MUSINA LOCAL MUNICIPALITY

2014-15 ANNUAL REPORT



CATEGORY OF MUNICIPALITY

Grade 03 Local Municipality

REGISTERED OFFICE

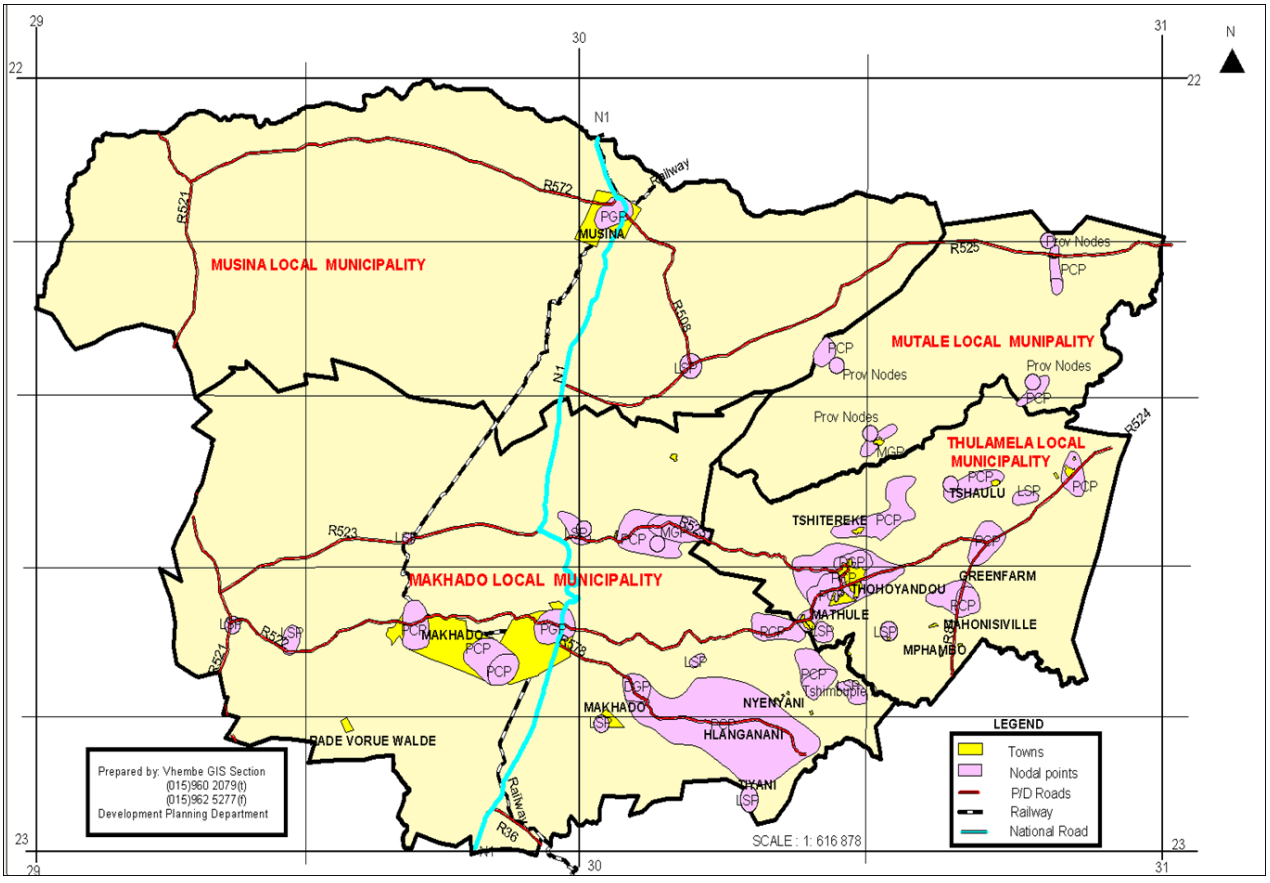
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VISION

To be the vibrant, viable and sustainable gateway city to the rest of Africa

MISSION

The vehicle of affordable quality services and stability through socio economic development and collective leadership

MUNICIPALITY'S BROAD OBJECTIVES

- The Municipality's strategies seek to achieve the following broad objectives:
- To deliver basic services to communities in a sustainable manner in the quest to create a better life for all,
- To create an environment for local economic growth and job creation, focusing on the competitive advantages of the Municipality.
- To provide responsible and accountable political and administrative leadership to local communities,
- To mobilize the broadest section of the local communities behind the Municipality's endeavours to develop communities with other government departments, public institutions, private sector, NGO"s and CBO"s as the Municipality's critical partners.

1. OVERVIEW OF THE MUNICIPALITY

1.1 MUSINA LOCAL MUNICIPALITY

Musina local municipality was established in terms of the Municipal Structures Act, 117 of 1998, which provides for the establishment of municipalities, their categories, competencies, powers and functions. Musina local municipality is a category 3 plenary Council consisting of 12 Councillors, 6 ward councillors and 6 proportional representatives.

Musina Local Municipality falls within the Vhembe District Municipality, which is made up of four local municipalities, namely Musina, Makhado, Thulamela and Mutale, of which Musina Local Municipality is bounded by Makhado Local Municipality to the South and Mutale local Municipality to the east. Musina is also bounded in the South West by the Local Municipality of Blouberg which falls within the Capricorn District Municipality. Musina Local Municipality is located in the very North of the Limpopo Province, bordering Botswana and Zimbabwe. Musina Local Municipality covers an area of approximately 757 829 ha that extends from the confluence of the Mogalakwena and Limpopo rivers in the West to the confluence of the Nwanedi and Limpopo rivers in the East and from Tshipise and Mopane in the South to Botswana/Zimbabwe borders in the North. The municipal area consists mainly of commercial farms and only 0.08% of the total area is urban in nature.

The spatial structure of the municipality falls within the second order settlement as depicted by the hierarchy as contained in the Spatial Rational and therefore the spatial framework is aligned to the NSDP, ASGISA and the LEGDP. The settlement hierarchy of Musina municipality as per the spatial rationale is as follows:

1.2 POWERS AND FUNCTIONS

The powers and functions were assigned to Musina local municipality in accordance with Section 156 of the Constitution and all Section 84(2) of the Structures Act together with Section 85 adjustments to Musina local municipality on Waste, Roads, Cemeteries, Tourism and public works.

a) The facilitation for the provision and maintenance of child care facilities.

b) Development of local tourism.

c) Municipal planning, municipal roads

d) Municipal public transport.

e) Municipal public works relating to the municipality's functions.

f) Administer trading regulations.

g) Administer billboards and display of advertisements in public areas.

h) Administer cemeteries, funeral parlours and crematoria.

i) Cleansing.

j) Control of public nuisances.

k) Control of undertakings that sell liquor to the public.

l) Ensure the provision of facilities for the accommodation, care and burial of animals.

m) Fencing and fences.

n) Licensing of dogs.

o) Licensing and control of undertakings that sell food to the public.

p) Administer and maintenance of local amenities.

q) Development and maintenance of local sport facilities.

r) Develop and administer markets.

s) Development and maintenance of municipal parks and recreation.

t) Regulate noise pollution.

u) Administer pounds.

v) Development and maintenance of public places.

w) Refuse removal, refuse dumps disposal.

x) Administer street trading.

y) The imposition and collection of taxes and surcharges on fees as related to the municipality functions.

z) Receipt and allocation of grants made to the municipality.

aa) Imposition and collection of taxes, levies and duties as related to municipality function.

bb) Storm water management systems.

cc) Provision and maintenance of water and sanitation.

dd) Provision and maintenance of electricity



MAYOR: MUSINA LOCAL MUNICIPALITY

Cllr. M.E RAMOYADA

2. FOREWORD BY THE MAYOR:

We come to the end of yet another eventful financial year, as part of good governance a time as arrived for a full account of how the municipality has fared during the year under review. It is my pleasure as Mayor of Musina Local Municipality to give account of our strides, successes, limitations, challenges and most importantly plans and measures that the municipality has grabbled with and measures to enhance good performance.

The year under review saw a refocus of local government through back to basics approach accordingly our municipality adopted its governance, operations and service provisions to key elements of back to basics we have amongst others ensured a more responsive organisation that places its constituency's needs at the centre of its operations. Council has adopted action plans that informs activities of administration in realising back to basics objectives.

As a municipality we are conscious that accountability is paramount and an essential ingredient for provision of quality services a fact entrenched as a cornerstone of good governance and people centred development and furtherance of a freedom charter ideal of "the people shall govern".

Once again our audit performance depicts an organisation that has a fair grip on administering affairs and interest of the municipality, by retaining an unqualified audit opinion with a reduction in matters of emphasis firmly pave a way for our long held resolve to a clean audit.

To achieve a clean audit all of us community, council and administration will have to uncompromisingly execute our part of the allocated responsibilities. A clean audit on its own will not be beneficial if it not accompanied by a wider access to quality municipal services for our people hence the drive to aggressively roll out municipal infrastructure development programmes as evidenced in the 2014/15 financial year becomes an important focal point going forward.

This requires us as council, administration and communities to consider carefully our development priorities going forward to inform a planning instrument that will deliver meaningful and relevant development for our people.

This report in the main will tell a story of how we have implemented our predetermined objectives, managed our finances and other resources as well as the quality and level municipal services. It is important to highlight over and above reported municipal performance various arms of government have implemented various programmes within our jurisdiction which they will account for in their respective reports, let me take this opportunity however to reassure that we are happy with progress made in realising national and provincial plans for economic development in our area in particular plans to position Musina as a key player and vehicle for regional economic integration and district, provincial and national economic activity.

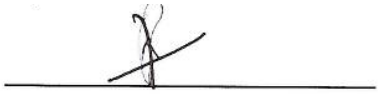
I must acknowledge a concerted effort by our dedicated team of councillors, administration, the community and the private sector that has brought us thus far. It is important to highlight that the legacy infrastructure

backlogs requires the commitment and input of all our stakeholders to ensure a better life for all and consequentially a stable and harmonious environment that enables prosperity for all role players.

Whilst we enjoy and pride our self of the achievements we have collectively recorded we specifically call upon our communities to quad jealously against acts that result in damage, theft and improper use of municipal infrastructure, we are particularly perturbed by the rise in theft of key service delivery equipment's like electricity cables which affects electricity and water supply.

For us to sustain and improve on the level of service that we are currently enjoying we should jointly care for public facilities. We should approach the 2015/16 and subsequent years with a drive to achieve more and position our municipality in a path of excellence, viability and opportunities for all.

The road to be travelled in our development journey will not be easy however our concerted effort and resolve as the people's government to bring quality and sustainable services to our people propels us to work even harder despite the general economic downturn, changing environments, resource limitations and growing expectations.



Cllr ME Ramoyada
MAYOR

3. MUNICIPAL MANAGER'S OVERVIEW

The year under review offered some unique ups and down, however as a service delivery institution, the municipality like any other managed to focus on its priorities. During the year under review the priorities of Musina LM centred on strengthening good governance, enhancing broader public participation as well as improving operational efficiency.

In order to achieve our priorities we ensured that we enhance our capacity building within the municipality. We capacitated over 80 employees on various fields that will strengthen our good governance. Officials were trained on law enforcement, corporate governance, Occupational health & safety and bargaining amongst others. A further 19 employees applied and were awarded bursaries to further their studies in various fields at institutions of higher learning in order to fortify the knowledge base of the municipality.

It is important that we highlight that Musina LM is on track to go back to its glory days where achieving unqualified audit opinion was a norm. We have managed to maintain our unqualified audit opinion we achieve in the 2013/2014 again this financial year. Our priority is to achieve a clean audit hence our focus on capacitating our officials on corporate governance.

The years ahead require of us to be more innovative in order to deliver more with the little resources at our disposal. It is our priority to ensure that we spend the bulk of our budget on service delivery so as to bring a better life for all our community. It is important to mention that our focus as a municipality is on capital expenditure. We have acquired in this financial year machinery that is making it easy to deliver services efficiently, timeously and cost effectively to our respective communities.

The municipality continue to express its commitment to the provision of quality services to its residents. This despite the challenges that we faced leading to the non-achievement of some of the target deliverables, however the municipality made significant strides in the provision of basic services. The municipality managed to achieve over 85% of its target despite the budget constraints that faced not only Musina but most local municipality.

To demonstrate the municipality's efficiency despite the above mentioned challenges we achieved several milestones. Special reference in this regard should be focused on the following:

- The IDP, Budget and SDBIP were fully aligned as evidenced by a positive rating we received from the Provincial Government responsible for Local Government.
- The spending on capital project increased by more than 20% and this is demonstrated by the massive investment the municipality made on upgrading roads from gravel to paved roads in the township as well as rehabilitating the roads in town.
- The turnaround time on the approval of building plans improved which has a positive spin offs for the municipality in terms of rates levied on the new developments.

We commit to keep on striving to make our community proud, however, to achieve this our community also have to realise their responsibility to assist us in this regard. The municipality not only expect our valued community to understand that there are various priorities requiring our attention but also to understand the limited resources at our disposal. It is therefore our appeal that you trust that we have your interest at heart.

A word of thanks is expressed to the political leadership for the provision of guidance, employees of the municipality for their dedication and finally the citizens of Musina for paying rates and taxes.



Makondelele Johnson Matshivha
Municipal Manager

4. ORGANISATIONAL DEVELOPMENT OVERVIEW

4.1 ORGANISATIONAL DEVELOPMENT PERFORMANCE

The municipality has established instruments and mechanism to ensure effective and efficient institutional performance management. This is driven by the municipal performance management framework, human resources management plan, infrastructure management plans as well as year on year and medium to long term municipal plans.

The performance targets of the municipality is based on the objectives and targets set by the municipal council after consultation with its residents, this are expressed in the IDP, Budget, SDBIP and Operational Plans/Strategies. The performance model is accords ultimate accountability to the accounting office for organisational performance whilst it holds heads of department responsible for driving specific deliverables within their units.

For the 2014/15 financial year the organisational performance was broken down into units and included as part of the performance agreements of executive/senior management. The performance thereof is reported and evaluated quarterly with internal audit reviewing reports for quality assurance purposes, audit committee evaluating and performance audit committee evaluating performance whilst council provide oversight on reported performance and report such performance to communities.

5. GOVERNANCE

5.1 OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION

Key to the accountability processes in terms of both the Structures and the Systems Acts is the facilitation and implementation of the following forums:

• Quarterly Community report back meetings by Ward Councillors
• Quarterly Mayoral Imbizo's
• Ward Committee monthly assessment meetings
• Annual Mayoral Address
• Half year Progress Report by the Mayor
• Annual IDP/Budget community and focused groups' consultation meetings

5.2 PUBLIC MEETINGS

5.2.1 COMMUNICATION, PARTICIPATION AND FORUMS

The IDP representative forum is chaired by the Mayor and the stakeholders are:

- Councillors,
- Ward committees,
- Organised labour,
- Community based organisations,
- Nongovernmental organisations,
- Sector departments,
- Parastatals,
- Organised business organisations,
- Farmer's organisations.

- Mining houses
- Private sector

Meetings of the IDP representatives forum is held once in every phase of the IDP namely: Preparatory, Analysis, Strategies, Projects, Integration and Approval. Quarterly reports based on the SDBIP are tabled and reported IDP representatives' forum meetings. Meetings of the IDP representative forum are held in the evening as per stakeholder agreement to accommodate stakeholders who are unavailable during working hours, timing of the IDP compilation is regulated by the Municipal Systems Act.

There is room for newly established structures to register on our data base from time to time to enable participation in our IDP Representative meetings. Members of the IDP Representatives Forum are encouraged and urged to hold consultative and feedbacks meetings with the structures and constituencies they represent in order to get their inputs and communicate feedback reports to IDP Representatives Forum for further mandate or processing.

		
Councillor F Mafela (ANC) Ward 1	Councillor S Phiri (ANC) Ward 2	Councillor SFL Ndhlovu (Chief whip – ANC – Ward 3)
		
Councillor LB Ndou (ANC) Ward 4	Councillor GL Milanzi (ANC) Ward 5	Councillor JC Kaunda (ANC) Ward 6

		
Councillor ME Ramoyada (PR – ANC)	Councillor CM Phiri (PR - ANC)	Councillor – ES Shirilele (PR - ANC)
		
Councillor P Tlou (PR - COPE	Councillor G Mavhungu (PR – ACDP))	Councillor M Masindi (PR PAC)

5.2.2. COUNCILLORS

5.2.2.1 INTRODUCTION TO GOVERNANCE

The municipality has key governance structures in place to ensure that adequate internal mechanisms are employed to facilitate good governance.

6. POLITICAL AND ADMINISTRATIVE GOVERNANCE

6.1 INTRODUCTION TO POLITICAL AND ADMINISTRATIVE GOVERNANCE

6.1.1 POLITICAL GOVERNANCE

6.1.2 EXECUTIVE AND COUNCIL

This component includes: Executive office (Mayor, Councillors, and Municipal Manager)

6.1.2.1 INTRODUCTION TO EXECUTIVE AND COUNCIL

The Musina governance structure comprises of the Council, Mayor and General Managers. Table 1.1 outlines and responsibilities, oversight and accountability of each structure.

Table 1.1 Governance Structure Musina

STRUCTURE	RESPONSIBLE FOR	OVERSIGHT OVER	ACCOUNTABLE TO
Council	Approve policies and budget	Mayor, Audit committee, Municipal Public Accounts Committee	Community
Mayor	Policies, budget, outcomes, management and oversight over Manager	Municipality Manager	Council
Municipal Manager	Outputs and implementation	The administration	Mayor
CFO and EMT	Outputs and implementation	Financial management and operational functions	Municipal Manager

The Musina Council is constituted by 12 elected Councillors; 6 Councillors are ward representatives and 6 represent their political parties on a proportional basis.

The parties in Council are illustrated in table 1.2

PARTY	Total seats **(2011 / 2016**)	Ward seats	PR seats
ANC	9	6	3
COPE	1	0	1
PAC	1	0	1
ACDP	1	0	1

The work of the Council is coordinated by Mayor who is elected by Council. The mayor is assisted by Councillors in performing her duties.

The municipal administration is headed by the Municipal Manager as the Chief Accounting Officer, further the Municipal Manager is responsible for the formation and development of an economical, effective, efficient and accountable administration as well as the management of the provision service in a sustainable and equitable manner within the municipality.

The administration is made up of the following directorates headed by Executive Management Teams: Finance, Corporate Services, Community Services, Technical and Economic Development and Planning.
Key Milestones of the Council for 2014/2015

- Facilitated community involvement in planning processes including IDP, budget and SDBIP
- Appointment of Section 56 Managers: General Manager: Community Services
  General Manager: Corporate Services

Employees: The Executive and Council – Municipal Manager					
	2013/2014	2014/15			
Job Level	Post No.	Posts (Established) No.	Employees (Filled) No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %
Councillors	12	12	12	0	0%
Sect 57	6	6	4	2	33%
0 - 3	4	4	4	0	0%
4 - 6	11	7	4	3	43%
7 - 9	13	10	8	2	20%
10 - 12	0	0	0	0	0%
13 - 15	0	0	0	0	0%
Total	**46**	**39**	**32**	**7**	**18%**

Note: MFMA S52 (a): The Mayor must provide general political guidance over the fiscal and financial affairs of the municipality.

The following committees of Council are in place:

(a) Oversight Committee (MPAC)

(b) Finance Committee

(c) Local Labour Forum

(d) Events Committee

(e) Audit & Performance Committee

Part-time councillors are chairpersons of the committees.

A Municipal Council comprising of 12 councillors for the 2011/2016 term of Council is in place and established in accordance with the Municipal Structures Act. Council established and elected councillors to serve on portfolio committees in accordance with the Municipal Structures Act.

Local Labour Forum	Councillor LB Ndou
	Councillor P Mafela
	Councillor JC Kaunda
Finance Committee	Councillor G Milanzi (Chairperson)
	Councillor P Tlou
	Mayor ME Ramoyada
Events Committee	Councillor JC Kaunda (Chairperson)
	Councillor G Mavhungu

	Councillor G Milanzi
Municipal Public Accounts Committee (MPAC)	Councillor ES Shirilele (Chairperson)
	Councillor P Tlou
	Councillor G Phiri
	Councillor G Mavhungu

	Portfolios	**Responsible Councillors**
Community Services	Sports, Arts and Culture	Councillor G Phiri (Chairperson) Councillor LB Ndou Councillor C Phiri
	Health and education	
	Housing Unit / Allocation	
	Disaster Management	
	Safety and Security	
	Transport	
Technical Department	Planning	Councillor P Mafela (Chairperson) Councillor PS Tlou Councillor G Phiri
	Housing and Electricity	
	Roads, water and Sewerage	

Finance Department	Finance Committee	Councillor GN Milanzi (Chairperson of Finance Committee)
Corporate Services	Administration	Councillor LB Ndou (Chairperson of LLF for 2012 2013 FY)
	Land and Traditional Affairs	
Corporate Services Sub committees	Local Labour Forum	
IDP and LED	Tourism	Councillor JC Kaunda (Chairperson) Councillor G Mavhungu
	Marketing	
	Development	
Special Programmes	Youth	Councillor G Milanzi

	Disability	
	Gender	
	Senior Citizens	

Council established the positions of Mayor and Chief Whip as fulltime office bearers.

6.2 PUBLIC PARTICIPATION

The municipality in compliance to the Constitution of the Republic of South Africa and other legislations governing local government annually prioritizes the involvement of local communities in the planning and execution of the municipal programmes. Such involvement takes the following shape, community Imbizo, Annual Report Consultative Meetings, IDP/Budget.

WARD	DATE	VENUE	TIME
3	12/04/2015	Opposite Mshongovilla Bakery	14h00
4	14/04/2015	Nancefield Boardroom	16h30
5	15/04/2015	Renaissance Sports Ground	16h30
2	16/04/2015	Matswale Clinic	17h00
1	18/04/2015	Madimbo Community hall	14h00
6	21/04/2015	Harper Community Hall	17h00
BUSINESS FORUM	22/04/2015	Musina Agricultural hall (showground's)	17H00

6.2.1 COMMENT ON THE EFFECTIVENESS OF THE PUBLIC MEETINGS HELD:

The public meetings were very effective because they gave a good understanding to the communities on how government operates. This is because during those meetings, sector departments were also invited to render services to the communities. After getting inputs from the communities, these meetings also helped the municipality in planning and implementing projects, taking into consideration the needs of the society.

6.3 COUNCIL MEETINGS

Musina Local Municipality has adopted a schedule detailing all the meetings of the Council starting from the meetings by management, portfolio committee, and ultimately council itself. Such meetings took place as planned and it was only where there were serious clashes of dates that a shift was negotiated. For the financial year 2014/2015 all the council meetings were held as planned.

03 July 2014	Special
27 August 2014	Ordinary
30 September 2014	Ordinary
27 November 2014	Ordinary
22 January 2015	Ordinary
31 March 2015	Ordinary
28 May 2015	Ordinary
30 June 2015	Special

6.3.1 Ward Committee meetings and Ward Committee Establishment.

The municipality has established Ward Committees in all 6 Wards. All Ward Committees are functional and meet frequently and are administratively supported from the Office of the Mayor. All ward committee receives their stipends based on functionality reports. The final IDP/Budget document was adopted by the Council on the 28 May 2015

6.4 IDP PARTICIPATION AND ALIGNMENT

6.4.1 Integrated Development Plan (Development, Review and Implementation)

The development and review of the integrated development plan for the financial year 2013/2014 was done internally through the involvement of the IDP/Budget steering committee and council. Communities and interested stakeholders were consulted on the formulation of IDP/Budget priorities and setting of targets. To consolidate community and stakeholder consultations, meetings were held as per the approved Process Plan.

IDP REPRESENTATIVE FORUM MEETINGS 2014 / 2015		
05 November 2014	Civic Centre Board Room	98 attended
13 August 2014	Civic Centre Board Room	86 attended
10 September 2014	Civic Centre Board Room	89 attended
04 February 2015	Civic Centre Board Room	79 attended

IDP STEERING COMMITTEE MEETINGS 2014 / 2015		
15 October 2014	Civic Centre Board Room	24 attended
12 November 2014	Civic Centre Board Room	25 attended
11 August 2914	Civic Centre Board Room	22 attended
03 September 2014	Civic Centre Board Room	21 attended
11 February 2015	Civic Centre Board Room	22 attended

The final IDP/Budget document was adopted by the Council on the 28 May 2015.

6.4.2 IDP Participation and Alignment

IDP Participation and Alignment Criteria*	Yes/No
Does the municipality have impact, outcome, input, output indicators?	Yes
Does the IDP have priorities, objectives, KPIs, development strategies?	Yes
Does the IDP have multi-year targets?	Yes
Are the above aligned and can they calculate into a score?	Yes
Does the budget align directly to the KPIs in the strategic plan?	Yes
Do the IDP KPIs align to the Section 57 Managers	Yes
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	Yes
Do the IDP KPIs align with the provincial KPIs on the 12 Outcomes	Yes
Were the indicators communicated to the public?	Yes
Were the four quarter aligned reports submitted within stipulated time frames?	Yes

6.5 Performance Management System

All Section 56 and 57 Managers signed performance agreements and Performance Plans. Progress review of the service delivery and budget implementation plan was done on a quarterly basis the council and the 2013/14 performance bonuses were paid.

6.6 Pre-Determined Objectives

The audited annual performance report depicts an overall 86 % performance against set key performance indicators during the financial year 2014/ 2015.

DEPARTMENT	TOTAL TARGETS	ACTUAL TARGETS	TARGETS VARIENCE	PERCENTAGE ACTUAL TARGETS	PERCENTAGE ACTUAL VARIENCE
MUNICIPAL MANAGER	47	42	5	89.3617021	10.6382979
FINANCE	20	20	0	100	0
CORPORATE SERVICES	44	40	4	90.9090909	9.09090909
COMMUNITY SERVICES	35	25	10	71.4285714	28.5714286
TECHNICAL SERVICES	31	24	7	77.4193548	22.5806452
ECONOMIC DEVELOPMENT PLANNING	17	15	2	88.2352941	11.7647059
TOTAL	**194**	**166**	**28**	**85.5670103**	**14.4329897**

For a detailed audited annual performance report for 2014/15 financial year refer to **Annexure A.**

7. CORPORATE GOVERNANCE

7.1 Administrative Governance Structures.

The municipality established administration in accordance with the provisions of both the Municipal Structures Act and Municipal Systems Act with the Municipal Manager as head of administration and accounting officer. The following administrative structures were established to bolster good governance:

a) Local Labour Forum

b) Supply Chain Management Committees:

- Bid Specifications Committee
- Bid Evaluations Committee
- Bid Adjudication Committee

c) Budget & IDP Steering Committee

d) Finance Committee

e) Audit and Performance Committee

7.1.1 Audit functions

During the year under review the municipality shared the service of an Audit and Performance Committee with Vhembe District Municipality. The purpose of the Audit and Performance Committee is to monitor oversight, quality assurance and compliance enforcement roles. In addition council has established a performance assessment panel to conduct performance assessments and recommend to council. The municipality has an Internal Audit unit which report administratively to the Municipal manager and functionally to the Audit and Performance Committee. During the year under review, the Audit and Performance Committee held the meetings as follows:

DATE	VENUE	NUMBER OF AUDIT COMMITTEE MEMBERS ATTENDED	NUMBEROF MANAGERS ATTENDED	SUPPORT MANAGEMENT	STAKEHOLDER DEPARTEMENT
27August 2014	Musina Civic Centre	2 attended	10 attended	15	3 attended
26 November 2014	Musina Civic Centre	2 attended	8 attended	2 attended	3 attended
29 January 2015	Musina Civic Centre	3 attended	15 attended	11 attended	3 attended
30 June 2015	Musina Civic Centre	2 attended	12 attended	12 attended	3 attended

7.2 INTER-GOVERNMENTAL RELATIONS

The municipality participates in various intergovernmental structures locally, at a district level and even at a provincial level. Locally structures of intergovernmental relations include the water sector forum, roads and transport forum, energy forum, local economic development forum, and disaster management forum. Various sector departments and relevant stakeholders are the main participants in the activities of such forums.

In the district the municipality partakes in the district IDP Managers forum, CFO's forum, Municipal Managers Forum, District Speakers and Mayors forum and the District Internal Auditors' forum. In the province the municipality participates in the Premier-Mayors" forum, provincial municipal managers" forum as well as the Provincial Planning and Development Forum. Further, the municipality hosts an intergovernmental stakeholder meeting on Migrant Health Forum.

7.3 COMMENT ON SUSPENSIONS AND CASES OF FINANCIAL MISCONDUCT:

The Municipality did not have any case of suspension or financial misconduct during the Financial Year 2014/2015.

7.4 BY-LAWS 2014/15

The MSA 2000 S11 (3) (m) provides municipal councils with the legislative authority to pass and implement by-laws for the betterment of the community within the terms of the legislation.

The municipality has by-laws in place, 10 by-laws were approved. However, enforcement thereof remains a challenge. There is a need, moreover, to raise public education and awareness to ensure easy compliance and enforcement of approved by-laws. Through by-laws, the municipality must, in future, regulate other critical areas that remain unregulated currently to curb un-favourable practices and to protect the interests of residents, business, environment and the state.

During the period under review, the Municipality identified a number of mandatory and infrastructural by -laws to be developed and reviewed, some of which were either outdated nor non-existent. This process was done with the assistance of COGHSTA. The major challenge on by-Law development relates to inadequate budget to can facilitate the drafting, public participation and gazetting of by-laws. By-laws are critical in the maintenance of public order, enforcement of council objectives and administration of municipal affairs. The development and application of municipal by-laws enhances financial viability and provides mechanisms for recourse on violation of council policies.The municipality has a Code of by-laws in compliance with section 15 of the Municipal Systems Act, 2000. We have developed and Gazetted 10 mandatory by-laws and in the process of Gazetting infrastructural by-laws. Below is a list of By-Laws gazetted and developed:

NAME OF BY-LAW	BY-LAW GAZETTED	BY-LAW DEVELOPED
Credit Control and Debt-Collection By-Law	✓	
Electricity Supply By-Law		✓
Property Rates By-Law	✓	
Public Roads By-Law		✓
Storm-Water By-Law		
Street Trading By-Law	✓	✓
Traffic and parking Control By-Law	✓	

Waste Management By-Law		✓
Building Regulations By-Law		✓
Tariff Policy By-Laws	✓	

7.5. RISK MANAGEMENT

In terms of section 62 1(c) of the MFMA a municipality should have and maintain an effective, efficient and transparent system of risk management. During the year under review the risk unit was fully operational with a risk committee charged with a responsibility to oversee its functions and make recommendations to council.

The risk unit reviewed and updated the risk management policy and strategy. Strategic and operational risk registers were compiled and progress on risk management efforts was reported to the risk management committee on a quarterly basis. The quarterly risk management report were also served in audit committee meetings.

7.5.1 FRAUD AND ANTI-CORRUPTION

Musina local municipality currently shares the anti-fraud and corruption hotline with the Vhembe district municipality along with some of the municipalities within the district. The presidential and premier hotline cases were also forwarded to the risk management unit for investigation and reporting. The anti-fraud and corruption policy and strategy were reviewed by the risk unit in year under review. Anti- fraud and corruption awareness campaigns were conducted on a quarterly basis. The municipality investigated one case of alleged fraud and corruption against one of the employees attached to the Community services department under Traffic management unit. After a disciplinary process, the employee was acquitted of the fraud and corruption charges but was convicted of a lesser charge for which a final written warning was issued.

7.6SUPPLY CHAIN MANAGEMENT

7.6.1 OVERVIEW SUPPLY CHAIN MANAGEMENT

- The council has adopted a SCM policy in terms of SCM regulation 3.
- The SCM unit consists of three full time staff; three positions (Manager and Accountant SCM, Procurement officer) and 2 Admin officers' logistics.
- A report on the implementation of the SCM policy is presented to the Mayor on a quarterly basis.
- Needs assessments are undertaken for each acquisition and preferential policy objectives identified.
- Threshold values in the SCM policy are aligned with values stipulated in regulation 12.
- Municipal bid documents comply with MFMA circular 25.
- Records of tenders and all other bids received and awards made.
- All bid committees were established and appointed by the Accounting officer.
- Note: MFMA S110-119; SCM Regulations 2005; and relevant MFMA circulars set out required processes and guidance manuals to help ensure that SCM arrangements provide appropriate goods and services, offer best value for money and minimize the opportunities for fraud and corruption.
- 24 Tenders were advertised during 14/15
- All tenders were advertised on the newspaper and on municipal website

- 21 Tenders were evaluated, adjudicated and awarded during 14/15
- 62 formal quotations were awarded(R30000.00 up to R200000.00)
- 251 Procurement below R30000.00
- 71 BEE beneficiation awarded for financial year 2014/ 2015

8. SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT)

8.1 BASIC SERVICES

This component includes: water; waste water (sanitation); electricity; waste management; and housing services; and a summary of free basic services.

Proportion of Households with minimum level of Basic services					
	2010/11	**2011/12**	**2012/13**	**2013 / 14**	**2014/15**
Electricity service connections	95%	88.7%	89.9 %	91%	98%
Water - available within 200 m from dwelling	100.00%	100.00%	100 %	86%	87%
Sanitation - Households with at least VIP service	98.8%	98.8%	100 %	86%	88%
Waste collection - kerbside collection once a week	98.8%	98.8%	98.8 %	94%	96 %

8.2 WATER PROVISION

8.2.1 INTRODUCTION TO WATER PROVISION

Note: Recent legislation includes the Water Services Act 1997 and the General Enabling Act 2005Musina Local Municipality is not a Water Services Authority (W.S.A.) but a Water Services Provider (W.S.P.). In the rural areas Vhembe District Municipality provides the Infrastructure and Musina does the provision. In the urban areas Musina does the extraction, purification, reticulation and billing and also connect all new customers.

Total Use of Water by Sector (cubic meters)					
	Agriculture	**Forestry**	**Industrial**	**Domestic**	**Unaccountable water losses**
2011/12	0	0	1 260 936	3 992 964	472 851
2012/13	0	0	1 379 820	3 927 180	371 490
2013/14	0	0	2 770 020	2 665 308	231 1272
2014/15	0	0	2 770 099	2 665 488	113 191
					T3.1.2

8.2.2 COMMENT ON WATER USE BY SECTOR:

Musina Local Municipality does not supply any water to Agriculture or forestry but only to Industrial/Commercial and Domestic. The municipality maximum water production is 17mg/d, of which 70 percent is used by domestic and 30 percent used for commercial purposes. Treatment process is through sand filtration since water is abstracted from the sand river of Limpopo through boreholes. The municipality supply water 24 hours, seven days a week, with exception of water interruption due to maintenance. Water shortages are experienced during drought seasons, when the pumping efficiency is not at its maximum due to scarcity of water from the source. Musina water quality is classified under class 1 of the South African nation drinking water standards (SANS 241).

8.3 WASTE WATER (SANITATION) PROVISION

8.3.1 INTRODUCTION TO SANITATION PROVISION

Musina Local Municipality is a Water Services Provider and Vhembe District Municipality the Water Service Authority for the jurisdictional area of Musina Local Municipality. The Water Services Provider is a responsible for operations and maintenance of the Musina water & waste water reticulation scheme. A total of 740 additional VIP toilets were implemented & complete during the year thus improving access to the service. All households have basic access and 86% are on a high level of service. Maintenance team conduct scheduled maintenance work on regular basis and on adhoc basis. Largely our maintenance of the waste water system is informed by system failures along the reticulation chain.

Water Service Delivery Levels Households					
Description	**2010/11**	**2011/12**	**2012/13**	**2013/14**	**2014/15**
	Actual No.	**Actual No.**	**Actual No.**	**Actual No.**	
Water: **(above min level)**					
Piped water inside dwelling	7814	7991	8108	15144	15476
Piped water inside yard (but not in dwelling)	0	0	0	0	0
Using public tap (stand pipes)	1837	1837	1837	2478	
Other water supply (within 200m)					2478
Minimum Service Level and Above sub-total	9651	9828	9945	17622	17954
Minimum Service Level and Above Percentage	100%	100%	100%	94%	87%
Water: **(below min level)**					

Using public tap (more than 200m from dwelling)				1059	1223
Other water supply (more than 200m from dwelling				250	230
No water supply					
Below Minimum Service Level sub-total				1182	1453
Below Minimum Service Level Percentage				6%	7%
Total number of households*	**9651**	**9828**	**9945**	**18804**	**20589**
*** - To include informal settlements**				T3.1.3	

8.4 WASTE MANAGEMENT (THIS SECTION TO INCLUDE: REFUSE COLLECTIONS, WASTE DISPOSAL, STREET CLEANING AND RECYCLING)

8.4.1 INTRODUCTION TO WASTE MANAGEMENT

Musina Local Municipality strives very hard to maintain a clean environment. EPWP workers clean across the streets of the three CBDs. In addition, waste is collected weekly from the doorsteps of the residents. Last year, 95 % solid waste was collected on time. Community participation is paramount in this regard. Public awareness and cleaning campaigns are organized on a regular basis in order to promote cleanliness. A total of 27 awareness campaigns and 11 cleaning campaigns, were undertaken last year.

Description	2010/11	2011/12	2012/13	2013/14	2014/15
	Actual No.	Actual No.	Actual No.	Actual No.	
Formal Settlements					
Total households	9651	9828	9945	18804	20654
Households below minimum service level	116	116	116	290	810
Proportion of households below minimum service level	1,2%	1,2%	1.2 %	1.4 %	3.9%
Informal Settlements					
Total households	0	0	0	0	0
Households below minimum service level	0	0	0	0	0
Proportion of households below minimum service level	0%	0%	0 %	0%	0%

Households

Description	2010/11	2011/12	2012/13	2013/14	2014/15
	Actual	Actual	Actual	Actual	

	No.	No.	No.	No.	
Solid Waste Removal: **(Minimum level)**				**18804**	**14760**
Removed at least once a week					
Minimum Service Level and Above sub-total	9712	9712	9829	14183	14760
Minimum Service Level and Above percentage	98.8%	98.8%	98.8 %	94 %	71.5%
Solid Waste Removal: **(Below minimum level)**				290	810
Other rubbish disposal				95	95
No rubbish disposal	116	116	116	2171	2171
Below Minimum Service Level sub-total	116	116	116	290	810
Below Minimum Service Level percentage	1.2%	1.2%	1.2 %	1.4 %	3.9%
5Total number of households	**9828**	**9828**	**9945**	**20042**	**20654**

Employees: Solid Waste Management Services					
Job Level	**2013/2014**	**2014/15**			
	Post	**Posts (Established)**	**Employees (Filled)**	**Vacancies (fulltime equivalents)**	**Vacancies (as a % of total posts)**
		No.	**No.**	**No.**	**%**
0 – 3	1	1	1	0	0%
4 – 6	2	2	2	0	0%
7 – 9	3	3	0	3	100%
10 – 12	8	8	6	2	25%
13 – 15	49	55	42	7	13%
Total	63	69	51	12	17%

8.5 ELECTRICITY

8.5.1 INTRODUCTION TO ELECTRICITY

Musina Local Municipality is licenced for electrical distribution in urban areas and Eskom is responsible for reticulation in the rural areas. All households in the Musina Town and Township has access to electricity, for the year under review we have rolled out major network upgrades at various extensions.

Extension of the service in the rural area at a rate equivalent to actual development in the area remains a challenge. The municipality provides this services with minimal interruption, such interruption in the main are attributable to cable theft, planned and unplanned maintenance as well as ESKOM supply cuts for maintenance or load shedding. It is important to note that annually the unit implements network infrastructure refurbishment programmes.

Electricity Service Delivery Levels

Description	2010/11	2011/12	2012/2013	2013 / 14	2014/15
	Actual No.	Actual No.	Actual No.	Actual No.	Actual No.
Formal Settlements					
Total households	9651	9828	9945	10727	10727
Households below minimum service level	483	1112	1 013	1013	418
Proportion of households below minimum service level	5.0%	11.3%	10.1 %	9.4%	9.8%
Informal Settlements					
Total households	0	0	0	0	0
Households below minimum service level	0	0	0	0	0
Proportion of households below minimum service level	0	0	0	0	0

Employees: Electricity Technical Admin Services					
	2013/2014	2014/15			
Job Level	Post	Posts (Established) No.	Employees (Filled) No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %
0 – 3	1	1	1	0	0%

4 – 6	12	12	4	8	66%
7 – 9	27	20	0	20	100%
10 – 12	4	4	2	2	50%
13 – 15	32	20	20	0	0%
Total	**76**	**57**	**27**	**30**	**53%**

8.6 HOUSING

Employees: Housing Services / Community					
	2013/14	**2014/15**			
Job Level	**Post**	**Posts (Established)** No.	**Employees (Filled)** No.	**Vacancies (fulltime equivalents)** No.	**Vacancies (as a % of total posts)** %
0 – 3	5	3	3	0	0%
4 – 6	22	22	15	7	32%
7 – 9	40	41	22	18	44%
10 – 12	4	4	0	4	100%
13 – 15	12	0	0	0	0%
Total	**83**	**72**	**42**	**29**	**40%**

8.6.1 COMMENT ON THE PERFORMANCE OF THE HOUSING SERVICE OVERALL:

Musina Local Municipality only facilitates and provide housing beneficiary lists to COGHSTA. We have applied and submitted for both disaster and emergency houses to the Department of Local Government and Housing. No houses were allocated for the required housing programmes •

The number of houses allocated to Musina local Municipality by GOGHSTA during 2014/15 financial year per village is as follow:

NAME OF VILLAGE	**NUMBER OF HOUSES**	**NUMBER OF COMPLETE HOUSES**	**NUMBER OF INCOMPLETE HOUSES**
MALALE	70	43	27
MADIMBO	40	0	40
TSHIKHUDINI	100	67	33
DOMBONI	30	28	2
TANDA	300	150	48
TOTAL	**540**	**288**	**150**

Nancefield was not allocated any house during 2014/15 financial year. The incomplete houses for respective villages are being attended/built by another contractor who was appoint last year (2015) during November and is expected to have completed the remaining houses by 31 March 2016.

8.6.2 COMMENT ON FREE BASIC SERVICES AND INDIGENT SUPPORT:

9. BASIC SERVICES

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

9.1. INTRODUCTION TO ROADS

9.1.1 ROADS

Musina Local Municipality has a backlog of roads & storm water, since it grows out of portion of settlements established and surfaced road network could not be done during installation of services due to insufficient budget.

Gravel Road Infrastructure Kilometres				
	Total gravel roads	New gravel roads constructed	Gravel roads upgraded to asphalt	Gravel roads graded /maintained
2011/12	25	0	1	1
2012/13	25	0	0	1
2013/14	25	0	1	2
2014/15	54.5	1	1.78	5.0
T3.7.2				

Asphalt Road Infrastructure Kilometres					
	Total asphalted roads	New asphalt roads	Existing asphalt roads re-asphalted	Existing asphalt roads re-sheeted	Asphalt roads maintained
2010/11	76	0	1	1	1
2011/12	77	0	5	1	1
2012/13	77	0	0	0	0
2013/14	77	0	6	0	2
2014/15	80.38	1.78	1.6	1.6	494 m2
T3.7.3					

9.1.2 COMMENT ON THE PERFORMANCE OF ROADS AND OTHER OVERALL:

Roads and storm water remain a number one priority list in the municipality. Tarring of the new roads is done from own funded capital budget and from the MIG funding. Road and maintenance team has been established in order to maintain roads and storm water infrastructure.

9.1.3 LIST CHALLENGES

a). Tarring on the existing settlements, often find damaging the existing services.
b). Lack of long term maintenance plan.
c). Ageing road infrastructure.

Employees: Project/ water and Technical service					
	2013/14	2014/15			
Post Level	Post	Posts (Established)	Employees (Filled)	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No	No.	No.	No.	%
1 - 3	1	1	1	0	0%
4 - 6	3	7	3	4	57%
7 - 9	0	2	0	2	100%
10 - 12	1	2	1	1	50%
Minimum	47	67	47	20	30%c
Total	**52**	**79**	**52**	**27**	**34%**

10 COMMUNITY & SOCIAL SERVICES

Community Services is a department that deals with Housing, Library Services, Disaster Management, Licensing and Traffic Law Enforcement Services. Below is a summary of recorded performance:

10.1 LICENSING

10.1.1 Driving Licenses Testing Centre

Total numbers of Driving Licenses tested	2151
Total number of PRDP issued	982
Total number of Leaners licenses tested	1923

10.1.2 Vehicle Testing Station

Roadworthy tests conducted	206
Roadworthy vehicles tested	1054

10.1.3 Registration Authority

Total Vehicle license disc and renewal issued	2707
Total motor vehicle registered	3 185
Total police clearance forms issued	102
Application of roadworthy certificate	206
Certification of roadworthiness issued	1021

10.1.4 Challenges

a) Registering Authority (RA) doesn't have control regarding Registration and Licensing of motor vehicle, e.g. PRDP, Renewals of Driving License, M/V and Police Clearance.
b) Fluctuating demand of roadworthy application and certification of roadworthiness.
c) Driving license Testing Centre (DLTC) doesn't have control of any application regarding learner's license and driving licence which you can put targets because it fluctuates on a daily basis.
d) Inadequate eNatis terminals.
e) Inadequate personnel

10.2 TRAFFIC

Total number of traffic issued	1778
Total number of scholar patrol	80
Total number of road safety campaigns	8
Total number of funeral escorts	40
Total number of point duty conducted	60
Speed law enforcement conducted	30
Total number of joint operations conducted	45
Total number of internal road blocks conducted	22
Total number of vehicles stopped and inspected	1700

10.2.1 Challenges

The challenges encountered during the financial year are as follows:

Lighting
Road markings and signage
Lack of vehicles
Progression of traffic officers
Traffic Control centre

10.2.2 Comments

As a municipality we dedicated ourselves in giving efficient service delivery in and outside the CBD. Municipal Law enforcement contributes to broader traffic law enforcement interventions in collaboration with other dedicated agencies.

10.3 LIBRARY SERVICES

The municipality makes provision of library and information to the community, it also provides guidance and assistance to schools around its jurisdictional area. The municipality has two functional libraries, one in town and another one at Nancefield area.

10.4 CEMETERIES

Musina Local Municipality is in the process of procuring additional land at the Nancefield Cemetery, which has reached its full capacity. Musina Local Municipality has two cemeteries located in town, each of the 5 villages has their own cemetery.

10.5 CHILD CARE; AGED CARE; SOCIAL PROGRAMMES

The municipality mainly plays a facilitation role in the child care, aged care and social programme through our special programmes unit. For the year under review a dedicated municipal unit was established to coordinate special programmes initiatives in collaboration with other internal and external stakeholders.

Other than the facilitation role that we played we have championed specific youth, gender, disability, HIV/AIDS and senior citizens programmes. We have added a strong advocacy voice aimed at improving the plight of focus groups.

10.6 MUNICIPAL INFRASTRUCTURE GRANT EXPENDITURE COMMENT

10.6.1 PERFORMANCE OF MUNICIPAL INFRASTRUCTURE GRANT (MIG):

The municipality has a record of spending the entire allocation except on an unforced instances. The PMU technician was appointed in order to intensifying the implementation & monitoring MIG projects.

Municipal Infrastructure Grant (MIG)* Expenditure 2014/15 on Service backlogs R' 000						
Details	Budget	Adjustment Budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)
				Budget	Adjustment Budget	
Madimbo extension of thusong centre	R1, 3 Million	R0.00	R457,150.36	R1,3 Million	R0.00	Conditions Met
Domboni satellite office	R800 000.00	R0.0	R438,512.73	R800 000.00	R0.00	Conditions Met
Nancefieldcommunity high masts	R1,5 Million	R0.0	R1,365,594.28	R1,5 Million	R0.00	Conditions not met, request for extension of time was made.
Nancefield ext 8 construction of concrete paved road	R7,1 Million	R0.0	R6,599,671.98	R7,1 Million	R0.00	Conditions not met, request for extension of time was made.
Nancefield ext. 1 renovation of community hall	R2,5 Million	R0.0	R1,757,384.93	R2,5 Million	R0.0	Conditions met
Nancefield construction of gymnasium	R2,3 Million	R0.0	R1,779,230.20	R2,3 Million	R0.0	Conditions not met, request for extension of time was made.
Nancefield ext. 6 sports centre phase 2	R1 Million	R0.0	R852,045.81	R1 Million	R0.0	Conditions met
Traffic dept. client office centre	R2,5 Million		R0.00	R2,5 Million		Conditions not met, project was rolled over to 15/16 F/Y.
Total	R 18 955 000.00	R0.0	R12,020,590.29	R 18 955 000.00	R0.00	Possible application of roll over.

10.6. 2 LIST CHALLENGES

a). Low/ inadequate allocation of grant to complete the municipal infrastructure backlog

b). Delay in issuing recommendation letters by sector department during project registration

c). Lack of capacity (financial) to complete the project on time

11. LOCAL ECONOMIC DEVELOPMENT

11.1. COMMENT ON LOCAL ECONOMIC DEVELOPMENT PERFORMANCE OVERALL:

For the 2014/2015 financial year the municipality has realised direct retail stores investments including the new mall, factory shop and expansion of the central business district.

11.1.1 Intermodal facilities

Developments are at an advanced stage to realise regional economic integration projects through Musina to Africa Strategic Supply Hub Initiative and the Eco Industrial Park which will propel further economic growth.

As a special economic zone Musina stands to increase its contribution to the provincial and national GDP arising from direct private and public investment ventures.

Musina Municipality and Musina town in particular also benefits from an advantageous strategic location in relation to the N1 and the Beitbridge and Pondrift border posts. This creates opportunities for this locational benefit to be exploited and marketed to potential investors, in order to attract larger enterprises. Furthermore, by capitalizing on its location and improving its transport and logistics services to ensure the reliable movement of goods and services, the Municipality can reduce transaction costs for investors.

For the year under review the below mentioned projects were implemented by the municipality contributing to the local economic development in the affected area:

1. Madimbo Extension of Thusong Centre
2. Renovation of Nancefield Community Hall
3. Domboni Satellite office
4. Nancefield construction of Gymnasium
5. Nancefield Extension 6 sports centre
6. Nancefield Community High mast lighting.
7. Nancefield construction of internal roads
8. Electrification of Extension 14
9. Construction of roads in Extension 14 and Musina town.
10. EPWP project in waste management.
11. Farm J infrastructure development
12. LED strategy review

The municipality was able to complete 8 of the projects in time with 100 % expenditure. The other two will be completed in September 2015

Sector	2011/12	2012/13	2013/14	2014/2015
	No	No	No	No
Agric, forestry and fishing	54%	54%	54%	54%
Mining and quarrying	18%	18%	18%	18%
Manufacturing	5%	5%	5%	5%
Wholesale and retail trade	6%	6%	6%	6%
Finance, property, etc.	4%	4%	4%	4%
Govt, community and social services	23%	23%	23%	23%
Infrastructure services	2%	2%	2%	2%
Total ***SOURCE: STATS SA 2011 AND COMMUNITY SURVEY 2007.***				

11.1.2 COMMENT ON LOCAL JOB OPPORTUNITIES:

The municipality has seen an increase in the number of jobs created mostly arising from the private sector role players.

One of the critical challenges in the creation of jobs is inadequate skills levels of the local job market as well as preferences mostly in the Agriculture sector in our area to employee foreign nationals for unskilled and semi-skilled work opportunities.

Jobs Created during 2014/15 by LED Initiatives (Excluding EPWP projects)				
Total Jobs created / Top 3 initiatives	Jobs created	Jobs lost/displaced by other initiatives	Net total jobs created in year	Method of validating jobs created/lost
	No.	No.	No.	
2010/11	300	0	300	Implemented projects which are monitored by the LED section
2011/12	378	0	378	
2012/13	563	0	563	
2013/14	565	0	565	
2014/15	913	0	913	This includes EPWP in all sectors and CWP.

Training of people in essential skills	Number of people trained (including retrained unskilled)
2011/12	117
2012/13	280
2013/14	224
2014/15	238

Employees: Local Economic Development Services					
Job Level	**2013/2014**	**2014/15**			
	Post **No**	**Posts (Established)** **No.**	**Employees (Filled)** **No.**	**Vacancies (fulltime equivalents)** **No.**	**Vacancies (as a % of total posts)** **%**
0 - 3	4	3	3	0	0%
4 - 6	14	14	2	12	86%
7 - 9	1	1	1	0	0%
10 - 12	0	0	0	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	19	18	6	12	67%

12. ORGANIZATIONAL DEVELOPMENT PERFORMANCE

12.1 HUMAN RESOURCE SERVICES

12.1.1 Human Resource

The Human Resource Division as a strategic partner in the Integrated Development and Planning (IDP) and its implementation, has managed to support all departments in implementing IDP objectives. The division, amongst other areas of support has played a role in administering staff provisioning, personnel maintenance, labour relation, training and development and organizational development during the financial year 2014/2015.

12.1.2 Staff Provisioning

In the financial year 2014/15, the Municipality filled a very key strategic position which has been vacant for a significant period of time. The positions of General Manager Community Services was filled effective from 01 April September 2015.

12.1.3 Organizational Structure

The Organizational Structure of the Municipality was reviewed and adopted by council for implementation during 2014/15 financial year.

12.1.4 SERVICE STATISTICS FOR HUMAN RESOURCE SERVICES AND ADMINISTRATION

Employees: Human Resource Services and Admin					
Job Level	**2013/2014**	**2014/15**			
	Post	**Posts (Established)**	**Employees (Filled)**	**Vacancies (fulltime equivalents)**	**Vacancies (as a % of total posts)**
	No	**No**	**No**	**No**	
0 - 3	3	5	5	0	0%
4 - 6	9	13	7	6	46%
7 - 9	7	10	7	3	30%
10 - 12	1	1	1	0	0%
13 - 15	12	12	11	1	8%
Total	32	41	31	10	24%

12.1.5 Submission of Report the EE Report.

The Municipal Employment Equity Report was successfully submitted to the Department of Labour on the 14th January 2014 reporting for 2013/14 financial year.

12.1.6 Training and Development

The Municipality has managed to submit the Workplace Skills Plan (WSP) and Annual Training Report (ATR) to Local Government Sector Education Training Authority (LGSETA) on the 30th of April 2015 as required by the LGSETA Financial Year.

12.2 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

	Employees: ICT Services				
Job Level	**2013/14**	**2014/15**			
	Post	**Posts (Established)**	**Employees (Filled)**	**Vacancies (fulltime equivalents)**	**Vacancies (as a % of total posts)**
	No	**No**	**No**	**No**	
0 - 3	1	1	1	0	0%
4 - 6	2	2	1	1	50%
7 - 9	0	0	0	0	0
10 - 12	0	0	0	0	0
13 - 15	0	0	0	0	0
16 - 18	0	0	0	0	0
Total	2	3	2	1	33%

	Employees: Finance				
Job Level	**2013/14**	**2014/15**			
	Post	**Posts (Established)**	**Employees (Filled)**	**Vacancies (fulltime equivalents)**	**Vacancies (as a % of total posts)**
	No	**No**	**No**	**No**	
0 - 3	7	7	7	0	0%
4 - 6	11	11	8	3	27%
7 - 9	32	32	19	13	41%
10 - 12	0	0	0	0	0%
13 - 15	11	0	0	0	0%
16 - 18	0	0	0	0	0%
Total	61	61	34	16	26%

12.2.1 COMMENT ON THE PERFORMANCE OF ICT SERVICES OVERALL:

The Information Technology Unit is charged with a responsibility to acquire, operate and maintain information technology hard and software. For the subsistence of the financial year the municipality has entered into a supply and maintenance contract for the computer hardware. We have played our role in website design and maintenance, further we have ensured a more reliable network connectivity and extended services to offsite facilities.

During the 14/15 the unit implemented a VOIP system which assisted in integrating data and voice systems including network connectivity extension to 2 offsite offices. In implementing VOIP we have strengthened controls on telephone usage and curbed excess costs arising from a lack of in internal controls. To further strengthen controls we have embarked on in house regulatory processes to this end we have developed draft policies on ICT Governance which include a policy framework, user account management, internet use,

password, change management and security policy. New workstations and laptops have been leased to replace redundant hardware. A VoIP and network infrastructure solution has been implemented, improving the quality of the network and saving on call costs. Specifications have been drafted for an Integrated Document Management System and the Bio-metric system has been finalized to project implementation

13. PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES

13.1 INTRODUCTION TO PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES

The Section is understaffed and as a result the target to review policies and by laws cannot always be reached.

Employees: Property; Legal, Risk and Procurement services					
Job Level	2013/14	2014/15			
	Post No	Posts (Established) No	Employees (Filled) No	Vacancies (fulltime equivalents) No	Vacancies (as a % of total posts)
0 – 3	3	2	2	0	0%
4 – 6	7	3	1	2	67%
7 – 9	6	1	0	1	100%
10 – 12	0	0	0	0	0%
13 – 15	0	0	0	0	0%
16 – 18	0	0	0	0	0%
19 – 20	0	0	0	0	0%
Total	16	6	3	3	50%

13.2 COMMENT ON THE PERFORMANCE OF PROPERTY SERVICES OVERALL

a).The 2012 to 2017 valuation roll as amended by the 2014 supplementary valuation was implemented.

b).The municipality has during the year under review facilitated transfer of land and registration of land and property with the applicable authority.

14. MANAGING THE MUNICIPAL WORKFORCE

14.1 INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT

Note: MSA 2000 S67 requires municipalities to develop and adopt appropriate systems and procedures to ensure fair; efficient; effective; and transparent personnel administration in accordance with the Employment Equity Act 1998. During 2014 / 2015 a total of 45 positions were filled across all sections in the Municipality. Vacant positions were prioritised in order of urgency, financial performance and filled as such.

Employees					
Description	2013/2014	2014/2015			
	Post	Posts (Established)	Employees (Filled)	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
		No.	No.	No.	%
Water and sanitation	51	79	52	27	34%
Electricity	57	57	35	34	59%
Waste Management	63	69	47	16	23%
Tourism	2	2	2	0	0%
Municipal Manager and Council	61	61	50	11	18%
Technical	9	4	2	2	50%
Public Service –Civil	90	81	58	23	28%
Planning	7	7	3	4	57%
Local Economic Development	19	18	6	12	67%
Finance	61	61	34	16	26%
Corporate Services (HR)	8	29	22	6	21%
Corporate Services (Admin & Secretariat)	24	21	16	5	24%%
Corporate Services (Legal)	3	3	1	2	67%
Corporate Services (ICT)	3	3	2	1	33%
Community Services (Traffic)	42	41	21	20	47%
Community Services (Licensing and Testing Services)	28	16	16	0	0%
Community Services (Housing)	6	5	4	1	20%
Community Services (Library)	7	7	3	4	57%
Totals	**541**	**564**	**374**	**196**	**35%**

14.2 COMMENT ON SUSPENSIONS AND CASES OF FINANCIAL MISCONDUCT: (Labour)

No suspensions for 2014/2015

14.3 INJURIES, SICKNESS AND SUSPENSIONS

Sick leave is taken by an employee if he/she becomes ill. The Collective Agreement gives 90 days sick leave for every employee in a cycle but it is managed in terms of the Basic Conditions and Employment Act and IOD's are happening but nothing serious or death.

A total of 5 injury on duty incidents were reported during the financial year under review but only 1 was finally processed and an operation was conducted on the employee. The municipality did not have any employee suspended and were recorded a total of 1885 days taken as sick leave on full pay and zero sick leave unpaid.

14.4 CAPACITATING THE MUNICIPAL WORKFORCE (SDF)

Musina Local Municipality has Internal and External Study donations available every year for which employees can apply. Preference is given to Municipal related courses.

14.4.1 Budget:

14.4.2. External Study Donations:

Budget: (Internal Funding) ***Actual R152 674.75***

Private Funding: **00**

14.4.3 Internal Staff Training:

Budget: **R 730 945.00** Actual: ***R 656 991.00***

Total Expenditure: R 656 991.00

LGSETA Reimbursement: ***R 130 265.62***

2014/2015

14.5 INTERNAL STAFF

Name of Program	***Service Provider***	***Beneficiaries***	***Number of Beneficiaries***	***Gender***	
				Male	***Female***
Advanced Training & Data Capture	TSC	Officials	2		2
Advanced Diploma in Accounting	Unisa	Official	1	1	
BA Accounting	Unisa	Official	1		1
Public Sector Management	Unisa	Official	1		1
Law Enforcement	Molao Academy	Officials	11	5	6
Introduction to SAMTRAC	NOSA	Official	1		1
Introduction to GIS	Computer Foundation	Officials	2	1	1

MPAC	University of Pretoria	Councillor	1		1
MPAC	University of Pretoria	Official	1	1	
Financial Statements	PwC	Officials	2	1	1
SPLUMA	UCT	Officials	2	1	1
Monitoring & Evaluation	University of Pretoria	Official	1		1
LLF Training	SALGA/CCMA	Officials	15	9	6
LLF Training	SALGA/CCMA	Councillors	3	3	
Health & Safety	EMCARE PTY	Officials	25	17	8
Total			**69**	**39**	**30**

14.6 External Bursary

Name of Program	***Service Provider***	***Beneficiaries***	***Number of Beneficiaries***	***Gender***	
				Male	***Female***
BA International Relations	Univen	Leanership	1	1	
Bcom Accounting	University of Limpopo	Learnership	1	1	
LLB	University of Limpopo	Learnership	1	1	
Media Studies	Univen	Learnership	1		1
Public Sector Management	Jeppe College	Learnership	2	2	
TOTAL			**6**	**5**	**1**

15. FINANCIAL PERFORMANCE.

The approved municipal budget provided for a projected total income of R209 234 561 whilst the projected total expenditure was R224 174 861 projecting a budget shortfall of R149 403 00, actual budget performance shows a total actual income of R 167 080 387 and actual total expenditure of R 215 421 893 thus a annual actual shortfall of R483 415 06.

By year end our creditors stood at R 290 449 902, whilst assets stood at R619 213 818 our statement of financial position depicts a net profit/surplus of R328 763 916. The asset book has grown to R275 279 023.

For full details of the financial performance refer to **Annexure B** Audited Financial Statements.

16. AUDIT PERFORMANCE.

The 2014/15 external audit commence on 24 August 2015 and ended on 18 November 2015 a total of 19 findings were made with an unqualified audit outcome. The finding relates to compliance with legislation, good governance and financial management, for a detailed auditor general report refer to **Annexure C** The Audit Report and **Annexure D** The Audit Committee Report.

Post audit an action plan to resolve 2014/15 finding has been developed with a view to address all matters prior to the next audit for a detailed audit action plan refer to **Annexure E** Audit Action Plan.

16.1 ACTION PLAN

NO	**AUDIT FINDINGS**	**REMEDIAL ACTIONS**
1. Annual financial statements, performance and annual reports and strategic planning and performance management	a) The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122 of the MFMA. Refer to paragraph 2.1 of section 2 of the executive summary for material misstatements of current assets, liabilities, expenditure and disclosure items identified by the auditors in the submitted financial statement were subsequently corrected, resulting in the financial statements receiving an unqualified audit opinion.	Adequate review of the annual financial statements will be implemented for the financial year ended 2016

2. Internal audit	1. The internal audit unit did not function as required by section 165(2) of the Municipal Finance Management Act, in that it did not advise the accounting officer and report to the audit committee on matters relating to accounting procedures and practices, risk and risk management and loss control. 2. The internal audit unit did not advise the accounting officer and report to the audit committee on matters relating to compliance with the Division of Revenue Act and other applicable legislation, as required by section 165(2)(b)(vii) of the Municipal Finance Management Act.	The internal audit unit will ensure that the audit plan for 2015/16 is amended with the requirements of the MFMA 165(2) and approved by audit committee and the reporting are specific to those requirements
3.Expenditure management	a) Suppliers not paid within 30 days Monies owing by the municipality was not always within 30 days or an agreed period, as required by section 99(2)(b) of the MFMA.	Management will ensure all creditors are paid within 30 days.
	Unauthorised, irregular and fruitless and wasteful expenditure incurred	

4.Consequence management	by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(a)(ii) of the MFMA. Prior years' expenditure as per note 40 to the financial statements amounting to R32 million, R64.2 million and R7.4 million relating to unauthorised, irregular and fruitless and wasteful expenditure respectively was not condoned.	Management will ensure that all items of unauthorised, irregular and fruitless and wasteful expenditure is investigation to determine if any person is responsible.
5.Excessive overtime	Employee worked more than 10 hours in a week, or more than 40 hours in a month.	Management will ensure that all overtime worked is in line with policy. Employees who are on standby services will however be required to be readily available in the event of emergencies
6.IT Governance	Inadequate specifications on the job description of the information communication technology manager. Inadequate job descriptions may result in the IT strategy not being adequately implemented thus compromising the achievement of the department's objectives. License agreement for PAYDAY software was inadequate. The Payday software has been used for well over 10 years. The contract was originally viewed as a licence agreement only.	The municipal manager will ensure that the job description include these roles as a minimum so that performance management and accountability can be enforced The corrections will be submitted through the correct channels for council approval.

7.IT security management	Inadequate design of the user access management procedure. If these processes are not defined the likelihood of not implementing is high where If the activities of administrators, user profiles and access and activity logs are not monitored and reviewed by an independent person at the municipality, could lead to a lack of accountability and the integrity of the systems being compromised. User access management processes were inadequate PROMIS, this could be attributable to the lack of defined and implemented process to review users and system administrator access. A high number of privileged users could result to misuse of accounts and could give rise to fraudulent or inappropriate transactions and activities.	A separate policy should be documented for the financial application system • The number of users with administrator privileges will be kept at a minimum •The system administrator will perform a review of the users vs their function to see if they really need to have the supervisor rights. • The process and frequency to review user access rights will be defined, the process to review system administrator activities in terms of user access administration duties willalso be defined in the user access management procedure.
8. User account management	Inadequate design of the user access management procedure. If these processes are not defined the likelihood of not implementing is high where If the activities of administrators, user profiles and access and activity logs are not monitored and reviewed by an independent person at the municipality, could lead to a lack of accountability and the integrity of	A separate policy should be documented for the financial application system • The number of users with administrator privileges will be kept at a minimum •The system administrator will perform a review of the users vs their function to see if they really need to have the supervisor rights. • The process and frequency to

	the systems being compromised. User access management processes were inadequate PROMIS, this could be attributable to the lack of defined and implemented process to review users and system administrator access. A high number of privileged users could result to misuse of accounts and could give rise to fraudulent or inappropriate transactions and activities.	review user access rights will be defined, the process to review system administrator activities in terms of user access administration duties willalso be defined in the user access management procedure.
9.IT service continuity	The documented disaster recovery plan was outdated as it was last approved in 2010, If the IT DRP is not periodically updated and tested and team members are not trained, it would be difficult to ensure its applicability to the current IT, business and operational environment of the municipality. As a result the municipality might not be able to resume business operations in the event of a disaster.	The DRP will be aligned to the BCP when the document is available. BCP will be created and approved before the DRP is accepted. This will be brought to the MM's attention.
10.Electronic funds transfer	A formalised policy/procedure for the EFT application of banking signatories was not yet documented. Lack of adequate EFT policies and procedures might result in fraudulent transfers being done due to errors or omissions.	The Cash Management and Investment policy will be updated and the following recommendations will be considered • EFT Security responsibilities (OS Level and Application Level) • Independent review of logs (Log on/off of all accounts on EFT)

		• Accounts management (creating or terminating operators or system mangers)
11.Audit committee not assessed by council	The council did not assess the effectiveness of the audit committee for the 2014-2015 financial year.	Management will ensure that council assess the effective of the audit committee after year end in September 2016
12.Budget compliance	1. Steps taken to prevent or rectify shortfalls or overspending not included in quarterly reports 2.Explanations of material variances from revenue and expenditure, and the remedial actions, as required by paragraphs i and ii of MFMA section 70(1) are not included in the Sec 71 reports.	Management will improve its cashflow problems and ensure that funds collected on behalf of vhembe district municipality and the department of transport are transfered as required.
13.Non-compliance with section 64(4)(a) of the MFMA	Funds collected on behalf of Vhembe District Municipality for water transactions and Department of transport for licenses and permits are not transferred on a weekly basis.	Management will improve its cashflow problems and ensure that funds collected on behalf of vhembe district municipality and the department of transport are transfered as required.
14. Reports on Unauthorised , Irregular and Fruitless and	The municipality does not have an approved policy in place for the planning, management and reporting of roads infrastructure.	Management will ensure that reports include all the requirements of the act.

Wasteful Expenditure Incomplete	The municipality does not have an approved RMP/priority list in place for the renewal and routine maintenance of roads infrastructure. The reports submitted to the Auditor General , dated 17 July 2015 to report Unauthorised , Irregular and Fruitless and Wasteful Expenditure, did not include details of whether any person is responsible or under investigation as required by part ii, as well as the steps that were taken to recover , rectify or prevent recurrence of such expenditure.	
15.Road infrastucture	The municipality does not have an approved policy in place for the planning, management and reporting of roads infrastructure. The municipality does not have an approved RMP/priority list in place for the renewal and routine maintenance of roads infrastructure.	Management will ensure that Road infrastructure policy is developed and approved.
16. Use of consultants	The decision to appoint consultants was not supported by needs assessment The Municipality does not have a policy / strategy that defines the main purpose/objective for appointing consultants.	Management will prepare a policy and addendum to the contract to include transfer of skills as a clause.

	The contract with the consultant does not have a clause for transfer of skills which outlines an objective for transfer of skills, including the nature, scope and goals of the training programme MSA section 40 requires the municipality to establish mechanisms to monitor and review its performance management system. Regulation 13(3)(b) of GNR 796 requires that performance measurements must include the measurement of the extent to which the municipality's activities or processes produced outputs in accordance with output indicators Standard operating procedures and technical descriptions were not in place	
17. No standard operating procedures	MSA section 40 requires the municipality to establish mechanisms to monitor and review its performance management system. Regulation 13(3)(b) of GNR 796 requires that performance measurements must include the measurement of the extent to which the municipality's activities or processes produced outputs in accordance with output indicators Standard operating procedures and technical descriptions were not in place	Going forward management will ensure adherence to prescribed timelines for submission of the approved IDP to the MEC. Proper monitoring of the performance management processes will be exercised.

	The IDP was not submitted within 10 days of the approval of the IDP.	
18. The 2014/AOPO 2015 IDP not submitted to MEC for local government within 10 working days.	The IDP was not submitted within 10 days of the approval of the IDP.	Going forward management will ensure adherence to prescribed timelines for submission of the approved IDP to the MEC.
19. Initial SDBIP not made public within 10 days of approval	The approved initial SDBIP was approved on 18 June 2014 and made public on 31 July 2014. This is more than the 10 days.	Going forward the SDBIP will be made public within 10 days of approval by the mayor.

17. APPENDDICES

1. ANNEXURE (A) Annual Performance Report for 2014/2015.

2. ANNEXURE (B) Audited Financial Statements for 2014/2015.

2. ANNEXURE (C) Auditor General Audit Report for 2014/2015.

3. ANNEXURE (D) Audit Committee Report for 2014/2015.

4. ANNEXURE (E) Audit Action Plan for 2014/2015.

18. CONCLUSION

The year that ended on 30 June 2015 has given us an indication of what our focus ought to be on going forward, the experience and learnings we take from events of 2014/15 makes us better prepared for years to come.

We note from the learnings shared in the year that some of the key challenges we are called upon to aggressively work on includes availability of residential and business sites, creating a conducive environment for small businesses development, maintenance and development of road and storm water infrastructure, development of and access to public amenities including sports, arts and parks as well as rejuvenating the central business district (CBD).

The municipality has made strides in preparation for MSCOA implementation to ensure proper financial and accounting management, during 2015/16 a preliminary trial rollout will be implemented.

Planning for the 2015/16 financial year has been concluded during the year under review to ensure a seamless transition into the New Year this includes the IDP, Budget and SDBIP, I wish to thank all stakeholders and functionaries that made this forward planning exercise possible.

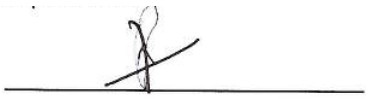
The municipality is heavily reliant on own revenue to provide and extent services hence I call on residents to pay for municipal services in order to enable continuity of services, those members of our community who qualify for free basic services as per our indigent policy are urged to register on the indigent register to benefit from such government support programmes.

The year under review saw the implementation and completion of the following capital projects Madimbo extension of Thusong Centre, Domboni Satellite Office, Nancefield extension 6 sports Centre phase 2 and Nancefield extension 1 renovation of community Hall.

It's important to highlight that the following projects that were planned for implementation during the financial year have been rolled over at their various stages for completion during 2015/16 financial year, Traffic Department client office Centre Phase 1, Nancefield construction of Gymnasium, Nancefield extension 8 construction of concrete paved road and Nancefield community high masts.

The building blocks for a vibrant, viable, accountable and service orientated institution are in place all we need do is to push forward with improving how we maintain the pace of improving our controls, systems, infrastructure, organizational culture, community involvement and partnership in realizing our vision.

Yours Sincerely,



Cllr ME Ramoyada

MAYOR