

# Draft Annual Report

*INCORPORATING PERFORMANCE REPORT*

2011/12

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# **PART ONE**

## Introduction and Overview

### **VISION**

To create integrated, self-reliant and sustainable communities throughout the Thabo Mofutsanyana highlands, with financially viable, participative and developmental local municipalities.

### **MISSION**

Continuously improving and developing living conditions of our communities by providing efficient and effective bulk services and create a conducive environment for business opportunities and job creation.

### **CORE VALUES**

Integrity

Transparency

Commitment

Co-operation

Openness consultation

Responsiveness

Effective communication

Corporate governance

Social responsibility

Services delivered in line with Batho Pele principles

High level of professionalism, integrity and objectivity

The District municipality's **key priorities** are as follow:

- Sustainable infrastructures
- Local Economic Development, Job creation and Tourism
- Social and Human Development
- Good Governance
- Financial Viability

## Political Leadership



Executive Mayor: Dr B.E Mzangwa Chief Whip: Cllr S.Moleleki Speaker: Cllr M.Maduna



Cllr: M.Motloug



Cllr: M.Mamba



Cllr: M.Majara



Cllr: P.Mavundla



Cllr: M.Vilakazi



Cllr:A.Nhlapo



Cllr: C.Makhoba



Cllr: J.Komako

## Management



## Leadership

*Ms. MRE Mogopodi  
Resigned end February 2012  
Municipal Manager*



Mr. MB Mphahlele  
Executive Manager:  
Infrastructure Services

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anager:  
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acting  
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al Year

***CFO and Executive Manager: Corporate Services not on photo.***



## FOREWORD BY THE EXECUTIVE MAYOR



It gives me great pleasure to present this Annual Report 2011/2012 of Thabo Mofutsanyana District Municipality.

This report is a collaborative effort between Councillors, traditional leaders, officials, local municipalities and communities.

It presents all of our efforts and tireless work in creating, sustaining and scaling change in the lives of the ordinary citizens of Thabo Mofutsanyana District Council, which is a composition of six municipalities, viz Maluti-a-Phofung Local Municipality, Phumelela Local Municipality, Dihlabeng Local Municipality, Mantsopa Local Municipality, Setsoto Local Municipality and Nketoana Local Municipality.

At the beginning of 2011/2012 financial year, which was just less than two months after local government elections, when we took office as the new political administration of Thabo Mofutsanyana District Council we endeavoured to stick to the electorate mandate and build on the successes of our precursors.

Sticking to the electorate mandate required of us to adhere to the local government election manifesto, which is a political commitment to address many challenges faced by our communities. Local government and communities face major challenges, which are reducing unemployment, more access to better quality basic services, overcoming the legacy of apartheid spatial development, strengthening community participation, and building effective, accountable and clean local government.

The year 2011/2012 has been an eventful year with much activity from all the roleplayers within Thabo Mofutsanyana District Council to ensure we meet the goals that we have set for ourselves in our political programme, which is the Integrated Development Plan.

It is with much gratification to note that, once again, Thabo Mofutsanyana District Municipality, attained an unqualified audit in the year under review. This is largely due to the unwavering commitment of our staff and Councillors to work hard towards the better of our municipality. Our goal is to ultimately attain a clean audit, of which through determination, prudence, commitment and political will we shall be destined to such a glory. Attaining this goal will give us much more joy and put our Council on the pedestal of being a well-governed municipality.

In realising our mission of continuously improving and developing living conditions of our communities through provision of bulk services, our IDP has been and will continue to be the guiding tool. It contains the following priorities: Sustainable infrastructures, Local Economic

Development, Job creation and Tourism, Agriculture and Rural Development, Social Development, Sports, Arts and Culture, Good Governance and Community Participation as well as financial viability.

We have also endeavoured to align our budgets with our priorities, and ensured that we are much prudent with spending of the very limited financial resources at our disposal.

The upgrading roads and development of sewer treatment plants in various municipalities in the district, support of SMMEs, positioning of Thabo Mofutsanyana as a tourist destination, involvement in community development, financial support to the needy students and creation of internship programmes for graduates in scarce skills are some of the notable successes of this district municipality.

In ensuring that Thabo Mofutsanyana District Municipality have adequate capacity to deliver to its optimal level, our staff, most particular, senior management received necessary training, which meets the requirements for competency levels, and we have also filled in critical posts, such as that of human resources management, internal audit, communications, information technology and disaster management with competent and qualified staff.

We will further continue ensuring that all the staff, inclusive of the lower levels, also receive training relevant to their posts and support in doing their work.

The year under review was however not without its own challenges and pitfalls, but from all those we were able to learn better lessons and picked ourselves up to ensure that Thabo Mofutsanyana District Municipality rose up those demands and steers its ship forward.

Let me express the words of gratitude to the Speaker, Chief Whip, all Councillors, Members of Mayoral Committee, Acting Municipal Manager Ms Takatso Lebenya, the management and staff of Thabo Mofutsanyana District Municipality for a job well done.

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**Dr B.E. Mzangwa**  
**Executive Mayor**



## **Executive review by the Municipal Manager**

In the year under review Thabo Mofutsanyana District Municipality has made inroads in addressing issues faced by municipalities.

The historical problems existing in the District are being replaced by more efficient management, and clearer political monitoring and and I am pleased to report that qualifications by the Auditor General are being addressed not only by this municipality, but all local municipalities within the region.

The grand intention is that the objectives of 'operation clean audit' be met within the whole District within four years. To this end, I am pleased to report that within the District, two municipalities achieved what we had set ourselves to attain. We hope to report an improved situation with the next report.

We wish to thank the Office of the Premier, COGTA-Free State and other sector departments for their assistance to the municipality regarding governance and financial support. To this end the financial statements were prepared and submitted in time. The IDP and Budget were prepared and submitted on time. The will to keep the momentum is there, and better results should be visible in the year ahead.

Through the revisions of our Integrated Development Plan (IDP), as provided for in the Municipal Systems Act 32 (2000), we have persevered in achieving the targets set on five strategic objectives that drive us in our developmental efforts, as well as to ensure that we meet the implementation of District Municipality mandates.

Our five strategic objectives are:

- á Provide quality basic services and infrastructure.
- á Facilitate higher and shared economic growth and development.
- á Fight poverty; build clean, healthy, safe and sustainable communities.
- á Foster a participatory democracy and Batho Pele Principles through a caring,



á Ensure good governance, financial viability and optimal institutional transformation with capacity to execute its mandate.

The financial year under review was challenging in that the Municipality stretched its resources to discharge its statutory responsibilities despite the slowdown in the economy. Moreover the non-receipt of the Municipal Infrastructure Grant (MIG) adversely affected our responsibility of providing local municipalities with the much needed bulk services. We are however hopeful that this grant will be restored, based on our effort to turn the municipality around for the better.

We have responded well in delivering our mandate. Issues raised by the section 139 intervention in the previous year have been successfully addressed, and the adapted municipal turnaround strategy played a pivotal role in this respect and laid a solid foundation for delivering the needed local government services to the wider community of the District in the coming years. Our endeavors for a transparent and accountable administration, led by a resourceful political leadership have seen this municipality achieving an unqualified audit report for the past year and the year under review.

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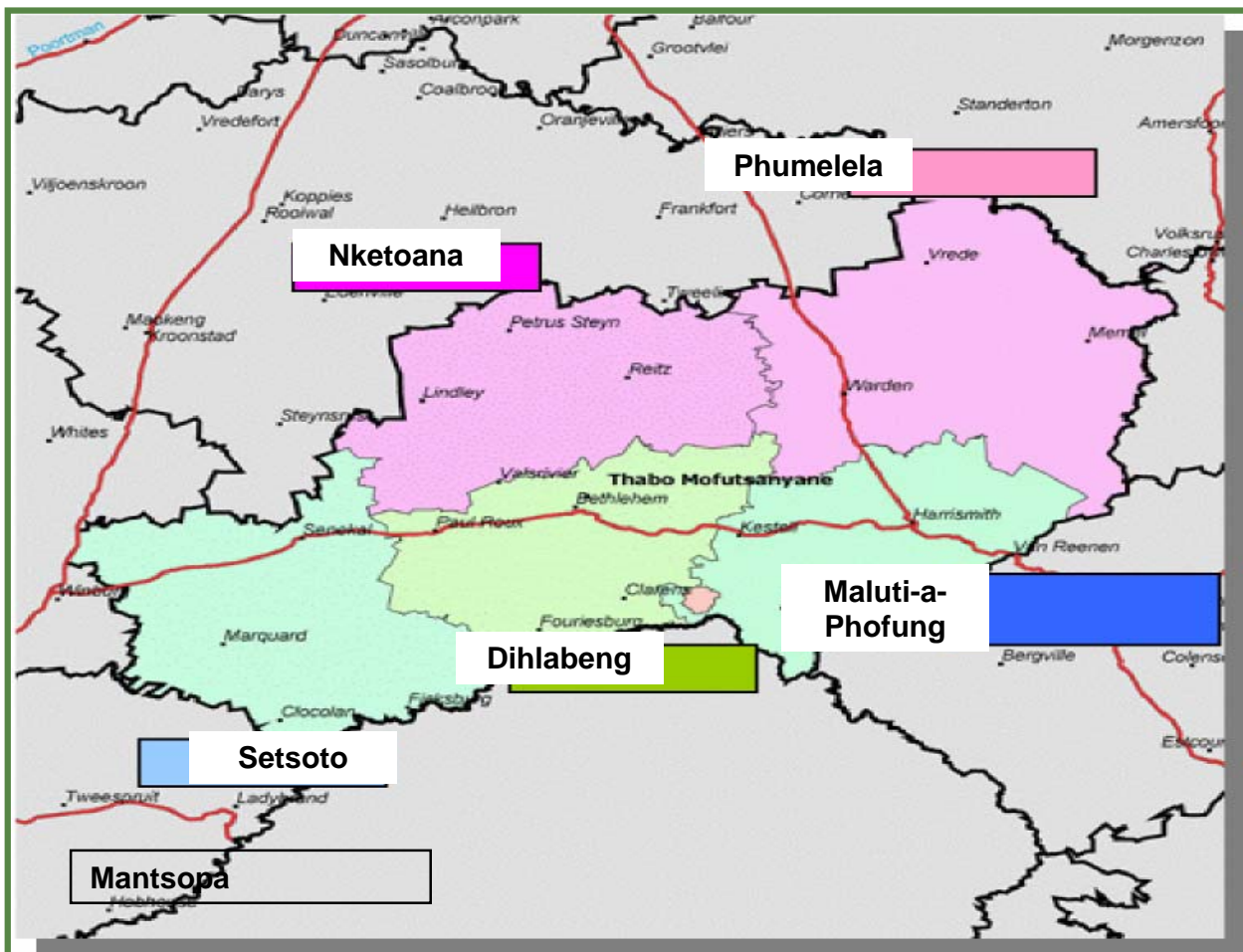
**Me Takatso P.M. Lebenya**

**ACTING MUNICIPAL MANAGER**

## Overview of the municipality

Thabo Mofutsanyana District Municipality is situated in the North eastern part of the Free State Province and borders for most of Lesotho and Kwazulu Natal. It nestles in the shades of the Maluti between the Orange River in the south and the Vaal River in the north. Its Head Office is situated in Phuthaditjhaba about 48km south-west of Harrismith (R712) and 142km North-east of Ficksburg.

Thabo Mofutsanyane District is one of four district municipalities in the Free State. With the exception of Xhariep district municipality, it is bordered by two other district municipalities of the province namely, Lejweleputswa in the west and Fezile Dabi in the north. In the south, it is bordered by the Mangaung metro. Other borders include Lesotho in the southeast, Kwa-zulu Natal in the East and Mpumalanga in the northeast. Thabo Mofutsanyana has been divided into six local municipal areas, with Setsoto and Mantsopa forming the south-western section, Dihlabeng the south-middle section, Nketoana the north middle section and Maluti-a-Phofung the south-eastern section and Phumelela the north-eastern section of the district.



The area is primarily agricultural in nature and includes the former homelands of Qwaqwa and the municipal area is 26 035,4 km<sup>2</sup> big. The main centres in the District are Bethlehem, Ficksburg, Harrismith, Vrede, Memel, Phuthaditjhaba, Senekal, Reitz, and Ladybrand. The most populated municipality is Maluti-A-Phofung which was declared as a node and has 52% of the district population and a density of about 88 people per sq km.

The table below indicates the urban centres in each local municipality.

*Urban centres located within a Local Municipality's area of jurisdiction*

<b>Dihlabeng Local Municipality</b>	<b>Maluti-a- Phofung Local Municipality</b>	<b>Nketoana Local Municipality</b>	<b>Phumelela Local Municipality</b>	<b>Setsoto Local Municipality</b>	<b>Mantsopa Local Municipality</b>
Bethlehem	Harrismith	Reitz	Vrede	Ficksburg	Ladybrand
Clarens	Kestell	Petrus Steyn	Memel	Clocolan	Hobhouse
Fouriesburg	QwaQwa	Lindley	Warden	Marquard	Tweespruit
Paul Roux	Tshiame	Arlington		Senekal	Exelsior
Rosendal	Phuthaditjhaba				Thaba Patchoa



# Demographic and service delivery statistics from Stats SA

(Source: Statistics South Africa.2011, Census 2011-Municipal Report, Free State)

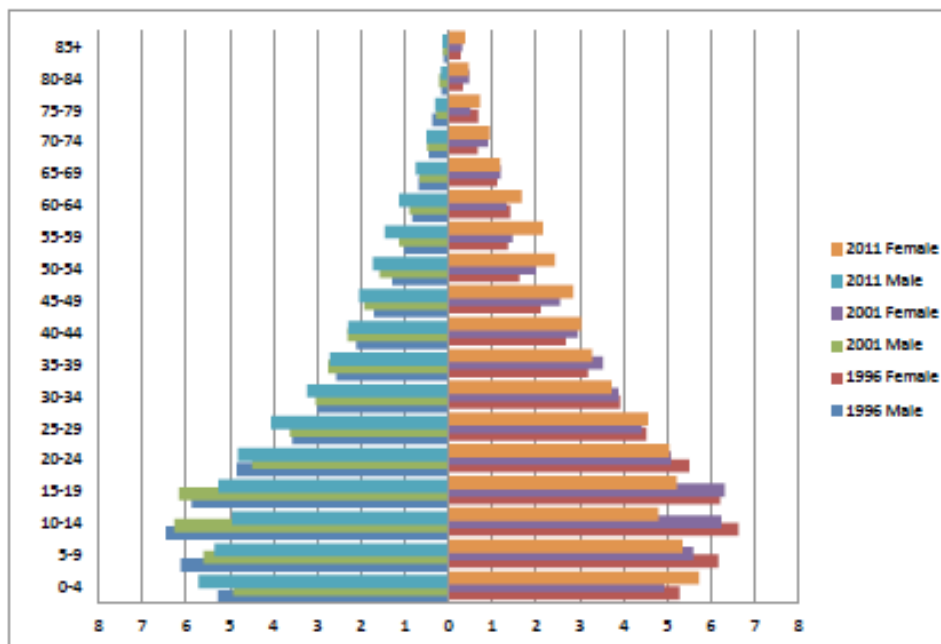
## Total population and number of households per municipality

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	Population		Households		Population
	Census 2001	CS 2007	Census 2001	CS 2007	Census 2011
Setseto	123 194	102 826	32 746	29 828	112 588
Dihlabeng	128 929	108 449	33 027	31 836	128 704
Nketoana	61 951	62 367	14 904	16 748	60 324
Maluti-a-Phofung	360 787	385 413	90 390	97 172	335 784
Phumelela	50 906	35 090	11 934	11 531	47 772
Mantsopa(New LM 18/5/2011)					51 056
<b>Total District</b>	<b>725 939</b>	<b>694 316</b>	<b>183 049</b>	<b>187 115</b>	<b>517 362</b>

Statistics South Africa

Figure 4.1.1.4: Distribution of the population by age and sex, Thabo Mofutsanyane – 1996, 2001 and 2011



### 4.1.2 Population growth rates

Figure 4.1.2.1: Population growth rates by district municipality – 1996, 2001 and 2011

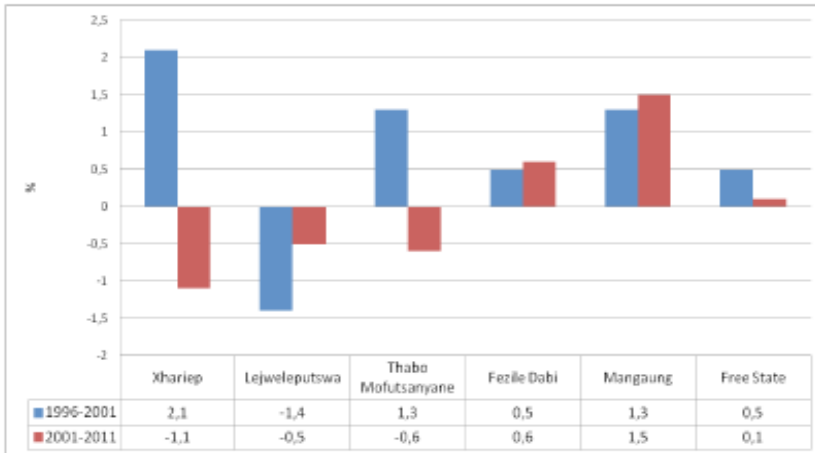
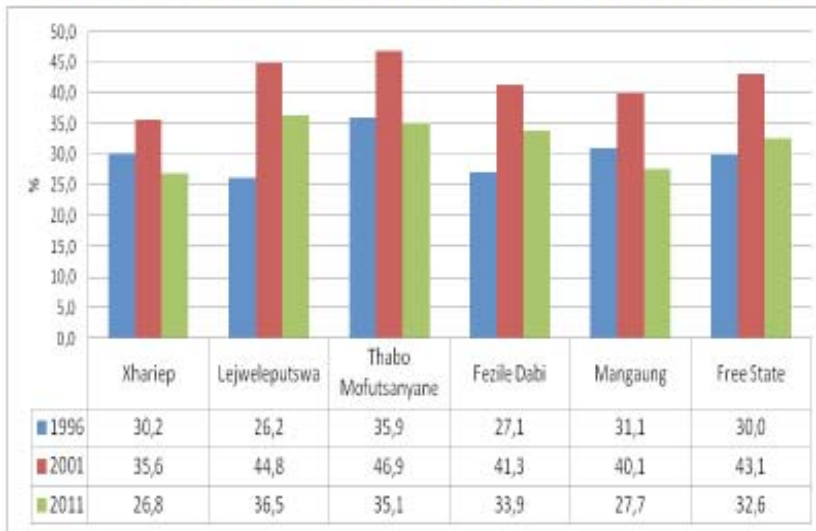


Figure 4.1.2.1 shows the population growth rate from 1996 to 2001 and 2001 to 2011 respectively. Results show that Free State grew by 0,5% in the period 1996–2001 and 0,1% in the period 2001–2011. Xhariep, Lejweleputswa and Thabo Mofutsanyane districts experienced a slowed growth in the period 2001–2011.

### 4.3 Labour market

#### 4.3.1 Unemployment rate

Figure 4.3.1.1: Unemployment rate (official definition) by district municipality – 1996, 2001 and 2011



Trends in the unemployment rate as shown in Figure 4.3.1.1 suggest an increase between 1996 and 2001 and thereafter a decline across districts. Readers are requested to heed the disclaimer in the introduction to this publication.

#### 4.4.6 Access to piped water

Figure 4.4.6.1: Distribution of households having access to piped water by district municipality – 1996, 2001 and 2011

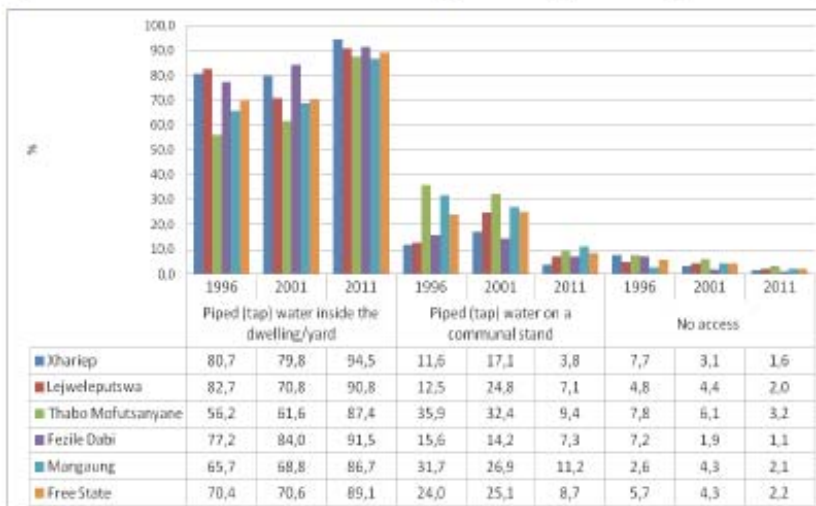


Figure 4.4.6.1 shows that the proportion of households with access to piped water inside the dwelling/yard has increased in all the five districts, corollary, the proportion of households with no access to piped water declined. Xhariep reported the highest proportion of households with access to piped water inside their dwellings/yard, followed by Fezile Dabi and Lejweleputswa (94,5%, 91,5% and 90,8% respectively).

4.4.7 Refuse disposal

Figure 4.4.7.1: Distribution of households by type of refuse removal and district municipality – 1996, 2001 and 2011

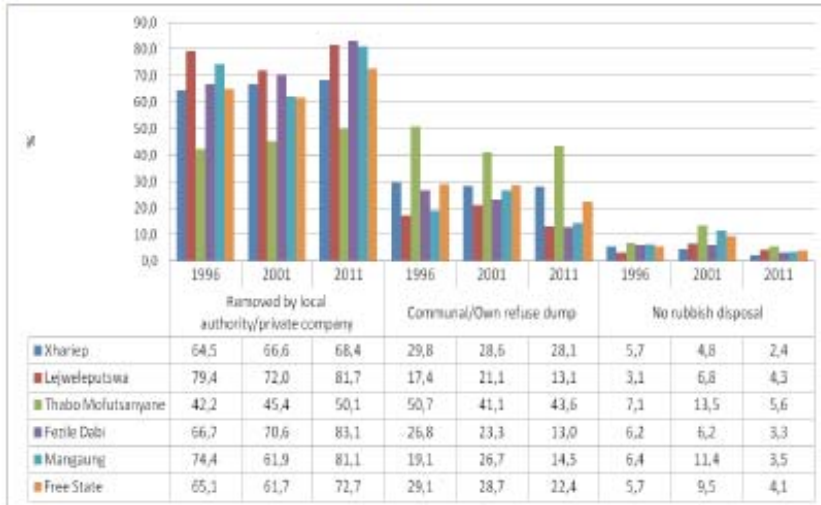


Figure 4.4.7.1 shows that Fezile Dabi, Lejweleputswa and Mangaung have the highest proportion of households whose refuse is removed by local authority/private company. Thabo Mofutsanyane district has the highest proportion of households reporting that they do not have refuse disposal facilities.

4.4.8 Toilet facilities

Figure 4.4.8.1: Distribution of households by type of toilet facility and district municipality – 1996, 2001 and 2011

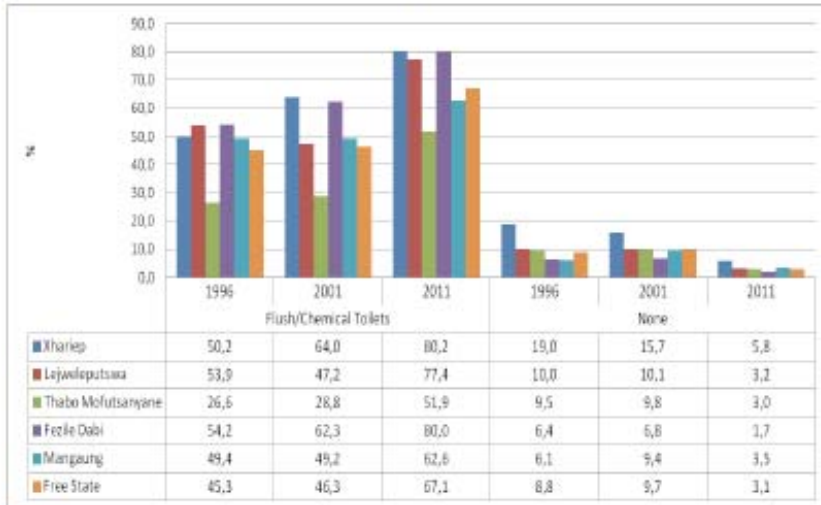


Figure 4.4.8.1 shows that the proportion of households with access to flush/chemical toilet increased in all districts; with Xhariep consistently having the highest proportion. The proportions of households with no access to toilet facilities decreased over time across the districts, Fezile Dabi has the lowest proportion of households with no access to toilet facilities.

4.4.9 Average household income

Figure 4.4.9.1: Distribution of average household income by district municipality – 2001 and 2011

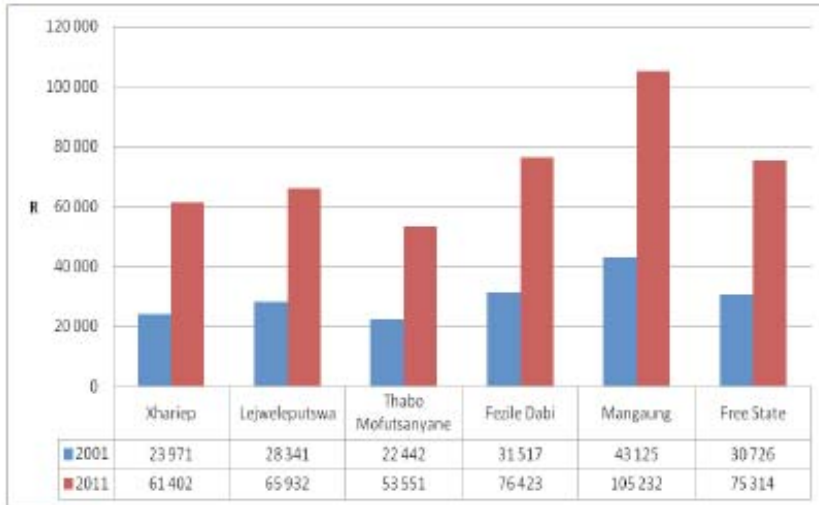


Figure 4.4.9.1 shows an increase in the average household income across districts. The average household income for Mangaung metropolitan municipality and Fezile Dabi district is higher than the provincial average.

4.4.10 Female headed households

Figure 4.4.10.1: Distribution of female headed households by district municipality – 1996, 2001 and 2011

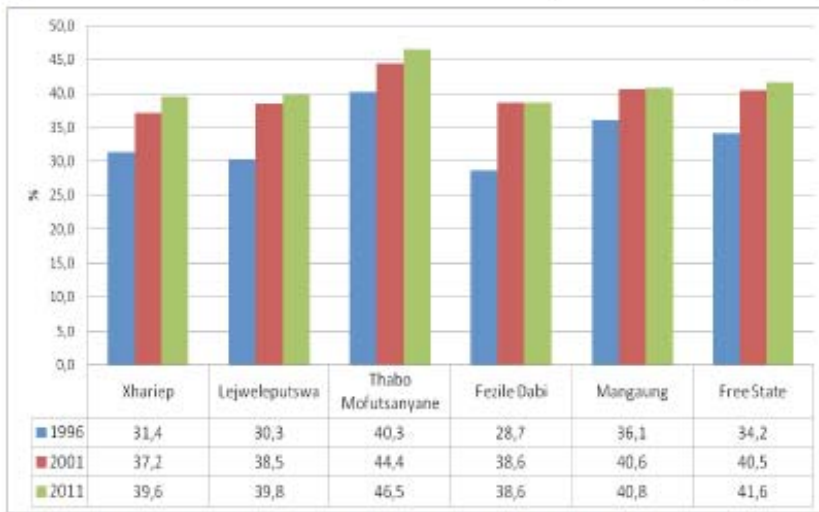


Figure 4.4.10.1 indicates an increase in the proportion of households headed by females. Mangaung and Thabo Mofutsanyane have the highest proportion of female headed households in the province.

4.4.11 Child headed households

Figure 4.4.11.1: Distribution of child headed households by district municipality – 1996, 2001 and 2011

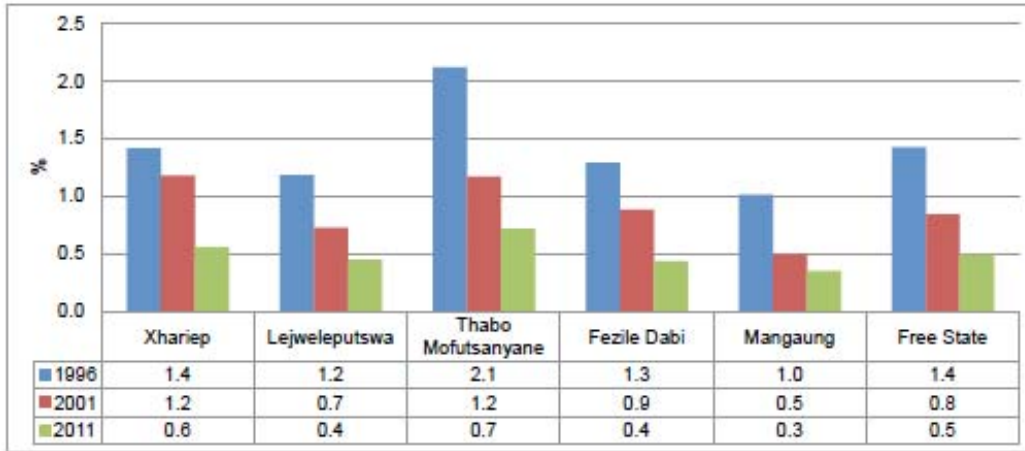


Figure 4.4.11.1 shows that the proportion of households headed by children has declined over the three epochs and across districts. As expected; the proportion of child headed households is consistently low. Xhariep and Thabo Mofutsanyane districts consistently have the highest proportion of child headed households.



DC19: Thabo Mofutsanyane	1996			2001			2011		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
No schooling	32 112	46 596	78 708	36 539	54 915	91 454	14 252	23 755	38 007
Some Primary	34 399	46 647	81 046	39 366	52 177	91 543	30 703	44 316	75 018
Completed Primary	12 544	16 971	29 516	12 900	17 005	29 906	9 464	12 640	22 105
Some Secondary	50 420	63 087	113 508	52 653	66 500	119 152	65 131	78 757	143 888
Grade 12/Std 10	21 397	22 803	44 200	31 923	35 390	67 313	47 542	55 951	103 492
Higher	8 804	9 793	18 598	10 482	12 570	23 051	14 995	18 781	33 776
<b>Total</b>	<b>159 677</b>	<b>205 899</b>	<b>365 576</b>	<b>183 863</b>	<b>238 557</b>	<b>422 420</b>	<b>182 086</b>	<b>234 200</b>	<b>416 286</b>

FS191: Setsoto	1996			2001			2011		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
No schooling	4 753	6 350	11 103	5 491	7 832	13 323	2 142	3 435	5 578
Some Primary	6 339	8 552	14 891	6 856	9 634	16 490	4 594	6 912	11 507
Completed Primary	2 641	3 471	6 112	2 657	3 721	6 378	1 878	2 739	4 617
Some Secondary	7 688	9 428	17 115	8 465	10 630	19 095	10 500	12 811	23 311
Grade 12/Std 10	2 787	2 602	5 389	4 623	4 793	9 416	6 944	7 530	14 473
Higher	1 443	1 391	2 834	1 464	1 670	3 134	2 089	2 346	4 435
<b>Total</b>	<b>25 651</b>	<b>31 793</b>	<b>57 444</b>	<b>29 556</b>	<b>38 281</b>	<b>67 837</b>	<b>28 147</b>	<b>35 774</b>	<b>63 921</b>

FS192: Ditlabeng	1996			2001			2011		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
No schooling	4 532	6 565	11 097	5 576	8 132	13 708	2 569	4 227	6 795
Some Primary	4 924	6 414	11 338	6 852	8 934	15 786	4 978	6 777	11 755
Completed Primary	1 959	2 493	4 453	2 401	3 202	5 603	1 690	2 088	3 777
Some Secondary	8 667	9 859	18 526	9 626	11 922	21 548	11 957	13 855	25 812
Grade 12/Std 10	4 376	3 914	8 290	6 841	6 696	13 537	10 058	10 130	20 188
Higher	1 916	2 026	3 942	2 083	2 388	4 471	3 627	4 470	8 097
<b>Total</b>	<b>26 374</b>	<b>31 271</b>	<b>57 645</b>	<b>33 378</b>	<b>41 274</b>	<b>74 652</b>	<b>34 878</b>	<b>41 547</b>	<b>76 425</b>

FS193: Nketoana	1996			2001			2011		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
No schooling	3 758	5 319	9 077	4 050	5 721	9 772	1 659	2 731	4 390
Some Primary	3 446	4 179	7 624	3 348	4 210	7 558	3 032	3 656	6 688
Completed Primary	1 102	1 232	2 334	992	1 161	2 153	854	1 007	1 861
Some Secondary	3 402	3 938	7 340	3 572	4 266	7 838	5 652	6 283	11 935
Grade 12/Std 10	1 466	1 488	2 954	1 994	2 128	4 123	3 436	3 602	7 038
Higher	700	765	1 465	724	756	1 480	1 087	1 208	2 295
<b>Total</b>	<b>13 875</b>	<b>16 920</b>	<b>30 795</b>	<b>14 681</b>	<b>18 242</b>	<b>32 924</b>	<b>15 721</b>	<b>18 686</b>	<b>34 407</b>

FS194: Mafuti a Phofung	1996			2001			2011		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
No schooling	14 265	22 764	37 030	16 349	26 799	43 148	5 706	10 755	16 462
Some Primary	13 748	19 839	33 587	15 088	20 648	35 736	12 709	19 920	32 628
Completed Primary	4 952	7 237	12 189	4 654	6 126	10 780	3 381	4 664	8 044
Some Secondary	24 706	32 827	57 534	23 930	31 204	55 134	27 995	35 434	63 429
Grade 12/Std 10	10 448	12 520	22 968	14 610	17 770	32 380	21 106	28 660	49 766
Higher	3 783	4 542	8 325	4 845	6 166	11 011	6 180	8 461	14 641
<b>Total</b>	<b>71 902</b>	<b>99 729</b>	<b>171 631</b>	<b>79 477</b>	<b>108 713</b>	<b>188 190</b>	<b>77 076</b>	<b>107 834</b>	<b>184 970</b>

FS195: Phumelela	1996			2001			2011		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
No schooling	3 007	3 445	6 453	2 994	3 870	6 864	1 373	1 740	3 113
Some Primary	3 132	3 783	6 915	3 721	4 071	7 792	3 086	3 543	6 629
Completed Primary	735	887	1 622	891	1 024	1 915	787	854	1 641
Some Secondary	2 294	2 785	5 079	2 898	3 381	6 279	4 305	4 633	8 938
Grade 12/Std 10	917	1 034	1 951	1 633	1 878	3 510	2 569	2 765	5 335
Higher	358	429	787	586	742	1 328	817	979	1 796
<b>Total</b>	<b>10 444</b>	<b>12 363</b>	<b>22 806</b>	<b>12 722</b>	<b>14 966</b>	<b>27 688</b>	<b>12 938</b>	<b>14 514</b>	<b>27 452</b>

FS196: Mantsopa	1996			2001			2011		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
No schooling	1 796	2 153	3 949	2 078	2 561	4 639	802	867	1 669
Some Primary	2 811	3 881	6 691	3 501	4 680	8 181	2 303	3 309	5 612
Completed Primary	1 155	1 652	2 807	1 305	1 771	3 076	875	1 289	2 164
Some Secondary	3 663	4 251	7 914	4 161	5 096	9 258	4 721	5 741	10 462
Grade 12/Std 10	1 403	1 246	2 649	2 223	2 125	4 348	3 429	3 263	6 692
Higher	604	641	1 245	780	847	1 627	1 195	1 318	2 512
<b>Total</b>	<b>11 432</b>	<b>13 823</b>	<b>25 255</b>	<b>14 049</b>	<b>17 080</b>	<b>31 130</b>	<b>13 325</b>	<b>15 786</b>	<b>29 111</b>

**Table 4.4.9.1: Distribution of average household income by municipality – 2001 and 2011**

Municipality	2001	2011
<b>DC16: Xhariep</b>	23 971	61 402
FS161: Letsemeng	28 853	60 360
FS162: Kopanong	22 633	66 507
FS163: Mohokare	19 793	58 258
FS164: Naledi	23 850	56 839
<b>DC18: Lejweleputswa</b>	28 341	65 932
FS181: Masilonyana	20 171	51 271
FS182: Tokologo	41 140	52 234
FS183: Tswelopele	21 273	60 088
FS184: Matjhabeng	31 111	71 331
FS185: Nala	19 870	55 944
<b>DC19: Thabo Mofutsanyane</b>	22 442	53 551
FS191: Setsoto	19 101	50 225
FS192: Dihlabeng	31 320	79 650
FS193: Nketoana	21 164	57 743
FS194: Maluti a Phofung	20 087	42 643
FS195: Phumelela	20 107	52 839
FS196: Mantsopa	28 206	62 287
<b>DC20: Fzile Dabi</b>	31 517	76 423
FS201: Mophaka	31 535	71 627
FS203: Ngwathe	22 179	56 316
FS204: Metsimaholo	45 577	105 581
FS205: Mafube	20 866	53 586
<b>MAN: Mangaung</b>	43 125	105 232
<b>Free State</b>	<b>30 726</b>	<b>75 314</b>

# PART TWO

## PERFORMANCE HIGHLIGHTS

### Introduction

The municipality set itself the following key results areas:

*Key Result Area 1:* Create credible staff establishment and speeding up appointment of key personnel.

*Key Result Area 2:* Coordinate and ensure alignment of credible Integrated Development Plans.

*Key Result Area 3:* Enhance and promote appropriate financial management.

*Key Result Area 4:* Create cohesive sustainable Local Economic Strategy.

*Key Result Area 5:* Strengthen the skills and human resource base.

*Key Result Area 6:* Advancement and enhancement of intergovernmental relations, stakeholder mobilization and cooperation.

The next section in this chapter provides an overview of the functions, activities and strategic objectives of the main functional areas in the municipality and further highlights the key performance issues and challenges for the year under review in respect of the above key result areas.

# OFFICE OF THE MUNICIPAL MANAGER

## Overview

The Office of the Municipal Manager is required to lead and direct the administration aspects of the Municipality and account to the Municipal Council so that economic growth and development is facilitated, poverty is alleviated, an efficient and effective service is delivered to stakeholders and the long term sustainability of the Municipality is ensured within the requirements of the relevant legislation

## Description of the activity

Ensure the provision of efficient and effective service delivery to the community so that the requirements in the IDP are met in relation to public safety, health, water, waste and electricity, roads, community services and local economic development, communications and planning.

## The strategic objectives of the office of the municipal manager are to –

- Manage the interface with the Mayor and Council so that the administration is aligned with the political priorities of Council
- Oversee the strategic planning for the Municipality that will ensure alleviation of poverty and the facilitation of sustainable economic growth and development so that it is in alignment with political priorities; the needs of the community, budgetary constraints and human resources capacity.

## The key performance issues, highlights and challenges for 2011/12 were:

- Turning the Municipality around was a mammoth task, but achievable with willing and able colleagues
- The fruit of hard labour was an unqualified audit opinion for this year and the previous two years.
- The IDP was adopted by Council within the specified time frame.
- The Performance Management Framework has been adopted by Council.
- Appointment of an Internal auditor, IT and Disaster Management Managers.
- The SDBIP has been submitted to, and approved by the Executive Mayor.

- All local municipalities have been assisted with IDP conceptualization, Performance Management System (PMS), Spatial Development Framework (SDF), and Municipal Turnaround Strategy (MTAS) reporting
- In regard to intergovernmental relations for the year under review, the District has established and attended the following fora:
  - Mayors Forum-Chaired by District Executive Mayor
  - Speakers Forum- Chaired by District Speaker
  - Municipal Managers Forum-Chaired by the Municipal Manager
  - Premier Co-coordinating Forum- Reporting on behalf of the District

## **BUDGET AND TREASURY OFFICE**

### **Overview**

The Budget and Treasury Office is responsible for the overall administration and management of the municipality's financial resources to ensure that the key principles of effectiveness, efficiency and economy are observed.

### **Description of the activity**

To manage and control all financial functions of the Municipality so that the current and future effectiveness of Council services, programmes and operations is ensured in a sustainable way. These functions include accounting; budgetary control; cash receipts and disbursements; payroll; credit control and collections; financing; banking; investment; risk management and taxes.

The strategic objectives of the finance department are to ±

- Monitor and control the Finance Department budget so that expenditure is in line with Council's requirements.
- Take overall responsibility for the management of the Department so that all Council policies and procedures are adhered to. This includes policies relating to procurement, finance, treasury, regulations.

- Develop a medium term financial framework within which Council can operate.

The key performance issues, highlights and challenges for 2011/12 were:

- Submission of Audited Financial Statements on time, and in correct format.
  - Obtaining an unqualified audit opinion from the Auditor-General for the current year 2011/12 and 2010/11 and 2009/10 financial years.
  - Control around the banking arrangement of using Cash Focus was improved as a priority activity to reduce the risk of fraudulent or unsupported cash transactions to take place.
  - The review of the financial system was conducted by an information systems specialist from external auditors commissioned by COGTA.

- The turnaround included the documenting and mapping of roles and responsibilities.

This process identified any changes that may be required to the organogram.

- Bank reconciliations were being performed on investment accounts
- Monthly fixed assets reconciliation performed between financial system ± general ledger (GL) and fixed assets register (BAUD system);
- A grant register has been implemented in the Municipality and consequently grant reconciliations are being performed;
- The DoRA returns as required by National Treasury are being submitted
- The leave register was reconciled with payroll.
- A total of four systems are in use at the Municipality. The systems are as follows:
  - o VIP for payroll management;
  - o Cash Focus to facilitates the payments;
  - o BAUD system for fixed assets;
  - o A supplier database.
- Procurement requisitions are numbered sequentially. This increases the effectiveness of the controls around procurement;

A budget office was established, and an officer appointed..

- Reviewed the indirect taxes environment focused on VAT, PAYE, SDL, UIF.

## **CORPORATE SERVICES**

### **CORPORATE SERVICES DIRECTORATE**

#### **Departmental Overview:**

The primary objective of The Corporate Services Department is to provide a complete and innovative Support Service that addresses skills development and the administrative to function optimally and provide with corporate support by:

- Promoting effective personnel and administration function,
- Promoting sound employee relations, labour stability and implementing recruitment and retention measures,
- Smooth running of both executive and council meetings,

#### **Strategic Objective:**

The objective of the department of Corporate Support Services is to support the following strategic focus areas of the municipality:

**Human Resources** – Coordination of sound Labour Relations, Recruitment, Staff Benefits, Employee Wellness, Organisational Development and Occupational Health and Safety.

**Corporate Support** – Coordination of secretariat support to Council and its Committees, Fleet Management, Record Management, Receptionist, General Assistants, Driver Messenger.

**Legal Services** - Fully outsourced

#### **Local Labour Forum**

Local Labour Forum (LLF) comprised of management and recognized labour **and** has been resuscitated, specifically to handle all matters that relate to the employer-employee workplace relationships. Other Committees, including Bereavement Committee, Training and Employment Equity Committee and Occupational Health Committee were established to ensure harmony in the work place.



## CORPORATE SUPPORT SERVICES

### Secretariat Services

To provide a procedural and administrative support services to Council committee.

The Council has both the legislative and executive powers and ensures accountability and oversight of the administrative component. A year plan was developed which clearly provides dates for all Council, MAYCO and Section 80 Meetings together with closing dates for submission of items. TMDM Council has forty **three (43)** Councillors.

- Councillors consisting of thirty **Three (33)** Councillors from the African National Congress (ANC),
- Four (6) Councillors from the Democratic Alliance (DA)
- Two (3) Councillors Dikwankwetla Party of South Africa and
- One (1) Councillor from the Congress of the People (COPE).

### Council Meetings

**Six (6)** ordinary Council meetings and three (3) special Council meetings under the stewardship of the Speaker, Cllr M Mduna were convened.

#### COUNCILLORS ATTENDANCE TO COUNCIL MEETINGS 1 JULY 2011 – 30 JUNE 2012

Name of Councillors	21 Jul 2011	Aug 2011	29 Sep 2011	Oct 2011	04 Nov 2011	09 Dec 2011	10 Jan 2012	25 Jan 2012	21 Feb 2012	30 Mar 2012	April 2012	31 May 2012	Total Number Attendance
		Special Council on 04 Nov 11			Special Council on 10 Jan			Special Council on 21 Feb 12					
1. Cllr M. Maduna (Speaker)	✓		✓		A	✓	✓	A	✓	A		✓	6
2. Cllr (DR)B.E Mzangwa (Executive Major)	✓		✓		✓	✓	✓	✓	✓	✓		✓	9
3.Cllr S. Moleleki (Chief Whip)	✓		✓		✓	✓	✓	✓	✓	A		✓	8
4.Cllr (MMC) M. Majara	✓		✓		✓	✓	✓	✓	✓	✓		✓	9
5.Cllr (MMC) C.J	✓		✓		✓	✓	✓	✓	✓	A		✓	8

<b>Makhoba</b>													
<b>6. Cllr (MMC) M.B Mamba</b>	✓		✓		✓	✓	✓	✓	✓	✓		✓	<b>9</b>
<b>7. Cllr (MMC) J.M Komako</b>	✓		✓		✓	✓	✓	✓	✓	✓		✓	<b>9</b>
<b>8. Cllr (MMC) P Mavundla</b>	✓		✓		✓	✓	✓	✓	✓	A		✓	<b>8</b>
<b>9. Cllr (MMC) M.J Vilakazi</b>	A		✓		A	✓	A	✓	✓	✓		✓	<b>6</b>
<b>10. Cllr (MMC) A.M Nhlapo</b>	✓		✓		A	✓	✓	✓	✓	✓		✓	<b>8</b>
<b>11. Cllr (MMC) M. Motloung</b>	✓		A		✓	✓	✓	✓	A	✓		✓	<b>7</b>
<b>12. Cllr C.H.E Badenhorst</b>	✓		✓		✓	✓	✓	✓	✓	A		✓	<b>8</b>
<b>13. Cllr R. Mota</b>	✓		✓		✓	✓	✓	✓	✓	✓		✓	<b>9</b>
<b>14.Cllr MR Naidoo</b>	N/A		N/A		N/A	✓	✓	✓	✓	✓		✓	<b>6</b>
<b>14.Cllr T.J Tsotetsi</b>	✓		<b>2</b>										
<b>15.Cllr S.Nkopane</b>	✓		✓		✓	✓	✓	✓	A	✓		✓	<b>8</b>
<b>16.Cllr Mohlabi</b>	✓		✓		✓	✓	✓	✓	✓	✓		✓	<b>9</b>
<b>17. Cllr S. Motaung</b>	✓		✓		✓	✓	✓	X	✓	✓		A	<b>7</b>
<b>18.Cllr Zim</b>	A		<b>1</b>										
<b>18.Cllr Mkwanazi</b>													<b>0</b>
<b>19.Cllr R.E Mohoaladi</b>	✓		✓		✓	✓	X	✓	A	✓		A	<b>6</b>
<b>20.Cllr M.E Tolofi</b>	✓		X		✓	✓	A	✓	✓	✓		A	<b>6</b>

21. Cllr T. Thebe	✓		✓		A	✓	✓	✓	✓	A		X	6
22. Cllr M.J Lebesa	✓		✓		✓	✓	✓	✓	✓	✓		X	8
23. Cllr M Lebesana	✓		✓		A	A	✓	✓	✓	✓		✓	7
24. Cllr T. Mosikidi	✓		✓		A	✓	✓	✓	✓	X		X	6
25. Cllr L.M Kleyhans	✓		✓		A	✓	✓	✓	A	✓		✓	7
26. Cllr Z.A Tshabala	✓		✓		✓	✓	✓	✓	✓	✓		✓	9
27. Cllr K.J Tsoene	✓		✓		A	A	✓	✓	X	✓		✓	6
28. Cllr N.A Taylor	✓		✓		✓	✓	✓	✓	✓	✓		✓	9
29. Cllr A.C Msibi	✓		✓		✓	✓	X	✓	✓	A		✓	7
<b>Name of Councillors</b>	<b>21 Jul 2011</b>	<b>Aug 2011</b>	<b>29 Sep 2011</b>	<b>Oct 2011</b>	<b>04 Nov 2011</b>	<b>09 Dec 2011</b>	<b>10 Jan 2012</b>	<b>25 Jan 2012</b>	<b>21 Feb 2012</b>	<b>30 Mar 2012</b>	<b>April 2012</b>	<b>31 May 2012</b>	<b>Total Number Attendance</b>
30. Cllr W.R Ndlebe	✓		A		✓	✓	✓	✓	✓	✓		A	7
31. Cllr M.A Mokoena	✓		✓		✓	X	✓	✓	✓	✓		✓	8
32. Cllr H.E Mokoena	✓		✓		✓	X	✓	✓	✓	✓		X	7
33. Cllr T.J Tseki	✓		✓		A	X	✓	✓	✓	✓		✓	7
34. Cllr P.T Ramaele	A		✓		A	✓	✓	✓	✓	✓		X	6
35. Cllr L. Kere	✓		✓		✓	X	✓	X	✓	✓		✓	7
36. Cllr V. Mohala	✓		✓		✓	✓	✓	X	✓	✓		✓	8
37. Cllr R. Bath	✓		✓		✓	✓	✓	A	✓	✓		✓	8
38. Cllr M. Nakedi	✓		✓		✓	✓	✓	✓	✓	✓		A	8
39. Cllr P. Sibeko	✓		✓		✓	✓	✓	✓	✓	✓		A	8
40. Cllr	✓		✓		A	✓	✓	A	A	A		✓	5

<b>S.E Tshabala la</b>													
<b>41.Cllr T.N Masiteng</b>	✓		✓		✓	✓	✓	A	✓	✓		✓	<b>8</b>
<b>42. Cllr Y.J Jacobs</b>	✓		✓		✓	✓	A	✓	✓	✓		✓	<b>8</b>
<b>43. Cllr M. Mcwada</b>	✓		A		A	A	✓	✓	X	X		X	<b>3</b>
<b>Total No. Apology</b>	3		3		12	3	3	4	5	8		6	
<b>Total No. of NO Apology submitted</b>	0		1		0	2	2	3	2	2		6	
<b>Total No. Councillors Attendance</b>	40		39		30	37	37	35	35	32		30	
<b>Total No. Council Meetings</b>													

**BELOW ARE THE SYMBOLS USED IN THE REPORT AND THE MEANING THEREOF:**

- ✓ = SIGNIFY MEETING ATTENDED
- A = SIGNIFY APPLICATION FOR LEAVE OF ABSENCE
- X = SIGNIFY MEETING NOT ATTENDED

### **Mayoral Committee**

The Mayoral Committee consists of nine (8) members, these are Councillors appointed by the Executive Mayor to perform functions for which the Mayor is responsible. The division was able to ensure that these meetings materialize to the extent that a total of 19 Mayoral committee meetings were convened during the year under review under the leadership of Dr. BE Mzangwa.

### **Section 80 Committees**

Councillors serving on Section 80 Committees are from political parties represented in the Council. The number of Councillors in Section 80 Committees varies from five (5) to four (4) Councillors. Each Section 80 Committee is chaired by a Member of the Mayoral Committee MMC. There are eight (8) Section 80 Committees namely;

- Finance

- Corporate Services
- Community Services
- Women, Children and People with Disabilities
- Infrastructure and Transport
- Local Economic Development and Tourism
- Agriculture and Rural Development
- IDP and PMS

## **LOCAL ECONOMIC DEVELOPMENT**

### **Overview**

The key performance areas and main activities of the department of Local Economic Development are:

- Industrial development
- Tourism development

### **Description of activity**

The strategic objectives of the department are to:

- To broaden the industrial base/capacity of the district
- To ensure that tourist attractions and facilities meet and maintain industry standards to promote tourism at a regional level

### **Key performance issues, highlights and challenges for 2011/12 were:**

- Business training courses were offered to emerging entrepreneurs in the District
- Tourism related training has been provided to guest house owners.
- Tourism Indaba attended with local exhibitors.
- No senior manager has been appointed for this directorate.

### Tourism Development

- Assisted with the accreditation and grading of accommodation establishments.
- Advertised the District in 3 highly rated tourism magazines.

- Attended world Tourism indaba in Durban to assist TMDM in monitoring the participation of the Districts as stakeholders in the Tourism Indaba.
- Worked with department of economic development and tourism in the Free State to host National Tourism Day wherein the district was well marketed and
- Product owners had an opportunity to be linked to empowerment products offer by the government.
- Attended 2 tourism related shows, with the aim of marketing the District.
- Printed marketing material and marketed the district through national publications such as Explore SA and Jo'burg Style for distribution at events and other municipalities.
- Worked with Free State Tourism Authority to host Tour de Free State as a part of tourism marketing programme.
- Worked with DETEA for responsible Tourism, grading and Tourism safety programmes for guest houses.

### **SMME Development**

- 3 Workshop for SMME's were held in partnership with Dti, SEDA and IDC
- Bavumile workshop women in Business trained 100 women from local municipalities and the samples of their products were send to DTI for quality evaluation.
- Many Cooperatives were established and registered in the local municipalities.
- Database of all SMME's in the district was compiled and updated.

### **LED Forums/Tourism Forums**

TMDM together with COGTA have started the process of launching LED Forums. M-A-P completed.

## **LED SUMMIT**

The LED Summit was postponed to next financial year.

## **Tourism Expo**

Tourism Expo was also postponed to next year.

## **Challenges**

Department is still with no full-time HOD

Limited budget to fulfil all key areas



## **COMMUNITY SERVICES**

### **Overview**

The overall mission of the department is to provide innovative services and programmes that will enhance the quality of life for Thabo Mofutsanyana Communities by promoting safety, health and wellbeing of these communities.

The key performance areas and main activities of the Department relate to:

- Sport and recreation
- Education
- Safety and security
- Disaster management
- Environmental management and care
- Health services

### **Description of the activity**

The strategic objectives of the Department are to –

- To ensure that proper sport and recreational facilities are available to all communities
- To improve the level of education and skills of communities
- To ensure that Thabo Mofutsanyana is a crime-free area
- To ensure that proper contingency plans for disasters at local municipal and district level are in place
- To ensure that Thabo Mofutsanyana district area has a clean, green and healthy environment
- To develop, coordinate and implement a coordinated and coherent HIV/AIDS programme in line with National and Provincial imperatives
- To promote healthy and safe circumcision of initiates
- To ensure that a properly coordinated public transport exist in the district

**The key performance issues, highlights and challenges for 2011/12 were:**

- **FOOD SAFETY:** Milk samples were taken in all local municipal areas in collaboration with The Dairy Standard Agency.
- **FOOD QUALITY MONITORING:** Tonnes of foodstuffs have been removed from shelves of businesses, especially wholesalers where food is stored or kept, handled or prepared either due to their unfitness for human consumption, contamination and deterioration caused by power outages or even damages from the manufacture.
- **HEALTH CERTIFICATES:** About 45 percent of all businesses in the district have been issued with Health Certificates of compliance and registered in health data base. These include the Food handling premises, manufacturing, storage facilities, food transportation vehicles, day care centres, catering establishments, and funeral Undertakers premises.
- **COMMUNICABLE DISEASES CONTROL:** Disease control response team has been established with EHP's and all relevant stakeholders in the District so that immediate action could be taken where any communicable disease incident happened.
- **ENVIRONMENTAL HEALTH CAMPAIGNS:** Health campaigns have been carried out in the District, i.e.; local municipalities regarding training in food safety, informal food handling, and initiation schools and involvement in Operation Hlasela programmes.
- **INITIATION SCHOOLS PROJECT:** 515 Initiation schools registered and monitored. Training on the Initiation Schools Act took place in all Local Municipalities.
- **HIV/AIDS:** Sittings of the District Aids Council chaired by the Executive Mayor were scheduled on a quarterly basis. Dihlabeng, Maluti-A-Phofung, and Setsoto have appointed coordinators to handle HIV/AIDS issues. The municipality and Department of Home Affairs had a campaign to assist orphans in schools with the acquisition of ID

documents. HIV and Aids workshops were conducted in all locals on how to run HIV and Aids programmes up until June 2011.

- **HEALTH PLAN:** Reviewed by the District Health Council in 2011. Empowerment workshops were held Thabo Mofutsanyana District Municipality in 2011.
- **SPORT:** Municipalities got engaged in O.R. Tambo Games successfully.
- **DISASTER AND FIRE SERVICES:**
  - Maluti A Phofung Advisory Forum met on a monthly basis.
  - A district disaster management framework was done and adopted by council
  - District disaster management forum was established.
  - A structure to cater for disasters has been built in Phumelela and some equipment bought.
  - A Joint Operation Centre was successfully established during the disasters in 2011 in Kestell..
  - Road-shows were done in partnership with SAPS on public safety
  - Meetings on the public safety cluster are bi-monthly.
  - **ENVIRONMENTAL HEALTH // MUNICIPAL HEALTH SERVICES**
  - 
  - The Municipal Health Services is the one core function of the Community Services Department where all matters relating to human health in the environment are identified, monitored, evaluated and controlled with the sole purpose of keeping and maintaining the human health in a state not conducive to adverse and injurious health risks. The following are the Environmental health objectives implemented to achieve a comprehensive service throughout communities of Thabo Mofutsanyana District Municipality that had been carried out in the past financial year.

- **1. FOOD SAFETY.**
- 
- **a) Milk Sampling.**
- 
- Milk samples were taken in all local municipal areas in collaboration with The Dairy Standard Agency where milk sampling run/program agreed upon between municipalities' Environmental Health and this Agency where EHP's would collect milk samples from their localities to be picked up on the same day by the DSA agent for analysis by DSA laboratories as to check for quality of raw milk produced by local farmers in the District.
- 
- Immediately after quality checking/assurance, the Agency would send back results indicating as to where the problem lies and, for instant follow-ups and correction by the Environmental Health Practitioners. This arrangement is still standing and it has proved beneficial to both parties and all communities involved.
- 
- Foodstuffs sampling has not been carried out as expected because there is often no obvious thread within communities, but proactive action has always been taken where there are community events where people are expected to attend gatherings and where food would be served, by getting involved in the preparation and education of all supposedly food handlers and owner managers of catering companies in good food-handling practices and hygiene.
- 
- **b) Water Analysis**
- 
- Monthly and continuous water sampling is taking place throughout the District municipality and the quality of water sources is compliant with minimum requirements. As a result no adverse incidents of ill-health had ever happened, no water-borne medical conditions happened in the district communities to date.
- 
- **c) Chemical Analysis**

- 
- This analysis had not been done because of the unavailability of forensic laboratories nearby or in the Province, except for the only two found in Pretoria and Cape Town which are always overloaded because of the critical investigations that are always been undertaken by other state departments like the SAPS.
- 
- **2. WASTE MANAGEMENT – LIQUID AND SOLID**
- 
- On continuous basis the environment is being monitored to ensure a clean and healthy surrounding, and where a nuisance is seen to be created, it had been controlled by involving all stakeholders in pollution control, especially the local municipalities and where necessary the Provincial DEAT is robed in. So far the district environmental conditions are generally fair, and the local municipalities are doing their part in trying to keep their areas in a state of acceptable cleanliness, and they have been entering the cleanest town competitions conducted by the National and Provincial DEAT as it encourages clean environment for healthy living.
- 
- **3. FOOD QUALITY MONITORING**
- 
- Tonnes of foodstuffs had been removed from shelves of businesses, especially wholesalers and big retailers such as Shop-rite and Pick 'n Pay where food is stored or kept, handled or prepared for sale, either due to their unfitness for human consumption, contamination and deterioration caused by power outages or even damages from the manufacturers. Disposal of all these foodstuffs is carried out by EHP's at authorised landfill sites of the local municipalities and condemnation / clearance certificates issued to owners of these businesses
- **4. HEALTH CERTIFICATES.**
- 
- About Four Hundred (200) of all businesses in the district have been issued with Health Certificates of compliance and registered in health data base, implying that they are known to the EHP's working in these areas. These include the Food handling premises, manufacturing establishments, storage facilities, food transportation vehicles, day care centres, catering establishments, and funeral Undertakers premises. As the district encompasses farm and rural areas, Municipal Health service

has been extended to these areas as well, and the data is being compiled of the milk/dairy farmers and milk depots that supplies factories such as Nestle', Denmar, Clover, etc; and education is provided to those farm workers on code of practice in good handling of milk so that quality of a milk product could be acceptable to consumers and final processors. This activity is on-going throughout the District municipal area.

○

○ **5. HEALTH SURVEILLANCE OF PREMISES**

○

- All building plans for both new residential and business premises including extensions are being checked for compliance with health and building standards in all areas that have been zoned as such at the municipal level, once such plans are compliant with health requirements, they are being recommended for approval by building inspectors of municipalities, the only problem in existence is that there exist certain areas in some local municipalities that are not as yet zoned and could not be given approval by building inspectors of local municipalities, therefore EHP's only give recommendations where applicable from the health point of view, this only happens at local municipalities with rural settlements such as in QwaQwa.

○

○ **6. ROUTINE INSPECTION OF BUSINESS PREMISES.**

○

- Business premises handling foodstuffs are visited routinely by EHP's for general health inspections and education to owners and employees in good housekeeping and health and hygiene. Where non compliance exists, measures are being taken to encourage owners to at least reach the minimum standards for their businesses to operate as certified business premises that handle foodstuffs in terms of stipulations as set out in health regulations.

○

○ **7. COMMUNICABLE DISEASES CONTROL.**

○

- Disease control response team had been established with EHP's and all relevant stakeholders such as the Department of Health in the District, so that immediate action could be taken where any communicable diseases incidents happen, a team work approach kicks in on such disease episodes, as a result it becomes easier to

monitor and control any outbreak that could happen in communities, thus far not even a partial communicable medical condition had ever taken place in the District in the past year.

○

○ **8. VECTOR CONTROL**

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○ Environmentally – friendly and disease causing vectors are monitored throughout the District in collaboration with the Department of Agriculture, as a result no pest or vector of concern had been isolated, on-going monitoring takes place throughout the District municipality area.

○

○ **9. ENVIRONMENTAL POLLUTION CONTROL.**

○

○ Common environmental pollutants are basically man-made such as the solid, liquid and seldom air pollution reported where there are offensive trades within localities.

○ Therefore a health hazard mapping is done so that hotspots could be identified for continuous monitoring, control and prevention of recurrence of pollution nuisance in the District.

○

○ **10. DISPOSAL OF THE DEAD**

○

○ Facilities provided for disposal of the dead, such as funeral parlours, crematoria and cemeteries are monitored on an on-going basis as they should be compliant with requirements in terms of the National Health Act 2003 (Act 61 of 2003) to operate effectively with safety, therefore health inspections are carried out to ascertain safe storage and disposal of the dead. Education is continuously given to mortuary owners and employees in health and safety including especially, when exhumations had to be done as they happen sporadically throughout the district.

○

○ **11. COMMUNITY PROJECTS.**

○

○ Involvement of EHP's in community projects happens continuously as it is so obvious that the service is community based, advise is given on many issues of

health depending on the nature of community project at hand, direct involvement was carried out quarterly since the national water week in Warden in March 2011.

○

○

## **12. TRAINING.**

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○

Training and skills development has not taken place, except for computer training that happened earlier in the financial year 2010/2011, and preparations for continuous on-the-job training for the next financial year are at final stages.

○

Water quality workshop was attended by four (4) EHP's in Bloemfontein during the financial year, including few meetings at the Provincial Department of Health. Continuing Professional Development points (CPD points) are accumulated as accredited training workshops are being attended, therefore building a c.p.d. portfolio in the process. Continuous on-the-job training is desirable for all at all times.

○

○

## **13. ENVIRONMENTAL HEALTH CAMPAIGNS.**

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○

Health campaigns have been carried out in the District, i.e; local municipalities regarding training in food safety to informal food handling, early childhood centre owners, initiation schools, celebrations of national health days and according to approved awareness programme.

○

○

## **13. RESOURCES**

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○

Equipments like milk sampling kits, computers for all EHP's have been obtained, while other essential basic equipment for service rendering is being sought.

○

○

## **14 OFFICE ACCOMMODATION**

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○

Office accommodation for EHP's stationed at Dihlabeng has been secured.

○

○

## **15. TRAVELING ALLOWANCES**

○

○

Travelling allowance was allocated to all EHP's.



## **DISTRICT DISASTER MANAGEMENT**

### **DISTRICT DISASTER MANAGEMENT ADVISORY FORUM**

The District held two meetings of District Disaster Management Advisory Forum, many stakeholders attended the meeting and they made positive contributions during the meetings. The Terms of reference for Disaster Management Advisory forum was developed.

### **STATE OF FIRE DEPARTMENT AT LOCAL MUNICIPALITIES**

The District visited all local municipalities and during the visit the following were the findings:

#### ***Maluti A Phofung Municipality***

There is a permanent building.

#### ***Dihlabeng Municipality***

There is permanent building.

#### ***Mantsopa Municipality***

There is no building for fire department, they share an old garage with EMS.

#### ***Nketoana Municipality***

The municipality had two personnel who are responding to incidents.

#### ***Setsoto Municipality***

The municipality had one fire engine

## ***Phumelela Municipality***

The district erected a structure at Warden.

### **VELD FIRE MEETINGS**

The District Disaster Management, Rural Development and SALGA Free State held a meeting with Local Municipalities to discuss challenges of fire and its economic impact to the District. The response was good from the municipalities.

### **RESPONSE AND RECOVERY**

#### **02 OCTOBER 2011 MEQHELENG TORNADO**

Meqheleng residents experienced a challenge of Tornado on the 02<sup>nd</sup> October 2011, the incident left many people displaced and claimed one life. Joint Operational Centre was established, the National Disaster Management Centre and Provincial Disaster Management Centre responded positively. None Governmental Organization were invited by District, Province and National to assist affected community with food, blankets and salvage sheet during the hard times. The District Municipality collected 50 blankets from Game store that was organised by Red Cross.

#### **23 JUNE 2012 BETHLEHEM AND TLHOLONG TORNADO**

Bethlehem farm areas and Tlholong location experienced a challenge of a tornado that claimed the life of one woman who was pregnant. Many people were left displaced, the District and Province organised None Governmental Organization to assist displaced communities with food and blankets.

### **SNOW PROTOCOL PLAN**

Thabo Mofutsanyana District is exposed to the challenge of Snow every year between May and June. The District invited all relevant stakeholders to develop snow protocol plans. Later the plan was used as Provincial snow protocol plan and was shared with Kwazulu Natal.

in the next financial year report.

### **AWARENESS AND CAMPAIGNS**

The District Municipality has an obligation to have campaigns, awareness, education and training to community and stakeholders. During 2011 and 2012 financial year, the District Disaster Management had only one campaign whereby awareness posters were distributed to Mantsopa, Nketoana and Dihlabeng.

### **VELD FIRES**

Eastern Free State is exposed to veld fires every year. Fires were attended by working on Fire and others by the local municipality fire department.

### **DONATIONS**

District Disaster Management Officer engaged Red Cross foundation about donating blankets to the District so that we may not have challenges when disaster strikes the area. After lengthy discussions, Red Cross Foundation donated 150 blankets and were delivered to the District. Some blankets were donated to Tlholong and Bethlehem Tornado victims that happened on the 23<sup>rd</sup> June 2012.

### **JOINT OPERATIONAL CENTRE AND SECURITY CLUSTER MEETINGS**

District Disaster Management participated in meetings of Phuthaditjhaba and Bethlehem Clusters.

### **CHALLENGES**

There is lack of understanding of local municipalities about the role played by the District and local municipalities in the events of Disaster.

District Disaster Management Centre does not have proper resources to be able to meet the challenges when they arise.



Receiving blankets form Game Manager



Ficksburg food bank



Tornado debris at Ficksburg



Distribution area at Meqheleng



Tlholong Tornado debris



community building shacks at Tlholong

## **ARTS CULTURE DEPARTMENT JUNE 2011 TO JUNE 2012**

### **Purpose of Establishing Local Arts Forum**

Thabo Mofutsanyana District Municipality took an initiative and partnered with Free State department of Arts and culture to establish local art forums .These were established in May 2012 .

Thabo Mofutsanyana District Municipality also participated in Macufe Arts Festival.The District Municipality also played a key role in supporting Dihlabeng Batjha Arts Festival which was held in Bethlehem.

### **Initiation School Matters**

#### **District Initiation School Meeting**

It was held on the 16 August 2011 at District chamber.

The purpose of the meeting was to tabulates requirements to hold an Initiation school or treat initiates

All representation from local Municipalities were present at meeting

#### **Meeting with Traditional Leaders**

In terms of Section 13 of the Free State Initiation School Health act,2004(Act no 1 of 2004) It is responsibility of District Municipality to coordinate and monitor all local initiation schools.

There was meeting between District Initiation coordinator and Traditional leaders and all Initiation stakeholders on the 02September2011 at Maluti a Phofung.

#### **Maluti a Phofung Initiation Induction Workshop**

It was held on the 20 October 2011 in Phuthaditjhaba community hall.

**Nketoane Local Municipality**

On the 18 June 2012 the new committee of Nketoane was formed for period of two years under new MMC of health Mme Mphaka

**Phumelela Local Municipality**

The committee was established on the 21 June 2012

## **INFRASTRUCTURE SERVICES**

This department includes the following key performances areas and main functions:

- Water provision
- Sanitation provision
- Electricity provision
- Roads and storm water

### **Description of the activities**

The strategic objectives of the department are to:

- To ensure that adequate water is available in order that all rural and urban communities have access to potable water, which is provided on at least RDP standard at affordable rates
- To provide an acceptable and affordable sanitation system for the entire region(VIP or waterborne)
- To ensure the overall planning and provision of streets and stormwater systems for all municipalities in phases over the next 5 years.
- To provide bulk electricity and distribution networks for the entire region

### **The key performances issues, highlights and challenges for 2011/2012 were:**

The completion of the following projects

- Rosendal Road Paving
- Arlinton Road Paving

### **Labour Reports**

The total number of 95 local labourers benefited from this projects and the table below indicate the labour stastic's.

Description	Total Number of Labourers
Total No.of disabled on projects	02
Total No. of male employed on project	20
Total No. of male youth employed on projects	45
Total No of Female youth employed on Projects	20
Total No of Female employed on Projects	08
Total number of labourers	95

### **Community benefit from the project**

The projects were executed through labour intensive methods, as it has created jobs and other developmental opportunities. Through these projects the following basic needs of the communities has improved in both two local municipalities.

- Better transport facilities as a result of better access roads
- Safety of road users,pedestrains and the general public
- Improvement in the standard of living through job creation for the local people
- Maximization of local resources e.g. labour and material usage
- Economic empowerment through training of local people.



## **Key highlights of the projects**

The two projects were completed before the planned dates and there were no major delays on the projects. The design and implementation of the projects was done in terms of the guidelines and policies of the new Expanded Public Works Programmes (EPWP).

**The capital projects approved during the budget adjustment and roll-over to 2012/13 financial year for implementation and planned to be completed in the 1<sup>st</sup> Quarter**

### **Roads Projects**

- Hasethunya Road Paving Phase 2
- Ficksburg Road Paving
- Ladybrand Road Paving

### **Sanitation Projects**

- Thaba Patchoa Oxidation Ponds
- Platberg sewer connections and toilet structures
- Memel/Zamani Oxidation Ponds

### **Electricity Projects**

- The installation of 300 solar street lights in Mantsopa and Phumelela local municipalities, Thaba Patchoa(50), Hobhouse(50), Tweespruit(50) and Vrede Ext 4 (60) and Warden (90) respectively.

### **Water Infrastructure Needs**

#### **Background**

Various current and future projects have been identified as problematic to implement, covering but not limited to the following interventions:

- Water and wastewater treatment plants
- Water Conservation and Water Demand Management ( WCWDM)

- Raw Water Supply
- Bulk Water Supply
- Water distribution/reticulation
- Sanitation networks
- Operations and maintenance in various municipalities

Challenges that hinder completing projects successfully have been identified as follows:

- Failing to complete projects within set periods
- Poor construction quality
- Unable to adhere to specified budgets

### **Dihlabeng LM**

Dihlabeng LM has not compiled a business plan on WCWDM with an estimated cost of **R43 million** in the next two financial years. Funding of the project is not currently available and must still be urgently secured.

Raw water supply intervention will include a construction of Rosendal Dam with an estimated cost of **R30 million** in the next financial year. The project is at design stage and will be funded by RBIG programme.

Bulk water supply intervention will include a construction of WTW, reservoirs and pipeline. These bulk water supply projects are under construction and will cost **R96 million**. RBIG programme is providing funding for these projects. Refurbishment of Clarens WTW will cost approximately **R6.9 million**

In total, the funding shortfall in Dihlabeng LM will be **R49.9 million**. This funding is under discussion between DWA, CoGTA and National Treasury for the next financial year.

## **Maluti-A-Phofung LM**

Maluti-A-Phofung LM has compiled a business plan on WCWDM with an estimated cost of R20 million in the next financial year. Funding of the project is not currently available and must still be urgently secured.

Bulk water supply intervention will include construction of WTW, reservoirs, 47km pipeline, Makgolokweng-4ML reservoir, Kestel-2ML reservoir and refurbishment of Fika Patso WTW. These bulk water supply projects will cost **R281 million, R5.5 million and R14 million** respectively. Although NT programme is funding refurbishment of Fika Patso WTW, a shortfall of **R4 million** must still be secured. The bulk of the projects will be funded by RBIG and MIG programmes.

Projects related to sanitation will include 6000 VIP toilets in QwaQwa, Harrismith Wilge STW, upgrading Makgolokweng bulk sewer and erf connections, 800 VIP toilets QwaQwa rural, Chris Hani park waterborne sanitation, and Chris Hani park waterborne sanitation phase 2. An estimated cost for sanitation projects is **R52 million, R75 million, R23.2, R52 million, R2.7 million and R 2.7 million** respectively.

In total, the funding shortfall in Maluti-A-Phofung will be R81.4 million. The Funding is under discussion between DWa, CoGTA and National Treasury for the next financial year.

## **Nketoana LM**

Nketoana LM has not compiled a business plan on WCWDM with an estimated cost of R41 million in the next two financial years. Funding of the project is not currently available and must still be urgently secured.

Raw water supply intervention will include upgrading of WTW, upgrading of Reitz WTW and bulk water supply, pipeline from Lindley to Arlington. These bulk water supply projects will cost **R25.4 million, R8 million and R18 million** respectively. All these projects will be co-funded by MIG and RBIG programmes.

Oxidation ponds system needs refurbishment at an estimated cost of **R2 million** and funding must still be secured

In total, the funding shortfall in Nketoana LM will be R43 million. This funding is under discussion between DWA, CoGTA and National Treasury for the next financial year.

### **Phumelela LM**

Phumelela LM has not compiled a business plan on WCWDM with estimated cost of R35 million in the next two financial years. Funding of the project is not currently available and must still be urgently secured.

Raw water supply intervention will include construction of Cornelius Dam at an estimated cost of R22 million for the design stage only in the next financial year. The project is funded through RBIG programme.

Bulk water supply intervention will include construction of WTW, reservoirs, pipeline and 2ML reservoir in Zamani. These bulk water supply projects will cost **R60 million** and **R11 million** respectively. RBIG and MIG programmes will fund these projects.

Oxidation ponds system in Memel needs refurbishment at an estimated cost of R4.5 million and funding must still be secured.

In total, the funding shortfall in Phumelela LM will be R39.5 million. This funding is under discussion between DWA, CoGTA and National Treasury for the next financial year.

### **Setsoto LM**

Setsoto LM has compiled a business plan on WCWDM with an estimated cost of **R41.5 million** in the next two financial years. Funding of the project is not currently available and must still be urgently secured.

Raw water supply intervention will include the upgrading of bulk water supply in Ficksburg and construction of a pipeline of raw water from Caledon to Meulspruit Dam. These projects will have an estimated cost of **R55 million** and **R8 million**, respectively. MIG programme will contribute R55 million towards upgrading of bulk water supply and R8 million will come from RBIG programme.

WWTWs that need upgrading will include Ficksburg rehabilitation of WWTW, upgrading of Oxidation Ponds in Marquard/Moemaneng. These WWTWs projects will cost **R16 million**, **R36 million** respectively. Funding has been secured through MIG and ACIP programme

In total,the funding shortfall in Setsoto LM will be R41.5 million.This funding is under discussion between DWA,CoGTA and National Treasury for the next financial year.

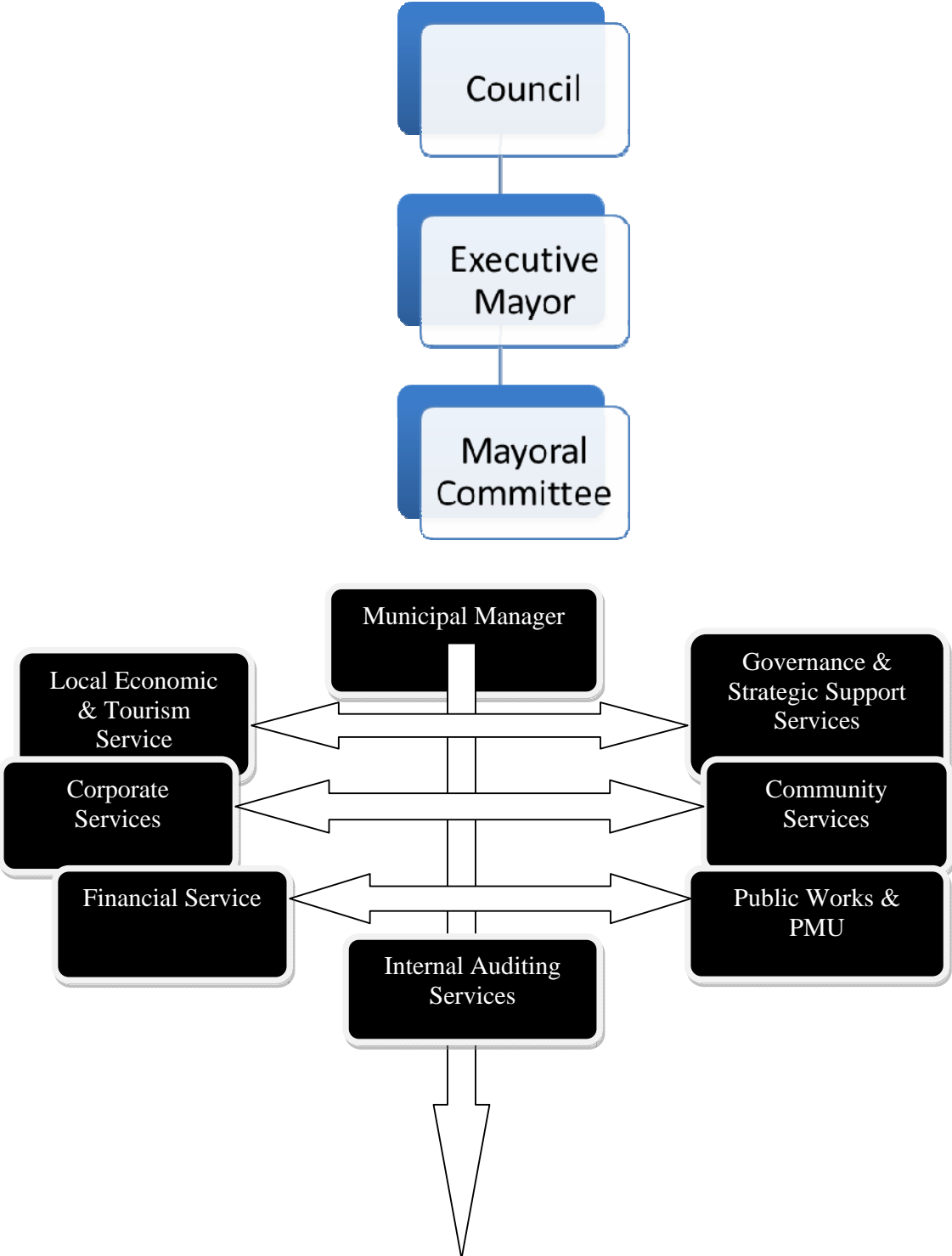
## **ZONING AND BUILDING PLAN APPLICATIONS**

All building plans and zoning applications are processed and approved by the local municipalities.

# Part Three

## Human Resources and Organisational Management

### ORGANISATIONAL STRUCTURE



## Development of MACRO Organogram

Organogram was approved by Council.

The organogram was done and reviewed to ensure that:

- All staff is incorporated in the new structure.
- To place staff in suitable positions where their level of competency would be achieved optimally in terms of their academic qualifications and skills required while in the employ of the Council.

## STAFF ESTABLISHMENT

### Number of Employees per level and Cost to Employer

Total cost to employer is as per note 19 and 20 of the annual financial statements.

Number of Persons	Level	Female	Male	No of Vacant Position/ Comments	Total Cost to Employer		Competency Level
					2012	2011	
2	Municipal Manager	1	0	MM resigned in February.	R776 155	R966 526	Post Grad, CPMD
	Acting Municipal Manager			Acting MM appointed in March 2012	R736 580	R726 374	Bachelors degree and CPMD
3	Executive Managers	2	1	1-Acting Executive Manager: LED and Tourism	R0	R550 279	B.Com , CPMD  National Diploma, CPMD  Bachelors Degree, CPMD
	<b>CFO-</b>				R883 707	R598 908	
	<b>CORPORATE-</b>				R778 198	R535 768	
	<b>COMMUNITY-</b>				R736 580	R726 374	
4	Managers and Assistant Managers	2	2	2-Manager LED Manager: Tourism	R0	R0	Post Grad Degree, CPMD  Bachelors Degree, CPMD
	<b>SUPPLY CHAIN-</b>				R590 263	R564 116	
	<b>HR Manager-Coporate</b>				R748 919	R577 759	

	<b>Support Manager- IDP and PMS Manager</b>				R589 509	R754 764	Certificates, Labour Law, Municipal Governance
	<b>Infrastructure Manager</b>				R797 274	R674 022	Diploma CPMD

### RENUMERATION RELATED COSTS

	<b>2012</b>	<b>2011</b>
	R35 325 645	R28 980 057

The above total remuneration costs include the cost to company of officials and councillors.

### RENUMERATION OF COUNCILLORS

As per note 19 and 20 of the annual financial statements.

<b>POSITION</b>	<b>2012</b>	<b>2011</b>
EXEC MAYOR	-	606 570
EXEC MAYOR	797 548	-
MAYCO	3 911 645	4 037 649
SPEAKER	-	452 177
COUNCILLORS	1 977 414	1 578 055
CHIEF WHIP	-	46 984
OVERPAYMENTS	-	196 668
SPEAKER	370 939	-
CHIEF WHIP	534 009	-

### SKILLS DEVELOPMENT PROGRAMMES

Thabo Mofutsanyana District Municipality Workplace Skills Plan (WSP) has been completed and submitted timeously to LGSETA in terms of the Legislation. The Annual Training Report (ATR) has also been submitted simultaneously with the WSP.

### TRAINING INTERVENTIONS

- 10 Councillors
- 29 Officials
  - 13 Males
  - 16 females

### EMPLOYMENT

- 40 New Recruits
  - 28 Males
  - 12 Females



- 0 Promotions

#### TERMINATIONS

- 11 Resigned
- 1 Deseaced
- 0 Retired

The table below illustrates organisational capacity building and skills development undergone by the Employees of TMDM as part of the WSP.

#### PERSONNEL EXPENDITURE TRENDS

Financial year	R'000 (Audited actual)	% of total expenditure
2008/09	29 852	25,6%
2009/10	31 771	39,5%
2010/11	28 980	
2011/12	35 326	

#### PENSION AND MEDICAL AID FUNDS

##### Pension and provident funds

Name of fund
Vrystaat Pensioen Fonds
Free State Provident Fund
SALA Pension fund
SAMWU Provident fund
Pension Funds For Councillors
NFMW (National Fund for Municipal Workers)
Municipal Employees Pension Fund

## Medical aid funds

Name of fund
KEYHEALTH
BONITAS
L A HEALTH
SAMWUMED
HOSMED

As from the 1<sup>st</sup> January 2009 municipalities were cautioned not to contribute any subsidy to any other Medical Aid except the ones mentioned below.

- ◆ Hosmed Medical Scheme
- ◆ LA Health Medical Scheme
- ◆ SAMWU Medical Scheme
- ◆ Bonitas Medical Scheme
- ◆ Keyhealth Medical Scheme

Employees not belonging to any scheme mentioned above were requested to transfer to any of the accredited Medical Aid Schemes

## CORPORATE SUPPORT

### Council Resolutions

A document which serves as a tracking register for the implementation of Council/MAYCO resolutions has been designed. It tracks all policies and resolutions adopted by Council and **MAYCO**. Resolutions are distributed after every Council and MAYCO Meetings for implementation together with progress report.

A total of 268 resolutions were taken by MAYCO of which 224 were implemented.

A total of 91 resolutions were taken by Council of which 84 were implemented.

### Fleet and Messenger Services

To ensure that an effective transport and messenger services is provided.

The department has to date ensured close monitoring vehicle usage by providing authorizations for all trips as requirement in terms of guidelines. Complaints received are investigated and corrective measures are instituted. A fleet officer has been appointed.

### **Effective Reception and Telephone Communication network**

To ensure an effective reception and telephone communication network is provided.

The department has to date strived to keep telephone costs or expenditure within limits. New pin codes were allocated to users. Pin codes were activated to each individual as well as departments. Our switchboard is recording outgoing calls for each extension or direct lines, which will make it possible to generate monthly reports.

A full time receptionist has been appointed.

### **Reports Management and Reprographic Services**

The department has to date promoted sound centralized reprographics services for effective printing services. A full time person has been appointed to run this service.

### **General Cleaning and maintenance**

The general cleaning services and maintenance has been effectively provided in terms of Occupational Health and Safety Standards. Necessary tools and acceptable equipment's were purchased.

### **Security Services**

In its ordinary meeting held on the 09<sup>th</sup> December 2011, Council took a resolution to temporarily incorporate Security Officers in the TMDM organogram, in an attempt to create decent jobs. The department has successfully fulfilled the responsibility of vetting all twenty one (21) Security Officers prior commencement of employment.

The department was further entrusted with a responsibility to conduct a work study using the services of Mangaung Metro in order to determine best options to follow to intensify necessary measures to be taken to have the Security Personnel within the staff establishment of the municipality. It has to be note that the certain things with regard to conditions of services and legislations have to be taken into cognizance.

## **PART FOUR**

### **AUDITED STATEMENTS AND RELATED FINANCIAL INFORMATION**



# Report of the Chief Financial Officer

## INTRODUCTION

The office of the Chief Financial Officer is responsible for compiling and preparing the financial statements that fairly present the state of affairs of the municipality. In this regard the municipality aspires to be a leading municipality and thereby ensuring that it continues with sustainable service delivery while remaining financially viable. The 2011/2012 financial year results are in part the outcome of its early pursuit of the reforms.

## KEY PERFORMANCE AREAS:

- Administer financial management support services
- Manage Council's income policies and procedures
- Manage Council's expenditure policies and procedures
- Ensure compliance to the MFMA
- Render support to local municipality with specific reference to Revenue Enhancement Support

## CURRENT YEAR

The office of the CFO strives towards a long-term relationship with local municipality and other government department by providing high-level service within the municipality and its customers. In doing so, it is required of its staff members to act professionally, honesty and with integrity when discharging their duties.

- The management team maintains an active role in projects and administration, enabling swift decisions and a higher commitment to service delivery.
- The office conducts itself in compliance with the Municipal Finance Management Act and other relevant pieces of legislations.

## YEAR AHEAD

In the coming financial year, it is anticipated that the financial operations will be improved to better the audit report to eliminate other matters of emphasis as it has been highlighted in the current year audit report.

This would be achieved through:

- Resuscitate the District CFO's forum;
- Roll out the new accounting system to other local municipalities;
- Hands on support to the most needy municipality and
- Streamlining the operations of the Municipality to improve efficiency.

## INTERNAL CONTROLS

It is management responsibility to maintain proper system of internal controls to ensure that the assets of the municipality are safeguarded.

## ETHICAL ISSUES

The municipality has a code of conduct for its councillors and employees. The code ensures that councillors and officials maintain the highest ethical standards and practices when supporting other local municipality.

## FINANCIAL PERFORMANCE

### 1. Audited Statements and Related Financial Information

Table 1

	Financial and Operational Statistics		
Year ended 30 <sup>th</sup> June 2012		R'000	
	2012	2011	2010
Sundry receivables		1 968	2 126
VAT Receivable		4 009	11 125
Cash and cash equivalents		17 249	10 930
Finance lease obligation		582	675
Trade and other payables		29 635	40 015
Unspent conditional grant		1 355	3 993
Total Operating Revenue		65 875	73 388
Total Operating Expenditure		54 815	76 375
Operating profit / (deficit)		11 037	(3 007)

### 2. FINANCIAL STATUS

#### 2.1 Revenue and expenditure overview

In terms of its revenue base Thabo Mofutsanyana District Municipality is currently the second smallest category C municipality within the Free State. It recorded an income of R 65,875 million in 2011 and R 73,388 million in 2010, a decrease of 10.24% from the previous year. The present income is R84m.

Revenue sources of Thabo Mofutsanyana District Municipality are similar to most district municipalities and comprise primarily income from government grants and returns on investment.

The operating expenditure for 2011 of Thabo Mofutsanyana District Municipality is largely inflexible and requires sound budgeting and discipline to keep costs within budget. Most of the expenditure items were slightly above the budget.

The following table reflects a breakdown of the operating expenses of the municipality:

**Table 2**

Thabo Mofutsanyana District Municipality's Expenditure Type		
Year ended 30 <sup>th</sup> June 2012	2012	2011
Details	R'000	R'000
Employee Costs	29 389	28 117
General expenditure	24 050	45 675
Repairs and Maintenance	1 000	1 294
Finance cost	155	963
Debt impairment	223	328

Municipal services are labour intensive and staff remuneration normally constitutes a larger proportion of the municipality's expense budget. The staff-to-income ratio of Thabo Mofutsanyana District Municipality is at almost 54% reflects an increase from the 37% in 2010; the remuneration cost is in reality way above the norm of 35%. Councillors' costs comprise a minor portion of total expenditure.

Maintenance expenditure on existing assets is a very crucial expense item and is sometimes given less priority than other items. The deferment of maintenance is common practice among municipalities. While the deferment of maintenance expenditure has short-term cash flow benefits, it has adverse long-term effects on operating costs and the sustainability of quality service delivery.

Thabo Mofutsanyana District Municipality external maintenance costs comprise 1.8% of total expenses (1.6% - 2010). These ratios have slightly increased from the previous year and management remains concerned that the maintenance is not at the optimum level.

The municipality has recorded an operating surplus in 2010 of R11,037 million a huge improvement as to compare to the loss that was realised in 2009 of R3,006 million. The operating budget indicates moderate increases for the next three years.

### 2.3 Liquidity management

The municipality had an effective cash management system in operation to control this crucial aspect of its finance, this has enabled the municipality to realise a surplus at year end as to compare to the deficit in the prior year. The remaining challenge that poses a risk ongoing concern relate to the legal dispute which is still pending.



## 2.4 Capital analysis

The pressure on capital expenditure with specific reference to bulk services is expected to remain high over the long-term, this is due to the withdrawals of Municipal Infrastructure Grant by the National Department of Cooperative Governance and Traditional Affairs.

## 4. CONCLUSION

The municipality overall financial management operation has improved to be able to deal with the demands for improved service delivery in assistance to local municipalities and other legislative mandate imposed on municipality by the Constitution.

### EXPRESSION OF APPRECIATION

My sincere appreciation to the Executive Mayor, Members of Mayoral Committee, Councillors, the Municipal Manager and Departmental Heads and their staff including local representative of the Office of the Auditor General and the auditors appointed by him for the support given to me.

*I wish to convey a special word of appreciation to all the staff in Financial Services Department for their hard work, dedication and their undoubted support.*

Thank you,

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Mr. H I Lebusa

Chief Financial Office

# Report of the Audit Committee, and Performance Audit Committee

## Audit Committee Report

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We are pleased to present our report for the financial year ended 30 June 2012.

### Audit committee members and attendance

The audit committee consists of the members listed hereunder and should meet at least four times per annum as per its approved terms of reference. During the current year six meetings were held.

Name of member	Number of meetings attended
Mr. E. M. Mohlahlo (Chairperson)	1
Mrs. L. M. Sefako	1
Mrs. S. D. Lebeko	6
Mr. G. A. Ntsala	5

### Audit committee responsibility

The audit committee reports that it has complied with its responsibilities arising from section 166(2)(a) of the MFMA.

The audit committee also reports that it has adopted appropriate formal terms of reference as its audit committee charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

### The effectiveness of Internal control

The system of internal control was not entirely effective for the year under review. During the year under review, several deficiencies in the system of internal control and/or deviations from there were reported by the internal auditors and the Auditor-General South Africa. In certain instances, the matters reported previously have not been fully and satisfactorily addressed.

The quality of monthly/quarterly reports submitted in terms of the MFMA and the Division of Revenue Act.

The audit committee is not satisfied with the content and quality of monthly and quarterly reports prepared and issued by the Accounting Officer of the municipality during the year under review. There were no internal audit reports prepared and submitted for the first three quarters of the year.

### Evaluation of annual financial statements

The audit committee has:

- reviewed and discussed the audited annual financial statements to be included in the annual report, with the Auditor-General and the Accounting Officer;
- reviewed the Auditor-General of South Africa's management report and management's response thereto;
- reviewed changes in accounting policies and practices;
- reviewed the entities compliance with legal and regulatory provisions;
- reviewed significant adjustments resulting from the audit.

The audit committee concur with and accept the Auditor-General of South Africa's report on the annual financial statements, and are of the opinion that the audited annual financial statements should be accepted and read together with the report of the Auditor-General of South Africa.

TPM

**Internal audit**

The audit committee is not satisfied that the internal audit function is operating effectively and that it has addressed the risks pertinent to the municipality and its audits.

**Auditor-General of South Africa**

The audit committee has met with the Auditor-General of South Africa to ensure that there are no unresolved issues.

\_\_\_\_\_  
Chairperson of the Audit Committee

Date: \_\_\_\_\_

.....  
**Ms. L. Sefako**  
**Acting Chairperson**

.....  
**Date**

1. Annual Financial Statements

2. Report of the AG

3. Action Plan

4. 2011-12 Performance Report

