

# INKWANCA

LOCAL



MUNICIPALITY

## DRAFT ANNUAL REPORT



2009/2010



**ADVANCING TOGETHER  
IN DEVELOPMENT**



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## **CHAPTER 1: INTRODUCTION AND MUNICIPAL OVERVIEW**

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## CHAPTER 1: INTRODUCTION AND MUNICIPAL OVERVIEW

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### 1.1 MAYOR'S OVERVIEW

This will include the following:

- A strategic analysis on how the key priority areas within the municipality and its entities are addressed from a *political perspective*.
- Broad overview of the outcomes achieved.
- Broad overview of achieved outcome impacts.
- Corrective actions taken to ensure that strategic objectives as stipulated in the IDP for that specific fiscal year were achieved.
- Methods used / implemented to improve public participation and accountability.
- Statement of corrective actions whereby service delivery can be improved.

## 1.2 MUNICIPAL MANAGER'S FOREWORD

This will include the following:

- Powers and functions of the municipality in relation to Section 155/156 of the Constitution and Chapter 3 of the MSA. – Also state the entity responsible for delivering of services (water, electricity, health, housing if province and other sector departments are involved)
- Entities related to the municipality and the sharing of power and functions between the municipality / municipal entity/ies. Specific information on the relationship between a municipality's IDP, monitoring and reporting processes VS that of the municipal entity should be provided.
- Sector departments and the sharing of functions between the municipality / municipal entity and sector departments. A comparison of information related to the municipality / municipal entity and sector department IDPs, monitoring and reporting processes should be provided.
- A statement on the previous financial year's audit opinion. The Auditor General's opinion is the most important part of the auditor's report provided to the municipality / municipal entity. The audit opinion results from an independent and extensive verification process of the annual financial statements and supporting documents.
- A short statement on the current financial health of the organisation based on new budget formats as required by Treasury Regulation No 31804. This statement should be included as a conclusive summative statement that provides an objective view of the financial health of a municipality / municipal entity. To support this statement, municipalities / municipal entities may include a credit rating.
- Information related to revenue trend by source so as to indicate room for increased borrowing. It is noted that not all municipalities / municipal entities are able to access private capital markets. However, those that can have not shown much initiative. Report should be provided on additional sources of revenue explored as alternative sources of income.
- The internal management changes in relation to Section 57 managers that occurred during the reporting period. New key appointments should be highlighted as well as the period of vacancy for each key position. The motivation for the inclusion of this information is to report on continuity and credibility in administrative decision-making.
- Risk assessment, including the development and successful implementation and/or problems faced to ensure limited impact of risks.

### 1.2.2 Introduction

The Inkwanca Local Municipal is a category B municipality established in terms of Section 12 of the Municipal Structures Act 117 of 1998. The municipality is approximately 3583<sup>2</sup>km, situated 60km north-west of Queenstown. It comprises of the towns of Molteno and Sterkstroom and the surrounding farming (rural) areas, with Molteno being the administrative seat of the municipality. The residential component of the municipality is mainly concentrated in the two urban nodes:

- Molteno, including Nomonde, Molteno Town, Nkululeko and Dennekruijn
- Sterkstroom, including Masakhe, Sterkstroom Town, Sonwabile & Hoffmansville

The rural surroundings (farm areas) comprise a small portion of the total population in the municipality.

The municipality falls within the Chris Hani District Municipality and is bounded by the Tsolwana, Gariiep, Maletswai, Emalahleni and Lukhanji Municipalities. The N6 national road between Bloemfontein and East London play an important link through the municipality. In addition, the R56 route from Petermaritzburg runs through Molteno towards Middelburg, is a further important roadlink. The area has a rich historical background dating back to the 18<sup>th</sup> century with a member of monuments and key places of interest. Commercial agriculture is the main economic activity in the municipality.

Queenstown urban area plays an important role of being the economic hub of the district; and a number of services for Inkwanca residents are obtained from Queenstown and areas further afield like Bloemfontein and East London.

### 1.3 DEMOGRAPHIC INFORMATION

Settlement dynamics in these areas are characterized by high residential densities in the township areas with the business activity and lower residential densities in the old town areas.

Demographic Data obtained from the Central Statistical Services (Census 2001).

→ ***It is noted that the accuracy of these figures can be debated. However, these figures are used based on consistency and the fact that Government use these figures for grants and subsidy purposes.***

#### □ Population/Age

Age	Rural	Molteno Town	Nomonde+ Nkululeko	Masakhe+ Sonwabile	Sterkstroom Town	Total
0-9	813	277	1786	1131	119	4127
10-19	552	400	2437	1542	219	5151
20-64	1908	803	4030	2422	417	9580
56+	135	177	563	430	85	1389
<b>Total</b>	<b>3408</b>	<b>1657</b>	<b>8817</b>	<b>5525</b>	<b>840</b>	<b>20247</b>

- Approximately 50% of the population is within the economic active group, aged 20 – 64.
- 17% of the population live in the rural area, indicating high level of urbanization.
- Molteno has the greatest population concentration, comprising approximately 50% of the total population or 10474.



□ Family **Composition**

	<b>Families</b>	<b>Population</b>
Rural	1148	3408
Molteno	2569	10474
Sterkstroom	1758	6365
<b>Total</b>	<b>5475</b>	<b>20247</b>

- Total of 5475 families reside in the municipality.
- This constitutes an average family size of approximately 4 persons.
- Molteno represents the highest family sizes in the municipality with the rural area the lowest at approximately 3 persons per household.
- Population distribution between the urban and rural area clearly demonstrates high level of urbanization and high level of commercial farming activities.

#### 1.4 SOCIO-ECONOMIC INFORMATION

##### **Employment**

	<b>Total</b>
Employment	3057
Unemployment	4242
Home-maker or housewife	316
Unable to work due to illness or disability	731
Does not choose to work	543
Not applicable (younger than 15 and older than 65)	11357
<b>Total</b>	<b>20245</b>

##### **Economic Sector**

	<b>Total</b>
Agriculture, hunting; forestry and fishing	39.2
Manufacturing	4.4
Construction	5.3
Wholesale and retail trade	11.2
Transport, storage and communication	1,4
Financial, insurance, real estate and business services	3.6
Community, social and personal services	17,9
Other	2,0
Private households	15,0
<b>Total</b>	<b>100</b>

- Agriculture and hunting represents by far the biggest sector and employer in the municipal area.
- Community, social and personal services second highest employer.
- High level of employment in agriculture industry demonstrates vulnerability of the municipal economy, with specific reference to droughts and impacts on the commercial farming industry.

### Income (Annual/Household)

No Income	R1 – R9 600	R9 601 – R38 400	> R38 401	Grand Total
1,127	2,324	1,518	508	5,477

- 20% of families have no income.
- 62% of families have no income or an income below R10 000 per annum.
- The economic analysis indicates high levels of dependency on subsidies and possible subsistence farming initiatives.
- Low economic growth and high levels of unemployment increase dependants on state funded projects, with specific reference to housing.



Number of Households	Total Population	African	Coloured	Indian	White
(6622 Municipal Data)	20 245	18060	861	3	1322

### 1.5 MUNICIPAL CHALLENGES

CHALLENGES	ACTIONS TO ADDRESS
<b>Employment and job creation</b>	
<ul style="list-style-type: none"> <li>▪ Very high levels of unemployment (as much as 60%).</li> <li>▪ 69,9% of population living within poverty bracket</li> <li>▪ Declining economic profile which is</li> </ul>	<ul style="list-style-type: none"> <li>- 420 Job opportunities created through LED programme.</li> <li>- Land acquisition through LRAD programme has added 3 more households.</li> </ul>

evident throughout the municipal area.	
Infrastructure and backlogs	
- Only 214 kms of 1675 km of roads within the municipal area are tarred. The rest is either graveled or just scrapped dirt.	- Municipal Roads Regravelling Programme : 6 Kms of roads in Molteno town and sealing of 4.5kms in Masakhe.
- Dilapidated Stormwater system - Stormwater system design: capacity constraints.	- <b>Stormwater Building Programme:</b> new stormwater channels in Nomonde from Nkululeko through Joe Slovo School to the Methodist Church; Phumlani Section
- Lack of sport and recreational facilities	- Molteno Sport Centre is planned for construction in 2010/2011
Housing	
- Poor workmanship: Low Cost Houses built	- Rectification Programme: All houses badly constructed identified. Application to the Province made.
- Over 6000 people are on housing waiting list both in Molteno and Sterkstroom. - People in the old Masakhe living on edge of Hex River below flood line.	- 1127 sites have been serviced in Molteno Airstrip, construction of the first 500 top structures is planned for 2010/2011. - Application for removal and relocation of 164 households from old Masakhe.

## 1.6 POLITICAL GOVERNANCE STRUCTURES

The Council comprises of only 6 elected Councillors, all come from Proportional Representation (PR). Due to the size of the council and number of councilors, there are no portfolio committees or any section 79 committee for that matter. The party and gender representation in the Council is represented the table below:

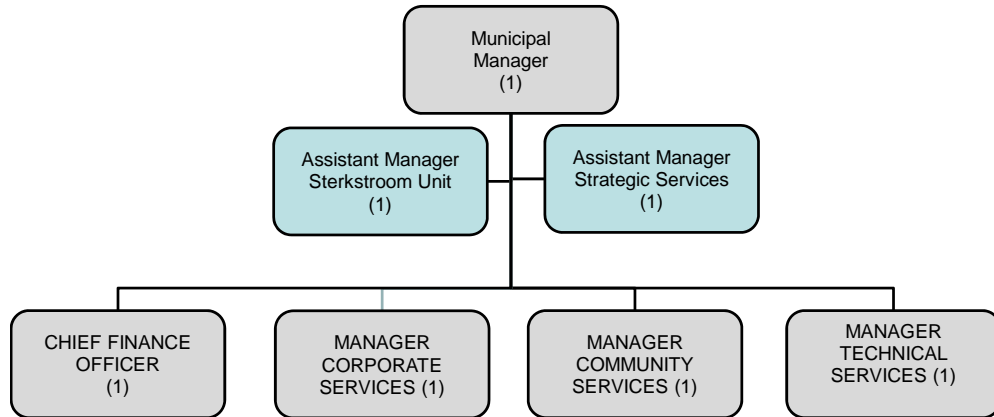
### **Council:**

Name of councillor	Capacity	Gender	Political Party	Ward/ PR	Constituency
MZUNZIMA YEKANI	MAYOR	MALE	ANC	PR	Molteno
NANDIPHA TAMARA FOLOSE	COMMUNITY SERVICES & LED	FEMALE	ANC	PR	Molteno
KHOLEKA KIDO-MANGALISO	Special Programmes	FEMALE	ANC	PR	Sterkstroom
SYLVIA NOYI	Infrastructure (Roads +Stormwater, and Housing)	FEMALE	ANC	PR	Molteno
PATRICK PARKER	Administration	MALE	ANC	PR	Sterkstroom
STRETTON	Infrastructure(Electricity and Water+Sanitation)	MALE	DA	PR	Rural (Farming Area)

1.7 ADMINISTRATIVE GOVERNANCE STRUCTURES

## INKWANCA LM MANAGENT TEAM

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Name of sec 57 Official	Department	Performance agreement signed (Yes/No)
NKOSINI NCUBE	MUNICIPAL MANAGER'S OFFICE	YES
ZANELE FOLOSE	FINANCE	YES
MZIWOXOLO DINGANI	COMMUNITY SERVICES	YES
SIMPHIWE DYANTYI	CORPORATE SERVICES	YES
ANELE KOOS	TECHNICAL SERVICES	YES
Two (Assistant Managers not Sec 57)		
<ul style="list-style-type: none"> <li>PATRICK PARKER</li> <li>NONTSIKELELO MANI</li> </ul>	STERKSTROOM ADMIN UNIT	
	IDP & STRATEGIC SERVICES	

## Other technical committees

### Name of committee: IDP Steering Committee

Name of representative	Capacity	Terms of reference of committee	Meeting dates
NCUBE NA	MUNICIPAL MANAGER	Process Plan adopted by Council on 14 <sup>th</sup> October 2008	18/11/2009 12/01/2010 21/01/2010 11/02/2010
DINGANI ME	MANAGER: COMMUNITY		
DYANTYI SS	MANAGER : CORPORATE		
FOLOSE Z	CFO		
KOOS A	MANAGER: TECHNICAL		
MANI NG	STRATEGIC MANAGER		
MMOTSA MA	AREA MANAGER: WSSP		

### Name of committee: TURNAROUND STEERING COMMITTEE

Name of representative	Capacity/ entity representing	Terms of reference of committee	Meeting dates
Clr ME Yekani	Mayor	1. FINANCIAL TURN AROUND PLAN adopted by Council July 2008 2. AUDIT ACTION PLAN adopted by Council 19 <sup>th</sup> January 2009	13/07/2009 06/10/2009 02/12/2009 27/01/2010 29/03/2010 28/04/2010 27/06/2010
Clr Qamngwana	Councillor		
Mr T Ngqaleni	Technical		
Mr N A Ncube	Municipal Manager		
Ms Z Folose	CFO		
Mr ME Dingani	Manager		
Mr A Koos	Manager		
Mr S Dyantyi	Manager		
Mrs N Fetsha	Provincial Treasury EC		
Mr Smouse	Provincial Treasury EC		

## 1.8 PUBLIC ACCOUNTABILITY

### 1.8.1 Area committees

#### Area 1 : Molteno Old Location

Name of representative	Capacity/ entity representing	Meeting dates
MRS GLADYS MTHAKATHI (resigned)		
MS NOMSA STRATO		
MR VUYANI ADAM		
MR MANDILAKHE NDIBI		
MR THEMBINKOSI YEKANI		

#### AREA 2 : PHELANDABA, PHUMLANI, NCEDULUNTU & J-SECTION

Name of representative	Capacity/ entity representing	Meeting dates
MRS CYNTHIA BUSHULA		
MRS NOKHANYO LUFELE		
MR ZOLANI FYN		
MR ANDA JAMEKWANA		

**AREA 3 KHAYELITSHA & MDANTSANE**

Name of representative	Capacity/ entity representing	Meeting dates
MS FEZEKA TSHIZA		
MR BONGA LUFELE		
MRS NOBULUMKO GOBA		
MS NOTHENDE GWAMPI		
MS SINDISWA SIHLANGU		

**AREA 4: NKULULEKO**

Name of representative	Capacity/ entity representing	Meeting dates
MR NTSUKUMBINI MAMANI		
MS AGNES YEKANI		
MS NOLUTHANDO NGAMBI		

**AREA 5: ZOLA & MQESHI**

Name of representative	Capacity/ entity representing	Meeting dates
MR NKOSINATHI BISIWE		
MS BONGIWE NDENGANE		
MS NOMTHANDAZO GADENI		
MR SANDILE MBOSO		

**AREA 6: STERKSTROOM OLD MASAKHE & TOWN**

Name of representative	Capacity/ entity representing	Meeting dates
MS VUYISWA NKABI		
MS MONICA BLANDILE		
MS NOMBULELO YALIWE		
MS YOLISWA MATHEBE		
MS NOTHETHI DOROTHY MALGAS		

**AREA 7: NEW MASAKHE**

Name of representative	Capacity/ entity representing	Meeting dates
MS ESTER NOZIMBO KLAAS		
MS NOZAME MLONYENI		
MR MXOLISI ZOLANI		
MR NCEBA DAYI		

**AREA 8 : SONWABILE**

Name of representative	Capacity/ entity representing	Meeting dates
MR LUNGISA MATYALANA		
MR NQABISILE BISIWE		
MS LULEKA ULUWA		
MR AM OLIVIER		

### 1.8.2 Audit committee

Name of representative	Qualifications	Terms of reference of committee	Meeting dates
Rev IRION	<ul style="list-style-type: none"> <li>• Diploma in Theology (UWC);</li> <li>• Lic Theology (UWC);</li> <li>• Local Govt Finance Certificate (SMMF);</li> <li>• Dev Management Certificate (MANCOSA);</li> <li>• MBA : MANCOSA</li> </ul>	YES (ATTACHED)	28/08/2009 09/12/2010 15/04/2010 06/06/2010
MR ANDRE' DAVID PRETORIUS	<ul style="list-style-type: none"> <li>• B Compt. Hons (UNISA),</li> <li>• Chartered Accountant (SA) 1998.</li> <li>• Registered Auditor &amp; Accountant 1998.</li> </ul>		
MRS ANNIE ELIZABETH de WET	<ul style="list-style-type: none"> <li>• BA (Psychology)</li> <li>• BProc (University of Pretoria)</li> </ul>		

## **CHAPTER 2: PERFORMANCE HIGHLIGHTS**

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## CHAPTER 2: PERFORMANCE HIGHLIGHTS

### 2.1 PERFORMANCE IN TERMS OF THE NATIONAL KEY PERFORMANCE INDICATORS

KPA & INDICATORS	MUNICIPAL ACHIEVEMENT
Basic Service Delivery	98 %
(a) The percentage of households with access to basic level of water, sanitation, electricity and solid waste removal	
(b) The percentage of households earning less than R1100 per month with access to free basic services	34 %

#### 2.2.1 DEVELOPMENT PRIORITY AREAS

Development Priorities	Challenges
Human Settlements	<p>Poor quality built structures, provincial government taking time to respond on beneficiaries approved and this leads to project being delayed eg. Molteno 136 IDT Housing units, there are only 40 beneficiaries approved to date. It was agreed that the province should continue building the approved sites so long we are still awaiting to resolve the issue of beneficiaries. To date there is no response from them as to whether the project will be reduced or not.</p> <p>We also have beneficiaries which are not approvable on the 1127 Airstrip housing project. To date there are only 265 approved beneficiaries on this project out of 1127 applications submitted to the department for pre screening. It is then predicted that this project will have the same problems experienced on the Molteno 139 IDT Housing project.</p>

#### 2.2.2 BASIC SERVICES DELIVERY

##### 2.2.2.1 Provision of free basic services

##### Electricity:

Indigent Households			Non-indigent households			Households in Eskom areas		
Nr of households	Unit per household (kwh)	Value R'000	Nr of households	Unit cost per household (kwh)	Value R'000	Nr of households	Unit per household (kwh)	Value R
1127	50	508	996	R0.66	2 040	4499	-	-

**Water:**

Indigent Households			Non-indigent households		
Number of households	Unit per household (kl)	Value R'000	Number of house-holds	Unit per house-hold	Value R
2207	6	1752	4415	6	3 504

**Sanitation:**

Indigent Households			Non-indigent households		
Number of households	Unit cost per household per month	Value R'000	Number of households	Unit per household per month	Value R'000
2207	R71.97	2 276	4415	R71.97	4 437

**Refuse removal:**

Indigent Households			Non-indigent households		
Number of households	Unit per household per month	Value R'000	Number of households	Unit per household per month	Value R'000
2207	1 per week	1 006	4415	1 per week	2 295

**2.2.2.2 Access to basic municipal services**

Households gained access to basic services during the 2009/10 financial year

Type of service	2008/09	2009/10
Housing	400	0
Water	6622	6622
Refuse removal	6622	6622
Sanitation	6622	6622
Electricity	6622	6622

### 2.2.2.3 Summary of backlogs that must still be addressed

Area	Total nr of households affected	Timeframe to be addressed	Cost to address R'ooo
Housing	6300	By 2014	340 000
Water (on site)	0	N/A	0
Sanitation	0	N/A	0
Electricity (in house)	2	By 2010	7
Streets and storm water	1082.6	By 2040	210 000
Refuse removal	0	0	0

### 2.2.2.4 Capital budget spent on municipal services

The percentage (%) of the approved budget spent of each municipal service respectively for the 2006/7 2007/8 and 2008/09 financial years respectively are as follows:

Financial Year	Housing	Water	Sanitation	Electricity	Streets & Storm Water
2007/ 2008	50%	100%	99%	99%	100%
2008/09	0%	100%	99%	99%	100%
2009/10	0%	100%	99%	99%	100%

### 2.2.2.5 Spending on capital budget

Fin year	% of Capital budget spent	Reasons for under spending
2007/ 2008	100%	
2008/09	100%	
2009/10	100%	

### 2.2.2.6 Housing

There are currently approximately 6300 housing units on the waiting list. A total amount of R 60 million was allocated to build houses during the financial year under review. A summary of houses built, includes:

Fin year	Allocation R'000	Amount spent R'000	% spent	Number of houses built	Number of sites served
2007/ 2008	12 800	12 800	100	400	0
2008/09	11 400	11 400	100	0	478
2009/10	26 000	26 000	100	0	1127

### 2.2.2.7 Municipal infrastructure and other grants

The Municipality received grants totaling R 6.022 millions for infrastructure and other capital projects from National and Provincial Government during the 2009/10 financial year. The performance in spending these grants can be summarized as follows:

#### Municipal Infrastructure Grant (MIG)

Description of project	Available funding 2008/09 R'000	Amount spent R'000	% spent
Re gravelling of access road to the resort	410	410	100 %
Re gravelling of internal roads in Molteno Phase 2	1 300	1 300	100 %
Re gravelling of internal roads in Molteno Phase 1	66	66	100%
Sterkstroom Roads and Stormwater	1 792	1 792	100 %
Masakhe Sokoyi Bridge	165	165	100 %
Surfacing of Taxi Routes in Molteno and Sterkstroom phase 4 designs	295	295	100 %
Re gravelling of Gravel access roads in Masakhe and Nomonde phase 3 designs	628	628	100 %
Renovations of a Community hall in Sterkstroom	707	707	100 %
Surfacing of Taxi Routes in Molteno and Sterkstroom	514	513	100 %

### 2.2.2.8 Summary of Capital Projects

Description of the project	Ward nr/ Area	Available funding 2008/09 R'000	Amount spent R'000	% spent	Project completed Yes/No
Re gravelling of access road to the resort	Molteno	410	410 307.96	100	Yes
Re gravelling of internal roads in Molteno Phase 2	Molteno	1 300	1 300	100	Yes
Re gravelling of internal roads in Molteno Phase 1	Molteno	66	66	100	Yes
Sterkstroom Roads and Stormwater	Sterkstroom	1 792	1 792	100	Yes
Masakhe Sokoyi Bridge Designs	Sterkstroom	166	166	100	No
Surfacing of Taxi Routes in Molteno and Sterkstroom phase 4 designs	Molteno & Sterkstroom	296	296	100	No
Re gravelling of Gravel access roads in Masakhe and Nomonde phase 3 designs	Molteno & Sterkstroom	628	628	100	No
Renovations of a Community hall in Sterkstroom	Sterkstroom	707	707	100	No
Surfacing of Taxi Routes in Molteno and Sterkstroom phase 3 designs	Molteno & Sterkstroom	514	514	100	No

## 2.3 LOCAL ECONOMIC DEVELOPMENT

### 2.3.1 LED STRATEGY

The Inkwanca Local Municipality has hired the services of **MBUMBA DEVELOPMENT SERVICES** to develop the Local Economic Development Strategy (LED Strategy). This process has gone past the situation analysis and potential economic analysis phases and the first LED Strategy DRAFT is expected by the end of September 2010.

### 2.3.2 Projects Registered as Cooperatives

Project Name	Number of participants	Males	Females	Youth
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Siyokhana Hen & Poultry	22	2	20	1
Inyibiba Dairy Project	8	5	3	1
Eldorado Farm Project	34	22	12	6
Molteno Comm. Garden	10	2	8	1
Masizakhe Game Farm	9	7	2	NIL
Dwelibe Farmers	37	29	6	NIL
Wool & Mutton Project	6	4	2	1
Masakhe Herbs	15	3	12	15
Hex River project				
Sphesihle Bakery	15	2	13	NIL
Berrynice ( laanglagte Berry Co-op )	11	7	4	3
Ucoceko Dry Clean & Laundry	13	1	11	12

### 2.3.3 FARMS / LAND distributed through LRAD

NAME OF THE FARM	Number of Beneficiaries	Number of Women	Number of Men	Extent of Farm in Hectares
Pennryn Farm ( Masizakhe )	9	2	7	1500
Dwebile	24	3	21	1500
Jachoheim Farm ( Inyibiba )	8	3	5	363
Silindile Farming Coop (Eldorado)	34	12	22	670
Velile Greenveil Farm ( Jaxa)	6	2	4	719
Vaalhoek Farm ( Amaqoma)	15	8	7	948
Top investment ( Cunukelo)	10	7	3	447
ManQindi Farm	7	4	3	321
Hex River Farm (Masakhe)	50	4	46	1271
Mokoena Family Trust	17	7	10	744
Indyebo Trust Farm	13	9	4	1000
Khulani Lamani Trust ( Hillcroft )	6	4	2	257
Yangaphi Trust ( Lonely Valley )	14	9	5	827
Bukani FW				1030
Chulayo MM				1532
Ntuthuko Communal Prop	3	0	3	735

### 2.3.4 TOURISM PRODUCTS

These are the tourism products that exist in the Inkwanca area, as of JUNE 2010 and a variety of tourists such as:

- (1).Foreign Special Interest Tourists ( FSIT),
- (2).Domestic Special Interest Tourists (DSIT),
- (3).Domestic Holiday Tourists ( DHT) and
- (4).Domestic Visitor to Friends and Relatives Tourists (DVFRT), visits and explore these products
  - Hunting ( Bird shooting and Game shooting)
  - Fly-fishing
  - Adventure
  - Rock art
  - Historical and cultural product elements ( Stomberg Farms on route Burgersdorp )

- Eco-tourism ( nature reserves, mountains ( Boesmanhoek, Stormberg )
- Hiking trails
- 4 X 4 safaris ( Sterkstroom)
- Horse riding ( Sterkstroom )
- Water sport ( Molteno Dam)

#### 2.3.5 ACCOMODATION in and around INKWANCA MUNICIPAL AREA

Name of the B&B / Guest House	Locality	EC Tourism Grade
HORSE SHOE B & B	STERKSTROOM	Graded
MOLTENO GUEST HOUSE	MOLTENO	Graded
HERDBERG BED & BREAKFAST	MOLTENO	Graded
ERA RESTAURANT & GUEST HOUSE	MOLTENO	Not Graded
INKWANCA LM CHALETS	MOLTENO	Not Graded
JENNY'S COTTAGE	MOLTENO	Not Graded
MAMA TROSKY B & B	MOLTENO	Not Graded
OLIVE'S COTTAGE	MOLTENO	Not Graded
STORMBERG PLAAS KOMBUIS	MOLTENO	Not Graded
SUURFONTEIN GASTEHUIS	MOLTENO	Not Graded
LAANGLAAGTE GUEST HOUSE	MOLTENO	Not Graded
ELANGENI SAFARIS	STERKSTROOM	Not Graded
MOUNTAIN LODGE	MOLTENO	Not Graded
MASIZAKHE GAME LODGE	MOLTENO	Not Graded
BOESMANHOEK B & B	STERKSTROOM	Not Graded
BRANSTONE LOGDE	MOLTENO	Not Graded
THE STAGGER Inn	STERKSTROOM	Not Graded
COUNTRY LODGE	MOLTENO	Not Graded
PHOENIX HOTEL	MOLTENO	Graded
MOLTENO CARAVAN PARK	MOLTENO	Not Graded
CENTRAL HOTEL	MOLTENO	Graded

- ✓ The number of temporary jobs created by the Municipality during the 2009/2010 budget year amounts to 420 jobs.

## CHAPTER 3: ORGANISATIONAL DEVELOPMENT

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### 3.1 Introducing the municipal workforce

#### Introduction

The Corporate Services Department was structured according to the institution 's needs and this process was informed by policy framework and and strategy and it covers the following areas:

- Staff procurement(recruitment) and labour relations
- Human capital and organizational development
- Employee wellness, occupational health and safety and employee benefits
- Genral Administration and IT

Further the report details the high level strategic objective of the Human Resource programme, the highlights and achievements and where necessary provides quantitative human resource information for the period under review. The main key functions of the department is that, it provides strategic support to all other departments and other function which includes such as performance management, legal services , training and skills development. However though our intention is to realise our primary objective of staff capacitation but the main challenge facing the department its a small size of our budget which render us unable to fulfill some of our objective and to entice and attract skilled personnel.

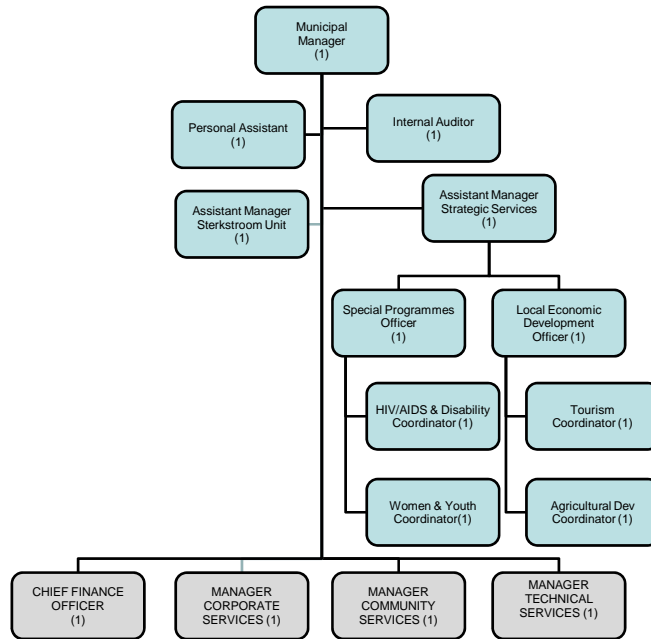
#### 3.1.1 Approved and vacant posts on post levels

The Management team is supported by staff employed by the municipality to deliver on municipal services and political priorities. The approved structure for the Administration has 172.



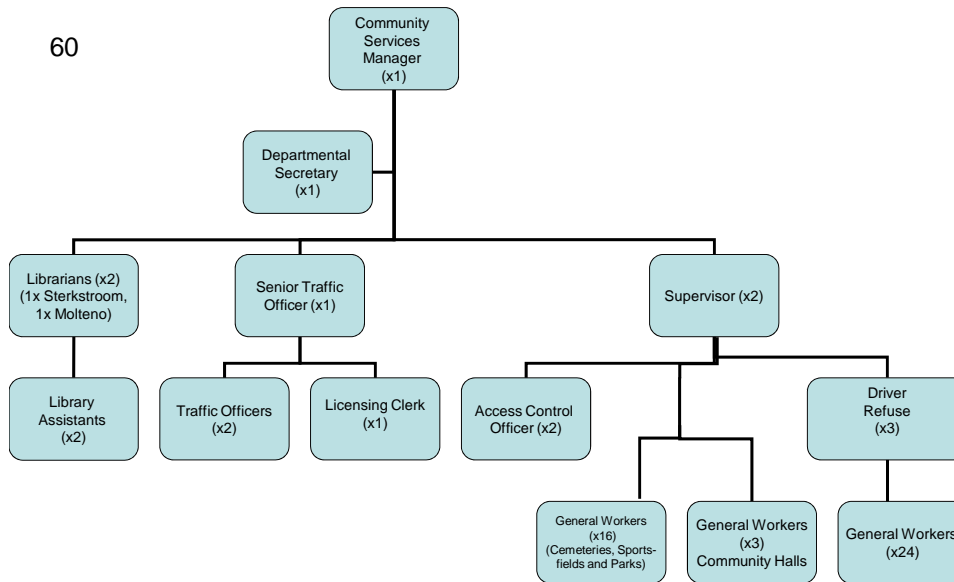
# MUNICIPAL MANAGER'S OFFICE

12



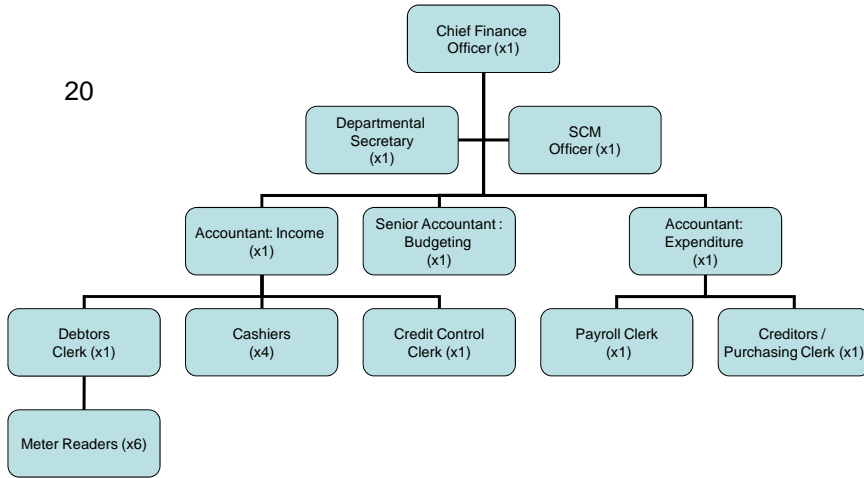
# COMMUNITY SERVICES DEPARTMENT

60



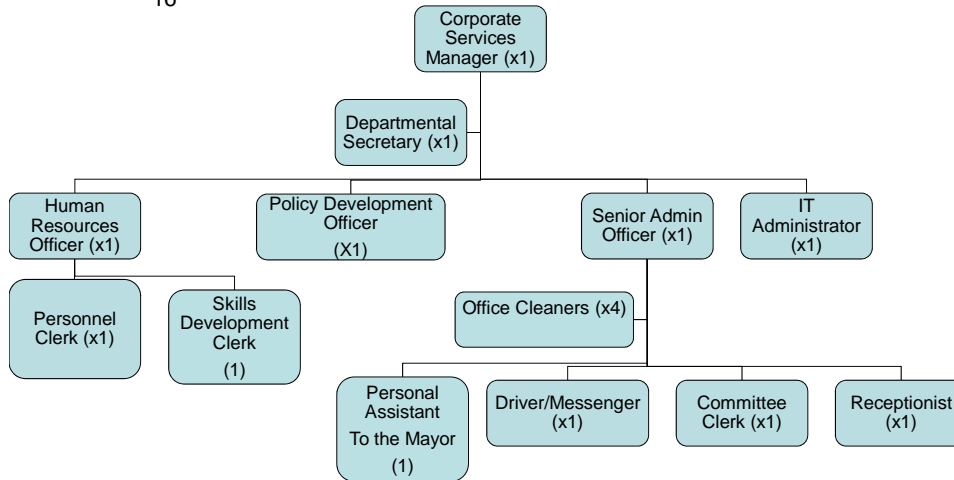
## BUDGET AND TREASURY OFFICE

20



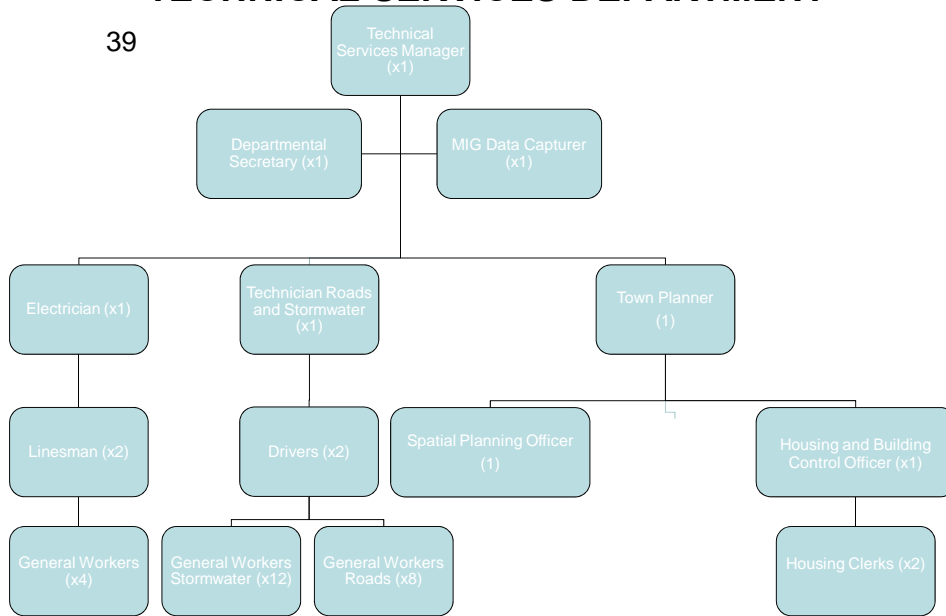
## CORPORATE SERVICES DEPARTMENT

16



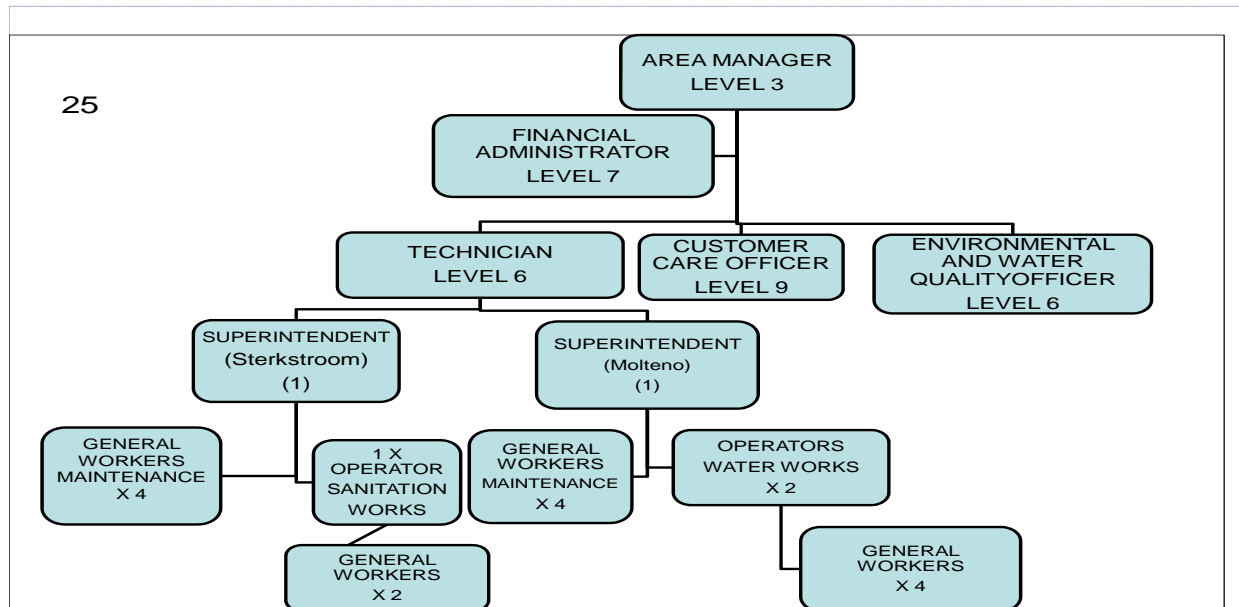
# TECHNICAL SERVICES DEPARTMENT

39



## WSSP SECTION

25



The actual positions filled are indicated in the tables below

PER POST LEVEL

Post level	Approved	Vacant
MM & MSA section 57	5	0
Middle management	18	1
Admin Officers	35	10
General Workers	114	20
<b>Total</b>	<b>172</b>	<b>31</b>
PER FUNCTIONAL LEVEL		
Functional area	Approved	Vacant
Municipal manager's office	12	0
Corporate Services	16	1
Financial Services	20	1
Technical Services	39	6
Water & Sanitation Services	25	6
Community Services	60	17
<b>Total</b>	<b>172</b>	<b>31</b>

### 3.1.2 Details on posts filled

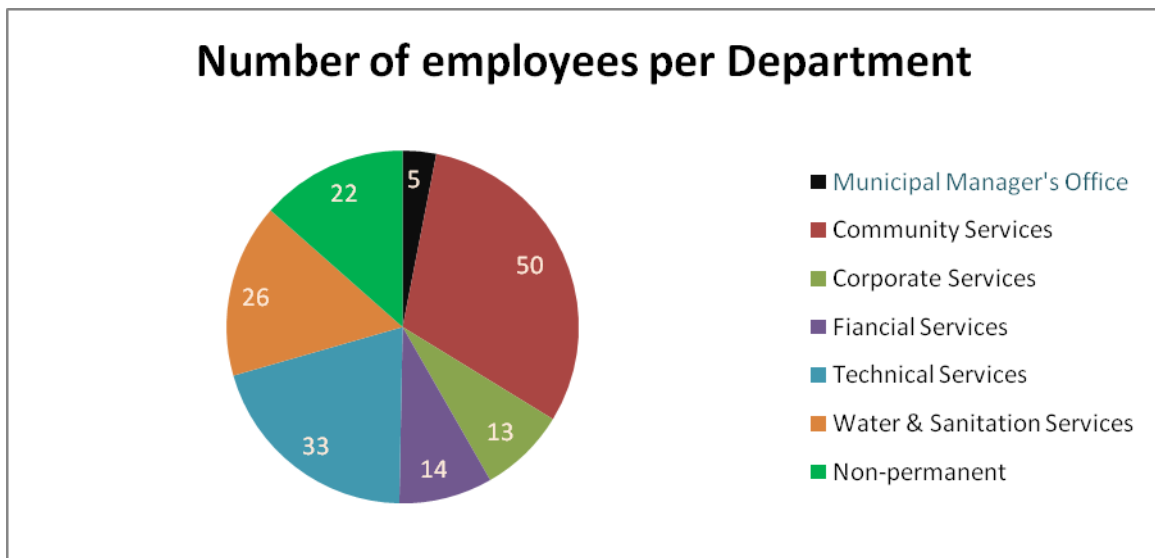
Posts filled									
Occupational Categories	Male				Female				Total
	A	C	I	W	A	C	I	W	
Legislators, senior officials and managers	7	0	0	1	5	0	0	0	13
Professionals	0	0	0	0	0	0	0	0	0
Technicians and associate professionals	9	0	0	0	4	1	0	1	15
Clerks	9	0	0	0	9	0	0	2	20
Service and sales workers	1	0	0	0	4	0	0	0	5
Craft and related trades workers	0	0	0	0	0	0	0	0	0

Plant and machine operators and assemblers	7	0	0	0	0	0	0	0	7
Elementary occupations	87	0	0	0	0	0	0	0	87
<b>Total permanent</b>	<b>120</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>22</b>	<b>1</b>	<b>0</b>	<b>3</b>	<b>147</b>
Non- permanent	17	0	0	0	5	0	0	0	22
<b>Grand total</b>	<b>137</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>27</b>	<b>1</b>	<b>0</b>	<b>3</b>	<b>169</b>

Occupational Levels	Male				Female				Total
	A	C	I	W	A	C	I	W	
Senior management	5				2				7
Professionally qualified and experienced specialists and mid- management	9	0	0	0	4	1	0	1	15
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	12	0	0	0	12	0	0	2	26
Semi-skilled and discretionary decision making	9	0	0	0	0	0	0	0	9
Unskilled and defined decision making	84	0	0	0	0	0	0	0	84
<b>Total permanent</b>	<b>119</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>18</b>	<b>1</b>	<b>0</b>	<b>3</b>	<b>141</b>
Non- permanent employees	17	0		0	5	0	0	0	22
<b>Grand total</b>	<b>136</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>23</b>	<b>1</b>	<b>0</b>	<b>3</b>	<b>163</b>

Key function (Department)	Male				Female				Total
	A	C	I	W	A	C	I	W	
Municipal manager's office	3	0	0	0	2	0	0	0	5
Corporate Services	4	0	0	0	7	1	0	1	13
Financial Services	7	0	0	1	4	0	0	2	14

Technical Services	32	0	0	0	1	0	0	0	33
Community Services	46	0	0	0	4	0	0	0	50
Water & Sanitation Services	22	0	0	0	4	0	0	0	26
<b>Total permanent</b>	<b>114</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>22</b>	<b>1</b>	<b>0</b>	<b>3</b>	<b>141</b>
Non-permanent	17				5				22
<b>Grand total</b>	<b>131</b>			<b>1</b>	<b>27</b>	<b>1</b>		<b>3</b>	<b>163</b>



### 3.1.3 Employment equity

Description	African	Coloured	Indian	White	Male	Female	Disability
<b>Target</b>	137	5	0	30	103	69	4
<b>Actual</b>	136	1	0	4	115	26	1

During the 2009/2010 financial year, the Municipality appointed 13 employees in various departments. All of these appointments were based on both the service delivery needs and the Employment Equity Plan. The biggest challenge for the municipality remains the staff turnover and to address this challenge we developed a retention strategy as per our service delivery and budget implementation plan.

The demographic information of the municipality compared to the workforce of the institution is as follows:

Description	Total	African	Coloured	Indian	White
Population numbers	20245	15725	670	0	3850
% Population	100%	78%	3%	0	19%
Number for positions filled	141	136	1	0	4
% for Positions filled	82%	96%	1%	0	3%

### 3.2 Capacitating the municipal workforce

The Work Place Skills Plan (WPSP) for 2009/10 financial year and the Implementation Report for the 2009/10 financial year was submitted to the Seta on 31 March 2010. The amount spent on training was R166,300-00 which is 1,5% of the salary spend of R11 069 072-00 as at 30 June 2010. The training programmes that were completed by the municipal staff is summarised in the following table.

#### Municipal staff

Name of training programme	Short description	Number of officials							
		Gender		Race					
		Female	Male	AF	AM	CF	CM	WF	WM
Course on Discipline in the Workplace-UPE	-	4	8	2	8	1	0	1	0
Certificate Programme For management Development inMunicipal Finances- WITS UNIV.	CPMDP-MF	1	3	1	3	0	0	0	0
Traffic Examiner's Course- Traffic College	-	2	1	2	1	0	0	0	0
Municipal Finance Management and Development Programme- Univ. Of Pretoria	MFM	3	2	3	2	0	0	1	0
Certificate in Local Government Law and Administration- UFH	-	0	1	0	1	0	0	0	0
Water purification course		1	0	1	0	0	0	0	0
Plant purification/training course		0	4	0	4	0	0	0	0
In house training		6	4	5	4	1	0	0	0
<b>Tot</b>		<b>17</b>	<b>23</b>	<b>14</b>	<b>23</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>0</b>

## Councillors

Name of training programme	Short description	Number of councillors							
		Gender		Race					
		Fe- male	Male	AF	AM	CF	CM	WF	WM
Basic Computer course	-	3	2	3	1	0	0	0	1
Masters Degree in Public Admin.	MPA	0	1	0	1	0	0	0	0

### 3.3. Managing the municipal workforce

#### 3.3.1 Injuries and sick leave

Department	Total nr of Injuries for the year	Total number of days sick leave taken during the year
Municipal manager's office	0	5
Corporate Services	0	26
Financial Services	0	58
Technical Services	1	23
Community Services	0	150
<b>TOTALS</b>	<b>1</b>	<b>262</b>

#### 3.3.2 HR Policies and plans

Approved/Reviewed Policy	
Name of Policy	Date approved/reviewed
Accounting Policy	31 MAY 2010
Back-Up Policy	31 MAY 2010
Banking Policy	31 MAY 2010
Cash Management Policy	31 MAY 2010
Computer & Internet Usage Policy	31 MAY 2010
Delegation Of Powers Policy	31 MAY 2010



Credit Control Policy – Inkwanca	31 MAY 2010
Disaster Recovery Policy	31 MAY 2010
Employment Equity Policy	31 MAY 2010
Fixed Asset Management Policy	31 MAY 2010
Corporate Gift Policy	31 MAY 2010
Indigent Burial Policy	05 FEBRUARY 2010
Inkwanca Amended Final Write-Off Policy	31 MAY 2010
Inkwanca Bursary Policy	31 MAY 2010
Inkwanca Comprehensive Human Resource Policy	31 MAY 2010
Arrangements Policy	31 MAY 2010
Performance Management Policy	31 MAY 2010
Rates Policy	31 MAY 2010
Risk Management Strategy Policy	31 MAY 2010
Supply Chain Management Policy	31 MAY 2010
Customer Care, Credit Control, Debit Collection Policy And Debt Collection Strategy	31 MAY 2010

### 3.4. Managing the Municipal Workforce Expenditure

#### 3.4.1 Personnel expenditure compared to total operating expenditure

Financial year	Total Expenditure salary and allowances (R'000)	Total Operating Expenditure (R'000)	Percentage (%)
2007/08	9 214	25 504	36%
2008/09	11 771	34 359	34%
2009/10	11 069	33 384	33%

#### 3.4.2 Promotions

Department	Gender		Race						Total
	Female	Male	AF	AM	CF	CM	WF	WM	
Municipal manager's office	0	0	0	0	0	0	0	0	0
Corporate Services	0	0	0	0	0	0	0	0	0
Financial Services	0	0	0	0	0	0	0	0	0
Technical Services	0	0	0	0	0	0	0	0	0
Strategic Services	0	0	0	0	0	0	0	0	0
Town Planning	0	0	0	0	0	0	0	0	0
Electro Technical Services	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

### 3.4.3 Upgraded posts

Department	Gender		Race						Total
	Female	Male	AF	AM	CF	CM	WF	WM	
Municipal manager's office	0	0	0	0	0	0	0	0	0
Corporate Services	0	0	0	0	0	0	0	0	0
Financial Services	0	0	0	0	0	0	0	0	0
Technical Services	0	0	0	0	0	0	0	0	0
Strategic Services	0	0	0	0	0	0	0	0	0
Town Planning	0	0	0	0	0	0	0	0	0
Electro Technical Services	0	0	0	0	0	0	0	0	0
<b>Total</b>									

### 3.4.4 Salary level exceeding grades

Department	Gender		Race						Total
	Female	Male	AF	AM	CF	CM	WF	WM	
Municipal manager's office	0	0	0	0	0	0	0	0	0
Corporate Services	0	0	0	0	0	0	0	0	0
Financial Services	0	0	0	0	0	0	0	0	0
Technical Services	0	0	0	0	0	0	0	0	0
Strategic Services	0	0	0	0	0	0	0	0	0
Town Planning	0	0	0	0	0	0	0	0	0
Electro Technical Services	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**CHAPTER 4: PERFORMANCE INFORMATION REPORT**

## 4: PERFORMANCE INFORMATION REPORT

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### INTRODUCTION

In terms of the Municipal System Act, municipalities are required to prepare a Performance Report reflecting performance during that financial year, to form part of the Annual Report to be prepared in terms of the Municipal Finance Management Act. Furthermore, In terms of clause 4 of the Performance Information Public Audit Act Directive, General Notice 646 of 2007, issued in Government Gazette No. 29919 of 25 May 2007 (General Notice 646), the performance information should be submitted for audit together with the annual financial statements within two months after the end of the financial year.

The municipal Systems Act requires that all Municipalities:

- Develop a Performance Management System,
- Set target and monitor and review performance based on indicators linked to their IDP;
- Incorporate and report on a set of general/national indicators prescribed by the Minister responsible for local government
- Conduct on a continuous basis, an internal audit of all performance measures
- Have their annual performance report audited by the Auditor- General

This report provides a summary of the performance of the municipality on annual targets for the 2009/2010 financial year. These targets are set inline with the Integrated Development Plan and the Budget in order to confirm that the implementations of strategic plans are aligned with the set strategies, objectives of the IDP and optimal utilization of the budget.

The report results require further analysis to determine any deficiencies and/or causes thereof and what corrective action to be taken to ensure improvement in the service provided by the Municipality.

It is also important to note that these results as contained in the next section (Appendix A) of the report have not been audited as this audit will be performed during the 2009/2010 financial year end audit.

The Performance Measurement Report that follows provides results on all the key performance indicators and performance measures broadly categorised in 5 key Performance Areas viz a viz:

1. Basic Service Delivery & Infrastructure Development
2. Local Economic Development
3. Municipal Transformation & Institutional Development
4. Financial Viability and Management and
5. Good Governance and Public Participation

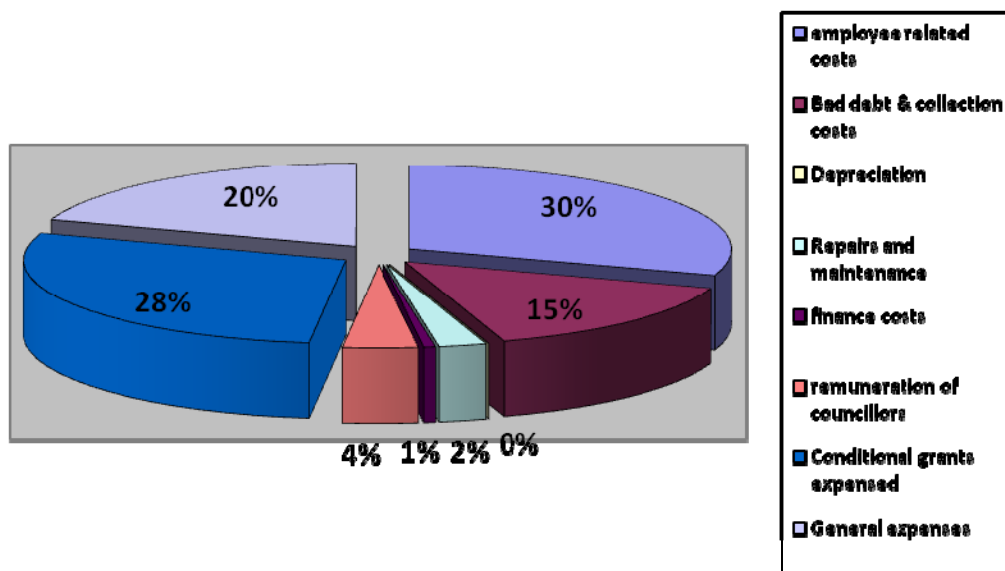
Department	Functions
<b>Office of the Municipal Manager</b>	Municipal Administration, IDP, Performance Management, Risk Management, Internal Auditing Communication & Public Relations, Strategic Services, Accounting Officer functions
<b>Corporate Services</b>	Committee Secretarial Services, Records & Archives, IT Systems & Control, Personnel Administration, Recruit & Selection, Training & Development, Labour Relations & PMS
<b>Financial Services</b>	Supply Chain Management, Budget and Treasury, Expenditure Management, Asset Management, Revenue Management
<b>Technical Services</b>	Roads & Stormwater Construction, Building Inspectorate, Land Usage, Spatial Planning, Maintenance, Electricity Reticulation, Project & Contract Management, Water and sanitation Services (Reticulation, Treatment, quality& Plumbing) & GIS.
<b>Community Services</b>	Cleaving and solid waste management, Cemeteries. Public Amenities, Traffic Services, Library Services

## CHAPTER 5: FINANCIAL PERFORMANCE

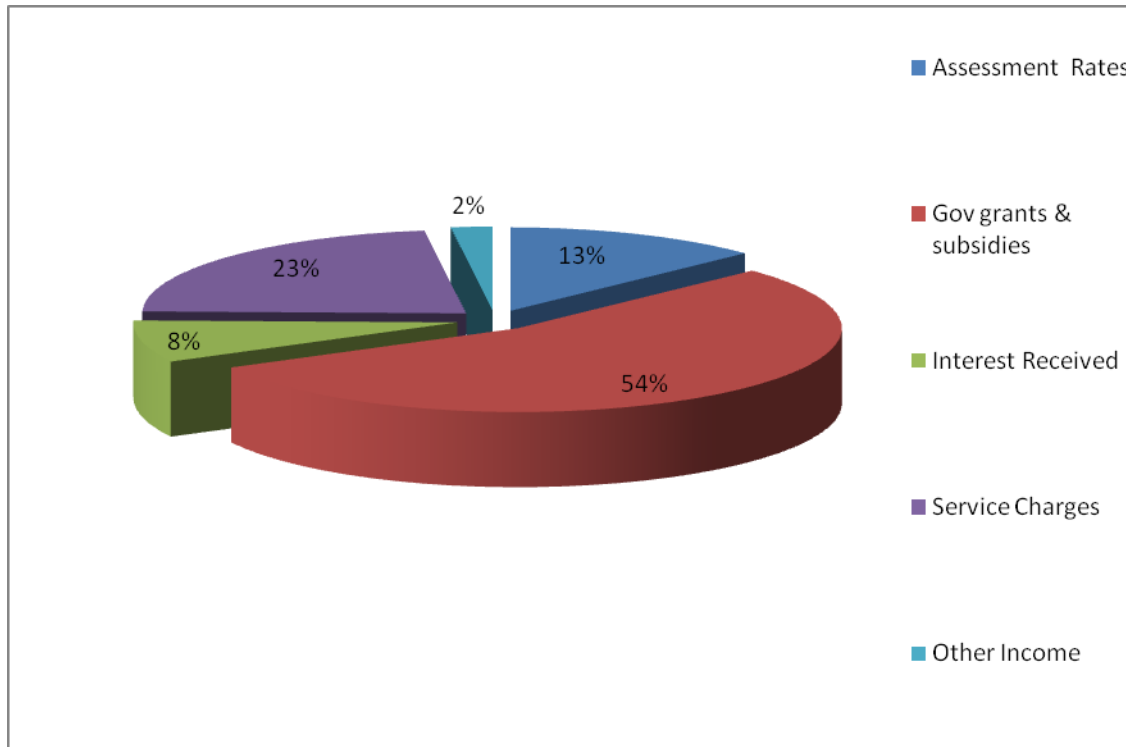
### 5.1 Operating results

Year	Revenue				Operating expenditure			
	Budget	Actual	Diff.	%	Budget	Actual	Diff.	%
	R'000	R'000	R'000		R'000	R'000	R'000	
05/06	11,884,5	15,205,5	3,321,0	27.9	11,884,5	12,991,0	1,106,5	9.3
06/07	13,557.1	23,098.3	9,541.2	70.3	13,557.1	14,649.2	1,092.1	8.1
07/08	15,224.7	24,036.2	8,811.5	57.8	15,422,1	25,504.9	10,082.8	65.3
08/09	26,271.2	30,591.9	4,320.7	16.4	26,271.2	37,634.2	11,363	43.2
09/10	27,106.6	33,494.7	6,388.0	23.6	27,106.6	33,384.2	6,277.6	23.2

Total operating expenditure 2009/10



### Total revenue 2009/10



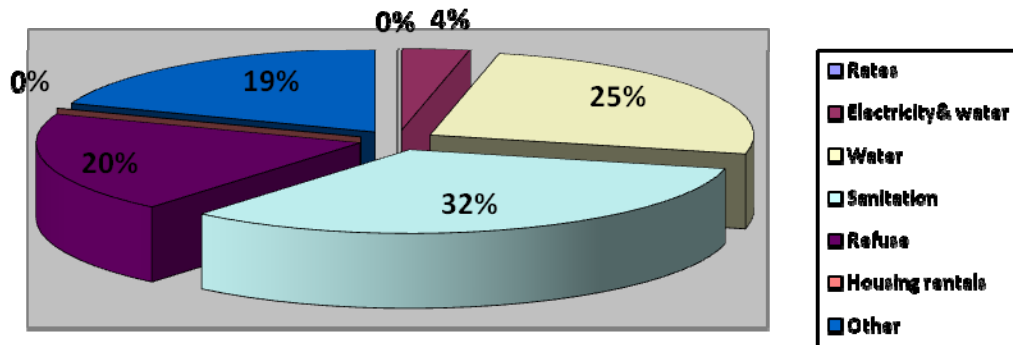
## 5.2 Outstanding debtors

### Gross outstanding debtors per service and total debtor age analysis as at 30 June 2010

Financial year	Rates	Trading services (Electricity and Water)	Economic services (Sanitation and Refuse)	Housing rentals	Other	Total
	R'000	R'000	R'000	R'000	R'000	R'000
2008/09	7,246.6	8,072.7	14,298.8		13,919.3	43,537.4
2009/2010	9,066,1	9,758,,1	17,688,3		12,553.4	55,671,5
Difference	(1,819.5)	(1,685,4)	(3,389.5)		1,365.9	(12,134.1)
% growth year on year	25.1% ↑	20.8% ↑	23.7% ↑		9.8% ↓	27.8% ↑



### Gross outstanding debtors (Excluding provision for bad debt)



### Total debtors age analysis

Financial year	Less than 30 days	Between 30-60 days	Between 60-90 days	More than 90 days	Total
	R'000	R'000	R'000	R'000	R'000
2008/09	1,216.6	2,088.7	1,198.9	39,033.2	43,537.4
2009/2010		5,079.5	1,363.1	49,228.9	55,671.5
Difference		2990.8	164.2	10,195.7	12,134.1
% growth year on year		143%	13.7%	26.1%	27.8%

### 5.3 Viability indicators

#### Level of reliance on grants and subsidies

Financial year	Total grants and subsidies received (R'000)	Total Operating Revenue (R'000)	Percentage (%)
2005/06	2,661.6	12,543.9	21.2
2006/07	5,803.7	17,294.6	33.5
2007/08	8,710.1	15,326.1	56.8

2008/09	8,237.7	22,354.2	36.8
2009/2010	13,272.5	23 303,9	56.9%

### Liquidity ratio

Financial year	Net current assets (R'000)	Net current liabilities (R'000)	Ratio
2004/05	1,739.5	2,011.6	0.86
2005/06	4,179.8	5,017.4	0.83
2006/07	4,405.8	3,574.7	1.23:1
2007/08	7,088.3	5,068.4	1.40:1
2008/09	4,525.5	7,851.5	0.58
2009/2010	8,284.6	10,634.0	0.78

### 5.4 Audit outcomes

Year	2005/06	2006/07	2007/08	2008/09	2009/2010
Status	Qualified Audit opinion	Adverse Opinion	Adverse Opinion	Adverse Opinion	Pending

### Detail on 2008/09 audit outcome

Issue raised	Corrective step implemented

## 5.5 Equitable share vs total revenue

Description of revenue	Amount received 2005/06	Amount received 2006/07	Amount received 2007/08	Amount received 2008/09	Amount received 2009/2010
Equitable share	4,792	5,769	6,480	8,238	10,925.7
Capital grants	0	0	3,545	6,022	7,507.5
Operating grants	985	1,235	1,235	2,485	2,485
Own revenue	9,428	16,094	12,776	15,180	12,576.5
<b>Total revenue</b>	<b>15,205</b>	<b>23,098</b>	<b>24,036</b>	<b>31,925</b>	<b>33,494.7</b>

## 5.6 Repairs and maintenance as percentage of OPEX

	2005/06	2006/07	2007/08	2008/09	2009/2010
<b>Total Operating Expenditure</b>	12,991	14,649	25,505	37,634	33,384.3
<b>Repairs and Maintenance</b>	953	1,836	1207	1083	769.9
<b>% of total OPEX</b>	7.3%	12.5%	4.7%	2.9%	2.3%

## 5.7 Capital funded by source

Description Source	2005/06	2006/07	2007/08	2008/09	2009/2010
External loans					
Grants and subsidies	0	0	3,545	6,022	7,507.5
Public contributions and donations					
Own funding	399	134	748		
Other					
<b>Total capital expenditure</b>	<b>399</b>	<b>134</b>	<b>4,293</b>	<b>6,022</b>	<b>7,507.5</b>



**FINANCIAL STATEMENTS**

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**REPORT OF THE AG**

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**REPORT OF THE AUDIT COMMITTEE**

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