

Capricorn District, the Home of
Excellence and Opportunities for a
Better Life



CDM Annual Report 2007/08

CAPRICORN DISTRICT MUNICIPALITY



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Capricorn District, the Home of
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Better Life

MEMBERS OF THE MAYORAL COMMITTEE



Cnr Rev. Julia Mothudi
The Speaker



Cnr Motlale Monakedi
Executive Mayor



Cnr Chuene Malebana
Chief whip



Cnr Suzan Chego
Special Focus



Cnr Martin Manamela
Finance



Cnr Dorcus Mkhondo
Energy Provision



Cnr Nelson Keetse
Local Economic Development



Cnr Betty Kgare
Health & Environment



Cnr Mokopane Matsaung
Water & Sanitation



Cnr Isaac Choshi
Strategy & Planning



Cnr Phillip Thoka
Corporate Services



Cnr Abrina Mokami
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ABBREVIATIONS

ABET	:Adult Basic Education Training	KPI	: Key Performance Indicator
ABSA	:Amalgamated Banks of South Africa	LAC	: Local Aids Council
AP	:Aerial Photograph	LED	: Local Economic Development
BBBEE	:Broad Based Black Economic Development	LGSETA	: Local Government Sector Education Training Authority
CAPEX	:Capital Expenditure	LIBSA	: Limpopo Business Support Agency
CBO	:Community Based Organisation	LLF	: Local Labor Forum
CBP	:Community Based Planning	LM	: Local Municipality
CDM	:Capricorn District Municipality	MFMA	: Municipal Finance Management Act
CDW	:Community Development Workers	MHS	: Municipal Health System
CETA	:Construction Education and Training Agent	MIG	: Municipal Infrastructure Grant
CFO	:Chief Financial Officer	MM	: Municipal Manager
CGE	:Commission on Gender Equality	MMC	: Member of Mayoral Committee
CIDB	:Construction Information Database	MOU	: Memorandum of understanding
CLLR	:Councillor	MRM	: Moral Regeneration Movement
CPTR	:Current Public Transport Record	MSA	: Municipal Systems Act
CRR	:Capital Replacement Reserve	MSP	: Master System Plan
CSR	:Corporate Social Responsibility	NEMA	: National Environmental Management Act
DAC	:District Aids Council	NER	: National Energy Regulator
DALA	:Department of Agriculture and Land Administration	NGO	: Non-Governmental Organisation
DBSA	:Development Bank of South Africa	NMT	: Non Motorised Transport
DEAT	:Department of Environmental Affairs and Tourism	NPI	: National Productivity Institute
DHSD	:Department of Health and Social Development	NRA	: National Road Agency
DPLG	:Department of Provincial and local Government	NSDP	: National Spatial Development Perspective
DSAC	:Department of Sport,Arts and Culture	OD	: Organisational Development
DWAF	:Department of Water Affairs and Forestry	OPEX	: Operational Expenditure
ECT	:Electronic Communication Transaction	PGDS	: Provincial Growth Development Strategy
EEP	:Employment Equity Plan	PMS	: Performance Management Systems
EM	:Executive Mayor	RDP	: Reconstruction Development Programme
EPWP	:Expanded Public Works Programme	RSC	: Regional Services Council
FBW	:Free Basic Water	S&LP	: Social and Labour Plans
GAAP	:Generally Accepted Account Practices	SALGA	: South African Local Government Association
GAMAP	:Generally Accepted Municipal Accounting Practices	SAMAG	: South African Men Action Group
GDP	:Gross Domestic Product	SAMWU	: South African Municipal Workers Union
GDS	:Growth and Development Summit	SAPS	: South Africa Police Services
GGP	:Gross Geographical Product	SAYC	: South African Youth Commission
GIS	:Geographical Information System	SCM	: Supply Chain Management
GRAP	:Generally Recognised Accounting Practices	SDBIP	: Service Delivery and Budget Implementation plan
HR	:Human Resource	SMME	: Small Micro Medium Enterprise
HRD	:Human Resource Development	TDM	: Transport Demand Management
ICT	:Information Communication Training	VIP	:Ventilated Improved Pits
IDP	:Integrated Development Plan	WSA	:Water Services Authority
IDT	:Independent Development Trust	WSDP	:Water Services Development Plan
IGR	:Inter-Governmental Relations	WSF	:Water Sorting Facility
IMATU	:Independent Municipal Allied Trade Union	WSP	:Water Services Provider
ISDF	:integrated Spatial Development Frameworks		
ITP	:intergrated Transport Plan		
IWMP	:Integrated Waste Management Plan		
KPA	:Key Performance Area		



Foreword

I'm presenting this report for the review period 2007/08 to all stakeholders in the sector and to the public in general. I do so with pride and encouragement derived from our vision which propelled us to turn our challenges into opportunities for growth and development. We present this report with pleasure and as a commitment towards good governance and our motto: "Re Šoma le Setšhaba"

This was made possible by adopting activities geared towards change; pioneered by various interventions, initiated within the municipality; aimed at reinforcing the team spirit prevailing within us as a collective.

The 2007/08 financial year was characterized by challenges presented by service provision backlogs that required us to accelerate the pace upon which we provide municipality services to our customers. The municipality adopted the local government strategic agenda which redirected us towards adhering to the key performance areas which are as follows:

1. Infrastructure and service delivery
2. Institutional Transformation & Development
3. Local Economic Development
4. Financial Viability
5. Good governance & Public Participation

Remarkable progress was achieved through effective and efficient systems aimed at ensuring that all Key Performance Areas (KPA) are thoroughly explored and tangible results are derived. The year under review has also seen us registering strides and milestones as outlined per KPA but not limited to the following:

1. Institutional Transformation

Development of an IDP reflecting integrated strategies that registered to have achieved ...% as Per the provincial local government IDP assessment report by DPLG & Housing.

Appointment of component staff and enhancing their performance through on an off job training.

2. Service delivery and infrastructure

Implementation of our programmes through unpacking all service delivery value chains in relation to water services, roads as well as transport services, waste management services, electrification services, sanitation services, disaster & fire services, community facilities, settlement planning services and municipal health services. This enabled us to ensure that municipal services are accessible to the public.

The conclusion of the Section 78 on environmental health and water services and proposed institutional mechanism for better execution of our constitutional mandate.

3. Local Economic Development

A thorough exposition of various economic sector which are having a competitive advantage as an indication towards our commitment of changing the face of poverty.



4. Financial Viability

Implementation of the exciting financial management systems SAP-ERP through importing the information from manual to electronic information management system.

5. Good governance & Public Participation

Introduction of effective Audit with significant contributions toward good corporate governance and Risk Management Unit

Hosting of a District-wide conference as a platform for fostering public participation

Development and adherence of policies towards MFMA compliance

This is a journey we have initiated as a collective with Councillors and staff. We are certain that the 2007/2008 Annual Report positions and elevates Capricorn District Municipality to a different trajectory. As required by legislation and government policies, Capricorn District.

Municipality wish to present this report for the period between 1 July 2007 to 30th June 2008. The financial statements in chapter 4 are made available to members of the communities, stakeholders and South Africans in general, to enhance participatory democracy, and thus adding impetus on the "People's contract for a better life for all."

Be a victor!

MMONAKEDI
EXECUTIVE MAYOR



'CDM will continue to be one of the leading District Municipalities, setting the developmental pace, addressing poverty ...'

The end of each financial year is the perfect time for reflecting on all aspects of development, especially after a year marked by such an enthusiasm, zeal and gusto in the shaping of the new South Africa politically and economically.

This annual report serves to highlight the progress made by the Capricorn District Municipality between July 2007 and June 2008. It highlights the achievements of the District, the services rendered and provided by the municipality, and other developments in which the District is engaged. It further provides audited financial statements for 2007/2008. The main objective of presenting this report is to report back to communities on performance, progress and other related matters from the beginning of July 2007 to June 2008

As we continue to extensively focus on the service excellence in this second decade of democratic South Africa, and our year to another new dawn of freedom to come, our approach is always to work closely with communities to build appropriate municipal-community partnerships. The local knowledge of the people is combined with the local government developmental mandate to ensure sustainable, people-centred development.

This approach maximizes local economic development opportunities and builds skills and capacity in most of our rural areas. Though we still face challenges which we think we will overcome, we still have a need to:

- Fast-track Infrastructural Development initiatives and Service Delivery, focusing on the provision of free basic services, water, sanitation, electricity, roads and storm water, passenger transport;

- The need to deepen the alignment of our IDP with the PGDS and the NSDP as an inclusive instrument around which planning should take place towards addressing the socio-economic challenges confronting our Region;
- The need for our Local Economic Development interventions to adequately address issues of economic development, skills development, job creation and poverty alleviation;
- The need to enhance the performance of the District by inculcating the culture of Performance Management in all our processes;
- And the need to enhance our Financial Performance and Management to enable our adequate response to all the developmental challenges confronting our communities and improve financial electronic systems;
- The need to continue to deepen Public Participation, Intergovernmental Relations, Stakeholder Participation and Customer Care in all our processes geared towards bettering the lives of our communities;
- The need to continuously monitor the implementation and attainment of the developmental objectives encapsulated in the District IDP.

Our dedication to working with communities and strong service delivery ideologies and the number of manuscripts developed by our office have led to a number of achievements. Capricorn was able to be awarded the prestigious VUNA Award for 2007, as the Provincial Vuna Award winner on the following Key Performance Areas, LED, Financial, and Governance, for its municipal service excellence.

In conclusion I would like to emphasize that the CDM will continue to be one of the leading District Municipalities, setting the developmental pace, addressing poverty through constructive community participation, and expanding on realistic evaluations of the local economic potential – appreciating that local economic development is based on local initiative and driven by local stakeholders.

Be awesome!.

.....
M.M MOLALA
MUNICIPAL MANAGER

Capricorn was able to be awarded the prestigious VUNA Award for 2007, as the Provincial Vuna Award winner on the following Key Performance Areas, LED, Financial, and Governance, for its municipal service excellence.

Ms MM MOLALA
MUNICIPAL MANAGER



Geographical location of CAPRICORN DISTRICT MUNICIPALITY

The District Municipality is situated in the centre of the Limpopo Province sharing its borders with 4 district municipalities namely: Mopani (east), Sekhukhune (south), Vhembe (north) and Waterberg (west). The District is situated at the core of economic development in the Limpopo Province and includes the capital of the Province, i.e. the City of Polokwane. One national and various major provincial roads

pass through the district municipal area, i.e. the N1 – National Road from Gauteng to Zimbabwe and the rest of Africa, the P33/1 (R37) from Polokwane to Burgersfort / Lydenburg, the P94/1 (R521) from Polokwane to Alldays and Botswana and the P17/1 (R71) from Polokwane to Tzaneen and Phalaborwa. Capricorn District Municipality covers an area of 18,570.30km² and has five local municipalities under its jurisdiction.

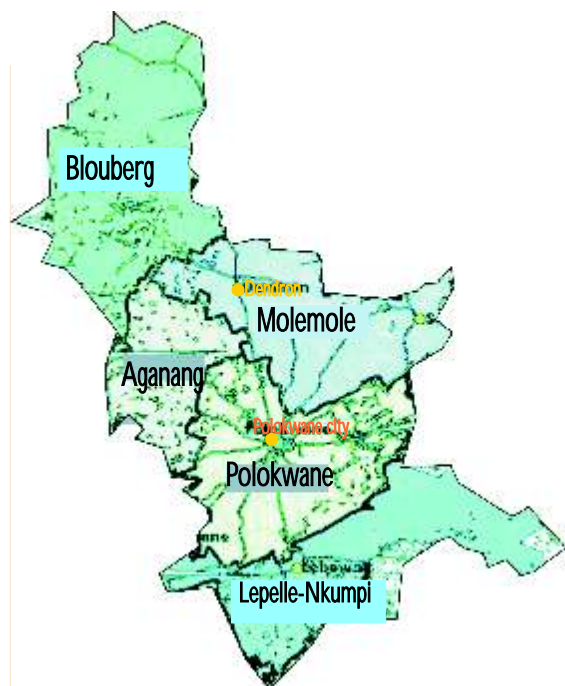


Table A-1 indicates the local municipalities in the CDM area and the area these local municipalities cover.

Local Municipality	Area (km ²)	No. of wards	% of CDM
Aganang LM	1,852.22km ²	18	9.9%
Blouberg LM	5,054.84km ²	18	24.4%
Lepelle-Nkumpi LM	3,454.78km ²	27	27.2%
Molemole LM	3,347.25km ²	13	18.2%
Polokwane LM	3,775.21km ²	37	20.3%
Capricorn DM	18,570.30km ²	113 wards	100.0%

SOCIO-ECONOMIC DEVELOPMENT OF CAPRICORN DISTRICT MUNICIPALITY

According to the Statistics South Africa (Census 2001), the total population of Capricorn District Municipality is estimated at 1 243 167. A total of 285 565 households live in the district municipal area and the average household size is 6.1. The Polokwane municipal area is the most densely populated with estimated 561 772 people living in, while the Molemole municipal area is the least densely populated (5.52 people/ha).

Local Municipality	Population	No of Households	Average Household size	% of district population
Polokwane	561 772	130 361	6.67	44.02%
Lepelle- Nkumpi	241 414	58 483	6.35	19.74%
Molemole	100 408	27 296	5.52	9.48%
Blouberg	194 119	35 598	5.72	13.97%
Aganang	145 454	33 826	6.39	12.79%
TOTALS	1 243 167	285 565	6.1	100%

The majority of population in the CDM area is in the age group of 15-34 years, i.e. 39.35%. A sizeable percentage of the population is in the age group 0-14 years, i.e. 33.88% that indicates a relatively high future population growth in the CDM area.



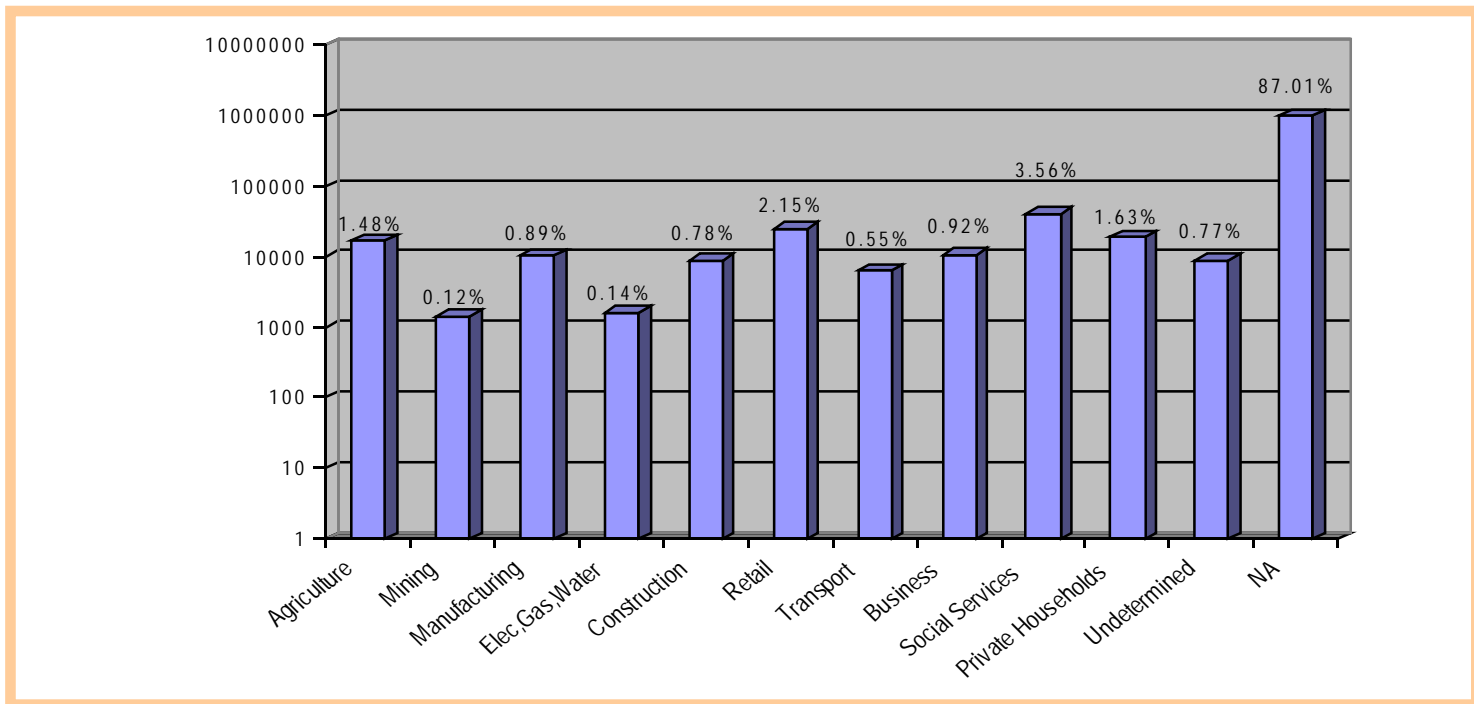
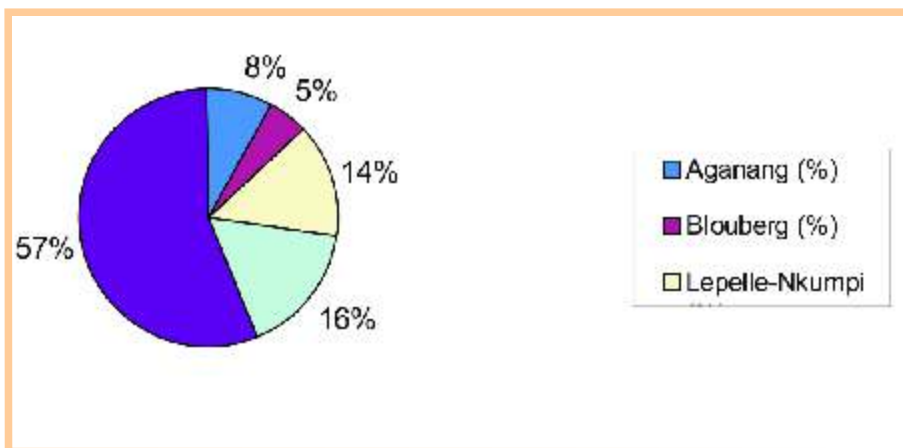
52.58% of Capricorn's population is under 20 years old and 6.20% are elderly residents. These figures imply that many people in the CDM are dependent on the income of others, i.e. a high dependency ratio. Over 25% of the population has no formal education at all and over 40% has only a limited education of less than Grade 12.

The average annual individual income of the population in the CDM area is very low. The majority of the CDM population lives under the breadline i.e. earn less than R15 600 per year. This implies that the majority are unable to pay user charges for new services.

The majority of households in the CDM area are not part of the mainstream economy of the District. Unemployment in Capricorn District is very high. It is estimated that over 55% of the "economically active population" (people between the ages of 15 and 64 years) are unemployed (LED, 2004). The

unemployment situation has deteriorated since 1996 as the average unemployment rate for the District was 46.5% in 1996.

Polokwane is the largest contributor of GDP to the district economy, followed by Lepelle-Nkumpi and Molemole. The manufacturing sector remains the dominant sector with agriculture and mining contributing the least.



18.46% of the total population in the CDM area stay outside the service area of a hospital (i.e. outside 20km radius) and are therefore not within reasonable distance in terms of the standards of the Department of Health and Social Development (DHSD). 45.52% or 525 616 people do not have reasonable access to

basic health services. A total of 72 villages within Aganang, 81 villages in Blouberg, 39 villages in Lepelle-Nkumpi, 23 villages in Molemole and 34 villages in Polokwane are situated outside the 5km radius – standard that applies to clinics.

Crime prevention has been identified as one of the district-wide priorities. This involves crime prevention beyond the provision of police stations and police service. It implies partnership with the



CHAPTER 2

PERFORMANCE HIGHLIGHTS

KPA1: Infrastructure Development and Basic Service Delivery

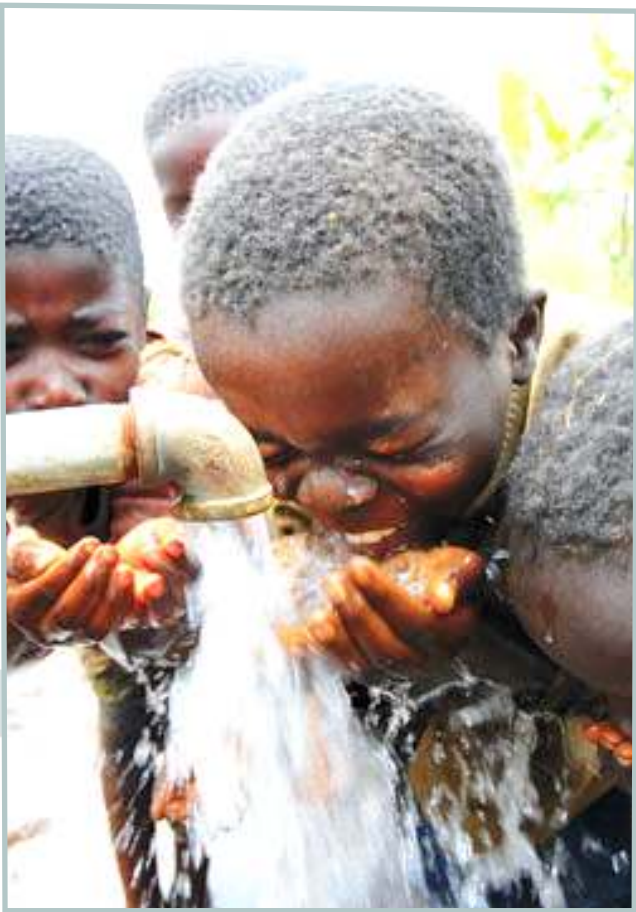
We have embarked on an acceleration programme for effective service provision, that has enabled us to embark on programmes aimed at unpacking value chains of services we provide, in particular with Municipal Services in terms of ensuring that all services we provide are well planned, in relation to identification of sources of water. It is designed towards full reticulation, with proactive operation and maintenance processes being activated to ensure that services are accessible and sustainable.

This was not done in isolation from addressing the socio-economic imperatives that ensure that we involve our communities in decision-making, capitalization of opportunities derived as well as getting value for money and sustainable services to our communities.

KPA2: Institutional Transformation

We have embarked on a Business Process Re-engineering process that unearthed all the organizational and transformation challenges, as well as propelling us to engage in high level process mapping and organizational design for effective response to our functional imperatives. This has charted a way forward towards effective transformation of the organization and key indicators for effective change management.

This was further supported by the victor sessions targeting both administrative and political leadership aimed at instilling a sense of belonging and self awareness amongst the leaders. The restructuring and recruitment



drive we embarked upon, served as a catalyst towards ensuring that the systems are in place for effective response towards institutional challenges experienced.

KPA3: Local Economic Development

The development of Led Strategy enables us to distinguish competitive advantages of economic sectors within the district as well as institutional mechanisms that will ensure that all the economic development imperatives are identified, implemented and sustained. This has propelled us to embark on upstream feasibility studies of our economic development imperatives as per the following sectors: Agricultural development; Tourism development; Manufacturing and

Mining development.

In response to the micro economic development interventions we supported projects initiated at local municipal levels, aimed a creating a conclusive environment with the intention of supporting second economic strategies brought upon in response to the directives of our Spatial Development Framework.



KPA4: Municipal Financial Viability and Management

The unlocking of the financial management system distinguished us from the rest as it enable us to review our compliance process and procedures in live with the MFMA and enable tighter control on process, extensive protection of financial resources to ensure that the service to be acquired are value adding. This enables us to explore in confidence our alternative revenue strategy and to embark upon various activities of

unlocking the revenue potential of the district in particular, the functional areas like water services for sustainability in the district. This led us to realize the major challenges, as articulated in Chapter 4 (Finance) we are facing in particular on the expertise in terms of systems knowledge and business analyst required that will ensure that we run the municipality like a business.

'...this enabled us to explore in confidence our alternative revenue strategy and to embark upon various activities of unlocking the revenue potential of the district',



KPA5: Good Governance and Public Participation

The introduction of effective audit and risk mechanisms enable us to refine our processes and systems towards good governance that brings confidence into the organization and our stakeholders at large. We have noted great successes in these regard especially in redirecting our processes and procedures towards ensuring trust in our systems and the communities we serve. Challenges we experienced of irregularities was due to vigorous interventions put in place to ensure that we act against fraud and corruption as outlined in our policy and the effective running of

our fraud hotline: 0800 205 053. The Performance Management System enables us to access successes, failures and clear a way-forward. We have ensured that any activity we embarked upon, we report to our stakeholders through the Imbizo's we have throughout the district as well as the use of multi-media for extensive communication. All the legislative requirements were addressed as well as mechanisms in place were fully implemented, in relation to the Council and Oversight Committees Programme.



Cross-Cutting: Sector Support and outreach programmes

a. Health and HIV/AIDS:

We have achieved much in relation to the creation of awareness, capacity building to NGO's and Traditional Forums as well as implementing prevention initiatives supported by all stakeholders. This was reflected in the theme of our summit: "Consolidating our partnerships in the fight against HIV and AIDS" and as well as chairing the District Aids Council. We have continuously participated as the chair of the District Health Council responsible for overseeing all health activities within the District.

"Consolidating our partnerships in the fight against HIV and AIDS"



b. Sports, Culture and Heritage:

We have made strides in supporting sporting codes. This enable us to refine our support and coordination approach and our mechanisms to be deployed. We have identified heritage sites in Blouberg and Lepelle-Nkumpi that need upgrading. We have forged partnerships with LIRA developing cultural packages. We participate as a partner with the province on Mapungubwe cultural festivals.

c. Special Focus:

We have unlock all interventions in relations to programmes related to older persons, children, gender issues as well as addressing moral regeneration imperatives. The interventions range from mainstreaming special focus, information dissemination, skills development, economic development and social support.

d. Education:

We have launched "Adopt a School" programme whereby all mayoral committee members adopted needy schools and exposed the schools governing bodies to motivational programmes "I can".

'The interventions range from mainstreaming special focus, information dissemination, skills development, economic development and social support..!'

CDM reaches out to learners

Capricorn district municipality's efforts to improve the quality of education in the district has proven to be bearing fruits following the significant matric improvement by schools that were adopted by the Municipality. This comes after the schools improved in their matric results. Out of 21 schools that were adopted by councillors last year, only 4 had underperformed ... 17 schools having made us proud with improved results. In the beginning of 2008, the Municipality adopted the 21 schools in all 32 circuits in Capricorn that



CHAPTER 3
HUMAN RESOURCES AND
ORGANIZATIONAL
MANAGEMENT

Human Resource Management is based on the Strategic Thrust of the District geared to achieve optimal outcomes and impact on Service Delivery. The District's Human Resource Management and Maintenance is supported within the HR ambit located in the Corporate Services Department and headed by the Manager/HR Generalist. The function is organized and discharged through the following units; HR Provisioning and Maintenance, Training and Organizational Development, Labor Relations and Payroll management.

- Provisioning and Maintenance is responsible for implementation of the organizational structure through recruitment, both internally and externally, population of vacant positions for the various line - function departments. Application of exit interviews in instances of resignations, feed into payroll on any developments regarding employees remuneration structure. Monitor and update post establishment to provide holistic profile of the employee corpse for the organization. Employee movements is accounted for Leave through management system and in terms of the Sectoral Conditions of Service.

- Payroll ensures that remuneration structures are paid timeously and in accordance to legislative requirements. Further playing advisory role to the entire personnel body

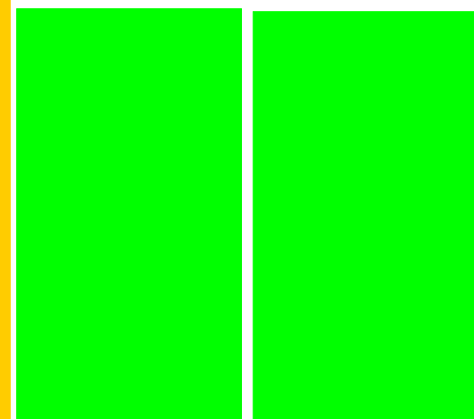
regarding remuneration matters.

- Labour Relations manages and ensures compliance to conditions of service. Further contributes to continuous development of humane and productive work environment through compliance to occupational health and safety imperatives.

- Training and Organizational Development coordinates training programmes in an integrated approach including both employees and councilors also community members as a comprehensive Human Resource Development strategy for the District prioritizing designated groups, namely youth, people living with disability and women. The training programmes are run in conjunction with our Local Municipalities in partnership with stakeholders on capacity building and inter-governmental cooperation. Employee Wellness Programme is available to inculcate good organizational culture through psycho-social interventions.

The HRM is further strengthened through various Committees in line with Good Governance.

- Training Committee
- Work Place Forum (Local Labour Forum)
- Employment Equity Committee
- Health & Safety Committee
- Remuneration Committee



THE MAIN FOCUS OF THE HUMAN RESOURCES DIVISION IN THE 2007/08 FINANCIAL YEAR HAS BEEN THE FOLLOWING:

- District Wide Bursary
- Work Skill Plan
- Development and Implementation of HRD Strategic Plan
- Implementation of the Training Plan
- Implementation of Organizational Development interventions Implemented
- Implementation of Employee Wellness
- Competent Human Capital Recruited
- Progress on Appointments
- Competent Human Capital Recruited And Maintained
- Equity Report
- Benefits Report



A. DISTRICT WIDE BURSARY PROGRAMME

The bursary scheme was introduced and implemented. The objective of the key performance area is to enhance productivity and technical capacity of human resources to facilitate service delivery. The outcome was to Implement District Wide Bursary Programme. The bursary scheme has been established and its implementation is underway. Monitoring of the programme will continue in - line with academic calendars. The Budget expenditure was at R 307 740.45 of the total R 400 000. (80%)

B. DEVELOPED AND IMPLEMENTED WORK SKILLS PLAN

Developed and Implemented Workplace Skills Plan submitted to the LG SETA on the 30 June 2007 and implemented through the appointed service provider and training programme for the financial 2007/2008.

The challenge experienced was the time constrains towards attending vocational training due to extensive work programme in the organization.

Activities of the Training Committee were inconsistency and more attention will be devoted to the training committee activities. Bursaries were allocated to internal candidate and the allocation was R542 500.

C. DEVELOPED AND IMPLEMENTED HRD STRATEGIC PLAN

We developed and implemented the Human Resources Development Strategic Plan and also the Draft Terms of Reference for further implementation of HRD strategy incorporating BPR recommendations as well as restructuring recommendations. The budget was at R 250 000 for this project.

D. IMPLEMENTATION OF THE TRAINING PLAN

A training programme was implemented, further to that Academic Institutions have submitted proposals as per request from the municipality. An Evaluation Report was finalised and submitted to SCM for procurement of the service providers. Budget expenditure was R 2 402 498.76 spent out of R 2 402 498.76. it was 100% spending.

E. ORGANIZATIONAL DEVELOPMENT INTERVENTIONS IMPLEMENTED

The BPR and the restructuring programme were implemented which outlined the organization review that outlines the challenges.

F. IMPLEMENTATION EMPLOYEE WELLNESS

The training activities for all employees on the orientation of the service were carried out and training was also extended to DWAF satellite offices. The challenge was that Managers and supervisors did not avail themselves for the training as it was envisaged. Referral consultations took place on a nominal scale. Employees and managers still weary to utilize the services.

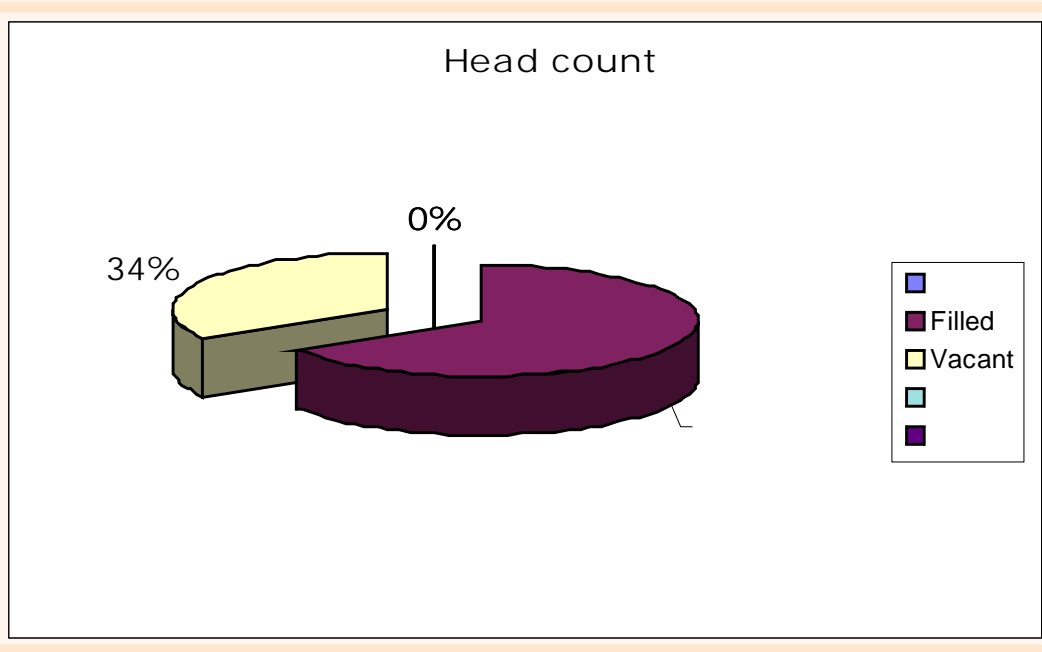
Intensive educational drive and promotion of the service across the organization was embarked upon. A programme of Action for further thematic programming has been finalised with the Service Provider. Terms of reference are being developed for the new tender in the new financial year. The budget expenditure was at R 380 000 spent out of R 600 000.00 (63.0%).

G. COMPETENT HUMAN CAPITAL RECRUITED

The main objective was to attract and endeavor to retain competent human capital. 330 positions were approved on the organogram excluding positions that are not included on the structure. 111 were vacant and 219 positions filled.



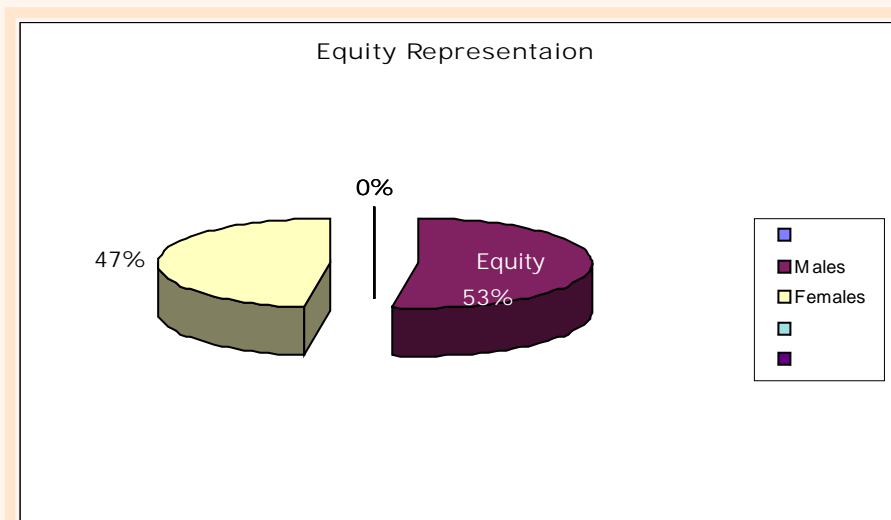
Head Count



Post Establishment

Department	No. of positions	Positions Filled	Vacant positions
Executive Mayor	12	11	01
Municipal Manager	21	15	06
Infrastructure	88	27	57
Finance	34	30	4
Strategy And Planning	14	4	10
Corporate Services	41	33	8
Community Services	98	92	6
LED	22	04	19
TOTAL	330	216 including interns = 219	111

Equity Representation



115 = Males
104 = Females



PROGRESS ON APPOINTMENTS

Hundred and five (105) positions were advertised in the financial year 2007/08. 64 positions were filled and 41 positions are still to be filled. Positions in the Infrastructure department were most challenging due to scarce skills in the field. The following positions have been filled during the financial year.

New appointments for the financial year

Community Services

1.	Junior Fire Fighters	x 12
2.	Station Officer	
3.	Senior Fire Fighters	x2
4.	Control Room Operator	
5.	Sports, Arts and Culture Officer	
6.	Senior Fire Fighter	x2
7.	Environmental Officer	
8.	HIV Officers	x3

Infrastructure Services Department

1.	Deputy Manager	: Planning, Design and Implementation of Roads	
2.	Assistant Manager	: Water Quality	
3.	Technician	: O&M (Retail)	x1
4.	Water Development	: Deputy Manager	
5.	Technicians	: Roads	x2
6.	Deputy Manager	: Water and sanitation (Planning and Design)	
7.	Technician	: Operations and Maintenance	x2
8.	Technicians	: Water Quality	x4

Finance Department

1.	Procurement Officer	
2.	Senior Procurement Officer	x2
3.	Accountants	x3
4.	Chief Financial Officer	

Office of the Executive Mayor

1.	Spokesperson	
2.	Manager: Office of the Executive Mayor	
3.	Personal Protection Office	
4.	Chief Whip Coordinator	

Office of the Municipal Manager

1.	Head: Internal Audit	
2.	Senior manager: Office of the MM	
3.	Risk Manager	
4.	Administrator	
5.	Head Marketing and Communications	
6.	Head: Stakeholder Relations and Events Management	

Corporate Services Department

1.	Senior Manager: Corporate Services	
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Strategy and Planning Department

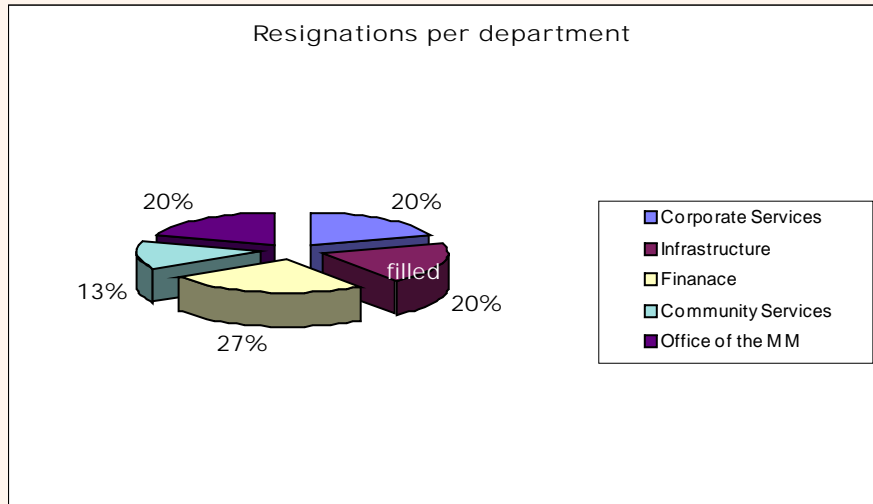
1.	Manager: Research and Planning	
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Organizational re-assignment

1.	Divisional Officers	x2
2.	Internal Audit Assistants	x2
3.	Technician: Water and Sanitation (Planning and Design)	x2
4.	Disaster Management Officer	x3



The following graph represents resignations per departments
 The most affected department in terms of resignations is Finance.



We will be reviewing our pay structure that will ensure progression in the organisation without reaching a ceiling, linked to career path and pay progression. We will also review the traditional recruitment methods. The budgeted amount for the financial year was R206 471.00. The total budget spent is R584 390.00.

Competent Human Capital Recruited And Maintained

Personal Files were checked and updated timeously in terms of benefits. A personal file audit plan has been developed to ensure that all areas of benefits are checked and verified timeously.

EQUITY REPORT

The organizational equity status on management level i.e. level 0-3 for 2007/08 is as follows:

- Total = 37
- Males = 24
- Females = 13
- Women representative management level = 35.13
- Disability representative in management level = 0%

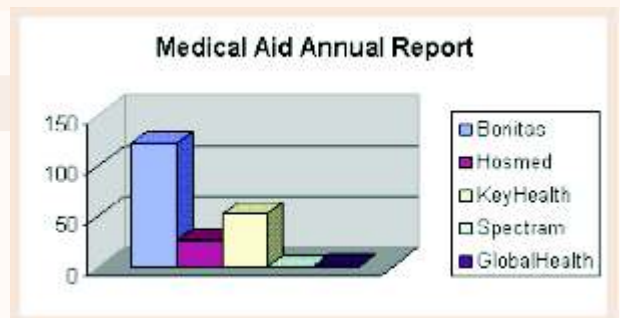
The organizational equity report for financial year 2007/08 is as follows:

- Women representative in the whole organizational structure = 47.48%
- Disability representative in the whole organizational structure = 1.36%

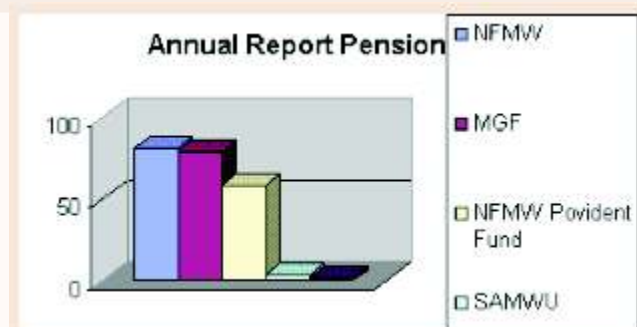
Black representation in the organizational structure

Benefits Report

Medical Aid	
Bonitas	122
Hosmed	26
KeyHealth	53
Spectram	0
Global Health	1



Pension Fund	
NFMW	82
MGF	80
MEPF	51
SAMWU	4
MEPF PROVIDENT	2



1. SALARY AND PAYROLL ADMINISTRATION UNIT

Accurate Payroll

Two (2) payroll systems utilized are SAP and PAYDAY SOFTWARE for CDM and DWAF transferred personnel respectively. 103 Pump Operators were employed with effect from 01 April 2008 and were paid in May 2008 retrospectively. All Councillors, Traditional Leaders and Employees were successfully paid throughout the year due to internal challenges, which were rectified at later stages. New S & T tariffs were amended as from 01 June 2008. The process started from 01 April 2008. Casual employees were successfully paid on the last day of each month.

CLASSIFICATION	WORK FORCE	ELECTRONIC TRANSFER	MANUAL TRANSFER (Online Banking)	SYSTEM USED
CDM	212	212	0	SAP
COUNCILLORS	37	37	0	SAP
DWAF	279	279	0	PAYDAY SOFTWARE
TOTAL PAYROLL	528	528	0	
KGOSHIS	10	10	0	SAP
TOTAL TRANSFER	538	538	0	

Third Parties

3rd parties were paid on the last day of each month and challenges were experienced only in four months. All errors were rectified with immediate effect.

LABOUR RELATIONS

The main objective was to enhance productivity and technical capacity of human resources to facilitate service delivery. Capacity building workshops were conducted regarding workplace discipline. All disciplinary actions cases were concluded with the exception of two.

Occupational Health and Safety Committee

Seven meetings were held during the year. All departments represented in the Committee, including Fire, Rescue and Disaster Management as well as Water satellite offices. Service provider conducted training on rights and responsibilities for OHS Representatives on 28 and 29 May 2008. Inspector from Department of Labour has conducted an OHS inspection.

The challenges were that municipality found not to be in compliance with OHS Act read with OHS Regulations. Contravention and Improvement Notices served on the municipality with 60 days to comply (from 04 June to 04 July 2008). Compliance Action Plan was developed and presented to management on 19 June 2008. Total budgeted Expenditure was estimated at R200 000-00 to implement the Plan.

Manage the Functionality of Local Labor Forum (LLF)

Labour Forums meetings were held during the year to discuss positions earmarked for advertising as well as progress made in implementing Restructuring Resolutions. Issues that formed the subject matter of the dispute declared by SAMWU at SALGBC have also been discussed and resolved.

The challenges were that additional appeals relating to implementation of Mayoral Resolutions on Restructuring. Resolution on job evaluation to determine appropriateness of levels is yet to be implemented incorporated in the OD interventions. All HR related issues were amicably resolved in the financial year.

Build Capacity in Managers on Managing Workplace Discipline

Training on "Managing workplace discipline" took place in September 2007 and 84 employees attended. Budget expenditure was R78 622-47.





Workshop Employees on HR Policies and Conditions of Service

Target achieved in July 2007 with the scheduling and successful attendance of three workshops in Blouberg, CDM and Lepelle-Nkumpi municipalities. Further workshops was arranged after appointment of new personnel in the municipality. Budget expenditure was R23 343-18.

Ensure 100% Compliance with Labour Legislation, Policies and Conditions of Service

Eleven (11) disciplinary cases were handled during the year. In one case an employee was found guilty and dismissed. Service termination has been effected and the employee has lodged an appeal, which the municipality declined. In three other cases, there were proposals for plea bargain. Two have been finalized with a final written warning valid for six months after parties presented mitigation and aggravating circumstances. The other case was finalized with the sanction of demotion without financial loss. Seven disciplinary cases are still pending. Mayoral Resolutions on the Restructuring process have been implemented and there is continuous interaction regarding omissions and inaccuracies, notably at LLF.

The challenges were that delays in the finalization of disciplinary cases rose from the unavailability of legal representatives on certain dates. Costs borne by the municipality for payment of salaries to suspended employees whose cases take long to finalize. That there should be a process of capacitating managers within the municipality on managing workplace discipline as well as chairing disciplinary enquiries.

Adhere to Water and Municipal Health Services Devolution Action Plan

Preparations for the transfer of municipal health services were in place. Municipal Health Services are to be transferred to the municipality as from 01 September 2008. Transferred employees will retain salaries currently paid by the Department of Health while other service benefits will be made available to them. 28 employees will be transferred with a budget of R6.7m (inclusive of CAPEX and OPEX) from the Department, while Polokwane Municipality will transfer only three employees.

The challenges were that outstanding Human Resource matters had not been finalized with the Department of Health. Office accommodation as most Environmental Health Practitioners are currently accommodated in hospitals. The unresolved question of expired subsidized motor-vehicle contracts is putting transferred staff from DWAF at a disadvantage since their counterparts have entered into new contracts. Interaction with both Departments is continuing on an ongoing basis.





CDM

FINANCIAL
STATEMENTS
AND RELATED
FINANCIAL
INFORMATION

CHAPTER 4



CHAPTER 4: FINANCIAL YEAR 2007/2008 AND RELATED FINANCIAL INFORMATION

APPROVAL AND CERTIFICATION

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

I am responsible for the preparation of these annual financial statements, which are set out on pages 1 to 32, in terms of Section 126(1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality.

I certify that the salaries, allowances and benefits of Councillors as disclosed in note 14 of these annual financial statements are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.

.....
M.M MOLALA
MUNICIPAL MANAGER

.....
DATE



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REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I was engaged to audit the accompanying financial statements of Capricorn District Municipality which comprise the statement of financial position as at 30 June 2008 statement of financial performance, statement of changes in net asset and separate cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 26 to 62.

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 basis of accounting determined by the National Treasury, as set out in note 1.1 to the financial statements. 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 conducting the audit in accordance with the International Standards on Auditing and General Notice 616 of 2008, issued in Government Gazette No. 31057 of 15 May 2008. Because of the matters discussed in the Basis for disclaimer of opinion paragraphs, however, I was not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

4. Paragraph 11 et seq. the Statement of Generally Recognised Accounting Practice, GRAP 1 Presentation of Financial Statements requires that financial reporting by entities shall provide information on whether resources were obtained and used in accordance with the legally adopted budget. As the budget reporting standard is not effective for this financial year, I have determined that my audit of any disclosures made by the Capricorn District Municipality in this respect will be limited to reporting on non-compliance with this disclosure requirement.

Basis of accounting

4. The municipality's policy is to prepare financial statements on the basis of accounting determined by National Treasury as set out in note 1.1 to the financial statements.

Basis for disclaimer of opinion

Comparatives

5. The corresponding comparative figures as stated in the 30 June 2008 financial statements were restated as follows:

- Accumulated surplus decreased by R 6,7 million;
- Provisions decreased by R 5,7 million;
- Trade and other payables decreased by R 3,6 million;
- Property, plant and equipment increased by R 2,3 million;
- Consumer debtors decreased by R 20,3 million; and
- Cash and cash equivalents increased by R 15,3 million

The auditor was not able to provide supporting information or reasonable explanations for the restatement of the comparative figures. These restatements were also not disclosed in a note to the financial statements as required in terms of paragraph 49 of GRAP1.

General Ledger

6. The district municipality was unable to extract a general ledger from their accounting system that provided sufficient detail to allow me to apply appropriate audit procedures for all the balances reflected in the annual financial statements. Consequently, I could not satisfactorily perform the necessary audit procedures to confirm the following:

- Occurrence, completeness, accuracy, cut-off and classification of total revenue and total expenditure in the statement of financial performance amounting to R391,2 million and R167,5 million respectively.

