



ANNUAL REPORT

2006/07

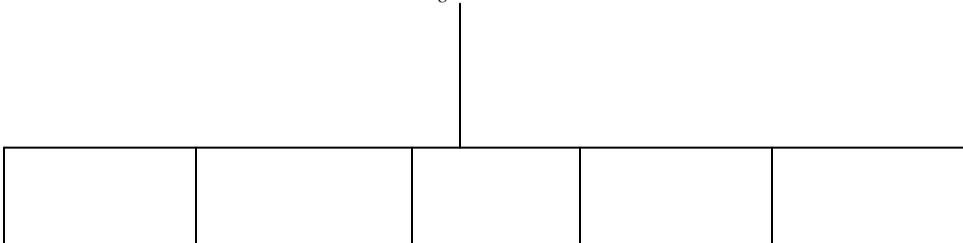
Political Leadership



Senior Management Team



Municipal Manager
T.F. Kgosidintsi



Chief Operating
Officer
L.D. Tsotetsi



SED: Corporate
Services
N. Ngongo-Jafta



Chief Financial
Officer
A.F. Bothma

SED: Social
Development
M. Tlake



SED: Technical
Services
L. Ntoyi



SED: Economic
Development &
Planning
G. Ramthebane

TABLE OF CONTENTS

- 1. Municipal Vision, Mission and Values**
- 2. Foreword by the Executive Mayor**
- 3. Foreword by the Acting Municipal Manager**
- 4. Introduction and Overview**
- 5. Municipal Key Performance Areas**
 - 5.1 Local Economic Development**
 - 5.2 Basic Service Delivery**
 - 5.3 Good Corporate Governance**
 - 5.4 Infrastructure**
 - 5.5 Municipal Financial Viability**
- 6. Auditor General's Report**
- 7. Measures taken to enhance performance**
- 8. Challenges and Priorities**
- 9. Conclusion**

Municipal Vision, Mission and Values

Vision

Motheo strives to become a leading district municipality consistently seeking to achieve the intergrated,susustainable and equitable social and economic deveoplment.

Mission

By 2015, the Motheo District Municipality shall have maintained and improved the quality of life of all our community by providing,supporting and co-ordinating resources that enhance and contribute to socio economic development.

Values

- Transparency
- Accountability
- Responsiveness
- Partnership
- Equity

FOREWORD BY THE EXECUTIVE MAYOR



FOREWORD BY THE MUNICIPAL MANAGER



Chapter One:

1. INTRODUCTION AND OVERVIEW

This report has been prepared in terms of section 46 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) that -

- “(1) A municipality must prepare for each financial year a performance report reflecting -
- (a) the performance of the municipality and of each external service provider during that financial year;
 - (b) a comparison of the performances referred to in paragraph (a) with targets set for and performances in the previous financial year; and
 - (c) measures taken to improve performance.
- (2) An annual performance report must form part of the municipality’s annual report in terms of Chapter 12 of the Municipal Finance Management Act.”

The afore-mentioned legal framework provides that when preparing an annual report, each municipality has to take into consideration the following:

- (a) Provide record of its activities during the financial year;
- (b) Provide record on performance against the budget of the municipality in terms of Service Delivery and Budget Implementation framework;
- (c) Promote accountability to the communities it represent for the decisions made throughout the year;
- (d) Provide records of the annual financial statement of the year;
- (e) Reflect on Auditor General’s audit statements in terms of section 126(3) on those financial statements;

The Motheo's area of jurisdiction is situated in the central parts of the Free State. The District management area comprises of three local municipal areas and measures 13 950.18 km as indicated in the table below:

1.1 Demographic profile

Motheo has an estimated population of approximately 837 379 (STATS SA, 2007)

	Black	Coloured	Indian or Asian	White	Total
Naledi Local Municipality	23083	640	148	1574	25445
Mangaung Local Municipality	618408	32071	1257	101170	752906
Mantsopa Local Municipality	48211	6392	170	4255	59028
					837379

	Naledi Local Municipality	Mangaung Local Municipality	Mantsopa Local Municipality	Total
0 – 4	2651	66972	5986	75609
5 – 9	2638	69321	6855	78814
10 – 14	3053	67872	6114	77039
15 – 19	2833	81475	5650	89958
20 – 24	2257	80761	5263	88281
25 – 29	2035	62761	4920	69716
30 – 34	1748	57421	4312	63481
35 – 39	1363	55306	4347	61016
40 – 44	888	50765	2647	54300
45 – 49	1143	40004	2857	44004
50 – 54	884	34360	2900	38144
55 – 59	1020	27650	2386	31056
60 – 64	1030	18531	1124	20685
65 – 69	769	14424	1420	16613
70 – 74	449	10898	799	12146
75 – 79	329	5905	520	6754

80 – 84	150	4510	652	5312
85 +	205	3970	276	4451

837379

Composition and size of District management area:		
Local Municipality	Number of farms	Area in KM's
Mangaung	3 368 (2886)	6 262.51 km
Naledi	1 147 (38)	3 412.08 km
Mantsopa	1 888	4 275.59 km
Total	6 403 (2 924)	13 950.18 km

Source: Survey General Bloemfontein, 2001

The three local municipal areas are made up of eleven urban centres and surrounding rural areas of which Bloemfotein, Ladybrand and Dewetsdorp form the main centres.

1.2 Political Leadership

The municipality runs 9 section 80 committees as indicated in the table below:

<i>Corporate Service, Policy and Governance</i>	<i>Health</i>	<i>Social Development</i>	<i>Finance and IDP</i>
Chairperson: Clr. J.C Erasmus	Chairperson: Clr. V.S. Rani	Chairperson: Clr. L. Dlamini	Chairperson: Clr. Tatolo Nthejane
Committee Secretary: Me. P. Nyatsane	Committee Secretary: Me. D. Mahamotse	Committee Secretary: Me. M. Lepheane	Committee Secretary: Me. L. Tlhakudi
<i>Members</i>	<i>Members</i>	<i>Members</i>	<i>Members</i>
Clr. G.K. Saohatsi (ANC) Clr. T.B Jacobs (ANC) Clr. L.E. Letlaka (ANC) Clr. C.E. Jenkinson (ANC) Clr. P. van Biljon (DA) Clr. J.S. Human (DA) Clr. G S Fouche (FF+)	Clr. A.L Toba (ANC) Clr. M.F. Tafana (ANC) Clr. M.S. Khutlane(ANC) Clr. N.B. Dimbaza(ANC) Clr. P. Scott (DA) Clr. M.E. Dennies(DA) Clr. G S Fouche (FF+)	Clr. M.S. Khutlane (ANC) Clr. A.L. Toba (ANC) Clr. M. F. Tafana (ANC) Clr. M.E. Ncwada (ANC) Clr. P Scott (DA) Clr. W van Aswegen (DA) Clr. M A Oganne (UCDP)	Clr. T.B. Jacobs (ANC) Clr. G.K. Saohatsi (ANC) Clr. C.E. Jenkinson (ANC) Clr. L.E. Letlaka(ANC) Clr Q De Bruyn (DA) Clr. J.S. Human (DA) Clr. M.A. Seeco (UCDP)
<i>Special Programmes</i>	<i>Local Economic Development and Tourism</i>	<i>Rural Development</i>	<i>Infrastructure</i>
Chairperson: Clr Mamoroka Maele	Chairperson: Clr. B. Ntlathi	Chairperson: Clr. M Molangoanyane	Chairperson: Clr. M. Modise
Committee Secretary: Me. M. Lepheane	Committee Secretary: Mr. L S Mifi	Committee Secretary: Me. M. Mokhethi	Committee Secretary: Me. M. Mokgoke
<i>Members</i>	<i>Members</i>	<i>Members</i>	<i>Members</i>
Clr. M. Mpheteng (ANC) Clr. N.B. Dimbaza (ANC) Clr. S.N. Soebehle (ANC) Clr. M. F. Tafana (ANC) Clr. W. van Aswegen (DA) Clr. P. van Biljon (DA) Clr. M.A. Oganne (UCDP)	Clr. N.P. Ramoeletsi (ANC) Clr. S.O. Mogorosi (ANC) Clr. M. Thabeng (ANC) Clr. N. Madidilane (ANC) Clr. Q De Bruyn (DA) Clr. D. Dennis (DA) Clr. K.O. Mokone (APC)	Clr. S.O. Mogorosi (ANC) Clr. M. Thabeng (ANC) Clr. M.A. Mavuya (ANC) Clr. N. Madidilane (ANC) Clr. Q De Bruyn (DA) Clr. P. Scott (DA) Clr. M.A. Seeco (UCDP)	Clr. M.A. Mavuya (ANC) Clr. N. P. Ramoeletsi (ANC) Clr. M. Thabeng (ANC) Clr. N. Madidilane (ANC) Clr. J S Human (DA) Clr. W. van Aswegen (DA) Clr. K.O. Mokone (APC)
<i>Disaster Management & Environment</i>			
Chairperson: Clr. N. Rakaku			
Committee Secretary: Me. M.S. Dlepu			
<i>Members</i>			
Clr. S.N. Soebhla (ANC) Clr. M.E. Ncwada (ANC) Clr. N.B. Dimbaza (ANC) Clr. M. Mpheteng (ANC) Clr. P van Biljon (DA) Clr. M.E. Dennis (DA) Clr. P C Pelsler (FF+)			

Chapter Two:

MUNICIPAL KEY PERFORMANCE AREAS (KPA's)

The council's performance is measured in terms of the following key performance areas:

1. Local Economic Development
2. Basic Service Delivery
3. Good Corporate Governance
4. Infrastructure
5. Municipal Financial Viability

CHAPTER TWO: KPA One

2.1 LOCAL ECONOMIC DEVELOPMENT

OBJECTIVE: REDUCING POVERTY LEVEL IN THE DISTRICT THROUGH IMPROVING ECONOMIC GROWTH BY 3% AND REDUCING UNEMPLOYMENT

STRATEGY: PROMOTE JOB RETENTION AND CREATION OF SUSTAINABLE JOBS

Output	Municipal Performance Indicators	Baseline	Service Delivery Targets 2006/2007	Status 1 July 06 to 31 Dec 07	Status 1 January 07 to 30 June 07
LED1.1.1	Investment Portfolio has been created, to identify anchor projects to be operational in the next financial year	Investment Portfolio document completed	Council Resolution by April 2007	Document submitted to section 80 committee and will be submitted to council	PARTLY ACHIEVED Council resolution delayed to enable the N8 corridor study to be concluded. No council resolution was sought as a result.
LED1.1.2	Establish a District Economic Forum and launch	Operational Economic Development Forum	Economic Development Forum launched by April 2007	Various workshops were conducted, consultative meeting with LMs were undertaken and draft terms of reference are complete. A workshop is planned for February 2007 to finalise structure and representation and then in March 2007, a launch will be held.	PARTLY ACHIEVED The launch was arranged but failed due to non attendance of stakeholders.
LED1.1.3	Implementation of the outcome of the investigation	Establish Economic Development	Council Resolution on the establishment of the	The feasibility study report, the reviewed economic profile of MDM and the Business Plan	PARTLY ACHIEVED The report was

Output	Municipal Performance Indicators	Baseline	Service Delivery Targets 2006/2007	Status 1 July 06 to 31 Dec 07	Status 1 January 07 to 30 June 07
	concerning District Development Agency	Agency	Agency by March	for the envisaged Agency was submitted to the committee in November 2006. A workshop was held in January 2007 and the Fact finding visit to Amatole Economic Development Agency was undertaken On 26 January 2007	submitted to the section 80 committee for recommendation. The section 80 committee has not concluded the matter.
LED1.2.1	Implementation of framework for community based development initiatives	Implementation of the framework	To obtain a council resolution approving the framework	Workshop for the framework held, follow up workshop will be convened in February 2007 and then the document will be submitted to council	PARTLY ACHIEVED Workshop was held but council resolution still outstanding
LED1.2.2	Support the development of local business infrastructure in concert with SEDA	Support given to the development of local business	Support given to the development of local business	In progress	ACHIEVED Agreement with SEDA is signed and programmes are implemented to achieve this objective.
LED1.2.3	Ensure that the Preferential Procurement Policy of Motheo favours SMME's (Non core finance department leads) monitor	Implement the provision of the SCM and Preferential Procurement	To establish a reporting mechanism to measure impact by March 2007	A format for reporting and data base of all service providers for evaluation and advice	ACHIEVED Finance has developed a reporting system and the impact of the SCM.
LED1.2.4	Facilitate the establishment of Local Business Support Centers in concert with SEDA	Ensure that there are LBSCs in all Local Municipalities	Sign a Memorandum of Agreement with SEDA on MDM's role	Formal discussions have been initiated with SEDA, follow up meeting scheduled for February 06, 2007	ACHIEVED Agreement reached with SEDA to establish the centres. Office space is acquired

Output	Municipal Performance Indicators	Baseline	Service Delivery Targets 2006/2007	Status 1 July 06 to 31 Dec 07	Status 1 January 07 to 30 June 07
					and equipment procured.
LED1.2.5	Targeted support and SMME development Programme in order to encourage self employment (Training and mentoring)	Identify the training and mentorship needs of projects	Training of SMMEs to be concluded by Feb 2007	Needs of SMMEs funded by Motheo on training and mentorship established by April 2007	ACHIEVED Women were trained in entrepreneurship.
LED1.2.6	Poverty Alleviation Projects Support (SMME Support)	Projects identified and assisted	Short listed projects to be assisted by April 2007	Shortlist of projects concluded in December 2006	ACHIEVED All short listed projects submitted to SEDA for assessment and support.

STRATEGY: FOCUSED INVESTMENT IN THE AGRICULTURAL SECTOR

Output	Municipal Performance Indicators	Baseline	Service Delivery Targets 2006/2007	Status 1 July 06 to 31 Dec 07	Status 1 January 07 to 30 June 07
LED 2.1.1	Establish a District Economic Forum and launch	An operational district economic forum	Establish and support the district economic forum	A workshop is scheduled for January and the establishment is planned for February.	PARTLY ACHIEVED A workshop was held and the launch did not succeed due to non attendance.
LED2.1.2	Support agro-processing	Support agro processing initiatives in the	Establish a database for agro-processing projects/initiatives and	Terms of reference are developed and the service providers will be called to develop a database. The	ACHIEVED Funding has been

Output	Municipal Performance Indicators	Baseline	Service Delivery Targets 2006/2007	Status 1 July 06 to 31 Dec 07	Status 1 January 07 to 30 June 07
		district	support the weaving project.	department of social development has developed a business plan for the weaving project and as soon as all planning processes are concluded funding will be released.	transferred to social development.
LED2.1.3	Secure markets for SMME products	Markets secured	Secure markets for SMME	In Progress	Not budgeted for
LED2.2.1	To uplift Agri-villages	Agri-villages uplifted	Uplift Agri-villages	In Progress	Not budgeted for
LED2.3.1	Implementation of rural development strategy	Rural development strategy implemented	Implementation of rural development strategy	In Progress	Not budgeted for
LED2.3.2	Investigation of rural investment strategy (feasibility study)	Rural investment strategy investigated	Investigation of rural investment strategy	In Progress	Not budgeted for

STRATEGY PROMOTE TOURISM

Output	Municipal Performance Indicators	Baseline	Service Delivery Targets 2006/2007	Status 1 July 06 to 31 Dec 07	Status 1 January 07 to 30 June 07
LED3.1.1	Implementation of Tourism Marketing Strategy for district	Marketing plan Annual Work plan and aligned projects adopted by the Section 80	Marketing plan reviewed, annual work adopted and projects completed by 30 June 2007	<p>(a) Advertisements SA Tourism Fact file, To Go To magazine, Discovering SA, SAA Outbound Magazine, Bulletin newspaper, Lesotho Eye on Tourism magazine, Sawubona</p> <p>(b) Exhibitions</p>	<p>ACHIEVED</p> <p>(a) Tools - Annual work plan submitted to the Section 80 Committee Mantsopa Tourism Strategy Completed - Tourism Marketing Strategy Completed by June 2007</p>

Output	Municipal Performance Indicators	Baseline	Service Delivery Targets 2006/2007	Status 1 July 06 to 31 Dec 07	Status 1 January 07 to 30 June 07
				<p>Getaway show[JHB Gauteng] and Outdoor Show attended[Cape Town Gauteng]</p> <p>(c) Educational tours/media tours in process since November 2006 -Benelux trade and media talks with relevant people have been concluded</p> <p>(d) Since Dec 06 MDM is featuring on AgriTV /wildlife/accommodation. In process AgriTV crew to be hosted in Ladybrand.[Agri tourism focus initiative]</p> <p>(e) Draft MDM's Marketing Strategy for Benelux [Belgium, Netherlands and Luxemburg] Countries and talks with relevant parties have been completed coupled with the drafting of MOU between MDM and a Netherlands PR and Trade. Specialists</p> <p>(f) Attended the African Arab International Trade</p>	<p>(b) Draft VEAZA CSIR CD Rom Video</p> <p>(c) Reprinting of Brochures -Generic Motheo Brochure</p> <p>-Created a strong link and relations with the Netherlands, German and Italian Bilateral Trade commissions</p> <p>-have good contacts with Asian and the Middle East Embassies during the ASEAN and N. Cape Trade Expo</p>

Output	Municipal Performance Indicators	Baseline	Service Delivery Targets 2006/2007	Status 1 July 06 to 31 Dec 07	Status 1 January 07 to 30 June 07
				conference in Cape Town- GM: Tourism and the SED: Economic Dev& planning	
LED3.1.2	Events tourism promotion	Well coordinated events annual calendar	Annual Events calendar updated Events supported as per calendar of events	ACHIEVED Supported the hosting of events with advertisements and payments of service providers The following were assisted: (a) Wings and Wheels Expo[July] (b) Caledon 400race[Sept], (c) Heritage Month and Tourism Month celebrations Sep 06 Supported	ACHIEVED Supported Claerhout Festival[Excelsior Feb] and Maria Moroka Festivals[ThabaNchu Easter]
LED3.1.3	Promote heritage tourism (continuous)	A heritage tourism brochure, DEAT Poverty relief programme[signage] to complement overall promotion of sites	Continuous	ACHIEVED (a) Sponsored the printing of 30 000[Sesotho, English and Afrikaans] heritage brochures of the National Museum (b) Database of all sites completed in December 2006 text to be utilized for printing of a heritage brochure. Database collated by Hentiq [DEAT signage Implementing Agent] (c) Installation of tourism	ACHIEVED Museum Focus Week supported. Claerhout Festival supported

Output	Municipal Performance Indicators	Baseline	Service Delivery Targets 2006/2007	Status 1 July 06 to 31 Dec 07	Status 1 January 07 to 30 June 07
				signs by Hentiq starts in February 2007 In process: Feb-June 2007: (d) Support to the Museum Focus Week in partnership with the Bfn Museum	
LED3.2.1	Lend more support to existing local tourism forum	Local tourism forum supported	Support given to existing local tourism forum	Mantsopa Forum maintained, Naledi interim supported. Mangaung Tourism's AGM held in Nov 2006	ACHIEVED Forums supported and sustained
LED3.2.2	Promotion of rural tourism route	An established rural route in Mantsopa and a brochure compiled	Brochure and establishment of the rural route completed by June 30/6/2007	ACHIEVED (a) The rural tourism route was established in May 2006, Text for brochure was collated and completed by September 2006 (b) AgriTV has declared an interest of exploring the Ladybrand Agritourism places.	ACHIEVED -AgriSA held several meetings with farmers regarding the promotion of rural tourism routes -Mantsopa Local Tourism forum hosted a 2 days tour in May 2007 which incorporated the rural tourist sites
LED3.2.4	Aftercare support to PDI tourism initiatives	Proper coordination and support of DEAT projects funded in 2004/5 and 2005/6	A list of supported and submitted projects completed and submitted to the Section 80 Committee	(a) Project Advisory /Steering Committees were established by October for all 2004/5 4 projects [Barolong cultural village, Soetdoring Eco Park, Tourism Signage & Disability Centre at APD. Projects are running	ACHIEVED - Identification of projects and beneficiaries by Local Municipalities- completed by 28 February 2007 and 30 applications submitted-

Output	Municipal Performance Indicators	Baseline	Service Delivery Targets 2006/2007	Status 1 July 06 to 31 Dec 07	Status 1 January 07 to 30 June 07
				<p>(b) Application forms from National Dept of Tourism were received in November 2006 and sent to LMs.</p> <p>A Cluster meeting with interrelated meeting held with interrelated MDM GM's from IGR, LED, EPWP, IDP, Health and Environment and Disaster Management and Special Programmes Coordinators</p> <p>(e) A road show regarding the identification and confirmation of projects at Local Municipalities</p> <p>(f) meetings from the Provincial Projects Manager for all project advisory committees held</p>	<p>-Provisionally approval grants of possible projects to the tune of R30m by May 2007 by DEAT</p> <p>-Tourism EPWP Report presented to the FS and the National Assembly Joint Public Works Portfolio Committees</p>
LED3.2.5	Establish Amakhaya Home Stay Programme	Develop an awareness campaign for Establishment of Amakhaya	Awareness programme formulated	Meetings to be held with Mangaung Local Municipality and FSTA Apparently the two other institutions are interested in the establishment of the programme, however	ACHIEVED An Awareness Programme adopted by the Sec80 Committee : Tourism and LED and the SED

Output	Municipal Performance Indicators	Baseline	Service Delivery Targets 2006/2007	Status 1 July 06 to 31 Dec 07	Status 1 January 07 to 30 June 07
				means of avoiding duplications are explored	

Output	Municipal Performance Indicators	Baseline	Service Delivery Targets 2006/2007	Status 1 July 06 to 31 Dec 07	Status 1 January 07 to 30 June 07
				activities/ awareness campaigns.	

STRATEGY: HIV1.2 IMPROVE NUTRITION OF PEOPLE

Output	Municipal Performance Indicators	Baseline	Service Delivery Targets	Status 1 July 06 to 31 Dec 07	Status 1 January 07 to 30 June 07
HIV1.2.1	Facilitate the establishment of food gardens	Launching of food gardens	300 individual families will receive plants to establish food gardens in three local municipalities	<ul style="list-style-type: none"> o Consultation done with the Department of Agriculture and the requirements is that a proposal has to be submitted with evidence of beneficiaries o Stakeholder meeting held with Naledi & Mantsopa Local Municipalities in Dec 2006 o Identification of beneficiaries to be finalised in Feb 2007 o The project will be finalised by June 2007 	PARTLY ACHIEVED. The Department of Agriculture has been consulted and a range of other meetings are still to take place to ensure full implementation of the program. More families would be identified to benefit from the program.

STRATEGY: HIV1.3 TO PLAN TIMEOUSLY FOR THE POTENTIAL IMPACT OF HIV/AIDS IN THE DISTRICT

Output	Municipal Performance Indicators	Baseline	Service Delivery Targets 2006/2007	Status 1 July 06 to 31 Dec 07	Status 1 January 07 to 30 June 07

Output	Municipal Performance Indicators	Baseline	Service Delivery Targets 2006/2007	Status 1 July 06 to 31 Dec 07	Status 1 January 07 to 30 June 07
HIV1.3.1	Develop HIV/AIDS Plan	Approved Workplace Policy Approved HIV/AIDS District Strategy	Launch the policy by March 2007 District Strategy to be developed once the Province has adopted the Provincial Strategy	Draft policy served in the joint Section 80 Special Programmes & Corporate Services & Governance, awaiting council approval in Feb 2007 National Government has announced (Jan 2007), that the Strategy will be approved soon, therefore Provinces will develop the Provincial Strategy guided by the National Document. The District will then develop its own strategy guided by the Provincial Strategy.	ACHIEVED. The District Plan of Action has been developed in consultation with the District and Local Aids Councils and stakeholders such as the Department of Health and non-governmental organization. The Plan is to tabled before the Section 80 Committee and Mayco for adoption

STRATEGY: ASSIST LOCAL MUNICIPALITIES AND DoH TO RENDER EFFICIENT AND EFFECTIVE HEALTH SERVICES

Output	Municipal Performance Indicators	Baseline	Service Delivery Targets	Status 1 July 06 to 31 Dec 07	Status 1 January 07 to 30 June 07
ENV1.6.1	Promotion of hygienic working and living environment	Facilitate workshops of OHS and OHSA .	Health and safety committee launch by March 2007	In progress	NOT ACHIEVED
ENV1.6.2	Identify pollution and living environment	Encourage community participation	Distribute material	In progress	NOT ACHIEVED
ENV1.6.3	Conduct Environmental Impact Study	assessment reports on all the infrastructural projects	Ensure compliance on relevant legislations by February 2007	In progress	NOT ACHIEVED

Output	Municipal Performance Indicators	Baseline	Service Delivery Targets	Status 1 July 06 to 31 Dec 07	Status 1 January 07 to 30 June 07
ENV1.6.4	Promote Clean and Safe Air	Environmental health management	Locals to submit reports. Education to community members on Air pollution by April 2007.		ACHIEVED. Reports submitted by locals on clean and safe air ACHIEVED. Naledi funded to hold workshops. Projects sites visited to ensure compliance (legislation)

STRATEGY: TO EFFECTIVELY IMPLEMENT ENVIRONMENTAL HEALTH FUNCTION

Output	Municipal Performance Indicators	Baseline	Service Delivery Targets 2006/2007	Status 1 July 06 to 31 Dec 07	Status 1 January 07 to 30 June 07
ENV2.1.1	Planning and budgeting for Environmental Services	Influence the budgeting process	Signing of service level agreement by March 2007	In Progress	ACHIEVED Funds transferred to locals, Naledi, Mangaung and Mantsopa in progress.
ENV2.1.2	Launch nine environmental forums (three per LM)	Environmental forums launched	Environmental forums launched	In Progress	PARTLY ACHIEVED. In progress – to be undertaken at local level MDM to support and co- ordinate
ENV2.1.1	Apply World Health Organization (WHO) Measures	Ensure compliance	Site inspection in areas to ensure compliance with legislation and WHO	In Progress	PARTLY ACHIEVED. To be undertaken at local level. MDM to

Output	Municipal Performance Indicators	Baseline	Service Delivery Targets 2006/2007	Status 1 July 06 to 31 Dec 07	Status 1 January 07 to 30 June 07
			standards		support and co-ordinate
ENV2.1.2	Identify vectors and their habits and breeding places	Vectors identified	Vectors identified	In Progress	ACHIEVED Locals submitted reports

4.5.4 CLEAN AND HEALTHY ENVIRONMENT

STRATEGY ASSIST LM AND DoH TO RENDER EFFICIENT AND EFFECTIVE HEALTH SERVICES

Output	Municipal Performance Indicators	Baseline	Service Delivery Targets for 2006/2007	Status	Status 1 January 07 to 30 June 07
ENV1.1	Improve services rendered at the clinics	Survey –Develop a questioner form	Report on the status of our clinics	In Progress	ACHIEVED Report on state of clinics submitted
ENV1.1.1	Identify and communicate shortcomings identified with service rendered clinics	Intervention programme	Hygiene /Health awareness programme	In Progress	PARTLY ACHIEVED Situational analysis undertaken in Mantsopa – Naledi to follow
ENV1.1.2	To assist the FSPG and LMs with improving health service	Make a submission for budget for purchasing equipment for rural clinics	Successfully motivated for funds to purchase essential equipment for rural clinics	In Progress	PARTLY ACHIEVED. Situational analysis to be conducted in I locals to

					identify shortcoming and budget accordingly
ENV1.2.	Establish District Health Council	Full functional structure	Meeting and reports of DHC	In Progress	ACHIEVED. Launched and functional
ENV1.2.1	Launch DHC as per the provisions of National Health Act 66, of 2004	Fully functional structure Reports of DHC meeting to be submitted.	Launched DHC		ACHIEVED. Launched
ENV1.2.2	Support and service community structure (ward committees Clinic Communities)	Support programmes of DoH. Participate in Health campaign	Report submitted	Preparation for clinic committee workshop underway	PARTLY ACHIEVED. To be conducted by end April
ENV1.2.3	Support Health Awareness Campaigns (Health days e.g. Cancer Week, Tobacco Week and Immunization Campaigns, HIV/AIDS Week	Support programmes of DoH. Participate in Health campaign	Activities attended.	ACHIEVED – campaigns attended -	ACHIEVED. Completed
ENV1.3	Clean and Healthy environment				
ENV1.3.1	Roll out community	Education	Workshop held on	Projects to be	NOT

	training through volunteers trained by MDM	conducted	environment Education to community members Door to door conducted Education given through the media	undertaken at local level – funds to be transferred - end of the month	ACHIEVED
ENV1.3.2	Purchase a recycling equipment in Mantsopa or Naledi as a Pilot Project	Recycling project initiated. Liaise with stakeholders	Visibility study conducted. Pilot project launched 30 th by June	Projects to be undertaken at local level – funds to be transferred - end of the month- MDM to support and co-ordinate	NOT ACHIEVED
ENV1.3.3	Train volunteers on water conservation and safe water drinking	Training of communities and councillors on water conversation	No of training conducted on water conversation and safe water drinking	Projects to be undertaken at local level – funds to be transferred - end of the month	NOT ACHIEVED
ENV1.3.4	Assist organised groups in communities to grow rose gardens and develop community parks	Support to NGO and CBO's	Support 1 NGO, CBO annually	no budget allocation for current financial year to be undertaken at local level MDM to support and co-ordinate	NOT ACHIEVED
ENV1.3.6	Implement Polokoane Declaration	Meet target	Ensure that Motheo is informed on Polokoane declaration. Education of councillors and staff members. Benchmark on Municipalities that have	- in progress preparation for environmental health workshop for Councillors before may 2007	NOT ACHIEVED

			implemented the programme, Durban etc		
ENV1.4	Regulate the management of dumping sites	Reinforce bi laws	Education to community members on environment through media and door to door by May 2007	ACHIEVED – contained in reports by locals	ACHIEVED. Completed
ENV1.4.1	Covert dumping areas into community parks	Dumping sites turned to Community parks.	No of dumping areas converted into community parks	MDM to support and co- ordinate	PARTLY ACHIEVED. In progress
ENV1.4.2	Facilitate cleaning campaigns	Lobby funds stakeholders	Progress reports submitted to SED	no budget allocation for current financial year project to be undertaken at local level MDM to support and co- ordinate	Not ACHIEVED
ENV1.4.3	Establish and Promote buy back centres in communities	Visibility study on pilot project	Report submitted to SED on progress made	- one established in Botshabelo	ACHIEVED
ENV1.5	Greening of environment	Planting of tress in all areas around Motheo District	No of tress planted in all the towns	- no allocation for current financial year	NOT ACHIEVED
ENV1.5.1	Developing community parks	Communication with locals on developing community parks	No of community parks developed Report to the SED on progress	ACHIEVED community parks is their core	ACHIEVED
ENV1.5.2	Participate in Provincial environment	Effective support provided	No of activities attended and supported	Provincial activities attended and	ACHIEVED. Provincial

				supported	activities attended and supported
ENV1.6	Environmental Pollution Control	Education campaign	Report submitted	Preparations for community workshops at local level	PARTLY ACHIEVED. In progress
ENV1.6.1	Promotion of hygienic working and living environment	Educational campaign Health and safe environment.	Health and safety committee launched by March 2007	Preparations for community workshops at local level.	NOT ACHIEVED
ENV1.6.2	Identify pollution and living environment	Adherence to applicable legislation Promote healthy environment	Assessment reports to SED. No of awareness campaign /education to community members by April 2007	Preparation with locals on awareness campaign MDM to support and co-ordinate	NOT ACHIEVED
ENV1.6.3	Conduct Environmental Impact Study	Study on all technical projects	Assessment study reports. Re submit Motheo District Municipality waste management plan by February 2007	In progress	NOT ACHIEVED
ENV1.6.4	Promote Clean and Safe Air	Air quality management strategy	Submit reports. Education to community members on Air pollution and related topics by April 2007 .	Preparations for community workshops at local level MDM to support and co-ordinate	NOT ACHIEVED

STRATEGY TO EFFECTIVELY IMPLEMENT ENVIRONMENTAL HEALTH FUNCTION

Output	Municipal Performance Indicators	Baseline	Service Delivery Targets for 2006/2007	Status	Status 1 January 07 to 30 June 07
ENV2.1	Establish Environmental Health Unit	Fully established unit	Environmental health co – coordinator and Primary Health co – coordinator appointed	In Progress	ACHIEVED
ENV2.1.1	Planning and budgeting for Environmental Services	Transfer of service	Signing of service level agreement by March 2007	In Progress	ACHIEVED. Transferred funds to local municipalities rendering Environmental health services.
ENV2.1.2	Launch nine environmental forums (three per LM)	Structure launched	Reports on status environmental forums.	In Progress	ACHIEVED. Funds transferred to local municipalities
ENV2.1	Vector Monitoring and Control	Identify areas of concern	Implement Prevention	In Progress	ACHIEVED. Reports submitted by locals.
ENV2.1.1	Apply World Health Organisation (WHO) Measures	Ensure compliance	Site inspection in areas to ensure compliance with legislation and WHO standards	In Progress	ACHIEVED

ENV2.1.2	Identify vectors and their habits and breeding places	Continuous monitoring	Reports to the SED	In Progress	ACHIEVED
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CHAPTER TWO: KPA Three

2.3 GOOD CORPORATE GOVERNANCE

CORPORATE SERVICE

OBJECTIVE: CS1 – To promote institutional excellence that is responding to role players’ needs

Strategy: CS1.1 – To ensure that Scheduled Council meetings take place

Output	Municipal Performance Indicators	Baseline	Service Delivery Targets for 2006/07	Status 1/1 – 30/6/2006	Status 1 January 07 to 30 June 07
CS1.1.1	Meetings convened quarterly and special meetings when necessary	Adhere to Council annual programme	Convene Council and Committee meetings in compliance with the relevant legislative provisions.	All meetings were convened.	All meetings were convened accordingly
CS1.1.2	Short and concise agendas and minutes of meetings compiled	Timeous Council agendas and minutes.	To prepare quality agendas and minutes for Council that are distributed on time.	ACHIEVED	ACHIEVED
CS1.1.3	Item content improved which is tabled to council	Develop standard reporting formats to Portfolio Committee, MAYCO and Council and develop a register	A standard council submission format to be implemented to improve the quality of submissions.	ACHIEVED A standard council submission format has been implemented	ACHIEVED MDM’s culture to follow the standard format Mayco and Council resolutions are compiled

		for the execution of resolutions (once off and benchmark with other municipalities.			and safely kept.
CS1.1.4	Council/MAYCO resolutions effective and timeously implemented	To implement all Council and MAYCO resolutions.	Maintain resolution register and assigning responsibilities Monitor implementation of council resolutions Regular reporting to Mayoral Committee	In progress	ACHIEVED Resolutions were implemented within this period
CS1.1.5	Effectiveness of council committees monitored	Effective council committees	Effective council committees	In progress. Committees are functioning effectively.	ACHIEVED Processes in preparation of these meetings are administratively followed
CS1.1.6	Councillor support services offered	Effective support to councillors	Appointment of councillor support personnel and to provide an effective and efficient support service to the councillors	Support offices established.	ACHIEVED Mayco Secretaries are supervised by GM – Admin, Head :Executive Mayor, and Senior Secretariat Officer

Strategy: **CS1.2– To ensure an effective MAYCO system**

Output	Municipal Performance Indicators	Baseline	Service Delivery Targets for 2005/06	Status 1/1 – 30/6/2006	Status 1 January 07 to 30 June 07
CS1.2.1	Authority delegated to MAYCO to take decision on behalf of council and to make	To ensure that MAYCO has the authority to take decisions and to	To implement a System of Delegation for the municipality.	System of delegation developed and implemented by Council.	ACHIEVED

	recommendations to council on issues not decided upon or delegated				
CS1.2.2	Regular MAYCO meetings held	To ensure that MAYCO holds regular meetings.	A year programme for MAYCO meetings established	A programme developed at the beginning of each year.	All meetings scheduled for this period took place (GM – ADMIN)
CS1.2.3	Capacity building programmes implemented for MAYCO members	To ensure the building of the capacity of councillors.	To implement a capacity building programme.	In progress.	ACHIEVED MAYCO members attended capacity building programmes

Strategy: CS1.3 – To ensure functional committees of council

Output	Municipal Performance Indicators	Baseline	Service Delivery Targets for 2006/2007	Status 1/1 – 30/6/2006	Status 1 January 07 to 30 June 07
CS1.3.1	Effective section 80 committee system to support MAYCO	Effective section 80 committee support system.	Adhere to the year programme Monitor notification of meeting and compilation of agenda	Effective section 80 committee support system achieved.	ACHIEVED All meetings scheduled for this period took place (GM – ADMIN).
CS1.3.2	Functional Sec 79 (Audit Committee)	Functional Audit Committee.	To have an Independent Audit Committee to advise the council on its management and financial control mechanisms	Independent Audit Committee functional	PARTLY ACHIEVED New members to be appointed to serve on the committee.

Strategy: CS1.4 – To enhance political, administrative and labour relations and improve motivation of workforce

Output	Municipal Performance Indicators	Baseline	Service Delivery Targets for 2006/07	Status 1/1 – 30/6/2006	Status 1 January 07 to 30 June 07
CS1.4.1	Functional LLF	To enhance	To convene regular	LLF functional	NOT ACHIEVED

		labour relations	meetings and to submit recommendations to Council		During this period LLF did not have meetings.
CS1.4.2	Develop clear roles and responsibilities for political structures, office-bearers and administration	To identify the relevant roles and responsibilities of councillors and employees	The implementation of a System of Delegation. To implement job descriptions for all employees. To identify the portfolio committees that all councillors will serve on.	Relevant roles and responsibilities of councillors and employees identified.	ACHIEVED Job Descriptions are legal documents clarifying on roles and responsibilities. 46 JDs currently have been signed.
CS1.4.3	Enforce codes of conduct	To ensure that councillors and employees comply with the relevant codes of conduct.	To provide all councillors and employees with the relevant codes of conduct.	Councillors and employees provided with codes of conduct.	ACHIEVED Disciplinary hearings, Basic Conditions of Employment Codes of Conduct as per Municipal Systems Act
CS1.4.4	Improve professionalism of employees	To focus on the professionalism of employees.	To arrange sessions to train all employees on professionalism and customer relations	In progress.	ACHIEVED No clear standards as set by MDM currently indicating on professionalism, use of Code of conduct indicated in Municipal Systems Act
CS1.4.5	Improve motivation of workforce	Improved motivation of employees	To arrange regular meetings to motivate and to listen to the concerns of employees. To arrange team building sessions for employees.	In progress. Regular meetings to motivate employees being held.	ACHIEVED Capacity Building Programme. Within this period 45 were trained from different Directorate.
CS1.4.6	Adopt a good governance charter	To ensure good governance	To develop and implement a good	In progress	ACHIEVED Refer to CS 1.4.3

			governance charter.	
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CS1.5 – Develop of procedural prescripts

Output	Municipal Performance Indicators	Baseline	Service Delivery Targets for 2006/07	Status 1/1 – 30/6/2006	Status 1 January 07 to 30 June 07
CS1.5.1	All policies developed and implemented to ensure an effective administration	Draft, maintain and regularly update all the MDM's policies.	To identify, develop and submit draft policies to the Council based on the needs of the institution.	The following policies have been adopted by Council: Employment Policy Policy on Overtime Remuneration Policy on Stadium Suite Procedure for Travel Arrangements Technology Usage Policy Supply Chain Management Policy Procurement Policy Customer Care Policy Smoking Policy	ACHIEVED. Policies developed, adopted and implemented.

Strategy: CS1.5 – Develop of procedural prescripts

Output	Municipal Performance Indicators	Baseline	Service Delivery Targets for 2006/07	Status 1/1 – 30/6/2006	Status 1 January 07 to 30 June 07
CS1.5.1	All policies developed and implemented to ensure an effective administration	Draft, maintain and regularly update all the MDM's policies.	To identify, develop and submit draft policies to the Council based on the needs of the institution.	The following policies have been adopted by Council: Employment Policy Policy on Overtime Remuneration Policy on Stadium Suite Procedure for Travel Arrangements Technology Usage Policy Supply Chain Management Policy Procurement Policy Customer Care Policy Smoking Policy	ACHIEVED The following policies have been adopted by Council: Employment Policy Policy on Overtime Remuneration Policy on Stadium Suite Procedure for Travel Arrangements Technology Usage Policy Supply Chain

					Management Policy Procurement Policy Customer Care
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Strategy: CS1.6 – To have an operational performance management system

Output	Municipal Performance Indicators	Baseline	Service Delivery Targets for 2006/07	Status 1/1 – 30/6/2006	Status 1 January 07 to 30 June 07
CS1.6.1	The performance of the municipality monitored	Signing of performance agreement by the senior management with the Municipal Manager.	Senior management to sign performance agreement so as to enable monitoring of municipality performance through Senior management assessment.	Senior management signed performance agreement so as to enable monitoring of municipality performance through Senior management assessment. <i>- Busy with the development of performance agreement of all General Managers by mid April 2006, except Finance department</i>	ACHIEVED NOT ACHIEVED

Strategy: CS1.7 – To provide an effective reprographics and archive system to the institution

Output	Municipal Performance Indicators	Baseline	Service Delivery Targets for 2006/07	Status 1/1 – 30/6/2006	Status 1 January 07 to 30 June 07
CS1.7.1	To provide effective reproduction of documentation service to the institution	Effective reproduction service.	Reproduction of council and committee agendas and minutes. Sending, receiving	Effective reproduction service ACHIEVED	ACHIEVED General Manager was appointed on 01 June 2006. Reproduction of Agenda

			and distribution of faxes.		and minutes of Section 80 Committees, Mayco, and Council has been perfect.
CS1.7.2	To provide an effective archive and filing system to the institution	Effective document management system.	To implement and maintain a filing system for the institution	In progress	ACHIEVED A service provider was appointed for the filing system in May. Staff were trained on filing system and to continue with implementation of filing system

Strategy: CS1.8 – To provide auxiliary services to the institution

Output	Municipal Performance Indicators	Baseline	Service Delivery Targets for 2006/07	Status 1/1 – 30/6/2006	Status 1 January 07 to 30 June 07
CS1.8.1	Provide effective cleaning services to the institution	Effective cleaning services	To ensure that all offices, corridors, staircases etc are clean at all times.	Effective cleaning services ACHIEVED	ACHIEVED Four additional office assistants were appointed in April. The contract of the service provider responsible for toilets was renewed. Cleaning is a routine work.
CS1.8.2	To attend to the general maintenance of the building	Effective maintenance of building	To report all relevant defects to the Landlord To arrange for repairs where repairs are needed.	In progress	PARTLY ACHIEVED Building is not conducive generally. Leakages around June affected the storeroom and GM IGR's office, and photo copy room. Facility Manager keeps reporting defects to the landlord eg air conditioners, lights, toilets. Forwarded to the landlord.
CS1.8.3	To control and	Proper control of	To regularly monitor	In progress	ACHIEVED

	monitor all council vehicles	Council vehicles	and control all council vehicles. To ensure that the provisions of the official vehicle policy are adhered to.		Corporate Services deals with service of vehicles, registration of the vehicles, maintenance of good condition of cars, repairs when needs be.
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Strategy: *CS1.9 – Restructuring of the organisation in line with IDP*

Output	Municipal Performance Indicators	Baseline	Service Delivery Targets for 2006/07	Status 1/1 – 30/6/2006	Status 1 January 07 to 30 June 07
CS1.9.1	Existing personnel placed according to revised structure.	Placement of personnel.	Placement of personnel according to revised structure.	All personnel placed.	ACHIEVED Placement always takes place accordingly (report available).
	Improve ability to manage and execute projects of LMs that are funded by MDM	Management and execute projects of LMs as funded by MDM	Management and execute projects of LMs as funded by MDM	In progress	PARTLY ACHIEVED

Strategy: *CS1.10 – Clear job descriptions*

Output	Municipal Performance Indicators	Baseline	Service Delivery Targets for 2006/07	Status 1/1 – 30/6/2006	Status 1 January 07 to 30 June 07
CS1.10.1	Job descriptions in TASK format updated	107 posts	107 posts	All job descriptions updated in TASK format	ACHIEVED All Job Descriptions are updated, only 5% i.e 7 not updated, EPWP and SEDs'. 46 JDs signed.

Strategy: *CS1.11 – HR Policies development and implementation: Employment Equity, Workplace Skills Plan, etc.*

Output	Municipal Performance Indicators	Baseline	Service Delivery Targets for 2006/07	Status 1/1 – 30/6/2006	Status 1 January 07 to 30 June 07
CS1.11.1	The development & implementation of the HR policies monitored	Monitor development & implementation of the HR policies	Monitor development & implementation of the HR policies	In progress	ACHIEVED Employment policy –rules and processes are always followed Overtime Remuneration – processes are followed Smoking – never received any complaints of deviation by anybody regarding this policy.

Strategy: CS1.12 – Skills development programme

Output	Municipal Performance Indicators	Baseline	Service Delivery Targets for 2006/07	Status 1/1 – 30/6/2006	Status 1 January 07 to 30 June 07
CS1.12.1	Continuous skills development programmes implemented	Implement continuous skills development programmes.	Implement continuous skills development programmes.	In progress	ACHIEVED MDM has been capacitating its staff according to relevant programmes. 45 people capacitated (report available).
CS1.12.2	Migration policy implemented	Implement migration policy.	Implement migration policy.	In progress	NOT ACHIEVED
CS1.12.3	Bursary scheme implemented	Implement bursary scheme	Bursary scheme approved and implemented.	In progress	PARTLY ACHIEVED Bursary Scheme was never implemented. In 2005, it was stopped to comply with MFMA. This will be implemented once MDM has audited the skills of the staff, and the Study Assistance Policy is

					adopted by the Council.
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Strategy: **CS1.13 – Implementation of Conditions of Services**

Output	Municipal Performance Indicators	Baseline	Service Delivery Targets for 2006/07	Status 1/7 - 31/1 – 30/6/2006	Status 1 January 07 to 30 June 07
CS1.13.1	To ensure that HR practices are inline with collective agreements entered into by parties to the SALGBC	HR practices are inline with collective agreements	HR practices are inline with collective agreements	In progress	<p>ACHIEVED</p> <p>There is compliance with practices that are in line with collective agreements entered into by parties to the SALGBC.</p> <ul style="list-style-type: none"> • Change of leave days from 21 – 24 according to the new agreement. MDM complies. • Basic conditions of Employment • Working hours and payment of allowance, MDM implements according to SALGBC Agreement.
CS1.13.2	Current HR Systems in line with agreed collective agreements	HR Systems in line with agreed collective agreements	HR Systems in line with agreed collective agreements	In progress	<p>ACHIEVED</p> <p>There is compliance with practices that are in line with collective agreements entered into by parties to the SALGBC.</p> <p>Change of leave days from 21 – 24 according to</p>

					the new agreement. MDM complies. Basic conditions of Employment Working hours and payment of allowance, MDM implements according to SALGBC Agreement.
CS1.13.3	Career and success planning system implemented	Implemented Career and success planning system	Implemented Career and success planning system	In progress	NOT ACHIEVED Not yet implemented – not budgeted for. Currently, MDM is doing skills audit, and career planning to follow. Policy to be forwarded to S80
CS1.13.4	Maintain sound HR practices	HR practices maintained	HR practices maintained	In progress	ACHIEVED Comply, implement, and monitor HR practices.

Strategy: **CS1.14 – Implementation of the EPAS**

Output	Municipal Performance Indicators	Baseline	Service Delivery Targets for 2006/07	Status 1/1 – 30/6/2006	Status 1 January 07 to 30 June 07
CS1.14.1	HR Committee operational	Establishment of HR Committee	Establishment of HR Committee to conduct quarterly reviews	In progress	ACHIEVED In the absence of the PMS for junior staff, MDM implemented according to the LLF agreement, that is, consideration of individual notch increase.

Strategy: CS1.15 – Make subscriptions ensuring that the Municipality is up to date with latest legal information at any time

Output	Municipal Performance Indicators	Baseline	Service Delivery Targets for	Status 1/1 – 30/6/2006	Status 1/1 – 30/6/2006
CS1.15.1	Make subscriptions ensuring that the Municipality is up to date with latest legal information at any time	3 x journals	Have all subscriptions renewed	ACHIEVED – all subscriptions renewed	ACHIEVED All subscriptions renewed : LG Bulletin; SA Local Government Briefing; ESR Review, and Quarterly Legal Review; Juta Statutes of South Africa
CS1.15.2	Develop, implement, update and circulate Municipal code	Develop Municipal Code	Place invitation advertisement for service providers	Roster system policy adopted by Council to regulate the appointment of service providers. Advertisement inviting service providers to be placed.	ACHIEVED. Service Provider was appointed. Draft By-Laws are available. Draft By-laws to be presented before the MDM Council.
CS1.15.3	Roster of legal firms maintained	Roster system policy	Roster system policy	Policy developed, recommended by section 80 committee and approved by Council	ACHIEVED. Approved submission inviting firms of attorneys to register on the MDM roster. Advertisement was placed and a submission was forwarded to MM's office for approval. MDM is working according to the

					existing data base.
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Strategy: **CS1.16 – Compile & Implement Legal Support Policies**

Output	Municipal Performance Indicators	Baseline	Service Delivery Targets for 2005/06	Status 1/1 – 30/6/2006	Status 1 January 07 to 30 June 07
CS1.16.1	Legal Support Policy	Protocol of legal services policy	Protocol of legal services policy	Policy developed, recommended by Section 80 committee, approved by Council, implemented & circular placed on the notice board.	ACHIEVED. Two legal policies were submitted and approved by the Council. <ol style="list-style-type: none"> 1. Guidelines on appointment of attorneys 2. Protocol of legal services

Strategy: **CS1.17 – Effective Communication Policy**

Output	Municipal Performance Indicators	Baseline	Service Delivery Targets for 2006/07	Status 1/1 – 30/6/2006	Status 1 January 07 to 30 June 07
CS1.17.1	Implementation of Communication Policy	Communication policy implementation	Develop an implementation plan	Distribution of copies to all relevant stakeholders. Policy published on intranet. Establish district communication forum. Approval obtained from Council	ACHIEVED A briefing was done to the section 80 head. Awaiting a date from office of the Executive Mayor for finalization
CS1.17.2	Establish clear communication training programme	Train councillors and officials	Training report	Service provider identified. Training programme is being developed.	ACHIEVED UNISA was appointed to provide the

					training. Employees were trained and received accredited certificates. Clrs were left out on the basis that they had just received training by SALGA
CS1.17.3	Publication of newsletter	Newsletter published	Four Newsletter designed and published	Gathered and compiled information from other departments. Editorial committee established. Distributed of copies to all towns of MDM	ACHIEVED All four issues done and processed by Editorial Committee
CS1.17.4	Update website	Website information up to date	Website information up to date	Sent e-mails to departments for events/information. Information from departments received every Monday before 12h00. Communicated information to ICT Unit	ACHIEVED E-mails are sent to all departments every Monday. Information received is communicated to ICT Unit

Strategy: CS1.18 – Effectively showcasing MDM

Output	Municipal Performance Indicators	Baseline	Service Delivery Targets for 2006/07	Status 1/1 – 30/6/2006	Status 1 January 07 to 30 June 07
CS1.18.1	Embark on continuous road shows	Road shows	High level of civic	In progress	ACHIEVED

		conducted	engagement. Promote inter-municipal programmes		Two roadshows were conducted focusing on budget and infrastructural projects
CS1.18.2	Develop and implement media strategy	Media strategy developed	Media strategy developed	In progress. Strategy recommended to section 80. Strategy to serve before council. Strategy to be implemented and published on intranet	PARTLY ACHIEVED Strategy deferred for refinement
CS1.18.3	Corporate branding strategy	Corporate branding strategy developed	Strategy adopted and implemented	In progress. Strategy recommended to section 80. Strategy to serve before council. Strategy to be implemented and published on intranet	PARTLY ACHIEVED A process plan developed since the item was not budgeted for

Strategy: **CS1.19 – Effective Language Policy**

Output	Municipal Performance Indicators	Baseline	Service Delivery Targets for 2006/07	Status 1/1 – 30/6/2006	Status 1 January 07 to 30 June 07
CS1.19.1	Implement Language Policy	Language Policy Implemented	Language Policy Implemented	In progress	PARTLY ACHIEVED In terms of rule 74 of the Standing Rules and Orders of the municipality the

					<p>council must at its first meeting after a general election for councillors review the language policy of the municipality in terms of rule 77.</p> <p>The policy was submitted to Council, but the item was deferred.</p> <p>The Motheo District Municipality recognised and accepted the linguistic diversity of the Municipality and has adopted English, Sotho and Afrikaans as official municipal languages. A submission served before the relevant Section 80 Committee in which certain recommendations were made to amend the policy.</p>
CS1.19.2	Develop & Implement Translation & Interpretation Systems	Translation & Interpretation systems developed and	Translation & Interpretation systems developed and implemented	In progress	ACHIEVED

		implemented		
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Strategy: CS1.20 – Provide Effective District-wide IGR & MIR

Output	Municipal Performance Indicators	Baseline	Service Delivery Targets for 2006/07	Status 1/1 – 30/6/2006	Status 1 January 07 to 30 June 07
CS1.20.1	Develop IGR Policy/Strategy	1 x IGR Policy developed	IGR Policy Developed	15% completed – In progress	ACHIEVED Completed
CS1.20.2	Establish and maintain District IGR Forum	Operational DIGR Forum	DIGR Forum established	Establishment DIGR Forum approved by Council. Forum to be launched in March 2006	ACHIEVED Completed
CS1.20.3	Proper protocol logistical arrangements for visits	Enforce protocol and logistical arrangements	Enforce logistical arrangements	In progress	ACHIEVED Completed
CS1.20.4	Provide support as to promote district as attractive location for investment & tourism	Support provided to promote District	Support provided to promote District.	Joint promotion of investment with Tourism: <ul style="list-style-type: none"> o Two Nations Festival o Joint MDM, Lesotho tour 	PARTLY ACHIEVED
CS1.20.5	Establish project partnerships through UCLGA	Project partnership established.	Partnership established in consultation with SALGA	Joint project partnerships: <ul style="list-style-type: none"> o Participation in SALGA o Participation in Premiers Coordinating Committee. o National Task team on Transfrontier Intermunicipal Forum 	NOT ACHIEVED
CS1.20.6	Enable and support LMs to perform	LMs supported	LMs supported to	In progress	ACHIEVED

	their mandates	to perform their mandates	perform their mandates		Continuous
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Strategy: *CS1.21 – Consistently achieve a high level of civic engagement*

Output	Municipal Performance Indicators	Baseline	Service Delivery Targets for 2006/07	Status 1/1 – 30/6/2006	Status 1 January 07 to 30 June 07
CS1.21.1	High level of civic engagement	High level of civic engagement	High level of civic engagement	Public participation strategy approved by Council.	ACHIEVED

Strategy: *CS1.22 – MDM performs mandate*

Output	Municipal Performance Indicators	Baseline	Service Delivery Targets for 2006/07	Status 1/1 – 30/6/2006	Status 1 January 07 to 30 June 07
CS1.22.1	Ensure that MDM performs its statutory mandate	Statutory mandate performed	Develop document on role clarification	Document on role clarification developed and sent to LMs for inputs.	ACHIEVED Document on role clarification of District Municipalities was developed by Legal Unit. Interpretation of Section 78 of the Municipal Systems Act of 2000 (Legal Unit)

Strategy: *CS1.23 – To improve internal security services*

Output	Municipal Performance Indicators	Baseline	Service Delivery Targets for 2006/07	Status 1/1 – 30/6/2006	Status 1 January 07 to 30 June 07
CS1.23.1	Security policy developed and implemented	Develop and implement security policy	Develop and implement security policy	In progress. Presentation by NIA on MISS	ACHIEVED General Manager: Risk was appointed (01 June 2006), and a security threat analysis was done. Draft policy still needs to be approved by the Council

Strategy: CS1.24 – To reduce incidents of crime

Output	Municipal Performance Indicators	Baseline	Service Delivery Targets for 2006/07	Status 1/1 – 30/6/2006	Status 1 January 07 to 30 June 07
CS1.24.1	Internal crime cases investigated and reported	All crime cases investigated and reported	All crime cases investigated and reported	In progress. Position of GM: Security and Risk Management to be filled	ACHIEVED Crimes were reported and investigated and suspects were apprehended <ul style="list-style-type: none"> 1. During the movement of the people to Provideamus Building, computers were stolen. 2. Beginning of July a computer

					and a CPU were stolen.
CS1.24.2	Conduct security awareness programmes	Security awareness programmes conducted	Security awareness programmes conducted	In progress. Presentation by NIA on MISS	ACHIEVED Continuous. Strategies to make people aware. Pamphlets from NIA were distributed.

Strategy: CS1.25 – To promote minimum security standards

Output	Municipal Performance Indicators	Baseline	Service Delivery Targets for 2006/07	Status 1/1 – 30/6/2006	Status 1 January 07 to 30 June 07
CS1.25.1	Security control measures implemented	Security control measures implemented	Security control measures implemented	In progress. Presentation by NIA on MISS	ACHIEVED Access cards for visitors were provided

Strategy: CS1.26 – Internalize security services

Output	Municipal Performance Indicators	Baseline	Service Delivery Targets for 2006/07	Status 1/1 – 30/6/2006	Status 1 January 07 to 30 June 07
CS1.26.1	Security officers appointed	Security officers appointed	Security officers appointed	In progress. GM: Security and Risk Management to be filled.	ACHIEVED General Manager – Risk and Security appointed on 1 June 2006
CS1.26.2	Own security service implemented	Own security service implemented	Own security service implemented	In progress	ACHIEVED Security Officers appointed and two

					messenger/drivers were moved to the office of the Executive Mayor as VIP Security Officers
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INFORMATION COMMUNICATIONS TECHNOLOGY

OBJECTIVE: CS2 – To provide efficient Information Communications Technology

Strategy: CS2.1 – Enforceable ICT Policies

Output	Municipal Performance Indicators	Baseline	Service Delivery Targets for 2006/07	Status 1/1 – 30/6/2006	Status 1 January 07 to 30 June 07
CS2.1.1	Development & Implementation of Technology Usage Policy	Technology Usage Policy developed and implemented	<ul style="list-style-type: none"> ○ Policy developed ○ Policy recommended by Sec 80 Committee ○ Policy approved by Council ○ Policy implemented ○ Policy published on Intranet ○ Policy workshopped 	Policy developed and implemented. (operational budget)	ACHIEVED Policy developed and implemented. (operational budget)
CS2.1.2	Development & Implementation of ICT Disaster Prevention & Recovery Policy	ICT Disaster Prevention & Recovery Policy developed and implemented	<ul style="list-style-type: none"> ○ Policy developed ○ Policy to be recommended by Sec 80 Committee ○ Policy to be 	Policy currently in developing stage	ACHIEVED Policy developed and submitted to Policy & Research unit. Will be implemented as soon as final

			approved by Council <ul style="list-style-type: none"> ○ Policy to be implemented ○ Policy to be published on Intranet ○ Policy to be workshopped 		approval is granted. (Although disaster prevention and recovery procedures have already been implemented, actual policy need to be approved by Mayco)
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Strategy: **CS2.2 – Identify, plan & maintain ICT infrastructure**

Output	Municipal Performance Indicators	Baseline	Service Delivery Targets for 2006/07	Status 1/1 – 30/6/2006	Status 1 January 07 to 30 June 07
CS2.2.1	Identify shortfalls & problems	Shortfalls and problems identified	<ul style="list-style-type: none"> ○ Shortfalls and problems identified and attended to 	<ul style="list-style-type: none"> ○ Some problems and shortfalls identified and attended to – in progress ○ Computer literacy training approved. 	ACHIEVED <ul style="list-style-type: none"> ○ “Pin-codes” were introduced on the telephone system with the aim to limit abuse. ○ Voice management service implemented on telecommunications to monitor usage. Detailed reports forwarded

					<p>to different department heads. Department Heads are to supervise usage.</p> <ul style="list-style-type: none">○ ICT Access Application forms were implemented to accommodate the Regulations to Interception of Communications Act. All active computer users completed ICT Access Application forms○ An ICT literacy training project was put into operation with the aim encourage
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					<p>the use of ICT equipment and to strengthen general ICT literacy at MDM</p> <ul style="list-style-type: none">○ The server room undergone an upgrade with new cabinets being installed as well as the upgrading of the air-conditioner and UPS (Uninterruptible Power Supply)○ A Webmail service was also established to enable users to access e-mail from anywhere provided that an internet connection
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					<ul style="list-style-type: none"> ○ is available ○ The telephone system undergone an upgrade to allow for more extensions to be added to the existing systems
CS2.2.2	Establish ICT Support Workshop	Turnaround time of 2 hours on support calls	<ul style="list-style-type: none"> ○ Appointment of Systems (Network) Administrator. ○ Establishment of ICT Support Workshop ○ High level of competence on ICT support 	<ul style="list-style-type: none"> ○ Systems (Network) Administrator appointed. ○ Workshop established. ○ 2 Hour turnaround time on support calls 	<p>ACHIEVED</p> <p>Systems (Network) Administrator appointed.</p> <ul style="list-style-type: none"> ○ A Helpdesk / Inventory system was introduced to enable users to more effectively log support calls and to enable the unit to deliver more effective support service – more than 150 support

					<ul style="list-style-type: none"> ○ calls recorded ○ Various equipment was procured to improve the quality and turnaround time of the unit ○ 2 Hour turnaround time on support calls
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Strategy: CS2.3 – Plan, develop & maintain ISIS (Information, Support & Imaging System)

Output	Municipal Performance Indicators	Baseline	Service Delivery Targets for 2006/07	Status 1 July 06 to 31 Dec 07	Status 1 January 07 to 30 June 07
CS2.3.1	Implement document management system	Electronic Document Management System to be implemented	<ul style="list-style-type: none"> ○ Research electronic document management system ○ Identify document structure with assistance from documentation officer ○ Develop / procure electronic document 	In progress – Documentation officer to be appointed.	<p>PARTLY ACHIEVED</p> <p>Research done on the implementation of an Electronic Document & Records Management System.</p> <p>Collaborator System was identified and can</p>

			<ul style="list-style-type: none"> management system o Implement electronic document management system 		only be procured and implemented as soon as documentation officer is appointed and file system is implemented
CS2.3.2	Plan, establish & maintain GIS	Basic GIS implemented	<ul style="list-style-type: none"> o Procurement of GIS equipment & applications o Compilation of spatial data o Implementation of basic GIS 	<p>GIS planned. Is currently in compilation stage. (Free State Province)</p> <p>Risk Factor: Appointment of GIS operators at Department Technical Services</p>	<p>ACHIEVED</p> <p>Equipment & software procured for GIS</p> <p>Basic GIS developed with the assistance of Provincial Department of Local Government & Housing.</p> <p>Posts identified on organizational structure and need to be filled</p>

4.5.5 PROTECTION AND DISASTER MANAGEMENT

OBJECTIVE : ENSURE COORDINATION IN ALL THREE LOCAL MUNICIPALITIES TO HAVE AN ATTRACTIVE, CLEAN, GREEN AND HEALTHY ENVIRONMENT TO ENHANCE THE QUALITY OF LIFE

STRATEGY TO IMPLEMENT DISASTER MANAGEMENT MANDATE ND EFFECTIVELY MITIGATE POTENTIAL DISASTERS

Output	Municipal Performance Indicators	Baseline	Service Delivery Targets for 2006/2007	Status
DM1.1.1	To establish Disaster Management Centre	Full functional centre	Adoption of the Business document (March/April)	PARTLY ACHIEVED The final draft will be tabled to council
DM1.1.2	Enhance GIS to communicate potential disasters	Operational GIS For MDM	Purchase the Disaster GIS Software 2007	NOT ACHIEVED. Linked to DMC
DM1.1.3	Adoption of the Business Plan	Submission	Adoption of the Business Plan document	As explained on DM1.1.1
DM1.1.4	GIS Physical location and layout	Conduct the Survey	Implementation of the Survey recommendations	As explained on DM1.1.1
DM1.1.5	Disaster Management Warehouse	Implementation of Business Plan document	Resourcing of the warehouse	Linked to the Business Plan document
DM1.1.6	Re-establish DM Advisory Forum	Improve on the operations of DMF	Report and Develop the programmes for the forum (March)	ACHIEVED Data of members completed
DM1.2	Develop Corporate Disaster Management Plan	Corporate disaster management plan in to be adopted	Advertisement for the service provider on vulnerability report	ACHIEVED The draft Disaster management framework completed
DM1.2.1	Review and adopt a corporate Disaster Management Plan	Draft document	Adoption of the plan 2007	NOT ACHIEVED. To be undertaken in 2007/08 as a result of budget constraints
DM1.2.2	Review the Risk Assessment report / strategy	Development of the Risk Atlas	Adoption of Risk and Vulnerability report (June)	ACHIEVED Draft vulnerability report completed
DM1.3	Public Education, Training and Campaigns			
DM1.3.1	Community Awareness Campaign	Identify community awareness campaign	Implementation plan	ACHIEVED Continuous

DM1.3.2	Volunteers training	Conduct the survey to identify the need/gaps of what we have ACHIEVED in the last few years	Report on the Training analysis	ACHIEVED Training analysis report completed
DM1.3.3.	Target Awareness Group	Identify the possible target group/programme	Adoption of the campaign programme for a targeted group(May/June)	ACHIEVED Continuous
DM1.4	Develop effective communication system			
DM1.4.1	Provide and test the usage communication network	Request a report on the current radio communication network	Report on the communication network	ACHIEVED Report submitted
DM1.4.2	Develop link with SA Weather Bureau	Improve on the early warning system with the SA Weather Bureau	comprehensive coverage update report.(march)	ACHIEVED Coverage report completed and submitted
DM1.4.3	Maintenance of the Network and Equipments	Maintaince report	Status qou on maintenance of equipments(March)	ACHIEVED Report submitted
DM1.5	Policy Formulation and Reviews			NOT ACHIEVED
DM1.5.1	Formulate fire, drought and floods relief strategy			ACHIEVED Draft Fire prevention strategy in place
DM1.5.2	Coordinate the establishment of community safety forums	Participate in provincial activities/ programmes	Support to the programmes of the Safety/Security	ACHIEVED Continuous
DM1.5.3	Support for safety and security and crime	Participate in the programmes of	Support on the programs/activities of	ACHIEVED Continuous

	prevention	the province	the province	
DM1.6.	Negotiation authority on provision of fire services	Investigation report	Signing of Memorandum of Understanding	ACHIEVED A memorandum of understanding entered into with locals
Output	Municipal Performance Indicators	Baseline	Service Delivery Targets for 2006/2007	Status
DM1.6.1	Investigate transfer of function to District Municipality	Investigation report	Signing of Memorandum of Understanding (Mangaung) by April/May	NOT ACHIEVED
DM1.7	Establish MDM Disaster Management fund	Investigating report	Report to the committee on findings (march)	NOT ACHIEVED
DM1.7.1	Investigate the possibility of a fund	Investigation report	Submission to the committee on the investigation reports/Findings	The item is linked to the establishment of the DMC

SPORTS, ARTS, CULTURE AND RECREATION

OBJECTIVE : COORDINATE ALL LOCAL MUNICIPALITIES TO HAVE ACCESS AND SUSTAINABLE SPORTS AND RECREATIONAL FACILITIES AND PROMOTION OF CULTURAL FACILITIES

STRATEGY ACCESS TO WELL MAINTAINED SPORT AND RECREATION FACILITIES IN MANTSOPA

Output	Municipal Performance Indicators	Baseline	Service Delivery Targets for 2006/2007	Status
ISR1.1	Upgrading of sport grounds			NOT ACHIEVED
ISR1.1.1	Upgrading of sport grounds-Tweespruit, Excelsior, Manyatseng and Ladybrand	Access to well maintained sport grounds and facilities	Begin process to identify the needs of communities	Technical services department was the implementing agency.

STRATEGY ACCESS TO WELL MAINTAINED SPORT AND RECREATION FACILITIES IN NALEDI

Output	Municipal Performance Indicators	Baseline	Service Delivery Targets for 2006/2007	Status
ISR2.1	Development of new sport facility			
ISR2.1.1	Upgrading Qibing multipurpose centre (phase2) Wepener, ward 4	Access to well maintained sport grounds and facilities	Completion of the sport multipurpose centre in Wepener	Technical services department was the implementing agency
ISR2.1.2	Construction of a swimming pool in Dewetsdorp, ward1	Access to well maintained sport facility	Start process for execution of strategy ISR2.1.2	Technical services was the implementing agency

IDP MANAGEMENT

OBJECTIVE ENSURE COORDINATION OF ALL THREE LOCAL MUNICIPALITIES WITH THE DEVELOPMENT OF THE IDP

STRATEGY DISTRICT WIDE IDP CAPACITY BUILDING

Output	Municipal Performance Indicators	Baseline	Service Delivery Targets	Status 1 July 06 to 31 Dec 07	Status 1 January 07 to 30 June 07
PIMS1.1.1	Organise and provide training for operational staff on IDP process	Arrange training on IDP review	Acquire skills on IDP, PGDS, NSDP Alignment	MDM IDP Steering Committee established and workshopped on January 2006	ACHIEVED
PIMS1.1.2	Improve project consolidation skills of sections	Attend a meeting organised by DPLG on MSIG	Motheo developed MSIG business plan (Naledi)	Funds obtained and spent on some projects and any other related IDP matters effectively	ACHIEVED
PIMS1.1.3	Facilitate training for community participation	Establishment of a District wide IDP representative Forum	Compilation of the list of two representatives from	Motheo IDP Representatives Forum established on 11-12	ACHIEVED

Output	Municipal Performance Indicators	Baseline	Service Delivery Targets	Status 1 July 06 to 31 Dec 07	Status 1 January 07 to 30 June 07
			ward committees of three consistent municipalities	April 2007, 2 nd meeting on 20 June 2007 and is operational, List is attached.	
PIMS1.1.4	Further training of IDP Managers and Senior Management on process planning	Training to be provided as per MDM IDP Process Plan	Training to be provided process management	IDP Processes identify people to be trained	ACHIEVED
PIMS1.2.1	Facilitate alignment of credible IDP's with PGDS and NSDP	Facilitate alignment of sector specific plans	Development / Update Sector Plans	Sector plans encompassed in the IDP and approved by Council and successfully implemented	ACHIEVED
PIMS1.2.2	Facilitate implementation of PMS in district and alignment with IDP	Review of PMS, setting of the Key Performance Indicators and the Institutional Key Performance Areas and Key Performance Indicators	Improve efficient and effective service delivery	Mid term report in progress and to be finalised by 25 January 2007	ACHIEVED
PIMS1.2.3	Establish a District IDP Representative Forum	Compile a list of relevant stakeholders	Facilitate and assist in the compilation of needs	Motheo IDP Representative Forum established and operational	ACHIEVED

STRATEGY: IMPROVE THE PIMS CENTRE'S EFFICIENCY AND EFFECTIVENESS

Output	Municipal Performance Indicators	Baseline	Service Delivery Targets	Status 1 July 06 to 31 Dec 07	Status 1 January 07 to 30 June 07
PIMS2.1.1	Full participation of	Convene	Development of	To be discussed in the section	ACHIEVED

Output	Municipal Performance Indicators	Baseline	Service Delivery Targets	Status 1 July 06 to 31 Dec 07	Status 1 January 07 to 30 June 07
	section 79	section 79 meetings	section 79 work plan	79 meeting Consider to re-constitute the section 79 committee All IDP Managers attended a meeting on formulation of the IDP Framework	

STRATEGY: IMPROVE LOCAL MUNICIPALITIES' CAPACITY TO DELIVER

Output	Municipal Performance Indicators	Baseline	Service Delivery Targets	Status 1 July 06 to 31 Dec 07	Status 1 January 07 to 30 June 07
PIMS3.1.1	Facilitate capacity building programmes	Needs Identification	To provide assistance in the compilation of needs	MDM managed to assist Mantsopa and Naledi Local Municipalities during its new formulation of the IDP process 2007-2011, e.g. Preparation phase	ACHIEVED

CHAPTER TWO: KPA FOUR

2.4 INFRASTRUCTURE

OBJECTIVE: ENSURING ADEQUATE SUPPORT IS PROVIDED IN ALL LOCAL MUNICIPALITIES IN ERADICATING HOUSEHOLD WATER AND 100% SANITATION BACKLOGS

STRATEGY: IWM1: TO IMPROVE WASTE MANAGEMENT SERVICES IN NALEDI

Output	Municipal Performance Indicators	Baseline	Service Delivery Targets	Status 1 July 06 to 31 Dec 07	Status 1 January 07 to 30 June 07
IWM1.1.2	Construct a waterborne sanitation in Dewetsdorp, (Riverside)Ward 1 (EXT 7)	800-163=637 stands	To service 443 stands with waterborne toilets. To complete Ext.7 by end of Feb 07 To complete Ext.5 by end of Mar 07 To complete the balance of 194 stands (Ext 6.) in 2007/08.	173+270=443 stands serviced. Ext.7 (270): 90% complete. Ext.5 (173): 65% complete	ACHIEVED ACHIEVED ACHIEVED ACHIEVED
IWM1.1.3	Upgrade main sewer lines in Dewetsdorp, Ward 1	Could not be budgeted for in 2006/07: to be budgeted for in 2007/08 should the funds allow.			
IWM1.1.5	Upgrade waste treatment plants in Wepener, Ward 3	1 pump station 825m sewer line.	To construct 1 pump station and 825m of sewer line to be constructed.	1 pump station and 788m of sewer line constructed. Practical completion certificate issued in December 2006.Completion certificate to be issued by end of Jan 07.	ACHIEVED

STRATEGY: TO IMPROVE WASTE MANAGEMENT SERVICES IN MANTSOPA

Output	Municipal Performance Indicators	Baseline	Service Delivery Targets	Status 1 July 06 to 31 Dec 07	Status 1 January 07 to 30 June 07
IWM2.1.1.	Tweespruit Solid	Feasibility study	Feasibility study on five	Submission for transfer of	PARTLY

Output	Municipal Performance Indicators	Baseline	Service Delivery Targets	Status 1 July 06 to 31 Dec 07	Status 1 January 07 to 30 June 07
	Waste disposal ward 1	report on 5 sites to be done. 1 landfill site to be constructed	sites done. No land available in Tweespruit. Submission for transfer of project to Thaba Phatchoa to be submitted to Section 80 committee in Jan 07. To obtain ROD from DTEEA in June 2007. To complete construction in June 2008.	project to Thaba Phatchoa to be submitted to Section 80 committee in Jan 07.	ACHIEVED, Feasibility study report submitted.
IWM2.1.2.	Hobhouse – New solid waste disposal site, ward 2	Could not be budgeted for in 2006/07: To be budgeted for in 2007/08 should the funds allow.			
IWM2.1.3	Excelsior – Upgrade solid waste disposal site, ward 7	Could not be budgeted for in 2006/07: To be budgeted for in 2007/08 should the funds allow			
IWM2.1.4	Provide Dustbins in all towns, wards 1,2,3,4,5,6,7&8	Project to be funded in 2006/07 – Process Plan – General Manager: Health			
IWM2.1.5	Provide mass containers in Ladybrand , ward 4	Could not be budgeted for in 2006/07, should be budgeted for in 2007/08 should the funds allow			
IWM2.2.1	Dust bins- all towns	Project to be funded in 2006/07 – Process Plan – General Manager: Health			

STRATEGY: TO IMPLEMENT WASTE MANAGEMENT MANDATE

Output	Municipal Performance Indicators	Baseline	Service Delivery Targets for 2006/07	Status 1 July 06 to 31 Dec 07	Status 1 January 07 to 30 June 07
IWM3.1.1	Investigate viability of implementing DM Mandate	Could not be budgeted for in 2006/07, to be budgeted in 2007/08 should the funds allowed.			

STRATEGY: TO PROVIDE SUPPORT IN ERADICATING SEWER BACKLOGS IN NALEDI

Output	Municipal Performance Indicators	Baseline	Service Delivery Targets for 2006/07	Status 1 July 06 to 31 Dec 07	Status 1 January 07 to 30 June 07
IWS1.1.1	Waterborne sanitation – Van Stadensrus	Naledi LM busy negotiating for land to accommodate squatters. Naledi LM is planning for 200 sites. Township registers process to be followed.			
IWS1.1.2	Waterborne sanitation – Wepener	470 stands	To service 470 stands with waterborne toilets. To complete the balance of 50 stands in 2007/08.	420 stands serviced. Project completed.	ACHIEVED

STRATEGY: TO PROVIDE SUPPORT IN ERADICATING SEWER BACKLOGS IN MANGAUNG

Output	Municipal Performance Indicators	Baseline	Service Delivery Targets for 2006/07	Status 1 July 06 to 31 Dec 07	Status 1 January 07 to 30 June 07
IWS2.1.1	Provide waterborne sanitation in ward 8 Mangaung	110: TS estimate 130: Engineer's estimate.	To service 130 stands with waterborne toilets.	145 stands serviced. Project practically complete. Contractor to attend to snag list to complete the project.	ACHIEVED
IWS2.1.2	Provide waterborne sanitation in ward 31 Mangaung	110: TS estimate 80: Engineer's estimate.	To service 80 stands with waterborne toilets. To complete the balance in 2007/08.	93 stands serviced. Project completed	ACHIEVED
IWS2.1.3	Provide waterborne sanitation in ward 42 Mangaung	To be budgeted for in 2007/08			

STRATEGY: SUPPORT NALEDI TO ENSURE PROVISIONS OF SUFFICIENT BULK SEWER OUTFALL WORKS

Output	Municipal Performance Indicators	Baseline	Service Delivery Targets for 2006/07	Status 1 July 06 to 31 Dec 07	Status 1 January 07 to 30 June 07
IWS4.1.1	Bulk sewer plant & treatment works- Dewetsdorp	Waste water treatment plant: Phase 1: Upgrading of existing ponds, inlet shelter building, clarifier, inter connecting pipework, chlorination building, chlorine contact tank, miscellaneous items, inlet works, rehabilitation of existing dams.	To complete Phase 1 of Dewetsdorp waste water treatment works by end of March 2006.	Phase 1 completed in June 2006.	ACHIEVED Phase 2 Completed
IWS4.1.2	Bulk sewer plant & treatment works – Wepener	1 pump station 825m sewer line to be constructed.	To construct 1 pump station and 825m of sewer line.	1 pump station and 788m of sewer line constructed Practical completion certificate issued in December 2006. Completion certificate to be issued by the end of January 2007.	ACHIEVED

STRATEGY: SUPPORT MANTSOPA TO ENSURE PROVISION OF SANITATION WORKS

Output	Municipal Performance Indicators	Baseline	Service Delivery Targets for 2006/07	Status 1 July 06 to 31 Dec 07	Status 1 January 07 to 30 June 07
IWS5.1.1	Provide Manyatseng toilets top structures in Ladybrand- ward 3	2000: TS estimate 1700m of sewer lines	To construct 315m of main sewer lines. Balance of 1317 to be completed in 2007/08.	383m of main sewer lines constructed. Project practically complete, construction faults. Faults expected to be completed by end of March 07.	PARTLY ACHIEVED, 95% Complete

Output	Municipal Performance Indicators	Baseline	Service Delivery Targets for 2006/07	Status 1 July 06 to 31 Dec 07	Status 1 January 07 to 30 June 07
IWS5.1.2	Construct Manyatseng main sewer lines in Ladybrand, ward 5	Could not be budgeted for in 2006/07: To be budgeted for in 2007/08 should the funds allow.			
IWS5.1.4	Provide toilet structures in the parks, flamingo, Ladybrand, ward 7 & 8	Could not be budgeted for in 2006/07: To be budgeted for in 2007/08 should the funds allow.			
IWS5.1.5	Construction of Manyatseng main sewer lines: Lusaka & Thabong waterborne sewer in Ladybrand, ward 6	180 stands: original TS estimate.	To construct 2200m of main sewer lines and 342 sewer erf connections.	3200m of main sewer lines and 318 sewer erf connections. Construction completed.	ACHIEVED
IWS5.1.6	Upgrading of sewer outfall work in Ladybrand, ward 3 & 5	Waste water treatment plant: Inlet works, anaerobic, anoxic and aerobic ponds, secondary anoxic and recreation ponds, clarifier, inter connecting pipe work, control building, chlorination building, chlorine contact tank, mechanical and electrical work.	To upgrade the waste water treatment plant in Ladybrand. To complete the project by end of September 2007: multiyear project.	Project under construction and 20% complete.	ACHIEVED, Phase 1 Completed
IWS5.1.7	Upgrading of sewer treatment plant in Hobhouse, ward 2	Could not be budgeted for in 2006/07: To be budgeted for in 2007/08 should the funds allow.			
IWS5.1.9	Construction of toilet structures in Borwa, Tweespruit, ward 1	Could not be budgeted for in 2006/07: To be budgeted for in 2007/08 should the funds allow.			
IWS5.1.10	Construction of sewer lines and toilet structures, Masakeng, Ladybrand ward 3	Could not be budgeted for in 2006/07: To be budgeted for in 2007/08 should the funds allow.			
IWS5.1.11	Eradicate bucket	Could not be budgeted for in 2006/07: To be budgeted for in 2007/08 should the funds			

Output	Municipal Performance Indicators	Baseline	Service Delivery Targets for 2006/07	Status 1 July 06 to 31 Dec 07	Status 1 January 07 to 30 June 07
	system in Borwa, Tweespruit, ward 1	allow.			

STRATEGY: TO PROVIDE SUPPORT IN ERADICATING WATER SUPPLY BACKLOGS IN NALEDI

Output	Municipal Performance Indicators	Baseline	Service Delivery Targets for 2006/07	Status 1 July 06 to 31 Dec 07	Status 1 January 07 to 30 June 07
IWS6.1	Construct water reticulation and erf connections in Naledi	300 sites	To service 300 sites with water reticulation and erf connections.	342 sites serviced with water connections/standpipe. Project 98% complete. Project to be completed by end of Feb 2007.	ACHIEVED

STRATEGY: TO IMPROVE WASTE MANAGEMENT SERVICES IN NALEDI

Output	Municipal Performance Indicators	Baseline	Service Delivery Targets for 2006/07	Status 1 July 06 to 31 Dec 07	Status 1 January 07 to 30 June 07
IWM1.1.1	Upgrade a waste disposal site in Dewetsdorp, ward 1	To be budgeted for in 2007/08			
IWM1.1.2	Develop new landfill sites: Wepener	1 landfill site	Landfill site to be developed.	Project completed in Dec 06.	ACHIEVED

PUBLIC TRANSPORT, ROADS AND STORM WATER

STRATEGY IMPROVE STANDARD OF STREETS IN MANTSOPA LOCAL MUNICIPALITY

Output	Municipal Performance Indicators	Baseline	Service Delivery Targets for 2006/07	Status 1 July 06 to 31 Dec 07	Status 1 January 07 to 30 June 07
IR1.1.1	Tarring of Voortrekker, Loop and Ooster streets	Could not be budgeted for in 2006/07: To be budgeted for in 2007/08 should the funds allow			
IR1.1.2	Lusaka graveyard, Tereneng street	Could not be budgeted for in 2006/07: To be budgeted for in 2007/08 should the funds allow			
IR1.1.3	Tarring of two streets:Homes 2000: in Ladybrand ward 6	Could not be budgeted for in 2006/07: To be budgeted for in 2007/08 should the funds allow			
IR1.1.4	Access street to Masakeng Thusanong to be tarred	Could not be budgeted for in 2006/07: To be budgeted for in 2007/08 should the funds allow			
IR1.1.5	Excelsior tarring of Raantjies and passing Mahlatswetsa primary school	Could not be budgeted for in 2006/07: To be budgeted for in 2007/08 should the funds allow			
IR1.1.6	Tweespruit-Resealing of street in town	Could not be budgeted for in 2006/07: To be budgeted for in 2007/08 should the funds allow			
IR1.1.7	Thaba-Patchoa- paving of main street	300m of road to be paved	300m of road to be paved	400m of cape seal road constructed. Project completed in Oct 06.	ACHIEVED
IR1.1.8	Tar kriklaan street	Could not be budgeted for in 2006/07: To be budgeted for in 2007/08 should the funds allow			
IR1.1.9	Reseal ninth & Joubert streets in Manyatseng near Eskom	Could not be budgeted for in 2006/07: To be budgeted for in 2007/08 should the funds allow			
IR1.1.10	Tarring of road between Van Riebeeck, Voortrekker, and Beeton street	Could not be budgeted for in 2006/07: To be budgeted for in 2007/08 should the funds allow			
IR1.1.11	Tarring of Loop street to Ooster street, Ladybrand, ward 4	Could not be budgeted for in 2006/07: To be budgeted for in 2007/08 should the funds allow			
IR1.1.12	Tarring of sewende laan in Thaba Patchoa, ward 1	Could not be budgeted for in 2006/07: To be budgeted for in 2007/08 should the funds allow			
IR1.1.13	Tarring of Lusaka graveyard and Sehlabeng Tereneng Roads in Manyatseng, Ladybrand ward 5&6	Could not be budgeted for in 2006/07: To be budgeted for in 2007/08 should the funds allow			

Output	Municipal Performance Indicators	Baseline	Service Delivery Targets for 2006/07	Status 1 July 06 to 31 Dec 07	Status 1 January 07 to 30 June 07
IR1.1.14	Tarring of road passing Excelsior police station in Excelsior, ward 7	Could not be budgeted for in 2006/07: To be budgeted for in 2007/08 should the funds allow			
IR1.1.15	Tarring of Madiba Road in Exelsior, ward 7	Could not be budgeted for in 2006/07: To be budgeted for in 2007/08 should the funds allow			
IR1.1.16	Tarring of Lusaka graveyard Sehlabeng Tereneng streets	Could not be budgeted for in 2006/07: To be budgeted for in 2007/08 should the funds allow			
IR1.1.17	Tarring of Flamingo / Lusaka ring road in Ladybrand, ward 4,5,6	Could not be budgeted for in 2006/07: To be budgeted for in 2007/08 should the funds allow			
IR1.1.18	Tarring of Homes 2000 streets	Could not be budgeted for in 2006/07: To be budgeted for in 2007/08 should the funds allow			
IR1.1.19	Tarring of access road to Masakeng and Thusanong, Ladybrand ward 3	Could not be budgeted for in 2006/07: To be budgeted for in 2007/08 should the funds allow			
IR1.1.20	Resealing of streets in Tweespruit town, ward 1	Could not be budgeted for in 2006/07: To be budgeted for in 2007/08 should the funds allow			
IR1.1.21	Tarring of access road: Koma Village – Maahlatswetsa, Excelsior, ward 8	Could not be budgeted for in 2006/07: To be budgeted for in 2007/08 should the funds allow			
IR1.1.22	Tarring of Rantjies Road passing Mahlatswetsa Primary School, Excelsior, ward 8	Could not be budgeted for in 2006/07: To be budgeted for in 2007/08 should the funds allow			
IR1.1.23	Tarring of access road in Borwa to unit 1 from R709	Could not be budgeted for in 2006/07: To be budgeted for in 2007/08 should the funds allow			
IR1.1.24	Tarring of Manyatseng Ring Road Phase 2	Could not be budgeted for in 2006/07: To be budgeted for in 2007/08 should the funds allow			
IR1.2.1	Manyatseng road to be graveled	Could not be budgeted for in 2006/07: To be budgeted for in 2007/08 should the funds allow			
IR1.2.2	Borwa gravel roads	Could not be budgeted for in 2006/07: To be budgeted for in 2007/08 should the funds allow			
IR1.2.3	Dipelaneng-gravel roads to new area	Could not be budgeted for in 2006/07: To be budgeted for in 2007/08 should the funds allow			

Output	Municipal Performance Indicators	Baseline	Service Delivery Targets for 2006/07	Status 1 July 06 to 31 Dec 07	Status 1 January 07 to 30 June 07
IR1.2.4	Thaba-Patchoa river streets to be upgraded	Could not be budgeted for in 2006/07: To be budgeted for in 2007/08 should the funds allow			
IR1.2.5	Thaba Patchoa-Gravel Sewende laan	Could not be budgeted for in 2006/07: To be budgeted for in 2007/08 should the funds allow			
IR1.3	Street paving, stormwater systems developed and maintained in Mantsopa	Could not be budgeted for in 2006/07: To be budgeted for in 2007/08 should the funds allow			
IR1.3.1	Construct a stormwater channel: new extension, Excelsior, ward 8	Could not be budgeted for in 2006/07: To be budgeted for in 2007/08 should the funds allow			
IR1.3.2	Upgrade old Mahlatswetsa storm water drainage, Excelsior, ward 8	Could not be budgeted for in 2006/07: To be budgeted for in 2007/08 should the funds allow			
IR1.3.3	Mahlatswetsa stormwater between bakery project and stadium	Could not be budgeted for in 2006/07: To be budgeted for in 2007/08 should the funds allow			
IR1.3.4	Mahlatswetsa stormwater between graveyard and crèche	Could not be budgeted for in 2006/07: To be budgeted for in 2007/08 should the funds allow			
IR1.3.5	Mahlatswetsa stormwater Putswa and Koma Village	Could not be budgeted for in 2006/07: To be budgeted for in 2007/08 should the funds allow			
IR1.3.6	Dawiesville new sites stormwater	Could not be budgeted for in 2006/07: To be budgeted for in 2007/08 should the funds allow			
IR1.3.7	Borwa and Tweespruit – Low water bridge and stormwater canal unit 1	Could not be budgeted for in 2006/07: To be budgeted for in 2007/08 should the funds allow			
IR1.3.8	Borwa upgrading of internal storm water in Tweespruit, ward 1	Could not be budgeted for in 2006/07: To be budgeted for in 2007/08 should the funds allow			
IR1.3.9	Dipelaneng providing stormwater at Phahameng, Hobhouse, ward 2	Could not be budgeted for in 2006/07: To be budgeted for in 2007/08 should the funds allow			
IR1.3.10	Dipelaneng stormwater	Could not be budgeted for in 2006/07: To be budgeted for in 2007/08 should the funds allow			
IR1.3.11	Dipelaneng divert storm water	Could not be budgeted for in 2006/07: To be budgeted for in			

Output	Municipal Performance Indicators	Baseline	Service Delivery Targets for 2006/07	Status 1 July 06 to 31 Dec 07	Status 1 January 07 to 30 June 07
	from reservoirs	2007/08 should the funds allow			
IR1.3.12	Storm water master plan for Mantsopa	Storm water master plan documents	Storm water master plan documents	4 storm water master plan documents completed.	ACHIEVED
IR1.3.13	Construction of a storm water channel between Colin and Krieklaan Streets	Could not be budgeted for in 2006/07: To be budgeted for in 2007/08 should the funds allow			
IR1.3.14,	Completion of access road to Borwa Ext. R709 in Tweespruit, ward 1	Could not be budgeted for in 2006/07: To be budgeted for in 2007/08 should the funds allow			
IR1.3.15	Pave streets & storm water channels in Manyatseng, Maursnek & Platberg ward 3, 4, 5 & 6	Could not be budgeted for in 2006/07: To be budgeted for in 2007/08 should the funds allow			
IR1.3.16	Pave streets and install storm water channels in Mahlatswetsa and Koma village	Could not be budgeted for in 2006/07: To be budgeted for in 2007/08 should the funds allow			
IR1.3.17	Investigate viability of implementing DM mandate	Could not be budgeted for in 2006/07: To be budgeted for in 2007/08 should the funds allow			
IR1.3.18	Pave streets and install storm water channels in Thaba Patchoa, ward 2	Could not be budgeted for in 2006/07: To be budgeted for in 2007/08 should the funds allow			
IR1.3.19	Pave streets and install storm water channels in Dipelaneng, Ward 2	Could not be budgeted for in 2006/07: To be budgeted for in 2007/08 should the funds allow			
IR1.3.20	Mantsopa storm water master plan survey	Storm water master plan documents	Storm water master plan documents	4 storm water master plan documents completed.	ACHIEVED
IR1.3.21	Mahlatswetsa stormwater drainage (new extension)	Could not be budgeted for in 2006/07: To be budgeted for in 2007/08 should the funds allow			
IR1.3.22	Old Mahlatswetsa storm water drainage	Could not be budgeted for in 2006/07: To be budgeted for in 2007/08 should the funds allow			

Output	Municipal Performance Indicators	Baseline	Service Delivery Targets for 2006/07	Status 1 July 06 to 31 Dec 07	Status 1 January 07 to 30 June 07
IR1.3.23	Construct a stormwater channel: Putswastene and Koma village, Excelsior ward 8	Could not be budgeted for in 2006/07: To be budgeted for in 2007/08 should the funds allow			
IR1.3.24	Construct storm water between bakery and stadium, Excelsior ward 8	Could not be budgeted for in 2006/07: To be budgeted for in 2007/08 should the funds allow			
IR1.3.25	Construct storm water channel from Ntsepe Park to Nuwe Street (Ladybrand) ward 4	Could not be budgeted for in 2006/07: To be budgeted for in 2007/08 should the funds allow			

STRATEGY: LIASE WITH FSGPG AND OTHER STAKEHOLDERS WITH REGARD TO MAINTENANCE OF ROADS

Output	Municipal Performance Indicators	Baseline	Service Delivery Targets for 2006/07	Status 1 July 06 to 31 Dec 07	Status 1 January 07 to 30 June 07
IR4.1.1	Negotiate upgrading of gravel road between Wepener and Smithfield	Could not be budgeted for in 2006/07: To be budgeted for in 2007/08 should the funds allow			ACHIEVED
IR4.1.2	Negotiate upgrading of gravel road between Botshabelo and Dewetsdorp	See 4.1.1			ACHIEVED

STRATEGY: CONSTRUCTION OF BRIDGES IN MANTSOPA

Output	Municipal Performance Indicators	Baseline	Service Delivery Targets for 2006/07	Status 1 July 06 to 31 Dec 07	Status 1 January 07 to 30 June 07
IB1.1	Construct a bridge between Manyatseng and old Platberg, Ladybrand, ward 6	Could not be budgeted for in 2006/07: To be budgeted for in 2007/08 should the funds allow			

Output	Municipal Performance Indicators	Baseline	Service Delivery Targets for 2006/07	Status 1 July 06 to 31 Dec 07	Status 1 January 07 to 30 June 07
IB1.2	Construct a bridge between Manyatseng and Old Platberg, Ladybrand, ward	Could not be budgeted for in 2006/07: To be budgeted for in 2007/08 should the funds allow			
IB1.3	Construction of a low water bridge between Borwa and Tweespruit	Could not be budgeted for in 2006/07: To be budgeted for in 2007/08 should the funds allow			

HOUSING AND ELECTRICITY

OBJECTIVE : COORDINATION THAT ALL RESIDENTS HAVE SUSTAINABLE AND AFFORDABLE HOUSING AND HAVE ACCESS TO ELECTRICITY WITHIN MOTHEO DISTRICT

STRATEGY TO COORDINATION HOUSING NEEDS IN THE DISTRICT / TO PROVIDE SUPPORT IN THE ERADICATION OF ELECTRICITY SUPPLY BACKLOGS IN NALEDI AND MANTSOPA

Output	Municipal Performance Indicators	Baseline	Service Delivery Targets for 2006/07	Status 1 July 06 to 31 Dec 07	Status 1 January 07 to 30 June 07
IE1.1.1	Install High mast lights and streetlights Dewetsdorp, ward1	High master and street lights to be constructed	High master and street lights to be constructed	2 medium mast lights , 33 street lights , 2000m ABC 35mm. Project completed.	ACHIEVED
IE1.1.2	Install high mast lights and streetlights in Van Stadensrus, ward 3	Number of street lights to be constructed.	Number of street lights to be constructed.	21 street lights and 1250m ABC 35MM installed. Project completed.	ACHIEVED
IE1.1.3	Install high mast lights and streets lights in Wepener, ward 4	Number of street lights to be constructed.	Number of street lights to be constructed	4 medium mast lights, 6 street lights, 500m *10mm Airdac installed project completed.	ACHIEVED
IE1.1.4	Install streetlights in Ladybrand, wards 1,3,4,5,6,7 and 8	Could not be budgeted for in 2006/07, to be budgeted for in 2007/08 should the funds allow			

Output	Municipal Performance Indicators	Baseline	Service Delivery Targets for 2006/07	Status 1 July 06 to 31 Dec 07	Status 1 January 07 to 30 June 07
IE1.1.5	Provide Electricity Reticulation in Platberg, ward 4	Could not be budgeted for in 2006/07, to be budgeted for in 2007/08 should the funds allow			

STRATEGY: PROVIDE SUPPORT IN THE ERADICATION OF ELECTRICITY SUPPLY BACKLOGS IN MANGAUNG

Output	Municipal Performance Indicators	Baseline	Service Delivery Targets for 2006/07	Status 1 July 06 to 31 Dec 07	Status 1 January 07 to 30 June 07
IE2.1	Area lighting	Could not be budgeted for in 2006/07, to be budgeted for in 2007/08 should the funds allow			
IE2.1.1	High mast lights in Bergman Square	Could not be budgeted for in 2006/07, to be budgeted for in 2007/08 should the funds allow			

STRATEGY: TO COORDINATE HOUSING NEEDS IN THE DISTRICT

Output	Municipal Performance Indicators	Baseline	Service Delivery Targets for 2006/07	Status 1 July 06 to 31 Dec 07	Status 1 January 07 to 30 June 07
IH1.1.1	Compile database of housing backlogs in district	Provincial/Local competency		In progress	ACHIEVED, Layout plans have been drawn with housing backlog for Mantsopa and Naledi
IH1.1.2	Link backlog database to GIS	Provincial/Local competency		In progress	NOT ACHIEVED
IH1.1.3	Compile Housing Sector for District			In progress	NOT ACHIEVED

CHAPTER TWO: KPA Five

2.5 MUNICIPAL FINANCIAL VIABILITY

STRATEGY: FS 1.1 - COMPLY WITH THE MFMA

Key performance Area - FS 1.1.1

Municipal Performance Indicators	Baseline	Service Delivery Targets	Status 1 July 06 to 31 Dec 07	Status 1 January 07 to 30 June 07
Credit Control – Procurement Process	30 Days payment of creditors	Continuous follow-up of outstanding creditors	Decrease in outstanding balances on the System Decrease in creditor payment period	ACHIEVED Decrease in outstanding balances on the System Decrease in creditor payment period
		Payment of creditors as per council policy	Timeous payment of creditors	ACHIEVED Timeous payment of creditors within 14 days.
		Issue of orders before any further processing is done	Goods and services are only supplied after orders are issued to suppliers.	ACHIEVED Payment is done when there is an official order and invoice for good received.

Key performance Area - FS 1.1.2

Municipal Performance Indicators	Baseline	Service Delivery Targets	Status 1 July 06 to 31 Dec 07	Status 1 January 07 to 30 June 07
New/Amended policies	All policies as required by legislation and financial control	New Procurement Policy	Council approval of this policy during a ordinary meeting of council A12.04.25.11.2005 Currently successfully	ACHIEVED Amendment to the policy still to be adopted by the council.

Municipal Performance Indicators	Baseline	Service Delivery Targets	Status 1 July 06 to 31 Dec 07	Status 1 January 07 to 30 June 07
		Supply Chain Policy	Council approval of this policy during a ordinary meeting of council A12.04.25.11.2005 Currently successfully implemented	ACHIEVED Amendment to the policy still to be adopted by the council
		Update Payment of Creditors Policy	Outstanding – Will be done in 2006 as it is an ongoing process.	ACHIEVED Amendment to the policy still to be adopted by the council
		Update Credit Card Policy	Council approval of this policy during a ordinary meeting of council A12.05.05.12.2006 Currently successfully implemented	ACHIEVED Council approval of this policy during a ordinary meeting of council A12.05.05.12.2006 Currently successfully implemented
		New RSC Levy Write-off Policy	Council approval of this policy during an ordinary meeting of council A12.05.0512.2006. Currently successfully implemented.	ACHIEVED Council approval of this policy during an ordinary meeting of Council A12.05.0512.2006. Currently successfully implemented.
		New Budget Policy	The policy was drafted and is now being reviewed by the Policy and Research Unit of Corporate Services.	ACHIEVED The policy was drafted and is now being reviewed by the Policy and Research Unit of Corporate Services.
		New Investment Policy	The policy was drafted and is now being reviewed by the Policy and Research Unit of Corporate Services.	ACHIEVED The policy was drafted and is now being reviewed by the Policy and Research Unit of Corporate Services

Key performance Area – FS1.1.3

Municipal Performance Indicators	Baseline	Service Delivery Targets	Status 1 July 06 to 31 Dec 07	Status 1 January 07 to 30 June 07
Reporting	Reporting as required by legislation and Council	Monthly Reporting	All DoRA reports are done before 10 th of month. Monthly report according to S71 of MFMA submitted to National and Provincial Treasury Monthly outcomes report submitted to all SED's and Executive Mayor	ACHIEVED All DoRA and Section 71 reports are done and submitted within 10 working days of every month. Monthly reports done and submitted to both National and Provincial treasury. Monthly outcomes reports submitted to all SED's and Executive Mayor.
		Quarterly Reporting	Submitted to NT as required by MFMA: Borrowing Monitoring Return Corporate Entities Municipal Entities Public Private Partnerships Long Term Contracts 12 Urgent Implementation Priorities MIG Progress report	ACHIEVED Submitted to NT as required by MFMA: Borrowing Monitoring Return Corporate Entities Municipal Entities Public Private Partnerships Long Term Contracts 12 Urgent Implementation Priorities MIG Progress report
		Mid year reporting	Progress report to be submitted during January 2007 for the 6 month period.	ACHIEVED Progress report submitted to council for the 6 month period to council for approval.
		Annual reporting	Budget Evaluation Checklist and MFMA Implementation Plan submitted and approved by council	ACHIEVED Budget Evaluation Checklist and MFMA Implementation Plan submitted and approved by council

Key performance Area – FS 1.1.4

Municipal Performance Indicators	Baseline	Service Delivery Targets	Status 1 July 06 to 31 Dec 07	Status 1 January 07 to 30 June 07
Operational Internal Audit	Fully established Internal Audit unit and Audit Committee	Fully established Audit Committee	Established during July 2005 Internal Auditor to be appointed. Third member of Audit Committee.	ACHIEVED Established during July 2005 Internal Auditor to be appointed. Third member of Audit Committee to be appointed
		Fully established Internal Audit unit	Vacancy of Internal Auditor currently exists.	Vacancy of Internal Auditor currently exists.

OBJECTIVE: FS 2 - Improve Financial Position of Motheo

STRATEGY: FS 2.1 - IMPROVE DEBT COLLECTION

Key performance Area 2.1.1

Municipal Performance Indicators	Baseline	Service Delivery Targets	Status 1 July 06 to 31 Dec 07	Status 1 January 07 to 30 June 07
Expanding a sustainable income base	Increase of 8% on previous years levies	Appointment of new inspectors as per approved staff establishment	Appointments done. These inspectors are currently following up on unregistered levy payers as at 30 June 2006 and defaulters.	ACHIEVED Appointments done. These inspectors are currently following up on outstanding levy payers as at 1 July 2006.
		Registrations of new levy payers per extended inspections	Inspections is done to determine all levy payers not registered at 30 June 2006 as required by the TAX Amendment Act	ACHIEVED No new levy payers as RCS levies were abolished by the Minister of Finance with effect from 1 July 2006.
		<u>2006/2007 Budget:</u> Approved budget Income revenue to date Difference	 R 4 500 000 4 249 717 250 283	R

Key performance Area 2.1.2

Municipal Performance Indicators	Baseline	Service Delivery Targets	Status 1 July 06 to 31 Dec 07	Status 1 January 07 to 30 June 07
Create a awareness campaign	All levy payers to be informed	Inform the levy payers of their duties through media and electronic media	All levy payers were informed of the abolishment of RSC Levies on June 2006 accounts	ACHIEVED All levy payers were informed of the abolishment of RSC Levies on June 2006 accounts
		Information brochure on Motheo's functions and responsibilities	Not applicable as RSC levies are now abolished	Not applicable as RSC levies are now abolished

Key performance Area 2.1.3

Municipal Performance Indicators	Baseline	Service Delivery Targets	Status 1 July 06 to 31 Dec 07	Status 1 January 07 to 30 June 07
Exploit additional revenue sources	On-going	Visit other District Municipalities to establish alternative revenue sources	Alternative revenue sources are covered at6 the CFO Forum of District Municipalities	ACHIEVED Alternative revenue sources are covered at the CFO Forum of District Municipalities
		Exploit possibilities of additional grants	MSIG Business Plan submitted for additional funding	MSIG Business Plan submitted for additional funding

Key performance Area 2.1.4

Municipal Performance Indicators	Baseline	Service Delivery Targets	Status 1 July 06 to 31 Dec 07	Status 1 January 07 to 30 June 07
Establish intention of Minister of Finance with RSC Levies	Position of RSC levies as from 1 July 2006	Communicate with Provincial and National Government on the position of the RSC Levies	Meetings attended with Provincial Treasury Department. Inputs and data submitted	ACHIEVED Meetings attended with Provincial Treasury Department.

			as requested.	Inputs and data submitted as requested.
		Establish the replacement of RSC levies	Received information from National Treasury on replacement of Levies Full report submitted to Section 80 Committee and submitted to Council	ACHIEVED Receiving the allocation of the Replacement Grant as per the DoRA.

STRATEGY: FS 3.1 - FINANCIAL MANAGEMENT

Key performance Area

Municipal Performance Indicators	Baseline	Service Delivery Targets	Status 1 July 06 to 31 Dec 07	Status 1 January 07 to 30 June 07
Credit Control – procurement process	These services extend to include all the management functions of the Financial Services Department. Includes the functions of personnel management and training and implementation of the mandate of the Motheo District Municipality. But do not take the function of the accounting officer, which resides within the jurisdiction of the Municipal Manager. National and Provincial government legislation is adhered to and a constant communication line is kept.	<ul style="list-style-type: none"> To improve the submission of levy payers returns To improve the debt collection ratio To increase the outstanding service debtors to revenue ratio To reduce the cost coverage ratio To ensure the completion of the 2006/2007 annual budget To effectively respond to audit reports To ensure adherence to 	<ul style="list-style-type: none"> Returns submitted after 30/6/2006 is outstanding levies per act. Debt collection ratio is not applicable as no monthly levies Debtors ratio is not applicable as no monthly revenue is received Cost to revenue is R1 612 121 to R4249717.26 = 37.93% 2006/2007 Draft budget completed and submitted in the prescribed format by 30/5/2006 	<p>ACHIEVED</p> <ul style="list-style-type: none"> Collecting all outstanding levies as from 1 July 2006. Debtors ratio is not applicable as no monthly revenue is received 2006/2007 Adjustment budget completed and submitted in the prescribed format by 12/04/2007. Monthly reports done to SED's Council reports on quarterly basis.

Municipal Performance Indicators	Baseline	Service Delivery Targets	Status 1 July 06 to 31 Dec 07	Status 1 January 07 to 30 June 07
		<ul style="list-style-type: none"> • the approved budget • Development of a movable asset maintenance plan • Promote co-ordination of department activities and work programmes • Ensure the timely distribution of accounts/assessments to levy payers • Financial Control • To maximize the utilization of resources allocated to the department. • To improve the productivity of employees assigned to the department • To comply with the prescribed reporting and accountability requirements 	<ul style="list-style-type: none"> • All informal audit queries by AG answered in prescribed format • Monthly reports done to SED's Council reports on quarterly basis. • Draft of Asset Maintenance Plan done by Procurement Office • Meetings held with Section Heads. • Departmental meetings to be held • Only final accounts are sent to defaulters. • Balanced all control accounts with the different sub-systems at 30 June 2006 • Establish weekly work plan and schedules for the Departments activities. • Subjecting Finance officials to On-going training programs. IMFO, Samras, 	<ul style="list-style-type: none"> • Draft of Asset Maintenance Plan done by Procurement Office • Meetings held with Section Heads. • Balanced all control accounts with the different sub-systems at 30 June 2006 • Establish weekly work plan and schedules for the Departments activities. • Subjecting Finance officials to On-going training programs. IMFO, Samras, Provincial

Municipal Performance Indicators	Baseline	Service Delivery Targets	Status 1 July 06 to 31 Dec 07	Status 1 January 07 to 30 June 07
			Provincial and National Treasury • All reports required by legislation (MFMA) submitted to the relevant authorities as prescribed	and National Treasury All reports required by legislation (MFMA) submitted to the relevant authorities as prescribed
		<u>2006/2007 Budget:</u> Approved budget Expenditure to date Amount available	R 1 909 980 862 893 1 047 087	

Key performance Area 3.1.2

Municipal Performance Indicators	Baseline	Service Delivery Targets	Status 1 July 06 to 31 Dec 07	Status 1 January 07 to 30 June 07
Income	The Income section is responsible for the collection of the RSC Levies. This is done by the accounting leg i.e., Levy Administration and the collections leg, i.e. Tracing and Inspections. This is done in accordance with the RSC Act. National and Provincial government	Identify unregistered levy payers Update the RSC Debtors System data base Monthly returns send out timeously to increase payment of levies on due date. Verification of records to increase accuracy level of RSC Levies. Tracing of defaulters	<ol style="list-style-type: none"> 1. Produce Final Accounts for outstanding levies as at 30/6/2006 on a monthly basis 2. Correction of assessments done monthly via audit. 3. Trace all non registered levy payers and defaulters 4. Trace outstanding debtors 5. Inspect all levy 	ACHIEVED <ol style="list-style-type: none"> 1. Collection of outstanding levies still continuous. 2. Correction of assessments done monthly via audit 3. RSC levies abolished. 4. Successful implementation of new RSC Write off Policy.

Municipal Performance Indicators	Baseline	Service Delivery Targets	Status 1 July 06 to 31 Dec 07	Status 1 January 07 to 30 June 07
		to reduce number and outstanding debtors	payers 6. New registrations 7. Successful implementation of new RSC Write off Policy. 8. Current data of RSC Levy accounts: Active accounts - 9 285 Deceased estates – 64 Liquidated accounts – 215 Suspended accounts – 8845	5. Currently busy with write-off and collections of outstanding levies. Active Accounts - 5421 Deceased Estates - 64 Liquidated Accounts-222 Suspended Accounts-12702
		<u>2006/2007 Budget:</u> Approved budget Expenditure to date Amount available	R 3 175 840 <u>1 612 172</u> 668	R 3 175 840 <u>240</u> 400 3 235 <u>59</u>

Key performance Area 3.1.3

Municipal Performance Indicators	Baseline	Service Delivery Targets	Status 1 July 06 to 31 Dec 07	Status 1 January 07 to 30 June 07
Expenditure	All MDM payments done and maintenance of creditors ledger	These services extend to include the management of all expenditure occurred in the Motheo District Municipality. Includes the function of salaries and allowances payments, creditor payments. National and Provincial government circulars are adhered to	<ol style="list-style-type: none"> 1. Payment of staff salaries and allowances done on/before 25th of month. December done 15/12/2006 2. Payment of councillors salaries and allowance before/on 25th of month 3. Payment of monthly 3rd party pay-over within 10 days 4. Compiled the annual salary budget and maintenance of SAMRAS payroll system <p>Creditors payments</p> <ol style="list-style-type: none"> 1. Payment of creditors as per payment Policy 2. Reduce the payment of creditors to less than 30 days. 	<p>ACHIEVED</p> <ol style="list-style-type: none"> 1. Payment of staff salaries and allowances done on/before 25th of month. 2. Payment of councillors salaries and allowance before/on 25th of month 3. Payment of monthly 3rd party pay-over within 10 days 4. Compiled the annual salary budget and maintenance of VIP payroll system <ol style="list-style-type: none"> 1. Payment of creditors as per payment Policy 2. Reduce the payment of creditors to less

Municipal Performance Indicators	Baseline	Service Delivery Targets	Status 1 July 06 to 31 Dec 07	Status 1 January 07 to 30 June 07
			<p>Currently 14 days.</p> <p>3. Payment of contractors as per agreement with Technical Services</p> <p>4. Maintained Creditor's ledger. Submitting to Auditor General.</p>	<p>than 30 days.</p> <p>Currently 14 days.</p> <p>3. Payment of contractors as per agreement with Technical Services</p> <p>4. Maintained Creditor's ledger. Submitting to Auditor General.</p>
		<p><u>2006/2007 Budget:</u> Approved budget Expenditure to date Amount available</p>	<p>R</p> <p>1 405 160</p> <p><u>754 763</u></p> <p><u>650 397</u></p>	<p>R</p> <p>1 405</p> <p><u>1 543</u></p> <p><u>501</u></p> <p><u>341</u></p> <p><u>138</u></p>

Key performance Area 3.1.4

Municipal Performance Indicators	Baseline	Service Delivery Targets	Status 1 July 06 to 31 Dec 07	Status 1 January 07 to 30 June 07
Data Processing	Fully operational SAMRAS DB4 financial system at all times.	These services extend to include the management of the Integrated Financial system used by the Motheo District Municipality. The System currently used as an integrated system, which includes the RSC Levy System is the SAMRAS DB4 System. An informal support system is rendered to other LA's in the region using the same system. The section of the	<p>1. Established a system to control Samras DB4 user menus.</p> <p>2. Maintained a register of user menus and profiles</p> <p>3. Running of daily back-up system</p>	<p>ACHIEVED</p> <p>1. Established a system to control Samras DB4 user menus.</p> <p>2. Maintained a register of user menus and profiles</p> <p>3. Running of daily back-</p>

Municipal Performance Indicators	Baseline	Service Delivery Targets	Status 1 July 06 to 31 Dec 07	Status 1 January 07 to 30 June 07
		municipality has a mandate to: Deliver a data management support to all sections of the Financial Services Department	<ul style="list-style-type: none"> 4. Administration of roll-out of system updated by service provider. 5. Routine maintenance of System modules 6. Collaborator System (Procurement) installed and users set up. 7. Installed leave register on HR Module. 8. Security measures in place by means of password access. 9. Support and advice given to other users of SAMRAS by means of attending Usergroup Meetings 	<ul style="list-style-type: none"> up system 4. Administration of roll-out of system updated by service provider. 5. Routine maintenance of System modules 6. Collaborator System (Procurement) installed and users set up. 7. Installed leave register on HR Module. 8. Security measures in place by means of password access 9. Support and advice given to other users of SAMRAS by means of attending Usergroup Meetings 10. VIP payroll system implemented and running smoothly.
		<u>2006/2007 Budget:</u> Approved budget Expenditure to date Amount available	R <div style="text-align: right;"> 758 220 404 483 <u>353 737</u> </div>	R <div style="text-align: right;"> 758 220 <u>515</u> <u>705</u> </div>

Key performance Area 3.1.5

Municipal Performance Indicators	Baseline	Service Delivery Targets	Status 1 July 06 to 31 Dec 07	Status 1 January 07 to 30 June 07						
Budget Office	Establishment of Budget Office as prescribed by the MFMA	<p>These services extend to include the adherence to the MFMA regarding budget procedures and financial statements. Includes the function of producing the annual budget as per the budget time table, the monitoring and reporting as required by the MFMA.</p> <p>Includes the compilation of the Annual Financial Statements according to standards required by legislation. I.e., IMFO, GAMAP and adherence to the MFMA and Auditor General's Act.</p>	<ol style="list-style-type: none"> 1. Financial Statements concluded on 30/08/2006 and submitted to Auditor General for annual audit. 2. Submission of monthly Section 71 Reports 3. Submission of Monthly reports as required by DoRA 4. Submission of quarterly reports as required by MFMA 5. Maintenance of general ledger votes according to GAMAP standards. 6. Budget time table submitted and approved by Council 30/08/2006 	<p>ACHIEVED</p> <ol style="list-style-type: none"> 1. Section 71 reports submitted to National and Provincial Treasury on monthly basis. 2. Quarterly reports submitted to both National and Provincial Treasury. 3. 2006/2007 Adjustment budget approved by the council on the 12 April 2007. 4. 2007/2008 Budget done and approved by the council on the 26 June 2007 						
		<p><u>2006/2007 Budget:</u> Approved budget Expenditure to date Amount available</p>	<p>R</p> <table style="margin-left: auto; margin-right: auto;"> <tr><td>1 033 160</td></tr> <tr><td><u>548 632</u></td></tr> <tr><td><u>548 632</u></td></tr> </table>	1 033 160	<u>548 632</u>	<u>548 632</u>	<p>R</p> <table style="margin-left: auto; margin-right: auto;"> <tr><td>1 033 160</td></tr> <tr><td><u>1 300 739</u></td></tr> <tr><td><u>- 267 579</u></td></tr> </table>	1 033 160	<u>1 300 739</u>	<u>- 267 579</u>
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<u>1 300 739</u>										
<u>- 267 579</u>										

Key performance Area 3.1.6

Municipal Performance Indicators	Baseline	Service Delivery Targets	Status 1 July 06 to 31 Dec 07	Status 1 January 07 to 30 June 07
Procurement Office	Procurement as detailed in the MFMA	<p>These services extend to include the management of all purchases and sell of goods and services occurring in the Motheo District Municipality. Includes the function of procurement process and asset management. And taken into account the responsibility of Tender Procedures which lies in the three Bid Committees (Tender Committee) and the accounting officer, i.e. Municipal Manager. National and Provincial government circulars are adhered to.</p>	<ol style="list-style-type: none"> 1. Supply Chain Management and Procurement Policy applied in procurement of all goods and services 2. Compilation and maintenance of register for all Service Providers 3. Compilation and maintenance of register for Consultants roster. 4. Procurement section still understaffed. Accountant and clerk to be appointed to fulfill all functions. 5. Maintenance of Asset register 6. Bid committee meetings held 7. Supply chain management and procurement training attended 	<p>ACHIEVED</p> <ol style="list-style-type: none"> 1. Supply Chain Management and Procurement Policy applied in procurement of all goods and services 2. Compilation and maintenance of register for all Service Providers 3. Procurement section still understaffed. Accountant and clerk to be appointed to fulfill all functions. 4. Maintenance of Asset register 5. Bid committee meetings held as per Supply Chain Management policy. 6. Supply chain management and procurement training attended 7. Attended SAMDI trainings on Supply Chain Management regulations.
		<p><u>2006/2007 Budget:</u> Approved budget</p>	R	R

Municipal Performance Indicators	Baseline	Service Delivery Targets	Status 1 July 06 to 31 Dec 07	Status 1 January 07 to 30 June 07
		Expenditure to date	1 204 900	1 187 330
		Amount available	<u>407 857</u>	<u>930 444</u>
			<u>797 043</u>	<u>256 886</u>

Key performance Area 3.1.7

Municipal Performance Indicators	Baseline	Service Delivery Targets	Status 1 July 06 to 31 Dec 07	Status 1 January 07 to 30 June 07
Improving financial management skills	To enhance knowledge of staff members through training	To comply to all municipal financial standards	Attended all IMFO Training identified	ACHIEVED Attended various identified training and workshop sessions.
		To have a trained staff establishment in financial systems	Attended training on SAMRAS DB4 System and attended User Group Meetings	ACHIEVED Attended training on SAMRAS DB4 System and attended User Group Meetings
		To comply fully to the MFMA Act	Participate in National Treasury approved training programs Attended Provincial Treasury training programs	ACHIEVED Participate in National Treasury approved training programs Attended Provincial Treasury training programs
		To comply to the GAMAP Statements	Participate in IMFO supported training programs	ACHIEVED Participated in IMFO and GRAP supported training programs
		General computer skills	Subjected all identified officials in department to computer skills training (Ms Word, Excel, Power Point, Access, Outlook)	ACHIEVED Subjected to all identified officials in department to computer skills training (Ms Word, Excel, Power Point, Access, Outlook)

Section 5.3: Executive and Council

- **Costs associated with mayoral, speaker, council whip, councillor and committee expenses and governance (excluding remuneration)**

VOTE NUMBER	DESCRIPTION	BUDGET 2006/2007	ACRUALS 2006/2007
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INSTITUTIONAL

1 2501 7086	TRANSLATION & INTERPRETATION SERVI	70 000.00	61.811
1 2501 7087	MAINTAIN & ENHANCE COMMUNICATION	1,000,000.00	688 000.00
1 2501 7088	MAINTAIN & ENHANCE WEBSITE	20,000.00	0
1 2501 7089	DEV A RISK MANAGEMENT POLICY	500, 000.0	170,345.0
1 2501 7090	PUBLIC PARTICIPATION - SPEAKERS OF	1,000,000.00	988 643.82
1 2501 7110	IMPLEMENT DOCUMENT MANAGEMENT SYST	0.00	29,000.00
1 2501 7116	COUNCILLOR SUPPORT - COUNCIL WHIP	1,000,000.00	858,342.0
1 2501 7092	ROADSHOW TO LOCAL MUNICIPALITIES	150,000.0	61,432.0
1 2501 7093	TEAM BUILDING-COUNCILORS & OFFICIALS	150,000.0	152,516.0
1 2501 7094	BURSARY SCHEME	150,000.0	5,923
1 2501 7095	PERFORMANCE REWARDS	300,000.0	0
1 2501 7096	EFFECTIVE LAUNGUAGE POLICY	50,000.0	0
1 2501 7097	EAST. LIBRARY FOR LEGAL INFORMATION	100,000.0	0
1 2501 7098	CONDUCT COMMUNITY PERCEPTION	50,000.0	0
1 2501 7099	CONDUCT MEDIA ROADSHOWS	30,000.0	0
1 2501 7100	DEV. CORPORATE POLICIES	50,000.0	29,000.0
1 25017101	CORPRATE BRANDING	570,000.0	472,841.0
1 2501 7102	SECURITY CONTROL MEASURES	250,000.0	68,729.0
1 2501 7103	IMPLEMENT DOCUMENT MANAGEMENT SYSTEM	60,000.0	0
1 2501 7104	FILLING SYSTEM PLAN	50,000.0	0
1 2501 7105	DEV. MUNICIPAL CODE	200,000.0	115,544.0
1 2501 7106	ICT. IDENTIFY SHORTFALSS & PROBLEMS	120,000.0	93,418.0
1 2501 7107	SKILLS DEVELOPMENT	250,000.0	171,252.0
1 2501 7114	CAPACITY BUILDING ON LED		0

VOTE NUMBER	DESCRIPTION	BUDGET 2006/2007	ACRUALS 2006/2007
1 2501 7116	COUNCILLOR SUPPORT- COUNCIL WHIP		0
		6,120,000.00	3,937,796.0

CONTR. OPERATIONAL LIABILITIES

1 2502 8125	CONTR OPERATIONAL LIABILITIES - MANTSOPA	727,010.00	727,004.0
		727,010.00	727,004.0

EXPENDITURE CONDITIONAL GRANTS

1 2503 7119	MUNICIPAL SYSTEMS IMPROVEMENT PROG	1,000,000.00	1,000,000.00
1 2503 7122	LOCAL GOVERNMENT FINANCIAL MANAGEMENT	750,000.00	750,000.00
1 2503 7123	LED - CAPACITY BUILDING	40 000.00	40 000.0
		1,790,000.00	1,790,000.0

GENERAL EXPENSES

2 GENERAL EXPENSES

1 3001 0120	CONGRESS & SEMINARS	112,490.00	58,138.0
1 3001 0121	CONSULANCY & INVESTIGATION FEES	166,469.00	173,928.0
1 3001 0126	CLEANSING SERVICES	27,550.00	0
1 3001 0127	CLEANSING MATERIAL	5,800.00	670.
1 3001 0128	CONSUMABLE ITEMS	49,880.00	40,248.0
1 3001 0130	DEPRECIATION ON ASSETS	0	0
1 3001 0139	ENTERTAINMENT - CHIEF WHIP	31,500.00	15,292.0
1 3001 0140	ENTERTAINMENT EXPENSES - MAYOR	75,600.00	51,155.0
1 3001 0141	ENTERTAINMENT EXPENSES - SPEAKER	31,000.00	26,212.0
1 3001 0144	ENTERTAINMENT EXPENSES - MAYCO	163,685.00	132,210.0

VOTE NUMBER	DESCRIPTION	BUDGET	ACRUALS
		2006/2007	2006/2007
1 3001 0145	ENTERTAINMENT EXPENSES - COUNCIL M	64,247.00	52,783.0
1 3001 0146	ENTERTAINMENT EXPENSES - SEC 80 CL	40,127.00	40,305.0
1 3001 0147	YEAR END FUNCTION	30,000.00	30,024.0
1 3001 0148	ENTERTAINMENT-MISCELLANEOUS	0	0
1 3001 0150	FURNITURE AND OFFICE EQUIPMENT	400,000.00	377,838.0
1 3001 0151	SALGA FREE STATE	300,000.00	121,924.0
1 3001 0152	FUEL OFFICIAL VEHICLES	200,000.00	188,801.0
1 3001 0155	FLOWERS/GIFTS	27,550.00	21,818.
1 3001 0180	INTERNATIONAL TOURS	1,050,000.00	1,088,579.0
1 3001 0181	INSURANCE	14,880.00	6,796.0
1 3001 0202	LICENSES	2,400.00	1,566.0
1 3001 0230	OFFICE RENTAL	217,930,450.00	207,215.0
	PUBLICATIONS	50,400.0	61,092.0
	PRINTING AND STATIONERY	26,550.0	45,084.0
	POSTAGE AND TELEPHONE	79,720.0	195,603.0
	PARKING	19,610.00	16,946.0
	PROPERTY RATES	38,780.0	32,181.0
	PROMOTIONS/MARKETING	119,210.0	105,490.0
	RENOVATIONS ON BUILDING	37,160.0	32,598.0
	RENTAL-OTHER LOCATIONSS	12,000.0	6,784.0
	TRAVELLING AND SUBSISTENCE EXPENSE	500,000.0	491,653.0
	WATER ANND ELECTRICITY	320,000.0	309,548.0
	ENTERTAINMENT-SECTION 80 LED AND TOURISM	0	0
	ENTERTAINMENT-SECTION 80 DISASTER MANGAEMENT	0	0
	ENTERTAINMENT-SECTION 80 FINANCE	0	0
	ENTERTAINMENT-SECTION 80 INFRASTRUCTURE	0	0
	ENTERTAINMENT-SECTION 80 HEALTH	0	0
	ENTERTAINMENT-SECTION 80 SOCIAL	0	0
	ENTERTAINMENT-SECTION 80 CORPORATE	0	0
	ENTERTAINMENT-SECTION 80 RURAL DEVELOPMENT	0	0
	ENTERTAINMENT-SECTION 80 SPECIAL PROGRAMMS	0	0

VOTE NUMBER	DESCRIPTION	BUDGET 2006/2007	ACRUALS 2006/2007
		4,215,038.00	3,,932,3835.0
Sub-section	2 GENERAL EXPENSES		
1 3001 0238	PUBLICATIONS	48,200.00	48,200.00
1 3001 0240	PRINTING AND STATIONERY	50,000.00	65,125.78
1 3001 0241	POSTAGE AND TELEPHONE	70,860.00	72,105.72
1 3001 0242	PARKING	38,430.00	27,795.91
1 3001 0243	PROPERTY RATES	36,070.00	36,550.25
1 3001 0244	PROMOTION/MARKETING	164,010.00	83,855.50
1 3001 0245	RENOVATIONS ON BUILDINGS	100,290.00	85,755.89
1 3001 0247	RENTAL - OTHER LOCATIONS	5,000.00	2,063.50
1 3001 0249	RENTAL - EQUIPMENT	10,460.00	5,228.00
1 3001 0260	TRAVELLING AND SUBSISTENCE ALLOWAN	500,000.00	338,811.47
1 3001 0280	WATER AND ELECTRICITY	250,000.00	291,268.75
1 3001 1441	ENTERTAINMENT - MMC'S	96,000.00	101,233.14
		1,369,320.00	1,157,993.91
	3 REPAIRS AND MAINTENANCE		
1 3001 0301	GENERAL	25,000.00	42,938.46
1 3001 0302	VEHICLES	70,000.00	81,454.22
		95,000.00	124,392.68
	5 CONTR TO FUNDS AND RESERVES		
1 3001 0502	PROVISION - LEGAL COMMITMENTS	200,000.00	0.00
1 3001 0503	GRANTS IN AID	100,000.00	0.00
		300,000.00	0.00

VOTE NUMBER	DESCRIPTION	BUDGET 2006/2007	ACRUALS 2006/2007
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6 CONTR TO CAPITAL OUTLAY EX INC

1 3001 0604	OFFICE FURNITURE AND EQUIPMENT	20,000.00	34,899.00
		<u>20,000.00</u>	<u>34,899.00</u>

POLITICAL SUPPORT - MANAGEMENT

2 GENERAL EXPENSES

1 3015 0150	FURNITURE AND OFFICE EQUIPMENT	31,530.00	18,178.35
1 3015 0151	SALGA FREE STATE	140.00	12.48
1 3015 0181	INSURANCE	3,870.00	3,228.95
1 3015 0230	OFFICE RENTAL	55,210.00	44,032.94
1 3015 0240	PRINTING AND STATIONERY	6,440.00	5,443.28
1 3015 0241	POSTAGE AND TELEPHONE	19,330.00	17,257.81
1 3015 0242	PARKING	10,470.00	6,734.46
1 3015 0260	TRAVELLING AND SUBSISTENCE ALLOWAN	16,190.00	15,601.22
		<u>143,180.00</u>	<u>110,489.49</u>

3 REPAIRS AND MAINTENANCE

1 3015 0301	GENERAL	1,320.00	1,205.82
		<u>1,320.00</u>	<u>1,205.82</u>

5 CONTR TO FUNDS AND RESERVES

1 3015 0501	PROVISION FOR LEAVE	5,200.00	0.00
		<u>5,200.00</u>	<u>0.00</u>

VOTE NUMBER	DESCRIPTION	BUDGET 2006/2007	ACRUALS 2006/2007
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6 CONTR TO CAPITAL OUTLAY EX INC

1 3015 0604	OFFICE FURNITURE AND EQUIPMENT	20,000.00	8,858.77
		<u>20,000.00</u>	<u>8,858.77</u>

POLITICAL SUPPORT - MAYOR

2 GENERAL EXPENSES

1 3016 0100	ADVERTISEMENTS	500.00	0.00
1 3016 0120	CONGRESS & SEMINARS	5,000.00	3,803.75
1 3016 0150	FURNITURE AND OFFICE EQUIPMENT	13,280.00	15,573.71
1 3016 0151	SALGA FREE STATE	250.00	54.08
1 3016 0181	INSURANCE	5,150.00	4,296.92
1 3016 0230	OFFICE RENTAL	73,620.00	58,715.90
1 3016 0240	PRINTING AND STATIONERY	8,590.00	7,638.13
1 3016 0241	POSTAGE AND TELEPHONE	25,770.00	27,840.07
1 3016 0242	PARKING	14,000.00	9,001.47
1 3016 0260	TRAVELLING AND SUBSISTENCE ALLOWAN	31,120.00	16,402.83
		<u>177,280.00</u>	<u>143,326.86</u>

3 REPAIRS AND MAINTENANCE

1 3016 0301	GENERAL	1,380.00	1,629.30
		<u>1,380.00</u>	<u>1,629.30</u>

5 CONTR TO FUNDS AND RESERVES

1 3016 0501	PROVISION FOR LEAVE	12,450.00	0.00
		<u>12,450.00</u>	<u>0.00</u>

VOTE NUMBER	DESCRIPTION	BUDGET 2006/2007	ACRUALS 2006/2007
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6 CONTR TO CAPITAL OUTLAY EX INC

1 3016 0604	OFFICE FURNITURE AND EQUIPMENT	20,000.00	0.00
		<u>20,000.00</u>	<u>0.00</u>

3017 POLITICAL SUPPORT - SPEAKER

2 GENERAL EXPENSES

1 3017 0120	CONGRESS & SEMINARS	10,000.00	3,803.75
1 3017 0150	FURNITURE AND OFFICE EQUIPMENT	38,980.00	43,565.21
1 3017 0151	SALGA FREE STATE	100.00	49.92
1 3017 0181	INSURANCE	5,150.00	4,296.92
1 3017 0230	OFFICE RENTAL	73,620.00	58,715.90
1 3017 0240	PRINTING AND STATIONERY	8,590.00	7,638.13
1 3017 0241	POSTAGE AND TELEPHONE	25,770.00	25,307.03
1 3017 0242	PARKING	14,000.00	9,001.47
1 3017 0260	TRAVELLING AND SUBSISTENCE ALLOWAN	43,530.00	33,015.58
		<u>219,740.00</u>	<u>185,393.91</u>

Sub-section 3 REPAIRS AND MAINTENANCE

1 3017 0301	GENERAL	500.00	798.89
		<u>500.00</u>	<u>798.89</u>

5 CONTR TO FUNDS AND RESERVES

1 3017 0501	PROVISION FOR LEAVE	14,080.00	0.00
		<u>14,080.00</u>	<u>0.00</u>

VOTE NUMBER	DESCRIPTION	BUDGET 2006/2007	ACRUALS 2006/2007
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6 CONTR TO CAPITAL OUTLAY EX INC

1 3017 0604	OFFICE FURNITURE AND EQUIPMENT	25,400.00	20,545.00
		<u>25,400.00</u>	<u>20,545.00</u>

POLITICAL SUPPORT - COUNCIL WHIP

2 GENERAL EXPENSES

1 3018 0100	ADVERTISEMENTS	5,000.00	0.00
1 3018 0120	CONGRESS & SEMINARS	10,000.00	0.00
1 3018 0130	DEPRECIATION OF ASSETS	0	0
1 3018 0121	CONSULANCY & INVESTIGATION FEES	4,900.00	0.00
1 3018 0150	FURNITURE AND OFFICE EQUIPMENT	30,000.00	2,268.0
1 3018 0151	SALGA FREE STATE	1,000.00	0
1 3018 0181	INSURANCE	10,670.00	7,679.0
1 3018 0230	OFFICE RENTAL	145,290.00	138,147.0
1 3018 0240	PRINTING AND STATIONERY	17,700.00	17,700.0
1 3018 0241	POSTAGE AND TELEPHONE	53,150.00	53,150.0
1 3018 0242	PARKING	13,080.00	11,303.0
1 3018 0260	TRAVELLING AND SUBSISTENCE ALLOWAN	40,000.00	6,577.0
		<u>330,790.00</u>	<u>236,824.0</u>

3 REPAIRS AND MAINTENANCE

1 3018 0301	GENERAL	3,000.00	3,000.0
		<u>3,000.00</u>	<u>3,000.0</u>

5 CONTR TO FUNDS AND RESERVES

1 3018 0501	PROVISION FOR LEAVE	25,400.00	176,083.00
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VOTE NUMBER	DESCRIPTION	BUDGET 2006/2007	ACRUALS 2006/2007
		25,400.00	176,083.00
	6 CONTR TO CAPITAL OUTLAY EX INC		
1 3018 0604	OFFICE FURNITURE AND EQUIPMENT	.00	0.00
		.00	0.00
TOTAL EXPENDITURE EXCLUDING REMUNERATION		17,755,780.00	14,441,373.23

SALARIES WAGES AND ALLOWANCES

COUNCIL'S GENERAL EXPENSES

1 3001 0003	COUNCILLOR ALLOWANCES	3,540,980.00	3,913,269.0
1 3001 0004	CHAIRPERSON - AUDIT COMMITTEE ALLO	53,000.00	6,692.00
1 3001 0006	SALARIES - POLITICAL PARTIES	0	0
1 3001 0009	COMPENSATION COMMISSIONER	0	248,262.0
1 3001 0020	MEDICAL AID - COUNCIL CONTRIBUTION	296,660.00	70,320.0
1 3001 0021	PENSION FUND - COUNCIL CONTRIBUTIO	531,150.00	449,575.0
1 3001 0022	SALGBC - COUNCIL CONTRIBUTION	0	0
1 3001 0024	UIF - COUNCIL CONTRIBUTION	0	0
1 3001 0026	SKILLS DEVELOPMENT LEVY	0	38,397.0
1 3001 0041	TRANSPORT ALLOWANCE - COUNCILLORS	1,832,573.00	1,722,493.0
1 3001 0042	HOUSING SUBSIDY	400,000.00	305,800.0
1 3001 0043	TELEPHONE ALLOWANCE	214,500.00	209,392.0
1 3001 0044	PERSONAL FACILITIES	0	0

POLITICAL SUPPORT - MANAGEMENT

1 3015 0001	SALARIES	1,092,520.00	1,381,607.0
1 3015 0010	BONUSSES - ANNUAL	91,040.00	95,686.00
1 3015 0011	BONUSSES -S57	0	64,260
1 3015 0015	OVERTIME	46,7940	31,197.0
1 3015 0020	MEDICAL AID - COUNCIL CONTRIBUTION	31,140.00	45,270.0

VOTE NUMBER	DESCRIPTION	BUDGET 2006/2007	ACRUALS 2006/2007
1 3015 0021	PENSION FUND - COUNCIL CONTRIBUTIO	197,420.00	213,626.0
1 3015 0022	SALGBC - COUNCIL CONTRIBUTION	470,00	231.0
1 3015 0024	UIF - COUNCIL CONTRIBUTION	10,930.00	8,800.0
1 3015 0026	SKILLS DEVELOPMENT LEVY	13,380.00	15,980.0
1 3015 0040	TRANSPORT ALLOWANCE - OFFICIALS	210,000.00	322,981.0
1 3015 0042	HOUSING SUBSIDY	0	0
1 3015 0043	TELEPHONE ALLOWANCE	32,000.00	36,602.00
	TOTAL	1,725,694	2,216,186.0
POLITICAL SUPPORT - EXECUTIVE MAYOR'S OFFICE			
1 3016 0001	SALARIES	1,397,430.00	1,618,779.0
1 3016 0010	BONUSES - ANNUAL	116,450.00	124,635.00
1 3016 0015	OVERTIME	31,800.00	3,180.0
1 3016 0020	MEDICAL AID - COUNCIL CONTRIBUTION	92,970.00	110,,598.0
1 3016 0021	PENSION FUND - COUNCIL CONTRIBUTIO	252,,520.00	261,951.0
1 3016 0022	SALGBC - COUNCIL CONTRIBUTION	950.00	435.0
1 3016 0024	UIF - COUNCIL CONTRIBUTION	13,970.00	14, 128.0
1 3016 0026	SKILLS DEVELOPMENT LEVY	11,220.00	16,419.0
1 3016 0040	TRANSPORT ALLOWANCE - OFFICIALS	0	0
1 3016 0042	HOUSING SUBSIDY	25,000.00	21,725,0
1 3016 0043	TELEPHONE ALLOWANCE	35,,400.00	47,,700.00
1 3016 0060	LEAVE PROVISION	0	0
1 3016 0107	CLOTHING COUNCIL CONTRIBUTION	0	0
	TOTAL	1,977,710.0	2,219,549.00
POLITICAL SUPPORT - SPEAKERS OFFICE			
1 3017 0001	SALARIES	1,057,860.00	923,312.0
1 3017 0020	MEDICAL AID - COUNCIL CONTRIBUTION	18,000.00	18,130.00
1 3017 0011	BONUSES PERFORMANCE S57	0	101,076,0
1 3017 0021	PENSION FUND - COUNCIL CONTRIBUTIO	191,160.00	148,602.0
1 3017 0022	SALGBC - COUNCIL CONTRIBUTION	400.00	153.0
1 3017 0024	UIF - COUNCIL CONTRIBUTION	10,580.00	6,015.0
1 3017 0026	SKILLS DEVELOPMENT LEVY	9,280.00	11,,361.0

VOTE NUMBER	DESCRIPTION	BUDGET 2006/2007	ACRUALS 2006/2007
1 3017 0040	TRANSPORT ALLOWANCE - OFFICIALS	320,538.00	334,067.0
1 3017 0042	HOUSING SUBSIDY	0	0
1 3017 0043	TELEPHONE ALLOWANCE	43,380.00	50,811.00
	TOTAL	1,836,280,0	2,445,870.0
POLITICAL SUPPORT - COUNCIL WHIP'S OFFICE			
1 3018 0001	SALARIES	787,000.00	842,762.56
1 3018 0010	BONUSES - ANNUAL	6,120.00	
1 3018 0020	MEDICAL AID - COUNCIL CONTRIBUTION	68,000.00	29,134.80
1 3018 0021	PENSION FUND - COUNCIL CONTRIBUTIO	95,320.00	131,542.92
1 3018 0022	SALGBC - COUNCIL CONTRIBUTION	320.00	145.80
1 3018 0024	UIF - COUNCIL CONTRIBUTION	5,270.00	5,450.57
1 3018 0026	SKILLS DEVELOPMENT LEVY	6,710.00	8,086.19
1 3018 0040	TRANSPORT ALLOWANCE - OFFICIALS	198,000.00	185,500.11
1 3018 0042	HOUSING SUBSIDY	23,570.00	
1 3018 0043	TELEPHONE ALLOWANCE	20,400.00	20,400.00
TOTAL REMUNERATION - COUNCIL & POLITICAL SUPPORT		10,062,750.00	9,442,001.03

SECTION 5.4: ACTIVITIES RELATED TO THE FINANCE SECTION OF THE MUNICIPALITY

- o Debtor billings (no and value of monthly billings)

RSC Returns (Annual figures)

Description	Number of returns	Value of Returns (Rand)
Establishment Levy	0	RCS ABOLIISHED
Services Levy		
Totals	0	0

- **Debtor collections (value of amount received and interest)**

Total amount received for levies was R93 581 553.71

Interest received on arrear levies was R452 390.24

- **Debtor analysis (amount outstanding over 30, 60, 90 and 120 plus days)**

RSC Debtors analysis

30 Days	60 Days	90 Days	120 + Days
0	0	375 922.19	2 058 982.48

- **Write off of debts (number and value of debts written off)**

Description	Amount	Number
MM approval	12 039.35	1115
Council approval	0	0
Totals	95 298.93	1115

- **RSC levies**

- No. and value of returns – 0
- Total establishment value – R41 120 251 428.50 (Sales turnover)
- Total services value – R10 289 486 000.00 (Salaries turnover)
- Levies collected for the current year:

Description	Budget Amount	Actual collected
Services Levy	0	4, 619, 393.26
Establishment levy	0	7, 621, 9329.29

- **Credit rating**

None – Not needed as no external debt required.

- **External loans**

Description	Opening Balance	Current Balance
DBSA Loan - Electricity	15 310 000	10 107 479
DBSA Loan - Sanitation	50 000 000	37 244 554
Totals	65 310 000	47 352 033

- **Delayed and default payments**

None

Chapter Three:

AUDITOR GENERAL'S REPORT

REPORT OF THE AUDITOR-GENERAL TO THE FREE STATE LEGISLATURE AND THE COUNCIL ON THE FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION OF MOTHEO DISTRICT MUNICIPALITY FOR THE YEAR ENDED 30 JUNE 2007

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the accompanying financial statements of Motheo District Municipality which comprise the balance sheet as at 30 June 2007, income statement and cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory notes, and the accounting officer's report, as set out on pages [xx] to [xx].

Responsibility of the accounting officer for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with the entity-specific basis of accounting, as set out in accounting policy note 1 to the financial statements and in the manner required by the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA). This responsibility includes:
 - designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error
 - selecting and applying appropriate accounting policies
 - making accounting estimates that are reasonable in the circumstances.

Responsibility of the Auditor-General

3. As required by section 188 of the Constitution of the Republic of South Africa, 1996 read with section 4 of the Public Audit Act, 2004 (Act No. 25 of 2004) (PAA), my responsibility is to express an opinion on these financial statements based on my audit.
4. I conducted my audit in accordance with the International Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
6. An audit also includes evaluating the:
 - appropriateness of accounting policies used
 - reasonableness of accounting estimates made by management
 - overall presentation of the financial statements.
7. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Basis of accounting

8. The district municipality's policy is to prepare financial statements on the entity-specific basis of accounting as set out in accounting policy note 1 to the financial statements.

Basis for qualified opinion

Creditors

9. It was not possible to verify the completeness, correct valuation and existence of creditors as disclosed in the financial statements, due to the following:
 - a) Accounts with a total value of R1 927 466 included as part of the overall creditors disclosed at year-end could not be verified against acceptable supporting documentation and the district municipality did not have processes in place to ensure regular review and reconciliation of creditors. Included in these accounts were 40 accounts which had remained dormant since the last

financial year, some for up to five years, and could therefore not be verified. No alternative procedures could be performed to verify these accounts in the absence of adequate documentation to support the source thereof.

- b) The sub-ledger that supports the disclosure of payments received in advance did not agree to the amount of R1 199 749 as disclosed in the financial statements and the identified difference could not be reconciled or explained by management. It was not possible to verify that the ledger provided to support the disclosure actually related to the amounts disclosed and it was therefore not possible to perform all the procedures that we deemed necessary to verify this disclosure. In the absence of a reliable audit trail no alternative procedures could be performed on this account balance. In terms of the payments received in advance, adequate proof could also not be obtained that the district municipality had put in place processes to refund such amounts to levy payers in credit and adequate proof could therefore not be obtained that the prepayment actually represents an obligation that would result in the outflow of economic benefits. As repayment of the credits could not be confirmed, these overpayments should be recognised as revenue instead and the value-added tax of R147 337, which is included therein, should be paid to the South African Revenue Services. The identified error resulted in revenue being understated by R1 052 412 whilst net current assets were understated by a similar amount.
- c) Accruals at year-end to the amount of R1 142 040 related to expenditure incurred only in the following financial year. Therefore both creditors and expenditure were overstated by that amount in the current financial statements.
- d) Provisions raised in respect of unspent grant funds and project provisions to the value of R1 032 976 were included in creditors as disclosed in the financial statements. These provisions did not satisfy the definition of a liability and could therefore not be classified as creditors. In terms of the entity-specific accounting practice, these amounts could be classified as reserves if they had been set aside for a specific purpose, and council approval had been obtained. Creditors were therefore overstated and reserves understated by the amount of these provisions.
- e) The district municipality amended the classification of different accounts included in the disclosed sub-classification of creditors in note 8 to the financial statements. The detailed disclosure was therefore not comparable to the amounts of the prior year and no further disclosure was made to indicate the detail of the amendments effected to the user of the financial statements.

Debtors

- 10. It was not possible to verify the completeness, correct valuation and existence of debtors as disclosed in the financial statements, due to the following:

- a) The sub-ledger that supports the disclosure in respect of the year-end Regional Services Levy debtors did not agree to the amount of R1 864 452 as disclosed in the financial statements and the identified difference could not be reconciled or explained by management. It was thus not possible to verify that the ledger provided to support the disclosure actually related to the amounts disclosed and it was not possible to perform all the procedures that we deemed necessary to verify this disclosure. In the absence of a reliable audit trail no alternative procedures could be performed on this account balance.
 - b) Due to a lack of supporting documentation it was not possible to verify the existence, accurate valuation and the district municipality's rights associated with 41 debtor accounts to the value of R799 438. These accounts also remained dormant during the year and in the absence of adequate supporting evidence no alternative procedures could be performed to verify these account balances.
 - c) The district municipality accrued interest of R949 748 up to the end of the current financial year in respect of the investment it holds with New Republic Bank, which was placed under receivership. According to correspondence with the bank's curators it was deemed highly unlikely that the district municipality would be able to recover the capital still owing to it and was therefore deemed highly unlikely that any of the accrued interest would actually be received. The total value of debtors was therefore overstated by the indicated amount and, as the error related to interest accrued in previous financial years, it resulted in an understatement of the total appropriations and thus year-end accumulated reserves by the same amount.
11. The district municipality did not consider the collectability of its debtors at year-end and had not raised a provision in respect of debtors of which the collection was considered to be doubtful. In terms of the profile of the debtors of the district municipality it was estimated that debtors to the value of R2 154 032 were not likely to be collectable. It was therefore deemed that debtors were overstated by the said amount, with a corresponding understatement of expenditure.

Provisions

12. The leave records of the district municipality and its records of work attendance were not reliable for purposes of establishing the accuracy and completeness of leave to the credit of officials at year-end. The leave records were therefore not a reliable basis for calculation of the provision for leave as included in the balance sheet and disclosed in note 7 to the financial statements. Therefore it was not possible to verify the correct valuation of the provision for leave amounting to R2 287 378. In the absence of reliable leave records it was also not possible to perform alternative procedures to accurately determine the value of the provision.

Expenditure

13. Due to a lack of supporting evidence relating to expenditure transactions other than employee costs, it was not possible to perform all the audit procedures deemed necessary to verify the occurrence, accuracy and correct classifications of expenditure amounting to R1 728 032. As a result of the scope limitation it was also not possible to verify the occurrence and accuracy of the Municipal Systems Improvement Grant expenditure of R1 314 513 as disclosed in note 20 to the financial statements. In the absence of adequate supporting documentation it was not possible to perform alternative procedures.
14. Due to a lack of supporting evidence relating to employee and employee-related costs it was not possible to perform all the audit procedures deemed necessary to verify the occurrence, accuracy and correct classifications of salaries and wages transactions amounting to R1 339 152. In the absence of adequate supporting documentation it was also no possible to perform alternative procedures.
15. Contrary to the prescripts of the Remuneration of Public Officer Bearers Act, 1998 (Act No. 20 of 1998), the district municipality remunerated its councillors according to a grade five municipality when in fact, based on the district municipality's income and the population within its jurisdiction, it is a grade four municipality in terms of the act. This resulted in the overpayment of councillors in terms of the act. The total of the overpayment could, however, not be quantified due to the fact that sufficient detail could not be obtained as to how the municipality calculated backpay paid to these affected councillors. Therefore it was not possible to verify the accuracy of remuneration paid to executive and directly appointed councillors to the amount of R6 368 590 as disclosed in the notes to the financial statements.
16. During the year under review, the district municipality made awards and transferred municipal funds to the value of R351 414 to political parties. The awards did not meet the recognition requirements for expenditure as defined by entity-specific accounting practice. Furthermore, the awards were made in contravention of the stipulations of the district municipality's *Donations, sponsorships and grants policy* as approved by council on 1 March 2005, due to the following:
 - a) No written agreement was entered into with the recipient organisation
 - b) No evidence could be provided that the payment of the grant contributed to the achievement of the district municipality's objectives as contained in its integrated development plan (IDP) and detailed in the policy as such.

Revenue

17. Due to lack of supporting documentation it was not possible to verify the accuracy and correct classification of a correction journal entry processed to revenue for a debit of R795 330. In the absence of adequate documentation there were also no alternative procedures that could be performed to verify the journal entry.

Retirement benefits

18. Due to a lack of supporting evidence the district municipality did not update its disclosure of post-employment benefits at year-end as disclosed in note 23 to the financial statements. The disclosure reflects the situation as at 30 June 2006 and as a result cannot be relied upon to be a fair representation of the obligation that the district municipality has in terms of the defined benefit pension plans in which it participates. Furthermore, the deficit as disclosed related to the entire deficit on the fund which was attributable to all the municipalities that participated in the fund and no disclosure was made of the portion of such deficit which was the obligation of the district municipality.

Comparative disclosure

19. The qualifications as noted in the audit report of the Auditor-General in respect of the previous financial year (2005-06) have not been addressed by management in the current financial statements. All audit qualifications that were included in our audit report for the year ended 30 June 2006 therefore remain applicable to the comparative disclosure in the current year financial statements. As a result of the aforementioned, it was also not possible to verify that management and the mayor of the municipality had met their responsibility in terms of section 131 of the MFMA.

Qualified opinion

20. In my opinion, except for the effects of the matters described in the Basis for qualified opinion paragraphs, the financial statements of Motheo District Municipality as at 30 June 2007 and its financial performance and cash flows for the year then ended have been prepared, in all material respects, in accordance with the basis of accounting as set out in accounting policy note 1 to the financial statements and in the manner required by the MFMA.

Emphasis of matters

I draw attention to the following matters:

Other information

21. During the audit process the annual report of the district municipality was not available for review. It was therefore not possible to perform all the procedures that I deemed necessary to verify that no material inconsistencies existed between the published financial statements and other information published in the annual report.

Highlighting a matter affecting the financial statements

22. As indicated in note 26 to the financial statements, the district municipality had incurred unauthorised expenditure of R3 603 440 in the current and previous financial years combined. The unauthorised expenditure occurred as a result of the following:

- a) Unauthorised expenditure of R82 260, identified as a result of the audit of the previous financial year, had not been investigated or resolved by the council or management of the district municipality and therefore remains relevant to the disclosure for the current year.
- b) Overspending of funds appropriated for certain votes included in the approved budget of the district municipality by an amount of R3 418 014.
- c) The incurrence of expenditure of R103 166 from votes unrelated to the functional area covered by the vote.

No proof could be obtained that the unauthorised expenditure had been considered in terms of section 32 of the MFMA or approved by means of an adjustment budget.

23. As indicated in note 27 to the financial statements, the district municipality had incurred irregular expenditure of R21 025 440 in the current and previous financial years combined. The irregular expenditure occurred as a result of the following:

- a) Irregular expenditure amounting to R1 683 709 identified as a result of the audit of the previous financial year had not been investigated or resolved by the council or management of the district municipality and therefore remains relevant to the disclosure for the current year.
- b) Expenditure to the amount of R5 454 217 was incurred which was not budgeted for in terms of section 15 of the MFMA.
- c) Remuneration to the amount of R2 947 236 was paid to officials in excess of the salary levels negotiated and approved in the collective agreement entered into with the bargaining council appointed by local government. All municipalities should adhere to the collective agreement in terms of section 77 of the Local Government Municipal Systems Act, 2000 (Act No. 32 of 2000) (Systems Act), except in the case of municipal managers and managers directly accountable to the municipal managers who may be appointed in terms of sections 56 and 57 of the Systems Act on a negotiated contract of employment.
- d) Performance bonuses of R1 831 060 were paid to certain officials of the district municipality without proof that performance agreements which adhered to the municipal performance measurement system of the district municipality had been entered into with the officials. No proof could be obtained that a performance evaluation process had been undertaken and that the final performance evaluation had been approved by council in terms of section 57(4B) of the Systems Act. Furthermore, not all officials to whom bonuses were paid qualified for such bonuses as they were not managers directly accountable to the municipal manager in terms of sections 56 and 57 of the Systems Act.

- e) Remuneration of R197 310 was paid to newly appointed officials whose positions were additional to the establishment of the district municipality and therefore had not been budgeted for in terms of section 15 of the MFMA.
- f) Expenditure amounting to R2 856 928 was incurred without meeting the procurement requirements as set in either the departmental procurement policies or relevant procurement legislation.
- g) Expenditure of R5 990 604 was incurred in terms of contracts of which the award was considered to be irregular due to non-compliance with prescripts of the municipality's own procurement policies and/or relevant procurement regulations.
- h) Funds, in the form of financial assistance to procure items of plant and equipment to the value of R64 376, were transferred to an entity outside of government without adhering to the requirements of section 67 of the MFMA.

24. As indicated in note 28 to the financial statements, the district municipality had incurred fruitless and wasteful expenditure amounting to R1 098 651 in the current and previous financial years combined. This fruitless and wasteful expenditure occurred as a result of the following:

- a) Fruitless and wasteful expenditure amounting to R251 509 identified as a result of the audit of the previous financial year had not been investigated or resolved by the council or management of the district municipality and therefore remains relevant to the disclosure for the current year.
- b) An amount of R19 872 was paid out in respect of leave that should have been forfeited in terms of either the officials' conditions of employment and/or the collective agreement entered into with the bargaining council appointed for local government.
- c) Remuneration of R360 623 was paid to certain officials in excess of their contracted and structured salary packages.
- d) Annual bonuses amounting to R230 810 were paid to officials appointed on a cost-to-company structured remuneration package in addition to the agreed-upon and contracted amount.
- e) Subsistence and travel costs amounting to R18 799 were paid to officials in excess of the allowable expenditure in terms of the district municipality's policy.
- f) Interest paid on late payment of supplier accounts amounted to R1 570.
- g) Expenditure amounting to R12 800 was incurred to host a workshop which the majority of nominated delegates did not attend.
- h) Lease payments amounting to R19 298 were made in respect of premises that were not effectively utilised.
- i) A loss of R183 390 was sustained in respect of the trade-in of plant which could not be utilised as it produced a product that was unacceptable for the South African market.

Basis of accounting

25. The entity-specific accounting basis prescribes that the total budget surplus/(deficit) should be reported on in the income statement as well as in appendices D and E. During the financial year the district municipality was unable to comply with this requirement of the standard and you are referred to note 25 to the financial statements which indicates management's reasons for non-compliance in this regard.
26. Contrary to the specimen financial statements as provided in terms of the entity-specific basis of accounting, the district municipality elected to separate on the balance sheet its disclosure of the total accumulated reserves in the previous financial year and the total accumulated deficit for the current financial year. The district municipality has also not accurately disclosed the detail of the composition of the accumulated deficit as prescribed by the standard as the detailed disclosure differs from the total of the accumulated deficit at year-end by an amount of R882 862.

OTHER MATTERS

I draw attention to the following matters that are ancillary to my responsibilities in the audit of the financial statements:

Non-compliance with applicable legislation

MFMA

27. The district municipality changed its primary bankers during the year under review but no proof could be provided that the district municipality had informed either the provincial treasury or the Auditor-General of the new account, as required by section 9 of the MFMA.
28. The accounting officer did not prepare and table all their consolidated quarterly reports of withdrawals during the year under review, as prescribed by section 11(4) of the MFMA, and no proof could be provided that any of the reports were submitted to the provincial treasury and the Auditor-General.
29. During consideration of the district municipality's budget for the 2006-07 financial year it was noted that the provincial treasury, following their review of the district municipality's draft budget, was concerned that it was not in line with the requirements of National Treasury Circular 28 and that all required appendices were attached. No proof could be obtained that the district municipality, in terms of section 23 of the MFMA, had considered the views of National Treasury and that any amendments were

effected to the draft budget before final acceptance thereof by council. The aforementioned also resulted in non-compliance with the budget format in terms of sections 17 and 20 of the MFMA.

30. No proof could be provided that the budget had been made public or that representations were invited from the local community immediately after the budget was tabled in council, as required by the prescripts of section 22 of the MFMA.
31. Contrary to the prescripts of section 24(1) of the MFMA, the district municipality's budget was not approved at least 30 days before the start of the budget year as it was only approved by council on 30 June 2006. Furthermore, no proof could be provided that the final approved budget was submitted to National Treasury or the provincial treasury.
32. The final budget as captured on the accounting system of the district municipality differed from the approved budget supplied for audit purposes and no proof could be provided that the district municipality had prepared and approved a municipal adjustment budget in terms of section 28 of the MFMA which complied with all the processes as prescribed by sections 22(b), 23(3) and 24(3) of the act.
33. The mayor of the municipality did not submit all and complete quarterly reports on the implementation of the budget and the financial state of affairs of the district municipality to council as prescribed by section 52(d) of the MFMA.
34. Contrary to the requirements of section 53(1)(c)(iii) of the MFMA, no proof could be provided that the mayor took all reasonable steps to ensure that the annual performance agreements were signed, as required by section 57(1)(b) of the Systems Act, as no performance agreements relating to the 2006-07 financial year could be obtained during the course of the audit. It could therefore not be determined whether all requirements of the MFMA and Systems Act were taken into consideration.
35. Contrary to the prescripts of section 62(1)(c) of the MFMA, it could not be verified that the district municipality had and maintained effective, efficient and transparent systems of financial and risk management as no proof could be provided to date that a risk assessment process had been undertaken at the district municipality.
36. Contrary to the requirements of section 62(1)(d) of the MFMA, various payments identified during the course of the audit were considered to be unauthorised, irregular and fruitless and wasteful expenditure, as per definition, which had not been detected by the district municipality's processes and in respect of which no action had been taken.
37. Asset management at the district municipality was considered inadequate for the reasons set out below. Therefore it was not possible to verify that the accounting officer, in terms of section 63 of the MFMA, and senior management and the officials of the district municipality, in terms of section 78(1)(e) of the MFMA, had met their responsibilities in terms of the act.

- a) The district municipality did not have a documented policy relating to the management of assets.
 - b) Unique asset identification numbers were not affixed to all assets and were not recorded in the asset registers of the district municipality.
 - c) Various assets could not be physically verified at the district municipality as they were either not adequately marked or could not be traced at the locations indicated in the control registers.
 - d) Costs to date amounting to R691 130 in respect of an infrastructure project in progress at year-end were not capitalised in the control registers.
 - e) The asset control registers did not agree to the disclosure made in appendix C to the financial statements and the identified differences could not be explained or reconciled by management.
 - f) No proof of ownership of the property included in the asset control registers could be provided.
38. Contrary to the prescripts of section 65(2) of the MFMA, numerous instances were identified where suppliers were not paid within 30 days and no proof could be obtained of any measures implemented to track the submission and payment of invoices to ensure compliance with this section of the MFMA.
39. Contrary to the prescripts of section 69 of the MFMA, no proof could be provided that the accounting officer took all reasonable steps to ensure that spending of funds took place in accordance with the budget as expenditure was not properly monitored.
40. The prescripts of section 72(1) of the MFMA was not complied with, due to the following:
- a) Various instances were identified where the internal controls of the district municipality were circumvented.
 - b) Fruitless and wasteful, irregular and unauthorised expenditure was incurred.
 - c) Adequate supporting documentation was not available, resulting in scope limitations on various components as detailed in the basis of qualification paragraphs.
 - d) Assets were not managed effectively and were also not safeguarded and maintained as necessary.
41. Contrary to the prescripts of section 75 of the MFMA, the district municipality did not publish the following on its official website:
- a) All performance agreements required in terms of section 57(1)(b) of the Systems Act
 - b) All long-term borrowing contracts
 - c) All supply chain management contracts above a prescribed value
 - d) The agreement with the identified Public-Private-Partnership (PPP)
 - e) Quarterly reports tabled in council in terms of section 52(d) of the MFMA.

42. Contrary to the prescripts of section 125(2) of the MFMA, the district municipality did not include in the notes to the financial statements, in respect of each bank account held, the name of the bank where the account was held and both the opening and closing balances of the account.
43. During the year under review the district municipality entered into a service level agreement with a body that was funded by government and which took over certain functions within the jurisdiction of the district municipality that would otherwise have had to be performed by the municipality. In my opinion, the agreement established a PPP financially supported by the district municipality during the year under review. No proof could be provided, however, that the district municipality had complied with the provisions of section 120 of the MFMA in terms of its relationship with the body.
44. The current year annual report of the district municipality was not available for review during the audit process. It was therefore not possible to verify that the report had been prepared and adopted and contained all the information as prescribed in section 121 of the MFMA.
45. At financial year-end, various officials and councillors owed the district municipality R328 742 in total in respect of unpaid private expenditure incurred by making use of the district municipality's credit or garage cards or cell phones provided for official purposes. The majority of these accounts remained dormant for the year under review and no proof could be obtained that any interest had been levied in respect of these outstanding balances. Because of the long-outstanding nature of these accounts, they were considered to be loans made to the councillors and officials, which is not allowed in terms of section 164(1)(c) of the MFMA.

Systems Act

46. No evidence could be obtained during the audit to confirm that the district municipality had put in place sufficient and effective mechanisms to ensure that the local community could exercise their right to contribute to the decision-making process of the municipality, as prescribed by section 5 of the Systems Act.
47. Sections 16,17 and 18 place at the core of municipal governance the participation of the community which the municipality serves and the implementation of mechanisms by a municipality to ensure that community participation is encouraged and promoted at all levels of municipal governance. No proof could be provided that the district municipality had taken adequate steps to discharge this responsibility delegated to them in terms of the act.
48. No proof could be obtained that the municipal manager gave notice to the public of various ordinary and special council meetings which were held during the year as prescribed by section 19 of the Systems Act.

49. No proof could be obtained that the district municipality made specific arrangements for people who cannot write in its notifications to the local community, as prescribed by section 21(4) of the Systems Act.
50. Given that no proof could be obtained that the district municipality had published and made public the information as required in section 75 of the MFMA and as described in more detail in paragraph 41 above, it was also not possible to confirm compliance with section 21A of the Systems Act.
51. Contrary to the prescripts of section 57 of the Systems Act, no proof could be provided that the performance agreements of the municipal manager and managers directly accountable to the municipal manager were reviewed on an annual basis as:
- a) No performance agreement for the municipal manager relating to the 2006-07 financial year could be provided.
 - b) The performance agreements of these employees did not include a clear indication of the performance objectives and targets to be met, the applicable time frames or the consequences of substandard performance.
52. No proof could be provided that the district municipality had an effective credit control and debt collection policy as is envisaged by section 96 of the Systems Act.
53. No proof could be obtained that the executive mayor of the district municipality, in terms of section 99, and the municipal manager in terms of section 100 of the Systems Act, oversaw and monitored the implementation of credit controls and debt collection at the district municipality.
54. It was noted that the human resource policies of the district municipality did not address all the issues prescribed by section 67 of the Systems Act.

Provincial Public Accounts Committee resolutions tabled in the Free State Legislature

55. No proof could be provided that the district municipality had formally attended and replied to the legislature on the following resolutions applicable to the district municipality:
- Resolution 43/2006
 - Resolution 49/2006
 - Resolution 6/2007
 - Resolution 23/2007

- Resolution 24/2007
- Resolution 25/2007
- Resolution 30/2007

Remuneration of Public Office-Bearers Act, 1998 (Act No. 20 of 1998)

56. Contrary to regulations promulgated in terms of section 7 of the Remuneration of Public Office-Bearers Act, 1998, the executive mayor received travelling allowances whilst also having the right of use of a council motor vehicle. The fringe benefit associated with the use of the vehicle, which was calculated as R147 542, was not declared on the IRP5 certificate of the mayor and consequently no income tax was paid over to the South African Revenue Service as prescribed by the seventh schedule attached to the Income Tax Act, 1962 (Act No. 58 of 1962). The benefit was also not declared for Value-Added Tax purposes as prescribed by section 18(3) of the Value-Added Tax Act, 1991 (Act No. 89 of 1991), resulting in a short payment of output VAT to the amount of R20 655. Furthermore, the benefit was not disclosed in the notes to the financial statements as required by section 124(1)(a) of the MFMA. The fact that the fringe benefit associated with the use of the council vehicle was not declared was also included in the audit report of the previous two financial years yet nothing had been done by the management of the district municipality to rectify the situation.

Supply Chain Management Regulations

57. No proof could be obtained that in terms of the prescripts of regulations 6:

- a) The accounting officer had submitted the report on the implementation of the municipal Supply Chain Management (SCM) policy to council
- b) The accounting officer had submitted the quarterly report on the implementation of the municipal SCM policy to the mayor.

58. No proof could be obtained that a monthly report on awards made based on fewer than three quotations had been submitted to the chief financial officer (CFO) as prescribed by regulation 17(2), and the CFO was not afforded an opportunity to review and approve expenditure transactions where the required number of quotations were not obtained.

59. No proof could be provided that the CFO was notified in writing on a monthly basis of all verbal quotations and/or formal written quotations accepted by an official acting in terms of a sub-delegation.

Preferential Procurement Regulations, 2001 (PPR)

60. It was found that the district municipality's SCM policy was not aligned to regulation 3(1) of the PPR as the policy did not contain a requirement to the effect that all procurement in excess of R30 000 had to be evaluated by means of awarding and evaluating

preference points. As a result, no preference points were awarded and evaluated in respect of any procurement which exceeded the set limit of R30 000.

Basic Conditions of Employment Act, 1997 (Act No. 75 of 1997)

61. Contrary to the prescripts of section 34 of the Basic Conditions of Employment Act, 1997, it was noted that the district municipality made various deductions from the salaries of officials without documentary proof that the officials had agreed to such deductions in writing.
62. As also reported on in the previous financial year, the district municipality had again, contrary to section 10 of the Basic Conditions of Employment Act, 1995, as amended, permitted employees to work more than 10 hours' overtime per week and no proof could be provided that overtime was worked in accordance with an agreement entered into with officials.

Unemployment Insurance Fund Act, 2002 (Act No. 4 of 2002) (UIF Act)

63. Contrary to the prescripts of section 5 of the UIF Act, 2002, the district municipality did not deduct UIF from full-time councillors' remuneration and pay it over to the South African Revenue Services where such councillors were deemed employees as defined by the act. The UIF contributions, including both employee and employer portions, amounted to R55 966 for the current year.

Matters of governance

64. Notwithstanding the fact that the district municipality had an approved policy on subsistence and travel expenditure, prohibiting all officials and councillors from paying for extravagance in the form of five-star accommodation and business class airfare, it was found that during overseas tours arranged by the district municipality, certain councillors and officials stayed in five-star accommodation and travelled business class, which in total cost the district municipality R147 792. Furthermore, in respect of other overseas travel at a cost of R146 285, the supporting documentation was not sufficient to verify that the expenditure was restricted to four-star accommodation and economy class airfare as stipulated in the district municipality's policies.
65. The district municipality had purchased Macufe festival tickets to the value of R67 000 in addition to its sponsorship of R200 000 in respect of the festival. The payment represented 870 tickets purchased in respect of several of the activities at the festival and no proof could be provided that any management control relating to the distribution and use of the tickets was in place.
66. Based on the result of our expenditure audit, transactions to the amount of R500 337 were identified where the relation between the objectives of the district municipality as set in its IDP and the expense incurred could not be determined, nor whether the expense had added any value to the district or community served by the municipality. Management did not provide comments on the identified expenses and therefore no other information could be obtained in the evaluation of these transactions.

67. The district municipality had hosted a whippy strategic review session during the report year for 45 delegates over three days at a total cost of R197 195. This cost amounted to R3 695 per person for the three-day session or R1 231 per person per day. The total cost included a number of promotional items, including golf shirts, at a total cost of R38 400, and conference bags at a cost of R11 160.

Material corrections made to financial statements submitted for audit

68. The financial statements approved by the accounting officer and submitted for audit purposes on 30 September 2007, were significantly revised in respect of the following misstatements identified during the audit:

- a) The comparative figure for outstanding future commitments in respect of the Mantsopa Local Municipality was increased by R858 823 to reflect its correct value as at 30 June 2006 and the current year disclosure was corrected to reflect the actual activity in terms of the commitment.
- b) Capital commitments to the value of R5 205 333 were disclosed in the financial statements in terms of entity-specific accounting practice.
- c) Unauthorised expenditure amounting to R3 603 440 was disclosed in the notes to the financial statements as prescribed by section 125(2) of the MFMA.
- d) Irregular expenditure amounting to R21 025 440 was disclosed in the notes to the financial statements as prescribed by section 125(2) of the MFMA.
- e) Fruitless and wasteful expenditure amounting to R1 280 963 was disclosed in the notes to the financial statements as prescribed by section 125(2) of the MFMA.

Internal control

69. Section 62(1)(c)(i) of the MFMA states that the accounting officer must ensure that the district municipality has and maintains effective, efficient and transparent systems of financial and risk management and internal control. The table below depicts the root causes of the matters indicated, as they relate to the five components of internal control. In some instances deficiencies existed in more than one internal control component.

Reporting item	Control environment	Assessment of risks	Control activities	Information and communication	Monitoring
Basis for qualification opinion					
Creditors			✓		✓
Debtors			✓		✓
Provisions			✓		
Expenditure			✓		✓
Revenue			✓		
Retirement benefits			✓		
Comparative disclosure	✓				
Emphasis of matter					
Other information			✓		
Highlighting of matters included the financial statements: Basis of accounting	✓		✓ ✓		✓
Other matters					
Non-compliance with applicable laws and regulations	✓		✓		✓
Matters of governance	✓				

Reporting item	Control environment	Assessment of risks	Control activities	Information and communication	Monitoring
Material corrections to the financial statements			✓		✓

Control environment

70. The municipality did not establish key elements of a control environment to achieve sound financial management. This resulted in:

- An inadequate level of skills and knowledge to enable the financial statements to be accurately prepared, which in turn gave rise to the many corrections to the financial statements resulting from matters identified.
- The incurrence of material unauthorised, irregular and fruitless and wasteful expenditure that was not prevented or detected by the municipality.
- An inadequate level of skills and knowledge of the legislation applicable to the local government environment, which resulted in the various instances of non-compliance with legislation.

Control activities

71. The effectiveness of control activities over business and accounting processes was not adequate. This was evident from the various instances where adequate supporting documentation could not be provided in support of various debtor and creditor balances, provisions and numerous expenditure and revenue transactions. The inadequate control activities also gave rise to various instances of non-compliance with legislation, which was as a result of the fact that all controls required in terms of the relevant legislation had not been designed or implemented or current processes were not aligned with legislative requirements. The inadequacies of the control activities also contributed to the incurrence of unauthorised, irregular and fruitless and wasteful expenditure which was not prevented or detected and corrected by internal processes of the district municipality.

Monitoring controls

72. The monitoring of controls, such as regular review of creditors and debtors, the adequate review of expenditure requisition documentation and the lack of monitoring of compliance with relevant legislation were not effective. This contributed to the

matters reported relating to dormant debtor and creditor accounts, the recoverability of debtors as well as to the incurrence of unauthorised, irregular and fruitless and wasteful expenditure.

Unaudited supplementary schedules

73. The supplementary information included in appendices A to G(2) on pages x to x does not form part of the financial statements and is presented as additional information. I have not audited these schedules and accordingly I do not express an opinion on them.

OTHER REPORTING RESPONSIBILITIES

Report on performance information

74. I was engaged to audit the performance information.

Responsibility of the accounting officer for the performance information

75. In terms of section 121(3)(c) of the MFMA, the annual report of a municipality must include the annual performance report of the municipality prepared by the municipality in terms of section 46 of the Systems Act.

Responsibility of the Auditor-General

76. I conducted my engagement in accordance with section 13 of the PAA read with *General Notice 646 of 2007*, issued in *Government Gazette No. 646 of 25 May 2007* and section 45 of the Systems Act.

77. In terms of the foregoing, my engagement included performing procedures of an audit nature to obtain sufficient appropriate evidence about the performance information and related systems, processes and procedures. The procedures selected depend on the auditor's judgement.

78. I believe that the evidence I have obtained is sufficient and appropriate to provide a basis for the audit findings reported below.

Audit findings

Performance information not received

79. I was not able to complete an evaluation of the quality of the reported performance information since the information was not provided to me.

Non-compliance with regulatory requirements

Reporting of performance information

80. The current year annual report of the district municipality was not available for review during the audit process. It was therefore not possible to verify that the report included a performance report as prescribed by section 121(3) of the MFMA.

Systems Act

81. Contrary to the prescripts of section 26(h) of the Systems Act, the financial plan included in the municipality's 2006-07 IDP did not include a budget projection for at least the next three years as prescribed by the relevant legislation.

82. Contrary to the prescripts of section 28(2) and (3) of the Systems Act, no proof could be provided that the local community was consulted before adopting the process to guide the planning, drafting, adoption and review of the district municipality's IDP and that the local community was given notice of particulars of the process that the district municipality intended to follow.

83. Contrary to the prescripts of section 32 of the Systems Act, no proof could be provided that a copy of the IDP as adopted by council and any subsequent amendments to the plan were submitted to the MEC for local government within 10 days of the adoption or amendment of the IDP.

84. Contrary to the prescripts of section 41 of the Systems Act, no proof could be provided that a process was established to ensure regular reporting to the council. Only one mid-year budget and performance assessment report was prepared which related to the period 1 July to 31 December 2006.

85. Contrary to the prescripts of section 42 of the Systems Act, no proof could be provided that the community was allowed to participate in setting appropriate key performance indicators and performance targets for the district municipality.

86. Contrary to the prescripts of section 44 of the Systems Act, no proof could be provided that the key performance indicators and performance targets were made known internally and to the general public.

87. Although the district municipality did have a performance management policy as per the requirements of chapter 6 of the Systems Act, no proof could be provided that the district municipality had established mechanisms to monitor and review the performance management system. Since its approval in 2002, it had not been reviewed once.

88. In terms of chapter 6 of the Systems Act and section 7 of the Municipal Planning and Performance Management Regulations, 2001, the district municipality's performance management system and the IDP should be linked. However, this could not be

verified as the performance management policy had not been reviewed once since its approval in 2002 while the IDP had been reviewed four times since its initial approval. This is evident from the fact that that the key performance indicators as per the performance management system did not agree to the key performance indicators included in the IDP.

Municipal Planning and Performance Management Regulations, 2001

89. In terms of section 7 of the performance management regulations, the district municipality's performance management system must relate to the employee performance appraisal system. However, to date no employee performance management system has been implemented and none of the functional employees' performance had been measured.
90. Contrary to the prescripts of section 13(3) of the performance management regulations, the measurement of actual costs, resources and time in progress reporting is not included in the mid-year performance assessment report.
91. Contrary to the prescripts of section 13(4) of the performance management regulations, no proof could be provided that the community was involved in the review process of the key performance indicators.

APPRECIATION

92. The assistance rendered by the staff of Motheo District Municipality during the audit is sincerely appreciated.

Bloemfontein

16 January 2008

Chapter Four:

MEASURES TAKEN TO ENHANCE PERFORMANCE

In addressing all pertinent matters raised in the Auditor General's report, the council undertook to roll out a systemic action plan aimed specifically at arriving at remedial measures in order to address all the audit findings

	Action	By Whom	By When
466 included could not be supporting	<i>Ad hoc</i> audit will be performed on quarterly basis to verify the availability of supporting documents and whether the payments have been made within 30 days after date of receipt of invoice.	CFO Internal Audit	30/06/2008
processes in reconciliation	Creditor reconciliation will be performed on monthly basis and reviewed by a senior official on monthly basis	CFO	30/06/2008
accounts had financial year, therefore not	Creditors will be consulted about the status of MDM in their financial records. If part of these accounts are monies that should be refunded to the debtors this process will be attended to as soon as possible	CFO	30/06/2008
disclosure of t agree to the the financial ce could not ement	Creditor reconciliation will be performed on monthly basis and reviewed by a senior official on monthly basis	CFO	30/06/2008
ould not be should be d the value- ded as part South African or resulted in 2 412 whilst by a similar	Creditor reconciliation will be performed on monthly basis and reviewed by a senior official on monthly basis. If part of these accounts are monies that should be refunded to the debtors this process will be attended to as soon as possible	CFO	30/06/2008
f R1 142 040 only in the oth creditors that amount	The SCM function will be centralised so that internal control measures will be implemented to avoid the unnecessary delay of payment of invoices. Cut-off dates of orders will be drafted and communicated to all	CFO	30/06/2008