

MATJHABENG LOCAL MUNICIPALITY

ANNUAL REPORT

1 JULY 2010 - 30 JUNE 2011



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Chapter 1

INTRODUCTION

Foreword by the Executive Mayor

Acknowledgement by the Municipal Manager

Overview of the Municipality



Foreword By The Honorable Executive Mayor: Councilor Sebenzile Ngangelizwe

Needless to say that the Annual Report of any organization is a single most important measurement of performance and reporting. This report represents the same to Matjhabeng Local Municipality, as it reflects on and captures the activities of the municipality for the period 01 July 2010 to 30 June 2011.

The report is a result of a legal compliance, and in particular it is generated in terms of Section 121(1) of the Municipal Finance Management Act (MFMA) 56 of 2003, as well as Section 46 of the Municipal Systems Act which further requires municipalities to prepare a performance report for each financial year.

The purposes of this Annual Report are to provide:

- a record of the activities and accomplishments of the Matjhabeng Local Municipality;
- a report on the performance in service delivery and budget implementation; and to
- promote transparent accountability to the local communities.

As is required by law, the key areas of municipalities in any given year must find their expression and manifestation in well-crafted Integrated Development Plans (IDPs) as well as the Services Delivery and Budget Implementation Plans (SDBIPs).

The report is further meant to demonstrate the municipality's commitment to creating an environment conducive and enabling for making local government – a sphere closest to the citizenry and a face of service delivery – work better and do more for its customers.

The year under review was received with mixed feelings by all and sundry at the municipality. On one hand it is the year during which we had to deal with an unusually high number of unfortunate and untimely deaths involving very senior persons in both the political and administrative wings of the municipality.

It is also the year during which there was serious movement of the top political office bearers between our municipality and the Lejweleputswa District Municipality. As if this movement was not enough, its second phase came with the successful holding of the local government elections which also had its own impact on the municipality.

The most changes were experienced and felt at the political wing. The municipality got a new Executive Mayor; Speaker; Ward and PR Councilors; as well as members of the Mayoral Committee (see subsequent sections of the report)

All of the above, and many other variables not mentioned here, did affect the municipality in some ways. However, some significant progress was made during the year regardless, and in particular in intensifying efforts aimed at improving the quality of life of the citizens of Matjhabeng.

Amongst those worthy of mention is Operation Coca which not only galvanized various municipal business units into action, but also contributed immensely in keeping the six municipal towns clean and tidy. A number of jobs were created as a direct result of Operation Coca, thus contributing in a small but meaningful way to the call by the State President to reduce unemployment.

Like many municipalities in the world in general, and South Africa in particular, our municipality confronts significant challenges relating to unemployment; economic development; as well as the provision of basic services such as water, sanitation, electricity, housing, health services, education, safety and social development.

Nevertheless, there was significant and measurable positive progress made. These achievements are a reflection of teamwork and the invaluable contributions of many parties. In this regard, I would like to thank the Mayoral Committee; Councilors; the Municipal Manager and his Executive Team; staff in general; the Speaker; the many political parties represented in Council; our varied stakeholders; and the general public.

Moving into the future it will be very critical for the municipality to focus on filling vacant critical positions, especially that of the Municipal Manager and other Section Fifty-Six employees. Further, as the municipality does not have a good track record of collecting funds owed, it will be important to improve our collection rates.

We must also focus our energies in pumping life into the municipality's recently adopted new vision, namely, Vision 2030. This is a vision whose primary objective is to deliver Matjhabeng Local Municipality as Free State's second metropol.

Our ultimate goal is to ensure deepened democracy and accountability in fulfilling our legislative mandate of ensuring the provision of quality services, development and poverty alleviation and eradication. We have deepened the thrust and impact of our existing policies and developmental programmes directed at accelerating services delivery and facilitate the effective implementation of government's programmes on social and economic transformation.

In conclusion, let me hasten to say for as long as I remain at the helm of this municipality, I, together with my teams in both the political and administrative wings, will ensure the municipality remain steadfast in its resolve to work tirelessly to overcome whatever challenges facing us, and to work together in a single approach to speed up quality services to our communities.

As we approach the new year, I wish all political parties constituting our beloved Council; fellow Councilors; staff; all key stakeholders in and around the municipality; and most importantly, the people of Matjhabeng, well.

All of them are challenged not to forget their contract and partnership with our municipality. They are all reminded that they have a responsibility to pay for services rendered.

I thank you all!



Message By The Municipal Manager:

Mr German Ramathebane

The calendar year 2010 – 2011 has come and gone. As Matjhabeng Local Municipality we are afforded with yet another opportunity to present a synopsis of our performance during the year in question. This report has been drafted in conformance to Section 46 of the Municipal Systems Act No 32 of 2000 and Municipal Finance Management Act, and attempts to reflect as accurately as humanly possible on the performance of the municipality during the year under review.

As per the provisions of applicable laws, the priorities for the 2010 – 2011 are captured and reflected in the municipal Integrated Development Plan and Service Delivery and Budget Implementation Plan under the five key performance areas, namely:

- Municipal Institutional Development and Transformation;
- Local Economic Development;
- Good Governance and Public Participation;
- Basic Service Delivery; and
- Municipal Financial Viability and Management

One can indeed say that we have achieved a great deal during the period under review. Through the support of our devoted communities; Councilors; primary interest groups; and loyal officials, we continued to work towards the realization of a better life for all our people.

Like in previous years, the municipality is still on course towards achieving its original stated goals and objectives. As the Honorable Executive Mayor has indicated, a foundation has been laid to take the municipality through to the next level. In particular, this will be achieved through the embrace and successful implementation of Vision 2030 and the City Development Strategy which are geared to delivering the municipality as a second metropol in the province.

In moving forward, the importance of Vision 2030 and City Development Strategy cannot be overemphasized enough here. The vision and strategy will guide all Council decisions; resources mobilization, allocation and usage; as well as operational management with the aim of realizing a better quality of life for the citizens of Matjhabeng.

In addressing the question of how the future City of Matjhabeng should look like, some strategic choices would have to be made and I have no doubt these must be organized into the following thirteen (13) strategic sectors, namely:

- | | |
|------------------------|----------------------------------------------|
| • Economic Development | • Transport |
| • Human Development | • Health |
| • Environment | • Finance |
| • Safety | • Governance |
| • Human Settlement | • Corporate Services |
| • Infrastructure | • Institutions and institutional development |
| • Spatial Development | |

But the picture is not all-glossy, and this we acknowledge. The municipality is still faced with huge challenges related to revenue collection; uneven service delivery; unstable cash-flow; and our inability to recruit and retain competent personnel, amongst others. The latter is reflected by a number of vacant critical posts and/or persons who operate in acting capacities.

Further, there is a worrying policy gap in terms of making the municipality's Integrated Development Plan credible. This gap becomes clear when one observes that important policies such as the Spatial Development Framework and Local Economic Development Strategy are conspicuous by their absence and/or scatchy nature.

This will require of us to invest all of our energies in making sure not only the aforesaid gap is plugged in, but to also inculcate and cascade a culture of performance management across the entire municipality. In the coming year, there are signs in the horizon that performance management is going to be auditable, thus placing firmly on our agenda its importance.

I wish to conclude by expressing my appreciation of the role played by both the political office and colleagues in the administration in not only focusing the municipality on its core business during the year under review, but also in consolidating the gains that have been made by my predecessors over the years.

I have no doubt Matjhabeng Local Municipality has potential and willingness to achieve not only the targets as shall be set in subsequent IDPs and SDBIPs, but most significantly the results expected out of Vision 2030. I am confident that together, working as true social partners, we will be able to achieve more.

I thank you all!

1.3 Vision

To be a benchmark developmental municipality in service delivery excellence.

1.4 Mission

- By being a united, non racial, non sexist, transparent, responsible municipality.
- By providing municipal services in an economic, efficient and effective way.
- By promoting a self-reliant community through the promotion of a culture of entrepreneurship.
- By creating a conducive environment for growth and development

1.5 Political Office Bearers

The municipality consists of thirteen political office bearers from the side of the ruling political party, and these are the:



The Executive Mayor
Cllr S Ngangalizwe



The Speaker
Cllr C Stofile



The Council of Chief Whip
Cllr MJ Sephiri

1.6 Overview Of The Municipality

Matjhabeng Local Municipality (herein referred to as MLM) is a Category B Municipality established in terms of Section 12 of the Municipal Structures Act (117 of 1998). The municipality encapsulates an area of 514.4 km² which consists of Welkom, Odendaalsrus, Allanridge, Hennenman, Virginia and Ventersburg.

The municipality is both rural and urban, with the former comprising an area of approximately 2500 farms of varying sizes and economic activities. Welkom is the municipality's primary economical node, whilst the remaining towns are secondary nodes.

Members of Mayoral Committee



MMC Policy & Monitoring
Cllr S Ngangalizwe



MMC Community Services
Cllr D Kotzee



MMC LED & Planning
Cllr ME Lande



MMC Finance
Cllr MA Mbana



MMC Technical Services
Cllr MK Menyatso



MMC Community Services
Cllr MSE Mfebe



MMC ML Radebe
Cllr ML Radebe



MMC Public Safety
Cllr NW Speelman



MMC Human Settlement
Cllr FE Taliwe



MMC Special Programmes
Cllr ML Tlhono

1.6.1 Structure

Overall, the MLM comprises seventy-two (72) Councilors, with a breakdown of an equal number of both elected and proportional representatives, namely, thirty-six (36) each. MLM reflects typical Executive Mayoral and Ward Participatory Systems. The Executive Mayor is the Executive Head of Council, and is supported by a fully-fledged and constituted Mayoral Committee. Council is the supreme authority.

1.6.1.1 Proportional Representation (PR) Councilors



Cllr Banyane



Cllr Beneke



Cllr Chaka



Cllr Fanie



Cllr Fourie



Cllr Mafa



Cllr Mafongosi



Cllr Marias



Cllr Matlabe



Cllr Matlebe



Cllr May



Cllr Mholo



Cllr Mkhuzane



Cllr Mlangeni



Cllr Mokoteli



Cllr Molefi



Cllr Motshabi



Cllr Ntsebeng



Cllr Petleki



Cllr Radebe



Cllr Rubulana



Cllr Styger



Cllr Taljaard



Cllr Thoabala



Cllr Tsubane



Cllr Vanga

1.6.1.2 Ward Counsilors



Cllr Mabote



Cllr Tsubela



Cllr Mothege



Cllr Molelekoa



Cllr Molelekoa



Cllr Molete



Cllr Monjovo



Cllr Masienyane



Cllr Smit



Cllr Morris



Cllr Tlake



Cllr Thelingoane



Cllr Mosala



Cllr Ntlele



Cllr Mokausi



Cllr Makgowe



Cllr Mbambo



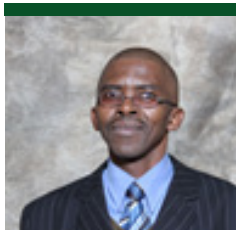
Cllr Molupe



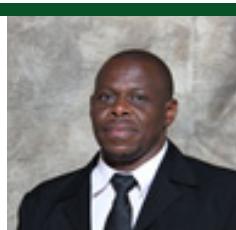
Cllr Phetise



Cllr Sifatya



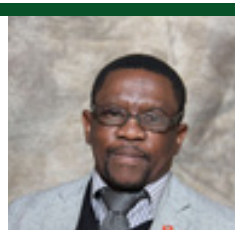
Cllr Dali



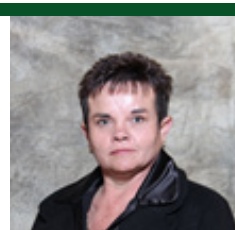
Cllr Mphikeleli



Cllr Qweshu



Cllr Tsatsa



Cllr De Villiers



Cllr Madumise



Cllr Thateng



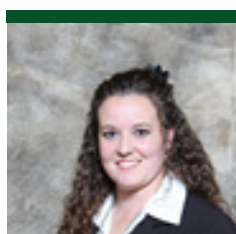
Cllr Mokhomu



Cllr Van Schalkwyk



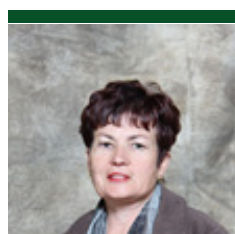
Cllr Meyer



Cllr Naude



Cllr Riet



Cllr Van Rooyen

1.6.2. Population And Demographics

The total population of Matjhabeng Local Municipality is estimated to be in the region of four hundred and eight thousand and one hundred and seventy (408 170) in terms of the housing IDP report. This figure is calculated based on the official 2001 Census. The population can be broken down as follows:

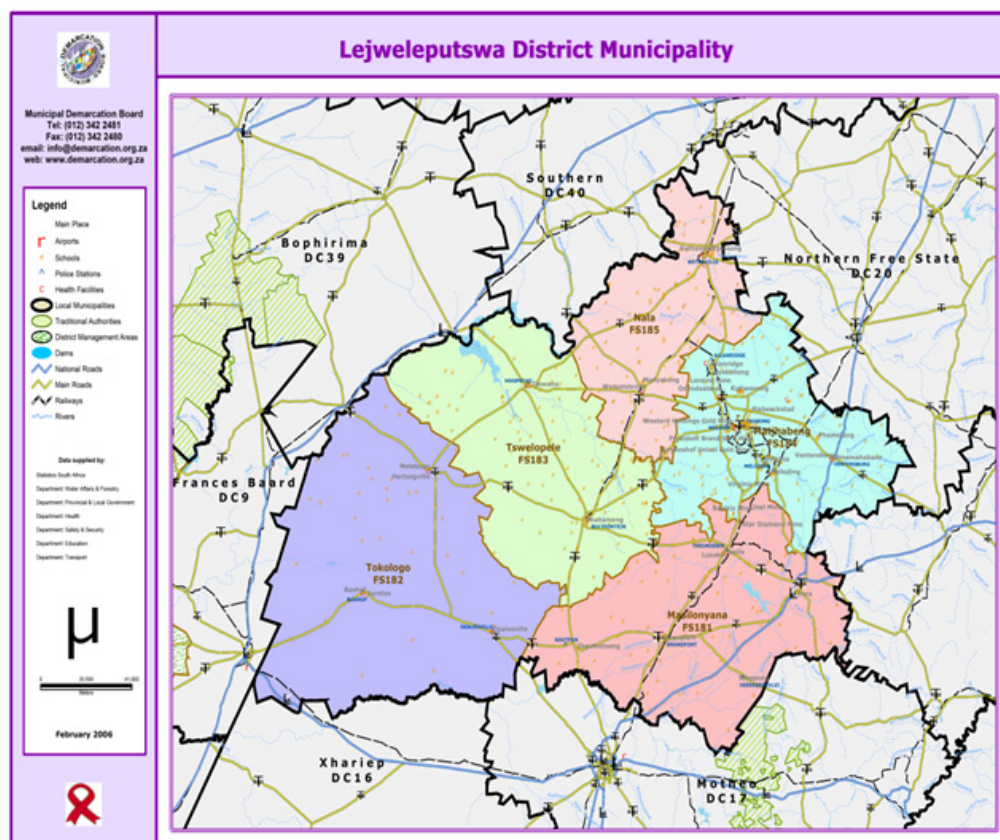
Population	Number of Houses	
Allanridge	465	1823
Nyakallong	4834	16842
Hennenman	1118	2926
Phomolong	4591	18145
Odendaalsrus	3052	8654
Kutlwanong	12735	58964
Ventersburg	393	1063
Mmamahabane	2521	9079
Virginia	8217	21189
Meloding	18883	73643
Welkom	21750	56550
Thabong	28003	139292
Total	106562	

Source: Statistics South Africa

The rural areas of Matjhabeng Local Municipality are made up of two thousand and five hundred (2 500) farms of varying sizes and economic activities. The municipality consists of thirty-six (36) wards, and is part of Lejweleputswa District Municipality.

The following diagram is the map indicating the area of Lejweleputswa District Municipality boundaries.

Map 1: Boundaries of Lejweleputswa District Municipality



1.6.3 LEGISLATIVE MANDATE

- Matjhabeng Local Municipality derives its mandate from the following pieces of legislation:
- The Constitution of the Republic of South Africa 1996
- Public Finance Management Act No. 1 of 1999
- Upgrading of Land Tenure Rights Act No. 112 of 1991
- The Housing Act. 107 of 1997
- Prevention of Illegal Eviction from and Unlawful Occupation of Land Act of 1998
- The Housing Consumers Protection Measures Act of 1998
- The Rental Housing Act of 1999
- Home Loan and Mortgage Disclosure Act of 2000
- Subdivision of Agriculture Land Act.70 of 1970
- The Development Facilitation Act No. 67 of 1995
- The Townships Ordinance No. 9 of 1969
- The Less Formal Township Establishment Act No. 113 of 1991
- The Physical Planning Act No. 125 of 1991
- Municipal Systems Act of 2000
- Municipal Demarcation Act of 1998
- Municipal Structures Act No. 117 of 1998 as amended in 1999 and 2000
- White Paper on Local Government of 1998
- Disaster Management Act 57 of 2003
- Fire Brigade Act No. 99 of 1987
- National Veld and Forestry Act No. 101 of 1998
- The National Environmental Management Act Of 1999
- Traditional Leadership and Governance Framework Act No. 42 of 2003
- National Spatial Development Perspective (NSDP)

Chapter 2

PERFORMANCE HIGHLIGHTS

2.1 INFRASTRUCTURE/TECHNICAL SERVICES

2.1.1 Introduction

The Directorate primarily provides the services to the residents and other consumers within the area of jurisdiction. These are Electricity, Water, Waste Water, Roads Maintenance, Engineering Planning and Storm water maintenance. The efficient and cost effective delivery of these services is key within this section of MLM.

The municipality managed to keep the continuous supply of these services to within acceptable levels. The growth in demand for the services has seen MLM being stretched on the resources to provide. Our waste water treatment plants are under severe pressure due to vandalism, old age and lack of proper maintenance. Projects to upgrade these were started with funding assistance from National Government.

The provision of water has been supplied continuously and was also extended to new areas. Electrification of households was extended with additional 98 new connections to be in line with the goals of universal access by end 2013.

The maintenance budget was increased by 8% to about R159 million on maintenance of all infrastructure. Of this total amount, R36 million was spent during the financial year. Of the key challenges of the Directorate water losses contributed significantly. Total water losses are still at about 50% for all none-revenue water.

2.1.2 Electrical Engineering Services

MLM is the Licensed Electrical Supply Authority in the, Allanridge, Odendaalsrus, Welkom, Virginia, Hennenman, Venters-burg and Bronville towns. The other towns in MLM Area are residing under the Eskom Licensing Areas. MLM electricity consumer base constitutes Domestic users, commercial and manufacturing users.

Consumer Profile and usage is spread indicated as per pie charts as follows:

CONSUMER CATEGORY	NO. OF CONSUMERS	MWH
Domestic	29439	212595
Manufacturing	197	129 903
Commercial	2326	63 118
Own use streetlights or sold to other Departments	50	3 156
Total	32012	408772

Table 1

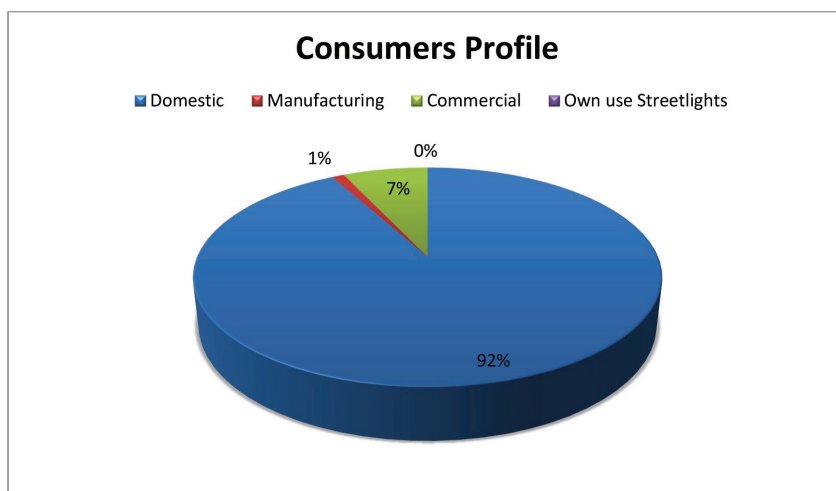


Figure 2: MLM Consumption per Consumer Profile

MWH Consumer Consumptions

■ Domestic ■ Manufacturing ■ Commercial ■ Own use Streetlights

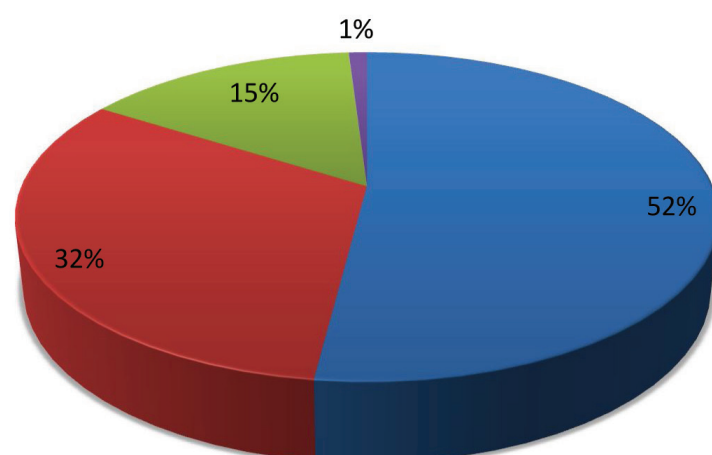


Figure 3: MLM Consumption of the year

2.1.2.1 Growth

2.1.2.1.1 Electrical Consumption

The electrical consumption for MLM Licensing Area as per kWh consumption (See Figure 2.4) for the past five (5) years can be depicted as follows:

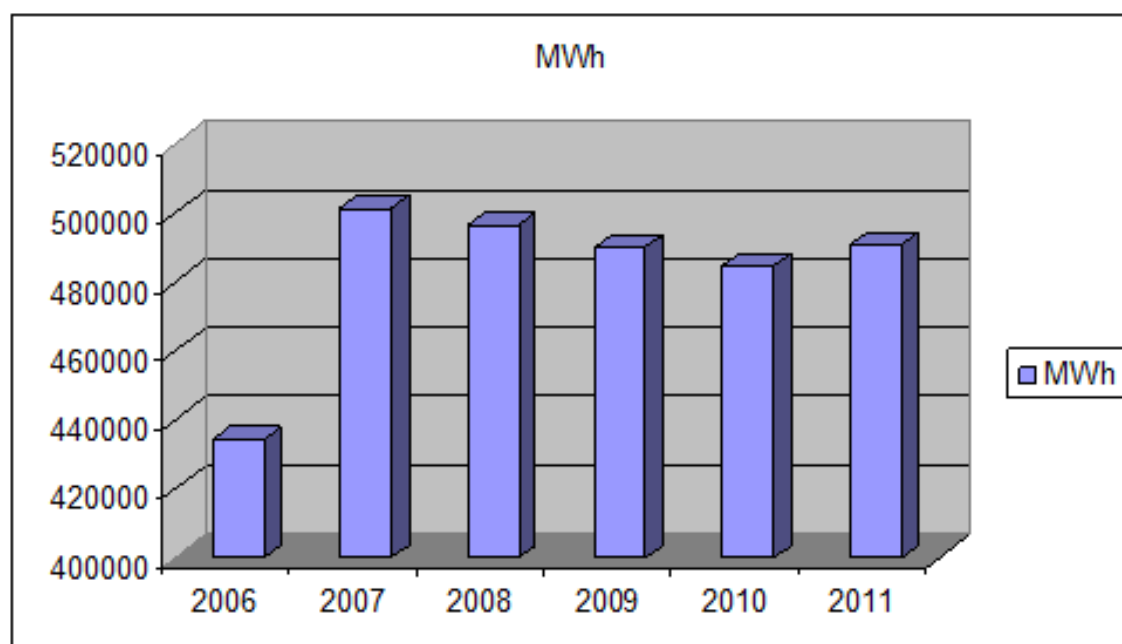


Figure 4: Electrical Consumption

It can clearly be seen that there was a gradual decline for the last five years. This increased in the 2010/11 financial year. A number of factors can be attributed to this trend, in the main the contribution of new developments such as the new Goldfields Mall, Tiger Milling, The Strip, etc.

2.1.2.2. Project Highlights

- In the 2010/2011 Financial Year there were funding received for the following Electrical Capital Projects:
- Provision and installation of twelve (12) high masts in the Thabong, Kutlwanong and Nyakallong areas.
- The following capital projects were managed during this period.
- Bronville X15 & X9 Electrification Project Phase 3 (115 stands)
- Welkom CBD Medium Voltage Network Upgrading

2.1.2.3. Electrification Backlogs:

The estimated electrification backlogs for MLM Areas can be depicted as follows:

Town	Estimate formal stands without Electrical Connections: MLM Licensing Area	Estimate formal stands without Electrical Connection: Eskom LicenArea
Bronville	400	0
Thabong	83	4
Kutlwanong	0	950
Meloding	0	1
Mmamahabane	0	360
Phomolong	0	100
Total	483	7 437

Table 2

NB: The areas above include Eskom supply, with the exception of Bronville.

2.1.2.4 Operations

2.1.2.4.1 Electrical Network Status

Due to the aging of the MLM Electrical networks and equipment there are a high frequency of maintenance actions that have to be executed. To ensure that a safe, effective and efficient electricity supply is sustained to the MLM Community, it is imperative that these networks and equipment be maintained and upgraded as matter of urgency.

2.1.2.4.2 Service Delivery Actions

Sixty percent (60 %) of the controllable electrical load of the electrical distribution area was managed and controlled.

No capital projects were managed during this period.

Electrical Distribution.

- Service and maintain 593 substation
- Provided and installed 742 electrical meters
- Provided and installed 1215 electrical connections
- Conducted 112 permanent disconnection
- Processing of 208 Electrical Tampering incidents
- Attended to 4304 electrical breakdown situations

2.1.2.4.3 Revenue Protection

During the year under review consumers were cut off due to non-payment of their accounts the Financial Department was championing the process. Tampering of electrical meters that was discovered amounted to 208 out of 766 the inspections conducted.

2.1.2.4.4 Network Losses

Revenue protection actions were strictly implemented to ensure that losses that occur due to theft and non- payment of service were controlled. To ensure that electrical losses due to by-passing and theft were eradicated, Revenue Protection actions were intensified.

2.1.2.4.5 Quality of Electrical Services

Electricity supply is received from Eskom through 12 bulk intake points. It is strictly managed to ensure that the Electrical Energy Supply to comply to the NRS 047 and 048 regulations in terms of the National Electrical Regulator of South Africa (NERSA) licensing. The continuity of supply was maintained within these compliance requirements.

2.1.2.4.6 Street Lighting

The MLM provided a Public and Street Lighting Service in all the areas within its jurisdiction. These constitute twelve areas in total at a cost of R7,134 million

The following maintenance actions were conducted in the twelve (12) units:

- High mast lights maintained = 366
- Street lights maintained = 4791

2.1.2.4.7 Growth

2.1.2.4.7.1 Project Highlights

In the 2010/2011 financial year the following projects were embarked upon:

- Twelve (12) high mast lights were provided and installed in the Kutlwanong and Thabong Municipal Areas.

2.1.2.4.7.2 Public Lighting Backlogs

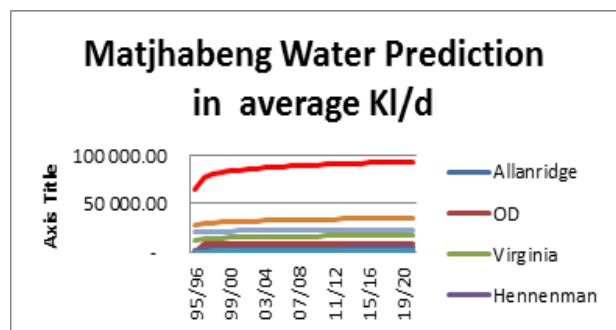
Estimated public lighting backlog per Town

Towns	No. of high mast lights	
Meloding	17	
Thabong	29	
Bronville	5	
Hani Park	7	
Kutlwanong	6	
Nyakallong	2	
Phomolong	10	
Mmamahabane	6	
Total	87	

2.2 WATER SERVICES

2.2.1 Networks

MLM water network comprises a total of 1 570 kilometres of pipeline. Asbestos cement pipes form about twenty-six percent (26%) of the total network. Over a third of this infrastructure is older than 40 years and requires refurbishing.



2.12.2.1.1 Water Unaccounted for:

This effect is largely attributed to leakages, faulty meters and unmetered connections. Water Unaccounted for was estimated at 50%. During the 2010/11 financial year, 36 172 mega litres of water were purchased.

The graph of water predictions clearly indicate that Water Demand Management and conservation strategies are inevitable realities, and need to be implemented as a matter of urgency.

Water loss:

MLM experiences most of its water losses due to leakages as a result of old infrastructure, frequent bursting of asbestos cement and steel pipes as well as water theft.

The Department of Water Affairs and Forestry has committed to exercise incentive-based regulation. The method will award towns with a blue/green drop status if they are compliant with drinking water and waste water legislation and other related requirements as specified.

MLM, being a Water Service Authority and Sedibeng Water Board, the Water Service Provider are obliged to ensure that the drinking water in the area meets the criteria for Blue drop certification. The work of the task team is continuing to ensure the improvement of water quality and running of the water business.

The quality of the potable water received from Sedibeng Water meets the standards as required.

2.2.2 Area Of Supply

MLM supply water to approximately 85 000 formal stands and 5 700 informal households. To accomplish this, a network of approximately 1570 kilometres needs to be maintained. The network was installed over a period of 60 years. The asbestos and steel pipes are the oldest and are causing the greatest challenges in maintaining the network. 80% of all the water pipe breakages are experienced in areas where old infrastructure is still installed. MLM should embarked on a programme to replace old networks, which will help curb water losses. Due to financial limitations this will be phased over the next few years.

2.2.3 Consumer Base

MLM supply water to all formal towns and townships in its area of jurisdiction (Welkom, Virginia, Odendaalsrus, Allanridge, Hennenman, Ventersburg, Thabong, Meloding, Kutlwanoong, Nyakallong, Phomolong and Mmamahabane. These areas comprise of residential, business and industrial users that are serviced. In the table to the right the different summarized.

Zoning	Current User
Business	1629
Education	281
Government	98
Industrial	993
Institutional	488
Residential	79 652
Total	83 081

The mines and farms are excluded from receiving this service, although MLM is in the process of starting to supply water to some mine villages.

2.2.4 Growth

During the 2010/11 financial year, MLM purchased thirty-six thousand one hundred and seventy-two (36 172) Ml of water from Sedibeng Water. In relation to previous years, see attached graph, this contributes to an increase of fourteen percent (14%) over five (5) years or 5.4% per annum. This increase is mostly due to development of new areas and the effect of bucket eradication on water usage. It can however also be related to deterioration of the network condition and faulty water meters.

Area	no. stands
Kutlwanoong	216
Meloding	63
Meloding	36
Meloding	255

2.2.5 Backlogs

Currently there are approximately five thousand seven hundred (5 700) informal settlers. According to National guidelines all informal settlements must be eradicated by 2014. This means that MLM has to create serviced stands to accommodate this backlog. The water backlog mainly exists in the areas where new stands were created and households formalized.

2.2.6 Operations

About thirty-five percent (35%) of the water networks in MLM are older than forty (40) years. These networks were mainly constructed with asbestos-cement and steel/cast iron pipes. This contributes to about four hundred and sixty-four (464) km of pipe networks that should be upgraded. During the past year, four thousand three hundred and sixty-six (4 366) water leaks had to be repaired, mainly on these older lines.

The water-loss percentage is a matter of grave concern in MLM. Due to low payment rates MLM had to disconnect five thousand three hundred and four (5 304) users from the network. Of these disconnections, only one thousand and eight hundred and twenty-four (1 824) (34%) were reconnected again. Disconnections and reconnections negatively impact on the condition of the network, as leaks occur due to these actions and place an extra burden on the plumber's task list.

The low percentage of reconnections might also be an indication of illegal reconnections and resultant theft that occurs in this service. It was found that numerous end users constructed by-pass water connections at their residences. This also contributes to the high water-loss figures.

It is a known fact that the accuracy of water meters decline the older it gets. Faulty meters results in faulty billing, which leads to conflict between end users and officials of MLM. Therefore six thousand seven hundred and forty-nine (6 749) meters were repairs/replaced during the financial year. MLM therefore committed itself to have all water meters replaced to ensure that billing is done accurately. End users will then have no excuse not to pay for the service received.

2.2.7 Water Quality

MLM receives via a closed water system water from Sedibeng Water, who purifies it to DWAF standards. The only impact on water quality that the Municipality might have is within the Municipalities water network. Water monitoring was done on a regular basis and the water quality did comply.

2.2.8 Waste Water (Sewerage)

2.2.8.1 Waster Water Treatment Plants And Pumpstations

MLM municipality has 11 sewer treatment plants and 47 sewer pump stations. The lack of sewerage containment has a serious environmental impact and also impacts directly on the health of the residents. MLM operates and maintains these treatment plants and pumping stations to keep them functioning continuously at acceptable standards. Sewer in the networks is contained in the pipe network and outflows of the works to conform to National Standards.

Two (2) of the waste water treatment plants are still under construction (Witpan and Odendaalsrus) and another two (2) are in the process to be refurbished, namely, those in Thabong and Theronia. During the 2010/11 MTEF period, the Kutlwanong inlet works was upgraded mainly to reduce sand from waste water and increase the efficiency of the plant. High theft of electrical cables causes frequent sewerage spillages at purification plants and pump stations. Damages done due to the electricity outages are very expensive. This crime needs national strategy to address fully.

2.2.8.2 Sewerage And Purified Effluent Networks

MLM has approximately eighty-five thousand (85 000) formal residential stands of which about two thousand (2000) does not have formal sewerage service. The current sewer network of one thousand four hundred and forty-seven (1 447) kilometres was maintained. The network was installed over a period of sixty (60) years. Clay pipes were mostly used on the smaller systems and concrete and other materials on the bigger or outfall systems.

MLM also maintains the purified effluent network that is utilized for the beautification of the towns and by local schools and sporting clubs. Some of this Purified effluent is used for industrial purposes at the mines.

2.2.8.3 Consumer Base

Residential, business and industrial consumers are serviced. MLM also receives waste water from some mine hostels and office

blocks. Rural farms receive this service on request.

2.2.8.4 Growth

Development projects were executed mainly in Thabong, Phomolong and Nyakallong areas to uplift the community. Networks and connections were constructed to about two thousand (2000) stands. Some of these projects are still under construction.

2.2.8.5 Backlogs

In formal areas such as Thabong Extension Thirteen (X13), Twenty-Ten (2010), Meloding and Kutlwanong K2, sewer networks should also be constructed. This amounts to about three thousand (3000) stands. Five thousand and seven hundred (5700) stands in informal areas still need to be serviced. This formalization is subject to township establishment.

2.2.8.6 Operations

Two types of clay pipes were used. It is therefore imperative that the pipes must be maintained regularly to prevent blockages. The misuse of the sewerage systems by residents added to the high number of the sewer blockages experienced. Total of two hundred and thirty-six (236) meters of sewer lines failed and had to be replaced. Total of nine thousand four hundred and eighty-six (9486) sewer blockages had to be attended to.

This placed a heavy burden on MLM's maintenance section and resources resulting in most resources spent unblocking sewer lines instead of doing preventive maintenance. An increasingly problematic phenomenon in the MLM's region is sand in the sewer systems, resulting in high cleaning costs. MLM embarked on health and hygiene training and awareness programs to protect these services.

2.3 Roads and Stormwater

2.3.1 Road Networks

MLM is responsible for the maintenance of one thousand six hundred and eighteen (1 618) km roads network. This comprises of nine hundred and seventy (970) km surfaced roads, one hundred and fifty (150) km gravel, and four hundred (400) km dirt roads. The roads functions differ from access roads giving direct access to stands to district distributor roads. Higher order roads in the region are provided through the Provincial Government and National (SANRAL).

Maintenance of gravel roads to farms is done by the Provincial Government. The road network is spread though-out all towns in the service area of MLM. Roads to farms and private roads of the mines are excluded from receiving this service.

2.3.1.2 Growth

Annually approximately two thousand (2000) stands are to be developed. To service an area with roads and storm-water more than doubles the cost in comparison to water and sewer costs combined. When new surfaced roads are constructed paving blocks on lower order roads are used to reduce maintenance and to increase job creation.

2.3.1.3 Backlogs

Backlogs in roads can be divided in two categories:

- Construction of new roads to upgrade service levels in areas. On this, a backlog five hundred and fifty (550) km of roads

needs to be constructed.

- Maintenance of existing roads and storm water: This backlog includes the maintenance of gravel roads that have to be bladed, storm-water problems that should be addressed and the patching of potholes, resealing and enriching of road surfaces to prolong the lifespan of the roads.

2.3.1.4 Operations

During the year twenty-five thousand seven hundred and forty square metres (25 740 m²) of potholes repairs were done. Road cleaning was done on one thousand eight hundred and sixty-five (1 865) km of roads. This maintenance mainly was done recurrently on main roads.

This was executed by contract workers and internal staff on labor intensive methods which was reported monthly for EPWP incentive grant. Maintenance on four hundred and twenty-three (423) km gravel roads was done.

2.4 PROJECT MANAGEMENT UNIT (PMU)

2.4.1 Introduction

The PMU unit has as its major function the effective management of the Capital Programme of the Municipality which include the MIG program; Accelerated Community Infrastructure programme from DWA; Operation Hlasela Programme from PWRT; the capital program funded from Municipal's own finances; as well as any funding for capital projects received from third parties.

The focus of the Municipal Infrastructure Grant is on addressing the backlog in the historically disadvantaged communities. The total bulk was directed at Mmamahabane, Phomolong, Meloding, Thabong, Hani Park, Bronville, Kutlwanong and Nyakallong – excluding the previously advantaged towns.

In 2010/2011, the total expended budget was R 135 945 788.81 against the allocated R 137 104 000.00. This budget was allocated to address the following main areas:

- Water and Sewer
- Roads and Storm Water
- Sports and Recreation Facilities
- Provision of a Regional Taxi Rank
- Electricity
- PMU administration

The above entailed the construction of new infrastructure and the rehabilitation of old infrastructure. This report will discuss all the above aspects in each town.

The budget distribution was as follows:

Water and sewer	R27 252 971.48 (20.05%)
Roads and Storm Water	R 84 765 890.51 (62.35%)
Sports and Recreation Facilities	R 14 812 258.59 (10.90%)
Provision of a Taxi rank	R 2 004 824.03 (1.47%)
Electricity	R 4 144 308.41 (3.05%)
PMU Administration	R 2 406 180.80 (1.77%)

2.4.2 Background

2.4.2.1 Overall Description Of The Programme:

The Municipal project management unit was established in 2003 and has been running for the last eight years now. Capital projects managed by the PMU are derived from and informed by the municipal Integrated Development Plan (IDP).

During the past three years – which include the year under review – the Matjhabeng Local Municipality's PMU has had R 351 132 989 allocated to it. The unit did not have a PMU Manager, Engineer or Technicians until April 2011. However, to make for the capacity challenges, a in-house consultancy firm was appointed to manage the PMU, and this firm is in place to date.

The 2009/2010 unspent amount of R 23 647 032.73 was rolled-over to the 2010/2011 financial year and has since been totally spent.

The process of project management includes the appointment of Professional Service Providers (PSP) through the Supply Chain Management (SCM) unit, the management of these service providers including project design and tendering and adjudication through the SCM and project monitoring for quality and performance.

2.4.2.2 Evaluation As Per The Practice Note

2.4.2.2.1 Progress To Date

Results-based management principles should be used as the underlying principles to evaluate interventions and outcomes:

	2008/2009	2009/2010	2010/2011
Approved Budget Amount	96 797 321.00	117 231 668.00	137 104 000.00
Transferred Amount	74 689 000.00	139 340 000.00	137 104 000.00
Spent Budget Amount	74 689 000.00	114 559 772.32	137 104 000.00
Difference	0.00	23 647 032.73	0.00

Implementation of the approved business plan was successful with 100% expenditure as indicated in the table above. In 2009/2010, there was a backlog in project registrations resulting in DoRA non-compliance and under- expenditure of R 23 647 032.73

2.4.2.2.2 Monitoring

Data is analyzed through reports from appointed consultants on each project, who in turn prepare monthly reports and hold monthly site meetings over and above their supervision site visits for performance requirements.

PMU management is responsible for analysis of the reports generated by the appointed service providers. Further, the unit is responsible for compiling the DoRA report (financial and non-financial). The key challenge the unit faces in respect of monitoring and reporting tasks is the late submission of data to the unit.

2.4.2.2.3 Results and Beneficiaries

The targeted outputs per project were reached, rendering services to the households targeted per project. There have not been any unforeseen outcomes and outputs or unforeseen beneficiaries.

2.4.2.2.4 Projects Funding

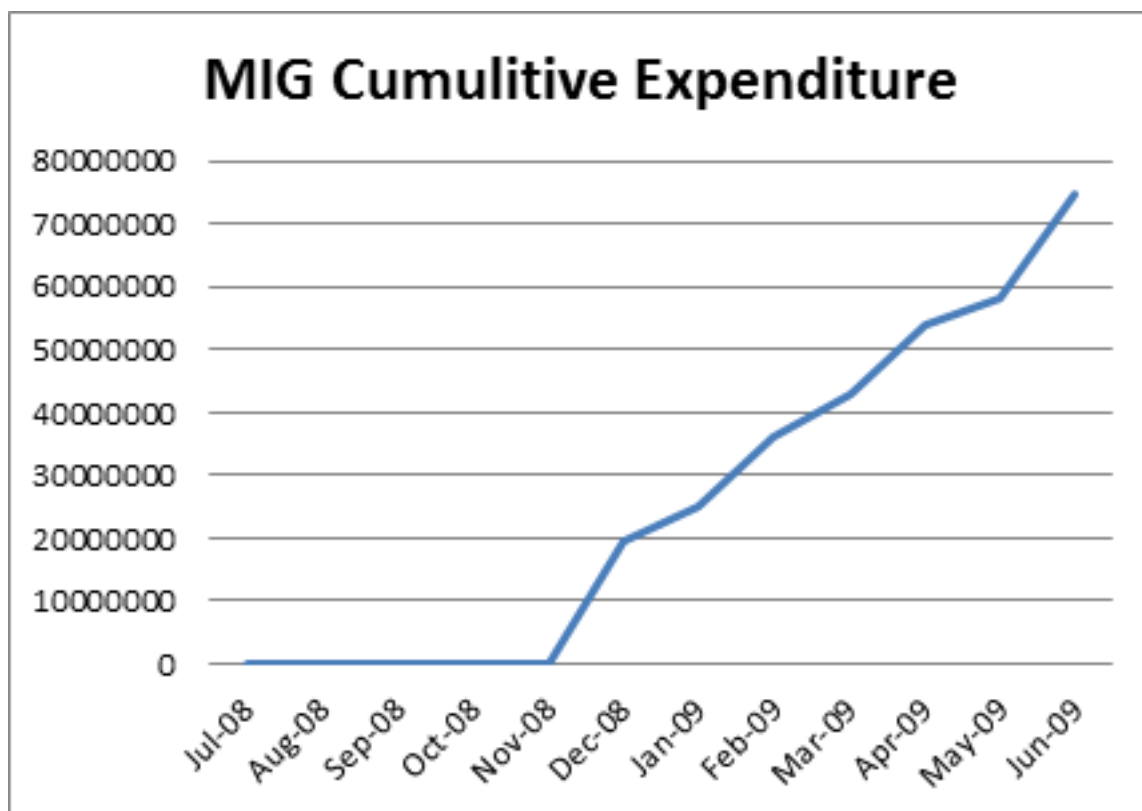
Capital projects were funded from the following recourses during the 2008/09 financial year.

2.4.2.2.4.1 Municipal Infrastructure Grant (MIG)

MIG 2008/09 financial year	R R74 689 000.00 (out of a budget allocation of R93m)
MIG 2009/10 financial year	R29 186 000.00 out of a total budget allocation of R120m
LOTTO	R500 000
Municipal Own Funding	R 28 634 663.39

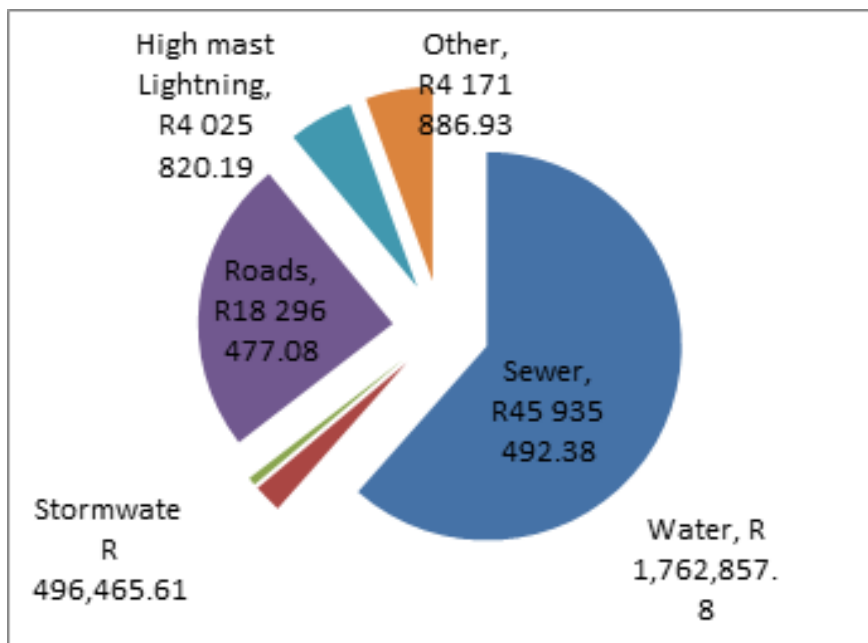
2.4.2.2.2 Monthly capital expenditure for the financial year was as follows:

Monthly MIG expenditure	
Month	MIG
Jul-08	R-
Aug-08	R-
Sep-08	R-
Oct-08	R-
Nov-08	R-
Dec-08	R19,669,357.83
Jan-09	R5,160,545.98
Feb-09	R11,191,862.77
Mar-09	R7,012,693.68
Apr-09	R11,078,884.58
May-09	R3,940,113.77
Jun-09	R16,635,541.39
Total	R74,689,000.00



In addition R28 634 663.39 was funded out of Municipal own funds and R500 000 was received from LOTTO. The functional allocation of capital investments were as follows:

Functional Area	Amount
Sewer	R45,935,492.38
Water	R1,762,857.81
Storm	R496,465.61
Roads	R18,296,477.08
High mast Lightning	R4,025,820.19
Other	R4,171,886.93
	R74,689,000.00



2.4.2.2.3 Challenges

The PMU is addressing the following key issues:

- Full staff complement
- Historic underperformance of MIG expenditure
- Lack of availability of Municipal finance for project counter funding
- Historic backlog in project reconciliations, quality control and full project completion.
- Lack of integrated project management system, as well as project recording system.
- Integration between PMU and Municipal Finance Department.
- Timeous appointment of service providers for execution of project execution.

2.4.2.2.4 Conclusion

The PMU programme is now improved and capacitated with management staff which will ensure that projects are completed within the specified time and budget. The main objective of the MIG grant is to address backlog in infrastructure for previously-disadvantaged communities, and slowly but surely, this is being achieved.

2.5 COMMUNITY SERVICES

The Directorate Community Services provides to the community a wide-range of facilities and services which enhance the quality of life of all the municipality's residents through dynamic, self reliance, partnership and community participation. It focuses on the following functions: Waste Management, Parks, Sport and Recreation.

2.5.1 Waste Management

The branch ensures that all solid waste generated in the municipality is stored collected, transported and disposed of in an efficient, effective and environmentally–acceptable manner. The implementation of by-laws brought visible paradigm shift in total implementation of National Environmental Management Act, namely, management of illegal dumping, greening and cleaning of open spaces (littering).

2.5.2 Removal Services

The targeted areas in Matjhabeng Municipality constitute five thousand seven hundred and twenty (5720) per annum. The Branch was able to service ninety-seven percent (97%) areas with targeted schedule and the remaining three percent (3%) areas were serviced beyond twenty-four (24) hours due to technical challenges e.g. undergoing service maintenance of vehicles.

Two thousand six hundred (2600) households were provided with two hundred litres (240l) Waste Bins, and ten (10) Compactor Trucks were procured to enhance refuse removal service in Matjhabeng Municipality.

2.5.3 Landfill Sites

The total tonnage for the entire Matjhabeng Local Municipality as per applicable categories is as follows:

Category	Weight	Percentage	Total Amount
01	4240	0.059%	R0.00
02	25857420	32.980%	R1 937 884.29
03	4385600	5.592%	R365 968.42
04	6671640	8.506%	R546 573.06
05	4771480	6.083%	R359 561.23
06	233200	0.297%	R18 711.75
07	21076000	26.872%	R228.84
08	5100	0.007%	R381.40
13	8559600	10.913%	R91.25
14	809040	1.032%	R61 375.66
16	30200	0.039%	R7 088.01
17	5976820	7.620%	R448 887.56
18	4440	0.006%	R0.00
19	27560	0.035%	R14 840.17
24	70180	0.090%	R7 347.68
	78403020	100.000%	R3 768 959.31

2.5.4 Environmental Management

The Municipality embarked on the clean and green project known as “OPERATION COCA”. The project is inclusive of all environmental orientated issues – management of open spaces, illegal dumping, roads, potholes, cutting of trees and grass, catch-pits, pavements and maintenance of parks. In order to enhance community out-reach program on environmental management, 150 notice boards for prohibiting illegal dumping were placed at hot spots areas.

2.5.5 Compliance of Waste Act (Act No. 59 of 2008)

The compilation of the integrated Waste Management Plan is not yet in place, but plans are afoot to have it finalized in March 2012.

2.5.6 Parks, Sport And Recreation

In its endeavors to cope with Environmental Legislation as part of compliance, the municipality resorted to the more effect and compact-like approach to address the existing environmental issues. The efforts to circumvent the prevailing conditions were carried out through procurement of tools of trade. Community Services' middle management was also involved in the in-service training for preparedness to execute required services.

2.5.7 Operation Coca

The Municipality procured the tractors to the value of R7.8 million and other relevant tools of trade. Manpower was also augmented by getting the service of community members on month to month basis of which one hundred and seventy-five (175) were brought on board.

2.5.8 Cutting Of Grass

The focal point was on the city's entrances, inter-town connecting roads and public open spaces. The distance of approximately one thousand five hundred (1500) km of city entrances and connecting roads was covered during the year under review. All public open spaces in Matjhabeng Local Municipality were cleared and cleaned in-as-much-as all twenty-five (25) new tractors were launched in Kutlwanong whereby the open spaces were cut to the satisfaction of the community. From Kutlwanong the program proceeded to Virginia with the same impact.

2.5.9 Cutting And Pruning Of Trees

During the 2010 – 2011 year, the sum total of one thousand seven hundred and twenty (1720) trees were pruned in Odendaalsrus, Allanridge, Welkom, Virginia and Hennenman, whereas eight hundred (800) trees were cut in Virginia. The area commonly referred to as Pink Palace in Riebeeckstad was de-bushed, while the areas behind Medi-Clinic, Junction of Koppie Alleen Road and Power Road in Welkom, and all parks strokes with trees, were cleared. This included the entrances of Ventersburg and Vals Supermarket in Virginia. Five hundred and thirty-three (533) new trees were planted as well in the process.

2.5.10 Township / Town Renewal Program

Nine (9) new flower beds were created whereby 72 rose plants were planted in Stateway in Welkom together with flower bulbs. The East Park was cleaned and brought back to its original state in the process.

2.5.11 Revamping Of Parks And Side-Walks

Most of the Parks were cleaned and grass was cut to habitable stage. In Meloding, a side-walk next to the road leading to Stilte Cemetery at Ward 6 have been planted with grass with the assistance of community members in the area. Virginia Gardens irrigation system was installed and water canon points were repaired and are currently fully operational.

The effluent water booster pumps were repaired and pump stations were successfully secured with concrete palisade fence. The irrigation system in Ward Fourteen (14) was installed.

2.5.12 Management Of Illegal Dumping

Using a special team, two thousand (2000) loads of illegal dumping were removed in all Wards constituting Matjhabeng Local Municipality. One hundred and fifty (150) Notice Boards on Prohibition of Illegal Dumping have been installed at critical areas across the length and breadth of the municipality.

2.5.13 Cleaning Of Streets

All internal road networks have been cleaned and this also includes storm-water canals in all Wards of Matjhabeng Local Municipality.

Chapter 3

HUMAN RESOURCES AND OTHER ORGANISATIONAL MANAGEMENT

3.1 Introduction

Human Resources must comply with the following legislation, policies and procedures:

3.1.1 Human Resource Legislation

- Constitution of the RSA (108/1996)
- Employment Equity Act (55/1998) and regulations
- Skills Development Act (97/1998) and regulations
- Skills Development Levies Act (9/1999) and regulations
- South African Qualifications Authority Act (58/1995)
- Occupational Health and Safety Act (85/1993 and regulations)
- Labor Relations Act (66/1995 and regulations)
- Basic Conditions of Employment Act (75/1997)
- Municipal Systems Act (32/2000)

3.1.2 Policies / Procedures:

- Study Assistance Scheme
- Employment Equity Policy and Plan
- Skills Development Policy
- Control Measures: Attendance of External Training Events
- Annual Workplace Skills Plan (WSP)
- Recruitment and Selection Policy
- Sexual Harassment Policy
- Induction Policy
- Promotion and Transfer Policy
- Policy for handling absenteeism/Desertion
- Employee Manual Policy
- Termination of service due to ill Health / Incapacity
- Termination of service due to Poor Work Performance

3.1.2 Policies / Procedures:

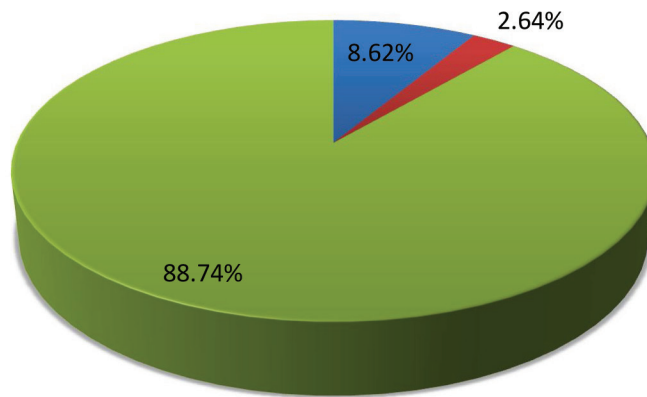
	Total	Percentage
The total municipal workforce as on 15/7/2011	2178	
Male employees	1502	69%
Female employees	676	31%
Black employees	1938	89%
Coloured employees	58	3%
White employees	182	8%

	Total	Percentage
Employment Contracts	2178	
Permanent employment contracts	1844	84%
Fixed term employment contracts	37	2%
Month-to-month employment contracts	297	14%

	Filled positions	Approved positions	Vacancies
Office of Councilors	33	38	5
Office of the Municipal Manager	25	52	27
Community Services (Admin)	17	15	-2
Community Services (Parks, Sport & Recreation)	435	721	286
Community Services (Waste Management)	386	495	109
Corporate Services	207	173	-34
Corporate Services (Health & Safety)	4	4	0
Corporate Services (HR)	13	18	5
Corporate Services (Training)	4	12	8
Economic and Spatial Planning	23	31	8
Finance	175	231	56
Housing	23	33	10
Information Communication Technology	11	10	-1
Integrated Development Plan	11	2	-9
Infrastructure (Electrical)	79	178	99
Infrastructure (Engineering)	395	1160	765
Internal Audit	7	12	5
Legal Services & Labor Relations	12	12	0
Public Safety & Transport (Fire Services)	96	101	5
Public Safety & Transport (Fleet Management)	22	29	7
Public Safety & Transport (Security)	105	235	130
Public Safety & Transport (Traffic)	95	123	28
TOTAL	2178	3685	1507

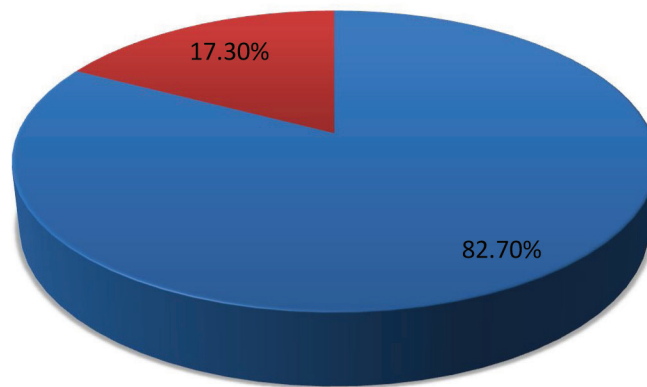
Employment Equity: Race

■ Black ■ Coloured ■ White



Employment Equity: Gender

■ Black ■ Coloured



Organizational Staff Benefits

3.3.1 Medical Funds (5):

- Hosmed Medical Fund
- LA Health Medical Scheme
- SAMWU med Medical Scheme
- Bonitas Medical Scheme
- Key Health Medical Scheme

3.3.2 Pension Funds (5):

- Free State Municipal Pension Fund
- Free State Municipal Provident Fund
- SALA Pension Fund
- National Fund for Municipal Workers
- SAMWU National Provident Fund

3.4 Organizational Structure

TOP STRUCTURE FOR MATJHABENG MUNICIPALITY AS AT 30 JUNE 2011

MUNICIPAL MANAGER
DIRECTORATE: STRATEGIG SUPPORT SERVICES
1 EXECUTIVE DIRECTOR: STRATEGY
DIRECTORATE: CORPORATE SUPPORT SERVICES.
1 ACTING EXECUTIVE DIRECTOR CORPORATE SUPPORT SERVICES
DIRECTORATE: FINANCIAL SERVICES
1 ACTING CHIEF FINANCIAL OFFICER
DIRECTORATE: SOCIAL SERVICES AND LAW ENFORCEMENT
1 EXECUTIVE DIRECTOR: SOCIAL SERVICES AND LAW ENFORCEMENT
DIRECTORATE: INFRA STRUCTURE/TECHNICAL SERVOCES
1 EXECUTIVE DIRECTOR: INFRA STRUCTURE/TECHNICAL SERVICES
ADMINISTRATION: OFFICE OF THE MUNKICIPAL MANAGER
1 SENIOR MANAGER: ADMINISTRATION
BRANCH: INTERNAL AUDIT
1 MANAGER: INTERNAL AUDITING
BRANCH: CONTRACTS
1 ACTING MANAGER: CONTRACTS

3.5 Staffing Levels As At 30 September 2011 (As Per Employment Equity Report)

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management	12			6	10						28
Senior management	11			8	5			2			26
Professionally qualified and experienced specialists and mid-management	20			33	8	1		5			67
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	319	26		60	148	14		65			632
Semi-skilled and discretionary decision making	290	8		1	44			3			346
Unskilled and defined decision making	499	4		2	246	2		2			755
Total Permanent	1151	38		11	461	17		77			1854
Temporary employees	235	2		1	140	2		5			385
GRAND TOTAL	1386	40		111	601	19		82			2239

3.8 Training Intervention

Office of Executive Mayor

OCCUPATIONAL CATEGORY	TRAINING COURSE	FEMALE			MALE			TOTAL ATTENDED	PROVIDER	TOTAL COST
		B	C	W	B	C	W			
EXECUTIVE MAYOR	CPMD – FM	0	0	0	0	0	0	0	WITS BUSINESS SCHOOL	R 45 000.00
	PERFORMANCE MANAGEMENT	1	0	0	0	0	0	1	VANTAGE TRAINING INSTITUTE	R 6 400
DIRECTORS & CORPORATE MANAGERS	CPMD – FM	0	0	0	1	0	0	1	WITS BUSINESS SCHOOL	R 45 000.00
	FUNDAMENTALS OF PROJECT MANAGEMENT	1	0	0	0	0	0	1	UNISA	R 6 800.00
CLERICAL & ADMINISTRATIVE WORKERS	COMPUTER TRAINING LEVEL 11	2	0	0	0	0	0	2	DAMELIN	R 8 600.00
	COMPUTER TRAINING LEVEL 1	0	0	0	1	0	0	1	DAMELIN	R 3 200.00
	TOTAL	4	0	0	2	0	0	7		R 115 000.00

Counsellors

OCCUPATIONAL CATEGORY	TRAINING COURSE	FEMALE			MALE			TOTAL ATTENDED	PROVIDER	TOTAL COST
		B	C	W	B	C	W			
LEGISLATORS	PERFORMANCE MANAGEMENT	4	0	0	24	0	0	28	VANTAGE TRAINING INSTITUTE	R 140 000.00
	CPMD – FM	4	0	0	0	5	0	9	WITS BUSINESS SCHOOL	R 125 000.00
	COMPUTER TRAINING LEVEL 1	4	0	0	0	30	0	34	DAMELIN	R 165 000.00
	COMPUTER TRAINING LEVEL 11	4	0	0	30	0	0	34	DAMELIN	R 180 000.00
	TOTAL	16	0	0	54	35	0	105		R 610 000.00

Office of the Speaker

OCCUPATIONAL CATEGORY	TRAINING COURSE	FEMALE			MALE			TOTAL ATTENDED	PROVIDER	TOTAL COST
		B	C	W	B	C	W			
CLERICAL & ADMINISTRATIVE WORKERS	FUNDAMENTALS OF PROJECT MANAGEMENT	1	0	0	1	0	0	2	UNISA	R 13 600.00
	BATHO PELE PRINCIPLES (CUSTOMER CARE)	2	0	0	1	0	0	3	INTERNAL	R 0.00
	TOTAL	3	0	0	2	0	0	5		R 13 600.00

Office of the Municipal Manager

OCCUPATIONAL CATEGORY	TRAINING COURSE	FEMALE			MALE			TOTAL ATTENDED	PROVIDER	TOTAL COST
		B	C	W	B	C	W			
DIRECTORS & CORPORATE MANAGERS (MM)		0	0	0	1	0	0	1	WITS BUSINESS SCHOOL	R 90 000.00
GENERAL MANAGERS (Unit)	CPMD – FM	1	0	0	1	0	0	2	VANTAGE TRAINING INSTITUTE	R 0.00
CLERICAL & ADMINISTRATIVE WORKERS	BATHO PELE PRINCIPLES (CUSTOMER CARE)	1	0	0	0	0	0	1	WITS BUSINESS SCHOOL	R 2 400.00
	SECRETARIAL ENRICHMENT	1	0	0	0	0	0	1		
LABOURERS (OD Unit: Cleansing)		0	0	0	0	0	0	0	DAMELIN	R 0.00
	TOTAL	3	0	0	2	0	0	5		R 92 400.00

IDP

OCCUPATIONAL CATEGORY	TRAINING COURSE	FEMALE			MALE			TOTAL ATTENDED	PROVIDER	TOTAL COST
		B	C	W	B	C	W			
DIRECTORS & CORPORATE MANAGERS	CPMD - FM	0	0	0	1	0	0	1	WITS BUSINESS SCHOOL	R 45 000.00
	PROJECT MANAGEMENT	0	0	0	1	0	0	1	EDGE TRAINING INSTITUTE	R 6 500.00
	TOTAL	0	0	0	2	0	0	2		R 51 500.00

Branch: Emergency Services

OCCUPATIONAL CATEGORY	TRAINING COURSE	FEMALE			MALE			TOTAL ATTENDED	PROVIDER	TOTAL COST
		B	C	W	B	C	W			
DIRECTORS & CORPORATE MANAGERS	DISCIPLINARY SKILLS	0	0	0	0	0	1	1	CBA TRAINING	R 2 200.00
COMMUNITY & PERSONAL SERVICE WORKERS	COMPUTER TRAINING LEVEL 1	10	0	0	3	0	1	13	TOSA FET COLLEGE	R 62 000.00
	TOTAL	10	0	0	3	0	2	15		R 64 200.00

Branch: Parks, Sport and Recreation

OCCUPATIONAL CATEGORY	TRAINING COURSE	FEMALE			MALE			TOTAL ATTENDED	PROVIDER	TOTAL COST
		B	C	W	B	C	W			
PROFESSIONALS	HEALTH & SAFETY REPRESENTATIVE	0	0	0	0	0	1	1	UNIQUE TRAINING SOLUTIONS	R 1 960.00
COMMUNITY & PERSONAL SERVICE WORKERS	COMPREHENSIVE SUPERVISORY SKILLS	4	0	1	10	0	0	15	ISCARIOTA TRAINING ACADEMY	R 22 500.00
	MONEY WISDOM	2	0	0	6		0	8	INTERNAL	R 0.00
	BATHO PELE PRINCIPLES	3	0		5		0	8	INTERNAL	
MACHINE OPERATORS & DRIVERS	THE WINNING SUPERVISOR	2	0	1	6	0	0	9	INTERNAL	R 0.00
LABOURERS	FINANCIAL LIFE SKILLS	12	0	0	8	0	18	30	INTERNAL	R 0.00
	TOTAL	23	0	2	35	0	19	71		R 24 460.00

Branch: Social Development

OCCUPATIONAL CATEGORY	TRAINING COURSE	FEMALE			MALE			TOTAL ATTENDED	PROVIDER	TOTAL COST
		B	C	W	B	C	W			
DIRECTORS & CORPORATE MANAGERS		0	0	0	1	0	0	0	-	R 0.00
CLERKS	THE WINNING SUPERVISOR	0	0	0	2	0	0	2	INTERNAL	R 0.00
SERVICE WORKERS	MONEY WISDOM	0	0	0	3	0	0	3	INTERNAL	R 0.00
	ADMINISTRATIVE SKILLS TRAINING	1	0	0	0	0	1	2	VAITI TRAINING CONSULTANTS	R 4 800.00
	TOTAL	1	0	0	5	0	1	7		R 4 800.00

Branch: Library and Information Services

OCCUPATIONAL CATEGORY	TRAINING COURSE	FEMALE			MALE			TOTAL ATTENDED	PROVIDER	TOTAL COST
		B	C	W	B	C	W			
DIRECTORS & CORPORATE MANAGERS	CPMD – FM	1	0	0	0	0	0	1	WITS BUSINESS SCHOOL	R 25 000.00
PROFESSIONALS	ADMINISTRATIVE SKILLS TRAINING	3	0	0	1	0	0	4	VAITI TRAINING CONSULTANTS	R 9 600.00
CLERKS	INTRO TO RISK ASSESSMENT	1	0	4	0	0	0	5	BOHSS	R 2 800.00
GENERAL WORKERS	FINANCIAL LIFE SKILLS	2	0	0	12	2	0	16	SKILLS DEVELOPMENT BRANCH	R 0.00
GENERAL WORKERS	6M SIMULATION	2	0	0	14	1	0	17	SKILLS DEVELOPMENT BRANCH	R 0.00
	HEALTH & SAFETY REPRESENTATIVE	0	0	0	1	0		1	UNIQUE TRAINING SOLUTIONS	R 960.00
	TOTAL	9	0	4	28	3	0	43		R 34 580.00

Branch: Public Safety and Transport

OCCUPATIONAL CATEGORY	TRAINING COURSE	FEMALE			MALE			TOTAL ATTENDED	PROVIDER	TOTAL COST
		B	C	W	B	C	W			
PROFESSIONALS	CONTRACT MANAGEMENT	0	0	0	1	0	0	1	CBA TRAINING	R 3 600. 00
TECHNICIANS (Fleet Management)	HEALTH & SAFETY REPRESENTATIVE	0	0	0	0	1	0	1	UNIQUE TRAINING SOLUTIONS	R 2 400.00
COMMUNITY & PERSONAL SERVICE WORKERS	END USER COMPUTING	8	0	1	6	0	0	15	DAMELIN	R 68 000. 00
	END USER COMPUTING - LEVEL 2	4	2	0	4	0	0	10	TOSA FET COLLEGE	R 46 000.00
	BATHO PELE PRINCIPLES	4	3	1	4	0	0	12	INTERNAL	R 0. 00
	INDUCTION	12	0	0	14	0	0	26	INTERNAL	R 0.00
	TOTAL	28	5	2	29	1	0	65		R 12 000. 00

Branch: Electrical Engineering

OCCUPATIONAL CATEGORY	TRAINING COURSE	FEMALE			MALE			TOTAL ATTENDED	PROVIDER	TOTAL COST
		B	C	W	B	C	W			
DIRECTORS & CORPORATE MANAGERS	INTRO TO RISK ASSESSMENT	0	0	0	0	0	1	1	INTERNAL (HEALTH & SAFETY)	R 250. 00
	DISCIPLINARY SKILLS	0	0	0	0	0	1	1	CBA TRAINING	R 2 200.00
TECHNICIANS & ASSOCIATE PROFESSIONALS	INTRO TO RISK ASSESSMENT	0	0	0	1	0	4	5	INTERNAL (HEALTH & SAFETY)	R 1 250. 00
	HEALTH & SAFETY REPRESENTATIVE	0	0	0	1	0	0	1	UNIQUE TRAINING SOLUTIONS	R 960.00
	ELECTRICAL APPRENTICESHIP TRAINING	0	0	0	8	2	2	12	TMTI TRAINING INITIATIVE	R 12 629. 00
	FAULT-FINDING COURSE	0	0	0	3	0	2	5	CENTLEC	R 14 000.00
	ELECTRICAL SKILLS TRAINING (BASIC)	0	0	0	6	0	0	6	TMTI TRAINING INITIATIVE	R 10 459.00
	TOTAL	0	0	0	19	2	10	31		R 15 119. 00

Branch: Civil Engineering Services

OCCUPATIONAL CATEGORY	TRAINING COURSE	FEMALE			MALE			TOTAL ATTENDED	PROVIDER	TOTAL COST
		B	C	W	B	C	W			
DIRECTORS & CORPORATE MANAGERS	DISCIPLINARY SKILLS	0	0	0	1	0	2	3	INTERNAL	R 6 800.00
	CONTRACT MANAGEMENT	0	0	1	0	1	0	2	CBA TRAINING	R 4 800.00
TECHNICIANS & TRADE WORKERS	PLUMBING COURSE	0	0	1	6	0	0	7	TMTI (DISTANT STAR)	R 102 000.00
	THE WINNING SUPERVISOR	0	0	0	12	0	0	12	INTERNAL	R 0.00
	MONEY WISDOM	0	0	0	8	0	0	8	INTERNAL	R 0.00
	ASSESSMENT	0	0	0	28	0	0	28	DBSA (INDLELA)	R 0.00
CLERKS	COMPREHENSIVE SUPERVISORY SKILLS	0	0	0	4	0	0	4	ISCARIOTA	R 18 400.00
	THE WINNING SUPERVISOR	0	2	1	0	0	0	3	INTERNAL	R 0.00
TECHNICIANS & TRADE WORKERS	THE SUPERVISOR AS TRAINER	2	0	0	0	0	0	2	INTERNAL	R 0.00
LABOURERS	COMPUTER TRAINING (First Time User)	2	0	1	6	0	0	9	UNIVERSAL COLLEGE OUTCOMES	R 12 600.00
	6M SIMULATION	0	0	0	13	0	0	13	INTERNAL	R 0.00
	TOTAL	4	2	4	78	1	2	91		R 133 000.00

Branch: Engineering Planning

OCCUPATIONAL CATEGORY	TRAINING COURSE	FEMALE			MALE			TOTAL ATTENDED	PROVIDER	TOTAL COST
		B	C	W	B	C	W			
DIRECTORS & CORPORATE MANAGERS	DISCIPLINARY SKILLS	0	0	0	0	0	1	1	CBA TRAINING	R 2 200.00
TECHNICIANS & TRADE WORKERS	ARC WORKSHOP	0	0	2	0	0	1	3	COMPUTER FOUNDATION	R 16 650.00
	LIC CONSTRUCTION METHODS	0	0	0	4	0	0	4	McINTOSH XABA & ASSOCIATES	R 0.00
	PROJECT MANAGEMENT	2	0	1	4	0	0	7	EDGE TRAINING	R 46 000.00
	CIVIL DESIGNER COURSE	0	0	0	0	0	1	1	KNOWLEDGE BASE	R 14 364.00
	TOTAL	28	0	3	0	0	3	16		R 33 214.00

Branch: Roads / Stormwater / Buildings

OCCUPATIONAL CATEGORY	TRAINING COURSE	FEMALE			MALE			TOTAL ATTENDED	PROVIDER	TOTAL COST
		B	C	W	B	C	W			
DIRECTORS & CORPORATE MANAGERS	INTRO TO RISK ASSESSMENT	0	0	0	1	0	0	1	INTERNAL (HEALTH & SAFETY)	R 250.00
	DISCIPLINARY SKILLS	0	0	0	1	0	0	1	CBA TRAINING	R 2 200.00
TECHNICIANS & TRADE WORKERS	INTRO TO RISK ASSESSMENT	0	0	0	1	0	0	1	INTERNAL (HEALTH & SAFETY)	R 250.00
	LABOR INTENSIVE CONSTRUCTION	0	0	1	2	0	2	5	McINTOSH XABA & ASSOCIATES	R 0.00
	ASSESSOR TRAINING	0	0	0	2	0	0	2	LGSETA	R 0.00
	PROJECT MANAGEMENT	0	0	0	3	0	1	4	EDGE TRAINING	R 24 000.00
	PLUMBING AID COURSE	0	0	0	4	0	1	5	TMTI (DISTANT STAR)	R 18 000.00
	TOTAL	0	0	1	14	0	4	19		R 21 600.00

Branch: Water

OCCUPATIONAL CATEGORY	TRAINING COURSE	FEMALE			MALE			TOTAL ATTENDED	PROVIDER	TOTAL COST
		B	C	W	B	C	W			
TECHNICIANS & TRADE WORKERS	DISCIPLINARY SKILLS	0	0	0	1	0	0	1	CBA TRAINING	R 2 200.00
	PLUMBING AID COURSE	0	0	0	6	0	1	7	TMTI (DISTANT STAR)	R 19 600.00
	WATER TREATMENT PROCESS	1	0	1	3	0	2	7	SEDIBENG/LGSETA	R 0.00
	TOTAL	1	0	1	10	0	3	15		R 21 800.00

Branch: Housing Development

OCCUPATIONAL CATEGORY	TRAINING COURSE	FEMALE			MALE			TOTAL ATTENDED	PROVIDER	TOTAL COST
		B	C	W	B	C	W			
DIRECTORS & CORPORATE MANAGERS	DISCIPLINARY SKILLS	1	0	0	0	0	0	1	CBA TRAINING	R 2 200.00
PROFESSIONALS	INDUCTION	1	0	0	0	0	0	1	INTERNAL	R 0.00
	DISCIPLINARY SKILLS	1	0	0	0	0	0	1	CBA TRAINING	R 2 200.00
CLERKS	HEALTH & SAFETY REPRESENTATIVE	0	0	0	1	0	0	1	UNIQUE TRAINING SOLUTIONS	R 960.00
	TOTAL	3	0	0	1	0	0	4		R 5 360.00

Branch: Economic Development and Spatial Planning

OCCUPATIONAL CATEGORY	TRAINING COURSE	FEMALE			MALE			TOTAL ATTENDED	PROVIDER	TOTAL COST
		B	C	W	B	C	W			
DIRECTORS & CORPORATE MANAGERS	DISCIPLINARY SKILLS	0	0	0	0	0	2	2	CBA TRAINING	R 4 400.00
PROFESSIONALS	FACILITATION SKILLS	0	0	0	1	0	0	1	McINTOSH XABA & ASSOCIATES	R 3 500. 00
CLERKS	MODERATOR	1	0	0	0	0	0	1	DAMELIN	R 3 400.00
	ASSESSOR; MENTOR;COACH	1	0	0	1	0	0	2	SKILLSPRO	R 0. 00
	FACILITATION SKILLS	1	0	0	1	0	0	2	McINTOSH XABA & ASSOCIATES	R 7 000.00
	PASA CONFERENCE	2	0	0	0	0	0	2	POPULATION ASSOCIATION - SA	R 2 250.00
	TOTAL	5	0	0	3	0	2	10		R 20 550. 00

Branch: P.M.U

OCCUPATIONAL CATEGORY	TRAINING COURSE	FEMALE			MALE			TOTAL ATTENDED	PROVIDER	TOTAL COST
		B	C	W	B	C	W			
SENIOR OFFICIALS/ MANAGERS	POLICY DEVELOPMENT	1	0	1	1	0	0	3	CBA TRAINING	R 6 000. 00
	TOTAL	1	0	1	1	0	0	3		R 6 000. 00

Branch: Council Administration

OCCUPATIONAL CATEGORY	TRAINING COURSE	FEMALE			MALE			TOTAL ATTENDED	PROVIDER	TOTAL COST
		B	C	W	B	C	W			
PROFESSIONALS	CPMD - FM	1	0	0	0	0	0	1	WITS BUSINESS SCHOOL	R 25 000. 00
CLERKS	ASSESSOR; MENTOR;COACH	1	0	0	1	0	0	2	SKILLSPRO	R 3 840.00
	HEALTH & SAFETY REPRESENTATIVE	0	0	0	4	0	0	4	UNIQUE TRAINING SOLUTIONS	R 960. 00
LABOURERS	HEALTH & SAFETY REPRESENTATIVE	0	0	0	1	0	0	1	UNIQUE TRAINING SOLUTIONS	R 0.00
	CUSTOMER CARE (FRONTLINE STAFF)	2	0	0	4	0	0	6	INTERNAL	R 0.00
	TOTAL	4	0	0	10	0	0	14		R 29 800. 00

Branch: Finance

OCCUPATIONAL CATEGORY	TRAINING COURSE	FEMALE			MALE			TOTAL ATTENDED	PROVIDER	TOTAL COST
		B	C	W	B	C	W			
DIRECTORS & CORPORATE MANAGERS	FRESHMARK SYSTEMS TRAINING	0	0	0	0	0	1	1	FRESHMARK SYSTEMS	R 7 187.00
	MANAGING INFRASTRUCTURE ASSETS	0	0	0	0	0	1	1	PREMIUM EVENTS	R 7 398.00
PROFESSIONALS	DISCIPLINARY SKILLS	0	0	0	0	0	1	1	CBA TRAINING	R 2 200. 00
CLERKS	ASSESSOR; MENTOR; COACH	0	0	0	1	0	0	1	SKILLSPRO	R 0.00
	DISCIPLINARY SKILLS	0	0	1	0	0	0	1	CBA TRAINING	R 2 200.00
	GOVERNMENT SECRETARIES SYMPOSIUM	0	0	1	0	0	0	1	UNIVERSAL CONFERENCES & EVENTS	R 9 576. 00
	BATHO PELE PRINCIPLES	8	0	0	11	0	0	19	INTERNAL	R 0.00
	HEALTH & SAFETY REPRESENTATIVE	0	0	1	0	0	0	1	UNIQUE TRAINING SOLUTIONS	R 960.00
	TOTAL	8	0	3	12	0	3	26		R 29 521. 00

Branch: ICT

OCCUPATIONAL CATEGORY	TRAINING COURSE	FEMALE			MALE			TOTAL ATTENDED	PROVIDER	TOTAL COST
		B	C	W	B	C	W			
DIRECTORS & CORPORATE MANAGERS	SERVER +	0	0	0	1	0	0	1	ADVANCED CONCEPTS	R 4 020. 00
	COMPREHENSIVE SUPERVISORY SKILLS	0	0	0	1	0	0	1	ISCARIOTA	R 4 800.00
	TOTAL	0	0	0	2	0	0	2		R 8 820. 00

Branch: Organisational Efficiency Studies

OCCUPATIONAL CATEGORY	TRAINING COURSE	FEMALE			MALE			TOTAL ATTENDED	PROVIDER	TOTAL COST
		B	C	W	B	C	W			
DIRECTORS & CORPORATE MANAGERS	CPMD - FM	1	0	0	0	0	0	1	WITS BUSINESS SCHOOL	R 45 000. 00
PROFESSIONALS	PROJECT MANAGEMENT	1	0	0	1	0	1	3	UNISA	R 28 400.00
	TOTAL	2	0	0	1	0	1	4		R 73 400. 00

Branch: Legal Services

OCCUPATIONAL CATEGORY	TRAINING COURSE	FEMALE			MALE			TOTAL ATTENDED	PROVIDER	TOTAL COST
		B	C	W	B	C	W			
DIRECTORS & CORPORATE MANAGERS	ASSESSOR; MENTOR; COACH	1	0	0	0	0	0	1	SKILLSPRO	R 0.00
	IMPLICATIONS OF LAW OF CONTRACT	0	0	0	1	0	0	1	EQUILIBRIUM INTERNATIONAL	R 6 838.86
PROFESSIONALS	DISCIPLINARY SKILLS	1	0	0	0	0	0	1	CBA TRAINING	R 2 200.00
	DISCIPLINARY SKILLS	1	0	0	0	0	0	1	CBA TRAINING	R 2 200.00
CLERKS	DISCIPLINARY SKILLS	0	0	0	1	0	0	1	CBA TRAINING	R 2 200.00
	TOTAL	3	0	0	2	0	0	5		R 13 438.86

Branch: Corporate Services (Public Value Add Services)

OCCUPATIONAL CATEGORY	TRAINING COURSE	FEMALE			MALE			TOTAL ATTENDED	PROVIDER	TOTAL COST
		B	C	W	B	C	W			
DIRECTORS & CORPORATE MANAGERS	DISCIPLINARY SKILLS	0	0	0	1	0	0	1	CBA TRAINING	R 2 200.00
PROFESSIONALS	ADMINISTRATIVE SKILLS	2	0	0	1	0	0	3	VAITI TRAINING CONSULTANTS	R 8 400.00
	CUSTOMER CARE	2	0	0	1	0	0	3	INTERNAL	R 0.00
	TOTAL	4	0	0	3	0	0	7		R 12 600.00

Branch: Personnel Administration and Recruitment

OCCUPATIONAL CATEGORY	TRAINING COURSE	FEMALE			MALE			TOTAL ATTENDED	PROVIDER	TOTAL COST
		B	C	W	B	C	W			
PROFESSIONALS	INTEGRATING HIV/ AIDS & WELLNESS IN THE WORKPLACE	2	0	0	1	0	0	3	HACKNEY BUSINESS MANAGEMENT	R 8 775.80
CLERKS	COMPREHENSIVE SUPERVISORY SKILLS	1	0	0	1	0	0	2	ISCARIOTA	R 4 800.00
	CUSTOMER CARE	1	0	0	0	0	0	1	INTERNAL	R 0.00
	TOTAL	4	0	0	2	0	0	6		R 13 575.80

Branch: Occupational Health and Safety (OHS)

OCCUPATIONAL CATEGORY	TRAINING COURSE	FEMALE			MALE			TOTAL ATTENDED	PROVIDER	TOTAL COST
		B	C	W	B	C	W			
PROFESSIONALS	COMPREHENSIVE SUPERVISORY SKILLS	1	0	0	0	0	0	1	ISCARIOTA	R 8 775.80
	INTRODUCTION TO SAMTREC	1	0	0	1	0	1	3	LEXIS NEXIS	R 4 800.00
	OHS ACT	1	0	0	2	0	0	3	LEXIS NEXIS	R 0.00
	CONSTRUCTION REGULATIONS	1	0	0	0	1	0	2	LEXIS NEXIS	
	TOTAL	4	0	0	3	1	1	9		R 13 575.80

Branch: Labour Relations

OCCUPATIONAL CATEGORY	TRAINING COURSE	FEMALE			MALE			TOTAL ATTENDED	PROVIDER	TOTAL COST
		B	C	W	B	C	W			
PROFESSIONALS	DISCIPLINARY SKILLS	0	0	0	1	0	0	1	CBA TRAINING	R 2 200.00
CLERKS	DISCIPLINARY SKILLS	1	0	0	0	0	0	1	CBA TRAINING	R 2 200.00
	TOTAL	1	0	0	1	0	0	2		R 4 400.00

Branch: Training

OCCUPATIONAL CATEGORY	TRAINING COURSE	FEMALE			MALE			TOTAL ATTENDED	PROVIDER	TOTAL COST
		B	C	W	B	C	W			
CLERKS	ASSESSOR; MENTOR; COACH	0	0	0	1	0	0	1	SKILLSPRO	R 0.00
	CPMD COURSE	1	0	0	0	0	0	1	WITS BUSINESS SCHOOL	R 45 000.00
	MODERATOR COURSE	2	0	0	0	0	0	2	LGSETA	R 0.00
	PROJECT MANAGEMENT	0	0	0	2	0	0	2	SKILLSPRO	R 0.00
	CUSTOMER CARE	1	0	0	3	0	0	4	SKILLS DEVELOPMENT BRANCH	R 24 000.00
	SKILLS DEVELOPMENT SUMMIT	0	0	0	3	0	0	3	LGSETA	R 0.00
	SDF TRAINING	0	0	0	3	0	0	3	LGSETA	R 0.00
	INTRODUCTION TO SDA (WORKSHOP)	0	0	0	2	0	0	2	LGSETA/COGTA	R 0.00
	TOTAL	4	0	0	14	0	0	18		R 69 000.00

STUDY ASSISTANCE:

EXPENDITURE (STUDY ASSISTANCE)

TRAINING EXPENDITURE

GRAND TOTAL TRAINED: 741

GRAND TOTAL EXPENDITURE R R 1 130 540.00

Chapter 4

FUNCTIONAL SERVICES DELIVERY REPORTING

4.1 OFFICE OF THE EXECUTIVE MAYOR

The Executive Mayor's Office is the most senior political office providing political direction and in the process interacts with the administrative and legislative arm of the municipality including various organs of the community. In the process of achieving this, it further more interact with the political leadership of the majority party for adherence to the political mandate of the Executive Mayor in undertaking her legislative mandate based on various pieces of legislations. This process is not exclusive in terms of broadening consultation with other parties in the municipal council. However, the inclination in this regard is with the majority party in the council.

In enhancing the accountability of the administration to the Executive Mayor, the Executive Mayor meets regularly with the Municipal Manager to focus on key service delivery issues and other programmatic areas that requires the attention of both offices.

These processes are further complimented by Whippery which is convened by the Council Whip to enhance political responsibility of both the executive and legislative arms of the municipality. The Office of the Executive Mayor has set the following objectives as part of its intent to fulfill its broad legislative and political mandate:

- Provide political and administrative support
- Implement and monitor programmes as resolved by the Executive
- Improve cooperative governance
- Build rapport and image of the municipality by profiling the institution through special programmes and flagship projects

The above process is done to achieve the key strategic objective of the Office of the Executive Mayor and to provide political, efficient and effective administrative support to enable the Executive Mayor to execute his mandate. In realizing this key strategic objective, the office of the Executive Mayor embarked on a process to achieve amongst others the following:

- review their performance in relation to the legal mandate,
- reaffirm their key functions and responsibilities,
- identify key factors affecting their performance by conducting Environmental Scanning,
- develop an Action Plan and set Performance Targets,

4.1.1 The Departmental Values

The Office of the Executive Mayor derives its values from the Batho Pele Principles viz. Consultation, Setting service standards, Increasing access, Ensuring courtesy, providing information, Openness and transparency, Redress and Value for money

4.1.2 Poverty Alleviation

As part of the flagship programmes of the Office of the Executive Mayor, numerous initiatives were taken through the discretionary vote of the Executive Mayor in response to assist the most needy members of the community. This ranged from allocation of financial assistance to youth who went abroad as to interact with various institutions to enhance their career and participate in sporting activities to direct assistance to destitute families and focal sectors such children, old age people and people with disability.

The programme gained momentum and was expanded where most needy people were provided with clothing, blankets and food. Joint initiatives with various government departments such as social development were intensified to register those who qualified for child support grants, social grants and pensions.

Direct and indirect assistance to the community was offered through various programmes. These includes participation of our local teams in O.R Tambo Games where the municipality availed financial resources including sporting gear and kit for teams which were participating in these games, donation of blankets to needy members of the community through ward councilors, etc.

4.1.3 Nation Building, Events And Campaigns

Our municipality participated and hosted most of the national days celebrated country wide. These programmes were complimented by programmes such as, youth month memorial lecture, youth unemployment freedom day lectures, fun runs and other activities. Most of the significant days in our municipality did not go unnoticed as part of our nation building programmes.

Campaigns such 16 Days of activism against women and children abuse, programmes against domestic violence, Arrive Alive (Khanya Campaign) and others were a yardstick of our municipality's commitment towards nation building and dedication towards rooting out social ills in our community.

4.1.4 Moral Regeneration Prayer Service

The event was held at Zoka Baloyi Stadium with Pastor Zondo . The moral regeneration prayer service involved all pastors, women's manyano, members of church denominations, faith based organizations Students, ANC women's league, Councilors, Municipal Manager, Directors, officials.

4.1.5 Road Marking Project

Three hundred and sixty (360) young people were recruited from wards to participate in this project and they receive the monthly allowance. The recruitment was done with the involvement of Ward Councilors who had to supply ten (10) volunteers from each ward.

4.1.6 Memorial Lecture

The memorial lecture was held on the 14th of June in memory of Tankiso Mofokeng legacy. Youth and other stakeholders were invited from all six units.

4.1.7 Events That Followed After Were As Follows:

- Traffic Pass-out
- Launching of Fleet
- Prayer Service
- Launch of AIDS Council
- Gender based Violence

4.1.8 Programmes

Based on SDBIP of the Office of the Executive Mayor which has been infused in the Integrated Development plan of our municipality, the following plan was set by the team in the Executive Mayor's office. This plan constitutes the broad activities of the Office of the Executive Mayor under the period in review and has been derived from the SDBIP. To date, the Office of the Executive Mayor still strives towards achieving these goals.

4.1.8.1 Unit: Special Programmes And Protocol

Tactical activity	Rationale	Unit of Measure	Annual Target	Actual Achieved	Plans to improve performance
Special sectors					
Raise awareness of special sectors (youth, children, women, disability, elderly & HIV/ AIDS)	Voice of the focal sectors in decision making	Seminars, Consultations, Partnerships and Symposiums, Establish coordinating committees	1 Broad consultative conference annually 1 Sectoral meeting per quarter Established Youth Development Forums	Only Youth sector had the meetings Not achieved	Increase coordination at Unit level and involve Ward Committees
Participate in national activities	Highlight the plight of the focal sectors	Organize activities in various units with events management, communications and other units Do joint planning with relevant departments and organizations	1 sectoral activity every 3 months	Youth month launched in Thabong Community Centre 4 sectoral activities where held except for the disabled	Pay special attention to other focal sectors and nominate a dedicated official to work with them
Establish focal Desks Youth, women, children, disabled and elderly	Ensure continuous lobbying & advocacy, coordination and implementation of policies by MLM	Functional committees established	4 sectoral committees established and functional	Not achieved	Work jointly with relevant structures representing other sectors to establish various desks
Develop policies for sectors	Ensure compliance with national framework and guidelines from the Presidency	Develop draft policies for comments	Hold 1 sectoral policy meeting annually	Ward based sectoral meetings held	Work with other youth structures through the policy unit in preparing for sectoral policy meetings Consultation relevant sectoral structures in preparations for these meetings

Tactical activity	Rationale	Unit of Measure	Annual Target	Actual Achieved	Plans to improve performance
Special sectors					
Develop mechanisms to monitor policy development and implementation	Ensure policies are developed, adopted and implemented by the institution	Develop templates for departments to ensure compliance to policy implementation	Existing templates based on developed policies	Policies developed but monitoring tools not in existence	Work closely with corporate services and/or policy unit to ensure implementation and monitoring of policies affecting focal sectors
Enhance the working relations with the MLM AIDS Council	Develop poignant programmes to combat the spread of HIV/AIDS in MLM	Hold periodic meetings with MLM AIDS Council to assess the effectiveness and impact of the programmes	4 Quarterly meetings	Re-luanch of the LAC was held	Launch the MLM Aids Council officially to formalize relations with the structures and build annual programmes
Coordinate the establishment of Moral Regeneration Committee	To solicit involvement of various sectors in the community to promote the objectives of the programme	Hold quarterly meeting with various community sectors such as minister's fraternal, etc to participate in the process and initiate programme Usage of the national framework to guide the process	4 Quarterly meetings and establish the committee	Not achieved	Identify a number of ministries to facilitate the programme jointly with the municipality
Develop social responsibility programmes as flagships for the Executive Mayor	Assist destitute families and organizations in MLM to build the rapport of the Executive Mayor	Set aside a specific amount in the budget as discretionary fund for this purpose	Distribution of food parcels to minimum of 1000 destitute families Award bursaries to the need young people	food parcels distributed to targeted audience 10 bursaries awarded to 10 learners for 2010 academic year	Work jointly with business to beef up the project
Protocol					
Develop protocol systems for the municipality based on the guidelines from Foreign Affairs Department	Ensure implementation and adherence of protocol systems in all functions of the Executive Mayor and the municipality	Solicit assistance from Foreign Affairs Communicate with Presidential Protocol Unit for further assistance	Overall permanent functional systems established	Not achieve but partial implementation taking place	Draft systems for immediate implementation

4.2 OFFICE OF THE MUNICIPAL MANAGER

4.2.1 Introductory Remarks

In Matjhabeng Local Municipality, herein referred to as MLM, the Office of the Municipal Manager, herein referred to as the MM, consists of the following key strategic portfolios, accompanied by the following responsibilities comprising a list not so conclusive:

4.2.1.1 Municipal Manager (MM)

The overall objective of the Office of the MM is to ensure that the objects of local government as set out on the country's Constitution are met. These include but are not limited to the:

- Provision of democratic and accountable government for local communities
- Provision of services to communities in a sustainable manner
- Promotion of social and economic development
- Encouragement of the involvement of communities and community organizations in the matters of local government
- Achievement of the objects set above within the municipality's financial and administrative capacity

The specific objectives for the Financial Year 2010/2011 for the Office of the MM, as determined in the municipality's Integrated Development Plan and Free State Provincial Development Strategy, can be articulated as:

- To promote and ensure an integrated approach towards service delivery
- To improve communication and collaboration between the municipality and Community
- To Improve communication and collaboration between spheres of government
- To build inter- governmental partnerships between civil society, business community and to encourage responsible citizenship
- To ensure an accountable and performance-driven local government
- To properly manage and control finances of Council
- To develop, maintain, and administer a well resourced ICT system

The core functions of this department are particularly aligned to the five key performance areas governing Local Government as contemplated by the National Government. Further, the functions and responsibilities of the Office Of The Municipal Manager are captured in few but specific pieces of legislation, regulations and government gazettes, and include but are not limited to the following:

- Co-ordination of activities within and among departments
- Administration and Management
- Communications
- Strategy development and management
- Organizational and systems development, as well as their maintenance
- Infrastructure development and maintenance
- Development, management and review of organizational performance
- Budget development and execution
- Internal audit and risk management

- Management and accounting
- Inter-governmental relations
- IDP development
- Stakeholder liaison and management
- Driving service delivery programs
- Development and management of service delivery agreements
- Regular reporting and accounting
- Contract development and management

4.2.1.2 Executive Director: Strategic Support Services (ED:SSS)

The functions of the portfolio Strategic Support Services complement and are supportive to those of the Municipal Manager, and include the following:

- Strategies development, implementation and management
- Organizational performance management, monitoring, review and reporting
- Budgeting and financial management
- Stakeholder liaison
- Internal auditing
- Identification and mitigation of risks
- Development of an Integrated Development Plan
- Development and execution of a communication strategy
- Management of service level agreements
- Ensuring regular upward reporting
- Ensuring compliance with various deadlines
- Development of systems and operations procedures
- Coordinating activities within business units

4.2.1.3 Manager: Contracts (M: CNTRT)

This is one of the most critical portfolios in the Office of the Municipal Manager, and its core functions can be summarized as follows:

- Development and management of contracts involving external service providers
- Risk management
- Minimization of litigation cases
- Safe-keeping of legal and contractual documentation
- Provision of legal opinion(s)

4.2.1.4 Manager: Internal Audit And Risk Management (M: IARM)

The primary objective of this business unit is to provide quality audit services in terms of an integrated audit methodology, as well as to provide advice and information to management and the municipality's Audit Committee.

Although Internal Audit and Risk Management portfolio is not revenue-generating in nature, it is an essential support and control function that assists management to prevent unnecessary losses, in-as-much-as its functions help to generate savings for Council. The core functions of this portfolio can be categorized into two, namely, regulatory and performance auditing.

REGULATORY AUDITING	PERFORMANCE AUDITING
Monitor risk management processes	Determine the reliability of management data
Establish compliance with regulations, ordinances, resolutions, laws, etc	Appraise performance in the carrying out of assigned tasks
Review and appraise control systems	Appraise the effective and economical application of resources
Review and appraise the extent to which assets are accounted for and safeguarded against possible loss	Appraise the effective attainment of set and agreed upon goals

Table 1

4.2.1.5 Acting Manager: Information and Communication Technology (AM: ICT)

The main function of the ICT portfolio is to provide technological and communication services to the municipality in terms of an integrated technological approach, as well as to provide advice and information to management and the IT Steering Committee in a cost-effective manner.

Like IARM, ICT is not a revenue-generating portfolio, but rather an essential support and control function that helps management to prevent information manipulation, as well as preserving data integrity, thus ensuring savings to Council.

The core functions of the ICT portfolio are:

- To ensure compliance with regulations, Council resolutions, ordinances, and various pieces of legislation
- To ensure smooth operation of all ICT infrastructure and tools and tools of trade
- To preserve the integrity and authenticity of Council data
- To implement information security measures and safeguard Council from hackers, crackers and viruses
- Design and implement a user-friendly ICT system
- Install, maintain and upgrade ICT infrastructure continuously
- Main the server, data back-ups, do back-up testing and information restoration
- Design, implement and update a website continuously
- Build and increase municipality branding
- Open up community access to municipal information
- Ensure communication between the municipality and community

4.2.1.6 Acting Senior Manager: Communication (ASM:C)

The communications portfolio has several important objectives, and these include the following:

- Ensuring that Council speaks with one voice for a common purpose
- Ensuring development in communication such that communities can come to terms with municipal programs
- Proper positioning and projection of the municipal image and profile
- Provision of an effective and efficient communications framework and policy
- Enhancing of service delivery through effective and efficient communication

Having said that, the core functions of this business unit are:

- Ensuring compliance with applicable legislations
- Stakeholder liaison and management
- Promotion of key government campaigns and themes
- Countering negative reporting by profiling success stories
- Building sustainable partnerships with significant-others with a view to raising the municipal profile
- Manage the website, publications and other relevant tools
- Develop and implement a communications strategy
- Give advice on communications-related matters
- Produce and distribute internal newsletters and ensure the municipal brand is enhanced

4.2.1.7 Manager: Project Management Unit (MPMU)

The primary function of the Manager: PMU is to ensure effective, efficient and cost-effective management of the municipality's capital service delivery programs, largely within the context of MIG funding. The Manager: PMU is not responsible for identifying projects in the IDP planning processes, but must liaise closely with municipal planning departments.

Amongst others, this will include the

- development of acceptable business plans
- submission and acquisition of business plans for approval
- development of tender documents applicable to particular programmes
- management of appointed service providers in the form of consultants and contractors
- monitoring and reporting on programmes
- approval of certificates, facilitation of payments and compliance reporting
- capacity-building within projects and contribute data towards EPWP initiatives
- financial management and accountability
- project management, including all activities to ensure that projects meet planning targets and objectives
- project coordination, project impact assessment and/or evaluation
- contract management, as well as
- managing project feasibility studies

4.2.1.8 Manager: Integrated Development Plan (M: IDP)

Municipalities in our country use integrated development planning as a method to plan future development in their areas. And IDP is some kind of a super plan for a municipality that gives an overall framework for development. It aims to coordinate the work of local and other spheres of government in a coherent plan to improve the quality of life for all the people living in that area.

IDP development usually considers the existing conditions and challenges and resources available for development. The plan looks at economic and social development for the area as a whole. It sets the framework for how land should be used; how and what infrastructure should be developed; what services are needed; how the environment should be protected; and together with the municipal budget, the IDP forms the basis for SDBIP development.

The IDP business unit performs a number of critical functions which include the following:

- forcing the municipality to focus on the most important needs of local communities within the context of available limited resources
- helps to speed up service delivery by identifying the least serviced and most impoverished areas and points where municipal funds should be spent
- assists in attracting additional funding to the municipality in that other government departments and private investors will be willing to invest where municipalities have clear development plans
- strengthens democracy through the public participation methodology
- promotes coordination among the three spheres of government by creating a platform for these to work together to tackle developmental challenges in local areas
- develops IDP review process plan
- links up budget to the IDP
- facilitates the development of SDBIPs and Operational Plans
- facilitates IDP approval by Council
- establishes and manages mechanisms for public participation
- ensure IDP publication and submission to relevant destinations

4.2.1.9 Administrative Support

The different portfolios in the Office of the Municipal Manager have their respective administrative support personnel, and in the main their functions include the following:

- communications management (telephone, email, fax, letters, etc)
- information management (documents development, filing, minutes-taking, data safe-keeping and guarding)
- stakeholder liaison
- meetings arrangement
- general office administration
- diary management
- travel administration

The information in subsequent sections of this report represents the performance of the Office of the Municipal Manager as explained above during the period under review.

OBJECTIVE	INDICATOR	PROGRAMME/ PROJECT	ANNUAL TARGET	REPORTING FREQUENCY	OPERATING BUDGET R	QUARTER 1 30 SEP 10	ACTUAL FOR Q 1	QUARTER 2 31 DEC 10	ACTUAL FOR Q 2	REASONS FOR NON- ACHIEVEMENT			ACTUAL FOR Q 4
Strategic Services													
Create an efficient, effective and accountable administration	Quarterly and Annual Reports on achievement of strategic objectives and on performance information	Reporting on achievement of Organizational Objectives	100%	Quarterly		25%		25%		There has been a delay in collating information from Directorates			1
	Development and production of IDP and Annual Report	Produce IDP and Annual reports in accordance with legal requirements	2	Annually	500 000				1 Annual Report for 2009-2010 and 1 IDP for 2010 – 2011	100% Achievement			1
		Implement guidelines and procedures for Council wide Policy Development as per project plan	100%	Quarterly	0	25%		25%					All policies submitted got Council approval

OBJECTIVE	INDICATOR	PROGRAMME/ PROJECT	ANNUAL TARGET	REPORTING FREQUENCY	OPERATING BUDGET R	QUARTER 1 30 SEP 10	ACTUAL FOR Q 1	QUARTER 2 31 DEC 10	ACTUAL FOR Q 2	REASONS FOR NON- ACHIEVEMENT			ACTUAL FOR Q 4
		Development and Implement a code of ethics within the Municipality	100%	Quarterly		25%		25%					
		Implementation of Language Policy	100%	Annually									Council is multilingual as per policy
		Develop and adopt Service Level Agreements (SLAs) with relevant Units in the implementation of the Community Participation Policy	100%	Quarterly		25%		25%	25%			25%	SLAs with contractors & service providers in place

OBJECTIVE	INDICATOR	PROGRAMME/ PROJECT	ANNUAL TARGET	REPORTING FREQUENCY	OPERATING BUDGET R	QUARTER 1 30 SEP 10	ACTUAL FOR Q 1	QUARTER 2 31 DEC 10	ACTUAL FOR Q 2	REASONS FOR NON- ACHIEVEMENT			ACTUAL FOR Q 4
Develop and implement an effective and efficient performance management system to monitor and evaluate the performance of the municipality and its employees through identified projects	Reports submitted to EXCO, MAYCO and Council	Monitor and evaluate the SDBIP process for the Municipality and the scorecard for the organisation	100%	Quarterly									PMS is in place and organizational performance is reviewed frequently
		Implement and monitor the performance management system for senior management	100%	Quarterly		25%		25%		25%		25%	Only one Director had his performance reviewed
		Develop, implement and monitor the electronic performance management systems for individuals, organisation and service providers	100%	Quarterly	350 000	25%		25%		25%		25%	Contract management unit report monthly

OBJECTIVE	INDICATOR	PROGRAMME/ PROJECT	ANNUAL TARGET	REPORTING FREQUENCY	OPERATING BUDGET R	QUARTER 1 30 SEP 10	ACTUAL FOR Q 1	QUARTER 2 31 DEC 10	ACTUAL FOR Q 2	REASONS FOR NON- ACHIEVEMENT			ACTUAL FOR Q 4
		Undertake quality assurance reviews for senior management, organisational performance	100%	Annually	100 000							100%	Only one Director (Strategy) had his performance reviewed
Improve productivity, efficiency and effectiveness throughout the municipality		Conduct productivity interventions and develop standards of performance	100%	Half-yearly	100 000			50%				50%	
		Monitor productivity for continuous improvements	100%	Bimonthly		25%		25%		25%		25%	
		Re-engineer business processes	100%	Continuously		25%		25%		25%		25%	Latitude was engage to re-engineer the organization
		Undertake organisation change interventions	100%	Continuously		25%		25%		25%		25%	
		Eliminate Wastage of resources	50%	Continuously		5%		5%		5%		10%	Expenditure happen according to IDP /SDBIP and approved budget

OBJECTIVE	INDICATOR	PROGRAMME/ PROJECT	ANNUAL TARGET	REPORTING FREQUENCY	OPERATING BUDGET R	QUARTER 1 30 SEP 10	ACTUAL FOR Q 1	QUARTER 2 31 DEC 10	ACTUAL FOR Q 2	REASONS FOR NON- ACHIEVEMENT			ACTUAL FOR Q 4
		Develop innovative ways of service delivery	20%	Annually		4%		6%		10%			
		Development of Organisational Performance Score cards	100%	Annually	100 000	100%							Happens as part of PMS and is reported on quarterly
	Vision in place and approved	Beef-up the municipality's 2030 vision											Draft Vision 2030 in place
Ensure good governance	Workshop managers on good governance	Populate good governance principles across the municipality	100%										Director (Strategy), MMC Finance attended a provincial workshop
	Develop and compliance schedule, esp in terms of reporting	Ensure compliance with various pieces of legislation, policies and procedures	100%	Annually									MFMA Time-table adhered to strictly

OBJECTIVE	INDICATOR	PROGRAMME/ PROJECT	ANNUAL TARGET	REPORTING FREQUENCY	OPERATING BUDGET R	QUARTER 1 30 SEP 10	ACTUAL FOR Q 1	QUARTER 2 31 DEC 10	ACTUAL FOR Q 2	REASONS FOR NON- ACHIEVEMENT			ACTUAL FOR Q 4
Manage service delivery programs led by the PMU		Ensure effective management and staffing of the PMU											Consultant appointed to assist PMU & PMU Manager & Engineer appointed
		Ensure monitoring of service delivery initiatives and reporting on	100%	Monthly									SDBIP reporting happen monthly
		Ensure linkages of PMU programs to EPWP initiatives, and build a database of employees	100%	Monthly									Municipality has accommodated a colleague from Province to ensure PMU/ EPWP linkages
Management and accounting	Executive administrative meetings weekly	Ensure effective administrative management and coordination of all strategic issues by all managers	100%	Weekly									EXCO sits every Monday of the week
Budget and budget implementation	Budget timetable	Ensure compilation of budget in terms of MFMA's processes	100%	Annually									Hapepns as per the MFMA schedule

OBJECTIVE	INDICATOR	PROGRAMME/ PROJECT	ANNUAL TARGET	REPORTING FREQUENCY	OPERATING BUDGET R	QUARTER 1 30 SEP 10	ACTUAL FOR Q 1	QUARTER 2 31 DEC 10	ACTUAL FOR Q 2	REASONS FOR NON- ACHIEVEMENT			ACTUAL FOR Q 4
	Monthly reports	Ensure the implementation of the budget in accordance with SDBIPS	100%	Monthly									Expenditure happen as per IDP and SDBIP and approved budget mainly
Financial and grants management		Ensure sound financial management											
		Ensure efficient grant management (Neighbourhood Development Grant)	100%										
CONTRACT MANAGEMENT													
Ensure good governance	Contracts and/or SLAs in place	Ensure development of contracts and/or service level agreements with service providers	100%	Quarterly		25%		25%		25%		25%	SLAs are in place
	Elimination of litigations arising from SLAs / contracts	Ensure consensus with service providers about the provisions of contracts/SLAs	100%	Annually and continuously						Some litigations originate from past years			Litigations have been reduced

OBJECTIVE	INDICATOR	PROGRAMME/ PROJECT	ANNUAL TARGET	REPORTING FREQUENCY	OPERATING BUDGET R	QUARTER 1 30 SEP 10	ACTUAL FOR Q 1	QUARTER 2 31 DEC 10	ACTUAL FOR Q 2	REASONS FOR NON- ACHIEVEMENT			ACTUAL FOR Q 4
		Defend the interest of the municipality by developing contracts that help facilitate service delivery		Annually and continuously									Contracts and SLAs in place
COMMUNICATION SERVICES													
Place the municipality firmly in the public domain	Communication strategy and policy in place	Development and Implementation of communication policy and strategy	100%	Quarterly		25%		25%		25%		25%	Public participation and engagements happening regularly
		Maintain existing and develop new communication tools	100%	Continuously		25%		25%		25%		25%	Regular publications happening
		Development and implementation of a municipal wide integrated complaints management system	100%	Quarterly	100 000	50%		50%					Customer Care unit is being revived

OBJECTIVE	INDICATOR	PROGRAMME/ PROJECT	ANNUAL TARGET	REPORTING FREQUENCY	OPERATING BUDGET R	QUARTER 1 30 SEP 10	ACTUAL FOR Q 1	QUARTER 2 31 DEC 10	ACTUAL FOR Q 2	REASONS FOR NON- ACHIEVEMENT			ACTUAL FOR Q 4
	New image and brand designed and marketed	Market the municipality's brand and image	100%	Continuously	300 000	25%		25%		25%		25%	Matjhabeng News has assumed the marketing role
	Fully functional customer care unit	Implement a Customer Care Policy municipal wide	100%	Quarterly		25%		25%		25%		25%	The unit is being revived but is functional
	Newsletters produced	Print 12 publications of internal newsletter per annum (2500 copies per month)	12	Monthly	40 000	3		3		3		3	Publication happening regularly
	Publications done	Print 12 publications of External newsletter per annum (10000 copies per month)	12	Monthly	1 200 000	3		3		3		3	

OBJECTIVE	INDICATOR	PROGRAMME/ PROJECT	ANNUAL TARGET	REPORTING FREQUENCY	OPERATING BUDGET R	QUARTER 1 30 SEP 10	ACTUAL FOR Q 1	QUARTER 2 31 DEC 10	ACTUAL FOR Q 2	REASONS FOR NON- ACHIEVEMENT			ACTUAL FOR Q 4
	SLAs with other business units signed	Develop and adopt Service Level Agreements (SLAs) with relevant Units in the implementation of the Community Participation Policy	12	Quarterly		3		3		3		3	
Ensure accessibility and promote governance	Promote co-operative international and inter-governmental relations	Develop and implement a strategy in Relationships with global partners including the sister city programmes	1	Annually				1					
	An IGR strategy in place and operational	Implementation of an inter-governmental relations strategy	1	Annually				1					Works within the provincial and District IGR Framework

OBJECTIVE	INDICATOR	PROGRAMME/ PROJECT	ANNUAL TARGET	REPORTING FREQUENCY	OPERATING BUDGET R	QUARTER 1 30 SEP 10	ACTUAL FOR Q 1	QUARTER 2 31 DEC 10	ACTUAL FOR Q 2	REASONS FOR NON- ACHIEVEMENT			ACTUAL FOR Q 4
		Develop and implement a strategy for funding and strong inter-government relations between all spheres of government	1	Annually					1				
Create an efficient, effective IT system		Create IT mechanisms to improve efficiencies, effectiveness & accountability council wide	4		Quarterly								Staff complement has been increased
		Upgrade and maintain the IT infrastructure backbone	100%	7 000 000	Annually	25%		25%		25%		25%	Improvement has been done in phases around both the hard and soft wares
		Ensure the municipality's IT system is fully operational											
		Ensure a fully functional website as per the provisions of the law								Lack of adequate financial and human resources			Partial functioning happening

OBJECTIVE	INDICATOR	PROGRAMME/ PROJECT	ANNUAL TARGET	REPORTING FREQUENCY	OPERATING BUDGET R	QUARTER 1 30 SEP 10	ACTUAL FOR Q 1	QUARTER 2 31 DEC 10	ACTUAL FOR Q 2	REASONS FOR NON- ACHIEVEMENT			ACTUAL FOR Q 4
		Redefine and improve the municipality's IT policy											Draft policy in place
		Create a policy for mobile and 3G use in the municipality											Draft policy in place
		Ensure use of IT infrastructure for building the municipality's brand and image											
		Position the IT infrastructure as an added platform for communication participation											
		Ensure that IT infrastructure and platforms are used as information hub											Happening as part of the partial use of the website
	ICT strategy in place and rolled out	Develop an ICT strategic information systems plan											
INTERNAL AUDIT AND RISK MANAGEMENT													

OBJECTIVE	INDICATOR	PROGRAMME/ PROJECT	ANNUAL TARGET	REPORTING FREQUENCY	OPERATING BUDGET R	QUARTER 1 30 SEP 10	ACTUAL FOR Q 1	QUARTER 2 31 DEC 10	ACTUAL FOR Q 2	REASONS FOR NON- ACHIEVEMENT			ACTUAL FOR Q 4
Create an efficient, effective and accountable administration	Risk management plan in place	Develop and implement an Enterprise Wide Risk Management System	1	Yearly	100 000					1			Draft policy in place
	Frequent Internal audit reports and audit charter	Undertake Internal Audits in terms of approved Audit Charter	100	Monthly		25		25		25		25	Regular reporting happening
	Whistle-blowing policy in place	Develop policy and implement plan in relation to Whistle Blowing	1	Annually				1					
	Anti-fraud policy in place	Implement an anti-fraud policy and a response plan	100%	Quarterly									Draft policy in place
	Performance audit reports	Performance audits, Monitoring & evaluation systems & processes	100%	Quarterly		25%		25%		25%		25%	M & E happening regularly

4.3 DIRECTORATE CORPORATE SUPPORT SERVICES

OBJECTIVE DIRECTORATE/ DEPARTMENT /BRANCH/ DIVISION	INDICATOR	PROGRAMME/ PROJECT	ANNUAL TARGET	REPORTING FREQUENCY	OPERATING BUDGET R	QUARTER 1 30 SEP 10	ACTUAL FOR Q1	QUARTER 2 31 DEC 10	ACTUAL FOR Q2	QUARTER 3 31 MAR 11	ACTUAL FOR Q3	QUARTER 4 30 JUN 11	ACTUAL FOR Q4	REASON FOR NON ACHIEVEMENT
EXECUTIVE DIRECTOR														
Ensure effective management of the Directorate	Concluded Directorate meetings.	Holding regular Directorate Meetings	12	Monthly	Nil	4	3	5	Nil					
	Signed performance contracts.	Concluding performance contracts with managers reporting to Executive Directors	12	Quarterly	Nil	4	1	7	Nil					Performance and Development templates completed
	Concluded performance feedback meetings	Providing feedback on performance/ improved performance or expectations	4	Quarterly	Nil	1	0	2	Nil					Awaiting completion of PMDP
COUNCIL ADMINISTRATION														
To manage the records of the Matjhabeng Local Municipality	Completed audit of records management system and practices within the Matjhabeng Local Municipality.	Ensuring that the current records management system and practises comply with the relevant archive legislation	Quarterly reports on reports practice	4	Nil	1	1	1	1	1	1	1	1	

OBJECTIVE DIRECTORATE/ DEPARTMENT /BRANCH/ DIVISION	INDICATOR	PROGRAMME/ PROJECT	ANNUAL TARGET	REPORTING FREQUENCY	OPERATING BUDGET R	QUARTER 1 30 SEP 10	ACTUAL FOR Q1	QUARTER 2 31 DEC 10	ACTUAL FOR Q2	QUARTER 3 31 MAR 11	ACTUAL FOR Q3	QUARTER 4 30 JUN 11	ACTUAL FOR Q4	REASON FOR NON ACHIEVEMENT
To manage the facilities of the Matjhabeng Local Municipality	% internal and external customers satisfied with cleanliness and hygienic state of Matjhabeng Local Municipality facilities & buildings	To maintain high levels of hygiene and cleanliness of all buildings and facilities of the Matjhabeng Local Municipality	70% Satisfactory levels by June 2011.	Yearly		70%	60%	70%	60%	70%	60%	70%	65%	Unable to keep up high levels of hygiene and cleanliness of all buildings and facilities due to poor quality of cleaning materials Non availability of cleaning materials
	Maintenance/ upgrading undertaken as scheduled	To ensure the upkeep/ upgrading of MLM buildings and facilities by undertaking scheduled maintenance	100% of scheduled maintenance/ upgrading of MLM facilities undertaken by June 2009	Monthly		100%	60%	100%	60%	100%	60%	100%	60%	Lack of own staff or Service Level Agreement with Engineering.
To ensure Effective operations of Council Committees	Review of current business processes	To design and implement clear business management processes	Quarterly review of information management system	Annually	N/A	1	0	2	1					

OBJECTIVE DIRECTORATE/ DEPARTMENT /BRANCH/ DIVISION	INDICATOR	PROGRAMME/ PROJECT	ANNUAL TARGET	REPORTING FREQUENCY	OPERATING BUDGET R	QUARTER 1 30 SEP 10	ACTUAL FOR Q1	QUARTER 2 31 DEC 10	ACTUAL FOR Q2	QUARTER 3 31 MAR 11	ACTUAL FOR Q3	QUARTER 4 30 JUN 11	ACTUAL FOR Q4	REASON FOR NON ACHIEVEMENT
To promote information management and dissemination processes	Review current information system	To design information management system which include information protection	Quarterly review of information management system	4 Reports Annually	N/A	1	0	2	1					
Creation of a knowledge management system for Matjhabeng Municipality		Design and implementation management system within the municipality	Quarterly review	4 Reports Annually	N/A	1	0	2	1					
HUMAN RESOURCE S : (Branch Training)														
To comply with the relevant skills development legislation	Conducting an annual skills audit.	Conducting a skills needs analysis: completion of skills audit questionnaires by employees	1 X Skills Audit Report for Council: 1816 employees to complete questionnaire.	Annually	Nil	1816 completed questionnaires	84							The function was taken over by COGTA
Successful implementation of National Skills Development Strategy (NSDS)	Compiling a work place skills plan (WSP) by 30 July each year.	Compilation of a work place skills plan	1 X Approved WSP.	Annually		1	1	1	1	1	1	1	1	

OBJECTIVE DIRECTORATE/ DEPARTMENT /BRANCH/ DIVISION	INDICATOR	PROGRAMME/ PROJECT	ANNUAL TARGET	REPORTING FREQUENCY	OPERATING BUDGET R	QUARTER 1 30 SEP 10	ACTUAL FOR Q1	QUARTER 2 31 DEC 10	ACTUAL FOR Q2	QUARTER 3 31 MAR 11	ACTUAL FOR Q3	QUARTER 4 30 JUN 11	ACTUAL FOR Q4	REASON FOR NON ACHIEVEMENT
Address Skills gaps: Critical and Scarce skills a priority	Compiling an annual implementation report by January each year.	Implementation of the work place skills plan/ Facilitate learning programmes in terms of the WSP.	756	Quarterly		189	124		201	132				Inappropriate utilisation of skills grant
	Adoption of Skills Development Strategy by SDC	Convening of skills development committee meeting.	1 X Strategy document.	Biennially		1 Committee meeting	1 meeting							The committee ceased to exist because some members / councillors were recalled to other committees
	Providing Accredited training courses in line with skills needs identified within WSP.	Addressing training needs as planned in the current WSP. Critical and scare skills a priority.	70% of total workforce. Number of employees trained. (reported by means of a monthly report)	Monthly		346 employees received training as per WSP	267 Employees were trained	384	172					Inconsistence procurement procedures
Establish learner ships, Internship in conjunction with LGSETA.	Providing learner ships approved by the LGSETA.	Despatch declarations of intent to implement successful learner ships within Matjhabeng to LGSETA for approval	4x leaner ships by LGSETA beneficiaries: 18.1 & 18.2	Annually	Amounts of grants as determined by LGSETA: R160 000 per programme	4								Learner ships were not completed due to unavailability & non payment of properly accredited service providers

OBJECTIVE DIRECTORATE/ DEPARTMENT /BRANCH/ DIVISION	INDICATOR	PROGRAMME/ PROJECT	ANNUAL TARGET	REPORTING FREQUENCY	OPERATING BUDGET R	QUARTER 1 30 SEP 10	ACTUAL FOR Q1	QUARTER 2 31 DEC 10	ACTUAL FOR Q2	QUARTER 3 31 MAR 11	ACTUAL FOR Q3	QUARTER 4 30 JUN 11	ACTUAL FOR Q4	REASON FOR NON ACHIEVEMENT
Maintenance of data base of external providers	Confirmation of accreditation status.	Coordinating training interventions conducted by external training providers.	Monthly service provider reports.	Monthly										Supply Chain could not provide updated database
Induction program for newly labour entrants.	Development of induction policy and program.	Presenting induction programmes to newly appointed employees.	Depends on the number of new recruits.	Quarterly										HR was made aware of new recruits after a year of employment of the recruits, therefore induction was irrelevant
Keeping of a comprehensive data	Administration of employee and learner database.			Annually										
Get committed and by-in of all stakeholders regarding Skills Development	Facilitation and support to line management with regard to training and development of staff.	Implementation of line management as partner in skills development tool.	Four (4) sessions a year with all supervisors (line managers and supervisors on team leading level	Quarterly	N/A	4	4							Only team leaders and supervisors were committed. Other stakeholders did not commit themselves to skills development matters.

OBJECTIVE DIRECTORATE/ DEPARTMENT /BRANCH/ DIVISION	INDICATOR	PROGRAMME/ PROJECT	ANNUAL TARGET	REPORTING FREQUENCY	OPERATING BUDGET R	QUARTER 1 30 SEP 10	ACTUAL FOR Q1	QUARTER 2 31 DEC 10	ACTUAL FOR Q2	QUARTER 3 31 MAR 11	ACTUAL FOR Q3	QUARTER 4 30 JUN 11	ACTUAL FOR Q4	REASON FOR NON ACHIEVEMENT
HUMAN RESOURCE : (Branch Personnel)														
To manage the recruitment, selection , promotion and placement policies and processes in the Matjhabeng Local Municipality	Increasing the number of people from designated groups appointed	Implementation of the Employment Equity Plan	70% of staff employed in the three highest levels of management who are Black people (African, Indian, Coloured).			70%	78%	70%	78%	70%	76%	70%	70%	
			50 % of staff employed in the three highest levels of management who are women.			50%	20%	50%	20%	50%	20%	50%	26%	Not enough positions filled in this category
			2 % of staff employed in different categories and levels which are people with disabilities.			2%	0.70%	2%	0.70%	2%	0.70%	2%	0.70%	No applications received for this categories

OBJECTIVE DIRECTORATE/ DEPARTMENT /BRANCH/ DIVISION	INDICATOR	PROGRAMME/ PROJECT	ANNUAL TARGET	REPORTING FREQUENCY	OPERATING BUDGET R	QUARTER 1 30 SEP 10	ACTUAL FOR Q1	QUARTER 2 31 DEC 10	ACTUAL FOR Q2	QUARTER 3 31 MAR 11	ACTUAL FOR Q3	QUARTER 4 30 JUN 11	ACTUAL FOR Q4	REASON FOR NON ACHIEVEMENT
			50% of staff employed in different categories and levels which are black people			50%	90%	50%	90%	50%	91%	50%	91%	
To manage the employee data and information of all Matjhabeng Local Municipality employees	Filing of 100% of documentation received per month within 2 weeks after receipt.	Developing an effective record system for all the MLM employees	100% of documentation filed within 2 weeks.			100%	80%	100%	80%	100%	90%	100%	90%	Not received all the forms in time
	Submitting quarterly reports on employee absenteeism, appointments, terminations, retirements	Capturing statistical data with regard to absenteeism	4			100%	100%	100%	100%	100%	100%	100%	100%	

OBJECTIVE DIRECTORATE/ DEPARTMENT /BRANCH/ DIVISION	INDICATOR	PROGRAMME/ PROJECT	ANNUAL TARGET	REPORTING FREQUENCY	OPERATING BUDGET R	QUARTER 1 30 SEP 10	ACTUAL FOR Q1	QUARTER 2 31 DEC 10	ACTUAL FOR Q2	QUARTER 3 31 MAR 11	ACTUAL FOR Q3	QUARTER 4 30 JUN 11	ACTUAL FOR Q4	REASON FOR NON ACHIEVEMENT
	Capturing 100% of approved leave of all employees within 2 weeks of receipt of leave applications.		100% (Reported by means of monthly report)				100%	100%	100%	100%	100%	100%	100%	
	Leave Audit	Leave audits upon resignation, per request or for control purposes	360			90	54	90	60	90	38	90	335	audits as per resignations/ normal Audits
	Briefing Sessions on Conditions of Service	Introduction to new additional Conditions Service	12			3	10%	3		3		3		Dealt with all session in 1 quarter
	Information Sessions HR Admin Policies and Procedures	Introduction to HR Policies	4			4	0%							Dealt with above sessions

OBJECTIVE DIRECTORATE/ DEPARTMENT /BRANCH/ DIVISION	INDICATOR	PROGRAMME/ PROJECT	ANNUAL TARGET	REPORTING FREQUENCY	OPERATING BUDGET R	QUARTER 1 30 SEP 10	ACTUAL FOR Q1	QUARTER 2 31 DEC 10	ACTUAL FOR Q2	QUARTER 3 31 MAR 11	ACTUAL FOR Q3	QUARTER 4 30 JUN 11	ACTUAL FOR Q4	REASON FOR NON ACHIEVEMENT
BRANCH : ORGANISATIONAL EFFICIENCY STUDIES														
To administer the staff establishment of the Matjhabeng Local Municipality:	Executing reports from Directorates on structural changes on the Staff establishment.	Ensuring that all appointments are made in accordance with the approved staff establishment	Staff establishment updated within 1 week from receiving report from Performance Improvement	1 per quarter	None	1	1	1	1					
	Keeping of statistics relating to positions and incumbents on the staff establishment.		Monthly report submitted (12 X reports)	Monthly	None	3	3	1	1					
To develop an Individual Performance Management System (IPMS) for all staff in the MLM by:	Document signed by the LLF	Developing and having policy in IPMS approved		Monthly	None	3	0	0	0					Draft policy completed and will be submitted to Policy Unit
	Approval of IPMS by Council	Managing the approved IPMS	Training on IPMS presented for staff of MLM by June 2011.	Monthly	None	3	0	0	0					Awaiting IPMS policy
			Pilot undertaken for Levels 5/4 and 7/6.	Monthly	None	3	0	0	0					Framework completed

OBJECTIVE DIRECTORATE/ DEPARTMENT /BRANCH/ DIVISION	INDICATOR	PROGRAMME/ PROJECT	ANNUAL TARGET	REPORTING FREQUENCY	OPERATING BUDGET R	QUARTER 1 30 SEP 10	ACTUAL FOR Q1	QUARTER 2 31 DEC 10	ACTUAL FOR Q2	QUARTER 3 31 MAR 11	ACTUAL FOR Q3	QUARTER 4 30 JUN 11	ACTUAL FOR Q4	REASON FOR NON ACHIEVEMENT
Provide Work-study and institutional improvement support function	Conduct investigations and make recommendations to ED: CS and Municipal Manager on	Development and maintenance of the organisational structure and staff establishment of the MLM	According to directorate needs	Monthly	None	3	3	3	3					
	Develop/maintain the organisational structure of the municipality.		According to directorate needs		None	3	3	3	3					
	Determine an optimal staff establishment for the different units within the MLM.		According to directorate needs		None	3	3	3	2					
Assisting Line Directorates to enhance overall efficiency and performance	According to directorate needs	Conduct work studies with reference to a broad range of relevant issues:	According to directorate needs		None	3	3		1					According to directorate needs

OBJECTIVE DIRECTORATE/ DEPARTMENT /BRANCH/ DIVISION	INDICATOR	PROGRAMME/ PROJECT	ANNUAL TARGET	REPORTING FREQUENCY	OPERATING BUDGET R	QUARTER 1 30 SEP 10	ACTUAL FOR Q1	QUARTER 2 31 DEC 10	ACTUAL FOR Q2	QUARTER 3 31 MAR 11	ACTUAL FOR Q3	QUARTER 4 30 JUN 11	ACTUAL FOR Q4	REASON FOR NON ACHIEVEMENT
	According to directorate needs	Cost effectiveness, outsourcing and determining of service standards.	According to directorate needs		None	0	0		1					According to directorate needs
	According to directorate needs	Conduct ad-hoc investigations	According to directorate needs		None	4	4		4					According to directorate needs
	According to directorate needs	Perform feasibility studies and needs analysis to enhance service delivery	According to directorate needs		None	4	4		0					
BRANCH : EMPLOYEE WELLNESS AND SOCIAL DEVELOPMENT														
To co-ordinate and promote employee wellness	Planning and co- ordinating of 4 wellness events per annum.	Developing and implementing an Employee Wellness Policy	4	Quarterly		1	1							
Workshops & Seminars	Developing and implementing 4 proactive wellness programmes per quarter.	Planning and co-ordinating wellness events	Quarterly 4			1	7	1		1		1		Some Departments beginning to respond positively to road shows.

OBJECTIVE DIRECTORATE/ DEPARTMENT /BRANCH/ DIVISION	INDICATOR	PROGRAMME/ PROJECT	ANNUAL TARGET	REPORTING FREQUENCY	OPERATING BUDGET R	QUARTER 1 30 SEP 10	ACTUAL FOR Q1	QUARTER 2 31 DEC 10	ACTUAL FOR Q2	QUARTER 3 31 MAR 11	ACTUAL FOR Q3	QUARTER 4 30 JUN 11	ACTUAL FOR Q4	REASON FOR NON ACHIEVEMENT
Promoting effective EAP at the Workplace	Implementing reactive/ contingency wellness programmes when necessary 100%	Developing and implementing wellness programmes for Matjhabeng Local Municipality employees and their immediate families	Number of programmes		100% R30 000		226							Lack of funding
Campaigns	Conducting 1 HIV /AIDS road show and presentation per quarter in line with the Executive Mayor's programmes		4	Quarterly	R30 000 100%	1		1		1		1		L.A not properly functional to effectively carry out the functions of the council.
Counselling	Number of staff members	Recruit number of staff as Lay Counsellors	358	Monthly			0		0					Lack of funding
	Number of Ward Councillors	Recruit number of Ward Committee as Lay Counsellors	180	Quarterly		45	0	45		45		45		Seta
Paupers Burial	100% assisted	Assist in burial of paupers	100%	Monthly	100% of 270 000	67 500	36	67 500		67 500		67 500		Delays due to lack of proper contract documents.

OBJECTIVE DIRECTORATE/ DEPARTMENT /BRANCH/ DIVISION	INDICATOR	PROGRAMME/ PROJECT	ANNUAL TARGET	REPORTING FREQUENCY	OPERATING BUDGET R	QUARTER 1 30 SEP 10	ACTUAL FOR Q1	QUARTER 2 31 DEC 10	ACTUAL FOR Q2	QUARTER 3 31 MAR 11	ACTUAL FOR Q3	QUARTER 4 30 JUN 11	ACTUAL FOR Q4	REASON FOR NON ACHIEVEMENT
Other community counselling programmes	100% assisted	Assist with other Social problems	100%	Monthly			475							
Identifying qualifying beneficiaries for social grants for HIV patients	Number of beneficiaries		480	Monthly		120	107							Assisting with problems they have interacting with the clinic and SASSA where grants are needed.
BRANCH : LABOUR RELATIONS														
Conducting 3 meetings per quarter of the LLF			12 meetings			3	1	3	0	3	0	3	3	On 12 July a memo was forwarded to AEDCSS to ensure that administration schedules meeting of LLF once a month in terms of Council's roster and agenda is forwarded to all parties involved in the LLF, even if no new items have been submitted. LLF was held on 14 Sept 2010.

OBJECTIVE DIRECTORATE/ DEPARTMENT /BRANCH/ DIVISION	INDICATOR	PROGRAMME/ PROJECT	ANNUAL TARGET	REPORTING FREQUENCY	OPERATING BUDGET R	QUARTER 1 30 SEP 10	ACTUAL FOR Q1	QUARTER 2 31 DEC 10	ACTUAL FOR Q2	QUARTER 3 31 MAR 11	ACTUAL FOR Q3	QUARTER 4 30 JUN 11	ACTUAL FOR Q4	REASON FOR NON ACHIEVEMENT
														No further feedback on the matter. LLF 29 April 2011 but did not proceed as there was no forum.
Training of Presiding Officers and Prosecutors	Number of officials		100					33	0	33	0	34	0	A memo to be drafted to the Training division to identify Service Providers for in-house training, thereafter a submission will be drafted for final approval by the Municipal Manager.
														On 3 August 2010 the request was forwarded to Training to assist with Service Providers

OBJECTIVE DIRECTORATE/ DEPARTMENT /BRANCH/ DIVISION	INDICATOR	PROGRAMME/ PROJECT	ANNUAL TARGET	REPORTING FREQUENCY	OPERATING BUDGET R	QUARTER 1 30 SEP 10	ACTUAL FOR Q1	QUARTER 2 31 DEC 10	ACTUAL FOR Q2	QUARTER 3 31 MAR 11	ACTUAL FOR Q3	QUARTER 4 30 JUN 11	ACTUAL FOR Q4	REASON FOR NON ACHIEVEMENT
														. On 18 August 2010 Labour Relations forwarded a company's profile (Naidoo & Associates Inc) to Training Division.
														Mr Mpholo contacted Naidoo & Associates Inc in order for them to send a more detailed profile in order to place on the database.
														He confirmed as soon as the company is on the database, a quote will be obtained from the Company.

OBJECTIVE DIRECTORATE/ DEPARTMENT /BRANCH/ DIVISION	INDICATOR	PROGRAMME/ PROJECT	ANNUAL TARGET	REPORTING FREQUENCY	OPERATING BUDGET R	QUARTER 1 30 SEP 10	ACTUAL FOR Q1	QUARTER 2 31 DEC 10	ACTUAL FOR Q2	QUARTER 3 31 MAR 11	ACTUAL FOR Q3	QUARTER 4 30 JUN 11	ACTUAL FOR Q4	REASON FOR NON ACHIEVEMENT
														28/10/2010 – Received cor- respondence from Naidoo & Associates on Labour Rela- tions Workshop for Shop- stewards and Management.
														To take up with Training wheth- er the service provider is on Supply Chain's Database be- fore we can ask for quotations for inhouse training.
														On 23/11/2010 Training for- warded a draft form which the Service Providers have to complete.
														It was forwarded to the Service Providers with the request that once it is completed, that it be sent to Training Division for further handling thereof.

OBJECTIVE DIRECTORATE/ DEPARTMENT /BRANCH/ DIVISION	INDICATOR	PROGRAMME/ PROJECT	ANNUAL TARGET	REPORTING FREQUENCY	OPERATING BUDGET R	QUARTER 1 30 SEP 10	ACTUAL FOR Q1	QUARTER 2 31 DEC 10	ACTUAL FOR Q2	QUARTER 3 31 MAR 11	ACTUAL FOR Q3	QUARTER 4 30 JUN 11	ACTUAL FOR Q4	REASON FOR NON ACHIEVEMENT
														On 1 March 2011 an e-mail was forwarded to Acting Manager Training to enquire the progress of the Service Providers who completed the forms in order to appear on Council's Database.
														Awaiting further feedback.
														On 29 March 2011 Acting Manager Training sent an e-mail to LRO informing the branch that Supply Chain Management is responsible for the allocation of service providers.

OBJECTIVE DIRECTORATE/ DEPARTMENT /BRANCH/ DIVISION	INDICATOR	PROGRAMME/ PROJECT	ANNUAL TARGET	REPORTING FREQUENCY	OPERATING BUDGET R	QUARTER 1 30 SEP 10	ACTUAL FOR Q1	QUARTER 2 31 DEC 10	ACTUAL FOR Q2	QUARTER 3 31 MAR 11	ACTUAL FOR Q3	QUARTER 4 30 JUN 11	ACTUAL FOR Q4	REASON FOR NON ACHIEVEMENT
														The matter has been referred to the Supply Chain Manager to identify a suitable accredited service provider for training of the said officials.
														Acting Manager Training indicated he will keep LR informed of any developments. Contacted Training again to follow up with Supply Chain Management for service provider
														A memo was be drafted to Manager Supply Chain Management

OBJECTIVE DIRECTORATE/ DEPARTMENT /BRANCH/ DIVISION	INDICATOR	PROGRAMME/ PROJECT	ANNUAL TARGET	REPORTING FREQUENCY	OPERATING BUDGET R	QUARTER 1 30 SEP 10	ACTUAL FOR Q1	QUARTER 2 31 DEC 10	ACTUAL FOR Q2	QUARTER 3 31 MAR 11	ACTUAL FOR Q3	QUARTER 4 30 JUN 11	ACTUAL FOR Q4	REASON FOR NON ACHIEVEMENT
Finalisation of backlogs in Disciplinary hearings – 6 months and older	Number of hearings		16			8	12 up to end of Sept	8	4 finalised		Finalised	Finalised	Finalised	
Briefing Sessions on new Disciplinary Code Collective Agreement	Per Unit 12 sessions (2 per unit) 1 – higher post level 1 – lower post level					6	11 sessions conducted Finalised	6	Finalised		Finalised	Finalised	Finalised	
	Sessions with PST Department (harmonise relationships in the workplace)		1 session			1	0							Memorandum to be drafted to Training Division to identify Service Provider for an in-house session with Department Public Safety and Transport.
														A submission will be drafted to Municipal Manager for final approval.

OBJECTIVE DIRECTORATE/ DEPARTMENT /BRANCH/ DIVISION	INDICATOR	PROGRAMME/ PROJECT	ANNUAL TARGET	REPORTING FREQUENCY	OPERATING BUDGET R	QUARTER 1 30 SEP 10	ACTUAL FOR Q1	QUARTER 2 31 DEC 10	ACTUAL FOR Q2	QUARTER 3 31 MAR 11	ACTUAL FOR Q3	QUARTER 4 30 JUN 11	ACTUAL FOR Q4	REASON FOR NON ACHIEVEMENT
														On 3 August 2010 Training Department was contacted in order to assist with the Sessions
														Training recommended that the problems should be identified in the Department in the form of a questionnaire in order to focus on the problem issues at hand
														Training forwarded a questionnaire to Labour Relations to amend accordingly

OBJECTIVE DIRECTORATE/ DEPARTMENT /BRANCH/ DIVISION	INDICATOR	PROGRAMME/ PROJECT	ANNUAL TARGET	REPORTING FREQUENCY	OPERATING BUDGET R	QUARTER 1 30 SEP 10	ACTUAL FOR Q1	QUARTER 2 31 DEC 10	ACTUAL FOR Q2	QUARTER 3 31 MAR 11	ACTUAL FOR Q3	QUARTER 4 30 JUN 11	ACTUAL FOR Q4	REASON FOR NON ACHIEVEMENT
														20/10/2010 – Forwarded the questionnaire to Acting Senior Manager Public Safety and Transport for his inputs and comments. Dept was reminded in November to peruse the questionnaire for inputs and / or amendments and it was confirmed that it will be discussed with Municipal Manager
														On 7 February 2011 copies of the documents were e-mailed to Adv Moshodi in order to discuss same with MM, as he indicated his set of forms have been misplaced

OBJECTIVE DIRECTORATE/ DEPARTMENT /BRANCH/ DIVISION	INDICATOR	PROGRAMME/ PROJECT	ANNUAL TARGET	REPORTING FREQUENCY	OPERATING BUDGET R	QUARTER 1 30 SEP 10	ACTUAL FOR Q1	QUARTER 2 31 DEC 10	ACTUAL FOR Q2	QUARTER 3 31 MAR 11	ACTUAL FOR Q3	QUARTER 4 30 JUN 11	ACTUAL FOR Q4	REASON FOR NON ACHIEVEMENT
														No further feedback since 7 February 2011
														On 6 April 2011 a memorandum was drafted to the new Senior Manager Public Safety and Transport with the proposed questionnaire for his further inputs and comments.
														No response received from Senior Manager Public Safety and Transport. Awaiting further feedback from the Department.

OBJECTIVE DIRECTORATE/ DEPARTMENT /BRANCH/ DIVISION	INDICATOR	PROGRAMME/ PROJECT	ANNUAL TARGET	REPORTING FREQUENCY	OPERATING BUDGET R	QUARTER 1 30 SEP 10	ACTUAL FOR Q1	QUARTER 2 31 DEC 10	ACTUAL FOR Q2	QUARTER 3 31 MAR 11	ACTUAL FOR Q3	QUARTER 4 30 JUN 11	ACTUAL FOR Q4	REASON FOR NON ACHIEVEMENT
BRANCH : LITIGATION														
Litigation section assist in administering law within the municipality as well as rendering proper legal advice and research opinion	Gazetting and Implementation of outstanding by-laws	Establishment of Municipal Court// Re: by-laws enforcement	16					6			10			To date 20 by-laws have been promulgated and due to financial constraints we are unable to gazette the outstanding by-laws.
	Reduction in escalating civil proceedings	Provide a compliance management services.		monthly										Ongoing process- One case finalised
	Protect Council's interest at Court	Timeous defence on civil proceedings instituted and adherence to Court Orders.	20% (Mayoral Lekgotla Resolution)			20%								The section is tiemously defending civil actions issued against the municipality, however non-corporation from other departments where the matters emanates from hamper the process.

OBJECTIVE DIRECTORATE/ DEPARTMENT /BRANCH/ DIVISION	INDICATOR	PROGRAMME/ PROJECT	ANNUAL TARGET	REPORTING FREQUENCY	OPERATING BUDGET R	QUARTER 1 30 SEP 10	ACTUAL FOR Q1	QUARTER 2 31 DEC 10	ACTUAL FOR Q2	QUARTER 3 31 MAR 11	ACTUAL FOR Q3	QUARTER 4 30 JUN 11	ACTUAL FOR Q4	REASON FOR NON ACHIEVEMENT
	Provide legal opinion	Nr. Of legal opinions to be provided. A proportion of request for opinions to be received.	80%	As requested		10%		25%		25%		20%		Ongoing process
BRANCH : OCCUPATION HEALTH AND SAFETY														
To coordinate Occupation Health and Safety	By complying to the OSH Act and Regulations.	Rendering advice to employees regarding Health and Safety issues	All employees			25%	5.00	25%	5.00	25%	5.00	25%	5.00	
Handling of injuries on duty	As per occurrence		15%			5%	0	5%	0	3%	0	2.5%	0	
Injury on duty Information sessions	Conducting 2 workshops on injury on duty.	Advising supervisors on procedure during injury on duty.	2			50%	0	50%	0	0	0	0	0	
Health & safety training	Conducting internal Health & Safety Workshops	Conduct the following 2 courses: 1. Introduction to SHE Management. 2. Work- Safe Workshop.	2			25%	0	25%	0	25%	0	25%	0	

OBJECTIVE DIRECTORATE/ DEPARTMENT /BRANCH/ DIVISION	INDICATOR	PROGRAMME/ PROJECT	ANNUAL TARGET	REPORTING FREQUENCY	OPERATING BUDGET R	QUARTER 1 30 SEP 10	ACTUAL FOR Q1	QUARTER 2 31 DEC 10	ACTUAL FOR Q2	QUARTER 3 31 MAR 11	ACTUAL FOR Q3	QUARTER 4 30 JUN 11	ACTUAL FOR Q4	REASON FOR NON ACHIEVEMENT
Medical Examination	Medical Testing of high risk employees	Medical test for employees working in high risk areas.	500 employees			70%	0	30%	0	0	0	0	0	
First Aiders	Appointment of first aiders	Appointment and training of 40 first aiders	40 first aiders			50%	0	50%	0	50%	0	50%	0	

4.4 TOWN PLANNING HOUSING & VALUATION

OBJECTIVE	INDICATOR	PROGRAMME/ PROJECT	ANNUAL TARGET	REPORTING FREQUENCY	OPERATING BUDGET R	QUARTER 1 30 SEP 10	ACTUAL FOR Q1	QUARTER 2 31 DEC 10	ACTUAL FOR Q2	QUARTER 3 31 MAR 11	ACTUAL FOR Q3	QUARTER 4 30 JUN 11	ACTUAL FOR Q4	REASON FOR NON ACHIEVEMENT
HOUSING ADMIN														
Promotion of security of tenure	Number of houses transferred	Transfer through Discount Benefit Scheme	800	Quarterly	R7000.00	200	116	200		300		100		Inadequate response from the dwellers
	Number of houses transferred	Transfer through Conversions	400	Quarterly	R4000.00	100	132	100		100		100		
Enhanced communication	Number of articles submitted	Compiling newsletter articles on housing matters for Matjhabeng newsletter	4	Quarterly	nil	1	1	1		1		1		
Data maintenance	Existence of a reliable housing waiting list	Compilation of a housing waiting list	1	Bi-annually	nil	0	0	1				1		
HOUSING DEVELOPMENT														
Address Housing Back-log	Number of houses built	Project Linked Subsidies	2555	Quarterly	-	0	0	0		500		1300		
	Number of houses built	Peoples Housing Project (PHP)	400	Quarterly	10 000	0	0	0		150		250		

OBJECTIVE	INDICATOR	PROGRAMME/ PROJECT	ANNUAL TARGET	REPORTING FREQUENCY	OPERATING BUDGET R	QUARTER 1 30 SEP 10	ACTUAL FOR Q1	QUARTER 2 31 DEC 10	ACTUAL FOR Q2	QUARTER 3 31 MAR 11	ACTUAL FOR Q3	QUARTER 4 30 JUN 11	ACTUAL FOR Q4	REASON FOR NON ACHIEVEMENT
	Number of approvals	Individual Subsidies	50	Quarterly	5 000	10	7	10		10		20		Process hampered at HSS at Province
	Number of session contacted	Consumer Education	6 units	Quarterly	10 000	0	0	0		2		4		
	Number of steering committees established	Project Steering Committees	6 units	Quarterly	10 000	0	0	13 (all projects)		2		4		
RENTAL ACCOMMODATION														
Repair and maintenance of Rental accommodation	Number of Flats maintained and repaired	Repairs and Maintenance of the following Flats.	6 units	Quarterly	300 000	2	2	2		1		1		
			18 units	Quarterly	600 000	6	5	6		3		3		
			8 units	Quarterly	R500 000	2	2	2		2		2		
			2 Blocks	Quarterly	R800 000	0	0	0		0		2		
		Concor Flats – Bronv												
		Harrison Flats 31,41 & 43												
		State—way Flats Long Road (to be painted internally & externally)												
Purification of Data	Number of hostels to be audited	Auditing Thabong, Welkom & Meloding Hostels	10 Hostels	Quarterly	R800 000	4	4	3		3		2		

OBJECTIVE	INDICATOR	PROGRAMME/ PROJECT	ANNUAL TARGET	REPORTING FREQUENCY	OPERATING BUDGET R	QUARTER 1 30 SEP 10	ACTUAL FOR Q1	QUARTER 2 31 DEC 10	ACTUAL FOR Q2	QUARTER 3 31 MAR 11	ACTUAL FOR Q3	QUARTER 4 30 JUN 11	ACTUAL FOR Q4	REASON FOR NON ACHIEVEMENT
Disposal of Council Personnel Houses	number of houses to be sold.	Selling of Personnel houses in : Welkom Odendaalsrus	34	Yearly	-	0	1	0		0		34		Absence of alternative accommodation for occupants who won't be able to buy
VALUATIONS														
Implementation of Valuation Roll	Existence of updated Valuation Roll	Advertisement of - Rates Policy - By –Law - Public Participation - Implementation	1 1 6 Units 1	Quarterly	R15Million	1		1		6		1		
Ensure continuous Interim Valuations	Number of Interim values conducted	Interim Valuations	500	Quarterly	50 000	150		150		150		150		
LAND AFFAIRS	Land Release to the disadvantaged communities	Allocate sites to members of the community	2000	Quarterly		400	514	600		500		500		

OBJECTIVE	INDICATOR	PROGRAMME/ PROJECT	ANNUAL TARGET	REPORTING FREQUENCY	OPERATING BUDGET R	QUARTER 1 30 SEP 10	ACTUAL FOR Q1	QUARTER 2 31 DEC 10	ACTUAL FOR Q2	QUARTER 3 31 MAR 11	ACTUAL FOR Q3	QUARTER 4 30 JUN 11	ACTUAL FOR Q4	REASON FOR NON ACHIEVEMENT
		Alienate sites to members of the community for usage of religious and community facilities	100	Monthly		30	0	30		20		20		Policy in the process of amendment
	Eradication of informal settlements	Formalisation of informal settlement Register all residents staying in informal settlements Relocate informal dwellers Consumer education	6 units	Monthly Monthly Quarterly Monthly		2	2	1		2		1		
	Repossess abandoned and undeveloped residential erven	Identification Advertisement Compliance with MFMA	2000	Quarterly		200	0	400		600		800		

4.5 HOUSING ADMINISTRATION

OBJECTIVE	TACTICAL ACTIVITY/ PROJECT DESCRIPTION	UNIT OF MEASURE	ANNUAL TARGET	ACTUAL	REASON FOR NON ACHIEVEMENT	SCORE	AVERAGE SCORE
HOUSING ADMIN							
	Enhanced Communication	Number of news letter article submitted for Matjhabeng news.	4	3	Due to limited editions produced for the year.		
	Publication of Housing Waiting List	Publication should be bi-annually	2	2			
	Promotion of security of tenure						
	Discount benefit scheme	Number of houses transferred	500	594			
	Conversion of certain properties	Number of houses transferred	200	236			
	Capacity building	Number of employees trained	15	6	Lack of funding, training was frozen		
HOUSING DEVELOPMENT							
	Facilitate building of houses through Project linked subsidies	Number of houses completed	1850	0	Allocation of subsidies was cancelled, due to Financial constraints as well as priorities and mandates of new Provincial Administration of Human Settlements		

OBJECTIVE	TACTICAL ACTIVITY/ PROJECT DESCRIPTION	UNIT OF MEASURE	ANNUAL TARGET	ACTUAL	REASON FOR NON ACHIEVEMENT	SCORE	AVERAGE SCORE
	Facilitate building of houses through Peoples housing process	Number of houses completed	400	0	Allocation of subsidies was cancelled due to financial constraints as well as priorities and mandates of new Provincial Administration of Human Settlements		
	Facilitate implementation of Individual housing subsidy	Number of successful applications	50	15	Slow approval process at Provincial level		
	Ensure implementation of consumer education training	Number of sessions conducted	6	0	Due to no running projects		
	Establishment of steering committees for all project	Number of steering committee established	6	0	Due to no running projects		
RENTAL ACCOMMODATION							
	Income generation and credit control	Submit Eviction policy to Council	1	0	Since submitted to Policy Unit and not finalized.		
	Management of Rental Accommodation	No. of units audited	13	11	Transport problem (Meloding)		
	Identification and utilization of unused facilities in villages	No of facilities identified and utilized	3	2	There is still illegal occupation and resistance to vacate these facilities.		
	Popularise CRU concept	Business plan submitted to Province	4	0	Unavailability of funds to appoint service providers		

OBJECTIVE	TACTICAL ACTIVITY/ PROJECT DESCRIPTION	UNIT OF MEASURE	ANNUAL TARGET	ACTUAL	REASON FOR NON ACHIEVEMENT	SCORE	AVERAGE SCORE
VALUATIONS							
	Successful implementation of valuation roll	Appointment of service provider	1	1			
		Submission of draft valuation roll			In progress		
		Advertisement of : valuation Policy	1	1			
		- By- Laws	1	0			
		- Certified valuation roll	36	36			
		- Public Participation per wards	1	0			
		- Implementation of the valuation roll					
	Interim Valuations	Number of valuations and transfers	500	0	Focus has been on valuation roll process and compliance issues.		
LAND AFFAIRS							
	Allocate residential sites to members of the community	Number of sites to be allocated	3000	1276			
	Alienate sites to members of the community for usage of religious and community facilities	Number of sites allocated religious 30, community facilities 6	30 & 6	10	Policy in the process of amendment		
	Formalise informal settlements	Register all residents staying in informal settlements	3000	5587			
		Meloding, Thabong & Phomolong					

OBJECTIVE	TACTICAL ACTIVITY/ PROJECT DESCRIPTION	UNIT OF MEASURE	ANNUAL TARGET	ACTUAL	REASON FOR NON ACHIEVEMENT	SCORE	AVERAGE SCORE
	Repossess and re-alienate abandoned undeveloped sites	Number of sites transferred	300	0	The process started in December 2010.		
TOWN PLANNING							
	Maintenance of Land Use Management Plan	Number of erven updated	500	0	Land Use Management Plan not approved.		
	Signage and street naming in required areas	200	200	0	Awaiting community participation process via Speaker's office.		
	Spatial Development Framework	One document	1	0	Budget funding not available		
	Development of strategies for Land Use : - Re-evaluation of the SBD Strategy - Open Space Master Plan - Neighbourhood Development Project Grant	One –document One regeneration plan	 1 1 1	 0 0 0	Budget funding not available Awaiting appointment of Project Coordinator		
	Township Establishment - Residential - Commercial	1000 30	1000 30	1000 0			
	Land acquisition for new development / urban expansion	Number of farms purchased	5	3	Awaiting feedback from Provincial department of Land Affairs		

4.6 DIRECTORATE COMMUNITY / SOCIALSERVICES

IDP REF	TACTICAL ACTIVITY/ PROJECT	UNIT OF MEASURE	ANNUAL TARGET	REVISED TARGET	QTR ENDING 30 SEPT.10		QTR ENDING 30 DEC 10		QTR ENDING 30 MARCH 11		QTR ENDING 30 JUNE 11		REASON FOR NON ACHIEVEMENT
	DESCRIPTION	MEASUREMENT			PROJ	ACTUAL	PROJ	ACTUAL	PROJ	ACTUAL	PROJ	ACTUAL	
BRANCH : SOCIAL DEVELOPMENT													
82	Identify qualifying beneficiaries for social grants	Number of beneficiaries	160		40		40		40		40		
84	Recruit ward committee members as lay Councilors	Number of community members	40								40		
	Recruit members of staff as lay Councilors	Number of staff members	35								35		
	Facilitate the establishment of food gardens	Number of food gardens	160		40		40		40		40		
84	Workshops and seminars	Number of campaigns on social problems	6		1		1		2		2		
	Facilitate a system of grants	Number of information sessions held	6		1		1		2		2		
	Screening of indigent applications	Number of indigents screened	500		125		125		125		125		
84	Counselling of employees	% referrals attended	100%		100%		100%		100%		100%		

IDP REF	TACTICAL ACTIVITY/ PROJECT	UNIT OF MEASURE	ANNUAL TARGET	REVISED TARGET	QTR ENDING 30 SEPT.10		QTR ENDING 30 DEC 10		QTR ENDING 30 MARCH 11		QTR ENDING 30 JUNE 11		REASON FOR NON ACHIEVEMENT
	DESCRIPTION	MEASUREMENT			PROJ	ACTUAL	PROJ	ACTUAL	PROJ	ACTUAL	PROJ	ACTUAL	
84	Assist the destitute (disaster incidents)	% referrals attended	100%		100%		100%		100%		100%		
	Assist with pauper burials	% referrals attended	100%		100%		100%		100%		100%		
BRANCH : LIBRARY SERVICES													
83	Organize holiday programmes for communities	Number of programs organized	4	56	14	56	14	56	14		14		
83	Participate in Readathon programs	Number of programs organized	4	56	14	14	14	14	14		14		
83	Hold poetry sessions	Number of sessions	8	112	28	56	28	56	28		14		
	Celebration of National Library Week	Number of awareness programs	1	14					14		14		
	Celebration of National World Book Day	Number of awareness programs	1	14					14		14		
	Renaming of Libraries	Number of Libraries re-named	7	7					7		7		Waiting for Speaker's office and public participation.
	Develop Service Level Agreement with Province	Number of SLA concluded	1	1					1		1		80% completed
BRANCH : FIRE AND RESCUE SERVICES													
73	Establish a digital joint control room	Number of digital control rooms established	1		0		0		0		1		

IDP REF	TACTICAL ACTIVITY/ PROJECT	UNIT OF MEASURE	ANNUAL TARGET	REVISED TARGET	QTR ENDING 30 SEPT.10		QTR ENDING 30 DEC 10		QTR ENDING 30 MARCH 11		QTR ENDING 30 JUNE 11		REASON FOR NON ACHIEVEMENT
	DESCRIPTION	MEASUREMENT			PROJ	ACTUAL	PROJ	ACTUAL	PROJ	ACTUAL	PROJ	ACTUAL	
73	Purchase a mobile control unit	Number of mobile control rooms acquired	1		0		0		0		1		
73	Establish six satellite fire stations	Number of satellite stations	1		0		0		0		1		
82	Update disaster contingency plan	Number of plans updated	1		1		0		0		0		
	Training of fire fighting (External)	Number of courses conducted	3		1		0		1		1		
	Conduct Fire safety inspections	Number of fire inspections conducted	960		240		240		240		240		
BRANCH : PARKS SPORT AND RECREATION													
74	Establish tree nurseries in Welkom and Virginia	Number of tree nurseries upgraded	2		1	1	0	0	0		1		The first stage of establishment in Welkom is done. Klippan nursery is being prepared and cleaned.
	Planting of trees	Number of trees planted	1000	500	125	533	125	0	125		125		
	Establish urban parks and public open space	Number of parks established	10		0		0	1	5		5		
	Removal of decrepit and dangerous trees	Number of trees removed	400		100	2 648	100	298	100		100		
	Caring of trees	Number of trees pruned	6000	8000	2000	2 177	2000	1142	2000		2000		

IDP REF	TACTICAL ACTIVITY/ PROJECT	UNIT OF MEASURE	ANNUAL TARGET	REVISED TARGET	QTR ENDING 30 SEPT.10		QTR ENDING 30 DEC 10		QTR ENDING 30 MARCH 11		QTR ENDING 30 JUNE 11		REASON FOR NON ACHIEVEMENT
	DESCRIPTION	MEASUREMENT			PROJ	ACTUAL	PROJ	ACTUAL	PROJ	ACTUAL	PROJ	ACTUAL	
	Maintain urban parks and public open space	Number of developed parks maintained	105	105	105	105	105	105	105		105		
	Control of undesirable plants and weeds	Square meter with undesirable plants and weeds treated	4000	110000	27500	12700	27500	18000	27500		27500		Due to the fact that the process must be done manually, it took longer than using chemicals.
74	Upgrading cemeteries Matjhabeng	Number of cemeteries upgraded	8		0		0	0	0		8	1	Waiting approval of funds
	Adequate provision of graves for burial purposes	Number of graves dug	6400		1600	1354	1600	1155	1600	1144	1600	1125	Adequate graves provided
	Beautification of Cemeteries	Number of cemeteries beautified	12	12	3		3	3	3	1	3	11	Financial constraints
75	Upgrade and maintain sport & recreation facilities	Number of municipal sports and recreation facilities maintained & upgraded	20	20	20	17	20	19	20	2	20	2	Waiting for approval of funds for upgrading facilities.
78	Oliver Tambo Games	Number of games	1		1		0	4	1		0		
	Indigenous Games	Number of participants	1600		0		400	2348	400		800		
BRANCH :WASTE MANAGEMENT													
69	Waste collection from each household on a weekly basis	Number of areas	5270		1319	889	1319	1411	1319	1346	1319	1470	

IDP REF	TACTICAL ACTIVITY/ PROJECT	UNIT OF MEASURE	ANNUAL TARGET	REVISED TARGET	QTR ENDING 30 SEPT.10		QTR ENDING 30 DEC 10		QTR ENDING 30 MARCH 11		QTR ENDING 30 JUNE 11		REASON FOR NON ACHIEVEMENT
	DESCRIPTION	MEASUREMENT			PROJ	ACTUAL	PROJ	ACTUAL	PROJ	ACTUAL	PROJ	ACTUAL	
69	Implement illegal dumping management plan	Number of campaigns on cleaning program	12		3	6	3	22	3		3		49 illegal dumping removed.
69	Comply to permit requirements by implementing a proper management plan	Number of programmes per project	8	4	1	0	1	1	1		1		22 prohibition boards of illegal dumping boards installed.
70	Rehabilitation of people living at dumping site	Number of projects	2		1	0	1	0	0		0		The interdepartmental meeting was convened but could not materialised due to non-attendance of invited departments

SERVICE DELIVERY TARGETS AND PERFORMANCE INDICATORS PARKS AND RECREATION

CEMETERIES

OBJECTIVE	INDICATOR	PROGRAMME/ PROJECT	ANNUAL TARGET	REPORTING FREQUENCY	OPERATING BUDGET R	QUARTER 1 30 SEP 10	ACTUAL FOR Q 1	QUARTER 2 31 DEC 10	ACTUAL FOR Q 2	QUARTER 3 31 MAR 11	ACTUAL FOR Q 3	QUARTER 4 30 JUN 11	REASONS FOR NON ACHIEVEMENT
Provision of graves and clean and green environment in 18 cemeteries	Provision of adequate graves	Digging of graves	6400	Monthly	General expenses R839,528 Repair & maintenance R199,947	1600	1354	1600		1600		1600	Adequate graves provided
	Upgrading of cemeteries	Upgrading and maintenance of 8 cemeteries fences	8	Monthly		2	0	2		2		2	Waiting approval of funds.
	Beautification of cemeteries	Maintain and upgrade of 18 cemeteries gardens and graves	100%	Monthly		18	18	25%		25%		25%	
COMMUNITY CENTERS													
Provision of clean community and recreation centers	annual management and maintenance of 14 community and recreation centers	Monthly maintenance, management and upgrading of buildings and installations	100%	Monthly	General expenses R135,197 Repair & maintenance R213,528	14	13	25%		25%		25%	Riebeckstad Rec. hall is under construction after been burnt.

OBJECTIVE	INDICATOR	PROGRAMME/ PROJECT	ANNUAL TARGET	REPORTING FREQUENCY	OPERATING BUDGET R	QUARTER 1 30 SEP 10	ACTUAL FOR Q 1	QUARTER 2 31 DEC 10	ACTUAL FOR Q 2	QUARTER 3 31 MAR 11	ACTUAL FOR Q 3	QUARTER 4 30 JUN 11	REASONS FOR NON ACHIEVEMENT
SWIMMING POOLS													
Provision of clean and save public swimming facilities	Annual management and maintenance of 4 public swimming pools	Monthly maintenance, management and upgrading buildings purification plants and installations	100%	Monthly	General expenses R152,475 Repair & maintenance R90,490	4	3	25%		25%		25%	Kopano Indoor centre pool is vandalised and is going to be put in the next M.I.G applications.
Sport and Recreation Facilities													
Provision of clean and save sport and recreation facilities	Annual management and maintenance of 17 sport and recreation facilities	Monthly maintenance, upgrading and management of buildings, fences and playing fields	100%	Monthly	General expenses R88,169 Repair & maintenance R316,007	17	17	25%		25%		25%	
RECREATION													
Provision of sport and recreation programmes	Planning and present of sport and recreation programmes	Present quarterly sport and recreation programmes in all units	100%	Quarterly	General expenses R32,965	0	0	2		25%	25%		
Public open spaces													
Establish tree nurseries in Welkom and Virginia	Number of tree nurseries upgraded		2	Monthly				1			2		

OBJECTIVE	INDICATOR	PROGRAMME/ PROJECT	ANNUAL TARGET	REPORTING FREQUENCY	OPERATING BUDGET R	QUARTER 1 30 SEP 10	ACTUAL FOR Q 1	QUARTER 2 31 DEC 10	ACTUAL FOR Q 2	QUARTER 3 31 MAR 11	ACTUAL FOR Q 3	QUARTER 4 30 JUN 11	REASONS FOR NON ACHIEVEMENT
Provision of a clean and green environment	Planning of tree planting programme	Procure and plant of 1000 trees during planting season	1000	Quarterly	General expenses R1,175,097 Repair & maintenance R397,330	700	533	100		100	100	The remaining 167 is going to be planted as per program in various wards.	
	Maintenance and caring of street trees	Pruning of street trees according to tree policy	8000	Monthly		2000	2177	2000		2000	2000		
		Removal of dangerous and decrepit trees	400	Monthly		100	2648	100		100	100		
	Establishment of urban parks	Development of new urban parks	12	Monthly		3	3	3		3	3		
	Maintenance of existing parks and open spaces	Maintenance of develop and un develop parks	100%	Monthly		105	105	25%		25%	25%		
	Control of undesirable plants	Removal of 4000 square meters undesirable plants and weeds	4000 square meters	Monthly		27 500	12 700	1000 square meters		1000 square meters	1000 square meters		Due to the fact that the process must be done manually, it took longer than using chemicals.
PARKS WORKSHOP													

OBJECTIVE	INDICATOR	PROGRAMME/ PROJECT	ANNUAL TARGET	REPORTING FREQUENCY	OPERATING BUDGET R	QUARTER 1 30 SEP 10	ACTUAL FOR Q 1	QUARTER 2 31 DEC 10	ACTUAL FOR Q 2	QUARTER 3 31 MAR 11	ACTUAL FOR Q 3	QUARTER 4 30 JUN 11	REASONS FOR NON ACHIEVEMENT
Provision and maintenance of a effective fleet, water network and buildings	Management and maintenance of fleet	Management of operating cost of vehicles and equipment	100%	Monthly	General expenses R2,298374 Repair & maintenance R19,390	25%	20%	25%		25%	25%		5% of the fleet was continuously at workshop for repairs
	Management and maintenance of effluent water network	Management of operating cost of effluent water network	3	Monthly		3	1	25%		25%	25%		Repairs on Rovers Booster Pump Station and Hennenman are still in process and water will be available once the repairs are completed.

CEMETERIES

OBJECTIVE	INDICATOR	PROGRAMME/ PROJECT	ANNUAL TARGET	REPORTING FREQUENCY	OPERATING BUDGET R	QUARTER 1 30 SEP 10	ACTUAL FOR Q 1	QUARTER 2 31 DEC 10	ACTUAL FOR Q 2	QUARTER 3 31 MAR 11	ACTUAL FOR Q 3	QUARTER 4 30 JUN 11	ACTUAL FOR Q 4
REFUSE REMOVAL													
Provision of a sustainable refuse removal programme	Waste removal from each household on a weekly basis	Waste removal in all areas	5270 areas	Monthly	General expenses R4,302,508 Repair & maintenance R2,119,970	1319 areas	889	1319 areas		1319 areas		1319 areas	The availability of trucks was not constant due to continuous break downs-hence inconsistency on refuse removal.
	Management and maintenance of fleet	Management of operating cost of vehicles and equipment	100%	Monthly		25%	25%	25%		25%		25%	
REFUSE DUMPING AREA													
Provision of a sustainable management plan according to permits	Management and maintenance of fleet	Management of operating cost of vehicles and equipment	100%	Monthly	General expenses R4,022,165 Repair & maintenance R2,119,970	25%	25%	25%		25%		25%	
	Management and maintenance of 4 dumping sites	Operating cost of service provider at 2 sites	100%	Monthly		25%	25%	25%		25%		25%	

OBJECTIVE	INDICATOR	PROGRAMME/ PROJECT	ANNUAL TARGET	REPORTING FREQUENCY	OPERATING BUDGET R	QUARTER 1 30 SEP 10	ACTUAL FOR Q 1	QUARTER 2 31 DEC 10	ACTUAL FOR Q 2	QUARTER 3 31 MAR 11	ACTUAL FOR Q 3	QUARTER 4 30 JUN 11	ACTUAL FOR Q 4
	Management of people living at landfill site	Rehabilitation of people living at the Welkom and odendaalsrus landfill sites	2	Monthly				1				1	1.The monitoring committee is having monthly meetings 2. Interdepartmental consultation process is underway for the rehabilitation of scavengers. This is the continuous process.
Implement illegal dumping management plan	Number of campaigns on cleaning program		12	Monthly		3	6	3		3		3	1. The illegal dumping management is on continuous basis and dealt with according to the availability of trucks. 2. Continuous overhaul of program and schedules. 3. Operation COCA was launched to address the existing and continuous backlogs on illegal dumping
Comply to permit requirements by implementing a proper management plan	Number of programmes per project		8	Monthly		1	1	1		1		1	Spot fines are determined and still to be tabled for consideration.

SERVICE DELIVERY TARGETS AND PERFORMANCE INDICATORS COMMUNITY SERVICES ADMINISTRATION

OBJECTIVE	INDICATOR	PROGRAMME/PROJECT	ANNUAL TARGET	REPORTING FREQUENCY	OPERATING BUDGET R	QUARTER 1 30 SEP 10	ACTUAL FOR Q 1	QUARTER 2 31 DEC 10	ACTUAL FOR Q 2	QUARTER 3 31 MAR 11	ACTUAL FOR Q 3	QUARTER 4 30 JUN 11	ACTUAL FOR Q 4
The effective management of the Directorate Community Services in order to contribute to proper services delivery to the community	Number of report submitted Municipal Manager	Timely submission of reports to Municipal manager	12	Monthly	General expenses R371,482 Repair & maintenance R109,099	3	3	3		3		3	
	Timeous review and submission of policies to Council	Review all budget related policies and submit to Council	4	Quarterly		1	1	1		1		1	
	Timeous submission of items for Mayco and Council	Timely submission of items	12	Monthly		3	1	3		3		3	
	Budget control	Review of income and expenditure	12	Monthly		3	3	3		3		3	

SERVICES DELIVERY TARGETS AND PERFORMANCE INDICATORS PUBLIC AMENITIES

OBJECTIVE	INDICATOR	PROGRAMME/PROJECT	ANNUAL TARGET	REPORTING FREQUENCY	OPERATING BUDGET R	QUARTER 1 30 SEP 10	ACTUAL FOR Q 1	QUARTER 2 31 DEC 10	ACTUAL FOR Q 2	QUARTER 3 31 MAR 11	ACTUAL FOR Q 3	QUARTER 4 30 JUN 11	ACTUAL FOR Q 4
Provision of healthy and clean environment	Cleaning and maintenance of public amenities	Daily cleaning of public amenities	100%	Monthly	General expenses R137,643 Repair & maintenance R28,110	25%	25%	25%		25%		25%	

SERVICE DELIVERY TARGETS AND PERFORMANCE INDICATORS PUBLIC AMENITIES

OBJECTIVE	INDICATOR	PROGRAMME/PROJECT	ANNUAL TARGET	REPORTING FREQUENCY	OPERATING BUDGET R	QUARTER 1 30 SEP 10	ACTUAL FOR Q 1	QUARTER 2 31 DEC 10	ACTUAL FOR Q 2	QUARTER 3 31 MAR 11	ACTUAL FOR Q 3	QUARTER 4 30 JUN 11	ACTUAL FOR Q 4
Effective provision and management of information services	Effective information and programmes to communities	Holiday programmes	56	Quarterly	General expenses R743,602 Repair & maintenance R84,829	14	14	14		14		14	
		Readathon programmes	56	Quarterly		14	14	14		14		14	
		Poetry sessions	112	Quarterly		28	28	28		28		28	
		National Library Week	14	Quarterly						14		14	
		National World Book Day	14	Quarterly						14		14	

4.7 DIRECTORATE LOCAL ECONOMIC DEVELOPMENT

LOCAL ECONOMIC DEVELOPMENT AND PLANNING						
1. SERVICE DELIVERY PERFORMANCE						
IDP REF	TACTICAL ACTIVITY/ PROJECT DESCRIPTION	UNIT OF MEASURE	ANNUAL TARGET	ACTUAL	REASON FOR NON ACHIEVEMENT OF TARGETS AND PROGRESS ACHIEVED	PERCENTAGE
MINERALS AND ENERGY SECTOR						
47.1	To promote gold jewellery manufacturing in Matjhabeng	Number of companies / beneficiator assisted	2	2	Lack of qualified student or people interested in mining	100%
	To facilitate the planning and the implementation of the Mining Social Plans	Number of Social plan handled	2	3	Three mining companies has assisted the community in regard to their social and labour plans	100%
48.2	To facilitate the development of identified Small Scale Miners	Number of Small Scale Miners assisted	30	46	Small scale miners has been assisted in acquiring dams, training, processes of applications etc	100%
	To assist for alternative use of redundant mining facilities/land and buildings	Number of facilities, building and land available or identified	3	9	The building has been donated by harmony for Phineas Moahpi Diamond and cutting	100%
	To promote BBBEE partnership and empowerment	Number of companies to assisted	3	10	Negotiations are in place between the Small scale miners and the mining companies	100%
	To facilitate the reworking and rehabilitation of Slime dams	Number of slime dam reworked	2	84	Consultation stage with consultant and affected parties invited to participate	100%
AGRICULTURAL SECTOR						
45.1	Promoting land reform programmes	Number of commonage farms to be acquired	2	0	High prices of agricultural land and unavailability of land	0%
		Number of commercial farms to be acquired	10	32		100%
	Promoting Agri- tourism initiatives	Number of projects completed	1		Lack of funding	30%

LOCAL ECONOMIC DEVELOPMENT AND PLANNING						
1. SERVICE DELIVERY PERFORMANCE						
IDP REF	TACTICAL ACTIVITY/ PROJECT DESCRIPTION	UNIT OF MEASURE	ANNUAL TARGET	ACTUAL	REASON FOR NON ACHIEVEMENT OF TARGETS AND PROGRESS ACHIEVED	PERCENTAGE
45.2	Promoting establishment of agricultural value adding/agro processing projects	Number of projects to be promoted	10	4	Financial constraints	
45.3	Rendering assistance to emerging farmers	Number of Cooperatives to be assisted	10	10		100%
45.4	Investigate possibilities of establishment of livestock auction centre	Number of centres to be assisted developed	1	0	Financial constraints	0%
46.1	Provide and maintain infrastructure on municipal commonage farms	Number of farms to be maintained	13	6	financial constraints	67%
SMME SECTOR						
	Regulation of informal sector	Number of regulation promulgated	1	0	Street trading Draft policy distributed.	0%
48.1	Establishment of new / upgraded markets	Number of markets new / upgraded	2	0	A business plan was completed and sent to MIG for registration	0%
	Establishment of administration systems	Informal markets administration	1	0	System was design by ICT Department ICT is on the process of designing new cards.	0%
49.1	Facilitate skills development programmes in all sectors	Number of programmes to be completed	4	3	Postponed by DTI to the next financial year. Waiting confirmation from DTI about the next date.	75%
	Create communication & exhibition platform between local, provincial & national events	Number of communication & exhibition platform held.	4	0		0%
	Upgrading of infrastructural support at MIP	Infrastructure upgraded	1	0	Planned for next financial year	0%
TOURISM SECTOR						

LOCAL ECONOMIC DEVELOPMENT AND PLANNING						
1. SERVICE DELIVERY PERFORMANCE						
IDP REF	TACTICAL ACTIVITY/ PROJECT DESCRIPTION	UNIT OF MEASURE	ANNUAL TARGET	ACTUAL	REASON FOR NON ACHIEVEMENT OF TARGETS AND PROGRESS ACHIEVED	PERCENTAGE
36 & 39	Marketing Matjhabeng as a tourism destination	Number of destination branding created	1	0	Project pulled out because of lack of funds from municipality	0%
		Number of brochures produced	50 000	0	This was dependant on the development of the branding strategy which did not happen	0%
		Number of marketing tools used	4	0	This was dependant on the development of the branding strategy which did not happen	0%
41.1.	To promote tourism awareness and education	Number of tourism awareness campaign conducted	4	5		100%
	Tourism month	Service excellence Awards	1	0	Pulled out due to lack of funds by municipality	0%
		Soccer event	1	0	Unavailability of national soccer teams due to the world cup	0%
		Destination branding launch	1	0	Project pulled out because of lack of funds from municipality	0%
PROJECT MANAGEMENT SECTOR						
	Neighbourhood Development Project (planning phase) Thabong, Bronville and Hani Park	Appointment of a Project Coordinator	1	1	Project Coordinator Appointed	100%
		Design of tender documents	1	1	Done	100%

LOCAL ECONOMIC DEVELOPMENT AND PLANNING						
1. SERVICE DELIVERY PERFORMANCE						
IDP REF	TACTICAL ACTIVITY/ PROJECT DESCRIPTION	UNIT OF MEASURE	ANNUAL TARGET	ACTUAL	REASON FOR NON ACHIEVEMENT OF TARGETS AND PROGRESS ACHIEVED	PERCENTAGE
		Appointment of Consultants	1	0	In progress	0%
	Review the existing Incentive Scheme	Develop procedure for the implementation of incentives and handling of applications	1		Incentive scheme finalized	50%
		Redevelop incentive scheme to cater for; 1. SMMEs 2. Special Cases (e.g. bulk services consumers)	1		In progress	50%
	Development of LED Strategy	Develop Terms of Reference	1			
		Appointment of Service Provider	1		Appointment will be done as soon as Terms of reference have been developed	
		Presentation of LED Strategy	1		Terms of reference and appointment of Service Provider have not yet been finalized	
	Revitalization of Welkom Mall	Assessment of current status	1			
		Plan & design	1			
		Adoption by council	1			
		Verification of funds	1			

LOCAL ECONOMIC DEVELOPMENT AND PLANNING						
1. SERVICE DELIVERY PERFORMANCE						
IDP REF	TACTICAL ACTIVITY/ PROJECT DESCRIPTION	UNIT OF MEASURE	ANNUAL TARGET	ACTUAL	REASON FOR NON ACHIEVEMENT OF TARGETS AND PROGRESS ACHIEVED	PERCENTAGE
		Implementation	1			
	Tourism Information Signage (Directional Signage)	Appointment of Consultant	1		Consultant appointed	
		Business plan	1		Consultant was awaiting specification to begin with the business plan	
		Erection of signage		0	Business plan not yet drafted	
	Industrial Park SMME Zone Fencing/paving & shelter	Business plan	1	0	Business plan submitted to PMU	0%
		Design	1	0	Consultant is awaiting approval of business	0%
		Tender	1	0	Business plan not yet approved and design not finalized	0%
		Construction	1	0	Will commence upon finalization of tender	0%
	Commonage infrastructure development (water, toilets and roads)	Business plan	1	1	Business plan submitted to PMU	100%
		Design	1	0	Consultant is awaiting approval of business	0%
		Tender	1	0	Business plan not yet approved and design not finalized	0%
		Construction	1	0	Will commence upon finalization of tender	0%
	Market and stalls	Business plan	3	3	Business plan submitted to PMU	100%
		Design	1	3	Consultant is awaiting approval of business	100%
		Tender document	1	1	Business plan approved and design not finalized	100%
		Construction	1	0	Will commence upon finalization of tender	
	Historical sites upgrade (Old Sanco Building)	Business plan	1	1	Business plan submitted to PMU	100%

LOCAL ECONOMIC DEVELOPMENT AND PLANNING						
1. SERVICE DELIVERY PERFORMANCE						
IDP REF	TACTICAL ACTIVITY/ PROJECT DESCRIPTION	UNIT OF MEASURE	ANNUAL TARGET	ACTUAL	REASON FOR NON ACHIEVEMENT OF TARGETS AND PROGRESS ACHIEVED	PERCENTAGE
		Design	1	0	Consultant is awaiting approval of business	0%
		Tender	1	0	Business plan not yet approved and design not finalized	
		Construction	1	0	Will commence upon finalization of tender	
	Upgrading of facilities including taxi rank	Construction Phase 1 & 2	1	1	The project has been completed and officially handed over to the taxi association	100%
SPATIAL PLANNING SECTOR						
	Maintenance - Land Use Management Plan	number of erven updated	500	0	Land use Management Plan not approved - maintenance still not possible	0%
	Signage and street naming in required areas	Number of street names allocated	200	0	Awaiting community participation process to be completed via Speakers office	0%
	Spatial Development Framework	1 EIA & 1 SDF document	1	0	Budget funding not available	0%
	Development of Strategies for Land Use					
	a) Re- evaluation of the SBD Strategy	One document	1	0	Budget funding not available	0%
	b) Open Space Master Plan	One document	1	0	Budget funding not available	0%
	Planning and pegging of erven					
	a) Residential	number of erven	2000	500		100%
	b) Commercial	Number of erven	30	30		100%
	Land acquisition for new development/ urban expansion	Number of farms purchased	3	0	Application submitted - Awaiting feedback from Land Affairs	0%

LOCAL ECONOMIC DEVELOPMENT AND PLANNING						
1. SERVICE DELIVERY PERFORMANCE						
IDP REF	TACTICAL ACTIVITY/ PROJECT DESCRIPTION	UNIT OF MEASURE	ANNUAL TARGET	ACTUAL	REASON FOR NON ACHIEVEMENT OF TARGETS AND PROGRESS ACHIEVED	PERCENTAGE
FACILITY MANAGEMENT SECTOR						
	Welkom Fresh Produce Market upgrade	Investigation and visits made	1	0	An advert of erection of fence at the facility was placed and briefing session was also held. Awaiting of appointment of service provider by SCM.	0%
	Welkom Airport Run way Re-sealing and building upgrade	Number of building upgraded Re-sealed runway	2	0	Advert has been drafted and awaiting for sign offs. Terms of reference has been developed for this purpose.	0%
	Rehabilitation of Taxi Ranks and SMME's facilities		4	0	Submission for procurement of 20 steel huts was prepared and a quotations has been sourced for temporary structures to be provided to the SMME's/ Informal Street Traders in Virginia. The submission is awaiting for sign offs.	0%
	Upgrading of Welkom show ground	RFP advert	1	0	The advert was sent out for RFP on the Revamping of the Facility and only one service provider shown interest. No further reports from SCM in this regards.	0%

4.8 DIRECTORATE - PUBLIC SAFETY AND TRANSPORT

OBJECTIVE	INDICATOR	PROGRAMME/ PROJECT	ANNUAL TARGET	REPORTING FREQUENCY	OPERATING BUDGET R	QUARTER 1 30 SEP 10	ACTUAL FOR Q 1	QUARTER 2 31 DEC 10	ACTUAL FOR Q 2	QUARTER 3 31 MAR 11	ACTUAL FOR Q 3	QUARTER 4 30 JUN 11	ACTUAL FOR Q 4	REASON FOR NON ACHIEVEMENT
BRANCH : FIRE AND RESCUE SERVICES														
Coordinate the stakeholders involved in establishing joint control room	Effective & efficient control room	Establish a digital joint control room	1	Once-off HOD			0		0			1	0	In finalization stage as it is Lejweleputswa District Municipality's competency
Source external funding for purchase of a mobile control unit	Effective disaster management	Purchase a mobile control unit	1	Once-off HOD	R 1.5 m	0	1	1	0		0			Achieved
Project-manage the establishment of satellite fire stations	Improved response time	Establish six satellite fire stations	6	Once-off & annually Fire Chief	R14 m	2	0	1	0	2	0	1	.0	Applied for MIG. 1x Sat Fire Station per FY due to high cost. Also needs 1x Fire Engine
Organise the review and publication of the disaster contingency plan	Well documented disaster plan	Update disaster contingency plan	1	Annually Disaster Coordinator	None	1	0	1	0		1	1	1	Draft document updated & needs approval from Council
Schedule fire fighting courses	Well informed stakeholders and community	Training of fire fighting (External)	3	Annually Asst Chief Training	Estimated income of R480 000	1	0	1	0	1	1	4	2	Traing in progress & last 2 courses will end in July 2011

OBJECTIVE	INDICATOR	PROGRAMME/ PROJECT	ANNUAL TARGET	REPORTING FREQUENCY	OPERATING BUDGET R	QUARTER 1 30 SEP 10	ACTUAL FOR Q 1	QUARTER 2 31 DEC 10	ACTUAL FOR Q 2	QUARTER 3 31 MAR 11	ACTUAL FOR Q 3	QUARTER 4 30 JUN 11	ACTUAL FOR Q 4	REASON FOR NON ACHIEVEMENT
Schedule safety inspections	Readiness of community to avoid incidents	Conduct Fire safety inspections	960	Annually Asst Chief Fire Safety		240	240	240	240	240	240	240	240	An ongoing process
BRANCH : TRAFFIC MANAGEMENT														
Coordinate the Stakeholders & Community to participate in the campaigns	Effective awareness on road safety	Road Safety Awareness Projects/ Campaigns	6	Annually Asst Chief	R 20 000	2	1	4	1	1	2			Achieved
Liaise with LGSETA for the Accreditation.	Actual accreditation	Fencing, Parade Ground, Re-Vamping the College Building and Premises for Annual Evaluation & conducting Traffic Training (83 people p/a)	1	Annually HOD	R1.5 M 1		0.05	0	1		0.45	1	0	The setting up of Library, construction of parade ground & paving, painting & leakages on roof, networking & emails connection as well as fencing still needs to be done.

OBJECTIVE	INDICATOR	PROGRAMME/ PROJECT	ANNUAL TARGET	REPORTING FREQUENCY	OPERATING BUDGET R	QUARTER 1 30 SEP 10	ACTUAL FOR Q 1	QUARTER 2 31 DEC 10	ACTUAL FOR Q 2	QUARTER 3 31 MAR 11	ACTUAL FOR Q 3	QUARTER 4 30 JUN 11	ACTUAL FOR Q 4	REASON FOR NON ACHIEVEMENT
														Only aircons x5, carpets on ground floor, door locks installed & painting outside conducted. Trained 70 Traffic Officers for the year.
Interact with different stakeholders, e.g. Justice, Infrastructure, etc.	Prioritisation of the prosecution of By-laws & Traffic related matters.	To establish the Matjhabeng Municipal Court	1	Once-off HOD	R10 M		0	1	0					Draft Business Plan not finalised
Interact with Provincial Transport Authorities.	Accessible transport facilities	Facilitation of improvement of Public Transport facilities	3	Once-off HOD	Public Works Infrastructure funds		1		1					Achieved
Interact with Provincial Transport Authorities.	Compilation of report	Conduct feasibility studies regarding offloading zones and shelters	2	Once-off HOD		1	0	1	0	1	0.5	0	0	Meeting held matter referred to Public Works

OBJECTIVE	INDICATOR	PROGRAMME/ PROJECT	ANNUAL TARGET	REPORTING FREQUENCY	OPERATING BUDGET R	QUARTER 1 30 SEP 10	ACTUAL FOR Q 1	QUARTER 2 31 DEC 10	ACTUAL FOR Q 2	QUARTER 3 31 MAR 11	ACTUAL FOR Q 3	QUARTER 4 30 JUN 11	ACTUAL FOR Q 4	REASON FOR NON ACHIEVEMENT
Establish SLA with Suppliers & Engineering Dept.	Compliance with NRTA	Erecting and repairing of traffic signs	956	Monthly Manager PST			300		300	168	168	168	134	Achieved - Better provision of equipment, funding & appointment of Artisans.
Establish SLA with Suppliers & Engineering Dept.	Compliance with NRTA	Road markings	100km	Monthly Manager PST			25		25	25	60.78	25	73.18	Used 4020 litres of paint for 3rd Q. 4th Q used 4840L/5L = 968 (5 liters). 1x 5L = 75.6m. 968x 75.6m = 73180.8 m/1000= 73.18km
BRANCH : SECURITY SERVICES														
Implementation of the Strategy.	Reduction of crime.	Matjhabeng Safety Strategy	1	Monthly Asst Chief	None	1	0	0	1	0	0	0		Achieved
Facilitate the launching of the Committee in conjunction with Provincial Government.	Effective community participation.	Establish Crime Prevention Coordinating Committee	1	Annually Manager	+/- R1.5 M	1	0.25	1	0.25	0%	0			To be launched by Exec Mayor - FY 2011/12 2nd Quarter.
Invite tenders on service providers electronic Security.	To protect Council assets & employees.	Upgrade & Expand the existing security & access function to all municipal buildings	3	Once-off HOD	+/_ R10 M	1	0	1	0	1	0			Tenders were advertised, SCM to finalize, but due to financial constraints we could not proceed.

OBJECTIVE	INDICATOR	PROGRAMME/ PROJECT	ANNUAL TARGET	REPORTING FREQUENCY	OPERATING BUDGET R	QUARTER 1 30 SEP 10	ACTUAL FOR Q 1	QUARTER 2 31 DEC 10	ACTUAL FOR Q 2	QUARTER 3 31 MAR 11	ACTUAL FOR Q 3	QUARTER 4 30 JUN 11	ACTUAL FOR Q 4	REASON FOR NON ACHIEVEMENT
Communicate & inform communities through ward meetings.	Effective community participation.	Introduce an Incentive Scheme for the community	1	Once-off Asst Chief	R30 000		0		0					Under review by Legal Services
Coordinate/ liaise with Legal Services regarding workshops on by-laws.	Effective by-law enforcement.	Training of By-Law Enforcement Officers	2	Annually HOD	No costs	0	1	2	0	0	0	0	0	Pending next batch of 31 By-Laws - currently only 10 promulgated.
Schedule by-law enforcement operations.	Effective by-law enforcement.	Establish By-Law Enforcement Unit	1	Annually Asst Chief	No costs		1		1			0	0	Partially completed, but outstanding due spot fines that needs to be authorized by Chief Magistrate via Legal Services.
Ensure implementation of the plan	Compliance with security policies.	Implementation of Security Plan	1	Once-off Manager	None	50%	1	50%	0	0	0	0	0	Council approved the Plan during 1st Quarter FY2010/11. Implementation delayed due to shortcomings on the S/Plan & intervention of consultants.

OBJECTIVE	INDICATOR	PROGRAMME/ PROJECT	ANNUAL TARGET	REPORTING FREQUENCY	OPERATING BUDGET R	QUARTER 1 30 SEP 10	ACTUAL FOR Q 1	QUARTER 2 31 DEC 10	ACTUAL FOR Q 2	QUARTER 3 31 MAR 11	ACTUAL FOR Q 3	QUARTER 4 30 JUN 11	ACTUAL FOR Q 4	REASON FOR NON ACHIEVEMENT
BRANCH : FLEET MANAGEMENT														
Manage the plan i.t.o. needs (service delivery vehicles) required.	Proper control of all fleet	Compile an effective maintenance/ service plan for vehicles plant & equipment	1	Monthly Manager	R20 000	25%	0.25	25%	0.25	25%	0.25	25%	0.25	Outsourcing procedures & Excel Spreadsheets used daily to manage data, due to staff & parts shortages. Daily ongoing process
Coordinate/ liaise with HR -Training regarding relevant courses.	To capacitate staff w.r.t. the Skills Development Programme.	Develop training programme for staff (Operational & maintenance)	1	Annually HR	R1000 00	35%	0.35	35%	0.35	30%	0.3			Apprenticeships arranged with Training & SLA signed by MM 30/04/2010 for Artisans such as Mechanics, Millwrights, etc. DBSA also has Experiential Training in progress (Skills Development Competency
Facilitate the auction process with relevant departments.	To decrease the operating budget & vehicles lying idle.	Replace existing worn-out vehicles in line with policy	76	Annually Manager	R1.3 M	50%	0	50%	138		0			Achieved more than agreed upon (26 Items not paid by buyers & collected as such).

OBJECTIVE	INDICATOR	PROGRAMME/ PROJECT	ANNUAL TARGET	REPORTING FREQUENCY	OPERATING BUDGET R	QUARTER 1 30 SEP 10	ACTUAL FOR Q 1	QUARTER 2 31 DEC 10	ACTUAL FOR Q 2	QUARTER 3 31 MAR 11	ACTUAL FOR Q 3	QUARTER 4 30 JUN 11	ACTUAL FOR Q 4	REASON FOR NON ACHIEVEMENT
Capacitate all departments with fleet through tender/s & SLA's.	To have adequate fleet in line with Supply Chain Policy & Procedures of Council.	Prioritize & acquire additional vehicles, plant & equipment	75	Annually HOD	R50 m	25%	45	25%	54	25%	7	25%		Well in progress according to Tender Bid No: 53/2010 (36 outstanding)
Control & monitor daily repairs as well as supplier repairs.	To maximise vehicle usage	Investigate & implement outsourcing of repairs vs. internal capacity	1	Monthly Manager	R10 M	70%	0.7	30%	0.0					Various Suppliers assist on repairs & maintenance of vehicles, but suppliers do not receive orders & payment on time, which hampers service delivery. Also pending finalisation of Tender Bid: 01/2011 (Daily ongoing process).

OBJECTIVE	INDICATOR	PROGRAMME/ PROJECT	ANNUAL TARGET	REPORTING FREQUENCY	OPERATING BUDGET R	QUARTER 1 30 SEP 10	ACTUAL FOR Q 1	QUARTER 2 31 DEC 10	ACTUAL FOR Q 2	QUARTER 3 31 MAR 11	ACTUAL FOR Q 3	QUARTER 4 30 JUN 11	ACTUAL FOR Q 4	REASON FOR NON ACHIEVEMENT
Set up SLA with suppliers.	To manage & control data & whereabouts of drivers and vehicles.	Acquire computerized design & support software with a global tracking system.	300	Annually Manager	R5 M	50%	0	50%	0	50%	0	50%		RFP of 13/08/2010 was awarded to Netstar, now Lateral unison pending finalisation from Office of the AMM.

4.6 DIRECTORATE - FINANCE

SERVICE DELIVERY PERFORMANCE – FINANCE DEPARTMENT					QUARTER ENDING		QUARTER ENDING		QUARTER ENDING		QUARTER ENDING		
OBJECTIVE	INDICATOR	PROGRAMME/ PROJECT	REPORTING FREQUENCY	OPERATING BUDGET	30 SEPT 08		30 DEC 08		30 MARCH 09		30 JUNE.09		
					PROJ	ACTUAL	PROJ	ACTUAL	PROJ	ACTUAL	PROJ	ACTUAL	COMMENTS
ADMINISTRATION													
Improvement of staff morale	Recognition and rewards	Develop a recognition and reward system for officials that excel	Quarterly		3	0	3	0	3	0	3	0	No formal recognition reward system has been developed and implemented, however officials are being appreciated for their effort.
Training and development of staff	Skills Audit/ Evaluation in line with job descriptions	Perform a skills audit/ evaluation in line with job descriptions	Quarterly		25%	25%	50%	50%	75%	75%	100%	75%	All 4 interns are in the process of attending CPMD. SCM manager & 2 buyers attended SCM course
Internal Control	% reduction in Audit queries	Develop a policies and procedures manual of all finance policies	Annually		25%	25%	50%	25%	75%	25%	100%	25%	Credit Control & Debt collection policy and the Indigent policy is in process of being reviewed, served before Section 80 Committee.

SERVICE DELIVERY PERFORMANCE – FINANCE DEPARTMENT					QUARTER ENDING		QUARTER ENDING		QUARTER ENDING		QUARTER ENDING		
OBJECTIVE	INDICATOR	PROGRAMME/ PROJECT	REPORTING FREQUENCY	OPERATING BUDGET	30 SEPT 08		30 DEC 08		30 MARCH 09		30 JUNE.09		
					PROJ	ACTUAL	PROJ	ACTUAL	PROJ	ACTUAL	PROJ	ACTUAL	COMMENTS
Good Communication -	Minutes of monthly meetings	Monthly Meetings Manager meetings with personnel Reporting	Monthly		3	0	3	0	3	0	3.00	0	There is continuous interaction between managers & subordinates. ACFO is always interacting with his management team. The reason for not reaching the target is based on the fact that these meetings are not formalised.
Compliance with MFMA & other requirements	% reduction in Audit queries	Adherence and implementation of audit query action plan and compliance with all legislation	Annually		25%	25%	45%	25%	85%	65%	100%	65%	Audit query action plan has been implemented; however there are still challenges with regard to asset management, billing, credit control.
To practice sound financial and sustainable financial management.	Timeous submission of budget, AFS and audit report.	Adherence and implementation of audit query action plan, budget timetable and AFS action plan	Annually		AFS to be submitted by end of August	AFS submitted 31 Aug			Tabling of audit report 2009/2010	Tabling of audit report 2009/2010	Budget to be tabled and approved by council	Budget to be tabled and approved by council	The AFS was submitted on the due date. The Annual Report & audit report has been tabled in Council. The draft budget 2011/12 will be tabled in Section 80 Committee meeting.

SERVICE DELIVERY PERFORMANCE – FINANCE DEPARTMENT					QUARTER ENDING		QUARTER ENDING		QUARTER ENDING		QUARTER ENDING		
OBJECTIVE	INDICATOR	PROGRAMME/ PROJECT	REPORTING FREQUENCY	OPERATING BUDGET	30 SEPT 08		30 DEC 08		30 MARCH 09		30 JUNE.09		
					PROJ	ACTUAL	PROJ	ACTUAL	PROJ	ACTUAL	PROJ	ACTUAL	COMMENTS
BUDGET													
Budget must be in line with IDP	Timeous planning and submission of both IDP and budget time table as per NT standards	Adherence to budget timetable and implementation of MFMA	Annually		Budget and IDP time table to be tabled in council by end of August	Tabled in council 31/08/2010 – A55/2010							<p>Tabled in council 31/08/2010 – A55/2010</p> <p>Due to elections the tabling & approving of the budget has been moved forward as per MFMA Circular 54</p>
To practice sound and sustainable financial management	Financial ratio's	calculation of financial ratio's on monthly basis, comparison with baseline and report on deviations with recommendations	Quarterly		Compare ratio with baseline	100%	Compare ratio with baseline	100%	Compare ratio with baseline	100%	Compare ratio with baseline	100%	Financial ratio's are reported to PT & NT on a monthly basis
	% over expenditure on operating budget	Monthly clearing of suspense accounts & budget vote analysis	Monthly		100%	50%	100%	50%	100%	50%	100%	50%	Capital & salaries suspense accounts 100% cleared. Other suspense accounts in process to be cleared. Lack of officials in section to clear SA.

SERVICE DELIVERY PERFORMANCE – FINANCE DEPARTMENT					QUARTER ENDING		QUARTER ENDING		QUARTER ENDING		QUARTER ENDING		
OBJECTIVE	INDICATOR	PROGRAMME/ PROJECT	REPORTING FREQUENCY	OPERATING BUDGET	30 SEPT 08		30 DEC 08		30 MARCH 09		30 JUNE.09		
					PROJ	ACTUAL	PROJ	ACTUAL	PROJ	ACTUAL	PROJ	ACTUAL	COMMENTS
	Timeous review and submission of budget related policies to Council	Review all budget related policies and submit to Council	Annually		100%	25%	100%	25%	100%	25%	100%	25%	SCM policy reviewed Credit Control policy in process review, Indigent in process of review.
	Timeous submission of draft budget and final budget to Mayco, council, PT and NT	Implementation and adherence to budget timetable	Annually		100%	100%	100%	100%	100%	100%	100%	100%	Tabled in council 31/08/2010 – A55/2010 Due to elections the tabling & approving of the budget has been moved forward as per MFMA Circular 54
Reporting	Number of reports submitted to Mayco, Council, PT and NT	Timely submission of all reports to NT - monthly, quarterly, six months & yearly as per MFMA	Monthly		3	3	3	3	3	3	3	3	All reports submitted.
Compliance	% reduction in Audit queries	Adherence and implementation of audit query action plan.			25%	25%	45%	25%	85%	25%	100%	25%	Audit query action plan has been implemented; however there are still challenges with regard to asset management, billing, and credit control.

SERVICE DELIVERY PERFORMANCE – FINANCE DEPARTMENT					QUARTER ENDING		QUARTER ENDING		QUARTER ENDING		QUARTER ENDING		
OBJECTIVE	INDICATOR	PROGRAMME/ PROJECT	REPORTING FREQUENCY	OPERATING BUDGET	30 SEPT 08		30 DEC 08		30 MARCH 09		30 JUNE.09		
					PROJ	ACTUAL	PROJ	ACTUAL	PROJ	ACTUAL	PROJ	ACTUAL	COMMENTS
SUPPLY CHAIN													
Ensure that proposals, quotations of between R0- R200k are dealt with within 14 workings days. Ensure that tenders of R200k and above are dealt with within 30 days.	Timely procurement of supplies and number of reports submitted to Mayco, council, PT and NT	Adherence to SCM policy and regulations	Monthly/ Quarterly		100%	50%	100%	50%	100%	50%	100%	50%	SCM to attend to procurement requests immediately and to develop bid committees schedule
Asset management	Assets Register Asset verification Asset disposal	Compilation of Fixed asset register, updating, managing and monitoring of service provider	Annually		25%	25%	50%	50%	75%	50%	100%	60%	Moveable asset register compiled and fixed assets register is currently in process to be compiled.
Compliance : Acts, Policies	Adherence to SCM policy and regulations	Number of queries	Annually		100%	50%	100%	50%	100%	50%	100%	50%	Work shop on SCM policy to departments and SCM officials
Efficient processing of invoices	Payment approval lead time	Monthly follow up on orders	Monthly		97%	50%	97%	50%	97%	50%	97%	50%	Cash flow constraints, Capacity constraints

SERVICE DELIVERY PERFORMANCE – FINANCE DEPARTMENT					QUARTER ENDING		QUARTER ENDING		QUARTER ENDING		QUARTER ENDING		
OBJECTIVE	INDICATOR	PROGRAMME/ PROJECT	REPORTING FREQUENCY	OPERATING BUDGET	30 SEPT 08		30 DEC 08		30 MARCH 09		30 JUNE.09		
					PROJ	ACTUAL	PROJ	ACTUAL	PROJ	ACTUAL	PROJ	ACTUAL	COMMENTS
Contract Management	Number of % Reviewed contracts	Review contracts	Annually		25%	0%	50%	0%	75%	0%	100%	0%	Contract Management function
Internal control systems	Adherence to SCM policy and regulations	Develop of policies and procedure manual	Annually		1	1	1	1	100%	1	100%	1	
Compliance	% reduction in Audit queries	Adherence to SCM policy and regulations	Annually		25%	25%	45%	45%	85%	50%	100%	50%	SCM policy to work shopped
Safe keeping of supporting documentation	% reduction in AG queries pertaining to supporting documentation	Archiving function – storage and safe keeping of supporting documentation	Monthly		100%	50%	100%	50%	100%	50%	100%	50%	Currently in process of retrieving tender documentation
EXPENDITURE													
Timoeous submission of AFS	Submission of AFS on or before 30 August	Adherence to AFS action plan.	Annually		100%	100%		100%					AFS was submitted on time – 31 Aug 2010
Creditors control	% increase in cost efficiency strategy	Reprioritization of all expenditure and creditors in line with MFMA	monthly		100%		100%		100%		100%		SCM to comment

SERVICE DELIVERY PERFORMANCE – FINANCE DEPARTMENT					QUARTER ENDING		QUARTER ENDING		QUARTER ENDING		QUARTER ENDING		
OBJECTIVE	INDICATOR	PROGRAMME/ PROJECT	REPORTING FREQUENCY	OPERATING BUDGET	30 SEPT 08		30 DEC 08		30 MARCH 09		30 JUNE.09		
					PROJ	ACTUAL	PROJ	ACTUAL	PROJ	ACTUAL	PROJ	ACTUAL	COMMENTS
	Accurate creditors age analysis	Perform monthly creditors reconciliations	monthly		100%	80%	100%	80%	100%	80%	100%	85%	Not all creditors are supplying the section with statements in order to do reconciliations
Internal control systems & Compliance	% decrease in Audit queries	Procedure manuals	annually		1	1							
	Number of creditors paid within 30 days	1. Reprioritization of all expenditure and creditors in line with MFMA 2. Perform monthly outstanding orders audit in conjunction with SCM	Monthly		80%	70%	90%	80%	100%	80%			To date the municipality is experiencing cash flow problems, this issue will only be address with a positive cash flow, and however the department is doing monthly reconciliations to ensure accurate reporting on outstanding creditors. Cash flow projections are also performed.
	Payment statistics report	Monthly payments statistics	monthly		3	3	3	3	3	3	3	3	Monthly payment statistics are being reported on to the ACFO, SMT,SMB.

SERVICE DELIVERY PERFORMANCE – FINANCE DEPARTMENT					QUARTER ENDING		QUARTER ENDING		QUARTER ENDING		QUARTER ENDING		
OBJECTIVE	INDICATOR	PROGRAMME/ PROJECT	REPORTING FREQUENCY	OPERATING BUDGET	30 SEPT 08		30 DEC 08		30 MARCH 09		30 JUNE.09		
					PROJ	ACTUAL	PROJ	ACTUAL	PROJ	ACTUAL	PROJ	ACTUAL	COMMENTS
Safe keeping of supporting documentation	% reduction in AG queries pertaining to supporting documentation	Archiving function – storage and safe keeping of supporting documentation	Monthly		100%	100%	100%	100%	100%	95%	100%	95%	Implemented monthly voucher audits.
REVENUE													
To practice sound and sustainable financial management	% increase in revenue collection (income) and distribution of accurate monthly service accounts.	To improve payment rate from 65% to 75% and ensure accurate billing			20%	15%	20%	15%	20%	15%	15%	15%	Capacity constraints, inaccurate data
		1. Cleaning billing data by approving the second phase of revenue enhancement strategy to continue with monthly reports to Mayco and the % increase in revenue it has yielded.	monthly		100%	100%	100%	0%	100%	0%	100%	0%	Cash flow constraints to implement project
		2.Daily & Monthly debtors balancing			100%	100%	100%	100%	100%	100%	100%	100%	

SERVICE DELIVERY PERFORMANCE – FINANCE DEPARTMENT					QUARTER ENDING		QUARTER ENDING		QUARTER ENDING		QUARTER ENDING		
OBJECTIVE	INDICATOR	PROGRAMME/ PROJECT	REPORTING FREQUENCY	OPERATING BUDGET	30 SEPT 08		30 DEC 08		30 MARCH 09		30 JUNE.09		
					PROJ	ACTUAL	PROJ	ACTUAL	PROJ	ACTUAL	PROJ	ACTUAL	COMMENTS
		3. Correcting adjustments in line with internal control systems	monthly		100%	100%	100%	75%	100%	75%	100%	75%	Capacity constrains
		4. Monthly debtors reconciliations			100%	50%	100%	50%	100%	50%	100%	100%	Capacity constraints however all debtors reconciliation are completed at month end.
Internal control systems developed	Number of Procedure manuals	Develop of policies and procedure manual	annually		1	2	2	2	1	2	1	2	
Free basic Services provided	Number of beneficiaries		annually		30 000	15490	30 000	17494	30 000	17715	30 000	18699	
Compliance	% reduction in Audit queries	Develop of policies and procedure manual	annually		25%	90%	45%	90%	85%	90%	100%	90%	
CREDIT CONTROL													
To practice sound and sustainable financial management	Improvement of payment rate from 65% to 75%	1. Identifying all collections under 50% per ward and encourage community to pay for services and make arrangements.	monthly		100%	50%	100%	50%	100%	50%	100%	50%	Age analysis to be distributed to ward cllrs

SERVICE DELIVERY PERFORMANCE – FINANCE DEPARTMENT					QUARTER ENDING		QUARTER ENDING		QUARTER ENDING		QUARTER ENDING		
OBJECTIVE	INDICATOR	PROGRAMME/ PROJECT	REPORTING FREQUENCY	OPERATING BUDGET	30 SEPT 08		30 DEC 08		30 MARCH 09		30 JUNE.09		
					PROJ	ACTUAL	PROJ	ACTUAL	PROJ	ACTUAL	PROJ	ACTUAL	COMMENTS
		2. Rejuvenate disconnection project, with a revenue protection unit in place to monitor reconnections and disconnections	monthly		100%	60%	100%	60%	100%	60%	100%	60%	To implement monitoring of disconnections & reconnections.
		3. Identifying top 100 debtors and implement Credit Control Policy	monthly		50%	50%	50%	50%	75%	75%	100%	75%	In accurate data and capacity constraints
	Operation Betaal	4.1 Encourage all MP's, Councilors and all government employees to arrange stop orders and debit orders.	quarterly										
		4.2 To encourage parastatals and private sector employees to arrange stop orders and debit orders.	monthly		100%	50%	100%	50%	100%	50%	100%	50%	The section didn't meet the targets based on the fact that they are experiencing capacity problems. The section will arrange meetings with all stakeholders to ensure the information is provided.

SERVICE DELIVERY PERFORMANCE – FINANCE DEPARTMENT					QUARTER ENDING		QUARTER ENDING		QUARTER ENDING		QUARTER ENDING		
OBJECTIVE	INDICATOR	PROGRAMME/ PROJECT	REPORTING FREQUENCY	OPERATING BUDGET	30 SEPT 08		30 DEC 08		30 MARCH 09		30 JUNE.09		
					PROJ	ACTUAL	PROJ	ACTUAL	PROJ	ACTUAL	PROJ	ACTUAL	COMMENTS
		5. Establishment of an Internal Debt Collection unit to collect debt and specifically debt over 90 days	annually		25%	100%	50%	100%	75%	100%	100%	100%	An internal debt collection unit was established however the section were not able
		6. Set up monthly targets for legal section in terms of collection.			50%	80%	50%	80%	75%	80%	100%	80%	
To promote culture of payment for service	Handling and resolving of number of queries in conjunction with all related departments	Setting up a functional customer care division by approving the second phase of the revenue enhancement strategy to continue with monthly reports to Mayco on progress on how queries are handled and how many were resolved.			100%	0%	100%	0%	100%	0%	100%	0%	Too many departments are involved
Internal control systems developed	Number of Procedure manuals	Develop of policies and procedure manual			1	2	1		2		1		

SERVICE DELIVERY PERFORMANCE – FINANCE DEPARTMENT					QUARTER ENDING		QUARTER ENDING		QUARTER ENDING		QUARTER ENDING		
OBJECTIVE	INDICATOR	PROGRAMME/ PROJECT	REPORTING FREQUENCY	OPERATING BUDGET	30 SEPT 08		30 DEC 08		30 MARCH 09		30 JUNE.09		
					PROJ	ACTUAL	PROJ	ACTUAL	PROJ	ACTUAL	PROJ	ACTUAL	COMMENTS
Maintain indigent registration	Number of indigents captured / renewed	Develop of indigent management strategy by registration of indigents on ongoing basis			10000	15490	10000	17494	10000	17715	10000	18699	
Manage indigent consumption for electricity	Number of indigents complying with the Indigent policy	Installation of prepaid electricity meters for indigents	Monthly		100%	0%	100%	0%	100%	0%	100%	0%	Council must appoint a qualified engineer to issue the COC
Compliance to Audit General	% reduction in Audit queries	Adherence to audit query action plan			100%	100%	100%	75%	100%	75%	100%	75%	
FRESH PRODUCE MARKET													
Revenue generation		Canvassing/consulting potential buyers/ producers			1 500 000	5	1 500 000	5	1 500 000	5	1 500 000	5	The targets for both quarters have been achieved.
		Letting-out of cooling chambers to full capacity			60%	80%	70%	80%	80%	80%	100%	80%	80% of the cooling chambers are being rented out.
		Letting-out of space / accommodation to full capacity			60%	80%	70%	80%	80%	80%	100%	80%	80% of space and accommodation are being rented out.
		Letting-out of trolleys to full capacity			60%	80%	70%		80%		100%		80% trolleys are being rented out

SERVICE DELIVERY PERFORMANCE – FINANCE DEPARTMENT					QUARTER ENDING		QUARTER ENDING		QUARTER ENDING		QUARTER ENDING		
OBJECTIVE	INDICATOR	PROGRAMME/ PROJECT	REPORTING FREQUENCY	OPERATING BUDGET	30 SEPT 08		30 DEC 08		30 MARCH 09		30 JUNE.09		
					PROJ	ACTUAL	PROJ	ACTUAL	PROJ	ACTUAL	PROJ	ACTUAL	COMMENTS
Limiting losses		Improve door - / access control			60%	70%	70%	80%					10% improvement on access
		Strengthen control measures on condemned produce			60%	70%	70%	80%	80%	80%	100%	80%	15% improvement on strengthening controls & measures on condemned produce
		Proper insurance and indemnities			100%	60%	100%		100%		100%		Fresh Produce not insured – only structure & equipment
Increasing service delivering to public		Create safe environment for public			100%	60%	100%	60%	100%	60%	100%	60%	Fencing inadequate. Tenders for fencing of market have been advertised.
Improving communication		Monthly meetings			3	3	3	3	3	3	3	3	Monthly meetings are held with personnel
					3	2	3	2	3	2	3	2	Regular meetings with agents
													Safety committees not really operational

SERVICE DELIVERY PERFORMANCE – FINANCE DEPARTMENT					QUARTER ENDING		QUARTER ENDING		QUARTER ENDING		QUARTER ENDING		
OBJECTIVE	INDICATOR	PROGRAMME/ PROJECT	REPORTING FREQUENCY	OPERATING BUDGET	30 SEPT 08		30 DEC 08		30 MARCH 09		30 JUNE.09		
					PROJ	ACTUAL	PROJ	ACTUAL	PROJ	ACTUAL	PROJ	ACTUAL	COMMENTS
Compliance with Health & Safety requirements		Number of clients & staff complying			100%	70%	100%	70%	100%	70%	100%	70%	2 produce manuals have been compiled
Internal control systems		Procedure manuals			3	2	3	2	3	2	3	2	No queries relating to the FPM
Compliance to Auditor General		% reduction in Audit Queries			25%	100%	45%		85%		100%		

4.10 DIRECTORATE - INFRASTRUCTURE

OBJECTIVE	INDICATOR	ANNUAL TARGET	OPERATING BUDGET	QUARTER 1 30 SEP 2010	ACTUAL Q1	QUARTER 2 31 DEC 2010	ACTUAL Q2	QUARTER 3 31 MAR 2011	ACTUAL Q3	QUARTER 4 30 JUN 2011	ACTUAL Q4	PERFORMANCE Q4	REASONS FOR NON ACHIEVEMENT
OPERATIONAL BUDGET													
Planning, Design and Survey													
Information Office													
Standard drawings for public and officials	Drawings according to need.	2 000		500	600	1 000	1571	1 500	2295	2 000	2793	100%	
A3 plan books	Availability of books per town	100		25	71	50	149	75	256	100	290	100%	
Populate sewer network lines database (26 641)	Sewer lines with attribute information Number	500		125	76	250	1436	375	1832	500	1938	100%	
Populate sewer network manholes database (23 640)	Sewer manholes with attribute information Number	500		125	112	250	1698	375	2094	500	2199	100%	
PLANNING & DESIGN													
Evaluation of consultants designs and tender documents against design specifications	Approved designs or Business plan	30		8	17	15	29	23	63	30	67	100%	
Develop bulk storm water master plan	Updated master plan per town	2		1		1	0	1		1		0%	Consultant busy with master plans for Phomolong, Mmamahabane and Meloding.
Designing of Roads, Stormwater, Sewer and Water services in-house	Approved designs for execution	20		5		5	0	5		5		0%	No designer: wait for appointment

OBJECTIVE	INDICATOR	ANNUAL TARGET	OPERATING BUDGET	QUARTER 1 30 SEP 2010	ACTUAL Q1	QUARTER 2 31 DEC 2010	ACTUAL Q2	QUARTER 3 31 MAR 2011	ACTUAL Q3	QUARTER 4 30 JUN 2011	ACTUAL Q4	PERFORMANCE Q4	REASONS FOR NON ACHIEVEMENT
SURVEY													
Detailed field survey of Manholes, Catch pits, etc, where there is insufficient as-built information	Accurate surveyed attribute information Number	500		125	688	250	883	375	965	500	1416	100%	
Open erf pegs for Housing, Building Control and house owners	Visual stand pegs	1200		300	146	600	510	900	851	1200	1039	87%	Low demand
Open erf pegs for services	Accurate installed service Pegs	500		125	71	250	88	375	130	500	176	35%	Low demand
Staking of 6 cemeteries	Available grave sites	2500		625	2537	1250	3713	1875	4126	2500	4126	100%	
Survey Contour information for designing of services	Available DTM	6		2	1	3	3	5	7	6	8	100%	
STORM WATER													
Cleaning of lined storm water canals (64 000m)	Manual removal of soil, vegetation and foreign objects per meter		R 2 547 366										
64000	Matjhabeng	127 368		31 842	9 198	63 684	12 636	95 526	15 983	127 368	19 648	15%	
32000	Central	63 684		15 921	3474	31 842	5184.72	47 763	5935.72	63 684	6 251	10%	
17920	East	35 663		8 916	4137	17 832	4685	26 747	7281	35 663	9 591	27%	Inclement weather, Lack of plant

OBJECTIVE	INDICATOR	ANNUAL TARGET	OPERATING BUDGET	QUARTER 1 30 SEP 2010	ACTUAL Q1	QUARTER 2 31 DEC 2010	ACTUAL Q2	QUARTER 3 31 MAR 2011	ACTUAL Q3	QUARTER 4 30 JUN 2011	ACTUAL Q4	PERFORMANCE Q4	REASONS FOR NON ACHIEVEMENT
14080	West	28 021		7 005	1587	14 010	2766	21 016	2766	28 021	3 806	14%	73% vacancies in Roads & Storm water section. The few Personnel also used in backfill trenches, cast concrete products & clear areas for funerals.
Cleaning of unlined storm water canals (52 400m)	Mechanical removal of soil, vegetation and foreign objects & shaping of channel per meter.		R 2 547 366										
52400	Matjhabeng	84 912		21 228	3 728	42 456	7 266	63 684	10 883	84 912	18 269	22%	
26200	Central	42 456		10 614	3075	21 228	6237	31 842	7524	42 456	12124	29%	
14672	East	23 775		5 944	653	11 888	1029	17 832	2705	23 775	5444	23%	Inclement weather, Lack of Plant, Target set too high
11528	West	18 681		4 670	0	9 340	0	14 010	654	18 681	701	4%	73% vacancies in Roads & Storm water section. The few Personnel also used in backfill trenches, cast concrete products & clear areas for funerals.
Cleaning and maintenance of storm water drainage Catch pits.	Manual cleaning of catch pits and concrete repair per number		R 1 273 683										
	Matjhabeng	25 474		6 369	487	12 737	924	19 106	1 571	25 474	2 417	9%	
	Central	12 737		3 184	291	6 369	497	9 553	975	12 737	1637	13%	

OBJECTIVE	INDICATOR	ANNUAL TARGET	OPERATING BUDGET	QUARTER 1 30 SEP 2010	ACTUAL Q1	QUARTER 2 31 DEC 2010	ACTUAL Q2	QUARTER 3 31 MAR 2011	ACTUAL Q3	QUARTER 4 30 JUN 2011	ACTUAL Q4	PERFORMANCE Q4	REASONS FOR NON ACHIEVEMENT
	East	7 133		1 783	183	3 566	388	5 350	527	7 133	659	9%	Inclement weather, Lack of Plant, Target set too high
	West	5 604		1 401	13	2 802	39	4 203	69	5 604	121	2%	73% vacancies in Roads & Storm water section. The few Personnel also used in backfill trenches, cast concrete products & clear areas for funerals.
ROADS													
Maintenance of streets and associated infrastructure.													
Repair potholes (1 036 km of tarred roads)	Clean, shape, prime, tar and compaction of pothole per m ²		R 5 700 000										
	Matjhabeng	28 500		7 125	8 664	14 250	14 309	21 375	19 769	28 500	25 740	90%	
	Central	14 250		3 563	2252	7 125	5207	10 688	7839	14 250	11672	82%	
	East	7 980		1 995	5953	3 990	8438	5 985	10314	7 980	12230	100%	
	West	6 270		1 568	459	3 135	664.099	4 703	1616.099	6 270	1838.099	29%	73% vacancies in Storm water section. The few Personnel also used in backfill trenches and cast concrete products

OBJECTIVE	INDICATOR	ANNUAL TARGET	OPERATING BUDGET	QUARTER 1 30 SEP 2010	ACTUAL Q1	QUARTER 2 31 DEC 2010	ACTUAL Q2	QUARTER 3 31 MAR 2011	ACTUAL Q3	QUARTER 4 30 JUN 2011	ACTUAL Q4	PERFORMANCE Q4	REASONS FOR NON ACHIEVEMENT
Street cleaning (1 036 km)	Manual removal of soil on side channels per Km		R 775 000										
1036	Matjhabeng	258		65	23	129	622	194	1 243	258	1 865	100%	
518	Central	129		32	0.824	65	5.479	97	21.398	129	38.25	30%	
290	East	72		18	0	36	577	54	1158.763	72	1740.039	100%	
228	West	57		14	22.608	28	39.929	43	62.847	57	86.639	100%	
Weed killing on roads (1036 km)	Chemical spraying of vegetation in roads per km		R 775 000										
1036	Matjhabeng	194		49	-	97	-	146	-	194	-		
518	Central	97		24	0	49	0	73	0	97	0	0%	
290	East	54		14	0	27	0	41	0	54	0	0%	Inclement weather
228	West	43		11	0	21	0	32	0	43	0	0%	No weed killers received.
Maintenance of Gravel Roads (701 km)	Water, transport gravel, blade, water and roll gravel road per Km		R 4 016 815										
701	Matjhabeng	134		34	139	67	201	101	336	134	423	100%	
351	Central	67		17	13.298	34	37.995	50	72.679	67	91.728	100%	
196	East	38		9	98	19	121	28	178	38	207.943	100%	
154	West	29		7	27.795	15	41.899	22	85.591	29	123.509	100%	

OBJECTIVE	INDICATOR	ANNUAL TARGET	OPERATING BUDGET	QUARTER 1 30 SEP 2010	ACTUAL Q1	QUARTER 2 31 DEC 2010	ACTUAL Q2	QUARTER 3 31 MAR 2011	ACTUAL Q3	QUARTER 4 30 JUN 2011	ACTUAL Q4	PERFORMANCE Q4	REASONS FOR NON ACHIEVEMENT
Resealing of Roads (1 036 km)	Appointed Contractors to - crack-sealing: Manual cleaning & filling of cracks - Slurry seal - Chip & spray/ Asphalt seals existing tar roads per Km		R 10 648 160										
52	Matjhabeng	30		8	0	15	-	23	-	30	-		
26	Central	15		4	0	8	0	11	0	15	0	0%	
14.56	East	8		8	0.25	8	0	8	0	8	0	0%	
11.44	West	7		7	0	3	0	5	0	7	0	0%	Contracted out
BUILDING CONTROL													
Building inspections	No	14 884		3 721	0	7 442	0	11 163	0	14 884	0		
Writing of notices to transgressors of Building regulations	No	1 618		405	0	809	0	1 214	0	1 618	0		These were the only illegal structures that could be found
Approval of building plans	No	936		234	0	468	0	702	0	936	0		
SEWERAGE NETWORK													
Maintenance of sewer related infrastructure. (1368Km Manholes 22916)													
Repair broken lines	Manage sewage flow, excavate, replace broken portion & backfill per meter		R 700 000										
	Matjhabeng	350		88	41	175	127	263	220	350	236	67%	

OBJECTIVE	INDICATOR	ANNUAL TARGET	OPERATING BUDGET	QUARTER 1 30 SEP 2010	ACTUAL Q1	QUARTER 2 31 DEC 2010	ACTUAL Q2	QUARTER 3 31 MAR 2011	ACTUAL Q3	QUARTER 4 30 JUN 2011	ACTUAL Q4	PERFORMANCE Q4	REASONS FOR NON ACHIEVEMENT
	Central	182		46	37	91	116	137	202	182	208	100%	
	East	98		25	0	49	0	74	0	98	0		
	West	70		18	4	35	11	53	18	70	28	40%	Demand driven & subject to available resources.
Open blockages	Manage sewage flow, remove foreign material that preventing free flow per number		R 3 354 014										
	Matjhabeng	8 385		2 096	2 112	4 193	4 154	6 289	6 563	8 385	9 486	100%	
	Central	4 360		1 090	708	2 180	1232	3 270	1907	4 360	2942	67%	
	East	2 348		587	839	1 174	1506	1 761	2208	2 348	3365	100%	
	West	1 677		419	565	839	1416	1 258	2448	1 677	3179	100%	
Repair manholes	Manage sewage flow, repair or replace with pre-cast structures and concrete per number		R 75 000										
	Matjhabeng	10		3	3	5	12	8	28	10	59	100%	
	Central	5		1	3	3	9	4	12	5	13	100%	
	East	3		1	0	1	0	2	2	3	4	100%	
	West	2		1	0	1	3	2	14	2	42	100%	

OBJECTIVE	INDICATOR	ANNUAL TARGET	OPERATING BUDGET	QUARTER 1 30 SEP 2010	ACTUAL Q1	QUARTER 2 31 DEC 2010	ACTUAL Q2	QUARTER 3 31 MAR 2011	ACTUAL Q3	QUARTER 4 30 JUN 2011	ACTUAL Q4	PERFORMANCE Q4	REASONS FOR NON ACHIEVEMENT
Preventative cleaning of sewer lines 1368km	Bi-annual preventative removal of silted material from sewer line that hinders flow and causes blockages per Km		R 1 000 000										
684	Matjhabeng	350		88	622	175	1 264	263	1 565	350	1 566	100%	
342	Central	179		45	7	90	607	134	607	179	608.2	100%	
192	East	95		24	0	48	0	71	0	95	0		
150	West	76		19	615	38	657.205	57	957.891	76	958.105	100%	Mayors sewer cleaning project in Kutlwanong.
PUMP STATIONS													
Clean sumps(46)	No	25	R 1 300 000	6	8	13	8	19	8	25	8	32%	
Repair / replace electrical panels	No	120	R 1 400 000	30	35	60	35	90	35	120	35	29%	
Repair pump : Mechanical		60	R 1 200 000	15	9	30	9	45	9	60	9	15%	
Maintenance actions on pump stations		600		150	99	300	99	450	99	600	99	17%	
SEWERAGE TREATMENT WORKS													
Clean sumps (25)on plants each years	No	25	R 400 000	6	3	13	3	19	3	25	3	12%	
Clean digesters (25)on plants each of the 12 plants once in 2 years	No	8	R 400 000	2	0	4	0	6	0	8	0	0%	

OBJECTIVE	INDICATOR	ANNUAL TARGET	OPERATING BUDGET	QUARTER 1 30 SEP 2010	ACTUAL Q1	QUARTER 2 31 DEC 2010	ACTUAL Q2	QUARTER 3 31 MAR 2011	ACTUAL Q3	QUARTER 4 30 JUN 2011	ACTUAL Q4	PERFORMANCE Q4	REASONS FOR NON ACHIEVEMENT
Repair / replace electrical panels	No	216	#REF!	54	7	108	7	162	7	216	7	3%	
Repair / replace Pumps	No	48	#REF!	12	4	24	4	36	4	48	4	8%	
Maintenance Purifying plant : Sand Filter bed	No cleaned	180	R 1 104 505	45	12	90	12	135	12	180	12	7%	
Maintenance Purifying plant : Bio Filter	No	1800	R 400 000	450	60	900	60	1350	60	1800	60	3%	
WATER NETWORK													
Repair of water leaks and maintenance of water related infrastructure. (1590Km)	Close water flow, excavate, replace / clamp broken portion & backfill per number		R 6 123 627										
	Matjhabeng	3 062		765	1 204	1 531	1 859	2 296	2 842	3 062	4 366	100%	
	Central	1 592		398	907	796	1224	1 194	1907	1 592	2879	100%	
	East	857		214	162	429	322	643	506	857	828	97%	lack of materials
	West	612		153	135	306	313	459	429	612	659	100%	
Service and repair valves and hydrants 10685 every 5 years 2137 per year	Manage water flow, tighten, pack, repair or replace valve or hydrant per number		R 1 500 000										
2137	Matjhabeng	600		150	32	300	73	450	142	600	203	34%	
1069	Central	300		75	20	150	51	225	107	300	155	52%	
598	East	168		42	12	84	22	126	35	168	48	29%	lack of materials
470	West	132		33	0	66	0	99	0	132	0		Demand driven & subject to available resources.

OBJECTIVE	INDICATOR	ANNUAL TARGET	OPERATING BUDGET	QUARTER 1 30 SEP 2010	ACTUAL Q1	QUARTER 2 31 DEC 2010	ACTUAL Q2	QUARTER 3 31 MAR 2011	ACTUAL Q3	QUARTER 4 30 JUN 2011	ACTUAL Q4	PERFORMANCE Q4	REASONS FOR NON ACHIEVEMENT
Repair and maintenance of meter and connections every 5 years 100781 20156 per year	Manage water flow, excavate, replace / clamp connection, seal or replace leaking meter per number	3 780	R 3 436 613										
20156	Matjhabeng	3 780		945	1 737	1 890	3 179	2 835	4 821	3 780	6 749	100%	
10078	Central	1 890		473	569	945	948	1 418	1529	1 890	2269	100%	
5644	East	1 058		265	610	529	1138	794	1590	1 058	2279	100%	
4434	West	832		208	558	416	1093	624	1702	832	2201	100%	
REVENUE PROTECTION (Water)													
Regular audit of meters													
Disconnections	Do cut-off according to Finance list Number	20 000		5 000	1524	10 000	2325	15 000	4219	20 000	5304	27%	
Reconnections	Do reconnection according to Finance list No	4 500		1 125	405	2 250	982	3 375	1526	4 500	1808	40%	
Phase 3 disconnections	Do Phase 3 cut-off according to Finance list Number	30		8	3	15	6	23	8	30	16	53%	
ELECTRICAL ADMINISTRATION													
			General Expenses: R2,742,327 Repair& Maintenance: R5,102,562										
Electrical income generation	Maintain distribution losses under 10%	10%		10%	12%	10%	12%	10%	12%	10%	11%	91%	Funds and personnel required

OBJECTIVE	INDICATOR	ANNUAL TARGET	OPERATING BUDGET	QUARTER 1 30 SEP 2010	ACTUAL Q1	QUARTER 2 31 DEC 2010	ACTUAL Q2	QUARTER 3 31 MAR 2011	ACTUAL Q3	QUARTER 4 30 JUN 2011	ACTUAL Q4	PERFORMANCE Q4	REASONS FOR NON ACHIEVEMENT
Adherence of quality of supply regulations	Installation of required hardware & software to adhere to 047 & 048 NRS regulations	16		4	4	8	7	12	14	16	19	100%	Capital regarding equipment to be obtained for quality of supply.60% of the Operating budget was received. Funds and personnel are required
Administration of Load control systems	Implementation in 4 towns estimated annual saving to Council R9,2 Million	60%		60%	60%	60%	60%	60%	60%	60%	60%	100%	Capital required for upgrading load control systems.60% of the Operating budget was received. Funds and personnel are required
Adherence of National Electricity Regulations	Compilation of Annual NERSA reports & maintaining of Databases	10%		10%	10%	10%	10%	10%	10%	10%	10%	100%	Capital required for computers. Reduced Capital and Operating budget received.
Adherence to the OHS Act	Continuously to ensure that a safe working environment is maintained and 184320 accident free working hours are annually reached	184320 accident free hours		46080	92160	92160	322 560	138 240	691 200	184 320	1 198 000	100%	Capital required for the replacement of dangerous and redundant equipment. 60% of Operating budget received.
Planning departmental Projects and cost estimations	Continuously 75 projects were identified on the IDP program that must be executed over a three year period	6 Projects		0	2	2	3	3	8	6	11	100%	Capital required to start projects.

OBJECTIVE	INDICATOR	ANNUAL TARGET	OPERATING BUDGET	QUARTER 1 30 SEP 2010	ACTUAL Q1	QUARTER 2 31 DEC 2010	ACTUAL Q2	QUARTER 3 31 MAR 2011	ACTUAL Q3	QUARTER 4 30 JUN 2011	ACTUAL Q4	PERFORMANCE Q4	REASONS FOR NON ACHIEVEMENT
HR and training of personnel	86 Personnel in the Electrical Department must be trained	36		9	4	18	6	27	10	36	14	39%	Fund required from HR department for required training. 54% of Operating budget received
Control of departmental budgeted, expenditure & administration functions	Continuous	100%		100%	10%	100%	10%	100%	10%	100%	10%	10%	Capital required for computers and financial costing software.
ELECTRICAL DISTRIBUTION													
Implementation of annual maintenance programs	Annual maintenance of 808 substations	564 substations	General Expenses: R1,100,196 Repair & Maintenance: R11,559,573	141	137	282	350	423	479	564	593	100%	Funds and personnel required and it is essential that the stores must be furnished with stock. 54.2% of Operating budget received.
Electrical metering systems	Annual maintenance of 24235 electrical meters	1088 electrical meters		992	311	544	671	816	961	1088	1 215	100%	Capital required for pre paid and remote metering systems. No Capital received.
Maintaining of load control systems	Implementation in 4 towns estimated annual saving to Council R9,2 Million	80		20	21	40	36	60	51	80	64	80%	Capital required for upgrading of load control systems. No Capital received.
Conduction of electrical permanent and temporary connections	Continuous approximately 480 temporary and permanent connections are made annually	61		15	64	20	167	35	193	61	233	100%	Capital and personnel required. 54.2% of budget received.
Semi- perms and disconnections	240 Permanent disconnections are executed annually	41		10	17	20	78	30	105	41	112	100%	Funds and personnel required

OBJECTIVE	INDICATOR	ANNUAL TARGET	OPERATING BUDGET	QUARTER 1 30 SEP 2010	ACTUAL Q1	QUARTER 2 31 DEC 2010	ACTUAL Q2	QUARTER 3 31 MAR 2011	ACTUAL Q3	QUARTER 4 30 JUN 2011	ACTUAL Q4	PERFORMANCE Q4	REASONS FOR NON ACHIEVEMENT
Reaction on break down situations	6000 call outs 180 Large breakdowns are executed annually	2158		539	1191	1078	2278	1617	3448	2158	4 304	100%	Capital required for the replacement of redundant vehicles
132KV DISTRIBUTION													
Annual Repair and maintenance program 132 kV Electrical distribution installations	Continuous maintenance of 250 MVA 132 kV electrical distribution installation	132	General Expenses: R80,889 Repair & Maintenance: R1,924,467	33	37	66	71	99	111	132	267	100%	Capital required for the test, repair and upgrading 132kV Substation
Maintaining of SCADA Systems	Ensure safe distribution of 691977 MWh to End Users	54		13	45	26	104	39	163	54	224	100%	Capital required for upgrading of SCADA systems
Maintaining of protection and monitoring systems	For 808 substations	48		12	11	24	31	36	53	48	59	100%	Capital required for testing and replacement of protection monitoring systems
STREETLIGHT MAINTENANCE													
Implementation of maintenance program for all public lighting and streetlights	Maintenance of 29558 street lights 250 High mast lights	8799	General Expenses: R3,145,997 Repair & Maintenance: R621,679	2200	1362	4400	2588	6599	3680	8799	5 152	59%	Capital required for the Purchases of computers and software. 9.29% of budget received.
Repair and Maintenance of streetlight	Maintenance of 29558 street lights. Annual maintenance ratio is 30%.	8674		2169	1288	4337	2429	6506	3394	8674	4 791	55%	Capital required for the upgrading of street light installations and replacement of redundant vehicles. 9.29% of budget received.

OBJECTIVE	INDICATOR	ANNUAL TARGET	OPERATING BUDGET	QUARTER 1 30 SEP 2010	ACTUAL Q1	QUARTER 2 31 DEC 2010	ACTUAL Q2	QUARTER 3 31 MAR 2011	ACTUAL Q3	QUARTER 4 30 JUN 2011	ACTUAL Q4	PERFORMANCE Q4	REASONS FOR NON ACHIEVEMENT
Repair and Maintenance of high mast public lighting	Maintenance of 250 High mast lights. Annual maintenance ratio is 50%.	125		31	74	63	159	94	291	125	366	100%	Capital required for the upgrading of High Mast installations and replacement of redundant vehicles. 9.29% of budget received.
ELECTRICAL WORKSHOPS													
Implementation of annual maintenance program for substations, mini substations and general electrical distribution network systems	For 808 substations that must serviced as required by the act once a year	382	General Expenses: R1,213,051 Repair & Maintenance: R317,837	90	137	180	270	270	395	382	578	100%	Capital required for upgrading of medium voltage network systems. 16.92% of budget received.
Repair and maintenance of electrical installation of Council property as to SANS 10142 regulations	Continuous on request in all town of the Matjhabeng Municipality	120		30	12	60	30	90	45	120	59	49%	Capital required for upgrading of medium voltage network systems
Maintenance of air conditioner installation	Continuous on request as air-condition units malfunction	40		10	8	20	31	30	44	40	52	100%	Funds required from other department operation budgets
Maintenance of substations buildings	Maintain 808 electrical substations and infrastructure annually	32		8	7	16	15	24	24	32	34	100%	Capital required for upgrading of medium voltage network systems. No capital budget received.
Maintenance on pump station electrical installations	11 Sewerage Purification plants 60 Pump stations installations	36		9	14	18	29	27	43	36	61	100%	Operation budget required from the sewerage services department

OBJECTIVE	INDICATOR	ANNUAL TARGET	OPERATING BUDGET	QUARTER 1 30 SEP 2010	ACTUAL Q1	QUARTER 2 31 DEC 2010	ACTUAL Q2	QUARTER 3 31 MAR 2011	ACTUAL Q3	QUARTER 4 30 JUN 2011	ACTUAL Q4	PERFORMANCE Q4	REASONS FOR NON ACHIEVEMENT
REVENUE PROTECTION													
Implementation of random inspection program to all installed electrical meters	Inspection of 24235 electrical consumer electrical connections once every year	2188	General Expenses: R850,269 Repair & Maintenance: R73,981	547	638	1094	827	1641	992	2188	1 097	50%	Funds and personnel required. 7.2% of budget received.
Provide a visual presence in the community regarding the theft of electricity and tampering	Continuous: visual presence must be kept in the community	82		20	27	40	78	60	243	82	283	100%	Funds and personnel required
Repairs and maintenance to electrical inductive and pre-paid meters	Continuous 1371 pre-paid and 2400 inductive electrical meters are repaired or replace annually	3771		942	414	1884	683	2826	901	3771	1 262	33%	Capital required for STS pre-paid systems
Scrutinizing of consumer accounts regarding tampering	500 theft cases handled annually	500		125	16	250	36	375	63	500	208	42%	Funds and personnel required. 7.2% of budget received.
To execute disconnections and reconnections	11249 dis- and re-connections are executed annually	11249		2812	80	5624	117	8436	174	11249	465	4%	Disconnection and Reconnections were outsource to private contractors
		11249		2812	57	5624	85	8436	135	11249	253	2%	Disconnection and Reconnections were outsource to private contractors
Auditing of all electrical installation	An Audit of 24235 electrical consumer electrical installations must be conducted once every year in regard to the SANS 0148 regulations	24235		6058	640	12117	1437	18175	1816	24235	2 322	10%	Funds and personnel required. No capital received to impliment auditing as to the NRS 058.

4.11 PROJECT MANAGEMENT UNIT (PMU)

Introduction

The PMU unit has as its major function the effective management of the Capital Programme of the Municipality which include the MIG program, Accelerated Community Infrastructure programme from DWA, Operation Hlasela Programme from PWRT, the capital program funded from Municipal own finance as well as any funding for capital projects received from third parties. The focus of the

- Water and Sewer
- Roads and Storm Water
- Sports and Recreation Facilities
- Provision of a Regional Taxi Rank
- Electricity
- PMU administration

Municipal Infrastructure Grant is on addressing the backlog in the historically disadvantaged communities. The total bulk was directed at Mmamahabane, Phomolong, Meloding, Thabong, Hani Park, Bronville, Kutlwanong and Nyakallong – excluding the previously advantaged towns.

In 2010/2011 the total expended budget was R 135 945 788.81 against the allocated R 137 104 000.00 budgeted. This budget was allocated to address the following main areas:

The above entailed the construction of new infrastructure, and the rehabilitation of old infrastructure. This report will discuss all the above aspects in each town.

The budget distribution was as follows:

- Water and sewer R27 252 971.48 (20.05%)
- Roads and Storm Water R 84 765 890.51 (62.35%)
- Sports and Recreation Facilities R 14 812 258.59 (10.90%)
- Provision of a Taxi rank R 2 004 824.03 (1.47%)
- Electricity R 4 144 308.41 (3.05%)
- PMU Administration R 2 406 180.80 (1.77%)

Background

A. Overall description of the programme:

- The Municipal project management unit was established in 2003.
- Conceptualization of capital projects as in formed by the municipal IDP, management of implementation programme of capital projects as per grant requirements, monitoring and supervision of projects, progress reporting and handing over of infrastructure to municipality.
- The PMU programme has now been running for 8 years.
- Amount allocated for the past three years is R 351 132 989
- The unit did not have a PMU Manager, Engineer or Technicians. A Manager and Engineer were appointed and started work on 01st April 2011. The unit is still without technicians for effective construction quality control.

	2008/2009	2009/2010	2010/2011
Approved Budget Amount	96 797 321.00	117 231 668.00	137 104 000.00
Transferred Amount	74 689 000.00	139 340 000.00	137 104 000.00
Spent Budget Amount	74 689 000.00	114 559 772.32	137 104 000.00
Difference	0.00	23 647 032.73	0.00

The 2009/2010 unspent amount of R 23 647 032.73 was rolled-over to the 2010/2011 financial year and has since been totally spent.

The process of project management includes the appointment of Professional Service Providers (PSP) through the Supply Chain Management (SCM) unit, the management of these service providers including project design and tendering and adjudication through the SCM and project monitoring for quality and performance.

Evaluation as per the Practice Note

Part 1: Progress to date

Results based management principles should be used as the underlying principles to evaluate interventions and outcomes:

The PMU has been functional since 2008/2009.

- Implementation of the approved business plan was successful with 100% expenditure as indicated in table above.
- In 2009/2010 there was a backlog in project registrations resulting in DoRA non-compliance and under expenditure of R 23 647 032.73
- Financial management led to total expenditure for the 2010/2011 financial year as shown above.
- Coordination with other stakeholders and sectors has been good and effected through regular meetings and interactions.
- No risks were taken.

Description of the management of the programme

- The unit is now furnished with a manager and an engineer.
- The municipal engineering planning department assists the unit with the assessment of designs and ensures that the solutions fit the broader needs of the municipality. The finance department manages the cash flow of the grant and facilitates all payments to the service providers and contractors.
- Capacity building for the staff within the programme is facilitated through an appointed service provider whose terms of reference are to support management of the unit. There is a training schedule for staff to further capacitate staff.
- There are defined communication structures within the department
- To date there are no key challenges met within this aspect of the programme.

Part 2: Monitoring

- Data is analyzed through reports from appointed consultants on each implementation project
- Appointed consultants prepare monthly reports and hold monthly site meetings over and above their supervision site visits for performance requirements

- PMU management is responsible for analysis of the reports generated by the appointed service providers. The unit is responsible for compiling the DoRA report (financial and non-financial)
- The key challenge met with the monitoring and reporting tasks is the late submission of data to the unit.

Part 3: Results and Beneficiaries

- The targeted outputs per project were reached, rendering services to the households targeted per project
- Reaching the outcomes and outputs contributed to achieving the programme objectives and can be attributed to the complete expenditure of the budget.
- There have not been any unforeseen outcomes and outputs or unforeseen beneficiaries.

Conclusion

- The PMU programme is now improved and capacitated with management staff which will ensure that projects are completed within the specified time and budget.
- The main objective of the MIG grant to address backlog in infrastructure for previously disadvantaged communities is being achieved.

Chapter 5

AUDITED FINANCIAL STATEMENTS AND AUDITOR GENERAL'S REPORT

Nature of business and principal activities	Municipal Services
Registered office	Civic Centre Welkom 9460
Postal address	PO Box 708 Welkom 9460
Bankers	ABSA Bank Limited Welkom
Auditors	Auditor General

The reports and statements set out below comprise the annual financial statements presented to the provincial legislature:

Index

Accounting Officer's Responsibilities and Approval
Report of the Auditor General
Accounting Officer's Report
Statement of Financial Position
Statement of Financial Performance
Statement of Changes in Net Assets
Cash Flow Statement
Accounting Policies
Notes to the Annual Financial Statements

Appendixes:

Appendix A: Schedule of External loans

Abbreviations

COID	Compensation for Occupational Injuries and Diseases
CRR	Capital Replacement Reserve
DBSA	Development Bank of South Africa
SA GAAP	South African Statements of Generally Accepted Accounting Practice
GRAP	Generally Recognised Accounting Practice
GAMAP	Generally Accepted Municipal Accounting Practice HDF Housing Development Fund
IAS	International Accounting Standards
IMFO	Institute of Municipal Finance Officers
IPSAS	International Public Sector Accounting Standards
ME's	Municipal Entities
MEC	Member of the Executive Council
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure Grant (Previously CMIP)

The accounting officer is required by the Municipal Finance Management Act (Act 56 of 2003), to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of the accounting officer to ensure that the annual financial statements fairly present the state of affairs of the municipality as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the annual financial statements and was given unrestricted access to all financial records and related data.

The annual financial statements have been prepared in accordance with South African Statements of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The accounting officer acknowledges that he is ultimately responsible for the system of internal financial control established by the municipality and place considerable importance on maintaining a strong control environment. To enable the accounting officer to meet these responsibilities, the accounting officer sets standards for internal control aimed at reducing the risk of error or deficit in a cost effective manner.

The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the municipality and all employees are required to maintain the highest ethical standards in ensuring the municipality's business is conducted in a manner that in all reasonable circumstances is above reproach.

The focus of risk management in the municipality is on identifying, assessing, managing and monitoring all known forms of risk across the municipality. While operating risk cannot be fully eliminated, the municipality endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The accounting officer is of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

The municipality is wholly dependent on the government for continued funding of operations. The annual financial statements are prepared on the basis that the municipality is a going concern and that the government has neither the intention nor the need to liquidate or curtail materially the scale of the municipality.

Although the accounting officer are primarily responsible for the financial affairs of the municipality, they are supported by the municipality's external auditors.

The external auditors are responsible for independently reviewing and reporting on the municipality's annual financial statements. The annual financial statements have been examined by the municipality's external auditors and their report is presented on page 4.

The annual financial statements set out on pages to which have been prepared on the going concern basis, were approved by the accounting officer on 31 August 2011 and were signed on its behalf by:

.....
G. Ramathebane
Municipal Manager

Report of the Auditor General

To the Provincial Legislature of Matjhabeng Local Municipality

Report on the financial statements

I have audited the accompanying annual financial statements of the Matjhabeng Local Municipality which comprise the statement of financial position as at 30 June 2011, statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, and the [directors' / accounting officer's / accounting authority's] report, as set out on pages 5 to 82.

Auditor General

The accounting officer submits his report for the year ended 30 June 2011.

1. Review of activities

Main business and operations

The municipality is engaged in municipal services and operates principally in South Africa. Net surplus of the municipality was 35,749,095 (2010: surplus 124,162,929).

2. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The ability of the municipality to continue as a going concern is dependent on a number of factors. The most significant of these is that the accounting officer continue to procure funding for the ongoing operations for the municipality.

3. Subsequent events

The accounting officer is not aware of any matter or circumstance arising since the end of the financial year.

4. Accounting policies

The annual financial statements prepared in accordance with the South African Statements of Generally Accepted Accounting Practice (GAAP), including any interpretations of such Statements issued by the Accounting Practices Board, and in accordance with the prescribed Standards of Generally Recognised Accounting Practices (GRAP) issued by the Accounting Standards Board as the prescribed framework by National Treasury.

5. Accounting Officer

The accounting officer of the municipality during the year was T.H.E Pietersen. The accounting officer at the date of this report is as follows:

Name: G. Ramathebane

6. Corporate governance

General

The accounting officer is committed to business integrity, transparency and professionalism in all its activities. As part of this commitment, the accounting officer supports the highest standards of corporate governance and the ongoing development of best practice.

The municipality confirms and acknowledges its responsibility to total compliance with the Code of Corporate Practices and Conduct ("the Code") laid out in the King Report on Corporate Governance for South Africa 2002. The accounting officer discuss the responsibilities of management in this respect, at Board meetings and monitor the municipality's compliance with the code on a three monthly basis.

The salient features of the municipality's adoption of the Code is outlined below:

The Council:

- retains full control over the municipality, its plans and strategy;
- acknowledges its responsibilities as to strategy, compliance with internal policies, external laws and regulations, effective risk management and performance measurement, transparency and effective communication both internally and externally by the municipality;

Chair person and chief executive

The Chairperson is a non-executive and independent director (as defined by the Code).

The roles of Chairperson and Chief Executive are separate, with responsibilities divided between them, so that no individual has unfettered powers of discretion.

Remuneration

The upper limits of the remuneration of the Chief Executive Officer, and the Chief Financial Officer, who are the only two executive directors of the municipality, are determined by SALGA and the accounting officer will determine the remuneration within the above mentioned limits.

Audit and risk committee

The Audit and Risk committee was not active for the year.

Internal audit

The municipality has an internal audit function.

7. Bankers

ABSA Bank Limited

8 Auditors

Auditor General will continue in office for the next financial period.

9. Non compliance with applicable legislation

Non compliance with applicable legislation are disclosed in notes to the financial statements.

Statement of Financial Position

Figures in Rand	Note(s)	2011	2010
Assets			
Current Assets			
Inventories	3	7,790,696	7,066,112
Other financial assets	4	16,213,122	15,146,664
Trade and other receivables	5	12,266,486	11,547,193
Consumer debtors	6	103,804,445	141,026,708
Cash and cash equivalents	7	35,279,286	22,575,614
VAT receivable	11	913,198	-
		176,267,233	197,362,291
Non-Current Assets			
Property, plant and equipment	8	1,111,215,455	876,346,011
Other financial assets	4	291,453	252,610
Consumer debtors	9	457,563	-
		1,111,964,471	876,598,621
Total Assets		1,288,231,704	1,073,960,912
Liabilities			
Current Liabilities			
Other financial liabilities	12	21,611,513	26,786,506
Finance lease obligation	13	4,800,585	3,110,016
Trade and other payables	14	631,602,849	406,545,255
VAT payable	15	-	15,506,114
Consumer deposits	16	26,995,233	25,706,018
Unspent conditional grants and receipts	17	45,477,647	78,266,173
		730,487,827	555,920,082
Non-Current Liabilities			
Finance lease obligation	13	7,045,315	11,468,030
Provisions	18	27,290,314	18,913,648
		34,335,629	30,381,678
Total Liabilities		764,823,456	586,301,760
Net Assets		523,408,248	487,659,152
Net Assets			
Accumulated surplus		523,408,248	487,659,152

Statement of Financial Performance

Figures in Rand	Note(s)	2011	2010
Revenue			
Property rates	22	200,361,727	181,926,366
Service charges	23	657,988,460	587,382,889
Rental of facilities and equipment		10,084,902	12,479,800
Interest received (trading)		56,716,174	39,665,414
Fines		2,286,768	2,903,537
Licences and permits		7,676	9,573
Government grants & subsidies	24	555,373,037	420,950,546
Agency fee income		6,944,801	7,310,860
Commissions received	25	543,139	505,606
Other income	25	25,232,925	17,185,334
Interest received - investment	26	5,534,413	3,160,465
Dividends received	26	8,671	55,137
Total Revenue		1,521,082,693	1,273,535,527
Expenditure			
Personnel	27	(391,344,595)	(325,649,546)
Remuneration of councilors	28	(19,143,365)	(18,242,286)
Depreciation and amortisation	29	(33,836,576)	(28,890,271)
Impairment loss/ Reversal of impairments	30	(372,188,325)	(208,760,412)
Finance costs	31	(45,020,347)	(24,594,634)
Repairs and maintenance		(30,731,627)	(27,012,512)
Bulk purchases	32	(436,037,979)	(362,454,672)
Contracted services	33	(2,726,742)	(2,558,411)
General Expenses	34	(154,304,042)	(151,209,854)
Total Expenditure		(1,485,333,598)	(1,149,372,598)
Surplus for the year		35,749,095	124,162,929

Statement of Changes in Net Assets

Figures in Rand	Accumulated surplus	Total Net assets
Balance at 01 July 2009	145,437,459	145,437,459
Changes in net assets		
Correction of balances as at 1 July 2009	101,295,312	101,295,312
Restatement of opening retained income 01 July 2008	97,582,640	97,582,640
Restatement of 2009 profit	(16,245,902)	(16,245,902)
Restatement of assessment rates	(10,101,994)	(10,101,994)
Restatement in 2011 of opening retained income 01 July 2009	45,528,708	45,528,708
Net income (losses) recognised directly in net assets	218,058,764	218,058,764
Surplus for the year	124,162,929	124,162,929
Total recognised income and expenses for the year	342,221,693	342,221,693
Total changes	342,221,693	342,221,693
Balance at 01 July 2009 as restated	438,342,461	438,342,461
Changes in net assets	45,528,708	45,528,708
Restatement of opening retained income 01 July 2009		
Restatement of 2010 profit	3,787,984	3,787,984
Net income (losses) recognised directly in net assets	49,316,692	49,316,692
Surplus for the year	35,749,095	35,749,095
Total recognised income and expenses for the year	85,065,787	85,065,787
Total changes	85,065,787	85,065,787
Balance at 30 June 2011	523,408,248	523,408,248

Cash Flow Statement

Figures in Rand

Note(s)

2011

2010

Cash flows from operating activities

Receipts

Cash receipts from customers	1,560,825,495	1,074,428,214
Interest income	5,534,413	3,160,465
Dividends received	8,671	55,137
	<u>1,566,368,579</u>	<u>1,077,643,816</u>

Payments

Cash paid to suppliers and employees	(1,238,773,986)	(877,070,609)
Finance costs	(33,875,413)	(16,455,632)
	<u>(1,272,649,399)</u>	<u>(893,526,241)</u>

Net cash flows from operating activities

35 **293,719,180** **184,117,575**

Cash flows from investing activities

Purchase of property, plant and equipment	8 (334,762,685)	(218,741,616)
Net movement in financial assets	(1,105,301)	(1,393,997)
Transfer of work in progress to Infrastructure	65,527,885	72,581,114
Net cash flows from investing activities	(270,340,101)	(147,554,499)

Cash flows from financing activities

Repayment of other financial liabilities	(5,174,993)	(34,015,748)
Finance lease payments	(5,500,414)	(5,017,303)

Net cash flows from financing activities

(10,675,407) **(39,033,051)**

Net increase/(decrease) in cash and cash equivalents

12,703,672 **(2,469,975)**

Cash and cash equivalents at the beginning of the year 22,575,614 25,045,589

Cash and cash equivalents at the end of the year

7 **35,279,286** **22,575,614**

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the effective Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board as listed below:

GRAP 1 Presentation of Financial Statements

GRAP 2 Cash Flow Statements

GRAP 3 Accounting Policies, Changes in Accounting Estimates and Errors GRAP 4 Accounting policies, changes in accounting estimates and errors GRAP 5 Borrowing Cost

GRAP 6 Consolidated and Separate Financial Statements

GRAP 7 Investments in Associates

GRAP 8 Interests in joint ventures

GRAP 9 Revenue from Exchange Transactions

GRAP 10 Financial reporting in hyperinflationary economies

GRAP 11 Construction Contracts

GRAP 12 Inventories

GRAP 13 Leases

GRAP 14 Events After the Reporting Date

GRAP 16 Investment Property

GRAP 17 Property, Plant and Equipment

GRAP 19 Provisions, Contingent Liabilities and Contingent Assets GRAP 24 Presentation of Budget Information in Financial Statements GRAP 100 Non-current Assets Held for Sale and Discontinued Operations GRAP 102 Intangible Assets

IFRS 3 Business combinations

IFRS 4 Insurance contracts

IFRS 6 Exploration for and evaluation of mineral resources

IFRS 7 Financial instruments: Disclosures

IAS 12 Income taxes

IAS 19 Employee Benefits

IAS 32 Financial Instruments: Presentation

IAS 39 Financial Instruments: Recognition and measurement

IAS 36 Impairment of assets

IPSAS 20 Related Parties

IPSAS 21 Impairment non-cash generating assets

GAMAP 9.29 - .35 & .39 - .54 Revenue

IGRAP 1 Applying the probability test on initial recognition of exchange revenue IFRIC 2 Members' Shares in Co-operative Entities and Similar Instruments IFRIC 4 Determining whether an Arrangement contains a Lease

IFRIC 9 Reassessment of Embedded Derivatives IFRIC 12 Service Concession Arrangements IFRIC 13 Customer Loyalty Programmes

IFRIC 14 IAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

SIC 21 Income Taxes – Recovery of Re-valued Non-Depreciable Assets

SIC 25 Income Taxes – Changes in the Tax Status of an Enterprise or its Shareholders

SIC 29 Disclosure – Service Concession Arrangements

Directive 1 Repeal of Existing Transitional Provisions in, and Consequential

Amendments to, Standards of GRAP

Directive 2 Transitional Provisions for the Adoption of Standards of GRAP by Public

Entities, Municipal Entities and Constitutional Institutions

Directive 3 Transitional Provisions for the Adoption of Standards of GRAP by High

Capacity Municipalities

Directive 4 Transitional Provisions for the Adoption of Standards of GRAP by Medium and Low Capacity Municipalities

Directive 5 Determining the GRAP Reporting Framework

Directive 7 The application of deemed cost on the adoption of Standards of Grap

ASB guide 1 Guideline on Accounting for Public Private Partnerships

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention unless specified otherwise. They are presented in South African Rand.

A summary of the significant accounting policies, which have been consistently applied, are disclosed below. These accounting policies are consistent with the previous period.

1.1 Relevant Legislation

Legislation:

The following legislation refers to the relevant legislation governing the municipality's operations:

- The Constitution of the Republic of South Africa;
- The Municipal Structures Act 117 of 1998;
- The Municipal Systems Act 32 of 2000;
- The Municipal Finance Management Act 56 of 2003;
- The Municipal Property Rates Act 6 of 2004,
- The Basic Conditions of the Employment Act 75 of 1997;
- The Value Added Tax Act 89 of 1991;
- The Skills Development Act 9 of 1999;
- The Water Service Act 108 of 1997;
- The Housing Act of 1997;
- The Promotion of Access to Information Act 2 of 2000; and
- The Disaster Management Act 57 of 2000

1.2 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgements include:

Trade receivables / Held to maturity investments and/or loans and receivables

The municipality assesses its trade receivables, held to maturity investments and loans and receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, the surplus makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

Provisions

Provisions were raised for the future rehabilitation costs of landfill sites and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 18 - Provisions.

Post retirement benefits

The present value of the post retirement obligation depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) include the discount rate. Any changes in these assumptions will impact on the carrying amount of post retirement obligations.

The municipality determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the medical aid obligations. In determining the appropriate discount rate, the municipality considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related medical aid liability.

Other key assumptions for medical aid obligations are based on current market conditions. Additional information is disclosed in Note 20.

Effective interest rate

The municipality used the prime interest rate to discount future cash flows.

Allowance for doubtful debts

On debtors an impairment loss is recognised in surplus and deficit when there is objective evidence that it is impaired.

1.3 Property, plant and equipment

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period.

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits or service potential associated with the item will flow to the municipality; and
- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

Where an asset is acquired at no cost, or for a nominal cost, its cost is its fair value as at date of acquisition.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses. Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Average useful life
-------------	----------------------------

Land

Depreciation not applicable	Indefinite life
-----------------------------	-----------------

Infrastructure

- | | |
|------------------------------|---------------|
| • Electricity | 20 - 30 Years |
| • Pedestrian Malls | 20 - 30 Years |
| • Roads and Pedestrian Malls | 15 - 30 Years |
| • Sewerage | 15 - 30 Years |
| • Water | 15 - 20 Years |

Community

- | | |
|---------------------------|---------------|
| • Airports | 20 Years |
| • Recreational Facilities | 20 - 30 Years |
| • Buildings | 30 Years |
| • Security | 3 - 5 Years |

Other property, plant and equipment

- | | |
|--------------------------|---------------|
| • Bins and Containers | 5 - 10 Years |
| • Motor Vehicles | 3 - 7 Years |
| • Furniture and Fittings | 7 - 10 Years |
| • Specialist Vehicles | 10 - 15 Years |
| • Office Equipment | 3 - 7 Years |
| • IT Equipment | 15 Years |
| • Other Equipment | 2 - 5 Years |
| • Specialised equipment | 10 - 15 Years |

The residual value, and the useful life and depreciation method of each asset are reviewed at the end of each reporting date. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset. Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

1.4 Financial instruments

Classification

The municipality classifies financial assets and financial liabilities into the following categories:

- Held-to-maturity investments
- Loans and receivables
- Available-for-sale financial assets
- Financial liabilities measured at amortised cost

Classification depends on the purpose for which the financial instruments were obtained / incurred and takes place at initial recognition. Classification is re-assessed on an annual basis, except for derivatives and financial assets designated as at fair value through surplus or deficit, which shall not be classified out of the fair value through surplus or deficit category.

Initial recognition and measurement

Financial instruments are recognised initially when the municipality becomes a party to the contractual provisions of the instruments. The municipality classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial instruments are measured initially at fair value, except for equity investments for which a fair value is not determinable, which are measured at cost and are classified as available-for-sale financial assets. For financial instruments which are not at fair value through surplus or deficit, transaction costs are included in the initial measurement of the instrument.

Subsequent measurement

Dividend income is recognised in surplus or deficit as part of other income when the municipality's right to receive payment is established. Loans and receivables are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment losses.

Held-to-maturity investments are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment losses. Available-for-sale financial assets are subsequently measured at fair value. This excludes equity investments for which a fair value is not determinable, which are measured at cost less accumulated impairment losses.

Gains and losses arising from changes in fair value are recognised in equity until the asset is disposed of or determined to be impaired. Interest on available-for-sale financial assets calculated using the effective interest method is recognised in surplus or deficit as part of other income. Dividends received on available-for-sale equity instruments are recognised in surplus or deficit as part of other income when the municipality's right to receive payment is established.

Financial liabilities at amortised cost are subsequently measured at amortised cost, using the effective interest method.

Impairment of financial assets

At each end of the reporting period the municipality assesses all financial assets, other than those at fair value through surplus or deficit, to determine whether there is objective evidence that a financial asset or group of financial assets has been impaired.

For amounts due to the municipality, significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default of payments are all considered indicators of impairment.

In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator of impairment. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in surplus or deficit - is removed from equity as a reclassification adjustment and recognised in surplus or deficit.

Impairment losses are recognised in surplus or deficit.

Impairment losses are reversed when an increase in the financial asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the financial asset at the date that the impairment is reversed shall not exceed what the carrying amount would have been had the impairment not been recognised.

Reversals of impairment losses are recognised in surplus or deficit except for equity investments classified as available-for-sale. Impairment losses are also not subsequently reversed for available-for-sale equity investments which are held at cost because fair value was not determinable.

Where financial assets are impaired through use of an allowance account, the amount of the loss is recognised in surplus or deficit within operating expenses. When such assets are written off, the write off is made against the relevant allowance account. Subsequent recoveries of amounts previously written off are credited against operating expenses.

Trade and other receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in surplus or deficit when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The allowance/provision recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

The carrying amount of the asset is reduced through the use of a provision/allowance account, and the amount of the deficit is recognised in surplus or deficit within operating expenses. When a trade receivable is uncollectible, it is written off against the provision/allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in surplus or deficit.

Trade and other receivables are classified as loans and receivables.

Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

Bank overdraft and borrowings

Bank overdrafts and borrowings are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the municipality's accounting policy for borrowing costs.

Held to maturity

These financial assets are initially measured at fair value plus direct transaction costs.

At subsequent reporting dates these are measured at amortised cost using the effective interest rate method, less any impairment loss recognised to reflect irrecoverable amounts. An impairment loss is recognised in surplus or deficit when there is objective evidence that the asset is impaired, and is measured as the difference between the investment's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Impairment losses are reversed in subsequent periods when an increase in the investment's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the investment at the date the impairment is reversed shall not exceed what the amortised cost would have been had the impairment not been recognised.

Financial assets that the municipality has the positive intention and ability to hold to maturity are classified as held to maturity.

Financial liabilities and equity instruments

Financial liabilities are classified according to the substance of contractual agreements entered into. Trade and other payables are stated at their nominal value. Equity instruments are recorded at the amount received, net of direct issue costs.

Gains and losses

A gain or loss arising from a change in a financial asset or financial liability is recognised as follows:

- A gain or loss on a financial asset or financial liability classified as at fair value through surplus or deficit is recognised in surplus or deficit;
- A gain or loss on an available-for-sale financial asset is recognised directly in net assets, through the statement of changes in net assets, until the financial asset is derecognised, at which time the cumulative gain or loss previously recognised in net assets is recognised in surplus or deficit; and
- For financial assets and financial liabilities carried at amortised cost, a gain or loss is recognised in surplus or deficit when the financial asset or financial liability is derecognised or impaired, and through the amortisation process.

Derecognition

Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised where:

- the rights to receive cash flows from the asset have expired;
- the municipality retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement; or
- the municipality has transferred its rights to receive cash flows from the asset and either
 - has transferred substantially all the risks and rewards of the asset, or
 - has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the municipality has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the municipality's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the municipality could be required to repay. Where continuing involvement takes the form of a written and/or purchased option (including a cash-settled option or similar provision) on the transferred asset, the extent of the municipality's continuing involvement is the amount of the transferred asset that the municipality may repurchase, except that in the case of a written put option (including a cash-settled option or similar provision) on an asset measured at fair value, the extent of the municipality's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

Financial instruments

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability

are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in surplus or deficit.

Impairment of financial assets

The municipality assesses at each statement of financial position date whether a financial asset or group of financial assets is impaired.

Assets are carried at amortised cost.

If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition).

The carrying amount of the asset shall be reduced either directly or through the use of an allowance account. The amount of the loss shall be recognised in surplus or deficit. The municipality first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant.

If it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a group of financial assets with similar credit risk characteristics and that group of financial assets is collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

1.5 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Finance leases - lessor

The municipality recognises finance lease receivables as assets on the statement of financial position. Such assets are presented as a receivable at an amount equal to the net investment in the lease. Finance revenue is recognised based on a pattern reflecting a constant periodic rate of return on the municipality's net investment in the finance lease.

Finance leases - lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease. Minimum lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of on the remaining balance of the liability.

Operating leases - lessor

Operating lease revenue is recognised as revenue on a straight-line basis over the lease term.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease revenue.

The aggregate cost of incentives is recognised as a reduction of rental revenue over the lease term on a straight-line basis.

Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

1.6 Inventories

Inventories are initially measured at cost except where inventories are acquired at no cost, or for nominal consideration, then their costs are their fair value as at the date of acquisition.

Subsequently inventories are measured at the lower of cost and net realisable value.

Inventories are measured at the lower of cost and current replacement cost where they are held for:

- distribution at no charge or for a nominal charge; or
- consumption in the production process of goods to be distributed at no charge or for a nominal charge.

Net realisable value is the estimated selling price in the ordinary course of operations less the estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution. The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories is assigned using the weighted average cost formula. The same cost formula is used for all inventories having a similar nature and use to the municipality. When inventories are sold, the carrying amounts of those inventories are recognised as an expense in the period in which the related revenue is recognised.

If there is no related revenue, the expenses are recognised when the goods are distributed, or related services are rendered. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.7 Impairment of cash-generating assets

Cash-generating assets are those assets held by the municipality with the primary objective of generating a commercial return. When an asset is deployed in a manner consistent with that adopted by a profit-orientated entity, it generates a commercial return.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets held with the primary objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Identification

The municipality assesses at each reporting date whether there is any indication that a cash-generating asset may be impaired. If any such indication exists, the municipality estimates the recoverable amount of the asset.

Recognition and measurement (individual asset)

If the recoverable amount of a cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

Any impairment loss of a revalued cash-generating asset is treated as a revaluation decrease.

When the amount estimated for an impairment loss is greater than the carrying amount of the cash-generating asset to which it relates, the municipality recognises a liability only to the extent that is a requirement in the Standard of GRAP.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Cash-generating units

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the municipality determines the recoverable amount of the cash-generating unit to which the asset belongs (the asset's cash-generating unit).

If an active market exists for the output produced by an asset or group of assets, that asset or group of assets is identified as a cash-generating unit, even if some or all of the output is used internally. If the cash inflows generated by any asset or cash-generating unit are affected by internal transfer pricing, the municipality use management's best estimate of future price(s) that could be achieved in arm's length transactions in estimating:

- the future cash inflows used to determine the asset's or cash-generating unit's value in use; and
- the future cash outflows used to determine the value in use of any other assets or cash-generating units that are affected by the internal transfer pricing.

Cash-generating units are identified consistently from period to period for the same asset or types of assets, unless a change is justified. The carrying amount of a cash-generating unit is determined on a basis consistent with the way the recoverable amount of the cash-generating unit is determined.

An impairment loss is recognised for a cash-generating unit if the recoverable amount of the unit is less than the carrying amount of the unit. The impairment is allocated to reduce the carrying amount of the cash-generating assets of the unit on a pro rata basis, based on the carrying amount of each asset in the unit. These reductions in carrying amounts are treated as impairment losses on individual assets.

In allocating an impairment loss, the entity does not reduce the carrying amount of an asset below the highest of:

- its fair value less costs to sell (if determinable);
- its value in use (if determinable); and
- zero.

The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other cash-generating assets of the unit.

Where a non-cash-generating asset contributes to a cash-generating unit, a proportion of the carrying amount of that non-cash-generating asset is allocated to the carrying amount of the cash-generating unit prior to estimation of the recoverable amount of the cash-generating unit.

Reversal of impairment loss

The municipality assess at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a cash-generating asset may no longer exist or may have decreased. If any such indication exists, the entity estimates the recoverable amount of that asset.

An impairment loss recognised in prior periods for a cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a cash-generating asset is recognised immediately in surplus or deficit. Any reversal of an impairment loss of a revalued cash-generating asset is treated as a revaluation increase.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

A reversal of an impairment loss for a cash-generating unit is allocated to the cash-generating assets of the unit pro rata with the carrying amounts of those assets. These increases in carrying amounts are treated as reversals of impairment losses for individual assets. No part of the amount of such a reversal is allocated to a non-cash-generating asset contributing service potential to a cash-generating unit.

In allocating a reversal of an impairment loss for a cash-generating unit, the carrying amount of an asset is not increased above the lower of:

- its recoverable amount (if determinable); and
- the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior periods.

The amount of the reversal of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit.

1.8 Impairment of non-cash-generating assets

Cash-generating assets are those assets held by the municipality with the primary objective of generating a commercial return. When an asset is deployed in a manner consistent with that adopted by a profit-orientated entity, it generates a commercial return.

Non-cash-generating assets are assets other than cash-generating assets.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets held with the primary objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense. Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use. Useful life is either:

- the period of time over which an asset is expected to be used by the municipality; or
- the number of production or similar units expected to be obtained from the asset by the municipality.

Recognition and measurement

If the recoverable service amount of a non-cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit. Any impairment loss of a revalued non-cash-generating asset is treated as a revaluation decrease.

When the amount estimated for an impairment loss is greater than the carrying amount of the non-cash-generating asset to which it relates, the municipality recognises a liability only to the extent that is a requirement in the Standards of GRAP.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Reversal of an impairment loss

The municipality assess at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a non-cash-generating asset may no longer exist or may have decreased. If any such indication exists, the municipality estimates the recoverable service amount of that asset.

An impairment loss recognised in prior periods for a non-cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable service amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a non-cash-generating asset is recognised immediately in surplus or deficit. Any reversal of an impairment loss of a revalued non-cash-generating asset is treated as a revaluation increase.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

1.9 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of surplus sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

Payments made to industry-managed (or state plans) retirement benefit schemes are dealt with as defined contribution plans where the entity's obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.

These plans include the municipality's pension, provident and annuity funds.

Defined benefit plans

For defined benefit plans the cost of providing the benefits is determined using the projected credit method.

Actuarial valuations are conducted at intervals not exceeding three years by independent actuaries separately for each plan.

Consideration is given to any event that could impact the funds up to end of the reporting period where the interim valuation is performed at an earlier date.

Past service costs are recognised immediately to the extent that the benefits are already vested, and are otherwise amortised on a straight line basis over the average period until the amended benefits become vested.

To the extent that, at the beginning of the financial period, any cumulative unrecognised actuarial gain or loss exceeds ten percent of the greater of the present value of the projected benefit obligation and the fair value of the plan assets (the corridor), that portion is recognised in surplus or deficit over the expected average remaining service lives of participating employees. Actuarial gains or losses within the corridor are not recognised.

Gains or losses on the curtailment or settlement of a defined benefit plan is recognised when the entity is demonstrably committed to curtailment or settlement.

When it is virtually certain that another party will reimburse some or all of the expenditure required to settle a defined benefit obligation, the right to reimbursement is recognised as a separate asset. The asset is measured at fair value. In all other respects, the asset is treated in the same way as plan assets. In surplus or deficit, the expense relating to a defined benefit plan is presented as the net of the amount recognised for a reimbursement.

The amount recognised in the statement of financial position represents the present value of the defined benefit obligation as adjusted for unrecognised actuarial gains and losses and unrecognised past service costs, and reduces by the fair value of plan assets.

Any asset is limited to unrecognised actuarial losses and past service costs, plus the present value of available refunds and reduction in future contributions to the plan.

These plans include the municipality's medical aid funds (post-retirement health care benefits).

1.10 Provisions and contingencies

Provisions are recognised when:

- the municipality has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the municipality settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

A provision is used only for expenditures for which the provision was originally recognised. Provisions are not recognised for future operating deficits.

If an entity has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

A constructive obligation to restructure arises only when an entity:

- has a detailed formal plan for the restructuring, identifying at least:
 - the activity/operating unit or part of a activity/operating unit concerned;
 - the principal locations affected;
 - the location, function, and approximate number of employees who will be compensated for services being terminated;
 - the expenditures that will be undertaken; and
 - when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 40.

1.11 Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

An exchange transaction is one in which the municipality receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates. An entity assesses the probability of each transaction on an individual basis when it occurs. Entities shall not assess the probability on an overall level based on the payment history of recipients of the service in general when the probability of revenue is assessed at initial recognition.

The full amount of revenue will be recognised at initial recognition. Assessing impairment is an event that takes place subsequently to initial recognition. Such impairment is an expense. Revenue is not reduced by this expense the probability test on initial recognition of exchange revenue; it should not be applied by analogy to other types of transactions.

Sale of goods

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the municipality has transferred to the purchaser the significant risks and rewards of ownership of the goods;
- the municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- and, the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- the stage of completion of the transaction at the reporting date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Service revenue is recognised by reference to the stage of completion of the transaction at the reporting date. Stage of completion is determined by the proportion that costs incurred to date bear to the total estimated costs of the transaction.

Interest and dividends

Revenue arising from the use by others of entity assets yielding interest, royalties and dividends is recognised when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- and, the amount of the revenue can be measured reliably.

Interest is recognised, in surplus or deficit, using the effective interest rate method.

Dividends, or their equivalents are recognised, in surplus or deficit, when the municipality's right to receive payment has been established.

1.12 Revenue from non-exchange transactions

Non-exchange transactions are defined as transactions where the entity receives value from another entity without directly giving approximately equal value in exchange. Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

Rates, including collection charges and penalties interest

Revenue from rates, including collection charges and penalty interest, is recognised when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- the amount of the revenue can be measured reliably; and
- there has been compliance with the relevant legal requirements.

Changes to property values during a reporting period are valued by a suitably qualified valuator and adjustments are made to rates revenue, based on a time proportion basis. Adjustments to rates revenue already recognised are processed or additional rates revenue is recognised.

Fines

Revenue from the issuing of fines is recognised when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- and, the amount of the revenue can be measured reliably.

The municipality has two types of fines: spot fines and summonses. There is uncertainty regarding the probability of the flow of economic benefits or service potential in respect of spot fines as these fines are usually not given directly to an offender. Further legal processes have to be undertaken before the spot fine is enforceable. In respect of summonses the public prosecutor can decide whether to waive the fine, reduce it or prosecute for non-payment by the offender.

An estimate is made for the revenue amount collected from spot fines and summonses based on past experience of amounts collected. Where a reliable estimate cannot be made of revenue from summonses, the revenue from summonses is recognised when the public prosecutor pays over to the entity the cash actually collected on summonses issued.

Government grants

Government grants are recognised as revenue when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality,
- the amount of the revenue can be measured reliably, and
- to the extent that there has been compliance with any restrictions associated with the grant.

The municipality assesses the degree of certainty attached to the flow of future economic benefits or service potential on the basis of the available evidence. Certain grants payable by one level of government to another are subject to the availability of funds. Revenue from these grants is only recognised when it is probable that the economic benefits or service potential associated with the transaction will flow to the entity.

An announcement at the beginning of a financial year that grants may be available for qualifying entities in accordance with an agreed programme may not be sufficient evidence of the probability of the flow. Revenue is then only recognised once evidence of the probability of the flow becomes available.

Restrictions on government grants may result in such revenue being recognised on a time proportion basis. Where there is no restriction on the period, such revenue is recognised on receipt or when the Act becomes effective, whichever is earlier.

When government remit grants on a re-imbursement basis, revenue is recognised when the qualifying expense has been incurred and to the extent that any other restrictions have been complied with.

Other grants and donations

Other grants and donations are recognised as revenue when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- the amount of the revenue can be measured reliably; and
- to the extent that there has been compliance with any restrictions associated with the grant.

If goods in-kind are received without conditions attached, revenue is recognised immediately. If conditions are attached, a liability is recognised, which is reduced and revenue recognised as the conditions are satisfied.

1.13 Turnover

Turnover comprises of sales to customers and service rendered to customers. Turnover is stated at the invoice amount and is exclusive of value added taxation.

1.14 Investment income

Investment income is recognised on a time-proportion basis using the effective interest method.

1.15 Borrowing costs

It is inappropriate to capitalise borrowing costs when, and only when, there is clear evidence that it is difficult to link the borrowing requirements of an entity directly to the nature of the expenditure to be funded i.e. capital or current.

Borrowing costs are recognised as an expense in the period in which they are incurred.

1.16 Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

1.17 Unauthorised expenditure

Unauthorised expenditure means:

- overspending of a vote or a main division within a vote; and
- expenditure not in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division.

All expenditure relating to unauthorised expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.18 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.19 Irregular expenditure

Irregular expenditure as defined in section 1 of the PFMA is expenditure other than unauthorised expenditure, incurred in contravention of or that is not in accordance with a requirement of any applicable legislation, including –

- (a) this Act; or
- (b) the State Tender Board Act, 1968 (Act No. 86 of 1968), or any regulations made in terms of the Act; or
- (c) any provincial legislation providing for procurement procedures in that provincial government.

National Treasury practice note no. 4 of 2008/2009 which was issued in terms of sections 76(1) to 76(4) of the PFMA requires the following (effective from 1 April 2008):

Irregular expenditure that was incurred and identified during the current financial and which was condoned before year end and/or before finalisation of the financial statements must also be recorded appropriately in the irregular expenditure register. In such an instance, no further action is also required with the exception of updating the note to the financial statements.

Irregular expenditure that was incurred and identified during the current financial year and for which condonement is being awaited at year end must be recorded in the irregular expenditure register. No further action is required with the exception of updating the note to the financial statements.

Where irregular expenditure was incurred in the previous financial year and is only condoned in the following financial year, the register and the disclosure note to the financial statements must be updated with the amount condoned.

Irregular expenditure that was incurred and identified during the current financial year and which was not condoned by the National Treasury or the relevant authority must be recorded appropriately in the irregular expenditure register. If liability for the irregular expenditure can be attributed to a person, a debt account must be created if such a person is liable in law.

Immediate steps must thereafter be taken to recover the amount from the person concerned. If recovery is not possible, the accounting officer or accounting authority may write off the amount as debt impairment and disclose such in the relevant note to the financial statements. The irregular expenditure register must also be updated accordingly.

If the irregular expenditure has not been condoned and no person is liable in law, the expenditure related thereto must remain against the relevant programme/expenditure item, be disclosed as such in the note to the financial statements and updated accordingly in the irregular expenditure register.

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the economic entity's supply chain management policy. Irregular expenditure excludes unauthorised expenditure.

1.20 Use of estimates

The preparation of annual financial statements in conformity with Standards of GRAP requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the municipality's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the annual financial statements are disclosed in the relevant sections of the annual financial statements. Although these estimates are based on management's best knowledge of current events and actions they may undertake in the future, actual results ultimately may differ from those estimates.

1.21 Presentation of currency

These annual financial statements are presented in South African Rand.

1.22 Offsetting

Assets, liabilities, revenue and expenses have not been offset except when offsetting is required or permitted by a Standard of GRAP

1.23 Investments

Where the carrying amount of an investment is greater than the estimated recoverable amount, it is written down immediately to its recoverable amount and an impairment loss is charged to the statement of financial performance.

1.24 Conditional grants and receipts

Revenue received from conditional grants, donations and funding are recognised as revenue to the extent that the municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met a liability is recognised.

1.25 Budget information

Municipality are typically subject to budgetary limits in the form of appropriations or budget authorisations (or equivalent), which is given effect through authorising legislation, appropriation or similar.

General purpose financial reporting by municipality shall provide information on whether resources were obtained and used in accordance with the legally adopted budget.

The annual financial statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the annual financial statements.

Comparative information is not required.

2. New standards and interpretations

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the municipality has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

IGRAP 1: Interpretation of GRAP: Applying the Probability Test on Initial Recognition of Exchange Revenue

An entity assesses the probability of each transaction on an individual basis when it occurs. Entities shall not assess the probability on an overall level based on the payment history of recipients of the service in general when the probability of revenue is assessed at initial recognition.

The full amount of revenue will be recognised at initial recognition. Assessing impairment is an event that takes place subsequently to initial recognition. Such impairment is an expense. Revenue is not reduced by this expense.

The effective date of the interpretation is for years beginning on or after 01 April 2010.

The municipality has adopted the interpretation for the first time in the 2011 annual financial statements. The impact of the interpretation is not material.

2.2 Standards and interpretations issued, but not yet effective

The municipality has not applied the following standards and interpretations, which have been published and are mandatory for the municipality's accounting periods beginning on or after 01 July 2011 or later periods:

GRAP 18: Segment Reporting

Segments are identified by the way in which information is reported to management, both for purposes of assessing performance and making decisions about how future resources will be allocated to the various activities undertaken by the municipality. The major classifications of activities identified in budget documentation will usually reflect the segments for which an entity reports information to management.

Segment information is either presented based on service or geographical segments. Service segments relate to a distinguishable component of an entity that provides specific outputs or achieves particular operating objectives that are in line with the municipality's overall mission. Geographical segments relate to specific outputs generated, or particular objectives achieved, by an entity within a particular region.

This Standard has been approved by the Board but its effective date has not yet been determined by the Minister of Finance. The effective date indicated is a provisional date and could change depending on the decision of the Minister of Finance.

Directive 3 - Transitional provisions for high capacity municipalities states that no comparative segment information need to be presented on initial adoption of the Standard. Where items have not been recognised as a result of transitional provisions under the Standard of GRAP on Property, Plant and Equipment, recognition requirements of this Standard would not apply to such items until the transitional provision in that Standard expires.

The effective date of the standard is for years beginning on or after 01 April 2013.

The municipality expects to adopt the standard for the first time in the 2014 annual financial statements.

The adoption of this standard is not expected to impact on the results of the municipality, but may result in more disclosure than is currently provided in the annual financial statements.

GRAP 24: Presentation of Budget Information in the Financial Statements

Subject to the requirements of paragraph .19, an entity shall present a comparison of the budget amounts for which it is held publicly accountable and actual amounts either as a separate additional financial statement or as additional budget columns in the financial statements currently presented in accordance with Standards of

GRAP. The comparison of budget and actual amounts shall present separately for each level of legislative oversight:

- the approved and final budget amounts;
- the actual amounts on a comparable basis; and
- by way of note disclosure, an explanation of material differences between the budget for which the municipality is held publicly accountable and actual amounts, unless such explanation is included in other public documents issued in conjunction with the financial statements, and a cross reference to those documents is made in the notes.

Where an entity prepares its budget and annual financial statements on a comparable basis, it includes the comparison as an additional column in the primary annual financial statements. Where the budget and annual financial statements are not prepared on a comparable basis, a separate statement is prepared called the 'Statement of Comparison of Budget and Actual Amounts'. This statement compares the budget amounts with the amounts in the annual financial statements adjusted to be comparable to the budget.

A comparable basis means that the budget and annual financial statements:

- are prepared using the same basis of accounting i.e. either cash or accrual;
- include the same activities and entities;
- use the same classification system; and
- are prepared for the same period.

This Standard has been approved by the Board but its effective date has not yet been determined by the Minister of Finance. The effective date indicated is a provisional date and could change depending on the decision of the Minister of Finance.

The effective date of the standard is for years beginning on or after 01 April 2012. The municipality expects to adopt the standard for the first time in the 2013 annual financial statements.

The adoption of this standard is not expected to impact on the results of the municipality, but may result in more disclosure than is currently provided in the annual financial statements.

GRAP 21: Impairment of non-cash-generating assets

Non-cash-generating assets are assets other than cash-generating assets.

When the carrying amount of a non-cash-generating asset exceeds its recoverable service amount, it is impaired.

An municipality assesses at each reporting date whether there is any indication that a non-cash-generating asset may be impaired. If any such indication exists, an entity estimates the recoverable service amount of the asset.

The present value of the remaining service potential of a non-cash-generating asset is determined using one of the following approaches:

- Depreciated replacement cost approach
- Restoration cost approach
- Service units approach

If the recoverable service amount of a non-cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. This reduction is an impairment loss. An impairment loss is recognised immediately in surplus or deficit. Any impairment loss of a revalued non-cash-generating asset is treated as a revaluation decrease.

An municipality assess at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a non-cash-generating asset may no longer exist or may have decreased. If any such indication exists, an entity estimates the recoverable service amount of that asset.

A reversal of an impairment loss for a non-cash-generating asset is recognised immediately in surplus or deficit. Any reversal of an impairment loss of a revalued non-cash-generating asset is treated as a revaluation increase.

This Standard has been approved by the Board but its effective date has not yet been determined by the Minister of Finance. The effective date indicated is a provisional date and could change depending on the decision of the Minister of Finance.

The effective date of the standard is for years beginning on or after 01 April 2012.

The municipality expects to adopt the standard for the first time in the 2013 annual financial statements.

The municipality is unable to reliably estimate the impact of the standard on the annual financial statements.

GRAP 26: Impairment of cash-generating assets

Cash-generating assets are those assets held by an municipality with the primary objective of generating a commercial return. When an asset is deployed in a manner consistent with that adopted by a profit-orientated entity, it generates a commercial return.

When the carrying amount of a cash-generating asset exceeds its recoverable amount, it is impaired.

An entity assesses at each reporting date whether there is any indication that a cash-generating asset may be impaired. If any such indication exists, an municipality estimates the recoverable amount of the asset. When estimating the value in use of an asset, an municipality estimates the future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal and an municipality applies the appropriate discount rate to those future cash flows.

If the recoverable amount of a cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. This reduction is an impairment loss. An impairment loss is recognised immediately in surplus or deficit. Any impairment loss of a revalued cash-generating asset is treated as a revaluation decrease.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, an municipality determines the recoverable amount of the cash-generating unit to which the asset belongs (the asset's cash-generating unit).

If an active market exists for the output produced by an asset or group of assets, that asset or group of assets is identified as a cash-generating unit, even if some or all of the output is used internally. If the cash inflows generated by any asset or cash-generating unit are affected by internal transfer pricing, an entity use management's best estimate of future price(s) that could be achieved in arm's length transactions in estimating:

- the future cash inflows used to determine the asset's or cash-generating unit's value in use; and
- the future cash outflows used to determine the value in use of any other assets or cash-generating units that are affected by the internal transfer pricing.

Cash-generating units are identified consistently from period to period for the same asset or types of assets, unless a change is justified.

An impairment loss is recognised for a cash-generating unit if the recoverable amount of the unit is less than the carrying amount of the unit. The impairment is allocated to reduce the carrying amount of the cash-generating assets of the unit on a pro rata basis, based on the carrying amount of each asset in the unit. These reductions in carrying amounts are treated as impairment losses on individual assets.

Where a non-cash-generating asset contributes to a cash-generating unit, a proportion of the carrying amount of that non-cash-generating asset is allocated to the carrying amount of the cash-generating unit prior to estimation of the recoverable amount of the cash-generating unit.

An municipality assess at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a cash-generating asset may no longer exist or may have decreased. If any such indication exists, an municipality estimates the recoverable amount of that asset.

A reversal of an impairment loss for a cash-generating asset is recognised immediately in surplus or deficit. Any reversal of an impairment loss of a revalued cash-generating asset is treated as a revaluation increase.

This Standard has been approved by the Board but its effective date has not yet been determined by the Minister of Finance. The effective date indicated is a provisional date and could change depending on the decision of the Minister of Finance.

The effective date of the standard is for years beginning on or after 01 April 2012.

The municipality expects to adopt the standard for the first time in the 2013 annual financial statements.

The municipality is unable to reliably estimate the impact of the standard on the annual financial statements.

GRAP 25: Employee benefits

The objective of GRAP25 is to prescribe the accounting and disclosure for employee benefits. The Standard requires an municipality to recognise:

- a liability when an employee has provided service in exchange for employee benefits to be paid in the future; and
- an expense when an municipality consumes the economic benefits or service potential arising from service provided by an employee in exchange for employee benefits.

GRAP25 must be applied by an employer in accounting for all employee benefits, except share based payment transactions.

GRAP25 defines, amongst others, the following:

- Employee benefits as all forms of consideration given by an municipality in exchange for service rendered by employees;
- Defined contribution plans as post-employment benefit plans under which an municipality pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods;
- Defined benefit plans as post-employment benefit plans other than defined contribution plans;
- Multi-employer plans as defined contribution plans (other than state plans and composite social security programmes) or defined benefit plans (other than state plans) that:
 - pool the assets contributed by various entities that are not under common control; and
 - use those assets to provide benefits to employees of more than one entity, on the basis that contribution and benefit levels are determined without regard to the identity of the municipality that employs the employees concerned;
- Other long-term employee benefits as employee benefits (other than post-employment benefits and termination benefits) that is not due to be settled within twelve months after the end of the period in which the employees render the related service;
- Post-employment benefits as employee benefits (other than termination benefits) which are payable after the completion of employment;
- Post-employment benefit plans as formal or informal arrangements under which an municipality provides post-employment benefits for one or more employees;
- Short-term employee benefits as employee benefits (other than termination benefits) that are due to be settled within twelve months after the end of the period in which the employees render the related service;
- State plans as plans other than composite social security programmes established by legislation which operate as if they are multi-employer plans for all entities in economic categories laid down in legislation;

- Termination benefits as employee benefits payable as a result of either:
 - an entity's decision to terminate an employee's employment before the normal retirement date; or
 - an employee's decision to accept voluntary redundancy in exchange for those benefits;
- Vested employee benefits as employee benefits that are not conditional on future employment.

The standard states the recognition, measurement and disclosure requirements of:

- Short-term employee benefits;
 - All short-term employee benefits;
 - Short-term compensated absences;
 - Bonus, incentive and performance related payments;
- Post-employment benefits: Defined contribution plans;
- Other long-term employee benefits;
- Termination benefits.

The standard states Post-employment benefits: Distinction between defined contribution plans and defined benefit plans:

- Multi-employer plans;
- Defined benefit plans where the participating entities are under common control;
- State plans;
- Composite social security programmes;
- Insured benefits.

The standard states, for Post-employment benefits: Defined benefit plans, the following requirements:

- Recognition and measurement;
- Presentation;
- Disclosure;
- Accounting for the constructive obligation;
- Statement of financial position;
- Asset recognition ceiling;
- Asset recognition ceiling: When a minimum funding requirement may give rise to a liability;
- Statement of financial performance.

The standard prescribes recognition and measurement for:

- Present value of defined benefit obligations and current service cost:
 - Actuarial valuation method;
 - Attributing benefits to periods of service;
 - Actuarial assumptions;
 - Actuarial assumptions: Discount rate;
 - Actuarial assumptions: Salaries, benefits and medical costs;

- Actuarial gains and losses;
 - Past service cost.
- Plan assets:
 - Fair value of plan assets;
 - Reimbursements;
 - Return on plan assets.

The standard also deals with Entity combinations and Curtailments and settlements. This Standard has been approved by the Board but its effective date has not yet been determined by the Minister of Finance. The effective date indicated is a provisional date and could change depending on the decision of the Minister of Finance.

The effective date of the standard is for years beginning on or after 01 April 2013. The municipality expects to adopt the standard for the first time in the 2014 annual financial statements. The impact of this standard is currently being assessed.

GRAP 104: Financial Instruments

The standard prescribes recognition, measurement, presentation and disclosure requirements for financial instruments. Financial instruments are defined as those contracts that results in a financial asset in one municipality and a financial liability or residual interest in another municipality. A key distinguishing factor between financial assets and financial liabilities and other assets and liabilities, is that they are settled in cash or by exchanging financial instruments rather than through the provision of goods or services.

One of the key considerations in initially recognising financial instruments is the distinction, by the issuers of those instruments, between financial assets, financial liabilities and residual interests. Financial assets and financial liabilities are distinguished from residual interests because they involve a contractual right or obligation to receive or pay cash or another financial instrument. Residual interests entitle an municipality to a portion of another municipality's net assets in the event of liquidation and, to dividends or similar distributions paid at management's discretion.

In determining whether a financial instrument is a financial asset, financial liability or a residual interest, a municipality considers the substance of the contract and not just the legal form.

Where a single instrument contains both a liability and a residual interest component, the issuer allocates the instrument into its component parts. The issuer recognises the liability component at its fair value and recognises the residual interest as the difference between the carrying amount of the instrument and the fair value of the liability component. No gain or loss is recognised by separating the instrument into its component parts.

Financial assets and financial liabilities are initially recognised at fair value. Where an municipality subsequently measures financial assets and financial liabilities at amortised cost or cost, transactions costs are included in the cost of the asset or liability.

The transaction price usually equals the fair value at initial recognition, except in certain circumstances, for example, where interest free credit is granted or where credit is granted at a below market rate of interest.

Concessionary loans are loans either received by or granted to another municipality on concessionary terms, e.g. at low interest rates and flexible repayment terms. On initial recognition, the fair value of a concessionary loan is the present value of the agreed contractual cash flows, discounted using a market related rate of interest for a similar transaction. The difference between the proceeds either received or paid and the present value of the contractual cash flows is accounted for as non-exchange revenue by the recipient of a concessionary loan in accordance with Standard of GRAP on Revenue from Non-exchange Revenue Transactions (Taxes and Transfers), and using the Framework for the Preparation and Presentation of Financial Statements (usually as an expense) by the grantor of the loan.

Financial assets and financial liabilities are subsequently measured either at fair value or, amortised cost or cost. An municipality measures a financial instrument at fair value if it is:

- a derivative;
- a combined instrument designated at fair value, i.e. an instrument that includes a derivative and a non-derivative host contract;
- held-for-trading;

- a non-derivative instrument with fixed or determinable payments that is designated at initial recognition to be measured at fair value;
- an investment in a residual interest for which fair value can be measured reliably; and
- other instruments that do not meet the definition of financial instruments at amortised cost or cost.

Derivatives are measured at fair value. Combined instruments that include a derivative and non-derivative host contract are accounted for as follows:

- Where an embedded derivative is included in a host contract which is a financial instrument within the scope of this Standard, an entity can designate the entire contract to be measured at fair value or, it can account for the host contract and embedded derivative separately using GRAP 104. An municipality is however required to measure the entire instrument at fair value if the fair value of the derivative cannot be measured reliably.
- Where the host contract is not a financial instrument within the scope of this Standard, the host contract and embedded derivative are accounted for separately using GRAP 104 and the relevant Standard of GRAP.

Financial assets and financial liabilities that are non-derivative instruments with fixed or determinable payments, for example deposits with banks, receivables and payables, are measured at amortised cost. At initial recognition, an municipality can however designate such an instrument to be measured at fair value.

An municipality can only measure investments in residual interests at cost where the fair value of the interest cannot be determined reliably.

Once an municipality has classified a financial asset or a financial liability either at fair value or amortised cost or cost, it is only allowed to reclassify such instruments in limited instances.

An entity derecognises a financial asset, or the specifically identified cash flows of an asset, when:

- the cash flows from the asset expire, are settled or waived;
- significant risks and rewards are transferred to another party; or
- despite having retained significant risks and rewards, an municipality has transferred control of the asset to another municipality.

A municipality derecognises a financial liability when the obligation is extinguished. Exchanges of debt instruments between a borrower and a lender are treated as the extinguishment of an existing liability and the recognition of a new financial liability. Where an municipality modifies the term of an existing financial liability, it is also treated as the extinguishment of an existing liability and the recognition of a new liability.

A municipality cannot offset financial assets and financial liabilities in the statement of financial position unless a legal right of set-off exists, and the parties intend to settle on a net basis.

GRAP 104 requires extensive disclosures on the significance of financial instruments for an municipality's statement of financial position and statement of financial performance, as well as the nature and extent of the risks that an municipality is exposed to as a result of its annual financial statements. Some disclosures, for example the disclosure of fair values for instruments measured at amortised cost or cost and the preparation of a sensitivity analysis, are encouraged rather than required.

GRAP 104 does not prescribe principles for hedge accounting. An municipality is permitted to apply hedge accounting, as long as the principles in IAS 39 are applied.

This Standard has been approved by the Board but its effective date has not yet been determined by the Minister of Finance. The effective date indicated is a provisional date and could change depending on the decision of the Minister of Finance.

The effective date of the standard is for years beginning on or after 01 April 2012.

The municipality expects to adopt the standard for the first time in the 2013 annual financial statements.

The adoption of this amendment is not expected to impact on the results of the municipality, but may result in more disclosure than is currently provided in the annual financial statements.

IGRAP 3: Determining Whether an Arrangement Contains a Lease

This Interpretation of the Standards of GRAP does not apply to arrangements that are, or contain, leases excluded from the scope of the Standard of GRAP on Leases (as revised in 2010).

The issues addressed in this Interpretation of the Standards of GRAP are:

- how to determine whether an arrangement is, or contains, a lease as defined in the Standard of GRAP on Leases (as revised in 2010);
- when the assessment or a reassessment of whether an arrangement is, or contains, a lease should be made; and
- if an arrangement is, or contains, a lease, how the payments for the lease should be separated from payments for any other elements in the arrangement.

The effective date of the interpretation is for years beginning on or after 01 April 2011.

The municipality expects to adopt the interpretation for the first time in the 2012 annual financial statements.

It is unlikely that the amendment will have a material impact on the municipality's annual financial statements.

IGRAP 7: The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

This Interpretation of the Standards of GRAP applies to all post-employment defined benefits and other long-term employee defined benefits.

For the purpose of this Interpretation of the Standards of GRAP, minimum funding requirements are any requirements to fund a post-employment or other long-term defined benefit plan.

The issues addressed in this Interpretation of the Standards of GRAP are:

- When refunds or reductions in future contributions should be regarded as available in accordance with paragraph .68 of the Standard of GRAP on Employee Benefits.
- How a minimum funding requirement might affect the availability of reductions in future contributions

The Interpretation of the Standards of GRAP addresses accounting by the entity that grants award credits to its customers. The effective date of the interpretation is for years beginning on or after 01 April 2013.

The municipality expects to adopt the interpretation for the first time in the 2014 annual financial statements. The impact of this amendment is currently being assessed.

IGRAP 8: Agreements for the Construction of Assets from Exchange Transactions

This Interpretation applies to the accounting for revenue and associated expenses by entities that undertake the construction of assets in exchange transactions directly or through subcontractors. The construction of assets entered into by entities where funding to support the construction activity will be provided by an appropriation or similar allocation of general government revenue or by aid or grant funds are excluded from the scope of this Interpretation of the Standards of GRAP.

Agreements in the scope of this Interpretation of the Standards of GRAP are agreements for the construction of assets in exchange transactions. In addition to the construction of assets in exchange transactions, such agreements may include the delivery of other goods or services.

The Interpretation of the Standards of GRAP addresses two issues:

- Is the agreement within the scope of the Standard of GRAP on Construction Contracts (as revised in 2010) or the Standard of GRAP on Revenue from Exchange Transactions (as revised in 2010)?
- When should revenue from the construction of assets in exchange transactions be recognised?

The effective date of the interpretation is for years beginning on or after 01 April 2011.

The municipality expects to adopt the interpretation for the first time in the 2012 annual financial statements. The impact of this amendment is currently being assessed.

IGRAP 13: Operating Leases – Incentives

In negotiating a new or renewed operating lease, the lessor may provide incentives for the lessee to enter into the agreement. Examples of such incentives are an up-front cash payment to the lessee or the reimbursement or assumption by the lessor of costs of the lessee (such as relocation costs, leasehold improvements and costs associated with a pre-existing lease commitment of the lessee). Alternatively, initial periods of the lease term may be agreed to be rent free or at a reduced rent.

The issue is how incentives in an operating lease should be recognised in the financial statements of both the lessee and the lessor.

The effective date of the interpretation is for years beginning on or after 01 April 2011.

The municipality expects to adopt the interpretation for the first time in the 2012 annual financial statements. The impact of this amendment is currently being assessed.

IGRAP 14: Evaluating the Substance of Transactions Involving the Legal Form of a Lease

An entity may enter into a transaction or a series of structured transactions (an arrangement) with an unrelated party or parties (an investor) that involves the legal form of a lease. For example, an entity may lease assets to an investor and lease the same assets back, or alternatively, legally sell assets and lease the same assets back. The form of each arrangement and its terms and conditions can vary significantly. In the lease and leaseback example, it may be that the arrangement is designed to achieve a tax advantage for the investor that is shared with the entity in the form of a fee, and not to convey the right to use an asset.

When an arrangement with an investor involves the legal form of a lease, the issues are:

- how to determine whether a series of transactions is linked and should be accounted for as one transaction;
- whether the arrangement meets the definition of a lease under the Standard of GRAP on Leases (as revised in 2010); and, if not,
 - whether a separate investment account and lease payment obligations that might exist represent assets and liabilities of the entity;
 - how the entity should account for other obligations resulting from the arrangement; and
 - how the entity should account for a fee it might receive from an investor.

The effective date of the interpretation is for years beginning on or after 01 April 2011.

The municipality expects to adopt the interpretation for the first time in the 2012 annual financial statements.

It is unlikely that the amendment will have a material impact on the municipality's annual financial statements.

GRAP 1 (as revised 2010): Presentation of Financial Statements

The revision resulted in various terminology and definition changes.

Additional commentary has been added, describing the purpose of financial statements in the public sector.

Commentary has been added to explain that where legislation requires a departure from a particular Standard of GRAP and that departure is material, entities cannot claim compliance with the Standards of GRAP.

Additional disclosure requirements have been added regarding the following areas: assets and liabilities included in disposal groups classified as held for sale, biological assets, deferred tax assets (liabilities), tax expense, post-tax surplus or deficit and the use of transitions provision in the accounting policy.

All amendments to be applied retrospectively.

The effective date of the amendment is for years beginning on or after 01 April 2011.

The municipality expects to adopt the amendment for the first time in the 2012 annual financial statements.

The adoption of this amendment is not expected to impact on the results of the municipality, but may result in more disclosure than is currently provided in the annual financial statements.

GRAP 2 (as revised 2010): Cash Flow Statements

The revision resulted in various terminology and definition changes. Operating cash flows:

- Where an entity is in the business of renting and subsequently selling the same assets, these cash flows should be regarded as operating rather than investing cash flows.

Investing cash flows:

- Only expenditures incurred on a recognised asset qualify to be classified as investing activities in the cash flow statement.

Acquisitions and disposals of controlled entities and other operating units:

- Guidance relating to acquisitions and disposals of entities, particularly those on another basis of accounting, has been deleted.

Disclosure of undrawn borrowing facilities, restricted cash balances and the operating, investing and financing cash flows of jointly controlled entities accounted for using the proportionate consolidation method, now encouraged rather than required.

The effective date of the amendment is for years beginning on or after 01 April 2011.

The municipality expects to adopt the amendment for the first time in the 2012 annual financial statements.

The adoption of this amendment is not expected to impact on the results of the municipality, but may result in more disclosure than is currently provided in the annual financial statements.

GRAP 3 (as revised 2010): Accounting policies, Changes in Accounting Estimates and Errors

The revision resulted in various terminology and definition changes. Paragraphs added to Changes in accounting policies

- A change from one basis of accounting to another basis of accounting is a change in accounting policy.
- A change in the accounting treatment, recognition or measurement of a transaction, event or condition within a basis of accounting is regarded as a change in accounting policy.

Selection of accounting policies:

- The reference to the Accounting Practices Committee (APC) of SAICA has been deleted from paragraph .11 on the basis that it is not a standard setter and that entities would consider information from a wide range of sources in formulating an accounting policy and not just the pronouncements of the APC.
- Commentary on the selection of benchmark and alternative accounting policies has been deleted.

The effective date of the amendment is for years beginning on or after 01 April 2011.

The municipality expects to adopt the amendment for the first time in the 2012 annual financial statements.

It is unlikely that the amendment will have a material impact on the municipality's annual financial statements.

GRAP 9 (as revised 2010): Revenue from Exchange Transactions

The revision resulted in various terminology and definition changes. Dividends or similar distributions declared from pre-acquisition surpluses:

Paragraph .36 has been amended to encompass not only securities, but any contributed capital.

Various amendments, deletions and additions to examples included in the appendix. All amendments to be applied retrospectively

The effective date of the amendment is for years beginning on or after 01 April 2011.

The municipality expects to adopt the amendment for the first time in the 2012 annual financial statements.

It is unlikely that the amendment will have a material impact on the municipality's annual financial statements.

GRAP 12 (as revised 2010): Inventories

The revision resulted in various terminology and definition changes. Cost formulas:

Paragraph .34 was amended and .35 was added to separate the principle from the exception when applying the cost formula for inventories with a similar nature and use to the entity.

Recognition as an expense:

Where reference has been made to 'net realisable value', 'current replacement cost' has been added.

Fair value measurement:

The appendix on how to determine fair value has been deleted.

All amendments to be applied retrospectively

The effective date of the amendment is for years beginning on or after 01 April 2011. The municipality expects to adopt the amendment for the first time in the 2012 annual financial statements.

It is unlikely that the amendment will have a material impact on the municipality's annual financial statements.

GRAP 13 (as revised 2010): Leases

The revision resulted in various terminology and definition changes. Scope:

Paragraph .04 has been included to clarify that this Standard does not apply to lease agreements to explore for or use natural resources such as oil, gas, timber, metals and other mineral rights and licensing agreements for such items as motion picture films, video recordings, plays, manuscripts, patents and copyrights.

Non-current Assets Held for Sale and Discontinued Operations:

Paragraph .51 has been added to clarify that finance lease assets classified as held for sale in accordance with the Standard of GRAP on Non-current Assets Held for Sale and Discontinued Operations shall be accounted for in accordance with that Standard.

Guidance on accounting for finance leases by lessors:

The paragraph (previously paragraph .53) that provided guidance on the recognition of assets where entities enter into arrangements with private sector entities has been deleted as the Guideline on Accounting for Public Private Partnerships supersedes this guidance.

Guidance on operating lease incentives and substance over legal form:

The guidance included in the original text on substance over legal form has been deleted.

Classification of leases on land and buildings elements:

The guidance on the classification of land and buildings has been amended to ensure that the element of the lease relating to the land is classified as a finance lease where significant risks and rewards have been transferred, despite there being no transfer of title, consistent with the general classification guidance.

All amendments to be applied retrospectively

The effective date of the amendment is for years beginning on or after 01 April 2011. The municipality expects to adopt the amendment for the first time in the 2012 annual financial statements.

It is unlikely that the amendment will have a material impact on the municipality's annual financial statements.

GRAP 14 (as revised 2010): Events After the Reporting Date

Existence of a liability for dividends or similar distributions:

Paragraph .13 of GRAP 14 was amended to clarify that no liability exists at the reporting date for dividends or similar distributions declared after the reporting date.

The effective date of the amendment is for years beginning on or after 01 April 2011. The municipality expects to adopt the amendment for the first time in the 2012 annual financial statements.

It is unlikely that the amendment will have a material impact on the municipality's annual financial statements.

GRAP 16 (as revised 2010): Investment Property

The revision resulted in various terminology and definition changes. Recognition of investment property:

- Additional commentary has been included in paragraph .19 and .20 to explain paragraph .18 that outlines the recognition criteria for investment property.
- This Standard includes investment property under construction as it was inconsistent with the requirement that investment property being redeveloped was still within the scope of this Standard, but not the initial development. As a result paragraphs .10 and .11 were amended, paragraphs .60 and .61 inserted, and paragraphs .25 and .65(e) of the original text deleted.
- The measurement principles were also amended accordingly to allow investment property under construction to be measured at cost if fair value cannot be measured reliably, until such time as the fair value can be measured reliably.
- Additional guidance has been included in the examples of investment property to clarify that the rentals earned do not have to be on a commercial basis or market related for the property to be classified as investment property.

Disclosure:

Entities are encouraged, rather than required, to disclose the fair value of investment property when this is materially different from the carrying amount.

Amendments to be applied as follow:

- Paragraphs .10(e), .54, .59, .62 and .65 were amended, paragraphs .60 and .61 were added and paragraph .25 and .11 (d) of the original text (2004) was deleted by the Improvements to GRAP issued in 1 April 2011. An entity shall apply those amendments prospectively for annual periods beginning on or after 1 April 2011. If an entity elects to apply these amendments earlier, it shall disclose this fact. The related amendment to paragraph .05 in the Standard of GRAP on Property, Plant and Equipment is also applied earlier.
- Any other amendments to the Standards of GRAP shall be applied retrospectively.

The effective date of the amendment is for years beginning on or after 01 April 2011.

The municipality expects to adopt the amendment for the first time in the 2012 annual financial statements. The impact of this amendment is currently being assessed.

GRAP 17 (as revised 2010): Property, Plant and Equipment

The revision resulted in various terminology and definition changes. Scope:

- The recognition and measurement of exploration and evaluation assets have been added to the scope exclusions.
- Investment properties under construction have been removed from the scope.

Measurement at initial recognition:

Paragraph .23 and .24 have been amended to clarify that the guidance applicable to determine fair value for revalued assets applies equally to the initial measurement of items of property, plant and equipment at fair value.

Depreciable amount and depreciation period:

An additional paragraph has been added to clarify that reviewing the useful life of an asset on an annual basis does not require the entity to amend the previous estimate unless expectations differ from the previous estimate.

Derecognition:

- The requirement to not classify gains from the disposal of property, plant and equipment as revenue, has been removed.
- Paragraph .79 has been added in line with the IASB Improvements Project to clarify that where assets are held for rental to others in the ordinary course of operations and the entity subsequently sells the assets, the Standard of GRAP on Non-current Assets Held for Sale and Discontinued Operations does not apply. Rather, these assets are to be transferred and treated in accordance with the Standard of GRAP on Inventories.

Disclosures:

- The required disclosures in paragraph .90 have been amended to encourage disclosures. Added to the list of encourage disclosures is the fair value disclosure of assets where the cost model is used.
- The requirement to disclose the cost basis for revaluated assets was removed.

Amendments to be applied as follow:

- Paragraphs .05, .23 and .24 were amended and paragraph .79 was added by the Improvements to GRAP issued in 1 April 2011. An entity shall apply those amendments prospectively for annual periods beginning on or after 1 April 2011. If an entity elects to apply these amendments earlier, it shall disclose this fact.
- Any other amendments to the Standards of GRAP shall be applied retrospectively.

The effective date of the amendment is for years beginning on or after 01 April 2011. The municipality expects to adopt the amendment for the first time in the 2012 annual financial statements.

It is unlikely that the amendment will have a material impact on the municipality's annual financial statements.

GRAP 19 (as revised 2010): Provisions, Contingent Liabilities and Contingent Assets

The revision resulted in certain terminology changes.

Social benefits:

Paragraphs .08 and .16(a) clarify that social benefits due at year end are 'payables', as the amounts due are certain in terms of legislation.

Binding agreements for restructurings:

Paragraph .87 has been amended to clarify that restructurings may take place in the public sector in terms of directives, legislation or other means. These alternative means are enforceable and may give rise to an obligation.

Interpretations:

In developing the Standard initially, the Board included relevant text from any Interpretation that had been issued by the International Financial Reporting Interpretations Committee (IFRIC) relating to provisions, contingent liabilities and contingent assets. The Board included selected text from IFRIC 1 on Changes in Decommissioning, Restoration and Similar Liabilities and IFRIC 5 Rights to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds in line with the Board's decisions. The Board concluded at its May 2008 meeting that it would issue any Interpretations as separate documents rather than dispersing the text of the Interpretations across various Standards. As a result, paragraphs .37 to .43, .74 to .80, and Appendix F of the previous version of GRAP 19, have been deleted.

All amendments to be applied retrospectively.

The effective date of the amendment is for years beginning on or after 01 April 2011. The municipality expects to adopt the amendment for the first time in the 2012 annual financial statements.

It is unlikely that the amendment will have a material impact on the municipality's annual financial statements.

GRAP 100 (as revised 2010): Non-current Assets Held for Sale and Discontinued Operations

The revision resulted in various terminology and definition changes. Scope:

Paragraph .07 has been added to clarify the application of other Standards of GRAP to assets classified as non-current assets (or disposal groups) held for sale.

Plan to sell the controlling interest in a controlled entity:

- The Standard has been amended to clarify that an entity that is committed to a sales plan involving loss of control in a controlled entity shall classify all the assets and liabilities of that controlled entity as held for sale when the required criteria are met.
- The Standard has been amended to clarify that an entity that is committed to a sales plan involving loss of control of a controlled entity shall disclose the information required when the controlled entity is a disposal group that meets the definition of a discontinued operation.

Examples included in Appendix:

An additional example has been included regarding sale expected to be completed within one year.

Amendments to be applied as follow:

Paragraphs .13 and .42 were added by the Improvements to GRAP issued in 1 April 2011. An entity shall apply those amendments prospectively for annual periods beginning on or after 1 April 2011. If an entity elects to apply the amendments earlier, it shall disclose this fact.

- Any other amendments to the Standards of GRAP shall be applied retrospectively.

The effective date of the amendment is for years beginning on or after 01 April 2011. The municipality expects to adopt the amendment for the first time in the 2012 annual financial statements.

It is unlikely that the amendment will have a material impact on the municipality's annual financial statements.

Figures in Rand	2011	2010
3. Inventories		
Consumables - at cost	2,149	2,149
Water - at cost	7,788,547	7,063,963
	7,790,696	7,066,112
Refer to note 32 for the water purchases expensed during the year.		
4. Other financial assets		
Available-for-sale		
Unlisted shares	291,453	252,610
Shares in Senwes and Senwesbel		
Held to maturity		
ABSA Fixed Deposit (2059359440)	472,707	443,580
The maturity date of the investment is 2011/09/28 and interest is earned at a rate of 6.23% per annum.	15,740,415	14,703,084
ABSA Fixed Deposit (2059440982)		
The maturity date of the investment is 2012/04/30 and interest is earned at a rate of 6.15% per annum.	16,213,122	15,146,664

Total other financial assets	16,504,575	15,399,274
Non-current assets		
Available-for-sale	291,453	252,610
Current assets		
Held to maturity	16,213,122	15,146,664
	16,504,575	15,399,274

Fair values are determined annually at statement of financial position date.

Fair value information

Fair values are determined annually at statement of financial position date.

Level 1 represents those assets which are measured using unadjusted quoted prices for identical assets.

Level 2 applies inputs other than quoted prices that are observable for the assets either directly (as prices) or indirectly (derived from prices).

Level 3 applies inputs which are not based on observable market data.

Level 2

Shares in Senwes and Senwesbel	291,453	252,610
ABSA Fixed Deposits	16,213,122	15,146,664
	16,504,575	15,399,274

Investments pledged as collateral

Limited cession over ABSA investment account: 20-5944-0982	10,000,000	10,000,000
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Figures in Rand	2011	2010
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4. Other financial assets (continued) Fair value information

Available-for-sale financial assets are recognised at fair value, unless they are unlisted equity instruments and the fair value cannot be determined using other means, in which case they are measured at cost. Fair value information is not provided for these financial assets.

For debt securities classified as available-for-sale, the maximum exposure to credit risk at the reporting date is the fair value.

The municipality has not reclassified any financial assets from cost or amortised cost to fair value, or from fair value to cost or amortised cost during the current or prior year.

There were no gains or losses realised on the disposal of held to maturity financial assets in 2011 and 2010, as all the financial assets were disposed of at their redemption date.

Credit quality of other financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates.

5. Trade and other receivables

Deposits	9,850	9,850
Health Subsidies	85,715	85,715
Other Receivables	12,170,921	11,451,628
	12,266,486	11,547,193

Included in other receivables are irregular expenditure incurred during the year which will be recovered. Refer to note 46
Included in other receivables are unspent conditional grants with favourable balances. Refer to note 24.

6. Consumer debtors

Gross balances

Rates	196,291,084	142,515,097
Electricity	83,906,938	69,098,581
Water	340,531,092	240,204,740
Sewerage	138,797,622	97,987,979
Refuse	97,063,978	67,258,663
Housing rental	697,359	630,269
Other (specify)	285,247,221	206,543,648
	1,142,535,294	824,238,977

Less: Provision for debt impairment

Rates	(174,967,192)	(115,999,983)
Electricity	(41,620,885)	(34,934,595)
Water	(323,444,791)	(203,484,767)
Sewerage	(129,767,270)	(79,391,910)
Refuse	(92,404,069)	(56,795,230)
Housing rental	(680,485)	(613,553)
Other (specify)	(275,846,157)	(191,992,231)
	(1,038,730,849)	(683,212,269)

Figures in Rand	2011	2010
6. Consumer debtors (continued)		
Net balance		
Rates	21,323,892	26,515,114
Electricity	42,286,053	34,163,986
Water	17,086,301	36,719,973
Sewerage	9,030,352	18,596,069
Refuse	4,659,909	10,463,433
Housing rental	16,874	16,716
Other (specify)	9,401,064	14,551,417
	103,804,445	141,026,708
Rates		
Current (0 -30 days)	10,493,636	13,857,769
31 - 60 days	3,802,902	6,577,956
61 - 90 days	2,796,358	5,855,359
91 - 120 days	4,230,996	224,030
	21,323,892	26,515,114
Electricity		
Current (0 -30 days)	29,402,868	23,223,970
31 - 60 days	6,669,877	6,376,193
61 - 90 days	3,134,329	3,347,609
91 - 120 days	3,078,979	1,216,214
	42,286,053	34,163,986
Water		
Current (0 -30 days)	7,383,334	15,260,989
31 - 60 days	3,332,054	9,748,327
61 - 90 days	2,542,747	8,012,115
91 - 120 days	3,828,166	3,698,542
	17,086,301	36,719,973
Sewerage		
Current (0 -30 days)	4,452,241	8,438,825
31 - 60 days	2,033,224	4,676,591
61 - 90 days	1,071,879	3,825,101
91 - 120 days	1,473,008	1,655,552
	9,030,352	18,596,069
Refuse		
Current (0 -30 days)	2,349,883	4,655,848
31 - 60 days	861,552	2,816,073
61 - 90 days	544,223	2,637,558
91 - 120 days	904,251	353,954
	4,659,909	10,463,433
Housing rental		
Current (0 -30 days)	5,671	5,624
31 - 60 days	5,625	5,572
61 - 90 days	5,578	5,520
	16,874	16,716

Figures in Rand	2011	2010
6. Consumer debtors (continued)		
Other		
Current (0 -30 days)	3,044,635	5,864,297
31 - 60 days	2,055,513	4,401,501
61 - 90 days	1,948,252	3,710,284
91 - 120 days	2,352,664	575,335
	9,401,064	14,551,417

Figures in Rand	2011	2010
6. Consumer debtors (continued)		
Summary of debtors by customer classification		
Consumers		
Current (0 -30 days)	50,885,754	53,971,268
31 - 60 days	36,354,560	30,202,788
61 - 90 days	37,367,990	25,561,816
91 - 120 days	822,439,613	563,935,441
	947,047,917	673,671,313
Less: Provision for debt impairment	(892,046,492)	(579,555,237)
	55,001,425	94,116,076
Industrial/ commercial		
Current (0 -30 days)	32,273,285	22,342,850
31 - 60 days	10,807,082	8,317,920
61 - 90 days	8,152,395	5,715,289
91 - 120 days	133,275,578	101,247,957
	184,508,340	137,624,016
Less: Provision for debt impairment	(139,700,798)	(102,697,298)
	44,807,542	34,926,718
National and provincial government		
Current (0 -30 days)	2,429,351	2,109,637
31 - 60 days	1,367,166	1,742,904
61 - 90 days	324,946	913,388
91 - 120 days	6,857,573	8,177,721
	10,979,036	12,943,650
Less: Provision for debt impairment	(6,983,557)	(959,734)
	3,995,479	11,983,916
Total		
Current (0 -30 days)	85,588,390	78,423,755
31 - 60 days	48,528,808	40,263,611
61 - 90 days	45,845,331	32,190,493
91 - 120 days	981,994,420	679,774,913
Less: Arrear accounts reflected as non current consumers	(19,421,656)	(6,413,795)
	1,142,535,293	824,238,977
Less: Provision for debt impairment	(1,038,730,848)	(683,212,269)
	103,804,445	141,026,708
Less: Provision for debt impairment		
Current (0 -30 days)	(28,456,124)	(7,116,433)
31 - 60 days	(29,768,060)	(5,661,398)
61 - 90 days	(34,482,450)	(4,796,946)
91 - 120 days	(946,024,215)	(665,637,492)
	(1,038,730,849)	(683,212,269)
Reconciliation of debt impairment provision		
Balance at beginning of the year	(683,212,269)	(483,179,601)
Contributions to provision	(359,178,064)	(206,742,162)
Debt impairment written off against provision	3,659,484	6,709,494
	(1,038,730,849)	(683,212,269)

Figures in Rand	2011	2010
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6. Consumer debtors (continued) Credit quality of consumer debtors

The credit quality of consumer debtors that are neither past nor due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates:

None of the financial assets that are fully performing have been renegotiated in the last year.

Reconciliation of provision for impairment of consumer debtors

Opening balance	(683,212,269)	(483,179,601)
Provision for impairment	(359,178,064)	(206,742,162)
Amounts written off as uncollectible	3,659,484	6,709,494
	(1,038,730,849)	(683,212,269)

The creation and release of provision for impaired receivables have been included in operating expenses in the statement of financial performance (note 30). Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

The maximum exposure to credit risk at the reporting date is the fair value of each class of loan mentioned above. The municipality does not hold any collateral as security.

7. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	31,626	25,626
Bank balances	35,247,660	22,549,988
	35,279,286	22,575,614

The total amount of undrawn facilities available for future operating activities and commitments:

Overdraft facility	10,000,000	10,000,000
Housing Guarantees facility	200,000	200,000
ACB Debits facility	1,500,000	1,500,000
MTN SP Guarantees facility	20,000	20,000
Business card facility	-	19,000

Cash and cash equivalents pledged as collateral

Total financial assets pledged as collateral for ABSA overdraft facilities	900,000	900,000
Limited cession of R900,000 over ABSA call account: 50-6438-8780		

Figures in Rand	2011			2010		
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7. Cash and cash equivalents (continued)

The municipality had the following bank accounts

Account number / description	Bank statement balances			Cash book balances		
	30 June 2011	30 June 2010	30 June 2009	30 June 2011	30 June 2010	30 June 2009
ABSA (Welkom Branch) - Account Number 40 5370 5465 (Primary Bank Account)	14,748,544	640,720	19,783,712	15,950,357	3,492,553	16,389,249
Outstanding cheques reallocated to trade and other payables	-	-	-	-	6,931,766	4,347,756
Prior year error cut-off correction - July 2011 receipts reallocated to consumer debtors	-	-	-	-	(7,799,462)	-
ABSA (Welkom Branch) - Account Number 40 5533 9852 (MVS Joint Account)	-	585	(6,595)	-	585	(6,595)
ABSA (Welkom Branch) - Account Number 405 644 3399 (Market Account)	1,352,731	1,110,525	1,032,741	1,622,271	1,108,265	820,403
FNB (Welkom Branch) - Account Number 542 3117 3409 (Collection Account)	389,545	273,461	230,299	389,545	273,311	230,000
ABSA - Account Number 6054300806	904,048	883,572	855,358	904,048	883,572	855,358
ABSA - Account Number 9094617107	426,879	426,879	103,325	427,348	427,932	103,325
ABSA - Account Number 9106684115	6,046,088	13,769,477	77,302	6,113,223	13,832,085	77,302
ABSA - Account Number 5064388780	900,000	900,000	900,000	900,000	900,000	900,000
ABSA - Account Number 911141338	11,927	11,647	11,339	11,944	11,672	11,339
ABSA - Account Number 9106684238	6,802,282	1,204,270	76,469	6,817,290	1,256,616	76,469
ABSA - Account Number 9106538138	824,493	167	25,887	826,322	2,269	25,873
ABSA - Account Number 9106684157	2,334	2,279	2,229	2,337	2,283	2,229
ABSA - Account Number 9123515666	10,961	10,710	10,451	10,961	10,710	10,451
ABSA - Account Number 6301667719	19,357	16,228	12,698	19,400	16,280	12,698
ABSA - Account Number 6303885159	-	-	-	-	-	53
ABSA - Account Number 6304159559	29	29	29	29	29	29
ABSA - Account Number 9085913568	54,549	51,366	47,869	54,785	51,638	47,869
ABSA - Account Number 9065014332	484,210	455,956	424,920	486,307	458,374	424,920
ABSA - Account Number 9086656806	46,423	43,714	40,739	46,624	43,946	40,739
FNB - Account Number 61404001177	4,936	4,887	4,839	4,936	4,887	4,839
FNB - Account Number 62003503019	659,933	640,677	614,893	659,933	640,677	614,893
Total	33,689,269	20,447,149	24,248,504	35,247,660	22,549,988	24,989,199

Figures in Rand	2011	2010
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7. Cash and cash equivalents (continued)

Bank accounts without a balance at year

end is: ABSA - Account Number

6304284885

ABSA - Account Number 6303885159

Figures in Rand

2011

2010

8. Property, plant and equipment

	2011			2010		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	242,942,935	-	242,942,935	242,942,935	-	242,942,935
Infrastructure	895,909,136	(623,480,681)	272,428,455	826,380,948	(603,930,794)	222,450,154
Furniture and fixtures	11,099,611	(10,369,982)	729,629	10,730,141	(9,291,407)	1,438,734
Motor vehicles	89,892,150	(55,618,237)	34,273,913	70,687,983	(50,918,718)	19,769,265
Office equipment	21,319,507	(14,101,343)	7,218,164	20,592,951	(10,349,300)	10,243,651
IT equipment	6,337,873	(3,139,417)	3,198,456	5,261,023	(2,761,303)	2,499,720
Other Equipment	12,403,815	(6,710,559)	5,693,256	10,671,902	(4,568,213)	6,103,689
Bins and containers	117,098	(116,626)	472	117,098	(105,288)	11,810
Specialised Vehicles	65,865,117	(6,763,379)	59,101,738	13,360,637	(4,538,626)	8,822,011
Capital work in progress	485,628,437	-	485,628,437	362,064,042	-	362,064,042
Total	1,831,515,679	(720,300,224)	1,111,215,455	1,562,809,660	(686,463,649)	876,346,011

Reconciliation of property, plant and equipment - 2011

	Opening balance	Additions	Other changes, movements	Depreciation	Transfer to Infrastructure	Total
Land	242,942,935	-	-	-	-	242,942,935
Furniture and fixtures	1,438,734	369,470	-	(1,078,575)	-	729,629
Motor vehicles	19,769,265	19,204,167	-	(4,699,519)	-	34,273,913
Office equipment	10,243,651	726,556	-	(3,752,043)	-	7,218,164
IT equipment	2,499,720	1,076,850	-	(378,114)	-	3,198,456
Infrastructure	222,450,154	69,528,189	-	(19,549,888)	-	272,428,455
Other Equipment	6,103,689	1,731,913	-	(2,142,346)	-	5,693,256
Bins and containers	11,810	-	-	(11,338)	-	472
Capital work in progress	362,064,042	189,621,060	(528,780)	-	(65,527,885)	485,628,437
Specialised vehicles	8,822,011	52,504,480	-	(2,224,753)	-	59,101,738
	876,346,011	334,762,685	(528,780)	(33,836,576)	(65,527,885)	1,111,215,455

Reconciliation of property, plant and equipment - 2010

	Opening balance	Additions	Depreciation	Transfer to Infrastructure	Total
Land	242,942,935	-	-	-	242,942,935
Furniture and fixtures	2,088,597	400,615	(1,050,478)	-	1,438,734
Motor vehicles	11,338,944	11,342,812	(2,912,491)	-	19,769,265
Office equipment	13,677,071	208,728	(3,642,148)	-	10,243,651
IT equipment	2,428,886	409,483	(338,649)	-	2,499,720
Infrastructure	167,886,246	73,060,063	(18,496,155)	-	222,450,154
Other Equipment	3,101,265	4,779,923	(1,777,499)	-	6,103,689
Bins and containers	23,329	-	(11,519)	-	11,810
Capital work in progress	306,105,168	128,539,992	-	(72,581,118)	362,064,042
Specialised Vehicles	9,483,342	-	(661,331)	-	8,822,011
	759,075,783	218,741,616	(28,890,270)	(72,581,118)	876,346,011

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

Investment property that the Municipality controls are included under Property, plant and equipment and are not separately disclosed. It is expected that the valuations of investment property will be completed by 30 June 2012.

Figures in Rand	2011	2010
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8. Property, plant and equipment (continued)

Assets subject to finance lease (Net carrying amount)

Office equipment	6,734,097	9,886,443
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9. Consumer debtors

Consumer debtors with arrangements that is not payable within the next financial year.

Non-current consumer debtors

Arrangements - Gross Balances	19,879,219	6,413,795
Less: Provision for doubtful debt	(19,421,656)	(6,413,795)
	457,563	-

10. Financial assets by category

The accounting policies for financial instruments have been applied to the line items below:

2011

	Loans and receivables	Held to maturity investments	Available-for- sale	Total
Other financial assets	-	16,213,122	291,453	16,504,575
Trade and other receivables	12,266,486	-	-	12,266,486
Cash and cash equivalents	-	-	35,279,286	35,279,286
Consumer debtors (Current)	103,804,447	-	-	103,804,447
Consumer debtors (Non-current)	457,563	-	-	457,563
	116,528,496	16,213,122	35,570,739	168,312,357

2010

	Loans and receivables	Held to maturity investments	Available-for- sale	Total
Other financial assets	-	15,146,664	252,610	15,399,274
Trade and other receivables	11,547,193	-	-	11,547,193
Cash and cash equivalents	-	-	22,575,614	22,575,614
Consumer debtors (Current)	141,026,708	-	-	141,026,708
	152,573,901	15,146,664	22,828,224	190,548,789

11. VAT receivable

VAT	913,198	-
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VAT is payable to SARS on the receipts basis. Only when payment is received from debtors is output VAT paid to the South African Revenue Services.

Only when payment is made to creditors, input VAT is claimed from the South African Revenue Services.

Figures in Rand	2011	2010
12. Other financial liabilities		
Held at amortised cost		
PIC Loan	-	817,945
Refer to Appendix A for detail DBSA Consolidated Loan	18,240,715	19,922,458
Refer to Appendix A for detail ABSA Loan	-	(1,203,022)
Refer to Appendix A for detail INCA Loans	79,805	(187,123)
Refer to Appendix A for detail FBC (INCA) Loan	-	786,357
Refer to Appendix A for detail DBSA 02131/102	-	994,171
Refer to Appendix A for detail DBSA 08110/102	3,290,993	5,655,720
Refer to Appendix A for detail	21,611,513	26,786,506
Current liabilities		
At amortised cost	21,611,513	26,786,506
The Municipality defaulted on the redemption terms of the following loans:		
PIC Loan	-	817,945
DBSA Consolidated Loan	18,240,715	19,922,460
ABSA Loan	-	(1,203,022)
INCA Loan	79,805	(187,123)
FBC (INCA) Loan	-	786,357
	18,320,520	20,136,617
The Municipality renegotiated the terms of the following loans:		
DBSA Consolidated Loan	18,240,715	-
PIC Loan	-	817,945
INCA Loan	-	(187,123)
FBC (INCA) Loan	-	786,357
	18,240,715	1,417,179

Figures in Rand	2011	2010
13. Finance lease obligation		
Minimum lease payments due		
- within one year	6,767,772	5,768,559
- in second to fifth year inclusive	7,998,919	14,352,923
	14,766,691	20,121,482
less: future finance charges	(2,920,791)	(5,543,435)
Present value of minimum lease payments	11,845,900	14,578,047
Present value of minimum lease payments due		
- within one year	4,800,585	3,110,016
- in second to fifth year inclusive	7,045,315	11,468,030
	11,845,900	14,578,046
Non-current liabilities	7,045,315	11,468,030
Current liabilities	4,800,585	3,110,016
	11,845,900	14,578,046

It is municipality policy to lease certain equipment under finance leases.

The average lease term was 5 years and the average effective borrowing rate was 17% (2010: 19%).

Interest rates are linked to prime at the contract date. Most of the leases escalate at 10% p.a and no arrangements have been entered into for contingent rent.

The municipality's obligations under finance leases are secured by the lessor's charge over the leased assets. Refer note 8.

14. Trade and other payables

Trade payables	546,778,556	313,269,880
Payments received in advance	23,671,770	27,417,602
Accrued leave pay	42,704,948	37,406,362
Accrued bonus	7,090,385	7,268,852
Straightlining of operating leases	(81,459)	(61,493)
Deposits received	45,055	35,827
Other payables	11,393,594	21,208,225
	631,602,849	406,545,255

15. VAT payable

Tax refunds payables	-	15,506,114
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VAT is payable to SARS on the receipts basis. Only when payment is received from debtors is output VAT paid to the South African Revenue Services.

Only when payment is made to creditors, input VAT is claimed from the South African Revenue Services.

16. Consumer deposits

Water and electricity	26,995,233	25,706,018
Guarantees		
Guarantees held in lieu of Electricity and Water Deposits	4,820,182	4,200,256

Figures in Rand	2011	2010
17. Unspent conditional grants and receipts		
Unspent conditional grants and receipts comprises of:		
Unspent conditional grants and receipts		
Parks Lotto	38,064,622	70,116,561
Provincial Clinic Repairs Grant	71,587	71,587
Municipal Systems Improvement Grant	-	361,843
LED Grant	1,423,960	1,691,256
Department of Mineral and Energy Affairs	88,400	555,940
Municipal Infrastructure Grant - PMU	-	460,507
Department of Water and Environmental Affairs	3,289,567	3,289,567
Operation Hlasela - Bopa Lesedi Development	-	131,495
South African Youth Council	1,417,417	1,587,417
Neighbourhood Develop Grant	163,134	-
Integrated National Electrification Programme	458,960	-
	500,000	-
	45,477,647	78,266,173
Movement during the year		
Balance at the beginning of the year	78,266,173	46,426,864
Receipts during the year	164,237,338	161,423,267
Income recognition during the year	(197,025,864)	(129,583,958)
	45,477,647	78,266,173

See note 24 for reconciliation of grants from National/Provincial Government.

Figures in Rand	2011	2010
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18. Provisions

Reconciliation of provisions - 2011

	Opening Balance	Additions	Total
Environmental rehabilitation	18,913,648	8,376,666	27,290,314

Reconciliation of provisions - 2010

	Opening Balance	Additions	Total
Environmental rehabilitation	14,132,644	4,781,004	18,913,648

Figures in Rand	2011	2010
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18. Provisions (continued)

The provision is based on the rehabilitation of 5 landfill sites (Allanridge; Odendaalsrus; Welkom; Hennenman; Meloding).

These landfill sites represents a total of 181.80 hectare of land as measured by the Manager of Spatial Planning.

Rehabilitation is assumed to occur within 57 years as per the latest estimation calculation that was performed of the useful lives of the sites.

The cost estimates of the rehabilitation was determined by an Independent third party, Khabokedi Waste Management CC.

The main component of the rehabilitation costs consists of the rehabilitation of the soil.

The rehabilitation cost of the soil is calculated as R320/m³ (The layout of the soil should be = ±0.25 square meter). These costs may vary depending on area where red soil is purchased and the type of red soil (i.e. loose soil).

Other costs involved in the rehabilitation are as follows:

Plant used in the rehabilitation (Cost price): R6,230,000.

The present value of the provision for rehabilitation depends on a number of factors that are determined on an annual basis using a number of assumptions. The assumptions used in determining the net present value include the discount rate. Any changes in these assumptions will impact the carrying amount of the provision for rehabilitation.

The municipality determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle future rehabilitation costs. In determining the appropriate discount rate, the municipality considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the expenses will be paid, and that have terms to maturity approximating the terms of the related rehabilitation liability.

The following assumptions were used in the present value calculation of the rehabilitation provision:

Inflation factor:

2009 Financial Year - Average of 10.21%

2010 Financial Year - Average of 5.5%

2011 Financial Year - Average of 3.86%

2012 until 2069 Financial Years - 10%

Discount factor:

2009 Financial Year:

Bond R153 maturing in 2010 (A bond maturing in 2010): 7.19%

Prime lending rate: 11%

Risk factor: 3.81%

Bond R157 maturing (latest year): 10.52%

Risk adjusted risk-free rate after applying risk factor above: 14.33%

2010 Financial Year:

Bond R154 maturing in 2011 (A bond maturing in 2011): 6.78%
Prime lending rate: 10%
Risk factor: 3.23%

Bond R157 maturing (latest year): 10.80%
Risk adjusted risk-free rate after applying risk factor above: 14.02%

2011 Financial Year:

Bond R155 maturing in 2012 (A bond maturing in 2012): 5.55%
Prime lending rate: 9%

Figures in Rand	2011	2010
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18. Provisions (continued)

Risk factor: 3.45%

Bond R157 maturing (latest year): 10.10%

Risk adjusted risk-free rate after applying risk factor above: 13.55%

19. Financial liabilities by category

The accounting policies for financial instruments have been applied to the line items below:

2011

	Financial liabilities at amortised cost	Fair value	Total
Other financial liabilities: Current	21,611,513	-	21,611,513
Other financial liabilities: Non-current	-	-	-
Finance leases: Current	4,800,585	-	4,800,585
Finance leases: Non-current	7,045,315	-	7,045,315
Trade and other payables	-	631,602,849	631,602,849
	33,457,413	631,602,849	665,060,262

2010

	Financial liabilities at amortised cost	Fair value	Total
Other financial liabilities: Current	26,786,505	-	26,786,505
Finance leases: Current	3,110,016	-	3,110,016
Finance leases: Non-current	11,468,030	-	11,468,030
Trade and other payables	-	406,545,255	406,545,255
	41,364,551	406,545,255	447,909,806

20. Employee benefit obligations

Defined benefit plan

The defined benefit plan consists of a post retirement medical aid plan.

Post retirement medical aid plan

Various councillors and employees belong to various post- retirement healthcare benefits schemes. The liability of the schemes was not valued as at 30 June 2011 or in prior years. The municipality is in the process of appointing a service provider to perform the required valuations.

Defined contribution plan

All councillors and employees belong to defined retirement plans administered by various Pension, Provident and Annuity Funds. As these are multi-employer funds, sufficient information is not available to enable the municipality to account for the plan(s) as a defined benefit plan(s). These amounts are accounted for as defined contribution plans.

The municipality is under no obligation to cover any unfunded benefits.

The amount recognised as an expense for defined contribution plans is	54,205,375	48,696,027
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Figures in Rand	2011	2010
21. Revenue		
Property rates	200,361,727	181,926,366
Service charges	657,988,460	587,382,889
Rental of facilities & equipment	10,084,902	12,479,800
Interest received – trading	56,716,174	39,665,414
Fines	2,286,768	2,903,537
Licences and permits	7,676	9,573
Government grants & subsidies	555,373,037	420,950,546
Agency fees income	6,944,801	7,310,860
	1,489,763,545	1,252,628,985
The amount included in revenue arising from exchanges of goods or services are as follows:		
Service charges	657,988,460	587,382,889
Rental of facilities & equipment	10,084,902	12,479,800
Interest received – trading	56,716,174	39,665,414
Licences and permits	7,676	9,573
	724,797,212	639,537,676
The amount included in revenue arising from non-exchange transactions is as follows:		
Taxation revenue		
Property rates	200,361,727	181,926,366
Fines	2,286,768	2,903,537
Transfer revenue		
Government grants and subsidies	555,373,037	420,950,546
Agency fees income	6,944,801	7,310,860
	764,966,333	613,091,309
22. Property rates		
Rates received		
Residential	111,813,081	90,552,568
Commercial	71,876,976	77,357,430
State	16,012,092	13,488,572
Small holdings and farms	659,578	527,796
	200,361,727	181,926,366
Valuations		
Residential	413,483,803	344,210,379
Commercial	164,962,616	171,139,524
State	50,158,699	44,020,624
Small holdings and farms	4,517,300	4,009,000
Exempted	281,598,439	281,960,550
	914,720,857	845,340,077

Above valuations are based on the general valuation that came into effect during 1995. The new valuation roll was completed during the financial year and the new Property Rates Policy will be implemented on 1 July 2011.

Figures in Rand	2011	2010
23. Service charges		
Sale of electricity	335,534,187	289,865,603
Sale of water	179,833,237	159,696,154
Sewerage and sanitation charges	88,274,232	85,481,550
Refuse removal	54,346,804	52,339,582
	657,988,460	587,382,889

Figures in Rand	2011	2010
24. Government grants and subsidies		
Department of Water and Environmental Affairs	9,045,510	6,244,998
Equitable Share	358,899,663	284,476,086
Financial Management Grant	1,000,000	772,521
Department of Minerals and Energy Affairs	460,507	-
Neighbourhood Development - National Treasury	41,040	-
South African Youth Council	150,000	-
Provincial Clinics Repair & Maintenance	361,843	-
LED Grant	467,540	-
Lejweleputswa District Municipality	3,874,484	1,446,946
Lotto - Parks	-	498,119
Municipal Systems Improvement Grant	1,017,296	778,744
Municipal Infrastructure Grant	166,801,170	76,803,443
Operating grant - MIG	2,354,769	3,125,775
Operation Hlasela - Bopa Lesedi Development	542,238	3,949,387
Operation Hlasela - Roads	10,308,467	37,992,067
Operation Hlasela - Roads (Clean-up of Kutlwanong Township)	48,510	362,460
Operation Hlasela - Upgrade Offices	-	500,000
Operation Hlasela - Housing	-	4,000,000
	555,373,037	420,950,546

Equitable Share

In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members. The grant is disbursed by National Treasury. The grant has not been withheld.

Financial Management Grant

Balance unspent at beginning of year	-	22,522
Current-year receipts	1,000,000	750,000
Conditions met - transferred to revenue	(1,000,000)	(772,522)
	-	-

The Financial Management Grant is to assist the Municipality to implement the financial reforms that are contained in the Municipal Finance Management Act. The grant has not been withheld.

Municipal Infrastructure Grant

Balance unspent at beginning of year	70,116,561	39,891,779
Current-year receipts	137,104,000	110,154,000
Conditions met - transferred to revenue	(166,801,170)	(76,803,443)
Conditions met (operating expenditure) - transferred to revenue	(2,354,769)	(3,125,775)
	38,064,622	70,116,561

Conditions still to be met - remain liabilities (see note 17)

The Municipal Infrastructure Grant is to finance the extension of services and to alleviate poverty. The purpose of the grant is also to stimulate local economic development and job creation over the medium term. R22 108 000 of grants were withdrawn during 2009 due to non-compliance with stated procedures, but were made available in 2010 and is included with the current year receipts for the 2010 financial year.

The grant has not been withheld in the current financial year.

Figures in Rand	2011	2010
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24. Government grants and subsidies (continued) Municipal Infrastructure Grant -

PMU

Balance unspent at beginning of year	3,289,567	3,289,567
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Conditions still to be met - remain liabilities (see note 17)

The Municipal Infrastructure Grant - PMU is to finance the project management costs associated with the Municipal Infrastructure Grant described above. The grant is used to defray certain administrative costs. The grant has not been withheld.

Department of Mineral and Energy Affairs

Balance unspent at beginning of year	460,507	507
Current-year receipts	-	460,000
Conditions met - transferred to revenue	(460,507)	-
	<u>-</u>	<u>460,507</u>

Conditions still to be met - remain liabilities (see note 17)

The Municipality was granted a total of R550,000 for electrification of Thabong (ext. 15) and Bronville (ext. 9) - Phase 3 since the project started.

Provincial Maintenance of Clinics

Balance unspent at beginning of year	361,843	361,843
Conditions met - transferred to revenue	(361,843)	-
	<u>-</u>	<u>361,843</u>

Conditions still to be met - remain liabilities (see note 17)

Money granted by Province for maintenance of clinics.

LED Grant

Balance unspent at beginning of year	555,940	555,940
Conditions met - transferred to revenue	(467,540)	-
	<u>88,400</u>	<u>555,940</u>

Conditions still to be met - remain liabilities (see note 17)

This grant from the Provincial Government has been used to encourage local economic development through property development. This grant has been used in town establishment. The grant has not been withheld.

Lotto - Parks

Balance unspent at beginning of year	71,587	569,706
Conditions met - transferred to revenue	-	(498,119)
	<u>71,587</u>	<u>71,587</u>

Conditions still to be met - remain liabilities (see note 17)

The Municipality was allocated an amount from Lotto to construct recreational facilities within the municipal areas. The grant has not been withheld.

Figures in Rand	2011	2010
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24. Government grants and subsidies (continued)

Municipal Systems Improvement Grant

Balance unspent at beginning of year	1,691,256	1,735,000
Current-year receipts	750,000	735,000
Conditions met - transferred to revenue	(1,017,296)	(778,744)
	1,423,960	1,691,256

Conditions still to be met - remain liabilities (see note 17)

The Municipality Systems Improvement Grant is to support the municipality and governance systems, planning and implementation, reviewing integrated development plans and implementing the Municipal Systems Act. The grant has not been withheld.

Operation Hlasela - Roads

Current-year receipts	15,800,534	32,500,000
Current-year receipts (Clean-up of Kutlwanong Township)	-	410,970
Conditions met - transferred to revenue	(10,308,467)	(37,992,067)
Conditions met - transferred to revenue (Clean-up of Kutlwanong Township)	(48,510)	(362,460)
Transfer of balance (from)/to Sundry Debtors	(5,443,557)	5,443,557
	-	-

Money was granted by Province (Premier Office) for upgrading of roads in Matjhabeng. The grant has not been withheld.

Operation Hlasela - Upgrade Offices

Current-year receipts	-	500,000
Conditions met - transferred to revenue	-	(500,000)
	-	-

Money was granted by Province (Premier Office) for upgrading of municipal offices in Thabong during the 2010 financial year. The grant has not been withheld.

Operation Hlasela - Housing

Current-year receipts	-	4,000,000
Conditions met - transferred to revenue	-	(4,000,000)
	-	-

Money was granted by Province (Premier Office) to build 50 houses for the previously disadvantage people during the 2010 financial year. The grant has not been withheld.

Department of Water and Environmental Affairs

Balance unspent at beginning of year	131,495	-
Current-year receipts	7,897,432	6,376,493
Conditions met - transferred to revenue	(9,045,510)	(6,244,998)
Transfer of balance (from)/to Sundry Debtors	1,016,583	-
	-	131,495

Conditions still to be met - remain liabilities (see note 17)

This was money granted by the Department in order to assist Matjhabeng with Klippan Sewerage. The grant has not been withheld.

Figures in Rand	2011	2010
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24. Government grants and subsidies (continued)

Operation Hlasela - Bopa Lesedi Development

Balance unspent at beginning of year	1,587,417	-
Current-year receipts	372,238	5,016,804
Current-year receipts - other projects	-	520,000
Conditions met - transferred to revenue	(542,238)	(3,949,387)
	1,417,417	1,587,417

Conditions still to be met - remain liabilities (see note 17)

The Office of the Premier has appointed Bopa Lesedi Development (Pty) Ltd as the Project Manager for the Matjhabeng ("the Operation Hlasela Project"), which provides for the immediate implementation of a number of viable projects in the Matjhabeng Local Municipality.

200 workers were appointed (a directive from Premier Office) in order to help with necessary work in Phomolong. The payment for these workers are from the budget of Provincial Government.

South African Youth Council

Current-year receipts	313,134	-
Conditions met - transferred to revenue	(150,000)	-
	163,134	-

Conditions still to be met - remain liabilities (see note 17).

Money was granted to the Municipality to engage 1500 young people in community development activities that position young people as agents for service delivery in their respective communities. The grant has not been withheld.

Neighbourhood Development - National Treasury

Current-year receipts	500,000	-
Conditions met - transferred to revenue	(41,040)	-
	458,960	-

Conditions still to be met - remain liabilities (see note 17).

Transferring Department: National Treasury. The purpose of the grant is to support neighbourhood development projects that provide community infrastructure and create the platform for other public and private sector development, towards improving the quality of life of residents in targeted underserved neighbourhoods (townships generally). The grant has not been withheld.

Integrated National Electrification Programme

Current-year receipts	500,000	-
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Conditions still to be met - remain liabilities (see note 17).

This was money granted by the Department of Energy to address the electrification backlog of permanently occupied residential dwellings, the installation of bulk infrastructure and rehabilitation and refurbishment of electricity infrastructure in order to approve quality of supply. The grant has not been withheld.

Figures in Rand	2011	2010
25. Other income		
Commissions received	543,139	505,606
Other income	25,232,925	17,185,334
	25,776,064	17,690,940
Other income		
Disconnection fees	3,639,202	2,256,747
Dumping fees	488,771	2,607,360
Fair value adjustment	-	39,879
Hostel fees	2,673,320	2,497,925
Services rendered	2,082,930	1,575,891
Sundry Income	16,348,702	8,207,532
	25,232,925	17,185,334
26. Investment revenue		
Dividend revenue		
Local Dividends	8,671	55,137
Interest revenue		
Financial Assets	5,534,413	3,160,465
	5,543,084	3,215,602

Total interest income, calculated using the effective interest rate, on financial instruments not at fair value through surplus or deficit amounted to R5,543,084 (PY: R3,215,602).

Figures in Rand	2011	2010
27. Employee related costs		
Basic	221,173,143	186,912,008
Bonus	16,193,576	14,609,467
Medical aid - company contributions	29,717,233	25,962,819
UIF	2,320,467	1,942,626
Leave pay provision charge	11,270,096	11,750,438
Post-employment benefits - Pension - Defined contribution plan	34,438,754	30,774,061
Overtime payments	41,254,810	26,904,198
Long-service awards	1,522,714	543,799
Transport allowance (bus coupons)	14,034,685	12,800,257
Housing benefits and allowances	2,074,550	2,388,649
Other allowances	9,140,177	3,687,524
Insurance group	4,494,465	3,918,321
	387,634,670	322,194,167

Remuneration of Municipal Manager

Annual Remuneration	708,554	686,603
Car Allowance	135,000	180,000
Contributions to UIF, Medical and Pension Funds	29,689	34,939
	873,243	901,542

Remuneration of Chief Finance Officer

Annual Remuneration	56,000	253,530
Car Allowance	29,666	186,667
Contributions to UIF, Medical and Pension Funds	254	900
	85,920	441,097

The position of Chief Finance Officer was vacant from 19 May 2009 to December 2009 when it was filled.

The position of Chief Finance Officer is vacant from June 2010.

Remuneration of Director: Strategic Support Services

Annual Remuneration	705,285	408,333
Contributions to UIF, Medical and Pension Funds	1,530	900
	706,815	409,233

The position of Chief Operating Officer was vacant from 1 April 2009 to 1 December 2009. The Director: Strategic Support Services was appointed on 1 December 2009 who replaced the position of the Chief Operating Officer.

Remuneration of Director: Community Services

Annual Remuneration	242,074	514,144
Car Allowance	14,000	84,000
Contributions to UIF, Medical and Pension Funds	14,610	68,898
	270,684	667,042

Remuneration of Director: Corporate Services

Annual Remuneration	519,107	355,826
Car Allowance	63,000	-
Contributions to UIF, Medical and Pension Funds	119,439	53,407
	701,546	409,233

Figures in Rand	2011	2010
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27. Employee related costs (continued)

The position Chief Operating Officer is vacant from 1 June 2009 and is still vacant.

Remuneration of Directors: Infrastructure

Annual Remuneration	1,070,171	625,690
Contributions to UIF, Medical and Pension Funds	1,546	1,542
	1,071,717	627,232
Total employee related costs	391,344,595	325,649,546

28. Remuneration of councillors

Executive Mayor	644,652	604,736
Mayoral Committee Members	4,654,010	3,940,825
Council Members	11,375,340	11,724,610
Speaker	518,384	507,795
Councillors' pension contribution	1,782,269	1,645,604
Other	(332,231)	(630,561)
Medical aid contribution	500,941	449,277
	19,143,365	18,242,286

In-kind benefits

The Executive Mayor, Speaker and Mayoral Committee Members are full-time. Each is provided with an office and secretarial support at the cost of the Council.

The Executive Mayor has use of a Council owned vehicle for official duties.

The Executive Mayor has two full-time bodyguards . The Speaker has a full-time messenger.

29. Depreciation and amortisation

Property, plant and equipment	33,836,576	28,890,271
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30. Impairment of assets

Impairments

Trade and other receivables	372,188,325	208,760,412
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31. Finance costs

Non-current borrowings	3,199,797	7,526,931
Trade and other payables	30,172,982	8,355,107
Finance leases	2,768,268	3,357,999
Bank	502,634	573,593
Discounting - Provision for rehabilitation	8,376,666	4,781,004
	45,020,347	24,594,634

Total interest expense, calculated using the effective interest rate, on financial instruments not at fair value through surplus or deficit amounted to R45 020 347 (2009: R24 594 634).

Figures in Rand	2011	2010
32. Bulk purchases		
Electricity	231,023,578	181,142,921
Water	205,014,401	181,311,751
	436,037,979	362,454,672
33. Contracted services		
Meter Reading Services	2,726,742	2,558,411
34. General expenses		
Advertising	1,574,113	801,469
Assets expensed	111,950	601,239
Auditors remuneration	4,485,714	5,061,264
Bank charges	1,856,340	1,929,048
Chemicals	73,581	163,899
Cleaning	299,255	379,987
Community development and training	240,105	97,470
Conferences and seminars	77,279	27,455
Consulting and professional fees	41,235,213	51,597,553
Donations	238,942	26,850
Entertainment	586,086	491,386
Insurance	8,893,194	2,854,374
Magazines, books and periodicals	(15,937)	2,513
Marketing	65,476	538,095
Medical expenses	885	6,451
Municipal services	2,824,195	3,552,577
Operating cost of equipment	19,418,249	18,022,414
Operating cost of vehicles	23,075,784	20,662,613
Other expenses	4,125,338	1,738,265
Pest control	662,199	4,140
Printing and stationery	2,931,077	1,576,208
Royalties and license fees	2,963,000	3,175,154
Security (Guarding of municipal property)	16,948,715	17,459,911
Skills Development Levy	3,150,096	2,511,945
Subscriptions and membership fees	3,178,571	2,174,333
Telephone and fax	9,331,893	10,458,826
Training	1,559,997	2,324,403
Travel - local	1,853,071	908,611
Uniforms	2,559,661	2,061,401
	154,304,042	151,209,854

Figures in Rand	2011	2010
35. Cash generated from operations		
Surplus Adjustments for:	35,749,095	124,162,929
Depreciation and amortisation	33,836,576	28,890,271
Finance costs - Finance leases	2,768,268	3,357,999
Impairment deficit	372,188,325	208,760,412
Movements in provisions	8,376,666	4,781,004
Restatement of assessment rates	-	(10,101,994)
Work in Progress write off	528,780	-
Changes in working capital:		
Inventories	(724,584)	(30,179)
Trade and other receivables	(372,907,618)	(225,270,922)
Consumer debtors	37,222,263	(9,675,630)
Consumer debtors - non current	(457,563)	6,774,822
Trade and other payables	225,057,595	60,695,523
VAT	(16,419,312)	(40,506,680)
Unspent conditional grants and receipts	(32,788,526)	31,839,309
Consumer deposits	1,289,215	440,711
	293,719,180	184,117,575
36. Auditors' remuneration		
Fees	4,485,714	5,061,264
37. Rental of facilities and equipment		
Premises		
Premises	2,765,342	4,954,773
Facilities and equipment		
Rental of facilities	7,319,560	7,525,027
	10,084,902	12,479,800
38. Operating surplus		
Operating surplus for the year is stated after accounting for the following:		
Operating lease charges		
Premises		
Contractual amounts	556,994	556,994
Old consumer debtors with credit balances written off - included with Sundry Income	(6,975,975)	-
Impairment on Consumer Debtors	372,188,325	208,760,412
Depreciation on property, plant and equipment	33,836,576	28,890,271
Employee costs	410,487,960	343,891,832
Litigation settlement	2,660,000	-

Figures in Rand	2011	2010
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39. Commitments

Capital and other expenditure

• Infrastructure	111,454,796	239,786,596
• Infrastructure - not yet contracted for	347,540,548	236,511,309
• Other capital commitments	1,242,650	-
• Vehicles and Fleet Equipment - not yet contracted for	32,998,459	4,205,457
• Professional fees	47,512,062	44,039,669
	540,748,515	524,543,031

Operating leases - as lessee (expense)

Minimum lease payments due

- within one year	736,315	676,975
- in second to fifth year inclusive	754,952	1,491,267
	1,491,267	2,168,242

Operating lease payments represent rentals payable by the municipality for certain of its office properties, equipment and fire trucks. No sublease payment expected to be received under non-cancellable sublease.

Operating leases - as lessor (income)

Minimum lease payments due

- within one year	42,350	-
- in second to fifth year inclusive	93,170	-
	135,520	-

Operating lease payments represent rentals payable to the municipality Warriors Club and Grill for premises situated at the Fire Department.

Figures in Rand	2011	2010
40. Contingencies		
Contingencies		
The following cases against the Municipality have been recorded as a contingent liability as there is uncertainty as to the outcome of the cases. The Municipality is defending the cases. The potential legal costs have not been included in the claims against the Municipality.		
Contingencies		
Odyssey Holdings versus Matjhabeng Local Municipality.	1,383,511	1,383,511
Odyssey Holdings alleged that it was appointed in terms of Tender 22/2002 for the construction of Stormwater drainage in Kutlwanong. Odyssey Holdings alleged that the tender did not reflect the true consensus and common intention between the parties (municipality and the contractor).		
V&V Consulting Engineers versus Matjhabeng Local Municipality.	856,695	856,695
Summons issued against the municipality, wherein the municipality was sued for failure to pay V&V Consulting Engineers for services rendered.		
LGW Contractors versus Matjhabeng Local Municipality.	1,847,958	1,847,958
Summons issued against the municipality for payment for alleged standing time.		
Sala Pension Fund versus Matjhabeng Local Municipality.	-	145,259
Combined summons against Matjhabeng Municipality received alleging that the municipality was indebted to the fund. The amount claimed has been liquidated and the municipality is no longer indebted to the Plaintiff.		
Sala Pension Fund versus Matjhabeng Local Municipality.	2,493,046	2,493,046
Sala Pension Fund alleged that the Fund was under-funded. The municipality received combined summons alleging that the municipality is indebted to the fund.		
Cllr Cornelius Smit versus Matjhabeng Local Municipality.	50,000	39,012
Summons were issued against the municipality for legal fees relating to Cllr Cornelius Smit, Botha and Beneke in respect of the Speakers investigation regarding complaints against the councillors.		
Tall Tree versus Matjhabeng Local Municipality.	534,318	534,318
During 2002/03 the Municipality arranged for a Lekgotla at Qwa-Qwa. Tall Tree was appointed as a facilitator. It is alleged that the Company failed to submit its quotation as requested and also failed to produce and/or deliver in accordance with its appointment. Tall Tree subsequently issued summons for payment. The municipality does not accept offer of Tall Tree being R400 000 and that each party to pay its own legal costs.		
Mr Mogotsi versus Matjhabeng Local Municipality.	250,000	250,000
Mr Mogotsi applied for the advertised position of the Executive Manager in which he was not appointed. The unsuccessful applicant referred the matter to CCMA citing unfair discrimination.		

Figures in Rand	2011	2010
40. Contingencies (continued)		
HF Daniels & TG Bezuidenhout versus Matjhabeng Local Municipality.	-	71,119
The applicants brought an application to the High Court in which they sought a declaration order to the effect that they were not placed in the same position as previously held by them or "close match" positions in terms of the placement policy. The applicants were retrenched from May 2009.		
Mr CG Jacobs versus Matjhabeng Local Municipality.	1,881,172	1,881,172
Mr. C.G. Jacobs indicated in 2003 of his intention to resign from the Municipality at the retirement age of 60 (sixty). Mr Jacobs was allegedly advised to reserve his rights in the matter as there was a strong indication that the rules of the Free State Pension Fund would change increasing the retirement age up to 65 (sixty five) years. Although Mr. Jacobs wrote to Council informing it that he reserves his right not to retire pending the outcome of the decision of the Free State Pension Fund, he (Mr. Jacobs) filled out the application forms for his pension funds to be released which subsequently occurred. Council informed him on the 1st of October 2003 to vacate his office. Subsequently he referred his matter to the Bargaining Council. The Municipality lost its arguments at arbitration.		
The State versus Matjhabeng Municipality and Others.	-	-
Summons in criminal case regarding the contravention of section 151(1)(d) of the National Water Act, No. 36 of 1998 (failure to comply with a directive issued in terms of section 53) (Financial implication still unknown).		
Mr M. Segalo versus Matjhabeng Local Municipality	353,330	-
-Mr Segalo had 5 year contract as Manager: Internal Audit. -Contract expired at the end of March 2007. -Segalo's contract was extended for one month to enable finalization for advertisement of the post. -Mr Segalo was not re-appointed and declared a dispute with the SALGB on grounds of alleged unfair dismissal. -Ruling was made in favour of Mr. Segalo. Arbitration award: R353,330.00		
SAMWU versus Matjhabeng Local Municipality.	6,000,000	6,000,000
SAMWU, on behalf of 284 affected employees, filed an application in the Labour Court seeking an order that the Municipality provide transport to and from work for the affected employees after it was withdrawn on 06 July 2003. (Financial implication still unknown).		
KLM Housing Management versus Matjhabeng Local Municipality.	2,357,466	2,357,466
On 18/11/2009 the municipality was issued with notice of motion by KLM Housing management.		
SAMWU obo T JOBO versus Matjhabeng Local Municipality.	109,824	109,824
Employee Mr T Jobo took the municipality to the South African Bargaining council for a relief for remuneration of motor vehicle scheme.		
Oppenheimer Golf Course versus Matjhabeng Local Municipality.	20,402,360	802,360
The municipality was served with Combined Summons for damage suffered as a result of an overflowing of Witpan Sewer Plant which resulted to the alleged damage of the golf course.		

Figures in Rand	2011	2010
40. Contingencies (continued)		
Koth Properties versus Matjhabeng Local Municipality.	14,400,000	14,400,000
Appointed to prepare general valuations. The agreement was terminated by the municipality. Koth Properties issued a combined summons against the municipality for breach of contract.		
Wright-guard Security Services versus Matjhabeng Local Municipality .	-	3,200,000
The municipality was issued with Combined Summons by the security service provider, claiming a payment for services alleged to have been rendered. Settlement payment to the amount of R2,660,000 was made in 2011.		
Rover's Club versus Matjhabeng Local Municipality.	3,500,000	3,500,000
Issued municipality with Notice of Motion from the High Court, directing the municipality to commence by no later than 01 January 2011 with the re-establishment and construction of rugby club facilities at new premises for their beneficial and undisturbed use and occupation. Directing the municipality to enter into a lease agreement with the same terms as per their initial contract.		
Fujitsi Services (Pty) Ltd versus Matjhabeng Local Municipality.	7,051,941	7,051,941
The municipality was issued with a Combined Summons from Fujitsu Services (Pty) Ltd. Alleged that the municipality failed to make payments.		
Big Bravo Construction CC versus Matjhabeng Local Municipality.	65,000	-
The municipality was issued with a summons claiming payment.		
South African Local Authorities Pension Fund versus Matjhabeng Local Municipality.	102,268	-
The municipality was issued with a combined summons, claiming payment for interest on contributions alleged to have been made after the expiry period prescribed by the rule of the fund.		
Lohan Civil versus Matjhabeng Local Municipality.	1,280,331	-
The municipality was issued with a combined summons, claiming payments as he was alleged appointed as contractor but after completion of work there was a breach in contract resulting in sustained damages.		
MMS Collections versus Matjhabeng Local Municipality.	2,870,649	-
The municipality was issued a Letter of Demand, claiming payment for an amount alleged to be agreed between the parties involved.		
Ramabulana Investment Services versus Matjhabeng Local Municipality.	1,821,367	-
The municipality was issued with a combined summons, claiming payment for services rendered.		
Majola Attorneys versus Matjhabeng Local Municipality.	17,603	-
The municipality was issued with a summon, claiming payment for alleged professional services and disbursements rendered.		

Figures in Rand	2011	2010
40. Contingencies (continued)		
Mr JP Wentzel versus Matjhabeng Local Municipality.	1,740,349	-
Mr JP Wenzel alleged that on or around 23 September 2008 a fire broke out within the Municipality's farm and spread to his farm. As a result thereof he suffered damages.		
Oardweed Investments CC versus Matjhabeng Local Municipality.	-	-
On 10 December 2010 the municipality was issued with Notice of Motion from the abovementioned Applicant for an order. (Financial implication still unknown).		
Jana Harding versus Matjhabeng Local Municipality.	-	-
Jana Harding brought an application for Mandament Van Spolie in which he sought and order.(Financial implication still unknown).		
Gerhard du Preez versus Matjhabeng Local Municipality.	-	-
On 17 May 2011 the High Court issued a Court Order wherein the Municipality was ordered to restore the applicant's property which was flooded by the water of the Witpan. (Financial implication still unknown).		
Sandobel 164 (Pty) Ltd versus Matjhabeng Local Municipality.	-	-
On 29 October 2010 the municipality was served with Combined Summons for failing to rectify Sandobel 164 (Pty) Ltd's service account. (Financial implication still unknown).		
Agostina Mpana versus Matjhabeng Local Municipality.	-	-
Following Ordinary Summons issued on the matter on 08 April 2011 municipality was issued with Warrants of Executions claiming payment of overtime. (Financial implication still unknown).		
De Bruin Trust versus Matjhabeng Local Municipality.	400,000	-
During June 2011 the municipality was issued with Combined Summons from Sessrs Honey Attorneys by De Bruin Trust.		
Jabulani Nelson Tshabalala & Nomakakola Maria Boched/Kutlwano Taxi Rank versus Matjhabeng Local Municipality.	-	-
On 15 June 2011 an application was instituted by the municipality ordering the Respondents to vacate out of the land they occupied unlawfully and without the consent from the municipality known as Erf 4028 & 429 Kutlwano. (Financial implication still unknown).		
The Municipal Demarcation Board & The Electoral Commission versus Matjhabeng Local Municipality.	-	-
In 2009 Demarcation Board issued Circulars dealing with Councillors issues as well process to be followed when demarcating the wards. (Financial implication still unknown).		
	71,769,188	46,923,681

41. Prior period errors

Several errors were corrected during the year.

Figures in Rand	2011	2010
41. Prior period errors (continued)		
The correction of the error(s) results in adjustments as follows:		
Statement of financial position		
Total restatements	(49,316,691)	81,336,740
Statement of financial position		
Property, plant and equipment	-	88,157,405
Trade and other payables	(4,375,932)	1,587,458
Trade and other receivables & Consumer Debtors	(7,799,462)	(211,045)
Cash and cash Equivalents	7,799,462	-
Other financial liabilities	-	655,816
Taxes and transfers payable	-	47,177,586
Unspent conditional grants and receipts	-	1,207,800
Provision for rehabilitation	53,692,623	(57,238,280)
Statement of financial performance		
Total restatements on prior year surplus/(deficit)	3,787,983	16,245,900
Total restatements on opening accumulated surplus	45,528,708	(97,582,640)
	49,316,691	(81,336,740)
Statement of Financial Performance		
Depreciation and amortisation	-	7,506,750
General expenses	3,787,983	(3,427,591)
Repairs and maintenance	-	121,762
Finance costs	-	466,993
Government Grant and Subsidies	-	(769,242)
Other income	-	12,347,229
Opening accumulated surplus	45,528,708	(97,582,640)
Corrections to Trade and other payables		
Correction of Capital Creditors and Capital Work in Progress that was overprovided as at 30 June 2009	-	1,587,458
Accrual for a Trade Creditor that was not provided as at 30 June 2010	(4,375,932)	-
	(4,375,932)	1,587,458
Corrections to trade and other receivables		
Various corrections to individual debtor accounts.	-	(211,045)
Correction of cut-off error. System was kept open for 7 days in 2010 and therefore understating consumer debtors with receipts allocated.	(7,799,462)	-
	(7,799,462)	(211,045)
Property, Plant and Equipment and Capital work in progress		
Correction of Capital Creditors and Capital Work in Progress that was overprovided as at 30 June 2009	-	(1,392,508)
Various corrections to Property, plant and equipment as a result of a complete fixed asset verification performed and new fixed asset register compiled. Impact on cost price (2008 and prior).	-	62,157,430
Reversal of accumulated depreciation as a result of fixed asset corrections (2008 and prior)	-	666,829,922
Reversal of depreciation for 2009 as a result of fixed asset corrections.	-	11,975,592
Decrease in work in progress as a result of capitalization (2008 and prior)	-	(5,215,888)
Decrease in work in progress as a result of capitalization (2009)	-	(28,535,185)
Increase in Infrastructure assets capitalization (balances before 2008)	-	5,215,888
Increase in Infrastructure assets capitalization (2009)	-	28,535,185
Depreciation correction on Infrastructure Assets as work in progress were capitalized and recalculation of depreciation were performed (2008 and prior).	-	(570,556,780)

Figures in Rand	2011	2010
41. Prior period errors (continued)		
Depreciation correction on Infrastructure Assets as work in progress were capitalized recalculation of depreciation were performed (2009).	-	(14,877,858)
Depreciation correction on Moveable Assets as a result of new fixed asset register compiled (2008 and prior).	-	(61,373,910)
Depreciation correction on Moveable Assets as a result of new fixed asset register compiled (2009).	-	(4,604,483)
	-	88,157,405
Unspent conditional grants and receipts misstated		
Conditions were met on the grant, but revenue was not recognised in the past (2008 and prior)	-	438,558
Conditions were met on the grant, but revenue was not recognised in 2009	-	769,242
	-	1,207,800
Other financial liabilities		
Corrections made to ABSA loan prior to 2009 as the "Arrears/Advance" account was not properly recorded in the past	-	606,042
Corrections made to ABSA loan prior in 2009 as the "Arrears/Advance" account was not properly recorded in the past	-	49,774
	-	655,816
Taxes and transfers payable (VAT corrections)		
Correction of Capital Creditors and Capital Work in Progress that was overprovided as at 30 June 2009 - VAT portion provided	-	(194,950)
Corrections of Value Added Tax based on an analysis made between the VAT reflected in the accounting records and the VAT according to the VAT Printouts obtained from South African Revenue Services	-	49,301,569
Recording of SARS penalties and interest not recorded in the past (2008 and prior)	-	(1,214,222)
Recording of SARS penalties and interest not recorded in 2009	-	(516,767)
Correction of VAT as a result of reversal of Internal Charges	-	43,997
Correction of incorrect VAT transactions on Creditor invoices and credit notes - 2008 and prior	-	(156,369)
Correction of incorrect VAT transactions on Creditor invoices and credit notes - 2009	-	(85,672)
	-	47,177,586
Provision for rehabilitation		
Restatement of provision for rehabilitation as management reviewed and updated the base cost for rehabilitation on which the provision is based. Management also included all 5 sites compared to only 1 site in the prior years.	45,528,708	(48,238,555)
Unwinding of discount increased for 2009 as a result of the updated provision for rehabilitation cost	8,163,915	(8,999,725)
	53,692,623	(57,238,280)
Restatement of expenses		
Restatement of professional fees as a result of understatement of creditor	(4,375,932)	-
Restatement of repairs and maintenance as a result of incorrect treatment of VAT on the transactions.	-	121,762
Restatement of general expenses as a result of incorrect treatment of VAT on the transactions.	-	(36,090)
Unwinding of discount on Provision for rehabilitation understated in 2009 & 2010 due to understatement of base cost for rehabilitation.	8,163,915	8,999,725
	3,787,983	9,085,397

Figures in Rand	2011	2010
41. Prior period errors (continued)		
Finance costs		
Interest paid to creditors understated in 2009 due to penalties and interest on VAT paid to SARS not accurately recorded	-	516,767
Interest on Annuity loans not properly recorded in the past due to ABSA loan "Arrears/Advance" account not properly recorded	-	(49,774)
	-	466,993
Government Grants and subsidies		
Conditions were met on the financial management grant, but revenue was not recognised in 2009	-	(769,242)
Reversal of internal Charges		
Internal charges do not represent an outflow or consumption of assets or increase in liability, resulting in an overstatement of operating expenditure.	-	(12,391,226)
Internal charges do not represent an outflow or consumption of assets or increase in liability, resulting in an overstatement of service charges.	-	11,857,695
Internal charges do not represent an outflow or consumption of assets or increase in liability, resulting in an overstatement of property rates.	-	359,776
Internal charges do not represent an outflow or consumption of assets or increase in liability, resulting in an overstatement interest received arrear accounts.	-	28,710
Internal charges do not represent an outflow or consumption of assets or increase in liability, resulting in an overstatement of other income.	-	101,048
	-	(43,997)
Depreciation		
Correction of depreciation as a result of new fixed asset register and work in progress capitalized as infrastructure	-	7,506,749
Cash and Cash Equivalents		
Correction of cut-off error. System was kept open for 7 days in 2010 and therefore overstating bank balances with receipts allocated.	7,799,462	-
42. Comparative figures		
Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.		
The effects of the reclassification are as follows:		
Statement of financial position		
Trade and other payables - Trade payables	-	16,055,846
Trade and other payables - Payments received in advance	-	(16,055,846)
Statement of Financial Performance		
Finance Cost - Bank	-	573,593
Finance Cost - Discounting of provision for rehabilitation	-	4,781,004
General expenses	-	(5,354,597)

Figures in Rand		2011	2010
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43. Risk management

Capital risk management

The municipality's objectives when managing capital are to safeguard the municipality's ability to continue as a going concern in order to provide returns for member and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the municipality consists of debt, which includes the borrowings disclosed in notes 13, 12, 7, and equity as disclosed in the statement of financial position.

There are no externally imposed capital requirements.

There have been no changes to what the municipality manages as capital, the strategy for capital maintenance or externally imposed capital requirements from the previous year.

The gearing ratio at 2011 and 2010 respectively were as follows:

Total borrowings

Finance lease obligation	13	11,845,900	14,578,046
Other financial liabilities	12	21,611,513	26,786,506
		33,457,413	41,364,552
Less: Cash and cash equivalents	7	35,279,286	22,575,614
Net debt		(1,821,873)	18,788,938
Total equity		523,408,248	487,659,152
Total capital		521,586,375	506,448,090

Financial risk management

The municipality's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The municipality's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the municipality's financial performance. Risk management is carried out by a central treasury department (entity treasury) under policies approved by the accounting officer. The accounting officer provides written principles for overall risk management.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, municipality treasury maintains flexibility in funding by maintaining availability under committed credit lines.

The municipality's risk to liquidity is a result of the funds available to cover future commitments. The municipality manages liquidity risk through an ongoing review of future commitments and credit facilities.

Cash flow forecasts are prepared and adequate utilised borrowing facilities are monitored.

The table below analyses the municipality's financial liabilities and net-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

At 30 June 2011	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Borrowings	21,611,513	-	-	-
Finance lease obligation	6,767,772	-	7,998,919	-
Trade and other payables	631,602,849	-	-	-

Figures in Rand	2011	2010
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43. Risk management (continued)

At 30 June 2010	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Borrowings	26,786,506	-	-	-
Finance lease obligation	5,768,559	-	14,352,923	-
Trade and other payables	406,545,255	-	-	-

Interest rate risk

The municipality's interest rate risk arises from long-term borrowings. Borrowings issued at fixed rates expose the municipality to fair value interest rate risk. Municipality policy is to maintain approximately 60% of its borrowings in fixed rate instruments. During 2011 and 2010, the municipality's borrowings at variable rate were denominated in the Rand .

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents and trade and consumer debtors. The municipality only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an ongoing basis. Risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The utilisation of credit limits is regularly monitored.

Financial assets exposed to credit risk at year end were as follows:

Financial instrument	2011	2010
Trade and other receivables	12,266,486	11,547,193
Consumer debtors	103,804,445	141,026,708
Cash and cash equivalents	35,279,286	22,575,614
Other financial assets	16,213,122	15,146,664
Consumer debtors (long term)	457,563	-

44. Unauthorised expenditure

Opening balance	839,584,517	623,428,929
Unauthorised expenditure current year - operating expenses	474,955,138	216,155,588
Unauthorised expenditure current year - capital expenses	120,194,450	-
	1,434,734,105	839,584,517

The unauthorised expenditure in 2011 and 2010 relates to expenditure incurred that was not budgeted for those specific financial years per department vote.

45. Fruitless and wasteful expenditure

Opening balance	40,375,097	26,203,631
Fruitless and wasteful expenditure current year	33,570,454	14,171,466
	73,945,551	40,375,097

These expenditure includes interest paid for late payment to suppliers and payments toward unfulfilled contracted services.

46. Irregular expenditure

Opening balance	129,159,869	114,228,330
Add: Irregular Expenditure - current year	34,273,788	14,931,539
	163,433,657	129,159,869

Figures in Rand	2011	2010
46. Irregular expenditure (continued)		
Details of irregular expenditure – current year		
Non Compliance with supply chain management - included on register		14,577,865
Non Compliance with supply chain management - other		19,695,923
		34,273,788
Details of irregular expenditure - prior year		
Non Compliance with remuneration of Public Office Bearers Act		2,888,042
Non Compliance with supply chain management		11,503,497
		14,391,539
47. Additional disclosure in terms of Municipal Finance Management Act		
Contributions to organised local government		
Current year subscription / fee	2,153,183	2,075,345
The Municipality has not paid its contributions due to cash flow constraints.		
Material losses		
Losses on water-and electricity distribution	57,026,486	71,400,000
Audit fees		
Opening balance	410,120	158,176
Current year subscription / fee	5,113,714	4,223,894
Amount paid - current year	(4,794,050)	(3,813,774)
Amount paid - previous years	(410,120)	(158,176)
	319,664	410,120
PAYE and UIF		
Opening balance	3,222,706	2,907,598
Current year payroll deductions	47,665,813	36,341,831
Amount paid - current year	(43,470,043)	(33,119,125)
Amount paid - previous years	(3,222,706)	(2,907,598)
	4,195,770	3,222,706
Pension and Medical Aid Deductions		
Opening balance	7,331,125	9,327,100
Current year subscription / fee	96,004,393	84,783,756
Amount paid - current year	(87,800,256)	(77,452,631)
Amount paid - previous years	(7,331,125)	(9,327,100)
	8,204,137	7,331,125

Figures in Rand	2011	2010
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47. Additional disclosure in terms of Municipal Finance Management Act (continued)

VAT

VAT receivable	913,198	-
VAT payable	-	15,506,114
	913,198	15,506,114

VAT output payables and VAT input receivables are shown in note 15.

All VAT returns have been submitted by the due date throughout the year, except for the following:
- July 2010 return (submitted on 27/08/2011) and February 2011 return (submitted on 30/03/2011).

Councillors' arrear consumer accounts

The following Councillors had arrear accounts outstanding for more than 90 days at 30 June 2011:

30 June 2011	Outstanding less than 90 days	Outstanding more than 90 days	Total
MSE Mfebe	538	18,581	19,119
MA Mphikeleli	1,090	12,357	13,447
ZHJ Naudé	1,171	11,657	12,828
ME Phetise	301	12,313	12,614
TD Khalipha	711	7,537	8,248
VR Morris	1,743	5,575	7,318
DC Smit	843	4,747	5,590
MT de Villiers	403	3,397	3,800
FE Taliwe	211	1,173	1,384
MD Masienyane	-	200	200
HA Mokhomo	24	-	24
	7,035	77,537	84,572

47. Additional disclosure in terms of Municipal Finance Management Act (continued)

30 June 2010	Outstanding less than 90 days	Outstanding more than 90 days	Total
AN Sentle	625	984	1,609
AP Kotzee	5,195	112,747	117,942
B Sithole	355	3,827	4,182
D Kotzee	1,766	-	1,766
E Peterson	808	3,344	4,152
FE Taliwe	509	4,067	4,576
GL Qwesha	-	41,969	41,969
J Fourie	777	-	777
JHA Edeling	5,335	3,292	8,627
LM Sejane	734	12,507	13,241
MA Mathebula	1,259	14,216	15,475
MA Meko	1,186	-	1,186
MAM Mofoka	968	8,896	9,864
MC Radebe	1,316	23,262	24,578
ME Semela	407	-	407
ME Tsubane	1,016	13,923	14,939
ME Phetise	617	8,018	8,635
MJ Matlabe	1,017	4,692	5,709
MJ Molefi	2,027	29,272	31,299
MJ Sephiri	598	4,654	5,252
MK Tihone	791	3,415	4,206
ML Ntsiu	649	8,706	9,355
ML Radebe	3,033	34,189	37,222
MS Moahloli	1,889	26,721	28,610
MS Mokhuma	486	4,005	4,491
SD Nteo	-	250	250
SW Mokwena	18	1,169	1,187
TA Nakwe	33	330	363
TG Mokotedi	252	1,297	1,549
TH Pietersen	59	1,658	1,717
TS Majoe	467	9,118	9,585
TW Dlova	264	35	299
VH Neumann	10,965	39,180	50,145
ZA Thuthani	510	4,378	4,888
ZP Noveld	611	-	611
	46,542	424,121	470,663

Figures in Rand	2011	2010
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48. Deviation from supply chain management regulations

Paragraph 12(1)(d)(i) of Government gazette No. 27636 issued on 30 May 2005 states that a supply chain management policy must provide for the procurement of goods and services by way of a competitive bidding process.

Paragraph 36 of the same gazette states that the accounting officer may dispense with the official procurement process in certain circumstances, provided that he records the reasons for any deviations and reports them to the next meeting of the accounting officer and includes a note to the annual financial statements.

In compliance with MFMA, Treasury regulations and Supply Chain Management Policy, the table below depicts the summary of the authorised exemptions by Municipal Manager, for the year ended 30 June 2011:

Deviations

July 2010	1,031,800
August 2010	1,958,548
September 2010	1,372,185
October 2010	2,290,726
November 2010	2,126,093
December 2010	767,887
January 2011	439,255
February 2011	1,341,839
March 2011	790,261
April 2011	652,398
May 2011	807,775
June 2011	999,098
	14,577,865

Figures in Rand

2011

2010

49. Actual vs Budget (Revenue & Expenditure)

	Current year 2011 Act. Bal. Rand	Current year 2011 Adjusted budget Rand	Variance Rand	Variance %
Revenue				
Property Rates	200,361,727	186,625,388	13,736,339	7.3
Service charges	657,988,460	768,752,199	(110,763,739)	(14.4)
Rental of facilities and equipment	10,084,902	6,558,052	3,526,850	53.8
Interest received (trading)	56,716,174	77,796,290	(21,080,116)	(27.1)
Fines	2,286,768	4,615,638	(2,328,870)	(50.5)
Licences and permits	7,676	-	7,676	100.0
Government grants & subsidies	555,373,037	360,650,000	194,723,037	54.0
Agency fees	6,944,801	-	6,944,801	100.0
Commissions received	543,139	-	543,139	75.9
Other income	25,232,925	14,345,255	10,887,670	100.0
Interest received-Investment	5,534,413	-	5,534,413	100.0
Dividends received	8,671	-	8,671	100.0
'	1,521,082,693	1,419,342,822	101,739,871	599.0

Schedule of external loans as at 30 June 2011

Loan Number	Redeemable	Balance at 30 June 2010	Received during the period	Redeemed written off during the period	Balance at 30 June 2011	Short term liability	Long term liability
		Rand	Rand	Rand	Rand	Rand	Rand
ABSA @ 18%	3005999867	30/06/2010	(1,203,022)	1,203,022	-	-	-
DBSA @ 10%	02131/102	30/06/2010	994,171	-	994,171	-	-
DBSA @ 10%	08110/102	30/06/2013	5,655,720	-	2,364,727	3,290,993	-
DBSA @ 12.5%	102978	30/06/2012	19,922,458	-	1,681,743	18,240,715	-
INCA @ 16.5%	MATJ-00-0003	30/06/2010	(188,927)	-	(188,927)	-	-
INCA @ 17.1%	VRG109M-S	30/06/2010	(78,355)	-	(78,355)	-	-
INCA @ 17.44%	VRG112H-S	30/06/2012	147,323	-	67,518	79,805	-
INCA @ 16.45%	VRG108Z-S	30/06/2009	(67,164)	-	(67,164)	-	-
INCA(FBC) @ 16.5%	MATJ-00-0003	30/06/2010	786,357	-	786,357	-	-
INCA(PIC) @ 16.5%	MATJ-00-0003	30/06/2010	817,945	-	817,945	-	-
			26,786,506	1,203,022	6,378,015	21,611,513	-

LONG-TERM LOANS

5.2: AUDITOR-GENERAL'S REPORT

AUDITOR'S REPORT OF THE AUDITOR-GENERAL TO THE FREE STATE LEGISLATURE AND THE COUNCIL ON THE MATJHABENG LOCAL MUNICIPALITY

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I was engaged to audit the accompanying financial statements of the Matjhabeng Local Municipality, which comprise the statement of financial position as at 30 June 2011, the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages ~~xx~~ to ~~xx~~.

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 in the manner required by the Local Government: Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2009 (Act No. 12 of 2009) (DoRA) and for such internal control as management determines 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. As required by section 188 of the Constitution of South Africa, 1996 (Act No. 108 of 1996) and section 4 of the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), my responsibility is to express an opinion on the financial statements based on conducting the audit in accordance with the International Standards on Auditing and *General Notice 1111 of 2010* issued in *Government Gazette 33872 of 15 December 2010*. 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. Due to the matters listed below, I was not able to verify that items of property, plant and equipment of R1 108 970 390 (2010: R876 346 011), as disclosed in note 8 to the financial statements, were accounted for at the correct value, that these items did exist at year-end, that the municipality had control over these items, and that the balance reflected in the financial statements includes all the municipality's items of property, plant and equipment. The system of control over items of property, plant and equipment was not sufficient to provide me with alternative means to perform my audit on these items:
 - a) For assets with a cost price of R1 554 456 807 (2010: R880 373 176), the descriptions, serial numbers and locations as indicated in the fixed asset register were inadequate for identification purposes. Consequently, I was unable to perform all the procedures I considered necessary to obtain adequate audit assurance as to the existence, valuation and completeness of and the municipality's rights to property, plant and equipment to this amount.

- b) Documentation to support additions of R83 649 355 (2010: R24 487 272) to property, plant and equipment could not be submitted for audit purposes. In the absence of these documents, I was unable to confirm the valuation and existence of these items purchased.
- c) Immovable properties of R217 862 853 (2010: R10 578 405), which conform to the definition and recognition criteria of property, plant and equipment as stated in paragraphs 10 and 11 of the SA Standard of GRAP, GRAP 17, *Property, plant and equipment* and which were identified as municipal property on the valuation roll, were not included in the fixed asset register. Furthermore, differences of R82 053 594 were identified between the values of land in the register and the values of land on the valuation roll. In the absence of an updated property valuation roll for the municipality, I was unable to determine the extent of the misstatement in the disclosed property, plant and equipment balance.
- d) Contrary to paragraph 61 of the SA Standard of GRAP 17, *Property, plant and equipment* proof could not be obtained that the residual values and the useful lives of assets had been reviewed as at reporting date and, if expectations differed from previous estimates, whether the changes were accounted for as a change in an accounting estimate in accordance with the SA Standard of GRAP 3, *Accounting policies, changes in accounting estimates and errors*.
- e) Paragraph 19 of the SA Standard of GRAP, GRAP 26, *Impairment of cash-generating assets* requires that property, plant and equipment be assessed for impairment at each reporting date. Contrary to this requirement, management did not assess whether there were impairment indications on property, plant and equipment during the financial year under review. Consequently, I could not obtain adequate audit assurance as to the valuation of the municipality's property, plant and equipment.
- f) Paragraph 53 of the SA Standard of GRAP 17, *Property, plant and equipment* requires each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item to be depreciated separately. The municipality has not complied with these requirements. Consequently, I could not obtain sufficient audit evidence to confirm the valuation of property, plant and equipment and the accuracy of depreciation charges as disclosed in note 8 to the financial statements.
- g) Capital projects of R55 724 682, which were completed during the year under review, were not transferred from capital work in progress to infrastructure, resulting in an overstatement in work in progress and an understatement in infrastructure, as well as an understatement in the disclosed depreciation and accumulated depreciation balances.

Consumer debtors

5. The municipality was unable to provide me with sufficient appropriate audit evidence regarding non-current consumer debtors of R19 879 219 (2010: R6 413 795) as disclosed in note 9 to the financial statements. Furthermore, a difference R13 857 905 between the disclosed corresponding balance and the relevant financial report could not be explained. There were no satisfactory alternative audit procedures that I could perform to obtain reasonable assurance that all non-current debtors were properly accounted for. Consequently, I was unable to verify that these debtors did exist at year-end, that they were accounted for at the correct value in the financial statements of the municipality, that the balance outstanding is payable to the municipality and that the disclosed balance includes all the municipality's non-current receivables.

6. Due to severe shortcomings noted within the municipality's system regarding the completion, verification, approval and filing of indigent applications, I could not verify the status of several consumer debtors as being indigent and there were also no satisfactory alternative audit procedures I could perform to confirm the status of these debtors as indigent. Consequently, I have assessed the possible understatement in service charges and property rates income and consumer debtors at R66 351 380 (2010: R69 238 818) due to the incorrect classification of these consumer debtors as indigent.
7. I could not obtain sufficient and appropriate audit evidence that the municipality had assessed the recoverability (impairment) of its consumer and other debtors in terms of the requirements of the South African Statement of Generally Accepted Accounting Practice, IAS 39 *Financial Instruments: Recognition and Measurement*. The municipality only made a general provision based on the ageing of the outstanding debt. Consequently, I was unable to determine the impact of non-compliance with this accounting standard on the financial statements, nor the accuracy of the provision of doubtful debts of R1 058 152 505 (2010: R689 626 065) and on the impairment loss of R372 188 325 (2010: R208 760 412).
8. In the absence of payments made after year-end as well as service contracts and indigent applications, I could not verify the existence of consumer debtors of R389 826 102 (2010: R13 857 408) as disclosed in note 6 (cross balances) to the financial statements.
9. The municipality did not remunerate its political office bearers and members of its political structures within the framework of the Public Office Bearers Act, 1998 (Act No. 20 of 1998) due to difference of opinion of the grading of the municipality. In terms of section 167(2) of the MFMA, the municipality must recover these overpayments. The total amount overpaid for the past five years amounts to R13 182 448. This amount has not been accounted for as a receivable for the year, resulting in trade and other receivables as disclosed in note 5 being understated by R13 182 448, employee cost overstated by R3 230 992 and accumulated surplus understated by R9 951 456.

Trade and other payables

10. Contrary to the SA Standard of GRAP, GRAP 1, *Presentation of financial statements*, the municipality did not account for retention monies. Based on my calculations, I have assessed the understatement in the disclosed trade and other payables as well as property, plant and equipment balance (work-in-progress) at R39 093 820 (2010: R16 760 159). Due to sufficient supporting documentation not being available, I was unable to assess the impact of the above on government grant income and unspent conditional grants.
11. Contrary to the accrual basis of accounted, as outlined and prescribed in GRAP 1, the municipality did not provide for accruals of R11 333 564. Trade and other payables are therefore understated by R11 333 564, as well as VAT receivable by R1 391 841 and property, plant and equipment (work-in-progress) by R9 941 723.

Unspent conditional grants and receipts

12. Based on confirmations received from National Treasury, the amount that the municipality may retain with regard to MIG projects is R13 264 622 (2010: R40 616 561) less the amount disclosed in the financial statements, indicating an overstatement of unspent conditional grants and receipts and understatement of trade and other payables.

Expenditure

13. In the absence of an updated fixed asset register, and due to the matters mentioned in paragraph 4, I was unable to verify the occurrence, accuracy, classification and completeness of depreciation and amortisation charges of R36 081 641 (2010: R28 890 271) as disclosed in note 29 to the financial statements.

Personnel expenditure

14. Sufficient appropriate audit evidence could not be obtained regarding the occurrence and accuracy of overtime payments of R41 254 810 made during the year under review. In the absence of approved attendance registers as well as a lack of prior approval for overtime worked, there were no reasonable alternative procedures which I could have performed to verify the occurrence and accuracy of these payments.

Service charges revenue

15. Contrary to the SA Standard of GRAP, GRAP 1, *Presentation of financial statements*, the municipality did not correctly apply the accrual basis of accounting. Service charges income is understated by R13 562 014 and opening balance of accumulated surplus overstated due to prior period corrections made against the current year's income instead of against the accumulated surplus' opening balance.
16. The municipality's process followed to estimate consumption was found to be inaccurate and it was noted that the municipality has not implemented controls to account for the estimated consumption at year-end. We have assessed the possible understatement of service income and consumer debtors at R14 232 141.
17. Meter reading books, to substantiate meter readings taken for a sample of service charges transactions could not be submitted for audit purposes. The total service charges income for which the occurrence and accuracy could not be confirmed amounted to R254 983 918.

Property rates revenue

18. Selected properties identified from the municipality's valuation roll could not be traced to the financial system. It could consequently not be confirmed that property rates were charged on these properties. I have calculated the possible understatement in property rates revenue as R31 361 434 for the year under review.

Irregular expenditure

19. Due to the limitations placed on my audit of expenditure and procurement management at the municipality, I was unable to confirm the completeness of the disclosure made in note 47 to the financial statements. Sufficient appropriate audit evidence could not be obtained that contracts and quotations to the value of R80 103 962 were procured in accordance with legislative requirements and the Supply Chain Management (SCM) policy. Furthermore, several instances where the municipality has not complied with their SCM policy and SCM Regulations were not disclosed in the note to the financial statements, relating to expenditure of R77 900 399.

Government grants and subsidies income

20. Differences of R37 254 000 (2010: R40 690 000) between the amounts accounted for as government grants and subsidies income accounted for by the municipality and the schedules to DoRA could not be adequately explained, indicating a possible understatement of the unspent conditional grants and receipts as well as a possible understatement in trade and other receivables and work-in-progress.
21. Paragraph 43 of the South African Standards of Generally Accepted Municipal Accounting Practice, GAMAP 9, *Revenue* states that government grants are recognised as revenue to the extent that there has been compliance with any restriction associated with the grant. Agreements entered into between the municipality and provincial government departments for payments of R16 172 772 (2010: R46 441 454) could, however, not be submitted for audit purposes. In the absence of these agreements, I was unable to verify that government grant and subsidy income of R16 172 772 (2010: R46 441 454), as included in note 23, complied with the recognition requirements as outlined in GAMAP 9 and I could consequently not determine the impact of this on the unspent conditional grants and receipts liability.
22. Contrary to the accrual basis of accounted, as outlined and prescribed in GRAP 1, the municipality did account for transactions of R7 640 610 in the incorrect financial year, resulting in an overstatement of government grant and subsidies income and overstatement of opening balance for accumulated surplus.

Unauthorised expenditure

23. In terms of chapter 1 of the MFMA, unauthorised expenditure is defined as expenditure incurred by a municipality otherwise than in accordance with section 15 of the act and includes spending of an allocation otherwise than in accordance with any conditions of the allocation. Based on the limitations placed on my audit of government grants and subsidies income (refer paragraph 21) as well as the fact that the municipality did not record retention money (refer paragraph 10), I am unable to conclude on the completeness of the unauthorised expenditure balance of R619 645 905 (2010: R216 155 588) as disclosed in note 45 to the financial statements, as required by section 125(2)(d) of the MFMA.

Commitments

24. The municipality was unable to provide me with sufficient appropriate audit evidence regarding commitments of R540 748 515 (2010: R524 543 031) as disclosed in note 39 to the financial statements. In the absence of contracts entered into between the municipality and third parties, payment vouchers as well as explanations that could not be provided for variances identified between external confirmations and the balances recognised, I was unable to verify the completeness, accuracy and valuation of the disclosed balance as well as the municipality's obligation in this regard.

Finance lease obligation

25. The municipality was unable to provide me with lease agreements for lease payments of R10 383 120, as accounted for in the financial records of the municipality. In the absence of these agreements, I was unable to determine the classification of these payments and the municipality's obligations in this regard.

Employee benefits

26. The South African Statement of Generally Accepted Accounting Practice, IAS 19 *Employee benefits*, outlines the recognition and disclosure requirements pertaining to post-employee benefit plans. Contrary to these requirements, the municipality did not account for its post-employment benefit plans in its financial statements. In the absence of actuarial valuations, I was unable to gain adequate audit assurance as to the valuation of the liability at reporting date and could consequently not determine the effect on the other account balances and classes of transactions contained in the financial statements.

Inventory

27. Contrary to the requirements of the SA Standard of GRAP 12, *Inventories*, the municipality did not account for vacant residential sites as inventory in their financial statements. In the absence of a property register for the municipality, I was unable to quantify the extent of misstatement in the current year's as well as the corresponding disclosed inventory balance.

Investment properties

28. Contrary to the requirements of the SA Standard of GRAP 16, *Investment property*, the municipality did not separately account for investment properties in their financial statements. In the absence of a property register and updated property valuation rolls for the municipality, I was unable to quantify the extent of the misstatement in the financial statements.

Provisions

29. I could not obtain sufficient appropriate audit evidence regarding the provision for environmental rehabilitation of R27 290 314 (2010: R18 913 648) as disclosed in note 18 to the financial statements. In the absence of sufficient appropriate audit evidence, I was unable to confirm the valuation and completeness of this liability at year-end as well as the accuracy and completeness of the movement of R8 376 666, as included in general expenses.

Other statutory disclosure

30. Particulars of non-compliance with the MFMA were not disclosed in the notes to the annual financial statements, as required by section 125(2)(e) of the MFMA. As included in paragraph 52 to 89 of this report, several material deviations from the MFMA were identified during the audit; however, no particulars of any of these matters were disclosed in the notes to the annual financial statements.

Disclaimer of opinion

31. 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

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

Restatement of corresponding figures

33. As disclosed in note 41 to the financial statements, the corresponding figures for 30 June 2010 have been restated as a result of correcting prior year audit findings during the current financial year in the financial statements of the Matjhabeng Local Municipality at, and for the year ended, 30 June 2010.

Going concern

34. As disclosed in note 44, the ability of the municipality to continue as a going concern is dependent on a number of factors, including the need to obtain funding on a continuous basis.

Material losses and impairments

35. As disclosed in note 48 to the financial statements, material losses to the amount of R72 313 622 (2010: R71 400 000) were incurred as a result of losses on water and electricity distribution.

Unauthorised, irregular and fruitless and wasteful expenditure

36. As disclosed in note 45 to the financial statements, the municipality incurred unauthorised expenditure of R619 645 905 (2010: R216 155 588) during the year under review due to inadequate budgetary control measures.
37. As disclosed in note 46 to the financial statements, the municipality incurred fruitless and wasteful expenditure of R41 013 003 (2010: R14 171 466) during the year under review due to the municipality's inability to pay their creditors on time.
38. As disclosed in note 47 to the financial statements, the municipality incurred irregular expenditure of R98 540 805 (2010: R14 931 539) during the year under review due to inadequate procurement processes followed.

Additional matters

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

Material inconsistencies in other information included in the annual report

40. The draft annual report of the municipality for the year ended 30 June 2011 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.

Unaudited supplementary schedule

41. The supplementary information set out on page 84 does not form part of the financial statements and is presented as additional information. I have not audited this schedule and accordingly I do not express an opinion thereon.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

42. In accordance with the PAA and in terms of *General notice 1111 of 2010*, issued in *Government Gazette 33872 of 15 December 2010*, I include below my findings on the annual performance report as set out on pages 8 to 10 and material non-compliance with laws and regulations applicable to the municipality.

Predetermined objectives

Presentation of information

43. The reported performance against predetermined objectives was deficient in respect of the following criteria:

- Performance against predetermined objectives was not reported using the National Treasury guidelines.

44. The following audit finding relate to the above criteria:

- Measures taken to improve performance were not provided in the performance report, as required in terms of section 46(1)(c) of the Municipal Systems Act of South Africa, 2000 (Act No. 32 of 2000) (MSA). In total, 100% of the reported targets where improvement is required were not explained.

Usefulness of information

45. The reported performance information was deficient in respect of the following criteria:

- Consistency: The reported objectives, indicators and targets are not consistent with the approved integrated development plan.
- Measurability: The targets are not specific and time bound.

46. The following audit findings relate to the above criteria:

Reported objectives, indicators and targets are not consistent when compared with the planned objectives, indicators and targets (Consistency)

47. The municipality has not reported throughout on its performance against the planned development objectives, indicators and targets as stated in the service delivery and budget implementation plan, as 25% of the planned development objectives in the service delivery and budget implementation plan were not reported on in the annual performance report and 24% of the reported targets in the annual performance report were not consistent with the planned targets.

Planned and reported targets are not specific and time bound (Measurability)

48. For the selected predetermined objectives, 24% (25 of 103) of the planned targets were not specific of which the nature and the required level of performance could not be clearly identified and 38% (39 of 103) of the planned targets were not time bound in specifying the time period or deadline for delivery.

Reliability of information

49. The reported performance information was deficient in respect of the following criteria:

- **Validity:** Has the actual reported performance occurred and does it pertain to the entity, i.e. can the reported performance information be traced back to the source data or documentation?
- **Accuracy:** Have amounts, numbers and other data relating to reported actual performance been recorded and reported appropriately?
- **Completeness:** Have all actual results and events that should have been recorded been included in the reported performance information?

50. The following audit finding relates to the above criteria:

The validity, accuracy and completeness of reported performance against targets could not be confirmed as inadequate supporting source information was provided (Reliability)

51. Sufficient appropriate audit evidence in relation to the directorate infrastructure could not be obtained. There were also no satisfactory audit procedures that I could perform to obtain the required assurance as to the validity, accuracy and completeness of the reported information.

Compliance with laws and regulations

Strategic planning and performance management

52. The accounting officer of the municipality did not submit the results of the assessment on the performance of the municipality during the first half of the financial year to the mayor of the municipality, the National Treasury and the provincial treasury, as required by section 72(1)(b) of the MFMA.

53. The municipality did not implement a framework that describes and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed, including determining the roles of the different role players as required by sections 38, 39, 40 and 41 of the MSA and Municipal Planning and Performance Management Regulations 7 and 8.

Budgets

54. The municipality incurred expenditure in excess of the limits of the amounts provided for in the votes in the approved budget, in contravention of section 15 of the MFMA.

55. The accounting officer did not always submit the monthly budget statements to the relevant provincial treasury, as required by section 71(1) of the MFMA.

Annual financial statements, performance and annual report

56. 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 disclosure items identified by the auditors were subsequently corrected, but the uncorrected material misstatements resulted in the financial statements receiving a disclaimer audit opinion.

57. The accounting officer did not make public the council's oversight report on the 2009-10 annual report within seven days of its adoption, as required by section 129(3) of the MFMA.

58. The municipal council did not adopt an oversight report containing the council's comments on the annual report within two months from the date on which the 2009-10 annual report was tabled in the council as required by section 129(1) of the MFMA.
59. The annual performance report did not contain a comparison of the performance of the municipality and of each external service provider with development priorities, objectives and performance indicators set out in its integrated development plan, as required by section 46 of the MSA.

Audit committees

60. No audit committee was in place as required by section 166(1) of the MFMA.
61. The municipality did not appoint and budget for a performance audit committee, nor was another audit committee utilised as the performance audit committee as required by Municipal Planning and Performance Management Regulation 14.

Internal audit

62. The internal audit unit did not function as required by section 165(2) of the MFMA, in that:
 - internal audit did not prepare a risk-based audit plan and an internal audit programme for the financial year under review;
 - internal audit did not advise the accounting officer on matters relating to internal audit, internal controls, accounting procedures and practices, risk and risk management and loss control.
63. The municipality did not develop and implement mechanisms, systems and processes for auditing the results of performance measurement as part of its internal audit processes, as required by section 45(1)(a) of the MSA and Municipal Planning and Performance Management Regulation 14.
64. The internal auditors of the municipality did not audit the performance measurements on a continuous basis and did not submit quarterly reports on their audits to the municipal manager as required by Municipal Planning and Performance Management Regulation 14.

Procurement and contract management

65. Awards were made to providers who are persons in service of other state institutions or whose directors/ principal shareholders are persons in service of other state institutions in contravention of the requirements of SCM regulations 44. Furthermore, the providers failed to declare that they were in the service of the state as required by SCM regulation 13(c).
66. 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 as per the requirements of SCM regulation 14(1)(a)(ii).
67. Awards were made to providers who are persons in service of the municipality and/or whose directors/principal shareholders are persons in service of the municipality, in contravention of SCM regulations 44. Furthermore proof could not be obtained that the providers had declared that they were in the service of the municipality, as required by SCM regulation 13(c).
68. Persons in service of the municipality who had a private or business interest in contracts awarded by the municipality failed to disclose such interest, contrary to SCM regulation 46(2)(e) and the code of conduct for staff members issued in terms of the MSA.

69. Persons in service of the municipality whose close family members had a private or business interest in contracts awarded by the municipality failed to disclose such interest, contrary to SCM regulation 46(2)(e) and the code of conduct for staff members issued in terms of the MSA, and the providers failed to declare their relationship to persons employed by the municipality as per the requirements of Municipal SCM Regulation 13(c).
70. Sufficient appropriate audit evidence could not be obtained that goods and services of a transaction value above R200 000 were procured by means of inviting competitive bids as per the requirements of SCM regulations 19(a) and 36(1).
71. Goods and services with a transaction value of between R10 000 and R200 000 were procured without obtaining written price quotations from at least three different prospective providers, as per the requirements of SCM regulation 17(a) & (c).
72. Quotations were accepted from prospective providers who are not on the list of accredited prospective providers and do not meet the listing requirements prescribed by the SCM policy, in contravention of SCM regulations 16(b) and 17(b).
73. Invitations for competitive bidding were not always advertised for a required minimum period of days as per the requirements of SCM regulations 22(1) & 22(2).
74. Bid specifications were not always drafted by bid specification committees which were composed of one or more officials of the municipality, as required by SCM regulation 27(3).
75. Bids were not always 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 per the requirements of SCM regulation 28(2).
76. Awards were made to suppliers who had not submitted a declaration on their employment by the state or their relationship to a person employed by the state, as per the requirements of Municipal SCM Regulation 13(c).
77. 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 and SCM regulation 28(1)(a).

Human resource management and compensation

78. The municipal manager did not provide job descriptions for each post on the staff establishment, as required by section 66(1)(b) of the MSA.
79. Senior managers directly accountable to the municipal manager did not sign annual performance agreements for the year under review, as required by sections 57(1)(b) and 57(2)(a) of the MSA.

Expenditure management

80. 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.
81. The accounting officer did not take reasonable steps to prevent unauthorised, irregular expenditure and fruitless and wasteful expenditure, as required by section 62(1)(d) of the MFMA.
82. The municipality did not recover unauthorised, irregular or fruitless and wasteful expenditure from the liable person, as required by section 32(2) of the MFMA.
83. The accounting officer did not always report to the South African Police Service the cases of alleged theft and fraud, as required by section 32(6) of the MFMA.

Revenue management

84. Interest was not charged on all arrears accounts, as required by section 64(2)(g) of the MFMA.
85. A credit control and debt collection policy was not maintained, as required by section 96(b) of the MSA.
86. The accounting officer did not take all reasonable steps to ensure that the municipality had and maintained a management, accounting and information system which recognised revenue when it is earned, accounted for debtors and accounted for receipts of revenue, as required by section 64(2)(e) of the MFMA.

Asset management

87. The accounting officer did not take all reasonable steps to ensure that the municipality had and maintained a management, accounting and information system which accounts for the assets of the municipality, as required by section 63(2)(a) of the MFMA.
88. The accounting officer did not take all reasonable steps to ensure that the municipality had and maintained an effective system of internal control for assets (including an asset register), as required by section 63(2)(c) of the MFMA.
89. The municipality disposed of a capital assets to an organ outside of state without council's consideration and approval, contrary to section 14(2)(a) of the MFMA and Municipal Asset Transfer Regulation 5.

INTERNAL CONTROL

90. In accordance with the PAA and in terms of *General Notice 1111 of 2010*, issued in *Government Gazette 33872 of 15 December 2010*, I considered internal control relevant to my audit, but not for the purpose of expressing an opinion on the effectiveness of internal control. The matters reported below are limited to the significant deficiencies that resulted in the basis for disclaimer of opinion, the findings on the annual performance report and the findings on compliance with laws and regulations included in this report.

Leadership

91. For the year under assessment, it was noted that effective management leadership was not always provided at the municipality. Furthermore, the accounting officer did not exercise oversight responsibility regarding financial and performance reporting and compliance and related internal controls. An action plan was developed to address internal control deficiencies; however, this plan was not implemented and monitored on a continuous basis. The high turnover of senior management personnel of this municipality over the past few financial years negatively impacted on the internal control environment.

Financial and performance management

92. Management and staff did not fulfil all their duties and responsibilities pertaining to financial and performance management. Proper controls over daily and monthly processing and reconciling of transactions were not evident in all instances. Systems were not appropriate to facilitate the preparation of the financial statements and performance reports.

Governance

93. The municipality did not identify risks relating to the achievement of financial and performance reporting objectives. An audit committee was not functioning during the year under review. Ongoing monitoring and supervision were not undertaken to enable an assessment of the effectiveness of internal control over financial and performance reporting.

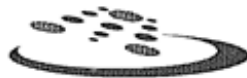
OTHER REPORTS

Investigations

94. An independent consulting firm was appointed by the municipality to conduct an investigation into various aspects at the municipality. At the time of completing my audit, a final report was not yet available.

Auditor-General
Bloemfontein

30 November 2011



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence