



# ANNUAL REPORT

## 2018|2019

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## COMPONENT A: EXECUTIVE MAYOR'S FOREWORD

It is my privilege to present the George Municipal Report, for the 2018/19 financial year.

As Executive Mayor it was quite a challenging experience to lead the municipality through a rough period considering electorate's growing demands on service delivery.

In presenting this Annual Report, George Municipality sets out the performance highlights and financial management for the 2018/2019 financial year. As a political leadership we have tried to live up to the strategic objectives of:

- A City for a sustainable future for all the citizens of George;
- To deliver affordable quality services;
- To develop and grow George;
- To keep George clean safe and green;
- To ensure good governance and human capital in George, and
- To participate in George.

This Annual Report is a culmination of the implementation of the Council's adopted Integrated Development Plan (IDP), Budget and Service Delivery and Budget Implementation Plan for the 2018/19 financial year. The report is an account of George Municipality's achievements in the year under review, and it also assists in identifying our successes and failures.

This report is therefore intended to attest to the collective efforts of the administrative and political arms of the Municipality to progressively address the expectations of our people. The five-year IDP will remain the basis on which we will plan and strategise to deliver the required services as expected from our electorate. The success in the delivery of quality basic services subsequently brought a liability of influx of people to our city.

Ailing infrastructure and the demand for new infrastructure to accommodate the increased numbers, placed the Municipality under severe financial pressure. Slow growth of the economy and unemployment did not make it any easier for us to perform optimally.

Regardless of the pressure to perform I am pleased to announce some highlights in the 2018/19 financial year.

- ♦ Implementation of digital agendas (Collaborator)
- ♦ New translation booth and interpreting services
- ♦ Live streaming of council and special council meetings
- ♦ 35 000l tanker was bought to assist fire department
- ♦ The raising of the Garden Route dam wall
- ♦ The upgrading of the Outeniqua WWTW

I want to thank all the staff and senior management of the George municipality who have worked tirelessly to achieve the outcomes of the 2018/19 annual report.

I hope this annual report provides readers with insight into the affairs of the Municipality which will further put them in a position to engage with us on service delivery issues should a need arise.

**ALDERMAN M NAIK**  
**EXECUTIVE MAYOR**

## COMPONENT B: EXECUTIVE SUMMARY

### 1.1. MUNICIPAL MANAGER'S OVERVIEW

The 2018/2019 Annual Report is more than just the progress made during the past financial year. It also presents an overview of municipal governance in George over the past financial year. This report also records the significant progress made in delivering basic services, initiatives introduced by the DA-led government in its third year in office, following the local government elections held in August 2016.

The Constitution of the Republic of South Africa, states that every citizen has the right to access adequate housing and that the state must take reasonable legislative and other measures within its available resources to achieve the progressive realisation of this right. Access to housing also includes access to services such as potable water, basic sanitation, safe energy sources and refuse removal services, to ensure that households enjoy a decent standard of living.

Infrastructure investment remains an important focus for the City. This includes, determining investment and growth trends to ensure that adequate infrastructure is provided in areas of high growth. The City continues to act as a catalyst, by investing in suitable economic and social infrastructure to stimulate and support any further economic development. We have put various controls in place to ensure that service delivery and good governance practices are accelerated across the institution. This Annual Report again demonstrates this commitment. George Municipality received an unqualified audit with findings on compliance with legislations, from the Auditor-General of South Africa, for the 2018/2019 financial year.

Broadband connectivity is fundamental to create an enabling environment for economic growth, development and inclusion. The City is fully aligned with South Africa's vision, as outlined in the National Development Plan, to provide seamless information infrastructure that will underpin a dynamic and connected information society, as well as a knowledge economy that is more inclusive, equitable and progressive. More than 60km of fibre-optic cable has been installed across the City.

#### **Projects launched during 2018/2019 by the City of George:**

- ◆ In an ongoing drive to facilitate quality education and towards building a diversified skilled local labour force the Municipality has initiated a project to develop another University for the Southern Cape area;
- ◆ The intent is to create a platform where curriculums not currently offered in the Southern Cape can be presented;
- ◆ The commitment to improve the offerings of higher education in the region is expected to reduce the migration of skilled youth to the cities and metropolitan areas; and

- ◆ Incubators associated with such universities in turn would contribute to new employment opportunities, creating the platform for a more diversified local economy.

### **GOVAN MBEKI AWARDS**

George Municipality entered two housing projects for the Govan Mbeki Awards on Provincial level namely:

- ◆ Protea Park Housing Project (Enhanced People's Housing Process -EPHP); and
- ◆ Uniondale Housing Project (Enhanced People's Housing Process - EPHP).

The Municipality won the Provincial award for the Protea Park Housing project and on National Level the 1st runner-up award.

### **SPATIAL DEVELOPMENT FRAMEWORK**

An amended Spatial Development Framework has been adopted which is aligned with National and Provincial Policy and presents improved directives towards the facilitation of spatial transformation, sustainable development and efficient application of resources and assets.

### **EXPANDED PUBLIC WORKS PROGRAMME**

The Expanded Public Works Programme (EPWP) is designed to provide temporary employment opportunities to as many unemployed residents as possible. In this regard, the EPWP continues to deliver positive change for the City and its residents.

- The Expanded Public Works Programme (EPWP) created 1 524 in 2016/17 and 1 431 jobs in the current IDP five-year cycle.

### **WASTE MANAGEMENT AND LANDFILL**

Addressing the challenge of landfill space:

- ◆ Two new Refuse trucks were purchased in 2019;
- ◆ A new refuse transfer station was built in Uniondale; and
- ◆ The Regional Waste Facility for the Garden Route situated in Mosselbay, west of the PETROSA Refinery and implemented by the Garden Route District Municipality in conjunction with George Municipality, Mosselbay, Bitou and Knysna municipalities as strategic partners with substantial financial contributions, is gradually nearing its completion.

### **ELECTRICITY**

The City of George works to ensure that its electricity infrastructure is as reliable as possible, while also implementing measures to keep up with growth:

- ♦ The first phase of the new Thembaletu 66 kV substation was started;
- ♦ Phase 1 of the 66kV overhead line built from Glenwood Substation to Thembaletu, is almost 100% completed;
- ♦ 730 new prepaid residential customers were connected, and 160 informal houses were electrified during the 2018/2019 financial year; and
- ♦ Electricity losses were limited from 7,59% to 5.64%.

## **GEORGE INTEGRATED PUBLIC TRANSPORT NETWORK (GIPTN)**

The George Integrated Public Transport Network (GIPTN), is a project aimed at launching a new and improved public transport system for George and its surrounding areas. "GO GEORGE," is operated by the public transport operators with existing services in the George area.

- ♦ The GIPTN has experienced exponential growth and wide acceptance as a municipal service and will add substantial further benefit to George and its community;
- ♦ The George Integrated Public Transport Network (GIPTN) is a flagship model for the provision of public transport in South Africa's emerging cities;
- ♦ The objective of the GIPTN is to provide the citizens of George with access to social, education, and economic opportunities within the City; and
- ♦ This is facilitated by providing a public transport service that is safer, more affordable, accessible and reliable.

## **CIVIL ENGINEERING**

The growth areas identified by the City require capital investment in infrastructure, while densification, a spatial strategy (SDF) is provided for in the design of long-term bulk services capacity upgrades, increasing the overall system capacity and boosting supply to developing areas.

- ♦ Garden Route Dam upgrading: The raising of the Garden Route Dam Spillway commenced on 13 May 2019 and was completed on 13 December 2019;
- ♦ This project adds an additional 25% raw water storage capacity to the dam, a significant contribution in securing resource availability;
- ♦ The civil works for the extension of the Outeniqua Waste Water Treatment Works capacity by an additional 10MI has been completed and the mechanical/ electrical tender award is imminent. Included in the works are various remedial works to ensure that the effluent complies with the statutory requirements of the Water Act; and
- ♦ The following road upgrades were completed for the GIPTN in 2018/2019:
  - Upgrading of Courtenay Road;
  - Upgrading of Caledon Street;
  - Upgrading of Merriman Street;
  - Upgrading of Memorium Street; and
  - Upgrading of Mall-Park Road.



## HUMAN SETTLEMENT DEVELOPMENT

The City remains committed to facilitating redress through the development of sustainable, integrated human settlements, addressing the needs of communities in informal settlements, and improving the plight of backyard dwellers by providing access to basic services and housing opportunities:

- ♦ An amount of R4 673 329.00 was received for the Title Deed Restoration Project and since the initiation of this project (1 April 2016) a total of 787 properties were registered. In the 2018/2019 financial year, 177 transfers were registered;
- ♦ In 2018/19 the Thembalethu, UISP housing project was approved and will provide 4350 housing opportunities;
- ♦ In June 2018, 204 top structures were built and handed over to beneficiaries; and
- ♦ Erf 325 makes provision for around 2096 housing opportunities including Government Subsidy Housing (GAP), Financial Linked Individual Subsidy Programme (FLISP), Breaking New Ground (BNG) and housing units for Military Veterans.

This annual report reflects all our efforts to ensure that we build a better George for a sustainable future.

Finally, it is worth mentioning that the service delivery progress reported in this Annual Report would not have been possible without the commitment, hard work and dedication of municipal staff, sometimes under extremely difficult circumstances. I would like to express my sincere appreciation to them.

**T BOTHA**  
**MUNICIPAL MANAGER**

# CHAPTER 1: MUNICIPAL OVERVIEW

## 1.2 MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

### 1.2.1 Introduction

The 2018/19 Annual Report reflects on the performance of the George Municipality for the period of 1 July 2018 to June 2019. The Annual Report is prepared in terms of Section 121(1) of the Local Government: Municipal Finance Management Act 56 of 2003 (MFMA), which requires municipalities to prepare an Annual Report for each financial year.

### 1.2.2 Population

According to the Census 2011 data, the population of George increased from 135 045 in 2001 to 193 672 in 2011. This shows an increase of 43 percent (58 267) over the 10 years. This growth is significantly higher than South Africa's average annual population growth of two percent and can largely be attributed to an influx of individuals from other provinces that move to the Western Cape in search for job opportunities.

From this strong base, the Western Cape Department of Social Development could make population growth estimates for each municipality for the period 2018-2024. These projections can assist municipalities to align their budget allocations with basic service delivery demands and priorities.

### 1.2.3 Population Characteristics

Population Size	2001	2011	<sup>1</sup> Projected Population Estimates						
			2018	2019	2020	2021	2022	2023	2024
<b>Population Growth</b>	135 045	193 672	213 189	217 054	220 791	224 412	228 029	232 409	236 655

Population

<sup>1</sup> Projection by Western Cape Department of Social Development, 2018

According to the population estimates of 2018 as projected by the Western Cape Department of Social Development, the population of George Municipality is currently on 213 189 rendering it the biggest municipal area by population within the Garden Route District. This total is estimated to increase to 236 622 by 2024 which equates to 1.8% average annual growth over this period. The growth of George Municipality's population for the 2018 to 2024 period is slightly below that of the Garden Route District's rate of 1.9%.

### 1.2.4 Population: Age Cohorts

Year	Children: 0-14 Years	Working Age: 15 – 64 Years	Aged: 65+	Dependency Ratio
2011	50 951	130 349	12 377	48.6
2019	53 978	141 952	21 124	52.9
2024	56 265	154 166	26 224	53.5

Age Cohorts

The above table depicts George municipal area's population composition per age cohorts. The above table also shows the dependency ratio which in return indicates who forms part of the workforce (age 15-64) as well as their dependants (children and seniors). A higher dependency ratio means greater pressure on a smaller productive population and higher pressure on social systems.

A comparison between 2011 and 2019 estimates shows an increase in the dependency ratio from 48.6 in 2011 to 52.9 in 2019; this is projected to increase even further to 53.5 in 2024. This is mainly attributed to a sharp rise in the aged (65+) cohort over the 2011– 2024 period.

### 1.2.5 Overview of George Municipality's Wards

Ward	Areas
Ward 1	Blanco: Die Rus, Golden Valley, Heather Park (Portion), Houtbosch, Riverlea
Ward 2	Denneoord (Portion), Fernridge
Ward 3	Die Bult, Glen Barrie, Heather Park (Portion), Heatherlands, King George Park, Kingswood Golf Estate Phase 1, Sport Park
Ward 4	Hoekwil, Kleinkrantz, Kleinkrantz Farms, Pine Dew, Touwsranten, Wilderness, Wilderness Heights, The Dunes, Drie Valley (Portion)
Ward 5	Le Vallia, Protea Park (Portion), Bergsig (George East, Bo-dorp (Portion), Loerie Park)
Ward 6	Protea Park (Portion), Rosemoore, Urbansville
Ward 7	Ballotsview (Portion), Lawaaiikamp, Maraiskamp
Ward 8	Ballotsview, Parkdene
Ward 9	Thembaletu: Zone 4, Zone 7, Zone 8 (Portion)
Ward 10	Thembaletu: Zone 6
Ward 11	Thembaletu: Zone 3 (Portion), Zone 5 (Portion), Zone 4 (Portion), Garden Route East,

Ward	Areas
	Glenwood, Kaaimans, Kraaibosch 195, Kraaibosch Manor and Estate, Saasveld, Victoria Bay, Blue Mountain, Boven Lange Valley 189 (Portion), Duiwerivier, Outeniqua Berg (East) and West, Dieprivier 178, New Melsetter 178, Avontuur 166, Woodville Farms, Barbiers Kraal 156, Kaaimans, Far Hills Hotel, Ballots Bay (Portion), Garden Route Mall, Drie Valleyen 186 (Portion), Sandkraal 197 (Portion)
Ward 12	Thembaletu: Zone 8 (Portion), Zone 9 (Portion)
Ward 13	Thembaletu: Zones 1,2 and 3, Zone 4 (Portion), Zone 8 (Portion), Zone 9 (Portion)
Ward 14	Rosedale, Old Pacaltsdorp (Portion)
Ward 15	Thembaletu: Zone 9 (Portion), whole of Nompumelelo
Ward 16	Andersonville, New Dawn Park, Smartie Town
Ward 17	Convent Gardens, Conville, George Industrial (Portion), Mollenrivierrif, Rosemoore (Portion), Tamsui
Ward 18	Denneoord (Portion), Denver, Eden, Genevafontein, Loerie Park, Outeniqua Berge (West), Panorama, Tweerivieren
Ward 19	Central Business District, Dormehlsdrift, George South
Ward 20	Borchards, Steinhoff Industrial Park
Ward 21	Thembaletu: Zone 6, Ramaphosa, Silvertown, Asazani, Ballots Bay (Portion)
Ward 22	Afgunst River, Buffelsdrift 227, Camfer Kloof 96, Camphersdrift, Croxden 90, Die Oude Uitkyk 225, Diepe Kloof 226, Doorn rivier/Herold, Dwarsweg 260, Geelhoutboom 217, Gwayang 208 (Portion), Herold, Houtbosch, Klyne Fontyn 218, Kouwdouw 88, Malgaskraal, Modderaas Kloof 133, Modderivier 209, Moerasrivier 233, Outeniqua Berge (West), Platte Kloof 131, Smuts kloof 94, Waboonskraal Noord 87, Bo-dorp (Portion)
Ward 23	Bos en Dal, Breakwater Bay, CPA Area, Groeneweide Park, Herolds Bay, Le Grand, Monate Resort, Oubaai Golf Estate, Pacaltsdorp Industria, Rooirivierrif, Toeriste Gebied, Delville Park, Syferfontein, Hansmoeskraal, Gwaing Farm Areas, Gwaingriviermond
Ward 24	Haarlem and surrounding areas
Ward 25	Uniondale and surrounding areas
Ward 26	Blanco (Portion), Cherry Creek, Fancourt Gardens, Fancourt South, Heather Park (Portion), Kerriwood Hill, Kingswood Golf Estate, Mount Fleur Mountain Estate, Oaklands, Soeteweide, Fancourt
Ward 27	Europe, Harmony Park, Ou Pacaltsdorp (Portion), Protea Estate, Seaview, Uitbreiding 11, Seesight

Municipal Wards

## 1.3 SERVICE DELIVERY OVERVIEW

### 1.3.1 Introduction to Service Delivery

In terms of the Constitution of the Republic of South Africa, 1996 (hereafter referred to as Constitution) every citizen has a right to access basic services. George Municipality is doing its utmost best to provide these services to all the inhabitants within the George municipal area. Many housing projects have been completed successfully and new housing projects are in the process of being completed. Reconstruction and Development Programme (RDP) houses are fitted with prepaid electricity meters and solar geysers to improve the living standards of the indigents. Free basic services are rendered and funded through the equitable share grant. The indigent subsidy is also rolled out in the rural areas of George.

### 1.3.2 Proportion of Households with Access to Basic Services

Proportion of Households with minimum level of Basic services				
	2015/16	2016/17	2017/18	2018/19
<b>Electricity service connections</b>	70%	80%	90%	100%
<b>Water - available within 200 m from dwelling</b>	60%	65%	75%	95%
<b>Sanitation - Households with at least VIP service</b>	53%	58%	63%	98%
<b>Waste collection - kerbside collection once a week</b>	30%	35%	40%	100%

The above table show that there are backlogs in the delivery of certain basic services. There are many factors that contributes to this, for example, poor economic conditions, the unemployment rate, high inflation rates and low economic growth. The eradication of the service shortfalls will only be achieved through the provision of additional housing to the poor. George Municipality is in the process of developing additional houses for the poor with a new project in the Pacaltsdorp area. There are also other new housing projects planned for the near future. It is also important to educate the consumers as to what their responsibilities are, with the houses that they receive.

## 1.4 FINANCIAL HEALTH OVERVIEW

### NATIONAL KEY PERFORMANCE INDICATORS: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT (RATIOS)

The following table display the Municipality's performance per National Key Performance Indicator as stipulated in the Local Government: Municipal Planning and the Performance Management Regulations of 2001 and Section 43 of the Local Government: Municipal Systems Act 32 of 2000 (MSA).

These key performance indicators are linked to the National Key Performance Area(KPA), namely: Municipal Financial Viability and Management:

Description	Basis of calculation	2017/18	2018/19
		Audited Outcome	Pre-audited Outcome
Cost Coverage	(Available cash + Investment -Unspent Grants)/monthly fixed operational expenditure	4.34 months	3.83 months
Total Outstanding Service Debtors to Revenue	(Total outstanding service debtors/annual revenue received for services	9.56%	10.93%
Debt Coverage	(Total Operating Revenue – Operating Grants)/Debt service payments due within financial year)	24.90%	20.14%

Municipal KPIs for Financial Viability and Management

### 1.4.1 Financial Overview 2018/19

Financial Overview: 2018/19			
R' 000			
Details	Original budget	Adjustment Budget	Actual
Income:			
Grants	649 188 240.00	621 180 038.00	574 385 820.00
Taxes, Levies and tariffs	1 203 981 720.00	1 200 304 038.00	1 203 594 337.15
Other	241 362 781.00	237 884 154.00	254 463 108.54
Sub Total	2 094 532 741.00	2 059 368 230.00	2 032 443 265.69
Less: Expenditure	1 956 195 368.00	1 963 177 193.00	1 925 163 482.59
Net Total*	138 337 373.00	96 191 037.00	107 279 783.10

\* Note: surplus/(deficit)

Financial Overview 2018/19

### 1.4.2 Operating Ratios

Operating Ratios	
Detail	%
Employee Cost	31.24%
Repairs & Maintenance	6.01%
Finance Charges & Impairment	8.41%

Operating Ratios

Employee costs constitute 31.24% of total operating expenditure in 2018/2019 which is within the norm of 25-40 per cent. The repairs and maintenance to total operating expenditure is 6.01% which is lower than the norm of 20%, the Municipality should strive to spend more on repairs and maintenance to improve the ageing municipal infrastructure. Finance charges and impairment to total operating expenditure norm is 10% while the municipality is at 8.41% which is much lower than the norm.

### 1.4.3 Liquidity Ratios

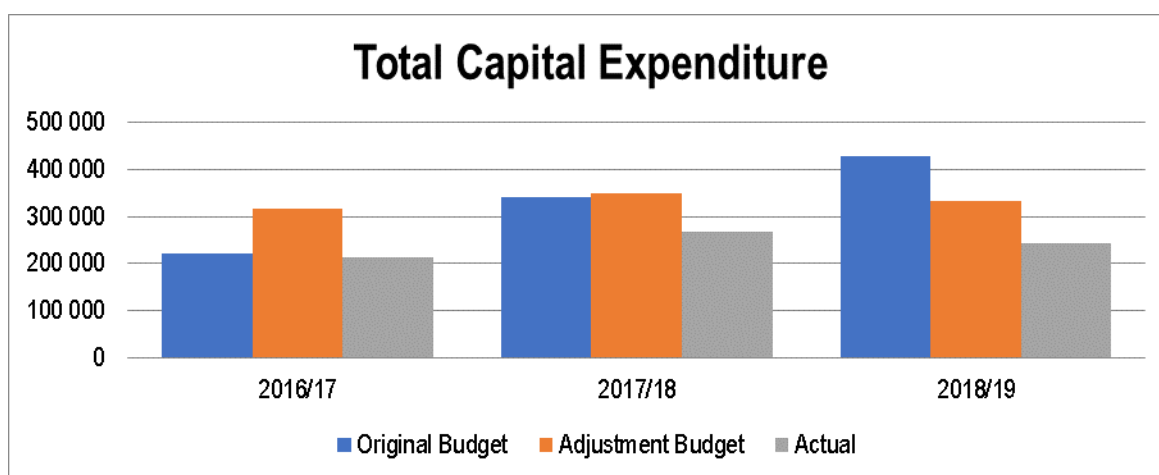
Description	Basis of Calculation	Norm	2017/18	2018/19
Current Ratio	Current Assets/ Current Liabilities	1.5-2 : 1	2.07	2.24
Current Ratio Adjusted for aged debtors	Current Assets less debtors > 90 days/ Current Liabilities		1.76	1.63
Liquidity Ratio	Monetary Assets/ Current Liabilities		1.41	0.64

This ratio indicates the Municipality's ability to pay its debts due within a year out of the current assets. The ratio of 1.5 - 2 is considered to be acceptable.

#### 1.4.4 Total Expenditures 2017-2019

Total Capital Expenditure: Year 2017 to Year 2019			
			R'000
Detail	2016/17	2017/18	2018/19
Original Budget	221 795	340 932	429 111
Adjustment Budget	317 022	350 685	334 004
Actual	213 537	269 131	243 236

Total Capital Expenditure



Over the three-year period, the Municipality is planning to spend R1 001 billion on capital infrastructure investment. In 2018/19 the capital budget is R334 million; a 4.76% decrease from that of the 2017/18 budget year. In 2018/19 actual capital expenditure was 73% to budgeted expenditure, the performance declined in 2018/19 in comparison to 2017/18 where the actual spending was 77% of the budget.

#### 1.4.5 Highlights: Financial Viability

Highlights	Description
Financial Statements submitted by 31 August 2019	MFMA compliance to submit financial statements on 31 August annually
Ranked 3 <sup>rd</sup> as the most financially sound municipality in South Africa and ranked 2 <sup>nd</sup> in the Western Cape	According to the State of Local Government Finances and Financial Management released by National Treasury on 30 June 2019, where eight key measures were used.
Municipal Standard Chart of Accounts (MSCOA)	Pilot site for MSCOA, early adoption and implementation on 1 July 2016 – version 5.4. Version 6.1 was implemented on 1 July 2017. Version 6.2 was implemented on 1 July 2018. The 2019/20 budget was created on Version 6.3.

Highlights: Financial Viability

### 1.4.6 Challenges: Financial Viability

Challenges	Action to address
MSCOA Qualified Audit Report 2017/18	Frequent version changes The 2017/18 PPPFA policy allowed political involvement in the Supply Chain Management processes. This policy was changed in 2018/19 financial year to exclude any political involvement. An irregular disclosure note has been included in the 2018/19 AFS.
Increasing Outstanding Debt: The Municipality's outstanding debt for the period 1 July 2018 to 30 June 2019 increased from R214.2m to R238.6m. The biggest increase is in the debt of indigent households and is in respect of excess water usage above 6kl water. This excess is mainly due to water leakages at the indigent households.	Council has appointed teams of plumbers and support staff to fix the water leakages, and to minimise water losses. The teams that fixes the water leakages were moved to the Human Settlements Department for better control and performance. However, there are some challenges, because indigent consumers do not always report leakages immediately and huge water losses are still incurred. This results in higher accounts in arrears.

Challenges: Financial Viability

## 1.5 ORGANISATIONAL DEVELOPMENT OVERVIEW

### 1.5.1 Highlights: Municipal Transformation and Organisational Development

Highlights	Description
Review and Maintenance of Organisational Structures	Various sessions were held with all Directorates in order to review the current Organisational Structures. The micro structures were refined in line with the current operational functioning, also considering the vacancy rate.
Implementation of individual Performance Management	Training was given to build internal capacity with the implementation up to T-12, also considering the required portfolio of evidence. Several sessions were held throughout the Municipality. Good progress has been made with the implementation through Departmental one on one sessions.
Task Job Evaluation / Job Writing	Internal capacity was increased to assist Directorates with job writing with the focus on lower level employees and positions last evaluated and audited during 2008. Task Job Evaluation Training was also arranged for employees within Directorates other than Human Resources. Audit reports received was implemented in line with the Task Job Evaluation Policy.

Highlights: Municipal Transformation and Organisational Development



## 1.5.2 Challenges: Municipal Transformation and Organisational Development

Challenges	Action to address
Task Job Writing / Evaluation	Budget provision in order to ensure sufficient capacity in addressing the need in the organisation within a reduced period. Additional training needed in order to train more officials within Directorates and to ensure employees are better informed regarding the process.

Challenges: Municipal Transformation and organisational Development

## 1.6 AUDITOR GENERAL REPORT

Year	2016/17	2017/18	2018/19
<b>Status</b>	Clean	Qualified	Unqualified with findings

## 1.7 STATUTORY ANNUAL REPORT PROCESS

PROCESS	DATE
ANNUAL REPORT AND FINANCIAL STATEMENTS <ul style="list-style-type: none"> <li>Submit 2018/2019 Annual Performance Report and Financial Statements to the Auditor General</li> </ul>	31 August 2019
Table Annual Report and Annual Financial Statements <ul style="list-style-type: none"> <li>Mayor tables Annual Report at Council</li> </ul>	January 2020
Advertise tabled Annual Report for public input	February 2020
Advertise Municipal Public Accounts Committee (MPAC) Schedule inviting the local community to make representations on the tabled Annual Report	February 2020
<b>1<sup>st</sup> MPAC Meeting:</b> MPAC pose questions to Management to get clarity on the contents of the tabled Annual Report	February 2020
<b>2<sup>nd</sup> MPAC Meeting:</b> Public hearings – The local community and any organ of state will be allowed to make representations on the tabled Annual Report	March 2020
<b>3<sup>rd</sup> MPAC Meeting:</b> Preparation of the Oversight Report, taking into consideration the views and inputs of the local community, Office of the Auditor General, organ of states, Audit Committee and Councillors	March 2020
<b>Oversight and Annual Report:</b> Adoption of the Oversight Report on the Annual Report by Council	March 2020
<b>Advertise and Publish Annual Report:</b> Advertise the approved Annual Report & publish on the municipal website	March 2020
<b>Submission of the Oversight on the Annual Report</b> to Provincial Treasury, Department of Local Government and Office of the Premier and Auditor General's Office	March 2020

# CHAPTER 2: GOVERNANCE

## 2 INTRODUCTION TO GOVERNANCE

Good governance has 8 major characteristics namely:

- ♦ Participatory;
- ♦ Consensus oriented;
- ♦ Accountability;
- ♦ Transparency;
- ♦ Responsiveness;
- ♦ Efficiency and effectiveness;
- ♦ Equity;
- ♦ Inclusiveness which follows the rule of law.

The embodiment of these characteristics assures that corruption is minimised, the views of minorities are taken into account and that the voices of the most vulnerable in society are heard in decision-making. It is also responsive to the present and future needs of society.

### NATIONAL KEY PERFORMANCE INDICATORS: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

This key performance indicator is linked to the National Key Performance Area - Good Governance and Public Participation:

Indicator	2017/18	2018/19
The number of people from employment equity target groups employed (newly appointed) in the three highest levels of management in compliance with the municipality's approved Employment Equity Plan by 30 June 2019	1	2
The percentage of a municipality's budget actually spent on implementing its workplace skills plan	0.51%	0.37%

## COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

Section 151 (3) of the Constitution, states *inter alia* that the council of a municipality has the right to govern on its own initiative, the local government affairs of the local community.

### 2.1 POLITICAL GOVERNANCE

Section 52 (a) of the MFMA, stipulates that the Mayor must provide general political guidance over the fiscal and financial affairs of the municipality.

The Council performs both legislative and executive functions, focusing on legislative, oversight and participatory roles, and has delegated its executive function to the Executive Mayor and the Mayoral Committee. The Council's primary role is to debate issues publicly, facilitate political debate and discussion. Apart from their functions as decision-makers, Councillors are also actively involved in community work as well as various social programmes in the municipal area.

The political governance structure with respect to key committees is well established and functional.

#### 2.1.1 Political Structure

The Council has 53 seats (27 Ward Councillors and 26 Proportional Representative (PR) Councillors). The Speaker, Alderman G Pretorius is the Chairperson of the Council. The Party Political and demographic representation of Councillors is reflected in the table below:

Political Party	Allocation of Seats	Gender	
		Male	Female
Democratic Alliance (DA)	28	20	8
African National Congress (ANC)	17	7	10
Economic Freedom Fighters (EFF)	1	-	1
PBI	2	2	-
African Christian Democratic Party (ACDP)	1	1	-
African Independent Congress (AIC)	1	1	-
ICOSA	1	1	-
SAC	1	1	-
Vryheids Front Plus (VF+)	1	1	-
<b>Total</b>	<b>53</b>	<b>34</b>	<b>19</b>

## 2.1.2 Executive Mayoral Committee and Members



The table below shows the dates of the Executive Mayor- in Committee meetings and the number/items submitted for the financial year 2018/19:

Meeting Date	Meeting	Number of items submitted
07 June 2018	Executive Mayor-in-Committee	14 Items
19 July 2018	Executive Mayor-in-Committee	18 Items
19 September 2018	Executive Mayor-in-Committee	18 Items
11 October 2018	Executive Mayor-in-Committee	18 Items
15 November 2018	Executive Mayor-in-Committee	11 Items
07 February 2019	Executive Mayor-in-Committee	16 Items
07 March 2019	Executive Mayor-in-Committee	5 Items
11 April 2019	Executive Mayor-in-Committee	12 Items
11 July 2019	Executive Mayor-in-Committee	10 Items

### 2.1.3 Portfolio Committees

In terms of Section 80 of the Local Government: Municipal Structures Act 117 of 1998, if a Council has an executive committee it may appoint in terms of Section 79, committees of Councillors to assist the Executive Committee or Executive Mayor. Section 80 committees are permanent committees that specialises in a specific functional area of the municipality and may in some instances make decisions on specific functional issues. They advise the executive committee on policy matters and make recommendations to Council.

The table below provides a list of portfolio committees, its members and meeting dates for the 2018/19 financial year:

#### Corporate Services Committee

Name of Member	Meeting Dates
J Von Brandis (Chairperson)	
E P De Villiers (Vice Chairperson and member until 26 September 2018)	
J Fry (Vice Chairperson from 26 September 2018)	18 July 2018
E Stroebel [from 26 September 2018]	14 August 2018
E Bussack [from 26 September 2018]	11 September 2018
P Louw [from 26 September 2018]	16 October 2018
J vd Westrhuizen [from 26 September 2018 until 31 January 2019]	11 November 2018
C Lesele	21 February 2019
W Harris	12 March 2019
T Teyisi	21 May 2019
G van Niekerk	18 June 2019
E Brown [from 31 January 2019 until 30 May 2019]	
D Gultig [from 30 May 2019]	
R Figland [until 26 September 2018]	
I Stemela [until 26 September 2018]	
I Kritzinger [until 26 September 2018]	
L Van Wyk [until 26 September 2018]	

## Community and Social Development Services Committee

Name of Member	Meeting Dates
S Snyman (Chairperson)	27 July 2018 07 August 2018 04 September 2018 09 October 2018 05 November 2018 05 February 2019 05 March 2019 14 April 2019 (special) 04 June 2019
M Draghoender (Vice Chairperson and member until 30 May 2019)	
H H Ingo (Vice Chairperson from 30 May 2019)	
E Bussack	
N Bungane	
E Brown [from 31 January 2019]	
M Daniels	
W T Harris	
B Mooi	
P Louw [from 26 September 2018]	
E Stroebel [from 30 May 2019]	
J Van der Westhuizen (from 26 September 2018 until 31 January 2019)	
B Cornelius [until 26 September 2018]	
M Viljoen [until 26 September 2018]	

## Human Resources Committee

Name of Member	Meeting Dates
E P De Villiers (Chairperson and member until 26 September 2018)	18 July 2018 14 August 2018 11 September 2018 16 October 2018 13 November 2018 21 February 2019 18 March 2019 21 May 2019 18 June 2019
N Bungane (Chairperson from 31 January 2019)	
V Muller (Vice Chairperson)	
J Von Brandis	
R Figland [from 31 January 2019]	
H Ingo	
E Stoebel [from 26 September 2018]	
M Draghoender	
L Langa	
P Nosana	
A Kiwit [until 31 January 2019]	
K J Mkondo [from 31 January 2019]	
G J Stander [until 26 September 2019]	

## Planning and Development Committee

Name of Member	Meeting Dates
R Figland (Chairperson)	17 July 2018 23 August 2018 18 September 2018 18 October 2018 15 November 2018 14 February 2019 14 March 19 13 June 2019
D Cronje (Vice Chairperson and member until 26 September 2018)	
N Bungane (Vice Chairperson from 26 September 2018)	
B Cornelius [from 26 September 2018]	
N Noble [from 26 September 2018]	
A D Willemse	
G J Stander [from 26 September 2018]	
M Nyakati	
J Ncamazana	
H Loff	
A Kiwit [until 31 January 2019]	
K J Mkondo [from 31 January 2019]	
J M Säfers [until 26 September 2018]	
I Krizinger [until 26 September 2018]	
C Clarke [until 26 September 2018]	

### Human Settlement Committee

Name of Member	Meeting Dates
A D Willemse (Chairperson)	
B Cornelius (Vice Chairperson)	
J Fry	12 June 2018
J Säfers	17 July 2018
J von Brandis [until 26 September 2018]	21 August 2018
H Ingo	11 September 2018
I Stemela [until 26 September 2018]	16 October 2018
N Jantjies	12 February 2019
W Harris	12 March 2019
B Petrus [until 30 May 2019]	11 June 2019
M Viljoen [From 26 September 2018]	23 July 2019
C Clarke [from 26 September 2018]	
M Draghoender [from 30 May 2019]	

### Finance Committee

Name of Member	Meeting Dates
D L Cronje (Chairperson)	30 August 2018
D Wessels (Vice Chairperson from 30 May 2019)	27 September 2018
M Draghoender (Vice Chairperson until 30 May 2019)	29 November 2018
J Du Toit [from 30 May 2019]	19 February 2019
B M Cornelius	18 March 2019
R Figland [from 26 September 2018]	08 May 2019
L Langa	
M M Nyakati [until 26 September 2018]	
P J Van der Hoven	
L Van Wyk	
C Clarke [until 26 September 2018]	
P Louw [until 26 September 2018]	
L Arries [until 30 May 2019]	

### Civil Engineering Services Committee

Name of Member	Meeting Dates
M Nyakati (Chairperson)	26 July 2018
G J Stander (Vice Chairperson and member until 26 Sept 2018)	23 August 2018
J Von Brandis (Vice Chairperson and member from 26 Sept 2018)	20 September 2018
R Figland	23 October 2018
I Stemela	22 November 2018
J Säfers	05 February 2019
B Cornelius	05 March 2019
E Stroebel [until 26 Sept 2018]	14 May 2019
P Nosana [until 26 Sept 2018]	04 June 2019
G van Niekerk	
B Petrus [until 30 May 2019]	
M Draghoender [from 30 May 2019]	
N A Bungane [from 26 Sept 2018]	
G N Jantjies [from 26 Sept 2018]	

### Electrotechnical Services Committee

Name of Member	Meeting Dates
E Bussack (Chairperson)	26 July 2018 23 August 2018 20 September 2018 23 October 2018 22 November 2018 14 February 2019 14 March 2019 16 May 2019 13 June 2019
C Noble (Vice Chairperson)	
S Snyman	
C Lesele	
G J Stander	
P Louw [until 26 Sept 2018]	
N Bungane [until 26 Sept 2018]	
N Jantjies	
N R James	
T Teyisi	
J du Toit	
M Viljoen [from 26 Sept 2018]	
I C Kritzinger [from 26 Sept 2018]	

### Community Services Committee

Name of Member	Meeting Dates
C M Clarke (Chairperson)	26 July 2018 21 August 2018 18 September 2018 18 October 2018 15 November 2018 12 February 2019 06 June 2019
E Stroebel (Vice Chairperson)	
M Draghoender [until 30 May 2019]	
E Brown [from 31 January 2019]	
J Buys	
M Daniels	
J Esau	
D Gultig [from 30 May 2019]	
P Louw	
F Mdaka	
J Säfers [from 26 September 2018]	
J Van der Westhuizen [from 26 September 2018 until 31 January 2019]	
M Viljoen [until 26 September 2018]	
V Muller [until 26 September 2018]	

### Protection Services Committee

Name of Member	Meeting Dates
C Noble (Chairperson)	18 July 2018 07 August 2018 04 September 2018 09 October 2018 05 November 2018 21 February 2019 18 March 2019 23 May 2019 11 June 2019 29 July 2019
L Van Wyk (Vice Chairperson)	
C Clarke	
J Säfers	
S Snyman [until 26 September 2018]	
E De Villiers [until 26 September 2018]	
I Stemela [until 30 May 2019]	
H Loff	
S Rooiland	
J du Toit	
D Gultig [from 30 May 2019]	
AD Willemse [from 26 September 2018]	
I Kritzinger [from 26 September 2018]	



## Strategic Services Committee

Name of Member	Meeting Dates
I Kritzinger (Chairperson)	19 July 2018 27 September 2018 25 October 2018 29 November 2018 12 March 2019 27 May 2019
A D Willemse (Vice Chairperson)	
L Van Wyk	
DJ Wessels	
C Noble [until 26 Sept 2018]	
E Bussack	
S Dlikilli	
B Plata	
V Gericke	
D L Cronje	
R S Figland [from 26 Sept 2018 until 30 May 2019]	
E Brown [from 30 May 2019]	

### 2.1.4 Ad Hoc Committees

#### Urban Development Committee

Name of Member	Meeting Dates
R Figland (Chairperson)	No meetings were held during the 2018/2019 financial year
B Cornelius [Vice Chairperson]	
P Louw	
S Snyman	
M Viljoen	
L van Wyk	
G J Stander	
J Ncamazana	
F Mdaka	
B Petrus [ until 30 May 2019]	
M Draghoender [from 30 May 2019]	

#### International Relations Committee

Name of Member	Meeting Dates
M Naik (Chairperson)	No meetings were held during the 2018/2019 financial year.
G Pretorius	
J Von Brandis	
S Snyman	
E Stroebel	
C Clarke	
D Wessels	
F Mdaka	
C Lesele	
G van Niekerk	

#### Homage Committee

Name of Member	Meeting Dates
C Noble (Chairperson and member until 26 September 2018)	
J Von Brandis (Chairperson from 26 September 2018)	
H Ingo (Vice Chairperson)	
J Fry	
L van Wyk	

Name of Member	Meeting Dates
E Stroebel [from 26 September 2018]	No meetings were held during the 2018/2019 financial year.
J Esau	
S Snyman	
N James	
J Ncamazana	
W Harris	

### Name Changes Committee

Name of Member	Meeting Dates
I Kritzinger [Chairperson]	No meetings were held during the 2018/2019 financial year.
J Fry [Vice Chairperson]	
I Stemela	
R Figland	
H Loff	
E Bussack	
J Esau	
L H Arries [until 30 May 2019]	
C Noble [from 26 Sept 2018]	
M Viljoen	
H H Ingo [until 26 Sept 2018]	

### Training Committee

Name of Member	Meeting Dates
D Cronje (Chairperson)	No meetings were held during the 2018/2019 financial year.
I Stemela (Vice Chairperson and member until 26 September 2018)	
M Draghoender (Vice Chairperson and member from 26 September 2018 until 30 May 2019)	
R Figland (Vice Chairperson and member from 30 May 2019)	
E De Villiers [until 26 September 2018]	
S Snyman	
P Van der Hoven	
C T Williams	
J Buys	
A D Willemse [until 30 May 2019]	
C Noble	
I Kritzinger	
V Muller [from 26 September 2018]	
J Fry [from 30 May 2019]	

## 2.1.5 Statutory Committees

### Local Labour Forum (LLF)

Name of Member	Meeting Dates
E De Villiers (Chairperson until 26 September 2018)	18 April 2019
M Nyakati	
R Figland	
S Rooiland	
P Nosana	
M Draghoender [from 26 September 2018 until 30 May 2019]	
N Bungane [from 30 May 2019]	

### Municipal Public Accounts Committee (MPAC)

Name of Member	Meeting Dates
L Arries (Chairperson and member until 30 May 2019)	10 October 2018 08 November 2018 14 January 2019 06 March 2019
J du Toit (Chairperson from 30 May 2019)	
W Harris (Vice Chairperson)	
J Säfers	
E Stroebel	
M Draghoender	
V Muller	
D Wessels [from 30 May 2019]	
A Kiwit [until 31 January 2019]	
G van Niekerk	
H Ingo	
K J Mkondo [from 31 January 2019]	

### Employment Equity Consultation Forum (EECF)

Name of Member	Meeting Dates
V Muller (Chairperson)	31 July 2018 06 December 2018 05 March 2019
N Bungane (Vice Chairperson)	
R Figland	
P Van der Hoven [until 26 Sept 2018]	
L Langa	
A Kiwit [until 31 Jan 2019]	
I Stemela	
J Fry	
D Wessels [until 26 Sept 2018]	
J Von Brandis	
H Loff [from 26 Sept 2018]	
C Noble [from 26 Sept 2018]	
K J Mkhondo [ from 31 Jan 2019]	

### Budget Committee

Name of Member	Meeting Dates
M Naik (Chairperson)	17 August 2018
D Cronje (Vice Chairperson)	21 September 2018
M Draghoender [until 30 May 2019]	12 October 2018
J Von Brandis [from 30 May 2019]	02 November 2018
E Bussack	07 December 2018
C Clarke	07 February 2019
M Nyakati	08 February 2019
C Noble	22 February 2019
P Van der Hoven	01 March 2019
L Langa	08 March 2019
A Kiwit [until 31 Jan 2019]	17 May 2019
K J Mkhondo [from 31 Jan 2019]	

### Appeals Committee

Name of Member	Meeting Dates
V Muller	No meetings were held during the 2018/2019 financial year.
A D Willemse	
P Louw	

## 2.1.6 Councillor Profile

COUNCILLORS AND COMMITTEES ALLOCATED			
Council Members	Full Time/ Part Time FT/PT	Committees Allocated	Ward and/ or Party Represented
Arries, Letitia	FT	3	PR: EFF
Bungane, Nosiselo	PT	7	PR: DA
Bussack, Edmund	FT	6	Ward 14: DA
Buys, John-Patrick	PT	2	PR: PBI
Clarke, Charlotte Mary-Ann	FT	7	PR: DA
Cornelius, Belrina Magdalena	PT	6	Ward 27: DA
Cronje, Daniel Lodevicus	FT	5	Ward 2: DA
Daniels, Micheal	PT	3	Ward 24: ANC
De Villiers, Erasmus Petrus	FT	5	Ward 3: DA
Dlikili, Sivuyile	PT	1	Ward 9: ANC
Draghoender, Mercia	PT	11	Ward 20: DA
Du Toit, Johan	PT	4	PR: ACDP
Esau, Jarques Denvar	PT	3	Ward 25: ANC
Figland, Raybin-Gibb Sylvester	FT	11	PR: DA
Fry, Justin	PT	6	PR: DA
Gericke, Virgil	PT	1	PR: PBI
Harris, Wilbert Terence	PT	5	PR: ICOSA
Ingo, Hendrik Hermanus	PT	6	Ward 6: DA
James, Ntombi Rosy	PT	2	Ward 21: ANC
Kiwit, Abel	PT	5	PR: AIC
Kritzinger, Iona Christina	FT	6	PR: DA
Langa, Langa	PT	4	Ward 13: ANC
Lesele, Cokiswa Iris	PT	3	Ward 11: ANC
Loff, Helen	PT	4	PR: ANC
Louw, Peter	PT	7	Ward 5: DA
Mdaka, Nontembeko Faith	PT	3	Ward 15: ANC
Mooi, Buyiswa Henge	PT	1	Ward 10: ANC
Muller, Vicentius	PT	6	Ward 17: DA
Naik, Melvin George	FT	2	PR: DA
Ncamazana, Julia	PT	3	PR: ANC
Noble, Cecil Henry	FT	9	Ward 16: DA
Nosana, Phumela Pamela	PT	3	PR: ANC
Nyakathi, Mxolisi Micheal	FT	5	PR: DA
Petrus, Bazil	FT	3	PR: SAC
Plata, Bulelwa	PT	1	Ward 12: ANC
Pretorius, Gerrit	FT	1	Ward 22: DA
Rooiland, Shaheed	PT	2	Ward 7: ANC
Säfers, Jean	PT	6	Ward 1: DA
Jantjies, Nomawethu	PT	3	PR: ANC
Snyman, Sean	FT	7	Ward 19: DA
Stander, Gideon Johannes	PT	5	Ward 23: DA
Stemela, Isaya	PT	7	PR: DA
Stroebe, Elizabeth	PT	7	PR: DA
Teyisi, Tobeka	PT	2	PR: ANC
Van Der Hoven, Pieter Jacobus	PT	4	PR: ANC
Van Der Westhuizen, Jannie	PT	2	Ward 18: DA
Van Niekerk, Gert Johannes	PT	4	PR: FF PLUS
Van Wyk, Leon David	PT	6	PR: DA

COUNCILLORS AND COMMITTEES ALLOCATED			
Council Members	Full Time/ Part Time FT/PT	Committees Allocated	Ward and/ or Party Represented
Viljoen, Marlene	FT	6	Ward 4: DA
Von Brandis, Jacquique	FT	8	Ward 26: DA
Wessels, Dirk Johannes	PT	5	PR: DA
Willemse, Anthony David	FT	6	Ward 8: DA
Williams, Charlie Thamsaga	PT	1	PR: ANC

### ADDITIONAL INFORMATION

The resignation of certain Councillors during the 2018/19 financial year resulted in either a by-election or amendment to the PR list of the affected political party. These amendments to the Committees were effected accordingly. The information below is an indication of the Councillors that were replaced due to the resignation of a Councillor.

The information contained in the schedule "Councillors, Committees Allocated and Council Attendance" are thus not a reflection of the information at the end of the financial year (i.e Councillor Bungane is a full time Councillor since 31 January 2019) and the following should therefore be reported and read with said schedule:

Alderlady M Draghoender (DA Council member until April 2019) (Replaced Alderman Petrus as SAC Councillor in Council on 23 May 2019).

**Councillors:** Aries LH (resigned from Council on 17 May 2019).

Brown E (member of Council from 21 November 2018. Replaced Councillor E P De Villiers)

De Villiers E P (resigned from Council on 31 August 2018)

Gultig D (member of Council from 11 April 2019. Replaced Councillor J Van Der Westhuizen)

Kiwit A (resigned from Council in December 2018)

Mkhondo K (member of Council from 04 January 2019. Replaced Councillor A Kiwit)

Petrus B (resigned from Council on 25 April 2019)

Van Der Westhuizen J (replaced Councillor G Niehaus in April 2018) (resigned from Council on 21 January 2019).

The table below shows the number of Council Meetings that were held during the 2018/2019 financial year:

ORDINARY COUNCIL		SPECIAL COUNCIL	
2018	2019	2018	2019
4	5	5	5

## 2.2 ADMINISTRATIVE GOVERNANCE

### 2.2.1 Introduction to Administrative Governance

According to Section 60 (b) of the MFMA, the Municipal Manager as the accounting officer of the municipality must provide guidance on compliance with this Act to political structures, political office bearers and officials of the municipality and any entity under the sole or shared control of the municipality.

The Municipal Manager is the head of the administration and primarily serves as the chief custodian of service delivery and the implementation agent of political priorities. He is assisted by his management team.

A key priority of the Management Team has been to establish a solid leadership core within the organisation which permeates through to middle and supervisory management levels. The Management Team Structure is outlined in the table below:

Name of Official	Department/Directorate	Performance Agreements Signed
		(Yes/No)
T Botha	Municipal Manager	Yes
R Wesso	Director: Civil Engineering Services	Yes
W Hendricks	Director: Community Services	Yes
K Jordaan	Director: Financial Services	Yes
C Lubbe	Director: Human Settlements	Yes
S Erasmus	Director: Protection Services	Yes
S James	Director: Corporate Services	Yes
<b>The following positions remain vacant for the 2018/19 financial year:</b>		
<ul style="list-style-type: none"><li>▪ Director: Electrotechnical Services</li><li>▪ Director: Planning and Development</li></ul>		

Administrative Governance Structure

## COMPONENT B: INTERGOVERNMENTAL RELATIONS

Section 3 of the MSA requires that municipalities must exercise their executive and legislative authority within the constitutional system of co-operative governance envisaged in the Section 41 of the Constitution.

### 2.3 INTERGOVERNMENTAL RELATIONS

In terms of the Constitution, all spheres of government and all organs of state within each sphere must cooperate with one another in mutual trust and in good faith, fostering friendly relations. They must assist and support one another, inform and consult one another on matters of common interest, coordinate their actions, adhering to agreed procedures and avoid legal proceedings against one another.

#### 2.3.1 Intergovernmental Structures

The Municipality fosters relations with other spheres of government and participates in various intergovernmental activities to promote a closer working relationship between the various spheres of government. These relationships assist in enhancing government's services to the communities of George and promote a more efficient use of resources and sharing of knowledge.

##### **Transversal partnering**

These partnerships exist between line function departments within the Municipality. The prevailing partnerships include:

- ♦ Integrated Development Planning (IDP) and Budget Steering Committee;
- ♦ Project Committees in respect of drafting and amendment of the Municipal Spatial Development Framework(MSDF); restructuring and urban upgrade projects; and George Integrated Public Transport Network(GIPTN).

##### **Intergovernmental partnering**

The Municipality partners with other spheres of government to leverage financing, mandates and facilitates decision making. The existing partnerships include:

- ♦ Human Settlements Department partnerships with the Western Cape Provincial Government and National Human Settlements authorities to collaborate on the delivery and funding for subsidised housing projects and development of restructuring zones aimed at spearheading spatial transformation;

- ♦ Civil Engineering Services has ongoing partnerships with state and provincial authorities to leverage funding for the upgrade of infrastructure to sustain economic growth.
- ♦ Protection Services: The development and roll-out of the George Integrated Public Transport Network is a result of a continuing partnership with the Western Cape Provincial Government, with significant funding from national government;
- ♦ Economic Development Unit actively participates in collaboration with the National Department of Rural Development in an initiative to establish Farmer Production Support Units within the municipal area, which projects are funded by the National Department.
- ♦ Information, Communication & Technology partners with the Garden Route District Municipality and the Western Cape Provincial Government on implementing good governance as well as knowledge sharing.

### **Cross-boundary partnering**

Partnerships with other municipalities in the Garden Route District facilitate decision-making and serve as a valuable means for exchange of knowledge and learning best practices. Prevailing partnerships include:

- ♦ participation in the IDP processes of neighbouring municipalities;
- ♦ active participation in Intergovernmental Steering Committees formed in lieu of drafting MSDFs for neighbouring municipalities;
- ♦ memorandum of agreement with four other municipalities whereby a Joint Municipal Tribunal has been established to leverage decision making capacity and expertise in respect of land development applications.

### **The Municipality has delegated officials and councillors to the following forums:**

<b>Forum</b>	<b>Frequency</b>	<b>Responsibility</b>
Municipal Managers Forum	Quarterly	Municipal Manager
South African Local Government Association (SALGA) Working Groups	Quarterly	Director and portfolio councillor specific to working group
District Coordinating Forum	Quarterly	Mayor
Premiers Coordinating Forum	Bi-annually	Mayor
Provincial and District Managers IDP Forums	Quarterly	IDP/PMS & Public Participation Office
Disaster Management Forum	Quarterly	Community Services
Human Resources Forum	Quarterly	Corporate Services
Legal Advisors Forum	Quarterly	Corporate Services
Environmental Health Forum	Quarterly	Community Services
Local Economic Development Forum	Quarterly	Economic Development
Southern Cape Planners Forum	Quarterly	Spatial Planning and Land Use Management
Eden District Municipality Infrastructure	Quarterly	Infrastructure



Forum	Frequency	Responsibility
Forum		
Provincial Public Participation and Communication Forum	Quarterly	IDP/PMS & Public Participation Office
Eden ICT Managers Forum	Quarterly	Information, Communication and Technology
Western Cape ICT Managers Strategic Forum	Quarterly	Information, Communication and Technology
Association of Municipal Electricity Utilities (AMEU)	Quarterly	ElectroTechnical Services
Southern Africa Revenue Protection Association (SARPA)	Quarterly	ElectroTechnical Services

## COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

Chapter 4 of the Local Government: Municipal Systems Act, No. 32 of 2000 deals with the development of a culture of community (public) participation, mechanisms, processes and procedures for community participation, communication of information concerning community participation, public notice of council meetings, and communication between council and the local community. These mechanisms for public participation must also be appropriate for the:

- ◆ Preparation, implementation and review of the IDP;
- ◆ The establishment, implementation and review of the performance management system;
- ◆ Monitoring and review of the performance, including the outcomes and impact of such performance; and
- ◆ Preparation of the municipal budget.

### 2.4 PUBLIC MEETINGS

A Ward Committee is a representative body made up of community members in a local municipal ward or within a local or metro municipality. They assist the Ward Councillor in organising community consultation, and conveying information between the Council, the Councillor and the community. Ward Committees are advisory committees that can make recommendations on any matter affecting their ward.

The purpose of a ward committee is:

- ◆ to ensure better participation from community to inform Council decisions;
- ◆ to ensure effective communication between the Council and the community; and
- ◆ to assist the Ward Councillor with consultation and report-backs to the community.

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

The Ward Committee support the Ward Councillor who receives reports on development, participate in development planning processes, and facilitate wider community

participation. To this end, the Municipality constantly strives to ensure that all Ward Committees function optimally with community information provision; convening of meetings; ward planning; service delivery; IDP formulation and performance feedback to communities.

#### 2.4.1 Functionality of Ward Committees

A Ward Committee is put in place to enhance participatory democracy in local government and in terms of that mandate the committee is required to:

- ♦ advise Council on matters affecting the ward;
- ♦ represent the people in the ward in a transparent and democratic way;
- ♦ act independently of Council;
- ♦ be impartial and perform its functions without fear, favour or prejudice;
- ♦ to make sure ward residents have a say in decisions, planning and projects that the Council or municipality undertakes which have an impact on the ward; and
- ♦ to assist the Ward Councillor in understanding the needs and the views of the community.

The following tables indicate the names of the Ward Councillors and their Committees:

Functionality of Ward Committees					
Ward Name (Number)	Name of Ward Councillor and elected Ward Committee members	Committee established (Yes/No)	Number of Ward Committee Meetings	Councillor Ward Feedback Meetings	Other Meetings
Ward 1	<b>Cllr J Säfers</b>	Yes	4	1	3
	S Crowley				
	C Laws				
	A Kaffoen				
	C Ahrends				
	J Williams				
	S Erasmus				
	L Mentoor				
	F Solomons				
Ward 2	<b>Cllr DL Cronje</b>	Yes	4	2	1
	C Ralston				
	W Barkhuysen				
	D Labuschagne				
	E Cronje				
	M Mulder				
L Klue					
Ward 3	<b>Cllr EP De Villiers</b> (until 31/08/2018)	Yes	4	1	1
	<b>Cllr E Brown</b>				
	E Dreyer				

Functionality of Ward Committees					
Ward Name (Number)	Name of Ward Councillor and elected Ward Committee members	Committee established (Yes/No)	Number of Ward Committee Meetings	Councillor Ward Feedback Meetings	Other Meetings
	G de Necker				
	S Thwaites				
	A Willemse				
	M Mackenzie				
	J Barnard				
	A van Zyl				
	J Wessels				
	N Dold-Chapman				
Ward 4	<b>Cllr M Barnardt</b>	Yes	4	2	8
	C Buys				
	Q Simons				
	D Goldfain				
	E Titus				
	S Jumat				
	R Trembath				
	E Stoffels				
	E Gibson				
N Ewing					
Ward 5	<b>Cllr P Louw</b>	No	1	None	1
	C Linford				
	C Donson				
	S Matiwane				
	F De Koker				
	L Lodewyk				
Ward 6	<b>Cllr HH Ingo</b>	Yes	4	None	1
	K Louw				
	A King				
	C Williams				
	M Petersen				
	A Petersen				
	E Xolilizwe				
	H Scott				
	T Windvoel				
Ward 7	<b>Cllr S Rooiland</b>	Yes	3	7	3
	M Dyasi				
	C Appolis				
	N Jola				
	S Madayi				
	M Ningi				
	M Geduld				
	J Josephs				
Ward 8	<b>Cllr AD Willemse</b>	Yes	4	None	2
	D Jafta-Booyesen				
	J Leonard				
	A Amas				
	M Petersen				
	S Laws-Klaasen				
	S Vorster				

Functionality of Ward Committees					
Ward Name (Number)	Name of Ward Councillor and elected Ward Committee members	Committee established (Yes/No)	Number of Ward Committee Meetings	Councillor Ward Feedback Meetings	Other Meetings
	M Maneville				
	E Kuboni				
	C Spires				
	M Adams				
Ward 9	<b>Clir S Dikilili</b>	Yes	4	11	15
	N Mangqunyana				
	S September				
	M Ntsendwana				
	Z Tyida				
	M Sapho				
	P Mbi				
	N Gobisiba				
C Diamond					
Ward 10	<b>Clir B Mooi</b>	Yes	4	7	4
	S Dayimani				
	S Msutu				
	B Jara				
	Z Blau				
	M Mngoma				
	T Kutala				
	M Mathiso				
A Xelegu					
Ward 11	<b>Clir C I Lesele</b>	Yes	3	7	4
	N Mathanzima				
	C Malobola				
	L Ncamile				
	D Thetho				
	N Tyhawana				
	S Hermans				
O Appie					
Ward 12	<b>Clir B Plata</b>	Yes	4	7	None
	W Muteyi				
	L Pieters				
	O Gwangqa				
	X Qunuza				
	M Matseke				
L Xhaso					
Ward 13	<b>Clir L Langa</b>	Yes	4	11	34
	G Makinana				
	S Dyantyi				
	B Zintwana				
	A Matolengwe				
	M Bekwa				
	M Dyantiyisi				
	T Booi				
	X Cola				
	N Somatamba				
M Maweni					

Functionality of Ward Committees					
Ward Name (Number)	Name of Ward Councillor and elected Ward Committee members	Committee established (Yes/No)	Number of Ward Committee Meetings	Councillor Ward Feedback Meetings	Other Meetings
Ward 14	<b>Clir E Bussack</b>	Yes	4	1	3
	E America				
	B Klassen				
	J Klassen				
	C Titus				
	S Rhode				
	R Deyce				
	J Pato				
	S Yazo				
	G Olivier				
Ward 15	<b>Clir NF Mdaka</b>	Yes	4	3	52
	C Ngethu				
	M Kalipa				
	N Toto				
	Z Matwa				
	V Mtwecu				
	G Nombengu				
	Z Mhlambiso				
Ward 16	<b>Clir CH Noble</b>	Yes	4	None	3
	A Heynes				
	C Muller				
	O Matholla				
	C Daman				
	J Cornelius				
	BJ Stoffels				
	M Patterson				
	D Bezuidenhout				
	R Treurnicht				
Ward 17	<b>Clir V Muller</b>	Yes	4	1	3
	B Schoeman				
	P Foster				
	R Brinkhuys				
	R Lewis				
	F Weyers				
	N Joseph				
Ward 18	<b>Clir J van der Westhuizen</b> (until 21/01/2019)	Yes	3	1	1
	<b>Clir D Gultig</b>				
	A Joubert				
	A Storm				
	P Truter				
	C Nieuhoff				
	H Koegelenberg				
	H Hill				
	J Truter				
	J van der Merwe				
E Rautenbach					

Functionality of Ward Committees					
Ward Name (Number)	Name of Ward Councillor and elected Ward Committee members	Committee established (Yes/No)	Number of Ward Committee Meetings	Councillor Ward Feedback Meetings	Other Meetings
Ward 19	<b>S Snyman</b>	Yes	3	2	1
	J Jacobs				
	B Redelinghuys				
	D Hattingh				
	N Nimb				
	L Snyman				
	F van der Merwe				
	S Habbet				
Ward 20	<b>Ald M Draghoender</b>	Yes	4	2	2
	J Muller				
	M Boezak				
	B Jansen				
	G Carolus				
	I Scheepers				
	L Smit				
	R Fischer				
P Moolman					
Ward 21	<b>Clir NR James</b>	Yes	4	16	7
	K George				
	L Mavela				
	N Malgas				
	F Dyani				
	R Olifant				
	A Yalolo				
	J Gubula				
	E Mbanjana				
	M Fatman				
Ward 22	<b>Clir G Pretorius</b>	Yes	3	2	None
	P de Swardt				
	C Barnard				
	J Jansen				
	P Khumalo				
	G Brits				
	P Fourie				
	J Du Preez				
	M Mei				
Ward 23	<b>Clir GJ Stander</b>	Yes	4	3	2
	S Gericke				
	J Smith				
	F Joseph				
	G Hamel				
	P Juter				
	C van Niekerk				
	H du Plessis				
B Johnson					
Ward 24	<b>Clir M Daniels</b>	Yes	4	4	1
	G Lourens				

Functionality of Ward Committees					
Ward Name (Number)	Name of Ward Councillor and elected Ward Committee members	Committee established (Yes/No)	Number of Ward Committee Meetings	Councillor Ward Feedback Meetings	Other Meetings
	P Abrahams S Abrahams J Louw A Boom M Du Preez N Du Preez				
<b>Ward 25</b>	<b>Cllr JD Esau</b> C Mongo A Blaauw C Adolph H Metik W Decelly K Prins	Yes	4	4	4
<b>Ward 26</b>	<b>Cllr J Von Brandis</b> D Gultig D van der Rijst C Hulme T Forsberg B Muller L van der Rijst C Newham M Gultig	Yes	4	1	5
<b>Ward 27</b>	<b>Cllr B M Cornelius</b> G Felix E Heynes P McCarthy J Gordon H Ceasar G Sharp U da Silva M Snyman	Yes	4	None	5

Functionality of Ward Committees

## 2.4.2 Public Meetings

Nature & Purpose of Meetings	Date of events	Number of Participation Municipal Councillor	Number of Participating Municipal Officials	Manner of feedback given to community
Ward Councillor Report Back Meeting	July 2018 – September 2018	23	16	Councillor feedback meetings on various community issues including report back on service delivery matters.
	October 2018 – December 2018	25	19	
	January 2019 – March 2019	29	22	
	April 2019 – June 2019	18	10	
IDP/Budget Public Meetings: Clustered Ward	07 November 2018	3	16	To get input from the community regarding the
	15 November 2018	4	24	
	22 November 2018	4	23	



Nature & Purpose of Meetings	Date of events	Number of Participation Municipal Councillor	Number of Participating Municipal Officials	Manner of feedback given to community
Committee Meeting	26 November 2018	4	20	2019/20 IDP Review
	29 November 2018	6	8	
	03 December 2018	2	12	
	28 January 2019	3	19	
CWP: LRC Meeting	27 July 2018	1	9	Progress reporting on the Community Work Programme
	05 November 2018	1	1	
	23 November 2018	-	1	
	03 April 2019	-	1	
CWP: Induction workshop on the functions, roles and responsibilities	17 September 2018	2	5	Information session on the Community Work Programme
MPAC: Annual Report Process with Ward Committees	06 March 2019	23	8	Solicit input from Ward Committee members on the draft Annual Report
IDP/Budget Public Meetings	13 May 2019	9	16	To provide feedback/responses to Ward Committee
	15 May 2019	7	12	

Public Meetings

## COMPONENT D: CORPORATE GOVERNANCE

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

### 2.5 RISK MANAGEMENT

The Municipality has a Risk Management Policy Framework and Implementation Plan which was approved by Council during January 2018.

The risk management function is facilitated internally by the Internal Audit Section to ensure the following functions are performed:

- ♦ assisting Management to develop the risk management policy, strategy and implementation plan;
- ♦ coordinate risk management activities;
- ♦ facilitating identification and assessment of risks;

- ♦ recommending risk responses to management; and
- ♦ facilitating risk reporting.

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### **2.5.1 Legislative Mandate**

Section 62(1)(c)(i) of the MFMA requires that the Accounting Officer ensures that the municipality has and maintains effective, efficient and transparent systems of risk management. The extension of general responsibilities in terms of Section 78, to all senior managers and other officials of municipalities implies that the responsibility for risk management vests at all levels of management and that it is not only limited to the Accounting Officer and Internal Audit.

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### **2.5.2 Legislative Mandate**

George Municipality is committed to the optimal management of risks in order to achieve our vision, deliver on our core business and key objectives and protect our values as “George – The City for all reasons”. In the course of conducting our day-to-day business operations, we are exposed to a variety of risks. These risks include operational and other risks that are material and require comprehensive controls and on-going oversight.

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

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

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

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### 2.5.3 Objectives of Risk Management

The objectives of risk management are to assist Management in making more informed decisions which:

- ♦ provide a level of assurance that current significant risks are effectively managed;
- ♦ improve operational performance by assisting and improving decision making and planning;
- ♦ promote a more innovative, less risk averse culture in which the taking of calculated risks in pursuit of opportunities, to benefit the municipality is encouraged; and
- ♦ provide a sound basis for integrated risk management and internal control as components of good corporate governance.

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### 2.5.4 Benefits of Risk Management

The risk management process can make major contributions towards helping the municipality achieve its objectives. The benefits include:

- ♦ more sustainable and reliable delivery of services;
- ♦ enhance decision making underpinned by appropriate rigour and analysis;
- ♦ reduced waste;
- ♦ prevention of fraud and corruption;
- ♦ fewer surprises and crises;
- ♦ help avoid damage to the municipality's reputation and image;
- ♦ helps ensure effective reporting and compliance with laws and regulations;
- ♦ better value for money through more efficient use of resources; and
- ♦ better outputs and outcomes through improved project and programme management.

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### 2.5.5 Developed Strategies

Name of Strategy	Developed (Yes / No)	Date reviewed
Risk Management Policy	Yes	January 2018
Risk Management Strategy and Implementation Plan	Yes	January 2018

## 2.5.6 Risk Management Function

A Chief Risk Officer was appointed on 1 September 2018. The Chief Risk Officer is the custodian of the Risk Management Strategy and the coordinator of enterprise risk management activities throughout George Municipality. The primary responsibility of the Chief Risk Officer is to use his/her specialist expertise to assist the municipality to embed enterprise risk management and leverage its benefits to enhance performance.

Prior to the appointment of the Chief Risk Officer, the risk management function was facilitated internally by the Internal Audit Section to ensure the following functions were performed:

- ♦ Assisting Management to develop the risk management policy, strategy and implementation plan;
- ♦ Coordinate risk management activities;
- ♦ Facilitating identification and assessment of risks;
- ♦ Recommending risk responses to management; and
- ♦ Facilitating risk reporting.

## 2.5.7 The Risk Management Process

The risk management process consists of eight (8) components.



Figure 1: Risk Management Process

### (i) Internal Environment

The internal environment encompasses the tone of George Municipality, influencing the risk consciousness of its people. It is the foundation for all other components of risk management, providing discipline and structure.

## **(ii) Objective Setting**

Objectives are set at the strategic level, establishing a basis for operations, reporting, and compliance objectives. Objectives are to be aligned with the municipality's risk appetite.

## **(iii) Event Identification**

Event identification is the process of identifying potential events affecting George Municipality's ability to successfully implement strategy and achieve objectives.

## **(iv) Risk Assessment**

Risk assessments allow the municipality to consider the extent to which potential events might have an impact on the achievement of objectives. Management should assess events from two perspectives, impact and likelihood, and normally uses the quantitative method i.e. risk rating scales for both the inherent and residual basis.

## **(v) Risk Response**

Having assessed relevant risks, management determines how it will respond. Responses include risk avoidance, reduction, sharing and acceptance.

## **(vi) Control Activities**

Control activities are the policies and procedures that help ensure that management's risk responses are carried out. Control activities occur throughout the municipality, at all levels and in all functions. They include a range of activities as diverse as approvals, authorizations, verifications, reconciliations, reviews of operating performance, security of assets and segregation of duties.

## **(vii) Information and Communication**

Pertinent information is identified, captured and communicated in a form and timeframe that enable people to carry out their responsibilities. Effective communication also occurs, flowing down, across and up in the municipality. All personnel receive a clear message from top management that risk management responsibilities must be taken seriously. They understand their own role in risk management, as well as how individual activities relate to the work of others. They must have a means of communicating significant information upstream. There is also effective communication with external parties.

## **(viii) Monitoring**

Monitoring risk management is a process that assesses the presence and functioning of its components over time. This is accomplished through on-going monitoring activities, separate evaluations or a combination of the two. On-going monitoring occurs in the normal course of management activities. The scope and frequency of separate evaluations will depend primarily on an assessment of risks and the effectiveness of on-going monitoring procedures.

During the 2018/2019 financial period, the Risk Management Toolkits were:

- ◆ Restructured to incorporate the organisational structure changes.
- ◆ A Risk Appetite factor of 35% was maintained.
- ◆ Realigned to the 2018/2019 Strategic Goals of the Integrated Development Plan (IDP) and Top Layer Service Delivery and Budget Implementation Plan (SDBIP) Key Performance Indicators (KPIs).
- ◆ Updated with a list of KPIs to which no risks were assigned in order to enable management to identify potential additional risks to be added to the risk register.
- ◆ Updated with a list of typical risks, as well typical fraud risks, in order to enable management to identify potential additional risks to be added to the risk register.

Risk owners have updated the risk registers and reported on, amongst others:

- ◆ Additional risks added to the risk register;
- ◆ Risks deleted from the risk registers;
- ◆ Risks re-assigned to relevant Directorates;
- ◆ Changes processed relating to risks;
- ◆ Risks exceeding the risk appetite;
- ◆ Risks that materialised;
- ◆ Risks that should be escalated to management; and
- ◆ Top risks.

Quarterly/Six Monthly Risk Reports (which incorporate the above-mentioned aspects) are compiled by the Risk Champions for discussion, reviewed and approved.

The Risk Reports and Risk Management Toolkits are submitted to the Chief Risk Officer for review and reporting.

Six Monthly Risk Reporting have been issued or is in the process for the following periods:

- ◆ Quarters 1 & 2 (July 2018 – December 2018)
- ◆ Quarters 3 & 4 (January 2019 – June 2019)

The risks identified were classified into high, medium and low risks to determine the inherent risk (impact risk has before taking controls into consideration). The risk rating is

determined by 5 X 5 risk matrix. The following illustration represents the municipality's risk matrix:

Likelihood	Impact				
	Insignificant	Minor	Moderate	Major	Critical
Common	Low	Medium	High	High	High
Likely	Low	Medium	Medium	High	High
Moderate	Low	Low	Medium	Medium	High
Unlikely	Low	Low	Low	Medium	Medium
Rare	Low	Low	Low	Low	Low

Risk Matrix

The following detail can also be, amongst others, extracted from the Risk Management Toolkit and is quarterly/bi-annually reported on:

#### Comparison between current and previous risk profile

- ◆ Inherent and Residual Risks
- ◆ Implementation status of controls/action plans

#### Changes in risk profile

- ◆ Number of risks
- ◆ Identification of new risks
- ◆ Identification of risks no longer applicable
- ◆ Changes according to monitoring fields

#### Current risk profile

- ◆ Inherent and Residual Risks
- ◆ Risks linked to IDP Objectives
- ◆ Risk Categories
- ◆ Risk Strategies
- ◆ Control Types
- ◆ Implementation status
- ◆ Perceived control effectiveness

#### Materialisation and escalation of risks

- ◆ Risks that materialized
- ◆ Risks that should be escalated

#### Top risks

- ◆ Risks exceeding the risk appetite

## 2.5.8 Top Ten Strategic Risk Themes for the Municipality

Internal Audit issued a report on the Top Risks: FY19 on 16 November 2018. The table below depicts the summary output of the Top Risk analysis in terms of which directorate risks included in the risk register were associated to *broader risk themes*. Top risks are assessed and updated regularly.

It should be noted that the residual (and not the inherent) risk rating scores were utilised in the analysis of the top risks.

- ♦ An inherent risk is defined as the risk to George Municipality in the absence of any deliberate actions management might take to alter either the risk's impact or likelihood. In other words, the impact that the risk will have on the achievement of objectives if the current controls that are in place, are not considered.
- ♦ The remaining exposure after the mitigating effects of deliberate management interventions to control such exposure is the residual risk.

Ranking	Description
1	Dissatisfaction of the community
2	Inadequate standard of service delivery
3	Financial Viability
4	Poor level of compliance
5	Weaknesses in governance and accountability
6	Deficiencies in staff skills and capacity
7	Safety and security
8	George Integrated Public Transport Network (GIPTN) - Integrated Public Transport network fails to meet stakeholder needs across the entire Municipal Area, through failure to fully establish, adequately fund and effectively, efficiently, economically operate the service in accordance with contractual agreements and applicable laws and regulations.
9	Inefficient investment in Capex
10	Excessive migration into George Municipal area

## 2.6 ANTI-CORRUPTION AND FRAUD

Section 83(1)(c) of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) emphasises the implementation of competitive bidding to minimise the possibility of fraud and corruption. Furthermore, Section 112(1)(m) of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) identifies supply chain measures to be enforced to combat fraud and corruption, favouritism, unfair and irregular practices. Section 115(1) of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) stipulates that the accounting officer must take all reasonable steps to ensure that proper mechanisms and separation of duties in the supply chain management system are in place to minimise the likelihood of fraud, corruption, favouritism, unfair and irregular practices.



## 2.6.1 Top Ten Strategic Risk Themes for the Municipality

Name of strategy	Developed Yes/No	Date Reviewed
Anti-Corruption and Anti-Fraud Strategy	Yes	25 February 2015
Whistle blowing policy	Yes	23 June 2017

Strategies: Anti-corruption and Anti-fraud

The structural strategies according to the Anti-Fraud and Anti-Corruption Strategy and Implementation Plan include the establishment of an Anti-Fraud and Anti-Corruption Committee that will oversee the approach of the Municipality to fraud prevention, fraud detection strategies and response to fraud and corruption incidents reported by employees or other external parties. The Section 80 Finance Committee fulfils this role.

The structural strategies according to the Anti-Fraud and Anti-Corruption Strategy and Implementation Plan, include the establishment of an Anti-Fraud and Anti-Corruption Committee that will oversee the approach of the Municipality to fraud prevention, fraud detection strategies and response to fraud and corruption incidents reported by employees or other external parties. The Section 80 Finance Committee fulfils this role.

Processes put in place as a deterrent to mitigate key fraud risk areas includes, but is not limited to, division of duties, internal audit review of processes and adherence thereto, Audit Committee that excludes politicians and officials as voting members, condemnation by the Mayor and Municipal Manager of corrupt practices, and involvement of police as soon as grounds for suspicion become evident.

## 2.7 AUDIT COMMITTEE

The Municipality Audit Committee, appointed in terms of Section 166(1) of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003), has also been appointed as the Performance Audit Committee.

Section 166(2) of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) states that an audit committee is an independent advisory body which must –

- (a) Advise the municipal council, the political office-bearers, the accounting officer and the management staff of the municipality, on matters relating to –

- ◆ internal financial control and internal audit;
- ◆ risk management;
- ◆ accounting policies;
- ◆ the adequacy, reliability and accuracy of financial reporting information;
- ◆ performance management;
- ◆ effective governance;
- ◆ compliance with this Act, the annual Division of Revenue Act and any other applicable legislation;
- ◆ performance evaluation; and
- ◆ any other issues referred to it by the municipality.

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### **2.7.1 Functions of the Audit Committee**

The Audit Committee have the following main functions as prescribed in Section 166 (2) (a-e) of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) which is further supplemented by the Local Government Municipal and Performance Management Regulation, 2001, as well as the approved Audit Committee Charter:

- ◆ To advise the Council on all matters related to compliance and effective governance.
- ◆ To review the annual financial statements to provide Council with an authoritative and credible view of the financial position of the municipality, its efficiency and its overall level of compliance with the MFMA, the annual Division of Revenue Act (DoRA) and other applicable legislation.
- ◆ Respond to the Council on any issues raised by the Auditor-General in the audit report.
- ◆ To carry out such investigations into the financial affairs of the municipality as the council may request.
- ◆ Perform such other functions as may be prescribed.
- ◆ To review the quarterly reports submitted to it by the internal audit.
- ◆ To evaluate audit reports pertaining to financial, administrative and technical systems.
- ◆ To review the Performance Management System and make recommendations in this regard to Council.
- ◆ To identify major risks to which Council is exposed and determine the extent to which risks have been minimised.
- ◆ Review the plans of the Internal Audit function and in so doing; ensure that the plan addresses the high-risk areas and ensure that adequate resources are available.
- ◆ Provide support to the Internal Audit function.
- ◆ Ensure that no restrictions or limitations are placed on the Internal Audit section.

- ♦ Evaluate the activities of the Internal Audit function in terms of their role as prescribed by legislation.

## 2.7.2 Members of the Audit Committee

Name of representative	Capacity	Meeting dates (And members in attendance)
A Potgieter (AP)	Chairperson	24 August 2018 (AP, JC, CL, FdS, RS) 14 September 2018 (AP, JC, CL, FdS, RS)
J Carstens (JC)	Member	26 October 2018 (AP, JC, CL, FdS, RS) 19 November 2018 (AP, JC, CL, FdS, RS)
C Lamprecht (CL)	Member	23 November 2018 (AP, JC, CL, FdS)
PH de Swart (FdS)	Member	25 January 2019 (AP, JC, CL, FdS, RS) 5 April 2019 (AP, CL, FdS)
R Saptoe (RS)	Member	31 May 2019 (AP, JC, CL, FdS, RS)

## 2.7.3 Municipal Audit Committee Recommendations

Formal reports containing recommendations to address control weaknesses are submitted to Council and the Audit Committee regularly follow-up with Internal Audit and Management on the state of corrective action implemented. Furthermore, the Audit Committee also provides comments on various internal and external reports.

The following recommendations by the committee were, *inter alia*, approved by the Council:

Audit Committee Recommendations during 2018/19
<p><b>Internal Audit</b></p> <ul style="list-style-type: none"> <li>- Management should formulate the mitigation plans for GIPTN risks and confirm that it is SMART.</li> <li>- Management should ensure that all risks are addressed and monitored.</li> <li>- Management should provide Internal Audit with all requested supporting documentation / feedback within 5 working days of being requested.</li> <li>- The Internal Audit champions assigned in each directorate should actively follow up on the status of implementation of all internal and external audit recommendations pertaining to their respective directorates. The Internal Audit Champions should actively update the status of implementation of the above recommendations on the Ignite Audit Query Assist module.</li> <li>- Council to take note of the concerns relating to the capacitation of the Internal Audit department.</li> </ul> <p><b>Auditor-General fees</b></p> <ul style="list-style-type: none"> <li>- Council to take note that the AG fees will increase with approximately 32% for 2018/2019 mainly due to the HAWKS investigations and Mscoa impact on the budget.</li> </ul> <p><b>Audit Committee recommendations to Council</b></p>

## Audit Committee Recommendations during 2018/19

- That adequate discussion around Audit Committee items and recommendations take place and that Council decisions be minuted accordingly.

### **Internal Audit**

With reference to the concern raised by the Audit Committee relating to leave records:

- Management should confirm that all the relevant recommendations reported by Internal Audit in the "Attendance Register Special" issued on 14 July 2009 are adequately implemented. (It is noted that the municipality is in the process of implementing an electronic Time & Attendance system.)
- Management should confirm that all the relevant recommendations reported by Internal Audit in the "Leave Audit 2009 – Final Report" issued on 10 April 2010 are adequately implemented. (It is noted that since the above-mentioned report was issued the municipality implemented the Collaborator System.)
- Management should confirm that attendance registers and leave records are valid, accurate and complete.
- Management should confirm that adequate consequence management is implemented in order to address any non-compliance.

### **Audit Committee Self-Assessment 2017/2018**

- Council note the Audit Committee Self-assessment for the 2017/2018 financial year.

### **Audit Committee Assessment of Internal Audit 2017/2018**

- Council note the Audit Committee assessment of the internal audit function.

### **Risk Management**

- That the complete Top Ten Risk report be submitted to the Risk Management committee and thereafter to Council.

### **Human Resources**

- That it be noted that the Municipal Manager approved a special internal audit project to address the leave balance verification for all employees.

### **Audit Committee Charter**

- That the Audit Committee Charter be approved and that a Council workshop be arranged to discuss the charter together with MFMA Circular 65.

### **Tool of the trade request**

- That Council approve / not approve the request by the Audit Committee to provide tools of the trade when required to perform their tasks as Audit Committee members effectively and efficiently.

### **Audit Committee Report to be included in Annual Report**

### Audit Committee Recommendations during 2018/19

- That Council note the Audit Committee's Annual Report, included in the Annual Report and that management address the areas of concern highlighted by the Audit Committee.

#### **Audit Committee Work Plan**

- That Council take note that the Audit Committee has approved their Work Plan.

#### **Management Letter Point implementation - That the following process be implemented by management:**

- Continuously update the Ignite module (as soon as training has been received).
- Set SMART KPIs relating to the implementation of the Management Letter Points for inclusion in the performance agreements of the directors.
- Generate the MLP follow-up reports and utilise these, amongst others, as documentation to support reported performance against the KPIs set.

#### **Auditor-General**

- That Council take note of the Audit Committee's concern relating to the increase in AG fees and the committee's recommendation that the Municipal Manager or CFO discuss
- That the following matters highlighted by the Audit Committee be urgently addressed:
  - Based on the finding of the AG, the Audit Committee support management and undertakes to revise the three-year internal audit plan to include the internal auditing of SCM matters.
  - The Audit Committee members are appointed by Council and therefore the Council will have to address the matter of the audit finding regarding the independence of members appointed.
  - The implementation of Council of the approved PPPFA policy, where Section 80 committees approve tender conditions, will have to be urgently addressed by Council as this will influence all current and future tenders awarded and expenditure incurred based on the current PPPFA policy.
  - The finding that deviations must be limited, is supported and therefore the Audit Committee requested the Internal Audit Unit to include the audit of deviations on the three-year internal audit plan.
  - Council will have to address the treatment of traffic fine revenue.
  - The 2018/2019 Top Layer Service Delivery & Budget Implementation Plan (TL SDBIP) will have to be adjusted to address audit findings. Reporting on the TL SDBIP will also have to be improved by various directorates.
  - The Audit Committee want to highlight the paragraph in the report of the AG relating to the significant lapses that occurred in the leadership's responsibility over financial reporting, predetermined objectives, compliance as well as related internal controls.
  - The current Investment Policy should be reviewed and updated where necessary, based on the finding of the AG that all investments were not made in accordance with the requirements of the Investment Policy.
  - The Audit Committee recommended that irregular expenditure, as well as fruitless and wasteful expenditure, incurred by the municipality be investigated to determine if any person is liable for the expenditure as required by Section 32(2)(b) of the MFMA.
  - According to the AG Report, management did not ensure that policies and procedures governing Overtime and Leave Administration are in place to effectively manage these

## Audit Committee Recommendations during 2018/19

two critical HR functions. Council must address these matters urgently.

- The Audit Committee included a detailed risk register on GIPTN in the risk registers. Council and management must address this matter urgently.
- The finalization of the Regional Waste Disposal Site and Composting Facility require urgent attention/ implementation by Council.

### Performance Management

- Council to take note of the Audit Committee request that management confirm that all Internal Audit and AG recommendations relating to Performance Management be adequately addressed to avoid the same findings during the next audit.

### Information Technology

- Council to take note of the Audit Committee request that management implement the AG recommendations relating to Information Technology to avoid the same findings during the next audit.

### Guidance paper from the Public-Sector Audit Committee forum

- Council to take note of the reporting responsibilities of the Audit Committee as outlined in the guidance paper from the Public-Sector Audit Committee Forum on the Audit Committee's role in financial analysis in municipalities.

### Human Resources

- Council to take note of the discussion points and the concerns raised by the Audit Committee with reference to vacant positions.

### Municipal reporting in terms of Section 52, 71 and 72 of the MFMA

- Council to take note of the Audit Committee's concern about the current status of investment of surplus funds with regards to receiving best yield on investments.
- Council to take note that the Audit Committee requested that management submit a report to the Audit Committee on the status of investment procedures followed to address the principle of receiving the best yield on investment of surplus funds as outlined in the Cash and Investment policy.

### Auditor-General

- Council to take note that the Audit Committee requested that management revise the Audit Action Plan to such an extent that it will enable Internal Audit to perform an assessment on the implementation of the Auditor-General recommendations.

### Risk Management

- That management perform a risk assessment and submit a report to Council.

Audit Committee Recommendations: 2018/19

## 2.7.4 Municipal Audit Committee Report

The Audit Committee presents its report for the financial year ended 30 June 2019.

### Responsibility

The George Municipality (hereinafter referred to as the municipality) has constituted its Audit and Performance Audit Committee (hereinafter referred to as the Audit Committee) to function in terms of the provisions of section 166 of the Municipal Finance Management Act, 2003 (MFMA).

The Audit Committee is an independent advisory body to the Council, Accounting Officer and the management and staff of the municipality on matters relating to internal financial control and internal audits; risk management; accounting policies; the adequacy, reliability and accuracy of financial reporting and information; performance management; effective governance; the MFMA and any other applicable legislation; performance evaluation; and any other issues.

The role of the Audit Committee is to promote accountability and service delivery through evaluating and monitoring responses to risks and overseeing the effectiveness of the internal control environment, including financial and performance reporting and compliance with legislation.

The Audit Committee is also expected to review the annual financial statements to provide an authoritative and credible view of the municipality, its efficiency and effectiveness and its overall level of compliance with applicable legislation.

### Terms of Reference

The Audit Committee is constituted in terms of the requirements of sound corporate governance practices and operates in accordance with a written charter that incorporates the specific requirements of section 166 of the MFMA. These terms of reference may from time to time be amended as required, subject to the approval of the Council.

There were no amendments to the Audit Committee Charter during the 2018/19 period.

### Composition of the Audit Committee

At the end of the financial year ended 30 June 2019, the Audit Committee comprised of five members.

Both the internal and external auditors had unrestricted access to the Audit Committee during the year under review.

Members of the Audit Committee as at 30 June 2019 were:

Name	Position	Appointment date	Termination date
Dr A Potgieter	Chairperson	1 May 2018	n/a
Mr J Carstens	Member	1 March 2018	n/a

Name	Position	Appointment date	Termination date
Mr PH de Swardt	Member	1 March 2018	n/a
Ms R Saptoe	Member	1 March 2018	n/a
Mr C Lamprecht	Member	1 September 2018	n/a

## Activities

The Audit Committee met 7 times during the financial year ended 30 June 2019.

- ◆ 24 August 2018 (continued 14 September 2018)
- ◆ 26 October 2018
- ◆ 19 November 2018 (Special Audit Committee Meeting)
- ◆ 23 November 2018
- ◆ 25 January 2019
- ◆ 5 April 2019
- ◆ 31 May 2019

The Audit Committee subsequently met on the following dates to fulfill its obligation to review the 2018/19 financial statements and audit report:

- ◆ 28 August 2019 (Special Audit Committee Meeting)
- ◆ 25 October 2019
- ◆ 22 November 2019

The Audit Committee, inter alia, carried out the following functions in terms of the Audit Committee Charter:

- ◆ Reviewed and made no amendments to the Audit Committee Charter.
- ◆ Reviewed and approved the three-year rolling internal audit plans and annual internal audit plans including the definition of audit units, audit universe, and prioritisation of audit coverage taking into account the outputs of the risk assessments performed.
- ◆ Reviewed executive summaries of all internal audit reports issued.
- ◆ Reviewed the reporting by internal audit on performance management and performance information.
- ◆ Issued reports and recommendations to Council on performance management and performance information.
- ◆ Reviewed the annual financial statements as at 30 June 2018, the Final Management Report of the Auditor-General (hereinafter referred to as the A-G), as well as the Report of the A-G on the annual financial statements and the findings of the A-G on predetermined objectives and compliance with certain laws and regulations, and their detailed management letter.
- ◆ Performed assessments on the effectiveness of the Committee for review and comment by the Municipal Manager and for presentation to Council.
- ◆ Deliberated on the implementation of mSCOA.
- ◆ Considered other matters as deemed appropriate.

Relating to and during the 2018/19 financial year the following main Internal Audit reports were issued:



- ◆ Annual Cash Count FY18
- ◆ Performance Management System Quarterly Reporting FY18 (Quarter 3)
- ◆ Risk Assessment Reporting FY18 (Quarters 1&2 of 2017/2018)
- ◆ Termination of employment (11 reports in total)
- ◆ Gap Analysis Report - Annual Financial Statements FY18
- ◆ Annual Stock Count FY18
- ◆ GIPTN Risk Assessment FY18
- ◆ Risk Assessment Risk Reporting Q3&4 2017/2018
- ◆ Risk Assessment - Top 10 Risks FY19
- ◆ Performance Management System Q4 2017/2018
- ◆ Confirmation of Leave Balance (Mr SE James)
- ◆ Performance Management System Q1 2018/2019
- ◆ Performance Management System Q2&3 2018/2019
- ◆ Annual Cash Count FY19
- ◆ Annual Stock Count FY19
- ◆ Contract Management FY19
- ◆ Integrated Risk Management and Internal Audit Report: Supply Chain Management (FY19)

The Audit Committee, as prescribed in the charter, submitted reports to Council subsequent to the meetings of the committee.

Specific recommendations were made to Council for consideration.

These recommendations are included in the Annual Report in Chapter 2 and are not repeated in this report:

**Chapter 2 – Governance**  
**Component D: Corporate Governance**  
**2.7 Audit Committee**

**THE AUDITOR-GENERAL'S ASSESSMENT OF THE AUDIT COMMITTEE**

The A-G's assessment of the work performed by the Audit Committee is reflected on pages 16-17, Section 3 of the Final Management Report (hereinafter referred to as the A-G Report). In this section, the A-G reports as follows:

**SECTION 3: Assurance providers and status of implementation of commitments and recommendations**

**Audit committee: provides some assurance**

83. *The audit committee must be an independent advisory body to the council and the management and staff of the municipality on matters relating to internal financial control and internal audits; risk management; accounting policies; the adequacy, reliability and accuracy of financial reporting and information; performance management; effective governance; the MFMA and any other applicable legislation; performance evaluation and any other issues.*

84. *The audit committee is also expected to review the annual financial statements to provide an authoritative and credible view of the municipality, its efficiency and effectiveness and its overall level of compliance with the applicable legislation.*
85. *The audit committee is in place and has carried out their functions in accordance with their mandate. The committee meets on a quarterly basis to evaluate internal audit work and the risks affecting the municipality which includes the financial statements as well as supply chain management processes. The audit committee was not deemed to be independent in appearance as one member has a conflict with a staff member at the municipality.*

From the above the Audit Committee responds as follows on the main matter mentioned regarding the audit committee not deemed to be independent in appearance as one member has a conflict of interest with a staff member at the municipality.

In the same section under point 87 the following was mentioned:

### **Third level of assurance**

#### **Municipal council: provides some assurance**

87. *Our assessment is that the council is providing some assurance as the council perform statutory responsibilities assigned to it. The municipal council met regularly to consider matters in terms of its mandate and functions. However, during the audit it was identified that an audit committee member appointed by council has a family interest at the municipality. This is in contradiction of the principles of King and the audit committee charter. The audit committee should be and be seen as an independent oversight body that is impartial and free from bias in order to enhance good corporate governance within an organisation.*

The Audit Committee members are appointed by Council and therefore the Council will have to address the matter of the audit finding regarding the independence of members appointed.

Council will however have to resolve this matter as it will affect future audit findings.

## **EXTRACT FROM THE AUDITOR-GENERAL'S REPORT**

### **Report on the Annual Financial Statements**

The audit outcome of the municipality improved to an unqualified audit opinion with findings on compliance with legislation from the previous year which had a qualified audit opinion with findings on predetermined objectives and compliance with legislation.

The A-G commended management who implemented most of the actions plans stipulated by both external and internal audit and this improved the internal control environment and had a direct impact in the improvement of the audit outcome.

The improvements included the amendment of the Preferential Procurement Policy to bring it into line with the Preferential Procurement Policy Framework Act (PPPFA) thereby ensuring that councillors are no longer involved in the process of the procurement and

contract management of goods and services. In addition, management investigated the population of contracts to identify section 80 councillor committee members' involvement in the procurement process and determined the amount of irregular expenditure to be disclosed in the financial statements. The total value of irregular expenditure resulting from Section 80 Committee involvement in tenders, for the **period 2014/2015 to the current period** totalled R619,535,213 (98% of total irregular expenditure R632,613,600). This was also raised as an "emphasis of matter" by the A-G.

Management also enhanced the Indigent Policy to incorporate an audit process whereby the status of indigents is confirmed. Management are in the process of verifying the validity and accuracy of the indigents on their listing which will be concluded by 30 June 2020. It is important to note that once management identifies and confirms invalid indigents that these indigents be immediately charged for services as per the Indigent Policy.

The Audit Committee do not want to restate the pertinent issues highlighted in the A-G Report for the year 2018/19. These are detailed in the Report of the A-G included in the Annual Report.

However, we want to draw attention to the following issues of concern highlighted in these documents.

### **Findings on compliance with legislation**

The findings on compliance with legislation raised by the A-G and detailed below were also raised by Internal Audit and the Audit Committee in their respective reports. The Audit Committee recommends continued focus on the implementation of all the recommendations of the A-G and Internal Audit in this regard.

### **Procurement and contract management**

The A-G raised findings relating to procurement and contract management. The performance of some of the contractors or providers was not monitored on a monthly basis, as required by section 116(2)(b) of the MFMA.

It was also noted that bid specifications for **a tender** was drafted in a biased manner and did not allow all potential suppliers to offer their goods or services, in contravention of the Municipal Supply Chain Management Regulations (SCM), 2005 regulation 27(2)(a).

Internal controls need to be improved so that management consistently apply the requirements of the supply chain management prescripts and the MFMA, which resulted in processes not being implemented.

### **Consequence management**

The A-G raised findings relating to consequence management and associated inadequate oversight controls. Irregular expenditure and fruitless and wasteful expenditure incurred by the municipality were not investigated timely to determine if any person is liable for the expenditure, as required by section 32(2)(b) of the MFMA.

The Audit Committee has highlighted that post year-end, the irregular and fruitless and wasteful expenditure was submitted to MPAC on 13 November 2019, in accordance with section 32 of the MFMA.

### **Emphasis of matter Restatement of corresponding figures**

The corresponding figures for 30 June 2018 were restated as a result of a reclassification of grants received from the National Transport Department paid over to the Provincial Transport Department. The municipality receives a grant from the National Department of Transport to fund expenditure of the GIPTN bus service. In the prior year payments made to the Provincial Department of Transport for expenditure procured on behalf of the municipality were shown as part of general expenses and contracted services. These were reclassified to grants and subsidies paid, in terms of section 17(2) of The Division of Revenue Act (2019). There was **no effect on the accumulated surplus** for the year ended 30 June 2018.

The corresponding figures for 30 June 2018 were also restated as a result of an error in the financial statements of the municipality as the GIPTN Transport Hub was incorrectly classified as an infrastructure asset and depreciated over three years. The municipality corrected this error and the GIPTN Transport Hub was classified as a community building and depreciated over thirty years. This resulted in **a favourable increase of accumulated surplus totaling R4,861,709** for the year ended 30 June 2018.

### **Irregular expenditure**

The municipality incurred irregular expenditure of R632,613,600 vs R11,846,408 (2017/18). Approximately R619,535,213 (98% of total irregular expenditure) resulted from Section 80 Committee involvement in the tender process for the periods 2014/15 up to 2018/19.

The Audit Committee would like to draw attention to the fact that the irregular expenditure totaling R619,535,213 (98% of total irregular expenditure) was due to the A-G's interpretation of the Preferential Procurement Policy Framework Act (PPPFA) and their opinion that the Preferential Procurement Policy contradicted this legislation.

The George Preferential Procurement Policy was drafted with the assistance of an external service provider and legal expert and is based on the same policy as that used by other Western Cape municipalities. The policy was approved by the George Council in 2014 and implemented by our Supply Chain Management in order to ensure that when going out on a tender process, that the fair and equitable procurement of services and/or goods took place.

It must be noted that municipality achieved a clean audit successfully each year from 2016 with this policy in place, and it was only with the auditing of the 2017/18 Financial Statements that the A-G concluded that the George Preferential Procurement Policy had been applied incorrectly. As such, all of the tenders awarded from 2014 by the municipality, were regarded and declared as irregular - due to the policy and the implementation of the said policy, during the awarding of tenders.

Following the findings for 2017/18, the municipality amended the 2014 Preferential Procurement Policy to bring it in line with the Preferential Procurement Policy Framework Act. The corrected version was approved by Council in March 2019 and this amended policy meets with the approval of the A-G in terms of the MFMA and Supply Chain procedures and policies.

The term irregular expenditure is defined as the spending of money or funds in a way that does not comply with regulations in terms of public finances and procurement i.e. the purchasing of services and/or goods. This definition does not mean that the services/goods were not received or that there were any procurement irregularities in terms of payment.

The "irregularity" relates only to the processes followed, as required by the 2014 George Preferential Procurement Policy which gave the appearance of Council intervention in tenders.

In terms of the policy, the Preferential Procurement Policy specifications for each tender were to be drafted and submitted to the relevant Section 80 Committees for review and which required the signature of the Portfolio Councillor, Chairperson of the Section 80, on the document. Albeit an administrative signature, the A-G viewed it as interference.

The audit process generally takes from three (3) to four (4) months and towards the end of the audit process for the 2017/18 financials the A-G pronounced the ruling regarding the Preferential Procurement Policy, which left the municipality unable to quantify to the A-G the value of the "irregular expenditure" incurred, in 2017/18 there was a limitation, George Municipality needed to go and investigate and quantify and make a material statement to the 2018/19 financial statements, which in the context of the financial audit means that there is untrue information in the financial statement that could affect the financial decisions of the one who relies on the statement and for that reason the municipality received a qualified opinion with findings for 2017/18.

The value of the "irregular expenditure" has been quantified and corrected in the 2018/19 Financial Statements. The Financial Statements submitted to the Council for the 2018/19 year indicated the procedures applied to correct the qualified opinion for 2017/18 and have also been referred to the Municipal Public Accounts Committee (MPAC).

Management committed to the A-G that they will refer all irregular expenditure to a Section 32 Committee for a recommendation to Council.

As noted previously, the Audit Committee has highlighted that post year-end, the irregular expenditure was submitted to MPAC on 13 November 2019, in terms of section 32 of the MFMA.

### **Material impairments of trade and other receivables**

Material impairments were reduced in the current period and amounted to R97.33m vs R111.98m (2017/18).

The debtors impairment provision as a percentage of accounts receivable is concerning as it has remained high at 56.8% vs 60% (2017/18). This may indicate a poor debt structure and / or debt collection problem.

The municipality is encouraged to continuously keep strengthening controls in collecting the outstanding debt thereby improving its cash flow.

### **Underspending of capital budget**

The municipality had materially underspent the budget on capital expenditure by R90.7m (27%) vs R81.5m (23%) (2017/18).

The underspending was attributed to the positive effect of savings on projects, as well as various negative effects on expenditure including: delays in appointment of service providers; service delivery protests and other various time constraints.

The main reason for the delay in the appointment of service providers resulted from the fact that procurement processes were frozen after the issuance of the A-G Report for 2017/18 which prompted the urgent amendment to the Preferential Procurement Policy to bring it into line with the Preferential Procurement Policy Framework Act, thereby ensuring that councilors were no longer involved in the process of the procurement and contract management of goods and services.

### **Audit of the Annual Performance Report (Sections 19 to 22)**

The Audit Committee highlights that the A-G conducted a reasonable assurance engagement on the reported performance information for the Strategic objective 3: Affordable quality services.

The A-G found that the reported performance information for the year ended 30 June 2019 is useful and reliable, and no material findings were reported by the A-G.

### **Internal control deficiencies**

The matters mentioned in this section was addressed earlier in the report.

#### **♦ Human resource management**

According to the A-G Report, human resource management is not effective as can be evidenced by the high vacancy rate which results in excessive overtime being worked and the lack of consultant reduction plans.

#### **♦ Information technology (IT)**

According to the A-G Report, there was inadequate progress in resolving IT related findings, including the design and implementation of IT Governance Controls, the filling of crucial IT posts and IT systems including security management, user access controls and IT service continuity.

## RISK MANAGEMENT

To maintain an overall positive perception of the municipality and confidence in the municipality from the public and other stakeholders, well planned goals and objectives should be coordinated and achieved within the municipality. Section 62(1) of the MFMA stipulates that the Accounting Officer must take all reasonable steps to ensure that the municipality has, and maintains, an effective, efficient and transparent system of financial and risk management and internal control as well as the effective, efficient and economical use of the resources of the municipality.

The municipality has instituted such a systematic and formalised process in order to identify, assess, manage and monitor risks which effectively ensures achievement of those planned goals and objectives. Thus, risk management is essentially a good governance measure instituted to ensure the municipality accomplish its vision, mission and strategic plans.

The municipality has an approved risk management policy, strategy and implementation plan as approved by Council. The risk management framework is reviewed annually, and amendments are approved by Council.

The municipality has established a Risk Management Committee. The primary objective of the Risk Management Committee is to assist the Accounting Officer in discharging his/her accountability for risk management, by reviewing the effectiveness of the Municipality's risk management systems, practices and procedures, and providing recommendations for improvement. The members, as a collective, possess the blend of skills, expertise and knowledge of the Institution, including familiarity with the concepts, principles and practice of risk management, such that they can contribute meaningfully to the advancement of risk management within the Institution. Membership comprises at least one member of the Audit Committee; a member not in the employ of the Institution (which may include an Audit Committee member); Accounting Officer and all Directors.

The Audit Committee has noted that the maturity of risk management within the municipality has improved during the current financial period. The results of the annual municipal financial governance self-assessment and Provincial Treasury (PT) validation process indicates a significant improvement in the maturity of both Risk Management and the Risk Management Committee.

Subsequent to year-end, a Risk Management workshop was held with Council in November 2019, and the amended Risk Framework will be submitted for Council approval in due course.

The Audit Committee has noted the A-G's concerns relating to risk management processes which failed to address unauthorised expenditure, irregular expenditure and fruitless and wasteful expenditure from prior years that were not investigated. It is noted that post year-end, management, as risk owner addressed these risks by submitting the unauthorised, irregular and fruitless and wasteful expenditure to MPAC as required per section 32 of the MFMA.

## SPECIFIC FOCUS AREAS

### Financial Viability

The A-G's audit included a high-level overview of the financial viability of George Municipality as at 30 June 2019. This financial viability assessment provides management with useful information for accountability and decision-making purposes and complements the financial statements by providing insights and perspectives thereon.

The A-G looked at Expenditure management, Revenue Management, Asset and Liability Management as well as Cash Management. According to the

A-G Management Report in Note 94 on page 22:

Overall the financial viability is assessed as:

**Good**

Given the financial constraints of municipalities, this is a commendable achievement. There are however some of the ratios that indicated that management and Council will have to implement measures to manage the financial viability even more vigorously.

### EMERGING RISKS

#### ◆ **Creditor payment terms**

The A-G has raised concerns that the credit payment period exceeds 30 days. Management is encouraged to implement improvements to the existing controls to ensure creditors are paid timely as legislatively required, and to avoid an audit finding relating to material non-compliance with legislation or material irregularities in the next financial year external audit.

#### ◆ **GIPTN**

The GIPTN roll-out programme has been fraught with ongoing challenges since its inception. Continued focus by the municipality on capacitation of its internal resources to facilitate adherence to all contractual requirements is necessary.

#### ◆ **Unemployment, homelessness**

The constant influx of the unemployed and the homeless into the Municipality and the consequent influence on rendering services, must constantly be considered and inclusion on the Integrated Development Plan (IDP) be ensured.

### Roles and responsibilities

The committee would also like to urge the various role-players to adhere to the roles and responsibilities as outlined in the various applicable legislation.

### CONCLUSION

The Audit Committee acknowledges that the environment within which management is operating is difficult given the many challenges.



The Audit Committee remains concerned about the exorbitant costs involved in external audits.

In conclusion, it is our wish that all stakeholders will continue to work hard in order to improve the quality of the lives of the people we serve.

The Audit Committee appreciates the effort of all role-players in the organisation striving towards this goal.

**Dr A POTGIETER – MEMBER AND CHAIRPERSON**  
**(On behalf of the Audit Committee)**  
**13 December 2019**

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## **2.8 INTERNAL AUDIT**

In terms of Section 165 (1) of the Municipal Finance Management Act (MFMA) of 2003 each municipality must have an Internal Audit Unit. Section 165 (2) of the Act, gives guidance on what is expected of the internal audit unit with regard to responsibility, functions and reporting requirements.

Section 165 (1) of the Municipal Finance Management Act (MFMA) of 2003 states that:

“(1) Each municipality and each municipal entity must have an internal audit unit,

(2) The internal audit unit of a municipality or municipal entity must-

(a) Prepare a risk-based audit plan and an internal audit program for each financial year.

(b) Advise the accounting officer and report to the audit committee on the implication of the internal audit plan and matters relating to-

(i) internal control;

(ii) internal audit;

(iii) accounting procedures and practices;

(iv) risk and risk management;

(v) performance management;

(vi) loss control;

(vii) compliance with this Act, the Division of Revenue Act and any other applicable legislation; and

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

The George Municipality has a co-sourced Internal Audit Function, employing a Chief Audit Executive with the support of an external service provider rendering internal audit services to the municipality.

The updated approved 3-year rolling internal audit plan for 2018/2019 is included below:

## Internal Audit Plan 2018/2019

Audit unit ref.	Audit Activity	Audit unit type	Initial Risk Assessment	Coverage by Auditor-General	2018/2019
1	Planning, reporting and quality				
1,1	Three year rolling Strategic and Operational Internal Audit Plan and costing (refer Project Management and Administration below)	MP	H	No	4
1,2	Project Management and Administration	MP	H	No	4
1,3	Audit Committee meetings (Attendance, Secretariat function and reporting)	MP	H	Yes	4
1,4	Internal Audit Steering Committee meetings (Attendance, Secretariat function and Reporting)	MP	H	No	4
1,5	Enterprise Risk Management Steering Committee meetings (Attendance and Reporting) (Including Enterprise Risk Management Workshops)	MP	H	No	
1,6	Divisional Project meetings	MP	H	No	
1,7	Audit Quality Control (IIASA standard compliance)	MP	H	No	4
1,8	External Audit Liaison	MP	H	Yes	4
2	Risk Management and Risk Assessments				
2,1	Risk Management and Risk Assessments (Assistance) (Risk Management Plan & Fraud Prevention Plan) Including Risk Universe and Review of Risk Treatment Plans	TS	H	Yes	4
2,2	Risk Universe (Assistance) (Refer Risk Management and Risk Assessments (Assistance) above)	TS	H	Yes	4
3	Routine transversal projects				
3,1	Performance Management System and Organisational Structure	TS	H	Yes	4
3,2	Management Letter Point Follow-up (To be done as separate project, however also done as part of recurring projects in the meantime)	RPI	H	No	4
3,3	Relevant Legislation (MSA, MFMA, DoRA, etc.) (To be done Internally, Relevant legislation also considered during each Internal Audit project)	TS	H	Yes	4
3,4	Quarterly Cash Counts (Including Revenue collection by Council and Petty Cash)	RPI	H	Yes	
3,4	Annual Cash Count (Including Revenue collection by Council and Petty Cash)	RPI	H	Yes	4
3,5	Annual Stock Count	BP	H	Yes	4
3,6	Proclaimed Roads (CAE/In-house team)	TS		No	4
4	Divisions				
4,1	Civil Engineering Services				
4.1.1	Land Development	BP	H	No	
4.1.2	Roads and Storm Water	BP	H	No	

Audit unit ref.	Audit Activity	Audit unit type	Initial Risk Assessment	Coverage by Auditor-General	2018/2019
4.1.3	George Integrated Public Transport Network (GIPTN)	BP	H	Yes	4
4.1.4	Infrastructure Planning	BP	H	No	
4.1.5	Sewerage	BP	H	No	
4.1.6	Water Pollution	BP	H	No	
Risk Management related:					
4.1.7	Enterprise Risk Management workshops (Attendance) (Refer Enterprise Risk Management Steering Committee meetings above)	TS	H	No	4
4.1.8	Review of Risk Treatment Plans (Refer Risk Management and Risk Assessments (Assistance) above)	TS	H	No	4
Other projects to consider:					
4.1.9	None	BP	H	No	
4.2	Community Services, Corporate Services, Municipal Manager, Executive Mayor, Human Settlements, Planning and Development				
Risk Management related:					
4.2.1.1	Enterprise Risk Management workshops (Attendance) (Refer Enterprise Risk Management Steering Committee meetings above)	TS	H	No	4
4.2.1.2	Review of Risk Treatment Plans (Refer Risk Management and Risk Assessments (Assistance) above)	TS	H	No	4
4.2.2 Community Services (New: Community Services and Protection Services)					
4.2.2.1	Legal Procedures, Fines and Summonses	BP	H	Yes	
4.2.2.2	Law Enforcement (Including Law enforcement & Security Management and Traffic Law Enforcement)	BP	H	No	
4.2.2.3	Licensing (Including Motor vehicle and Driver's licenses)	BP	H	Yes	
4.2.2.4	Library	BP	H	No	
4.2.2.5	Fire and Emergency Services	BP	H	No	
4.2.2.6	Cleansing & Environmental Health	BP	H	Yes	
4.2.2.7	Community Development & Upliftment		H	No	
Other projects to consider:					
4.2.2.8	Cemeteries	BP	M	No	
4.2.3 Corporate Services					
4.2.3.1	Information Technology	TS	H	Yes	
4.2.3.2	Human Resources Administration (Including Training & Development)	BP	H	Yes	
4.2.3.3	Leave Terminations	TS	H	Yes	4

Audit unit ref.	Audit Activity	Audit unit type	Initial Risk Assessment	Coverage by Auditor-General	2018/2019
4.2.3.4	Overtime	TS	H	Yes	
4.2.3.5	Occupational Health and Safety	TS	H	No	
	Other projects to consider:				
4.2.3.6	None	TS	H	No	
4.2.4	Office of Municipal Manager & Executive Mayor				
4.2.4.1	Performance Management System - Directors' POE testing (Incorporated into PMS Quarter 4)	TS	H	Yes	4
4.2.4.2	IDP, SDBIP and Strategic Planning (Refer Performance Management System and Organisational Structure above)	TS	H	Yes	4
4.2.4.3	Corporate Ethics (CAE/In-house team)	TS	H	No	
4.2.4.4	Policies and Procedures (Considered as part of each area audited)	TS	H	Yes	4
4.2.4.5	Communication Management	TS	H	No	
	Other projects to consider:				
4.2.4.6	Public Correspondence and Complaints	TS	M	No	
4.2.5	Human Settlements, Land Affairs and Planning (New: Human Settlements and Planning & Development)				
4.2.5.1	Building Control and Illegal Structures	BP	H	No	4
4.2.5.2	Land Use Planning	BP	H	No	
	Other projects to consider:				
4.2.5.3	Housing Administration	BP	M	No	
4.3	Electro Technical Services				
4.3.1	Distribution	BP	H	No	
4.3.2	Maintenance	BP	H	No	
4.3.3	Mechanical Division (Including Fleet Management)	BP	H	No	4
4.3.4	Capital equipment acquisitions	BP	H	No	
	Risk Management related:				
4.3.5	Enterprise Risk Management workshops (Attendance) (Refer Enterprise Risk Management Steering Committee meetings above)	TS	H	No	4
4.3.6	Review of Risk Treatment Plans (Refer Risk Management and Risk Assessments (Assistance) above)	TS	H	No	4
	Other projects to consider:				

Audit unit ref.	Audit Activity	Audit unit type	Initial Risk Assessment	Coverage by Auditor-General	2018/2019
4.3.7	Applications and Registration	BP	M	No	
4.3.8	Network Management	BP	M	No	
4.4	Financial Services				
4.4.1	Internal Control Testing Follow-up	TS	H	No	
4.4.2	Financial Statement Review	BP	H	Yes	4
4.4.3	Creditor Management	BP	H	Yes	
4.4.4	Supply Chain Management (Including Procurement and Tender Management)	BP	H	Yes	
4.4.5	Cash Management (Refer Annual Cash Counts)	BP	H	No	4
4.4.6	Credit Control and Debtors Management (Including Credit Control, Debt Collection and Revenue Collection)	BP	H	No	
4.4.7	Billing System (Including Meter reading, invoicing & billing)	BP	H	Yes	
4.4.8	Tariff Listing (Including Assessment rates & valuations)	BP	H	Yes	4
4.4.9	Prepaid Electricity (Including Revenue Collection by third parties)	BP	H	Yes	
4.4.10	Water Consumption (CAE/In-house team)	RPI		Yes	4
4.4.11	Information Technology - Financial Operating Systems (Please refer to Information Technology under Corporate Services)	TS	H	Yes	
4.4.12	VAT audit (Included under Creditor Management)	TS	H	Yes	
4.4.13	PAYE audit (Included under Payroll Management)	TS	H	Yes	
4.4.14	Assessment Rates and Valuations (Refer Tariff Listing above)	BP	H	Yes	4
4.4.15	Budget Management (Including Budget Related policies)	BP	H	No	
4.4.16	CAPEX Management	BP	H	No	
4.4.17	Bookkeeping and Reconciliations	BP	H	Yes	
4.4.18	Stock Management (Refer Annual Stock count under Routine Transversal Projects)	BP	H	No	4
4.4.19	Payroll Management	BP	H	Yes	
4.4.20	Asset Management		H	No	
4.4.21	Loans		H	Yes	
4.4.22	Insurance		H	Yes	
4.4.23	Contract Management		H	Yes	4
4.4.24	mSCOA (CAE/In-house team)		H	Yes	4
4.4.25	Financial Statement Reporting / Management		H	Yes	
Risk Management related:					

Audit unit ref.	Audit Activity	Audit unit type	Initial Risk Assessment	Coverage by Auditor-General	2018/2019
4.4.26	Enterprise Risk Management workshops (Attendance) (Refer Enterprise Risk Management Steering Committee meetings above)	TS	H	No	4
4.4.27	Review of Risk Treatment Plans (Refer Risk Management and Risk Assessments (Assistance) above)	TS	H	No	4
Other projects to consider:					
4.4.28	None	BP	H	No	
5	Skills transfer workshop and manuals				
5.1	Internal Audit - Policies and Procedures Manual (IIA Compliant)	TS	N/A	N/A	4
5.2	Workshops (IIA/CIA aligned and related) (If and when required)				
5.2.1	IIA Standard 1000 - Purpose, authority and responsibility	TS	N/A	N/A	4
5.2.2	IIA Standard 1100 - Independence and objectivity	TS	N/A	N/A	4
5.2.3	IIA Standard 1200 - Proficiency and Due Professional Care	TS	N/A	N/A	4
5.2.4	IIA Standard 1300 - Quality Assurance and Improvement Program	TS	N/A	N/A	4
5.2.5	IIA Standard 2000 - Managing the Internal Audit Activity	TS	N/A	N/A	4
5.2.6	IIA Standard 2100 - Nature of Work	TS	N/A	N/A	4
5.2.7	IIA Standard 2200 - Engagement Planning	TS	N/A	N/A	4
5.2.8	IIA Standard 2300 - Performing the engagement	TS	N/A	N/A	4
5.2.9	IIA Standard 2400 - Communicating Results	TS	N/A	N/A	4
5.2.10	IIA Standard 2500 - Monitoring progress	TS	N/A	N/A	4
5.2.11	IIA Standard 2600 - Resolution of senior management's acceptance of risks	TS	N/A	N/A	4
5.2.12	Control Knowledge Elements	TS	N/A	N/A	4
5.2.13	Internal Audit Ethics	TS	N/A	N/A	4
5.2.14	Internal Audit Responsibilities for Fraud	TS	N/A	N/A	4
5.2.15	Audit Sampling / Sampling methodology	TS	N/A	N/A	4
5.2.16	Financial Accounting (Basic)	TS	N/A	N/A	4
5.2.17	Audit evidence	TS	N/A	N/A	4
5.2.18	Combined Assurance	TS	N/A	N/A	4
5.2.19	Risk Assessment Part 1	TS	N/A	N/A	4
5.2.20	Risk Assessment Part 2	TS	N/A	N/A	4
5.3	Workshops (Other - If and when required)				

Audit unit ref.	Audit Activity	Audit unit type	Initial Risk Assessment	Coverage by Auditor-General	2018/2019
5.3.1	Annual MFMA update	TS	N/A	N/A	4
5.3.2	Annual GRAP update	TS	N/A	N/A	4
5.3.3	Supply Chain Management	TS	N/A	N/A	4
5.3.4	Division of Revenue Act (DoRA)	TS	N/A	N/A	4
5.3.5	Enterprise Risk Management Workshops	TS	N/A	N/A	4
5.3.6	Performance and Management Systems Workshop	TS	N/A	N/A	4
6	Ad hoc projects / Special investigations				
6,1	Ad hoc assignments (To be negotiated when need arises)	TS	N/A	N/A	4
6.1.1	Overtime: Council Ad hoc request	TS	N/A	N/A	
6.1.2	Allowances paid for the execution of additional duties (GIPTN): Council Ad hoc request	TS	N/A	N/A	
6.1.3	GIPTN Ticket Inventory	TS	N/A	N/A	
6.1.4	GIPTN Pre-operational Expenditure payments	TS	N/A	N/A	
6.1.5	Electricity Billings Review FY17	TS	N/A	N/A	
6.1.6	Rates Clearance Certificate Review FY17	TS	N/A	N/A	
6,2	Special investigations (To be negotiated when need arises)	TS	N/A	N/A	4

Relating to and during the 2018/19 financial year the following Internal Audit reports were issued:

No	Internal Audit Reports issued
1	Annual Cash Count FY18
2	Performance Management System Quarterly Reporting FY18 (Quarter 3)
3	Risk Assessment Reporting FY18 (Quarters 1&2 of 2017/2018)
4	Termination of employment 233
5	Termination of employment 234
6	Termination of employment 235
7	Gap Analysis Report - Annual Financial Statements FY18
8	Annual Stock Count FY18
9	Termination of employment 236
10	GIPIN Risk Assessment FY18
11	Termination of employment 237
12	Risk Assessment Risk Reporting Q3&4 2017/2018
13	Risk Assessment - Top 10 Risks FY19
14	Performance Management System Q4 2017/2018
15	Termination of employment 238
16	Termination of employment 239
17	Confirmation of Leave Balance (Mr SE James)
18	Termination of employment 240
19	Termination of employment 241
20	Termination of employment 242
21	Performance Management System Q1 2018/2019
22	Termination of employment 243
23	Performance Management System Q2&3 2018/2019
24	Annual Cash Count FY19
25	Annual Stock Count FY19



## 2.9 SUPPLY CHAIN MANAGEMENT

### 2.9.1 Supply Chain Management Overview

The George Municipality's Supply Chain Management Policy overall objectives are to:

To ensure the efficient, effective and uniform planning for procurement of all services and goods, required for the proper functioning of the Municipality as well as the sale and letting of assets that conforms to constitutional and legislative principles whilst developing, supporting and promoting historically disadvantaged individuals, black economic empowerment, small, medium and micro enterprises (SMME's) and preferential goals:

- ♦ To ensure the efficient, effective and uniform management and disposal of goods and assets;
- ♦ To ensure good governance through its SCM processes;
- ♦ To prevent SCM System abuse and resultant irregular expenditure.

The Municipality complies with the implementation of Section 112 of the Municipal Finance Management Act, No 56 of 2003 (MFMA). With the implementation of the said Section, cost-effective and value for money bids fail to comply with the Department of Trade and Industry (DTI) Local Content Threshold and thus pose as a challenge as the Municipality must pay higher premiums to cancel bids.

### 2.9.2 Competitive Bids Exceeding R200 000

#### a) Bid Committee Meetings

- ♦ The following table details the number of bid committee meetings held for the 2018/19 financial year:

Bid Specification Committee	Bid Evaluation Committee	Bid Adjudication Committee
62	62	27

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

- ♦ The bid adjudication committee awarded **10** bids with an estimated value of **R65 million** (excluding annual store stock bids, technical annual bids and other as and when required.)

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

Bid Number	Title of Bid	Directors and Section	Successful Bidder	Value of bid awarded
				R
ENG025/2018	Appointment of an electrical contractor for Upgrading Informal Settlement Project (UISP) Electrification projects in Themba lethu (Formal) Area 3; 8A; 8B & 8C	Electro-Technical Services	VE Reticulation (Pty) Ltd	R9 145 632,99
COM026/2018	Supply, Installation, Maintenance and support services for the existing municipal urban CCTV surveillance system	Protection Services	Suikderkruis Security Services	R6 504 646,78
COM012/2018	Transport of bulk waste bins from George waste transfer station to Petrosa for a one-year period with the option to extend for another year	Community Services	Enviroserve Waste Management	R6 000 000,00
COM021/2018	Construction of a new Refuse Transfer Station for Uniondale	Community Services	Artcon Construction cc	R4 114 921,54
COM023/2018	Tender for the reduction of critical slope on the Gwaiing building rubble and garden waste landfill site	Community Services	Ruwacon (Pty) Ltd	R3 963 530,02
COM002/2018	The Maintenance of plant beds and Lawns with manual machines on behalf of the George Municipality for a period of three years.	Community Services	TPZSN General Services (Pty) Ltd	R3 602 825,20
ENG040/2018	Implementation of Energy saving measure and initiative for George Municipality: replacement of aircons heat pumps and building lightings lamps	Electro-Technical Services	Khubeka Construction	R3 727 595,05
COM003/2018	The Maintenance of Parks and Open spaces with tractor and blower mower: WESTERN PORTION	Community Services	Silvers Solutions 1815 cc	R3 511 544,35
COM013/2018	Construction of new waste transfer station & refurbishment of existing waste transfer station	Community Services	Kubeka Construction cc	R3,328 038.17
COM003/2018	The Maintenance of Parks and Open spaces with tractor and blower mower: EASTERN PORTION	Community Services	Lavalia Garden & Cleaning Services cc	R2 685 000,00

### c) Awards Made by the Accounting Officer

In terms of paragraph 5(2) of Council's Supply Chain Management Policy, only the Accounting Officer may award a bid which is more than R10 million. The power to make such an award may not be sub-delegated by the Accounting Officer. The bids awarded by the Accounting Officer is as follows:

Bid Number	Title of Bid	Directors and Section	Successful Bidder	Value of bid awarded
				R
T/ING/024/2018	Tender for the Manufacturing and Installation of Bus Shelters and the Construction of Bus Stops/Pedestrian Walkways and associated civil works	Civil Engineering Services	KGP-EXD-SMP Joint Venture	Rates
T/ING/025/2018	Tender for the Raising of Garden Route Dam Spillway and associated works	Civil Engineering Services	Khubeka Construction CC	Rates
PS005/2018	Provision of security services for various municipal sites, for a period of three years	Protection Services	LVDS Security Services (Pty) Ltd	Rates
PS005/2018	Provision of security services for various municipal sites, for a period of three years	Protection Services	Metrocity Protection Services	Rates
PS005/2018	Provision of security services for various municipal sites for a period of three years	Protection Services	Bamogale Enterprise (Pty) Ltd t/a Bamogale Security Solutions	Rates
COM020/2018	Collection of recyclable waste and garden refuse from households and businesses by means of blue and green bags respectively	Community Services	Greens Scrap Recycling (Pty) Ltd	R14 683 717,55
T/ING/021/2018	Tender for the Emergency Rehabilitation and Reconstruction of Merriman Street, George (GIPTN)	Civil Engineering Services	Entsha Henra (Pty) Ltd	R13,253,713.80

### d) Appeals Lodged by Aggrieved Bidders

Date	Tender No	Description	Complainant	Nature of Complaint	Outcome
27/07/2018	ENG 21/2018	Supply of Pre-payment electricity vending system and services	Management Consulting	Complaint that the Municipality did not consider small companies, when the tender was advertised.	Complaint not valid. Specific tender conditions are formulated. Their company could form a joint venture to qualify and could therefore still tender.

Date	Tender No	Description	Complainant	Nature of Complaint	Outcome
14/08/2018	COM 026/2017	Supply, Installation, Maintenance and Support Services for CCTV for 3 years.	Byropart (Pty)Ltd., t/a Sentinel Investigation	Object that the successful tenderer was not the cheapest. They believe that there have been irregularities with the awarding of this tender; and requested tender document of the successful tenderer.	Bidders were required to score 70/100 for pre-qualification to go to the next phase where, price and preference could be considered. They failed the pre-qualification phase and could not be considered. Objection was therefore not valid.
16/08/2018	DPD 051/2018	Appointment of Environmental Practitioner to conduct an EIA for the development of the remainder of Erf 464, George.	Legacy Environmental Management Consulting	Object that they were not considered based on the lack of an office in George. Their main shareholder does have an office in George.	Not successful - no proof could be found in the tender document, that they share offices in George.
22/08/2018	DPD 064/2018	Tender to Purchase the remainder of erf 464, George - Cnr York and the old Airport Road (R102).	Rundle College - Ron Boon	Requesting reasons why the tender was cancelled and objected (no reasons provided).	Appeal in terms of Section 62 dismissed. They omitted material financial information and could not be considered - informed the attorney that the appeal was therefore not successful.
23/08 /2018	DPD 013/2018	Tender - Meentgrond - Pacaltdorp	Sam Las PDI	Object to awarding tender to Pacaltdorp Landbouvereniging, as they did not comply with the tender specifications.	Not successful - Pacaltdorp Landbouvereniging did comply with all the tender specifications.
23/08 /2018	DPD 015/2018	Sale of a portion of Erf 464, George, Adjacent to the Kingswood Golf Estate.	Rundle College - Ron Boon	Objected and requested documentation.	No reasons for their objection were received. They submitted the lowest price and therefore the objection was found not valid.
29/08 /2018	DPD 013/2018	Tender - Meentgrond - Pacaltdorp	Nozimba Holdings (Pty) Ltd.	Object, stated that their rental price and points were the highest.	Not successful - Although their price was the highest, they could not be considered, as they did not comply with the tender specifications.
04/09/ 2018	DPD 069/2018	Erect Precast concrete toilets for 1 year	African Civil Projects CC	Objected to the awarding of the tender to Apcot Trading, based on the addendum of the specs and also requested	Not successful - Municipality decided not to award one item of the tender, but rather conduct work in-house, to safe costs.

Date	Tender No	Description	Complainant	Nature of Complaint	Outcome
				that they be awarded the additional item.	
04/09/ 2018	T/ING/017/2018	Supply and delivering plus erecting of fencing in Haarlem.	ZAB's Enterprises (Pty) Ltd.	Objected that the Municipality could not deduct 15% off their prices, although they were not VAT registered.	Successful - Their prices offered on the tender document could not be changed and were regarded as the final prices tendered.
11/09 /2018	COM 026 of 2017	Installation, maintenance and support services for CCTV System for 3 years.	Byropart (Pty) Ltd. t/a Sentinel Investigation	Made allegations of irregularities against the successful tenderer, Suiderkruis Security.	Not successful - An internal investigation could not find any irregularities. They did not qualify during the pre-qualification phase and could not be evaluated for price, of which their price was in any case R1.1 million higher than that of Suiderkruis Security.
20/09 /2018	FIN 042/2018	Ad-hoc appointment of wireless network service provider for municipal sites for 1 year.	Southern Liquid Technology and Projects t/a Liquid Technology	Objected to the price of the successful tenderer (Expectra t/a Computer Care) and also their infrastructure.	Objection not successful. Computer Care had the highest points and did comply with all the specifications (infrastructure included).
20/09/ 2018	COM 023/2018	Cleaning of private plots with "bossiekappers" and weed eaters - adhoc for 3 years.	Southern Ambition 239CC	Objected that the successful tenderer (NJ Construction) is a construction company and will not be able to execute the work for that low price.	Objection not successful. NJ Construction is already providing similar services to the Municipality and did comply with all the tender specifications. If they fail to perform at the price tendered, they will be replaced by the tenderer who scored the second highest points.
25/09/ 2018	FIN 043/2018	Ad-hoc appointment of a biometrics network service for Municipal sites for 1 year.	Southern Liquid Technology and Projects t/a Liquid Technology	Objected that the price of the successful tenderer (Suiderkruis Security Services) is not market related and not based on the operational aspects of the work.	Objection not successful. Technical specifications were confirmed, and Suiderkruis Security Services complied accordingly.
19/10 /2018	MM 022 of 2018	Appointment of service provider to undertake field research and desktop surveys to	Terra Firma Events and Management CC.	Objects that successful company would not be able to deliver. Requested tender documentation.	Not successful. The successful company did comply with all the specifications. Request for access to information processed.

Date	Tender No	Description	Complainant	Nature of Complaint	Outcome
		determine communication.			
06/11/ 2018	COM 012/2018	Transport of Bulk Waste bins from George to Petro SA for 1 year.	Westmead Haulier CC	Objects that they were not considered, as they did not attend the compulsory site meeting.	Not successful. No proof was submitted that they attended the site meeting.
06 /11/2018	FIN 026/2018	Appointment of service provider for the printing and distribution of monthly municipal accounts.	Inside Data North (Pty) Ltd	Objects that their price was lower than the successful company (CAB Holdings).	Not successful. Their price was higher than that of the successful tenderer. The rates of the Post Office were used to calculate the Postage fees.
07/11/ 2018	COM 027/2018	Resurfacing of Tennis and Netball courts.	Swanex Holdings	Objected that a 1CE company should not be required to have experience of 5 previous projects / contracts.	Not successful. Was advertised for a 1CE and higher grade with experience. Cannot appoint an unexperienced contractor. The successful bidder did comply with the specs.
12/11 /2018	PS 005/2018	Provision of Security Services, for 3 years.	Emily Moshaba Security and Cleaning (Pty) Ltd.	Objected that local companies should be given an opportunity to be appointed.	Not successful. With the formulation of the special tender conditions, the Municipality did consider uplifting local companies and unemployment.
12/11/2018	COM 022/2018	Alterations and additions to offices at Meade Street.	Potts DevCo	Objected that their company is a 3GB. PE and not a 1GB, as alleged by the Municipality.	Successful. Resolved that Bid Adjudication Committee's decision be referred back to the Bid Evaluation Committee for re-evaluation.
13/11/2018	ENG 023/2018	Supply and Delivery of Transformer Oil and Accessories for 3 years.	LH Marthinusen Electrical & Mechanical Engineers	Objected to the awarding of the tender to Transformer Field Services.	Not successful. Transformer Field Services has a level 4 B-BBEE grading and scored the highest points.
15 /11/2018	PS 005/2018	Provision of Security Service.	Phangela Group	Object that their company did tender according to PSIRA rates.	Not successful. They were not evaluated, as they are a level 4 B-BBEE and the tender specification was for a level 1 or 2.
19 /11/2018	PS 005/2018	Provision of Security Service.	Emily Moshaba Security and Cleaning (Pty) Ltd.	Object that Richard von Willingh did not declare a conflict of interest. Tender did not comply with PFMA and Metro City Protection	Not successful. An internal investigation could find no proof of alleged conflict of interest. Municipality did comply with the MFMA. Metro City Protection

Date	Tender No	Description	Complainant	Nature of Complaint	Outcome
				used Municipal officials to recruit employees on their behalf.	requested the Municipality to place a box for their applications at the EPWP offices. The Municipal officials did not play any other role or recruited their employees on their behalf.
21/12/ 2018	COM 020 of 2018	Tender for collection of recyclable waste & garden refuse from households and businesses by means of blue and green bags respectively.	Wastecircle Western Cape (Pty). Ltd. (Luvuyo Kebeni)	Objects to the fact that their tender was not successful. Request copies of the Bid Specification, Bid Evaluation and Bid Adjudication minutes / reports.	Not successful. They did not procure the highest points. Copies of the requested documentation were forwarded by SCM to Wastecircle Western Cape.
21/12 /2018	DPD089 of 2018	Flood and Fire emergency structures	Build it George	Objects that the tender was awarded to Mustbuild. Their new BBBEE Certificate was only issued after tender closed, and they requested that this new BBBEE certificate, be used for evaluation.	Not successful. The Municipality cannot accept an updated BBBEE certificate, after the awarding of a tender. Only certificates which are attached to the tender documentation at time of the tender, will be accepted.
21/12/ 2018	DPD069/2018	Connection of toilets to existing municipal sewer and water connection.	Apcot General Trading	The tender was awarded to them. They complained and did not complete the work, due to lack of material, as well as uncertainty with regards to what will be supplied by the Municipality and what not (sanitary fittings and piping).	Not successful. The Municipality will not pay for and provide the successful contractor with the necessary sanitary fittings and piping. It was made clear during the compulsory site inspection that contractors must make provision in rates quoted, for the said fittings.
14/01 /2019	ENG 021/2018	Adhoc hire of vehicles, plant and equipment if and when required for a period of three (3) years.	Grow Green	Objected again that the Municipality is using the services of Letca, who is not adhering to the tender rules and regulations. They claim that the vehicles used by Letca is not registered in their name.	Pending. Awaiting reply from Lecta.
04/02 /2019	FIN 038 of 2018	Appointment of a Service Provider to	Konica Minolta SA (Pty) Ltd	Objected that the successful tenderer - Velaphanda did	Successful - Velaphanda did not comply with the tender specifications

Date	Tender No	Description	Complainant	Nature of Complaint	Outcome
		supply, install and service photocopiers for a period of 3 years.		not comply with the tender specifications.	and Konica Minolta was subsequently appointed as the second successful tenderer.
04/02 /2019	FIN 038 of 2018	Appointment of a Service Provider to supply, install and service photocopiers for a period of 3 years.	SKY METRO EQUIPMENT (PTY) LTD (Friedman Attorneys)	Requested tender information and reason why they were not successful.	Were informed that the successful tenderer scored the highest points. Private and confidential tender documentation cannot be provided.
04/02 /2019	FIN 038 of 2018	Appointment of a Service Provider to supply, install and service photocopiers for a period of 3 years.	Nashua George	Requested tender information and reason why they were not successful.	Were informed that the successful tenderer scored the highest points. Private and confidential tender documentation cannot be provided.
12/02 /2019	FIN 038 of 2018	Appointment of a Service Provider to supply, install and service photocopiers for a period of 3 years.	Satinsky 177 (Pty) Ltd T/A Ricoh Garden Route	Requested proof that they had to attend a compulsory site meeting and requested tender information from the successful tenderer.	The necessary proof (advertisement) was forwarded and also the evaluation report, indicating that the successful tenderer scored the highest points. Private and confidential tender documentation cannot be provided.
10/04 /2019	PS 002/2019	Appointment of a Contractor for Undercover Roof Area.	Midron Construction cc	Objects that the prices of the Bidders are not evaluated on a comparative level.	Not successful - the Municipality has to adhere to the finding of the Auditor General and the directive received from National Treasury with regards to price considerations.
25/04 /2019	ENG 40/2018	Implementation of energy saving measures and initiatives.	CHE Electrical Engineering	They wanted to know why they were not successful and requested BAC report.	Information provided, and they were satisfied that Khubeka Construction cc, the successful tenderer, scored the highest points.
17/05/2019	T/ING/026/2018	Appointment of Health & Safety Agent for the Municipality.	SHE Group	Objects that the successful tenderer (Jaclyton (Pty) Ltd. t/a OHS Inc.) does not meet the requirements of the specs.	Not successful. The successful tenderer did meet all the specifications.
28/06/2019	FIN 004/2019	Calling for tenders for raising of long term loan.	Standard Bank	Objects against awarding to the Development Bank of SA. Stating that the incorrect calculations were used.	Not successful. No proof of fronting could be found.



### 2.9.3 Awards made to Enterprises within the George Municipal Area

The following tables details the value of formal written price quotations between R30 000 and R200 000 awarded during the 2018/19 financial year.

Number of contracts awarded	Value of contractors awarded R
99	9 901 034

### 2.9.4 Deviation from Normal Procurement Processes

Paragraph 36 of Council's Supply Chain Management (SCM) Policy allows the Accounting Officer to deviate with the official procurement process. Deviations amounting to **R14 268 229.80** were approved. The following table provides a summary of deviations approved for 2018/19 respectively:

Directorate	Less than R30 000	Between R30 001 and R200 000	Between 200 001 and R2 000 000	More than R2 000 000
Office of the Municipal Manager	82 329,00	1 353 315,76	477 479	-
Corporate Services	114 529,41	292 324,20	-	-
Civil Engineering Services	367 866,56	2 659 010,08	R2 398 767,76	-
Electro-Technical Services	352 406,93	1 307 096,02	1 452 750,83	-
Community Services	418 453,24	155 557,05	235 753,45	-
Human Settlements	24 336,90	-	-	-
Planning and Development	104 882,79	131 092,50	-	-
Protection Services	248 496,03	1 282 954,01	481 488,35	-
Financial Services	66 260,66	R261 078,75	-	-
<b>Total</b>	<b>R1 779 561,52</b>	<b>R7 442 428,37</b>	<b>R5 046 239,91</b>	<b>-</b>

### 2.9.5 Logistics Management

The system of logistics management must ensure the following:

- ♦ The setting of inventory levels that includes minimum and maximum levels and lead times wherever goods are placed in stock;
- ♦ The placing of manual or electronic orders for all acquisitions other than those from petty cash;
- ♦ Before payment is approved, certification by the responsible officer that the goods and services are received or rendered on time and are in accordance with the order, the general conditions of contract and specifications where applicable and that the price charged, is as quoted in terms of a contract;

- ♦ Appropriate standards of internal control and warehouse management to ensure that goods placed in stores are secure and only used for the purpose for which they were purchased;
- ♦ Regular checking to ensure that all assets including official vehicles are properly managed, appropriately maintained and only used for official purposes;
- ♦ Monitoring and review of the supply vendor performance to ensure compliance with specifications and contract conditions for particular goods or services;
- ♦ Each stock item at the municipal stores, Mitchell Street is coded and is listed on the financial system. Monthly monitoring of patterns of issues and receipts are performed by the Storekeeper;
- ♦ Inventory levels are set at the start of each financial year. These levels are set for normal operations. In the event that special projects are being launched by departments, such information is communicated timeously to the Stores section in order for them to gear them to order stock in excess of the normal levels;
- ♦ Internal controls are in place to ensure that goods and service received are certified by the responsible person which is in line with the general conditions of contract; and
- ♦ Regular checking of the condition of stock is performed.

As at 30 June 2019 the value of stock at the municipal stores amounted to **R8 076 473.38**. For the 2018/19 financial year, stock to the value of only R 49 835.91 was accounted for as surpluses and **R2 476.75** as deficits.

## 2.9.6 Logistics Management

Three of the most important key performance indicators in the SCM unit, is that of turnaround time from the date that requests are received from departments until bids are adjudicated and awarded. The following table details the performance for each of the key performance indicators:

Key Performance Indicator	2017/18	2018/19
Ensure that tenders are successfully finalised and awarded within the validity period of the tender to enhance effective delivery of services.	95%	95%
Submit within 10 days of each quarter a report on the implementation of the SCM Policy.	4 reports	4 reports
Compliance with the SCM Policy measured by the limitation of successful appeals against the municipality.	1 Successful appeal	3 Successful appeals

SCM performance indicators

## 2.9.7 Findings of the Auditor-General on Procurement and Contract Management

Progress has been made with regards to the 2017/18 Auditor-General's audit findings on SCM. With regards to the finding on "Contract Management", monthly evaluation forms are completed, and quarterly reports are prepared.

## 2.10 BY-LAWS AND POLICIES

Section 11(3) of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) empowers Municipal Councils to exercise executive and legislative authority to pass and implement by-laws and policies.

By-Laws Introduced during 2018/19 Financial Year					
Newly Developed	Revised	Public Participation Conducted Prior to Adoption of By-Laws (Yes/No)	Dates of Public Participation	By-Laws Gazettes* (Yes/No)	Date of Publications
Property By-Law	Yes	Yes	02/11/2018	Yes	09/02/2019 (nr.8042)
Tariff By-Law	Yes	Yes	13/09/2018	Yes	21/11/2018 (nr.8006)
Customer Care, Credit Control and Debt Collection By-Law	Yes	Yes	13/09/2018	Yes	21/11/2018 (nr.8006)

Below is a list of all the policies developed and reviewed during 2018/19:

Policy	Date of Approval	Approved By
Customer Care, Credit Control and Debt Collection Policy	29 May 2019	Council
Property Rates Policy and By-Law		
Tariff Policy		
Unauthorised, Irregular and Fruitless and Wasteful Expenditure Policy		
Indigent Policy		
Virement Policy		
Cash Management and Investment Policy		
Travel and Subsistence Policy		
PPPFA Policy		
Asset Management Policy		
Funding Borrowing & Reserve Policy		
Long Term Financial Plan		
Liquidity Policy		

## 2.11 WEBSITES

Municipalities are required to develop and maintain a functional website that displays relevant information, as per the requirements of Section 75 of the Local Government: Municipal Finance Act, No 56 of 2003 and S21A and B of the Municipal Systems Act ("MSA") as amended.

The website should serve as a mechanism to promote accountability and transparency to communities and therefore information should be accurate and timeously updated.

The municipal website is a key communication mechanism in terms of service offering, information sharing and public participation. It is a communication tool that should allow easy and convenient access to relevant information. The municipal website should serve as an integral part of the Municipality's communication strategy.

Below is a website checklist to indicate the compliance to Section 75 of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003):

Description of information and/or document	Yes/No and/or Date Published
<b>Municipal contact details (Section 14 of the Promotion of Access to Information Act)</b>	
Full Council details	Yes
Contact details of the Municipal Manager	Yes
Contact details of the CFO	Yes
<b>Financial Information (Sections 53, 75, 79 and 81(1) of the Municipal Finance Management Act)</b>	
Adjusted Budget	Yes
Asset Management Policy	Yes
Borrowing Policy	Yes
Budget and Treasury Office delegations	n/a
Budget and Treasury Office Structure	n/a
Customer Care, Credit control and Debt Collection Policy	Yes
Delegations	n/a
Draft Budget and Final	Yes
Funds and Reserves Policy	Yes
Grants-In-Aid Policy	Yes
Indigent Policy	Yes
Investment and Cash Management Policy	Yes
Long Term Financial Policy	Yes
Petty Cash Policy	Yes
Rates Policy	Yes
SDBIP	Yes
Supply Chain Management Policy	Yes
Tariff Policy	Yes
Travel and Subsistence Policy	Yes
Virement Policy	Yes
<b>Integrated Development Plan and Public Participation (Section 25(4)(b) of the Municipal Systems Act and Section 21(1)(b) of the Municipal Finance Management Act)</b>	
IDP Process Plan	Yes
Reviewed IDP	Yes
<b>Supply Chain Management (Sections 14(2), 33, 37 &amp; 75(1)(e) &amp; (f) and 120(6)(b) of the Municipal Finance Management Act and Section 18(a) of the National SCM Regulation)</b>	
Long Term borrowing contracts	Yes

Description of information and/or document	Yes/No and/or Date Published
<b>Reports (Sections 52(d), 71, 72 &amp; 75(1)(c) and 129(3) of the Municipal Finance Management Act)</b>	
Annual Report	Yes
Mid-year budget and performance assessment	Yes
Monthly Budget Statement	Yes
Oversight reports	Yes
Quarterly Reports	Yes
<b>Local Economic Development (Section 26(c) of the Municipal Systems Act)</b>	
Economic Profile (Captured in IDP)	Yes
LED Policy Framework	n/a
LED Projects – (Under News)	Yes
Local Economic Development Strategy	Yes
<b>Assurance Functions (Sections 62(1), 165 &amp; 166 of the Municipal Finance Management Act)</b>	
Audit Committee charter	Yes
Internal Audit charter	Yes
Risk Management Policy	Yes

The George Municipal website formed part of the Western Cape Provincial Government web site initiative, which allowed for the new websites to be standardised on a single platform thereby enhancing service delivery through the use of technology for all communities.

The new website was launched in February 2016 and is compliant with legislative requirements; has a user-friendly interface and incorporates identified functionality and standards for municipal sites.

Key features include:

- ♦ An alert tab which will inform citizens of urgent information which the Municipality wishes to communicate;
- ♦ General information about the municipal area;
- ♦ Information about the Mayor, Councillors and administrative leadership.

Approximately 8136 users per month are recorded with 50.3% of these being return users. The content of the website is monitored and updated on a daily basis by the George Municipal Communications Unit.

The eleven (11) libraries in George form part of the ICT Rural Connectivity programme which offers free internet access to all users who register on the system. A second programme is being run by Cape Access which provide internet access and computer training at Conville and Thembaletu Library and Waboomskraal Thusong Centre.

## 2.12 COMMUNICATION

Local government has a legal obligation and a political responsibility to ensure regular and effective communication with the community. The Constitution of the Republic of

South Africa, 1996 and other statutory enactments impose an obligation on local government and require high levels of transparency, accountability, openness, participatory democracy and direct communication with the communities to improve the lives of all.

Good customer care is clearly of fundamental importance to any organisation. A successful communication strategy therefore links the people to the municipality's programme for the year.

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

Communication activities	Yes/No	Date Approved/Completed
Communication strategy	Yes	June 2015
Corporate Identity Manual (Internal)	Yes	

Communication Activities

### 2.12.1 Communication Unit

Communication Unit	Yes/No	Number of people in the Unit	Job titles
	Yes	3	Communications Manager
			Media Liaison Official Assistant Media Liaison Official

### 2.12.2 Newsletters

Type of Newsletter	Issues distributed	Circulation number	Date distributed
Internal – Munindaba	4	Print 2000	September 2018 December 2018 March 2019 June 2019
External – Municipal Newspaper (Tabloid)	4	Print 25 000	September 2018 December 2018 March 2019 June 2019
External - Municipal Newsletter (2page)	7	Printed 45000/ Email 10 000	September 2018 October 2018 November 2018 February 2019 April 2019 May 2019 June 2019

### 2.12.3 Awareness Campaigns

George Municipality embarked on the following awareness campaigns during the 2018/19 financial year:

- ◆ Water Scarcity;
- ◆ Budget 2018/19;
- ◆ Indigent Registration Road Show 2019;
- ◆ Supply Chain Registration Road Show 2019;
- ◆ Festive Season Safety;
- ◆ Summer Fire Safety;
- ◆ Adjustment Budget 2018/19;
- ◆ Budget 2019/20 – Tariff Increases;
- ◆ Energy Efficiency;
- ◆ Recycling;
- ◆ Road Upgrades;
- ◆ Illegal Dumping;
- ◆ Illegal Connections;
- ◆ Service Delivery Information;
- ◆ Women's Month;
- ◆ Tourism Month;
- ◆ Youth Month;
- ◆ Mandela Month.

### 2.12.4 Additional Communication Channels Utilised

Channel	Yes/No	Number of People Reached / Followers
Facebook	Yes	<b>15608 (+ 4502)</b>
Twitter	Yes	<b>2 757 (+506)</b>
SMS System	Yes	Limited to Council / Ward Committee Members
Municipal App	Yes	Launched September 2017, 4536 subscribers (+2970)
Website	Yes	± 9500 daily users
WhatsApp Groups	Yes	Council, Media, Directorates, Community Policing Forums
Community Newspaper George Herald (Bi-monthly Column called Focus ON)	Yes	± 20 000 readers
Commercial Radio Station – Algoa FM (News Sponsorship / Radio Adverts)	Yes	± 84 000 listeners
Community Radio Station – Heartbeat FM (Weekly Radio Slot / 5 x 30 sec adverts per day)	Yes	± 95 000 listeners
Community Radio Station – Heartbeat FM (Weekly Radio Slot / 5 x 30 sec adverts per day)	Yes	± 95 000 listeners

Channel	Yes/No	Number of People Reached / Followers
Media Releases	Yes	1 July 2018 – 30 June 2019 - 404 Media Releases issued (Average 33 per month)
Media Queries	Yes	1 July 2018 – 30 June 2019 - 460 Media Queries received and responded to (Average 38 per month)



## CHAPTER 3 – SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

### 3.1 OVERVIEW OF PERFORMANCE WITHIN THE ORGANISATION

Performance management is a strategic approach to management, which equips leaders, managers, staff and stakeholders at different levels with a set of tools and techniques to regularly plan, continuously monitor, periodically measure and review performance of the organisation in terms of indicators and targets for efficiency, effectiveness and impact.

Within the local sphere of government, performance management is institutionalised through legislative requirements. Performance management provides the mechanism to measure whether set targets against strategic goals are met.

#### 3.1.1 Legislative Requirements

The objects of local government as enshrined in Section 152 of the Constitution of the Republic of South Africa, 1996, paves the way for performance management. The democratic values and principles in terms of Section 195 (1) of the Constitution of the Republic of South Africa are also linked with the concept of performance management, regarding the principles of *inter alia*:

- ♦ the promotion of efficient, economic and effective use of resources
- ♦ accountable public administration
- ♦ to be transparent by providing information
- ♦ to be responsive to the needs of the community
- ♦ to facilitate a culture of public service and accountability amongst staff

The Local Government: Municipal Systems Act, No. 32 of 2000 (MSA) requires each municipality to establish a performance management system. Furthermore, the MSA and the Local Government: Municipal Finance Management Act, No. 56 of 2003 (MFMA) require the municipal budget to be aligned to the Integrated Development Plan (IDP) and create a mechanism for the implementation of the budget against the IDP using the Service Delivery and Budget Implementation Plan (SDBIP).

In terms of Section 46(1) of the MSA a municipality must prepare each financial year a performance report reflecting:

- ♦ the performance of the municipality and of each external service provider during that financial year;

- ♦ a comparison of the performance referred to above with targets set for and performance in the previous financial year; and
- ♦ measure taken to improve performance.

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### 3.1.2 Organisational Performance

Strategic Performance indicates how well the municipality is meeting its objectives (which policies and processes are working). All government institutions must report on strategic performance to ensure that service delivery is efficient, effective and economical. Municipalities must develop a strategic plan and allocate resources for implementation. The implementation must be monitored on an ongoing basis and the results must be reported on during the financial year to various role players to enable them to timeously implement corrective measures where required.

This report highlights the strategic performance in terms of the Municipality's Top Layer Service Delivery Budget Implementation Plan (SDBIP), performance on the National Key Performance Indicators as prescribed in Section 43 of the MSA and an overall summary of performance on municipal services.

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### 3.1.3 Performance System Followed for the Financial Year 2018/19

#### i. The IDP and the Budget

The reviewed IDP and Budget for the financial year 2018/19 were approved by Council on 29 May 2018. The IDP and the performance management process are integrated. The IDP fulfils the planning stage of performance management. Performance management in turn, fulfils the implementation management, monitoring and evaluation of the IDP.

#### ii. Service Delivery and Budget Implementation Plan

The organisational performance is evaluated by means of a municipal scorecard (Top Layer SDBIP) at organisational level.

The SDBIP is a plan that converts the IDP and budget into measurable criteria on how, where and when strategies, objectives and business processes of the Municipality are implemented. It also assigns the responsibility to Directorates of delivering of municipal services in terms of the IDP and budget.

The Top Layer SDBIP was approved by the Executive Mayor on 14 June 2018.

The following were considered in the development of the Top Layer SDBIP:

- ♦ Areas to be addressed and the root causes contained in Management Letter of the Auditor-General, as well as the risks identified during the 2017/18 audit;

- ◆ Alignment with the IDP, National Key Performance Areas (KPA's), Municipal KPA's and IDP objectives;
- ◆ Municipal Public Accounts Committee's Report on the Annual Report 2017/18;
- ◆ The risks identified by the Internal Auditor during the municipal risk analysis.

### iii. Actual Performance

The municipality utilises an electronic web-based system on which Key Performance Indicator (KPI) owners update actual performance monthly. KPI owners report on the results of the KPI by documenting the following information on the performance system:

- ◆ The actual result in terms of the target set;
- ◆ A performance comment;
- ◆ Actions to improve the performance against the target set, if the target was not achieved.

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

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## 3.1.4 Performance Management

Performance management is prescribed by the MSA and Municipal Planning and Performance Management Regulations, (796 of August 2001), Regulation 7 of the latter states that "A Municipality's Performance Management System entails a framework that describes and represents how the municipality's cycle and process of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed, including determining the responsibilities of the different role players." This framework, *inter alia*, reflects the linkage between the IDP, Budget, SDBIP, individual and service provider performance. The Municipal Council reviewed and approved the Organisational Performance Framework on 12 February 2018.

### i. Organisational Performance

The organisational performance is monitored and evaluated through the SDBIP. The performance process can be summarised as follows:

- ◆ The Top Layer SDBIP was approved by the Executive Mayor on 14 June 2018;
- ◆ The web-based system sends automated e-mails to the users of the system as a reminder to all staff responsible for updating their actual performance

- ♦ against key performance indicator targets every month for the previous month's performance;
- ♦ A mid-year budget and performance (Section 72) report was compiled within the legislative timeframes, tabled to Council and approved and thereafter submitted to Provincial Treasury;
- ♦ Roll-out of performance agreements for other levels of management other than Senior Management (Section 57 appointees) is ongoing;
- ♦ Internal Audit conducted an audit on the Top Layer SDBIP for all quarters and reported to the Performance Audit Committee on a quarterly basis.
- ♦ The Audit Committee also acts as the Performance Audit Committee and is fully functional.

## ii. Individual Performance

### Senior Management

The MSA prescribes that the municipality must enter into performance-based agreements with all Section 57 employees and that performance agreements must be reviewed annually. The Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers (Regulation 805, August 2006) explain this process in detail.

The 2018/19 performance agreements for the Section 57 appointments were signed as indicated in the table below:

Position	Name	Date Signed
Municipal Manager	Mr T Botha	26 July 2018
Director: Community Services	Mr W Hendricks	27 July 2018 (Director) 31 July 2018 (MM)
Director: Human Settlements	Mr C Lubbe	30 July 2018 (Director) 10 August 2018 (MM)
Director: Financial Services	Mr K Jordaan	3 August 2018
Director: Civil Engineering	Mr R Wesso	31 July 2018
Director: Protection Services	Mr S Erasmus	30 July 2018 (Director) 10 August 2018 (MM)
Director: Corporate Services	Mr S James	6 November 2018

Performance Agreements

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

In the paragraphs below the performance achieved is illustrated against the Top Layer SDBIP as per the IDP (strategic) objectives.

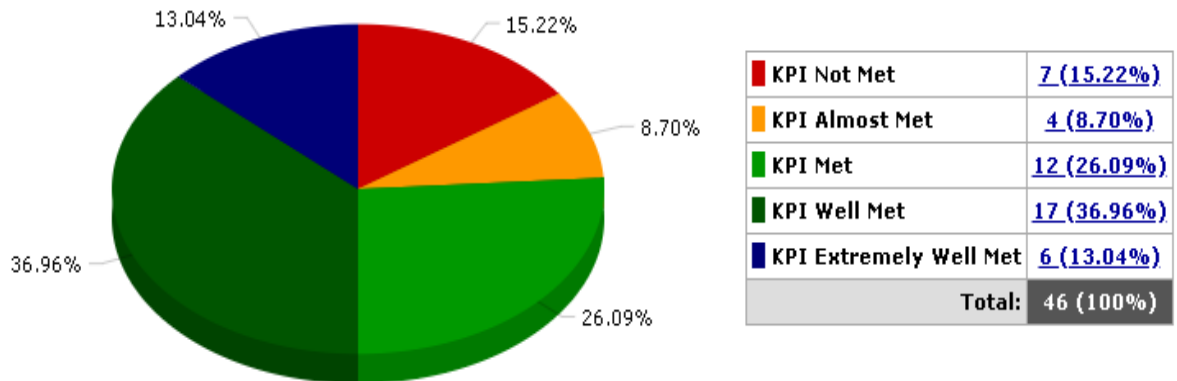
The following figure explains the method by which the overall assessment of actual performance against targets set for the key performance indicators (KPIs) of the SDBIP is measured:

Category	Colour	Explanation
KPI Not Yet Measured	Grey	KPIs with no targets or actuals in the selected period.
KPI Not Met	Red	0% <= Actual/Target <= 74.999%
KPI Almost Met	Orange	75.000% <= Actual/Target <= 99.999%
KPI Met	Light Green	Actual meets Target (Actual/Target = 100%)
KPI Well Met	Dark Green	100.001% <= Actual/Target <= 149.999%
KPI Extremely Well Met	Dark Blue	150.000% <= Actual/Target

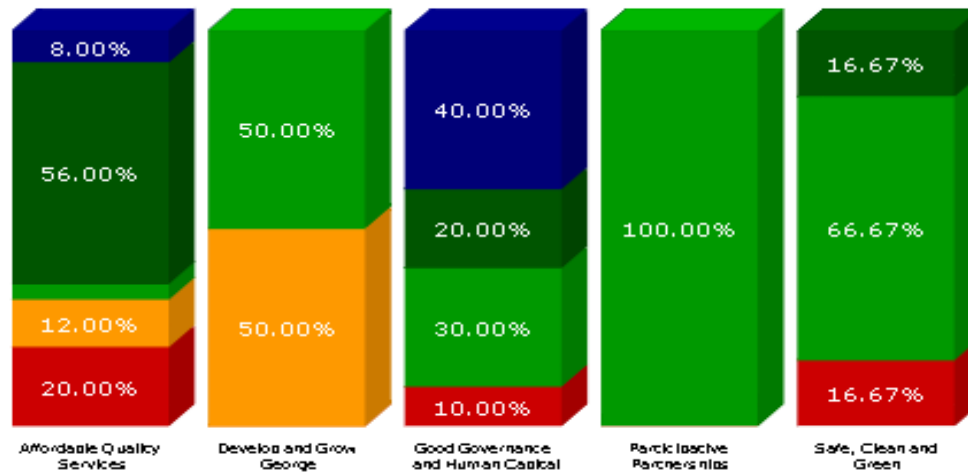
Figure: SDBIP Measurement Categories

#### 3.2.1 Overall Performance

The graph below displays the overall performance for 2018/19 per Strategic Objective:



### Strategic Objective



	Affordable Quality Services	Develop and Grow George	Good Governance and Human Capital	Participative Partnerships	Safe, Clean and Green
<b>KPI Not Met</b>	<u>5 (20.00%)</u>	-	<u>1 (10.00%)</u>	-	<u>1 (16.67%)</u>
<b>KPI Almost Met</b>	<u>3 (12.00%)</u>	<u>1 (50.00%)</u>	-	-	-
<b>KPI Met</b>	<u>1 (4.00%)</u>	<u>1 (50.00%)</u>	<u>3 (30.00%)</u>	<u>3 (100.00%)</u>	<u>4 (66.67%)</u>
<b>KPI Well Met</b>	<u>14 (56.00%)</u>	-	<u>2 (20.00%)</u>	-	<u>1 (16.67%)</u>
<b>KPI Extremely Well Met</b>	<u>2 (8.00%)</u>	-	<u>4 (40.00%)</u>	-	-
<b>Total:</b>	<b>25 (54.35%)</b>	<b>2 (4.35%)</b>	<b>10 (21.74%)</b>	<b>3 (6.52%)</b>	<b>6 (13.04%)</b>

### 3.2.2 Actual Performance against KPIs Set in Terms of the Top Layer SDBIP

#### a) Affordable Quality Services

Ref	Pre-determined Objectives	KPI	Unit of Measurement	Wards	Previous Year Performance		Annual Target	Revised Target	Q1	Q2	Q3	Q4	Overall Performance for 2018/2019		
					Target	Actual							Target	Actual	R
TL1	To provide world class water services in George to promote development and fulfil basic needs	Limit water network losses to less than 25% or less by 30 June 2019	% Water network losses by 30 June 2019	All	25%	29%	25%	25%	0%	0%	0%	10.77%	25%	10.77%	B
TL2	To provide world class water services in George to promote development and fulfil basic needs	85% spent by 30 June 2019 of the amount budgeted for the construction of the raising of the Garden Route Dam spill way {(Actual expenditure divided by the total approved budget) x 100}	% of approved budget spend at 30 June 2019	All	85.00%	9.50%	95%	85%	0%	0%	0%	89.56%	85%	89.56%	G2
TL3	To endeavour to improve the reseal of roads such as an extent that potholes are prevented altogether	Rehabilitate and upgrade Streets and Storm water in terms of the approved capital adjusted budget by 30 June 2019 {(Actual expenditure divided by the total approved budget) x 100}	% of budget spend at 30 June 2019	All	85%	74.30%	85%	85%	0%	20%	43%	60.93%	85%	60.93%	R
<b>Corrective Action</b>		Project delayed due to Vuku'phile Programme not being finalized. (Vuku'phile is a programme that gives contractors formal as well as on-the-job technical training. with the involvement of a financial institution, learners are also helped to gain access to finance and to develop a financial track record. The programme also gives learners access to a qualified mentor to ensure when they finish the programme they know how to tender for and carry out labour-intensive EPWP projects). Projects were halted to first complete the training of contractors. Ad-hoc Contractors (T/ING/034/2016) and small emerging contractors, subcontractors were appointed for further implementation of project. Unspent funding rolled over to 2019/20 for full spending.													

Ref	Pre-determined Objectives	KPI	Unit of Measurement	Wards	Previous Year Performance		Annual Target	Revised Target	Q1	Q2	Q3	Q4	Overall Performance for 2018/2019		
					Target	Actual							Target	Actual	R
TL4	To endeavour to improve the resal of roads such as an extent that potholes are prevented altogether	Rehabilitate and upgrade the proclaimed roads in terms of the approved capital budget by 30 June 2019 {(Actual expenditure divided by the total approved budget) x 100}	% of budget spend at 30 June 2019	All	85%	93.60%	85%	85%	0%	71.20%	76%	96.35%	85%	96.35%	G2
TL5	To implement an Integrated Public Transport Network that will serve the communities of George	Rehabilitate and upgrade the public transport infrastructure in terms of the approved adjusted capital budget by 30 June 2019 {(Actual expenditure divided by the total approved budget) x 100}	% of budget spend at 30 June 2019	All	85%	85.50%	85%	85%	0%	39.70%	44%	97.52%	85%	97.52%	G2
TL6	To provide world class water services in George to promote development and fulfil basic needs	Rehabilitate and upgrade Water - Networks in terms of the approved capital budget by 30 June 2019 {(Actual expenditure divided by the total approved budget) x 100}	% of budget spend at 30 June 2019	All	85%	87.50%	85%	85%	0%	4.90%	23%	51.10%	85%	51.10%	R
<b>Corrective Action</b>		<p>The bulk of the projects were delayed</p> <p>1. Due to the findings of the external audit process on the interpretation and implementation of the PPPFA policy (S80 approval), a moratorium was placed on SCM processes while the Policy was being amended in line with the recommendations of the Office of the Auditor-General (The policy has been changed where it has been decided that no projects will be tabled to the S80 Committee for approval).</p> <p>2. Funding was subsequently rolled over to the 2019/20 budget. The water network rehabilitation and upgrading has been rescheduled in line with the 2019/20 available budget.</p>													



Ref	Pre-determined Objectives	KPI	Unit of Measurement	Wards	Previous Year Performance		Annual Target	Revised Target	Q1	Q2	Q3	Q4	Overall Performance for 2018/2019		
					Target	Actual							Target	Actual	R
TL7	To provide world class water services in George to promote development and fulfil basic needs	Rehabilitate and upgrade Water-Purification in terms of the approved capital budget by 30 June 2019 {(Actual expenditure divided by the total approved budget) x 100}	% of budget spend at 30 June 2019	All	85%	85.20%	85%	85%	0%	6.30%	0%	53.40%	85%	53.40%	R
<b>Corrective Action</b>		<p>The bulk of the projects were delayed</p> <p>1. Due to the findings of the external audit process on the interpretation and implementation of the PPPFA policy (S80 approval), a moratorium was placed on SCM processes while the Policy was being amended in line with the recommendations of the Office of the Auditor-General (The policy has been changed where it has been decided that no projects will be tabled to the S80 Committee for approval).</p> <p>2. Unspent funds rolled over to 2019/20 budget and the project has been rescheduled in line with the 2019/20 available budget.</p>													
TL8	To provide and maintain safe and sustainable sanitation management and infrastructure	Rehabilitate and upgrade the Sewerage Networks in terms of the approved capital budget by 30 June 2019 {(Actual expenditure divided by the total approved budget) x 100}	% of budget spend at 30 June 2019	All	85%	84.70%	85%	85%	0%	3.50%	70%	40.49%	85%	40.49%	R
<b>Corrective Action</b>		<p>The bulk of the projects were delayed</p> <p>1. Due to the findings of the external audit process on the interpretation and implementation of the PPPFA policy (S80 approval), a moratorium was placed on SCM processes while the Policy was being amended in line with the recommendations of the Office of the Auditor-General (The policy has been changed where it has been decided that no projects will be tabled to the S80 Committee for approval).</p> <p>2. Funding was subsequently rolled over to the 2019/20 budget. The water network rehabilitation and upgrading has been rescheduled in line with the 2019/20 available budget. The Sewer Network rehabilitation and upgrading has been rescheduled in line with the 2019/20 available budget.</p>													
TL9	To provide and maintain safe and sustainable sanitation management and infrastructure	Rehabilitate and upgrade the Sewerage Treatment Works in terms of the approved adjusted capital budget by 30 June 2019 {(Actual expenditure divided by the total approved budget) x 100}	% of budget spend at 30 June 2019	All	85%	77.70%	85%	85%	0%	18%	6%	96.18%	85%	96.18%	G2

Ref	Pre-determined Objectives	KPI	Unit of Measurement	Wards	Previous Year Performance		Annual Target	Revised Target	Q1	Q2	Q3	Q4	Overall Performance for 2018/2019		
					Target	Actual							Target	Actual	R
TL10	To provide and maintain safe and sustainable sanitation management and infrastructure	90% compliance to general standards with regard to waste water outflow by 30 June 2019	% compliance to general standards by 30 June 2019	All	90%	88%	90%	90%	88%	87%	83.10%	92%	90%	92%	G2
TL11	To provide world class water services in George to promote development and fulfil basic needs	95% water quality level obtained as per SANS 241 physical and micro parameters by 30 June 2019	% water quality level by 30 June 2019	All	95%	97.80%	95%	95%	98.30%	97.40%	98.60%	99.30%	95%	99.30%	G2
TL12	To explore and implement measures to preserve resources and ensure sustainable development	Limit electricity losses to less than 10% by 30 June 2019 (Number of Electricity Units Purchased and/or Generated - Number of Electricity Units Sold) / Number of Electricity Units Purchased and/or Generated) x 100	% Electricity losses by 30 June 2019	All	10%	7.59%	10%	10%	8.54%	6.79%	6.27%	5.39%	10%	5.39%	B
TL13	To provide sufficient electricity for basic needs	85% of the electricity capital budget spent by 30 June 2019 {(Actual capital expenditure divided by the total approved capital budget) x100}	% of the capital budget spent by 30 June 2019	All	85%	72.40%	85%	85%	0%	27%	42%	87.64%	85%	87.64%	G2

Ref	Pre-determined Objectives	KPI	Unit of Measurement	Wards	Previous Year Performance		Annual Target	Revised Target	Q1	Q2	Q3	Q4	Overall Performance for 2018/2019				
					Target	Actual							Target	Actual	R		
TL14	To accelerate delivery in addressing housing	Construct 53 top structures in Extension 42&58 Thembaletu by 30 June 2019	53 Top structures constructed by 30 June 2019	9; 10; 11; 12; 13; 15; 21		New KPI for 2018/19	53	53	0	0	0	54	53	54	G2		
TL15	To accelerate delivery in addressing housing	Construct 204 top structures within the Thembaletu UISP project by 30 June 2019	204 Top structures constructed by 30 June 2019	9; 10; 11; 12; 13; 15; 21		New KPI for 2018/19	251	204	0	0	0	204	204	204	G		
TL31	To revitalise the current community facilities to increase the access to services for the public	Upgrade the Pacaltsdorp, Blanco and Thembaletu libraries by 30 June 2019	Number of libraries upgraded by 30 June 2019	1; 15; 16		New KPI for 2018/19	3	3	0	0	0	2	3	2	R		
<b>Corrective Action</b>		Blanco & Thembaletu completed. External factors delayed the successful completion of the upgrades at the Pacaltsdorp Library. Upgrade work is in progress and will be concluded by end of June 2020.															
TL35	To provide world class water services in George to promote development and fulfil basic needs	Number of formal residential properties that receive piped water (credit and prepaid water) that is connected to the municipal water infrastructure network and billed for the service as at 30 June 2019	Number of residential properties which are billed for water or have pre-paid meters as at 30 June 2019	All			34300	34402	34,300	34,300	0	34,827	0	37,261	34,300	39,327	G2
TL36	To provide sufficient electricity for basic needs	Number of formal residential properties connected to the municipal electrical infrastructure network (credit and prepaid electrical	Number of residential properties which are billed for electricity or have pre-paid meters	All			43000	43229	43,000	43,000	0	43,449	0	43,878	43,000	43,878	G2

Ref	Pre-determined Objectives	KPI	Unit of Measurement	Wards	Previous Year Performance		Annual Target	Revised Target	Q1	Q2	Q3	Q4	Overall Performance for 2018/2019			
					Target	Actual							Target	Actual	R	
		metering) (Excluding Eskom areas) and billed for the service as at 30 June 2019	(Excluding Eskom areas) as at 30 June 2019													
TL37	To provide and maintain safe and sustainable sanitation management and infrastructure	Number of formal residential properties connected to the municipal waste water sanitation/sewerage network for sewerage service, irrespective of the number of water closets (toilets) and billed for the service as at 30 June 2019	Number of residential properties which are billed for sewerage as at 30 June 2019	All	37500	39124	37,500	37,500	0	36,816	0	37,261	37,500	37,261		○
<b>Corrective Action</b>		The measures that will be taken to improve performance will be taken to base targets on audited and accurate information and to revise targets during the adjustments budget processes. In addition, a proper review of the targets set will be done before approval.														
TL38	To provide integrated waste management services for the entire municipal area	Number of formal residential properties for which refuse is removed once per week and billed for the service as at 30 June 2019	Number of residential properties which are billed for refuse removal as at 30 June 2019	All	37500	37980	37,500	37,500	0	36,166	0	36,639	37,500	36,639		○
<b>Corrective Action</b>		The measures that will be taken to improve performance will be taken to base targets on audited and accurate information and to revise targets during the adjustments budget processes. In addition, a proper review of the targets set will be done before approval.														
TL39	To provide world class water services in George to promote development and fulfil basic needs	Provide free basic water to indigent households	Number of indigent households receiving free basic water as at 30 June 2019	All	15500	15532	15,500	15,500	0	13,145	0	15,832	15,500	15,832		G2

Ref	Pre-determined Objectives	KPI	Unit of Measurement	Wards	Previous Year Performance		Annual Target	Revised Target	Q1	Q2	Q3	Q4	Overall Performance for 2018/2019		
					Target	Actual							Target	Actual	R
TL40	To provide sufficient electricity for basic needs	Provide free basic electricity to indigent households	Number of indigent households receiving free basic electricity as at 30 June 2019	All	19500	19376	19,500	19,500	0	19,399	0	20,233	19,500	20,233	G2
TL41	To provide and maintain safe and sustainable sanitation management and infrastructure	Provide free basic sanitation to indigent households	Number of indigent households receiving free basic sanitation as at 30 June 2019	All	15000	15213	15,000	15,000	0	17,486	0	15,397	15,000	15,397	G2
TL42	To provide an effective and efficient law-enforcement and emergency services to all the communities of George in our quest to protect and promote the fundamental rights of life	Provide free basic refuse removal to indigent households	Number of indigent households receiving free basic refuse removal as at 30 June 2019	All	15000	15298	15,000	15,000	0	17,486	0	15,558	15,000	15,558	G2

Ref	Pre-determined Objectives	KPI	Unit of Measurement	Wards	Previous Year Performance		Annual Target	Revised Target	Q1	Q2	Q3	Q4	Overall Performance for 2018/2019		
					Target	Actual							Target	Actual	R
TL46	To manage the municipal finances according to the Municipal Management Act in an effective and efficient manner	The percentage of the municipal capital budget actually spent on capital projects by 30 June 2019 {(Actual amount spent on projects/Total amount budgeted for capital projects) X100} as at 30 June 2018	% of capital budget spent by 30 June 2019	All	85%	77%	85%	85%	0%	18%	33%	72.82%	85%	72.82%	○
<b>Corrective Action</b>		Spending will be monitored by Management on a monthly basis													

Top Layer SDBIP: Affordable Quality Services

### b) Develop and Grow George

Ref	Pre-determined Objectives	KPI	Unit of Measurement	Wards	Previous Year Performance		Annual Target	Revised Target	Q1	Q2	Q3	Q4	Overall Performance for 2018/2019		
					Target	Actual							Target	Actual	R
TL20	To ensure that Spatial Development Framework encourages sustainable development	Review the Spatial Development Framework (SDF) and submit to Council by 31 May 2019	Reviewed SDF submitted to Council by 31 May 2019	All	New KPI for 2018/19		1	1	0	0	0	1	1	1	G
TL21	To maximise job creation opportunities through government expenditure	Create Full Time Equivalent (FTE's) through government expenditure with EPWP by 30 June 2019	Number of FTE's created by 30 June 2019	All	503	550	500	500	0	0	0	402	500	402	○
<b>Corrective Action</b>		The measures that will be taken to improve performance will be taken to base targets on audited and accurate information and to revise targets during the adjustments budget processes. In addition, a proper review of the targets set will be done before approval.													

Top Layer SDBIP: Develop and Grow George

**c) Good Governance and Human Capital**

Ref	Pre-determined Objectives	KPI	Unit of Measurement	Wards	Previous Year Performance		Annual Target	Revised Target	Q1	Q2	Q3	Q4	Overall Performance for 2018 / 2019		
					Target	Actual							Target	Actual	R
TL22	To undertake regular human resource audits to determine skills gaps, staff diversity and develop skills programmes	The percentage of a municipality's personnel budget actually spent on implementing its workplace skills plan by 30 June 2019 {(Actual total training expenditure divided by total personnel budget) x100}	% of municipality's personnel budget actually spent on implementing its workplace skills plan as at 30 June 2019	All	0.50%	0.51%	0.50%	0.50%	0%	0%	0%	0.37%	0.50%	0.37%	R
<b>Corrective Action</b>		The measures that will be taken to improve performance will be taken to base targets on audited and accurate information and to revise targets during the adjustments budget processes. In addition, a proper review of the targets set will be done before approval.													
TL23	To undertake regular human resource audits to determine skills gaps, staff diversity and develop skills programmes	Submit the Workplace Skills Plan to the LGSETA by 30 April 2019	Workplace Skills Plan submitted to the LGSETA by 30 April 2019	All	1	1	1	1	0	0	0	1	1	1	G
TL24	To realign the organisational structure to be more responsive to community needs, more service and	The number of people from employment equity target groups employed (newly appointed) in	Number of people employed (newly appointed)	All	1	4	1	1	0	0	0	2	1	2	B

Ref	Pre-determined Objectives	KPI	Unit of Measurement	Wards	Previous Year Performance		Annual Target	Revised Target	Q1	Q2	Q3	Q4	Overall Performance for 2018 / 2019			
					Target	Actual							Target	Actual	R	
	efficiency orientated and to fulfil goals identified in the 5-year plan	the three highest levels of management in compliance with the municipality's approved Employment Equity Plan by 30 June 2019														
TL25	To evaluate the effectiveness of risk management, control and governance processes and develop actions to address key risks identified	Review the 3-year Internal Audit Plan based on the risk assessment and submit to Audit Committee by 30 September 2018	RBAP (Risk Based Audit Plan) submitted to Audit Committee by 30 September 2018	All	1	1	1	1	1	0	0	0	1	1	G	
TL26	To conduct a full audit of operations, processes, duties and service delivery standards of departments to address risk areas and promote effectiveness	Execution of Internal Plan and issuing of Internal Audit Reports based on Internal Audit Plan by 30 June 2019 ((Actual hours completed/ Planned hours to be completed) x100)	% of target hours completed by 30 June 2019 ((Actual hours completed/ Planned hours to be completed) x100)	All	100%	148%	100%	100%	31.30%	64%	77.90%	105.50%	100%	105.50%	G2	



Ref	Pre-determined Objectives	KPI	Unit of Measurement	Wards	Previous Year Performance		Annual Target	Revised Target	Q1	Q2	Q3	Q4	Overall Performance for 2018 / 2019		
					Target	Actual							Target	Actual	R
TL43	To develop mechanisms to ensure viable financial management and control	Financial viability measured in terms of the municipality's ability to meet its service debt obligations as at 30 June 2019 (Short Term Borrowing + Bank Overdraft + Short Term Lease + Long Term Borrowing + Long Term Lease) / Total Operating Revenue - Operating Conditional Grant)	% Debt to Revenue as at 30 June 2019	All	45%	24.90%	45%	45%	0%	0%	0%	20.14%	45%	20.14%	B
TL44	To maintain effective credit control in the Municipality and enhance and maximise revenue base through improved collection rate	Financial viability measured in terms of the outstanding service debtors as at 30 June 2019 (Total outstanding service debtors/ revenue received for services)	% Service debtors to revenue as at 30 June 2019	All	15.60%	9.56%	15.60%	15.60%	0%	0%	0%	10.93%	15.60%	10.93%	B

Ref	Pre-determined Objectives	KPI	Unit of Measurement	Wards	Previous Year Performance		Annual Target	Revised Target	Q1	Q2	Q3	Q4	Overall Performance for 2018 / 2019			
					Target	Actual							Target	Actual	R	
TL45	To manage the municipal finances according to the Municipal Management Act in an effective and efficient manner	Financial viability measured in terms of the available cash to cover fixed operating expenditure as at 30 June 2019((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, and Provision for Bad Debts, Impairment and Loss on Disposal of Assets))	Cost coverage as at 30 June 2019	All												
					2%	4.34%	2	2	0	0	0	3.83	2	3.83	B	
TL47	To manage the municipal finances according to the Municipal Management Act in an effective and efficient manner	Achieve a payment percentage of 95% by 30 June 2019((Gross Debtors Closing Balance + Billed	Payment % as at 30 June 2019 Suffice	All												
					96%	97%	95%	95%	104%	103%	96%	98.62%	95%	98.62%	G2	

Ref	Pre-determined Objectives	KPI	Unit of Measurement	Wards	Previous Year Performance		Annual Target	Revised Target	Q1	Q2	Q3	Q4	Overall Performance for 2018 / 2019			
					Target	Actual							Target	Actual	R	
		Revenue - Gross Debtors Opening Balance + Bad Debts Written Off)/Billed Revenue x 100}														
TL48	To develop mechanisms to ensure viable financial management and control	Review the Long Term Financial Plan and submit to Council by 31 March 2019	Reviewed Long Term Financial Plan submitted to Council by 31 March 2019	All	1	1	1	1	0	0	1	0	1	1	G	

Top Layer SDBIP: Good Governance and Human Capital

#### d) Participative Partnerships

Ref	Pre-determined Objectives	KPI	Unit of Measurement	Wards	Previous Year Performance		Annual Target	Revised Target	Q1	Q2	Q3	Q4	Overall Performance for 2018/2019		
					Target	Actual							Target	Actual	R
TL17	To undertake strategic planning in order to address service delivery challenges in coordinated manner	Submit the IDP/budget time schedule to Council by 31 August 2018	Time schedule submitted to Council	All	1	1	1	1	1	0	0	0	1	1	G
TL18	To undertake strategic planning in order to address service delivery challenges in coordinated manner	Submit the draft IDP to Council by 31 March 2019 to ensure compliance with legislation	Draft IDP submitted to Council	All	1	1	1	1	0	0	1	0	1	1	G

Ref	Pre-determined Objectives	KPI	Unit of Measurement	Wards	Previous Year Performance		Annual Target	Revised Target	Q1	Q2	Q3	Q4	Overall Performance for 2018/2019		
					Target	Actual							Target	Actual	R
TL19	To undertake strategic planning in order to address service delivery challenges in coordinated manner	Submit the IDP to Council by 31 May 2019 to ensure compliance with legislation	IDP submitted to Council	All	1	1	1	1	0	0	0	1	1	1	G

Top Layer SDBIP: Participative Partnership

### e) Safe, Clean and Green

Ref	Pre-determined Objectives	KPI	Unit of Measurement	Wards	Previous Year Performance		Annual Target	Revised Target	Q1	Q2	Q3	Q4	Overall Performance for 2018/2019		
					Target	Actual							Target	Actual	R
TL27	To provide integrated waste management services for the entire municipal area	Appoint consultant to design and call for Environmental Impact Assessment (EIA) for the construction of a refuse transfer station in Uniondale by 30 June 2019	Consultant appointed by 30 June 2019	25	New KPI for 2018/19		1	1	0	0	0	1	1	1	G
TL28	To provide integrated waste management services for the entire municipal area	Appoint consulting engineer and call for tenders for the upgrading of the solid waste transfer station in George by 30 June 2019	Consulting Engineer appointed by 30 June 2019	23	New KPI for 2018/19		1	1	0	0	0	1	1	1	G
TL29	To provide integrated waste management services for the entire municipal area	Spend 95% of the approved project budget for the rehabilitation of the George landfill site by 30 June 2019	% of budget spend	23	95%	58%	95%	95%	0%	7%	15%	15%	95%	15%	R
<b>Corrective Action</b>		Require approval by DEADP & Dept of Water affairs. Funds to be rolled over													

Ref	Pre-determined Objectives	KPI	Unit of Measurement	Wards	Previous Year Performance		Annual Target	Revised Target	Q1	Q2	Q3	Q4	Overall Performance for 2018/2019		
					Target	Actual							Target	Actual	R
TL30	To ensure infrastructure planning and development keeps pace with growing city needs by aligning all strategic documents and efforts	Appoint consulting engineer and call for tenders for the composting plant in George by 30 June 2019	Consulting Engineer appointed by 30 June 2019	23	New KPI for 2018/19		1	1	0	0	0	1	1	1	G
TL32	To provide an effective and efficient law-enforcement and emergency services to all the communities of George in our quest to protect and promote the fundamental rights of life	Draft a Disaster Management Plan and submit to the Portfolio Committee by 30 June 2019	Disaster Management Plan drafted and submitted to the Portfolio Committee by 30 June 2019	All	New KPI for 2018/19		1	1	0	0	0	1	1	1	G
TL34	To implement an Integrated Public Transport Network that will serve the communities of George	Report to the GIPTN Committee on the implementation of the Roll-Out Programme of Phase4A&B of the GIPTN	Number of reports submitted to the GIPTN Committee	All	New KPI for 2018/19		4	4	1	1	3	0	4	5	G2

Top Layer SDBIP: Safe, Clean and Green

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### 3.2.3 Service Providers Performance

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

- ♦ A service provider means a person or institution or any combination of persons and institutions which provide to or for the benefit of the local community.
- ♦ External service provider means an external mechanism referred to in section 76(b) which provides municipal service for a municipality
- ♦ Service delivery agreement means an agreement between the municipality an institution or person mentioned in section 76(b) in terms of which a municipal service is provided by that institution or person, either for its own account or on behalf of the Municipality.

The table below provide information related to the performance of identified external service providers:

Name of service provider	Ernst & Young	CDV Property Valuers Pty Ltd	EnviroServe	Silver Solutions	LGS	Aurecon	Aurecon
Directorate	Municipal Manager	Finance	Community Services	Community Services	Community Services	Engineering Services	Engineering Services
Type of services required	Internal Audit Services	Compilation and Maintenance of General Valuation Roll, Supplementary valuations and supplementary valuation rolls	Transfer waste to PetroSA	Maintenance with Tractor and Blower Mower	Maintenance with Tractor and Blower Mower	Professional Services for the Raising of the Garden Route Dam	Implementing Agent for Thembaletu UISP Housing Project
Supply Chain Contract No	MM 007/2014	FIN10/2016	COM012of 2018	COM 003/2018	COM 003/2018	T/ING/014/2016	SLA October 2013
Available Budget (R'000)	3 600 000	1 205 568.19	3 850 000	3 511 544.35	2 685 000	2 150 000	As Project phases are approved
Actual Spending (R'000)	3 480 201		Ongoing	On target	On target	2 014 464.01	25 278773.04
<b>Grading of service rendered</b> 1 Poor / 2 Unsatisfactory / 3 Satisfactory / 4 Good / 5 Excellent							
Contract work to specification	5	3	2	4	4	4	3
Contract still within budget	5	4	4	4	4	4	2
Contract within time frame	5	3	2	5	5	4	2
Compliance with contract requirement	5	4	2	4	4	4	2
Claims	n/a	4	n/a	n/a	n/a	3	2
Incidents on site	n/a	4	5	n/a	n/a	4	2
Suitably qualified/experienced personnel	5	3	2	4	4	4	2
Job creation/training	n/a	4	3	3	3	4	2
Other comments	n/a	n/a	n/a	n/a	n/a	More needs to be done on the job creation aspect	More needs to be done on the job creation aspect
Overall rating	5	4	2	4	4	3	2

Name of service provider	Ernst & Young	CDV Property Valuers Pty Ltd	EnviroServe	Silver Solutions	LGS	Aurecon	Aurecon
Action taken with regard to poor and unsatisfactory service providers	n/a	Regular meetings and good communication helps to overcome problems	The new contract started in May 2019	n/a	n/a	Capacity constraints at local office were raised and are being addressed.	Aurecon as Implementing Agent has been unsatisfactory in addressing issues in communication within the municipality and Project Management as a whole. Similarly, poor contractors have been allowed to supply sub-standard work to the municipality. Sub-standard work has been rejected.
Overall recommendation and comments	Delivered successfully on contract commitments	None	First EnviroServe take three bins to PetroSA now only two bins that causes a problem.	None	None	Milestones target will be agreed in writing going forward to ensure effective project roll-out. A greater focus will be needed in ensuring cost estimates more accurately to reflect budget requirement.	Serious changes to be made to the management of this UISP Program going forward to ensure the effective roll-out of the programme.



Name of service provider	SPE Technologies	Gau Flora	A&P Civils and Trading	Khubeka Construction CC	Royal HaskoningDHV	Royal HaskoningDHV	Icon
Directorate	Engineering Services	Engineering Services	Engineering Services	Engineering Services	Engineering Services	Engineering Services	Engineering Services
Type of services required	Suppliers for supply and delivery of electrical stock: Optic Fibre, Protection, Multi-function Energy Meters, Communication equipment and power factor correction	Thembaletu UISP: Construction of Civil Services for Area 8AB	Thembaletu UISP: Construction of Civil Services for Area 3	Raising of Garden Route Dam Spillway and Associated Works	Tender for the appointment of Consulting Engineering Professional Engineering Services in the 2017/18 3Year Multi Year Budget for the Period 12 February 2018 until 11 February 2021, Project 13: Rehabilitation/Upgrading of Water Network and Associated Bulk Facilities: Pacaltsdorp Reservoirs	Upgrading of the Outeniqua WWTW Civil Works	Upgrading of the Outeniqua WWTW Civil Works (Phase2)
Supply Chain Contract No	ENG 026/2016	HSC20/2015/2016/R/GB: NEC3	HSC20/2015/2016/R/GB: NEC3	T/ING/O25/2018	T/ING/033/2016	T/ING/017/2012	T/ING/030/2016
Available Budget (R'000)	±500 000	10 467 574.74	11 173 357.66	20 674 115.54	920 000	27 979 260.60	74 725 963.46
Actual Spending (R'000)		4 905 280.91	7 861 697	2 700 894.39	4 905 280.91	19 182 876.80	58 994 186.57
<b>Grading of service rendered</b> 1 Poor / 2 Unsatisfactory / 3 Satisfactory / 4 Good / 5 Excellent							
Contract work to specification	n/a	3	2	4	3	4	4
Contract still within budget	n/a	3	3	4	4	3	5
Contract within time frame		1	1	4	4	3	5
Compliance with contract requirement	5	2	2	4	4	4	4
Claims	n/a	3	3	4	4	4	4
Incidents on site	n/a	3	3	4	4	4	4
Suitably qualified/experienced personnel	n/a	2	2	4	4	4	5

Name of service provider	SPE Technologies	Gau Flora	A&P Civils and Trading	Khubeka Construction CC	Royal HaskoningDHV	Royal HaskoningDHV	Icon
Job creation/training	n/a	2	2	3	3	3	4
Other comments	Delivery of correct equipment according to specs	Contractor was issued with a Notice of Termination letter, dated 17 July 2019, as the Contractor was already approximately 15 months late. Contractual conditions are not being met. Contractor has submitted a remedial action plan to Municipality to review	Contract was terminated on 30 May 2019, as the Contractor was already approximately 16 months late. Contractual conditions not met.	Project rolling over into next financial year.	Preliminary report submitted for MIG registration. Await funding to take project further.	More needs to be done on job creation aspects.	Very good Contractor, first project for the Municipality.
Overall rating		2	1	4	4	3	5
Action taken with regard to poor and unsatisfactory service providers		Contractor was issued with a Notice of Termination letter, dated 17 July 2019.	Contract terminated on the 30 May 2019, after various performance letters and discussions over the contractual period.	Nothing to report at present on this regard.	Capacity constraints at local office were raised and are being addressed.	All issues were resolved timeously.	Capacity constraints at local office were raised and are being addressed.

Name of service provider	SPE Technologies	Gau Flora	A&P Civils and Trading	Khubeka Construction CC	Royal HaskoningDHV	Royal HaskoningDHV	Icon
Overall recommendation and comments		Preferably this Contractor is not to be used again. The delays have caused much unhappiness in communities due to slow progress. This Contractor does not have the necessary resources and skills deployed on the contract.	Preferably this Contractor is not to be used again. The delays have caused much unhappiness in communities due to slow progress. This Contractor does not have the necessary resources and skills deployed on the contract.	Contractor is performing well under the correct supervision.	Milestones target dates will be agreed in writing going forward to ensure effective project roll-out.	Contractor is highly recommended for any future projects.	Milestones target dates will be agreed in writing going forward to ensure effective project roll-out.

### 3.2.4 Municipal Functions

The municipal functional areas are as indicated below:

Municipal Function	Municipal Function: Yes / No
<b>Constitution Schedule 4, Part B functions:</b>	
Air pollution	Yes
Building regulations	Yes
Child care facilities	Yes
Electricity and gas reticulation	Only electricity
Firefighting services	Yes
Local tourism	Yes
Municipal airports	No
Municipal planning	Yes
Municipal health services	No
Municipal public transport	No
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law	Yes
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto	No
Storm water management systems in built-up areas	Yes
Trading regulations	Yes
Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems	No
<b>Constitution Schedule 5, Part B functions:</b>	
Beaches and amusement facilities	Yes
Billboards and the display of advertisements in public places	Yes
Cemeteries, funeral parlours and crematoria	Yes
Cleansing	Yes
Control of public nuisances	Yes
Control of undertakings that sell liquor to the public	Yes from 2013
Facilities for the accommodation, care and burial of animals	Yes
Fencing and fences	Yes
Licensing of dogs	No
Licensing and control of undertakings that sell food to the public	Yes
Local amenities	Yes
Local sport facilities	Yes
Markets	No
Municipal abattoirs	No
Municipal parks and recreation	Yes
Municipal roads	Yes
Noise pollution	Yes
Pounds	Yes
Public places	Yes
Refuse removal, refuse dumps and solid waste disposal	Yes
Street trading	Yes
Street lighting	Yes
Traffic and parking	Yes

Functional Area

## COMPONENT A: BASIC SERVICES

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

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

The table below shows the key performance indicators linked to the following two National Key Performance Areas: Basic Service Delivery and Local Economic Development.

National Key Performance Area	Indicators	2017/2018	2018/19
<b>Basic Service Delivery (BSD)</b>	The percentage of households with access to basic level of water	98.13%	98.13%
	The percentage of households with access to basic level of sanitation	97.85%	97.85%
	The percentage of households with access to basic level of electricity	100%	100%
	The percentage of households with access to basic level of solid waste removal	100%	100%
<b>Local Economic Development (LED)</b>	Create Full Time Equivalent (FTEs) through government expenditure with EPWP	550	402

National Key Performance Areas: Basic Service Delivery and Local Economic Development

## 3.3 WATER PROVISION

### 3.3.1 Introduction to Water Provision

Bulk raw water to the George and Wilderness system are supplied via the Garden Route Dam (GRD), Swart River Dam, Kaaibans River, Touw River, Malgas River Pumping Scheme, boreholes and The Outeniqua Ultra Filtration Reclamation Plant.

The reclamation plant treats the sewage effluent from the Outeniqua WWTW to a standard complying with national and international water quality standards. The treated effluent is pumped to the GRD, where it is blended with the raw water before being abstracted and pumped to the WTW. The village of Uniondale is supplied with raw water from the Holdrif River (a tributary of the Kammanassie River), which flows past the town.

The town also has an allocation from the Haarlem Dam. The village of Haarlem is supplied by the Haarlem Dam.

The water is treated according to South African National Standards (SANS) 241: 2015 at the Old and New George Water Treatment Works (WTW), Wilderness WTW, Uniondale WTW and Haarlem WTW. The existing main water infrastructure reticulation network consists of approximately 990 m of pipeline, 6 No raw water pump stations, 19 No potable water pump stations, 43 No reservoirs and water towers. The potable water supply capacity produced by the Water Treatment Works in the system is 49.2 ML/day with a demand capacity of 30.65 ML/day.

The George Municipality's Water Quality Policy Statement is as follows: "George Municipality will at all times, when reasonably possible, provide drinking water that is safe, palatable and aesthetically appealing. Drinking water should not contain chemical, microbial or any other substances that is deleterious to health. The water produced will comply for at least 99% of the time with the microbiological requirements, 95% of the time with Class I and 97% of the time with Class II drinking water quality standards as specified in the latest SANS 241 national standard for drinking water."

The three service delivery priorities that was implemented are as follows:

1. The rehabilitation and upgrading of the water distribution network in terms of the approved capital budget. An 88% spending rate was achieved in the 17/18 financial year of which the older deteriorating pipes within the network was replaced
2. The rehabilitation and upgrading of the Water Purification Plant in terms of the approved capital budget for 17/18. An 85% spending rate was achieved
3. Complete the construction of a 12.5 ML reservoir at the George Water Works. The reservoir was completed as planned

Operational systems were analysed to produce the most effective service delivery outcomes. A 95% water quality level was obtained as per SANS 241, physical and micro parameters. Pipe bursts are repaired within 48 hours from when reported.

The Municipality has a tanker delivery service in place which delivers potable water to rural communities. A minimum volume of 1500 litre of potable water are delivered to rural households per week. A communal standpipe is provided within a reasonable walking distance of no more than 100 m from the farthest household.

### 3.3.2 Total Use of Water by Sector

Total Use of Water by Sector (cubic meters)					
	Community	Other	Industrial	Domestic	Unaccountable water losses
2017/18	1518702	675140	435038	6592460	3909356
2018/19	1403356	629872	476833	5261290	3242988

The water use per sector indicates a decrease in water consumption for each sector. This can be contributed to the implementation of the George Municipality WDM measures which is still being imposed to improve water demand management.

### 3.3.3 Service Delivery Levels: Water

Below the table specifies the different water service delivery levels per households for the financial years 2017/18 and 2018/19:

Water Service Delivery Levels		
Description	Households	
	2017/18	2018/19
	Actual No.	Actual No.
<b>Water: (above min level)</b>		
Piped water inside dwelling	37 799	38 677
Piped water inside yard (but not in dwelling)	20 626	21319
Using public tap (within 200m from dwelling)	3 277	3399
Other water supply (within 200m)	–	–
<i>Minimum Service Level and Above sub-total</i>	61 702	63 395
<i>Minimum Service Level and Above Percentage</i>	98.22%	98%
<b>Water: (below min level)</b>		
Using public tap (more than 200m from dwelling)	74	74
Other water supply (more than 200m from dwelling)	46	46
No water supply	995	995
<i>Below Minimum Service Level sub-total</i>	1115	1115
<i>Below Minimum Service Level Percentage</i>	2%	2%
<b>Total number of households*</b>	<b>62 817</b>	<b>64 510</b>

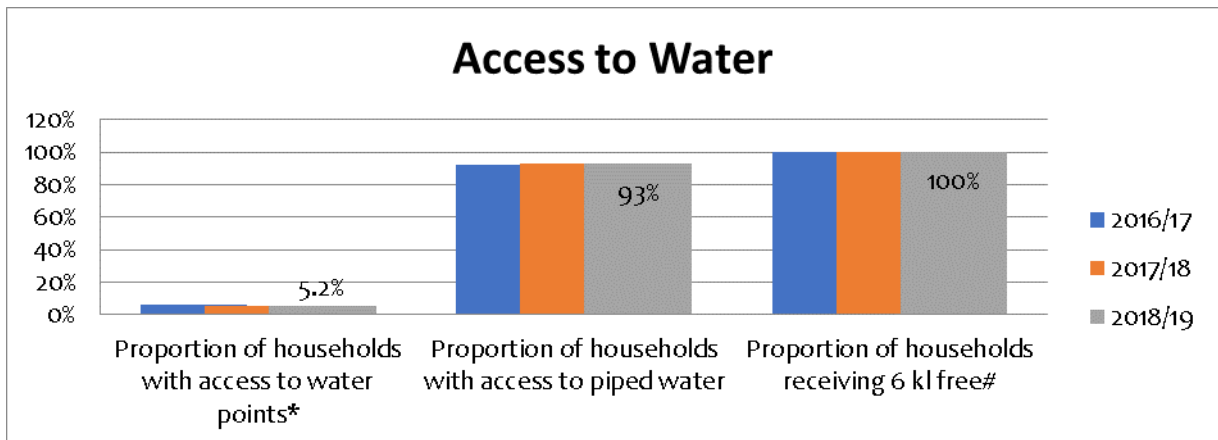
Water Provision Delivery Levels

### 3.3.4 Access to Water

Access to Water			
Period	Proportion of households with access to water points*	Proportion of households with access to piped water	Proportion of households receiving 6 kl free#
<b>2016/17</b>	6%	92%	100%
<b>2017/18</b>	5.2%	93%	100%
<b>2018/19</b>	5.2%	93%	100%

\* Means access to 25 litres of potable water per day supplied within 200m of a household and with a minimum flow of 10 litres per minute  
# 6,000 litres of potable water supplied per formal connection per month

Access to water



### 3.3.5 Highlights: Water Services

The table below specifies the highlights for the 2018/19 financial year:

Highlight	Description
Purchased 4 LDVs	To assist with the maintenance of the Water Network

Highlights: Water Services

### 3.3.6 Challenges: Water Services

The table below specifies the challenges for the 2018/19 financial year:

Description	Actions to address
Staff Shortage	More funding must be provided to fill critical vacancies
Staff skill levels	More funding for appropriate training must be provided
Ageing infrastructure	More funding must be provided for replacement of ageing infrastructure

Challenges: Water Services



### 3.3.7 Total Employees: Water Services

The following table indicates the staff composition for Water Services:

Employees: Water Services				
Job Level	2018/19			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	4	4	0	0%
4 - 6	71	59	12	17%
7 - 9	18	14	4	22%
10 - 12	28	25	3	11%
13 - 15	2	0	2	100%
16 - 18	1	1	0	0%
19 - 20	0	0	0	0%
<b>Total</b>	<b>124</b>	<b>103</b>	<b>21</b>	<b>17%</b>

Employees and Posts numbers are as at 30 June

Employees:Water Services

### 3.3.8 Capital Expenditure: Water Provision

Capital Expenditure 2018/2019: Water Provision			
Capital Projects	Original Budget	Amended Budget	Actuals Total
Laboratory Instruments - WWTW	200 000.00	200 000.00	183 730.04
Furniture and Fittings - Laboratory	50 000.00	50 000.00	37 244.14
Lab Cupboards	30 000.00	30 000.00	15 100.00
Aircons For New Offices	30 000.00	30 000.00	19 286.39
Access Control: Laboratory	40 000.00	40 000.00	0.00
4x4 Bakkie - Water Purification	450 000.00	500 000.00	493 101.14
Raising Garden Route Dam - RBIG	14 400 000.00	0.00	0.00
Dam Safety Construction	1 500 000.00	1 500 000.00	86 098.00
Raising Garden Route Dam - RBIG	9 268 983.00	3 000 000.00	2 686 761.58
Air-conditioning at Pump stations - Water Purification	200 000.00	200 000.00	0.00
Filter Sand at Waterworks	1 580 000.00	350 000.00	344 850.00
Replace Fencing at Water Treatment Infrastructure	1 000 000.00	1 000 000.00	0.00
Rehabilitation of old WTW (6ml Module)	3 000 000.00	800 000.00	499 150.54
Paving Road to Chemicals Store	300 000.00	340 000.00	336 200.25
Pressure Reducing Valves	1 000 000.00	1 000 000.00	0.00
Settling Tanks (Uniondale & Wilderness) - Roofs	800 000.00	750 000.00	0.00
H&S Extractor Fans - Chlorine Rooms	1 500 000.00	1 500 000.00	0.00
Telemetry - Water Purification	200 000.00	340 000.00	310 971.00
Extension of Waterworks	1 000 000.00	500 000.00	799 647.10
Rehabilitation of old WTW (6ml Module)	3 000 000.00	0.00	0.00

Capital Expenditure 2018/2019: Water Provision			
Capital Projects	Original Budget	Amended Budget	Actuals Total
Generators	600 000.00	600 000.00	0.00
Office Equipment - Water Purification	30 000.00	18 000.00	14 486.96
Uniondale Waterworks Office Building (Process Continuation)	500 000.00	500 000.00	0.00
Erf 325 East Phase A - Water	2 084 296.00	0.00	0.00
Metro Grounds - Water	510 928.00	0.00	0.00
Erf 325 East Phase C - Water	2 652 356.00	0.00	0.00
Golden Valley 165 Units - Water	77 744.00	77 744.00	67 099.22
Pacaltsdorp Link (Erf 325 East)	7 419 915.00	7 419 915.00	1 832 587.80
Installation of Water Meters	500 000.00	500 000.00	0.00
Thembalethu UISP - Water	1 138 269.00	1 138 269.00	431 368.41
Provision of Water Tanks	100 000.00	100 000.00	51 894.83
Network Rehabilitation - Water	7 000 000.00	6 930 000.00	5 284 209.50
Telemetry & Loggers - Water Distribution	200 000.00	60 000.00	45 040.00
Pacaltsdorp Reservoir 6mi Erf 325 East	500 000.00	800 000.00	800 000.00
Tools & Equipment - Water	100 000.00	170 000.00	104 305.48
TLB	1 000 000.00	0.00	0.00
Water Treatment Works - Reservoirs	0.00	2 658 440.00	2 655 901.04
Malgas Water Pump Station Rehabilitation	0.00	76 000.00	0.00
Haarlem Waterworks Office Building	0.00	50 000.00	0.00
Uniondale/Haarlem: Reservoir Fencing	0.00	202 000.00	201 288.00
Bakkies - Water Distribution	0.00	1 000 000.00	834 922.49
Thembalethu Reservoir 6mi	0.00	300 000.00	0.00
<b>TOTAL</b>	<b>64 212 491.00</b>	<b>34 980 368.00</b>	<b>18 322 682.30</b>

Capital Expenditure 2018/19: Water Provision

### 3.3.9 Overall Performance: Water Services

Water service's performance is affected by budgetary constraints and allowances. The ability to plan and execute the stipulated masterplan priorities can only be realized if funding is made available. This places pressure upon the operational and maintenance component of the Municipality.

The targets set out in the 2018/19 MTEF can be achieved provided that the funding as indicated is achievable – EFF, CRR funding mix, together with the Municipal Infrastructure Grant (MIG). Applications for additional funding are submitted as and when opportunities arise.

The current four largest priority projects are the raising of the Garden Route Dam Spillway, the extension of the water purification capacity by an additional 20ML, an additional 14 ML reservoir and water tower to provide for low cost housing opportunities on Erf 325 East and West, an additional reservoir in Thembalethu to accommodate growth and low-cost housing opportunities, and an additional 30ML raw water balancing dam.

## 3.4 WASTE WATER (SANITATION) PROVISION

### 3.4.1 Introduction to Waste Water (Sanitation) Provision

The master plans for the Municipality's wastewater systems are updated on a quarterly basis and all upgrades planned are in line with the current master planning. The sewer reticulation system consists of 870 km of pipeline varying from 50mm to 2000mm in diameter and 116 sewer pump stations.

Wastewater is treated at the Outeniqua, Gwaiing, Herolds Bay, Breakwater Bay, Kleinkrantz, Uniondale and Haarlem Wastewater Treatment Works (WWTW). The Uniondale WWTW was upgraded to address future growth needs, including the 184 low cost housing units and to improve the quality of effluent discharged to comply with DWA standards. Bulk sewer upgrades and new infrastructure are currently under construction to accommodate the Upgrading of Informal Settlements Programme (UISP) including Thembaletu and Erf 325 East and West.

Pipe replacement programmes are revised annually to insure the effective replacement of the aging network. Infrastructure at pump stations and WWTW are also upgraded to ensure effective functioning of infrastructure to ensure service delivery. All sewer pump stations adjacent to sensitive environmental catchment areas i.e. rivers are equipped with telemetry systems and standby generators as per budgetary allowances.

Service delivery priorities are as follows:

Service Delivery Priority	Achievement Level
That new sewer connections be installed within 10 days of receiving the application from the client.	A 90% service level rate was achieved
Rehabilitate and upgrade the sewerage networks in terms of the approved capital budget	An 85% spending rate was achieved in the 17/18 financial year
Rehabilitate and upgrade the sewerage treatment works in terms of the approved capital budget	A 78% spending rate was achieved in the 17/18 financial year

The Municipality of George was able to upgrade all the access roads to sewer pump stations in Touwsrante and with the acquisition of a new Super sucker suction truck was able to improve service delivery at sewer pump stations.

The George Municipality actively implements the Operational and Compliance Water and Effluent Quality Sampling Programmes in order to promptly identify water and effluent quality failures and to react accordingly. The water quality compliance sample results are loaded onto DWS's IRIS System and the effluent quality compliance sample results are loaded onto DWS's Green Drop System (GDS) via the internet. Once entered the water quality data is automatically compared to SANS: 241:2015. These real-time systems allow for immediate intervention to rectify any problems.

A W2RAP for the various WWTWs is also in place. The W2RAP is an all-inclusive risk analysis tool by which risks associated with the management of collection, treatment and disposal of wastewater, are identified and rated (quantified). The identified risk can then be managed according to its potential impact on the receiving environment/community/resource.

### 3.4.2 Service Delivery Levels: Waste Water (Sanitation)

The table below specifies the different sanitation service delivery levels per households for the financial years 2017/18 and 2018/19:

Description	*Households	
	2017/18	2018/19
	Outcome	Actual
	No.	No.
<b>Sanitation/sewerage: (above minimum level)</b>		
Flush toilet (connected to sewerage)	51 825	53 275
Flush toilet (with septic tank)	5 468	5 589
Chemical toilet	18	18
Pit toilet (ventilated)	811	811
Other toilet provisions (above min. service level)	3 403	3 525
Minimum Service Level and Above sub-total	61 525	63 218
Minimum Service Level and Above Percentage	97.90%	98%
<b>Sanitation/sewerage: (below minimum level)</b>		
Bucket toilet	155	155
Other toilet provisions (below min. service level)	812	812
No toilet provisions	325	325
Below Minimum Service Level sub-total	1 292	1 292
Below Minimum Service Level Percentage	2.1%	2.1%
<b>Total households</b>	<b>62 817</b>	<b>64 510</b>

Sanitation Service Delivery Levels

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

The table below specifies the highlights for the 2018/19 financial year:

Highlight	Description
Installation of High Mast Lighting at the Water Treatment Works Plants	To improve security at the plants
Purchasing of a Case Tractor	To assist with the maintenance of the Waste Water Network
Purchasing of bakkies	To assist with the maintenance of the Waste Water Network
Installation of 2 Generators at the main Pump stations	To prevent pollution during load shedding and power interruptions

Highlights: Waste Water (Sanitation) Provision

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

The table below specifies the challenges for the 2018/19 financial year:

Description	Actions to address
Staff shortages	Funding must be provided to fill vacancies
Deteriorating infrastructure	More funding must be provided
Sludge Management of Water Pollution Control Section	Apply for more capital funds
Insufficient oxygen supply at Outeniqua WWTP due to major break downs	Apply for funding to address this problem

Challenges: Waste Water (Sanitation) Provision

### 3.4.5 Total Employees: Waste Water (Sanitation) Services

Employees: Sanitation Services				
Job Level	2018/19			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	2	2	0	0%
4 - 6	35	33	2	6%
7 - 9	21	21	0	0%
10 - 12	5	4	1	20%
13 - 15	1	1	0	0%
16 - 18	0	0	0	0%
19 - 20	0	0	0	0%
<b>Total</b>	<b>64</b>	<b>61</b>	<b>3</b>	<b>5%</b>

Employees and Posts numbers are as at 30 June

Employees: Waste Water (Sanitation) Services

### 3.4.6 Capital Expenditure: Waste Water (Sanitation) Services

Capital Expenditure 2018/19: Sanitation			
Capital Projects	Original Budget	Amended Budget	Actuals Total
Access to Basic Services: Informal Areas	250 000.00	0.00	0.00
Access to Basic Services: Rural Areas (Ablution)	250 000.00	0.00	0.00
6 Ton Trucks for Towing of New Jet Machines	500 000.00	500 000.00	0.00
Bakkies (Replacing of Hired Vehicles)	700 000.00	700 000.00	630 265.44
Thembaletu UISP - Sewer	3 359 671.00	3 359 671.00	1 036 129.18
Network Rehab - Sewerage	2 000 000.00	1 960 000.00	1 813 259.87
Fencing at Sewer Pump stations	700 000.00	1 070 000.00	916 925.33
Upgrade Pump stations - Sewer	3 500 000.00	2 000 000.00	930 604.41

Capital Expenditure 2018/19: Sanitation			
Capital Projects	Original Budget	Amended Budget	Actuals Total
Wilderness Kleinkrantz Main Sewer Line Upgrade	2 000 000.00	250 000.00	0.00
Upgrade Electrical Switchgear at Sewer Pump station	800 000.00	454 000.00	363 574.00
Golden Valley 165 Units: Sewer	229 466.00	229 466.00	108 644.22
Metro Grounds - Sewer	1 508 033.00	0.00	0.00
Erf 325 Phase C - Sewer	7 828 581.00	0.00	0.00
Erf 325 Phase A - Sewer	6 151 919.00	0.00	0.00
Generators - Standby for Wilderness Pump Stations	1 500 000.00	2 076 000.00	2 122 560.96
Generator Shelters and Security Booths at Pump station	576 000.00	0.00	0.00
Installation of Syphon Chambers – Pump stations	200 000.00	84 000.00	46 829.77
Inlet (Spike Chambers) At Pump stations	160 000.00	71 000.00	70 823.59
Replace Santar Pipes	2 000 000.00	0.00	0.00
Erf 325 East Link Sewers (Phases A, B And C)	4 091 911.00	3 219 825.00	743 461.45
Erf 325 East Bulk Sewer (960m Plus Pipe Bridge)	3 123 446.00	3 123 446.00	1 023 041.20
Tools & Equipment - Sewer Network	20 000.00	63 880.00	54 305.55
Boreholes - WWTW'S Plants	1 000 000.00	0.00	0.00
Refurbishment of Horizontal Bridge for Aerators	1 000 000.00	0.00	0.00
Replacement of Aerators and Mixers	2 000 000.00	0.00	0.00
Telemetry - WWTW	200 000.00	391 000.00	389 373.00
Refurbishment of Belt-Press at Gwaiing WWTW	200 000.00	172 530.00	172 526.06
Outeniqua 10ml Addition - WWTW	30 314 611.00	29 171 822.00	29 131 894.50
Outeniqua 10ml Addition - WWTW	44 685 389.00	4 450 178.00	3 858 182.82
Sludge Dewatering Plant	1 500 000.00	0.00	0.00
Fencing of Treatment Plants	500 000.00	0.00	0.00
Paving of Gravel Roads of Plants	500 000.00	577 470.00	558 830.04
Access Control to Plants	30 000.00	34 100.00	33 510.00
BA Ū SETS FOR PLANTS	80 000.00	66 300.00	66 300.00
High Mast Lighting at Plants	600 000.00	589 500.00	588 256.80
Green drop Kits for Plants	100 000.00	49 000.00	49 000.00
Replace Flowmeter (Gwaiing)	150 000.00	0.00	0.00
Odour Control Outeniqua WWTW	10 000 000.00	0.00	0.00
Gwaiing Sewer Treatment - Reinststate 3.5ml	500 000.00	664 360.00	193 812.84
Tools & Equipment - WWTW	10 000.00	23 700.00	12 770.49
Furniture and Fittings - Water Contamination Contr	40 000.00	50 500.00	47 944.32
Upgrade Toilets - Beach Areas	500 000.00	500 000.00	84 629.79

Capital Expenditure 2018/19: Sanitation			
Capital Projects	Original Budget	Amended Budget	Actuals Total
Upgrade Public Toilets	350 000.00	350 000.00	113 413.28
4x4 Double Cab Bakkie - Sewerage	0.00	566 025.00	505 980.92
Upgrading Schaapkop Pump Station (Mechanical)	0.00	3 000 000.00	0.00
Upgrade Laboratory - WWTW	0.00	0.00	0.00
Outeniqua WWTW - Rehabilitation of Carousel	0.00	350 000.00	67 162.02
Case Tractor (Replacement) - WWTW	0.00	569 700.00	569 628.29
Erf 325 East Link Sewers (Phases A, B AND C)	0.00	872 086.00	0.00
Meul Pump Station Rising Main	0.00	2 000 000.00	0.00
Upgrade Laboratory - WWTW	0.00	500 000.00	365 868.38
<b>TOTAL</b>	<b>135 709 027.00</b>	<b>64 109 559.00</b>	<b>46 669 508.52</b>

### 3.4.7 Sanitation: Overall Performance Comment

The targets set out in the 2018/19 MTEF can be achieved provided that the funding as indicated is achievable – EFF, CRR funding mix, together with MIG grant. Applications for additional funding are submitted as and when opportunities arise.

Performance targets were met with regards to the provision of wastewater services for large projects. Currently the four largest priority projects are the 10MI Outeniqua WWTW extension, odour control at the Outeniqua WWTW inlet to accommodate the surrounding low-cost housing developments, Schaapkop and Meul pump station and connecting sewer network upgrades, the provision of bulk sewer services to low cost housing developments in Pacaltsdorp (Erf 325 East and West), Thembalethu. The Gwaiing WWTW capacity also needs to be prioritised for an additional 5MI extension.

## 3.5 ELECTRICITY

### 3.5.1 Introduction to Electricity

Although the Constitution does not explicitly include electricity as one of the Municipal Services to which all have a basic right, court cases such as Leon Joseph vs City of Johannesburg do imply that access to electricity is indeed a basic human right. To balance this right with available funding against a background of an abnormally high influx of people into the area, is a close to impossible task.

In addition, the Directorate's task is complicated by an expertise shortage, theft of infrastructure and illegal connections.

Despite the negative circumstances, the Directorate has made some progress. More than 85% of the Capital Budget was spent. The highlights below are indicative of the determination of the Directorate to overcome the stumbling blocks to provide services to the public.

### 3.5.2 Highlights: Electricity

Highlights	Description
Electrification	<b>730</b> new prepaid residential customers of which <b>160</b> are for informal houses electrified in Frans, Edameni, TshepTshep and Mandela Village.
George Substation	10MVA transformer at SS Protea has been removed and sent for refurbishment. All Power transformer tap-changers have been maintained except for SS Protea Trf1 due to lack of contingency supply at this stage.
New appointments	Senior Manager of Distribution position is still vacant and is in the process of being re-advertised The interview processes for the following vacancies are underway: 6 vacant electrician posts, 6 electrical assistants, 5 general assistants and one crane truck operator,
Training	The 2nd phase of the ISDG Internship program commenced in March 2017 and 5 Electrical Engineering interns were appointed. In addition to the abovementioned, 3 University graduates were also appointed in March 2019. The training and practical in -service coaching and mentoring is towards professional registration with ECSA as Professional Technicians, Technologists and professional Engineers respectively. A retired Professional Engineer has been appointed to mentor these Interns and they are progressing well

Highlights: Electricity

### 3.5.3 Challenges: Electricity

Description	Actions to address
Streetlights	Damages to infrastructure caused by vandalism remain a huge challenge, however most of the backlogs on streetlights bulbs have been replaced with LED lights.
Staff quota still inadequate and in need of training	Unfortunately, all the appointees need additional training before they can be authorized to work independently on electrical networks. Training is being provided but takes time. We are aiming to have at least three additional authorized persons within the next 4 months. This is a very roughly estimated timeline of 4 months.



Description	Actions to address
Shortage of vehicles	Due to additional staff employed there is a shortage of municipal vehicles to provide service delivery and vehicles have to be hired. Additional budget to purchase additional municipal vehicles must be provided to curtail the cost of hiring.
Maintenance	The maintenance is well under way; however, we are currently not effectively staffed to make a reasonable impact in the current back log. We are however, in process of putting a contract in place to make use of assistance from contractors. The lack of maintenance on electrical plant is a critical challenge, especially to aged oil filled equipment. This hold an immense risk to security of supply and the safety to the staff and the public.

Challenges: Electricity

### 3.5.4 Service Delivery Levels: Electricity

Description	Households	
	2017/18	2018/19
	Actual No.	Actual No.
<b>Energy: (above minimum level)</b>		
Electricity (at least minimum service level)	1 055	1 023
Electricity – prepaid (minimum service level)	42 490	43 220
Minimum Service Level and Above sub-total	43 545	44 243
Minimum Service Level and Above Percentage	94.9%	85.85%
<b>Energy: (below minimum level)</b>		
Electricity (<minimum service level)	0	0
Electricity – prepaid (< minimum service level)	2 300	0
Other energy sources	0	0
Below Minimum Service Level sub- total	2 300	0
Below Minimum Service Level percentage	5.02%	0%
<b>Total number of households</b>	<b>45845</b>	<b>51 537</b>

### 3.5.5 Total Employees: Electricity

Job Level	Employees: Electricity Services			
	2018/19			
	Posts No.	Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %
0 - 3	7	4	3	42%
4 - 6	54	46	8	15%
7 - 9	38	34	4	10%
10 - 12	38	29	9	23%
13 - 15	24	20	4	16%
16 - 18	5	4	1	20%
19 - 20	1	1	0	0%
<b>Total</b>	<b>167</b>	<b>138</b>	<b>29</b>	<b>17%</b>

Employees and Posts numbers are as at 30 June

Employees: Electricity services

### 3.5.6 Capital Expenditure: Electricity

Capital Expenditure 2018/2019: Electricity			
Capital Projects	Original Budget	Amended Budget	Actuals Total
Clocking System - Elec	150 000.00	0.00	0.00
Pc Software - Elec	500 000.00	0.00	0.00
2x4 Bakkie Sc (X4) - Street Light Attendants	350 000.00	270 000.00	243 421.40
4x4 Bakkie Sc - Vegetation Control Team	450 000.00	490 000.00	479 345.94
4x4 Bakkie Sc - Infrastructure Protection	450 000.00	490 000.00	479 345.94
4x4 Bakkie Dc - Vegetation Control (2 Special Work	500 000.00	500 000.00	479 345.94
Replace Cherry Picker Truck	950 000.00	0.00	0.00
Replace Redundant 66kv Switch Gear	1 200 000.00	2 093 390.00	2 067 139.84
Thembalethu/Ballots Bay 66/11 Substation	3 464 348.00	14 348.00	2 235.01
Load Control and Power Factor	200 000.00	400 000.00	225 690.45
Proefplaas Heroldsbaai 66kv Feeder	350 000.00	0.00	0.00
Tamsui Second Load Cell Phase 2	200 000.00	200 000.00	146 514.10
Thembalethu/Ballots Bay 66/11 Substation	5 535 652.00	4 845 652.00	4 845 651.63
Replace Overloaded 11kv Switchgear	1 500 000.00	1 951 260.00	1 696 637.59
Thembalethu Glenwood 66kv Overhead Line	3 000 000.00	0.00	0.00
Extension Of 11kv Network - Lawaaiikamp	900 000.00	500 000.00	477 144.35
Extension Of 11kv Network - George Inner City	500 000.00	1 520 820.00	1 446 327.23
Extension Of 11kv Network - Uniondale	100 000.00	100 000.00	62 471.13
Extension Of 11kv Network - Thembalethu	500 000.00	1 300 000.00	1 186 275.34
Extension Of 11kv Network - Wilderness	300 000.00	0.00	0.00
L/T Lines - Wilderness	300 000.00	280 000.00	252 985.62
Replace Bulk Meters	100 000.00	700 000.00	633 409.19
Overloaded Networks: Replacement - Elec	1 000 000.00	2 050 000.00	1 793 823.85
L/T Lines - George	800 000.00	980 000.00	1 051 880.14
Streetlights: Uniondale, Haarlem And Herold	400 000.00	400 000.00	259 221.91
Reticulation Fill in Schemes - Ad Hoc	100 000.00	100 000.00	99 796.89
Uniondale Electrification	30 000.00	30 000.00	0.00
PRT Golden Valley	370 500.00	0.00	0.00
Reticulation Schemes - Pacs (East)	800 000.00	600 000.00	243 012.56
L/T Lines - Pacaltsdorp	400 000.00	400 000.00	399 272.19
L/T Lines - Uniondale	300 000.00	140 000.00	119 471.73
Ad Hoc Lighting Requests	200 000.00	200 000.00	246 585.02
High Mast Lighting	1 800 000.00	1 570 000.00	1 566 748.59
Upgrade of Obsolete Streetlight Network (Replace 4	300 000.00	2 430 000.00	1 707 504.24
Energy Efficient Lighting	5 782 610.00	6 642 468.00	6 610 800.13
Lighting Informal Areas (Includes Rural Areas)	300 000.00	300 000.00	303 162.71
Formal Areas Underground Connection - UISP Area	500 000.00	659 490.00	636 209.50
Reticulation Schemes - Informal Settlements	800 000.00	1 410 000.00	1 287 915.81
PRT Golden Valley	2 557 500.00	2 223 913.00	1 427 106.32

Capital Expenditure 2018/2019: Electricity			
Capital Projects	Original Budget	Amended Budget	Actuals Total
Street Lightning: Greater George (LED Installation)	400 000.00	500 000.00	480 828.82
Reticulation Schemes Bulk Services	1 300 000.00	1 300 000.00	874 757.51
Formal Areas Underground Connection - UISP Area	4 076 500.00	3 544 783.00	3 200 589.45
Mobile Radios - Elec	100 000.00	100 000.00	98 305.00
Testing Equipment - Elec	300 000.00	530 340.00	382 966.94
Safety Equipment - Elec	200 000.00	180 000.00	108 044.11
Infrastructure Skills Development Equipment - Elec	100 000.00	100 000.00	89 382.29
Tools & Equipment - Elec	150 000.00	150 000.00	147 846.91
Drone - Electricity	30 000.00	50 000.00	0.00
Wood Chipper - Electricity	250 000.00	295 000.00	294 000.00
Furniture & Fittings - Elec	80 000.00	105 000.00	94 343.12
Computer Hardware - Elec	125 000.00	525 000.00	296 350.43
End User Equipment (Pc's Laptops and Peripheral De	150 000.00	150 000.00	130 077.39
Protection System	500 000.00	797 000.00	796 472.27
Communication System	200 000.00	353 000.00	346 902.85
Control Centre: 11kv Safety	500 000.00	30 000.00	26 250.00
Security Wall at Major Substation	400 000.00	0.00	0.00
Safety Additions to Elec Building (OHSA)	60 000.00	60 000.00	19 030.98
Upgrading of Buildings - Elec	200 000.00	175 000.00	100 942.74
Training Centre Establishment - Elec	150 000.00	150 000.00	149 346.38
Entrance Control & Security Measures - Elec	200 000.00	475 000.00	434 439.00
Civic Centre PV Panels	2 000 000.00	0.00	0.00
Rebuild Herolds Bay 66kv Line	0.00	887 680.00	691 880.64
Refurbish Existing 10mva Transformers	0.00	1 400 000.00	231 897.89
Thembalethu Glenwood 66kv Overhead Line	0.00	3 682 276.00	3 682 275.99
Extension Of 11kv Network - Thembalethu	0.00	161 398.00	193 657.64
Replace 66kv Insulators	0.00	370 500.00	5 000.00
Reticulation Schemes - Pacs (East)	0.00	1 000 000.00	977 618.71
<b>TOTAL</b>	<b>49 412 110.00</b>	<b>52 863 318.00</b>	<b>46 329 659.35</b>

Capital Expenditure 2018/19: Electricity Services

## 3.6 WASTE MANAGEMENT (REFUSE COLLECTION, WASTE DISPOSAL, STREET CLEANING AND RECYCLING)

### 3.6.1 Introduction to Waste Management

The strategic goal of the Solid Waste Management Section is to Keep George Clean, Green and Safe. Waste minimisation take place by means of a blue bag recycling projects at households. Education and awareness programmes in all communities, schools and radio talks about waste avoidance, waste reduction, recycling, recovery and disposal are done monthly as part of Council's Integrated Waste Management Plan. Plans for the establishment of a composting facility has been finalised and authorised by Council and work will commence shortly.

### 3.6.2 Highlights: Waste Management

The table below specifies the highlight(s) for the 2018/19 financial year:

Highlight(s)	Description
Refuse trucks	2 New trucks were purchased in 2019.
Transfer station	A New refuse transfer station was built in Uniondale

Highlights: Waste Management

### 3.6.3 Challenges: Waste Management

The table below specifies the challenges for the 2018/19 financial year:

Description	Actions to address
Breakages of refuse trucks – redundant trucks	Replacement trucks on 2019/2020 budget
Cleaning of illegal dumpsites in residential areas	Although illegal dumps are regularly cleaned by municipality, residents keep on dumping green and household waste.

Challenges: Waste Management

### 3.6.4 Waste Management Service Delivery Levels

The table below indicates the different refuse removal service delivery standards within the urban edge area of the Municipality:

Description	2017/18	2018/19
	Actual	Actual
<b>Household</b>		
<b>Refuse Removal: (Minimum level)</b>		
Removed at least once a week	62 722	62 722
Minimum Service Level and Above Sub-total	62 722	62 722
Minimum Service Level and Above Percentage	100	100
<b>Refuse Removal: (Below minimum level)</b>		
Removed less frequently than once a week	N/A	N/A
Using communal refuse dump	N/A	N/A
Using own refuse dump	N/A	N/A
Other rubbish disposal	N/A	N/A
No rubbish disposal	N/A	N/A
Below Minimum Service Level Sub-total	0	0
Below Minimum Service Level percentage	0	0
<b>Total number of households</b>	<b>62 722</b>	<b>62 722</b>

Service Delivery Levels: Refuse Removal

### 3.6.5 Total Employees: Solid Waste Services

Employees: Solid Waste Services				
Job Level	2018/19			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	13	13	0	0%
4 - 6	70	65	5	21%
7 - 9	23	18	5	22%
10 - 12	2	2	0	0%
13 - 15	2	2	0	0%
16 - 18	2	2	0	0%
19 - 20	0	0	0	0%
<b>Total</b>	<b>112</b>	<b>102</b>	<b>10</b>	<b>9%</b>

Employees and Posts numbers are as at 30 June

Employees: Solid Waste Services

### 3.6.6 Capital Expenditure 2018/2019: Waste Management Services

Capital Expenditure 2018/2019: Waste Management			
Capital Projects	Original Budget	Amended Budget	Actuals Total
Bakkies - Foremen - Refuse Removal	200 000.00	646 000.00	589 699.32
Bakkie - Maintenance - Transfer Station	200 000.00	890 000.00	779 260.84
Transfer Facility Uniondale	800 000.00	4 711 974.00	2 281 755.13
Rehabilitation of Landfill Site	2 500 000.00	4 427 500.00	0.00
Rehabilitation of Uniondale Landfill Site	500 000.00	43 896.00	0.00
Building of Compost Plant	1 500 000.00	2 267 000.00	2 091 875.60
Bulk Refuse Containers	150 000.00	292 947.00	239 530.56
Refuse Compactor Isuzu - Replacement	2 000 000.00	1 310 000.00	1 209 347.00
Refuse Compactor Nissan - Replacement	2 000 000.00	1 554 000.00	1 453 347.00
Bulk Refuse Containers: Transfer Station	500 000.00	0.00	0.00
Wheels - Bulk Refuse Containers	4 000.00	3 558.00	0.00
Recycling Equipment - Transfer Station	2 500 000.00	0.00	0.00
Weed Eater - Cleansing Services	7 500.00	6 348.00	6 347.45
Furniture for Transfer Station	40 000.00	40 000.00	39 350.52
Computers - Refuse Removal	12 500.00	11 147.00	11 146.87
Extension of Transfer Station	1 000 000.00	6 367 300.00	5 101 079.22
Upgrade Cleansing Camp	250 000.00	110 000.00	56 904.67
Bin Lifters	0.00	501 800.00	0.00
Transfer Station - Generator	0.00	350 000.00	205 003.00
<b>TOTAL</b>	<b>14 164 000.00</b>	<b>23 533 470.00</b>	<b>14 064 647.18</b>

Capital Expenditure 2018/19: Waste Management Services

## 3.7 HOUSING

### 3.7.1 Introduction to Housing

In the National context, George is no exception in facing severe backlogs in the provision of housing opportunities to both the lower income and affordable housing/GAP sections of the community. The backlog is ± 15 752 families in the lower income sector and ± 1 432 in the affordable/GAP sector, which are officially captured on the Housing Demand Database.

During the financial year, priority was given to servicing even in Thembalethu through the Upgrading of Informal Settlements Programme (UISP), servicing of the Metro Grounds Housing project and the building of top structures in the UISP project as well as the Golden Valley Housing Project.

In collaboration with the Provincial Department of Human Settlements, the Title Deed Restoration Project was initiated with the aim of transferring old housing stock to the rightful owners. An amount of R4 673 329.00 was received for this project and since the

initiation of this project (1 April 2016) a total of 787 properties were registered. In the 2018/2019 financial year 177 transfers were registered.

**The main Human Settlements Projects and Initiatives in 2018/2019 were as follows:**

**i) THEMBALETHU UISP HOUSING PROJECT**

The project has been approved and will provide 4350 families with a serviced site with access to water, sanitation and electricity. The top structures will incrementally follow. As at 30 June 2018, 204 top structures had been built and handed over to beneficiaries and 168 sites were serviced.

**ii) EXTENSION 42 & 58 HOUSING PROJECT**

This is an in-situ project of which the Provincial Department of Human Settlements approved funding for the building of 100 top structures. A total of 54 top structures were built and handed over to approved beneficiaries.

**iii) ERF 325 HOUSING PROJECT**

This is a catalytic project funded by the Provincial Department of Human Settlements and they are the developers on the project. The project makes provision for ± 2096 housing opportunities which includes various housing typologies and programmes e.g. GAP/FLISP, BNG and housing units for Military Veterans.

Five contractors have been appointed to construct a total of 173 FLISP and 1266 BNG housing units. All the civil services

have been completed and the 5 contractors have commenced with the construction of the housing units. All unskilled labour is sourced locally.

**iv) METRO GROUNDS HOUSING PROJECT**

The Metro Grounds Housing project consists of 664 housing opportunities. The civil services have commenced on the project with the construction of the top structures to commence on the completion of the civil engineering services.

**3.7.2 Highlights: Housing**

The following details all the achievements for the 2018/19 financial year:

**i) GOVAN MBEKI AWARDS**

The Govan Mbeki Awards demonstrates and showcase excellence, best practice and healthy competition amongst Provinces in their quest to improve the quality of lives for millions of South Africans. The George Municipality at Provincial Level entered two (2) housing projects namely:

1. Protea Park Housing Project (EPHP)
2. Uniondale Housing Project (EPHP)

The George Municipality was the winner at Provincial level for the Protea Park Housing project and at the National Level achieved the 1<sup>st</sup> Runner –up.

**ii) INFORMAL SETTLEMENTS**

The Access to Basic Services (ABS) Project is a continuous programme which deals with the upgrading and installation of communal services (waterborne and chemical ablution facilities as well as taps) in informal settlements. All informal settlements have access to basic services. Chemical toilets were provided to inhabitants in Thembaletu and Pacaltsdorp who invaded land. These toilets however have not been provided in terms of the National norm which is 1 toilet for 5 structures due to funding limitations.

One of the biggest challenges that the Municipality faces is the on-going land invasions and land within the settlements where basic services can be installed. The provision of basic services is made significantly difficult due to the location of these settlements and lack of sufficient and appropriate space for this infrastructure and associated amenities. In most cases the ownership of the land vests with other spheres of government imposing further prolonged processes.

**iii) ASSISTANCE DURING EMERGENCIES- FIRE, FLOODS**

The Department New Housing assists families during emergencies by verifying the information of affected beneficiaries and responds by providing a 4 x 5 emergency structure to qualifying beneficiaries. During the 2018/2019 financial year a total of 277 emergency structures were provided to beneficiaries who found themselves homeless due to emergency situations and 250 fire cases were reported.

**3.7.3 Challenges: Housing**

The table below specifies the challenges for the 2018/19 financial year:

Description	Actions to address
Ongoing service delivery protests	Liaison with committees to address service delivery issues
Ongoing land invasions on land identified for housing development	Constant monitoring of land to prevent further land invasions

Challenges: Human Settlements



### 3.7.4 Housing Service Delivery Levels

The following table shows the increase in the number of people on the housing waiting list. There is currently approximately **17 184** housing units on the waiting list.

Financial year	Number of housing units on waiting list	% Housing waiting list increase/(decrease)
2016/17	17 650	(0.54)
2017/18	18 620	5.2
2018/19	17 184	(0.9)

Housing Waiting List

### 3.7.5 Total Employees: Housing

Job Level	Employees: Housing			
	2018/19			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	0	0	0	0%
4 - 6	21	18	3	14%
7 - 9	11	8	3	27%
10 - 12	10	8	2	20%
13 - 15	4	3	1	25%
16 - 18	1	1	0	0%
19 - 20	0	0	0	0%
<b>Total</b>	<b>48</b>	<b>38</b>	<b>9</b>	<b>19%</b>

Employees and Posts numbers are as at 30 June

Employees: Housing

It must be noted with the restructuring undertaken by Council a maintenance department which was already understaffed was incorporated into this Directorate. No budgetary provision was made for the filling of any vacant positions.

A Section comprising of a team that addresses water leakages in especially Informal Settlements and mostly indigent households has also been moved to this Directorate. The expenditure for their salaries is covered from the Equitable Share Grant.

### 3.7.6 Capital Expenditure 2018/19: Housing

Capital Expenditure 2018/2019: Housing			
Capital Projects	Original Budget	Amended Budget	Actuals Total
Bakkie - New Housing	280 000.00	280 000.00	247 371.82
Trailer - New Housing	85 000.00	85 000.00	74 786.01
Furniture: Office of Director	60 000.00	10 000.00	10 000.00
Chairs - Maintenance Section	12 000.00	0.00	0.00
Visitor Chairs Replacement - Existing Housing	4 000.00	0.00	0.00
Furniture - Maintenance Section	30 000.00	7 570.00	7 569.38
Chairs Replacement - Existing Housing	5 500.00	0.00	0.00
Filing Cabinets - Existing Housing	7 000.00	0.00	0.00
Furniture: Housing (Existing)	15 000.00	9 550.00	8 499.53
Furniture: Housing (New)	50 000.00	18 340.00	18 333.84
Additional Office Space 4th Floor	0.00	145 000.00	102 895.85
<b>TOTAL</b>	<b>548 500.00</b>	<b>555 460.00</b>	<b>469 456.43</b>

Capital Expenditure 2018/19: Housing

## 3.8 FREE BASIC SERVICES AND INDIGENT SUPPORT

### 3.8.1 Introduction to Free Basic Services and Indigent Support

George Municipality have an Indigent Policy in place to ensure that all the indigent households have access to free basic services. The indigent policy is reviewed on an annual basis during the budget process to look at ways to improve the support that are rendered to indigent consumers. It is also amended to accommodate changes in legislation. The Indigent Policy of George Municipality is sympathetic towards the poorest of the poor and it also makes provision for those people that lives in the backyard of family members.

Indigent awareness campaigns, door to door campaigns and other media platforms are used to encourage poor people to apply for the indigent subsidy, to enable them to have access to free basic services. Currently, a third of the population of George, receives the indigent subsidy. This ensures that these consumers also have access to free basic services. The Indigent Policy also makes provision for Indigent Churches, Old Age homes and Health Care Facilities to apply for the indigent subsidy. This ensures that a large group of people are enjoying the benefits of free basic services.

### 3.8.2 Free Basic Services to Low Income Households

The tables below indicate the households that received free basic services in the 2018/19 and financial year under review:

Financial Year	Number of households								
	Total no of HH	Free Basic Electricity		Free Basic Water		Free Basic Sanitation		Free Basic Refuse Removal	
		No. Access	%	No. Access	%	No. Access	%	No. Access	%
2017/18	43 229	19 376	44.82	15 532	35.93	15 213	35.19	15 298	35.39
2018/19	49 483	20 233	40%	15 832	31.90%	15 397	31.11%	15 558	31.44%

Free Basic Services to Households

Electricity									
Financial Year	Number of households								
	Indigent Households			Non-indigent households			Households in Eskom areas		
	No. of HH	Unit per HH (kwh)	Value R'000	No. of HH	Unit per HH (kwh)	Value R'000	No. of HH	Unit per HH (kwh)	Value R'000
2017/18	19 376	70	18 578	0	0	0	736	50	504
2018/19	20 233	70	20 727	0	0	0	772	50	564

Free Basic Electricity Services to Indigent Households

Water						
Financial Year	Indigent Households			Non-indigent households		
	No of HH	Unit per HH (kl)	Value	No of HH	Unit per HH (kl)	Value
			R'000			R'000
2017/18	15 532	6	15 365	23 545	6	23 292
2018/19	15 832	6	16 916	33 651	6	35 955

Free Basic Water Services to Indigent Households

### 3.8.3 Financial Performance 2018/19: Cost to Municipality FBS Delivered

Financial Performance 2018/19: Cost to Municipality of Free Basic Services Delivered		
Services Delivered	2017/18	2018/19
	Actual	Actual
	R'000	
Water	38 657	52 871
Electricity	19 082	21 291
Sanitation	34 518	33 313
Refuse removal	26 067	36 088
<b>Total</b>	<b>118 325</b>	<b>143 563</b>

Financial Performance 2018/19: Cost to The Municipality of Free Basic Services Delivered

The municipality subsidizes indigent households with the following basic charges on their municipal accounts, namely 1) Basic Water Charges and the first 6kl Water is free. Basic charges for Sewerage, Refuse and 70kwh units of Electricity free. Indigents Households

who used less than 450kwh of electricity per month, are charged at a lower electricity tariff. Council also assist with the writing off of arrears and with the repairs of water leakages and faulty electricity pre-paid meters.

Properties with a municipal value of less than R150 000 are also exempted from the levying of rates. Churches Creches, Old ages Homes and frail Care units receives a monthly allowance on their municipal accounts, depending on the number of indigent people that make use of the facilities. Indigents that lives on farms, receives 50kwh of electricity as per agreement with Eskom. These expenses are mainly funded from the equitable share funds from National Treasury. An amount of R137m was allocated to George Municipality for the 2018/2019 financial year. Indigent awareness campaigns were held by the Credit Control Department in the different wards in George, to promote the Indigent subsidy.

The exposure to free basic services helps to improve the self-esteem of indigent households. Door to door campaigns, visits at homes and talks over the radio are planned for the rest of the year, to encourage indigent consumers to apply for the subsidy.

# COMPONENT B: ROAD TRANSPORT

## 3.9 ROADS

This component includes: Roads; Transport; and Storm Water drainage.

George Municipality is responsible for the planning and maintenance of proclaimed main roads, municipal streets and the establishment of infrastructure for the transportation of goods and commuters. The National Land Transport Act 5 of 2009 (NLTA) places the responsibility for the provision of public transport with the local municipalities.

### ROADS

Maintenance and rehabilitation priorities are determined by means of a Pavement Management System, based on the condition of the road as well as the functionality in terms of the roads hierarchy. The implementation of these priorities is subject to adequate funding and Council approval. The main challenges are the difficulties in procurement of services and adequate funding which, if addressed, could significantly improve service delivery.

#### 3.9.1 Highlights: Roads

The table below specifies the highlights for the 2018/19 financial year:

Highlights	Description
Purchasing of a Skid-Steer Loader (Bobcat)	To assist with the maintenance of the Roads Network

Highlights: Roads

#### 3.9.2 Challenges: Roads

The table below specifies the challenge(s) for the 2018/19 financial year:

Description	Actions to address
Staff Shortage	Supplementary Allowance on the salary Budget to be made from the maintenance budget due to minimum salary budget allowance for new posts in this financial year.

Challenges: Roads

### 3.9.3 Gravel Roads

The table below specify the service delivery levels for the 2018/19:

Gravel Road Infrastructure: Kilometres				
Year	Total gravel roads	New gravel roads constructed	Gravel roads upgraded to tar	Gravel roads graded/maintained
2016/17	109	0	2,2	107,0
2017/18	108	1	0	108,0
2018/19	108	0	1	107

Gravel Road Infrastructure

### 3.9.4 Tarred (Asphalted) Roads

Tarred Road Infrastructure: Kilometres				
Year	Total tarred roads	New tar roads	Existing tar roads re-tarred	Existing tar roads re-sheeted
2016/17	428,6	0	17,0	445,6
2017/18	445,6	0	3	448,6
2018/19	428,6	0	8	0

Tarred Road Infrastructure

Tar roads are being maintained as reports of problems are received or as maintenance is required.

### 3.9.5 Cost of Construction/Maintenance

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

Cost of Construction/Maintenance						
R' 000						
	Gravel			Tar		
	New	Gravel - Tar	Maintained	New	Re-worked	Maintained
2016/17	475000	1800000	260000	2020000	1220000	500000
2017/18	490000	1900000	280000	2300000	1300000	600000
2018/19	0	13293090	1211800	18108348	7605812	8066280

Cost of Construction/Maintenance of Roads

### 3.9.6 Total Employees: Roads

Employees: Roads & Storm water				
Job Level	2018/19			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	8	8	0	0%
4 - 6	76	70	6	8%
7 - 9	18	15	3	17%
10 - 12	8	1	7	87%
13 - 15	0	0	0	0%
16 - 18	2	2	0	0%
19 - 20				
<b>Total</b>	<b>112</b>	<b>96</b>	<b>16</b>	<b>14%</b>

Employees and Posts numbers are as at 30 June

Employees: Roads

Employees: Mechanical Workshop				
Job Level	2018/19			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	2	2	0	0%
4 - 6	0	0	0	0%
7 - 9	3	3	0	0%
10 - 12	1	1	0	0%
13 - 15	0	0	0	0%
16 - 18	0	0	0	0%
19 - 20	0	0	0	0%
<b>Total</b>	<b>6</b>	<b>6</b>	<b>0</b>	<b>0%</b>

Employees and Posts numbers are as at 30 June

Employees: Mechanical workshop

### 3.9.7 Capital Expenditure: Roads

Capital Expenditure 2018/2019: Roads			
Capital Projects	Original Budget	Amended Budget	Actuals Total
2x 3ton Trucks	400 000.00	566 700.00	0.00
4x Bakkies	350 000.00	478 000.00	472 481.73
Skid-Steer Loader (Bobcat)	600 000.00	472 000.00	468 456.00
Tools & Equipment - Streets	50 000.00	236 000.00	199 694.94
Walk Behind Roller (X3) - Streets	120 000.00	154 000.00	153 994.81
Concrete Mixer	60 000.00	0.00	0.00
Skid-Steer Loader (Bobcat) Asphalt Cold Milling Ma	400 000.00	323 600.00	323 597.94
Upgrading Streets Uniondale	250 000.00	0.00	0.00

Capital Expenditure 2018/2019: Roads			
Capital Projects	Original Budget	Amended Budget	Actuals Total
Thembaletu UISP - Roads	8 630 893.00	8 630 893.00	2 581 760.15
Golden Valley 165 Units - Street	589 492.00	589 492.00	279 104.01
Street Resealing: Greater George	6 538 642.00	7 605 872.00	7 605 801.11
Rebuilding of Streets: Greater George	8 323 340.00	13 493 090.00	6 099 939.92
Public Works Programme: Paving of Streets	3 750 000.00	0.00	0.00
Roodraai Road: Repairs to Slip Failure	2 000 000.00	1 000 000.00	972 629.04
Purchase Portion Erf 2353 Wilderness - Roads	40 000.00	0.00	0.00
Erf 325 East Phase A - Streets	15 804 110.00	0.00	0.00
Erf 325 East Phase C - Streets	20 111 407.00	0.00	0.00
Metro Grounds - Streets	3 874 095.00	0.00	0.00
Link Road Stream Crossing Erf 325 East	1 679 008.00	0.00	0.00
Upgrading of Streets Haarlem	250 000.00	0.00	0.00
Upgrade of Voortrekker street And Longstreet Sidewalks	250 000.00	0.00	0.00
Peters Road: Repairs to Slip Failure and Associate	200 000.00	400 000.00	400 000.00
Upgrading of Admin Building and Ablution Facilities	350 000.00	383 261.00	54 267.78
GIPTN: Traffic Signals	3682000	5 485 600.00	5 466 511.24
Building Roads: Protea Park Housing Project	0.00	1 564 698.00	1 455 698.33
Water Pump on Truck - Streets	0.00	47 009.00	47 008.29
Link Road Stream Crossing Erf 325 East	0.00	1 679 008.00	1 111 581.60
<b>TOTAL</b>	<b>78 302 987.00</b>	<b>43 109 223.00</b>	<b>27 692 526.89</b>

Capital Expenditure 2018/19: Roads

### 3.9.8 Overall Performance: Roads

Park (Mall) and Caledon Streets serve as major collector roads promoting flow of traffic. The Municipality's 5-year IDP schedule identifies these streets as targeted for upgrading.

The backlog in terms of road maintenance/upgrading is overwhelming and the Municipality will not be able to budget for this. Hence, the emphasis will be on roads regarded as "very poor".

In terms of street resealing, a -1% variance exists. This was due to a difference in actual costs versus estimated costs.

## 3.10 PUBLIC TRANSPORT

### 3.10.1 Introduction to Public Transport

The George Integrated Public Transport Network (GIPTN) is a flagship model for the provision of public transport in South Africa's emerging cities. The objective of the GIPTN is to provide the citizens of George with access to social, education, and economic



opportunities within the City. This is facilitated by providing a public transport service that is safer, more affordable, accessible and reliable than the minibus taxi industry. This is being established through the transformation of the existing local bus and minibus taxi industries into an integrated bus operator, including the provision of universal accessibility and non-motorised transport.

The GIPTN is implemented by George Municipality in partnership with and supported by the Western Cape Government's Department of Transport and Public Works. The intention is to expand to the towns of Oudtshoorn, Knysna and Mossel Bay in the future, once all six (6) phases have rolled out.

### 3.10.2 Highlights: Public Transport

Highlight	Description
Automated Fare Collection (AFC) system	The AFC system was successfully implemented during November 2018.
Vehicle Operating Company (VOC) fleet purchase process	Council approved the procurement of 18 VOC owned buses. During 2018/19 10 vehicles were delivered to the VOC. The remaining 8 vehicles will be delivered during the first quarter of the next financial period.
Infrastructure Expansion	Roads rehabilitation - <b>Courtenay Road</b> - pavement strengthening, road reseal and road markings complete. <b>Caledon Street</b> - construction nearing completion. <b>Mission Street</b> - road construction completed. <b>Park Street</b> - construction complete. <b>Merriman Street</b> - construction in progress. <b>Memorium Street</b> - appointment of engineer for AMP done. <b>Bus shelters</b> - 112 basic shelters installed, lighting of 59 shelters completed. <b>Traffic signals</b> - upgrade system on main corridors largely completed <b>Rapid response vehicle</b> - vehicle has been procured and fitted with equipment. CCTV equipment - Phase 4B was upgraded with 10 additional CCTV PTZ cameras. 7 New ANPR cameras in various Wards, as well as expansion of the fibre network to replace the wi-fi signal to some cameras.
Intelligent Transport System (ITS)	ITS system audited, system being used with some results being included in initial reporting.
Mercedes Benz South Africa (MBSA) maintenance and warrantee agreement extended	MBSA Maintenance and warrantee agreement extended for two years. The contract was amended to ensure improved contract compliance.
Affected Persons Register (APR) process	Substantial strides made to conclude the APR process
Driver Training	83 new drivers have been trained and employed by the VOC.

Highlights: Public Transport

### 3.10.3 Challenges: Public Transport

Challenges	Actions to address
Continued delay in roll-out of Phase 4	Ongoing engagement with the different spheres of government and industry to ensure grievances are adequately engaged on and resolved.
Safety and Security concerns linked to industry, cash on board vehicles and community risks	Safety and Security standards, policy prepared and approved. CCTV systems being upgraded, on board tech with alarms and panic buttons in place, and ITS tracking.
Intergovernmental relations	Management Committee (ManCo) in place. A facilitation team was brought on board facilitate a process between the Western Cape Government (WCG) and Municipality, resulting in three task teams having been established. Certain issues resolved but ongoing.
Procurement of Contract	Procurement of contracts such as Field Monitoring Facilities Management not secured yet.
High Bus Out of Service Ratio	MBSA maintenance and warrantee agreement extended however ratio remains a concern.
Financial	In the absence of a roll-out we are unable to access the additional fare revenue. The delay in roll-out further impacts the ability to obtain an increased share of the performance component of the Public Transport Network Grant (PTNG).

Challenges: Public Transport

#### Top three service delivery objectives and impact

One of the biggest objectives achieved in the design of the service was the transformation of the existing minibus taxi industry in George into a formalised vehicle operating company (VOC) contracted to government for the provision of the service. Other major objectives included acquiring and providing a new fleet of fully Universal Accessible(UA)-compliant vehicles, the provision and upgrading of infrastructure including provision for Non-Motorised Transport(NMT) and UA, and the design of the integrated public transport service with routes and schedules that accommodate all users and provide access to places of work as well as community services.

In designing the service, the policy principles provided the framework by which to determine the design parameters of the service. The detailed choices within those parameters were informed by the context of the public transport environment in George and the envisaged implementation plan, including consideration of various implementation choices and their applicability in the George environment.

The NMP 2050 vision has reinforced that transport is the heartbeat of the economy and the fabric of socio-economic development. The NMP vision 2050, aims to achieve:

*An integrated, smart and efficient transport system supporting a thriving economy that promotes sustainable economic growth, supports a healthier lifestyle, provides safe and*

*accessible mobility options, socially includes all communities and preserves the environment.*

The above can be achieved through integrated planning between various departments on a municipal and provincial level and expanded upon existing principles of GIPTN. The GIPTN has experienced exponential growth and wide acceptance as a municipal service and will add substantial further benefit to George and its community once all phases have been rolled out.

### **Major efficiencies achieved**

During the period under review no major efficiencies were achieved. Once the full service is rolled out increased efficiencies are expected.

### **Approach to the Public Bus Operation**

The GIPTN (GO GEORGE) is an Integrated Public Transport Network (IPTN) rather than an Integrated Rapid Public Transport Network (IRPTN), which makes use of dedicated bus lanes, Bus Rapid Transit (BRT) and the intention is to keep costs to a minimum. Once the system settles, the required additional infrastructure can be constructed where proven to be necessary. The 'infrastructure light' approach is based on Operate First, Build Light, where infrastructure within the GO GEORGE has been implemented through a staged approach, which is then linked to the funding is available. Initially, the focus has been to prioritise implementation of operations over infrastructure. The adoption of this approach was to ensure operations commenced with the premise to refine the operations and only build infrastructure that is required. Improvements to existing infrastructure and introduction of new public transport infrastructure will be implemented over a period of time and as funding becomes available. The implementation of the GO GEORGE bus service is structured in 6 phases, with Phases 1 – 3 currently operational.

### **Support given to communities that are living in poverty**

The public transport service is subsidised to ensure that fares remain at affordable levels. If fares were set at a level high enough to cover the operating deficit then it is likely that the services would prove to be an unaffordable and poorly utilised, and services would not support those with the greatest need for public transport. The fare tariffs for GIPTN is linked to the minimum wage to ensure affordability.

### 3.10.4 Municipal Bus Service Data

Municipal Bus Service Data					<u>Table Note</u>
Details	2017/2018	2018/2019		2019/2020	References:
	Year -1	Year 0		Year 1	
	Actual No.	Estimate No.	Actual No.	Estimate No.	
1 Passenger Journeys	4,095,041		4,123,489	5,068,489	C
2 Seats available for all journeys	14,970,828		14,970,828	18,256,872	D
3 Average Unused Bus Capacity for all journeys	10,875,787		10,847,339	13,188,383	E
4 Size of bus fleet at year end	104		114	122	F
5 Average number of buses off the road at any one time	47		57	59	G
6 Proportion of the fleet off road at any one time	45%		50%	48%	H
7 No. of Bus journeys scheduled	244,524		259,761	324,705	I
8 No. of Bus journeys cancelled	20,660		6,481	17,768	J
9 Proportion of journeys cancelled	8%		2%	5%	K

### 3.10.5 Capital Expenditure: Public Transport

Capital Expenditure 2018/2019: Public Transport			
Capital Projects	Original Budget	Amended Budget	Actuals Total
GIPTN Road Rehab	25 843 554.00	38 943 487.00	38 937 904.05
GIPTN - Rapid Response Vehicle	600 000.00	613 000.00	456 993.40
Office Equipment - Public Transport Office	20 000.00	43 500.00	43 460.95
GIPTN: Bus Shelters	13 760 160.00	0.00	0.00
GIPTN - Final Bus Depot	315 600.00	0.00	0.00
JCB Rubber Wheels	130 000.00	130 000.00	0.00
GIPTN Road Rehab	0.00	12 880 829.00	11 616 215.90
GIPTN: Bus Shelters	0.00	5 805 600.00	5 758 915.55
GIPTN Traffic Sidewalks	0.00	2 684 457.00	2 385 344.43
Rapid Response In - Vehicle Technology	0.00	522 000.00	0.00
Optic Bus Camera Equipment	0.00	851 583.00	0.00
Optic Bus Camera Equipment	0.00	121 921.00	0.00
GIPTN - It Equipment	0.00	15 000.00	14 608.70
Fencing and Paving at Automated Fare Collection Kit	0.00	500 000.00	395 673.64
CCTV Network	0.00	2 643 689.00	1 640 554.87
<b>TOTAL</b>	<b>40 669 314.00</b>	<b>65 755 066.00</b>	<b>61 249 671.49</b>

Capital Expenditure 2018/19: Public Transport

### 3.10.6 Public Transport Overall Performance

The GIPTN Infrastructure spend is focused around 5 programmes:

- ◆ Road Rehabilitation.
- ◆ Terminals, Transfer Locations and Interchanges.
- ◆ Bus Stop Improvements.
- ◆ Sidewalk Upgrades.
- ◆ Depot Development.

There has been a chronic under-allocation for infrastructure funding since the commencement and implementation of the George Integrated Public Transport Network. As far back as 2006, a pavement assessment was conducted, which noted that there were a number of roads within the roads network that required an urgent funding to ensure that it was brought up to the appropriate strength that could sustain continued bus traffic.

## 3.11 STORM WATER DRAINAGE

### 3.11.1 Introduction to Storm Water Drainage

The Department is in the process of updating the Storm Water Master Plan. The operation of the storm water network is conducted with the use of a management system which enables the Planning and Maintenance Section to locate shortcomings. It also enables this Section to perform efficient maintenance on the storm water network.

There were no storm water projects for the year under review.

### 3.11.2 Highlights: Storm Water Drainage

The table below specifies the highlights for the 2018/19 year:

Highlights	Description
Purchasing of various tools and equipment	To assist with the maintenance of the storm water network
Purchasing of 1x3Ton Truck	To assist with the maintenance of the storm water network
Purchasing of 1xBakkie	To assist with the maintenance of the storm water network

Highlights: Storm water Drainage

### 3.11.3 Challenges: Storm Water Drainage

The table below specifies the challenges for the 2018/19 financial year:

Description	Actions to address
Staff shortage	Supplementary allowance on the salary budget to be made from the maintenance budget due to minimum salary budget allowance for new posts in this financial year

Challenges: Storm water Drainage

### 3.11.4 Storm Water Infrastructure

The table below reflects the total kilometres of storm water maintained and upgraded as well as the kilometres of new storm water pipes installed:

Financial year	Total km storm water measures	Km new storm water measures	Km storm water measures upgraded	Km storm water measures maintained
2016/17	397,5	1,2	0,5	399,2

2017/18	397,5	0	0,5	399,7
2018/19	399.7	0	1	400.2

Storm water Infrastructure

### 3.11.5 Employees: Storm Water

Employees: Storm water				
Job Level	2018/19			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	0	0	0	0%
4 - 6	29	29	0	0%
7 - 9	10	1	9	90%
10 - 12	5	4	1	20%
13 - 15	0	0	0	0%
16 - 18	1	1	0	0%
19 - 20	0	0	0	0%
<b>Total</b>	<b>45</b>	<b>35</b>	<b>10</b>	<b>22%</b>

Employees and Posts numbers are as at 30 June

Employees: Storm Water

### 3.11.6 Cost of Construction/Maintenance: Storm Water

The table below reflects the costs involved for the maintenance and construction of storm water within the municipal area:

Financial year	Storm water Measures		
	New	Upgraded	Maintained
	R'000		
2016/17	1700	1100	7500
2017/18	0	0	3200
2018/19	0	2 230	3 033

Cost of Construction: Storm water

### 3.11.7 Capital Expenditure 2018/19: Storm Water

Capital Expenditure 2018/2019: Storm water			
Capital Projects	Original Budget	Amended Budget	Actuals Total
Upgrading of existing Storm Water Infrastructure	2 500 000.00	2 000 000.00	1 830 810.16
Building of concrete Canals & Drains	500 000.00	230 000.00	225 435.39
<b>TOTAL</b>	<b>3 000 000.00</b>	<b>2 230 000.00</b>	<b>2 056 245.55</b>

Capital Expenditure 2018/19: Storm water

## COMPONENT C: PLANNING AND DEVELOPMENT

### 3.12 PLANNING

#### 3.12.1 Introduction to Planning and Development

The Directorate is comprised of seven sub-departments which include Land Use Management, Spatial Planning, Environmental Management, Property management, IDP, Economic Development and Tourism Departments. Within these departments resort the sections responsible for management of the geographic information systems, performance management, ward committee liaison and outdoor advertising.

Collectively the departments across the directorate play a pivotal role in the facilitation of development, growth and job creation. The directorate is responsible for development and implementation of strategic tools to guide decision making in land development and investment that will steer the city onto a sustainable path and improve the resilience of the elements that is included within the area of governance. For several years it has been reported that the directorate is under-capacitated. While some relief is anticipated for the 2019/2020 in one of the sections, there are still critical funded and unfunded vacancies that prevents the directorate from efficiently executing its mandate. The directorate has been without a director since 2016, despite efforts to fill the position. Efforts to fill scarce-skill posts has proven to be time consuming and the vacancies in these posts have resulted in severe deficiencies within the affected sections.

There is a dire need for funding to fill critical posts in the spatial planning and environmental management sections as only one budget post is provided across both sections. The result is that certain statutory functions related to these functions are not being complied with. The Land Use Section has seen a sharp decline in the number of land use applications submitted, which can generally be attributed to the implementation of the George Integrated Zoning Scheme Bylaw in September 2017. The applications though have become more complex and time consuming to process – requiring staff with intricate town planning knowledge and experience to assess them.

While the zoning scheme has introduced greater resilience into the land use management system and contributes to improved development facilitation the implementation of the Spatial Planning Land Use Management Act and resultant Land Use Planning By-Law has exposed a skills gap in the existing staff complement where currently only 4 duly experienced town planners are employed. The Planning department is heavily reliant on internships to build capacity and while interns have been trained over the past two years, some of them had to be seconded to other employers to supplement their experience and ensure they obtain the required skill set to facilitate their registration with the South African Council for Town Planners. The retirement of a senior official has resulted in the loss of 34 years of local knowledge and experience in a position classified as a scarce skill. This leaves a gap in the mentoring and supervision over trainees and interns and urges the department to seek new incumbents with significant experience to fill the void.

The need for human capital, increased funding to execute our mandate and suitable office space continues to escalate as the city expands, yet the management persistently strive to identify avenues of greater efficiency in order to optimise the potential of the resources available to them. The development of the amended municipal spatial development framework has exposed areas where immediate strategic intervention could assist in yielding significant positive outcomes that will assist in promoting the departmental mandate to facilitate development. The directorate enjoys valued support from partners in both government and the private sector and through nurturing of these relationships we are able for the short term to overcome some of the constraints we experience in our capacity and resources.

### 3.12.2 Highlights: Planning and Development

The table below specifies the highlights for the 2018/19 financial year:

Highlights	Description
Amended Municipal Spatial Development Framework (MSDF) adopted	In the 2016/2017 financial year the directorate appointed consultant to assist in the alignment of the municipal spatial development framework with the Spatial Planning and Land Use Management Act. The amended MSDF was adopted in May 2019 concurrently with the IDP. Given the role of the MSDF in land development decisions this tool, being well aligned with national and provincial policy, gives clear guidance on steering the municipality toward long term fiscal sustainability and spatial transformation.
Capital Expenditure Framework (CEF)	The MSDF has introduced a draft CEF to serve as a tool for prioritizing expenditure in accordance with the land term strategic outcomes envisaged in the MSDF and national policy and improved the municipality's eligibility for the integrated Urban Development grant.
Funding for critical posts	The Directorate has successfully secured funds for two additions posts in the Building Control section. The ability of this section to generate funds and facilitate development that contributed to municipal revenue will be significantly increased. These positions will also enable the department to improve its service delivery mandate to the rural areas. Funding has also been secured to appoint executive support for the Director.
Performance in Land use management	Notwithstanding prevailing issues related to the capacity of staff in the Town Planning section, the department did manage to improve its overall performance as is illustrated in departmental statistics. Subtle changes in the standard operating procedures has proven to yield desirable results and the department will continue to develop resilience in its land use management system.

Highlights: Planning



### 3.12.3 Challenges: Planning and Development

The table below specifies the challenges for the 2018/19 financial year:

Description	Actions to address
Top Management	The filling of the Director' s post is essential to enable management on strategic level to achieve greater efficiency in their tasks and managing KPI's
Unfunded critical posts	The directorate must be provided with funding to establish and equip the Spatial Planning and Environment departments to ensure compliance with legislative requirement
Vacant funded posts	Efforts to fill vacant funded posts must persist
Electronic application tracking	The department already explored various electronic land use application management systems to assist in the tracking of applications. The systems we have worked on to date have proven to be in-efficient and a new system is being examined. Funding provision must be made to institute and implement such a system, once secured.
Office space	Significant additions and alteration to office space is needed to accommodate the amended structure of the directorate and new posts. The alterations to office space is managed incrementally and is dependent on the relocation of the Human Settlements Department management offices

Challenges: Planning

### 3.12.4 Statistics on Land Use Applications

#### NO OF LAND USE APPLICATIONS FINALISED

Application Type	2016/2017	2017/2018	2018/2019
Rezoning	24	33	24
Subdivision	32	29	51
Departures	430	350	92
Consent Use	24	42	38
Removal of Restrictions	29	25	7
Amendment of Conditions of Approval	10	5	4
Other	84	90	32
<b>TOTAL</b>	<b>633</b>	<b>574</b>	<b>248</b>

#### SUMMARY OF LAND USE APPLICATIONS

Process	2016/2017	2017/2018	2018/2019
Applications received in reporting period	688	369	281
Applications still in process	372 (205*)	189 (96*)	223 (71*)
Applications still in process 6 months or more	41 (19*)	5 (2*)	18 (10*)
Applications still in process at 5 months	6 (1*)	3	2
Applications still in process at 4 months	8	3	4
Applications finalized in reporting period	633	574	248
Applications finalized 6 months and older	90	78	17
<b>KPI calculation</b>	<b>85.78%</b>	<b>86.41%</b>	<b>93.15%</b>

\* Denotes the number of applications referred back to the applicant

Delegated Applications	PMS Target	2016/2017	2017/2018	2018/2019
Delegated Application Finalized – 4 months		591	534	215
No delegated applications overtime limit		209	116	25
<b>Compliance Level</b>	<b>75%</b>	<b>64.64%</b>	<b>78.28%</b>	<b>88.35%</b>

Tribunal Applications	PMS Target	2016/2017	2017/2018	2018/2019
Non-Delegated applications finalized – 7 months		42	40	33
No non-delegated applications over time limit		14	16	6
<b>Compliance Level</b>	<b>75%</b>	<b>66.67%</b>	<b>60%</b>	<b>81.82%</b>

Appeal Applications	PMS Target	2017/2018	2018/2019
Appeal applications received		19	10
Appeal applications overturned		6	3
Appeals applications over time limit		0	0
<b>Compliance Level</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

### 3.12.5 Total Employees: Planning

Job Level	Employees: Planning			
	2018/19			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	1	1	0	0%
4 - 6	2	1	1	5%
7 - 9	7	6	1	14%
10 - 12	25	22	3	12%
13 - 15	9	1	8	98%
16 - 18	3	3	0	0%
19 - 20	1	1	0	0%
<b>Total</b>	<b>53</b>	<b>39</b>	<b>14</b>	<b>26%</b>

Employees and Posts numbers are as at 30 June

Employees: Planning

### 3.13 ECONOMIC DEVELOPMENT

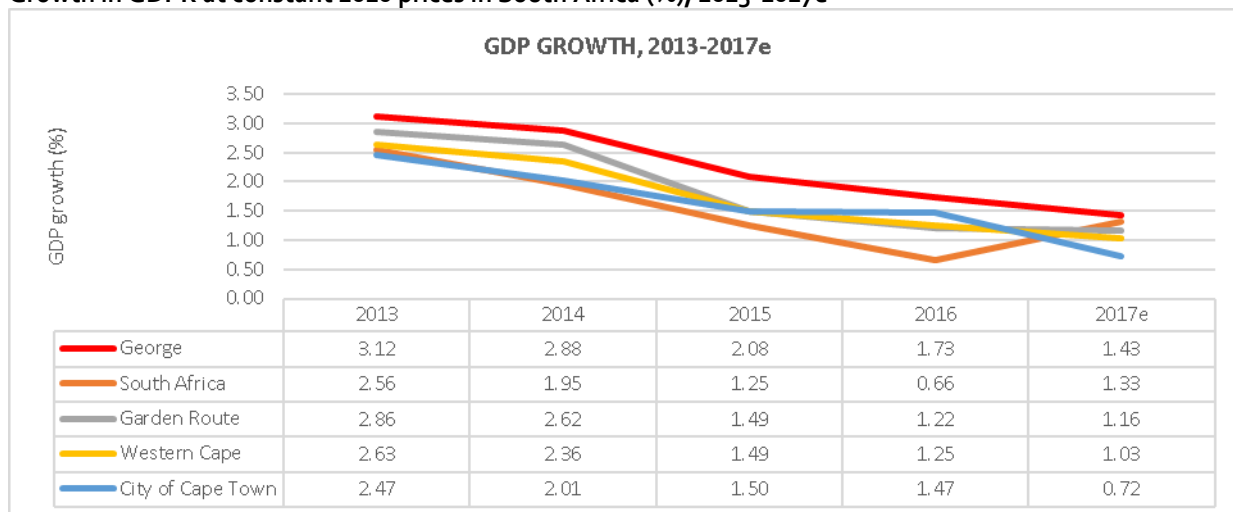
#### 3.13.1 Overview on Economic Development

A key assignment of the City of George is to create an environment in which investment can grow and jobs can be created, combat poverty, unemployment and inequality. This involves a multi-pronged strategy that includes attracting investment, encouraging enterprise/ entrepreneurship development, accelerated local economic growth and development through a co-ordinated organisational wide effort, thus, raising the city's appeal as an educational hub in the Garden Route, maximising the value of its geographic location, and investing significantly in infrastructure (strategic), utilities and services.

#### George's Economy

George, the hub of the Garden Route is a magnet for talent, investment and production, utilising economies of scale to grow faster than the broader region in which it is located. The city, nevertheless, as shown in Figure 2 below, finds itself affected by economic shocks to the national economy. The city's GDP grew by an average of 2,25% between 2013 and 2017, on average growing 0,7 percentage points faster than the national economy during this time.

Growth in GDP at constant 2010 prices in South Africa (%), 2013-2017e



GDP Growth, 2013-2017e

The George municipal area had a GDP of R16bn in 2016. The economy grew by a rate of 1.7% in 2016, which is slower than the 2.1% recorded in 2015. The slower GDP growth can be attributed to the contraction of the primary sector, mainly agriculture. Of the main economic sectors in the George municipal area, the finance, insurance, real estate and business services sector recorded the strongest growth in 2016 (3.7%), followed by transport, storage and communication (2.2%) and manufacturing (2.1%).

Breakdown of George's GVA by Sector (2011 – 2016, R millions)										
Sector	Contribution to GDP (2016)	R million Value 2016	Trend		Real GDP growth (%)					
			2006-2016	2013-2017e	2012	2013	2014	2015	2016	2017e
<b>Primary Sector</b>	<b>4.3</b>	<b>680.6</b>	<b>1.8</b>	<b>0.3</b>	<b>1.2</b>	<b>1.8</b>	<b>6.9</b>	<b>-2.6</b>	<b>-7.7</b>	<b>3.0</b>
Agriculture, forestry and fishing	4.1	652.9	1.8	0.2	1.2	1.7	6.9	-2.7	-7.9	2.8
Mining and quarrying	0.2	27.7	1.2	4.4	2.0	3.9	7.9	0.5	1.2	8.5
<b>Secondary Sector</b>	<b>24.1</b>	<b>3 858.8</b>	<b>2.0</b>	<b>1.1</b>	<b>2.1</b>	<b>2.0</b>	<b>1.1</b>	<b>0.7</b>	<b>1.2</b>	<b>0.4</b>
Manufacturing	15.0	2 391.2	2.4	1.5	2.8	2.0	1.2	1.0	2.1	1.1
Electricity, gas and water	3.5	554.0	-1.7	-1.7	-0.9	-1.7	-1.7	-2.5	-2.7	-0.1
Construction	5.7	913.6	3.5	1.3	1.7	3.9	2.4	1.5	0.2	-1.4
<b>Tertiary Sector</b>	<b>71.6</b>	<b>11 448.7</b>	<b>3.7</b>	<b>2.7</b>	<b>3.9</b>	<b>3.6</b>	<b>3.1</b>	<b>2.8</b>	<b>2.5</b>	<b>1.6</b>
Wholesale and retail trade, catering and accommodation	18.3	2 920.2	2.7	1.6	4.2	2.6	1.7	2.1	2.1	-0.6
Transport, storage and communication	11.5	1 845.1	4.1	3.1	3.5	3.9	4.7	2.3	2.2	2.7
Finance, insurance, real estate and business services	26.7	4 275.5	4.9	4.0	4.7	4.4	4.0	4.6	3.7	3.2
General government	8.9	1 425.4	2.5	1.0	2.3	3.3	2.3	0.1	0.2	-0.7
Community, social and personal services	6.1	982.5	2.0	1.5	2.3	2.2	1.6	1.0	1.5	1.1
<b>Total George</b>	<b>100</b>	<b>15 988.1</b>	<b>3.2</b>	<b>2.3</b>	<b>3.4</b>	<b>3.1</b>	<b>2.9</b>	<b>2.1</b>	<b>1.7</b>	<b>1.4</b>

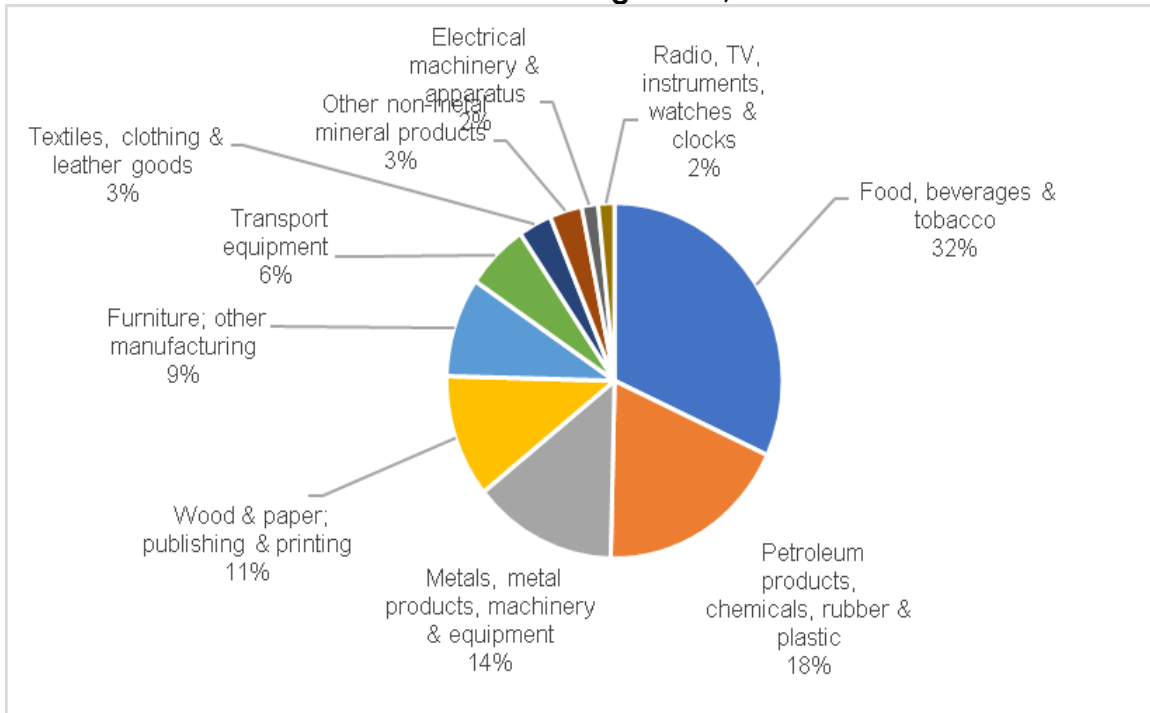
GDP and Economic Activity by Sector (e denotes estimate)

It is estimated that the agriculture, forestry and fishing sector grew by 2.8% in 2017. The transport, storage and communication sector also had a higher estimated GDP growth rate compared to 2016 at 2.7% growth, highlighting the important linkages between these two sectors.

### Detailed sectoral breakdowns

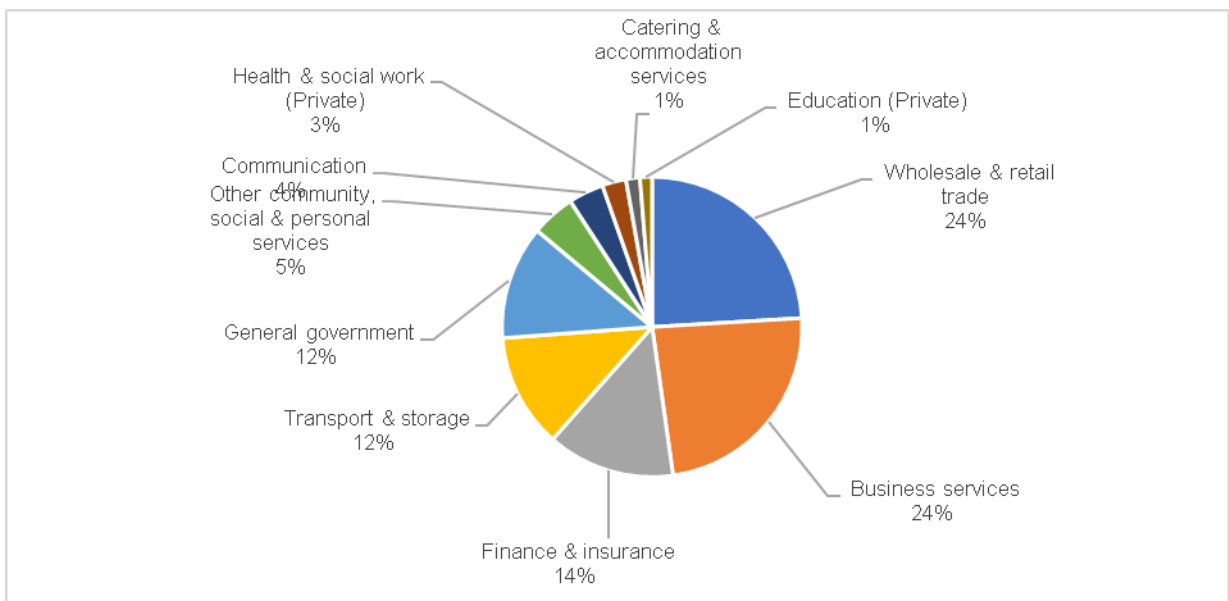
George's food, beverages and tobacco sub-sector were the largest manufacturing component in 2017 accounting for an estimated 32% of total manufacturing. This was followed by petroleum, rubber and plastic products (18%) and metals, machinery and equipment (14%). The pie below shows the composition of the manufacturing sector in George in 2017.

### Sub-Sectoral Breakdown of the Manufacturing Sector, 2017e



The largest sub-sectors of the tertiary sector in George were wholesale and retail trade (24%), business services (24%) and finance and insurance (14%).

### Sub-Sectoral Breakdown of the Tertiary Sector, 2017e



The 2017/2022 IDP identified thirteen departmental objectives to Develop and Grow George. This section offers an overview of the progress made against each of these objectives and underpinning programmes as set out below, in the past financial year.

Objectives	Programmes
To create and facilitate an enabling environment for economic development in George	<ul style="list-style-type: none"> <li>◆ Investment Promotion programme</li> <li>◆ Investment Facilitation and Aftercare</li> <li>◆ South Cape Economic Partnership (SCEP) programme</li> <li>◆ Wesgro Support Service Partnership programme</li> </ul>
To ensure the development of participatory, practically implementable economic development and business retention and expansion strategies.	<ul style="list-style-type: none"> <li>◆ Enterprise/ SMME/ Entrepreneurship Development programme</li> <li>◆ Appointed as George Business Chamber Executive Committee Member</li> <li>◆ George Business Forum Established</li> </ul>
To ensure that industry support is focused on high-growth potential areas, with high job absorption ratios	<ul style="list-style-type: none"> <li>◆ Identification and promotion of catalytic sectors</li> </ul>
To leverage construction industry potential through strategic housing related projects	<ul style="list-style-type: none"> <li>◆ Emerging Contractor and Supplier Development Programme</li> <li>◆ Smart Procurement Programme</li> </ul>
To focus on building a revitalised and interactive CBD through a City Improvement District	<ul style="list-style-type: none"> <li>◆ CBD Revitalisation programme</li> <li>◆ Investigated the establishment of the City Improvement District (CID) project i.e. Revitalise the CBD; Clean up Crime and Social Development; Resolve Parking Issues.</li> </ul>
To establish incubators, clusters and centres of excellence to contribute meaningfully to the demands of a growing economy	<ul style="list-style-type: none"> <li>◆ SEDA Co-location programme</li> <li>◆ George Business development programme</li> </ul>
Red-tape reduction at all administrative levels	<ul style="list-style-type: none"> <li>◆ Ease of Doing Business programme</li> <li>◆ Business Process Assessment Initiative</li> </ul>
To maximise job creation opportunities through government expenditure (e.g. EPWP)	<ul style="list-style-type: none"> <li>◆ Expanded Public Works Programme (EPWP)</li> </ul>
To establish a Science Park	<ul style="list-style-type: none"> <li>◆ Investment Promotion Strategy implementation</li> </ul>
To swap strategic land and buildings with other government departments to unlock economic potential.	<ul style="list-style-type: none"> <li>◆ Investigate and leverage all the strategic assets</li> </ul>
To promote George as a sports tourism and business destination.	<ul style="list-style-type: none"> <li>◆ Events and Festival programme</li> </ul>
To identify an educational and research hub and to facilitate the continued growth of NMU in George.	<ul style="list-style-type: none"> <li>◆ Implementation of the Skills Mega Resolution (Garden Route)</li> <li>◆ Implementation of the NMU Collaboration Agreement 2014-2018</li> </ul>
To improve planning and regulatory frameworks to encourage job creation.	<ul style="list-style-type: none"> <li>◆ Planning and regulation programme</li> </ul>

### 3.13.2 Highlights: Economic Development

Below are the performance highlights regarding the implementation of the Economic Development Strategy (EDS):

Highlights	Description
<p>Wesgro Support Service Partnership programme</p> <ul style="list-style-type: none"> <li>• Investment Promotion</li> <li>• Investment Facilitation and Aftercare</li> </ul>	<ul style="list-style-type: none"> <li>♦ This year marks the development of our first Investment Promotion publication called Invest in George. The document has been developed to showcase the current investment climate within George for potential investors. This will enable more enlightened business decisions. The document identifies the opportunities afforded to businesses; and provides information on five identified sectors of the economy that present high growth sectors for investment. Facilitated by the combined efforts of the general public, private sector and public sector; these incentives, developments and growth sectors present current and future investors with a resource to inform decisions and promote engagement.               <ul style="list-style-type: none"> <li>○ Invest in George publication officially 6<sup>th</sup> March 2019</li> <li>○ Local and International Promotion of George collateral completed</li> <li>○ Infographic Development completed</li> <li>○ Infographic Printing completed</li> <li>○ Development of Short AV completed</li> <li>○ Online Media Strategy finalised and ready for the New York DMA, London TV Region, Stockholm county and the South African provinces</li> </ul> </li> </ul>
<p>South Cape Economic Partnership (SCEP) as an enabler</p>	<p>To give effect to this commitment, the City has directly benefitted through the partnership in the following ways:</p> <ul style="list-style-type: none"> <li>♦ Assistance with Film Industry development, including providing an avenue for procuring a locations catalogue (managing procurement, consultants and quality of end product).</li> <li>♦ Support in ensuring a more collaborative focus in tourism across the region in general, including facilitation of discussions around cycle tourism</li> <li>♦ Technical notes drafted on IT Incubator and unlocking private sector investment in relation to Innovation. ICT Incubator and fibre process – visit arranged to Propella Incubator in Port Elizabeth. Inputs given to the Manager: Economic Development with regards to the concept and specifications going forward. Next steps will include a more detailed business plan and engaging with Propella to launch ICT Incubator after feedback received from George Municipality.</li> <li>♦ Timber Economy engagements with the Eco Furniture Factory group and the Business Fund for funding of a Furniture Training Centre.</li> </ul>

Highlights	Description
	Partnering with George Chamber and George Municipality on the stakeholder engagement with the theme of investment readiness and sharing the Regional and City visions.
Events Project	<p>George has the potential to become the Garden Route's events capital. In the years ahead, the municipality plans to entrench this position by promoting iconic and strategic events, and giving particular priority to developing specific events segments, such as sports, cultural, music and business events.</p> <p>In 2018/19, we actively promoted and supported the following events. These included the:</p> <ul style="list-style-type: none"> <li>▪ VicBay Classic Surfing 2019</li> <li>▪ National Golf Festival 2019</li> </ul> <p>These events help stimulate long-term economic growth.</p>
<p>Enterprise/ SMME/ Entrepreneurship Development programme</p> <p>Improving the business environment and Helping to develop small, medium and microenterprises</p>	<ul style="list-style-type: none"> <li>♦ The Department efficiently responded to 1 129 walk-in enquiries from SMEs and entrepreneurs, of which some enquiries has been referred to SEDA</li> <li>♦ Street Trading: 94 Stalls occupied by stall owners, who must comply with the term and conditions, support programme commenced.</li> </ul> <p>The Emerging Contractor Development Programme;</p> <ul style="list-style-type: none"> <li>▪ Steering Committee has been established;</li> <li>▪ Draft Emerging Contractor Development Policy</li> </ul> <li>♦ Signed a five-year partnership with the NDPW in terms of a Memorandum of Agreement, to jointly ensure the sustainability &amp; success with implementation of the Emerging Contractor Learnership Programme.</li>
Business Retention and Expansion strategies and partnerships	<ul style="list-style-type: none"> <li>♦ Appointed as George Business Chamber Executive Committee Member</li> <li>♦ George Business Forum Established</li> <li>♦ Investigated the establishment of the City Improvement District (CID) project i.e. Revitalise the CBD; Clean up Crime and Social Development; Resolve Parking Issues.</li> </ul>
<b>Job opportunities:</b>	
Expanded Public Works Programme (EPWP)	♦ Created 1 524 in 2016/17 and 1 431 jobs in the current IDP five-year cycle
Worker Collection Point	♦ Facilitated 1 426 work opportunities within 2018/19 financial year.
ICT - Fibre-Optic Installation programme	<ul style="list-style-type: none"> <li>♦ Almost 240km of fibre-optic cable installed across the City, compared to the 54km reported in the previous year</li> <li>♦ Concept Note for the ICT Incubator based on the Propella Concept completed</li> </ul>
The Emerging Development Programme: The Vuk'uphile Contractor Learnership in partnership with the NDPW is scheduled for a period of five-years	



### **Aims & Objective**

To promote equity ownership across the different contracting categories and grades, as well as improving skills and performance in the delivery and maintenance of capital works across the budget of Directorates including Provincial Housing Projects identified for Emerging Contractor Development Programme purposes in partnership with the Provincial Human Settlements Department.

### **Key Principles:**

- ♦ The Vuk'uphile Contractor Learnership is managed by appointed representatives from NDPW and George Municipality representing both Parties in a Selection Committee, Management Committee and an Executive Committee
- ♦ The Contractor Learnership is structured to be managed and guided by a LIC qualified Civil Engineer as a Mentor and a LIC qualified Training Service Provider
- ♦ The Contractor Learnership Mentor-centred approach is based on the appointment of qualified applicants through a transparent interview and selection process
- ♦ Emerging Contractors will enter the Contractor Learnership based on predefined criteria and will be supported and capacitated to enable them to exit the Programme after achieving predefined skills, qualifications, certification, sustainability and quality

### **Outcomes:**

- ♦ Increase the number of black, women, disabled and youth-owned companies in targeted categories and grades – increasing the representivity of contractors in all categories and grades
- ♦ Improve the grading status of previously disadvantage contractors in targeted categories and grades
- ♦ Increase the performance of previously disadvantage contractors in terms of quality, employment practises, skills development, safety, health and the environment, and;
- ♦ Improve the business management and technical skills of these Emerging Contractors.

### **Public Participation Process:**

- ♦ The first public briefing session was held on 30 July 2018 at the Conville Civic Centre in George.
- ♦ Councillor Iona Kritzinger in her capacity as the Strategic Services Portfolio Committee Chairperson welcomed all participants at the compulsory briefing session and introduced the overall anticipated outcomes of the Programme.
- ♦ A total of 428 members from the Public and envisioned applicants attended these compulsory public briefing sessions

Highlights: Economic Development

### 3.13.3 Challenges: Economic Development

Below challenges regarding the implementation of the Economic Development Strategy (EDS) are:

Description	Actions to address
Outdated Economic Development Strategy (2012)	Reviewing the current EDS to sharpen its focus on developing and promoting competitive advantage in the current economic eco-system.
The Economic Development division remains constrained in its execution of projects by a very small staff contingent, as a result of an unfunded salary budget for the past 4 years	The appointment of Senior: Economic Development Officers (albeit on a temporary basis) will create much needed operational capacity to execute the Enterprise Development & Business Support Programmes and the Event & Festivals Planning/Management functions.
Unstable economic climate	Support and focus on key economic sectors through partnerships. Ensure ease of doing business in the area is improved to attract investment.
High levels of unemployment and poverty	Implement municipal capital projects through EPWP principles and facilitate an environment that will attract sectors with high value and support industries that yield employment opportunities. Ensure quick response to proposals and cut red tape.
Co-operation with the private sector	Identify joint initiative for leveraging on each other. Expand the Municipal to Business (M2B) initiative by identifying areas inhibiting (red tape) ease to do business. Introduce a Mayoral award and incentives for sustainable (green) and responsible projects initiated by the private sector through CSI.
Widening gap between the rich and the poor measured the Gini-co-efficiency/inequality	Introduce learnerships and apprentice for the youth. Promote entrepreneurship and social cohesion in communities. Implementation and monitoring of the densification and infill spatial strategies
Economy not growing in sectors with high employment consumption	Special focus should be made to supporting sectors in manufacturing and agriculture with potential of mass employment creation. The issue of agricultural practises within the urban area needs to be address within the principles of the Spatial Development Framework (SDF).
Lack of Transformation in Tourism Business Ownership/opportunities	Access training and opportunities for the previously disadvantaged communities. Working with Provincial and National role players to help with the keys to Transformation.
Financial and investment support programmes	Understanding the eco-system of entrepreneurs and financiers to better understand the types of companies suited for the area and which are not. Tapping into government development incentives. Host investment seminars to attract investment including financing houses. Review of the Incentives Scheme Policy - From geographically bound to Sectorial Growth focus in the revised incentives policy. Need to avoid distortionary spatial and market effects and must be a new investment or expansion with grow in jobs.

Challenges: Economic Development

### 3.13.4 Total Employees: Economic Development

Employees: Local Economic Development				
Job Level	2018/19			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	0	0	0	0%
4 - 6	2	2	0	0%
7 - 9	0	0	0	0%
10 - 12	2	2	0	0%
13 - 15	1	1	0	0%
16 - 18	0	0	0	0%
19 - 20	0	0	0	0%
<b>Total</b>	<b>5</b>	<b>5</b>	<b>0</b>	<b>0%</b>

Employees and Posts numbers are as at 30 June

Employees: Economic Development

### 3.13.5 Capital Expenditure 2018/19: Economic Development

Capital Expenditure 2018/2019: Economic Development			
Capital Projects	Original Budget	Amended Budget	Actuals Total
Furniture & Fittings - LED	40 000.00	40 000.00	34 471.74
Laptops for Clerks - LED	12 500.00	62 500.00	61 886.96
Renovate & Upgrade Tourism Offices for LED Purpose	100 000.00	50 000.00	43 652.15
<b>TOTAL</b>	<b>152 500.00</b>	<b>152 500.00</b>	<b>140 010.85</b>

## 3.14 TOURISM

### 3.14.1 Introduction to Tourism

Tourism already sustains many jobs in the greater George area, but many more jobs can be developed by developing new tourism products and expanding on existing products. The suburbs of George are the perfect incubators for such tourism products as many residents have talents and passions that they can easily share with tourists, while making a living as either service providers or entrepreneurs. George is one of the most diversely beautiful areas in the country and the people are friendly and hospitable, making it the ideal location to work and flourish in the tourism industry.

## **TOURISM DEVELOPMENT**

This year, we continued to work with our Dine with the same community projects to assist them in getting off the ground and building a sustainable business. We still lack a dedicated, experienced Tourism Development Officer with a team of field workers to focus on development projects and tourism awareness, especially from a safety and security point of view.

The one area where we would like to see improvement is that that grass-roots development products have access to funding to start their tourism related businesses. It is well-known that new tourism jobs can be created with very low skill levels, but some funding is often required to get these off the ground. Very few unemployed people will get formal loans, and for those that do, the cost of such loans are not sustainable. We will lobby provincial government to make funds available for small-scale loans to kick-start small tourism businesses in George.

### **Dine with a Local**

The concept of opening your home and sharing a meal with a Tourist is practiced all over the world and is now fully operational in George. Four of the six host families originally identified are still operating – some with more success than others. We have linked up one of the families with a major hotel in town and they will be working together to make the developing business sustainable while at the same time, offering their guests a unique cultural experience.

### **Pacaltsdorp Historical Walk**

During the past year a tender was advertised to lease the Pacaltsdorp Office for a community coffee and craft shop. The candidate will be selected shortly and will take over these premises to offer locally made goods and services to tourists, as well as the residents and businesses in the area. Our new year development programme will focus on the development of the area around the Pacaltsdorp Office and Historical buildings to attract more visitors to the area. The tour guides are fully trained and will receive their qualifications early in the new year, enabling them to change guests for guided walks through the area. We have also planted an indigenous medicinal garden and will be training youth on medicinal uses of indigenous herbs and other plants.

### **Tour Guide Training**

6 Tour guides from 2 different areas of George were trained as site guides and are in the process of being registered with SA Tourism. They also received first aid training and as soon as they receive their accreditation, will be able to work as paid site guides throughout the tourism area of George and especially in the Townships.

We do however expect the guides to come up with innovative offerings and a pricing structure and as soon as these are in place, we will actively start marketing their product to the trade and also through our offices.

## Tourism Marketing

While developing new product is a critical part of the Tourism function, even more vital is the marketing of these products as part of a generic, destination marketing plan that attracts both domestic and international tourists to make use of the products, to not just make them sustainable, but to make them thrive, as fully-fledged members of the tourism community.

To this end, the Tourism Department has implemented a new tourism brand for George and will be instantly recognisable and tell the rest of the country and the world what George offers tourists, focussing on what is unique to George as well as it's unique location, making the Garden Route and Klein Karoo uniquely accessible from George, Wilderness and Uniondale.

We continue to carry this brand through by partnering, financially and non-financially with flagship events in George and surrounds.

### 3.14.2 Highlights: Tourism

Highlights	Description
Three international Marketing projects were undertaken in core markets, namely Netherlands, Germany and India.	Participated in a consumer market in the Netherlands, followed by road shows in Germany and India. India delivered the best results in the short term, but we envisage that Germany will show long-term results. The Netherlands was least successful mainly due to the bad press that South Africa has been receiving in that market, but we continue to see many Dutch visitors to the region.
World Travel Market Africa (WTMA) attended on won platform	George Municipality created a platform for the city and its tourism members at this show for the first time ever. Our office drove the process of a combined Garden Route & Klein Karoo Stand and it was the region's most successful WTMA ever.
New 'Look & Feel' implemented	We have implemented the new brand over all our Marketing channels and are continuing to do so as new channels are added.
Community Tourism projects implemented	Community tourism projects initiated as per the items laid out above.
Event Involvement	George Tourism actively supported the George Strawberry Festival, the Vic Bay Classic surfing event, the National Festival of Golf, and many smaller events with a large media footprint to promote the George Tourism brand.

Highlights: Tourism

### 3.14.3 Challenges: Tourism

Challenges	Actions to address
Department under-staffed	We have a very small staff allocation, and struggle to get into all the communities to do more tourism awareness and planning. We also have limited marketing and administrative staff, so often we do not meet our own high expectations.
Purchasing & Supply Chain	We have very specific needs and purchases and the processes of getting supplier on the database is time-consuming. We often must do deviations which puts us in a bad light. We suggest a consideration that the Tourism function is performed by a special purpose vehicle rather than a municipal department, to circumvent these ongoing issues.
Vandalism of Community Offices	We have had ongoing problems with both Pacaltsdorp and Thembaletu Offices being broken into and/or vandalised. We have temporarily closed these offices and working on a plan to outsource them in order to obtain more community commitment and interest.

Challenges: Tourism

The Tourism Department is committed to responding to enquiries within 24 hours, and we have reached a 100% success rate in this regard, with no service complaints received during the year.

### 3.14.4 Capital Expenditure 2018/19: Tourism

Capital Expenditure 2018/2019: Tourism			
Capital Project	Original Budget	Amended Budget	Actuals Total
Billboard - Uniondale Tourism Office	40 000.00	57 338.00	0.00
Air Conditioners: Tourism Offices (George & Wilder	80 000.00	110 000.00	96 101.78
Branded Umbrella's & Stands: Tourism	15 000.00	10 000.00	0.00
Branded Gazebos - Tourism	12 000.00	13 990.00	0.00
Projector - Tourism Offices	8 000.00	5 217.00	5 216.52
Projector Screen - Tourism Offices	5 000.00	3 301.00	3 300.70
Furniture & Fittings - Tourism Offices	50 000.00	20 000.00	16 088.02
Laptop Senior Beampete - Tourism	12 500.00	9 218.00	9 217.40
Laptop - Tourism George Office (New Appointment)	12 500.00	9 218.00	9 217.40
Desktop - Tourism (George Offices)	12 500.00	9 218.00	9 217.40
Fencing: Pacaltsdorp Tourism Office	15 000.00	15 000.00	0.00
<b>TOTAL</b>	<b>262 500.00</b>	<b>262 500.00</b>	<b>148 359.22</b>

Capital Expenditure 2018/19: Tourism

## COMPONENT D: COMMUNITY & SOCIAL SERVICES

This component includes: Libraries and Archives; Community Halls; Cemeteries and Crematoria; Child Care; Aged Care and Social Programmes.

### 3.15 LIBRARIES

#### 3.15.1 Introduction to Libraries

The quality of life of all citizens was improved in tangible ways by the provision of services that were inclusive, and which addressed the needs of all communities. The door of knowledge and information for visually impaired people was opened by means of the provision of a Mini Library for the Blind. Learning opportunities were thus created. The primary objective of this project was to provide access to reading materials through assistive devices and the provision of the necessary technology. In pursuit of a knowledge society, programmes were rolled-out focussing on the eradication of information poverty, whilst cultural diversity and active citizenship were encouraged and emphasised.

#### 3.15.2 Highlights: Libraries

The table below specifies the highlights for the 2018/19 financial year:

Highlights	Description
Closer collaboration with the Michelle Benjamin Foundation	<ul style="list-style-type: none"><li>Supported the Hope Benefit Dinner. Library Manager, Rachel Williams was an invited speaker at the event and developed a discussion around Memory and Healing processes.</li><li>Artistic storytelling by Michelle Benjamin</li></ul>
World Read-Aloud-Day	This national reading for enjoyment campaign has as its aim to spark children's potential through storytelling and reading. This year, George Library Service reached out to 994 children in different communities with this campaign.
Funda Mzantsi Reading Championship	Funda Mzantsi is a reading competition for different book clubs of schools, communities, tertiary institutions and inmates from Correctional Services. This competition is hosted by The National Library of South Africa (hereafter NLSA), The Department of Correctional Services and George Municipality.
Readathon ATKV – "Sommer net ons 2019"	The aim of this was to create a reading culture in our communities.

Highlights: Libraries

### 3.15.3 Challenges: Libraries

The table below specifies the challenges for the 2018/19 financial year:

Description	Actions to address
Vandalism of libraries	Public education and awareness to care and look after cultural institutions
Received fewer books due to a cut of the Book budget and other unexpected circumstances	This was discussed with Provincial Library Service and there was an improvement Donations received were also processed and circulated as "own stock"

Challenges: Libraries

### 3.15.4 Service Delivery Levels: Libraries

The table below specifies the service delivery levels for the 2018/19 financial year:

Type of service	2017/18	2018/
Library members	49 630	49 078
Books circulated	139 375	427 912
Exhibitions held	420	436
Internet users	28 191	57 525
Children programmes	451	577
Visits by school groups	88	61

Services Delivery Levels for Libraries

### 3.15.5 Total Employees: Libraries

Employees: Libraries				
Job Level	2018/19			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	0	0	0	0%
4 - 6	17	1	16	94%
7 - 9	2	2	0	0%
10 - 12	11	11	0	0%
13 - 15	1	1	0	0%
16 - 18	0	0	0	0%
19 - 20	0	0	0	0%
<b>Total</b>	<b>31</b>	<b>15</b>	<b>16</b>	<b>52%</b>

Employees and Posts numbers are as at 30 June

Employees: Libraries



### 3.15.6 Capital Expenditure: Libraries

Capital Expenditure 2018/2019: Libraries			
Capital Projects	Original Budget	Amended Budget	Actuals Total
Furniture & Office Equipment - Bib	30 000.00	42 800.00	27 481.74
Laptops - Bib	50 000.00	38 800.00	38 765.22
Blanco Library	250 000.00	225 500.00	179 420.00
Pacaltsdorp Library	250 000.00	250 000.00	69 900.00
Thembaletu Library	250 000.00	274 500.00	269 200.00
Aircons - Haarlem Library - DMA	14 000.00	12 400.00	12 336.00
<b>TOTAL</b>	<b>844 000.00</b>	<b>844 000.00</b>	<b>597 102.96</b>

Capital Expenditure 2018/19: Libraries

## 3.16 COMMUNITY HALLS, FACILITIES AND THUSONG CENTRES

### 3.16.1 Highlights: Community Halls, Facilities and Thusong Centres

The table below specifies the highlights for the 2018/19 financial year:

Highlights	Description
Curtains and Blinds was installed at Lawaaiikamp Community Hall and Touwsrante Community Hall.	Better service delivery
Upgrading of the women's Bathroom at Civic Centre.	Renovations to the women's bathroom
Upgrading of Kitchens at Parkdene Community Hall, Lawaaiikamp Community Hall and Touwsrante Community Hall.	Renovations to the mentioned community halls
Installation of Beta Fencing at Civic Centre and Lawaaiikamp Community Hall.	To secure the Building
Erecting of a store room and office at Rosemoore Community Hall	To improve services delivery
Converting store room in to a kitchen at Thusong Centre.	To improve services delivery

Highlights: Community Halls, Facilities & Thusong Centres

### 3.16.2 Challenges: Community Halls, Facilities and Thusong Centres

The table below specifies the challenge(s) for the 2017/18 financial year:

Challenge(s)	Action to address
Fences are being vandalized at Thembaletu Community Hall and Zone 9 Community Hall.	Internal maintenance team should repair the Fencing.

Challenge(s)	Action to address
The demand for free usage of Community Halls has a direct impact on our income.	All bookings should be executed according to the tariff policy.
Due to Budget constrains our internal maintenance team cannot perform the maintenance as their maintenance plan	Insufficient Budget.

Challenges: Community Halls, Facilities & Thusong Centres

### 3.16.3 Capital Expenditure: Community Halls, Facilities and Thusong Centres

Capital Expenditure 2018/2019: Community Halls and Facilities			
Capital Projects	Original Budget	Amended Budget	Actuals Expenditure
Uniondale Community Hall Upgrade	50 000.00	173 140.00	0.00
Upgrading of Haarlem Community Hall	50 000.00	50 000.00	0.00
Palisade Fence & Gate - Haarlem Hall	150 000.00	150 000.00	99 500.00
Repair Floor - Pacs Hall	487 200.00	953 855.00	28 950.00
Replace 2 Stoves: Civic Centre	35 000.00	28 000.00	26 029.23
Beta Fence - Parkdene Hall	120 000.00	282 000.00	253 121.75
Upgrade Women's Bathroom - Civic Centre	20 000.00	68 000.00	0.00
Beta Fencing - Civic Centre	280 000.00	170 000.00	155 850.68
Upgrade Kitchen - Parkdene Hall	50 000.00	22 550.00	0.00
Replace Roof: Conville Community Hall	466 655.00	0.00	0.00
Repair Ceiling - Rosemore Hall	80 000.00	35 000.00	0.00
Store Room & Office - Rosemore	160 000.00	160 000.00	101 300.11
Replace Curtains and Blinds- Lawaakamp Hall	80 000.00	69 550.00	0.00
Upgrade Kitchen - Lawaakamp Hall	50 000.00	33 000.00	0.00
Furniture and Office Equipment - Youth Centre	40 200.00	45 387.00	40 716.29
Camera - Youth Centre	5 500.00	3 739.00	3 738.26
Computer Equipment - Youth Centre	37 500.00	34 954.00	34 953.91
Replace Curtains and Blinds - Touwsranten Hall	80 000.00	80 000.00	0.00
Upgrade Kitchen - Touwsranten Hall	50 000.00	50 000.00	0.00
Air-Conditioning - Youth Centre	18 000.00	14 838.00	14 837.56
Blinds - Youth Centre	20 000.00	20 000.00	0.00
Tables & Chairs: Thusong Centre	50 000.00	49 000.00	48 855.00
Upgrade Kitchen - Thusong Centre	50 000.00	32 000.00	0.00
Pallisade Fence - Uniondale Community Hall	0.00	196 460.00	0.00
Burglar Bars - Old Council Chambers: Pacaltsdorp	0.00	25 000.00	18 000.00
Upgrading of JTTC-Skatelab	0.00	285 030.00	160 165.00
<b>TOTAL</b>	<b>2 430 055.00</b>	<b>3 031 503.00</b>	<b>986 017.79</b>

## 3.17 CEMETERIES AND CREMATORIIUMS

### 3.17.1 Introduction to Cemeteries

George Municipality manages 13 cemeteries. They all add up to 46.3 hectares, most of the cemeteries (nine) are in George with four in Uniondale which is 110 km away from George.

At present, seven of the cemeteries are operational while the other 6 are maintained as if they were operational. Maintenance is done by four community contractors. The combined capacity allows for a window of about 5 years. The possible expansion of the current cemeteries is reflected in the structural plan for George and new areas are being investigated in George and Uniondale.

There is a privately-owned cremation facility in George and it is found that there is an increase in the number of cremations each year.

All cemeteries are running out of space. George Municipality is currently involved in discussions with the Provincial Department of Public Works and the Garden Route District Municipality to secure additional space for this purpose.

### 3.17.2 Highlights: Cemeteries

Highlight(s)	Description
York street expanded	Three new blocks introduced

Highlights: Cemeteries

### 3.17.3 Challenges: Cemeteries

Description	Actions to address
Extreme vandalism	Consider high mast lighting

Cemeteries Challenges

### 3.17.4 Service Statistics: Cemeteries

Type of service	2017/18	2018/19
Inhumations	900	806
Pauper burials	25	29

Service stats for Cemeteries

### 3.17.5 Capital Expenditure 2018/19: Cemeteries

Capital Expenditure 2018/2019: Cemeteries			
Capital Projects	Original Budget	Amended Budget	Actuals Total
Security Cameras - Cemeteries	50 000.00	0.00	0.00
Wall at Cemetery	50 000.00	0.00	0.00
Grave Cages	50 000.00	0.00	0.00
Extension of Cemeteries - George	500 000.00	335 000.00	89 003.98
Extension of Cemeteries - Uniondale	250 000.00	250 000.00	60 950.00
Security Lighting at Cemeteries	150 000.00	300 000.00	289 962.00
<b>TOTAL</b>	<b>1 050 000.00</b>	<b>885 000.00</b>	<b>439 915.98</b>

Capital Expenditure 2018/19: Cemeteries

## 3.18 SOCIAL DEVELOPMENT

### 3.18.1 Introduction to Social Development

Social Development includes the development and implementation of effective community-based projects and programmes that address social needs within the broader George and its surrounding areas, including the Uniondale and Haarlem areas.

### 3.18.2 Highlights: Social Development

Highlights	Description
Project Hope – Persons Living on the Street	<p>Programme aimed at addressing the social challenges that people living on the street face daily. This programme entails:</p> <ul style="list-style-type: none"> <li>• Acquisition of identity documents</li> <li>• Reunification services</li> <li>• Provision of necessities such as toiletries and clothing</li> <li>• Typing of CV's and distributing it to local businesses.</li> <li>• Women's Day function for women living on the street</li> <li>• Regular information sessions with regards to social challenges</li> </ul> <p>Thus far 37 persons received identity documents, 22 persons were successfully reunified with their families, 15 persons gained accommodation, 31 persons received employment opportunities and 10 persons received accredited computer training.</p>
Municipal Crèche Programme	<p>Educators receive regular training as their needs are identified. Regular monitoring takes place and are working closely with the Dept. Social Development to ensure that the crèches are functioning optimally.</p>

Highlights: Social Development

### 3.18.3 Challenges: Social Development

Challenges	Actions to address
Funding	Increase budgets / funding
Networking	More workshop and make resources available for stakeholders
Not enough personnel to complete programs	Appoint more personnel
Transport	Provide proper transport
Training	To make training opportunities more available

Challenges: Social Development

### 3.18.4 Delivery of Services: Social Development

Type of service	2018	2019
Vegetable gardens established	During world food day we provide 8 NGO's to start their own gardens	
Soup kitchens established or supported	145 Established and functioning Nutritional centres	121 established soup kitchens, number decreased due to the fact that soup kitchens at crèches were closed. This was done because the crèches could only make provision for the learners and not the broader community. New community-based kitchens are being investigated and will be opened.
Initiatives to increase awareness on child abuse	During Child protection week awareness sessions took place at 24 pre-school centres. (1180 learners reached) Two Holiday programmes also took place where emphasis is placed on Child abuse. 50 children attended each programme which was aimed at Primary School learners.	Regular awareness sessions also took place at pre-schools and Primary Schools. An aftercare programme is also taking place at 8 primary schools where weekly sessions are done to create awareness amongst learners about child abuse.
Youngsters educated and empowered		<ul style="list-style-type: none"> <li>Outreach Information sessions (includes Bursary, Learnerships, Employment Opportunities, Career Guidance, Expo's, Teenage Pregnancy, Substance Abuse, Crime, Gangsterism, Entrepreneurship, Elderly Assistance, Positive Recreational Activities, Outreach Camps, Peer</li> </ul>

Type of service	2018	2019
		<ul style="list-style-type: none"> <li>♦ Educator Outreaches): <b>12 120</b></li> <li>♦ 1x Careers Exhibitions: <b>380</b></li> <li>♦ <b>x</b> Holiday Programmes: <b>493</b></li> <li>♦ Youth Centre Walk-in's: <b>2751</b></li> <li>♦ NARYSEC programme: <b>29</b> interviewed, <b>12</b> selected</li> <li>♦ Training and Skills Development (George Youth Café, Computer Training, Project and Events Management, Lifeskills and Entrepreneurship Training, Conflict Management, Music and Dance Production, Photography Training) : 763</li> <li>♦ Young Women's Programme: 106</li> <li>♦ Mandela Day: 22</li> <li>♦ Heritage Month: 292</li> <li>♦ Human Rights Day:284 (recorded)</li> <li>♦ National Youth Month: <b>1252</b></li> </ul>
Initiatives to increase awareness on disability and Gender/ Women empowerment		
Initiatives to increase awareness on HIV/AIDS	<p><b><u>Education and Awareness:</u></b></p> <ul style="list-style-type: none"> <li>♦ Information sessions -230</li> <li>♦ Condom Demonstration - 94</li> <li>♦ Condom Distribution - 202 483</li> <li>♦ Awareness Campaigns - 10</li> <li>♦ Exhibitions - 28</li> <li>♦ Door to door - 61</li> <li>♦ Trainings and Workshops - 43</li> <li>♦ HCT Campaigns - 9</li> <li>♦ Dissemination of information (flyers, brochures etc) – 10 000</li> <li>♦ People reached: <b>4353</b></li> </ul> <p><b><u>Treatment and Care</u></b></p> <ul style="list-style-type: none"> <li>♦ ARV Care program:</li> <li>♦ <b>226</b> persons received food vouchers</li> <li>♦ Clothing bank:</li> <li>♦ <b>30</b> persons received clothing.</li> </ul>	<p><b><u>Education and Awareness:</u></b></p> <ul style="list-style-type: none"> <li>♦ Information sessions - 243</li> <li>♦ Condom Demonstration - 97</li> <li>♦ Condom Distribution – 107 433</li> <li>♦ Awareness Campaigns - 6</li> <li>♦ Exhibitions - 17</li> <li>♦ Door to door - 71</li> <li>♦ Trainings and Workshops - 12</li> <li>♦ HCT Campaigns - 10</li> <li>♦ Dissemination of information (flyers, brochures etc) – 15 000</li> <li>♦ Sex workers outreach - 12</li> <li>♦ Wellness programs - 6</li> <li>♦ People reached: <b>12211</b></li> </ul> <p><b><u>Treatment and Care:</u></b></p> <p>ARV Care program:</p> <ul style="list-style-type: none"> <li>♦ <b>213</b> people received food parcels</li> </ul> <p>Clothing bank:</p> <ul style="list-style-type: none"> <li>♦ <b>43</b> people received clothing</li> <li>♦ NGO's received clothing</li> </ul> <p>Support group:</p> <ul style="list-style-type: none"> <li>♦ <b>406</b> Adults were reached</li> </ul> <p><b>60</b> Orphans and vulnerable children were reached</p>

Type of service	2018	2019
Initiatives to increase awareness on substance abuse and high drug and alcohol related crimes	Anti-Drug Abuse Door to doors took place in Pacaltsdorp, Rosedale, Parkdene and Borchards.	<ul style="list-style-type: none"> <li>♦ Anti-drug abuse door to door campaigns took place in</li> <li>♦ Lawaaiikamp, Maraikamp and Parkdene</li> <li>♦ Lifeskills Camp also took place with thirty learners from Lancewood Primary</li> </ul> <p>This also aims to make youngsters aware of other alternatives to negative behaviour. They are capacitated with information that will enable them to make more informed choices with regards to challenges they might face.</p> <ul style="list-style-type: none"> <li>♦ Establishment of LDAC</li> </ul>
Special events hosted (World's Aids Day, World Labour day, World Disability Day, Youth Day, 16 Days of activism against women abuse)	<ul style="list-style-type: none"> <li>♦ World AIDS Day - 300</li> <li>♦ TB Day - 150</li> <li>♦ Khomanani Day – 100</li> <li>♦ International AIDS Memorial Day - 200</li> </ul>	<ul style="list-style-type: none"> <li>♦ World AIDS Day - 500</li> <li>♦ TB Day - 365</li> <li>♦ Khomanani Day - 150</li> <li>♦ International AIDS Memorial Day - 950</li> </ul>
Mandela Day		<p>Clean and paint 2 elderly couple's houses and give them blankets and food parcel.</p> <p>Establishing of a food garden at ECD (Kekkel and Kraai)</p>

Social Development Statistics

### 3.18.5 Capital Expenditure 2018/19: Child Care Aged Care and Literacy Programmes

Capital Expenditure 2018/2019: Child Care			
Capital Projects	Original Budget	Amended Budget	Actuals Total
Rosedale Creche, Erf 8046: Paving	50 000.00	112 700.00	112 950.00
Rosedale Creche, Erf 8046: Cover from Classroom To	150 000.00	83 000.00	82 700.00
Masizakhe Creche: Solar Security Lights	20 000.00	23 680.00	23 395.60
Siembamba Creche: Paving	150 000.00	107 000.00	107 000.00
Isiseko Creche: Wheelchair Access	50 000.00	46 500.00	46 500.00
Lawaaiikamp Creche: Solar Security Lights	20 000.00	23 350.00	23 310.00
Lubabalo Creche - Palisade Fence	50 000.00	126 000.00	125 972.07
Pacaltsdorp Creche; Erf 7952- Paving	80 000.00	100 000.00	99 724.00
Pacaltsdorp Creche; Erf 7952- Cover from Classroom	100 000.00	82 000.00	81 500.00

Capital Expenditure 2018/2019: Child Care			
Capital Projects	Original Budget	Amended Budget	Actuals Total
Thembaletu Creche; Erf 9205- Cover from Classroom	100 000.00	99 000.00	98 570.00
Thembaletu Creche; Erf 9205- Paving	80 000.00	35 000.00	34 940.00
Kekkel & Kraai Creche: Paving	50 000.00	118 000.00	118 000.00
Isiseko Creche: Burglar Bars	140 000.00	40 200.00	40 040.00
Isiseko Creche: Gas Storage Cage	5 000.00	14 350.00	14 245.00
Lawaaikamp Creche: Gas Storage Cage	5 000.00	13 000.00	11 655.00
Lawaaikamp Creche: Burglar Bars	150 000.00	92 800.00	61 750.00
Klouter Kabouters Creche: Modifications for Disability	40 000.00	42 000.00	42 000.00
Rosedale Creche: Palisade Fencing	200 000.00	168 000.00	168 000.00
<b>TOTAL</b>	<b>1 440 000.00</b>	<b>1 326 580.00</b>	<b>1 292 251.67</b>

Capital Expenditure 2018/19: Child Care

Capital Expenditure 2018/2019: Aged Care			
Capital Project	Original Budget	Amended Budget	Actuals Total
Pacaltsdorp Old Age Home: Burglar Proofing	150 000.00	50 000.00	50 000.00
<b>TOTAL</b>	<b>150 000.00</b>	<b>50 000.00</b>	<b>50 000.00</b>

Capital Expenditure 2018/19: Aged Care

Capital Expenditure 2018/2019: Literacy Programmes			
Capital Projects	Original Budget	Amended Budget	Actuals Total
Gazebos	20 000.00	19 414.00	0.00
Banners	32 000.00	32 763.00	0.00
Backdrop	5 000.00	4 287.00	0.00
Camera	7 000.00	3 041.00	3 040.88
Step Ladder	2 000.00	0.00	0.00
Furniture & Equipment - Social	30 000.00	39 392.00	19 233.92
Laptops - Social	12 500.00	9 692.00	9 691.30
Screen	2 000.00	1 240.00	1 239.13
Data Projector	3 000.00	4 347.00	4 346.96
<b>TOTAL</b>	<b>113 500.00</b>	<b>114 176.00</b>	<b>37 552.19</b>

Capital Expenditure 2018/2019: Literacy Programmes



## COMPONENT E: ENVIRONMENTAL PROTECTION

This component includes: Environmental Protection Services.

### 3.19 ENVIRONMENTAL PROTECTION

#### 3.19.1 Introduction to Environmental Protection

Coastal Management is presently a new concept in the country with which the Municipality must still start to deal with. Beaches are cleaned in a reactive manner as and when needed and further provides protection services to ensure discipline, but there is currently not enough capacity to do this on a full-time basis. Visits are seasonal and weather permitting. The Garden Route District Municipality in cooperation with the Provincial Government is in a process to develop a Coast Management Plan in terms of the Integrated Coastal Management Act. The Act also refers to a set of standard By-Laws and possible Scheme Regulations. The Provincial Government has also appointed a service provider in terms of the Act to deal with the setback of lines.

Coastal Management will have an impact on various functions within the Municipality and there is currently no staff member dedicated to this responsibility.

Regarding biodiversity, the Provincial Government is also in process to finalise the Environmental Management Plan for the George area.

George Municipality has a total of 150 parks with a total area of 200 hectares. These parks are maintained on a regular basis (18 cutting cycles per year) by private contractors. Almost 50% of these parks have playing apparatuses. The latter are vandalised on a continued basis costing the Municipality approximately R150 000 per year to maintain. During the previous financial year, very little was done to repair vandalised play parks due to capacity constraints.

#### 3.19.2 Highlights: Environmental Protection

Highlight (s)	Description
3 Superintend posts filled at Parks & Recreation	Finally, being able to start addressing the backlog problems with the appointment of staff

Highlights: Environmental Protection

### 3.19.3 Challenges: Environmental Protection

Challenges	Description
Lack of resources	Do not receive adequate funds to address problems Staff component of Parks & Recreation to address Parks, Beaches, Alien vegetation, beautification etc. for the City of George and surrounding areas is totally inadequate.
Backlog	Backlog due to staff issues and incompetent contractors

Challenges: Environmental Protection

### 3.19.4 Service Delivery Statistics: Environmental Protection

Performance indicators	2017/18	2018/19
Noise nuisance complaints	10	23
Air pollution complaints	15	7
Complaints regarding overgrown erven	168	259
Number of complaints received	223	324
Number of complaints resolved	99%	99%
Number of environmental sessions held	8	10
Issuing of business & entertainment licenses	19	13
Keeping of animals' complaints	30	22

Service Delivery Statistics: Environmental Protection

## COMPONENT F: SECURITY AND SAFETY

This component includes: Traffic; Law Enforcement; Fire; Disaster Management; Licensing and Control of Animals; and Control of Public Nuisance, etc.

### 3.20 TRAFFIC AND LICENSING

The Municipal Council aims to ensure the safety of all residents and visitors in the municipal area through law enforcement. Currently, the Municipal Law Enforcement Officers work closely with the South African Police Services (SAPS) to combat crime while the Traffic Law Enforcement Officers are also assisting those agencies. Integrated operations are held to prevent crime increase in this municipal area through proper planning. The willingness of the community to report crime assists the different law enforcement agencies in the fight against crime.

#### 3.20.1 Introduction to Traffic and Licensing Services

Traffic and Licensing Services aims to provide a professional service to all road users and the community of George by promoting road safety and creating a safe road environment through effective management, education, protection and law enforcement.

#### 3.20.2 Service Statistics: Traffic and Licensing Services

The table below specifies the service delivery levels for the 2018/19 financial year:

NO	TRAFFIC FINES ISSUED	TOTAL	R VALUE
1	Driver's Licenses	1781	R1 781 000
2	PrDP's	220	R697 500
3	Learner Licenses	69	R41 300
4	Road Markings/Parking	723	R858 900
5	Seatbelts	547	R273 500
6	Unlicensed Motor Vehicle	1240	R620 500
7	Cell phones	228	R228 000
8	Moving Violations-other	119	R122 000
9	Parking Brakes	17	R4800
10	Indicators	4	R1200
11	Tyres	540	R246 100
12	Number Plates	84	R42 000
13	Other Defects	106	R73 803
13	Overload	78	R31 200
14	Unroadworthy Motor Vehicle	34	R107 800
15	Rear lamps	28	R9 400
16	Operating Licence	56	R135 000
17	Front lamps	12	R3500
18	Windscreen	15	R6300

NO	TRAFFIC FINES ISSUED	TOTAL	R VALUE
19	Speed Fines	23 3811	
<b>TOTAL CASES</b>		<b>23 9712</b>	<b>R5 283 803</b>
<b>INCOME</b>	Camera fines paid		R8 698 750
	Hand written fines paid		R1 866 900
	Warrants of Arrest paid (May & June 2019)	732	R327 050
	<b>Total Income</b>		<b>R10 565 650</b>

### 3.20.3 Total Employees: Traffic and Licensing Services

The following table indicates the staff composition for this division:

Employees: Traffic Services				
Job Level	2018/19			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	3	2	1	33%
4 - 6	29	28	1	3%
7 - 9	1	1	0	0%
10 - 12	19	3	16	84%
13 - 15	2	1	1	50%
16 - 18	0	0	0	0%
19 - 20	0	0	0	0%
<b>Total</b>	<b>54</b>	<b>35</b>	<b>19</b>	<b>35%</b>

Employees and Posts numbers are as at 30 June

Employees: Traffic Services

### 3.20.4 Capital Expenditure: Traffic and Licensing Services

Capital Expenditure 2018/2019: Traffic Services			
Capital Projects	Original Budget	Amended Budget	Actuals Total
Vehicles	600 000.00	600 000.00	430 094.00
Safety Equipment	50 000.00	100 000.00	74 615.43
Public Seating - Traffic	30 000.00	0.00	0.00
Furniture - Traffic	100 000.00	100 000.00	71 644.75
Laser Printers - Traffic	12 000.00	12 000.00	10 789.57
Laptops - Traffic	25 000.00	38 736.00	28 312.93
Upgrading of Building - Traffic	350 000.00	238 000.00	0.00
Queue Management System - Drivers Licences	50 000.00	0.00	0.00
Carports - Traffic	50 000.00	0.00	0.00
Security Cameras - Traffic Offices	30 000.00	77 000.00	75 041.24
Paving at Traffic	100 000.00	113 700.00	113 600.23
Fencing at Drivers Licences	90 000.00	0.00	0.00
Fencing at Back of Traffic Office	100 000.00	160 000.00	159 020.00
Floodlights - Traffic	30 000.00	0.00	0.00
Air-conditioning - Traffic	50 000.00	32 500.00	29 560.00
Training Facility: Traffic	100 000.00	75 000.00	68 528.74

Capital Expenditure 2018/2019: Traffic Services			
Capital Projects	Original Budget	Amended Budget	Actuals Total
Public Seating - Vehicle Registration	60 000.00	0.00	0.00
Furniture - Vehicle Registration	100 000.00	100 000.00	93 693.26
Laptops (4) - Vehicle Registration	25 000.00	15 767.00	15 766.96
Upgrading of Building - Vehicle Registration	500 000.00	500 000.00	240 662.00
Queue Management System	50 000.00	0.00	0.00
Installation of Camera System -Vehicle Registration	70 000.00	109 677.00	109 676.69
Desktops - Vehicle Testing Station	25 000.00	15 767.00	15 766.96
Flood Lights - Vehicle Testing Station	50 000.00	0.00	0.00
Firearms	0.00	100 000.00	86 521.46
Bullet Proof Vest	0.00	100 000.00	0.00
<b>TOTAL</b>	<b>2 647 000.00</b>	<b>2 488 147.00</b>	<b>1 623 294.22</b>

Capital Expenditure 2018/19: Traffic Services

### 3.21 LAW ENFORCEMENT

#### 3.21.1 Introduction to Law Enforcement

Law Enforcement has played a major role in enforcing Municipal By-laws and to ensure the Councils objective of Keeping George Green, Safe and Clean are adhered too.

Our objectives and priorities were to follow up all complaints as soon and best possible. Issue fines to transgressors or ensure their attendance at our Municipal Court. Assisting other Sections e.g. Environmental Health, Building Control and to ensure the Safety procedures and measures were implemented.

#### 3.21.2 Highlights: Law Enforcement Services

The table below specifies the highlights for the 2018/19 financial year:

Highlights	Description
CCTV	CCTV also had a huge impact on the reduction in Criminal related actions.

Highlight: Law Enforcement Services

#### 3.21.3 Challenges: Law Enforcement Services

The table below specifies the challenges for the 2018/19 financial year:

Challenges	Actions to overcome
Increased amount of refuse dumping	Policy was implemented, and fines were issued
Protest marches	Protest marches were handled under the Gathering Act, and some

Challenges	Actions to overcome
	misconceptions regarding High Court verdict was clarified. Constant communication and interaction between various Law Enforcement
Stray animals	Impoundment and issuing of fines to owners of the animals. Continuous interaction with the SPCA and community. Working together with the Anti-Stock Theft Unit of the South African Police Services agencies and other role players to effect efficient policing.

Challenges: Law Enforcement Services

### 3.21.4 Service Statistics: Law Enforcement Services

The table below specifies the service delivery levels for the 2018/19 financial year:

Service	2018/19
Number of By-Law infringements attended	2293
Number of Law Enforcement officers in the field per day (Monday to Friday)	10 Permanent 16 Temporary
Number of Law Enforcement officers on duty on an average weekday	8 Permanent, 20 Temporary

Services Delivery Levels for Law Enforcement

### 3.21.5 Total Employees: Law Enforcement Services

Employees: Law Enforcement				
Job Level	2018/19			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	10	9	1	10%
4 - 6	17	6	11	65%
7 - 9	4	3	1	25%
10 - 12	20	2	18	90%
13 - 15	1	1	0	0%
16 - 18	0	0	0	0%
19 - 20	0	0	0	0%
<b>Total</b>	<b>52</b>	<b>21</b>	<b>31</b>	<b>60%</b>

Employees and Posts numbers are as at 30 June

Employees: Law Enforcement Services

### 3.21.6 Capital Expenditure: Law Enforcement Services

Capital Expenditure 2018/2019: Law Enforcement			
Capital Projects	Original Budget	Amended Budget	Actuals Total
Sedans X8	600 000.00	800 000.00	756 994.27
CCTV: Extension of Camera System	500 000.00	1 071 851.00	1 088 069.52
Firearms	160 000.00	164 500.00	163 913.03
Protective Clothing and Equipment	100 000.00	90 600.00	0.00
Office Furniture - Land Management	110 000.00	51 000.00	41 585.33
CCTV: Furniture	20 000.00	20 000.00	15 969.57
Office Furniture - Law Enforcement	50 000.00	24 723.00	21 594.78
CCTV: Optic Fibre	400 000.00	452 170.00	436 488.31
Laptops / Desktops - Law Enforcement	12 500.00	23 500.00	20 980.86
Aircons - Law Enforcement	20 000.00	26 761.00	26 110.54
Cool store- CCTV	250 000.00	150 000.00	127 711.61
Security Cameras - Law Enforcement	120 000.00	88 010.00	88 010.00
Carport - Law Enforcement	180 000.00	182 500.00	44 207.00
CCTV: Extension of CCTV Building	500 000.00	500 000.00	54 172.80
Safety Equipment - Law Enforcement	0.00	70 000.00	3 652.17
CCTV: Access Control Upgrade Gate	0.00	2 940.00	0.00
Firearms	0.00	100 000.00	86 521.46
Bullet Proof Vest	0.00	100 000.00	0.00
<b>TOTAL</b>	<b>3 022 500.00</b>	<b>3 918 555.00</b>	<b>2 975 981.25</b>

Capital Expenditure 2018/19: Law Enforcement

## 3.22 FIRE SERVICES

### 3.22.1 Introduction to Fire Services

The function of this Section is to save lives and to protect property. Awareness campaigns in informal areas did reduce the number of fires in those areas as well as the restructuring of shacks to ensure that fire fighting vehicles and fire fighters can reach those in need. Immediate relief is provided to victims of fires in the form of food parcels, blankets and emergency housing kits.

The Fire Services has identified the need to conduct more fire prevention inspections to make George a safer city and to effectively train all fire personnel to a minimum qualification of Fire Fighter 2.

### 3.22.2 Highlights: Fire Services

The table below specifies the highlight(s) for the 2018/19 financial year:

Highlight(s)	Description
Disastrous Fires during October/November 2018, known as the George Fire	Fire started at the back of the Outeniqua Mountain and burned down 9200 Hectares

Highlights: Fire and Disaster Management

### 3.22.3 Challenges: Fire Services

The table below specifies the challenge(s) for the 2018/19 financial year:

Challenge(s)	Actions to overcome
Staff expenses being one of the biggest items on the budget, it remains a tough hill to climb. The lack of manpower also has a snow ball effect on the implementation of proper code of enforcement, public education and operational functions	The recruitment of more Fire Fighters to fulfil the operational function and get more Fire Fighters trained in Fire Prevention to adhere to fire safety By-Laws.

Challenges: Fire Services and Disaster Management

### 3.22.4 Service Statistics: Fire Services

The table below specifies the service delivery levels for the 2018/19 financial year:

Details	2017/18	2018/19
Total fires attended in the year	1653	992
Reservists and volunteers trained	0	0
Awareness Initiatives on Fire Safety	7117	2959
Average turnout time – urban areas	8 min	8min
Average turnout time – rural areas	18 min	18min

Services Delivery Levels for Fire Services and Disaster Management

### 3.22.5 Capital Expenditure: Fire Services

Capital Expenditure 2018/2019: Fire Services			
Capital Projects	Original Budget	Amended Budget	Actuals Total
Ford Motor Corp Truck - Replacement	1 750 000.00	2 250 000.00	1 238 350.53
Upgrading of Radio Communication - George	900 000.00	900 000.00	846 070.00
Tools and Equipment	250 000.00	250 000.00	101 793.16
Jet ski - Fire S	200 000.00	392 000.00	0.00
Furniture and Fittings - Protection Services Admin	30 000.00	30 000.00	27 815.52
Single Cabs - 4x4	400 000.00	400 000.00	241 892.07
Upgrade Lifeguard Towers	0.00	12 240.00	0.00
Car Ports - Vehicles (Fire Services)	0.00	227 610.00	196 862.23
Skid Unit: Wild Fire Vehicle	0.00	163 940.00	60 637.13
It Equipment - Fire Fighting	0.00	26 410.00	24 150.42
<b>TOTAL</b>	<b>3 530 000.00</b>	<b>4 652 200.00</b>	<b>2 737 571.06</b>

Capital Expenditure 2018/19: Fire Services



## COMPONENT G: SPORT AND RECREATION

This component includes: Community Parks; Sports Facilities; Stadiums; Swimming Pools; and Camp Sites.

### 3.23 HOLIDAY RESORTS AND CAMPSITES

#### 3.23.1 Holiday Resorts and Campsite

The George Municipality is responsible for the management and maintenance of one holiday resort in the municipal area, which is Herolds Bay.

The main priority of the caravan park is for the guests to experience true hospitality and efficient client service. The resort is next to the beach, where the sheer natural beauty of the sea can be experienced. Braai facilities, water taps and refuse bins are positioned at regular intervals at the campsite.

On arrival at the park, the necessary information including the rules and safety evacuation plan is provided.

George manages four beaches namely Herolds Bay, Gwaiing, Victoria Bay and Leentjiesklip in Wilderness. Beaches east of the Touw River are managed by Sanparks.

A huge challenge is that the playing apparatuses in parks are being vandalised on a continued basis costing the Municipality approximately R150 000 per year to maintain.

### 3.24 SPORTS AND RECREATION

#### 3.24.1 Introduction to Sports and Recreation

The George Municipality is responsible for the management and maintenance of 14 sport grounds in the municipal area. It is the Municipality's goal to create a healthy lifestyle for all our residents, by offering a wide range of well-maintained and managed sport facilities.

The Sport Development Section aims to deliver sustainable and affordable sport services to contribute to the reconstruction and development of the George community.

### 3.24.2 Highlights: Sports and Recreation

The table below specifies the highlights for the 2018/19 financial year:

Highlights	Description
Multipurpose netball/tennis courts in Parkdene/Maraikamp	The cost effective multipurpose court was identified by the sport community to develop that particular sporting skills.
Oppie Bol Fundraiser in collaboration with disability non-profit organisation Oppie Bol Foundation.	Disabled and able-bodied golfers played together in the first ever George Disability Awareness Charity Golf Day at Kingswood Golf Course. With the main objective to advocate for people with disabilities and to empower disabled people.

Highlights: Sport and Recreation

### 3.24.3 Challenges: Sports and Recreation

The table below specifies the challenges for the 2018/19 financial year:

Description	Actions to address
Poor/lack of planning for provision of sport facilities within new housing projects /areas.	Proper inter departmental/stakeholder consultation.
No Sport Facility in Haarlem – no other land space available for a sport facility in the area.	Haarlem Secondary School has made its facility available to sport codes. The current collaboration between the school and the municipality entails financial assistance, however continued assistance /budget provision is required.
Vandalism /theft of sport infrastructure/facilities.	Renewed call on communities to fight scourge of vandalism – urging communities to take ownership of the facilities to assist in protecting them from vandalism /theft.
Vandalism	Design Vandal-proof equipment

Challenges: Sport and Recreation

### 3.24.4 Service Statistics: Sports and Recreation

Type of service	2017/18	2018/19
Number of Sport Grounds/fields	14	13
Number of events hosted on fields	199	164
Number of Swimming Pools	2	2
Number of visitors at swimming pools	7252	5910
Number of stadiums	3	3
Number of events hosted in stadiums sport and entertainment	102	
<b>Community parks</b>		
Number of parks with play park equipment	55	50
Number of wards with community parks	22	20
<b>Swimming pools</b>		
R-value collected from entrance fees	R19340.00	R14 015.20
<b>Sport fields/Sport Halls</b>		
Number of wards with sport fields/sport halls	10	12
R-value collected from utilisation of sport fields/sport halls	R28345.71	R26 235.88
Number of sport associations utilising sport halls	25	12

Service Statistics Sport Grounds, Parks and Swimming Pools

### 3.24.5 Total Employees: Parks and Recreation

Employees: Parks & Recreation				
Job Level	2018/19			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	11	11	0	0%
4 - 6	33	29	4	12%
7 - 9	6	6	0	0%
10 - 12	3	2	1	33%
13 - 15	1	1	0	0%
16 - 18	0	0	0	0%
19 - 20	0	0	0	0%
<b>Total</b>	<b>54</b>	<b>49</b>	<b>5</b>	<b>9%</b>

Employees and Posts numbers are as at 30 June

Employees: Parks & Recreation

### 3.24.6 Capital Expenditure: Sports and Recreation

Capital Expenditure 2018/2019: Sports and Recreation			
Capital Projects	Original Budget	Amended Budget	Actuals Total
TRAILER X2 - SPORT	50 000.00	19 218.00	19 217.39
Ride on Lawnmower	65 000.00	41 740.00	41 739.13
Tools - Sport	4 400.00	55 608.00	46 327.55
Generator - Sport	7 700.00	0.00	0.00
Welder - Sport	5 500.00	956.00	0.00
Brush cutter - Sport	7 700.00	2 610.00	2 607.83
ELECTRIC DRILL (X2) - SPORT	7 700.00	4 830.00	4 278.93
Ladder - Sport	4 400.00	1 566.00	1 565.22
Grinder - Sport	5 500.00	1 190.00	1 188.70
Office Furniture - Sport	22 000.00	22 000.00	8 151.30
Laptop - Sport	25 000.00	19 400.00	19 382.61
Upgrade Parkdene Sport Facilities	654 542.00	462 342.00	237 401.39
Thembaletu Upgrade Sport Facilities	1 527 456.00	591 208.00	111 959.59
Fencing - Sport Grounds DMA	250 000.00	250 000.00	0.00
Tartan Track - Rosemore Sport Ground	7 434 783.00	7 434 783.00	489 814.77
Upgrade Swimming pool - Uniondale	120 000.00	120 000.00	0.00
Floodlights at Pacaltsdorp Sport Ground	500 000.00	500 000.00	491 331.32
Fence - Lawaaikamp Sport Ground	130 000.00	176 632.00	176 999.20
CCTV Cameras - Sport Facilities	500 000.00	460 000.00	234 562.37
Upgrade Hospitality Suites (George) - Sport	50 000.00	50 000.00	9 909.57
Upgrade Tennis & Netball Courts	200 000.00	229 150.00	189 100.00
Chainsaw - Parks	21 000.00	21 000.00	9 997.48
Heavy Duty 'Bossiekapper' - Parks	30 000.00	195 000.00	101 250.00
Paalsae - Parks	30 000.00	30 000.00	9 313.04
Tractor Weed Eater - Parks	65 000.00	65 000.00	56 000.00
Concrete Mixer - DMA	30 000.00	30 000.00	20 625.00
Generators - DMA	20 000.00	20 000.00	16 026.50

Capital Expenditure 2018/2019: Sports and Recreation			
Capital Projects	Original Budget	Amended Budget	Actuals Total
Lawn Mover - DMA	30 000.00	19 500.00	19 474.78
Chainsaw - DMA Community	20 000.00	11 800.00	11 753.24
Weedeaters - DMA Community	70 000.00	50 400.00	50 315.22
Pole Truners - DMA Community	30 000.00	13 900.00	13 870.94
Falcon Lawn Mover - DMA	30 000.00	30 000.00	0.00
Electrical Drill - DMA	5 000.00	5 000.00	3 468.00
Herbicide Pressure Sprayer - DMA	12 000.00	12 000.00	8 680.15
Thembaletu Thusong Centre	45 000.00	0.00	0.00
Develop & Upgrade Facilities at Gwaing River Mouth	1 000 000.00	1 045 000.00	804 060.00
Borehole, Pump & Tank - Rosemore Sport Grounds	0.00	91 800.00	0.00
Establishing of A Cycling Facility	0.00	102 000.00	0.00
Blanco Sportsgrounds (MIG)	0.00	165 862.00	20 840.89
Blanco Sportsgrounds Lighting (MIG)	0.00	1 084 348.00	1 084 348.00
Tartan Track - Rosemore Sport Ground	0.00	2 096 990.00	0.00
Thembaletu Upgrade Sport Facilities	0.00	500 000.00	461 478.36
<b>TOTAL</b>	<b>13 009 681.00</b>	<b>16 032 833.00</b>	<b>4 777 038.47</b>

Capital Expenditure 2018/19: Sport and Recreation

## COMPONENT H: CORPORATE POLICY OFFICES AND OTHER SERVICES

This component includes: Corporate Policy Offices, Financial Services, Human Resource Services, ICT Services, property services.

### 3.25 OFFICE OF THE MUNICIPAL MANAGER

The Office of the Municipal Manager includes the following functions:

- ❖ Communications
- ❖ Risk and Internal Audit
- ❖ Legal Services

#### 3.25.1 Highlights: Office of the Municipal Manager

The table below specifies the highlights for the 2018/19 financial year:

Highlights	Description
Communication Research Survey	Ward-based research completed on preferred communication channels in George
MunIndaba	First integrated staff newspaper for George Municipality produced in September 2018, Four editions per year.
Corporate Identity Manual	Manual completed, and phased implementation undertaken as of March 2019.
Website	Redesign of Municipal website underway.
Municipal Court	Municipal court functioned very well during the period under review.
Risk Management Division	Chief Risk Officer was appointed in September 2018

Highlights: Office of the Municipal Manager

### 3.25.2 Challenges: Office of the Municipal Manager

The table below indicates the challenges for the 2018/19 financial year:

Challenges	Action to address
Staff Capacity in the Legal Services Division	Budget to be provided for posts on approved organogram
Staff Capacity in the Risk & Internal Audit Division	Fully capacitate the Risk Management & Internal Audit Division by obtaining budget to fill vacant posts on the approved organogram.
Risk Management Software	Risk Management Software required to provide real-time access to the risk registers throughout the Municipality, and to facilitate integrated and timely reporting.

Challenges: Office of the Municipal Manager

### 3.25.3 Total Employees: Office of the Municipal Manager

Employees: Office of the Municipal Manager				
Job Level	2018/19			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	3	3	0	0%
4 - 6	2	2	0	0%
7 - 9	3	2	1	33%
10 - 12	15	10	5	33%
13 - 15	6	5	1	16%
16 - 18	6	5	1	16%
19 - 20	3	2	1	33%
<b>Total</b>	<b>38</b>	<b>29</b>	<b>8</b>	<b>21%</b>

Employees and Posts numbers are as at 30 June

Employees: Office of the Municipal Manager

Employees: Executive and Council				
Job Level	2018/19			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	0	0	0	0%
4 - 6	1	1	0	0%
7 - 9	4	4	0	0%
10 - 12	5	4	1	20%
13 - 15	1	1	0	0%
16 - 18	1	1	0	0%
19 - 20	0	0	0	0%
MM & Directors	9	7	2	33%
<b>Total</b>	<b>21</b>	<b>18</b>	<b>3</b>	<b>14%</b>

Employees and Posts numbers are as at 30 June

Employees: Executive and Council

### 3.26 ADMINISTRATION (COMMITTEE SERVICES, RECORDS MANAGEMENT AND TELECOMMUNICATIONS)

Administration (Committee Services, Records Management and Telecommunication) aims to provide effective records management and telecommunication throughout the entire Municipality and to ensure adherence to all relevant legislation coupled to the function.

#### 3.26.1 Highlights: Administration (Committee Services)

The table below provides the highlight(s) for the 2018/19 financial year:

Highlight(s)	Description
Implementation of digital agendas (Collaborator)	The agendas of Committees and Council have been successfully generated on a digital system (Collaborator). The project was implemented in phases and the agendas of the Corporate Services and Human Resources Section 80 Committees were used as pilot during November 2018. A Task team was appointed during March 2019 to drive the digital project. The agendas of the remaining Section 80 Committees and Council was generated on Collaborator since January 2019 until June 2019.
Translation booth and Interpreting Services	A translation booth was erected in the Council Chambers and operating since May 2019. Interpreting services are rendered during meetings where a councillor/official speaks in their mother tongue and it is simultaneously interpreted in another language.

Highlights: Administration

#### 3.26.2 Challenges: Administration (Committee Services)

The table below provides the challenge(s) for the 2018/19 financial year:

Challenges	Action to address
Printing of hard copies for all meetings of Council The request by Council during May 2019 to revert to hard copies until the tools of trade issue has been sorted out places enormous strain on the Section. The volume and number of copies of agendas that need to be distributed within a certain period resulted into overtime.	The tools of trade for councillors needs to be sorted out by the Speaker to maintain the goal of the Executive Mayor to distribute paperless agendas.

Challenges: Administration

### 3.26.3 Capital Expenditure: Administrative and Corporate Support

Capital Expenditure 2018/2019: Administrative and Corporate Support			
Capital Projects	Original Budget	Amended Budget	Actuals Total
Translation System	150 000.00	210 000.00	170 469.75
Furniture & Fittings - Corp Admin	30 000.00	30 000.00	30 103.42
Bulk Filers for Central Registry - Corp Admin	30 000.00	35 800.00	29 085.53
Franking Machine - Corp Admin	100 000.00	87 600.00	87 580.13
Office Chairs - Records Staff	8 000.00	8 000.00	7 662.48
Bulk Scanners - Registry	100 000.00	94 200.00	94 160.80
Sound Proof Cubicle System	30 000.00	0.00	0.00
Cordless Microphones - Mayor	2 500.00	8 500.00	6 975.00
Computer Hardware - Corp Admin	50 000.00	79 400.00	77 103.39
End User Equipment (Pc's Laptops and Peripheral De	188 000.00	188 000.00	187 557.15
Bakkie Civil Engineering Service - DMA	350 000.00	350 000.00	241 455.67
Gwaing WWTW: Access Control to Plant	15 000.00	13 600.00	13 590.00
Outeniqua WWTW: Access Control to Plant	15 000.00	13 300.00	13 290.00
ISDG Equipment - Civil	200 000.00	0.00	0.00
End User Equipment (Pc's Laptops and Peripheral De	262 500.00	262 500.00	235 306.09
Wacker Compactor Civil Service - DMA	30 000.00	30 000.00	22 500.00
Diamond Cutter Civil Service - DMA	30 000.00	30 000.00	13 964.23
Furniture & Fittings - Civil Admin	70 000.00	70 000.00	21 497.39
Upgrade Civil Service Building - DMA	50 000.00	80 000.00	0.00
Furniture & Computers - DMA	30 000.00	30 000.00	20 810.35
Furniture & Office Equipment - Coms Admin	20 000.00	20 000.00	18 135.74
Computers - Coms Admin	12 500.00	10 405.00	10 404.35
End User Equipment (Pc's Laptops and Peripheral De	198 000.00	201 701.00	200 243.47
Extension of Reception Area - Coms Admin	200 000.00	594 400.00	570 388.58
<b>TOTAL</b>	<b>2 171 500.00</b>	<b>2 447 406.00</b>	<b>2 072 283.52</b>

Capital Expenditure: Administrative and Corporate Support

## 3.27 FINANCIAL SERVICES

### 3.27.1 Introduction to Financial Services

During this financial year, Council accepted and reviewed the Long Term Financial Plan and all budget related policies. The Long Term Financial Plan of the Municipality not only highlights some of the material financial and other issues identified but makes very specific proposals and recommendations regarding the future financial management. Additional capacity for the establishment of the procurement of all goods < R30 000 were obtained. The mSCOA project version 5.4 was early adopted and was implemented on 1 July 2016 and transactions were successfully done during 2016/17.

Version 6.1 was adopted on 1 July 2017 and the 2018/19 budget was done on version 6.2.



### 3.27.2 Total Employees

Employees: Finance				
Job Level	2018/19			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	1	1	0	0%
4 - 6	36	32	34	94%
7 - 9	33	32	1	3%
10 - 12	31	28	3	9%
13 - 15	14	2	12	85%
16 - 18	5	4	1	20%
19 - 20	3	3	0	0%
<b>Total</b>	<b>123</b>	<b>66</b>	<b>51</b>	<b>41%</b>

Employees and Posts numbers are as at 30 June

Employees: Finance

### 3.27.3 Capital Expenditure: Financial Services

Capital Expenditure 2018/19: Financial Services			
Capital Projects	Original Budget	Amended Budget	Actuals Total
1x Note Counter - Uniondale Office	30 000.00	30 000.00	25 864.29
Print and Display Calculators - Haarlem	2 000.00	7 000.00	6 436.44
Replace Air conditioner - Uniondale Office	10 000.00	9 500.00	9 240.58
Fan at The Cashiers	1 000.00	1 500.00	0.00
Furniture - New Appointments	15 000.00	15 000.00	10 220.84
Air conditioner At Counter - Finance	8 000.00	3 000.00	0.00
3x Office Chairs - Uniondale Office	6 000.00	6 000.00	4 814.97
Chairs - Salaries	20 000.00	46 100.00	46 054.75
Wood Cupboard - AFS	3 000.00	3 000.00	2 324.59
Desk Chair - AFS	3 000.00	3 000.00	0.00
4 Door Cabinet - AFS	4 000.00	4 000.00	3 610.86
5x Chairs - Budgets	20 000.00	13 500.00	13 455.81
Cabinets - Budgets	15 000.00	18 000.00	17 831.55
3x Cabinets - Credit Control	10 000.00	10 000.00	9 401.67
Wood Cupboard - Salaries	30 000.00	30 000.00	29 600.30
Print and Display Calculators - Expenditure Manage	9 000.00	5 000.00	3 102.77
1x Desk Printers - Credit Control	2 000.00	2 000.00	0.00
Led 24' Screen - Credit Control	3 000.00	3 000.00	0.00
Additional Office Space - Client Services	55 000.00	55 000.00	34 633.95
Carpet - Creditors	80 000.00	29 200.00	0.00
<b>TOTAL</b>	<b>326 000.00</b>	<b>293 800.00</b>	<b>216 593.37</b>

Capital Expenditure 2018/19: Financial Services

## 3.28 HUMAN RESOURCE SERVICES

### 3.28.1 Introduction to Human Resource Services

The Human Resources Section is responsible for ensuring that the organisation's most valuable asset (i.e. its employees), are taken care of.

Enhanced staff performance is fundamentally part of the Municipality's primary objectives. The Municipality continually strives to promote a culture of good governance and an environment where the needs of employees can be addressed in a manner that is conducive for persistent advancement of the interests of our local communities.

The Human Resources functions include, but are not limited to, administration of employee benefits, recruitment and selection of competent staff, organisational efficiency improvement, employment equity, training and development of staff, sound labour relations, occupational health and safety and general support services to enhance staff capacity in the process of realising organisational strategic objectives of service delivery to the community.

### 3.28.2 Highlights: Human Resources Services

The table below specifies the highlights for 2018/19 financial year:

Highlights	Description
Time and attendance System / Electronic Overtime System	The pilot project for the electronic time and attendance system was introduced. The devices were procured for the implementation of the electronic time and attendance system. The electronic capturing of overtime payments was also implemented successfully.
Wellness Day	Internal Exhibitions introduced during 2019
SARS Project	SARS visited the George Municipality to assist employees with the tax returns.
Labour Relations	Training and awareness sessions were held within Directorates. Reporting to Council on disputes, grievances and disciplinary cases, with analysing of labour relations matter. Disputes were resolved or settled through sound labour relations to minimise risk to Council.
Recruitment and Selection	Filling of vacant budgeted positions in line with the recruitment and selection policy. Introduced a recruitment and selection project where most of the vacant budgeted positions was filled within the project over a period of 2 months. This addressed the capacity challenges within Directorates.

Highlights: Human Resource Services

### 3.28.3 Challenges: Human Resource Services

Challenges	Action to address
OHS	Budget provision for an OHS compliance audit, and to implement the recommendations flowing from the audit.
Labour relations	Reluctance and buy inn from all role players to handle disciplinary matters for example to act as initiators/chairpersons. Budgetary constraints for training relevant to labour relations. The current status of relations between management and labour unions.
Recruitment and Selection	Internal Appointments are made, where after the previous positions become vacant. Terminations further lead to more vacant budgeted posts. Financial capacity of Council influences the vacancy rate. The buy in of all role players is required to fill all vacant budgeted positions within 2 months.
Integrated Human Resources System	Budget provision should be made for an integrated electronic human resources system for all human Resources functions, with seamless integration between Training, Labour Relations, Payroll, Organisational Structure, Leave, overtime and attendance.
Time and Attendance / Overtime system	Roll out of electronic time and attendance system as well as electronic overtime system to all directorates. Provision should be made on the budget.

Challenges: Human Resources Services

### 3.28.4 Total Employees: Human Resource Services

Employees: Human Resource Services				
Job Level	2018/19			
	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	%
0 - 3	1	1	0	0%
4 - 6	6	6	0	0%
7 - 9	0	0	0	0%
10 - 12	16	16	0	0%
13 - 15	4	4	0	0%
16 - 18	2	2	0	0%
19 - 20	0	0	0	0%
<b>Total</b>	<b>29</b>	<b>29</b>	<b>0</b>	<b>0%</b>

Employees and Posts numbers are as at 30 June

Employees: Human Resource Services

### 3.28.5 Capital Expenditure: Human Resource Services

Capital Expenditure 2018/2019: Human Resources			
Capital Projects	Original Budget	Amended Budget	Actuals Total
Gas Meter - Human Resources	7 500.00	12 000.00	11 571.28
Fire Pa System - Hr	210 000.00	0.00	0.00
Upgrade Human Resources Filing System	30 000.00	50 900.00	48 684.32
Camera - Human Resources	2 500.00	2 500.00	1 525.47
Furniture - Human Resources (New Appointments)	30 000.00	40 200.00	31 366.58
Printer - Fire Detection System (Human Resources)	12 000.00	12 000.00	0.00
Sound Proof Committee Room - Human Resources	10 000.00	12 300.00	0.00
<b>TOTAL</b>	<b>302 000.00</b>	<b>129 900.00</b>	<b>93 147.65</b>

## 3.29 LEGAL SERVICES

### 3.29.1 Introduction to Legal Services

During the applicable period the municipal court became fully operational.

### 3.29.2 Service Statistics: Legal Services

CASES	STATUS/OUTCOME/PROCESS
Oral Hearing: Magnolia Ridge Properties 77 (PTY) LTD (Magnolia)	<p>During June 2016, Magnolia submitted an application in terms of Section 15 of the George Municipal: Land Use Planning By-Law, for subdivision, consolidation, rezoning, departure and consent use, for Erven 25538 and 25541, Kraaibosch, George.</p> <p>Objections were received and considered by the authorised decision maker and a decision was taken on 3 March 2017, in terms whereof the application for subdivision, consolidation, rezoning, departure and consent use was refused. Magnolia appealed against the decision.</p> <p>The Appeal Authority dismissed the appeal against the refusal on the 23<sup>rd</sup> of August 2017.</p> <p>Magnolia lodged a revision application to set the decision of the Municipality aside and or the matter to be referred back to the Appeal Tribunal. By agreement between relevant parties, the decision was set aside in the High Court of South Africa (Western Cape Division, Cape Town), and referred back to the Appeal Authority for consideration. The agreement was made an Order of Court dated 18 June 2018.</p> <p>The oral hearing was held on 1 April 2019 at the offices of the George Municipality. At this hearing written and oral submissions were made. After the oral hearing, the Appeal Authority met with the independent technical advisors for their assistance and advice.</p> <p>The Appeal Authority dismissed the appeal in May 2019, where after the decision was delivered to the relevant parties.</p> <p>The costs exposure for the Municipality in respect of legal fees is approximately R503 398.55</p>

CASES	STATUS/OUTCOME/PROCESS
<p>Review Application: Magnolia Ridge Properties 77 (PTY)LDT (G70)</p>	<p>Magnolia lodged a further review application during March 2019 for the setting aside of a decision by the Appeal Authority of the George Municipality taken on 1 November 2018 against the refusal on 10 January 2018 by the Deputy Director Planning and Senior Manager Land Use Management, of Magnolia's request for rectification of a purported error on the Municipality's Zoning Scheme Map relating to Erf 25541, George.</p> <p>Magnolia requests an order that the entire extent of the Erf be zoned "Industrial Zone II", and that the zoning is without any restrictions as to the use of the property to sawmill purposes only. A cost order is also requested against the Municipality.</p> <p>The Municipality entered a notice of intention to oppose and filed opposing papers during June 2019</p> <p>The matter is currently pending and a date for arguing of Magnolia's application is awaited.</p> <p>In this matter the amount of R503 398.55 was the actual amount paid for Legal costs.</p> <p>Magnolia has now indicated that they intend to appeal authority's decision on review. They have 180 days from the date of the appeal decision to do so, of which there is approximately 90 days left. As the Municipality has received no communication from Magnolia in this regard, there is no contingent liability.</p>
<p>Arbitration: Reigate Development Projects.</p>	<p>The Claimant, Cape Estates Properties Outeniqua (Pty) Ltd (formerly Reigate Development Projects (Pty) Ltd), is the developer of a residential property development known as Welgelegen Estate, George, which property was situated with a "ringfenced" area, composite of other possible developable properties.</p> <p>Reigate has noted an appeal against the award in terms of clause 8 of the arbitration agreement which is set down for hearing on 18 October 2019.</p> <p>If the appeal is upheld the Municipality will be liable for payment of legal costs of the appellant, including the cost of the original arbitration.</p> <p>The cost can be as high as R2,5 million and provision should therefore be made for this amount in the event the appeal is upheld.</p>
<p>Mr Greyling</p>	<p>Mr Greyling issued summons against the municipality alleging that he had been injured whilst falling out of a Go George Bus with his wheelchair after the bus driver had not stopped at the bus stop in the correct position.</p> <p>The matter is now being handled by the Insurance and therefore has no financial implications for the Municipality.</p>

CASES	STATUS/OUTCOME/PROCESS
George Municipality vs. Southern Cape Brick	This is an application against Southern Cape Brick for illegal mining operations at Thembaletu. Southern Cape Brick is busy with closure proceedings with Municipality monitoring the process. The possible legal fees are approximately R120 000.00 This is not a contingent liability.
J Barnard vs. George Municipality	R650 000.00 was paid by the Insurer in full and final settlement. No further expenses for the Municipality.
Expropriation - Part 4 of Farm Sandkraal No. 197	During arbitration, Advocate Breytenbach decided that the Municipality should pay the amount for expropriation, as well as legal costs. Matter has been concluded.
Ms N Landu, on behalf of a minor, vs. George Municipality	This matter is dealt with by the George Municipality insurance and there is therefore no contingent liability.
ACME Tool Hire vs. George Municipality	This is a claim for the loss of equipment and amount to R528 437.88. Summons was issued. This case was handed over to Goussard Attorneys
Coastal Armature Winders and Supplies	Coastal Armature Winders & Supplies CC is applying to the High Court for an order setting aside the award of a tender to Delacom Solutions by the George Municipality. The Municipality is not opposing the application as it has discovered possible irregularities in the award process. Delacom solutions has indicated that they will oppose the application but has filed no formal opposing papers.  The matter has been set down on the Opposed Roll in Cape Town for the 25 <sup>th</sup> of September 2019. No amount has been claimed. It is estimated that the Municipality may have to spend an additional R80 000 on the matter to brief and instruct an advocate and appear in court on the 25 <sup>th</sup> of September 2019.  If the court awards a cost order against the Municipality, which is the only part of the order that the Municipality does oppose, it might amount to approximately R200 000.00 which is a high estimate. The future financial exposure might be as low as R60 000.00
Interlocutory application: Rainbow Place Properties 29 (Pty) Ltd	This matter will in all likelihood not proceed and therefore no contingent liability.

### 3.29.3 Capital Expenditure: Legal Services

Capital Expenditure 2018/2019: Legal Services			
Capital Projects	Original Budget	Amended Budget	Actuals Total
Furniture & Fittings - Legal Services	30 000.00	30 000.00	22 829.81
Laptops - Legal Services	25 000.00	25 000.00	20 073.85
Desktop - Admin Assistant Legal	12 500.00	12 500.00	10 151.82
<b>TOTAL</b>	<b>67 500.00</b>	<b>67 500.00</b>	<b>53 055.48</b>

Capital Expenditure 2018/19: Legal Services

## COMPONENT I: ORGANISATIONAL PERFORMANCE SCORECARD

This component includes: Annual Performance Scorecard Report for the 2019/20.

### 3.30 DEVELOPMENT AND SERVICE DELIVERY PRIORITIES FOR 2019/20

The main development and service delivery priorities for 2019/20 are captured in the Municipality's Top Layer SDBIP are shown in the table below:

#### 3.30.1 Affordable Quality Services

Ref	KPI Name	Description of Unit of Measurement	Pre-determined Objective	Area	Original Annual Target
TL6	Limit water network losses to less than 25% or less by 30 June 2020	% Water network losses by 30 June 2020	To provide world class water services in George to promote development and fulfil basic needs	1	25.00%
TL7	85% spent by 30 June 2020 of the amount budgeted for the construction of the raising of the Garden Route Dam spill way {(Actual expenditure divided by the total approved budget) x 100}	% of approved budget spend at 30 June 2020	To provide world class water services in George to promote development and fulfil basic needs	1	85.00%
TL8	Rehabilitate and upgrade Streets and Storm water in terms of the approved capital adjusted budget by 30 June 2020 {(Actual expenditure divided by the total approved budget) x 100}	% of budget spend at 30 June 2020	To endeavour to improve the reseal of roads such as an extent that potholes are prevented altogether	1	85.00%
TL9	Rehabilitate and upgrade the proclaimed roads in terms of the approved capital budget by 30 June 2020 {(Actual expenditure divided by the total approved budget) x 100}	% of budget spend at 30 June 2020	To endeavour to improve the reseal of roads such as an extent that potholes are prevented altogether	1	85.00%
TL10	Rehabilitate and upgrade the public transport infrastructure in terms of the approved adjusted capital budget by 30 June 2020 {(Actual expenditure divided by the total approved budget) x 100}	% of budget spend at 30 June 2020	To implement an Integrated Public Transport Network that will serve the communities of George	1	85.00%

Ref	KPI Name	Description of Unit of Measurement	Pre-determined Objective	Area	Original Annual Target
TL11	Rehabilitate and upgrade Water - Networks in terms of the approved capital budget by 30 June 2020 {(Actual expenditure divided by the total approved budget) x 100}	% of budget spend at 30 June 2020	To provide world class water services in George to promote development and fulfil basic needs	1	85.00%
TL12	Rehabilitate and upgrade Water-Purification in terms of the approved capital budget by 30 June 2020 {(Actual expenditure divided by the total approved budget) x 100}	% of budget spend at 30 June 2020	To provide world class water services in George to promote development and fulfil basic needs	1	85.00%
TL13	Rehabilitate and upgrade the Sewerage Networks in terms of the approved capital budget by 30 June 2020 {(Actual expenditure divided by the total approved budget) x 100}	% of budget spend at 30 June 2020	To provide and maintain safe and sustainable sanitation management and infrastructure	1	85.00%
TL14	Rehabilitate and upgrade the Sewerage Treatment Works in terms of the approved adjusted capital budget by 30 June 2020 {(Actual expenditure divided by the total approved budget) x 100}	% of budget spend at 30 June 2020	To provide and maintain safe and sustainable sanitation management and infrastructure	1	85.00%
TL15	90% compliance to general standards with regard to waste water outflow by 30 June 2020	% compliance to general standards by 30 June 2020	To provide and maintain safe and sustainable sanitation management and infrastructure	1	90.00%
TL16	95% water quality level obtained as per SANS 241 physical and micro parameters by 30 June 2020	% water quality level by 30 June 2020	To provide world class water services in George to promote development and fulfil basic needs	1	95.00%
TL17	Limit electricity losses to less than 10% by 30 June 2020 (Number of Electricity Units Purchased and/or Generated - Number of Electricity Units Sold) / Number of Electricity Units Purchased and/or Generated) x 100	% Electricity losses by 30 June 2020	To explore and implement measures to preserve resources and ensure sustainable development	1	10.00%
TL18	85% of the electricity capital budget spent by 30 June 2020 {(Actual capital expenditure divided by the total approved capital budget) x100}	% of the capital budget spent by 30 June 2020	To provide sufficient electricity for basic needs	1	85.00%



Ref	KPI Name	Description of Unit of Measurement	Pre-determined Objective	Area	Original Annual Target
TL21	Construct 58 top structures in Extension 42&58 Thembaletu by 30 June 2020	58 Top structures constructed by 30 June 2020	To accelerate delivery in addressing housing	1	58
TL22	Construct 120 top structures within the Thembaletu UISP project by 30 June 2020	120 Top structures constructed by 30 June 2020	To accelerate delivery in addressing housing	1	204
TL23	Construct 115 top structures Golden Valley Blanco by 30 June 2020	115 Top structures constructed by 30 June 2020	To accelerate delivery in addressing housing	2	115
TL24	Review the Human Settlements Master Plan and submit to the Portfolio Committee by 30 June 2020	Reviewed Human Settlements Master Plan submitted to the Portfolio Committee by 30 June 2020	To accelerate delivery in addressing housing	1	1
TL28	Upgrade the Pacaltsdorp, Blanco and Thembaletu libraries by 30 June 2020	Number of libraries upgraded by 30 June 2020	To revitalise the current community facilities to increase the access to services for the public	1	3
TL32	Number of formal residential properties that receive piped water (credit and prepaid water) that is connected to the municipal water infrastructure network and billed for the service as at 30 June 2020	Number of residential properties which are billed for water or have pre-paid meters as at 30 June 2020	To provide world class water services in George to promote development and fulfil basic needs	1	34 300
TL33	Number of formal residential properties connected to the municipal electrical infrastructure network (credit and prepaid electrical metering) (Excluding Eskom areas) and billed for the service as at 30 June 2020	Number of residential properties which are billed for electricity or have pre-paid meters (Excluding Eskom areas) as at 30 June 2020.	To provide sufficient electricity for basic needs	1	43 000

Ref	KPI Name	Description of Unit of Measurement	Pre-determined Objective	Area	Original Annual Target
TL34	Number of formal residential properties connected to the municipal waste water sanitation/sewerage network for sewerage service, irrespective of the number of water closets (toilets) and billed for the service as at 30 June 2020	Number of residential properties which are billed for sewerage as at 30 June 2020	To provide and maintain safe and sustainable sanitation management and infrastructure	1	36 000
TL35	Number of formal residential properties for which refuse is removed once per week and billed for the service as at 30 June 2020	Number of residential properties which are billed for refuse removal as at 30 June 2020	To provide integrated waste management services for the entire municipal area	1	36 000
TL36	Provide free basic water to indigent households	Number of indigent households receiving free basic water as at 30 June 2020	To provide world class water services in George to promote development and fulfil basic needs	1	13 145
TL37	Provide free basic electricity to indigent households	Number of indigent households receiving free basic electricity as at 30 June 2020	To provide sufficient electricity for basic needs	1	19 399
TL38	Provide free basic sanitation to indigent households	Number of indigent households receiving free basic sanitation as at 30 June 2020	To provide and maintain safe and sustainable sanitation management and infrastructure	1	16 000
TL39	Provide free basic refuse removal to indigent households	Number of indigent households receiving free basic refuse removal as at 30 June 2020	To provide an effective and efficient law-enforcement and emergency services to all the communities of George in our quest to protect and promote the fundamental rights of life	1	16 000
TL43	The percentage of the municipal capital budget actually spent on capital projects by 30 June 2020 $\{(Actual\ amount\ spent\ on\ projects/Total\ amount\ budgeted\ for\ capital\ projects)\ X100\}$	% of capital budget spent by 30 June 2020	To manage the municipal finances according to the Municipal Management Act in an effective and efficient manner	1	85.00%

Service Delivery Priorities for 2019/20: Affordable Quality Services

### 3.30.2 Develop and Grow George

Ref	KPI Name	Description of Unit of Measurement	Pre-determined Objective	Area	Original Annual Target
TL25	Create Full Time Equivalent (FTE's) through government expenditure with EPWP by 30 June 2020	Number of FTE's created by 30 June 2020	To maximise job creation opportunities through government expenditure	1	222

Service Delivery Priorities for 2019/20: Develop and Grow George

### 3.30.3 Good Governance and Human Capital

Ref	KPI Name	Description of Unit of Measurement	Pre-determined Objective	Area	Original Annual Target
TL1	The number of people from employment equity target groups employed (newly appointed) in the three highest levels of management in compliance with the municipality's approved Employment Equity Plan by 30 June 2020	Number of people employed (newly appointed)	To realign the organisational structure to be more responsive to community needs, more service and efficiency orientated and to fulfil goals identified in the 5-year plan	1	1
TL2	Review the 3-year Internal Audit Plan based on the risk assessment and submit to Audit Committee by 30 September 2020	RBAP (Risk Based Audit Plan) submitted to Audit Committee by 30 September 2020	To evaluate the effectiveness of risk management, control and governance processes and develop actions to address key risks identified	1	0
TL3	Execution of Internal Plan and issuing of Internal Audit Reports based on Internal Audit Plan by 30 June 2020 ((Actual hours completed/ Planned hours to be completed) x100)	% of target hours completed by 30 June 2020 ((Actual hours completed/ Planned hours to be completed) x100)	To conduct a full audit of operations, processes, duties and service delivery standards of departments to address risk areas and promote effectiveness	1	100.00%
TL4	The percentage of a municipality's personnel budget actually spent on implementing its workplace skills plan by 30 June 2020 {(Actual total training expenditure divided by	% of municipality's personnel budget actually spent on implementing its workplace skills plan as at 30 June 2020	To undertake regular human resource audits to determine skills gaps, staff diversity and develop skills programmes	1	0.50%

Ref	KPI Name	Description of Unit of Measurement	Pre-determined Objective	Area	Original Annual Target
	total personnel budget) x100}				
TL5	Submit the Workplace Skills Plan to the LGSETA by 30 April 2020	Workplace Skills Plan submitted to the LGSETA by 30 April 2020	To undertake regular human resource audits to determine skills gaps, staff diversity and develop skills programmes	1	1
TL40	Financial viability measured in terms of the municipality's ability to meet its service debt obligations as at 30 June 2020 (Short Term Borrowing + Bank Overdraft + Short Term Lease + Long Term Borrowing + Long Term Lease) / Total Operating Rev	% Debt to Revenue as at 30 June 2020	To develop mechanisms to ensure viable financial management and control	1	45.00%
TL41	Financial viability measured in terms of the outstanding service debtors as at 30 June 2020 (Total outstanding service debtors/ revenue received for services)	% Service debtors to revenue as at 30 June 2020	To maintain effective credit control in the Municipality and enhance and maximise revenue base through improved collection rate	1	15.60%
TL42	Financial viability measured in terms of the available cash to cover fixed operating expenditure as at 30 June 2020 ((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excl(Depreciation, Amortisation, and Provision for Bad Debts, Impairment and Loss on Disposal of Assets)	Cost coverage as at 30 June 2020	To manage the municipal finances according to the Municipal Management Act in an effective and efficient manner	1	2
TL44	Achieve a payment percentage of 95% by 30 June 2020 {(Gross Debtors Closing Balance + Billed Revenue - Gross Debtors Opening Balance + Bad Debts Written Off)/Billed	Payment % as at 30 June 2020	To manage the municipal finances according to the Municipal Management Act in an effective and efficient manner	1	95.00%

Ref	KPI Name	Description of Unit of Measurement	Pre-determined Objective	Area	Original Annual
	Revenue x 100}				
TL45	Review the Long Term Financial Plan and submit to Council by 31 March 2020	Reviewed Long Term Financial Plan submitted to Council by 31 March 2020	To develop mechanisms to ensure viable financial management and control	1	0

Service Delivery Priorities for 2019/20: Good Governance and Human Capital

### 3.30.4 Participative Partnerships

Ref	KPI Name	Description of Unit of Measurement	Pre-determined Objective	Area	Original Annual Target
TL29	Submit the IDP/budget time schedule to Council by 31 August 2019	Time schedule submitted to Council	To undertake strategic planning in order to address service delivery challenges in coordinated manner	1	0
TL30	Submit the draft IDP to Council by 31 March 2020 to ensure compliance with legislation	Draft IDP submitted to Council	To undertake strategic planning in order to address service delivery challenges in coordinated manner	1	0
TL31	Submit the IDP to Council by 31 May 2020 to ensure compliance with legislation	IDP submitted to Council	To undertake strategic planning in order to address service delivery challenges in coordinated manner	1	1

Service Delivery Priorities for 2019/20: Participation Partnerships

### 3.30.5 Safe, Clean and Green

Ref	KPI Name	Description of Unit of Measurement	Pre-determined Objective	Area	Original Annual Target
TL19	Review the Disaster Management Plan and submit to the Portfolio Committee by 30 June 2020	Disaster Management Plan reviewed and submitted to the Portfolio Committee by 30 June 2020	To provide an effective and efficient law-enforcement and emergency services to all the communities of George in our quest to protect and promote the fundamental rights of life	1	1

Ref	KPI Name	Description of Unit of Measurement	Pre-determined Objective	Area	Original Annual
TL20	Report bi-annually to the George Integrated Public Transport Network (GIPTN) Committee on the implementation of the Roll-Out Programme of Phase 4A & B of the GIPTN	Number of reports submitted to the GIPTN Committee	To implement an Integrated Public Transport Network that will serve the communities of George	1	1
TL26	Spend 85% of the approved project budget for the rehabilitation of the George landfill site by 30 June 2020	% of budget spend	To provide integrated waste management services for the entire municipal area	24	85.00%
TL27	Appoint consulting engineer and call for tenders for the composting plant in George by 30 June 2020	Consulting Engineer appointed by 30 June 2020	To ensure infrastructure planning and development keeps pace with growing city needs by aligning all strategic documents and efforts	24	1

Service Delivery Priorities for 2019/20: Safe, Clean and Green

## CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE (PERFORMANCE REPORT PART II)

### NATIONAL KEY PERFORMANCE INDICATORS: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT

The table below indicates the key performance indicators linked to the National Key Performance Area: Municipal Transformation and Organisational Development.

Indicator	2017/18	2018/19
The number of people from employment equity target groups employed (newly appointed) in the three highest levels of management in compliance with the municipality's approved Employment Equity Plan by 30 June 2018	1	2
The percentage of a municipality's budget actually spent on implementing its workplace skills plan	0.51%	0.37%

## COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

### 4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

The George Municipality currently employs **1 370 officials**, who individually and collectively contribute towards the achievement of the Municipality's objectives. The primary objective of Human Resource Management is to render an innovative HR service that addresses both skills development and an administrative function.

#### 4.1.1 Employment Equity Targets and Actuals

Section 15 (1) of the Employment Equity Act (1998) states that affirmative action measures are measures designed to ensure that suitable qualified people from designated groups have equal employment opportunities and are equitably represented in all occupational categories and levels in the workforce of a designated employer.

Black			Coloured			Indian			White		
Target June	Actual June	% of Target reach	Target June	Actual June	% of Target reach	Target June	Actual June	% of Target reach	Target June	Actual June	% of Target reach
936	377	40%	1326	737	55%	54	5	9%	441	128	29%

2018/19 EE targets/Actual by Racial Classification

Male			Female		
Target June	Actual June	% of Target reach	Target June	Actual June	% of Target reach
1351	761	56%	1406	486	35%

2017/18 EE targets/Actual by Gender Classification

#### 4.1.2 Employment Equity Targets and Actuals

Below is a table that indicates the number of employees by race within the specific occupational categories:

Occupational Categories	Posts filled								Total
	Male				Female				
	A	C	I	W	A	C	I	W	
Legislators, senior officials and managers	9	39	0	23	13	19	0	10	<b>113</b>
Professionals	3	8	0	5	8	10	0	10	<b>44</b>
Technicians and associate professionals	14	32	1	8	14	26	0	8	<b>103</b>
Clerks	8	27	0	5	40	114	0	19	<b>213</b>
Service and sales workers	37	61	0	14	28	61	1	17	<b>219</b>
Craft and related trade workers	23	23	0	10	8	9	1	0	<b>74</b>
Plant and machine operators and assemblers	45	67	0	7	15	17	0	2	<b>158</b>
Elementary occupations	104	154	1	11	39	72	0	0	<b>376</b>
<b>Total</b>	<b>243</b>	<b>411</b>	<b>2</b>	<b>83</b>	<b>165</b>	<b>328</b>	<b>2</b>	<b>66</b>	<b>1300</b>

\*Councillors included

Occupational Categories

#### 4.1.3 Occupational Levels: Race

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

Occupational Levels	Male				Female				Total
	A	C	I	W	A	C	I	W	
Top Management	1	5	0	1	0	0	0	0	7
Senior management	0	1	0	3	0	0	0	2	6
Professionally qualified and experienced specialists and mid-management	2	26	0	16	1	11	0	10	66
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	51	112	1	30	29	81	1	34	339
Semi-skilled and discretionary decision	161	240	2	19	74	161	1	13	671



Occupational Levels	Male				Female				Total
	A	C	I	W	A	C	I	W	
making									
Unskilled and defined decision making	28	62	0	0	30	38	0	0	158
<b>Total permanent</b>	<b>243</b>	<b>446</b>	<b>3</b>	<b>69</b>	<b>134</b>	<b>291</b>	<b>2</b>	<b>59</b>	<b>1247</b>
Non- permanent employees	12	54	0	6	18	30	0	3	123
<b>Grand total</b>	<b>255</b>	<b>500</b>	<b>3</b>	<b>75</b>	<b>152</b>	<b>321</b>	<b>2</b>	<b>62</b>	<b>1370</b>

Occupational Levels – Race

#### 4.1.4 Departments: Race

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

Department	Male				Female				Total
	A	C	I	W	A	C	I	W	
Office of the Municipal Manager	3	3	0	3	0	12	0	5	26
Financial Services	9	36	0	10	15	42	0	23	135
Human Settlements	12	18	0	1	2	13	0	1	47
Planning and Development	2	14	0	5	7	14	0	7	49
Corporate Services	17	28	0	1	27	50	0	3	126
Community Services	64	80	1	8	26	48	0	2	229
Electro Technical Services	27	47	1	21	16	14	1	4	131
Civil Engineering Services	90	151	1	10	18	46	0	3	319
Protection Services	21	60	0	11	24	57	1	11	185
<b>Total permanent</b>	<b>245</b>	<b>437</b>	<b>3</b>	<b>70</b>	<b>135</b>	<b>296</b>	<b>2</b>	<b>59</b>	<b>1247</b>
Non- permanent	12	54	0	6	18	30	0	3	123
<b>Grand total</b>	<b>257</b>	<b>491</b>	<b>3</b>	<b>76</b>	<b>153</b>	<b>326</b>	<b>2</b>	<b>62</b>	<b>1370</b>

Department: Race

#### 4.1.5 Vacancy Rate

The approved organogram for the Municipality had 2 757 posts for the 2018/19 financial year. The actual positions filled are indicated in the tables below by post level and by functional level. 1 510 Posts were vacant at the end of 2018/19, resulting in a vacancy rate of 55%.

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

PER POST LEVEL		
Post level	Filled	Vacant
Top Management	7	2
Senior Management	6	1
Middle management	66	68
Skilled	339	366
Semi-Skilled	671	820
Unskilled	158	253
<b>Total</b>	<b>1247</b>	<b>1510</b>
PER FUNCTIONAL LEVEL		

PER POST LEVEL		
Post level	Filled	Vacant
Functional area	Filled	Vacant
Office of the Municipal Manager	26	53
Financial Services	135	63
Corporate Services	126	48
Human Settlements	47	140
Planning and Development	49	77
Community Services	229	354
Electro Technical Services	131	150
Civil Engineering Services	319	330
Protection Services	185	295
<b>Total</b>	<b>1247</b>	<b>1510</b>

Vacancy Rate

#### 4.1.6 Turn-over Rate

A high turnover may be costly to a municipality and might negatively affect productivity, service delivery and institutional memory/organisational knowledge. Below is a table that reflects the turnover rate within the Municipality.

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

Financial year	Total no. of appointments at the end of each Financial Year	New appointments	No. of Terminations during the year	Turn-over Rate
2017/18	1253	282	50	4.47%
2018/19	1247	124	62	4.97%

Turnover Rate

## COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

### 4.2 MANAGING THE MUNICIPAL WORKFORCE

Managing the municipal workforce refers to analysing and coordinating employee behaviour.

#### 4.2.1 Human Resources Policies and Plans

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

Approved policies	
Name of policy	Date approved/ revised
Acting Policy, Latest provisions of Conditions of Service incorporated into new draft and sent to management for further instruction (June 2017)	29 November 2017
Overtime Policy (Last changes made Feb 2017 but during workshop held on 23	28 November 2012

Approved policies	
Name of policy	Date approved/ revised
April 2018 more changes requested.)	
Placement Policy	28 November 2012
Succession and Career Path Policy	28 November 2012
Training and Development Policy	27 September 2017
Scarce Skills and Staff Retention Policy (Latest amendments sent for comments on 18 April 2016)	March 2008
Organisational Performance Management Framework	12 February 2018
Experiential Training Policy	28 November 2012
Personal Protective Equipment Policy	28 November 12
Recruitment and Selection Policy (Latest changes to be added by R&S section for workshop with Council)	2014
Bursary policy (Income threshold increased)	31 January 18
Private Work Policy	19 June 2013
Smoking Policy	19 September 2007
Disability and Gender Policy	23 September 2008
HIV/ AIDS Policy (Last drafted October 2016)	2008
EAP Policy (Last drafted September 2015)	2008
Fleet Management Policy (Policy currently resorts under Electro- Technical Services but last amended by HR in 2012)	2 November 2012
Occupational Health and Safety Policy (Last draft was sent to OHS section for further inputs in December 2016)	05 July 2007
Travel and Subsistence Policy (Last approved policy drafted by Department Finances)	Policy resorts under Finances
Relocation Policy (New policy: Drafted 14 February 2017)	Not submitted for approval
Bouquet Policy (New policy: Drafted March 2016)	Changes to be made to policy suggested to author
Leave Policy (New policy: in process)	
Policy on the payment of professional licenses (Draft finalized on 14 July 2017: sent to management for input)	Item requested by Council on the financial implication of approval of policy: item submitted 29 May 2018 to serve on HR Committee
TASK Job Evaluation Policy	29 November 2017

HR Policies and Plans

The Human Resources Department submits policies to the Local Labour Forum on a regular basis for review purposes.

#### 4.2.2 Injuries

An occupational injury is a personal injury, disease or death resulting from an occupational accident. Compensation claims for such occupational injuries are calculated according to

the seriousness of the injury/disease and can be costly to a municipality. Occupational injury will influence the loss of man hours and therefore financial and productivity performance.

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

Directorates	2017/18	2018/19
Office of the Municipal Manager	7	4
Financial Services	4	7
Corporate Services	21	11
Human Settlements	12	1
Planning & Development	1	0
Community Services	82	82
Protection Services	26	37
Electro Technical Services	19	14
Civil Engineering Services	55	77
<b>Total</b>	<b>227</b>	<b>233</b>

Injuries

### 4.2.3 Sick Leave

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

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

Department	2017/18	2018/19
Office of the Municipal Manager	407	264
Financial Services	1 227	1 723
Corporate Services	1 435	1 570
Human Settlements	123	250
Department	2017/18	2018/19
Planning and Development	178	596
Community Services	2 173	1 682
Protection Services	607	2 170
Electro Technical Services	986	1 429
Civil Engineering Services	2 638	2 708
<b>Total</b>	<b>9774</b>	<b>12679</b>

Sick Leave

## COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

### 4.3 CAPACITATING THE MUNICIPAL WORKFORCE

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

#### 4.3.1 Skills Matrix

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

Management level	Gender	Number of employees identified for training at start of the year	Number of Employees that received training
Legislators	Female		
	Male		
MM and Directors	Female		
	Male	3	2
Professionals	Female	12	13
	Male	6	20
Technicians	Female	6	9
	Male	14	19
Community and Personal Service workers	Female	13	11
	Male	28	28
Clerical and Administrative Workers	Female	18	33
	Male	7	16
Machine operators and drivers	Female	6	6
	Male	22	40
Labourers	Female	28	11
	Male	49	59
Sub total	Female	83	83
	Male	129	184
Total		212	267

Skills Matrix

#### 4.3.2 Skills Development and Training

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

Occupational categories	Gender	Number of employees as at the beginning of the financial year	Training provided within the reporting period						
			Learnerships		Skills programmes & other short courses		Total		
			Actual	Target	Actual	Target	Actual	Target	% achieved
Legislators	Female	20	0	0	0	0	0	0	0%
	Male	33	0	0	0	0	0	0	0%
MM and S57	Female	-	-	-	-	-	-	-	0%
	Male	8	0	0	2	3	2	3	67%
Professionals	Female	50	10	10	3	2	13	12	108%
	Male	54	9	3	11	3	20	6	333%
Technicians	Female	48	6	6	3	0	9	6	19%
	Male	55	8	6	11	8	19	14	136%
Community and Service workers	Female	67	5	9	6	4	11	13	85%
	Male	87	13	14	15	14	28	28	100%
Clerical and Administrative Workers	Female	173	21	9	12	9	33	18	183%
	Male	40	10	3	6	4	16	7	229%
Machine operators and drivers	Female	32	4	4	2	2	6	6	100%
	Male	128	12	12	28	10	40	22	182%
Labourers	Female	91	9	12	2	16	11	28	39%
	Male	245	24	22	35	27	59	49	120%
Sub total	Female	481	55	50	28	33	83	83	100%
	Male	650	76	60	108	69	184	129	143%
Total		1131	131	110	136	102	267	212	126%

Skills Development

#### 4.4.1 Skills Development: Budget Allocation

The table below provides that a total amount of **R2 077 830** was allocated to the Workplace Skills Plan and 41.10 % of the total amount was spent in the 2018/19 financial year:

Year	Total personnel budget (R)	Total Allocated (R)	Total Spend (R)	% Spent
2017/18	480 286 217	2 218 680	2 055 502	92.65%
2018/19	560 009 160	2 077 830	1 272 229	41.10%

#### 4.4.2 Municipal Finance Management Act (MFMA) Competencies

In terms of Section 83 (1) of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003), the Accounting Officer, Senior Managers, the Chief Financial Officer, non-financial managers and other financial officials of a municipality must meet the prescribed financial management competency levels that are key for the successful implementation of the Municipal Finance Management Act. National Treasury has prescribed such financial management competencies in Government Notice 493 dated 15 June 2007.

To assist the above-mentioned officials to acquire the prescribed financial competencies, National Treasury, with the collaboration of various stakeholders and role-players in the local government sphere, developed an outcomes-based NQF Level 6 qualification in Municipal Finance Management. In terms of the Government Notice 493 of 15 June 2007, "(1) No municipality or municipal entity may, with effect 1 January 2013 (exempted until 30 September 2015 as per Government Notice 179 of 14 March 2014 and again as per Government Gazette 40593 of 3 February 2017), employ a person as a financial official if that person does not meet the competency levels prescribed for the relevant position in terms of these Regulations".

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

Description	Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	Competency assessments completed (Regulation 14(4)(b) and (d))	Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))
<b>Financial Officials</b>				
Accounting Officer	1		1	1
Chief Financial Officer	1		1	1
Senior Managers	6		3	6
Any other financial officials	30		27	30
<b>Supply Chain Management Officials</b>				
Heads of supply chain management units	1		1	1
Supply chain management senior managers	4		3	4
<b>Sub Total</b>	<b>43</b>		<b>31</b>	<b>43</b>
<b>Other officials for the purpose of acting and succession planning</b>				
Other Officials	6			6
<b>Total</b>	<b>49</b>			<b>49</b>

Financial Competency Development: Progress Report

## COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

### 4.5 EMPLOYEE EXPENDITURE

Section 66 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) states that the Accounting Officer of a Municipality must report to the Council on all expenditure incurred by the Municipality on staff salaries, wages, allowances and benefits. This is in line with the requirements of the Public Service Regulations, (2002), as well as National Treasury Budget and Reporting Regulations SA22 and SA23.

#### 4.5.1 Municipal Finance Management Act (MFMA) Competencies

The percentage personnel expenditure is essential in the budgeting process, as it reflects on current and future efficiency. The table below indicates the percentage of the municipal budget that was spent on salaries and allowances for the two financial years, confirming the Municipality is well within the National norm of between 35 to 40%:

Financial year	Total Expenditure salary and allowances	Total Operating Expenditure	Percentage
	R'000		%
2017/18	468 427 935	1 500 659 064	31.21%
2018/19	518 622 973	1 660 168 563	31.24%



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

Financial year	2017/18		2018/19	
Description	Actual	Original Budget	Adjusted Budget	Actual
<u>Councillors (Political Office Bearers Plus Other)</u>				
All-inclusive package	18 800 756	18 649 070	21 549 070	22 017 242.00
Sub Total	18 800 756	18 649 070	21 549 070	22 017 242.00
% Yearly increase/ (decrease)	-			0.17
<u>Senior Managers of the Municipality</u>				
Basic Salaries	8 598 190	8 598 190	8 624 090	8 196 700
Pension Contributions	580 513	0	0	634 889
Medical Aid Contributions	81 608	0	0	148 353
Motor vehicle allowance	296 221	120 000	228 000	324 000
Cell phone allowance	56 400	57 600	68 400	91 650
Housing allowance	0	0	0	0
Performance Bonus	173 169	0	0	0
Other benefits or allowances	474 498	340 350	923 350	717 535
In-kind benefits				
Sub Total - Senior Managers of Municipality	10 260 599	9 116 140	9 843 840	10 113 127.00
% yearly increase/ (decrease)				-1.44%
<u>Other Municipal Staff</u>				
Basic Salaries and Wages	308 852 351	326 455 057	300 032 240	308 852 351
Pension Contributions	40 953 618	49 600 980	49 402 590	46 360 148
Medical Aid Contributions	18 385 374	24 391 680	30 891 680	20 321 911
Motor vehicle allowance	14 788 935	15 549 760	14 573 340	14 870 307
Cell phone allowance	993 634	1 017 530	1 047 930	1 105 061
Housing allowance	1 934 438	4 033 440	4 023 880	2 124 680
Overtime	36 523 289	35 312 630	40 749 099	41 737 218
Other benefits or allowances	38 303 745	73 373 330	109 444 535	73 138 169
Sub Total - Other Municipal Staff	460 735 383	529 734 407	550 165 294	508 509 846.00
% Yearly increase/ (decrease)				10.37%
Total Municipality	70 995 982	538 850 547	560 009 134	518 622 973.00
% increase/ (decrease)				10.11%

# CHAPTER 5 – FINANCIAL PERFORMANCE

## COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

### 5.1 FINANCIAL SUMMARY

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

#### 5.1.1 Financial Performance

The table below highlights the summary of the financial performance for the 2018/19 financial year:

Description R thousand	2017/18	2018/19		Variance between Actual and Final Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget
	Actual (Audited Outcome)	Original Budget	Final Budget			
<b>Financial Performance</b>						
<b>Revenue By Source</b>						
Property rates	235 053 761	254 955 490	260 105 030	270 172 863	10 067 833	104%
Service charges - electricity revenue	603 331 974	647 627 780	642 100 558	623 449 586	-18 650 972	97%
Service charges - water revenue	117 656 763	134 198 740	130 898 740	129 255 985	-1 642 755	99%
Service charges - sanitation revenue	87 951 733	89 394 990	89 394 990	98 989 249	9 594 259	111%
Service charges - refuse revenue	69 777 667	77 804 720	77 804 720	81 726 654	3 921 934	105%
Service charges - other	0	0	0	0	0	0%
Rental of facilities and equipment	3 271 235	5 595 990	5 895 990	3 130 158	-2 765 832	53%
Interest earned - external investments	50 165 612	38 610 375	44 066 876	46 245 723	2 178 847	105%
Interest earned - outstanding debtors	4 676 862	5 805 290	5 805 290	4 079 781	-1 725 509	70%
Dividends received	0	0	0	0	0	0%
Fines, penalties and forfeits	81 503 237	72 568 530	72 568 530	94 581 387	22 012 857	130%
Licences and permits	2 741 849	3 345 190	3 345 190	2 322 083	-1 023 107	69%
Agency services	11 257 883	8 426 760	8 426 760	11 140 288	2 713 528	132%

Description R thousand	2017/18	2018/19					
	Actual (Audited Outcome)	Original Budget	Final Budget	Pre-Audited Outcome	Variance between Actual and Final Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget
<b>Financial Performance</b>							
<b>Revenue By Source</b>							
Transfers and subsidies - operational	402 554 545	473 230 342	485 000 155	452 162 990	-32 837 165	93%	96%
Other revenue	89 872 010	107 010 646	97 775 518	92 963 689	-4 811 829	95%	87%
Gains on disposal of PPE	0	0	0	0	0	0%	0%
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>1 759 815 132</b>	<b>1 918 574 843</b>	<b>1 923 188 347</b>	<b>1 910 220 435</b>	<b>-12 967 912</b>	<b>99%</b>	<b>100%</b>
<b>Expenditure By Type</b>							
Employee related costs	468 427 937	538 850 547	560 009 134	518 622 973	-41 386 161	93%	96%
Remuneration of councillors	21 519 464	18 649 070	21 549 070	22 017 242	468 172	102%	118%
Debt impairment	111 775 999	67 986 870	67 986 870	97 354 416	29 367 546	143%	143%
Depreciation & asset impairment	165 172 834	162 428 729	162 428 729	142 899 550	-19 529 179	88%	88%
Finance charges	44 140 410	32 340 016	32 340 016	42 264 372	9 924 356	131%	131%
Bulk purchases	397 810 247	439 392 470	431 665 958	428 852 192	-2 813 766	99%	98%
Other materials	38 834 978	39 076 420	39 495 685	57 574 310	18 078 625	146%	147%
Contracted services	448 955 634	543 703 678	483 415 877	430 073 297	-53 342 580	89%	79%
Transfers and grants	73 355	212 000	67 729 369	65 525 472	-2 203 897	97%	0%
Other expenditure	88 463 375	112 919 568	95 920 485	119 270 252	23 349 767	124%	106%
Loss on disposal of PPE	2 762 626	636 000	636 000	709 406	73 406	112%	112%
<b>Total Expenditure</b>	<b>1 787 936 859</b>	<b>1 956 195 368</b>	<b>1 963 177 193</b>	<b>1 925 163 483</b>	<b>-38 013 710</b>	<b>98%</b>	<b>98%</b>
<b>Surplus/(Deficit)</b>	<b>-28 121 727</b>	<b>-37 620 525</b>	<b>-39 988 846</b>	<b>-14 943 047</b>	<b>25 045 799</b>		
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	202 852 847	175 957 898	136 179 883	122 222 830	-13 957 053	90%	69%
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises,	0	0	0	0	0	-	-

R thousand	Actual (Audited Outcome)	Original Budget	Final Budget	Pre-Audited Outcome	Variance between Actual and Final Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget
<b>Financial Performance</b>							
Public Corporations, Higher Educational Institutions)							
Transfers and subsidies - capital (in-kind - all)	0	0	0	0	0	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>174 731 120</b>	<b>138 337 373</b>	<b>96 191 037</b>	<b>107 279 783</b>	<b>11 088 746</b>	<b>112%</b>	<b>78%</b>
<b>Capital expenditure &amp; funds sources</b>							
<b>Capital expenditure</b>							
Transfers recognised - capital	187 108 883	186 705 211	136 066 211	113 832 965	-22 233 246	84%	61%
Public contributions & donations	0	0	0	0	0	-	-
Borrowing	17 998 849	81 544 397	25 008 003	18 776 017	-6 231 986	75%	23%
Internally generated funds	48 588 906	160 861 057	172 929 988	110 626 967	-62 303 021	64%	69%
<b>Total sources of capital funds</b>	<b>253 696 639</b>	<b>429 110 665</b>	<b>334 004 202</b>	<b>243 235 949</b>	<b>-81 553 912</b>	<b>73%</b>	<b>57%</b>
<b>Financial Position</b>							
Total current assets	903 807 882	980 716 762	972 887 216	875 806 066	0	-	-
Total non-current assets	3 024 937 400	3 241 210 959	3 196 419 596	3 130 835 856	0	-	-
Total current liabilities	437 447 654	353 143 938	560 367 817	391 514 718	0	-	-
Total non-current liabilities	532 329 392	687 262 062	585 149 265	533 010 469	0	-	-
<b>Community wealth/Equity</b>	<b>2 958 968 235</b>	<b>3 181 521 721</b>	<b>3 023 789 729</b>	<b>3 082 116 735</b>	<b>0</b>		
<b>Cash Flows</b>							
Cash/cash equivalents at the beginning of the year	505 440 767	519 027 607	617 784 461	617 784 461			
Net cash from (used) operating	402 561 136	384 577 703	386 842 650	232 705 776	-154 136 874	60%	61%
Net cash from (used) investing	-265 636 474	-386 332 810	-334 039 657	-242 917 164	91 122 493	73%	63%
Net cash from (used) financing	-24 580 968	33 746 726	-10 208 179	-44 969 337	-34 761 158	441%	-133%
<b>Cash/cash equivalents at the year end</b>	<b>617 784 461</b>	<b>551 019 225</b>	<b>660 379 274</b>	<b>562 603 736</b>	<b>-97 775 539</b>	<b>-</b>	<b>-</b>

Financial Performance 2018/19

## 5.1.2 Revenue Collection by Vote

The table below indicates the Revenue collection performance by vote:

Description	2017/18	2018/19					
	Actual (Audited Outcome)	Original Budget	Final Budget	Actual Outcome	Variance between Actual and Final Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget
<b>REVENUE COLLECTION BY VOTE</b>							
Executive and council	185 448	530 510	170 510	22 913	(148)	13%	-28%
Finance and administration	312 740 405	329 573 266	343 535 999	352 044 056	8 508	102%	3%
Community and social services	15 386 093	17 612 670	18 350 670	16 959 384	(1 391)	92%	-8%
Sport and recreation	-3 083 665	13 246 657	13 958 657	5 131 946	(8 827)	37%	-67%
Public safety	1 723 324	71 770 830	71 112 359	93 442 770	22 330	131%	31%
Housing	41 369 009	72 106 940	83 717 967	75 118 419	(8 600)	90%	-12%
Health	60 645	76 630	76 630	92 220	16	120%	20%
Planning and development	9 558 668	9 385 134	11 140 512	11 662 961	522	105%	6%
Road transport	456 934 014	355 160 432	351 854 576	332 416 133	(19 438)	94%	-5%
Environmental protection	818	1 560	1 560	1 023	(1)	66%	-34%
Energy sources	645 577 158	693 780 360	694 056 685	670 325 839	(23 731)	97%	-3%
Water management	172 946 076	169 366 003	162 661 823	184 272 965	21 611	113%	13%
Waste water management	203 315 158	244 938 109	192 046 642	171 496 405	(20 550)	89%	-8%
Waste management	105 354 444	116 262 630	116 294 630	118 981 285	2 687	102%	2%
Other	600 354	721 010	389 010	35 759	(353)	9%	-49%
<b>Total Revenue - Functional</b>	<b>1 962 667 950</b>	<b>2 094 532 741</b>	<b>2 059 368 230</b>	<b>2 032 443 266</b>	<b>(26 925)</b>	<b>99%</b>	<b>-1%</b>

### 5.1.3 Functional Services Performance

The table below indicates the Functional services performance for the 2018/19 financial year:

Description	2017/18	2018/19					
	Actual (Audited Outcome)	Original Budget	Final adjustments budget	Actual Outcome	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget
<b>Expenditure - Functional</b>							
Executive and council	58 092 930	62 188 742	71 010 642	65 198 238	(5 812)	92%	-9%
Finance and administration	224 228 871	235 127 996	238 273 720	241 666 609	3 393	101%	1%
Internal audit	8 273 704	11 881 430	13 546 630	11 542 453	(2 004)	85%	-17%
Community and social services	47 255 841	48 619 391	49 712 391	50 590 744	878	102%	2%
Sport and recreation	25 341 533	29 398 329	29 787 540	30 686 823	899	103%	3%
Public safety	20 015 761	102 374 745	103 696 575	138 803 491	35 107	134%	34%
Housing	67 903 886	107 804 636	120 166 093	101 956 328	(18 210)	85%	-17%
Health	3 137 522	3 747 820	3 747 820	2 742 696	(1 005)	73%	-27%
Planning and development	21 547 739	29 268 485	30 781 663	26 988 809	(3 793)	88%	-13%
Road transport	403 820 550	345 840 957	331 112 744	302 127 392	(28 985)	91%	-8%
Environmental protection	1 762 316	2 406 971	2 493 171	1 593 498	(900)	64%	-37%
Energy sources	505 423 058	566 532 797	558 834 285	541 742 166	(17 092)	97%	-3%
Water management	120 100 841	116 299 832	118 311 832	112 683 786	(5 628)	95%	-5%
Waste water management	182 160 942	192 665 691	196 258 430	169 275 282	(26 983)	86%	-14%
Waste management	89 165 187	89 269 588	82 034 429	113 831 395	31 797	139%	36%
Other	9 706 177	12 767 958	13 409 228	13 733 774	325	102%	3%
<b>Total Expenditure - Functional</b>	<b>1 787 936 859</b>	<b>1 956 195 368</b>	<b>1 963 177 193</b>	<b>1 925 163 483</b>	<b>(38 014)</b>	<b>98%</b>	<b>-2%</b>

## 5.2 FINANCIAL PERFORMANCE PER MUNICIPAL FUNCTION

### 5.2.1 Water Services

Financial Performance 2018/19: Water Services					
Details	2017/18	2018/19			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	172 946 076	169 366 003	162 661 823	184 272 965	12%
<b>Expenditure:</b>					
Employees	31 233 636	36 238 770	36 897 770	33 220 485	-11%
Repairs and Maintenance	11 748 388	10 598 330	10 254 130	7 428 221	-38%
Other	77 118 816	69 462 732	71 159 932	72 035 080	1%
<b>Total Operational Expenditure</b>	120 100 841	116 299 832	118 311 832	112 683 786	-5%
<b>Net Operational Expenditure</b>	-52 845 236	-53 066 171	-44 349 991	-71 589 179	38%

### 5.2.2 Electricity Services

Financial Performance 2018/19: Electricity Services					
Details	2017/18	2018/19			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	645 577 158	693 780 360	694 056 685	670 325 839	-4%
<b>Expenditure:</b>					
Employees	41 552 530	52 605 830	51 787 630	47 576 359	-9%
Repairs and Maintenance	7 107 286	11 509 240	11 429 240	10 389 145	-10%
Other	456 763 242	502 417 727	495 422 415	483 776 662	-2%
<b>Total Operational Expenditure</b>	505 423 058	566 532 797	558 639 285	541 742 166	-3%
<b>Net Operational Expenditure</b>	-140 154 100	-127 247 563	-135 417 400	112 683 786	220%

### 5.2.3 Waste Management Services

Financial Performance 2018/19: Waste Management Services					
Details	2017/18	2018/19			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	105 354 444	169 366 003	162 661 823	184 272 965	12%
<b>Expenditure:</b>					
Employees	37 680 052	34 479 820	35 435 680	36 689 204	3%
Repairs and Maintenance	6 747 215	7 919 400	7 295 320	7 161 688	-2%
Other	44 737 921	46 870 368	39 303 429	69 980 503	44%
<b>Total Operational Expenditure</b>	89 165 187	89 269 588	82 034 429	113 831 395	28%
<b>Net Operational Expenditure</b>	-16 189 257	-80 096 415	-80 627 394	-70 441 569	-14%

## 5.2.4 Housing

Financial Performance 2018/19: Housing					
Details	2017/18	2018/19			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	41 369 009	72 106 940	83 717 967	75 118 419	-11%
<b>Expenditure:</b>					
Employees	15 633 714	17 420 870	17 995 600	17 206 227	-5%
Repairs and Maintenance	1 490 150	1 968 460	1 832 460	1 098 576	-67%
Other	50 780 022	88 415 306	100 338 033	83 651 525	-20%
<b>Total Operational Expenditure</b>	67 903 886	107 804 636	120 166 093	101 956 328	-18%
<b>Net Operational Expenditure</b>	26 534 877	35 697 696	36 448 126	26 837 909	-36%

## 5.2.5 Wastewater Management Services

Financial Performance 2018/19: Waste Water Management Services					
Details	2017/18	2018/19			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	203 315 158	244 938 109	192 046 642	171 496 405	-12%
<b>Expenditure:</b>					
Employees	54 242 557	63 591 600	66 140 600	60 380 984	-10%
Repairs and Maintenance	30 022 439	33 319 770	31 456 659	29 579 320	-6%
Other	97 895 945	95 754 321	98 661 171	79 314 977	-24%
<b>Total Operational Expenditure</b>	182 160 942	192 665 691	196 258 430	169 275 282	-16%
<b>Net Operational Expenditure</b>	-21 154 217	-52 272 418	4 211 788	-2 221 123	290%

## 5.2.6 Roads Transport

Financial Performance 2018/19: Roads Transport					
Details	2017/18	2018/19			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	456 934 013	355 160 432	351 854 576	332 416 133	-6%
<b>Expenditure:</b>					
Employees	38 608 606	9 220 290	16 680 808	10 618 578	-57%
Repairs and Maintenance	61 655 389	36 337 014	39 286 073	29 677 859	-32%
Other	303 556 549	300 283 653	312 190 642	261 830 955	-19%
<b>Total Operational Expenditure</b>	403 820 544	345 840 957	331 112 744	302 127 392	-10%
<b>Net Operational Expenditure</b>	-53 113 469	-9 319 475	-20 741 832	-30 288 741	32%



## 5.2.7 Planning

Financial Performance 2018/19: Planning					
Details	2017/18	2018/19			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	9 558 668	9 385 134	11 140 512	11 662 961	4%
<b>Expenditure:</b>					
Employees	18 607 789	23 566 014	23 997 530	21 465 337	-12%
Repairs and Maintenance	70 764	136 080	134 580	38 327	-251%
Other	2 869 186	5 566 391	6 649 553	5 485 146	-21%
<b>Total Operational Expenditure</b>	21 547 739	29 268 485	30 781 663	26 988 809	-14%
<b>Net Operational Expenditure</b>	11 989 071	19 883 351	19 641 151	15 325 848	-28%

## 5.2.8 Health

Financial Performance 2018/19: Health					
Details	2017/18	2018/19			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	60 645	76 630	76 630	92 220	17%
<b>Expenditure:</b>					
Employees	2 301 933	2 438 250	2 438 250	1 692 845	-44%
Repairs and Maintenance	122 823	224 190	224 190	153 829	-46%
Other	712 766	1 085 380	1 085 380	896 022	-21%
<b>Total Operational Expenditure</b>	3 137 522	3 747 820	3 747 820	2 742 696	-37%
<b>Net Operational Expenditure</b>	3 076 877	3 671 190	3 671 190	2 650 475	-39%

## 5.2.9 Community Development

Financial Performance 2018/19: Community Development					
Details	2017/18	2018/19			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	15 386 093	17 612 670	18 350 670	16 959 384	-8%
<b>Expenditure:</b>					
Employees	32 929 877	32 965 379	33 819 909	35 418 869	5%
Repairs and Maintenance	1 643 753	2 196 450	2 105 070	2 069 966	-2%
Other	12 682 211	13 457 562	13 787 412	13 101 909	-5%
<b>Total Operational Expenditure</b>	47 255 841	48 619 391	49 712 391	50 590 744	2%
<b>Net Operational Expenditure</b>	31 869 748	31 006 721	31 361 721	33 631 360	7%

## 5.2.10 Environmental Protection

Financial Performance 2018/19: Environmental Protection					
Details	2017/18	2018/19			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	818	1 560	1 560	1 023	-52%
<b>Expenditure:</b>					
Employees	1 486 849	2 056 620	2 068 620	1 334 321	-55%
Repairs and Maintenance	14 623	35 100	65 100	1 414	-4504%
Other	260 845	315 251	359 451	257 764	-39%
<b>Total Operational Expenditure</b>	1 762 316	2 406 971	2 493 171	1 593 498	-56%
<b>Net Operational Expenditure</b>	1 761 498	2 405 411	2 491 611	1 592 475	-56%

### 5.2.11 Public Safety

Financial Performance 2018/19: Public Safety					
Details	2017/18	2018/19			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	1 723 324	71 770 830	71 112 359	93 442 770	24%
<b>Expenditure:</b>					
Employees	15 680 729	47 512 020	48 445 470	47 088 217	-3%
Repairs and Maintenance	0	2 687 540	2 286 740	2 118 747	0%
Other	4 335 032	52 175 185	52 964 365	89 596 527	41%
<b>Total Operational Expenditure</b>	20 015 761	102 374 745	103 696 575	138 803 491	25%
<b>Net Operational Expenditure</b>	18 292 437	30 603 915	32 584 216	45 360 721	28%

### 5.2.12 Public Finance and Administration

Financial Performance 2018/19: Finance and Administration					
Details	2017/18	2018/19			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	312 740 405	329 573 266	343 535 999	352 044 056	2%
<b>Expenditure:</b>					
Employees	136 958 464	159 935 264	160 805 827	150 598 915	-7%
Repairs and Maintenance	5 076 818	6 696 180	6 980 180	5 596 542	-25%
Other	82 193 589	68 496 552	70 682 713	85 471 153	17%
<b>Total Operational Expenditure</b>	224 228 871	235 127 996	238 468 720	241 666 609	1%
<b>Net Operational Expenditure</b>	-88 511 533	-94 445 270	-105 067 279	-110 377 447	5%

## 5.2.13 Executive and Council

Financial Performance 2018/19: Executive and Council					
Details	2017/18	2018/19			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	185 448	530 510	170 510	22 913	-644%
<b>Expenditure:</b>					
Employees	25 229 126	32 240 330	39 121 330	31 270 964	-25%
Repairs and Maintenance	156 692	180 360	175 560	315 193	44%
Other	32 707 112	29 768 052	31 713 752	33 612 081	6%
<b>Total Operational Expenditure</b>	58 092 930	62 188 742	71 010 642	65 198 238	-9%
<b>Net Operational Expenditure</b>	57 907 482	61 658 232	70 840 132	65 175 325	-9%

## 5.2.14 Other

Financial Performance 2018/19: Other					
Details	2017/18	2018/19			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	-2 483 282	-39 135 706	-32 019 526	-59 684 786	154%
Expenditure:					
Employees	16 282 074	24 579 490	24 374 110	24 061 667	-1%
Repairs and Maintenance	5 247 297	4 434 700	4 048 761	4 208 011	4%
Other	21 792 045	25 033 527	28 320 527	27 693 370	-2%
<b>Total Operational Expenditure</b>	43 321 414	54 047 717	56 743 398	55 963 049	-1%
<b>Net Operational Expenditure</b>	45 804 696	93 183 423	88 762 924	115 647 835	23%

## 5.3 GRANTS

### 5.3.1 Grant Performance

The Municipality had a total amount of R519 232 167 for operational and capital expenditure available that was received in the form of grants from National and Provincial Governments during the 2018/19 financial year. The performance in the spending of these grants is summarised as follows:

Description	2017/18	Budget Year 2018/19			2018/19 Variance	
	Audited Outcome	Original Budget	Adjusted Budget	Year TD actual	Original Budget variance	Adjusted Budget variance
<b>Operating Transfers and Grants</b>						
<b>National Government:</b>	<b>293 079 839</b>	<b>275 747 586</b>	<b>265 394 883</b>	<b>265 394 883</b>	<b>-4%</b>	<b>0%</b>
Local Government Equitable Share	122 613 000	137 401 000	137 401 000	137 401 000	0%	0%
Finance Management	1 550 000	1 550 000	1 550 000	1 550 000	0%	0%
Municipal Systems Improvement	0	0	0	0	0	0
EPWP Incentive	4 001 000	5 466 000	5 466 000	5 466 000	0%	0%
Energy Efficiency and Demand Management	0	350 000	490 000	490 000	40%	0%
Infrastructure Skills Development Grant	4 392 999	5 540 000	5 885 000	5 885 000	6%	0%
Municipal Infrastructure Grant - PMU	2 038 200	1 966 900	1 563 183	1 563 183	-21%	0%
Public Transport Network Operating Grant	158 484 640	123 473 686	113 039 700	113 039 700	-9%	0%
<b>Provincial Government:</b>	<b>150 273 233</b>	<b>184 393 740</b>	<b>196 733 767</b>	<b>138 958 899</b>	<b>-25%</b>	<b>-29%</b>
Housing	44 252 104	66 968 740	78 579 767	26 168 899	-61%	-67%
Proclaimed Roads	441 000	5 364 000	5 364 000	0	-100%	-100%
Local Government Master Planning Grant	600 000	600 000	600 000	600 000	0%	0%
Local Government Internship Grant	0	0	72 000	72 000	0%	0%
Library Grant	8 635 000	9 239 000	9 239 000	9 239 000	0%	0%
Community Development Workers Operating Grant	93 000	93 000	0	0	-100%	0%
Integrated Public Transport Grant	95 545 129	101 086 000	101 086 000	101 086 000	0%	0%
Financial Management Capacity Building Grant	240 000	360 000	360 000	360 000	0%	0%
Financial Management Support Grant	255 000	255 000	755 000	755 000	196%	0%
Thusong Services Centres Grant	212 000	200 000	200 000	200 000	0%	0%
Financial Management Support Grant (Government Support)	0	0	0	0	0%	0%
Municipal Infrastructure Support Grant: Electrical Master Plans	0	0	0	0	0%	0%
Development of Sport and Recreation facilities	0	228 000	228 000	228 000	0%	0%
Municipal Service Delivery and Capacity Building Grant	0	0	250 000	250 000	-	0%
<b>Other grant providers:</b>	<b>810 684</b>	<b>650 000</b>	<b>650 000</b>	<b>1 045 420</b>	<b>61%</b>	<b>61%</b>
LG SETA	810 684	650 000	650 000	1 045 420	0%	0%
<b>Total Operating Transfers and Grants</b>	<b>444 163 756</b>	<b>460 791 326</b>	<b>462 778 650</b>	<b>405 399 202</b>	<b>-12%</b>	<b>-12%</b>
<b>Capital Transfers and Grants</b>						
<b>National Government:</b>	<b>115 858 161</b>	<b>111 653 951</b>	<b>120 118 238</b>	<b>107 812 524</b>	<b>-3%</b>	<b>-10%</b>
Municipal Infrastructure Grant (MIG)	38 725 800	39 931 392	40 282 451	31 442 128	-21%	-22%
<b>Description</b>	<b>2017/18</b>	<b>Budget Year 2018/19</b>			<b>2018/19 Variance</b>	

	Audited Outcome	Original Budget	Adjusted Budget	Year TD actual	Original Budget variance	Adjusted Budget variance
<b>Capital Transfers and Grants</b>						
Regional Bulk Infrastructure	0	9 268 983	3 000 000	2 686 762	0%	0%
Integrated National Electrification Programme	18 048 000	12 169 652	15 458 022	14 326 900	18%	-7%
Energy Efficiency and Demand Management	7 000 000	5 782 610	6 642 468	6 610 800	14%	0%
Infrastructure Skills Development	207 001	300 000	100 000	89 382	-70%	-11%
Public Transport Infrastructure Grant	51 877 360	44 201 314	54 635 297	52 656 553	19%	-4%
<b>Provincial Government:</b>	<b>40 747 574</b>	<b>75 409 000</b>	<b>15 947 973</b>	<b>6 020 441</b>	<b>-92%</b>	<b>-62%</b>
Housing	36 948 703	75 051 260	15 590 233	5 959 804	-92%	-62%
George Integrated Public Transport Network	2 998 871	0	0	0	-	-
Sport and Recreational Facilities		193 800	193 800	0		
Fire Service Capacity Building Grant	800 000	163 940	163 940	60 637	-	-
<b>Total Capital Transfers and Grants</b>	<b>156 605 735</b>	<b>187 062 951</b>	<b>136 066 211</b>	<b>113 832 965</b>	<b>-39%</b>	<b>-16%</b>
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	<b>600 769 491</b>	<b>647 854 277</b>	<b>598 844 861</b>	<b>519 232 167</b>	<b>-20%</b>	<b>-13%</b>

No grants have been held back over the financial year. All unspent grant after roll-over approval will be included in programmes for 2019/20 financial year.

### 5.3.2 Level of Reliance on Grants

Financial Year	Basis of Calculation	2017/18	2018/19
<b>Level of Reliance on Grants</b>	Total Grants and subsidies Received/ Total Operating Revenue	30.85%	28.26%

#### Grant Dependency

Description	Basis of Calculation	2017/18	2018/19
Own funded Capital Expenditure (Internally generated funds + Borrowings) to Total Capital Expenditure	Own funded Capital Expenditure (Internally generated funds + Borrowings) / Total Capital Expenditure x 100	27.07%	53.20%

28.26% of the municipalities operational budget is grant funded. Dependence on own funding (Internally generated funds and Borrowings) to fund capital projects for 2018/19 increased from 27.07% to 53.20%.

## 5.4 ASSET MANAGEMENT

### 5.4.1 Introduction to Asset Management

George Municipality has an Asset Unit in place which handles all matters with regard to the financial classification and accounting of/for assets, as required by Section 63 of the MFMA. The Asset Unit falls under the Finance Directorate and it is their duty to ensure all municipal assets are accounted for in accordance with relevant legislation.

All Departments remain the custodians of the assets under their control and should take the required steps to safeguard as well as effectively manage and maintain their assets.

George Municipality has an Asset Management and Accounting Policy (reviewed annually) which outlines amongst other things the following:

- Roles and responsibilities of various role-players – ie. Directors, CFO, Municipal Manager, Budget Office, Asset Unit, etc.
- Acquisitions & disposal of assets
- Verification process relating to assets
- Financial classification of assets
- The fixed asset register – required fields, information and layout
- The useful lives allocated per asset type
- All operating procedures relating to Asset Unit functions

The Asset Unit currently consists of four people:

Snr Accountant, Senior Controllers (x2) and a Snr Clerk.

Keeping abreast of all required information to ensure the Fixed Asset Register remains updated is a challenge due to the lack of capacity within the Asset Unit as well as not having specified asset managers within the various Departments assisting with the management of assets.

### 5.4.2 Repairs and Maintenance Expenditure: 2018/2019

Description	2017/18	2018/19	
	Actual (Audited Outcome)	Actual	% Decrease
<b>Repairs and Maintenance Expenditure</b>	124 493 030	127 124 733	2%

## 5.5 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

### 5.5.1 Liquidity Ratio

This ratio indicates the Municipality's ability to pay its debts due, with a year, out of the current assets. The ratio of 1.5–2 is considered to be acceptable.

Description	Basis of Calculation	Norm	2017/18	2018/19
<b>Current Ratio</b>	Current Assets/ Current Liabilities	1.5-2 : 1	2.07	2.24
<b>Current Ratio Adjusted for aged debtors</b>	Current Assets less debtors > 90 days/ Current Liabilities		1.76	1.63
<b>Liquidity Ratio</b>	Monetary Assets/ Current Liabilities		1.41	0.64

### 5.5.2 IDP Regulation Financial Viability Indicators

Description	Basis of Calculation	Norm	2017/18	2018/19
<b>Cost Coverage</b>	(Available cash + Investment -Unspent Grants)/monthly fixed operational expenditure	1-3 months	4.30 months	3.83 months
The norm is 1-3 months. This ratio gives an indication on the municipality's ability to meet at least its monthly fixed operating commitments from cash and short-term investment without collecting any additional revenue during that month. It will take 3.03 months for George Municipality to cover expenditure out of available cash and liquid assets.				
<b>Total Outstanding Service Debtors to Revenue</b>	(Total outstanding service debtors/annual revenue received for services		9.56%	10.93%
Measures how much money is still owed by the community for water, electricity, waste removal and sanitation compared to how much money has been paid for these services.				
<b>Debt Coverage</b>	(Overdraft +Finance Lease Obligation + Borrowings) / (Total Operating Revenue - Conditional Grants) x 100		24.88%	20.14%
The number of times debt payments can be accommodated within Operating revenue (excluding grants). This in turn represents the ease with which debt payments can be accommodated by the municipality.				

### 5.5.3 Borrowing Management

Description	Basis of Calculation	Norm	2017/18	2018/19
<b>Capital Charges to Operating Expenditure</b>	Interest and Principal Debt Paid/ Operating Expenditure	6% - 8%	5.07%	4.75%
Capital Charges to Operating Expenditure ratio is calculated by dividing the sum of capital interest and principle paid by the total operating expenditure.				

### 5.5.4 Employee Costs

Description	Basis of Calculation	Norm	2017/18	2018/19
<b>Employee Costs</b>	Employee Costs/ (Total Revenue - Capital Revenue)		34.51%	38.48%
Measures what portion of the revenue was spent on paying employee costs. It is calculated by dividing the total employee cost by the difference between total revenue and grant revenue.				



## COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

### 5.6 SOURCES OF FINANCE

#### 5.6.1 Capital Expenditure: Funding Sources 2017/18 to 2018/19

The table below indicates the Capital Expenditure by funding source for the 2018/19 financial year:

Description	2017/18	2018/19				
	Actual (Audited Outcome)	Original Budget	Final budget	Actual Outcome	Adjustment to Original Budget Variance	Actual to Adjusted Budget Variance
<b>Capital expenditure &amp; funds sources</b>						
<b>Source of Finance</b>						
<b>Sources of capital funds</b>						
Transfers recognised - capital	187 108 883	186 705 211	136 066 211	113 832 965	-27%	-16%
Public contributions & donations	0	0	0	0	0%	0%
Borrowing	17 998 849	81 544 397	25 008 003	18 776 017	-69%	-25%
Internally generated funds	48 588 906	160 861 057	172 929 988	110 626 967	8%	-36%
<b>Total sources of capital funds</b>	<b>253 696 639</b>	<b>429 110 665</b>	<b>334 004 202</b>	<b>243 235 949</b>	<b>-22%</b>	<b>-27%</b>
<b>Percentage of Finance</b>						
Transfers recognised - capital	74%	44%	41%	47%		
Public contributions & donations	0%	0%	0%	0%		
Borrowing	7%	19%	7%	8%		
Internally generated funds	19%	37%	52%	45%		
<b>Total sources of capital funds</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>		
<b>Capital expenditure</b>						
Water and Sanitation	75 209 310	202 571 518	100 969 927	66 793 076	-50%	-34%
Electricity	24 380 327	49 412 110	52 863 318	46 329 659	7%	-12%
Road Transport	127 348 348	121 619 301	111 152 436	90 478 971	-9%	-19%
Other	23 557 432	32 411 800	36 866 923	39 634 243	14%	8%
<b>Total sources of capital funds</b>	<b>250 495 417</b>	<b>406 014 729</b>	<b>301 852 604</b>	<b>243 235 949</b>	<b>-35%</b>	<b>-19%</b>
<b>Percentage of Finance</b>						
Water and Sanitation	30%	50%	33%	27%		
Electricity	10%	12%	18%	19%		
Road Transport	51%	30%	37%	37%		
Other	9%	8%	12%	16%		
<b>Total sources of capital funds</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>		

## 5.7 BASIC SERVICES AND INFRASTRUCTURE BACKLOGS: OVERVIEW

### 5.7.1 Introduction to Basic Services and Infrastructure Backlogs

The municipality is currently experiencing a rise in people living together as one family unit, due to the unavailability of affordable housing for many families. There has been a drastic increase in backyard dwellers, mainly due to the influx of people from other provinces creating a social and economic problem. Children live in the backyard of their parents placing additional pressure on available resources.

Infrastructure is over utilized and cannot carry the higher demand with the increasing numbers. Pipes and other infrastructure tend to break more easily. The need for suitable housing and the eradication of backlogs in proper housing facilities is of great importance. Our Municipality is in the process of facilitating various housing projects to supply proper housing facilities. The Indigent Policy was reviewed and adjusted enabling backyard dwellers to apply for the subsidy, in order to receive the 70kwh electricity units and 6kl of water free of charge. This will aid the poor communities making housing and basic services more affordable.

George Municipality has been able to successfully provide electricity to all formal houses. The backlog of informal houses would have been eradicated in the short term (2019/2020), however a large influx of informal structures has been experienced over the last 12 months. The Electrotechnical Department will not be able to electrify all of the new informal structures in the short term. Great focus will be placed on electrify the new housing projects in Thembalethu and Pacaltsdorp in order to provide formal housing opportunities for those living in informal houses. Funding for electrification however remain a challenge.

### 5.7.2 Introduction to Basic Services and Infrastructure Backlogs

Details	Budget	Adjustment Budget	Actual	Adjustment Budget
	R			%
<b>Infrastructure Water</b>				
Water Purification	0	0	0	-
<b>Infrastructure Sanitation</b>				
Sewerage Networks	0	1 002 899	0	0%
Sewerage Purification	34 861 803	34 122 595	33 922 427	-1%
<b>Other Specify: Recreational facilities</b>				
Outdoor Sport Facilities	11 059 298	11 199 324	2 236 019	-401%
<b>Project Management Unit</b>				
Project Management Unit	1 966 900	1 563 181	1 531 873	-2.04%
<b>Total</b>	<b>47 888 001</b>	<b>47 887 999</b>	<b>37 690 319</b>	<b>-27%</b>

## COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

### 5.8 CASH FLOW

#### 5.8.1 Cash Flow Outcomes

Description	2018/19			
	R thousand	Original Budget	Final Budget	Actual Outcome
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
Receipts				
Sale of goods and services	1 155 822 451	1 189 628 603	941 562 253	-248 066 350
Taxation			278 519 137	
Other revenue	128 484 772	268 423 306	50 419 970	-218 003 336
Grants	649 188 240	598 954 000	538 879 884	-60 074 116
Interest	44 183 453	44 066 876	46 245 723	2 178 847
Payments				
Suppliers and employees	-1 560 549 197	-1 618 428 023	-1 581 289 811	37 138 212
Finance charges	-32 340 016	-31 887 641	-41 631 380	-9 743 739
Transfers and Grants	-212 000	-63 914 471	0	63 914 471
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>384 577 703</b>	<b>386 842 650</b>	<b>232 705 776</b>	<b>-154 136 874</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Receipts				
Proceeds on disposal of PPE	0	0	220 055	220 055
Decrease (Increase) in non-current debtors	0	0		0
Decrease (increase) other non-current receivables	-133 212	-35 455	98 730	134 185
Decrease (increase) in non-current investments	0	0	0	0
Payments				
Capital assets	-386 199 599	-334 004 202	-242 064 594	91 939 608
Intangible assets			-1 171 355	
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>-386 332 810</b>	<b>-334 039 657</b>	<b>-242 917 164</b>	<b>91 122 493</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Receipts				
Short term loans	0	0		0
Borrowing long term/refinancing	69 865 389	25 008 003		-25 008 003
Increase (decrease) in consumer deposits	2 789 716	3 692 198		-3 692 198
Payments				
Repayment of borrowing	-38 908 380	-38 908 380	-44 969 337	-6 060 957
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>33 746 726</b>	<b>-10 208 179</b>	<b>-44 969 337</b>	<b>-34 761 158</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>31 991 618</b>	<b>42 594 814</b>	<b>-55 180 725</b>	
Cash/cash equivalents at the year begin:	519 027 607	617 784 461	617 784 461	
Cash/cash equivalents at the year-end:	551 019 225	660 379 274	562 603 736	

## 5.9 GROSS OUTSTANDING DEBTORS PER SERVICE

Financial year	Rates	Trading services	Economic services	Housing rentals	Other	Total
		(Electricity and Water)	(Sanitation and Refuse)			
R						
2017/18	33 259 056.89	154 490 011.00	49 233 765.00	657 821.00	9 842 857.00	247 519 966.89
2018/19	37 313 793.00	173 311 004.00	53 182 706.00	710 931.00	11 487 950.00	276 006 384.00
Difference	4 054 736.11	18 820 993.00	3 948 941.00	53 110.00	1 645 093.00	28 486 417.11
% growth year on year	12.19%	12.18%	8.02%	8.07%	16.71%	11.51%

## 5.10 TOTAL DEBTORS AGE ANALYSIS

Financial Year	0-30	31-60	61-90	91-120	121-365	Total
201718	62 948 919	5 177 572	2 247 722	1 681 149	30 253 520	102 308 882
201819	103 530 493	7 798 301	3 005 750	1 614 733	6 694 574	122 643 850
Difference	40 581 574	2 620 729	758 028	-66 416	-23 558 946	20 334 968

## 5.11 BORROWING

Instrument	2017/18	2018/19
Long-Term Loans (annuity/reducing balance)	329 842 195	290 220 942
Financial Leases	8 153 105	3 438 013
<b>Total</b>	<b>337 995 300</b>	<b>293 658 955</b>

## CHAPTER 6: AUDITOR-GENERAL – AUDIT FINDINGS

### COMPONENT A: AUDITOR-GENERAL REPORT YEAR 2017/18

The Constitution S188 (1) (b) states that the functions of the Auditor-General includes the auditing and reporting on the accounts, financial statements and financial management of all municipalities. MSA section 45 states that the results of performance measurement must be audited annually by the Auditor-General.

#### 6.1 AUDITOR-GENERAL REPORTS YEAR 2017/18 (PREVIOUS YEAR)

Report of the Auditor-General to the Western Cape Provincial Parliament and the Council on the George Municipality

##### Report on the audit of the financial statements

##### Opinion

1. I have audited the financial statements of the George Municipality set out on pages 211 to 331 , which comprise the appropriation statement, the statement of financial position as at 30 June 2018, the statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget information with actual information for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, except for the possible effects of the matters described in the basis for qualified opinion section of the auditor's report, the financial statements present fairly, in all material respects, the financial position of the George Municipality as at 30 June 2018, and its financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2017 (Act No. 3 of 2017) (Dora).

##### Basis for qualified opinion

##### Irregular expenditure

3. I was unable to obtain sufficient appropriate audit evidence that irregular expenditure for the current and previous years' disclosure is complete, due to irregular expenditure identified during the audit process as a result of the contravention of section 117 of the MFMA. I could not confirm whether all the irregular expenditure had been recorded by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to irregular expenditure stated at R11 846 408 in note 48 to the financial statements.

### **Context for the opinion**

4. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of this auditor's report.
5. I am independent of the municipality in accordance with the International Ethics Standards Board for Accountants' Code of ethics for professional accountants (IESBA code) and the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
6. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

### **Emphasis of matters**

7. I draw attention to the matters below. My opinion is not modified in respect of these matters.

### **Restatement of corresponding figures**

8. As disclosed in note 45 to the financial statements, the corresponding figures for 30 June 2017 were restated as a result of reclassification and an error in the financial statements of the municipality at, and for the year ended, 30 June 2017.

### **Material losses/impairments — trade debtors**

9. As disclosed in note 32 to the financial statements, material losses of R1 12 million (2016-17: R89 million) were incurred as a result of a write-off of irrecoverable trade debtors.

### **Other matters**

10. I draw attention to the matters below. My opinion is not modified in respect of these matters.

### **Unaudited supplementary schedules**

11. The supplementary information set out on pages 332 to 337 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion on them.

### **Unaudited disclosure notes**

12. In terms of section 125(2)(e) of the MFMA, the municipality is required to disclose particulars of non-compliance with the MFMA in the financial statements. This

disclosure requirement did not form part of the audit of the financial statements and, accordingly, I do not express an opinion thereon.

### **Responsibilities of the accounting officer for the financial statements**

13. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the SA Standards of GRAP and the requirements of the MFMA and Dora, and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
14. In preparing the financial statements, the accounting officer is responsible for assessing the George Municipality's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the municipality or to cease operations, or has no realistic alternative but to do so.
15. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
16. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

### **Report on the audit of the annual performance report**

#### **Introduction and scope**

17. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report material findings on the reported performance information against predetermined objectives for selected objectives presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.
18. My procedures address the reported performance information, which must be based on the approved performance planning documents of the municipality. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information

in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.

19. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected objective presented in the annual performance report of the municipality for the year ended 30 June 2018:

Objective	Pages in the annual performance report
Strategic objective 3- affordable quality services	78-83

20. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
21. The material findings in respect of the usefulness and reliability of the selected objective are as follows:

### Strategic objective 3 — affordable quality services

#### TL43 — provide free basic electricity to indigent households

22. The measures taken to improve performance against the target of 19 500 were not included in the annual performance report.

#### Various indicators

23. I was unable to obtain sufficient appropriate audit evidence for the reported achievement of the indicators listed in the table below relating to this strategic objective. This was due to limitations placed on the scope of my work. I was unable to confirm the reported achievements by alternative means. Consequently, I was unable to determine whether any adjustments were required to the reported achievements in the annual performance report of the indicators listed below:

Indicator number	Indicator description	Number of indicators
TL42	Provide free basic water to indigent households	1
TL43	Provide free basic electricity to indigent households	1
TL44	Provide free basic sanitation to indigent households	1
TL45	Provide free basic refuse removal to indigent households	1



## **Other matter**

24. I draw attention to the matter below.

## **Achievement of planned targets**

25. Refer to the annual performance report on pages 10 to 20 for information on the achievement of planned targets for the year. This information should be considered in the context of the material findings on the usefulness and reliability of the reported performance information in paragraphs 21 to 22 of this report.

## **REPORT ON THE AUDIT OF COMPLIANCE WITH LEGISLATION**

### **INTRODUCTION AND SCOPE**

26. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the compliance of the municipality with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.

27. The material findings on compliance with specific matters in key legislation are as follows:

### **Asset management**

28. All investments were not made in accordance with the requirements of the investment policy, as required by the Municipal Investment Regulations, 2005, regulation 3(3).

29. Funds were invested in financial institution in contravention of the Municipal Investment Regulations, 2005, regulation 6.

### **Procurement and contract management**

30. Sufficient appropriate audit evidence could not be obtained that all contracts were awarded in accordance with the legislative requirements, as bidding documentation could not be provided for audit purposes.

31. Goods and services with a transaction value below R200 000 were procured without obtaining the required price quotations, in contravention of Municipal Supply Chain Management Regulations, 2005, regulations 17(a) and (c).

### **Consequence management**

32. Irregular expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(b) of the MFMA.

33. Fruitless and wasteful expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(b) of the MFMA.

### **Conditional grants**

34. Performance in respect of programmes funded by the municipal infrastructure grant was not evaluated, as required by section 12(5) of Dora.

### **Other information**

35. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report, which includes the municipal manager's overview and the audit committee's recommendations. The other information does not include the financial statements, the auditor's report and the selected objective presented in the annual performance report that has been specifically reported in this auditor's report.
36. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.
37. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected objective presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
38. The complete draft annual report was received for review and no material inconsistencies with the financial statements exist.

### **Internal control deficiencies**

39. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the qualified opinion, the findings on the annual performance report and the findings on compliance with legislation included in this report.
40. Significant lapses occurred in the leadership's oversight responsibility over financial reporting, predetermined objectives, compliance as well as related internal controls, resulting in material misstatements of predetermined objectives in the annual performance report and material noncompliance with laws and regulations.
41. Preventative measures embedded in legislation was not sufficiently implemented to prevent non-compliance with supply chain management laws and regulations resulting in irregular expenditure that could not be quantified.

42. Management did not implement adequate processes to ensure that a annual performance report was prepared in compliance with the reporting framework, as the internal review procedures were inadequate to identify and correct material misstatements in the annual performance report and the underlying records.
43. Adequate compliance monitoring processes were also not implemented, resulting in material non-compliance being reported — mainly in the area of supply chain management. Management did not ensure that appropriate audit evidence existed to support the actual achievements reported.

*Auditor-General*  
Cape Town

14 December 2018



AUDITOR-GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*

## **ANNEXURE**

### **AUDITOR-GENERAL'S RESPONSIBILITY FOR THE AUDIT**

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements, and the procedures performed on reported performance information for selected objectives and on the municipality's compliance with respect to the selected subject matters.

#### **Financial statements**

2. In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:
  - identify and assess the risks of material misstatement of the financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
  - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality's internal control
  - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer.
  - conclude on the appropriateness of the accounting officer's use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on George Municipality's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a municipality to cease continuing as a going concern

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

### **Communication with those charged with governance**

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also confirm to the accounting officer that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and, where applicable, related safeguards.

## COMPONENT B: AUDITOR-GENERAL OPINION YEAR 2018/19

### 6.2 AUDITOR-GENERAL REPORTS YEAR 2018/19(CURRENT YEAR)

#### Report of the auditor-general to the Western Cape Provincial Parliament and council: George Municipality

#### Report on the audit of the financial statements of George Municipality

##### Opinion

1. I have audited the financial statements of George Municipality set out on pages 6 to 113, which comprise, the statement of financial position as at 30 June 2019, the statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget with actual information for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the George Municipality as at 30 June 2019, and its financial performance and cash flows for the year then ended in accordance with South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2017 (Act No. 3 of 2018) (Dora).

##### Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of this auditor's report.
4. I am independent of George Municipality in accordance with sections 290 and 291 of the International Ethics Standards Board for Accountants' Code of ethics for professional accountants and, parts 1 and 3 of the International Ethics Standards Board for Accountants' International code of ethics for professional accountants (including International Independence

Standards) (IESBA codes), as well as the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA codes.

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

#### **Emphasis of matters**

6. I draw attention to the matters below. My opinion is not modified in respect of these matters.

#### **Restatement of corresponding figures**

7. As disclosed in note 46 to the financial statements, the corresponding figures for 30 June 2018 were restated as a result of reclassification and an error in the financial statements of the municipality at, and for the year ended, 30 June 2018.

#### **Irregular expenditure**

8. As disclosed in note 49 to the financial statements, the municipality incurred irregular expenditure of R632,61 million (2017-18: R11,85 million) mainly as a result of councillors involved in tender processes.

#### **Material impairments**

9. As disclosed in note 32 to the financial statements, the municipality provided for impairment of trade and other receivables from exchange transactions to the amount of R17,68 million (2017-18: R39,39 million).
10. As disclosed in note 32 to the financial statements, the municipality provided for the impairment of trade and other receivables from non-exchange transactions amounting to R79,65 million (2017-18: R72,59 million).

#### **Underspending of capital budget**

11. As disclosed in the Statement of Comparison of Budget and Actual Amounts, the municipality has materially underspent the budget on capital expenditure to the amount of R90,7 million (27%) (2017-18: R81,5 million (23%)). The underspending is mainly due to savings identified on projects, delays in appointment of service providers, service delivery protests and time constraints as explained in note 56 to the financial statements.

## **Other matters**

12. I draw attention to the matter below. My opinion is not modified in respect of this matter.

## **Unaudited disclosure notes**

13. In terms of section 125(2)(e) of the MFMA, the municipality is required to disclose particulars of non-compliance with the MFMA in the financial statements. This disclosure requirement did not form part of the audit of the financial statements and, accordingly, I do not express an opinion on it.

## **Unaudited supplementary schedules**

14. The supplementary information set out on pages 114 to 117 does not form part of the financial statements and is presented as additional information. I have not audited this appropriation statement and, accordingly, I do not express an opinion on it.

## **Responsibilities of the accounting officer for the financial statements**

15. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the SA standards of GRAP and the requirements of the MFMA and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
16. In preparing the financial statements, the accounting officer is responsible for assessing George Municipality's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the municipality or to cease operations, or has no realistic alternative but to do so.

## **Auditor-general's responsibilities for the audit of the financial statements**

17. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



18. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

## Report on the audit of the annual performance report

### Introduction and scope

19. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report material findings on the reported performance information against predetermined objectives for selected objectives presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.
20. My procedures address the reported performance information, which must be based on the approved performance planning documents of municipality. I have not evaluated the completeness and appropriateness of the performance indicators/measures included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
21. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected objectives presented in the annual performance report of the municipality for the year ended 30 June 2019:

Objectives	Pages in the annual performance report
Strategic Objective 3: affordable quality services	10-17

22. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
23. I did not raise any material findings on the usefulness and reliability of the reported performance information for this objective:

- Strategic objective 3: affordable quality services

### **Other matter**

24. I draw attention to the matter below.

### **Achievement of planned targets**

25. Refer to the annual performance report on pages 10 to 25 for information on the achievement of planned targets for the year.

## **Report on the audit of compliance with legislation**

### **Introduction and scope**

26. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the compliance of the municipality with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.

27. The material findings on compliance with specific matters in key legislations are as follows:

### **Procurement and contract management**

28. The performance of some of the contractors or providers was not monitored on a monthly basis, as required by section 116(2)(b) of the MFMA.

29. Bid specifications for a tender was drafted in a biased manner and did not allow all potential suppliers to offer their goods or services, in contravention of the Municipal Supply Chain Management Regulations (SCM), 2005 regulation 27(2)(a).

### **Consequence management**

30. Irregular expenditure incurred by the municipality were not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(b) of the Municipal Finance Management Act.

31. Fruitless and wasteful expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(b) of the Municipal Finance Management Act.

### **Other information**

32. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and those selected objectives presented in the annual performance report that have been specifically reported in this auditor's report.
33. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.
34. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected objectives presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
35. The other information I obtained prior to the date of this auditor's report is the draft annual report, and the annual report is expected to be made available to us after 30 November 2019.
36. If, based on the work I have performed on the other information (annual report) that I obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of this other information, I am required to report that fact.
37. When I do receive and read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

### Internal control deficiencies

38. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.
39. Inadequate oversight responsibility was implemented to ensure that irregular and fruitless and wasteful expenditure was investigated to ensure if any relevant parties were liable for the recoveries.
40. Management did not consistently apply the requirements of the supply chain management prescripts and the MFMA, which resulted in processes not being

implemented for contracts to be monitored on a monthly basis and bid specifications drafted in biased manner.

## Other reports

41. I draw attention to the following engagements conducted by various parties that had, or could have, an impact on the matters reported in the municipality's financial statements, reported performance information, compliance with applicable legislation and other related matters. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.
42. The public protector investigated allegations of improper conduct and maladministration by the municipality relating to the appointment of the manager: sewer network. The report was finalised in October 2019 and the municipality concluded that disciplinary action needs to be taken against officials involved in the appointment process. The remedial action is currently being followed up by the municipality.
43. The municipality investigated the allegations of electricity meter tampering by a councillor during the previous financial period. Currently, the outstanding debt relating to the tampering has been outstanding for longer than 90 days. The investigation report was tabled at a special council meeting in October 2019. The council has appointed a special committee to further investigate the allegations

*Auditor - General*

## Cape Town

**29 November 2019**



AUDITOR - GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*

## Annexure – Auditor-general's responsibility for the audit

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements, and the procedures performed on reported performance information for selected objectives and on the municipality's compliance with respect to the selected subject matters.

### Financial statements

2. In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:
  - identify and assess the risks of material misstatement of the financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
  - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality's internal control
  - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer.
  - conclude on the appropriateness of the accounting officer's use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on George Municipality's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a municipality to cease continuing as a going concern
  - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements

represent the underlying transactions and events in a manner that achieves fair presentation.

### **Communication with those charged with governance**

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also confirm to the accounting officer that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and, where applicable, related safeguards.

## GLOSSARY

Accessibility indicators	Explore whether the intended beneficiaries are able to access services or outputs.
Accountability documents	Documents used by executive authorities to give “full and regular” reports on the matters under their control to Parliament and provincial legislatures as prescribed by the Constitution. This includes plans, budgets, in-year and Annual Reports.
Activities	The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe “what we do”.
Adequacy indicators	The quantity of input or output relative to the need or demand.
Annual Report	A report to be prepared and submitted annually based on the regulations set out in Section 121 of the Municipal Finance Management Act. Such a report must include annual financial statements as submitted to and approved by the Auditor-General.
Approved Budget	The annual financial statements of a municipality as audited by the Auditor General and approved by council or a provincial or national executive.
Baseline	Current level of performance that a municipality aims to improve when setting performance targets. The baseline relates to the level of performance recorded in a year prior to the planning period.
Basic municipal service	A municipal service that is necessary to ensure an acceptable and reasonable quality of life to citizens within that particular area. If not provided it may endanger the public health and safety or the environment.
Budget year	The financial year for which an annual budget is to be approved – means a year ending on 30 June.
Cost indicators	The overall cost or expenditure of producing a specified quantity of outputs.
Distribution indicators	The distribution of capacity to deliver services.
Financial Statements	Includes at least a statement of financial position, statement of financial performance, cash-flow statement, notes to these statements and any other statements that may be prescribed.
General performance indicators	<b>Key</b> After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally.
Impact	The results of achieving specific outcomes, such as reducing poverty and creating jobs.
Inputs	All the resources that contribute to the production and delivery of outputs. Inputs are “what we use to do the work”. They include finances, personnel, equipment and buildings.
Integrated Development Plan (IDP)	Set out municipal goals and development plans.
National	<b>Key</b> <ul style="list-style-type: none"> <li>Service delivery &amp; infrastructure</li> </ul>

<b>performance areas</b>	<ul style="list-style-type: none"> <li>• Economic development</li> <li>• Municipal transformation and institutional development</li> <li>• Financial viability and management</li> <li>• Good governance and community participation</li> </ul>
<b>Outcomes</b>	The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives set out in its plans. Outcomes are "what we wish to achieve".
<b>Outputs</b>	The final products, or goods and services produced for delivery. Outputs may be defined as "what we produce or deliver". An output is a concrete achievement (i.e. a product such as a passport, an action such as a presentation or immunization, or a service such as processing an application) that contributes to the achievement of a Key Result Area.
<b>Performance Indicator</b>	Indicators should be specified to measure performance in relation to input, activities, outputs, outcomes and impacts. An indicator is a type of information used to gauge the extent to which an output has been achieved (policy developed, presentation delivered, service rendered)
<b>Performance Information</b>	Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.
<b>Performance Standards:</b>	The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service-level agreements. Performance standards are mutually agreed criteria to describe how well work must be done in terms of quantity and/or quality and timeliness, to clarify the outputs and related activities of a job by describing what the required result should be. In this EPMDS performance standards are divided into indicators and the time factor.
<b>Performance Targets:</b>	The level of performance that municipalities and its employees strive to achieve. Performance Targets relate to current baselines and express a specific level of performance that a municipality aims to achieve within a given time period.
<b>Service Delivery Budget Implementation Plan</b>	Detailed plan approved by the mayor for implementing the municipality's delivery of services; including projections of the revenue collected and operational and capital expenditure by vote for each month. Service delivery targets and performance indicators must also be included.
<b>Vote:</b>	<p>One of the main segments into which a budget of a municipality is divided for appropriation of money for the different departments or functional areas of the municipality. The Vote specifies the total amount that is appropriated for the purpose of a specific department or functional area.</p> <p>Section 1 of the MFMA defines a "vote" as:</p> <ol style="list-style-type: none"> <li>a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and</li> <li>b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned</li> </ol>



# APPENDICES

## APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

Councillors, Committees Allocated and Council Attendance					
Council Members	Full Time/ Part Time FT/PT	Committees Allocated	*Ward and/ or Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non- attendance
				%	%
Arries, Letitia	FT	3	PR: EFF	95%	5%
Bungane, Nosicelo	PT	7	PR: DA	98%	2%
Bussack, Edmund	FT	6	Ward 14: DA	99%	1%
Buys, John-Patrick	PT	2	PR: PBI	100%	
Clarke, Charlotte Mary-Ann	FT	7	PR: DA	100%	
Cornelius, Belrina Magdalena	PT	6	Ward 27: DA	100%	
Cronje, Daniel Lodevicus	FT	5	Ward 2: DA	100%	
Daniels, Micheal	PT	3	Ward 24: ANC	91%	9%
De Villiers, Erasmus Petrus	FT	5	Ward 3: DA	100%	
Dlikilili, Sivuyile	PT	1	Ward 9: ANC	99%	1%
Draghoender, Mercia	PT	11	Ward 20: DA	99%	1%
Du Toit, Johan	PT	4	PR: ACDP	98%	2%
Esau, Jarques Denvar	PT	3	Ward 25: ANC	91%	9%
Figland, Raybin-Gibb Sylvester	FT	11	PR: DA	99%	1%
Fry, Justin	PT	6	PR: DA	100%	
Gericke, Virgil	PT	1	PR: PBI	95%	5%
Harris, Wilbert Terence	PT	5	PR: ICOSA	94%	6%
Ingo, Hendrik Hermanus	PT	6	Ward 6: DA	100%	
James, Ntombi Rosy	PT	2	Ward 21: ANC	98%	2%
Kiwit, Abel	PT	5	PR: AIC	94%	6%
Kritzinger, Iona Christina	FT	6	PR: DA	98%	2%
Langa, Langa	PT	4	Ward 13: ANC	100%	
Lesele, Kokiswa Iris	PT	3	Ward 11: ANC	100%	
Loff, Helen	PT	4	PR: ANC	100%	
Louw, Peter	PT	7	Ward 5: DA	100%	
Mdaka, Nontembeko Faith	PT	3	Ward 15: ANC	97%	3%
Mooi, Buyiswa Henge	PT	1	Ward 10: ANC	100%	
Muller, Vicentius	PT	6	Ward 17: DA	98%	2%
Naik, Melvin George	FT	2	PR: DA	100%	
Ncamazana, Julia	PT	3	PR: ANC	96%	4%
Noble, Cecil Henry	FT	9	Ward 16: DA	99%	1%
Nosana, Phumela Pamela	PT	3	PR: ANC	98%	2%
Nyakathi, Mxolisi Micheal	FT	5	PR: DA	100%	
Petrus, Bazil	FT	3	PR: SAC	100%	
Plata, Bulelwa	PT	1	Ward 12: ANC	99%	1%
Pretorius, Gerrit	FT	1	Ward 22: DA	100%	
Rooiland, Shaheed	PT	2	Ward 7: ANC	99%	1%
Säfers, Jean	PT	6	Ward 1: DA	100%	
Jantjies, Nomawethu	PT	3	PR: ANC	98%	2%

Councillors, Committees Allocated and Council Attendance					
Council Members	Full Time/ Part Time FT/PT	Committees Allocated	*Ward and/ or Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non- attendance
				%	%
Snyman, Sean	FT	7	Ward 19: DA	99%	1%
Stander, Gideon Johannes	PT	5	Ward 23: DA	100%	
Stemela, Isaya	PT	7	PR: DA	96%	4%
Stroebel, Elizabeth	PT	7	PR: DA	100%	
Teyisi, Tobeka		2	PR: ANC	100%	
Van Der Hoven, Pieter Jacobus	PT	4	PR: ANC	97%	3%
Van Der Westhuizen, Jannie	PT	2	Ward 18: DA	98%	2%
Van Niekerk, Gert Johannes	PT	4	PR: FF PLUS	98%	2%
Van Wyk, Leon David	PT	6	PR: DA	100%	
Viljoen, Marlene	FT	6	Ward 4: DA	99%	1%
Von Brandis, Jacquiline	FT	8	Ward 26: DA	100%	
Wessels, Dirk Johannes	PT	5	PR: DA	100%	
Willemse, Anthony David	FT	6	Ward 8: DA	100	
Williams, Charlie Thamsaqa	PT	1	PR: ANC	99%	1%

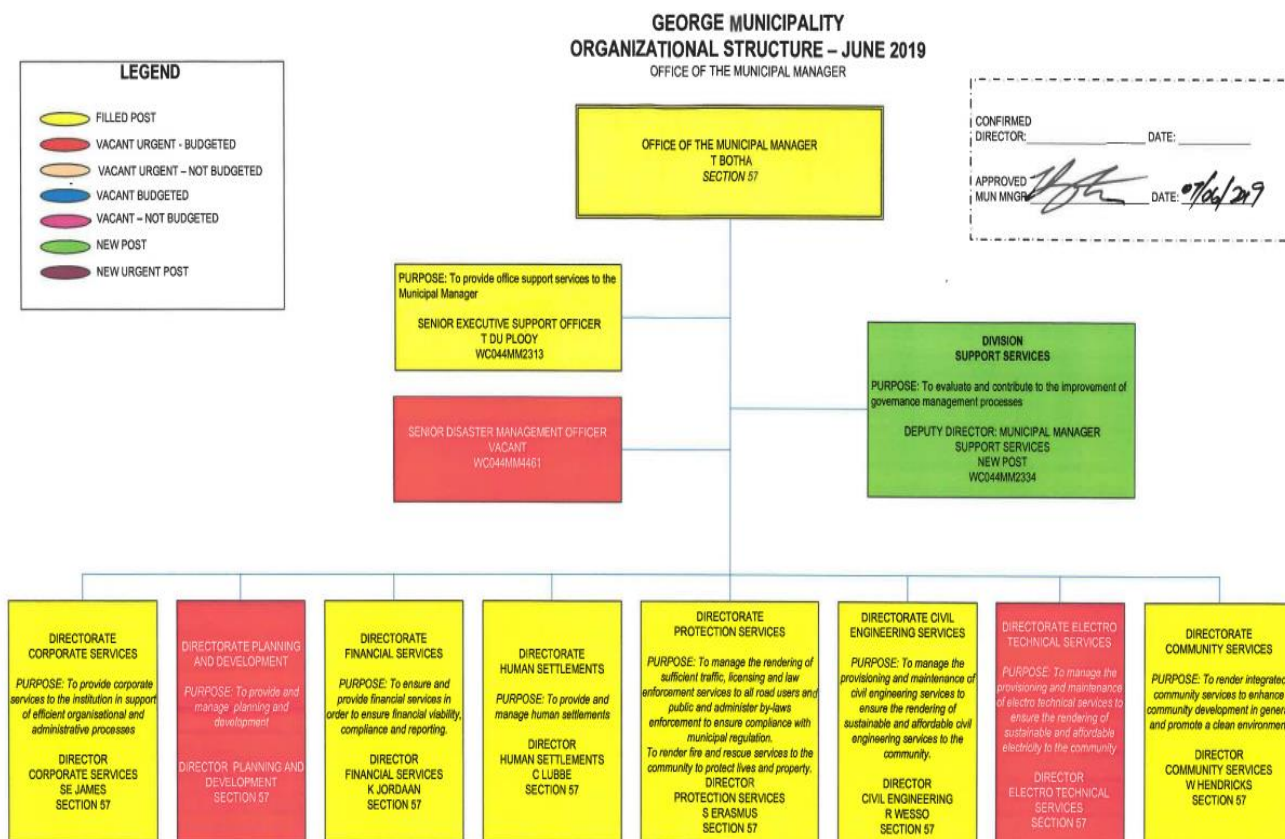
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## APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

Committees (other than Mayoral/Executive Committee) and Purpose of Committees	
Municipal Committees	Purpose of Committee
Community Services Committee	Section 80 Committee: Section 80 committees are permanent committees that specialises in a specific functional area of the municipality and may in some instances make decisions on specific functional issues. They advise the executive committee on policy matters and make recommendations to Council.
Electrotechnical Services Committee	
Finance Committee	
Human Resource Committee	
Planning and Development Committee	
Strategic Services Committee	
Civil Engineering Committee	
Protection Services Committee	
Community and Social Development Services Committee	
Corporate Services Committee	
Human Settlements Committee	

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## APPENDIX C –THIRD TIER ADMINISTRATIVE STRUCTURE



## APPENDIX D – FUNCTIONS OF MUNICIPALITY / ENTITY

The municipal functions are included in the main document under 3.2.4

## APPENDIX E – WARD REPORTING

Ward Reporting is captured under Component C: Public Accountability and Participation in the main document.

## APPENDIX F – WARD INFORMATION

Ward Information is captured under **Component C: Public Accountability and Participation** in the main document.

## APPENDIX G – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE 2018/19 FINANCIAL YEAR

Recommendations of the Audit Committee 2018/19 is included in the main document under section 2.7.3.

## APPENDIX H – LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS

Long Term Contracts (20 Largest Contracts Entered into during Year 0)					
					R' 000
Name of Service Provider (Entity or Municipal Department)	Description of Services Rendered by the Service Provider	Start Date of Contract	Expiry date of Contract	Project manager	Contract Value
KGP-EXD-SMP Joint Venture	Tender for the Manufacturing and Installation of Bus Shelters and the Construction of Bus Stops/Pedestrian Walkways and associated civil works	18-Jan-2019	17-Jan-2022	Ricus Fivaz	R22 462 668.25
Khubeka Construction cc	Tender for the Raising of Garden Route Dam Spillway and associated works	Once-off	Once-off	Adrian van Molendorff	R20,756,568.90
LVDS Security Services (Pty) Ltd	Provision of security services for various municipal sites,for a period of three years	1-Jan-2019	31-Dec-2021	Mervyn Soonies	R18,933,375.65
Metrocity Protection Services	Provision of security services for various municipal sites,for a period of three years	1-Jan-2019	31-Dec-2021	Mervyn Soonies	R15,533,753.91
Bamogale Enterprise (Pty) Ltd t/a Bamogale Security Solutions	Provision of security services for various municipal sites,for a period of three years	1-Jan-2019	31-Dec-2021	Mervyn Soonies	R14,646,575.65

Long Term Contracts (20 Largest Contracts Entered into during Year 0)					
					R' 000
Name of Service Provider (Entity or Municipal Department)	Description of Services Rendered by the Service Provider	Start Date of Contract	Expiry date of Contract	Project manager	Contract Value
Greens Scrap Recycling (Pty) Ltd	Collection of recyclable waste and garden refuse from households and businesses by means of blue and green bags respectively	28-Jan-2019	27-Jan-2021	Wessel Robertson	R14 683 717.55
Entsha Henra (Pty) Ltd	Tender for the Emergency Rehabilitation and Reconstruction of Merriman Street, George (GIPTN)	Once-off	Once-off	Ricus Fivaz	R13,253,713.80
VE Reticulation (Pty) Ltd	Appointment of an electrical contractor for Upgrading Informal Settlement Project (UISP) Electrification projects in Thembalethu (Formal) Area 3; 8A; 8B & 8C	29 03 2019	30-Jun-2021	Deon Esterhuizen	R9 145 632.99
VE Reticulation (Pty) Ltd	Appointment of an electrical contractor for Upgrading Informal Settlement Project (UISP) Electrification projects in Thembalethu (Informal)	29 03 2019	30-Jun-2021	Deon Esterhuizen	R7 334 251.16
Suikderkruis Security Services	Supply, Installation, Maintenance and support services for the existing municipal urban CCTV surveillance system	21-Nov-2018	20-Nov-2021	Lynette van der Walt	R6 504 646.78
Enviroserve Waste Management	Transport of bulk waste bins from George waste transfer station to Petrosa for a one year period with the option to extend for another year	27-Mar-2019	26-Mar-2021	Janine Fernold	R6 000 000.00
Artcon Construction cc	Construction of a new Refuse Transfer Station for Uniondale	28-Jan-2019	Once-Off	Elias Draghoender	R4 114 921.54
Ruwacon (Pty) Ltd	Tender for the reduction of critical slope on the Gwaiing building rubble and garden waste landfill site	7-Feb-2019	Once-Off	Wessel Robertson	R3 963 530.02
TPZSN General Services (Pty) Ltd	The Maintenance of plant beds and Lawns with manual machines on behalf of the George Municipality for a period of three years.	6-Jul-2019	30-Jun-2021	Eugene Matthews	R3 602 825.20

Long Term Contracts (20 Largest Contracts Entered into during Year 0)

R' 000					
Name of Service Provider (Entity or Municipal Department)	Description of Services Rendered by the Service Provider	Start Date of Contract	Expiry date of Contract	Project manager	Contract Value
Khubeka Construction	Implementation of Energy saving measure and initiative for George Municipality: replacement of aircons heat pumps and building lightings lamps	20-May-2019	Once-Off	Deon Esterhuizen	R3 727 595.05
Silvers Solutions 1815 cc	The Maintenance of Parks and Open spaces with tractor and blower mower : WESTERN PORTION	4-Oct-2018	3-Oct-2021	Eugene Matthews	R3 511 544.35
CAB Holdings (Pty) Ltd	Appointment of a Service Provider for the Printing and Distribution of the monthly municipal accounts and newsletters for a period of three years	1-Feb-2019	31-Jan-2022	Henry Mitchell	R3 343 233.28
Kubeka Construction cc	Construction of new waste transfer station & refurbishment of existing waste transfer station	Once-off	Once-Off	Elias Draghoender	R3,328 038.17
Lavalia Garden & Cleaning Services cc	The Maintenance of Parks and Open spaces with tractor and blower mower: EASTERN PORTION	4-Oct-2018	3-Oct-2021	Eugene Matthews	R2 685 000.00
GLS Consulting (Pty) Ltd	Appointment of Consulting Engineers to Implement, Update and Maintain a Water and Sanitation Management Information System on a bureau basis for a three-year period	1-Feb-2019	31-Jan-2022	Ricus Fivaz	R2 004 376.00
					T.H.1

Public Private Partnerships Entered into during Year 0					
R' 000					
Name and Description of Project	Name of Partner(s)	Initiation Date	Expiry date	Project manager	Value 2008/09
None	None	N / A	N / A	N / A	N / A
					T.H.2

## **APPENDIX I – MUNICIPAL ENTITY/ SERVICE PROVIDER PERFORMANCE SCHEDULE**

The Service Providers Performance is captured in the main document under Section 3.2.3.

## **APPENDIX K: REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE**

Included in Chapter 5

## **APPENDIX K (i): REVENUE COLLECTION PERFORMANCE BY VOTE**

Included in Chapter 5

## **APPENDIX K (ii): REVENUE COLLECTION PERFORMANCE BY SOURCE**

Included in Chapter 5

**VOLUME II: ANNUAL FINANCIAL  
STATEMENTS**