

**ANNUAL REPORT**

**PHUMELELA MUNICIPALITY**

**2013 - 2014**

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# **CHAPTER 1**

## **FOREWORD AND EXECUTIVE SUMMARY**

## Component A: Mayor's Foreword

People of Phumelela,

The vision statement of Phumelela is a *"well governed, peaceful and prosperous local municipality where all residents actively benefit from sustainable economic growth, service delivery, health and education"*. In the execution of our work at the municipality we are striving to *"maintain highly committed and motivated politicians and employees who are prepared to serve communities by ensuring quality service delivery, financial viability and accountability, manage assets and resources efficiently as well as to encourage community participation in developmental initiatives"* as reflected in our mission statement.

### Our key objectives

We, as a municipality are driven by a set of key objectives that determine our overall agenda. These objectives are as follows:

- Continue good inter-governmental relations with all spheres of government to create a better sustainable life for all
- Continue valuing our staff whom provide basic services indiscriminately and professionally
- Continue striving to improve our administrative capacity, systems and processes to realise better audit outcomes.
- To improve the political oversight, and management control over the activities of municipal employees. Strengthen political oversight as we continue capacitating councillors to improve the functioning of mechanisms and processes.
- To maintain and improve sports and recreational facilities to allow our communities access to good quality relaxation, sporting, recreational, educational and cultural opportunities for expression and sound recreation.
- To address the needs of transversal groups in our communities, including the youth, women, the elderly and persons with disabilities.

### Key Achievements

Within the context of the above-mentioned vision, we are especially proud about the following achievements that we have managed to realise during 2013/14:

- Continuous efforts to improve our infrastructure.
- The administration is continuously strengthened through the filling of key strategic and critical vacancies.
- All the communities of Phumelela in formal areas are provided with the basic services to our council has committed and continues to better.

### Public Participation

Phumelela Municipality under my political leadership continues to engrave the principles of participatory democracy with the community being the centre of our affairs. When we therefore plan and report our first front remains the residents whom have mandated us to serve for a better tomorrow. Our IDP and budget processes including our reporting processes are thus and will never be complete without our ward committees for whom the Speaker takes political responsibility. The affairs of these structures are therefore also reflected in the report we present to the constituency we serve. The milestones

we have set forms part of the strategic focus this institution undertook, that stretches beyond an annual or five year plan, but presents a forward outlook with a vision as equally presented in our National Development Plan.

Our participatory processes extend beyond our normal representative forums and structures as we continue to engage with all organised formations whom are dedicated to serve for a better life.

Against this background we remain committed to address the challenges we face especially in the areas of;

- Ageing infrastructure
- Upgrade of electricity network
- Long-term water development planning
- Limited resources to provide adequate infrastructure investment
- The vandalising of municipal/public resources
- Improving the basic conditions of all residents whom forms part Phumelela

## **Future Actions**

Our immediate future priorities to improve our services will be as follows:

- Reduce water losses
- Invest in our road infrastructure
- Provide continuous short-term employment opportunities
- Continue engaging other spheres of government for more adequate resource allocation
- Continuous sourcing of competent and resourced personnel
- Improve the administrative capacity
- Continue encouraging residents to pay for the services we provide
- Improve our network with organised business

## **Conclusion**

This report to you our loyal friends and compatriots reflects on the work done as we continue striving to make Phumelela a better place for all. This report speaks on our achievements and efforts some which were successfully completed and others which require continuous efforts to provide better, effective and efficient services for all. We are mindful of our shortcomings and as part of our long-term planning we aim to systematically improve our political and administrative efforts to strengthen good governance. We therefore express our continuous appreciation to all councillors, the administration, other government departments, our different project-partners and more importantly the public for all the efforts that contributed towards the presenting of the Annual Report for the 2013/14 financial year.

## Component B: Executive Summary

### B.1 Municipal Manager's Overview

The 2012/13 financial year has been a challenging, yet successful one for us. We have managed to make important progress towards a better life for all our communities, and have improved our institutional response systems and capacity considerably. Yet, there is no denying that still needs to be done.

#### Alignment of municipal activities towards the IDP and Council resolutions

Our municipality has conducted a comprehensive review of our IDP according to our IDP Process Plan. This, together with the resolutions of Council during the year, provided us with the governance and management framework according to which we have planned, organised and implemented our activities during the year. In this regard, I wish to specifically refer to the following issues:

- Council's emphasis on improving access of our communities to basic services, with specific reference to water, sanitation, electricity and refuse removal. We have managed to improve the quality of our drinking water through our participation in the blue drop assessment process, and the quality of waste water management through our participation in the green drop assessment process.
- Cemeteries maintenance plan must still be developed (no. of maintenance programmes)
- Global warming. Municipality must start prioritising the matter of environmental protection.
- Our community engagement and participation processes and structures need to be improved. In this regard, our emphasis in the coming financial year will be on actively partnering with our communities in our efforts to develop our local area.
- Our commitment to work towards a clean audit opinion by 2014, in support of the aims of Operation Clean Audit 2014 is non-negotiable.

#### Service Delivery performance

We are reasonably satisfied that we, as managers, have contributed positively towards Council's service delivery successes in 2012/13. However, there were also several challenges that need to be addressed. In this regard, the following could be highlighted:

- Maintain (and even expand) access to high level of basic services, in spite of ageing infrastructure and limited resources.
- Schools and households in rural areas without access to basic services, with specific reference to water and sanitation.
- Variety of awareness campaigns, including water, sanitation, HIV and Aids, environmental awareness and waste disposal campaigns.
- The finalisation of the process of re-location the landfill sites and making sure that they are properly registered.
- A proper cemetery management and maintenance system.
- Inadequate capacity to address the urgent need for local economic development initiatives, and therefore to implement the LED Strategy.
- Municipality providing water and sewerage infrastructure to new development areas in Memel-Zamani and Warden-Ezenzeleni (Greenfield areas).
- All registered indigent households receiving free basic water according to national requirements
- Full waterborne systems of sanitation in Memel (oxidation ponds)
- Sewerage treatment works in Warden

## Financial Viability and Management

We are striving to ensure a sustainable improvement in the operational cash flow situation of the municipality. Although our cash flows were under severe pressure for a number of consecutive financial years, we have managed to close the 2012/13 financial year with a positive bank balance. In this regard, specific reference could be made of the following:

- Updating of financial record-keeping system
- Paid more creditors electronically in comparison with cheques
- Overspent on capital projects funded through own funding (operating revenue)
- Irregular, wasteful and unauthorized expenditure reduced
- Processing of VAT done electronically through e-filing – money recovered within a month
- All reconciliations to be submitted on a monthly basis

## Priority issues related to Financial Management

1. Training of all finance officials in the use of the financial system (ABAKUS) (Data cleansing will be critical)
2. Ensure that all critical vacant positions in the Finance Department are filled: SCM Manager, Budget and Treasury Officer, Senior Debtors Clerk (3 temporary personnel appointed on a month-to-month basis to fulfill the vacant clerical roles)
3. Establish an independent credit and debt management unit (10 officials)
4. Draw up an Action Plan to address the audit queries
5. Sourcing capacity-building interventions from Provincial Treasury and COGTA
6. Measures to avoid over-expenditure
7. Establishment of IT infrastructure and accessibility of Internet connections to all staff members are critical for Finance to perform its functions

## Policies and related administrative matters

The municipality has maintained registers of the required administrative and financial policies throughout the 2012/13 financial year. The employment equity plan was reviewed and progress reports about its implementation submitted to the Department of Labour. The following important plans and policies were also reviewed and/or implemented:

- The Property Rates Act
- The Human Resource Strategy.
- The Indigent Register
- The Supply Chain Management and Procurement Policy
- A credit card policy was approved
- A debt policy has been submitted to Council
- A risk management plan has been finalised
- **Addressing outstanding debtors:** Debtors increasing on a monthly basis. Council has therefore approved the amnesty (50/50) to increase value of monthly collection.
- Data cleansing may reduce value of debtor's book – real values will only be available after cleansing. Only then realistic targets for collection could be set.

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**BW Kannemeyer**

**Municipal Manager**



### 1.3. Executive Overview of the Phumelela Municipality

This section of the annual report summarizes the municipality from an executive perspective and reports, in short on the municipality functions, its demographics and its performance for the 2013/2014 financial year.

#### 1.3.1 Municipal Functioning in terms of Political and Institutional Structures, Office Bearers, Administration and Community

##### 1.3.1.1. Phumelela Municipal Council

Table 1: Council Structure, Members and Political Alliance

	Councillors		Political Party
1	Cllr Tlokotsi J.	Motaung	ANC
2	Cllr Topsy R.	Zwane	ANC
3	Cllr Dume M.	Kobeni	ANC
4	Cllr David M.	Nkabinde	ANC
5	Cllr Smody E.	Tshabalala	ANC
6	Cllr Thandi N.	Masiteng	ANC
7	Cllr Ouma.A.	Mokoena	ANC
8	Cllr Josina.M.	Mofokeng	ANC
9	Cllr Julia M.	Sithebe-Ngwenya	ANC
10	Cllr Obed.S.	Tshabalala	ANC
11	Cllr Siboniso.M.	Zwane	ANC
12	Cllr Thokozani.E.	Radebe	ANC
13	Cllr Doctor.A.	Radebe	DA
14	Cllr Lehlohonolo.M.	Msimanga	DA
15	Cllr Doreen A.	Wessels	DA

##### 1.3.1.2. Executive Committee

Phumelela council consisting of elected ward councillors and proportional representative councillors from representative political parties, elected to establish an Executive Committee System in terms of section 43, subsection 1-3 of MSA<sup>1</sup>. The executive committee operates in accordance with the mandate as determined by Council and under leadership of the elected Mayor.

Table 2: Executive Committee Structure

	Councillor	Party	PR/Ward
1	Cllr T.J. Motaung (Mayor)	ANC	Ward Councillor
2	Cllr M.D. Kobeni	ANC	PR Councillor
3	Cllr D.A. Wessels	DA	PR Councillor

<sup>1</sup> MSA – Municipal Structures Act, Act 117 of 1998

## 1.3.1.4. Section 79 - Portfolio Committees and Chairpersons

The Portfolio Committees and Chairpersons during the past financial year are set out below.

**Table 3: Portfolio Committees**

Committee	Chairperson
Financial Services	Cllr M.D. Kobeni
Technical Services	Cllr T.N. Masiteng
Corporate Service Integration	Cllr M Nkabinde
Municipal Public Accounts / Oversight	Cllr O.S. Tshabalala

## 1.3.1.3. Senior Management

The Senior Management team is the key force behind the achievement of the municipality's strategic goals. The macro design of the administration in 2013/2014 is illustrated as below:

**Table 4 Senior Management Team:**

NAME	Directorate
Mr BW Kannemeyer	Municipal Manager
Ms N.F. Malatjie	Director Corporate Services
Mr Moremi ( till 17 /02 / 2014) S.A. Nyapholi	Chief Financial Officer
Mr N.B. Thobela	Director Technical Services

## 1.3.1.5. Office of the Speaker

Councillor T.R. Zwane was the Speaker of the Phumelela Council during 2013/2014.

## 1.3.1.6. Ward Committees

The council has eight (8) Ward Committees which upon election serve for a period of five (5) years. Each Ward Committee has approximately ten members.

The Municipal Structures Act of 1998, as amended, defines the functions and powers of ward committees as:

- (a) A structure that may make recommendations on any matter affecting its ward –
  - (i) To the ward councillor; or
  - (ii) Through the ward councillor to the Local Council, the Executive Committee or the Mayor
- (b) A structure that has such duties and powers as the Local Council may delegate to it in terms of Section 32

**Table 5: Ward Committees and Chairperson in 2013/2014**

Ward Committee	Chairperson
Ward 1, Memel	Cllr S.M. Zwane
Ward 2, Vrede	Cllr J.M. Mofokeng
Ward 3, Vrede	Cllr T.J. Motaung
Ward 4, Vrede	Cllr D.M. Nkabinde
Ward 5, Warden	Cllr O.A. Mokoena
Ward 6, Warden	Cllr S.E. Tshabalala
Ward 7, Warden	Cllr T.R. Zwane
Ward 8 Memel	Cllr T.E. Radebe

### **1.3.1.7. Ward Committees and Community Participation**

The municipality institutionalized Ward Committees as an extension of its public participation processes and reach the community by disseminating information to them, by engaging with them in consultation and by allowing community inputs in municipal decision-making relating to municipal planning; service delivery, developing credible IDPs, policy formulation, budgeting processes and organisational performance. For this purpose the Ward Committees of Phumelela Municipality held various meetings with the respective communities in different wards e.g.

- IDP Community Input Meetings,
- Operation Patala
- Ward Based Community Feedback Meetings.

### **1.3.1.8. Community Participation**

#### **1.3.1.8.1 Municipal Imbizos**

The municipality issued out a notice inviting community based organizations to be part of the municipal data base during IDP community participation.

During the month of March 2014, IDP and Budgeting process information and consultative meetings were held for all 8 wards. Interested organisations and individuals of all sectors were invited to attend the scheduled meetings per ward. The 2013/2014 financial year Imbizos were held in Vrede, Warden and Memel

#### **1.3.1.8.2. Community Development Workers**

The Phumelela Municipality embraces the use of CDWs to strengthen effective, participative democracy and bringing government services to the peoples in the municipality.

**Table 6: CDWs Linkage to Wards**

CDW	Town/Area	Ward Deployed
Mr P Selepe	Vrede	Ward 4
Mr T. Radebe	Vrede	Ward 3
Ms P. Kibido	Vrede	Ward 2
Ms. S.B. Moabi	Warden	Ward 6
Ms S. Khumalo	Memel	Ward 8
Ms Z.M. Radebe	Memel	Ward 7

### 1.3.1.11. Performance Management Committee

The Municipal Systems Act 32 of 2000 requires Phumelela Municipality to establish a performance management system that is commensurate with its resources, best suited to its circumstances and in line with the priorities, objectives, indicators and targets contained in its integrated development plan.

Owing to the above legislative requirement Phumelela local Municipality established a performance evaluation committee that will assess the Municipal Manager and Managers accountable to the Municipal Manager regarding the output in terms of the five KPA's of the Municipality. For purposes of evaluating the annual performance of the Municipal Manager, an evaluation comprising of the following members:

- (a. Mayor
- (b. Chairperson of the performance audit committee or the audit committee in the absence of a performance audit committee.
- (c. Member of the Executive committee.
- (d. Mayor and/or District Municipal Manager.
- (e. Member of a ward committee as nominated by the Mayor

### Geographical overview of Phumelela

#### Phumelela Striving For Success

The Phumelela municipal area stretches over 8 183 square kilometres in extend and includes the following towns –Vrede, Warden and Memel as well as part of the Riemland and Drakensberg TRCs. The municipality is home to an estimated 47,772 people approximately 7% of the Thabo Mofutsanyane District population to which it forms part. The current households registers at 12 888, consisting of both urban 75% and farming 25%.

The terrain indicates that the most eastern part of Phumelela including Memel and a stretch of the ground towards the north-west consists of low mountains The Warden and Vrede areas are strongly undulating irregular land. The entire

Phumelela local municipality grounds fall in the Vaal River Catchment drainage region.

The political and administrative centre of Phumelela Municipality is situated in the town of Vrede, though Council from time to time congregates in Warden and Memel as part of each outreach program.

Agriculture is the primary employing sector within the Phumelela area, followed retail trade, followed by catering and accommodation.

## **Economic Overview**

The highest contributing sectors to the Growth Domestic Product (GDP) are:

- Agriculture
- Retail trade, catering and accommodation (11.5%)
- Finance, insurance, real estate and business services
- Transport, storage
- Building and Construction

## **Labour Profile**

Statistics South Africa defines unemployment as those people aged between 15-65:

- Who did not work during the 7 days prior to 10 October (when the census commenced);
- Who want to work and are available to start work within a week of the interview; and
- Who have taken active steps to look for work or to start some form of self-employment in the 7 days prior to commencement of the census.

Persons who have become discouraged from seeking work, or who no longer take active steps to find work, are not classified as unemployed. It is thus likely that unemployment figures, tabled below, are higher than that provided in these statistics. According to Statistics South Africa, the official unemployment figure for the Phumelela area is estimated at 3624. It should be noted, however, that the "Other not economically active" participants amounts to an overwhelming 12 336. In terms of youth unemployment, 34.6% of persons aged between 15-34 years within the Phumelela area are unemployed.

## **Demographics within the Phumelela Municipality**

The preferred languages for the people of the Phumelela area is IsiZulu 52.2%, Sesotho 32% and Afrikaans 7.4% whilst other national languages all register below 1.5%.

According to the 2011 Statistics SA census survey Phumelela demographics can be summarized as follows:

The total population size is 47 772 persons; reflecting 7% of the total population of the Thabo Mofutsanyane District municipal area.

## Population Growth

The population growth based on the 2011 census indicates a negative growth of -0.8%.

**Table 7 Population growth by geography in Phumelela Municipality**

Geography	Total population		Growth rate (1996-2001)	Total population 2011	Growth rate (2001-2011)
	1996	2001			
Free State	2633504	2706775	0.6	2745590	0.1
DC19: Thabo Mofutsanyane	731826	782302	1.4	736238	-0.6
FS195: Phumelela	46657	51928	2.3	47772	-0.8
41905001: Ward 1	806	858	1.3	2320	17.0
41905002: Ward 2	3382	6951	21.1	6371	-0.8
41905003: Ward 3	3221	2822	-2.5	4128	4.6
41905004: Ward 4	6895	6024	-2.5	5512	-0.8
41905005: Ward 5	9192	9926	1.6	6878	-3.1
41905006: Ward 6	2263	2598	3.0	5784	12.3
41905007: Ward 7	6787	6971	0.5	6477	-0.7
41905008: Ward 8	14112	15778	2.4	10301	-3.5

*Data source: Statistics South Africa, Census 1996, 2001 and 2011*

## Population Groups

### Sex by Ratio

There are more females than males across all wards except wards 5 and 7 where 49.7% and 49% is registered whereas ward 8 shows an equal total of males and females.

Table 8 Sex by Ratio of Phumelela

Geography	Persons			Percentages			Sex ratio
	Male	Female	Total	Male	Female	Total	
FS195: Phumelela	23162	24611	47772	48.5	51.5	100.0	94.1
41905001: Ward 1	1078	1242	2320	46.5	53.5	100.0	86.8
41905002: Ward 2	2952	3419	6371	46.3	53.7	100.0	86.3
41905003: Ward 3	1935	2193	4128	46.9	53.1	100.0	88.2
41905004: Ward 4	2535	2977	5512	46.0	54.0	100.0	85.2
41905005: Ward 5	3461	3418	6878	50.3	49.7	100.0	101.3
41905006: Ward 6	2739	3046	5784	47.3	52.7	100.0	89.9
41905007: Ward 7	3307	3171	6477	51.0	49.0	100.0	104.3
41905008: Ward 8	5156	5146	10301	50.0	50.0	100.0	100.2

Data source: Statistics South Africa, Census 2011

### Functional Age Group

The majority of the population is made up of the functional age group....across wards in Phumelela.

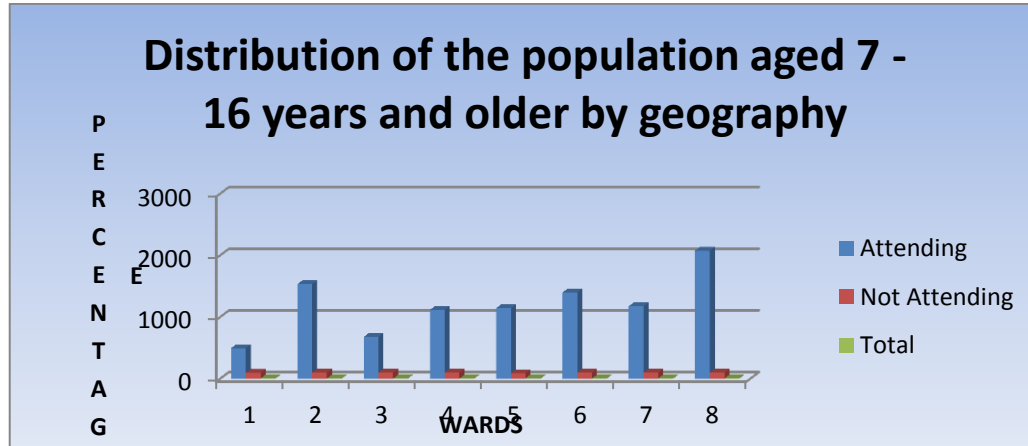
Table 9 Distribution of the population by functional age group in Phumelela municipal area

Geography	Functional age groups				Percentages				Dependency ratio
	Persons								
	0 - 14	15 - 64	65 +	Total	0 - 14	15 - 64	65 +	Total	
FS195: Phumelela	15136	29765	2871	47772	31.7	62.3	6.0	100.0	60.5
41905001: Ward 1	791	1325	205	2320	34.1	57.1	8.8	100.0	75.2
41905002: Ward 2	2213	3866	292	6371	34.7	60.7	4.6	100.0	64.8
41905003: Ward 3	1026	2623	478	4128	24.9	63.5	11.6	100.0	57.3
41905004: Ward 4	1782	3319	411	5512	32.3	60.2	7.5	100.0	66.1
41905005: Ward 5	2104	4480	294	6878	30.6	65.1	4.3	100.0	53.5
41905006: Ward 6	1969	3574	241	5784	34.0	61.8	4.2	100.0	61.8
41905007: Ward 7	1777	4254	446	6477	27.4	65.7	6.9	100.0	52.3
41905008: Ward 8	3474	6324	503	10301	33.7	61.4	4.9	100.0	62.9

Data source: Statistics South Africa, Census 2011

## School attendance

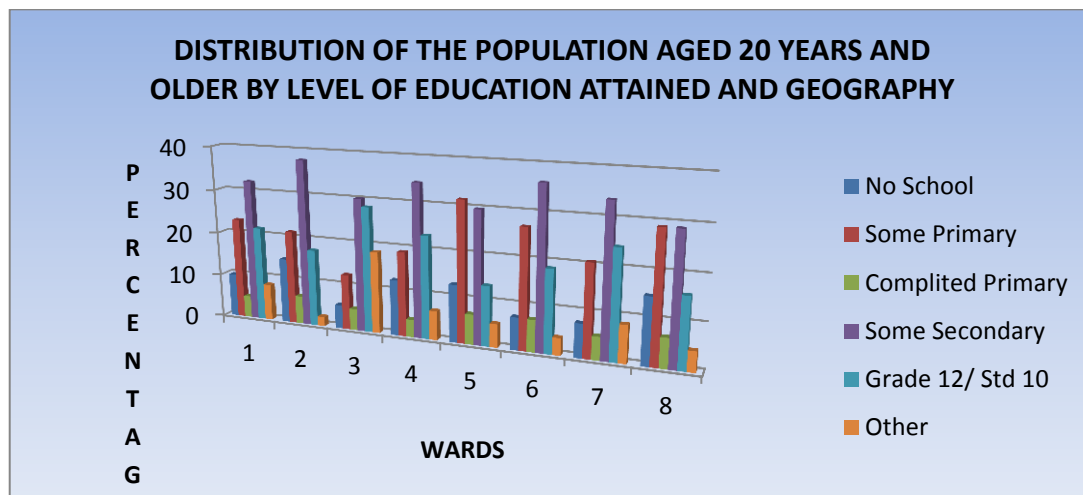
Graph 1 Distribution of population aged 7-16 years not attending school in Phumelela municipal area.



Data source: Statistics South Africa, Census 2011

## Highest Level of Education Attained

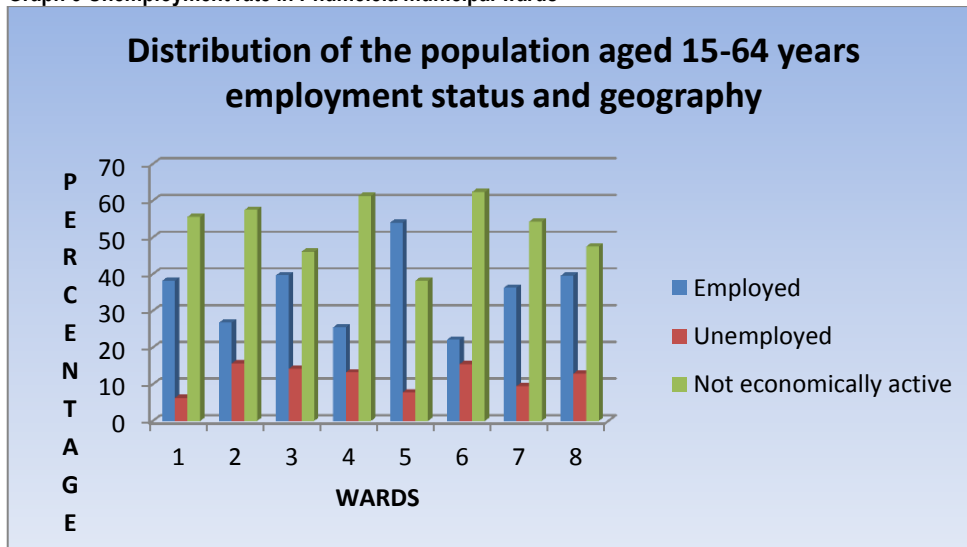
Graph: 2 Distribution of the population aged 20 years older highest level of education in Phumelela municipal wards.



Data source: Statistics South Africa, Census 2011



Graph 3 Unemployment rate in Phumelela municipal wards



Data source: Statistics South Africa, Census 2011

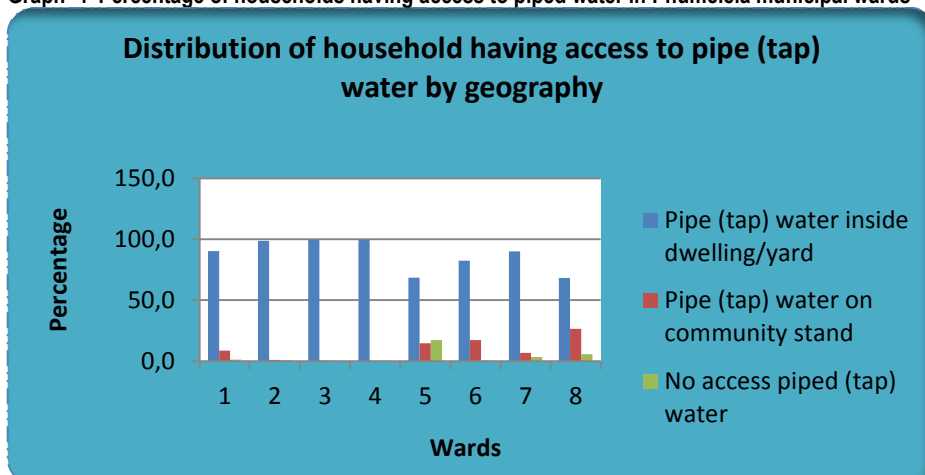
**Access to Basic Services**

**Source of water**

96% of households within the Phumelela area have access to municipal or service provider water, with the rest of the households sourcing water from dams, rivers, tankers, etc. Interventions to aid water security include continuous upgrades and maintenance to water purification plants in Phumelela as well as other developments to supplement the water demand.

**Access to Piped Water**

Graph 4 Percentage of households having access to piped water in Phumelela municipal wards

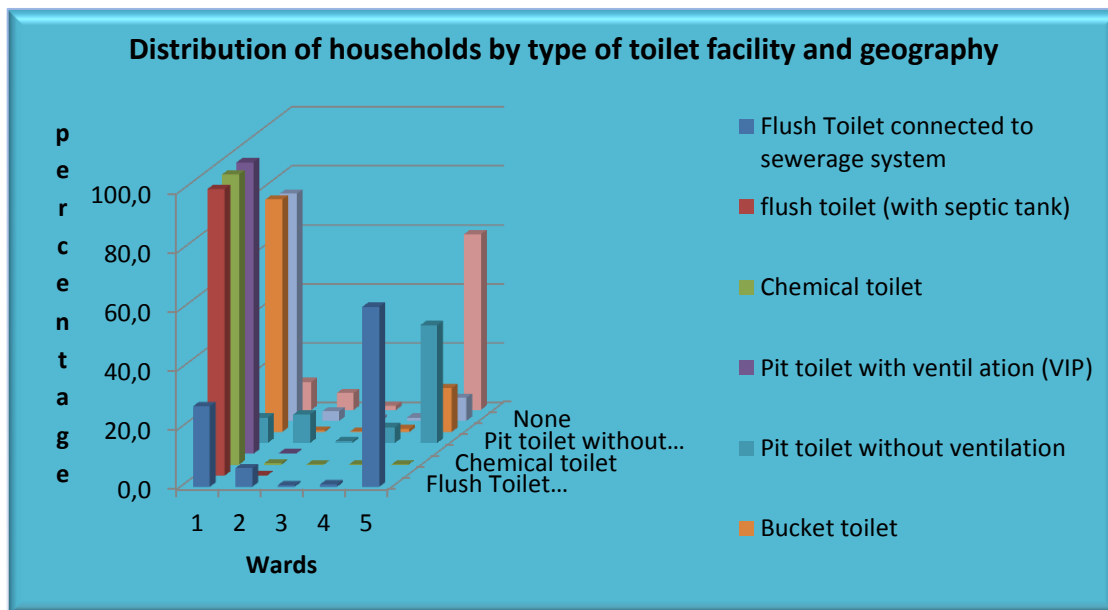


Source: Statistics SA Census 2011

## Toilet Facilities

59.3% of households make use of a flush toilet that is connected to a sewerage system, while 0.68% makes use of bucket system.

Graph 5 Distribution of households by type of toilet facility in the Phumelela municipal area.

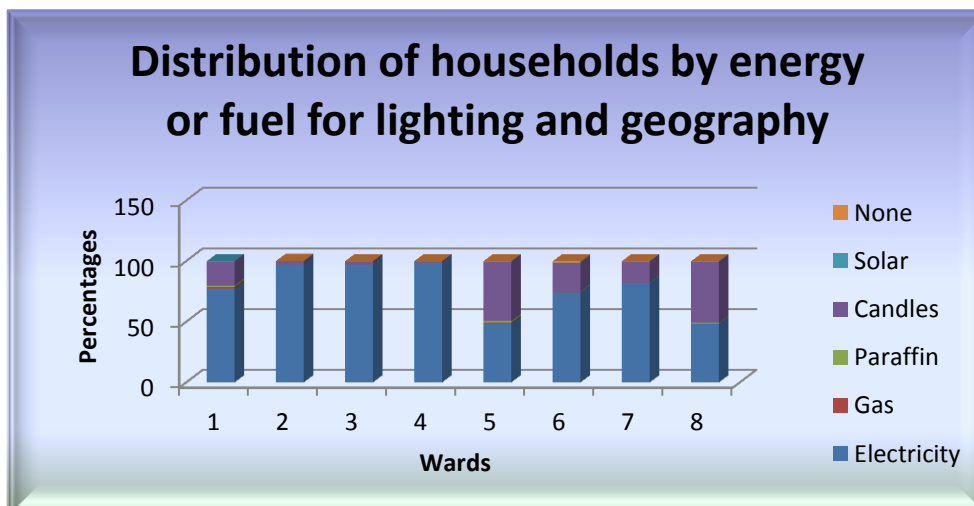


Source: Statistics SA Census 2011

## Energy

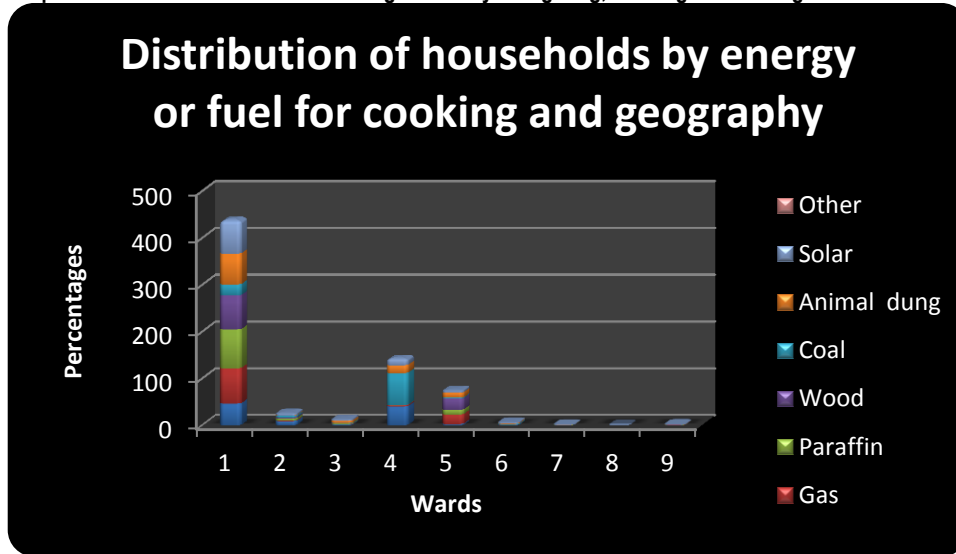
55.7% of households within the Phumelela municipal area use electricity for cooking, while 40.5% uses electricity for heating. The municipality has committed itself to energy efficiency within the municipal area, by focusing on the increase of capacity, upgrading of networks and replacement of outdated electricity lines, to reduce electricity loss

Graph 6 Distribution of households using electricity for lighting, cooking and heating in Phumelela municipal wards



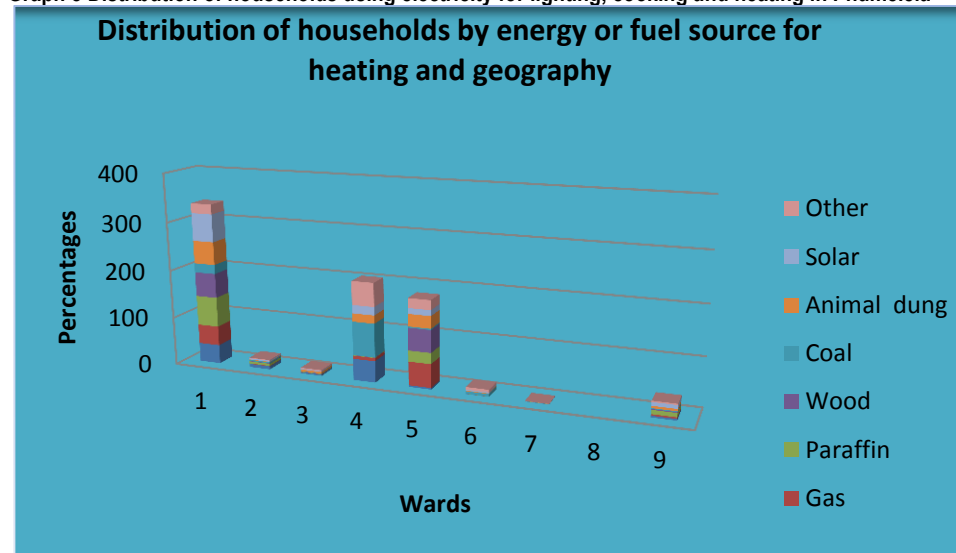
Source: Statistics SA Census 2011

Graph 7 Distribution of households using electricity for lighting, cooking and heating in Phumelela municipal wards



Source: Statistics SA Census 2011

Graph 8 Distribution of households using electricity for lighting, cooking and heating in Phumelela



Data Source: Statistics SA Census 2011

# **CHAPTER 2**

## **GOVERNANCE**

## Governance

The purpose of this Annual Report is to promote accountability to communities and to highlight those decisions taken by the Council and matters relating to administrative structures, throughout the 2013/2014 financial year.

To ensure good governance, nine major characteristics should be applied within the political and administrative structures of the municipality, namely participation, rule of law, transparency, responsiveness, consensus, equity/inclusiveness, effectiveness/efficiency, accountability and sustainability. This section seeks to report on how Phumelela Municipality met these requirements with regard to handling its governance structures, inter-governmental relations, community participation and organisational management.

### A. Political and Administrative Governance Structures

#### Sustainability

*Sustainability is the capacity to endure. How systems remain diverse and productive over time. It is the potential for long-term improvements, which in turn also depends on the responsible use of natural resources*

#### Productivity

The municipality's political and administrative governance structures remained productive throughout the 2013/2014 financial year and complied well with legislative requirements. The following meetings were held:

**Table 10: Council and Exco Meetings held and attended in 2013/2014**

Meetings	2011/12	% Attendance	2012/13	% Attendance	2013/14	% Attendance
Executive Committee Meetings					6	100%
Special Executive Committee Meetings					1	100%
Council Meetings	8	95%	6	98%	5	95%
Special Council Meetings	8	95	9	96%	3	90%

**Table 11 Ward Committee Meetings held in 2013/2014**

Ward Committee	Chairperson	Number of Meetings
Ward 1,	Cllr S.M. Zwane	5
Ward 2,	Cllr J.M. Mofokeng	5
Ward 3,	Cllr T.J. Motaung	5
Ward 4,	Cllr D.M. Nkabinde	5
Ward 5,	Cllr O.A. Mokoena	5
Ward 6,	Cllr S.E. Tshabalala	5
Ward 7,	Cllr T.R. Zwane	5
Ward 8	Cllr T.E. Radebe	5

**Table 12: Audit Committee Meetings and Attendance**

Audit Committee Member	Number of Meetings 2012/13	Committee Members Attending	Audit Committee Member	Number of Meetings 2013/14	Committee Members Attending
Ms L M Sefako	13 July 2012 3 August 2012 19 October 2012	All All All	Mrs L M Sefako - Chairperson <sup>2</sup> Mr G A Ntsala - Chairperson	23 Aug 2013	All
Mr G Ntsala	1 Feb 2013	All	Ms D Lebeko	18 Oct 2013	All
Md D Lebeko	19 April 2013	All	Mr T E Femekele	14 Mrch 2014	All
			Mr M K Mojatu	09 May 2014	All

## Oversight Committee

### Accountability, Transparency and Rule of Law

*Accountability is a key requirement of good governance. Accountability cannot be enforced without transparency and the rule of law. Transparency means that stakeholders are provided with information on decisions taken that directly affect them. Rule of law means that legal frameworks are enforced impartially.*

The municipality's political and administrative governance structures are held accountable through various measures all of which are adhered to by the Phumelela Municipality.

<sup>2</sup> Mrs L M Sefako resigned as Chairperson of the Audit Committee on 31 October 2013 and was replaced by Mr G A Ntsala.

# Phumelela Municipality Annual Report 2013 - 2014

**Table 13 : Governance Structures and Accountability Measures**

Governance Structure	Measure of Accountability
Council	Council meetings are open to the public, scheduled and advertised by public notification. Approved minutes are available on request. All Council proceedings are ruled by the <i>Council Rules of Order</i> . Councillor conduct is ruled by the <i>Code of Conduct for Councillors</i> .
Executive Committee	Exco Meetings are scheduled and minutes are kept Exco reports to Council
Ward Committees	Ward Councillors have a duty to provide feedback to Ward Committees and to Council. Meetings are scheduled and minutes are kept.
Portfolio Committees	Responsible for oversight over administrative departments and report to Council monthly. Meetings are scheduled and minutes kept.
Oversight Committee	The Oversight Committee serves as an oversight committee - to determine the institutional functionality of the Municipal Council in terms of effectiveness. An Oversight Report is tabled to Council
The municipality reports its annual performance and financial statements to the Auditor General	The Auditor General delivers an AG Report and expresses an audit opinion
The municipality reports its financial status and performance to its communities annually	The approved Annual Report is made available to the public
Municipal structures, employees, operations, procedures and processes are ruled by legislation	Policies, Bylaws, Legislation, Regulations and Codes are available
Worker Representative Unions represent employees on organisational structures and observe the legality of labour practices procedures and processes	Representation on recruitment and selection panels: Interviews are recorded Representation on Labour Forum: Minutes are recorded Representation on Occupational Health and Safety Committee: Minutes are recorded
Internal Auditing ensures the management of risk exposure and monitors adherence to legislation	The unit identifies municipal risk and generates a Municipal Risk Register Internal Auditing reports are generated and tabled to Council
The Audit Committee is responsible for the oversight of internal controls, financial reporting and compliance with regulatory matters.	Audit Committee approves the Internal Audit Plan and reports to Council
Community participation in the development of Policies and Strategies	Participative processes are scheduled
IDP and Budgeting Participation	Participative processes are ensured with a Council approved Process Plan
Performance Management Committee	An evaluation panel, established in terms of Section 6.6 of the Performance Agreement, evaluates the performance of employees. Performance Agreements are signed on acceptance.
Organisational and Service Delivery Performance reporting to Council	Quarterly Performance Reports on the SDBIP are tabled to Council
Municipal Website promotes transparency	The Municipal website is updated as and when required. All current event news articles, as well as required legislative documents (including budgets, tenders and vacancies) are updated on the website. Around 1800 unique visitors browsed the municipal website on a monthly basis during the 2013/2014.

## Effectiveness and Efficiency

*Good governance means that processes and institutions produce results that meet the needs of society, while making the best use of resources at their disposal. In this instance, those governance structures and processes that ensure that the community needs are met, with the best use of resources*

**Table 14: Governance Structures and Measures of Effectiveness and Efficiency**

<b>Governance Structure</b>	<b>Measure of Effectiveness and Efficiency</b>
Portfolio Committees monitors municipal service delivery and budget implementation	Quarterly Reporting to Council on the SDBIP
Executive Committee ensures the mid-term assessment of performance, spending and budget	Mid-Term Assessment Report tabled to Council Adjustment Budget Tabled to Council if needed Adjusted SDBIP tabled to Council if needed
Audit Committee ensures oversight of internal auditing and risk management processes	Internal Audit Plan Internal Audit Reports tabled to Council Risk Register Number of fraud cases reported and losses recovered
Performance Management Committee	Performance The performance Management System is designed to reward superior performance. This linking increases overall organisational motivation and efficiency by focusing the executive management on the successful implementation of the IDP and Budget.)

## Equity and Inclusiveness

*Society's wellbeing depends on ensuring that all its members feel that they have a stake in it and do not feel excluded from the mainstream of society. This requires all groups to have opportunities to improve or maintain their well-being.*

The political and administrative governance structures of Phumelela Municipality reflect equitable representation of the area's population structure. Different Political Parties are well-represented in Council.



## Consensus orientated

*Good governance requires mediation of the different interests in society. To be consensus orientated means striving towards reaching a broad consensus on what is in the best interest of the whole community and how this can be achieved.*

Consensus on what is in the best interest of the whole community and how it can be achieved is a process that unfolds through the municipality's scheduled, consultative IDP, Budgeting and Ward Based Planning processes.

## Responsiveness

*Responsiveness means that institutions and processes try to serve all stakeholders within a responsible timeframe.*

The governance structures of Phumelela Municipality mainly adheres to set Council schedules, process plans approved by Council and reporting cycles determined by Provincial and National Government spheres. This is monitored through administrative compliance monitoring and oversight by the Audit Committee.

## Participation

*Participation can be direct and/or through legitimate intermediate institution or representatives.*

Community participation in the governance structures of the Phumelela Municipality is mainly achieved through the Ward Committees System and consultative meetings with the community and sectors in the scheduled IDP/Budget process. Community Participation in the development of Policies and Strategies has otherwise been achieved through scheduled consultation sessions and/or workshops and/or through website uploads for community review and comments.

**Table 15: Website Uploads For Community Review and Comments**

<b>WEBSITE OPLOADS FOR COMMUNITY REVIEW AND COMMENTS</b>	
Inspection of valuation roll	17 Feb to 26 March 14
Tabling of Draft Annual Report 2012/2013	31 January 2014
Municipal Budget, Integrated Development Plan, Policies and determination of tariffs for the financial year: 01 July 2014 to 30 June 2015	31 March 2014
Draft IDP and Draft Budget open for comment	8 April to 30 April 14

**B. INTERGOVERNMENTAL RELATIONS**

Phumelela Municipal staff and Management attended various engagements in - upholding good inter-governmental relations for the purpose of good governance, government - collaborated strategic direction, aligned planning, reporting, legislative compliance, accountability and Phumelela's participation in government programmes and roll-outs to benefit development of our Administration, local area and communities:

Table 16: IGR Engagements by Phumelela Municipality

IGR ENGAGEMENTS FOR THE OFFICE OF MUNICIPAL MANAGER			
MEETING	ATTENDED BY PHUMELELA MUNICIPALITY	HOSTED IN	DATE
Free State Municipal Manager Forum	MM		22-23 - -8- 2013
			5 – 11 - 2013
			4 -02 – 2014
			17 – 18 - -8 - 2014

IGR ENGAGEMENTS FOR THE PHUMELELA DEPARTMENT: OFFICE OF THE MUNICIPAL MANAGER			
MEETING	ATTENDED BY PHUMELELA	HOSTED IN	DATE
Provincial IDP Managers Forum	IDP Manager	BHM	14-15/11/13
		WELKOM	23-24/05/2013
		FICKSBURG	24-25/07/14

**C Public Accountability and Community Participation**

**Sustainability**

*Sustainability is the capacity to endure. How systems remain diverse and productive over time. It is the potential for long-term improvements, which in turn also depends on the responsible use of natural resources*

Ward Committees as a governance structure promotes public accountability and strengthens community participation. The Ward Committee System is fully institutionalised and capacitated within the Phumelela Municipality.

**Table 17: Ward Committees and Chairperson in 2013/2014**

Ward Committee	Chairperson
Ward 1,	Cllr S.M. Zwane
Ward 2,	Cllr J.M. Mofokeng
Ward 3,	Cllr T.J. Motaung
Ward 4,	Cllr D.M. Nkabinde
Ward 5,	Cllr O.A. Mokoena
Ward 6,	Cllr S.E. Tshabalala
Ward 7,	Cllr T.R. Zwane
Ward 8	Cllr T.E. Radebe

## **Accountability**

*Accountability is a key requirement of good governance. Accountability cannot be enforced without transparency and the rule of law.*

## **Community Participation in the Development of Legal Frameworks and Directives**

The table below indicates the dates on which Phumelela Municipality consulted with the community in the development of Municipal directives and documents in 2013/2014, as advertised on the municipal website.

**Table 18: Website Uploads for Community Review and Comments**

WEBSITE UPLOADS FOR COMMUNITY REVIEW AND COMMENTS	
MUNICIPAL DIRECTIVE & ACTION	DATE
Inspection of valuation roll	17 Feb to 26 March 14
Tabling of Draft Annual Report 2012/2013	31 January 2014
Municipal Budget, Integrated Development Plan, Policies and determination of tariffs for the financial year: 01 July 2014 to 30 June 2015	31 March 2014
IDP open for comment	8 April to 30 April 14

## Effectiveness and Efficiency

Good governance means that processes and institutions produce results that meet the needs of society, while making the best use of resources at their disposal.

## Equity and Inclusiveness

Society's well-being depends on ensuring that all its members feel that they have a stake in it and do not feel excluded from the mainstream of society. This requires all groups to have opportunities to improve or maintain their well-being.

Table 19: Ward Committee - Outreach Programmes in 2013/2014

DATE	TOPIC	PURPOSE / TARGET
Ongoing	War on Leaks	<ul style="list-style-type: none"> <li>○ To report and identify all houses that have leakages</li> <li>○ Make households aware the importance of saving water</li> </ul>
October 2013	Compiling indigents list	<ul style="list-style-type: none"> <li>○ Assist municipality to identify people who qualify</li> </ul>
Continuous	Compiling a list of child headed families and unemployed youth	<ul style="list-style-type: none"> <li>○ To assist social development and municipality to a data</li> </ul>
Ongoing	Indigent register and Smart card ID campaign for senior citizens	<ul style="list-style-type: none"> <li>○ To make sure old people get smart card ID as it was for free</li> </ul>

**Consensus orientated**

*Good governance requires mediation of the different interests in society. To be consensus orientated means striving towards reaching a broad consensus on what is in the best interest of the whole community and how this can be achieved.*

**Table 20: IDP Community Input Meetings in 2013/2014**

Ward	Date	Venue	Time
1 and 8	10 April 14	Memel	17h00
2			19h00
3	27 May 14	Vrede Site Hall	10h00
4	26 May 14	Mhlambunzima Memorial Hall	12h00
5	26 May 14	Zenzeleni Commubnity Hall	15h00
6	26 May 14	Zenzeleni Commubnity Hall	15h00
7	26 May 14	Zenzeleni Commubnity Hall	15h00

**Transparency**

*Transparency means that stakeholders are provided with information on why decisions were made that directly affect them.*

**Table 21: Ward Committee – Community (Feedback) Meetings**

WARD	DATE			
	SEPT 2013	NOVEMBER 2013	MARCH 2014	JUNE 2014
1	2	2	2	3
2	2	2	2	3
3	2	2	3	3
4	2	2	3	3
5	2	2	3	3
6	2	2	3	3
7	2	2	3	3
8	2	2	3	3

## **Rule of Law**

*Rule of law means that legal frameworks are enforced impartially.*

The internal Audit Unit is responsible to ensure impartial enforcement of legal frameworks within the municipality.

## **D. Corporate Governance**

### **Sustainability**

*Sustainability is the capacity to endure. How systems remain diverse and productive over time. It is the potential for long-term improvements, which in turn also depends on the responsible use of natural resources*

### **Risk Management**

*Section 62 of the Municipal Finance Management Act (MFMA), no. 56 of 2003, states that the Accounting Officer should take all reasonable steps to ensure that the municipality has and maintains effective, efficient and transparent systems of financial and risk management and internal control as well as the effective, efficient and economical use of the resources of the municipality.*

The Chief Risk Officer oversees the risk management process in terms of the following as prescribed by NT Public Sector Risk Management Framework:

Of which the risk management responsibilities include:

- (a) Assisting management to develop the risk management policy, strategy and implementation plan;*
- (b) co-ordinating risk management activities;*
- (c) Facilitating identification and assessment of risks;*
- (d) Recommending risk responses to Management; and*
- (e) Developing and disseminating risk reports.*

Although the Risk management section facilitated the above, management took ownership of risks and the mitigation thereof. Phumelela Municipality is making progress with risk assessment and risk management processes over the last year. Operational risk assessments were performed on a continuous basis during the 2013/2014 financial year, by the departments, as quarterly risk reporting on, amongst others, additional risks, deleted risks, changes to risk data, risks that materialised and risks that should be escalated for intervention was implemented. The departments also discussed the risks on a continuous basis at scheduled executive management and departmental meetings.

**a) Risk Profile**

The annual risk assessment reflected the following change in risk profile:

**Table 22: Risk Profile**

2013/14					
Residual %	Risk Categories	Inherent	Inherent %	Residual	Residual %
	<b>High Rated</b>	38	90.47	39	90.47
	<b>Medium Rated</b>	4	9.53	4	9.53
	<b>Low rated</b>	0	0	0	0
	<b>Total</b>	42	100	42	100

**b) Top ten risks 2013/14**

Top 10 Institutional Risks were reviewed and updated through a collaborative process?.

The updated list of Top 10 institutional risks are as follows:

**Table 23: Top Ten Risks**

Ranking	Description
1	Financial Viability
2	Inadequate standards of service delivery
3	Dissatisfaction of the community
4	Maintaining infrastructure
5	Deficiencies in staff skills and capacity
6	Poor level of compliance
7	Weaknesses in governance and accountability
8	Increasing indigent and poverty
9	Failure and non-integration of IT systems
10	Inefficient investment in Capital Expenditure

## 2.5 Anti-Corruption and anti-fraud

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

### a) Developed Strategies

**Table 24: Strategies: Anti-corruption and Anti-fraud**

Name of Strategy	Developed Yes/No	Date Adopted/Reviewed
Anti-Fraud and Anti-Corruption Policy	Yes	23 September 2014
Anti-Fraud and Anti-Corruption Strategy	Yes	23 September 2014

The structural strategies according to the Anti-Fraud and Anti-Corruption Strategy and implementation plan include the establishment of an Anti-Fraud and Anti-Corruption Committee that will oversee the approach of the Municipality approach to fraud prevention, fraud detection strategies and response to fraud and corruption incidents reported by employees or other external parties. The Section 79 Finance Committee

### Internal Audit and Audit Committee

Phumelela Municipality has a fully functional Internal Auditing Unit and Audit Committee instituted.

The Audit Committee is responsible for the oversight of:

- Internal controls,
- financial reporting,
- compliance with regulatory matters and
- for approving the municipality's Internal Audit Plan.

During 2013/2014 the Audit Committee had (4) members and convened 5 meetings for the financial year.



## Anti-Corruption and Fraud

In terms of fraud preventative arrangements, the Phumelela Municipality has instituted:

- The promotion of an ethical culture
- Provision of training to employees
- Adoption of a policy on fraud and anti-Corruption
- Provision of physical security for municipal buildings and
- Procedures of employee vetting - executed before employees are appointed

The following arrangements are institutionalising the detection of fraud:

- Management takes steps against fraudulent actions.
- An Audit Committee approves the Internal Audit Plan

# Phumelela Municipality Annual Report 2013 - 2014

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## **Effectiveness and Efficiency**

*Good governance means that processes and institutions produce results that meet the needs of society, while making the best use of resources at their disposal.*

## **Oversight Committee**

Phumelela Municipality's Oversight Committee was established on the 28 January 2013. Five (5) MPAC committee members were appointed to strengthen and provide oversight within the municipality, in terms of the provision of S79 of the Local Government Municipal Structures Act 117 of 1998.

1. Cllr SThshabalala
2. M Scholtz
3. Mrs Niemand
4. Cllr S Zwane
5. Cllr Msimanga

The Oversight Committee primary responsibility is to serve as an oversight committee - to determine the institutional functionality of the Municipal Council in terms of effectiveness.

## **Equity and Inclusiveness**

*Society's well-being depends on ensuring that all its members feel that they have a stake in it and do not feel excluded from the mainstream of society. This requires all groups to have opportunities to improve or maintain their well-being.*

Phumelela Municipality has a fully functional Supply Chain Unit. The Phumelela Supplier Database has been updated in terms of supplier information in 2013/2014, as to minimize the risk of supplier duplication, as was highlighted by the 2012/2013 Auditor's Report.

# Phumelela Municipality Annual Report 2013 - 2014

## Transparency

*Transparency means that stakeholders are provided with information on why decisions were made that directly affect them.*

## Municipal Website

The Municipal website is updated as and when required. All current events, as well as required legislative documents (including budgets, tenders and vacancies) are updated on the website daily.

Around 1800 unique visitors browsed the municipal website on a monthly basis during the 2013/2014 year

## Rule of Law

*Rule of law means that legal frameworks are enforced impartially.*

The impartial enforcement of legal frameworks is ensured by Phumelela Municipality through the adoption and application of municipal policies and bylaws, of which the following have been adopted in 2013/2014:

**Table 25: Policies and Bylaws Adopted**

POLICY	COUNCIL RESOLUTION
<ul style="list-style-type: none"> <li>• Phumelela Municipality Fraud Prevention Police</li> <li>• Phumelela Municipality Risk Management Policy</li> <li>• Attendance and Punctuality Policy</li> <li>• Bursary Scheme for community members policy</li> <li>• Communication and strategy policy</li> <li>• Incapacity policy</li> <li>• Internal Bursary Policy</li> <li>• Leave policy</li> <li>• Occupational Health and Safety Policy</li> <li>• Recruitment and placement policy</li> <li>• Training and Development policy</li> <li>• Subsistence and travelling policy</li> <li>• HR Policy and procedure manual</li> </ul>	2013
BY-LAWS ADOPTED	COUNCIL RESOLUTION
<ul style="list-style-type: none"> <li>• Standard Commonage</li> <li>• Standard Delegation of powers</li> <li>• Encroachment policy</li> <li>• Fire and Emergency services</li> <li>• Ward committee</li> <li>• Waste Management</li> <li>• Water Restriction</li> <li>• By-law on Promulgation of Water Services intermediary and provision of water and sanitation services to residents on privately owned land</li> </ul>	291 of 2013

## Participation

*Participation can be direct and/or through legitimate intermediate institution or representative*

**CHAPTER 3**

**ORGANISATIONAL DEVELOPMENT**

**PERFORMANCE**

# Phumelela Municipality Annual Report 2013 - 2014

## COMPONENT A: MUNICIPAL WORKFORCE

### Number of Employees

The following reflects the number of staff per category for the last three financial years:

**Table 26: Staff per category**

Category	No of Employees (2011/12)	No of Employees (2012/13)	No of Employees (2013/14)
Legislators, senior officials, and managers	19	24	26
Clerks	43	48	44
Technicians and associate professionals	5	5	35
Craft and related trade workers	27	38	12
Elementary occupations	208	210	185
<b>Total:</b>	<b>302</b>	<b>325</b>	<b>302</b>

**Table 27: Staff Category per Directorate**

Directorate	Total	Legislators, Senior Officials and Managers	Clerks	Technicians and Associate Professionals	Craft and related Trade Workers	Elementary Occupations
Legislators	15					
Technical Services	202	1	1	3	-	-
Finance	32	2	28	3	-	-
Corporate Services	48	2	15	2	-	29
Municipal Manager's Office	5	3	1	1	-	-
<b>Total: 2013/14</b>	<b>302</b>					
<b>Total: 2012/13</b>	<b>325</b>					
<b>Total: 2011/12</b>	<b>302</b>					

# Phumelela Municipality Annual Report 2013 - 2014

## Personnel Services

Personnel Services form an integral part of the Corporate Services departments and Phumelela Municipality's service delivery success. Professionalism and operational efficiency is of utmost importance, especially on the management of the department and how it functions. The department is responsible for the key areas discussed below.

## Recruitment and Selection

During the 2013/14 financial year 8 posts have been advertised, of which 3 were filled in 2013/14.

The breakdown and representation regarding these appointments are as follows;

**Table 28: Recruitment and Selection**

Category	Target	Actual	Target	Actual
	2012/13	2012/13	2013/14	2013/14
Africans				
Whites	0	0	0	0
Coloured / Asian	0	1	1	1
Employees with Disabilities	0	0	0	0

**Table 29: New Appointments per Employment Equity Categories: 2013/2014**

Directorate	African	Coloured	Indian	White	Total	Female	Male
Technical Services		0	0	0		0	
Chief Financial Officer	0	0	0	0	0	0	0
Corporate Services	3	0	0	0	3	1	2
Municipal Manager's Office	0	1	0	0	1	0	1
<b>Total: 2013/14</b>	<b>2</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>0</b>	<b>3</b>
<b>Total: 2012/13</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4</b>	<b>1</b>	<b>3</b>
<b>Total: 2011/12</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>1</b>

# Phumelela Municipality Annual Report 2013 - 2014

## Employee Wellness

Phumelela Municipality has a Human resources section that drives the Employee Wellness Program attending to employees' social, mental, and physical health needs.

Some of the interventions by the department include:

- Free medical tests by medical fund institutions;
- Debt counseling, garnishee orders and financial planning sessions;
- Promotional Health Talk on Circumcision.

## Vacancy Rate

The vacancy rate increased to 18.1% in the 2013/14 financial year.

**Table 30 Vacancies per Job Category 2013/14**

Directorate	Total	Legislators, senior officials and	Clerks	Technicians and associate	Craft and related trade workers	Elementary occupations
Technical Services	9	1	1	4	0	3
Chief Financial Officer	9	4	5	0	0	0
Corporate Services	9	7	2	1	0	0
Municipal Manager's	3	3	0	0	0	0
<b>Total:2013/14</b>			5		0	0
<b>Total:2012/13</b>			5		0	0
<b>Total: 2011/12</b>			5		0	0

## Employment Equity

The municipality's Employment Equity Policy is designed to:

- Promote equal opportunities and fair treatment to all in the workplace by eliminating unfair discrimination; and
- Implement affirmative action measures to redress the disadvantages in employment experienced by members from designated groups in the past.

# Phumelela Municipality Annual Report 2013 - 2014

The municipality has consistently complied with the legal requirement of preparing the Employment Equity Plan and report in 2013/14. The Employment Equity Plan was developed, and the Employment Equity Report submitted at the end of April 2013.

**Table 31: Total Employment Equity Statistics per Directorate as at 30 June 2014**

Directorate	African	Coloured	Indian	White	Total	Female	Male
Technical Services	213	-	-	1	214	48	165
Chief Financial Officer	30	-	-	2	32	17	15
Corporate Services	38	-	-	2	40	21	19
Municipal Managers Office	5	1	-	-	6	3	3
Executive & Council	10	-	-	-	10	2	8
<b>Total: 2013/14</b>	<b>297</b>	<b>1</b>	<b>-</b>	<b>5</b>	<b>302</b>	<b>88</b>	<b>214</b>
<b>Total:2012/13</b>	<b>320</b>	<b>1</b>	<b>-</b>	<b>4</b>	<b>325</b>	<b>93</b>	<b>232</b>
<b>Total: 2011/12</b>	<b>296</b>	<b>-</b>	<b>-</b>	<b>6</b>	<b>302</b>	<b>91</b>	<b>211</b>

## Human Resources Policies

The following Human Resources policies have been implemented by the Phumelela Municipality:

### POLICIES

- Phumelela Municipality Fraud Prevention Policy
- Phumelela Municipality Risk Management Policy
- Attendance and Punctuality Policy
- Bursary Scheme for community members policy
- Communication and strategy policy
- Incapacity policy
- Internal Bursary Policy
- Leave policy
- Occupational Health and Safety Policy
- Recruitment and placement policy
- Training and Development policy
- Subsistence and travelling policy
- HR Policy and procedure manual

### Promotions

The information below in compares the number of employees that have been promoted during the past three financial years: Employees at the Phumelela Municipality are not promoted automatically. All internal employees must apply for posts as advertised.



# Phumelela Municipality Annual Report 2013 - 2014

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## Pension Funds

The Phumelela Municipality makes use of the following Pension and/or Retirement Funds:

- SALA Pension Fund
- Free State Pension Fund / Provident Fund
- SAMWU Provident Fund
- Municipal Employees Pension Fund

## Medical Aid Schemes

Employees are able to choose from the following Medical Aid Funds:

- BONITAS
- HOSMED
- Key Health
- LA Health
- SAMWUMED

## Labor Relations

This department has the function of managing labor relations matters and dealing with occupational health and safety in the municipality.

**Table 32: Labour Relations issues recorded/investigated during 2013/14**

Labour Relations issue	Number of Cases:	Number of Cases:	Number of Cases:
Misconduct	2	0	2
Dismissals	0	0	0
Suspensions	0	0	0
<b>Total Cases</b>	<b>2</b>	<b>0</b>	<b>2</b>

# Phumelela Municipality Annual Report 2013 - 2014

## Occupational Health and Safety

The department is also responsible to ensure that operations and activities within the municipality comply with the provisions of the Occupational Health and Safety Act, 1993 as well as the different Regulations promulgated in terms of the said Act. Incident/accident investigations are conducted promptly in order to determine in respect of which activities work instructions and safe work procedures should be developed and implemented, to prevent the reoccurrence of incidents in the workplace. Furthermore, Health and Safety Committee Meetings are arranged on a monthly basis to address all health and safety issues raised at such meetings.

**Table 33: Incidents/accidents recorded and/or investigated during 2013/14**

Directorate	Personal injury	Disease	Death
Technical Services	0	0	1
Chief Financial Officer	0	0	0
Corporate Services	0	0	0
Municipal Manager's Office	0	0	0
<b>Total 2013/14</b>	<b>0</b>	<b>0</b>	<b>1</b>
<b>Total 2012/13</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total 2011/12</b>	<b>0</b>	<b>0</b>	<b>0</b>

## **COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE**

### **Section 57 Performance Evaluation**

The performance evaluation for Section 57 managers forms the basis for evaluating performance in relation to set targets as outlined in the signed performance agreements of executive managers. Performance evaluation takes place on a quarterly basis and reported to the Mayor.

### **Improved Performance Management**

In 2013/2014 the municipality adopted a performance framework within the organisation up until the level of supervision. Implementation and monitoring thereof will be a targeted and continued focus in 2014/2015.

## **COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE**

### **Skills Development**

As prescribed by legislation, the combined Workplace Skills Plan (WSP) was compiled in April 2014 and approved on 30 April 2014. For the year under review (2013/14), the Phumelela Municipality trained 34 employees compared to 81 in the 2012/13 financial year.

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**Table 34: Training per Job Category:**

Directorate	Total	Legislators, Senior Officials and Managers	Clerks	Technicians and Associate Professionals	Craft and Related Trade Workers	Elementary Occupations	Professionals
Technical Services	17	1	-	-	-	16	-
Finance	11	-	8	-	-	-	3
Corporate Services	4	1	3	-	-	-	-
MM Office	2	2	-	-	-	-	-
<b>Total:2013/14</b>	<b>34</b>	<b>4</b>	<b>11</b>	<b>-</b>	<b>-</b>	<b>16</b>	<b>3</b>
<b>Total:2012/13</b>	<b>81</b>	<b>6</b>	<b>12</b>	<b>2</b>	<b>-</b>	<b>56</b>	<b>5</b>
<b>Total:2011/12</b>	<b>99</b>	<b>14</b>	<b>24</b>	<b>1</b>	<b>-</b>	<b>66</b>	<b>4</b>

## Skills Development Budget

The information below indicates the quantum of municipal budget allocated to skills development and the percentage spent:

**Table 35 Skills Development Budget against Expenditure**

Financial Year	Budget	Expenditure	Percentage Spent
2013/2014	R200 000.00	R432 889.72 (overspent by using Municipal Financial Grant)	
2012/2013	R400 000.00	R116 506.00	29%
2011/2012	R200 000.00	R107 158.73	53%

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## **MFMA Competencies**

In terms of Section 83 (1) of the MFMA, the accounting officer, senior managers, 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, in collaboration with various stakeholders and role players in the local government sphere, developed an outcome-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."

A total of 45 employees were identified to obtain the abovementioned qualification and prescribed competencies. 18 officials have already completed the training, 20 are currently busy and 10 still need to undergo the training.

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Table 36 below provides details of the financial competency development progress as required by the notice:

<b>Financial Competency Development: Progress Report</b>				
Description	Total number of officials employed i.t.o. Regulation 14(4)(a) and (c)	Competency assessments completed i.t.o. Regulation 14(4)(b) and (d)	Total number of officials whose performance agreements comply with Regulation 16 Regulation 14(4)(f)	Total number of officials that meet prescribed competency levels i.t.o. Regulation 14(4)(e)
<b>Financial</b>				
Accounting Officer	1	In progress	1	-
Chief Financial Officer	1	Not yet competent	1	-
Director Corporate Services	1	Competent	1	-
Director Technical Services	1	Resigned	1	-
Senior Managers		In progress (1), NYC (2 Registered (1), Not yet registered (3)	1 ( Budget Manager)	-
Any other financial officials	32	Competent(3), NYC(14) Not vet	-	3
<b>Supply Chain Management Officials</b>				
Heads of Supply Chain Management Units		-	-	-
Supply Chain Management Senior Managers	-	-	-	-
<b>TOTAL</b>				

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## Induction

SALGA is in a process of developing a uniform Induction framework as such newly appointed employees are only informed on the benefits and given an employment contract that entails working conditions.

## Learnerships

A total of 31 (employed) and 2 (unemployed) learners were recorded to have received training through Learnerships in 2013/2014, compared to 67 (employed) and 9 (unemployed) recorded in 2012/13 financial year. The decline was caused by non-approvals of Discretionary grants from LGSETA that is currently under administration. The municipality granted (21) internal bursaries in the 2013/14 financial year compared to 20 internal bursaries in 2012/13.

**Table 37: Bursaries per Directorate**

Directorate	Number of Beneficiaries 2011/12	Number of Beneficiaries 2012/13	Number of Beneficiaries 2013/14
Technical Services	0	0	0
Chief Financial Officer	0	0	0
Corporate Services	0	0	0
Municipal Manager's Office	0	0	0
Mayoral Office	14	20	21
<b>Total</b>	<b>14</b>	<b>20</b>	<b>21</b>

## COMPONENT D: MANAGING THE MUNICIPAL WORKFORCE EXPENDITURE

### Personnel Expenditure

**Table 38: Trends of Personnel Expenditure compared to Operating Expenditure:**

Financial Year	Salaries	Expenditure	Percentage
2013/2014	R5158.5482M	R147.639 871	34.9%
2012/2013	R489.295.92	R150 053 032	32.6%
2011/2012			

# **CHAPTER 4**

## **SERVICE DELIVE PERFORMANCE**



## 1. Service Delivery Key Performance Indicators and Targets

### 1.1 Basic Service Delivery and Infrastructure Investment

#### 1.1.1 Manager Technical Services

*IDP Alignment:*

<b>KPA:</b>	Basic Services and Infrastructure Investment
<b>IDP Priority</b>	Water
<b>Strategic Objective:</b>	To ensure that 100% of households in formal settlements in the Phumelela municipal area have access to basic level of water by 2014
<b>Outcomes:</b>	<ul style="list-style-type: none"> <li>• 100% of households in formal settlements have access to basic level of water</li> <li>• Water infrastructure required to enable achievement of the strategic objective as measured in terms of the performance targets in this 5-year IDP.</li> <li>• The percentage of households earning less than R1,100 per month with access to free basic services.</li> </ul>
<b>Budget Structure</b>	
<b>GFS Function (Vote):</b>	Water
<b>Sub-function:</b>	No Split Total

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## *IDP Alignment; 2013/14 Performance Indicators and Targets:*

Institutional Requirements / Situation Analysis and/or Functional Area	Programmes or Projects (Predetermined Objective)	Performance Indicator	Units of measure	Base-line	Performance Targets: 2013/14								Comments
					Quarter 1		Quarter 2		Quarter 3		Quarter 4		
					Target	Actuals	Target	Actuals	Target	Actuals	Target	Actuals	
Upgrading of water infrastructure. Current infrastructure are too old and not large enough to handle water volumes requirements	Zamani: To construct a water reservoir and pump station with a capacity to handle 2 mega liter water	Construction of a reservoir	number of reservoirs constructed	Registered with MIG					1	1			Project completed on 28 November 2014
		Rising main	Number of raising mains							1			
		Installation of a pump station								1			
Thembahihle Extension 4 does not have adequate infrastructure to provide bulk water to residents	To construct a 2 megaliter reservoir for Thembahihle Extension 4	Number of 2 megaliter reservoirs constructed	Number of reservoirs	0 (Project)	1	0							Project postponed for implementation in 2015/16 FY
Ageing infrastructure in need for constant repairs and maintenance	To continuously maintain and repair water infrastructure to ensure uninterrupted water supply	Repairs and maintenance performed in terms of operating schedules	Percentage	100%	100%			100%			100%	100%	Ongoing
It is necessary to ensure safe quality drinking water to Phumelela communities to prevent the outbreak of diseases	To ensure compliance with the national requirements for water safety	Completion of a Water Safety Plan	Number of plans	0	1								No Funding available
		Water plants in the municipality to be registered (Percentage of plants)	Number of plants	0	100%								Registration completed
		Number of qualified control	Number of						4	3			Due to financial constraints all

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Institutional Requirements / Situation Analysis and/or Functional Area	Programmes or Projects (Predetermined Objective)	Performance Indicator	Units of measure	Base-line	Performance Targets: 2013/14								Comments
					Quarter 1		Quarter 2		Quarter 3		Quarter 4		
					Target	Actuals	Target	Actuals	Target	Actuals	Target	Actuals	
		processors	processors										Project completed on 28 November 2014
													positions could not be filled
Percentage of households with access to basic level of water	To ensure that 100% of households in formally established townships have access to at least RDP standard of water	Households in formal areas with access to basic level of water	Percentage of household	100%	100%			100%		100%			All registered households in formal residential areas have access to basic level of water
	To review the Water Services Development Plan	Number of Water Services Development Plans reviewed	Number of WSDPs	0	0		1		0		0	0	Due to financial constraints the WSDP is not yet reviewed

### *IDP Alignment:*

<b>KPA:</b>	Basic Services and Infrastructure Investment
<b>IDP Priority</b>	Sanitation
<b>Strategic Objective:</b>	To ensure that 100% of households in formal settlements in the Phumelela municipal area have access to basic level of sanitation by 2014
<b>Outcomes:</b>	<ul style="list-style-type: none"> <li>• 100% of households in formal settlements have access to basic level of sanitation</li> <li>• Sanitation infrastructure required to enable achievement of the strategic objective as measured in terms of the performance targets in this 5-year IDP</li> </ul>
<b>Budget Structure Alignment</b>	

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<b>GFS Function (Vote):</b>	Waste Water Management
<b>Sub-function:</b>	Sewerage

### *IDP Alignment; 2013/14 Performance Indicators and Targets:*

Institutional Requirements / Situation Analysis and/or Functional Area	Programmes or Projects (Predetermined Objective)	Performance Indicator	Unit of measures	Base-line	Performance Targets: 2013/14									
					Quarter 1		Quarter 2		Quarter 3		Quarter 4		Annual	
					Target	Actuals	Target	Actuals	Target	Actuals	Target	Actuals	Target	Actuals
Sewer Reticulation infrastructure under severe pressure in the Zamani/Memel settlements	Installation of sewer reticulation network, phase 2	Phase 2 of the Memel/Zamani sewer reticulation network installed	Phase of project	Phase 1 completed			1							Project incomplete due to contractor abandonment of project
Percentage of households with access to basic level of sanitation	To ensure that 100% of households in formally established townships have access to at least RDP standard of sanitation	Percentage of households in formal areas with access to basic level of water		100%	100%		100%		100%		100%		100%	All registered households in formal residential areas have access to basic level of water
	To review the Water Services Development Plan	Number of Water Services Development Plans reviewed		0	0		1		0		0		0	Due to financial constraints the WSDP is not yet reviewed

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### *IDP Alignment:*

<b>KPA:</b>	Basic Services and Infrastructure Investment
<b>IDP Priority</b>	Roads and Storm water
<b>Strategic Objective:</b>	To ensure that identified internal roads in the Phumelela municipal area are maintained and/or upgraded to facilitate economic and social activity required for the sustainable development of the municipality; considering the capacity limitations facing the Municipality
<b>Outcomes:</b>	Repair and paving of roads
<b>Budget Structure Alignment:</b>	
<b>GFS Function (Vote):</b>	Road Transport
<b>Sub-function:</b>	Roads

### *IDP Alignment; 2013/14 Performance Indicators and Targets:*

Institutional Requirements / Situation Analysis and/or Functional Area	Programmes or Projects (Predetermined Objective)	Performance Indicator	Units of measure	Base -line	Performance Targets: 2013/14									
					Quarter 1		Quarter 2		Quarter 3		Quarter 4		Comments	
					Target	Actuals	Target	Actuals	Target	Actuals	Target	Actuals		
Ensure that access roads are in a good order to enable sustainable social and economic activities: Various roads currently in poor condition and in need for repairs (not necessarily only access roads)	Ezenzeleni: Construction of 0,5km paved road	Pave roads constructed	Kms				0.5km							KPI Target wrongly captured, supposed to reflect 1.5km instead of 0.5km.L Mthembu

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*IDP Alignment:*

<b>KPA:</b>	Basic Services and Infrastructure Investment
<b>IDP Priority</b>	Electricity Reticulation
<b>Objective:</b>	To ensure effective management of graveyards and cemeteries in the Phumelela municipal area
<b>Outcomes:</b>	Adequate provision for, safe and well maintained graveyards and cemeteries (100% of all such facilities)
<b>Budget Structure Alignment:</b>	
<b>GFS Function (Vote):</b>	Electricity
<b>GFS function</b>	No Split Total

*IDP Alignment:*

<b>KPA:</b>	Basic Services and Infrastructure Investment
<b>IDP Priority</b>	Sport and Recreation Facilities
<b>Strategic Objective:</b>	To ensure access to quality sport and recreational in the Phumelela municipal area
<b>Outcomes:</b>	Adequate provision for, safe and well maintained sport and recreational facilities
<b>GFS Function (Vote):</b>	Community and Social Services
<b>Sub-function:</b>	Not Required

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### *IDP Alignment; 2013/14 Performance Indicators and Targets:*

Institutional Requirements / Situation Analysis and/or Functional Area	Programmes or Projects (Predetermined Objective)	Performance Indicator	Units of measure	Base-line	Performance Targets: 2013/14									
					Quarter 1		Quarter 2		Quarter 3		Quarter 4		Comments	
					Target	Actuals	Target	Actuals	Target	Actuals	Target	Actuals		
Inadequate sport facilities to provide recreational and exercise opportunities for the Phumelela youth	Sport facilities in Phumelela	Sport stadiums upgraded in Vrede town	Number of stadiums	1 (needs upgrading)	1	1							Phase 1 & 2 completed. Phase 3 to commence end January 2015.	
		Sport stadiums upgraded in Thembahihle	Number of stadiums	1 (needs upgrading)	1	0							Resource constraints does not allow upgrade at this stage	
		Sport facilities upgraded in Memel	Number of stadiums	0	1	0							Project postponed for 2016/17 FY	
	To identify land for a new sport facility in Warden	Land identified for a new sport facility in Warden		0	1	1							Completed	

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## 1.1.2 Manager Community Services

### Strategic IDP Alignment:

<b>KPA:</b>	Basic Services and Infrastructure Investment
<b>IDP Priority</b>	Waste Management
<b>Strategic Objective:</b>	To ensure good waste management in the Phumelela municipal area
<b>Outcomes:</b>	<ul style="list-style-type: none"> <li>• Three licensed and registered landfill sites.</li> <li>• 100% of households in formal areas with access to refuse removal services at basic acceptable national standards</li> </ul>
<b>GFS Function (Vote):</b>	Waste Management
<b>GFS function:</b>	Solid Waste

### IDP Alignment; 2013/14 Performance Indicators and Targets:

Institutional Requirements / Situation Analysis and/or Functional Area	Programmes or Projects (Predetermined Objective)	Performance Indicator	Units of measure	Base-line	Performance Targets: 2013/14								Comments
					Quarter 1		Quarter 2		Quarter 3		Quarter 4		
					Target	Actual	Target	Actual	Target	Actual	Target	Actual	
Landfill sites not registered and/or compliant with requirements to be fully licensed	To start with the relocation and licensing of landfill sites	Warden: Construction of landfill site	No of sites	0			1						Resource constraints, Provincial assistance requested
		Vrede: Construction of landfill site	No of sites	0			1						Resource constraints, Provincial assistance requested
		Memel: Construction of landfill site	No of sites	0			1						Resource constraints, Provincial assistance requested
Percentage of households with access to basic level of refuse	To ensure that all households in formal residential areas have	Households in formal area with access to refuse removal at least once every	Percentage of	100	100%		100%		100%		100%	100%	All registered households in formal areas have access to



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Institutional Requirements / Situation Analysis and/or Functional Area	Programmes or Projects (Predetermined Objective)	Performance Indicator	Units of measure	Base -line	Performance Targets: 2013/14								
					Quarter 1		Quarter 2		Quarter 3		Quarter 4		Comments
					Target	Actual	Target	Actual	Target	Actual	Target	Actual	
removal	access to refuse removal services at least once every two weeks	two weeks	households	%									refuse removal
	To review the Integrated Waste Management Plan	Number of Waste Management Plans reviewed	Number of plans	0	0		1	0	0		0		No plans reviewed due to resource constraints

### *IDP Alignment; 2013/14 Performance Indicators and Targets:*

Institutional Requirements / Situation Analysis and/or Functional Area	Programmes or Projects	Performance Indicator	Base-line	Performance Targets: 2013/14			
				Quarter 1	Quarter 2	Quarter 3	Quarter 4
	To maintain existing graveyards and cemeteries	Number of cemeteries provided with solid / concrete fencing	0	1			

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## 1.2 Local Economic Development

### 1.2.1 Office of the Municipal Manager

*IDP Alignment:*

<b>KPA:</b>	Local Economic Development
<b>IDP Priority</b>	Local Economic Development
<b>Strategic Objective:</b>	To create employment opportunities in the Phumelela municipal area
<b>Outcomes:</b>	<ul style="list-style-type: none"> <li>• (Number of) employment opportunities created through targeted IDP projects</li> <li>• (Number of) employment opportunities created through EPWP initiatives</li> </ul>
<b>GFS Function (Vote):</b>	Planning and Development

*IDP Alignment; 2013/14 Performance Indicators and Targets:*

Institutional Requirements / Situation Analysis and/or Functional Area	Programmes or Projects (Predetermined Objective)	Performance Indicator	Units of measure	Base-line	Performance Targets: 2013/14								Comments	
					Quarter 1		Quarter 2		Quarter 3		Quarter 4			
					Targets	Actuals	Targets	Actuals	Targets	Actuals	Targets	Actuals		
Municipality is a pilot site for the launching of the Community Works Programme	To launch the Community Work Programme in the Phumelela Municipality	Jobs created through the CWP	Number of jobs created											
The municipality has not yet utilized the benefits of the EPWP to assist with job creation in the area	To fully implement the EPWP Programme in the municipality	Number of jobs created through the EPWP	Number of jobs created		138									138 Employment opportunities were created

\* No targets received

### 1.3 Institutional Transformation and Organisational Development

#### 1.3.1 Manager Corporate Services

**IDP Alignment:**

<b>KPA:</b>	Institutional Transformation and Organisational Development
<b>IDP Priority</b>	Institution Building
<b>Strategic Objective:</b>	To facilitate institutional transformation and development in the Phumelela local municipality
<b>Outcomes:</b>	<ul style="list-style-type: none"> <li>• The number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality’s approved employment equity plan;</li> <li>• Targets in the organizational redesign and change management strategy; and</li> <li>• Skills development targets in the municipal Skills Development Plan</li> </ul>
<b>GFS Function (Vote):</b>	Finance and Admin
<b>Sub-function:</b>	Human Resources

**2013/14 Performance Indicators and Targets:**

Institutional Requirements / Situation Analysis and/or Functional Area	Programmes or Projects (Predetermined Objective)	Performance Indicator	Units of Measure	Base-line	Performance Targets: 2013/14									
					Quarter 1		Quarter 2		Quarter 3		Quarter 4		Comments	
					Targets	Actuals	Targets	Actuals	Targets	Actuals	Targets	Actuals		
Municipalities with all six critical posts filled by competent	To ensure that all six critical senior posts on the staff establishment	Senior critical posts filled by competent staff	Number	4/5	5/6		5/6		5/6		5/6		Four senior positions were filled and 1 of Community Services were	

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Institutional Requirements / Situation Analysis and/or Functional Area	Programmes or Projects (Predetermined Objective)	Performance Indicator	Units of Measure	Base-line	Performance Targets: 2013/14								Comments	
					Quarter 1		Quarter 2		Quarter 3		Quarter 4			
					Targets	Actuals	Targets	Actuals	Targets	Actuals	Targets	Actuals		
staff	are filled by competent staff													changed to line manager position
Percentage of MMs and senior managers with signed performance agreements	To ensure that the MM and other senior managers has an annually revised performance agreement that is aligned to national priorities within the prescribed legislative time-frames	Annually revised performance agreement of the MM that is aligned to national priorities and the LGTAS, signed within the prescribed legislative time-frames	Number	1	5	4								All four appointed senior managers signed performance agreements.
		Annually revised performance agreements of senior managers that are aligned to SDBIP and IDP, signed within the prescribed legislative time-frames	Number	4	5									
Employ contracts for all employees	To ensure that the all personnel have employment	Employees with signed employment contracts	Percentage of employees								100%	100%		All newly appointed personnel do have signed contracts
Compliance with Skills Development legislation	To ensure that the Municipality complies with the requirements of Skills Development legislation	Workplace Skills Plans and Annual Training Reports submitted to the LGSETA	Number	1 (WSP)					1 (WSP)	1 (ATR)	1			WSP submitted in accordance with prescribed timeframes

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Institutional Requirements / Situation Analysis and/or Functional Area	Programmes or Projects (Predetermined Objective)	Performance Indicator	Units of Measure	Base-line	Performance Targets: 2013/14								Comments	
					Quarter 1		Quarter 2		Quarter 3		Quarter 4			
					Targets	Actuals	Targets	Actuals	Targets	Actuals	Targets	Actuals		
	To ensure training of staff members of per the annual Workplace Skills Plan	Employees trained as per Workplace Skills Plan and awarded with competency certificates	Percentage	New							100%		Due to LGSITA under administration resource constraints prevented..34 municipal employees were trained	
	To establish Departmental Training Committees	Departmental training committees established	Number	New	1		1		1		1		LLF resuscitated and constituted accordingly. Sub-committees to be established.	
		Training committee meetings conducted	Number	New	1	0	1	0	1	0	1	0		
Control over staff leave are required in order to prevent fruitless and wasteful expenditure	Ensure the effective management of staff leave in accordance with approved leave regulations	Leave reports checked monthly to ensure compliance with approved leave procedures	Percentage	New	100%		100%		100%		100%		Reconciliation of leave is done on monthly basis	
	Compliance with Leave Regulations as per SALBC Collective Agreements	VIP system capped within 48 days for all employees	Percentage	New	100%	100%	100%	100%	100%	100%	100%	100%	System allows for capping of leave accordingly	
		Leave reports checked monthly	Percentage	New	100%		100%		100%		100%	100%	In reference to the reconciliation leave is thus monthly	

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Institutional Requirements / Situation Analysis and/or Functional Area	Programmes or Projects (Predetermined Objective)	Performance Indicator	Units of Measure	Base-line	Performance Targets: 2013/14								Comments	
					Quarter 1		Quarter 2		Quarter 3		Quarter 4			
					Targets	Actuals	Targets	Actuals	Targets	Actuals	Targets	Actuals		
														consolidated
Labour Relations	Labour disputes handled and reported to the Office of the MM	Labour disputes and grievances handled in terms of collective agreements	Percentage	New	100%	100%	100%	100%	100%	100%	100%	100%		All disputed handled accordingly
		Number of labour disputes	Number	New	1 or less	1	1 or less	1	1 or less	1	1 or less	1		A total of 5 was successfully handled
	Local Labour Forum meetings conducted as per schedule	LLF meetings conducted	Number of meetings	0	1		1		1		1			LLF resuscitated and constituted accordingly. Sub-committees to be established
Employment Equity	Establishment of an Employment Equity Committee and employment equity reports	Employment Equity Committees established	Number of committees	New							1	0		LLF resuscitated and constituted accordingly. Sub-committees to be established
		Employment Equity Reports submitted	Number of reports	1				1	1					Completed
Organisational Efficiency improvements	Efficient control over telephones	Installing of a new telephone system that will enhance accountability	Number of systems	New							1	1		System that generates regular reports have been

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Institutional Requirements / Situation Analysis and/or Functional Area	Programmes or Projects (Predetermined Objective)	Performance Indicator	Units of Measure	Base-line	Performance Targets: 2013/14								Comments	
					Quarter 1		Quarter 2		Quarter 3		Quarter 4			
					Targets	Actuals	Targets	Actuals	Targets	Actuals	Targets	Actuals		
													installed	
		Reduction of the telephone bill	Percentage reconciliation	New							30%	30%	All Top-ups were converted to pre-paid	
	Bi-monthly Departmental meetings	Departmental meetings	Number of meetings	New	1		2		1		2		Meetings with Middle maangers.were regularly scheduled and recorded, though completete departmental meetings to be seriously addressed	
	Maintain the municipal web-site according to legislative and regulatory requirements	Websites maintained	Number of web-sites	New	1		1		1		1			Website regularly updated as when required for public information
		Number of website updates	Number	New	1		1		1		1			
Property Management	To ensure well-kept and maintained municipal buildings	Safe and lockable buildings	Number	New	All		All		All		All		All municipal offices are lockable and Head Office and Unit offices are fitted with alarm and access code.	

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Institutional Requirements / Situation Analysis and/or Functional Area	Programmes or Projects (Predetermined Objective)	Performance Indicator	Units of Measure	Base-line	Performance Targets: 2013/14									
					Quarter 1		Quarter 2		Quarter 3		Quarter 4		Comments	
					Targets	Actuals	Targets	Actuals	Targets	Actuals	Targets	Actuals		
		Effective access control	Percentage of buildings and access points	New	100%		100%		100%		100%			



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## 1.4 Financial Viability & Management

### 1.4.1 Chief Financial Officer

*IDP Alignment:*

<b>KPA</b>	Financial Viability and Management
<b>IDP Priority:</b>	Institution Building
<b>Strategic Objective:</b>	To facilitate the financial viability of the Phumelela local municipality as measured in terms of the key indicators of the Municipal Planning and Performance Management Regulations, 2001
<b>Outcomes:</b>	<ul style="list-style-type: none"> <li>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;</li> <li>the percentage of a municipality's budget actually spent on implementing its workplace skills plan; and</li> <li>financial viability ratios</li> </ul>
<b>Budget Structure Alignment</b>	
<b>GFS Function (Vote):</b>	Finance and Admin; Finance
<b>Sub-function:</b>	Finance

*IDP Alignment; 2013/14 Performance Indicators and Targets:*

Institutional Requirements / Situation Analysis and/or Functional Area	Programmes or Projects (Predetermined Objective)	Performance Indicator	Units of Measure	Base-line	Performance Targets: 2013/14										
					Quarter 1		Quarter 2		Quarter 3		Quarter 4		Annual		
					Target	Actuals	Target	Actuals	Target	Actuals	Target	Actuals			
A adverse audit opinion	To implement the 2012 Audit Action Plan	Number of corrective and internal control interventions identified in	Number of issues	Audit Action Plan	56								8	56	

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Institutional Requirements / Situation Analysis and/or Functional Area	Programmes or Projects (Predetermined Objective)	Performance Indicator	Units of Measure	Base-line	Performance Targets: 2013/14									
					Quarter 1		Quarter 2		Quarter 3		Quarter 4		Annual	
					Target	Actuals	Target	Actuals	Target	Actuals	Target	Actuals		
	(move towards a clean audit by 2014)	the Audit Action Plan addressed		available:  Total of 56 issues										
Percentage of municipalities that are overspending on OPEX	To ensure that the municipality does not overspend on OPEX	Operational expenditure as a percentage of the amount budgeted for operations per quarter	Percentage	New	Not exceeding 100%		Not exceeding 100%		Not exceeding 100%	90%	Not exceeding 100%	92%	Not exceeding 100%	
		Reports indicating operational expenditure as a percentage of budgeted OPEX	Number of reports	New	1		1		1	4	1	4	4	
Percentage of municipalities under spending on CAPEX by target date (2014)	To ensure that the municipality effectively utilized allocated capital budget	Capital expenditure as a percentage of the amount budgeted for capital per quarter	Percentage	Outcome 9	100%		100%		100%	71%	100%	93%	100%	
		Reports indicating capital expenditure as a percentage of budgeted CAPEX	Number of reports	Outcome 9	1		1		1	4	1	4	4	
Percentage of municipalities spending less than 5% of OPEX on repairs and maintenance by 2014	To ensure that the municipality spent at least 5% of OPEX on repairs and maintenance	Operational expenditure spent on repairs and maintenance	Percentage of expenditure	Outcome 9	5% or more		5% or more		5% or more	13%	5% or more	12%	5% or more	
		Reports indicating expenditure on repairs and maintenance as a percentage of budgeted OPEX	Number of reports	Outcome 9	4		4		4	4	4	4		

## Phumelela Municipality Annual Report 2013 - 2014

### *Operational Measures; 2013/14 Performance Indicators and Targets:*

Vote/Indicator	Unit of measurement	Annual	Revised	Quarter Ending		Quarter Ending		Quarter Ending		Quarter Ending	
		Target	Target	September		December		March		June	
				Projected	Actual	Projected	Actual	Projected	Actual	Projected	Actual
<b>Chief Financial Officer</b>											
Submit monthly Expenditure Statements to AO	No. of statements	12			4		4	3	3	3	3
Report to AO on the Expenditure incurred on staff salaries, wages, allowances and benefits	Quarterly	4			1		1	1	1	1	1
Report to AO on contracts awarded above the prescribed amount	Monthly	12			1		1	0	0	0	0
Submit report on all withdrawals not approved in the budget and submit report to PT & AG	Quarterly	4			1		1	1	1	1	1
Report on implementation of the SCM Policy	Quarterly	4			1		1	0	0	1	1
Submit all necessary returns to NT & PT as required by S71 of the MFMA	Monthly	12			4		4	3	3	3	3
Consider monthly S71 Reports, review implementation of budget & SDBIP, identify problems & recommend appropriate amendments	Monthly	12			4		4	4		4	
Submit quarterly S52 Report on implementation of the budget		4			1		1	1	1	1	
Submit monthly statements on allocations received & financial state of affairs of the municipality	Quarterly	12			4		4	3	0	3	0
Submit Annual Financial statements to Auditor - General	Submit end of August 2013	1			1			1			

## Phumelela Municipality Annual Report 2013 - 2014

Vote/Indicator	Unit of measurement	Annual	Revised	Quarter Ending		Quarter Ending		Quarter Ending		Quarter Ending	
		Target	Target	September		December		March		June	
				Projected	Actual	Projected	Actual	Projected	Actual	Projected	Actual
Engage with National and provincial sector depts on sector specific programmes for alignment with IDP	Begin in September 2013										
Submit report on impact of different service delivery levels on rates and tariffs	Inform community in Oct 2013										
Consider National policies, budget plans and potential price increase of bulk resources	Review with dept heads in Oct 2013										
Submit to AO Midyear performance assessment report to Mayor, N T and P T	Submit in January 2014	1						1			
Draft budget and plans for next 3 years to AO	Submit in February 2014	1	1					1	1		
Draft budget, plans and proposed revision to IDP	Publish in March 2014	1						1	1		
Appointment of Supply Chain Management Officials	Appointment letters in July	1		1							

### 1.4.2 Manager Corporate Services

**IDP Alignment:**

<b>KPA:</b>	Financial Viability and Management
<b>IDP Priority</b>	Institution Building

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<b>Strategic Objective:</b>	To facilitate the financial viability of the Phumelela local municipality
<b>Outcomes:</b>	Effective and efficient Supply Chain Management
<b>Budget Structure Alignment</b>	
<b>GFS Function (Vote):</b>	Finance and Admin
<b>Sub-function:</b>	Financial Management

### 2013/14 Performance Indicators and Targets:

Institutional Requirements / Situation Analysis and/or Functional Area	Programmes or Projects (Predetermined Objective)	Performance Indicator	Units of Measure	Base-line	Performance Targets: 2013/14								Comments
					Quarter 1		Quarter 2		Quarter 3		Quarter 4		
					Targets	Annual	Targets	Annual	Targets	Annual	Targets	Annual	
Fleet Management	Effective and efficient management of fleet	Logbooks checked and properly updated (Percentage of logbooks)	Percentage of logbooks	New	100%	0	100%	0	100%	0	100%	0	The vacancy for Fleet management was advertised to handle
		Reconciliation of all expenses incurred against bank statement	Percentage	New	100% monthly	100%	100% monthly	100%	100% monthly	100%	100% monthly	100%	Controlled
		List of drivers with approved access	Percentage	New	100%	100%	100%	1005	100%	100%	100%	100%	List of drivers updated

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### ***1.5 Good Governance & Public Participation***

*IDP Alignment:*

<b>KPA:</b>	Good Governance and Public Participation
<b>IDP Priority</b>	Institution Building
<b>Strategic Objective:</b>	To ensure good governance in the Phumelela local municipality
<b>Outcomes:</b>	<ul style="list-style-type: none"> <li>• Monthly ward committee meetings with duly recorded minutes that are submitted to Council at regular intervals for consideration</li> <li>• Annual Review of the IDP and SDBIPs, including the performance plans of senior managers</li> <li>• An organizational and individual Performance Management and Monitoring and Evaluation Systems that facilitate quarterly, mid-year and annual performance and financial reports.</li> <li>• Audit arrangements (including an operational internal audit unit and audit committee) to manage risks facing the municipality and ensure adequate internal controls to prevent fraud and irregularities.</li> <li>• By-laws and policies to enable the effective governance of the municipality</li> <li>• Community Participation in the Affairs of the Municipality through community engagements and ward committees</li> <li>• An updated indigent support system</li> </ul>
<b>Budget Structure Alignment</b>	
<b>GFS Function (Vote):</b>	Executive and Council

#### **1.5.1 Office of the Municipal Manager**

*IDP Alignment:*

<b>KPA:</b>	Good Governance and Public Participation
<b>IDP Priority</b>	Institution Building
<b>Objective:</b>	To ensure good governance in the Phumelela local municipality
<b>Outcomes:</b>	<ul style="list-style-type: none"> <li>• An organizational and individual Performance Management and Monitoring and Evaluation Systems that facilitate quarterly, mid-year and annual performance and financial reports.</li> <li>• Annual Review of the IDP and SDBIPs, including the performance plans of senior managers</li> <li>• Audit arrangements (including an operational internal audit unit and audit committee) to manage risks facing the</li> </ul>

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	municipality and ensure adequate internal controls to prevent fraud and irregularities. <ul style="list-style-type: none"> <li>• By-laws and policies to enable the effective governance of the municipality</li> <li>• Community Participation in the Affairs of the Municipality through community engagements and ward committees</li> </ul>
<b>Budget Structure Alignment</b>	
<b>GFS Function (Vote):</b>	Executive and Council

### *IDP Alignment; 2013/14 Performance Indicators and Targets:*

Institutional Requirements / Situation Analysis and/or Functional Area	Programmes or Projects (Predetermined Objective)	Performance Indicator	Units of measure	Base-line	Performance Targets: 2013/14								Comments
					Quarter 1		Quarter 2		Quarter 3		Quarter 4		
					Targets	Actuals	Targets	Actuals	Targets	Actuals	Targets	Actuals	
Simplified IDPs focusing on planning for delivery of a set of 10 critical municipal services	To align the IDP with the Simplified IDP Framework	Simplified IDPs that is aligned with the identified 10 critical services compiled	Number	0	1	1	1	1	1	1	1	1	
Number of municipalities with functional Organizational Performance Management Systems	To ensure that the municipality has a functional Organizational Performance Management System	Organizational performance reviews conducted	Number	2	1		1		1		1		Regular reports are conducted in accordance
		Reports compiled in terms of section 46 of the Systems Act	Number	1	1		1		1		1		
Operational Clean Audit	To ensure a clean audit by 2014	Municipal Audit Action Plan implemented (percentage)	Percentage	0	100%		100%		100%		100%		
		Internal Auditors appointed	Number of appointments	1							1	1	
	To have a fully functional Internal Audit function	Rolling three year audit plan approved and annually reviewed	Number of plans	1							1	1	

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Institutional Requirements / Situation Analysis and/or Functional Area	Programmes or Projects (Predetermined Objective)	Performance Indicator	Units of measure	Base-line	Performance Targets: 2013/14								Comments
					Quarter 1		Quarter 2		Quarter 3		Quarter 4		
					Targets	Actuals	Targets	Actuals	Targets	Actuals	Targets	Actuals	
	To have a fully functional Audit Committee	Sessions of the audit committee	Number of sessions	0	1		1		1		1	1	
Anti-corruption	To annually review the anti-fraud and anti-corruption strategy	Annual review of the Anti-fraud and Anti-corruption strategy	Number of reviews	1							1	1	
Special Focus Groups	To ensure that special focus groups are mainstreamed in the municipality's programmes and projects	Finalization of a policy to regulate the municipality's approach towards focus groups	Number of policies	0	1	0							COGTA to provide assistance in this regard

## 1.5.1 Manager Corporate Services

### IDP Alignment:

<b>KPA:</b>	Good Governance and Public Participation
<b>IDP Priority</b>	Institution Building
<b>Strategic Objective:</b>	To ensure good governance in the Phumelela local municipality
<b>Outcomes:</b>	<ul style="list-style-type: none"> <li>• An individual Performance Management that facilitate quarterly, mid-year and annual performance and financial reports.</li> <li>• Audit arrangements (including an operational internal audit unit and audit committee) to manage risks facing the municipality and ensure adequate internal controls to prevent fraud and irregularities.</li> <li>• By-laws and policies to enable the effective governance of the municipality</li> <li>• Community Participation in the Affairs of the Municipality through community engagements and ward committees</li> </ul>
<b>Budget Structure Alignment</b>	
<b>GFS Function (Vote):</b>	Executive and Council



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## 2013/14 Performance Indicators and Targets:

Institutional Requirements / Situation Analysis and/or Functional Area	Programmes or Projects (Predetermined Objective)	Performance Indicator	Units of Measure	Base-line	Performance Targets: 2013/14									
					Quarter 1		Quarter 2		Quarter 3		Quarter 4		Comments	
					Targets	Actuals	Targets	Actuals	Targets	Actuals	Targets	Actuals		
Deepen democracy through a refined ward committee system	To have fully functional ward committees in all 8 wards	Wards with fully functional ward committees	Number of wards	7/8	10 meetings in 8 wards = 80 meetings									
	To ensure that all ward committees meet monthly	Ward committee meetings held	Number	96	80 – 76 Meetings held.									
		Ward committee reports tabled to and considered by Council	Number of reports	16			8					8		
Community Complaints System	To implement a community complaints system	Complaints, queries and requests registered from the community and attended to	Number	0	To be finalized when system has been implemented		To be finalized when system has been implemented		To be finalized when system has been implemented		To be finalized when system has been implemented	0	Training session has been conducted for identified officials	
		Community Complaint System implemented and reviewed annually	Number of systems	0							1	0	Training session has been conducted for identified officials	
Functional Councils	To ensure optimal functionality of Council in terms of the requirements of the Municipal Structures Act	Functional Councils, including the timely distribution of Agendas and Minutes	Number of Councils	1	1	1	1	1	1	1	1	1		
		Council Resolutions	Percentage of	New	100%		100%		100%		100%		100%	

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Institutional Requirements / Situation Analysis and/or Functional Area	Programmes or Projects (Predetermined Objective)	Performance Indicator	Units of Measure	Base-line	Performance Targets: 2013/14									
					Quarter 1		Quarter 2		Quarter 3		Quarter 4		Comments	
					Targets	Actuals	Targets	Actuals	Targets	Actuals	Targets	Actuals		
		implemented	resolutions											
		Resolution Tracking Register implemented	Number of registers	New	1	1							1	1
		Reports about implementation of Council Resolutions to Council	Number	New	1 report per Council meeting	0	1 report per Council meeting	0	1 report per Council meeting	0	1 report per Council meeting	0	4	0

### 1.5.3 Manager Technical Services

#### IDP Alignment:

<b>KPA:</b>	Good Governance and Public Participation
<b>IDP Priority</b>	Institution Building
<b>Strategic Objective:</b>	To ensure good governance in the Phumelela local municipality
<b>Outcomes:</b>	By-laws and policies to enable the effective governance of the municipality
<b>Budget Structure Alignment</b>	
<b>GFS Function (Vote):</b>	Executive and Council

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## *IDP Alignment; 2013/14 Performance Indicators and Targets:*

Institutional Requirements / Situation Analysis and/or Functional Area	Programmes or Projects (Predetermined Objective)	Performance Indicator	Units of Measure	Base-line	Performance Targets: 2013/14								Comments
					Quarter 1		Quarter 2		Quarter 3		Quarter 4		
					Targets	Actuals	Targets	Actuals	Targets	Actuals	Targets	Actuals	
Initiatives supportive of Outcome 8: Human Settlements	To annually review the SDF in line with the guidelines for simplified SDFs	SDFs reviewed annually	Number of Plans	1							1		Provincial assistance sourced due to resource constraints
	To finalize the Land Use Management framework	Adoption of by-laws	Number of by-laws	0							6		Provincial assistance sourced due to resource constraints
	To finalize a land audit	Land Audit finalized	Number of land audits	0	1	1	0		0		0		Report on Land Audit available on request
	To formalize settlements through targeted upgrading initiatives	100% percentage of informal settlements formalized	Percentage	0	0		0		100%	50%	100%	50%	In process..Prov dept appointed Phethogo consultants to formalize the settlements as per legal prescripts.

### ***1.5.4 Chief Financial Officer***

#### *IDP Alignment:*

<b>KPA:</b>	Good Governance and Public Participation
<b>IDP Priority</b>	Institution Building
<b>Strategic Objective:</b>	To ensure good governance in the Phumelela local municipality

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<b>Outcomes:</b>	<ul style="list-style-type: none"> <li>• Audit arrangements (including an operational internal audit unit and audit committee) to manage risks facing the municipality and ensure adequate internal controls to prevent fraud and irregularities.</li> <li>• An updated indigent support system</li> </ul>
<b>Budget Structure Alignment</b>	
<b>GFS Function (Vote):</b>	Executive and Council

### *IDP Alignment; 2013/14 Performance Indicators and Targets:*

Requirement of Outcome 9 Integrated Reporting Template	Programmes or Projects	Performance Indicator	Units of measure	Base-line	Performance Targets: 2013/14									
					Quarter 1		Quarter 2		Quarter 3		Quarter 4		Annual	
					Targets	Actuals	Targets	Actuals	Targets	Actuals	Targets	Actuals	Targets	Actuals
Administration of indigents	To ensure that 100% of registered indigents have access to free basic services	Registered indigents with access to free basic services	Percentage	100%	100%	100%	100%	100%	100%	100%		100%		
	To ensure that the indigent register is updated at least once a year	Updates of the indigent register	Number	1							1	1	1	
Operational Clean Audit	To ensure a clean audit by 2014	Municipal Audit Action Plan implemented	Percentage	0							100%		100%	
	To have a fully functional Internal Audit function	Internal Auditors appointed	Number	1	2	0	2	0	2	0	2	0		
		Rolling three year audit plan approved and annually reviewed	Number	1							1	0	1	
	To have a fully functional Audit Committee	Sessions of the audit committee	Sessions (number)	0	1	1	1	1	1	0	1	0	4	

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## 2.2 Community Services

### 2013/14 Performance Indicators and Targets:

Requirement of Outcome 9 Integrated Reporting Template	Programmes or Projects	Performance Indicator	Base-line	Performance Targets: 2013/14			
				Quarter 1	Quarter 2	Quarter 3	Quarter 4
Disaster management	Interdepartmental Corporate Disaster Management Plan	Review of Interdepartmental Corporate Disaster Management Plan	New	0	1	0	1

## 2.3 Corporate Services

### 2.3.1 Institutional Transformation and Organizational Development

#### IDP Alignment:

<b>KPA:</b>	Institutional Transformation and Organisational Development
<b>IDP Priority</b>	Institution Building
<b>Strategic Objective:</b>	To facilitate institutional transformation and development in the Phumelela local municipality
<b>Outcomes:</b>	<ul style="list-style-type: none"> <li>The number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan;</li> <li>Targets in the organizational redesign and change management strategy; and</li> <li>Skills development targets in the municipal Skills Development Plan</li> </ul>
<b>GFS Function (Vote):</b>	Finance and Admin
<b>Sub-function:</b>	Human Resources

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## 2013/14 Performance Indicators and Targets:

Institutional Requirements / Situation Analysis and/or Functional Area	Programmes or Projects (Predetermined Objective)	Performance Indicator	Units of Measure	Base-line	Performance Targets: 2013/14										
					Quarter 1		Quarter 2		Quarter 3		Quarter 4		Annual		
					Targets	Actuals	Targets	Actuals	Targets	Actuals	Targets	Actuals	Targets	Actuals	
Employee Wellness Programme	To conduct a comprehensive Employee Wellness Programme (ensuring that employees of the municipality are supported and encouraged to work effectively)	Employee wellness programmes conducted	Number									1		1	
<b>Elements of the Employee Wellness Programme:</b> <ul style="list-style-type: none"> <li>• A dedicated official working on staff wellness</li> <li>• Number of staff attending the programme's activities</li> <li>• Wellness days convened</li> <li>• Service providers sourced for wellness</li> </ul> Employees referred to wellness service providers															
Occupational Health and Safety	Establishment of an Occupational Health and Safety Committee	Occupational Health and Safety Committees established	Number of committees	New	1									1	
	Purchasing of protective clothing	Percentage of exposed personnel provided with protective clothing	Percentage	New	100%		100%		100%		100%		100%	100%	
	Frist-aid material purchased														
	Payment of COIDA levies	Percentage of COIDA levied paid	Percentage	New							100%		100%	100%	
	Safe offices	Number of injuries due to unsafe offices	Number	New											

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## 2.3.2 Financial Viability and Management

### IDP Alignment:

<b>KPA:</b>	Financial Viability and Management
<b>IDP Priority</b>	Institution Building
<b>Strategic Objective:</b>	To facilitate the financial viability of the Phumelela local municipality
<b>Outcomes:</b>	Effective and efficient Supply Chain Management
<b>Budget Structure Alignment</b>	
<b>GFS Function (Vote):</b>	Finance and Admin
<b>Sub-function:</b>	Financial Management

## 2.3.3 Good Governance and Public Participation

### IDP Alignment:

<b>KPA:</b>	Good Governance and Public Participation
<b>IDP Priority</b>	Institution Building
<b>Strategic Objective:</b>	To ensure good governance in the Phumelela local municipality
<b>Outcomes:</b>	<ul style="list-style-type: none"> <li>• An individual Performance Management that facilitate quarterly, mid-year and annual performance and financial reports.</li> <li>• Audit arrangements (including an operational internal audit unit and audit committee) to manage risks facing the municipality and ensure adequate internal controls to prevent fraud and irregularities.</li> <li>• By-laws and policies to enable the effective governance of the municipality</li> <li>• Community Participation in the Affairs of the Municipality through community engagements and ward committees</li> </ul>
<b>Budget Structure Alignment</b>	
<b>GFS Function (Vote):</b>	Executive and Council

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## 2013/14 Performance Indicators and Targets:

Institutional Requirements / Situation Analysis and/or Functional Area	Programmes or Projects (Predetermined Objective)	Performance Indicator	Units of Measure	Base-line	Performance Targets: 2013/14									
					Quarter 1		Quarter 2		Quarter 3		Quarter 4		Annual	
					Targets	Actuals	Targets	Actuals	Targets	Actuals	Targets	Actuals	Targets	Actuals
Deepen democracy through a refined ward committee system	To have fully functional ward committees in all 8 wards	Wards with fully functional ward committees	Number of wards	7/8	10 meetings in 8 wards = 80 meetings									
	To ensure that all ward committees meet monthly	Ward committee meetings held	Number	96	80									
		Ward committee reports tabled to and considered by Council	Number of reports	16			8				8		16 (twice a year)	
Community Complaints System	To implement a community complaints system	Complaints, queries and requests registered from the community and attended to	Number	0	To be finalized when system has been implemented		To be finalized when system has been implemented		To be finalized when system has been implemented		To be finalized when system has been implemented		To be finalized when system has been implemented	
		Community Complaint System implemented and reviewed annually	Number of systems	0						1		1		
Functional Councils	To ensure optimal functionality of Council in terms of the requirements of the Municipal Structures Act	Functional Councils, including the timely distribution of Agendas and Minutes	Number of Councils	1	1		1		1		1		1	
		Council Resolutions implemented	Percentage of resolutions	New	100%		100%		100%		100%		100%	
		Resolution Tracking Register implemented	Number of registers	New	1								1	



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Institutional Requirements / Situation Analysis and/or Functional Area	Programmes or Projects (Predetermined Objective)	Performance Indicator	Units of Measure	Base-line	Performance Targets: 2013/14									
					Quarter 1		Quarter 2		Quarter 3		Quarter 4		Annual	
					Targets	Actuals	Targets	Actuals	Targets	Actuals	Targets	Actuals	Targets	Actuals
		Reports about implementation of Council Resolutions to Council	Number	New	1 report per Council meeting		1 report per Council meeting		1 report per Council meeting		1 report per Council meeting		4	

## 2.4 Financial Services

### 2.4.1 Financial Viability and Management

#### IDP Alignment:

<b>KPA</b>	Financial Viability and Management
<b>IDP Priority:</b>	Institution Building
<b>Strategic Objective:</b>	To facilitate the financial viability of the Phumelela local municipality as measured in terms of the key indicators of the Municipal Planning and Performance Management Regulations, 2001
<b>Outcomes:</b>	<ul style="list-style-type: none"> <li>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;</li> <li>the percentage of a municipality's budget actually spent on implementing its workplace skills plan; and</li> <li>financial viability ratios</li> </ul>
<b>Budget Structure Alignment</b>	
<b>GFS Function (Vote):</b>	Finance and Admin; Finance
<b>Sub-function:</b>	Finance

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## *IDP Alignment; 2013/14 Performance Indicators and Targets:*

Institutional Requirements / Situation Analysis and/or Functional Area	Programmes or Projects (Predetermined Objective)	Performance Indicator	Units of Measure	Base-line	Performance Targets: 2013/14										
					Quarter 1		Quarter 2		Quarter 3		Quarter 4			Annual	
					Target	Actuals	Target	Actuals	Target	Actuals	Target	Actuals			
A adverse audit opinion	To implement the 2012 Audit Action Plan (move towards a clean audit by 2014)	Number of corrective and internal control interventions identified in the Audit Action Plan addressed	Number of issues	Audit Action Plan available:  Total of 56 issues	56									Focus was on qualifications paragraph that led to disclaimer i.e asset register. Remaining qualifications were not Finance related PDO	56
Percentage of municipalities that are overspending on OPEX	To ensure that the municipality does not overspend on OPEX	Operational expenditure as a percentage of the amount budgeted for operations per quarter	Percentage	New	Not exceeding 100%		Not exceeding 100%		Not exceeding 100%		Not exceeding 100%				Not exceeding 100%
		Reports indicating operational expenditure as a percentage of budgeted OPEX	Number of reports	New	1	4	1	4	1		1				4
Percentage of municipalities under spending on CAPEX by target date (2014)	To ensure that the municipality effectively utilized allocated capital budget	Capital expenditure as a percentage of the amount budgeted for capital per quarter	Percentage	Outcome 9	100%	48%	100%	87%	100%		100%				100%
		Reports indicating capital expenditure as a percentage of budgeted CAPEX	Number of reports	Outcome 9	1	4	1	4	1		1				4
Percentage of municipalities spending less	To ensure that the municipality spent at least	Operational expenditure spent on repairs and	Percentage of	Outcome 9	5% or more	3%	5% or more	6%	5% or more		5% or more				5% or more

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Institutional Requirements / Situation Analysis and/or Functional Area	Programmes or Projects (Predetermined Objective)	Performance Indicator	Units of Measure	Base-line	Performance Targets: 2013/14									
					Quarter 1		Quarter 2		Quarter 3		Quarter 4		Annual	
					Target	Actuals	Target	Actuals	Target	Actuals	Target	Actuals		
than 5% of OPEX on repairs and maintenance by 2014	5% of OPEX on repairs and maintenance	maintenance	expenditure											
		Reports indicating expenditure on repairs and maintenance as a percentage of budgeted OPEX	Number of reports	Outcome 9	4	4	4	4	4	4				

### Operational Measures; 2013/14 Performance Indicators and Targets:

Vote/Indicator	Unit of measurement	Annual	Revised	Quarter Ending		Quarter Ending		Quarter Ending		Quarter Ending	
		Target	Target	September		December		March		June	
				Projected	Actual	Projected	Actual	Projected	Actual	Projected	Actual
<b>Chief Financial Officer</b>											
Submit monthly Expenditure Statements to AO	No. of statements	12		3	3	3	3	3		3	
Report to AO on the Expenditure incurred on staff salaries, wages, allowances and benefits	Submit monthly	12		3	3	3	3		3		
Report to AO on contracts awarded above the prescribed amount	Monthly	12			0		0		1		1
Submit report on all withdrawals not approved in the budget and submit report to PT & AG	Monthly	12			1		1		1		1
Report on implementation of the SCM Policy	Monthly	12			1		1		1		1

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Vote/Indicator	Unit of measurement	Annual	Revised	Quarter Ending		Quarter Ending		Quarter Ending		Quarter Ending	
		Target	Target	September		December		March		June	
				Projected	Actual	Projected	Actual	Projected	Actual	Projected	Actual
Submit all necessary returns to NT & PT as required by S71 of the MFMA	Monthly	12		3	3	3	3	4		4	
Consider monthly S71 Reports, review implementation of budget & SDBIP, identify problems & recommend appropriate amendments	Monthly	12		3	3	3	3				
Submit quarterly S52 Report on implementation of the budget	Monthly	12		4		4		4		4	
Submit monthly statements on allocations received & financial state of affairs of the municipality	Quarterly	4				1		1		1	
Submit monthly statements on allocations received & financial state of affairs of the municipality	Quarterly	12		4		4		4		4	
Submit Annual Financial statements to Auditor - General	Submit end of August 2013	1		1							
Engage with National and provincial sector depts on sector specific programmes for alignment with IDP	Begin in September 2013										
Submit report on impact of different service delivery levels on rates and tariffs	Inform community in Oct 2013										
Consider National policies, budget plans and potential price increase of bulk resources	Review with dept heads in Oct 2013										
Submit to AO Midyear performance assessment report to Mayor, N T and P T	Submit in January 2014	1						1			
Draft budget and plans for next 3 years to AO	Submit in February 2014	1						1			
Draft budget, plans and proposed revision to IDP	Publish in March 2014	1						1			

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Vote/Indicator	Unit of measurement	Annual	Revised	Quarter Ending		Quarter Ending		Quarter Ending		Quarter Ending	
		Target	Target	September		December		March		June	
				Projected	Actual	Projected	Actual	Projected	Actual	Projected	Actual
Appointment of Supply Chain Management Officials	Appointment letters in July	1		1							

### 2.4.2 Good Governance and Public Participation

*IDP Alignment:*

<b>KPA:</b>	Good Governance and Public Participation
<b>IDP Priority</b>	Institution Building
<b>Strategic Objective:</b>	To ensure good governance in the Phumelela local municipality
<b>Outcomes:</b>	<ul style="list-style-type: none"> <li>• Audit arrangements (including an operational internal audit unit and audit committee) to manage risks facing the municipality and ensure adequate internal controls to prevent fraud and irregularities.</li> <li>• An updated indigent support system</li> </ul>
<b>Budget Structure Alignment</b>	
<b>GFS Function (Vote):</b>	Executive and Council

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### *IDP Alignment; 2013/14 Performance Indicators and Targets:*

Requirement of Outcome 9 Integrated Reporting Template	Programmes or Projects	Performance Indicator	Units of measure	Base-line	Performance Targets: 2013/14									
					Quarter 1		Quarter 2		Quarter 3		Quarter 4		Annual	
					Targets	Actuals	Targets	Actuals	Targets	Actuals	Targets	Actuals	Targets	Actuals
Administration of indigents	To ensure that 100% of registered indigents have access to free basic services	Registered indigents with access to free basic services	Percentage	100%	100%		100%		100%		100%		100%	
	To ensure that the indigent register is updated at least once a year	Updates of the indigent register	Number	1							1		1	
Operational Clean Audit	To ensure a clean audit by 2014	Municipal Audit Action Plan implemented	Percentage	0							100%		100%	
	To have a fully functional Internal Audit function	Internal Auditors appointed	Number	1	2		2		2		2			
		Rolling three year audit plan approved and annually reviewed	Number	1							1		1	
To have a fully functional Audit Committee	Sessions of the audit committee	Sessions (number)	0	1	1	1	1	1	1	1		4		

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## 2.5 Office of the Municipal Manager

### 2.5.1 Good Governance and Public Participation

*IDP Alignment:*

*IDP Alignment; 2013/14 Performance Indicators and Targets:*

Institutional Requirements / Situation Analysis and/or Functional Area	Programmes or Projects (Predetermined Objective)	Performance Indicator	Units of measure	Base-line	Performance Targets: 2013/14										
					Quarter 1		Quarter 2		Quarter 3		Quarter 4		Annual		
					Targets	Actuals	Targets	Actuals	Targets	Actuals	Targets	Actuals	Targets	Actuals	
Simplified IDPs focusing on planning for delivery of a set of 10 critical municipal services	To align the IDP with the Simplified IDP Framework	Simplified IDPs that is aligned with the identified 10 critical services compiled	Number	0	1	1	1	1	1	1	1	1	1	4	
Number of municipalities with functional Organizational Performance Management Systems	To ensure that the municipality has a functional Organizational Performance Management System	Organizational performance reviews conducted	Number	2	1	1	1	1	1	1	1		4		
		Reports compiled in terms of section 46 of the Systems Act	Number	1	1		1		1		1				
Operational Clean Audit	To ensure a clean audit by 2014	Municipal Audit Action Plan implemented (percentage)	Percentage	0	100%		100%		100%		100%		100%		
	To have a fully functional Internal Audit function	Internal Auditors appointed	Number of appointments	1							1		1		
		Rolling three year audit plan approved and annually reviewed	Number of plans	1							1		1		
	To have a fully functional Audit Committee	Sessions of the audit committee	Number of sessions	0	1		1		1		1		4		
Anti-corruption	To annually review the anti-fraud and	Annual review of the Anti-fraud and Anti-	Number of	1						1		1			

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Institutional Requirements / Situation Analysis and/or Functional Area	Programmes or Projects (Predetermined Objective)	Performance Indicator	Units of measure	Base-line	Performance Targets: 2013/14									
					Quarter 1		Quarter 2		Quarter 3		Quarter 4		Annual	
					Targets	Actuals	Targets	Actuals	Targets	Actuals	Targets	Actuals	Targets	Actuals
	anti-corruption strategy	corruption strategy	reviews											
Special Focus Groups	To ensure that special focus groups are mainstreamed in the municipality's programmes and projects	Finalization of a policy to regulate the municipality's approach towards focus groups	Number of policies	0	1								1	



# CHAPTER 5

# CHAPTER 6