

2011/12

DRAFT 3

ANNUAL REPORT

Volume I



Contents

CONTENTS

CONTENTS	2
LIST OF TABLES.....	7
CHAPTER 1 – MAYOR’S FOREWORD AND EXECUTIVE SUMMARY.....	10
COMPONENT A: MAYOR’S FOREWORD	10
COMPONENT B: EXECUTIVE SUMMARY	11
1.1. MUNICIPAL MANAGER’S OVERVIEW.....	11
1.2. MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW	14
1.3. SERVICE DELIVERY OVERVIEW	19
1.4. FINANCIAL HEALTH OVERVIEW	22
1.5. ORGANISATIONAL DEVELOPMENT OVERVIEW	24
1.6. AUDITOR GENERAL REPORT	25
1.7. STATUTORY ANNUAL REPORT PROCESS.....	26
CHAPTER 2 – GOVERNANCE	28
COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE	28
2.1 POLITICAL GOVERNANCE	29
2.2 ADMINISTRATIVE GOVERNANCE.....	31
COMPONENT B: INTERGOVERNMENTAL RELATIONS.....	33
2.3 INTERGOVERNMENTAL RELATIONS.....	33
COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION	34
2.4 PUBLIC MEETINGS.....	34
2.5 IDP PARTICIPATION AND ALIGNMENT	36
COMPONENT D: CORPORATE GOVERNANCE	37
2.6 RISK MANAGEMENT	37
2.7 ANTI-CORRUPTION AND FRAUD.....	37
2.8 SUPPLY CHAIN MANAGEMENT	38
2.9 BY-LAWS	39
2.10 WEBSITES.....	40
2.11 PUBLIC SATISFACTION ON MUNICIPAL SERVICES	40
CHAPTER 3 – SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I).....	41

Contents

COMPONENT A: BASIC SERVICES.....	41
3.1. WATER PROVISION.....	44
3.2 WASTE WATER (SANITATION) PROVISION.....	50
3.3 ELECTRICITY.....	54
3.4 WASTE MANAGEMENT (THIS SECTION TO INCLUDE: REFUSE COLLECTIONS, WASTE DISPOSAL, STREET CLEANING AND RECYCLING)	60
3.5 HOUSING.....	65
3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT	68
COMPONENT B: ROAD TRANSPORT	69
3.7 ROADS.....	69
3.8 TRANSPORT (INCLUDING VEHICLE LICENSING & PUBLIC BUS OPERATION)	75
3.9 WASTE WATER (STORMWATER DRAINAGE)	76
COMPONENT C: PLANNING AND DEVELOPMENT	80
3.10 PLANNING	80
3.11 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLACES).	84
COMPONENT D: COMMUNITY & SOCIAL SERVICES.....	90
3.12 LIBRARIES AND CIVIC THEATRE.....	90
3.13 CEMETERIES.....	94
3.14 SPECIAL PROGRAMMES	96
COMPONENT E: ENVIRONMENTAL PROTECTION.....	98
3.15 ENVIRONMENTAL PROTECTION.....	98
3.16 BIO-DIVERSITY; LANDSCAPE (INCL. OPEN SPACES); AND OTHER (EG. COASTAL PROTECTION).....	99
COMPONENT F: HEALTH.....	100
3.17 CLINICS	100
3.18 AMBULANCE SERVICES	100
3.19 HEALTH INSPECTION; FOOD AND ABBATOIR LICENSING AND INSPECTION; ETC	100
COMPONENT G: SECURITY AND SAFETY.....	101
3.20 TRAFFIC POLICE	101
3.21 FIRE.....	105
3.22 DISASTER MANAGEMENT	109

Contents

COMPONENT H: SPORT AND RECREATION	112
3.23 SPORT AND RECREATION	112
COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES.....	116
3.24 EXECUTIVE AND COUNCIL.....	116
3.25 FINANCIAL SERVICES	118
3.26 HUMAN RESOURCE SERVICES.....	123
3.27 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES	126
3.28 PROPERTY AND LEGAL SERVICES.....	129
COMPONENT J: MISCELLANEOUS.....	133
COMPONENT K: ORGANISATIONAL PERFORMANCE SCORECARD.....	134
CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE.....	135
(PERFORMANCE REPORT PART II)	135
COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL	136
4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES	136
COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE	138
4.2 POLICIES.....	139
4.3 INJURIES, SICKNESS AND SUSPENSIONS	140
4.4 PERFORMANCE REWARDS	143
COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE.....	143
4.5 SKILLS DEVELOPMENT AND TRAINING.....	145
COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE.....	149
4.6 EMPLOYEE EXPENDITURE	149
CHAPTER 5 – FINANCIAL PERFORMANCE.....	152
COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE	152
5.1 STATEMENTS OF FINANCIAL PERFORMANCE	153
5.2 GRANTS	157
5.3 ASSET MANAGEMENT.....	159
5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS	162
COMPONENT B: SPENDING AGAINST CAPITAL BUDGET	166

Contents

5.5 CAPITAL EXPENDITURE	167
5.6 SOURCES OF FINANCE.....	168
5.7 CAPITAL SPENDING ON 5 LARGEST PROJECTS.....	170
5.8 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW	171
COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS	172
5.9 CASH FLOW	173
5.10 BORROWING AND INVESTMENTS	174
5.11 PUBLIC PRIVATE PARTNERSHIPS.....	175
COMPONENT D: OTHER FINANCIAL MATTERS.....	176
5.12 SUPPLY CHAIN MANAGEMENT	176
5.13 GRAP COMPLIANCE	177
CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS.....	178
COMPONENT A: AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS 2010/11	178
6.1 AUDITOR GENERAL REPORTS 2010/11	178
COMPONENT B: AUDITOR-GENERAL OPINION 2011/12	180
6.2 AUDITOR GENERAL REPORT 2011/12.....	180
GLOSSARY	193
APPENDICES.....	196
APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE .	196
APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES	199
APPENDIX C –THIRD TIER ADMINISTRATIVE STRUCTURE	200
APPENDIX D – FUNCTIONS OF MUNICIPALITY / ENTITY	201
APPENDIX E – WARD REPORTING	203
APPENDIX F – WARD INFORMATION.....	204
APPENDIX G – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE 2011/12	205
APPENDIX H – LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS.....	206
APPENDIX I – MUNICIPAL ENTITY/ SERVICE PROVIDER PERFORMANCE SCHEDULE	207
APPENDIX J – DISCLOSURES OF FINANCIAL INTERESTS.....	208

Contents

APPENDIX K: REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE.....	209
APPENDIX K (i): REVENUE COLLECTION PERFORMANCE BY VOTE.....	209
APPENDIX K (ii): REVENUE COLLECTION PERFORMANCE BY SOURCE	210
APPENDIX L: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG.....	210
APPENDIX M: CAPITAL EXPENDITURE – NEW & UPGRADE/RENEWAL PROGRAMMES	212
APPENDIX M (i): CAPITAL EXPENDITURE - NEW ASSETS PROGRAMME	212
APPENDIX M (ii): CAPITAL EXPENDITURE – UPGRADE/RENEWAL PROGRAMME	213
APPENDIX N – CAPITAL PROGRAMME BY PROJECT 2011/12.....	214
APPENDIX O – CAPITAL PROGRAMME BY PROJECT BY WARD 2011/12.....	215
APPENDIX P – SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINICS	216
APPENDIX Q – SERVICE BACKLOGS EXPERIENCED BY THE COMMUNITY WHERE ANOTHER SPHERE OF GOVERNMENT IS RESPONSIBLE FOR SERVICE PROVISION.....	217
APPENDIX R – DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY	218
APPENDIX S – NATIONAL AND PROVINCIAL OUTCOMES FOR LOCAL GOVERNMENT	219
VOLUME II: ANNUAL FINANCIAL STATEMENTS.....	220

Contents

LIST OF TABLES

Table 1: Population and household statistics	17
Table 2: Gender distribution of population	17
Table 3: Racial distribution of population	17
Table 4: Age distribution of population.....	18
Table 5: Education levels	18
Table 6: Financial Overview – 2011/12.....	23
Table 7: Operating Ratios	23
Table 8: Total Capital Expenditure.....	24
Table 9: Statutory Annual Report Process	26
Table 10: Public Meetings	35
Table 11: IDP Participation and Alignment.....	36
Table 12: By-laws introduced	39
Table 13: Municipal Website	40
Table 14: Total use of water by Sector	44
Table 15: Water Service Delivery Levels	46
Table 16: Households – Water Service Delivery Levels below minimum	46
Table 18: Employees – Water Services	48
Table 19: Financial Performance – Water Services	48
Table 20: Capital Expenditure – Water Services.....	49
Table 21: Sanitation Service Delivery Levels	51
Table 22: Households – Sanitation Service Delivery Levels below the minimum	51
Table 24: Employees – Sanitation Services.....	52
Table 25: Financial Performance – Sanitation Services	52
Table 26: Capital Expenditure – Sanitation Services.....	53
Table 27: Electricity Service Delivery Levels.....	57
Table 28: Households – Electricity Service Levels below the Minimum	57
Table 30: Employees – Electricity Services	58
Table 31: Financial Performance – Electricity Services	58
Table 32: Capital Expenditure – Electricity Services	59
Table 33: Waste Management Service Delivery Levels	60
Table 34: Households –Waste Management Service Delivery Levels below the Minimum	61
Table 35: Waste Management Service Policy Objectives taken from IDP/SDBIP	62
Table 36: Employees – Waste Management Services	63
Table 37: Financial Performance – Waste Management Services.....	63
Table 38: Capital Expenditure – Waste Management Services	64
Table 39: Percentage of Households with Access to Basic Housing	65
Table 41: Employees – Housing Services.....	66
Table 42: Financial Performance – Housing Services	66
Table 43: Capital Expenditure – Housing Services	67
Table 44: Free Basic Services to Low Income Households.....	68
Table 45: Cost to Municipality of FBS Delivered	68
Table 46: Gravel Road Infrastructure.....	69
Table 47: Tarred Road Infrastructure.....	69
Table 48: Cost of Construction/Maintenance	70
Table 50: Employees – Roads Services	71
Table 51: Financial Performance – Roads Services.....	71

Contents

Table 52: Capital Expenditure – Roads Services	72
Table 53: Storm water Infrastructure	76
Table 54: Cost of Construction/Maintenance	76
Table 56: Employees – Storm water Services.....	78
Table 57: Financial Performance – Storm water Services	78
Table 58: Capital Expenditure – Storm water Services	79
Table 59: Applications for Land Use Development.....	81
Table 61: Employees – Planning Services.....	82
Table 62: Financial Performance – Planning Services	82
Table 63: Capital Expenditure – Planning Services.....	83
Table 64: Economic Activity by Sector.....	85
Table 65: Economic Employment by Sector	85
Table 66: Jobs Created through LED Initiatives	86
Table 67: Jobs Created through EPWP Projects.....	86
Table 68: LED Policy Objectives taken from IDP/SDBIP	87
Table 69: Employees – LED Services.....	88
Table 70: Financial Performance – LED Services	88
Table 71: Capital Expenditure – LED Services	89
Table 73: Employees – Libraries	92
Table 74: Employees Civic Theatre	92
Table 76: Employees – Cemeteries.....	95
Table 80: Employees – Environmental Protection.....	99
Table 81: Traffic Police Service Data.....	101
Table 83: Employees – Traffic Police.....	103
Table 84: Financial Performance – Traffic Police	103
Table 85: Capital Expenditure – Traffic Police	104
Table 86: Fire Service Data.....	105
Table 87: Fire Service Policy Objectives taken from IDP/SDBIP	107
Table 88: Employees – Fire Services	108
Table 89: Capital Expenditure – Fire Services	108
Table 90: Disaster Management Policy Objectives taken from IDP/SDBIP	110
Table 91: Employees – Disaster Management.....	111
Table 92: Sport and Recreation Policy Objectives taken from IDP/SDBIP	113
Table 93: Employees – Sport and Recreation.....	114
Table 94: Financial Performance – Sport and Recreation	114
Table 95: Capital Expenditure – Sport and Recreation.....	115
Table 97: Employees – Executive and Council	117
Table 98: Debt Recovery.....	118
Table 99: Financial Service Policy Objectives taken from IDP/SDBIP	119
Table 100: Employees – Financial Services	121
Table 101: Financial Performance – Financial Services.....	121
Table 102: Capital Expenditure – Financial Services	122
Table 103: Human Resource Services Policy Objectives taken from IDP/SDBIP	124
Table 104: Employees – Human Resource Services	125
Table 105: ICT Services Policy Objectives taken from IDP/SDBIP	127
Table 106: Employees – ICT Services.....	128
Table 107: Property and Legal Services Policy Objectives taken from IDP/SDBIP	131
Table 108: Employees – Property and Legal Services	132

Contents

Table 109: Employee Totals (Please provide totals per functions below)	136
Table 110: Vacancy Rate	137
Table 111: Turnover Rate	137
Table 112: HR Policies and Plans	139
Table 113: Number and Cost of Injuries on Duty.....	140
Table 114: Number of Days and Cost of Sick Leave	140
Table 115: Number and Period of Suspensions	142
Table 116: Disciplinary Action Taken.....	142
Table 117: Skills Matrix	145
Table 118: Financial Competency Development.....	146
Table 119: Skills Development Expenditure.....	147
Table 120: Employees whose Salary Levels Exceed Grading.....	150
Table 121: Employees Appointed to Posts not Approved.....	151
Table 122: Statement of Financial Performance	153
Table 123: Financial Performance of Operational Services	155
Table 124: Grant Performance	157
Table 125: Treatment of Three Largest Assets	160
Table 126: Repairs and Maintenance Expenditure.....	161
Table 127: Capital Expenditure – Funding Sources	168
Table 128: Capital Expenditure on 5 Largest Projects.....	170
Table 129: Service Backlogs	171
Table 130: Cash Flow Outcomes	173
Table 131: Actual Borrowings.....	174
Table 132: Municipal Investments	175
Table 133: Auditor-General Report on Financial Performance	178
Table 134: Auditor-General Report on Service Delivery Performance	179
Table 135: Auditor-General Report on Financial Performance	180
Table 136: Auditor-General Report on Service Delivery Performance	181
Table 137: Councillors, Committee Allocation and Council Attendance	196
Table 138: Committees	199
Table 139: Third Tier Structure	200
Table 140: Municipal Functions.....	201
Table 147: Revenue Collection by Vote.....	209
Table 148: Revenue Collection by Source.....	210
Table 149: Conditional Grants: excluding MIG.....	211

Chapter 1

CHAPTER 1 – MAYOR’S FOREWORD AND EXECUTIVE SUMMARY

COMPONENT A: MAYOR’S FOREWORD

MAYOR’S FOREWORD

a. Vision:

A succinct narrative on the direction of travel, key strategic objectives and the major changes that are being addressed. This is the most important single statement in the Annual Report.

b. Key Policy Developments:

This is based on Strategic alignment to the Provincial Growth and Development Strategy, and the IDP strategies included in the IDP especially with focus on impact and outcome achieved – bearing in mind that foreword provides details that should be included in the chapters to follow.

c. Key Service Delivery Improvements:

Comment on the major successes of the year included and provide an indication of challenges overcome.

d. Public Participation:

Methods and/or processes used to increase public awareness on service availability engage public in decision making and improve accountability to communities.

e. Future Actions:

Initiatives committed whereby service delivery will be improved over the next few years.

f. Agreements / Partnerships: Announcements on special partnerships initiated.

g. Conclusion: Final thoughts on the year.

(Signed by :) _____

Mayor/Executive Mayor

Delete Directive note once comment is completed – The Mayor may wish to make brief mention of initiatives attempted that were not entirely successful in the interests of accountability and forming a closer, trusting relationship with the community.

T 1.0.1

Chapter 1

COMPONENT B: EXECUTIVE SUMMARY

1.1. MUNICIPAL MANAGER'S OVERVIEW

MUNICIPAL MANAGER'S OVERVIEW

The calendar year 2011/12 has come and gone. The Municipality has yet another opportunity to present a synoptic report of its performance during the past financial year.

Like the previous years the municipality is still on course towards achieving its stated goals towards service delivery and achieving a clean audit by 2014. The challenges the municipality is faced with are to improve the outcome of audits more specifically on assets and improve on service delivery. To realise the above there is need for more emphasis and implementation of the Auditor General's recommendations.

The Municipality's Integrated Development Plan (IDP) is the key document that assists us to prioritise and allocate resources efficiently. It is from this Strategic Plan that we were able to develop a sound Service Delivery and Budget Implementation Plan and also come up with a credible performance management system to ensure that we are able to quantify and measure our performance in providing services to our people.

All lights and air conditioners are switched off during nights as well as a person is not in the office. A company was appointed to replace all the lights in municipal buildings, street lights as well as robots with energy saving bulbs and technology. Leak detection is done in all municipal buildings and leaking taps and pipes are repaired as soon as possible. Most of the municipal gardens are also irrigated with purified sewer water (etc. Kroonpark gardens)

The annual report highlights the policies, programmes and achievements that brought the Municipality to a point where we can proudly say with confidence that today is better than yesterday and tomorrow looks much brighter than today.

MUNICIPAL FUNCTIONS

The Municipality consists of the following administrative departments which are led by Managers:

Corporate Services

Corporate Services is the core of general administration and human resources management for Nongoma Municipality. It is considered as the main support department that is breathing life to the Municipality as a whole. It entails amongst others Human Resources Management and Administration, Registry and Record keeping, Fleet Management, Policy Review and Development, Legal Matters, Labour Relations, Committee Services, Management and Utilization of Municipal Facilities, Corporate Image of the Municipality, etc.

Chapter 1

Municipal Policies and Procedures

The Department of Corporate Services is responsible for ensuring that proper policies and Work Procedure are in place for proper operations. A set of policies, procedures and by laws are in place and are reviewed annually and as need arises to ensure relevance to Municipal objectives as set out in the IDP.

Organisational Structure

Nongoma Local Municipality is operating according to Municipal Organogram which is adopted by the Council and it is further reviewed annually and as per need. It is the responsibility of Corporate Services Department to ensure that the process is initiated and carried through for development, review and implementation of the adopted Organogram. A copy of the adopted Organogram is as attached.

Registry

Municipal records are effectively and efficiently managed at the Registry which is the sub section of Corporate Services Department. The Registry is further tasked as a centralised internal and external communication channel for the Municipality.

Legal Matters

It is one of the functions of Corporate Services Department to provide legal advice and support to the Council. Since Nongoma Municipality is a small government entity this function was outsourced to a private firm of attorney who work in good harmony with the Municipality. Amongst others they are currently dealing with issues of land ownership and transfer, labour issues, legal opinion and advise and other relevant matters as deemed necessary.

Community and Emergency Services

This departments provide efficient and effective community services to the Moqhaka Local Municipality

- * The overall management of the Community Services Department
- * The implementation of integrated waste management plan within the Municipality
- * Managing and monitoring of environmental health matters within the area of jurisdiction of the Municipality
- * Management of the provision and maintenance of community and recreational facilities within the Municipality

Technical Services

The department is responsible for infrastructure development within the Moqhaka jurisdiction. Technical service's is one of the strategic departments responsible for job creation, socio-economic infrastructure, economic development through infrastructure and poverty alleviation.

Chapter 1

Functions of the Technical Department:

To facilitate and coordinate for provision of sustainable water and sanitation facilities to all the communities of Moqhaka.

To provide maintenance of infrastructure (roads, bridges, electricity and buildings etc).

To facilitate the provision of Grid and Non-Grid electricity in the Moqhaka jurisdictional areas.

To alleviate the rate of unemployment by creating job opportunities.

Assisting the emerging local contractors by trainings on site and enforcement of compliance.

To manage, monitor and supervise contractors and consultants for infrastructure projects.

Prepare business plans for infrastructure projects.

To provide in-service training to local students within Moqhaka area.

To liaise with communities for project implementation.

To advice council on infrastructure investments.

Liaise with internal departments for management of all infrastructure related projects.

Finance Department

The Office of Municipal Finance is responsible for compiling and maintaining the financial records of the municipality to insure compliance with state and local laws and regulations.

The functions of the Office of Municipal Finance are:

- Maintenance of Cash Receipts Records
- Reconciliation of receipts to the Treasurer's Detail
- Processing of Payroll.
- Processing of All Payments to vendors and individuals
- Reconciliation of Receipts with the Treasurer's Office
- Maintenance of all records of Grants, Gifts and other Special Revenue Funds
- Maintenance of the municipality's General Ledger
- Maintenance of all records of municipal debt.
- Preparing reports of Revenue and Expenditure, and Departmental Budget balances

ENVIRONMENTAL OVERVIEW

In preparing ourselves for climate change and Global warming and improving the state of environment, as the municipality we have initiated the development of the Environmental Management Framework (EMF) which will regulate any environmental activities taking place within and around our jurisdiction. This is funded by the National Department of Environment through North West University. The developed Integrated Waste Management Plan (IWMP) is in the process of being reviewed to be in line with the current state of the municipality.

ACKNOWLEDGEMENTS

I would like to extend my gratitude to our Senior Management and all the staff for their dedication and hard work

Thanks to all the people of Moqhaka for allowing us an opportunity to serve them in the past financial year, and my sincere gratitude to the political offices for their support.

T 1.1.1

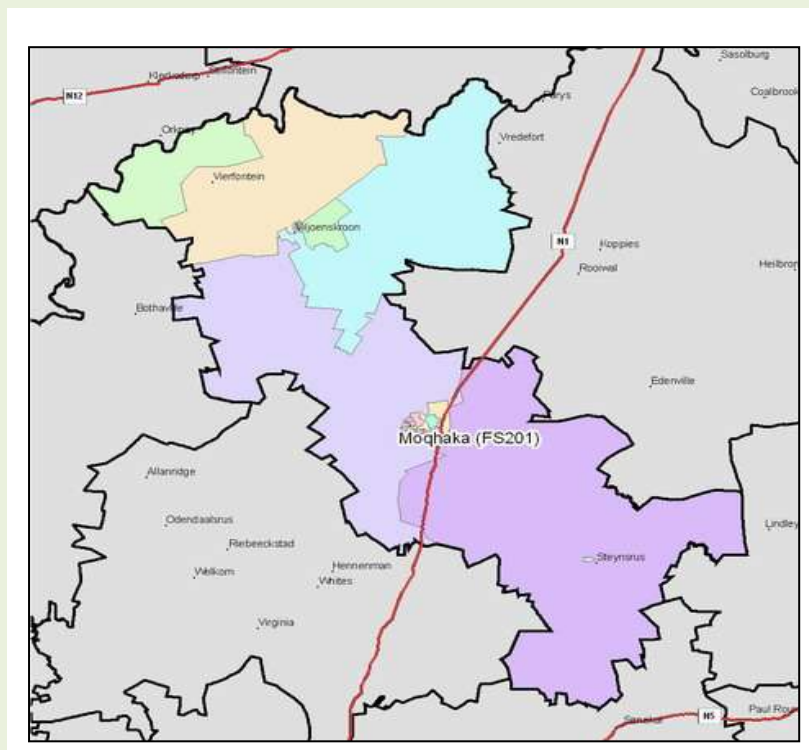
Chapter 1

1.2. MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

INTRODUCTION TO BACKGROUND DATA

The area of jurisdiction of the Moqhaka Local Municipality is situated in the southern part of the Fezile Dabi District Municipality. The former Kroonstad, Steynsrus and Viljoenskroon Transitional Local Councils and sections of the Riemland, Kroonkop and Koepel Transitional Rural Councils are included in the Moqhaka Local Municipality. The total estimated residents in Moqhaka, according to Council preferred data, is 170 844.

The general tendency of migration from rural to urban areas is also occurring in the area, as is the case in the rest of the Free State Province. The majority of the rural population is active within the agricultural sector. Regarding the population distribution (see Table 1), the area is largely urbanized (78% urban and 22% rural). In comparison to the other municipalities within the Fezile Dabi District, it appears as if Moqhaka is significantly less urbanised. However, the large rural population of the concerned region is attributed to the fact that the population of the Vierfontein and Renovaal villages as well as the Vaal Reefs hostel complex and informal settlement (see Table 6) is included in the rural population of Moqhaka.



Chapter 1

The Greater Kroonstad is the centre of a large agriculture community that plays an important role in the economy of the district. Industrial activities subsequently contribute significantly to the district's economy. The Department of Correctional Services and the School of Engineer's Military bases are situated in the town. Kroonstad has of late become a distinguished holiday destination due to the ultra modern and popular holiday resort of Kroonpark, adjacent to the Vals River. The urban area is situated adjacent the N1 National Road and located adjacent one of the largest and most important four-way railway junctions in South Africa.

The Viljoenskroon/Rammulotsi urban area is located within an area of extreme agricultural significance. The urban area plays a significant role in providing residential opportunities to the adjacent Goldfields and mining activities in the North West Province. The provincial roads P15/1 and P15/2 from Kroonstad to Klerksdorp in the North West Province extend through the area from north to south.

The Steynsrus/Matlwangtlwang urban area is situated approximately 45km east of Kroonstad, 92km west of Bethlehem. The major link road between Bethlehem and Kroonstad stretches adjacent to the urban area. The area is located in an area of agricultural significance and mainly provides services in this regard to the surrounding rural areas. More specialised services are rendered by Kroonstad as a large service centre in close proximity. The accessibility of the town, due to the main road and railway line, further influences growth in the area.

In addition to the existing formal urban areas, several residential areas and proclaimed town areas are situated in Moqhaka with reference to Renovaal, Vierfontein and the Vaal Reefs hostel complex and settlement. Renovaal was established during 1974 adjacent the Vaal River with the intention to provide residence in the proximity of the gold mining activities in the North West Province. The town was also later marketed as a leisure residential area with recreation potential adjacent the Renoster and Vaal Rivers. Development of the town is, however, extremely latent and only the proposed first phase of the town was established. According to Proclamation No. 167 of 1975, the concerned area represented by General Plan SG No. 459/1974, was proclaimed a township under the name Renovaal.

Vierfontein (referred to as "Vierfontein South") is also a proclaimed town. The area was initially developed to provide residence for workers at the adjacent mine and electricity power station and was owned by Eskom. After mining activities ceased and the power station discontinued, a township establishment was done to formalize the existing town area during 1993. According to Proclamation No. 35 of 1995 (Provincial Gazette of 24 February 1995), the concerned area represented by General Plan SG No. 786/1993, was proclaimed a township under the name Vierfontein. The individual properties were sold and the majority of the inhabitants of Vierfontein are retired residents with a limited number of inhabitants that are employed in Viljoenskroon.

To the north of the town Vierfontein, a sectional title scheme was established that is referred to as "Vierfontein North". As in the case of Vierfontein, this sectional title scheme also developed to provide residence for workers at the Vierfontein mine and power station, but most of the current inhabitants are also retired. The area was developed by the Dutch Reformed Church who was the initial property owner of the concerned farms. The concerned farms are currently the property of Vierfontein Developers Group Scheme who is also the current home owners association.

The Vaal Reefs hostel complex subsequently exists adjacent the Vaal River and in close proximity of Viljoenskroon. The hostels were developed by AngloGold who is the property owner of the concerned farms and provide residence to mine workers of the company. Although mining activities ceased on the

Chapter 1

Free State side of the Vaal River, the complex still exists and provides housing to approximately 9 000 residents. An informal settlement subsequently developed adjacent the Vaal Reefs hostels, consisting of approximately 720 residents.

Apart from the dominant role agriculture plays in the region, no other significant economic activity exists. The Moqhaka area, like the rest of the Fezile Dabi District, is not considered as a primary tourist destination, although the area is increasingly becoming a favourite weekend destination. The hunting and guesthouse industries displayed an exceedingly rapid growth the past few years. Recreation areas and facilities are predominantly confined to the urban areas. The Kroonpark recreation and holiday resort in Kroonstad attracts interest throughout the region.

The Vaal River borders Moqhaka to the west. The Vals and Renoster Rivers drain through the area towards the Vaal River. These rivers play a significant role in providing the raw water supply to Kroonstad, Steynsrus and Viljoenskroon respectively. The topography of the area is particularly homogeneous with no prominent features and the area is characterised by extremely moderate slopes. The western areas, in the vicinity of Viljoenskroon, are known for various shallow and non-perennial pans.

Chapter 1

Demographic and Socio-Economic Profile of the Municipality

The official statistics according to *Statistics South Africa's Census 2001, Community Survey 2007* and *Census 2011* were used to provide an overview of the municipality's demographic and socio-economic profile

Table 1: Population and household statistics

	Census 2001	CS 2007	Census 2011
Population	167 892	170 522	160 528
Households	43 902	64 898	45 661
Average Household Size	3.8	2.6	3.5

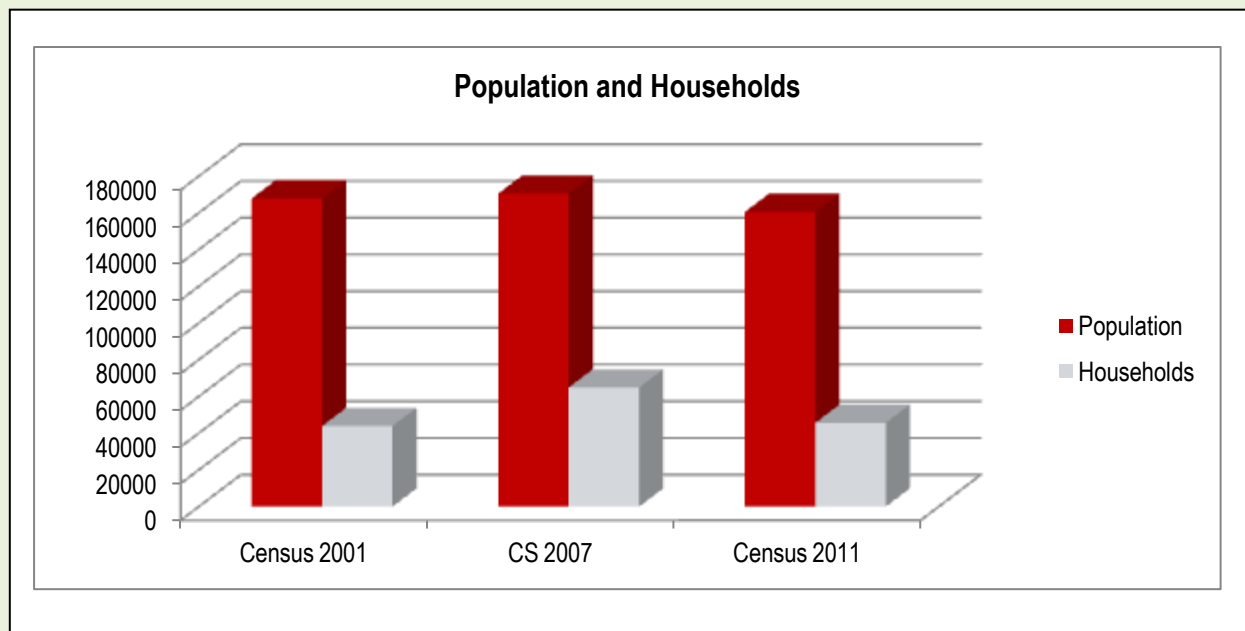


Figure 1: Population and Households

Table 2: Gender distribution of population

	Census 2001	CS 2007	Census 2011
Males	83 623 (49.8%)	-	79 475 (49.5%)
Females	84 269 (50.2%)	-	81 053 (50.5%)

Table 3: Racial distribution of population

	Census 2001		CS 2007		Census 2011	
Black African	144 793	86.3%	-	-	139 969	87.2%
White	18 198	10.8%	-	-	14 966	9.3%
Coloured	4 693	2.8%	-	-	4 592	2.9%
Indian or Asian	208	0.1%	-	-	533	0.3%
Other	-	-	-	-	468	0.3%

Chapter 1

Table 4: Age distribution of population

	Census 2001		CS 2007		Census 2011	
0 – 4 years	14 508	8.6%	-	-	16 324	10.2%
5 – 14 years	32 671	19.5%	-	-	27 039	16.8%
15 – 34 years	59 754	35.6%	-	-	55 681	34.7%
35 -64 years	51 460	30.7%	-	-	50 986	31.8%
65 years and older	9 499	5.6%	-	-	10 501	6.5%

Table 5: Education levels

	Census 2001	CS 2007	Census 2011
No schooling	10 515	-	6 495
Some primary	24 499	-	38 069
Completed primary	9 017	-	8 048
Some secondary	33 396	-	44 952
Grade 12/Std 10	19 326	-	27 238
Higher	6 241	-	8 139
Unspecified	-	-	231
Not applicable	-	-	27 360

COMMENT ON BACKGROUND DATA:

The results of Census 2011 reflects that the population of the municipality has declined by 7 364 (-4.4%) from 2001 to 160 528 in 2011, whilst the number of households has increased by 1 759 (4.0%) to 45 661 over the same period. The average household size has dropped from 3.8 to 3.5 implying that households are becoming smaller even though the population shows a declining trend.

The age profile of the municipality shows a relatively younger population with 27.0% below 14 years, 66.5% between 15 and 64 years and only 6.5% of the population is older than 65 years. The age profile therefore reflects that the municipality, other spheres of government and business partners will have to consider these trends in terms of schooling, education and employment opportunities.

T 1.2.8

Chapter 1

1.3. SERVICE DELIVERY OVERVIEW

SERVICE DELIVERY INTRODUCTION

The municipality is doing relatively well in terms of access to water and electricity, whilst access to sanitation and refuse removal remains below the national targets set by government. Access to basic housing is also a challenge as this function is still performed by the Provincial Department of Human Settlements. Various service delivery targets have been set in the municipality's IDP to ensure that access to basic services is realised in line with the national government's target dates.

Free basic services are provided to indigent households according to the municipality's indigent policy. This includes 6kl of water, 50kWh electricity, free sanitation and refuse removal per month.

T 1.3.1

Access to basic municipal services

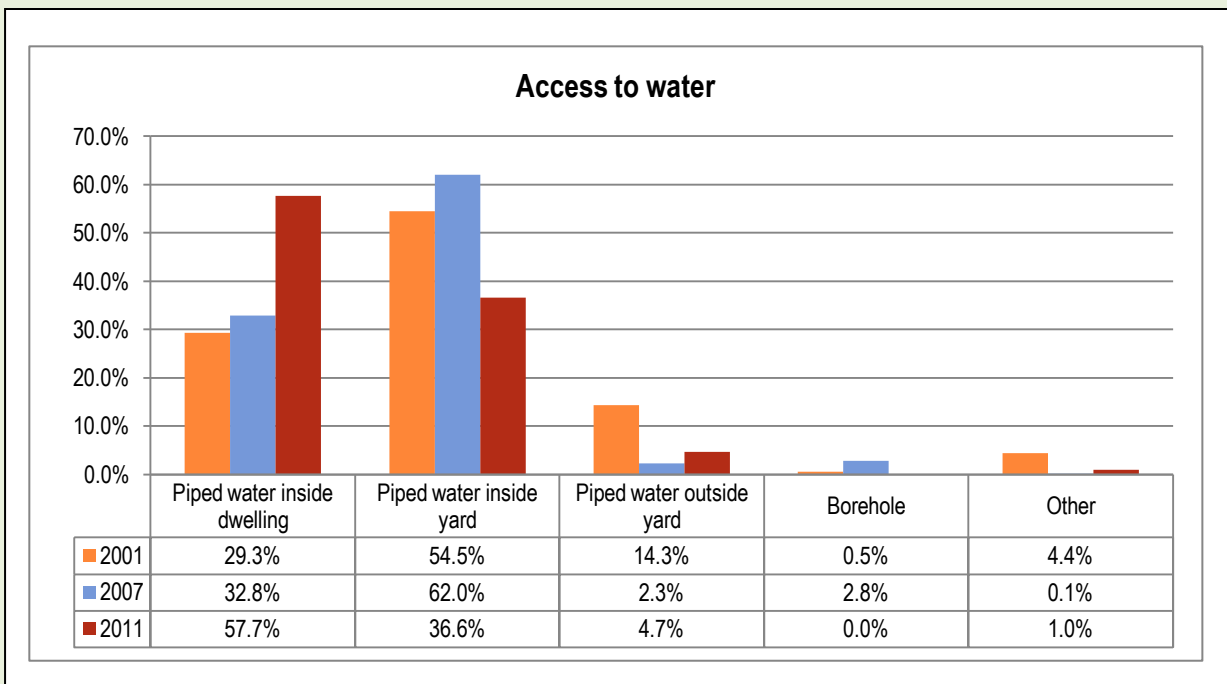


Figure 2: Access to Water

Chapter 1

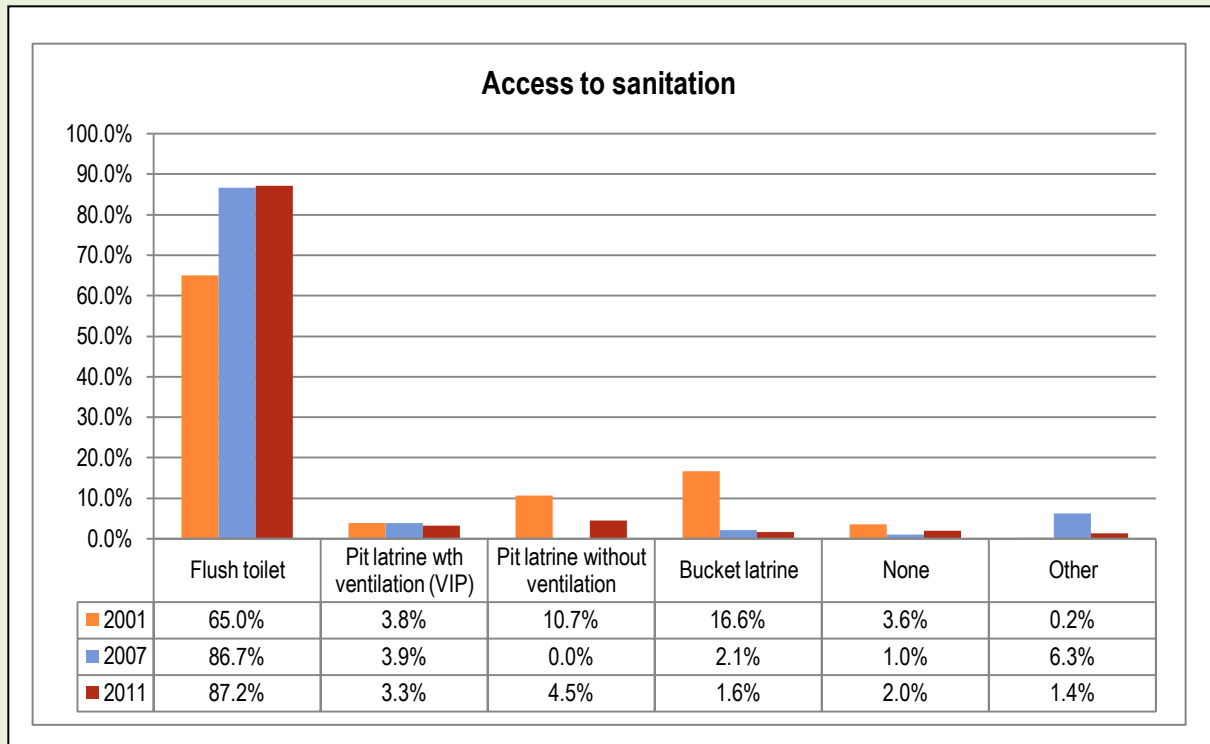


Figure 3: Access to Sanitation

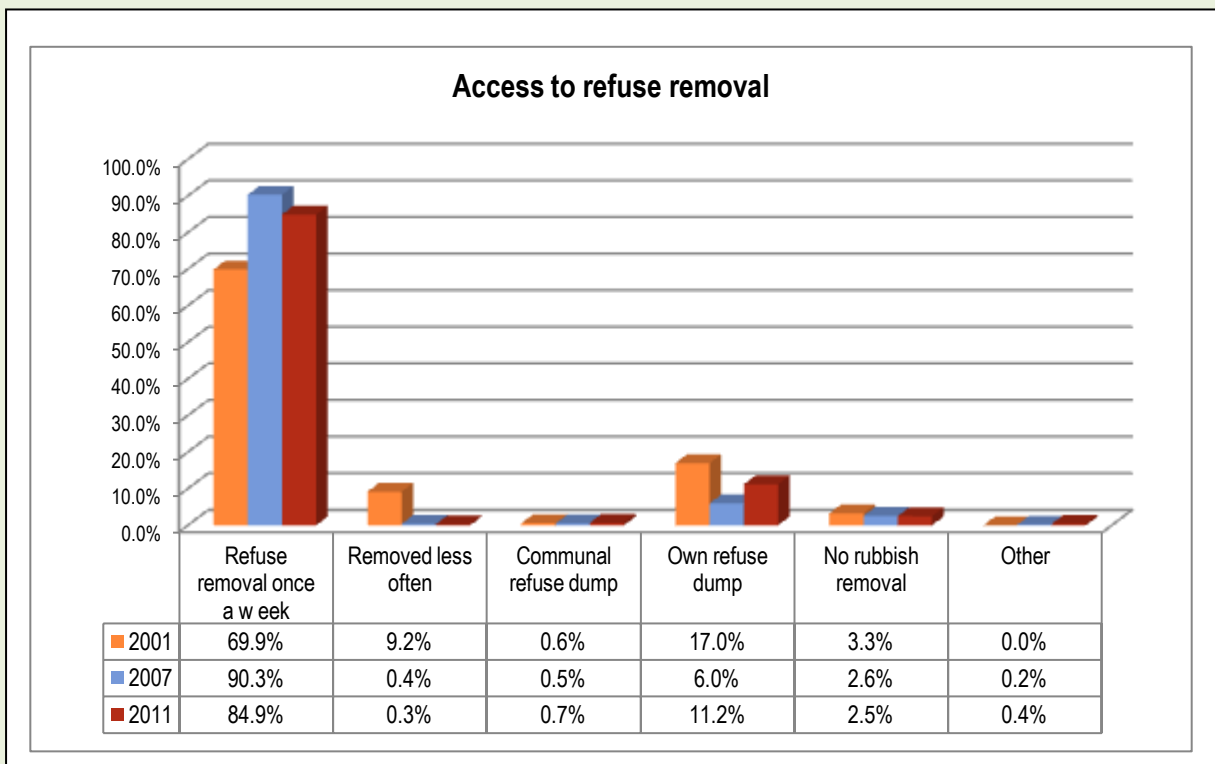


Figure 4: Access to Refuse Removal

Chapter 1

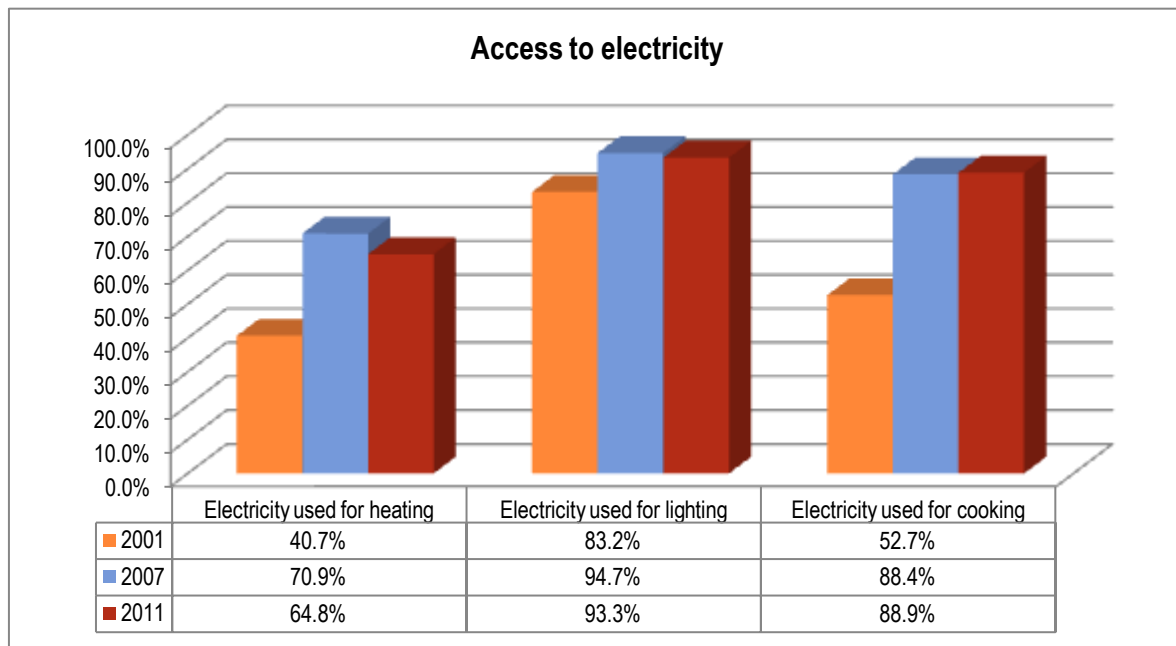


Figure 5: Access to Electricity

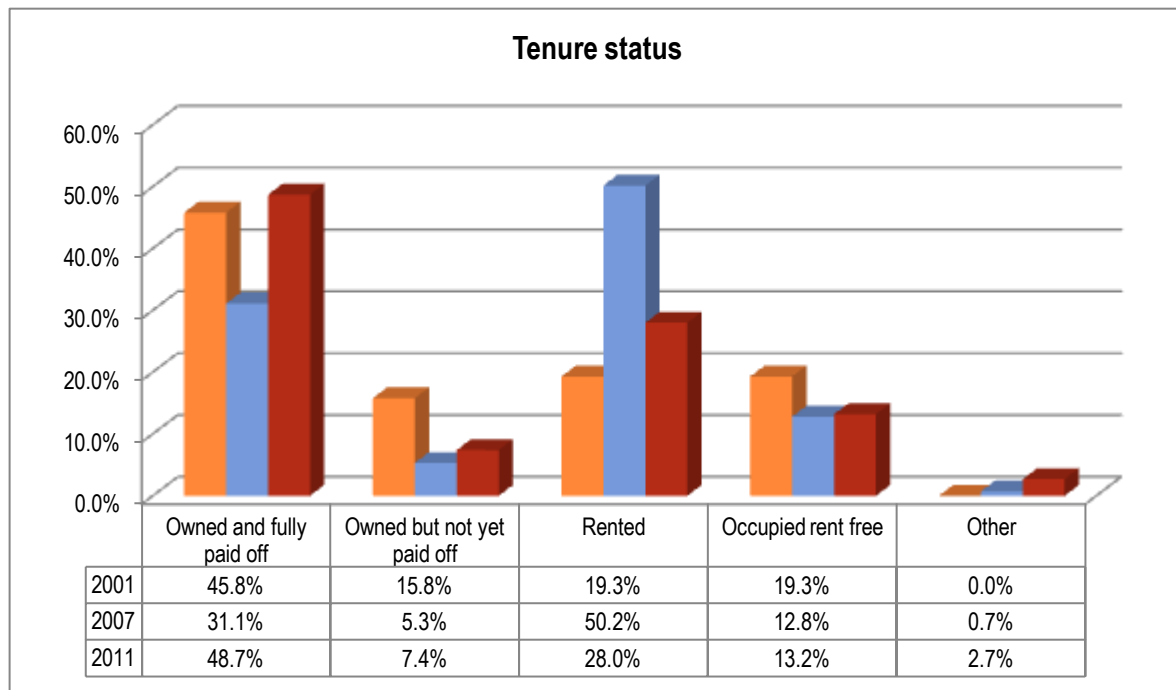


Figure 6: Tenure Status

Chapter 1

COMMENT ON ACCESS TO BASIC SERVICES:

94.3% of the population had access to piped water inside the dwelling and yard in 2011 according to Census 2011. In regard to access to basic sanitation 90.5% of households had access to flush toilets and ventilated pit latrines (VIPs) and 84.9% of households received a weekly refuse removal service. More than 88% of households used electricity for lighting and cooking in 2011. The municipality has set targets for achieving the national outcomes for basic services in the 2012-2017 approved Integrated Development Plan (IDP).

T 1.3.3

1.4. FINANCIAL HEALTH OVERVIEW

FINANCIAL OVERVIEW

This overview sets out highlights of the municipality's financial performance in the past year. Full details appear in the annual financial statements

The municipality has performed relatively well over the past year despite the prevailing market and economic conditions. There has been a monitoring by the municipality of the economic conditions over the finances of the municipality and despite lack of complete verification of its debtors, the municipality is aware of the existence of indigent communities within its jurisdiction and the impact it has on the revenue collection rate which in turn put pressure on the cash flows. The entity's cash flows remained relatively strong.

Over the past the year, total revenue increased by 16.6% to R492 million. Service charges grew by 18.6% while growth of property rates 10.06%. Total revenue was 5.4% more than the budgeted amount.

Total expenditure increased by 9.6% to R486 million. Depreciation and amortisation decreased by 75.6% due to depreciation on the infrastructure assets not accounted for in the financial statements, while bulk purchases grew by 27%. Repairs and maintenance for the municipality were R41.9 million for the year (2010/11 R22.5 million) while spending amounted to 136.4% (2011:). The municipality will continue to prioritise the repairs and maintenance because the preservation of assets is important for continued service delivery.

The municipality recorded a net operating surplus of R6.2 million (2011: R21.5 million deficit) without the impact of GRAP 17 depreciation. No amount has been transferred to capital replacement reserve to support the capital renewal programme

T 1.4.1

Chapter 1

Table 6: Financial Overview – 2011/12

Financial Overview: 2011/12			
			R' 000
Details	Original budget	Adjustment Budget	Actual
Income:			
Grants	147 420	147 420	196 013
Taxes, Levies and tariffs	302 418	302 418	278 824
Other	21 444	21 444	17 124
Sub Total	467 337	467 337	491 961
Less: Expenditure	444 463	444 463	486 221
Net Total*	22 874	22 874	6 239
* Note: surplus/(deficit)			T 1.4.2

Table 7: Operating Ratios

Operating Ratios	
Detail	%
Employee Cost	32%
Repairs & Maintenance	8.6%
Finance Charges & Impairment	7.5%
T 1.4.3	

COMMENT ON OPERATING RATIOS:

Employee costs are at 32% of the total operating costs. This is slightly higher than the norm of 30%.

Repairs and maintenance are at 8.6% of the total operating costs. The ratio is significantly below the norm of 20% due to cash flow challenges to undertake repairs, a lack of value for money and some repairs to assets that were capitalised.

Finance charges and impairments were at 7.5% (2010/11: 11.6%) of the total operating costs. Finance charges are driven by the long term loan from the Development Bank of Southern Africa, the defined benefit obligation and late payments to creditors. A decrease in the debt impairment to R19.1m (2010/11: R36.1m) has led to a lower ratio of 7.5% for finance charges and impairments to total operating costs.

T 1.4.3

Chapter 1

Table 8: Total Capital Expenditure

Total Capital Expenditure: 2009/10 to 2011/12			
			R'000
Detail	2009/10	2010/11	2011/12
Original Budget	32 679	-	110 007
Adjustment Budget	-	-	64 744
Actual	84 835	51 608	51 632
			T 1.4.4

COMMENT ON CAPITAL EXPENDITURE:

Actual and Original Budget

The original capital budget of R110 million erroneously included the grants from the Department of Human Settlement which were not to be included in the municipal capital budget. The original capital budget was adjusted to R64 million.

Actual and Adjusted Capital Budget

The difference between actual and the adjusted capital budget is due to capital expenditure from own funding that could not be undertaken due to resource constraints and other expenditure undertaken under emergency conditions that were classified as repairs and maintenance.

T 1.4.5.1

1.5. ORGANISATIONAL DEVELOPMENT OVERVIEW

ORGANISATIONAL DEVELOPMENT PERFORMANCE

Delete Directive note once comment is completed – Provide an overview of key Organisational Development issues based on information contained in Chapter 4.

T 1.5.1

Chapter 1

1.6. AUDITOR GENERAL REPORT

AUDITOR GENERAL REPORT: 2011/12 (CURRENT YEAR)

The type of audit opinion for the 2011/12 financial year given is a disclaimer. The issues leading to disclaimer were the lack of supporting evidence regarding the valuation, existence and completeness of the infrastructure assets. The residual values, impairment assessments and the depreciation were not accounted for on the assets.

The investment properties were overstated in the financial statements due to incorrect accounting classification.

Another area that was significant is the receivables from exchange transactions as the auditor could not confirm the existence of debtors and also unable to confirm the indigent debtors. The auditors concluded that the irregular expenditure was understated significantly in the financial statements.

In terms of the disclaimer on the property, plant and equipment the infrastructure assets valuation and verification was still underway after year end and could not be concluded. The municipality's system of indigent verification did not function effectively to provide evidence of the indigent debtors and the existence of debtors. The disagreements with the auditors about the classification of investment properties are being rectified.

T 1.6.1

Chapter 1

1.7. STATUTORY ANNUAL REPORT PROCESS

Table 9: Statutory Annual Report Process

No.	Activity	Timeframe
1	Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period	July
2	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	
3	Finalise the 4th quarter Report for previous financial year	
4	Submit draft 2011/12 Annual Report to Internal Audit and Auditor-General	
5	Municipal entities submit draft annual reports to MM	
6	Audit/Performance committee considers draft Annual Report of municipality and entities (where relevant)	August
8	Mayor tables the unaudited Annual Report	
9	Municipality submits draft Annual Report including consolidated annual financial statements and performance report to Auditor General	
10	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase	
11	Auditor General audits Annual Report including consolidated Annual Financial Statements and Performance data	September - October
12	Municipalities receive and start to address the Auditor General's comments	November
13	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor- General's Report	
14	Audited Annual Report is made public and representation is invited	
15	Oversight Committee assesses Annual Report	
16	Council adopts Oversight report	December
17	Oversight report is made public	
18	Oversight report is submitted to relevant provincial councils	January
19	Commencement of draft Budget/ IDP finalisation for next financial year. Annual Report and Oversight Reports to be used as input	

T 1.7.1

Chapter 1

COMMENT ON THE ANNUAL REPORT PROCESS:

The municipality was not able to meet the new deadlines as per MFMA Circular No. 63 due to the fact that the circular was only issued by the National Treasury in September 2012. However, substantial progress has been made to align the format and contents of the 2011/12 Annual Report with the guidelines issued by the National Treasury. A concerted effort will be made by the municipality to ensure adherence to the above timelines with the compilation of the 2012/13 Annual Report.

The municipality appreciates the importance of alignment between the IDP, Budget and Performance Management System and the process to ensure proper alignment is continuously being reviewed and implemented.

T 1.7.1.1

Chapter 2

CHAPTER 2 – GOVERNANCE

INTRODUCTION TO GOVERNANCE

Governance structures and processes in the municipality are aligned to the relevant legislative provisions in the Municipal Structures Act, Municipal Systems Act and Municipal Finance Management Act. The interface between political and administrative structures are managed by the Executive Mayor and Municipal Manager, the municipality participated effectively in the various inter-governmental structures, public accountability and participation are managed by the Speaker's Office and the Executive Mayor in terms of their respective responsibilities and a number of corporate governance arrangements have been institutionalised to ensure legislative compliance and best practices.

T 2.0.1

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

INTRODUCTION TO POLITICAL AND ADMINISTRATIVE GOVERNANCE

Note: The Constitution section 151 (3) states that the council of a municipality has the right to govern on its own initiative, the local government affairs of the local community.

The Council is vested with the responsibility to oversee the performance of the administration through council and committee meetings. The Executive Mayor provides the link between the Council and Administration and is responsible for regular monitoring and for tabling of reports before council. The administration, headed by the Municipal Manager, is responsible for the day-to-day operations of the municipality.

T 2.1.0

Chapter 2

2.1 POLITICAL GOVERNANCE

INTRODUCTION TO POLITICAL GOVERNANCE

Note: MFMA section 52 (a): The Mayor must provide general political guidance over the fiscal and financial affairs of the municipality

Section 151 of the Constitution, 1996 states that the executive and legislative authority of a municipality is vested in its municipal council. This is complemented by the Municipal Structures Act and Municipal Systems Act. In terms of section 160(2) of the Constitution, 1996, the following powers may not be delegated by a municipal council and must therefore be exercised by council: passing of by-laws, approval of budgets, imposition of rates and taxes, levies and duties and the raising of loans. The Speaker is appointed by Council and performs her functions in terms of section 37 of the Municipal Structures Act, such as presiding at council meetings and overseeing the work of council committees.

The Council appointed an Audit and Performance Audit Committee which performs its functions in accordance with section 166(2) of the MFMA and the approved audit committee charter. This Committee reports directly to Council and make recommendations to Council in terms of its functions.

The Executive Mayor exercises his responsibilities in terms of the Municipal Structures Act, Municipal Systems Act, and Municipal Finance Management Act and in accordance with any powers and functions so delegated by the Council. The Executive Mayor is assisted by a Mayoral Committee who has been appointed in terms of section 60(1)(a) of the Municipal Structures Act. Members of the Mayoral Committee have been assigned specific areas of responsibility and chair the various portfolio committees (See **Appendix B** for committees and committee purposes). The portfolio committees consist of Councillors and reports directly to the Mayoral Committee.

The municipality has established an Oversight Committee, comprised of non-executive councillors, with the specific purpose of providing your Council with comments and recommendations on the Annual Report. The Oversight Committee report on the 2011/12 Annual Report will be published separately in accordance with MFMA guidance.

T 2.1.1

Chapter 2

<i>Photos</i>	POLITICAL STRUCTURE	<i>Function</i>
	EXECUTIVE MAYOR Cllr Jihad Mohapi	<i>Overall political responsibility for sound governance and service delivery</i>
	SPEAKER Cllr Disebo Nakedi	<i>Public participation, ward committees and managing Council and Committee meetings</i>
	CHIEF WHIP Cllr Justice Mareka	<i>Ensures discipline among Councillors; Managing relations between political parties and representation on Committees</i>
<i>Photos (optional)</i>	MAYORAL COMMITTEE	
	Cllr Mokone Thipane	<i>Infrastructure and Technical Services</i>
	Cllr Rachere Moletsane	<i>Public Safety</i>
	Cllr Dikeledi Matshidisho	<i>IDP and Planning</i>
	Cllr Tshidi Kolo	<i>HR and Administration</i>
	Cllr Mpesi Mokotla	<i>Human Settlements</i>
	Cllr Modiehi Machobane	<i>Rural Development and Land Reform</i>
	Cllr Simon Mokoena	<i>Community Services</i>
	Cllr Nthabiseng Mokodutlo	<i>Sports, Arts, Culture and Recreation</i>
	Cllr Tommy Makau	<i>LED and Investment</i>
	Cllr Donald Colbert	<i>Finance, Audit and Risk Management</i>
		<i>T 2.1.1</i>

COUNCILLORS
The municipality has 50 Councillors of which 25 are Ward Councillors and 25 PR Councillors. A full list of Councilors can be found (including committee allocations and attendance at council meetings) in Appendix A . Further note that Appendix B sets out committees and committee purposes.
<i>T 2.1.2</i>

POLITICAL DECISION-TAKING
A total of 122 resolutions were taken of which 20 were executed. This amounts to a 16.4% completion rate. The reason for the low implementation rate is the fact that comments on the implementation of resolutions have not been received from the different departments yet.
<i>T 2.1.3</i>

Chapter 2

2.2 ADMINISTRATIVE GOVERNANCE

INTRODUCTION TO ADMINISTRATIVE GOVERNANCE

Note: MFMA section 60 (b): The Municipal Manager of a municipality is the accounting officer of the municipality for the purposes of this Act and 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 accounting officer of the municipality and the head of the administration and reports directly to the Executive Mayor and Council. Directors (section 56 managers) report directly to the Municipal Manager and their performance is managed by the Municipal Managers in terms of the annually signed performance agreements and plans.

Directors are responsible for the management of their respective functions/departments, which include the management of service delivery programmes and targets, personnel and budgets.

The Municipal Manager ensures accountability by departments through weekly and monthly management meetings and quarterly performance reviews of Directors.

T 2.2.1

Chapter 2

<i>Photo</i>	TOP ADMINISTRATIVE STRUCTURE	Function
	TIER 1	
	MUNICIPAL MANAGER	
	Mr. Mncedisi Mqwathi	<i>Accounting Officer and Head of the administration</i>
<i>Photo</i>		
	TIERS 2	
<i>Directors</i>	CHIEF FINANCIAL OFFICER	<i>Revenue, Expenditure, Asset and Liability Management; Budgeting and Reporting</i>
<i>Optional</i>	Mr. Monaheng Mokoena	
	DIRECTOR: Technical Services (Vacant)	<i>Water, Sanitation, Electricity, Roads, Storm water, Urban Planning and PMU</i>
	Mr. Mike Lelaka (Acting)	
	DIRECTOR: Corporate Services	<i>Human Resources, Auxiliary and Legal Services, Council Support, Housing and LED</i>
	Mr. Sipho Nhlapo	
	DIRECTOR: Community and Emergency Services	<i>Waste management, Sport & Recreation, Arts & Culture, Public Safety and Parks</i>
	Me Confidence Sephaka	
Appendix 'C' indicates all the third tier posts under each Director as per the approved organisational structure		
		T2.2.2

Chapter 2

COMPONENT B: INTERGOVERNMENTAL RELATIONS

INTRODUCTION TO CO-OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS

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

T 2.3.0

2.3 INTERGOVERNMENTAL RELATIONS

NATIONAL INTERGOVERNMENTAL STRUCTURES

In current financial year Municipality did not participate actively in the structures.

T 2.3.1

PROVINCIAL INTERGOVERNMENTAL STRUCTURE

The main structure is the Premier's Coordinating Forum (PCF) in which the Executive Mayor and Municipal Manager participate. The municipality did participate in these structure and this has promoted good inter relations, best practices and information sharing amongst stakeholders.

T 2.3.2

RELATIONSHIPS WITH MUNICIPAL ENTITIES

The municipality does not have any municipal entities.

T 2.3.3

DISTRICT INTERGOVERNMENTAL STRUCTURES

The municipality is part of the district coordinating forum (DCF) where principal members are Mayors, Speakers, Mayoral Committee Members and Municipal Managers. And our IGR Manager serves on this forum as support to the principal members.

This platform helps our municipality to foster relations between sister-municipalities within the district. Through the good relations with the district municipality, we were able from time to time to get secondments to help us with issues relating to treasury department, technical services department, disaster management and human resources related matters.

T 2.3.4

Chapter 3

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION

Note: MSA section 17 (2): requires a municipality to establish and organise its administration to facilitate a culture of accountability amongst its staff. Section 16 (1): states that a municipality must develop a system of municipal governance that compliments formal representative governance with a system of participatory governance. Section 18 (a) - (d): requires a municipality to supply its community with information concerning municipal governance, management and development.

The municipality managed to establish functional ward committees which held monthly meetings convened by the Ward Councillor as Chairperson. These committees served as a link to represent the aspirations, concerns and needs of the community.

Service delivery challenges such as electricity outages, water, sanitation, IGGs and roads were major issues dealt with by the ward committees.

T 2.4.0

2.4 PUBLIC MEETINGS

COMMUNICATION, PARTICIPATION AND FORUMS

In most cases the purpose of the public meetings was the establishment of ward committees, IDP and Budget consultations and the review/updating of community needs. All community sectors and stakeholders such as Business and NGOs were engaged through meetings of the IDP Representative Forum.

T 2.4.1

Chapter 3

WARD COMMITTEES

The municipality managed to establish functional ward committees in all 25 wards. Monthly meetings convened by the Ward Councillor as Chairperson were held in the majority of the municipal wards. These committees serve as a link to between the municipality and communities and represent the aspirations, concerns and needs of the community.

Service delivery challenges such as electricity outages, water, sanitation, IGGs and roads were major issues dealt with by the ward committees.

T2.4.2

Table 10: Public Meetings[illegible]

T 2.4.3

COMMENT ON THE EFFECTIVENESS OF THE PUBLIC MEETINGS HELD:

Delete Directive note once comment is completed – Set out the key benefits for the municipality and the public from the above mentioned meetings.

T2.4.3.1

Chapter 3

2.5 IDP PARTICIPATION AND ALIGNMENT

Table 11: IDP Participation and Alignment

IDP Participation and Alignment Criteria*	Yes/No
Does the municipality have impact, outcome, input, output indicators?	No
Does the IDP have priorities, objectives, KPIs, development strategies?	Yes
Does the IDP have multi-year targets?	No
Are the above aligned and can they calculate into a score?	No
Does the budget align directly to the KPIs in the strategic plan?	No
Do the IDP KPIs align to the Section 57 Managers	Yes
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	Yes
Do the IDP KPIs align with the provincial KPIs on the 12 Outcomes	No
Were the indicators communicated to the public?	Yes
Were the four quarter aligned reports submitted within stipulated time frames?	No
* Section 26 Municipal Systems Act 2000	
T 2.5.1	

Chapter 3

COMPONENT D: CORPORATE GOVERNANCE

OVERVIEW OF CORPORATE GOVERNANCE

The municipality endeavours to comply with the regulatory frameworks and best practices regarding corporate governance. This includes the establishment of a risk management function, internal audit unit and independent audit committee and the implementation of fraud and anti-corruption policies and measures.

T 2.6.0

2.6 RISK MANAGEMENT

RISK MANAGEMENT

Note: MFMA section 62 (i) (c) requires a municipality to have and maintain an effective, efficient and transparent system of risk management.

Risk management provides a clear and structured approach to identifying risks. Having a clear understanding of all risks allows the municipality to measure and prioritize them and take the appropriate actions to reduce losses.

The municipality implements and maintains effective, efficient and transparent systems of risk management and internal control. The risk management will assist the municipality to achieve its service delivery outcomes and enhance organisational performance.

T 2.6.1

2.7 ANTI-CORRUPTION AND FRAUD

FRAUD AND ANTI-CORRUPTION STRATEGY

Note: See Chapter 4 details of Disciplinary Action taken on cases of financial mismanagement (T 4.3.6). MSA 2000 s 83 (c) requires providers to be chosen through a process which minimizes the possibility of fraud and corruption.

The actions that constitute corruption are can be classified as follows:

- Any dishonest, fraudulent or corrupt act;
- Theft of funds, supplies and other assets
- Maladministration or financial misconduct in handling or reporting of money;
- Making profit from insider knowledge;

Chapter 3

- *Disclosing confidential information to outside parties;*
- *Deliberately refusing or omitting to report or act upon reports of irregular or dishonest conduct*

The strategies in place to prevent corruption, fraud and theft are the application of policies approved by council such as the supply chain management policy, the cashiers' policy and the segregation of duties to approval of transactions within the municipality.

Key risk areas susceptible to corruption and fraud are the procurement, cash collection and payments as well as unauthorised distribution of information from the institution. During the year under review, the municipality conducted a workshop for the supply chain policy to both officials and councilors. Additionally policies such the cashiers' policy were approved by council. The code of conduct in terms of the Municipal Systems Act was communicated to all employees to highlight the importance of proper employee behaviour and conduct.

A challenge still remains of lack of important structures to effectively deal with the occurrence of corruption and fraud within the municipality. A lack of capacity at the Internal Audit and supply chain and the ineffective functioning of the Audit Committee are some of the challenges the municipality faces to effectively eliminate the occurrence of fraud and corruption.

The new Audit Committee members were appointed after the year end and could not review the state of affairs in terms of the risk of corruption and fraud. The municipality will strengthen the supply chain unit and the internal audit in the 2012/13 financial year.

T 2.7.1

2.8 SUPPLY CHAIN MANAGEMENT

OVERVIEW SUPPLY CHAIN MANAGEMENT

Note: MFMA section 110 - 119; SCM Regulations 2005; and relevant MFMA circulars set out required processes and guidance manuals to help ensure that SCM arrangements provide appropriate goods and services, offer best value for money and minimize the opportunities for fraud and corruption.

The municipal supply chain policy aims to enforce fairness, transparency, competitiveness and cost effectiveness and equitable distribution of procurement of municipal services. The municipal supply chain policy is therefore updated continuously to be in line with the legislative changes that occur from time to time. The revised supply chain policy was adopted and approved by council on 31 May 2012.

The supply chain unit experienced a number of challenges that include staff shortage and did not implement an effective supply chain system. The unit strives to appoint at all times competent personnel that meet the minimum required competencies for the job.

T 2.8.1

Chapter 3

2.9 BY-LAWS

Table 12: By-laws introduced

By-laws Introduced during 2011/12					
Newly Developed	Revised	Public Participation Conducted Prior to Adoption of By-Laws (Yes/No)	Dates of Public Participation	By-Laws Gazetted* (Yes/No)	Date of Publication
Property Rates	Yes	Yes	April 2010	Yes	April 2010
Electricity	Yes	Yes	2009	No	Nov 2009
Water Services	Yes	Yes	2009	No	Nov 2009
Street Trading	Yes	Yes	2009	No	Nov 2009

*Note: See MSA section 13. T 2.9.1

COMMENT ON BY-LAWS:

Note: MSA 2000 s11 (3) (m) provides municipal councils with the legislative authority to pass and implement by-laws for the betterment of the community within the terms of the legislation.

Public Participation meetings were held in each of the towns Kroonstad/Maokeng, Viljoenskroon/Rammulotsi and Steynsrus/Matlwangtlwang. During these processes the By-laws were explained and discussed with the community members present.

T 2.9.1.1

Chapter 3

2.10 WEBSITES

Table 13: Municipal Website

Municipal Website: Content and Currency of Material		
Documents published on the Municipality's / Entity's Website	Yes / No	Publishing Date
Current annual and adjustments budgets and all budget-related documents	Yes	
All current budget-related policies	Yes	
The previous annual report (2010/11)	No	
The annual report (2011/12) published/to be published	No	
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (2011/12) and resulting scorecards	No	
All service delivery agreements (2011/12)	No	
All long-term borrowing contracts (2011/12)	No	
All supply chain management contracts above a prescribed value (give value) for 2011/12	No	
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during 2011/12	No	
Contracts agreed in 2011/12 to which subsection (1) of section 33 apply, subject to subsection (3) of that section	No	
Public-private partnership agreements referred to in section 120 made in 2011/12	No	
All quarterly reports tabled in the council in terms of section 52 (d) during 2011/12	No	
<i>Note: MFMA s75 sets out the information that a municipality must include in its website as detailed above. Municipalities are, of course encouraged to use their websites more extensively than this to keep their community and stakeholders abreast of service delivery arrangements and municipal developments.</i>		
T 2.10.1		

COMMENT MUNICIPAL WEBSITE CONTENT AND ACCESS:

Delete Directive note once comment is completed – Refer to the requirement for Municipal websites as set out in MFMA section 75. Explain plans to address the shortfall in content. Comment on progress made in placing personal computers in accessible locations to the public so that Council web based information can be accessed. The municipality should monitor and report on the use of its website by the public, for example, by measuring the number of hits on the website.

T 2.10.1.1

2.11 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

PUBLIC SATISFCATION LEVELS

The municipality plans to do a satisfaction survey, depending on availability of funding, to determine community satisfaction levels in respect of the specified areas.

T 2.11.1

Chapter 3

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

INTRODUCTION

The Municipality as a Service Authority within its area of jurisdiction has a legislative mandate to provide services in a safe and healthy environment. The Technical Department is responsible for operation and maintenance of infrastructure which include electricity, water services, roads and storm water. The Technical Department also provides support services such as the Mechanical Workshop.

The Technical Department plays a pivotal role in terms of facilitation and coordination of services provided by Provincial and National Departments. The Municipality has adopted a five year IDP Plan which is a strategic document aiding in the developments within the Municipality. Sector plans are also included which gives effect to the strategies and objectives in the IDP. The IDP is further informed by both the National and Provincial development strategies.

The purpose of the report is to provide information in respect of the core responsibilities, objectives, achievements as well as challenges faced by the Technical Department during the 2011/12 financial year.

T 3.0.1

COMPONENT A: BASIC SERVICES

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

INTRODUCTION TO BASIC SERVICES

Technical Services Department is responsible for the following services:

1. Provision of new infrastructure in terms of planning and implementation.
2. Operating, maintenance and refurbishing/rehabilitation of existing infrastructure.
3. Provision of basic services such as water, electricity and roads.

This is done as a basic service delivery aspect in the following areas:

Water and waste water services

- Water purification
- Sewerage treatment
- Storage dams
- Water reservoirs
- Water and sewage reticulation networks

Chapter 3

Roads, storm water, railways and public works

- Roads design, construction and maintenance
- Storm water drainage system
- Railway sidings and maintenance
- Bridges and culverts
- Landfill site management

Electricity

- Electricity Distribution
- Electricity network maintenance and upgrading
- Electricity Consumption Care
- Public lighting

Mechanical workshop

- Fleet management
- Maintenance and repairs of vehicles, plant and equipment

Buildings survey

- Approval of building plans, construction and inspections thereof

Objectives and Achievements

Strategic objectives are set out in planning and budgeting tools such as IDP and MTAS in order to properly plan and achieve targets. Priority areas regarding basic service delivery are as follows:

- Access to water,
- water loss,
- water quality,
- access to sanitation,
- access to electricity,
- energy efficiency,
- access to municipal surfaced roads

Departmental Challenges

- ☞ Institutional and organizational development : attraction and retention of skilled competent personnel, prolonged recruitment processes, inadequate training and development of staff
- ☞ Infrastructure maintenance and development : outdated technology and aged infrastructure, lack of infrastructure master plans and maintenance plans, inadequate infrastructure capacity to meet supply demand, theft and vandalism of infrastructure, no preventative maintenance, decaying infrastructure, heavy motor vehicular movement through and around CBD, distribution losses (water and electricity)
- ☞ Machinery equipment and fleet : shortage of machinery and equipment, average age of municipal fleet is 25yrs, most fleet out of useful lifespan, prolonged turnaround time in terms of repairs and continued breakages, no road maintenance equipment.
- ☞ Financial Constraints : insufficient maintenance budget, no capital budget appropriated (own funding), lack of consumables and sundry items, supplier / municipal relations dented, creditor and debtor management
- ☞ Natural Hazards : rainfall and flooding caused major delay in project implementation and flooding of residential areas, extensive damage to infrastructure and facilities / property

Chapter 3

- ☞ Compliance to Regulations : Inadequate monitoring and measuring equipments, water quality monitoring and measuring, effluents standard monitoring (blue and green drop), facility compliance
- ☞ Bulk Supply Services: Inadequate bulk raw water supply in Viljoenskroon and Steynsrus, Inadequate electricity bulk supply in Viljoenskroon. Purification treatment and handling of potable water and effluent, influx and migration into the municipal area

T 3.1.0

Chapter 3

3.1. WATER PROVISION

INTRODUCTION TO WATER PROVISION

Note: Recent legislation includes the Water Services Act 1997 and the General Enabling Act 2005

Water needs are determined via the consumer base on the ground. Supply and disruptions are monitored and future needs are based on results. Further inputs from the community and political offices are compared with departmentally identified issues and included in the IDP as needed.

Government targets are also included in future planning.

The top three priorities are:

1. Sufficient water supply for communities
2. Connections to individual stands
3. Provision of water within legal requirements (Water within Blue drop standards)

T 3.1.1

Table 14: Total use of water by Sector

Total use of water by sector (cubic meters)			
	Water supplied to community	Water billed	Unaccountable water losses
2010/11	12 639 054	9 265 201	3 373 853
2011/12	12 849 940	8 053 569	4 796 371

Chapter 3



COMMENT ON WATER USE BY SECTOR:

Water demand currently exceeds the supply in both Steynsrus as well as Viljoenskroon due to the following:

In Steynsrus the raw water supply from the Vals River is affected by the fact that the seasonal flow in the river is unreliable and the limited raw water storage capacity in the off channel storage dam cannot keep up with the demand that originated from the installation of waterborne toilets in Matlwanglwang.

In Viljoenskroon the development of green fields to accommodate households from informal settlements is placing the supply under pressure and impacting on supply and pressure.

T 3.1.2.2

Chapter 3

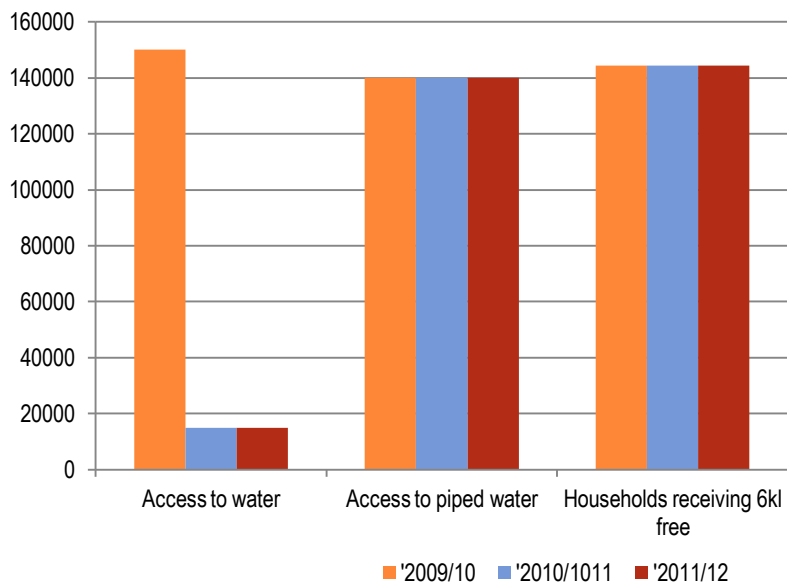
Table 15: Water Service Delivery Levels

Water Service Delivery Levels				
Description	2008/09	2009/10	2010/11	Households 2011/12
	Actual	Actual	Actual	Actual
	No.	No.	No.	No.
Water: (above min level)				
Piped water inside dwelling	35 201	35 201	35 201	35 201
Piped water inside yard (but not in dwelling)				
Using public tap (within 200m from dwelling)	400	400	400	400
Other water supply (within 200m)	N/A	N/A	N/A	N/A
<i>Minimum Service Level and Above sub-total</i>	35 601	35 601	35 601	35 601
<i>Minimum Service Level and Above Percentage</i>	100%	100%	100%	100%
Water: (below min level)				
Using public tap (more than 200m from dwelling)	0	0	0	0
Other water supply (more than 200m from dwelling)	0	0	0	0
No water supply	0	0	0	0
<i>Below Minimum Service Level sub-total</i>	0	0	0	0
<i>Below Minimum Service Level Percentage</i>	0%	0%	0%	0%
Total number of households*	35 601	35 601	35 601	35 601
* - To include informal settlements				T 3.1.3

Table 16: Households – Water Service Delivery Levels below minimum

Households - Water Service Delivery Levels below the minimum						
Description	2008/09	2009/10	2010/11	2011/12		
	Actual	Actual	Actual	Original Budget	Adjusted Budget	Actual
	No.	No.	No.	No.	No.	No.
Formal Settlements						
Total households	35 201	35 201	35 201	35 201	35 201	35 201
HHs below minimum service level	100	100	100	100	100	100
Proportion of HHs below minimum service level	3%	3%	3%	3%	3%	3%
Informal Settlements						
Total households	400	400	400	400	400	400
HHs below minimum service level	400	400	400	400	400	400
Proportion of HHs below minimum service level	100%	100%	100%	100%	100%	100%
T 3.1.4						

Chapter 3



** Means access to 25 liters of potable water per day supplied within 200m of a household and with a minimum flow of 10 liters per minute*

6,000 liters of potable water supplied per formal connection per month

T 3.1.5

Chapter 3

Table 17: Employees – Water Services

Employees: Water Services					
Job Level	2010/11	2011/12			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0
4 - 6	2	3	3	0	0
7 - 9	5	5	5	0	0
10 - 12	3	5	5	0	0
13 - 15	3	5	5	0	0
16 - 18	13	18	18	0	0
19 - 20	11	11	11	0	0
Total	38	48	48	0	0

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.

Table 18: Financial Performance – Water Services

Financial Performance 2011/12: Water Services					
R'000					
Details	2010/11	2011/12			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	-39 121	-54 197	-54 197	-28 630	-89.3%
Expenditure:					
Employees					
Repairs and Maintenance					
Other					
Total Operational Expenditure	21 607	36 391	33 076	29 197	13.3%
Net Operational Expenditure	-17 514	-17 806	-21 121	567	

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.

Chapter 3

Table 19: Capital Expenditure – Water Services

Capital Expenditure 2011/12: Water Services					
R' 000					
Capital Projects	2011/12				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	17 904	17 904	17 904	0	17 904
Project A: Northleigh Phase II (Human Settlements)	14 604	14 604	14 604	0	14 604
Project B: Rehabilitation of Kroonstad Water Treatment works	3 300	3 300	3 300	0	3 300
Project C (name)					
Project D (name)					
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).					
T 3.1.9					

COMMENT ON WATER SERVICES PERFORMANCE OVERALL:

Delete Directive note once comment is completed – Confirm your year 5 targets set out in the IDP schedule can be attained within approved budget provision and if not then state how you intend to rectify the matter. Explain any failure to meet performance targets for the current year. Explain the priority of the four largest capital projects and explain variances from budget for net operating and capital expenditure. Also explain any likely variation to the total approved project value (arising from year 2011/12 and/or previous year actuals, or expected future variations).

T 3.1.10

Chapter 3

3.2 WASTE WATER (SANITATION) PROVISION

INTRODUCTION TO SANITATION PROVISION

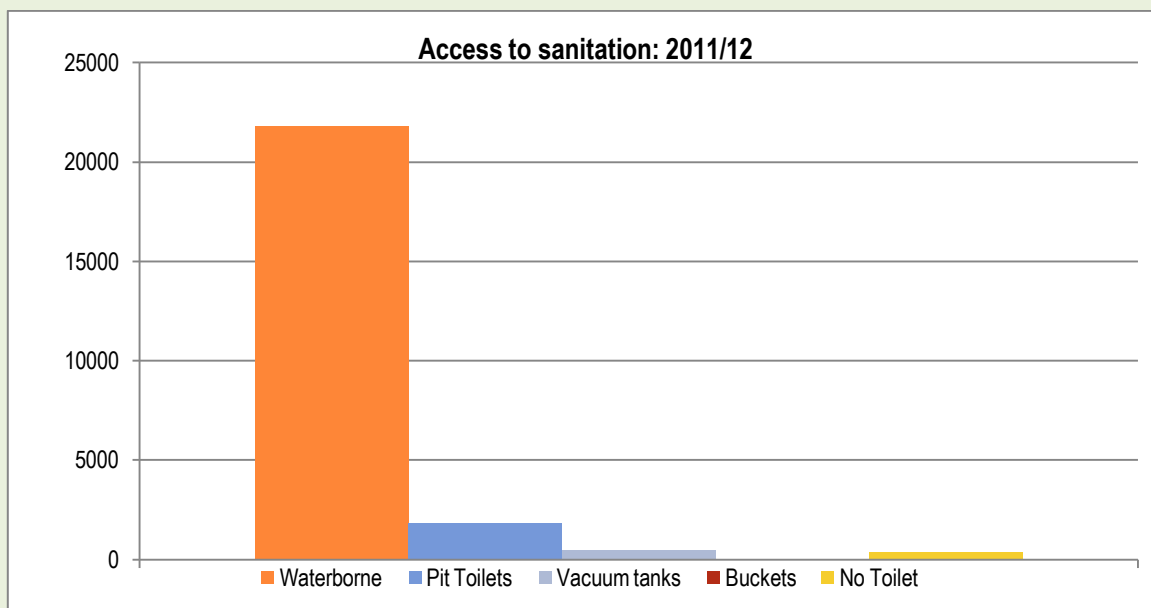
Sanitation needs are determined via the consumer base on the ground. Shortages and spillages are monitored and future needs are based on results. Further inputs from the community and political offices are compared with departmentally identified issues and included in the IDP as needed.

Government targets are also included in future planning.

The top three priorities are:

1. Access to sanitation for all
2. Connections to individual stands
3. Reduction of spillages.

T 3.2.1



T 3.2.2

Chapter 3

Table 20: Sanitation Service Delivery Levels

Sanitation Service Delivery Levels				
Description	2008/09	2009/10	2010/11	*Households 2011/12
	Outcome No.	Outcome No.	Outcome No.	Actual No.
Sanitation/sewerage: (above minimum level)				
Flush toilet (connected to sewerage)	?	?	21 806	21 806
Flush toilet (with septic tank)	?	?	450	450
Chemical toilet	?	?	1 800	1 800
Pit toilet (ventilated)	?	?	400	400
Other toilet provisions (above min.service level)				
Minimum Service Level and Above sub-total	?	?	24 456	24 456
Minimum Service Level and Above Percentage	?	?		
Sanitation/sewerage: (below minimum level)				
Bucket toilet	400	400	400	400
Other toilet provisions (below min.service level)				
No toilet provisions				
Below Minimum Service Level sub-total	400	400	400	400
Below Minimum Service Level Percentage	?	?		
Total households	?	?	24 856	24 856
*Total number of households including informal settlements				T 3.2.3

Table 21: Households – Sanitation Service Delivery Levels below the minimum

Households - Sanitation Service Delivery Levels below the minimum						Households
Description	2008/09	2009/10	2010/11	2011/12		Actual No.
	Actual No.	Actual No.	Actual No.	Original Budget No.	Adjusted Budget No.	
Formal Settlements						
Total households						
Households below minimum service level	400	400	400	400	400	400
Proportion of households below minimum service level (%)						
Informal Settlements						
Total households	400	400	400	400	400	400
Households below minimum service level						
Proportion of households below minimum service level (%)						
						T 3.2.4

Chapter 3

Table 22: Employees – Sanitation Services

Employees: Sanitation Services					
Job Level	2010/11	2011/12			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0
4 - 6	1	1	1	1	0
7 - 9	10	12	9	2	25
10 - 12	4	2	0	2	100
13 - 15	14	36	25	11	11
16 - 18	21	60	44	16	16
19 - 20	25	44	44	0	0
Total	75	155	123	32	32
<p>Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.</p> <p>T 3.2.7</p>					

Table 23: Financial Performance – Sanitation Services

Financial Performance 2011/12: Sanitation Services					
Details	2010/11	2011/12			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	-11 916	-6 392	-16 053	- 7 834	-18.4%
Expenditure:					
Employees					
Repairs and Maintenance					
Other					
Total Operational Expenditure	29 650	16 221	15 150	42 833	-62.2%
Net Operational Expenditure	17 734	9 829	-903	34 999	
<p>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</p> <p>T 3.2.8</p>					

Chapter 3

Table 24: Capital Expenditure – Sanitation Services

Capital Expenditure 2011/12: Sanitation Services					
Capital Projects	2011/12				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	2 043		1872		14872
Project A: Matlwangtlwang oxidation Funder DWA	149		149		149
Project B: Rehab sewers Maokeng Funder MIG	1 894		1 723		1 723
Project C: Bulk sewer network Northleigh - funder Human Settlement	13 000		10 465		13 000
Project D					
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).					
					T 3.2.9

COMMENT ON SANITATION SERVICES PERFORMANCE OVERALL:

The projects were implemented for the following reasons:

Oxidation ponds: To improve the functioning of the oxidation ponds in Matlwangtlwang to accommodate VIPs that were converted to waterbourne sewer.

Rehab Maokeng sewers: To reduce spillages in the Maokeng area.

Bulk sewer network Northleigh: To provide serviced stands for the relocation of informal settlement.

The instalation of a sewerage pumpstation and a rising main from Northleigh to the sewerage treatment works still needs to be constructed.

There will be no variances on the projects due to the fact that retention monies still need to be paid from the budgeted amount.

T 3.2.10

Chapter 3

3.3 ELECTRICITY

INTRODUCTION TO ELECTRICITY

Note: Recent legislation includes the Electricity Amendment Acts 1989; 1994; 1995; and the Electricity Regulation Act 2006.

The Municipality as a licensed electricity distribution authority has the responsibility of providing a quality service to its consumers in accordance with the applicable Regulations and prescribed standards.

The Electricity Section consists of 3 Divisions namely Distribution, Consumption Care and Administration/Technical Support. A total of 101 positions are catered for on the organizational structure of this Section although only 60% of the positions are currently filled.

The Municipality receives its bulk electricity supply from Eskom at the Main Substations of the three towns. The Kroonstad / Maokeng distribution network supplies electricity to approximately 27 000 consumers and in the main consists of the following:

- 6 main distribution substations (66 kV – 6.6 kV),
- 149 mini substations (6.6kV – 400 Volt)
- 201 pole transformers
- 28 km HT (66kV) lines and cable,
- 309 km MV (6.6kV) reticulation.
- Public lighting consisting of 57 high mast lights and approximately 6000 streetlights

Viljoenskroon / Rammulotsi and Steynsrus / Matlwangtlwang each has one main substation which also serves at the intake point from Eskom. There are currently 31 high mast lights in Viljoenskroon / Rammulotsi and 12 high mast lights in Steynsrus / Matlwangtlwang.

Guiding Legislation pieces:

- Electricity Amendment Act
- Occupational Health and Safety ACT
- NRS
- Energy Bylaws

The core responsibilities of this section include inter alia the following:

- Providing quality and uninterrupted supply of electricity to all domestic, business, industrial and rural consumers within its area of distribution.
- Maintaining the electricity distribution network in order to adhere to the prescribed standards.
- Upgrading of the electricity distribution network in order to accommodate population growth as well as business and industrial development.
- Monitoring electricity consumption of consumers by means of effective metering and visual inspections in order to minimize electricity losses.

Chapter 3

- Providing accurate feedback to the monitoring authority National Electricity Regulator South Africa (NERSA) pertaining to quality of service and quality of supply in order to adhere to license conditions.

In order to adhere to and achieve the mandated responsibilities it is imperative that all necessary resources be made available including financial, operational, equipment and machinery as well as human capital to be utilized in an optimal and efficient manner. Due to financial constraints the operational and human capital resources are affected negatively and this causes additional constraints that have to be managed efficiently in order to sustain the quality of service required.

During the 2011/12 financial year the Electricity Section experienced serious challenges in terms of the bulk 66kV distribution and consequently two major outages occurred. The main reason for these outages were attempted theft and vandalism of the 66kV oil filled cable which in turn caused damage to associated switchgear and equipment at the Main Substation hence required immediate repair under the emergency situation.

Overall the Electricity Section has during the 2011/12 financial year made good progress in addressing various challenges mainly relating to the high and medium voltage supply and reticulation and in the process improving quality and security of supply to the community.

CONSTRAINTS

- Shortage of vehicles
- Mechanical problems with vehicles and standing time involved
- Availability of funds and processing time of requisitions and vouchers
- Theft and attempted theft of cable and transformers
- Ageing infrastructure
- Shortage of staff
- Shortage of meters and backlog of installations due to shortage of meters
- Costly repairs to 66kV cable ring
- Eskom accounts in arrears
- Insufficient funding for capital projects
- Unsafe working conditions.

Incidents such as the 66kV cable breakdowns that were experienced during this financial year required specialized service providers and were costly.

The shortage of vehicles and equipment seriously impaired the operation of this Section and had a negative effect on service delivery in general. Due to the shortage of vehicles the cut of action could

Chapter 3

not be executed properly as required and this reflected negatively on the overall financial situation of Council. Shortage of senior personnel for which the post are still not filled are a challenge.

Challenges are experienced with meters that are being tampered with or unavailability of meters. The shortage of vehicles is also a challenge in this regard. External service providers were utilized but not extensively due to limited resources. The high number of prepaid meters that are bypassed due defects also impact negatively on electricity sales and these meters are addressed as resources are available. In addition faulty communication cables in relation to pole mounted meters are a growing concern. The faulty communication between the meter and the keypad implicate that the consumer cannot enter the electricity coupon at the keypad nor monitor his or her consumption hence personnel from the Consumption Care Section are called out to enter these coupons at the pole. This implicates negatively in terms of overtime claims and limits the operational efficiency of the section due to the fact that this challenge requires dedicated personnel. In order to address this problem meters are moved to the house thus not requiring the communication function however the process of moving these meters are slow due to limited resources.

The frequent theft and vandalism of equipment and cables also impacted negatively on the financial and operational effectiveness of the section due to the fact that materials and equipment stolen must be replaced as soon as possible. In addition the damage to the network extends much further than only the piece of cable or equipment that was damaged and in some cases requires specialized repairs. In addition vandalism and cable theft further poses a danger to the community as well as the culprits stealing the equipment due to exposed live conductor and consequent dangerous situations created.

The above mentioned constraints all impacted negatively on service delivery due to additional work load, unproductive standing time, long waiting period for spares and equipment, limited preventative maintenance hence unnecessary and avoidable damage to the infrastructure.

T 3.3.1

Chapter 3

Table 25: Electricity Service Delivery Levels

Electricity Service Delivery Levels			
Description	2009/10	2010/11	2011/12
	Actual No	Actual No	Actual No
Energy : (above minimum level)			
Electricity (at least min service level)	2482	2270	2105
Electricity - prepaid (min service level)	15486	13308	12179
Min Service level and above Sub Total	17968	15578	14284
Min Service level and above %	72%	67%	63%
Energy (below minimum level)			
Electricity (< min service level)	135	135	135
Electricity prepaid (< min service level)	6717	7413	8345
Other energy sources	0	0	0
Below min service level Sub Total	6852	7548	8480
Below min service level %	28%	33%	37%
Total Number of households	24820	23126	22765
			T3.3.3

Table 26: Households – Electricity Service Levels below the Minimum

Households - Electricity Service Delivery Levels below the minimum						
Description	2008/09	2009/10	2010/11	2011/12		
	Actual No	Actual No	Actual No	Original Budget	Adjusted Budget	Actual No
Formal Settlements						
Total Households	28473	28473	28473	28473	28473	28473
Households below minimum service level	10535	10535	10535	10535	10535	10535
Proportion of households below minimum service level	37%	37%	37%	37%	37%	37%
Informal settlements						
Total Households	1766	1766	1766	1766	1766	1766
Households below minimum service level	1766	1766	1766	1766	1766	1766
Proportion of households below minimum service level	100%	100%	100%	100%	100%	100%
						T3.3.4

Chapter 3

Table 27: Employees – Electricity Services

Employees: Electricity Services					
Job Level	2010/11	2011/12			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3		2			
4 - 6		5			
7 - 9		26			
10 - 12		12			
13 - 15		9			
16 - 18		27			
19 - 20		15			
Total	59	96	57	39	41%

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.

T 3.2.7

Table 28: Financial Performance – Electricity Services

Financial Performance 2011/12: Electricity Services					
R'000					
Details	2010/11	2011/12			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	-142 927	-36 105	-36 105	-30 165	-19.7%
Expenditure:					
Employees					
Repairs and Maintenance					
Other					
Total Operational Expenditure	127 928	36 391	33 076	29 197	24.6%
Net Operational Expenditure	-14 999	286	-3 029	-968	

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.

T 3.2.8

Chapter 3

Table 29: Capital Expenditure – Electricity Services

Capital Expenditure 2011/12: Electricity Services					
R' 000					
Capital Projects	2011/12				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All					
Project A					
Project B					
Project C					
Project D					
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).					
T 3.2.9					

COMMENT ON ELECTRICITY SERVICES PERFORMANCE OVERALL:

Prepaid Domestic	:	21 777
Prepaid Business	:	927
Conventional Domestic	:	2485
Conventional Business	:	871
Bulk Metered	:	133
Off Peak	:	16
Rural Prepaid	:	505
Rural Conventional	:	175
Total number of units from Eskom	:	252,112,598
Total Cost (excl VAT)	:	R 138,053,101.95
Total Number of units sold	:	216,707,736
Total Amount (excl VAT)	:	R 181,874,840.56
Total units lost (line losses incl)	:	30,316,362 (12.02%)
Cost of units lost (line losses incl.)	:	R 25,443,408.56

T 3.3.9

Chapter 3

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

INTRODUCTION TO WASTE MANAGEMENT

The following main functions are performed within the section:

- Refuse removal, collection and removal of commercial, domestic and industrial waste
- Collection of garden refuse
- Collection of sanitary buckets
- Street sweeping in the central business areas and taxi ranks
- Cleaning and maintaining of public toilets
- Landfill sites

Every household is being serviced once a week according to National standards. At the moment the municipality has acquired four new refuse compacter trucks in an effort to provide efficient and effective service to the community.

T 3.4.1

Table 30: Waste Management Service Delivery Levels

Waste Management Service Delivery Levels				
Description	2008/09	2009/10	2010/11	Households 2011/12
	Actual No.	Actual No.	Actual No.	Actual No.
Solid Waste Removal: (Minimum level)				
Removed at least once a week	31 964	31 964	31 964	31 964
<i>Minimum Service Level and Above sub-total</i>	31 964	31 964	31 964	32 214
<i>Minimum Service Level and Above percentage</i>	99.4%	99.4%	99.4%	99.4%
Solid Waste Removal: (Below minimum level)				
Removed less frequently than once a week				
Using communal refuse dump				
Using own refuse dump	202	202	202	202
Other rubbish disposal				
No rubbish disposal				
<i>Below Minimum Service Level sub-total</i>	202	202	202	202
<i>Below Minimum Service Level percentage</i>	0.6%	0.6%	0.6%	0.6%
Total number of households	32 166	32 166	32 166	32 416

T 3.4.2

Chapter 3

Table 31: Households –Waste Management Service Delivery Levels below the Minimum

Households - Waste Management Service Delivery Levels below the minimum						Households
Description	2008/09	2009/10	2010/11	2011/12		
	Actual	Actual	Actual	Original Budget	Adjusted Budget	Actual
	No.	No.	No.	No.	No.	No.
Formal Settlements						
Total households	32 166	32 166	32 166			32 416
Households below minimum service level	202	202	202			202
Proportion of households below minimum service level	0.6%	0.6%	0.6%			0.6%
Informal Settlements						
Total households						
Households below minimum service level						
Proportion of households below minimum service level						
						T 3.4.3

Chapter 3

Table 32: Waste Management Service Policy Objectives taken from IDP/SDBIP

Waste management Service Policy Objectives Taken From IDP							
Service Objectives <							

Chapter 3

Table 33: Employees – Waste Management Services

Employees: Waste Management Services					
Job Level	2010/11	2011/12			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	1	0	1	100%
4 - 6	0	0	0	0	0%
7 - 9	0	0	0	0	0%
10 - 12	6	7	5	2	28.6%
13 - 15	21	25	19	6	24.0%
16 - 18	124	150	118	32	21.3%
19 - 20	-	-	-	-	-
Total	151	183	142	41	22.4%

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.

T 3.2.7

Table 34: Financial Performance – Waste Management Services

Financial Performance 2011/12: : Waste Management Services					
R'000					
Details	2010/11	2011/12			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	-8 833	-9 813	-9 813	-5 584	-77.3%
Expenditure:					
Employees					
Repairs and Maintenance					
Other					
Total Operational Expenditure					
Net Operational Expenditure					

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.

T 3.2.8

Chapter 3

Table 35: Capital Expenditure – Waste Management Services

Capital Expenditure 2011/12: : Waste Management Services					
Capital Projects	2011/12				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All					
Project A	0	0	0	0%	0
Project B	0	0	0	0%	0
Project C	0	0	0	0%	0
Project D	0	0	0	0%	0
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).					T 3.2.9

COMMENT ON WASTE MANGEMENT SERVICE PERFORMANCE OVERALL:

T 3.4.10

Chapter 3

3.5 HOUSING

INTRODUCTION TO HOUSING

Extensive development occurred in Moqhaka since 1990, houses were build, additional land was purchased, planned, pegged and infrastructure services were provided.

According to the Municipality's Housing Sector Plan (2006) the housing backlog for 1994/95 was 12 960, this backlog is determined according to 1994/95 IDP, and is calculated in terms of the number of temporary structures erected on sites and informal backyard dwellers.

Since 1994 a total of 10195 houses (RDP) have been delivered which leaves the backlog without growth at 2 765. Additional to the indicated backlog there are informal settlements in our area accommodating approximately 1 766 families.

The Moqhaka Municipality is not accredited by the National Department of Human Settlements and is therefore dependent on housing allocations made annually by the Free State MEC for Human Settlements. These allocations are funded and administered by the Free State Department of Human Settlements.

T 3.5.1

Table 36: Percentage of Households with Access to Basic Housing

Percentage of households with access to basic housing			
Year end	Total households (including in formal and informal settlements)	Households in formal settlements	Percentage of HHs in formal settlements
2009/10	29 439	27 673	94%
2010/11	30 039	28 273	94%
2011/12	30 239	28 473	94%

T 3.5.2

Chapter 3

Table 37: Employees – Housing Services

Employees: Housing Services					
Job Level	2010/11	2011/12			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0%
4 - 6	-	-	-	-	-
7 - 9	2	2	2	0	0%
10 - 12	2	5	2	3	15%
13 - 15	2	13	2	11	50%
16 - 18					
19 - 20					
Total	7	21	7	14	65%

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.

T 3.2.7

Table 38: Financial Performance – Housing Services

Financial Performance 2011/12: : Housing Services					
R'000					
Details	2010/11	2011/12			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue					
Expenditure:					
Employees					
Repairs and Maintenance					
Other					
Total Operational Expenditure	1 983	2 310	2 195	2 171	6.4%
Net Operational Expenditure	1 983	2 310	2 195	2 171	6.4%

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.

T 3.2.8

Chapter 3

Table 39: Capital Expenditure – Housing Services

Capital Expenditure 2011/12: : Housing Services					
R' 000					
Capital Projects	2011/12				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All NONE. ALL HOUSING PROJECTS ARE FUNDED BY THE FREE STATE GOVERNMENT	NIL	NIL	NIL	NIL	NIL
Project A					
Project B					
Project C					
Project D					
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.</i>					
T 3.2.9					

COMMENT ON THE PERFORMANCE OF THE HOUSING SERVICE OVERALL:

Performance is solely dependent on actions performed by the Free State Province and its appointed contractors.

T 3.5.7

Chapter 3

3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT

INTRODUCTION TO FREE BASIC SERVICES AND INDIGENT SUPPORT

The municipality provides 6kl of water, free sanitation and refuse removal as well 50 units of electricity per indigent household per month.

T 3.6.1

Table 40: Free Basic Services to Low Income Households

Free Basic Services To Low Income Households										
	Total	Number of households								
		Households earning less than R1,100 per month								
			Free Basic Water		Free Basic Sanitation		Free Basic Electricity		Free Basic Refuse	
		Total	Access	%	Access	%	Access	%	Access	%
2009/10	30 471	11 507	30 471	100	11 507	100	11 507	100	11 507	100
2010/11	31 500	12 100	31 500	100	12 100	100	12 100	100	12 100	100
2011/12	34 799	12 902	34 799	100	12 902	100	12 902	100	12 902	100

T 3.6.3

Table 41: Cost to Municipality of FBS Delivered

Financial Performance 2011/12: Cost to Municipality of Free Basic Services Delivered					
Services Delivered	2010/11	2011/12			
	Actual	Budget	Adjustment Budget	Actual	Variance to Budget
Water	11 317 320			12 527 640	
Waste Water (Sanitation)	3 898 764			4 226 695	
Electricity	6 653 232			8 660 256	
Waste Management (Solid Waste)	2 420 664			3 502 119	
Total	24 289 980			28 916 710	

T 3.6.4

COMMENT ON FREE BASIC SERVICES AND INDIGENT SUPPORT:

The municipality allocates free basic water to all households and this is not correct in terms of the national norms. Only the indigent households are supposed to be given free basic water. Compared to the equitable share allocation received, the municipality spends very little on accounts allocation. Number of registered indigents should be increased every year.

T 3.6.6

Chapter 3

COMPONENT B: ROAD TRANSPORT

INTRODUCTION TO ROAD TRANSPORT

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

T 3.7

3.7 ROADS

INTRODUCTION TO ROADS

Construction and maintenance of Roads and Storm Water Network, that is safe, affordable and of good quality. Utilise funding appropriately; by prioritising the main important routes and routes that have exceeded their maintenance design period.

Communities around the construction of the roads were given work and training through the Expanded Public Works Programme.

T 3.7.1

Table 42: Gravel Road Infrastructure

Gravel Road Infrastructure				
	Total gravel roads	New gravel roads constructed	Gravel roads upgraded to tar	Kilometers Gravel roads graded/maintained
2009/10	323	0	18	316
2010/11	364	0	11.5	383
2011/12	390	0	13.2	364
T 3.7.2				

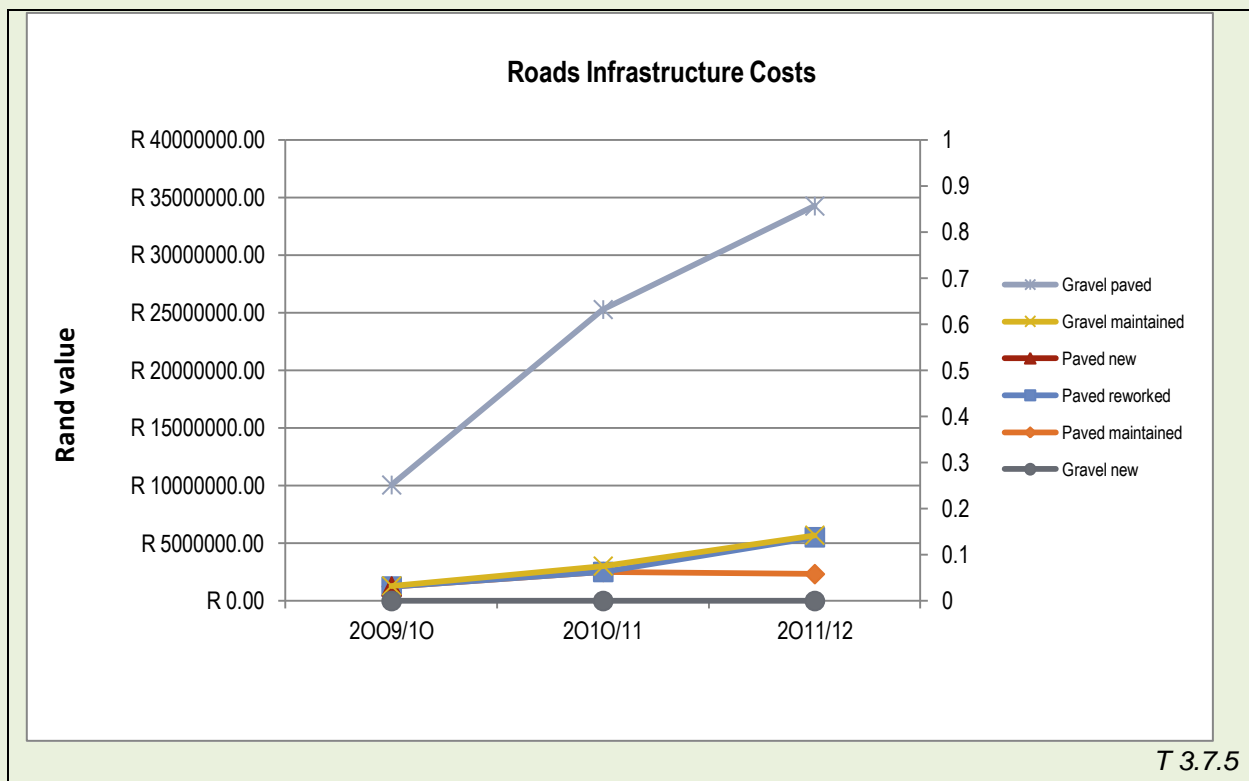
Table 43: Tarred Road Infrastructure

Asphalted Road Infrastructure				
	Total paved roads	New paved roads	Existing paved roads re-sheeted	Kilometers Paved roads maintained
2009/10	420	18	0	332
2010/11	438	11.5	0	377
2011/12	449	8.2	0	442
T 3.7.3				

Chapter 3

Table 44: Cost of Construction/Maintenance

Cost of Construction/Maintenance						
	Gravel			Tar		
	New	Gravel - Paved	Maintained	New	Re-worked	Maintained
2009/10	0	8,756 140	57 286	0	0	1,256 550
2010/11	0	22,259 893	511 661	0	0	2,523 859
2011/12	0	28,563 586	179 600	0	3,200 000	2,334 728
T 3.7.4						



Chapter 3

Table 45: Employees – Roads Services

Employees: Roads Services					
Job Level	2010/11	2011/12			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0
4 - 6	1	3	1	2	67
7 - 9	4	11	4	7	63
10 - 12	3	11	3	8	72
13 - 15	5	38	5	33	87
16 - 18	31	135	31	104	77
19 - 20	0	0	0	0	0
Total	45	199	45	154	77%
<p>Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.</p> <p>T 3.2.7</p>					

Table 46: Financial Performance – Roads Services

Financial Performance 2011/12: : Roads Services					
R'000					
Details	2010/11	2011/12			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	-	-	-	-	-
Expenditure:					
Employees					
Repairs and Maintenance					
Other					
Total Operational Expenditure	14 057	16 685	15 295	14 512	9.1%
Net Operational Expenditure	14 057	16 685	15 295	14 512	9.1%
<p>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</p> <p>T 3.2.8</p>					

Chapter 3

Table 47: Capital Expenditure – Roads Services

Capital Expenditure 2011/12: : Roads Services					
R' 000					
Capital Projects	2011/12				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	64,966 154	0	49,316 960	18%	
Upgrading of Masimong/Khalane street	9,517 154	0	8,739 486	8%	8,739 486
Upgrading of Marabastad Bus route	12,432 000	0	12,292 876	1%	12,292 876
Upgrading of Marabastad internal street	9,840 000	0	7,526 786	24%	7,526 786
Upgrading of Northleigh streets	33,177 000	0	20,757 812	37%	20,757 812
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.</i>					T 3.2.9

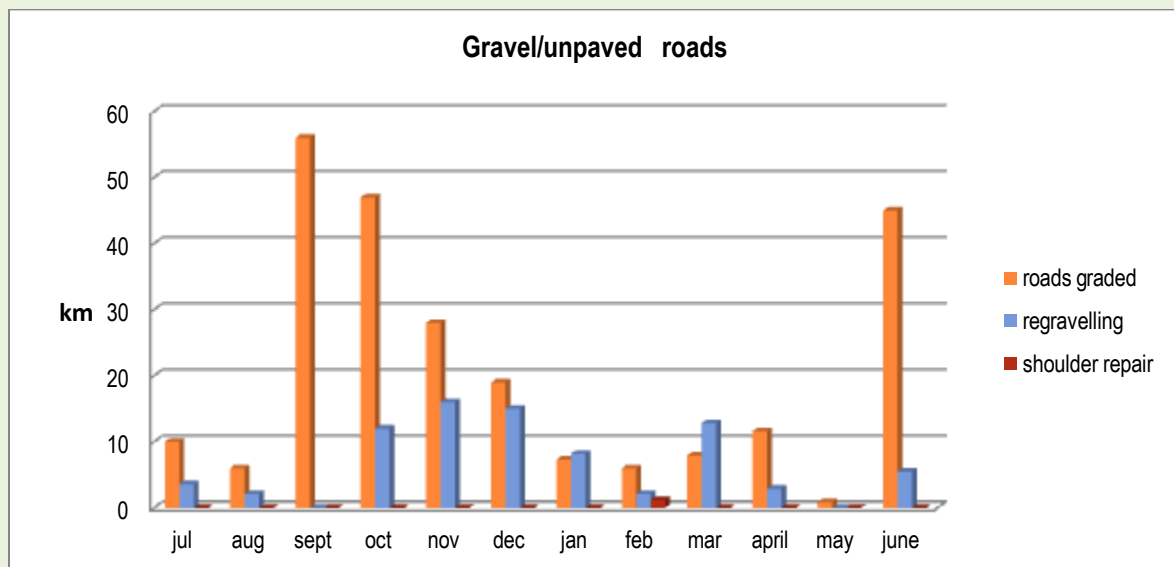
COMMENT ON THE PERFORMANCE OF ROADS OVERALL:

Gravel /unpaved Roads

A total distance of 245 kilometres was graded during the financial year. See figure below for the lengths graded monthly. A total distance of 80.2 kilometres was re-gravelled. See below for the lengths re-gravelled monthly.

Gravel/unpaved roads	Distance (km)
Total length of roads graded	245
Total length of roads re-gravelled	80.2
Total length of road shoulder repaired	1.2

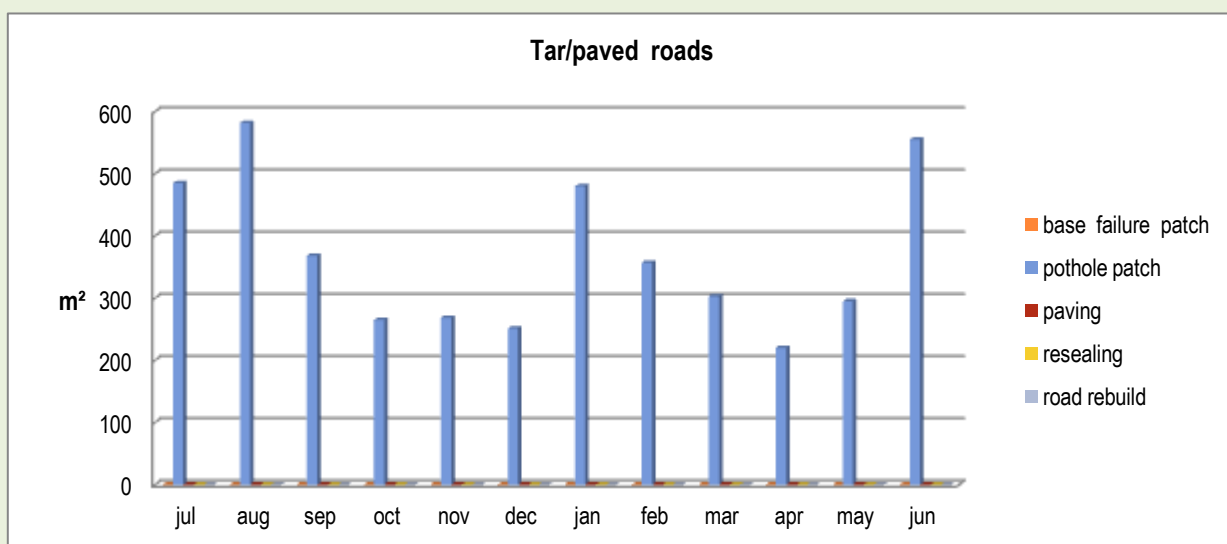
Chapter 3



Tar/Paved Roads

A total area of 4429 m² of potholes has been patched during the financial year.

Tar/paved roads	Area (m ²)
Pothole patching	4429
Base failure patching	0



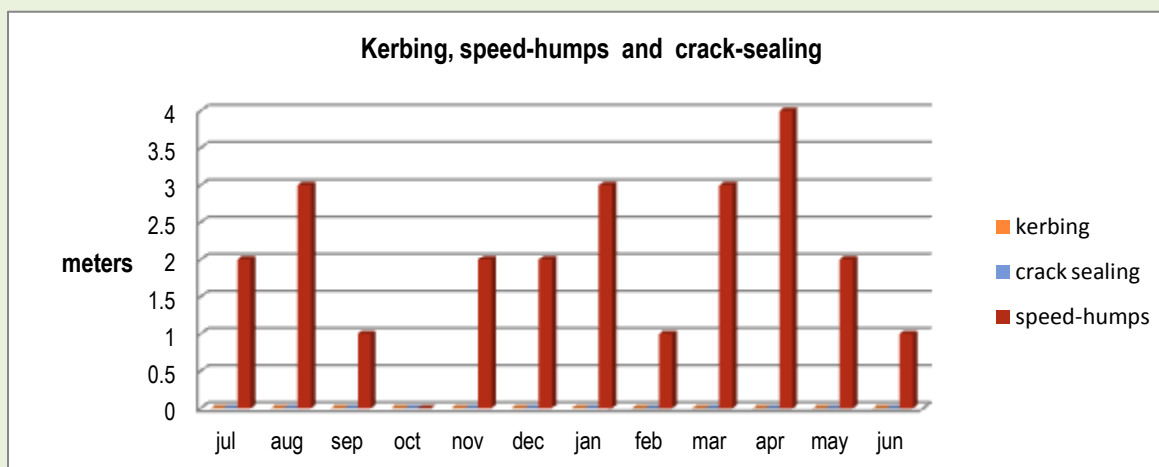
Chapter 3

Kerbing, speed-hump and crack sealing

Speed humps were constructed in the following streets;

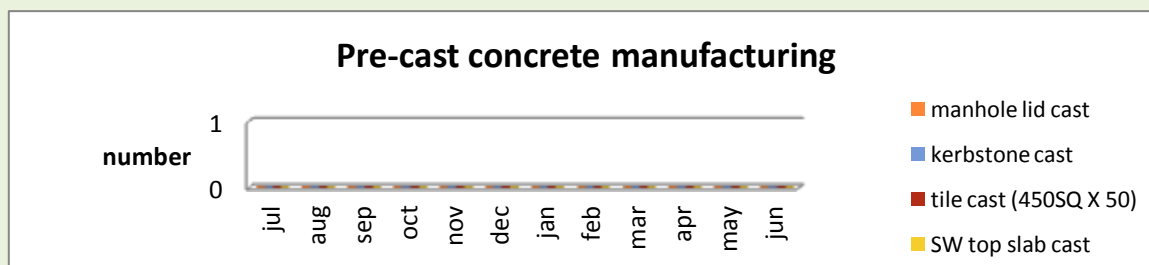
- Constantia park – Seroto, Tang, Lesawana, Lecage.
- Brent Park – Van der Roos.
- Morewag – Meyer, Tromp.
- Rammolutsi – Shopping complex.

Kerbing, speed-hump and crack sealing	Distance (m)
Kerbing	0
Crack sealing	0
Speed humps (number)	24



Pre-cast Concrete Manufacturing

Due to the shortage of workers for patching of roads, all the workers responsible for manufacturing concrete materials were moved to patching teams. No concrete castings were done during the financial year.



T 3.7.10

Chapter 3

3.8 TRANSPORT (INCLUDING VEHICLE LICENSING & PUBLIC BUS OPERATION)

This function is not performed by the Municipality.

Chapter 3

3.9 WASTE WATER (STORMWATER DRAINAGE)

INTRODUCTION TO STORMWATER DRAINAGE

It is the responsibility of the Municipality to ensure safe and efficient storm water systems in the Municipal area. Several storm water projects were done to improve the storm water system in informal settlement areas with the installation of concrete storm water channels as well as storm water pipes. Collapsed main storm water pipes were also replaced to ensure proper drainage in the CBD and business area. Open channel storm water channels were constructed at the informal settlement areas.

T 3.9.1

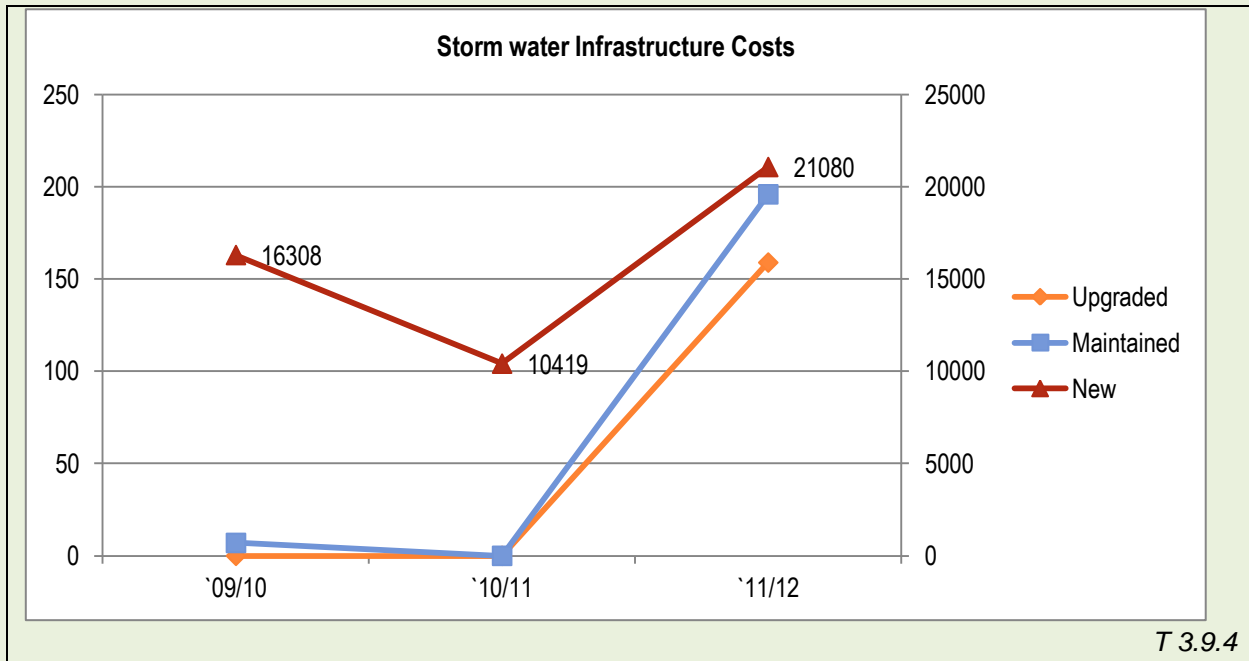
Table 48: Storm water Infrastructure

Storm water Infrastructure				Kilometers
	Total Storm water measures	New storm water measures	Storm water measures upgraded	Storm water measures maintained
2009/10	425	18	4	27
2010/11	443	11.5	2	0.2
2011/12	454	8.2	7	39
				T 3.9.2

Table 49: Cost of Construction/Maintenance

Cost of Construction/Maintenance				R' 000
	Storm water Measures			
	New	Upgraded	Maintained	
2009/10	16,308	0	7	
2010/11	10,419	0	0	
2011/12	21,080	159	196	
				T 3.9.3

Chapter 3



Chapter 3

Table 50: Employees – Storm water Services

Employees: Storm water Services					
Job Level	2010/11	2011/12			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0
4 - 6	1	4	1	3	75
7 - 9	1	5	1	4	80
10 - 12	7	13	5	8	62
13 - 15	13	15	10	8	62
16 - 18	19	42	15	27	64
19 - 20	0	0	0	0	0
Total	41	80	33	58	73%
<p>Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.</p> <p>T 3.2.7</p>					

Table 51: Financial Performance – Storm water Services

Financial Performance 2011/12: : Storm water Services (Included under Roads)					
Details	2010/11	2011/12			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue					
Expenditure:					
Employees					
Repairs and Maintenance					
Other					
Total Operational Expenditure					
Net Operational Expenditure					
<p>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</p> <p>T 3.2.8</p>					

Chapter 3

Table 52: Capital Expenditure – Storm water Services

Capital Expenditure 2011/12: : Storm water Services					
R' 000					
Capital Projects	2011/12				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All					
SW Pipes Northleigh	12,700,000	0	12,700,000	0%	12,700,000
SW Channels Marabastad	3,714,600	0	3,714,600	0%	3,714,600
SW Pipes Zuma Park	4,666,200	0	4,666,200	0%	4,666,200
Project D					
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).					
T 3.2.9					

COMMENT ON THE PERFORMANCE OF STORMWATER DRAINAGE OVERALL:

Only Sector Department funding is available for roads and storm water projects. Planned projects are as follows:

Vehicular Crossing Maokeng	R 1,500,000
Channelling of Vlei storm water Koekoe Village	R 9,120,000
Channeling of Vlei Constantia	R 6,500,000
Upgrading SW Viljoenskroon Industrial area	R 5,701,754

T3.9.9

Chapter 3

COMPONENT C: PLANNING AND DEVELOPMENT

This component includes: planning; and local economic development.

INTRODUCTION TO PLANNING AND DEVELOPMENT

This component includes: planning; and local economic development.

T 3.10

3.10 PLANNING

INTRODUCTION TO PLANNING

Acquisition of land for township development

The Directorate Informal Settlement and Land Tenure of the Free State Province requested municipalities to provide information as to the extent of land to be acquired for Township development. A number of farm properties have been identified and purchased for this purpose. Details of the acquired properties are as follows:

- Thelana No 2324, Kroonstad, 10,1671 ha in extent;
- Vogelvlei No 457, Steynsrus, 115,9997 ha in extent;
- Seubring No 153, Viljoenskroon, 214,1330 ha in extent;
- La Belle No 375, Viljoenskroon, 214,1330 ha in extent.

Township establishment: Planning and surveying of erven:

Planning and surveying of the following areas are in the process with funds granted by the Free State Province:

800 new erven on the remainder of the farm Vogelvlei no. 457, Steynsrus;
2846 new erven in Maokeng on land previously utilized as small holdings are in the process of planning;
326 new erven next to Brentpark;
2278 new erven in Maokeng on land adjacent to Boitumelo Hospital;
1964 erven in Rammulotsi (Northleigh phase 2) are planned, surveyed and township register approved;
1000 new erven in Rammulotsi (Northleigh phase 3) are in the process of planning.

T 3.10.1

Chapter 3

Table 53: Applications for Land Use Development

Applications for Land Use Development						
Detail	Formalisation of Townships		Rezoning		Built Environment	
	2010/11	2011/12	2010/11	2011/12	2010/11	2011/12
Planning application received	0	0	6	4	?	?
Determination made in year of receipt	0	0	5	2	?	?
Determination made in following year	0	0	1	3	?	?
Applications withdrawn	0	0	0	0	?	?
Applications outstanding at year end	0	0	1	3	?	?

Chapter 3

Table 54: Employees – Planning Services

Employees: Planning Services					
Job Level	2010/11	2011/12			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0
4 - 6	0	0	0	0	0
7 - 9	0	0	0	0	0
10 - 12	0	0	0	0	0
13 - 15	0	0	0	0	0
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
Total	0	0	0	0	0

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.

T 3.2.7

Table 55: Financial Performance – Planning Services

Financial Performance 2011/12: : Planning Services					
Details	2010/11	2011/12			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	0	0	0	0	0
Expenditure:	0	0	0	0	0
Employees	0	0	0	0	0
Repairs and Maintenance	0	0	0	0	0
Other	0	0	0	0	0
Total Operational Expenditure	0	0	0	0	0
Net Operational Expenditure	0	0	0	0	0

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.

T 3.2.8

Chapter 3

Table 56: Capital Expenditure – Planning Services

Capital Expenditure 2011/12: : Planning Services					
Capital Projects	2011/12				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0	0	0
Project A	0	0	0	0	0
Project B	0	0	0	0	0
Project C	0	0	0	0	0
Project D	0	0	0	0	0
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.					T 3.2.9

COMMENT ON THE PERFORMANCE OF PHYSICAL PLANNING OVERALL:

Delete Directive note once comment is completed - Explain the priority of the four largest capital projects and explain the variations from budget for net operating and capital expenditure. Confirm your year 5 targets set out in the IDP schedule can be attained within approved budget provision and if not then state how you intend to rectify the matter. Explain the priority of the four largest capital projects and explain variances from budget for net operating and capital expenditure. Also explain any likely variation to the total approved project value (arising from 2011/12 and/or previous year actuals, or expected future variations).

T 3.10.7

Chapter 3

3.11 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLACES)

INTRODUCTION TO ECONOMIC DEVELOPMENT

This section tries to provide an analysis of the economic status of the area that constitutes Moqhaka Local Municipality, as well as the strategic direction for achievement of the most optimal economic benefit that can be derived through a Local Economic Development Plan.

This is within the context that increasingly municipalities have been entrusted with the responsibilities to ensure that the macro-economic fundamentals, already in place for South Africa's economy to grow by +- 6% annually, are translated in to meaningful and substantive benefit for the communities at local level.

Local Economic Development has become panacea to overcome the multiple obstacle of low skill level, non-existent entrepreneurial culture amongst the black population as one of the outcome of the apartheid regime, lack of access to financial and business development services for the small and micro business, spatial marginalization that entrenched the unsuitable rural to urban migration for income opportunities, and numerous other market failures that lead to high unemployment, low income and ultimately widespread poverty.

Some of the tools at the disposal of Local government to achieve improved conditions in the socio-economic climate that conducive for business investment include the innovative ability to create sustainable ways of generating revenue and augmenting the existing rate base. This has become particularly pertinent in especially rural and /or peri-urban municipal are like Moqhaka Local Municipality, most of which have experienced resistance from few organisation and outmigration of skill from especially the economically active cohort of the population, to the cities.

The fact that most of the rural / peri – urban municipal areas have struggled to attract middle aged and retirement population back of due to a disjuncture between the peacefulness of the rural aesthetics, and availability of basic services and bulk infrastructure expected to define and integrated human settlement.

The continuous untenable outmigration of skills and capital should be curbed, especially since it represent potential investment opportunities from the members of the community if a conducive environment is created to attract them back from the towns and cities.

LED Budget.

The LED budget is a huge challenge. A lot of the projects being implemented under the LED are both related to constructions or small business, and funded through national government grants. There is therefore a need for the municipality to allocate a reasonable for proactive interaction between LED office and key stake holders within Moqhaka, inclusive of government entities, the business community, the civic organisations and small businesses.

Chapter 3

This is particularly important in allowing the municipality to plan for the medium (five year term) to long term. Allocation of the budget to LED office will begin to build the capacity of the municipality as a strategic partner in initiating and / or supporting LED projects with its jurisdiction, as well as ensure ring that the outcome contained in the IDP become reality.

Forums

There are various forums within industry and commerce that municipality should strengthening, and further reinforcing their existence such as the following:

- Rate payers associations
- Kroonstad Chamber of Commerce
- Steynrus LED forum
- Informal Trade Associations
- Agricultural Economic Associations of South Africa

T 3.11.1

The statistics required as per the tables below are not yet available from StatsSA for Census 2011.

Table 57: Economic Activity by Sector

Economic Activity by Sector			
			R '000
Sector	2009/10	2010/11	2011/12
Agric, forestry and fishing			
Mining and quarrying			
Manufacturing			
Wholesale and retail trade			
Finance, property, etc.			
Govt, community and social services			
Infrastructure services			
Total			

T 3.11.2

Table 58: Economic Employment by Sector

Economic Employment by Sector			
			Jobs
Sector	2009/10 No.	2010/11 No.	2011/12 No.
Agric, forestry and fishing			
Mining and quarrying			
Manufacturing			
Wholesale and retail trade			
Finance, property, etc.			
Govt, community and social services			
Infrastructure services			
Total			

T 3.11.3

Chapter 3

COMMENT ON LOCAL JOB OPPORTUNITIES:

Delete Directive note once comment is completed - Comment briefly on the short and longer term prospects for economic growth and development referring to the above. Include in this section references to Tourism and Market Places (including street traders)

T 3.11.4

Table 59: Jobs Created through LED Initiatives

Statistics not available.

Jobs Created during 2011/12 by LED Initiatives (Excluding EPWP projects)				
Total Jobs created / Top 3 initiatives	Jobs created	Jobs lost/displaced by other initiatives	Net total jobs created in year	Method of validating jobs created/lost
	No.	No.	No.	
Total (all initiatives)				
2009/10				
2010/11				
2011/12				
Initiative A (2011/12)				
Initiative B (2011/12)				
Initiative C (2011/12)				

T 3.11.5

Table 60: Jobs Created through EPWP Projects

Job creation through EPWP* projects		
	EPWP Projects	Jobs created through EPWP projects
Details	No.	No.
2009/10	646	?
2010/11	492	?
2011/12	622	?
* - Extended Public Works Programme		T 3.11.6

Chapter 3

Table 61: LED Policy Objectives taken from IDP/SDBIP

Key Performance Indicators	Baseline: 2010/11	Annual target: 2011/12	Actual performance: 30 June 2012	Reasons for non- or under-performance	Corrective measures taken or to be taken
Agricultural development	2	0	0	0	Lack of budget
Tourism Promotion	4	Different tourism promotions are done through Kroonstad business and tourism.	4	Lack of budget	Lack of budget
SMME Development	115	25	25	Lack of budget	Allocation of budget
Formation of LED forums	1	Formation of this forum was done in 2010	In place	In place	In place

Chapter 3

Table 62: Employees – LED Services

Employees: LED Services					
Job Level	2010/11	2011/12			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0%
4 - 6	0	3	0	3	100%
7 - 9					
10 - 12	0	1	0	1	100%
13 - 15					
16 - 18					
19 - 20					
Total	1	5	1	4	80%

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.

T 3.2.7

Table 63: Financial Performance – LED Services

Financial Performance 2011/12: : LED Services					
R'000					
Details	2010/11	2011/12			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	0				
Expenditure:	0	0	0	0	
Employees	518	1067	620	546	
Repairs and Maintenance	0	0	0	0	
Other	5103	0	15	7022	
Total Operational Expenditure	5618	732	620	7522	
Net Operational Expenditure					

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.

T 3.2.8

Chapter 3

Table 64: Capital Expenditure – LED Services

Capital Expenditure 2011/12: : LED Services					
Capital Projects	2011/12				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All					
Project A	128 368.24		209 702.61		477 034.28
Project B	5 000 000.00		413 110.30		5 000 000.00
Project C	36 000 000.00				36 000 000.00
Project D	2 813 724.00				2 426 096.90
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.					
					T 3.2.9

COMMENT ON LOCAL ECONOMIC DEVELOPMENT PERFORMANCE OVERALL:

Moqhaka Local Municipality has an approved staff complement of over 1000 which services a population of approximately 160,000 persons. There are more than 250 posts that are vacant and the situation is bound to remain the same if the financial position of the municipality does not improve. It is important to assert that a lot of the strategic positions have been just filled which a very good strength for the municipality.

Local Economic Development which is supposed to play a pivotal role in poverty eradication, help create jobs and stimulate economic activities of Moqhaka exists as a portfolio with one official dedicated to actively and consciously propel the economic growth of the local municipality forward.

This is not sufficient considering the strategic importance of LED within the municipality. There is a need to at least appoint officials in strategic economic sectors that have been identified as value-adding with multiplier effects such as agriculture, tourism & leisure, SMME & Entrepreneurship, informal trading and mining.

LED budget

The 2011/12 budget for LED was R200 000. This is equal to nothing considering pivotal work that need to be done. The section failed to stage an LED summit due to lack of funding and/or budget. There is therefore a need to rethink our approach to local economic development and to allocate reasonable budget to enable for proactive planning.

T 3.11.11

Chapter 3

COMPONENT D: COMMUNITY & SOCIAL SERVICES

This component includes: libraries and archives; museums arts and galleries; community halls; cemeteries and crematoria; child care; aged care; social programmes, theatres.

INTRODUCTION TO COMMUNITY AND SOCIAL SERVICES

Delete Directive note once comment is completed – Provide brief introductory comments. Refer to support given to those communities that are living in poverty.

T 3.52

3.12 LIBRARIES AND CIVIC THEATRE

INTRODUCTION TO LIBRARIES AND CIVIC THEATRE

Library and Information Services is not a function that makes profit by any means therefore the support we offer to our communities is our free service as outlined in the Freedom Charter i.e. free access to quality information. All our services are free of charge including Internet café, usage of our facilities like halls, study rooms, lending of books and any other library - related materials. In the case of lending of books to public users, conditions are put in place on how many books specifically to be borrowed to an adult or juvenile and for how long those individuals can be in possession of such materials failing which what penalties to apply on them.

Library services are rendered by an agreement which assigns certain functions to municipalities and retain certain functions at the Provincial level. All the functions are free to all across the board. In the case of those who have **Museums**, arrangements are done in advance to welcome visitors for different purposes ranging from research, education, tourism, entertainment etc. Sometimes our **Archives** do assist in many ways like school assignments which need typical research of information of many years ago. Our library **facilities** e.g. our halls do host some arts exhibitions especially for the previously disadvantaged communities as a way and means to expose them to the real World Art Competitions.

1. From time to time our **Museum** in Hill Street Library is utilized to be used by our communities for different purposes ranging from ordinary educational purposes to research exercises. More often we even get visitors from other Municipal Districts and it really boost our confidence that says to us that our services are of good quality.

2. We have created small **Archives** in our respective libraries and they indeed assist a lot when it comes to school assignments, researches etc. Brentpark Secondary School got a second position in one of the competitions they were involved in concerning Living Heritage through a little help from our small Archives we created ourselves. This happened two years ago to be precise.

3. Our **facilities** are utilised for many things like study, exhibitions, talent search initiatives, music performances, heritage activities, films and video viewings etc. Last year learners from Calculus

Chapter 3

Secondary School benefited when a video of Animal Farm was shown to them to assist in their prescribed book as a result, they did well on the subject at the end of the year exams. Bodibeng and Thakameso Secondary Schools were shown a presentation and a film on Slave Trade and it was a success story as this was part of the History and a subject they were dealing with.

4. **Other**, activities which we performed well include amongst others, Breast Cancer awareness, Career Guidance Expo, International Day of Drug Abuse Awareness etc. For little ones we performed the following: Story Hours, Puppet Shows, Games, Loud Reading and many more.

Civic Theatre

Introduction

The Civic Theatre was build and officially opened on the 12 June 1976 just before the Soweto Uprising (16 June 1976). The Theatre is situated +-500 meters from the central business district (CBD) of Kroonstad Town. It is the multipurpose venue with capacity of +-688 auditorium. The Theatre has the Allen Rautenbach-hall within its premises which have the capacity +-800 people standing, but +-400 seated with provision of tables and chairs. This hall is hosting variety of functions such as Commercial functions for business, weddings functions, conferences for community and all three spheres of governments. It does have a bar, coffee bar and cold drink bar and foyer for exhibitions.

The main objective of the Theatre is to promote arts and culture, music, drama/theatre and poetry in schools, and partnership with government department as well as the NGO's. It is also enhancing social cohesion, creating vibrancy within our locality through arts and culture activities to advance tourism. It provides the facility to all community and promotes cross cultural activities and enhances tolerance.

On December 2011, the theatre coordinated artist for different discipline e.g. drama, gospel, poetry, sculpture, arts and craft to choose their own representatives. An interim body that was going to represent Moqhaka and Fezile Dabi District Municipality at provincial level in order to formulate the constitution and a body that is going to represent Free State was formed.

The theatre hosted the auditions of MACUFE (Mangaung Cultural Festival) for drama and dance at Nyakallong Resort hall. This was convened by PACOFS (Performing Arts Council of Free State) on behalf of Department of Sport, Arts, Culture & Recreation, during the month of Sept 2012. The Masupatsela utilized the theatre to host the competition for drama promoting semi-professional actors and they were taken to Gauteng for further training on TV and Theatre stage production. Some of these activities were held at Nyakalong Resort. There was school set work book drama show called "Nothing but the Truth" from the 23 to 27 August 2012, hosted at the theatre targeting schools.

T3.12.1

Chapter 3

Table 65: Employees – Libraries

Employees: Libraries					
Job Level	2010/11	2011/12			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	0	1	0	1	100%
7 - 9	1	12	1	11	92%
10 - 12	14	22	14	8	36%
13 - 15	4	13	3	10	77%
16 - 18	9	17	9	8	47%
19 - 20	0	0	0	0	0%
Total	28	65	27	38	58%
<p>Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.</p> <p>T 3.2.7</p>					

Table 66: Employees Civic Theatre

Employees: Civic Theatre					
Job Level	2010/11	2011/12			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0%
4 - 6	0	0	0	0	0%
7 - 9	1	1	1	0	0%
10 - 12	1	1	1	0	0%
13 - 15	0	0	0	0	0%
16 - 18	4	4	4	0	0%
19 - 20	0	0	0	0	0%
Total	7	7	7	0	0%

Chapter 3

*Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.*

T 3.2.7

Note: No audited financial performance information is available for Libraries and Civic Theatre.

COMMENT ON THE PERFORMANCE OF LIBRARIES AND CIVIC THEATRE OVERALL:

Delete Directive note once comment is completed – Explain the priority of the four largest capital projects and explain the variations from budget for net operating and capital expenditure. Confirm your year 5 targets set out in the IDP schedule can be attained within approved budget provision and if not then state how you intend to rectify the matter. Explain the priority of the four largest capital projects and explain variances from budget for net operating and capital expenditure. Also explain any likely variation to the total approved project value (arising from 2011/12 and/or previous year actuals, or expected future variations).

T 3.12.7

Chapter 3

3.13 CEMETERIES

INTRODUCTION TO CEMETERIES

Moqhaka have seven functional cemeteries distributed as follows: three (3) at Kroonstad – Maokeng and Brentpark, two (2) at Viljoenskroon – Rammulotsi and two (2) Steynsrus – Matlwangtlwang. All cemeteries accommodate both children and adult graves. They are open for burials from Monday to Saturday and only in arrangement can be open on Sunday. Wespark cemeteries do have the Muslim Cemetery section. Booking for the burials are done through each town's offices.

Moqhaka Local Municipality is responsible of full maintenance of all cemeteries and this includes, digging of the graves, fencing maintenance, clearing of the weeds and all unnecessary debris. Only one cemetery which is Wespark Cemetery has aesthetic section which has grass and flowers that need to be maintained and watered. Six of these cemeteries are been palisade fenced and New Matlwangtlwang cemetery is mesh fenced and Dinoheng cemetery's fence is vandalised.

Cogta's EPWP Cemetery cleaning Programme has created jobs for unemployed local people and has brought change to the look of the cemetery. This programme is focus on cleaning all cemeteries including old cemeteries which are no more fully functional. The community and the funeral undertakers are pleased with the service provided for the funeral to be run smoothly. As Moqhaka council we strive to give the best service to our community.

T 3.13.1

SERVICE STATISTICS FOR CEMETERIES

No. of cemeteries:

Kroonstad – 3

Viljoenskroon – 2

Steynsrus - 2

T 3.13.2

Chapter 3

Table 67: Employees – Cemeteries

Employees: Cemeteries					
Job Level	2010/11	2011/12			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	-	-	-		
4 - 6	-	-	-		
7 - 9	1	1	1		
10 - 12	-	-	-		
13 - 15		3			
16 - 18		1			
19 - 20		13			
Total		18			

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.

T 3.2.7

COMMENT ON THE PERFORMANCE OF CEMETERIES OVERALL:

Delete Directive note once comment is completed – Explain the priority of the four largest capital projects and explain the variations from budget for net operating and capital expenditure. Confirm your year 5 targets set out in the IDP schedule can be attained within approved budget provision and if not then state how you intend to rectify the matter. Explain the priority of the four largest capital projects and explain variances from budget for net operating and capital expenditure. Also explain any likely variation to the total approved project value (arising from year 0 and/or previous year actuals, or expected future variations).

T 3.13.7

Chapter 3

3.14 SPECIAL PROGRAMMES

INTRODUCTION TO SPECIAL PROGRAMMES

Special programmes are located in the Office of the Executive Mayor and includes the youth, women, disabled, aged, children and HIV/AIDS. The majority of the programmes and projects are implemented in partnership with other government departments, NGOs, CBO's and other external stakeholders.

T 3.14.1

Chapter 3

Note: Employees of special programmes are included under Executive and Council.

Note: Financial performance information for special programmes is included under Executive and Council.

COMMENT ON THE PERFORMANCE OF SPECIAL PROGRAMMES OVERALL:

The majority of the programmes and projects are implemented in partnership with other government departments, NGOs, CBO's and other external stakeholders.

T 3.14.7

Chapter 3

COMPONENT E: ENVIRONMENTAL PROTECTION

This component includes: pollution control; biodiversity and landscape; and costal protection.

INTRODUCTION TO ENVIRONMENTAL PROTECTION

Environmental protection means policies and procedures aimed at conserving the natural resources, preserving the current state of natural environment and where possible, reversing its degradation.

T 3.14

3.15 ENVIRONMENTAL PROTECTION

INTRODUCTION TO ENVIRONMENTAL PROTECTION

Top priority of the municipality is to formulate policies and procedures aimed at conserving the natural resources, preserving the current state of natural environment and where possible, reversing its degradation.

T 3.15.1

SERVICE STATISTICS FOR ENVIRONMENTAL PROTECTION

Environmental master plan to be submitted to council before the implementation takes place.

T 3.15.2

Chapter 3

Table 68: Employees – Environmental Protection

Employees: Environmental Protection					
Job Level	2010/11	2011/12			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0
4 - 6	0	0	0	0	0
7 - 9	0	0	0	0	0
10 - 12	0	0	0	0	0
13 - 15	0	0	0	0	0
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
Total	0	0	0	0	0
<p>Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.</p> <p>T 3.2.7</p>					

COMMENT ON THE PERFORMANCE OF ENVIRONMENTAL OVERALL:

No capital project was budgeted for environmental protection because environmental master plan to be adopted by council.

T 3.15.7

3.16 BIO-DIVERSITY; LANDSCAPE (INCL. OPEN SPACES); AND OTHER (EG. COASTAL PROTECTION)

The Municipality does not perform the above functions.

Chapter 3

COMPONENT F: HEALTH

This component includes: clinics; ambulance services; and health inspections.

INTRODUCTION TO HEALTH

Note: Recent legislation includes the National Health Act 2004.

Delete Directive note once comment is completed – Provide brief introductory comments. Set out your top 3 service delivery priorities and the impact you have had on them during the year. Explain the measures taken to improve performance and the major efficiencies achieved by your service during the year. Refer to support given to those communities that are living in poverty

T 3.17

3.17 CLINICS

The Municipality does not perform the above function.

3.18 AMBULANCE SERVICES

The Municipality does not perform the above function.

3.19 HEALTH INSPECTION; FOOD AND ABBATOIR LICENSING AND INSPECTION; ETC

The Municipality does not perform the above functions.

Chapter 3

COMPONENT G: SECURITY AND SAFETY

INTRODUCTION TO SECURITY & SAFETY

This component includes: traffic police; fire services and disaster management .

T 3.20

3.20 TRAFFIC POLICE

INTRODUCTION TO TRAFFIC POLICE

To provide an effective and efficient traffic service to substantially reduce the number of road accidents, injuries and deaths on our roads in Mqohaka.

To actively promote traffic safety, order and mobility by maintaining committed goals directed law enforcement, traffic control, and conduct public information and road safety awareness programs

T 3.20.1

Table 69: Traffic Police Service Data

Law Enforcement			
Description	2009/2010	2010/2011	2011/2012
	Actual No.	Actual No.	Actual No.
<u>Prosecutions</u>			
<i>The total prosecutions instituted</i>	12 285	15 285	12 369
<i>Monetary value</i>	R2, 595 545-00	R3, 573 920-00	R3, 566 905-00
<u>Notices Issued</u>			
<i>Section 341 notifications</i>	10 233	14 337	10 237
<i>Section 56 notifications</i>	2 052	1 457	2 132
<u>Income</u>			
<i>Traffic Fines</i>	R800 853-00	R888 323-32	R831 618-09
<i>Escort Duties</i>	R8 635-33	R9 818-47	R8 877-09
<i>Sundry Income</i>	R7 536-41	R9 521-91	R7 815-77
<u>Representations</u>			
<i>Un-finalised representations</i>	42	53	58
<i>Successful representations</i>	876	938	913
<i>Un-successful representations</i>	486	435	203
<u>Section 54 Summonses</u>			
<i>Successful</i>	548	1201	1697

Chapter 3

<i>Withdrawn</i>	339	859	1022
<i>Un-successful</i>	294	80	110
<u>Warrants of Arrest</u>			
<i>Warrants of Arrest issued and received</i>	1336	793	1039
<i>Warrants of Arrest executed</i>	381	361	540

Accidents and Casualties			
Description	2009/10	2010/11	2011/12
Fatalities	13	4	5
Serious Injuries	25	24	51
Slight Injuries	107	85	96
Damages Only	829	806	942
Casualties	174	147	201
Pedestrians Involved	77	87	96

Accidents		
The nine worst accidents locations in the Municipal Jurisdiction of Mqohaka		
2009/2010	2010/2011	2011/2012
Smaldeel Road (Maokeng)	Smaldeel Road (Maokeng)	Cross Street (Kroonstad CBD)
Cross Street (Kroonstad CBD)	Reitz Street (Kroonstad CBD)	Reitz Street (Kroonstad CBD)
Reitz Street (Kroonstad CBD)	Cross Street (Kroonstad CBD)	Smaldeel Road (Maokeng)
Du Toit Street (Kroonstad Northern Suburb)	Tang Street (Maokeng)	Turner Street (Kroonstad Northern Suburb)
Van Zyl Street (Kroonstad Northern Suburb)	Brand Street (Kroonstad CBD)	Van Zyl Street (Kroonstad Northern Suburb)
Brand Street (Kroonstad CBD)	Seroto Street (Maokeng)	Lethetsa Street (Maokeng)
Tang Street (Maokeng)	North Road (Kroonstad)	Marabastad (Maokeng)
Lethetsa Street (Maokeng)	Van Zyl Street (Kroonstad Northern Suburb)	Tang Street (Maokeng)
North Road (Kroonstad)	Lethetsa Street (Maokeng)	Station Street (Kroonstad CBD)

Measures in place to curb accidents: Speed measuring

Road side check points
 Breathalyser tests – alcohol
 Upgrading of road markings and traffic signs
 Scholar Patrol and Child in Traffic Training
 Executing Summonses and Warrants of Arrest
 Special operations with Kroonstad Weighbridge – overload control
 Special operations with the Provincial Traffic and the SAPS
 Higher fine amounts were approved on various traffic fines

T 3.20.2.1

Chapter 3

Table 70: Employees – Traffic Police

Employees: Traffic Police					
Job Level	2010/11	2011/12			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0%
4 - 6	1	1	1	0	0%
7 - 9	7	8	7	1	13%
10 - 12	3	16	3	13	81%
13 - 15	6	9	6	3	33%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	18	35	18	17	49%

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.

T 3.2.7

Table 71: Financial Performance – Traffic Police

Financial Performance 2011/12: : Traffic Police					
Details	2010/11	2011/12			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	-976	-947	-947	-894	-5.9%
Expenditure:					
Employees					
Repairs and Maintenance					
Other					
Total Operational Expenditure					
Net Operational Expenditure					

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.

T 3.2.8

Chapter 3

Table 72: Capital Expenditure – Traffic Police

Capital Expenditure 2011/12: : Traffic Police					
Capital Projects	2011/12				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	320	320	320	0%	320
Project A					
Project B					
Project C					
Project D	320	320	320	0%	320
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.</i>					<i>T 3.2.9</i>

- Road markings were done in Kroonstad, Viljoenskroon and Steynsrus.
- Various traffic signs were replaced with new ones.
- Traffic Management received four new traffic vehicles for law enforcement.
- Two new Tru-Cam speed measuring cameras were purchased.

COMMENT ON THE PERFORMANCE OF TRAFFIC POLICE OVERALL:

Implement the Administrative Adjudication of Road Traffic Offences (AARTO)
 Installation of fixed cameras for speed law enforcement.
 Installation of the one-way traffic system in the Central Business District and heavy motor vehicles routes.

T 3.20.7

Chapter 3

3.21 FIRE

INTRODUCTION TO FIRE SERVICES

Fire Services in the Republic of South Africa and in particular in Mqohaka are regulated in terms of National Legislation

The top priorities are as follows:

- (a) prevent the outbreak or spread of a fire;
- (b) fight or extinguish a fire;
- (c) protection of life or property against a fire or other threatening danger;
- (d) rescue of life or property from fire or other danger

The Fire Brigade Services In the first priority the prevention of the outbreak of fire could not be achieved as there is no functional Fire Safety division within the Mqohaka Fire Brigade Service due to understaffing. The spread of fire could only partly be accomplished as the Fire Brigade Service has been without proper and sufficient fire fighting vehicles and equipment. The Fire Brigade has a challenge in that Steynsrus/ Matlanglang or Viljoenskroon/ Ramolutsi areas has to be attended to from Kroonstad head office, and this impacts on the response to these areas

Fire Brigade is actively involved within the community in the National Key Points and committees meetings where community interests are attended to on a regular basis.

All incidents where assistance was needed within the area are depicted in the table below.

T 3.21.1

Table 73: Fire Service Data

Fire Service Data				
Details	2009/10	2010/11		2011/12
	Actual No.	Estimate No.	Actual No.	Estimate No.
1 Total fires attended in the year	309	309	330	330
2 Total of other incidents attended in the year	106	106	117	117
3 Average turnout time - urban areas	15 min	15 min	15 min	15 min
4 Average turnout time - rural areas	60 min	60 min	60 min	60 min
5 Fire fighters in post at year end	20	20	20	20
6 Total fire appliances at year end	2	n/a	2	2
7 Average number of appliance off the road during the year	1	n/a	1	0

T 3.21.2

Chapter 3

Concerning T3.21.2

Average turnout time within built-up area falls within accepted standards but the average attendance times for rural areas doesn't fall within accepted standards.

T 3.21.2.1

Chapter 3

Table 74: Fire Service Policy Objectives taken from IDP/SDBIP

Key Performance Indicators	Baseline: 2010/11	Annual target: 2011/12	Actual performance: 30 June 2012	Reasons for non- or under- performance	Corrective measures taken or to be taken
To provide effective firefighting, rescue and HAZMAT services to communities of Moqhaka	100%				
Number of hydrants maintained	255	512	100	Vehicle shortage	Acquisition of required vehicles
Number of fire safety inspections conducted	55	110	55	Vehicle shortage	Acquisition of required vehicles
% of budgeted firefighting equipment purchased	30%	100% of equipment purchased breathing apparatus	0%	Capital budget couldn't be accessed. Cash flow management problem	Proper budget allocation and availability of budget

Chapter 3

Table 75: Employees – Fire Services

Employees: Fire Services					
Job Level	2010/11	2011/12			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0%
4 - 6	4	5	5	0	0%
7 - 9	1	1	1	0	0%
10 - 12	4	6	4	2	33%
13 - 15	4	12	4	8	67%
16 - 18	10	37	10	27	73%
19 - 20	2	4	2	2	50%
Total	26	66	27	39	59%

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.

T 3.2.7

Table 76: Capital Expenditure – Fire Services

Capital Expenditure 2011/12: : Fire Services					
Capital Projects	2011/12				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	783	0	0	0	0
No capital projects were undertaken					
Project A	0	0	0	0	0
Project B	0	0	0	0	0
Project C	0	0	0	0	0
Project D	0	0	0	0	0

Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.

T 3.2.9

Chapter 3

3.22 DISASTER MANAGEMENT

INTRODUCTION TO DISASTER MANAGEMENT

Disaster Management function marginal due to staff shortages and lack of equipment. Although this has placed a strain on the municipality all incidents where the community was affected due to roofs being blown off or houses being flooded by heavy rains all were attended to and assistance given to inhabitants.

T 3.22.1

SERVICE STATISTICS FOR DISASTER MANAGEMENT

T 3.22.2

Chapter 3

Table 77: Disaster Management Policy Objectives taken from IDP/SDBIP

Key Performance Indicators	Baseline: 2010/11	Annual target: 2011/12	Actual performance: 30 June 2012	Reasons for non- or under-performance	Corrective measures taken or to be taken
To make use of the disaster management center according to disaster management Act	100%				
To conduct community awareness campaigns on prevention of disasters	4	4	0	Vacant positions not filled	Appointment of staff in vacant positions
To identify and provide the necessary emergency equipment to ensure effective disaster management in the Moqhaka region	800 meters of plastic covering	800 meters of plastic covering	900 meters of plastic covering	Nil	

Chapter 3

Table 78: Employees – Disaster Management

Employees: Disaster Management					
Job Level	2010/11	2011/12			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	0	0	0	0	0%
7 - 9	0	0	0	0	0%
10 - 12	0	0	0	0	0%
13 - 15	1	1	1	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	1	1	1	0	0%

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.

T 3.2.7

COMMENT ON THE PERFORMANCE OF DISASTER MANAGEMENT OVERALL:

No capital projects were budgeted and implemented.

T 3.22.7

Chapter 3

COMPONENT H: SPORT AND RECREATION

This component includes: community parks; sports fields; sports halls; stadiums; swimming pools; and camp sites.

INTRODUCTION TO SPORT AND RECREATION

Overview

Kroonpark was build and established just after the floods in 1989 and officialy open in 1990. The resort was mainly astablished and build as a recreational facility for the lager community of Kroonstad and for local economical development as a tourist atraction facilities for Kroonstad.

The core function of resort is to provide accomodation and leisure facilities to tourist. The resort carters for different businesses and govenmental conferences. It host two of South Africa's biggest annual Biker Rallies namely:

- FoX Rally
- Poison Rally

Besides biker Rallies Kroonpark hosted two mortor vehilce shows. Amongst other events that atracts visitors from other towns and adjecent farms are four major music festivals. Kroonpark Resort is one of the few resort country wide that have indoor heated swimming pool.

Kroonpark accommodated 27525 day vistors as compared to 26215 of the previous yea.

T 3.23

3.23 SPORT AND RECREATION

SERVICE STATISTICS FOR SPORT AND RECREATION

T 3.23.1

Chapter 3

Table 79: Sport and Recreation Policy Objectives taken from IDP/SDBIP

Key Performance Indicators	Baseline: 2010/11	Annual target: 2011/12	Actual performance: 30 June 2012	Reasons for non- or under-performance	Corrective measures taken or to be taken
To support the expansion of the tourism potential of Kroonpark Holiday Resort	10 10 10 10 10 10 8	To renovate and maintain the resort: 1. Number of chalets re- sealed /patched (roof) 2. Acquiring of new furniture and electric equipment ✓ TV's ✓ Fridges ✓ Bar fridges ✓ Deep Freezers ✓ Four plate stoves ✓ Oil Heaters Renovation of indoor. (New entrance and exit doors) swimming pool.	0 0 0 0 0 0	The municipality did not budget for any Capital budget for 2011/2012	
	26 215	Increase The number of feet fall (Tourist/ Visitors) = 30 000	27 525	Target was not reach but there was an increase on the feet fall.	
	7	Increase the amount of Annual Entertainment events and activities = 8	8	Accomplished and the annual amount of entertainment	
	7	To assess employees skills development needs and to address skills requirements = 10	6		

Chapter 3

Table 80: Employees – Sport and Recreation

Employees: Sport and Recreation					
Job Level	2010/11	2011/12			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0%
4 - 6	0	1	0	1	100%
7 - 9	1	3	1	2	67%
10 - 12	7	15	7	8	53%
13 - 15	1	2	1	1	50%
16 - 18	0	0	0	0	0%
19 - 20	25	31	25	6	19%
Total	35	53	35	18	34%

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.

T 3.2.7

Table 81: Financial Performance – Sport and Recreation

Financial Performance 2011/12: : Sport and Recreation					
R'000					
Details	2010/11	2011/12			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue					
Expenditure:					
Employees					
Repairs and Maintenance					
Other					
Total Operational Expenditure	16 281	9 006	17 217	15 150	40.6%
Net Operational Expenditure	16 281	9 006	17 217	15 150	40.6%

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.

T 3.2.8

Chapter 3

Table 82: Capital Expenditure – Sport and Recreation

Capital Expenditure 2011/12: : Sport and Recreation					
R' 000					
Capital Projects	2011/12				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All					
Project A	R100 000	0	R88 489	0	R100 000
Project B	R30 000	0	R18 753	0	R30 000
Project C					
Project D					
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).					
					T 3.2.9

COMMENT ON THE PERFORMANCE OF SPORT AND RECREATION OVERALL:

COMMENT ON THE PERFORMANCE OF KROONPARK HOLIDAY RESORT OVERALL:

The key achievements for 2011/12 were:

- Annual increase in the income for the resort from to R 3,164 614.22 to R 3,594 284.83 Annual increase in the amount of visitors visiting the resort from 26 215 for 2010/2011 to 27 525 for 2011/2012. (This totals exclude chalet visitors, campsite visitors and season ticket holders)
- The replacement of all broken and damage entrance and exit doors of the indoor swimming pool.
- Manage to replace damage furniture and electric equipment.
- Success fully hosts 10 deferent events and entertainment programs.

The key issues and challenges for 2011/12 were:

- Equipment, furnishers, bedding and linen are worn-out and damaged.
- Complete renovated of the resort required.
- Insufficient budget to market the resort
- Control measure to be intensified in handling of cash.
- Low morale of staff causes serious problems.
- Lack of training in hospitality and tourism.

T 3.23.6

Chapter 3

COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES

This component includes: corporate policy offices, financial services, human resource services, ICT services, property services.

INTRODUCTION TO CORPORATE POLICY OFFICES, Etc

This component includes the Executive Office, financial services, human resource services, ICT and legal and property services.

T 3.24

3.24 EXECUTIVE AND COUNCIL

This component includes: the Executive Offices (Office of the Executive Mayor; Office of the Speaker, Councilors; and the Office of the Municipal Manager.

INTRODUCTION TO EXECUTIVE AND COUNCIL

The Executive Mayor exercises overall political responsibility for sound governance and service delivery, whilst the Office of the Speaker is mainly responsible for public participation, ward committees and managing Council and Committee meetings.

The Municipal Manager is the accounting officer of the municipality and reports to the Executive Mayor and Council. Top service delivery priorities included:

- establishment of sound corporate governance system of internal audit and risk management
- developing improved systems to ensure optimal institutional efficiency
- ensuring the financial health of the municipality.

T 3.24.1

Chapter 3

Table 83: Employees – Executive and Council

Employees: Executive and Council					
Job Level	2010/11	2011/12			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	2	2	1		
4 - 6		-			
7 - 9		1			
10 - 12		1			
13 - 15		3			
16 - 18		-			
19 - 20		-			
Total	10	7	11		

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.

T 3.2.7

COMMENT ON THE PERFORMANCE OF THE EXECUTIVE AND COUNCIL:

Delete Directive note once comment is completed – Explain the priority of the four largest capital projects and explain the variations from budget for net operating and capital expenditure. Confirm your year 5 targets set out in the IDP schedule can be attained within approved budget provision and if not then state how you intend to rectify the matter. Explain the priority of the four largest capital projects and explain variances from budget for net operating and capital expenditure. Also explain any likely variation to the total approved project value (arising from 2011/12 and/or previous year actuals, or expected future variations).

T 3.24.7

Chapter 3

3.25 FINANCIAL SERVICES

INTRODUCTION FINANCIAL SERVICES

Delete Directive note once comment is complete – Provide brief introductory comments. Set out priorities and the impact you have had on them during the year. Explain the measures taken to improve performance and the major efficiencies achieved by financial service during the year.

T 3.25.1

Table 84: Debt Recovery

Debt Recovery							
R' 000							
Details of the types of account raised and recovered	2010/11		2011/12			2012/13	
	Actual for accounts billed in year	Proportion of accounts value billed that were collected in the year %	Billed in Year	Actual for accounts billed in year	Proportion of accounts value billed that were collected %	Estimated outturn for accounts billed in year	Estimated Proportion of accounts billed that were collected %
Property Rates	R 33129	R 23987	72%	R 35252	R 26693	76%	R 38800
Electricity - B							
Electricity - C	R 128837	R 130854	102%	R 142967	R 141025	99%	R 165176
Water - B							
Water - C	R 29568	R 17041	58%	R 39121	R 21372	55%	R 49667
Sanitation	R 9071	R 5036	56%	R 11916	R 6392	54%	R 15322
Refuse	R 7733	R 4317	56%	R 8833	R 5233	59%	R 9858
Other	R 6279	R 3804	61%	R 6100	R 3822	63%	R 7508
B- Basic; C= Consumption. See chapter 6 for the Auditor General's rating of the quality of the financial Accounts and the systems behind them.							
T 3.25.2							

T 3.25.2

Concerning T 3.25.2

Delete Directive note once table is completed – The proportion of account value billed is calculated by taking the total value of the year's revenues collected against the bills raised in the year by the year's billed revenues.

T 3.25.2.1

Chapter 3

Table 85: Financial Service Policy Objectives taken from IDP/SDBIP

Key Performance Indicators	Baseline 2010/11	Annual Target 2011/12	Actual Performance 30 June 2012	Reasons for non-or under- performance	Corrective measures taken or be taken
Reduced number of internal and external audit queries on SCM processes	20%	50% reduction in audit queries by June 2012	The audit queries were not reduced by 20%. There was an increase in the number of audit queries.	Shortage of staff at supply chain	Appointment of staff
% of supplier database established	0%	100% of supplier database established by end of September 2011	50% of the submissions captured	Shortage of staff at supply chain	Appointment of staff
% Annual review of the SCM policy	0%	100% SCM policy reviewed and approved by March 2012	Policy reviewed on 31 May 2012		
% of SCM procurement plans are developed and approved	0%	100% demand management plan developed and approved	Demand management not developed	Departmental inputs not submitted to supply chain	Progress on the demand management plan be reported to senior managers' meeting monthly
% GRAP Compliant Financial financial statement compiled and submitted annually	95%	100% compliant AFS submitted by 31 Aug. 2011	Submission of AFS was done on 31 August 2011		
% of audit queries relating to fixed assets addressed	0%	50% of fixed assets related audit queries addressed by end of June 2012	Not achieved	Incomplete work on the valuation of infrastructure assets	Effective management of the project for verification of immovable assets
% of clean audit achieved	Disclaimer	Qualified audit opinion for 2011/12 financial year	Not achieved	valuation of infrastructure assets, indigent debtors verification and existence of debtors and irregular expenditure not effectively addressed	Undertake the data purification, complete the valuation of immovable assets and indigent registration
% of creditors paid within 30 days	R24 million outstanding for more than 30 days	60% reduction in creditors outstanding for more than 30 days by end of Dec.2011 100% of new creditors paid within 30 days	Not achieved	Cash flow constraints	Intensify the debt collection and credit control
% of mid-year budget and performance assessment report and adjustment submitted	50%	Submit by 25 January 2012	Not achieved	Submitted on 3 February 2012	MFMA timetable be followed on a monthly
% of 2012/13 budget preparation process completed on time and in accordance with MFMA and National Treasury prescripts	75%	100% of 2012/13 budget process completed by end of May 2012 in line with the MFMA and NT prescripts	100% completed		
% completion of VAT review	0%	100% VAT review completed by end of Dec. 2011	Not achieved	Delay in the approval of tender	Tenders be concluded on time and technical evaluation criteria be clear for all tenders
% completion of data cleansing project	60%	100% data cleansing project completed by end of June 2012	60% data cleansing achieved	Delay in the implementation of the project	Undertake the data cleansing through other effective methods such as electronic MMS statements
% implementation of credit control and debt collection policy	Policy Approved	100% of credit control policy implemented by end of June 2012	Achieved		

Chapter 3

Chapter 3

Table 86: Employees – Financial Services

Employees: Financial Services					
Job Level	2010/11	2011/12			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	6	4	6	-2	-50%
4 - 6	9	15	10	5	33%
7 - 9	5	8	6	2	25%
10 - 12	43	44	41	3	7%
13 - 15	15	15	13	2	13%
16 - 18	7	7	5	2	29%
19 - 20	0	3	0	-3	-100%
Total	85	96	81	15	16%

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.

T 3.2.7

Table 87: Financial Performance – Financial Services

Financial Performance 2011/12: : Financial Services					
Details	2010/11	2011/12			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	-73 328	-44 415	-44 415	-93 550	52.5%
Expenditure:					
Employees	16 543	14 387	14 387	26 420	45.5%
Repairs and Maintenance	49	98	98	68	44.1%
Other	142 220	49	49	94	47.9%
Total Operational Expenditure	140 812	62 994	62 994	120 652	47.8%
Net Operational Expenditure					

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.

T 3.2.8

Chapter 3

Table 88: Capital Expenditure – Financial Services

Capital Expenditure 2011/12: : Financial Services					
Capital Projects	2011/12				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	300	300	332	(10%)	332
Project A: Furniture & Equipment	300	300	332	(10%)	332
Project B					
Project C					
Project D					
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).					T 3.2.9

COMMENT ON THE PERFORMANCE OF FINANCIAL SERVICES OVERALL:

There were no large projects in the financial services department.

T 3.25.7

Chapter 3

3.26 HUMAN RESOURCE SERVICES

INTRODUCTION TO HUMAN RESOURCE SERVICES

Delete Directive note once comment is complete – Provide brief introductory comments. Set out priorities and the impact you have had on them during the year. Explain the measures taken to improve performance and the major efficiencies achieved by HR service during the year.

T 3.26.1

SERVICE STATISTICS FOR HUMAN RESOURCE SERVICES

T 3.26.2

Chapter 3

Table 89: Human Resource Services Policy Objectives taken from IDP/SDBIP

Key Performance Indicators	Baseline: 2010/11	Annual target: 2011/12	Actual performance: 30 June 2012	Reasons for non- or under-performance	Corrective measures taken or to be taken
Recruitment of targeted and qualifies individuals in line with critical posts identified.	100%	100% of individuals recruited in line with HR policy and budget	100%		
Recruitment of semi-skilled & unskilled workers	50%	Vacant funded positions to be filled in line with HR policy	100%		
% of organizational structure reviewed and approved	100%	Benchmarked organizational structure completed, to be referred to LLF and Council for approval.	100%		
% grading of the municipality and job – evaluation.	100%	Grading subject to SALGBC position, 100% completion of job – evaluation by Dec 2011.	100%		

Chapter 3

Table 90: Employees – Human Resource Services

Employees: Human Resource Services					
Job Level	2010/11	2011/12			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	3	3	3	-	1%
4 - 6	2	3	2	-	6%
7 - 9	-	-	-	-	-
10 - 12	3	6	3	-	5%
13 - 15	-	2	-	-	-
16 - 18	-	-	-	-	-
19 - 20	-	-	-	-	-
Total	8	14	8		57%

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.

T 3.2.7

Note: No audited financial performance information is available for Human Resource Services.

COMMENT ON THE PERFORMANCE OF HUMAN RESOURCE SERVICES OVERALL:

Delete Directive note once comment is completed – Explain the priority of the four largest capital projects and explain the variations from budget for net operating and capital expenditure. Confirm your year 5 targets set out in the IDP schedule can be attained within approved budget provision and if not then state how you intend to rectify the matter. Explain the priority of the four largest capital projects and explain variances from budget for net operating and capital expenditure. Also explain any likely variation to the total approved project value (arising from 2011/12 and/or previous year actuals, or expected future variations).

T 3.26.7

Chapter 3

3.27 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

This component includes: Information and Communication Technology (ICT) services.

INTRODUCTION TO INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

The core function of Moqhaka ICT includes but not limited to:

Planning And/Or Operations Of

Hardware & Software, System Master Plan, Standards, Procedures and Policies, Explore new Technology and visual and physical Security

Systems And Software

Licensing and Maintenance

Hardware And Infrastructure

Procurement through Supply Chain systems, Maintenance and Disposal

Telephones And Communication

Telephone Infrastructure, VoIP and PABX, Cell and Data lines.

T 3.27.1

SERVICE STATISTICS FOR ICT SERVICES

One of the day to day activities in ICT is to provide ICT help desk services to all MLM users, by logging all ICT related incidents ranging from network problems, workstations and laptop problems, telecommunications and so forth, this section managed to register approximately 1235 incidents during the previous financial year and our response time has dramatically improved

During 2011/12 financial year we procured and distributed 150 desktop and 30 laptops to MLM user, all with windows 7 Operating system and Microsoft office 2010 application software. We have reduced our down time by 1.5% from 97.5% to 99% stability except where the problem of connection is from outside the MLM.

T 3.27.2

Chapter 3

Table 91: ICT Services Policy Objectives taken from IDP/SDBIP

Key Performance Indicators	Baseline: 2010/11	Annual target: 2011/12	Actual performance: 30 June 2012	Reasons for non- or under-performance	Corrective measures taken or to be taken
Installation of 15 wireless antennae	15	15 wireless aerals to be installed in different points	All 15 antennae are installed in different points, all municipal offices are connected	Not applicable	Not applicable
Procurement, configuration and distribution of 150 desktops and 30 laptops for MLM users	180	All 180 computers (150 desktops and 30 laptops) to be procured, configured and distributed to users	All 180 devices were purchase, configured and distributes to all users	Not applicable	Not applicable
Procurement of new PABX or VoIP telephone system	1	1 PABX to be installed in main building (Hill Street offices)	Project is not yet started	MSIG fund were allocated for different project	Usage of the current budget, the specification was taken to BID specification committee
Procurement of 250 telephone instruments	250	Procurement of 250 telephone instruments, distribution to and training for users	Project not yet started	MSIG fund were allocated for different project	Usage of the current budget, the specification was taken to BID specification committee

Chapter 3

Table 92: Employees – ICT Services

Employees: ICT Services					
Job Level	2010/11	2011/12			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0
4 - 6	0	0	0	0	0
7 - 9	1	1	1	0	0
10 - 12	1	1	1	0	0
13 - 15	0	0	0	0	0
16 - 18	0	0	0	0	0
19 - 20	0	0	0	0	0
Total	3	3	3	0	0
<p><i>Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.</i></p> <p>T 3.2.7</p>					

Note: No audited financial performance information is available for ICT Services.

COMMENT ON THE PERFORMANCE OF ICT SERVICES OVERALL:

The only major project for ICT will be the installation of Voice over Internet Protocol (VoIP) telephone system.

T3.27.7

Chapter 3

3.28 PROPERTY AND LEGAL SERVICES

This component includes: property and legal services.

INTRODUCTION TO PROPERTY AND LEGAL SERVICES

Properties

A property audit in respect of all Council's properties, including vacant erven was conducted and a Municipal Property Register is kept and regularly attended to.

Valuation Roll

General Valuation: 2012 -2016

DDP Valuers were appointed to conduct the general valuations and prepare a valuation roll for the 4 year period 2012 – 2016.

The draft valuation roll was handed to the Municipal Manager on 20 December 2011 and was advertised in the media as prescribed in the act. Two hundred and twenty objections were received and attended to. At the end only twelve (12) appeals need to be considered by the Appeal Board.

Interim Valuations

Apart from the general valuations referred to in 4.1 above, it is expected from local municipalities to conduct supplementary (interim) valuations. In terms of the conditions of Council's agreement (tender) with DDP Valuers, they will also attend to supplementary valuations until the end of June 2016.

Transfers

The Department of Public Works has requested Council's permission to transfer ownership of certain clinics and schools in its jurisdiction area from Council to the Central Government. Property details have been forwarded to the relevant department. This will ensure that the municipality can claim assessment rates from the government.

Challenges

Critical vacancies experienced makes achieving of performance goals and satisfying all areas of the service delivery and administrative deadlines a very difficult task.

Insufficient budget approved by the Finance department and cash flow limitations faced by the Municipality hampers the completion of budgeted purchases and repair projects.

Areas for improvement

- Better co-operation from the Finance department with regard to arrear rental accounts of Municipal properties leased
- Filling on an urgent basis the critical vacancies on the administration side of the Property Section
- Updating of the property register

Legal Services

The main areas of service delivery of the Legal Section are the development of By-Laws and Policies in conjunction with the different departments, providing day to day advice to Council and Departments

Chapter 3

on legal and policy matters, drafting and scrutinising of agreements and co-ordinating the attending to of legal actions instituted by and against the Council with Council's legal representatives. At present two by-laws (Electricity, Supply and Water Services) that have been subjected to a public participation process are kept in abeyance pending the outcome of the Olga Rademan case (more on this case hereunder). The development of more by-laws and the repeal of by-laws are hampered by a shortage of personnel in this section. The scrutinising and drafting of service level agreements have been streamlined in conjunction with the Supply Chain Management Section.

T3.28.1

SERVICE STATISTICS FOR PROPERTY AND LEGAL SERVICES

Claims as a result of damage caused by potholes amounted to R126 500. Claims from Telkom on cables that were damaged amounted to R183 000. On average, two Council vehicles were involved in accidents every month (Note: This is not an indication of whom caused the accident). Claims against Council based on contracts to an amount in excess of R18 mil are pending. Once again this is absolutely no indication that Council did not comply with agreement or did not pay the service provider. As example it can be mentioned that a service provider's appointment was withdrawn after following due process, this service provider sued Council and the matter will be defended vigorously, and in another case the claimant has already approached Council to withdraw the case on the basis that each party pays its own cost.

T 3.28.2

Chapter 3

Table 93: Property and Legal Services Policy Objectives taken from IDP/SDBIP

Key Performance Indicators	Baseline: 2010/11	Annual target: 2011/12	Actual performance: 30 June 2012	Reasons for non- or under- performance	Corrective measures taken or to be taken
Development of bylaws as per priority functional area	8	8 bylaws will have been developed by June 2012	No new bylaws were developed	Pending constitutional court case may have an impact, shortage of personnel and lack of corporation	Personnel situation will be addressed allowing for more interaction with the departments

Chapter 3

Table 94: Employees – Property and Legal Services

Employees: Property and Legal Services					
Job Level	2010/11	2011/12			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	-	-			
4 - 6	-	1			
7 - 9	-	-			
10 - 12	1	6			
13 - 15		-			
16 - 18		2			
19 - 20		16			
Total		25			

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.

T 3.2.7

Note: No financial performance information is available for property and legal services.

COMMENT ON THE PERFORMANCE OF PROPERTY AND LEGAL SERVICES OVERALL:

The property section is managed in a positive and honest manner and regardless of the critical vacancies experienced, outstanding work is completed.

The Property section is generally in a good state. Good service delivery remains the main aim of this section.

T 3.28.7

Chapter 3

COMPONENT J: MISCELLANEOUS

This component includes: the provision of Airports, Abattoirs, Municipal Courts and Forestry as municipal enterprises.

The Municipality does not perform any of the above functions.

Chapter 3

COMPONENT K: ORGANISATIONAL PERFORMANCE SCORECARD

This component includes: Annual Performance Scorecard Report for the current year.

Chapter 4

CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE (PERFORMANCE REPORT PART II)

INTRODUCTION

It is so true that, “the success or failure of a municipality depends on the quality of its political leadership, sound governance of its finances, the strength of its institutions and the calibre of staff working for the municipality. Although sound financial governance is perceived to be most important, without proper personnel management, municipalities are likely to experience difficulty” (*Local Government: Budget and Expenditure Review 2011 – National Treasury*).

T 4.0.1

Chapter 4

COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

Table 95: Employee Totals (Please provide totals per functions below)

Description	Employees				
	2010/11	2011/12			
	Employees No.	Approved Posts No.	Employees No.	Vacancies No.	Vacancies %
Water Works	99	134	95	35	26%
Electricity	59	96	57	39	41%
ICT	05	-	05	-	-
Properties & Legal Services	01	25	01	24	96%
Housing	10	22	15	07	32%
Civic Theatre	07	08	07	01	13%
Public Works (Roads)	66	198	65	133	67%
Waste Management/Cleansing	150	257	151	106	41%
Fire Brigade Services	33	69	31	38	55%
Libraries	28	35	27	08	23%
Traffic	30	58	30	28	48%
Sport and Recreation - Parks	115	159	107	52	33%
Human Resource	08	12	08	04	33%
Finance	85	96	81	15	16%
Office: Executive Mayor	10	07	11	-04	-57%
Disaster Management	07	10	07	03	30%
Totals	713	1186	698	493	42%

Headings follow the order of services as set out in chapter 3. Service totals should equate to those included in the Chapter 3 employee schedules. Employee and Approved Posts numbers are as at 30 June, as per the approved organogram.

T 4.1.1

Chapter 4

Table 96: Vacancy Rate

Vacancy Rate: 2011/12			
Designations	*Total Approved Posts No.	*Vacancies (Total time that vacancies exist using fulltime equivalents) No.	*Vacancies (as a proportion of total posts in each category) %
Municipal Manager	1	-	-
CFO	1	-	-
Other S57 Managers (excluding Finance Posts)	3	-	-
Other S57 Managers (Finance posts)	-	-	-
Police officers	23	-	-
Fire fighters	51	-	-
Senior management: Levels 13-15 (excluding Finance Posts)	25	-	-
Senior management: Levels 13-15 (Finance posts)	05	-	-
Highly skilled supervision: levels 9-12 (excluding Finance posts)	41	-	-
Highly skilled supervision: levels 9-12 (Finance posts)	06	-	-
Total	156		
<p>Note: *For posts which are established and funded in the approved budget or adjustments budget (where changes in employee provision have been made). Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.</p>			

T 4.1.2

Table 97: Turnover Rate

Turn-over Rate			
Details	Total Appointments as of beginning of Financial Year No.	Terminations during the Financial Year No.	Turn-over Rate*
2009/10	3	40	13,33%
2010/11	6	36	6%
2011/12	12	32	2,7%
<p>* Divide the number of employees who have left the organisation within a year, by total number of employees who occupied posts at the beginning of the year</p>			

T 4.1.3

Chapter 4

COMMENT ON VACANCIES AND TURNOVER:

The municipality had a competent Electrical Technical Manager who assisted with the overall management of Technical Services Department.

- An advert for the post of Manager Supply Chain was advertised and recruitment is still in process.
- Policy on retention of staff has been drafted and will be submitted to the relevant committees.
- Reasons for employee turnover are as a result of resignations, dismissals, death and expiration of contracts.

T 4.1.4

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT

Note: MSA 2000 S67 requires municipalities to develop and adopt appropriate systems and procedures to ensure fair; efficient; effective; and transparent personnel administration in accordance with the Employment Equity Act 1998.

T 4.2.0

Policies

The municipality has embarked on a process of policy review for example the Recruitment policy has been reviewed, workshops have been conducted and the draft policy will be taken to Council. In addition, new policies are being drafted such as the Staff Retention policy, Internal Bursary policy and so on

HR Guideline Policies

1. Organisational Design	8. Legal Aid to Employees	15. Confidentiality of Information
2. Recruitment & Selection	9. Working Hours & Attendance	16. Overtime
3. Relocation	10. Leave	17. Theft/Loss Procedure
4. Labour Relations	11. Occupational Health & Wellness	18. Membership of Professional Societies
5. Employee Remuneration	12. Private Work	19. Substance Abuse
6. Allowances	13. Training & Development	20. Employee Performance Management System
7. Employee Benefit Scheme	14. Career Opportunities	

Chapter 4

4.2 POLICIES

Table 98: HR Policies and Plans

HR Policies and Plans				
	Name of Policy	Completed	Reviewed	Date adopted by council or comment on failure to adopt
		%	%	
1	Affirmative Action			
2	Attraction and Retention	100%		Policy not submitted to council yet.
3	Code of Conduct for employees	100%		
4	Delegations, Authorisation & Responsibility			
5	Disciplinary Code and Procedures	100%		
6	Essential Services			
7	Employee Assistance / Wellness		100%	Policy to be submitted to LLF
8	Employment Equity	100%		Policy to be submitted to LLF
9	Exit Management			
10	Grievance Procedures			
11	HIV/Aids	100%		13 October 2009
12	Human Resource and Development			
13	Information Technology	100%		
14	Job Evaluation			
15	Leave	100%		13 October 2009
16	Occupational Health and Safety	100%		13 October 2009
17	Official Housing			
18	Official Journeys	100%		
19	Official transport to attend Funerals			
20	Official Working Hours and Overtime	100%		13 October 2009
21	Organisational Rights			
22	Payroll Deductions	100%		13 October 2009
23	Performance Management and Development	100%		
24	Recruitment, Selection and Appointments		100%	Policy to be submitted to LLF
25	Remuneration Scales and Allowances			
26	Resettlement	100%		13 October 2009
27	Sexual Harassment			
28	Skills Development		100%	Policy to be submitted to LLF
29	Smoking			
30	Special Skills			
31	Work Organisation			
32	Uniforms and Protective Clothing			
33	Other:		100%	Policy was referred back by council.
Use name of local policies if different from above and at any other HR policies not listed.				

T 4.2.1

Chapter 4

COMMENT ON WORKFORCE POLICY DEVELOPMENT:

We have embarked on a process of policy review for example the Recruitment policy has been reviewed, workshops have been conducted and the draft policy will be taken to Council. In addition, new policies are being drafted such as the Staff Retention policy, Internal Bursary policy and so on.

T 4.2.1.1

4.3 INJURIES, SICKNESS AND SUSPENSIONS

Table 99: Number and Cost of Injuries on Duty

Number and Cost of Injuries on Duty					
Type of injury	Injury Leave Taken	Employees using injury leave	Proportion employees using sick leave	Average Injury Leave per employee	Total Estimated Cost
	Days	No.	%	Days	R'000
Required basic medical attention only	311	29	0	10.7	R74 951
Temporary total disablement	188	7	0	26.9	R45 308
Permanent disablement	0	0	0	0	0
Fatal	0	0	0	0	0
Total	499	36			R120 259

T 4.3.1

Table 100: Number of Days and Cost of Sick Leave

Number of days and Cost of Sick Leave (excluding injuries on duty)						
Salary band	Total sick leave	Proportion of sick leave without medical certification	Employees using sick leave	Total employees in post*	*Average sick leave per Employees	Estimated cost
	Days	%	No.	No.	Days	R' 000
Lower skilled (Levels 1-2)						
Skilled (Levels 3-5)						
Highly skilled production (levels 6-8)						
Highly skilled supervision (levels 9-12)						
Senior management (Levels 13-15)						
MM and S57						
Total	501	93%	12	155	3.23	61

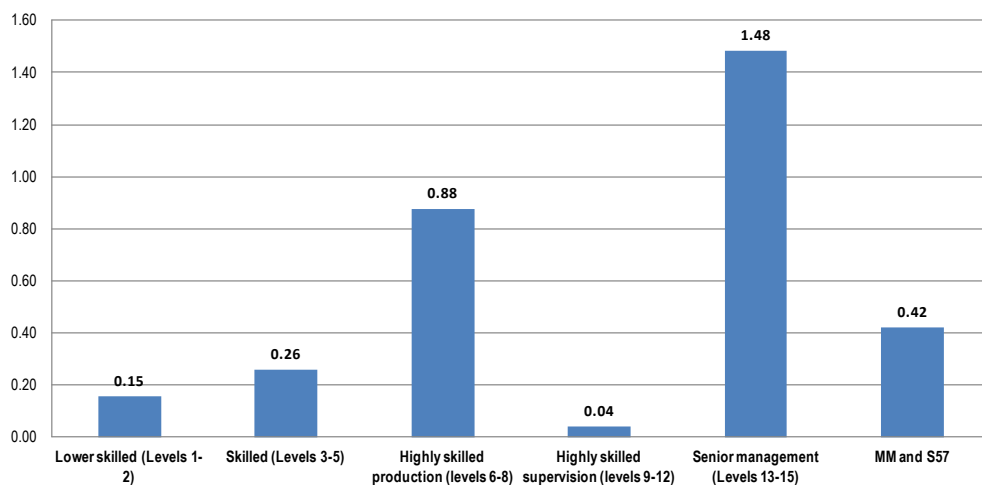
* - Number of employees in post at the beginning of the year

*Average is calculated by taking sick leave in column 2 divided by total employees in column 5

T 4.3.2

Chapter 4

Average Number of Days Sick Leave (excluding IOD)



T 4.3.3

COMMENT ON INJURY AND SICK LEAVE:

Delete Directive note once comment is completed – Comment on injury and sick leave indicated in the above tables. Explain steps taken during the year to reduce injuries and follow-up action in relation to injury and sick leave (e.g. are injuries examined by the municipality's own doctor; are those taking long or regular periods of sick leave monitored by municipality's doctor; and are personal records maintained of the number of instances of sick leave and amount of time taken each year?)

T 4.3.4

Chapter 4

Table 101: Number and Period of Suspensions

Number and Period of Suspensions				
Position	Nature of Alleged Misconduct	Date of Suspension	Details of Disciplinary Action taken or Status of Case and Reasons why not Finalised	Date Finalised
N/A	N/A	N/A	N/A	N/A
				T 4.3.5

Table 102: Disciplinary Action Taken

Disciplinary Action Taken on Cases of Financial Misconduct			
Position	Nature of Alleged Misconduct and Rand value of any loss to the municipality	Disciplinary action taken	Date Finalised
General Worker	Absenteeism	Written Warning	27/10/2011
Fitter	Insubordination	Written Warning	23/11/2011
Network technician	Putting the name of municipality in disrepute	Not guilty	17/10/2011
Messenger	Gross negligence	Demotion	12/12/2011
			T 4.3.6

COMMENT ON SUSPENSIONS AND CASES OF FINANCIAL MISCONDUCT:

Delete Directive note once comment is complete – Comment on suspension of more than 4 months and on other matters as appropriate.

T 4.3.7

Chapter 4

4.4 PERFORMANCE REWARDS

COMMENT ON PERFORMANCE REWARDS:

No performance rewards were paid during the year under review.

T 4.4.1.1

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT

Note: MSA 2000 S68 (1) requires municipalities to develop their human resource capacity to a level that enables them to perform their functions and exercise their powers in an economical, effective, efficient and accountable way.

Improvements made in terms of capacity building by the municipality:

The municipality managed to comply with National Treasury MFMA competency regulation by enrolling eight (8) municipal officials on the programme and applying for delay of enforcement of the regulation for the municipal manager and other three (3) newly appointed finance officials.

The municipality implemented Local Government Accounting Certificate learnership in partnership with LGSETA and four municipal officials graduated from the programme last year in October.

The municipality received funding from LGSETA to the total amount of **R 1 973 500, 00** and the following programmes have been implemented by the municipality:

- Road Traffic Management Learnership - 10 unemployed learners.
- Fire and Rescue Learnership - 20 unemployed learners.
- Roads construction Learnership - 88 unemployed and 12 employed learners.
- Domestic Services Skills Programme - 20 employees.
- Horticulture Skills Programme - 20 employees.
- General Forestry Skills Programme - 20 employees.
- Health and Safety Skills Programme - 50 employees.

Challenges facing capacity development in the municipality

- Proper implementation of the WSP
- Utilization of mandatory grants from LGSETA.
- Sitting of the training committee to discuss skills development issues.
- Skills Audit: Non availability of Job Descriptions and non-submission of skills audit forms by employees for proper identification of skills need and proper planning for PDP's

Chapter 4

Way forward

Mandatory grants received from LGSETA must be ring-fenced and only be utilized for training
Skills audit be conducted on the remaining employees
Proof of qualifications be made available during the skills audit process
Organizations Job Descriptions be compiled

T 4.5.0

Chapter 4

4.5 SKILLS DEVELOPMENT AND TRAINING

Table 103: Skills Matrix

Skills Matrix														
Management level	Gender	Employees in post as at 30 June Year 2012	Number of skilled employees required and actual as at 30 June 2012											
			Learnerships			Skills programmes & other short courses			Other forms of training			Total		
		No.	Actual: End of 2010/11	Actual: End of 2011/12	2011/12 Target	Actual: End of 2010/11	Actual: End of 2011/12	2011/12 Target	Actual: End of 2010/11	Actual: End of 2011/12	2011/12 Target	Actual: End of 2010/11	Actual: End of 2011/12	2011/12 Target
MM and s57	Female	0	-	-	-	-	-	-	-	-	-	1	0	1
	Male	3	-	-	-	3	3	3	-	-	-	3	3	3
Councillors, senior officials and managers	Female	24	-	-	-	24	24	24	-	-	-	24	24	24
	Male	44	-	-	-	44	44	44	-	-	-	44	44	44
Technicians and associate professionals*	Female	2	-	-	-	2	2	2	-	-	-	2	2	2
	Male	22	-	-	-	22	22	22	-	-	-	22	22	22
Professionals	Female	4	-	-	-	4	4	4	-	-	-	4	4	4
	Male	11	-	-	-	11	11	11	-	-	-	11	11	11
Sub total	Female	30	-	-	-	30	30	30	-	-	-	30	30	30
	Male	79	-	-	-	79	79	79	-	-	-	79	79	79
Total		109	-	-	-	109	109	109	-	-	-	109	109	109

*Registered with professional Associate Body e.g CA (SA)

T 4.5.1

Chapter 4

Table 104: Financial Competency Development

Financial Competency Development: Progress Report*						
Description	A. Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	B. Total number of officials employed by municipal entities (Regulation 14(4)(a) and (c))	Consolidated: Total of A and B	Consolidated: Competency assessments completed for A and B (Regulation 14(4)(b) and (d))	Consolidated: Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Consolidated: Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))
Financial Officials						
<i>Accounting officer</i>	1	-	1	-		0
<i>Chief financial officer</i>	1	-	1	1		1
<i>Senior managers</i>	5	-	5	5	0	5
<i>Any other financial officials</i>	3	-	3	3	0	3
Supply Chain Management Officials	2	-	2	2	0	2
<i>Heads of SCM unit</i>	0	-	0	0	0	0
<i>SCM senior managers</i>	0	-	0	0	0	0
TOTAL	12	-	12	11		11
* This is a statutory report under the National Treasury: Local Government: MFMA Competency Regulations (June 2007) T 4.5.2						

Chapter 4

Table 105: Skills Development Expenditure

Skills Development Expenditure										
										R'000
Management level	Gender	Employees as at the beginning of the financial year	Original Budget and Actual Expenditure on skills development 2011/12							
			Learnerships		Skills programmes & other short courses		Other forms of training		Total	
		No.	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual
MM and S57	Female	0								
	Male	3								
Legislators, senior officials and managers	Female	24								
	Male	44								
Professionals	Female	4								
	Male	11								
Technicians and associate professionals	Female	2								
	Male	22								
Clerks	Female	95								
	Male	37								
Service and sales workers	Female	57								
	Male	84								
Plant and machine operators and assemblers	Female	2								
	Male	98								
Elementary occupations	Female	107								
	Male	310								
Sub total	Female	243								
	Male	609								
Total		852	200	187	200	225	2 799	1 821	3 199	2 233
*% and *R value of municipal salaries (original budget) allocated for workplace skills plan.									%*R	

T4.5.3

COMMENT ON SKILLS DEVELOPMENT AND RELATED EXPENDITURE AND ON THE FINANCIAL COMPETENCY REGULATIONS:

Expenditure on financial competency regulations:

The municipality has already spend a total amount of **R282 000, 00 FMG** grant for enrollment of five officials on Municipal Financial Management Programme.

Officials from Treasury and Budget office are sufficiently capacitated; eleven (11) officials attended CPMD.

The CFO and Manager Budget are currently enrolled to the MFMP minimum Competency Levels and are due to complete February 2013, and application for special merit cases has been prepared for them and four other newly appointed employees as per MFMA Circular 60.

Chapter 4

Adequacy of training plans and the effectiveness its implementation

Municipality conducted a skill Audit on municipal officials to identify skills needs

Training and Development Section also consulted all municipal sections for submission of training need to be included in the Work Place Skills Plan (WSP) and the document has been submitted to LGSETA.

Training activities are implemented as per WSP.

Adequacy of funding

The funding can decrease in future depending on the total number of trained employees and skills need addressed, it can also increase depending on changes of technology, legislations and turnover that will be experienced by the municipality.

Currently the value training activities are not assessed as the municipality does not have a performance management system in place.

T 4.5.4

Chapter 4

COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

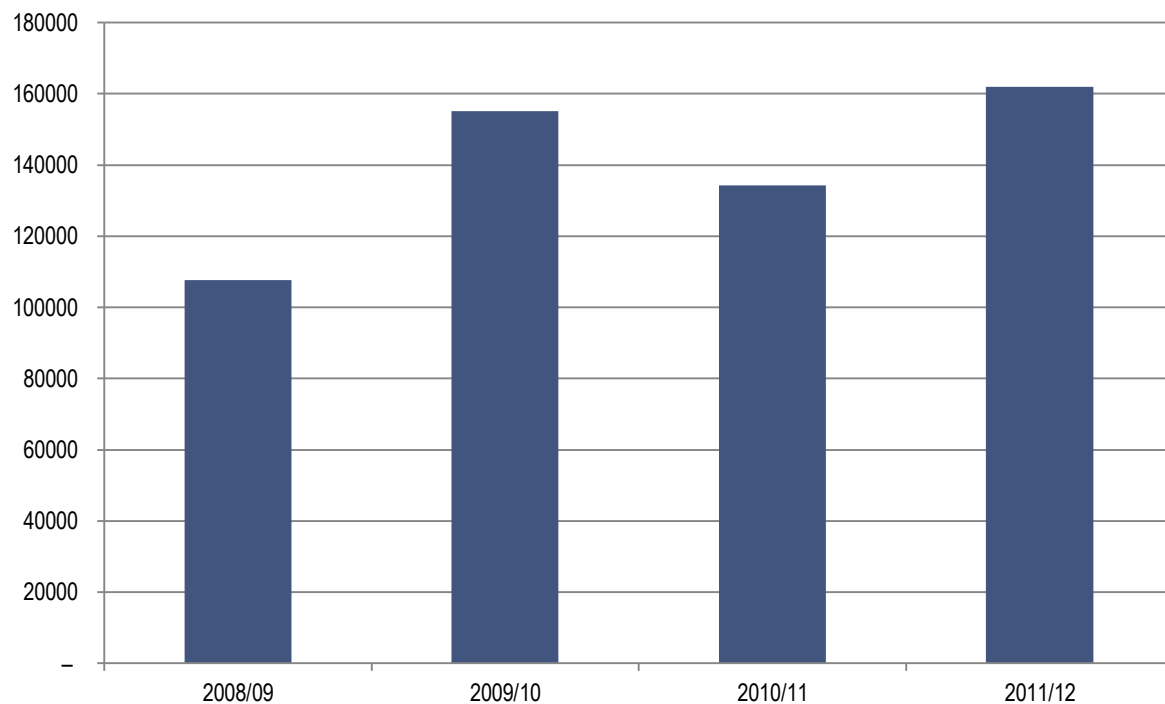
INTRODUCTION TO WORKFORCE EXPENDITURE

Delete Directive note once comment is completed – Explain the importance of managing workforce expenditure, the pressures to overspend and how spending is controlled (e.g. within approved establishment and against budget and anticipated vacancy rates arising from turnover). Also explain how municipality seeks to obtain value for money from work force expenditure.

T 4.6.0

4.6 EMPLOYEE EXPENDITURE

Workforce Expenditure Trends (R' 000)



Source: MBRR SA22

T 4.6.1

Chapter 4

COMMENT ON WORKFORCE EXPENDITURE:

A trend from 2008/9 to 2010/11 displays that the increase from 2008/9 to 2009/10 was R47 444 000 (44.08%); and of this only 13% accounts for annual wage and salary increase. It can be safely assumed that the balance (that is, 31.08%) is attributed to the filling of vacancies emanating from prior years including the 2008/9 financial year.

In contrast, from 2009/10 to 2010/11 there was a decrease of 13.44%. Given the fact that an annual increase was 8.48%, about 21.92% of the annual employee related costs could be attributed to “savings” emanating from non-filling of vacant posts.

T 4.6.1.1

Note: There were no salary increases due to the upgrading of employee's positions under the period under review.

Table 106: Employees whose Salary Levels Exceed Grading

Note: There were no employees whose salary levels exceeded the grade or level determined by Job evaluation under the period under review.

Employees Whose Salary Levels Exceed The Grade Determined By Job Evaluation				
Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
None	-	-	-	-

T 4.6.3

Chapter 4

Table 107: Employees Appointed to Posts not Approved

There were no employees appointed to posts not approved in the period under review.

Employees appointed to posts not approved				
Department	Level	Date of appointment	No. appointed	Reason for appointment when no established post exist
None	-	-	-	-

T 4.6.4

COMMENT ON UPGRADED POSTS AND THOSE THAT ARE AT VARIANCE WITH NORMAL PRACTICE:

A desktop analysis done by the HR Manager pursuant to the quantification of the existing (2007) organogram and the proposed organisational structure (2011/12) it was found that about 329 posts were not in the 2007 organogram (this includes posts and the number of incumbents in those posts). This figure is cumulative over the years and hence it is difficult to trace reasons for such appointments, suffice to say it could be as a result of inability to review the staff establishment or organogram and partly as a result of having Municipal Managers having authority to approve the staff establishment prior to the July 2011 amendments of the Municipal Systems Act. Conversely, however, there were about 119 posts (including incumbents in those posts) that were not filled and/or appeared to be no longer relevant.

T 4.6.5

DISCLOSURES OF FINANCIAL INTERESTS

Delete Directive note once comment is completed – Refer to disclosures made by officials and councillors concerning their financial interests as required by PM Regulations 805 of 2006 are set out in **Appendix J**. Make other comments as appropriate.

T 4.6.6

Chapter 5

CHAPTER 5 – FINANCIAL PERFORMANCE

INTRODUCTION

Chapter 5 contains information regarding financial performance and highlights specific accomplishments. The chapter comprises of three components:

- Component A: Statement of Financial Performance
- Component B: Spending Against Capital Budget
- Component C: Other Financial Matters

Delete Directive note once comment is completed - Please explain how your municipality sought to contain inflationary pressures during the financial year. Take the 5 most expensive consultancy arrangements in year 0 and explain the costs, the reasons for the engagements and the results. Include such other introductory remarks as you wish.

T 5.0.1

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

INTRODUCTION TO FINANCIAL STATEMENTS

*Note: Statements of Revenue Collection Performance by vote and by source are included at **Appendix K**.*

This component provides an overview of the financial performance of the municipality and focuses on the financial health of the municipality.

T 5.1.0

Chapter 5

5.1 STATEMENTS OF FINANCIAL PERFORMANCE

Table 108: Statement of Financial Performance

Description	2010/11	Current Year 2011/12			2011/12 Variances	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustment Budget
R thousands						
<u>Financial Performance</u>						
Property rates	35 252	36 105	36 105	38 800	-7.50	-7.50
Service charges	202 797	266 313	266 313	240 024	2.72	2.72
Investment revenue	5 308	100	100	5 720	100.00	100.00
Transfers recognised - operational	166 857	147 421	147 421	196 013	0.00	0.00
Other own revenue	11 969	21 144	21 144	11 404	50.77	50.77
Total Revenue (excluding capital transfers and contributions)	422 183	467 337	467 337	491 962	2.49	2.49
Employee costs	134 231	161 949	161 649	163 794	12.91	12.75
Remuneration of councillors	12 592	13 544	14 144	14 128	-4.31	0.11
Depreciation & asset impairment	49 657	43 000	43 000	12 133	99.00	99.00
Finance charges	10 368	5 000	5 000	11 816	34.82	34.82
Materials and bulk purchases	111 831	135 058	185 058	146 184	-8.24	21.01
Transfers and grants	–	–	–	0	0.00	0.00
Other expenditure	111 879	85 912	35 612	135 880	-44.52	-248.66
Total Expenditure	430 557	444 463	444 463	483 935	4.16	4.16
Surplus/(Deficit)	-8 374	22 874	22 874	(8 024)	-30.11	-30.11
Transfers recognised - capital	–	–	–	0	0.00	0.00
Contributions recognised - capital & contributed assets	-477	–	–	0	0.00	0.00
Surplus/(Deficit) after capital transfers & contributions	-8 851	22 874	22 874	(8 024)	-30.11	-30.11
Share of surplus/ (deficit) of associate	27	–	–	0	0.00	0.00
Surplus/(Deficit) for the year	-8 824	22 874	22 874	(8 024)	-30.11	-30.11
<u>Capital expenditure & funds sources</u>						
Capital expenditure	–	110 007	–			
Transfers recognised - capital	51 608	87 133	41 780			
Public contributions & donations	–	–	–			
Borrowing	–	–	–			
Internally generated funds	–	22 874	22 874			
Total sources of capital funds	51 608	110 007	64 744			

Chapter 5

<u>Financial position</u>						
Total current assets	71 112	53 783	138 855			
Total non current assets	1 164 379	972 837	972 837			
Total current liabilities	197 643	86 732	86 732			
Total non current liabilities	10 103	22 074	22 074			
Community wealth/Equity	1 027 746	–	–			
<u>Cash flows</u>						
Net cash from (used) operating	70 886	67 914	113 164			
Net cash from (used) investing	–	–	–			
Net cash from (used) financing	-4 347	-988	-988			
Cash/cash equivalents at the year end	21 750	66 926	112 176			
<u>Cash backing/surplus reconciliation</u>						
Cash and investments available	4 947	1 968	1 968			
Application of cash and investments	96 521	28 935	-51 622			
Balance - surplus (shortfall)	-91 574	-26 967	53 590			
<u>Asset management</u>						
Asset register summary (WDV)	18 686	–	–	–	–	–
Depreciation & asset impairment	49 657	43 000	43 000			
Renewal of Existing Assets	60 002	38 637	–			
Repairs and Maintenance	22 487	–	–			
<u>Free services</u>						
Cost of Free Basic Services provided	–	–	–			
Revenue cost of free services provided	–	10 852	–			
<u>Households below minimum service level</u>						
Water:	–	–	–			
Sanitation/sewerage:	–	–	–			
Energy:	–	–	–			
Refuse:	–	–	–			

Chapter 5

Table 109: Financial Performance of Operational Services

Financial Performance of Operational Services						
R '000						
Description	2010/11	2011/12		2011/12 Variance		
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget %	Adjustments Budget %
Operating Cost						
Water	21 607	36 391	33 076	29 197		
Waste Water (Sanitation)	29 650	16 221	15 150	42 833		
Electricity	127 928	156 080	173 826	165 596		
Waste Management						
Housing	1 983	2 310	2 195	2 171		
Component A: sub-total	181 168	211 302	224 247	239 797		
Storm water Drainage						
Roads	14 057	16 685	15 295	14 512		
Transport						
Component B: sub-total	14 057	16 685	15 295	14 512		
Planning						
Local Economic Development						
Component B: sub-total						
Planning (Strategic & Regulatory)	10 749	5 014	8 540	13 187		
Local Economic Development						
Component C: sub-total	10 749	5 014	8 540	13 187		
Community & Social Services	8 536	9 587	8 779	8 983		
Environmental Protection						
Health						
Security and Safety	13 476	9 006	17 217	15 150		
Sport and Recreation	16 281	10 571	9 586	1 7 080		
Corporate Policy Offices and Other						
Component D: sub-total	38 293	39 164	35 582	41 213		
Total Expenditure	244 265	272 167	283 663	308 709		
In this table operational income is offset against operational expenditure leaving a net operational expenditure total for each service as shown in the individual net service expenditure tables in chapter 3. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.						
T 5.1.2						

Chapter 5

COMMENT ON FINANCIAL PERFORMANCE:

Income derived from investment exceeded the budget by more than 100% due to the municipality holding the investment for a long term. The other revenue varied by 46.07% due to decrease in rental of facilities and fines. Included in the grants are the capital grants as the financial statement presentation does not separate the operational from the capital grants.

Depreciation and assets impairment relates to movable assets only. The immovable assets register is under construction in order to address the valuation and the assumptions thereof as raised by the auditor general for the previous financial year. The finance cost varied due to the cash flow constraint which led to high interest on late payment of creditors and the inclusion of the retirement benefits.

T5.1.3

Chapter 5

5.2 GRANTS

Table 110: Grant Performance

Grant Performance						
Description	R' 000					
	2010/11	2011/12		2011/12 Variance		
	Actual	Budget	Adjustments Budget	Actual	Original Budget (%)	Adjustments Budget (%)
Operating Transfers and Grants						
National Government:	141 739	147 420	147 420	147 420	0%	0%
Equitable share	135 789	145 180	145 180	145 180	0%	0%
Municipal Systems Improvement	750	790	790	790	0%	0%
Department of Water Affairs	-	-	-	-	-	-
Levy replacement	-	-	-	-	-	-
Other transfers/grants [insert description]	5 200	1 450	1 450	1 450	0%	0%
Provincial Government:	-	-	-	-	-	-
Health subsidy	-	-	-	-	-	-
Housing	-	-	-	-	-	-
Ambulance subsidy	-	-	-	-	-	-
Sports and Recreation	-	-	-	-	-	-
Other transfers/grants [insert description]	-	-	-	-	-	-
District Municipality:	-	-	-	-	-	-
Other grant providers:	-	-	-	-	-	-
Total Operating Transfers and Grants	141 739	147 420	147 420	147 420	0%	0%
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. Full list of provincial and national grants available from published gazettes.						

T 5.2.1

COMMENT ON OPERATING TRANSFERS AND GRANTS:

*Note: For Municipal Infrastructure Grant (MIG) see T5.8.3. For other conditional transfers including Neighborhood Development Partnership Grant (NDPG); Public Transport Infrastructure and Systems Grant (PITS) see **Appendix L**.*

There are no variations in terms of grants received.

T 5.2.2

Chapter 5

COMMENT ON CONDITIONAL GRANTS RECEIVED FROM OTHER SOURCES:

The municipality did not receive any conditional grants from sources other than DoRA.

T 5.2.4

Chapter 5

5.3 ASSET MANAGEMENT

INTRODUCTION TO ASSET MANAGEMENT

Fixed asset is recognised as an asset in the annual financial statements if it is probable that future economic benefits or service potential associated with the asset will flow to the municipality.

The municipality verifies the existence of assets at least once a year. The verification takes place as close as possible to year end and the results of stocktaking are used to support the aggregate carrying value of fixed assets recorded as Property, Plant and Equipment in the statement of financial position.

The information obtained from stocktaking process enables the accounting officer to submit a comprehensive report to council with one or more of the following specific recommendations such as the writing off of assets no longer in existence, the disciplinary actions are being taken for departments which did not manage the assets effectively.

The impairment assessment and the review of the assets' residual values were not effectively performed in the past year due to lack of skills within the municipality. The municipality is investing resources in this area to up-skill the officials and communicate the need for each manager to conduct the asset count and maintain accurate records in their respective offices.

T 5.3.1

Chapter 5

Table 111: Treatment of Three Largest Assets

TREATMENT OF THE THREE LARGEST ASSETS ACQUIRED 2011/12				
Asset 1				
Name	Electricity			
Description	Refurbishment of switchgear			
Asset Type	Infrastructure Asset			
Key Staff Involved	Technical Services			
Staff Responsibilities	Maintenance and safekeeping			
Asset Value	2008/09	2009/10	2010/11	2011/12
				R747 924
Capital Implications	None			
Future Purpose of Asset	To enhance the electricity distribution			
Describe Key Issues	None			
Policies in Place to Manage Asset	Asset management policy			
Asset 2				
Name	Portable Water			
Description	Booster Pump			
Asset Type	Infrastructure Asset			
Key Staff Involved	Technical Services			
Staff Responsibilities	Maintenance			
Asset Value	2008/09	2009/10	2010/11	2011/12
				R144 857
Capital Implications	None			
Future Purpose of Asset	Pump water into the pump station			
Describe Key Issues	None			
Policies in Place to Manage Asset	Asset management policy			
Asset 3				
Name	Speed Camera			
Description	Trucam			
Asset Type	Movable Asset			
Key Staff Involved	Traffic Officers			
Staff Responsibilities	Maintenance and safekeeping			
Asset Value	2008/09	2009/10	2010/11	2011/12
				R130 150
Capital Implications	None			
Future Purpose of Asset	To enforce speed limits and issue fines accordingly			
Describe Key Issues	None			
Policies in Place to Manage Asset	Asset management policy			
T 5.3.2				

Chapter 5

COMMENT ON ASSET MANAGEMENT:

T 5.3.3

Table 112: Repairs and Maintenance Expenditure

Repair and Maintenance Expenditure: 2011/12				
R' 000				
	Original Budget	Adjustment Budget	Actual	Budget variance
Repairs and Maintenance Expenditure	37 254	30 775	41 991	(36.44%)

T 5.3.4

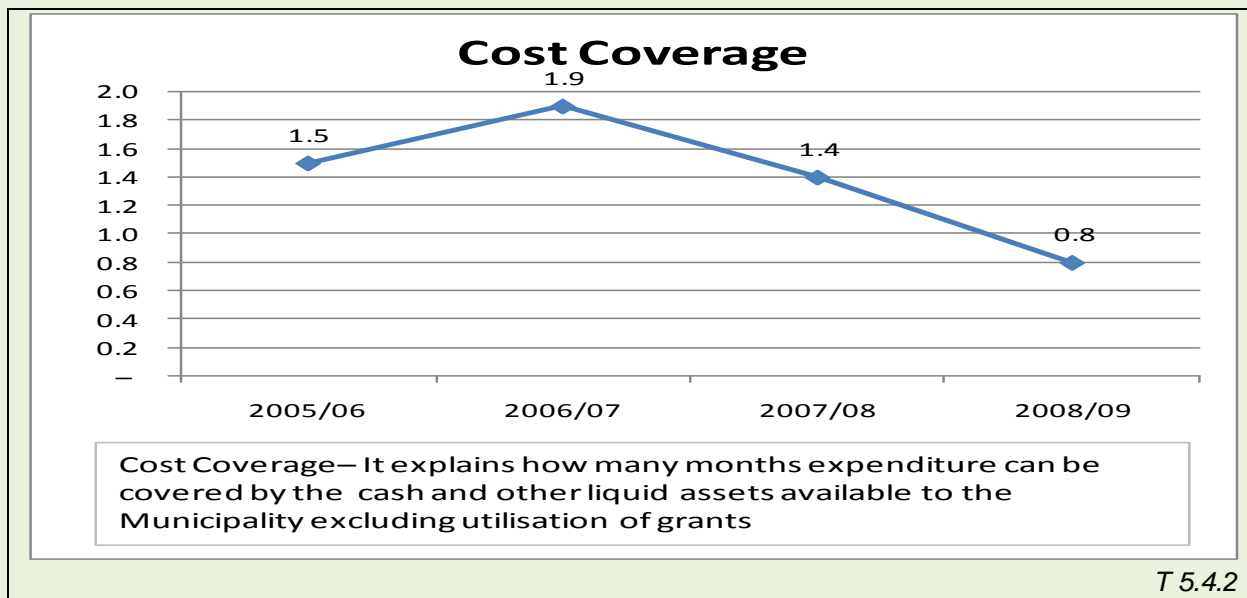
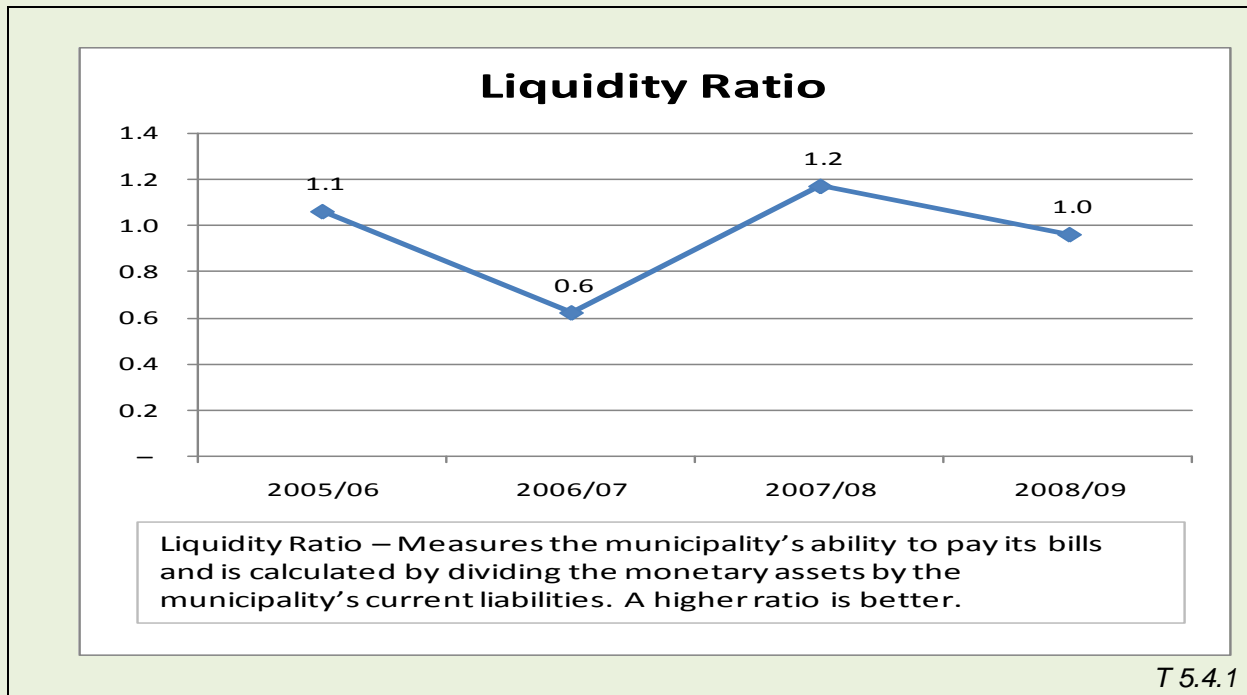
COMMENT ON REPAIR AND MAINTENANCE EXPENDITURE:

The repairs and maintenance as percentage of total operating expenses is at 8.6%. The actual repairs expenditure incurred during the year is R41.9 million and this exceeded the budget by R11.2 million. The variance is due to construction of open toilets and the repairs to Roro street in Maokeng that were not budgeted for.

T 5.3.4.1

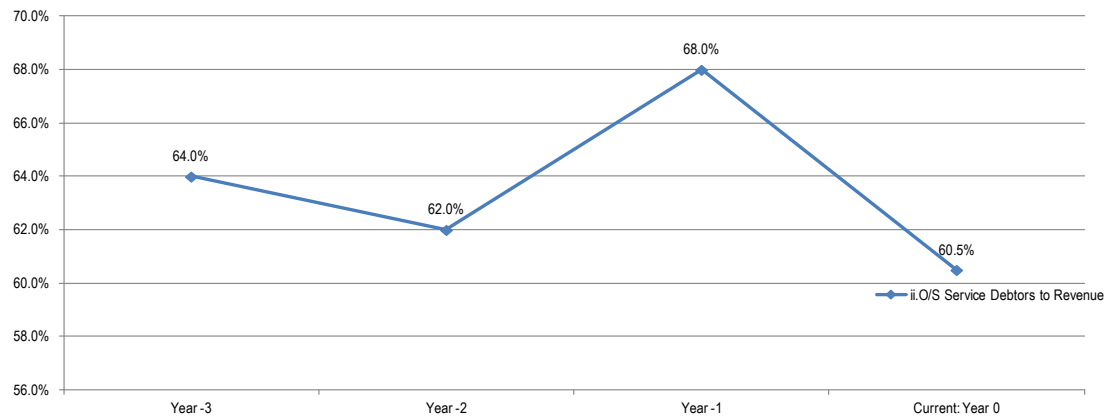
Chapter 5

5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS



Chapter 5

Total Outstanding Service Debtors

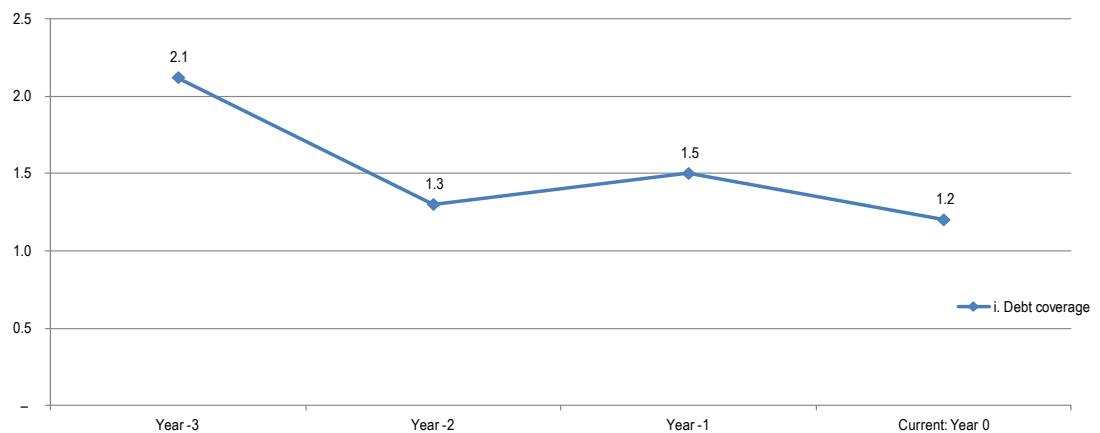


Total Outstanding Service Debtors – Measures how much money is still owed by the community for water, electricity, waste removal and sanitation compared to how much money has been paid for these services. It is calculated by dividing the total outstanding debtors by the total annual revenue. A lower score is better.

Data used from MBRR SA8

T 5.4.3

Debt Coverage



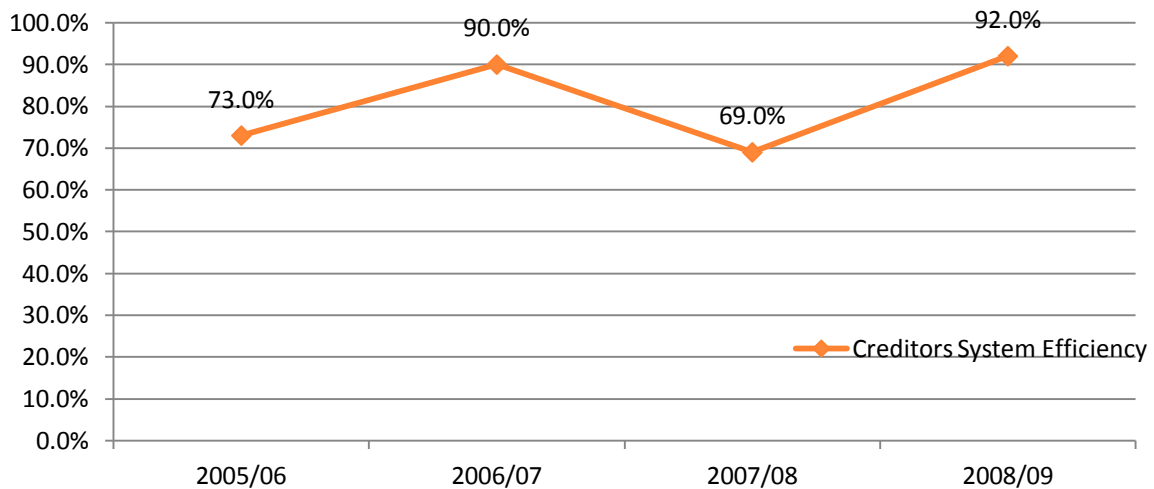
Debt Coverage– The number of times debt payments can be accommodated within Operating revenue (excluding grants) . This in turn represents the ease with which debt payments can be accommodated by the municipality

Data used from MBRR SA8

T 5.4.4

Chapter 5

Creditors System Efficiency

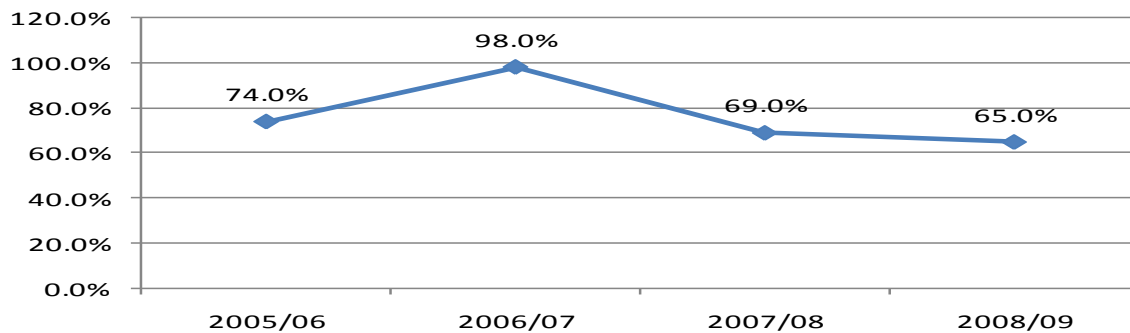


Creditor System Efficiency – The proportion of creditors paid within terms (i.e. 30 days). This ratio is calculated by outstanding trade creditors divided by credit purchases

Data used from MBRR SA8

T 5.4.5

Capital Charges to Operating Expenditure

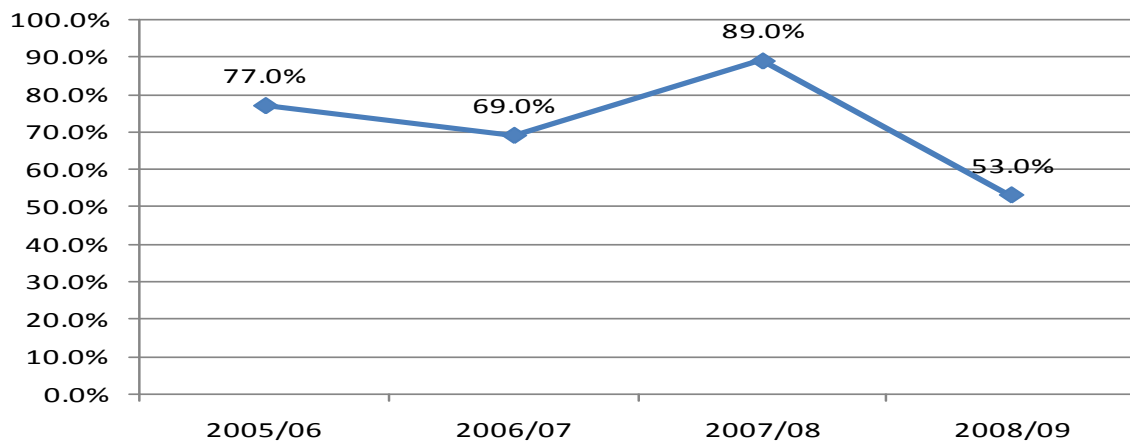


Capital Charges to Operating Expenditure ratio is calculated by dividing the sum of capital interest and principle by the total operating expenditure.

T 5.4.6

Chapter 5

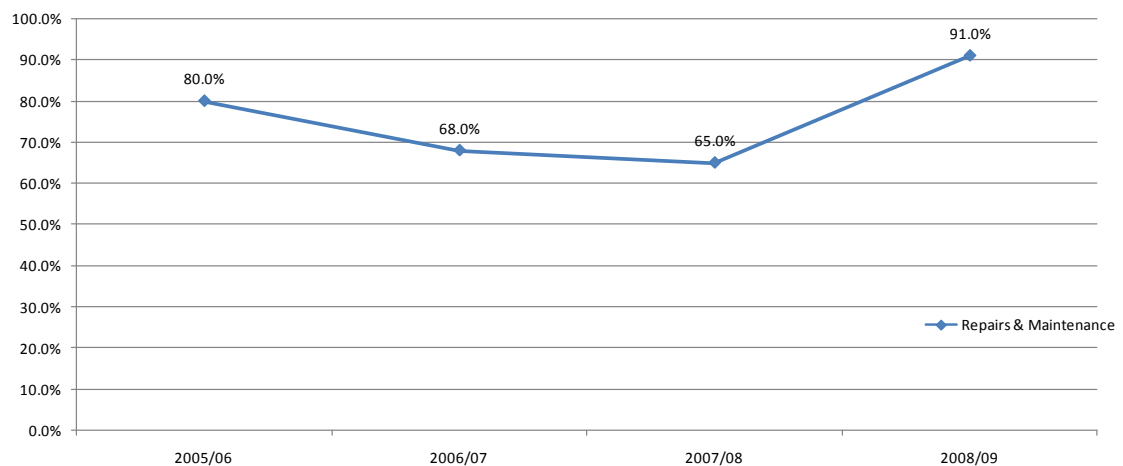
Employee costs



Employee cost – 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 capital revenue.

T 5.4.7

Repairs & Maintenance



Repairs and Maintenance – This represents the proportion of operating expenditure spent and is calculated by dividing the total repairs and maintenance.

Data used from MBRRSA8

T 5.4.8

Chapter 5

COMMENT ON FINANCIAL RATIOS:

Delete Directive note once comment is completed - Comment on the financial health of the municipality / municipal entities revealed by the financial ratios set out above. These ratios are derived from table **SA8 of the MBRR**.

T 5.4.9

COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

INTRODUCTION TO SPENDING AGAINST CAPITAL BUDGET

Original capital budget for the 2011/12 financial year was R110 Million and through the adjustment budget reduced to R64 million due to the Department of Human Settlement's project control change for the construction of the main and access roads and storm water drainage system in Rammulotsi. The municipality's capital budget is funded by R41.7 million grants and R22.9 million internal funding. R39.5 million of the grants was spent mainly being the MIG funds. The Grant received from the Department of Energy in the form of INEG was not spent due to the application for a project change by the municipality.

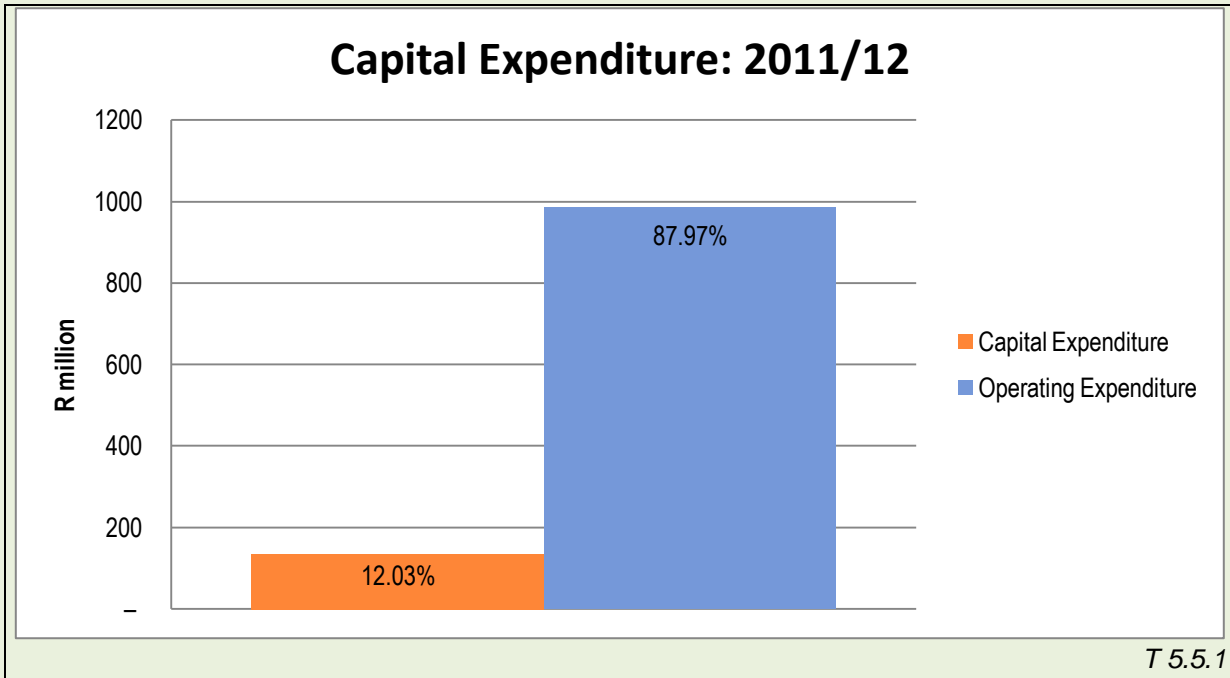
The following MIG project expended in the main:

Marabastad - Upgrading of the bus route and access road and providing stormwater;
Marabastad – Upgrading of Internal gravel roads and provision of proper stormwater;
The upgrading of Masimong street, Khalane street & Lekhotla Street;
Matlwangtlwang – Construction of internal roads;
Northleigh Ablution block and internal roads for cemetery

T 5.5.0

Chapter 5

5.5 CAPITAL EXPENDITURE



Chapter 5

5.6 SOURCES OF FINANCE

Table 113: Capital Expenditure – Funding Sources

Capital Expenditure - Funding Sources: 2010/11 to 2011/12						
R' 000						
Details	2010/11	2011/12				
	Actual	Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance (%)	Actual to OB Variance (%)
Source of finance						
External loans	-	-	-	-	-	-
Public contributions and donations	-	-	-	-	-	-
Grants and subsidies	51 608	87 133	41 870	39 511	52%	55%
Other	-	22 874	22 874	12 133	0%	47%
Total		110 007	64 744	51 644		
Percentage of finance						
External loans	-	-	-	-	-	-
Public contributions and donations	-	-	-	-	-	-
Grants and subsidies	100%	79%	65%	77%		
Other	-	21%	35%	23%		
Capital expenditure						
Water and sanitation	-	7 500	7 500	2 647	0%	65%
Electricity	-	10 000	5 000	3 554	50%	29%
Housing	-	-	-	-	-	-
Roads and storm water	-	60 000	31 737	32 496	47%	46%
Other	-	32 507	20 507	12 936	37%	60%
Total	51 608	110 007	64 744			
Percentage of expenditure						
Water and sanitation	-	7%	12%	5%		
Electricity	-	9%	8%	7%		
Housing	-	-	-	-	-	-
Roads and storm water	-	55%	55%	55%		
Other	-	32%	32%	25%		

T 5.6.1

Chapter 5

COMMENT ON SOURCES OF FUNDING:

The variation between the approved budget and the adjustment budget in terms of grant funding is as result of the Department of Human Settlement project control change, were the funding that was supposed to be received by the municipality for the project was change in the form of the department implementing the project internally using their own processes.

T 5.6.1.1

Chapter 5

5.7 CAPITAL SPENDING ON 5 LARGEST PROJECTS

Table 114: Capital Expenditure on 5 Largest Projects

Capital Expenditure of 5 largest projects*					
R' 000					
Name of Project	Current: 2011/12			Variance: 2011/12	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjustment variance (%)
A - Reconstruction of Reitz and Swarts street	3 750	3 750	3 564		
B - Upgrading of internal gravel roads Marabastad	5 701	5 701	1 857		
C - Connector road and stormwater koekoe village	3 150	3 150	3 770		
D - Upgrading of masimong street	2 626	2 626	1 514		
E - Upgrading of Khalane Street	2 176	2 176	1 504		
* Projects with the highest capital expenditure in Year 0					
Name of Project - A					
Objective of Project	To provide better roads				
Delays	none				
Future Challenges	none				
Anticipated citizen benefits	Easy access into the residential area				
Name of Project - B					
Objective of Project	To provide better roads				
Delays	none				
Future Challenges	none				
Anticipated citizen benefits	Easy access into the residential area				
Name of Project - C					
Objective of Project	To provide better roads				
Delays	none				
Future Challenges	none				
Anticipated citizen benefits	Easy access into the residential area				
Name of Project - D					
Objective of Project	To provide better roads				
Delays	none				
Future Challenges	none				
Anticipated citizen benefits	Easy access into the residential area				

COMMENT ON CAPITAL PROJECTS:

Delete Directive note once comment is completed - Provide information in the template above on the 5 largest projects, ranked according to their approved budget provision 2011/12. Comment on the variance between the original and adjustment budgets and on availability of future Budget provision to operate the projects and lessons learnt in the year about capital project implementation on time to budget.

T 5.7.1.1

Chapter 5

5.8 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW

INTRODUCTION TO BASIC SERVICE AND INFRASTRUCTURE BACKLOGS

Delete Directive note once comment is completed – Explain that need and cost of backlogs are the result of migration into an area; migration out of an area; the trend towards disaggregation of families into more than one housing unit; and the cost of renewing and upgrading core infrastructure. Explain how this balance effects net demand in your municipality and how your municipality is responding to the challenges created.

T 5.8.1

Table 115: Service Backlogs

Service Backlogs as at 30 June 2012				
	*Service level above minimum standard		**Service level below minimum standard	
	No. HHs	% HHs	No. HHs	% HHs
Water		%		%
Sanitation		%		%
Electricity		%		%
Waste management		%		%
Housing		%		%

% HHs are the service above/below minimum standard as a proportion of total HHs. 'Housing' refers to * formal and ** informal settlements.

T 5.8.2

COMMENT ON BACKLOGS:

Delete Directive note once comment is completed - Comment on how MIG grants have been utilised to redress the backlogs and on the variances in T 5.8.3. If appropriate, comment that **Appendix P** contains details of schools and clinics that have been established that do not have ready access to one or more basic services and **Appendix Q** contains details of those services provided by other spheres of government (whether the municipality is involved on an agency basis or not) that carry significant backlogs.

T 5.8.4

Chapter 5

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

INTRODUCTION TO CASH FLOW MANAGEMENT AND INVESTMENTS

The proper management of cash resources is paramount in ensuring viability and sustainable growth and development. The collective objectives of the cash and investment management is to ensure availability at all times of adequate liquid resources for operational purposes and investment in assets and maintaining optimal balance between available cash and cash investments.

The municipality did not maintain significant investments due to pressing operational requirements and an effort to maintain creditors' payment within 30 days and addressing the long term liabilities.

T 5.9

Chapter 5

5.9 CASH FLOW

Table 116: Cash Flow Outcomes

Cash Flow Outcomes				
Description	2010/11	2011/12		
R thousand	Audited Outcome	Original Budget	Adjusted Budget	Actual
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts				
Ratepayers and other	231 635	302 794	302 794	251 380
Government - operating	134 960	147 421	147 421	147 420
Government - capital	19 440	41 833	87 133	51 643
Interest	5 308	4 000	4 000	5 706
Dividends	6	50	–	14
Payments				
Suppliers and employees	(310 132)	(426 684)	(426 684)	(393 025)
Finance charges	(10 331)	(1 500)	(1 500)	(16 164)
Transfers and Grants				
NET CASH FROM/(USED) OPERATING ACTIVITIES	70 886	67 914	113 164	46 975
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts				
Proceeds on disposal of PPE				(7)
Decrease (Increase) in non-current debtors				99
Decrease (increase) other non-current receivables				(102)
Decrease (increase) in non-current investments				
Payments				
Capital assets				(30 257)
NET CASH FROM/(USED) INVESTING ACTIVITIES	–	–	–	(30 267)
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts				
Short term loans				
Borrowing long term/refinancing				
Increase (decrease) in consumer deposits		1 512	1 512	
Payments				
Repayment of borrowing	(4 347)	(2 500)	(2 500)	(5 492)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(4 347)	(988)	(988)	(5 492)
NET INCREASE/ (DECREASE) IN CASH HELD	66 539	66 926	112 176	11 216
Cash/cash equivalents at the year begin:	(44 789)			4 531
Cash/cash equivalents at the year end:	21 750	66 926	112 176	15 747

Chapter 5

COMMENT ON CASH FLOW OUTCOMES:

The cash and cash equivalents at the end of the year indicated a positive financial position of R15, 7 million. The operating activities had net cash flow of R47 million.

T 5.9.1.1

5.10 BORROWING AND INVESTMENTS

INTRODUCTION TO BORROWING AND INVESTMENTS

The municipality has annuity loans from the Development Bank of South Africa which were awarded bearing interest between 10.70% - 17.26% per annum redeemable during the years 2012 – 2026. The carrying amounts for the DBSA loans at 30 June 2012 were valued at R28.5 million. The annuity loans which were held at amortised cost with Infrastructure Finance Corporation were settled during the 2011/12 financial year.

T 5.10.1

Table 117: Actual Borrowings

Actual Borrowings: 2009/10 to 2011/12			
			R' 000
Instrument	2009/10	2010/11	2011/12
Municipality			
Long-Term Loans (annuity/reducing balance)	26 376	26 244	28 455
Long-Term Loans (non-annuity)			
Local registered stock			
Instalment Credit			
Financial Leases	15 979	10 199	3 810
PPP liabilities			
Finance Granted By Cap Equipment Supplier			
Marketable Bonds			
Non-Marketable Bonds			
Bankers Acceptances			
Financial derivatives			
Other Securities			
Municipality Total	42 355	36 443	32 265

T 5.10.2

Chapter 5

Table 118: Municipal Investments

Municipal Investments			
Investment* type	2009/10	2010/11	2011/12
	Actual	Actual	Actual
Municipality			
Securities - National Government			
Listed Corporate Bonds			
Deposits - Bank	126	118	16
Deposits - Public Investment Commissioners			
Deposits - Corporation for Public Deposits			
Bankers Acceptance Certificates			
Negotiable Certificates of Deposit - Banks			
Guaranteed Endowment Policies (sinking)			
Repurchase Agreements - Banks			
Municipal Bonds			
Other	173	200	197
Municipality Total	299	318	215
T 5.10.4			

COMMENT ON BORROWING AND INVESTMENTS:

The municipality holds unlisted shares which consist of equity shares in the Senwesbel Limited (number of shares 18 130) and Senwes Limited (number of shares 11 822). There is also various fixed deposit held at ABSA bank with interest rates varying between 5.18% - 6.93% and are maturing during the year ending 2013 and 2014.

T 5.10.5

5.11 PUBLIC PRIVATE PARTNERSHIPS

PUBLIC PRIVATE PARTNERSHIPS

The municipality does not have any PPP agreements.

T 5.11.1

Chapter 5

COMPONENT D: OTHER FINANCIAL MATTERS

5.12 SUPPLY CHAIN MANAGEMENT

SUPPLY CHAIN MANAGEMENT

The municipality's implementation of the supply chain unit is progressing slowly due to shortage of staff and a challenge of obtaining a credible supply chain manager. Three of the existing supply chain officials have attained the required MFMA Competency level and the other eleven officials have not. The municipality has made submissions to the National Treasury to grant extension to allow for the completion of minimum competency requirements.

The shortage of staff in the supply chain management unit has led to weakening controls in the procurement environment and the lack of effective segregation of duties impairs the objectivity of the tender committees if only a few supply chain practitioners support of all the tender committees.

The municipality continues to make effort to revise the organogram of supply chain and hire independent and reputable officials in the unit.

T 5.12.1

Chapter 5

5.13 GRAP COMPLIANCE

GRAP COMPLIANCE

GRAP is the acronym for **G**enerally **R**ecognized **A**ccounting **P**ractice and it provides the rules by which municipalities are required to maintain their financial accounts. Successful GRAP compliance will ensure that municipal accounts are comparable and more informative for the municipality. It will also ensure that the municipality is more accountable to its citizens and other stakeholders. Information on GRAP compliance is needed to enable National Treasury to assess the pace of progress and consider the implications.

GRAP STANDARDS

GRAP STANDARDS	
Audit Report Status*:	
Standards not yet adopted	Remedial Action Taken
GRAP 23: Revenue from Non-exchange Transactions	To be adopted during the 2012-13 AFS preparation.
GRAP 24: Presentation of Budget Information in the Financial Statements	To be adopted during the 2012-13 AFS preparation.
GRAP 21: Impairment of non-cash-generating assets	To be adopted during the 2012-13 AFS preparation.
GRAP 26: Impairment of cash-generating assets	To be adopted during the 2012-13 AFS preparation.
GRAP 25: Employee benefits	To be adopted during the 2012-13 AFS preparation.
GRAP 104: Financial Instruments	To be adopted during the 2012-13 AFS preparation.
IGRAP 7: The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	To be adopted during the 2012-13 AFS preparation.
GRAP 20: Related parties	To be adopted during the 2012-13 AFS preparation.

T 5.13.1

Chapter 6

CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS

INTRODUCTION

Note: 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.

T 6.0.1

COMPONENT A: AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS 2010/11

6.1 AUDITOR GENERAL REPORTS 2010/11

Table 119: Auditor-General Report on Financial Performance

Auditor-General Report on Financial Performance: 2010/11	
Audit Report Status*: Disclaimer	
Non-Compliance Issues	Remedial Action Taken
Creditors not paid within the stipulated period of 30 days	Revenue enhancement by the municipality and the payment arrangement with long outstanding creditors.
No reasonable steps taken to prevent unauthorised, fruitless and wasteful expenditure	Put measures in place to prevent the occurrence of irregular, fruitless and wasteful expenditure by enforcing the supply chain policy requirements to procurement and situations that warrant deviations from normal procedures.
No recovery of irregular, fruitless and wasteful expenditure from persons liable -	Put measures in place to identify and investigate fruitless expenditure
The supplier database for prospective service providers was not updated at least quarterly to include new suppliers that qualify – SCM Regulation 14	All the submissions received should be captured in the database and be completed during the 2012/13 financial year.
Quotations were accepted from suppliers who are not listed on the database of accredited suppliers – SCM Regulation 16 & 17	Quotations will be sourced from the suppliers listed on the database of accredited suppliers and the supply chain system be fully utilised during 2012/13 financial year.
The performance of contractors was not monitored on a monthly basis – MFMA Section 116	The supply chain section will be equipped with the right officials to conduct the contract management and the existing officials will be taken to contract management training courses.
Note:*The report status is supplied by the Auditor General and ranges from unqualified (at best); to unqualified with other matters specified; qualified; adverse; and disclaimed (at worse)	

T 6.1.1

Chapter 6

Table 120: Auditor-General Report on Service Delivery Performance

Auditor-General Report on Service Delivery Performance: 2010/11	
Audit Report Status:	
Non-Compliance Issues	Remedial Action Taken
IDP	The IDP process plan was approved at council and the IDP review will take place according to the time table within the set timeframes.
SDBIP	The SDBIP has been prepared for the 2012/13 financial will be reviewed quarterly
T 6.1.2	

Chapter 6

COMPONENT B: AUDITOR-GENERAL OPINION 2011/12

6.2 AUDITOR GENERAL REPORT 2011/12

Table 121: Auditor-General Report on Financial Performance

Auditor-General Report on Financial Performance 2011/12*	
Status of audit report: Disclaimer	
Non-Compliance Issues	Remedial Action Taken
Budget	The accounting officer to assess the mid-year performance by the legislated date and ensure that the quarterly and monthly reports are submitted within the legislated timeframes.
Audit Committee	The accounting officer will ensure that the audit committee is appointed. The internal audit unit be fully functional to support the audit committee's effective function.
Internal Audit	The internal audit will be fully capacitated to perform the required audit engagements and planning. External advertisement will be issued for recruitment in this section.
Expenditure management	The accounting officer will enforce measures to improve the cash flows to make creditors are paid on time, put measures in places through monthly reporting to ensure that fruitless expenditures are identified and reported on time.
Revenue management	Credit control and debt collection will be implemented efficiently when the section is capacitated with the required number of officials. The appointment of officials was finalised after year end.
Procurement and Contract management	The appointment of the Manager Supply Chain, the revision of organogram will ensure that the policy is revised and procurement is centralised at supply chain.
Human resource management and compensation	The performance agreement will be signed when the performance management system is in place. The current Corporate Services director is attending the PMS matter and will be finalised by the end of 2012/13 financial year.
<p><i>Note: * The report's status is supplied by the Auditor General and ranges from unqualified (at best); to unqualified with other matters specified; qualified; adverse; and disclaimed (at worse). This table will be completed prior to the publication of the Annual report but following the receipt of the Auditor- General Report on Financial Performance Current Year.</i></p>	

T 6.2.1

Chapter 6

Table 122: Auditor-General Report on Service Delivery Performance

Auditor-General Report on Service Delivery Performance: 2011/12*	
Status of audit report**:	
Non-Compliance Issues	Remedial Action Taken
No effective consultation with the local community in the drafting and implementation of the IDP.	The review of IDP is conducted and attendance registers are signed. A proper record keeping of these documents will be maintained and availed to the auditors at the time of audit.
The IDP was not reviewed annually in accordance with an assessment of its performance measurements.	The IDP is reviewed annually and attendance registers are signed. A proper record keeping of these documents will be maintained and availed to the auditors at the time of audit.
The municipality did not establish a performance management system	The municipality will establish a performance management system and implement it in accordance with the policy. The target date for implementation is late in 2012/13.
The municipality did not monitor performance with regard to the development priorities and objectives against key performance indicators and targets set.	The SDBIP be established and monitored quarterly
* This table will be completed prior to the publication of the Annual report but following the receipt of the Auditor- General Report on Service Delivery Performance Year 0	
** Inclusion of "Status" depends on nature of AG's remarks on Performance Data.	

T 6.2.2

AUDITOR GENERAL REPORT ON THE FINANCIAL STATEMENTS: 2011/12

REPORT OF THE AUDITOR-GENERAL TO THE FREE STATE PROVINCIAL LEGISLATURE AND THE COUNCIL ON MOQHAKA LOCAL MUNICIPALITY

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I was engaged to audit the financial statements of the Moqhaka Local Municipality set out on pages *X to Xx, which comprise the statement of financial position as at 30 June 2012, the statements of financial performance, changes in net assets and cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements 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

Chapter 6

Africa, 2011 (Act No. 6 of 2011) (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.

Auditor-General's responsibility

3. My responsibility is to express an opinion on the financial statements based on conducting the audit in accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), the *General Notice* issued in terms thereof and International Standards on Auditing. Because of the matters described in the Basis for disclaimer of opinion paragraphs, however, I was unable to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for disclaimer of opinion

Property, plant and equipment

4. I was unable to obtain sufficient appropriate audit evidence for property plant and equipment of R1 165 581 370 (2011: R1 143 676 149), as disclosed in note 13 to the financial statements, to substantiate the values recorded in the asset register, that all these assets do exist and that all the municipality's assets are included in the asset register. In addition, the municipality did not account for depreciation on buildings and infrastructure assets, review the residual values and useful lives and perform an impairment assessment of all the municipality's assets at each reporting date in accordance with SA Standards of GRAP, GRAP 17, *Property, plant and equipment* and GRAP 26, *Impairment of cash-generated assets*. I was unable to confirm this balance by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to the amounts disclosed for property, plant and equipment.

Receivables from exchange transactions

The municipality did not account for all debts written off in the current financial year and also did not correctly account for value-added tax (VAT) for those debtors that were impaired, which resulted in receivables being overstated by R83 501 968, VAT receivable overstated by R7 579 540 and debt impairment expense understated by R91 081 508. In addition, I was unable to obtain sufficient appropriate audit evidence to confirm indigent debtors of R87 824 181 as well as the existence of receivables of R46 246 347 (2011: R54 915 833), as disclosed in note 4 to the financial statements. I was unable to confirm the receivables by alternative means. Consequently, I was unable to determine whether any further adjustments were necessary to the amount disclosed for receivables.

Irregular expenditure

6. The municipality did not disclose all the irregular expenditure in the notes to the financial statements, as required by section 125(2)(d)(i) of the MFMA. The municipality made payments in contravention of the supply chain management (SCM) requirements which were not included in irregular expenditure, resulting in irregular expenditure being understated by R52 166 980 (2011: R13 858 034). In addition, sufficient appropriate audit evidence was not available for irregular expenditure written off of R88 698 826, as

disclosed in note 50 to the financial statements. I was unable to confirm the amount

condoned by alternative means. Consequently, I was unable to determine whether any further adjustments were necessary to the amount disclosed for irregular expenditure.

Chapter 6

Investment properties

7. The municipality did not account for all the investment properties in terms of SA Standards of GRAP, GRAP 16, *Investment property*. The municipality accounted for properties as investment properties which do not comply with the definition of investment properties and also accounted for certain investment properties at re-valued amounts while the municipality has adopted the cost model. Consequently, investment property as disclosed in note 11 to the financial statements is overstated by R18 119 662, property, plant and equipment as disclosed in note 13 are understated by R9 313 774, inventory as disclosed in note 5 is understated by R3 227 027 and accumulated surplus is overstated by R5 578 861.

Employee benefit obligation

8. The municipality did not measure its post-employment benefit obligation in terms of the requirements outlined in South African Statement of Generally Accepted Accounting Practice, IAS 19 *Employee benefits*. In the absence of an updated actuarial valuation, I was unable to determine the adjustments required to the obligation of R70 931 000 (2011: R61 956 000) as disclosed in note 14 to the financial statements.

Fruitless and wasteful expenditure

9. The municipality incurred expenditure which was made in vain and would have been avoided had reasonable care been exercised. The municipality did not disclose all fruitless and wasteful expenditure in the notes to the financial statements, as required by section 125(2)(d)(i) of the MFMA, resulting in fruitless and wasteful expenditure being understated. In addition, sufficient appropriate audit evidence was not available for fruitless and wasteful expenditure written off of R19 275 792, as disclosed in note 51 to the financial statements. I was unable to confirm the amount condoned by alternative means. Consequently, I was unable to determine whether any further adjustments were necessary to the amount disclosed.

Reticulation losses

10. I was unable to obtain sufficient appropriate audit evidence for the calculated electricity losses due to tampering or theft of R25 443 409, as disclosed in note 49 to the financial statements. I was unable to confirm the disclosed balance by alternative means. Consequently, I was unable to determine whether any adjustments to the disclosed reticulation losses balance were necessary.

Provisions

11. The municipality did not have adequate systems in place to ensure that all the applicable factors were taken into consideration with the calculation of the rehabilitation of landfill sites, and that all sites utilised are provided for in the calculation. I was unable to obtain sufficient appropriate audit evidence to confirm the completeness and valuation of the provision for landfill sites of R2 033 624 (R2011: R1 823 157), as disclosed in note 22 to the financial statements. I was unable to confirm the provision by alternative means. Consequently, I was unable to determine whether any adjustments relating to the provision were necessary.
12. Sufficient appropriate audit evidence could not be obtained that the municipality measured the long-service bonus provision in terms of the requirements outlined in South African Statement of Generally Accepted Accounting Practice, IAS 19 *Employee benefits*. I was unable

Chapter 6

to confirm this provision by alternative means. Consequently, I was unable to determine whether any adjustments to the provision for long-service bonus of R6 950 432 (2011: R1 091 685), as disclosed in note 22, were necessary.

Capital commitments

13. The municipality did not have adequate systems in place to accurately account for unrecognised contractual commitments at year-end, which resulted in capital commitments as disclosed in note 53 to the financial statements being overstated by R16 178 528. In addition, sufficient appropriate audit evidence could not be obtained to confirm the completeness of capital commitments of R110 778 465, as disclosed in note 53 to the financial statements. I was unable to confirm the completeness of the amount disclosed by alternative means. Consequently, I was unable to determine whether any further adjustments were necessary to the amount disclosed for capital commitments.

Payables from exchange transactions

14. The municipality did not have adequate systems in place regarding the administration of leave, which resulted in the leave pay accrual as disclosed in note 19 to the financial statements being overstated by R8 983 954 and employee-related costs disclosed in note 32 being overstated by R8 983 954. Additionally, the surplus for the year and the accumulated surplus are understated by R8 983 954, respectively.

Inventory

15. I was unable to obtain sufficient appropriate audit evidence for water inventories of R260 639 (2011: R244 802) as disclosed in note 5 to the financial statements. I was unable to confirm the completeness of this balance by alternative means. Consequently, I was unable to determine whether any adjustments to the disclosed water inventory balance were necessary.

Aggregation of immaterial uncorrected misstatements

16. The financial statements as a whole are materially misstated due to the cumulative effect of numerous individually immaterial uncorrected misstatements in the following elements making up the statement of financial position and the statement of financial performance:

Service charges reflected as R240 522 278 in note 26 to the financial statements are understated by R2 116 450.

In addition, I was unable to obtain sufficient appropriate audit evidence and to confirm or verify the following elements by alternative means:

Government grants and subsidies income of R2 985 000, as included in the disclosed balance of 8196 012 806 (note 24)

Personnel expenditure of 8711 354, as included in the disclosed balance of R156 390 151 (note 32)

As a result, I was unable to determine whether any further adjustments to these elements were necessary.

Chapter 6

Disclaimer of opinion

17. Because of the significance of the matters described in the Basis for disclaimer of opinion paragraphs, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, I do not express an opinion on the financial statements.

Emphasis of matters

18. I draw attention to the matters below. My opinion is not modified in respect of these matters.

Restatement of corresponding figures

19. As disclosed in note 45 to the financial statements, the corresponding figures for 30 June 2011 have been restated as a result of errors discovered during 2011/12 in the financial statements of the Mot:peke Local Municipality at, and for the year ended, 30 June 2011.

Material losses and impairments

20. As disclosed in note 4 and note 49 to the financial statements, material losses to the amount of R225 502 181 (2011: R206 400 287) and R59 321 114 (2011: R43 537 967), respectively, were incurred as a result of a write-off of irrecoverable trade debtors and distribution losses incurred relating to water and electricity.

Going concern

21. **Note 47 to** the financial statements indicates that the Mogi'lake Local Municipality's current liabilities exceeded its total assets by R122 million (2011: R125 million). This matter, along with other matters as set forth in note 47, indicate the existence of a material uncertainty that may cast significant doubt on the municipality's ability to operate as a going concern.

Additional matters

22. **I draw attention to the matters below.** My opinion is not modified in respect of these matters.

Supplementary explanations of budget variances presented outside the financial statements

23. The supplementary explanations of budget variances contained in appendix E(1) do not form part of the financial statements. I have not audited these explanations and accordingly do not express an opinion thereon.

Material inconsistencies in other information included in the annual report

24. The draft annual report of the municipality for the year ended 30 June 2012 was not submitted for audit purposes. In the absence of this report, possible inconsistencies between the financial statements and other information published with the financial statements could not be identified.

Chapter 6

Unaudited supplementary schedule

25. The supplementary information set out on pages', to 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 thereon.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

26. In accordance with the PAA and the *General Notice* issued in terms thereof, I report the following findings relevant to performance against predetermined objectives, compliance with laws and regulations and internal control, but not for the purpose of expressing an opinion.

Predetermined objectives

27. The annual performance report included in the annual report was not presented in time for audit and consequently my findings below are limited to the procedures performed on the strategic planning and performance management documents.
28. The information was assessed to determine whether performance indicators and targets are measurable (i.e. well defined, verifiable, specific, measurable and time bound) and relevant as required by the *National Treasury Framework for managing programme performance information*.
29. There were no material findings on the strategic planning and performance management documents concerning the measurability and relevance of the information.

Compliance with laws and regulations

30. I performed procedures to obtain evidence that the entity had complied with applicable laws and regulations regarding financial matters, financial management and other related matters. My findings on material non-compliance with specific matters in key applicable laws and regulations, as set out in the *General Notice* issued in terms of the PAA, are as follows:

Strategic planning and performance management

31. The municipal council did not consult with the local community in the drafting and implementation of the municipality's IDP by means of a municipal-wide structure for community participation, as required by section 28 of the Municipal Systems Act, 2000 (Act No. 32 of 2000) (MSA) and Local Government: Municipal Planning and Performance Management (MPPM) regulation 15(1)(a)(i).
32. The municipality did not afford the local community at least 21 days to comment on the final draft of its IDP before the plan was submitted to council for adoption, as required by MPPM regulation 15(3).
33. The municipal council did not review its IDP annually in accordance with an assessment of its performance measurements in terms of section 41 and to the extent that changing circumstances demanded, as required by section 34 of the MSA and MPPM regulation 3.
34. The municipality did not establish a performance management system, as required by section 38(a) of the MSA and MPPM regulation 7(2)(c),(e), (f) and (g).
35. The municipality did not establish mechanisms to monitor and review its performance management system, as required by section 40 of the MSA.

Chapter 6

36. The municipality did not monitor performance with regard to each of those development priorities and objectives and against the key performance indicators and targets set as required by section 41 of the MSA.

Budget

37. The accounting officer did not assess the municipality's performance for the first half of the financial year, as required by section 72(1) and 72(1)(a)(ii) of the MFMA.
38. Quarterly reports on the implementation of the budget and financial state of affairs of the municipality were not submitted to council within 30 days after the end of each quarter, as required by section 52(d) of the MFMA.
39. Sufficient appropriate audit evidence could be obtained that revisions to the service delivery and budget implementation plan were approved by the council after the approval of the adjustments budget, as required by section 54(1)(c) of the MFMA.
40. Sufficient appropriate audit evidence could not be obtained that monthly budget statements were submitted to the mayor and relevant provincial treasury, as required by section 71(1) of the MFMA.

Annual financial statements, performance reports and annual reports

41. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122 of the MFMA. Material misstatements of non-current assets, current assets, liabilities, expenditure and disclosure items identified by the auditors in the submitted financial statements were subsequently corrected and the supporting records provided, but the uncorrected material misstatements and supporting records that could not be provided resulted in the financial statements receiving a disclaimer audit opinion.

Audit committee

42. The audit committee did not advise the council on matters relating to internal financial control and internal audits, performance management and performance evaluation, as required by section 166(2)(a) of the MFMA.
43. The audit committee did not review the annual financial statements to provide the council with an authoritative and credible view of the financial position of the entity, its efficiency and effectiveness and its overall level of compliance with the MFMA and DoRA, as required by section 166(2)(b) of the MFMA.
44. The audit committee did not respond to the council on the issues raised in the audit reports of the Auditor-General, as required by section 166(2)(c) of the MFMA.
45. The audit committee did not review the municipality's performance management system and make recommendations to the council, as required by MPPM regulation 14(4)(a)(ii).

Internal audit

46. The internal audit did not audit the results of performance measurements, as required by section 45(1)(a) of the MSA and MPPM regulation 14(1)(a).
47. The internal audit unit did not assess the functionality of the performance management system, whether the performance management system complied with the requirements of the MSA and the extent to which the performance measurements were reliable in

Chapter 6

measuring the performance of the municipality on key and general performance indicators, as required by MPPM regulation 14(1)(b)(i),(ii) and (iii).

48. The internal audit unit did not audit the performance measurements on a continuous basis and submit quarterly reports on their audits to the municipal manager and the performance audit committee, as required by MPPM regulation 14(1)(c).

Expenditure management

49. Unauthorised, irregular and fruitless and wasteful expenditure was not recovered from the liable person, as required by section 32(2) of the MFMA.
50. Money owing by the municipality was not always paid within 30 days of receiving an invoice or statement, as required by section 65(2)(e) of the MFMA.
51. The accounting officer did not take reasonable steps to prevent unauthorised, irregular and fruitless and wasteful expenditure, as required by section 62(1)(d) of the MFMA.

Conditional grants received

52. The municipality did not comply with the requirements of the grant framework, as required by section 12(1) of MoRA.

Revenue management

53. A credit control and debt collection policy was not implemented, as required by section 96(b) of the MSA and section 62(1)(f)(iii) of the MFMA.

Asset management

54. An adequate management, accounting and information system which accounts for assets was not in place, as required by section 63(2)(a) of the MFMA.
55. An effective system of internal control for assets (including an asset register) was not in place, as required by section 63(2)(c) of the MFMA.
56. The required reports describing the investment portfolio of the municipality was not submitted to the mayor at the end of each month, as required by the municipal investment regulation 9(1).

Procurement and contract management

57. Goods and services with a transaction value below R200 000 were procured without obtaining the required price quotations as required by the municipal SCM regulation 17(a) and (c).
58. Goods and services of a transaction value above R200 000 were procured without inviting competitive bids, as required by SCM regulation 19(a). Deviations were approved by the accounting officer even though it was not impractical to invite competitive bids, in contravention of SCM regulation 36(1).
59. Sufficient appropriate audit evidence could not be obtained that bid specifications for procurement of goods and services through competitive bids were drafted in an unbiased manner that allowed all potential suppliers to offer their goods or services, as per required by SCM regulation 27(2)(a).
60. Quotations were accepted from prospective providers who are not registered on the list of accredited prospective providers and did not meet the listing requirements prescribed by the SCM policy, in contravention of SCM regulations 16(b) and 17(b).

Chapter 6

61. Sufficient appropriate audit evidence could not be obtained that bid specifications were drafted by bid specification committees which were composed of one or more officials of the municipality, as required by SCM regulation 27(3).
62. Sufficient appropriate audit evidence could not be obtained that invitations for competitive bidding were advertised for a required minimum period of days, as required by SCM regulation 22(1) and 22(2).
63. Sufficient appropriate audit evidence could not be obtained that bids were evaluated by bid evaluation committees which were composed of officials from the departments requiring the goods or services and at least one SCM practitioner of the municipality, as required by SCM regulation 28(2).
64. Sufficient appropriate audit evidence could not be obtained that contracts and quotations were awarded to bidders based on points given for criteria that were stipulated in the original invitation for bidding and quotations, as required by SCM regulations 21(b) and 28(1)(a) and the preferential procurement regulations.
65. Sufficient appropriate audit evidence could not be obtained that bid adjudication was always done by committees which were composed in accordance with SCM regulation 29(2).
66. Awards were made to bidders other than those recommended by the bid evaluation committee without ratification by the accounting officer, as required by SCM regulation 29(5)(b).
67. The preference point system was not applied in all procurement of goods and services above R30 000, as required by section 2(a) of the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000) (PPPFA) and SCM regulation 28(1)(a).
68. Sufficient appropriate audit evidence could not be obtained that contracts and quotations were awarded to suppliers based on preference points that were allocated and calculated in accordance with the requirements of the PPPFA and its regulations.
69. Sufficient appropriate audit evidence could not be obtained that contracts and quotations were awarded to bidders that scored the highest points in the evaluation process, as required by of section 2(1)(f) of PPPFA.
70. The performance of contractors or providers was not monitored on a monthly basis, as required by section 116(2)(b) of the MFMA.
71. The contract performance and monitoring measures and methods were insufficient to ensure effective contract management, as required by section 116(2)(c) of the MFMA.
72. Contracts and quotations were awarded to providers whose tax matters had not been declared by the South African Revenue Service to be in order, as required by SCM regulation 43.
73. Sufficient appropriate audit evidence could not be obtained that contracts and quotations were awarded only to bidders who had submitted a declaration on whether they are employed by the state or connected to any person employed by the state, as required by SCM regulation 13(c).
74. A list of accredited prospective providers was not in place for procuring goods and services through quotations, as required by SCM regulation 14(1)(a).

Chapter 6

75. The prospective providers list for procuring goods and services through quotations was not updated at least quarterly to include new suppliers that qualify for listing, and prospective providers were not invited to apply for such listing at least once a year as per the requirements of SCM regulation 14(1)(a)(ii) and 14(2).

Financial misconduct

76. Sufficient appropriate audit evidence could not be obtained that investigations were instituted into all allegations of financial misconduct against officials of the municipality, as required by section 171(4)(a) of the MFMA.

Human resource management and compensation

77. The senior managers directly accountable to the municipal manager did not sign performance agreements, as required by section 57(2)(a) of the MSA.
78. The municipality did not submit a report on compliance with prescribed competency levels to the National Treasury and relevant provincial treasury, as required by minimum competency levels regulation 14(2)(a).
79. The annual report of the municipality did not reflect information on compliance with prescribed minimum competencies as required by the minimum competency levels, regulation 14(2)(b).

Environmental management

80. The municipality operated one waste disposal site without a waste management licence or permit, in contravention of section 20(b) of the National Environmental Management: Waste Act, 2008 (Act No. 59 of 2008) and section 20(1) of the Environmental Conservation Act, 1989 (Act No. 73 of 1989).

Internal control

81. I considered internal control relevant to my audit of the financial statements and compliance with laws and regulations. The matters reported below under the fundamentals of internal control are limited to the significant deficiencies that resulted in the basis for disclaimer of opinion and the findings on compliance with laws and regulations included in this report.

Leadership

82. Management failed to implement comments and recommendations made by the auditors in the previous financial year due to a proper action plan not being compiled and implemented at the municipality.
83. The accounting officer did not hold staff of the municipality accountable due to the performance management system not being implemented.
84. The accounting officer did not establish processes to prevent and detect unauthorised, irregular, fruitless and wasteful expenditure.

Chapter 6

Financial and performance management

- 85. Staff members do not understand performance information reporting requirements and action was not taken during the year to implement requirements due to the IDP manager position being vacant and staff not receiving appropriate training in this regard.
- 86. No proof could be obtained that the use of consultants was monitored by the chief financial officer to ensure proper transfer of skills to permanent finance staff members.
- 87. The accounting officer did not compile and approve delegations when the new council was appointed at the municipality.
- 88. The accounting officer did not establish internal controls to ensure that all laws and regulations are complied with.

Governance

- 89. The accounting officer did not ensure that a risk assessment was performed at the municipality. The potential risks to the municipality were therefore not identified and addressed.
- 90. The internal audit unit was not sufficiently staffed and effective during the year. The internal audit unit therefore did not assist management in evaluating internal controls to determine the effectiveness and efficiency thereof.
- 91. The audit committee did not perform all its functions due to the internal audit unit not being effective.
- 92. The audit committee members' contracts expired towards the end of the financial year. The new audit committee was not fully functional to review the accuracy and completion of the financial statements before submission to the auditors.

Bloemfontein

30 November 2012



T 6.2.3

Chapter 6

COMMENTS ON AUDITOR-GENERAL'S OPINION 2011/12:

The Auditor General report for the 2011/12 financial year was a disclaimer of audit opinion. The main causes of these are non-availability of the supporting documents on the valuation of the infrastructure assets and the assessment of the residual values and the assets' useful lives.

Matters around procurement deficiencies also led to identification of further irregular expenditure. The municipality is tightening the system of procurement to deal with deviations in a strict manner of emergencies. The existence of indigent debtors is one big area that to disclaimer. The Auditor General's findings give a direct weakness of the internal controls to subsidize non-qualifying people as no supporting evidence could be obtained regarding the existence and validity of indigent debtors.

The municipality will utilize an opportunity of having the interim audit being conducted on the infrastructure assets verification and valuation and develop an action plan that has clear timelines and responsible officials.

T 6.2.4

COMMENTS ON MFMA SECTION 71 RESPONSIBILITIES:

Section 71 of the MFMA requires municipalities to return a series of financial performance data to the National Treasury at specified intervals throughout the year. The Chief Financial Officer states that these data sets have been returned according to the reporting requirements.

Signed (Chief Financial Officer)..... Dated

T 6.2.5

GLOSSARY

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 Key performance indicators	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.

GLOSSARY

National Key performance areas	<ul style="list-style-type: none"> • Service delivery & infrastructure • Economic development • Municipal transformation and institutional development • Financial viability and management • Good governance and community participation
Outcomes	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".
Outputs	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.
Performance Indicator	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)
Performance Information	Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.
Performance Standards:	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.
Performance Targets:	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.
Service Delivery Budget Implementation Plan	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.
Vote:	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.

GLOSSARY

Section 1 of the MFMA defines a "vote" as:

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

b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned

APPENDICES

APPENDICES

APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

Table 123: Councillors, Committee Allocation and Council Attendance

Councillors, Committees Allocated and Council Attendance					
Council Members	Full Time / Part Time	Committees Allocated	*Ward and/ or Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non- attendance
	FT/PT			%	%
Colbert DPC	FT	Finance, Audit and Risk Management, Infrastructure and Technical Services	ANC	89	0
Dalton CM	PT	Infrastructure and Technical Services	DA	100	0
Dire AMS	PT	Community Services	ANC	89	100
Green MM	PT	Sport, Art and Culture	5 / ANC	89	100
Hattingh JM	PT	Community Services	3 / DA	89	0
Kgang LD	PT	Community Services	8 / ANC	100	0
Koloi MA	FT	Personnel and Administration, Sport, Art and Culture	ANC	44	80
Letsabo MJ	PT	Finance, Audit and Risk Management	APC	100	0
Letsitsa ME	PT	Human Settlements, Personnel and Administration	18 / ANC	78	0
Lithupa MJ	PT	IDP and Planning	DA	100	0
Machobane ML	FT	Personnel and Administration, Rural Development and Land Reform	ANC	78	0
Magadlela ZS	PT	Sport, Art and Culture	21 / ANC	56	50
Mahasa LP	PT	Sport, Art and Culture	ANC	17	0
Makau TL	FT	LED and Investment, Public Safety	12 / ANC	67	100
Makoele WL	PT	Public Safety	DA	100	0
Malinga DM	PT	Public Safety	7 / ANC	100	0
Malokotsa SV	PT	Human Settlements	1 / ANC	56	100
Mareka J	FT		ANC	67	33
Masuret A	PT	Finance, Audit and Risk Management	DA	100	0
Matshedisho DA	FT	Finance, Audit and Risk Management, IDP and Planning	ANC	78	50
Mbono MD	PT	Sport, Art and Culture	ANC	78	50
Mkhotheni NW	PT	Infrastructure and Technical Services, Public Safety	24 / ANC	78	0

APPENDICES

Councillors, Committees Allocated and Council Attendance					
Council Members	Full Time / Part Time	Committees Allocated	*Ward and/ or Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non- attendance
	FT/PT			%	%
Mkhwanazi TM	PT	Human Settlements	22 / ANC	67	33
Moeketsi DA	PT	Community Services	COPE	89	100
Mofokeng MJ	PT	Rural Development and Land Reform	23 / ANC	89	0
Mohapi MJ	FT		ANC	67	67
Mokodutlo NP	FT	Community Services, Sport, Art and Culture	ANC	89	100
Mokoena S	FT	Community Services, Human Settlements	20 / ANC	67	0
Mokotla ME	FT	Human Settlements, Rural Development and Land Reform	10 / ANC	89	0
Moletsane ER	FT	IDP and Planning, LED and Investment, Public Safety	19 / ANC	56	50
Monoto MA	PT	Rural Development and Land Reform	4 / ANC	89	0
Nakedi ACWD	FT		ANC	78	100
Notsi EM	PT	Finance, Audit and Risk Management	ANC	44	20
Ntsala TM	PT	LED and Investment, Sport, Art and Culture	9 / ANC	67	33
Nzunga DN	PT	Sport, Art and Culture	DA	100	0
Pittaway M	PT	Personnel and Administration	17 / DA	89	100
Rajuili EV	PT	IDP and Planning, Infrastructure and Technical Services, Personnel and Administration, Public Safety	ANC	22	57
Rooskrans B	PT	Finance, Audit and Risk Management	13 / ANC	89	0
Seleke LM	PT	Rural Development and Land Reform	COPE	100	0
Selikoe NM	PT		15 / ANC	89	100
Sethabela MJ	PT	Infrastructure and Technical Services, LED and Investment	11 / ANC	89	100
Shahim DM	PT	Community Services	25 / DA	56	50
Silevu SJ	PT	Rural Development and Land Reform	DA	100	0
Taje FM	PT	Rural Development and Land Reform	14 / ANC	89	100
Thajane MI	PT	LED and Investment	COPE	100	0
Thipane MP	FT	IDP and Planning, Infrastructure and Technical Services	6 / ANC	67	33
Tladi SB	PT	Community Services, Personnel and Administration	2 / ANC	56	50
Twapa VPM	PT	Sport, Art and Culture	ANC	100	0
Vermeulen M	PT	Infrastructure and Technical Services	VF+	89	100

APPENDICES

Councillors, Committees Allocated and Council Attendance					
Council Members	Full Time / Part Time	Committees Allocated	*Ward and/ or Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non- attendance
	FT/PT			%	%
Viljoen AH	PT	LED and Investment	DA	56	75
Wille GV	PT	Human Settlements	16 / DA	78	100
Note: * Councillors appointed on a proportional basis do not have wards allocated to them					T A

Concerning T A

Delete Directive note before publication: Provide comments on the above table.

T A.1

APPENDICES

APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

Table 124: Committees

Committees (other than Mayoral / Executive Committee) and Purposes of Committees	
Municipal Committees	Purpose of Committee
Portfolio Committee: Infrastructure and Technical Services	Oversight over departmental activities through consideration of reports from the Municipal Manager and Directors. Make recommendations for consideration by the Mayoral Committee.
Portfolio Committee: Public Safety	Oversight over departmental activities through consideration of reports from the Municipal Manager and Directors. Make recommendations for consideration by the Mayoral Committee.
Portfolio Committee: IDP and Planning	Oversight over departmental activities through consideration of reports from the Municipal Manager and Directors. Make recommendations for consideration by the Mayoral Committee.
Portfolio Committee: HR and Administration	Oversight over departmental activities through consideration of reports from the Municipal Manager and Directors. Make recommendations for consideration by the Mayoral Committee.
Portfolio Committee: Rural Development and Land Reform	Oversight over departmental activities through consideration of reports from the Municipal Manager and Directors. Make recommendations for consideration by the Mayoral Committee.
Portfolio Committee: Human Settlements	Oversight over departmental activities through consideration of reports from the Municipal Manager and Directors. Make recommendations for consideration by the Mayoral Committee.
Portfolio Committee: LED and Investment	Oversight over departmental activities through consideration of reports from the Municipal Manager and Directors. Make recommendations for consideration by the Mayoral Committee.
Portfolio Committee: Sports, Arts, Culture and Recreation	Oversight over departmental activities through consideration of reports from the Municipal Manager and Directors. Make recommendations for consideration by the Mayoral Committee.
Portfolio Committee: Community Services	Oversight over departmental activities through consideration of reports from the Municipal Manager and Directors. Make recommendations for consideration by the Mayoral Committee.
Portfolio Committee: Finance, Audit and Risk Management	Oversight over departmental activities through consideration of reports from the Municipal Manager and Directors. Make recommendations for consideration by the Mayoral Committee.
Audit and Performance Audit Committee (s79)	Roles and responsibilities as outlined by section 166 of the MFMA and the approved charter
Oversight Committee (s79)	Roles and responsibilities as outlined by section 129 of the MFMA and the National Treasury guidelines issued in MFMA Circular 32 (18 March 2006)

T
B

APPENDICES

APPENDIX C –THIRD TIER ADMINISTRATIVE STRUCTURE

Table 125: Third Tier Structure

Third Tier Structure	
Directorate	Director/Manager (State title and name)
Office of the Municipal Manager MUNICIPAL MANAGER Mr. Mncedisi Mqwathi	Chief Internal Auditor (Name) Manager: IDP/PMS (Name) Manager: Information Technology (Name)
Financial Services CHIEF FINANCIAL OFFICER Mr. Monaheng Mokoena	Manager: Revenue (Name) Manager: Expenditure (Name) Manager: Budget (Name) Manager: SCM (Name)
Technical Services DIRECTOR: Technical Services (Vacant) Mr. Mike Lelaka (Acting)	Manager: Civil (Name) Manager: Electricity (Name)
Corporate Services DIRECTOR: Corporate Services Mr. Siphon Nhlapo	Manager: Human Resources (Name)
Community and Emergency Services DIRECTOR: Community and Emergency Services Me Confidence Sephaka	Manager: Security Services (Name) Manager: Cleansing (Name) Chief Fire Officer (Name) Chief: Traffic Services (Name) Manager: Parks, Sports and Recreation (Name) Senior Librarian (Name)
Use as a spill-over schedule if top 3 tiers cannot be accommodated in chapter 2 (T2.2.2).	
T C	

APPENDICES

APPENDIX D – FUNCTIONS OF MUNICIPALITY / ENTITY

Table 126: Municipal Functions

MUNICIPAL FUNCTIONS	Function Applicable to Municipality (Yes / No)*
Constitution Schedule 4, Part B functions:	
Air pollution	No
Building regulations	Yes
Child care facilities	No
Electricity and gas reticulation	Yes
Fire-fighting 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	No
Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems	Yes
Beaches and amusement facilities	No
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
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	No

APPENDICES

MUNICIPAL FUNCTIONS	
	Function Applicable to Municipality (Yes / No)*
Constitution Schedule 4, Part B functions:	
Public places	Yes
Refuse removal, refuse dumps and solid waste disposal	Yes
Street trading	Yes
Street lighting	Yes
Traffic and parking	Yes
<i>* If municipality: indicate (yes or No); * If entity: Provide name of entity</i>	

APPENDICES

APPENDIX E – WARD REPORTING

Note: Information is not available for the 2011/12 financial year.

APPENDICES

APPENDIX F – WARD INFORMATION

Note: Information is not available for the 2011/12 financial year.

ELECTED WARD MEMBERS (STATING NUMBER OF MEETING ATTENDED – MAXIMUM 12 MEETINGS)

Names: xxx (8); xxx (7)...

TF.3

APPENDICES

APPENDIX G – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE 2011/12

Note: Information is not available for the 2011/12 financial year.

APPENDICES

APPENDIX H – LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS

No long term contracts and Public Private Partnerships were entered into in the 2011/12 financial year.

APPENDICES

APPENDIX I – MUNICIPAL ENTITY/ SERVICE PROVIDER PERFORMANCE SCHEDULE

The Municipality does not have any operational entities.

VOLUME II

APPENDIX J – DISCLOSURES OF FINANCIAL INTERESTS

Note: Information is not available for the 2011/12 financial year.

Contents

APPENDIX K: REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE

APPENDIX K (i): REVENUE COLLECTION PERFORMANCE BY VOTE

Table 127: Revenue Collection by Vote

Revenue Collection Performance by Vote						
R' 000						
Vote Description	2010/11	2011/12			2011/12 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget %	Adjustments Budget %
Example 1 - Vote 1						
Example 2 - Vote 2		20	20	-		
Example 3 - Vote 3	2 943	3 177	3 177	5 167		
Example 4 - Vote 4	74 328	44 415	44 415	93 550		
Example 5 - Vote 5	205 674	259 237	259 237	243 976		
Example 6 - Vote 6	149 422	160 488	160 488	160 261		
Example 7 - Vote 7						
Example 8 - Vote 8						
Example 9 - Vote 9						
Example 10 - Vote 10						
Example 11 - Vote 11						
Example 12 - Vote 12						
Example 13 - Vote 13						
Example 14 - Vote 14						
Example 15 - Vote 15						
Total Revenue by Vote	432 367	467 337	467 337	502 954	-	-

Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.
This table is aligned to MBRR table A3

T K.1

Contents

APPENDIX K (ii): REVENUE COLLECTION PERFORMANCE BY SOURCE

Table 128: Revenue Collection by Source

Description	2010/11	2011/12 Medium Term Revenue & Expenditure Framework				
R thousand	Budget Year	Actual 2010/11	Budget 2011/12	Year	Actual 2011/12	Adjustment
Revenue By Source						
Property rates	35 252	26 669	36 105		30165	
Service charges - electricity revenue	142 927	141 026	186 504		174 052	
Service charges - water revenue	39 121	21 372	54 197		28 630	
Service charges - sanitation revenue	11 916	6 392	16 053		7 834	
Service charges - refuse	8 833	5 233	9 813		5 584	
Rental of facilities and equipment	3 380		4 022			
Interest earned - external investments	5 308		100			
Interest earned - outstanding debtors	579	1 753	5 000		1 441	
Dividends received	6	5	50		14	
Fines	976	975	947		894	
Agency services						
Transfers recognized	166 857	166 857	147 421		147 421	
Other revenue	7 014	3 822	11 125		3 275	
Gains on disposal of PPE						
Total Revenue	422 183	351 758	471 337		399 310	

APPENDIX L: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

Contents

Table 129: Conditional Grants: excluding MIG

Conditional Grants: excluding MIG						
						R' 000
Details	Budget	Adjustments	Actual	Variance		Major conditions applied by donor (continue below if necessary)
		Budget		Budget	Adjustments	
				%	Budget	
					%	
Neighbourhood Development Partnership Grant						
Public Transport Infrastructure and Systems Grant						
Other Specify:						
Integrated National Electrification Programme	3 360 000	5 400 000	5 400 000	38%	0%	
Rehabilitation of Sewer Network (DWA)	501 600	501 600	501 600	0%	0%	
FMG	1 450 000	1 450 000	1 450 000	0%	0%	
MSIG	790 000	790 000	790 000	0%	0%	
EPWP	1 295 000	1 295 000	1 295 000	0%	0%	
DBSA Grant		2 700 000	2 700 000	100%	0%	
Total	7 396 600	12 136 600	12 136 600	100%	0%	
<p>* This includes Neighbourhood Development Partnership Grant, Public Transport Infrastructure and Systems Grant and any other grant excluding Municipal Infrastructure Grant (MIG) which is dealt with in the main report, see T 5.8.3. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. Obtain a list of grants from national and provincial government.</p>						T L

COMMENT ON CONDITIONAL GRANTS EXCLUDING MIG:

Delete Directive note once comment is completed – Use this box to provide additional information on grant benefits or conditions and reasons for acceptance.

T L.1

Contents

APPENDIX M: CAPITAL EXPENDITURE – NEW & UPGRADE/RENEWAL PROGRAMMES

APPENDIX M (i): CAPITAL EXPENDITURE - NEW ASSETS PROGRAMME

Note: Information not available for the 2011/12 financial year.

Contents

APPENDIX M (ii): CAPITAL EXPENDITURE – UPGRADE/RENEWAL PROGRAMME

Note: Information not available for the 2011/12 financial year.

Contents

APPENDIX N – CAPITAL PROGRAMME BY PROJECT 2011/12

Note: Information not available for the 2011/12 financial year.

Contents

APPENDIX O – CAPITAL PROGRAMME BY PROJECT BY WARD 2011/12

Note: Information not available for the 2011/12 financial year.

Contents

APPENDIX P – SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINICS

Note: Information not available for the 2011/12 financial year.

Contents

APPENDIX Q – SERVICE BACKLOGS EXPERIENCED BY THE COMMUNITY WHERE ANOTHER SPHERE OF GOVERNMENT IS RESPONSIBLE FOR SERVICE PROVISION

Note: Information not available for the 2011/12 financial year.

Contents

APPENDIX R – DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY

Note: No loans and grants were made by the municipality during 2011/12

Contents

APPENDIX S – NATIONAL AND PROVINCIAL OUTCOMES FOR LOCAL GOVERNMENT

Note: Information not available for the 2011/12 financial year.

Contents

VOLUME II: ANNUAL FINANCIAL STATEMENTS

Provide the Annual Financial Statements (AFS) to the respective financial year as submitted to the Auditor-General. The completed AFS will be Volume II of the Annual Report.