

Buffalo City Metropolitan Municipality

2012/2013

ANNUAL
REPORT

Volume I

Preface

CONTENTS

CONTENTS.....	2
REVISED ANNUAL REPORT TEMPLATE	10
CHAPTER 1 – MAYOR’S FOREWORD AND EXECUTIVE SUMMARY	12
COMPONENT A: MAYOR’S FOREWORD.....	12
COMPONENT B: EXECUTIVE SUMMARY.....	146
1.1. MUNICIPAL MANAGER’S OVERVIEW	146
1.2. MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW 169	
1.3. SERVICE DELIVERY OVERVIEW.....	204
1.4. FINANCIAL HEALTH OVERVIEW	269
1.5. ORGANISATIONAL DEVELOPMENT OVERVIEW	303
1.6. AUDITOR GENERAL REPORT	303
1.7. STATUTORY ANNUAL REPORT PROCESS.....	314
CHAPTER 2 – GOVERNANCE	336
COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE.....	347
2.1 POLITICAL GOVERNANCE	347
2.2 ADMINISTRATIVE GOVERNANCE.....	379
COMPONENT B: INTERGOVERNMENTAL RELATIONS.....	402
2.3 INTERGOVERNMENTAL RELATIONS	402
COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION.....	446
2.4 PUBLIC MEETINGS	446
2.5 IDP PARTICIPATION AND ALIGNMENT.....	50
COMPONENT D: CORPORATE GOVERNANCE	51
2.6 RISK MANAGEMENT	51
2.7 ANTI-CORRUPTION AND FRAUD	58
2.8 SUPPLY CHAIN MANAGEMENT	59
2.9 BY-LAWS.....	61

Preface

2.10 KNOWLEDGE MANAGEMENT	62
2.10 (a) WEBSITES	62
2.10 (B) KNOWLEDGE MANAGEMENT AND RESEARCH	62
2.11 PUBLIC SATISFACTION ON MUNICIPAL SERVICES	668
CHAPTER 3 – SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I).....	69
COMPONENT A: BASIC SERVICES	679
3.1. WATER PROVISION	71
3.2 WASTE WATER (SANITATION) PROVISION	86
3.3 ELECTRICITY.....	96
3.4 WASTE MANAGEMENT (THIS SECTION TO INCLUDE: REFUSE COLLECTIONS, WASTE DISPOSAL, STREET CLEANING AND RECYCLING).....	1037
3.5 HOUSING	1125
3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT	1269
COMPONENT B: ROAD TRANSPORT	1301
3.7 ROADS	1301
3.8 TRANSPORT (INCLUDING PUBLIC BUS OPERATION)	1378
3.9 WASTE WATER (STORMWATER DRAINAGE)	1445
COMPONENT C: PLANNING AND DEVELOPMENT	147
3.10 PLANNING	148
3.11 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLACES).....	156
COMPONENT D: COMMUNITY & SOCIAL SERVICES	170
3.12 LIBRARIES; ARCHIVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES; OTHER (THEATRES, ZOOS, ETC)	171
3.13 CEMETORIES AND CREMATORIALS.....	175
3.14 CHILD CARE; AGED CARE; SOCIAL PROGRAMMES.....	178
COMPONENT E: ENVIRONMENTAL PROTECTION	1810
3.15 POLLUTION CONTROL	1821

Preface

3.16 BIO-DIVERSITY; LANDSCAPE (INCL. OPEN SPACES); AND OTHER (EG. COASTAL PROTECTION).....	1853
COMPONENT F: HEALTH.....	1876
3.17 CLINICS.....	1876
3.19 HEALTH INSPECTION; FOOD AND ABBATOIR LICENSING AND INSPECTION; ETC	1898
COMPONENT G: SECURITY AND SAFETY	1921
3.20 POLICE.....	1921
3.21 FIRE	1986
3.22 OTHER (DISASTER MANAGEMENT, ANIMAL CONTROL, CONTROL OF PUBLIC NUISANCES AND OTHER)	2031
COMPONENT H: SPORT AND RECREATION.....	2063
3.23 SPORT AND RECREATION.....	2063
COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES	21008
3.24 EXECUTIVE AND COUNCIL	21008
3.25 FINANCIAL SERVICES	2130
3.26 HUMAN RESOURCE SERVICES.....	2186
3.27 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES .	22120
3.28 PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES	227
COMPONENT K: ORGANISATIONAL PERFORMANCE SCORECARD.....	2345
CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE	3488
(PERFORMANCE REPORT PART II)	348
COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL.....	348
4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES.....	348
COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE	350
4.2 POLICIES	351
4.3 INJURIES, SICKNESS AND SUSPENSIONS.....	352

Preface

4.4 PERFORMANCE REWARDS	357
COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE	358
4.5 SKILLS DEVELOPMENT AND TRAINING.....	359
COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE	361
4.6 EMPLOYEE EXPENDITURE	362
CHAPTER 5 – FINANCIAL PERFORMANCE.....	364
COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE	365
5.1 STATEMENTS OF FINANCIAL PERFORMANCE	366
REVENUE BY SOURCE	Error! Bookmark not defined. 368
EXPENDITURE BY TYPE.....	368
5.2 GRANTS.....	Error! Bookmark not defined.
5.3 ASSET MANAGEMENT.....	390
5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS.....	Error! Bookmark not defined.
COMPONENT B: SPENDING AGAINST CAPITAL BUDGET	38098
5.5 CAPITAL EXPENDITURE.....	38198
5.6 SOURCES OF FINANCE.....	398
5.7 CAPITAL SPENDING ON 5 LARGEST PROJECTS	399
5.8 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW	400
COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS.....	Error! Bookmark not defined. 401
5.9 CASH FLOW	402
5.10 BORROWING AND INVESTMENTS	403
COMPONENT D: OTHER FINANCIAL MATTERS	404
5.12 SUPPLY CHAIN MANAGEMENT	405
5.13 GRAP COMPLIANCE	405
CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS	407

Preface

COMPONENT A: AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS 2011/2012	407
6.1 AUDITOR GENERAL REPORTS 2011/2012 (Previous year).....	408
COMPONENT B: AUDITOR-GENERAL OPINION 2012/2013 (CURRENT YEAR)	409
6.2 AUDITOR GENERAL REPORT 2012/2013.....	415
GLOSSARY.....	417
APPENDICES	418
APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE.....	418
APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES	422
APPENDIX C –THIRD TIER ADMINISTRATIVE STRUCTURE.....	40528
APPENDIX D – FUNCTIONS OF MUNICIPALITY / ENTITY	40629
APPENDIX E – WARD REPORTING	40629
APPENDIX F – WARD INFORMATION – Ward 1	42230
APPENDIX F – WARD INFORMATION – Ward 2	42331
APPENDIX F – WARD INFORMATION – Ward 3	42432
APPENDIX F – WARD INFORMATION – Ward 4	42533
APPENDIX F – WARD INFORMATION – Ward 5	42634
APPENDIX F – WARD INFORMATION – Ward 6	42735
APPENDIX F – WARD INFORMATION – Ward 7	42836
APPENDIX F – WARD INFORMATION – Ward 8	42937
APPENDIX F – WARD INFORMATION – Ward 9	43038
APPENDIX F – WARD INFORMATION – Ward 10	43139
APPENDIX F – WARD INFORMATION – Ward 11	43240
APPENDIX F – WARD INFORMATION – Ward 12	43341
APPENDIX F – WARD INFORMATION – Ward 13	43442

Preface

APPENDIX F – WARD INFORMATION – Ward 14	43543
APPENDIX F – WARD INFORMATION – Ward 15	43645
APPENDIX F – WARD INFORMATION – Ward 16	43746
APPENDIX F – WARD INFORMATION – Ward 17	43847
APPENDIX F – WARD INFORMATION – Ward 18	43948
APPENDIX F – WARD INFORMATION – Ward 19	44049
APPENDIX F – WARD INFORMATION – Ward 20	44150
APPENDIX F – WARD INFORMATION – Ward 21	451
APPENDIX F – WARD INFORMATION – Ward 22	44352
APPENDIX F – WARD INFORMATION – Ward 23	44453
APPENDIX F – WARD INFORMATION – Ward 24	44554
APPENDIX F – WARD INFORMATION – Ward 25	44655
APPENDIX F – WARD INFORMATION – Ward 26	44756
APPENDIX F – WARD INFORMATION – Ward 27	44857
APPENDIX F – WARD INFORMATION – Ward 28	44958
APPENDIX F – WARD INFORMATION – Ward 29	45059
APPENDIX F – WARD INFORMATION – Ward 30	45160
APPENDIX F – WARD INFORMATION – Ward 31	45261
APPENDIX F – WARD INFORMATION – Ward 32	45362
APPENDIX F – WARD INFORMATION – Ward 33	45463
APPENDIX F – WARD INFORMATION – Ward 34	45564
APPENDIX F – WARD INFORMATION – Ward 35	45665
APPENDIX F – WARD INFORMATION – Ward 36	45766
APPENDIX F – WARD INFORMATION – Ward 37	45867
APPENDIX F – WARD INFORMATION – Ward 38	45968

Preface

APPENDIX F – WARD INFORMATION – Ward 39	46069
APPENDIX F – WARD INFORMATION – Ward 40	46170
APPENDIX F – WARD INFORMATION – Ward 41	46271
APPENDIX F – WARD INFORMATION – Ward 42	46372
APPENDIX F – WARD INFORMATION – Ward 43	46473
APPENDIX F – WARD INFORMATION – Ward 44	46574
APPENDIX F – WARD INFORMATION – Ward 45	46675
APPENDIX F – WARD INFORMATION – Ward 46	46776
APPENDIX F – WARD INFORMATION – Ward 47	46877
APPENDIX F – WARD INFORMATION – Ward 48	46978
APPENDIX F – WARD INFORMATION – Ward 49	47079
APPENDIX F – WARD INFORMATION – Ward 50	47180
APPENDIX G – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE 2012/2013	47281
APPENDIX H – LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS	552
APPENDIX I – MUNICIPAL ENTITY/ SERVICE PROVIDER PERFORMANCE SCHEDULE.....	553
APPENDIX J – DISCLOSURES OF FINANCIAL INTERESTS	556
APPENDIX K: REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE	558
APPENDIX K (i): REVENUE COLLECTION PERFORMANCE BY VOTE	558
APPENDIX K (ii): REVENUE COLLECTION PERFORMANCE BY SOURCE	559
APPENDIX L: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG	560
APPENDIX M: CAPITAL EXPENDITURE – NEW & UPGRADE/RENEWAL PROGRAMMES	561

Preface

APPENDIX M (i): CAPITAL EXPENDITURE - NEW ASSETS PROGRAMME.....	562
APPENDIX M (ii): CAPITAL EXPENDITURE – UPGRADE/RENEWAL PROGRAMME	Error! Bookmark not defined.
APPENDIX N – CAPITAL PROGRAMME BY PROJECT 2012/2013 Error! Bookmark not defined.	572
APPENDIX O – CAPITAL PROGRAMME BY PROJECT BY WARD 2012/2013	582
APPENDIX P – SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINICS .	583
APPENDIX Q – SERVICE BACKLOGS EXPERIENCED BY THE COMMUNITY WHERE ANOTHER SPHERE OF GOVERNMENT IS RESPONSIBLE FOR SERVICE PROVISION	583
APPENDIX R – DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY	584
APPENDIX S – NATIONAL AND PROVINCIAL OUTCOMES FOR LOCAL GOVERNMENT.....	585
VOLUME II: ANNUAL FINANCIAL STATEMENTS.....	586

Preface

REVISED ANNUAL REPORT TEMPLATE

The purpose of this revised Annual Report template is to address the need expressed by a number of municipalities for assistance in the preparation and development of improved content and quality of Municipal Annual Reports. This template provides an update to the MFMA Circular No. 11, issued in January 2005.

This template gives effect to the legal framework requirement, concepts and principals espoused in the White Paper on Local Government and Improving Government Performance. It reflects the ethos of public accountability. The content gives effect to information required for better monitoring and evaluation of government programmes in support of policy decision making. The template provides an improved overview of municipal affairs by combining the performance report data required under Municipal Systems Act Section 46 with annual report data referred to in that Act and in the MFMA.

The revised template makes its contribution by forging linkages with the Integrated Development Plan, Service Delivery and Budget Implementation Plan, Budget Reforms, In-year Reports, Annual Financial Statements and Performance Management information in municipalities. This coverage and coherence is achieved by the use of interlocking processes and formats.

The revised template relates to the Medium Term Strategic Framework particularly through the IDP strategic objectives; cross cutting nature of services offered by different spheres of government, municipal service outcome indicators; and the contextual material as set out in Chapters 3, 4 & 5. It also provides information on good management practice in Chapter 4; risk management in Chapter 2; and Supply Chain Management in Chapter 5; and addresses the Auditor-General's Report, dealing with Financial and Performance Management arrangements in Chapter 6. This opens up greater possibilities for financial and non financial comparisons between municipalities and improved value for money.

The revised template provides information on probity, including: anti-corruption strategies; disclosure of financial interests by officials and councillors; disclosure of grants by external parties, disclosure of loans and grants by municipalities. The appendices talk to greater detail including disaggregated information on municipal wards, among others. Notes are included throughout the format to assist the compiler to understand the various information requirements.

Preface

The financial years contained in this template are explained as follows:

- Year -1: The previous financial year;
- Year 0: The financial year of reporting;
- Year 1: The following year, mostly requires future targets; and
- The other financial years will follow a similar sequence as explained above.

We wish to express our gratitude to the members of the Annual Report Reference Group, consisting of national, provincial and municipal officials for their inputs and support throughout the development of this document.

MFMA Implementation Unit, National Treasury
July 2012