!Kheis Munisipaliteit Municipality

DRAFT ANNUAL REPORT

2016/2017

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1. PREAMBLE

The annual report is an account of the Municipality's achievements in the year under review and, as with any rigorous reporting instrument, it can enhance the function of the municipality, it therefore does not hesitate to point out the Municipality's shortcomings and needs.

The purpose of an annual report is to:

1. Provide a record of activities within the municipality during the financial year under review.
2. Report on its performance against the suggested budget for that financial year.
3. Promote accountability to its communities for decisions made throughout the year

This report include the following appendixes;

- **Appendix A:** **Councilors: Committee Allocation and Council Attendance**
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1. CHAPTER 1: MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

2.1 Mayor's Foreword

Mayor: Cllr. A.L. Diergaardt

The Annual Report of !Kheis Municipality reflects our service delivery and developmental achievements and challenges, and is presented in recognition of our obligation to be an accountable and transparent organisation. Such a report is required from South African municipalities in terms of various pieces of legislation, referring to Section 46(1)(a) of the Local Government: Municipal Systems Act No. 32 of 2000 and Sections 121 and 127(2) of the Local Government: Municipal Finance Management Act No. 56 of 2003.

The year under review marked a period of growth and stability both at an administrative and political level. Since the African National Congress took office, a number of outstanding issues were resolved and we embarked on a lot of new projects to enhance the livelihood of our people. Sustainable basic service delivery on a daily basis is not negotiable and as such !Kheis Municipality did not have any service delivery protests for the year under review.

The following progress is quite remarkable Achievements:

Performance highlights over the review period include the following:

(a) Provision of potable water to 90% of households, and a metered water network in Duineveld.
(b) Provision of sanitation to all households both in the formal and informal settlements.
(c) Implementing renewable energy projects referring to the Home Solar Systems for households in Duineveld and the two (2) new Extentions in Sternham.
(d) Introduction of a co-operative development and support programme in order to stimulate job creation.
(e) Creation of 29 full-time equivalent jobs and more than 150 work opportunities through the Expanded Public Works Programme (EPWP).
(f) Review the SDF, develop an LED Strategy and implementation of a number of policies to streamline the administration for !Kheis LM in conjunction with DRDLR and the University of Pretoria.
(g) Approve a new DLTC with external investors to the margin of R150M.

I would like to express my sincere gratitude to all Councillors, the Acting Municipal Manager, his officials, and the residents of !Kheis Local Municipal area for their dedication, support and co-operation, which enabled the institution to excel, notwithstanding all challenges.

Cllr. A.L. Diergaardt
Mayor

2.2 Municipal Manager Foreword

Mr. J. Willemse (Acting Municipal Manager)

!Kheis Municipality's Annual Report for the 2016/2017 financial year gives one an in-depth picture of the work that was undertaken in the past year under review. This report is published in terms of the Local Government: Municipal Finance Management Act (No: 56 of 2003), this act places high standards and requirements when it comes to accounting on the use of public funds.

The municipality's financial position and performance are pleasing and our central theme has been to live the motto 'Service delivery begins with me", and the vision to give our people the dignity they deserve.

We further base this report on Outcome 9: through this approach we want to ensure an Responsive, Accountable, Effective and Efficient Developmental Local Government System

The aim is to lure investors, strengthen the institution and streamline its operations to enable us to expand and expedite service delivery to the residents of !Kheis Municipality, *inter alia* the following interventions/actions will be prioritised:

a. Steadying the administration by providing relevant training opportunities to its officials.
b. Sourcing national and international funding to amplify key service delivery projects and replace aging and poor infrastructure.
c. Building the vision and mission of the municipality and our motto to provide a strategic thrust for the Municipality's long term development planning.
d. Intensify our own key controls and stick to compliance deadlines to set the tone to improve the audit opinion by the Auditor-General towards obtaining a clean audit.
e. Adherence to Supply Chain Management Policy by keeping officials responsible, structure systems and processes to reduce wasteful, irregular and unauthorised expenditure.
f. Vigorously instilling a culture of work ethics within the institution.
g. Promoting financial discipline and management.
h. Financing and rollout of the New Age IDP with renewable innovations as key implementing factors.
i. Explore our role and benefit in participating in the development of green technology.
j. Vigorously market the municipality as part of the special economic zone.

We have taken the opportunity in this Annual Report to reflect on what we have achieved and what remains to be done. One thing is clear – as we move into the next financial year, opportunities will be endless.!Kheis Municipality is committed to the Batho-Pele Principles, and is therefore orientated to improve service delivery, with the community as target. The Office of the Municipal Manager would like to extend its sincere gratitude to the Mayor and Council for the unwavering support. To all directors, line managers and officials, your hard work are bearing fruit, without you all efforts would be aimless, the year under review are showing a dedicated team in harmony.

Mr. J. Willemse
Acting Municipal Manager

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2.3 Municipal Overview

Vision

"The development of an institution, focussing on transparent, loyal and effective service delivery to the residence of the !Kheis Municipal Area."

Mission

'To promote economic development to the advantage of the communities within the boundaries of !Kheis Municipality. This will be done by the establishment and maintenance of an effective administration and a safe environment in order to lure tourists and investors to the area'.

Development Objectives and shaping our Vision

!Kheis Municipality is now in the strategy and implementation phase which focuses on the future through the setting of objectives and how to get there by making use of developmental strategies.

Therefore, the outputs of this phase, is the development of a vision for the municipality which we believe had been successfully achieved, where objectives and strategies have been linked to each of the previously mentioned matters.

In order for us to develop the outputs during this phase, issues as identified and analysed during the previous phase had now being looked upon more thoroughly. Objectives and strategies are amended in order to comply with the **"SMART"** tool, **S**pecific, **M**easurable, **A**chievable, **R**ealistic, **T**imeous, and to reflect the entire municipal area.

Core values of the municipality

The Municipality is committed to deliver services within the framework of *Batho Pele* principles, as outlined below:

- ***Courtesy and 'People First'***
  Residents should be treated with courtesy and consideration at all times.
- ***Consultation***
  Residents should be consulted about service and must receive quality, when possible.
- ***Service excellence***
  Residents must be made aware of what to expect in terms of the level and quality of services provided.
- ***Access***
  Residents should have equal access to the services to which they are entitled to.
- ***Information***
  Residents must receive full and accurate information about their services.
- ***Openness and transparency***
  Residents should be informed about government departments, operations, budgets and management structures.
- ***Redress***
  Residents are entitled to an apology, explanation and remedial action if the promised standard of service is not delivered.
- ***Value for money***
  Public services should be provided economically and efficiently.

Strategic Objectives

The key strategic objectives of the municipality are:

A. To introduce a new approach to service delivery which puts people at the centre of planning and service delivery.
B. To improve the face of service delivery by fostering new attitudes such as increased commitment, personal sacrifice and dedication.
C. To improve the image of the Public Service.
D. To promote Universal Access in the provision of basic service delivery.
E. Attracting economic and investment opportunities through the costed and approved IDP to the urban area, and to extend it to other areas of the municipality to ensure economic sustainability.
F. To balance out the uneven distribution of social facilities.
G. To raise awareness on the HIV-AIDS pandemic and its impact on the demographics.
H. Explore the field of green technology and innovation by driving the process of being part of the Special Economic Zone to ensure that the financial hub benefit all residents.

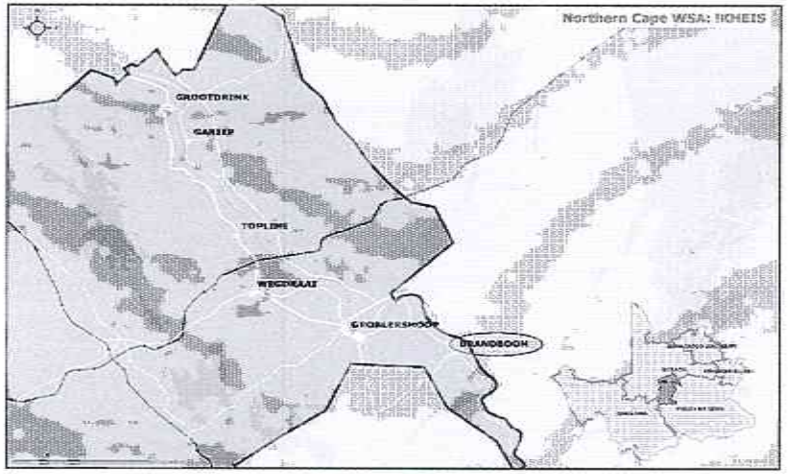
Background

!Kheis Municipal Area was initially inhabited by the Khoi-San people, whom had been the first inhabitants of South Africa. The San, who lived a nomadic life, migrated through the area. The Korannas (Khoi group) arrived in the area during the 18th century. They were widely spread over the "Benede Oranje" area and consisted of various tribes, each with its own captain (leader). The groups who lived in the !Kheis area, was under leadership of Captain Willem Bostânder and Klaas Springbok. Many of their descendants still live in the area today. Other Khoi-groups, such as the Griekwas, also migrated through the area and intermarried with the Korannas. Later, Coloured stock farmers, as well as white hunters and farmers arrived.

The Koronnas tenaciously protected their territory against English invaders, when the English wanted to shift the Colonial Northern Border up to the Orange River. After several Northern Border wars, the Korannas power was broken and several Koranna leaders to name a few were: Dawid Diederiks, Jan Kivedo (Cupido), Karel Ruyter (Ruiters), Piet Rooi, Klaas Lukas, Jan Malgas, Thomas Pofadder, were caught between 1870 and 1879 by the English and held captive as political prisoners on Robben Island. (FACT- The very first people send to Robben Island as political prisoners, were Khoi people). In 1883, Piet Rooi died as a prisoner on Robben Island.

The actions of the English against the Korannas left them without leaders, which largely led to the fall of the Koranna people. The Municipality was given the name !Kheis (A Place to Live) and is indeed an acknowledgment to the native people who first migrated to this area.

GEOGRAPHICAL AREA



!Kheis covers an area of approximately 7 225 squares kilometers. All the towns in the !Kheis Municipal area are situated next to the N10.

The area is drained by several ground levels and non-perennial rivers. These are mainly dry streams which are transformed into strong streams during very wet years. From there the water flows to the Orange River. Few hills/mountains also appear, like Asbestos Mountains. The area is part of the Nama-Karoo Biome.

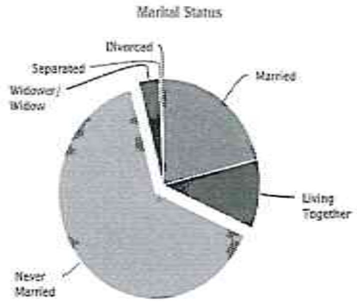
The natural vegetation is characterized by Karoo plants, which adapted well to the environment, e.g. "Kokerboom", "Witgat" and "Camel thorn" tree. Furthermore berg-field appears in the Asbestos Mountains with sand-field in between, especially where the Camel thorn and "Swarthaak" is the dominant tree species.

Demographic Profile

Population

!Kheis Municipality had a total population of approximately 16 637 according to the community survey by census of 2011. !Kheis Local Municipality is divided into 4 wards, as well as surrounding farms.

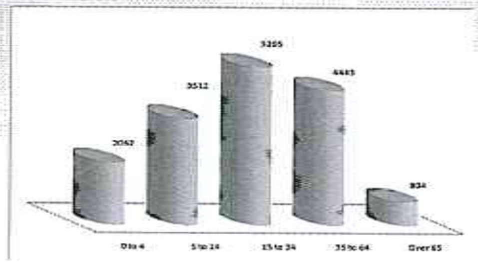
Marital Distribution



Gender Distribution

Females generally represent just over 49, 46% (8229) of the population in most of the indicated areas. The figure illustrates that 49% of the 4146 households in !Kheis area are female headed. Gender distribution is also a determining factor in assisting the various spheres of government to focus on investment especially to vulnerable groups like women. The gender figure also assists the government to provide appropriate facilities and social investments in line with gender demographics.

A total number of 15 461 or 94, 48% of the inhabitants of the !Kheis area are predominantly Afrikaans speaking.

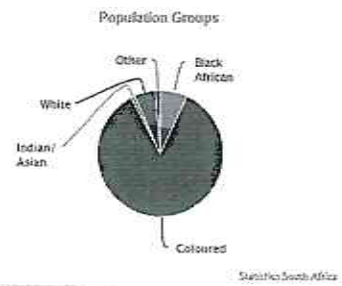


Age Groups

Age groups are important, as it determines planning of services which needs to receive priority in each town. For instance, the need for medical and social services would be higher in a town where the percentage of senior citizens is higher than the rest of the population. !Kheis is predominantly populated by youth under the age of 35. Of the 16 637 inhabitants, 35% are still financially dependent, that is between the ages 1 and 14 years. 65% are potentially economically active, that is between the age of 15 and 65 years. The huge number of this age group calls for a need for creation of employment opportunities to cater for their needs.

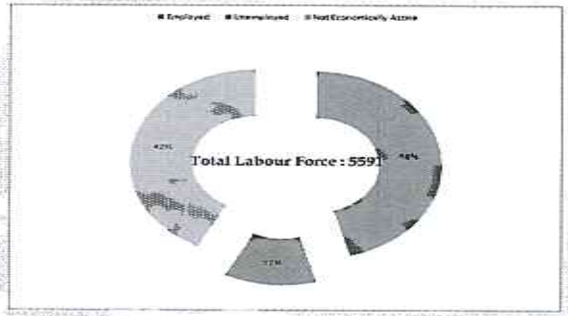
Racial Distribution

According to the 2011 community survey censes, the population in the !Kheis area consists of 1144 Black African, 14 200 Coloured, 901 White and 167 Indian.



Employment Status

The economically active population (people aged 18 and above that are able and willing to work) is estimated at 46%, which results in an unemployment rate of 65% very concerning indeed.



Labour Force

A total of 5 591 people are estimated to be engage in formal sector. According to the above graphic, 65% of the total labour force is unemployed. This directly impacts payments of Municipal services.

Industry

Agriculture is the main economic sector. The commercial farmers' concentration is on vineyards, while the emerging farmers concentrate on sheep and goat farming. Provincial Government and Landbank are involved to capacitate these farmers in sustainable farming and bookkeeping practices.

Agriculture is marketed local, national and internationally. Grapes, cotton, corn, wheat, tomatoes, peanuts, musk melons and pumpkins are cultivated under irrigation from the Orange River.

An abattoir is available at Groblershoop, where all livestock from the area, as well as other areas, are slaughtered. ±180 permanent jobs are created through the abattoir. The abattoir was recently taken over by GWK who immediately expand to create a cattle slaughtering lane. This will also create more jobs.

The main focus in the area is placed on the cultivation of table grapes. There are also two wine cellars, one in Grootdrink and the other in Groblershoop. High quality table wine and grape juice is produced at these wine cellars. The products of these wine cellars do received several national and international awards. Several permanent jobs are created through these wine cellars.

Lucerne mills at Boegoeberg and Groblershoop also provide work to local people. The expansion of these mills is anticipated to create even more jobs with the expansion on GWK into existing markets and the construction of silos.

Tourism Sector

This sector has great potential and more focus should be placed on it. !Kheis Municipality do encourage and support every initiative to stimulate the sector. Currently the Boegoeberg Dam and Game resorts are of the most popular attractions in the area, but with our SDF in place we believe that the area will blossom to its full potential as development continue and other markets open in the area.

Boegoeberg Dam

The Dam is situated on the border of !Kheis and Siyathemba LM and is especially popular for fishing, camping and water sport enthusiasts. A variety of birds and animals also occur.

Cultural tourism

!Kheis Municipal Area witnesses several native groups, stretching out across the area. Various race groups migrated across the country and settled within the area, over time in the past. These groups have their own culture and traditions. The opportunity to utilise these cultural treasures in order to draw tourists to the area does exist and can be utilize effectively.

Accommodation

With the area as part of the solar corridor, accommodation and overnight facilities that exists in the area does prove to be insufficient. This sector is one area where previously disadvantaged individuals should get involved in, not only as labourers, but as owners.

Game Farms/Resorts

Numerous game farms and resorts in the !Kheis Municpal Area is visited by overseas and local tourist, which creates income for the Northern Cape and !Kheis Municipality.

Attractions

- Boegoeberg Dam
- Eselkloupan
- Wine Cellar tours
- Water Turbine at Wine estate farm
- Bushmen drawings
- Witsand
- Mine dump – estate
- Sun farms
- Renewable technologies and innovations
- Game Farms/Resorts

Financial Services

Banking services are available in Groblershoop.

First National Bank	- Branch
Absa Bank	- Satellite
Standard Bank	- Satellite
Post Bank	- Branch

Airports

The nearest airport is in Upington, 120km from Groblershoop. We however do host a private landing strip in the area.

Information offices

!Kheis Municipal Area is serviced by the tourism office at Upington. It is, however, part of !Kheis's tourism strategy to establish its own Tourism Office at Groblershoop. Currently we have a private owned information and curio centre called Kalbas on the N10

Socio Analysis

Health

!Kheis Municipality has health facilities available in:

- Groblershoop
- Wegdraai
- Topline
- Grootdrink
- Boegoeberg
- Gariep (Mobile)
- Opwag (Mobile)

Each clinic has access to professional and auxiliary nurses, but there is no doctor for the entire municipal area. Standby services are available when the facilities is closed. The nearest hospital is 120km from Groblershoop. Emergency services are available after hours or over weekends. Only two ambulances are available for emergencies in the whole area. The ambulance drivers work every day. Sometimes, while the ambulance is on its way to Upington, death occur, since no service is available. Patients have to wait very long for the ambulance due to very long distance to the nearest hospital and or the availability of emergency staff.

The clinic at Groblershoop is 7km from the Community it must serve. Sick and poor people struggle to get to the clinic for basic health services. The shortage in staff makes a 24 hour service impossible.

All clinics spaces are problematic in servicing patients with dignity and are in dire need for upgrade. The absence of a medical doctor is a huge concern and a state doctor visit happens on an ad-hoc base, once a month, and only for two hours. The matter is referred to a higher level.

Social Services

Social Services have a full-fledged office running in the area and services are also provided by an NGO, Child and Family Care. Two Social Workers are currently not sufficient for the large area which needs to be serviced.

General social problems include:

- Statutory work with Juvenile offenders
- Marriage problems
- Counselling of molested children
- Parental guidance groups for foster parents
- Family violence – Vulnerable Groups (women, children and old age) abuse
- Removal of children
- Therapy, e.g. Spelling therapy
- Counselling for raped woman

The Communities are far from each other and without proper transport and a vehicle; proper social services can thus not be rendered.

Sport and Recreation

Limited sport recreation programmes exist in the !Kheis Municipal area. We have currently three sport stadia, the Samuel Gouws Sport Stadium in Groblershoop, one in Gariep and the sport ground in Topline needs to be upgraded. The facility in Boegoeberg is under development with the assistance of the local Primary School. Other towns and settlements have no facilities and needs to be developed.

Library Services

Library services within a community are crucial, because it nurtures young minds to help them to read and write. It is also a source of knowledge where the whole community benefits to acquire information on various subjects.
In Groblershoop we have renovated a brand new library within the town. This library provides access to people who want to use the internet. Our librarian gives support to pupils to complete their assignments. Funds for the library are received from the Department of Sports, Arts and Culture. However, the newly constructed library in Sternham is in working and is occupied by two indviduals and is controlled by DSAC.

<u>We have mobile libraries in the following towns:</u>

- Grootdrink, and
- Topline and

Wegdraai currently have no library services available.

Cemeteries

!Kheis Municipality has a lack of sufficient cemeteries to cater for the increasing mortality rate. Applications in terms of business plans were submitted to MIG for funding.

CAPTER 2: GOVERNANCE

Legislative Mandate of !Kheis Municipality: Our Core Mandates

The Municipality draws its mandate from policy and legislative pronouncements within the following:

- **Constitution Act, 108/96**
- **Municipal Systems Act, 32/2000**
- **Municipal Structures Act, 117/1998**
- **MFMA 56/2003**
- **Demarcation Act, 5/2000**
- **White Paper: LG 9 March 1998**
- **SPLUMA 16/2013**
- **Electoral Act 73/1998**

Component A: Government structure

1. Political Government Structure

Council

!Kheis municipality has 7 councilors which consist of 4 ward councilors and 3 PR councilors. The legislative and executive authority of the municipality resides in council which are headed by the Mayor and 6 councillors.

Mayor: *Cllr. A. Diergaardt (ANC)*

Ward Councillor
Cllr. A. Tobias (ANC)

Ward Councillor
Cllr. S Esau (ANC)

Ward Councillor
Cllr. J. Silo (ANC)

PR Ward Councillor
Cllr. G. Beukes (DA)

PR Ward Councillor
Cllr. E Cloete (Cope)

PR Ward Councillor
Cllr. K Esau (Cope)

Refer to **Appendix A** for a full list of Councillors (including committee allocations and attendance at council meetings) as well as resolutions taken and executed.

Refer to **Appendix B** where committees and committee functions are set out.

1. Administration Government Structure

Administration

The administrative component of the municipality is headed by the Municipal Manager as the accounting officer and head of Administration. Top management must assist the accounting officer in managing and co-ordinating the financial administration of the municipality.

To ensure sound administration, management are mainly responsible for the following:

- Providing good governance for its communities in terms of representation of the public's interests- including consideration of people's well-being and the interests of the municipality;
- Developing and evaluating policies and programmes for the municipality;
- Developing by-laws for the municipality;
- Ensuring that administrative policies, systems and procedures are in place to implement the decisions of the Council;
- Providing services, facilities, and other services that the municipality considers necessary or desirable for all members of its community;
- Ensuring accountability and transparency of the operations of the municipality, including the activities of senior management of the municipality;
- Fostering the current and future economic, social and environmental well-being of its communities.

Mr. J. Willemse is the Acting Municipal Manager, Mr. W. Weilbach is the Acting CFO, Dr. E.D De Klerk (PhD) is the Corporate Manager, Mr. D. Dolopi is the Technical Manager and Mr C.S. van Eck is the Community Services Manager. Administration consists of the following Departments:

- Office of the Municipal Manager
- Corporate Services,
- Financial Services,
- Technical Services
- Community Service

Departmental Construction

!Kheis Municipality is a "B" category municipality which are managed by the Municipal Manager, Chief Financial Officer, Corporate Manager, Technical Services Manager and Community Services Manager.

OFFICE OF THE MUNICIPAL MANAGER

Acting Municipal Manager

Mr. J. Willemse

Divisions

- Administration
- Integrated Development Plan
- Internal Audit
- Risk Management

The Municipal Manager is responsible for the overall management and administration of the municipality, and must for this purpose take all reasonable steps to ensure:

- that the resources of the entity are used effectively, efficiently, economically and transparently;
- that full and proper records of the financial affairs of the entity are kept;
- that the entity has and maintains effective, efficient and transparent systems -
- financial and risk management, internal control, and
- internal audit complying with and operating in accordance with any prescribed norms and standards;
- that irregular, fruitless and wasteful expenditure and other losses are prevented;
- that expenditure is in accordance with the operational policies of the entity; and
- that disciplinary or, when appropriate, criminal proceedings, are instituted against any official of the entity who has allegedly committed an act of financial misconduct or an offence in terms of Chapter 15 of the MFMA.

The Municipal Manager's key roles include strategic direction, overall management and accountability for risk. Other functions include the marketing of the municipality.

Objectives

- To have policies and strategies developed, which would serve as an agreement between the municipality and the targeted groups
- To provide strategic leadership to the Institution
- To act as a link between the political and the administrative arms of the municipality
- To create a conducive working environment for all the employees of the municipality
- To uphold the Batho-Pele principles
- To protect and safeguard municipal assets
- To ensure adherence for all policies of the municipality
- To ensure that all the statutes of government are respected and obeyed
- To ensure continuous interaction with the community
- To provide a platform for the 3 spheres to operate in.

8

FINANCE DEPARTMENT

Acting Chief Financial Officer

Mr. W. Weilbach

Divisions

- Income/Debtors
- Expenditure
- Budget and Treasury
- Assets
- Supply Chain

The Chief Financial Officer is responsible for the financial management of the Municipality. This department consists of, but is not limited to the following:

- Annual budgets and financial statements;
- Investments and cash flow management;
- Administration of general ledgers and funds;
- Asset Management, including insurance of assets;
- Administration of income and expenditure;
- Administration of all finance related policies;
- Payroll administration
- Payment and reconciliation of creditors

Objectives

- To ensure a fully capacitated organizational structure to address powers and functions, roles and responsibilities.
- Initiate priority skills acquisition in line with JIPSA
- To accommodate customer care functioning within office space requirements
- To ensure that !Kheis Municipality remains financially viable through:

- Ensuring that all properties are on the valuation roll and receiving Municipal services
- and are properly recorder on the billing database
- Tariffs are modeled on cost recovery
- Reduced outstanding debts
- Improving debt collection rate in line with National norms
- Reduced debt turnaround period in line with National norms
- Enhanced revenue base

- To enhance financial management practices within !Kheis to sustain the institution as a going concern
- Ensure 100% receipt of funds registered in the DoRA
- Address all matters associated with audit report
- Present Annual Financial Statements to Auditor – General in compliance with section 126 of MFMA
- Strengthen oversight function and performance of SDBIP
- Ensuring registration and update of indigents.
- Ensuring the update and implementation of the valuation roll.

CORPORATE SERVICE DEPARTMENT

Manager: Corporate Services

Dr. E.D. De Klerk (PhD)

Divisions

- Human Resources
- Legal & Policies
- Libraries & Archives
- Information Technology
- Performance Management

The Corporate Service Manager is responsible for the Administration and the Human Resources of the Municipality. The main aim of the Corporate Service Manager is to assist the Municipal Manager in the management and development of a highly skilled and motivated staff and in the development of dynamic organisational systems and structure. This office provides professional and integrated human resource services to the Council including training and development, employment policy, conditions of service, grading, and remuneration and employee performance management structure of the HR department.

This office also provides a cost effective management and organisational development service including the analysis and improvement of current operating systems. It also plays a leading role in assisting with planning and implementation of new structures as well as strategies in order to improve productivity and efficiency.

The main aim of this department is to provide a comprehensive management service and organisational change service to the Municipality.

This will be measured by:

- projects delivered according to agree upon terms of reference;
- measures, policies and procedures;
- customer service improvement

Objectives

- To provide support and administrative services
- To provide training and development for Councilors and employees;
- To develop Human Resources and Administrative Policies for the proper functioning of the Municipality
- To ensure recruitment and selection of appropriately qualified personnel
- To promote Socio-Economic development
- To promote a safe and healthy environment
- To encourage the involvement of community organizations in the matters of our municipality
- To ensure the provision of Service to our Communities in a sustainable manner
- Record keeping

TECHNICAL SERVICE DEPARTMENT

Manager: Technical Services

Mr. D. Dolopi

Divisions

- Water
- Sanitation
- Public Works
- Housing
- Refuse Removal [including Landfill sites]
- Cemeteries
- Roads and Storm Water
- Repairs and Maintenance

The Technical Manager is responsible to manage the technical department of the Municipality. The main aim of this department is to provide:

Solid waste collection and disposal services
- Sufficient accommodation and housing to all indigents

Potable and quality water
- Sufficient sanitation and sewerage systems to all residents
- Oversight on the EPWP and UHURU projects
- Manage all landfill sites
- Ensure safe and clean cemeteries
- Manage all internal roads and storm water drainages.

It is the responsibility of this office to ensure that all solid waste generated in the Municipality is stored, collected, transported and disposed of in an efficient, effective and environmentally-acceptable manner and in accordance with sound business principles.

The Technical Department ensures that business plans are timeously drawn up for the delivery of housing needs. The delivery of houses and the formulation of appropriate housing policy and strategy need to be strengthened.
They strive continuously to ensure the provision of clean drinkable water that is tested regularly. We achieved an acceptable score of 53.43% during the Blue Drop rating. We are still struggling to provide each and every household with a waterborne loo system.

This section provides the following services: but are not limited to the following:

- Maintenance of water networks
- Maintenance and cleaning of roads
- Upgrading of pavements
- Monitoring the quality of the water (Blue drop).
- Monitoring the quality of the sanitation (Green drop).

Objectives

- To ensure that all areas have access to water supply and infrastructure
- All areas are to be serviced with toilets and infrastructure
- Provision of housing services to reduce the housing backlog
- Cleaning and Maintaining of Public areas
- Improved storm water maintenance.
- Re gravelling of existing gravel roads.

COMMUNITY SERVICE DEPARTMENT

Manager: Community Services

Mr. C.S. van Eck

Divisions

- Local Economic Development
- IDP
- Spatial Development Framework
- Disaster Management
- Agency Services [Traffic]

The Community Service Manager is responsible for the administration and compliance with legislation to ensure that a prosperous and safe environment be created in terms of community participation, spatial and economic development. The aim of the Community Service Manager is to assist the Municipal Manager in the management of the IDP, LED, SDF, DM, Tourism and safe vehicle operators. This office provides professional and integrated services to the Council and community including various assistance where necessary and also do surveys to ensure customer satisfaction.

The main aim of this department is to provide a comprehensive and professional management service to the municipality and community.

This will be measured by:

- projects executed in terms of the IDP
- policies and procedures;
- SDBIP
- customer satisfaction
- LED projects

Objectives

- To provide support and administrative services
- To provide information and needs for development to Council;
- To ensure a safe and healthy environment to communities
- To ensure community satisfaction based on the Bhato Pele Principles
- To promote Socio-Economic development
- To promote a safe, healthy and conjusive working environment
- To encourage the involvement of community organizations in the matters of our municipality
- To ensure the provision of Service to our Communities in a sustainable manner
- Record keeping
- Make the municipality accessible to all
- Provide feedback to the community in terms of prescribed processes.

COMPONENT B: INTERGOVERNMENTAL RELATIONS

1. National Intergovernmental Structures

Intergovernmental relations are a set of multiple formal and informal processes, channels, structures and institutional agreements for bilateral and multi-lateral interaction between all three (3) spheres of government. It therefore implies that each sphere of government has its own set of functions and responsibilities, but must interact with the other spheres to ensure effective and efficient implementation of policies and programs.

The principles of Intergovernmental relations are:

- Effective Resource use
- Nation Building
- Transparency and Good Governance
- Equity and Redistribution
- Development
- Responsibility
- Loan financing
- Accountability
- Macro Economical Management

(Mayor and Municipal Manager to attend meetings and seminars on Provincial and National level.)

2. Provincial Intergovernmental Structure

A municipality has the power to operate autonomous; however there should be interrelated and interdependent processes between national, provincial and local spheres of government in order to ensure sound financial management and to ensure that sustainable services are delivered to communities.

We had the following projects with different National and Provincial departments:

- Capital Projects for the year under review
- Extended Public Work Program (EPWP)
- LOTTO
- DoE Funds
- Community Works Programme (CWP)

3. Relationships with Municipal Entities

Nama Khoi: Information sharing
Khara Hais: Information Sharing
Siyathemba: Bilateral talks
Tsantsabane: Bilateral talks
Sikunye: Assist with assets
ZFM DM: Disaster Management
Mier LM: Information Sharing

4. District Intergovernmental Structures

ZFM district municipality, as a category C municipality must assist category B municipalities within its district, to deliver services that the local municipality cannot deliver due to budget or capacity restrictions.

- IT Services (ZFM)
- Financial Assistance (ZFM)
- Project Management (Wegdraai, Grootdrink & Sternham)

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

1. Public Meetings
2. !Kheis Website
3. Local Paper
4. Council Meetings
5. Personal engagement.

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

COMPONENT D: CORPORATE GOVERNANCE

Risk Management

Risk assessment forms part of the daily operations with an incumbent solely responsible for this activity. The municipality also makes use of the service of SMEC to assist and ensure compliance with legislation. This office also **assists** with asset management.

Anti-Corruption and Fraud

This plan was developed and adopted by council. The following strategies are in place:

- The audit committee is in place and fully functional.
- Internal auditor do checks and balances on a daily basis.
- Daily, weekly and monthly balances
- Section 79 committees in operation
- Internal strategies to ensure compliance

Policies and By – laws

By Laws & Policies Introduced during 2016/17 FY

Newly Developed	Revised	Public Participation	Dates of Public Participation	By - Laws / Policy	Date of Publication
Firewall Management				Policy	
Disaster Recovery Plan				Plan	
IT Governance Framework				Framework	
Housing				Policy	
Risk Management				Strategy	
Internal Audit Charter				Strategy	
Audit Committee Charter				Policy	
Internal Control Policy				Policy	
Subsistence &Fraud Policy				Policy	
EPWP Policy	Yes			Policy	
Employment Policy	Yes			Policy	
Remuneration Policy	Yes			Policy	
Human Resource Development	Yes			Plan	
All financial Policies	Yes			Policy	
Risk Management & Internal Audit				Policy	
Risk Management Policy				Policy	
Credit Control & Debt Collection By-Law				By-Law	In process

Website Address: www.kheis.co.za

Municipal Website: Content of currency material for 2016 - 2017	
Documents published on Municipal Website	***<yes/no>***
Annual and Adjustment budget	*Yes*
Budget related policies	*Yes*
SBDIP	*Yes*
Previous year annual report	*Yes*
Section 71 reports	*Yes*
Quarterly Report	*Yes*
Tenders	*Yes*
IDP	*Yes*
Oversight Reports	*Yes*
Policies	*Yes*
Vacancies	*Yes*

PUBLIC SATISFACTION

The council meet the people twice per year to address and ensure customer satisfaction. A questionnaire was circulated to the communities to request council operation satisfaction.

CHAPTER 3: SERVICE DELIVERY PERFORMANCE

Key Performance Areas of the Municipality

This chapter identifies the critical elements within the five Key Performance Areas (KPAs). It should be recognised that it is a corporate function and its responsibility lies with the Corporate Centre and the Executive Management Team. It also attaches the proposed strategic objectives within each KPA with targets - including and linked to national and provincial objectives and targets. The section therefore articulates the 5-year focus of the IDP and priority emphasis in each one of the KPAs.

The following are the KPAs and a brief description thereof aimed, for the purposes of improved service delivery:

KPA 1: Basic and Sustainable Service Delivery
KPA 2: Municipal Institutional Development
KPA 3: Local Economic Development
KPA 4: Municipal Financial Viability and Management
KPA 5: Good Governance & Public Participation

Basic and Sustainable Delivery

- To provide 100% of households with basic electricity, and as part of the - roll out programme on solar power 20% by 2016 and 30% by 2017.
- To provide 100% of households with a metered water connection 75% by 2017.
- To provide 100% of households with basic sanitation by 2018.
- To provide 100% of households with a weekly solid waste removal service.
- Ensure that internal streets and access roads be upgraded.
- Reduce water losses with 60% by 2017
- To implement the 5-year Integrated Development Plan and to monitor and update it regularly.
- Upgrade all informal settlement areas in accordance with the Human Settlement and Redevelopment Programme.

Municipal Institutional Development and Transformation

- Ensure that Management at all levels are representative and in line with the Employment Equity Plan.
- Ensure that the Job Evaluation System is implemented by December 2017.
- Ensure the implementation of the Skills Development Plan by December 2017
- Enhanced service delivery with efficient institutional arrangements by December 2017.
- Ensure the development and implementation of an Integrated Information Management System by 2017.
- To ensure that the micro organisational restructuring is 100% complete by December 2017

Local Economic Development Program (LED)

- To ensure local economic growth of 20% by 2017
- To reduce the present rate of unemployment by 2017
- To ensure that the Municipality procure 60% of its procurement budget to BEE and SMME Enterprises by 2017
- To make use of opportunities of investment to secure job creation

Municipal Finance Viability and Management

- 100% unqualified audit opinions by 2018
- To improve revenue collection rate on billings to 90%
- To improve debt management – current debtors of more than 50% of own revenue
- To improve expenditure management
- Operational - 74% of total budget
- Capital – Spending in line with budget
- Budget on RME – 6% by 2017 and 8% by 2018.

Good Governance and Public Participation

- To ensure democratic and accountable governance by 2017 by ensuring a qualified Audit Report
- To implement structured public participation processes for the different levels of planning and development processes of the Municipality by June 2017
- To ensure that all wards have formally elected and functional ward committees.
- Implement the communication system to ensure effective and truthful information.
- Ensure customer satisfaction by applying the Bhato Pele Principles.

Free Basic Services Component

The municipality is expected to provide water, sanitation, electricity, refuse removal and other basic services to indigent households.

The characteristics of the basic services component are:

- Supporting only poor households earning less than R3 500 p/month.
- Distinguishing between poor households provided with services and those provided with lesser or no services
- Recognizing water reticulation, sanitation, refuse removal and electricity reticulation as the core services.
- Providing for environmental health care services to all households, not only poor ones.

On 30 June 2016, !Kheis had 965 registered indigent households. The municipality provides the following free basic services to these indigents:

Water	: The first 6kl (R3.88) of water is free Basic Levy R27.16
Sewerage	: R82.75 rebate per month on sewerage fees
Refuse Removal	: R113.78 rebate per month on refuse removal
Electricity	: 50 kWh of electricity is free

Basic Service Delivery Performance Highlights

!Kheis Municipality is progressively working to improve the level and delivery of infrastructural services and provide relevant and cost-effective services to residents and businesses. Citizens value the services the Municipality provides and they want to continue seeing these services delivered in a responsible and efficient manner.

!Kheis Municipality is a grant dependent municipality and most of its capital projects are funded through the Municipal Infrastructure Grant (MIG) which the Department of Cooperative Government and Traditional Affairs (COGTA), the Department Local Government and Traditional Affairs (DLGTA) whilst, National Treasury and Provincial Treasury have micro control. The Operation and maintenance is funded through the equitable share from the Division of Revenue (DoRA) and through own funding.

The following Capital project unfolded in the 2014/15 financial year:

- ✓ Construction of Oxidation Ponds in Grootdrink (100%)
- ✓ Development of Sport facilities for Gariep (100%)
- ✓ UDS toilets: Kheis (80%)

The following EPWP project unfolded in the 2015/16 financial year:

- ✓ Paving of internal streets: Sternham (75%)
- ✓ Paving of internal streets: Brandboom (100%)

Water Services

Water is a very precious and scarce resource and South-Africa is a very warm and dry country and we are not sure whether we will have enough water to provide for future needs. The efficient and sustainable use of water is therefore important for the municipality to reach its social, economic and environmental objectives. All communities are economical disadvantaged areas with high rates of unemployment. The objective of water service projects is to supply clean potable water to all our communities and to create a number of permanent and temporary employment opportunities.

The Municipality together with the Department of Water and Sanitation have embarked on the implementation of a Water Conservation Water Demand Management Programme to enhance the revenue collection through a programme of installing smart water meters to prevent water leaks. The public awareness programme was launched for this water management system. The project will reduce water leaks by approximately 60%.

The Municipality is currently in the process of upgrading all the bulk water infrastructure. The upgrading of bulk water infrastructure in Wegdraai and Grootdrink are in process. The bulk water infrastructure in Gariep was identified as the next project for which funding is sought and for which business plans have already been submitted.

Sanitation Services

Waste management is one of !Kheis Municipality's core functions and it focus on sanitation, refuse removal and the management of landfill sites to boost the level of environmental health and safety. Refuse removal services are successfully delivered to the community of !Kheis. A sewerage network needs to be established for the !Kheis Municipal area. The municipality has managed to register most of the landfill sites. These sites will receive urgent attention during the 2017/2018 year, in regard of recycling and construction of a main site with transfer stations. Full waterborne project business plans were submitted and approved by MIG and will eradicate the septic tanks in Groblershoop and Grootdrink. This project will be the first of its kind since Brandboom is the only town within !Kheis Municipal area to have a full waterborne system.

Road Maintenance

It is the responsibility of !Kheis Municipality to construct and maintain all access and internal roads within the !Kheis Municipal jurisdiction. Road maintenance includes re-gravelling, storm water drainage, bridges, pothole patching, paving, road signs, road marking and foot paths. The main role player is the Technical Services Department.

The budget available is limited or non-existing or reserved to maintain roads that have been constructed or rehabilitated using MIG funding. There is a lack of resources needed to perform the road maintenance function effectively.

Housing and Town Planning

500 plots were demarcated for informal settlements in the !Kheis Municipal area (Deboville) through funding from COGHSTA.
However the migration of farm dwellers to the urban areas is huge, therefore more plots need to be developed.

!Kheis Municipality is in a process of building 50 low cost houses in Grootdrink area and 50 in Topline and 50 in Wegdraai. This project is funded by COGHSTA. !Kheis Municipality are in a process of building 50 low cost houses in Grootdrink area as well as 50 in Wegdraai. This projects are funded by COGHSTA.

Local Economic Development

!Kheis Municipality is in the process of economic development. The local economic development strategy, terms of reference and plan were approved by council. The municipality is currently busy with aggressive methods of marketing and a number of investors are interested.

It must be noted that local small businesses are benefiting from the municipality's procurement processes. The process of buying local, enhances opportunities for SMME and BBBEE. What is very important, is that all our projects are planned with our communities with the aim of promoting community ownership and participation.

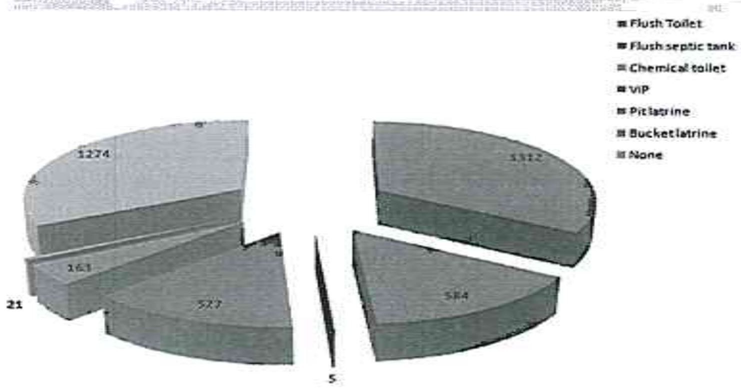
Poverty Alleviation

About 70% of the households within !Kheis Municipality had been registered as indigent. These households earn below the minimum income level of R 3 500 per month. Poverty alleviation is therefore an important part of the activities of the municipality. Alleviation programmes are:

- Vegetable Gardens
- Disaster Relief Programs
- Soup Kitchens
- Old Age Centre
- Emerging farmers
- Personal technical training as welders and craftsmanship. (The Palms)
- Job Creation
- Sewing projects.
- Road paving project.

Backlogs

- Implementation of a well-organized and effective systems, policies and plans to manage and serve the whole municipal area.
- Inadequate water provision in some of the areas
- Backlog of proper and sufficient accommodation / housing
- Lack of good quality roads infrastructure, including storm water systems as well as efficient transport system
- Inadequate proper and sufficient sanitation and sewerage systems to all residents
- Low levels of skilled people as well as high levels of poverty and unemployment
- Lack of quality health and emergency services and facilities. **(Doctors)**
- Lack of sufficient cemeteries to cater for the increasing mortality rate
- Proper planning and development of Opwag**. (Zuma Valley)**
- Inadequate sport and recreation facilities in some of the areas
- Lack of sufficient and effective telecommunication systems
- Lack of electricity provision to some residential areas. **(Eskom** shortage to supply)



Analyses Compliance with Legal Requirements

➢ Water services development plan.	YES
➢ Financial plan.	YES
➢ Capital investment plan.	YES
➢ Municipal action plan.	YES
➢ Integrated institutional plan.	YES
➢ Performance management system.	YES
➢ Spatial development framework.	YES
➢ Local economic development plan / strategy.	YES
➢ Integrated tourism plan.	Draft
➢ Disaster management plan.	YES
➢ HIV/AIDS strategy.	YES
➢ Integrated environmental management plan.	YES
➢ Integrated waste management plan.	YES
➢ Poverty reduction and gender equity plan.	YES
➢ Revenue Enhancement Strategy	YES

Where the Municipality complies, plans are available on request. The integrated tourism plan is currently in daft.

CHAPTER 4: ORGANISATIONAL DEVELOPMENT PERFORMANCE

Organisational Performance Management is the process through which performance objectives for the Municipality are translated into the Service Delivery and Budget Implementation Plan (SDBIP). !Kheis Municipality had no Performance Management System in place. Directorates' performance is monitored in Component 3 of the SDBIP.

Component A: Introduction to the Municipal Workforce

1. Human **Resources** and other Organizational Management

The organizational structure of the municipality consists of a workers corps of 117. Employee numbers are: 93 permanent; 17 vacant and 07 councilors.

Number of staff per function

Summary of personnel number per function	Audited Actual
Administration	93
Water	25
Public Works	21
Sanitation	8
Total Personnel Numbers	147

Component B: Managing the municipal workforce levels

Summary of municipal workforce levels	Audited Actual
Councilors	7
Municipal Manager	1
Section 57 & 56	5
Middle management	7
Other staff (Clerical, laborers, etc.)	142
Total Personnel Number	162

Component C: Capacitating the municipal workforce

!Kheis Municipality Capacitating the municipal workforce	Audited Actual
Councilors	7
Municipal Manager	1
Section 56(7)	5
Middle management	7
Other staff (Clerical, laborers, etc.)	142
Total Personnel Number	162

Component D: Managing the municipal workforce expenditure

Disclosure on Employee's, Councilor's and Senior Management Benefits

The national norm on salary expenditure is **35%.** !Kheis Municipality's salary expenditure are **35.5%** which are in line with this norm.

Employees

Description	**Amount**
Salaries & Wages	14 252 734
Contributions **towards** UIF, pensions and medical aids	2 459689
Travel, motor car, **accommodation**, subsistence and other allowances	2 512 079
Housing benefits and allowances	373 700
Overtime payments	100 426
Performance and other bonuses	777 358
Other employee related costs	47 199
Total Employee Related Costs	20 523 185

Councilors

Description	Amount
Mayor	689 087
Councilors	1 478 904
Total Councilor's remuneration	**2 167 991**

Senior Management

Description	Municipal Manager	Chief Financial Officer
Annual Remuneration	535 706	427 670
Travel, motor car, accommodation, subsistence	173 074	138 170
Contributions **towards** UIF, pensions and medical aids	100 366	81 418
Total	**809 146**	**647 258**

CHAPTER 5: FINANCIAL PERFORMANCE

1. Annual Financial Statements and Related Financial Information

The annual financial statements have been compiled within the prescribed period and are attached hereto as Component A. The financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention unless specified otherwise.

These annual financial statements have been prepared in accordance with Generally Recognized Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act, (Act No 56 of 2003)

Component A: Statement of Financial Performance – Refer to annual financial statements

Component B: Spending against Capital Budget – Refer to annual financial statements

Component C: Cash flow Management and Investments – Refer to annual financial statements

Component D: Other Financial Matters – Refer to annual financial statements

CHAPTER 6: AUDITOR GENERAL AUDIT FINDINGS

1. Audit Report on Financial Statements.

Audit activities by the Auditor-General are ongoing, based on the preparation and submission of the Annual Financial Statements. !Kheis Municipality received a Qualified Audit Opinion for the year under review. Please find attached audit report.

2. Audit Recovery Plan.

Recovery Plan addresses the audit queries and put forward a plan to work towards an clean Audit Report by the year 2017. The audit recovery plan highlights the following key aspects; quality of submitted AFS, Section 71 reports, quality of annual performance, SCM processes, financial health, IT technology and HR management. This plan will be addressing the shortcomings of the municipality and also possible solutions to address these shortcomings. Please find attached detailed audit recovery plan.

1. CONCLUSION

In the year ahead (2017/18), the Municipality will:

- Develop an integrated approach and review of programmes on community involvement and service delivery.
- Establish partnerships with companies to ensure the expanding on green technologies and sunlight harvesting.
- Review the effectiveness of the Community Development Workers and ensure the effective participation of COGSTA into municipal CDW programmes and activities.
- Strengthen the **Communication** Strategy to ensure effective co-ordination and **implementation**.
- Execute the revenue collection strategy to ensure sustainable income for the municipality.
- Develop and implement a comprehensive strategy and programme to ensure the registration of the indigent.
- Fulfil the goals and customer care model in line with Batho-Pele **Principles**.
- Expand on the risk and asset management programme.
- Implement the proposals raised in the Auditor-General's Report and implement the turnaround strategy to ensure progress towards a clean audit.
- Ensure an effective growth in internal professionalism by implementing the personal career developing strategy.

ANNUAL REPORT PROCESS 2016/17

Name of Municpality	Has the municipality tabled the 14/15 annual report to council		Date of Tabling	Council Resolution Number	Has the annual report been Published		Date published	Did the municipality Initiate the Annual Report Process on time	
	Y	N			Y	N		Y	N
!Kheis Municipality	Y		25/01/2018	09/02/2018	Y		31/01/2018	Y	

NB! Please attach copies of the council resolution and newspaper advert as evidence.

Signature:
Municipal Manager

Date: 25/01/2018