

Western Cape Government • Wes-Kaapse Regering • URhulumente weNtshona Koloni

PROVINCE OF WESTERN CAPE

PROVINSIE WES-KAAP

Provincial Gazette Extraordinary

Buitengewone Provinsiale Koerant

7079

7079

Friday, 18 January 2013

Vrydag, 18 Januarie 2013

Registered at the Post Office as a Newspaper

CONTENTS

*(*Reprints are obtainable at Room M21, Provincial Legislature Building,
7 Wale Street, Cape Town 8001.)*

No.		Page
Provincial Notice		
4	Local Government: Consolidated Annual Municipal Performance Report 2010/2011	2

PROVINCIAL NOTICE

The following Provincial Notice is published for general information.

ADV. B. GERBER,
DIRECTOR-GENERAL

Provincial Building,
Wale Street,
Cape Town.

PROVINSIALE KENNISGEWING

Die volgende Provinsiale Kennisgewing word vir algemene inligting gepubliseer.

ADV. B. GERBER,
DIREKTEUR-GENERAAL

Provinsiale-gebou,
Waalstraat,
Kaapstad.

P.N. 4/2013

18 January 2013



**Western Cape
Government**

Local Government



Consolidated Annual Municipal Performance Report 2010/2011
Local Government

Table of Contents

TABLE OF CONTENTS

Table of Contents.....	i
Foreword.....	iii
List of Tables.....	iv
Executive Summary.....	vi
1. Introduction.....	vi
2. Research Methodology.....	vi
3. Population and Socio-economic Information Overview.....	vi
2. Governance Overview.....	ix
3. Service Delivery Overview.....	ix
4. Financial Health Overview.....	x
5. Auditor General Report.....	x
Statutory Annual Report Process.....	xii
Chapter 1: Governance.....	1
1.1 Political Composition, Functionality of Political Structures and Good Governance.....	1
1.2 Status of Executive Management Appointments and Transformation Statistics.....	5
1.3 Development And Implementation of Policies.....	8
1.4 Performance Rewards.....	9
1.5 Skills Development and Training.....	10
1.6 Functionality of IGR Structures.....	16
1.7 Thusong Service Centre Programme.....	16
1.8 Ward Committees.....	16
1.9 Anti-corruption and Fraud Prevention.....	18
1.10 Public Satisfaction on Services.....	20
1.11 Implementation of CDW Programme.....	21
Chapter 2: Performance and Compliance Monitoring.....	23
2.1 Service Delivery Budget Implementation Plans (SDBIP).....	23
2.2 Submission of Annual Financial Statements.....	24
2.3 Submission of Annual Reports.....	25
2.4 Oversight Reports.....	27
Chapter 3: Planning And Development.....	30
3.1 Integrated Development Planning.....	30
3.2 IDP Assessment.....	30
Chapter 4: Service Delivery Performance.....	32
4.1 Service Delivery Backlogs.....	32
4.2 Provision of Basic Services.....	39
4.3 Capital Budget Spent for 2010/11.....	44
4.4 Percentage Of Capital Budget Spent For 2010/11.....	45
4.5 Implementation Of Indigent Policy And Provision Of Free Basic Services.....	46
4.6 Municipal Infrastructure Grant.....	48

Table of Contents

4.7	Municipal Blue Drop Status.....	51
4.8	Housing Grant Expenditure.....	53
4.9	Disaster Management and Fire Brigade Services.....	59
Chapter 5: Financial Performance.....		61
5.1	Approval of Budgets	61
5.2	Performance against Budgets	62
5.3	Liquidity Ratio	65
5.4	Level of Reliance on Grants	67
5.5	Cash Flow, Borrowing and Investment.....	68
5.6	Debt Management	70
Chapter 6: Report Of The Auditor General 2010/2011.....		71
6.1	Municipal Audit Opinion.....	71
6.2	Key Findings in the Report of the Auditor-general.....	75
Chapter 7: Local Economic Development.....		83
7.1	Development and Implementation of LED Strategies and Plans	84
Chapter 8: Municipal Challenges, Provincial Support And Capacity Building		85
8.1	Key Challenges as Identified by Municipalities.....	85
8.2	Provincial Support and Capacity Building Initiatives.....	89
List of Abbreviations		94
Bibliography.....		96

Foreword

FOREWORD

It is once again a pleasure and privilege to present to the Provincial Legislature, National Minister, and the National Council of Provinces as well as the Western Cape residents, the provincial state of municipalities report for 2010/11 financial year.

This Section 47 annual report is a comprehensive accumulation of achievements and progress made during the 2010/11 financial year by all municipalities. It also serves as a monitoring and evaluation tool of the milestones reached and road travelled towards meeting the needs of communities and enhancing the functioning of municipalities.

The period under review (2010/11) was marked by political changes two months before the end of the financial year with local government elections in May 2011. It was characterized by a number of changes in council leadership, the expiry of the municipal management employment contracts which, amongst others, contributed to a slowdown in capital spending.

In addition, the year saw the Eden district municipal area facing flooding to the extent that it was declared as disaster area. The region was then faced with an Avian Influenza outbreak in the region as well as severe drought. As the Department of Local Government, we played a key role in monitoring and supporting these disaster incidents in the affected regions.

However, despite changes and challenges such as these, a number of key achievements and successes were obtained in the municipal sphere.

Twenty-six of the 30 municipalities adopted their administrative delegations and twenty-eight municipalities adopted delegations according to Section 59 of the Municipal Systems Act. The Portfolio Committees, Municipal Management and IDP Forum meetings took place regularly and there were very few meetings where a quorum could be not achieved.

Of the 125 senior manager positions in the municipalities, only 16% were vacant and 90% of these Section 57 managers had signed and submitted their performance agreements to the Department of Local Government. Employment equity plans were implemented throughout the province and most municipalities demonstrated significant progress with regards to institutional transformation.

In ensuring accessibility of government services to remote areas, the Department and municipalities were able to roll-out 24 Thusong Mobiles during the period, resulting in a reach of over 37 000 Western Cape citizens who received access to services.

Expenditure of the Municipal Infrastructure Grant was also on track with municipalities spending 99.8% of their allocation on capital projects, reflecting only a small decline in comparison to the previous year.

The Auditor General's Report 2010/2011 also reflected that there were a few improvements in some of the Western Cape municipalities with 2 municipalities improving from financially unqualified with findings to clean audits, namely West Coast District and Swartland, 22 receiving unqualified audit opinions with findings and 3 municipalities with qualified opinions.

Improvements were also noted in 4 municipalities, namely: Saldanha Bay and Cederberg Municipality which had moved from a qualified opinion in 2009/2010 financial year to unqualified opinion with findings in 2010/11. George Municipality moved from an adverse opinion in 2009/2010 to unqualified opinion with findings, while Prince Albert Municipality moved from a disclaimer to qualified opinion.

The municipalities should be commended on most of them achieving success in complying with their legislative obligations particularly in light of the challenges they face. The overall accomplishments should serve to spur us on to greater advancements and improved service delivery to the people of this province.



Anton Bredell
Minister for Local Government, Environmental Affairs and Development Planning

List of Tables

LIST OF TABLES

Table nr.	Content	Page nr.
Table 1:	Population per municipality	vii
Table 2:	Socio-economic data per municipality	viii
Table 3:	Statutory Annual Report process	xii
Table 4:	Political composition of councils per municipality	1
Table 5:	Functionality of political structures and good governance	3
Table 6:	Number of approved, filled and vacant Section 57 posts per municipality	6
Table 7:	Municipal Transformation statistics	7
Table 8:	Human Resource Policies per municipality	8
Table 9:	Performance Rewards for 2010/11	10
Table 10:	Capacity and skills development initiatives in 2010/11	11
Table 11:	Ward Committee functionality	17
Table 12:	Anti -corruption and fraud prevention plans	18
Table 13:	Public satisfaction on service level	20
Table 14:	Submission of SDBIPs by municipalities	23
Table 15:	Submission of AFS to AGSA	24
Table 16:	Tabling and submission of annual report	26
Table 17:	Adoption of oversight report	27
Table 18:	Dates of adoption and submission of IDP	30
Table 19:	Municipal backlogs	32
Table 20:	Provision of basic services	39
Table 21:	Capital Expenditure as at June 2011	44
Table 22:	Three year trend on capital expenditure	45
Table 23:	Free Basic Services	47
Table 24:	MIG expenditure over 3 years	48
Table 25:	Blue drop scores	52
Table 26:	Housing grant expenditure	53
Table 27:	Approval of budgets	61
Table 28:	Performance against budgets	62
Table 29:	Liquidity ratio	66
Table 30:	Reliance on grants	67

List of Tables

Table nr.	Content	Page nr.
Table 31:	Municipal cash flow balances and for the period ending June 2011	68
Table 32:	Consolidated investments portfolio balances for period ending June 2011	69
Table 33:	Consolidated external borrowings balances for the period ending June 2011	69
Table 34:	Age analysis of debtors	70
Table 35:	Audit opinion 2010/11	71
Table 36:	Overall movement in the number of auditees with reported material non compliance	75
Table 37:	Expenditure management findings	76
Table 38:	Annual Financial Statements and annual report findings	77
Table 39:	Internal Audit findings	77
Table 40:	Audit committee findings	78
Table 41:	Budget findings	78
Table 42:	Auditees history of financial statements qualification areas	79
Table 43:	Summary of findings arising from SCM audit	80
Table 44:	Unauthorised, irregular as well as fruitless and wasteful expenditure incurred by auditees	80
Table 45:	Nature of and movements in unauthorised, irregular as well as fruitless and wasteful expenditure	81
Table 46:	Three year trend in unauthorised expenditure	82
Table 47:	Three year trend in fruitless & wasteful expenditure	82
Table 48:	LED Strategies	84
Table 49:	Challenges as identified by municipalities	85
Table 50:	Provincial support and capacity building initiatives	89

Executive Summary

EXECUTIVE SUMMARY**INTRODUCTION**

The main purpose of this report is to account to the Provincial legislature, National Council Of Provinces, Minister of Cooperative Governance and Traditional Affairs and to the citizens of the Western Cape on progress being made by municipalities towards achieving the overall goal of improving the lives of all citizens of the province. Furthermore, the report is a performance report to the communities and other stakeholders in keeping with the principles of transparency and accountability of government to the citizens. It subscribes to the South African developmental nature of participatory democracy and cooperative governance and responds to the principles of the Constitution, Batho Pele, White Paper on Local Government, Municipal Systems Act 32 of 2000 (MSA) and the Municipal Finance Management Act 56 of 2003 (MFMA).

This is the sixth report compiled and submitted in respect of Section 47 of the MSA of 2000 by the Western Cape Province. It addresses the performance of municipalities in the Western Cape in respect of its core legislative obligations. A municipality's performance is primarily assessed in terms of its development priorities and the objectives cited in its IDP. In complying with the legislative prescripts, municipalities were probed on all legislative aspects related to their developmental priorities and the objectives of its IDP. The report was compiled with information collected from municipalities by means of a comprehensive questionnaire, annual reports, audit reports, IDPs and additional information obtained from provincial sector departments.

RESEARCH METHODOLOGY

The compilation of this report was based on a methodology involving various data-gathering exercises, followed by an extensive analysis of available data. The main sources of the data-gathering process were all 30 municipalities of the Western Cape, the Department of Local Government and other sector departments.

The first step in the process involved the conceptualization of the Section 47 report. Relevant legislation was consulted in an effort to establish the exact parameters of the report. Unfortunately, national standardized reporting formats have not been finalized, which led to substantial uncertainty regarding its exact specifications. As a result, the annual reports of individual municipalities were consulted in order to determine the most used parameters in the compilation of reports. In addition, previous versions of this report were analysed. The outcome of this process was the establishment of a consensus on what information was relevant and needed to be included in order to satisfy the legislated requirements.

The next step in the process involved assessing the availability of the required information. The first source which was consulted in this regard was the Annual Reports submitted by individual municipalities. The relevant data from these reports was uploaded onto data templates. Data used in part one was sourced from the Gaffney's: Local Government in South Africa 2009 – 2011 Official Yearbook and Socio-Economic Profiles of Municipalities, compiled by the Provincial Treasury in 2010. The next step was to determine what information was not available through these channels. This was transferred onto a template questionnaire which was sent to all municipalities on 12 June 2012. These questionnaires were to be completed by the municipalities and returned to the Department by 13 July 2012. As expressed through the datasets included in this report, many municipalities did not comply with this deadline.

Once all relevant data was gathered and uploaded onto the datasets, a comprehensive analysis was carried out. This was done on both a quantitative and qualitative basis, allowing for concrete conclusions to be reached regarding municipal performance within the Western Cape Province. However, it needs to be noted that in some instances, only limited conclusions can be drawn from this report. This is due to the fact that information was often outstanding, incomplete or in a different format. It is in this regard that the lack of standardization had its most profound impact. Even though this analysis is constrained by the above-mentioned lack of formatting requirements and standardization, it has become possible to track the progress of municipalities during the past three financial years on various matters.

POPULATION AND SOCIO-ECONOMIC INFORMATION OVERVIEW

The Western Cape Province is bordered to the north and east by the Northern Cape and Eastern Cape provinces, respectively. The Province is geographically diverse, encompassing areas as vastly differentiated as the Metropolitan area, Boland, West Coast, Southern Cape and the Karoo areas.

Executive Summary

According to the mid-year population estimates 2011, released by Statistics South Africa, the Western Cape Province holds the 5th largest population in the country, with a total number of 5 287 863, which is 10.45% of South Africa's total population. There is one Metro Municipality (City of Cape Town), five district municipalities, namely West Coast, Cape Winelands, Overberg, Eden and Central Karoo and 24 local municipalities. Table 1 provides an overview of the statistics of the Western Cape, including the population, while Table 2 provides the socio-economic data of individual municipalities.

Table 1: Population per municipality.

Municipality	Number of Households	Total Population	African	Coloured	Indian	White
City of Cape Town ³	950 509	3 542 092	34.9%	44.0%	1.8%	19.3%
Matzikama ¹	15 701	63 915	6.18%	75.9%	0.06%	6.89%
Cederberg ¹	6 098	39 326	7.96%	78.2%	0.06%	13.7%
Bergrivier ¹	12 437	44 742	6%	76%	0.03%	18.2%
Saldanha Bay ³	21 897	83 207	14.3%	56.8%	0.6%	28.2%
Swartland ³	18 230	83 900	11.2%	68.4%	0.3%	17.5%
West Coast DM ³	80 289	302 075	9.0%	69.4%	0.3%	18.9%
Witzenberg ¹	23 892	91 222	24%	67%	0.15%	9%
Drakenstein ¹	45 000	230 934	26.3%	59.9%	0.4%	13.4%
Stellenbosch ¹	29 200	270 323	19.2%	40.7%	0.34%	13.7%
Breede Valley ²	25 791	134 270	17.1%	73.3%	0.3%	7.8%
Langeberg ³	21 215	81 271	16.5%	75.1%	0.1%	12.2%
Cape Winelands DM ³	182 610	750 519	20.3%	64.6%	0.5%	13.9%
Theewaterskloof ²	22 906	103 281	25%	64%	0	11%
Overstrand ³	23 126	78 533	28.8%	36.8%	0.8%	33.6%
Cape Agulhas ¹	8 128	26 474	9.7%	66.6%	0.1%	23.6%
Swellendam ³	7 330	24 052	7.7%	78.1%	0%	14.2%
Overberg DM ¹	60 122	212 787	18.9%	56.5%	0.12%	19.8%
Kannaland ¹	6 420	26 467	2.5%	84.5%	0.09%	13%
Hessequa ¹	15 972	52 648	4.26%	63.4%	0.11%	32.1%
Mossel Bay ³	29 863	124 138	41.6%	37.9%	1.2%	19.2%
George ³	45 080	143 837	34.7%	44.3%	0%	21.0%
Oudshoorn ³	18 867	83 861	8.7%	76.3%	0.6%	14.4%
Bitou ³	13 323	41 096	54.1%	37.2%	0.3%	8.4%
Knysna ³	18 349	74 169	32.3%	40.9%	0.4%	18.8%
Eden DM ³	149 144	540 763	28.9%	50.3%	0.5%	18.0%
Laingsburg ¹	1 959	6 677	2.20%	80.6%	0.14%	16.9%
Prince Albert ¹	2 850	12 106	1.62%	86.9%	0.10%	11.3%
Beaufort West ¹	10 043	37 101	15.7%	73.2%	0.11%	10.8%
Central Karoo DM ¹	1 452	54 248	13.6%	75.5%	0.15%	10.6%

Source : Municipal Annual Reports 2010/11¹

Municipal Integrated Development Plans 2010/11²

Gaffney's Local Government in South Africa 2009-2011 Official yearbook³

Executive Summary

Table 2: Socio-economic data per municipality

Municipality	Literacy rate: 14 years and older 2007 (%) ¹	Unemployment rate 2007 (%)	% of district population 2007 (*% of Western Cape)	Proportion of youth and children 2007 (%)	HIV/AIDS prevalence (%)	Total number of reported crimes 2009/2010 ²
City of Cape Town	92.9	16.8	*66.3	-	7.9	76 443
Matzikama	73.5	20.1	15.2	63	5.7	1742
Cederberg	73.6	9.2	9.7	60.8	6.9	899
Bergivier	70.5	10.6	15	60	5.7	429
Saldanha Bay	85.3	17.9	28.9	61.3	5.9	2194
Swartland	73.0	15.0	27.7	62.7	4.9	1956
West Coast DM	76.1	15.5	*5.4	61.9	5.6	7220
Witzenberg	70.5	7.6	10.5	53.4	7	2319
Drakenstein	74	20.2	30.5	65.9	4.8	6315
Stellenbosch	80.4	17.1	28.1	66.1	3.4	1892
Breede Valley	67.7	18.8	18.8	62.9	6	3182
Langeberg	65.5	9.4	11.2	61	5.6	1264
Cape Winelands DM	73.3	16.2	*13.5	63.3	5	14 972
Theewaterskloof	77.6	18.7	40.8	62.5	7.8	2386
Overstrand	84.5	24.1	26.2	54.5	5.3	2215
Cape Agulhas	74.3	6.8	13.5	55.7	4.2	513
Swellendam	67.1	7	10.1	62.4	6.4	992
Overberg DM	74.3	17.7	4	58.8	6.3	6106
Kannaland	65.6	10.2	4.8	60.3	3.9	424
Hessequa	79.6	19.2	7.6	53.6	4.8	1290
Mossel Bay	81.1	20.9	23	63	3.4	2116
George	79	17.9	26.6	61.9	6.5	3571
Oudtshoorn	74.5	23.8	15.5	63.4	5.5	2042
Bitou	77.6	15.7	7.6	65.5	7.1	424
Knysna	79.6	14.2	12.7	62.9	5.2	2323
Eden DM	77.1	18.5	*9.7	62	5.1	13 198
Laingsburg	62.2	24.9	9.2	53.9	5.7	353
Prince Albert	62.2	26.3	14.9	60.3	5	265
Beaufort West	71.8	32	66	63.4	5.1	1251
Central Karoo DM	57.3	30.8	*1.1	61.6	4.6	1869

Sources: Provincial Treasury: Socio-Economic Profiles of Local Government (2007); HIS Global Insights

¹ Literacy is defined as the ability to read and write, operationalized to refer to the successful completion of 7 years of formal education. The literacy rate is calculated as the proportion of those 14 years and older who have successfully completed a minimum of 7 years of formal education

² Crime Statistics reflect the total number of reported crimes, based on the figures for murder, total sexual crimes, residence burglaries, drug related crime and driving under the influence of alcohol/drugs

Executive Summary

The figures presented above clearly demonstrate the dominant role played by the City of Cape Town as the demographic hub of the Province with about 66% of the citizens residing within the Metro. The socio-economic data indicates unemployment across all municipalities averages 17%. Additionally, out of a total of 1 364 004 households in the Western Cape, 536 903 are classified as indigent. This translates to about 35% indigent households.

GOVERNANCE OVERVIEW

The period under review (2010/11) was marked by political changes two months before the end of the financial year with local government elections in May 2011. It therefore has been characterized by a number of changes in council leadership, the expiry of the municipal management employment contracts which, amongst others, contributed to a slowdown in capital spending. In order to ensure a smooth process pre and post-elections, the Department of Local Government established a help desk which mainly functioned as a support function to all municipalities during the election process. After the elections, most of the municipalities were assisted by the Department to constitute the councils. Challenges were experienced by Hessequa Municipality, which constituted at the 7th attempt. Eden District Council could only constitute on 20 June 2011.

Twenty-six of the 30 municipalities adopted their administrative delegations, while twenty eight municipalities adopted delegations according to section 59 of the Municipal Systems Act. The Portfolio Committees, Municipal Management and IDP Forum meetings took place regularly and there were very few meetings where a quorum could be not achieved.

Of the 144 senior managers positions filled in the municipalities, only 16% were vacant and 89% of these section 57 managers had signed and submitted their performance agreements to the Department of Local Government. Employment equity plans were implemented throughout the province and most municipalities demonstrated significant progress with regards to institutional transformation.

Human resource policies have been adopted in most municipalities. Some of these HR policies were developed and adopted by councils a few years ago, but are now in a process of being reviewed. During the 2010/11 financial year, municipalities have spent an average of 81% on skills development and training from their personnel budget.

District municipalities had convened all their District Coordinating Forum (DCF) meetings during the year under review, with the exception of Overberg District who met once. In ensuring accessibility of government services to remote areas, 24 Thusong Mobiles were implemented, reaching over 37 000 Western Cape citizens. Ward committees have been established in most municipalities. Out of 382 wards within the province, 285 ward committees were functional and the balance was classified as partly functional. These ward committees were partly functional mainly due to the sector or interest group report back meetings that were not held. Anti-corruption plans were developed in 28 municipalities, while these plans were adopted by Council in 25 municipalities.

SERVICE DELIVERY OVERVIEW

The Constitution of the Republic of South Africa (1996) states that municipalities have the responsibility to ensure that all citizens are provided with basic services i.e. water, sanitation, refuse removal and electricity to satisfy their basic needs. In this respect, the provision of basic services has a direct and immediate effect on the quality of the lives of people in communities across South Africa.

This chapter on service delivery performance focuses in assessing the following areas:

- Service Delivery Backlogs;
- Provision of basic services i.e. water, electricity, refuse removal and sanitation;
- Capital budget expenditure;
- Implementation of indigent policy and provision of free basic services;
- MIG & Housing grant expenditure;
- Blue drop scores; and
- Disaster management.

The historical backlogs in the provision of basic infrastructure for service delivery require that municipalities establish a delicate balance between delivering and improving current services. The municipal service delivery

Executive Summary

backlogs in the Western Cape Province vary from one municipality to another. Based on the information provided by municipalities, the backlog is mostly evident in housing, with 21 municipalities indicating backlogs in different locations in their municipal area. Municipalities have specified huge sums of money needed to address these backlogs.

The Province is seemingly performing above the average of 70% in the provision of basic services. Based on the information provided by municipalities on their annual reports and questionnaires, the average percentages of households serviced are described below:

- An average of 95% of households are serviced with water;
- An average of 96% of households are serviced with sanitation;
- An average of 97% of households are serviced with refuse removal on site; and
- An average of 96% of households are serviced with electricity.

During the 2010/2011 financial year, municipalities spent in an average of 71.3% of their adjusted capital budgets. This translates to an average under spending of 28.7%. Twenty two municipalities in the province have under spent more than 15% on their capital budgets, with only West Coast District, Drakenstein, Breede Valley, Cape Winelands District, Overstrand, Cape Agulhas, Mossel Bay and Knysna municipalities with less than 15% underspending.

The municipalities in the province spent 99.8% of their allocated Municipal Infrastructure Grant during 2010/11. Comparing to previous financial year, there was a decline in MIG expenditure due to Kannaland Municipality that could not spend all of its allocated MIG allocation. The average percentage of housing allocations spent remained steady during the 2010/11 financial year. The trend continued with the Western Cape achieving a figure of 97% for the period under review. There was an increase in the total number of houses built during the financial year, with the Provincial total for 2010/11 amounting to 11 219.

During the 2010/2011 financial year, the total number of indigent households receiving free basic services in the Province was 536 903. According to the data received, there is generally an increase of 59% in the number of households receiving free basic services in the Western Cape Province as compared to the 336 720 indigent households in 2009/2010. This has been attributed to, unemployment, seasonal employment and poverty which are contributing factors to this trend.

In terms of Disaster Management in the Province, Eden district municipal area (George, Hessequa, Mossel Bay, and Kannaland) was declared as disaster area owing to flooding. The following disaster incidents were monitored and supported by the Department of Local Government:

- Previous floods (2006 to 2008)
- Drought projects in Eden and Central Karoo Districts;
- June 2011 floods in Eden; and
- Avian influenza outbreak in Eden.

FINANCIAL HEALTH OVERVIEW

Municipalities received a total operating revenue amount of R25.5 billion or 97.3 percent of the budgeted amount of R26.2 billion for the 2010/2011 municipal financial year. The operating revenue budget increased by 2.3 percent from 2008/09 to 2009/10 and again significantly by 23.4 per cent from the 2009/10 to 2010/11 financial years. Municipalities with the highest liquidity risks are Matzikama, Drakenstein, Overberg, Kannaland, Eden District, Bitou and Central Karoo District municipalities as their current liabilities exceed their current assets. The total average of the Provincial liquidity ratio continued to increase from 1.7:1 in 2008/09 to 2.1:1 in 2009/2010 and then decreased by 1.2:1 in 2010/2011.

The total outstanding debtors for municipalities as at 30 June 2011 amounted to R7.28 billion indicating a decrease of R177.14 million or 2.4 percent compared to the R7.45 billion recorded at the end of May 2011.

AUDITOR GENERAL REPORT

According to the Auditor General's Report 2010/2011, there were some improvements in some of the Western Cape municipalities with 2 municipalities improving from financially unqualified with findings to clean audits, namely West Coast District and Swartland, 22 receiving unqualified audit opinions with findings and 3

Executive Summary

municipalities with qualified opinions.

Improvements were also noted in 4 municipalities, namely: Saldanha Bay and Cederberg Municipality which had moved from a qualified opinion in 2009/2010 financial year to unqualified opinion with findings in 2010/11. George Municipality moved from an adverse opinion in 2009/2010 to unqualified opinion with findings, while Prince Albert Municipality moved from a disclaimer to qualified opinion.

Executive Summary

STATUTORY ANNUAL REPORT PROCESS

South Africa's Constitution establishes the framework of governmental relations. It sets out the principles for co-operative governance and the application of these between national, provincial and local government. Local Government in South Africa is the sphere of government closest to communities and has a key role to play in ensuring service delivery and facilitating growth and development. A wide range of legislation guides Local Government to fulfil its mandate, of which the most important acts are highlighted below.

The Local Government Municipal Systems Act, 2000 established a framework for planning, performance-management systems, effective use of resources and organisational change in a business context. The Act also established a system for municipalities to report on their performance, and gives an opportunity to residents to compare this performance to the performance of other municipalities.

The Local Government Municipal Finance Management Act, 2003 (Act 56 of 2003) aimed at modernising municipal budgeting and financial management. It facilitates the development of a long-term municipal lending/bond market. It also introduces a governance framework for separate entities created by municipalities and it fosters transparency at the Local Government sphere through budget and reporting requirements.

In terms of the **Local Government Municipal Systems Act, 2000 (Act 32 of 2000)**, all municipalities are required to prepare Integrated Development Plans (IDPs). Integrated development planning is a process by which municipalities prepare five-year strategic plans that are reviewed annually in consultation with communities and stakeholders. The aim is to achieve service delivery and development goals for municipal areas in an effective and sustainable way. National and provincial sector departments, development agencies, private-sector bodies, non-governmental organisations and communities all have a key role to play in the preparation and implementation of municipal IDPs.

Each municipality is then expected to prepare an Annual Report which reflects on the performance of the municipality for each financial year. This Annual Report is prepared in terms of Section 46 of the Municipal Systems Act (MSA). Municipalities are required to submit a copy of the annual report to the MEC for Local Government. The annual reporting process of municipalities is presented in the table below.

Table 3: Statutory Annual Report process

REPORT	APPLICABLE LEGISLATION	RESPONSIBLE ENTITY/ PERSON	BY WHEN
Submission of financial statements	MFMA Section 126(1)	Municipalities	31 August (2 months after the end of a financial year)
Auditor-General to audit financial statements and submit report	MFMA Section 126 (4)	Auditor-General	30 November (within 3 months after receiving financial statements)
Draft annual report to be prepared	MFMA Section 121 (1)	Municipal Manager	31 December (within 6 months after the end of the financial year)
Tabling of municipal annual report to council	MFMA Section 127 (3)	Mayor	31 January (within 7 months after the end of the financial year)
Make annual report public and invite the local community to make representations	MFMA Section 127 (5)	Accounting Officer of municipality	After tabling
Submit annual report to PT and MEC for Local Government	MFMA Section 127 (5)	Mayor	After tabling
Adopt an oversight report containing the council's comments	MFMA Section 129 (1)	Council	By no later than 31 March (within 2 months after the tabling)

Executive Summary

Table 3: Statutory Annual Report process

REPORT	APPLICABLE LEGISLATION	RESPONSIBLE ENTITY/ PERSON	BY WHEN
Copies of minutes of the council meeting during which the annual report was adopted and the oversight report must be submitted to the AG, PT and the MEC	MFMA Section 129 (2b)	Accounting Officer of municipality	Within 7 days after the meeting during which the oversight report was adopted
Submit oversight report and annual report to the Provincial Legislature	MFMA Section 132 (1)	Accounting Officer of municipality	Within 7 days after the meeting during which the oversight report was adopted
Monitor submission process of municipal annual reports to the Provincial Legislature	MFMA Section 132 (3)	MEC for Local Government	From 1 February to mid April
Drafting of Consolidated Municipal Performance Report and submission to MEC	MSA Section 47	Head of Department (Local Government and Housing)	No timeframe in legislation – Only possible after receipt of all AG reports, municipal annual reports and municipal oversight reports
Submit consolidated municipal performance report to Provincial Legislature and Minister of Cooperative Governance, Gazette Report	MSA Section 47	MEC for Local Government	As soon as possible after receipt of all municipal annual reports, including municipal performance reports and the oversight reports of the councils

CHAPTER 1: GOVERNANCE

CHAPTER 1: GOVERNANCE**1.1 POLITICAL COMPOSITION, FUNCTIONALITY OF POLITICAL STRUCTURES AND GOOD GOVERNANCE**

Good governance is important in the local government sphere. Local government is the sphere of government that citizens interact with on a regular basis. As such, public confidence in government can only be assured if the local sphere is seen to be operating according to the requirements and spirit of the South African Constitution. This means that each municipality has an important responsibility to govern its constituents in a manner that speaks to its honesty, integrity and openness.

A central aspect in achieving good governance according to democratic principles is through effective public participation. Not only does public participation allow constituents to monitor the governance record of its elected officials, but it also encourages the public to take an active interest in the performance of their municipality and region. It is only through broad public participation that citizens will recognise that their interests are taken to heart – especially the needs of the most vulnerable members of society. This allows all citizens to be heard in determining the political, social and economic priorities through the establishment of a broad societal consensus that includes civil society, government and the private sector. Active ward-based plans and consultative forums are central structures through which public participation and, ultimately, good governance can be achieved.

However, community participation alone is not sufficient in ensuring that good governance practices are adopted. Institutional integrity is of equal importance and individual municipalities should ensure that their Finance Committee, Audit Committee, Council and sub-committees are fully functional. This should be done through the adoption of effective by-laws and policies that entrench the effective performance of all aspects of municipal governance. As such, this chapter will analyse various indicators related to good governance and public participation in order to determine the extent to which municipalities in the Western Cape have succeeded in implementing these strategies.

The 2010/11 financial year was marked by political changes two months before the end of the financial year in June 2011 with the Local Government elections May 2011. It therefore has witnessed a number of changes in council leadership. In ensuring a smooth process, pre and post-elections, the Department of Local Government established a help desk which mainly functioned as a support function to all municipalities during the election process. Post elections, most of the Western Cape municipalities were assisted by the Department to constitute the councils. Challenges were experienced in Hessequa Municipality, which then later constituted at the 7th meeting. Eden District Council could only constitute on 20 June 2011. The following table provides an overview of the political composition of councils in each municipality, showing the political party in control in terms of majority seats and also where coalitions exist.

Table 4: Political composition of councils per municipality

Municipality	ANC	ANC REP ON DC	DA	DA REP ON DC	COPE	COPE REP ON DC	INDEP.	ACDP	AMP	NPP	PAC	VP	OTHER	Political Party in-control
City of Cape Town	73		135		3			3	1		1	1	UDM: 1	DA
													AL JAMA: 1	
													CMC: 1	
													NPSA: 1	
Matzikama	6	1	7	1									PICIVIC: 1	DA&NPG
													NGP: 1	
Cederberg	5	1	4	1	1						1			ANC&PAC
Bergrivier	5	1	7	1	1									DA&COPE
Saldanha Bay	8	1	15	2	1	1	1							DA
Swartland	6	1	15	3	1								PI CIVIC: 1	DA
West Coast DM	4	5	6	8	1									DA

CHAPTER 1: GOVERNANCE

Table 4: Political composition of councils per municipality

Municipality	ANC	ANC REP ON DC	DA	DA REP ON DC	COPE	COPE REP ON DC	INDEP.	ACDP	AMP	NPP	PAC	VP	OTHER	Political Party in-control
Witzenberg	8	1	10	2	1		1			1			DCP: 1 VOICE IND: 1	DA,COPE& IND
Drakenstein	19	3	35	5	2			1		2			PDM: 1 SADCO: 1	DA
Stellenbosch	11	1	25	3	1			1		1			SPA: 1 SCA: 3 1 (rep on DC)	DA
Breede Valley	14		22		1		1						CIVIC IND: 1 B IND: 2	DA
Langeberg	7	1	11	2	1								PDM: 1 WCC: 1 CIVIC: 2	DA&COPE
Cape Wineands DM	5	8	9	15	1					1			SCA: 1	DA
Theewaters kloof	9	2	13	3	1			1		1			NICO: 1	DA
Overstrand	9	2	15	2									NAT IND ORG: 1	DA
Cape Agulhas	4	1	4	1			1							ANC&IND
Swellendam	4		4	1				1					NPP: 1	DA
Overberg DM	4	4	5	7										DA
Kannaland	2		2										ICOSA: 3 1 (rep on DC)	ICOSA&ANC
Hessequa	6	1	7	1	1								CIVIC IND: 1	DA
Mossel Bay	10	1	16	2				1						DA
George	19	2	25	3	1			1					GEORGE IND ICOSA: 1 PLKE BESORGDE INWONERS: 1	DA&ACDP
Oudtshoorn	11	1	11	1	1					1			ICOSA: 1	ANC, ICOSA&NPP
Bitou	6	1	6	1	1									DA&COPE
Knysna	7	1	10	1	1		1							DA
Eden DM	6	7	8	9	1			2					ICOSA: 1 1 (rep on DC)	DA
Laingsburg	3		3	1	1									DA&COPE
Prince Albert	2		2										KAROO GEM PARTY: 3 (KGP ON DC: 1)	KGP
Beaufort West	7	3	5	2									ICOSA: 1	ANC
Central Karoo DM	3	3	3	3									KGP: 1	ANC&KGP

Source: Political Composition as at June 2011: Database Department of Local Government

CHAPTER 1: GOVERNANCE

Good Governance

Municipalities need to be supported to perform their duties in order to ensure the implementation of good governance practices and public participation. Section 151 of Chapter 7 of the South African Constitution gives each municipality the right to govern the local government affairs of its community on its own initiative, subject to national and provincial legislation. Additionally, the by-laws of municipal councils are legislative acts that are not reviewable in terms of administrative law.

The following table provides an overview of the functionality of political structures and good governance in municipalities.

Table 5: Functionality of political structures and good governance

Municipality	All admin delegations adopted	S59 MSA Delegations adopted	Roles of Committees and Political Office Bearers defined	Meetings convened			Number of meetings where quorum was not achieved		Code of conduct adopted (Council & staff)	Code communicated to community	Interests of councillors and staff declared	Councillors and staff members in arrears with municipal accounts
				Council	Executive mayoral committee	Portfolio Committee	Council	Executive mayoral committee				
City of Cape Town	Yes	Yes	Yes	13	25	104	0	0	Yes	No	Yes	Yes
Matzikama	Yes	Yes	Yes	10	8	5	0	0	Yes	No	Yes	Yes
Cederberg	Yes	Yes	Yes	9	8	12	0	0	Yes	Yes	Yes	No
Bergrivier	Yes	Yes	Yes	15	19	30	1	0	Yes	No	Yes	NI
Saldanha Bay	Yes	Yes	Yes	26	26	12	NI	NI	No	Yes	Yes	Yes
Swartland	Yes	Yes	Yes	7	15	30	0	0	Yes	Yes	Yes	No
West Coast DM	Yes	Yes	No	8	10	36	0	0	Yes	Yes	Yes	No
Witzenberg	Yes	Yes	Yes	12	25	25	0	0	Yes	Yes	Yes	Yes
Drakenstein	Yes	Yes	Yes	10	19	6	0	0	Yes	Yes	Yes	No
Stellenbosch	Yes	Yes	Yes	11	11	34	0	0	Yes	No	Yes	Yes
Breede Valley	Yes	Yes	NI	15	5	0	0	0	Yes	Yes	Yes	NI
Langeberg	Yes	Yes	Yes	13	14	40	0	0	Yes	Yes	Yes	No
Cape Winelands DM	Yes	Yes	Yes	9	13	17	0	0	Yes	Yes	Yes	No
Theewaterskloof	Yes	Yes	Yes	10	7	31	N/A	N/A	Yes	No	Yes	No
Overstrand	Yes	Yes	Yes	11	11	9	0	0	Yes	Yes	Yes	No
Cape Agulhas	Yes	Yes	Yes	18	50	9	0	0	Yes	Yes	yes	No

CHAPTER 1: GOVERNANCE

Table 5: Functionality of political structures and good governance

Municipality	All admin delegations adopted	S59 MSA Delegations adopted	Roles of Committees and Political Office-bearers defined	Meetings convened			Number of meetings where quorum was not achieved		Code of conduct adopted (Council & staff)	Code communicated to community	Interests of councillors and staff declared	Councillors and staff members in arrears with municipal accounts
				Council	Executive mayoral committee	Portfolio Committee	Council	Executive mayoral committee				
Swellendam	Yes	Yes	Yes	15	28	0	2	0	Yes	Yes	Yes	Yes
Overberg DM	No	No	No	15	2	10	0	0	Yes	Yes	Yes	No
Kannaland	NI	NI	NI	NI	NI	NI	NI	NI	NI	NI	NI	NI
Hessequa	Yes	Yes	Yes	12	18	37	0	0	Yes	Yes	Yes	No
Mossel Bay	Yes	Yes	Yes	11	11	55	0	0	Yes	Yes	Yes	No
George	Yes	Yes	No	18	16	7	0	0	Yes	No	No	Yes
Oudtshoorn	N/A	Yes	Yes	20	20	NI	NI	NI	Yes	Yes	Yes	No
Bitou	Yes	Yes	Yes	13	17	NI	NI	NI	Yes	No	Yes	No
Knysna	Yes	Yes	Yes	15	9	25	0	0	Yes	No	Yes	Yes
Eden DM	Yes	Yes	Yes	12	12	77	2	0	Yes	Yes	Yes	No
Laingsburg	Yes	Yes	Yes	14	N/A	3	0	N/A	Yes	Yes	Yes	No
Prince Albert	NI	NI	NI	NI	NI	NI	NI	NI	NI	NI	NI	NI
Beaufort West	Yes	Yes	Yes	11	4	21	NI	NI	Yes	Yes	Yes	No
Central Karoo DM	Yes	Yes	Yes	NI	NI	NI	NI	NI	Yes	Yes	Yes	NI

Source: Questionnaires, 2012
 *NI – No information provided

Based on the information obtained from the annual reports, 26 municipalities have adopted administrative delegations, 1 municipality did not adopt while 3 did not provide the information. 28 of 30 municipalities have complied with the adoption of delegations according to Section 59 of the Municipal Systems Act, with Matzikama Municipality as the only municipality that did not comply with the Act, while 2 municipalities did not provide the information. 24 Municipalities have defined the roles of committees and political office bearers, 4 have not, and 2 did not provide any information. Furthermore, Council, Executive Mayoral Committee, Portfolio Committee, Municipal Management and IDP Forum meetings took place regularly and there were very few meetings where a quorum was not achieved.

Codes of conduct were adopted in accordance with the Municipal Systems Act. One municipality did not adopt their code of conduct while the others did not provide this information. The declarations of interest by Councillors and staff have improved as compared to the previous financial year, with 24 municipalities submitting. During the 2010/11 financial year, 8 of the Province's municipalities were reported to have Councillors and municipal employees in arrears with their municipal accounts, which is an improvement as compared to the ten municipalities reported in the previous year.

CHAPTER 1: GOVERNANCE

1.2 STATUS OF EXECUTIVE MANAGEMENT APPOINTMENTS AND TRANSFORMATION STATISTICS

Section 51 of the Municipal Systems Act of 2000 identifies the various institutional objectives applicable to municipalities. The objectives are linked to the particular needs of the municipality and necessitate the implementation of appropriate organizational structures. Municipalities need to ensure that procedures are adopted to guide institutional transformation, ensure capacity development and that all posts are filled by competent staff. The Municipal Manager is primarily responsible for the adoption of staff establishment policies, including the approval of job descriptions and other conditions of service for each municipal staff member. The Municipal Manager also has the responsibility of conducting reviews and evaluations of staff establishments and conditions of service.

Human Resources management is to enhance the individual and collective contribution of employees to the success of the organization. To this end the Municipal Systems Act, 2000 refers to capacity building issues.

A municipality should also ensure that its recruitment, employment and career development practices are aligned to the objectives of the Employment Equity Act. These obligations are encompassed in Section 67(1) of the Municipal Systems Act, 2000;

67 (1) a municipality, in accordance with the Employment Equity Act 1998, must develop and adopt appropriate systems and procedures to ensure fair, efficient, effective and transparent personnel administration...

The broad objectives of the Employment Equity Act, 1998 are cited in Section 2 and read as follows:

“Purpose of the Act

The purpose of this Act is to achieve equity in the workplace by

- (a) promoting equal opportunity and fair treatment in employment through the elimination of unfair discrimination; and*
- (b) implementing affirmative action measures to redress the disadvantages in employment experienced by designated groups, in order to ensure their equitable representation in all occupational categories and levels in the workforce”.*

During the 2010/11 financial year, municipalities had a total of 169 approved senior management posts, i.e. Municipal Manager and Managers reporting directly to municipal manager (s56). Of these approved posts, 144 posts were filled and 24 vacant, which equals to a vacancy rate of 16%. Out of the filled posts, 128 of the section 56 appointments had signed and submitted their performance agreements to the Department of Local Government.

The information on transformation statistics is based on the staff establishments of municipalities. This information reveals that 63% of the jobs are occupied by males from the coloured demographic group, followed by Africans, Whites and Indians. Although employment equity plans are implemented, most municipalities demonstrated significant progress with regards to institutional transformation. The tables 6 and 7 below indicate the number of filled, vacant posts and transformation statistics in municipalities.

CHAPTER 1: GOVERNANCE

Table 6: Number of approved, filled and vacant Section 57 posts per municipality

Municipality	Section 57									
	*2008/09			*2009/10			*2010/11			
	S57 posts on establishment of municipality	Section 57 Filled	Section 57 posts Vacant	S57 posts on establishment of municipality	Section 57 Filled	Section 57 posts Vacant	S57 posts on establishment of municipality	Section 57 Filled	Section 57 posts Vacant	No. of signed performance Agreements
City of Cape Town	13	13	0	12	12	0	12	12	0	9
Matzikama	5	3	2	6	5	1	5	5	0	5
Cederberg	4	3	1	4	3	1 (Acting)	4	4	0	4
Bergrivier	5	5	0	5	No info	No info	5	4	1	4
Saldanha Bay	No info	No info	No info	6	5	1	6	3	3	3
Swartland	7	6	1	7	7	0	7	7	0	7
West Coast DM	5	5	0	4	4	0	4	4	0	4
Witzenberg	5	5	0	5	5	0	5	5	0	5
Drakenstein	6	6	0	6	6	0	6	4	2	4
Stellenbosch	No info	No info	No info	9	9	0	7	7	0	7
Breede Valley	5	5	0	5	5	0	5	5	0	5
Langeberg	5	5	0	5	5	0	5	4	1	4
Cape Winelands DM	7	7	0	7	No info	No info	7	7	0	7
Theewaterskloof	5	5	0	6	6	0	6	6	0	6
Overstrand	7	7	0	8	8	0	7	7	0	7
Cape Agulhas	5	5	0	5	5	0	5	5	0	5
Swellendam	6	3	3	No info	No info	No info	4	3	1	3
Overberg DM	3	2	1	3	2	1	3	2	1	1
Kannaland	4	3	1	No info	No info	No info	4	3	1	0
Hessequa	8	4	4	No info	No info	No info	8	7	1	8
Mossel Bay	7	6	1	6	6	0	7	7	0	7
George	No info	No info	No info	9	5	4	8	4	4	4
Oudtshoorn	5	3	2	6	5	1	4	3	1	3
Bitou	6	6	0	6	6	0	6	6	1	5
Knysna	7	6	1	6	6	0	6	5	1	0
Eden DM	6	4	2	6	6	0	6	4	0	0
Laingsburg	1	0	0	1	1	0	1	1	0	1
Prince Albert	3	2	1	4	4	0	4	2	2	2
Beaufort West	6	6	0	6	6	0	8	5	3	5
Central Karoo DM	4	0	0	4	4	0	4	3	1	3

Source: Department of Local Government Database 2011

Note: The totals are based on the information submitted by municipalities as at June 2011

CHAPTER 1: GOVERNANCE

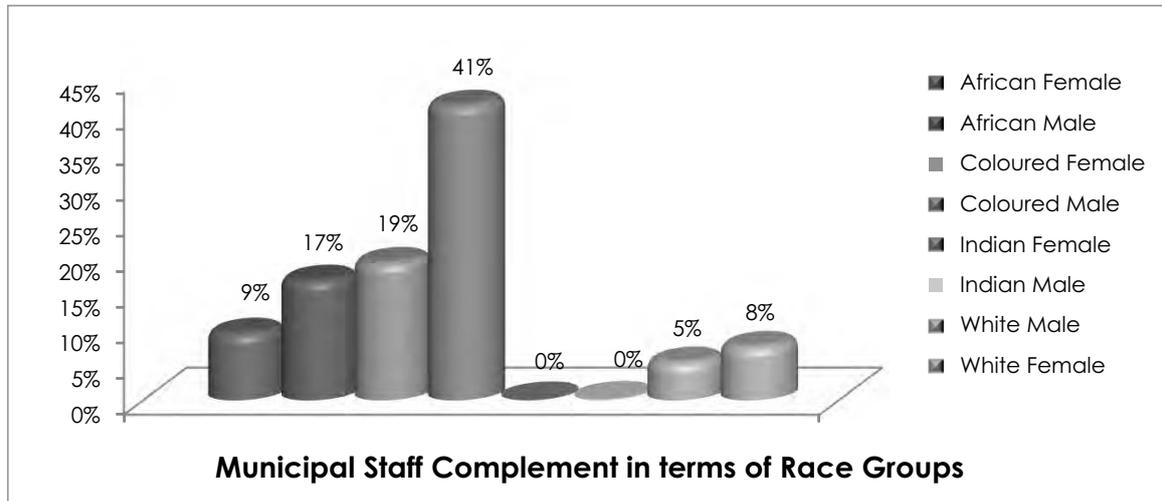
Table 7: Municipal Transformation statistics

Municipality	Municipal Staff complement in terms of race groups							
	AF	AM	CF	CM	IF	IM	WF	WM
City of Cape Town	2 394	4 414	4 259	10 970	31	65	1 171	2 086
Matzikama	3	24	91	214	0	0	22	13
Cederberg	33		229		0		26	
Bergrivier	1	14	63	224	0	0	21	28
Saldanha Bay	63	144	191	448	0	0	34	46
Swartland	6	56	92	287	0	0	37	50
West Coast DM	8	30	79	329	0	0	50	17
Witzenberg	34	111	106	282	1	2	12	22
Drakenstein	No info	No info	No info	No info	No info	No info	No info	No info
Stellenbosch	344		628		0		109	
Breede Valley	83	247	223	483	0	2	27	59
Langeberg	176		382		0		150	
Cape Winelands DM	56	100	105	209	0	0	27	85
Theewaterskloof	21	70	136	311	1	0	32	23
Overstrand	49	275	106	357	1	0	117	121
Cape Agulhas	6	18	67	151	0	0	19	23
Swellendam	No info	No info	No info	No info	No info	No info	No info	No info
Overberg DM	22	68	43	133	0	0	17	31
Kannaland	No info	No info	No info	No info	No info	No info	No info	No info
Hessequa	51	86	163	212	0	0	34	38
Mossel Bay	47	184	98	320	1	5	53	105
George	No info	No info	No info	No info	No info	No info	No info	No info
Oudtshoorn	No info	No info	No info	No info	No info	No info	No info	No info
Bitou	92	197	53	124	0	1	10	22
Knysna	63	297	106	307	0	0	38	45
Eden DM	25	58	104	222	2	0	20	64
Laingsburg	1	1	12	29	0	0	3	0
Prince Albert	0	0	25	46	0	0	5	2
Beaufort West	25	61	60	178	0	0	16	15
Central Karoo DM	13	29	21	101	0	1	6	9

Source: Annual Report 2010/11

CHAPTER 1: GOVERNANCE

AF: African Female **IF:** Indian Female
AM: African Male **IM:** Indian Male
CF: Coloured Female **WF:** White Female
CM: Coloured Male **WM:** White Male



Graph 1: Total percentage (%) per race category in Western Cape municipalities

1.3 DEVELOPMENT AND IMPLEMENTATION OF POLICIES

The Human Resources Development Strategy (HRDS) of South Africa's key mission is to maximise the potential of our people through knowledge and skills acquisition to improve livelihoods – (HRDS SA 2001).

The HRD Strategy consists of 5 strategic objectives, namely:

1. Improving the foundation for human development;
2. Developing high quality skills that are more responsive to developmental needs;
3. Improving and increasing employer participation in lifelong learning;
4. Supporting employment growth through creative innovation and policies; and
5. Ensuring that the four objectives above are linked.

Human resource policies have been extensively adopted, with most municipalities indicating that it is regarded as a priority. Some of these policies were developed and adopted by councils a few years ago, but to date not reviewed, while others are in a process of reviewing. The table below indicates the status with regards to the development and implementation of specific Human Resource policies by municipalities.

Table 8: Human Resource policies per municipality

Municipality	Recruitment and selection policy	Skills Development Plan	EE Plan	HRM and HRD policies	Performance Management Policy
City of Cape Town	Yes	Yes	Yes	Yes	Yes
Matzikama	Yes	Yes	Yes	Yes	No
Cederberg	Yes	Yes	Yes	No	No
Bergrivier	Yes	Yes	Yes	Yes	Yes
Saldanha Bay	Yes	Yes	Yes	Yes	Yes
Swarthland	Yes	Yes	Yes	Yes	Yes

CHAPTER 1: GOVERNANCE

Table 8: Human Resource policies per municipality

Municipality	Recruitment and selection policy	Skills Development Plan	EE Plan	HRM and HRD policies	Performance Management Policy
West Coast DM	Yes	Yes	Yes	Yes	Yes
Witzenberg	Yes	Yes	Yes	Yes	Yes
Drakenstein	Yes	Yes	Yes	Yes	Yes
Stellenbosch	Yes	In process	Yes	Yes	Yes
Breede Valley	Yes	Yes	In process	Yes	Yes
Langeberg	Yes	Yes	Yes	Yes	Yes
Cape Winelands DM	Yes	Yes	Yes	Yes	Yes
Theewaterskloof	Yes	Yes	Yes	Yes	Yes
Overstrand	Yes	Yes	Yes	Yes	Yes
Cape Agulhas	Yes	Yes	Yes	Yes	Yes
Swellendam	In a process	Yes	Yes	Yes	Yes
Overberg DM	Yes	Yes	Yes	No	Yes [Performance Management Framework]
Kannaland	No	No	No	No	No
Hessequa	Yes	Yes	Yes	Yes	Yes
Mossel Bay	Yes	Yes	Yes	Yes	Yes
George	Yes	Yes	Yes	Yes	Yes
Oudtshoorn	Yes	Yes	Yes	Yes	No info
Bitou	Yes	Yes	Yes	Yes	Yes
Knysna	Yes	Yes	Yes	Yes	Yes
Eden DM	Yes	Yes	Yes	Yes	Yes
Laingsburg	Yes	Yes	No	Yes	Yes
Prince Albert	Yes	Yes	Yes	Yes	Yes
Beaufort West	Yes	Yes	Yes	Yes	Yes
Central Karoo DM	Yes	Yes	Yes	Yes	Yes

Source: Annual Report 2010/11 & Questionnaires, June 2011

1.4 PERFORMANCE REWARDS

The evaluation of the performance of Section 57 managers forms the basis for rewarding outstanding performance. The table below indicates performance rewards awarded by municipalities during 2010/11 financial year.

CHAPTER 1: GOVERNANCE

Table 9: Performance Rewards for 2010/11

Municipality	Yes	No of beneficiaries	Amount
City of Cape Town	Yes	11	R3 576 000
Matzikama	Yes	5	R422 000
Cederberg	No info	No info	No info
Bergrivier	Yes		R2 232 900
Saldanha Bay	Yes	4	R53 000
Swartland		No performance reward awarded by municipality	
West Coast DM	Yes	5	R141 432.22
Witzenberg	Yes	5	R574 884.95
Drakenstein	Yes	6	R555 595
Stellenbosch	No info	No info	No info
Breede Valley	Yes	5	R519 000
Langeberg	Yes	5	R561 532
Cape Winelands DM	Yes	7	R640 219
Theewaterskloof	Yes	6	R678 311.51
Overstrand		No performance reward awarded by municipality	
Cape Agulhas	Yes		R436 000
Swellendam		No performance reward awarded by municipality	
Overberg DM		No performance reward awarded by municipality	
Kannaland	No info	No info	No info
Hessequa	Yes	8	R641 000
Mossel Bay	No info	No info	No info
George	Yes	4	R407 976.89
Oudtshoorn	No info	No info	No info
Bitou	Yes	6	R570 000
Knysna	Yes	6	R605 000
Eden DM	No info	No info	No info
Laingsburg	Yes	1	R107 724
Prince Albert	No info	No info	No info
Beaufort West	Yes	4	R329 518
Central Karoo DM	Yes		R230 211

Source: *Municipal Annual Reports 2010/11*

Note: 1. The information presented on this table is based on available information only
2. Some municipalities have a policy not to provide bonuses to senior managers

1.5 SKILLS DEVELOPMENT AND TRAINING

Municipalities provided information on various capacity building and skills development initiatives undertaken during the 2010/11 financial year. Capacity building at municipalities is crucial to improve service delivery. As such, Human Resource management is aimed at strengthening institutional capacity. This is contained in the

CHAPTER 1: GOVERNANCE

Municipal Systems Act of 2000:

68. (1) 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 way, and for this purpose must comply with the Skills Development Act, 1998 (Act No. 81 of 1998), and the Skills Development Levies Act, 20 1999 (Act No. 28 of 1999).

Western Cape municipalities continued to experience challenges during 2010/11 in attracting and retaining skilled staff, especially in technical areas such as finance. This was largely due to an overall lack of skilled personnel, combined with budget constraints. Most municipalities spent their personnel training budget in enhancing and capacitating their employees with the necessary skills to perform their duties. During the 2010/11 financial year, municipalities spent an average of 81.3% of their personnel training budget. The table below indicates the capacity and skills development initiatives by municipalities and a percentage of personnel budget spent.

Table 10: Capacity and skills development initiatives in 2010/11

Municipality	Workplace skills plan	Capacity and skills development initiatives	
City of Cape Town	Yes	Learnerships/ apprenticeships; Bursaries; Adult Education & Training (AET); Employees Wellness; Training; Cooperative-education, Electricians, Plumbing, Diesel Mechanic, Welding, Boiler making, Carpentry, Bricklaying, Auto-Electrical Fitting, Painting International Investors Conference, ARC GIS Desktop 2, Advanced Supervisory Skills, Business Report Writing, Chairperson and Initiators, Climate Change, Competency Assessment, Construction Engineering Law, Driver Training	
		Percentage of personnel training budget spent on skills development in 2010/11	90.04%
Matzikama	Yes	Ward committee, Road safety, LG Accountancy Certificate, Entrepreneurial skills, Business Plan Development, Housing owners education, Excellent Customer Care, ODETDP, Heavy driving, Waste Water Treatment, Roads 10 workers	
		Percentage of personnel training budget spent on skills development in 2010/11	108.65%
Cederberg		No info	
		Percentage of personnel training budget spent on skills development in 2010/11	100%
Bergrivier	Yes	ABET; MFMP; Microsoft excel super user; Microsoft access; chairperson and prosecutors for disciplinary hearings; law enforcement; fire brigade ; first aid; health and safety training; electricity modular course; report writing; water and waste water treatment plant supervisory course (blue drop / green drop); tiling; plumbing; dimtech sphere standards and disaster assessment tools training; municipal supply chain management	
		Percentage of personnel training budget spent on skills development in 2010/11	100%
Saldanha Bay		Internal Audit Technician learnership	
		Percentage of personnel training budget spent on skills development in 2010/11	99.80%

CHAPTER 1: GOVERNANCE

Table 10: Capacity and skills development initiatives in 2010/11

Municipality	Workplace skills plan	Capacity and skills development initiatives	
Swartland	Yes	ABET, Learnerships, Minimum Competency Regulations, Local Government Accounting Certificate	
		Percentage of personnel training budget spent on skills development in 2010/11	98.20%
West Coast DM		Basic Introduction to fire science, ABET level 2 Numeracy and Communication, MS Word & Excel, Powerpoint 2007 Basic – Advanced, First Aid level 1, IMASA conference, Water quality (EHP) Sewerage plant operation and municipal health operations systems, Amended labelling regulations, Horticulture learnership NQF1, Health and Safety Representatives, fundamental project management administration and techniques, Code EC drivers licence fire fighters, Municipal finance management programme, municipal systems act amendment bill, post graduate diploma in labour law, AARTO, introduction to SAMTRAC, protocol & etiquette workshop, fire investigation, construction roadworker learnership NQF2, HIV and Aids, Office professionals, Expenditure training, GRAP implementation readiness, Introduction to Linux, Intermediate Linux training workshop, Advanced Linux system administration, SA host customer services training, Expenditure training, Supply Chain Management, Enterprise management, Billing administration, IMPSA conference generational leadership in changing times, regional spatial analysis as basis for effective regional planning, GAP skills computer based training, career direct facilitator, project management and techniques, Grap implementation readiness, risk management of drinking water system in SA, internal audit quality assessment.	
		Percentage of personnel training budget spent on skills development in 2010/11	0.63%
Witzenberg	Yes	Management Leadership; Protocol & Ethics, Computer Training, Customer Services, Batho Pele, Supervisory Course, Conflict Management	
		Percentage of personnel training budget spent on skills development in 2010/11	98.84%
Drakenstein	Yes	Learnerships, skills programmes and short courses	
		Percentage of personnel training budget spent on skills development in 2010/11	100.00%
Stellenbosch		No info	
		Percentage of personnel training budget spent on skills development in 2010/11	
Breede Valley	Yes	Skills programs and other short courses; Minimum competencies; Water learner ships; Admin and bookkeeping learner ship; Telematic water learner ship; Local Government Accounting certificate;	
		Internal audit technician	
Langeberg	Yes	Computer Literacy / Abet, Project Management, Building Maintenance, Local Government Accounting Certificate, Life Skills, Management And Leadership	
		Percentage of personnel training budget spent on skills development in 2010/11	70%
Cape Winelands		Minimum competence levels, air quality, VMWare Vsphere 4.1, Worksite Management, Windows Server 6425c, skills development workshop	

CHAPTER 1: GOVERNANCE

Table 10: Capacity and skills development initiatives in 2010/11

Municipality	Workplace skills plan	Capacity and skills development initiatives	
Theewaters-kloof	Yes	Learner ships – Water and Waste Water Treatment, IDP, Local Government Accounting Certificate, Fraud Prevention, Law Enforcement, IT, Project Management, Electrical, ABET, Minimum competency training. Ward Committee Training.	
		Percentage of personnel training budget spent on skills development in 2010/11	77.24%
Overstrand	Yes	Aarto, Abet Level 1, Abet Level 2, Abet Level 4, Adv Dip For L.A.W. Enf Prof., Adv. Dip : Traffic & Met Policing, Adv. Driving & Vip Protection, Advanced Fire Prevention, Advanced Project Management, Arcobjects Developer Training, Assests Accounting, B.Admin., B.Com.: General, B.Com.: Indus & Org Psychology, B.Com.: Internal Auditing, B.Com.: Management Acc, B.Compt. Accounting Science, Ba: Community Development, Ba: Environmental Mng, Ba: Human And Social Studies, Ba: Laws, Ba Compressor Course, Ba Hons, Ba: Business Management, Baccalaureus Legal, Business Management N4, Cable Jointing, Camera Training, Certificate In Management, Cherry Picker, Computer Course, Degree Of Business Admin., Disaster Management, Disciplinary Procedure And Code Collective Agreement, Dismissal & Forms Of Termination & Employment, Duits li, Elec Trade Test, Epwp Mis/Kwantu Training, Estuarium Course, Event Management, Examiner Of Driving Lisense, Finance For Non-Financial Mng, First Aid Level 1 fraud Prevention, Grader Operator, Grader Training, Hazchem Training, Health Assessment Skills, High Angle li, High Impact Attitude Transformation, Higher Cert: Accounting, Honours Ba In Dev Studies, Housing Policy Course, Hr Hiring Practices, Human Settlement Training, Idp Learnership, Int Conveyancing Sec, Intermediate Fin Accounting, Internal Audit, Intro To Project Management, Ito Kursus, Labour Relations, Labour Relations Management, Legal Liability, Ll.B., Local Gov Finance, Local Gov Accounting Cert, Management And Learship Training, Management Certificate, Metro Traffic Policing, Mfma, Motor Mechanic, N6 Hr Management Exam, N6 Management Assistant, Nd: Admin. Management, Nd: Administrative Mng, Nd: Civil Engineering, Nd: Hr Management, Nd: Local Gov Finance, Nd: Logistiek, Nd: Project Management, Nd: Public Administration, Nd: Public Relations, Nd: Public Relations Management, Nd: Safety Management, Nd: Tech Financial Accounting, Nd: Logistiek, Occupational Health & Safety, Operators, Pavement M & R, Payday, Payroll Training, Pepfar Training, Programme In Office Management, Protocol & Etiquette, Psira Training, Public Procurement & Sc, Public Relations Certificate, Purchasing Management, Registry Clerk Course, Revit, Safety Management, Safety Rep Training, Samras Training, Sbs, Security Course, Senior Certificate, Simulator Course, Strafproses & Wettereg, Supervisory Course, Supervisory Management, Tcs, Traffic Officers, Truck Mounted Training, W & W Treatment Process Operations, Water & Wastewater Treatment, Weedeater Training, What Is New In Arcgis 10	
		Percentage of personnel training budget spent on skills development in 2010/11	99.90%
Cape Agulhas		Training for non-financial officials; Training for archive register clerk; Archive record management; Introduction to project management; Chlorine training; Law enforcement; Aircon training; Register clerk course; Advanced project management; Human settlement training; Basic computer training; HCE refresher course; Minimum competencies training; Performance management; Gap skills training; Learner licence training; Module 5 electrical training; Nedbank personal budget training; TASK training; Water purification training; Process control training; Basic fire fighting.	
		Percentage of personnel training budget spent on skills development in 2010/11	96%

CHAPTER 1: GOVERNANCE

Table 10: Capacity and skills development initiatives in 2010/11

Municipality	Workplace skills plan	Capacity and skills development initiatives	
Swellendam		Integrity Management (9 Employees), Hr Management (2 Employees) Disaster Management (1 Employee), Unipical Munimum Competency Programme (9 Employees), Water & Sewage Purification Learnership (6 Employees), Internal Audit Learnership (1 Employee)	
		Percentage of personnel training budget spent on skills development in 2010/11	0.43%
Overberg DM		Abet, Computer training, Basic Fire Fighting, Certificate Program Management Development, Diploma in Fire Technology, Ethics for Environmental Health Practitioners, Five Keys for Environmental Health Practitioners, Hazmat and Spill Response, Digger Loader, Lowbed, Managing Day to Day Issues, Moderation training, Municipal Minimum Competency Level, Road Maintenance & Stormwaters, Trauma Incidents Reduction, Reuck Mounted Crane/Basic Rigging & Slinging	
		Percentage of personnel training budget spent on skills development in 2010/11	57.59%
Kannaland	Yes	Labour Intensive Construction (NQF level 5); First Aid & Safety; Supervisor Training Course; Local Government Accounting Certificate; Local Economic Development Learnerships; Integrated Development Planning; Occupationally Directed Training and Development Practices; Competency Program for Municipal Development and Municipal Finance (CPMD) ; Councillor Induction (SALGA); SALGA Councillor Development Program.	
		Percentage of personnel training budget spent on skills development in 2010/11	No info
Hessequa	Yes	Supply chain management, fire fighting, first aid, library computer systems client service, disaster management, MFMA Minimum Core Competency Training	
		Percentage of personnel training budget spent on skills development in 2010/11	83.0%
Mossel Bay	Yes	First Aid Level 1, First Aid Level 3, Incident Investigation, Introduction to SAMTRAC, Basic Health and Hygiene, Health and Safety in the Workplace, SHE Representation Functions, Rope Rescue Technicians, Hazardous Material Operations, Intro into Sphere and Disaster Impact Assessment, Law enforcement training by peace officers, SANS - Building regulations, Aerial platform and Truck mounted crane, Basic Health and Hygiene, Bricklaying Learnership, Carpentry learnership, Chaining disciplinary meetings, Deciibel meter training, Electrician and Aerial platform operator, First aid level 2 & 3, Gapskill reporting, Grade 12, Hazmat operations workplace, Health and Safety in workplace, Incident investigation, Introduction to Samtrac, LV short circuit currents, Minimum competency levels, People Management, Plumbing	
		Percentage of personnel training budget spent on skills development in 2010/11	100%
George	Yes	Financial management training, Capacity building of soup kitchen volunteers/ crèche managers, chef training, personal hygiene and food, Capacity building of volunteers to execute door-to-door campaigns on substance abuse, Capacity building of youth to conduct a youth survey, youth friendly clinic outreaches and tavern project, career development, film making training, arts, capacity building of sex workers to act as peers educators, arts and craft training for women, sensitization workshop of different disabilities to businesses	
		Percentage of personnel training budget spent on skills development in 2010/11	100%
Oudtshoorn		No info	
		Percentage of personnel training budget spent on skills development in 2010/11	

CHAPTER 1: GOVERNANCE

Table 10: Capacity and skills development initiatives in 2010/11

Municipality	Workplace skills plan	Capacity and skills development initiatives	
Bitou		Firearm training, office professionals, first aid levels 1- 3, professional aviation training/airport, fire fighting, HAZMAT technician, advanced fire prevention, HAZMAT operation, professional risk, supervisor training, SDF training, chainsaw operation, GIS, grass/bush cutting, advanced electrical (NQF 2), OHS, electrical maintenance, waste water treatment, board governance, drivers' license, sport turf grass, nursery training (pruning and maintenance), electrical, supply chain, internal auditing, advanced DB4/salaries, IDP/strategic learnership, LED/strategic learnership, finance learnership, ABET, finance internship, electrical internship, building internship, sport and recreation internship, corporate services internship.	
		Percentage of personnel training budget spent on skills development in 2010/11	88%
Knysna		Learnerships, Skills programmes and short training courses.	
		Percentage of personnel training budget spent on skills development in 2010/11	93%
Eden DM		Occupation Directed Education Training and Development, Temporary employment contract administration	
		Percentage of personnel training budget spent on skills development in 2010/11	
Laingsburg		Road construction learnership, local government accounting, MFMA/GRAP training, IDP/LED, supply chain, coaching/mentoring, ODETDP, Project Management, water reticulation, waste water treatment.	
		Percentage of personnel training budget spent on skills development in 2010/11	178.90%
Prince Albert		Water purification, Computer training beginners, Computer training Advanced, Minute taking, Record Management, NQF2 Water Learnership, IDP Learnership, Finance and Auditing Learnership, Supply Chain Management, Minimum Competency Training, GRAP Financial, Ward Committees, Drivers Licences, Traffic Supervisor, Occupational Development and Training, ABET, Natis Motor Vehicle Registration	
		Percentage of personnel training budget spent on skills development in 2010/11	1.75%
Beaufort West		Record Management, First Aid, GRAP training, Disaster Risk Management, Executive Secretaries training, Construction training	
		Percentage of personnel training budget spent on skills development in 2010/11	173.50%
Central Karoo DM		BTECH civil engineering, dangerous goods certificate, MFMA minimum competency training, driver's licence bursaries, water reticulation learnership, role of housing admin in housing delivery, managing low-cost housing, diesel mechanic trade test.	
		Percentage of personnel training budget spent on skills development in 2010/11	90%
Average % of personnel budget spent on skills development in 2010/11		81.3	

Source : Municipal Annual Report 2010/11 & Municipal Questionnaires July 2012

CHAPTER 1: GOVERNANCE

1.6 FUNCTIONALITY OF IGR STRUCTURES

It is essential that high levels of cooperation exist between all three spheres of government, in order to ensure the alignment of development strategies and planning priorities. Effective IGR structures are especially important to the developmental role of municipalities. This role can only be fulfilled through the active involvement of all spheres of government in the setting of priorities, resource allocation and development planning. The strategic objective of IGR is to support good governance and accountability between the three spheres of government through effective intergovernmental relations.

District municipalities are required to at least meet once per quarter with the local municipalities in discussing their cross-cutting/overarching issues. District municipalities convened all their District Coordinating Forum (DCFs) meetings during the year under review, with the exception of the Overberg District which only met once due to governance challenges.

During the 2010/11 financial year, the Provincial and municipal government continued to institutionalize IGR structures within the Western Cape. At the heart of this process lay a review process undertaken by all stakeholders, culminating in the reconfiguration of processes and structures wherever this was required. As an outcome of this review, the establishment of the Ministers and Executive Mayors Forum (MINMAY) and the Ministers and Executive Mayors Technical Committee (MINMAY TECH) should be viewed as significant steps in strengthening IGR structures within the Province. It is envisioned that their establishment will ensure greater synergy between the Provincial and local governments, resulting in strengthening inter-governmental cooperation.

1.7 THUSONG SERVICE CENTRE PROGRAMME

Control over the functioning of Thusong Service Centres was transferred to the Provincial Department of Local Government in April 2010. These Centres enable local communities to gain easier access to government services. Drakenstein, Breede Valley, Prince Albert, Witzenburg, Matzikama as well as Beaufort West municipalities, benefitted from the establishment of new Thusong Service Centres.

The Thusong Programme has been expanded in the Western Cape Province to include Thusong Zones, Thusong Service Centres, Thusong Service Satellite Centres, Thusong Mobiles and the Thusong Extension programme. There were twenty four (24) Thusong Mobiles held reaching over 37 000 Western Cape citizens.

The Department of Local Government rolled out the Thusong Implementation Strategy, which strengthened the sustainability of Thusong Service Centres by assisting municipalities. Lease agreements were also concluded ensuring that the key anchor departments render services at the Thusong Service Centres. Twenty four Thusong Service Centre Managers attended an accredited Junior Management Development Programme at the Provincial Training Institute in order to be equip themselves with the skills in successfully managing these centres.

1.8 WARD COMMITTEES

Ward committees are established in terms of Chapter 4 of the Municipal Structures Act of 1998. The ward committee system was designed to ensure that citizens' inputs are taken into account during planning and decision-making processes at local government level.

Ward committees have been established in most municipalities. The Department of Local Government played a role in establishing functional ward committee structures throughout the Province. This was done through the development of a Provincial Framework for the implementation of effective ward systems.

Out of 382 wards within the province, 285 ward committees were functional and the balance was classified as partly functional due to the sector or interest group report back meetings that were not held. The following municipalities reported that their ward committees were functional: Matzikama, Cederberg, Bergrivier, Saldanha Bay, Swartland, Witzenberg, Drakenstein, Stellenbosch, Breede Valley, Langeberg, Theewaterskloof, Overstrand, Cape Agulhas, Kannaland, Mossel Bay, George, Oudtshoorn, Knysna, Beaufort West, Laingsburg and Prince Albert.

There were ward committees which were not fully constituted from the following municipalities: City of Cape

CHAPTER 1: GOVERNANCE

Town, Swellendam, Bitou, and Hessequa municipalities confirming the completion of the process of establishment of their Ward Committee structures in the following financial year. The following table outlines the number of wards per municipality and the status of ward committee functionality in each municipality.

Table 11: Ward Committee functionality

Municipality	Number of wards	Status
City of Cape Town	106	Partly functional, only 88 ward forums are functional in terms of new model.
West Coast District	46	
Matzikama	8	All wards are functional.
Cederberg	6	Partly functional: Four ward committees did not have sector / interest group report back meetings.
Bergrivier	7	Partly functional: Not all wards have sector / interest group report back meetings.
Saldanha Bay	13	Partly function: three ward committees did not have sector / interest group report back meetings.
Swartland	12	All wards are functional.
Cape Winelands District	98	
Witzenberg	12	All wards are functional.
Drakenstein	31	All wards are functional.
Stellenbosch	22	All wards are functional.
Breede Valley	21	Partly functional: only four ward committees had sector / interest group report back meetings.
Langeberg	12	Partly functional: three ward committees did not have sector / interest group report back meetings.
Overberg District	36	
Theewaterskloof	13	Partly functional: three ward committees did not have sector / interest group report back meeting.
Overstrand	13	All wards are functional.
Cape Agulhas	5	Partly functional: Sector report back meetings still to be implemented.
Swellendam	5	No information provided.

CHAPTER 1: GOVERNANCE

Table 11: Ward Committee functionality

Municipality	Number of wards	Status
Eden District	81	
Kannaland	4	Partly functional: Only one ward committee had a sector / interest group report meeting.
Hessequa	8	Partly functional: sector report back meetings still to be implemented.
Mossel Bay	14	Partly functional: sector report back meetings still to be implemented.
George	25	All wards are functional.
Oudtshoorn	13	Partly functional: sector report back meetings still to be implemented.
Bitou	7	Ward committees still to be established.
Knysna	10	Partly functional: 3 ward committees had report back sector / interest group meetings.
Central Karoo DM	15	
Laingsburg	4	All ward committees are functional.
Prince Albert	4	All ward committees are functional.
Beaufort West	7	Partly functional: sector report back meetings still to be implemented.

Source: Department of Local Government Database

1.9 ANTI-CORRUPTION AND FRAUD PREVENTION

Anti-corruption measures are an integral part of ensuring good governance at municipalities and promote whistle-blowing for any corrupt activities. According to the Department of Local Government, progress with the implementation of anti-corruption strategies by municipalities showed similar results as compared to the previous year. The table below outlines the progress per municipality.

Table 12: Anti-corruption and fraud prevention plans

Municipality	Anti-corruption and/or Fraud Prevention Plan compiled?	Has council adopted the Anti-corruption and/or Fraud Prevention Plan?	Is the plan being implemented?
City of Cape Town	Yes	Yes	Yes
Matzikama	Yes	Yes	Yes
Cederberg	Yes	In process	
Bergervier	Yes	Yes	Yes

CHAPTER 1: GOVERNANCE

Table 12: Anti-corruption and fraud prevention plans

Municipality	Anti-corruption and/or Fraud Prevention Plan compiled?	Has council adopted the Anti-corruption and/or Fraud Prevention Plan?	Is the plan being implemented?
Saldanha Bay	Yes	Yes	Yes
Swartland	Yes	Yes	Yes
West Coast District Municipality	Yes	Yes	
Witzenberg	Yes	Yes	
Drakenstein	Yes	Yes	Yes
Stellenbosch	Yes	Yes	Yes
Breede Valley	Yes	To be adopted by 30 June 2012	No
Langeberg	Yes	Yes	Yes
Cape Winelands District Municipality	Yes	Yes	Yes
Theewaterskloof	Yes	Yes	Yes
Overstrand	Yes	Yes	Yes
Cape Agulhas	Yes	Yes	Yes
Swellendam	Yes	Yes	Yes
Overberg District Municipality	Yes	To be adopted by 30 June 2012	No Need assistance
Kannaland	No Need assistance		
Hessequa	Yes	Yes	Yes
Mossel Bay	Yes	Yes	Yes
George	Yes	Yes	Yes
Oudtshoorn	Yes	Yes	
Bitou	Yes	Yes	No
Knysna	Yes	Yes	Yes
Eden District Municipality	Yes	Yes	Yes
Laingsburg	Yes	Yes	
Prince Albert	No Need assistance		
Beaufort West	Yes	No	
Central Karoo District Municipality	Yes	Yes	Yes

Source: Department of Local Government Database

Anti-corruption plans were developed in 28 municipalities, while these plans were adopted by Council in 25 municipalities.

To support anti-corruption initiatives, the Department of Local Government appointed a service provider to conduct a survey on the perceptions of corruption amongst municipal councillors and staff. The findings of the survey indicated that there is a lack of awareness amongst both staff and councillors in respect of the Prevention of Corrupt Activities Act and Protected Disclosure "Whistleblowing" Act. These findings were submitted to all municipalities for comment in order to assist them with the relevant support. Through the assistance of the National Department of Cooperative Governance and donor partners, Mossel Bay was assisted with the development of Fraud Prevention Plans (FPP) and the implementation of Anti-Corruption or "Ethics" Committees.

CHAPTER 1: GOVERNANCE

1.10 PUBLIC SATISFACTION ON SERVICES

This section shows the level of public satisfaction conducted through surveys on the services rendered by the municipality i.e. refuse removal, road maintenance, electricity, water etc.

Table 13: Public satisfaction on service level

Municipality	Satisfaction surveys undertaken	What was the overall satisfaction levels from the public towards Municipal Service Delivery and office bearers
City of Cape Town	Community Satisfaction Survey	Overall perceptions of the performance of the City have increased significantly. Respondents indicated that the City has improved across most of the City's service delivery areas.
Matzikama	No info	No info
Cederberg	No info	No info
Bergrivier	No info	No info
Saldanha Bay	No info	No info
Swartland	Community Satisfaction Survey	A comprehensive customer satisfaction survey has been conducted by an external service provider, where the CORE services of the Municipality have been evaluate on a five point scale, where 1= very bad and 5=very good. Our overall score (average) obtained was 4.
West Coast DM	No info	No info
Witzenberg	No	Good; The Municipality didn't have any protest marches regarding service delivery; nor petitions received in respect of service delivery grievances
Drakenstein	Service Delivery and Community Satisfaction Survey	The survey suggested that Drakenstein households and businesses are troubled with the unsatisfactory provision of essential services, community facilities and services, economic development, account and billing services and performance of staff
Stellenbosch	No info	No info
Breede Valley	No info	No info
Langeberg	No info	No info
Cape Winelands DM	No info	No info
Theewaterskloof	TWK has implemented Service Level Agreements with communities, Service level agreement committee exists made out of members of the local community. Together with municipality Services standards are negotiated and reported on a quarterly basis to the committee	High degree of compliance i.r.o municipal service delivery and municipal office bearers
Overstrand	Yes	The survey was conducted by the municipality and the community were satisfied with the services rendered.

CHAPTER 1: GOVERNANCE

Table 13: Public satisfaction on service level

Municipality	Satisfaction surveys undertaken	What was the overall satisfaction levels from the public towards Municipal Service Delivery and office bearers
Cape Agulhas	No	However, agreed to assist Department of Local Government: Public Participation section to undertake a citizen satisfaction survey within Cape Agulhas via the community development workers. Surveys to be undertaken in new financial year. In the meantime the Complaint System is being monitored which indicates a high level of satisfaction.
Swellendam	Yes	Low
Overberg DM	No	No
Kannaland	No info	No info
Hessequa	No	
Mossel Bay	Yes	Fairly good
George	Yes	According to findings 66.7% of the public was satisfied with the overall performance of the municipality
Oudtshoorn	No info	No info
Bitou	No info	No info
Knysna	No info	No info
Eden DM	No info	No info
Laingsburg	Yes	83% of citizens were satisfied with the services.
Prince Albert	No info	No info
Beaufort West	No info	No info
Central Karoo DM	No info	No info

Source: Municipal Annual Report 2010/11

1.11 IMPLEMENTATION OF CDW PROGRAMME

Community Development Workers (CDWs) play an important role in providing linkages between local communities and government services. These workers are civil servants who are passionate about serving their local communities. As such, they have vast grassroots knowledge about local conditions and serve as a valuable resource to make service delivery more accessible. Communities, especially in rural areas, are often unaware of their rights related to grant applications, service cuts and school enrolments. CDWs play a crucial role in this regard, informing local communities about government services. This means that these workers form an important communication link between government and communities in order to mobilize their communities to become active participants in government programmes.

In the Western Cape, CDWs are deployed in 7 different regions. By the end of the 2010/11 financial year, there were 164 CDWs in the province, with an additional 10 supervisors. The Department of Local Government entered into a Memorandum of Agreement with 23 municipalities where these CDWs were deployed, namely: Witzenberg, Drakenstein, Breede Valley, Theewaterskloof, Overstrand, Cape Agulhas, George, Oudtshoorn, Bitou, Knysna, Laingsburg, Prince Albert, Beaufort West, Matzikama, Cederberg, Swartland, Saldanha Bay, Kannaland, Mossel bay, Stellenbosch, Cape Winelands District, Bergvrievier and City of Cape Town.

During the 2010/11 financial year, CDWs conducted information sessions in various municipalities which include: Social Grants, Substance Abuse, Economic Opportunities, Housing Consumer Education, Child Maintenance, Cooperatives, Skills Training, Services rendered by SASSA, PAJA, Economic Empowerment, Know Your Service Rights, Job Creation, Fire and Floods, Teenage Pregnancy, Rights of Elderly people, etc. The number of the information sessions per region was as follow: Central Karoo 15, Metro 27, Overberg 8, Cape Winelands 11, West Coast 12, and Eden 6. In addition, two new partnerships with relevant stakeholders were concluded i.e. the

CHAPTER 1: GOVERNANCE

Department of Trade and Industry (DTI) in Eden and First National Bank (FNB) in Khayelitsha. Service Level Agreements with these stakeholders were signed.

There were a number of cases referred by CDWs to relevant institutions relating to Identity Documents, Indigent grants, Housing subsidies, etc. These cases were reported in the following municipalities: Metro 2002, Cape Winelands 794, Central Karoo 875, Eden 157, West Coast 1359 and Overberg 862.

The CDWs supported various government initiatives which include:

- Launching the Nursery and Herb Garden project by the Department of Environmental Affairs and Development Planning;
- Assisting Regional Stakeholders with Provincial Information Sharing Day Outreach by bringing information closer to the people;
- Supporting Expanded Public Works Programme in facilitating access to rural people of new carpenter and roadwork's learnership; and
- Assisting in identifying 397 beneficiaries in Nuwe Begin Beneficiary Survey at TR section in Khayelitsha.

Community projects supported by the CDWs during the period under review were:

- Masivuke project on getting 6 volunteers, training and filling in application forms for funding.
- Developed, initiated and monitored vegetable garden at A.H. Barnard Primary School.
- Handjies and Voetjies Educare with drafting of adverts, placement on database of Community Worker Programme.
- Administrative and technical support to Suit Case Back yard garden in Lutzville-Wes, Ebenheaser and Doring Bay in Matzikama Municipality.
- Stakeholders meeting about Community Nutritional Development centres in Khayelitsha.
- Vegetable garden at HM Dlikidla Primary School.
- Certificate ceremony for 10 young people that successfully completed computer training in ward 8 and 11.
- Clean and greed project of Ward 9 in Breede Valley Municipality.

CHAPTER 2: PERFORMANCE AND COMPLIANCE MONITORING

CHAPTER 2: PERFORMANCE AND COMPLIANCE MONITORING**2.1 SERVICE DELIVERY BUDGET IMPLEMENTATION PLANS (SDBIP)**

In terms of section 69(3) of the MFMA, the Accounting Officer must no later than 14 days after the approval of an annual budget submit to the mayor a draft SDBIP for the budget year and drafts of the annual performance agreements as required in terms of section 57(1) (b) of the Municipal Systems Act (Act 32 of 2000) for the Municipal Manager and all senior managers.

Furthermore, section 53 of the MFMA requires that the Executive Mayor of a municipality approves the municipality's SDBIP within 28 days after the approval of the budget. In terms of section 19 of the Municipal Budget and Reporting Regulations, the Municipal Manager must in accordance with section 21A of the Municipal Systems Act make public the approved SDBIP within ten working days after the Mayor has approved the plan in terms of section 53(1)(c)(11) of the Act.

The SDBIP targets should complement the municipal reporting cycle which includes the monthly report (section 71), mid-year report (section 72) and the annual report (section 122) of the Municipal Finance Management Act. The SDBIP forms the basis for the section 52(d) report on the implementation of the budget and the financial state of affairs of a municipality, which the mayor has to table in council within 30 days of the end of each quarter.

The following table outlines the compliance in terms of the submission of SDBIP by municipalities.

Table 14: Submission of SDBIPs by municipalities

MUNICIPALITY	SUBMISSION OF SDBIP'S TO PROVINCIAL TREASURY		
	08/09	09/10	10/11
City of Cape Town	Yes	Yes	Yes
West Coast District	Yes	Yes	Yes
Matzikama	Yes	Yes	Yes
Cederberg	Yes	Yes	Yes
Bergrivier	Yes	Yes	Yes
Saldanha Bay	Yes	Yes	Yes
Swartland	Yes	Yes	Yes
Cape Winelands District	Yes	Yes	Yes
Witzenberg	Yes	Yes	Yes
Drakenstein	Yes	Yes	Yes
Stellenbosch	Yes	Yes	Yes
Breede Valley	Yes	No	Yes
Langeberg	Yes	Yes	Yes
Overberg District	Yes	Yes	Yes
Theewaterskloof	Yes	Yes	Yes
Overstrand	Yes	Yes	Yes
Cape Agulhas	Yes	Yes	Yes
Swellendam	Yes	No	Yes
Eden District	Yes	No	Yes
Kannaland	Yes	Yes	Yes
Hessequa	Yes	Yes	Yes
Mossel Bay	Yes	Yes	Yes
George	Yes	Yes	Yes

CHAPTER 2: PERFORMANCE AND COMPLIANCE MONITORING

Table 14: Submission of SDBIPs by municipalities

MUNICIPALITY	SUBMISSION OF SDBIP'S TO PROVINCIAL TREASURY		
	08/09	09/10	10/11
Oudtshoorn	Yes	Yes	Yes
Bitou	Yes	Yes	Yes
Knysna	Yes	Yes	Yes
Central Karoo District	Yes	Yes	Yes
Laingsburg	Yes	Yes	Yes
Prince Albert	Yes	Yes	Yes
Beaufort West	Yes	Yes	Yes

Source: Provincial Treasury Database

All Western Cape municipalities prepared and submitted their SDBIP's for the 2010/11 financial year to Provincial Treasury.

All submitted SDBIPs were assessed by the Provincial Treasury based on the following criteria:

- Compliance
- Quality of document
- Budget/IDP linkage
- Basic Services: Water, Electricity, refuse removal, Sanitation and Housing. Targeted basic services and infrastructure investment
- Governance IDP Planning/ public participation
- Local Economic Development: Is the LED reported across directorates? Poverty alleviation and skill development
- Performance Management

The results of the assessment revealed that most of the municipalities had complied with the due date and submitted the document to council for approval. The SDBIP included all the high level indicators which are linked to the Strategic Objectives of the Municipality. The Key Performance Areas were included in the SDBIP and are linked to the budget.

2.2 SUBMISSION OF ANNUAL FINANCIAL STATEMENTS

Every municipality and every municipal entity must for each financial year prepare annual financial statements in accordance with section 122 of the MFMA (Act 56 of 2003). In terms of section 126 of the same Act, the Accounting Officer is required, that within two months (by end August) after the end of the financial year to which those statements relate, submit the statements to the Auditor-General for auditing. The table indicates the compliance of municipalities with the preparation and submission of Annual Financial Statements to Auditor General.

Table 15: Submission of AFS to AGSA

MUNICIPALITY	PREPARATION AND SUBMISSION OF AFS TO AGSA		
	08/09	09/10	10/11
City of Cape Town	31 Aug 09	31 Aug 10	31 Aug 11
West Coast District	31 Aug 09	31 Aug 10	31 Aug 11
Matzikama	31 Aug 09	31 Aug 10	14 Dec 11
Cederberg	01 Sept 09	20 Sept 10	31 Aug 11
Bergrivier	22 Sept 09	31 Aug 10	30 Sept 11
Saldanha Bay	31 Aug 09	01 Sept 10	31 Aug 11
Swartland	31 Aug 09	31 Aug 10	31 Aug 11

CHAPTER 2: PERFORMANCE AND COMPLIANCE MONITORING

Table 15: Submission of AFS to AGSA

MUNICIPALITY	PREPARATION AND SUBMISSION OF AFS TO AGSA		
	08/09	09/10	10/11
Cape Winelands District	31 Aug 09	31 Aug 10	31 Aug 11
Witzenberg	31 Aug 09	31 Aug 10	31 Aug 11
Drakenstein	31 Aug 09	31 Aug 10	31 Aug 11
Stellenbosch	31 Aug 09	31 Aug 10	31 Aug 11
Breede Valley	15 Sept 09	10 Sept 10	31 Aug 11
Langeberg	31 Aug 09	31 Aug 10	30 Sept 11
Overberg District	31 Aug 09	31 Aug 10	30 Sept 11
Theewaterskloof	31 Aug 09	31 Aug 10	05 Sept 11
Overstrand	31 Aug 09	31 Aug 10	31 Aug 11
Cape Agulhas	07 Sept 09	31 Aug 10	31 Aug 11
Swellendam	11 Sept 09		
Eden District	31 Aug 09	31 Aug 10	14 Feb 11
Kannaland	03 Sept 09	31 Aug 10	14 Dec 11
Hessequa	31 Aug 09	31 Aug 10	31 Aug 11
Mossel Bay	31 Aug 09	31 Aug 10	31 Aug 11
George	23 Sept 09	31 Aug 10	31 Aug 11
Oudtshoorn	N/A	21 Jan 11	24 Feb 11
Bitou	31 Aug 09	31 Aug 10	08 Sept 11
Knysna	31 Aug 09	31 Aug 10	01 Sept 11
Central Karoo District	31 Aug 09	31 Aug 10	31 Aug 11
Laingsburg	31 Aug 09	31 Aug 10	31 Aug 11
Prince Albert	31 Aug 09	31 Aug 10	26 Sept 11
Beaufort West	31 Aug 09	31 Aug 10	31 Aug 11

Source: Provincial Treasury Database

The above table indicates the dates on which the financial statements of each municipality were submitted to the Auditor-General in the past three financial years. The table reflects that when comparing the 2009/10 and 2010/11 financial years there has been a decrease in terms of municipal compliance with the submission of the Annual financial statements to the Auditor-General by 31 August of each year. Twelve municipalities did not comply with the submission of the financial statements by 31 August 2011. The municipalities that submitted their Annual Financial Statements after the due date provided the following reasons:

- Challenges with the implementation of GRAP 17 (the balancing of the Fixed Asset Register and infrastructure assets)
- Challenges with completing the Fixed Asset Register
- The resignation of the Chief Financial Officer, combined with GRAP 17 implementation backlogs, caused the late submission
- Staffing shortage that emerged at a late stage during the compilation process of Annual Financial Statements

2.3 SUBMISSION OF ANNUAL REPORTS

In terms of section 127(2) of the MFMA, the Mayor must within seven months (by end January) of the financial year, table in the municipal council the annual report of the municipality containing all elements as prescribed by section 121(3) of the MFMA.

Section 127(5)(b) then requires that immediately after the annual report has been tabled in the council in terms of 127(2), the accounting officer of a municipality must submit the annual report to the Auditor-General, the relevant provincial treasury and the provincial department responsible for local government in the province. The following table indicates the compliance of municipalities with the tabling in council and submission of Annual reports to the Department of Local Government.

CHAPTER 2: PERFORMANCE AND COMPLIANCE MONITORING

Table 16: Tabling and submission of annual report

MUNICIPALITY	09/10		10/11	
	Tabling date in Council	Submission to the DLG	Tabling date in Council	Submission to the DLG
City of Cape Town	26 Jan 11	Yes	25 Jan 12	Yes
West Coast District	24 Nov 10	Yes	23 Nov 11	Yes
Matzikama	24 Nov 10	Yes	31 Jan 12	Yes
Cederberg	06 Dec 10	Yes	09 Feb 12	Yes
Bergrivier	27 Jan 11	Yes	31 Jan 12	Yes
Saldanha Bay	17 Mar 11	Yes	25 Jan 12	Yes
Swartland	31 Jan 11	Yes	26 Jan 12	Yes
Cape Winelands District	27 Jan 11	Yes	26 Jan 12	Yes
Witzenberg	25 Jan 11	Yes	27 Jan 12	Yes
Drakenstein	26 Jan 11	Yes	25 Jan 12	Yes
Stellenbosch	27 Jan 11	Yes	26 Jan 12	Yes
Breede Valley	31 Jan 11	Yes	25 Jan 12	Yes
Langeberg	02 Dec 10	Yes	25 Jan 12	Yes
Overberg District	08 Mar 11	Yes	31 Jan 12	Yes
Theewaterskloof	25 Jan 11	Yes	25 Jan 12	Yes
Overstrand	26 Jan 11	Yes	25 Jan 12	Yes
Cape Agulhas	26 Jan 11	Yes	08 Dec 11	Yes
Swellendam	Non-compliance		Non-compliance	
Eden District	15 Dec 10	Yes	27 Jan 12	Yes
Kannaland	28 Jan 11	Yes	31 Jan 12	Yes
Hessequa	25 Jan 11	Yes	22 Nov 11	Yes
Mossel Bay	27 Jan 11	Yes	26 Jan 12	Yes
George	20 Jan 11	Yes	25 Jan 12	Yes
Oudtshoorn	Non-compliance		Non-compliance	
Bitou	25 Jan 11	Yes	29 Jun 12	Yes
Knysna	25 Jan 11	Yes	26 Jan 12	Yes
Central Karoo District	25 Feb 11	Yes	05 Mar 12	Yes
Laingsburg	25 Jan 11	Yes	10 Jan 12	Yes
Prince Albert	03 Jan 11	Yes	09 Jan 12	Yes
Beaufort West	08 Dec 10	Yes	13 Dec 12	Yes

Source: Department of Local Government Database

Twenty five municipalities tabled their Annual reports in council within the specified timeframe. Cederberg, Bitou and Central Karoo municipalities tabled their Annual reports after the specified timeframe, while Swellendam and Oudtshoorn municipalities did not comply with the Act in tabling their annual report in council. The table illustrates that Oudtshoorn and Swellendam municipalities have not complied to section 127(2) and section 127(5)(b) of the MFMA.

CHAPTER 2: PERFORMANCE AND COMPLIANCE MONITORING

2.4 OVERSIGHT REPORTS

Section 129(1) of the MFMA prescribes that the council of a municipality must consider the Annual report of the municipality and of any municipal entity under the municipality's sole or shared control. By no later than two months from the date on which the annual report was tabled in council in terms of section 127, Council must adopt an Oversight report containing the comments on the annual report, which must include a statement whether the council has:

- Approved the annual report with or without reservations;
- Rejected the annual report; or
- Referred the annual report back for revision of those components that can be revised.

The table indicates the compliance of municipal councils with the adoption of the Oversight report and the council's resolutions on the Annual reports.

Table 17: Adoption of oversight report

MUNICIPALITY	Financial Year	Expected date of Adoption	Actual adoption date	Annual report approved without reservations	Annual report approved with reservations	Annual report rejected	Annual report referred back for revision
City of Cape Town	09/10	26 Mar 11	30 Mar 11				
	10/11	25 Mar 12	28 Mar 12				
West Coast District	09/10	24 Jan 11	01 Feb 11				
	10/11	23 Jan 12	31 Jan 12				
Matzikama	09/10	31 Mar 11	28 Mar 11				
	10/11	31 Mar 12	27 Mar 12				
Cederberg	09/10	06 Feb 11	18 Mar 11				
	10/11	09 May 12	29 Mar 12				
Bergrivier	09/10	27 Mar 11	29 May 11				
	10/11	31 Mar 12	22 Mar 12				
Saldanha Bay	09/10	17 May 11	06 May 11				
	10/11	25 Mar 12	29 Mar 12				
Swarthland	09/10	31 Mar 11	31 Mar 11				
	10/11	26 Mar 12	29 Mar 12				
Cape Winelands District	09/10	27 Mar 11	31 Mar 11				
	10/11	26 Mar 12	30 Mar 12				
Witzenberg	09/10	25 Mar 11	28 Feb 11				
	10/11	27 Mar 12	03 Apr 12				
Drakenstein	09/10	26 Mar 11	30 Mar 11				
	10/11	25 Mar 12	20 Mar 12				
Stellenbosch	09/10	27 Mar 11	24 Mar 11				
	10/11	26 Mar 12	29 Mar 12				

CHAPTER 2: PERFORMANCE AND COMPLIANCE MONITORING

Table 17: Adoption of oversight report

MUNICIPALITY	Financial Year	Expected date of Adoption	Actual adoption date	Annual report approved without reservations	Annual report approved with reservations	Annual report rejected	Annual report referred back for revision
Breede Valley	09/10	31 Mar 11	23 Mar 11				
	10/11	25 Mar 12	29 Mar 12				
Langeberg	09/10	02 Feb 11	22 Feb 11				
	10/11	25 Mar 12	28 Mar 12				
Overberg District	09/10	08 May 11	15 Apr 11				
	10/11	31 Mar 12	26 Mar 12				
Theewaterskloof	09/10	25 Mar 11	24 Mar 11				
	10/11	25 Mar 12	29 Mar 12				
Overstrand	09/10	26 Mar 11	30 Mar 11				
	10/11	25 Mar 12	28 Mar 12				
Cape Agulhas	09/10	26 Mar 11	26 Jan 11				
Swellendam	09/10	Non-compliance		N/A			
	10/11	Non-compliance		N/A			
Eden District	09/10	15 Feb 11	30 Mar 11				
	10/11	27 Mar 12	30 Mar 12				
Kannaland	09/10	28 Mar 11	Non-compliance				
	10/11	31 Mar 12					
Hessequa	09/10	25 Mar 11	22 Mar 11				
	10/11	22 Jan 12	30 Mar 12				
Mossel Bay	09/10	27 Mar 11	31 Mar 11				
	10/11	26 Mar 12	26 Mar 12				
George	09/10	27 Mar 11	15 Mar 11				
	10/11	25 Mar 12	29 Mar 12				
Oudtshoorn	09/10	Non-compliance		N/A			
	10/11	Non-compliance		N/A			
Bitou	09/10	25 Mar 11	25 Mar 11				
	10/11	29 Jun 12	29 Jun 12				
Knysna	09/10	25 Mar 11	17 Mar 11				
	10/11	26 Mar 12	13 Apr 12				
Central Karoo District	09/10	25 Apr 11	25 Feb 11				
	10/11	05 May 12	15 Mar 12				

CHAPTER 2: PERFORMANCE AND COMPLIANCE MONITORING

Table 17: Adoption of oversight report

MUNICIPALITY	Financial Year	Expected date of Adoption	Actual adoption date	Annual report approved without reservations	Annual report approved with reservations	Annual report rejected	Annual report referred back for revision
Laingsburg	09/10	25 Mar 11	28 Mar 11				
	10/11	10 Mar 12	28 Mar 12				
Prince Albert	09/10	03 Mar 11	13 May 11				
	10/11	09 Mar 12	27 Mar 12				
Beaufort West	09/10	08 Feb 11	28 Feb 11				
	10/11	13 Feb 12	30 Mar 12				

Source: Department of Local Government database 2012

Out of the twenty eight municipalities that have tabled the annual reports in council, only twenty three have adopted their Oversight report to council within specified timeframe. Cederberg, Witzenberg, Bitou and Knysna municipalities adopted their oversight reports after the specified timeframe while Kannaland, Oudtshoorn and Swellendam municipalities continued with the trend identified in 2009/10 of non-compliance with the Act in adopting their oversight report.

In the two periods reflected in the table, none of the Annual reports were rejected by Council. Overberg District's Annual report was in 2009/10 referred back for revision by the Municipal Council but was eventually approved. In the 2010/11 financial year, sixteen municipal Annual reports were approved without reservations as compared to the twenty-three in the previous financial year. Ten municipal annual reports were approved with reservations as compared to the three in 2009/10 financial year.

CHAPTER 3: PLANNING AND DEVELOPMENT

CHAPTER 3: PLANNING AND DEVELOPMENT**3.1 INTEGRATED DEVELOPMENT PLANNING**

Integrated Development Planning (IDP) has formed part of the democratic South Africa since the late 1990s. Municipalities are entering the third 5 year term of utilizing integrated development planning as their strategic municipal planning processes. The IDP Directorate within the Department of Local Government fulfills the requirements of Section 31 of the Municipal Systems Act, 32 of 2000, which requires the MEC for Local Government to provide comment on the IDPs of municipalities.

IDPs in the Western Cape Province form a critical component towards the municipal strategic development agenda that is increasingly being utilized to inform the province's planning and resource allocation processes.

3.2 IDP ASSESSMENT

The assessment of municipal IDPs by the Provincial Government is central to efforts aimed at providing support to the development IDPs within the Province. Each municipal IDP was assessed in terms of the IDP credibility framework of the Western Cape. This assessment framework consists of 5 central criteria:

- Clear analysis of municipal reality and clear development strategy;
- Targeted basic services and infrastructure investment;
- Community involvement in planning and delivery;
- Institutional delivery capacity within municipality; and
- Alignment with national/provincial programmes.

Table 18: Dates of adoption and submission of IDP

Municipality	Adoption date of final IDP	Date submitted to MEC for Local Government
City of Cape Town	01 Jun 11	04 Jul 11
West Coast DM	23 Mar 11	15 Apr 11
Matzikama	28 Apr 11	06 May 11
Cederberg	28 Apr 11	17 May 11
Berg River	12 May 11	31 May 11
Saldanha Bay	06 Jul 11	IDP not officially submitted to MEC
Swartland	05 May 11	13 May 11
Cape Winelands DM	14 Apr 11	24 May 11
Witzenberg	20 Apr 11	01 Jun 11
Drakenstein	20 Apr 11	30 May 11
Stellenbosch	05 May 11	25 May 11
Breede Valley	05 May 11	01 Jun 11
Langeberg	19 Apr 11	27 May 11
Overberg DM	20 Apr 11	25 May 11
Theewaterskloof	05 May 11	16 May 11
Overstrand	04 May 11	19 May 11
Cape Agulhas	30 May 11	20 May 11
Swellendam	13 Jun 11	05 Jul 11
Eden DM	21 Apr 11	04 May 11
Kannaland	20 Apr 11	12 May 11
Hessequa	19 Apr 11	30 May 11
Mossel Bay	03 May 11	24 May 11

CHAPTER 3: PLANNING AND DEVELOPMENT

Table 18: Dates of adoption and submission of IDP

Municipality	Adoption date of final IDP	Date submitted to MEC for Local Government
George	30 May 11	24 May 11
Oudtshoorn	26 Apr 11	05 May 11
Bifou	06 May 11	27 May 11
Knysna	20 Apr 11	17 May 11
Central Karoo DM	17 May 11	20 May 11
Laingsburg	16 May 11	30 May 11
Prince Albert	29 Apr 11	09 Jun 11
Beaufort West	12 Apr 11	08 Jun 11

Source: Provincial IDP Assessment Annual Report 2011/2012

All twenty seven IDPs that were assessed by the Province, were considered to be of quality and therefore credible. Despite the quality, there were also areas of improvement identified in the process of development of the IDPs. This included:

- Few of the province's municipalities IDPs are developed by municipalities internally. The utilization of service providers is almost non-existent in the province. This is a positive step to deepen the ownership of these plans.
- There is an emergence of introducing ward/community based planning and spatial budgeting in some IDPs. This is important because of the connection that these IDPs seek to make with communities on the ground.
- There are also attempts made by some municipalities to link their plans with key provincial strategic plans.
- In general, municipalities embarked on comprehensive public participation processes as part of the development of their IDPs.
- There are municipalities that have succeeded in reflecting the status of their sector plans in their IDPs.

CHAPTER 4: SERVICE DELIVERY PERFORMANCE

CHAPTER 4: SERVICE DELIVERY PERFORMANCE

The Constitution of the Republic of South Africa (1996) states that municipalities have the responsibility to ensure that all citizens are provided with services to satisfy their basic needs. The provision of basic services has a direct and immediate effect on the quality of the lives of people in communities across the country. Municipalities are at the forefront of attempts to achieve high levels of service delivery. Service delivery has assumed centre stage in South Africa, due to highly publicized events related to wide-spread protests within various communities. This has put even greater pressure on municipalities to deliver on their mandates and to ensure effective service delivery.

A crucial aspect of this process is the provision of basic services such as water, electricity and sanitation for all communities. The historical backlogs in the provision of basic infrastructure for service delivery require that municipalities establish a delicate balance between delivering and improving current services, maintaining existing infrastructure and extending the infrastructure to eradicate the backlog in service delivery.

The Department of Local Government must ensure that municipalities in the Province are fully functional to enable the delivery of infrastructure and municipal services. This chapter on service delivery attempts to give an indication of the performance of each municipality in the Western Cape during the municipal financial year ending June 2011. However, it needs to be noted that information received for this chapter is very limited due to the fact that information was often outstanding, incomplete or in a different format. The primary source of information used throughout this chapter was sourced from Annual Reports of the financial year under review and supplemented by questionnaires submitted by municipalities for the financial year 2010/11.

Within the Western Cape Province, the municipal service delivery backlogs vary from one municipality to another. The most evident type of service that has a major backlog in the province is housing, with 21 municipalities indicating to have backlogs in different locations in the municipal area. Municipalities have specified a significant amount of money that is needed to address the backlog, amounting to billions of rands. The following table shows the service delivery backlogs per type of service for each municipality.

4.1 SERVICE DELIVERY BACKLOGS**Table 19: Municipal Backlogs**

Municipality	Type of service	Housing	Water (on site)	Sanitation	Refuse removal (at least once a week at site)	Electricity (in house)	Streets and storm water
City of Cape Town	Major backlog locality	Metro-wide	Various informal settlements within Cape Town	Various informal settlements within Cape Town	None	Various informal settlements within Cape Town	No info
	Total nr. of households	353 000	11 456	88 716	None	40 012	None
	Total cost to address (R'000)	R3.7 billion	R2 616 160	R170 774	None	R260 078	None

CHAPTER 4: SERVICE DELIVERY PERFORMANCE

Table 19: Municipal Backlogs

Municipality	Type of service	Housing	Water (on site)	Sanitation	Refuse removal (at least once a week at site)	Electricity (in house)	Streets and storm water
Matzikama	Major backlog locality	Whole area	Whole area	Whole area	None	Whole area	Whole area
	Total nr. of households	4 936	600	600	None	300	250
	Total cost to address (R'000)	R271 480	R7 000	R14 000	None	R3 000	R8 000
Cederberg	Major backlog locality	None	Whole area	Whole area	None	None	Whole area
	Total nr. of households	None	3 950	3 999	None	None	17 km Gravel road 5 km storm water
	Total cost to address (R'000)	None	R197 500	R199 950	None	None	R2 466 Gravel Road R2 217 Storm Water
Bergrivier	Major backlog locality	Whole area	None	None	None	None	None
	Total nr. of households	3 950	None	None	None	None	None
	Total cost to address (R'000)	None	None	None	None	None	None
Saldanha Bay	Major backlog locality	Middelpos, Saldanha	None	None	None	Middelpos, Saldanha	None
	Total nr. of households	6 730	None	None	None	122	None
	Total cost to address (R'000)	R55 000	None	None	None	R900	None

CHAPTER 4: SERVICE DELIVERY PERFORMANCE

Table 19: Municipal Backlogs

Municipality	Type of service	Housing	Water (on site)	Sanitation	Refuse removal (at least once a week at site)	Electricity (in house)	Streets and storm water
Swartland	Major backlog locality	Chartsworth Riebeeck West Abbottsdale Malmesbury	Riebeeck Valley area	Installation of automatic samplers at two industries	None	All proclaimed erven including informal housing area provided with minimum standard of service	Application of polymer based coatings for dust control
	Total nr. of households	381 320 325 1000		104	None	None	None
	Total cost to address (R'000)	R1 211 200	R12 599	R27 863	None	R1 265 (maintenance to ensure no new backlogs are created)	R8 651
West Coast DM	Major backlog locality	Bitterfontein, Nuwerus, Kliprand	None	None	None	None	None
	Total nr. of households	60	None	None	None	None	None
	Total cost to address (R'000)	R3 600	None	None	None	None	None
Witzenberg	Major backlog locality	Bella Vista, Tulbagh, Wolseley	Bella Vista, Tulbagh, Wolseley	None	Bella Vista, Tulbagh, Wolseley	Bella Vista, Tulbagh, Wolseley	Bella Vista, Tulbagh, Wolseley
	Total nr. of households	7 257	7 257	None	7 257	7 257	7 257
	Total cost to address (R'000)	R83 834	0	None	0	0	0
Drakenstein	Major backlog locality	None	Farms	Farms	None	None	Farms
	Total nr. of households	None	894	890 (no services, 38)			

CHAPTER 4: SERVICE DELIVERY PERFORMANCE

Table 19: Municipal Backlogs

Municipality	Type of service	Housing	Water (on site)	Sanitation	Refuse removal (at least once a week at site)	Electricity (in house)	Streets and storm water
Stellenbosch	Major backlog locality	None	None	None	None	None	Stellenbosch area
	Total nr of households	None	None	None	None	None	30km
	Total cost to address (R'000)	None	None	None	None	None	R50 000
Breede Valley	Major backlog locality	None	Breede Valley area	None	Breede Valley area	None	Breede Valley area
	Total nr. of households	None	3 918	None	3 918	0	3 918
	Total cost to address (R'000)	None	R44 500	None	R5 000	None	R70 300
Langeberg	Major backlog locality	Ashton Bonnievale McGregor Montagu Robertson	Ashton Bonnievale McGregor Montagu Robertson	None	Ashton Bonnievale McGregor Montagu Robertson	Ashton Bonnievale McGregor Montagu Robertson	Ashton Bonnievale McGregor Montagu Robertson
	Total nr. of households	9 114	9 114	None	9 114	9 114	9 114
	Total cost to address (R'000)	R600 000	Unpredictable	None	Unpredictable	Unpredictable	Unpredictable
Cape Winelands DM	Do not render any services in DMA area						
Theewaterskloof	Major backlog locality	Grabouw Villiersdorp Botriver Caledon RSE Genadendal	Grabouw Villiersdorp	Grabouw Villiersdorp Caledon	None		Grabouw Villiersdorp Botriver Caledon RSE Genadendal

CHAPTER 4: SERVICE DELIVERY PERFORMANCE

Table 19: Municipal Backlogs

Municipality	Type of service	Housing	Water (on site)	Sanitation	Refuse removal (at least once a week at site)	Electricity (in house)	Streets and storm water
Overstrand	Major backlog locality	Overstrand area	None	None	None	None	None
	Total nr. of households	6 145	None	None	None	None	None
	Total cost to address (R'000)	R375 000	None	None	None	None	None
Cape Agulhas	Major backlog locality		None	None	None	None	None
	Total nr. of households	4 292	None	None	None	None	848
	Total cost to address (R'000)	R429 000	None	None	None	None	R25
Swellendam	Major backlog locality	All townships	None	Suurbraak	None	None	None
	Total nr. of households	3 345	None	16	None	None	None
	Total cost to address (R'000)	None	None	None	None	None	None
Overberg DM	Do not render any services in DMA area						
Kannaland	Major backlog locality	Calitzdorp Ladismith Van Wyksorp	Zoar	None	None	None	None
	Total nr. of households	250 935 190	250	164	None	3 081	None
	Total cost to address (R'000)	R15 000	None	None	None	None	None
Hessequa	Major backlog locality	Hessequa	Hessequa	None	Hessequa	Hessequa	Hessequa
	Total nr. of households	3 855	5 724	None	5 724	5 724	775
	Total cost to address (R'000)	R385 500	None	None	None	None	R34 000

CHAPTER 4: SERVICE DELIVERY PERFORMANCE

Table 19: Municipal Backlogs

Municipality	Type of service	Housing	Water (on site)	Sanitation	Refuse removal (at least once a week at site)	Electricity (in house)	Streets and storm water
Mossel Bay	Major backlog locality	None	Kwa-Nonqaba Asia Park Joe Slovo	Greatbrak Powertown Joe Slovo Kwa-Nonqaba Asia Park Bartelsfontein	None	Wolwedans Joe Slovo Asazani/ izinyoka	Kwa-Nonqaba Friemersheim Herbertsdale Sonskynvallei Brandwacht Wolwedans
	Total nr. of households	None	840	563	None	1 649	1 396
	Total cost to address (R'000)	None	17 000	20 000	None	12 000	60 000
George	Major backlog locality	George	None	George	None	None	None
	Total nr. of households	16 100 (waiting list + 4 373 (informal settlement))	None	96	None	None	None
	Total cost to address (R'000)	R1 610	None	R1 004	None	None	None
Oudtshoorn	Major backlog locality	No info	No info	No info	No info	No info	No info
	Total nr. of households	No info	No info	No info	No info	No info	No info
	Total cost to address (R'000)	No info	No info	No info	No info	No info	No info
Bitou	Major backlog locality	Whole area	Whole area	Whole area	None	Whole area	Whole area
	Total nr. of households	7 950	7 448	7 448	None	740	7 950
	Total cost to address (R'000)	R816 275	R10 576	R23 287	None	R4 884	R9 748
Knysna	Major backlog locality	None	None	None	None	None	None
	Total nr. of households	None	None	None	None	None	None
	Total cost to address	None	None	None	None	None	None

CHAPTER 4: SERVICE DELIVERY PERFORMANCE

Table 19: Municipal Backlogs

Municipality	Type of service	Housing	Water (on site)	Sanitation	Refuse removal (at least once a week at site)	Electricity (in house)	Streets and storm water
Eden DM	Major backlog locality	None	None	None	None	None	None
	Total nr. of households	None	None	None	None	None	None
	Total cost to address (R'000)	None	None	None	None	None	None
Laingsburg	Major backlog locality	Whole area	Whole area	Whole area	Whole area	Whole area	Whole area
	Total nr. of households	500	500	500	500	500	500
	Total cost to address (R'000)	R47 000					
Prince Albert	Major backlog locality	Municipal area	None	None	None	None	None
	Total nr. of households	2121	None	None	None	None	None
	Total cost to address (R'000)	R212 100	None	None	None	None	None
Beaufort West	Major backlog locality	Whole area	Whole area	Whole area	None	None	Whole area
	Total nr of households	3 039	28	28	None	None	1 916
	Total cost to address (R'000)	R182 340	R355	R600	None	None	R8 825
Central Karoo DM	Major backlog locality	Murrays-burg	Murrays-burg	Murrays-burg	None	Murraysburg	None
	Total nr of households	50	100	120	None	130	None
	Total cost to address (R'000)	R2 500	R100	R100	None	R170	None

Source: Municipal Annual Report 2010/11, Questionnaire 2012

CHAPTER 4: SERVICE DELIVERY PERFORMANCE

4.2 PROVISION OF BASIC SERVICES

Based on the information provided by the municipalities in their annual reports and the questionnaire distributed, the Province seems to be performing above the average of 70% in the provision of basic and free basic services. During the 2010/11 financial year, the total number of households in the province was 1, 3 million. Of these households, 536 903 are classified as indigent households, which then translates to 35% being indigent. Based on the information provided by municipalities on their annual reports and questionnaires, the average percentages of households serviced are described below:

- An average of 95% of households are serviced with water;
- An average of 96% of households are serviced with sanitation;
- An average of 97% of households are serviced with refuse removal on site; and
- An average of 96% of households are serviced with electricity.

The table below gives the total number of households with access to each service for each municipality and the number of indigent households in each municipality in the province. It must be noted that there is a huge information gap in the table below. Some reasons are that municipalities submitted annual reports in different formats or information was not submitted. This poses a challenge because not all annual reports contained information required by the table below. Certain municipalities did not submit the annual reports of the financial year under review.

Table 20: Provision of basic services

Municipality	Type of service	Water (on site)	Sanitation	Refuse removal (at least once a week at site)	Electricity (in house)
City of Cape Town	Total nr. of households (Municipal data)	1 103 182	1 103 182	1 103 182	1 103 182
	Total nr. of households serviced	1 091 726	1 014 464	1 103 182	1 103 182
	%	98.96	91.96	100	100
Matzikama	Total nr. of households (Municipal data)	14 705	14 705	14 705	14 705
	Total nr. of households serviced	8947	8947	9097	9098
	%	61	61	62	62
Cederberg	Total nr. of households (Municipal data)	6397	4979	4911	6782
	Total nr. of households serviced	6397	4979	4911	6782
	%	100	100	100	100
Bergrivier	Total nr. of households (Municipal data)	8472	5813	7912	8384
	Total nr. of households serviced	8472	5813	7912	8384
	%	100	100	100	100

CHAPTER 4: SERVICE DELIVERY PERFORMANCE

Table 20: Provision of basic services

Municipality	Type of service	Water (on site)	Sanitation	Refuse removal (at least once a week at site)	Electricity (in house)
Saldanha Bay	Total nr. of households (Municipal data)	23736	23376	23736	22368
	Total nr. of households serviced	23736	23376	23736	21060
	%	100	100	100	94.2
Swartland	Total nr. of households (Municipal data)	18230	18230	18230	18230
	Total nr. of households serviced	18230	18230	18230	18230
	%	100	100	100	100
West Coast DM	Total nr. of households (Municipal data)	920	920	920	920
	Total nr. of households serviced	920	920	920	920
	%	100	100	100	100
Witzenberg	Total nr. of households (Municipal data)	23892	23892	23892	23892
	Total nr. of households serviced	23892	23892	23892	23892
	%	100	100	100	100
Drakenstein	Total nr. of households (Municipal data)	41 107	41 107	51 286	326
	Total nr. of households serviced	40 213	40 213	51 286	326
	%	97.8	97.8	100	100
Stellenbosch	Total nr. of households (Municipal data)	38 191	38 191	23 000	-
	Total nr. of households serviced	28 343	28 343	23 000	-
	%	74	74	100	-

CHAPTER 4: SERVICE DELIVERY PERFORMANCE

Table 20: Provision of basic services

Municipality	Type of service	Water (on site)	Sanitation	Refuse removal (at least once a week at site)	Electricity (in house)
Breede Valley	Total nr. of households (Municipal data)	25791	25791	25791	25791
	Total nr. of households serviced	25791	25791	25791	25791
	%	100.00	100.00	100.00	100.00
Langeberg	Total nr. of households (Municipal data)	21 856	21 856	21 856	21 856
	Total nr. of households serviced	14307	-	14541	15243
	%	65.5	-	66.79	69.21
Cape Winelands DM					
Theewaterskloof	Total nr. of households (Municipal data)	24972	30295	21324	5260
	Total nr. of households serviced	37385	29818	21324	5260
	%	100	98.4	100	100
Overstrand	Total nr. of households (Municipal data)	31 357	31 357	31 357	31 357
	Total nr. of households serviced	31 357	31 357	31 357	31 357
	%	100	100	100	100
Cape Agulhas	Total nr. of households (Municipal data)	7441	7441	7441	7441
	Total nr. of households serviced	7441	7441	7441	7441
	%	100	100	100	100
Swellendam	Total nr. of households (Municipal data)	5515	5515	5515	5515
	Total nr. of households serviced	6163	6163	6163	6163

CHAPTER 4: SERVICE DELIVERY PERFORMANCE

Table 20: Provision of basic services

Municipality	Type of service	Water (on site)	Sanitation	Refuse removal (at least once a week at site)	Electricity (in house)
Overberg DM					
Kannaland	Total nr. of households (Municipal data)				
	Total nr. of households serviced				
	%				
Hessequa	Total nr. of households (Municipal data)	14928	15723	15097	14207
	Total nr. of households serviced	14928	15723	15097	14207
	%	100	100	100	100
Mossel Bay	Total nr. of households (Municipal data)	25528			32360
	Total nr. of households serviced	25528			32360
	%	100			100
George	Total nr. of households (Municipal data)	45544	0	46044	45544
	Total nr. of households serviced	40580	0	43500	36872
	%	89.10	0	94.47	80.96
Oudtshoorn	Total nr. of households (Municipal data)				
	Total nr. of households serviced				
	%				
Bitou	Total nr. of households (Municipal data)	13967	13941	15112	9729
	Total nr. of households serviced	13967	13941	15087	9399
	%	100	100	99.85	96.6

CHAPTER 4: SERVICE DELIVERY PERFORMANCE

Table 20: Provision of basic services

Municipality	Type of service	Water (on site)	Sanitation	Refuse removal (at least once a week at site)	Electricity (in house)
Knysna	Total nr. of households (Municipal data)	21348	21348	21348	21348
	Total nr. of households serviced	21348	21348	21348	21348
	%	100	100	100	100
Eden DM	Total nr. of households (Municipal data)	-	-	-	-
	Total nr. of households serviced	-	--	-	-
	%	-	-	-	-
Laingsburg	Total nr. of households (Municipal data)	1959	1959	1959	1959
	Total nr. of households serviced	1959	1959	1959	1959
	%	100	100	100	100
Prince Albert	Total nr. of households (Municipal data)				
	Total nr. of households serviced				
	%				
Beaufort West	Total nr. of households (Municipal data)	10 043	10 043	10 043	10 043
	Total nr. of households serviced	10 043	10 043	10 043	10 043
	%	100	100	100	100
Central Karoo DM	Total nr. of households (Municipal data)	1452	1452	1452	1452
	Total nr. of households serviced	1452	1452	1452	1452
	%	100	100	100	100

Source: Municipal Annual Report 2010/11 & Questionnaires 2012

CHAPTER 4: SERVICE DELIVERY PERFORMANCE

4.3 CAPITAL BUDGET SPENT FOR 2010/11

Municipalities are expected to spend 100% of their capital budgets. Municipalities in the Province spent an average of 71.3% of their adjusted capital budgets in the 2010/11 financial year. This translates to an average under spending of 28.7%.

Twenty two municipalities in the Province have under spent more than 15% of its capital budgets, with only West Coast District, Drakenstein, Breede Valley, Cape Winelands District, Overstrand, Cape Agulhas, Mossel Bay and Knysna municipalities with less than 15% under spending. The Overberg District Municipality spent only 3.5% of its capital budget which is highest of all municipalities that under spent with an excess of 96.5%, followed by Prince Albert with 63.6%, Kannaland 59.3%, Oudtshoorn 46.8% and Laingsburg by 54.6%. This table indicates the percentage of capital budget spent by municipalities as at June 2011.

Table 21: Capital expenditure as at June 2011

Municipality	Adjusted capital budget	Expenditure	% spent	(over)under
Cape Town	3 995 477	2 857 695	71.5	28.5
Matzikama	57 772	38 149	66.0	34.0
Cederberg	69 748	49 812	71.4	28.6
Bergrivier	42 646	33 870	79.4	20.6
Saldanha bay	170 723	103 144	60.4	39.6
Swartland	90 226	71 152	78.9	21.1
West Coast	61 935	55 985	90.4	9.6
Witzenberg	76 663	61 218	79.9	20.1
Drakenstein	254 887	234 410	92.0	8.0
Stellenbosch	144 689	109 882	75.9	24.1
Breede Valley	147 122	136 142	92.5	7.5
Langeberg	78 256	58 187	74.4	25.6
Cape Winelands	11 811	10 273	87.0	13.0
Theewaterskloof	82 043	64 993	79.2	20.8
Overstrand	166 705	142 683	85.6	14.4
Cape Agulhas	31 410	29 440	93.7	6.3
Swellendam	86 171	49 388	57.3	42.7
Overberg	13 662	485	3.5	96.5
Kannaland	21 488	8 736	40.7	59.3
Hessequa	56 501	31 682	56.1	43.9
Mossel bay	260 538	251 341	96.5	3.5
George	150 517	123 753	82.2	17.8
Oudtshoorn	81 893	43 597	53.2	46.8
Bitou	108 672	92 304	84.9	15.1
Knysna	57 733	49 214	85.2	14.8
Eden	28 805	20 685	71.8	28.2
Laingsburg	13 616	7 401	54.4	45.6
Prince Albert	13 346	4 857	36.4	63.6
Beaufort West	55 786	45 417	81.4	18.6
Central Karoo	9 628	5 678	59.0	41.0
Average	214 682	159 690	71.3	28.7

Source: National Treasury database

CHAPTER 4: SERVICE DELIVERY PERFORMANCE

4.4 PERCENTAGE OF CAPITAL BUDGET SPENT FOR 2010/11

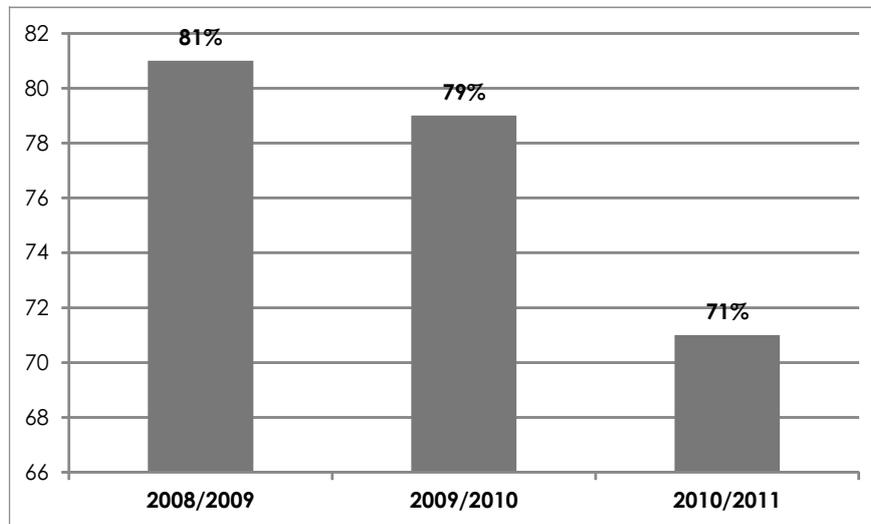
Table 22: 3 year trend on capital expenditure

Municipality	Capital Expenditure		
	2008/09	2009/10	2010/11
City of Cape Town	96.2	83	71.5
Matzikama	70	90	66
Cederberg	60.67	100	71.4
Bergrivier	58	58	79.4
Saldanha Bay	64.8	55.21	60.4
Swartland	81.66	78	78.9
West Coast DM	99.66	100	90.4
Witzenberg	79.45	88	79.9
Drakenstein	95.61	92.69	92
Stellenbosch	85	66.25	75.9
Breede Valley	82.49	92.48	92.5
Langeberg	77.5	76.18	74.4
Cape Winelands DM	78	100	87
Theewaterskloof	100	70.56	79.2
Overstrand	97	94	85.6
Cape Agulhas	55.3	98.8	90.9
Swellendam	45.7	55.81	57.3
Overberg DM	99	27	3.5
Kannaland	177.63	48	40.7
Hessequa	88.66	83.5	56.1
Mossel Bay	83.2	93.54	96.5
George	98.9	99.35	82.2
Oudtshoorn	52.9	73.5	53.2
Bitou	76.46	90.31	84.9
Knysna	68.3	89.98	85.2
Eden DM	95.7	66.1	71.8
Laingsburg	54.67	90.04	54.4
Prince Albert	58.78	73	36.4
Beaufort West	81.2	64	81.4
Central Karoo DM	45	44.88	59
Average % for Province	81	79	71

Source: Municipal Financial Statements 2008/09, 2009/10 & 2010/11 & National Treasury Database

CHAPTER 4: SERVICE DELIVERY PERFORMANCE

The following graph illustrates the Provincial performance on Capital Budget expenditure for the past three years, as indicated in table 19.



Graph 4: Percentage (%) of capital budget spent

The average percentage of total expenditure on the 2008/2009 capital budgets was 80.7%. During 2009/2010, this percentage decreased to 78.7%, which decreased further to 71.3% in 2010/2011.

This decline in capital expenditure was caused by a number of circumstances. Some of the reasons provided by municipalities relate to the delays of approval of projects and managing of environmental impact assessments (EIA). Another common factor which undermined processes were delays with regards to the transfer of funding from relevant Departments in other spheres of government. Funds were sometimes transferred at a very late stage during the financial year, impeding the ability of municipalities to spend within the set timeframe.

4.5 IMPLEMENTATION OF INDIGENT POLICY AND PROVISION OF FREE BASIC SERVICES

Western Cape municipalities continued to provide nationally mandated free basic services to registered indigent households within their areas during the 2010/2011 financial year. During 2009/10, 336 720 households received free basic electricity in the Province. During the 2010/2011 financial year, the total number of indigent households receiving free basic electricity in the Province increased to 395 855. According to the available data, there is generally an increase of households receiving free basic services in the Western Cape Province and amongst other things unemployment, seasonal employment and poverty are contributing factors to this trend in this Province. Indigent households receiving free basic water increased from 284 418 in 2009/10 to 448 421 in the 2010/11 financial year. However, the data for these totals is not entirely comprehensive, as certain municipalities did not provide the information. There is an increase in the number of indigent households receiving free sanitation services in the Western Cape Province. The figure increases from 282 909 indigent households in 2009/10 to 346 374 indigent households in 2010/11. The following table indicates the status with regard to the provision of free basic services by individual Western Cape municipalities.

CHAPTER 4: SERVICE DELIVERY PERFORMANCE

Table 23: Free Basic Services

Municipality	Electricity		Water		Sanitation		Refuse removal		Total number of Indigent Households
	No. of indigent households receiving free service	Units per household (kwh)	No. of indigent households receiving free service	Units per household (kl)	No. of indigent households receiving free service	Units/R value pm per household	No. of indigent households receiving free service	Units/R value pm per household	
City of Cape Town	282 260	50	324 153	6	246 891	4.2kl	416 830	41.67	416 830
Matzikama	1 862	50	1 862	12	1 862	3011	1 862	1 unit/week	1 862
Cederberg	902	50	785	6	913	89158.87	939	52358.74	953
Bergrivier	1 578	50	1 578	6	1 387	81.99	1 578	103.07	1 578
Saldanha Bay	5 877	50/25	5 877	6	5 877	44.51	5 877	1	5 877
Swartland	4 251	50	4 606	10	4 421	?	4 609	1	4 619
West Coast DM	75	50	75	6	75	?	75	?	75
Witzenberg	3 817	50	5 379	6	5 383	143.3	5 384	8240	5 450
Drakenstein	10 854	100	10 854	10	10 854	87.5	10 854	1314	10 854
Stellenbosch	11 798	-	12 690	-	12 690	-	12 690	-	12 690
Breede Valley	6 560	50	6 560	10	6 560	145	6 560	1	6 560
Langeberg	6 779	50	6 633	6	6 713	89	6 722	68	6 779
Theewaters-kloof	2 380	50	5 636	6	5 483	76.9	5 636	76.45	5 636
Overstrand	5 241	50	5 241	6	5 241	648	5 241	1	5 241
Cape Agulhas	2 857	50	2 857	6	2 857	57.74	2 857	1698	2 857
Swellendam	1 826	50	1 826	6	1 826	155.04	1 826	80	1 826
Kannaland	721	50	721	6	721	123500	721	104	721
Hessequa	4 396	600	4 396	6	4 396	80.08	4 396	61.25	4 396
Mossel Bay	6 929	50	6 929	6	5 874	145.62	6 868	77.59	6 929
George	14 500	70	14 500	18	14 500	113.67	14 500	89.21	14 500
Oudtshoorn	4 976		4 976		4 976		4 976		4 988
Bitou	1 685	50	1 685	6	1 685	70.16	1 685	1	1 685
Knysna	8 000	50	17 416	6	8 725	51.92	8 725	53.75	8 725
Eden DM	485		485	6	387	?	469	?	485
Laingsburg	663	50	663	6	663	67	663	339	663
Prince Albert	644	50	889	6	889	699562	889	424462	889
Beaufort West	4 351	50	4 351	6	4 351	500.87	4 351	1 unit/week	4 351

Source: Annual Report 2010/11 & Questionnaires, June 2011

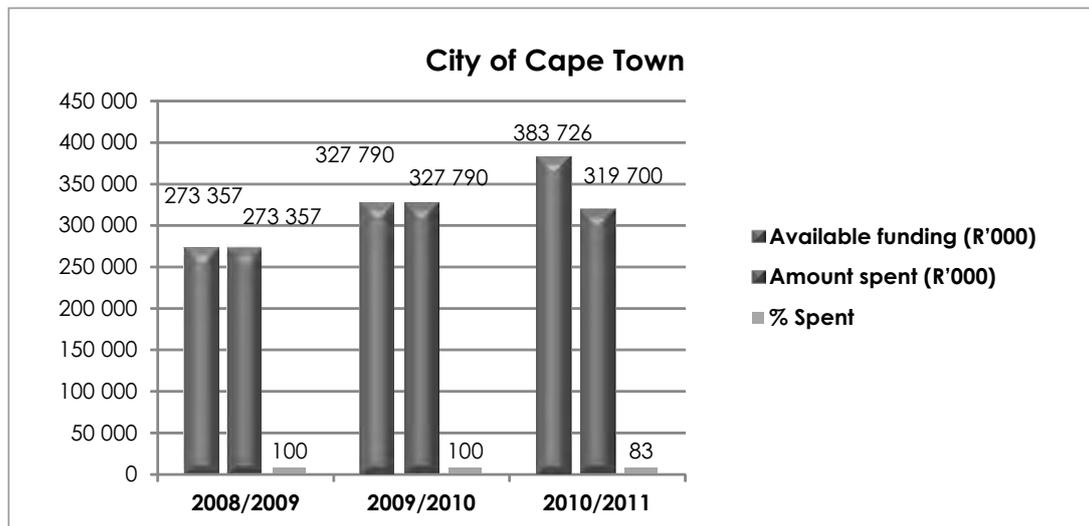
CHAPTER 4: SERVICE DELIVERY PERFORMANCE

4.6 MUNICIPAL INFRASTRUCTURE GRANT (MIG)

The municipalities in the province spent 99.8% of their allocated Municipal Infrastructure Grant during 2010/11. Comparing with the previous financial year, there was a decline in MIG expenditure because Kannaland Municipality could not spend 100 % of its allocated Municipal Infrastructure Grant. Nevertheless, this is a significant achievement compared to the trend of the previous financial years. This table indicates the performance of municipalities on the MIG grant during the past 3 years.

Table 24: MIG Expenditure over 3 years

Municipality	Description	2008/09	2009/10	2010/11
City of Cape Town	Available funding (R'000)	273 357	327 790	383 726
	Amount spent (R'000)	73 357	327 790	319 700
	% Spent	100	100	83



Graph 5: COCT Total performance on MIG expenditure for the past three years

Municipality	Description	2008/09	2009/10	2010/11
Matzikama	Available funding (R'000)	6 381	9 404	10 809
	Amount spent (R'000)	6 381	9 404	10 809
	% Spent	100	100	100
Cederberg	Available funding (R'000)	4 889	7 625	8 725
	Amount spent (R'000)	4 889	7 625	8 725
	% Spent	100	100	100
Bergrivier	Available funding (R'000)	4 432	7 080	8 087
	Amount spent (R'000)	4 432	7 080	8 087
	% Spent	100	100	100

CHAPTER 4: SERVICE DELIVERY PERFORMANCE

Table 24: MIG Expenditure over 3 years

Municipality	Description	2008/09	2009/10	2010/11
Saldanha Bay	Available funding (R'000)	6 287	9 292	10 678
	Amount spent (R'000)	6 287	9 292	10 678
	% Spent	100	100	100
Swartland	Available funding (R'000)	5 770	8 675	9 955
	Amount spent (R'000)	5 770	8 675	9 955
	% Spent	100	100	100
West Coast DM	Available funding (R'000)	6 786	5 117	5 788
	Amount spent (R'000)	6 786	5 117	5 788
	% Spent	100	100	100
Witzenberg	Available funding (R'000)	7 491	10 728	12 360
	Amount spent (R'000)	7 491	10 728	12 360
	% Spent	100	100	100
Drakenstein	Available funding (R'000)	15 857	20 704	24 045
	Amount spent (R'000)	15 857	20 704	24 045
	% Spent	100	100	100
Stellenbosch	Available funding (R'000)	11 116	15 051	17 423
	Amount spent (R'000)	8 634	15 051	17 423
	% Spent	78	100	100
Breede Valley	Available funding (R'000)	11 809	15 877	18 390
	Amount spent (R'000)	11 809	15 877	18 390
	% Spent	100	100	100
Langeberg	Available funding (R'000)	7 660	10 929	12 595
	Amount spent (R'000)	7 660	10 929	12 595
	% Spent	100	100	100
Cape Winelands DM	Available funding (R'000)	2 647	4 951	5 593
	Amount spent (R'000)	2 647	4 951	5 593
	% Spent	100	100	100
Theewaterskloof	Available funding (R'000)	11 486	15 492	17 940
	Amount spent (R'000)	11 486	15 492	17 940
	% Spent	100	100	100
Overstrand	Available funding (R'000)	6 958	10 093	11 616
	Amount spent (R'000)	6 958	10 093	11 616
	% Spent	100	100	100
Cape Agulhas	Available funding (R'000)	3 689	6 077	5 918
	Amount spent (R'000)	3 689	4 877	6 747
	% Spent	100	80.25	114

CHAPTER 4: SERVICE DELIVERY PERFORMANCE

Table 24: MIG Expenditure over 3 years

Municipality	Description	2008/09	2009/10	2010/11
Swellendam	Available funding (R'000)	4 099	6 683	7 625
	Amount spent (R'000)	4 099	6 683	7 625
	% Spent	100	100	100
Overberg DM	Available funding (R'000)	3	-	0
	Amount spent (R'000)	3	-	0
	% Spent	100	-	0
Kannaland	Available funding (R'000)	4 294	6 915	7 894
	Amount spent (R'000)	4 294	6 915	6 420
	% Spent	100	100	82
Hessequa	Available funding (R'000)	4 923	8 487	8 773
	Amount spent (R'000)	1 160	8 487	8 773
	% Spent	24	100	100
Mossel Bay	Available funding (R'000)	7 061	10 215	11 759
	Amount spent (R'000)	7 061	10 215	11 759
	% Spent	100	100	100
George	Available funding (R'000)	15 356	20 107	23 345
	Amount spent (R'000)	15 356	20 107	23 345
	% Spent	100	100	100
Oudtshoorn	Available funding (R'000)	7 232	10 419	11 998
	Amount spent (R'000)	7 232	10 419	11 998
	% Spent	100	100	100
Bitou	Available funding (R'000)	5 834	8 715	10 045
	Amount spent (R'000)	5 834	8 715	10 045
	% Spent	100	100	100
Knysna	Available funding (R'000)	10 508	14 325	16 573
	Amount spent (R'000)	10 508	14 325	16 573
	% Spent	100	100	100
Eden DM	Available funding (R'000)	3 542	6 018	6 844
	Amount spent (R'000)	3 542	6 018	6 844
	% Spent	100	100	100
Laingsburg	Available funding (R'000)	2 664	4 971	5 617
	Amount spent (R'000)	2 664	4 971	5 617
	% Spent	100	100	100

CHAPTER 4: SERVICE DELIVERY PERFORMANCE

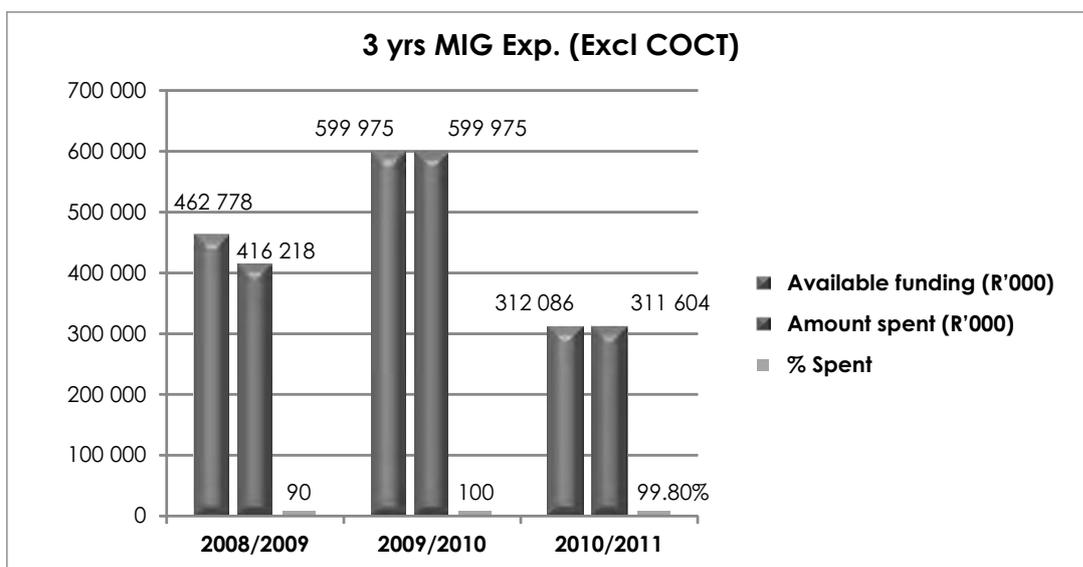
Table 24: MIG Expenditure over 3 years

Municipality	Description	2008/09	2009/10	2010/11
Prince Albert	Available funding (R'000)	2 842	5 184	5 866
	Amount spent (R'000)	2 842	5 184	5 866
	% Spent	100	100	100
Beaufort West	Available funding (R'000)	3 821	6 351	7 233
	Amount spent (R'000)	3 821	6 351	7 233
	% Spent	100	100	100
Central Karoo DM	Available funding (R'000)	3 984	6 545	7 461
	Amount spent (R'000)	3 984	6 545	7 461
	% Spent	100	100	100

Source: Department of Local Government Database

*All figures accurate as of March 2011 and excludes finds still to be transferred

The following graph illustrates the Provincial performance on MIG expenditure for the past three years, as indicated in table 20.



Graph 6: Total performance on MIG expenditure for the past three years

4.7 MUNICIPAL BLUE DROP STATUS

This table presents Municipal Performance based on Blue Drop scores for water supply systems the Water Services Authority is responsible for. This performance is listed to present the Provincial Blue Drop Log to allow for comparison in municipal performance.

CHAPTER 4: SERVICE DELIVERY PERFORMANCE

Table 25: Blue drop scores

Water Services Authority	Blue Drop Log Position			
		Blue Drop 2012	Blue Drop 2011	Blue Drop 2010
City of Cape Town	1	98.14	97.61	98.2
Bitou	2	97.74	96.12	97.7
Witzenberg	3	97.63	97.56	93.3
George	4	97.41	96.32	96.9
Overstrand	5	96.82	90.56	71.6
Drakenstein	6	96.29	95.72	91.7
Mossel Bay	7	95.68	95.27	84.5
Stellenbosch	8	95.56	95.74	94.9
Saldanha Bay	9	95.4	87.69	80.8
Swartland	10	95.24	92.89	68.6
Beaufort West	11	94.91	92.01	83.8
Bergrivier	12	92.15	85.2	62.7
Knysna	13	92	89.76	75.2
Breede Valley	14	89.02	85.93	74
Cape Agulhas	15	86.64	73.01	78.6
Swellendam	16	85.16	80.5	67.3
Cederberg	17	80.39	51.05	60
Theewaterskloof	18	71.5	75.41	49
Laingsburg	19	71.16	80.54	63.9
Matzikama	20	70.29	32.98	30.1
Prins Albert	21	70.09	70.72	55
Oudtshoorn	22	64.58	36.88	44.8
Langeberg	23	51.62	32.39	0
Hessequa	24	35.59	14.1	46.2
Kannaland	25	28.47	55.05	19.4

Source: Blue Drop Provincial Performance Log – Western Cape

Top 3 performers

The City of Cape Town is a worthy first place since this water services authority also doubles up as a bulk water services provider to two other municipalities who both fill Top 10 positions on this provincial log. The small municipality of Bitou continues to impress with an impressive second place. This municipality together with third place Witzenberg remain national leaders in the class of smaller municipalities and could be used as case studies to inspire others to reach the same heights in terms of Blue Drop performance.

Most Improved

Matzikama Municipality is acknowledged for consistent improvement in performance over the past 3 years. The municipal score for this water service authority increased from 30.10% in 2010, to 32.98% in 2011 and an impressive 70.29% in 2012. The Langeberg Municipality also responded to the Blue Drop challenge. The significant improvement serves as promise for even better performances in the future.

CHAPTER 4: SERVICE DELIVERY PERFORMANCE

Lowest Performer(s)

According to the records Kannaland Municipality is noted to be the worst performer in the Western Cape Province. Serious turnaround is required for this municipality serving the communities of the Klein Karoo area. The picturesque nature of the area attracts tourists as well, leaving not only the community but also the visitors to this area at risk.

4.8 HOUSING GRANT EXPENDITURE

The average percentage of housing allocations spent remained steady during the 2010/11 financial year. The trend continued with the Western Cape achieving a figure of 97% during the period under review. There was an increase in the total number of houses built during the financial year, with the Provincial total for 2010/11 amounting to 11219. In contrast, there was a decrease in the number of sites serviced to a total of 10500 compared to the figure of 14522 of the previous financial year. In total, 38057 sites were serviced and 35233 houses were built during the past three financial years. This table indicates the performance of municipalities on the housing fund during the past 3 years.

Table 26: Housing grant expenditure

Municipality	Description	2008-2009	2009-2010	2010-2011
City of Cape Town	Allocation (R'000)	553 085	663 496	724 449
	Amount spent (R'000)	509 828	685 839	813 988
	% Spent	93	103	113
	No. of houses built	9 161	9 538	4 485
	No. of sites serviced	6 922	4 964	4 584
Matzikama	Allocation (R'000)	20 178	6 478	13702
	Amount spent (R'000)	24 637	6 227	13702
	% Spent	122	96	100
	No. of houses built	545	0	0
	No. of sites serviced	143	155	192
Cederberg	Allocation (R'000)	4 382	5 482	34018
	Amount spent (R'000)	0	10 191	34018
	% Spent	0	186	100
	No. of houses built	0	60	334
	No. of sites serviced	0	394	668

CHAPTER 4: SERVICE DELIVERY PERFORMANCE

Table 26: Housing grant expenditure

Municipality	Description	2008-2009	2009-2010	2010-2011
Bergrivier	Allocation (R'000)	1 601	8 002	15380
	Amount spent (R'000)	283	10 060	14966
	% Spent	18	126	97
	No. of houses built	0	150	0
	No. of sites serviced	105	0	246
Saldanha Bay	Allocation (R'000)	17 112	21 408	25453
	Amount spent (R'000)	19 965	10 086	25425
	% Spent	117	47	99.9
	No. of houses built	373	646	196
	No. of sites serviced	0	0	330
Swartland	Allocation (R'000)	15 707	19 650	37363
	Amount spent (R'000)	13 884	32 684	37363
	% Spent	88	166	100
	No. of houses built	0	540	113
	No. of sites serviced	420	0	381
West Coast DM	Allocation (R'000)	0	0	0
	Amount spent (R'000)	0	0	0
	% Spent	0	0	0
	No. of houses built	0	0	0
	No. of sites serviced	0	0	0
Witzenberg	Allocation (R'000)	20 841	24 562	21824
	Amount spent (R'000)	25 726	36 585	21824
	% Spent	123	149	99.9
	No. of houses built	465	392	280
	No. of sites serviced	315	0	0
Drakenstein	Allocation (R'000)	38 244	62 844	63885
	Amount spent (R'000)	17 984	61 350	61404
	% Spent	47	98	96
	No. of houses built	347	920	273
	No. of sites serviced	0	1 617	0

CHAPTER 4: SERVICE DELIVERY PERFORMANCE

Table 26: Housing grant expenditure

Municipality	Description	2008-2009	2009-2010	2010-2011
Stellenbosch	Allocation (R'000)	22 293	27 889	33159
	Amount spent (R'000)	11 299	12 708	33159
	% Spent	51	46	100
	No. of houses built	392	10	344
	No. of sites serviced	0	80	20
Breede Valley	Allocation (R'000)	41 786	27 255	72405
	Amount spent (R'000)	36 974	32 200	72405
	% Spent	88	118	100
	No. of houses built	255	88	178
	No. of sites serviced	1 551	767	963
Langeberg	Allocation (R'000)	14 908	18 651	22175
	Amount spent (R'000)	9 359	16 668	22175
	% Spent	63	89	100
	No. of houses built	48	112	534
	No. of sites serviced	42	343	0
Cape Winelands DM	Allocation (R'000)	0	0	2000
	Amount spent (R'000)	627	0	2000
	% Spent	0	0	100
	No. of houses built	0	0	0
	No. of sites serviced	0	0	0
Theewaterskloof	Allocation (R'000)	19 718	24 668	29329
	Amount spent (R'000)	18 568	24 324	29329
	% Spent	94	99	100
	No. of houses built	126	140	309
	No. of sites serviced	0	523	24
Overstrand	Allocation (R'000)	1 052	26 337	31314
	Amount spent (R'000)	58	14 680	31314
	% Spent	6	56	100
	No. of houses built	0	88	232
	No. of sites serviced	0	188	202

CHAPTER 4: SERVICE DELIVERY PERFORMANCE

Table 26: Housing grant expenditure

Municipality	Description	2008-2009	2009-2010	2010-2011
Cape Agulhas	Allocation (R'000)	5 065	20 452	6 988
	Amount spent (R'000)	5 065	18 690	8 850
	% Spent	100	91	127
	No. of houses built	0	250	0
	No. of sites serviced	250	0	251
Swellendam	Allocation (R'000)	3 518	4 401	6433
	Amount spent (R'000)	0	2 902	5351
	% Spent	0	66	83
	No. of houses built	0	20	51
	No. of sites serviced	0	71	0
Overberg DM	Allocation (R'000)	0	0	0
	Amount spent (R'000)	0	0	0
	% Spent	0	0	0
	No. of houses built	0	0	0
	No. of sites serviced	0	0	0
Kannaland	Allocation (R'000)	3 059	3 827	0
	Amount spent (R'000)	0	3 855	0
	% Spent	0	101	0
	No. of houses built	64	0	0
	No. of sites serviced	0	0	0
Hessequa	Allocation (R'000)	15 263	37 839	49460
	Amount spent (R'000)	16 157	37 862	49460
	% Spent	106	100	100
	No. of houses built	0	809	235
	No. of sites serviced	809	0	235
Mossel Bay	Allocation (R'000)	12 577	24 734	30907
	Amount spent (R'000)	12 408	16 320	30907
	% Spent	99	66	100
	No. of houses built	28	241	337
	No. of sites serviced	28	0	100

CHAPTER 4: SERVICE DELIVERY PERFORMANCE

Table 26: Housing grant expenditure

Municipality	Description	2008-2009	2009-2010	2010-2011
George	Allocation (R'000)	27 194	34 020	50448
	Amount spent (R'000)	24 717	12 675	50087
	% Spent	91	37	99
	No. of houses built	90	33	286
	No. of sites serviced	1 335	0	183
Oudtshoorn	Allocation (R'000)	12 243	11 563	13748
	Amount spent (R'000)	24 368	9 724	13047
	% Spent	199	84	95
	No. of houses built	519	35	228
	No. of sites serviced	0	0	0
Bitou	Allocation (R'000)	9 475	51 854	56091
	Amount spent (R'000)	5 606	64 099	56038
	% Spent	59	124	99.9
	No. of houses built	99	210	144
	No. of sites serviced	0	1 161	248
Knysna	Allocation (R'000)	25 577	31 997	46043
	Amount spent (R'000)	38 109	37 158	46043
	% Spent	149	116	100
	No. of houses built	374	613	439
	No. of sites serviced	975	942	0
Eden DM	Allocation (R'000)	0	17 943	4653
	Amount spent (R'000)	0	20 553	2516
	% Spent	0	115	54
	No. of houses built	0	0	0
	No. of sites serviced	0	0	0
Laingsburg	Allocation (R'000)	447	559	0
	Amount spent (R'000)	0	0	0
	% Spent	0	0	0
	No. of houses built	0	0	0
	No. of sites serviced	0	0	0

CHAPTER 4: SERVICE DELIVERY PERFORMANCE

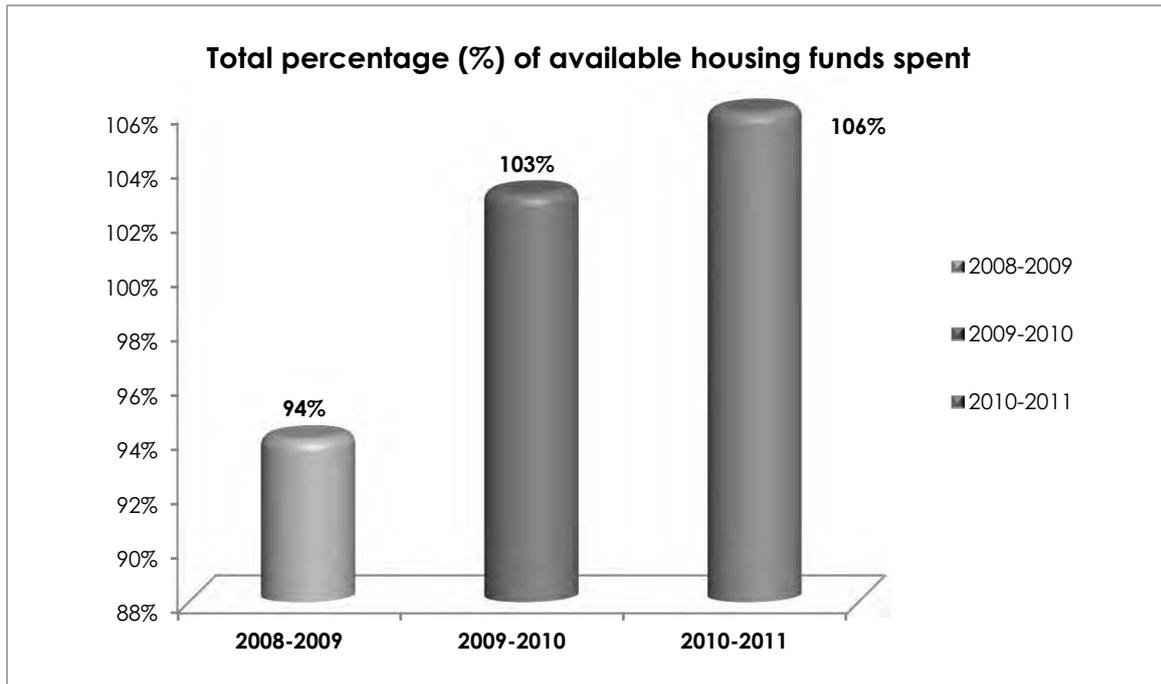
Table 26: Housing grant expenditure

Municipality	Description	2008-2009	2009-2010	2010-2011
Prince Albert	Allocation (R'000)	1 870	2 338	0
	Amount spent (R'000)	0	61	0
	% Spent	0	3	0
	No. of houses built	0	0	0
	No. of sites serviced	0	0	0
Beaufort West	Allocation (R'000)	18 552	15 443	5283
	Amount spent (R'000)	31 305	23 712	4419
	% Spent	169	154	84
	No. of houses built	569	225	81
	No. of sites serviced	140	306	10
Central Karoo DM	Allocation (R'000)	0	0	0
	Amount spent (R'000)	0	0	0
	% Spent	0	0	0
	No. of houses built	0	0	0
	No. of sites serviced	0	0	0
Total	Allocation (R'000)	905 747	1 193 692	1 396 510
	Amount spent (R'000)	846 927	1 201 213	1 479 790
	% Spent	94	103	106
	No. of houses built	13 445	10 569	11219
	No. of sites serviced	13 035	14 522	10500

Source: Department of Human Settlements Database

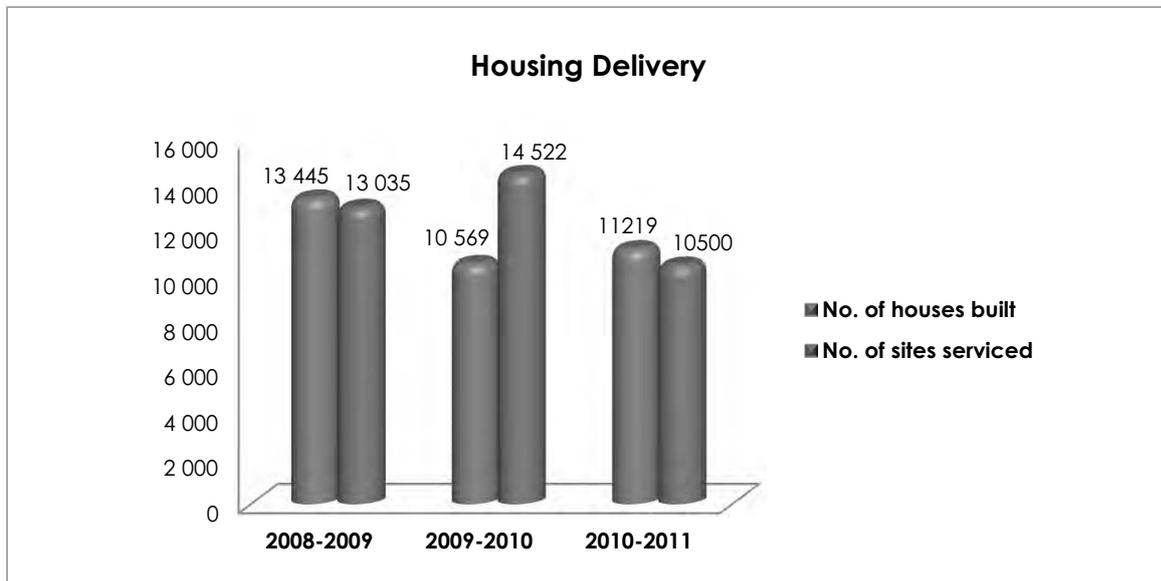
The following graph illustrates the performance of Western Cape municipalities on the housing grant expenditure during the past three financial years.

CHAPTER 4: SERVICE DELIVERY PERFORMANCE



Graph 7: Total percentage (%) of available housing funds spent

The following graph illustrates the number of houses built and the number of sites serviced during the past three years.



Graph 8: No of houses built and sites serviced

4.9 DISASTER MANAGEMENT AND FIRE BRIGADE SERVICES

The Constitution of the Republic of South Africa that provides for disaster management includes the Intergovernmental Relations Framework Act, 2005 (Act number 13 of 2005), the Local Government: Municipal Systems Act, 2000 (Act number 32 of 2000), the Disaster Management Act, 2002 (Act number 57 of 2002) and the

CHAPTER 4: SERVICE DELIVERY PERFORMANCE

National Disaster Risk Management Policy Framework of 2005. These sections provide for:

- the establishment, implementation and maintenance of an integrated rapid and effective disaster response system, post-disaster recovery and rehabilitation;
- the identification, assessment, classification and prioritisation of hazards and vulnerable elements;
- the development, implementation, monitoring and evaluation of disaster risk reduction (prevention, mitigation and preparedness) programmes, projects and measures; and
- the establishment, implementation and maintenance of systems and structures through and across the three spheres of government, the state-owned enterprises (SOEs), the Private Sector, non-governmental organisations (NGOs), communities and individuals.

The Western Cape is prone to various natural and man-made disasters throughout the year, including widespread flooding during winter and massive wildfires and droughts during summer. The Department increased its aerial fire-fighting capacity by appointing six provincial Working on Fire Ground Teams and mobilising 24 aircraft. As a result of the improved capacity and a rapid-response strategy, the impact of fires during the fire season was drastically reduced.

To ensure effective coordination and responsive disaster management, there were 16 effective disaster management plans developed. The Provincial Disaster Management Centre also conducted a post-analysis study on the drought which occurred in Eden and Central Karoo from 2009 to 2011.

All District Disaster Management Centres were assisted by reviewing their risk assessments to highlight the gaps that need to be addressed. As part of this process, the Department also developed a best practice risk assessment methodology that has been accepted by all Heads of Centres (City of Cape Town and district municipalities), which were used to update the district risk assessments.

The City of Cape Town and National Disaster Management Centre held a public awareness campaign, which was a three-day event which took place in October 2011. In addition to showcasing community and disaster resilience, the City of Cape Town held an educational workshop with primary school pupils on risk reduction and three legacy programmes namely:

- Climate Change & Smart Living Plays in 7 primary schools outside the metro;
- YES Drama Festival (high schools within metro); and
- Basic Education Toolkit and Teacher Training (3 kits purchased).

In the Eden District Municipal area, George, Hessequa, Mossel Bay, and Kannaland municipalities were declared as disaster areas owing to flooding. The following disaster incidents were monitored and supported by the Department of Local Government:

- Previous floods (2006 to 2008)
- Drought projects in Eden and Central Karoo Districts;
- June 2011 floods in Eden; and
- Avian influenza outbreak in Eden.

CHAPTER 5: FINANCIAL PERFORMANCE

CHAPTER 5: FINANCIAL PERFORMANCE

Financial viability is crucial in determining a municipality's ability to ensure effective service delivery to its community. There are two factors that play determining roles in the financial viability of all municipalities, i.e. the availability of adequate funding combined with prudent financial management.

The Municipal Finance Management Act of 2003 and the Municipal Property Rates Act of 2004 were introduced to provide municipalities with guidelines for the effective management of their revenue, expenditure, assets and liabilities and the handling of their financial processes, amongst other purposes. The aim is to resolve financial problems of municipalities and to maximise their revenue potential. In following these guidelines municipalities will become more accountable, financially sustainable and will ultimately drive the agenda of effective service delivery.

5.1 APPROVAL OF BUDGETS

In terms of Section 24 of the MFMA, a Municipal Council must approve an annual budget at least 30 days before the start of that financial year. In order to comply with this requirement the mayor of the municipality must table the annual budget in council at least 90 days before the start of the budget year. It is encouraging that all of the Western Cape municipalities have consistently tabled their budgets within the required timeframe (with the exception of Stellenbosch Municipality).

Table 27: Approval of budgets

Municipality	Tabling of Municipal budgets	
	2009/10	2010/11
City of Cape Town	30-Mar-09	31-Mar-10
Matzikama	31-Mar-09	31-Mar-10
Cederberg	01-Apr-09	30-Mar-10
Bergrivier	31-Mar-09	30-Mar-10
Saldanha Bay	24-Mar-09	31-Mar-10
Swartland	26-Mar-09	25-Mar-10
West Coast DM	25-Feb-09	24-Feb-10
Witzenberg	31-Mar-09	30-Mar-10
Drakenstein	31-Mar-09	25-Mar-10
Stellenbosch	26-Mar-09	06-May-10
Breede Valley	30-Apr-09	31-Mar-10
Langeberg	24-Mar-09	23-Mar-10
Cape Winelands DM	09-Mar-09	25-Mar-10
Theewaterskloof	26-Mar-09	25-Mar-10
Overstrand	30-Mar-09	31-Mar-10
Cape Agulhas	29-Mar-09	29-Mar-10
Swellendam	28-May-09	25-Mar-10
Overberg DM	30-Mar-09	Was not approved by 30 June 2010 (Council placed under administration)
Kannaland	31-Mar-09	25-Mar-10
Hessequa	30-Mar-09	30-Mar-10
Mossel Bay	31-Mar-09	30-Mar-10

CHAPTER 5: FINANCIAL PERFORMANCE

Table 27: Approval of budgets

Municipality	Tabling of Municipal budgets	
	2009/10	2010/11
George	23-Apr-09	31-Mar-10
Oudtshoorn	30-Mar-09	31-Mar-10
Bitou	25-Mar-09	31-Mar-10
Knysna	26-Mar-09	31-Mar-10
Eden DM	30-Apr-09	30-Mar-10
Laingsburg	30-Mar-09	30-Mar-10
Prince Albert	31-Mar-09	31-Mar-10
Beaufort West	31-Mar-09	30-Mar-10
Central Karoo DM	19-Mar-09	26-Mar-10

Source: Provincial Treasury Database

This has been a result of the continuous monitoring of municipalities by Provincial Treasury through their Local Government Financial Management Improvement Programme (LGFMIIP) and other planned initiatives to assist municipalities to improve their financial management and governance with the aim of achieving clean audits.

5.2 PERFORMANCE AGAINST BUDGETS

For the 2010/11 municipal financial year, municipalities receipted an amount of R27.97 billion or 98.2 per cent of the budgeted Operating Revenue amount of R28.48 billion. A year on year comparison shows that the planned collection of revenue has risen by 3.8 per cent from 2008/09 to 2009/10 and again significantly by 13.7 per cent from the 2009/10 to 2010/11 financial years.

Actual operating expenditure amounted to R26.36 billion or 96.4 per cent of the budgeted amount of R27.34 billion for the 2010/11 municipal financial year. There has been a year on year increase of 7.5 per cent on actual expenditure from the 2009/10 to 2010/11 financial years.

The operating expenditure budget was underspent by R981.61 million in the 2010/11 financial year notwithstanding the increase in the budget year on year. The table below indicates the performance against budgets for the past three years.

Table 28: Performance against budget

Municipality	Financial Year	Operating Revenue (R'000)			Operating expenditure (R'000)		
		Budget	Actual	Difference	Budget	Actual	Difference
		R'000	R'000	R'000	R'000	R'000	R'000
City of Cape Town	08/09	17 035 737	17 007 440	-28 297	14 348 760	13 871 253	-477 507
	09/10	16 746 940	16 660 190	-86 750	16 599 833	16 156 041	-443 792
	10/11	19 594 907	19 289 475	-305 432	19 112 491	18 300 106	-812 385
Matzikama	08/09	115 793	160 427	44 634	121 559	126 224	4 665
	09/10	126 156	150 277	24 121	133 879	133 953	74
	10/11	184 383	169 110	-15 273	150 056	157 809	7 753
Cederberg	08/09	110 903	108 690	-2 213	110 617	105 954	-4 663
	09/10	113 631	139 240	25 609	113 331	134 515	21 184
	10/11	120 737	267 303	146 566	114 865	157 605	42 740
Bergriver	08/09	113 655	123 298	9 643	115 913	115 330	-583
	09/10	124 452	149 523	25 071	126 452	147 929	21 477
	10/11	Information not available					

CHAPTER 5: FINANCIAL PERFORMANCE

Table 28: Performance against budget

Municipality	Financial Year	Operating Revenue (R'000)			Operating expenditure (R'000)		
		Budget	Actual	Difference	Budget	Actual	Difference
		R'000	R'000	R'000	R'000	R'000	R'000
Saldanha Bay	08/09	395 992	417 006	21 014	395 992	340 072	-55 920
	09/10	468 717	476 798	8 081	468 717	431 146	-37 571
	10/11	563 333	553 177	-10 156	571 012	510 510	-60 502
Swarland	08/09	227 244	277 666	50 422	247 658	232 285	-15 373
	09/10	333 297	325 967	-7 330	320 948	360 258	39 310
	10/11	370 429	358 675	-11 754	373 748	348 005	-25 743
West Coast DM	08/09	206 249	228 540	22 291	206 249	206 894	645
	09/10	248 851	215 901	-32 950	248 851	197 211	-51 640
	10/11	-241 385	-249 326	-7 941	237 882	249 899	12 017
Witzenberg	08/09	199 701	187 376	-12 325	198 571	188 474	-10 097
	09/10	324 533	263 649	-60 884	256 906	252 421	-4 485
	10/11	316 432	307 932	-8 500	262 221	266 029	3 808
Drakenstein	08/09	786 352	824 788	38 436	786 352	777 306	-9 046
	09/10	979 199	942 883	-36 316	1 011 344	950 236	-62 835
	10/11	1 086 063	1 025 493	-60 570	1 101 886	1 052 744	-49 142
Stellenbosch	08/09	543 423	589 038	45 615	543 423	540 904	-2 519
	09/10	626 841	734 641	107 800	703 645	687 995	-15 650
	10/11	722 207	812 663	90 456	747 507	730 203	-17 304
Breede Valley	08/09	468 641	462 440	-6 201	459 551	422 258	-37 293
	09/10	472 863	468 724	-4 139	488 693	474 170	-14 523
	10/11	587 856	565 578	-22 278	585 564	564 531	-21 033
Langeberg	08/09	249 004	268 332	19 328	264 576	252 548	-12 028
	09/10	331 204	334 470	3 266	306 147	307 009	862
	10/11	389 563	349 113	-40 450	357 144	328 044	-29 100
Cape Winelands DM	08/09	317 254	327 564	10 310	317 254	309 930	-7 324
	09/10	349 290	342 072	-7 218	349 290	317 738	-31 552
	10/11	385 416	321 690	-63 726	-383 717	-334 183	49 534
Theewaters-kloof	08/09	235 916	218 778	-17 138	230 374	208 656	-21 718
	09/10	259 388	251 228	-8 160	269 222	244 528	-24 694
	10/11	322 595	288 416	-34 179	282 064	274 147	-7 917
Overstrand	08/09	435 510	423 407	-12 103	412 733	399 963	-12 770
	09/10	527 619	521 284	-6 335	587 595	558 169	-29 426
	10/11	584 660	663 526	78 866	682 262	703 080	20 818
Cape Agulhas	08/09	102 350	122 432	20 082	102 354	107 909	5 555
	09/10	124 982	146 536	21 554	119 817	139 193	19 376
	10/11	157 961	156 321	-1 640	166 836	159 624	-7 212
Swellendam	08/09	81 390	98 677	17 287	80 866	92 742	11 876
	09/10	No information					
	10/11	No information					

CHAPTER 5: FINANCIAL PERFORMANCE

Table 28: Performance against budget

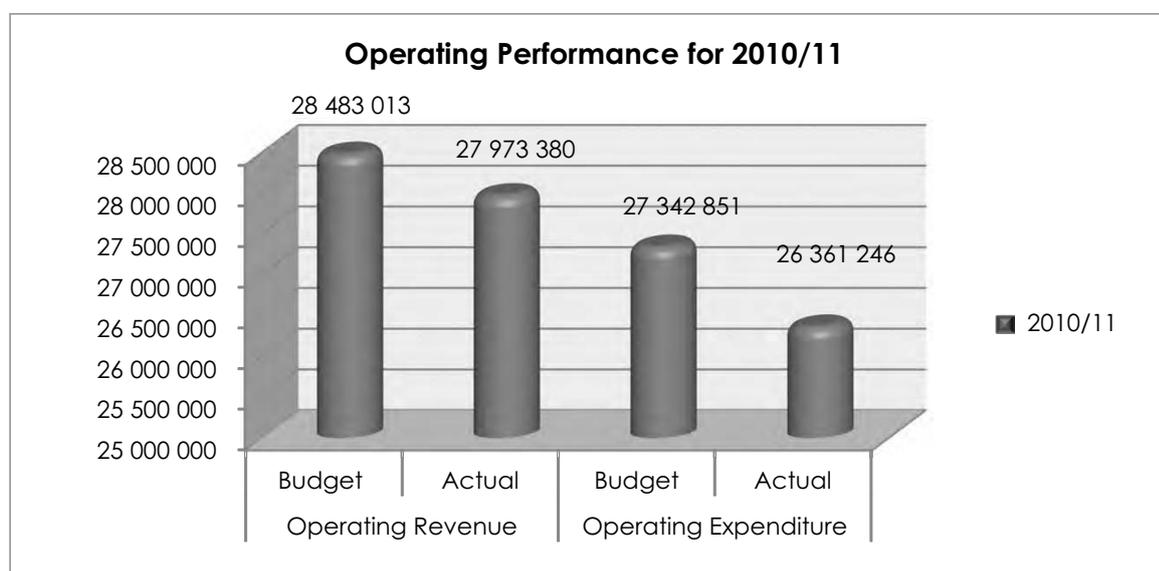
Municipality	Financial Year	Operating Revenue (R'000)			Operating expenditure (R'000)		
		Budget	Actual	Difference	Budget	Actual	Difference
		R'000	R'000	R'000	R'000	R'000	R'000
Overberg DM	08/09	97 042	91 909	-5 133	96 959	93 114	-3 845
	09/10	103 398	89 910	-13 488	103 273	101 080	-2 193
	10/11	120 386	102 218	-18 168	128 375	119 622	-8 753
Kannaland	08/09	67 748	66 800	-948	62 796	55 044	-7 752
	09/10	61 557	73 892	12 335	53 409	75 776	22 367
	10/11	82 764	82 176	-588	66 842	81 690	14 848
Hessequa	08/09	225 126	217 388	-7 738	182 095	166 320	-15 775
	09/10	314 331	288 650	-25 681	268 438	252 421	-16 017
	10/11	266 836	247 458	-19 378	248 730	238 927	-9 803
Mossel Bay	08/09	472 321	449 577	-22 744	471 106	405 020	-66 086
	09/10	579 437	619 145	39 708	521 527	634 389	112 862
	10/11	774 935	723 686	-51 249	628 730	581 961	-46 769
George	08/09	654 206	642 421	-11 785	670 404	670 005	-399
	09/10	791 742	765 150	-26 592	791 649	756 062	-35 587
	10/11	944 389	841 528	-102 861	908 485	851 845	-56 640
Oudtshoorn	08/09	No information					
	09/10	No information					
	10/11	No information					
Bitou	08/09	241 934	231 364	-10 570	226 577	225 887	-690
	09/10	320 116	291 390	-28 726	259 629	266 006	6 377
	10/11	375 732	328 731	-47 001	282 355	305 488	23 133
Knysna	08/09	344 234	352 110	7 876	334 409	327 114	-7 295
	09/10	433 216	455 430	22 214	363 056	376 055	12 999
	10/11	448 841	466 159	17 318	427 347	404 348	-22 999
Eden DM	08/09	190 883	278 822	87 939	169 382	257 350	87 968
	09/10	-	318 171	318 171	-	316 274	316 274
	10/11	No information					
Laingsburg	08/09	14 451	21 072	6 621	18 147	22 887	4 740
	09/10	25 336	33 921	8 585	30 462	32 888	2 426
	10/11	23 756	25 926	2 170	32 528	34 316	1 788
Prince Albert	08/09	19 232	27 625	8 393	18 604	23 305	4 701
	09/10	19 232	27 315	8 083	18 604	22 620	4 016
	10/11	37 666	35 326	-2 340	35 611	38 374	2 763
Beaufort West	08/09	116 717	150 322	33 605	98 386	140 431	42 045
	09/10	191 669	164 960	-26 709	173 792	139 470	-34 322
	10/11	191 312	177 855	-13 457	155 925	173 827	17 902

CHAPTER 5: FINANCIAL PERFORMANCE

Table 28: Performance against budget

Municipality	Financial Year	Operating Revenue (R'000)			Operating expenditure (R'000)		
		Budget	Actual	Difference	Budget	Actual	Difference
		R'000	R'000	R'000	R'000	R'000	R'000
Central Karoo DM	08/09	66 442	56 251	-10 191	61 566	51 408	-10 158
	09/10	63 790	61 111	-2 679	55 200	53 988	-1 212
	10/11	71 239	63 171	-8 068	66 102	62 695	-3 407
Total	08/09	24 135 450	24 431 560	296 110	21 353 233	20 736 587	-616 646
	09/10	25 061 787	25 312 428	250 641	23 732 365	24 519 541	-225 895
	10/11	28 483 013	27 973 380	509 633	27 342 851	26 361 246	981 605

Source: Municipal Financial Statements 2008/2009, 2009/2010 & 2010/2011



Graph 9: Total performance against budgets

The graph above illustrates the combined Provincial results on performance against budgets for 2010/2011 financial year.

5.3 LIQUIDITY RATIO

The liquidity ratio is an indication of whether the municipalities are financially liquid and if their current assets are sufficient to finance their current liabilities. The following table shows the liquidity ratios of municipalities in the Western Cape.

CHAPTER 5: FINANCIAL PERFORMANCE

Table 29: Liquidity ratio

Municipality	2008/09	2009/10	2010/11		
	Ratio	Ratio	Net current assets R'000	Net current liabilities R'000	Ratio
City of Cape Town	1.4:1	1.5:1	9 455 320	5 893 533	1.6:1
Matzikama	1.4:1	1.4:1	37 696	42 237	0.9:1
Cederberg	2.3:1	1.5:1	66 661	45 457	1.5:1
Bergrivier	2.0:1	2:1	61 300	32 195	1.9:1
Saldanha Bay	43.5:1	49.4:1	553 634	107 231	5.2:1
Swartland	4.1:1	3.5:1	210 992	54 305	3.89:1
West Coast DM	3.8:1	4.1:1	166 420	42 332	3.9:1
Witzenberg	1.3:1	1:1	70 209	64 660	1.08:1
Drakenstein	1.4:1	11.5:1	166 235	306 635	0.5:1
Stellenbosch	2.8:1	2.2:1	440,166	177,792	2.5:1
Breede Valley	2.4:1	1.4:1	195 523	128 579	1.52:1
Langeberg	2.4:1	6.4:1	126,838	72,759	1.7:1
Cape Winelands DM	10.9:1	8.4:1	389,488	59,917	6.5:1
Theewaterskloof	1.1:1	0.7:1	53 070	51 782	1.02:1
Overstrand	0.7:1	1.1:1	164 695	126 049	1.3:1
Cape Agulhas	4.1:1	2.8:1	46 961	17 754	2.6:1
Swellendam	1.6:1	No information			
Overberg DM	1.3:1	0.6:1	4 652	18 221	0.21:1
Kannaland	0.7:1	0.4:1	6,600	22,353	0.3:1
Hessequa	1.6:1	1.9:1	101 528	60 607	1.7:1
Mossel Bay	3.4:1	2.3:1	279 582	170 994	1.6:1
George	4.1:1	3.6:1	642 349	220 737	2.9:1
Oudtshoorn					
Bitou	1.3:1	0.8:1	59 861	120 049	0.50:1
Knysna	1.2:1	1.3:1	129 475	88 941	1.46:1
Eden DM	1.1:1	1:1	46,875	56,872	0.82:1
Laingsburg	2.9:1	1.9:1	93 455	4 096	22.82:1
Prince Albert	2.3:1	2.6:1	40 818	3 223	12.7:1
Beaufort West	1.3:1	1.5:1	38 881	38 413	1.01:1
Central Karoo DM	0.7:1	0.7:1	3 684	10 825	0.3:1
Total	1.7:1	2.1:1	18 966 885	16 067 742	1.2:1

Source: Municipal Financial Statements 2008/2009, 2009/2010 & 2010/2011

Municipalities with the highest liquidity risks are Matzikama, Drakenstein, Overberg, Kannaland, Eden District, Bitou and Central Karoo District municipalities as their current liabilities exceeds their current assets. The total average of the Provincial liquidity ratio continued to increase from 1.7:1 in 2008/09 to 2.1:1 in 2009/10 and then decreased to 1.2:1 in 2010/11.

CHAPTER 5: FINANCIAL PERFORMANCE

5.4 LEVEL OF RELIANCE ON GRANTS

Table 30: Reliance on grants

Municipality	2008/09	2009/10	2010/11		
			Total grants and subsidies received	Total Operating Revenue	Percentage
	%	%	R'000	R'000	%
City of Cape Town	30	17	2 558 851	20 380 686	12.5
Matzikama	48	38	68 182	169 110	40.3
Cederberg	20	40	42 107	169 267	24.9
Bergrivier	9	23	42 393	121 832	34.8
Saldanha Bay	13	8	62 086	553 177	11.2
Swartland	9	16	50 776	358 890	14.1
West Coast DM	36	9	81 517	249 327	32.7
Witzenberg	38	30	100 379	307 932	32.6
Drakenstein	15	16	128 014	1 025 587	12.5
Stellenbosch	9	13	96 788	812 663	11.9
Breede Valley	26	24	141 283	565 578	25.0
Langeberg	16	24	83 311	239 171	34.8
Cape Winelands DM	76	77	285 165	321 690	88.6
Theewaterskloof	28	37	102 255	288 416	35.5
Overstrand	3	11	83 616	627 929	13.3
Cape Agulhas	18	29	42 790	156 321	27.4
Swellendam	23	No Annual Report			
Overberg DM	74	78	81 998	102 218	80.2
Kannaland	42	44	No Annual Report		
Hessequa	33	45	56 323	247 458	22.8
Mossel Bay	16	15	194 333	723 685	26.9
George	13	21	209 307	841 528	24.9
Oudshoorn	-	No Annual Report			
Bitou	24	30	119 576	328 382	36.4
Knysna	24	29	100 840	503 156	20.0
Eden DM	50	52	122 968	263 498	46.7
Laingsburg	44	52	12 388	25 926	47.8
Prince Albert	46	46	10 379	35 326	29.4
Beaufort West	46	50	89 599	177 855	50.4
Central Karoo DM	92	91	56 270	63 171	89.1
Total	19	26	5 023 494	29 803 703	16.9

Source: Municipal Financial Statements 2008/09, 2009/10 & 2010/11

CHAPTER 5: FINANCIAL PERFORMANCE

Municipalities in the Western Cape are reliant on National and Provincial for grant funding to finance part of their operating and capital expenditure. The table above provides an indication on the level of reliance on grants. The total average grant dependency increased year-on-year from 19 percent in 2008/09 to 26 percent in 2009/10. It then decreased significantly to 16.9 percent in 2010/11. The most significant decrease in grant reliance is identified in City of Cape Town, Cederberg, Hessequa and Prince Albert municipalities.

The District municipalities are however still highly reliant on grant funding to finance their operations. Since the abolishment of Regional Services Council (RSC) levies as a revenue source for district municipalities, they have been increasingly dependent on government grants to fund their operations. They are also unable to generate revenue from the sale of basic services as District Municipalities in the Western Cape are no longer servicing households.

5.5 CASH FLOW, BORROWING AND INVESTMENT

The following analysis focuses on the cash management position of municipalities in the Province and summarises the associated risks. The financial information in Table 27 below is not a true reflection of the current cash flow status in the Districts. This is as a result of Laingsburg and Prince Albert Municipalities having not submitted cash flow budgets and an incorrect cash flow budget submitted by Kannaland and Swellendam Municipalities.

Table 31: Municipal Cash flow balances and for the period ending June 2011

	Total Cash Receipts					Total Cash Expenditure					Net increase (decrease) in cash held	YTD Net increase (decrease) in cash held	Cash/ cash equivalents at the month/year begin	Cash/ cash equivalents at the month/year end	Cash Coverage
	Monthly Actuals	Actuals YTD (12 months)	Original Budget 2010/11	Adjusted Budget 2010/11	% YTD	Monthly Actuals	Actuals YTD (12 months)	Original Budget 2010/11	Adjusted Budget 2010/11	% YTD					
City of Cape Town	1 646 153	21 672 809	20 962 477	19 490 159	111%	2 241 081	20 922 500	20 616 145	19 571 489	107%	-594 928	750 309	5 808 052	5 213 124	0.73
West Coast	387 007	2 635 432	1 161 171	1 177 920	224%	340 269	2 778 098	1 138 633	1 150 893	241%	46 738	-142 666	38 628	85 362	1.14
Cape Winelands	486 924	4 271 005	3 683 895	3 637 273	117%	504 173	4 236 472	3 719 296	3 738 225	113%	-17 249	34 533	121 163	103 912	0.97
Overberg	181 776	1 572 377	1 270 375	1 281 073	123%	215 964	1 553 071	1 369 598	1 398 160	111%	-34 188	19 306	130 316	96 125	0.84
Eden	356 054	4 198 426	3 652 856	3 669 500	114%	395 169	4 086 467	3 800 892	3 809 672	107%	-39 115	111 959	447 306	408 193	0.90
Central Karoo	30 692	336 539	248 261	248 261	136%	29 797	340 191	252 539	252 539	135%	895	-3 652	1 360	2 254	1.03
District Grand total	1 442 453	13 013 779	10 016 558	10 014 027	130%	1 485 372	12 994 299	10 280 958	10 349 489	126%	-42 919	19 480	738 773	695 846	0.97
	Total Operating Revenue					Total Operating Expenditure					Variance Cash vs Revenue %	Variance Cash vs Expenditure %	Income vs Expenditure	Cash Coverage	
City of Cape Town	2 340 006	27 452 534	28 642 699	28 750 145	95%	2 395 030	24 696 172	26 976 064	26 966 888	92%	78.95%	84.72%	0.98		1.04
West Coast	100 706	1 512 694	1 667 716	1 756 026	86%	137 929	1 248 016	1 521 484	1 567 021	80%	174.22%	222.60%	0.73		0.95
Cape Winelands	279 034	3 171 839	3 444 599	3 632 669	87%	413 547	2 960 949	3 416 530	3 583 617	83%	134.65%	143.08%	0.67		1.01
Overberg	88 114	1 259 385	1 292 691	1 308 329	96%	134 398	1 164 758	1 314 388	1 329 575	88%	124.85%	133.34%	0.66		1.01
Eden	176 965	3 197 097	3 388 673	3 663 044	87%	356 742	2 762 252	3 190 521	3 333 145	83%	131.32%	147.94%	0.50		1.03
Central Karoo	17 925	253 923	335 863	348 575	73%	38 823	232 355	280 930	293 315	79%	132.54%	146.41%	0.46		0.99
District Grand total	662 744	9 394 938	10 129 542	10 708 643	88%	1 081 439	8 368 330	9 723 853	10 106 673	83%	138.52%	155.28%	0.61		1.00

Source: Consolidated Municipal Budget Statement Western Cape Province for the period ending 30 June 2011: PT

City of Cape Town

For the financial year ended June 2011 the City of Cape Town shows actual cash receipts performance of 111 percent of the adjusted budgeted amount of R19.49 billion. From the table above it is clear that the billed revenue of R27.45 billion has been under-performed by 21.05 percent when compared to actual revenue received of R21.67 billion.

Actual Cash outflows amounted to R20.92 billion or 107 percent of the adjusted budgeted cash expenditure of R19.57 billion.

CHAPTER 5: FINANCIAL PERFORMANCE

It should be noted that the net decrease in cash held amounting to R594.93 million is attributed to the net movement in investments made less investments matured plus capitalised interest on bank investments (bank deposits and funds under management) for the month of June 2011.

District Cash Flow balances for the period ending 30 June 2011

For the financial year ended, the actual cash inflows amounted to R13.01 billion or 130 per cent of the adjusted budgeted cash inflow of R10.02 billion. There is a clear over-collection in revenue when comparing the district cash inflow of R13.01 billion with the district billed revenue of R9.39 billion.

The actual cash outflows amounted to R12.99 billion or 126 percent of the adjusted budgeted amount of R10.35 billion. When comparing the actual cash revenue received with the actual cash expenditure a saving of R19.48 million is identified.

Table 32: Consolidated Investment portfolio balances for the period ending 30 June 2011

Jun-11	Opening Balance	Investments Matured	Investments Made	Interest Capitalised	Cost and Fees	Interest Earned for the month	Interest Earned Year to date	Closing Balance	Budgeted Interest	Budget Interest YTD %
CONSOLIDATED INVESTMENTS	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	
DISTRICTS										
City of Cape Town	R 5 808 055	R 1 820 879	R 1 197 778	R 18 575	R 389	R 0	R 28 289	R 5 203 140	R 213 936	141%
West Coast	R 724 280	R 275 487	R 119 500	R 1 712	R 0	R 6 171	R 22 121	R 570 005	R 49 267	45%
Cape Winelands	R 819 097	R 393 505	R 572 843	R 0	R 0	R 4 602	R 57 979	R 998 435	R 76 555	76%
Overberg	R 166 377	R 38 373	R 0	R 0	R 0	R 0	R 4 040	R 128 004	R 15 355	26%
Eden	R 419 512	R 101 928	R 10 000	R 119	R 0	R 1 313	R 38 480	R 327 703	R 49 485	78%
Central Karoo	R 32 865	R 13 380	R 2 576	R 0	R 0	R 0	R 539	R 22 061	R 2 115	25%
GRAND TOTAL	R 7 970 186	R 2 643 552	R 1 902 697	R 20 406	R 389	R 12 086	R 425 431	R 7 249 348	R 406 713	105%

Source: Consolidated Municipal Budget Statement Western Cape Province for the period ending 30 June 2011: PT

For the 2010/11 financial year twenty-eight (28) municipalities have reported on the movement of its investment portfolios. Total investments made for the financial year amounted to R1.9 million while the investments matured amounted to R2.64 billion.

Municipalities earned an amount of R425.43 million and capitalised R20.41 million for the financial year. The closing balance for investments in the Western Cape amounted to R7.25 billion.

Table 33: Consolidated External borrowings balances for the period ending 30 June 2011

CONSOLIDATED EXTERNAL BORROWINGS	Opening Balance R'000	Interest Capitalised R'000	Repayments R'000	Loans Received R'000	Closing Balance R'000	Sinking funds
Jun-11						
City of Cape Town	5 708 032	-	156 514	-	5 551 518	476 999
West Coast District	306 538	80	11 177	-	295 441	
Cape Winelands District	681 295	-	1 982	72 956	752 269	
Overberg District	373 381	27 725	2 090	11 209	410 225	
Eden District	873 798	237	11 004	46 428	909 459	
Central Karoo District	17 225	-	236	-	16 989	
GRAND TOTAL	7 960 269	28 042	183 003	130 593	7 935 901	476 999

Source: Consolidated Municipal Budget Statement Western Cape Province for the period ending 30 June 2011: PT

External Borrowing is an additional means for municipalities to fund their capital projects. For the 2010/11 financial year the total borrowings amounted to R7.94 billion.

CHAPTER 5: FINANCIAL PERFORMANCE

The table above shows the external borrowing performance of municipalities for the month of June 2011. The interest capitalised at the end of June 2011 amounted to R28.04 million. Total repayments for the month amounted to R183 million. The City of Cape Town Municipality is the only municipality making provision for sinking fund investments for capital redemption.

5.6 DEBT MANAGEMENT

The table below reflects the total outstanding debtors of the City of Cape Town and the five (5) municipal districts as at 30 June 2011.

Table 34: Age analysis of debtors

R'000	2010/11						2009/10						% incr/ decr
	Water	Electricity	Property Rates	RSC Levies	Other	Total	Water	Electricity	Property Rates	RSC Levies	Other	Total	
Beaufort West	7 536	3 590	8 707		14 756	34 588	8 782	3 096	6 492		9 985	28 355	22.0
Bergrivier	9 142	7 293	13 092		13 629	43 156	7 965	7 597	9 633		13 313	38 508	12.1
Bitou	19 313	9 279	14 264		9 727	52 582	8 062	7 391	10 836		12 398	38 686	35.9
Breede Valley	28 093	20 023	14 928		30 089	93 133	22 842	16 479	12 601		32 436	84 357	10.4
Cape Agulhas	2 926	5 556	2 226		2 594	13 303	1 584	1 650	1 065		1 950	6 249	112.9
Cape Town	2 888 797	699 409	1 566 226		606 915	5 761 346	2 474 126	589 646	1 395 101		585 257	5 044 130	14.2
Cape Winelands DM			708		811	1 518			703		884	1 587	-4.3
Cederberg	10 609	7 780	12 807		2 473	33 669	11 175	8 160	11 255		3 298	33 888	-0.6
Central Karoo	242	234	614		745	1 833	1 891	490	838		1 646	4 865	-62.3
Drakenstein	75 323	41 405	30 363		57 706	204 797	83 404	30 710	31 347		87 886	233 347	-12.2
Eden	8 034	1 487	2 626		7 038	19 185	6 848	1 010	2 588		3 534	13 980	37.2
George	30 037	20 820	20 681		21 222	92 760	28 627	19 076	15 455		20 608	83 766	10.7
Hessequa	6 074	7 224	9 647		3 888	26 834	4 801	6 294	10 708		3 119	24 921	7.7
Kannaland	18 167	2 185	8 194		15 567	44 112	15 940	257	7 678		14 144	38 019	16.0
Knysna	29 426	17 650	27 681		16 246	91 004	23 466	15 481	24 534		14 965	78 447	16.0
Laingsburg	659	426	1 733		430	3 248	205	144	90		273	711	356.8
Langeberg	6 650	12 616	3 709		6 959	29 934	6 842	10 716	3 721		5 426	26 705	12.1
Matzikama					31 374	31 374					27 841	27 841	12.7
Mossel Bay	29 750	14 346	10 560		7 203	61 859	20 091	8 412	8 490		19 358	56 351	9.8
Oudtshoorn	27 213	16 898	18 172		15 575	77 859	20 138	9 262	13 227		12 303	54 930	41.7
Overberg	14	28			2 190	2 233	10	18			2 458	2 485	-10.1
Overstrand	20 981	16 952	13 291		9 452	60 676	19 636	13 948	14 836		6 279	54 699	10.9
Prince Albert	2 933	1 069	851		816	5 669	1 889	777	708		632	4 005	41.5
Saldanha Bay	42 273	12 021	24 951		32 871	112 117	31 609	9 347	23 132		26 068	90 155	24.4
Stellenbosch	35 144	14 649	32 911		33 607	116 311	26 857	12 551	35 103		31 036	105 547	10.2
Swartland	6 801	9 271	7 493		5 324	28 889	6 584	8 130	7 607		4 124	26 445	9.2
Swellendam	14 553	7 703	13 584		10 718	46 558	13 331	6 021	11 145		9 065	39 562	17.7
Theewaterskloof	50 479	5 889	20 814		31 522	108 704	5 995	3 240	1 833		3 549	14 617	643.7
West Coast	6 233	31			188	6 453	2 533	4			91	2 628	145.5
Witzenberg	27 473	12 265	9 022		21 666	70 426	31 763	9 867	7 644		26 105	75 379	-6.6
Total	3 404 875	968 099	1 889 855		1 013 301	7 276 130	2 886 996	799 774	1 668 370		980 031	6 335 165	14.9

Source: Consolidated Municipal Budget Statement Western Cape Province for the period ending 30 June 2011: PT

For the 2010/11 financial year total outstanding debtors amounted to R7.28 billion compared to R6.34 billion recorded for the previous financial year. There has thus been a year on year increase in debtors of 14.9 percent.

From the table above it is clear that the bulk of the debt in the province is held by City of Cape Town Municipality whose debtors balance for the 2010/11 financial year amounted to R5.76 billion or 79 percent of the total debt amount for that year.

The increase of 14.9 percent is mostly contributed by Theewaterskloof, Laingsburg, West Coast District and Cape Agulhas whose debt amounts increased by over 100 percent year on year. There were however municipalities that managed to decrease their outstanding debtors like Central Karoo District, Drakenstein, Overberg District and Witzenberg municipalities.

The most significant income categories contributing to the combined debtors are water services comprising of 46.8 percent and property rates at 26 percent.

CHAPTER 6: REPORT OF THE AUDITOR GENERAL 2010/2011

CHAPTER 6: REPORT OF THE AUDITOR GENERAL 2010/2011**6.1 MUNICIPAL AUDIT OPINION**

This table indicates on which date financial statements were submitted and the types of Audit opinions received by municipalities for the past three financial years.

Table 35: Audit Opinion 2010/11

MUNICIPALITY	Period	Unqualified with no findings	Unqualified opinion with findings	Qualified opinion	Disclaimer of opinion	Adverse Opinion
City of Cape Town	08/09					
	09/10					
	10/11					
West Coast District	08/09					
	09/10					
	10/11					
Matzikama	08/09					
	09/10					
	10/11					
Cederberg	08/09					
	09/10					
	10/11					
Bergrivier	08/09					
	09/10					
	10/11					
Saldanha Bay	08/09					
	09/10					
	10/11					
Swartland	08/09					
	09/10					
	10/11					
Cape Winelands District	08/09					
	09/10					
	10/11					
Witzenberg	08/09					
	09/10					
	10/11					

CHAPTER 6: REPORT OF THE AUDITOR GENERAL 2010/2011

Table 35: Audit Opinion 2010/11

MUNICIPALITY	Period	Unqualified with no findings	Unqualified opinion with findings	Qualified opinion	Disclaimer of opinion	Adverse Opinion
Drakenstein	08/09					
	09/10					
	10/11					
Stellenbosch	08/09					
	09/10					
	10/11					
Breede Valley	08/09					
	09/10					
	10/11					
Langeberg	08/09					
	09/10					
	10/11					
Overberg District	08/09					
	09/10					
	10/11					
Theewaterskloof	08/09					
	09/10					
	10/11					
Overstrand	08/09					
	09/10					
	10/11					
Cape Agulhas	08/09					
	09/10					
	10/11					
Swellendam	08/09					
	09/10					
	10/11	Audit not yet finalised due to late submission of financial statements				
Eden District	08/09					
	09/10					
	10/11					
Kannaland	08/09					
	09/10					
	10/11	Audit not yet finalised due to late submission of financial statements				
Hessequa	08/09					
	09/10					
	10/11					

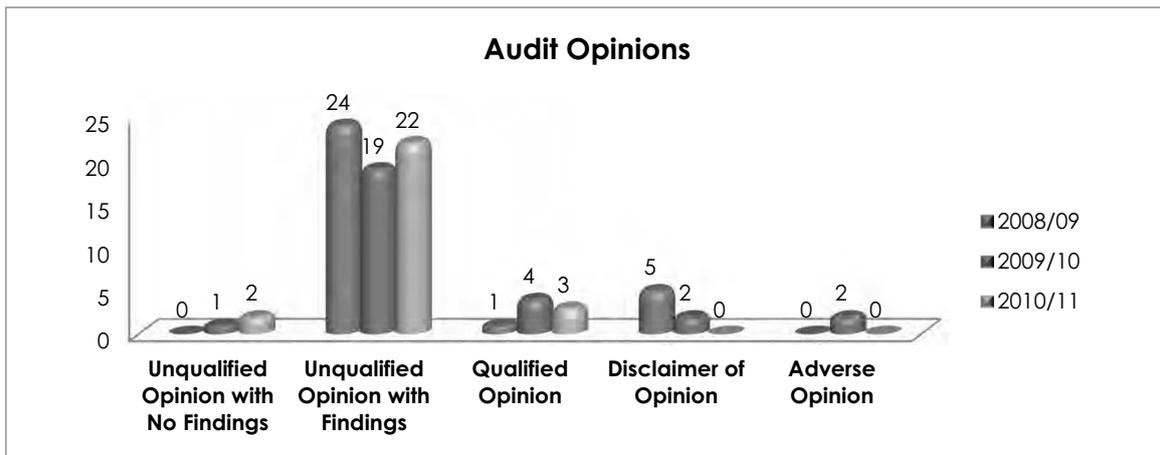
CHAPTER 6: REPORT OF THE AUDITOR GENERAL 2010/2011

Table 35: Audit Opinion 2010/11

MUNICIPALITY	Period	Unqualified with no findings	Unqualified opinion with findings	Qualified opinion	Disclaimer of opinion	Adverse Opinion
Mossel Bay	08/09					
	09/10					
	10/11					
George	08/09					
	09/10					
	10/11					
Oudtshoorn	08/09					
	09/10					
	10/11	Audit not yet finalised due to late submission of financial statements				
Bitou	08/09					
	09/10					
	10/11					
Knysna	08/09					
	09/10					
	10/11					
Central Karoo District	08/09					
	09/10					
	10/11					
Laingsburg	08/09					
	09/10					
	10/11					
Prince Albert	08/09					
	09/10					
	10/11					
Beaufort West	08/09					
	09/10					
	10/11					

Source: General Report on the Audit Outcomes of the Western Cape Local Government 2010/11

CHAPTER 6: REPORT OF THE AUDITOR GENERAL 2010/2011



Graph 10: Comparison with previous years: Auditor-General report outcomes

The audit outcomes have remained relatively unchanged with the majority of municipalities receiving financially unqualified opinions with findings coupled with six improvements and three regressions.

The metro moved from a clean audit to financially unqualified with findings for non-compliance with SCM regulations. The leadership only fully implemented SCM regulations in respect of all transactions towards the end of the 2010/2011 financial year. The Cape Town International Convention Centre also moved from a clean to financially unqualified with findings audit opinion due to non-compliance with SCM regulations.

Two municipalities improved from financially unqualified with findings to clean audits, namely West Coast District and Swartland. The improvement in the audit outcomes of these municipalities resulted from the sustained efforts of the municipal leadership to effectively monitor the implementation of a credible action plan to address past audit findings. There was strict monitoring of compliance with laws and regulations, especially SCM regulations, through the effective use of compliance checklists and the assistance of the internal audit unit that regularly reviewed the internal controls around SCM to ensure compliance.

Improvements at George (adverse to financially unqualified opinion with findings), Prince Albert (disclaimer of opinion to a qualified opinion) and Saldanha Bay and Cederberg municipalities (qualified to financially unqualified with findings) were due to the municipal leadership's effective monitoring of credible action plans to address the past audit qualifications, which included the daily processing of transactions, proper records management systems and regular reconciliation of control accounts. They also effectively used and monitored the consultants appointed to prepare the financial statements, with the consultants also assisting with the timely correction of material mis-statements identified during the audit.

Overberg District: The shift in audit outcomes from a financially unqualified opinion with findings to a qualified opinion was mainly due to leadership instability both at administrative and political levels, which negatively impacted on oversight and the timely implementation and monitoring of a credible action plan to address the past audit findings.

Laingsburg: The Municipality had repeat and new qualification findings, which were largely attributable to finance staff not applying the GRAP reporting framework appropriately. Accordingly, the finance staff did not maintain the required information to enable the appointed consultants to prepare and complete accurate asset registers. Despite the improvements, it is of concern that the majority of municipalities' audit outcomes remained unchanged mainly due to inadequate internal controls over compliance with laws and regulations and predetermined objectives, which compromised the achievement of clean audits. In addition, the extent of material misstatements increased from 65% to 79%.

CHAPTER 6: REPORT OF THE AUDITOR GENERAL 2010/2011

6.2 KEY FINDINGS IN THE REPORTS OF THE AUDITOR-GENERAL**Findings arising from the audit of compliance with laws and regulations**

Laws and regulations set out the activities which the public sector must perform in serving the citizens and stipulate any limits or restrictions on such activities, the overall objectives to be achieved and how due process rights of individual citizens are to be protected. Local government auditees are subject to legislation such as the MFMA and the MSA whose objectives are proper financial management and performance management, transparency, accountability, stewardship and good governance.

The procedures performed to obtain evidence that auditees complied with applicable laws and regulations were limited to the following focus areas:

- annual financial statements, performance report and annual report
- asset management
- audit committees
- budgets
- expenditure management
- internal audit
- revenue management
- strategic planning and performance management
- transfer of funds and conditional grants
- procurement and contract management
- human resource management and compensation

Although compliance in most of the specified areas was audited in previous years, the scope and extent of coverage increased for the year under review. As a result, more areas and instances of non-compliance were revealed by the audits for the year under review.

Overall trends in the level of material non-compliance reported

As depicted below, findings on material non-compliance with laws and regulations were raised in the auditor's reports of 27 auditees (93%) [2009-10: 27 auditees (82%)]. This represents an overall increase of 13% compared to the 2009-10 financial year. The remaining two auditees, namely West Coast District and Swartland, improved their audit outcomes from the prior year by implementing action plans and compliance checklists monitored by the municipal leadership. The following table analyses the movements in the number of auditees with non-compliance findings in the Province.

Table 36: Overall movement in the number of auditees with reported material non-compliance

Number of auditees with compliance findings	High-capacity municipalities (including metros)	Medium capacity municipalities	Low capacity municipalities	Municipal entities	Total auditees reported on	%
Remained with no compliance findings	0	0	0	0	0	0%
All compliance findings addressed	0	2	0	0	2	7%
Auditees with no compliance findings	0%	13%	0%	0%	7%	7%
Retained compliance findings	3	6	2	1	12	40%

CHAPTER 6: REPORT OF THE AUDITOR GENERAL 2010/2011

Table 36: Overall movement in the number of auditees with reported material non-compliance

Number of auditees with compliance findings	High-capacity municipalities (including metros)	Medium capacity municipalities	Low capacity municipalities	Municipal entities	Total auditees reported on	%
Regressed to have compliance findings	5	7	1	2	15	52%
Auditees with compliance findings	100%	80%	100%	100%	93%	93%
Total number of auditees reported on	8	15	3	3	29	100%

Transversal reported areas of material non-compliance

<i>Procurement and contract management</i>	79%
<i>Expenditure management</i>	72%
<i>Annual financial statements and annual report</i>	72%
<i>Internal audit</i>	34%
<i>Strategic planning and performance management</i>	34%
<i>Audit committees</i>	31%
<i>Budgets</i>	28%

Transversal non-compliance findings relating to the AGSA's compliance focus areas are analysed below, except for the following:

- The findings on strategic planning and performance management and other PDO-related non-compliance.
- Procurement and contract management (SCM) findings.

Expenditure management

Findings were identified at 21 (72%) auditees, the most significant of which are depicted in the following table.

Table 37: Expenditure management findings

Focus area	Summary of common findings	Percentage of auditees reported on
Expenditure Management	The accounting officer did not prevent irregular expenditure	66%
	The accounting officer did not prevent un-authorised expenditure	34%
	The accounting officer did not prevent fruitless and wasteful expenditure	21%

Accounting officers are responsible for ensuring that irregular, un-authorised as well as fruitless and wasteful expenditure is prevented.

Irregular expenditure refers to expenditure incurred in contravention of legislation. The high incidence of non-compliance with SCM-related legislation, as identified by the AGSA, inevitably led to an increase in irregular

CHAPTER 6: REPORT OF THE AUDITOR GENERAL 2010/2011

expenditure. Unauthorised expenditure is defined as an overspending of a budget vote or expenditure from a budget vote unrelated to the functional area of that vote. Fruitless expenditure is defined as expenditure made in vain or that could have been avoided had reasonable care been taken.

Annual financial statements and annual report

Findings were identified at 21 (72%) auditees, the most significant of which are depicted in the following table.

Table 38: Annual financial statements and annual report findings

Focus area	Summary of common findings	Percentage of auditees reported on
Annual financial statements and annual report	The submitted AFS was not prepared in accordance with the prescribed accounting framework	48%
	The AFS was not submitted for auditing within two months after the end of the financial year	28%
	Consolidated performance report not prepared in accordance with MSA requirements	21%

The most prevalent finding in this area relates to material mis-statements and inadequate supporting records for financial statements submitted for auditing, which were, in some cases, subsequently corrected. Mis-statements would generally result in a non-compliance finding in the audit report if it resulted in a modified audit opinion or if a financially unqualified opinion was obtained as a result of correcting misstatements which were not isolated instances and where there is a history of material mis-statements.

Twelve municipalities did not submit their financial statements within the required two months after the year-end, as per the legislated deadlines. Late submission of financial statements related primarily to the municipalities' inability to meet the GRAP reporting requirements relating to property, plant and equipment due to the late engagement of consultants to assist with the reporting requirements as well as leadership instability. Six municipalities did not report on the comparative information of the performance of the municipality and/or each external service provider as required by section 46 of the MSA in their performance report.

Internal audit

Findings were identified at 10 (34%) auditees, the most significant of which are depicted in the following table.

Table 39: Internal Audit findings

Focus area	Summary of common findings	Percentage of auditees reported on
Internal Audit	No or inadequate internal auditing of performance measurements	24%

The internal audit processes and procedures did not include assessments of the functionality of the municipality's performance management system and whether the system complied with the requirements of the MSA, and did not include assessments of the extent to which the municipality's performance measurements were reliable in measuring the actual performance.

Audit committees

Findings were identified at nine (31%) auditees, the most significant of which are depicted in the following table.

CHAPTER 6: REPORT OF THE AUDITOR GENERAL 2010/2011

Table 40: Audit Committee findings

Focus area	Summary of common findings	Percentage of auditees reported on
Audit Committees	Audit committees were not in place or not functioning adequately	17%

At five municipalities the audit committees were not established or functioning properly. The lack of governance led to inadequate risk assessment and non-compliance with laws and regulations. The performance of internal audit is influenced by the absence of audit committees. This can be addressed by encouraging professionals to participate in their communities.

Budgets

Findings were identified at eight (28%) auditees, the most significant of which are depicted in the following table.

Table 41: Budgets finding

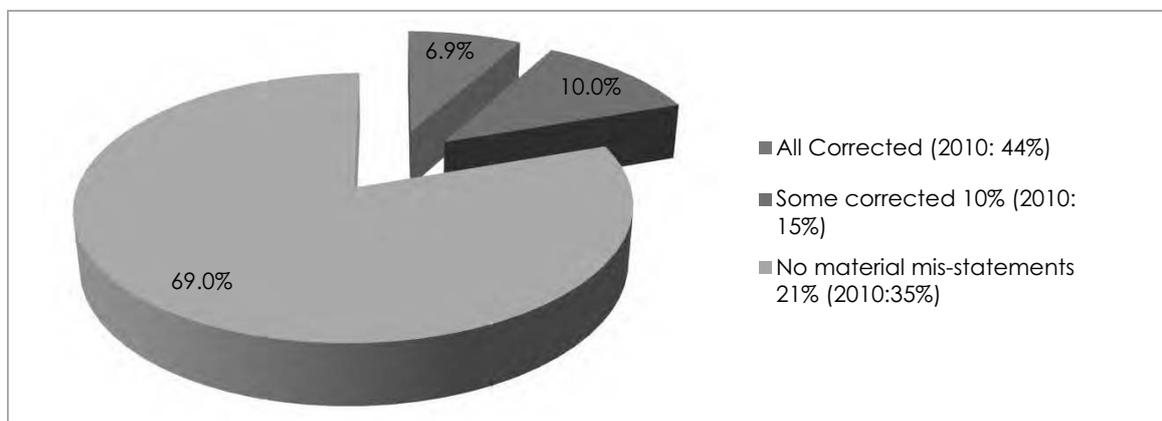
Focus area	Summary of common findings	Percentage of auditees reported on
Budget	Budget Expenditure was not incurred in accordance with the approved budget	28%

Unauthorised expenditure represents expenditure that was not incurred in accordance with the MFMA principles of sound and sustainable management of financial affairs of municipalities. An assessment of the related weaknesses indicated a general lack of adequate monitoring and review by the leadership of the expenditure against the approved budget.

Analysis of the quality of financial statements submitted for audit

As in prior years, most auditees submitted financial statements for audit that contained material mis-statements in one or more areas.

Twenty (69%) auditees were only able to achieve financially unqualified audit opinions, because they were given the opportunity during the audit to correct the material mis-statements identified by the auditors. The extent of material mis-statements was significant enough to report non-compliance in the audit report in 48% (2009-10: 18%) of auditees, which is included in the area of "some corrected" (10%) and "all corrected" (remaining 38%) portions of the chart below. Reliance on the auditors to identify corrections to be made to the financial statements is not a sustainable practice and the unqualified audit opinions might not be maintained in the future. Some auditees were not willing and/or able to correct all of the mis-statements and, therefore, could not avoid attracting qualifications. The extent of material mis-statements in financial statements submitted for audit for the year under review is depicted in the following figure.



CHAPTER 6: REPORT OF THE AUDITOR GENERAL 2010/2011

Material corrections mainly related to capital assets (2009-10: 21%), liabilities (2009-10: 33%), expenditure (2009-10: 36%) and other disclosure items (2009-10: 42%), such as compulsory MFMA disclosures around material losses, accounting policies, changes in estimates and errors, financial instruments and related parties. This primarily indicates that the preparers (municipal officials) of the financial statements did not understand and apply the GRAP reporting framework and MFMA disclosure requirements properly. In instances where consultants were utilised management did not implement processes to confirm the completeness and accuracy of information provided to consultants to prepare the disclosure notes. In turn, consultants did not verify the information received to supporting documentation. Management, including internal audit units and the audit committees, also did not review the financial statements prior to auditing, at some municipalities. Insufficient planning in relation to the preparation of the financial statements resulted in undue time pressures for finalisation thereof and as a consequence insufficient time was allowed for proper management, internal audit unit and audit committee review of the financial statements.

The areas (capital assets, current assets, liabilities, other disclosures and revenue) resulted in qualified opinions of three municipalities (Laingsburg, Overberg District and Prince Albert) because they were unable to correct all of the identified material mis-statements in their financial statements due to the poor record keeping and the particular late start in the case of Overberg District to prepare a GRAP compliant asset register. The following table depicts the progress, or lack thereof, made by auditees in addressing their prior year qualification findings.

Table 42: Auditees' history of financial statement qualification areas

Auditee	Audit Opinion 2010/2011	Movement in addressing 2009-10 qualification areas							Audit opinion 2009-10
		Non-current assets	Current assets	Liabilities	Other disclosure items	Revenue	Expenditure	U, I and F&W	
Laingsburg	Qualified	New	New		Repeat				Qualified
Overberg	Qualified	New							Financially unqualified with findings
Prince Albert	Qualified	Addressed	Repeat		Addressed	Repeat	Addressed		Disclaimer
George	Financially unqualified with findings	Addressed		Addressed	Addressed	Addressed		Addressed	Adverse
Cederberg	Financially unqualified with findings	Addressed	Addressed	Addressed	Addressed	Addressed	Addressed		Qualified
Saldanha Bay	Financially unqualified with findings	Addressed				Addressed			Qualified

Supply Chain Management (SCM)

The audits included an assessment of procurement processes, contract management and the related controls in place. To ensure a fair, equitable, transparent, competitive and cost-effective SCM system, the processes and controls need to comply with legislation and minimise the likelihood of fraud, corruption, favouritism as well as unfair and irregular practices. The assessments were performed at 29 (100%) auditees in total.

Contracts awarded and price quotations accepted (referred to as "awards" in the rest of the report) to the value of R547 million were tested. Awards to the value of R1,4 million that were selected for audit could not be audited due to the required information or documentation not being made available by auditees.

Findings arising from the audit were reported in the management reports of 24 (83%) auditees, while in 23 (79%) of these cases the findings were significant enough to warrant reporting thereof in the auditor's report.

A summary of findings arising from the audit is provided in the following figure.

CHAPTER 6: REPORT OF THE AUDITOR GENERAL 2010/2011

Table 43: Summary of findings arising from SCM audit

	2010/11	2009/10
Uncompetitive or unfair procurement processes	59%	48%
Awards to employees and councillors or other state officials	48%	52%
Awards to close family members of employees and councillors (tested at 7 auditees 2010-11)	43%	44%
Inadequate contract management	14%	24%
Limitation on planned scope of audit of awards	7%	21%
Inadequate controls	17%	48%

The most prevalent material non-compliance matters reported in the audit reports are depicted in the following table.

Fruitless, wasteful, irregular and unauthorised expenditure

The MFMA requires accounting officers to ensure that unauthorised, irregular as well as fruitless and wasteful expenditure is prevented. The MFMA also makes it compulsory for auditees to disclose such expenditure in their financial statements.

Extent of unauthorised, irregular as well as fruitless and wasteful expenditure incurred

The figure below depicts the extent of such expenditure incurred in the year under review and the portion thereof that was identified during the audit and not detected or reported by the auditees.

Table 44: Unauthorised, irregular as well as fruitless and wasteful expenditure incurred by auditees

	Unauthorised Expenditure	Irregular expenditure		Fruitless and Wasteful Expenditure	
	Municipalities	Municipalities	Municipal entities	Municipalities	Municipal Entities
Identified during audit	19 million	185.3 million		0.2 million	
Identified by auditees	261 million	24.7 million	0.7 million	5.6 million	

Unauthorised expenditure

Fourteen municipalities incurred unauthorised expenditure amounting to R280 million. An amount of R277,8 million related to overspending and R2,2 million related to non-permissible grant spending. Unauthorised expenditure was incurred due to improper budgeting, incorrect allocations between capital and operating budgets and inadequate monthly budgetary controls.

Irregular expenditure

Nineteen municipalities and one entity incurred irregular expenditure totaling R210,7 million. In addition to the amount reflected above, R1,4 million could not be audited as no supporting documentation could be presented for audit (also refer to section 3.2 for more information) and the actual irregular expenditure could be higher than the amounts identified by auditees and during the audit process.

Supply chain management

Non-compliance that gave rise to irregular expenditure included SCM policy on declarations of interest for quotations under R30 000 not fully adhered to in respect of suppliers found to be in the employ of the state, SCM policy on declarations of interest for quotations under R200 000 not fully adhered to and contracts not advertised for the full 30-day period as required.

Overall, irregular expenditure decreased due to improved SCM systems and monitoring as well as improved document management. George accounted for R265 million of the overall improvement, as a result of providing

CHAPTER 6: REPORT OF THE AUDITOR GENERAL 2010/2011

SCM supporting documentation which could not be furnished in the prior year. The improvement was as a result of implementation and monitoring of an action plan to address prior year audit findings. Prior year irregular expenditure of audits not yet finalised in 2010-11 amounted to R11 million. At the one entity that incurred irregular expenditure (Cape Town International Convention Centre), a project was extended by appointing the same consultant without going through a competitive bidding process.

Compensation of employees

Overberg District and Prince Albert incurred irregular expenditure amounting to R875 000 related to councillors' remuneration that was not in accordance with the limits as gazetted.

Irregular expenditure – other

The Cape Town International Convention Centre incurred irregular expenditure related to theft and fraudulent supplier payments amounting to R731 000.

Fruitless and wasteful expenditure

Six municipalities incurred fruitless and wasteful expenditure totalling R5.8 million relating mostly to interest on late payments and water and electricity losses above the norms, as determined by the municipalities.

Table 45: Nature of and movements in unauthorised, irregular as well as fruitless and wasteful expenditure

Nature of movements	Municipalities		
	Number of Auditees	Movement from 2009-10	Amount
Overspending of votes/main division within votes	14	↓	R277.8 million
Spending not in accordance with purpose/condition	0		R0
Expenditure unrelated to functional area/Nonpermissible Grant	1		R2.2 million
Supply chain management	20	↓	R209.1 million
Compensation of employees	2	↓	R0.9 million
Other non-compliance	1	↓	R0.7 million
Supply chain management	1	↔	R0.08 million
Other non-compliance	6	↑	R5.72 million

Note: 'Unchanged' denotes an increase/reduction of 5% or less in the level of findings compared to the previous financial year. A three-year analysis of unauthorised, irregular as well as fruitless and wasteful expenditure incurred is presented in the following table.

CHAPTER 6: REPORT OF THE AUDITOR GENERAL 2010/2011

Table 46: Three-year trend in unauthorised expenditure

Unauthorised Expenditure	2010/11	2009/10	2009/08
Identified during audit	18.9 million	77.7 million	7.9 million
Identified by auditees	260.6 million	234.9 million	158 million
Total	279.5 million	312.6 million	165.9 million

It is encouraging to note a marked decrease from 2009-10 to 2010-11 in both the rand amount and the number of auditees incurring irregular expenditure as a result of improved SCM systems. The sharp increase from 2008-09 to 2009-10 was as a result of non-compliance with SCM requirements, specifically, incomplete disclosure of deviations from procurement processes, accounting for R269 million. The increase from 2008-09 to 2009-10 and reduction from 2009-10 to 2010-11 related mainly to George that accounted for R265 million of the overall regression and improvement, as a result of providing SCM supporting documentation which could not be furnished in 2009-10.

Table 47: Three-year trend in fruitless and wasteful expenditure

Number of Auditees	2010/11	2009/10	2008/09
All or part of unauthorised expenditure identified during audit	2	6	4
All of the unauthorised expenditure identified by auditees	12	13	5

It is encouraging to note a marked decrease from 2009-10 to 2010-11 in the number of auditees incurring fruitless and wasteful expenditure although the rand value has increased. Efforts around timely creditor payments and monitoring of excessive electricity and water losses need to be further intensified to reduce the amount.

CHAPTER 7: LOCAL ECONOMIC DEVELOPMENT

CHAPTER 7: LOCAL ECONOMIC DEVELOPMENT

Local Economic Development (LED) strategies are at the centre of efforts by municipalities to create economic growth and development. It is an absolutely vital tool at the disposal of all municipalities and has the potential to improve the lives of all municipal constituents by enabling growth and reducing poverty. However, the strategies associated with LED are not to be viewed as a quick-fix solution to these problems. There are a myriad of potential challenges and obstacles that need to be overcome in implementing such a comprehensive strategy – from local political conditions to the impact of globalization. In essence, the aim of an effective LED strategy is to reduce the impact of factors that adversely affect local economic growth – such as the rapid increase in urbanisation (which affects all municipalities in some way), as well as global economic ruptures, such as the financial crisis which had a significant impact during the year under review. In order to mitigate these risks, LED requires absolute commitment from the various stakeholders involved in its development and implementation.

An LED strategy forms part of the IDP for each municipality. In many respects, it is the most crucial aspect of an IDP and plays a determining role in the effectiveness of the overall IDP approach. As such, an LED strategy needs to ensure the following:

- assimilation of socio-economic conditions and needs;
- establishment of the economic profile of the region;
- selection of priorities;
- development of policy thrusts;
- formulation of strategic interventions;
- formation of implementation plans;
- programme and project development that addresses strategic objectives;
- key performance areas for projects and programmes, including timeframes, targets and reporting mechanisms; and
- indication of budget prioritization and allocation to deliver on economic priorities

LED development is also not a once-off process. Municipal LEDs need to be continually revised, with comprehensive reviews taking place at least once every five years. In order for this oversight role to be effective, LED Forums need to be established. The main reason for establishing such a forum is to expand the scale and scope of LED initiatives, by systematically leveraging support from partners in localities. This will then lead to interactions within local communities, private sector, organised businesses, sector development organisations, educational institutions and other support institutions that are rich in expertise, resources, relational capital and networks. The LED Forum will, in essence, provide the opportunity for regions to achieve enhanced cooperation through the participation of various institutions and contribute towards the economic development of the region in such a way that all parties will benefit.

A District LED Forum needs to meet at least on a quarterly basis, or when required, on a more regular basis. The District Municipality plays an important role in the co-ordination of these meetings and in ensuring proper communication between the various stakeholders. These meetings need to be coordinated according to a set agenda, which will guide the LED Forum meeting. Issues raised and decisions made at the various meetings need to be recorded in order to keep a record of all decisions made regarding economic development in the region. It is also important that implementation of the decisions made in these meetings by the various parties need to be actioned. This implies that an action plan becomes the essential output of an LED forum meeting.

Ultimately, an effective LED strategy has the potential to improve the quality of life of local communities. However, this is dependent on the genuine prioritization of the LED by all stakeholders and the active pursuit of its effective implementation. This requires significant levels of coordination between all stakeholders, as well as effective oversight.

CHAPTER 7: LOCAL ECONOMIC DEVELOPMENT

7.1 DEVELOPMENT AND IMPLEMENTATION OF LED STRATEGIES AND PLANS

Table 48: LED Strategies

Names of municipalities	LED strategy reviewed/developed and implemented		
	2008/09	2009/10	2010/11
City of Cape Town	Yes	Yes	Reviewed – Yes Implemented – No Although a draft has been finalised, the EDS is yet to obtain approval from the relevant delegated authorities and thus cannot be fully implemented as yet.
West Coast DM	Yes	Yes	No information
Matzikama	Yes	Yes	The strategy was updated but the new council wanted to have input into it after the elections on 18 May 2011.
Cederberg	Yes	Yes	Yes
Berg River	Yes	Yes	No
Saldanha Bay	Yes, but document not yet adopted by Council	Yes, approved by Council	In process
Swartland	Yes	Yes	No Information
Cape Winelands DM	Yes	In process	Yes
Witzenberg	Yes	Yes	Yes
Drakenstein	Yes	Yes	Yes
Stellenbosch	Yes, but not adopted by council	No	No information
Breede Valley	No Information	Yes	Yes
Langeberg	In process	Yes	Yes
Overberg DM	Yes	No Information	Yes
Theewaterskloof	Yes	Yes	Yes
Overstrand	Yes	Yes	Yes
Cape Agulhas	Yes	No Information	Yes
Swellendam	Yes	No Information	No information
Eden DM	No Information	Yes	No Information
Kannaland	Yes	No Information	Yes
Hessequa	Yes	No Information	Yes
Mossel Bay	Yes	Yes, under review	No Information
George	Yes	Under review	Under review
Oudtshoorn	Yes	Under review	
Bitou	Yes	Currently being revised	Yes
Knysna	Yes	Yes	Yes
Central Karoo DM	yes	Yes	Yes
Laingsburg	Yes	Yes	Yes
Prince Albert	Yes	No Information	No
Beaufort West	In progress	Yes	Reviewed, but not approved.

CHAPTER 8: MUNICIPAL CHALLENGES, PROVINCIAL SUPPORT AND CAPACITY BUILDING

CHAPTER 8: MUNICIPAL CHALLENGES, PROVINCIAL SUPPORT AND CAPACITY BUILDING

8.1 KEY CHALLENGES AS IDENTIFIED BY MUNICIPALITIES

Table 49: Challenges as identified by municipalities

Municipality	Challenges identified by municipalities
City of Cape Town	Major issues such as poverty, urbanisation, housing, mobility, climate change, global warming, crime, and substance abuse continue to present challenges, not only to local government but to all spheres of government. The creation of job opportunities continue to top the list of urgent needs for our country, cities and communities. The global financial slowdown and more acute problems in Eurozone and US economies continue to affect South Africa and Cape Town.
Matzikama	Transportation, Environment, Social and Community development, Employment and job creation, Lack of traffic services in DMA, Community Participation, Lack of SMME development and support, High unemployment rate, Capacity gaps of staff, Lack of permitted waste landfill sites, Informal settlement management, Infrastructure provision and bulk services, Large housing backlog, Law enforcement, Communication, Interaction between municipalities and provincial departments, LED,
Cederberg	No info
Bergvriev	There is no dedicated permanent official responsible for LED which makes it difficult to focus on LED initiatives. Major backlogs in infrastructure development and maintenance. It remains difficult to source females and black employees in all categories of employment, as well as coloured and black senior managers. Not all ward councillors were committed to the Ward Committee process. There is no dedicated permanent official responsible for public participation which makes it difficult to adequately on this area.
Saldanha Bay	Employment and job creation, Tourism development, Aquaculture, SMME development, Ageing infrastructure and provision of bulk services, Sustainable water supply, Lack of adequate skilled staff.
Swartland	<ol style="list-style-type: none"> 1. A financially sustainable municipality with well-maintained assets 2. Satisfied, involved and well informed clients 3. An effective, efficient, motivated and appropriately skilled work force 4. Access to affordable and reliable municipal infrastructure 5. Sustainable development of the municipal area 6. A lean, integrated, stable and corruption free organisation 7. Increased community safety through traffic policing, by-law enforcement and disaster management
West Coast DM	Funding sources related to bulk infrastructure and the expansion of new assets. The implementation of GRAP. DMA's transferred to adjacent B-Municipalities.
Witzenberg	Annual DORA allocation limited to address the total housing backlog; Maintenance of Infrastructure; Lack of Funding
Drakenstein	Increasing number of illegal activities by inhabitation of Drakenstein leading to degradation of the environment. Lack of coordination between directorates and departments in Drakenstein in ensuring the protection of the environment. Limited capacity for environmental education and awareness raising. Infrastructure and Backlogs, Housing, Safety and Security, Social and Community Development.

CHAPTER 8: MUNICIPAL CHALLENGES, PROVINCIAL SUPPORT AND CAPACITY BUILDING

Table 49: Challenges as identified by municipalities

Municipality	Challenges identified by municipalities
Stellenbosch	No info
Breede Valley	Local Economic Development and as a result broadening of the Tax base, High economic pressures during the 2010/ 2011 financial year that had a negative impact on service delivery, Low morale and unacceptable conduct of staff that sometimes culminates in unprofessional and disloyal behaviour. Greater focus on Local Economic Development. Broadening the Tax base of the municipality. Create a greater sense of responsibility in the broader Breede Valley community. Squatter Control and control on informal settlements. Proper prioritization of limited resources. Seek for innovative ways to provide/ render services. Constant and continuous improvement of debt recovery; Restructuring and alignment of the organizational structure. To ensure the successful implementation of the Vision, Mission and objectives of the new political regime, etc. Expenditure Management.
Langeberg	Political Instability; Low Capex spending; Poor planning for Capex projects.
Cape Winelands DM	Funding sustainability (3% increases on RSC replacement levy). The municipality has very little own revenue sources and is almost completely dependent on grants from National and Provincial Government. Clashing powers and functions between B's and C i.t.o Disaster Management and Fire Brigade Service, lots of duplication.
Theewaterskloof	Poverty, Job creation and crime; Inability in resolving Infrastructure and Bulk Services over short term; Not Municipal core function lack of institutional capacity lack strategies and funding.
Overstrand	Water scarcity in the Greater Hermanus Area (which continued for a second consecutive year during 2011/12): The De Bos dam filled up only to the 56 percent level during the 2010 rainy season. A Water Management Committee of councilors and officials was established during October 2010 and the problem was attacked from various sides, i.e. awareness campaign, enforced usage restrictions, intensified measure to prevention water losses, fast tracking the development of well fields and alternative sources, etc. With these measures in place the municipality managed to see the year through without emptying the dam (it dropped to 18 percent at the lowest). Maintaining the municipality's infrastructure development programme: The municipality's backlog in infrastructure is estimated at R2,5 billion and Council decided it must be addressed over a 25 year period, with an annual investment of more or less R100 million per year. Land sales are one of the major financing sources of this programme, but several envisaged transactions failed because of the weak economy. Despite this, the municipality managed to stay on track with the focus mainly on water infrastructure in Greater Hermanus. Low cost and GAP housing: With a fast growing population due to immigration of unskilled or low-skilled workers into the area and the lack of suitable land for housing projects, the provisioning of houses is remaining a major challenge. An eight year housing plan was developed for the municipality and accepted by Council as part of the 2012/13 IDP. Another highlight was the successful delivery of 411 environmentally friendly and energy efficient houses in Kleinmond.

CHAPTER 8: MUNICIPAL CHALLENGES, PROVINCIAL SUPPORT AND CAPACITY BUILDING

Table 49: Challenges as identified by municipalities

Municipality	Challenges identified by municipalities
Cape Agulhas	Obtaining a clean audit report; Increase revenue; Management of Executive expenditure; Supporting emerging contractors and suppliers within the supply chain policy; Upgrading of the ICT system to comply with legislative and operational requirements; Job creation; Provision of GAP housing; Establishment of a functional internal audit unit; Establishment of bio-energy renewal programme; Sufficient office accommodation for staff; Completion of TASK job descriptions and implementation thereof; Lack of funding for critical infrastructure; Establishment of an optional functioning LED Agency; Youth development; Maintenance of assets; Effective use of assets; Institutional development; Improvement of water quality at coastal towns; Reducing the carbon footprint; establishing a functional risk management section.
Swellendam	Political instability; Lack of Funding; Management Capacity
Overberg DM	<ul style="list-style-type: none"> • Revision of Communication strategy • Inadequate micro structure • Lack of following all IDP processes. Alignment of IDP with national outputs. • Performance Audit committee was dissolved • Spatial development framework outdated • No meetings took place to establish effective IGR in the district • No citizen satisfaction survey • Non-functioning of auditing, modelling and shared services • SDBIP not updated • Outdated policies • LED strategies updated in 2009 • Insufficient spending of capital project according to budget
Kannaland	<ul style="list-style-type: none"> • Limited bulk water storage capacity in the municipal area • Utilizing opportunities posed by Local Economic Development and tourism development • High levels of unemployment as a result of majority of population being dependant on seasonal income • Service delivery backlogs around electricity and bulk water infrastructure • HIV/AIDS and TB and its impact on communities • Securing government grants to attend to mandate of effective service delivery. Despite the notable progress made during the 2010/2011 financial year, the Municipality is acutely aware of the many challenges that await, as listed below • Managing the declining water resources • Lagging infrastructural backlogs around roads, water and housing • Reduce the outstanding accounts and create culture of payment. R50 million) • Create a culture of providing quality services to residents • Drought and pursuing drought relief assistance from national government • Maximising the legacy of 2010 FIFA World Cup through a sustained marketing campaign • Prioritising housing reducing the housing backlog through the provision of quality sustainable human settlements • Developing ward-based profiles which include social infrastructure backlogs in order to improve the quality of information available • Focusing on combating and preventing TB, HIV and AIDS • Communicating more, and more effectively, with the residents of the Kannaland Municipality • Develop a shared long term vision plan for the Kannaland Municipality • Focus on building the tourism potential of the area, both its people and its infrastructure

CHAPTER 8: MUNICIPAL CHALLENGES, PROVINCIAL SUPPORT AND CAPACITY BUILDING

Table 49: Challenges as identified by municipalities

Municipality	Challenges identified by municipalities
Hessequa	Large geographical area: Challenging to communicate with all residents of the hessequa region. Economic situation. Limited income base that serves 11 settlement and 6 towns each with its own infrastructure and municipal service points. Lack of risk management and SDF.
Mossel Bay	No information
George	The provision of bulk infrastructure for which grant funding is not provided for specific projects. MIG funding is utilised to provide the social component for the entire George area. With the enormous housing backlog, funding remains totally inadequate; funding to provide housing for all families in need of housing opportunities; Decrease outstanding debtors.
Oudtshoorn	No information
Bitou	Land for housing, Housing, Unemployment and job creation, Water augmentation, Revenue enhancement, Debt collection and Debt control, Waste removal, Spatial Development Framework
Knysna	Ward Committee functionality, Land acquisition, Housing, Electricity Bulk Infrastructure, Water Augmentation, Road maintenance, Sustainable infrastructure investment, On-going Local Economic Downturn, Focused development of the previously disadvantaged, Integrated Human Settlement, Challenge of promoting Local Economic Development, Challenge of ensuring municipal financial viability, Challenge of municipal transformation and institutional development, Public Participation
Eden DM	No information
Laingsburg	Funding and capacity
Prince Albert	No information
Beaufort West	Funding; unemployment; water.
Central Karoo DM	Capital Constraints, Appointment of MM, Funding-Revision of Equitable Share Formula, Personnel Capacity in Financial Department and Internal Audit.

Source: Questionnaires, June 2012 & Annual Report 2010/11

CHAPTER 8: MUNICIPAL CHALLENGES, PROVINCIAL SUPPORT AND CAPACITY BUILDING

8.2 PROVINCIAL SUPPORT AND CAPACITY BUILDING INITIATIVES

Throughout the 2010/11 financial year, a concerted effort was made by the Provincial Government of the Western Cape to support the 30 municipalities of the Province in ensuring effective service delivery, infrastructure development and good governance practices. Several Provincial Departments were involved in this on-going process, including the Department of Local Government, the Provincial Treasury, the Department of Economic Affairs and Tourism, the Department of Cooperative Governance and Traditional Affairs, the Department of Water Affairs and Forestry and the Department of Agriculture.

Table 50: Provincial support and capacity building initiatives

Municipality	Responsible Provincial Departments	Type of support provided
West Coast District Municipality	Department of Local Government	<ul style="list-style-type: none"> Support the Establishment of a Shared Services model for the West Coast District Area
Matzikama	Department of Local Government, Provincial Treasury	<ul style="list-style-type: none"> Support the municipality with the review of policies and by-laws Support the municipality with the review of Delegations Support the municipality with the establishment of a risk management system Support the municipality to improve the functionality of its ward committees
Cederberg	Department of Local Government, Provincial Treasury, Department of Economic Affairs and Tourism, Department of Cooperative Governance and Traditional Affairs	<ul style="list-style-type: none"> Support the skills development of existing employees in the municipality Support the municipality to lobby for additional funding for the upgrade of the water treatment works in Citrusdal Support the municipality with the functioning of ward committees
Bergrivier	Department of Local Government, National Treasury, Provincial Treasury, Department of Economic Affairs and Tourism	<ul style="list-style-type: none"> Support the on-going skills development of existing employees in the municipality Support the municipality to lobby additional funding for the compilation of a Fixed Asset Register Support the municipality to improve the functionality of its ward committees
Saldanha Bay	Department of Local Government, Provincial Treasury	<ul style="list-style-type: none"> Support the municipality to secure MFMA Training/workshops on GRAP Standards Support the municipality with the Skills Development of existing employees Support the municipality to establish a PMU
Swartland	Department of Local Government, Department of Cooperative Governance	<ul style="list-style-type: none"> Support the municipality to lobby for additional funding to address the overall service backlogs in Greater Chatsworth

CHAPTER 8: MUNICIPAL CHALLENGES, PROVINCIAL SUPPORT AND CAPACITY BUILDING

Table 50: Provincial support and capacity building initiatives

Municipality	Responsible Provincial Departments	Type of support provided
Cape Winelands District Municipality	Department of Local Government, Provincial Treasury, Department of Water Affairs and Forestry, Department of Agriculture	<ul style="list-style-type: none"> • Support the Municipality's River Water Quality Improvement • Supporting Political Management and Oversight • Supporting the management of Debtors to the Municipality • Building Municipal Management Capacity • Support the critical skills gap within the Municipality
Witzenberg	Department of Local Government, Provincial Treasury, Department of Water Affairs and Forestry, Department of Economic Development and Tourism	<ul style="list-style-type: none"> • Support the Municipality's Water Demand Management Initiative • Support the Municipality in finalising all outstanding EIA's • Support the Maintenance & development of GIS within the Municipality • Support Public Participation within the municipal area • Provide LED Support to the Municipality • Support the establishment of Risk and Fraud Committees
Drakenstein	Department of Local Government, Provincial Treasury, Department of Economic Development and Tourism	<ul style="list-style-type: none"> • Support Public Participation within the municipal area • Support the Municipality with their Enterprise Risk Management • Provide LED Support to the Municipality • Support the critical skills gap within the Municipality
Stellenbosch	Department of Local Government, Department of Economic Development and Tourism	<ul style="list-style-type: none"> • Support the development of a PMS • Support Public Participation within the municipal area • Support the critical skills gap within the Municipality • Study into the Organisational Structure • Provide LED Support to the Municipality
Breede Valley	Department of Local Government, Department of Water Affairs and Forestry, Development Bank of South Africa	<ul style="list-style-type: none"> • Support the development of Storm water Master Plans • Support the Municipality's Water Demand Management Initiative • Support Public Participation within the municipal area • Support the critical skills gap within the Municipality
Langeberg	Department of Local Government, Department of Economic Development and Tourism	<ul style="list-style-type: none"> • Support Public Participation within the municipal area • Support the development of an automated PMS • Provide LED Support to the Municipality

CHAPTER 8: MUNICIPAL CHALLENGES, PROVINCIAL SUPPORT AND CAPACITY BUILDING

Table 50: Provincial support and capacity building initiatives

Municipality	Responsible Provincial Departments	Type of support provided
Overberg District Municipality	Department of Local Government, Provincial Treasury	<ul style="list-style-type: none"> • Support the Administrator to conduct a full assessment of the current status of the municipality • Support the implementation of the Turnaround Strategy/Recovery Plan
Theewaterskloof	Department of Local Government, Department of Human Settlements, Department of Environmental Affairs and Development Planning, Department of Local Economic Development and Tourism	<ul style="list-style-type: none"> • Support the formalisation of informal settlements in the municipality • Support the municipality to improve the functionality of ward committees • Support municipality to build capacity building of SMME's
Overstrand	Department of Local Government, Provincial Treasury	<ul style="list-style-type: none"> • Support the municipality to secure MFMA Training/workshops on GRAP Standards
Cape Agulhas	Department of Local Government, Department of Environmental Affairs and Development Planning, Department of Human Settlements	<ul style="list-style-type: none"> • Support the municipality to lobby additional funding to be able to address the growing housing backlog • Support the improvement of the functionality of the ward committee system • Support the review of delegations and by-laws in the municipality
Swellendam	Department of Local Government, Provincial Treasury	<ul style="list-style-type: none"> • Support the municipality with the development and implementation of the Turnaround Strategy in support of its recovery
Eden District Municipality	Department of Local Government, Provincial Treasury,	<ul style="list-style-type: none"> • Support the Implementation of a Performance Management System • Support the Establishment of a Shared Services model for the Eden District Area. • Support IGR forums within the District. • Support the municipality to secure MFMA Training/workshops on GRAP Standards
Kannaland	Department of Local Government, Provincial Treasury, Department of Water Affairs and Forestry	<ul style="list-style-type: none"> • To support the Municipality with the Development and implementation of a Revenue Enhancement Strategy • To support the municipality to lobby additional funding

CHAPTER 8: MUNICIPAL CHALLENGES, PROVINCIAL SUPPORT AND CAPACITY BUILDING

Table 50: Provincial support and capacity building initiatives

Municipality	Responsible Provincial Departments	Type of support provided
Hassequa	Department of Local Government, Provincial Treasury, National Treasury	<ul style="list-style-type: none"> • Support the Implementation of a Performance Management System • Support the municipality to secure MFMA Training/workshops on GRAP Standards • Support the municipality to lobby additional funding for the compilation of an Asset Register • Support the municipality with the review of by-laws and policies
Mossel Bay	Department of Local Government	<ul style="list-style-type: none"> • Support the Implementation of a Performance Management System • Drought Relief Project
George	Department of Local Government, Provincial Treasury	<ul style="list-style-type: none"> • Support the municipality with the Implementation of the Turnaround Strategy in support of their recovery. • Support the municipality with the review of by-laws and policies
Oudtshoorn	Department of Local Government, Provincial Treasury	<ul style="list-style-type: none"> • Support the municipality with the Implementation of the Turnaround Strategy in support of their recovery.
Bitou	Department of Local Government, Provincial Treasury	<ul style="list-style-type: none"> • Support the Implementation of a Performance Management System • Support Skills Development of existing employees • To support the Municipality with the Development and implementation of a Revenue Enhancement Strategy
Knysna	Department of Local Government, Provincial Treasury	<ul style="list-style-type: none"> • Support the Implementation of a Performance Management System • Support Skills Development of existing employees • Support the municipality to secure MFMA Training/workshops on GRAP Standards
Central Karoo District Municipality	Department of Local Government, Provincial Treasury, Department of Economic Development and Tourism	<ul style="list-style-type: none"> • To support the municipality to review and implement of LED strategy • Support the Establishment of a Shared Service model for the Central Karoo District Area • Support Skills Development of existing employees • To facilitate support for the smooth transfer of the DMA (Murraysburg) to Beaufort West Municipality
Laingsburg	Department of Local Government, Provincial Treasury, Department of Land Affairs, Department of Economic	<ul style="list-style-type: none"> • Support the municipality in skills development of existing employees • To support the municipality with the implementation of the new financial system • Support the municipality to improve its Public Participation • Support the municipality in fast tracking the alternative land identification for housing projects

CHAPTER 8: MUNICIPAL CHALLENGES, PROVINCIAL SUPPORT AND CAPACITY BUILDING

Table 50: Provincial support and capacity building initiatives

Municipality	Responsible Provincial Departments	Type of support provided
Prince Albert	Department of Local Government, Provincial Treasury, Department of Economic Development and Tourism	<ul style="list-style-type: none"> • Support the municipality in skills development of existing employees • Support the municipality to improve its Public Participation
Beaufort West	Department of Local Government, Provincial Treasury, Department of Water Affairs and Forestry, Department of Economic Development and Tourism	<ul style="list-style-type: none"> • Support the municipality in skills development of existing employees • Support the review and updating of existing HR policies in the municipality • Support the municipality in Skills Development of Supply Chain Management employees • Support the municipality to improve its Public Participation • Support the municipality to undertake an assessment to determine the status of Bulk Infrastructure

Source: Department of Local Government Database

LIST OF ABBREVIATIONS

LIST OF ABBREVIATIONS

ANC	African National Congress
ACDP	African Christian Democratic Party
AG	Auditor-General
AMP	African Muslim Party
BO	Breede Vallei Onafhanlike
CoGTA	Department of Cooperative Governance and Traditional Affairs
DA	Democratic Alliance
DBSA	Development Bank of Southern Africa
DEAT	Department of Economic Affairs and Tourism
DLG&H	Department of Local Government and Housing
DM	District Municipality
DPLG	Department of Provincial and Local Government
EE	Employment Equity
EPWP	Extended Public Works Programme
FCPSA	First Communal Party of South Africa
FF+	Freedom Front Plus
GAMAP	Generally Accepted Municipal Accounting Practice
GRAP	Generally Recognised Accounting Practice
GDP	Gross Domestic Product
HR	Human Resources
ICOSA	Independent Civics of South Africa
ID	Independent Democrats
IDP	Integrated Development Plan
IFRS	International Financial Reporting Standards
IDEP.	Independent
KCF	Knysna Community Forum
KPA	Key Performance Area
KPI	Key Performance Indicator
LED	Local Economic Development
LGTAS	Local Government Turn-Around Strategy
MEC	Member of the Executive Council
MFMA	Municipal Finance Management Act No. 56 of 2003
MIG	Municipal Infrastructure Grant
MM	Municipal Manager
MSA	Municipal Systems Act No. 32 of 2000
NSDP	National Spatial Development Perspective
NPP	National People's Party
NT	National Treasury
OCA	Oudtshoorn Civic Association

LIST OF ABBREVIATIONS

PAC	Pan African Congress
PDM	People Democratic Movement
PMS	Performance Management System
PT	Provincial Treasury
SAFPA	South African Federal Political Alliance
SDBIP	Service Delivery and Budget Implementation Plan
SCM	Supply Chain Management
SDF	Spatial Development Framework
SDP	Social Democratic Party
TAS	Turn-Around Strategy
UDM	United Democratic Movement
UIF	United Independent Front
UP	United Party
WCC	Western Cape Community

BIBLIOGRAPHY

BIBLIOGRAPHY

1. Auditor-General Reports: 2010/11.
2. Department of Human Settlements Database.
3. Department of Local Government Database.
4. Gaffney's: Local Government in South Africa 2007-2008 – Official Yearbook.
5. Municipal Finance Management Act, Act No. 56 of 2003.
6. Municipal Systems Act, Act No. 32 of 2000.
7. Municipal Annual Reports: 2010/11.
8. Municipal Financial Statements: 2010/11.
9. National Government Gazette No. 26511 dated 1 July 2004.
10. Provincial Treasury Database.
11. Provincial Treasury: Socio-Economic Profiles of Local Government 2007.
12. Questionnaires compiled by Department of Local Government and populated by municipalities during June 2012.

To obtain additional copies of this document, please contact:

Western Cape Government: Local Government
Directorate: District & Local Performance Monitoring
Private Bag X9076
27 Wale Street
Cape Town 8000

tel: +27 21 483 3415

Siyabonga.Mngxe@westerncape.gov.za www.westerncape.gov.za



**Western Cape
Government**

Local Government

