

# Overstrand Municipality Annual Report 2010/11

Municipality • Local Municipality • Municipality  
**OVERSTRAND**



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## EXECUTIVE MAYOR'S FOREWORD

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Dear Stakeholder,

As a document reflecting recent history, any organisation's annual report is extremely valuable and helps to navigate the organization through the obstacles and pitfalls of the past, to benchmark standards of performance and to set goals for improvement.

This one for the Financial Year 2010-11 (tabled at a Special Council Meeting on 25 January 2012) is even more so, because Overstrand Municipality and its new Council, elected on 18 May this year, is on the threshold of adopting its very own Integrated Development Plan for the rest of its term.

Die nuwe formaat van die jaarverslag maak dit vir ons baie maklik om dit as 'n verwysingbron te gebruik. En dit het reeds begin neerslag vind in ons voorbereiding vir die nuwe Geïntegreerde Ontwikkelingsplan vir die 2012 tot 2017 siklus, waarvoor ons die volgende vyf fokusareas geïdentifiseer het:

- Basiese dienslewering wat, onder andere, die doeltreffende ontwikkeling, bestuur, bedryf en instandhouding van die munisipale infrastruktuur dek;
- Maatskaplike opheffing en ekonomiese ontwikkeling met die klem op die ontwikkeling van volhoubare mensevestigings, die skep van 'n omgewing wat bevorderlik is vir plaaslike ekonomiese ontwikkeling en die ontwikkeling van strategieë en projekte wat kwesbare groeperings sal ophef;
- Die optimalisering van finansiële hulpbronne aan die hand van doeltreffende finansiële bestuur;
- Goeie regering, gerugsteun deur doeltreffende samewerkende regering binne die konstitusionele mandaat, doeltreffende kommunikasie en gemeenskapsbetrokkenheid en gesonde munisipale administrasie; en
- 'n Veilige en gesonde omgewing waarbinne, onder andere, doeltreffende openbare veiligheid en rampbestuur en die doeltreffende bestuur van die omgewing bevorder word.

I mention this because the main purpose of this annual report is to inform about our future planning and I want all stakeholders, especially the ratepayers' associations and community organizations, to make use of this document to give us feedback, proposals and comments, which will all be carefully considered and where justified, incorporated in our planning.

Community participation in municipal decision making is of utmost importance and our ward committees are playing a key role in this regard. I am proud of our system that has already proven itself and which, since the election of the new ward committee members received even more impetus. We are equipping our ward

committee members with tools, like our new General Information Brochure, to perform their duties to the best of their ability.

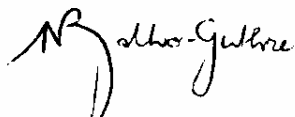
Many needs and challenges are revealed in this document and with the current slowdown in the economy it is not going to be easy to address them. Difficult decisions will have to be taken and we are going to rely on community input to lead us in the right direction.

I want to thank our staff for the professional leadership they have provided and this proves once again that our human resources are our greatest asset. Recently retired Municipal Manager, Mr. Werner Zybrands, emphasized in his farewell message that Overstrand Municipality's accomplishments over the past few years was the result of team work.

Die mantel het nou op die skouers van iemand uit ons eie geledere geval om die leisels te neem. Ek is oortuig daarvan dat mnr Coenie Groenewald oor die vermoë beskik om die span bymekaar te hou en aan te spoor om nog groter hoogtes te bereik. My beste wense vergesel hom op sy pad met Overstrand vorentoe!

Laastens, my opregte dank aan al die Direkteure en hulle personeel sowel as Desiree Arrison, Senior Bestuurder: Strategiese Dienste en haar span wat weer eens daarin geslaag het om vir ons 'n puik produk op die tafel te plaas.

Die uwe



NICOLETTE BOTHA-GUTHRIE

UITVOERENDE BURGEMEESTER/EXECUTIVE MAYOR

25 Januarie 2012

## MUNICIPAL MANAGER'S FOREWORD

---



Overstrand Municipality, being a local municipality, exercises those powers and functions set out in Part B of Schedules 4 and 5 of the Constitution of the Republic of South Africa 1996, Sections 155 and 156 of the Local Government: Municipal Systems Act No. 32 of 2000, and Section 83 of the Local Government: Municipal Structures Act No. 117 of 1998.

Overstrand is both the water service provider and the water service authority in terms of the Water Services Act for the whole of the municipal area. Electricity is bought in bulk from ESKOM and distributed within the Municipality's licensed area. There are various geographical areas within the Municipality where ESKOM is still the service provider.

Personal health services are provided by the Province of the Western Cape and environmental health services by the Overberg District Municipality. The provision of housing is essentially a function which resorts with national and provincial government and, in so far as the Municipality is involved therewith, it must be deemed to be an unfunded mandate.

Overstrand has an agreement with Overberg District Municipality and Theewaterskloof Local Municipality in terms of which Overberg provides a waste disposal facility at Karwyderskraal. The Gansbaai waste disposal facility is owned by Overstrand but operated by a private service provider. Although the primary responsibility for the provision of fire brigade and disaster management services vests in Overberg District Municipality, the Overstrand Municipality was compelled to supplement this service to such an extent that it is now the dominant provider of this service within its area of jurisdiction.

Overstrand no longer owns a municipal entity and as a result the promotion of tourism has become an in-house function of the Municipality.

The involvement with sector departments at both national and provincial level, has improved over the last year. The Working-for-Water programme was transferred from the Department of Water Affairs to the Department of Environmental Affairs and, as a result, various operational problems were experienced. It is trusted that these will now be resolved.

At local level excellent support and co-operation is received from the local SA Police Service. The only thorny issue remains the absence of a lease agreement for the municipal-owned Police Station in Zwelihle. This matter has now been escalated to the Western Cape Minister for Community Safety.

The IDP process, especially in so far as it involves sector departments, has also improved during the last year and it is trusted that Overberg District Municipality will soon be able to play the role it is legally mandated to do.

The fourth successive unqualified audit opinion by the Auditor-General is indicative of the sound financial management of the Municipality, especially as a high capacity municipality is compelled to comply with the very stringent GRAP directives.

My comments in this regard, as well as in regard to the financial health of the Municipality, are set out in my report that is attached as annexure D

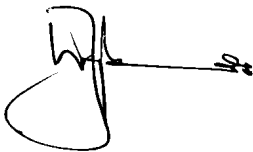
Although no credit rating of the Municipality was done, the value of which in any event is debatable, the Municipality had no difficulty in obtaining loans from the private capital market at extremely competitive rates. It is clear that financial institutions have a high regard for this Municipality's ability to honour its loan obligations.

During the year under review the top management team remained unchanged and all Section 56 positions (named directors) were filled. This has created a stable platform of management expertise which can guide the Municipality into a prosperous future.

A comprehensive review of the Municipality's risk assessment plan was conducted, and it is regularly updated. As far as possible risks are avoided or mitigated in a pro-active manner.

This is my last report as Municipal Manager/Accounting Officer, as I will be retiring on 31 December 2011. It has been a pleasure to lead such an efficient management team with their dedicated staff and I wish my successor, Mr. Coenie Groenewald (currently the Director: Management Services) well for the future.

The enlarged and newly elected Council under the guidance of Executive Mayor, Nicolette Botha-Guthrie and other experienced councillors quickly gelled into an effective governing body providing sound political leadership which is so essential for successful local governance.



WERNER ZYBRANDS

**MUNICIPAL MANAGER**

# CHAPTER 1

## MUNICIPAL OVERVIEW



## CHAPTER 1: INTRODUCTION AND MUNICIPAL OVERVIEW

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### 1.1 MUNICIPAL OVERVIEW

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This report addresses the performance of the Overstrand Municipality in the Western Cape in respect of its core legislative obligations. Local government must create the participatory framework that defines and enhances the relationship between elected leaders and their communities. This requires that the council of the municipality provides regular and predictable reporting on programme performance and the general state of affairs in their locality.

The 2010/11 Annual Report reflects on the performance of the Overstrand Municipality for the period 1 July 2010 to 30 June 2011. The Annual Report is prepared in terms of Section 121(1) of the Municipal Finance Management Act (MFMA), in terms of which the Municipality must prepare an Annual Report for each financial year.

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#### 1.1.1 VISION AND MISSION

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**The Overstrand Municipality committed itself to the following vision and mission:**

*Vision:*

***“To be a centre of excellence for the community”***

*Mission:*

***“To deliver optimal services in support of sustainable economic, social and environmental goals”***

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#### 1.1.2 DEMOGRAPHIC INFORMATION

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##### A) MUNICIPAL GEOGRAPHICAL INFORMATION

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Overstrand Municipality is located along the south western coastline of the Overberg District Municipal area bordering the City of Cape Town in the west and Cape Agulhas Municipality in the east. Its northern neighbour is Theewaterskloof Municipality.

The Municipality covers a land area of approximately 2 125 km<sup>2</sup>, with a population density of 41 people per square kilometer and covers the areas of Hangklip/Kleinmond, Greater Hermanus, Stanford and Greater Gansbaai. The municipal area has a coastline of approximately 200 km, stretching from Rooi Els in the west to Quinn Point in the east.



In addition to the endless, pristine beaches dotting the coastline, the Overstrand boasts 3 Blue Flag beaches. Tourism is a major economic driver in the area and its popularity as a holiday destination results in a fourfold increase of its population over the holiday seasons. This influx places a great strain on the existing municipal services and roads infrastructure.

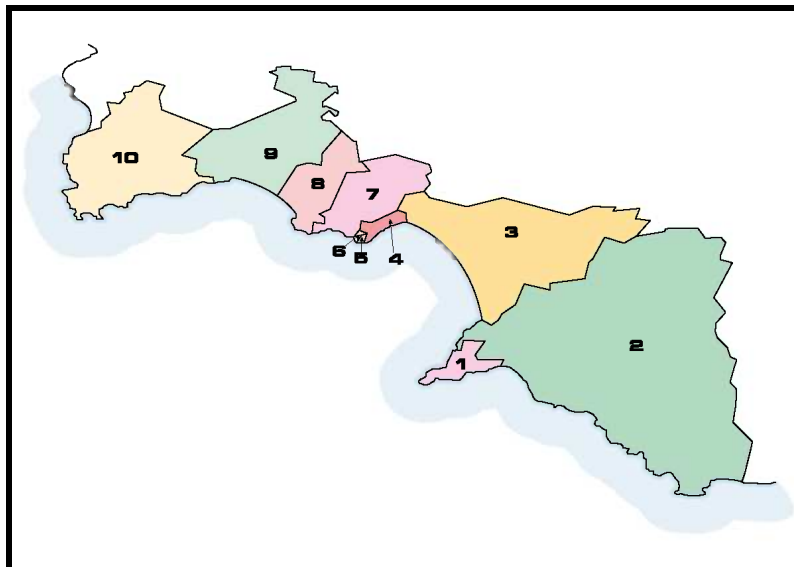
### **Wards**

Until May 2011 the Municipality was structured into the following 10 Wards. After the May 2011 elections the municipality is structured into 13 wards:

WARD	AREAS
1	Kleinbaai, Franskraal, Blompark, Masekhane and a portion of Gansbaai
2	The rest of Gansbaai, De Kelders, Pearly Beach, Baardskeerdersbos, Viljoenshof en Withoogte
3	Stanford and Voelklip
4	Hermanus en Mount Pleasant
5	Portion of Zwelihle
6	The rest of Zwelihle
7	Sandbaai, Vermont, Onrust and Ertjiesvlei
8	Hawston and Fisherhaven
9	Kleinmond, Proteadorp, Overhills and Honinklip
10	Palmiet, Betty's Bay, Mooi Uitsig, Pringle Bay and Rooi Els

*Table 1: Municipal Wards*

**Below is a map that indicates the wards of the Municipality in the Overberg District area:**



*Figure 1: Overstrand Area map*

## **Gansbaai**

Gansbaai is situated in the centre of a number of small bays with miles of unspoiled beaches, fynbos rich nature reserves, ancient milkwood forests, historically significant caves and breath-taking sea views.

Shark cage diving has become synonymous with Gansbaai and specialised boats leave from the Kleinbaai harbour daily so that extreme adventure seekers can have close encounters with great white sharks.

Gansbaai is the business and industrial centre of the Greater Gansbaai region. Fishing is the main commercial activity and marine based industry includes abalone farms and a fishery. The property development sector is expanding and the hospitality industry brings much needed revenue to the area.

With the fertile Baardskeerdersbos valley, the fresh water caves at De Kelders, the white sands of Pearly Beach, the jackass penguins at Dyer's Island and the renowned Shark Alley, Gansbaai is truly a uniquely attractive region within Overstrand Municipality.

## **Kleinmond/Hangklip**

The Kleinmond- Hangklip coastal area including of Betty's Bay, Hangklip, Pringle Bay and Rooi Els has the unique status of being situated in the Kogelberg Biosphere Reserve which was the first UNESCO designated biosphere reserve in South Africa. Biosphere reserves are tasked with becoming role-models of sustainability and demonstrate the balance between people and the environment to the benefit of both.

Kleinmond has an active harbour and many commercial fishermen make their living along the Hangklip coastline. Whether it's hiking in the biosphere reserve with its 1 800 floral species, a visit to the Stony Point penguin colony, a tour of the Biosphere Eco-Centre in Rooi Else, a picnic in the Harold Porter Botanical Gardens, shopping and sundowners in Kleinmond's quaint Harbour Road, a day on the beach with family and friends, or a fleeting glimpse of the heard of wild horses roaming the dunes, eco-tourism is quite definitely the economic life-blood of this scenically magnificent and environmentally sensitive area of the Overstrand

## **Hermanus**

In the past decade Hermanus has established itself as the business and cultural heart of the Overstrand. Although it may have shed its sleepy holiday town image and is able to boast a modern infrastructure, sophisticated specialty shops, shopping centres and restaurants to rival the best in the world, Hermanus has managed to retain the charm of its fishing village heritage. Hermanus is situated between sweeping mountains and the sparkling Atlantic Ocean and is only a short scenic 1½ hrs (140 km) drive from Cape Town. Tourism is a main contributor to the economy of Hermanus and businesses catering for the robust hospitality industry are plentiful. Visitors to

the town can choose from over 100 accommodation options ranging from upmarket B&Bs, guesthouses, luxury resorts and boutique hotels to budget priced self-catering and back-packer establishments. Hermanus is known as the best land based whale watching destination in the world and from June through to December each year thousands of tourists visit our shores to marvel at the magnificent southern right whales as they splash and romp and nurture their newborn calves. Whale watching cruises depart from the New Harbour daily and flights to view the giants of the deep from the air are also very popular. The Hemel-en-Aarde wine route is one of the latest attractions to be registered as an official wine route.

Hermanus has a well-developed industrial area and over the last 10 years enjoyed growth in the building sector with security villages, private homes, holiday resorts and commercial and retail property development projects adding to the economic wealth of the area. Hermanus is also a leader in commercial abalone farming and development of further aquaculture farms is anticipated. Agriculture, manufacturing, wholesale and retail businesses, financial and investment companies and the wine industry also contribute significantly to the economic prosperity.

The Administrative head office of the Municipality is also situated in the Centre in Hermanus.

### **Stanford**

Stanford is essentially a farming community with the Klein River meandering through lush fields and village homes built along its banks. The rural atmosphere of the old village with its many historical features has been retained and preserved thanks to the foresight of the Stanford Conservation Trust and the Stanford Heritage Committee.

Stanford has a peaceful and quiet charm which has drawn many people from the city in search of the quality of life a small village offers. Many of the old homes have been renovated and restored and countless new homes have been built in Stanford in the past decade. They all prescribe to the "Stanford Style" so that the unique character of the village is maintained.

Stanford's economy is driven by tourism, the wine estates, the commercial harvesting of fynbos, farming and smaller businesses like estate agencies and grocery shops, which offer services to the community. Stanford is very much a horse riding community and hosts a number of riding shows and gymkhanas in the village

B) POPULATION

The municipality is estimated to account for **87 747** or **39.64%** of the Cape Overberg District's population of **221 349** in 2010.

a) Total Population

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

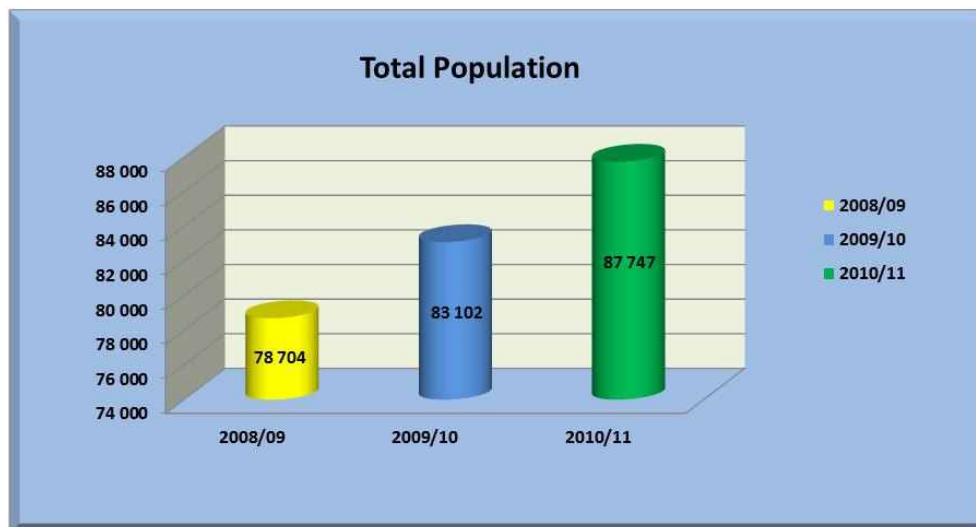
2008/09	2009/10	2010/11
78 704	83 102	87 747

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

*Source: Western Cape Department of Social Development Population Projections Populations projected as at 14 February of 2008, 2009 and 2010.*

The average population growth in the Overstrand municipal area shows a positive rate of **5.58%** per year over the past two years.

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



**Graph 1: Total Population Growth**

## c) HOUSEHOLDS

The total number of households within the municipal area increased from **30 796** households in the 2008/09 financial year to a total of **31 357** in 2010/11. This indicates an increase of **1.82%** in the total number of households within the municipal area over the two years.

Households	2008/09	2009/10	2010/11
Number of households in municipal area	30 796	31 053	31 357
Number of indigent households in municipal area	2 615	2 864	5 241

**Table 3: Total number of households**

Source: Western Cape Department of Social Development Population Projections Populations projected as at 14 February of 2008, 2009 and 2010.

The graph below shows that the total number of indigent households increased from **8.49%** in the 2008/09 financial year to **16.71%** in 2010/11. The indigent households show an average annual **increase of 53.77%** growth over the past two years. This high percentage is mainly due by the 99.52% increase in the number of indigent households from 2009/10 to 2010/11 during which the municipality extended the indigent policy to include all properties valued under R50 000 as from 1 July 2010.



**Graph 2: Total % indigent households within the municipal area**

## d) KEY ECONOMIC ACTIVITIES

The main economic drivers in the Municipal area are:

Key Economic Activities	Description
<b>Tourism</b>	The physical beauty of the Overstrand coupled with excellent tourism products such as whale watching (land and boat), great white shark cage diving and abundance of fynbos

Key Economic Activities	Description
	making tourism a major economic driver.
<b>Aquaculture</b>	The area is popular for its abalone with a great export potential.
<b>Agriculture</b>	This sector has grown and become a significant force in the Overberg with export potential and huge job creation potential.
<b>Building Industry</b>	The industry has contributed significant to infrastructure development in the area. It has latched on positively to dealing with the increased infrastructure demand and local economic development of the area. It has since stabilised and can optimise its contribution in meeting the local demand.
<b>Secondary service industry</b>	This sector has had significant growth over the year due to demand in services, support and information to deal with growing development demands in line with increasing population.

Table 4: Key Economic activities

### 1.1.3 SOCIO ECONOMIC INFORMATION

#### A) SOCIO ECONOMIC GROWTH

The socio-economic information for the municipal area is as follows:

Housing Backlog	Unemployment Rate	People older than 14 years illiterate	HIV/AIDS Prevalence	Urban/rural household split
5 945	24.1%	15.5%	20.90%	91.2/8.8

Table 5: Socio Economic information

#### B) POPULATION BY GENDER

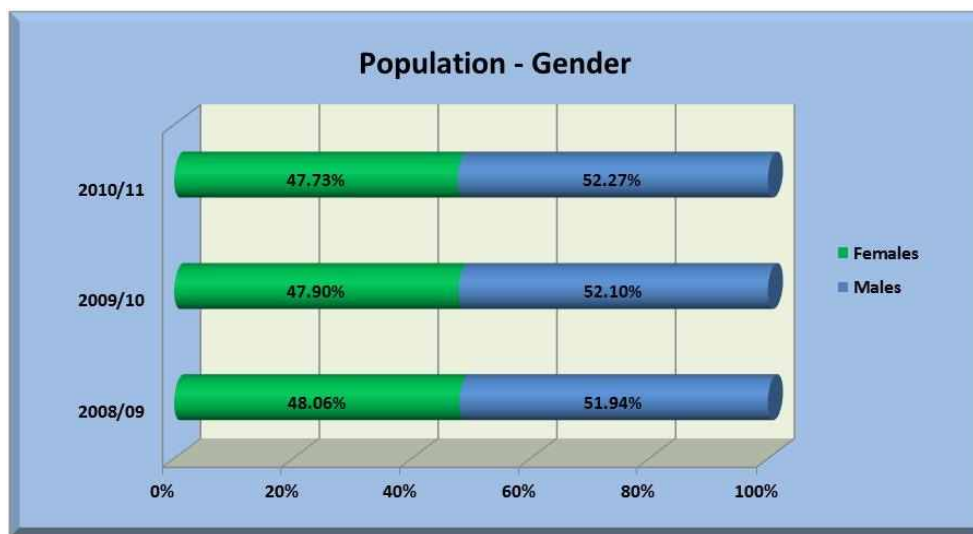
The population of Overstrand Municipality is closely balanced with **47.73%** (41 886) representation of females and **52.26%** (45 861) of males in 2010/11 as shown below.

Population - Gender	2008/09	2009/10	2010/11
Females	37 827	39 805	41 886
Males	40 877	43 297	45 861
<b>Total</b>	<b>78 704</b>	<b>83 102</b>	<b>87 747</b>

Table 6: Demographic information of the municipal area – Gender

Source: Western Cape Department of Social Development Population Projections Populations projected as at 14 February of 2008, 2009 and 2010.

The following graph displays the female to male ratio.



**Graph 3: Gender Population**

### c) POPULATION BY GENDER/AGE

The following table display the female to male ratio of **109.5:91.3** in 2010\*\*.

Age	0-9	10-14	15-19	20-24	25-39	40-54	55-69	70-84	85+
Female	6 175	2 663	2 252	2 878	8 739	6 620	6 180	2 563	528
Male	6 600	2 402	2 551	2 852	7 923	5 750	5 066	2 756	50

**Table 7: Demographic information of the municipal area – Gender/Age**

Source: Stats SA Community Survey 2007

\*\* Source: Western Cape Department of Social Development Population Projections Populations projected as at 14 February of 2008, 2009 and 2010

The graph below indicates the population categories by gender/age



**Graph 4: Population Categories by gender/age**

#### D) POPULATION BY RACE CATEGORIES

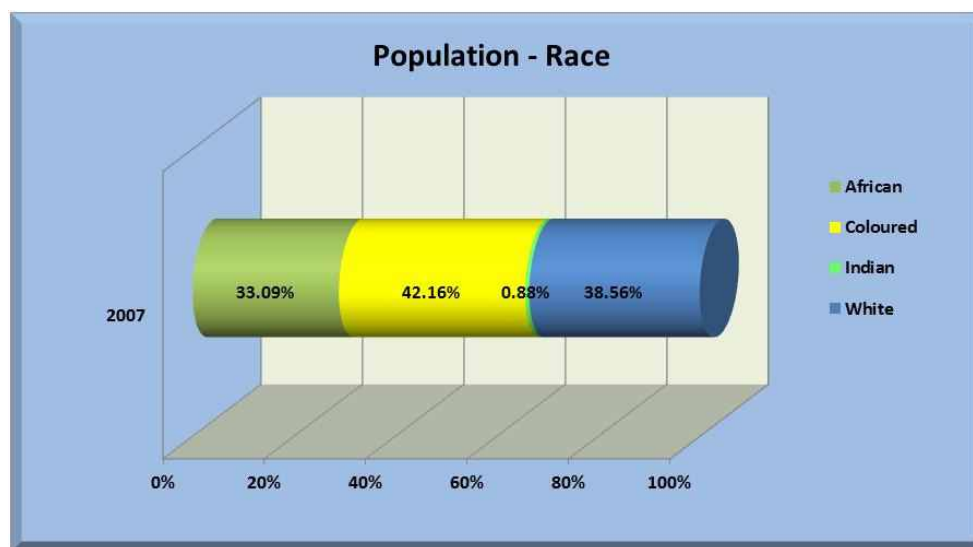
Population - Racial	2007
African	21 505
Coloured	27 403
Indian	575
White	25 062
<b>TOTAL</b>	<b>74 545</b>

**Table 8: Demographic information of the municipal area – Race categories**

Source: Stats SA Community Survey 2007



The graph below shows the population by race.



**Graph 5: Population by race**

#### 1.1.4 MUNICIPAL CHALLENGES

The following general challenges are experienced by the municipality:

CHALLENGES	ACTIONS TO ADDRESS
Housing backlog and densely populated informal settlements	A comprehensive 5 year housing strategy and programme are currently being finalised and will be adopted before the end of 2011
Unemployment	Implement job creation projects via EPWP and other departments like Working for Water
Maintenance of infrastructure assets	A master maintenance plan was developed that is supported by IT based maintenance programmes
Backlog in infrastructure	Comprehensive 25 year infrastructure masterplan
Sourcing of funds	A responsible operational and loan funding approach and having adequate working capital

**Table 9: Municipal Challenges**

## CHAPTER 2

### GOVERNANCE



## CHAPTER 2: GOVERNANCE

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

### 2.1 NATIONAL KEY PERFORMANCE INDICATORS - GOOD GOVERNANCE AND PUBLIC PARTICIPATION

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

KPA & INDICATORS	MUNICIPAL ACHIEVEMENT	MUNICIPAL ACHIEVEMENT	MUNICIPAL ACHIEVEMENT
	2008/09	2009/10	2010/11
The percentage of a municipality's <b>capital budget</b> actually spent on capital projects identified for a particular financial year in terms of the municipality's integrated development plan	93.5%	94%	94%

**Table 10: National KPIs - Good Governance and Public Participation Performance**

### 2.2 PERFORMANCE HIGHLIGHTS - GOOD GOVERNANCE AND PUBLIC PARTICIPATION

Highlight	Description
Second most productive local municipality in the Municipal Productivity Index (MPI)	Overstrand has been named as the second most productive local municipality in Municipal IQ's fifth annual Municipal Productivity Index (MPI) for the 2010/11 financial year
Ward Committee establishment	Ward committee elections held in all 13 wards within 3 weeks of the Municipal election
High attendance of regularly held meetings in accordance with a predetermined meeting cycle	Ward Committee, Portfolio, Mayoral and Council meetings are scheduled for a year in advance and a high attendance figure is achieved. Also LLF, Training, Top Management and EMT meetings

**Table 11: Good Governance and Public Participation Performance Highlights**

## 2.3 CHALLENGES - GOOD GOVERNANCE AND PUBLIC PARTICIPATION

Description	Actions to address
Inexperienced Councillors	Commenced with an in-house training programme on 21 May 2011 (3 days after the election) and will complete this by 8 September 2011. It also includes practical workshops
Well-functioning ward committees	Provide training, review policies reviewed and implement, enhanced administrative support to ward committees and payment of out of pocket expenses.

**Table 12: Good Governance and Public Participation Challenges**

## 2.4 GOVERNANCE STRUCTURE

### 2.4.1 POLITICAL GOVERNANCE STRUCTURE

The council performs both legislative and executive functions. They focus on legislative, oversight and participatory roles, and have delegated its executive function to the Executive Mayor and the Mayoral Committee. Their primary role is to debate issues publicly and to facilitate political debate and discussion. Apart from their functions as decision makers, Councilors are also actively involved in community work and the various social programmes in the municipal area.

#### A) COUNCIL

Below is a table that categorised the councilors within their specific political parties and wards before 18 May 2011:

Name of councilor	Capacity	Political Party	Ward representing or proportional
Theo Beyleveldt (July – August 2010)	Executive Mayor	DA	Proportional
Nicolette Botha-Guthrie (September 2010 – May 2011)	Executive Mayor	DA	Proportional
Pieter Shcoltz	Deputy Executive Mayor	DA	2
Anton Coetsee	Speaker	DA	Proportional
Andre Komani	Councillor	NPP	Proportional
Johan Kriel	Councillor	DA	Proportional
Phillipus May	Councillor	ANC	Proportional
Louwrens Oosthuizen	Councillor	DA	Proportional
Makhaya Ponoane	Councillor	ANC	Proportional
Rudolph Smith	Councillor	DA	Proportional

**OVERSTRAND LOCAL MUNICIPALITY FINAL DRAFT ANNUAL REPORT 2010/11**

<b>Name of councilor</b>	<b>Capacity</b>	<b>Political Party</b>	<b>Ward representing or proportional</b>
Alleta Stevens	Councillor	ANC	Proportional
Phillipus Appelgrein	Ward Councillor	DA	9
Allan Berry	Ward Councillor	DA	3
Jan Gelderblom	Ward Councillor	ANC	8
Funeka Khohlakala	Ward Councillor	ANC	6
Francois Marais	Ward Councillor	DA	4
Jacob Prins	Ward Councillor	DA	1
Ben Solomon	Ward Councillor	DA	7
Mvuyiseko Tshandu	Ward Councillor	ANC	5
Louis van Heerden	Ward Councillor	DA	10

**Table 13: Council until 18 May 2011**

Below is a table that categorised the councillors within their specific political parties and wards after 18 May 2011:

<b>Name of councilor</b>	<b>Capacity</b>	<b>Political Party</b>	<b>Ward representing or proportional</b>
Nicolette Botha-Guthrie	Executive Mayor	DA	Proportional
Anton Coetsee	Speaker	DA	Proportional
Moiria Opperman	Councillor	DA	Proportional
Johannes Januarie	Councillor	N.I.C.O	Proportional
Mercia Andrews	Councillor	DA	Proportional
Phillipus May	Councillor	ANC	Proportional
Abraham Prins	Councillor	DA	Proportional
Makhaya Ponoane	Councillor	ANC	Proportional
Maurencia Gillion	Councillor	ANC	Proportional
Caroline Mandindi	Councillor	ANC	Proportional
Marilyn Pie	Councillor	ANC	Proportional
Mpumelelo Sobantu	Councillor	DA	Proportional
Philippus Appelgrein	Ward Councillor	DA	9
Lianda Beyers – Cronje	Ward Councillor	DA	4
Mzameni Mshenxiswa	Ward Councillor	ANC	5
Dudley Coetzee	Ward Councillor	DA	11
Elzette Nell	Ward Councillor	DA	13
Pieter Scholtz	Ward Councillor	DA	2
Rudolph Smith	Ward Councillor	DA	8
Ben Solomon	Ward Councillor	DA	7

Name of councilor	Capacity	Political Party	Ward representing or proportional
Vuyani Macotha	Ward Councillor	ANC	12
Ntombizinee Sapepa	Ward Councillor	ANC	6
Lisel Krige	Ward Councillor	DA	10
Mageret Lerm	Ward Councillor	DA	3
Nomaxesibe Nqinata	Ward Councillor	ANC	1

**Table 14: Council after 18 May 2011**

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

Meeting dates	Council Meetings Attendance	Apologies for non-attendance
29 July 2010	89%	11%
25 August 2010	95%	5%
29 September 2010	95%	5%
29 September 2010 (Special)	95%	5%
7 October 2010 (Special)	89%	11%
27 October 2010	89%	11%
24 November 2010	95%	5%
20 December 2010 (Special)	83%	17%
26 January 2011 (Special)	94%	6%
23 February 2011	94%	6%
30 March 2011	94%	6%
4 May 2011	94%	6%
1 June 2011	100%	0%
28 June 2011	96%	4%

**Table 15: Council meetings**

## B) MAYORAL COMMITTEE

The Executive Mayor of the Municipality, **Councillor Nicolette Botha-Guthrie** assisted by the Mayoral Committee, heads the executive arm of the Municipality. The Executive Mayor is at the centre of the system of governance, since executive powers are vested in her to manage the day-to-day affairs. This means that she has an overarching strategic and political responsibility. The key element of the executive model is that executive power is vested in the Executive Mayor, delegated by the Council, and as well as the powers assigned by legislation. Although accountable for the strategic direction and performance of the Municipality, the Executive Mayor operates in concert with the Mayoral Committee.

The name and portfolio of each Member of the Mayoral Committee is listed in the table below for the period 1 July 2010 to 18 May 2011

Name of member	Capacity
Anton Coetsee	Speaker
Pieter Sholtz	Portfolio Chairperson: Infrastructure & Planning & LED
Phillipus Appelgrein	Portfolio Chairperson: Community & Protection Services
Ben Solomon	Portfolio Chairperson: Management Services & Finance

**Table 16: Executive Mayoral Committee until 18 May 2011**

The name and portfolio of each Member of the Mayoral Committee is listed in the table below for the period 26 May 2011 to 30 June 2011:

Name of member	Capacity
Anton Coetsee	Speaker
Pieter Sholtz	Portfolio Chairperson: Infrastructure and Planning
Phillipus Appelgrein	Portfolio Chairperson: Management Services
Ben Solomon	Portfolio Chairperson: Finance and LED & Tourism
Moiria Opperman	Portfolio Chairperson: Protection Services
Rudolph Smit	Portfolio Chairperson: Community Services

**Table 17: Executive Mayoral Committee after 18 May 2011**

The table below indicates the dates of the Committee meetings and the number of reports submitted to Council for the 2010/11 financial year:

Meeting date	Number of reports submitted to council
29 July 2010	5
25 August 2010	9
29 September 2010	7
7 October 2010 (Special)	0
27 October 2010	4
24 November 2010	8
20 December 2010 (Special)	1
26 January 2011(Special)	2
23 February 2011	9
30 March 2011	1
4 May 2011	13
28 June 2011	13

**Table 18: Committee Meetings**

**C) PORTFOLIO COMMITTEES**

Section 80 committees are permanent committees that specialise in a specific functional area of the municipality and may in some instances make decisions on specific functional issues. They advise the executive committee on policy matters and make recommendations to Council. Section 79 committees are temporary and appointed by the executive committee as needed. They are usually set up to investigate a particular issue and do not have any decision making powers. Just like Section 80 committees they can also make recommendations to Council. Once their *ad hoc* task had been completed, Section 79 committees are usually disbanded. External experts, as well as Councillors can be included on Section 79 committees.

The portfolio committees for the 2006/11 Mayoral term and their Chairpersons before 18 May 2011 are as follow:

<b>Committee</b>	<b>Chairperson</b>	<b>Section 79 or 80 Committee</b>	<b>Meeting Date</b>
Portfolio Committee: Infrastructure & Planning & LED	Pieter Scholtz	79	20 July 2010 17 August 2010 21 September 2010 19 October 2010 16 November 2010 15 February 2011 22 March 2011 19 April 2011
Portfolio Committee: Community & Protection Services	Phillipus Appelgrein	79	20 July 2010 17 August 2010 21 September 2010 19 October 2010 16 November 2010 15 February 2011 22 March 2011 19 April 2011
Portfolio Committee: Finance & Management Services	Ben Solomon	79	20 July 2010 17 August 2010 21 September 2010 19 October 2010 16 November 2010 15 February 2011 22 March 2011 19 April 2011
Oversight	Daan Oosthuizen	79	22 March 2011 (Report submitted to Council on 30 March 2011)
Committee on Fruitless and Wasteful Expenditure	Anton Coetsee	79	22 July 2010 (Report – 2 items – submitted to Council on 29 July 2010)



Committee	Chairperson	Section 79 or 80 Committee	Meeting Date
			13 April 2011 (Report submitted to Council on 4 May 2011)
Disciplinary Committee	Pieter Scholtz	79	16 May 2011 (Report submitted to Council on 28 June 2011)

**Table 19: Portfolio Committees before 18 May 2011**

The portfolio committees for the 2006/11 Mayoral term and their Chairpersons after 18 May 2011 are as follow:

Committee	Chairperson	Section 79 or 80 Committee	Meeting Date
Portfolio Committee: Infrastructure and Planning	Pieter Scholtz	79	21 June 2011
Portfolio Committee: Management Services	Phillipus Appelgrein	79	21 June 2011
Portfolio Committee: Finance and Local Economic Development	Ben Solomon	79	21 June 2011
Portfolio Committee: Protection Services	Moiria Opperman	79	21 June 2011
Portfolio Committee: Community Services	Rudolph Smit	79	21 June 2011
Oversight	Maurencia Gillion	79	None
Committee on Fruitless and Wasteful Expenditure	Anton Coetsee	79	None
Disciplinary Committee	Scholtz Pieter	79	None

**Table 20: Portfolio Committees after 18 May 2011**

## 2.4.2 ADMINISTRATIVE GOVERNANCE STRUCTURE

The Municipal Manager is the Chief Accounting Officer of the Municipality. He is the head of the administration, and primarily has to serve as chief custodian of service delivery and implementation of political priorities. He is assisted by his direct reports, which constitutes the Management Team, whose structure is outlined in the table below:

Name of Official	Department	Performance agreement signed
		Yes/No
Werner Zybrands	Municipal Manager	Yes
Coenie Groenewald	Management Services	Yes
Henk Kleinloog	Finance	Yes

Name of Official	Department	Performance agreement signed
		Yes/No
Solomzi Madikane	LED	Yes
Neville Michaels	Protection Services	Yes
Roderick Williams	Community Services	Yes
Stephen Muller	Infrastructure & Planning	Yes

**Table 21: Administrative Governance Structure**

## 2.5 PUBLIC ACCOUNTABILITY

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

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

### 2.5.1 WARD COMMITTEES

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

#### **Ward 1: Kleinbaai, Franskraal, Blompark, Masekhane and a portion of Gansbaai**

Name of representative	Capacity representing	Dates of public ward meetings held during the year
Zwelandile Duna	Individual	10 November 2010
Kristoffel Hermanus Jooste	Individual	09 February 2011
Fracia van Dyk	Individual	16 March 2011

Name of representative	Capacity representing	Dates of public ward meetings held during the year
Sicelo Heukile	Masakhane Youth in Action	13 April 2011
Fundile Mzingeli	Masakhane Council of Churches	
Babalwa Mangeala	Neighbour Helps Neighbour	
Luvuyo September	Local Football Association	
Tembile Gwele	Masakhane Residents Association	
Anne Elizabeth Potgieter	Kleinbaai Ratepayers Association	
Wilhelm Carl Linder De Vries	Franskraal Ratepayers Association	

**Table 22: Ward 1 Committee Meetings**

**Ward 2: The rest of Gansbaai, De Kelders, Pearly Beach, Baardskeerdersbos, Viljoenshof and Withoogte**

Name of representative	Capacity representing	Dates of public ward meetings held during the year
Johan van Dyk	Overberg Line Fish Association	10 November 2010 09 February 2011 16 March 2011 13 April 2011
John Jacobs	Blompark Advisory Office	
Pieter Barend Botha	Individual	
Magrieta Adams	Silwerjare Service Centre	
Gerda Wessels	Gansbaai Ratepayers Association	
Fanie Bothma	Gansbaai Chamber of Commerce	
Glenda Kitley	Gansbaai Tourism	
Louwrens Daniel Oosthuizen	Individual	
Johannes Petrus McLachan Botha	Perlemoenbaai/De Kelders Ratepayers Association	
Hermanus Johannes van Dyk	Gansbaai Marine	

**Table 23: Ward 2 Committee Meetings**

**Ward 3: Stanford and Voelklip**

Name of representative	Capacity representing	Dates of public ward meetings held during the year
Dumisani Matinjwa	Individual (Die Kop)	12 October 2010 15 March 2011
E Ivey	Hermanus Lagoon Property Owners Ass	
Henry Gibson	De Bron Primary School	
I Hunter	Stanford Ratepayers	
Jami Kastner	Stanford Info	
John Williams	Conservation Trust	

Name of representative	Capacity representing	Dates of public ward meetings held during the year
K Potwana	Arts & Culture	
Mike Lotter	Individual	
P Bysshe	Individual	
Wendy Hofmeyr	Individual	

**Table 24: Ward 3 Committee Meetings**

**Ward 4: Hermanus en Mount Pleasant**

Name of representative	Capacity representing	Dates of public ward meetings held during the year
Nicholas Esau	Individual	14 July 2010 13 October 2010 16 March 2011
Christine May	Individual	
Kari Brice	Individual	
Henri Lerm	Individual	
Leon Theron	Whale Festival	
Pierre De Villiers	Hermanus Business Chamber	
Linda Griffiths	Hermanus Ratepayers	
Treunicht du Toit	Hermanus Public Protection	

**Table 25: Ward 4 Committee Meetings**

**Ward 5: Portion of Zwelihle**

Name of representative	Capacity representing	Dates of public ward meetings held during the year
Masibulele Mbona	Individual	14 September 2010 10 August 2010 09 November 2010 08 February 2011 12 April 2011
Smaulela Bongwana	Individual	
Vusumzi Koyo	Individual	
Elliot Ponoane	Individual	
Tami Gela	Individual	
John Tshona	Individual	
Bukelwa Kwaymani	Individual	
Ester Tshandu	Individual	
Nomvuyiso Mbuli	Assemblies of God	
Johannes Ntlapo	Ministers fraternal	

**Table 26: Ward 5 Committee Meetings**

**Ward 6: The rest of Zwelihle**

Name of representative	Capacity representing	Dates of public ward meetings held during the year
Myrtel Alam	Individual	15 July 2010 17 March 2011
Hamilton Macuphe	Individual	
Vivian Nauto	Individual	
Thami Poni	SANCO	
Nomathamsango Max	Women's Organisation	
Virginia Manqindi	Traditional Healers	
Nothozamile Mankayi	Street Committee	
Pasika Mamxiwa	Church Reformed Jesusalem	
Nobulelani Ndinisa	Individual	

**Table 27: Ward 6 Committee Meetings**

**Ward 7: Sandbaai, Vermont, Onrust and Ertjiesvlei**

Name of representative	Capacity representing	Dates of public ward meetings held during the year
Johan Prinsloo	Individual	15 July 2010 14 October 2010
Reg Steenkamp	Individual	
Lenie van Wyk	Individual	
Hannes Visser	Individual	
Pieter Reuvers	Beautification Committee Sandbaai	
Andre Nieuwoudt	RPA Sandbaai	
Riaan Pieters	RPA Sandbaai	
Don McDonald	RPA Vermont	
Elzette Nell	RPA Onrus	
John Bowman	RPA Vermont Chairman	
Derick Dickens	Police Forum	
Andre Beugger	Vermont Conversation Trust	

**Table 28: Ward 7 Committee Meetings**

**Ward 8: Hawston and Fisherhaven**

Name of representative	Capacity representing	Dates of public ward meetings held during the year
Nida Potgieter	Individual	17 July 2010 11 October 2010
Mark Arendse	Inter Church Association Hawston	
Kees van de Coolwijk	Lake Marina Yacht & Boat Club	
Johan Retief	Fisherhaven RPA	
Frans Theunissen	Botfriends	
Tommy Gelderblom	Hawston Health and Welfare	
Marthinus Potgieter	Botfriends	
Ingrid Horwood	Friends of Botrivier	
Brian Swartz	Hawston Sports and Recreation	

**Table 29: Ward 8 Committee Meetings**

**Ward 9: Kleinmond, Proteadorp, Overhills and Honinklip**

Name of representative	Capacity representing	Dates of public ward meetings held during the year
Cynthia Coetzee	Hangklip/Kleinmond Health and Welfare	15 July 2010 11 November 2010 10 February 2011
D Hull	Individual	
Francina Visser	Individual	
JF Conradie	Kleinmond Police Forum	
J Knight	Hangklip/Kleinmond Tourism	
Mary Hull	Individual	
JN Koti	Bambanani	
PH Muller	Kleinmond Natuurbewaringsvereniging	
G Eksteen	Kleinmond RPA	
J du Plessis	Kleinmond Business Chamber	

**Table 30: Ward 9 Committee Meetings**

**Ward 10: Palmiet, Betty's Bay, Mooi Uitsig, Pringle Bay and Rooi Els**

Name of representative	Capacity representing	Dates of public ward meetings held during the year
A Nunn	Individual	13 July 2010 9 November 2010 8 February 2011
A van Wyk	Individual for Mooiuitsig	
Bernard Heydenrich	Joint Conservancies	

Name of representative	Capacity representing	Dates of public ward meetings held during the year
D Fick	Bettys Bay RPA	
Graham Utton	Pringle Bay RPA	
I Cushney	Individual	
J Aalbers	Rooiels RPA	
J Mclachlen	Individual	
J Oosthuizen	Individual	
S Swanepoel	Individual for Palmiet	

**Table 31: Ward 10 Committee Meetings**

## 2.5.2 FUNCTIONALITY OF WARD COMMITTEE

The purpose of a ward committee is:

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

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

The table below provides information on the establishment of Ward Committees and their functionality:

Ward Number	Committee established Yes / No	Number of reports submitted to the Speakers Office	Number meetings held during the year	Committee functioning effectively Yes / No
1	Yes	2	9	Yes
2	Yes	2	9	Yes
3	Yes	2	9	Yes
4	Yes	2	9	Yes
5	Yes	2	9	Yes
6	Yes	2	9	Yes
7	Yes	2	9	Yes

Ward Number	Committee established Yes / No	Number of reports submitted to the Speakers Office	Number meetings held during the year	Committee functioning effectively Yes / No
8	Yes	2	9	Yes
9	Yes	2	9	Yes
10	Yes	2	9	Yes

*Table 32: Functioning of Ward Committees*

### 2.5.3 REPRESENTATIVE FORUMS

#### A) LABOUR FORUM

The table below specifies the members of the Labour forum for the 2010/11 financial year:

Name of representative	Capacity	Meeting dates
T Beyleveldt	Council	10 August 2010 14 September 2010 12 October 2010 09 November 2010 08 February 2011 15 March 2011 12 April 2011 14 June 2011
N Botha-Guthrie	Council	
A Coetsee	Council	
P Appelgrein	Council	
B Solomon	Council	
P Scholts	Council	
C Groenewald	Management	
R Williams	Management	
H Kleinloog	Management	
T Olivier	SAMWU	
B Mxokozeli	SAMWU	
N Mathiso	SAMWU	
N Matnikinca	SAMWU	
Z Bongoza	SAMWU	
C Muller	IMATU	
P De Villiers	IMATU	
D Phillips	IMATU	
M Gouws	IMATU	

*Table 33: Labour Forum*



**B) OVERSTRAND ADVISORY FORUM (OMAF)**

The OMAF functions as the IDP representative forum and is structured as follows and serves as advisory body to the Executive Mayor.

- Chairperson – Executive Mayor
- All elected Ward Councillors
- Management
- Four ward committee members of all 10 wards
- Specialists in specific matters who can make useful contributions

**Terms of Reference of the OMAF**

- A body representing civic society and interest groups serving the entire Overstrand must provide a mechanism for discussion, negotiation and decision making between all relevant parties
- Ensure communication between all interest representatives

**Goals and Objectives of the OMAF in the IDP process**

- Inform interest groups about planning activities and the objectives thereof
- Analyse matters of interest, and provide input in order to determine priorities
- Discuss and comment on concept IDP
- Monitor implementation of the IDP

**c) RISK FORUM**

Name of representative	Capacity	Meeting dates
D Kearney	Manager: Internal Audit	27 August 2010: Hermanus Municipality 26 November 2010: Knysna Municipality 4 March 2011: Saldanha Bay Municipality 27 May 2011: Swellendam Municipality

**Table 34: Risk Forum**

**2.6 CORPORATE GOVERNANCE**

Corporate governance is the set of processes, practices, policies, laws and stakeholders affecting the way an institution is directed, administered or controlled. Corporate governance also includes the relationships among the many stakeholders involved and the goals for which the institution is governed.

### 2.6.1 ANTI-CORRUPTION AND ANTI-FRAUD

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

#### A) DEVELOPED STRATEGIES

Name of strategy	Developed Yes/No	Date Adopted
Anti-corruption strategy	Part of Fraud Prevention Strategy	October 2008
Fraud prevention strategy	Yes	October 2008

**Table 35: Strategies**

#### B) IMPLEMENTATION OF STRATEGIES

Key Risk Areas	Key measures to curb corruption and fraud
Supply Chain Management	<ul style="list-style-type: none"> <li>• Supply Chain staff obtain quotations and not any other operational staff</li> <li>• Fully functional Bid Committee System</li> </ul>
Recruitment and selection	Recruitment and Selection Policy implemented in which Human Resources Department and Unions were involved with the development process
Housing Administration	Electronic Housing Waiting list with audit trail implemented

**Table 36: Implementation of the Strategies**

### 2.6.2 AUDIT COMMITTEE/S

Section 166(2) of the MFMA states that an audit committee is an independent advisory body which must - (a) advise the municipal council, the political office-bearers, the accounting officer and the management staff of the municipality, on matters relating to –

- internal financial control;
- risk management;
- performance Management; and
- effective Governance.

The Audit Committee have the following main functions as prescribed in section 166 (2) (a-e) of the Municipal Finance Management Act, 2003 and the Local Government Municipal and Performance Management Regulation:

A) FUNCTIONS OF THE AUDIT COMMITTEE

- To advise the Council on all matters related to compliance and effective governance.
- To review the annual financial statements to provide Council with an authoritative and credible view of the financial position of the municipality, its efficiency and its overall level of compliance with the MFMA, the annual Division of Revenue Act (DoRA) and other applicable legislation.
- Respond to the council on any issues raised by the Auditor-General in the audit report.
- To review the quarterly reports submitted to it by the internal audit.
- To evaluate audit reports pertaining to financial, administrative and technical systems.
- The compilation of reports to Council, at least twice during a financial year.
- To review the performance management system and make recommendations in this regard to Council.
- To identify major risks to which Council is exposed and determine the extent to which risks have been minimised.
- To review the annual report of the municipality.
- Review the plans of the Internal Audit function and in so doing; ensure that the plan addresses the high-risk areas and ensure that adequate resources are available.
- Provide support to the Internal Audit function.
- Ensure that no restrictions or limitations are placed on the Internal Audit section.
- Evaluate the activities of the Internal Audit function in terms of their role as prescribed by legislation.

B) MEMBERS OF THE AUDIT COMMITTEE

Name of representative	Capacity	Meeting dates
GN Lawrence	Chairperson	29 July 2010
DWJ Jacobs	Member	17 September 2010
JNP Saayman	Member	18 October 2010
ME Tshabalala	Member	16 February 2011
		29 June 2010

*Table 37: Members of the Audit Committee*

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### 2.6.3 PERFORMANCE AUDIT COMMITTEE

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The Regulations require that the performance audit committee is comprised of a minimum of three members, the majority of whom are external (neither a councillor nor an employee) of the municipality. Section 14(2) (b) of the Regulations further stipulates that the performance audit committee must include at least one person who has expertise in performance management. It is also a requirement of the Regulations in Section 14(2)(d) that the Council of a municipality designate neither a member of the performance audit committee who is neither a councillor nor an employee of the municipality as the chairperson of the committee.

In terms of Section 166(4) (a) of the MFMA, an audit committee must consist of at least three persons with appropriate experience, of who the majority may not be in the employ of the municipality.

Section 166(5) of the MFMA, requires that the members of an audit committee must be appointed by the council of the municipality. One of the members, not in the employ of the municipality, must be appointed as the chairperson of the committee. No councillor may be a member of an audit committee.

Both the Regulations and the MFMA, indicate that three is the minimum number of members needed to comprise a performance audit committee. While the regulations preclude the appointment of a councillor as chairperson of the performance audit committee, the MFMA excludes the involvement of a councillor in the composition of a performance audit committee entirely.

In accordance with the requirements of Section 14(2)(e) of the Regulations, if the chairperson is absent from a specific meeting of the committee, the members present must elect a chairperson from those present to act as chairperson for that meeting.

Further, Section 14(2) (f) of the Regulations provides that, in the event of a vacancy occurring amongst the members of the performance audit committee, the municipality concerned must fill that vacancy for the unexpired portion of the vacating member's term of appointment.

Section 14(3) (a) of the Regulations requires that the performance audit committee of a municipality must meet at least twice during each financial year. However, additional special meetings of the performance audit committee may be called for by any member of the committee, where sufficient justification exists in terms of Section 14(3) (b) of the Regulations.

**A) FUNCTIONS OF THE PERFORMANCE AUDIT COMMITTEE**

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In terms of Section 14(4) (a) of the Regulations the performance audit committee has the responsibility to -

- (i) review the quarterly reports produced and submitted by the internal audit process;
- (ii) review the municipality's performance management system and make recommendations in this regard to the council of the municipality; and
- (iii) at least twice during each financial year submit a performance audit report to the council of the municipality.

**B) MEMBERS OF THE PERFORMANCE AUDIT COMMITTEE**

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Name of representative	Capacity	Meeting dates
DWJ Jacobs	Chairperson	24 August 2010 17 November 2010 22 March 2011 23 June 2011
GN Lawrence	Member	
JNP Saayman	Member	
ME Tshabalala	Member	

**Table 38: Members of the Performance Audit Committee**

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**2.6.4 INTERNAL AUDITING**

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Section 165 (2) (a), (b)(iv) of the MFMA requires that:

The internal audit unit of a municipality must –

- (a) prepare a risk based audit plan and an internal audit program for each financial year; and
- (b) advise the accounting officer and report to the audit committee on the implementation on the internal audit plan and matters relating to:
  - (i) internal audit;
  - (ii) internal controls;
  - (iii) accounting procedures and practices;
  - (iv) risk and risk management;
  - (v) performance management;
  - (vi) loss control; and
  - (vii) compliance with this Act, the annual Division of Revenue Act and any other applicable legislation; and

(c) perform other duties as may be assigned to it by the accounting officer.

The Municipality has an In-house Internal Audit function consisting of the Manager, 1 auditor and 1 assistant internal auditor, of which 1 post was vacant for the full year and the assistant internal auditor's post was filled with effect from 1 December 2010.

Internal Audit was audited by Auditor General (AG) on this during this month for more details please see chapter 7 AG report.

### Annual Audit Plan

**70%** of the Risk Based Audit Plan for 2010/11 was executed with the available resources. The table below provides detail on audits completed:

Description			No of Hours	Date completed
<b>Phase 1</b>				
Revisiting current risk profile and priorities			40	Weekly basis
<b>Phase 2</b>				
Compiling Risk Based Audit Plan			10	February 2011
<b>Phase 3</b>				
Audit Engagement	Departmental System	Detail	No of Hours	Date completed
Finance	Financial Accounting	Suspense accounts	180	July 2010
		Deposits	120	August 2010
		Division of Revenue Act	132	June 2011
		Bank reconciliation	130	June 2011
	Expenditure & Salaries	Salaries – segregation of duties with HR	80	September 2010
	Income	Income - journals	159	May 2011
		Senior accountant Income account (unallocated deposits)	50	May 2011
Community Services	Corporate Projects	Fleet Management	240	March 2011
	Operational Management	Claim for expenditure on proclaimed road	40	March 2011
Infrastructure and Planning Services	Town Planning	Property Administration (follow up – previous review 2008)	126	June 2011
	Infrastructure	Bulk Services Contribution Levies	57	February 2011
Management Services	Social Development	Housing Education Grant	45	January 2011

Description			No of Hours	Date completed
		audit (2008/09)		
		Housing Education Grant audit (2009/10)	49	February 2011
	Fraud prevention	Induction of new employees	15	Monthly
Performance Information	Governance	Performance Information 1 <sup>st</sup> quarter	80	November 2010
		Performance Information 2 <sup>nd</sup> quarter	119	February 2011
		Performance Information 3 <sup>rd</sup> quarter	118	May 2011
		Performance Information 4 <sup>th</sup> quarter (previous year)	120	September 2010
		Performance Information 2 <sup>nd</sup> quarter – follow up	32	February 2011
Continuous Auditing/Consulting			80	2010/11
Junior Internal Audit Assistance			200	2010/11
Training CPD			40	2010/11
Total Hours			2 302	

**Table 39: Internal Audit Coverage Plan**

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

Function	Date/Number
Risk analysis completed/reviewed	Enterprise risk assessments conducted in August 2010 and June 2011
Risk based audit plan approved for 2010/11 financial year	February 2011
Internal audit programme drafted and approved	February 2011
Number of audits conducted and reported on	17
<b>Audit reports included the following key focus areas:</b>	
Internal controls	7
Accounting procedures and practices	6
Performance management	4

**Table 40: Internal Audit Functions**

## 2.6.5 AUDITOR GENERAL

Overstrand Local Municipality was audited by the Auditor-General of South Africa in terms of section 188 of the Constitution and section 4 of the Public Audit Act and section 126 of the MFMA and the audit report for the financial year under review is in Annexure B of this report.

### 2.6.6 BY-LAWS AND POLICIES

Section 11 of the MSA gives municipal Councils the executive and legislative authority to pass and implement by-laws and policies.

Below is a list of all the by-laws developed and reviewed during the financial year:

<b>By-laws developed/revised</b>	<b>Date adopted</b>	<b>Public Participation Conducted Prior to adoption of By-Laws Yes/No</b>	<b>Date of Publication</b>
By-law relating to Outdoor Advertising & Signage	23 February 2011	Yes	14 March 2011
By-law relating to Liquor Trading Hours	28 June 2011	Yes	15 July 2011

**Table 41: By-laws**

Below is a list of all the policies developed and reviewed during the financial year:

<b>Policies developed/ revised</b>	<b>Date adopted</b>	<b>Public Participation Conducted Prior to adoption of policy Yes/No</b>
Asset Management Policy	4 May 2011	Yes
Customer Care, Credit Control and Debt Collection Policy	4 May 2011	Yes
Indigent Policy	4 May 2011	Yes
Funds and Reserves	4 May 2011	Yes
Investment and Cash Management Policy	4 May 2011	Yes
Rates Policy	4 May 2011	Yes
Supply Chain Policy	4 May 2011	Yes
Tariff Policy	4 May 2011	Yes
Virement Policy	4 May 2011	Yes
Petty Cash Policy	4 May 2011	Yes
Travel and Subsistence Policy	4 May 2011	Internal policy
Budget Policy	4 May 2011	Yes
Gift Policy	28 June 2011	Internal policy
TASK Policy	27 October 2010	Internal policy

**Table 42: Policies**



## 2.6.7 COMMUNICATION

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

The communities, on the other hand, have a right and a responsibility to participate in local government affairs and decision-making and ample provision is made in the abovementioned legislation for them to exercise their right in this respect. Our democratic government is committed to the principle of ***Batho Pele*** and this, in simple terms, means that those we elect to represent us (councillors at the municipal level) and those who are employed to serve us (the municipal officials at municipal level) must always put people first in what they do.

South Africa has adopted a system of developmental local government, which addresses the inequalities, and backlogs of the past while ensuring that everyone has access to basic services, to opportunities and an improved quality of life.

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

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

Communication activities	Yes/No
Communication unit	Yes
Communication strategy	Yes
Communication Policy	No – To be developed during 2011/2012
Customer satisfaction surveys	Last one conducted during 2008, survey planned for 2011/2012
Functional complaint management systems	Yes
Newsletters distributed at least quarterly	Yes, monthly

**Table 43: Communication Activities**

### 2.6.8 WEBSITE

A municipal website [www.overstrand.gov.za](http://www.overstrand.gov.za) should be an integral part of a municipality's communication infrastructure and strategy. It serves as a tool for community participation, improves stakeholder involvement and facilitates stakeholder monitoring and evaluation of municipal performance. Section 75 of the MFMA requires that the municipalities place key documents and information on their website, including the IDP, the annual budget, adjustments budgets and budget related documents and policies.

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

Documents published on the Municipal website	Date Published
Annual budget and all budget-related documents	8 March 2011
Adjustment budget for 2010/11	17 May 2011
Budget implementation policy: Tariff policy	24 May 2011
Budget implementation policy: Credit control policy	24 May 2011
Budget implementation policy: Valuation policy	24 May 2011
Budget implementation policy: Rates policy	24 May 2011
Budget implementation policy: SCM policy	24 May 2011
Annual report for 2009/10	27 January 2010
Performance agreements required in terms of section 57 (1) (b) of the Municipal Systems Act for 2010/10	10 August 2010
All quarterly reports tabled in the council in terms of section 52 (d) of the MFMA during 2010/11	Yes

**Table 44: Website Checklist**

## CHAPTER 3

# ORGANISATIONAL DEVELOPMENT PERFORMANCE



## CHAPTER 3: ORGANISATIONAL DEVELOPMENT PERFORMANCE

### 3.1 NATIONAL KEY PERFORMANCE INDICATORS – MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT

The following table indicates the municipality's performance in terms of the National Key Performance Indicators required in terms of the Local Government: Municipal Planning and the Performance Management Regulations of 2001 and section 43 of the MSA. These key performance indicators are linked to the National Key Performance Area – Municipal Transformation and Organisational Development.

KPA & INDICATORS	MUNICIPAL ACHIEVEMENT	MUNICIPAL ACHIEVEMENT	MUNICIPAL ACHIEVEMENT
	2008/09	2009/10	2010/11
The number of people from <b>employment equity</b> target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan	63	64	54
The percentage of a municipality's budget actually spent on implementing its workplace skills plan	100	100	100

*Table 45: National KPIs– Municipal Transformation and Organisational Development*

### 3.2 PERFORMANCE HIGHLIGHTS – MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT

Highlight	Description
Task Implementation	Back dated to March 2009
Implementation of individual Performance Management	Workshops & training provided in the writing of Performance Management Development Plans and Performance Agreements, as well as Performance Evaluation
Superb management team	Stable, well qualified and experienced top management team established.
Training of personnel	<ul style="list-style-type: none"> <li>➤ 60 members of Top management and other managers attended the prescribed MFMA courses</li> <li>➤ 99% plus of the training budget was spent</li> <li>➤ 384 Employees received some form training during 2010/2011</li> </ul>

*Table 46: Performance Highlights– Municipal Transformation and Organisational Development*

### 3.3 CHALLENGES – MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT

Challenge	Actions to address
Reaching of EE targets	Building in-house capacity through various initiatives e.g. learnerships, project grey power and participation in Siyenza Manje training.

**Table 47: Challenges – Municipal Transformation and Organisational Development**

### 3.4 INTRODUCTION TO THE MUNICIPAL WORKFORCE

The Overstrand Municipality currently employs **1 007** (excluding non-permanent positions) officials, who individually and collectively contribute to the achievement of Municipality's objectives. The primary objective of Human Resource Management is to render an innovative HR service that addresses both skills development and an administrative function.

#### 3.4.1 EMPLOYMENT EQUITY

The Employment Equity Act (1998) Chapter 3, Section 15 (1) states that affirmative action measures are measures designed to ensure that suitable qualified people from designated groups have equal employment opportunities and are equitably represented in all occupational categories and levels in the workforce of a designated employer. The national performance indicator also refers to: "Number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan"

#### A) EMPLOYMENT EQUITY TARGETS/ACTUAL

African		Coloured		Indian		White	
Target June	Actual June	Target June	Actual June	Target June	Actual June	Target June	Actual June
5	1	14	15	0	0	32	38

**Table 48: 2010/11 EE targets/Actual by racial classification**

Male (Including Disabilities)		Female (Including Disabilities)	
Target June	Actual June	Target June	Actual June
37	40	14	14

**Table 49: 2010/11 EE targets/actual by gender classification**

B) EMPLOYMENT EQUITY VS. POPULATION

Description	African	Coloured	Indian	White	Total
Population numbers	22 289	27 731	226	24 300	<b>74 546</b>
% Population	<b>29.98</b>	<b>37.17</b>	<b>0.25</b>	<b>32.60</b>	<b>100</b>
Number for positions filled	1	15	0	38	54
% for Positions filled	<b>1.85</b>	<b>27.78</b>	<b>0</b>	<b>70.37</b>	<b>100</b>

Table 50: EE population 2010/11

C) OCCUPATIONAL LEVELS - RACE

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

Occupational Levels	Male				Female				Total
	A	C	I	W	A	C	I	W	
Top Management	1	2	0	4	0	0	0	0	<b>7</b>
Senior management	0	1	0	2	0	0	0	0	<b>3</b>
Professionally qualified and experienced specialists and mid- management	0	8	0	22	0	4	0	10	<b>44</b>
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	13	65	0	63	8	25	1	41	<b>216</b>
Semi-skilled and discretionary decision making	71	123	0	20	21	61	0	59	<b>355</b>
Unskilled and defined decision making	188	155	0	5	18	13	0	3	<b>382</b>
<b>Total permanent</b>	<b>273</b>	<b>354</b>	<b>0</b>	<b>116</b>	<b>47</b>	<b>103</b>	<b>1</b>	<b>113</b>	<b>1 007</b>
Non- permanent employees	2	3	0	5	2	3	0	4	<b>19</b>
<b>Grand total</b>	<b>275</b>	<b>357</b>	<b>0</b>	<b>121</b>	<b>49</b>	<b>106</b>	<b>1</b>	<b>117</b>	<b>1 026</b>

Table 51: Occupational Levels

3.4.2 VACANCY RATE

The approved organogram for the municipality had **1 087** posts for the 2010/11 financial year. The actual positions filled are indicated in the tables below by post level and by functional level. **80** Posts were vacant at the end of 2010/11, resulting in a vacancy rate of **12.59%**.

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

PER POST LEVEL		
Post level	Filled	Vacant
MM & MSA section 57 & 56	7	0
Middle management	567	53
Admin Officers	24	3
General Workers	409	24
<b>Total</b>	<b>1 007</b>	<b>80</b>
PER FUNCTIONAL LEVEL		
Functional area	Filled	Vacant
Municipal Manager	7	0
Management Services	49	4
Financial Services	111	5
Community Services	664	49
Protection Services	59	9
Infrastructure and Planning Services	115	13
Economic Development Services	2	0
<b>Total</b>	<b>1 007</b>	<b>80</b>

*Table 52: Vacancy rate per post and functional level*

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

Salary Level	Number of current critical vacancies	Total posts as per organogram	Vacancy job title	Vacancies (as a proportion of total posts per category)
Municipal Manager	0	1	n/a	<b>0</b>
Chief Financial Officer	0	1	n/a	<b>0</b>
Other Section 57 Managers	0	6	n/a	<b>0</b>
Senior management	1	50	Deputy Director: Electro-technical Services	<b>2%</b>
Highly skilled supervision	0	16	n/a	<b>0</b>
<b>Total</b>	<b>1</b>	<b>74</b>	<b>n/a</b>	<b>2%</b>

*Table 53: Vacancy rate per salary level*

### 3.4.3 TURNOVER RATE

A high turnover may be costly to a municipality and might negatively affect productivity, service delivery and institutional memory/organizational knowledge. Below is a table that shows the turnover rate within the municipality. The turnover rate shows a **decrease** from **8.46%** in 2009/10 to **6.45%** in 2010/11.

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

Financial year	Total no appointments at the end of each Financial Year	New appointments	No Terminations during the year	Turn-over Rate
2008/09	112	112	92	9.81%
2009/10	88	88	82	8.46%
2010/11	111	111	65	6.45%

*Table 54: Turnover Rate*

## 3.5 MANAGING THE MUNICIPAL WORKFORCE

Managing the municipal workforce refers to analyzing and coordinating employee behavior.

### 3.5.1 INJURIES

An occupational injury is a personal injury, disease or death resulting from an occupational accident. Compensation claims for such occupational injuries are calculated according to the seriousness of the injury/disease and can be costly to a municipality. Occupational injury will influence the loss of man hours and therefore financial and productivity performance.

The injury rate shows a slight increase for the 2010/11 financial year from **128** employees injured against **125** employees in the 2009/10 financial year.

The table below indicates the total number of injuries within the different directorates:

Directorates	2008/09	2009/10	2010/11
Municipal Manager	0	0	0
Management Services	0	1	0
Financial Services	2	6	5
Community Services	65	88	85
Protection Services	7	16	21
Infrastructure and Planning Services	8	14	15



Directorates	2008/09	2009/10	2010/11
Economic Development Services	1	0	2
<b>Total</b>	<b>83</b>	<b>125</b>	<b>128</b>

*Table 55: Injuries*

### 3.5.2 SICK LEAVE

The number of day's sick leave taken by employees has service delivery and cost implications. The monitoring of sick leave identifies certain patterns or trends. Once these patterns are identified, corrective action can be taken.

The total number of employees that have taken sick leave during the 2010/11 financial year shows an **increase** when comparing it with the 2009/10 financial year.

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

Department	2008/09	2009/10	2010/11
Municipal Manager	16	67	46
Management Services	157	242	142
Financial Services	561	695	530
Community Services	2 744	3 203	3 794
Protection Services	285	403	363
Infrastructure and Planning Services	364	627	537
Economic Development Services	6	11	11
<b>Total</b>	<b>4 133</b>	<b>5 248</b>	<b>5 423</b>

*Table 56: Sick Leave*

### 3.5.3 HR POLICIES AND PLANS

Policies and plans provide guidance for fair and consistent staff treatment and a consistent approach to the managing of staff.

The table below shows the HR policies and plans that are approved and that still needs to be developed:

Approved policies	
Name of policy	Date approved/ revised
Employment Equity Policy	November 2008
Recruitment and Selection	September 2009
Collective Agreement Conditions of Service	Adopted (SALGBC) June 2009
Collective Agreement Disciplinary and Grievance Procedure	Adopted (SALGBC) June 2010
Municipal Code of Conduct	Schedule 2 of the Municipal Systems

Approved policies	
	Act 32 of 2000
Uniform /Protective Clothing	November 2008
HIV/AIDS Policy	September 2009
Succession Planning	November 2010
PMS Implementation	November 2008
Rewards and Incentive	November 2008
Retirement Planning	November 2008
Sexual Harassment	November 2008
Leave Policy	August 2010
Employee Study Aid Policy	August 2010
OHS Policy	October 2010
TASK Job Evaluation Policy	October 2010
Gift policy for officials	June 2011
Staff Succession planning policy guidelines	November 2010
Policies still to be developed	
Name of policy	Proposed date of approval
Employee Wellness Program	November 2011

*Table 57: HR policies and plans*

### 3.6 CAPACITATING THE MUNICIPAL WORKFORCE

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

#### 3.6.1 SKILLS MATRIX

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

Management level	Gender	Number of employees identified for training at start of the year	Number of Employees that received training
MM and S57	Female	0	0
	Male	6	5
Legislators, senior officials and managers	Female	10	15
	Male	20	19

Management level	Gender	Number of employees identified for training at start of the year	Number of Employees that received training
Associate professionals and Technicians	Female	15	14
	Male	23	10
Professionals	Female	2	3
	Male	36	44
Clerks	Female	71	49
	Male	20	12
Service and sales workers	Female	3	5
	Male	27	31
Craft and related trade workers	Female	0	0
	Male	0	0
Plant and machine operators and assemblers	Female	0	2
	Male	37	25
Elementary occupations	Female	3	7
	Male	117	47
<b>Sub total</b>	<b>Female</b>	<b>104</b>	<b>95</b>
	<b>Male</b>	<b>286</b>	<b>193</b>
<b>Total</b>		<b>390</b>	<b>288</b>

Table 58: Skills Matrix

### 3.6.2 SKILLS DEVELOPMENT – TRAINING PROVIDED

The Skills Development Act (1998) and the Municipal Systems Act, (2000), require employers to supply employees with the necessary training in order to develop its human resource capacity. Section 55(1)(f) states that as head of administration the Municipal Manager is responsible for the management, utilization and training of staff.

Occupational categories	Gender	Training provided within the reporting period						
		Learnerships		Skills programmes & other short courses		Total		
		Actual	Target	Actual	Target	Actual	Target	% Variance
MM and S57	Female	0	0	0	0	0	0	0
	Male	5	6	0	0	5	6	83
Legislators, senior officials and	Female	15	10	0	0	15	10	150

Occupational categories	Gender	Training provided within the reporting period						
		Learnerships		Skills programmes & other short courses		Total		
		Actual	Target	Actual	Target	Actual	Target	% Variance
managers	Male	19	20	0	0	<b>19</b>	<b>20</b>	<b>95</b>
Professionals	Female	12	7	2	8	<b>14</b>	<b>15</b>	<b>93</b>
	Male	9	10	1	13	<b>10</b>	<b>23</b>	<b>43</b>
Technicians and associate professionals	Female	0	0	3	2	<b>3</b>	<b>2</b>	<b>150</b>
	Male	2	0	42	36	<b>44</b>	<b>36</b>	<b>122</b>
Clerks	Female	0	0	49	71	<b>49</b>	<b>71</b>	<b>69</b>
	Male	0	0	12	20	<b>12</b>	<b>20</b>	<b>60</b>
Service and sales workers	Female	0	0	5	3	<b>5</b>	<b>3</b>	<b>166</b>
	Male	0	0	31	27	<b>31</b>	<b>27</b>	<b>114</b>
Craft and related trade workers	Female	0	0	0	0	<b>0</b>	<b>0</b>	<b>0</b>
	Male	0	0	0	0	<b>0</b>	<b>0</b>	<b>0</b>
Plant and machine operators and assemblers	Female	1	0	1	0	<b>2</b>	<b>0</b>	<b>0</b>
	Male	6	8	19	29	<b>25</b>	<b>37</b>	<b>67</b>
Elementary occupations	Female	0	0	7	3	<b>7</b>	<b>3</b>	<b>233</b>
	Male	0	0	47	117	<b>47</b>	<b>117</b>	<b>40</b>
Sub total	Female	<b>28</b>	<b>17</b>	<b>67</b>	<b>87</b>	<b>95</b>	<b>104</b>	<b>91</b>
	Male	<b>41</b>	<b>44</b>	<b>152</b>	<b>242</b>	<b>193</b>	<b>286</b>	<b>67</b>
<b>Total</b>		<b>69</b>	<b>61</b>	<b>219</b>	<b>329</b>	<b>288</b>	<b>390</b>	<b>73</b>

Table 59: Skills Development

### 3.6.3 SKILLS DEVELOPMENT - BUDGET ALLOCATION

The table below indicates that a total amount of **R 2 400 000** was allocated to the workplace skills plan and that **99.9%** of the total amount was spent in the 2010/11 financial year:

Total personnel budget	Total Allocated	Total Spend	% Spent
R 178 831 700.00	R 2 400 000.00	R 2 396 618.22	99.9

Table 60: Budget allocated and spent for skills development

### 3.7 MFMA COMPETENCIES

In terms of Section 83 (1) of the MFMA, the accounting officer, senior managers, the chief financial officer, non-financial managers and other financial officials of a municipality must meet the prescribed financial management

competency levels that are key to the successful implementation of the Municipal Finance Management Act. National Treasury has prescribed such financial management competencies in Government Notice 493 dated 15 June 2007.

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

**85** Employees were identified to obtain the abovementioned qualification and prescribed competencies. The 85 employees were divided into two groups of thirty and one group of 25. The first group will complete their training in January 2012, the second group in March 2012 and the third group in May 2013. The service provider is the University of Pretoria.

From the above mentioned it is clear that most of our staff will comply with the requirements of the Government Notice 493 of June 2007.

### 3.8 MANAGING THE MUNICIPAL WORKFORCE EXPENDITURE

Section 66 of the MSA states that the accounting officer of a municipality must report to the Council on all expenditure incurred by the municipality on staff salaries, wages, allowances and benefits. This is in line with the requirements of the Public Service Regulations, (2002), as well as National Treasury Budget and Reporting Regulations SA22 and SA23.

#### 3.8.1 PERSONNEL EXPENDITURE

The percentage personnel expenditure is essential in the budgeting process as it reflects on current and future efficiency. The table below indicates the percentage of the municipal budget that was spent on salaries and allowance for the past three financial years and that the municipality is well within the national norm of between 35 to 40%:

Financial year	Total Expenditure salary and allowances (R'000)	Total Operating Expenditure (R'000)	Percentage
	R'000	R'000	
<b>2009/10</b>	152 157	584 943	<b>26.01</b>
<b>2010/11</b>	190 705	703 080	<b>27.12</b>

*Table 61: Personnel Expenditure*

## OVERSTRAND LOCAL MUNICIPALITY FINAL DRAFT ANNUAL REPORT 2010/11

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

Financial year	2009/10	2010/11	
Description	Actual	Original Budget	Actual
<b><u>Councillors (Political Office Bearers plus Other) R'000</u></b>			
Salary	3 237	3 503	3 420
Pension Contributions	164	166	170
Medical Aid Contributions	70	83	57
Motor vehicle allowance	1 059	1 251	1 192
Cell phone allowance	230	255	246
Housing allowance	0	0	0
Other benefits or allowances	7	7	8
In-kind benefits	0	0	0
<b>Sub Total</b>	<b>4 767</b>	<b>5 265</b>	<b>5 094</b>
<b>% Increase from 2009/2010 to 2010/2011</b>	<b>-</b>	<b>10.44</b>	<b>(3.25)</b>
<b><u>Senior Managers of the Municipality R'000</u></b>			
Salaries	4 551	4 614	4 662
Pension Contributions	906	900	948
Medical Aid Contributions	130	150	147
Motor vehicle allowance	692	673	427
Cell phone allowance	90	120	126
Housing allowance	0	0	0
Performance Bonus	262	1 024	0
Other benefits or allowances	45	96	740
In-kind benefits	0	0	0
<b>Sub Total</b>	<b>6 675</b>	<b>7 575</b>	<b>7 050</b>
<b>% increase</b>	<b>-</b>	<b>13.49</b>	<b>(6.94)</b>
<b><u>Other Municipal Staff R'000</u></b>			
Basic Salaries and Wages	88 999	106 784	107 436
Pension Contributions	14 527	17 349	17 968
Medical Aid Contributions	6 063	7 248	6 860
Motor vehicle allowance	5 554	6 432	7 046
Cell phone allowance	0	483	595
Housing allowance	1 042	1 491	968
Overtime	9 801	8 798	10 485
Other benefits or allowances	14 730	18 736	16 334

<b>Financial year</b>	<b>2009/10</b>	<b>2010/11</b>	
<b>Description</b>	<b>Actual</b>	<b>Original Budget</b>	<b>Actual</b>
<b>Sub Total</b>	<b>140 715</b>	<b>167 320</b>	<b>167 692</b>
<b>% increase</b>	<b>-</b>	<b>18.91</b>	<b>0.22</b>
<b>Total Municipality</b>	<b>152 157</b>	<b>180 161</b>	<b>179 836</b>
<b>% increase</b>	<b>-</b>	<b>18.40</b>	<b>(0.18)</b>

*Table 62: Personnel Expenditure*

## CHAPTER 4

# STRATEGIC PERFORMANCE





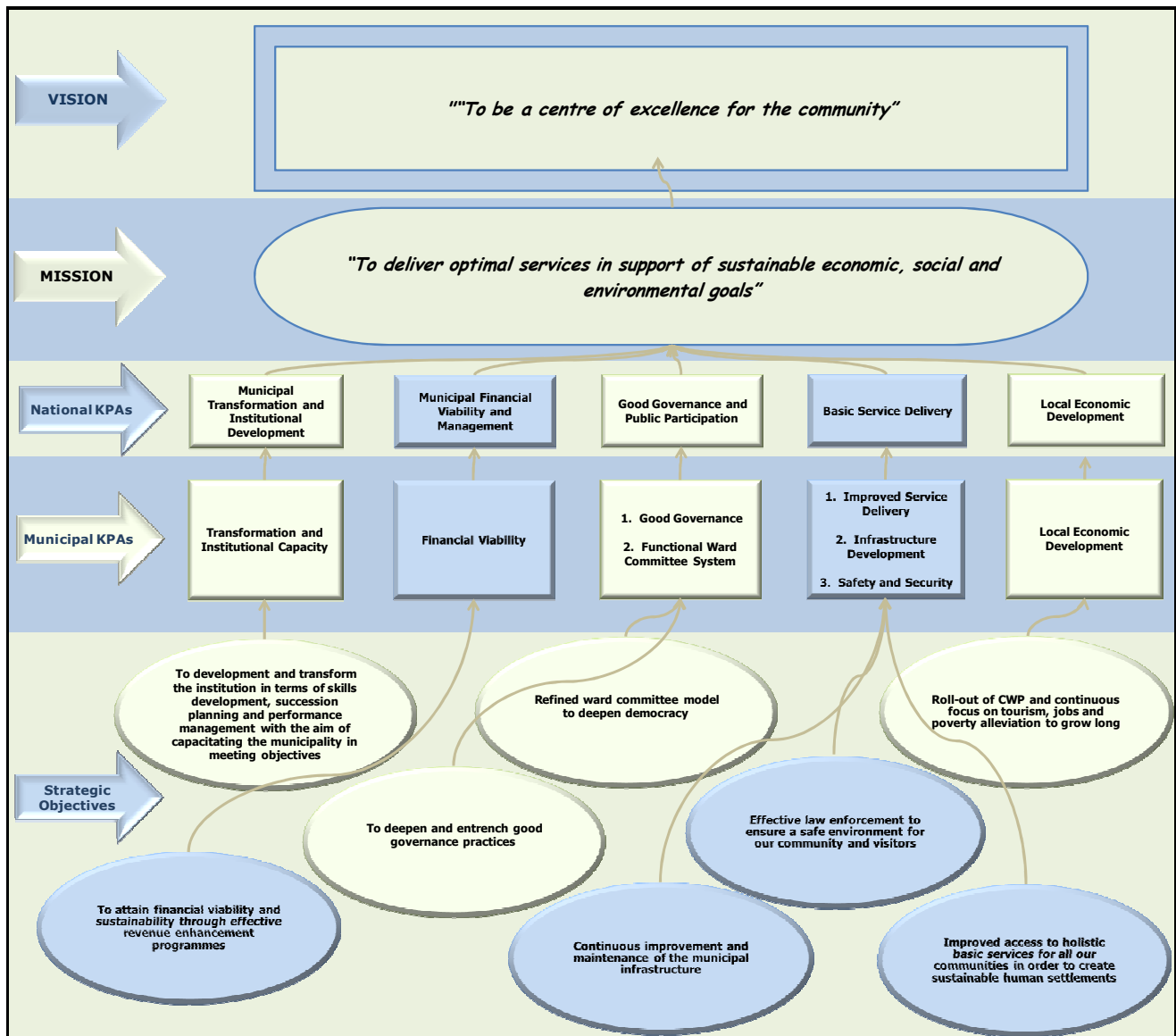
## CHAPTER 4: STRATEGIC PERFORMANCE

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This chapter will provide information on the strategic performance of the municipality and will indicate how well the municipality is meeting its objectives and which policies and processes are working. All government institutions must report on strategic performance to ensure that service delivery is efficient, effective and economical. Municipalities must develop strategic plans and allocate resources for the implementation. The implementation must be monitored on an ongoing basis and the results must be reported on during the financial year to various role-players to enable them to timeously implement corrective measures where required.

This chapter speaks to the strategic performance highlights in terms of the Municipality's IDP, performance on basic service delivery and backlogs addressed the MIG projects as well as the spending priorities for the following year. It addresses the communication and public participation processes of the Municipality to give a holistic view of how the Municipality communicates performance to its stakeholders.

The Strategy map below specifies the strategic link of the focus areas of the Overstrand municipality aligned with the National Key Performance Areas. The National Key Performance Areas is aligned with the Strategic Objectives that were identified in the 2010/11 reviewed IDP. The strategic objectives are linked to the outcomes for 2010/11. These alignments are directly link to the Overstrand municipality's vision and mission.



**Figure 2: Strategy Map**

The Municipal Systems Act, 2000 (Act 32 of 2000) and the Local Government: Municipal Planning and the Performance Management Regulations 2001 require municipalities to adopt a performance management system. Once the IDP and budget have been prepared and approved, the Municipality prepared their Service Delivery and Budget Implementation Plan (SDBIP) in accordance with the MFMA and MFMA Circular 13. The SDBIP indicates monthly performance targets, financial performance targets and assigns responsibility to execute the respective performance targets. The Municipality assessed its performance on a monthly basis and reported progress on performance against targets set to Council quarterly and ultimately presents the annual performance results in this annual report.

#### 4.1 NATIONAL KEY PERFORMANCE INDICATORS – BASIC SERVICE DELIVERY AND LOCAL ECONOMIC DEVELOPMENT

The following table indicates the municipality's performance in terms of the National Key Performance Indicators required in terms of the Local Government: Municipal Planning and the Performance Management Regulations of 2001 and section 43 of the MSA. These key performance indicators are linked to the following two National Key Performance Areas: Basic Service Delivery and Local Economic Development.

KPA & indicators	Municipal achievement	Municipal achievement	Municipal achievement
	2008/09	2009/10	2010/11
<b>Basic Service Delivery</b>			
The percentage of households earning less than R 1 100 per month with access to free basic services	8.49	9.22	16.71
The percentage of households with access to basic level of water	100	100	100
The percentage of households with access to basic level of sanitation	100	100	100
The percentage of households with access to basic level of electricity	100	100	100
The percentage of households with access to basic level of solid waste removal	100	100	100
<b>Local economic development</b>			
The number of <b>jobs created</b> through municipality's local economic development initiatives including capital projects	215	236	732

**Table 63: National KPIs – Basic Service Delivery and Local Economic Development**

#### 4.2 GENERAL PRIORITY AREAS

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

National Key Performance Area	Priority Area	Challenges	Actions to address
<b>Municipal Transformation and Institutional Development</b>	EE Targets	Limited applicants from designated groups	In-house career path
<b>Municipal Financial Viability and Management</b>	Having and adequate working capital ratio	Eskom price hikes	Increased electricity deposits
<b>Good Governance and Public Participation</b>	Knowledgeable Councillors	Many new councilors elected	In-house training
	Effective ward committees	Legitimate elections	Well run election of Ward committee members

**Table 64: General priority areas**

### 4.3 STRATEGIC SERVICE DELIVERY BUDGET IMPLEMENTATION PLAN (TOP LAYER)

The purpose of strategic performance reporting is to report specifically on the implementation and achievement of IDP outcomes. This section should provide an overview on the strategic achievement of a municipality in terms of the strategic intent and deliverables achieved as stated in the IDP. The top layer (strategic) SDBIP is the municipality's strategic plan and shows the strategic alignment between the different documents. (IDP, Budget and Performance Agreements). The municipality compiled a top layer SDBIP for the first time in the 2010/11 financial year.

In the paragraphs below the performance achieved is illustrated against the top layer SDBIP according to the 5 National Key Performance Areas linked to the Municipal Key Performance Areas and IDP (strategic) Objectives.

**The following figure illustrates the method in which the strategic service delivery budget implementation plan is measured:**

Category	Color	Explanation
KPI's Not Yet Measured		KPIs with no targets or actuals in the selected period.
KPI's Not Met		0% $\geq$ Actual/Target < 75%
KPI's Almost Met		75% $\geq$ Actual/Target < 100%
KPI's Met		Actual/Target = 100%
KPI's Well Met		100% > Actual/Target < 150%
KPI's Extremely Well Met		Actual/Target $\geq$ 150%

**Figure 3: SDBIP Measurement Categories**

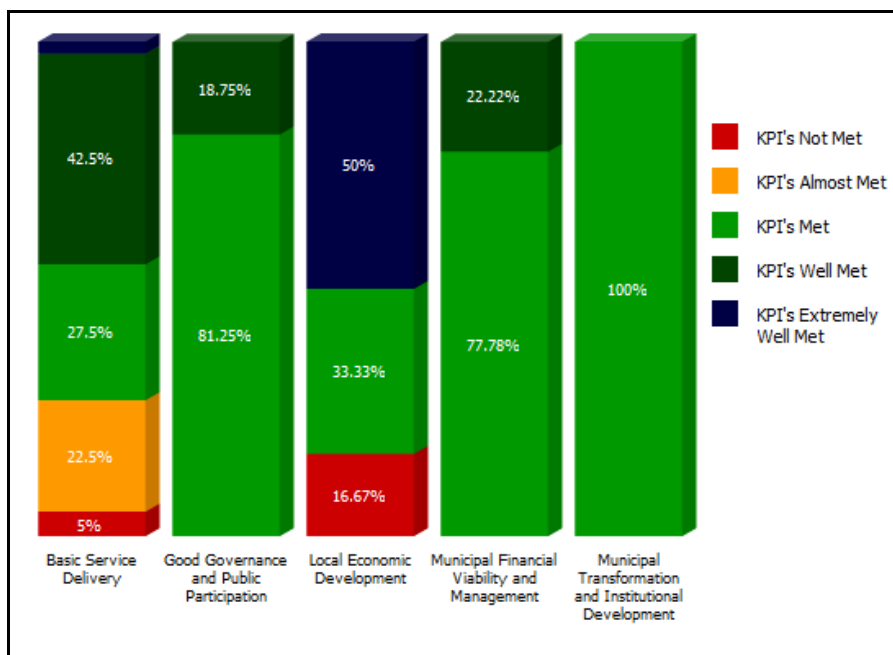
The overall performance results achieved by the municipality in terms of the Top Layer SDBIP are indicated in the table and graph below:

Directorates	Total KPIs	KPIs Extremely Well Met	KPIs Well Met	KPIs Met	KPIs almost Met	KPIs not Met	% of KPI's met (100% and above)
Basic Service Delivery	39	1	18	6	10	4	64
Good Governance and Public Participation	16	0	3	13	0	0	100
Local Economic Development	6	3	0	2	0	1	83
Municipal Financial Viability and Management	9	0	2	7	0	0	100
Municipal	3	0	0	3	0	0	100

Directorates	Total KPIs	KPIs Extremely Well Met	KPIs Well Met	KPIs Met	KPIs almost Met	KPIs not Met	% of KPI's met (100% and above)
Transformation and Institutional Development							
<b>Overstrand Municipality</b>	<b>73</b>	<b>4</b>	<b>23</b>	<b>31</b>	<b>10</b>	<b>5</b>	<b>79</b>

*Table 65: Top Layer SDBIP Performance per National KPA*

The graph below displays the performance per National Key Performance Areas:



*Graph 6: Performance per National Key Performance Area*

Below is the top level SDBIP according to the 5 National Key Performance Areas linked to the Municipal Key Performance Areas and IDP (strategic) Objectives

### 4.3.1 TOP LAYER SDBIP - GOOD GOVERNANCE AND PUBLIC PARTICIPATION

The National Key Performance Area Good Governance and Public Participation are linked to the Municipal Key Performance Areas namely "Good Governance" and "Functional Ward Committee System". The IDP Objectives that are linked to Good Governance and Public Participation are: "Refined ward committee model to deepen democracy" and "To deepen and entrench good governance practices"

KPI	Unit of Measurement	Wards	Baseline	Actual 2009/11	Performance 2010/11		Performance Comment	Corrective measure
					Target	Actual		
Annual performance reporting	Annual report and oversight report of council submitted before legislative deadline	1	Report approved in March	New KPI	100%	100%	Annual report submitted 26 January 2011 at Special Council Meeting and Oversight report 30 March 2011	n/a
Approval of adjustments budget	Approval of adjustments budget before legislative deadline	1	Approved in January	New KPI	100%	100%	Adjustment budget approved 23 February 2011	n/a
Approval of Main budget	Approval of Main budget before legislative deadline	1	Approved on 26 May	New KPI	100%	100%	Budget approved 4 May 2011	n/a
Approval of SDBIP	Approval of SDBIP before legislative deadline	1	Approved in 28 days after budget approval	New KPI	100%	100%	<b>Services:</b> SDBIP approved 4 May	n/a
Effective functioning of committee system	No of sec 79 committee meetings per committee per annum	1	2	New KPI	4	5	n/a	n/a
Effective functioning of council	No of ordinary council meetings	1	10	New KPI	9	9	n/a	n/a
Functional Internal Audit unit	Reviewed and approved risk based audit plan by end of September 2010	1	Existing approved audit plan	New KPI	100%	100%	n/a	n/a
Functional performance audit committee	No of meetings of the performance audit committee	1	Quarterly meetings held	New KPI	4	4	n/a	n/a
Improved good governance	% Implementation of anti-corruption policy by the end of June 2011	1	Approved during 2009/10	New KPI	90%	90%	Fraud Prevention Plan was approved in 2008	n/a
Institutional Performance management system in place	Individual performance management system implemented up to the Task level 14	1	Only Section 56	New KPI	100%	100%	Successfully implemented - evaluations completed for Financial Year	n/a
Institutional Performance management system in place	No of performance agreements signed on time	1	7 Section 56 contracts	New KPI	8	8	n/a	n/a
Municipality complying with all relevant legislation	No compliance findings in the management letter of the Auditor-General resulting in a qualified audit opinion	1	Unqualified audit opinion	New KPI	0%	0%	n/a	n/a
Creation of effective capacity	% Vacancy level as % of approved and funded organogram	1	90%	New KPI	90.00%	96.58%	n/a	n/a

KPI	Unit of Measurement	Wards	Baseline	Actual 2009/11	Performance 2010/11		Performance Comment	Corrective measure
					Target	Actual		
Reaching of employment equity targets	% of targets reached per occupation level	1	100%	New KPI	100%	100%	n/a	n/a
Reviewed IDP	IDP reviewed by 31 May annually	1	100%	New KPI	100%	100%	IDP reviewed by 31 May annually - but was reviewed during April 2010 because of election	n/a
Effective functioning of ward committees	No of ward committee meetings per ward per annum	1	9	New KPI	8	11	n/a	n/a

**Table 66: Top Layer SDBIP – Good Governance and Public Participation**

#### 4.3.2 TOP LAYER SDBIP - MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT

The National Key Performance Area Municipal Transformation and Institutional Development are linked to the Municipal Key Performance Area namely “*Transformation and Institutional Capacity*.” The IDP Objective that is linked to Municipal Transformation and Institutional Development is: “*To development and transform the institution in terms of skills development, succession planning and performance management with the aim of capacitating the municipality in meeting objectives*”

KPI	Unit of Measurement	Wards	Baseline	Actual 2009/11	Performance 2010/11		Performance Comment	Corrective measure
					Target	Actual		
Effective and up to date HR policies	Revision of all HR policies annually by June	1	Annual revision of all HR policies were not part of the initial strategy	New KPI	100%	100%	n/a	n/a
Effective labour relations	No of meetings of the LLF	1	10	New KPI	9	9	n/a	n/a
Targeted skills development	The percentage of budget spent on implementing its workplace skills plan	1	1%	New KPI	1%	1%	n/a	n/a

**Table 67: Top Layer SDBIP – Municipal Transformation and Institutional Development**

### 4.3.3 TOP LAYER SDBIP - MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT

The National Key Performance Area Municipal Financial Viability and Management are linked to the Municipal Key Performance Area namely "*Financial Viability*". The IDP Objective that is linked to Municipal Financial Viability is: "*To attain financial viability and sustainability through effective revenue enhancement programmes*"

KPI	Unit of Measurement	Wards	Baseline	Actual 2009/11	Performance 2010/11		Performance Comment	Corrective measure
					Target	Actual		
Asset management	Compliance with GRAP 16, 17 & 102 (measured in terms of the AG report)	1	GRAP compliant	New KPI	100%	100%	No GRAP findings in AG report 30/11/2010	n/a
Clean audit	% of Root causes of issues raised by AG in the previous years' AG management letter addressed	1	100%	New KPI	100%	100%	n/a	n/a
Effective SCM system	No of tenders successfully awarded within the validity period of the tender	1	100%	New KPI	100%	100%	n/a	n/a
Improved revenue collection	% Debt recovery rate (90+ days)	1	85%	New KPI	90.00%	99.33%	Baseline exceeded	n/a
Improvement in conditional grant spending - operational (FMG, MSIG, Equitable share)	% of total conditional operational grants spent (FMG, MSIG, Equitable share)	1	100%	New KPI	100%	100%	100% spent or committed	n/a
Preparation of financial statements	Financial statements submitted by the end of August	1	100%	New KPI	100%	100%	AFS submitted 31/8/2010	n/a
Updated indigent register for the provision of free basic services	Updated indigent register by the 10th of every month	1	100%	New KPI	100%	100%	n/a	n/a
Improvement in conditional grant spending - operational (MSIG, Libraries, CDW, HCE)	% of total conditional operational grants spent (Libraries, CDW)	1	68%	New KPI	98%	100%	n/a	n/a
Improvement in conditional grant spending - capital	% of total conditional capital grants spent (MIG)	1	1	New KPI	100%	100%	n/a	n/a

**Table 68: Top Layer SDBIP – Municipal Financial Viability and Management**



#### 4.3.4 TOP LAYER SDBIP - LOCAL ECONOMIC DEVELOPMENT

The National Key Performance Area Local Economic Development is linked to the Municipal Key Performance Area namely "*Local Economic Development*". The IDP Objective that is linked to Local Economic Development is: "*Roll-out of CWP and continuous focus on tourism, jobs and poverty alleviation to grow long*"

KPI	Unit of Measurement	Wards	Baseline	Actual 2009/11	Performance 2010/11		Performance Comment	Corrective measure
					Target	Actual		
Employment through job creation schemes	No of temporary jobs created	1	154	New KPI	154	154	n/a	n/a
Completed and aligned LED strategy	LED strategy developed by end of March	1	Existing LED strategy	New KPI	100%	100%	n/a	n/a
Employment through job creation initiatives that ponder employment for locals	No of jobs created	1	10 Approved concepts/projects	New KPI	50	1,194	n/a	n/a
Enhancement of economic development	Value of contracts assigned to emerging contractors	1	Existing database to determine value of contracts assigned	New KPI	R 19,000,000	R 2,330,412.80	Due to incorrect completion of tender documents	Proper training on tender documentation
Improved skills development	No of workshops organised	1	Quarterly workshops	New KPI	4	18	n/a	n/a
Tourism related projects/initiatives	No of related tourism enterprises/projects	1	Concepts and plans	New KPI	4	27	n/a	n/a

**Table 69: Top Layer SDBIP – Local Economic Development**

#### 4.3.5 TOP LAYER SDBIP - BASIC SERVICE DELIVERY

The National Key Performance Area Basic Service Delivery is linked to the Municipal Key Performance Areas namely "*Infrastructure Development*", "*Improved Service Delivery*" and "*Safety and Security*". The IDP Objectives that are linked to Basic Service Delivery is: "*Continuous improvement and maintenance of the municipal infrastructure*", "*Effective law enforcement to ensure a safe environment for our community and visitors*" and "*Improved access to holistic basic services for all our communities in order to create sustainable human settlements.*"

KPI	Unit of Measurement	Wards	Baseline	Actual 2009/11	Performance 2010/11		Performance Comment	Corrective measure
					Target	Actual		
Effective fire brigade service	Fire Management Plan completed by the end of October 2010	1	Existing Draft FMP	New KPI	100%	100%	n/a	n/a
Effective law enforcement activities	% Decrease in law enforcement violations	1	0.1	New KPI	20.00%	27.7%	Increase in cases : + 131 More W.O.A. Weekly stats & Monthly Reports Joint Operations with SAP	Revise KPI to ensure that more enforcement activities are in place to ensure a decrease in violations for both traffic and law

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KPI	Unit of Measurement	Wards	Baseline	Actual 2009/11	Performance 2010/11		Performance Comment	Corrective measure
					Target	Actual		
								enforcement departments long term
Effective traffic enforcement activities	% Decrease in traffic violations	1	0.1	New KPI	20.00%	24.7%	Increase in cases: + 2459 - more cameras; Increase in accidents : +9 Very wet weather and influx of tourists; Weekly stats & Monthly	n/a
Reviewed Disaster Management Plan	Disaster Management Plan reviewed by March 2011 Annually	1	Existing DMP	New KPI	100%	100%	Reviewed Disaster Management Plan submitted for approval	n/a
Maintenance of grave yards	% of maintenance budget of grave yards spent	1	98%	New KPI	98%	84%	Correct target = 98% Actual spending = 88%. Reason: spending in Hermanus area = 87%	n/a
Maintenance of halls and facilities	% of maintenance budget of halls and facilities spent	1	98%	New KPI	98%	100%	Correct target 98% Actual spending = 99%	n/a
Maintenance of recreational areas	% of maintenance budget of recreational areas spent	1	68%	New KPI	98%	85%	Correct target = 98%. Actual spending = 86%. Reason: spending in Hawston Camp = 71% due to level of vandalism. Await decision on development	n/a
Number of informal settlements formalised and with the provision of basic services where required	Number of informal settlements formalised	1	12 informal settlement areas in Overstrand	New KPI	2	1	Experienced problems with availability of land in	Town Planning to resolve problem by finalising a new lay out for Masekhane
Maintenance of municipal roads	% of maintenance budget of municipal roads spent	1	98%	New KPI	98%	97%	n/a	n/a
Maintenance of municipal roads (Reseal)	Kms of roads patched and resealed according to approved Paveman Management System within available budget/reseal	1	98%	New KPI	98.00%	93.00%	Due to inclement weather (30 rain days) the scope of the work of the contract had to be reduced., therefore the expenditure was proportionally reduced	n/a
Provision of sport facilities	% upgrade of the sport facilities in terms of the business plan	1	98%	New KPI	98%	99%	Set target = 98%. Actual performance = 99%. Target set to high - Operational Managers = 90%	n/a
Maintenance of refuse removal services	% of approved maintenance plan executed	1	98%	New KPI	98.00%	99.20%	Average of all 4 Administrations. [	n/a
Maintenance of refuse removal services	% of maintenance budget of refuse removal spent	1	98%	New KPI	98%	105%	n/a	n/a
Maintenance of sanitation services	% of approved maintenance plan executed	1	98%	New KPI	98.00%	96.90%	91% average of all 4 administrations	n/a
Maintenance of sanitation services	% of maintenance budget of sanitation spent	1	98%	New KPI	98.00%	96%	97% spend waste water management	n/a
Quality of waste water discharge	% Effluent compliance with permit conditions and Government Notice	1	55%	New KPI	60.00%	83.05%	Actuals of 4 Administrations	n/a
Maintenance of water	% of maintenance budget of	1	98%	New KPI	98.00%	99%	99% water services -	n/a

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KPI	Unit of Measurement	Wards	Baseline	Actual 2009/11	Performance 2010/11		Performance Comment	Corrective measure
					Target	Actual		
assets	water spent						average	
Maintenance of water services	% of approved maintenance plan executed	1	98%	New KPI	98.00%	94.43%	93.2% Average of all 4 Administrations [	n/a
New water connections	No of new water connections	1	88	New KPI	410	589	7 New Connections total new connections for the Overstrand	n/a
Replacement of existing water meters	No of meters replaced	1	130	New KPI	200	52	5 Meters Changed/Replaced , total of all 4 administration replacement of water	Poor performance by service provider and a new service provider was appointed
Effective capital spending	% spent of approved electricity capital projects	1	1	New KPI	98%	91%	n/a	n/a
Maintenance of electricity assets	% of maintenance budget of electricity spent	1	1	New KPI	98%	99%	n/a	n/a
New electricity connections	No of new electricity connections	1	100% of new projects	New KPI	410	261	Kleinmond housing project - 410 houses connected to solar panels	n/a
No of HH that meet agreed service standards (access to electricity) -All areas	No of HH achieving agreed service standards	1	11769	New KPI	11,769	11,769	All households have access to electricity	n/a
Percentage electricity losses	KW billed/ KW used by municipality	1	11%	New KPI	10.00%	8.63%	n/a	n/a
Development of an Integrated Human Settlement Strategy	Strategy developed by the end of March 2011	1	No existing strategy	New KPI	100%	100%	Draft 5 year housing plan included in draft IDP and advertised for public comment.	n/a
Effective capital spending	% spent of approved municipal roads capital projects	1	100%	New KPI	98%	101%	n/a	n/a
Effective capital spending	% spent of approved waste management capital projects	1	100%	New KPI	98%	91%	n/a	n/a
No of HH that meet agreed waste service standards (at least once a week) -Formal areas	No of HH that meet minimum standard waste	1	26000	New KPI	26,000	32,231	All households have refuse removal service provided by Directorate: Community Services	n/a
Effective capital spending	% spent of approved stormwater capital projects	1	1	New KPI	98%	82%	The main stormwater project is linked to the Kleinmond housing project and funded by MIG. Completion of the project has been postponed to October 2011.	n/a
Maintenance of stormwater services	% of maintenance budget of stormwater spent	1	0.98	New KPI	98.00%	100%	n/a	n/a
Effective capital spending	% spent of approved waste water management capital projects	1	100%	New KPI	98%	100%	n/a	n/a
No of HH that meet agreed sanitation service	No of HH without minimum	1	26000	New KPI	26,000	26,130	All households have access to at least basic	n/a

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KPI	Unit of Measurement	Wards	Baseline	Actual 2009/11	Performance 2010/11		Performance Comment	Corrective measure
					Target	Actual		
standards (at least VIP on site) -Formal areas	standard sanitation						sanitation	
No of HH that meet agreed sanitation service standards (at least VIP on site) -Informal areas	No of HH that meet minimum standard sanitation	1	100%	New KPI	3726	3682	All households have access to basic sanitation. Decrease due to migration / relocation	n/a
Effective capital spending	% spent of approved water capital projects	1	100%	New KPI	98%	100%	n/a	n/a
Excellent water quality	% compliance as per the annual blue drop compliance audit	1	67%	New KPI	77.00%	90.56%	Blue drop results	n/a
No of HH that meet agreed service standards (cleaned piped water 200m from household) - Formal areas	No of HH achieving agreed service standards	1	26000	New KPI	26,000	25,136	All households have access to clean piped water	n/a
Percentage water losses	KL billed/ KL used by municipality	1	36%	New KPI	32.00%	27.78%	n/a	n/a
Percentage/ No of HH that meet agreed service standards (cleaned piped water 200m from household) - Informal areas	% of HH achieving agreed service standards/ No of HH	1	100%	New KPI	3762	3682	All households have access to clean piped. Decrease is due to migration / relocation	n/a

**Table 70: Top Layer SDBIP – Basic Service Delivery**

### 4.4 DEVELOPMENT AND SERVICE DELIVERY PRIORITIES FOR 2011/12

#### 4.4.1 MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT PRIORITIES FOR 2011/12

The following objective is link to the Priorities listed in the table below:

- To development and transform the institution in terms of skills development, succession planning and performance management with the aim of capacitating the municipality in meeting objectives

Municipal KPA	KPI	Unit of Measurement	Annual Target
Transformation and Institutional Capacity	Recruit and develop staff in terms of succession planning and career parthing	Actual nr of appointments	4
Transformation and Institutional Capacity	Institutional Performance management system in place and implemented from TASK level 6 - 19	% implemented	100

**Table 71: Transformation and Institutional Capacity Priorities for 2011/12**

#### 4.4.2 GOOD GOVERNANCE AND PUBLIC PARTICIPATION PRIORITIES FOR 2011/12

The following objectives are link to the Priorities listed in the table below:

- Refined ward committee model to deepen democracy
- To deepen and entrench good governance practices

Municipal KPA	KPI	Unit of Measurement	Annual Target
Good Governance	Annual revision of top 10 risks and quarterly progress reports on corrective action to address risks	Number of progress reports	4

*Table 72: Good Governance Priorities for 2011/12*

Municipal KPA	KPI	Unit of Measurement	Annual Target
Functional Ward Committee System	Strengthen the role of communities by facilitating ward based development plans	No of ward based development plans completed	10

*Table 73: Functional Ward Committee System Priorities for 2011/12*

#### 4.4.3 MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT PRIORITIES FOR 2011/12

The following objective is link to the Priorities listed in the table below:

- To attain financial viability and sustainability through effective revenue enhancement programmes

Municipal KPA	KPI	Unit of Measurement	Annual Target
Financial Viability	Improved revenue collection	% Debt recovery rate	90

*Table 74: Financial Viability Priorities for 2011/12*

#### 4.4.4 BASIC SERVICE DELIVERY PRIORITIES FOR 2011/12

The following objectives are link to the Priorities listed in the table below:

- Effective law enforcement to ensure a safe environment for our community and visitors
- Continuous improvement and maintenance of the municipal infrastructure
- Improved access to holistic basic services for all our communities in order to create sustainable human settlements

Municipal KPA	KPI	Unit of Measurement	Annual Target
Infrastructure Development	Provision of refuse removal, refuse dumps and solid waste disposal to all formal areas	No of formal areas for which refuse is removed at least once a week	32 903
Infrastructure Development	Provision of refuse removal, refuse dumps and solid waste disposal to all informal areas	No of informal HH for which refuse is removed at least once a week	3 726
Infrastructure Development	Provision of sanitation systems limited to domestic waste water and sewerage disposal to formal areas	No of formal areas that have at least VIP on site	32 136
Infrastructure Development	Provision of sanitation systems limited to domestic waste water and sewerage disposal to informal HH	No of informal HH that have at least VIP on site	3 726
Infrastructure Development	Provision of cleaned piped water to all formal HH within 200m from the household	No of formal HH that meet agreed service standards for piped water	25 110
Improved Service Delivery	Provision of cleaned piped water to all informal HH within 200m from the household	No of informal HH that meet agreed service standards for piped water	3 726
Improved Service Delivery	All informal settlements formalised and with the provision of basic services where required	Number of informal settlements formalised	2
Infrastructure Development	Quality of waste water discharge measured by the % water quality level	% Effluent compliance with permit conditions and Government Notice	80
Infrastructure Development	Excellent water quality measured by the annual blue drop audit	% compliance as per the annual blue drop audit	92
Infrastructure Development	Effective management of electricity provisioning systems	% of electricity unaccounted for	10
Infrastructure Development	Improve electricity distribution capacity with new 66KvA substation in Hermanus (Ward 3)	% completion of the project	98
Infrastructure Development	Public awareness drives/programmes with regard to water programmes, environmental programmes and solid waste	Number of drives/programmes	8
Infrastructure Development	Upgrade of the Waste Water Treatment Works in Hermanus (Ward 3)	% completion of the project	98
Infrastructure Development	Effective management of water provisioning systems to limit unaccounted water	% of water unaccounted for	25
Infrastructure Development	Upgrade of the Water Treatment Works in Hermanus (Ward 3)	% completion of the project	98

**Table 75: Infrastructure Development Priorities for 2011/12**

Municipal KPA	KPI	Unit of Measurement	Annual Target
Safety and Security	Arrange public safety awareness campaign to ensure effective services and operational readiness	Number of campaigns held	12
Safety and Security	Establish community safety plans by the end of June 2012 in conjunction with the Department of Community Safety and the District to address safety challenges within the communities	% of plans established	100
Safety and Security	Establishment of the Municipal Court by the end of September to enhance effective law enforcement	Approved application	100
Safety and Security	Establishment of the Municipal Pound by the end of November	% established	100
Safety and Security	Inspect and assess infrastructure and role players to ensure disaster operational readiness	Assessment report	1

**Table 76: Safety and Security Priorities for 2011/12**

#### 4.4.5 LOCAL ECONOMIC DEVELOPMENT PRIORITIES FOR 2011/12

The following objective is link to the Priorities listed in the table below:

- Roll-out of CWP and continuous focus on tourism, jobs and poverty alleviation to grow long

Municipal KPA	KPI	Unit of Measurement	Annual Target
Local Economic Development	The number of self-employed jobs created through municipality's local economic development initiatives that ponder employment for locals	Number of self-employed jobs created	20
Local Economic Development	The number of semi employed jobs created through municipality's local economic development initiatives that ponder employment for locals	Number of semi employment jobs created	50
Local Economic Development	The number of temporary jobs created through municipality's local economic development initiatives that ponder employment for locals	Number of temporary jobs created	200
Local Economic Development	Compile a policy to award tenders to BEE's by the end of September	Policy submitted for approval	100
Local Economic Development	Develop an operational plan for the implementation of the LED strategy by the end of September	% completed	100

*Table 77: Local Economic Development Priorities for 2011/12*

## 4.5 BASIC SERVICE DELIVERY

### 4.5.1 BASIC SERVICES DELIVERY PERFORMANCE HIGHLIGHTS

Highlight	Description
Implementation of PLANTMAN for scheduled/planned maintenance of infrastructure	Infrastructure scheduled in advance e.g. water pumps for maintenance

*Table 78: Basic Services Delivery Highlights*

### 4.5.2 BASIC SERVICES DELIVERY CHALLENGES

Service Area	Challenge	Actions to address
Water	Replacement of ageing water pipes	Increase capital budget
	Reduction of water losses	Leak detection and water replacement projects
Roads	Maintenance of existing tarred roads	Budget for reseal of roads
Water and Sanitation	Scarcity of skilled personnel	Sourcing of accredited trainer in order to train operators

*Table 79: Basic Services Delivery Challenges*

### 4.5.3 ACCESS TO FREE BASIC SERVICES

The following table indicates the percentage of indigent households that have access to free basic municipal services. In accordance with the approved indigent policy of the municipality, all households earning less than **R4 560** per month will receive the free basic services as prescribed by national policy.

The table below indicates that **8.49%** of the total number of households received free basic services in 2008/09 financial year whilst it increased to **16.71%** in the 2010/11 financial year:

Financial year	Number of households								
	Total no of HH	Free Basic Electricity		Free Basic Water		Free Basic Sanitation		Free Basic Refuse Removal	
		No. Access	%	No. Access	%	No. Access	%	No. Access	%
2008/09	30 796	2 615	8.49	2 615	8.49	2 615	8.49	2 615	8.49
2009/10	31 053	2 864	9.22	2 864	9.22	2 864	9.22	2 864	9.22
2010/11	31 357	5 241	16.71	5 241	16.71	5 241	16.71	5 241	16.71

*Table 80: Free basic services to indigent households*



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The access to free basic services is summarised into the different services as specified in the following table:

<b>Electricity</b>									
<b>Financial year</b>	<b>Indigent Households</b>			<b>Non-indigent households</b>			<b>Households in Eskom areas</b>		
	<b>No. of HH</b>	<b>Unit per HH (kwh)</b>	<b>Value</b>	<b>No. of HH</b>	<b>Unit per HH (kwh)</b>	<b>Value</b>	<b>No. of HH</b>	<b>Unit per HH (kwh)</b>	<b>Value</b>
			<b>R'000</b>			<b>R'000</b>			<b>R'000</b>
<b>2008/09</b>	2 572	50	893	28 181	0	0	43	50	n/a
<b>2009/10</b>	2 811	50	1 087	28 189	0	0	53	50	n/a
<b>2010/11</b>	5 185	50	1 271	26 116	0	0	56	50	n/a

**Table 81: Free basic Electricity services to indigent households**

<b>Water</b>						
<b>Financial year</b>	<b>Indigent Households</b>			<b>Non-indigent households</b>		
	<b>No. of HH</b>	<b>Unit per HH (kl)</b>	<b>Value</b>	<b>No. of HH</b>	<b>Unit per HH (kl)</b>	<b>Value</b>
			<b>R'000</b>			<b>R'000</b>
<b>2008/09</b>	2 615	6	2 291	22 065	6	3 622
<b>2009/10</b>	2 864	6	2 921	22 139	6	10 903
<b>2010/11</b>	5 241	6	5 786	19 895	6	11 460

**Table 82: Free basic Water services to indigent households**

<b>Sanitation</b>						
<b>Financial year</b>	<b>Indigent Households</b>			<b>Non-indigent households</b>		
	<b>No. of HH</b>	<b>R value per HH</b>	<b>Value</b>	<b>No. of HH</b>	<b>Unit per HH per month</b>	<b>Value</b>
			<b>R'000</b>			<b>R'000</b>
<b>2008/09</b>	2 615	2 136	5 586	28 181	0	0
<b>2009/10</b>	2 864	2 340	6 702	28 189	0	0
<b>2010/11</b>	5 241	648	3 396	26 116	0	0

**Table 83: Free basic Sanitation services to indigent households**

<b>Refuse Removal</b>						
<b>Financial year</b>	<b>Indigent Households</b>			<b>Non-indigent households</b>		
	<b>No. of HH</b>	<b>Service per HH per week</b>	<b>Value</b>	<b>No. of HH</b>	<b>Unit per HH per month</b>	<b>Value</b>
			<b>R'000</b>			<b>R'000</b>
<b>2008/09</b>	2 615	1	3 044	28 181	0	0
<b>2009/10</b>	2 864	1	3 609	28 189	0	0
<b>2010/11</b>	5 241	1	6 918	26 116	0	0

**Table 84: Free basic Refuse Removal services to indigent households per type of service**

## 4.5.4 ACCESS TO BASIC LEVEL OF SERVICES

## A) CAPITAL BUDGET SPENT ON MUNICIPAL SERVICES

The percentage (%) of the total approved capital budget spent on each municipal service respectively for the 2008/09, 2009/10 and 2010/11 financial years respectively are as follows:

Financial Year	Housing	Water	Sanitation	Refuse Removal	Electricity	Streets & Storm Water	Community facilities
	(%)	(%)	(%)	(%)	(%)	(%)	(%)
2008/09	0.95	31.4	10.36	3.35	18.55	18.79	12.40
2009/10	-	26.04	4.49	5.24	24.26	23.19	15.59
2010/11	4.79	22.91	10.83	1.33	23.18	18.66	5.86

Table 85: Capex

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

Description	2008/09	2009/10	2010/11		
	Actual	Actual	Original Budget	Adjustment Budget	Actual Expenditure
<b>Capital expenditure on new assets by Asset Class/Sub-class (R'000)</b>					
<b>Infrastructure</b>	<b>149 467</b>	<b>95 210</b>	<b>115 544</b>	<b>114 251</b>	<b>109 549</b>
Infrastructure - Road transport	32 284	26 529	20 957	27 095	26 085
<i>Roads, Pavements &amp; Bridges</i>	16 056	20 760	15 050	20 788	20 923
<i>Storm water</i>	16 228	5 769	5 907	6 307	5 162
Infrastructure - Electricity	<b>33 604</b>	<b>27 752</b>	<b>33 125</b>	<b>35 682</b>	<b>32 411</b>
Transmission & Reticulation	33 604	27 752	33 125	35 682	32 411
Street Lighting	0	0	0	0	0
Infrastructure - Water	<b>56 516</b>	<b>29 797</b>	<b>38 902</b>	<b>34 219</b>	<b>34 052</b>
<i>Dams &amp; Reservoirs</i>	26 923	29 797	0	3 263	3 263
<i>Water purification</i>	29 593	0	38 902	17 701	17 641
<i>Reticulation</i>	0	0	0	13 255	13 148
Infrastructure - Sanitation	<b>18 043</b>	<b>5 139</b>	<b>20 560</b>	<b>15 215</b>	<b>15 142</b>
<i>Sewerage purification</i>	18 043	5 139	20 560	15 215	15 142
Infrastructure - Other	<b>9 020</b>	<b>5 993</b>	<b>2 000</b>	<b>2 040</b>	<b>1 859</b>
Waste Management	9 020	5 993	2 000	2 040	1 859
Other	0	0	0	0	0
<b>Community</b>	<b>933</b>	<b>127</b>	<b>10 829</b>	<b>8 960</b>	<b>8 916</b>

Description	2008/09	2009/10	2010/11		
	Actual	Actual	Original Budget	Adjustment Budget	Actual Expenditure
Parks & gardens	0	0	0	0	0
Sportsfields & stadia	933	127	0	1 743	1 743
Community halls	0	0	0	0	0
Security and policing	0	0	0	19	19
Other	0	0	10 829	7 198	7 154
<b>Heritage assets</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Investment properties</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Other assets</b>	<b>21 691</b>	<b>19 752</b>	<b>32 891</b>	<b>25 647</b>	<b>21 062</b>
General vehicles	0	0	0	2 540	2 229
Computers - hardware/equipment	0	0	0	1 574	1 480
Furniture and other office equipment	0	0	0	3 695	2 675
Civic Land and Buildings	0	0	0	0	0
Other	21 691	19 752	32 891	17 838	14 678
<b>Agricultural assets</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Biological assets</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Intangibles</b>	<b>2 118</b>	<b>220</b>	<b>2 546</b>	<b>290</b>	<b>268</b>
<b>Total Capital Expenditure on new assets</b>	<b>174 209</b>	<b>115 310</b>	<b>161 809</b>	<b>149 298</b>	<b>139 795</b>

Table 86: Total capital expenditure on assets

## B) PERCENTAGE SPENDING ON TOTAL CAPITAL BUDGET

The total percentage (%) of the capital budget for the past three years is indicated in the table below:

Financial year	% of Capital budget spent	Reasons for under spending
2008/09	93.5	Delay in housing projects pending outcome of dispute
2009/10	94	n/a
2010/11	94	Roll-overs from previous financial year

Table 87: Total capital expenditure

## 4.5.5 WATER AND SANITATION

Water is probably the most fundamental and indispensable of natural resources – fundamental to life, the environment, food production, hygiene and power generation. Poverty reduction and improved water management are inextricably linked. Section 4B of the Constitution lists water and sanitation services limited to

potable water supply systems and domestic wastewater and sewerage disposal systems as a local government function. Basic water is defined as 25 liters of potable water per day supplied within 200 meters of a household.

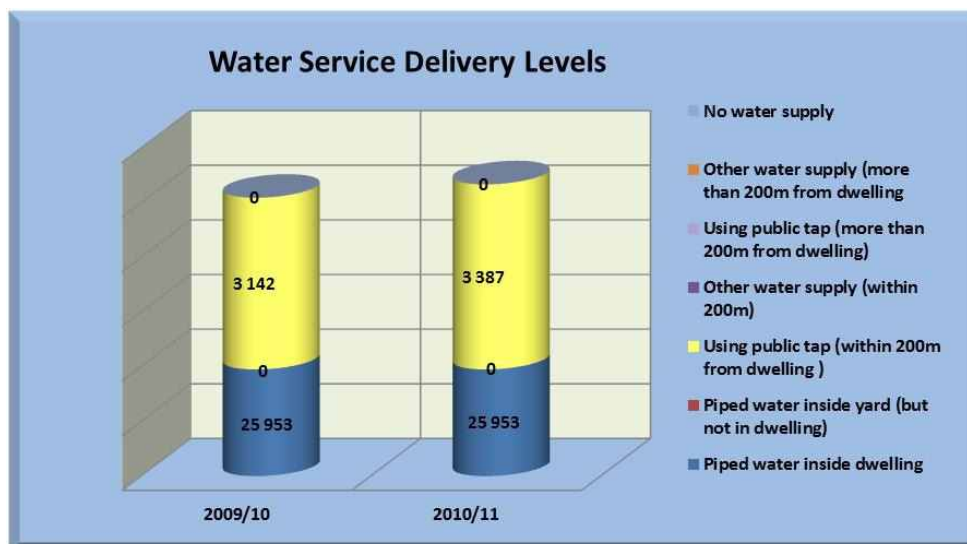
A) WATER SERVICE DELIVERY LEVELS

Below are a table that specifies the different water service delivery levels per households for the financial years 2008/09, 2009/10 and 2010/11:

Description	2009/10	2010/11
	Actual	Actual
<b>Household</b>		
<b><u>Water:</u> (above minimum level)</b>		
Piped water inside dwelling	25 953	25 953
Piped water inside yard (but not in dwelling)	0	0
Using public tap (within 200m from dwelling )	3 142	3 387
Other water supply (within 200m)	0	0
<b><i>Minimum Service Level and Above sub-total</i></b>	<b>29 095</b>	<b>29 340</b>
<b><i>Minimum Service Level and Above Percentage</i></b>	<b>100</b>	<b>100</b>
<b><u>Water:</u> (below minimum level)</b>		
Using public tap (more than 200m from dwelling)	0	0
Other water supply (more than 200m from dwelling)	0	0
No water supply	0	0
<b><i>Below Minimum Service Level sub-total</i></b>	<b>0</b>	<b>0</b>
<b><i>Below Minimum Service Level Percentage</i></b>	<b>0</b>	<b>0</b>
<b>Total number of households (formal and informal)</b>	<b>29 095</b>	<b>29 340</b>

Table 88: Water service delivery levels

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



Graph 7: Water service delivery levels

#### B) SANITATION SERVICE DELIVERY LEVELS

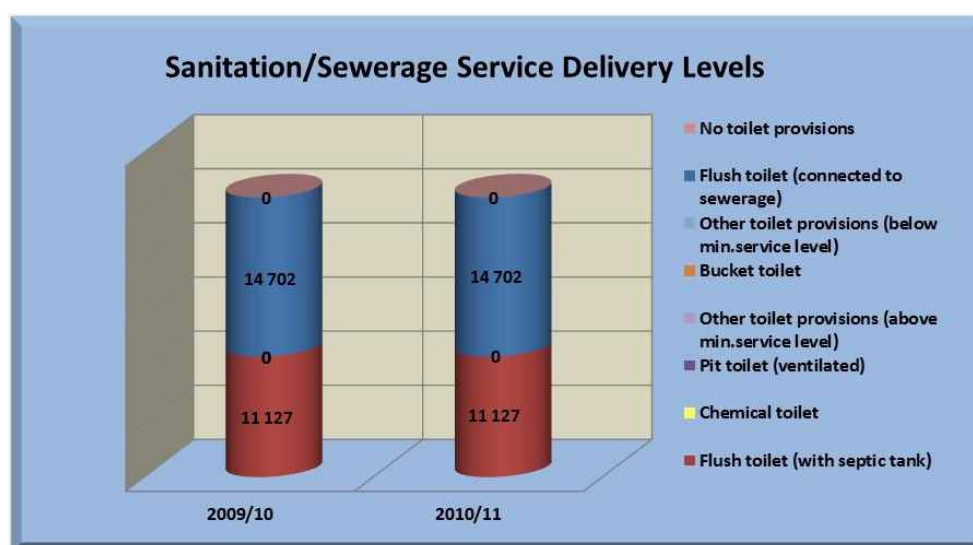
Below are a table that specifies the different sanitation service delivery levels per households for the financial years 2008/09, 2009/10 and 2010/11:

Description	2009/10	2010/11
	Actual	Actual
<b>Household</b>		
<b><u>Sanitation/sewerage: (above minimum level)</u></b>		
Flush toilet (connected to sewerage)	14 702	14 702
Flush toilet (with septic tank)	11 127	11 127
Chemical toilet	0	0
Pit toilet (ventilated)	8	8
Other toilet provisions (above minimum service level)	0	0
<b>Minimum Service Level and Above sub-total</b>	<b>25 837</b>	<b>25 837</b>
<b>Minimum Service Level and Above Percentage</b>	<b>100</b>	<b>100</b>
<b><u>Sanitation/sewerage: (below minimum level)</u></b>		
Bucket toilet	0	0
Other toilet provisions (below minimum service level)	0	0
No toilet provisions	0	0
<b>Below Minimum Service Level sub-total</b>	<b>0</b>	<b>0</b>

Description	2009/10	2010/11
	Actual	Actual
<b><i>Below Minimum Service Level Percentage</i></b>	<b>0</b>	<b>0</b>
<b>Total number of households</b>	<b>25 837</b>	<b>25 837</b>

Table 89: Sanitation service delivery levels

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



Graph 8: Sanitation/Sewerage Service Delivery Levels

#### 4.5.6 ELECTRICITY

Local Government plays a very important role in the provision of electricity. Section 153 of the Constitution places the responsibility on municipalities to ensure the provision of services to communities in a sustainable manner for economic and social support. The table below indicates the different service delivery level standards for electricity in all formal areas within the municipality:

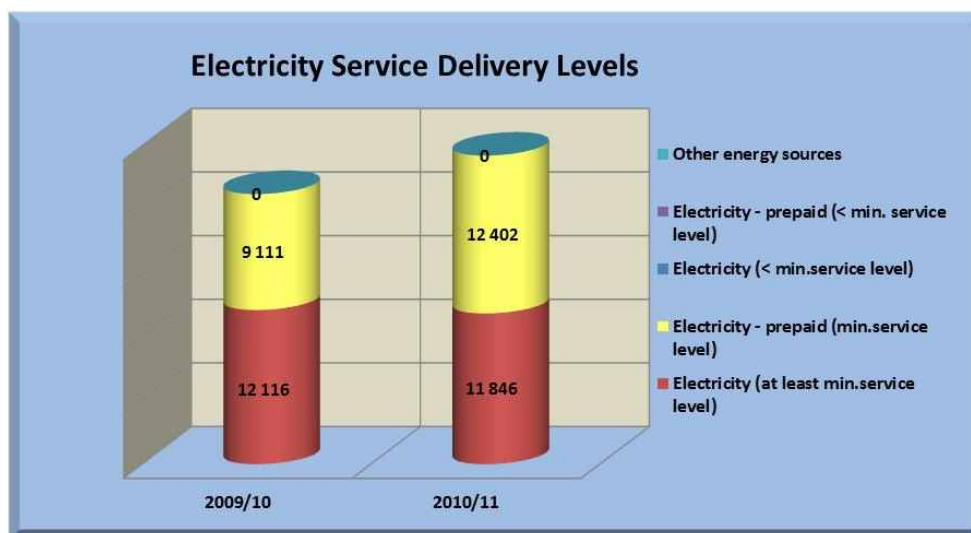
The Energy Losses for the 2009/10 financial year was **9.61%** compared to **7.91%** for 2010/2011. This is a **1.71%** reduction in energy losses and a **17.7%** improvement that is a huge achievement for the municipality.

The table below indicates the different service delivery level standards for electricity within the municipality:

Description	2009/10	2010/11
	Actual	Actual
<b>Household</b>		
<b><u>Energy: (above minimum level)</u></b>		
Electricity (at least minimum service level)	12 116	11 846
Electricity - prepaid (minimum service level)	9 111	12 402
<b>Minimum Service Level and Above sub-total</b>	<b>21 227</b>	<b>24 248</b>
<b>Minimum Service Level and Above Percentage</b>	<b>100</b>	<b>100</b>
<b><u>Energy: (below minimum level)</u></b>		
Electricity (< minimum service level)	0	0
Electricity - prepaid (< min. service level)	0	0
Other energy sources	0	0
<b>Below Minimum Service Level sub-total</b>	<b>0</b>	<b>0</b>
<b>Below Minimum Service Level Percentage</b>	<b>0</b>	<b>0</b>
<b>Total number of households</b>	<b>21 227</b>	<b>24 248</b>

Table 90: Electricity service delivery levels

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



Graph 9: Electricity Service Delivery Levels

#### 4.5.7 HOUSING

The following table shows the decrease in the number of people on the housing waiting list. There are currently approximately **5 945** housing units on the waiting list.

Financial year	Nr of housing units on waiting list	% Housing waiting list increase/decrease
2008/09	6 937	-
2009/10	9 728	40% Increase
2010/11	5 945	39% Decrease

*Table 91: Housing waiting list*

A total amount of **R 31 000 000** was allocated to build houses during the financial year under review. A summary of houses built, includes:

Financial year	Allocation	Amount spent	% spent	Number of houses built	Number of sites serviced
2009/10	26 338	18 695 396	100	88	88
2010/11	37 119 066	34 051 410	100	300	300

*Table 92: Housing*

#### 4.5.8 REFUSE REMOVAL

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

Description	2009/10	2010/11
	Actual	Actual
<b>Household</b>		
<b><u>Refuse Removal: (Minimum level)</u></b>		
Removed at least once a week	30 334	30 334
<b><i>Minimum Service Level and Above sub-total</i></b>	<b>30 334</b>	<b>30 334</b>
<b><i>Minimum Service Level and Above percentage</i></b>	<b>100</b>	<b>100</b>
<b><u>Refuse Removal: (Below minimum level)</u></b>		
Removed less frequently than once a week	0	0
Using communal refuse dump	0	0
Using own refuse dump	0	0
Other rubbish disposal	0	0



Description	2009/10	2010/11
	Actual	Actual
No rubbish disposal	0	0
<b>Below Minimum Service Level sub-total</b>	<b>0</b>	<b>0</b>
<b>Below Minimum Service Level percentage</b>	<b>0</b>	<b>0</b>
<b>Total number of households</b>	<b>30 334</b>	<b>30 334</b>

Table 93: Refuse removal service delivery levels

The graph indicates the different refuse removal standards which the households are receiving



Graph 10: Refuse removal service delivery levels

#### 4.5.9 ROADS

The following tables give an overview of the total kilometers of roads maintained and new roads tarred:

##### A) TARRED ROADS

Financial year	Total km tarred roads	Km of new tar roads	Km existing tar roads re-tarred	Km of existing tar roads re-sheeted	Km tar roads maintained
<b>2008/09</b>	280	10	1.5	8.5	290
<b>2009/10</b>	290	1	3	8.7	291
<b>2010/11</b>	291	2	3	27	293

Table 94: Tarred roads

B) GRAVELED ROADS

Financial year	Total km gravel roads	Km new gravel roads constructed	Km gravel roads upgraded to tar	Km gravel roads graded/maintained
2008/09	174	0	10	164
2009/10	164	0	1	163
2010/11	161	0	2	159

*Table 95: Gravelled roads*

C) COST OF CONSTRUCTION/MAINTENANCE

The table below shows the costs involved for the maintenance and construction of roads within the municipal area:

Financial year	New & Replacements	Resealed	Maintained
2008/09	9 080 000	12 500 000	44 675 414
2009/10	3 348 000	14 182 128	47 355 939
2010/11	2 460 000	21 504 897	64 798 318

*Table 96: Cost of construction/maintenance of roads*

4.5.10 STORMWATER

A) STORM WATER INFRASTRUCTURE

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

Financial year	Total km Stormwater measures	Km new stormwater measures	Km stormwater measures upgraded	Km stormwater measures maintained
2008/09	539	7	4	546
2009/10	546	8	7	554
2010/11	554	3	5	557

*Table 97: Stormwater infrastructure*

B) COST OF CONSTRUCTION/MAINTENANCE

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

Financial year	Storm water Measures	
	Capital	Maintained
2008/09	12 800 000	4 900 285
2009/10	7 300 000	4 466 621
2010/11	5 100 000	4 418 538

Table 98: Cost of construction/maintenance of stormwater systems

4.6 MUNICIPAL INFRASTRUCTURE AND OTHER GRANTS

The Municipality had a total amount of **R 29 644 697** for infrastructure and other capital projects available that was received in the form of grants from the National and Provincial Governments during the 2010/11 financial year. The performance in the spending of these grants is summarised as follows:

Description	2008/09		2009/10		2010/11		% Spent
	Amount Received	Amount Spent	Amount Received	Amount Spent	Amount Received	Amount Spent	
National Government:							
Municipal Systems Improvement Grant	0	0	0	0	196 890	196 890	100
Municipal Infrastructure Grant	6 958 000	6 958 000	10 093 000	10 093 000	11 616 000	11 616 000	100
Integrated National Electrification Program	0	0	1 921 000	1 921 000	3 639 000	3 639 000	100
Provincial Government:							
Community Development Workers	0	0	0	0	48 400	48 364	100
Housing	0	5 416 114	17 722 670	17 722 670	6 837 057	6 837 057	100
Local Economic Development (NDPG)	0	0	2 263 663	2 263 663	10 935 837	6 973 164	63.8
Multi-Purpose Community Centre	0	616 419	0	78 016	0	0	n/a

Table 99: Spending of grants

#### 4.7 ADDITIONAL PERFORMANCE

The table below enclose all additional performance of the municipality:

Type of service	2008/09	2009/10	2010/11
<b>General Law enforcement</b>			
Animals impounded	No Records	134	249
Motor vehicle licenses processed	32 343	34 361	34 467
Learner driver licenses processed	1 528	2 215	2 423
Driver licenses processed	1 480	1671	1 659
Driver licenses issued	6 139	6 039	5 125
Fines issued for traffic offenses	4 869	11 197	13 728
R-value of fines collected	R 3 191 371	R 2 372 909	R 5 215 431
Operational call-outs	113	263	198
Roadblocks held	No records	12 (Jan – Jun 2010)	238
Complaints attended to by Law Enforcement officers	3 755	6 144	10 217
Special Functions – Escorts	0	0	11
Awareness initiatives on public safety	0	14	15
<b>Fire Services</b>			
Operational call-outs	555	665	711
Reservists and volunteers trained	40	89	123
Awareness initiatives on fire safety	24	71	104
<b>Town Planning and Building Control</b>			
Building plans application processed	1 744	1 491	1 316
Approximate value	R577 714 920	R775 086 730	R725 778 425
New residential dwellings	276	271	209
Residential extensions	1 367	1 088	992
New Business buildings	101	132	116
Rural applications	6	0	8
<b>Libraries</b>			
Library members	23 150	24 493	24 512
Books circulated	708 414	754 445	738 820
Exhibitions held	145	142	173

Type of service	2008/09	2009/10	2010/11
Internet users	28	582	1 286
New library service points or Wheelie Wagons	0	0	1
Children programmes	163	173	177
Visits by school groups	97	100	127
Book group meetings for adults	47	57	63
Primary and Secondary Book Education sessions	148	330	216
<b>Social Services</b>			
Trees planted	0	9	50
Veggie gardens established	1	1	1
Soup kitchens established or supported	0	0	2
Initiatives to increase awareness on child abuse	2	3	3
Initiatives to increase awareness on disability	1	1	3
Initiatives to increase awareness on women	1	3	2
Women empowered			
Initiatives to increase awareness on HIV/AIDS	0	2	1
Initiatives to increase awareness on Early Childhood Development	1	2	2
Special events hosted (World's Aids Day, World Labour day, World Disability Day, Youth Day, 16 Days of activism against women abuse)	5	6	5
<b>Local economic development initiatives</b>			
Small businesses assisted	No records	20	57
SMME's trained	No records	30	65
Community members trained for tourism	No records	0	14
Local artisans and crafters assisted	No records	65	65
Recycling awareness programmes	No records	20	57

**Table 100: Additional Performance**

#### 4.8 WARD SPECIFIC PROJECTS

Overstrand Municipality comprises of 10 wards. An amount of **R 600 000** capital funding is allocated to each ward for what is called ward-based projects. These projects are identified and address the needs of the communities via ward committees.

Ward-based planning is a form of participatory planning designed to promote community action, with clear linkages to the IDP. It mobilises communities to take responsibility for their own.

The drafting and implementation of ward plans for each of the 10 wards in the municipal area will not only assist the municipality with achieving its long-term vision of being a centre of excellence for our communities, but also ensure that the IDP objectives become the responsibility of all our community members. Community needs are a core part of the planning process.

The respective wards are consulted on an annual basis to determine their most critical developmental needs. Ward Councillors are key figures in this as they serve as the link between the municipality and the communities.

During the 2010/2011 financial year the following projects were completed per ward:

Ward Specific Projects
Ward 1
Sidewalks Main Road GB : $\pm$ 450 m <sup>2</sup> of the surface of the existing tarred sidewalk were resealed.
Fencing Soccer field : $\pm$ 400 m of wired fence (1.8 m high) were installed.
Kleinbaai Slip Tarring ring road : $\pm$ 60 m of gravel road were tarred.
Tour Info Centre Air-conditioner: 2 new air-conditioners were installed.
Shelters Blompark Sportsfield : 2 concrete shelters were built for reserve players.
Traffic calming : $\pm$ 12 new speed bumps were built in Masakhane/Blompark.
Tarring of Roads : the access road to the primary health care centre was tarred.
Cemeteries - 2 toilets : public toilets were built at the Gansbaai and Blompark Cemeteries.
Cemeteries - 1 toilet : the public toilet at the old cemetery in Gansbaai was deemed unnecessary.
Traffic calming : $\pm$ 6 new speed bumps were built in Franskraal/Kleinbaai/Gansbaai.
Ward 2
Upgrade Duiwelsgat Trail : the budget was used to obtain environmental authorization to carry out rehabilitation work and to construct 2 pedestrian bridges.
Parks - Town entrance : the budget was used to install curb stones and irrigation systems.
Beaches Upgrade Stanfordsbaai : the budget was used to install shade cover and irrigation systems.
Parking area (Skulpiesbaai De K): the budget was used to install shade cover and the development of the parking area.
Phase III - Cliff Street sidewalk: the funds were used to complete the final $\pm$ 600 m of the paved sidewalk.
Upgrading of entrance : the entrances to Perlemoenbaai and Stanfords Bay were provided with curb stones.

<b>Ward Specific Projects</b>
Upgrade (entrance to beaches): 3 boardwalks were built at access points to the beaches in Pearly Beach.
Bush-clearing: Eluxolweni : this was deemed as a job creation project whereby unemployed people were used to clear public open spaces from alien vegetation.
Parks - Town entrance: an information sign was built at the entrance of Pearly Beach.
Community Hall: Security lights: security lights were installed at the community hall in Buffeljachtsbaai.
Community Hall: Floor cover: $\pm 200 \text{ m}^2$ of floor tiles were installed at Buffeljachtsbaai Community Hall.
Beautification of garden : Beautification of the public open space at Baardskeerdersbos was completed.
Traffic calming (speed bumps): speed bumps were installed in Eluxolweni and Pearly Beach.
Whale view point Kusweg, GB: a new view point $\pm 150 \text{ m}^2$ were constructed.
<b>Ward 3</b>
SF Town Entrance (ex Wandelpad)
De Bron/Sewer Works: Boundary
SF Town Entrance (ex Wandelpad) : the budget was diverted to improve the garden at the entrance to town.
De Bron/Sewer Works: Boundary : the concrete boundary wall of $\pm 60 \text{ m}$ (1.8 m high) was built.
Community Hall: Equip kitchen : the existing kitchen was provided with an electric stove, microwave oven and working benches.
Community Hall: Parking area : the existing parking area was leveled and paved.
Stanford soccer : the budget was used to draw a masterplan and to provide top soil.
Stanford rugby : the budget was used to draw a masterplan and to provide top soil.
Renovate Pre-prim/crèche: Die Kop: the budget was used to electrify the existing buildings.
Community Hall: Acoustic remediation: the acoustic problem was removed by the installation of curtains.
Water tank: 'Die Kop' Community : a new set of water tanks were installed to improve the holding capacity.
Repair Stanford irrigation system : a new pump was installed and repair works were carried out on existing infrastructure.
<b>Ward 4</b>
Pool cleaner purchased for Hermanus swimming pool.
Paving of Parking Area at Moffat Hall, Mount Pleasant
Protea Trees purchased and planted in Flat street, Eastcliff
Benches for CBD purchased
Mount Pleasant parks – 2 Merry-go-rounds purchased and installed.
Improvement of Business Centre Mount Pleasant
<b>Ward 5</b>
Greening of road reserves
Swim pool equipment/machine purchased
Toilets in the informal settlement transit camp upgraded.
Pavements completed in White City
<b>Ward 6</b>
High Mast light erected

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Ward Specific Projects	
Pavement at school (Kepkey street)	
Ward 7	
VOS kuspaadjie – 250m in Vermont and 240 meter in Sandbaai completed	
Repairs done to De Wet Hall	
Trees purchased and planted: Sandbaai	
Jan Rabie Tidal Pool – Gabions installed and a step was built.	
Davies Pool – Hand railings replaced	
Play Apparatus: Sandbaai - Soccer and rugby poles combo was erected	
Play Apparatus: Bosplasia - Soccer and rugby poles combo was erected	
Street Lights: Sandbaai	
Street Lights: Vermont	
Ward 8	
Kerkstraat -Tarring of sidewalks	
Curbing of flooded areas	
Speed Bumps erected : Marine Drive	
Pool cleaner purchased for Hawston Swimming Pool	
Street name signs erected – Fisherhaven	
Speed bumps erected – Fisherhaven	
Bridge at Meer-en-See completed	
Gabions at slipway – F/haven installed	
Streetlights erected – Fisherhaven	
Paving of circles - Hawston	
Ward 9	
Traffic Impact Study done in Kleinmond	
4x4 LCV for Fire Fighting	
Lifesavers Hut Main Beach completed	
Pave Pedestrian Walk Beach Front	
Skating Rink completed	
Sidewalk Beach Road completed	
Ward 10	
4x4 LCV for Fire Fighting	
Street lights erected	
Awning Mooi-uitsig Crèche	
Plaster Fire Fighters Garage	
Continuation Sidewalk & CBD	
Ablution facility Silver Sands	



**Ward Specific Projects**

Baboon Proof Bins placed in Public Areas

*Table 101: Ward Specific Projects***4.9 LED****4.9.1 HIGHLIGHTS: LED**

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

Highlights	Description
Training and capacity initiatives	Capacity building of emerging contractors/service providers on tendering, business development
EPWP and job creation initiatives	<ul style="list-style-type: none"> <li>➤ Created 732 jobs through EPWP and municipal capital projects</li> <li>➤ Imvuselelo [Developing economic spaces] was made possible by a grant received from National Treasury to develop economic hubs in townships and in return ensure sustainable investment in townships</li> </ul>

*Table 102: LED Highlights***4.9.2 CHALLENGES: LED**

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

Description	Actions to address
Lack of understanding from public and stakeholders with regards to LED and our functions	More information sessions to develop an understanding of the work and enhance understanding
Municipal policies and red tape that puts a strain on development	Develop more user developmental friendly municipal policies to support emerging entrepreneurs/contractors with start-up
Reliable and up to date data to make positive impact	Collect own socio-economic data and collaborate with STATSSA
Mobilisation of resources	Development of a donor database
Impact of National/International economic situation	Risk analysis exercises, discussions and foresting activities
Overstrand has a strong seasonal economy	Assist tourism industry in the development of a more comprehensive marketing strategy.

*Table 103: Challenges LED***4.9.3 LED STRATEGY**

The Local Economic Development (LED) strategy along with the LED process plan is completely reviewed yearly and being implemented. The LED strategy is built around commitment to develop a climate in which economic development and economic growth can prosper and growth is shared.

The LED strategy identifies various issues and strategic areas for intervention such as:

Strategic areas	Description
Infrastructure development	Infrastructure development is important to the efforts of the municipality in accelerating growth. Efforts are made to ensure adequate water service including good quality water, road infrastructure
Marketing	Developing a broad image for the municipality is key to enhancing economic and tourism growth in the Overstrand. A variety of strategic approaches have been explored and are to be included and turned into a marketing strategy
Enabling business environment	Small to medium enterprises constitute a large percentage of businesses in the Overstrand; therefore the municipality has to always ensure that an enabling environment is created for businesses to prosper. The strategy identifies trade and retail, business services sector as the backbone of the current economy along with tourism.
Resource and asset management	The Kogelberg Biosphere a well renown biodiversity site is situated in the Overberg – this is coupled by a vast resource of natural resource heritage, beautiful landscapes and a lot hast of environmentally sensitive resources. Managing this in a sustainable manner is key to long-term retention of Overstrand's competitive advantage.
Economies of the poor	Integrating economies of the poor within the main economic hub to ensure participation and shared growth. Ensure availability of developmental services and access to infrastructure and facility that promotes trade. Township development activities aimed at promoting investment, transport hub including informal trading and beautification of townships.
Human resource development	Addressing skills shortage to bolster economic growth, ensuring availability of important services. Skills training aimed at meeting market demands for long term sustainable human development. Skills development initiatives conducted in partnership with

**Table 104: LED Strategic areas**

The progress with regard to the implementation of the LED strategy can be summarized as follows:

- Procurement that is focused on local service provider to ensure growth in the local economy – strengthen local sectors
- Infrastructure provision and support [Stephen report]
- Township development and regeneration of Economic hubs integrating transport and informal trading;
- Capacity building focusing on emerging service providers and contractors opening up opportunities to do business with the municipality;
- Providing support for SMME development through capacity building, financial support and trading facilities;
- Marketing of the municipality as a tourist destination focusing on addressing seasonality, building the image and effectiveness of Local Tourism Organisations;
- Supporting community based initiatives [15 projects] with the aim of addressing poverty and unemployment;

- Addressing unemployment through Expanded Public Works Programme, Working for Water and Coastal management;

#### 4.9.4 ECONOMIC ACTIVITY

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

Sector	2008/09 (R)	2009/10 (R)	2010/11 (R)
Agric, forestry and fishing	965.34	844.82	849.94
Mining and quarrying	5.67	5.46	4.92
Manufacturing	1778.27	1781.14	1840.64
Wholesale and retail trade	886.80	839.61	864.39
Finance, property, etc.	1617.10	1728.50	1766.83
Community and social services	298.80	296.16	297.65
Infrastructure services	543.13	590.92	600.69

*Table 105: Economic activity by sector*

#### 4.9.5 LED INITIATIVES

With a limited budget for LED Projects and one official assist with LED implementation the following initiative has been initiated as set out in the table below identifies the detail of the various LED initiatives in the municipal area:

Description of project	No of temporary Jobs created	Total Investment R'000	Amount spent to date R'000	Performance Highlights
Zwelihle Taxi Rank Precinct	79	2 264	2 264	Zwelihle Taxi Rank Precinct
Zwelihle Soccer Field	20	1 944	1 135	Zwelihle Soccer Field
Hawston & Swartdam Way	105	3 827	1 827	Hawston & Swartdam Way
Thembelihle Taxi Rank Precinct	67	2 907	892	Thembelihle Taxi Rank Precinct
Masakhane Taxi Rank Precinct	93	2 259	986	Masakhane Taxi Rank Precinct
<b>TOTAL</b>	<b>364</b>	<b>13 199</b>	<b>7 104</b>	-

*Table 106: LED initiatives*

#### 4.10 SERVICE PROVIDERS STRATEGIC PERFORMANCE

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

- a) Service provider means a person or institution or any combination of persons and institutions which provide a service to the municipality
- b) External service provider means an external mechanism referred to in section 76(b) which provides a municipal service on behalf of a municipality

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

The purpose of this section is to provide information related to the performance of external service providers for services rendered for an amount more than R200000.

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

- a) Office of the Municipal Manager

Description of services rendered	Term of contract	Performance areas	Performance rating	Performance comment	Corrective measures
None	n/a	n/a	n/a	n/a	n/a

**Table 107: Service Providers Performance – Municipal Manager**

- b) Protection Services

Description of services rendered	Term of contract	Performance areas	Performance rating	Performance comment	Corrective measures
Security	3 years	Law Enforcement & Security	Satisfactory	Conditions of Service Level Agreement not met	Placed under terms
Moving Traffic Violations	2 years	Traffic	Satisfactory	Conditions of Service Level Agreement not met	On-going negotiations
Uniforms & Protective Clothing	1 years	Traffic, Law Enforcement & Fire	Good	n/a	n/a
Animal Control	3 years	Law Enforcement	Good	n/a	n/a
Plot Clearing	3 years	Fire	Good	n/a	n/a

**Table 108: Service Providers Performance – Safety and Protection Services**

c) Economic Development Services

Description of services rendered	Term of contract	Performance areas	Performance rating	Performance comment	Corrective measures
Tourism Barometer	1 year	Conducting a Tourism Business Barometer to indicate the impact of tourism on the local economy during the winter and summer season of 2010/2011.	Satisfactory	The project overlaps seasons and each one is different to the other and the information collated could mislead. Tourism can be assessed over a variety of sectors, therefore their performances is crucial.	Sample as much as possible interviews and ensure participation of major economic drivers. Ensure relevant and up-to-date statistics to measure impact.
Upgrading Zwelihle Taxi rank & Market –	Two tenders: SC.No. 723/2010 & 725/2010 1 was 10 weeks(extended) and the other one 13 weeks (extended)	Re development of taxi rank with lockable facilities for traders, washing and maintenance facilities for taxi's, beautification and landscaping of the area and traffic calming measures for the safety of pedestrians.	Good	n/a	Finalisation of snag-list before project hand-over.
Redevelop Zwelihle Soccer Field –	10 weeks	Upgrade the fields, upgrade the facilities, provide spectator stands, lawn mower and storage facilities.	Satisfactory	Contractor performed to required standard	Follow-up on snag list to ensure completion of touch-up. This inspection is done at the end of the project
Upgrading of taxi rank in Thembelihle –facilities	10 weeks	A new taxi drop off. Collection point will be developed in close proximity of the RDP housing development. The proposed rank will establish numerous economic possibilities.	Excellent	Project delivered in good standard, on time.	n/a
Masakhane Taxi rank precinct – Taxi rank upgrade facilities and pedestrian walk way.	12 weeks – Site meetings held every 3 <sup>rd</sup> week	The project is a township beautification abd provision of infrastructure to promote local economic	Satisfactory	The project is not designed to be centred but incorporates different precincts in the community, making it complex	Precincts need to be defined separately to be viable

Description of services rendered	Term of contract	Performance areas	Performance rating	Performance comment	Corrective measures
		development through improved trading and enhancement of tourism potential		to integrate. Overall it addresses the needs of the community and attractive	
Hawston and Swartdam weg –	12 Weeks	<p>1 (a) Hawston – Development of Hawston taxi rank into economic hub and the construction of a pedestrian route to link up the existing, taxi rank with Hawston area.</p> <p>1 (b) Convert an existing market place into a township tourist hub to include a museum, informal traders, a coffee shop and community interactive facility</p>	Good	A perfect project incorporating a movement of people, transport and beautification of the township. The facilities/infrastructure is an asset to the community at large.	Community participation and involvement is a great challenge.

**Table 109: Service Providers Performance – Economic Development Services**

d) Community Services

Description of services rendered	Term of contract	Performance areas	Performance rating	Performance comment	Corrective measures
The repair and reseal of roads with ultra-thin	January – May 2011	<ul style="list-style-type: none"> <li>➤ Technical evaluation</li> <li>➤ Adhering to timeframes programme</li> <li>➤ Cost effective delivery within budget</li> <li>➤ Compliance with safety requirements</li> <li>➤ Liaison/responding with public/complaints</li> </ul>	Unsatisfactory	Delay of 2 weeks	n/a
The upgrading of finance offices Kleinmond Administration	April – June 2011	<ul style="list-style-type: none"> <li>➤ Technical evaluation</li> <li>➤ Adhering to timeframes programme</li> <li>➤ Cost effective delivery within budget</li> </ul>	Satisfactory	The service rendered by the service provider were found satisfactory	n/a
The repair and reseal of roads with ultra-thin	January – May 2011	<ul style="list-style-type: none"> <li>➤ Technical evaluation</li> <li>➤ Adhering to timeframes programme</li> </ul>	Unsatisfactory	Delay of 3 weeks	n/a

Description of services rendered	Term of contract	Performance areas	Performance rating	Performance comment	Corrective measures
		<ul style="list-style-type: none"> <li>➤ Cost effective delivery within budget</li> <li>➤ Compliance with safety requirements</li> <li>➤ Liaison/responding with public/complaints</li> </ul>			
Consulting engineering services for Overstrand pavement management contract certificate no 6	April – June 2011	<ul style="list-style-type: none"> <li>➤ Technical evaluation</li> <li>➤ Adhering to timeframes programme</li> <li>➤ Cost effective delivery within budget</li> <li>➤ Compliance with safety requirements</li> <li>➤ Liaison/responding with public/complaints</li> </ul>	Satisfactory	n/a	n/a
Consulting engineering services for Overstrand pavement management contract certificate no 5	April – June 2011	<ul style="list-style-type: none"> <li>➤ Technical evaluation</li> <li>➤ Adhering to timeframes programme</li> <li>➤ Cost effective delivery within budget</li> <li>➤ Compliance with safety requirements</li> <li>➤ Liaison/responding with public/complaints</li> </ul>	Satisfactory	n/a	n/a
Consulting engineering services for Overstrand pavement management contract certificate no 3	April – June 2011	<ul style="list-style-type: none"> <li>➤ Technical evaluation</li> <li>➤ Adhering to timeframes programme</li> <li>➤ Cost effective delivery within budget</li> <li>➤ Compliance with safety requirements</li> <li>➤ Liaison/responding with public/complaints</li> </ul>	Good	n/a	n/a
The repair and resurfacing of roads with slurry & single seals	May 2011	<ul style="list-style-type: none"> <li>➤ Technical evaluation</li> <li>➤ Adhering to timeframes programme</li> <li>➤ Cost effective delivery within budget</li> <li>➤ Compliance with safety requirements</li> <li>➤ Liaison/responding with public/complaints</li> </ul>	Unsatisfactory	Contractor 2 weeks behind schedule	n/a
Consulting engineering services for maintenance management plan	June 2011	<ul style="list-style-type: none"> <li>➤ Technical evaluation</li> <li>➤ Adhering to timeframes programme</li> <li>➤ Cost effective delivery within budget</li> </ul>	Good	n/a	n/a

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<b>Description of services rendered</b>	<b>Term of contract</b>	<b>Performance areas</b>	<b>Performance rating</b>	<b>Performance comment</b>	<b>Corrective measures</b>
Consulting engineering services for Overstrand pavement management contract certificate no 4	April – June 2011	<ul style="list-style-type: none"> <li>➤ Technical evaluation</li> <li>➤ Adhering to timeframes programme</li> <li>➤ Cost effective delivery within budget</li> <li>➤ Compliance with safety requirements</li> <li>➤ Liaison/responding with public/complaints</li> </ul>	Good	n/a	n/a
Monthly support of Plantman and eMIS in terms of SLA	June 2011	<ul style="list-style-type: none"> <li>➤ Technical evaluation</li> <li>➤ Adhering to timeframes programme</li> <li>➤ Cost effective delivery within budget</li> </ul>	Satisfactory	n/a	n/a
Supply of hand-held devices to support of Plantman and eMIS	June 2011	<ul style="list-style-type: none"> <li>➤ Technical evaluation</li> <li>➤ Adhering to timeframe/programme</li> <li>➤ Training</li> </ul>	Satisfactory	n/a	n/a
Upgrading of streets & sidewalks in Overstrand	November 2009 – June 2011	<ul style="list-style-type: none"> <li>➤ Quality of product</li> <li>➤ Delivery time</li> <li>➤ Correct quantity</li> </ul>	Satisfactory	n/a	n/a
Cleaning of ablution facilities in Zwelihle	March – June 2011	<ul style="list-style-type: none"> <li>➤ Quality of product</li> <li>➤ Delivery time</li> <li>➤ Correct quantity</li> </ul>	Satisfactory	n/a	n/a
Footpath construction in Vermont, Sandbaai, Soutpan & Hoy's Koppie	May –June 2011	<ul style="list-style-type: none"> <li>➤ Quality of product</li> <li>➤ Delivery time</li> <li>➤ Correct quantity</li> </ul>	Satisfactory	n/a	n/a
Electrical Maintenance	December 2010 – December 2013	<ul style="list-style-type: none"> <li>➤ Quality of product</li> <li>➤ Delivery time</li> <li>➤ Correct quantity</li> </ul>	Satisfactory	n/a	n/a
Clean-up of internal residential areas (Masakhane)	July 2010 – June 2011	<ul style="list-style-type: none"> <li>➤ Cleaning of road surfaces</li> <li>➤ Cleaning of public open spaces</li> <li>➤ Cleaning of informal settlements</li> <li>➤ Cleaning of ablution blocks</li> <li>➤ Transport of collected refuse</li> </ul>	Good	n/a	n/a
Clean-up of internal residential areas (Masakhane / Beverley Hills)	July 2010 – June 2011	<ul style="list-style-type: none"> <li>➤ Cleaning of road surfaces</li> <li>➤ Cleaning of public open spaces</li> <li>➤ Cleaning of informal settlements</li> <li>➤ Cleaning of ablution</li> </ul>	Good	n/a	n/a



Description of services rendered	Term of contract	Performance areas	Performance rating	Performance comment	Corrective measures
		blocks ➤ Transport of collected refuse			
Clean-up of internal residential areas (Eluxolweni)	July 2010 – June 2011	➤ Cleaning of road surfaces ➤ Cleaning of public open spaces ➤ Cleaning of informal settlements ➤ Cleaning of ablution blocks ➤ Transport of collected refuse	Good	n/a	n/a

**Table 110: Service Providers Performance – Community Services**

e) Financial Services

Description of services rendered	Term of contract	Performance areas	Performance rating	Performance comment	Corrective measures
Execution of a General and Supplementary valuation roll	1 August 2008 – 30 July 2012	-Cost effective delivery within budget	Good	The service rendered by the service provider were found satisfactory	n/a
		-Information received is according to specifications			
		-Feedback on queries			
Execution of a General and Supplementary valuation	1 February 2011–30 June 2015	-Cost effective delivery within budget	Good	The service rendered by the service provider were found satisfactory	n/a
		-Information received is according to specifications			
		-Feedback on queries			
Collection of Monies – (Easy pay, Pay@, SAPO)	Open end	Timeously deposit of monies in the Overstrand bank account	Good	The service rendered by the service provider were found satisfactory	n/a
Prepaid Electricity distribution to vendors, collection of customers in arrears with prepaid meters	1 September 2009 – 31 August 2012	Timeously deposit of monies in the Overstrand bank account	Good	The service rendered by the service provider were found satisfactory	n/a
		-Cost effective delivery within budget			n/a
Reading of water and electricity meters	1 September 2009 – 31 August 2012	-Cost effective delivery within budget	Good	The service rendered by the service provider were found satisfactory	n/a
Printing and Distribution of Municipal Accounts and Newsletters	01 July 2010 – 30 June 2013	Cost effective delivery within budget	Good	The service rendered by the service provider were found satisfactory	n/a
Postage of Accounts and Newsletter	n/a	Cost effective delivery within budget	Satisfactory	The service rendered by the service provider were found satisfactory	n/a

**Table 111: Service Providers Performance – Financial Services**

f) Management Services

Description of services rendered	Term of contract	Performance areas	Performance rating	Performance comment	Corrective measures
Business Engineering: Collaborator Foundation System – On-site support	1 November 2010 – 31 October 2011	Two full support days per week	Good	Supplier were on site for 3 days a week	n/a
		Site Health Management	Satisfactory	Fully effective	n/a
		Pro-active support	Good	Fully effective	n/a
		Re-active support	Satisfactory	Fully effective	n/a
		Training	Satisfactory	Fully effective	n/a
		Workflow optimisation	Satisfactory	Fully effective	n/a
		Administration	Satisfactory	Fully effective	n/a
		Technical support	Good	Supplier were on site for 3 days a week	n/a
Human Resources	Annual Service Level Agreement	Employee Records Leave Post Module Employment Equity Skills Development Health and Safety Labour Relations	Satisfactory	Fully effective	Monthly SLA visits by Payday Consultant, where problems are discussed and address
Performance Management System	3 yrs	SDBIP	Good	Outstanding service	n/a
		PMS	Good	Outstanding service	n/a
Legal Services	As required	Legal Services/ Opinions	Good	Highly skilled and competent services providers	n/a

**Table 112: Service Providers Performance – Management Services**

g) Infrastructure and Planning Services

Description of services rendered	Term of contract	Performance areas	Performance rating	Performance comment	Corrective measures
Consulting Engineering Services: Neil Lyners &	Tender Period	Quality of Technical Solutions and Advice	Good	Good	Letters were sent to suppliers if rating were below 60 %

Description of services rendered	Term of contract	Performance areas	Performance rating	Performance comment	Corrective measures
Associates		Quality of Project Management, Contract Admin and Site Supervision	Good	Good	n/a
		Response time to request and queries	Good	Good	n/a
Consulting Engineering Services: Jan Palm Consulting Engineers	Tender Period	Quality of Technical Solutions and Advice	Good	Good	n/a
		Quality of Project Management, Contract Admin and Site Supervision	Good	Good	n/a
		Response time to request and queries	Good	Good	n/a
Consulting Engineering Services: Element Consulting Engineers (Pty) Ltd	Tender Period	Quality of Technical Solutions and Advice	Good	Good	n/a
		Quality of Project Management, Contract Admin and Site Supervision	Good	Good	n/a
		Response time to request and queries	Good	Good	n/a
Consulting Engineering Services: BKS (Pty) Ltd	Tender Period	Quality of Technical Solutions and Advice	Good	Good	n/a
		Quality of Project Management, Contract Admin and Site Supervision	Good	Good	n/a
		Response time to request and queries	Good	Good	n/a
Consulting Engineering Services: Qunu Consulting (Pty)	Tender Period	Quality of Technical Solutions and Advice	Good	Good	n/a
		Quality of Project Management, Contract Admin	Good	Good	n/a

Description of services rendered	Term of contract	Performance areas	Performance rating	Performance comment	Corrective measures
		and Site Supervision			
		Response time to request and queries	Good	Good	n/a
Consulting Engineering Services: Worley Parsons	Tender Period	Quality of Technical Solutions and Advice	Good	Good	n/a
		Quality of Project Management, Contract Admin and Site Supervision	Good	Good	n/a
		Response time to request and queries	Good	Good	n/a
Consulting Engineering Services: A vd Merwe	Tender Period	Quality of Technical Solutions and Advice	Good	Good	n/a
		Quality of Project Management, Contract Admin and Site Supervision	Good	Good	n/a
		Response time to request and queries	Good	Good	n/a
Consulting Engineering Services: SRK Consulting South Africa	Tender Period	Quality of Technical Solutions and Advice	Good	Good	n/a
		Quality of Project Management, Contract Admin and Site Supervision	Good	Good	n/a
		Response time to request and queries	Good	Good	n/a
Consulting Engineering Services: Umvoto Africa	Tender Period	Quality of Technical Solutions and Advice	Good	Good	n/a
		Quality of Project Management, Contract Admin and Site Supervision	Good	Good	n/a
		Response time to	Good	Good	n/a

Description of services rendered	Term of contract	Performance areas	Performance rating	Performance comment	Corrective measures
		request and queries			
Consulting Engineering Services: Aurecon	Tender Period	Quality of Technical Solutions and Advice	Good	Good	n/a
		Quality of Project Management, Contract Admin and Site Supervision	Good	Good	n/a
		Response time to request and queries	Good	Good	n/a

**Table 113: Service Providers Performance – Infrastructure and Planning Services**

## CHAPTER 5

### FUNCTIONAL PERFORMANCE



## CHAPTER 5: FUNCTIONAL PERFORMANCE

This chapter provides information on the functional performance of the municipality on the implementation of the Top Layer and Departmental SDBIP for 2010/11.

The municipal functional areas are as indicated below:

Municipal Function	Municipal Function Yes / No
<b>Constitution Schedule 4, Part B functions:</b>	
Air pollution	No
Building regulations	Yes
Child care facilities	Yes
Electricity and gas reticulation	Yes
Fire fighting services	Yes
Local tourism	Yes
Municipal airports	No
Municipal planning	Yes
Municipal health services	No
Municipal public transport	Yes
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law	Yes
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto	Yes
Stormwater management systems in built-up areas	Yes
Trading regulations	Yes
Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems	Yes
<b>Constitution Schedule 5, Part B functions:</b>	
Beaches and amusement facilities	Yes
Billboards and the display of advertisements in public places	Yes
Cemeteries, funeral parlours and crematoria	Yes
Cleansing	Yes
Control of public nuisances	Yes
Control of undertakings that sell liquor to the public	Yes
Facilities for the accommodation, care and burial of animals	Yes
Fencing and fences	Yes
Licensing of dogs	Yes
Licensing and control of undertakings that sell food to the public	No

Municipal Function	Municipal Function Yes / No
Local amenities	Yes
Local sport facilities	Yes
Markets	Yes
Municipal abattoirs	No
Municipal parks and recreation	Yes
Municipal roads	Yes
Noise pollution	Yes
Pounds	Yes
Public places	Yes
Refuse removal, refuse dumps and solid waste disposal	Yes
Street trading	Yes
Street lighting	Yes
Traffic and parking	Yes

**Table 114: Functional Areas**

## 5.1 PERFORMANCE HIGHLIGHTS PER FUNCTIONAL AREAS

Directorate/ Functional area	Sub Directorate	Highlights
<b>Council and Municipal Manager</b>	Municipal Manager	Provided strategic and management leadership in various fields/projects
	Council	Continuous monitoring of attending to all incoming mail and the prompt execution of all Mayoral and Council resolutions via the collaborator electronic system
	Internal Audit	Assisted in obtaining third successive unqualified audit. Top level audit committees.
<b>Management Services</b>	Communications	Comprehensive communication strategy in place to ensure well informed community and stakeholders, utilising media relations (5 local weekly newspapers, 3 monthly newspapers, 2 magazines, 1 community radio station as well as the broad spectrum of national and regional media), monthly municipal newsletter, regular internal staff newsletter, bulletin boards, community information boards, exhibitions, brochures, advertising, external website, ward committees, etc.
	Human Resource	Developed and implemented a Tuned Assessment of Skills and Knowledge (TASK) Policy. Implemented TASK job evaluation in full for all job levels with effect from March 2009.
		Implementation of Performance Management for post levels T6 – T19
	Information Technology	Developed an Information Communication Technology (ICT) Service Delivery Framework to enable effective ICT Governance and to ensure ICT delivers "value for money".
		Developed a Management Information System (e-Dashboard), primarily for financial information but will be expanded to also incorporate all other systems
		Processes with regard to the implementation of Data Centre Virtualisation and Complete Disaster Recovery commenced during the year under review and will be



Directorate/ Functional area	Sub Directorate	Highlights
		finalized during 2011/2012 financial year.
		A centralised back-up management system for Information Communication Technology was completed and commissioned during year under review
	Legal Services	The adoption of two important by-laws, ie Outdoor Signage & Advertising and Liquor Trading Hours in order to regulate advertisements and liquor trade respectively. These by-laws ensure the setting of uniform standards in the Overstrand municipal area.
	Strategic Services	Rolling out of upgraded Performance Management System
<b>Financial Services</b>	All sub-directorates	Establishment of a purchasing department specifically tasked to perform all procurement related activities for the procurement of goods and services with a value up to R30 000
		Development and implementation of an electronic requisition system to service all user departments
		Establishment of an in-house debt collection function to ensure a more efficient and effective debt collection function
		Establishment of a costing function to enable cost analysis.
		The structure of the supply chain management unit was amended and approved during the 2010/11 financial year. The new extended organogram now covers the following areas of supply chain management: Demand management ➤ Demand planning and specifications Acquisition management ➤ Procurement of goods & services below R 30 000 ➤ Procurement of goods & services above R 30 000 (tender processes) Logistics management :inventory management
		The re-organisation extended the staff complement in the supply chain management unit from 14 officials to a total of 22 officials.
		Six officials in the Supply Chain Management Unit are currently involved in the Municipal Financial Management Programme which will result in the attainment of the competency levels in terms of the Competency Regulations
		A huge change in the organogram brought about the establishment of the Buyers Section in the Overstrand Municipality. Previously it was the responsibility of operational officials to scour the town (taking time calling or using Council resources to go to suppliers) for quotations for any procurement transactions. This modus operandi led to operational officials spending their time with procurement duties and not with the actual service delivery which was their primary focus. These officials have also been exposed to a lot of risks which included biased specifications and procurement, possible corruption and fraud. The Buyers Section is specifically tasked to perform all procurement related actions for the procurement of goods and services with a value up to R30 000 and this freed up the operational officials to focus on their primary duties
		The Buyers Section also developed and implemented an electronic requisitioning system to service all user departments.
		It used to be the responsibility of the stores officials to issue orders, which averaged almost 25 000 orders per year. With the implementation of the Buyers Section the

Directorate/ Functional area	Sub Directorate	Highlights
		stores officials are now allowed the time and opportunity to focus on their primary duties being the custodians of the inventory.
		The Municipal Stores were revamped and streamlined. Initially the 4 stores were operated independently from each other with separate inventory coding systems within the FMS. With the transfer of procurement functions, specifically the issuance of orders, from the municipal stores to the buyer section, this left us with more capacity to amalgamate the systems into a single inventory coding system across all the stores which in turn enabled us to improve the management of the inventory, improved the management of inventory levels and lead to improved distribution of inventory between the stores and assisted with improved cash flow management, as less funds are tied up in inventory on our shelves.
		Regular inventory counts have been conducted, with one in December 2010 and the annual stock take in May 2011.
		Establishment of an in-house debt collection function to ensure a more efficient and effective debt collection function
		The Income Department has increased from 57 officials to 65 to ensure that a more effective service is delivered to the community
		Five officials in the Income Department are currently involved in the Municipal Financial Management Programme which will result in the attainment of the competency levels in terms of the Competency Regulations
		Fifteen officials successfully completed the Local Government Accounting Certificate.
		The Indigent register has grown from 2 864 to 5 241 households in 2010/11
<b>Community Services</b>	Gansbaai Administration	The Gansbaai Administration in partnership with the Independent Development Trust and Safiro successfully completed a poverty alleviation and community development project during March 2011. More than R300 000 was spent on a job creation project where 300 jobless people were used for a period of one (1) month to clean up municipal and state land, public beaches and informal residential areas.
		More than 20 000 refuse bags were filled and transported with the support of municipal infrastructure to the landfill site. The project however was much more than picking up litter. Participants were involved in tarring of streets, painting of community facilities, maintenance of municipal infrastructure (streets and stormwater), beautification of town entrances and the removal of alien vegetation.
		It was indeed an unbelievable experience to share the excitement of the participants in earning money to cater for the basic needs of their families. The appreciation to earn as little as R1 000 for a full months hard work (under awkward circumstances) was really heart breaking. The hunger of jobless people to make an honest attempt to improve their quality of living was indeed something special. An average of 80% attendance was achieved for the duration of the project.
		This project was a perfect example of a best practice of good intergovernmental relationships and community participation where Non-governmental Organisations played a critical role to change the quality of life of our community in partnership with the local- and provincial government. The project certainly puts Overstrand Municipality and Cape Nature in a position to attend to important matters that were neglected in the past due to a lack of manpower. It is trusted that the success and results of this project will pave the way to similar projects which will enhance co-operative governance in the best interest of our community in future.
	Hangklip/Kleinmond	The liaison between the Municipality and all sectors of the community at grassroots level took place with results of an extremely high standard, due to the ward

Directorate/ Functional area	Sub Directorate	Highlights
	Administration	committees for Wards 9 and 10 which operated very effectively.
		Ward committee meetings during the 2010/2011 year consisted of seven ordinary meetings, three public meetings, one special meeting and one informal meeting for each of the ward committees. The special meetings were held to discuss matters of exigency and which could affect the greater local committees. Items on the agenda relating to the municipal budget and development in the different wards, always proved to be matters which were discussed in much detail
		The liaison between the Municipality and all sectors of the community The average attendance of the Ward 10 ward committee was eight out of ten members while the average attendance of the Ward 9 ward committee was seven out of nine members.
	Hermanus Administration	Hoy's Koppie upgrade, now wheelchair friendly
		Relief road
		Market Square
		Cliff path
		Sms system
		Blue Drop / Green Drop Status
		Blue Flag Status: successfully managed 3 international blue flag beaches for Blue Flag season 1 Dec 2010 until 31 March 2011, namely: Hawston swimming beach, Grotto swimming beach and Kleinmond swimming beach.
		Greening of Sophumelela corridor Zwelihle area (planted grass, trees, erected benches and refuse bins)
		Re-planting of grass at Mt Pleasant soccer fields
		Redesigning of garden and eco-pond ( in working order) at entrance to Corporate Building at Head Office and
		Maintain parking areas gardens at Gearing's Point and Marine Hotel
		Development of additional public and visitors parking bays at Head Office, Hermanus
		Pavements in Aberdeen and Broad streets: kerbstone and paving done
		Wall built at sewage treatment works at Schulphoek Boulevard for security reasons
		Boreholes operational in December 2010 to assist with water crisis
		Ward Committee Election 2011: election of new generation ward committee members for Overstrand Municipality – was completed by 9 June 2011.
	Stranford Administration	Erection of Taxi Rank in Thembelihle, Standford
	Housing Administration	Verification of the housing waiting list. The verification period was held between 23 August 2010 and 30 October 2010 to update the housing waiting list to reflect the latest and accurate information of potential beneficiaries. Total beneficiaries on waiting list as on 14 February 2011 = 5945.
		The assistance to 252 families, who lost all their possessions in a devastating fire in the Overhills informal settlement, Kleinmond on 21 August 2011
		The recognition that Overstrand Municipality received for its electronic housing waiting list (database). During an international conference which was held from 11-13 October

Directorate/ Functional area	Sub Directorate	Highlights
		2010 and which was well represented by international delegates, Overstrand Municipality was hailed by the Head of Department : Human Settlements, Western Cape as the only municipality with an electronic database (housing waiting list) in the Western Cape (if not in the country). Overstrand Municipality also won the housing award from the South African Housing Foundation at this conference
		Kleinmond 410 housing project. The handover and signing of the sale agreements of the first 32 low cost houses on 17 November 2010. The project consists of 410 low cost houses. The Title Deeds were subsequently registered on 08 March 2011 in the Deeds Office
		Swartdam Corridor Housing Project. Community meetings were held with the affected communities, Mount Pleasant and Zwelihle, on 23 and 24 March 2011 respectively to unveil the above housing projects. A Social Compact committee was also established during this process
		The completion of 13 low cost houses in Betty's Bay in June 2011. The sale agreements were signed with the beneficiaries on 15 June 2011 and the Title Deeds were registered in the Deeds Office on 11 August 2011
	Special Projects	Three Christmas cultural events for the elderly took place at Mount Pleasant, Gansbaai and Stanford
		Overstrand rugby tournament: Mayoral cup took place at Mount Pleasant
		Overberg sports day for the elderly took place at Zwelithle
		Overstrand Youth day event took place at Gansbaai
		Overstrand soccer tournament: Mayoral cup took place at Zwelithle
		Thirty six Local Labour promotion project
<b>Protection Services</b>	Fire Management	Major fires were successfully contained without loss of buildings or lives. Staff and Reservists underwent intensive training. Fire awareness campaigns were successfully executed and public awareness was enhanced.
	Law Enforcement and Security Services	Successful execution of By-law enforcement. Successful investigations of Building and Town Planning related transgressions. High profile areas like Blue flag beaches, Rotary way and Fernkloof were policed and no serious incidents or losses of lives were reported.
	Traffic Services	For the first time in Overstrand, still cameras for moving traffic violations were installed. A major festivals and events in terms of road policing were successfully executed in accordance to operational plans. Learners from the Zwelihle Primary school were successfully trained as Scholar patrols.
<b>Economic Development</b>	LED	Training and capacity initiatives
		Focus on local procurement including emerging service providers
		EPWP and job creation initiatives
		Township development, beautification
<b>Infrastructure and Planning Services</b>	Building Services	Compliant plans approved within 21 days range between 95% - 100%. Building projects completed on time. - 3840 Inspections done. - 1316 Plans approved
	Environmental Services	The Overstrand Municipality created and filled a new post of Manager: Environmental Management Services. The new manager very successfully improved and formalized the structure of the Section and placed the Section on a good platform to develop further.

Directorate/ Functional area	Sub Directorate	Highlights
		<p>The Working for Water project continues to go from strength to strength and again achieved 100% expenditure of the budget. In recognition of our good performance, the Department Of Water Affairs once again increase or funding as follows:</p> <p>2009/10 – R3.1m                  2010/11 – R4.7m (52% increase on previous year)                  2011/12 – R6.0m (28% increase on previous year)</p>
	GIS	<p>The Overstrand Municipality received a "Special Achievement in GIS" award at the 2011 ESRI International Users Conference in San Diego, California, USA. This award is given to user sites around the world to recognize outstanding work with Geographic Information System (GIS) technology. The IUC was attended by 15 000 delegates from 126 countries.</p> <p>The award was for the development of GIS skills within the municipality, the capture and cleaning up of data, the design of databases, the development of procedures and programs, management of projects involving spatial data and the implementation of web deployed applications</p>
	Project Management and Development Control	<p>The Overstrand Municipality once again achieved a 100% expenditure of our MIG allocation.</p> <p>Another highlight was the completion of the Hermanus CBD Relief Road. This project was first identified in 1990 as a priority to alleviate traffic congestion in the Hermanus CBD. Due to other pressing priorities, the project could never be funded until construction started in 2009. The total cost of the road was R24m.</p>
	Town Planning, Spatial Development and Property Administration	<p>The Overstrand Municipality completed its Growth Management Strategy. The Strategy was approved by Council on 26 January 2011 as a Sectoral Plan of the Spatial Development Framework and the Integrated Development Plan. Overstrand is the first municipality to complete such a comprehensive, integrated long term planning strategy for urban growth management and densification.</p> <p>In recognition of this achievement the Overstrand Municipality received the South African Planning Institute's National Award for the best town planning project in the Municipal category in 2010.</p>
	Engineering Planning	<p>Compliant plans approved within 21 days range between 95% - 100%. Building projects completed on time. - 3840 Inspections done. - 1316 Plans approved.</p>
		<p>Winner of the Western Cape Provincial Cleanest Town competition (Solid Waste Management).</p>
		<p>The recycling at source programme was extended during April 2011 to include the Greater Gansbaai area. A Material Recovery Facility, equipped with a conveyor belt, was commissioned in Hermanus during August 2010 (Solid Waste Management).</p>

**Table 115: Performance highlights per functional area**

## 5.2 OVERVIEW OF PERFORMANCE

The performance statistics in the table below and all the graphs in the following sub paragraphs include performance in terms of the Departmental SDBIP, which measures operational performance, as well as, the performance in terms of the Top Layer SDBIP. The graph for each directorate is an overview of the overall results of all the KPI's measured in terms of the municipal SDBIP performance management system.

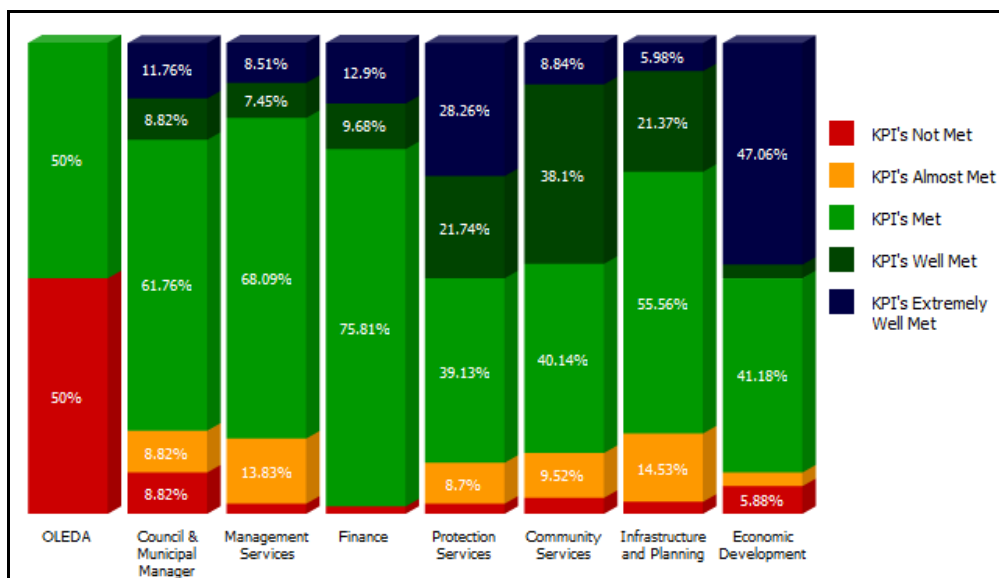
The results in the table below indicate that all directorates improved on their performance from the 2009/10 financial year. The directorate that improved the most was Economic Development Services with a **26%** improvement followed by Management Services with a **12%** improvement. The municipality managed to improve from **83%** to **87%** overall.

Directorates	Financial Year	Total KPIs	KPIs Extremely Well Met	KPIs Well Met	KPIs Met	KPIs almost Met	KPIs not Met	% of KPI's met (100% and above)
Council and Municipal Manager	2009/10	41	n/a	n/a	33	2	6	<b>80</b>
	2010/11	34	4	3	21	3	3	<b>82</b>
OLEDA	2009/10	n/a	n/a	n/a	n/a	n/a	n/a	<b>n/a</b>
	2010/11	2	0	0	1	0	1	<b>50</b>
Management Services	2009/10	72	n/a	n/a	52	11	9	<b>72</b>
	2010/11	94	9	7	63	13	2	<b>84</b>
Protection Services	2009/10	38	n/a	n/a	34	1	3	<b>89</b>
	2010/11	46	13	10	18	4	1	<b>89</b>
Financial Services	2009/10	52	n/a	n/a	50	0	2	<b>96</b>
	2010/11	62	8	6	47	0	1	<b>98</b>
Community Services	2009/10	155	n/a	n/a	132	12	11	<b>85</b>
	2010/11	146	15	53	58	14	6	<b>86</b>
Infrastructure and Planning Services	2009/10	121	n/a	n/a	101	7	13	<b>83</b>
	2010/11	118	7	26	65	17	3	<b>83</b>
Economic Development Services	2009/10	34	n/a	n/a	24	11	1	<b>65</b>
	2010/11	34	16	1	14	1	2	<b>91</b>
<b>Overstrand Municipality</b>	2009/10	<b>513</b>	n/a	n/a	<b>424</b>	<b>44</b>	<b>45</b>	<b>83</b>
	2010/11	<b>536</b>	<b>69</b>	<b>108</b>	<b>289</b>	<b>52</b>	<b>18</b>	<b>87</b>

**Table 116: Summary of total performance**

*Note: The table above does not include KPI's not measured yet in the Top Layer and Departmental SDBIP*

The following graph indicates the overall results of all the KPI's measured of the various directorates in terms of the municipal SDBIP performance management system



**Graph 11: Overall performance of directorates**

### 5.3 PERFORMANCE PER FUNCTIONAL AREA (DEPARTMENTAL/OPERATIONAL SDBIP)

#### 5.3.1 COUNCIL AND MUNICIPAL MANAGER

Council and Municipal Manager consist of the following divisions:

- Municipal Manager
- Council
- Internal Audit

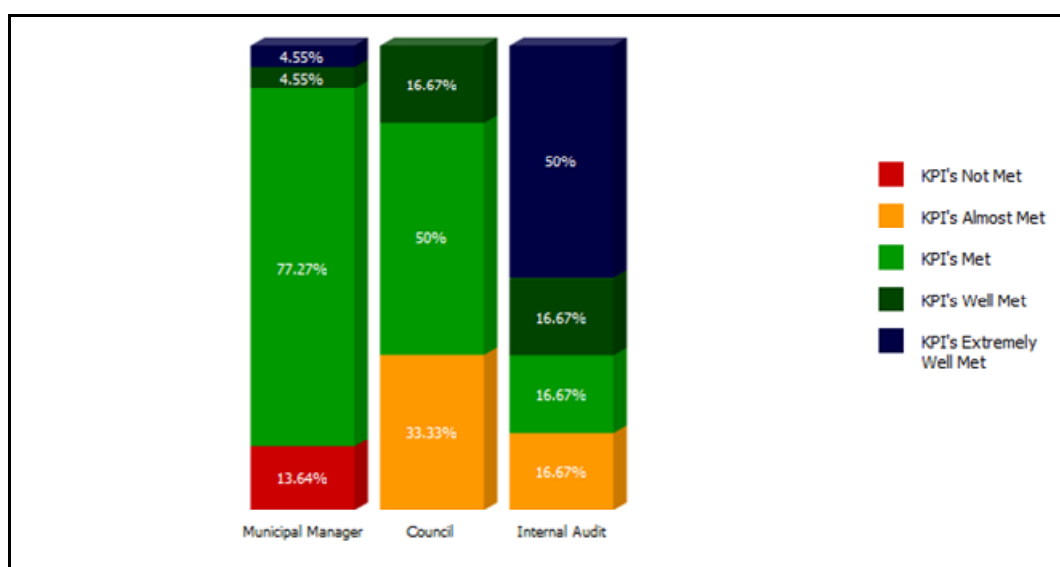
The Operational Key Performance Indicators for Council and Municipal Manager are aligned to the following National Key Performance Areas, Municipal Key Performance Areas and the IDP Strategic Objectives:

National Key Performance Area	Municipal Key Performance Area	IDP Strategic Objectives
Good Governance and Public Participation	Good governance	Provision of democratic and accountable governance
Municipal Financial Viability and Management	Financial viability	Provision of democratic and accountable governance
Municipal Transformation and Institutional Development	Transformation and institutional capacity	Provision of democratic and accountable governance
Basic Service Delivery	Basic services and infrastructure	Provision and maintenance of municipal

National Key Performance Area	Municipal Key Performance Area	IDP Strategic Objectives
		services
Local Economic Development	Local Economic Development	Promotion of tourism, economic and rural development

**Table 117: Functional alignment – Council and Municipal Manager**

The following graph indicates the overall results of all the KPI's measured of the various sub-directorates within the Council and Municipal Manager directorate in terms of the municipal SDBIP performance management system



**Graph 12: Council and Municipal Manager Sub-directorate performance**

### 5.3.2 MANAGERMENT SERVICES

Management Services consists of the following divisions:

- Director: Management Services
- Communications
- Council and Support Services
- Human Resources
- Information Technology
- Legal Services
- Strategic Services

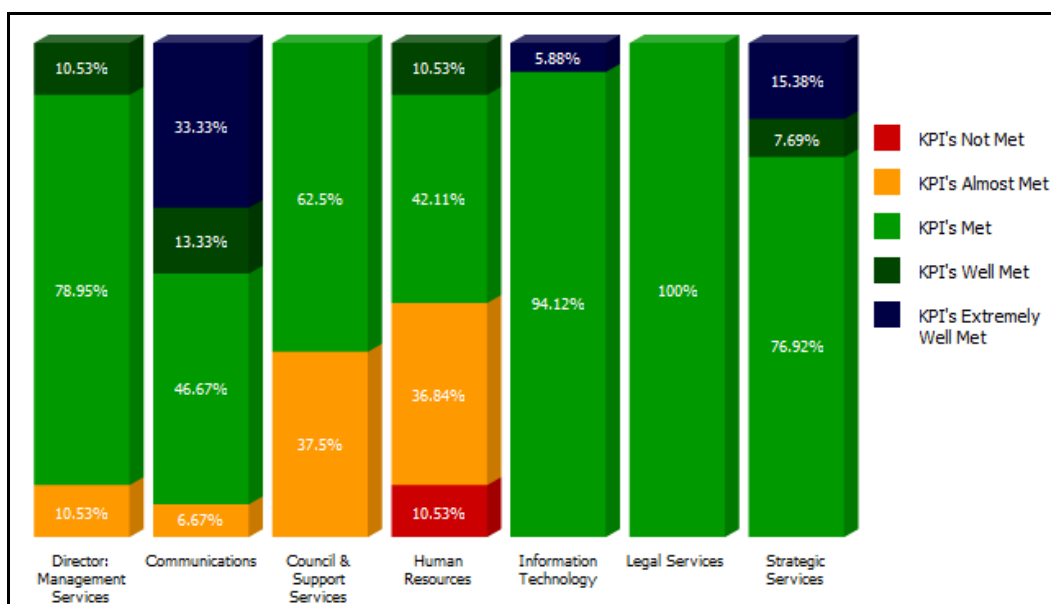


The Operational Key Performance Indicators for Corporate Services are aligned to the following National Key Performance Areas, Municipal Key Performance Areas and the IDP Strategic Objectives:

National Key Performance Area	Municipal Key Performance Area	IDP Strategic Objectives
Good Governance and Public Participation	Good governance	Provision of democratic and accountable governance
Municipal Financial Viability and Management	Financial viability	Provision of democratic and accountable governance
Municipal Transformation and Institutional Development	Transformation and institutional capacity	Provision of democratic and accountable governance
Basic Service Delivery	Basic services and infrastructure	Provision and maintenance of municipal services
Local Economic Development	Local Economic Development	Promotion of tourism, economic and rural development

**Table 118: Functional alignment – Management Services**

**The following graph indicates the overall results of all the KPI's measured of the various sub-directorates within the Management Services directorate in terms of the municipal SDBIP performance management system**



**Graph 13: Management Services sub-directorate performance**

### 5.3.3 FINANCIAL SERVICES

Financial Services consists of the following divisions:

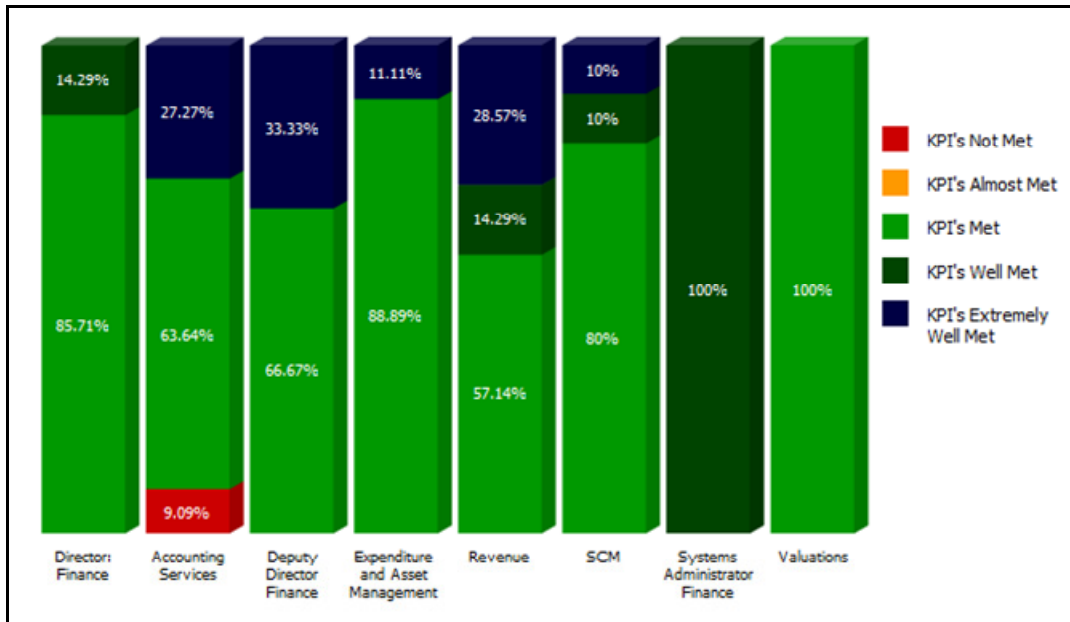
- Director: Finance
- Accounting Services
- Deputy Director Finance
- Expenditure and Asset Management
- Revenue
- SCM
- Systems Administrator Finance
- Valuations

The Operational Key Performance Indicators for Corporate Services are aligned to the following National Key Performance Areas, Municipal Key Performance Areas and the IDP Strategic Objectives:

National Key Performance Area	Municipal Key Performance Area	IDP Strategic Objectives
Good Governance and Public Participation	Good governance	Provision of democratic and accountable governance
Municipal Financial Viability and Management	Financial viability	Provision of democratic and accountable governance
Municipal Transformation and Institutional Development	Transformation and institutional capacity	Provision of democratic and accountable governance
Basic Service Delivery	Basic services and infrastructure	Provision and maintenance of municipal services
Local Economic Development	Local Economic Development	Promotion of tourism, economic and rural development

**Table 119: Functional alignment – Financial Services**

The following graph indicates the overall results of all the KPI's measured of the various sub-directorates within the Financial Services directorate in terms of the municipal SDBIP performance management system



Graph 14: Financial Services sub-directorate performance

#### 5.3.4 COMMUNITY SERVICES

Community Services consists of the following divisions:

- Director: Community Services
- Deputy Director: Community Services
- Area Management: Gansbaai
- Area Management: Hangklip/Kleinmond
- Area Management: Hermanus
- Area Management: Stanford
- Housing Administration
- Operational Management: Gansbaai
- Operational Management: Hangklip/Kleinmond
- Operational Management: Hermanus
- Operational Management: Stanford

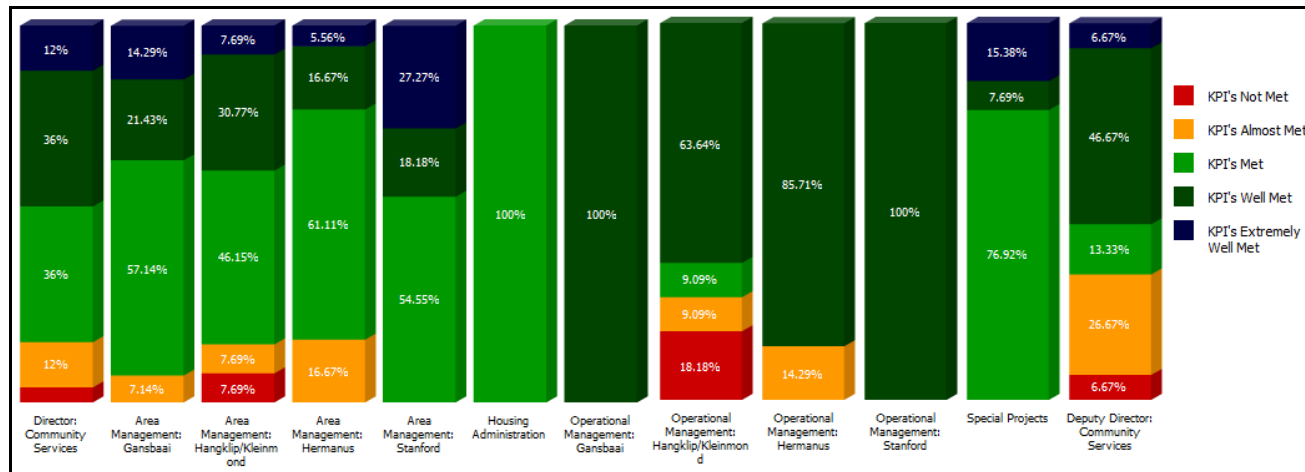
➤ Special Projects

The Operational Key Performance Indicators for Corporate Services are aligned to the following National Key Performance Areas, Municipal Key Performance Areas and the IDP Strategic Objectives:

National Key Performance Area	Municipal Key Performance Area	IDP Strategic Objectives
Good Governance and Public Participation	Good governance	Provision of democratic and accountable governance
Municipal Financial Viability and Management	Financial viability	Provision of democratic and accountable governance
Municipal Transformation and Institutional Development	Transformation and institutional capacity	Provision of democratic and accountable governance
Local Economic Development	Basic services and infrastructure	Provision and maintenance of municipal services
Basic Service Delivery	Local Economic Development	Promotion of tourism, economic and rural development

**Table 120: Functional alignment – Community Services**

**The following graph indicates the overall results of all the KPI's measured of the various sub-directorates within the Community Services directorate in terms of the municipal SDBIP performance management system**



**Graph 15: Community Services sub-directorate performance**

### 5.3.5 PROTECTION SERVICES

Protection Services consists of the following divisions:

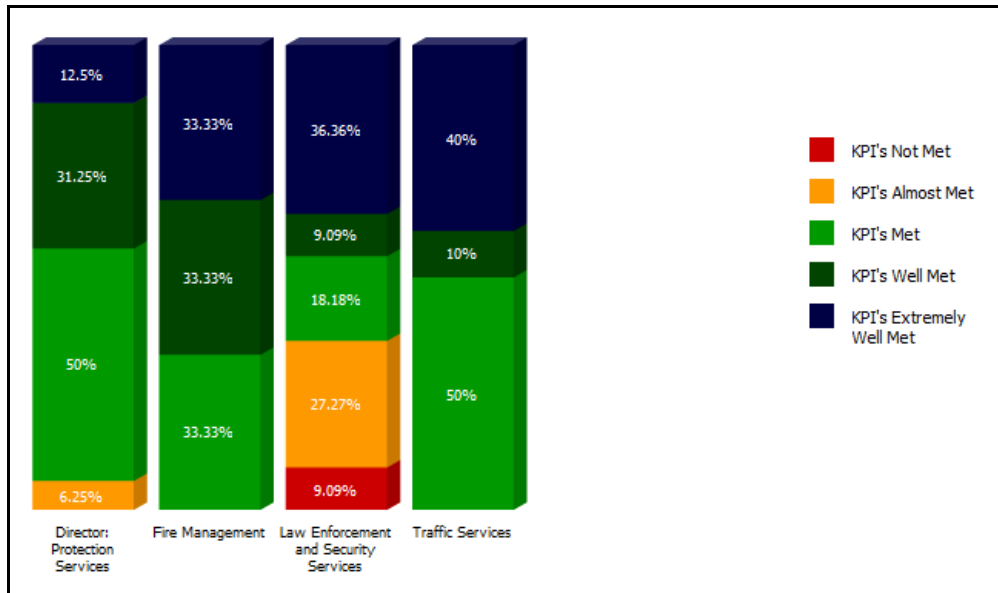
- Director: Protection Services
- Fire Management
- Law Enforcement and Security Services
- Traffic Services

The Operational Key Performance Indicators for Corporate Services are aligned to the following National Key Performance Areas, Municipal Key Performance Areas and the IDP Strategic Objectives:

National Key Performance Area	Municipal Key Performance Area	IDP Strategic Objectives
Good Governance and Public Participation	Good governance	Provision of democratic and accountable governance
Municipal Financial Viability and Management	Financial viability	Provision of democratic and accountable governance
Municipal Transformation and Institutional Development	Transformation and institutional capacity	Provision of democratic and accountable governance
Local Economic Development	Basic services and infrastructure	Provision and maintenance of municipal services
Basic Service Delivery	Local Economic Development	Promotion of tourism, economic and rural development

**Table 121: Functional alignment – Protection Services**

The following graph indicates the overall results of all the KPI's measured of the various sub-directorates within the Protection Services directorate in terms of the municipal SDBIP performance management system



**Graph 16: Protection Services sub-directorate performance**

### 5.3.6 INFRASTRUCTURE AND PLANNING SERVICES

Infrastructure and Planning Services consists of the following divisions:

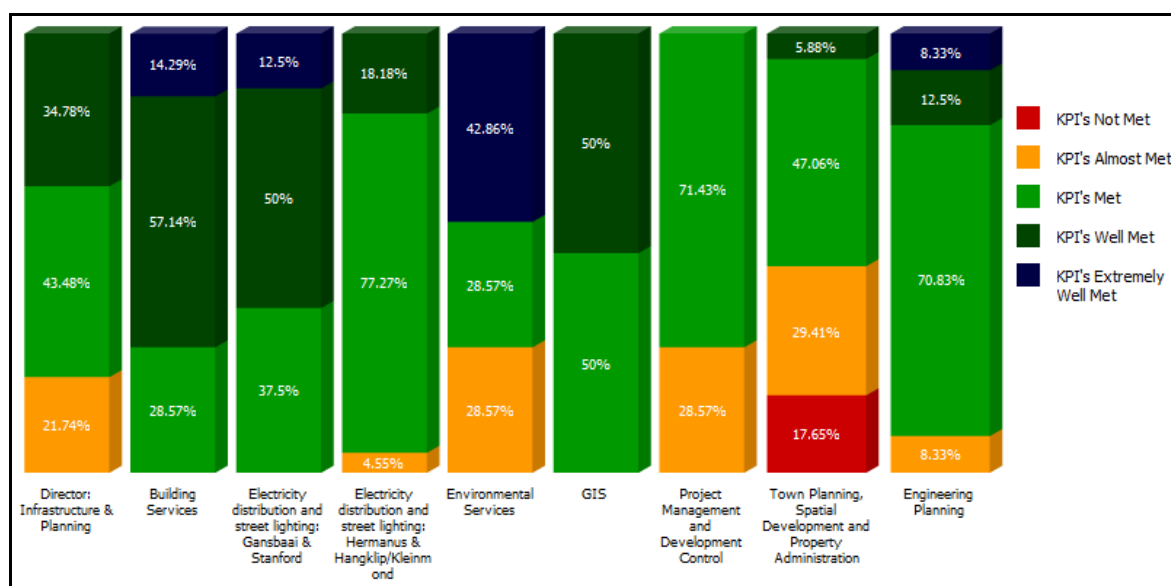
- Director: Infrastructure and Planning
- Building Services
- Electricity distribution and street lighting: Gansbaai & Stanford
- Electricity distribution and street lighting: Hermanus & Hangklip/Kleinmond
- Environmental Services
- GIS
- Project Management and Development Control
- Town Planning, Spatial Development and Property Administration
- Engineering Planning

The Operational Key Performance Indicators for Corporate Services are aligned to the following National Key Performance Areas, Municipal Key Performance Areas and the IDP Strategic Objectives:

National Key Performance Area	Municipal Key Performance Area	IDP Strategic Objectives
Good Governance and Public Participation	Good governance	Provision of democratic and accountable governance
Municipal Financial Viability and Management	Financial viability	Provision of democratic and accountable governance
Municipal Transformation and Institutional Development	Transformation and institutional capacity	Provision of democratic and accountable governance
Local Economic Development	Basic services and infrastructure	Provision and maintenance of municipal services
Basic Service Delivery	Local Economic Development	Promotion of tourism, economic and rural development

**Table 122: Functional alignment – Infrastructure and Planning Services**

The following graph indicates the overall results of all the KPI's measured of the various sub-directorates within the Infrastructure and Planning Services directorate in terms of the municipal SDBIP performance management system



**Graph 17: Infrastructure and Planning Services sub-directorate performance**

### 5.3.7 ECONOMIC DEVELOPMENT SERVICES

Economic Development Services consists of the following sub functions (sub directorates):

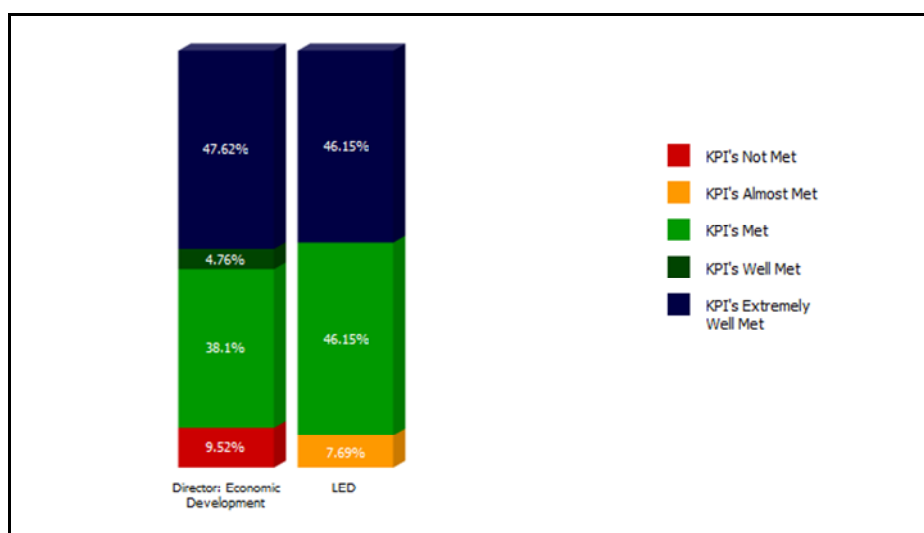
- Director: Economic Development
- LED

The Operational Key Performance Indicators for Corporate Services are aligned to the following National Key Performance Areas, Municipal Key Performance Areas and the IDP Strategic Objectives:

National Key Performance Area	Municipal Key Performance Area	IDP Strategic Objectives
Good Governance and Public Participation	Good governance	Provision of democratic and accountable governance
Municipal Financial Viability and Management	Financial viability	Provision of democratic and accountable governance
Municipal Transformation and Institutional Development	Transformation and institutional capacity	Provision of democratic and accountable governance
Local Economic Development	Basic services and infrastructure	Provision and maintenance of municipal services
Basic Service Delivery	Local Economic Development	Promotion of tourism, economic and rural development

**Table 123: Functional alignment – Economic Development Services**

The following graph indicates the overall results of all the KPI's measured of the various sub-directorates within the Economic Development directorate in terms of the municipal SDBIP performance management system



**Graph 18: Economic Development Services sub-directorate performance**



### 5.3.8 OLEDA

OLEDA consists of the following sub functions (sub directorates):

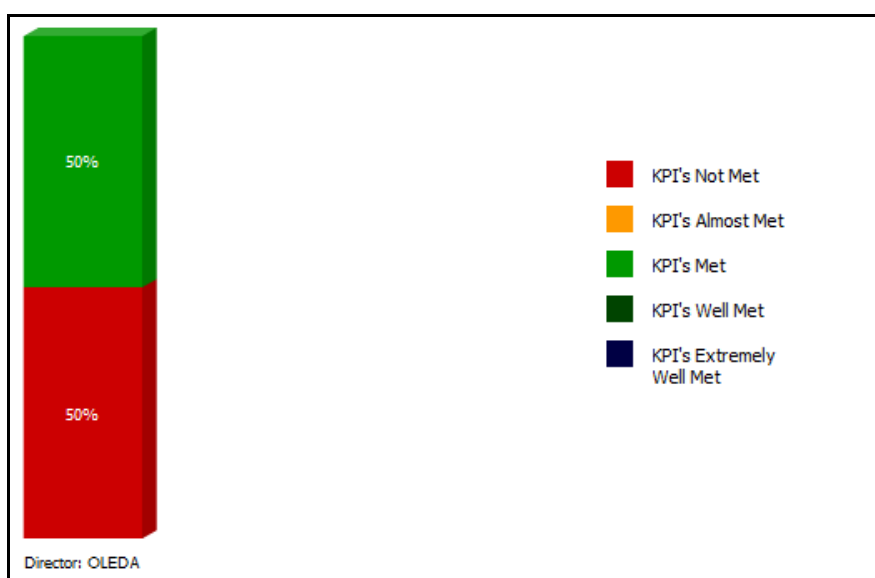
- Director: OLEDA

The Operational Key Performance Indicators for OLEDA are aligned to the following National Key Performance Areas, Municipal Key Performance Areas and the IDP Strategic Objectives:

National Key Performance Area	Municipal Key Performance Area	IDP Strategic Objectives
Municipal Transformation and Institutional Development	Transformation and institutional capacity	Provision of democratic and accountable governance

**Table 124: Functional alignment – OLEDA**

The following graph indicates the overall results of all the KPI's measured of the various sub-directorates within the OLEDA in terms of the municipal SDBIP performance management system



**Graph 19: OLEDA sub-directorate performance**

## CHAPTER 6

### FINANCIAL PERFORMANCE



## CHAPTER 6: FINANCIAL PERFORMANCE

### 6.1 NATIONAL KEY PERFORMANCE INDICATORS - MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT

The following table indicates the municipality's performance in terms of the National Key Performance Indicators required in terms of the Local Government: Municipal Planning and the Performance Management Regulations of 2001 and section 43 of the MSA. These key performance indicators are linked to the National Key Performance Area namely Municipal Financial Viability and Management.

KPA & INDICATOR	2007/08	2008/09	2009/10	2010/11
Debt coverage ((Total operating revenue-operating grants received)/debt service payments due within the year)	26.1	18.7	23.3	27
Service debtors to revenue – (Total outstanding service debtors/ revenue received for services)	23%	15.1%	14.3%	13.3%
Cost coverage ((Available cash+ investments)/ Monthly fixed operating expenditure	6.97	0.99	1.25	3.83

**Table 125: National KPI's for financial viability and management**

### 6.2 FINANCIAL VIABILITY HIGHLIGHTS

Highlight	Description
Audit Report	Unqualified
Payment / Collection Ratio	45.5 Days
% Spent Capital Budget	94%
% Spent Operational Budget	98%
% Income Recovered	102%

**Table 126: Financial Viability Highlights**

### 6.3 FINANCIAL VIABILITY CHALLENGES

Challenge	Action to address
The municipality's cost coverage ratio had dipped below the required level of 1.2:1. Provincial Treasury has urged the municipality to address the decline in this ratio.	Electricity deposits have been reviewed to be in line with the municipality's tariff policy. Customers have been encouraged to convert to prepaid electricity or update their deposit equal to two months average consumption.

**Table 127: Financial Viability Challenges**

## 6.4 FINANCIAL SUSTAINABILITY

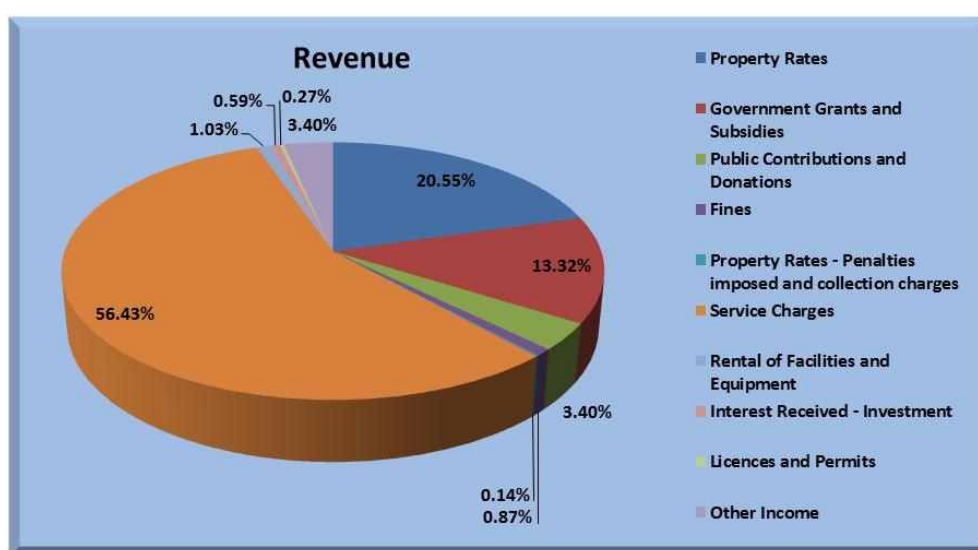
### 6.4.1 OPERATING RESULTS

The table below shows a summary of performance against budgets

Financial Year	Revenue				Operating expenditure			
	Budget	Actual	Diff.	%	Budget	Actual	Diff.	%
	R'000	R'000	R'000		R'000	R'000	R'000	
<b>2008/09</b>	435 261	413 958	21 303	(4.89)	411 737	398 149	13 588	3.30
<b>2009/10</b>	527 619	531 948	(4 329)	(0.82)	587 595	555 473	32 122	5.47
<b>2010/11</b>	584 660	663 526	(78 866)	13.49	682 262	703 080	(20 818)	(3.05)

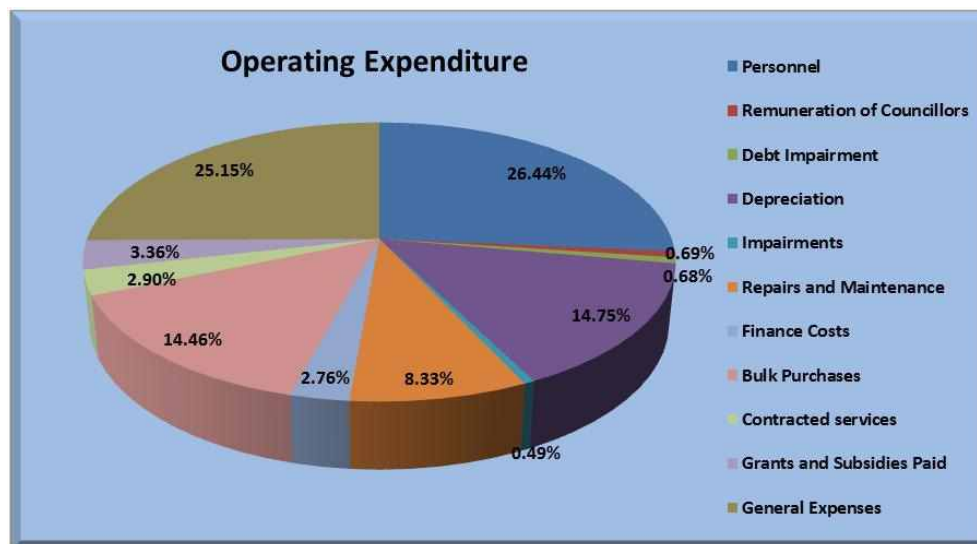
*Table 128: Performance against budgets*

The following graph indicates the various types of revenue items in the municipal budget for 2010/11



*Graph 20: Revenue*

The following graph indicates the various types of expenditure items in the municipal budget for 2010/11



Graph 21 Operating expenditure

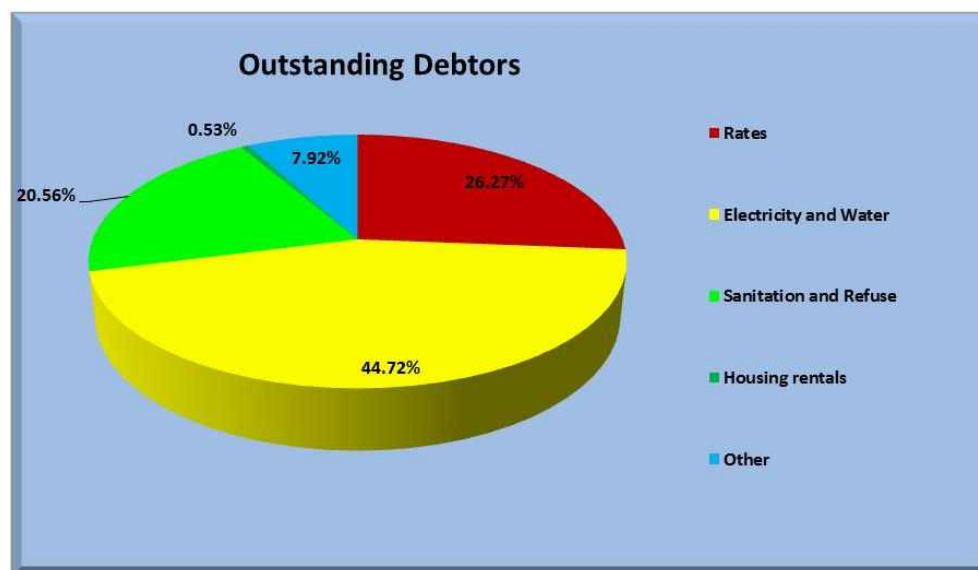
#### 6.4.2 OUTSTANDING DEBTORS

##### A) GROSS OUTSTANDING DEBTORS PER SERVICE

Financial year	Rates	Trading services	Economic services	Housing rentals	Other	Total
		(Electricity and Water)	(Sanitation and Refuse)			
	R'000	R'000	R'000	R'000	R'000	R'000
2008/09	14 389	23 128	12 634	325	2 850	53 326
2009/10	14 836	26 282	13 700	364	2 945	58 127
2010/11	16 905	28 782	13 230	344	5 094	64 355
Difference	2 069	2 500	(470)	(20)	2 149	6 228
% growth year on year	26.27%	44.72%	20.56%	0.53%	7.92%	100.00%

Table 129: Gross outstanding debtors per service

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



Graph 22: Debt per type of service

B) TOTAL DEBTORS AGE ANALYSIS

Financial year	Less than 30 days	Between 30-60 days	Between 60-90 days	More than 90 days	Total
	R'000	R'000	R'000	R'000	R'000
2008/09	25 319	5 213	2 181	20 613	53 326
2009/10	28 662	5 352	1 838	22 275	58 127
2010/11	35 712	5 077	2 672	20 893	64 355
Difference	7 050	(275)	834	(1 382)	6 228
% growth year on year	24.50	(5.14)	45.38	(6.20)	10.70

Table 130: Service debtor age analysis

Note: Figures exclude provision for bad debt

### 6.4.3 VIABILITY INDICATORS

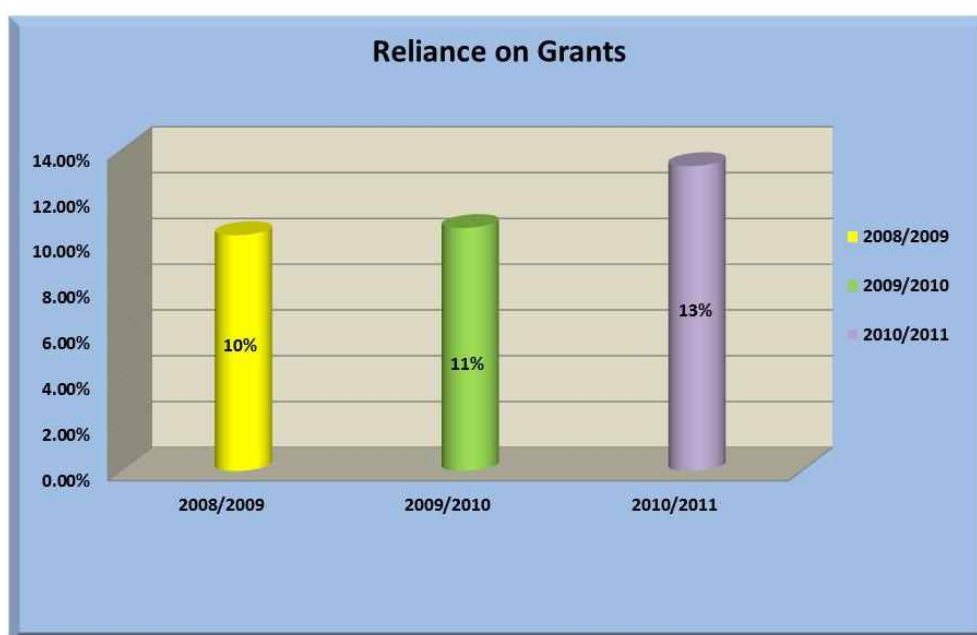
#### A) LEVEL OF RELIANCE ON GRANTS AND SUBSIDIES

Financial year	Total grants and subsidies received	Total Operating Revenue	Percentage
	R'000	R'000	
2008/09	44 098	428 146	10
2009/10	54 180	510 531	11
2010/11	83 616	627 929	13

**Table 131: Reliance on grants**

The municipality is more reliant on grants to finance expenditure than other municipalities with the same nature, due to our limited revenue raising capacity.

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



**Graph 23: Reliance on grants as %**

## B) LIQUIDITY RATIO

Financial year	Net current assets	Net current liabilities	Ratio
	R'000	R'000	
2008/09	114 851	139 082	0.83
2009/10	118 262	105 182	0.11
2010/11	164 695	126 049	1.3

Table 132: Liquidity ratio

## 6.4.4 AUDITED OUTCOMES

Year	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
	Adverse	Unqualified	Unqualified	Unqualified	Unqualified	Unqualified

Table 133: Audit outcomes

The following table provides the details on the audit outcomes for the past three financial years with the correctives steps implemented:

2008/09	
Issue raised	Corrective step implemented
<b>Emphasis of matter:</b>	
<b>Irregular expenditure</b> – As disclosed in note 49 to the financial statements, irregular expenditure to the amount of R3 255 603 was incurred as a result of deviations from the supply chain management regulations.	The irregular expenditure was condoned in accordance with the municipality's Supply Chain Management Policy. Procedures were implemented to prevent, detect and correct the occurrence of irregular expenditure.
<b>Emphasis of matter:</b>	
<b>Material losses</b> – As disclosed in the accounting officer's report, the municipality suffered a significant electricity loss of 23 476 405 kilowatts per hour which equates to 11% of electricity purchases. A monetary value could not be determined for the loss as the municipality could not provide the required information. Included in this amount is the municipality's own electricity usage for streetlights, water pump stations, sewerage plants, etc. which, due to the lack of information, cannot be distinguished from that used for the provision of services. For the 2009/2010 financial year the municipality is installing meters to read/monitor the usage.	The municipality embarked on a project to reduce electricity losses. An electricity meter audit was conducted and it was found that many of the losses were due to electricity that was not metered. Meters have been installed and/or replaced.
The municipality also suffered a significant water loss of 2 533 697 kiloliters which equates to 28% of the bulk water volume. At the cost of R2 865 per kiloliter to purify, the value of the loss is R7 259 042. The main reason for this is due to the old infrastructure in the Kleinmond area. The budget for the 2009/10 financial year includes an amount of R2 000 000 for the replacement of old infrastructure.	The municipality performed a water meter audit. It was identified that meters were under performing by not registering the correct readings. A water meter replacement programme was developed and is in the process of being implemented.  Areas were identified where infrastructure needs to be replaced. These areas have been prioritised on the municipality's capital replacement programme.



2008/09	
Issue raised	Corrective step implemented
<b>Non-compliance with regulatory requirements:</b>	
<b>Content of integrated development plan-</b> The integrated development plan of the Overstrand Municipality did not include the key performance indicators and performance targets determined in terms of its performance management system, as required by sections 26(i) and 41(1)(b) of the MSA and section 12 of the Municipal Planning and Performance Management Regulations, 2001 (regulations), issued in <i>GNR. 796 of 24 August 2001</i> .	The IDP was revised to include the key performance indicators as required by sections 26(i) and 41(1)(b) of the MSA and section 12 of the Municipal Planning and Performance Management Regulations.
<b>Service level agreement entered into with municipal entity-</b> The service level agreement entered into with the Overstrand Local Economic Development Agency (OLEDA) is not linked to the municipality's key performance indicators and also does not include key performance indicators set by the municipality for OLEDA in terms of section 76(b) of the MSA and section 9(2)(b)(ii) of the regulations	OLEDA was closed in June 2010 due the onerous legislative requirements of the Companies Act and other legislation.
<b>Comparison with previous year's performance-</b> The annual performance report prepared by the municipality does not reflect a comparison of the performances with targets set for and performances in the previous financial year in terms of section 46(1)(b) of the MSA. Furthermore measures taken to improve performance are not disclosed in terms of section 46(1)(c) of the MSA.	An electronic performance management system was implemented to enable the municipality to report on its performance and comply with section 41 of the Municipal Systems Act.
<b>Inconsistently reported performance information</b> The municipality has not reported on 67 of its performance with regards to its indicators and targets as per the approved service delivery and budget implementation plan (SDBIP) (16% of indicators and targets reviewed). No evidence could be provided that these changes had been approved. The municipality reported on one indicator and target in addition to those as per the approved SDBIP (0.2% of indicators and targets reviewed). The municipality has not reported consistently on its performance in respect of eight indicators and targets when comparing the key performance indicators and targets set in the SDBIP to that reported in its annual performance report (2% of indicators and targets reviewed). Furthermore, Indicators and targets are not directly linked to the strategic objectives per the integrated development plan.	The Service Delivery and Budget Implementation Plan were revised to ensure that the key performance indicators adhere to the SMART principles. An electronic performance management system was implemented to enable the municipality to report effectively on its performance.
<b>Reported performance information not reliable-</b> Sufficient appropriate audit evidence in relation to the reported performance information could not be obtained for 40 key performance indicators (10% of indicators reviewed), as the relevant source documentation could not be provided for audit purposes.	The requirements of a portfolio of evidence were work shopped with user departments to ensure that the source documentation agrees to the performance reported.
<b>Source information not accurate and complete-</b> The	The requirements of a portfolio of evidence were work

2008/09	
Issue raised	Corrective step implemented
source information or evidence provided to support the reported performance information for 69 key performance indicators did not adequately support the accuracy and completeness of the facts (17% of indicators reviewed).	shopped with user departments to ensure that the source documentation agrees to the performance reported.
<b>Incomplete reporting on all indicators and targets-</b> The actual achievements on 89 key performance indicators and targets specified in the SDBIP of the Overstrand Municipality were not reported on (22% of indicators and targets reviewed).	An electronic performance management system was implemented to enable the municipality to report effectively on its performance.

*Table 134: 2008/09 Detail on audit outcomes*

2009/10	
Issue raised	Corrective step implemented
<b>Emphasis of matter:</b>	
<b>Restatement of corresponding figures-</b> As disclosed in note 2 to the financial statements, the corresponding figures for 30 June 2009 have been restated as a result of errors discovered during 2010 in the financial statements of the Overstrand Municipality at, and for the year ended, 30 June 2009.	The corrections were made prior to the submission of the annual financial statements for audit.
<b>Emphasis of matter:</b>	
<b>Material losses-</b> As disclosed in note 54 to the financial statements, material water losses to the amount of R9 195 433 (27.43%) was incurred.	The municipality is in the process of implementing a water meter replacement programme. Areas were identified where infrastructure needs to be replaced. These areas have been prioritised on the municipality's capital replacement programme.
<b>Non-compliance with regulatory requirements:</b>	
The annual performance report prepared by the municipality does not reflect a comparison of the performance of the municipality during the financial year with targets set for and performances in the previous financial year in terms of section 46(1)(b) of the MSA. Furthermore measures taken to improve performance are not disclosed in terms of section 46(1)(c) of the MSA.	An electronic performance management system was implemented to enable the municipality to report on its performance and comply with section 41 of the Municipal Systems Act.
<b>Indicators per the integrated development plan (IDP) inconsistent with the indicators reflected in the service delivery and budget implementation plan (SDBIP) -</b> Twenty nine (29%) of performance indicators in the IDP is not aligned with the SDBIP as required by section 38(a) of the MSA, as the changes made to the SDBIP to correctly reflect the performance indicators were not reconciled to the IDP.	The key performance indicators per the integrated development plan were reviewed to ensure that it is consistent with the service delivery and budget implementation plan.
<b>Reported performance targets not specific -</b> For the selected development priorities / objectives, 86% of the targets reflected in the annual performance report that are	The key performance targets were reviewed to ensure that it complies with the SMART principles.

2009/10	
Issue raised	Corrective step implemented
expressed as a percentage were not specific as the nature and required level of performance were not clearly defined. It is therefore not clear from the annual performance report how the percentages are derived when the targets were initially determined.	
<b>Supply Chain Management (SCM) Regulations</b> - The municipality's SCM policy is not consistent with SCM regulation 13(1)(c), as it states that it will only obtain proof of whether persons are in the service of the state for written quotations and bids greater than R30 000. This has resulted in the municipality transacting with a supplier whose director is in the service of the state.	The supply chain management policy was amended to ensure that it is consistent with the supply chain management regulations.

Table 135: 2009/10 Detail on audit outcomes

2010/11	
Issue raised	Corrective steps
<b><u>Compliance with laws and regulations</u></b>	
<b><u>Procurement and contract management</u></b>	
Awards were made to providers whose directors/principal shareholders are persons in service of other state institutions in contravention with the requirements of the Municipal Supply Chain Management (SCM) Regulations, 2005 (GNR. 868 of 30 May 2005), regulation 44. Furthermore the providers failed to declare that they were in the service of the state as required by SCM regulation 13(c).	<ol style="list-style-type: none"> <li>Processes have been initiated to institute punitive measures against suppliers who perjured themselves by making false declarations as regards their own involvement and/or relationships with persons in the service of the state.</li> <li>Engaged with the Provincial Treasury to establish a process for developing a database for use by local authorities in the province containing information relating to persons in the service of the state.</li> </ol>
<b><u>Expenditure management</u></b>	
The accounting officer did not take all reasonable steps to prevent irregular expenditure, as disclosed in note 41 to the financial statements, as required by section 62(1)(d) of the MFMA.	Procedures have been implemented to ensure that all irregular expenditure is prevented and detected as far as possible.

Table 136: 2010/11 Detail on audit outcomes

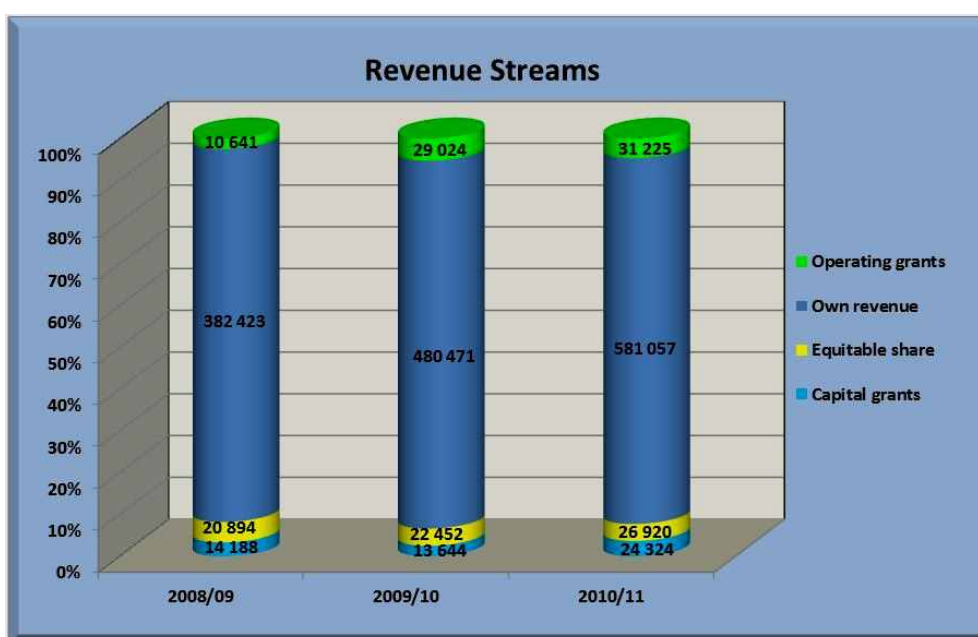
#### 6.4.5 EQUITABLE SHARE VS TOTAL REVENUE

Description of revenue	Amount received 2008/09	Amount received 2009/10	Amount received 2010/11
	R'000	R'000	R'000
Equitable share	20 894	22 452	26 920
Capital grants	14 188	13 644	24 324
Operating grants	10 641	29 024	31 225

Description of revenue	Amount received 2008/09	Amount received 2009/10	Amount received 2010/11
	R'000	R'000	R'000
Own revenue	382 423	480 471	581 057
Total revenue	428 146	545 591	663 526

Table 137: Equitable share vs. total revenue

The following graph indicates the various revenue streams of the municipality for the past three financial years



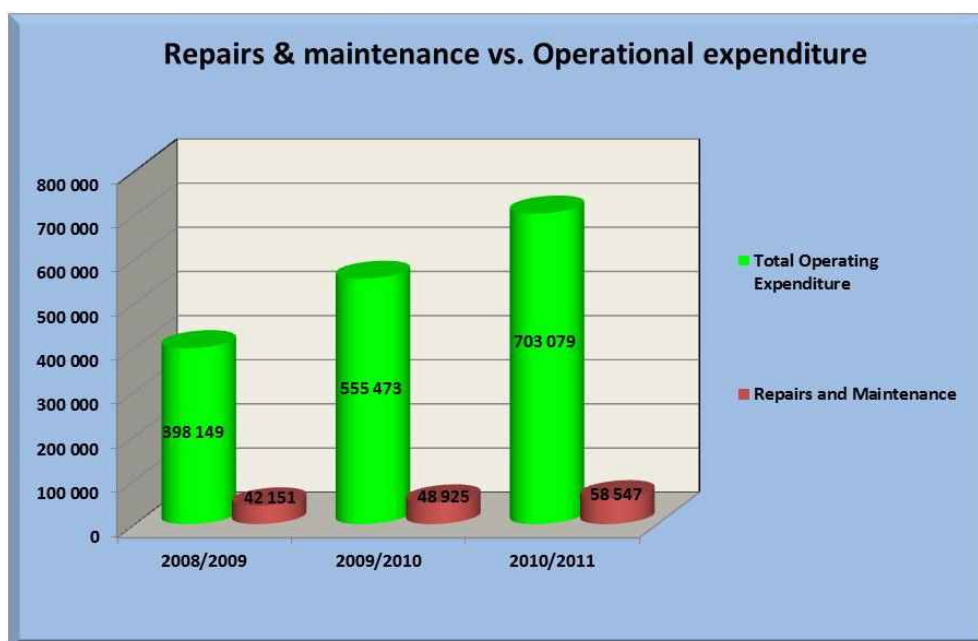
Graph 24: Revenue streams

#### 6.4.6 REPAIRS AND MAINTENANCE

Description	2008/09	2009/10	2010/11
	R'000	R'000	R'000
Total Operating Expenditure	398 149	555 473	703 079
Repairs and Maintenance	42 151	48 925	58 547
% of total OPEX	10.59	8.81	8.33

Table 138: Repairs & maintenance as % of total OPEX

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



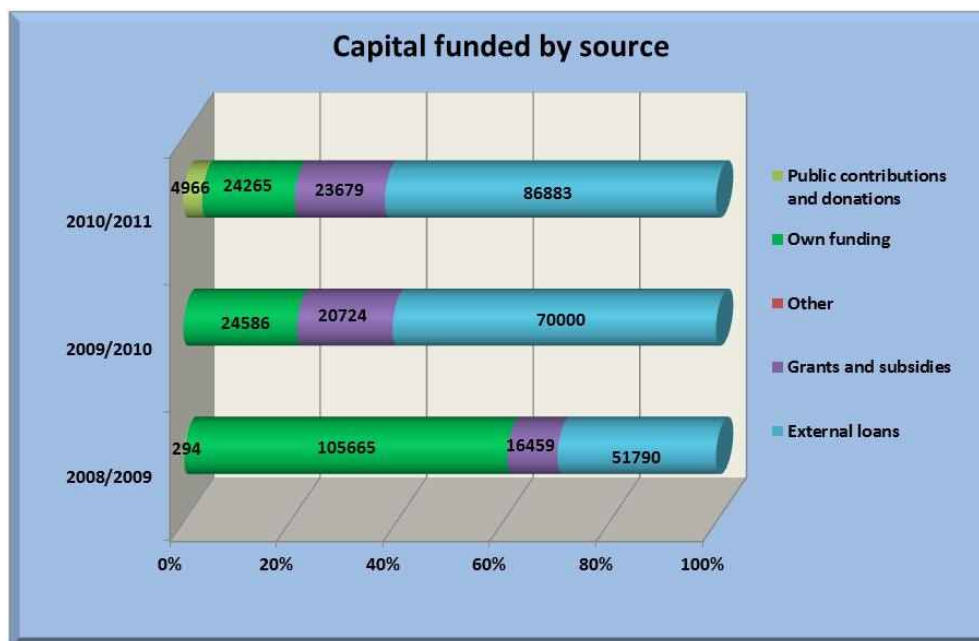
*Graph 25: Repairs and maintenance as percentage of OPEX*

#### 6.4.7 CAPITAL FUNDED BY SOURCE

Description Source	2008/09	2009/10	2010/11
	R'000	R'000	R'000
External loans	51 790	70 000	86 883
Grants and subsidies	16 459	20 724	23 679
Public contributions and donations	294	0	4 966
Own funding	105 665	24 586	24 265
Other	0	0	0
<b>Total capital expenditure</b>	<b>174 209</b>	<b>115 310</b>	<b>139 795</b>

*Table 139: Capital funded by source*

The following graph indicates capital expenditure funded by the various sources



*Graph 26: Capital funded by source*

## LIST OF ABBREVIATIONS

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<b>AG</b>	Auditor-General
<b>CAPEX</b>	Capital Expenditure
<b>CBP</b>	Community Based Planning
<b>CFO</b>	Chief Financial Officer
<b>DPLG</b>	Department of Provincial and Local Government
<b>DWAF</b>	Department of Water Affairs and Forestry
<b>EE</b>	Employment Equity
<b>GAMAP</b>	Generally Accepted Municipal Accounting Practice
<b>GRAP</b>	Generally Recognised Accounting Practice
<b>HR</b>	Human Resources
<b>IDP</b>	Integrated Development Plan
<b>IFRS</b>	International Financial Reporting Standards
<b>IMFO</b>	Institute for Municipal finance officers
<b>KPA</b>	Key Performance Area
<b>KPI</b>	Key Performance Indicator
<b>LED</b>	Local Economic Development
<b>MAYCOM</b>	Executive Mayoral Committee
<b>MFMA</b>	Municipal Finance Management Act (Act No. 56 of 2003)
<b>MIG</b>	Municipal Infrastructure Grant
<b>MM</b>	Municipal Manager
<b>MMC</b>	Member of Mayoral Committee
<b>MSA</b>	Municipal Systems Act No. 32 of 2000
<b>MTECH</b>	Medium Term Expenditure Committee
<b>NGO</b>	Non-governmental organisation
<b>NT</b>	National Treasury

<b>OPEX</b>	Operating expenditure
<b>PMS</b>	Performance Management System
<b>PT</b>	Provincial Treasury
<b>SALGA</b>	South African Local Government Organisation
<b>SAMDI</b>	South African Management Development Institute
<b>SCM</b>	Supply Chain Management
<b>SDBIP</b>	Service Delivery and Budget Implementation Plan
<b>SDF</b>	Spatial Development Framework
<b>MPI</b>	Municipal Productivity Index



ANNEXURE A: FINANCIAL STATEMENTS

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## ANNEXURE B: REPORT OF THE AUDITOR GENERAL

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### REPORT OF THE AUDITOR-GENERAL TO THE WESTERN CAPE PROVINCIAL PARLIAMENT AND THE COUNCIL ON OVERSTRAND MUNICIPALITY

#### REPORT ON THE FINANCIAL STATEMENTS

##### Introduction

1. I have audited the accompanying financial statements of the Overstrand Municipality, which comprise the statement of financial position as at 30 June 2011, and the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out in Annexure A pages 2 to 60.

##### Accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with the South African Standards of Generally Recognised Accounting Practices (SA Standards of GRAP) and the requirements of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2010 (Act No. 1 of 2010) (DoRA), and for such internal control as management determines necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

##### Auditor-General's responsibility

3. As required by section 188 of the Constitution of the Republic of South Africa, 1996 and section 4 of the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), my responsibility is to express an opinion on these financial statements based on my audit.
4. I conducted my audit in accordance with International Standards on Auditing and *General Notice 1111 of 2010* issued in *Government Gazette 33872 of 15 December 2010*. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the

financial statements.

6. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### **Opinion**

7. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Overstrand Municipality as at 30 June 2011, and its financial performance and cash flows for the year then ended in accordance with SA Standards of GRAP and the requirements of the MFMA and DoRA.

### **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

8. In accordance with the PAA and in terms of *General notice 1111 of 2010*, issued in *Government Gazette 33872 of 15 December 2010*, I include below my findings on the annual performance report as set out on pages 64 to 109 and material non-compliance with laws and regulations applicable to the municipality.

#### **Predetermined objectives**

9. No material findings relating to the presentation, usefulness and reliability of performance information remained unresolved.

#### **Compliance with laws and regulations**

##### **Procurement and contract management**

10. Awards were made to providers whose directors/principal shareholders are persons in service of other state institutions in contravention with the requirements of the Municipal Supply Chain Management (SCM) Regulations, 2005 (GNR. 868 of 30 May 2005), regulation 44. Furthermore the providers failed to declare that they were in the service of the state as required by SCM regulation 13(c).

##### **Expenditure management**

11. The accounting officer did not take all reasonable steps to prevent irregular expenditure, as disclosed in note 41 to the financial statements, as required by section 62(1)(d) of the MFMA.

### **INTERNAL CONTROL**

12. In accordance with the PAA and in terms of *General notice 1111 of 2010*, issued in *Government Gazette 33872 of 15 December 2010*, I considered internal control relevant to my audit, but not for the purpose of expressing an opinion on the effectiveness of internal control. The matters reported below are limited to the significant deficiencies that resulted in the findings on compliance with laws and regulations included in this report.

## Leadership

13. The accounting officer was unable to establish procedures to enable and support the execution of internal control objectives, to ensure compliance with SCM regulation 44(1)(a) and paragraph 43(1)(a) of the SCM policy, to verify the accuracy of declarations of suppliers in relation to their status of being in the service of the state.

## OTHER REPORTS

### Investigations

14. As reported in paragraph 23 of the prior year audit report, allegations were made of irregular procurement of goods and / or services, including a possible conflict of interest at Hermanus Waste Water Treatment Works and also the Water Purification Works. Two companies regularly supplying quotations did not exist as all the contact information on the quotations were fictitious.
15. As reported in paragraph 24 of the prior year audit report, there are possible fraudulent claims in respect of the Working for Water project carried out on behalf of the Department of Water Affairs and Forestry. Allegations of negligence and breach of fiduciary duty are under investigation.
16. A fraud case relating to an official who misled the public by giving wrongful information regarding the municipality's banking details was finalised and the official was dismissed.

*Auditor-General*  
Cape Town

30 November 2011



AUDITOR-GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*

## **ANNEXURE C: REPORT OF THE AUDIT & PERFORMANCE AUDIT COMMITTEE**

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### **ANNUAL OVERSIGHT REPORT OF THE AUDIT AND PERFORMANCE AUDIT COMMITTEE FOR THE FINANCIAL YEAR ENDED 30 JUNE 2011**

#### **1. Introduction**

The Audit Committees are independent statutory committees appointed by the Council in terms of section 166 of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003). We are pleased to present our oversight report for the financial year ended 30 June 2011.

#### **2. AUDIT COMMITTEE**

##### **2.1 Members**

The Committee consists of four members none of whom are councillors or officials of the Municipality. The Committee members are:

- GN Lawrence (Chairperson)
- DWJ Jacobs
- JNP Saayman
- ME Tshabalala

##### **2.2 Meetings**

The Committee met on the following dates during the year under review:

- 29 July 2010
- 17 September 2010
- 18 October 2010
- 16 February 2011
- 29 June 2011

The Executive Mayor, Chairperson of the Finance & Economic Development Portfolio Committee, Municipal Manager, Chief Financial Officer, Director: Management Services, Manager: Internal Audit and selected officials, attend the meetings.

##### **2.3 Role and responsibilities**

The Committee was fully functional for the year under review and operated in accordance with the adopted Audit Committee Charter, which was approved by Council. The provisions contained in the Municipal Finance Management Act, 2003 and Internal Audit Framework, which was developed by National Treasury, are included in the Charter.

The Committee substantially fulfilled its responsibilities for the year under review, as set out in section 166 of the Municipal Finance Management Act, 2003.

### **3. Reports Reviewed**

The Committee has reviewed the following reports for the period under review:

- 3.1 Administration of Traffic Fines Hermanus – Follow up.
- 3.2 Administration of Traffic Fines – Gansbaai & Kleinmond.
- 3.3 Summary: Transfer of cell phone contracts.
- 3.4 Metering of water supply (potable and treated effluent) to Hermanus Golf Club & Fernkloof Golf Estate.
- 3.5 Suspense Accounts.
- 3.6 Working for water.
- 3.7 Engineering Management Information System by Raft – follow up discussion re “Cost recovery.”
- 3.8 Discussion Document received from Auditor-General regarding fraud risk considerations.
- 3.9 Administration of deposits.
- 3.10 Housing consumer education (2008/2009).
- 3.11 Performance Audit: Municipal stores.
- 3.12 Segregation of duties between Human Resources and salary Departments regarding access to payday system.
- 3.13 Fleet Management.
- 3.14 Bulk services contribution levies.
- 3.15 Housing consumer education (2009/2010).
- 3.16 Income journals.
- 3.17 Senior accountant: Income Account.

3.18 Division of Revenue Act (DORA)

3.19 Financial reports of the Municipality

#### **4 Financial Statements and Accounting Practices**

Due to the late finalization thereof by management the Committee was not able to review the financial statements for the 2010/2011 financial year prior to submission for audit, in order to provide the Council with a credible view thereof as required by section 166 of the Municipal Finance Management Act, 2003. This matter remains of concern as it is part of the responsibilities of the Committee to review the financial statements for reasonability as to the financial position presented and overall compliance with the MFMA and DORA.

#### **5 Report of the Auditor-General for 2010/2011**

The Audit Committee has taken note that the Overstrand Municipality has received an unqualified audit opinion from the Auditor-General and that no emphasis of matter(s) have been identified.

Insofar as compliance with laws and regulations are concerned the Audit Committee also notes the Auditor-General comments relating to the Municipal Supply Chain Regulations.

#### **6 Specific issues that need attention**

In terms of the statutory responsibility of the Audit Committee to advise the municipal council and other functionaries regarding the management of risks, the following specific issues are brought to the attention of the Council:

- (i) The provision of water to Greater Hermanus

The Audit Committee emphasized in its previous annual report that the strategic plan concerning the provision of water needed urgent attention. The recommendation was compelled by the extend of water losses reported by the Auditor-General and the current water crisis in the Greater Hermanus area. The Committee was of the opinion that the issue deserved to be dealt with as a top priority.

The Committee discussed the ongoing water issue with Council members and top officials on a number of occasions. It's seems that although sufficient sources are available, a number of obstacles do exist in providing enough water to the Greater Hermanus area. Environmental impact studies, for instance, take considerable time to conduct. This and other bureaucratic processes are often difficult to comprehend and justify. But the consequences thereof impact on the community on a daily basis. In addition to this the situation deteriorated over the past year because of a dry rainy season.

The Audit Committee must therefore emphasise it once again that this problem demands an urgent solution from the Council. Creative plans and actions will now be needed to substantially curtail the target date of 2013. The progress of a developing Greater Hermanus must not be limited by comprehensive water restrictions whilst the underground and other water resources are available.

(ii) Electricity deposit hike

A substantial increase in municipal electricity deposits during 2011 received widespread reaction in the Overstrand. The Hermanus and Gansbaai business chambers in particular reacted strongly against these measures. The Executive Mayor intervened to defuse the situation for the interim.

The Audit Committee is of the opinion that a viable solution for this contentious issue must be found urgently to avoid a situation where this resource also restricts the development of the Overstrand.

## **7 PERFORMANCE AUDIT COMMITTEE**

### **7.1 Members**

The Performance Audit Committee consists of the same members as that of the Audit Committee except that there is a different Chairperson, namely DWJ Jacobs. The Chairperson is also the Chairperson of the Rewards and Recognition Committee of the Municipality.

### **7.2 Meetings**

The Committee met on the following dates during the year under review:

- 24 August 2010
- 17 November 2010
- 22 March 2011
- 23 June 2011

The Executive Mayor, Chairperson of the Management Services Portfolio Committee, Municipal Manager, Director: Management Services and Managers: Strategic Services and Internal Audit and selected officials, attend the meetings.

### **7.3 Role and responsibilities**

The Committee was fully functional for the year under review and operated in accordance with the Municipal Finance Management Act, 2003 and Local Government: Municipal Planning and Performance Management Regulations, 2001.

## **8 Reports Reviewed**

The Committee has reviewed the following reports for the period under review:



- 8.1 Review of performance information regarding the third quarter's SDBIP report 2009/2010.
- 8.2 Review of performance information regarding the fourth quarter's SDBIP report 2009/2010.
- 8.3 Review of predetermined objectives regarding the first quarter's SDBIP report 2010/2011.
- 8.4 Review of predetermined objectives regarding the second quarter's SDBIP report 2010/2011.
- 8.5 Follow-up Predetermined Objectives 2<sup>nd</sup> quarter 2010/2011.
- 8.6 Review of predetermined objectives regarding the third quarter's SDBIP report 2010/2011

Based on the processes and assurances obtained from management, Internal Audit and Auditor-General, the Committee is satisfied that the performance management processes and the reporting thereof are adequate.

The Committee further notes that the concern expressed by the Auditor-General in the previous report regarding the non-alignment of the KPI's and SDBIP has been resolved

## **9 Report of the Auditor-General for 2010/2011**

The Committee has taken note of the comments by the Auditor-General relating to predetermined objectives.

## **10 CONCLUSION**

The Committees enjoyed the full cooperation of the Executive Mayor and councillors who attended meetings of the Committees and the Municipal Manager - with whom the Committees enjoy an excellent working relationship.

It should be noted that the Internal Audit department did valuable work and the Committees relied heavily on their inputs and effort.



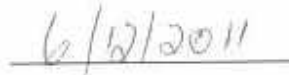
GN Lawrence  
Chairperson:  
Audit Committee



DATE



DWJ Jacobs  
Chairperson:  
Performance Audit Committee



DATE

## ANNEXURE D: REPORT OF THE ACCOUNTING OFFICER

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### 5.1 Report of the Accounting Officer (Municipal Manager) in terms of Section 121 of the Local Government: Municipal Finance Management Act No 56 of 2003 (the MFMA).

#### 1. INTRODUCTION

The Overstrand Municipality's annual financial statements (AFS) as well as the results of performance measurements were prepared and submitted to the Auditor-General by the deadline of 31 August 2011. The consolidated statements were also timeously submitted.

These AFS were revised in the light of the audit conducted by the Auditor-General staff during September, October and November 2011 and are part of this annual report. The Auditor-General's audit report on the AFS received on 1 December 2011 is included in Annexure B.

The annual performance report in terms of Section 46 of the Local Government: Municipal Systems Act (No 32 of 2000) has also been audited by the Auditor-General and reported on as part of its audit report in Annexure B.

#### 2. ARREARS ASSESSMENT

As required by the MFMA my assessment of the arrears on municipal taxes and service charges as at 30 June 2011 is as set out below:

##### Receivables:

		Current	120 days +
Government	R 2 361 556	R 403 373	R 1 689 741
Business	R10 008 146	R 7 456 666	R 238 603
Individuals	<u>R51 985 115</u>	<u>R17 976 893</u>	<u>R10 195 403</u>
	R64 354 817	R25 836 932	R12 123 747

The amount that is of significant concern (i.e. more than 120 days) totals R12 123 747 of which R1,7 million is owed by Government.

Concerted efforts are being made

- to recover debts older than 120 days
- to prevent/discourage debtors from moving into higher ageing categories
- to reduce the risk of debt becoming irrecoverable.

Credit control measures are progressively tightened up, e.g. earlier cut-offs of electricity. The judgment in the case of *Joseph and Others v City of Johannesburg and Others* (CCT 43/09) ZACC 30 2010 (3) compelling the Municipality to give consumers 14 days' notice of any intended disconnections of services is adhered to. Although this procedure has the perhaps unintended consequence that the risk for outstanding and even bad debts may increase, this risk has been mitigated by

- increasing electricity deposits to two months' average consumption;
- encouraging consumers to convert to prepaid meters
- reducing the payment cycle for large consumers

Trickle control for water limiting supply to 600 litres per day (18 kℓ per month) is being applied in order to reduce the risk for repeat non payers. The attachment of assets and the sale in execution thereof have been approved as extreme measures to collect debt.

### 3. REVENUE COLLECTION

This Municipality's performance for revenue collection as at 30 June 2011 constitutes an improvement over the previous year's results and can be summarised in the actual achievements as set out below.

	<b>2010/11</b>	<b>2009/10</b>	<b>2008/9</b>
90 days	95.24%	94,43%	92,96%
60 days	92.98%	92,21%	89,82%
30 days	83.76%	82,48%	76,55%

In terms of the 2010/11 SDBIP a collection target of 90 (85% for 2009/10) within 90 days was set.

This level of achievement will become increasingly difficult to maintain let alone to improve on.

Due to a consolidated billing system being used, it was not possible to split the revenue amongst the different sources of revenue.

### 4. MATERIAL LOSSES/IMPAIRMENTS

#### 4.1 Electricity

There is a loss of approximately 8.37% on the electrical service. This is a further improvement on the 9,3% of the previous financial year. It is quite normal to experience single digit percentages due to technical reasons such as voltage losses measured from the bulk intake to final reticulation destination points of consumers.

A limited degree of theft still takes place – especially in certain township areas. The root cause is illegal connections. The Municipality has applied its by-laws to effectively deal with tampering and theft. The implementation thereof is, however, undermined as certain criminal elements continue to reinstate these illegal connections under cover of darkness.

Good progress has been made on metering municipal usages. Examples include the calculation of electricity used for street lights and also for certain pumps and motors at water and sewerage installations.

#### **4.2 Water Service**

The calculated loss of approximately 28,5% in the water service is still above the generally accepted level of water losses.

This recorded loss doesn't appear to constitute a significant improvement over the previous year's losses of 27,4%. However, it must be viewed against the drastically reduced water consumption occasioned by the severe water restrictions. Thus the actual MI loss has dropped but percentage wise it has increased.

As was reported in the previous year, the Municipality has embarked on various initiatives to curtail water losses. Over and above routine maintenance and repair work the following specific measures to curb water losses were implemented:

Replacement of aged segments of the network amounting to  
R40.5m over a 3 year period.

Replacement of old water meters amounting to R6.7m over a 3 year period.

#### **5. INCIDENTS OF FRAUD/CORRUPTION**

There is still one case of alleged fraud perpetrated by a service provider and with possible collusion from a member of staff awaiting a criminal trial. No court date has been set, but the matter is followed up.

#### **6. PERFORMANCE AUDIT**

Section 45(b) of the Municipal Systems Act requires that the Auditor General must annually audit the results of performance measurement as prescribed in Section 41 of the same act. The latter section is quoted in full below to indicate

- the comprehensiveness; and
- rigorous nature

of performance management.

**"41. Core components.**-(1) A municipality must in terms of its performance management system and in accordance with any regulations and guidelines that may be prescribed-

- (a) set appropriate key performance indicators as a yardstick for measuring performance, including outcomes and impact, with regard to the municipality's development priorities and objectives set out in its integrated development plan;
- (b) set measurable performance targets with regard to each of those development priorities and objectives;
- (c) with regard to each of those development priorities and objectives and again the key performance indicators and targets set in terms of paragraphs (a) and (b)-
  - (i) monitor performance; and
  - (ii) measure and review performance at least once per year;
- (d) take steps to improve performance with regard to those development priorities and objectives where performance targets are not met; and
- (e) establish a process of regular reporting to –
  - (i) the council, other political structures, political office bearers and staff of the municipality; and
  - (ii) the public and appropriate organs of state."

In spite of a robust audit of these requirements the Municipality nevertheless achieved an unqualified audit report. This was only possible due to a seamless process followed from the inception phase of the performance management process through to the evaluation phase. All role players are congratulated on this achievement.

The service provider IGNITE, under guidance of the Senior Manager: Strategic Services, provided the compliance framework whilst all directors, managers and staff managed their performances to the satisfaction of the political oversight and the Performance Audit Committee.

Insofar as the Management letter of the Auditor-General requires this, a firm commitment with realistic target dates will be provided to address any outstanding matters and to initiate corrective measures.

## 7. GENERAL AND CLOSING COMMENTS

The following observations were made during the audit process:

### 7.1 Compliance with Accounting Standards

Although there has been a significant improvement in the Municipality's compliance with accounting standards, it comes at a cost. Compliance does not equate to better service delivery at grass roots level.

Three compliance hot spots are asset management, supply chain management and the role of the internal audit unit.

With the appointment of additional staff inroads have been made to alleviate the pressure in two of these crucial areas.

Due to a staff shortage in the internal audit unit external service providers were contracted to conclude the audit programme. The head of this unit was also promoted to a position outside the unit. This post could only be filled in October while the vacancy for an internal auditor was filled in September.

## **7.2 Value for money**

The audit costs have not significantly increased from the prior year. This can be ascribed to the Municipality being even better prepared for the audit than in the preceding years. Credit must be given to municipal staff under the guidance of Mr. Henk Kleinloog, Director: Finance and Mr. Clint le Roux, Deputy Director: Finance and the Auditor General team working in accordance with a structured audit plan and using the institutional knowledge of the core leaders of the audit team.

## **7.3 Closing comments**

The findings by the Auditor General on compliance with laws and regulations cannot pass without comment. It is submitted that the specific compliance is impossible to achieve. This implies that either the legislation must be amended or that the Auditor General's interpretation thereof must be reviewed. It can never be expected of a municipality to comply with laws that are impossible to implement or alternatively that the Auditor General's interpretation thereof is contrary to the entrenched provisions of section 33 of the Constitution of the Republic of South Africa 1996 and as further set out in the Promotion of Administrative Justice Act.

The finding on expenditure management further enforces the approach of compliance at all costs – even to the detriment of service delivery.

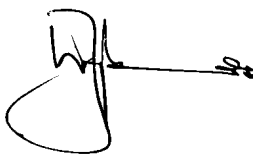
It also contradicts the previous guidance of the Auditor General that declarations of irregular expenditure would not jeopardise the so called clean audit outcome. This is not only deemed to be an act of bad faith (*mala fides*) but also negates the declared intention of the Auditor General to lead municipalities to clean audits by 2014.

The 2010/11 financial year had numerous highlights e.g. collecting 107% of budgeted income and incurring 103% of budgeted operating expenditure, yielding an operating deficit of R39.6m of which R107.3 is non-cash items. Expenditure (excluding non-cash public contributions) on the capital budget amounted to 94%.

This is due to a package of reasons e.g.

- a committed Council driven by visionary and strategic leadership  
under guidance of the Executive Mayor and the mayoral team
- dedicated and hardworking employees
- the retention of institutional knowledge due to a very low staff turnover.
- the diligent application and execution of policies, practices and procedures.
- the role played by the Director: Finance, Mr. Henk Kleinloog, and his competent staff. His deputy, Mr. Clint le Roux, with his auditing experience, acted as an invaluable link between the Municipality and the auditing team.
- the guidance and supervision of the Audit Committee and the Performance Audit Committee.
- the senior members of the auditing team and their valued knowledge of the Overstrand's specific circumstances.

As my term of office expires on 31 December 2011 I, on a personal note, I wish to convey my sincere appreciation to the Council and in particular the Executive Mayor, Cllr Nicolette Botha-Guthrie and the chairperson of the Finance Portfolio, Cllr Ben Solomon, all my colleagues, the members of the Audit and Performance Audit Committees and the Auditor General team under the leadership of Leslie Holland, Ashley Olkers and Tracy-Ann Finnan.



**WERNER ZYBRANDS**

**MUNICIPAL MANAGER**



## ANNEXURE E: WATER SERVICES AUDIT REPORT FOR 2010/11

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### **Executive Summary**

Section 62 of the Water Services Act requires the Minister to monitor every WSI in order to ensure compliance with the prescribed national standards. This regulation requires a WSA to complete and submit a water services audit every year.

The water services audit is designed to monitor the compliance of the WSA and other WSIs with these regulations. It allows the water services audit to be used as a tool to compare actual performance of the WSA against the targets and indicators set in their WSDP. It also assists local communities and DWA to assess how well WSAs are performing relative to their stated intentions and their capacity.

The Water Services Audit Report will give an overview of the implementation of the previous years' WSDP of Overstrand Municipality and can be seen as an annexure to Overstrand Municipality's Annual Report. The Annual Report is compiled as required by the Local Government: Municipal Systems Act, Act no 32 of 2000 (Section 46) and the Local Government: Municipal Finance Management Act, Act no 56 of 2003 (Section 121).

Methodology followed: The Service Delivery Budget Implementation Plan (SDBIP) of Overstrand Municipality for 2010/2011 was used to report on the KPIs for water and sewerage services. The latest water usage figures and WWTWs flows up to June 2011 were obtained from Overstrand Municipality, analysed and included under the various sections of the Water Services Audit Report.

Availability of the Water Services Audit Report: The Water Services Audit Report is a public document and must be made available within four months after the end of each financial year and must be available for inspection at the offices of the WSA. It is also recommended that the document be placed on the Municipality's website and that copies of the document be placed at the public libraries. The documents were also made available to DWA as required by legislation.

The Water Services Audit Report contains the following detail information:

- The KPIs performance for 2010/2011, for water and sewerage services, as included in the SDBIP of Overstrand Municipality.
- Overstrand Municipality's performance with regard to the KPIs as included in the Strategic Framework for Water Services and DWA's Water Services Regulation Strategy (DWA's Regulatory Performance Management System).

- Overstrand Municipality's Performance with regard to DWA's Blue and Green Drop Assessments. Blue drop status is awarded to those towns that comply with 95% criteria on drinking water quality management. Green drop status is awarded to those WWTWs that comply with 90% criteria on key selected indicators on waste water quality management.
- DWA's Scorecard for assessing the potential for WC/WDM efforts in Overstrand Municipality.
- Information to be included in a Water Services Audit as stipulated in regulations under section 9 of the Water Services Act, "Guidelines for Compulsory National Standards".
- Information on the implementation of the various WSDP activities, as included under the thirteen WSDP Business Elements in the DWA's new WSDP guidelines (October 2010).

Overstrand Municipality has a comprehensive Performance Management System in place. The SDBIP is the process plan and performance indicator / evaluation for the execution of the budget. The SDBIP is being used as a management, implementation and monitoring tool that assists and guide the Executive Mayor, Councillors, Municipal Manager, Senior Managers and the community. The plan serves as an input to the performance agreements of the Municipal Manager and Directors. It also forms the basis for the monthly, quarterly, mid-year and the annual assessment report and performance assessments of the Municipal Manager and Directors.

The following water and sanitation related investigations were successfully completed during the last financial year.

- Overstrand Municipality is busy with the updating of their WSDP for the 2012/2013 financial year. The non revenue water balance models were updated for each of the distribution systems (Up to the end of June 2011) as part of this Water Services Audit Report.
- Operational and Maintenance Manuals were compiled for all the WTWs and WWTWs within Overstrand Municipality's Management Area. The site specific Operational and Maintenance Manuals will assist the Manager, Supervisors, Process Controllers and maintenance staff with their various planning, activities and monitoring aspects.
- The Municipality is busy with the finalisation of the Wastewater Risk Abatement Plans for all the WWTWs. The Wastewater Risk Abatement Plans will become valuable primary risk management tools to enhance municipal wastewater service delivery.
- A detail Water Meter Audit was carried out. A total of 36 208 erven were inspected and 25 951 meters were surveyed as part of the Water Meter Audit. The purpose of the Audit was to update the water meter data

base of the Municipality for all the bulk and consumer meters in the towns within Overstrand Municipality's Management Area. A Meter Maintenance and Management Strategy was compiled that can be implemented by the Council in order to lower the percentage of non-revenue water and thereby increase the revenue collection of the Municipality.

- Overstrand Municipality recently completed a leak detection project at the indigent household and started with the replacement of all water meters older than eight years, which were identified through the detail Water Meter Audit.
- The monitoring programme for the Hermanus groundwater sources was increased to include the Camphill and Volmoed Wellfields.
- Overstrand Municipality started with a re-use of treated effluent investigation.

The following awards / acknowledgements were also received by the Municipality:

- Overstrand Municipality is performing very well with regard to drinking water quality management, to the extent where the Buffels River, Stanford and the Greater Gansbaai water supply systems were all awarded Blue drop status by the DWA for their 2011 assessment. The Municipality also received a 94.31 % Blue Drop Score for the Pearly Beach water supply system, a 93.68 % Blue Drop Score for the Baardskeerdersbos water supply system, a 93.09 % Blue Drop Score for the Kleinmond water supply system, 87.23 % Blue Drop Score for the Greater Hermanus water supply system and a 75.37 % Blue Drop Score for the Buffeljags Bay water supply system.
- Overstrand Municipality is also performing very well with regard to wastewater quality management, to the extent where the Hermanus drainage systems was awarded Green drop status by the DWA for their 2011 assessment. The Municipality also received a 87.9 % Green Drop Score for the Hawston drainage system, a 83.0 % Green Drop Score for the Stanford drainage system, a 82.5 % Green Drop Score for the Kleinmond drainage system and a 75.8 % Green Drop Score for the Gansbaai drainage system. Overstrand Municipality was in the 9<sup>th</sup> place nationally in the DWA's 2011 Green Drop assessments.
- 100% MIG expenditure in the previous financial year from the DLG.

#### Demographics and Socio-Economic

The 2001 Census recorded the population in the Overstrand. Municipality's Management Area at 55 770 (19 082 Households) and the 2007 Community Survey recorded the 2007 population at 74 574 (21 953 Households). The current population is estimated at 87 000 (Overstrand Municipality's 2011/2012 IDP).

The current housing backlog in Overstrand Municipality's Management Area is 5 945 (April 2011). Apart from the challenge to facilitate more housing developments, there is also the challenge to integrate these areas with areas of opportunities to work, facilities and affordable service delivery

The health profile in relation to treated water is good. Within the urban context, drinking water throughout the municipal area is considered to be of a high quality. Where specific problems are encountered, these are prioritised for addressing.

Overstrand Municipality's LED Strategy comprises of the following eight strategic interventions:

- Facilitate the development of the priority economic sectors in Overstrand, by utilizing all resources at its disposal including sector development interventions being driven by other spheres of Government to grow the priority sectors identified as tourism, creative industries, fishing and agriculture.
- Facilitate connectivity between different types of communities, different interests and the various towns in the Overstrand with a focus on public transport.
- Develop the infrastructural capacity of the Overstrand and ensure an enabling spatial framework by utilising inter alia municipality assets.
- Develop "and deploy" a marketing strategy for the Overstrand. The Destination Marketing Organisation (DMO) was established during February 2008.
- Create an enabling environment for business development and growth with a focus on SMME support.
- Manage the natural resources and state assets with the assistance of other spheres of government in a manner that ensures the long-term transformation and sustainability of the economy.
- Promote the development of the economies of the poor through job creation programmes.
- Assist with developing the human resource and skills base of the people of Overstrand with the creation of training capacity.

#### Service Levels

The current residential water and sanitation service levels in Overstrand Municipality's Management Area are as follows (Households):

Area	Buffels River	Kleinmond	Greater Hermanus	Stanford	Greater Gansbaai	Pearly Beach	Baardskeerdersbos	Buffeljags Bay	Farms	Total
<b>WATER SERVICE LEVELS</b>										
Basic Need (RDP)	0	0	0	0	0	0	0	0	199	<b>199</b>
Communal Services	0	579	1 337	142	1 613	0	0	0	0	<b>3 671</b>
Adequate	3 051	2 971	13 306	1 072	4 175	1 088	57	33	1 542	<b>27 295</b>
<b>SANITATION SERVICE LEVELS</b>										
Basic Need (RDP)	0	0	0	0	0	0	0	0	389	<b>389</b>
Communal Services	0	579	1 337	142	1 613	0	0	0	0	<b>3 671</b>
Adequate	3 051	2 971	13 306	1 072	4 175	1 088	57	33	1 352	<b>27 105</b>

The total number of households with access to communal services in the informal areas is 3 671.

All the households in the urban areas of Overstrand Municipality's Management Area are provided with water connections inside the houses. Informal areas are supplied with shared services as an intermediary measure. Overstrand Municipality is committed to ensure that private landowners provide at least basic water and sanitation services to those households in the rural areas with existing services below RDP standard.

Overstrand Municipality's challenges with regard to the provision of basic water and sanitation services are as follows:

- To provide basic water and sanitation services in the informal areas to new citizens moving into the informal areas and to ensure that health and hygiene awareness and education is part of the process of providing basic services.
- To identify suitable land for the relocation of the people from informal areas, with existing communal services, to formal houses with a higher level of water and sanitation service (Services inside the house).
- To identify adequate funding for the rehabilitation, maintenance, replacement and upgrading of the existing bulk and reticulation infrastructure in order to support the sustainability of the water and sanitation services.
- To monitor the provision of basic water and sanitation on privately owned land.
- To develop additional water sources to serve all communities sustainably for the future.

#### Infrastructure

The current replacement cost of the water infrastructure is summarised in the table below (June 2010):

Asset Type		CRC	DRC	% CRC / DRC	
Water Infrastructure		R1 156 421 766	R299 005 794	25.9	
Sanitation Infrastructure		R609 313 646	R333 393 143	54.7	
Remaining useful life and the age distribution by facility type					
Asset Type	0 – 5 yrs	5 – 10 yrs	10 – 15 yrs	15 – 20 yrs	> 20 yrs
Water Infrastructure	R697 440 530	R69 067 288	R72 248 541	R15 672 766	R301 992 641
Sanitation Infrastructure	R154 325 118	R69 189 358	R33 169 939	R6 105 487	R346 523 744
Age Distribution by Facility Type					
Asset Type	0 – 5 yrs	5 – 10 yrs	10 – 15 yrs	15 – 20 yrs	> 20 yrs
Water Infrastructure	R91 364 577	R37 574 337	R88 168 233	R65 081 728	R874 160 890
Sanitation Infrastructure	R68 526 066	R68 386 754	R255 914 406	R30 588 984	R185 897 436
Condition grading per water facility type					
Asset Type	Very Good	Good	Fair	Poor	Very Poor
Water Infrastructure	R106 809 481	R153 333 365	R80 496 051	R64 129 261	R502 434 608
Sanitation Infrastructure	R76 726 855	R295 515 856	R39 703 637	R15 309 080	R4 973 219

The above table means that 74.1% of the value of the water supply network has been consumed. About 80.2% of the water supply network (Bulk and Reticulation Water Pipelines) is in a poor and very poor condition and the condition backlog is in the order of R567M. The bulk of the backlog is made up of bulk water pipeline and water reticulation pipeline assets.

The information in the previous table means that 45.3% of the value of the sewage supply network has been consumed. About 3.4% of the sewage network is in a poor and very poor condition and the condition backlog is in the order of R20.3M. The bulk of the backlog is made up of sewer pump stations and sewage treatment works assets.

One of the key challenges of Overstrand Municipality is to identify adequate funds for the rehabilitation and maintenance of the existing infrastructure, which is critical to ensure the sustainability of the services that are provided by the Municipality. It is also important for the Municipality to secure adequate funding for the provision of bulk infrastructure and development of additional sources to keep up with the high demand for services.

#### Operation and Maintenance

An Operational and Compliance Water and Effluent Quality Monitoring Programme that meets the requirements of DWA as stipulated in the Blue and Green Drop criteria was drawn up by Overstrand Municipality and is implemented by the Municipality.

The DWA launched the blue and green drop certification, with regard to drinking water quality and the quality of treated effluent discharged from WWTWs, at the Municipal Indaba during September 2008. Blue drop status is awarded to those towns that comply with 95% criteria on drinking water quality management. The Blue Drop Certification programme is in its third year of existence and promises to be the catalyst for sustainable improvement of South African drinking water quality management in its entirety. Overstrand Municipality's overall Blue Drop Score for the 2011 Assessment was 90.56%.

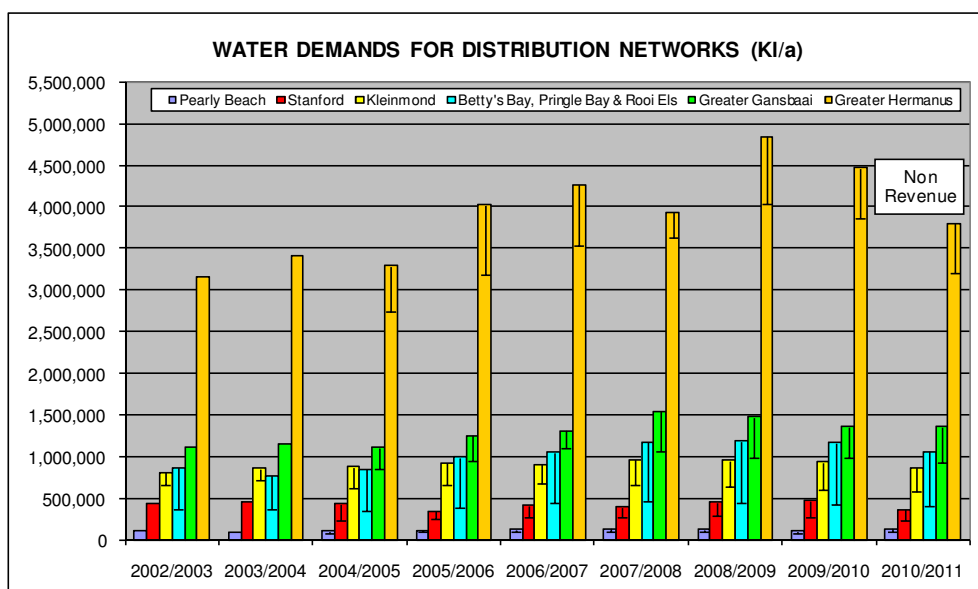
The DWA also completed their Second Order Assessment of Municipal Waste Water Treatment Plants, DWA's Green Drop Report for 2011, which provides a scientific and verifiable status of municipal waste water treatment. Green drop status is awarded to those WSAs that comply with 90% criteria on key selected indicators on waste water quality management. Overstrand Municipality's overall Green Drop Score for the 2011 Assessment was 88.8%, which was the 9<sup>th</sup> place in the country.

#### Associated Services

All the schools and medical facilities in Overstrand Municipality's Management Area are supplied with adequate water and sanitation services.

#### Conservation and Demand Management

The implementation of the Water Demand Management Strategy by Overstrand Municipality has been extremely successful and has reduced the water demand of the towns significantly. The overall percentage of non revenue water for Overstrand Municipality was calculated at 26.56% for 2010/2011. The graph below gives a summary of the total bulk water supply and non revenue water for the various distribution systems in Overstrand Municipality's Management Area.



The table below gives a summary of the non-revenue water for the various distribution systems in Overstrand Municipality's Management Area.

Description	Unit	10/11	Record : Prior (MI/a)				
			09/10	08/09	07/08	06/07	05/06
Buffels River	Volume	658.378	740.533	738.977	715.850	615.698	594.893
	Percentage	62.1%	63.6%	62.1%	60.9%	58.3%	59.9%
	ILI	5.06	6.69				
Kleinmond	Volume	272.814	341.031	302.473	296.338	229.620	270.590
	Percentage	31.5%	36.4%	31.7%	30.7%	25.4%	29.3%
	ILI	2.17	4.09				
Greater Hermanus	Volume	594.352	593.867	805.122	311.620	734.043	829.864
	Percentage	15.6%	13.3%	16.6%	7.9%	17.2%	20.7%
	ILI	1.50	2.22				
Stanford	Volume	128.297	194.486	163.496	123.058	140.626	100.437
	Percentage	35.5%	41.6%	36.4%	30.9%	34.1%	28.6%
	ILI	5.67	11.08				
Greater Gansbaai	Volume	423.030	365.547	492.048	482.079	194.253	301.124
	Percentage	31.1%	26.8%	33.3%	31.3%	14.9%	24.1%
	ILI	3.71	2.07				
Pearly Beach	Volume	36.511	21.683	27.326	34.163	24.281	15.536
	Percentage	26.3%	19.7%	21.6%	25.7%	19.7%	13.2%
	ILI	2.41	3.20				
Baardskeerdersbos	Volume	4.085	2.722	4.915	2.869	6.692	0.831
	Percentage	37.3%	25.9%	39.4%	31.3%	52.3%	17.9%



Description	Unit	10/11	Record : Prior (Ml/a)				
			09/10	08/09	07/08	06/07	05/06
Buffeljags Bay	Volume	0	0	0.112	0.360	0.453	1.864
	Percentage	0%	0%	4.4%	12.3%	11.8%	87.0%
TOTAL	Volume	2 019.361	2 259.869	2 534.469	1 966.337	1 945.666	2 115.138
	Percentage	26.6%	26.5%	28.0%	24.1%	24.0%	27.6%
	ILI	2.33	2.94				

Note: Infrastructure Leakage Index (ILI) for Developed Countries = 1 – 2 Excellent (Category A), 2 – 4 Good (Category B), 4 – 8 Poor (Category C) and > 8 – Very Bad (Category D)

### Water Resources

**Buffels River and Kleinmond Areas:** Overstrand Municipality completed a detail investigation during 2010/2011 of the water resources for the area from Rooi Els to Kleinmond and the recommendations from the Study will be implemented.

**Greater Hermanus Area:** The Gateway, Camphill and Volmoed wellfields are being developed by Overstrand Municipality as additional groundwater resources for the greater Hermanus Area. The Gateway boreholes are in production and the Municipality keep on implementing their Groundwater Monitoring Programme for all the wellfields. The Municipality is also planning for the construction of a new pipeline from the Camphill and Volmoed boreholes to the Preekstoel WTWs (Seven boreholes will be put into operation).

A detail feasibility study was also completed during the 2010/2011 financial year for the re-use of treated effluent from the Hermanus WWTWs. The Municipality will also start investigating various desalination options in the nearby future.

**Stanford:** The Municipality explored the groundwater potential of the Kouevlakte area since 2009, through exploration borehole siting and drilling. Two newly drilled boreholes will be put into operation and the Municipality is currently busy with the construction of the new bulk supply pipelines in order to connect the two newly drilled boreholes to the existing water reticulation network.

**Greater Gansbaai:** A new Nano Filtration Plant was constructed during the 2010/2011 financial year in order to fully utilise the Klipgat and Grotte resources and improve the quality of the water.

**Pearly Beach:** Overstrand Municipality is committed to manage the dam efficiently. Other resource options include the extension of the existing groundwater supply system and the Kraaibosch scheme.

**Baardskeerdersbos:** A new borehole will be commissioned in the near future and the supply from the stream and the new borehole will be adequate to meet the medium- and long-term future water requirements.

**Buffeljags Bay:** The current source is adequate to supply the medium- and long-term future water requirements.

**Water Quality:** Overstrand Municipality actively implement their Operational and Compliance Water Quality Sampling Programmes in order to promptly identify water quality failures and to react accordingly. The water quality results are loaded onto DWA's Blue Drop System (BDS) via the internet. Once entered the data is automatically compared to SANS241. This real-time system allows for immediate intervention to rectify any problems.

Up to present it was not necessary to take any steps to inform the consumers of any health risk regarding the potable water supplied by Overstrand Municipality. The Municipality however got specific Safety Management Procedures in place, to inform its consumers about any potential health risks regarding the water quality, should it become necessary.

#### Financial

Overstrand Municipality's Tariff Structures for water and sanitation services are summarised under Section 11 of the Report. The table below gives a summary of the operational budget for water and sanitation services for the last four years.

Service	Expenditure / Income	Actual 10/11	Audited 09/10	Audited 08/09	Audited 07/08	Audited 06/07
Water	Expenditure	R73 321 373-08	R72 496 148-39	R48 040 492-36	R30 485 238-87	R30 702 360-91
	Income	R79 588 700-02	R74 598 682-45	R66 998 742-40	R43 820 070-79	R41 210 879-97
	Surplus / (Deficit)	-R6 267 326-94	-R2 102 534-06	-R18 958 250-04	R13 334 831-92	R10 508 519-06
Sanitation	Expenditure	R40 666 933-48	R37 715 839-36	R25 170 345-76	R25 091 607-04	R23 032 344-36
	Income	R50 911 541-99	R36 160 168-38	R32 056 044-09	R20 710 387-65	R25 415 443-81
	Surplus / (Deficit)	-R10 244 608-51	R1 555 670-98	-R6 885 698-33	R4 381 219-39	-R2 383 099-45

#### Water Services Institutional Arrangements

Overstrand Municipality is the official WSA for the entire Municipal Management Area and act as the WSP for the whole area.

The 2010/2011 WSDP was approved by the Mayoral Committee and the Full Council on the 26th of May 2009. The Municipality is in the process of updating their WSDP for the 2012/2013 financial year. A comprehensive set of Water Services By-laws are in place and is implemented. The Water Services By-laws cover the provision of services for water supply, sanitation and industrial effluent.

The Municipal staff is continuously exposed to training opportunities, skills development and capacity building at a technical, operations and management level in an effort to create a more efficient overall service to the users. A Workplace Skills Plan is compiled every year and the specific training needs of the personnel, with regard to water and wastewater management are determined annually.

Various Process Controllers at the WTWs and WWTWs received accreditation during the last financial year. The Process Controllers were previously classified by the DWA and the Municipality will re-apply for higher classifications once the current training is completed. All the WTWs and WWTWs in Overstrand Municipality's Management Area were also registered with the DWA.

The Occupational Health and Safety Act contain provisions directing employers to maintain a safe workplace and to minimize the exposure of employees and the public to workplace hazards. It is therefore important for Overstrand Municipality to compile a Legal Compliance Audit of the WTWs and WWTWs in Overstrand Municipality's Management Area, which will provide the management of Overstrand Municipality with the necessary information to establish whether the Municipality is in compliance with the legislation or not.

Overstrand Municipality is currently effectively managing its water and sanitation services. Urgent attention is however required to address the backlog in sanitation services, as well as the backlog in infrastructure replacement, and forward planning of other services should be guided by the Water and Sewer Master Plans.

#### Social and Customer Service Requirements

A comprehensive Customer Services and Complaints system is in place at Overstrand Municipality and the Municipality has maintained a high and a very consistent level of service to its urban water consumers. Help-desks were developed at all the municipal administrations with the objective to assist customers.

The Water Safety Plan of Overstrand Municipality includes an Improvement / Upgrade Plan. The purpose of the Improvement / Upgrade Plan is to address the existing significant risks where the existing controls were not effective or absent. Barriers implemented by Overstrand Municipality against contamination and deteriorating water quality include the following:

- Participate in Catchment management and water source protection initiatives.

- Protection at points of abstraction such as river intakes and dams (Abstraction Management).
- Correct operation and maintenance of WTWs (Coagulation, flocculation, sedimentation and filtration). A new Nano Filtration Plant was constructed at De Kelders Grotte.
- Protection and maintenance of the distribution system. This includes ensuring an adequate disinfectant residual at all times, rapid response to pipe bursts and other leaks, regular cleaning of reservoirs, keeping all delivery points tidy and clean, etc.

Three other important barriers implemented by Overstrand Municipality against poor quality drinking water that are a prerequisite to those listed above are as follows:

- A well informed Council and municipal managers that understand the extreme importance of and are committed to providing adequate resources for continuous professional operation and maintenance of the water supply system.
- Competent managers and supervisors in the technical department who are responsible for water supply services lead by example and are passionate about monitoring and safeguarding drinking water quality.
- Well informed community members and other consumers of water supply services that have respect for water as a precious resource.

#### Projects completed

The list of water and sewerage capital projects completed during the 2010/2011 financial year is included under Section 14 of the Report.

**The complete Water Services Audit Report is available at the office of the Deputy Director: Infrastructure and Planning, Engineering Planning.**