

# ANNUAL REPORT OF PRINCE ALBERT MUNICIPALITY

2014/15



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# Chapter 1 MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

## COMPONENT A: MAYOR'S FOREWORD



### EXECUTIVE MAYOR: GOLIATH LOTTERING

The Prince Albert Municipality has strived within its financial and administrative capacity, to create an enabling environment for all inhabitants to participate in Local Government activities. We've done our utmost best to provide a democratic and accountable government to all people in the municipal area.

As a people-centred municipality we contributed to the improvement of the general standards of living of the people in the Municipal area by creating jobs through labour intensive practices, EPWP programmes such as Youth in Waste and requiring contractors to employ local labour.

The Municipality are concentrating their efforts in meeting the nine objectives of the National Development Plan, eg. job creation, improving the quality of school education, eradicating spatial divides by inclusive development, improving infrastructure, creating a sustainable economy, improving public health, improving public services, eradicating corruption levels and improving social cohesion. The National Development Plan is further supported by the Western Cape Growth and Development Strategy that aims to make the Western Cape a home for all.

Our strategic goal to grow the local economy has made significant progress in the opening of four Access Centres in our area. These Centres not only allow residents access to computers and internet, supporting scholars and students, but is actively used as training centres. The Municipality is investigating the possibility of university and college programs to be facilitated at these venues and believe that this investment in our residents and youth will equip them to be more competitive in the job market and provide the stepping stone to rise from poverty. Improving our residents living conditions remain a priority. The groundwork was laid and we commenced with the upgrading and establishment of seven parks in our municipal area. These parks do not only form part of our beautification efforts, but provide valuable open spaces and recreational activities for our residents to enjoy. While the tender awarded in the previous year in respect of Local Economic Development did not bear any fruit, the Municipality identified and sought funding for key catalyst projects that will stimulate the economy and benefit the community. These projects included Agri Parks and the establishment of an Agri Processing Plant in Prince Albert. The projects do not, however happen overnight and the fruition of the groundwork only came to pass in the current financial year. Nonetheless, the Municipality are very proud of the initiatives launched and believe that with the assistance of the private sector and governmental departments such as the Department of Land Reform and Rural Development, we will not only succeed in creating jobs, but we will achieve higher growth rates than before.

Without money we cannot fulfil our constitutional mandate regarding service delivery and governance. Though the debt collection ratio for the Municipality were at 78%, the debt collection ratio for Klaarstroom and Leeu Gamka were significantly lower than in Prince Albert. To address this unfortunate situation, debt collection initiatives and partnerships were improved with the Mayor and Councillors becoming actively involved in debt collection campaigns. Several initiatives to support the poor by writing off debt on a Rand to Rand basis were launched. The Municipality will continue to focus on effective debt collection and support to the poorest of the poor.

As a Municipality is a partnership between councillors, municipal staff and the community, effective public participation is paramount. During the reporting year several public engagements were undertaken, supported by the ward committees as connecting mechanism between the community and Council. The Municipality identified several shortcomings such as ineffective sector engagements and the lack of sector feedback meetings as challenges to be addressed in the current and future financial years. The support of the Department of Local Government on developing a new municipal website is commended and it is believed that this will improve the communication with our residents and stakeholders.

Our Constitutional mandate remains Basic Service Delivery and we strive to operate within the legislative framework of Local Government. Although compliance has become an expensive exercise, it remains a priority for the Prince Albert Municipality and we are proud to once again have obtained an unqualified audit. Our endeavours in obtaining a clean audit will continue.

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

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

This draft annual performance report were advertised and submitted for public scrutiny up to 28 February 2016. The comments received were taken into consideration with the final adoption of the annual report.

Sincerely

Goliath Lottering

EXECUTIVE MAYOR

## Component B: Executive Summary

### ***1.1 Municipal Manager's Overview***

Prince Albert Municipality is a category B municipality performing the functions set out in Schedule 4 B and 5B. The Municipality's performance is commended in that it obtained another unqualified audit for the reporting year, following the previous year's unqualified audit.

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

With a limited income generating base and nationally acknowledged poverty pockets the financial viability of the municipality is an area of great concern and a primary risk. Though the financial position seems to have improved some with the grant assistance and capacity programs run by the Department of Provincial Treasury and the Department of Local Government, the Municipality faces serious concern regarding the increase in outstanding debtors. Several initiatives were launched to collect outstanding debtors, but reflected only limited success. Poor debt collection remains a risk, but the debt collection initiatives that commenced in the reporting year, are continuing in the present financial year and will remain one of the Municipality's top priorities to ensure financial sustainability.

Lower than expected income from traffic violence remains a serious concern and continuous engagements with role-players to address challenges in this aspect took place. Though it is realised that traffic law enforcement is primarily about road safety and saving lives, it is also a revenue stream that lightens the burden on municipal residents. Removing obstacles in the effective collecting of traffic fines will remain a priority. A tender for the contracting of a service provider in this respect will be allocated in the current financial year.

The environmental impact assessment for the envisioned housing project in Prince Albert was completed in the reporting year and put out for public participation in the current financial year. Funding applications to improve the bulk infrastructure to support this project was drafted. In addition funding was procured to increase the storage water capacity in Prince Albert, while an agreement was reached with Transnet to use their water borehole to improve water security in Leeu Gamka. The area, however remains a water scarce area where water must be used with extreme care.

Ageing infrastructure remains a risk, but we are continually engaging with national and provincial departments to assist in this respect. While all landfill sites are now registered, uncontrolled access remain a challenge.

The Expanded Public Works programme, combined with the Community Works Programme provided several previously unemployed persons with an income, combatting not only unemployment and poverty, but restoring dignity. The Department of Environmental Affairs supported the Municipality excellently in this respect. The use of the Expanded Public Works program, labour intensive projects and the endeavours to stimulate the local economy through new investment are part of the municipality's initiative to address the risk of a limited income base and reducing poverty pockets.

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

Prince Albert Municipality has the same legal compliance burden than bigger municipalities. The Municipality commends the Provincial and National Departments of Treasury in their support to improve the financial management capacity of the Municipality. With funding allocated by aforementioned Departments the Municipality appointed a Chartered Accountant and embarked on drafting their first

in house financial statements. While certain growing pains have been experienced, it was nevertheless a step in the right direction on which we will build in future years.

The draft Annual Performance Report for the reporting year shows that we have indeed succeeded in meeting our constitutional and legislative requirements and I am confident that we will continue to do so in future.

It has been a privilege to lead this Municipality and I wish to extend a sincere vote of thanks to the Executive Mayor, Speaker, management, staff, ward committees and members of the public for their continued support during the reporting year. We present the Annual Report for the financial year 1 July 2014 to 30 June 2015 to you as a true reflection of the performance of Prince Albert Municipality, with the firm dedication that we could not have achieved any of this, without you, our community.

HFW Mettler

MUNICIPAL MANAGER

## **1.2 Municipal Overview**

This report addresses the performance of the Prince Albert Municipality in the Western Cape in respect of its core legislative obligations. Local government must create the participatory framework that defines and enhances the relationship between elected leaders and their communities. This requires that the council of the municipality provides regular and accurate reporting on programme performance and the general state of affairs in their locality. The 2014/15 Annual Report reflects on the performance of the Prince Albert Municipality for the period 1 July 2014 to 30 June 2015.

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

### **1.2.1 Municipal Vision and Mission**

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

#### ***Vision***

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

#### ***Mission***

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

## **1.3. Demography**

### **1.3.1 Population**

Prince Albert's municipal area is divided into four wards. Ward one includes the Leeu-Gamka and Prince Albert Road areas, including surrounding farms, while ward 2 represents Prince Albert South and a portion of North End surrounding the Sydwell Williams Centre. Ward three includes the portion of Prince Albert North End surrounding the Pentecostal Protestant Church, while ward 4 includes the area of Rondsokrik in Prince Albert as well as Klaarstroom and the farming areas surrounding Seekoegat, Oukloof Dam and Drie Riviere.

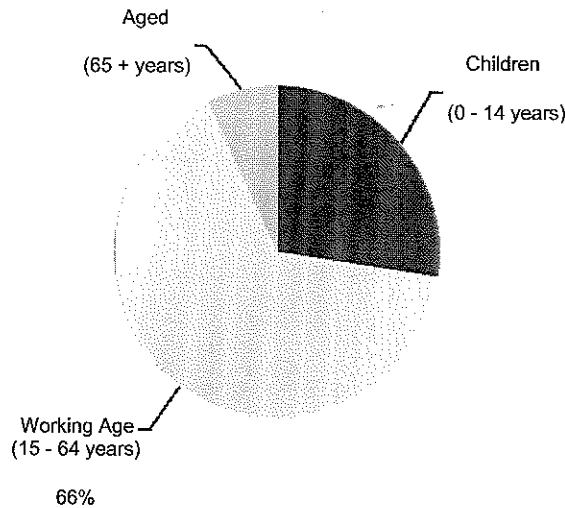
According to Census 2011 data, the Western Cape population grew at a rate of 2.6 per cent per annum between 2001 and 2011. This rate, which was higher than the national population growth rate of 1.5 per cent, can largely be attributed to an influx of individuals from other provinces that move to the Western Cape in search of job opportunities.

From this strong growth base, the Western Cape Department of Social Development was estimated population growth projections for each municipality for the period 2015 - 2020. Of the three local municipalities within the Central Karoo District, Prince Albert has the second largest population which the Department of Social Development estimated at 13 684 in 2015, while Census 2011's projections brings the population to a projected 14 346. The Department of Social Development estimates a total gradual increase across the 2015/16 MTREF years, projected to reach 14 357 by 2020. This total equates to an approximate 4.9 per cent growth off the 2015 base estimate. For this report we will use the estimations of the Western Cape Department of Social Development.

**Figure 1 Prince Albert: Population age cohort, 2015**

Source: Western Cape Department of Social Development, 2015

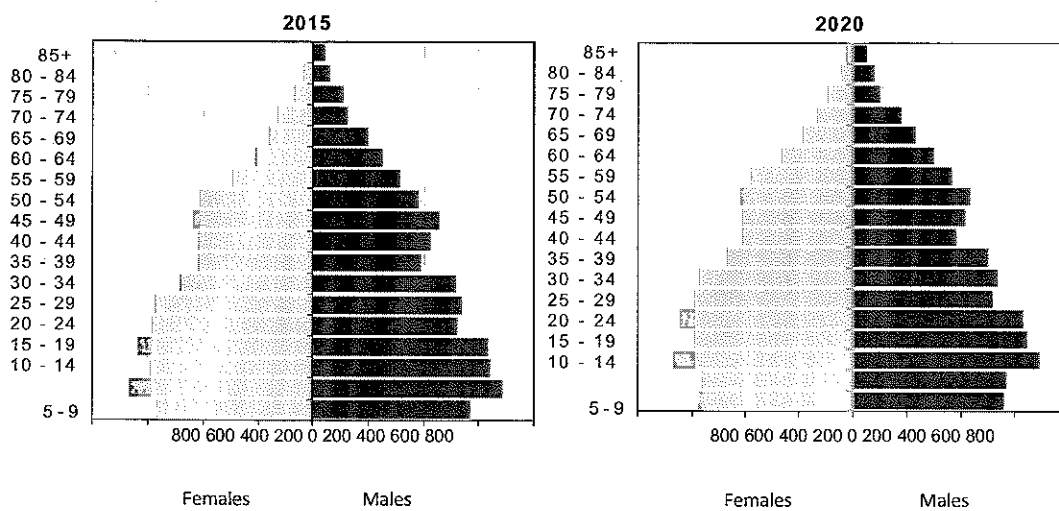
Figure



reflects the population age distribution of Prince Albert for 2015 and reveals that approximately 66 per cent of the 13 684 inhabitants of the Municipality are currently considered to be within the working age category.

These figures reveal that Prince Albert has a total dependency ratio of 52.5 which is slightly lower than the 2013 total of 53.9 per cent. As higher dependency ratios imply greater strain on the working age to support their economic dependants (children and aged), this decrease bodes well for improved social security and enhanced economic growth.

**Figure 2 Prince Albert: Population age distribution, 2015 and 2020**



Source: Western Cape Department of Social Development, 2015

A population pyramid is a visual representation of a society's age and sex distribution and provides policymakers and scholars alike with valuable insight as to fertility, mortality and immigration rates.

It is notable that for 2015, there are substantially more people within the 5 - 9 age cohort (approximately just below 700 males and females respectively) than in the 0 - 4 age group (below 600 males and females respectively) group within Prince Albert. This is an indication that there was a significant decrease in births in the years preceding 2015.

Consideration of the same pyramid for 2020 - 5 years after 2015 - indicates that the amount of people within the 0 - 4 age cohort slightly increased, but remained relatively low.

It also seems that there is a trend whereby the population significantly decreases between the 15 - 19 and 30 - 34 cohort, before stabilising towards the 55 - 59 cohort. This points to the possibility that the new entrants to the labour market move away from Prince Albert in search of better employment opportunities.

### 1.3.2 Households

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

Households	2012/13	2013/14	2014/15
Number of households in municipal area	2 234	2 411	3 887* (including farms)
Number of indigent households in municipal area	783	646	687

Table 1.: Total number of households\* According to Dept of Social Development, MER report, 2015

### 1.3.3 Socio Economic Status

The following table reflects key socio-economic statistics of the area as per 2011 Census SA.

Financial year	Matric Pass rate: 2014	Literacy rate: 2011	Household earnings less than R400 in 2011	Per capita income 2013	Immuni-sation rate - 2015	Teenage pregnancies 2015
2014/15	85.5%	69.9%	9.6%	R16 786	76.0%	14.3%

Table 2.: Socio Economic Status (Dept of Social Development)

## 1.4 Service Delivery Overview

### 1.4.1 Basic services delivery performance highlights

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

Highlights	Description
Building of new reservoir Prince Albert	To increase storage capacity
Completion first phase swimming pool	First phase swimming pool completed in Prince Albert
Licensing of landfill sites	All landfill sites licensed
Replacement of fire hydrants and valves	Outdated fire hydrants and valves replaced in Klaarstroom, Leeu Gamka and Prince Albert
Replacing of bulk meters	Bulk water meters replaced to improve control
BSP project comments	BSP project on upgrade of parks in all towns commenced

Table 3.: Basic Services Delivery Highlights

### 1.4.2 Basic services delivery challenges

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

Ward	Challenge	Actions to address
All	Ensure quality water provision	Train water processing staff
All	Upgrade road infrastructure	Funds secured (R4m) to upgrade roads
All	Improve and erect road signage and markings	Road markings to be established as per available budget
Ward 2, 3, 4	Upgrade electricity network	Funding applications submitted
All	Improve vehicle fleet	Fleet management principles established

Table 4.: Basic Services Delivery Challenges

### 1.4.3 Proportion of Households with access to Basic Services

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

Proportion of Households with minimum level of Basic services			
Detail	2012/13 (%)	2013/14 (%)	2014/15 (%)
Electricity service connections	100	100%	100%
Water - available within 200 m from dwelling	100	100%	100%
Sanitation - Households with at least VIP service	100	100%	88.8%
Waste collection - kerbside collection once a week	100	100%	100%

Table 5.: Households with minimum level of Basic Services

## 1.5 FINANCIAL VIABILITY

### 1.5.1 Financial Viability Highlights

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

Highlight	Description
Unqualified audit	Unqualified audit for three years running
Appointment of Snr Accountant	Chartered Accountant appointed to improve capacity
In House drafting of financial statements	First in house drafting of financial statements to reduce dependency on consultants
Increased debt collection	Diverse and continuous debt collection initiatives were implemented

Table 6.: Financial Viability Highlights

### 1.5.2 Financial Viability Challenges

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

Challenge	Action to address
Grant dependency	Limited income base, all capital projects financed via grants
Poor debt collection in Eskom service delivery areas	National initiative to reach agreement with Eskom on debt collection
Limited staff component	Broaden skills base of staff
Limited tax base	Small population and limited business sector

Table 7.: Financial Viability Challenges

### 1.5.4 Financial Overview

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

Details	Original budget	Adjustment Budget	Actual
	R'000		
Income			
Grants	46 101 000	76 254 259	52 960 875
Taxes, Levies and tariffs	22 543 287	22 790 887	22 331 006
Other	3 805 300	9 941 300	9 112 494
<b>Sub Total</b>	<b>72 449 587</b>	<b>108 986 446</b>	<b>84 404 375</b>
Less Expenditure	-56 989 248	-75 061 574	-71 320 933
<b>Net surplus/(deficit)</b>	<b>15 460 339</b>	<b>33 924 872</b>	<b>13 083 442</b>

Table 8.: Financial Overview

### 1.5.5 Total Capital Expenditure

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

Detail	2011/12	2012/13	2013/14	2014/15
	R'000			
Original Budget	53 443	7741	17919	15 358
Adjustment Budget	53 443	7741	24019	33 922
Actual	82 363	8356	20405	12 713
% Spent	154	108	85	37%

Table 9.: Total Capital Expenditure

### 1.6 Organisational Development Overview

#### 1.6.1 Municipal Transformation and Organisational Development

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

Highlights	Description
Workplace Skills Plan	Workplace Skills Plan submitted within time
Capacitating Local Labour Forum members	Training of LLF members
Training to community members	Community Members trained in partnership with Central Karoo District Municipality
Opening of Access Centre	Access Centre to be used by staff and community in respect of training and capacity building

Table 10.: Municipal Transformation and Organisational Development Highlights

#### 1.6.2 Municipal Transformation and Organisational Development Challenges

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

Description	Actions to address
Capacity constraints	39% vacancy rate in organisation – no funding to fill vacancies
Limited skills base	Skills funding limited
Constraints on capacity when attending Minimum Competency	Due to limited staff capacity it is difficult to send staff on Minimum Competency Training

Table 11.: Municipal Transformation and Organisational Development Challenges

## 1.7 Auditor General Report

### 1.7.1 Audited Outcomes

The following table reflects the audited outcomes since 2010.

Year	2010/11	2011/12	2012/13	2014/15
Opinion received	Qualified	Unqualified	Unqualified	Unqualified

Table 12.: Audit Outcomes

### 1.8 2014/15 IDP/Budget Process

The Process Plan is indicated in Addendum A for the 2014/15 IDP/Budget process.

## COMPONENT B

### Chapter 2: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

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

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

The following 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 Local Government: Municipal System Act, 2000 (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
	2012/13	2013/14	2014/15
The percentage of a municipality's capital budget actually spent on capital projects identified for a particular financial year in terms of the municipality's integrated development plan	100%	85%	37%

Table 13: Capital expenditure

#### 2.2 Performance Highlights - Good Governance and Public Participation

Highlight	Description
Regular ward committee meetings	Ward committees meeting regular
Capacitating ward committees	Ward committees trained
Effective Council meetings	Excellent attendance by Councillors
Positive public participation initiatives	Regular meetings with stakeholders and community
Sport Councils	Sports council representing sporting codes established for whole area; linking with district

Table 14: Good Governance and Public Participation Performance Highlights

#### 2.3 Challenges - Good Governance and Public Participation

Description	Actions to address
Quality of feedback to ward committees poor	Management Report to ward councillors before meetings
Limited communication tools for area	Use combination of communication tools
Quarterly feedback in wards	Ward feedback meetings scheduled under

Description	Actions to address
	chairmanship of mayor
Improved co-operation between inter-governmental departments	Quarterly Intergovernmental meetings

**Table 15: Challenges: Good Governance**

a) **Council**

Below is a table that categorizes the councilors within their specific political parties and wards for the 2014/15 financial year:

Name of councilor	Capacity	Political Party	Ward representing or proportional (PR)
Mr. G .Lottering	Mayor	KGP	Ward Councilor: ward 3
Miss. M. Jaffha	Speaker	KGP	Ward Councilor: ward 2
Mr. N.S. Abrahams	Deputy Mayor	ANC	Ward Councilor: ward 1
Mr. I.J. Windvogel	Councilor	KGP	Ward Councilor: ward 4
Mrs. C .Stols	Councilor	ANC	PR Councilor
Dr. A. Rabie	Councilor	DA	PR Councilor replaced on 11 Sept 2014
Mr. D Rennie	Councilor	DA	PR Councilor replaced on 6 Febr 2015
Mr S Bofes	Councilor	DA	PR Councilor since 11 Sept 2014
Ms L Jacquet	Councilor	DA	PR Councilor replacing Mr D Rennie since 6 Febr 2015

**Table 16: Council**

Below is a table which indicates the Council meetings attendance for the 2014/15 financial year:

Meeting dates	Council Meetings Attendance	Apologies for non-attendance
30 July 2014	100%	0%
27 August 2014	100%	0%
11 September 2014	86%	14%
14 October 2014	100%	0%
4 December 2014	100%	0%
23 January 2015	100%	0%
6 February 2015	100%	0%
12 March 2015	86%	14%

Meeting dates	Council Meetings Attendance	Apologies for non-attendance
23 March 2015	86%	14%
27 March 2015	57.15%	42.85%
24 April 2015	100%	0%
7 Mei 2015	100%	0%
17 June 2015	100%	0%
29 June 2015	71,43%	28.57%
<i>Numbers between brackets indicate non-attendance without apology</i>		

Table 17: Council meetings

**b) Executive Mayoral Committee**

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

**c) Portfolio Committees**

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

**i) Finance Committee**

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

Name of member	Capacity	Meeting dates
Cllr. G. Lottering	Chairperson	17 July 2014 11 September 2014 20 November 2014 24 February 2015 3 June 2015
Miss. M. Jaffha	Member	
Mr. N.S. Abrahams	Member	
Mr. I.J. Windvogel	Member	
Mrs. C. Stols	Member	
Dr. A. Rabie	Member till Sept 2014	

Name of member	Capacity	Meeting dates
Mr. D Rennie	Member till January 2015	
Mr S Botes	Member since 11 Sept 2014	
Ms L Jacquet	Member since 6 Febr 2015	

Table 18: Finance Committee

ii) **Personnel and Transformation Committee**

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

Name of member	Capacity	Meeting dates
Miss M Jaffha	Chairperson	14 July 2014 8 September 2014 17 November 2014 23 February 2015 2 June 2015
Mr G Lottering	Member	
Mr. N.S. Abrahams	Member	
Mr. I.J. Windvogel	Member	
Mrs. C Stols	Member	
Dr. A. Rabie	Member till Sept 2014	
Mr. D Rennie	Member till Jan 2015	
Mr S Botes	Member since 11 Sept	
Ms L Jacquet	Member since February 2015	

Table 19: Personnel and Transformation Committee

iii) **Civil Services Committee**

All councillors in Prince Albert Council form part of the respective Portfolio Committees. The following table reflects the attendance of the respective councillors in the finance committee meetings. The Civil Service Committee is under the chairmanship of Cllr I Windvogel and deals with technical matters.

Name of member	Capacity	Meeting dates
Mr I J Windvogel	Chairperson	16 July 2014

Miss. M. Jaffha	Member	11 September 2014 19 November 2014 3 March 2015 3 June 2015
Mr. N.S. Abrahams	Member	
Mr. G Lottering	Member	
Mrs. C .Stols	Member	
Dr. A. Rabie	Member Sept 2014	
Mr. D Rennie	Member till January 2015	
Mr S Botes	Member since 11 September 2014	
Ms L Jacquet	Member since 6 Febr 2015	

Table 20: Civil Services Committee

iv) **Community Services and Development Committee**

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

Name of member	Capacity	Meeting dates
Ms C Stols	Chairperson	15 July 2014 8 September 2014 18 November 2014 23 February 2015 2 June 2015
Miss. M. Jaffha	Member	
Mr. N.S. Abrahams	Member	
Mr. G Lottering	Member	
Mr I J Windvogel	Member	
Dr. A. Rabie	Member till Sept 2014	
Mr. D Rennie	Member till January 2015	
Mr S Botes	Member since 11 Sept 2014	
Ms L Jacquet	Member since 6 Febr 2015	

Table 21: Community Services and Development Committee

**2.4.2 Administrative Governance Structure**

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

Name of Official	Department	Performance agreement signed
		(Yes/No)
Heinrich Mettler	Municipal Manager	Yes – signed 20/07/14
Jannie Neethling	Chief Financial Officer	Yes- signed 20/07/14
Anneleen Vorster	Manager: Corporate and Community Services	Yes – signed 21/07/14

Name of Official	Department	Performance agreement signed
		(Yes/No)
Justin Lesch	Manager: Infrastructure Services	Yes – signed 29/09/14

Table 22: Administrative Governance Structure

## 2.5 Intergovernmental Relations

South Africa has an intergovernmental system that is based on the principle of cooperation between the three spheres of government – local, provincial and national. While responsibility for certain functions is allocated to a specific sphere, many other functions are shared among the three spheres. Chapter 3 of the Constitution describes the three spheres as being 'distinctive, interdependent and interrelated' and enjoins them to 'cooperate with one another in mutual trust and good faith'. An important element of this cooperative relationship is that there needs to be a clear understanding of each sphere of government's powers and functions to ensure that a sphere of government or organ of state 'does not encroach on the geographical, functional or institutional integrity of government in another

### 2.5.1 Provincial and District Intergovernmental Structures

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

We participate in the following intergovernmental forums:

- ∞ Municipal Managers Forum where Municipal Managers engage on municipal matters
- ∞ CFO Forums where the CFO's of municipality engage on financial matters
- ∞ Central Karoo District Coordinating Forum where the municipalities in the Central Karoo District engage about shared matters.
- ∞ Central Karoo Communications Forum where municipalities in the Central Karoo engage on communication and public participation.
- ∞ Thusong Centre Provincial Forum where the Thusong Managers in the Province engage on shared service matters and programs.
- ∞ MIG Manager/Municipality Coordination Meetings – Western Cape Department of Local Government where municipalities and the Local Government engage on MIG spending and projects.
- ∞ Central Karoo Bilateral Meeting – Department of Water Affairs where the municipalities and Department engage on water service matters.

- ∞ The Provincial Transport Technical Committee (ProvTech) – Western Cape Department of Transport and Public Works where the municipalities engage on Technical matters.
- ∞ The Provincial Transport Committee (ProvCom) – Western Cape Department of Transport and Public Works where municipalities and the Department engage on integrated transport matters.
- ∞ Integrated Waste Management Forum – Western Cape Department of Environmental Affairs and Development Planning where the Department and municipality engage with each other on integrated waste matters.
- ∞ Western Cape Recycling Action Group – Western Cape Department of Environmental Affairs and Development Planning where municipalities and the department engage on recycling and raising awareness on such.
- ∞ SALGA Working Groups – SALGA where the municipalities in the Western Cape engage and workshop municipal infrastructure matters, Labour relations, local economic development etc.
- ∞ Working for Water: Implementing Agent Managers Forum – National Department of Environmental Affairs where the Department and municipalities on the work for water program.

## COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

### 2.6.1 Public Meetings

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

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

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

Nature and purpose of meeting	Date of events	Number of Participating Municipal Councillors	Number of Participating Municipal Administrators	Number of Community members attending	Dates and manner of feedback given to community
Housing education	July to Nov 14	0	Three	30-50 per meeting	Presentation
Women's Day Festivities – discussion groups	Month of August 14	3	2	500	Discussion groups
Road Safety Awareness	Dec 14	2	3	300	Motorists – stop and go's
Door to door visits on debt collection	July to Dec '14	3	3	600	Door to door visits
Sport Indaba	30/06/15	5	5	50	Sporting fraternity engagements

Treintjiesrivier emerging farmers		0	2	20	Treintjiesrivier emerging farmers – discussions
Prince Albert Cultural Foundation		0	1	5	Cultural Foundation – discussions
Leeu Gamka and Klaarstroom emerging farmers committee	6/01/15	0	2	8	Emerging farmers discussions
Waterkop Residents Association	7/02/15	0	1	5	Waterkop Residents Association on development – discussions
Museum Committee	11/02/15	0	1	8	Heritage matters discussions
Demarcation Board	23/03/15	7	3	100	Community and political parties discussion during public meeting
Human Rights Day	20/03/15	2	2	80	Youth and Women discussions
House Shops visits	April 15	0	2	30	House Shop operators – door to door visits
House Shop owners	23 June 15	1	2	20	House Shop operators workshop
Community Policing Forum	Quarterly	0	1	20	Policing stakeholders formal meeting

**Table 23: Public engagements**

The above are just some of the stakeholder meetings concluded during the reporting year. Not all of the meetings and engagements are reflected above.

### 2.6.2 Ward Committees

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

In the following tables the respective ward committee meetings that were held during the reporting years are reflected.

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

Name of representative	Capacity representing	Dates of meetings
Cllr. N.S. Abrahams	Ward Councillor	21 July 2014
Cllr. C. Stols	PR Councillor	18 August 2014

Name of representative	Capacity representing	Dates of meetings
Vacant	Churches	20 October 2014
Mr. D. Steenkamp	Safety	19 January 2015
Mr. R. Swartz	Sport	16 March 2015
Vacant	Representative Prince Albert Road	16 April 2015
Mrs. M. Oliphant	Businesses	23 June 2015
Mr. K. Stols	Health	
Mrs. A. Booysen	NGO	
Miss. M. Fielies	Elderly	
Mr. A. Booysen	School Governing Body	
Mrs. L. Faroo	Food Security	

*Table 24: Ward 1 Committee Meetings*

Wards also attended a capacitating workshop on 20 September 2014, a ward summit on 20 November 2014 and Community Ward Based Planning from 8 to 11 December 2014.

**b) Ward 2: Prince Albert**

Name of representative	Capacity representing	Dates of meetings
Cllr. M.D. Jafftha	Ward Councillor	
Cllr. S Botes	PR Councillor	
Vacant	Tourism	
Mr. R. Waterston	Chamber Of Commerce	22 July 2014
Miss. B. Castle replaced by H Forsyth	Ratepayers Association	19 August 2014
Mr. J. Mckenna	Cultural Foundation	21 October 2014
Vacant	Education	20 January 2015
Mr. J. Du Toit	Elderly	24 March 2015
Mr. G. Erasmus	NGO	16 April 2015
Mrs. M. Mooneys	Church	23 June 2015
Mrs. L. Jaquet replaced by Freeman Williams	Safety - changes took place since February 2015	

*Table 25: Ward 2 Committee Meetings*

Wards also attended a capacitating workshop on 20 September 2014, a ward summit on 20 November 2014 and Community Ward Based Planning from 8 to 11 December 2014.

c) **Ward 3: Prince Albert**

Name of representative	Capacity representing	Dates of meetings
Cllr. G. Lottering	Ward Councillor	22 July 2014 19 August 2014 21 October 2014 20 November 2014 21 January 2015 18 March 2015 16 April 2015 23 June 2015
Miss.L.Hesque	NGO	
Mr. M. Berlin	Elderly	
Miss. F. Januarie	Churches	
Miss. A.Hoorn	Health	
Mr. J. Pietersen	Sport	
Vacant	Argiculture	
Miss. E. Manewille	Youth	
Vacant	Women	
Mrs. H. Mckay	Education	

*Table 26: Ward 3 Committee Meetings*

Wards also attended a capacitating workshop on 20 September 2014, a ward summit on 20 November 2014 and Community Ward Based Planning from 8 to 11 December 2014.

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

Name Of Representative	Capacity Representing	Dates of meetings
Cllr. I.J. Windvogel	Ward Councillor	23 July 2014 20 August 2014 22 October 2014 22 January 2015 19 March 2015 16 April 2015 23 June 2015
Cllr.S.Botes	PR Councillor	
Mr. H. Piedt	Education	
Mrs. J. Plaatjies	Safety	
Vacant	NGO	
Mr. J. Loff	Farmers	
Mr. J. Jantjies	Youth	
Miss. B. Ackerman	Elderly	
Mrs. D. Lottering	Business	
Miss. S. Piedt	Health	
Mr. S. Fister	Farmworkers	
Mr. I.Cupido	Sport	

*Table 27: Ward 4 Committee Meetings*

Wards also attended a capacitating workshop on 20 September 2014, a ward summit on 20 November 2014 and Community Ward Based Planning from 8 to 11 December 2014.

### 2.6.3 Functionality of Ward Committee

The purpose of a ward committee is:

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

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

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

Ward Number	Committee established Yes / No	Number of reports submitted to the Speakers Office	Number meetings held during the year	Number of quarterly meetings held during year	Committee functioning effectively (Yes / No)
1	Yes	6	10	1	Partially yes
2	Yes	6	10	1	Partially yes
3	Yes	6	10	1	Partially yes
4	Yes	6	10	1	Partially yes

Table 28: Functioning of Ward Committees

The ward committees' functioning must be improved as feedback from representatives of sectors did not take place on a regular basis. The quality of feedback given to the ward committees have improved some, but more must be done to improve the quality of the feedback.

### 2.6.4 Representative Forums

#### a) Labour Forum

The table below specifies the members of the Labour Forum for the 2013/14 financial year:

Name of representative	Capacity	Meeting dates
P Oliphant	Chairperson: Imatu member	1 September 2014 18 September 2014 22 September 2014 14 January 2015
A Arendse	Imatu	
A Waterboer	SAMWU	
N Abrahams	Employer	
H Mettler	Employer	
D Mooneys	Employer	

Table 29: Labour Forum

A dispute was instituted by the unions and this hampered the full functioning of the Local Labour Forum. The dispute was resolved in the latter part of 2015 and training for the members of the Local Labour Forum was held, facilitated by SALGA. This training was followed-up by training provided by SALGBC in

the current financial year. The LLF also established a sub-committee to discuss matters presented to the LLF in advance. Two meetings were held on 21 July 2014 and 26 March 2015 respectively.

## 2.7 Risk Management

The table below reflects the Risk Committee:

Member	Capacity	Department
1. H Mettler	Chairperson	Municipal Manager
2. J Neethling	Member / Champion	Finance
3. A Vorster	Member/ Champion	Corporate and Community Services
4. J Lesch	Member/ Champion	Technical Services
5. R Fransen	Risk Officer	Municipal Manager
6. P Theron	Member	Audit Committee member

Table 30: Risk Committee

## COMPONENT D: CORPORATE GOVERNANCE

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

### 2.8 RISK MANAGEMENT

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

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

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

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

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

For the 2014/15 financial year the top five strategic and ten operational risks identified are as follows:

### **2.8.1 Strategic Risks**

- The risk of financial sustainability for the immediate and longer term – Being addressed through the development of a long term financial strategy.
- Capital funding for projects decreasing, leading to increase in external funding required – Included in the long term financial strategy.
- Replacing old dilapidated infrastructure network – MIG funding applications submitted
- Re-vitalise local economy – no positive spin-offs from the on risk tender allocated in the reporting year. Catalyst projects were identified and business plans drafted. From these business plans the Access Centre was opened; urban renewal such as the park –project commenced to be completed in the current financial year and a business plan for an agri dried fruit facility and complementing agricultural activities was drafted to be funded in the current financial year.
- The risk of unemployment and poverty – Being addressed via EPWP programs and skills development within community.

### **2.8.2 Operational Risks**

- Poor record keeping –funding secured for electronic records management system.
- Flat organisational structure with limited capacity – develop smarter ways to work on a continuous basis.
- Insufficient electricity tariff structure – referred to 2015/16 budget process for development of new structure; negotiations with consulting engineers to determine most effective tariff.
- Loss of key data – Off site backup facility needed
- SPLUMA compliance – Municipality ready for SPLUMA, reached an agreement with Department of Local Government to use registered town planner
- Building Control Officer required – referred to new budget process
- Ageing infrastructure – business plan to be submitted via MIG and partnerships
- No sufficient funding for maintenance – refer to new budget process
- SCOA compliance – financial assistance required to ensure successful transfer to SCOA compliance.

### **2.8.3 Anti-Corruption and Anti-Fraud**

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

a) **Developed Strategies**

The table below indicates strategies developed during the reporting year.

Name of strategy	Developed Yes/No	Date Adopted/Reviewed
Anti-corruption and Fraud Prevention strategy and Implementation plan	Yes	Not reviewed during the reporting year
Risk Management Policy	Yes	Reviewed : June 2015
Risk Management Strategy and Implementation Plan	Yes	Reviewed: June 2015

Table 31: Strategies

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

The table below indicates the members and meeting dates of the Performance Audit Committee during the reporting year.

Name of representative	Capacity	Meeting dates
A Dippenaar	Chairperson	25 August 2014 13 February 2015 16 March 2015 7 May 2015
M van Wyk	Member	
P Theron	Member	
A Badenhorst	Internal Auditor	

Table 32: Members of the Audit Committee

The Audit Performance Committee met the required four times per annum, though they did not meet every quarter as prescribed by legislation. This was due to the fact that the Audit Report was received late and it was more prudent to meet in February to discuss said report.

c) **MPAC committee**

The MPAC committee's compilation can be seen below. Due to the fact that the Municipal Council is relatively small, it was deemed prudent to ensure that members of all parties be incorporated on said committee.

The table below indicates the compilation of the Municipal Public Accounts Committee as well as the meeting dates during the reporting year.

Name of representative	Capacity	Meeting dates
N Abrahams	Chairperson	19 January 2015 20 March 2015
I Windvogel	Member	
C Stols	Member	
S Botes	Member	
L Jacquet	Member	

**Table 32: Members of the MPAC**

Training was provided to members of the Council on the functioning of the MPAC. The capacity of the MPAC committee will be increased through training in the current financial year.

## 2.9 Internal Auditing

### 2.9.1 Annual Audit Plan

The Risk Based Audit Plan for 2014/15 was executed with the available resources. The table below provides detail on audits completed:

The table below indicates the focus areas of the Risk Based Audit Plan for the reporting year.

Area investigated	Scope of investigation	Number of hours spend
Traffic	Law Enforcement	160h
Human Resources	Leave, Attendance & Overtime	160h
Grants	DORA requirements, Expenditure & Reconciliations	124h
SCM	Tenders, quotations and deviations	152h
PMS	4 x Quarterly internal audits	320h

**Table 33: Internal Audit Coverage Plan**

The table below reflects the functions of the Internal Audit Unit that was performed during the financial year under review:

Function
Risk analysis completed/reviewed

Function
Risk based audit plan approved for 2014/15 financial year
Internal audit programme drafted and approved
Number of audits conducted and reported on
Grants
IT risk assessment
Performance management
HR analysis

Table 34: Internal Audit Functions

## 2.10 By-Laws and Policies

In preparing for the new SPLUMA legislation the Municipality developed a Municipal Planning By-Law which was taken through the public participation processes and approved by Council in the reporting year. The promulgation of said by-law took place in the current financial year. The external policies and by-law were advertised in local media and engaged via ward committees. The internal policies were engaged with via the Local Labour Forum.

The table below reflects a list of all the policies developed and reviewed during the financial year:

Policies developed/ revised	Date adopted	Public Participation Conducted Prior to adoption of policy Yes/No
Language policy	November 2014	Yes
Training policy	November 2014	No via LLF
Overtime policy	November 2014	No via LLF
Communication policy	June 2015	Yes
Credit control and debt collection policy	June 2015	Yes
Planning By Law	May 2015 (promulgated Sept 2015)	Yes
House Shop By Law	March 2015	Yes

Table 35: Policies developed and reviewed

## 2.11 Communication

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

The communities, on the other hand, have a right and a responsibility to participate in local government affairs and decision-making and ample provision is made in the above-mentioned legislation for them to exercise their right in this respect. Our democratic government is committed to the principle of **Batho Pele** that is based on the principle of consultation, setting service standards,

increased access, courtesy, providing information, openness and transparency, redress and value-for-money. This, in simple terms, means that those we elect to represent us (Councillors at the municipal level) and those who are employed to serve us (the municipal officials at municipal level) must always put people first in what they do.

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

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

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

<b>Communication activities</b>	<b>Yes/No</b>
Communication unit	Yes
Communication strategy	Yes
Communication Policy	Yes
Customer satisfaction surveys	Yes
Functional complaint management systems	Yes
Facebook page developed	Yes
Newsletters distributed at least quarterly	No

**Table 36: Communication platforms**

## **2.12 Website**

The Municipality worked with the Department of Local Government to develop a new user-friendly website for municipalities. This website will replace the previous website and will be updated by the municipal officials and not via a service provider. This allows for more control over the updating of the website. The website will be launched early in 2016 and will allow for a date of publication. This was not available during the reporting year.

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

<b>Documents published on the Municipal website</b>	<b>Published (Yes/No)</b>
Current annual and adjustments budgets and all budget-related documents, including SDBIP	Yes
Tariff policy	Yes
Credit control policy	Yes
Valuation policy	Yes
Rates policy	Yes
SCM policy	Yes
Annual report for 2013/14	Yes

Documents published on the Municipal website	Published (Yes/No)
All service delivery agreements for 2014/15	No
All supply chain management contracts above the prescribed value for 2014/15	No
Performance agreements required in terms of section 57 (1) (b) of the Municipal Systems Act for 2014/15	Yes
All quarterly reports tabled in the council in terms of section 52 (d) of the MFMA during 2014/15	Yes

Table 37: Website Checklist

## 2.13 Supply Chain Management

### 2.13.1 Competitive Bids in Excess of R200 000

#### a) Bid Committee Meetings

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

Member	Percentage attendance
CHRISTA BAADJIES	100%
DONOVAN PLAATJIES	100%
LOUWRENCE LESCH	100%

Table 38: Attendance of members of bid evaluation committee

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

Member	Percentage attendance
Mr. J LESCH	95%
Mrs. D MOONEYS	95%
Mrs KARIN VAN DER MESCHT	95%
Mr JD NEETHLING	100%
Mr A VORSTER	95%

Table 39: Attendance of members of bid adjudication committee

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

#### b) Awards Made by the Bid Adjudication Committee

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

Tender nr	Tender description	Successful tenderer	Tender amount	Reason for allocation
69 &	Operation of	Me H Piedt & National	Per	Current service

69B/2014	paypoints	Garage	Commission	providers
91/2014	Replacement of Valves and Fire Hydrants in Prince Albert	A2 Loodgieters	R2100547.81	Only tender
117/2014	Appointment of Consulting Engineers For Various Municipal Infrastructure and Building Projets	Makukhane Consulting Engineers CC	R2 000 000	Piggy Bag Tender
104/2014	Replacement of Bulk Water Meters at Prince Albert, Leeu Gamka And Klaarstroom	A2 Loodgieters	R882334.46	Only tender
112/2014	Construction Of half an Olympic size Swimming Pool and Associated works	A2 Loodgieters	R2407031.06	Best Tender
134/2014	Traffic speed measuring, fixed cameras for speed and robot violations, number plate recognition system and	SYNTELL	Transversal Agreement	Piggy Bag Tender
111/2014	Upgrade of the Leeu Gamka Wastewater Treatment Works: Mechanical & Electrical	Hidro Tech Systems Pty Ltd	R2874112.51	Beste Tender
124/2014	Request for proposals for suitable service	Anix Conculffing	R2400000.00	Only tender

	providers to obtain funding and conduct a municipal economic strategy for Prince Albert			
	Asset Register compilation	Pricewaterhousecoopers	R132714.24	Compilation of asset register
10/2015	Short term insurance	AON	R517047.00	Best Tender
24/2015	Appointment of consulting engineers for various municipal infrastructure and building projects	<ul style="list-style-type: none"> <li>• BIGEN AFRICA SERVICES LTD</li> <li>• AECOM SA LTD</li> <li>• CLINKSALES MAUGHAN BROWN LTD</li> <li>• T2 TECH CONSULTING ENGINEERS CC</li> <li>• MAKHUKHANE CONSULTING ENGINEERS CC</li> <li>• BDE CONSULTING ENGINEERS LTD</li> <li>• V&amp;V CONSULTING ENGINEERS LTD</li> <li>• AURECON SOUTH AFRICA LTD</li> <li>• ROYAL HASKONING DHV LTD</li> <li>• MVD CONSULTING ENGINEERS LTD</li> <li>• GIBB LTD</li> <li>• CSM CONSULTING SERVICES LTD</li> <li>• COBUS LOUW QUANTRA JV</li> <li>• ELEMENT CONSULTING ENGINEERS LTD</li> <li>• UHAMBISO CONSULT LTD</li> <li>• MOSSEL BAY JOINT VENTURE</li> <li>• SMEC SOUTH AFRICA LTD</li> <li>• HESSEQUA CONSULTING ENGINEERS</li> </ul>	Transversal Agreement	Piggy Bag Tender

25/2015	Implementing agent for housing development programmes	Asla	Transversal Agreement	Piggy Bag Tender
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Table 40: Ten highest bids awarded by bid adjudication committee

**c) Awards Made by the Accounting Officer**

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

**e) Appeals lodged by aggrieved bidders**

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

**2.13.2 Deviation from Normal Procurement Processes**

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

Type of deviation	Number of deviations	Value of deviations
Sole suppliers, impractical and emergency	127	R1 083 615.96

Table 41: Summary of deviations

Clause 36(1)(a)(v)- Deviations- Impractical and or Impossible: None

**2.13.3 Logistics Management**

As at 30 June 2014, the value of stock at the municipal stores amounted to R253 798.00.

The system of disposal management must ensure the following:

- immovable property is sold only at market related prices except when the public interest or the plight of the poor demands otherwise;
- movable assets are sold either by way of written price quotations, a competitive bidding process, auction or at market related prices, whichever is the most advantageous;
- Firearms are not sold or donated to any person or institution within or outside the Republic unless approved by the National Conventional Arms Control Committee;
- Immovable property is let at market related rates except when the public e plight of the poor demands otherwise;
- All fees, charges, rates, tariffs, scales of fees or other charges relating to the letting of immovable property are annually reviewed;
- Where assets are traded in for other assets, the highest possible trade-in price is negotiated; and

- In the case of the free disposal of computer equipment, the provincial department of education is first approached to indicate within 30 days whether any of the local schools are interested in the equipment.

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

## CHAPTER 3

### Service Delivery Performance (Performance Report Part I)

#### Introduction

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

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

#### Component A: Basic Services

##### Introduction to Basic Services

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

#### 3.1 Water Provision

##### Introduction to Water Provision

Prince Albert's bulk water supply is provided from nine boreholes with varying supply levels. This supply is augmented by a steady stream (bergbron) that is the municipal allocation of the water furrow that supply the irrigation water to the South End of Prince Albert. The Municipal water allocation is 17.25 hours of scheduled irrigation water per week, in Prince Albert town. Leeu-Gamka and Klaarstroom have no irrigation allocations and is solely dependent on its boreholes

The boreholes in Prince Albert town provide water to the treatment plant by a combined 160 mm diameter PVC pipe and 100 mm diameter AS-pipe supply system. Boreholes 1 to 4 have a low iron content compared to boreholes 5 to 9's high iron content.

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

In summer, the Municipality have to carefully manage the supply, due to decreased runoff and the low level of the water table as well as carefully manage the demand due to very hot conditions, increased users in the holidays, and reckless usage by inhabitants. With the ever rising municipal consumption, the available resources are no longer sufficient and shortages may occur during the summer season, as the

provision of boreholes also decreases and the Storage Infrastructure is insufficient to store water over longer periods. Cognisance of this ever present risk must be taken.

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

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

Water losses are restricted to the minimum. The average water losses for 2013/2014 was targeted to be 16%, but was reduced to 8.7%. These losses are measured from the source to the sector meters. These losses include the losses in the purification works.

In the new financial year the Municipality will endeavour to promote responsible water use by users. The Municipality will also aim to secure funding to undertake a water audit within the municipal area.

**a) Highlights: Water Services**

Highlights in respect of Water services are indicated below.

Highlights	Description
Water week	Primary school tours of water management system and Plant. Green and Blue scorpions visited the Klaarstroom area and investigated the water usage permits of surrounding farmers.
Effective Drought management during summer months	No water restrictions had to be imposed.
Good rainfall	Boreholes in Prince Albert town was used to a minimum, the implication is that a sufficient reserve was managed for the duration of the year, and a high water table was maintained
Summer Holiday program	Municipality purchased movable swimming pools, which was used during the holidays to lure children and youth to stadiums. This was especially good since it effectively lured them out of the upstream water source that was usually used, thus minimizing pollution of the Dorps river. This program was also successful since it countered over use due to hot weather as people flocked to the recreational area.

**Table 42: Water Services Highlights**

**b) Challenges: Water Services**

Challenges in respect of the water services are indicated below.

Description	Actions to address
Pollution of Runoff water(People swimming)	Build swimming pools to accommodate summer recreation. Plans have been concluded and the phase of the swimming pool will be constructed in the 2014/15 financial year

Water storage	The first 1 Ml reservoir is underway and is soon to be completed
Incorrect water metering (Bulk)	A project was registered with ACIP, and funding was approved, to be completed in next financial year
Pollution of Ground water (Septic tanks)	Lobby for funding to eradicate 400+ conservancy and septic tank. Install if possible waterborne sewerage systems in the Prince Albert Town area.
Misuse of water by residents	Implement an awareness campaign on responsible water use

Table 43: Water Services Challenges

c) **Water Service (piped water) Delivery Levels**

The following table indicates the Municipality's performance in supplying water within the minimum service level as prescribed by the national government.

Description	2013/14	2014/15	
	Actual	Actual as per census - including farms	Actual as serviced by Municipality
	No.	No.	
<b>Water: (above min level)</b>			
Piped (tap) water inside dwelling/institution	2 274	2 495	2 318
Piped (tap) water inside yard	0	930	0
Piped (tap) water on community stand: distance less than 200m from dwelling/institution	28	93	28
<b>Minimum Service Level and Above sub-total</b>	<b>2 302</b>	<b>3 518</b>	<b>2 346</b>
<b>Minimum Service Level and Above Percentage</b>	<b>100%</b>	<b>98.3%</b>	<b>100%</b>
<b>Water: (below min level)</b>			
Piped (tap) water on community stand: distance between 200m and 500m from dwelling/institution	0	25	0
Using public tap (more than 200m from dwelling), distance between 500m and 1000m (1km) from dwelling /institution	0	5	0
Piped (tap) water on community stand: distance greater than 1000m (1km) from dwelling/institution	0	6	0
No access to piped (tap) water	0	24	0
<b>Below Minimum Service Level sub-total</b>	<b>0</b>	<b>60</b>	<b>0</b>
<b>Below Minimum Service Level Percentage</b>	<b>0</b>	<b>1.7%</b>	<b>0</b>
<b>Total number of households</b>	<b>2 231</b>	<b>3 578</b>	<b>2 346</b>
<b>Included in the above table:</b> Formal residential, Informal residential, Traditional residential Farms, Parks and recreation Collective living quarters, Industrial Small holdings, Commercial <i>The above table 2014/15 are populated as per the Census 2011 data for Source of Water, Type of dwelling and includes all dwellings</i>			

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

**Access to free basic water:**

Number /Proportion of households receiving 6 kl free #	
2013/14	2014/15
2 063	2 318

**Table 45: Source: PAMUN Audited SDBIP 2013/14 – 2014/15**

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

**Service delivery indicators**

The table below reflects the municipality's performance pertaining basic service provision within the 2014/15 financial year.

Ref	KPI	Unit of Measurement	Wards	Previous Year Performance	Overall Performance for 2014/15		
					Target	Actual	R
TL6	Provide 6kl free basic water per household per month in terms of the equitable share requirements	No of HH receiving free basic water	All	1835	2,273	687	G
TL7	Provision of sanitation services to residential properties which are connected to the municipal waste water (sanitation/sewerage) network & are billed for sewerage service, irrespective of the number of water closets (toilets).	No of residential properties which are billed for sewerage in accordance to the financial system.	All	2150	2,127	2,370	G2
TL22	Provision of clean piped water to formal residential properties which are connected to the municipal water infrastructure network.	Number of formal residential properties that meet agreed service standards for piped water	All	2231	2,232	2,511	G2
TL23	Excellent water quality measured by the quality of water as per SANS 241 criteria	% water quality level as per blue drop assessment	All		80%	91.7%	G
TL26	Limit water losses to not more than 16% $\{(Number\ of\ Kilolitres\ Water\ Purchased\ or\ Purified - Number\ of\ Kilolitres\ Water\ Sold) / Number\ of\ Kilolitres\ Water\ Purchased\ or\ Purified \times 100\}$	$(Number\ of\ Kilolitres\ Water\ Purchased\ or\ Purified - Number\ of\ Kilolitres\ Water\ Sold) / Number\ of\ Kilolitres\ Water\ Purchased\ or\ Purified \times 100)$	All	8.25%	16%	8,7%	B

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

**d) Employees: Water Services**

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

Job Level	2013/14		2014/15		
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.		No.	%
0 - 3	1	3	1	2	66 %
4 - 6	2	3	1	2	66%
7 - 9	2	1	1	0	
10 - 12	0	0	0	0	
13 - 15	0	0	0	0	
16 - 18	0	0	0	0	
19 - 20	0	0	0	0	
<b>Total</b>	<b>5</b>	<b>7</b>	<b>3</b>	<b>4</b>	<b>66%</b>

Table 47: Employees: Water Services

### e) Capital: Water Services

The following table reflects the municipality's capital expenditure for the 2014/15 financial year in respect of water services.

Capital Expenditure 2014/15: Water Services					
R'000					
Capital Projects	2014/15				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget %	Total Project Value
Klaarstroom borehole and piping	250 000	650 000	154 000	-62.34	154 000
P/A Reservoir	2 042 000	3 564 000	3 958 973	51.58	3 958 793
<b>Total</b>	<b>2 292 000</b>	<b>4 214 000</b>	<b>4 112 973</b>	<b>55.73</b>	<b>4 112 973</b>

Table 48: Capital Expenditure 2014/15: Water Services

## 3.2 Waste water (sanitation) provision

### Introduction to Sanitation Provision

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

## Klaarstroom

The sanitation system for Klaarstroom comprises a full waterborne system. The Klaarstroom WWTW does not hold any permit or license. Wastewater is screened in town and pumped to the WWTW. The works has a design capacity of 50 kl/day and was constructed in 1970. It consists of an anaerobic pond and an oxidation pond with the final effluent overflowing into the adjacent field.

## Leeu-Gamka

The treatment works is a pond system comprising: Four primary ponds operating in parallel. The WWTW was originally constructed in 1985 with a design capacity of 140 kl/ day; however, it was recently upgraded to provide for the upcoming 251 houses that are currently in the process of being built. Final effluent is used for irrigation or overflows (uncontrolled discharge) into the adjacent field. The wastewater is screened at the pump station before being pumped to the WWTW. The night fall (buckets) are deposited in a manhole upstream of the central pumping station. The buckets are washed and stored at the central pumping station.

## Prince Albert

The Prince Albert WWTW, a pond system was designed to treat 623 kl/day (with the final effluent being used for irrigation at the adjacent nursery, or it is discharged uncontrolled to the lower lying areas adjacent to the site. The sanitation system consists of a waterborne system as well as septic tanks. These septic tanks is services by means of a sanitation team with appropriate equipment and vehicles who collect sewerage and deposit it into a pump network that is connected to the waterborne network. The WWTW is need of an upgrade and is registered with MIG for funding

The table below specifies the different sanitation service delivery levels per households for the financial years 2013/14 and 2014/15 in the areas in which the municipality is responsible for the delivery of the service:

### a) Highlights: Waste Water (Sanitation) Provision

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

Highlights	Description
Approvals and installations of new connections	More people connected to waterborne systems.
Sewerage suction roster implemented	Sewerage suction is now done on a schedule and thus more cost effective.

Table 49: Waste Water (Sanitation) Provision Highlights

### b) Challenges: Waste Water (Sanitation) Provision

The following table depicts the challenges in respect of sanitation services within the reporting year. The Municipality have embarked on an initiative to encourage residents to connect, where possible, to the sewerage reticulation network so as to move away from the operational costs. The performance of this division correlates closely with an available maintenance budget, with particular reference to the honey sucker vehicles.

Description	Actions to address
Licensing of WWTW's	Funding to be sourced
Septic and Conservancy tanks in South End	Source funding to connect to waterborne system
Scheduled sewerage suction hampered by breakages on honey sucker.	Scheduled maintenance on equipment with Leeu-Gamka's equipment as standby.
WWTW insufficient for growing town	Upgrade WWTW, including activated sludge

Table 50: Waste Water (Sanitation) Provision Challenges

### c) Sanitation Service Delivery Levels

The table below depicts the sanitation service levels for the 2014/15 financial year in comparison to the previous financial year. It must be noted that the census numbers include the farming areas as well as the Transnet areas where the Municipality previously did not supply a direct service.

Description	Households		
	2013/14	2014/15	
	Outcome	Actual as per Census 2011	Actual as Serviced by municipality
	No.	No.	No.
<b>Sanitation/sewerage: (above minimum level)</b>			
Flush toilet (connected to sewerage)	1835	2 274	2 056
Flush toilet (with septic tank)	320	645	314
Chemical toilet	0	3	0
Pit toilet with ventilated (VIP)	0	175	0
Pit toilet without ventilated	0	62	0
Other toilet provisions (above min.service level)	0	0	0
<b>Minimum Service Level and Above sub-total</b>	<b>2 155</b>	<b>3 159</b>	<b>2 370</b>
<b>Minimum Service Level and Above Percentage</b>	<b>98.8%</b>	<b>88%</b>	
<b>Sanitation/sewerage: (below minimum level)</b>			
Bucket toilet	26	148	26
Other	0	125	0
No toilet provisions	0	148	0
<b>Below Minimum Service Level sub-total</b>	<b>26</b>	<b>421</b>	<b>26</b>
<b>Below Minimum Service Level Percentage</b>	<b>1.2%</b>	<b>12%</b>	<b>1.2%</b>
<b>Total households</b>	<b>2 181</b>	<b>3 580</b>	<b>2 396</b>
The above table 2013/14 are populated as per the Census 2011 data for Toilet Facilities by Type of dwelling and include all dwellings			

Table 51: Sanitation levels

### Service Delivery Indicators Waste Water (Sanitation)

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

Ref	KPI	Unit of Measurement	Wards	Previous Year Performance	Overall Performance for 2014/15		
					Target	Actual	R
TL8	Provision of free basic sanitation services to registered indigent account holders which are connected to the municipal waste water (sanitation/sewerage) network & are billed for sewerage service, irrespective of the number of water closets (toilets).	No of indigent account holders receiving free basic sanitation in terms of Equitable share requirements.	All	870	870	687	
TL24	Quality of effluent (measured by quality of microbiological standards) in terms of SANS irrigation standards	% quality of effluent achieved as per Green Drop assessment	All	94%	78%	63.3%	

Table 52: Service delivery indicators: Waste Water

### Employees: Sanitation Services

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

Job Level	2013/14		2014/15		
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0-3	3	6	3	3	50%
4-6	1	4	1	3	75%
7-9	1	1	1	0	-
10-12	0	0	0	0	-
13-15	0	0	0	0	-
16-18	0	0	0	0	-
19-20	0	0	0	0	-
Total	5	11	5	6	55%

Table 53: Employees Waste Water (Sanitation) Provision

### d) Capital: Sanitation Services

The table below indicates the capital expenditure on sanitation services for the 2014/15 financial year. Expenditure was focused on Leeu-Gamka as the waste water treatment works there had to be upgraded to ensure legislative compliance and to increase the capacity to accommodate the 252 houses build within the area.

Capital Expenditure 2014/15: Sanitation Services			
R' 000			
Capital Projects	2014/15		
	Budget	Adjustment Budget	Actual Expenditure
Leeu-Gamka New Bulk sanitation	0	2 734 000	2 959 000
Prince Albert WWTW	2 226 000		
<b>Total</b>	<b>2 226 000</b>	<b>2 734 000</b>	<b>2 959 000</b>

Table 54: Capital Expenditure 2014/15: Waste Water (Sanitation) Provision

### 3.3 Electricity

#### Introduction to Electricity

The municipality provides a reliable service within NERSA specified limits within the area of supply. In the areas of Klaarstroom and Leeu-Gamka, electricity is directly supplied by ESCOM, thus impacting on revenue collection and the implementation of Prince Albert Municipality's credit control and debt collection policy. This is detrimental to the municipality's sustainability as is evident in the low payment rate in these areas.

The current electricity network is in need of an upgrade as well as an expansion from 25MVA to 35 MVA, as per the expected demand in 2017.

Another challenge is to implement measures which serve to control, influence and generally reduce electricity demand. This can be achieved by using high efficiency equipment and efficient use of electricity through good operating practice.

This department also needs an Asset Management System in place for the maintenance plan of the entire electrical infrastructure.

The Municipality is encouraging energy saving by public notices and is investigating alternative energy development within the area. The latter initiative will be reported on in the next financial year.

#### a) Highlights: Electricity

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

Highlights	Description
Transformer Assessment was done, and a request for assistance has been made to Department of Energy, which was successful	R 2 000 000 was allocated to Prince Albert for Network upgrade
Assistant Electrician position on organogram and funded	On new organogram and funded
Smart Metering Pilot Project in final stages	Service provider negotiated funding for pilot project to be implemented 2013/2014 financial year. Data is currently collected through the system, which will be used to assess smart metering and to plan accordingly
New Transformer is purchased and installed in Deurdrif street	Transformer is mounted, but is still offline, awaits high voltage service provider to connect

Table 55: Electricity Highlights

**b) Challenges: Electricity**

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

Description	Actions to address
Old / dilapidated transformer and system	Project registration through MIG
No equipment and electrical tools	To budget
No electrician appointed	Position funded – advertised in 2015/16 financial year

Table 56: Electricity Challenges

**c) Electricity Service Delivery Levels**

The table below depicts the Municipality's performance in the current financial year against the previous financial year. It must be noted that the farms and Eskom-supplied areas are included in the Census statistics depicted below. \* Please note that the actual services below minimum level could not

Description	Households		
	2013/14	2014/15	Actual as Serviced by municipality
	Actual No.	Actual as per Census 2011 No.	
<b>Energy: (above minimum level)</b>			
Electricity (at least min.service level)	433	490	309
Electricity - prepaid (min.service level)	1949	1 948	1 812
<b>Minimum Service Level and Above sub-total</b>	<b>2 382</b>	<b>2 438</b>	<b>2 121</b>
<b>Minimum Service Level and Above Percentage</b>	<b>100</b>	<b>100</b>	<b>100</b>
<b>Energy: (below minimum level)</b>			
Electricity (< min.service level)	0	9	0
Electricity - prepaid (< min. service level)	0	0	0
Other energy sources	0	0	0

Description	Households		
	2013/14	2014/15	
	Actual	Actual as per Census 2011	Actual as Serviced by municipality
	No.	No.	
Below Minimum Service Level sub-total	0	9	0
Below Minimum Service Level Percentage	0	0	0
Total number of households	2 023	2 438	0

Table 57: Electricity Service Levels

### Service Delivery Indicators

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

Ref	KPI	Unit of Measurement	Wards	Previous Year Performance	Overall Performance for 2014/15		
					Target	Actual	R
TL20	Number of formal residential properties connected to the municipal electrical infrastructure network (credit and prepaid electrical metering)(Excluding Eskom areas)	Number of residential properties which are billed for electricity or have prepaid meters (Excluding Eskom areas)	All	2382	1,682	2,121	G2
TL27	Limit electricity losses to not more than 15% {(Number of Electricity Units Purchased and/or Generated - Number of Electricity Units Sold) / Number of Electricity Units Purchased and/or Generated} × 100}	(Number of Electricity Units Purchased and/or Generated - Number of Electricity Units Sold) / Number of Electricity Units Purchased and/or Generated) × 100	All	19%	15%	8.26%	B

Table 58: Electricity KPI's

### d) Employees: Electricity

This service is provided via a service level agreement and there is no internal staff allocated to this particular service. The Manager: Infrastructure is responsible for overseeing the work of the service provider, while the Incident Clerk provides administrative assistance on logging of electricity complaints.

Job Level	2013/14		2014/15		
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0-3	0	0	0	0	-
4-6	0	2	0	2	100%
7-9	0	1	0	1	100%
10-12	0	1	0	1	100%
13-15	0	0	0	0	-

Job Level	2013/14		2014/15		
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
16 - 18	0	0	0	0	-
19 - 20	0	0	0	0	-
<b>Total</b>	<b>0</b>	<b>4</b>	<b>0</b>	<b>4</b>	<b>100%</b>

**Table 59: Employees: Electricity services**

### 3.4 Waste management

#### (a) Introduction to Waste Management

Waste is collected on a weekly basis and each service point is supplied with black bags by the municipality. In order to better manage distribution households are encouraged to collect the bags at the Technical offices. Prince Albert has three waste removal vehicles: a Kia 2.7l small truck equipped for daily collection of refuse, a 2.7l Kia small truck equipped for garden refuse and a Tractor for the removal of domestic waste in Leeu-Gamka. The waste collection in Klaarstroom and Prince Albert Road is managed from Prince Albert.

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

The Municipality is in the process to either license/ close landfill sites within the municipal area. The landfill sites are prone to smouldering and the Fire Prevention staffing component closely monitors this on all landfill sites within our boundaries. Tests done by the Western Cape Government: Environmental Affairs and Development Planning on July 8, 2014 in respect of the landfill site in Prince Albert reflect on the management during the reporting year. During this inspection no ethane gas was detected.

#### (b) Highlights: Waste Management

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

Highlights	Description
DEADP and DEA agreed to upgrade the Integrated Waste Management Plan	Initial meetings took place, and the review is underway
Pick-a-Piece	Part of recycling strategy and Education.

**Table 60: Waste Management Highlights**

**(c) Challenges: Waste Management**

The challenges pertaining waste management for the 2014/15 financial year is depicted below with transport and recycling as matters that must be addressed with urgency.

Description	Actions to address
Transport still a challenge	Buy more vehicles.
2 Bag system	An awareness campaign must be launched to increase public buy-in
Recycling	Management of transport from Oudtshoorn. Tonnage too low to cover transport and haulage costs. Recyclables in many cases not processed after collection. Leading to demoralisation of staff
Gate control	Investigate security on premises.
Illegal dumping	Stricter control measure needs to be implemented.
No weighbridge	Effective management impossible without such equipment

**Table 61: Waste Management Challenges**

**(d) Waste Management Service Delivery Levels**

The table below depicts the municipality's performance against the service delivery indicators for waste management provision in comparison with the previous financial year.

Description	Households		
	2013/14	Census 2011	2014/15
	Actual No.	Actual No.	Actual as serviced by No.
<b>Solid Waste Removal: (Minimum level)</b>			
Removed at least once a week	2 333	1 989	2 452
Minimum Service Level and Above sub-total	2 333	1 989	2 452
Minimum Service Level and Above percentage	100%	100%	100%
<b>Solid Waste Removal: (Below minimum level)</b>			
Removed less frequently than once a week	0	0	0
Using communal refuse dump	0	0	0
Using own refuse dump	0	0	0
Other rubbish disposal	0	0	0
No rubbish disposal	0	0	0
Below Minimum Service Level sub-total	0	0	0
Below Minimum Service Level percentage	0	0	0
<b>Total number of households</b>	<b>2 333</b>	<b>1989</b>	<b>2 452</b>

**Table 62: Waste Management Service Delivery Levels**

**(e) Service Delivery Indicators**

The service delivery indicators below reflect the performance of the solid waste management for the 2014/15 financial year. As indicated previously the recycling of waste material remains problematic as the low volume and vast distances to be travelled hampers cost-effectiveness. The Municipality will have to consider ways to increase the recyclable material collection so as to increase the recyclable material volume.

Ref	KPI	Unit of Measurement	Wards	Previous Year Performance	Overall Performance for 2014/15		
					Target	Actual	R
TL9	Provide 50kwh free basic electricity to registered indigent account holders connected to the municipal electrical infrastructure network	No of indigent account holders receiving free basic electricity which are connected to the municipal electrical infrastructure network	All	790	870	687	G
TL21	Provide refuse removal, refuse dumps and solid waste disposal to households within the municipal area	Number of households for which refuse is removed at least once a week	All	2333	2,288	2,452	G2

**Table 63: Service delivery indicators: Solid waste management**

**(f) Employees: Waste Management**

The table below reflects the staff component for solid waste management in the reporting year, compared to 2013/14. It must be noted that staff perform dual functions and thus the staffing table below cannot be read in isolation.

Job Level	2013/14		2014/15		
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0-3	5	7	5	2	40%
4-6	2	2	1	0	50%
7-9	0	0	0	0	-
10-12	0	0	0	0	-
13-15	0	0	0	0	-
16-18	0	0	0	0	-
19-20	0	0	0	0	-
<b>Total</b>	<b>7</b>	<b>9</b>	<b>6</b>	<b>3</b>	<b>33.33%</b>

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

**(g) Capital: Solid Waste Management**

No capital expenditure was incurred in respect of solid waste management during the 2013/14 financial year.

### 3.5 Housing

Prince Albert Municipality supports the following objectives in respect of housing

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

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

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

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

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

The housing waiting list for the whole of Prince Albert Municipality's jurisdiction reflect 1248 applicants. This reduction in the waiting list can be attributed to the fact that incomplete applications and duplications were cancelled. It is important to note that the cancelled applications can be re-instated on the waiting list should all the supporting documents be supplied.

With Provincial government increasing the original allocation in Leeu-Gamka from 51 to 252 top structures, 9 light industrial erven and 1 industrial erf, as well as the decision to bring the first 51 houses up to the same standard as the rest of the project, the project was held back slightly with the first houses only formally handed over on 4 July 2014. Consumer education took place on a continuous basis in the reporting year till all the houses were handed over in this project.

The Municipality's Housing Implementation Agent, ASLA prepared another housing application for Prince Albert on a portion of erf 743 for which the Basic Assessment Report was completed and advertised. This application is for 243 residential erven, one public open space and accompanying roads. The approval of said rezoning and subdivision will be tabled to Council on 28 August 2015.

The changes to the land use planning legislation, specifically SPLUMA and the impact that this legislation will have on planning matters and the Spatial Development Framework (SDF) lead to the decision to review the Integrated Human Settlement Plan after the review of the SDF that will now be done in terms of the new legislation.

The Western Cape Government: Human Settlements indicated in October 2013 that the following housing pipeline for Prince Albert municipal area is supported. The only change in the pipeline below is that Project 3288 will include 243 houses and not 300.

Municipal Area	Project Number and Name	Program	Number of Opportunities	Earliest Implementation Year	Recommendation
Prince Albert	3 288 Prince Albert Enhanced Services (300 units) IRDP	IRDP	300	2016/17	Project supported by PPC, but it was recommended that the earliest implementation date be changed to 2016/17
Leeu-Gamka	2 718 (3): Transnet Housing Leeu-Gamka & Prince Albert Road (92 services) UISP	UISP (originally 92)	Tbd	Tbd	Project conditionally supported by PPC if all planning processes successfully completed and at the availability of sufficient bulk capacity
Leeu-Gamka	3 033: Leeu-Gamka (331 units) IRDP & GAP (69 units) FLISP	IRDP	252	Completed	Project supported by PPC, but the number of housing opportunities must be reduced to 252 and only enhanced services will be provided.
Prince Albert	3 289: Prince Albert GAP (69 services) IRDP & (69 units) FLISP	IRDP	69	2016/17	Project "3033.03" not supported by PPC. The project application must be re-submitted to allow for the relocation of the project to Prince Albert and that the earliest implementation date be shifted to 2016/17.
Prince Albert	3290: Prince Albert Klaarstroom Enhanced Services (30 services) IRDP	IRDP	30	2022/23	Project provisionally supported by PPC, but it was recommended that the project be views as an extreme long term priority for the municipality thus the earliest implementation date must be changed to 2022/23.

Table 65: Housing Pipeline

**(a) Highlights: Housing**

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

Highlights	Description
Completion and hand over of 222 top structures and the handing over of said houses to the beneficiaries (30 completed in previous financial year)	Top structure completion, handover of 10 every second week as from the beginning of 2014/15
Completion of Basic Assessment Report for Prince Albert project	Basic Assessment Report for development of 243 houses in Prince Albert completed – rezoning and subdivision advertised in June 2015.

**Table 66: Housing Highlights**

**(b) Challenges: Housing**

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

Description	Actions to address
R 24 million still needed for the Transnet bulk infrastructure and upgrade of Transnet houses	Apply to province for more funding.
Compilation of Integrated Human Settlement Plan	Referred to 2015/16 financial year to align with SDF review in terms of SLUMA
Increasing waiting list	Funding applications to Province
Need for middle class housing is sharply increasing	Apply for CRU funding instead of GAP funding
Beneficiary administration	Due to challenges in respect of external beneficiary administration it was decided that beneficiary administration will be conducted internally in future

**Table 67: Housing Challenges**

**(c) Service Delivery Levels**

The table below reflects the number of households without access to basic housing in relation to households reflected on the municipal billing system.

Year end	Number of households with access to basic housing		
	*Total households (including formal and informal settlements)	Households in formal settlements	Percentage of HHs in formal settlements
2013/14	2 115	2 063	98
2014/15	2 374	2 318	98

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

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

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

Financial year	Number of housing units on waiting list	% Housing waiting list increase/(decrease)
2013/14	1 488	(3.3%)
2014/15	1 248	(16%)

Table 69: Housing waiting list

The decrease in the housing waiting list was due to the cleaning of the waiting list and the cancellation of duplications and incomplete applications. A summary of houses built is indicated beneath. Funding not spent on 30 June 2014 were rolled over to the 2014/15 financial year.

Financial year	Allocation	Amount spent	% spent	Number of houses built	Number of sites serviced
	R'000	R'000			
2013/14	1 885	8 689	0	30	262
2014/15	22 352	22 170	99%	222	0

Table 70: Housing Funding spend

### 3.6 Free Basic Services and Indigent Support

#### Introduction

A debtor is considered indigent if the total monthly household income is equal to two times the amount of state funded social pensions or less (currently R2 540 per month). All indigent households individually receive 6 kl water and 50Kwh electricity free each month. Furthermore, an indigent debtor also receives a subsidy on refuse removal and sewerage, rates and the availability charge in respect of water.

All indigents have to renew their applications annually in order to qualify for the benefits.

The table indicates the percentage of indigent households that have access to free basic municipal services. In accordance with the approved indigent policy of the municipality, all households earning less than R2 540 per month will receive the free basic services as prescribed by national policy.

The Municipality, under the championship of Executive Mayor, G Lottering, embarked on a door-to-door awareness campaign where possible participants of the indigent subsidy scheme was encouraged to apply and to pay outstanding debt. The table below indicates that 38.29 % of the total number of households received free basic services in 2013/14 financial year whilst it increased to 29.63 % in the 2014/15 financial year. These figures are based on the average for the financial year.

Financial year	Number of households								
	Total no of HH	Free Basic Electricity		Free Basic Water		Free Basic Sanitation		Free Basic Refuse Removal	
		No. Access	%	No. Access	%	No. Access	%	No. Access	%
2013/14	2 063	790	38.29%	2 063	100%	790	38.29%	790	38.29%

2014/15	2 318	687	29.63%	2 318	100%	687	29.63%	687	29.63%
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**Table 71: Free basic services to indigent households**

Free Basic Electricity									
Financial year	Indigent Households			Non-indigent households			Indigent Households in Eskom areas		
	No. of HH	Unit per HH (kwh)	Value	No. of HH	Unit per HH (kwh)	Value	No. of HH	Unit per HH (kwh)	Value
			R'000			R'000			R'000
2013/14	568	50	247	1273	0	0	222	50	158
2014/15	465	50	271	1631	0	0	222	50	142

**Table 72: Free basic electricity services to indigent households**

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

**Table 73: Free basic Water services to indigent households**

Sanitation						
Financial year	Indigent Households			Non-indigent households		
	No. of HH	R value per HH	Value	No. of HH	Unit per HH per month	Value
			R'000			R'000
2013/14	790	77.25	675	1273	0	0
2014/15	687	83.43	641	1 631	0	0

**Table 74: Free basic sanitation services to indigent households**

Refuse Removal						
Financial year	Indigent Households			Non-indigent households		
	No. of HH	Service per HH per week	Value	No. of HH	Unit per HH per month	Value
			R'000			R'000
2013/14	790	47.45	435	1273	0	0
2014/15	687	51.25	394	1 631	0	0

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

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

Financial Performance 2014/15: Cost to Municipality of Free Basic Services Delivered					
Services Delivered	2013/14	2014/15			
	Actual	Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Water	743	953	800	799	(1)
Waste Water (Sanitation)	675	830	700	641	(59)
Electricity	405	473	400	413	13
Waste Management (Solid Waste)	435	597	450	394	(56)
<b>Total</b>	<b>2 258</b>	<b>2 853</b>	<b>2 350</b>	<b>2247</b>	<b>(103)</b>

Table 76: Financial Performance 2014/15: Cost to Municipality of Free Basic Services Delivered

### Service delivery indicators

The following table shows the municipality's performance against the set targets in respect of indigent support for the 2014/15 financial year.

Ref	KPI	Unit of Measurement	Wards	Previous Year Performance	Overall Performance for 2014/15		
					Target	Actual	R
TL10	Provision of free basic refuse removal, refuse dumps and solid waste disposal to registered indigent account holders	No of indigent account holders receiving free basic refuse removal monthly	All	790	870	687	G
TL9	Provide 50kwh free basic electricity to registered indigent account holders connected to the municipal electrical infrastructure network	No of indigent account holders receiving free basic electricity which are connected to the municipal electrical infrastructure network	All	790	870	687	G
TL8	Provision of free basic sanitation services to registered indigent account holders which are connected to the municipal waste water (sanitation/sewerage) network & are billed for sewerage service, irrespective of the number of water closets (toilets).	No of indigent account holders receiving free basic sanitation in terms of Equitable share requirements.	All	870	870	687	G
TL6	Provide 6kl free basic water per household per month in terms of the equitable share requirements	No of HH receiving free basic water	All	1835	2,273	687	G

Table 77: Indigent support performance

### Component B: Roads

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

#### 3.7 Roads

##### Introduction to Roads

The primary road system in the Prince Albert municipal area consists of national and provincial roads. The N1 runs on a northeast-south-westerly axis and carries approximately 3012 vehicles per day. The N12 runs on a north-south axis through Klaarstroom and connects to Oudtshoorn, George, the Southern

Cape region and the N2. The N12 carries approximately 780 vehicles per day. Although a national route, it is a provincial road maintained by Province.

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

Other provincial roads in our area include the:

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

The total roads in municipality amount to 1 741.2 kilometres of roads. The total amount of roads comprise of 257.6 (14%) kilometres of surfaced roads and 1 483.6 (85.2%) kilometres of gravel roads.

The Swartberg Pass connecting Prince Albert with Oudtshoorn is seen as a provincial heritage site. This Pass needs urgent maintenance and the Municipality is engaging with the Provincial Roads Department and Department of Cultural Affairs to see to the upgrade of said pass.

The maintenance of the roads within the municipal area remains a challenge with a limited operational budget. The neglect of several years has since culminated in a situation that requires more maintenance and capital expenditure than the limited budget of Prince Albert Municipality can afford. A survey of urgent maintenance work on roads commenced in the reporting financial year and the results of this survey will have to be addressed in the 2014/15 financial year. Stormwater is included under the roads division.

**a) Highlights: Roads**

The following highlights in respect of the roads division are reflected for the 2013/14 financial year.

Highlights	Description
Training sessions with personnel to effectively prepare breakages of roads.	Potholes repairs and effective use of equipment.
Proposals for the resealing of main road submitted for outer years.	Request to the Department of Public Works and Transport to waive the 20% capital cost contribution for outer year resealing.
Pedestrian pathways in North- End and Leeu-Gamka	Walk and Bicycle pathways was constructed

**Table 78: Roads Highlights**

**b) Challenges: Roads**

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

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

**Table 79: Roads Challenges**

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

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

**Table 80: Tarred road infrastructure**

**(c) Service Delivery Indicators**

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

The table below indicates the performance of the roads unit in respect of the 2014/15 financial year.

Ref	KPI	Unit of Measurement	Wards	Previous Year Performance	Overall Performance for 2014/15		
					Target	Actual	R
TL25	% of the maintenance budget for Roads spent [(Actual expenditure divided by the total approved budget)x100]	(Actual expenditure divided by the total approved budget)x100	All	New KPI for 2014/15	100%	81.83%	

**Table 81: Road maintenance**

**(d) Employees: Roads**

The table below reflects the staffing component of the Roads department of the 2013/14 financial year as compared to 2014/15. Again it must be noted that staff perform dual functions and are not allocated to the Roads division specifically. The significant decrease in the staffing numbers of 2013/14 against 2014/15 is due to the dual functionality of staff and not a result of terminations. Staff that previously reflected under the Roads division will now be reflected within other divisions due to the dual functionality of staff members.

Job Level	2013/14		2014/15		
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	2	7	3	4	57%
4 - 6	0	1	0	1	100%
7 - 9	0	2	1	1	50%
10 - 12	0	0	0	0	-
13 - 15	0	1	1	0	-
16 - 18	0	0	0	0	-
19 - 20	0	0	0	0	-
<b>Total</b>	<b>2</b>	<b>11</b>	<b>5</b>	<b>6</b>	<b>55%</b>

**Table 82: Employees: Roads**

**(e) Capital: Roads**

The following table reflects the capital expenditure of the roads division for 2014/15.

Capital Expenditure 2014/15: Roads					
R'000					
Capital Projects	2014/15				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Storm water	2 350 000	210 000	255 000	-821.57	255 000
<b>Total</b>	<b>2 350 000</b>	<b>210 000</b>	<b>255 000</b>	<b>-821.57</b>	<b>255 000</b>

**Table 83: Capital Expenditure 2014/15: Roads**

## Component C: Planning and Local Economic Development

### 3.8 Planning

#### Introduction to Planning

Spatial Planning and Land Use saw significant changes due to the development of the Land Use Planning Act and the Spatial Planning Land Use Act. These legislative changes required the Municipality to draft a by law on land use planning. Legislative disputes on a national and provincial level resulted in a lengthy consultation process that in the end saw Council adopting a Planning By-Law in June 2015.08.18

With these new changes – that took much longer than was both national, provincial and local government anticipated, there will be a new way to draft and review the Spatial Development Framework. The Spatial Development Framework is a key planning instrument in the development of an Integrated Human Settlement Plan and thus the review of the Spatial Development Plan and the drafting of the Integrated Human Settlement Plan will only be done in the 2015/16 financial year.

Council opted to have their own Tribunal and not share the costs with other Municipalities as the transport costs would be too high due to the distances to be travelled. The Land Use Tribunal will consist of the following persons: Heinrich Meßler, Justin Lesch, Karin van der Mescht, Elma Vreken and Dalene Carstens. Ms. Vreken and Ms Carstens are staff members appointed by the Provincial government to serve on the tribunal of Prince Albert.

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

Notification and the procuring of public participation on land use application remains a challenge due to the fact that the community newspaper only appear once every three months and advertising in other main stream newspapers, are not welcomed by residents. Incorrect addresses on the financial system, also poses challenges in respect of notifications.

The Municipality operated without a Building Control Officer for most of the year. Shared Service engagements took place between the Municipality, Province and other Municipalities within the Central Karoo to address the lack of qualified building control officials in the Central Karoo and Province agreed to provide funding for the support of town planning and building control aspects during the following financial year.

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

With regard to local economic development, the Department of Economic Affairs and Tourism assisted the Municipality in developing a PACA LED strategy which was included in the IDP as possible areas for development. This strategy was found to be basic and informed by the business community of Prince Albert. It provides a good basis to develop a full-fledged local economic development strategy. The Municipality realises the need to identify catalyst projects to contribute to the establishment of an economic value chain and sustainable economic growth. While a tender was allocated for the sourcing of funding for the drafting and implementing of a Local Economic Development Strategy, no funding have been generated thus far.

The Municipality in partnership with the Department of Environmental Affairs, Rural Development and Land Reform as well as the Department of the Premier the Economic Education Centre was developed as an Access Centre and business hub, offering training and meeting facilities as well as internet access. In addition further Access Centres will be developed in Klaarstroom, two in Leeu-Gamka and an additional centre at the Thusong Centre in Prince Albert. These Centres are staffed by officials from the Department of the Premier that will train and assist users of the Centre and is a major breakthrough for economic, social and educational development in our area.

In addition to this the Municipality is investigating the feasibility of an agro processing plant in Prince Albert and prepared business applications for this as well as the establishment of a renewable energy plant. Key to the Municipality's local economic support is preference provided to local suppliers and labour intensive job creation through the Expanded Public Works Program as well as the Community Workers Program.

**a) Highlights: Planning**

The following highlights in respect of the planning division for the 2013/14 financial year are reported below.

Highlights	Description
Planning By Law	Planning By Law adopted in June 2015
Stricter control in respect of land use	Land use changes are now applied for
Strengthening the institutional knowledge on land use	New procedures and control measures were instituted to ensure compliance
Tribunal appointed	Tribunal appointed and assistance secured from Province, both in respect of capacity and funding

**Table 85: Planning Highlights**

**b) Challenges: Planning**

The table beneath reflect the challenges in respect of Planning for the 2014/15 financial year.

Description	Actions to address
Zoning scheme outdated	Zoning register drafted
Providing approval within 120 days	This is not possible due to the challenges in respect of a reporting newspaper, comment periods and council meetings that do not align
Poor legal compliance and enforcement by Municipality	Capacity must be increased
Building Control Officer to be appointed	Funding secured for appointment – to be advertised in 15/16

**Table 86: Planning Challenges**

**(c) Service Delivery Indicators**

The table below reflects the planning division's performance in respect of the 2013/14 financial year. The challenges in approving planning applications within the 120-timeframe has been previously explained elsewhere in the report.

Ref	KPI	Unit of Measurement	Wards	Previous Year Performance	Overall Performance for 2014/15		
					Target	Actual	R
TL28	Bi-quarterly engagement with community on progress on IDP & Budget Implementation	No of public participation engagements conducted in all municipal wards	All	New KPI	4	8	B

**Table 87: IDP engagements**

**(d) Service Statistics: Land Use Development**

The enforcement of land use saw a significant improvement in the reporting year. The turn-around time of 120 days is not feasible and it was especially difficult to enforce land use principles pertaining house shops. Although a by law was drafted, there was historic challenges in respect of size of structures, disaster management etc., that saw to it that hampered approval. Several engagements with the house shop owners and community members were held to resolve this issues. A new set of delegations will have to be drafted within the new financial year to comply with SPLUMA and the Planning By-Law of Prince Albert.

The enforcement of building control was severely lacking in previous years. The enforcement of building control requirements has not shown significant improvement in the reporting financial year. Engagements with builders and community members in July 2014 addressed some of the issues in respect of building control. It is imperative that the capacity in this division be improved and a full-time building control officer needs to be prioritised. Funding have been allocated by Provincial Government to appoint a qualified building control officer.

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

Additional Performance: Town Planning and Building Control		
Type of service	2013/14	2014/15
Building plans application processed	47	43
Total surface (m2)	5 053	5 397.99
Approximate value (Rand)	24 254 000	18 971500
Residential extensions	21	42
Land use applications processed	34	81

**Table 88: Additional Performance Town Planning and Building Control**

### 3.9 Local Economic Development

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

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

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

Economic growth is underscored by significant variations in industry-specific growth rates. Growth in a particular industry depends on a number of factors (economies of scale, technological developments and demand trends among others) which often diverge among industries.

#### Central Karoo District: Sectoral growth, 2005 - 2013

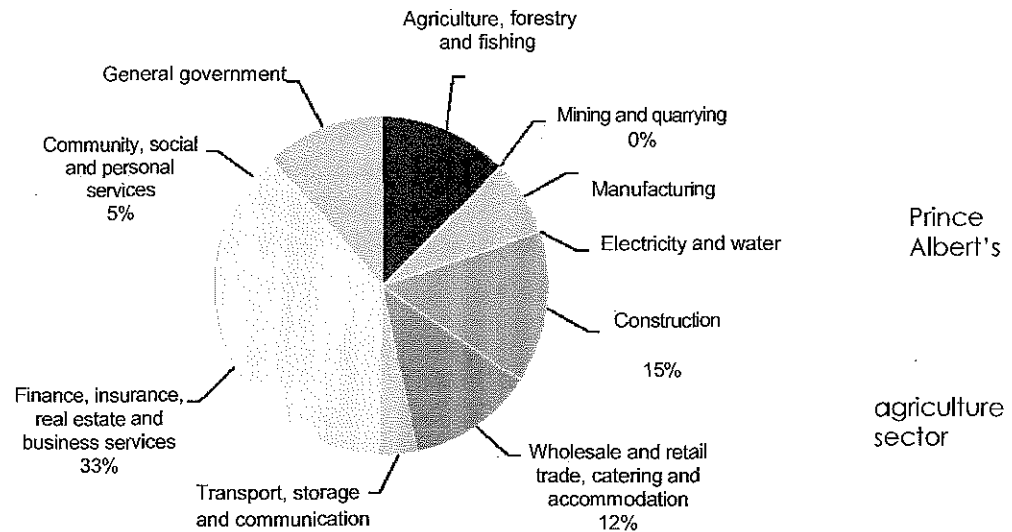
Industry	Laingsburg	Prince Albert	Beaufort West	Central Karoo District
Agriculture, forestry and fishing	-0.6	-1.6	-1.1	-0.7
Manufacturing	11.6	13	8.4	8.8
Construction	8.9	11.6	7.3	8.6
Commercial services	2.2	6.8	3.4	3.9
General government and Community, social and personal services	1.5	2.2	4.2	3.5
Other	4.9	0	-2.1	0.7
<b>Total</b>	<b>2.6</b>	<b>4.5</b>	<b>3.8</b>	<b>3.9</b>

Table 89: Source: *Municipal Economic Review and Outlook (MERO), 2015*

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

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

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



### Prince Albert: Sectoral composition, 2013

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

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

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

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

Due to the funding restrictions within the Prince Albert Municipal budget no provision for a specific local economic development project were provided for. This emphasised the necessity to structure operational actions and processes in such a way that it supports local economic development. The most notable of these actions are the labour intensive employment projects such as EPWP and CWP, the procurement process that provides support to local suppliers and ensuring that services are affordable, sustainable and of a good quality.

Unemployment remains one of South Africa's biggest challenges. Overall unemployment (as per the narrow definition) stood at 25 per cent as at the end of 2014.<sup>7</sup> Skills shortages, weak economic growth and electricity supply constraints are among the most significant constraints on employment growth. The NDP aims to reduce unemployment to 6 per cent by 2030. Improvements in education and training are integral to the attainment of this goal. These issues are structural and are felt at a local government level, where high levels of unemployment put significant strain on municipal funds.

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

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

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

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

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

Consequent to the contraction of the agricultural sector in Prince Albert for the period 2005 - 2013, net employment within this sector decreased by 661. Although only the manufacturing sector further shed jobs (2) across this period, job creation within the other sectors were not sufficient enough to compensate for the losses within the agriculture sector.

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

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

Prince Albert is a well-known tourist destination with an influx of international and local visitors. The thriving hospitality sector is a welcome developmental impetus for the local economy.

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

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

### **Broadband**

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

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

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

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

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

In order to improve access and stimulate usage of the Internet, the Western Cape Broadband Initiative will be implementing Wi-Fi hotspots at a Provincial government building in every ward across the Province over the next three years. These hotspots will allow limited free access (250 Mb per month) to any citizen, as well as allow all [gov.za](http://gov.za) websites to be accessed free of charge. Wi-Fi hotspots will be installed in 15 wards across the Central Karoo. These includes the already installed hotspots in each of the 3 of the 4 wards in the Prince Albert Municipality, namely the Access Centre in Prince Albert, the access centres in Leeu Gamka and Klaarstroom. A further hotspot will be connected in ward 2 at the Thusong Centre in future.

**a) Highlights: LED**

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

Highlights	Description
Community gardens and subsistence farming on Treintjiesrivier and commonage	Small subsistence farming by several emerging businesses on commonage and Treintjiesrivier
BSP parks project	EPWP based establishment and upgrading of parks in municipal area
Renewable energy sustainability investigation launched	First phase on possible renewable energy plant investigation launched
Access Centre	Allocation of 5 Access Centres to Prince Albert of which three has already been opened
EPWP workers employed	70 employment opportunities were established via the EPWP program, while Council facilitated an additional average of 86 local labour job opportunities per month on the ASLA housing project in Leeu-Gamka
Agri Parks project planned	Business plans submitted, funding sourced – to be implemented in 2015/16
Signing of service delivery agreement on funding for skills development	External service provider employed to secure funding for skills development in Prince Albert municipal area

**Table 91: LED highlights**

**b) Challenges: LED**

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

Description	Actions to address challenges
Funding to facilitate projects	Compile business cases to submit for external funding
Improve management of Treintjiesrivier	Engagements with stakeholders and drafting of management plan; verification of contracts. Improve control and oversight on farm
No dedicated personnel	Source funding to appoint dedicated personnel.

**Table 92: Challenges LED**

**c) LED Strategy**

The municipality is sourcing external funding to compile an integrated economic development strategy. Though funding has not been received, the principles of quality strategic economic planning at the municipal level includes the setting up of effective structures for managing the economic

strategy process (1), preparing a good strategic analysis of the municipality (2), strategy formulation (3) and strategy implementation (4).

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

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

#### (d) Service Delivery Indicators

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

Ref	KPI	Unit of Measurement	Wards	Previous Year Performance	Overall Performance for 2014/15		
					Target	Actual	R
TL18	Number of temporary jobs created through the municipality's local economic development EPWP projects, measured by the number of people temporary employed in the EPWP programs for the period.	Number of people temporary employed in the EPWP programs.	All	209	48	319	B

Table 93: LED performance

#### (e) LED Maturity

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

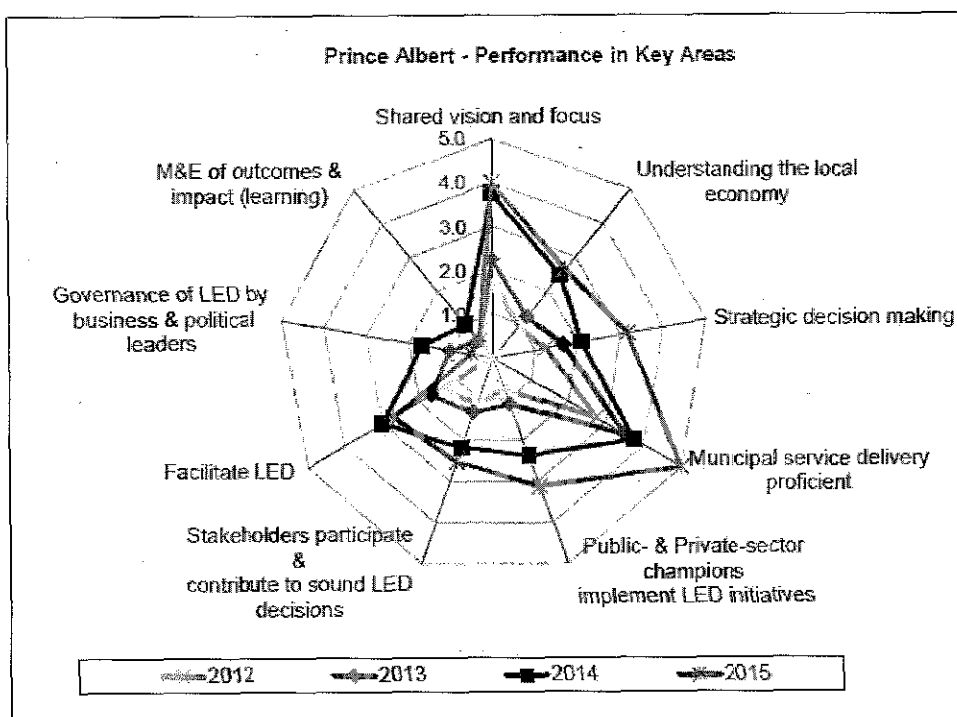
- Factors critical to LED success,
- Which aspects of LED practices work in the Municipality and which do not,
- The root causes of their LED failures, and
- Options to learn from other who have succeeded where they have failed

The Prince Albert Municipality's assessment were held on the 7<sup>th</sup> of November 2014. The improvements are commendable but much improvement is still required. Having benefitted from a PACA process, the priority is firstly to follow through on implementation. With implementation comes credibility and on-going support from stakeholders.

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

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

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



**(f) Expanded Public Works Programme (EPWP)**

The following table indicates the projects and jobs created under the EPWP programme.

Job creation through EPWP projects		
Details	EPWP Projects	Jobs created through EPWP projects
		# of Work Opportunities Created
2013/14	Land Fill Project: Pedestrian Leeu-Gamka: Pedestrian Prince Albert: Public Works Leeu-Gamka: Public Works Prince Albert: Social Sector Project:	181
2014/15	Roads & storm water maintenance Infrastructure Repair & Maintenance Facility Maintenance Parks & Town Beautification Waste Collection Community Survey Student Deployment	319

**Table 94: Job creation through EPWP\* projects**

**Component D: Community and Social Services**

**3.11 Libraries**

**Introduction**

Libraries are a provincial function and the municipality is performing the function on an agency basis. The function is fully funded by province. The libraries are functioning very well and enjoyed an annual circulation of 28 317 , with outreaches within the community that included outreaches to the disabled, the aged, schools, etc. National library week was celebrated and with the support of the Friends of the Library a morning tea event was held for all readers over 60 years. The library were also very actively involved with the planning and organising of the Reading Festival (Leesfees) held in Prince Albert.

The satellite library at the Thusong Centre in Prince Albert established during October 2014 to be nearer to the community of North-End continued its good performance during the reporting year. The Municipality's libraries were nominated as best small municipality library. The awards will be done in February 2016 and reflects positively on the performance of the libraries during the reporting year.

The internet access within libraries provides valuable support to persons without these facilities and it is the learners of our local school that are the primary users of these facilities.

**a) Highlights: Libraries**

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

Highlights	Description
Library Week 2015	Morning tea for users over 60 years
Library outreach,	Visits to crèches, Tea parties for readers, Visits to Old age care centre
Computerized systems	Electronic management of books
Workstations for students to do research	All three libraries provide access to computers
Wheele Wagon at Thusong Centre in Prince Albert have high circulation	Circulation numbers at Thusong Centre very high

**Table 95: Libraries Highlights**

**b) Challenges: Libraries**

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

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

**Table 96: Libraries Challenges**

**c) Service statistics for Libraries**

The following statistics in respect of the libraries are reflected below

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

**Table 97: Service statistics for Libraries**

**d) Employees: Libraries**

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

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

**Table 98: Employees: Libraries**

**3.12 Cemeteries**

**Introduction**

We have five cemeteries in the municipal area Prince Albert two (2), Leeu-Gamka two (2) and one (1) at Klarstroom. The current registers of existing graves and reservations are maintained by hand and no electronic system exists. The impression is that, with the exception of Klarstroom, the current cemeteries are sufficient, with enough space within them in the medium term and that the cemeteries are fairly well maintained by the Municipality. However the increase on the population as projected in the above demographics can impact on the capacity of cemeteries.

The communities of Klarstroom and Leeu Gamka requested that new cemeteries be identified by the Municipality as the current ones are reaching capacity.

**a) Highlights: Cemeteries**

The following table reflects the highlights pertaining cemeteries during the reporting year.

Highlights	Description
EPWP programme	Clean all cemeteries including privately owned and historical heritage sites.

**Table 99: Cemeteries Highlights**

**b) Challenges: Cemeteries**

The following challenges in respect of cemeteries were identified.

Description	Actions to address
Cemetery required for Klaarstroom and Leeu Gamka	Available land to be identified and zoned accordingly
Prince Albert Road in need of Cemetery	Negotiate with Farmers for land

Table 100: Cemeteries Challenges

### c) Employees: Cemeteries

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

Job Level	2013/14		2014/15		
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	3	6	2	4	66%
4 - 6	3	3	3	0	-
7 - 9	0	0	0	0	-
10 - 12	0	1	1	0	-
13 - 15	0	0	0	0	-
16 - 18	0	0	0	0	-
19 - 20	0	0	0	0	-
<b>Total</b>	<b>6</b>	<b>10</b>	<b>6</b>	<b>4</b>	<b>40%</b>

Table 101: Employees: Cemeteries

## Component E: Environmental Protection

### 3.14 Air Quality Control

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

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

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

At Prince Albert Municipality the Manager: Corporate and Community Services will be responsible for air quality management. Training needs to be provided to said official to

ensure that Air Quality Management enjoys serious priority in the operations and integrated planning of the Municipality. No Air Quality Management Committee was established in the municipal area. As there is limited capacity within the Municipality it is again suggested that a regional Air Quality Management Forum must be established to ensure peer-learning and the sharing of best practices. It will also ensure that Air Quality Management remains on the regional agenda.

The Municipality drafted their Air Quality Management Plan in late 2014 and this will be reviewed in 2016.

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

**Highlights: Air Quality Management**

Highlights	Description
Air Quality Plan	Plan drafted in November 2014
Air Quality Control Officer	Manager: Corporate and Community Services appointed

**Table 102: Cemeteries Highlights**

**Challenges: Air Quality Control**

The following challenges in respect of cemeteries were identified.

Description	Actions to address
Air Quality Management awareness	Awareness must be raised
Capacity and budget constraints	There is extremely limited capacity and budget available

**Table 103: Cemeteries Challenges**

**Component F: Health**

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

**Component G: Security and Safety**

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

**3.15 Law Enforcement**

Law enforcement is performed by two permanent traffic officers who also operate the DTLC and they are supported by one Clerk of the Court. One of the Law Enforcement Officers was appointed as Management Representative of the DLTC. The officer resided in Leeu-Gamka and this hampered service delivery. The decision was thus taken to re-locate the official to Prince Albert and this has

improved the oversight within the DLTC. Significant improvement on the management of the DLTC have been made.

The following table indicates the law enforcement function in respect of the reporting year compared to the 2013/14 financial year.

Details	2013/14	2014/15
Animals impounded	0	0
Number of by-law infringements attended	0	5
Number of officers in the field on an average day	1	2
Number of officers on duty on an average day	1	2

**Table 104: Law Enforcement Data**

### 3.15.1 Traffic Services

Two law enforcement officials tended to Traffic Services, with the one Clerk of the Court providing back-office assistance. Traffic infringements were outsourced to Ultimate Traffic Solutions and an income target of R2.6 million were set in respect of traffic fines. Due to under-performance the contract of UTS were cancelled and Syntell was appointed as of December 2014. Due to operational issues Syntell could only effectively provide services from end of February 2015. A significant amount of traffic fines had to be written off due to the fact that the fines were not processed legislatively correct within the eighteen month timeframe. Several meetings with legislative role players were held to ensure legal compliance. GRAP principles require all traffic fines issued to be calculated as income, while the norm income collected in local government (for traffic fines) reflects only 20%.

#### a) Highlights: Traffic Services

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

Highlights	Description
Co-operation with provincial traffic	In the latter part of reporting year the co-operation between the Municipality's traffic and provincial officers improved

**Table 105: Traffic Services Highlights**

#### b) Challenges: Traffic Services

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

Challenges	Actions to overcome
Collect outstanding fines	Service provider unable to perform in terms of SLA – new Service provider appointed – change over very problematic
Poor performance by service providers	SLA's should have stricter penalty clauses
Lack of official transport	Private transport increase expenditure – need to purchase official traffic vehicle
Poor relationship with courts	Has improved; Monitored closely
Securing law enforcement on 80 zone in Leeu Gamka	Submission to Dept Roads and National Prosecuting Authority
Overspending on overtime	Control measures to be instituted to mitigate over-spending

**Table 106: Traffic Services Challenges**

**c) Performance Service statistics for Traffic Services**

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

Details	2013/14	2014/15
Motor vehicle licenses processed	103 (R106 5016.60)	5 350 (R1 152 176.20)
Learner driver licenses processed	432	427
Driver licenses processed	295	198
Driver licenses issued	227	293
Fines issued for traffic offenses	1 034	21 340
R-value of fines collected	65 150	944 046
Roadblocks held	4	14
Complaints attended to by Traffic Officers	3	0
Awareness initiatives on public safety	3	1
Number of road traffic accidents during the year	35	15
Number of officers in the field on an average day	3	2
Number of officers on duty on an average day	3	2

**Table 107: Additional performance Service Statistics for Traffic Services**

**d) Employees: Traffic Services**

The table below indicates the traffic service staff establishment for the reporting year, in comparison with 2013/14.

Job Level	2013/14		2014/15		
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0-3	0	0	0	0	-
4-6	1	2	1	1	50%
7-9	2	2	0	2	100%
10-12	0	3	2	1	33%
13-15	0	0	0	0	-
16-18	0	0	0	0	-
19-20	0	0	0	0	-
<b>Total</b>	<b>3</b>	<b>7</b>	<b>3</b>	<b>4</b>	<b>57%</b>

**Table 108: Employees: Traffic Services**

### 3.16 Fire Services and Disaster Management

In terms of Schedule 4 Part B of the Constitution, Fire Fighting Services is a municipal function. The Prince Albert Municipality does not have a formal, full-time Fire Services Unit. The Fire Fighting function is coordinated by the Fire Officer in the Municipality who is also responsible for occupational health and safety. Eight officials, at the level of labourers, previously received training in the basics of Fire Fighting and act as the Fire Services unit of the Municipality. They perform dual functions and are not specifically allocated to fire services. Protective clothing and sufficient equipment remains a challenge for these officials. Fire Services are delivered by means of a vehicle with 1 000 litre water tank. With the support of the District Municipality fire fighting uniforms were obtained. A funding proposal to obtain new fire fighting equipment has been submitted to the provincial disaster management centre. From these applications, as well as others, the Municipality will be receiving a new fire fighting truck in March 2016.

The Municipality adopted a Disaster Management Plan in June 2014. This plan was reviewed during the reporting year.

#### a) Highlights: Fire Services and Disaster Management

The following highlights pertaining Fire Services and Disaster Management refers.

Highlights	Description
Staff exhibits a good working ethic.	Fire fighters have a good sense of cooperation and team work.
Fire wagon donated	A fire wagon were donated to the Municipality
Protective clothing received	Protective clothing received to replace old clothing
Disaster Management Plan reviewed	Disaster Management Plan reviewed in June 2016 – awareness raised on fire requirements

Table 109: Fire Services and Disaster Management Highlights

#### b) Challenges: Fire Services and Disaster Management

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

Challenges	Actions to overcome
Lack of capacity	Staff need to be trained, while equipment need to be upgraded
Procure funding from SANRAL for services rendered	Engagements needed to get SANRAL to reimburse municipality for services rendered on N1
Need for fire fighting protective clothing and training	Staff do not have sufficient protective clothing and training
Fire fighting capacity in Klaarstroom and Leeu Gamka must be improved	Funding application to Provincial Disaster Management Centre
Outdated equipment and truck	Application to Provincial Disaster Management

Table 110: Fire Services and Disaster Management Challenges

**c) Service statistics for Fire Services**

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

Details	2013/14	2014/15
Operational call-outs	27	24
Reservists and volunteers trained	2	0
Awareness initiatives on fire safety	0	0
Total fires attended in the year	27	24
Total of other incidents attended in the year	0	0
Average turnout time - urban areas	9 min	Not measured
Average turnout time - rural areas	60 min	Not measured
Fire fighters in post at year end	0	1
Total fire appliances at year end	1	1
Average number of appliance off the road during the year	1	1

Table 111: Fire Services and Disaster Management Data

**d) Employees: Fire Services and Disaster Management**

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

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

Table 112: Employees: Fire services and Disaster Management

## Component H: Sport and Recreation

### Introduction

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

### 3.17 Sport and Recreation

We have four (4) sports grounds consisting of 3 combined rugby and soccer fields, one (1) soccer field in Prince Albert and 3 netball fields. Severe challenges are experienced with over-utilisation of the existing facilities. In Klaarstroom vandalism and a lack of water to irrigate sport fields contributed to below-standard sporting facilities. Funding applications to find a solution for this has been submitted to the relevant sector departments. In Prince Albert the Sydwell Williams field are not used due to the sub-standard condition of the field and the lack of lighting. The Odendaal Sports Facilities are therefore over utilised as it is used almost daily for the practice of soccer, rugby and by schools. An application was submitted to the relevant sector department to acquire funding for lighting at Sydwell Williams to alleviate the pressure on Odendaal. The first phase of the development of a swimming pool for Prince Albert have also been completed. Additional money needs to be secured to finish the project.

The Municipality held a Sport Indaba in June 2015 to draft a sport development plan for the municipal area. The Central Karoo District became independent from Boland and South Western District. Sport councils for all towns within the Central Karoo were elected.

BSP became the implementing agent for Prince Albert to establish and upgrade recreational parks in the municipal jurisdiction. The establishment and upgrade of two parks for Leeu-Gamka, one for Klaarstroom and three for Prince Albert commenced in the reporting year. These upgrades were approached via an expanded public works program principles that significantly improved the income levels of residents in the areas.

#### a) Highlights: Sport and Recreation

The table below reflects the highlights pertaining Sport and Recreation during the reporting year.

Highlights	Descriptions
First phase of swimming pool	Completion of first phase of swimming pool
Upgrade of tennis courts and netball fields	Upgrade of tennis courts and netball fields in Prince Albert
Sports Indaba	Sport Indaba held in June 2015
Holiday programmes	Several holiday programmes took place

Upgrade of parks	Establishment and upgrade of parks in Klaarstroom, Leeu-Gamka and Prince Albert
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Table 113: Sport and Recreation highlights

**b) Challenges: Sport and Recreation**

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

Challenges	Actions to overcome
Insufficient equipment and maintenance budget to maintain facilities	Equipment must be maintained via maintenance plan and control measures implemented
Funding for sporting codes and facilities needed	Funding proposals for external funding prepared
Lighting at sport fields	Lighting could lessen the overuse of facilities and improve security – application for funding
Security at facilities	Security at facilities must be improved to protect assets – especially in Klaarstroom – community asked to report vandalism
Water for sport fields	Water must be secured for Klaarstroom sport facilities – engagements with school board
Overuse of facilities	Due to a lack of suitable facilities, some of the fields are overused – lighting needed

Table 114: Sport and Recreation Challenges

**c) Service statistics for Sport and Recreation**

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

Type of Service	2013/14	2014/15
<b>Community Parks</b>		
Number of parks with play park equipment	3	4
Number of wards with community parks	2	4
<b>Sport fields</b>		
Number of wards with sport fields	4	4
Number of sport associations utilizing sport fields	2	3

Table 115: Additional performance information for Sport and Recreation

**d) Capital: Sport and Recreation Services**

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

Capital Expenditure 2014/15: Sport and Recreation	
R'000	
Capital Projects	2014/15

	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Swimming pool	2 213 715	1 788 457	1 851 626	(16.36)	7 851 626
<b>Total</b>	2 213 715	1 788 457	1 851 626	(16.36)	7 851 626

**Table 116: Capital Expenditure 2014/15: Sport and Recreation**

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

## **Component I: Corporate Policy Offices and Other Services**

### **Introduction**

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

### **3.18 Executive and Council**

#### **Executive and Council**

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

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

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

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

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

During this financial year, and on 23 January 2015, PR Councillor Rennie was replaced with Councillor Jaquet, this was due to the Councillor relocating. Councillor Dr A Rabie was nominated to the Central Karoo District Municipality by her party and was replaced on the Prince Albert Council by Cllr S Botes in November 2014.

#### **a) Highlights: Executive and Council**

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

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

Table 117: Executive and Council Highlights

### b) Challenges: Executive and Council

The following challenges pertaining the Executive and Council are reflected in the table below.

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

Table 118: Executive and Council challenges

### 3.19 Financial Services

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

#### a) Highlights: Financial Services

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

Highlights	Description
Unqualified Audit Opinion – financial year 2014/15	Clean audit on PDO's
Cash Surplus	Cash available exceed the cash commitments

Table 119: Financial Services Highlights

## b) Challenges: Financial Services

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

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

Table 120: Financial Services Challenges

## c) Debt recovery statistics

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

Details of the types of account raised and recovered	Debt Recovery								
	R'000								
	2013/14			2013/14			2014/15		
	Billed In Year	Actual for accounts billed in year	Proportion of accounts value billed that were collected in the year	Billed in Year	Actual for accounts billed in year	Proportion of accounts value billed that were collected	To be billed in Year	Estimated turnout for accounts to be billed in year	Estimated Proportion of accounts to be billed that will be collected
Property Rates	2 044	1 984	97%	2 464	2 338	94%	3 200	2741	86%
Electricity	6 405	6 353	99%	6 129	5 887	96%	7 650	7197	94%
Water	3 183	1 974	62%	3 320	1 948	59%	3 910	2 850	73%
Sanitation	2 459	1 379	57%	2 791	2 052	74%	2 310	1 424	61%
Refuse	1 535	786	51%	1 631	879	54%	1 776	1 231	69%

Table 121: Debt recovery

## d) Employees: Financial Services

The municipality has one of the smallest finance departments in the country and do not have the prescribed Budget Office. The appointment of a chartered accountant in the 2014/15 financial year alleviated the pressure on the financial department and strengthened its skills base.

**e) Employees: Financial Services**

The financial service department's staff establishment for 2014/15, compared to the 2013/14 financial year is depicted on the next page. The municipality has one of the smallest finance departments in the country and do not have the prescribed Budget Office. The appointment of a chartered accountant in the 2014/15 financial year will alleviate the pressure on the financial department and strengthened its skills base. It also allowed the Municipality to draft its financial statements for the financial year 2014/15 in house for the first time ever, alleviating the dependency on external consultants.

The following staff establishment for the financial services department during the reporting year is reflected below:

Job Level	2013/14		2014/15		
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0-3	1	0	0	0	-
4-6	3	5	4	1	20%
7-9	1	1	1	0	-
10-12	0	1	0	0	-
13-15	0	0	1	0	-
16-18	1	0	0	0	-
19-20	1	1	1	0	-
Total	7	8	7	1	12%

**Table 122: Employees: Financial services**

**(e) Service Delivery Indicators**

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

Ref	KPI	Unit of Measurement	Wards	Previous Year Performance	Overall Performance for 2014/15		
					Target	Actual	R
TL6	Provide 6kl free basic water per household per month in terms of the equitable share requirements	No of HH receiving free basic water	All	1835	2,273	687	G
TL7	Provision of sanitation services to residential properties which are connected to the municipal waste water (sanitation/sewerage) network & are billed for sewerage service, irrespective of the number of water closets (toilets).	No of residential properties which are billed for sewerage in accordance to the financial system.	All	2150	2,127	2,370	G2
TL8	Provision of free basic sanitation services to registered indigent account holders which are connected to the municipal waste water (sanitation/sewerage) network & are billed for sewerage service, irrespective	No of indigent account holders receiving free basic sanitation in terms of Equitable share requirements.	All	870	870	687	G

Ref	KPI	Unit of Measurement	Wards	Previous Year Performance	Overall Performance for 2014/15		
					Target	Actual	R
	of the number of water closets (toilets).						
TL9	Provide 50kwh free basic electricity to registered indigent account holders connected to the municipal electrical infrastructure network	No of indigent account holders receiving free basic electricity which are connected to the municipal electrical infrastructure network	All	790	870	687	
TL10	Provision of free basic refuse removal, refuse dumps and solid waste disposal to registered indigent account holders	No of indigent account holders receiving free basic refuse removal monthly	All	790	870	687	
TL11	Achieve a YTD debtors payment percentage of at least 90%	(Gross Debtors Closing Balance + Billed Revenue - Gross Debtors Opening Balance + Bad Debts Written Off)/Billed Revenue x 100	All	80%	90%	94.58%	B
TL12	Attain an unqualified audit opinion	Unqualified External Audit Opinion Received	All	1	1	1	G
TL14	Financial viability measured in terms of the municipality's ability to meet it's service debt obligations ((Total operating revenue-operating grants received)/debt service payments due within the year)	((Total operating revenue-operating grants received)/debt service payments due within the year)	All	150	1.20%	0%	B
TL15	Financial viability measured in terms of the outstanding service debtors (Total outstanding service debtors/ revenue received for services)	(Total outstanding service debtors/ revenue received for services)X100	All	11.19%	14.30%	61%	R
TL16	Financial viability measured in terms of the available cash to cover fixed operating expenditure ((Available cash+ investments)/ Monthly fixed operating expenditure)	((Available cash+ investments)/ Monthly fixed operating expenditure)	All	7.41	0.92	1,02	B

**Table 123: Financial performance**

### 3.20 Human Resource Services

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

#### (a) Highlights: Human Resources

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

Highlights	Description
Appointment of senior accountant	Snr Accountant to improve the capacity of Finance department and transfer skills
Wellness meeting with staff	Staff wellness meeting held where MM engaged directly with workers
EPWP contracts concluded for 319 persons	Contract administration in respect of EPWP workers successfully undertaken

Table 124: Human Resources Highlights

**(b) Challenges: Human Resources**

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

Description	Actions to address
Personnel policies are out-dated.	Policies to be reviewed
Vacancy rate is 34%	Vacancy rate needs to be addressed within financial constraints
Individual performance agreements to be concluded	PMS agreements to be combined with verification of job descriptions for TASK –evaluation and review of Organogram
Non- performance of Local Labour Forum	Local Labour Forum disrupted due to dispute, but since dispute was resolved meeting just once – need to get LLF to comply with legislation
Poor oversight of overtime and leave administration	Stronger oversight mechanisms to be implemented

Table 125: Human Resources Challenges

**(c) Service Delivery Indicators**

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

Ref	KPI	Unit of Measurement	Wards	Previous Year Performance	Overall Performance for 2014/15		
					Target	Actual	R
TL2	the Municipality's training budget spent, measured as (Total Actual Training enditure/Approved Training Budget x 100)	% of training budget spent on scheduled training by end of June 2015	All	0.14%	95%	65	G
TL4	The number of people from employment equity target groups employed (appointed) in the three highest levels of management in compliance with the equity plan	Number of people employed (appointed)	All	0	2	3	G

Table 126: Service delivery indicators: Human Resources

**d) Employees: Human Resources**

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

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

Table 127: Employees: Human Resource services

## Component J: Miscellaneous

### Municipal Farm

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

### Summary of Agricultural Assets

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

Table 128: Treintjiesrivier use

## Component K: Organisational Performance Scorecard

Organisational Performance Management and Top-Level SDBIP Report

## **The performance system followed for 2014/15**

The performance management system that was implemented and followed for the 2014/15 financial year is described below:

### **a) Approval of the Top Level SDBIP 2014/15**

The SDBIP for 2014/15 were prepared as described in the paragraphs below and the Top Layer SDBIP approved by the Executive Mayor on 23 June 2014.

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

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

The MFMA Circular No.13 prescribes that:

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

### **b) Adoption of a Performance Management Framework**

The municipality's reviewed performance management framework was adopted by Council on 29 June 2015.

### **c) The IDP and the budget**

The 2014/15 IDP was approved together with the 2014/15 budget by Council on 22 May 2014. The IDP process and the performance management process are integrated. The IDP fulfils the planning stage of performance management. Performance management in turn, fulfils the implementation management, monitoring and evaluation of the IDP.

### **d) Performance Agreements**

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

### **e) Audit Committee**

The Audit Committee has been established on the 28 of May 2013 and subsequently appointment and approved by council. This committee acts as both the audit and performance audit committee This Audit Committee's service period was extended to consider the 2014/15 financial year. Advertisements for new appointments were published in July 2015.

**f) Municipal Public Accounts Committee (MPAC)**

This committee has been established and training was provided.

**g) Quarterly Performance Reporting to Council**

Reporting on the Top-Level SDBIP for 2013/2014 has been submitted to Council in terms of Section 52 (d) of The Local Government: Municipal Finance Management Act, No 56 of 2003.

**h) Annual Reporting to Council**

The annual report has been submitted to council as per the legislative prescripts and requirements.

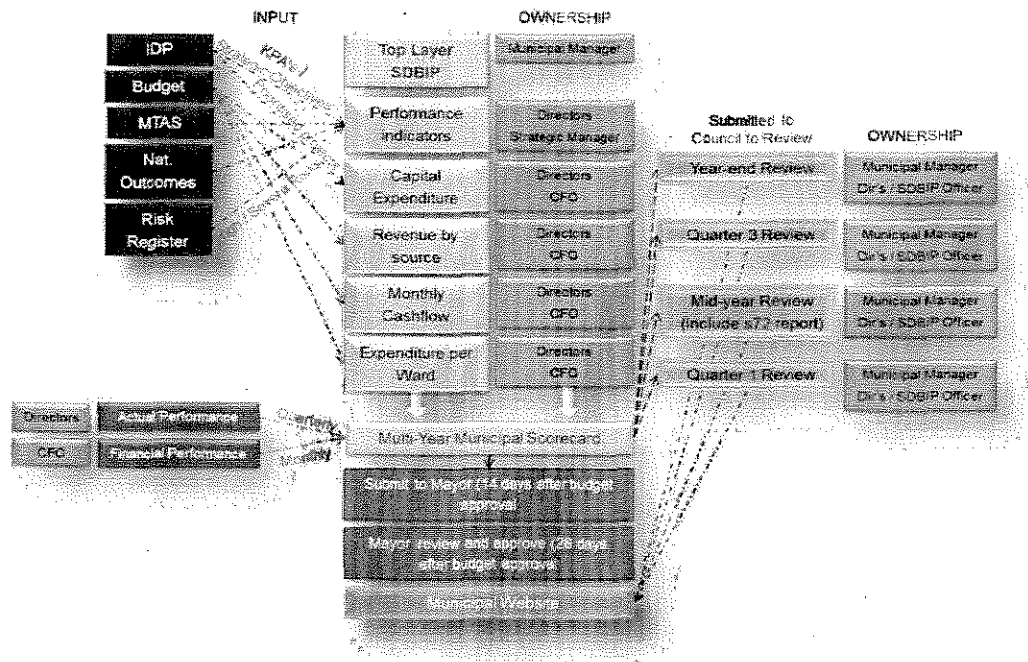
**The municipal scorecard (Top Layer SDBIP)**

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

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

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

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



The Top (TL) SDBIP illustration

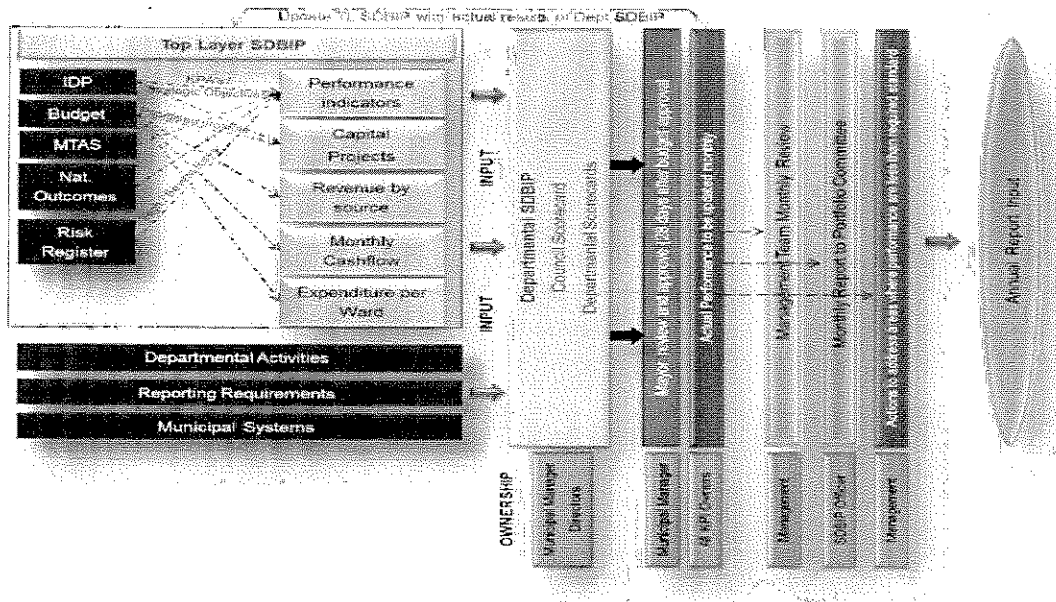
Top Layer KPI's were aligned with the IDP Implementation Map (iMAP) that was prepared based on the following:

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

### Departmental scorecards

The departmental scorecards (detail SDBIP) capture the performance of each defined directorate or department. Unlike the municipal scorecard, which reflects on the strategic performance of the municipality, the departmental SDBIP provide detail of each outcome for which top management are responsible for, in other words a comprehensive picture of the performance of that department/sub-department. It consists of objectives, indicators and targets derived from the approved Top Layer SDBIP, the approved budget and measurable service delivery indicators related to each functional area.

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



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

### Actual performance

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

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

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

## 3.21 Performance against the National Key Performance Indicators

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

### 3.21.1 Municipal Transformation and Institutional Development

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

Ref no.	Key Performance Indicator (KPI)	Municipal Achievement 2013/14	Municipal Achievement 2014/15
TL4	The number of people from employment equity target groups employed (appointed) in the three highest levels of management in compliance with the equity plan	4	3
TL2	The % of the Municipality's training budget spent, measured as (Total Actual Training Expenditure/Approved Training Budget x 100)	0.14%	65%

**Table 129: Municipal transformation and institutional development performance**

One appointment on the third level has been made in the reporting year. Due to the vast knowledge and expertise an applicant from the non-target group was appointed. The position was advertised twice with no person from the target group qualifying for appointment.

The full training budget was not spent because of administrative oversight. Additional training sponsored via alternative revenue sources was provided to complement the training from the training budget.

### 3.21.2 Basic Service Delivery

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

Ref no.	Key Performance Indicator (KPI)	Municipal Achievement 2013/14	Municipal Achievement 2014/15
TL7	Provision of sanitation services to residential properties which are connected to the municipal waste water (sanitation/sewerage) network & are billed for sewerage service, irrespective of the number of water closets (toilets).	2,150	2,370
TL20	Number of formal residential properties connected to the municipal electrical infrastructure network (credit and prepaid electrical metering)(Excluding Eskom areas)	2,382	2,121
TL21	Provide refuse removal, refuse dumps and solid waste disposal to households within the municipal area	2,333	2,452
TL22	Provision of clean piped water to formal residential properties which are connected to the municipal water infrastructure network.	2,231	2,511

**Table 130: Basic Service Delivery Performance**

### 3.21.3 Local Economic Development

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

Ref no.	Key Performance Indicator (KPI)	Municipal Achievement 2013/14	Municipal Achievement 2014/15
---------	---------------------------------	-------------------------------	-------------------------------

TL18	Number of temporary jobs created through the municipality's local economic development EPWP projects, measured by the number of people temporary employed in the EPWP programs for the period.	209	319
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Table 131: Temporary jobs created

### 3.21.4 Municipal Financial Viability and Management

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

Ref no.	Key Performance Indicator (KPI)	Municipal Achievement 2013/14	Municipal Achievement 2014/15
TL14	Financial viability measured in terms of the municipality's ability to meet its service debt obligations ((Total operating revenue-operating grants received)/debt service payments due within the year)	11.19%	0%
TL15	Financial viability measured in terms of the outstanding service debtors (Total outstanding service debtors/ revenue received for services)	7.41	61%
TL16	Financial viability measured in terms of the available cash to cover fixed operating expenditure ((Available cash+ investments)/ Monthly fixed operating expenditure)	150	1.02%

Table 132: Financial Viability Indicators

### 3.21.5 Good Governance and Public Participation

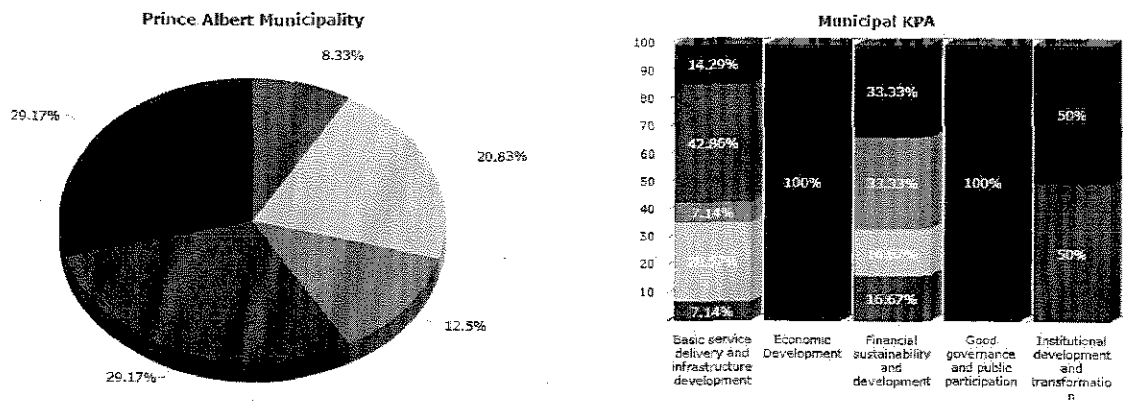
In the table below the nationally prescribed performance indicator in respect of Good Governance and Public Participation is reflected.

Ref no.	Key Performance Indicator (KPI)	Municipal Achievement 2013/14	Municipal Achievement 2014/15
TL28	The % of the Municipality's capital budget actually spent on capital projects identified in the IDP - (Total Actual Capital Expenditure/Approved Capital Budget) x 100	85%	37.86

Table 133: Capital budget expenditure according to IDP

### 3.21 Overall performance per Municipal KPA

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



	Prince Albert Municipality	Municipal KPA				
		Basic service delivery and infrastructure development	Economic Development	Financial sustainability and development	Good governance and public participation	Institutional development and transformation
KPI Not Met	2 (8.3%)	1 (7.1%)	-	1 (16.7%)	-	-
KPI Almost Met	5 (20.8%)	4 (28.6%)	-	1 (16.7%)	-	-
KPI Met	3 (12.5%)	1 (7.1%)	-	2 (33.3%)	-	-
KPI Well Met	7 (29.2%)	6 (42.9%)	-	-	-	1 (50%)
KPI Extremely Well Met	7 (29.2%)	2 (14.3%)	1 (100%)	2 (33.3%)	1 (100%)	1 (50%)

#### 3.22.1 Basic service delivery & infrastructure development

The following table reflects the municipality's performance in respect of basic service delivery and infrastructure development as during the reporting year.

Ref	IDP Ref	Pre-determined Objectives	KPI	Unit of Measurement	Description of KPI and Unit of Measurement	Previous Year Performance	Annual Target	Revised Target	Overall Performance for 2014/15		
									Target	Actual	R
TL6	100	To deliver services in terms of agreed service levels	Provide 6kl free basic water per household per month in terms of the equitable share requirements	No of HH receiving free basic water	This indicator reflects the 100% social rebate granted in respect to the annual water availability fee charged to qualifying home owners of single	1835	2,232	2,273	2,273	687	G

Ref	IDP Ref	Pre-determined Objectives	KPI	Unit of Measurement	Description of KPI and Unit of Measurement	Previous Year Performance	Annual Target	Revised Target	Overall Performance for 2014/15		
									Target	Actual	R
TL7	139	To deliver services in terms of agreed service levels	Provision of sanitation services to residential properties which are connected to the municipal waste water (sanitation/sewerage) network & are billed for sewerage service, irrespective of the number of water closets (toilets).	No of residential properties which are billed for sewerage in accordance to the financial system.	The indicator reflects the number of residential properties connected to the municipal waste water (sanitation/sewerage) network irrespective of the number of water closets (toilets).	2150	2,127	2,127	2,127	2,370	G2
TL8	101	To deliver services in terms of agreed service levels	Provision of free basic sanitation services to registered indigent account holders which are connected to the municipal waste water (sanitation/sewerage) network & are billed for sewerage service, irrespective of the number of water closets (toilets).	No of indigent account holders receiving free basic sanitation in terms of Equitable share requirements.	The indicator reflects the number of residential properties connected to the municipal waste water (sanitation/sewerage) network irrespective of the number of water closets (toilets).	870	870	870	870	687	
TL9	102	To deliver services in terms of agreed service levels	Provide 50kwh free basic electricity to registered indigent account holders connected to the municipal electrical infrastructure network	No of indigent account holders receiving free basic electricity which are connected to the municipal electrical infrastructure network	This indicator relates to the Pre-Paid Electricity Tariff Electrification Housing Scheme limited to 400kWh and first 50kWh free	790	870	870	870	687	
TL10	103	To deliver services in terms of agreed service levels	Provision of free basic refuse removal, refuse dumps and solid waste disposal to registered indigent account holders	No of indigent account holders receiving free basic refuse removal monthly	This indicator reflects the 100% social rebate granted in respect to the annual solid waste fee charged to qualifying home owners of single residential properties.	790	870	870	870	687	
TL19	35	To develop and implement risk and water safety plans	The % of the Municipality's capital budget actually spent on capital projects identified in the IDP - (Total Actual Capital Expenditure/Approved Capital Budget) x 100	The percentage of a municipality's capital budget spent on capital projects identified in the IDP for the 2014/15 financial year	This KPI will be used to measure and monitor the actual capital expenditure on capital projects throughout the financial year.	New KPI	87%	87%	87%	37.86%	R
TL20	40	To deliver services in terms of agreed service levels	Number of formal residential properties connected to the municipal electrical infrastructure network (credit and prepaid electrical metering)(Excluding Eskom areas)	Number of residential properties which are billed for electricity or have pre-paid meters (Excluding Eskom areas)	The indicator reflects the number of residential properties connected to the municipal electrical infrastructure network for both credit and prepaid metering in all formal areas on a monthly basis	2382	1,682	1,682	1,682	2,121	G2
TL21	48	To develop a water demand management strategy	Provide refuse removal, refuse dumps and solid waste disposal to households within the municipal area	Number of households for which refuse is removed at least once a week	This indicator reflects the number of single residential properties receiving a weekly door to door refuse removal services in formal areas.	2333	2,288	2,288	2,288	2,452	G2

Ref	IDP Ref	Pre-determined Objectives	KPI	Unit of Measurement	Description of KPI and Unit of Measurement	Previous Year Performance	Annual Target	Revised Target	Overall Performance for 2014/15		
									Target	Actual	R
TL22	63	To review and implement the SCM policy of Council	Provision of clean piped water to formal residential properties which are connected to the municipal water infrastructure network.	Number of formal residential properties that meet agreed service standards for piped water	The indicator reflects the number of residential properties in formal areas connected to the municipal water infrastructure network	2231	2,232	2,232	2,232	2,511	B
TL23	73	To deliver services in terms of agreed service levels	Excellent water quality measured by the quality of water as per SANS 241 criteria	% water quality level as per blue drop assessment	Percentage of test that comply to with SANS (South African National Standard) 241 standards. "SANS 241 specifies the quality of acceptable drinking water, defined in terms of microbiological, physical, aesthetic and chemical determinants, at the point of delivery." - ISBN 978-0-626-26115-3. This indicator measures the total of percentage achieved by all water treatment works in the Prince Albert, Leeu-Gamka and Klaarstroom areas.	94%	80%	80%	80%	91.7%	B
TL24	86	To deliver services in terms of agreed service levels	Quality of effluent (measured by quality of microbiological standards) in terms of SANS irrigation standards	% quality of effluent achieved as per Green Drop assessment	Percentage of test that comply to with SANS (South African National Standard) 241 standards "SANS 241 specifies the quality of acceptable drinking water, defined in terms of microbiological, physical, aesthetic and chemical determinants, at the point of delivery." - ISBN 978-0-626-26115-3. This indicator measures the total of percentage achieved by all water treatment works in the Prince Albert, Leeu-Gamka and Klaarstroom areas.	100%	78%	78%	78%	63.3%	B
TL25	135	To develop and implement an infrastructure management and maintenance plan	% of the maintenance budget for Roads spent ((Actual expenditure divided by the total approved budget)x100)	(Actual expenditure divided by the total approved budget)x100	This indicator reflects the percentage of the roads maintenance budget actually spent, measured by the Total Actual Maintenance Expenditure / Approved Maintenance Budget x 100.	New KPI	100%	100%	100%	81.83%	B
TL26	138	To develop and implement an infrastructure management and maintenance plan	Limit water losses to not more than 16% ((Number of Kiloliter's Water Purchased or Purified - Number of Kiloliter's Water Sold) / Number of Kiloliter's Water Purchased or Purified x 100)	(Number of Kiloliter's Water Purchased or Purified - Number of Kiloliter's Water Sold) / Number of Kiloliter's Water Purchased or Purified x 100)	This indicator measures the percentage unaccounted kl of water, which represents the difference between "net production" (the volume of water delivered into the water network) and "consumption" (the volume of water that can be accounted for by	8.25%	20%	16%	16%	8.7%	B

Ref	IDP Ref	Pre-determined Objectives	KPI	Unit of Measurement	Description of KPI and Unit of Measurement	Previous Year Performance	Annual Target	Revised Target	Overall Performance for 2014/15		
									Target	Actual	R
					legitimate consumption including the indigent consumption).						
TL27	143	To develop and implement an infrastructure management and maintenance plan	Limit electricity losses to not more than 15% $\{(Number\ of\ Electricity\ Units\ Purchased\ and/or\ Generated - Number\ of\ Electricity\ Units\ Sold) / Number\ of\ Electricity\ Units\ Purchased\ and/or\ Generated) \times 100\}$	(Number of Electricity Units Purchased and/or Generated - Number of Electricity Units Sold) / Number of Electricity Units Purchased and/or Generated) $\times 100$	This indicator measures the percentage of unaccounted for electricity which represents the difference between "net sales" (the volume of electricity sold for the period) and "consumption" (the volume of electricity legitimately consumed in accordance to the invoice received from Eskom).	19%	20%	15%	15%	8.26%	B

Table 134: Municipal performance according to Key Performance Indicators

### 3.2.2 Economic Development

The table below reflects the Municipality's performance against economic development during the reporting year.

Ref	IDP Ref	Pre-determined Objectives	KPI	Unit of Measurement	Description of KPI and Unit of Measurement	Previous Year Performance	Annual Target	Revised Target	Overall Performance for 2014/15		
									Target	Actual	R
TL18	14	To create an enabling environment for the economy to grow	Number of temporary jobs created through the municipality's local economic development EPWP projects, measured by the number of people temporary employed in the EPWP programs for the period.	Number of people temporary employed in the EPWP programs.	The Objective of this KPI is to report on the number of temporary jobs created through the municipality's local economic development EPWP projects, measured by the number of people employed in the EPWP programs for the period.	209	46	48	48	319	B

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

### 3.22.3 Financial sustainability & development

The Municipality's performance in respect of Financial sustainability and development during the reporting year, is reflected below.

Ref	IDP Ref	Pre-determined Objectives	KPI	Unit of Measurement	Description of KPI and Unit of Measurement	Previous Year Performance	Annual Target	Revised Target	Overall Performance for 2014/15		
									Target	Actual	R
TL11	107	To implement mechanisms to improve debt collection	Achieve a YTD debtors payment percentage of at least 90%	(Gross Debtors Closing Balance + Billed Revenue - Gross Debtors Opening Balance + Bad Debts Written Off)/Billed Revenue x 100	The objective of this KPI is to calculate and monitor the debtors payment percentage on a monthly basis.	80%	90%	90%	90%	94.58%	B
TL12	108	To improve financial management by addressing the AG reporting matters	Attain an unqualified audit opinion	Unqualified External Audit Opinion Received	The objective of this KPI is determine whether or not the municipality was managed in a manner to receive an unqualified audit opinion.	1	1	1	1	1	B
TL14	140	To improve financial reporting	Financial viability measured in terms of the municipality's ability to meet it's service debt obligations ((Total operating revenue-operating grants received)/debt service payments due within the year)	((Total operating revenue-operating grants received)/debt service payments due within the year)	The indicator reflects the municipality's ability to meet its service debt obligations measured as (Total operating revenue received - operating grants)/debt service payments due within the year x 100.	150	1.20%	1.20%	1.20%	0%	B
TL15	141	To improve financial reporting	Financial viability measured in terms of the outstanding service debtors (Total outstanding service debtors/ revenue received for services)	(Total outstanding service debtors/ revenue received for services)X100	The indicator reflects the municipality's outstanding debts as a percentage of its revenue measured as (Total outstanding service debtors/ revenue received for services) [15].	11.19%	14.30%	14.30%	14.30%	61%	R
TL16	142	To improve financial reporting	Financial viability measured in terms of the available cash to cover fixed operating expenditure ((Available cash+ investments)/ Monthly fixed operating	((Available cash+ investments)/ Monthly fixed operating expenditure)	The indicator reflects the municipality's ability to cover its monthly operating expenditure at a particular time as expressed by the Cost coverage ratio, measured as (Available	7.41	0.92	0.92	0.92	1.02	B

Ref	IDP Ref	Pre-determined Objectives	KPI	Unit of Measurement	Description of KPI and Unit of Measurement	Previous Year Performance	Annual Target	Revised Target	Overall Performance for 2014/15		
									Target	Actual	R
			expenditure)		cash at particular time + investments)/ Monthly fixed operating expenditure x 100.						
TL29	134	To promote a culture of good governance	Develop Risk based audit plan for 2015/16 and submit to audit committee by end June	RBP submitted by end June 2015	The objective of this KPI is to have an internal audit plan which takes into consideration the risk factors of this Municipality, approved by the Audit committee.	1	1	1	1	1	

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

### 3.22.4 Good governance and public participation

The following table reflects the Municipality's performance in respect of good governance and public participation during the reporting year.

Ref	IDP Ref	Pre-determined Objectives	KPI	Unit of Measurement	Description of KPI and Unit of Measurement	Previous Year Performance	Annual Target	Revised Target	Overall Performance for 2014/15		
									Target	Actual	R
TL28	133	To promote a culture of good governance	Bi-quarterly engagement with community on progress on IDP & Budget Implementation	No of public participation engagements conducted in all municipal wards	The Objective of this KPI is to engage with the public in the IDP planning process, measured by no of ward committees where the IDP was work shopped and providing feedback to the public on the progress of the implementation of the IDP.	New KPI	4	4	4	8	B

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

### 3.22.5 Institutional development & transformation

The table below reflects the Municipality's performance in respect of the Institutional development and transformation during the reporting year.

Ref	IDP Ref	Pre-determined Objectives	KPI	Unit of Measurement	Description of KPI and Unit of Measurement	Previous Year Performance	Annual Target	Revised Target	Overall Performance for 2014/15		
									Target	Actual	R

Ref	IDP Ref	Pre-determined Objectives	KPI	Unit of Measurement	Description of KPI and Unit of Measurement	Previous Year Performance	Annual Target	Revised Target	Overall Performance for 2014/15		
									Target	Actual	R
TL2	15	To develop and implement staff development and retention plans	The % of the Municipality's training budget spent, measured as (Total Actual Training Expenditure/Approved Training Budget x 100)	% of training budget spent on scheduled training by end of June 2015	The objective of the KPI is to measure the percentage of the municipality's training budget spent during the period under review.	0.14%	35%	95%	95%	65%	
TL4	137	To develop and implement staff development and retention plans	The number of people from employment equity target groups employed (appointed) in the three highest levels of management in compliance with the equity plan	Number of people employed (appointed)	The objective of this KPI is to measure the compliance of appointments made in the 3 highest levels of management with the employment equity targets as included in the approved employment equity plan.	0	2	2	2	3	B

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

### 3.23 Top-Layer Service Delivery and Budget Implementation (SDBIP) Scorecard: 2014/15 per Strategic Objectives

The tables below reflect the Municipality's performance against its respective strategic objectives as specified.

a) The table below reflects the Municipality's performance to commit to continuous improvement of human skills and resources to deliver effective services

Ref	KPI	Unit of Measurement	Description of KPI and Unit of Measurement	Wards	Previous Year Performance	Overall Performance for 2014/15						Performance comments / Reason(s) for deviation from target (under and over performance)	Improvement Plan(s) to correct deviation from target (under performance)
						Target				Actual	R		
						Q1	Q2	Q3	Q4				
TL2	The % of the Municipality's training budget spent, measured as (Total Actual Training Expenditure/Approved Training Budget x 100)	% of training budget spent on scheduled training by end of June 2015	The percentage of a municipality's capital budget spent on capital projects identified in the IDP for the 2014/15 financial year	All	0.14%				95%	65%		The full budget allocation was not spent due to wrongful allocation of expenditure. Additional training took place from other funding to complement allocated	Correct allocation of expenditure to be done



			projects, measured by the number of people employed in the EPWP programs for the period.																
--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Table 139: Top Layer Human Skills Development Performance Indicators

**b) To enhance participatory democracy**

Ref	KPI	Unit of Measurement	Description of KPI and Unit of Measurement	Wards	Previous Year Performance	Overall Performance for 2014/15						Performance comments / Reason(s) for deviation from target (under and over performance)	Improvement Plan(s) to correct deviation from target (under performance)
						Target				Actual	R.		
						Q1	Q2	Q3	Q4				
TL23	Excellent water quality measured by the quality of water as per SANS 241 criteria	% water quality level as per blue drop assessment	Percentage of test that comply to with SANS (South African National Standard) 241 standards. *SANS 241 specifies the quality of acceptable drinking	All	94%				80%	91.7%	62	Target met	Thus no improvement plan needed

Ref	KPI	Unit of Measurement	Description of KPI and Unit of Measurement	Wards	Previous Year Performance	Overall Performance for 2014/15						Performance comments / Reason(s) for deviation from target (under and over performance)	Improvement Plan(s) to correct deviation from target (under performance)
						Target				Actual	R		
						Q1	Q2	Q3	Q4				
			water, defined in terms of microbiological, physical, aesthetic and chemical determinants, at the point of delivery." - ISBN 978-0-626-26115-3. This indicator measures the total of percentage achieved by all water treatment works in the Prince Albert, Leeu-Gamka and Klaarstroom areas.										
TL28	Bi-quarterly engagement with community on progress on IDP & Budget Implementation	No of public participation engagements conducted in all municipal wards	The Objective of this KPI is to engage with the public in the IDP planning process, measured by no of ward committees where the IDP was	All	New KPI				4	8	8	Community engagements took place to ensure that all inputs are incorporated in IDP and budget	

Ref	KPI	Unit of Measurement	Description of KPI and Unit of Measurement	Wards	Previous Year Performance	Overall Performance for 2014/15						Performance comments / Reason(s) for deviation from target (under and over performance)	Improvement Plan(s) to correct deviation from target (under performance)
						Target				Actual	R		
						Q1	Q2	Q3	Q4				
			work shopped and providing feedback to the public on the progress of the implementation of the IDP.										

Table 140: Top Layer Participatory democracy indicators

c) To maintain financial viability & sustainability through prudent expenditure, and sound financial systems

Ref	KPI	Unit of Measurement	Description of KPI and Unit of Measurement	Wards	Previous Year Performance	Overall Performance 2014/15						Performance comments / Reason(s) for deviation from target (under and over performance)	Improvement Plan(s) to correct deviation from target (under performance)
						Target				Actual	R		
						Q1	Q2	Q3	Q4				
TL11	Achieve a YTD debtors payment percentage of at least 90%	(Gross Debtors Closing Balance + Billed Revenue - Gross Debtors	The objective of this KPI is to calculate and monitor the debtor's	All	80%				90%	94.58%	B	Target met	Thus no improvement plan needed

Ref	KPI	Unit of Measurement	Description of KPI and Unit of Measurement	Wards	Previous Year Performance	Overall Performance 2014/15						Performance comments / Reason(s) for deviation from target (under and over performance)	Improvement Plan(s) to correct deviation from target (under performance)
						Target				Actual	R		
						Q1	Q2	Q3	Q4				
		Opening Balance + Bad Debts Written Off/Billed Revenue x 100	payment percentage on a monthly basis.										
TL12	Attain an unqualified audit opinion	Unqualified External Audit Opinion Received	The objective of this KPI is determine whether or not the municipality was managed in a manner to receive an unqualified audit opinion.	All	1				1	1	E	Target met	Thus no improvement plan needed
TL14	Financial viability measured in terms of the municipality's ability to meet it's service debt obligations ((Total operating revenue-operating grants received)/debt	((Total operating revenue-operating grants received)/debt service payments due within the year)	The indicator reflects the municipality's ability to meet its service debt obligations measured as (Total operating revenue received - operating	All	150				1.20%	0%	B	Target met	Thus no improvement plan needed

Ref	KPI	Unit of Measurement	Description of KPI and Unit of Measurement	Wards	Previous Year Performance	Overall Performance 2014/15						Performance comments / Reason(s) for deviation from target (under and over performance)	Improvement Plan(s) to correct deviation from target (under performance)
						Target				Actual	R		
						Q1	Q2	Q3	Q4				
	service payments due within the year)		grants)/debt service payments due within the year x 100.										
TL15	Financial viability measured in terms of the outstanding service debtors (Total outstanding service debtors/ revenue received for services)	(Total outstanding service debtors/ revenue received for services)X100	The indicator reflects the municipality's outstanding debts as a percentage of its revenue measured as (Total outstanding service debtors/ revenue received for services) [15].	All	11.19%				14.30%	61%	R	Target not met	50:50 debt write off campaign and increased awareness initiatives on debt collection. Poor debt collection emphasized in community meetings and community encouraged to pay their bills. Door to door visits on debt collection

Ref	KPI	Unit of Measurement	Description of KPI and Unit of Measurement	Wards	Previous Year Performance	Overall Performance 2014/15						Performance comments / Reason(s) for deviation from target (under and over performance)	Improvement Plan(s) to correct deviation from target (under performance)
						Target				Actual	R		
						Q1	Q2	Q3	Q4				
TL16	Financial viability measured in terms of the available cash to cover fixed operating expenditure ((Available cash+ investments)/ Monthly fixed operating expenditure)	((Available cash+ investments)/ Monthly fixed operating expenditure)	The indicator reflects the municipality's ability to cover its monthly operating expenditure at a particular time as expressed by the Cost coverage ratio, measured as (Available cash at particular time + investments)/ Monthly fixed operating expenditure x 100.	All	7.41				0.92	1.02	B	Target met	Thus no improvement plan needed
TL21	Provide refuse removal, refuse dumps and solid waste disposal to households within the municipal area	Number of households for which refuse is removed at least once a week	This indicator reflects the number of single residential properties receiving a weekly door to	All	2333				2,288	2,452	G2	Target met	Thus no improvement plan needed

Ref	KPI	Unit of Measurement	Description of KPI and Unit of Measurement	Wards	Previous Year Performance	Overall Performance 2014/15						Performance comments / Reason(s) for deviation from target (under and over performance)	Improvement Plan(s) to correct deviation from target (under performance)
						Target				Actual	R		
						Q1	Q2	Q3	Q4				
			door refuse removal services in formal areas.										
TL26	Limit water losses to not more than 16% ((Number of Kilolitres Water Purchased or Purified - Number of Kilolitres Water Sold) / Number of Kilolitres Water Purchased or Purified × 100);	(Number of Kilolitres Water Purchased or Purified - Number of Kilolitres Water Sold) / Number of Kilolitres Water Purchased or Purified × 100)	This indicator measures the percentage unaccounted kl of water, which represents the difference between "net production" (the volume of water delivered into the water network) and "consumption" (the volume of water that can be accounted for by legitimate consumption including the indigent consumption).	All	8.25%				16%	8.7%	B	Target met	Thus no improvement plan needed

Ref	KPI	Unit of Measurement	Description of KPI and Unit of Measurement	Wards	Previous Year Performance	Overall Performance 2014/15					Performance comments / Reason(s) for deviation from target (under and over performance)	Improvement Plan(s) to correct deviation from target (under performance)	
						Target				Actual			R
						Q1	Q2	Q3	Q4				
TL27	Limit electricity losses to not more than 15% $\{(Number\ of\ Electricity\ Units\ Purchased\ and/or\ Generated - Number\ of\ Electricity\ Units\ Sold) / Number\ of\ Electricity\ Units\ Purchased\ and/or\ Generated\} \times 100\}$	$\{(Number\ of\ Electricity\ Units\ Purchased\ and/or\ Generated - Number\ of\ Electricity\ Units\ Sold) / Number\ of\ Electricity\ Units\ Purchased\ and/or\ Generated\} \times 100$	This indicator measures the percentage of unaccounted for electricity which represents the difference between "net sales" (the volume of electricity sold for the period) and "consumption" (the volume of electricity legitimately consumed in accordance to the invoice received from Eskom).	All	19%			15%	8.26%	B	Target met	Continue with Awareness campaign on illegal connections	
TL29	Develop Risk based audit plan for 2015/16 and submit to audit	RBP submitted by end June 2015	The objective of this KPI is to have an internal audit plan which	All	1			1	1	C	Target met	Thus no improvement plan needed	

Ref	KPI	Unit of Measurement	Description of KPI and Unit of Measurement	Wards	Previous Year Performance	Overall Performance 2014/15						Performance comments / Reason(s) for deviation from target (under and over performance)	Improvement Plan(s) to correct deviation from target (under performance)
						Target				Actual	R		
						Q1	Q2	Q3	Q4				
	committee by end June		takes into consideration the risk factors of this Municipality, approved by the Audit committee.										

Table 141: Top Layer Financial viability and sustainability performance

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

Ref	KPI	Unit of Measurement	Description of KPI and Unit of Measurement	Wards	Previous Year Performance	Overall Performance for 2014/15						Performance comments / Reason(s) for deviation from target (under and over performance)	Improvement Plan(s) to correct deviation from target (under performance)
						Target				Actual	R		
						Q1	Q2	Q3	Q4				
TL6	Provide 6kl free basic water per household per month in terms of the equitable share requirements	No of HH receiving free basic water	This indicator reflects the 100% social rebate granted in respect to the annual water availability fee	All	1835				2,273	687		The target was based on all residential accounts receiving the 6kl rebate	This will be corrected in the next financial year SDBIP, Council resolution will be

Ref	KPI	Unit of Measurement	Description of KPI and Unit of Measurement	Wards	Previous Year Performance	Overall Performance for 2014/15						Performance comments / Reason(s) for deviation from target (under and over performance)	Improvement Plan(s) to correct deviation from target (under performance)
						Target				Actual	R		
						Q1	Q2	Q3	Q4				
			charged to qualifying home owners of single residential properties									instead of only indigent accounts as per internal audit report	obtained to correct the incorrect target
TL7	Provision of sanitation services to residential properties which are connected to the municipal waste water (sanitation/sewerage) network & are billed for sewerage service, irrespective of the number of water closets (toilets).	No of residential properties which are billed for sewerage in accordance to the financial system.	The indicator reflects the number of residential properties connected to the municipal waste water (sanitation/sewerage) network irrespective of the number of water closets (toilets).	All	2150			2,127	2,370	G2	Target met	Thus no improvement plan needed	
TL8	Provision of free basic sanitation services to registered indigent account holders which are connected to the municipal waste water (sanitation/sewerage) network & are billed for sewerage service, irrespective of the number of water closets (toilets).	No of indigent account holders receiving free basic sanitation in terms of Equitable share requirements.	The indicator reflects the number of residential properties connected to the municipal waste water (sanitation/sewerage) network irrespective of the number of water closets (toilets).	All	870			870	687		Target not met	Awareness campaign and door to door visits on registration of indigent residents	

Ref	KPI	Unit of Measurement	Description of KPI and Unit of Measurement	Wards	Previous Year Performance	Overall Performance for 2014/15						Performance comments / Reason(s) for deviation from target (under and over performance)	Improvement Plan(s) to correct deviation from target (under performance)
						Target				Actual	R		
						Q1	Q2	Q3	Q4				
TL9	Provide 50kwh free basic electricity to registered indigent account holders connected to the municipal electrical infrastructure network	No of indigent account holders receiving free basic electricity which are connected to the municipal electrical infrastructure network	This indicator relates to the Pre-Paid Electricity Tariff Electrification Housing Scheme limited to 400kWh and first 50kWh free	All	790				870	667		Target not met	Awareness campaign and door to door visits on registration of indigent residents
TL10	Provision of free basic refuse removal, refuse dumps and solid waste disposal to registered indigent account holders	No of indigent account holders receiving free basic refuse removal monthly	This indicator reflects the 100% social rebate granted in respect to the annual solid waste fee charged to qualifying home owners of single residential properties.	All	790				870	667		Target not met	Awareness campaign and door to door visits on registration of indigent residents
TL19	The % of the Municipality's capital budget actually spent on capital projects identified in the IDP - (Total Actual Capital	The percentage of a municipality's capital budget spent on	This KPI will be used to measure and monitor the actual capital expenditure on capital projects throughout the	All	New KPI				87%	37.66%	R	Budget amount for Housing was R 19 000 000 Municipality only received R 1 700 000	No corrective plan implemented as funding was not received. MM to negotiate additional funding

Ref	KPI	Unit of Measurement	Description of KPI and Unit of Measurement	Wards	Previous Year Performance	Overall Performance for 2014/15						Performance comments / Reason(s) for deviation from target (under and over performance)	Improvement Plan(s) to correct deviation from target (under performance)
						Target				Actual	R		
						Q1	Q2	Q3	Q4				
	Expenditure/Approved Capital Budget) x 100	capital projects identified in the IDP for the 2014/15 financial year	financial year.										
TL20	Number of formal residential properties connected to the municipal electrical infrastructure network (credit and prepaid electrical metering)(Excluding Eskom areas)	Number of residential properties which are billed for electricity or have pre-paid meters (Excluding Eskom areas)	The indicator reflects the number of residential properties connected to the municipal electrical infrastructure network for both credit and prepaid metering in all formal areas on a monthly basis	All	2382				1,682	2,121	G2	Target met	Thus no improvement plan needed
TL22	Provision of clean piped water to formal residential properties which are connected to the municipal water infrastructure network.	Number of formal residential properties that meet agreed service standards for piped water	The indicator reflects the number of residential properties in formal areas connected to the municipal water infrastructure network	All	2231				2,232	2,511	G2	Target met	Thus no improvement plan needed

Ref	KPI	Unit of Measurement	Description of KPI and Unit of Measurement	Wards	Previous Year Performance	Overall Performance for 2014/15						Performance comments / Reason(s) for deviation from target (under and over performance)	Improvement Plan(s) to correct deviation from target (under performance)
						Target				Actual	R		
						Q1	Q2	Q3	Q4				
TL24	Quality of effluent (measured by quality of microbiological standards) in terms of SANS irrigation standards	% quality of effluent achieved as per Green Drop assessment	Percentage of test that comply to with SANS (South African National Standard) 241 standards "SANS 241 specifies the quality of acceptable drinking water, defined in terms of microbiological, physical, aesthetic and chemical determinants, at the point of delivery." - ISBN 978-0-626-26115-3. This indicator measures the total of percentage achieved by all water treatment works in the Prince Albert, Leeu-Gamka and Klaarstroom areas.	All	94%				78%	63.3%		Target not met	Process controller to be appointed

Ref	KPI	Unit of Measurement	Description of KPI and Unit of Measurement	Wards	Previous Year Performance	Overall Performance for 2014/15						Performance comments / Reason(s) for deviation from target (under and over performance)	Improvement Plan(s) to correct deviation from target (under performance)
						Target				Actual	R		
						Q1	Q2	Q3	Q4				
TL25	% of the maintenance budget for Roads spent [(Actual expenditure divided by the total approved budget)x100]	(Actual expenditure divided by the total approved budget)x100	This indicator reflects the percentage of the roads maintenance budget actually spent, measured by the Total Actual Maintenance Expenditure / Approved Maintenance Budget x 100.	All	New KPI				100%	81.83%		Target not met	Monthly review of expenditure; implement roads maintenance plan

Table 142: Top Layer Service Delivery performance

## Service Providers Strategic Performance

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

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

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

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

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

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

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

### a) Office of the Municipal Manager

Description of services rendered	Term of contract	Performance areas	Performance rating	Performance comment	Corrective measures
Legal Services	3 years	Legal and disciplinary hearing support services	Good	Shared services agreement with Beaufort West, CKDM and Laingsburg. Legal specialist appointed, stationed in BFW, Contract considered to be renewed in the next financial year	Skills transfer on lower level in the absence of qualified internal personnel
Internal Audit and Risk Management.	3 years	Provision of internal audit, compliance and risk management support services.	Good	Shared services agreement with Beaufort West, CKDM and Laingsburg. Service provider, Meyer Otto Appointed stationed at CKDM	Skills transfer on lower level in the absence of qualified internal personnel

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

**b) Financial Services**

Description of services rendered	Term of contract	Performance areas	Performance rating	Performance comment	Corrective measures
Mubesko	3 years	Review of AFS	Excellent Service	n/a	n/a
PWC	1 year	Asset register	Excellent Service	n/a	n/a

**Table 144: Service Providers Performance – Financial Services**

**c) Infrastructure Services**

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

Description of services rendered	Term of contract	Performance Areas	Performance Rating	Performance Comment	Corrective measures
Aurecon	3 years	Consulting Engineer	Excellent Services	n/a	n/a
A2 Loodgieters	1 Year	Contractor	Excellent Services	n/a	n/a
Jan Nel Elektries	1 Year	Electricity Contractor	Excellent Services	n/a	n/a
CalConstruction	1 year	Contractor	Very poor Services	Contract Terminated and guarantee called up	n/a
Weslab	1 year	Water and waste water testing lab	Excellent Services	n/a	n/a
RMS	Pilot project	Smart metering	Pilot underway	n/a	n/a
ASLA	3 year	Turnkey implementation agent	Satisfied with performance	n/a	n/a
Kobus Frey Landbou dienste	When needed	Vehicle & machinery maintenance			n/a
Klein Karoo Kooperasie	When needed	Supply & delivery of material & equipment			n/a
Home Hardware	When needed	Supply & delivery of material & equipment			n/a
John Deere	When needed	Vehicle & machinery maintenance			n/a
October Sky	When needed	Supply & delivery of material & equipment			n/a
Penny pinchers	When needed	Supply & delivery of material & equipment			n/a
					n/a

Tata	When needed	Vehicle & machinery maintenance			n/a
A&R enterprises	When needed	Machinery hire			n/a

Table 145: Service Providers Performance – Infrastructure Services

n/a

d) Corporate & Community Services

Description of services rendered	Term of contract	Performance Areas	Performance Rating	Performance Comment	Corrective measures
Ultimate Traffic Solutions	Contract commenced in June 2012 for 3 years	Traffic Management Systems	Very poor	Contract terminated	Contract terminated
Syntell	Contract commenced 4 Dec to Sept 2015	Traffic Management System	Poor	Contract will expire	New tender requested after expiry of existing
African Creek	Contract commenced in 2014 for two years	Training and sourcing of funding	Poor	Administrative arrangements poor	Engagement with service provider to improve logistical arrangements

Table 146: Service Provider Performance – Strategic & Community Services

e) Development & Strategic Support

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

Table 147: Service Provider Performance – Development and Strategic Services

## Chapter 4

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

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

##### Introduction

The Prince Albert Municipality currently employs 44 (excluding non-permanent positions) officials, who individually and collectively contribute to the achievement of the Municipality's objectives. The primary objective of Human Resource (HR) management is to render an innovative HR service that addresses both skills development and sound administration of in-house personnel.

#### 4.1 Employee Totals, Turnover and Vacancies

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

Occupational Categories	Male				Female				Total
	A	C	I	W	A	C	I	W	
Legislators, senior officials and managers	0	2	0	1	0	0	0	1	4
Professionals	0	0	0	0	0	0	0	0	0
Technicians and associate professionals	0	2	0	1	0	0	0	0	3
Clerks	0	9	0	1	0	18	0	2	30
Service and sales workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	0	6	0	1	0	0	0	0	7
Elementary occupations	0	18	0	1	0	5	0	0	24
Total permanent	0	29	0	2	0	17	0	2	50
Non-permanent	0	8	0	3	0	6	0	1	18
Grand total	0	37	0	5	0	23	0	3	68

**Table 148: Occupational Levels**

The table below reflects permanent staff. It must be noted that staff employed on contract include three (3) persons from the employment equity target groups on the three highest levels of management, comprising of five staff members.

KPA & Indicators	Municipal Achievement	Municipal Achievement
	2013/14	2014/15
The number of people from employment equity target groups permanently employed in the three highest levels of management in compliance with a municipality's approved employment equity plan	3	3
The percentage of a municipality's budget actually spent on implementing its workplace skills plan	0.15%	65%

**Table 149: National KPIs– Municipal Transformation and Organisational Development**

#### 4.2.1 Employment Equity

The Employment Equity Act (1998) Chapter 3, Section 15 (1) confirms affirmative action as measures designed to ensure that suitable qualified people from designated groups enjoys equal employment opportunities and are equitably represented in all occupational categories and levels in the workforce of a designated employer. The drafting of an EE-plan could not be completed due to the fact that the Local Labour Forum was not meeting. Council intends to declare a dispute in this respect should the Unions not agree to meet and place the matters identified by the employer on the agenda.

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

Occupational Categories	Male				Female				Total
	A	C	I	W	A	C	I	W	
Legislators, senior officials and managers	0	2	0	1	0	0	0	1	4
Professionals	0	0	0	0	0	0	0	0	0
Technicians and associate professionals	0	2	0	1	0	0	0	0	3
Clerks	0	9	0	1	0	18	0	2	30
Service and sales workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	0	6	0	1	0	0	0	0	7
Elementary occupations	0	18	0	1	0	5	0	0	24
Total permanent	0	29	0	2	0	17	0	2	50
Non-permanent	0	8	0	3	0	6	0	1	18
Grand total	0	37	0	5	0	23	0	3	68

**Table 150: Occupational Categories**

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

Department	Male				Female				Total
	A	C	I	W	A	C	I	W	
Office of the Municipal Manager	0	3	0	0	0	1	0	0	4
Strategic Services	0	13	0	0	0	12	0	3	28
Technical and Electrical Services	0	20	0	2	0	2	0	0	24
Financial Services	0	1	0	3	0	8	0	0	12
Total permanent	0	29	0	2	0	17	0	2	50
Non-permanent	0	8	0	3	0	6	0	1	18
Grand total	0	37	0	5	0	23	0	3	68

Table 151: Department - Race

#### 4.2.2 Vacancy Rate

The approved organogram for the municipality reflected 97 posts for the 2014/15 financial year. The actual positions filled are indicated in the tables below by post level and by functional level. 37 Posts were vacant at the end of 2014/15, resulting in a vacancy rate of 38%. 7 of the critical positions are filled with contract positions.

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

Task level	Per Task Level	
	Filled	Vacant
MM & MSA section 57 & 56	4	1
Middle management (T14-T19)	1	0
Admin Officers (T4-T13)	37	21
General Workers (T3)	18	15
Grant remuneration outside TASK level	8	0
<b>Total</b>	<b>68</b>	<b>37</b>
Functional area	Per Functional Level	
	Filled	Vacant
Office of the Municipal Manager	4	0
Corporate & Community Services	27	12
Technical and Electrical Services	22	24
Financial Services	7	1
Appointments from Grants	8	0
<b>Total</b>	<b>68</b>	<b>37</b>

Table 152: Vacancy rate per post and functional level

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

Salary Level	Number of current critical vacancies	Total posts as per organogram	Vacancy job title	% Critical Vacancies (as a proportion of total posts per category)
Municipal Manager	0	1	n/a	0
Chief Financial Officer	0	1	n/a	0
Other Section 56 Managers	0	3	Manager: Development and Strategic Support	0
Senior management (T14-T19)	0	1	n/a	0
Highly skilled supervision (T4-T13)	5	55	1 x Senior Electrician 1 x Electrician 1 x Building Inspector 1 x Waste Water Process Controller 1 x Superintendent: Leeu-Gamka	9
<b>Total</b>				

Table 153: Vacancy rate per salary level

#### 4.2.3 Turnover rate

Small, rural municipalities find it difficult to attract and retain skilled staff as they cannot compete with bigger municipalities in terms of salary, skills transfer and opportunities. This results in a high turn-over of staff. A high turnover rate for staff member's impacts negatively on a municipality as it may be costly to a municipality and might negatively affect productivity, service delivery and institutional memory/organizational knowledge. Below is a table that shows the turnover rate within the municipality. The turnover rate shows an increase from 11.3% in 2012/13 to 14.52% in 2013/14.

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

Financial year	Total no appointments at the end of each Financial Year	New appointments	No Terminations during the year	Turn-over Rate
2013/14	67	12	9	14.52
2014/15	68	5	3	11.76

Table 154: Turnover Rate

## Component B: Managing the Municipal Workforce

### Introduction

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

### 4.2 HR Policies and Plans

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

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

Approved policies	
Name of policy	Date approved/ revised
Employment Policy	2003
Internal Conditions of Service	2003
Sexual harassment	2007
Subsistence and Travelling	2007
Training & Development	2014
Language	2014
Support Staff	2007
Cell Phone	2007
Induction Training and Staff Orientation	2007
Internal control: Salaries and grants	2007
Study	2014
IT	2007
HIV/AIDS	2007
Induction programme	2008
Recruitment and Selection	2012
Employment Equity	2013
Incapacity / Ill-Health	2012
Substance Abuse	2012
Smoking Policy	2012
Overtime	2014
Retirement Planning	2012
Unauthorized Absence	2012
Uniform Protective Clothing	2012
Employment on 5/8 basis	2012

Policy on imprisoned employees	2012
Scarce skills policy	2012

**Table 155: HR policies and plans**

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

### 4.3 Injuries, Sickness and Suspensions

An occupational injury is a personal injury, disease or death resulting from an occupational accident. Compensation claims for such occupational injuries are calculated according to the seriousness of the injury/disease. Occupational injury will influence the loss of man hours and therefore financial and productivity performance. The Municipality appointed Workplace Safety Representatives within the municipality for the respective departments as required by legislation. These employees are:

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

SALGA was requested to provide training to the officials in respect of workplace safety. This training will take place in the 2014/15 financial year. The injury rate remained low during the reporting year.

### Sick Leave

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

The total number of employees that have taken sick leave during the 2013/14 and 2014/15 financial years shows a slight increase when comparing it with the 2012/13 financial year, however it is still at an acceptable level.

The table below indicates the total number sick leave days taken within the different departments during the reporting year.

Department	2013/14	2014/15
Office of the Municipal Manager	0	69
Strategic Services	102	45
Technical and Electrical Services	110	138
Financial Services	18	15
<b>Total</b>	<b>230</b>	<b>267</b>

**Table 156: Sick Leave**

## Component C: Capacitating the Municipal Workforce

### 4.4 Skills Development and Training

Section 68(1) of the Local Government: Municipal Systems Act, 2000 (MSA) states that a municipality must develop its human resource capacity to a level that enables it to perform its functions and exercise its powers in an economical, effective, efficient and accountable manner. For this purpose the human resource capacity of a municipality must comply with the Skills Development Act (SDA), 1998 (Act No. 81 of 1998), and the Skills Development Levies Act, 20 1999 (Act No. 28 of 1999).

#### MFMA Competency Levels Training

In terms of Section 83 (1) of the MFMA, the accounting officer, senior managers, the chief financial officer, non-financial managers and other financial officials of a municipality must meet the prescribed financial management competency levels that are key to the successful implementation of the Municipal Finance Management Act. National Treasury has prescribed such financial management competencies in Government Notice 493 dated 15 June 2007.

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

The table below provides details of the financial competency development progress as required by the regulation:

Description	Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	Competency assessments completed (Regulation 14(4)(b) and (d))	Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))
<b>Financial Officials</b>				
Accounting officer	1	1	1	1
Chief financial officer	1	1	1	1
Senior managers	2	2	2	2
Any other financial officials	5	2 Busy with Minimum Competency	0	0
<b>Supply Chain Management Officials</b>				

Heads of supply chain management units	0	0	0	0
Supply chain management senior managers	2	2 Busy with Minimum Competency	0	0
<b>TOTAL</b>	<b>11</b>	<b>8</b>	<b>4</b>	<b>4</b>

**Table 157: Budget allocated and spent for skills development**

## Skills Matrix

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

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

Management level	Gender	Number of employees identified for training at start of the year (2013/14)	Number of Employees that received training (2013/14)
MM and S57	Female	0	0
	Male	3	3
Legislators, senior officials and managers	Female	4	4
	Male	5	5
Associate professionals and Technicians	Female	0	0
	Male	3	3
Professionals	Female	1	1
	Male	1	1
Clerks	Female	9	5
	Male	7	3
Service and sales workers	Female	0	0
	Male	0	0
Craft and related trade workers	Female	0	0
	Male	0	0
Plant and machine operators and assemblers	Female	0	0
	Male	5	3
Elementary occupations	Female	1	1
	Male	7	2
Sub total	Female	15	11
	Male	31	20

Management level	Gender	Number of employees identified for training at start of the year (2013/14)	Number of Employees that received training (2013/14)
Total		46	31

Table 158: Skills Matrix

## Component D: Managing the Municipal Workforce Expenditure

### Introduction

Section 66 of the Local Government: Municipal Systems Act, 2000 states that the accounting officer of a municipality must report to the Council on all expenditure incurred by the municipality on staff salaries, wages, allowances and benefits. This is in line with the requirements of the Public Service Regulations, (2002), as well as National Treasury Budget and Reporting Regulations SA22 and SA23.

### 4.5 Employee Expenditure

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

Financial year	Total Expenditure salary and allowances	Total Operating Expenditure	Percentage
	R'000	R'000	
2013/2014	14 813	66 915	22.13%
2014/2015	15 517	69 190	22.43%

Table 159: Personnel Expenditure

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

Financial year	2013/2014		2014/2015	
	Actual	Original Budget	Adjusted Budget	Actual
	R	R	R	R
<b>Councillors (Political Office Bearers plus Other)</b>				
Basic Salary & Wages	1 577 400	1 733 902	1 733 902	1 695 583
Pension & Medical Aid Contributions	102 726	102 726	102 726	102 726
Motor vehicle allowance	514 677	500 000	500 000	498 888
Cell phone allowances	115 026	113 372	113 372	113 372

Financial year	2013/2014		2014/2015	
	Actual	Original Budget	Adjusted Budget	Actual
	R.	R.	R.	R.
Housing allowances	0	0	0	0
Other benefits or allowances	0	0	0	0
In-kind benefits	0	0	0	0
<b>Sub Total</b>	<b>2 309 829</b>	<b>2 450 000</b>	<b>2 450 000</b>	<b>2 410 569</b>
<b>% increase/ (decrease)</b>	<b>0</b>	<b>5.72%</b>	<b>6.29%</b>	<b>-1.62%</b>
<b>Senior Managers of the Municipality</b>				
Basic Salary & Wages	1 796 167	1 746 000	1 746 000	1 976 730
Pension and Medical Aid Contributions		230 000	230 000	229 475
Motor vehicle allowance	160 776	95 000	155 000	286 056
Cell phone allowance		68 000	68 000	54 000
Housing allowance		18 000	18 000	18 000
Performance Bonus	133 572	142 000	142 000	257 039
Other benefits or allowances				
<b>Sub Total</b>	<b>2 115 015</b>	<b>2 299 000</b>	<b>2 359 000</b>	<b>2 870 963</b>
<b>% increase/ (decrease)</b>	<b>0</b>	<b>-8.00%</b>	<b>2.54%</b>	<b>17.72%</b>
<b>Other Municipal Staff</b>				
Basic Salary & Wages	5 518 992	8 022 000	7 809 000	6 879 955
Pension and Medical Aid Contributions	1 120 785	807 000	807 000	1 074 642
Motor vehicle allowance	98 642			533 388
Cell phone allowance	12 729	38 000	38 000	15 600
Housing allowance	11 311	60 000	60 000	18 900
Overtime	704 514	570 000	605 000	613 555
Performance Bonus	403 640			
Other benefits or allowances	901 658	1 338 000	864 000	1,099 936
<b>Sub Total</b>	<b>8 772 271</b>	<b>10 835 000</b>	<b>10 165 000</b>	<b>10 235 976</b>
<b>% increase</b>	<b>0</b>	<b>19.04%</b>	<b>-6.18%</b>	<b>-1.94%</b>
<b>Total Municipality</b>	<b>10 887 286</b>	<b>15 584 000</b>	<b>14 974 000</b>	<b>15 517 510</b>
<b>% increase/ (decrease)</b>	<b>0</b>	<b>30.14%</b>	<b>-3.91%</b>	<b>2.05%</b>

Table 160: Personnel Expenditure

## CHAPTER 5: FINANCIAL PERFORMANCE

This chapter provides details regarding the financial performance of the municipality for the 2014/15 financial year.

### Component A: Statements of Financial Performance

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

#### 5.1 Financial Summary

The table below indicates the summary of the financial performance for the 2014/15 financial year:

Description	2013/14	2014/15			2014/15 Variance	
	Actual (Audited Outcome)	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
	R'000				%	
<b>Financial Performance</b>						
Property rates	2 129	2 419	2 419	2 462	1.80%	1.80%
Service charges	13 876	15 571	16 175	17 541	12.65%	8.45%
Investment revenue	542	360	700	812	125.67%	16.06%
Transfers recognised - operational	28 177	29 204	39 816	40 216	37.70%	1.00%
Other own revenue	14 294	4 925	10 871	8 838	79.43%	-18.71%
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>59 018</b>	<b>52 479</b>	<b>69 981</b>	<b>69 869</b>		
Employee costs	12 503	13 144	12 534	13 107	-0.28%	4.57%
Remuneration of councillors	2 309	2 450	2 450	2 411	-1.61%	-1.61%
Depreciation & asset impairment	6 048	1 705	1 705	1 744	2.31%	2.31%
Finance charges	491	337	337	562	66.66%	66.66%
Materials and bulk purchases	7 630	9 000	7 100	6 606	-26.60%	-6.96%
Transfers and grants						
Other expenditure	37 537	25 729	46 901	45 101	75.29%	-3.84%
<b>Total Expenditure</b>	<b>66 519</b>	<b>52 365</b>	<b>71 028</b>	<b>69 531</b>	<b>32.78%</b>	<b>-2.11%</b>
<b>Surplus/(Deficit)</b>	<b>(7 502)</b>	<b>114</b>	<b>(1 047)</b>	<b>338</b>	<b>197.35%</b>	<b>-132.29%</b>
Transfers recognised - capital	20 614	17 008	36 338	12 745	-25.06%	-64.93%

Description	2013/14	2014/15			2014/15 Variance	
	Actual (Audited Outcome)	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
	R'000				%	
Contributions recognised - capital & contributed assets						
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	13 112	17 122	35 291	13 083	-23.59%	-62.93%
<b>Capital expenditure &amp; funds sources</b>						
<b>Capital expenditure</b>						
Transfers recognised - capital	20 245	17 008	36 338	12 614	-25.83%	-65.29%
Public contributions & donations						
Borrowing						
Internally generated funds	160	–	100	99		-0.94%
<b>Total sources of capital funds</b>						
<b>Financial position</b>						
Total current assets	14 999	10 465	5 276	16 163	54.44%	206.36%
Total non-current assets	89 745	113 095	127 739	101 783	-10.00%	-20.32%
Total current liabilities	17 955	9 796	5 908	12 446	27.05%	110.68%
Total non-current liabilities	6 938	4 900	6 317	12 564	156.42%	98.90%
Community wealth/Equity	79 851	108 865	115 514	92 935	-14.63%	-19.55%
<b>Cash flows</b>						
Net cash from (used) operating	27 706	19 061	26 787	15 674	-17.77%	-41.49%
Net cash from (used) investing	(20 391)	(17 008)	(34 321)	(13 890)	-18.33%	-59.53%
Net cash from (used) financing	(54)	(39)	(24)	2	104.17%	-106.79%
<b>Cash/cash equivalents at the year end</b>	7 262	5 256	2 196	11 540	119.58%	425.47%
<b>Cash backing/surplus reconciliation</b>						
Cash and investments available	7 262	5 256	2 196	11 540	119.58%	425.47%
Application of cash and investments	4 505	–	–	7 013		
<b>Balance - surplus (shortfall)</b>						
<b>Asset management</b>						
Asset register summary (WDV)	89 745	113 095	127 739	101 783	-10.00%	-20.32%
Depreciation & amortisation	2 183	1 705	1 705	1 744	2.31%	2.31%
Renewal of Existing Assets	–	–	–	–		
Repairs and Maintenance	835	1 056	1 056	1 174	11.15%	11.15%
<b>Free services</b>						
Cost of Free Basic Services provided	1 910	2 425	2 122	1 910	-21.25%	-10.01%
Revenue cost of free services provided	2 247	2 853	2 497	2 247	-21.25%	-10.01%
<b>Households below minimum service level</b>						
Water:	0	0	0	0	0	0
Sanitation/sewerage:	0	0	0	0	0	0
Energy:	0	0	0	0	0	0
Refuse:	0	0	0	0	0	0

Table 161: Financial Performance 2014/15

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)			
2011/12	47 881	44 178	(3 703)	-8	41 085	35 895	(5 190)	-12.63%
2012/13	48 848	41 653	(7 337)	-15	39 320	39 263	57	0%
2013/14	69 897	79 632	9 735	14%	45 875	66 519	20 644	45%
2014/15	106 319	82 614	(23 705)	-22%	71 028	69 531	(1 497)	-2%

Table 162: Performance against budgets

The following graph indicates the various types of revenue items in the municipal budget for 2014/15.

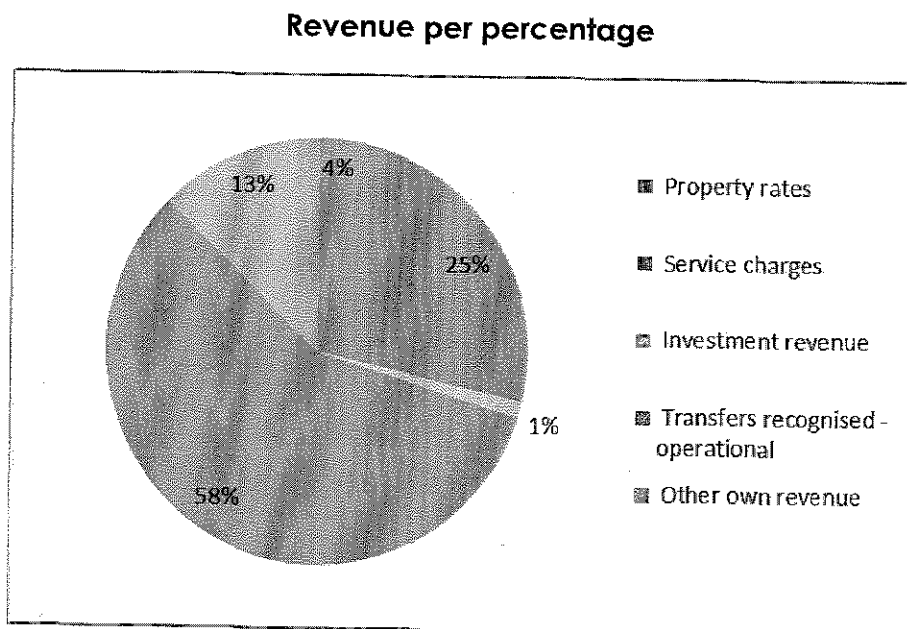


Figure: Revenue

The following graph indicates the various types of expenditure items in the municipal budget for 2014/15.

The table below indicates the Revenue collection performance by Vote:

Vote Description	2013/14	2014/15			2014/15 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
	R'000				%	
1.1 - MUNICIPAL MANAGER	450	450	450	450	0.00%	0.00%
1.2 - COUNCIL GENERAL EXPENSES	1 375	1 453	1 453	1 416	-2.57%	-2.57%
2.1 - FINANCIAL SERVICES	2 820	2 066	3 362	6 525	215.76%	94.05%
2.2 - PROPERTY RATES	2 603	2 419	2 920	2 941	21.62%	0.75%
2.3 - GRANTS AND SUBSIDIES	36 218	31 639	61 792	38 496	21.67%	-37.70%
3.1 - CORPORATE SERVICES	687	828	878	917	10.71%	4.41%
3.2 - STRATEGIC SERVICES	331	-	-	-		
3.3 - IDP	200	200	200	200	0.00%	0.00%
4.1 - SOCIAL SERVICES	174	281	281	281	0.00%	0.00%
4.2 - GRAVEYARD	11	10	10	13	25.51%	25.51%
4.3 - LIBRARY	841	1 126	1 126	1 127	0.09%	0.09%
4.4 - COMMUNITY DEVELOPMENT WORKERS	-	70	70	70	-0.07%	-0.07%
4.5 - GALLERY	-	-	-	-		
4.6 - THUSONG SERVICE CENTRE	176	432	432	403	-6.70%	-6.70%
4.7 - CIVIL DEFENCE	-	5	5	29	476.62%	476.62%
4.8 - LICENCES AND TRAFFIC	13 087	4 200	9 040	4 093	-2.55%	-54.72%
4.9 - SPORT AND RECREATION	283	283	283	283	0.00%	0.00%
5.1 - REFUSE	1 998	1 950	2 196	2 303	18.11%	4.85%
5.2 - SEWERAGE	2 984	3 261	3 640	3 787	16.11%	4.03%
5.3 - PUBLIC WORKS	824	1 512	1 512	1 472	-2.65%	-2.65%
5.4 - WATER SERVICES	3 634	3 899	3 842	4 521	15.95%	17.66%
5.5 - ELECTRICITY SERVICES	11 256	13 292	13 474	13 642	2.63%	1.25%

Vote Description	2013/14	2014/15			2014/15 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
	R'000				%	
<b>Total Revenue by Vote</b>	79 952	69 376	106 966	82 967		
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A3						

Table 163: Revenue by Vote

### 5.1.2 Revenue collection by Source

The table below indicates the revenue collection performance by source for the 2014/15 financial year:

Description	2013/14	2014/15			2014/15 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
	R'000				%	
Property rates	2 129	2 419	2 419	2 462	1.80%	1.80%
Property rates - penalties & collection charges	-		-	-		
Service Charges - electricity revenue	9 127	10 858	11 037	10 858	0.00%	-1.62%
Service Charges - water revenue	3 077	3 422	4 099	3 422	0.00%	-16.52%
Service Charges - sanitation revenue	2 473	2 572	2 933	2 720	5.74%	-7.27%
Service Charges - refuse revenue	1 458	1 571	1 718	1 671	6.37%	-2.73%
Less: Subsidy to Indigent Households	(2 259)	(2 853)	(2 247)	(2 350)	-17.63%	4.60%
Service Charges - other	-		-	-		
Rentals of facilities and equipment	280	327	327	273	-16.36%	-16.36%
Interest earned - external investments	542	360	700	812	125.67%	16.06%
Interest earned - outstanding debtors	563	500	600	711	42.20%	18.50%
Dividends received	-	-	-	-		
Fines	12 580	2 683	7 520	3 582	33.50%	-52.37%
Licences and permits	256	1 200	1 200	261	-78.23%	-78.23%
Agency services	-	-	-	-		
Transfers recognised - operational	28 177	20 022	24 808	40 953	104.54%	65.08%
Other revenue	196	215	1 124	3 458	1506.32%	207.61%
Gains on disposal of PPE	-	-	-	-		
Actuarial Gains	418	-	-	551		
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>59 016</b>	<b>43 297</b>	<b>56 240</b>	<b>69 386</b>	<b>60.26%</b>	<b>23.38%</b>
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A4.						

Table 164: Revenue by Source

### 11.3 Operational Services Performance

The table below indicates the Operational services performance for the 2014/15 financial year:

Operational Services Performance						
Description	2013/14	2014/15			2014/15 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
	R'000				%	
<b>Operating Cost</b>						
Water	1 574	1 514	1 635	2 669	76.25%	63.22%
Waste Water (Sanitation)	2 327	2 611	2 505	2 114	-19.03%	-15.59%
Electricity	10 975	10 376	10 330	9 189	-11.44%	-11.05%
Waste Management	1 717	1 665	1 572	6 119	267.48%	289.21%
Housing	-	-	-	-		
<b>Component A: sub-total</b>	16 593	16 167	16 043	20 091	24.27%	25.23%
Waste Water (Storm water Drainage)	-	-	-	-		
Roads	3 917	3 338	4 314	3 870	15.94%	-10.28%
Transport	-	-	-	-		
<b>Component B: sub-total</b>	3 917	3 338	4 314	3 870	15.94%	-10.28%
Planning	432	435	407	382	-12.05%	-5.97%
Local Economic Development	-	-	-	-		
<b>Component C: sub-total</b>	432	435	407	382	-12.05%	-5.97%
Community & Social Services	1 272	2 177	2 236	2 007	-7.80%	-10.23%
Executive and Council	4 622	4 568	4 948	4 985	9.14%	0.76%
Finance and Administration	23 589	19 462	30 713	30 553	56.99%	-0.52%
Security and Safety	13 008	2 772	9 287	4 312	55.54%	-53.57%
Sport and Recreation	378	287	309	321	11.79%	3.91%
Corporate Policy Offices and Other	3 182	3 160	3 421	3 487	10.35%	1.92%
<b>Component D: sub-total</b>	46 051	32 426	50 913	45 666	40.83%	-10.31%
<b>Total Expenditure</b>	66 993	52 365	71 676	70 009	33.69%	-2.33%
In this table operational income is offset against operational expenditure leaving a net operational expenditure total for each service. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.						

Table 165: Operational Services Performance

## 5.2 Financial Performance per Municipal Function

The table below reflects the municipality's financial performance per municipal function during the reporting year.

Description	2013/14	2014/15			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
<b>Total Operational Revenue</b>	3 634	3 899	3 842	4 521	15%
<b>Expenditure:</b>					
Employees	431	397	442	396	-12%
Repairs and Maintenance	176	260	260	170	-53%
Other	966	857	933	2 103	56%
<b>Total Operational Expenditure</b>	1 574	1 514	1 635	2 669	39%
<b>Net Operational (Service)</b>	2 059	2 384	2 207	1 852	-19%
Variances are calculated by dividing the difference between the actual and original budget by the actual.					

Table 166: Financial Performance: Water services

### 5.2.2 Waste Water (Sanitation)

The table below reflects the municipality's financial performance in respect of waste water during the reporting year.

Description	2013/14	2014/15			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
<b>Total Operational Revenue</b>	3 138	3 261	3 640	3 913	7%
<b>Expenditure:</b>					
Employees	1 093	1 087	1 066	948	-12%
Repairs and Maintenance	150	172	192	180	-7%
Other	1 083	1 352	1 247	987	-26%
<b>Total Operational Expenditure</b>	2 327	2 611	2 505	2 114	-18%
<b>Net Operational (Service) Expenditure</b>	811	650	1 135	1 798	37%

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

**Table 167: Financial Performance: Waste Water (Sanitation) services**

The table below reflects the municipality's financial performance in respect of electricity during the reporting year

Description	2013/14	2014/15			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
<b>Total Operational Revenue</b>	11 256	13 292	13 474	13 642	1%
Employees	–	165	165	2	-6837%
Repairs and Maintenance	111	125	125	256	51%
Other	10 864	10 087	10 041	8 930	-12%
<b>Total Operational Expenditure</b>	10 975	10 376	10 330	9 189	-12%
<b>Net Operational (Service) Expenditure</b>	281	2 916	3 144	4 453	29%

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

**Table 168: Financial Performance: Electricity**

#### 5.2.4 Waste Management

The table below reflects the municipality's financial performance in respect of waste management during the reporting year

Description	2013/14	2014/15			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
<b>Total Operational Revenue</b>	1 998	1 950	2 196	2 303	5%
<b>Expenditure:</b>					
Employees	629	732	669	652	-3%
Repairs and Maintenance	151	130	130	128	-2%
Other	936	803	773	5 340	86%
<b>Total Operational Expenditure</b>	1 717	1 665	1 572	6 119	74%

<b>Net Operational (Service)</b>	281	285	624	(3 816)	<b>116%</b>
Variances are calculated by dividing the difference between the actual and original budget by the actual.					

**Table 169: Financial Performance: Waste Management**

#### 5.2.5 Roads and storm water

The table below reflects the municipality's financial performance in respect of roads and storm water during the reporting year

Description	2013/14	2014/15			Variance to Budget %
	Actual	Original Budget	Adjustment Budget	Actual	
	R'000				
<b>Total Operational Revenue</b>	824	1 512	1 512	1 472	<b>-3%</b>
<b>Expenditure:</b>					
Employees	2 620	2 211	2 631	2 574	<b>-2%</b>
Repairs and Maintenance	95	187	217	177	<b>-22%</b>
Other	1 202	941	1 466	1 119	<b>-31%</b>
<b>Total Operational Expenditure</b>	<b>3 917</b>	<b>3 338</b>	<b>4 314</b>	<b>3 870</b>	<b>-11%</b>
<b>Net Operational (Service)</b>	<b>(3 093)</b>	<b>(1 826)</b>	<b>(2 802)</b>	<b>(2 398)</b>	<b>-17%</b>
Variances are calculated by dividing the difference between the actual and original budget by the actual.					

**Table 170: Financial Performance: Roads and storm water**

#### 5.2.6 Security and Safety

The table below reflects the municipality's financial performance in respect of safety and security during the reporting year

Description	2013/14	2014/15			Variance to Budget %
	Actual	Original Budget	Adjustment Budget	Actual	
	R'000				
<b>Total Operational Revenue</b>	13 087	4 205	9 045	4 122	<b>-119%</b>
<b>Expenditure:</b>					
Employees	1 042	1 079	1 079	1 029	<b>-5%</b>
Repairs and Maintenance	34	59	29	13	<b>-119%</b>

Other	11 932	1 635	8 180	3 270	-150%
<b>Total Operational Expenditure</b>	13 008	2 772	9 287	4 312	-115%
<b>Net Operational (Service)</b>	79	1 433	(242)	(190)	-27%

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

Table 171: Financial Performance: Security and Safety

The table below reflects the municipality's financial performance in respect of Sports and Recreation during the reporting year

Description	2013/14	2014/15			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
<b>Total Operational Revenue</b>	283	283	283	283	0%
<b>Expenditure:</b>					
Employees	279	245	267	290	8%
Repairs and Maintenance	89	30	30	20	-48%
Other	11	12	12	11	-14%
<b>Total Operational Expenditure</b>	378	287	309	321	4%
<b>Net Operational (Service)</b>	(96)	(4)	(26)	(38)	31%

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

Table 172: Financial Performance: Sport and Recreation

The table below reflects the municipality's financial performance in respect of the Executive and Council during the reporting year

Description	2013/14	2014/15			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
<b>Total Operational Revenue</b>	1 825	1 903	1 903	1 866	-2%

Employees	1 143	1 355	1 355	1 276	-6%
Repairs and Maintenance	-	-	-	200	100%
Other	3 479	3 213	3 593	3 509	-2%
<b>Total Operational Expenditure</b>	<b>4 622</b>	<b>4 568</b>	<b>4 948</b>	<b>4 985</b>	<b>1%</b>
<b>Net Operational (Service)</b>	<b>(2 797)</b>	<b>(2 665)</b>	<b>(3 045)</b>	<b>(3 120)</b>	<b>2%</b>
Variances are calculated by dividing the difference between the actual and original budget by the actual.					

**Table 173: Financial Performance: Executive and council**

### 5.2.9 Financial Services

The table below reflects the municipality's financial performance in respect of financial services during the reporting year

Description	2013/14		2014/15		
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
<b>Total Operational Revenue</b>	41 641	36 124	68 074	47 962	-42%
<b>Expenditure:</b>					
Employees	2 242	2 189	2 669	2 503	-7%
Repairs and Maintenance	-	20	20	9	-112%
Other	21 346	17 253	28 024	28 041	0%
<b>Total Operational Expenditure</b>	<b>23 589</b>	<b>19 462</b>	<b>30 713</b>	<b>30 553</b>	<b>-1%</b>
<b>Net Operational (Service)</b>	<b>18 053</b>	<b>16 662</b>	<b>37 362</b>	<b>17 408</b>	<b>-115%</b>
Variances are calculated by dividing the difference between the actual and original budget by the actual.					

**Table 174: Financial Performance: Financial Services**

### 5.2.10 Planning and Development

The table below reflects the municipality's financial performance in respect of planning and development during the reporting year

Description	2013/14		2014/15		
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget

	R'000				%
	Total Operational Revenue	200	200	200	200
<b>Expenditure:</b>					
Employees	360	315	287	283	-1%
Repairs and Maintenance	-	4	4	3	-31%
Other	72	115	115	96	-20%
<b>Total Operational Expenditure</b>	<b>432</b>	<b>435</b>	<b>407</b>	<b>382</b>	<b>-6%</b>
<b>Net Operational (Service)</b>	<b>(232)</b>	<b>(235)</b>	<b>(207)</b>	<b>(182)</b>	<b>-13%</b>
Variances are calculated by dividing the difference between the actual and original budget by the actual.					

Table 175: Financial Performance: IDP

## 5.2.11 COMMUNITY SERVICES

The table below reflects the municipality's financial performance in respect of community services during the reporting year

Description	2013/14	2014/15			Variance to Budget
	Actual	Original Budget	Adjustment Budget	Actual	
	R'000				
<b>Total Operational Revenue</b>	1 203	1 919	1 919	1 894	-1%
<b>Expenditure:</b>					
Employees	981	1 627	1 628	1 573	-3%
Repairs and Maintenance	6	33	33	10	-240%
Other	286	517	575	424	-36%
<b>Total Operational Expenditure</b>	<b>1 272</b>	<b>2 177</b>	<b>2 236</b>	<b>2 007</b>	<b>-11%</b>
<b>Net Operational (Service)</b>	<b>(69)</b>	<b>(258)</b>	<b>(317)</b>	<b>(113)</b>	<b>-179%</b>
Variances are calculated by dividing the difference between the actual and original budget by the actual.					

Table 176: Financial Performance: ICT

The table below reflects the municipality's financial performance in respect of Corporate Services during the reporting year

Description	2013/14	2014/15			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
<b>Total Operational Revenue</b>	1 018	828	878	917	4%
<b>Expenditure:</b>					
Employees	1 683	1 732	1 648	1 581	-4%
Repairs and Maintenance	22	17	17	8	-123%
Other	1 478	1 410	1 755	1 898	8%
<b>Total Operational Expenditure</b>	3 182	3 160	3 421	3 487	2%
<b>Net Operational (Service)</b>	(2 164)	(2 332)	(2 543)	(2 570)	1%
Variances are calculated by dividing the difference between the actual and original budget by the actual.					

Table 177: Financial Performance: Property Management

## 5.3 Grants

### 5.3.1 Grant Performance

The table below reflects the Municipality's grant performance during the reporting year.

Description	2013/14	2014/15				2014/15 Variance	
	Actual	Balance 1 July 2013	Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
	R'000						%
<b>Operating Transfers and Grants</b>							
<b>National Government:</b>							
Equitable share	11 661		13 047	13 047	13 047	0%	0%
Municipal Systems Improvement	890		934	934	934	0%	0%
Department of Water Affairs			-	-			
EPWP	1 431		1 000	1 249	1 000	0%	-20%
MIG	404		-	369	208		-44%
Finance Management Grant	1 450		1 600	1 600	1 600	0%	0%
Integrated National Electrification Programme			2 000	368	172	-91%	-53%
Rural Development Economic Strategy			-	2 200	-		-100%
<b>Provincial Government:</b>							
Library	836		1 123	1 123	1 123	0%	0%

Housing	9 597	727	-	17 071	20 410		20%
CDW's			70	70	70	0%	0%
Provincial Treasury SDBIP			-	150			-100%
Provincial Treasury Internal Audit			-	18			-100%
Thusong Service Centre	408	3	222	222	225	1%	1%
Sport and Recreation		200	-	200			-100%
Public Works			26	26	25	-5%	-5%
Compliance model			-	47	47		0%
Provincial Government: Madiba Funeral	145		-	-			
Municipal Performance Management			-	150	150		0%
Financial Management Support Grant	572	841	-	972	1 141		17%
<b>District Municipality:</b>			-	-			
EPWP	77				249		
<b>Total Operating Transfers and Grants</b>							
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.							

Table 178: Grant Performance for 2014/15

### 5.3.2 Conditional Grants (Excluding MIG)

The table below reflects the Municipality's performance in respect of Conditional Grants during the reporting year.

Details	Balance	Budget	Adjustment s Budget	Actual	Variance		Major conditions applied by donor
					Budget	Adjustments Budget	
					R'000		
Municipal Systems Improvement		934	934	934	0%	0%	
Department of Water Affairs		-	-				
EPWP		1 000	1 249	1 000	0%	-20%	
Finance Management Grant		1 600	1 600	1 600	0%	0%	

Integrated National Electrification Programme		2 000	368	172	-91%	-53%
Rural Development Economic Strategy		-	2 200	-		-100%
Library		1 123	1 123	1 123	0%	0%
Housing	727	-	17 071	20 410		20%
CDWs		70	70	70	0%	0%
Provincial Treasury SDBIP		-	150			-100%
Provincial Treasury Internal Audit		-	18			-100%
Thusong Service Centre	3	222	222	225	1%	1%
Sport and Recreation	200	-	200			-100%
Public Works		26	26	25	-5%	-5%
Compliance model		-	47	47		0%
Provincial Government: Madiba Funeral		-	-			
Municipal Performance Management		-	150	150		0%
Financial Management Support Grant	841	-	972	1 141		17%
<b>District Municipality:</b>		-	-			
<b>EPWP</b>				249		
<b>Total</b>						
* This includes Neighbourhood Development Partnership Grant, Public Transport Infrastructure and Systems Grant and any other grant excluding Municipal Infrastructure Grant (MIG) which is dealt with in par 5.9.2. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.						

Table 179: Conditional Grant (excl. MIG)

### 5.3.3 Level of Reliance on Grants & Subsidies

The table below reflects the Municipality's performance in respect of grant dependency during the reporting year.

Financial year	Total grants and subsidies received	Total Operating Revenue	Percentage
	R'000		%
2012/13	23 664	41 653	56.81%
2013/14	48 792	79 632	61.27%

2014/15	52 962	82 614	64.11%
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Table 180: Reliance on grants

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

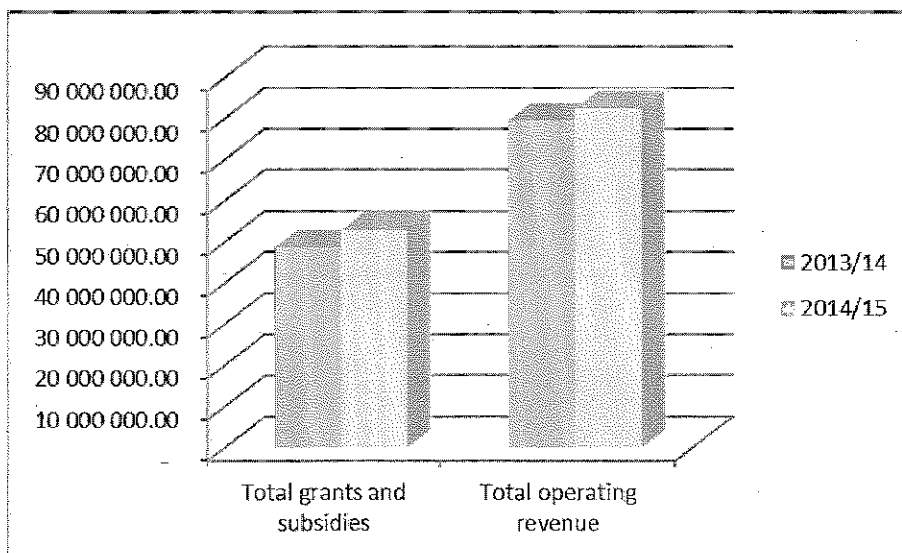


Figure : Grant dependency

## 5.4 Asset Management

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

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

The key elements of the Asset Management Policy represent:

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

- Accounting for Assets / Financial Disclosure
- Regular Asset counts are conducted in accordance with the prescriptions of the Asset Management Policy. Information regarding Asset Register updates in respect of disposals, adjustments, review of useful life etc. is based on submissions by user departments in accordance with the procedures in place.

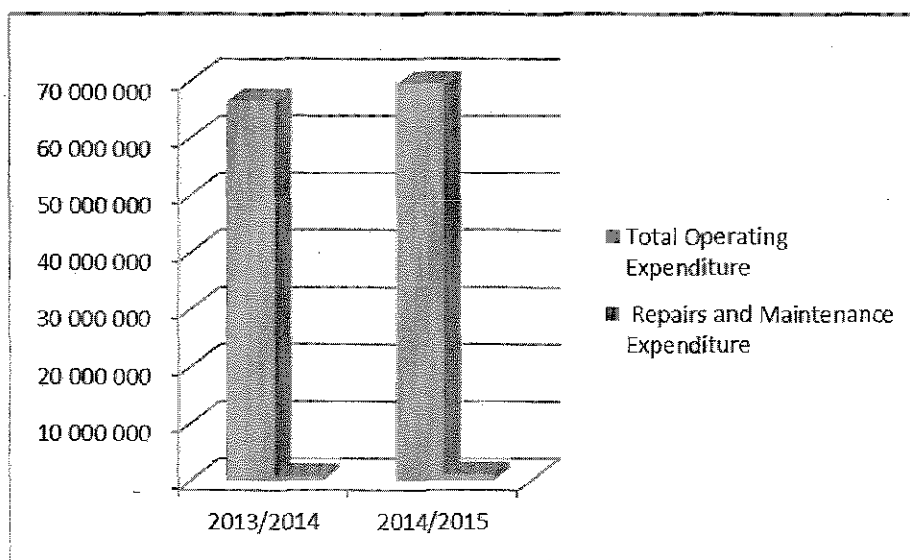
## 541 Repairs and Maintenance

The table below reflects the Municipality's performance in respect of repairs and maintenance during the reporting year.

Description	Actual 2013/14	2014/15			
		Original Budget	Adjustment Budget	Actual	Budget variance
		R' 000			%
Total Operating Expenditure	66 519	52 365	71 028	69 531	-2.11%
Repairs and Maintenance Expenditure	835	1 056	1 056	1 174	11.15%
% of total OPEX	1.25%	2.02%	1.49%	1.69%	

**Table 181: Repairs & maintenance as % of total Operating Expenditure**

The following graph indicates the percentage of the budget that was spent on Repairs & Maintenance in relation to the operational expenditure



**Figure: Repairs & Maintenance v/s Operational Expenditure**

## 5.5 Financial Ratios Based on Key Performance Indicators

### 5.5.1 Liquidity Ratio

The table below reflects the liquidity ratio of the Municipality during the reporting year

Description	Basis of calculation	2012/13	2013/14	2015/15
		Audited outcome	Audited outcome	Audited Outcome
Current Ratio	Current assets/current liabilities	0.69	0.84	1.30
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	0.19	0.53	0.56
Liquidity Ratio	Monetary Assets/Current Liabilities	0.27	0.54	0.93

**Table 182: Liquidity Financial Ratio**

### 5.5.2 IDP Regulation Financial Viability Indicators

The following table reflects the prescribed financial viability indicators during the reporting year.

Description	Basis of calculation	2012/13	2013/14	2014/15
		Audited outcome	Audited outcome	Audited outcome
Cost Coverage	(Available cash + Investments – Unspent Grants)/monthly fixed operational expenditure	0.91	1.33	0.87
Total Outstanding Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	0.54	0.61	0.62
Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year	1.35	473.71	783.15

**Table 183: Financial Viability National KPAs**

### 5.5.3 Employee Costs

The following table reflects the prescribed employee cost during the reporting year.

Description	Basis of calculation	2012/13	2013/14	2014/15
		Audited outcome	Audited outcome	Audited outcome
Employee costs	Employee costs/(Total Revenue - capital revenue)	32.51%	21.19%	19%

**Table 184: Employee Costs**

## COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

### 5.6 Sources of Finance

The table below indicates the capital expenditure by funding source for the 2013/14 financial year:

Details	2013/14	2014/15				
	Actual	Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance	Actual to OB Variance
<b>Capital Expenditure: Funding Sources</b>						
<b>Description</b>	<b>R'000</b>					<b>%</b>
External loans	-	-	-	-		
Public contributions and donations	-	-	-	-		
Grants and subsidies	20 245	17 008	35 187	12 614	-25.83%	-64.15%
Own funding	160	-	100	99		-0.94%
Other	-	-	-	-		
<b>Total</b>	<b>20 405</b>	<b>17 008</b>	<b>35 287</b>	<b>12 713</b>		
<b>Capital expenditure</b>						
<b>Description</b>	<b>R'000</b>					<b>%</b>
Water and sanitation	10 638	3 094	11 159	7 289	135.55%	-34.68%
Electricity	6	-	1 632	1 713		4.97%
Housing	-	-	-	-		
Roads and storm water	9 470	1 650	1 416	99	-94.00%	-93.00%
Other	291	12 264	21 080	3 612	-70.54%	-82.86%
<b>Total</b>	<b>20 405</b>	<b>17 008</b>	<b>35 287</b>	<b>12 713</b>		
<b>Percentage of expenditure</b>						
Water and sanitation	52.13%	18.19%	31.62%	57.33%	215.12%	81.29%
Electricity	0.03%	0.00%	4.62%	13.48%		191.36%
Housing	0.00%	0.00%	0.00%	0.00%		
Roads and storm water	46.41%	9.70%	4.01%	0.78%	-91.97%	-80.58%
Other	1.43%	72.11%	59.74%	28.41%	-60.59%	-52.44%

Table 185: Capital Expenditure by funding source

## 5.7 Capital Spending on 5 Largest Projects

Projects with the highest capital expenditure in 2014/15 are reflected below.

Name of Project	2014/15				
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance	Adjustment variance
	R'000			%	
New Northend reservoir	2 894	3 606	3 638	25.69%	0.88%
Swimming pool	2 214	1 788	1 852	-16.36%	3.53%
Civil services housing L/G	10 000	19 000	1 761	-82.39%	-90.73%
Switchgear	-	1 632	1 713		4.97%
ACIP Valves and Hydrants	-	1 800	1 635		-9.15%

Table 184: Capital Expenditure on the 5 Largest Projects

Name of Project	New Northend reservoir
Objective of Project	Water storage
Delays	N/A
Future Challenges	Project Completed
Anticipated citizen benefits	Less water outages

Table 187: New North End Reservoir

Name of Project	Swimming pool
Objective of Project	Sport and recreation facilities
Delays	Cost increases since start of project
Future Challenges	Obtaining additional funding
Anticipated citizen benefits	Recreation facility

Table 188: Swimming pool

Name of Project	Civil services housing U/G
Objective of Project	Service connections for housing
Delays	N/A
Future Challenges	Project Completed
Anticipated citizen benefits	Improved service

Table 189: Services Leeu Gamka Housing

Name of Project	Switchgear
Objective of Project	Electricity distribution
Delays	INEP funding received over 2 years
Future Challenges	None anticipated
Anticipated citizen benefits	Less electricity outages

Table 190: Switch Gear

Name of Project	ACIP Valves and Hydrants
Objective of Project	Water distribution
Delays	N/A
Future Challenges	Project Completed
Anticipated citizen benefits	Less water outages

Table 191: ACIP Valves and Hydrants

## 5.8 Basic Service and Infrastructure Backlogs – Overview

### 5.8.1 Service Backlogs

The following table reflects the service backlogs during the reporting year.

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

Table 192: Service Backlogs

### 5.8.2 Municipal Infrastructure Grant (MIG)

This grant is intended to provide specific capital finance for basic municipal infrastructure backlogs for poor households, micro enterprises and social institutions servicing poor communities and the municipality's performance in this respect are indicated below:

Municipal Infrastructure Grant (MIG)* Expenditure 2014/15 on Service backlogs					
Details	Budget	Adjustments Budget	Actual	Variance	
				Budget	Adjustments Budget

	R'000			%	%
<b>Infrastructure - Road transport</b>					
Roads, Pavements & Bridges	1 600	-	-	-100%	
Storm water	-	-	-		
<b>Infrastructure - Electricity</b>					
Generation	-	-	-		
Transmission & Reticulation	-	-	-		
Street Lighting	-	-	-		
<b>Infrastructure - Water</b>					
Dams & Reservoirs	2 994	4 360	4 133	38%	-5%
Water purification	-	-	-		
Reticulation	-	-	-		
<b>Infrastructure - Sanitation</b>					
Reticulation	-	-	-		
Sewerage purification	50	7	7	-85%	0%
<b>Infrastructure - Other</b>					
Waste Management	50	92	42	-16%	-54%
Transportation	-	-	-		
Gas	-	-	-		
<b>Other Specify:</b>					
Sports grounds	-	-	-		
Swimming pool	2 214	1 788	1 852	-16%	4%
<b>Total</b>	<b>6 908</b>	<b>6 247</b>	<b>6 034</b>	<b>-13%</b>	<b>-3%</b>

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

Table 193: Municipal Infrastructure Grant (MIG)

## Component C: Cash Flow Management and Investments

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

### 5.9 Cash Flow

The table below indicates the Municipality's performance in respect of cash flow during the reporting year.

Description	2013/14	2014/15		
	Audited Outcome			Actual
R'000				
<b>Cash flow from operating activities</b>				
<b>Receipts</b>				
Ratepayers and other	15 758	19 455	18 468	26 112
Government - operating	28 177	29 093	24 496	40 216
Government - capital	20 614	17 008	24 018	12 745
Interest	1 104	360	840	1 523
Dividends	-	-	-	-
<b>Payments</b>				
Suppliers and employees	(37 456)	(46 517)	(42 633)	(64 360)
Finance charges	(491)	(337)	(358)	(562)
Transfers and Grants	-	-	-	-
<b>Net cash from/(used) operating activities</b>	<b>27 706</b>	<b>19 061</b>	<b>24 830</b>	<b>15 674</b>
<b>Cash flows from investing activities</b>				

Purchase of PPE	(20 444)	(17 008)	(34 321)	(13 888)
Purchase of Intangible Assets	-	-	-	-
Additions to Capital Restoration Cost	-	-	-	-
Proceeds of Disposal of Fixed Assets	53	-	-	-
Disposal of Biological Assets	-	-	-	-
Capital assets	-	-	-	-
<b>Net cash from/(used) investing activities</b>	<b>(20 391)</b>	<b>(17 008)</b>	<b>(34 321)</b>	<b>(13 888)</b>
<b>Cash flows from financing activities</b>				
Loans Repaid	( 76)	( 61)	( 61)	( 68)
New Loans Raised	-	-	-	49
Increase in Consumer Deposits	22	22	37	20
<b>Net cash from/(used) financing activities</b>	<b>( 54)</b>	<b>( 39)</b>	<b>( 24)</b>	<b>2</b>
<b>Net increase/(decrease) in cash held</b>	<b>7 262</b>	<b>2 014</b>	<b>(9 515)</b>	<b>1 788</b>
Cash/cash equivalents at the year begin:	2 493	3 241	9 755	9 755
Cash/cash equivalents at the year-end:	9 755	5 256	240	11 540

Table 194: Cash Flow -Source: MBRR SA7

### 5.10 Gross Outstanding Debtors per Service

The following table reflects the Gross Outstanding Debtors per service during the reporting year.

Financial year	Rates	Trading services	Economic services	Housing rentals	Other	Total
		(Electricity and Water)	(Sanitation and Refuse)			
(R'000)						
2013/14	583	4123	3710	-	123	8540
2014/15	588	5565	4823	-	139	11115

Difference	5	1442	1112	-	16	2575
% growth year on year	0.84%	34.96%	29.98%		12.74%	30.15%

Table 195: Gross outstanding debtors per service

The following graph indicates the total outstanding debt per type of service for 2014/15

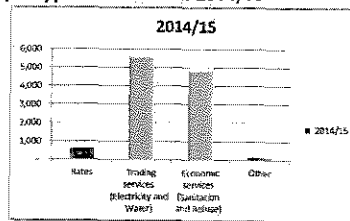


Figure: Debt per type of service

### 5.11 Total Debtors Age Analysis

The following table reflects the debtors' age analysis during the reporting year.

Financial year	Less than 30 days	Between 30-60 days	Between 60-90 days		More than 90 days	Total
			(R'000)	(R'000)		
2012/13	1316	495	425	5036	7272	

2013/14	1098	452	414	6576	8540
2014/15	798	588	515	9214	11115
Difference	(300)	136	101	2638	2575
% growth year on year	-27,30%	30,06%	24,36%	40,11%	30,15%
Note: Figures exclude provision for bad debt					

Table 195: Service debtor age analysis

## 5.12 Borrowing and Investments

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

### 5.12.1 Actual Borrowings

The following table reflects the Municipality's actual borrowings during the reporting year.

Instrument	2012/13	2013/14	2014/15
	R 000		
Long-Term Loans (annuity/reducing balance)	-	-	-
Long-Term Loans (non-annuity)	-	-	-
Local registered stock	-	-	-
Instalment Credit	-	-	-

Financial Leases	148	87	75
PPP liabilities	-	-	-
Finance Granted By Cap Equipment Supplier	-	-	-
Marketable Bonds	-	-	-
Non-Marketable Bonds	-	-	-
Bankers Acceptances	-	-	-
Financial derivatives	-	-	-
Other Securities	-	-	-
<b>Total</b>	<b>148</b>	<b>87</b>	<b>75</b>

Table 196: Borrowings

## # 12.2 Municipal Investments

The following table of municipal investments during the reporting year.

Investment type	2012/13	2013/14	2014/15
	Actual	Actual	Actual
	R'000	R'000	R'000
Securities - National Government			
Listed Corporate Bonds			
Deposits - Bank	2 386	9 339	10 880
Deposits - Public Investment Commissioners			
Deposits - Corporation for Public Deposits			
Bankers Acceptance Certificates			
Negotiable Certificates of Deposit - Banks			
Guaranteed Endowment Policies (sinking)			
Repurchase Agreements - Banks			
Municipal Bonds			

Other			
Total	2 386	9 339	10 960

Table 197: Municipal Investments

## Component D: Other Financial Matters

### 5.13 GRAP Compliance

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

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

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

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

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

## CHAPTER 6: AUDITOR'S REPORT

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

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

- Providing assurance that the financial statements are free from misstatements that will affect the users of the financial statements
- Reporting on the usefulness and reliability of the information in the annual performance report
- Reporting on material non-compliance with key legislation
- Identifying the key internal control deficiencies that should be addressed to achieve a clean audit

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

### 6.1 Component A: Auditor-General Opinion 2013/14

The Auditor General stated that the Annual Financial Statements for 2013/14 as well as 2014/15 were represented fairly, in all material respects, the financial performance and cash flows for the year ended in accordance with the South African Standards of GRAP and the requirements of the MFMA and DORA. An unqualified audit opinion with matters has been expressed. The Auditor General indicated that the financial statements of the Municipality was fairly represented in all material aspects as it reflects the financial position of the Prince Albert Municipality as at 30 June 2014 and 30 June 2015 respectively and its financial performance and cash flows for the year then ended, in accordance with the SA Standards of GRAP and the requirements of the MFMA and DORA.

The following matters have been emphasised in the 2013/14 financial year and the corrective actions undertaken is indicated:

- As disclosed in note 34 to the financial statements, the corresponding figures for 30 June 2013 have been restated as a result of errors discovered during 2013-14 in the financial statements of the Prince Albert Municipality at, and for the year ended 30 June 2013.

- As disclosed in note 39.4 to the financial statements electricity losses of 17.59% (R1.7 million) was incurred during the year. A survey to detect illegal electricity connections were undertaken.
- As disclosed in notes 17 and 18 to the financial statements, the municipality has provided for impairment of trade receivables from exchange transactions and other receivables from non-exchange transactions of R6.5 million and R12.2 million respectively, as management's impairment assessment indicated that these debtors would default on their accounts.
- No material findings were raised on the usefulness and reliability of the reported performance information for the selected objectives.
- The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of Section 122 of the MFMA. Material misstatements of non-current assets and disclosure items identified by the auditors in the submitted financial statement were subsequently corrected, resulting in the financial statements receiving an unqualified audit opinion.
- The Oversight report, containing comments on the annual report was not adopted by council within two months from the date on which the 2012-2013 annual report was tabled, as required by Section 129(1) of the MFMA. The report was diarised to prevent a repeat.
- Reasonable steps were not taken to prevent unauthorised expenditure as per Section 62(1)(d) of the MFMA. Supply Chain Training was provided to staff and all unauthorised expenditure is reported and investigated.
- Leadership did not take reasonable steps to monitor the implementation of management's plan to address the prior year internal control deficiencies. A Correctional Action Plan was implemented and will in future be monitored by the Accounting Officer and Audit Committee.
- The financial statements contained material misstatements that were corrected. This was mainly due to quarterly reporting of financial statements not being implemented by the municipality. Quarterly reporting have since been implemented.

The following matters have been emphasised in the 2014/15 financial year.

- As disclosed in note 35 to the financial statements, the corresponding figures for 30 June 2014 have been restated as a result of errors discovered during 2014-15 in the financial statements of the Prince Albert Municipality at, and for the year ended 30 June 2014.

- As disclosed in notes 15 and 16 to the financial statements, the Municipality has provided for impairment of trade receivables from exchange transactions and other receivables from non-exchange transactions in the amounts of R9 million and R7.5 respectively.
- No material findings on the usefulness and reliability of the reported performance information for the selected strategic objectives were found.
- The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of Section 122 of the MFMA. Material disclosure items identified by the auditors in the submitted financial statements were subsequently corrected, resulting in the financial statements receiving an unqualified audit opinion.
- Reasonable steps were not taken to prevent irregular expenditure, as required by Section 62(1)(d) of the MFMA.
- Findings on compliance with legislation, supply chain management and the lack of prevention of irregular expenditure were due to weaknesses in the control environment owing to deficiencies in monitoring activities and the effective implementation of activities and the ineffective implementation of checklists to ensure compliance with applicable legislation resulting in irregular expenditure and non-compliance with the MFMA.

The tables below indicates the Municipality's performance in respect of the findings of the Auditor General Report for 2013/14 and 14/15 respectively.

<b>Auditor General Report on Financial Performance 2013/14</b>	
Status of Audit Report	Unqualified with matters
Non-compliance issues	Remedial Action Taken
No material findings	N/A

Table 198: AG Report on Financial Performance 2013/14

<b>Auditor General Report on Service Delivery Performance 2013/14</b>	
---	--

Status of Audit Report	Unqualified with matters
No material matters	N/A
Non-compliance issues	Remedial Action Taken

Table 199: AG Report on Service Delivery Performance 2013/14

## 6.2 COMPONENT B: AUDITOR GENERAL OPINION 2014/15

The following matters have been emphasised in the 2014/15 financial year.

- As disclosed in note 35 to the financial statements, the corresponding figures for 30 June 2014 have been restated as a result of errors discovered during 2014-15 in the financial statements of the Prince Albert Municipality at, and for the year ended 30 June 2014.
- As disclosed in notes 15 and 16 to the financial statements, the Municipality has provided for impairment of trade receivables from exchange transactions and other receivables from non-exchange transactions in the amounts of R9 million and R7.5 respectively.
- No material findings on the usefulness and reliability of the reported performance information for the selected strategic objectives were found.
- The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of Section 122 of the MFMA. Material disclosure items identified by the auditors in the submitted financial statements were subsequently corrected, resulting in the financial statements receiving an unqualified audit opinion.
- Reasonable steps were not taken to prevent irregular expenditure, as required by Section 62(1)(d) of the MFMA.
- Findings on compliance with legislation, supply chain management and the lack of prevention of irregular expenditure were due to weaknesses in the control environment owing to deficiencies in monitoring activities and the effective implementation of activities and the ineffective implementation of checklists to ensure compliance with applicable legislation resulting in irregular expenditure and non-compliance with the MFMA.

<b>Auditor General Report on Financial Performance 2014/15</b>	
Status of Audit Report	Unqualified
Non-compliance issues	Remedial Action Taken
Issues highlighted in the report and during the audit required changes in control measures	The issues identified during the audit were corrected and the necessary changes made. A comprehensive remedial action plan was drafted to be monitored quarterly by the Audit Committee and Council.

Table 200: AG Report on Financial Performance 2014/15

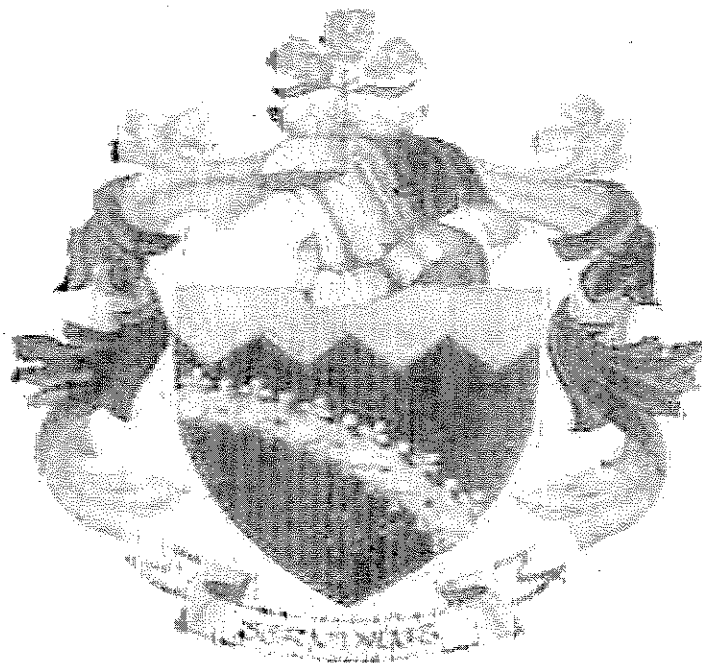
<b>Auditor General Report on Service Delivery Performance 2013/14</b>	
Status of Audit Report	Unqualified with matters
Non-compliance issues	Remedial Action Taken
There were a number of errors found during the audit which required changes to the performance report	The corrections were made during the audit and submitted to the auditors.  A workshop with all management will be arranged to review the audit findings and to develop adequate corrective actions to ensure correct performance reporting and adequate supporting documentation.

Table 201: AG Report on Service Delivery Performance 2014/15

**Annexure A: FINANCIAL STATEMENTS**

# **PRINCE ALBERT**

## **MUNICIPALITY**



**AUDITED**  
**ANNUAL FINANCIAL STATEMENTS**

**30 JUNE 2015**

# PRINCE ALBERT LOCAL MUNICIPALITY

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# PRINCE ALBERT LOCAL MUNICIPALITY

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

### GENERAL INFORMATION

#### NATURE OF MUNICIPALITY'S OPERATIONS AND PRINCIPAL ACTIVITIES

Prince Albert Municipality is a local municipality performing the functions as set out in the Constitution. (Act no 105 of 1996)

#### DOMICILE AND LEGAL FORM

South African Category B Municipality (Local Municipality) as defined by the Municipal Structures Act. (Act no 117 of 1998)

#### JURISDICTION

The Prince Albert Municipality includes the following areas:

*Prince Albert  
Klaarstroom  
Leeu Gamka*

#### MUNICIPAL MANAGER

*Mr. H Mettler*

#### CHIEF FINANCIAL OFFICER

*Mr. J Neethling*

#### REGISTERED OFFICE

*Private Bag X53  
PRINCE ALBERT  
6730*

#### AUDITORS

*Office of the Auditor General (WC)*

#### PRINCIPLE BANKERS

*ABSA, Prince Albert*

#### RELEVANT LEGISLATION

Municipal Finance Management Act (Act no 56 of 2003)  
Division of Revenue Act  
The Income Tax Act  
Value Added Tax Act  
Municipal Structures Act (Act no 117 of 1998)  
Municipal Systems Act (Act no 32 of 2000)  
Municipal Planning and Performance Management Regulations  
Water Services Act (Act no 108 of 1997)  
Housing Act (Act no 107 of 1997)  
Municipal Property Rates Act (Act no 6 of 2004)  
Electricity Act (Act no 41 of 1987)  
Skills Development Levies Act (Act no 9 of 1999)  
Employment Equity Act (Act no 55 of 1998)  
Unemployment Insurance Act (Act no 30 of 1966)  
Basic Conditions of Employment Act (Act no 75 of 1997)  
Supply Chain Management Regulations, 2005  
Collective Agreements  
Infrastructure Grants  
SALBC Leave Regulations

#### AUDIT COMMITTEE MEMBERS

*A.B.J. Dippenaar  
P.J. Theron  
J.C. van Wyk*

# PRINCE ALBERT LOCAL MUNICIPALITY

## MEMBERS OF THE PRINCE ALBERT LOCAL MUNICIPALITY

### COUNCILLORS

Ward	G. Lottering
Ward	N.D. Jaftha
Ward	N.S. Abrahams
Ward	I.J. Windvogel
Proportional	L. Jaquet
Proportional	S. Botes
Proportional	C. Stols

### APPROVAL OF FINANCIAL STATEMENTS

I am responsible for the preparation of these annual financial statements for the year ended 30 June 2015, which are set out on pages 1 to 89 in terms of Section 126 (1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality. The annual financial statements have been prepared in accordance with GRAP.

I acknowledge that I am ultimately responsible for the system of internal financial control and that the system of internal control provides reasonable assurance that the financial records can be relied on.

I have reviewed the Municipality's cash flow forecast for the year to 30 June 2016 and I am satisfied that the Municipality can continue in operational existence for the foreseeable future.

The external auditors are responsible for independently reviewing and reporting on the Municipality's financial statements.

I certify that the remuneration of Councillors and in-kind benefits are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.

---

*Mr. H Mettler*  
**Municipal Manager**

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**Date**

**PRINCE ALBERT LOCAL MUNICIPALITY**

**STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2015**

	Notes	2015 R	Restated 2014 R
<b>NET ASSETS AND LIABILITIES</b>			
<b>Net Assets</b>		<b>92,934,741</b>	<b>79,851,298</b>
Accumulated Surplus/(Deficit)		92,934,741	79,851,298
<b>Non-Current Liabilities</b>		<b>12,564,205</b>	<b>6,938,094</b>
Long-term Liabilities	2	13,959	38,698
Long-term Employee benefits	3	4,680,403	4,796,330
Non-Current Provisions	4	7,869,843	2,103,066
<b>Current Liabilities</b>		<b>12,446,318</b>	<b>17,954,998</b>
Consumer deposits	5	394,704	374,401
Current employee benefits	6	1,844,155	1,618,187
Trade and other payables	7	3,133,131	11,402,929
Unspent Conditional Government Grants and Receipts	8	7,013,344	4,504,570
Current Portion of Long-term Liabilities	2	60,984	54,911
<b>Total Net Assets and Liabilities</b>		<b>117,945,264</b>	<b>104,744,390</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>		<b>101,782,559</b>	<b>89,745,492</b>
Property, Plant and Equipment	10	86,441,698	75,661,750
Investment Property	12	13,856,642	13,858,446
Intangible Assets	13	48,578	68,474
Capitalised Restoration Costs	11	1,435,641	156,822
<b>Current Assets</b>		<b>16,162,710</b>	<b>14,998,898</b>
Inventory	14	707,751	623,089
Trade Receivables from exchange transactions	15	1,792,053	1,924,931
Receivables from non-exchange transactions	16	1,158,129	453,650
Unpaid Conditional Government Grants and Receipts	8	-	343,760
Lease Asset	17	54,869	64,376
VAT Receivable	9	909,574	1,834,532
Cash and Cash Equivalents	18	11,540,334	9,754,560
<b>Total Assets</b>		<b>117,945,264</b>	<b>104,744,390</b>

PRINCE ALBERT LOCAL MUNICIPALITY

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2015

	Notes	2015 (Actual) R	2014 (Restated) R
<b>REVENUE</b>			
Revenue from Non-exchange Transactions		59,556,504	63,918,449
<b>Taxation Revenue</b>		<b>2,462,042</b>	<b>2,128,648</b>
Property taxes	19	2,462,042	2,128,648
<b>Transfer Revenue</b>		<b>52,961,873</b>	<b>48,792,024</b>
Government Grants and Subsidies - Capital	20	12,745,228	20,614,065
Government Grants and Subsidies - Operating	20	40,215,645	28,176,859
Public Contributions and Donations		1,000	1,100
<b>Other Revenue</b>		<b>4,132,589</b>	<b>12,997,777</b>
Actuarial Gains	3	550,841	418,226
Fines	21	3,581,748	12,579,551
<b>Revenue from Exchange Transactions</b>		<b>23,057,714</b>	<b>15,713,132</b>
Service Charges	22	17,541,217	13,876,277
Rental of Facilities and Equipment		273,499	279,909
Interest Earned - external investments		812,429	541,928
Interest Earned - outstanding debtors		710,981	562,568
Licences and Permits		261,181	256,394
Other Income	23	3,458,407	196,056
<b>Total Revenue</b>		<b>82,614,218</b>	<b>79,631,581</b>
<b>EXPENDITURE</b>			
Employee related costs	24	13,106,940	12,503,100
Remuneration of Councillors	25	2,410,570	2,309,463
Debt Impairment	26	5,223,754	12,971,779
Depreciation and Amortisation	27	1,744,429	2,183,081
Impairments	28	-	3,864,891
Repairs and Maintenance	29	1,173,770	834,661
Actuarial losses	3	7,466	11,288
Finance Charges	30	562,321	491,317
Bulk Purchases	31	6,605,794	7,630,228
Contracted services	32	24,246,001	13,799,903
General Expenses	33	14,341,345	9,862,938
Profit/Loss on disposal of Property, Plant and Equipment		108,386	56,499
<b>Total Expenditure</b>		<b>69,530,776</b>	<b>66,519,148</b>
<b>NET (DEFICIT)SURPLUS FOR THE YEAR</b>		<b>13,083,442</b>	<b>13,112,433</b>

PRINCE ALBERT LOCAL MUNICIPALITY

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2015

	Housing Development Fund	Accumulated Surplus	Total
	R	R	R
<b>Balance at 1 JULY 2013</b>	-	67,928,597	67,928,597
Correction of error - note 35.1		(1,189,734)	(1,189,734)
<b>Restated Balance at 1 JULY 2013</b>	-	66,738,863	66,738,863
Net Surplus for the year (Restated)		13,112,433	13,112,433
<b>Restated Balance at 30 JUNE 2014</b>	-	79,851,296	79,851,296
Net Surplus for the year	-	13,083,442	13,083,442
<b>Balance at 30 JUNE 2015</b>	-	92,934,739	92,934,738

**PRINCE ALBERT LOCAL MUNICIPALITY**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2015**

	Notes	30 JUNE 2015 R	30 JUNE 2014 R
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
<b>Receipts</b>			
Ratepayers and other		26,112,072	15,757,729
Government - operating		40,215,645	28,176,859
Government - capital		12,745,228	20,614,065
Interest		1,523,410	1,104,496
<b>Payments</b>			
Suppliers and employees		(64,360,021)	(37,455,706)
Finance charges	30	(562,321)	(491,317)
Transfers and Grants		-	-
<b>Cash generated by operations</b>	<b>36</b>	<b>15,674,013</b>	<b>27,706,126</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of Property, Plant and Equipment	10	(12,564,254)	(20,440,616)
Disposal of Biological Assets		-	-
Proceeds on Disposal of Fixed Assets		-	52,634
Purchase of Intangible Assets		(2,300)	-
Additions to Capitalised Restoration Cost		(1,323,323)	(3,092)
<b>Net Cash from Investing Activities</b>		<b>(13,889,877)</b>	<b>(20,391,074)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Loans repaid		(68,110)	(75,939)
New loans raised		49,445	-
Increase in Consumer Deposits		20,303	22,391
<b>Net Cash from Financing Activities</b>		<b>1,638</b>	<b>(53,548)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>			
		<b>1,785,774</b>	<b>7,261,504</b>
Cash and Cash Equivalents at the beginning of the year		9,754,560	2,493,055
Cash and Cash Equivalents at the end of the year	37	11,540,334	9,754,560
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>1,785,774</b>	<b>7,261,504</b>

**PRINCE ALBERT LOCAL MUNICIPALITY**  
**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS**  
**STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2015**

**COMPARISON OF ACTUAL FIGURES TO FINAL BUDGET**

	2015 R (Actual)	2015 R (Final Budget)	2015 R (Variance)	Explanations for material variances
<b>ASSETS</b>				
<b>Current assets</b>				
Cash	11,540,334	2,186,237	9,344,097	Unspent grants increased
Consumer debtors	2,950,182	1,389,378	1,560,804	Lower collection rates
Other Receivables	964,443	785,406	179,037	Lower collection rates
Inventory	707,751	924,678	(216,927)	Increased electricity on hand
<b>Total current assets</b>	<b>16,162,710</b>	<b>5,275,700</b>	<b>10,887,010</b>	
<b>Non current assets</b>				
Investment property	13,859,842	14,995,841	(1,135,999)	
Property, plant and equipment	87,877,239	107,398,627	(19,521,288)	Capital spending did not realise as budgeted for
Intangible Assets	48,578	68,474	(19,896)	
<b>Total non current assets</b>	<b>101,782,559</b>	<b>122,462,942</b>	<b>(20,680,383)</b>	
<b>TOTAL ASSETS</b>	<b>117,945,269</b>	<b>127,738,642</b>	<b>(9,793,372)</b>	
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Borrowing	60,984	101,926	(40,942)	
Consumer deposits	394,704	409,918	(6,214)	
Trade and other payables	10,146,475	3,876,486	6,269,989	Unspent grants higher than predicted
Provisions and Employee Benefits	1,844,155	1,528,289	315,866	
<b>Total current liabilities</b>	<b>12,446,318</b>	<b>5,907,619</b>	<b>6,538,699</b>	
<b>Non current liabilities</b>				
Borrowing	13,959	-	13,959	
Provisions and Employee Benefits	12,550,246	6,316,891	6,233,355	Larger increase in provision than predicted
<b>Total non current liabilities</b>	<b>12,564,205</b>	<b>6,316,891</b>	<b>6,247,314</b>	
<b>TOTAL LIABILITIES</b>	<b>25,010,523</b>	<b>12,224,510</b>	<b>12,786,013</b>	
<b>NET ASSETS</b>	<b>92,934,746</b>	<b>115,514,131</b>	<b>(22,579,385)</b>	
<b>COMMUNITY WEALTH</b>				
Accumulated Surplus/(Deficit)	92,934,741	115,514,131	(22,579,390)	Refer statement of financial position
Reserves	-	-	-	
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>92,934,741</b>	<b>115,514,131</b>	<b>(22,579,390)</b>	

**PRINCE ALBERT LOCAL MUNICIPALITY  
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS  
STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2015**

**ADJUSTMENTS TO APPROVED BUDGET**

	2015 R	2015 R	2015 R	
	(Approved Budget)	(Adjustments)	(Final Budget)	Explanations for material adjustments
<b>ASSETS</b>				
<b>Current assets</b>				
Cash	5,255,845	(3,059,408)	2,196,437	
Consumer debtors	4,079,356	(2,769,978)	1,369,378	
Other Receivables	582,745	232,851	783,406	
Inventory	577,528	347,148	924,676	
<b>Total current assets</b>	<b>10,495,275</b>	<b>(5,189,575)</b>	<b>5,275,700</b>	
<b>Non current assets</b>				
Investment property	15,155,911	(161,070)	14,995,841	
Property, plant and equipment	97,847,333	9,551,294	107,398,627	Expected increased capital spending
Intangible Assets	81,021	(22,547)	68,474	
Heritage Assets	-	-	-	
<b>Total non current assets</b>	<b>113,085,265</b>	<b>9,367,677</b>	<b>122,462,942</b>	
<b>TOTAL ASSETS</b>	<b>123,580,540</b>	<b>4,178,101</b>	<b>127,738,641</b>	
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Borrowing	26,055	85,871	101,926	
Consumer deposits	373,836	27,082	400,918	
Trade and other payables	6,458,762	(2,582,276)	3,876,486	
Provisions and Employee Benefits	2,027,501	(1,399,212)	1,628,289	
<b>Total current liabilities</b>	<b>8,796,154</b>	<b>(3,888,534)</b>	<b>5,907,619</b>	
<b>Non current liabilities</b>				
Borrowing	16,903	(16,903)	-	
Provisions and Employee Benefits	4,882,892	1,438,959	6,316,891	
<b>Total non current liabilities</b>	<b>4,899,795</b>	<b>1,417,056</b>	<b>6,316,891</b>	
<b>TOTAL LIABILITIES</b>	<b>14,695,949</b>	<b>(2,471,439)</b>	<b>12,224,510</b>	
<b>NET ASSETS</b>	<b>108,884,592</b>	<b>6,649,540</b>	<b>115,514,131</b>	
<b>COMMUNITY WEALTH</b>				
Accumulated Surplus/(Deficit)	108,884,592	6,649,540	115,514,131	
Reserves	-	-	-	
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>108,884,592</b>	<b>6,649,540</b>	<b>115,514,131</b>	

**PRINCE ALBERT LOCAL MUNICIPALITY**  
**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS**  
**STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2015**

**COMPARISON OF ACTUAL FIGURES TO FINAL BUDGET**

	2015 R (Actual)	2015 R (Final Budget)	2015 R (Variance)	Explanations for material variances
<b>REVENUE BY SOURCE</b>				
Property rates	2,482,042	2,418,600	43,442	
Service charges	17,541,217	16,174,727	1,366,490	Less indigents registered than expected
Rental of facilities and equipment	278,499	327,000	(53,501)	
Interest earned - external investments	812,429	700,000	112,429	Slower spending of grant funding
Interest earned - outstanding debtors	710,981	600,000	110,981	
Fines	3,581,748	7,523,000	(3,941,252)	
Licences and permits	261,181	1,200,000	(938,819)	Gross amount included in budget
Government Grants and Subsidies - Capital		-	-	
Government Grants and Subsidies - Operating	40,215,645	39,816,209	399,436	Incorrect allocation of housing grant between capital and operating
Other revenue	4,010,248	1,221,300	2,788,948	Additional payment from National Treasury Regarding audit fees
<b>Total Operating Revenue</b>	<b>69,868,990</b>	<b>69,980,836</b>	<b>(111,846)</b>	
<b>EXPENDITURE BY TYPE</b>				
Employee related costs	13,106,940	12,534,474	572,466	Operating grant expenses allocated to salaries
Remuneration of councillors	2,410,570	2,450,000	(39,430)	
Debt impairment	5,223,754	2,100,000	3,123,754	Debt impairment for fines included in other expenses
Depreciation & asset impairment	1,744,429	1,705,000	39,429	
Finance charges	562,321	337,400	224,921	
Bulk purchases	6,605,794	7,100,000	(494,206)	Less purchases due load shedding
Contracted services	24,246,001	-	24,246,001	Included in General Expenses
Other expenditure	15,522,581	44,801,351	(29,278,770)	Contracted services was included in general expenses
<b>Total Operating Expenditure</b>	<b>69,530,776</b>	<b>71,028,225</b>	<b>(1,497,449)</b>	
	338,214	(1,047,389)	1,385,603	
Government Grants and Subsidies - Capital	12,745,228	38,338,050	(23,592,822)	Unspent grants and housing expenditure budget as capital included in operating
	<b>13,083,442</b>	<b>35,290,661</b>	<b>(22,207,219)</b>	

**PRINCE ALBERT LOCAL MUNICIPALITY  
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS  
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2015**

**ADJUSTMENTS TO APPROVED BUDGET**

	2015 R	2015 R	2015 R	
REVENUE BY SOURCE	(Approved Budget)	(Adjustments)	(Final Budget)	Reasons for material adjustments
Property rates	2,418,600	-	2,418,600	
Service charges	15,570,797	603,930	16,174,727	Less indigent users registered
Rental of facilities and equipment	327,000	-	327,000	
Interest earned - external investments	380,000	340,000	700,000	Slower spending of grant funding
Interest earned - outstanding debtors	600,000	100,000	600,000	
Fines	2,683,000	4,840,000	7,523,000	Change in service provider
Licences and permits	1,200,000	-	1,200,000	
Government Grants and Subsidies - Operating	29,092,950	10,723,259	39,816,209	
Other revenue	215,300	1,006,000	1,221,300	
<b>Total Operating Revenue</b>	<b>52,367,847</b>	<b>17,613,189</b>	<b>69,980,836</b>	
EXPENDITURE BY TYPE				
Employee related costs	13,143,759	(609,285)	12,534,474	Vacant post on original budget not filled
Remuneration of councillors	2,450,000	-	2,450,000	
Debt impairment	2,100,000	-	2,100,000	
Depreciation & asset impairment	1,705,000	-	1,705,000	
Finance charges	357,400	-	357,400	
Bulk purchases	9,000,000	(1,900,000)	7,100,000	Cost of sales allocated to other expenditure
Other expenditure	23,629,199	21,172,152	44,801,351	Increased housing grant allocation
<b>Total Operating Expenditure</b>	<b>52,365,358</b>	<b>18,662,867</b>	<b>71,028,225</b>	
Government Grants and Subsidies - Capital	2,289	(1,049,876)	(1,047,389)	
	17,008,050	19,330,000	36,338,050	Increased grant allocations
	<b>17,010,339</b>	<b>18,280,322</b>	<b>35,290,661</b>	

**PRINCE ALBERT LOCAL MUNICIPALITY  
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS  
CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2015**

**COMPARISON OF ACTUAL FIGURES TO FINAL BUDGET**

	2015 R (Actual)	2015 R (Final Budget)	2015 R (Variance)	Explanations for material variances
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Ratepayers and other	26,112,072	25,285,333	826,739	Income did not realise as budgeted
Government - operating	40,215,645	33,704,650	6,510,995	Housing project operating incorrectly budgeted as capital
Government - capital	12,745,228	39,952,050	(27,206,822)	Housing project operating incorrectly budgeted as capital and unspent capital grants
Interest	1,523,410	1,029,685	493,725	Unspent grants led to increase in interest
<b>Payments</b>				
Suppliers and Employees	(64,360,021)	(73,147,329)	8,787,308	Due to decrease in income spending had to be decreased
Finance charges	(562,321)	(37,400)	(524,921)	
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>15,674,013</b>	<b>26,786,959</b>	<b>(11,112,946)</b>	
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Receipts</b>				
Proceeds on disposal of Assets	-	-	-	
Decrease/(increase) in non-current receivables	-	-	-	
Decrease/(increase) in non-current investments	-	-	-	
Purchase of Intangible Assets	(2,300)	-	-	
Additions to Capitalised Restoration Cost	(1,323,323)	-	-	
<b>Payments</b>				
Capital assets	(12,564,254)	(34,321,208)	21,756,954	Capital spending did not realise as budgeted for
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(13,889,877)</b>	<b>(34,321,208)</b>	<b>21,756,954</b>	
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Receipts</b>				
Borrowing	49,445	-	49,445	
Increase/(decrease) in consumer deposits	20,303	36,926	(16,623)	
<b>Payments</b>				
Repayment of borrowing	(66,110)	(61,052)	(7,058)	
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>1,638</b>	<b>(24,126)</b>	<b>25,763</b>	
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>1,785,774</b>	<b>(7,558,374)</b>	<b>10,669,771</b>	
Cash and Cash Equivalents at the beginning of the year	9,754,560	9,754,560	(0)	
Cash and Cash Equivalents at the end of the year	11,540,334	2,196,186	9,344,148	

**PRINCE ALBERT LOCAL MUNICIPALITY**  
**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2015**

**ADJUSTMENTS TO APPROVED BUDGET**

	2015 R	2015 R	2015 R	
	(Approved Budget)	(Adjustments)	(Final Budget)	Reasons for material adjustments
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Ratepayers and other	19,454,678	5,830,657	25,285,333	
Government - operating	29,092,950	4,611,700	33,704,650	
Government - capital	17,008,050	22,944,000	39,952,050	
Interest	360,000	869,655	1,029,655	
<b>Payments</b>				
Suppliers and Employees	(46,516,841)	(28,630,487)	(73,147,329)	
Finance charges	(337,400)	300,000	(37,400)	
	<u>19,861,435</u>	<u>7,725,525</u>	<u>26,786,959</u>	
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Receipts</b>				
Proceeds on disposal of Assets	-	-	-	
Decrease/(increase) in non-current receivables	-	-	-	
Decrease/(increase) in non-current investments	-	-	-	
<b>Payments</b>				
Capital assets	(17,008,050)	(17,313,158)	(34,321,208)	
	<u>(17,008,050)</u>	<u>(17,313,158)</u>	<u>(34,321,208)</u>	
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Receipts</b>				
Borrowing	-	-	-	
Increase/(decrease) in consumer deposits	21,825	15,101	36,926	
<b>Payments</b>				
Repayment of borrowing	(61,052)	-	(61,052)	
	<u>-39,227</u>	<u>15,101</u>	<u>(24,126)</u>	
	<u>2,914,158</u>	<u>(9,572,532)</u>	<u>(7,558,374)</u>	
Cash and Cash Equivalents at the beginning of the year	3,241,486	8,513,072	9,754,560	
Cash and Cash Equivalents at the end of the year	5,256,646	(3,059,460)	2,198,186	

	2015 R	2014 R
<b>2 LONG-TERM LIABILITIES</b>		
Capitalised Lease Liability - At amortised cost	74,943	93,609
Current Portion transferred to Current Liabilities	60,984	54,911
Capitalised Lease Liability - At amortised cost	<u>60,984</u>	<u>54,911</u>
<b>Total Long-term Liabilities - At amortised cost using the effective interest rate method</b>	<u><b>13,959</b></u>	<u><b>38,698</b></u>
The obligations under finance leases are scheduled below:		
	<b>Minimum lease payments</b>	
Amounts payable under finance leases:		
Payable within one year	60,984	50,192
Payable within two to five years	13,959	48,073
	<u>74,943</u>	<u>98,265</u>
<b>Less:</b> Future finance obligations	<u>(4,478)</u>	<u>(4,656)</u>
<b>Present value of lease obligations</b>	<u><b>70,465</b></u>	<u><b>93,609</b></u>
Leases are secured by property, plant and equipment - Note 10		
<b>3 EMPLOYEE BENEFITS</b>		
Post Retirement Medical - Refer to Note 3.1	3,677,980	3,884,059
Long Service Awards - Refer to Note 3.2	965,444	880,716
Ex Gratia Payments - Refer to Note 3.3	36,979	31,555
<b>Total Non-current Employee Benefit Liabilities</b>	<u><b>4,680,403</b></u>	<u><b>4,796,330</b></u>
<b>Post Retirement Medical</b>		
	2015 R	2014 R
Balance 1 July	4,063,843	4,192,984
Contribution for the year	144,917	139,395
Interest Cost	358,004	324,397
Expenditure for the year	(173,855)	(174,707)
Actuarial Loss/(Gain)	(550,841)	(418,226)
<b>Total post retirement benefits 30 June</b>	<u><b>3,842,068</b></u>	<u><b>4,063,843</b></u>
<b>Less:</b> Transfer of Current Portion - Note 6	<u>(164,088)</u>	<u>(179,784)</u>
<b>Balance 30 June</b>	<u><b>3,677,980</b></u>	<u><b>3,884,059</b></u>
<b>Long Service Awards</b>		
	2015 R	2014 R
Balance 1 July	970,613	873,621
Contribution for the year	84,491	76,806
Interest Cost	77,832	63,817
Expenditure for the year	(64,324)	(56,196)
Actuarial Loss/(Gain)	4,725	10,565
<b>Total long service 30 June</b>	<u><b>1,073,337</b></u>	<u><b>970,613</b></u>
<b>Less:</b> Transfer of Current Portion - Note 6	<u>(107,893)</u>	<u>(89,897)</u>
<b>Balance 30 June</b>	<u><b>965,444</b></u>	<u><b>880,716</b></u>
<b>Ex Gratia Payments</b>		
	2015 R	2014 R
Balance 1 July	31,555	28,616
Contribution for the year	-	-
Interest Cost	2,683	2,216
Expenditure for the year	-	-
Actuarial Loss/(Gain)	2,741	723
<b>Total long service 30 June</b>	<u><b>36,979</b></u>	<u><b>31,555</b></u>
<b>Less:</b> Transfer of Current Portion - Note	<u>-</u>	<u>-</u>
<b>Balance 30 June</b>	<u><b>36,979</b></u>	<u><b>31,555</b></u>

EMPLOYEE BENEFITS (CONTINUE)

TOTAL NON-CURRENT EMPLOYEE BENEFITS

	2015 R	2014 R
Balance 1 July		
Contribution for the year	5,066,011	5,095,221
Interest cost	229,408	218,201
Expenditure for the year	438,519	390,430
Actuarial Loss/(Gain)	(238,179)	(230,903)
	(543,375)	(406,938)
<b>Total employee benefits 30 June</b>	<b>4,952,384</b>	<b>5,066,011</b>
<u>Less:</u> Transfer of Current Portion - Note 6	(271,981)	(269,681)
<b>Balance 30 June</b>	<b>4,680,403</b>	<b>4,796,330</b>

3.1 Post Retirement Benefits

The Post Retirement Benefit Plan is a defined benefit plan, of which the members are made up as follows:

In-service (employee) members	15	15
In-service (employee) non-members	29	25
Continuation members (e.g. Retirees, widows, orphans)	6	6
<b>Total Members</b>	<b>50</b>	<b>46</b>

The liability in respect of past service has been estimated to be as follows:

In-service members and potential members	2,107,493	2,058,733
Continuation members	1,734,575	2,005,110
<b>Total Liability</b>	<b>3,842,068</b>	<b>4,063,843</b>

PRINCE ALBERT MUNICIPALITY NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

The liability in respect of periods commencing prior to the comparative year has been estimated as follows:

	2013 R	2012 R	2011 R
In-service members	1,864,350	1,513,866	1,302,842
Continuation members	2,328,634	2,162,558	1,950,415
<b>Total Liability</b>	<b>4,192,984</b>	<b>3,676,424</b>	<b>3,253,257</b>

Experience adjustments were calculated as follows:

	2013 R	2012 R	2011 R
Liabilities: (Gain) / loss	(32,000)	(102,000)	316,000
Assets: Gain / (loss)			

The municipality performed their first actuarial valuation on 30 June 2010. Thus there are experience adjustment figures available since 30 June 2010 to fully comply with GRAP 25

The municipality makes monthly contributions for health care arrangements to the following medical aid schemes:

Bonitas;  
LA Health  
Samwumed; and  
Keyhealth.

Key actuarial assumptions used:

	2015 %	2014 %
<b>i) Rate of interest</b>		
Discount rate	8.88%	9.00%
Health Care Cost Inflation Rate	7.98%	8.22%
Net Effective Discount Rate	0.90%	0.72%

The discount rate used is a composite of all government bonds and is calculated using a technique is known as "bootstrapping"

**ii) Mortality rates**

The PA 90 ultimate table, rated down by 1 year of age was used by the actuaries.

**iii) Normal retirement age**

It has been assumed that in-service members will retire at age 60, which then implicitly allows for expected rates of early and ill-health retirement.

	2015 R	2014 R
<b>The amounts recognised in the Statement of Financial Position are as follows:</b>		
Present value of fund obligations	3,677,980	3,884,059
<b>Net liability/(asset)</b>	<b>3,677,980</b>	<b>3,884,059</b>

**Reconciliation of present value of fund obligation:**

Present value of fund obligation at the beginning of the year	4,063,843	4,192,984
Total expenses	329,066	289,085
Current service cost	144,917	139,395
Interest Cost	358,004	324,397
Benefits Paid	(173,855)	(174,707)
Actuarial (gains)/losses	(550,841)	(418,226)
Present value of fund obligation at the end of the year	3,842,068	4,063,843
<b>Less:</b> Transfer of Current Portion - Note 6	<b>(164,088)</b>	<b>(179,784)</b>
<b>Balance 30 June</b>	<b>3,677,980</b>	<b>3,884,059</b>

**Sensitivity Analysis on the Accrued Liability**

Assumption	In-service members liability (Rm)	Continuation members liability (Rm)	Total liability (Rm)	% change
Central Assumptions	2.107	1.735	3.842	

The effect of movements in the assumptions are as follows:

Assumption	Change	In-service members liability (Rm)	Continuation members liability (Rm)	Total liability (Rm)	% change
Health care inflation	1%	2.614	1.886	4.500	17%
Health care inflation	-1%	1.713	1.601	3.314	-14%
Post-retirement mortality	-1 year	2.183	1.812	3.995	4%
Average retirement age	-1 year	2.259	1.735	3.994	4%
Withdrawal Rate	-50%	1.708	1.735	3.443	-10%

Assumption	Change	Current-service Cost (R)	Interest Cost (R)	Total (R)	% change
Central Assumption		144900	358000	502,900	
Health care inflation	1%	183700	421200	604,900	20%
Health care inflation	-1%	115400	307200	422,600	-16%
Post-retirement mortality	-1 year	150100	372600	522,700	4%
Average retirement age	-1 year	158500	374300	532,800	6%
Withdrawal Rate	-50%	116500	324200	440,700	-12%

**3.2 Long Service Bonuses**

The Long Service Bonus plans are defined benefit plans.

As at year end, the following number of employees were eligible for Long Service Bonuses.

44	44
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Key actuarial assumptions used:

%	%
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**i) Rate of interest**

Discount rate	8.04%	8.04%
General Salary Inflation (long-term)	7.11%	7.11%
Net Effective Discount Rate applied to salary-related Long Service Bonuses	0.87%	0.87%

The amounts recognised in the Statement of Financial Position are as follows:

Present value of fund obligations	965,444	880,716
<b>Net liability</b>	<b>965,444</b>	<b>880,716</b>

The municipality performed their first actuarial valuation on 30 June 2015. Thus there no experience adjustment figures available to fully comply with GRAP 25

**Reconciliation of present value of fund obligation:**

	2015 R	2014 R
Present value of fund obligation at the beginning of the year	970,613	873,621
Total expenses	97,999	86,427
Current service cost	84,491	78,806
Interest Cost	77,832	63,817
Benefits Paid	(64,324)	(56,196)
Actuarial (gains)/losses	4,725	10,565
Present value of fund obligation at the end of the year	1,073,337	970,613
Less: Transfer of Current Portion - Note 6	(107,893)	(89,897)
<b>Balance 30 June</b>	<b>965,444</b>	<b>880,716</b>

**Sensitivity Analysis on the Unfunded Accrued Liability**

Assumption	Change	Liability (R)	% change
Central assumptions		1,073,000	
General salary inflation	1%	1,148,000	7%
General salary inflation	-1%	1,006,000	-6%
Average retirement age	-2 yrs	941,000	-12%
Average retirement age	2 yrs	1,224,000	14%
Withdrawal rates	-50%	1,287,000	20%

Assumption	Change	Current-service Cost (R)	Interest Cost (R)	Total (R)	% change
Central assumptions		89,100	82,100	171,200	
General salary inflation	1%	96,400	88,100	184,500	8%
General salary inflation	-1%	82,600	76,700	159,300	-7%
Average retirement age	-2 yrs	80,300	71,500	151,800	-11%
Average retirement age	2 yrs	98,600	94,200	192,800	13%
Withdrawal rates	-50%	114,800	99,300	214,100	25%

3.3 Ex Gratia Payments

The Ex Gratia plans are defined benefit plans.

As at year end, the following number of employees were eligible for Ex Gratia Payments

Key actuarial assumptions used:

i) Rate of interest

Discount rate

	2015 R	2014 R
As at year end, the following number of employees were eligible for Ex Gratia Payments	8	8
Key actuarial assumptions used:	%	%
i) Rate of interest		
Discount rate	8.47%	8.57%

The amounts recognised in the Statement of Financial Position are as follows:

Present value of fund obligations

Net liability

	2015 R	2014 R
Present value of fund obligations	36,979	31,555
Net liability	36,979	31,555

The municipality performed their first actuarial valuation on 30 June 2015. Thus there no experience adjustment figures available to fully comply with GRAP 25

Reconciliation of present value of fund obligation:

Present value of fund obligation at the beginning of the year

Total expenses

Current service cost

Interest Cost

Benefits Paid

Actuarial (gains)/losses

Present value of fund obligation at the end of the year

Less: Transfer of Current Portion - Note

Balance 30 June

Sensitivity Analysis on the Unfunded Accrued Liability

	2015 R	2014 R
Present value of fund obligation at the beginning of the year	31,555	28,616
Total expenses	2,683	2,216
Current service cost	-	-
Interest Cost	2,683	2,216
Benefits Paid	-	-
Actuarial (gains)/losses	2,741	723
Present value of fund obligation at the end of the year	36,979	31,555
Less: Transfer of Current Portion - Note	-	-
Balance 30 June	36,979	31,555

Assumption

Central assumptions

Discount rate

Discount rate

Average retirement age

Change

1%

-1%

-1 yrs

Liability

(R)

36,979

35,057

39,061

39,865

% change

-5%

6%

8%

Assumption

Central assumptions

Discount rate

Discount rate

Average retirement age

Change

1%

-1%

-1 yrs

Interest Cost

(R)

2,683

2,816

2,525

2,893

Total

(R)

2,683

2,816

2,525

2,893

% change

5%

-6%

8%

3.4 Retirement funds

The Municipality requested detailed employee and pensioner information as well as information on the Municipality's share of the Pension and Retirement Funds' assets from the fund administrator. The fund administrator confirmed that assets of the Pension and Retirement Funds are not split per participating employer. Therefore, the Municipality is unable to determine the value of the plan assets as defined in GRAP 25.

As part of the Municipality's process to value the defined benefit liabilities, the Municipality requested pensioner data from the fund administrator. The fund administrator claim that the pensioner data to be confidential and were not willing to share the information with the Municipality. Without detailed pensioner data the Municipality was unable to calculate a reliable estimate of the accrued liability in respect of pensioners who qualify for a defined benefit pension.

Therefore, although both the Cape Joint Pension Fund and Cape Joint Retirement Fund are defined as defined benefit plans, it will be accounted for as defined contribution plans.

CAPE JOINT PENSION FUND

The contribution rate payable is 9% by members and 18% by Council. The last actuarial valuation performed for the year ended 30 June 2014 revealed that the fund is in a sound financial position with a funding level of 101.7% (30 June 2013 - 99.2%).

CAPE JOINT RETIREMENT FUND

The contribution rate payable is 9% by members and 18% by Council. The last actuarial valuation performed for the year ended 30 June 2014 revealed that the fund is in a sound financial position with a funding level of 112.6% (30 June 2013 - 105.1%).

DEFINED CONTRIBUTION PLANS

Council contribute to the Municipal Council Pension Fund and SAMWU National Provident Fund which are defined contribution funds. The retirement benefit fund is subject to the Pension Fund Act, 1956, with pension being calculated on the pensionable remuneration paid. Current contributions by Council are charged against expenditure on the basis of current service costs.

Contributions paid recognised in the Statement of Financial Performance

	1,353,780	812,409
	2015	2014
	R	R

4

**NON-CURRENT PROVISIONS**

Provision for Rehabilitation of Landfill-sites

7,869,843	2,103,066
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**Total Non-current Provisions**

<b>7,869,843</b>	<b>2,103,066</b>
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2015	2014
R	R

Landfill Sites

Balance 1 July

2,103,066	2,004,429
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Contribution for the year

5,766,777	98,637
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**Total provision 30 June**

<b>7,869,843</b>	<b>2,103,066</b>
------------------	------------------

Current Portion

-	-
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**Balance 30 June**

<b>7,869,843</b>	<b>2,103,066</b>
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The estimated rehabilitation costs for each of the existing sites are based on the current rates for construction costs. The assumptions used are as follows:

This rate used is also within the inflation target range of the South African Reserve Bank of between 3% to 6%.

No provision for current portion is made due to fact that no amount where budgeted for rehabilitation

Currently there are no fixed date for rehabilitation of the landfill sites even though 2 of the sites has reached their licenced life times

PRINCE ALBERT MUNICIPALITY NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

	Prince Albert	Leeu Gamka	Klaarstroom
Area (m <sup>2</sup> )	5285m <sup>2</sup>	1610m <sup>2</sup>	6680m <sup>2</sup>
Rehabilitation volume (m <sup>3</sup> )	14600m <sup>3</sup>	5470m <sup>3</sup>	1840m <sup>3</sup>

The municipality has an obligation to rehabilitate landfill sites at the end of the expected useful life of the asset. Total cost and estimated date of decommission of the sites are as follows:

Location	Estimated decommission date	Cost of rehabilitation 2015	Cost of rehabilitation 2014
Prince Albert	2018	3,142,738	882,834
Leeu Gamka	2061	2,731,025	578,178
Klaarstroom	2038	1,996,081	642,054
		<u>7,869,843</u>	<u>2,103,066</u>

5	CONSUMER DEPOSITS	2015 R	2014 R
	Electricity	264,741	263,146
	Rent	7,488	7,488
	Water	122,475	103,767
	<b>Total Consumer Deposits</b>	<u>394,704</u>	<u>374,401</u>
	<b>Guarantees held in lieu of Electricity and Water Deposits</b>	<u>-</u>	<u>-</u>

The fair value of consumer deposits approximate their carrying value. Interest are not paid on these amounts.

6	CURRENT EMPLOYEE BENEFITS	2015 R	2014 R
	Current Portion of Post Retirement Benefits - Note 3	271,981	269,681
	Staff Leave	1,140,734	946,257
	Bonuses	431,440	402,248
	<b>Total Current Employee Benefits</b>	<u>1,844,155</u>	<u>1,618,186</u>

The movement in current employee benefits are reconciled as follows:

<u>Staff Leave</u>	2015 R	2014 R
Balance at beginning of year	946,257	899,926
Contribution to current portion	228,395	135,009
Expenditure incurred	(33,918)	(88,678)
Balance at end of year	<u>1,140,734</u>	<u>946,257</u>

Staff leave accrued to employees according to collective agreement. Provision is made for the full cost of accrued leave at reporting date. This provision will be realised as employees take leave. There is no possibility of reimbursement.

<u>Bonuses</u>	2015 R	2014 R
Balance at beginning of year	402,248	277,799
Contribution to current portion	29,192	124,449
Balance at end of year	<u>431,440</u>	<u>402,248</u>

Bonuses are being paid to all municipal staff, excluding section 57 Managers. The balance at year end represent to portion of the bonus that have already vested for the current salary cycle. There is no possibility of reimbursement.

7	TRADE AND OTHER PAYABLES	2015 R	2014 R
	Trade Payables	2,223,619	10,300,300
	Debtors with credit balances	376,529	460,607
	Retentions	528,983	638,022
	Other	-	-
	Sundry Deposits	4,000	4,000
	<b>Total Trade Payables</b>	<b>3,133,131</b>	<b>11,402,929</b>

Payables are being recognised net of any discounts.

Payables are being paid within 30 days as prescribed by the MFMA. This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of trade and other payables on initial recognition is not deemed necessary. The carrying value of trade and other payables approximates its fair value.

Sundry deposits include hall, builders and housing Deposits.

8	UNSPENT CONDITIONAL GOVERNMENT GRANTS AND RECEIPTS	2015 R	2014 R
	Unspent Grants	7,013,344	4,504,570
	National Government Grants	-	-
	Provincial Government Grants	7,013,344	4,504,570
	Other Grant Providers	-	-
	<b>Less: Unpaid Grants</b>	<b>-</b>	<b>343,760</b>
	National Government Grants	-	343,760
	Provincial Government Grants	-	-
	Other Grant Providers	-	-
	<b>Total Conditional Grants and Receipts</b>	<b>7,013,344</b>	<b>4,160,810</b>

9	TAXES	2015 R	2014 R
9.1	<b>VAT PAYABLE</b>		
	VAT output in suspense	24,291	90,680
	Total Vat payable	24,291	90,680
9.2	<b>VAT RECEIVABLE</b>		
	VAT input in suspense	(454,845)	(247,096)
	VAT Control	(479,020)	(1,678,116)
	Total VAT receivable	(933,865)	(1,925,212)
9.3	<b>NET VAT RECEIVABLE/(PAYABLE)</b>	<b>(909,574)</b>	<b>(1,834,532)</b>

VAT is receivable/payable on the cash basis.

10	PROPERTY, PLANT AND EQUIPMENT	2015 R	2014 R
	<u>See attached sheet</u>		



		2015	2014
		R	R
11	<b>CAPITALISED RESTORATION COST</b>		
	Net Carrying amount at 1 July	156,822	451,866
	Cost	873,811	870,719
	Accumulated Depreciation	(704,396)	(406,718)
	Accumulated Impairments	(12,693)	(12,135)
	Acquisitions	1,320,319	3,092
	Depreciation for the year	(44,509)	(297,678)
	Impairment	3,009	(458)
	<b>Net Carrying amount at 30 June</b>	<b>1,435,641</b>	<b>156,822</b>
	Cost	2,194,130	873,811
	Accumulated Depreciation	(748,905)	(704,396)
	Accumulated Impairment	(9,584)	(12,593)
12	<b>INVESTMENT PROPERTY</b>		
	Net Carrying amount at 1 July	13,858,446	15,156,912
	Cost	15,022,155	15,164,355
	Accumulated Depreciation	(9,264)	(7,443)
	Accumulated Impairment	(1,154,445)	-
	Depreciation for the year	(1,804)	(1,822)
	Impairment for the year	-	(1,164,445)
	Disposal	-	(66,500)
	<b>Net Carrying amount at 30 June</b>	<b>13,856,642</b>	<b>13,858,446</b>
	Cost	15,022,155	15,022,155
	Accumulated Depreciation	(11,068)	(9,264)
	Accumulated Impairment	(1,154,445)	(1,154,445)
	There are no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements.		
	Revenue derived from the rental of investment property	273,499	279,909
13	<b>INTANGIBLE ASSETS</b>		
	<b>Computer Software</b>		
	Net Carrying amount at 1 July	68,474	91,017
	Cost	233,380	238,059
	Accumulated Amortisation	(164,906)	(148,042)
	Disposal	(6,638)	(1,012)
	Additions	2,300	-
	Amortisation	(15,554)	(21,535)
	<b>Net Carrying amount at 30 June</b>	<b>48,578</b>	<b>68,474</b>
	Cost	180,180	233,380
	Accumulated Amortisation	(131,602)	(164,906)

Description	Remaining Amortisation Period	Carrying Value	
		2015 R	2014 R
Microsoft Office and Windows software	4	48,578	68,474

No intangible asset were assed having an indefinite useful life.

There are no internally generated intangible assets at reporting date.

There are no intangible assets whose title is restricted.

There are no intangible assets pledged as security for liabilities

There are no contractual commitments for the acquisition of intangible assets.

14	INVENTORY	2015 R	2014 R
	Consumable Stores	198,273	253,798
	Electricity	279,468	137,007
	Unsold Properties	219,420	219,420
	Water – at cost	10,590	12,864
	<b>Total Inventory</b>	<b>707,751</b>	<b>623,089</b>

15	TRADE RECEIVABLES FROM EXCHANGE TRANSACTIONS	2015 R	2014 R
	Electricity	1,295,141	1,082,129
	Water	4,269,674	3,041,182
	Refuse	2,258,880	1,605,309
	Sewerage	2,564,060	2,105,152
	Fire Services	7,598	8,614
	Rent	131,170	114,475
	Debtors with credit balances	376,529	460,607
	<b>Total Receivables from Exchange Transactions</b>	<b>10,903,052</b>	<b>8,417,468</b>
	Less: Allowance for Doubtful Debts	(9,110,999)	(6,492,536)
	<b>Total Net Receivables from Exchange Transactions</b>	<b>1,792,053</b>	<b>1,924,932</b>

Consumer debtors are payable within 30 days. This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of trade and other receivables on initial recognition is not deemed necessary

Ageing of Receivables from Exchange Transactions:

**(Electricity): Ageing**

	2015 R	2014 R
Current (0 - 30 days)	457,556	415,247
31 - 60 Days	166,762	97,790
61 - 90 Days	108,424	56,316
+ 90 Days	562,399	512,776
<b>Total</b>	<b>1,295,141</b>	<b>1,082,129</b>

**(Water): Ageing**

	2015 R	2014 R
Current (0 - 30 days)	194,284	210,104
31 - 60 Days	157,849	136,914
61 - 90 Days	183,312	168,681
+ 90 Days	3,734,229	2,525,483
<b>Total</b>	<b>4,269,674</b>	<b>3,041,182</b>

**(Refuse): Ageing**

	2015 R	2014 R
Current (0 - 30 days)	121,806	116,404
31 - 60 Days	85,066	72,305
61 - 90 Days	77,880	66,872
+ 90 Days	1,974,128	880,101
<b>Total</b>	<b>2,258,880</b>	<b>1,135,682</b>

**(Sewerage): Ageing**

	2015 R	2014 R
Current (0 - 30 days)	83,971	278,109
31 - 60 Days	142,022	107,640
61 - 90 Days	125,505	84,027
+ 90 Days	2,212,562	1,112,045
<b>Total</b>	<b>2,564,060</b>	<b>1,581,822</b>

**(Other): Ageing**

	2015 R	2014 R
Current (0 - 30 days)	14,073	30,866
31 - 60 Days	4,950	5,378
61 - 90 Days	4,841	4,179
+ 90 Days	114,905	82,666
<b>Total</b>	<b>138,768</b>	<b>123,089</b>

<u>(Total): Ageing</u>	2015	2014
	R	R
Current (0 - 30 days)	871,690	1,050,730
31 - 60 Days	556,648	420,027
61 - 90 Days	499,962	380,075
+ 90 Days	8,598,224	5,113,071
<b>Total</b>	<b>10,526,523</b>	<b>6,963,904</b>

Reconciliation of Provision for Bad Debts	2015	2014
	R	R
Balance at beginning of year	6,492,536	4,959,804
Written off during the year	(180,673)	(297,329)
Contribution to provision/(Reversal of provision)	2,799,136	1,830,061
<b>Balance at end of year</b>	<b>9,110,999</b>	<b>6,492,536</b>

Concentrations of credit risk with respect to trade receivables are limited due to the municipality's large number of customers. The municipality's historical experience in collection of trade receivables falls within recorded allowances. Due to these factors, management believes that no additional risk beyond amounts provided for collection losses is inherent in the municipality's trade receivables.

16 OTHER RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

	2015	2014
	R	R
Rates	588,218	583,337
Other Receivables	8,098,444	12,087,377
Traffic Fines	7,262,271	11,538,891
Other Debtors	836,173	548,486
<b>Total Receivables from Non-Exchange Transactions</b>	<b>8,686,662</b>	<b>12,670,714</b>
Less: Allowance for Doubtful Debts	(7,528,533)	(12,217,064)
<b>Total Net Receivables from Non-Exchange Transactions</b>	<b>1,158,129</b>	<b>453,650</b>

Ageing of Receivables from Non-Exchange Transactions:

<u>(Rates): Ageing</u>	2015	2014
	R	R
Current (0 - 30 days)	(73,398)	139,341
31 - 60 Days	31,229	35,141
61 - 90 Days	14,881	20,716
+ 90 Days	615,506	393,021
<b>Total</b>	<b>588,218</b>	<b>588,219</b>

Reconciliation of Provision for Bad Debts	2015	2014
	R	R
Balance at beginning of year	12,217,064	660,361
Written off during the year	(7,259,120)	-
Contribution to provision/(Reversal of provision)	2,570,589	11,556,703
<b>Balance at end of year</b>	<b>7,528,533</b>	<b>12,217,064</b>

Concentrations of credit risk with respect to trade receivables are limited due to the municipality's large number of customers. The municipality's historical experience in collection of trade receivables falls within recorded allowances. Due to these factors, management believes that no additional risk beyond amounts provided for collection losses is inherent in the municipality's trade receivables.

17 OPERATING LEASE ARRANGEMENTS

The Municipality as Lessor (Asset)	2015	2014
	R	R
Balance on 1 July	64,376	58,158
Movement during the year	(9,507)	8,218
<b>Balance on 30 June</b>	<b>54,869</b>	<b>64,376</b>

At the Statement of Financial Position date, where the municipality acts as a lessor under operating leases, it will receive operating lease income as follows:

Up to 1 Year	194,528	194,617
1 to 5 Years	299,746	457,511
More than 5 Years	-	-
<b>Total Operating Lease Arrangements</b>	<b>494,274</b>	<b>652,128</b>

This lease income was determined from contracts that have a specific conditional income and does not include lease income which has an undetermined conditional income.

The leases are in respect of land and buildings being leased out for variable periods with the final lease ending in 2018

18	<b>CASH AND CASH EQUIVALENTS</b>	<b>2015</b>	<b>2014</b>
		<b>R</b>	<b>R</b>
	<u>Assets</u>		
	Call Investments Deposits	10,980,159	9,338,985
	Primary Bank Account	558,475	359,654
	Traffic Bank Account	-	54,221
	Cash Floats	1,700	1,700
	<b>Total Cash and Cash Equivalents - Assets</b>	<b>11,540,334</b>	<b>9,754,560</b>

Cash and cash equivalents comprise cash held and short term deposits. The carrying amount of these assets approximates their fair value.

A Bank Guarantee is retained for ESKOM by ABSA Bank 9,960 9,960

The municipality has the following bank accounts:

<u>Current Accounts</u>	<b>2015</b>	<b>2014</b>
	<b>R</b>	<b>R</b>
Prince Albert ABSA Bank - Account Number 2640560064 (Primary Bank Account):	558,475	110,578
	<b>558,475</b>	<b>110,578</b>

<u>Savings accounts</u>	<b>2015</b>	<b>2014</b>
	<b>R</b>	<b>R</b>
Prince Albert ABSA Bank - Account Number 9287334653 (Savings Account):	10,980,159	9,338,985
	<b>10,980,159</b>	<b>9,338,985</b>

<i>Prince Albert ABSA Bank - Account Number 2640560064 (Primary Bank Account):</i>		
Cash book balance at beginning of year	413,875	110,578
Cash book balance at end of year	558,475	413,875

Bank statement balance at beginning of year	1,683,142	51,400
Bank statement balance at end of year	783,726	1,683,142

<i>Prince Albert ABSA Bank - Account Number 4063942217 (Traffic Account):</i>		
In Abakus the cashbook is combined with the primary bank account	N/A	N/A

Bank statement balance at beginning of year	54,221	638,897
Bank statement balance at end of year	623,071	54,221

<i>Prince Albert ABSA Bank - Account Number 9287334653 (Savings Account):</i>		
Cash book balance at beginning of year	9,338,985	2,380,777
Cash book balance at end of year	10,980,159	9,338,985

Bank statement balance at beginning of year	9,295,049	2,380,777
Bank statement balance at end of year	10,922,552	9,295,049

19	<b>PROPERTY RATES</b>	<b>2015</b>	<b>2014</b>
		<b>R</b>	<b>R</b>

<u>Actual</u>		
<b>Rateable Land and Buildings</b>	2,941,403	2,603,020
Residential, Commercial Property, State	2,941,403	2,603,020
Less: Rebates	(479,361)	(474,372)
<b>Total Assessment Rates</b>	<b>2,462,042</b>	<b>2,128,648</b>

<u>Valuations - General Valuation 1 July 2012</u>	<b>2015</b>	<b>2014</b>
	<b>R</b>	<b>R</b>
<b>Rateable Land and Buildings</b>		
Leeu-Gamka: Land and Buildings	25,280,200	25,280,200
Klaarstroom: Land and Buildings	10,229,400	10,229,400
Prince Albert: Land and Buildings	611,919,300	611,919,300
Rural: Land and Buildings	689,091,100	689,091,100
Welgemoed: Land and Buildings	8,809,500	8,809,500
<b>Total Rateable Valuation</b>	<b>1,345,329,500</b>	<b>1,345,329,500</b>

Valuations on land and buildings are performed every four years. The last interim valuation came into effect on 1 July 2014.

	c/R	c/R
<b>Rates:</b>		
Prince Albert Urban Area	0.370	0.340
Leeu Gamka Scheme Houses	0.370	0.340
Leeu Gamka Private	0.370	0.340
Welgemoed Area	0.330	0.306
Klaarstroom Scheme Houses	0.370	0.340
Klaarstroom East	0.370	0.340
Rural Area	0.093	0.0855

Rates are levied annually and monthly. Monthly rates are payable by the 7th of the following month and annual rates are payable before 30 September. Interest is levied at the prime rate plus 1% on outstanding monthly rates.

Rebates can be defined as any income that the Municipality is entitled by law to levy, but which has subsequently been forgone by way of rebate or remission.

20	GOVERNMENT GRANTS AND SUBSIDIES	2015 R	2014 R
	<b>Unconditional Grants</b>	<b>13,047,000</b>	<b>11,661,000</b>
	Equitable Share	13,047,000	11,661,000
	<b>Conditional Grants</b>	<b>39,913,873</b>	<b>37,129,924</b>
	Grants and donations	39,913,873	37,129,924
	<b>Total Government Grants and Subsidies</b>	<b>52,960,873</b>	<b>48,790,924</b>
	Government Grants and Subsidies - Capital	12,745,228	20,614,065
	Government Grants and Subsidies - Operating	40,215,645	28,176,859
		<u>52,960,873</u>	<u>48,790,924</u>

20.1	Equitable share	2015 R	2014 R
	Grants received	13,047,000	11,661,000
	Conditions met - Operating	(13,047,000)	(11,661,000)
	Conditions still to be met	-	-

The Equitable Share is the unconditional share of the revenue raised nationally and is being allocated in terms of Section 214 of the Constitution (Act 108 of 1996) to the municipality by the National Treasury.

20.2	Local Government Financial Management Grant (FMG)	2015 R	2014 R
	Opening balance	-	-
	Grants received	1,600,000	1,450,000
	Repaid to National Revenue Fund	-	-
	VAT on conditional grants	(69,937)	-
	Conditions met - Operating	(1,530,063)	(1,450,000)
	Conditions met - Capital	-	-
	Conditions still to be met	-	-

The Financial Management Grant is paid by National Treasury to municipalities to help implement the financial reforms required by the Municipal Finance Management Act (MFMA), 2003. The FMG Grant also pays for the cost of the Financial Management Internship Programme (e.g. salary costs of the Financial Management Interns).

20.3	Municipal Systems Improvement Grant	2015 R	2014 R
	Opening balance	-	-
	Grants received	934,000	890,000
	Repaid to National Revenue Fund	-	-
	VAT on conditional grants	(102,969)	-
	Conditions met - Operating	(831,031)	(890,000)
	Conditions met - Capital	-	-
	Conditions still to be met	-	-

The MSIG was used for building in-house capacity to perform municipal functions and stabilise institutional and governance systems.

20.4	Municipal Infrastructure Grant (MIG)	2015 R	2014 R
	Opening balance	(343,760)	-
	Grants received	7,377,000	8,125,000
	VAT on conditional grants	(833,203)	(1,056,375)
	Conditions met - Operating	(207,704)	(404,012)
	Conditions met - Capital	(5,992,333)	(7,008,373)
	Grant expenditure to be recovered	-	(343,760)

The grant was used to upgrade infrastructure in previously disadvantaged areas.

20.5	<b>Housing Grants</b>	2015	2014
		R	R
	Opening balance	3,460,751	726,808
	Grants received	25,352,035	22,828,033
	VAT on conditional grants	(90,594)	(390,388)
	Conditions met - Operating	(20,410,376)	(9,597,333)
	Conditions met - Capital	(2,498,472)	(10,106,369)
	Grant expenditure to be recovered	<u>5,813,344</u>	<u>3,460,751</u>
	Housing grants were utilised for upgrading infrastructure, the development of erven and the erection of top structures.		
20.6	<b>Integrated National Electrification Grant</b>	2015	2014
		R	R
	Opening balance	-	-
	Grants received	2,000,000	-
	VAT on conditional grants	(171,557)	-
	Conditions met - Operating	-	-
	Conditions met - Capital	(1,828,443)	-
	Conditions still to be met	<u>-</u>	<u>-</u>
	The National Electrification Grant was used for electrical connections in previously disadvantaged areas.		
20.7	<b>Other Grants</b>	2015	2014
		R	R
	Opening balance	1,043,818	2,594,411
	Grants received	7,146,593	3,801,867
	VAT on conditional grants	(374,960)	-
	Conditions met - Operating	(4,189,471)	(3,468,965)
	Conditions met - Capital	(2,425,980)	(1,883,495)
	Conditions still to be met	<u>1,200,000</u>	<u>1,043,818</u>
	Various grants were received from other spheres of government (e.g. Library fund and Skills Development		
20.8	<b>Total Grants</b>	2015	2014
		R	R
	Opening balance	4,160,809	3,321,219
	Grants received	57,456,628	48,755,900
	VAT on conditional grants	(1,643,220)	(1,446,763)
	Repaid to National Revenue Fund	-	-
	Conditions met - Operating	(40,215,645)	(27,471,310)
	Conditions met - Capital	(12,745,228)	(18,998,237)
	Conditions still to be met/(Grant expenditure to be recovered)	<u>7,013,344</u>	<u>4,160,809</u>
	Disclosed as follows:		
	Unspent Conditional Government Grants and Receipts	7,013,344	4,504,569
	Unpaid Conditional Government Grants and Receipts	-	(343,760)
		<u>7,013,344</u>	<u>4,160,809</u>
	No grant funding in terms of the DORA were withheld or delayed		
21	<b>FINES</b>	2015	2014
		R	R
	Traffic fines	3,573,140	12,492,321
	Other fines	8,608	87,230
	<b>Total Fines</b>	<u>3,581,748</u>	<u>12,579,551</u>
	<i>Additional information to enable better understandings by user</i>		
	Provision for debt impairment	(2,964,853)	(11,500,853)
	<i>Recoverable fines</i>	<u>616,895</u>	<u>1,078,698</u>
22	<b>SERVICE CHARGES</b>	2015	2014
		R	R
	Electricity	11,037,491	9,127,217
	Water	4,099,179	3,076,805
	Refuse removal	1,717,896	1,457,858
	Sewerage and Sanitation Charges	2,933,382	2,473,219
		<u>19,787,948</u>	<u>16,135,099</u>
	Less: Rebates	(2,246,731)	(2,258,822)
	<b>Total Service Charges</b>	<u>17,541,217</u>	<u>13,876,277</u>
	Rebates can be defined as any income that the Municipality is entitled by law to levy, but which has subsequently been forgone by way of rebate or remission.		

23 OTHER INCOME	2015	2014
	R	R
Sundry income	106,602	32,964
Audit fees defrayed by National Treasury	1,497,319	-
Graveyard	12,551	11,423
Building plans	61,158	68,324
Photostats and Faxes	5,314	2,441
VAT on Grant	1,643,220	-
Fire brigade levies	27,831	-
Tender Documents	2,851	12,632
Training LGSETA	12,586	27,192
Refuse Bags	375	222
Rezoning fees	70,690	28,937
Library Lost Books And Fines	4,026	5,376
Valuation Certificates	13,874	8,545
<b>Total Other Income</b>	<b><u>3,458,407</u></b>	<b><u>196,056</u></b>

Sundry income represents sale of sundry items and fees for items not included under service charges

24 EMPLOYEE RELATED COSTS	2015	2014
	R	R
Bonus	641,614	537,211
Contributions for UIF, pensions and medical aids	1,353,780	1,120,789
Housing Subsidy	37,860	11,311
Leave Reserve Fund	228,395	135,009
Long service awards	-	380
Increase in Provision for Bonuses	29,192	124,449
Contribution to provisions	222,749	218,201
Overtime	621,977	704,513
Salaries and Wages	9,151,928	8,912,193
Travel, motor car, telephone, assistance and other allowances	819,445	739,044
<b>Total Employee Related Costs</b>	<b>13,106,940</b>	<b>12,503,100</b>

**KEY MANAGEMENT PERSONNEL**

Municipal Manager is appointed on a 5-year and all other Directors on a 5-year fixed contract. There are no post-employment or termination benefits payable to them at the end of the contract period.

REMUNERATION OF KEY MANAGEMENT PERSONNEL	2015	2014
	R	R
<i>Remuneration of the Municipal Manager</i>		
Annual remuneration	923,235	798,141
Car allowance	104,640	104,640
Housing allowance	18,000	18,000
Cell phone allowance	18,000	18,000
Contributions to medical and pension funds	31,637	29,362
<b>Total</b>	<b>1,095,512</b>	<b>968,143</b>
<i>Remuneration of the Director Financial Services</i>		
Annual remuneration	676,878	568,637
Car allowance	96,000	96,000
Cell phone allowance	12,000	12,000
Contributions to medical and pension funds	127,795	116,575
<b>Total</b>	<b>912,673</b>	<b>793,212</b>
<i>Remuneration of the Director Corporate Services</i>		
Annual remuneration	347,093	127,083
Car allowance	25,416	10,590
Cell phone allowance	12,000	2,500
Contributions to medical and pension funds	58,274	-
<b>Total</b>	<b>442,783</b>	<b>140,173</b>

*Director Corporate Services was employed February 2014*

<i>Remuneration of the Director Technical Services</i>		
Annual remuneration	286,563	27,758
Car allowance	60,000	3,000
Cell phone allowance	12,000	-
Contributions to medical and pension funds	61,431	18,554
<b>Total</b>	<b>419,995</b>	<b>49,312</b>

*Director Technical Services was employed in June 2014*

25 REMUNERATION OF COUNCILLORS	2015	2014
	R	R
Mayor	451,702	489,936
Deputy Mayor	202,754	214,590
Speaker	422,760	418,800
Councillors	616,866	591,316
Car Allowance	500,078	391,787
Cell phone Allowance	113,684	104,472
Contributions to medical and pension funds	102,726	98,562
<b>Total Councillors' Remuneration</b>	<b>2,410,570</b>	<b>2,309,463</b>

***In-kind Benefits***

The Executive Mayor and all the committee members are part-time. The Mayor are provided with secretarial support and an office at the cost of the Council.

<b>Mayor</b>		
Annual Remuneration	451,702	394,759
Car Allowance	144,834	141,897
Cell phone Allowance	20,867	19,872
Contributions to medical and pension funds	74,736	71,712
<b>Total</b>	<b>692,139</b>	<b>628,240</b>

PRINCE ALBERT MUNICIPALITY NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

	2015 R	2014 R
<b>Speaker</b>		
Annual Remuneration	422,760	383,600
Car Allowance	115,415	99,968
Cell phone Allowance	20,867	19,872
Contributions to medical and pension funds		
<b>Total</b>	<u>559,042</u>	<u>503,440</u>
<b>Deputy Mayor</b>		
Annual Remuneration	202,754	176,208
Car Allowance	64,708	64,532
Cell phone Allowance	20,867	15,144
Contributions to medical and pension funds	27,990	26,850
<b>Total</b>	<u>316,319</u>	<u>282,734</u>
<b>Councillors</b>		
Annual Remuneration	616,866	547,196
Car Allowance	175,120	178,152
Cell phone Allowance	51,083	49,584
Contributions to medical and pension funds		
<b>Total</b>	<u>843,069</u>	<u>774,932</u>

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<b>DEBT IMPAIRMENT</b>	2015 R	2014 R
Trade Receivables from exchange transactions - Note 15	2,653,165	1,415,076
Trade Receivables from non-exchange transactions - Note 16	2,570,589	11,556,703
<b>Total Contribution to/(Reversal of) Impairment Provision</b>	<u>5,223,754</u>	<u>12,971,779</u>

*Additional information to enable better understanding by user*

<u>Trade Receivables from exchange transactions</u>	2015 R	2014 R
Electricity	(59,304)	373,510
Water	1,511,764	317,772
Refuse	679,470	308,008
Sewerage	521,235	415,786
	<u>2,653,165</u>	<u>1,415,076</u>
<u>Trade Receivables from non exchange transactions</u>	2015 R	2014 R
Rates	(316,939)	55,850
Traffic Fines	2,964,853	11,500,853
Other	(77,325)	-
	<u>2,570,589</u>	<u>11,556,703</u>

27	<b>DEPRECIATION AND AMORTISATION</b>	<b>2015</b>	<b>2014</b>
		R	R
	Property Plant and Equipment	1,682,558	1,862,047
	Investment Property	1,804	1,822
	Intangible Assets	15,554	21,535
	Landfill Sites	44,513	297,678
		<u>1,744,429</u>	<u>2,183,081</u>
28	<b>IMPAIRMENTS</b>	<b>2015</b>	<b>2014</b>
		R	R
	Capitalised Restoration Costs	-	458
	Investment Property	-	1,154,445
	PPE	-	2,709,988
		<u>-</u>	<u>3,864,891</u>
29	<b>REPAIRS AND MAINTENANCE</b>	<b>2015</b>	<b>2014</b>
		R	R
	Buildings	264,194	158,572
	Equipment, furniture and fittings and computers	376,439	169,152
	Infrastructure	245,881	182,214
	Vehicles	287,256	324,723
		<u>1,173,770</u>	<u>834,661</u>

PRINCE ALBERT MUNICIPALITY NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

30	<b>FINANCE CHARGES</b>	<b>2015</b>	<b>2014</b>
		<b>R</b>	<b>R</b>
	Landfill Sites	110,411	94,373
	Finance leases	6,732	6,514
	Post Employment Health	445,178	390,430
	<b>Total finance charges</b>	<b>562,321</b>	<b>491,317</b>
31	<b>BULK PURCHASES</b>		
	Electricity	6,605,794	7,630,228
	<b>Total Bulk Purchases</b>	<b>6,605,794</b>	<b>7,630,228</b>
32	<b>CONTRACTED SERVICES</b>	<b>2015</b>	<b>2014</b>
		<b>R</b>	<b>R</b>
	Engineering	206,884	404,012
	Financial, Internal Audit, Risk	2,750,440	1,718,927
	Housing construction	20,410,377	9,945,273
	IT consulting and software licencing	831,031	890,000
	Other	47,268	841,691
	<b>Total</b>	<b>24,246,001</b>	<b>13,799,903</b>
33	<b>GENERAL EXPENSES</b>	<b>2015</b>	<b>2014</b>
		<b>R</b>	<b>R</b>
	Advertisements	59,113	247,720
	Audit Fees	2,237,157	2,056,120
	Bank Charges	140,134	176,640
	Camera Fines	19,161	140,063
	Cleaning Materials	37,170	26,803
	Commission Pre-Paid Electricity	173,571	154,984
	Computer Expenses	263,835	390,352
	Community development	-	36,892
	Deed of Transfer	9,665	12,885
	Electricity	242,894	32,980
	Electricity Cost of Sales	1,813,219	1,894,178
	Entertainment Cost	32,288	31,697
	Festivals	90,573	46,387
	Fuel and Oil	491,316	627,841
	Insurance	133,180	125,684
	Legal Fees	32,695	48,308
	Licences	6,109	38,914
	Local economic development	27,512	42,615
	Machine Rental	21,026	19,667
	Material	223,739	357,476
	Membership Fees and Levies	950,582	550,000
	Office Rental C/W's	7,778	6,000
	Postage	119,977	146,181
	Printing and Stationery	146,902	121,940
	Refuse Bags	62,133	52,658
	Rehabilitation Refuse Sites Expensed	4,336,048	1,173
	Remuneration Ward Committees	183,950	169,815
	Street Lights	27,829	61,996
	Sundry	171,433	203,004
	Telephone and communication costs	434,092	387,890
	Skills development levy	96,784	85,926
	Training	28,329	15,204
	Travel, Accommodation and Subsistence	1,401,512	1,105,287
	Valuation Costs	57,881	189,002
	Water Cost of Sales	67,146	109,585
	Water Purification: Chlorine	58,456	31,574
	Water Research: Gouritz	16,336	18,335
	Water Research: Levy	30,384	30,895
	Workman's Compensation	88,473	70,226
	Wreath and Bouquet	963	39
	<b>General Expenses</b>	<b>14,341,345</b>	<b>9,862,936</b>
34	<b>DISCLOSURE IN TERMS OF MFMA 123 (1) ( c )</b>	<b>2015</b>	<b>2014</b>
		<b>R</b>	<b>R</b>
	Operating grant expenditure per vote		
	Vote 1 - EXECUTIVE AND COUNCIL	-	-
	Vote 2 - DIRECTOR FINANCE	24,535,854	13,820,143
	Vote 3 - DIRECTOR PLANNING AND DEVELOPMENT	-	-
	Vote 4 - DIRECTOR TECHNICAL SERVICES	959,102	1,572,961
	<b>Total</b>	<b>25,494,956</b>	<b>15,393,104</b>

35

CORRECTION OF ERRORS IN TERMS OF GRAP 3

	2014 Previously reported	Adjustments for errors	Reclassification	2014 Restated
<b>STATEMENT OF FINANCIAL POSITION</b>				
Accumulated Surplus/(Deficit)	80,242,742	(391,444)	(0)	79,851,298
Long-term Liabilities	47,015	(8,317)	-	38,698
Long-term Employee benefits	3,884,059	1,002,168	(89,897)	4,796,330
Non-Current Provisions	642,055	-	1,461,011	2,103,066
Consumer deposits	374,401	-	-	374,401
Current employee benefits	1,528,289	-	89,898	1,618,187
Provisions	1,461,012	-	(1,461,012)	-
Trade and other payables	5,888,747	5,514,182	0	11,402,929
Unspent Conditional Government Grants and Receipts	9,904,570	(5,743,760)	343,760	4,504,570
Unspent Conditional Public Donations	-	-	-	-
Taxes	-	-	-	-
Bank Overdraft	-	-	-	-
Current Portion of Long-term Liabilities	54,911	-	-	54,911
<b>Total Net Assets and Liabilities</b>	<b>104,027,801</b>	<b>372,829</b>	<b>343,760</b>	<b>104,744,390</b>
Property, Plant and Equipment	75,626,400	35,350	(0)	75,661,750
Investment Property	13,858,446	-	-	13,858,446
Intangible Assets	68,474	-	-	68,474
Capitalised Restoration Costs	156,822	-	-	156,822
Inventory	623,089	-	-	623,089
Trade Receivables from exchange transactions	1,924,931	-	-	1,924,931
Receivables from non-exchange transactions	91,364	362,284	2	453,650
Unpaid Conditional Government Grants and Receipts	-	-	343,760	343,760
Lease Asset	64,376	-	-	64,376
VAT Receivable	1,859,339	414,985	(439,792)	1,834,532
Cash and Cash Equivalents	9,754,560	-	(0)	9,754,560
<b>Total Assets</b>	<b>104,027,801</b>	<b>812,620</b>	<b>(96,031)</b>	<b>104,744,390</b>
<b>REVENUE</b>				
Property taxes	2,128,648	-	-	2,128,648
Government Grants and Subsidies - Capital	19,362,912	-	1,251,153	20,614,065
Government Grants and Subsidies - Operating	22,581,250	5,400,000	195,609	28,176,859
Public Contributions and Donations	1,100	-	-	1,100
Actuarial Gains	418,226	-	-	418,226
Fines	12,579,551	-	-	12,579,551
Service Charges	13,876,277	-	-	13,876,277
Rental of Facilities and Equipment	279,909	-	(0)	279,909
Interest Earned - external investments	541,928	-	(0)	541,928
Interest Earned - outstanding debtors	562,568	-	0	562,568
Licences and Permits	256,394	-	(0)	256,394
Other Income	934,383	708,435	(1,446,762)	196,056
<b>Total Revenue</b>	<b>73,523,147</b>	<b>6,108,435</b>	<b>(0)</b>	<b>79,631,581</b>
<b>EXPENDITURE</b>				
Employee related costs	13,599,262	22,610	(1,118,772)	12,503,100
Remuneration of Councillors	2,309,463	-	-	2,309,463
Debt Impairment	13,166,869	(195,089)	(0)	12,971,779
Depreciation and Amortisation	2,218,432	(35,350)	(1)	2,183,081
Impairments	3,864,891	-	-	3,864,891
Repairs and Maintenance	829,574	5,088	(0)	834,661
Actuarial losses	-	11,288	-	11,288
Finance Charges	425,284	66,033	-	491,317
Bulk Purchases	7,630,228	-	-	7,630,228
Contracted services	6,656,069	5,385,208	1,758,626	13,799,903
General Expenses	10,452,429	50,357	(639,848)	9,862,938
Profit/Loss on disposal of Property, Plant and Equipment	56,499	-	0	56,499
<b>Total Expenditure</b>	<b>61,208,998</b>	<b>5,310,144</b>	<b>2</b>	<b>66,519,148</b>
<b>NET (DEFICIT)SURPLUS FOR THE YEAR</b>	<b>12,314,148</b>	<b>798,291</b>	<b>(2)</b>	<b>13,112,433</b>

35.1

Correction of 2013 outstanding creditors

Debit

Credit

The municipality duplicated certain transactions in the balance of the 2013 creditors.

The correction entry was

Accumulated surplus	-	(160,205)
Trade creditors	160,205	-

PRINCE ALBERT MUNICIPALITY NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

35.2	<u>Expenses not included in creditors 2014</u>	Debit	Credit
	The municipality only received invoice for expenses in 2014 financial year in 2015		
	The correction entry was		
	General Expenses	50,357	-
	Repairs and maintenance	5,088	-
	Trade creditors	-	(55,445)
35.3	<u>Old accounts for water levy</u>		
	The municipality had an dispute with the Department of Water regarding water levy accounts. The municipality agreed to an settlement amount, but the Department of Water did not write off the old accounts.		
	The correction entry was		
	Accumulated surplus	125,580	-
	Trade creditors	-	(125,580)
35.4	<u>Old payment to AARTO included in income</u>	Debit	Credit
	The municipality received certain payments for AARTO that was incorrectly included in income		
	The correction entry was		
	Accumulated surplus	4,845	-
	Trade creditors	-	(4,845)
35.5	<u>ROE return for prior years not submitted</u>	Debit	Credit
	When submitting the ROE return for the year ended 28 February 2015 the municipality realised there was prior returns outstanding, which was submitted and paid in the current year.		
	The correction entry was		
	Accumulated surplus	111,304	-
	Trade creditors	-	(111,304)
35.6	<u>Correction sundry deposits</u>	Debit	Credit
	Sundry deposits that were due to be repaid in prior years were never processed		
	The correction entry was		
	Accumulated surplus	2,505	-
	Trade creditors	-	(2,505)
35.7	<u>Housing grant invoice dated 2014 only posted 2015</u>	Debit	Credit
	An invoice for Housing grant expenditure for the 2014 year was only processed in 2015		
	The correction entry was		
	Contracted services	5,400,000	-
	Trade creditors	-	(5,400,000)
	Operating grant income	-	(5,400,000)
	Unspent conditional grants	5,400,000	-
35.8	<u>Correction of old retention incorrectly provided</u>	Debit	Credit
	An entry on the retention register dating from prior periods could not be matched with retention pay-outs		
	The correction entry was		
	Accumulated surplus	-	(10,500)
	Trade creditors	10,500	-

PRINCE ALBERT MUNICIPALITY NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

	Debit	Credit
<b>35.9</b> <u>VAT provision on debt impairment provision included in expense</u>		
The debt impairment expenses for 2014 was posted VAT inclusive		
The correction entry was		
Debt impairment	-	(195,089)
Vat Receivable	195,089	-
<b>35.10</b> <u>VAT not claimed on MIG Grant</u>		
The full VAT was not claimed on the MIG Grant due to an deemed overspending		
The correction entry was		
Other income	-	(708,435)
Other receivables	364,675	-
Unspent conditional grants	343,760	-
<b>35.11</b> <u>Correction on grant accounts</u>		
Expenses on grants were claimed in wrong financial year		
The correction entry was		
Contracted services	-	(14,792)
Trade payables	14,792	-
<b>35.12</b> <u>Difference between amortisation schedule and lease liability obligation</u>		
Expenses on grants were claimed in wrong financial year		
The correction entry was		
Accumulated surplus	-	(8,318)
Long term liabilities	8,318	-
<b>35.13</b> <u>Long service benefits not provided for</u>		
The municipality did not provide for provision for long service awards		
The correction entry was		
Accumulated surplus	873,621	-
Employee related costs	22,610	-
Finance charges	63,817	-
Actuarial loss	10,565	-
Long term employee benefits	-	(970,613)
<b>35.14</b> <u>Ex-Gratia not provided for</u>		
The municipality did not provide for provision for ex gratia awards		
The correction entry was		
Accumulated surplus	28,616	-
Finance charges	2,216	-
Actuarial loss	723	-
Long term employee benefits	-	(31,555)
<b>35.15</b> <u>Correction of sundry debtors</u>		
Sundry debtors that have prescribed in prior periods		
The correction entry was		
Accumulated surplus	2,390	-
Long term employee benefits	-	(2,390)

PRINCE ALBERT MUNICIPALITY NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

35.16	<u>Correction of VAT opening Balance</u>	Debit	Credit
	Opening balance incorrectly disclosed		
	Accumulated surplus	-	219,896
	VAT control Account	(219,896)	-
35.17	<u>Correction of Disposal on PPE</u>		
	Opening balance incorrectly disclosed		
	Accumulated surplus	-	35,350
	Loss on Disposal of PPE	(35,350)	-
36	<b>RECONCILIATION BETWEEN NET SURPLUS/(DEFICIT) FOR THE YEAR AND CASH GENERATED/(ABSORBED) BY OPERATIONS</b>		
		2015	2014
		R	R
	(Deficit) / Surplus for the year	13,083,442	13,112,433
	<u>Adjustments for:</u>		
	Depreciation	1,728,875	2,196,898
	Amortisation of intangible Assets	15,554	21,535
	Loss on disposal of PPE	108,386	56,499
	Contribution to provisions	5,766,777	98,637
	Debt impairment	5,223,754	12,971,779
	Impairment written off	-	3,864,891
	Operating lease income accrued	9,507	(8,218)
	Operating (Deficit)/Surplus before changes in working capital	25,936,295	32,314,454
	Changes in working capital	(10,262,282)	(4,608,328)
	(Decrease)/Increase in Trade and Other Payables	(8,269,798)	9,265,049
	(Decrease) in Unspent Conditional Government Grants and Receipts	2,508,774	1,183,351
	Increase/(Decrease) in Taxes	924,958	(1,614,904)
	(Increase) in Inventory	(84,662)	(78,250)
	(Increase)/Decrease in Gross Debtors from exchange and non exchange	(5,795,355)	(13,203,119)
	(Decrease)/Increase in Employee benefits	110,041	183,305
	(Increase)/Decrease in Unpaid Conditional Government Grants and Receipts	343,760	(343,760)
	<b>Cash (absorbed)/generated by operations</b>	<b>15,674,013</b>	<b>27,706,126</b>
37	<b>CASH AND CASH EQUIVALENTS</b>	2015	2014
		R	R
	Cash and cash equivalents included in the cash flow statement comprise the following:		
	Call Investments Deposits - Note 18	10,980,159	9,338,985
	Cash Floats - Note 18	1,700	1,700
	Bank - Note 18	558,475	54,221
	<b>Total cash and cash equivalents</b>	<b>11,540,334</b>	<b>9,394,906</b>
38	<b>RECONCILIATION OF AVAILABLE CASH AND INVESTMENT RESOURCES</b>	2015	2014
		R	R
	Cash and Cash Equivalents - Note 37	11,540,334	9,394,906
	Less:	11,540,334	9,394,906
	Unspent Committed Conditional Grants - Note 8	7,013,344	4,504,570
	<b>Resources available for working capital requirements</b>	<b>4,526,990</b>	<b>4,890,336</b>
39	<b>UTILISATION OF LONG-TERM LIABILITIES RECONCILIATION</b>	2015	2014
		R	R
	Long-term Liabilities - Note 2	74,943	93,609
	Used to finance property, plant and equipment - at cost	(74,943)	(93,609)

Long-term liabilities have been utilized in accordance with the Municipal Finance Management Act.

40 UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED		2015	2014
		R	R
40.1	<b>Unauthorised expenditure</b>		
Reconciliation of unauthorised expenditure:			
	Opening balance	48,192,901	24,230,236
	Unauthorised expenditure current year - capital	-	6,090,033
	Unauthorised expenditure current year - operating	75,109	17,362,969
	Unauthorised expenditure current year - Unspent grants utilised to fund operating expenditure	-	509,664
	Written off by council	-	-
	Unauthorised expenditure awaiting authorisation	48,268,010	48,192,901

Incident	Disciplinary steps/criminal proceedings
Over expenditure of approved budget	None

	2015	2015	2015
	R	R	R
	(Actual)	(Budget)	(Unauthorised)
<b>Unauthorised expenditure current year - operating</b>			
Vote 1 - EXECUTIVE AND COUNCIL	4,972,727	4,897,618	75,109
Vote 2 - DIRECTOR FINANCE	30,553,494	32,078,433	-
Vote 3 - DIRECTOR PLANNING AND DEVELOPMENT	5,924,602	6,087,322	-
Vote 4 - DIRECTOR TECHNICAL SERVICES	29,870,110	31,998,201	-
	<u>71,320,933</u>	<u>75,061,574</u>	<u>75,109</u>
<b>Unauthorised expenditure current year - capital</b>			
Vote 2 - DIRECTOR FINANCE	-	250,153	-
Vote 3 - DIRECTOR PLANNING AND DEVELOPMENT	1,760,781	19,000,000	-
Vote 4 - DIRECTOR TECHNICAL SERVICES	10,952,710	14,671,368	-
	<u>12,713,491</u>	<u>33,921,521</u>	<u>-</u>

40.2 UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED		2015	2014
		R	R
40.2	<b>Fruitless and wasteful expenditure</b>		
Reconciliation of fruitless and wasteful expenditure:			
	Opening balance	-	-
	Fruitless and wasteful expenditure current year	-	137,240
	Written off by council	-	(137,240)
	Transfer to receivables for recovery	-	-
	Fruitless and wasteful expenditure awaiting further action	-	-

40.3	<b>Irregular expenditure</b>		
	Opening balance	7,016,090	7,016,090
	Irregular expenditure current year	7,990,065	-
	Written off by council	(7,990,065)	-
	Transfer to receivables for recovery	-	-
	Irregular expenditure awaiting further action	7,016,090	7,016,090

Incident	Disciplinary steps/criminal proceedings
Non compliance with SCM during 2015	None

40.4 Material Losses		2015	2014
		R	R
<b>Water distribution losses</b>			
- Kilo litres disinfected/purified/purchased		486,945	525,678
- Kilo litres lost during distribution		42,364	43,392
- Percentage lost during distribution		8.70%	8.25%
- Value of distribution losses		R 98,441	R 198,735
<b>Electricity distribution losses</b>			
- Units purchased (Kwh)		10,761,168	10,570,777
- Units lost during distribution (Kwh)		888,682	1,859,766
- Percentage lost during distribution		8.26%	17.59%
- Value of distribution losses		R 663,796	R 1,670,256

41 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT

		2015	2014
		R	R
41.1	<b>Contributions to organised local government - [MFMA 125 (1)(b)] - SALGA CONTRIBUTIONS</b>		
	Opening balance	250,000	100,000
	Council subscriptions	500,000	450,000
	Amount paid - current year	(750,000)	(300,000)
	Amount paid - previous years	-	-
	<b>Balance unpaid (included in creditors)</b>	<b>-</b>	<b>250,000</b>
41.2	<b>Audit fees - [MFMA 125 (1)(b)]</b>		
	Opening balance	-	-
	Current year audit fee	2,539,972	2,056,120
	External Audit - Auditor-General	2,539,972	2,056,120
	Amount paid - current year	(2,237,157)	(2,056,120)
	Amount paid - previous year	-	-
	<b>Balance unpaid (included in creditors)</b>	<b>302,815</b>	<b>-</b>
41.3	<b>VAT - [MFMA 125 (1)(b)]</b>		
	Opening balance	1,678,116	458,903
	VAT inputs	3,382,844	1,757,402
	VAT outputs	(2,173,310)	(326,382)
	Paid	-	247,096
	Received	(2,408,630)	(458,903)
	<b>Closing balance - Receivable</b>	<b>479,020</b>	<b>1,678,116</b>
	Vat control account	479,020	1,678,116
	VAT is payable/receivable on the cash basis. VAT is only paid over to SARS once cash is received from debtors and only claimed from SARS once payment is made to creditors.		
41.4	<b>PAYE, SDL and UIF - [MFMA 125 (1)(b)]</b>		
	Opening balance	-	-
	Current year payroll deductions and Council Contributions	2,401,365	2,023,300
	Amount paid - current year	(2,401,365)	(2,023,300)
	<b>Balance unpaid (included in creditors)</b>	<b>-</b>	<b>-</b>
41.5	<b>Pension and Medical Aid Deductions - [MFMA 125 (1)(b)]</b>		
	Opening balance	-	-
	Current year payroll deductions and Council Contributions	2,080,299	1,916,874
	Amount paid - current year	(2,080,299)	(1,916,874)
	<b>Balance unpaid (included in creditors)</b>	<b>-</b>	<b>-</b>

41.6 Councillor's arrear consumer accounts - [MFMA 125 (1)(b)]

The following Councillors had arrear accounts for more than 90 days as at 30 June 2015:

	Outstanding	Outstanding
Total Councillor Arrear Consumer Accounts	-	-

Councillor Windvogel was in arrears for more than 90 days during the year under review, but has settled his account

41.7 Non-compliance with the Municipal Finance Management Act

Deviations of the Supply Chain Management Regulations were identified on the following categories:

	Sole Supplier	Emergency	Other	Total
Deviations from SCM	652,434	85,575	475,700	1,213,709

The SCM deviations were noted by Council at it's monthly meetings held.

The council on one occasion submitted the section 71 report late namely: October 2014

42 **CAPITAL COMMITMENTS**

Commitments in respect of capital expenditure:

Approved and contracted for:

	2015 R	2014 R
Approved and contracted for:	6,483,982	9,901,464

Total commitments consist out of the following:

Infrastructure and Sports Fields	6,483,982	1,040,713
Leeu Gamka Housing	-	8,860,751
	<u>6,483,982</u>	<u>9,901,464</u>

This expenditure will be financed from:

Government Grants	6,483,982	9,901,464
	<u>6,483,982</u>	<u>9,901,464</u>

43 **FINANCIAL RISK MANAGEMENT**

The activities of the municipality expose it to a variety of financial risks, including market risk (comprising fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The municipality's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the municipality's financial performance.

(a) **Foreign Exchange Currency Risk**

The municipality does not engage in foreign currency transactions.

(b) **Price risk**

The municipality is not exposed to price risk.

(c) **Interest Rate Risk**

As the municipality has significant interest-bearing liabilities, the entity's income and operating cash flows are substantially dependent on changes in market interest rates.

The municipality analyses its potential exposure to interest rate changes on a continuous basis. Different scenarios are simulated which include refinancing, renewal of current positions, alternative financing and hedging. Based on these scenarios, the entity calculates the impact that a change in interest rates will have on the surplus/deficit for the year. These scenarios are only simulated for liabilities which constitute the majority of interest bearing liabilities.

The municipality did not hedge against any interest rate risks during the current year.

The potential impact on the entity's surplus/deficit for the year due to changes in interest rates were as follow:

1% (2012 - 0.5%) Increase in interest rates	114,637	51,382
0.5% (2012 - 0.5%) Decrease in interest rates	(57,318)	(25,691)

(d) Credit Risk

Credit risk is the risk that a counter party to a financial or non-financial asset will fail to discharge an obligation and cause the municipality to incur a financial loss.

Credit risk consist mainly of cash deposits, cash equivalents, trade and other receivables and unpaid conditional grants and subsidies.

Trade and other debtors are disclosed net after provisions are made for impairment and bad debts. Trade debtors comprise of a large number of ratepayers, dispersed across different sectors and geographical areas. On-going credit evaluations are performed on the financial condition of these debtors. Credit risk pertaining to trade and other debtors is considered to be moderate due the diversified nature of debtors and immaterial nature of individual balances. In the case of consumer debtors the municipality effectively has the right to terminate services to customers but in practice this is difficult to apply. In the case of debtors whose accounts become in arrears, Council endeavours to collect such accounts by "levying of penalty charges", "demand for payment", "restriction of services" and, as a last resort, "handed over for collection", whichever procedure is applicable in terms of Council's Credit Control and Debt Collection Policy.

All rates and services are payable within 30 days from invoice date. Refer to note 15 and 16 for all balances outstanding longer than 30 days. These balances represent all debtors at year end which defaulted on their credit terms. Also refer to note 15 for balances included in receivables that were re-negotiated for the period under review.

Balances past due not impaired:

<u>Exchange Debtors</u>				
Electricity	5.10%	457,566	6.40%	415,247
Water	2.17%	194,284	3.24%	210,104
Refuse	1.36%	121,806	1.79%	116,404
Sewerage	0.94%	83,971	4.28%	278,109
Other	0.16%	14,073	0.48%	30,866
	<u>9.72%</u>	<u>871,690</u>	<u>16.18%</u>	<u>1,050,730</u>

No trade and other receivables are pledged as security for financial liabilities.

Due to the short term nature of trade and other receivables the carrying value disclosed in note 15 and 16 of the financial statements is an approximation of its fair value. Interest on overdue balances are included at prime lending rate plus 1% where applicable.

The provision for bad debts could be allocated between the different classes of debtors as follows:

	2015 %	2015 R	2014 %	2014 R
<u>Exchange Debtors</u>				
Electricity	4.79%	429,438	9.30%	603,697
Water	44.48%	3,991,221	39.04%	2,534,507
Refuse	23.62%	2,119,378	21.15%	1,372,889
Sewerage	25.38%	2,277,563	26.63%	1,729,055
Other	1.72%	154,628	0.50%	252,387
	<u>100.00%</u>	<u>8,972,217</u>	<u>100%</u>	<u>6,492,536</u>

The provision for bad debts could be allocated between the different categories of debtors as follows:

Government	2.31%	207,486	0.00%	-
Commercial	2.70%	241,973	1.89%	123,003
Municipal	0.00%	-	0.00%	-
Residential	94.40%	8,469,541	97.31%	6,317,951
Other	0.59%	53,217	0.79%	51,582
	<u>100.00%</u>	<u>8,972,217</u>	<u>100%</u>	<u>6,492,536</u>

The entity only deposits cash with major banks with high quality credit standing. No cash and cash equivalents were pledged as security for financial liabilities and no restrictions were placed on the use of any cash and cash equivalents for the period under review. Although the credit risk pertaining to cash and cash equivalents are considered to be low, the maximum exposure are disclosed below.

The risk pertaining to unpaid conditional grants and subsidies are considered to be very low. Amounts are receivable from national and provincial government and there are no expectation of counter party default.

Long-term Receivables and Other Debtors are individually evaluated annually at Balance Sheet date for impairment.

	2015 R	2014 R
Financial assets exposed to credit risk at year end are as follows:		
Trade receivables and other receivables	2,950,182	2,378,581
Cash and Cash Equivalents	11,540,334	9,754,560
Unpaid conditional grants and subsidies	-	343,760
	<u>14,490,516</u>	<u>12,476,901</u>

(e) Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying business, the treasury maintains flexibility in funding by maintaining availability under credit lines.

The entity's risk to liquidity is a result of the funds available to cover future commitments. The entity manages liquidity risk through an on-going review of future commitments and credit facilities.

The table below analyses the entity's financial liabilities into relevant maturity groupings based on the remaining period at the financial year end to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Less than 1 year	Between 1 and 5 years	Between 5 and 10 years	Over 10 Years
<b>2015</b>				
Non-Current Provisions	-	3,664,161	-	35,219,382
Capital repayments	-	3,142,738	-	4,727,105
Interest	-	521,423	-	30,492,276
Long Term liabilities	65,102	17,557	-	-
Capital repayments	60,984	13,959	-	-
Interest	4,118	3,598	-	-
Trade and Other Payables	3,133,131	-	-	-
Unspent conditional government grants and receipts	7,013,344	-	-	-
Cash and Cash Equivalents	-	-	-	-
	<u>10,211,577</u>	<u>3,681,718</u>	<u>-</u>	<u>35,219,382</u>
	<b>Less than 1 year</b>	<b>Between 1 and 5 years</b>	<b>Between 5 and 10 years</b>	<b>Over 10 Years</b>
<b>2014</b>				
Non-Current Provisions	-	-	-	2,103,066
Capital repayments	-	-	-	2,103,066
Interest	-	-	-	-
Long Term liabilities	37,863	32,940	-	-
Capital repayments	44,434	38,698	-	-
Interest	6,571	5,758	-	-
Trade and Other Payables	11,402,929	-	-	-
Unspent conditional government grants and receipts	4,504,570	-	-	-
Cash and Cash Equivalents	-	-	-	-
	<u>15,945,362</u>	<u>32,940</u>	<u>-</u>	<u>2,103,066</u>

PRINCE ALBERT MUNICIPALITY NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

		2015 R	2014 R
44	<b>FINANCIAL INSTRUMENTS</b>		
	In accordance with GRAP 104 the financial instruments of the municipality are classified as follows: The fair value of financial instruments approximates the amortised costs as reflected below.		
44.1	<b>Financial Assets</b>		
	<b>Consumer Debtors</b>		
	Trade receivables from exchange transactions	1,792,053	1,924,931
	<b>Short-term Investment Deposits</b>		
	Call Deposits	10,980,159	9,338,985
	<b>Bank Balances and Cash</b>		
	Bank Balances	558,475	413,875
	Cash Floats and Advances	1,700	1,700
		<u>13,332,387</u>	<u>11,679,491</u>
	<b>SUMMARY OF FINANCIAL ASSETS</b>		
	Financial instruments at amortised cost	13,332,387	11,679,491
	At amortised cost	<u>13,332,387</u>	<u>11,679,491</u>
	<b>FINANCIAL INSTRUMENTS (CONTINUE)</b>		
44.2	<b>Financial Liability</b>		
	<b>Long-term Liabilities</b>		
	Capitalised Lease Liability	13,959	38,698
	<b>Trade Payables</b>		
	Trade creditors	2,223,619	10,300,300
	Debtors with credit balances	376,529	460,607
	Retentions	528,983	638,022
	Deposits	4,000	4,000
	Other		
	<b>Current Portion of Long-term Liabilities</b>		
	Capitalised Lease Liability	60,984	54,911
		<u>3,208,074</u>	<u>11,496,537</u>
	<b>SUMMARY OF FINANCIAL LIABILITY</b>		
	Financial instruments at amortised cost	<u>3,208,074</u>	<u>11,496,537</u>
45	<b>STATUTORY RECEIVABLES</b>		
	<b>Taxes</b>		
	VAT receivable	<u>909,574</u>	<u>1,834,532</u>
	<b>Other receivables for non exchange transactions</b>		
	Rates	588,218	583,337
	Traffic fines	7,262,271	11,538,891
		<u>7,850,489</u>	<u>12,122,228</u>

46 **EVENTS AFTER THE REPORTING DATE**  
The municipality has no events after reporting date during the financial year ended 2014/2015.

47 **IN-KIND DONATIONS AND ASSISTANCE**  
The municipality did not receive any in-kind donations or assistance during the year under review.

48 **PRIVATE PUBLIC PARTNERSHIPS**  
Council has not entered into any private public partnerships during the financial year.

49 **CONTINGENT LIABILITY**

**Schedule of contingent liabilities**

The municipality are not aware of any current claims against the municipality

50 **RELATED PARTIES**

50.1 **Related Parties**

**Councillors**

G. Lottering	Mayor
N.D. Jaftha	Speaker
N.S. Abrahams	Deputy Mayor
I.J. Windvogel	Councillor
L. Jaquet	Councillor
S. Botes	Councillor
C. Stols	Councillor

**Key Management**

H.F.W. Mettler	Municipal Manager
J.D. Neethling	Chief Financial Officer
A. Vorster	Director Corporate / Community Services
J. Lesch	Director Technical Services

50.2 **Related Party Transactions**

The rates, service charges and other charges are in accordance with approved tariffs that were advertised to the public. No bad debt expenses have been recognised in respect of amounts owed by related parties.

50.3 **Related Party Loans**

Since 1 July 2004 loans to councillors and senior management employees are not permitted.

50.4 **Compensation of key management personnel**

The compensation of key management personnel is set out in note 24 to the Annual Financial Statements.

50.5 **Other related party transactions**

The following purchases were made during the year where Councillors or staff have an interest:

None

PRINCE ALBERT MUNICIPALITY NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

16 PROPERTY, PLANT AND EQUIPMENT

30 JUNE 2015

Reconciliation of Carrying Value

	Cost					Accumulated Impairments			Accumulated Depreciation					Carrying Value		
	Opening Balance R	Transfers R	Correction of Error R	Additions R	Disposals R	Closing Balance R	Opening Balance R	Additions R	Closing Balance R	Opening Balance R	Transfers R	Correction of Error R	Depreciation R		Disposals R	Closing Balance R
<b>Land and Buildings</b>	7,492,216	-	-	-	-	7,492,216	2,484,877	-	2,484,877	184,180	-	-	37,472	-	221,652	4,786,307
Land	3,708,179	-	-	-	-	3,708,179	1,544,685	-	1,544,685	-	-	-	-	-	-	2,163,494
Buildings	3,784,037	-	-	-	-	3,784,037	940,192	-	940,192	184,180	-	-	37,472	-	221,652	2,622,815
<b>Infrastructure</b>	63,786,321	-	-	10,447,842	-	74,234,163	-	-	-	8,797,712	-	-	10,956,791	-	19,754,503	54,479,660
Main: Roads	13,870,774	-	-	-	-	13,870,774	-	-	-	3,050,708	-	-	353,190	-	3,403,898	10,466,876
Main: Waste Management	14,413,599	-	-	-	-	14,413,599	-	-	-	1,570,800	-	-	317,558	-	1,888,358	12,525,241
Main: Electricity	2,751,771	-	-	-	-	2,751,771	-	-	-	1,203,399	-	-	68,282	-	1,271,681	1,480,090
Main: Water	13,547,360	-	-	8,300,545	-	21,847,905	-	-	-	2,778,010	-	-	327,671	-	3,105,681	18,742,224
Taxi Parks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Airfield	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Work in Progress	14,172,907	-	-	4,142,097	-	18,315,004	-	-	-	-	-	-	-	-	-	18,315,004
Reservoirs/Tanks and Pumps	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Community Assets</b>	14,967,891	-	-	1,391,828	-	16,359,719	-	-	-	396,350	-	-	113,742	-	510,092	15,849,627
Recreation Grounds	5,444,883	-	-	-	-	5,444,883	-	-	-	11,800	-	-	2,250	-	13,850	5,431,033
One Buildings	5,885,843	-	-	-	-	5,885,843	-	-	-	85,498	-	-	87,580	-	163,048	5,722,795
Transfer Station	392,901	-	-	-	-	392,901	-	-	-	120,959	-	-	-	-	271,942	120,959
Libraries	1,177,450	-	-	-	-	1,177,450	-	-	-	59,554	-	-	11,862	-	71,416	1,106,034
Swimming Pools	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bus Terminals	78,670	-	-	-	-	78,670	-	-	-	3,050	-	-	-	-	3,050	75,620
Work in Progress	188,473	-	-	1,851,526	-	2,040,000	-	-	-	-	-	-	-	-	-	2,040,000
Genitany	51,950	-	-	-	-	51,950	-	-	-	-	-	-	-	-	-	51,950
Museum	1,437,000	-	-	-	-	1,437,000	-	-	-	57,798	-	-	11,251	-	69,049	1,367,951
<b>Lease Assets</b>	291,919	(61,289)	-	49,445	-	280,075	-	-	-	153,793	-	-	43,738	-	197,531	82,544
Office Equipment	291,919	(61,289)	-	49,445	-	280,075	-	-	-	153,793	(36,207)	-	43,738	-	157,324	123,751
<b>Heritage Assets</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Other Assets</b>	4,862,632	61,289	-	228,540	(418,783)	4,673,678	225,111	-	225,111	2,534,737	38,297	-	431,895	(859,835)	2,696,814	1,976,864
Motor Vehicles	1,072,323	-	-	96,332	-	1,168,655	255,111	-	255,111	394,913	-	-	97,553	-	492,466	676,189
Plant and Equipment	481,165	-	-	25,811	(76,001)	430,975	-	-	-	257,447	-	-	57,389	(51,899)	262,837	169,330
Office Equipment	386,480	-	-	-	-	386,480	-	-	-	298,122	-	-	36,139	-	324,261	52,219
Furniture and Equipment	721,884	9,044	-	23,835	(56,082)	798,701	-	-	-	99,218	8,027	-	63,652	(65,370)	107,437	290,081
Lease Equipment	220,272	-	-	-	-	220,272	-	-	-	60,975	-	-	-	-	60,975	159,297
Computer Equipment	827,641	52,248	-	71,763	(189,339)	762,313	-	-	-	582,122	33,180	-	64,871	(68,230)	614,953	200,550
Specialized Vehicles	1,150,670	-	-	-	-	1,150,670	-	-	-	566,133	-	-	85,400	(43,439)	612,094	537,664
Security Items	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fire Fighting Equipment	1,081	-	-	-	-	1,081	-	-	-	1,538	-	-	-	-	1,538	453
<b>Total</b>	<b>90,441,721</b>	<b>-</b>	<b>-</b>	<b>12,554,254</b>	<b>(418,783)</b>	<b>102,577,192</b>	<b>2,709,988</b>	<b>-</b>	<b>2,709,988</b>	<b>12,369,984</b>	<b>39,297</b>	<b>-</b>	<b>1,882,558</b>	<b>(899,835)</b>	<b>13,441,967</b>	<b>89,135,214</b>

PRINCE ALBERT MUNICIPALITY NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

30 JUNE 2014

Reconciliation of Carrying Value

	Cost					Accumulated Impairments			Accumulated Depreciation					Carrying Value		
	Opening Balance	Transfers	Correction of Error	Additions	Disposals	Opening Balance	Additions	Closing Balance	Opening Balance	Transfers	Correction of Error	Depreciation	Disposals		Closing Balance	
	R	R	R	R	R	R	-R	R	R	R	R	R	R	R		
Land and Buildings	7,177,716	75,700	-	-	-	7,492,816	-	2,484,877	2,484,877	148,283	-	37,356	-	184,469	4,813,779	
Land	3,030,479	75,700	-	-	-	3,706,179	-	1,544,885	1,544,885	-	-	-	-	-	2,161,294	
Buildings	3,786,637	-	-	-	-	3,786,637	-	939,992	939,992	148,283	-	37,356	-	184,469	2,662,465	
Infrastructure	43,899,449	-	-	29,859,732	-	63,759,181	-	-	-	7,765,064	-	(8,635)	1,841,283	8,787,712	54,981,469	
Main Roads	13,520,108	137,083	-	213,602	-	13,870,774	-	-	-	2,938,337	-	-	362,373	3,260,709	10,620,065	
Main Waste Management	13,865,624	-	-	547,846	-	14,413,599	-	-	-	1,240,016	-	-	330,586	1,570,600	12,842,999	
Main Electricity	2,751,771	-	-	-	-	2,751,771	-	-	-	1,142,339	-	-	81,054	1,203,393	1,548,378	
Main Water	12,258,102	-	-	-	-	12,258,102	-	-	-	2,494,375	-	(4,036)	287,271	2,773,010	9,565,092	
Tid Ranks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Airfield	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Work in Progress	1,224,044	(197,063)	-	18,295,185	-	20,382,166	-	-	-	-	-	-	-	-	20,382,166	
Reservoir/Tanks and Pumps	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Community Assets	13,840,488	-	-	138,473	-	14,022,371	-	-	-	275,222	-	-	124,288	399,622	13,628,359	
Recreation Grounds	5,444,883	-	-	-	-	5,444,883	-	-	-	9,321	-	-	2,283	11,603	5,433,280	
Club Buildings	291,600	4,706,343	-	-	-	5,006,943	-	-	-	32,265	-	-	50,704	85,489	5,071,454	
Transfer Station	252,001	-	-	-	-	252,001	-	-	-	130,016	-	-	41,843	170,858	122,042	
Libraries	1,177,490	-	-	-	-	1,177,490	-	-	-	48,090	-	-	11,776	99,894	1,117,596	
Swimming Pools	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Bus Terminal	78,670	-	-	-	-	78,670	-	-	-	3,213	-	-	787	3,999	74,671	
Work in Progress	4,705,543	(4,705,343)	-	188,473	-	488,473	-	-	-	-	-	-	-	-	488,473	
Cemetery	51,890	-	-	-	-	51,890	-	-	-	-	-	-	-	-	51,890	
Museum	1,137,000	-	-	-	-	1,137,000	-	-	-	48,428	-	-	11,870	67,798	1,079,202	
Lease Assets	291,919	-	-	-	-	291,919	-	-	-	85,717	-	-	58,876	132,793	138,126	
Office Equipment	201,916	-	-	-	-	201,916	-	-	-	85,717	-	-	58,876	103,705	123,111	
Heritage Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Buildings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other Assets	4,771,753	-	99,940	198,888	(125,418)	4,882,255	-	225,111	225,111	1,932,091	-	55,125	635,911	2,544,737	2,102,787	
Motor Vehicles	1,162,399	-	-	-	(80,033)	1,072,323	-	225,111	225,111	286,823	-	-	197,329	394,013	678,290	
Fleet and Equipment	407,157	-	35,904	37,827	(3,024)	481,185	-	-	-	184,091	-	-	24,253	257,447	223,738	
Office Equipment	394,338	-	-	-	(2,850)	391,488	-	-	-	231,920	-	-	43,508	286,162	115,326	
Furniture and Equipment	630,711	-	2,217	88,581	(5,805)	725,884	-	-	-	501,980	-	1,140	93,363	312,418	413,466	
Lease Equipment	220,273	-	-	-	-	220,273	-	-	-	38,222	-	-	22,752	60,974	159,300	
Computer Equipment	880,236	-	268	18,621	(24,805)	923,941	-	-	-	399,499	-	187	121,291	522,182	401,759	
Specialized Vehicles	1,115,000	-	18,519	16,250	-	1,150,070	-	-	-	401,819	-	7,545	197,259	596,133	553,937	
Security Items	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Fire Fighting Equipment	1,091	-	-	-	-	1,091	-	-	-	1,358	-	-	181	1,539	452	
	79,659,334	75,700	59,240	26,405,285	(125,418)	96,441,721	-	2,789,985	2,789,985	18,234,987	-	24,490	1,897,187	(86,789)	12,088,884	75,561,758

**APPENDIX A - Unaudited**  
**PRINCE ALBERT LOCAL MUNICIPALITY**  
**SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2015**

<b>EXTERNAL LOANS</b>	<b>Rate</b>	<b>Redeemable</b>	<b>Balance at 30 JUNE 2014</b>	<b>Balance at 30 JUNE 2014 Restated</b>	<b>Received during the period</b>	<b>Redeemed written off during the period</b>	<b>Balance at 30 JUNE 2015</b>
<b>ANNUITY LOANS</b>							
<b>Total Annuity Loans</b>			-	-	-	-	-
<b>LEASE LIABILITY</b>							
7 Tablets - old			10,885	4,745		4,745	0
7 Tablets - new					49,445	13,199	36,246
Minolta B283			21,483	21,416		10,008	11,408
Minolta B501			43,505	41,395		19,321	22,074
Minolta C280			25,263	25,263		20,048	5,215
Minolta B250			790	790		790	0
<b>TOTAL EXTERNAL LOANS</b>			<b>101,927</b>	<b>93,609</b>	<b>49,445</b>	<b>68,110</b>	<b>74,944</b>

APPENDIX B - Unaudited  
PRINCE ALBERT LOCAL MUNICIPALITY  
DISCLOSURES OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 OF 2003

Grant Description	Balance 30 JUNE 2014	Correction of error	Balance 30 JUNE 2014	Grants Received	Capital Expenditure during the year Transferred to Revenue	Operating Expenditure during the year Transferred to Revenue	VAT Recognised	Balance 30 June 2015
	R	R	R	R	R	R		R
<b>UNSPENT AND UNPAID GOVERNMENT GRANTS</b>								
<b>National Government Grants</b>								
Equitable Share	-	-	-	13,047,000	-	13,047,000	-	-
Local Government Financial Management Grant	-	-	-	1,600,000	-	1,530,063	69,937	-
Municipal Infrastructure Grant	-	-	(343,760)	7,377,000	5,992,333	207,704	833,203	-
Municipal Systems Improvement Grant	-	-	-	934,000	-	831,031	102,969	-
Public Transport Infrastructure	-	-	-	-	-	-	-	-
EPWP	-	-	-	1,000,000	-	1,000,000	-	-
DWA Accelerated Community Infrastructure Programme	-	-	-	2,761,232	2,425,980	-	335,252	-
Integrated National Electrification Program	-	-	-	2,000,000	1,826,443	-	171,557	-
<b>Total National Government Grants</b>	-	-	(343,760)	28,719,232	10,246,756	16,615,798	1,512,018	-
<b>Provincial Government Grants</b>								
Sport & Recreation	-	-	200,000	-	-	200,000	-	-
Financial Management Improvement Grant	840,713	-	840,713	300,000	-	1,101,005	39,708	-
CDW	-	-	-	69,952	-	69,952	-	-
Thusong Centre	3,105	-	3,105	222,000	-	225,105	-	-
Roads Maintenance	-	-	-	24,709	-	24,709	-	-
Housing Beneficiaries	8,860,751	(8,133,943)	726,808	22,352,035	1,760,781	20,410,376	-	907,686
Accelerated housing	-	2,733,943	2,733,943	3,000,000	737,691	-	90,594	4,905,658
Infrastructure support grant	-	-	-	1,200,000	-	-	-	1,200,000
Performance management grant	-	-	-	150,000	-	150,000	-	-
Ignite Compliance Model	-	-	-	47,000	-	47,000	-	-
Library Grant	-	-	-	1,123,000	-	1,123,000	-	-
<b>Total Provincial Government Grants</b>	9,704,569	(5,400,000)	4,504,569	28,488,696	2,498,472	23,361,147	130,302	7,013,344
<b>Other Grant Providers</b>								
EPWP District Mun.	-	-	-	248,700	-	248,700	-	-
<b>Total Other Grant Providers</b>	-	-	-	248,700	-	248,700	-	-
<b>Total</b>	<b>9,704,569</b>	<b>(5,400,000)</b>	<b>4,160,809</b>	<b>57,456,628</b>	<b>12,745,228</b>	<b>40,215,645</b>	<b>1,643,220</b>	<b>7,013,344</b>

**APPENDIX C(1) - Unaudited**  
**PRINCE ALBERT LOCAL MUNICIPALITY**  
**NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015**  
**REVENUE AND EXPENDITURE (STANDARD CLASSIFICATION)**

Description	2014/2015							2013/2014
	Original Budget	Budget Adjustments (i.e. MFMA s26)	Final adjustments budget	Actual Outcome	Variance of Actual Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Restated Audited Outcome
<b>R thousand</b>								
<b>Revenue - Standard</b>								
<i>Governance and administration</i>	38,966	31,779	70,745	50,787	(19,958)	71.8%	130.3%	44,583
Executive and council	1,903	(50)	1,853	1,853	-	100.0%	97.4%	1,798
Budget and treasury office	36,235	31,839	68,074	48,088	(19,986)	70.6%	132.7%	41,795
Corporate services	828	(10)	818	846	28	103.4%	102.2%	991
<i>Community and public safety</i>	6,407	4,620	11,027	6,106	(4,921)	55.4%	95.3%	14,383
Community and social services	1,919	(220)	1,699	1,702	3	100.2%	88.7%	1,014
Sport and recreation	283	-	283	283	-	100.0%	100.0%	283
Public safety	4,205	4,840	9,045	4,122	(4,923)	45.6%	98.0%	13,087
Housing	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>	1,712	-	1,712	1,672	(40)	97.7%	97.7%	1,024
Planning and development	200	-	200	200	-	100.0%	100.0%	200
Road transport	1,512	-	1,512	1,472	(40)	97.3%	97.3%	824
Environmental protection	-	-	-	-	-	-	-	-
<i>Trading services</i>	22,402	3,108	25,502	25,840	337	101.3%	115.3%	21,521
Electricity	13,292	582	13,874	14,056	182	101.3%	105.7%	11,661
Water	3,899	743	4,642	5,319	677	114.6%	136.4%	4,377
Waste water management	3,261	1,079	4,340	3,768	(572)	86.8%	115.5%	3,050
Waste management	1,950	697	2,646	2,695	50	101.9%	138.3%	2,433
<i>Other</i>	-	-	-	-	-	-	-	-
<b>Total Revenue - Standard</b>	<b>69,487</b>	<b>39,499</b>	<b>108,986</b>	<b>84,404</b>	<b>(24,582)</b>	<b>77.4%</b>	<b>121.5%</b>	<b>81,512</b>
<b>Expenditure - Standard</b>								
<i>Governance and administration</i>	27,189	13,147	40,337	38,942	(1,395)	96.5%	143.2%	31,339
Executive and council	4,568	330	4,898	4,973	75	101.5%	108.9%	4,595
Budget and treasury office	19,462	12,616	32,078	30,553	(1,525)	95.2%	157.0%	23,589
Corporate services	3,160	201	3,361	3,416	55	101.6%	108.1%	3,155
<i>Community and public safety</i>	5,236	6,376	11,612	6,448	(5,164)	55.5%	123.1%	14,468
Community and social services	2,177	(161)	2,016	1,815	(201)	90.0%	83.4%	1,083
Sport and recreation	287	22	309	321	12	103.9%	111.8%	378
Public safety	2,772	6,515	9,287	4,312	(4,975)	46.4%	155.5%	13,008
Housing	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>	3,773	947	4,720	4,253	(468)	90.1%	112.7%	4,349
Planning and development	435	(28)	407	382	(24)	94.0%	88.0%	432
Road transport	3,338	975	4,314	3,870	(443)	89.7%	115.9%	3,917
Environmental protection	-	-	-	-	-	-	-	-
<i>Trading services</i>	16,167	2,226	18,393	21,678	3,286	117.9%	134.1%	18,242
Electricity	10,376	354	10,730	9,603	(1,128)	89.5%	92.5%	11,380
Water	1,514	921	2,435	3,467	1,032	142.4%	229.0%	2,317
Waste water management	2,611	594	3,205	2,095	(1,109)	65.4%	80.3%	2,393
Waste management	1,665	357	2,022	6,512	4,490	322.1%	391.1%	2,152
<i>Other</i>	-	-	-	-	-	-	-	-
<b>Total Expenditure - Standard</b>	<b>52,365</b>	<b>22,696</b>	<b>75,062</b>	<b>71,321</b>	<b>(3,741)</b>	<b>95.0%</b>	<b>136.2%</b>	<b>68,399</b>
<b>Surplus/(Deficit) for the year</b>	<b>17,122</b>	<b>16,803</b>	<b>33,925</b>	<b>13,083</b>	<b>(20,841)</b>	<b>38.6%</b>	<b>76.4%</b>	<b>13,112</b>

**APPENDIX C(2) - Unaudited**  
**PRINCE ALBERT LOCAL MUNICIPALITY**  
**NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015**  
**REVENUE AND EXPENDITURE (MUNICIPAL VOTE CLASSIFICATION)**

Description	2014/2015						2013/2014	
	Original Budget	Budget Adjustments (i.L.o. MFMA s28)	Final adjustments budget	Actual Outcome	Variance of Actual Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Restated Audited Outcome
<i>R thousand</i>								
<b>Revenue by Vote</b>								
Vote 1 - EXECUTIVE AND COUNCIL	1,903	(50)	1,853	1,863	-	100.0%	97.4%	1,798
Vote 2 - DIRECTOR FINANCE	36,235	31,839	68,074	48,088	(19,986)	70.6%	132.7%	41,795
Vote 3 - DIRECTOR PLANNING AND DEVELOPMENT	2,947	(225)	2,722	2,776	54	102.0%	94.2%	2,204
Vote 4 - DIRECTOR TECHNICAL SERVICES	26,402	7,935	36,337	31,687	(4,650)	87.2%	111.6%	35,715
<b>Total Revenue by Vote</b>	<b>69,487</b>	<b>39,499</b>	<b>108,986</b>	<b>84,404</b>	<b>(24,582)</b>	<b>77.4%</b>	<b>121.5%</b>	<b>81,512</b>
<b>Expenditure by Vote to be appropriated</b>								
Vote 1 - EXECUTIVE AND COUNCIL	4,568	330	4,898	4,973	75	101.5%	108.9%	4,585
Vote 2 - DIRECTOR FINANCE	19,462	12,616	32,078	30,953	(1,525)	95.2%	157.0%	23,589
Vote 3 - DIRECTOR PLANNING AND DEVELOPMENT	5,771	316	6,087	5,925	(163)	97.3%	102.7%	4,946
Vote 4 - DIRECTOR TECHNICAL SERVICES	22,564	9,434	31,998	29,870	(2,128)	93.3%	132.4%	35,289
<b>Total Expenditure by Vote</b>	<b>52,365</b>	<b>22,696</b>	<b>75,062</b>	<b>71,321</b>	<b>(3,741)</b>	<b>95.0%</b>	<b>136.2%</b>	<b>68,399</b>
<b>Surplus/(Deficit) for the year</b>	<b>17,122</b>	<b>16,803</b>	<b>33,925</b>	<b>13,083</b>	<b>(20,841)</b>	<b>36.6%</b>	<b>76.4%</b>	<b>13,112</b>

**APPENDIX C(3) - Unaudited**  
**PRINCE ALBERT LOCAL MUNICIPALITY**  
**NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015**  
**REVENUE AND EXPENDITURE**

Description	2014/2015							2013/2014
	Original Budget	Budget Adjustments (i.e. MFMA s28)	Final adjustments budget	Actual Outcome	Variance of Actual Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Restated Audited Outcome
<b>Revenue By Source</b>								
Property rates	2,419	-	2,419	2,462	43	101.8%	101.8%	2,129
Service charges	15,571	(1,618)	13,953	17,541	3,588	125.7%	112.7%	13,876
Rental of facilities and equipment	327	-	327	273	(54)	83.6%	83.6%	280
Interest earned - external investments	360	340	700	812	112	116.1%	225.7%	542
Interest earned - outstanding debtors	500	100	600	711	111	118.5%	142.2%	563
Fines	2,683	4,840	7,523	3,582	(3,941)	47.6%	133.5%	12,580
Licences and permits	1,200	-	1,200	261	(939)	21.8%	21.8%	256
Transfers recognised - operating	29,204	10,612	39,816	40,216	399	101.0%	137.7%	28,177
Other revenue	215	1,005	1,221	4,010	2,789	328.4%	1862.6%	615
Gains on disposal of PPE	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>52,479</b>	<b>15,260</b>	<b>67,739</b>	<b>69,889</b>	<b>2,150</b>	<b>443.4%</b>	<b>133.1%</b>	<b>59,018</b>
<b>Expenditure By Type</b>								
Employee related costs	13,144	(609)	12,534	13,107	572	104.6%	99.7%	12,503
Remuneration of councillors	2,450	-	2,450	2,411	(39)	98.4%	98.4%	2,309
Debt impairment	2,100	-	2,100	5,224	3,124	248.8%	248.8%	12,972
Depreciation & asset impairment	1,705	-	1,705	1,744	39	102.3%	102.3%	6,048
Finance charges	337	-	337	562	225	166.7%	166.7%	491
Bulk purchases	9,000	(1,800)	7,100	6,806	(494)	93.0%	73.4%	7,630
Other materials	-	-	-	-	-	-	-	-
Contracted services	-	-	-	24,246	24,246	#DIV/0!	#DIV/0!	13,800
Transfers and grants	-	-	-	-	-	-	-	-
General Expenses	23,629	21,172	44,801	15,523	(29,279)	34.6%	65.7%	10,709
Loss on disposal of PPE	-	-	-	108	108	#DIV/0!	#DIV/0!	56
<b>Total Expenditure</b>	<b>52,365</b>	<b>18,863</b>	<b>71,028</b>	<b>69,531</b>	<b>(1,497)</b>	<b>380.6%</b>	<b>132.8%</b>	<b>66,519</b>
<b>Surplus/(Deficit)</b>								
Transfers recognised - capital	17,608	19,330	36,338	12,745	(23,593)	35.1%	74.9%	20,614
Contributions recognised - capital	-	-	-	-	-	-	-	-
Contributed assets	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>17,122</b>	<b>15,947</b>	<b>33,069</b>	<b>13,083</b>	<b>(19,985)</b>	<b>39.6%</b>	<b>76.4%</b>	<b>13,112</b>

**APPENDIX C(4) - Unaudited**  
**PRINCE ALBERT LOCAL MUNICIPALITY**  
**NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015**  
**CAPITAL EXPENDITURE BY VOTE, STANDARD CLASSIFICATION AND FUNDING**

Description	2014/2015						2013/2014	
	Original Budget	Budget Adjustments (i.e. MFMA s28)	Final adjustments budget	Actual Outcome	Variance of Actual Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Restated Audited Outcome
<i>R thousand</i>								
<b>Capital expenditure - Vote</b>								
<b>Multi-year expenditure</b>								
Vote 1 - EXECUTIVE AND COUNCIL	--	--	--	--	--	--	--	--
Vote 2 - DIRECTOR FINANCE	--	--	--	--	--	--	--	--
Vote 3 - DIRECTOR PLANNING AND DEVELOPMENT	--	--	--	--	--	--	--	--
Vote 4 - DIRECTOR TECHNICAL SERVICES	--	--	--	--	--	--	--	--
<b>Capital multi-year expenditure</b>								
<b>Single-year expenditure</b>								
Vote 1 - EXECUTIVE AND COUNCIL	--	--	--	--	--	--	--	--
Vote 2 - DIRECTOR FINANCE	--	--	--	--	--	--	--	--
Vote 3 - DIRECTOR PLANNING AND DEVELOPMENT	10,000	9,000	19,000	1,761	(17,239)	9.3%	17.8%	297
Vote 4 - DIRECTOR TECHNICAL SERVICES	7,918	8,369	16,287	10,959	(5,328)	67.2%	138.3%	20,408
<b>Capital single-year expenditure</b>	<b>17,918</b>	<b>17,369</b>	<b>35,287</b>	<b>12,713</b>	<b>(22,574)</b>	<b>36%</b>	<b>71%</b>	<b>20,405</b>
<b>Total Capital Expenditure - Vote</b>	<b>17,918</b>	<b>17,369</b>	<b>35,287</b>	<b>12,713</b>	<b>(22,574)</b>	<b>36%</b>	<b>71%</b>	<b>20,405</b>
<b>Capital Expenditure - Standard</b>								
<b>Governance and administration</b>								
Executive and council	--	--	--	--	--	--	--	27
Budget and treasury office	--	--	--	--	--	--	--	17
Corporate services	--	--	--	--	--	--	--	10
<b>Community and public safety</b>	<b>12,214</b>	<b>8,775</b>	<b>20,988</b>	<b>3,612</b>	<b>(17,376)</b>	<b>17.2%</b>	<b>29.6%</b>	<b>264</b>
Community and social services	--	--	--	--	--	--	--	264
Sport and recreation	2,214	(225)	1,988	1,852	(137)	93.1%	83.6%	--
Public safety	--	--	--	--	--	--	--	--
Housing	10,000	9,000	19,000	1,761	(17,239)	9.3%	17.8%	--
Health	--	--	--	--	--	--	--	--
<b>Economic and environmental services</b>	<b>1,650</b>	<b>(234)</b>	<b>1,416</b>	<b>96</b>	<b>(1,317)</b>	<b>7.0%</b>	<b>6.0%</b>	<b>9,470</b>
Planning and development	--	--	--	--	--	--	--	--
Road transport	1,650	(234)	1,416	96	(1,317)	7.0%	6.0%	9,470
Environmental protection	--	--	--	--	--	--	--	--
<b>Trading services</b>	<b>3,144</b>	<b>9,739</b>	<b>12,883</b>	<b>9,002</b>	<b>(3,881)</b>	<b>69.8%</b>	<b>286.3%</b>	<b>10,644</b>
Electricity	--	1,632	1,632	1,713	81	105.0%	#DIV/0!	6
Water	2,944	2,823	5,567	6,620	1,054	118.9%	224.9%	5,178
Waste water management	150	5,442	5,592	668	(4,924)	12.0%	445.6%	4,460
Waste management	50	42	92	--	(92)	--	--	--
Other	--	--	--	--	--	--	--	--
<b>Total Capital Expenditure - Standard</b>	<b>17,008</b>	<b>18,279</b>	<b>35,287</b>	<b>12,713</b>	<b>(22,574)</b>	<b>36%</b>	<b>75%</b>	<b>20,405</b>
<b>Funded by:</b>								
National Government	7,008	4,887	11,895	10,247	(1,648)	86.1%	146.2%	9,257
Provincial Government	10,000	13,292	23,292	2,496	(20,794)	10.7%	25.0%	10,989
District Municipality	--	--	--	--	--	--	--	--
Other transfers and grants	--	--	--	--	--	--	--	--
Transfers recognised - capital	17,008	18,179	35,167	12,745	(22,442)	36%	75%	20,245
Public contributions & donations	--	--	--	--	--	--	--	--
Borrowing	--	--	--	--	--	--	--	--
Internally generated funds	--	100	100	(32)	(132)	-31.7%	#DIV/0!	160
<b>Total Capital Funding</b>	<b>17,008</b>	<b>18,279</b>	<b>35,287</b>	<b>12,713</b>	<b>(22,574)</b>	<b>36%</b>	<b>75%</b>	<b>20,405</b>

**APPENDIX G - Unaudited**  
**PRINCE ALBERT LOCAL MUNICIPALITY**  
**NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015**  
**CASH FLOWS**

Description	2014/2015							2013/2014
	Original Budget	Budget Adjustments (i.e. MFMA s28)	Final adjustments budget	Actual Outcome	Variance of Actual Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Restated Audited Outcome
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>								
<b>Receipts</b>								
Ratepayers and other	19,455	(987)	18,468	26,112	7,644	141.4%	134.2%	15,758
Government - operating	29,093	(4,597)	24,496	40,216	15,720	164.2%	138.2%	28,177
Government - capital	17,008	7,010	24,018	12,745	(11,273)	53.1%	74.9%	20,814
Interest	360	480	840	1,523	683	181.4%	423.2%	1,104
Dividends	-	-	-	-	-	-	-	-
<b>Payments</b>								
Suppliers and employees	(46,517)	3,884	(42,633)	(64,360)	(21,727)	151.0%	138.4%	(37,456)
Finance charges	(337)	(21)	(358)	(562)	(204)	166.9%	166.7%	(491)
Transfers and Grants	-	-	-	-	-	-	-	-
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>19,061</b>	<b>5,769</b>	<b>24,830</b>	<b>15,674</b>	<b>(9,156)</b>	<b>63.1%</b>	<b>82.2%</b>	<b>27,706</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>								
<b>Receipts</b>								
Proceeds on disposal of PPE	-	-	-	-	(18,313)	-	-	53
Decrease (increase) in non-current debtors	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-
<b>Payments</b>								
Capital assets	(17,008)	(17,313)	(34,321)	(13,888)	20,434	40.5%	81.7%	(20,444)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(17,008)</b>	<b>(17,313)</b>	<b>(34,321)</b>	<b>(13,888)</b>	<b>20,434</b>	<b>40.5%</b>	<b>81.7%</b>	<b>(20,391)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>								
<b>Receipts</b>								
Short term loans	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	49	49	#DIV/0!	#DIV/0!	-
Increase (decrease) in consumer deposits	22	15	37	20	(17)	55.0%	93.0%	22
<b>Payments</b>								
Repayment of borrowing	(61)	-	(61)	(68)	(7)	111.6%	111.6%	(76)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>(39)</b>	<b>15</b>	<b>(24)</b>	<b>2</b>	<b>26</b>	<b>-6.8%</b>	<b>-4.2%</b>	<b>(54)</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>2,014</b>	<b>(11,529)</b>	<b>(9,515)</b>	<b>1,788</b>	<b>11,303</b>	<b>-18.8%</b>	<b>88.8%</b>	<b>7,262</b>
Cash/cash equivalents at the year begin:	3,241	6,513	9,755	9,755	(0)	100.0%	300.9%	2,493
Cash/cash equivalents at the year end:	5,256	(5,016)	240	11,540	11,329	4818.2%	219.6%	9,755



**Annexure B: Report of the Auditor-General**

**Annexure C: Report of the Audit and Performance Audit Committee**

# **Auditor's report**

Prince Albert Municipality

30 June 2015

# **Report of the auditor-general to the Western Cape Provincial Parliament and the council on Prince Albert Municipality**

## **Report on the financial statements.**

### **Introduction**

1. I have audited the financial statements of the Prince Albert Municipality set out on pages 2 to 82, which comprise the statement of financial position as at 30 June 2015, the statement of financial performance, statement of changes in net assets, cash flow statement, statement of comparison of budget and actual amounts for the year then ended, as well as the notes, comprising a summary of significant accounting policies and other explanatory information.

### **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 South African Standards of Generally Recognised Accounting Practice (SA standards of GRAP) and the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2014 (Act No. 10 of 2014) (DoRA), and for such internal control as the accounting officer determines is 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. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with International Standards on Auditing. 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.
4. 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.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

## **Opinion**

6. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Prince Albert Municipality as at 30 June 2015 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.

## **Emphasis of matters**

7. I draw attention to the matters below. My opinion is not modified in respect of these matters.

## **Restatement of corresponding figures**

8. As disclosed in note 35 to the financial statements, the corresponding figures for 30 June 2014 were restated as a result of errors discovered during 2014-15 in the financial statements of the municipality at, and for the year ended, 30 June 2014.

## **Material impairments**

9. As disclosed in notes 15 and 16 to the financial statements, the municipality has provided for impairment of trade receivables from exchange transactions and other receivables from non-exchange transactions in the amounts of R9 million and R7,5 million respectively.

## **Additional matters.**

10. I draw attention to the matters below. My opinion is not modified in respect of these matters.

## **Unaudited supplementary schedules**

11. The supplementary information set out on pages 83 to 89 did not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion thereon.

## **Unaudited disclosure notes**

12. In terms of section 125(2)(e) of the MFMA, the municipality is required to disclose particulars of non-compliance with the MFMA. This disclosure requirement did not form part of the audit of the financial statements and accordingly I do not express an opinion thereon.

## **Report on other legal and regulatory requirements**

13. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) and the general notice issued in terms thereof, I have a responsibility to report findings on the reported performance information against predetermined objectives for selected objectives presented in the annual performance report, non-compliance with legislation and internal control. The objective of my tests was to identify reportable findings as described under each subheading but not to gather evidence to express assurance on these matters. Accordingly, I do not express an opinion or conclusion on these matters.

## **Predetermined objectives**

14. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information for the following selected strategic objectives presented in the annual performance report of the municipality for the year ended 30 June 2015:
- Strategic Objective one: To promote sustainable integrated development through social and spatial integration that eradicates the apartheid legacy on pages 63 to 69.
  - Strategic Objective four: To provide quality, affordable and sustainable services on an equitable basis. on page 63 to 69.
  - Strategic Objective five: To maintain financial viability & sustainability through prudent expenditure, and sound financial systems on pages 63 to 69.
  - Strategic Objective seven: To enhance participatory democracy on page 63 to 69
15. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
16. I evaluated the reported performance information against the overall criteria of usefulness and reliability.
17. I evaluated the usefulness of the reported performance information to determine whether it was presented in accordance with the National Treasury's annual reporting principles and whether the reported performance was consistent with the planned objectives. I further performed tests to determine whether indicators and targets were well defined, verifiable, specific, measurable, time bound and relevant, as required by the National Treasury's *Framework for managing programme performance information*.
18. I did not identify material findings on the usefulness and reliability of the reported performance information for the selected strategic objectives as detailed in paragraph 14 of this report.

## **Additional matters**

19. Although I identified no material findings on the usefulness and reliability of the reported performance information for the selected objectives, I draw attention to the following matters:

### **Achievement of planned targets**

20. Refer to the annual performance report on pages 70 to 84 for information on the achievement of planned targets for the year.

### **Adjustment of material misstatements**

21. I identified material misstatements in the annual performance report submitted for auditing on the reported performance information for Strategic Objective four: To provide quality, affordable and sustainable services on an equitable basis, Strategic objective five: To maintain financial viability & sustainability through prudent expenditure, and sound financial systems and Strategic Objective seven: To enhance participatory democracy. As management subsequently corrected the misstatements, I

did not identify material findings on the usefulness and reliability of the reported performance information.

## Unaudited supplementary

22. The supplementary information set out on pages 85 to 98 does not form part of the annual performance report and is presented as additional information. I have not audited these schedules and accordingly, I do not express a conclusion thereon.

## Compliance with legislation

23. I performed procedures to obtain evidence that the municipality had complied with applicable legislation regarding financial matters, financial management and other related matters. My material findings on compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA, are as follows:

## Annual financial statements

24. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122 of the MFMA. Material misstatements of non-current assets, current assets, non-current liabilities and disclosure items identified by the auditors in the submitted financial statements were subsequently corrected, resulting in the financial statements receiving an unqualified audit opinion.

## Expenditure management

25. Reasonable steps were not taken to prevent irregular expenditure, as required by section 62(1)(d) of the MFMA.

## Asset management

26. An effective system of internal control for assets was not in place, as required by section 63(2)(c) of the MFMA.

## Supply chain management

27. Goods and services with a transaction value of below R200 000 were procured without obtaining the required price quotations as required by SCM regulation 17(a) & (c).
28. Contracts and quotations were awarded to bidders who did not submit a declaration on whether they are employed by the state or connected to any person employed by the state, as required by SCM regulation 13(c).
29. Contracts and quotations were awarded to providers whose tax matters had not been declared by the South African Revenue Service to be in order, as required by SCM regulation 43.
30. Bid specifications were not always drafted by bid specification committee which was composed of one or more officials of the municipality as required by SCM regulation 27(3).
31. Bid adjudication was not always done by committees which were composed in accordance with SCM regulation 29(2).

## Internal control

32. I considered internal control relevant to my audit of the financial statements, performance report and compliance with legislation. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on the annual performance report and the findings on non-compliance with legislation included in this report.

## **Leadership**

33. Leadership did not take reasonable steps to monitor the implementation management's action plan to address the prior year reported internal control deficiencies.

## **Financial and performance management**

34. Management did not develop and implement internal controls regarding financial and performance reporting. This would have prevented the material misstatements which were identified in the financial statements and performance report which required adjustment.
35. The findings on compliance with legislation, supply chain management and the lack of prevention of irregular expenditure were due to weaknesses in the control environment owing to deficiencies in monitoring activities and the effective implementation of checklists to ensure compliance with legislation. Deficiencies in review and monitoring activities and the ineffective implementation of checklists to ensure compliance with applicable legislation resulted in irregular expenditure and non-compliance with the MFMA and other key legislation.

*Auditor-General*

Cape Town

30 November 2015



AUDITOR-GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*

# **PRINS ALBERT MUNICIPALITY**

## **Report of the Audit Committee for the year ended 30 June 2015**

### **Recommended to be included in Annual Report**

The Audit Committee is a committee of the Council and in addition to having specific statutory responsibilities to the ratepayers and consumers in terms of the Municipal Finance Management Act, 2003(No56) (MFMA), the committee assist the Council.

#### **1. Terms of Reference**

Audit Committee Section 166(2) of the MFMA states that an audit committee is an independent advisory body which must 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 has adopted formal terms of reference (charter) that have been approved by Council and has executed its duties during the past financial year in accordance with these terms of reference.

#### ***a) Functions of the Audit Committee***

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:

- 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.
- In addition to above the Audit Committee also performs the function of a performance audit committee. Functions of the Performance Audit Committee 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.

## 2. Members of the Audit and Performance Audit Committee

The Committee consists of three independent non-executive members duly appointed in terms of section 166(4) of the MFMA Act

Members of the Committee for the period 1 July 2014 – 30 June 2015 included:

NAME	POSITION	PERIOD
A Dippenaar	Chairperson	1 Julie 2014 – 30 June 2015
P Theron	Member	1 Julie 2014 – 30 June 2015
N van Wyk	Member	1 Julie 2014 – 30 June 2015

The Municipal Manager, the Chief Financial Officer, Managers from departments and representatives from the internal auditors attend the committee meetings. The Committee also values the attendance by the Executive Mayor. This also served to improve communication between the Committee and Council.

The external and internal auditors have unrestricted access to the Committee

### 3. Meetings

The Audit Committee held four meetings during this period. Details of the Committee members attendance at meetings is set out in the table below.

MEMBER	25 August 2014	7 May 2015	13 Feb 2015	16 March 2015
A Dippenaar	Present	Present	Present	Present
P Theron	Present	Present	Present	Present
N van Wyk	Present	Present	Present	Present

### 4. Statutory Duties

The Audit Committee did receive all the monthly financial and performance reports for the period of this Report, and enough attention was given relating to the adequacy, Reliability and accuracy of financial reporting and information as required by section 166(2)(a)(4) of the MFMA

The audit committee has discharged its functions as follows:

#### 1.1 *Reviewed the year-end financial statements as at 30 June 2014.*

In the course of its review the committee:

Took appropriate steps to ensure that the financial statements are prepared in accordance with generally recognized accounting practice prescribed in terms of Section 91(1) (b) of the Public Finance Management Act

Considered;

- when appropriate, made recommendations on internal financial Controls and internal audit;
- the adequacy, reliability and accuracy of financial reporting and information;
- performance, risk and IT management;

Dealt with;

- the auditing or content of annual financial statements;  
Internal financial controls;
- Risk based Internal Audit Plan approved.

## *1.2 . Review of Financial Reports*

Reviewed the MFMA Section 72 Reports, Adjustment Budget and the Financial Report to Council 31 March 2015. The revenue from traffic fines stays an area of concern.

## *1.3 . Review of Annual and Performance Report*

Review the Draft Annual Report 2014/2015. The Audit Committee expressed concerns about the accuracy and completeness of information, quality of information and the technical correctness of the 2013/2014 Report and must express appreciation for all the work that was done to produce the much improved 2014/2015 Report.

Review Draft Annual Performance Report 2014/2015. The Audit Committee is in general satisfied with the report.

## *1.4. Performance Management Processes.*

The Audit Committee has pleasure in reporting on the performance management, as required by section 14 of the Municipal Planning and Performance Management Act of 2001.

The Committee is satisfied that the Prins Albert municipality did utilized mechanisms, systems and processes for auditing the results of performance measurement as part of its internal audit processes, including assessments of the functionality of the performance management system whether the system complied with the requirements of the MSA, and include assessments of the extent to which the performance measurements were reliable in measuring the performance of the municipality on key as well as general performance indicators.

The internal auditors did audit the performance measurements on a continuous basis and submitted quarterly reports on their audits to the municipal manager and the Committee.

The PMS system seems to comply with functionality and in general the information obtained via the system can be seen as reliable and relevant. However, information is not always available or complete, and the monitoring thereof under question in some cases.

The following components are still a source of concern:

- In some areas there are still not full compliance with legislative requirements; These includes:
  - Proof that the approved adjustment budget was published on the municipal website within ten working days after approval by Council, could not be obtained.
  - Evidence of all legislative submissions made during a financial year was not available for audit purposes.
  - The section 72 Mid-Year Performance Assessment did not include all required tables, charts and explanatory information.
- Better and improved verification of reported progress;
- Cascading down of PMS to all employees.

The Audit Committee understand the challenge of limited capacity but do want to urge management to make a serious attempt to address the cascading down of the PMS to all employees even in a limited way.

The Performance Evaluation of the Municipal Manager and senior managers reporting to the Municipal Manager was attended by the Chairperson. The Audit Committee is satisfied with the quality of the process. The Municipal Manager must however ensure that evaluations are performed on the Key Performance Indicators as set in the signed Performance Agreements to ensure consistency with the top layer SDBIP.

### *1.5 Oversight of risk management*

The committee has received assurance that the process and procedures followed by the internal auditors are adequate to ensure that financial risks are identified and monitored.

Satisfied itself that the following areas have been appropriately addressed:

- Financial reporting;
- Internal financial controls and
- Fraud risks as it relates to financial reporting and Supply Chain Management.

### *1.6 Internal financial controls*

The Committee has:

- reviewed the effectiveness of the municipality's system of internal financial controls, including receiving assurance from management, internal and external audit;
- reviewed the effectiveness of internal controls relating to the SCM system specifically, as it is one of the key fraud risk areas;
- reviewed the municipality's compliance with applicable laws and regulations, including compliance with the SCM regulations and
- reviewed significant issues raised by the internal audit process.

Based on the processes and assurances obtained, the Committee believes that internal financial controls are in place and generally effective.

### *1.7 Annual financial statements and report as on 30 June 2015*

The Committee applaud the fact that the Auditor-General has once again issued an unqualified audit opinion on the financial statements for the year ended 30 June 2015.

The financial statements are prepared in accordance with the South African Standards of Generally Recognized Accounting Practice and in the manner required by the Local Government: Municipal Finance Management Act of South Africa (Act 56 of 2003) and the Division of Revenue Act of South Africa, 2011(Act 6 of 2011)

### 1.8. External Audit

Based on processes followed and assurances received, nothing has come to the attention of the Committee with regards to the external auditors' independence.

### 1.9. Internal Audit

The Committee has:

- reviewed and recommended the internal audit terms of reference (Charter) for approval;
- evaluated the independence, effectiveness and performance of the internal audit function and compliance with its mandate;
- satisfied itself that the internal audit function has the necessary resources, budget, standing and authority within the Municipality to enable it to discharge its functions;
- approve the internal audit risk based plan; and
- encourage cooperation between external and internal audit.

The head of the internal audit function reported functionally to the Committee and had unrestricted access to all members of the Committee.

### 1.10. Finance Function

Based on the processes and assurances obtained, the Committee believes the accounting practices are sufficiently effective.

## 5. Conclusion

The Audit Committee is pleased with the continued process of thriving toward a high level of performance.

The Committee values the sound relation with Council and Staff and without compromising on independence, feels that a good relationship is imperative for the smooth functioning of the Committee. The Committee cherishes its role as a watchdog, but also respects the role of Council and Staff to make decisions without interference from the Audit Committee.

The Council and Management takes a keen interest in the workings of the Committee in order to identify potential problems at an early stage and in such a manner that they can be addressed in time to make it easier to achieve a clean Audit Report and good governance.

On behalf of the Audit Committee

A handwritten signature in black ink, appearing to read 'Abj Dippenaar', written in a cursive style.

ABJ DIPPENAAR

January 2016



MUNISIPALITEIT

VAN

PRINS ALBERT



MUNICIPALITY

OF

PRINCE ALBERT

## **OVERSIGHT REPORT ON THE PRINCE ALBERT MUNICIPAL ANNUAL REPORT FOR THE REPORTING PERIOD 1 JULY 2014 TO 30 JUNE 2015**

### **1. BACKGROUND**

Council is vested with the responsibility to oversee the performance of their respective municipality, as required by the Constitution, the Municipal Finance Management Act (MFMA) and Municipal Systems Act (MSA). This oversight responsibility of council is particularly important for the process of considering annual reports.

Each municipality and each municipal entity must prepare an annual report for each financial year in accordance with the MFMA and MSA. The purpose of the annual report is:

- to provide a record of the activities of the municipality or entity;
- to provide a report on performance in service delivery and against the budget;
- to provide information that supports the revenue and expenditure decisions made; and
- to promote accountability to the local community for decisions made.

Annual reports are the key reporting instruments for municipalities to report against the performance targets and budgets outlined in their strategic plans. Annual reports are therefore required to contain information on service delivery and outcomes, in addition to financial statements. It is meant to be a backward-looking document, focusing on performance in the financial year that has just ended. It must demonstrate how the budget was implemented and the results of service delivery operations for that financial year.

The oversight report is the final major step in the annual reporting process of a municipality. Section 129 of the MFMA requires the council to consider the annual reports of its municipality and municipal entities and to adopt an "oversight report" containing the council's comments on each annual report.

The oversight report must include a statement whether the council:

- has approved the annual report, with or without reservations;
- has rejected the annual report; or
- has referred the annual report back for revision of those components that can be revised.

The oversight report is a report of the municipal council and follows consideration and consultation on the annual report by the council itself.

The Prince Albert Municipality's Oversight Committee consists of the following Councillors:

Cllr I J Windvogel  
Cllr NS Abrahams  
Cllr S Botes  
Cllr C Stols

Councillor NS Abrahams served as the Chairperson of the Committee. The minutes of the Oversight Committee meeting held on 18 March 2016 is attached as Annexure D to this report.

## **2. PUBLIC PARTICIPATION ON THE ANNUAL REPORT: 2014/15**

The draft Annual Report was considered by Council on 27 January 2016, where in principle approval were granted to make the draft Annual Report for 2014/15 public and invite public comments on said document. Minutes is attached as Annexure A.

The draft Annual Report for 2014/15 was placed on the municipal website as well as the libraries and municipal offices in Prince Albert, Klaarstroom and Leeu-Gamka. Notices inviting comments on the draft Annual Report for 2014/15 was placed on notice boards within the respective communities and an advertisement was placed in the official reporting newspaper, the Prince Albert Friend. As an initiative to improve the oversight and accountability of the Municipality, the draft annual report was also tabled at all four ward committees. The period for commenting on the draft annual report closed on 29 February 2016.

The Oversight report and draft final Annual Report will be tabled to Council on 23 March 2016, which will be within the legislatively prescribed two month period.

The draft Annual Report was circulated amongst the members of the Audit Committee for comment. Their comments is attached. No formal report from the Chairperson of the Audit and Performance Committee confirming their independency and input on the annual report of the reporting year will be now included in the final Annual Report. This is attached as Annexure E to this report.

Comments received on the draft Annual Report is attached as Annexure B.

### **Recommendation by the Oversight Committee**

- (i) That the Oversight Committee confirms that the draft Annual Report for 2014/15 was tabled on 27 January 2016 and that it was advertised for public comment and are ready for adoption by Council on 23 March 2016, within the prescribed legislative timeframe.
- (ii) The Oversight Committee commends the Municipality for taking the draft Annual Report to the ward committees to ensure improved accountability and oversight.
- (iii) That, while the format prescribed in MFMA Circular 63 was not strictly followed, the information contained in the Annual Report includes the information suggested to be contained in the Annexures.
- (iv) That the report from the Chairperson of the Audit and Performance Committee be included in the draft Annual Report in future.
- (v) That the technical compilation of the Annual Report be improved in future.

## **3. COMMENTS BY THE OVERSIGHT COMMITTEE**

- (i) The Oversight Committee agrees that the information contained in the Prince Albert Municipal Annual Report for 2014/15 is a fair and reasonable record of the performance of the municipality and properly accounts for the actions of the municipality in the financial year reported upon.
- (ii) The Oversight Committee is satisfied that the matters raised by the Auditor-General were addressed by the Audit Action Plan on which the Administration report at every General Council meeting.
- (iii) In addition to the above the Oversight Committee wish to address the following matters raised in the Annual Report with corresponding actions, as per Annexure C.

#### **Oversight Committee recommendations**

- (i) That Council having fully considered the Annual Report of the municipality for the 2014/15 financial year and representation thereon, adopt the Oversight Report together with the Annual Report without reservations;
- (ii) That the report of the Chairperson of the Audit Performance Committee be included in the report.
- (iii) That the Oversight Report be made public in accordance with Section 129 (3) of the Municipal Finance Management Act 56 of 2003;
- (iv) That the Oversight Report be submitted to the Provincial Legislature in accordance with section 132 (2) of the Municipal Finance Management Act 56 of 2003;
- (v) That Council instructs the Accounting Officer to ensure that the matters raised in Annexure C be addressed.

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**Annexure C**

MATTER OF CONCERN	ACTION REQUIRED	RESPONSIBLE PERSON	TIMEFRAME
<p>Prince Albert Municipality's financial position is not sustainable, because the Municipality is heavily reliant on grants and the Municipality has challenges on its liquidity position as short term debts with the cash at its disposal renders it 'Commercially Insolvent'.</p>	<p>(i) Council to draft an income enhancement strategy and implementation plan (ii) Draft business plans for external funding and submit to possible donors / departments</p>	<p>AO, Council  All directorates</p>	<p>December 2016</p>
<p>High staff vacancy rate</p>	<p>(i) Council to review organisational design and do an internal evaluation of job alignment / work study (ii) Funding to be secured to fill critical vacancies (iii) Capital expenditure must be monitored on a monthly basis</p>	<p>AO, MCC</p>	<p>Continuous</p>
<p>The low capital expenditure</p>	<p>(i) Municipal code to be reviewed, including delegations</p>	<p>AO</p>	<p>Continuous</p>
<p>Municipal code outdated</p>	<p>(i) Municipal code to be reviewed, including delegations</p>	<p>AO, MCC</p>	<p>Continuous</p>
<p>Portfolio of evidence and targets in SDBIP are not linked</p>	<p>(i) Review of performance targets to ensure correct reporting targets and evidence (ii) Cognisance should be taken that (i) above is already underway and will include process plans and standard operating procedures</p>	<p>AO, All directorates</p>	<p>SDBIP reviewed</p>
<p>Traffic and by-law enforcement to be strengthened</p>	<p>(i) Law enforcement management plan to be drafted and implemented</p>	<p>MCC</p>	<p>Continuous</p>
<p>Provision of protective clothing and office / other equipment for staff</p>	<p>(i) Investigate alternative provision of clothing and equipment</p>	<p>All directorates</p>	<p>February 2016</p>
<p>Concern exists on the maintenance requirements of existing infrastructure and increased pressure on bulk infrastructure due to budget constraints</p>	<p>(i) Council to draft an infrastructure contribution policy. (ii) Management to draft a maintenance plan on existing infrastructure needs</p>	<p>All directorates</p>	<p>July 2016</p>
<p>Inclusion of report of Chairperson of the Audit and Performance Committee</p>	<p>(i) Chairperson to provide said report at financial year end</p>	<p>AO</p>	<p>July 2017</p>

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## ANNEXURE D

### NOTULE VAN OORSIGKOMITEE GEHOU OM 10:00 OP VRYDAG, MAART 2016 IN DIE MUNISIPALE RAADSAAL TE PRINCE ALBERT

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#### 1. TEENWOORDIG:

Raadslid N S Abrahams  
Raadslid I J Windvogel  
Raadslid C Stols

Voorsitter  
Gekoöpteer

#### AANWESIG:

A Vorster  
Gemeenskapsdienste

Bestuurder: Korporatief en

#### 2. AANSOEKE OM VERLOF TOT AFWESIGHEID / APPLICATIONS FOR LEAVE

I Windvolgel

#### 3. VERWELKOMING / WELCOME

Die voorsitter, raadslid N S Abrahams verwelkom die teenwoordiges.

#### 4. OPENING MET GEBED / OPENING WITH PRAYER

Raadslid C Stols open die vergadering met gebed.

#### 5. OORSIGVERSLAG DEUR DIE OORSIGKOMITEE RAKENDE DIE JAARVERSLAG VIR 2013/14

##### DOEL VAN VERSLAG

Die Jaarverslag word deur die Rekenpligtige Beampte en Uitvoerende Burgemeester aan die Raad voorgelê en vorm deel van die verantwoordingdoening rakende die owerheid se prestrasie oor die betrokke verslagjaar. 'n Oorsigverslag op die jaarverslag word gesien as die Raad se kommentaar op die jaarverslag en die owerheid se prestasie in die betrokke verslagjaar.

Die Raad is verantwoordelik om die prestasie van die Munisipaliteit te moniteer en te bestuur soos voorgeskryf in die Grondwet, 1996, die Wet op Plaaslike Regering: Beheer oor Munisipale Finansies, 2003 (Wet No 56 van 2003), en die Wet op Plaaslike Regering: Munisipale Stelsels, 2000 (Wet No 32 van 2000).

Artikel 129(1) van die Wet op Plaaslike Regering: Beheer oor Munisipale Finansies, 2003 (Wet No 56 van 2003) bepaal dat die Raad die jaarverslag van die Raad moet oorweeg en 'n oorsigverslag daarop moet aanvaar.

## **AGTERGROND**

Die konsep jaarverslag vir die verslagjaar 2014/15 is in Januarie 2015 aanvaar en is geadverteer vir publieke kommentaar in die plaaslike pers en in die plaaslike biblioteke en munisipale kantore sowel as sleutel-kenningsgewingsborde binne die gemeenskap. Geen kommentaar is van enige lid van die publiek of 'n raadslid ontvang nie.

Die Raad moet voor of op 27 Maart 2016 die finale jaarverslag, tesame met die oorsigverslag daarop aanvaar.

Die oorsigverslag op die jaarverslag en die finale jaarverslag van die Raad moet in terme van artikel 129 van die Wet op Plaaslike Regering: Beheer oor Munisipale Finansies, 2003 (Wet No 56 van 2003, hierna verwys as die MFMA) binne twee maande na die tertafellegging van die verslag goedgekeur gewees het.

Lede van die Oorsigkomitee is versoek om hul kommentaar op die konsep jaarverslag vir 2014/2015 saam te stel, waarop die voorsitter van die Oorsigkomitee hul bevindinge aan die Raad sal oordra tydens die finale oorweging van die jaarverslag op 27 Maart 2016.

## **AANBEVELING VAN DIE OORSIGKOMITEE**

- (i) Die Oorsigkomitee bevestig dat die inligting soos vervat in die Prince Albert konsep jaarverslag vir 2014/15 'n regverdige en redelike rekord van die prestasies en aktiwiteite van die Munisipaliteit in die betrokke verslagjaar is en dat dit deeglik deur die Oorsigkomitee oorweeg en aanvaar is sonder enige wysigings of voorbehoud.
- (ii) Die Oorsigkomitee is tevrede dat die aangeleenthede uitgewys in die verslag van die Ouditeur-Generaal aangespreek word in die Oudit Aksieplan waarop die administrasie by die algemene raadsvergaderings oor verslag doen.
- (iii) Die Oorsigkomitee wys die volgende areas van kommer met gepaardgaande voorgestelde aksieplan soos per bylae A tot hierdie notules uit en versoek die Verantwoordbare Beampte om die aangeleenthede soos geïdentifiseer in die betrokke Bylae , te implementeer.
- (iv) Die Oorsigkomitee beveel aan dat die voorsitter van die Oorsigkomitee laasgenoemde se aanbevelings vervat in 'n verslag vir voorlegging aan die Raad.

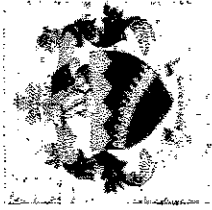
## **6. AFSLUITING**

Die voorsitter bedank die teenwoordiges vir hul deelname en die vergadering verdaag in goeie orde om 10:30.

## Aanhangsel A

AREA	STAPPE GENEEM TE WORD	VERANTWOORDELIKE PERSOON	TYDSRAAMWERK
<p>Prince Albert Munisipaliteit se finansiële posisie is nie volhoubaar nie aangesien die owerheid oor-afhanklik is van toelae en die uitdagings rondom skuldinvordering die owerheid se likiditeit in gedrang bring en die owerheid se korttermyn skuld, versoen met die kontant beskikbaar, die owerheid kommersieël insolvent maak.</p>	<p>(ii) Raad moet dringend 'n inkomste maksimaliseringsstrategie en implementeringsplan ontwerp</p> <p>(iii) Besigheidsplanne moet opgestel en by eksterne departemente / donateurs ingedien word om eksterne befondsing te verseker</p>	<p>MB, Raad</p> <p>Alle direkorate</p>	<p>Desember 2016</p>
<p>Lae kapitale spandering</p>	<p>Kapitale spandering moet maandeliks gemonitor word ten einde tydlige besteding te verseker</p>	<p>MB</p>	<p>Deurlopend</p>
<p>Hoë persentasie vakatures op die organogram</p>	<p>(iv) Hersiening van organisatoriese ontwerp en interne evaluering ten opsigte van belyning en optimale aanwending van personeel deur middel van interne werkstudie</p> <p>(v) Verkryging van fondse om kritiese poste te vul</p>	<p>MB, BK&amp;GD</p>	<p>Deurlopend</p>
<p>Munisipale kode is verouderd</p>	<p>(vi) Hersiening van munisipale kode, ingesluit delegasies</p>	<p>MB, BK&amp;GD</p>	<p>Deurlopend</p>
<p>Verkeers- en wetstoepassingsbestuur moet verbeter</p>	<p>(vii) Verkeers- en wetstoepassingsbestuurplan moet opgestel en implementeer word.</p>	<p>BK &amp; GD</p>	<p>Onmiddellik</p>
<p>Voorsiening van beskermde kiere en toerusting / kantoor-en ander toerusting</p>	<p>(viii) Onderzoek alternatiewe metodes vir die voorsiening van beskermde kiere en toerusting.</p>	<p>Alle direkorate</p>	<p>Januarie 2017</p>
<p>Kommer bestaan rakende die onderhoudsvereistes van bestaande infrastruktuur en die groeiende druk op grootmaat infrastruktuur weens begrotingsbeperkings</p>	<p>(ix) Raad moet 'n infrastruktuursbydrae beleid aanneem.</p> <p>(x) Bestuur moet 'n onderhoudsplan ten opsigte van bestaande infrastruktuur behoeftes opstel.</p>	<p>Alle direkorate</p>	<p>Julie 2017</p>
<p>Insluiting van die verslag van die</p>	<p>(xi) Voorsitter moet verslag teen jaareinde</p>	<p>MB</p>	<p>Julie 2017</p>

voorsitter van die Oudit en Prestasiekomitee	besikbaar stel		
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# **Prince Albert Municipality 2014/15 IDP & Budget Time-Schedule of Events for the Approval of the 2015/16 IDP and Budget Review**

The purpose of the time schedule is to indicate the various planned activities and strategies on which the municipality will embark to compose its integrated development plan for the review of the Integrated Development Plan (IDP) for implementation 2015/16 and Annual Budget for the 2015/16 financial year and the two outer years. The time schedule enhances integration and alignment between the IDP and Budget, thereby ensuring the development of an IDP based budget. It fulfills the role of a business plan or an operational framework for the IDP process outlining the manner in which the IDP process will be undertaken. In addition, it identifies the activities in the processes around the key statutory annual operational processes of the budget and IDP compilation, performance management implementation and the adoption of the municipality's annual report.

The IDP and Budget processes are two distinct but integrally linked processes which must be coordinated to ensure that the IDP and budget related policies and the final budget are mutually consistent and credible. Credibility refers to the municipality's ability and capacity to spend and deliver services in accordance with its approved budget. The process creates its own dynamics since it encompasses the involvement of external role-players and vested interest groups therefore it requires accurate logistical planning and arrangements of engagement sessions to ensure that the process is implemented in accordance with the approved schedule. However, experience has taught us that deviation from the approved time schedule may occur due to unforeseen events and circumstances which are beyond the control of the politicians and the administration. This would require adjustment to the timeframes to ensure that the execution of the process remains practical and that all legislative requirements are adhered to.

### Preparation Phase

IDP & Budget Activity	PMS Activity	Timeframe	Responsible
IDP Managers Forum: Draft Framework & Process Plan			District IDP Managers
Prepare & Finalize Draft 2014/15 IDP and Budget schedule outlining the steps for compilation of the 2015/16 IDP Review and 2015/16 and two outer year's Budget		04 Augustus 2014	IDP Manager
IDP & Budget Steering Committee Meeting: Establish Internal Partnerships & Institutional Arrangements		08 August 2014	Municipal Manager
Table Draft 2015/16 IDP/Budget Time Schedule to Management for quality check to ensure inclusiveness.	Prepare and finalise Employee Performance Development Plans for 2014/15 Evaluation Cycle	09 August 2014	IDP Manager Manager: Corporate & Community Services
Tabling of Draft 2015/16 IDP/Budget Process Plan to Council for approval with time schedules for IDP Public participation meetings.		29 August 2014	IDP Manager/ MM & HOD'S
Advertising IDP & Budget Process Plan		29 August 2014	IDP Manager/PPO

### 1. Analysis Phase

No.	IDP & Budget Activity	PMS Activity	Timeframe	Responsible
1.1	Consider MEC comments and recommendations on assessment of 2014/15 Reviewed IDP Document and IDP processes followed.		30 August 2014, depends on receipt of MEC Letter	Municipal Manager Managers & IDP Manager
1.2	Attend District IDP Managers Forum Meeting-Discuss outcomes of IDP Assessments, Challenges and District Interventions i.t.o IDP planning for the review process.		3 Sept 2014	District IDP Manager's
1.3	Convene Internal IDP Meeting. (Dry Run) Final Discussion of Public Participation Meeting Processes.	<ul style="list-style-type: none"> <li>Submit Quarterly Project Implementation Report</li> <li>Quarterly Audit Committee Meeting</li> </ul>	11 September 2014/ 9 September 2014	Office of the Speaker/ Ward Committee Chairpersons/

No.	IDP & Budget Activity	PMS Activity	Timeframe	Responsible
1.4	Convene Ward Committee Meetings to review the prioritisation of service delivery and development needs in 2015/16 Reviewed IDP and discuss the process for Reviewing Ward Based Plans. Communicate final approved 14/15 Budget, Tariffs and IDP to Ward Committees.	<ul style="list-style-type: none"> <li data-bbox="127 741 221 1010">Audit &amp; Performance Audit Committee meeting</li> </ul>	15 - 18 September 2014 15 September: Ward 1 16 September: Ward 2 17 September: Ward 3 18 September: Ward 4	Office of the Speaker/ Ward Committee's & Councilors IDP Manager
1.5	Ward Committee Meetings: Prioritises Ward Delivery Needs for 2015/16 IDP and Budget Cycle.		25 September 2014	Office of the Speaker IDP Manager
1.6	Review municipal Spatial Development Framework		13 - 31 October 2014	Manager; Corporate & Services
1.7	Two Day Ward Based Plan Development Session with Wards 1 and compile a Ward Based Plan accordingly.		21 - 22 August 2014	IDP Manager Public Participation Officer CDW's Ward Committee

## 2. Strategies Phase

No.	IDP & Budget Activity	PMS Activity	Timeframe	Responsible
2.1	Municipality & Council undertakes internal & external strategic consultation process to deliberate on high level strategic issues to redefine Council's short-term Strategic Agenda. Review of Municipal Strategic Plan Workshop with Council: Review Municipal KPA and Strategic Objectives	<ul style="list-style-type: none"> <li>• Appointment of Internal Auditor</li> <li>• Appointment of the Audit Committee</li> <li>• Section 57 Managers Quarterly Assessments</li> </ul>	11 - 12 September 2014	Council & Management
2.2	Ward Committee Meetings: Discuss, scrutinize and prioritize community needs		17 - 20 November 2014  17 November : Ward 1 18 November : Ward 2 19 November : Ward 3 20 November : Ward 4	Ward Committee Councilors
2.3	Updating and review of strategic elements of IDP in light of the new focus of Council. Municipal Strategies, objectives, KPA's, KPI's and targets. - Identification of priority IDP KPI's incorporate in IDP and link to budget and IMAP		15 - 19 September 2014	IDP Manager
2.4	Convene IDP Representative Forum: Presenting Service Delivery needs and Priorities per ward, Municipal Financial Position and Short-term Strategic Agenda.	24 September 2014	26 November 2014	IDP Representative Forum

### 3. Project Phase

No.	IDP & Budget Activity	PMS Activity	Timeframe	Responsible
3.1	Attend District IDP Managers Forum Meeting-Discuss outcomes of IDP Assessments, Challenges and District Interventions i.t.o IDP planning for the review process.		28 November 2014	District IDP Manager's
3.2	Managers finalise and prioritise Directorates capital projects for 2014/15 Budget year and the next two outer years		02 - 13 February 2015	Municipal Manager Managers CFO 2015
3.3	Operational Budget: Income / Expenditure inputs and statistics to be returned to Budget Office		03- 15 November 2014	Managers
3.4	Capital Budget: Directorates to submit proposed 3 year Capital Budget per Directorate to Budget Office to consolidate inputs and compile a Draft Capital Budget.		17 - 29 November 2014	
3.5	Convene IDP Representative Forum: Presenting Service Delivery needs and Priorities per ward, Municipal Financial Position and Strategic Objectives.		18 December 2014	IDP Manager PPO
3.6	Finalise Salary Budget for 2015/2016		12 December 2014	CFO
3.7	Finalise preliminary projections on operating budget for 2015/2016	<ul style="list-style-type: none"> <li>Quarterly Project Implementation Report</li> <li>Quarterly Performance Audit Committee meeting</li> <li>Mayor tables annual Report</li> <li>Advertise Annual Report and invite community inputs</li> <li>Section 57 Managers Quarterly Assessments</li> </ul>	12 December 2014	CFO
3.8	Finalise expenditure on operational budget for the budget year and two outer years.		31 December 2014	CFO Manager: Corporate & Community Services
3.9	Departments to conclude Sector Plans and identify projects linked to sector plan implementation for submission to IDP unit for 2015/16 IDP Review.		31 December 2014	HOD's IDP Manager

No.	IDP & Budget Activity	PMS Activity	Timeframe	Responsible
3.10	Alignment of Sector Department projects & Programs		29 – 30 January 2015	IDP Representative Forum

#### 4. Integration Phase

No.	IDP & Budget Activity	PMS Activity	Timeframe	Responsible
4.1	Final review of Municipal Strategic Objectives, KPA's, KPI's and Targets		28 - 30 January 2015	Manager: Corporate & Community Services IDP Manager
4.2	Review all budget related policies			CFO & Gys
4.3	Adjustment Budget: Finalise Capital and Operational budget projections for 2014/2015			CFO
4.4	IDP Representative Forum to conclude stakeholder investment i.t.o community development programmes and projects funded for inclusion in IDP and Budget.		19 February 2015	IDP Manager
4.5	Ward Committee Meetings: Discuss and brief Ward Committees about Council's revised strategic plan, Strategic Objectives and envisaged deliverables.	<ul style="list-style-type: none"> <li>Council to Consider and adopt an oversight report</li> <li>Set performance objectives for revenue for each vote</li> </ul>	TBC	IDP Manager PPO Office of the Speaker
4.6	Review final tariffs and charges and determines tariffs to balance the budget and finalise income budget.		13 February 2015	CFO
4.7	Attend District IDP Managers Forum Meeting to discuss the alignment of IDP Strategic Development Goals		27 February 2015	District IDP Managers
4.8	Attend Provincial IDP INDABA 2. Incorporate Sector Departments Projects in Draft IDP.		TBC	IDP Manager
4.9	Tabling of 2014/15 Adjustment Budget Rollovers; possible changes on SDBIP and KPI'S as per Adjustment Budget.	Amend IDP, SDBIP, KPI's and performance agreements i.t.o adjustment budget	22 - 23 January 2015	Mayor/ CFO
4.10	Municipalities receive inputs from National and Provincial Government and other bodies on factors influencing the budget.	<ul style="list-style-type: none"> <li>Quarterly Project Implementation report</li> </ul>	28 February 2015	

No.	IDP & Budget Activity e.g. Grant Allocations	PMS Activity	Timeframe	Responsible
4.11	Submit first draft IDP to CKDM for Horizontal Project alignment between the CKDM and Prince Albert	<ul style="list-style-type: none"> <li>Quarterly Audit Committee Meeting</li> <li>Submit Annual Report to Auditor General, Prov. Treasury and DLG</li> </ul>	24 February 2015	IDP Manager
4.12	Forward Adjustment Budget to National and Provincial Treasury after approval	<ul style="list-style-type: none"> <li>Council to Consider and adopt an oversight report</li> <li>Set performance objectives for revenue for each vote</li> </ul>	30 January 2015	Executive Mayor & MM
4.13	Publication of approved Adjustment Budget after approval			Executive Mayor & MM

#### 5. Approval Phase

No.	IDP & Budget Activity	PMS Activity	TIMEFRAME	RESPONSIBLE
5.1	Submit Draft IDP to Manager Corporate & Community Services with proposed schedule of Ward Committee Meetings for post IDP & Budget Feedback & Consultation Process	Audit of performance Measures Set municipal strategies, objectives, KPA's, KPI's and targets	27 February 2015	IDP Manager
5.2	Workshop draft IDP & Budget and proposed tariffs with Council.		06 March 2015	Municipal Manager CFO IDP Manager
5.3	Municipal Manager presents final draft IDP, Budget and Budget related policies to the Mayor for perusal and tabling to Council		20 March 2015	Municipal Manager
5.4	Submit draft IDP, Budget, Related policies and proposed schedule of Ward Committee Meetings for IDP & Budget Feedback/Consultation Process to Council (Principal Approval)		25 - 27 March 2015	Municipal Manager CFO IDP Manager
5.5	Forward Copy of preliminary approved Budget, IDP, SDBIP & related documents to National & Provincial Treasury and Department of Local Government-- 90 days before start of new financial year.	Refinement of municipal strategies, objectives, KPA's, KPI's & targets for inclusion into IDP;	31 March 2015	Mayor & MM
5.6	Attend District IDP Managers Forum- Present Draft IDP for input.	Section 57 Appointees' Quarterly Performance assessments	TBC	District IDP

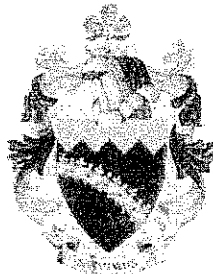
No.	IDP & Budget Activity	PMS Activity	TIMEFRAME	RESPONSIBLE
5.7	Advertise & Inviting public comments on Draft Budget and IDP Place copies of Draft Budget and IDP at all municipal buildings.		1 - 24 April 2015	Managers CFO IDP Manager
5.8	Ward Committee Meetings: Feedback / Consultation on preliminary approved IDP & Budget		TBC	Office of the Speaker IDP Manager PP Officer
5.9	CFO and IDP Manager analyse public and Ward Committee comments and inputs on Draft IDP and Budget and prepare recommendations for Council's perusal		27 - 01 April 2015	CFO & IDP Manager
5.10	Council considers public and Government Departments comments and inputs and revised IDP & Budget if necessary.		18 - 22 May 2015	Mayor & MM
5.11	Table final IDP, budget & related documents to Council for approval.	<ul style="list-style-type: none"> <li>Quarterly Project Implementation Report</li> <li>Quarterly Audit Committee Meeting</li> <li>Annual review of organisational KPI's</li> <li>Review annual organisational performance targets</li> </ul>	28 - 29 May 2015	Mayor Municipal Manager CFO
5.12	Inform local community about approved IDP and Budget Detail: Place Newspaper Article and Copies at Libraries		1 - 5 June 2015	CFO Municipal Manager PP Officer IDP Manager
5.13	Send copy of approved Budget, IDP & related documents to National and Provincial Governments and other stakeholders			CFO (Budget Office) Municipal Manager and Directors/ Managers.
5.14	Publication of Approved Budget and IDP within 10 workings days on Municipal Website		12 June 2015	Municipal Manager
5.15	Submit draft SDBIP (Top Level) to Mayor within 14 days after approval of budget		18 June 2015	Mayor
5.16	Mayor approves the municipality's SDBIP (Top Level) within 28 days after the approval of the budget		26 June 2015	Mayor
5.17	Place IDP and related documents on CD for all Councilors		26 June 2015	IDP Manager

**PROPOSED DATES FOR IDP PUBLIC ENGAGEMENTS: 2015/16 IDP REVIEW AND BUDGET CYCLE**

Dates/2014/15	Day	Time	Ward	Venue	Ward Councillor	Facilitator	Admin Support	Management
09 Feb 2015	Monday	18H00	1	Community Hall	NS Abrahams C Stols (PR)	P Oliphant H Esterhuizen	H Vorster	H Mettler
10 Feb 2015	Tuesday	18H00	2	NG Church Hall	MD Jafitha D.Rennie (PR)	P Oliphant H Esterhuizen	B Kok	A Vorster
11 Feb 2015	Wednesday	18H00	3	Sydwell Williams Centre PPK Hall	G Lottering A Rabie (PR)	P Oliphant H Esterhuizen	G Griebelaar	J Lesch
12 Feb 2015	Thursdays	18H00	4	Community Hall Klaarstroom	I Windvogel	P Oliphant H Esterhuizen	R Wanie	J Neethling



**MUNISIPALITEIT  
VAN  
PRINS ALBERT**



**MUNICIPALITY  
OF  
PRINCE ALBERT**

Rig alle korrespondensie aan:  
DIE MUNISIPALE BESTUURDER  
Privaatsak X53, Prins Albert, 6930

Address all correspondence to:  
THE MUNICIPAL MANAGER  
Private Bag X53, Prince Albert, 6930

E-Pos / E-Mail: mettler@panun.gov.za

Tel: 023-541 1320, Fax: 023-541 1321

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**UITTREKSEL UIT NOTULE VAN 'N SPESIALE  
RAADSVERGADERING GEHOU OP WOENSDAG 27 JANUARIE  
2016 OM 14H00 IN DIE MUNISIPALE RAADSAAL, PRINCE ALBERT:**

**GOEKEURING VAN DIE KONSEP JAARVERSLAG 2014/2015 (01 JULIE  
2014-30 JUNIE 2015)**

**BESLUIT 04/2016**

Dat die Raad, op voorstel van Raadslid I J Windvogel, gesecondeer deur Raadslid C Stols die konsep Jaarverslag vir die periode 1 Julie 2014 tot 30 Junie 2015 goedkeur vir publiek deelname.

A handwritten signature in black ink, appearing to be 'HFW Mettler'.

**GETEKEN:**

\_\_\_\_\_  
**Nms. H F W METTLER  
MUNISIPALE BESTUURDER**

**31 MAART 2016**

