

CAPRICORN

DISTRICT MUNICIPALITY



ANNUAL REPORT 2008/09

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ACRONYMS

ABET	: Adult Basic Education Training
ABSA	: Amalgamated Banks of South Africa
AP	: Aerial Photograph
BBBEE	: Broad Based Black Economic Development
CAPEX	: Capital Expenditure
CBO	: Community Based Organisation
CBP	: Community Based Planning
CDM	: Capricorn District Municipality
CDW	: Community Development Workers
CETA	: Construction Education and Training Agent
CFO	: Chief Financial Officer
CGE	: Commission on Gender Equality
CIDB	: Construction Information Database
CLLR	: Councillor
CPTR	: Current Public Transport Record
CRR	: Capital Replacement Reserve
CSR	: Corporate Social Responsibility
DAC	: District Aids Council
DALA	: Department of Agriculture and Land Administration
DBSA	: Development Bank of South Africa
DEAT	: Department of Environmental Affairs and Tourism
DHSD	: Department of Health and Social Development
DPLG	: Department of Provincial and local Government
DSAC	: Department of Sport, Arts and Culture
DWAF	: Department of Water Affairs and Forestry
ECT	: Electronic Communication Transaction
EEP	: Employment Equity Plan
EM	: Executive Mayor
EPWP	: Expanded Public Works Programme
FBW	: Free Basic Water
GAAP	: Generally Accepted Account Practices
GAMAP	: Generally Accepted Municipal Accounting Practices
GDP	: Gross Domestic Product
GDS	: Growth and Development Summit
GGP	: Gross Geographical Product
GIS	: Geographical Information System
GRAP	: Generally Recognised Accounting Practices
HR	: Human Resource
HRD	: Human Resource Development
ICT	: Information Communication Training
IDP	: Integrated Development Plan
IDT	: Independent Development Trust
IGR	: Inter-Governmental Relations
IMATU	: Independent Municipal Allied Trade Union
ISDF	: integrated Spatial Development Framework
ITP	: integrated Transport Plan
IWMP	: Integrated Waste Management Plan
KPA	: Key Performance Area
KPI	: Key Performance Indicator
LAC	: Local Aids Council
LED	: Local Economic Development

LGSETA	: Local Government Sector Education Training Authority
LIBSA	: Limpopo Business Support Agency
LLF	: Local Labor Forum
LM	: Local Municipality
MFMA	: Municipal Finance Management Act
MHS	: Municipal Health System
MIG	: Municipal Infrastructure Grant
MM	: Municipal Manager
MMC	: Member of Mayoral Committee
MOU	: Memorandum of understanding
MRM	: Moral Regeneration Movement
MSA	: Municipal Systems Act
MSP	: Master System Plan
NEMA	: National Environmental Management Act
NER	: National Electricity Regulator
NGO	: Non-Governmental Organisation
NMT	: Non Motorised Transport
NPI	: National Productivity Institute
NRA	: National Road Agency
NSDP	: National Spatial Development Perspective
OD	: Organisational Development
OPEX	: Operational Expenditure
PGDS	: Provincial Growth Development Strategy
PMS	: Performance Management Systems
RDP	: Reconstruction Development Programme
RSC	: Regional Services Council
S&LP	: Social and Labour Plans
SALGA	: South African Local Government Association
SAMAG	: South African Men Action Group
SAMWU	: South African Mine Workers Union
SAPS	: South Africa Police Services
SAYC	: South African Youth Commission
SCM	: Supply Chain Management
SDBIP	: Service Delivery and Budget Implementation plan
SMME	: Small Micro Medium Enterprise
TDM	: Transport Demand Management
VIP	: Ventilated Improved Pits
WSA	: Water Services Authority
WSDP	: Water Services Development Plan
WSF	: Water Sorting Facility
WSP	: Water Services Provider

CHAPTER 1: INTRODUCTION AND OVERVIEW

FOREWORD BY THE EXECUTIVE MAYOR

The 2008/09 financial year was characterised by major changes in the political spectrum of the country. Notable amongst these changes was the third democratic elections that heralded in the new President of the country. These changes required out of us acceleration of efforts to ensure service delivery in our local communities.

As I am presenting this report I remain privileged to have served this country with pride in various capacity in general and as Executive Mayor of this Municipality in particular. I further remain committed to the oath I made when assuming the Office and therefore obliged to live by it. The 2008/09 report point to our continued determination as a district to adhere to our motto "Re shoma le Setshaba".

Whilst efforts were made to achieve more with less, our noble goal of achieving even bigger and better results were obviously affected by global economic meltdown. However this economic recession did not succeed in derailing us to achieve what we always intended to. It in contrast encouraged us to move with vigour and more strength in our quest for better life for all.

Furthermore the 2008/09 financial year provided us with opportunities to work within parameters laid down by our sister departments dealing with local and cooperative governance as well as other sector departments. In this effort we continued to provide the service within the confines of the following key performance areas (KPA's).

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

In the previous year we registered strides in relations to the achievements of these KPA's. In this report we continue to ensure to highlight some of the successful factors in relations to these KPA's. In summary the following are some of the achievements per KPA's -

1. Institutional Transformation

- The municipality continued with the recruitment of staff and retention of others during the period. Furthermore the municipality continued with the maintenance of conditions of service of both staff and councillors. These was done within the applicable pieces of legislations and prescripts.
- The municipality further continued with the review and development of the Integrated Development Plan as the strategic tool to enhance our institutional modelling and implementation

2. Service delivery and infrastructure

- The municipality implemented a forward planning initiatives with the aim to enhance service delivery. This saw the municipality appointing service providers for planning of water, roads, electricity and sanitation projects.
- For the period under review, the municipality entered into service level agreements with four out of five local municipalities to deal with the interim provision of water services in their area of jurisdiction. These municipalities are Aganang, Blouberg, Molemole and

Lepelle-nkumpi. The Leppelle Northern Water was also appointed to provide bulk water service on behalf of the district. These efforts were aimed at efficient and effective delivery of the mandate carried by the district as Water Service Authority.

3. Local Economic Development

- The Municipality engaged itself in various economic projects to bolster growth and job creation. These projects are discussed in details in the report

4. Financial Viability

- The municipality continued with the implementation of the financial management system - SAP in order to build a better accounting system. Number of officials in finance and other departments were trained in respect of the system. This ensured a smooth running of finance during the period.

5. Good governance & Public Participation

- The role of the internal audit and risks were explicit during the period. The development of the three year plans to assist in the respective roles was evidenced during the period. This was complimented by the launch of the district anti-corruption strategy and fraud hotline.
- Numerous allegations of fraud and corruption cases were also initiated and concluded.
- Furthermore the municipality engaged in various public participation initiatives in all local municipalities.

The above initiatives remain the collective efforts of both staff and councillors of the district municipality. Without the afore-mentioned components of the institution, the delivery of service will remain a wish. As required by law I wish to present this report for the period between 1st July 2008 to 30th June 2009. This report includes financial statements for the same period in Chapter four (4).

MD MONAKEDI
EXECUTIVE MAYOR

EXECUTIVE REVIEW BY THE MUNICIPAL MANAGER

It is again that time of the year that we find fitting to be assessing the level of progress achieved in the rendering of services to our communities. It should be noted that this annual report will reflect developments which occurred under the severe global downturn that had a brutal impact on the economy.

For institutions such as ours (municipalities) that depend largely on the national grants and revenue collection, the impact of the economic recession was felt beyond imagination.

Beside the socio-economic conditions that our municipalities had to face, we during the time under review, were confronted with the community protest against what is alleged as poor service delivery.

But our municipalities have still managed to achieve significant progress as a result of the sustained and dynamic IDP's and programmes. Some milestones in this regard were reached mainly through the implementation of policy initiatives. The capacity and support received through intergovernmental cooperation also enabled us to discharge our constitutional responsibilities with aplauds.

It must also be noted that we are still battling with issues of job creation, the accelerated and shared growth initiative for South Africa and war on poverty. It is therefore imperative that we improve our institutional mechanisms to promote social cohesion and sustainable development for us to be able to discharge our mandate.

Many of the identified pressure points experienced by our municipalities are related to functionality of our system and not the system itself. Therefore it is true that it is not only policy, legislation and structures that influence successful outcomes in service delivery but good relationships are fundamental to effective functioning of systems. Where relationships between members of staff are strained, functionality may be compromised.

As we are looking ahead to the new financial year, we will be informed by the lessons learned to date.

M. M MOLALA
MUNICIPAL
MANAGER

OVERVIEW OF THE MUNICIPALITY

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.

Table A-1: Local Municipalities in the CDM Area

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	18,570.30km²	113 wards	100.0%

Source: CDM SDF, 2005

SOCIO-ECONOMIC DEVELOPMENT OF CAPRICORN DISTRICT MUNICIPALITY

According to the Statistics South Africa (Census 2001 and Community Survey 2007), 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).

Table A-2: Population Figures for Local Municipalities in the Capricorn District Municipality Area

Local Municipality	Estimated 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%

Source: SSA 2001 Census

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.

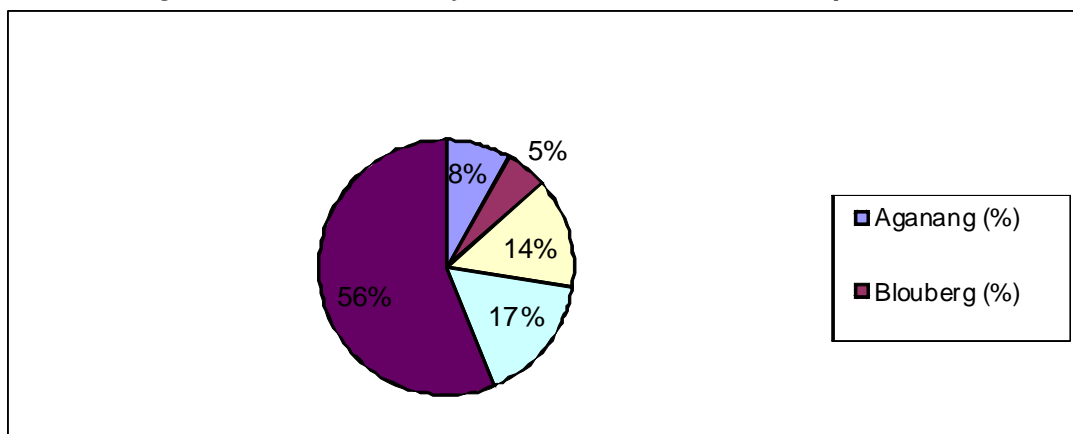
52.58% of Capricorn’s population is under 20 years old and 6.20% are elderly residents. These figures imply that many people in the CDM are dependent on the income of others, i.e. a high dependency ratio. Over 25% of the population has no formal education at all and over 40% has only a limited education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

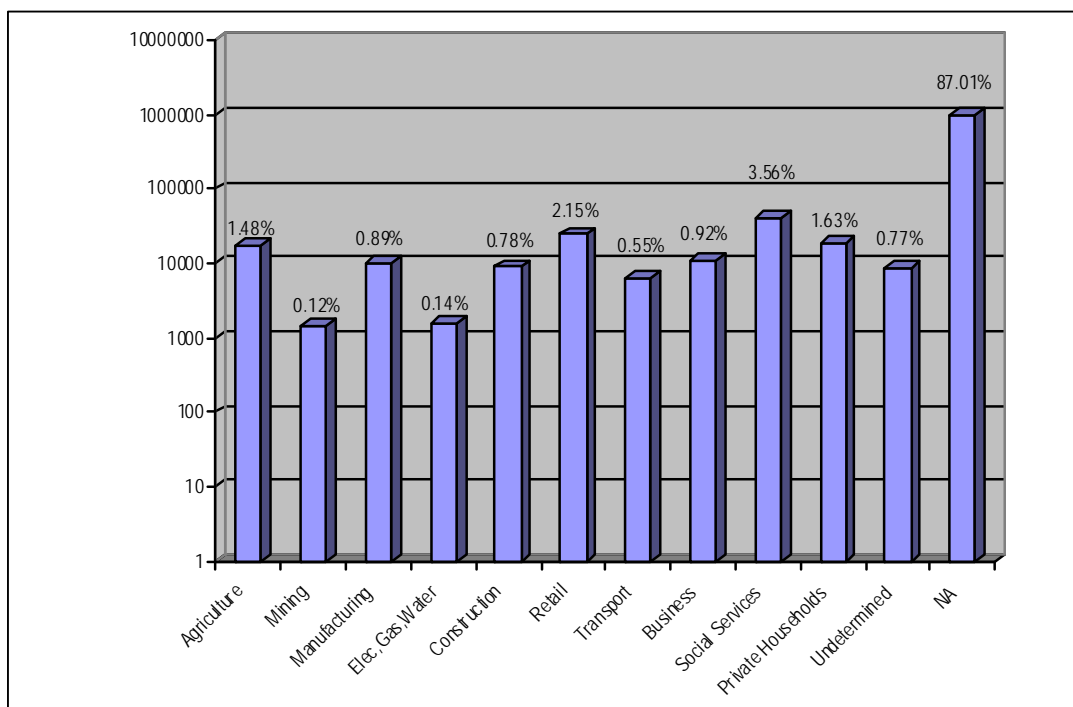
Polokwane is the largest contributor of GDP to the district economy, followed by Lepelle-Nkumpi and Molemole. The manufacturing sector remains the dominant sector with agriculture and mining contributing the least.

Figure 1: GDP Contribution from Local Government to the Capricorn District



The employment status per sector in the CDM is reflected in figure 2 with the majority of population employed in Government Institutions.

Figure 2: Employment per Sector in the CDM



Data Source: Statistics South Africa – July 2003

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 broader community through community policy forum to tackle and report cases of crime.

CHAPTER 2: PERFORMANCE OVERVIEW

In the previous financial year we gave performance overview based on five KPA's inlisted above. In this current financial we continue to provide further analysis and overview of the district performance based on them. The following are therefore synopsis of the five KPAs for the period:

KPA1: INFRASTRUCTURE DEVELOPMENT AND BASIC SERVICE DELIVERY

As indicated earlier in the overview by the Executive Mayor, the municipality engaged itself in forward planning for the project that were aimed at fastracking the provision of service delivery. This forward planning entailed proper costing of infrastructure projects to be rolled out in the coming financial years.

Furthermore the municipality tapped into investment reserves to ensure increase in capital expenditure through infrastructure projects. Partnership with local municipalities continued through service level agreement. This ensured our support and investments in local municipalities.

KPA2: INSTITUTIONAL TRANSFORMATION

With regard to this KPA, the municipality ensured roll-out of some of the major business planning process. The highlight of this initiative was the team building session held at Mabula Game reserve. This was preceded by team building exercises and strategic planning sessions held by various departments. The aim with this initiatives was to find a coherent working environment that enhances skills for maximum benefit of the municipality.

Staff retention through performance bonuses and other conditions of service was also emphasised during the period.

We further engaged in major recruitment drive that ensured that vacant positions in the municipalities are filled. A comprehensive list of all filled posts forms part of the chapter on human resource below.

The Municipality further engaged in the change management process and the development of job specifications for all posts in the municipality.

KPA3: LOCAL ECONOMIC DEVELOPMENT:

In the previous financial year, we engaged ourselves in the development of local economic development (Led) Strategy. The aim of the strategy was to tap into 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.

The current financial year saw as embarking on the implementation of the Led strategy to ensure that imperatives contained in the important document translate into efficacy. Numerous tangible Led projects were undertaken in Mafefe, Motumo, and Zebediala.

KPA4: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT:

Our march to clean audit in the medium term saw in us a continued utilisation of SAP system to unleash efficient, effective and economic usage of financial resources at our disposal. Through tighter monetary and fiscal controls and monitoring of budgeted items as well as good record keeping there has been tremendous improvement in this significant aspect of management.

We also ensure proper staffing levels in the department. Not only did we get skilled personnel but a dedicated team that ensured continued efforts for proper management of resources including assets of the municipality.

KPA5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION:

This financial year was not a year of introducing risk management and internal audit, but of ensuring that the risk profiling took place and risk register is approved. Furthermore a three year internal audit plan was approved. This important documents as well as fraud hotline that was launched displayed our commitment to good corporate governance.

Furthermore staff of the municipality were continuously assessed to ensure that their performance is in line with what was agreed in the beginning of the financial year.

With respect to public participation, the Council held a number of outreach programmes were feedback on programmes and projects of the municipality was solicited from the people.

KPA: CROSS-CUTTING: SECTOR SUPPORT AND OUTREACH PROGRAMMES:

a. Health and HIV/AIDS:

Our continued efforts to curb scourge that comes with HIV/AIDS pandemic saw the district putting much emphasis on the proper functioning of Aids Councils including the district one. Furthermore messages were posted in various platforms as part of awareness campaigns.

b. Sports, Culture and Heritage:

Despite our supporting role in different sporting codes. The municipality had successfully held major sporting events like Executive Mayor's tournament.

c. Special Focus:

We continued to concern ourselves with issues of older persons, children, gender issues as well as addressing moral regeneration imperatives. Like in the previous financial year the focus of the district is on gender mainstreaming, information dissemination, skills development, economic development and social support.

d. Education:

We interacted with the district office of the department of education as part of our continued support in this field. We also continued with the "Adopt a School" campaign we launched last financial year.

CHAPTER 3: HUMAN RESOURCES AND ORGANIZATIONAL MANAGEMENT

The human resource function is one of the supporting functions in the municipality. It is very important function that deals mainly with personnel maintenance, conditions of service of staff, policy development, implementation, monitoring and evaluation. In a nutshell, for the human resource to function properly, the main objective mentioned below must be at its central focus.

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 2008/09 Financial Year has been the Following:

- A. District Wide Bursary
- B. Work Skill Plan
- C. Development and Implementation of HRD Strategic Plan
- D. Implementation of the Training Plan
- E. Implementation of Organizational Development interventions
- F. Implementation of Employee Wellness Programme
- G. Competent Human Capital Recruited
- H. Progress on Appointments
- I. Competent Human Capital Recruited And Maintained
- J. Equity Report
- K. Benefits Report

A. District Wide Bursary Programme

The district continued with the payment for fees for the external and internal bursary holders. Furthermore our legal services finalised agreements that bind the Municipality and the bursary holders together.

B. Developed and implemented Workplace Skills Development Plan

To enhance productivity and technical capacity of human resource the Municipality developed and implemented Workplace Skills Development Plan for 2009/10 financial year and submitted to the LG SETA on the 30 June 2009 and Annual Training Report for 2008/09 financial year.

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

C. Developed and Implemented HRD Strategic Plan

We developed and implemented Human Resources Development Strategic Plan and also developed 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

Training proposals to engage academic institutions have been approved and arrangements to place employees are underway.

E. Organizational Development Interventions Implemented

Resolve group was roped in to engage in this process. As of now they are busy with the development of this plan.

F. Implementation Employee Wellness

Services of professionals were sought to deal with employees who experienced problems during the course of their work.

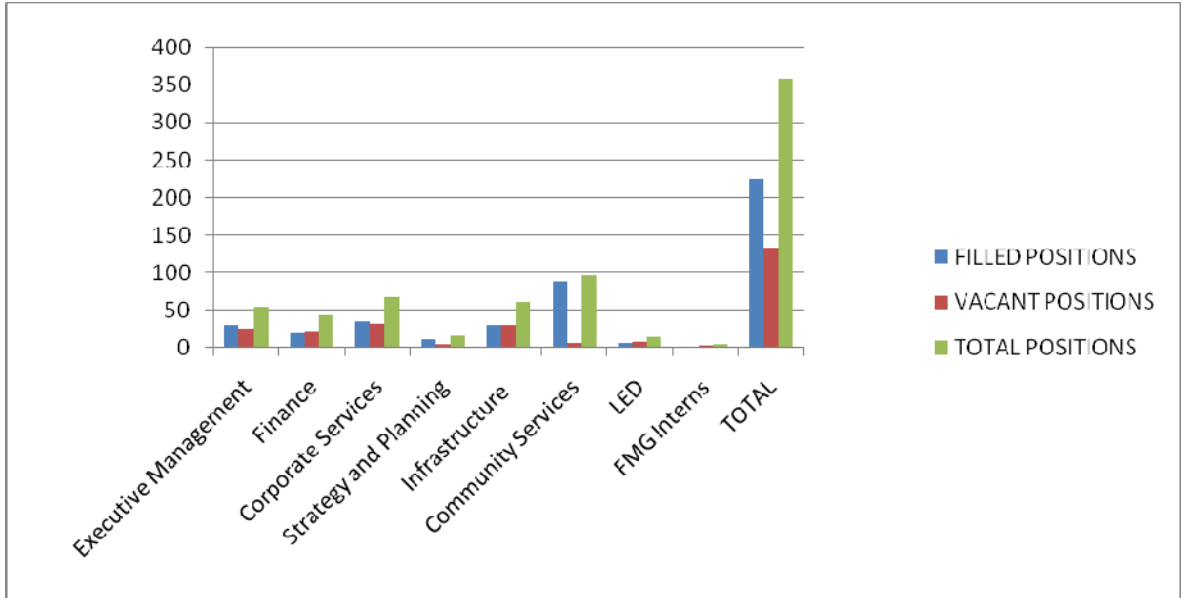
G. Competent Human Capital Recruited

The main objective was to attract and endeavor to retain competent human capital. 358 positions were approved on the organogram excluding positions that are not included on the structure. 133 were vacant and 225 positions were filled.

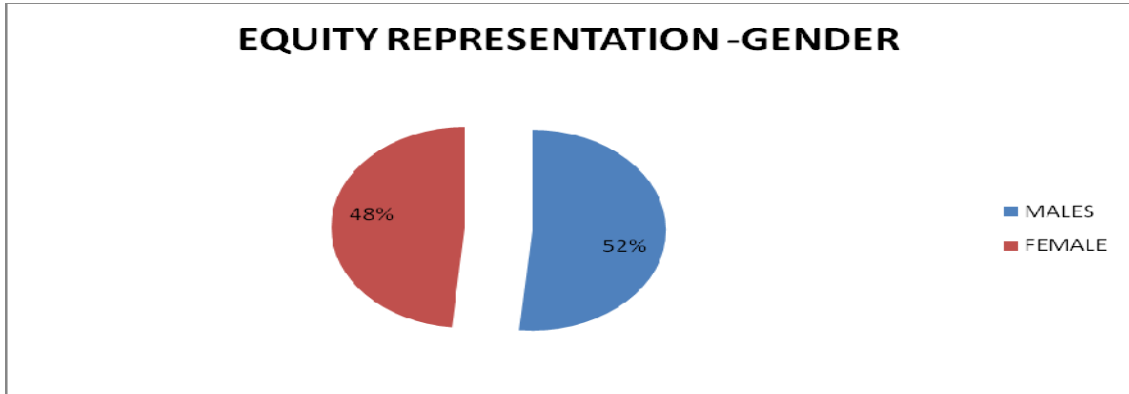
Head Count

Post Establishment

POST ESTABLISHMENT 2008 - 2009 FINANCIAL YEAR			
DEPARTMENT	FILLED POSITIONS	VACANT POSITIONS	TOTAL POSITIONS
Executive Management	30	25	55
Finance	20	23	43
Corporate Services	36	32	68
Strategy and Planning	11	5	16
Infrastructure	31	30	61
Community Services	89	7	96
LED	6	8	14
FMG Interns	2	3	5
TOTAL	225	133	358

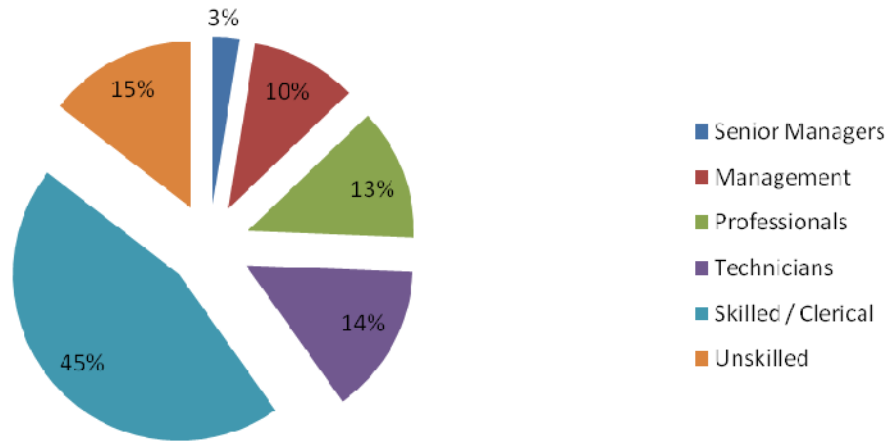


EQUITY REPRESENTATION ALL EMPLOYEES		
MALES	FEMALE	TOTAL
119	115	234



EQUITY REPRESENTATION AS PER EMPLOYMENT CATEGORY			
CATEGORY	FEMALES	MALES	TOTAL
Senior Managers	3	6	9
Management	12	31	43
Professionals	15	32	47
Technicians	17	23	40
Skilled / Clerical	53	31	84
Unskilled	17	9	26

FEMALES REPRESENTATION PER LEVEL

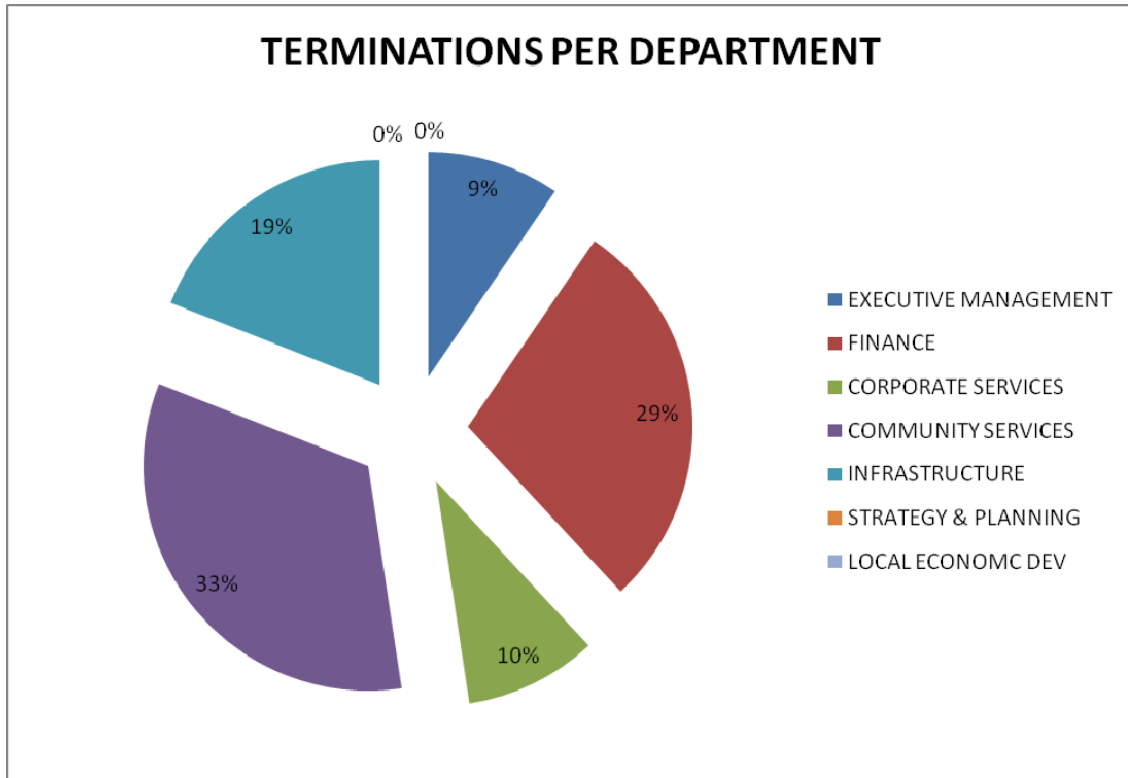


NEW APPOINTMENTS FOR THE FINANCIAL YEAR	
EXECUTIVE MANAGEMENT	
POSITION	LEVEL
Senior Manager: Executive Manageme	1
Communication Officer	2
Internal Auditor	4
3 Internal Audit Assistant	7
3 Secretary	9
Youth Coordinator	6
FINANCE	

TERMINATIONS	
DEPARTMENT	NO
EXECUTIVE MANAGEMENT	2
FINANCE	6
CORPORATE SERVICES	2
COMMUNITY SERVICES	7
INFRASTRUCTURE	4
STRATEGY & PLANNING	0
LOCAL ECONOMIC DEV	0

POSITION	LEVEL
Secretary	9
Accountant Expenditure	5
Creditor's Clerk	9
Admin Clerk	10
STRATEGY AND PLANNING	
POSITION	LEVEL
Secretary	9
Researcher	3
Manager: Research & Planning	2
Committee Coordinator	9
2 IDP Coordinator	5
CORPORATE SERVICES	
POSITION	LEVEL
Secretary	9
IT Assistant	6
DepMan: Info & Knowledge Management	3
INFRASTRUCTURE	

POSITION	LEVEL
Technician: Water Development	4
Technician Roads	4
Deputy Manager: Water Development	2
Engineer/ Technologist (Roads)	3
Project Officer	8
LOCAL ECONOMIC DEVELOPMENT	
POSITION	LEVEL
Secretary	9
Deputy Manager: Tourism	3
COMMUNITY SERVICES	
POSITION	LEVEL
5 Control Room Operator	10
Divisional Officer	6
2 Fire Fighter	10
Leading Firefighter	8
Environmental Compliance Officer	4
Senior Manager Community Services	1



H. Progress on Appointments

Hundred and five (105) positions were advertised in the financial year 2008/09. 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.

I. 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.

J. Equity Report

The organizational equity status on management level i.e. level 0-3 for 2008/09 is as follows:

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

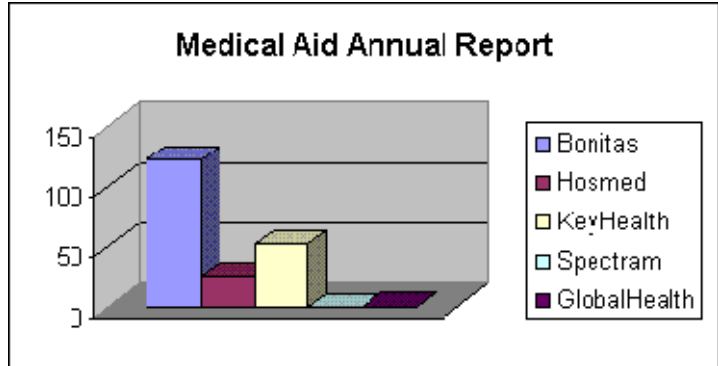
The organizational equity report for financial year 2008/09 is as follows:

- Women representative in the whole organizational structure = 47.48%
- Disability representative in the whole organizational structure = 1.36%
- Black representation in the organizational structure = 96.80%

K. Benefits Report

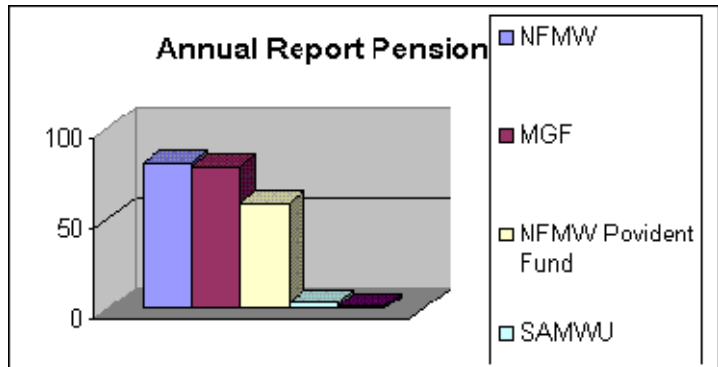
Medical Aid

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

The main objective was to ensure effective and efficient payroll management.

A. Accurate Payroll

The municipality continues with the running of the payroll for all councillors, staff, interns and Magoshi. Furthermore statutory deductions for afore-mentioned are deducted to ensure continued compliance with prescripts

CLASSIFICATION	WORK FORCE	ELECTRONIC TRANSFER	MANUAL TRANFER (Online Banking)	SYSTEM USED
CDM	236	236	0	SAP
COUNCILLORS	35	35	0	SAP
DWAF	301	301	0	PAYDAY SOFTWARE
TOTAL PAYROLL	572	572	0	
KGOSHIS	10	9	1	SAP
TOTAL TRANSFER	582	581	1	

B. Third Parties

3rd parties were paid on the last day of each month.

2. 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.

A. Occupational Health and Safety Committee

Seven meetings were held during the year. Remedial works on the building were done in order to comply with the legislation.

B. Manage the Functionality of Local Labor Forum (LLF)

Eleven LLF meeting were held during the period to discuss matters that are guided by prescripts on labour.

C. Build Capacity in Managers on Managing Workplace Discipline

Managers were capacitated through various programmes offered by external institutions.

D. Workshop Employees on HR Policies and Conditions of Service

Workshop on internal policies and procedure aimed at enhancing common understanding was held during May 2009.

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

Efforts are made to comply with all applicable pieces of legislations. These legislations include Municipal Structures Act, and Municipal Systems Act, COIDA, OHS Act, LRA and others.

F. Adhere to Water and Municipal Health Services Devolution Action Plan

Induction workshop was held with Municipal Health Services employees. Furthermore integration plan has been developed and costed.

**CHAPTER 4: FINANCIAL YEAR 2008/2009 AND RELATED
FINANCIAL INFORMATION**

ANNUAL FINANCIAL STATEMENT

For the year ended 30 June 2009

Province: Limpopo

AFS Rounding: R (i.e only cents)

Contact Information

Name of Municipal Manager:	M M Molala
Name of Chief Financial Officer:	N Modiba (Acting)
Contact telephone number:	076 077 0093
Contact e-mail address:	modiban@cdm.org.za
Name of contact at provincial treasury:	E Mabunda
Contact telephone:	083 703 2381
Contact e-mail address:	mabundabe@limtreasury.gov.za
Name of relevant Auditor:	Auditor General of South
Contact telephone number:	015 299 4400
Contact e-mail address:	
Name of contact at National Treasury:	Thomas Matjeni
Contact telephone number:	012 315 5792
Contact e-mail address:	Thomas.matjeni@treasury.gov.za

**ANNUAL FINANCIAL STATEMENTS
30 JUNE 2009**

General Information

Members of the Council

Monakedi Dewet Motalane	Executive Mayor
Mothudi Julia Gaatsejoe	Speaker
Malebana Chuene William	Chief Whip
Matsaung Moroamokopane Jack	Members of the Mayoral Committee
Mokhondo Dorcus Maishibe	
Manamela Sepeke Martin	
Chego Linki Suzan	
Molema Mahlodi Regina	
Kgare Makwena Betty	
Keetse Nelson	
Thoka Phillip	
Choshi Isaac Katte	
Kubyana Ditshego R (Resigned: 18/3/2009)	

Dankuru Tshamano Victor	Councillors
Mokaba Mapitsi Priscilla	
Mashego Solly	
VanSchalkwyk Jacobus	
Dolo Mmanape Joyce	
Mamabolo Samson (Resigned: 18/3/2009)	
Mamaregane Mmamora	
Letwaba Frans Jim	
Seemola Mamoloko C	
Ntlatla Mahlodi William	
Manyatsa Selaelo Sarah	
Masemola Mokgaetji Glenda	
Mampa Sekube Geoffrey	
Kgomoeswana Prince	
Matome Nkwete Kaiser	
Mabitsela Mmatlou Salmina	
Ramashela Samuel	
Manamela Tshwana Suzan	
Mathiba Mohlekesetji Maria	
Masekwameng Rahab Mapeu (Resined: 1/5/2009)	
Ramonetha Mashapa Henry	
Ramatsoma Mothoka Betty	
Machaka Matsobane Phaniel	
Senyoko Resimate D	

**ANNUAL FINANCIAL STATEMENTS
30 June 2009**

General information (continued)	
Registered Office:	Capricorn District Municipality
Physical Address:	41 Biccard Street Polokwane 0700
Postal Address:	P.O. Box 4100 Polokwane 0700
Telephone Number:	015 294 1000
Fax Number:	015 295 7288
E-mail address:	modiban@cdm.org.za

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, loans made to Councillors, if any, and payments made to Councillors for loss of office, if any, 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

			Restated
		2009	2008
	Note	R	R
ASSETS			
Current assets			
Cash and cash equivalents	2	52 364 587	217 190 748
Other receivables	3	29 241 766	19 729 013
Inventories	4	215 805	232 144
Current portion of loans and receivables	6	476 547	1 653 826
Non-current assets			
Property, plant & equipment	5	701 671 562	329 231 356
Intangible assets	6	2 357 142	126 322
Loans and receivables	7	58 336	1 753 359
Total assets		786 385 745	569 916 769
LIABILITIES			
Current liabilities			
Bank overdraft	2	86 944 613	11,517,715
Trade and other payables	8	52 730 448	35 421 924
Unspent conditional grants and receipts	9	4 104 825	19 521 358
Provision	10	980 000	
Current portion of finance lease obligation	11	2 537 655	-
Non-current liabilities			
Finance lease liability	11	-	-
Total liabilities		147 297 541	66 460 998
		639 088 204	503 455 771
Net Assets			
Reserves			
Capital Replacement Reserve		-	15 566 976
Accumulated surplus/(deficit)		639 088 204	487 888 795
		639 088 204	503 455 771

	Note	2009	RESTATED 2008
REVENUE			
Government grants and subsidies received - operating	12	328 248 030	273 489 988
Government grants and subsidies received - capital	12	110 525 107	90 142 752
Investment Revenue – external investments	13	22 091 502	26 052 593
Other income		2 815 074	2 529 164
Public contributions, donated and contributed property, plant and equipment		999 128	
Total Revenue		464 678 840	392 214 497
EXPENDITURE			
Employee related costs	14	108 769 874	83 199 971
Remuneration of councillors	15	8 109 251	7 588 601
Bad debt		9 329 364	
Collection costs		154 537	284,291
Depreciation		14 421 677	11 725 668
Repairs & Maintenance		2 800 720	1 361 114
Finance costs		968 070	-
Grants and subsidies paid	16	33 650 000	6 150 000
General expenses	17	148 010 418	121 841 506
Contracted services		2 822 883	2 802 141
Total Expenditure		329 036 794	234 953 292
Gain on disposal of property, plant and equipment		-	1 913
Loss on disposal of property, plant and equipment		(9,613)	-
SURPLUS/(DEFICIT) FOR THE YEAR		135 632 434	157 263 118

				Restated
	Note	2009		2008
		R		R
CASH FLOW FROM OPERATING ACTIVITIES				
Cash receipts from ratepayers, government and other		417 658 052		369 818 426
Cash paid to suppliers and employees		(298 270 253)		(246 695 416)
Cash generated from operations	19	119 387 800		123 123 009
Interest received		22 091 502		26 052 593
NET CASH FROM OPERATING ACTIVITIES		141 479 301		149 175 602
CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment		(382 560 490)		(179 082 173)
Purchase of intangible asset		(4 581 827)		(126 322)
Proceeds on disposal of assets		-		15 367
Decrease/(Increase) in Loans and receivables		2 872 301		285 693
CASH FLOW FROM FINANCING ACTIVITIES		(384 270 016)		(178 907 435)
Finance leases raised		2 537 655		
NET CASH FROM INVESTING ACTIVITIES		2 537 655		-
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(240 253 059)		(29 731 833)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		205 673 033		235 404 866
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	2	(34 580 026)		205 673 033

1. SIGNIFICANT ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS

1.1 BASIS OF PRESENTATION

The financial statements have been prepared on an accrual basis of accounting and are in accordance with the historical cost basis unless otherwise stated. Under this basis the effects of transactions and other events are recognised when they occur and are recorded in the financial statements within the period to which they relate.

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practices (GRAP), issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act, (Act No 56 of 2003). prescribed by the Minister of Finance in terms of General Notices 991 of 2005 and General Notice 516 of 2008.

Accounting policies for material transactions, events or conditions not covered by the above GRAP standards have been developed in accordance with paragraphs 7, 11 and 12 of GRAP 3. These accounting policies and the applicable disclosures have been based on the South African Statements of Generally Accepted Accounting Practices (SA GAAP) including any interpretations of such statements issued by the Accounting Practices Board.

These accounting policies are consistent with those of the previous financial year.

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

The principal accounting policies adopted in the preparation of these annual financial statements are set out below.

1.2 PRESENTATION CURRENCY

These annual financial statements are presented in South African Rand, which is the functional currency of the municipality.

1.3 GOING CONCERN ASSUMPTION

These annual financial statements have been prepared on the assumption that the municipality will continue to operate as a going concern for at least the next 12 months.

1.4 SIGNIFICANT ESTIMATES, JUDGEMENTS AND ASSUMPTIONS

These annual financial statements have been prepared on a going concern basis.

In preparing the annual financial statements to conform with the standards of GRAP, management is required to make estimates, judgements and assumptions that affect the

amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future may differ from these estimates.

All significant estimates, judgements and underlying assumptions are reviewed on constant basis. All necessary revisions of significant estimates are recognised in the period during such revisions as well as in any future affected periods.

1.5 RESERVES

1.5.1. Capital Replacement Reserve (CRR)

The purpose of the CRR is to set aside cash to provide infrastructure and other items of property, plant and equipment from internal sources.

The cash is transferred to a designated CRR account and can only be used to finance items of property, plant and equipment. The CRR is reduced and the accumulated surplus/(deficit) is credited by a corresponding amount when the amounts in the CRR are utilised. The amount transferred to the CRR is based on the municipality's need to finance future capital projects included in the Integrated Development Plan.

1.5.2. Government Grant Reserve

When items of property, plant and equipment are purchased from government grants, a transfer is made from the accumulated surplus/(deficit) to the Government Grants Reserve equal to the Government Grant recorded as revenue in the Statement of Financial Performance in accordance with a directive (budget circular) issued by National Treasury.

When such items of property, plant and equipment are depreciated, a transfer is made from the Government Grant Reserve to the accumulated surplus/(deficit).

The purpose of this reserve is to promote community equity and facilitate budgetary control by ensuring that sufficient funds are set aside to offset the future depreciation expenses that will be incurred over the estimated useful lives of the items of property, plant and equipment funded from government grants.

When such items of property, plant and equipment are depreciated, a transfer is made from the Government Grants Reserve to the accumulated surplus/(deficit).

When an item of property, plant and equipment financed from government grants is disposed of, the balance in the Government Grant Reserve relating to such item is transferred to the accumulated surplus/(deficit).

1.6 PROPERTY, PLANT & EQUIPMENT

1.6.1 Initial recognition

An item of property, plant and equipment which qualifies for recognition as an asset shall initially be measured at cost.

The cost of an item of property, plant and equipment comprises of its purchase price, including import duties and non-refundable purchase taxes and any directly attributable costs of bringing the asset to working condition for its intended use.

Where an item of property, plant and equipment was donated, is initially recognised at its fair value as at the date of acquisition.

The cost of an item of property, plant and equipment acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets was measured at its fair value. If the acquired item could not be measured at its fair value, its cost was measured at the carrying amount of the asset given up.

PROPERTY, PLANT & EQUIPMENT (cont)

Subsequent expenditure is capitalised when the recognition and measurement criteria of an asset are met. If expenditure only restores the originally best estimate of the expected useful life of the asset, then it is regarded as repairs and maintenance and is expensed.

Incomplete construction work is stated at historical cost. Depreciation only commences when the assets is commissioned into use.

Properties in the course of construction for production, rental or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Municipality's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

1.6.2 Subsequent measurement - revaluation model (land and buildings)

Subsequently land and buildings are stated at revalued amounts, being the fair value of the land and buildings at the date of revaluation less subsequent accumulated depreciation and impairment losses in respect of buildings only. All other items of property, plant and equipment, are stated at cost, less accumulated depreciation and accumulated impairment losses.

Revaluations are performed with sufficient regularity, but at least every three to five years, to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the reporting date.

A decrease in the carrying amount of land and buildings as a result of a revaluation is recognised as an expense unless there is a revaluation surplus in the reserve account. Any amount in excess of the revaluation surplus is recognised as an expense.

1.6.3 Subsequent measurement - cost model

Subsequently property, plant and equipment, are stated at cost, less accumulated depreciation and accumulated impairment losses.

Land is not depreciated as it is regarded as having an infinite life.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

The residual value of an asset is determined as the estimate amount that could currently be obtained from the disposal of the asset. The residual values of assets are reviewed at each financial year end.

The residual value of an asset is determined as the estimate amount that could currently be obtained from the disposal of the asset. The residual values of assets are reviewed at each financial year end.

1.6.4 Depreciation and impairment

Depreciation is calculated on the asset's depreciable amount, using the straight-line method over the useful lives of the asset. The depreciable amount is determined after deducting the residual value of the asset from its cost. The depreciation charge is recognised as an expense unless it is included in the carrying amount of another asset under construction. Assets will be depreciated according to their annual depreciation rates based on the following estimated asset lives:

<u>Infrastructure Assets</u>	<u>Years</u>
Roads	25-50
Electricity	20-50
Water mains and purification	50-120
Water reservoir	30-50
Sewerage	15-60

1.7 PROPERTY, PLANT & EQUIPMENT(CONT)

Community Assets

Buildings	50
Security	5

Other

Specialist vehicles	10-20
Other vehicles	5-7
Office equipment	3-10
Furniture & Fittings	7-10
Emergency equipment	5-15
Computer equipment	3-5
Computer software	3

Notwithstanding the GAMAP transitional provisions applicable, the municipality is exempt from complying with the measurement requirements of GRAP 17, per class of assets, within the three years of initially adopting GRAP 17. Accordingly (certain classes of PPE), have not been measured according to GRAP 17 after initial adoption.

1.8 IMPAIRMENT OF FINANCIAL ASSETS

1.8.1 Impairments of Non-financial assets

Non-Financial assets, excluding investment property, biological assets and inventories, are assessed at each reporting date to determine whether there is an indication that the carrying amount of the asset may be impaired. If such an indication exists, the recoverable amount of the asset is determined. Irrespective of whether an indication of impairment exists, the recoverable amount of goodwill, indefinite-life intangible assets and intangible assets not available for use are determined annually.

The recoverable amount of an asset is the higher of its fair value less costs to sale and its value in use. In determining the value in use, the estimated future cash flows of the asset is discounted to their present value based on pre-tax discount rates that reflects current market assessments of the time value of money and the risks that are specific to the asset. If the value in use of an asset for which there is an indication of impairment cannot be determined, the recoverable amount of the cash-generating unit to which the asset belongs is determined. An asset's cash generating unit is the smallest group of identifiable assets that includes the asset and that generates cash inflows from continuing use that are largely independent from cash inflows from other assets.

An impairment loss is recognised in the statement of financial performance when the carrying amount of an individual asset or of a cash-generating unit exceeds its recoverable amount. If the loss relates to the reversal of a previous revaluation surplus, it is recognised in equity. Impairment losses recognised on cash-generating units are allocated on a pro rata basis, to the assets in the cash-generating unit.

Impairment losses are reversed if there has been a change in the estimates used to determine the recoverable amount of the asset or cash-generating unit. Reversals of impairment losses on cash-generating units are allocated on a pro rata basis to the assets in the unit. Impairment losses are reversed only to the extent that the carrying amount of the asset does not exceed the carrying amount that would have been recognised in the past. Reversals of impairment losses are recognised directly in the statement of financial performance.

1.9 IMPAIRMENT OF FINANCIAL ASSETS (cont)

1.9.1 Impairment of Monetary assets

A provision for impairment is created when there is objective evidence that the municipality will not be able to collect all amounts due according to the original terms of the receivables. The carrying value is reduced through the use of a provision and is recognised as a charge to the statement of financial performance. When a receivable is uncollectible, it is written off against the provision. Any subsequent recoveries of amounts previously written off are credited directly in the statement of financial performance.

An available for sale financial asset is impaired when there is a significant or prolonged decline in the fair value of the asset below its cost price or amortised cost. At such a point, an cumulative

gains or losses that have been accumulated in equity are removed from equity as a reclassification adjustment and are recognised in the statement of financial performance. Any subsequent impairment losses are recognised directly in the statement of financial performance.

Where Held-to-maturity investments have been impaired, the carrying value is adjusted by the impairment loss and this is recognised as an expense in the period that the impairment is identified.

1.10 LEASES

Leases that transfer substantially all the risks and rewards of ownership are classified as finance leases. All other leases are classified as operating leases.

Operating leases are those leases that do not fall within the scope of the above definition. Operating lease payments are recognised as an expense on a straight-line basis over the lease period.

1.10.1 The Municipality as Lessee

Assets leased in terms of finance lease agreements are capitalised at amounts equal at the inception of the lease to the fair value of the leased property, or lower, at the present value of the minimum lease payments. Capitalised leased assets are depreciated in accordance with the accounting policy applicable to property, plant and equipment, refer to property, plant and equipment policy 1.6. The corresponding rental obligations, net of finance charges, are included in long-term borrowings. Lease finance charges are amortised to the statement of financial performance (unless they are directly attributable to qualifying assets) over the duration of the leases so as to achieve a constant rate of interest on their remaining balance of the liability.

Obligations incurred under operating leases are charged to the statement of financial performance in equal instalments over the period of the lease, except when an alternative method is more representative of the time pattern from which benefits are derived.

1.10.2 FINANCIAL INSTRUMENTS

There are four categories of financial instruments: fair value through profit or loss (which includes trading), loans and receivables, held-to-maturity and available for sale. All financial assets that are within the scope of IAS 39 are classified into one of the four categories.

Financial instruments include cash and bank balance, investments, trade receivables and borrowings. The municipality classifies its financial assets as loans and receivables.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments. They are included in current assets, except for maturities in excess of 12 months. These are classified as non-current assets.

Loans and receivables are classified as "trade and other receivables" in the Statement of Financial Position.

Loans and receivables are recognised initially at cost which represents fair value. After initial recognition financial assets are measured at amortised cost using the effective interest rate.

1.10.2 FINANCIAL INSTRUMENTS (cont)

Accounts receivable

Trade and other receivables are recognised initially at cost which represents fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

A provision for impairment is established when there is objective evidence that the municipality will not be able to collect all amounts due according to the original terms of receivables.

When an under recovery occurs during the year an additional contribution for impairment is made from the accumulated surplus at year end.

Bad debts are written off during the year in which they are identified as irrecoverable.

Financial liabilities

Financial liabilities are recognised initially at cost which represents fair value. After initial recognition financial liabilities are measured at amortised cost using the effective interest rate.

Gains and losses

Gains and losses arising from changes in financial assets or financial liabilities at amortised cost are recognised in profit and loss when the financial asset or liability is derecognised or impaired through the amortisation process.

Investments held-to-maturity

Subsequent to initial recognition, held-to-maturity assets are measured at amortised cost calculated using the effective interest method.

Investments which include listed government bonds, unlisted municipal bonds, fixed deposits and short term deposits invested in registered banks are stated at cost.

Where investments have been impaired, the carrying value is adjusted by the impairment loss and this is recognised as an expense in the period that the impairment is identified.

Surplus funds are invested in terms of Council's Investment Policy. Investments are only made with financial institutions registered in terms of the Deposit Taking Institutions Act of 1990 with an A1 or similar rating institution for safe investment purposes.

The investment period should be such that it will not be necessary to borrow funds against the investments at a penalty interest rate to meet commitments.

1.11 INVENTORY

The cost of inventories comprises of all costs of purchase, costs of development, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Consumable stores goods are valued at the lower of cost and net realisable value. In general, the basis of determining cost is the first in first out method.

Redundant and slow-moving stock are identified and written down with regard to their estimated economic or realisable values and sold by public auction. Consumables are written down with regard to age, condition and utility.

1.12 CASH AND CASH EQUIVALENTS

Cash includes cash on hand and cash with banks.

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand and cash at bank. Short term investments are excluded. Bank overdrafts are recorded on the facility utilised. Finance charges on bank overdrafts are expensed as incurred.

EMPLOYEE BENEFITS

1.12.1 Short-term employee benefits

The cost of short-term employee benefits, which include salaries and wages, short-term compensated absences and profit sharing and bonus plans, are expensed in the Statement of Financial Performance in the financial year during which the payment is made.

Liabilities for short-term employee benefits that are unpaid at year-end are measured at the undiscounted amount that the municipality expected to pay in exchange for that service that had accumulated at the reporting date.

1.12.2 Termination Benefits

Termination benefits are recognised when actions have been taken that indicate that the municipality is demonstrably committed to either terminate the employment of an employee or group of employees before the normal retirement date; or provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.

1.12.3 Retirement benefits

The municipality provides retirement benefits for its employees and councillors.

Contributions to defined contribution retirement benefit plans are recognised as an expense when employees and councillors have rendered the employment service or served office entitling them to the contributions.

1.12.4 Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the municipality pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in the statement of financial performance when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

1.12.5 Post employment medical care benefits

The municipality provides post employment medical care benefits to its employees and their legitimate spouses. The entitlement to post-retirement medical benefits is based on employees

remaining in service up to retirement age and the completion of a minimum service period. The expected cost, of these benefits is accrued over the period of employment.

1.13 REVENUE RECOGNITION

Revenue shall be measured at the fair value of the consideration received or receivable. No settlement discount is applicable.

Rendering of service

When the outcome of a transaction can be estimated reliably relating to the rendering of a service, revenue associated with the transaction shall be recognised by reference to the stage of completion of the transaction at the reporting date.

The outcome of the transaction can be measured reliably when all of the following conditions are satisfied:

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

This principle also applies to tariffs or charges.

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

Sale of goods

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

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

Government Grants

Government Grants can be in the form of grants to acquire or construct fixed assets (capital grants), grants for the furtherance of national and provincial government policy objectives and general grants to subsidise the cost incurred by municipalities rendering services.

Capital grants and general grants for the furtherance of government policy objectives are usually restricted revenue in that stipulations are imposed in their use.

Government grants are recognised as revenue when:

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

1.13 REVENUE RECOGNITION (CONT)

Other grants and donations received

Other grants and donations shall be recognised as revenue when:

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

Donations are recognised on a cash receipt basis or where the donation is in the form of property, plant and equipment are brought into use.

Revenue from public contributions is recognised when all conditions have been met or where the contribution to property, plant and equipment is recognised when such items of property, plant and equipment are brought into use.

Where public contributions have been received but the conditions were not met, a liability is recognised.

Interest

Revenue arising from the use of assets by others of the municipal assets yielding interest shall be recognised when:

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

Interest shall be recognised on a time proportionate basis that takes into account the effective yield on the asset;

Revenue from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures, including those set out in the Municipal Finance Management Act (Act No.56 of 2003) and is recognised when the recovery thereof from the responsible councillors or officials is virtually certain.

Revenue from the recovery of unauthorised irregular, fruitless and wasteful expenditure is based on legislated procedures.

1.14 UNAUTHORISED EXPENDITURE

Unauthorised expenditure is expenditure that has not been budgeted, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state and expenditure in the form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act 56 of 2003).

Unauthorised expenditure is accounted for as an expense in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.15 IRREGULAR EXPENDITURE

Irregular expenditure is expenditure that is contrary to the Municipal Finance Act (Act 56 of 2003), the Municipal Systems Act (Act 32 of 2000), the Public Office Bearers Act (Act 20 of 1998) or is in contravention of the municipality's supply chain management policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.15.1 FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless and wasteful expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.15.2 COMPARATIVE INFORMATION

Budgeted amounts have been included in the annual financial statements for the current financial year only. When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are reclassified. The nature and reason for the reclassification is disclosed.

1.15.3 EVENTS AFTER BALANCE SHEET DATE

Recognised amounts in the financial statements are adjusted to reflect events arising after the balance sheet date that provide evidence of conditions that existed at the Balance Sheet date. Events after the Balance Sheet date that are indicative of conditions that arose after the Balance Sheet date are dealt with by way of a note to the Financial Statements.

	2009	RESTATED 2008
	R	R
CASH AND CASH EQUIVALENTS		
The municipality has the following bank account:		
Current Account (Primary Bank Account)		
First National Bank - Polokwane branch Account number - 62005556339		
Cash book balance at beginning of year	40 624 858	25 389 274
Cash book balance at end of year	(86 944 613)	40 624 858
Correction of error		(52 142 573)
Restated balance	(86 944 613)	(11 517 715)
Bank statement balance at beginning of year	40 624 858	2 299 109
Bank statement balance at end of year	6 627 065	40 624 858
Current Account		
Standard Bank - Polokwane branch Account number - 030141400		
Cash book balance at beginning of year	1 773 062	-
Cash book balance at end of year	-	1 772 299
Bank statement balance at beginning of year	1 773 062	-
Bank statement balance at end of year	-	1 773 062
Investments		
Call	13 997 725	88 481 034
30 Days fixed deposits	38 366 862	126 902 435
Correction of error		34 980
Restated balance	52 364 587	215 418 449
Total Cash and cash equivalents	52 364 587	217 190 748
Bank overdraft	(86 944 613)	-
OTHER RECEIVABLES		
Loan accounts - other municipalities	8 543 533	8 543 533
Equitable share - local municipalities	10 897 571	10 897 571
VAT	29 207 798	26 616 032

Other debtors	33 968	1 474 236
Correction of error: VAT		(15 935 443)
: RSC debtors		1 013 810
	48 682 870	32 609 740
Less: Provision for Bad Debt	(19 441 105)	(12 880 727)
Restated balance	29 241 766	19 729 013
VAT is payable on the invoice basis.		
INVENTORY		
Consumables	215 805	395 526
Correction of error		(163 382)
Restated balance	215 805	232 144

PROPERTY, PLANT & EQUIPMENT						
	Land and	Infrastructure	Capital under	Community	Other	Total
Reconciliation of Carrying Value	Buildings		construction			
	R	R		R	R	R
Carrying values at 1 July 2008	23 781 847	77 707 974	214 737 527	2 139 899	10 864 109	329 231 356
Cost	29 735 041	83 832 755	214 737 527	3 013 680	19 021 907	350 340 910
Accumulated Depreciation	(5 953 193)	(6 124 781)		(873 781)	(8 157 798)	(21 109 553)
Acquisitions		225 118			11 678 761	11 903 879
Capital under Construction			367 853 008			367 853 008
Depreciation	(940 261)	(5 621 551)		(71 330)	(5 437 531)	(12 070 673)
Asset verification/correction					4 763 604	4 763 604
Cost					(2 118 993)	(2 118 993)
Accumulated depreciation					6 882 597	6 882 597
Asset disposal					(9 613)	(9 613)
Cost					(13 109)	(13 109)
Accumulated depreciation					3 496	3 496
Carrying values at 30 June 2009	22 841 586	72 311 541	582 590 535	2 068 569	21 859 330	701 671 562
Cost	29 735 041	84 057 873	582 590 535	3 013 680	28 568 566	727 965 695
Accumulated Depreciation	(6 893 454)	(11 746 332)	-	(945 111)	(6 709 236)	(26 294 133)
Carrying values at 1 July 2007	21 664 965	84 812 420	90 596 331	-	13 725 611	210 985 743
Cost	26 736 825	86 095 208	90 596 331	-	20 608 369	224 985 873
Accumulated Depreciation	(5 071 859)	(1 282 788)		-	(6 882 758)	(14 000 129)
Acquisitions	-	2 051 728		-	1 757 244	3 808 972
Capital under Construction	-		124 141 196	-		124 141 196
Depreciation	(881 334)	(4 924 104)		-	(2 650 269)	(8 455 707)
Classification out	-	(6 779 195)		-	(4 764 714)	(11 543 909)

Cost	-	(6 861 306)		-	(6 139 943)	(13 001 249)
Accumulated depreciation	-	82 111		-	1 375 229	1 457 340
Classification in	2 998 216	2 547 125		2 139 899	2 811 186	10 496 426
Cost	2 998 216	2 547 125		3 013 680	2 811 186	11 370 207
Accumulated depreciation	-	-		(873 781)	-	(873 781)
Carrying value of disposals	-	-		-	(14 949)	(14 949)
Cost	-	-		-	(14 949)	(14 949)
Accumulated depreciation	-	-		-	-	-
Carrying values at 30 June 2008	23 781 847	77 707 974	214 737 527	2 139 899	10 864 109	329 231 356
Cost	29 735 041	83 832 755	214 737 527	3 013 680	19 021 907	350 340 910
Accumulated Depreciation	(5 953 193)	(6 124 781)	-	(873 781)	(8 157 798)	(21 109 553)

Refer to Appendix B for more detail on property, plant and equipment, including those in the process of been constructed.

The Municipality has taken advantage of the transitional provisions set out in Directive 4 issued for medium capacity municipalities. The Municipality is in the process of itemising all assets and will recalculate accumulated depreciation once this exercise has been completed.

			RESTATED
		2009	2008
		R	R
INTANGIBLE ASSETS			
Computer software			
Carrying values at the beginning of year		126,322	186,416
Cost		949,140	949,140
Accumulated amortisation		(822 818)	(762 724)
Acquired		4,581,827	
Amortisation		(2 351 007)	(60 094)
Cost		5,530,967	949,140
Accumulated amortisation		(3 173 825)	(822 818)
Carrying values at the end of the year		2,357,142	126,322
LOANS AND RECEIVABLES			
Motor Vehicle loans		534 884	638 198
Loans to other entities and municipalities		2 768 987	2 768 987
		3 303 870	3 407 185
Less: Provision for Bad Debt		(2 768 987)	
		534 884	3 407 185
Less Current portion transferred to current receivables		(476 547)	(1 653 826)
Vehicle loans		(476 547)	(506 266)
Loans to other municipalities		-	(1 147 560)
Total loans and receivables		58 336	1 753 359
Motor Vehicle loans			
Senior staff were previously entitled to vehicle loans which attract interest at 12% per annum and is repayable over a maximum period of 5 years. These loans are repayable in the year 2010.			
Loans to other municipalities			
These loans were previously granted to municipalities. The repayment period range from 3 to 20 years. At interest rates between 8% and 20%. These loans are repayable in the year 2008.			
TRADE AND OTHER PAYABLES			
Trade creditors		11 158 757	9 456 759
Retentions		32 972 757	15 602 445
Payroll Creditors		-	6 777 687
Staff Leave		8 598 935	8 691 777

Correction of error			
Creditors			(6 036 379)
Accruals			13 873 835
Retention/Trade creditors			(12 944 199)
Restated balance		52 730 448	35 421 924
UNSPENT CONDITIONAL GRANTS AND RECEIPTS			
Municipal Infrastructure Grant		-	15 560 107
District Transport Plan		59 059	59 059
Municipal Systems Improvement Grant			30 000
Finance Management Grant		375 220	201 646
DWAF Infrastructure Grant		3 670 546	3 670 546
Total Conditional Grants and Receipts		4 104 825	19 521 358
See note 12 for reconciliation of grants from other spheres of government.			
The unspent grants are invested until utilised.			
PROVISION			
Performance bonuses		980 000	-
Balance at beginning of year		-	
Contributions to provision		980 000	
Expenditure incurred		-	
Balance at end of year		980 000	-
FINANCE LEASE LIABILITY			
	Minimum lease payment	Future finance charges	Present value of lease payments
30 June 2009			
Amounts payable under finance leases			
Within one year	3 045 570	507 915	2,537,655
Within two to five years			-
	3 045 570	507 915	2 537 655
Less: Amount due for settlement within 12 months (current portion)			(2 537 655)
			-
30 June 2008			
Amounts payable under finance leases			
Within one year			
Within two to five years			
	-	-	-

Less: Amount due for settlement within 12 months (current portion)			
			-
The liability is secured by office equipment under a deemed finance lease with a carrying value of R2 346 924. The effective interest rate is 35.1% and is repayable in 36 equal instalments of which the first was paid in July 2007. The last instalment is payable during June 2010.			
GOVERNMENT GRANTS AND SUBSIDIES			
Operating grants		328 248 030	273 489 988
Equitable share		212 584 415	176 435 345
Municipal Systems Improvement Grant		765 000	970 000
Finance Management Grant		326 426	299 944
DWAF Operating Grant		111 304 387	94 584 699
Other grants		3 267 802	1 200 000
Capital grants			
Municipal Infrastructure Grant		110 525 107	90 142 752
Total Government Grants and Subsidies		110 525 107	363 632 740
Equitable share			
In terms of the Constitution, the grant is used to subsidise the provision of free basic services to indigent community members. The municipality utilised the grant to provide infrastructure for basic services required by the community within its jurisdiction.			
GOVERNMENT GRANTS AND SUBSIDIES (continued)			
Municipal Infrastructure Grant			
Balance unspent at beginning of year		15 560 107	9 433 740
Current year receipts		94 965 000	96 269 119
Conditions met - transferred to income		(110 525 107)	(90 142 752)
Conditions still to be met - transferred to liabilities		-	15 560 107
The grant was used to construct infrastructure assets in the local municipalities. The conditions of the grant were met. There was no delay or withholding of the grant			
Transport grant			
Balance unspent at beginning of year		59 059	59,059
Current year receipts		-	-
Conditions met - transferred to income		-	-
Conditions still to be met - transferred to liabilities		59 059	59 059

(see note 9)			
The grant was utilised to develop the public transport record system. The balance of the grant remained unspent.			
Municipal Systems Improvement Grant			
Balance unspent at beginning of year		30 000	-
Current year receipts		735 000	1 000 000
Conditions met - transferred to income		(765 000)	(970 000)
Conditions still to be met - transferred to liabilities		-	30 000
The grant was utilised to fund the implementation of new legislation. The conditions of the grant were met. The balance will be utilised for performance management.			
Finance Management Grant			
Balance unspent at beginning of year		201 646	1 590
Current year receipts		500 000	500 000
Conditions met - transferred to income		(326 426)	(299 944)
Conditions still to be met - transferred to liabilities		375 220	201 646
(see note 9)			
The grant was utilised for the appointment of the financial interns and to assist with the implementation of the MFMA. The funds were not fully utilised as interns were appointed late, and there were less number of officials participating in the Financial Management Programme.			
DWAF Infrastructure Grant			
Balance unspent at beginning of year		3 670 546	3 670 546
Current year receipts		-	-
Conditions met - transferred to income		-	-
Conditions still to be met - transferred to liabilities		3 670 546	3 670 546
(see note 9)			
The grant was not utilised during the year.			
DWAF Operating Grant			
Balance unspent at beginning of year		-	-
Current year receipts		111 304 387	66 813 390
Conditions met - transferred to income		(111 304 387)	(66 813 390)
Conditions still to be met - transferred to liabilities		-	-
The grant was utilised to fund the transfer of water schemes from DWAF.			
GOVERNMENT GRANTS AND SUBSIDIES (continued)			
Other Grants			
Department of Local Government & Housing		1 112 800	

Department of Health		1 669 200	1 200 000
SETA		110 802	
National Heritage		375 000	
		3 267 802	1 200 000
These grants were fully spent.			
Changes in levels of government grants			
Based on the allocations set out in the Division of Revenue Act, (Act 12 of 2009), no significant changes in the level of government grant funding are expected over the forthcoming 3 financial years.			
INVESTMENT REVENUE			
EXTERNAL INVESTMENTS			
Current account		3 364 644	1 290 536
External investments		18 726 858	24 762 057
		22 091 502	26 052 593
EMPLOYEE RELATED COSTS			
Employee related costs - Salaries and wages		71 863 429	58 730 244
Employee related costs - Contributions for UIF, pensions and medical aids		18 158 187	13 294 023
Travel and other allowances		9 717 503	6 797 666
Housing benefits and allowances		3 076 582	1 178 173
Overtime allowances		4 037 685	2 247 302
Performance bonus		1 916 488	952 563
Total Employee Related Costs		108 769 874	83 199 971
There were no advances to employees. Loans to employees are set out in note 7.			
Remuneration of the Municipal Manager			
Annual Remuneration		634 923	574 395
Performance bonus			12 357
Annual bonus		52 910	45 203
Travel allowance		120 002	120 002
Council contributions		96 777	8 144
Total		904 612	760 101
Remuneration of the Chief Financial Officer			
Annual Remuneration		294 788	223 800
Performance bonus		-	-
Travel allowance		90 811	77 845
Council contributions		62 955	3 286
Total		448 554	304 931

The position is vacant as from February 2009.			
Remuneration of the Manager: Infrastructure Services			
Annual Remuneration		415 060	463 239
Performance bonus			19 548
Annual bonus		33 269	36 222
Travel allowance		161 454	157 785
Council contributions		118 615	76 763
Total		728 398	753 558
EMPLOYEE RELATED COSTS (CONT)			
Remuneration of the Manager: Corporate Services			
Annual Remuneration		502 545	233 370
Performance bonus			-
Annual bonus		41 178	-
Travel allowance		146 712	73 373
Council contributions		69 076	3 397
Total		759 511	310 140
Remuneration of the Manager: Strategic Planning			
Annual Remuneration		551 439	494 736
Performance bonus			20 496
Annual bonus		45 953	37 966
Travel allowance		145 543	145 543
Council contributions		1 539	7 878
Total		744 474	706 618
Remuneration of the Manager: Community Services			
Annual Remuneration		134 434	355 071
Performance bonus			18 768
Annual bonus		-	29 517
Travel allowance		66 023	198 070
Council contributions		37 550	6 428
Total		238 007	607 853
The position is vacant as from December 2009.			
No performance bonuses were paid out in terms of Section 57 of the Municipal Systems Act.			
REMUNERATION OF COUNCILLORS			
Executive Mayor		538 575	426 188
Speaker		430 860	365 601
Mayoral Committee members		3 214 807	2 743 101
Councillors		3 925 009	3 067 570

Council's contributions			986 141
Total Councillors Remuneration		8 109 251	7 588 601
In kind benefits			
The Executive Mayor, Speaker, Chief Whip and members of the Mayoral Committee are full time councillors. Each is provided with an office and secretarial support at the cost of the Council.			
The Executive Mayor has use of a Council owned vehicle for official duties .			
GRANTS AND SUBSIDIES PAID			
Grant paid to Molemole Municipality		500 000	1 000 000
Grant paid to Aganang Municipality		5 200 000	1 000 000
Grant paid to Blouberg Municipality		7 200 000	2 150 000
Grant paid to Lephelle Nkumpi Municipality		16 550 000	2 000 000
Grant paid to Polokwane Municipality		4 200 000	
Total Grants and Subsidies paid		33 650 000	6 150 000
GENERAL EXPENSES			
Included in general expenses are the following:-			
Advertising		2 373 056	1 301 452
Legal expenses		834 959	
Consumption raw materials		49 993 281	67 223 808
Water and sanitation		22 735 800	
Conference and delegation costs		1 273 469	921 957
Policy and strategy development		3 630 674	
Printing and Stationery		1 040 453	695 539
Professional Fees		9 037 302	4 056 808
Rental equipment		1 604 812	3 623 375
Stakeholder participation		2 589 515	2 707 528
Travel and subsistence		5 876 671	3 777 700
Telephone		2 603 174	2 688 572
Training		2 235 377	3 569 078
Fraud prevention			32 949
		105 828 542	90 598 766
CORRECTION OF PRIOR PERIOD ERRORS			
During the year ended 30 June 2008, various assets and liabilities were incorrectly stated.			

During the year ended 30 June 2008, the bank balance was overstated due to errors on the cash book.			
The comparative amount has been restated as follows:			
Correction of cash and cash equivalents			
- Attributable to the 2008 Financial Year			52 142 573
During the year ended 30 June 2008, creditors and payroll vendors were overstated.			
The comparative amount has been restated as follows:			
Correction of Creditors			
- Attributable to the 2008 Financial Year			(6 036 380)
During the year ended 30 June 2008, reserves were reflected that could not be reconciled to the asset register and were erroneously created during the conversion to the new accounting standards.			
The comparative amount has been restated as follows:			
Correction of Reserves			
- Attributable to the 2008 Financial Year			(146 955 680)
During the year ended 30 June 2008, VAT debtor was overstated.			
The comparative amount has been restated as follows:			
Correction of Debtor			
- Attributable to the 2008 Financial Year			15 935 443
During the year ended 30 June 2008, Retention was not reconciled and as such was overstated.			
The comparative amount has been restated as follows:			
Correction of Retention			
- Attributable to the 2008 Financial Year			(12 944 199)
Net effect on Surplus/(Deficit) for the year			(97 858 243)

CASH GENERATED FROM OPERATIONS			
Net surplus/(deficit) for the year		135 632 434	157 263 118
Adjustment for: -			
Depreciation		14 421 677	11 725 668
Investment Income		(22 091 502)	(26 052 593)
Contribution to Provision		(980 000)	
Loss on disposal of property, plant and equipment		9 613	-
Gain on disposal of property, plant and equipment		-	(1 913)
Prior year adjustment			(11 027 587)
Operating (deficit)/surplus before working capital changes		126 992 222	131 906 693
Decrease/(Increase) in inventory		16 339	(232 144)
Decrease/(Increase) in Debtors		-	5 209 658
(Increase)/Decrease in Other Receivables		(9 512 753)	3 118 027
(Decrease)/Increase in Unspent Conditional Grants and Receipts		(15 416 533)	6 356 424
Increase/(Decrease) in Trade and Other Payables		17 308 524	(23 235 649)
Cash generated by/(utilised in) operations		119 387 800	123 123 009
ADDITIONAL DISCLOSURES IN TERMS OF SECTION 125 OF MUNICIPAL FINANCE MANAGEMENT ACT, 2003			
Contributions to organised local government			
Opening Balance		-	-
Council subscriptions		1 023 221	238 240
Amount Paid - current year		(1 023 221)	(238 240)
Balance		-	-
Audit fees			
Opening balance		-	-
Current year audit fees		2 319 653	577 629
Amount paid - current year		(2 319 653)	(577 629)
Balance		-	-
VAT			
VAT input receivables and VAT output receivables are shown in note 3. All VAT returns have been submitted throughout the year.			
PAYE and UIF			

Opening Balance		-	-
Current year payroll deductions		15 555 987	9 310 294
Amount Paid - Current year		(15 555 987)	(9 310 294)
Balance		-	-
Pension and Medical Aid deductions			
Opening Balance		-	-
Current year payroll deductions		24 014 978	10 370 117
Amount Paid - Current year		(24 014 978)	(10 370 117)
Balance		-	-
CAPITAL COMMITMENTS			
Commitments in respect of capital expenditure:			
Approved and contracted for			
- Infrastructure		88 267 557	
- Community			139 684
- LED			177 510
- Others			5 663 215
		88 267 557	5 980 409
The expenditure will be financed from:			
- Government Grants		88 267 557	5 980 409
- Own resources			
		88 267 557	5 980 409
DEVIATION FROM SUPPLY CHAIN PROCESSES			
Refer to Appendix E for details relating to deviations from Supply Chain Management processes.			
COMPARISON WITH BUDGET			
The comparison of the Municipality's actual performance with that budgeted is set out in Annexure D.			
RELATED PARTY DISCLOSURES			
List of related parties			
Name of related party			
D M Monakedi			
Councillors (as listed in general information)			

M M Molala			
Transactions during the year with key management personnel			
Remuneration			
Executive Mayor		538,575	426,188
Councillors		7,570,676	7,162,413
Accounting Officer		904,612	760,101
Details of loans and advances			
The MFMA prohibits the granting of loans and advances to councillors and officials.			
UNAUTHORISED EXPENDITURE			
The municipality exceeded the operating budget with an amount of R12 717 126.			

APPENDIX A
ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AS AT 30 JUNE 2009

	Cost/Revaluation						Accumulated Depreciation					Carrying
	Opening	Additions	Under	Asset verifc	Disposals	Closing	Opening	Additions	Asset verifc	Disposals	Closing	Value
	Balance		Construction			Balance	Balance				Balance	
Land and Buildings												
Land												-
Buildings	29 735 041	-	-		-	29 735 041	5 953 193	940 261	-	-	6 893 454	22 841 587
	29 735 041	-	-	-	-	29 735 041	5 953 193	940 261	-	-	6 893 454	22 841 587
Community Assets												
Community Assets	3 013 680	-	-		-	3 013 680	873 781	71 330	-	-	945 111	2 068 569
	3 013 680	-	-	-	-	3 013 680	873 781	71 330	-	-	945 111	2 068 569
Infrastructure												
Roads	3 818 148				-	3 818 148	867 787	863 520		-	1 731 307	2 086 841
Sewer	6 964 744				-	6 964 744	1 475 631	1 392 949		-	2 868 580	4 096 164
Water Mains & Purification	68 701 403	225 118			-	68 926 521	3 137 270	2 511 812		-	5 649 082	63 277 439
Electricity	4 348 460				-	4 348 460	644 093	853 270		-	1 497 363	2 851 097
Asset under construction	214 737 527	367 853 008			-	582 590 535	-			-		582 590 535
	298 570 282	368 078 126	-	-	-	666 648 408	6 124 781	5 621 551	-	-	11 746 332	654 902 076
Other Assets												
Motor Vehicles	6 120 489	9 486 200				15 606 689	1 329 052	1 394 208		-	2 723	12

											260	883 429
Furniture and Fittings	5 336 818	1 179 589		2 231 323	13 109	4 271 976	3 498 905	651 302	3 613 441	3 496	533 270	3 738 706
Machinery & Equipment	3 667 319	570 096		3 138 241		1 099 174	1 128 085	476 995	1 564 326	-	40 754	1 058 420
Computer Equipment	3 923 985	442 876		(3 250 571)		7 617 432	2 228 459	2 915 022	1 704 824	-	3 438 657	4 178 775
	19 048 611	11 678 761	-	2 118 993	13 109	28 595 271	8 184 501	5 437 527	6 882 591	3 496	6 735 941	21 859 330
TOTAL	350 367 614	379 756 887	-	2 118 993	13 109	727 992 400	21 136 256	12 070 669	6 882 591	3 496	26 320 838	701 671 562
				(4 763 599)		727 992 400					26 320 838	

APPENDIX B
SEGMENTAL ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AS AT 30 JUNE 2009

	Cost						Accumulated Depreciation					Carrying
	Opening Balance	Additions	Under Construction	Asset verfic	Disposals	Closing Balance	Opening Balance	Additions	Asset verfic	Disposals	Closing Balance	Value
Executive and Council	1 303 114	-	-	-	-	1 303 114	34 344	-	-	-	34 344	1 268 770
Municipal manager	1 303 114			-	-	1 303 114	34 344			-	34 344	1 268 770
Finance and Admin	13 936 858	-	-	-	-	13 936 858	8 228 967	-	-	-	8 228 967	5 707 891
Expenditure	13 936 858	-	-	-	-	13 936 858	8 228 967			-	8 228 967	5 707 891
Planning and Development	89 639 637	-	-	-	-	89 639 637	7 294 833	-	-	-	7 294 833	82 344 804
IDP Review	89 639 637		-	-	-	89 639 637	7 294 833			-	7 294 833	82 344 804
Community and Social Services	13 826 272	-	-	-	-	13 826 272	423 355	-	-	-	423 355	13 402 917
HIV/AIDS	1 872 071					1 872 071	4 397				4 397	1 867 674
Administration	328 955					328 955	-				-	328 955
Fire and Rescue	5 896 374					5 896 374	395 357				395 357	5 501 017
Disaster Management	78 114					78 114	23 350				23 350	54 764
Environmental Management	4 418 801					4 418 801	-				-	4 418 801
Special Focus	1 231 957					1 231 957	251				251	1 231 706

Infrastructure Development	180 710 055	-	-	-	-	180 710 055	53 021	-	-	53 021	180 657 034
Administration	7 305 362					7 305 362	-	-	-	-	7 305 362
Water Services and Development	133 054 336					133 054 336	1 818			1 818	133 052 518
District Roads	25 314 718					25 314 718	36 049			36 049	25 278 669
Electricity	8 733 204					8 733 204	15 154			15 154	8 718 050
LED	2 375 819					2 375 819	-	-	-	-	2 375 819
Transport Unit	3 926 616					3 926 616	-	-	-	-	3 926 616
Corporate Services	23 917 066	-	-	-	-	23 917 066	5 924 566	-	-	5 924 566	17 992 500
Administration	230 111					230 111	12 394			12 394	217 717
IT	925 742					925 742	168 558			168 558	757 184
Human Resource	31 075					31 075	12 708			12 708	18 367
Administration Unit	22 730 138					22 730 138	5 730 906			5 730 906	16 999 232
Other	81 297 830			-	-	81 297 830	-	-	-	-	81 297 830
						-				-	-
TOTAL	404 630 832	-	-	-	-	404 630 832	21 959 086	-	-	21 959 086	382 671 746

2008	2008	2008		2009	2009	2009
Actual	Actual	(Surplus)/		Actual	Actual	(Surplus)/
Income	Expenditure	Deficit		Income	Expenditure	Deficit
R	R	R		R	R	R
130 478	23 304 365	(23 173 886)	Executive and Council	462 494	28 628 291	(28 165 797)
-	14 462 125	(14 462 125)	Office Executive Mayor	1 164	15 527 249	(15 526 085)
-	227 863	(227 863)	Office of the Chief Whip	-	363 469	(363 469)
			Office of the Speaker			-
-	7 864 863	(7 864 863)	MM administration	448 377	2 892 548	(2 444 171)
130 478	749 514	(619 036)	Risk & Internal Audit	-	3 990 622	(3 990 622)
			Performance Management Sys		2 155 841	(2 155 841)
			IGR			-
			Communication	12 953	3 698 562	(3 685 609)
391 012 356	10 264 871	380 747 485	Finance and Admin	241 705 052	26 222 458	215 482 594
-	1 278 894	(1 278 894)	CFO's Office		2 126 508	(2 126 508)
339 810	1 757 692	(1 417 882)	Budget & Treasury	70 979 715	12 219 675	58 760 040
-	4 846 765	(4 846 765)	Expenditure	10 000	8 808 363	(8 798 363)
389 472 546	2 381 521	387 091 026	Income Division	170 217 164	2 738 392	167 478 772
			Supply Chain	498 173	323 611	174 562
1 200 000		1 200 000	Grant Management		5	(5 909)
-	16 816 752	(16 816 752)	Planning and Development	-	12 824 282	(12 824 282)
-	1 637 777	(1 637 777)	Strategy Admin		2 705 889	(2 705 889)
-	8 407 719	(8 407 719)	IDP Review		8 352 090	(8 352 090)
-	2 861 209	(2 861 209)	Social Facilitation			-
-	2 140 308	(2 140 308)	Contract Management			-
-	1 769 738	(1 769 738)	Project Management		1 036 947	(1 036 947)
			Town & Regional Planning		729 356	(729 356)
-	22 612 377	(22 612 377)	Community and Social Services	-	26 600 723	(26 600 723)
-	2 982 483	(2 982 483)	Administration		1 119 865	(1 119 865)
-	1 056 043	(1 056 043)	Managers Office			-

-	14 061 088	(14 061 088)	Fire and Rescue Services		18 032 181	(18 032 181)
-	2 295 415	(2 295 415)	Disaster Management		3 659 087	(3 659 087)
-	751 995	(751 995)	Enviromental Management		1 787 924	(1 787 924)
			Enviromental Health			-
-	1 175 494	(1 175 494)	Special Focus			-
-	289 858	(289 858)	HIV/AIDS		2 001 666	(2 001 666)
24 786	32 031 951	(32 007 165)	Corporate Services	3 348 997	51 858 233	(48 509 236)
-	13 468 419	(13 468 419)	Managers Office		1 921 727	(1 921 727)
24 786	4 728 204	(4 703 418)	IT	613 252	11 415 938	(10 802 686)
-	10 776 640	(10 776 640)	HR		12 089 161	(12 089 161)
-	2 113 422	(2 113 422)	Administation	2 735 745	16 884 274	(14 148 529)
-	945 267	(945 267)	Committees		1 531 741	(1 531 741)
			Tourism		168 957	(168 957)
			Legal & Contracts		2 326 246	(2 326 246)
			Research		827 833	(827 833)
			Institutional, Policy		4 692 356	(4 692 356)
-	38 491 946	(38 491 946)	Infrastructure	223 187 994	52 343 112	170 844 882
-	1 109 685	(1 109 685)	Infrastructure Administration	-	734 289	(734 289)
-	31 689 237	(31 689 237)	Water Services	223 187 994	41 109 751	182 078 243
-	15 154	(15 154)	Energy	-	285 615	(285 615)
			Distr Electricity Dev Unit		199 022	(199 022)
-	301 864	(301 864)	Roads	-	317 167	(317 167)
-	1 297 677	(1 297 677)	Operations snd maintenance	-	4 029 005	(4 029 005)
-	3 021 789	(3 021 789)	LED	-	2 321 987	(2 321 987)
-	1 056 540	(1 056 540)	Transport	-	1 157 973	(1 157 973)
			Buildings		2 140 787	(2 140 787)
			Projects ISD		47 516	(47 516)
-	24 033 942	(24 033 942)	Projects	-	-	-
-	2 550 000	(2 550 000)	Transfers to local municipalities	-		-
-	600 000	(600 000)	SDF Review to 4 locals	-		-
-	2 000 000	(2 000 000)	Operations-tourism	-		-
-	1 000 000	(1 000 000)	Farming-Lepelle-nkumpi	-		-
-	17 883 942	(17 883 942)	Projects related costs	-		-

391 167 620	167 556 204	223 611 417	TOTAL	468 704 537	198 477 099	270 227 438
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	<u>2009</u>	<u>2009</u>	<u>2009</u>	<u>2009</u>	<u>Explanation of Significant Variances</u>
REVENUE	Actual	Budget	Variance	Variance	greater than 10% versus Budget
	R	R	R	%	
Interest earned - external investments	22 091 502	-	22 091 502		
Government grants and subsidies received - operating	328 248 030		328 248 030		
Government grants and subsidies - capital	110 525 107		110 525 107		
Other income	2 815 074		2 815 074		
Gain on disposal of property, plant and equipment	-		-		
Public contributions, donated and contributed property, plant and equipment	999 128				
Total Revenue	464 678 840	-	463 679 713		
EXPENDITURE					
Employee related costs	108 769 874	71 100 384	37 669 490	52.98	
Remuneration of councillors	8 109 251	8 009 158	100 093	1.25	
Bad debt	9 329 364				
Collection costs	154 537	-	154 537		
Depreciation	14 421 677	741 652	13 680 025	1844.53	
Repairs & Maintenance	2 800 720	8 078 813	(5 278 093)	-65.33	
Finance costs	968 070	-	968 070		Raising of finance leases
Grants and subsidies paid	33 650 000	-	33 650 000		
General expenses	148 010 418	75 548 786	72 461 632	95.91	
Contracted services	2 822 883	4 454 013	(1 631 130)	-36.62	
Total Expenditure	329 036 794	167 932 806	151 774 623		
Loss on disposal of property, plant and equipment	(9 613)				

NET SURPLUS/(DEFICIT) FOR THE YEAR	135 632 434	(167 932 806)	311 905 090		
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APPENDIX E
DEVIATIONS FROM SUPPLY CHAIN PROCESSES
SUPPLY CHAIN MANAGEMENT REGULATION 36(2) FOR THE YEAR ENDED 30 JUNE 2009

DEPARTMENT	DESCRIPTION	NAME OF SERVICE PROVIDER	NATURE OF DEVIATION	AMOUNT	REASON FOR DEVIATION
OFFICE OF MM AND EXEC MAYOR	Refund for NF Masipa	NF Masipa	The request was submitted late, Naledi used her own money to pay for accomodation	2,114.82	Late arrangement by user dept
	Booking for Mr Gafane & Mr Ramakgolo - Audit Conference Sandton	Happy Moments Travel	Expensive Quotation appointed by user Dept	13,776.00	Other agencies did not reserve the bookings on time
				15,890.82	
STRATEGY AND PLANNING	Catering for CBP Councillor: Molemole Municipality	Allemag Trading Ent	Service rendered without an order	1,768.00	Submission for request was submitted late by the user dept after the service was rendered
	Transport for CBP ward Facilitator	Marifi Business Ent	Invoice amount exceeds the quoted amount on order	18,153.00	Turnout for meeting was higher than expected
	Transport for CBP ward Facilitator in Molemole	MJ Nakeng Transport	Invoice amount exceeds the quoted amount on order	10,400.00	Turnout for meeting was higher than expected
	Catering & Transport for CBP Facilitator	The Big Leshaks Gen Trading	Invoice amount exceeds the quoted amount on order	9,200.00	Turnout for meeting was higher than expected
	Transport for CBP Training	Maseakgane Trading Ent	Service rendered without an order	7,700.00	Submission for request was submitted late
	CBP Ward Facilitation in Molemole	Mafiri Business Ent	Invoice amount exceeds the quoted amount on order	22,050.00	Turnout for meeting was higher than expected
	Catering for CBP Ward meetings in Molemole	Mosadintlo Cleaning and Projects	Invoice amount exceeds the quoted amount on order	24,895.00	Turnout for meeting was higher than expected

	Transport for CBP ward Facilitator	Dikgale Taxi Service	Service rendered without an order	2,700.00	Submission for request was submitted late
	Catering for CBP Ward meetings in Molemole	Thubedi Matome Trading Ent	Service rendered without an order	9,600.00	Submission for request was submitted late

	Catering for CBP Ward meetings in Molemole	PJ Makgaga Transport	Invoice amount exceeds the quoted amount on order	11,700.00	Turnout for meeting was higher than expected
	Transport for CBP ward Facilitator	Senwabarwana Construction Projects	Invoice amount exceeds the quoted amount on order	11,700.00	Turnout for meeting was higher than expected
	Catering for CBP ward facilitators in Molemole	Makhathusha B E	Invoice amount exceeds the quoted amount on order	18,060.00	Turnout for meeting was higher than expected
				147,926.00	
INFRASTRUCTURE DEPARTMENT	Provision of Basic water services: Dipateng, Polotla, Soine, Matseke, Dikgolaneng, Sefene, Mphakane	Malebole Trading Ent	Emergency sect4.11(1) of the SCM Policy provider for deviation in case of an emergency whih include delivery of water services	526,500.00	Water Crisis in Molemole
		Mathetje Trading Ent		171,990.00	
		Mamoima Trading Services		170,100.00	
	Repairs of burst pipe at Lebowakgomo township reticulation	Metsing Water Works	Emergency sect4.11(1) of the SCM Policy provider for deviation in case of an emergency whih include delivery of water services	269,290.80	Water Crisis at Lebowakgomo

	Drilling and equipping of borehole at Phetole	Metsing Water Works	Emergency sect4.11(1) of the SCM Policy provider for deviation in case of an emergency whih include delivery of water services	40,980.00	Water Crisis at Lebowakgomo Phetole
	Repair of relays and electrical motors at Mashashane Utjane raw water pump station	Mighty Electrical	Emergency sect4.11(1) of the SCM Policy provider for deviation in case of an emergency whih include delivery of water services	91,200.00	Water Crisis at Utjane
	Replacement of starter and damaged electrical equipment	E & S Business Enterprise	Emergency sect4.11(1) of the SCM Policy provider for deviation in case of an emergency whih include delivery of water services	39,900.00	Water Crisis at Phomolong
	Move access security computer to secure Location	Televonic	One quotation	2,656.31	The service provider appointed is the owner of the system we are currently using
	Promotional material for Durban Indaba	Nation wide embroidery	One quotation	37,200.00	Speedy delivery for tourism
				1,349,817.11	

TOTAL

1,513,633.93

CASH AND CASH EQUIVALENTS					
			Balance 30/06/09	Balance 30/06/08	
100000	Petty cash		-	9,900.00	
113100	First Nat Bnk Currnt		6,627,065.18	40,624,857.88	
113101	FNB Cheques pyble		-1,599,291.24	-	
113102	FNB - EFT Out		-91,972,386.68	-	
113103	FNB Deposits Clearg		-	-	
113104	Unallocated			-	
113105	Funds in Transit			-	
			-86,944,612.74	40,624,857.88	
110000	Standard Bank Current Acc		-	1,772,298.73	
	Investments				
113200	FNB - Fixed Deposit1		38,366,861.51	126,902,435.46	
113400	FNB - Call		1,980,425.58	79,128,961.92	
113500	Standard Bank call account		1,837,713.57	-	
113900	Nedbank Deposit Acco		10,179,586.07	9,352,072.04	
			52,364,586.73	215,383,469.42	
			-34,580,026.01	257,780,626.03	
OTHER DEBTORS					
			Balance 30/06/09	Balance 30/06/08	
	Loan account - othe municipalities				
140550	Loan Account Aganang		12,152.12	12,152.12	
140560	Loan Account Blouber		6,948,703.91	6,948,703.91	
140570	Loan Account Lepele		1,582,677.18	1,582,677.18	

			8,543,533.21		8,543,533.21		
	Equitable share - local municipalities						
160098	Equitable Shares Cre		10,897,571.48		10,897,571.48		
	VAT						
154000	Input tax		29,207,797.95		10,520,590.68		
160050	VAT Liab Clg Account		-		16,095,441.08		
			29,207,797.95		26,616,031.76		
	Other debtors						
140577	Other Refunds		-		200.00		
98100	Accrued Interest		33,965.62		506,396.16		
159100	Other Receivables		-		15,367.14		
140110	Employee deduction clearing account		-		88,766.26		
176500	Wages and salary clearing		-		863,505.57		
140113	Advances recovery		-				
			33,965.62		1,474,235.13		
	Provision for bad debt						
165098	Prov-Bad Debts Equit		-10,897,571.48		(10,897,571.48)		
89010	Prov. Bad Dbt		-8,543,533.21		(1,983,155.25)		
			29,241,763.57		34,650,644.85		
	INVENTORY						
304000	Spare parts				24.38		
320111	Stationery		197,581.00		342,308.01		
320113	Groceries		7,837.09		22,610.79		
320114	Cleaning Materials		10,386.34		30,607.60		
399999	Initial entry of stock (offsetting posting)				(24.38)		

			215,804.43		395,526.40	
PROPERTY, PLANT & EQUIP						
			Balance 30/06/09 per TB		Balance 30/06/08 per TB	
	Buildings		22,841,586.81		23,781,847.80	
2000	Cost		29,735,041.03		29,735,041.03	29,735,041.03
2010	Accum dep		-6,893,454.22		(5,953,193.23)	-6,893,454.22
	Community assets		2,068,568.68		2,139,898.64	
003000	Community Assets		3,013,679.64		3,013,679.64	3,013,679.64
003010	Accumulated depreciation-Community Assets		-945,110.96		(873,781.00)	-945,110.96
	Machinery and equip.		1,058,419.09		2,539,233.70	
11000	Cost		1,099,173.54		3,667,318.57	34,305,207.29
11010	Accum dep		-40,754.45		(1,128,084.87)	-10,088,733.19
	Hardware - IT		4,178,880.49		1,695,625.87	
11500	Cost		7,796,401.84		3,923,984.94	84,057,872.88
11550	Accum dep		-3,617,521.35		(2,228,359.07)	-11,746,332.11
	Vehicles		12,883,429.08		4,791,437.18	
13000	Cost		15,606,689.56		6,120,489.56	268,087,499.37
13010	Accum dep		-2,723,260.48		(1,329,052.38)	477,952,369.50
	Fixtures & fittings		3,738,703.72		1,837,912.62	
21000	Cost		4,271,975.16		5,310,114.49	
21010	Accum dep		-533,271.44		(3,472,201.87)	
	Water Inf. Assets		63,277,439.13		65,564,132.57	
23000	Cost		68,926,520.87		68,701,402.87	
23050	Accum dep		-5,649,081.74		(3,137,270.30)	

	Elect Inf. Assets		2,851,097.15	3,704,366.89	
24000	Cost		4,348,460.06	4,348,460.06	
24050	Accum dep		-1,497,362.91	(644,093.17)	
	Sanitat Inf. Assets		4,096,164.23	5,489,113.07	
25000	Cost		6,964,744.19	6,964,744.19	
25050	Accum dep		-2,868,579.96	(1,475,631.12)	
	Roads		2,086,840.26	2,950,360.37	
26000	Cost		3,818,147.76	3,818,147.76	
26050	Accum dep		-1,731,307.50	(867,787.39)	
	Computer software		2,357,041.72	126,222.08	
34000	Cost		5,530,967.19	949,140.00	
34010	Accum dep		-3,173,925.47	(822,917.92)	
32000	Assets under constr.		582,590,535.42	268,087,499.37	314,503,036.05
			704,028,705.78	382,707,650.16	
	Cost		733,702,336.26	404,640,023.48	
	Accum dep		-29,673,630.48	(21,932,373.32)	
			704,028,705.78	382,707,650.16	
LOANS & RECEIVABLES					
			Balance 30/06/09	Balance 30/06/08	
140575	Motor Vehicle Loans - long term		58,336.37	131,932.67	
140510	Motor Vehicle Loans - short term		476,547.16	506,265.66	
140590	Loans to Local Munic Long term		2,768,986.50	1,621,426.38	
140520	Loans to Local Munic Short term		-	1,147,560.12	
			3,303,870.03	3,407,184.83	

89010	Provision for Other Loans		-2,768,986.50			
	Less short term					
140510	Motor Vehicle Loans - short term		-476,547.16		(506,265.66)	
140520	Loans to Local Munic Short term		-		(1,147,560.16)	
			58,336.37		1,753,359.01	
TRADE & OTHER PAYABLES						
			Balance 30/06/09		Balance 30/06/08	
	Trade creditors					
89200	Creditors Payable				(416,615.45)	
160000	AP-domestic		-7,973,979.54		(6,777,745.03)	
160090	Prov. for Creditors		-730,962.64		(10,066,835.15)	
191100	GR/IR clrg.ext.proc.		-2,479,680.36		(2,216,897.10)	
196300	Down Payment equest		26,650.00		(45,500.91)	
161000	Account payable foreign		-784.00			
			-11,158,756.54		(19,523,593.64)	
	Retentions					
160095	Retention Creditors		-32,972,756.93		(5,535,609.96)	
160090	Prov. for Creditors					
			-32,972,756.93		(5,535,609.96)	
	Payroll Creditors					
141113	Advances Recovery				(1,950,516.10)	
160100	Payroll Vendors				(4,827,170.46)	
176501	DWAF Wages/salary				-	
113310	FNB -Payroll Clearg				-	
140110	Employee deductions clearing		-			
			-		(6,777,686.56)	
161098	Staff Leave					
	CDM - leave		(6,202,971.32)		(6,202,971.32)	

	DWAF - leave		(2,395,963.24)	(2,488,805.83)	
			-8,598,934.56	(8,691,777.15)	
			(52,730,448.03)	(40,528,667.31)	
UNSPENT COND. GRANTS					
			Balance 30/06/09	Balance 30/06/08	
99700	Transport Fund		-59,059.00	(59,059.00)	
160604	DWAF Disaster Rlf Gr		-3,670,546.41	(3,670,546.41)	
160605	MIG - Grants			(15,560,106.77)	
160603	Fin Man Grant Unspen		-375,220.00	(201,646.00)	
160606	MSIG			(30,000.00)	
			-4,104,825.41	(19,521,358.18)	
PROVISIONS					
089190	Provision for performance bounus		-980,000.00		
FINANCE LEASE LIABILITY					
160070	Finance lease		-2,537,654.86		
RESERVES					
			Balance 30/06/09	Balance 30/06/08	
99300	CRR - Cap Rep Reserv		-	(15,566,975.01)	
99400	Capitalisn Reserve		-	(9,037,402.94)	
99500	Government Grant Res		-	(137,627,538.41)	
99700	Other Reserves				

99800	Public Contributions			(290,740.00)		
			-	(162,522,656.36)		
ACCUMULATED SURPLUS						
900000	Unap.ret.earnings py		-456,545,430.86	(361,733,620.40)		
900040	Prior Yea Adjustment		-31,343,364.09	6,258,289.76		
900050	Contribution To Rese		-15,566,975.01	127,394,053.33		
900060	Donated contributed			290,740.00		
900070	Contribution To CRR			1,715,639.00		
900080	Contribution from Ca			(6,692,534.50)		
			(503,455,769.96)	(232,767,432.81)		
	SURPLUS FOR THE YEAR		-169,282,432.44	-223,895,708.63		-32,669,999.40
	Regional Services Levies - Turnover					
800110	Reg Establishmt Levy		-	-		
	Regional Services Levies - Remuneration					
800120	Reg Services Levy		-	-		
	Interest earned - external investments					
220050	Investment Income		-18,726,858.24	(24,762,056.92)		
245300	Bank interest		-3,364,643.58	(1,290,536.26)		
			-22,091,501.82	(26,052,593.18)		
	Interest earned - outstanding debtors					

	Government grants and subsidies received - operating				
805510	Equitable Share		-212,584,415.00	(176,435,345.00)	
805540	Fin Management Grant		-326,426.00	(299,944.00)	
805550	MSIG		-765,000.00	(970,000.00)	
805551	DWAF operations		-111,304,387.13	(94,584,699.33)	
940308	Other Grants - Cond		-3,267,801.81	(1,200,000.00)	
			-328,248,029.94	(273,489,988.33)	
	Government grants and subsidies received - capital				
940307	MIG - Conditions Met		-110,525,106.77	(90,142,751.68)	
	Other income				
245100	Interest Received on vehicle loans		-24,841.77	(42,099.06)	
473120	Telephone (calls)			-	
800142	Other Income		-2,654,830.87	(1,413,488.65)	
800610	Comm IRO Insurance		-	-	
825000	Clrg asset disposals		-	-	
800261	Insurance Refunds		-44,162.73	(24,785.80)	
199990	Clearing fixed Assets		-		
200015	Correction/Asset verification		-91,238.59		
			-2,815,073.96	(1,480,373.51)	
	Public contrbutions, donated and contributed PPE				
800265	Donated, contr PPE		-999,127.60	-	
	Gain on disposal of assets				
250000	Gain on disp.assets			(1,913.18)	

	TOTAL REVENUE		(464,678,840.09)		(391,167,619.88)	
	Employee related costs					
	Employee related costs - Salaries and wages					
430000	Basic Salaries		69,281,661.04		58,038,019.68	
420000	Temporary Workers		5,550.00		3,919.20	
434000	Leave Bonus		1,624,284.20		316,244.00	
434500	Redemption of Leave				-	
430010	Acting Allowance		951,933.80		372,061.22	
	Employee related costs - Contributions for UIF, pensions and medical aids					
445000	Pension Fund-Employe		11,702,119.34		8,962,766.12	
446000	Workers' compensation assoc. contributions		624,682.82		472,103.14	
446010	Industrial Council L				-	
447000	Medical Contr.-Emplo		3,563,424.93		2,649,099.79	
500550	Employee Assistant Programme				382,335.00	
511120	Skills Developpt Levy		1,458,306.31		497,180.50	
511130	HIV / AIDS				74,543.56	
511140	IMATU Levies		372.60		428.80	
511141	Non Members		212.85		1,184.20	
511142	SAMWU Levies		5,399.70		5,305.60	
510340	U.I.F		803,668.18		249,076.72	
	Travel and other allowances					
439330	Car allowance		9,717,502.66		6,797,665.77	
	Housing benefits and allowances					
439310	Housing Allowance		2,131,110.00		589,090.36	
430300	Standby Allowance		48,243.45		25,594.75	
431100	Variant shift		565,728.49		406,599.49	
439300	Housing assistance		331,500.00		155,129.13	
439200	Family allowance				1,759.00	
	Overtime allowances					
431000	Overtime premiums		4,037,685.06		2,247,302.34	

	Performance bonus					
422210	Performance Bonus				-	
500030	Perfomance Bonus		1,916,488.10		952,562.98	
			108,769,873.53		83,199,971.35	
	Remuneration of councillors					
448010	Councillor Allowance		8,109,251.86		7,588,601.27	
448030	Allowance Council-Othe		-		-	
448040	Housing Allow-Counc		-		-	
448050	Medical Fund - Counc		-		-	
448055	Medical Fund - Emplo		-		-	
448060	Pension Fund - Counc		-		-	
448080	Transport All - Coun		-		-	
			8,109,251.86		7,588,601.27	
	Prov for bad debts					
525010	Contri to prov for bad debt		9,329,364.46			
	Collection costs					
511040	Collecting costs - levies		154,537.46		284,291.02	
	Depreciation					
211120	Depr. buildings		940,260.99		881,810.54	
211130	Depr. Machinery		476,995.20		401,138.20	
211150	Depr.-vehicles		1,394,208.10		519,612.88	
211160	Depr.-fixts/fittings		651,303.17		1,009,604.06	
211195	Depreciation Hardwar		2,915,022.24		535,047.68	
211210	Deprec Software		2,351,007.55		60,093.96	
211220	Depreciation Community Assets		71,329.96			
211230	Deprec Water Infrac		3,375,331.55		3,122,578.56	

211240	Deprec Elect Infracst		853,269.74		3,951,564.77		
211250	Deprec Sanit Infracst		1,392,948.84		1,244,217.38		
			14,421,677.34		11,725,668.03		
	Loss on disposal						
200010	Loss on assets		9,613.27		-		
	Repairs & Maintenance						
510410	Maintenance - Landfill Sites		180,903.06				
513010	Maint - Air Condit.		61,734.47		78,354.84		
513020	Maint - Build&Stand		526,213.43		377,644.46		
513030	Maint - Compt Equip		375,475.61		130,142.98		
513040	Maint - Fencing				266,528.88		
513050	Maint - Off Furn&Equ		-		51,647.21		
513060	Maint - Off Mach&Equ		381,941.21		51,428.07		
513070	Maint - Radio Equipm		12,886.64		13,520.29		
513080	Maint - Plant & Equip		391,087.68		1,980.00		
513090	Maint - Tools&Equip		148,384.97		8,898.47		
513100	Maint - Vehicles		554,609.90		311,275.89		
513110	Maint - LED Projects				69,693.19		
513120	Maint - Comm Service		13,174.80				
513130	R&Mnt - Water&Sanit		154,307.78				
513140	R&Mnt - Roads Ops						
			2,800,719.55		1,361,114.28		
	Finance costs						
230060	Finance Charges		968,069.57				
	Grants and subsidies paid						
806010	Transfers to Aganang		5,200,000.00		1,000,000.00		
806020	Transfers to Blouberg		7,200,000.00		2,150,000.00		
806030	Transfers Lepelle Nkumpi		16,550,000.00		2,000,000.00		

806040	Transfers to Molemole		500,000.00		1,000,000.00		
806050	Transfers to Polokwane		4,200,000.00				
			33,650,000.00		6,150,000.00		
	General expenses						
220000	Interest expense						
230040	Rounding differences - foreign currency		-				
233000	Loss-inventory differences		4.09				
283000	Gain-inventory differences		-498,173.18				
304000	Spare parts		498,169.09				
400000	Consumptn, raw mat.1		49,993,280.81		551,180.46		
403000	Consump.-supplies						
411000	Taxi rank		-				
412000	Pipes - Water&Sanita		22,735,799.61		391,215.34		
412010	Oerations & Maintenance of Roads		1,424.56				
412020	Elect -Infrastructure		3,869,702.16				
412030	Elect -Meters		537,254.14				
412050	Solid Waste				1,450.00		
412080	Fuel		1,147,152.33		5,431.20		
412090	SPARES - OTHER						
412110	Consumables		100,438.65		295,094.60		
412111	Stationery				2,640.00		
412112	Furniture		23,115.14		66,783.78		
412116	Computer Systems		2,544,531.53		2,187,859.35		
412117	Computer Hardware				25,376.68		
412120	O&M Water&Sanitation		1,713,860.41		4,113,583.75		
412140	Road Infrastructure		7,677,598.31		683,229.88		
412150	General Expenses:Provision		5,552.80		2,222,978.92		
412170	Fire Services				59,549.36		
412080	Elect-infrastructure				151,855.65		
415100	Transport and for.ma				997,671.87		
416100	Strategic Review		875,061.22		63,832.00		
416200	Intergov and Interna		462,349.87		-		
416300	Water & Eletricity		558,255.33		1,636,752.66		

417000	Purchased services - Electricity		-	1,275,970.27	
417001	Purchased services - Water		1,493,867.80	1,428,863.99	
437000	Planning Management Tool			210,223.39	
439100	IGR Implementation			47,111.00	
474210	Trip costs accommodation (documents/flat rate)			8,368.67	
474240	Trip costs, other		10,363.48		
475000	Vehicle costs			314.83	
476000	Office supplies			-	
476901	LED Projects mainten		28,203.20	34,775.82	
476902	Internal Transfers			-	
477010	Corporate Image Buil		1,250.00	184,057.04	
479000	Bank charges		125,272.71	90,990.12	
500010	Advertising		2,373,055.66	1,301,452.39	
500020	Labour Relations		1,283,772.98	541,327.12	
500023	InterGovernmental Relations Conference		1,945,298.00		
500024	Road Safety Educatio		39,318.53	192,820.56	
500025	Media Relations		38,499.69	75,021.90	
500026	Publications		433,439.80	625,758.05	
500027	Stakeholder Particip		2,589,515.46	2,707,528.22	
500028	Blouberg LBSC			551,250.00	
500029	Lepell-Nkumpi LBSC		100,000.00	551,250.00	
500040	Books and Periodical		36,636.51	3,371.66	
500070	Catering		297,093.73	351,938.92	
500500	Computer Rel Exp		80.00	19,320.00	
500520	Conf and Delegtn Cst		1,273,469.49	921,957.18	
500550	Employee Assistant Programme		307,911.44		
500560	Entertainment		9,477.60	437,724.22	
500590	Policy and Strategy Development		3,630,674.28	1,423,284.71	
500600	Fuel & Oil Equipment		7,498.56	7,613.37	
500610	Grants in Aid			-	
500620	Insurance - Excess Payments			1,500.00	
510010	IDP Review		1,185,633.54	981,129.82	
510030	Legal Expenses		834,958.75	995,680.22	
510040	Licences - Radios			2,500.00	
510060	Licences - Vehicles			-	

510070	Licences - Trailers			-	
510090	Marketing		337,772.47	-	
510100	Membership Fees		1,351,046.18	429,924.21	
510120	Pest Control		6,273.42	12,038.27	
510130	Postage		111,140.38	6,760.95	
510140	Refreshments		273,217.77	115,259.43	
510150	Receptions & Refresh		158,240.52	217,158.59	
510160	Printing and Distribution of Newsletters		129,454.12		
510170	Printing and Station		1,040,452.73	532,157.12	
510180	Professional Fees		9,037,301.73	4,056,808.29	
510190	Publicity		411,691.72	591,848.29	
510200	Rental- External Equ		1,604,811.86	3,623,375.43	
510210	Rental- Internal Equ			-	
510220	Rental - Offices		1,009,135.23	317,385.16	
510240	Skills Development			-	
510250	Socio Economic survey		1,427,631.57	430,000.00	
510260	Comm Part Survey			-	
510270	Subscriptions		9,111.73	8,757.98	
510280	Subsistence & Travel		5,876,670.74	3,777,699.69	
510290	Tea and Coffee			2,250.00	
510300	Telephone		2,603,173.79	2,688,571.81	
510310	Training		2,235,376.94	2,786,771.54	
510320	Training Councillors		588,018.74	782,306.51	
510330	Transport Claims			-	
510350	Uniforms & Overalls		44,601.67	1,961,536.49	
510600	Sports, Arts&Culture		3,850,000.00		
511020	Audit Fees		735,899.72	249,249.37	
511060	Insurance - Premium			-	
511070	Insurance - Aggreg		1,561,739.94	452,800.60	
511130	HIV / AIDS		34,240.85		
512010	Audit Services(Int)		739,973.75	1,323,407.57	
512040	Penalties		403,303.47		
512050	Fraud Prevention		242,808.56	32,948.58	
512060	Chem & Water Qulty			-	
520030	Rental - Internal Transport		431,600.31		

525030	CONTR-Bursary Fund		523,030.76		574,952.98	
530010	Donat&Discret Fund		253,835.79		339,209.79	
530020	Research & Consulting Fees		5,120.00			
540020	Disaster Provision		1,286.73		142,653.69	
560035	Water Supply, Conservation and Demand				178,875.54	
560045	Contract Management Strategy		83,819.22		204,680.14	
560050	Policy and By-Laws		663,773.21		175,438.60	
800211	Income from Taxi Branding		-65,805.92		-	
			148,010,417.78		54,444,415.59	
	Contracted services					
500090	Cleaning Services		99,347.31		108,605.66	
500510	Computer Services		891,415.79		629,077.48	
512030	Security Services		1,832,119.73		2,064,457.59	
			2,822,882.83		2,802,140.73	
	TOTAL EXPENDITURE		295,396,407.65		167,271,911.25	

B/F Balance	Debit	Credit	TB PER AFS 31 AUG 2009	Audit journals		FINAL TB 3 NOV 2009
				Debit	Credit	
29,735,041.03	-	-	29,735,041.03			29,735,041.03
(5,953,193.23)	-	(940,260.99)	(6,893,454.22)			(6,893,454.22)
3,013,679.64	-	-	3,013,679.64			3,013,679.64
(873,781.00)	-	(71,329.96)	(945,110.96)			(945,110.96)

3,667,318.57	1,046,010.84	(3,667,318.57)	1,046,010.84	53,162.70		1,099,173.54
(1,128,084.87)	1,564,325.62	(472,171.97)	(35,931.22)		(4,823.23)	(40,754.45)
3,923,984.94	13,060,233.17	(9,187,816.87)	7,796,401.84			7,796,401.84
(2,228,359.07)	1,525,859.96	(2,915,022.24)	(3,617,521.35)			(3,617,521.35)
6,120,489.56	9,486,200.00	-	15,606,689.56			15,606,689.56
(1,329,052.38)	-	(1,394,208.10)	(2,723,260.48)			(2,723,260.48)
5,336,817.64	3,499,810.40	(5,015,641.88)	3,820,986.16	450,989.00		4,271,975.16
(3,498,905.02)	3,616,936.75	(522,665.85)	(404,634.12)		(128,637.32)	(533,271.44)
68,701,402.87	225,118.00	-	68,926,520.87			68,926,520.87
(3,137,270.30)	-	(2,511,811.44)	(5,649,081.74)			(5,649,081.74)
4,348,460.06	-	-	4,348,460.06			4,348,460.06
(644,093.17)	-	(853,269.74)	(1,497,362.91)			(1,497,362.91)
6,964,744.19	-	-	6,964,744.19			6,964,744.19
(1,475,631.12)	-	(1,392,948.84)	(2,868,579.96)			(2,868,579.96)
3,818,147.76	-	-	3,818,147.76			3,818,147.76
(867,787.39)	-	(863,520.11)	(1,731,307.50)			(1,731,307.50)
268,087,499.37	330,348,222.89	(10,099,507.23)	588,336,215.03	52,186,120.19	(57,931,799.80)	582,590,535.42
949,140.00	-	-	949,140.00	4,581,827.19		5,530,967.19
(822,917.92)	-	(60,093.95)	(883,011.87)		(2,290,913.60)	(3,173,925.47)

(1,983,155.25)	-	(6,560,377.96)	(8,543,533.21)			(8,543,533.21)
-	-	(2,768,986.50)	(2,768,986.50)			(2,768,986.50)
-	-	-	-		(980,000.00)	(980,000.00)
(416,615.45)	416,615.45	-	-			-
506,396.16	33,965.62	(506,396.16)	33,965.62			33,965.62
(15,566,975.01)	15,566,975.01	-	-			-
(9,037,402.94)	18,074,805.88	(9,037,402.94)	-			-
(137,627,538.41)	-	-	(137,627,538.41)	137,627,538.41		-
(59,059.00)	-	-	(59,059.00)			(59,059.00)
(290,740.00)	581,480.00	(290,740.00)	-			-
9,900.00	4,980.90	(4,980.90)	9,900.00		(9,900.00)	-
1,772,298.73	-	(1,772,298.73)	-			-
40,624,857.88	826,560,205.58	(860,557,998.28)	6,627,065.18			6,627,065.18
-	16,535,776.16	(18,135,067.40)	(1,599,291.24)			(1,599,291.24)
-	1,213,848,721.57	(1,305,836,278.94)	(91,987,557.37)	80,879.51	(65,708.82)	(91,972,386.68)
-	387,547,841.74	(387,547,841.74)	-			-
-	147,034,517.13	(147,034,517.13)	-			-
-	33,000,000.00	(33,000,000.00)	-			-
126,902,435.46	107,986,715.07	(196,522,289.02)	38,366,861.51			38,366,861.51

-	94,891,689.25	(94,891,689.25)	-			-
79,128,961.92	122,493,925.00	(199,642,461.34)	1,980,425.58			1,980,425.58
-	1,838,004.72	(291.15)	1,837,713.57			1,837,713.57
9,352,072.04	1,083,602.67	(256,088.64)	10,179,586.07			10,179,586.07
-	144,327.91	(144,327.91)	-			-
88,766.26	172,812.29	(261,578.55)	-			-
506,265.66	-	(176,911.10)	329,354.56	147,192.60		476,547.16
1,147,560.12	-	(1,147,560.12)	-			-
12,152.12	-	-	12,152.12			12,152.12
6,948,703.91	-	-	6,948,703.91			6,948,703.91
1,582,677.18	-	-	1,582,677.18			1,582,677.18
131,932.67	73,596.30	-	205,528.97		(147,192.60)	58,336.37
200.00	-	(200.00)	-			-
1,621,426.38	1,147,560.12	-	2,768,986.50			2,768,986.50
(1,950,516.10)	2,330,372.74	(379,856.64)	-			-
-	95,449.24	(95,449.24)	-			-
10,520,590.68	61,380,679.18	(40,302,025.85)	31,599,244.01	40,132.87	(2,431,578.93)	29,207,797.95
15,367.14	-	(15,367.14)	-			-
(6,777,745.03)	626,695,349.92	(627,684,486.34)	(7,766,881.45)	396,349.58	(603,447.67)	(7,973,979.54)
16,095,441.08	-	(16,095,441.08)	-			-

-	6,183,995.80	(6,183,995.80)	-			-
	11,086,921.87	(13,624,576.73)	(2,537,654.86)			(2,537,654.86)
(10,066,835.15)	21,721,533.99	(12,385,661.48)	(730,962.64)			(730,962.64)
(5,535,609.96)	8,821,505.53	(34,079,378.51)	(30,793,482.94)		(2,179,273.99)	(32,972,756.93)
10,897,571.48	141,722,948.00	(141,722,948.00)	10,897,571.48			10,897,571.48
(4,827,170.46)	172,189,781.95	(167,362,611.49)	-			-
(201,646.00)	326,426.00	(500,000.00)	(375,220.00)			(375,220.00)
(3,670,546.41)	-	-	(3,670,546.41)			(3,670,546.41)
(15,560,106.77)	221,050,213.54	(205,490,106.77)	-			-
(30,000.00)	765,000.00	(735,000.00)	-			-
-	3,267,801.81	(3,267,801.81)	-			-
-	222,608,774.26	(222,608,774.26)	-			-
-	653,610.50	(653,610.50)	-		(784.00)	(784.00)
(8,691,777.15)	185,685.18	(92,842.59)	(8,598,934.56)			(8,598,934.56)
(10,897,571.48)	-	-	(10,897,571.48)			(10,897,571.48)
863,505.57	79,700,266.41	(80,563,771.98)	-			-
(2,216,897.10)	388,316,137.36	(388,578,920.62)	(2,479,680.36)			(2,479,680.36)
(45,500.91)	153,173.57	(81,022.66)	26,650.00			26,650.00
	1,164.00	(1,164.00)	-			-

-	42,354.67	(32,741.40)	9,613.27			9,613.27
-	4,324,229.01	(4,415,467.60)	(91,238.59)			(91,238.59)
-	940,260.99	-	940,260.99			940,260.99
-	472,171.97	-	472,171.97	4,823.23		476,995.20
-	1,394,208.10	-	1,394,208.10			1,394,208.10
-	522,665.85	-	522,665.85	128,637.32		651,303.17
-	2,915,022.24	-	2,915,022.24			2,915,022.24
-	60,093.95	-	60,093.95	2,290,913.60		2,351,007.55
-	71,329.96	-	71,329.96			71,329.96
-	3,375,331.55	-	3,375,331.55			3,375,331.55
-	1,288,899.32	(435,629.58)	853,269.74			853,269.74
-	1,392,948.84	-	1,392,948.84			1,392,948.84
-	7,142,103.79	(25,868,962.03)	(18,726,858.24)			(18,726,858.24)
-	15,566.74	(15,566.74)	-			-
-	968,069.57	-	968,069.57			968,069.57
-	4.09	-	4.09			4.09
-	50.12	(24,891.89)	(24,841.77)			(24,841.77)
-	1,236,184.65	(4,600,828.23)	(3,364,643.58)			(3,364,643.58)
-	-	(498,173.18)	(498,173.18)			(498,173.18)
24.38		(28.47)				498,169.09

	498,173.18		498,169.09			
342,308.01	23,585.44	(196,337.26)	169,556.19	28,024.81		197,581.00
22,610.79	8,121.00	(21,991.64)	8,740.15		(903.06)	7,837.09
30,607.60	1,226.36	(14,579.21)	17,254.75		(6,868.41)	10,386.34
(24.38)	24.38	-	-			-
-	477,602,600.29	(392,744,059.91)	84,858,540.38		(34,865,259.57)	49,993,280.81
-	509,976.67	(117,793.69)	392,182.98		(392,182.98)	-
-	115,100,608.93	(77,434,308.52)	37,666,300.41		(14,930,500.80)	22,735,799.61
-	1,624.00	(199.44)	1,424.56			1,424.56
-	6,304,859.11	(2,435,156.95)	3,869,702.16			3,869,702.16
-	537,254.14	-	537,254.14			537,254.14
-	1,480,526.38	(333,374.05)	1,147,152.33			1,147,152.33
-	130,229.81	(29,791.16)	100,438.65			100,438.65
-	28,770.00	(28,770.00)	-			-
-	63,038.67	(39,923.53)	23,115.14			23,115.14
-	3,715,800.06	(671,268.53)	3,044,531.53		(500,000.00)	2,544,531.53
-	3,476,619.61	(1,762,759.20)	1,713,860.41			1,713,860.41
-	42,345,643.32	(10,591,009.04)	31,754,634.28		(24,077,035.97)	7,677,598.31
-	1,736,653.07	(1,736,653.07)	-	5,552.80		5,552.80
-	7,049.99	(7,049.99)	-			-

-	10,790.00	(10,790.00)	-			-
-	1,309,631.58	(434,570.36)	875,061.22			875,061.22
-	471,335.66	(8,985.79)	462,349.87			462,349.87
-	343,687.08	(10,480.79)	333,206.29	225,049.04		558,255.33
-	1,579,964.46	(1,493,867.80)	86,096.66		(86,096.66)	-
-	2,571,879.94	(1,078,012.14)	1,493,867.80			1,493,867.80
-	48,918.00	(43,368.00)	5,550.00			5,550.00
-	70,868,710.07	(1,587,049.03)	69,281,661.04			69,281,661.04
-	951,933.80	-	951,933.80			951,933.80
-	48,243.45	-	48,243.45			48,243.45
-	4,037,685.06	-	4,037,685.06			4,037,685.06
-	565,728.49	-	565,728.49			565,728.49
-	1,624,284.20	-	1,624,284.20			1,624,284.20
-	1,759.00	(1,759.00)	-			-
-	331,500.00	-	331,500.00			331,500.00
-	2,131,110.00	-	2,131,110.00			2,131,110.00
-	9,720,665.98	(3,163.32)	9,717,502.66			9,717,502.66
-	12,672,724.54	(970,605.20)	11,702,119.34			11,702,119.34
-	659,577.56	(34,894.74)	624,682.82			624,682.82

-	3,797,191.96	(233,767.03)	3,563,424.93			3,563,424.93
-	8,926,216.14	(816,964.28)	8,109,251.86			8,109,251.86
-	236,493.53	(236,493.53)	-			-
-	53,100.32	(42,736.84)	10,363.48			10,363.48
-	28,924.09	(720.89)	28,203.20			28,203.20
-	7,000.00	(7,000.00)	-			-
-	1,250.00	-	1,250.00			1,250.00
-	278,838.80	(153,566.09)	125,272.71			125,272.71
-	2,572,532.28	(199,476.62)	2,373,055.66			2,373,055.66
-	1,311,404.31	(27,631.33)	1,283,772.98			1,283,772.98
-	1,999,999.92	(54,701.92)	1,945,298.00			1,945,298.00
-	55,037.81	(15,719.28)	39,318.53			39,318.53
-	41,167.11	(2,667.42)	38,499.69			38,499.69
-	518,569.47	(85,129.67)	433,439.80			433,439.80
-	2,695,432.57	(105,917.11)	2,589,515.46			2,589,515.46
-	100,000.00	-	100,000.00			100,000.00
-	947,592.03	(11,103.93)	936,488.10	980,000.00		1,916,488.10
-	44,009.48	(7,372.97)	36,636.51			36,636.51
-	347,839.63	(50,745.90)	297,093.73			297,093.73

-	131,098.91	(38,620.01)	92,478.90	6,868.41		99,347.31
-	80.00	-	80.00			80.00
-	902,142.29	(10,726.50)	891,415.79			891,415.79
-	1,386,295.96	(67,021.47)	1,319,274.49		(45,805.00)	1,273,469.49
-	308,650.95	(739.51)	307,911.44			307,911.44
-	333,141.85	(323,664.25)	9,477.60			9,477.60
-	3,928,641.60	(297,967.32)	3,630,674.28			3,630,674.28
-	7,498.56	-	7,498.56			7,498.56
-	1,377,657.21	(192,023.67)	1,185,633.54			1,185,633.54
-	2,235,771.11	(110,987.80)	2,124,783.31		(1,289,824.56)	834,958.75
-	344,423.87	(6,651.40)	337,772.47			337,772.47
-	1,354,465.07	(3,418.89)	1,351,046.18			1,351,046.18
-	5,923.34	(433.92)	5,489.42	784.00		6,273.42
-	126,544.08	(15,403.70)	111,140.38			111,140.38
-	284,594.89	(11,377.12)	273,217.77			273,217.77
-	158,630.30	(389.78)	158,240.52			158,240.52
-	135,005.00	(5,550.88)	129,454.12			129,454.12
-	1,188,585.34	(120,107.80)	1,068,477.54		(28,024.81)	1,040,452.73
-	11,591,747.35	(589,825.03)	11,001,922.32		(1,964,620.59)	9,037,301.73

-	500,733.44	(89,041.72)	411,691.72			411,691.72
-	4,585,819.52	(2,981,007.66)	1,604,811.86			1,604,811.86
-	1,062,452.34	(53,317.11)	1,009,135.23			1,009,135.23
-	1,434,734.73	(7,103.16)	1,427,631.57			1,427,631.57
-	9,124.01	(12.28)	9,111.73			9,111.73
-	6,103,269.46	(226,598.72)	5,876,670.74			5,876,670.74
-	2,927,469.67	(324,295.88)	2,603,173.79			2,603,173.79
-	2,302,050.63	(66,673.69)	2,235,376.94			2,235,376.94
-	597,026.16	(9,007.42)	588,018.74			588,018.74
-	2,130,701.55	(1,246,153.86)	884,547.69		(80,879.51)	803,668.18
-	44,601.67	-	44,601.67			44,601.67
-	187,954.30	(7,954.30)	180,000.00	903.06		180,903.06
-	7,700,000.00	(3,850,000.00)	3,850,000.00			3,850,000.00
-	740,512.33	(4,612.61)	735,899.72			735,899.72
-	176,172.70	(21,635.24)	154,537.46			154,537.46
-	1,737,936.00	(176,196.06)	1,561,739.94			1,561,739.94
-	2,371,155.53	(912,849.22)	1,458,306.31			1,458,306.31
-	110,748.05	(76,507.20)	34,240.85			34,240.85
-	3,200.25	(2,827.65)	372.60			372.60

-	1,624.95	(1,412.10)	212.85			212.85
-	10,343.00	(4,943.30)	5,399.70			5,399.70
-	749,854.55	(9,880.80)	739,973.75			739,973.75
-	3,069,248.17	(957,320.44)	2,111,927.73		(279,808.00)	1,832,119.73
-	783,303.47	(380,000.00)	403,303.47			403,303.47
-	525,161.69	(282,353.13)	242,808.56			242,808.56
-	68,732.99	(6,998.52)	61,734.47			61,734.47
-	590,999.31	(24,871.08)	566,128.23		(39,914.80)	526,213.43
-	613,728.67	(53,824.16)	559,904.51		(184,428.90)	375,475.61
-	33,325.47	(33,325.47)	-			-
-	598,547.54	(216,606.33)	381,941.21			381,941.21
-	13,212.85	(326.21)	12,886.64			12,886.64
-	402,361.36	(11,273.68)	391,087.68			391,087.68
-	160,286.72	(11,901.75)	148,384.97			148,384.97
-	642,732.55	(103,350.85)	539,381.70	15,228.20		554,609.90
-	13,174.80	-	13,174.80			13,174.80
-	156,015.16	(1,707.38)	154,307.78			154,307.78
-	468,712.59	(37,112.28)	431,600.31			431,600.31
	9,329,364.46		9,329,364.46			9,329,364.46

-	534,612.77	(23,918.28)	510,694.49	12,336.27		523,030.76
-	276,707.77	(22,871.98)	253,835.79			253,835.79
-	5,120.00	-	5,120.00			5,120.00
-	1,286.73	-	1,286.73			1,286.73
-	95,521.60	(11,702.38)	83,819.22			83,819.22
-	786,973.21	-	786,973.21		(123,200.00)	663,773.21
-	1,336,465.25	(1,336,465.25)	-			-
-	40,110,387.56	(42,765,218.43)	(2,654,830.87)			(2,654,830.87)
-	2,702,279.64	(122,492.91)	2,579,786.73		(2,645,592.65)	(65,805.92)
-	-	(44,162.73)	(44,162.73)			(44,162.73)
		(999,127.60)	(999,127.60)			(999,127.60)
-	5.00	(212,584,420.00)	(212,584,415.00)			(212,584,415.00)
-	-	(326,426.00)	(326,426.00)			(326,426.00)
-	-	(765,000.00)	(765,000.00)			(765,000.00)
-	111,304,387.13	(222,608,774.26)	(111,304,387.13)			(111,304,387.13)
-			-	5,200,000.00		5,200,000.00
-			-	7,200,000.00		7,200,000.00
-			-	16,550,000.00		16,550,000.00
-			-	500,000.00		500,000.00

-			-	4,200,000.00		4,200,000.00
(585,345,038.01)	128,966,187.59	-	(456,378,850.42)		(166,580.44)	(456,545,430.86)
6,258,289.76	109,490,387.47	(62,660,315.80)	53,088,361.43	58,108,280.84	(142,540,006.36)	(31,343,364.09)
127,394,053.33	-	(142,961,028.34)	(15,566,975.01)			(15,566,975.01)
290,740.00	-	(290,740.00)	-			-
1,715,639.00	-	(1,715,639.00)	-			-
(6,692,534.50)	6,692,534.50	-	-			-
-	110,525,106.77	(221,050,213.54)	(110,525,106.77)			(110,525,106.77)
-	-	(3,267,801.81)	(3,267,801.81)			(3,267,801.81)
	6,727,899,488.30	(6,727,899,488.90)	(0.00)	291,021,593.63	(291,021,593.03)	(0.60)
-	6,725,551,400.50	(6,725,551,400.50)			0.60	0.60
	2,348,087.80	(2,348,088.40)				

CHAPTER 5: Infrastructure Development & Service Delivery

5.1.1. Water Management

A. Water Projects

The overview of the area includes provision of affordable, clean bulk and potable water according to RDP standard to 100% of the population by 2009.

KPA	PROGRESS	CHALLENGES	REMEDIAL ACTIONS
Water Projects	<ul style="list-style-type: none"> The Department identified 38 water projects for implementation for the financial year 2008/9. 7 uncomplete projects have progress ranging between 60% and 100%. 4 Projects are multiyear projects set to be complete in December 2009. Overall progress therefore recorded is 88% of the set target of 38 projects. 	<p>Most projects were awarded in January 2009 and February 2009 and that gave most contractors at least 4 months to concentrate on construction work. This assisted in expediting progress and also pushing expenditure to 85% on water projects.</p> <p>The Delay by the only suppliers of steel tanks to expeditiously receive and honour orders.</p> <p>The recurrent ESKOM challenge was circumvented by acquiring generators.</p> <p>A total of 6 generators were acquired and these will be used where there are ESKOM delays or where transformers are stolen.</p>	<p>Possibility of allowing consultants buy steel tanks well before tenders are awarded is being explored. This will allow enough lead time as opposed to waiting for contractors to be appointed before placing of orders.</p>

Summarized Progress June 2008

NO	Name of Local Municipality	No of Projects	Average Progress	Average financial progress	Budget	Expenditure
1	Aganang	11	98%	89%	R28,700,000	R25,425,683
2	Blouberg	7	99%	100%	R26,400,000	R26,400,000
3	Molemole	8	75%	72%	R27,000,000	R19,393,418
4	Lepelle Nkumpi	18	86%	82%	R84,500,000	R69,340,730
	Total Average	43 (includes multi year projects)	91%	84%	R166,600,000	R140,559,831

B. Water Operations & Maintenance

KPA	PROGRESS	CHALLENGES	REMEDIAL ACTIONS
Free basic water implementation (First order strategy)	<ul style="list-style-type: none"> The first order strategy relates to provision of free basic water to district communities whereby we are paying for the energy cost of operating water sources. We are paying for electricity bills from Eskom as well as paying for the diesel used by diesel machines at the boreholes. In these 2008/09 financial years there are 427 655 district people that are currently benefiting as opposed to 388 774 of 2007/08 financial years. We have increased beneficiaries by more than 10% as was the target in our performance plans. 	The challenges were that the submission of free basic water monthly returns is never on time. Eskom electricity bills of other points are not forwarded to CDM on regular basis.	Distribution of diesel to be managed properly both by service providers and pump operators.
Free basic water implementation (Second order strategy)	<ul style="list-style-type: none"> The local municipalities have developed an indigent registers for all the areas where cost recovery is implemented. The district is subsidizing the indigents in terms of 	The challenges were that the management of free basic water provision by local municipalities requires support from CDM in terms of further improving implementation of cost	The appointment of locals as WSP and the technical support to be offered will assist in improving the challenges.

KPA	PROGRESS	CHALLENGES	REMEDIAL ACTIONS
	<p>paying back the money to the municipality for the six kilolitres consumed by the indigent population.</p> <ul style="list-style-type: none"> • Currently cost recovery is implemented in the three local municipalities with the exception of Aganang Municipality where an indigent register is being developed. The following sub schemes are operating on cost recovery basis:- <ul style="list-style-type: none"> • Blouberg Local Municipality (9 sub schemes =100%); • Molemole Local Municipality (1 sub scheme =25%); • Lepelle-Nkumpi Local Municipality (1 sub scheme =100%); • Aganang Local Municipality (0 sub scheme =0%); 	<p>recovery in other areas. Submission of FBW monthly returns by local municipalities is a matter that requires an improvement and local suppliers are not furnishing invoices to municipalities on monthly basis, as they should.</p>	
<p>Operations and Maintenance of water schemes</p>	<ul style="list-style-type: none"> • The core responsibility of the division is to ensure sustainability in operations and maintenance of district water schemes. Water tankers were hired to provide water to villages with severe water shortage. The addresses of Eskom boreholes electricity bills were changed to CDM address to avoid delay in submission from local municipalities and also to avoid electricity cut offs. • Due to continuous theft of diesel engines 	<p>Challenges in terms of procuring of engines that were reported stolen in the fourth quarter of the year by service providers. There was generally a delay of delivery due to the demand the manufacturers were faced with and the unfortunate part is that the culprits are never apprehended.</p>	<p>Most of the stealing cases took place in Aganang and Blouberg municipalities whilst Molemole and Lepelle Nkumpi municipality were the least affected in this financial year.</p>

KPA	PROGRESS	CHALLENGES	REMEDIAL ACTIONS
	<p>management took a resolution that all the new replacement diesel engines will be mounted on trolleys and it will be taken to and from the pump houses on a daily basis.</p>		
<p>Water demand and conservation strategy and water Quality strategy inventory</p>		<p>The challenges were that the development of the two strategies were deferred to 2008/09 financial year due to DWAF model being adopted and also due to the need to do proper refurbishment as most of water facilities are not have meters.</p>	<p>This will be addressed as part of the refurbishment process.</p>
<p>Refurbishment of water scheme program for 2008/09</p>	<ul style="list-style-type: none"> • The business plan was developed and signed. 	<p>The challenges were that the implementation strategy was never agreed upon until recently that CDM has appointed DWAF as support agent in terms of implementation of refurbishment program.</p>	
<p>Acquire 12 water tankers</p>	<ul style="list-style-type: none"> • The tender was at award stage 		
<p>Service level agreements (Section 78)</p>	<ul style="list-style-type: none"> • The service provider was appointed to conclude section 78 process and draft agreements were developed and sent to all four local municipalities and awaiting signing. • The report was served in the Mayoral Committee and recommendaation made and adopted. 		

5.1.2. Sanitation

KPA	PROGRESS	CHALLENGES	REMEDIAL ACTIONS
SANITATION	<ul style="list-style-type: none"> The department embarked on a programme to construct 6,771 dry sanitation facilities, of these 5,349 have been commissioned giving overall progress of 79%. 	<ul style="list-style-type: none"> Service provider for Aganang absconded from the project and therefore his contract was terminated. The project will be completed inhouse. The problem affected progress greatly as his progress at the time of termination was 36%. 	The adopted mosel as approved by council going forward minimises the risk of managing contractors who may not be performing as they shall only be paid for work as opposed to paying them upfront on trust with the understanding that they will deposit money into community accounts.

Project Summary

Four water borne projects approved

- Four under construction namely Morebeng, Senwabarana WWTW & Lebowakgomo.

Summarized Progress June 2009

	Name of Local Municipality	Average Progress	Budget	Expenditure
1	Aganang	36%	R12,000,000	R9,650,000
2	Blouberg	100%	R12,000,000	R12,000,000
3	Lepelle Nkumpi	89%	R12,000,000	R12,000,000
4	Molemole	90%	R12,000,000	R12,000,000
5	Total average	79%	R48,000,000	R45,650,000

5.1.3. Road Transport

The overview included all activities associated with the provision of a public transport service to the community. The public transport service responsibilities of the municipality are administered as follows:

These services extend to include policy formulation and implementation, but do not take account of regulation & policing which resides within the jurisdiction of Province/Polokwane LM. The municipality has a mandate to:

The institution developed transport policies in relation to the following:

- Promote safety to the commuting public
- Ensure affordable transport

A. Taxi Ranks

KPA	PROGRESS	CHALLENGES	REMEDIAL ACTIONS
<p>Taxi Rank</p>	<ul style="list-style-type: none"> • Three taxi ranks were identified for completion by Capricorn District Municipality namely, Boyne Taxi rank, Mathibela & Tibane. • Boyne and Tibane Taxi Ranks are now complete. • Mathibela Taxi ranks is at 85% after the restart of the project as directed by the Mayoral Committee. • Funds for the construction of three taxi ranks, namely: Lebowakgomo Zone A & F, Alldays taxi ranks were transferred to the respective Local Municipalities including funds for the construction of bus shelters in the four Local Municipalities excluding MOlemole who indicated that they do not have capacity and therefore CDM is implementing the project on their behalf. 	<p>None of the taxi ranks are complete and Lepelle Nkumpi and Blouberg LM's have completed the erection of bus shelters out of the five Locals. Local Municipalities delayed with the start of the implementation of the projects and hence were not able to complete them before the end of June 2009.</p>	<p>Transfer to Locals by CDM will be done in the first month of the financial year to allow more than enough time for them to plan and implement the projects</p>

Summarized Progress

No	Name of Local Municipality	Average Progress	Budget	Expenditure
1	Mathibela	85%	R2,500,000	R2,093,750
2	Tibane	100%	R50,000	R50,000
3	Boyne	100%	R1,814,840	R1,729,825
4	Lebowakgomo Zone A	20%	R3,000,000	R3,000,000
5	Lebowakgomo Zone F	90%	R1,000,000	R1,000,000
6	Alldays	20%	R3,500,000	R3,500,000
7	Molemole Passenger Shelters	Tender award stage	R700,000	R0
8	Blouberg Passenger Shelters	100%	R700,000	R700,000
9	Lepelle Nkumpi Passenger Shelters	100%	R700,000	R700,000
10	Aganang Passenger Shelters	45%	R700,000	R700,000
11	Polokwane Passenger Shelters	10%	R700,000	R700,000
	Total Average		R15,364,840	R14,873,575

A. Roads

KPA	PROGRESS	CHALLENGES	REMEDIAL ACTIONS
ROADS	<ul style="list-style-type: none"> Eight priority roads were approved for implementation. All the eight projects were awarded. The total set target for the eight roads was to surface 35km and plan for 18km via another two projects. A total of 39.1km were surfaced giving overall progress of 116% achieved. 	<p>The only two challenges experienced were in respect of budget shortfall on the Mogoto to Mokopane Road and the Kgokong Dikgale Roads which problems were resolved during budget adjustment.</p> <p>Mr Monyepao's house which was situated along the road servitude on the Kgokong Dikgaaale and again this problem was resolved.</p>	

Summary of report

	Name of Local Municipality	2008.9 Targeted Average Progress	Budget	Expenditure
1	Road 4070 Mamaolo to Seleteng	85%	R45,000,000	R29,832,230
2	Road D4004 Kgokong to Dikgale.	75%	R63,036,601	R57,639,546
3	Road D1430 Mogoto to Mokopane	70%	R39,000,000	R27,174,100
4	Road D3371 Seborra to Mhlonong	92%	R20,000,000	R16,716,239
5	Motsane Road	15%	R5,000,000	R5,000,000
6	Gilead Road and Mogwadi Road interlink (Kgoshi Moloto)	47%	R5,000,000	R2,060,442
7	N1 to R521 interlink Mogwadi to Botlokwa	25%	R5,000,000	R3,668,270
8	Gravel Road between Road P54/1 and CDM and Vhembe DM around Morebeng 9km (Planning)	100%	R1,000,000	R1,000,000
9	Gravel road between Road D3278 at Ga Bodirwa and D1200 at Ga0Mashashane (Planning)	100%	R1,000,000	R1,000,000
10	EPWP Learnership road Kordon road	100%	R3,000,000	R2,999,985
11	Mafeke Tourism Centre Access Road	60%	R0	R0
	Total Average	79%	R186,036,601	R147,090,811

5.1.4. Electricity

KPA	PROGRESS	CHALLENGES	REMEDIAL ACTIONS
Energy Services	<ul style="list-style-type: none"> 10 projects were commissioned. 8 projects are complete. 2 projects will be completed in July 2010. 	<p>A problem was the delay in ESKOM in energisation on 7 of the completed projects.</p> <p>One service provider, namely: BVI to an extent of almost terminating their services. Strict monitoring was instituted and their performance then improved. To date they have completed two of their appointed four projects.</p>	

Summarized Progress

	Name of Local Municipality	Average Progress	Average Financial Progress	Budget	Expenditure
1	Moshengeville	100%	100%	R800,000	R800,000
2	Mogoto	100%	100%	R3,600,000	R3,600,000
3	Boratapelo	100%	100%	R3,200,000	R3,200,000
4	Chloe 1,2 & 3	100%	97%	R6,300,000	R6,107,579
5	Mabilwane	100%	99.7%	R4,800,000	R4,789,000
6	Phomolong	100%	94%	R2,500,000	R2,353,052
7	Kanana	80%	83%	R5,300,000	R4,402,605
8	Teerbrugge	85%	141%	R2,000,000	R2,819,788
9	Madikana East	100%	96%	R4,500,000	R4,330,000
10	Mathlarola	100%	93%	R5,000,000	R4,614,593
	Total Average	97%	97%	R38,000,000	R37,016,617

5.2. Community Services

Function: Environmental Management, Emergency and Disaster Management, Health and HIV/Aids and, Sector Support and Coordination in terms of Sports, Arts and Culture and Education.

The Department of Community Services comprises of four units, namely; Environmental Management, Emergency and Disaster Management, Health and HIV/AIDS and Sector Support and Coordination in terms of Sports, Arts and Culture. Each of these units is charged with specific core responsibilities meant to support and enhance the role and function of the district municipality.

The Department is guided by the following IDP Objectives in performing its duties:

- To facilitate the provision of sustainable and accessible health services.
- To prevent, mitigate and address disasters in the district and to protect life, property and the environment
- To facilitate the provision of educational services
- To improve accessibility to sports and recreational facilities by establishing sports and renovating existing Arts, Culture and community facilities
- To curb and reduce HIV/AIDS infection rate
- To ensure compliance with environmental legislation
- To manage conservation and protection of the environment to ensure sustainable socio-economic development

This report addresses progress registered on 2008/09 financial year projects per the individual units:

A. Environmental Management

KPA	PROGRESS	CHALLENGES	REMEDIAL ACTIONS
Establishment	Land was obtained and	Insufficient funds. Only	

KPA	PROGRESS	CHALLENGES	REMEDIAL ACTIONS
of a Landfill Site in Lepelle-Nkumpi LM at Lebowakgomo	geotech and geohydrological studies completed	R3,7 million is available	
Establishment of landfill site in Aganang	The tender process was at approval stage at the end of June 2009		
Establishment of Landfill site in Molemole	Land has been obtained and and geotechnical and geohydrological studies completed		
Establishment of a Landfill Site in Blouberg LM at Senwabarwana	No progress	Due to allegations of irregularities investigations were conducted during the period	
Development of an Environmental Management Plan (EMP) for Aganang, Blouberg and Lepelle-Nkumpi Local Municipalities.	<ul style="list-style-type: none"> • A desktop study complete as well as ecological assessment in Aganang • A draft plan has been concluded in Blouberg • The project is at consultation stage in Lepelle-Nkumpi 	The projects were not implemented timely due to SCM challenges.	
Purchase of waste management equipment for Local Municipalities	<ul style="list-style-type: none"> • 	An amount of R4,6 million was set aside and allocated to local municipalities to buy this equipments	This year under review, only Lepelle-Nkumpi municipality responded, and interactions with municipalities will continue to ensure that the right equipment is purchased as possible.
Promote the effective and efficient management of waste in the district	<ul style="list-style-type: none"> • A study was conducted and report finalised 		
Recycling of waste within	<ul style="list-style-type: none"> • After the success of our relationship with the 	To have more recyclers on board	Other recyclers to be targeted are; OILKOL,

KPA	PROGRESS	CHALLENGES	REMEDIAL ACTIONS
the district	<p>Glass Recycling Company of SA in the previous financial year and the support in terms of resources received from them towards two glass recycling initiatives in Molemole Municipality, it was decided to investigate and identify all opportunities available from various recycling companies.</p> <ul style="list-style-type: none"> • The following national recyclers were identified and consulted in relation to the assistance they can offer to various community recycling projects within the local municipalities. <ul style="list-style-type: none"> ○ Consol Glass ○ Glass Recycling company ○ Enviroserve ○ Plastic Federation ○ Buyisa e-Bag 		<p>the Rose Foundation, Collect-a-Can, NAMPAK, SAPPI and African Sky (recyclers of e-waste and electrical components) in the next financial year.</p>
Environmental Management and Sustainability Management training Municipal officials (CDM & all LMs)	<ul style="list-style-type: none"> • Managed to implement only one training on “Environmental Law for Environmental Managers” 	<p>To provide training for other officials</p>	<p>Funds will be made available in future for training interventions</p>
Environmental Management training for Local Municipality Councillors	<ul style="list-style-type: none"> • Preparations for the training of 80 councillors were finalised by the end of June • The learning materials and content was finalised during the period 		
Environmental promotion and awareness	<ul style="list-style-type: none"> • Cleaning campaigns were conducted in Blouberg and Lepelle- 		

KPA	PROGRESS	CHALLENGES	REMEDIAL ACTIONS
support and campaigns	<p>Nkumpi</p> <ul style="list-style-type: none"> Targeted areas were Senwabarwana and all days as well as lebowakgomo 		
Implementation of an Air Quality Monitoring Programme	<ul style="list-style-type: none"> The project involved the acquisition of monitoring equipment through a tender process; training of environmental health practitioners on operation and maintenance of the acquired equipment; installation of monitoring equipment at identified positions / suspected problematic areas; and ongoing analysis of monitoring results. 	<p>The project was delayed due to the unsuccessful filling of the Air Quality Officer (AQO) vacancy. Although an appointment was made for commencement of duties on 1 July 2008, the candidate opted to decline the offer after being offered a higher salary and benefits by his current employer.</p>	<p>This was a huge setback and the position was re-advertisement closing during early August 2008.</p>
Verification, Grading and Declaration of 9 Heritage Sites in the District	<ul style="list-style-type: none"> The project was closed by the end of September 		

b. Emergency and Disaster Management

KPA	PROGRESS
a. Institutional Capacity	<ul style="list-style-type: none"> Staff has been appointed as advertised. Fire Prevention. To date about 616 fire prevention inspections have been completed, 74 pre fire plans were approved, 137 fire investigations were also completed, 138 fire awareness campaigns were conducted.
b. Fire protection Associations (FPA)	<ul style="list-style-type: none"> Lepelle-Nkumpi and Molemole FPAs established. Operational plans developed. Blouberg, Aganang and Polokwane FPA not established yet. Processes are currently underway
c. Training	<ul style="list-style-type: none"> Continued to train officials and volunteer teams on handling emergencies and disasters
d. Response to Reported Calls	<ul style="list-style-type: none"> We continued to respond to calls emanating from emergencies and disasters We also provided humanitarian services.

e. Disaster Risk Assessment	<ul style="list-style-type: none"> Disaster risk profile for the district completed and the report was submitted to Council for approval
f. Awareness Campaigns	<ul style="list-style-type: none"> Held several awareness campaigns as part of risk reduction plans Furthermore there has been fire inspections, pre-fire planning and awarenesses
g. Response to Disasters	<ul style="list-style-type: none"> This involved efficient response to incidents Early warning systems and stakeholder mobilisation plans Completed draft field operations and contingency plans Reviewed disaster records and interventions including cholera outbreak

C. HEALTH AND HIV/AIDS

The report covers areas within which the unit is engaged in as regards to the projects planned for the financial year namely, Planning, Capacity Building, Prevention, Care and support, Coordination.

KPA's	OBJECTIVES	PROGRESS
a. Planning	<ul style="list-style-type: none"> To promote a safe and healthy sexual behavior. To ensure the provision of adequate treatment, care and support services in communities. To mitigate the impact of HIV and AIDS on individuals, families and communities. 	<p>Planning in this financial year was conducted together with CBOs, Strategy and Planning and other role players.</p> <p>The data on villages in the system was converted from excel to Access in preparation to use it in the mapping process offered by the GIS</p>
b. Capacity Building	<ul style="list-style-type: none"> To promote capacity of CBO's in order to assist them towards becoming sustainable (financially, materially, human resources, and otherwise). To reduce the number of new infections, especially among the youth. 	<p>The following training interventions took place as part of capacity building exercise:</p> <ul style="list-style-type: none"> Proposal writing development workshop to assist CBOs to write proposals when seeking funding Organisational sustainability People living with HIV/AIDS were trained on disclosure Community health workers training IDP training for three HIV/AIDS officers.
c. Care and Support	<ul style="list-style-type: none"> To ensure the provision of adequate treatment, care and support services in communities. To mitigate the impact of HIV and AIDS on individuals, families and 	<p>Support was provided to the following institutions: Mogaung Hospice, Thabong and Bula Mahlon HCBC, AIDS consortium.</p> <p>We further participated in the Positive Men's movement organised by NAPWA amongst other things</p>

	communities.	
d. Coordination	<ul style="list-style-type: none"> • To maximize the spirit of cooperation and collaboration amongst various stakeholders within the communities in the fight against the scourge of HIV/AIDS. 	Meeting with Traditional leaders was held. Stakeholders within the Municipalities were consulted around speedin- up the establishment of the AIDS Councils, both Local and Provincial. One local Municipality have submitted some of the nominees onto the Local AIDS Council.
e. Prevention.	<ul style="list-style-type: none"> • To support the workplace HIV interventions within employee wellness. • To reduce the number of new infections, especially among the youth. • To promote safe and healthy sexual behavior 	A first Aid kit was purchased for use by all staff members within CDM to be used in the event of need.
f. Health		The municipality continued with the support of District Health Council. Meetings were held on monthly basis which were chaired by CDM. Hospital boards exist in all 6 district hospitals and they also conduct monthly meetings. .
g. Sports, Arts & Culture		Supported federations for sports and recreation councils and capacitated administrotors and couches. The district played a major role in facilitating the establishment of local sports and recreation The district planned the establishment of the academy of sport The draft policy on sport and recreation was developed Mayor,s tounament was held during the period Arts and culture seminar ewas held in Molemole Consultations were conducted for the establishment of cultural village

5.3. Corporate Services

A. Administration Division

The main objective is to provide support and auxiliary services to all Departments and the political component of the Municipality.

KPA	PROGRESS
Fleet control	Continued with maintenance of fleet and management of logbooks. Ensure implementation of fleet management policy
Office accommodation	Community service and Infranstructure services department were relocated to new offices. There has been re-allocations of offices with the main building. Further alterations were done to the building to comply with COIDA.
Effective security services.	Regular meetings took place with the service provider to implement enhancements to the service. The metal detector was in operation and is monitored. We implemented the new procedure regarding the collection of visitors at the reception. We also maintained a high level of security services when power shedding takes place.
Responsive and inviting customer care.	
Reliable and efficient telecommunication service.	Telephones were provided and maintained. Telephone numbers list updated. Usage is always monitored.
Timely and well-collated qualitative documents.	The print room operated smoothly due to the availability of new equipment and the on-site involvement of the technicians/operators provided by our service provider.

B. Committees

The main objective is to provide secretariat and coordinatory support services to the decision-making structures of the municipality.

KPA	PROGRESS
<ul style="list-style-type: none"> Outcome Availability of Secretariat Services. 2008/09 	Institutional Calendar was developed and was reviewed quarterly. A total number of 140 meetings were successfully coordinated and secretariat support was provided.
<ul style="list-style-type: none"> Reports/Schedules on progress made with regard to the implementation of resolutions. 	Schedules of resolutions were e-mailed together with the minutes within five days after the meetings. Progress on implementation is followed up and tabled to update Council and its committees on progress.

<ul style="list-style-type: none"> • To coordinate project visits by Portfolio Committees. 	<p>Program of oversight project visits was developed. Reports of the oversight public hearings and council outreach were developed and distributed to departments in order for managers to respond to issues raised by members of the public</p>
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C. Information Technology

The main objective is to become a regional information hub and e-municipality to enhance sustainable development.

KPA	PROGRESS
Implemented Effective Document Management System.	Incoming and outgoing mails were attended to. 155 letters were received and processed accordingly. 122 HR files were opened and stored in the storeroom. Former DWAF staff files were attended accordingly and filed.
Reviewed MSP	Appointed service provider and the project was progressing very well.
Developed and implemented Disaster Recovery plan	Disaster recovery strategy was finalised and submitted for approval. Internal back-up is running smoothly. Access control in the server room and systems as well as in the network are effectively managed
Improved Infrastructure and Network Security	<p>Data lines upgraded for all remote sites. All data synchronisation was done for remote sites to access e-mail and internet</p> <p>Internet connection was upgraded from 128k to 256k to speed up the linkage</p> <p>Introduced fax to e-mail system to all managers to enhance communication</p> <p>Monitored wireless network connection and procured additional notebooks</p>
Improved IT Systems	IT Policies was developed. Proposal for redevelopment of the website was signed with SITA to standardise on the look and feel of the provincial websites.
Implemented integrated systems to support E-Municipality	Continued with the application of the SAP system. Trained users on the system. Enterprise agreement licencing signed with microsoft to ensure compliance

D. Legal Services

The objective is to provide legal and compliance support to the municipality.

a. Availability of signed agreements

For the year under review, the section facilitated the signing of the following contracts amongst other things:-

Contract Description	Challenges	Remedia
Lease of vehicles for water service	Commencements of projects without contracts	Finalisation of conditions of contract before any project can be commenced with
Investment and marketing strategy		
Motumo trading post		

The section further perused the following contracts:

- Bulk water supply
 - Interim Water Services Delivery Agreement
 - Transfer of operational costs
- Lepelle Northern Water
 - Four local municipalities within CDM
 - Seabakgwana Manufacturing Co-op

Service Provider checklist for capital projects was done. The unit received contracts documentation for two capital projects:

b. Litigation and settlements.

KPA	PROGRESS
Litigation and settlements.	Cases of levy collection abandoned. Numerous service providers were pursued for breach of contracts. This include leshika engineers and Merwe property planners Twenty six magistrate court matters were handled by the unit of which twelve were finalised.

c. Legal opinions.

KPA	PROGRESS
Legal opinions.	Several verbal legal opinions were given to various Departments. The following written opinions were provided: <ul style="list-style-type: none"> ➤ PAIA; ➤ Employment of non-section 57 employees on contract ➤ Deviations on water projects ➤ Restructuring of remuneration in terms of the SALGBC agreement; ➤ Restructuring of packages for level 2 and 3 employees; ➤ Arbitration award re: contract employees other than Section 57 Managers ➤ Delegations of powers ➤ Leveraging of funds to farmers by land bank ➤ Application of work permit ➤ Advance payment for twelve tankers ➤ Implementation of determination of upper limits for councillors

5.4. Local Economic Development

Economic development is the third priority of the district municipality. The objectives of this department are derived from organisational strategic objectives contained in the approved IDP for 2008/09 financial years. These objectives are as follows:

- To create & promote Local Economic Development (LED) initiatives in the SMME sector;
- To increase job creation in the district by 20% on a yearly basis.
- To support and promote major economic sectors in the district. Agriculture, Mining, Tourism, Manufacturing and Construction.
- To promote the district as tourism and investment destination area
- To promote Broad based Black Economic Empowerment (BBBEE) within the district

Key area of focus for the 2008/09 are therefore discussed below:

1. Support and Develop Manufacturing Sector

PROGRESS	CHALLENGES	REMEDIAL ACTIONS
a) Establishment of a Detergents Factory in Molemole <ul style="list-style-type: none"> • ToRs were developed • Project Steering Committee (PSC) was established • Service provider was appointed 24th January 2008 • Service Level Agreement signed on the 18th April 2008 • The First Phase report was presented to the PSC on 13 May 2008 • The business survey experienced some problems 	Challenges were around the procurement process which took long and the Service Level Agreement was signed at a late stage.	The current financial year of 2008/2009 will be used to do proper planning, and implementation.
b) Mafefe Slate Manufacturing Project (Exploration) <ul style="list-style-type: none"> • Prospecting rights application submitted to the Department of Minerals and Energy • Acceptance letters received from and rehabilitatyon fee paid to the Department • Title deed sought from the Department of Land Affairs • Environmental plans developed • Consent letters received from traditional leaders in Mafefe 	The process to be followed is long.	Request intervention from the Department

2. Support and Development of Agricultural and other Sectors

PROGRESS	REMEDIAL ACTIONS
<p>a) One land reform project assisted with farming implements</p> <ul style="list-style-type: none"> • Potato seeds procured from Fresh-In-Time • Geo-hydrological survey completed 	
<p>b) Supported grootfontein emerging farmers</p> <ul style="list-style-type: none"> • Installed 200KVA electricity transformer • Survey for intallation of four pivots and pumps completed • Draft contract beteen strategic partner and cooperative completed 	
<p>c) Capacity building programmes for small traders was conducted</p>	
<p>d) Developed a district wide pool of labour and unemployed graduates</p>	
<p>e) Developed investment and marketing strategy</p>	
<p>f) Concluded feasibility study on the establishment of Capricorn Development Agency</p>	
<p>g) Conducted economiv research on various topics impacting the economy</p>	

3. Support and Development of Tourism Sector

PROGRESS	CHALLENGES	REMEDIAL ACTIONS
<p>a) To promote an support Mutumo as trading post</p> <ul style="list-style-type: none"> • Consultations took place with relevant stakeholders to see how best to assist in this regard 	<p>DEAT taking too long to finsalise transfer agreement</p>	<p>To engage DEAT further</p>
<p>b) Promoted CDM as tourism destination</p> <ul style="list-style-type: none"> • Wits University and the Transvaal Museum appointed to compile management plan • Feasibility study completed • Tourism officer appointed 		

PROGRESS	CHALLENGES	REMEDIAL ACTIONS
c) Establishment of support tourism associations <ul style="list-style-type: none"> • Task team for the LTA has been established and developed the Constitution • Lepelle-Nkumpi LTA established 	Non-existence of LTA in other municipalities	Will establish LTA in the coming financial year
Promotion of Tourism in the District <ul style="list-style-type: none"> • Profiled tourism attraction areas in the district • Developed brochure of tourism attraction areas • Exhibited at the Business Opportunity and Franchise Expo in Polokwane • Exhibited at Tourism Indaba 	Appropriate service provider was not identified	the project was deferred to the next financial year.

4. Partnership with LIBSA in Promoting and Supporting SMME

KPA	SMME Development	TOTAL
For the facilitation for the creation of jobs in line with the PGDS	• Jobs sustained:	3890
		86
	• Jobs Created:	12 765
		229
	• Walk-in-clients:	2833
		30
	• Business Profiles:	
	• Business Registration:	
	• Workshops/Seminars :	

5.5. Strategy and Planning

The overview includes activities associated with the promotion of integrated development planning in order to achieve integration and harmonization of service delivery. It highlights the achievements, challenges experienced, expenditure to date and proposed interventions to improve the future performance of the Unit.

The objective of the IDP Unit is derived from the organisational strategic. Objectives in the IDP to perform and give support the following functions:

- To coordinate and increase integrated development planning, rural development & urban renewal;
- To facilitate development of sustainable policies and strategies for the district,

- To forge strategic partnerships to enhance service delivery and socio-economic development
- To provide reliable monitoring and evaluation data for planning purposes
- To ensure community participation and involvement to ensure that sustainable communities are built.
- To conduct research for proper planning and service delivery in the district
- Enhance co-ordination of departmental activities within District and Local Municipalities by National and Provincial Departments

The main objective to manage and co-ordinate the Integrated Development Planning processes within the District and local municipalities. Credible IDP was drafted for 2008/09. District Framework/Action Plans worked on the final Draft IDP/Budget Printing, Braille and Sepedi translation. There was late finalization of the printing of the Documents and that has been liaised with Communications and printing has been reviewed. Total budget for this was R 1.5m.

A. Social Development

KPA	PROGRESS	CHALLENGES
To engage programmes that foster participation, interaction and partnership between municipality and its stakeholders for effective service provision and development of the District		
<ul style="list-style-type: none"> • Socio-economic Impact Study 	The socio-economic impact study was conducted in Molemole as a pilot for further developments of our research guidelines	
<ul style="list-style-type: none"> • Community Based Planning (CBP) 	CBP was embarked upon that included the following focus in Molemole: Refresher training was offered to all officials and Ward Facilitators from Molemole on 21-23 July 2008. Workshop was held with Managers from CDM and LMs on 22 July 2008. Ward Planning concluded at wards 5,9,10 and 11 of Molemole Municipality.	Ward Planning at ward 03 (Molemole) could not be concluded due to poor attendance of the community.
<ul style="list-style-type: none"> • District Social Development Strategy 	First draft is available and circulated and a workshop for all stakeholders was organised	The Workshop was rescheduled for the 19 August 2008 due to unavailability of District and local stakeholders.

B. Regional Planning Unit

KPA	PROGRESS	CHALLENGES
The main objective is to manage and co-ordinate the Regional Spatial Planning processes in the District and provide technical support to local municipalities in respect to spatial planning and land use management and in so doing correcting the apartheid settlement pattern and promoting integrated and sustainable human settlement.		
<ul style="list-style-type: none"> • Sustainable Human Settlement planning 	We had a full reviewed SDF Aligned with LM's SDF.	

<ul style="list-style-type: none"> Supported and capacitated LM's on spatial planning (Technical and Financial) 	<p>Assessment was made with town planners to determine their staff compliments and capacity support to local municipalities programme was developed.</p>	
<ul style="list-style-type: none"> Settlement Management Support 	<p>The local municipalaities were supported with the development and proclamation of LUMS. Lepelle-Nkumpi, Aganang, Blouberg and Molemole. Challenges were around Area Based Planning process which was found to be very slow.</p>	<p>Consultants were appointed to implement the project which was not completed by the end of financial year</p>

Executive and Council

5.5.1. EXECUTIVE MAYORS OFFICE

The overview included the overall coordination of Council activities. The function of Executive and Council within the municipality is administered as follows and includes:

- Overall administration in the office of the Executive Mayor and to contribute to its effectiveness in leading the Institution.
- Promoting the culture of co-operative governance.
- Ensure Public Participation in Municipal issues.
- Enter into twinning agreement with Foreign Countries District Municipalities.
- Ensuring maintenance of order during Council meetings.
- Co-ordinate Council Portfolio Committee meetings.
- Compilation of agenda and render Secretarial Services to Mayoral Committee and Council.
- Co-ordination with communities and interaction with various stakeholders

The strategic objectives of this function are to:

- Ensure that the IDP is effectively implemented
- Engage in programmes that foster participation, interaction and partnership between the municipality and its stakeholders for effective service provision and development
- Promote intergovernmental relations to ensure coordinated service delivery through cooperative governance.
- Cultivate positive relations with communities and all municipal stakeholders

The key issues for 2007/08 are:

- Deepening democracy through strengthening and sustaining all established ward committees. Districtwide Ward conference was held and a support plan of action was developed.
- Continued strengthening of the oversight function –oversight committee, party caucuses, study groups and multi-party whippery
- Promote various outreach programmes to communities targeting in particular vulnerable social groupings such as women, youth, the disabled and the elderly.

The following we key projects:

- Initiated an adopt a school programme aimed at supporting needy schools within the district
- Implemented “I can” programme for schools governing bodies
- Complied in terms of council programmes as well as oversight committee programmes
- Embarked on Imbizo’s as part of the public participation process.

5.5.2. Executive Management with Special Focus

A. Special Focus: Children

PROGRESS	CHALLENGES	REMEDIAL ACTION
There was a formation of a task team comprising of the Local municipalities Special Focus Coordinators, Department of Social development, Child line and SAPS (Child Protection Unit). We have appointed a Service Provider to develop the Children Strategy.	The challenges were that local municipalities did not have Children development programmes and no specific official working on children issues and as such there was no support and continuity on initiatives of children development at community level.	Appointment of Special focus Officials at local municipalities made a difference. The mainstreaming of Children’s activities in the broader Municipal activities was crucial. The Lepelle-Nkumpi municipality managed to launch the Child Advisory Council. There was an absence of children development programmes and officials. The appointment of relevant officials in municipalities is crucial. 14 primary schools were visited in the year in question. The Provincial Universal Children’s day was held in Greater Tubatse municipality on the 3rd of November 2007. International Children’s Day - The event was held in Molemole local municipality at Capricorn Park on the 1st of June 2008 Capricorn district was represented by approximately 450 children. The children unit coordinated a march against child abuse at Ga-Kgoroshi primary school in Aganang municipality attended by approximately 200 children and their parents.

KPA	PROGRESS
1) Child Development Champ	• Sixty (60) kids (12 per local municipality, 6 per school – 3girls and 3boys) have been identified with 10 Educators and 10 SGB’s (who will serve as Mentors) from 10 primary schools visited for the

	<p>Children Awareness campaigns.</p> <ul style="list-style-type: none"> • 10 Student Social Workers from the University of Limpopo were identified to serve as Counsellors during the camp. • Child line Limpopo trained 20 Mentors and 10 Counsellors in March in preparation for the camp. • The camp was held on the 30th of March 2008 to April 2008.
2) Strengthened outreach programmes to special focus groupings.	<ul style="list-style-type: none"> • Balloon day children’s event was held in partnership with Child line Limpopo on the 8th of September 2007 at Polokwane showground. • A partnership has been developed with Child line Limpopo.

B. Special Focus: Disability

KPA	PROGRESS
a. Disability programmes that are informed by the strategy	We held four consultative workshops to review the disability strategy at Aganang, Molemole and Lepelle Nkumpi local municipalities as well as the broader District Special Focus stakeholders including the NGO’s we partnered with and Office of the Premier, Dept of Local Government and Housing and SALGA
b. Integration of disability activities in the broader municipal activities.	The Disability forum met on the 15 th of January 2008. The forum meetings always had challenges of none attendance of local municipalities which was due to work pressure since there was only one official responsible for special focus. The appointment of Special focus officials in local municipalities and Programme officers in the district will assist the process.
c. A municipality that contributes positively to nation Building activities.	<p>i. Mental Illness The internal Women’s day was used also as a platform to raise awareness on mental illnesses such as stress and depression. Women were given motivational talks on how to manage stress and depression as well as on “how to harness their energy and make change work for them.”</p> <p>i. Deaf Awareness Twenty (20) Deaf people, 4 from each local municipality were coordinated and transported to attend the provincial Deaf Awareness day on the 6th of September in Sekhukhune district, Greater Tubatse local municipality.</p> <p>i. Casual Day In support of the people with disabilities fund raising project of casual day, 395 stickers were bought for all staff members to celebrate the day.</p> <p>v. Mental Health A stress and depression session was held for officials as part of an awareness raising campaign on mental health.42 staff</p>

KPA	PROGRESS
	<p>members attended the session.</p> <p>v. International day of the disabled The Disability Coordinator formed part of the preparatory committee for the provincial International day for people with disabilities (03 December 2007) in our district – Helena Franz School in Blouberg. +- 3500 people attended the event.</p> <p>i. Braille and Deaf Awareness The Braille and Deaf awareness campaigns were held in Polokwane, Blouberg and Molemole and +- 2800 people participated in the campaigns.</p> <p>Skilled people with disabilities who will actively participated in the municipality’s economic empowerment Programmes. Aganang and Molemole local municipalities were not represented. They were the two local municipalities to be included in the follow-up workshop. We have strengthened interrelations with stakeholders on Disability development programmes.</p> <p>The Braille and Deaf awareness campaigns were done in partnership with South African National Council for the Blind and Deaf Federation of South Africa. These partners will assist in mobilisation of the target group, which is People with Blindness and Deafness, and they will as well assist with print material for the campaign. Economic empowerment of People with disabilities workshop was done in partnership with Department of Economic development, LIBSA and Umsobomvu Youth Fund.</p>

D. Special Focus: Gender

The Task team for review the Gender development strategy was formed and it comprises of the Local municipalities Special Focus Coordinators, SALGA, Dept of Roads & Transport, Dept of Local Govt & Housing, CGE, MRM and Councillors. The consultation plan was discussed with stakeholders and it completed its task by the end of the second quarter.

A framework for the development of strategy was developed and three stakeholders’ consultative meetings were held in Molemole local municipality on the 13th of September 2007, Aganang local municipality on the 14th of September 2007 and Lepelle Nkumpi local municipality on the 28 October 2007. The stakeholders consulted were amongst others CDW’s, Ward Committees and Councillors, Faith based organisations, Social Workers, Tribal Authority, department representatives and the Community members.

KPA	PROGRESS
<p>a) Skilled Women and men that actively participate in</p>	<p>Women and Economic Empowerment was held and all the five local municipalities responded positively as well as District women entrepreneurs’ organizations. Stakeholders like LIBSA, ABSA, Dept</p>

KPA	PROGRESS
municipal programmes.	of Public Works and IDT made presentations to the Women and the Municipal Manager also addressed the Women on opportunities available for women entrepreneurs in CDM.
b) Strengthened gender programmes.	We partnered with LIBSA, ABSA, Dept of Public Works and IDT for the Women economic empowerment workshop. We also have formed partnership SAMAG, CGE and MRM to coordinate for the preparations of Men & Boys Forum and Men’s dialogue during the 16 days of Activism on no violence against women and children. A partnership has been developed with Cell C for the Take a Girl Child to work · we further partnered with LIBSA, ABSA, Dept of Public Works and IDT for the Women economic empowerment workshop.
c) Mainstreamed Gender activities in the broader Municipal activities.	<p>The Preferential Procurement Policy and Employment Equity Plan monitoring are available.</p> <p>i. Provincial Women’s day launch We attended the provincial Women’s day launch in Ga Matantanyane at Lepelle Nkumpi municipality.</p> <p>ii. Provincial Women’s day The unit coordinated 20 (10 from Office of the Premier) buses from all the five local municipalities to attend Provincial Women’s day on the 9th of August 2007 at Mahwelereng stadium.</p> <p>iii. Internal district Women’s day The Internal district Women’s day was successfully held on the 24th of August 2007 in partnership with Employee Wellness programme, which catered for the Women’s distressing session of massages and reflexology. Local municipalities have no Gender development Coordinators and as such there’s limited or no support and continuity on initiatives of gender development at community level. No internal Gender Forum to assist in monitoring of programmes. Encourage local municipalities to appoint Special Focus Officials or the district may appoint Programme Officers for them.</p> <p>iv. National Women’s Day Nine (9) CDM Women councillors from the Social Cluster were coordinated to attend the National Women’s Day on the 9th of August 2007 in Kimberley.</p> <p>v. Take back the night 18 Women Officials from the district were coordinated and transported to attend the provincial event of Take back the night led by Commission on Gender Equality which its purpose is to claim the night back where everybody can be able to walk freely during the night.</p> <p>vi. Women’s parliament The unit coordinated motions for the Women’s parliament,</p>

transport for the five local municipalities and served as secretariat for the District Women's parliament on the 25th of August 2007 facilitated by Office of the Speaker.

i. National Women in Local Government Conference

Forty-two (42) women from the five local municipalities were coordinated to participate in the SALGA Women in Local Government Sports in Polokwane Rugby stadium on the 31st of August to the 1st of September 2007, which served as a build up event for the National Women in Local Government Conference held in Greater Tzaneen municipality - Karibu lodge. The women won 4 trophies in Relay, Sack race, Netball and Big walk for the district. The Gender Coordinator and the Clr Kgare represented CDM in the conference.

i. Women and Economic Empowerment workshop

Women and Economic Empowerment workshop was held at St Marc hall on the 15th of August 2007 and all the five local municipalities responded positively as well as District women entrepreneurs' organizations. Stakeholders like LIBSA, ABSA, Dept of Public Works and IDT made presentations to the Women and the Municipal Manager also addressed the Women on opportunities available for women entrepreneurs in CDM.

κ. Women in Sanitation Construction

Women in Sanitation Construction programme was conceptualised with the aim of empowering Women in VIP toilet constructions. 114 women from the four local municipalities i.e. Molemole, Blouberg, Aganang and Lepelle Nkumpi were trained on sanitation construction.

κ. 16 days of activism on no violence against women and children

Formed partnership SAMAG, CGE, Department of health and Social development, HIV and AIDS unit and MRM to coordinate the preparations of 16 days of activism on no violence against women and children.

i. Men's Dialogue

Men's dialogue was held on the 09 November 2007 at Lepelle Nkumpi with +_ 100 men from the five local municipalities. Partnership with Commission on Gender

i. Equality was formed for them to facilitate the dialogue

Men & Boys Forum - The event was held on the 30 November 2007 with +_ 1000 people. The District partnered with Dept of Health, NICRO, SAPS, UNIL, Dept of Education & Love Life to make the event a success.

i. Gender Based Violence Workshops

KPA	PROGRESS
	<p>The workshops were held in the two local municipalities, namely Aganang on the 26 November & Lepelle Nkumpi on the 27 November 2007. Popularisation of Beijing Report was also done.</p> <p>v. Take a Girl child to work</p> <ul style="list-style-type: none"> • Take a Girl child to work project was done in partnership with Cell C. • 40 learners were hosted, 20 girls from Khaiso School & 20 boys from Nakedi School • Three local municipalities hosted 80 learners as follows: - <ul style="list-style-type: none"> ▪ Molemole - 30 ▪ Polokwane - 20 ▪ Lepelle Nkumpi - 30 <p>Had four consultative workshops at Aganang, Molemole and Lepelle Nkumpi local municipalities as well as the broader District Special Focus stakeholders including the NGO's we partnered with and Office of the Premier, Dept of Local Government and Housing and SALGA. A Service provider has been appointed to finalize the strategies professionally.</p>

E. Special Focus: Older Persons

KPA	PROGRESS
<p>Mainstreamed Older Persons activities in the broader Municipal activities.</p>	<p>The first Older Persons forum was held on the 28th August 2007 and the attendance was good except for the local municipalities which was represented by Councillors not Officials. Another Older Persons forum meeting was held on the 23rd of January 2008 with only Molemole municipality being the only one represented. Several cases were attended to with Age in Action and were referred to the Department of Social Development – Social Workers for intervention. The forum meetings always had challenges of none attendance of local municipalities which is due to work pressure since there's only one official responsible for special focus. The appointment of Special focus officials in local municipalities and Programme officers in the district will assist the process.</p>
<p>A municipality that contributes positively to Nation Building activities.</p>	<p>Grannies Big Walks was held in all our five local municipalities.</p> <p>Municipality – Date - Attendance</p> <ol style="list-style-type: none"> a. Aganang, 30 July 2007, 256 b. Blouberg, 09 April 2008, 315 c. Lepelle Nkumpi, 16 April 2008, 236 d. Molemole, 20 November 2007, 323 e. Polokwane, 19 March 2008, 285 <p>TOTAL: 1415</p>
<p>District Older Persons day and the Older</p>	<p>The two events were combined and were held on the 31st of October 2007 at Setotolwane Elson School. +- 700 older persons from all the</p>

Persons Cultural day	local municipalities attended.
The Provincial Older persons day	The Provincial Older persons day was held at Rabali stadium in Makhado municipality. 76 Older persons from the district attended the event held on the 1 st of October 2007.
The Grand Parents day	The Grand Parents day event was held at Indermak Community hall in Blouberg municipality on the 7 th of October 2007 and +- 700 Older persons attended the event. Postponement of confirmed dates of events by municipalities and theirs not attending forum meetings and not responding to correspondences. Budget allocation is a challenge. The issue of postponement was discussed at the Special Focus workshop in March 2008 and it was agreed to support these programmes. More funding allocations in the next financial year 2008/09. Strengthened Older Persons programmes. All our Older Persons activities are done in partnership with Age in Action, Department of Health and Social development, SASSA and SAPS.

F. Special Focus: Youth

We facilitated the Youth development strategy review sessions at Polokwane – Chokoe primary (10/12/07), Aganang – One stop centre (11/12/07) and Molemole – Eisleben preschool (12/12/07). We have speedily appointment of Youth Officer due to capacity

KPA	PROGRESS
1) Mainstreamed Youth activities in the broader Municipal activities.	District Youth Leadership Camp was held from the 8 th – 10 th of February 2008. The Preferential Procurement policy is implemented. 2 Youth health workshops – STI and Drug and Substance abuse
2) Skilled Youth that actively participate in municipal programmes.	The Youth Leadership camp was held from the 8 th to the 10 th of February 2008. 250 Young entrepreneurs were trained in business planning by LIBSA and Dept of Economic Development. There is a lack of understanding of the mandate of the South African Youth Council and their relationship with municipalities. A full day workshop is arranged to clarify the relationship issues.

G. Executive Mayors Support

KPA	PROGRESS
1) Positive image and customer relations People-centred governance and effective service provision	Attended events of communities, private sector and sector departments. Municipal Corporate Calendar developed and incorporates schedule of events and meetings from Office of the Executive Mayor. Commemoration of Youth, Women, AIDS and Children Days.
2) Poor working relations in the coordination of municipal events.	Consolidated Implementation Reports on resolutions emanating from both Special Councils are being finalised. Oversight Public Hearings on the Annual Report are still need to be conducted. Consolidated Report finalised. Annual Report finalised in time and

KPA	PROGRESS
	therefore Oversight Hearings shall accordingly be facilitated.
3) Effective decision-making and collective leadership Efficient office support	<p>We have managed to convene all the above governance meetings as per schedule. In the event that the PMT meetings could not be held due to the busy schedules of involved Office Bearers, such was postponed with due concurrence of all.</p>
4) A Women’s Caucus Concept Document has been developed to guide its operation	<p>The Executive Mayor and councillors were supported through effective briefing and speaking notes containing key messages necessary to be communicated to the public. Sufficient media appearances were made. Staffing of Office of the Executive Mayor is proceeding unhindered. Follow up on implementation of resolutions/decisions of Council, Mayoral, Senior Management and Management team meetings. Acknowledgment of letters and referred mail and written responses to correspondence. Safe and reliable transport was provided for the Executive Mayor. Re-allocations of offices completed and necessary furniture has been purchased.</p>
5) Inter-Governmental Relations	<p>To provide IGR co-ordination & support in ensuring district-wide implementation of IGR resolutions. Consolidated report on progress made regarding the implementation of KPA. Local Government Transformation Agenda. 2008/9 Action plan on 5 KPA for the District to the Premier IGR Forum. Consolidation of Implementation Report of Premier IGR Resolutions Across the District and presented to Premier IGR. Held Municipal Managers forum according to schedule. Implementation of the Premier IGR forum resolutions. District IGR Forum not meeting regularly due to none meeting of Technical IGR Forums. Ensure adherence to IGR Calendar of meetings.</p>
6) Aligned National, Provincial & District Legislation, Policies and Strategies relating to Local Government Matters.	<p>The MMs Forum has been monitoring the progress in the district with regards to the promulgation of LUMS in all the LMs with the exception of Aganang, which is a pilot project. Progress relating to the finalisation of the Shared Services Concept in the district is very slow. Only Report from Audit has been provided. Finalisation of implementation framework of the Municipal Property Rates Act, especially the involvement of traditional leaders. Shared Services Policy for the District to be finalised as part of the IGR activities in the 2008/9 financial year. Finalisation and implementation of District implementation Framework of the Municipal Property Rates Act.</p>
7) Good corporate governance (people management and leadership)	<p>Communication with LMs & other bodies on IGR cooperation has improved. Communication and interactions with DLGH & DPLG has improved.</p>
8) Implementation of effective governance to	<p>Communication and interactions with DLGH & DPLG has improved. Monthly Reports provided.</p>

KPA	PROGRESS
improve & sustain service delivery	

h. Performance Management Systems (PMS)

KPA	PROGRESS
I. Coordinated performance processes to facilitate service delivery	<ul style="list-style-type: none"> All performance agreements were developed for section 57 managers SDBIP plans developed and implemented Performance assessments were conducted quarterly with senior managers Performance Plans for DWAF transferred staff remains an issue for finalisation. The percentage reflected is CDM staff with signed performance plans. The assessment of DWAF staff and differentiation of staff based on secondment and fully transferred are some of the issues including basic resources like copier facilities to enable basic assessment documents to be made available at different sites. A workshop was held on 20th February 2008 with DWAF transferred supervisors / management staff to do training on basic performance management principles including the performance plans and assessment rating scores. Further practical training was given on performance communication skills to empower supervisors in these performance discussions.

I. Audit Services

To provide independent overall assessment on the internal control systems, risk Management and governance process with an aim to minimize the risk to an acceptable level to enable management to accomplish the organisational objectives

- Successfully held an Audit Committee meeting on the 16 May 2008.
- Embarked on the programme to review our processes and procedures
 - Audit Committee terms of reference reviewed.
 - Audits conducted in May 2008 for the following areas: -
- Supply Chain Management (In progress)
- Contract management (Completed)
- Performance Management Audit (In progress)

Outstanding audits were as follows:

- Revenue Management
- Asset Management

J. Risk

Main objective is to protect the municipality from potential risks through effective risk management. Risk Manager appointed and all risk management policies reviewed by the Audit Committee and waiting Council approval. There is also a functional Fraud hotline

We Implemented the Risk management strategy and fraud prevention plan. Risk management committee is to be established.

K. Marketing, External and Internal Communication

The objectives of the section was to ensure that the municipality engaged in programmes to foster public participation, interaction and partnership between municipality and stakeholder. It also aimed at becoming regional hub and e-municipality to enhance sustainable development. To market and promote projects and programmes of the municipality. In order to realise this, the municipality in embarked upon the following projects during the period:

- Developed mogarafase was developed and issued as external news letter
- Mgobozi was developed and issued as internal newsletter
- Promotional materials was acquired and issued both internally and externally
- Adverts to promote events and other institutional related issues were released.

5.7. CONCLUSION

Notwithstanding some of the challenges as highlighted much has been achieved in 2007/8 by the District. The district hold a view that through continued harnessing the optimal participation of the entire populace of the district and social partners in the decision-making processes of the Council the CDM vision shall be realized.

CDM further hold the view that through initiatives such as to improve the water quality and adequate sanitation, District outreach meetings, Mayoral visits to communities, working with economic sector people and so forth, the livelihoods of the communities will be enhanced. We also hold the view that through the Inter-Governmental Relations (IGR) structures, improved stakeholder participation and customer care and other mechanisms the district has put in place, the District together with its constituent Local Municipalities will continue to shine as institution of excellence.

