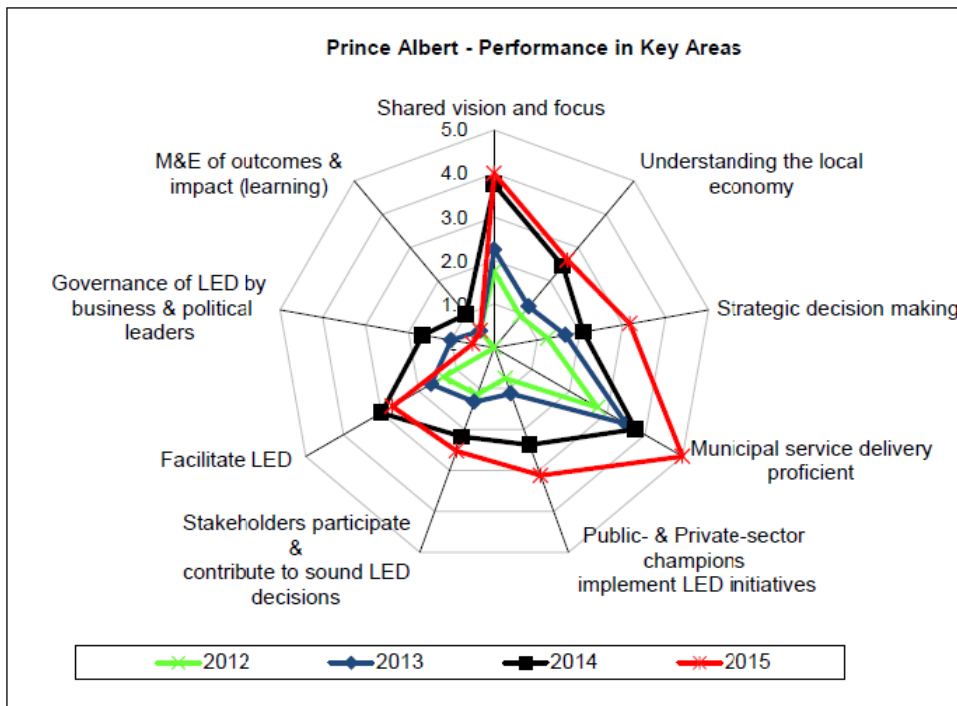
- Factors critical to LED success,
- Which aspects of LED practices work in the Municipality and which do not,
- The root causes of their LED failures, and
- Options to learn from other who have succeeded where they have failed

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 2014/15 financial year, compared to the 2015/16 financial year.

### Expanded Public Works Programme (EPWP)

Job creation through EPWP projects		
Details	EPWP Projects	Jobs created through EPWP projects
		# of Work Opportunities Created
2014/15	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	319
2015/16	Infrastructure repair & Maintenan e (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

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 28 317, with outreaches within the community that included outreaches to the disabled, the aged, schools, etc. National library week, 9-13 May 2016 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 Prince Albert Library was awarded the accolade of being selected as the best rural municipality in the Western Cape during February 2016. 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 2016	Morning tea for users over 60 years (10 and 13 May)
Library outreach.	Visits to crèches, Tea parties for readers, Visits to Old age care centre
Computerized systems	Electronic management of books
Workstations for students to do research	All three libraries provide access to computers
Wheellie 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
Library members	3 341	3572	3 933
Books circulated	8 118	28317	76 892
Exhibitions held	18/year	24	20 year
Internet users	An 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
Children programmes	2/month	4/month	2 per month
Visits by school groups	Average 10 times per month	Average 12/month	Average of 12 per month
Book group meetings for adults	2/year	2/year	4 per year
Primary and Secondary	6/year	12/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	2013/14	2014/15		2015/16		
	Employees	Posts	Posts	Employees	Vacancies (fulltime equivalents)	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	
<b>Total</b>	<b>6</b>	<b>7</b>	<b>7</b>	<b>6</b>	<b>1</b>	

**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 Klarstroom. 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 Klarstroom, 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	2013/14	2014/15		2015/16		Vacancies (fulltime equivalents)	Vacancies % of posts	(as a 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			
<b>Total</b>	<b>6</b>	<b>10</b>	<b>10</b>	<b>6</b>	<b>4</b>	<b>66%</b>		

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 this will be reviewed in 2016.

At present there is no funding set aside to undertake and implement Air Quality Management.

#### Highlights: Air Quality Management

Highlights	Description
Air Quality Plan	Plan drafted in November 2014
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
Air Quality By Law	Air Quality By Law to be drafted

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. The officer resided in Leeu-Gamka and this hampered service delivery. The decision was thus taken to re-locate the official to Prince Albert and this has improved the oversight within the DLTC. Significant improvement on the management of the DLTC have been made.

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
Animals impounded	0	0	0
Number of by-law infringements attended	0	5	8
Number of officers in the field on an average day	1	2	1
Number of officers on duty on an average day	1	2	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	In the latter part of reporting year 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
Road Incident Management Steering Committee	A Road Incident Management Steering Committee was implemented and Mr M February is representing 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	Service provider unable to perform in terms of SLA – new Service provider appointed – change over very problematic
Poor performance by service providers	SLA's should have stricter penalty clauses
Lack of official transport	Private transport increase expenditure – need to purchase official traffic vehicle
Poor relationship with courts	Has improved; Monitored closely
Suspension of officer	Disciplinary procedure to be completed
Securing law enforcement on 80 zone in Leeu Gamka	Submission to Dept Roads and National Prosecuting Authority
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
Motor vehicle licenses processed	103 (R106 5016.60)	5 350 (R1 152 176.20)	(R1 303 898.35)
Learner driver licenses processed	432	427	377
Driver licenses processed	295	198	275
Driver licenses issued	227	293	275
Fines issued for traffic offenses	1 034	21 340	3 716 850
R-value of fines collected	65 150	944 046	595 486.01

Roadblocks held	4	14	88
Complaints attended to by Traffic Officers	3	0	6
Awareness initiatives on public safety	3	1	3
Number of road traffic accidents during the year	35	15	33
Number of officers in the field on an average day	3	2	1
Number of officers on duty on an average day	3	2	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 2015/16.

Job Level	2013/14	2014/15	2015/16			
	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	
<b>Total</b>	<b>3</b>	<b>7</b>	<b>7</b>	<b>2</b>	<b>4</b>	<b>57.14%</b>

**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 funding proposal to obtain new fire fighting equipment has been submitted to the provincial disaster management centre and the fire trucks, which are custom made, are currently under construction to be delivered to the Municipality before the end of 2016. The Municipality will also be incorporated in a Shared Service 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.

A veld fire caused severe damage in the Prince Albert rural areas and although this is a function of the C-municipality, there is a need for greater co-operation in this respect. Veld Fire co-operation will thus be included in more detail in the future development of a Disaster Management Plan.

The Municipality adopted a Disaster Management Plan in June 2014. This plan was reviewed in December 2015.

**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 wagon donated	A fire wagon were donated to the Municipality
Protective clothing received	Protective clothing received to replace old clothing
Engagement with Hospital on emergency plans	Engagement with Prince Albert Hospital on drafting emergency plan
Excellent re-action time	Re-action time tested to support Hospital: minutes
Disaster Management Plan reviewed	Disaster Management Plan reviewed – awareness raised on fire requirements
Funding for fire truck	Provincial funding procured for new fire truck

**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
Operational call-outs	27	24	41
Reservists and volunteers trained	2	0	1
Awareness initiatives on fire safety	0	0	0
Total fires attended in the year	27	24	38
Total of other incidents attended in the year	0	0	3
Average turnout time - urban areas	9 min	Not measured	3 min (hospital)
Average turnout time - rural areas	60 min	Not measured	Not measured
Fire fighters in post at year end	0	1	1 full time
Total fire appliances at year end	1	1	2
Average number of appliance off the road during the year	1	1	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	2013/14	2014/15	2015/16			
	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	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	
<b>Total</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>1</b>	<b>1</b>	<b>50%</b>

Table 112: Employees: Fire services and 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. Funding applications to find a solution for this has been submitted to the relevant sector departments. In Prince Albert the Sydwell Williams field are not used due to the sub-standard condition of the field and the lack of lighting. The Odendaal Sports Facilities are therefore over utilised as it is used almost daily for the practice of soccer, rugby and by schools. An application was submitted to the relevant sector department to acquire funding for lighting at Sydwell Williams to alleviate the pressure on Odendaal and this project was completed on 30 June 2016. The field of Sydwell Williams need to be upgraded however to allow utilisation of it as an exercise field. The first phase of the development of a swimming pool for Prince Albert have been completed in 2014/15 and additional money needs to be secured to finish the project.

The Central Karoo District became independent from Boland and South Western District. Sport councils for all towns within the Central Karoo were elected.

BSP became the implementing agent for Prince Albert to establish and upgrade recreational parks in the municipal jurisdiction. The establishment and upgrade of two parks for Leeu-Gamka, one for Klaarstroom and three for Prince Albert were completed in the reporting year. This was done in a labour intensive manner to support poverty alleviation and combat unemployment.

#### a) Highlights: Sport and Recreation

Highlights	Descriptions
Holiday programmes	Several holiday programmes took place
Lighting at Sydwell Williams Centre	Sydwell Williams Sports field equipped with lighting to allow for evening activities
Upgrade of parks	New and existing parks established and upgraded in Klaarstroom, Leeu-Gamka and Prince Albert

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
<b>Community Parks</b>			
Number of parks with play park equipment	3	4	7
Number of wards with community parks	2	4	4
<b>Sport fields</b>			
Number of wards with sport fields	4	4	4
Number of sport associations utilizing sport fields	2	3	3

Table 115: Additional performance information for Sport and Recreation

### d) Capital: Sport and Recreation Services

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

Capital Expenditure 2015/16: Sport and Recreation					
R'000					
Capital Projects	2015/16				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Prince Albert Swimming pool	2 000	151	133	(93.37)	151

Lighting Sydwill Williams Centre Fields	-	200	199	N/A	200
<b>Total</b>	<b>2 000</b>	<b>351</b>	<b>332</b>	<b>(83.42)</b>	<b>351</b>

**Table 116: Capital Expenditure 2015/16: 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 structure 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 2014/15	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			2014/15			2015/16		
	Billed In Year	Actual for accounts billed in year	Proportion of accounts value billed that were collected in the year	Billed in Year	Actual for accounts billed in year	Proportion of accounts value billed that were collected	To be billed in Year	Estimated turnout for accounts to be billed in year	Estimated Proportion of accounts to be billed that will be collected
Property Rates	2 464	2 338	94%	3 200	2741	86%	2 681	2 483	93%
Electricity	6 129	5 887	96%	7 650	7197	94%	6 540	6 554	100%
Water	3 320	1 948	59%	3 910	2 850	73%	2 770	2 127	77%
Sanitation	2 791	2 052	74%	2 310	1 424	61%	2 177	2 005	92%
Refuse	1 631	879	54%	1 776	1 231	69%	1 231	930	76%

Table 121: Debt recovery

## 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 and 2014/15 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	2013/14	2014/15	2015/16			
	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 2015/16		
					Target	Actual	R
TL6	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	2121	2110	1738	O
TL7	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	687	870	951	G2
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	2452	2368	2475	G2
TL9	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	All	687	850	951	G2

Ref	KPI	Unit of Measurement	Wards	Previous Year Performance	Overall Performance for 2015/16		
					Target	Actual	R
		monthly					
TL10	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	2318	2485	2536	G2
TL11	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	687	870	951	G2
TL12	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	2370	2370	2399	G2
TL13	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	687	870	951	G2
TL18	Maintain a Year to Date (YTD) debtors payment percentage of 90% (excluding traffic services)%	Payment percentage (%) of debtors over 12 months rolling period	All	94.58%	90%	85.64%	O
TL19	Maintain an financially unqualified audit opinion for the 2014/15 financial year	Financial statements considered free from material misstatements as per Auditor General report	All	1	1	1	G
TL25	Financial viability measured in terms of the municipality's ability to meet it's service debt obligations ((Total operating revenue-operating grants received)/debt service payments due within the year)	((Total operating revenue-operating grants received)/debt service payments due within the year)	All	0	362.1	389.79	G2
TL26	Financial viability measured in terms of the outstanding service debtors (Total outstanding service debtors/ revenue received for services)	(Total outstanding service debtors/ revenue received for services)X100	All	61%	62%	74.17%	G2
TL27	Financial viability measured in terms of the available cash to cover fixed operating expenditure ((Available cash+ investments)/ Monthly fixed operating expenditure)	((Available cash+ investments)/ Monthly fixed operating expenditure)	All	1.02	1.2%	5.15%	B
TL28	Develop action plans to address the top 10 risks by the end of June	Number risk mitigation plans submitted to the Audit Committee by the end of June	All	10	10	10	G

**Table 123: Financial performance**

Please note that in respect of TL18 “Maintain a Year to Date (YTD) debtors payment percentage of 96% “Council approved an amended target of 90%, this is reflected in the Annual Report.

### 3.20 Human Resource Services

The Human Resource Department have only two dedicated staff members of which one is a contract worker funded by the EPWP-program. 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
Wellness meeting with staff	Staff wellness meeting held where MM engaged directly with workers
EPWP contracts concluded for 197 persons	Contract administration in respect of EPWP workers successfully undertaken
Improved oversight on over time	Stronger control measures implemented

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
Vacancy rate is 43%	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
Non- performance of Local Labour Forum	Local Labour Forum disrupted due to dispute, but since dispute was resolved meeting just once – need to get LLF to comply with legislation
Resignations	Manager: Infrastructure Services and IDP coordinator resigned – functions performed by existing staff

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 2015/16		
					Target	Actual	R
TL4	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 2016	All	65%	100%	109.64%	G2
TL7	Review the following required policies (Recruitment & Selection, Leave and Long Leave services bonus Policy, HIV&AIDS Policy and Youth, gender and disability policy) and submit to council for approval	Number of reviewed policies approved by council by the end of June	All	New KPI	4	1	R
TL22	The number of people from employment equity target groups employed (appointed) in the three highest levels of management in compliance with Prince Albert Census Demographic statistical data	Number of people employed (appointed)	All	3	1	2	G2

**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	2013/14	2014/15	2015/16			
	Employees	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	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	
<b>Total</b>	<b>1</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>0</b>	

**Table 127: Employees: Human Resource services**

#### Component J: Miscellaneous



## Municipal Farm

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

### Summary of Agricultural Assets

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

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 2015/16

The performance management system that was implemented and followed for the 2015/16 financial year is described below:

##### a) Approval of the Top Level SDBIP 2015/16

The SDBIP for 2015/16 were prepared as described in the paragraphs below and the Top Layer SDBIP approved by the Executive Mayor on 9 June 2015.

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.

**c) The IDP and the budget**

The 2015/16 IDP was approved together with the 2015/16 budget by Council on 227 May 2015. 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. The current audit committee will be retained until the final review of the 2015/16 financial year.

**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 2016.

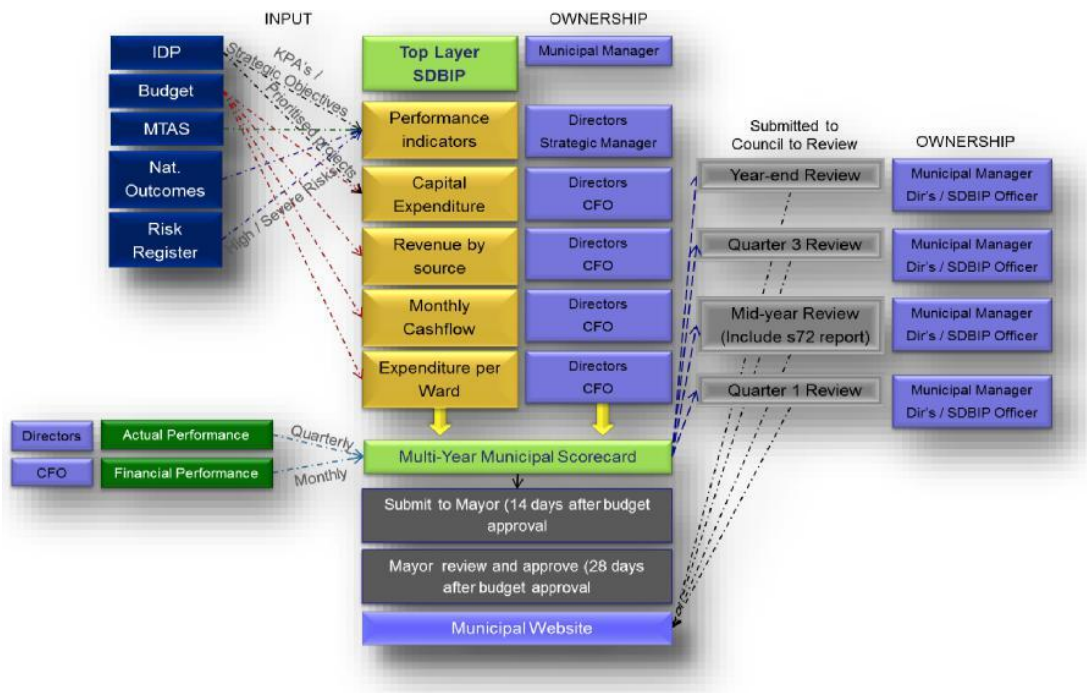
### The municipal scorecard (Top Layer SDBIP)

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

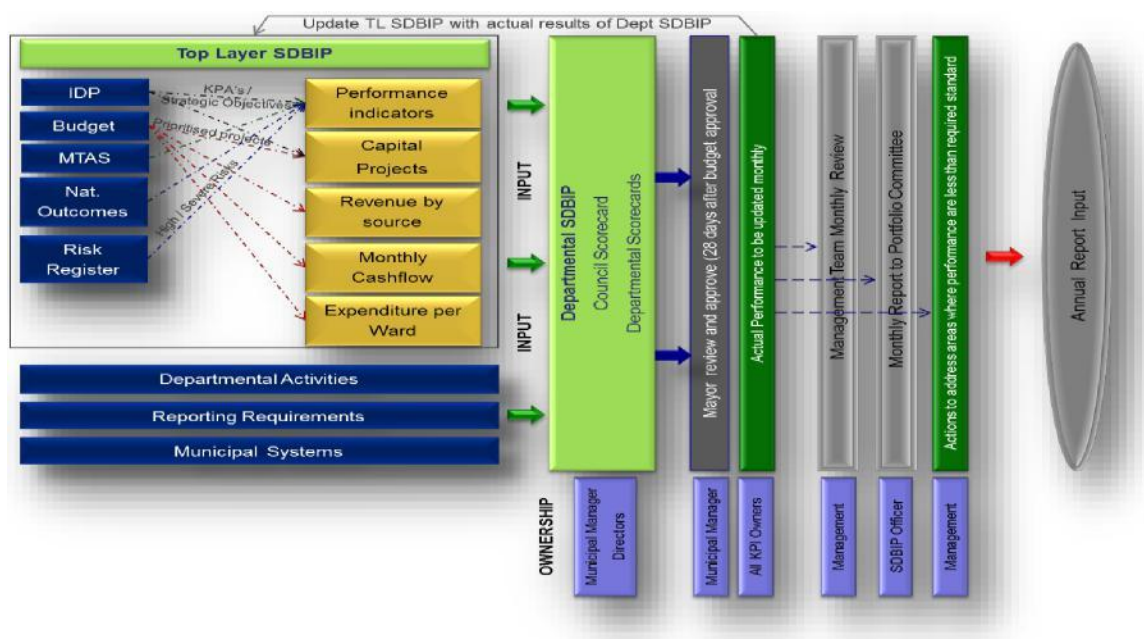
Top Layer KPI's were aligned with the IDP Implementation Map (iMAP) that was prepared based on the following:

- 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
TL3	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
TL4	The % of the Municipality's training budget spent, measured as (Total Actual Training Expenditure/Approved Training Budget x 100)	0.14%	65%	109.64%

**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-spend. 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
TL12	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).	2,150	2,370	2399

TL6	Number of Residential account holders connected to the municipal electrical infrastructure network (credit and prepaid electrical metering)	2,382	2,121	1738
TL8	Provide refuse removal, refuse dumps and solid waste disposal to households within the municipal area	2,333	2,452	2475
TL10	Provision of clean piped water to formal residential properties which are connected to the municipal water infrastructure network.	2,231	2,511	2536

**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
TL3	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
TL6	Implementation of the Local Economic Development Strategy	Not measured	Not measured	6

**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
TL25	Financial viability measured in terms of the municipality's ability to meet it's service debt obligations ((Total operating revenue-operating grants received)/debt service payments due within the year)	11.19%	0	389.79
TL26	Financial viability measured in terms of the outstanding service debtors (Total outstanding service debtors/ revenue received for services)	7.41	61%	74.17%
TL27	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

**Table 132: Financial Viability Indicators**

### 3.21.4 Good Governance and Public Participation

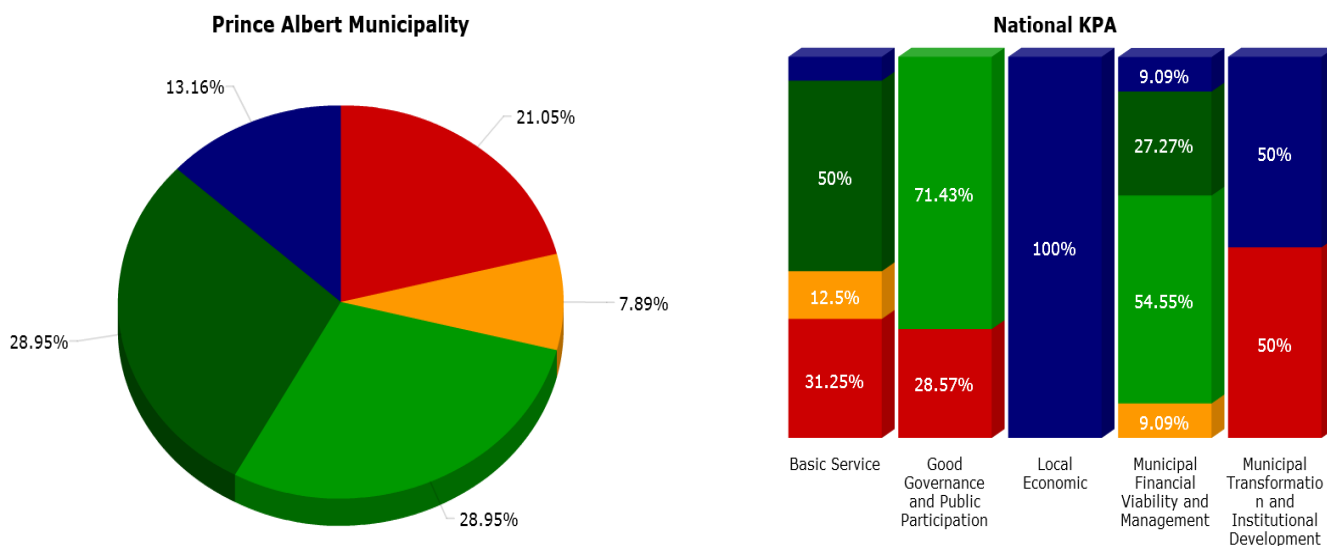
In the table below the nationally prescribed performance indicator in respect of Good Governance and Public Participation is reflected.

Ref no.	Key Performance Indicator (KPI)	Municipal Achievement 2013/14	Municipal Achievement 2014/15	Municipal Achievement 2015/16
TL5	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%

Table 133: Capital budget expenditure according to IDP

### 3.22 Overall performance per Municipal KPA

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



	Prince Albert Municipality	National KPA				
		Basic Service Delivery	Good Governance and Public Participation	Local Economic Development	Municipal Financial Viability and Management	Municipal Transformation and Institutional Development
KPI Not Met	8 (21.1%)	5 (31.3%)	2 (28.6%)	-	-	1 (50%)
KPI Almost Met	3 (7.9%)	2 (12.5%)	-	-	1 (9.1%)	-
KPI Met	11 (28.9%)	-	5 (71.4%)	-	6 (54.5%)	-
KPI Well Met	11 (28.9%)	8 (50%)	-	-	3 (27.3%)	-
KPI Extremely Well Met	5 (13.2%)	1 (6.3%)	-	2 (100%)	1 (9.1%)	1 (50%)
<b>Total:</b>	<b>38</b>	<b>16</b>	<b>7</b>	<b>2</b>	<b>11</b>	<b>2</b>

### 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 2016		
							Target	Actual	R
TL1	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	0	R
TL5	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 2015/16 financial year	0.37	90%	90%	55.56%	R
TL6	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)	2121	2,110	2,110	1,738	O



TL7	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	687	870	870	951	G 2
TL8	48	To develop a water demand management strategy	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	2452	2,368	2,368	2,475	G 2
TL9	103	To deliver services in terms of agreed service levels	Provision of free basic refuse removal, refuse dumps and solid waste disposal to registered indigent account holders	No of indigent account holders receiving free basic refuse removal monthly	687	870	870	951	G 2
TL10	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	2511	2,485	2,485	2,536	G 2
TL11	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	687	870	870	951	G 2
TL12	139	To deliver services in terms of agreed service levels	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.	2370	2,370	2,370	2,399	G 2

TL13	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.	687	870	870	951	G 2
TL14	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 Klarstroom	% of test results complying with SANS 241	91.7%	80%	80%	87%	G 2
TL15	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 Klarstroom)	% of Lab Results comply with SANS Irrigation standards.	63.3%	90%	90%	77.78%	O
TL23	138	To develop and implement an infrastructure management and maintenance plan	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	8.7%	15%	15%	17.04%	R
TL24	143	To develop and implement an infrastructure management and maintenance plan	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	8.26%	16%	15%	12.44%	B

TL29	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 2016	Reviewed Plan approved by council by end of June	0	1	1	0	R
TL31	147	To review all sectorial plans and align with LED and SDF	Develop a Integrated Human Settlements Plan	Plan completed by the end of June	0	1	1	0	R

Table 134: Municipal performance according to Key Performance Indicators

### 3.2.2 Economic Development

Ref	IDP Ref	Pre-determined Objectives	KPI	Unit of Measurement	Previous Year Performance	Annual Target	Period-To-Date As At June 2016		
							Target	Actual	R
TL2	13	To develop and grow LED and particularly SMME opportunities	Implementation of the Local Economic Development Strategy	Number of LED interventions/ activities / programmes implemented	2	4	4	6	B
TL3	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	319	50	50	197	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 2016		
							Target	Actual	R

TL4	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 2016	65%	100%	100%	109.64%	G 2
TL18	107	To implement mechanisms to improve debt collection	Maintain a Year to Date (YTD) debtors payment percentage of 96% (excluding traffic services)%	Payment percentage (%) of debtors over 12 months rolling period	94.58%	90%	90%	85.64%	O
TL19	108	To improve financial management by addressing the AG reporting matters	Maintain an financially unqualified audit opinion for the 2014/15 financial year	Financial statements considered free from material misstatements as per Auditor General report	1	1	1	1	G
TL20	134	To promote a culture of good governance	Risk based audit plan approved by Audit Committee for 2016 by February 2016	Risk based audit plan approved by Audit Committee by February 2016	1	1	1	1	G
TL25	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)	0	362.1	362.1	389.79	G 2
TL26	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	61%	62%	62%	74.17%	G 2
TL27	142	To improve financial reporting	Financial viability measured in terms of the available cash to cover fixed operating expenditure ((Available cash+ investments)/ Monthly fixed operating expenditure)	((Available cash+ investments)/ Monthly fixed operating expenditure)	1.02	1.2	1.2	5.15	B
TL28	143	To improve financial management by addressing the AG reporting matters	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	10	10	10	10	G
TL34	150	To develop a long term financial strategy	The main budget is approved by Council by the end of May	Approval of Main Budget before the end of May annually	1	1	1	1	G

TL35	151	To develop a long term financial strategy	The adjustment budget is approved by Council by the end of February	Approval of Adjustments Budget before the end of February annually	1	1	1	1	G
TL36	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 2016		
							Target	Actual	R
TL32	148	To promote a culture of good governance	Effective functioning of council measured in terms of the number of ordinary council meetings per annum	Number of ordinary council meetings per annum	5	10	10	5	R
TL33	149	To promote a culture of good governance	Effective functioning of the committee system measured by the number of committee meetings per committee per annum	Number of sec 80 committee meetings per committee per annum	5	10	10	5	R
TL37	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	1	1	G
TL38		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
TL39		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

TL40		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
TL41		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 2016	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 2016		
							Target	Actual	R
TL17	104	To promote a culture of good governance	Review the following required policies (Recruitment & Selection, Leave and Long Leave services bonus Policy, HIV&AIDS Policy and Youth, gender and disability policy) and submit to council for approval	Number of reviewed policies approved by council by the end of June	0	4	4	1	R
TL22	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)	3	3	1	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: 2015/16 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 2016				
						Target	Actual	R	Performance Comment	Corrective Measures
TL4	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 2016	All	65 %	100%	109.64 %	G2	Overspending due to inaccurate capturing of expenses	None
TL17	104	Review the following required policies (Recruitment & Selection, Leave and Long Leave services bonus Policy, HIV&AIDS Policy and Youth, gender and disability policy) and submit to council for approval	Number of reviewed policies approved by council by the end of June	A I I	0	4	1	R	Recruitment and Selection Policy approved with budget	Other policies referred to LLF
TL22	137	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)		3	1	2	B	Only 2 PDI's as there are 2 vacancies at present	Fill vacancies with cognizance of EE targets



**b) To enhance participatory democracy**

Ref	IDP Ref	KPI	Unit of Measurement	Previous year performance	Year-To-Date As At June 2016				
					Target	Actual	R	Performance Comment	Corrective Measures
TL40		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 May 27	None
TL41		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 2016	1	1	1	G	Approved in May 27	None

**c) To improve the general standards of living**

Ref	IDP Ref	KPI	Unit of Measurement	Previous performance	Wards	Year-To-Date As At June 2016				
						Target	Actual	R	Performance Comment	Corrective Measures
TL31	147	Develop a Integrated Human Settlements Plan	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

**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 2016				
						Target	Actual	R	Performance Comment	Corrective Measures
TL8	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	2452	2,368	2,475	G 2	Refuse removal at households	
TL18	107	Maintain a Year to Date (YTD) debtors payment percentage of 96% (excluding traffic services)%	Payment percentage (%) of debtors over 12 months rolling period	All	94.58 %	90%	85.64%	O	Report to Council	Report to Council; Awareness campaigns on debt collection
TL19	108	Maintain an financially unqualified audit opinion for the 2014/15 financial year	Financial statements considered free from material misstatements as per Auditor General report	All	1	1	1	G		
TL20	134	Risk based audit plan approved by Audit Committee for 2016 by February 2016	Risk based audit plan approved by Audit Committee by February 2016	All	1	1	1	G	Approved in Feb 2016	
TL23	138	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	8.7%	15%	17.04%	R	Target not reached	Cleansing of billing data; awareness campaign to identify illegal connections

TL24	143	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	8.26%	15%	12.44%	B	Target reached	None needed
TL25	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	0	362.1	389.79	G 2	Target reached	
TL26	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	61%	62%	74.17%	G 2	Achieved	
TL27	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	1.02	1.2	5.15	B	Municipality has sufficient cash to cover expenditure	

TL28	143	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	Risk mitigation addressed in May	
TL32	148	Effective functioning of council measured in terms of the number of ordinary council meetings per annum	Number of ordinary council meetings per annum	All	5	10	5	R	Council meeting on 30 June	Target should be 1
TL33	149	Effective functioning of the committee system measured by the number of committee meetings per committee per annum	Number of sec 80 committee meetings per committee per annum	All	5	10	5	R	One committee meeting per committee held in June	Target should be accumulate over a year; not for one month.
TL34	150	The main budget is approved by Council by the end of May	Approval of Main Budget before the end of May annually	All	1	1	1	G	Approved 27 May 2016	
TL35	151	The adjustment budget is approved by Council by the end of February	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	
TL36	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 on 9 June	
TL37	153	Submit final Annual Report and oversight report to council before legislative deadline	Final Annual Report and oversight report submitted to council	All	1	1	1	G		

TL38		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	All	1	1	1	G		
TL39		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	All	1	1	1	G		

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

Ref	IDP Ref	KPI	Unit of Measurement	Wards	Previous Year	Year-To-Date As At June 2016				
						Target	Actual	R	Performance Comment	Corrective Measures
TL1	12	Review the spatial development framework and submit to council by end June	Reviewed SDF submitted to Council by end June	All	1	1	0	R	SDF to be reviewed as part of the 5-year IDP to ensure SPLUMA compliance	SDF to be reviewed as part of 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 2016				
						Target	Actual	R	Performance Comment	Corrective Measures
TL5	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 2015/16 financial year	All	37.86%	90%	55.56%	R	40% of capital funding budgeted for was received late in the financial year. A roll over application was submitted and contractors appointed.	A roll over application was submitted and contractors appointed
TL6	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	2121	2,110	1,738	O	Target not reached	Not achieved Non residential premises that was previously incorrectly included in the target is now excluded. No further remedial action needed
TL7	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	687	870	951	G2	Indigents receiving free electricity	

TL9	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	687	870	951	G2	Achieved	
TL10	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	2511	2,485	2,536	G2	Target achieved	Connections done according to need
TL11	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	687	870	951	G2	Indigent beneficiaries	
TL12	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	2370	2,370	2,399	G2	Target reached	

TL13	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	687	870	951	G2	Indigent beneficiaries	
TL14	73	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	91.7%	80%	87%	G2	Lab Results for drinking water	
TL15	86	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	63.3%	90%	77.78%	O	Target not reached	Advertised for water process controllers
TL29	145	Review the Water Service Development Plan and submit to Council for approval by the end of June 2016	Reviewed Plan approved by council by end of June	All	0	1	0	R	Plan was not tabled to Council due to capacity constraints	To be completed after appointment of new technical manager

**g) To stimulate, strengthen and improve the economy for sustainable growth**

Ref	IDP	KPI	Unit of	Wards	Previous	Year-To-Date As At June 2016
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	Ref		Measurement		performance	Target	Actual	R	Performance Comment	Corrective Measures
TL2	13	Implementation of the Local Economic Development Strategy	Number of LED interventions/ activities / programmes implemented	All	2	4	6	B	Three workshops on emerging farmers; one budget skills training in community and one Wolwekloof training initiative in support of job creation.	
TL3	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	319	50	197	B	Target achieved	

### 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
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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	1 Year	Electricity Contractor	Excellent Services	n/a	n/a
Weslab	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
Kobus Frey Landboudienste	When needed	Vehicle & machinery maintenance	Excellent Services		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
Tata	When needed	Vehicle & machinery maintenance	Poor Service	Service delivery issues pending	n/a
A&R enterprises	When needed	Machinery hire	Excellent Services		n/a

Table 145: Service Providers Performance – Infrastructure Services

d) Corporate & Community Services

Description of services rendered	of Term contract	of Performance Areas	Performance Rating	Performance Comment	Corrective measures
Beaufort Municipality	West January 2016 to June 2016	Fine Collection	Good	Contract ended on 30 June	New SLA with successful tenderer

TVS	Contract commenced June 2016	30	Traffic Management System	Good	SLA agreement reached	SLA agreement concluded
African Creek	Contract commenced 2014 for two years	in	Training and sourcing of funding	Poor	Administrative arrangements poor	Engagement with service provider to improve logistical arrangements
Jan Nel Elektries	July 2016		Erection of lighting at Sydwell Williams Field	Good	Project completed as agreed	None needed
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

Table 147: Service Provider Performance –Development and Strategic Services

## Chapter 4

### Organisational Development Performance (Performance Report Part 2)

#### Component A: Introduction to the Municipal Personnel

##### Introduction

The Prince Albert Municipality currently employs 48 (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 48 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	9	0	0	0	19	0	2	30
Semi-skilled and discretionary decision making	0	5	0	1	0	0	0	0	6
Unskilled and defined decision making	0	15	0	1	0	5	0	0	21
Total permanent	0	27	0	2	0	17	0	2	48
Non- permanent employees	0	5	0	2	0	7	0	1	15
<b>Grand total</b>	<b>0</b>	<b>32</b>	<b>0</b>	<b>4</b>	<b>0</b>	<b>24</b>	<b>0</b>	<b>3</b>	<b>63</b>

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
	2014/15	2015/16
The number of people from employment equity target groups permanently employed in the three highest levels of management in compliance with a municipality's approved employment equity plan		2
The percentage of a municipality's budget actually spent on implementing its workplace skills plan	65%	109.64%

#### 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. As indicated above the Municipality do not yet have an Employment Equity (EE) Plan, but did submit an Employment Equity Policy to Council in December 2014. An Employment Equity Plan was drafted in the reporting year but must still be tabled to the Local Labour Forum before adoption by Council.

The municipality have no senior management, with Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents reflecting seven Coloured Males, two White Males, two Coloured Women and two White women.

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	9	0	0	0	19	0	2	30
Service and sales workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	0	5	0	1	0	0	0	0	6
Elementary occupations	0	15	0	1	0	5	0	0	21
Total permanent	0	27	0	2	0	17	0	2	48

Non-permanent	0	5	0	2	0	7	0	1	15
<b>Grand total</b>	<b>0</b>	<b>32</b>	<b>0</b>	<b>4</b>	<b>0</b>	<b>24</b>	<b>0</b>	<b>3</b>	<b>63</b>

#### 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	3	0	0	0	1	0	0	4
Strategic Services	0	10	0	0	0	12	0	3	25
Technical and Electrical Services	0	18	0	2	0	2	0	0	22
Financial Services	0	1	0	2	0	9	0	0	12
Total permanent	0	27	0	2	0	17	0	2	48
Non- permanent	0	5	0	2	0	7	0	1	15
<b>Grand total</b>	<b>0</b>	<b>32</b>	<b>0</b>	<b>4</b>	<b>0</b>	<b>24</b>	<b>0</b>	<b>3</b>	<b>63</b>

#### Department - Race

### 4.2.2 Vacancy Rate

The approved organogram for the municipality reflected 97 posts for the 2015/16 financial year. The actual positions filled are indicated in the tables below by post level and by functional level. 42 Posts were vacant at the end of 2015/16, resulting in a vacancy rate of 43%. 7 of the critical positions are filled with contract positions.

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

Per Task Level		
Task level	Filled	Vacant
MM & MSA section 57 & 56	3	2
Middle management (T14-T19)	1	0
Admin Officers (T4-T13)	33	23
General Workers (T3)	18	17
Grant remuneration outside TASK level	8	0
<b>Total</b>	<b>63</b>	<b>42</b>
Per Functional Level		
Functional area	Filled	Vacant
Office of the Municipal Manager	4	0
Corporate & Community Services	24	15
Technical and Electrical Services	20	26
Financial Services	7	1
Appointments from Grants	8	0

<b>Total</b>	<b>63</b>	<b>42</b>
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**Vacancy rate per post and functional level**

The table below indicates the number of critical staff per level and corresponding vacancies.

Salary Level	Number current vacancies	of critical	Total posts per organogram	Vacancy job title	% Critical Vacancies (as a proportion of total posts per category)
Municipal Manager	0		1	n/a	0
Chief Financial Officer	0		1	n/a	0
Other Section 56 Managers	2		3	Manager: Development and Strategic Support Manager: Infrastructure	40%
Senior management (T14-T19)	0		1	n/a	0
Highly skilled supervision (T4-T13)	4		55	1 x Senior Electrician 1 x Electrician 1 x Waste Water Process Controller 1 x Superintendent: Leeu-Gamka	7%
<b>Total</b>	<b>6</b>			-	

**Table 153: Vacancy rate per salary level**

### 4.2.3 Turnover rate

Small, rural municipalities find it difficult to attract and retain skilled staff as they cannot compete with bigger municipalities in terms of salary, skills transfer and opportunities. This results in a high turn-over of staff. A high turnover rate for staff member's impacts negatively on a municipality as it may be costly to a municipality and might negatively affect productivity, service delivery and institutional memory/organizational knowledge. Below is a table that shows the turnover rate within the municipality. The turnover rate shows an increase from 11.76% in 2014/15 to 23.80% in 2015/16.

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

**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	2007
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	2016
Employment Equity	2013
Incapacity / Ill-Health	2012
Substance Abuse	2012
Smoking Policy	2012
Overtime	2015
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

**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:

- Attieen Arendse
- Arrelene Waterboer
- Henry Lekay
- Bernard May
- Danvor Sarelse
- Jaftha de Wee
- Adam Sass
- Jan Arries
- 

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. Five workplace injuries were reported during 2015/16.

### 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 2015/16 showed a significant increase but this was due to one official suffering serious illness and the fact that the Municipality significantly improved its oversight and control over leave in general, resulting in accurate reporting for the first time.

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

Department	2013/14	2014/15	2015/16
------------	---------	---------	---------

Office of the Municipal Manager	0	69	7
Strategic Services	102	45	108
Technical and Electrical Services	110	138	219
Financial Services	18	15	43
<b>Total</b>	<b>230</b>	<b>267</b>	<b>377</b>

**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 required by the regulation:

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 with Regulation (Regulation 14(4)(f))	number of officials with 16 meet prescribed competency levels (Regulation 14(4)(e))	number that
<b>Financial Officials</b>					
Accounting officer	1	1	1	1	
Chief financial officer	1	1	1	1	
Senior managers	2	2	2	2	
Any other financial officials	5	2 Busy with Minimum Competency	0	0	
<b>Supply Chain Management Officials</b>					
Heads of supply chain management units	0	0	0	0	
Supply chain management senior managers	2	2 Busy with Minimum Competency	0	0	
<b>TOTAL</b>	<b>11</b>	<b>8</b>	<b>4</b>	<b>4</b>	

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)	Number of that training
MM and S57	Female	0	0	0	0	
	Male	3	3	2	2	
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	

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 that received training (2015/16)
Professionals	Female	1	1	6	5
	Male	1	1	2	1
Clerks	Female	9	5	12	7
	Male	7	3	8	5
Service and sales workers	Female	0	0	2	0
	Male	0	0	3	1
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	4
Elementary occupations	Female	1	1	2	2
	Male	7	2	14	4
<b>Sub total</b>	<b>Female</b>	<b>15</b>	<b>11</b>	<b>28</b>	<b>19</b>
	<b>Male</b>	<b>31</b>	<b>20</b>	<b>45</b>	<b>30</b>
<b>Total</b>		<b>46</b>	<b>31</b>	<b>73</b>	<b>49</b>

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 Expenditure	Operating	Percentage
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	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%

**Table 159: Personnel Expenditure**

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

Financial year	2014/2015		2015/2016	
	Actual	Original Budget	Adjusted Budget	Actual
	R,000	R,000	R,000	R,000
<b>Councillors (Political Office Bearers plus Other)</b>				
Basic Salary & Wages	1 696	2 582	2 582	1 795
Pension & Medical Aid Contributions	103	0	0	111
Motor vehicle allowance	499	0	0	533
Cell phone allowances	113	0	0	146
Housing allowances	0	0	0	0
Other benefits or allowances	0	0	0	0
In-kind benefits	0	0	0	0
<b>Sub Total</b>	<b>2 411</b>	<b>2 582</b>	<b>2 582</b>	<b>2 585</b>
<b>% increase/ (decrease)</b>	<b>0</b>	<b>7.11%</b>	<b>0.00%</b>	<b>0.14%</b>
<b>Senior Managers of the Municipality</b>				
Basic Salary & Wages	1 977	2 822	2 822	2 382
Pension and Medical Aid Contributions	229	22	22	287
Motor vehicle allowance	286	0	0	268
Cell phone allowance	54	0	0	50
Housing allowance	18	0	0	18
Performance Bonus	257	232	232	0
Other benefits or allowances		0	0	0
<b>Sub Total</b>	<b>2 871</b>	<b>3 076</b>	<b>3 076</b>	<b>3 005</b>
<b>% increase/ (decrease)</b>	<b>17.72%</b>	<b>9.01%</b>	<b>0.00%</b>	<b>-2.32%</b>
<b>Other Municipal Staff</b>				
Basic Salary & Wages	6 880	8 057	7 769	7 106
Pension and Medical Aid Contributions	1 075	1 933	1 817	1 198
Motor vehicle allowance	533	95	110	356
Cell phone allowance	15	76	76	0
Housing allowance	18	73	139	82

Financial year	2014/2015	2015/2016		
Description	Actual	Original Budget	Adjusted Budget	Actual
	R,000	R,000	R,000	R,000
Overtime	614	700	513	1 071
Performance Bonus		0	0	0
Other benefits or allowances	1,100	239	239	178
<b>Sub Total</b>	<b>10 235</b>	<b>11 173</b>	<b>10 663</b>	<b>9 991</b>
<b>% increase</b>	<b>-1.94%</b>	<b>9.15%</b>	<b>-4.56%</b>	<b>-6.31%</b>
<b>Total Municipality</b>	<b>15 518</b>	<b>16 830</b>	<b>16 320</b>	<b>15 580</b>
<b>% increase/ (decrease)</b>	<b>2.05%</b>	<b>8.81%</b>	<b>-3.03%</b>	<b>-4.54%</b>

**Table 160: Personnel Expenditure**

## CHAPTER 5: FINANCIAL PERFORMANCE

This chapter provides details regarding the financial performance of the municipality for the 2015/16 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 2015/16 financial year:

Description	2014/15	2015/16			2015/16 Variance	
	Actual (Audited Outcome)	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
	R'000				%	
<b>Financial Performance</b>						
Property rates	2,462	2,721	2,681	2,725	0.16%	1.65%
Service charges	17,399	18,798	18,107	18,504	-1.57%	2.19%
Investment revenue	812	500	1,310	1,622	224.49%	23.85%
Transfers recognised - operational	40,216	21,250	41,484	24,073	13.28%	-41.97%
Other own revenue	9,143	10,512	9,431	10,232	-2.67%	8.49%
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>70,031</b>	<b>53,782</b>	<b>73,013</b>	<b>57,156</b>	<b>6.27%</b>	<b>-21.72%</b>
Employee costs	13,048	14,248	13,738	12,994	-8.80%	-5.42%
Remuneration of councillors	2,411	2,582	2,582	2,586	0.14%	0.14%
Depreciation & asset impairment	1,744	1,895	1,895	2,354	24.21%	24.21%
Finance charges	562	300	570	863	187.60%	51.37%
Materials and bulk purchases	6,748	9,581	9,471	7,525	-21.45%	-20.54%
Transfers and grants	-	-	-	-		



Description	2014/15	2015/16			2015/16 Variance	
	Actual (Audited Outcome)	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
	R'000				%	
Other expenditure	46,191	25,172	31,270	24,314	-3.41%	-22.25%
<b>Total Expenditure</b>	70,705	53,779	59,527	50,635	<b>-5.84%</b>	<b>-14.94%</b>
<b>Surplus/(Deficit)</b>	(674)	3	13,486	6,521	214215.67%	-51.65%
Transfers recognised - capital	12,745	10,293	13,406	14,964	45.38%	11.62%
Contributions recognised - capital & contributed assets	-	-	-	-		
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	12,071	10,296	26,892	21,485	108.68%	-20.11%
<b>Capital expenditure &amp; funds sources</b>						
<b>Capital expenditure</b>						
Transfers recognised - capital	12,745	10,293	13,406	14,964	45.38%	11.62%
Public contributions & donations			9,500			-100.00%
Borrowing						
Internally generated funds	160	-	167	200		19.84%
<b>Total sources of capital funds</b>	12,905	10,293	23,072	15,163		
<b>Financial position</b>						
Total current assets	15,905	5,187	16,111	32,077	518.40%	99.11%
Total non-current assets	98,771	116,779	141,736	121,726	4.24%	-14.12%
Total current liabilities	12,495	3,516	12,176	18,701	431.93%	53.59%
Total non-current liabilities	12,564	6,719	16,344	23,999	257.20%	46.84%
Community wealth/Equity	89,617	111,731	129,327	111,103	-0.56%	-14.09%
<b>Cash flows</b>						
Net cash from (used) operating	14,279	12,481	29,220	41,607	233.35%	42.39%
Net cash from (used) investing	(12,718)	(10,293)	(36,389)	(26,008)	152.68%	-28.53%
Net cash from (used) financing	2	-	-	19		
<b>Cash/cash equivalents at the year end</b>	11,130	2,753	9,205	26,748	871.60%	190.60%
<b>Cash backing/surplus reconciliation</b>						
Cash and investments available	11,130	2,753	9,205	26,748	871.60%	190.60%
Application of cash and investments	7,013	-	-	11,983		
<b>Balance - surplus (shortfall)</b>	4,116,421	2,753,005	9,204,575	14,765,273	436.33%	60.41%
<b>Asset management</b>						

Description	2014/15	2015/16			2015/16 Variance	
	Actual (Audited Outcome)	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
	R'000				%	
Asset register summary (WDV)	98,505	116,779	141,736	121,726	4.24%	-14.12%
Depreciation & amortisation	1,744	1,895	1,895	2,354	24.21%	24.21%
Renewal of Existing Assets						
Repairs and Maintenance	1,178	1,729	1,744	634	-63.34%	-63.65%
<b>Free services</b>						
Cost of Free Basic Services provided	2,247	2,944	2,735	2,835	-3.70%	3.66%
Revenue cost of free services provided	2,247	2,944	2,735	2,835	-3.70%	3.66%
<b>Households below minimum service level</b>						
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 2015/16

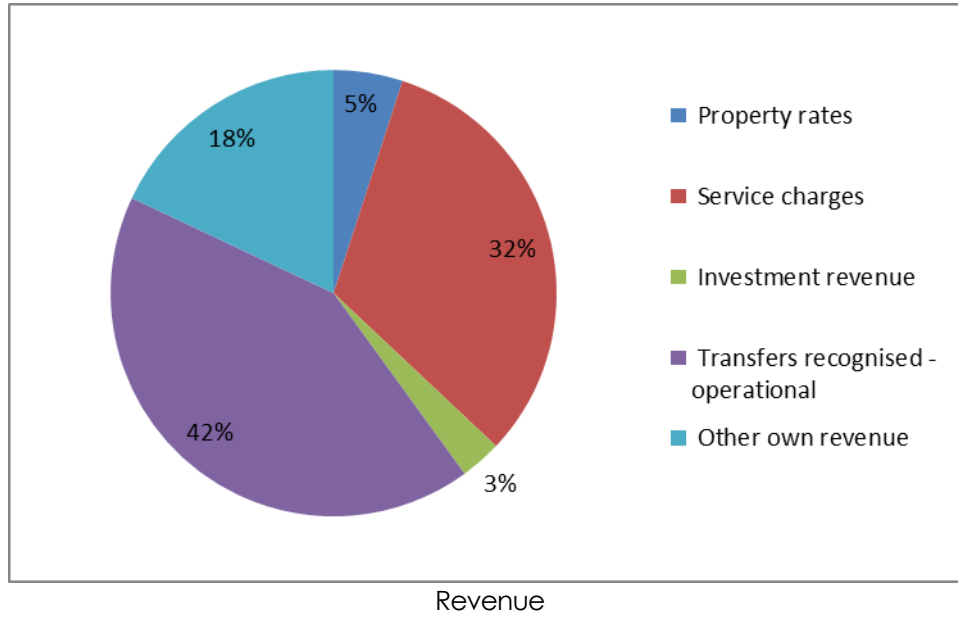
The table below shows a summary of performance against budgets:

Financial Year	Revenue				Operating expenditure			
	Budget	Actual	Diff.	%	Budget	Actual	Diff.	%
	(R'000)				(R'000)			
2012/13	48 848	41 653	(7 337)	-15	39 320	39 263	57	0%
2013/14	69 897	79 632	9 735	14%	45 875	66 519	20 644	45%
2014/15	106 319	82 614	(23 705)	-22%	71 028	69 531	(1 497)	-2%
2015/16	86,419	72,120	(14,299)	-17%	59,527	50,635	(8,891)	-15%

Performance against budgets

The following graph indicates the various types of revenue items in the municipal budget for 2015/16.

### Revenue per percentage



The following graph indicates the various types of expenditure items in the municipal budget for 2015/16.

### 5.1.1 Revenue collection by Vote

The table below indicates the Revenue collection performance by Vote:

Vote Description	2014/15	2015/16			2015/16 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
	R'000				%	
1.1 - MUNICIPAL MANAGER	450	450	450	450	0.00%	0.00%
1.2 - COUNCIL GENERAL EXPENSES	1416	1 453	1 453	1 416	-2.57%	-2.57%
2.1 - FINANCIAL SERVICES	6525	2 066	3 362	6 525	215.76%	94.05%
2.2 - PROPERTY RATES	2941	2 419	2 920	2 941	21.62%	0.75%
2.3 - GRANTS AND SUBSIDIES	38496	31 639	61 792	38 496	21.67%	-37.70%
3.1 - CORPORATE SERVICES	917	828	878	917	10.71%	4.41%
3.2 - STRATEGIC SERVICES	-	-	-	-		
3.3 - IDP	200	200	200	200	0.00%	0.00%
4.1 - SOCIAL SERVICES	281	281	281	281	0.00%	0.00%
4.2 - GRAVEYARD	13	10	10	13	25.51%	25.51%

Vote Description	2014/15	2015/16			2015/16 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
	R'000				%	
4.3 – LIBRARY	1127	1 126	1 126	1 127	0.09%	0.09%
4.4 - COMMUNITY DEVELOPMENT WORKERS	70	70	70	70	-0.07%	-0.07%
4.5 – GALLERY	–	–	–	–		
4.6 - THUSONG SERVICE CENTRE	403	432	432	403	-6.70%	-6.70%
4.7 - CIVIL DEFENCE	29	5	5	29	476.62%	476.62%
4.8 - LICENCES AND TRAFFIC	4093	4 200	9 040	4 093	-2.55%	-54.72%
4.9 - SPORT AND RECREATION	283	283	283	283	0.00%	0.00%
5.1 - REFUSE	2303	1 950	2 196	2 303	18.11%	4.85%
5.2 - SEWERAGE	3787	3 261	3 640	3 787	16.11%	4.03%
5.3 - PUBLIC WORKS	1472	1 512	1 512	1 472	-2.65%	-2.65%
5.4 - WATER SERVICES	4521	3 899	3 842	4 521	15.95%	17.66%
5.5 - ELECTRICITY SERVICES	13642	13 292	13 474	13 642	2.63%	1.25%
<b>Total Revenue by Vote</b>	<b>82967</b>	<b>69 376</b>	<b>106 966</b>	<b>82 967</b>		
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 2015/16 financial year:

Description	2014/15	2015/16	2015/16 Variance
-------------	---------	---------	------------------

	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
	R'000			%		
Property rates	2 462	2 721	2 681	2 725	.14%	1.64%
Property rates - penalties & collection charges	–		–	–		
Service Charges - electricity revenue	10 858	15 853	15 146	15 640	0.00%	-1.62%
Service Charges - water revenue	3 422	4 290	4 680	4 993	0.00%	-16.52%
Service Charges - sanitation revenue	2 720	3 481	4 097	4 123	5.74%	-7.27%
Service Charges - refuse revenue	1 671	2 406	2 406	2 464	6.37%	-2.73%
Less: Subsidy to Indigent Households	(2 350)	(2 735)	(2 735)	(2 735)	-17.63%	4.60%
Service Charges - other	–		–	–		
Rentals of facilities and equipment	273	323	381	337	4.33%	-11.55%
Interest earned - external investments	812	500	1 310	1 622	224.40%	23.82%
Interest earned - outstanding debtors	711	600	1000	956	59.33%	-4.40%
Dividends received	–	–	–	–		
Fines	3 582	8 952	3 782	3 552	-60.32%	-6.08%
Licences and permits	261	220	220	264	20.00%	20.00%
Agency services	–	–	–	–		
Transfers recognised - operational	40 953	21 250	41484	24073	13.28%	-41.97%
Other revenue	3 458	418	4049	5334	1176.08%	31.74%
Gains on disposal of PPE	–	–	–	–		
Actuarial Gains	551	–	–	33		
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>69 386</b>	<b>58 279</b>	<b>78 497</b>	<b>63 381</b>	<b>8.75%</b>	<b>-19.26%</b>
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A4.						

### Revenue by Source

### 5.1.3 Operational Services Performance

The table below indicates the Operational services performance for the 2015/16 financial year:

#### Operational Services Performance

Description	2014/15	2015/16			2015/16 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
	R'000				%	
<b>Operating Cost</b>						
Water	2 669	1 690	1 790	2 683	58.76%	49.89%
Waste Water (Sanitation)	2 114	2 574	2 453	2 580	.23%	5.18%
Electricity	9 189	12 890	12 802	10 113	-21.54%	-21.05%
Waste Management	6 119	1 662	1 722	1 847	11.13%	7.26%
Housing	–	–	–	–		
<b>Component A: sub-total</b>	<b>20 091</b>	<b>18 816</b>	<b>18 767</b>	<b>17 223</b>	<b>-8.47%</b>	<b>-8.23%</b>
Waste Water (Storm water Drainage)	–	–	–	–		
Roads	3 870	3 713	4 555	5 040	35.74%	10.65%
Transport	–	–	–	–		
<b>Component B: sub-total</b>	<b>3 870</b>	<b>3 713</b>	<b>4 555</b>	<b>5 040</b>	<b>35.74%</b>	<b>10.65%</b>
Planning	382	467	447	275	-41.11%	-38.48%
Local Economic Development	–	–	–	–		
<b>Component C: sub-total</b>	<b>382</b>	<b>467</b>	<b>447</b>	<b>275</b>	<b>-41.11%</b>	<b>-38.48%</b>
Community & Social Services	2 007	2 679	2 466	2 110	-21.24%	-14.44%
Executive and Council	4 985	5 344	5 414	4 963	-7.13%	-8.33%
Finance and Administration	30 553	10 270	19 052	13 281	129.32%	-30.29%
Security and Safety	4 312	8 327	4 834	4 273	-48.69%	-11.61%
Sport and Recreation	321	535	454	342	-36.07%	-24.67%
Corporate Policy Offices and Other	3 487	3 627	3 723	3 128	-13.76%	-15.98%
<b>Component D: sub-total</b>	<b>45 666</b>	<b>30 782</b>	<b>35 943</b>	<b>28 097</b>	<b>-8.72%</b>	<b>-21.83%</b>
<b>Total Expenditure</b>	<b>70 009</b>	<b>53 778</b>	<b>59 712</b>	<b>50 635</b>	<b>-5.84%</b>	<b>-15.20%</b>
In this table operational income is offset against operational expenditure leaving a net operational expenditure total for each service. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.						

Operational Services Performance

## 5.2 Financial Performance per Municipal Function

### 5.2.1 Water Services

Description	2014/15	2015/16			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
<b>Total Operational Revenue</b>	4 521	4 290	4 680	4 993	7%
<b>Expenditure:</b>					
Employees	396	420	420	365	-13%
Repairs and Maintenance	170	380	380	52	-86 %
Other	2 103	890	990	2 266	128%
<b>Total Operational Expenditure</b>	2 669	1 690	1 790	2 683	50%
<b>Net Operational (Service)</b>	1 852	2 600	2 890	2 310	-20%

Variations 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	2014/15	2015/16			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
<b>Total Operational Revenue</b>	3 913	3 981	4 097	4 123	.6%
<b>Expenditure:</b>					
Employees	948	1 087	842	776	-8%
Repairs and Maintenance	180	172	247	136	-45%
Other	987	1 352	1364	1592	17%
<b>Total Operational Expenditure</b>	2 114	2 574	2 453	2 504	2%
<b>Net Operational (Service) Expenditure</b>	1 798	1 407	1 644	1 619	-2%

Variations 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	2014/15	2015/16			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
<b>Total Operational Revenue</b>	13 642	15 853	15 146	15 640	<b>3%</b>
Employees	2	216	216	0	<b>-100%</b>
Repairs and Maintenance	256	197	197	150	<b>-24%</b>
Other	8 930	12 477	12 389	9 963	<b>-20%</b>
<b>Total Operational Expenditure</b>	<b>9 189</b>	<b>12 890</b>	<b>12 802</b>	<b>10 113</b>	<b>-21%</b>
<b>Net Operational (Service) Expenditure</b>	<b>4 453</b>	<b>2 963</b>	<b>2 344</b>	<b>5 527</b>	<b>-136%</b>

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

Financial Performance: Electricity

### 5.2.4 Waste Management

Description	2014/15	2015/16			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
<b>Total Operational Revenue</b>	2 303	2 406	2 406	2 464	<b>2%</b>
<b>Expenditure:</b>					
Employees	652	732	695	606	<b>-13%</b>
Repairs and Maintenance	128	130	130	62	<b>-52%</b>
Other	5340	800	897	1 179	<b>31%</b>
<b>Total Operational Expenditure</b>	<b>6 119</b>	<b>1 662</b>	<b>1 722</b>	<b>1 847</b>	<b>7%</b>
<b>Net Operational (Service)</b>	<b>(3 816)</b>	<b>744</b>	<b>684</b>	<b>617</b>	<b>-10%</b>

Variations 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	2014/15	2015/16			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
<b>Total Operational Revenue</b>	1 472	1 722	1 748	2 475	<b>42%</b>
<b>Expenditure:</b>					
Employees	2 574	2 211	2 177	1 947	<b>-11%</b>
Repairs and Maintenance	177	187	327	179	<b>-45%</b>
Other	1 119	1 315	2 051	2 914	<b>42%</b>
<b>Total Operational Expenditure</b>	<b>3 870</b>	<b>3 713</b>	<b>4 555</b>	<b>5 040</b>	<b>11%</b>
<b>Net Operational (Service)</b>	<b>(2 398)</b>	<b>(1 991)</b>	<b>(2 807)</b>	<b>(2 565)</b>	<b>-9%</b>
Variances are calculated by dividing the difference between the actual and original budget by the actual.					

Financial Performance: Roads and storm water

## 5.2.6 Security and Safety

Description	2014/15	2015/16			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
<b>Total Operational Revenue</b>	13 087	9 430	4 260	4 068	<b>-5%</b>
<b>Expenditure:</b>					
Employees	1 042	1 079	1 079	1 029	<b>-5%</b>
Repairs and Maintenance	34	59	29	13	<b>-55%</b>
Other	11 932	7 189	3 726	3 231	<b>-13%</b>
<b>Total Operational Expenditure</b>	<b>13 008</b>	<b>8 327</b>	<b>4 834</b>	<b>4 273</b>	<b>-12%</b>
<b>Net Operational (Service)</b>	<b>79</b>	<b>1 103</b>	<b>( 574)</b>	<b>( 205)</b>	<b>-64%</b>
Variances are calculated by dividing the difference between the actual and original budget by the actual.					

Financial Performance: Security and Safety

## 5.2.7 Sport and Recreation

Description	2014/15	2015/16			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
<b>Total Operational Revenue</b>	283	283	283	283	<b>0%</b>
<b>Expenditure:</b>					
Employees	290	259	259	290	<b>12%</b>
Repairs and Maintenance	20	114	114	20	<b>-82%</b>
Other	11	161	81	32	<b>-60%</b>
<b>Total Operational Expenditure</b>	<b>321</b>	<b>534</b>	<b>454</b>	<b>342</b>	<b>25%</b>
<b>Net Operational (Service)</b>	<b>( 38)</b>	<b>( 251)</b>	<b>(171)</b>	<b>( 38)</b>	<b>-78%</b>
Variances are calculated by dividing the difference between the actual and original budget by the actual.					

Financial Performance: Sport and Recreation

## 5.2.8 Executive and council

Description	2014/15	2015/16			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
<b>Total Operational Revenue</b>	1 866	2 273	2 273	2 277	<b>.2%</b>
Employees	1 276	1 443	1 443	1 385	<b>-4%</b>
Repairs and Maintenance	200	–	–	0	<b>0%</b>
Other	3 509	3 901	3 901	3 578	<b>-8%</b>
<b>Total Operational Expenditure</b>	<b>4 985</b>	<b>5 344</b>	<b>5 414</b>	<b>4 963</b>	<b>-8%</b>
<b>Net Operational (Service)</b>	<b>(3 120)</b>	<b>(3 071)</b>	<b>(3 141)</b>	<b>(2 686)</b>	<b>-14%</b>
Variances are calculated by dividing the difference between the actual and original budget by the actual.					

Financial Performance: Executive and council

## 5.2.9 Financial Services

Description	2014/15	2015/16			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
<b>Total Operational Revenue</b>	47 962	20 293	57 420	33 070	<b>-42%</b>
<b>Expenditure:</b>					
Employees	2 503	2 356	4214	2 112	<b>-50%</b>
Repairs and Maintenance	9	37	37	23	<b>-38%</b>
Other	28 041	6 022	14 801	11 146	<b>-25%</b>
<b>Total Operational Expenditure</b>	30 553	10 270	19 052	13 281	<b>-30%</b>
<b>Net Operational (Service)</b>	17 408	10 023	38 368	19 789	<b>-48%</b>
Variances are calculated by dividing the difference between the actual and original budget by the actual.					

Financial Performance: Financial Services

## 5.2.10 Planning & Development (IDP)

Description	2014/15	2015/16			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
<b>Total Operational Revenue</b>	200	300	300	0	<b>-100%</b>
<b>Expenditure:</b>					
Employees	360	337	337	219	<b>-35%</b>
Repairs and Maintenance	–	4	4	0	<b>-100%</b>
Other	72	126	126	56	<b>-56%</b>
<b>Total Operational Expenditure</b>	382	467	447	275	<b>-38%</b>
<b>Net Operational (Service)</b>	( 182)	( 167)	( 147)	( 275)	<b>87%</b>
Variances are calculated by dividing the difference between the actual and original budget by the actual.					

Financial Performance: IDP

## 5.2.11 COMMUNITY

Description	2014/15		2015/16		
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
<b>Total Operational Revenue</b>	1 894	2 259	2 259	2 181	<b>-3%</b>
<b>Expenditure:</b>					
Employees	1 573	1 827	1 843	1 683	<b>-9%</b>
Repairs and Maintenance	10	68	76	79	<b>4%</b>
Other	424	784	547	348	<b>-36%</b>
<b>Total Operational Expenditure</b>	2007	2 679	2 466	2 110	<b>-14%</b>
<b>Net Operational (Service)</b>	( 113)	( 420)	( 207)	71	<b>1370%</b>
Variances are calculated by dividing the difference between the actual and original budget by the actual.					

Financial Performance: ICT

## 5.2.12 Corporate

Description	2014/15		2015/16		
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
<b>Total Operational Revenue</b>	917	985	998	1 354	<b>36%</b>
<b>Expenditure:</b>					
Employees	1 581	1 859	1 648	1 780	<b>8%</b>
Repairs and Maintenance	8	17	17	6	<b>-65%</b>
Other	1 898	1 751	2 058	1 342	<b>-35%</b>
<b>Total Operational Expenditure</b>	3 487	3 627	3 723	3 128	<b>-16%</b>
<b>Net Operational (Service)</b>	(2 570)	(2 642)	(2 725)	(1 774)	<b>-35%</b>
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

Description	2014/15	2015/16			2015/16 Variance		
	Actual	Balance 1 July 2013	Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
	R'000						%
<b>Operating Transfers and Grants</b>							
<b>National Government:</b>							
Equitable share	13 047		15 247	15 247	15 247	0%	0%
Municipal Systems Improvement	934		942	942	942	0%	0%
Department of Water Affairs			–	–			
EPWP	1 000		1 000	1 000	1 000	0%	0%
MIG	208		473	373	373	-21%	0%
Finance Management Grant	1 600		1 600	1 600	1 600	0%	0%
Integrated National Electrification Programme	172		3 000	3 000	3 000	0%	0%
Rural Development Economic Strategy			–		–		0%
<b>Provincial Government:</b>							
Library	1123		1 299	1 299	1 299	0%	0%
Housing	20 410	5 813	5 000	10 813	6 066	21%	-43%
CDW's	70		72	72	72	0%	0%
Provincial Treasury SDBIP	0		–	0	0		0%
Provincial Treasury Internal Audit	0		–	0			0%
Thusong Service Centre	225		211	211	211	0%	0%
Sport and Recreation	0		–				0%
Public Works	25		30	30	30	0%	0%
Compliance model			29	29	29	0%	0%
Provincial Government: Madiba Funeral	47		–	–			
Municipal Performance Management	150		200	200	200	0%	0%
Financial Management Support Grant	1141		5 535	5 535	3 026	-45%	-45%

<b>District Municipality:</b>			-	-			
<b>EPWP</b>	1 249		1 000	1 000	1 000	0%	0%
<b>Total Operating Transfers and Grants</b>							
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.							

Grant Performance for 2015/16

### 5.3.2 Conditional Grants (Excluding MIG)

Details	Balance	Budget	Adjustments Budget	Actual	Variance		Major conditions applied by donor
					Budget	Adjustments Budget	
					R'000		
Municipal Systems Improvement		942	942	942	0%	0%	
Department of Water Affairs		-	-				
EPWP		1 000	1 000	1 000	0%	0%	
Finance Management Grant		1 600	1 600	1 600	0%	0%	
Integrated National Electrification Programme		3 000	3 000	3 000	0%	0%	
Rural Development Economic Strategy		-		-		-100%	
Library		1 299	1 299	1 299	0%	0%	
Housing	5 813	5 000	10 813	6 066	21%	-43%	
CDW's		72	72	72	0%	0%	
Provincial Treasury SDBIP		-				0%	
Provincial Treasury Internal Audit		-				0%	
Thusong Service Centre		211	211	211	0%	0%	
Sport and Recreation		-				0%	
Public Works		30	30	30	0%	0%	
Compliance model		29	29	29		0%	
Provincial Government: Madiba Funeral		-	-				
Municipal Performance Management		200	200	200		0%	
Financial Management Support Grant		5 535	5 535	3 026	-45%	-45%	
<b>District Municipality:</b>		-	-				
<b>EPWP</b>			1 000	1 000	1 000	0%	0%
<b>Total</b>							

\* This includes Neighbourhood Development Partnership Grant, Public Transport Infrastructure and Systems Grant and any other grant excluding Municipal Infrastructure Grant (MIG) which is dealt with in par 5.9.2. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.

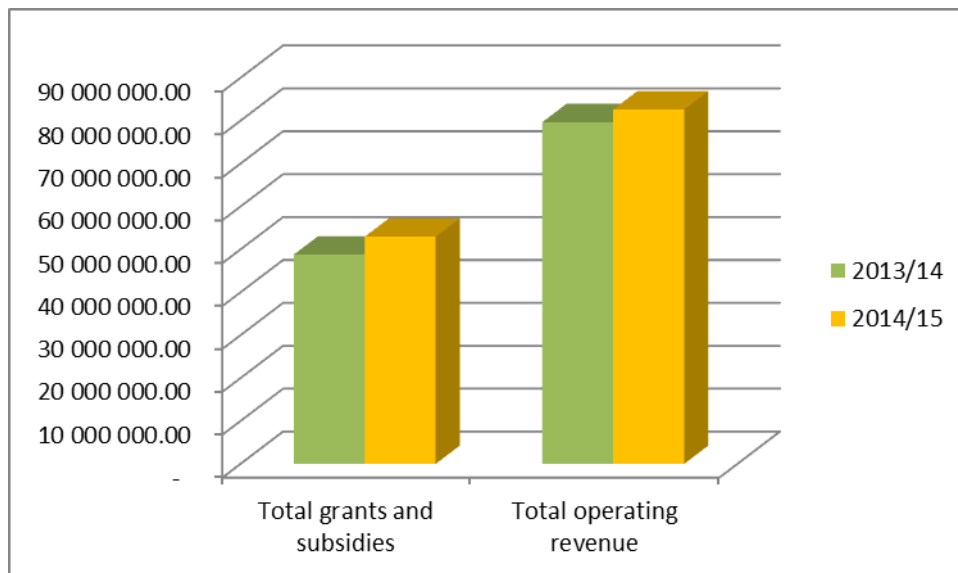
Conditional Grant (excl. MIG)

### 5.3.3 Level of Reliance on Grants & Subsidies

Financial year	Total grants and subsidies received	Total Operating Revenue	Percentage
	R'000		%
2013/14	48 792	79 632	61.27%
2014/15	52 962	82 614	64.11%
2015/16	39 125	72 926	53.65%

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:

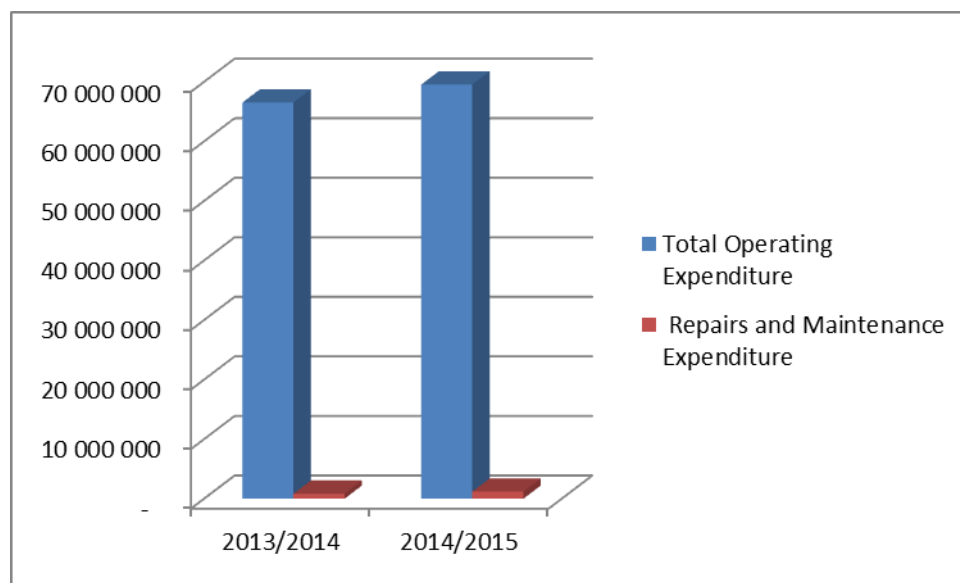
- Statutory and Regulatory Framework / Responsibilities and Accountabilities
- Financial Management / Internal Controls / Management of Control Items
- Management and Operation Of Assets / Classification & Components
- Accounting for Assets / Financial Disclosure
- Regular Asset counts are conducted 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 2014/15	2015/16			
		Original Budget	Adjustment Budget	Actual	Budget variance
		R' 000			
Total Operating Expenditure	69 531	52 365	71 028	50 635	-71.29%
Repairs and Maintenance Expenditure	1 174	1 512	1 512	634	-41.93%
% of total OPEX	1.69%	2.88%	2.13%	1.25%	

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	2013/14	2014/15	2015/16
		Audited outcome	Audited outcome	Audited Outcome
Current Ratio	Current assets/current liabilities	0.84	1.30	1.74
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	0.53	0.56	1.08
Liquidity Ratio	Monetary Assets/Current Liabilities	0.54	0.93	1.41

Liquidity Financial Ratio

### 5.5.2 IDP Regulation Financial Viability Indicators

Description	Basis of calculation	2013/14	2014/15	2015/16
		Audited outcome	Audited outcome	Audited outcome
Cost Coverage	(Available cash + Investments – Unspent Grants)/monthly fixed operational expenditure	1.33	0.87	3.86
Total Outstanding Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	0.61	0.62	0.87
Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	473.71	783.15	783.15

#### Financial Viability National KPAs

### 5.5.3 Employee costs

Description	Basis of calculation	2013/14	2014/15	2015/16
		Audited outcome	Audited outcome	Audited outcome
Employee costs	Employee costs/(Total Revenue - capital revenue)	15.86%	19%	22%

#### 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 2014/15 financial year:

Details	2014/15	2015/16				
	Actual	Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance	Actual to OB Variance
<b>Capital Expenditure: Funding Sources</b>						
<b>Description</b>	<b>R'000</b>				<b>%</b>	
External loans	–	–	–	–		
Public contributions and donations	–	–	–	–		
Grants and subsidies	12 614	17 703	24 535	16 434	-33.02%	-7.17%
Own funding	99	132	300	394	31%	198%
Other	–	–	–	–		
<b>Total</b>	<b>12 713</b>	<b>17 835</b>	<b>24 835</b>	<b>16 828</b>		
<b>Capital expenditure</b>						
<b>Description</b>	<b>R'000</b>				<b>%</b>	
Water and sanitation	7 289	4 212	10 658	5 119	-103.03%	21.53%
Electricity	1 713	3 000	3 000	3 000	0%	0%
Housing	–	5 000	10 813	6 066	-43.90%	21.32%
Roads and storm water	99				0%	0%
Other	3 612	4 796	7 680	854	-88.88%	-82.19%
<b>Total</b>	<b>12 713</b>	<b>17 008</b>	<b>32 151</b>	<b>15 039</b>		
<b>Percentage of expenditure</b>						
Water and sanitation	57.33%	24.76%	30.20%	34.04%	12.72%	37.48%
Electricity	13.48%	17.64%	8.50%	19.95%	134.70%	13.10%
Housing	0.00%	29.40%	30.64%	40.33%	31.62%	37.81%
Roads and storm water	.78%	0%	0%	0%	0%	0%
Other	28.41%	28.20%	30.65%	5.68%	-80.47%	-79.86%

**Capital Expenditure by funding source**

## 5.7 Capital Spending on 5 Largest Projects

Projects with the highest capital expenditure in 2015/16

Name of Project	2015/16				
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance	Adjustment variance
	R'000			%	
Prince Albert WWTW	4 966	4 966	3 145	-36.67%	-36.76%
Leeu Gamka WWTW	3 198	3 198	2 169	-32.18%	-32.18%
Electricity	3 000	3 000	2 648	-11.73%	-11.73%
Leeu Gamka & Price Albert Roads	2855	2855	2 401	-15.90%	-15.90%
Prince Albert Reservoir	2 683	2 683	1 213	-54.79%	-54.79%

Capital Expenditure on the 5 Largest Projects

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

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

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

<b>Name of Project</b>	Leeu Gamka & Price Albert Roads
<b>Objective of Project</b>	Roads system for housing
<b>Delays</b>	N/A
<b>Future Challenges</b>	None anticipated
<b>Anticipated citizen benefits</b>	Improved road system

<b>Name of Project</b>	Prince Albert Reservoir
<b>Objective of Project</b>	Water distribution
<b>Delays</b>	N/A
<b>Future Challenges</b>	Project Completed
<b>Anticipated citizen benefits</b>	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 2015/16 on Service backlogs					
Details	Budget	Adjustments Budget	Actual	Variance	
				Budget	Adjustments Budget
	R'000			%	%
<b>Infrastructure - Road transport</b>					
Roads, Pavements & Bridges	2 855	2 855	2 401	-15.90%	-15.90%
Storm water	-	-	-		
<b>Infrastructure – Electricity</b>					
Generation	-	-	-		
Transmission & Reticulation	3.000	3 000	2 648	-11.73%	-11.73%
Street Lighting	-	-	-		
<b>Infrastructure - Water</b>					
Dams & Reservoirs	2 683	2 683	1 213	-54.79%	-54.79%
Water purification	-	-	-		
Reticulation	-	-	-		
<b>Infrastructure - Sanitation</b>					
Reticulation	-	-	-		
Sewerage purification	8 164	8 164	5 314	-34.91%	-34.91%
<b>Infrastructure – Other</b>					

Municipal Infrastructure Grant (MIG)* Expenditure 2015/16 on Service backlogs					
Details	Budget	Adjustments Budget	Actual	Variance	
				Budget	Adjustments Budget
	R'000			%	%
Waste Management	-	-	-		
Transportation	-	-	-		
Gas	-	-	-		
<b>Other Specify:</b>					
Sports grounds	-	-	-		
Swimming pool	151	151	151	0%	0%
<b>Total</b>	16 853	16 853	11 727	-30%	-30%

\* 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	2014/15		2015/16	
	Audited Outcome			Actual
	R'000			
<b>Cash flow from operating activities</b>				
<b>Receipts</b>				
Ratepayers and other	25 539	19 455	18 468	29 445
Government - operating	40 216	29 093	24 496	24 073
Government - capital	12 745	17 008	24 018	15 039
Interest	1 523	360	840	2 578
Dividends	-	-	-	-
<b>Payments</b>				
Suppliers and employees	(65 182)	(46 517)	(42 633)	(28 590)



Finance charges	( 562)	( 337)	( 358)	(863)
Transfers and Grants	–	–	–	–
<b>Net cash from/(used) operating activities</b>	<b>14 279</b>	<b>19 061</b>	<b>24 830</b>	<b>41 683</b>
<b>Cash flows from investing activities</b>				
Purchase of PPE	(12 718)	(17 008)	(34 321)	(13 888)
Purchase of Intangible Assets	(2)	–	–	(105)
Additions to Capital Restoration Cost	–	–	–	–
Proceeds of Disposal of Fixed Assets	–	–	–	7
Disposal of Biological Assets	–	–	–	–
Capital assets	–	–	–	–
<b>Net cash from/(used) investing activities</b>	<b>(12 720)</b>	<b>(17 008)</b>	<b>(34 321)</b>	<b>(26 083)</b>
<b>Cash flows from financing activities</b>				
Loans Repaid	( 68)	( 61)	( 61)	(75)
New Loans Raised	49	–	–	74
Increase in Consumer Deposits	20	22	37	20
<b>Net cash from/(used) financing activities</b>	<b>2</b>	<b>( 39)</b>	<b>( 24)</b>	<b>19</b>
<b>Net increase/ (decrease) in cash held</b>	<b>1 561</b>	<b>2 014</b>	<b>(9 515)</b>	<b>15 618</b>
Cash/cash equivalents at the year begin:	9 569	3 241	9 755	11 130
Cash/cash equivalents at the year-end:	11 130	5 256	240	26 748

Source: MBRR SA7

## 5.10 Gross Outstanding Debtors per Service

Financial year	Rates	Trading services	Economic services	Housing rentals	Other	Total
		(Electricity and Water)	(Sanitation and Refuse)			
(R'000)						
2014/15	588	5 565	4 823	–	139	11 115
2015/16	784	7 518	5 824	–	149	14 275
Difference	196	1 953	1 001	–	10	3 160
% growth year on year	33.33%	35.09%	20.75%		7.19%	28.43%

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)				
2012/13	1 098	452	414	6 576	8 540
2014/15	798	588	515	9 214	11 115
2015/16	901	598	585	12 192	14 276
Difference	103	10	70	2 978	3 161
% growth year on year	12.90%	1.70%	13.59%	32.32%	28.44%
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	2013/14	2014/15	2015/16
	R'000		
Long-Term Loans (annuity/reducing balance)	-	-	-
Long-Term Loans (non-annuity)	-	-	-
Local registered stock	-	-	-
Instalment Credit	-	-	-
Financial Leases	87	75	74
PPP liabilities	-	-	-
Finance Granted By Cap Equipment Supplier	-	-	-
Marketable Bonds	-	-	-

Non-Marketable Bonds	-	-	-
Bankers Acceptances	-	-	-
Financial derivatives	-	-	-
Other Securities	-	-	-
<b>Total</b>	<b>87</b>	<b>75</b>	<b>74</b>

### 5.12.2 Municipal Investments

Investment type	2013/14	2014/15	2015/16
	Actual	Actual	Actual
	R'000	R'000	R'000
Securities - National Government			
Listed Corporate Bonds			
Deposits - Bank	10 980	11 130	26 748
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			
<b>Total</b>	<b>10 980</b>	<b>11 130</b>	<b>26 748</b>

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 2014/15 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 was fairly represented in all material aspects as it reflects the financial position of the Prince Albert Municipality as at 30 June 2014 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:

- As disclosed in note 34 to the financial statements, the corresponding figures for 30 June 2013 have been restated as a result of errors discovered during 2013-14 in the financial statements of the Prince Albert Municipality at, and for the year ended 30 June 2013.
- As disclosed in note 39.4 to the financial statements electricity losses of 17.59% (R1.7 million) was incurred during the year.
- As disclosed in notes 17 and 18 to the financial statements, the municipality has provided for impairment of trade receivables from exchange transactions and other receivables from non-exchange transactions of R6.5 million and R12.2 million respectively, as management's impairment assessment indicated that these debtors would default on their accounts.

- No material findings were raised on the usefulness and reliability of the reported performance information for the selected objectives.
- The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of Section 122 of the MFMA. Material misstatements of non-current assets and disclosure items identified by the auditors in the submitted financial statement were subsequently corrected, resulting in the financial statements receiving an unqualified audit opinion.
- The Oversight report, containing comments on the annual report was not adopted by council within two months from the date on which the 2012-2013 annual report was tabled, as required by Section 129(1) of the MFMA.
- Reasonable steps were not taken to prevent unauthorised expenditure as per Section 62(1)(d) of the MFMA.
- Leadership did not take reasonable steps to monitor the implementation of management's plan to address the prior year internal control deficiencies.
- The financial statements contained material misstatements that were corrected. This was mainly due to quarterly reporting of financial statements not being implemented by the municipality.
- The full report is available as an annexure to the Annual Report.

## 6.2 **CORRECTIVE AUDIT ACTION PLAN**

The following is the corrective audit action plan resulting from the findings and expression of the Auditor General on the reporting period.



