

2013/2014

XHARIEP DISTRICT MUNICIPALITY

ANNUAL REPORT

Volume I

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PROPOSED REVISED ANNUAL REPORT TEMPLATE

The purpose of this revised Annual Report template is to address the need expressed by a number of municipalities for assistance in the preparation and development of improved content and quality of Municipal Annual Reports. It replaces a template dating back to August 2003.

This template gives effect to the legal framework requirement, concepts and principals espoused in the White Paper on Local Government and Improving Government Performance. It reflects the ethos of public accountability. The content gives effect to information required for better monitoring and evaluation of government programmes in support of policy decision making. The template provides an improved overview of municipal affairs by combining the performance report data required under Municipal Systems Act Section 46 with annual report data referred to in that Act and in the MFMA.

The revised template makes its contribution by forging linkages with the Integrated Development Plan, Service Delivery and Budget Implementation Plan, Budget Reforms, In-year Reports, Annual Financial Statements and Performance Management information in municipalities. This coverage and coherence is achieved by the use of interlocking processes and formats.

The revised template relates to the Medium Term Strategic Framework particularly through the IDP strategic objectives; cross cutting nature of services offered by different spheres of government, municipal service outcome indicators; and the contextual material as set out in Chapters 3, 4 & 5. It also provides information on good management practice in Chapter 4; risk management in Chapter 2; and Supply Chain Management in Chapter 5; and addresses the Auditor-General's Report, dealing with Financial and Performance Management arrangements in Chapter 6. This opens up greater possibilities for financial and non financial comparisons between municipalities and improved value for money.

The revised template provides information on probity, including: anti-corruption strategies; disclosure of financial interests by officials and councillors; disclosure of grants by external parties, disclosure of loans and grants by municipalities. The appendices talk to greater detail including disaggregated information on municipal wards, among others.

Notes are included throughout the format to assist the compiler to understand the various information requirements. Once the draft has been finalised, training will be provided to facilitate the implementation of this initiative, and separate additional guidance may be issued if necessary.

We wish to express our gratitude to the members of the Annual Report Reference Group, consisting of national, provincial and municipal officials for their inputs and support throughout the development of this document.

MFMA Implementation Unit, National Treasury

October 2009

CHAPTER 1 – MAYOR’S FOREWORD AND EXECUTIVE SUMMARY

COMPONENT A: MAYOR’S FOREWORD

MAYOR’S FOREWORD

Once again it is that time of the year which we do introspection and reflect on what we did achieve and what we did not as well. This is a very important exercise for us in government because it is a tool that we account to our constituents, rate payers and the community at large.

I have great pleasure to introduce the 2013/2014 Annual Report of the Xhariep District Municipality, which is both a legislative and accountability requirement. In terms of Section 46 of the Local Government: Municipal Systems Act No. 32 of 2000 and Sections 121 and 127(2) of the Local Government: Municipal Finance Management Act No. 56 of 2003, the Municipality must prepare an annual report for each financial year and the Executive Mayor must table such report in Council within seven months after the end of each financial year.

This Annual Report is a culmination of the implementation of the Council’s adopted Integrated Development Plan and Service Delivery and Budget Implementation Plan for the 2013/2014 financial year.

This Report presents the institution’s achievements and challenges in working smarter and better in improving service delivery and development.

Achievements

The Municipality’s progress in achieving its objectives in all key performance areas will be outlined in this Annual Report. The key performance areas are as follows:

- Basic service delivery and infrastructure development
- Municipal financial viability and management
- Municipal transformation and development
- Local economic development
- Good governance and public participation

Key Achievements over the review period include the following

- Establishment of shared services for risk management and auditing.
- Financial statements comply with GRAP standards.
- Establishment of Disaster Management Unit and Environmental Health Unit as part of our powers and function in terms of section 84 of municipal structures act.
- Constant communication with residents of Xhariep District about plans and developments within this jurisdiction.
- Municipal transformation and development through skills development, Financial accountability
- More processes are internally carried out without the use of consultants, specifically compilation of

IDP's, annual budgets and SDBIP's.

- Projects implementation as per IDP and budget.
- Establishment of economic development forums to provide platform for the LED stakeholders to engage on matters related to economic development.

I would like to articulate my genuine gratitude to all Councillors, officials, the communities of Xhariep and stakeholders for their involvement to the progress made for the year under review.

(Signed by :) _____

Mayor/Executive Mayor

T 1.0.1

1.1. MUNICIPAL MANAGER'S OVERVIEW

MUNICIPAL MANAGER'S OVERVIEW

I feel very honoured to present the 2013/14 Annual Report of Xhariep District Municipality as prepared in terms of section 46(1) of the Local Government: Municipal Systems Act 32(act 32 of 2000) and section 121(1) of the Local Government: Municipal Finance Management Act (Act 56 of 2003). This Annual Report will reflect on all the achievements and challenges faced by the District during the year under review. In compiling this annual report, the three important legislative core processes the IDP, the Budget and the Performance Management Systems were used.

It is important to note that Xhariep District Municipality is still solely dependent on the National and Provincial Grants for it to survive and carry to out to its constitutional mandate and for it to annually approve a balanced budget, there needs to be top-up funding, over and above, the grants.

As mentioned earlier, the District uses the IDP for Strategic Planning which gives direction and guidance and to link what has been planned with the budget. The performance management system is also a strategic monitoring tool to evaluate, review and measure the performance. These are core processes without which the District cannot function and operate.

These core processes when applied properly, will assist in planning, as planning sets the standard to facilitate the control. Without planning, control, cannot take place. These core processes will definitely help improve service delivery and promote general welfare of the communities in the District.

The District has managed to achieve political stability, sound financial and administrative management as well as a number of core functions. Below are just some of the achievements of the Xhariep District Municipality in the year under review:

- ❖ The municipality being able to perform some of its powers and functions (Municipal Planning; Local Economic Development; Disaster Management and Environmental Health Services).
- ❖ Providing support to SMME's (purchasing equipment for them and assisting them in professionalizing their business).
- ❖ The municipality's audit opinion improving from a disclaimer to unqualified (though we regressed in 2012/2013 financial year due to Section 56 Managers vacancies).
- ❖ Completion of the Trompsburg Sewerage Treatment Works project
- ❖ Expanded Public Works Programme (EPWP) for creating jobs in the Xhariep District
- ❖ Rural Road Asset Management System (RRAMS) project for the profiling of roads in our local municipalities

My gratitude goes to the Municipal Council, the Executive Mayor, Heads of Department as well as to all employees who assisted the Municipality to steer the ship to provide quality services to our community.

(Signed by :) _____

Municipal Manager

T 1.1.1

1.2. MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

INTRODUCTION TO BACKGROUND DATA

Out of 16 district functions, Xhariep district municipality is performing 7.89% of these functions.

Xhariep District was estimated at a population of approximately 164 000 people in 2007. According to the 2011 Census statistics, its population size has declined with a lesser average of 2.21% per annum since 2007 to 2011,). The current district's populations is at 145 742 people as per the 2011 census survey statistics.

During the economic summit that was organized by the Xhariep Municipality in order to pull together different stakeholders and to collaborate on a shared vision and programme to address regional economic development challenges. The following key economic priority sectors were identified to have potential and needing to be further developed to support objectives of economic growth and job creation in the district:

--Agriculture & Farming

- Winery

- Mining

- Tourism

- SMME development

The summit resolved on the following key points. In order to sustain economic growth and development, the following activities would have to be pursued: The municipality will strive to engage all Sectors, Public and Private Partners to enhance agricultural activities, especially for emerging farmers.

Local municipalities will avail land for agricultural purposes with the involvement of the Departments: Agriculture, Land Affairs and the Land Bank. Local Economic Desk Coordinators will be appointed to support communities with Local Economic Development matters.

Municipalities will liaise with SETA's and various government departments, like the Department of Labour, Gogta, etc. to capacitate/ train communities, including personnel in various sectors on various Local Economic Development related fields. Municipalities will lobby for and access funding from various government departments, (like the Department of Cooperative Governance and Traditional Affairs, Economic, Environmental Affairs and Tourism), including the private sector (e.g. banks, NGO's and other funding organizations)

[Municipalities to lobby for funding continuously, Municipalities will lobby for and access funding from various government departments, (like the Department of Cooperative Governance and Traditional Affairs, Economic, Environmental Affairs and Tourism), including the private sector (e.g. banks, NGO's and other funding organizations) - [Municipalities to lobby for funding continuously, especially after prioritization of projects in the IDP, which should take place by October each year]; and

Municipalities will ensure that information is disseminated to various communities, with the involvement of Community Liaison Officers and GCIS – [Municipalities to disseminate information (e.g. Newsletters) to communities once a month.

In order to build capacity of SMMEs and to provide them with effective support, the following responsibilities will have to be performed by the various stakeholders:

- Xhariep Municipality will ensure that coordinated activities are carried out monthly in strengthening capacity of SMMEs in the region [LED Forums will be established in each municipality and monthly meetings held].

- Funding will be accessed and secured from relevant departments and the private sector (Banks, Ntsika, Khula, NYDA, etc.) to capacitate SMMEs [A District Funding Facilitation Team will be established and monthly meetings held to monitor progress].

- Negotiations will be made by municipalities and the Department of Agriculture to access land for agricultural activities and Land Bank for funding.

- The Marketing Strategy for the district will be implemented to ensure community and business involvement in Local Economic Development initiatives [LED Forums to sit monthly to ensure coordination and functionality of various businesses, especially SMMEs and NGOs].

Municipalities will ensure that a percentage of all business ventures/ tenders is awarded to SMMEs – [Quarterly meetings to be held by the Procurement or Tender Committees to assess impact and monitor progress in terms of this resolutions, including implementations of Procurement Policies of the municipalities].

Xhariep Municipality will ensure that a Youth Chamber is established and functional

T 1.2.1

Population Details									
Age	Population '000								
	Year -1			Year 0			Year 1		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Age: 0 - 14	25 189	25 022	50 211	26 189	26 241	52430	22 734	22 250	44 984
Age: 15-64	42 333	43 860	86 193	49 859	50 762	100 621	45 309	46 692	92 001
Age: 65+	3 304	5 117	8 421	3 699	5 976	9 676	3 615	5 658	9 273
Source: Statistics SA									T1.2.2

SOCIO ECONOMIC STATUS: Economically Active Population per local municipality

Local Municipality	Number	Percentage (%)
Kopanong	19472	29.54
Letsemeng	16639	30.53
Mohokare	12110	32.63
Naledi	8067	27.38

Data Source: STATSSA (Census 2011 Survey)

OVERVIEW OF NEIGHBOURHOODS WITHIN (NAME OF MUNICIPALITY)

Type of dwellings	FS161: Letsemeng	FS162: Kopanong	FS163: Mohokare	FS164: Naledi
House or brick/concrete block structure on a separate stand or yard or on a farm	9016	13904	9027	6309
Traditional dwelling/hut/structure made of traditional materials	17	57	74	34
Flat or apartment in a block of flats	63	80	62	35
Cluster house in complex	12	11	5	42

Townhouse (semi-detached house in a complex)	36	31	1	9
Semi-detached house	76	20	97	106
House/flat/room in backyard	133	197	103	15
Informal dwelling (shack; in backyard)	634	475	838	662
Informal dwelling (shack; not in backyard; e.g. in an informal/squatter settlement or on a farm)	1179	739	483	436
Room/flat let on a property or larger dwelling/servants quarters/granny flat	22	51	55	10
Caravan/tent	5	6	9	-

Natural Resources	
Major Natural Resource	Relevance to Community
Water (Gariep Dam)	Supply of water to households and generation of electricity.
Diamonds(Jaggersfontein and Koffiefonten)	Job creation, Revenue enhancement, Economic development, human settlement.
Uranium(Edenburg)	Job creation, Revenue enhance, Economic development, human settlement
Land	Job creation through farming and settlement of communities
Sun (Radiation energy)	Job creation through erection of solar hubs
T1.2.7	

COMMENT ON BACKGROUND DATA:

The District faces various challenges ranging from widespread poverty to service delivery and infrastructure backlogs. It is estimated that almost 80% of the District residents live in poverty; worsened by a high unemployment rate of approximately 26.80%. Backlogs in service delivery are experienced in the following areas: water delivery and sanitation. The main contributors to the area's economy are agriculture, which generates approximately 28% of GVA; public service and administration 26%; services and retail 17%; and construction 8%.

T1.2.8

1.3. SERVICE DELIVERY OVERVIEW

SERVICE DELIVERY INTRODUCTION

The district municipality has started to perform the functions of Environmental Health and Disaster Management with effect from December 2009. Critically, the Municipal Structures Amendment Act (Act 33 of 2000) provides for an extensive annual review of the division of powers and functions between Category B and Category C to ensure effective implementation of these assigned powers following an advice provided by the Municipal Demarcation Boarding emanating from the Boards' annual capacity assessment report.

T1.3.2

COMMENT ON ACCESS TO BASIC SERVICES:

The district has no primary competencies or authority for basic services such as water, sanitation, refuse / waste removal and electricity supply. However, as a developmental local government Xhariep has interest in ensuring that these services are adequately provided by its local municipalities who have primary authority for their provision. In addition, the district has a constitutional role of coordinating support for local municipalities so that they can be better capacitated to perform their mandates.

T1.3.3

1.4. FINANCIAL HEALTH OVERVIEW

FINANCIAL OVERVIEW

The municipality at large does not have a revenue base as it solely depends on grants from other spheres of government and that is putting a strain on the finances of the municipality as only a few projects can be carried out in a financial year

T1.4.1

Financial Summary							R' 000
Description	Year 0	Current Year: Year 1			Year 1 Variance		
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget	
Financial Performance							
Property rates	-	-	-	-	%	%	
Service charges	-	-	-	-	%	%	
Investment revenue	284	139	129	256	71,57%	10,92%	
Transfers recognised - operational	40 588	59 971	59 971	54 605	-37,44%	-41,45%	
Other own revenue	505	445	445	658	4,08%	-3,93%	
Total Revenue (excluding capital transfers and contributions)	41 377	60 555	60 545	55 519	-36,85%	-40,97%	
Employee costs	30 159	34 411	32 583	30 304	-5,92%	1,64%	
Remuneration of councillors	3 318	3 240	3 240	3 570	6,56%	10,25%	
Depreciation & asset impairment	14 426	3 867	3 367	2 272	100,00%	100,00%	
Finance charges	287	-	-	71	170,28%	231,54%	
Materials and bulk purchases	-	-	-	-	%	%	
Transfers and grants	-	-	-	-	%	%	
Other expenditure	22 556	15 870	18 985	17 688	-14,86%	-35,83%	
Total Expenditure	70 745	57 388	58 175	53 905	14,53%	4,16%	
Surplus/(Deficit)	(29 368)	3 167	2 370	1 614	-881,63%	1444,52%	
Transfers recognised - capital					%	%	
Contributions recognised - capital & contributed assets					%	%	
Surplus/(Deficit) after capital transfers & contributions	(29 368)	3 167	2 370	1 614	-881,63%	1444,52%	
Share of surplus/ (deficit) of associate					%	%	
Surplus/(Deficit) for the year	(29 368)	3 167	2 370	1 614	%	%	
Capital expenditure & funds sources							
Capital expenditure	-				%	%	

Transfers recognised - capital	-				%	%
					%	%
Borrowing Internally generated funds					%	%
Total sources of capital funds	-				%	%
<u>Financial position</u>						
Total current assets	3 729	-	-	2 339	%	%
Total non-current assets	20 822	-	-	19 694	%	%
Total current liabilities	8 521	-	-	5 361	%	%
Total non-current liabilities	879	-	-	1 113	%	%
Community wealth/Equity	-	-	-	-	%	%
<u>Cash flows</u>						
Net cash from (used) operating	(11 886)	-	-	2 530	-119,35%	-116,17%
Net cash from (used) investing	3 095	-	-	389	%	%
Net cash from (used) financing	(452)	-	-	188	%	%
Cash/cash equivalents at the year end	1 819	-	-	770	%	%
<u>Cash backing/surplus reconciliation</u>						
Cash and investments available	1 819	-	-	770	%	%
Application of cash and investments	-	-	-	-	%	%
Balance - surplus (shortfall)	1 819	-	-	770	%	%
<u>Asset management</u>						
Asset register summary (WDV)	-	-	-	-	%	%

Depreciation & asset impairment	3 648	-	-	2 272	100,00%	100,00%
Renewal of Existing Assets	-	-	-	-	%	%
Repairs and Maintenance	1 271	-	-	673	-34,02%	-34,50%
Free services						
Cost of Free Basic Services provided	-	-	-	-	%	%
Revenue cost of free services provided	-	-	-	-	%	%
Households below minimum service level						
Water:	-	-	-	-	%	%
Sanitation/sewerage:	-	-	-	-	%	%
Energy:	-	-	-	-	%	%
Refuse:	-	-	-	-	%	%
<i>*Note: surplus/(deficit)</i>						T1.4.2

Operating Ratios	
Detail	%
Employee Cost	56.22
Repairs & Maintenance	1.25
Depreciation, Finance Charges & Impairment	4.35
T1.4.3	

COMMENT ON OPERATING RATIOS:

Employee cost is excessively above the expected norm of 30%, repairs and maintenance significantly lower than the 20% norm and finance charges considerably lower than the 10% benchmark

T1.4.3

Total Capital Expenditure: Year -1 to Year 1					
					R'000
Details		Year 0	Year 1		
		Actual	Original Budget (OB)	Adjustment Budget	Actual
Source of finance					
	External loans	0	0	0	0
	Public contributions and donations	0	0	0	0
	Grants and subsidies	40 588	59 971	59 971	54 605
	Other	789	584	573	843
Total		41 377	60 555	60 544	55 448
<i>Percentage of finance</i>					
	External loans	0.00%	0%	0%	0%
	Public contributions and donations	0.00%	0%	0%	0%
	Grants and subsidies	98.10%	99.04%	99.05%	98.48%
	Other	1.90%	0.96%	0.95%	1.52%
Capital expenditure					
	Water and sanitation	0	0	0	0
	Electricity	0	0	0	0
	Housing	0	0	0	0
	Roads and storm water	0	0	0	0
	Other	1457514	0	0	
Total		1457514			
<i>Percentage of expenditure</i>					
	Water and sanitation	0.00%	0.00%	0.00%	0.00%
	Electricity	0.00%	0.00%	0.00%	0.00%
	Housing	0.00%	0.00%	0.00%	0.00%
	Roads and storm water	0.00%	0.00%	0.00%	0.00%
	Other	100.00%	100.00%	100.00%	100.00%
					T1.4.4

COMMENT ON CAPITAL EXPENDITURE:

Capital expenditure is minimal and very insignificant (less than 10% of the budget) as the municipality does not have infrastructure assets under its jurisdiction by virtue of being a district municipality.

T 1.4.5.1

1.5. ORGANISATIONAL DEVELOPMENT OVERVIEW

ORGANISATIONAL DEVELOPMENT PERFORMANCE

Organization Development (OD) is about improving performance at the individual, group, and Municipal organizational levels. It is about improving the organization's ability to effectively respond to changes in its external environment, and it's about increasing internal capabilities by ensuring the Xhariep District Municipal structures, human resources systems, job designs, communication systems, and leadership/managerial processes fully harness human motivation and help people function to their full potential.

Done well, such improvement can be transformational—producing fundamental changes in the way individuals, groups, and organizations functions.

T1.5.1

AUDITOR GENERAL REPORT YEAR 1

Delete Directive note once comment's completed – State the type of opinion given (disclaimer; adverse opinion; qualified opinion; unqualified opinion with 'other matters'; and an unqualified opinion) and briefly explain the issues leading to that opinion. In terms of a disclaimer you must state that 'the accounts of this municipality were too deficient in essential detail for the Auditor General to form an opinion as the financial viability or rectitude of this municipality'. If opinion is unqualified, briefly explain the key steps taken to accomplish and maintain (where appropriate) this important achievement.

T 1.6.1

1.7. STATUTORY ANNUAL REPORT PROCESS

No.	Activity	Timeframe
1	Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period	July
2	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	
3	Finalise the 4th quarter Report for previous financial year	
4	Submit draft year 1 Annual Report to Internal Audit and Auditor-General	
5	Municipal entities submit draft annual reports to MM	
6	Audit/Performance committee considers draft Annual Report of municipality and entities (where relevant)	August
8	Mayor tables the unaudited Annual Report	
9	Municipality submits draft Annual Report including consolidated annual financial statements and performance report to Auditor General	
10	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase	
11	Auditor General audits Annual Report including consolidated Annual Financial Statements and Performance data	September - October
12	Municipalities receive and start to address the Auditor General's comments	November
13	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor- General's Report	
14	Audited Annual Report is made public and representation is invited	
15	Oversight Committee assesses Annual Report	December
16	Council adopts Oversight report	
17	Oversight report is made public	
18	Oversight report is submitted to relevant provincial councils	January
19	Commencement of draft Budget/ IDP finalisation for next financial year. Annual Report and Oversight Reports to be used as input	
		T1.7.1

COMMENT ON THE ANNUAL REPORT PROCESS

It is very important for the municipality to abide to statutory requirements regarding annual reporting.

The objectives of performance reporting are-

To foster accountability for performance

To facilitate systematic review of performance in order to ensure rational decision-making about improvement actions and to provide a historical record of progress made with achieving the Municipality's development objectives. Xhariep District Municipality is not foreseeing any failure of complying with statutory requirements regarding the compilation of the annual report.

T1.7.1.1

CHAPTER 2 – GOVERNANCE

INTRODUCTION TO GOVERNANCE

The Municipal Council uses a governance system that applies executive mayoral system. It is consisted of fourteen (14) Councillors with an Executive Mayor, Speaker and three (3) Mayoral Committee members are full time.

The Speaker presides over Ordinary and Special Council meetings and is also designated as a full time Councillor. The administration dispatch notices and agendas to Councillors forty eight (48) hours before the commencement of the council meeting as determined in the Standard Rule and Orders.

The Executive Mayor has executive powers and attends to day to day duties of the Municipal Council; and the three Mayoral Committee Members assist him in executing some of his responsibilities. One of the responsibilities of the Executive Mayor is to present the Mayoral Committee reports before Council.

The Municipality has appointed the Municipal Manager who is the head of the administration. He is responsible for day to day operations of the organization and accounts to the Executive Mayor. . Other managers who have been appointed in terms of section 56 of the Municipal Systems Act, 2000 reports directly to the Municipal Manager. It is important to highlight that the Municipality is composed of three departments, excluding the office of the Municipal Manager i.e. Corporate Services, Budget and Treasury Office and Planning and Social Development. These departments are headed by the section 56 Managers.

T2.0.1

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

INTRODUCTION TO POLITICAL AND ADMINISTRATIVE GOVERNANCE

The Municipal Council uses a governance system that applies executive mayoral system. It is consisted of fourteen (14) Councillors with an Executive Mayor, Speaker and three (3) Mayoral Committee members who are full time.

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T2.1.0

2.1 POLITICAL GOVERNANCE

INTRODUCTION TO POLITICAL GOVERNANCE

Note: MFMA S52 (a): The Mayor must provide general political guidance over the fiscal and financial affairs of the municipality

The Council has established the following Committees in terms of the Municipal Structures Act and the Municipal Finance Management Act:

Three Section 80 Committees that process items before they could be forwarded to the Mayoral Committee and eventually to Council i.e. Corporate Services Committee, Planning and Development Committee and Budget and Treasury Committee. Three Section 80 Committees that process items before they could be forwarded to the Mayoral Committee and eventually to Council i.e. Corporate Services Committee, Planning and Development Committee and Budget and Treasury Committee.

The different Departments of the Municipality prepare reports that are then submitted to the Section 80 Committees for deliberation. After the aforementioned Committees have processed the reports presented before them, they are forwarded to the Mayoral Committee for further processing. Thereafter these reports are taken to Council for consideration and adoption. Important to note is that the Section 80 Committees, Mayoral Committee and Council sit as per schedule of Council meetings that was adopted by the Council.

The Municipal Council has established an Oversight Committee, which is composed of three members, one non executive Councillor, one community member and one member of the Internal Audit Committee; and the Council by playing an Oversight role in the activities that are performed by the Municipality.

The Annual Report is prepared by the Performance Management Unit in collaboration with other departments. When the management is satisfied with this report it is then submitted to the Council for noting before the 25th of January of each year. Subsequent to this process it is forwarded to the Oversight Committee before the 31st March of each year for assessment and thereafter it is presented before the Council with the Committee comments and recommendations. The Annual Report and the Oversight Committee report are submitted to Departments of Treasury and Cooperative Governance and Traditional Affairs for comments. Furthermore, these reports are separately published to the community for comments.

The Internal Audit Unit conducts audit throughout the year in terms of their audit plan and prepares Audit packs/reports that are then submitted to the Internal Audit Committee. After consideration of these reports the Audit Committee forwards its recommendations to Council for considerations. Council then resolves on the findings of the Shared Audit and Performance Committee with the intention to order the administration to remedy the findings revealed by the aforesaid Committee.

T2.1.1

POLITICAL STRUCTURE

Photos

Function

MAYOR

Clr M.G Ntwanambi

DEPUTY MAYOR

N/A

SPEAKER

Clr M.J Sehanka

CHIEF WHIP

Clr V.A Mona

Photos (optional)

MAYORAL COMMITTEE/ EXECUTIVE COMMITTEE

Clr V.A Mona: Chairperson of the Budget and Treasury Committee

Clr MG Modise: Chairperson of the Corporate Services Committee

Clr NI Mehlomakhulu: Chairperson of Planning & Social Development Committee

T2.1.1

COUNCILLORS.

The Municipal Council of Xhariep District Municipality is consisted of sixteen (16) Councillors. Six of the fourteen Councillors are directly elected and ten (10) are seconded from the three local municipalities. Five Councillors are full time i.e the Executive Mayor, Speaker and three (3) Mayoral Committee members. Three members of the Mayoral Committee are designated as Chairpersons of Section 80 Committees. Both Budget and Treasury Committee and Planning and Social Development Committee are composed of five (5) members which includes the Chairperson of the Committee. And Corporate Services Committee is composed of four (4) members.

Furthermore, it has established an oversight committee which is composed of five members, i.e. three Council members, one Community member and the Chairperson of the Shared and Performance Audit Committee.

T2.1.2

POLITICAL DECISION-TAKING

The Section 80 Committees sit as per schedule of Council meeting to process the items placed before them and make recommendations to the Mayoral Committee. These items are further processed by the Mayoral Committee and forwarded to the full sitting of Council with recommendations. Then the Council pronounces itself on the issues presented before it. The decisions are taken by majority of members present at the meeting. Where members share a different view on an item under consideration, they vote on the matter, either by show of hands or through a secret ballot as stipulated in the Standing Rules and Orders of Council. All the Resolutions passed by the Council are implemented by the administration.

T2.1.3

2.2 ADMINISTRATIVE GOVERNANCE

INTRODUCTION TO ADMINISTRATIVE GOVERNANCE

The Municipal Manager and managers directly accountable to the municipal manager organize administration in a manner that enables the Municipality to be responsive to the needs of the community within its jurisdiction. The Municipal Manager is the accounting officer who accounts to the political head, Executive Mayor as well as Council. He further provides guidance and advice to the political structures manage the administration of the institution.

The Director: Corporate Services administer the Department of Corporate Services and advice the Municipal Manager that relate to administration, human resources and information technology. The Chief Financial Officer administers Budget and treasury Office and advice the Municipal Manager on matter that relate to the finances of the Municipality. The Director: Planning and Social Development is responsible for the affairs of the Department of Planning and Social Development and she advices and assists the Municipal Manager on all matters that relates to this department, i.e. planning, disaster management, local economic development and social services.

T2.2.1

TOP ADMINISTRATIVE STRUCTURE		
<i>Photo</i>	TIER 1	Function
	MUNICIPAL MANAGER Mr Mazondi Martiens Kubeka	
	DEPUTY MUNICIPAL MANAGER: Title N/A	
<i>Photo Executive Directors</i>	DEPUTY MUNICIPAL MANAGER: Title N/A	
<i>Directors Optional</i>	TIERS 2 AND 3	
	EXECUTIVE DIRECTOR: Mr Tsietsi Deeuw Mbuyiselo Khapha DIRECTOR: Corporate Services(Acting)	
	EXECUTIVE DIRECTOR: Mr Jabulani Makubu(Acting) Me. S Mgudlwa(Acting) Levy Mashiane Director: Chief Financial Officer	
	EXECUTIVE DIRECTOR: Mrs Makhotso Seekoei Mr Mopedi Sam Mohale Director: Planning & Social Development	
		T2.2.2

COMPONENT B: INTERGOVERNMENTAL RELATIONS

INTRODUCTION TO CO-OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS

Note: MSA S3 requires that municipalities exercise their executive and legislative authority within the constitutional system of co-operative governance envisaged in the Constitution S41.

Intergovernmental relations are mainly informal, making the system flexible to respond to changing circumstances. The approach of the Act is therefore that it does not seek to govern intergovernmental relations in its totality but provides only the broad framework in terms of which spheres of government interact with one another.

T 2.3.0

2.3 INTERGOVERNMENTAL RELATIONS

NATIONAL INTERGOVERNMENTAL STRUCTURES

The District does not participate in any national forums except participating in meetings when invited by national department.

T2.3.1

PROVINCIAL INTERGOVERNMENTAL STRUCTURE

The District is part of the Premiers' Coordinating Forum which is used to facilitate intergovernmental relations between the province and local government in the province. The District also participates in Provincial Forums which include Provincial IDP Forum, Provincial Energy Forum, Provincial AIDS Forum as well as South African Local Government Association (SALGA).

T2.3.2

RELATIONSHIPS WITH MUNICIPAL ENTITIES

The role of a district is to serve as a consultative forum for the district municipality and the local municipalities to discuss and consult each other on matters of mutual interest including, the matters arising in the Premier's intergovernmental forum affecting the district. The provision of service delivery in the district. Coherent planning and development in the district. Any other matters of strategic importance which affect the interests of the municipalities in the district. This include the information sharing ,best practice and capacity building.

T2.3.3

DISTRICT INTERGOVERNMENTAL STRUCTURES

Meetings are held once in a quarter, whereby the District Municipality is responsible for ensuring the co-ordination of intergovernmental relations within the district municipality with local municipalities in the district.

District Coordinating Forum: Forum consists of the Executive Mayor and 3 primary members of which is the Local Mayors.

Technical Support Committee

Forum consists of the District Municipal Manager and 3 primary members (Local Municipal Manager). The forum must meet at least once per year with service providers and other role players concerned with the development in the district to co-ordinate effective provision of services and planning in the district.

T2.3.4

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION

The municipality has developed a comprehensive public participation strategy which is integrated in the development of the IDP and the Budget, the Municipal website is often used to publicise all the developments in the municipality including calls for public participation and comments on the IDP and Budget. After the adoption of the annual report the municipality also avails this document for public scrutiny as recommended by the MSA act 32 of 2000.

T 2.4.0

2.4 PUBLIC MEETINGS

COMMUNICATION, PARTICIPATION AND FORUMS

SCOPE OF THE IDP AND BUDGET PRESENTATION

The presentation to the public and both stakeholders was structured in such a way that it summarises both the Budget and the IDP, the presentation covered topics such as

- Background of the Municipality
- Demographics
- Economic Analysis
- IDP projects
- Municipal Budget
- Equitable share comparison

In consideration with the mechanisms of effective public participation, the following processes and aspects were taken in consideration and were implemented as required were taken in consideration and were implemented as required

CONTEXT OF PUBLIC PARTICIPATION AS IMPLEMENTED

Four major functions can be aligned with the public participation process namely:

- ◆ Needs identification;
- ◆ Identification of appropriateness of proposed solutions;
- ◆ **Community ownership and buy-in; and**
- ◆ Empowerment.

MECHANISMS FOR PARTICIPATION

The following mechanisms for participation were utilized:

a) IDP Representative Forum (IDP RF)

This forum will represent all stakeholders and will be as inclusive as possible. Efforts will be made to bring additional organizations into the IDP RF and ensure their continued participation throughout the process.

b) Media

Local newspapers were used to inform the community of the progress of the IDP and the Community consultation dates.

c) Information sheets

These were prepared in English and be distributed to communities prier the start of all the meetings

The DM's Website

The DM's website was also utilized to communicate and inform the community. Copies of the IDP and Budget were placed on the website for people to download

T2.4.1

WARD COMMITTEES

The District Municipalities are not assigned to be responsible for ward committees. The local municipalities are liable for ward committees. However, the Office of the Speaker of the District Municipality assists the local municipalities with the coordination of the programmes of the ward committees. Issues that relates to public participation and ward committees are discussed and synchronized at the District Speakers’ Forum.

T2.4.2

Public Meetings

Nature and purpose of meeting	Date of events	Number of Participating Municipal Councillors	Number of Participating Municipal Administrators	Number of Community members attending	Dates and manner of feedback given to community
Public consultation on Meetings	21-May-14	1	2	20+	IDP and Budget presentations
Public consultation on Meetings	22-May-14	1	8	15+	IDP and Budget presentations
Public consultation on Meetings	22-May-14	0	4	5+	IDP and Budget presentations
Public consultation on Meetings	23-May-14	4	3	30+	IDP and Budget presentations

T2.4.3

COMMENT ON THE EFFECTIVENESS OF THE PUBLIC MEETINGS HELD:

As per the requirements of the Municipal Systems act and the Municipal Finance Management Act the municipality has a series of outreach consultations including the IDP and Budget consultative sessions with the communities of the Xhariep District. The Municipal council has also adopted public participation strategy

The Local Government Municipal Management Act (MFMA, Act 56 of 2003) puts at the centre of this process the voice of the people. The MFMA calls for active participation and input from the public in the budgeting process as well as the alignment of the budget to the IDP

In order to ensure public participation in local governance, government has over time put in place various pieces of legislation and policies. The following are some of the legislative and policy provisions aimed at fostering public participation at local government level:

The Constitution – 1996

Municipal Structures Act & White Paper on Local Government – 1998

Municipal Systems Act-2000

Municipal Finance Management Act-2003

Municipal Property Rates Act-2004

Municipal Finance Management Act-2003

Guidelines for Operation of Ward Committees-2005

T2.4.3.1

2.5 IDP PARTICIPATION AND ALIGNMENT

IDP Participation and Alignment Criteria*	Yes/No
Does the municipality have impact, outcome, input, output indicators?	Yes
Does the IDP have priorities, objectives, KPIs, development strategies?	Yes
Does the IDP have multi-year targets?	Yes
Are the above aligned and can they calculate into a score?	Yes
Does the budget align directly to the KPIs in the strategic plan?	Yes
Do the IDP KPIs align to the Section 57 Managers	Yes
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	Yes
Do the IDP KPIs align with the provincial KPIs on the 12 Outcomes	Yes
Were the indicators communicated to the public?	Yes
Were the four quarter aligned reports submitted within stipulated time frames?	Yes
* Section 26 Municipal Systems Act 2000	
T2.5.1	

COMPONENT D: CORPORATE GOVERNANCE

OVERVIEW OF CORPORATE GOVERNANCE

As the head of administration the Municipal Manager is responsible for the following tasks:

- The formation and development of an economical, effective, efficient and accountable administration.
- The management of the municipality's administration in accordance with legislation applicable to the municipality.
- The implementation of the municipality's integrated development plan.
- The management of the provision of services to the local community in a sustainable and equitable manner.
- The appointment of staff subject to the Employment Equity Act, 1998.
- The management, effective utilisation and training of staff.

- The maintenance of discipline of staff. The promotion of sound labour relations and compliance with labour legislation. Advising the political structures and political office bearers of the municipality.
- Managing communications between the municipality's administration and its political structures and political office bearers.
- Carrying out the decisions of the political structures and political office bearers of the municipality.
- The administration and implementation of the municipality's by-laws and other legislation.
- The exercise of any powers and the performance of any duties delegated by the municipal council.
- Facilitating participation by the local community in the affairs of the municipality.
- The implementation of national and provincial legislation.

T2.6.0

2.6 RISK MANAGEMENT

RISK MANAGEMENT

The Xhariep District Municipality is committed to the effective risk management and treatment of risk in order to achieve its objectives. Management of risk is the responsibility of all Executive, Senior Management and employees and Section 62(1) (c) (i) of the MFMA requires that:

The municipality has and maintains: Effective, efficient and transparent systems of financial and risk management and internal control.

Treasury Regulations section 3.2.1 further prescribes that the Accounting Officer must ensure that a risk assessment is conducted regularly to identify emerging risks of the institution. A risk management strategy, which must include a fraud prevention plan, must be used to direct internal audit effort and priority, and to determine the skills required of managers and staff to improve controls and to manage these risks. The strategy must be clearly communicated to all officials to ensure that the risk management strategy is incorporated into the language and culture of the institution.

The embedding of Risk Management within the municipality is a proactive approach in mitigation of events that will have a negative impact in the achievement of municipal goals and objectives; risk management thus assists Xhariep District Municipality in:

1. Supporting the efficient use of resources (Risk Based decision making),
2. Promoting continuous improvement

3. Minimizing surprises,
4. Reassuring stakeholders
5. Rationalization of capital and financial resources,
6. Helps internal audit to comply with Internal Audit Framework and IIA standards
7. Continuity of service delivery

T2.6.1

2.7 ANTI-CORRUPTION AND FRAUD

FRAUD AND ANTI-CORRUPTION STRATEGY

Fraud is defined as the intentional, false representation or concealment of a material fact for the purpose of inducing another to act upon it to his or her injury.

Xhariep District Municipality has a **ZERO TOLERANCE** to Fraud and Corruption and thus has the intent to promote consistent organizational behavior by providing guidelines and assigning responsibilities for the development of controls and conduct of investigations relating to fraud and corruption

The fraud prevention strategy and policy are such documents designed to align Xhariep District Municipality with the MFMA which states that each municipality must develop an effective, efficient and transparent system of financial and risk management and internal control. Fighting against corruption is a national priority and Xhariep District Municipality positions itself to combat the scourge of fraud and corruption. The strategy demonstrates the stance of the municipality in preventing and detecting fraud and corrupt activities as well as corrective action when fraud has been committed.

T2.7.1

2.8 SUPPLY CHAIN MANAGEMENT

OVERVIEW SUPPLY CHAIN MANAGEMENT

Note: MFMA S110-119; SCM Regulations 2005; and relevant MFMA circulars set out required processes and guidance manuals to help ensure that SCM arrangements provide appropriate goods and services, offer best value for money and minimize the opportunities for fraud and corruption.

Our current SCM policy has been reviewed to address Auditor-General queries and be in line with the National Treasury model. Workshop on the policy was conducted to employees on the 14th of February 2013 and should be approved by council in December 2013. As far as the processes are concerned, a **MEMO for DEMAND and ACQUISITION** has been developed by the municipality to **manage, control** and **monitor** procurement of goods and services. The **MEMO** is signed by the responsible manager to confirm the need of the service or product, the manager for Budget and Reporting Unit confirms the budget availability, relevant HOD recommends as well as the CFO and the Accounting Officer/Municipal Manager finally approves the **MEMO for DEMAND and ACQUISITION**. **Attached find a report on the SCM implementation checklist (circular 40) which indicates were the municipality is currently not complying. Remedial actions to correct the above: (a)** Development of Supply Chain Management Implementation Plan for the current financial year, **(b)** Development of the Demand Management Plan/Procurement Calendar for the 2013/14 financial year approved by the Accounting Officer, **(c)** Development of Procurement Procedure Manual once the draft SCM Policy has been adopted by Council in December 2012.

T2.8.1

2.9 BY-LAWS

By-laws introduced during year 1					
Newly developed	Revised	Public participation conducted prior to adoption of by-laws (Yes/No)	Date of public participation	By-law gazette Yes/No	Date of publication
Standard District Municipal Environmental Health		Yes		No	N/A
Standard Environmental Health By-Law		Yes		No	N/A

Dumping and Littering By-Law.		Yes		No	N/A
Standard Rules and Orders		Yes		No	N/A
					T2.9.1

COMMENT ON BY-LAWS:

The Provincial Department of Cooperative Governance, Traditional Affairs and Human Settlement has developed Standard By-Laws for all municipalities within Free State Province. Xhariep District Municipality has identified four By-Laws that are relevant to the District Municipality and were placed before the Municipal Council for noting. The administration then conducted public participation on the selected by-laws. The process of public participation has been concluded in August 2013; and the by-laws with comments from the communities would be placed before Council before December 2013 for consideration and finally for approval.

T2.9.1.1

2.10 WEBSITES

Municipal Website : Content and Currency of Material		
Documents published on the Municipality's / Entity's Website	Yes / No	Publishing Date
Current annual and adjustments budgets and all budget-related documents		
All current budget-related policies		
The previous annual report (Year 0)	Yes	
The annual report (Year 1) published/to be published	-	
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (Year 1) and resulting scorecards	Yes	
All service delivery agreements (Year 1)		
All long-term borrowing contracts (Year 1)		
All supply chain management contracts above a prescribed value (give value) for Year 1		
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during Year 1		

Contracts agreed in Year 1 to which subsection (1) of section 33 apply, subject to subsection (3) of that section		
Public-private partnership agreements referred to in section 120 made in Year 1		
All quarterly reports tabled in the council in terms of section 52 (d) during Year 1		-
<i>Note: MFMA S75 sets out the information that a municipality must include in its website as detailed above. Municipalities are, of course encouraged to use their websites more extensively than this to keep their community and stakeholders abreast of service delivery arrangements and municipal developments.</i>		T2.10.1

COMMENT MUNICIPAL WEBSITE CONTENT AND ACCESS:

The website of the Municipality is fully functional, All documents submitted by various departments to the IT Unit were posted on the website.

T2.10.1.1

CHAPTER 3 – SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

INTRODUCTION

The district municipality has started to perform the functions of Environmental Health and Disaster Management with effect from December 2009. Critically, the Municipal Structures Amendment Act (Act 33 of 2000) provides for an extensive annual review of the division of powers and functions between Category B and Category C to ensure effective implementation of these assigned powers following an advice provided by the Municipal Demarcation Board emanating from the Boards’ annual capacity assessment report.

T3.0.1

COMPONENT A: BASIC SERVICES

This component includes: water; waste water (sanitation); electricity; waste management; and housing services; and a summary of free basic services.

INTRODUCTION TO BASIC SERVICES

The district has no primary competencies or authority for basic services such as water, sanitation, refuse / waste removal and electricity supply. However, as a developmental local government Xhariep has interest in ensuring that these services are adequately provided by its local municipalities who have primary authority for their provision. In addition, the district has a constitutional role of coordinating support for local municipalities so that they can be better capacitated to perform their mandates

T3.1.0

Employees: Local Economic Development Services					
Job Level	Year 0	Year 1			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1				
4 - 6	3				
7 - 9	1				
Total					%

*Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.*

T3.11.

INTRODUCTION TO ECONOMIC DEVELOPMENT

Tourism in Xhariep is currently limited to a small number of domestic visitors from other parts of the country. The tourism location quotient (1.1) indicates that more tourism activities are evident in Xhariep compared to the rest of the Free State. The majority of tourists (65.9%) in Xhariep are visiting friends and family with only a small portion visiting the District for leisure (14.0%) and business (4.0%). Tourists are mainly residents of the Free State (50.1%) and Gauteng (19.6%) spending approximately R280 per trip.

Tourism is expected to grow through the construction of Mayor Projects that are currently underway like Trompsburg Hospital, Fish Demonstration Centre, upgrading of tussen de reviere, development of park and installation of machinery for shoe production at Arts and Craft Centre, this projects will influence other projects to be implemented like shopping complex and taxi rank as there will be a need in future. Maintenance of internal streets

New strategy for marketing the FS was developed and launched at Tourism Indaba 2013 Tourism Awareness Campaigns were conducted quarterly with the aim to educate and provide knowledge of opportunities within the tourism industry.

The performance of the utilities and construction sector reflects the provision of infrastructure within the District. The utility sector has grown on average at approximately 2.9% per year with the annual growth of the construction sector at approximately 0.4%. The location quotient of the utility and construction sector is relatively high at 1.1 and 1.2 respectively indicating that the district is has the required potential economic mass to render development in this sector viable.

T3.11.1

Economic Activity by Sector			
R '000			
Sector	Year -1	Year 0	Year 1
Agric, forestry and fishing		400 000	400 000
Mining and quarrying			0
Manufacturing		650	800
Wholesale and retail trade			0
Finance, property, etc.			0
Govt, community and social services			0
Infrastructure services	800 000	400 000	2m
Tourism			425 000
Total	800 000	800 650	282 5800
T3.11.2			

Economic Employment by Sector			
Sector	Year -1 No.	Year 0 No.	Jobs
			Year 1 No.
Agric, forestry and fishing			
Infrastructure services			
Total			
T3.11.3			

COMMENT ON LOCAL JOB OPPORTUNITIES:

Job opportunities that have been created were through the construction of Agricultural Demonstration Centre and fish ponds at the District level. The District has budgeted for infrastructural project out o the RRAMS grant allocation. Investments opportunities are solar hub project and pomegranate project.

T3.11.4

Jobs Created during Year 1 by LED Initiatives (Excluding EPWP projects)				
Jobs Created during Year 1 by LED Initiatives (Excluding EPWP projects)				
Total Jobs created / Top 3 initiatives	Jobs created No.	Jobs lost/displaced by other initiatives No.	Net total jobs created in year No.	Method of validating jobs created/lost
Total (all initiatives)				
Year -1	2600	2300	300	Projects
Year 0	688	681	7	Projects
Year 1	83	0	83	Projects
				T3.11.5

Job creation through EPWP* projects		
Details	EPWP Projects No.	Jobs created through EPWP projects No.
Year -1	2	51
Year 0	3	60
Year 1	4	275
* - Extended Public Works Programme		T3.11.6

Capital Expenditure Year 1: Economic Development Services					
R' 000					
Capital Projects	Year 1				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All			2.642		2.642
Arts and Craft Centre	800	70	870	63	933
Agricultural Projects	400		0	-	400 000
EPWP Projects	2.3m		2.3	580 000	2.8m
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i>					T3.11.10

COMMENT ON LOCAL ECONOMIC DEVELOPMENT PERFORMANCE OVERALL:

District municipality is better positioned to provide a coordinating and supporting role to the local municipalities within their broad geographic areas. Local municipalities on the other hand are the key LED implementation agencies of government. They have a more direct impact on LED in terms of their potential influence on issues and factors such as by-laws, tender and procurement procedures and other regulations. They also have a more direct influence on access to land, the necessary infrastructure and services, promoting a positive image of their area, making the environment more appealing and welcoming for investors and visitors, facilitating skills development.

T3.11.11

INTRODUCTION TO HEALTH INSPECTIONS; FOOD AND ABBATOIR LICENSING AND INSPECTIONS, ETC

One of the key roles of EHP's is to conduct inspections of food premises and government premises to ensure compliance with R926, Foodstuffs, Cosmetics and Disinfectants act 1972 (Act no. 54 of 1972), National health act, 2003 (Act no 63 of 2003). District EHP's issue out compliance notices to food premises if there is non-compliance and issue certificate of acceptability for compliant premises. Certificate of health are issued to compliant ECD's and old age homes. Licences for operations are not issued by EHP's.

Surveillance of premises is also conducted to insure vector control and to monitor health and hygiene standards of premises

Set out your top 3 service delivery priorities and the impact you have had on them during the year.

The following activities are measured: These ensure that there is constant monitoring of compliance.

No. of COA's issued

No. of non-compliance notices issued

No. of health inspections conducted.

Explain the measures taken to improve performance and the major efficiencies achieved by your service during the year.

Bimonthly raids are conducted with the assistance of SAPS to curb non -compliance by shop owners and seize expired foods.

T3.64.1

INTRODUCTION TO DISASTER MANAGEMENT

Disaster Management is a continuous and integrated multi-sectoral and multi-disciplinary process of planning and implementation of measures aimed at disaster prevention, -mitigation, -preparedness, -response, -recovery and –rehabilitation

Top three Service Delivery Priorities:

1. Community Safety
2. Preparedness
3. Recovery and Rehabilitation

The DM Unit main role is to ensure a safe and unwavering environment to the Xhariep district community. Through proper planning the Unit will be able to build resilient communities through the Disaster Management Activities within the district Municipality. A budget for the review of the DM Plan, DM training and DM relief was approved to enhance the previous achievements and to implement the plan for mitigation through education, awareness and training. The DM Unit played a vital role to assist disaster stricken victims throughout the district in rebuilding of houses and rehabilitation.

T3.67.1

COMMENT ON THE PERFORMANCE OF DISASTER MANAGEMENT

The Disaster Management Plan and Disaster Management Framework were reviewed as compelled by the Disaster Management Act (57/2002). Regular Disaster Management Advisory Forum meetings are held. Assistance with Disaster Management in general is given to all Local Municipalities in the District. We are trying to educate the communities through awareness campaigns and with Disaster Management Programs at the primary schools. This, in a way will help us to prepare for and minimizes the impact of disastrous incidents in the area. Training and workshop for Councillors, Ward Committees, Disaster Management Forums and Volunteer Groups are planned to enhance our Disaster Management educational program.

The Disaster Management Unit attends to most of the incidents within the District to record the incident and report to the authorities and the respective relevant parties. Due to financial constraints, the Unit cannot support all the victims financially. The Disaster Management Unit had several engagements with Sector Departments and Stakeholders on the establishment of the Disaster Management Centre. An established Centre will play a fundamental role in managing disasters in the District.

T3.67.7

COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES

This component includes: corporate policy offices, financial services, human resource services, ICT services, property services.

INTRODUCTION TO CORPORATE POLICY OFFICES, Etc

The Municipality has developed required policies as per directive of legislations that govern the local sphere of government for all aspects of the Municipality, i.e. finance, Human Resources, performance management, risk management, disaster management, Local Economic Development, Municipal Health Services and internal audit.

T3.69.0

3.69 EXECUTIVE AND COUNCIL

This component includes: Executive office (mayor; councilors; and municipal manager).

INTRODUCTION TO EXECUTIVE AND COUNCIL

Municipality is currently executing two service delivery related matters, i.e. local economic development and Municipal Health Services. The Local Economic Development Division that is located within the Department of Planning and Social Development has made strides in providing financial assistance and providing training to Small Micro and Medium Enterprises. The Municipality has assisted interested individuals or group of people to establish their own businesses, in particular cooperatives.

The Environmental Health Services Division that is also located within the Department of Planning and Social Development is checking the quality of water from different local municipalities that fall within its jurisdiction on frequent intervals as required by applicable legislations and policies. Furthermore this division inspect businesses that sell food and local municipalities' landfill sites – check whether they comply with appropriate Municipal Health Services legislations and policies.

T3.69.1

Employees: The Executive and Council					
Job Level	Year 0	Year 1			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	0	0	0	0	0%
7 - 9	0	0	0	0	0%
10 - 12	0	0	0	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	0	0	0	0	0%
					T3.69.4

Financial Performance Year 1: The Executive and Council					
Details	Year 0	Year 1			Variance to Budget
	Actual	Original Budget	Adjustment Budget	Actual	
	4,899,625.55	16,290,441.18	16 290 441.18		
Total Operational Revenue					
Expenditure:	3,948,794.93	7,381,015.67			
Employees	191,866.14	200,855.00			
Repairs and Maintenance	5,056,220.91	9,189,000.00			
Other	9,196,881.98	16,770,870.67	17 184 977.42		
Total Operational Expenditure	4,297,256.43	(480,429.49)	(894 566.24)		
Net Operational Expenditure					T3.69.5

Capital Expenditure Year 1: The Executive and Council					
Capital Projects	Year 1				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	1,100,000.00				
					T3.69.6

COMMENT ON THE PERFORMANCE OF THE EXECUTIVE AND COUNCIL:

Delete Directive note once comment's completed – Explain the priority of the four largest capital projects and explain the variations from budget for net operating and capital expenditure. Confirm your year 5 targets set out in the IDP schedule can be attained within approved budget provision and if not then state how you intend to rectify the matter. Explain the priority of the four largest capital projects and explain variances from budget for net operating and capital expenditure. Also explain any likely variation to the total approved project value (arising from year 1 and/or previous year actuals, or expected future variations).

T3.69.7

3.70 FINANCIAL SERVICES

INTRODUCTION FINANCIAL SERVICES

The Budget and Treasury Office is responsible for the financial administration and management of the municipality.

T3.70.1

Employees: Financial Services					
Job Level	Year 0	Year 1			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	3				
4 - 6	7				
7 - 9	6				
10 - 12	0				
13 - 15	0				
16 - 18	0				
19 - 20	0				
Total	16				
					T3.70.4
Financial Performance Year 1: Financial Services					
					R'000
Details	Year 0	Year 1			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	7,861,650.00	11 915 543.83	11 915 534.83		
Expenditure:					
Employees	6,725,151.14	8,537,154.89			
Repairs and Maintenance	101,032.63	100,000.00			
Other	6,615,412.97	4,670,898.59			
Total Operational Expenditure	13,441,596.74	13,308,053.48	11 694 471.49		
Net Operational Expenditure	5,579,946.74	1,392,509.65	221 063.34		
					T3.70.5

Capital Expenditure Year 1: Financial Services					
Capital Projects	Year 1				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	1,617,316.60				
					T3.70.6

COMMENT ON THE PERFORMANCE OF FINANCIAL SERVICES OVERALL:

The BTO under-spending of 72% largely emanates from furniture and computer equipment that was budgeted for and not purchased.

T3.70.7

3.71 HUMAN RESOURCE SERVICES

INTRODUCTION TO HUMAN RESOURCE SERVICES

The purpose of Human Resources Services at the institution is cater for human resource development needs of the employees, remuneration and benefits of employees, labour relations and human resources information that relates to leave management and employee personal information.

The management set itself priorities to overhaul the services the institution provides to its internal clients, the key three amongst them were;

- Purify leave management
- Provide accurate inputs – information to payroll
- Recruit people with required competencies.

So far the this division has made major strides in insuring that leave of employees is managed in accordance with Municipal Human Resources Policy Manual. Every week they reconcile attendance registers, VIP register with completed leave forms; and make follow-ups on employees who did not sign registers or completed leave forms. The principle of no work no pay is applied on employees who are found not to have followed proper procedure in absenting themselves from work.

The official providing information to employees in payroll on remuneration and benefits of employees work s closely with them in order to ensure that accurate information is forwarded to them before they process the salaries of councilors and employees. The inputs are compiled, checked, approved by different individuals in order to ensure that correct information is provided to payroll. Such information is forwarded to payroll on or before the 15th of each month in order to give officials in payroll an ample time to process the remuneration and benefits of both councillors and officials.

The Human Resources Division advertises all vacant positions as required by the Human Resources Policy Manual and set competencies that are needed from the interest individuals. It is important to highlight that the Municipality appoints only incumbent who meet minimum competency requirements as place on the advertisement and who perform well during the interviews.

T3.71.1

Employees: Human Resource Services					
Job Level	Year 0		Year 1		
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	
4 - 6	6	6	6	6	
7 - 9	1	1	1	0	
10 - 12	0	0	0	0	
13 - 15	0	0	0	0	
16 - 18	0	0	0	0	
19 - 20	0	0	0	0	
Total	8	8	8	6	

T3.71.4

Financial Performance Year 1: Corporate Services					
Details	Year 0	Year 1			Variance to Budget
	Actual	Original Budget	Adjustment Budget	Actual	
Total Operational Revenue	17,378,385.00				
Expenditure:					
Employees	11,446,147.18				
Repairs and Maintenance	465,944.31				
Other	17,800,911.51				
Total Operational Expenditure	29,713,003.00				
Net Operational Expenditure	12,334,618.00				

T3.71.5

Capital Expenditure Year 1: Corporate Services					
Capital Projects	Year 1				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All					
					T3.71.6

COMMENT ON THE PERFORMANCE OF HUMAN RESOURCE SERVICES OVERALL:

The Human Resources Division did not budget or spend on capital projects for the period in review.

T3.71.7

3.72 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

This component includes: Information and Communication Technology (ICT) services.

INTRODUCTION TO INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

The Information Technology provides ITC related services to the entire institution, i.e. internet, website and emails. Most importantly maintains ITC infrastructure, namely, servers, computers, telephones etc.

T3.72.1

Employees: ICT Services					
Job Level	Year 0	Year 1			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1				
4 - 6	1				
7 - 9	1				
10 - 12	0				
13 - 15	0				
16 - 18	0				
19 - 20	0				
Total	3				

T3.72.4

Financial Performance Year 1: ICT Services						R'000
Details	Year 0	Year 1				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget	
Total Operational Revenue						
Expenditure:						
Employees						
Repairs and Maintenance						
Other						
Total Operational Expenditure						
Net Operational Expenditure						
<i>Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>						T3.72.5

Capital Expenditure Year 1: ICT Services						R' 000
Capital Projects	Year 1					
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value	
Total All						
Project A						
Project B						
Project C						
Project D						
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i>						T3.72.6

COMMENT ON THE PERFORMANCE OF ICT SERVICES OVERALL:

The IT Unit has achieved so many successes in the 2013/2014 FY to bring the IT environment to a stable position with the infrastructure upgrade projects that were implemented. Our Internet connectivity is much improved. There is stability with our Financial Information Systems. Documents are uploaded regularly and within acceptable time on the municipal Website. The environment is pretty much stable.

T3.72.7

COMPONENT K: ORGANISATIONAL PERFORMANCE SCORECARD

This component includes: Annual Performance Scorecard Report for the current year.

FINANCIAL SERVICES

Indicator/vote	Unit of measurement	Annual target	Actual	Variance	Prior Target	Prior Actual	Prior Variance	Reason for Deviation	Corrective Measure
Financial Viability	Monthly budget statements submitted to the Municipal Manager [MFMA, s 71]	12	12	0	12	12	0	-	-
	Submission of annual financial statements for 2012/2013 to the Auditor General	31-Aug-2013	31-Aug-2013	0	31-Aug-2011	31-Aug-2011	0	-	-
	Realistic and comprehensive draft financial plan prepared	31/03/2014	31/03/2014	0	28/02/2013	28/06/2013	4 months	-	-

Indicator/vote	Unit of measurement	Annual target	Actual	Variance	Prior Target	Prior Actual	Prior Variance	Reason for Deviation	Corrective Measure
	and incorporated in the IDP for 2014/2015								
	R value of rent collected from Kopanong Local Municipality	R388 424	R0	(R388 424)	R337 760	R353 014.35	R15 254.35	Despite sending KLM monthly accounts KLM failed to pay XDM.	XDM to hand KLM over to National Treasury.
Quarterly finance reports submitted to Council	Section 52(d) MFMA reports	4	4	0	4	4	0	-	-
Good Governance	% of council resolutions implemented that were referred to the Head of Department for execution	100%	90%	(10%)	100%	99%	(1%)	The outturning resolutions is implemented over a period of time to due to project requirements	Follow up on all outstanding Council resolutions
	%Management of external audit queries by ensuring that all queries are answered within	100%	The Department is unable to quantify external audit queries that	The Department is unable to quantify external audit queries that	100%	100%	0%	Noncompliance to the Auditor General's request	Queries will be responded to within the stipulated timeframes

Indicator/vote	Unit of measurement	Annual target	Actual	Variance	Prior Target	Prior Actual	Prior Variance	Reason for Deviation	Corrective Measure
	5 days		were not responded to within 5 days	were not responded to within 5 days					
Performance Management	No of performance reports submitted to the Municipal Manager	4	4	0	4	4	0	-	-
Financial Viability	Months without unauthorised spending by accounting officer as indicated in MFMA 32(1)(b)	12	5	(7)	12	0	(12)	The department incurred unauthorised expenditure in certain votes	Council will investigate unauthorised expenditure as indicated in MFMA 32(1)(b)
Performance Management	No of performance appraisals conducted in the department	2	0	(2)	2	1	(1)	Noncompliance to the Employee Performance Appraisal System Policy	HODs to play an oversight role in the implementation of EPAS .
Contract Management	Monitor projects undertaken by the municipality by setting performance indicators for	1 Project Performance Report	1	0	2	2	0	-	-

Indicator/vote	Unit of measurement	Annual target	Actual	Variance	Prior Target	Prior Actual	Prior Variance	Reason for Deviation	Corrective Measure
	each projects (PPMR Sec 9(2)(b))								
Financial Viability	95% of total conditional grants spent in compliance with set conditions	95%	99%	4%	90%	95%	5%	Due to the effort of staff, spending was more than anticipated	-
	% of total conditional grants spent	100%	99%	(1%)	100%	96%	(4%)	This is due to a project that is ongoing and also due to a project that is not VAT inclusive.	XDM will strive to spend 100% of the grants received.
Development of Asset Register	GRAP compliant asset register	31-Aug-2013	01- Jul-2013	31 days	31-Aug-2012	31-Aug-2012	0	Target achieved one month prior to deadline due to corporation of all departments to finalise the asset register	-
Cash flow Management	Cash flow Management	Monthly	12	0	Monthly	12	0	-	-

Indicator/vote	Unit of measurement	Annual target	Actual	Variance	Prior Target	Prior Actual	Prior Variance	Reason for Deviation	Corrective Measure
	Reports								
Monitoring and implementation of the Auditor General's action plan	Updated action plan	2	2	0	4	4	0	-	-

MUNICIPAL MANAGER

Indicator/vote	Unit of measurement	Annual target	Actual	Variance	Prior Target	Prior Actual	Prior Variance	Reason for Deviation	Corrective Measure
Contract Management	Appropriate performance indicators and performance targets are set for supplier performance for each contract awarded through the supply chain management system	Reports on performance of Projects(1)	1	0	1	1	0	-	-
Good Governance	No of reports submitted to Council regarding the execution of council	4	5	1	4	4	0	The number of Council meetings held informed the	-

	decisions							increased number of reports submitted to Council regarding the execution of council decisions	
	% of council resolutions implemented that were referred to the Head of Department	100%	90%	(10%)	New KPI	New KPI	New KPI	The outturning resolutions is implemented over a period of time to due to project requirements	Follow up on the implementation of outstanding Council resolutions
Performance Management	Annual performance agreements for 2013/2014 entered into with each of the managers who are directly accountable to the municipal manager	31- Jul-2013	29-jul-2013	2 days	31- Jul-2013	25-Jul-2012	6 days	Target Achieved earlier as anticipated due to corporation of the Senior Managers	-
	Corporate performance report for 2012/2013	31-Aug-2013	31-Aug-2013	0	New KPI	New KPI	New KPI	-	-

	submitted to the Auditor General								
	Mid-year budget and performance report for the period 01/07/2013 to 31/12/2013 submitted to the executive mayor	25-Jan-2014	24-Jan-2014	1 day	New KPI	New KPI	New KPI	Target achieved earlier because the target date was on a weekend.	-
	Annual report 2012/2013 tabled to Council	31-Jan-2014	27-Jan-2014	3 days	New KPI	New KPI	New KPI	Target achieved earlier because Council sat earlier than the target date	-
	PMS reports	4	4	0	New KPI	New KPI	New KPI	-	-
	Quarterly feedback reports regarding implementation of the IDP and PMS (PPMR Sec 15)	4	4	0	New KPI	New KPI	New KPI	-	-
Internal Auditing	Internal audit reports on the functionality of the PMS, compliance of the	4	4	0	4	4	0	-	-

PMS with relevant legislation and the reliability of performance measurements submitted to the audit committee/performance audit committee [MPPMR, r 14(1)(c)]									
Availability and Implementation of risk based Internal Audit plan.	1	1	0	1	1	0	-	-	
Availability of quarterly audit reports (internal controls, financial and compliance)	4	11	7	4	4	0	This is informed by the number of Audits performed in a quarter as per the IA Plan.	Target will be revised and be aligned to the IA Plan	
Follow-up on Auditor General recommendations	2	2	0	1	1	0	-	-	
Audit/performance audit committee's	4	4	0	2	3	1	-	-	

	audit reports submitted to the Council [MPPMR, r. 14(4)(a)]								
	Annual Financial Statements for 2012/2013 submitted to the audit committee for review [MFMA, s 166(2)(b)]	31/08/2013	27/08/2013	4 days	31/09/2012	31/08/2012	1 month	Target was achieved earlier due to the sitting of the Audit Committee	-
	No of audit committee meetings held	4	5	1	4	4	0	There was a need for an extra Audit Committee meeting	-
Risk assessment	Review Risk Management Strategy, Policy and Framework	1	1	0	1	1	0	-	-
	Risk register	1	1	0	1	1	0	-	-
	Risk Management Reports	3	2	(1)	4	1	(3)	This was due to the vacancy of the Chief Risk Officer	The municipality filled the vacancy of

									the CRO
	Approved Fraud Prevention Plan	1	1	0	1	1	0	-	-
Financial Viability	Months without unauthorised expenditure as indicated in MFMA 32(1)(b)	12	6	(6)	12	9	(3)	This is due to overspending on certain votes	Council will investigate unauthorised expenditure as indicated in MFMA 32(1)(b)

CORPORATE SERVICES

Indicator/vote	Unit of measurement	Annual target	Actual	Variance	Prior Target	Prior Actual	Prior Variance	Reason for Deviation	Corrective Measure
Contract Management	Monitor projects undertaken by the department by setting performance indicators for each projects (PPMR Sec 9(2)(b))	1	1	0	4	3	(1)	-	-
Upload and update municipal website regularly and comply with s 21B of the Systems Act and s 75 of the MFMA	Fully functional website at all times	4	3	(1)	4	4	0	Website was under the construction during quarter two	Earlier construction and updating of the municipal website to avoid non compliance

Development of IT master plan	ICT Master plan	1	1	0	1	0	(1)	-	-
Employment Equity	% of female employees in the municipality	50.59%	54.76%	4.17%	50.59%	40.66%	9.93%	Gender equality is in line with provincial statistics	-
	% of differently able employees in the municipality	0.8%	1.19%	0.39%	0.8%	1.4%	0.6%	Representation is in line with provincial statistics	-
Skills Development Plan	No of employees attending skills development interventions	50	0	(50)	50	19	(31)	No training took place due to budget constraints	The municipality to make provision in the budget for skills development as it is a compliance matter

Good Governance	% of council resolutions implemented that were referred to the HOD for execution	100%	67%	(33%)	100%	81.42%	(18.58%)	The outrunning resolutions is implemented over a period of time due to project requirements	Follow up on all outstanding Council resolutions
Performance Management	No of performance reports submitted to the MM (MSA Sec 38 and 39)	4	4	0	4	4	0	-	-
Skills Development	Submission of employment equity report to Department of Labour	Manually 31-Oct-2013 Electronically 31-Jan-2014	Manually 25-Sep-2013	36 days	Manually 31-Oct-2012 Electronically 31-Jan-2013	Electronically 01-02-2013 and was rejected by DOL	(2days)	The HR department concluded the report timeously and submitted to DOL	-

	Percentage of skills development levy claimed back from skills development fund (SDL Act & Reg)	1%	0%	(1)	1%	63.45%	62.45%	There was no budget dedicated towards skills development	XDM to make provision in the budget for skills development as it a compliance matter
	Workplace Skills Plan (WSP) submitted to LGSETA	30/06/2014	30/04/2014	2 months	30/06/2013	26/06/2013	4 days	WSP was concluded earlier than the target date due to cooperation from all departments	-
Good Governance	No queries received from Auditor General regarding incompleteness of employee records	0	0	0	0	0	0	-	-

Occupational Health and Safety	No of health and safety inspections carried out in terms of the Occupational Health and Safety Act 85 Of 1993	2	1	(1)	2	2	0	Inspections are informed by number of incidents and for the 2013/14 financial year XDM had only one incident	The municipality to engage with DOL to assist in setting up health and safety
	Compliance with all aspects regarding work related injuries as required by the Occupational Health and Safety Act 85 Of 1993	100%	100%	0	100%	100%	0	-	-
Labour Relations	No of Local Labour Forum(LLF) meetings	12	3	(9)	12	8	(5)	This is due to unavailability of other LLF members	Develop a schedule for the sitting of the LLF meetings and communicate it in time to all members
Performance Management	No of performance appraisals	2	0	(2)	2	0	(2)	Noncompliance to the Employee	HODs to play an oversight role in the implementation of

	conducted to employees in the department							Performance Appraisal System (EPAS) Policy	EPAS .
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COUNCIL

Indicator/vote	Unit of measurement	Annual target	Actual	Variance	Prior Target	Prior Actual	Prior Variance	Reason for Deviation	Corrective Measure
Council meetings	No. of meetings held	4	11	7	4	7	1	Council had special Council meetings hence the high number of Council meetings	-
Mayoral Committee meetings	No. of meetings held	6	6	0	6	6	0	-	-
Section 80 committees	No. of meetings held	6	6	0	6	6	0	-	-

Agendas to Council and Committees	Issue agenda in time	Within 48 hours before the sitting of meetings	Within 48 hours	0	Within 48 hours	Within 48 hours	0	-	-
Good Governance	% of council resolutions(internal) executed by management	100% implementation (before the next ordinary council meeting)	66.2%	(33.8%)	100% implementation (before the next ordinary council meeting)	94.1%	(5.9%)	The outturning resolution is implemented over a period of time due to project requirements	Follow up on outstanding Council resolutions
	Budget and IDP process plan tabled in Council	31 –Aug-2013	29- Aug-2013	02 days	31 –Aug-2012	31 –Aug-2012	0	Target achieved earlier because Council sat earlier than the target date.	-
Performance Management	Review of performance management system and monitoring of compliance (MSA Sec 39)	31-Jul-2013	29-Aug-2013	(30 days)	31-Jul-2012	29-Jun-2013	31 days	Target achieved earlier because Council sat earlier than the target date.	-

	Report to the Executive Mayor on performance reviews/assessment of top management	31/10/2013 31/01/2014 30/04/2014 31/07/2014	3	(1)	31/10/2012 31/01/2013 30/04/2013 31/07/2013	4	0	No formal committee established as per Reg 27 of MSA due to budget constraints	Council to formally appoint a Committee to assess the performance of Senior Managers
Financial Viability	Mayor's report on the implementation of the budget and the financial state of the affairs of the municipality to Council (MFMA Sec 52(d))	31/10/2013 31/01/2014 30/04/2014 31/07/2014	4	0	31/10/2012 31/01/2013 30/04/2013 31/07/2013	4	0	-	-
Public Participation	IDP	4(1 per local municipality)	4	0	4(1 per local municipality)	4	0	-	-
Approval of the first Draft of the IDP and Budget by Council	IDP	1	1	0	1	1	0	-	-
Approval of the final budget and IDP	Approved budget and IDP	30-Jun-2014	30-Jun-2014	0	1	1	0	-	-

Mid-year budget and performance report tabled in Council	Mid-year budget and performance report	25-Jan -2014	24-Jan-2014	1	31-Jan -2013	23-Jan-2013	0	Target Achieved earlier because target date was on a weekend	-
Draft Annual report for submission to AGSA	Draft Annual report	31-Aug-2013	31-Aug-2013	0	31-Aug-2012	31-Aug-2012	0	-	-
Good Governance	Annual report for 2012/2013 tabled in Council (MFMA 127(2))	31-Jan-2014	27-Jan-2014	4 days	31-Jan-2013	23-Jan-2013	0	Target achieved earlier because Council sat earlier than the target date.	-
	Oversight report on the annual report adopted by Council	31- Mar-2014	31-Mar-2014	0	31 Mar-2013	31 Mar-2013	0	-	-
Approval of the SDBIP	SDBIP	Within 28 days after approval of the Budget	Within 24 days after approval of the Budget	4 days	Within 28 days after approval of the Budget	Within 29 days after approval of the Budget	(1) day	Target achieved earlier because of the cooperation of all departments towards concluding this document	-

Good Governance	Annual performance agreements for 2013/2014 entered into with the Municipal Manager	31- Jul -2013	29-Jul-2013	2 days	31- Jul -2012	29-Jul-2012	3 days	Target Achieved earlier as anticipated due to corporation of the Senior Managers	-
Mayor`s social responsibility	Paying Registration fees for prospective (tertiary students)	5 students	10 students	5 students	16 students	8 students	(8)	The municipality anticipated to pay registration for 5 students but because there was still budget available then an extra 5 students were accommodated in that budget	-

Special Programmes	District Aids Council Meetings	2	0	(2)	2	1	(1)	This is due to unavailability of other District Aids Council members	Develop a schedule for the sitting of the District Aids Council meetings and communicate the schedule earlier to members to avoid non sitting of these meetings
Outreach Programmes	Youth Month	1	1	0	1	1	0		-
	Women's Day	1	0	(1)	1	1	0	Women's day was celebrated in the province, the municipality avoided duplication of this event	Women's day to also be celebrated locally.
	Heritage month	1	1	0	1	1	0	-	-

IGR Forum	No. Of meetings	4 political	2	(2)	4	2	(2)	This was due to the unavailability of other stakeholders of the IGR.	Develop a schedule for the sitting of the Political IGR meetings and communicate the plan early to all stakeholders
		4 Technical	4	0	4	2	(2)	-	-

PLANNING AND SOCIAL DEVELOPMENT

Indicator/vote	Unit of measurement	Annual target	Actual	Variance	Prior Target	Prior Actual	Prior Variance	Reason for Deviation	Corrective Measure
Contract Management	Monitor projects undertaken by the municipality by setting performance indicators for each projects (PPMR Sec 9(2)(b))	4 Project Performance report	4	0	4	5	1	-	-
Environmental Health	No of environmental support meetings attended with local municipalities	1	7	6	8	9	1	There was a need for specialized EH intervention from the District hence the increased number of meetings.	
	Number of incidents of illegal dumping	4	8	(4)	0	16	(16)	Lack of refuse collection by Local Municipalities lead to the high number of illegal dumping incidents.	Licensing of land fill sites by Local Municipalities.

	No of health & hygiene projects	8	11	3	New KPI	New KPI	New KPI	This is informed by the number of reported diarrheal cases by the clinics.	Monitor the blue and green drop status and increase awareness sessions
	No of persons attending health education programmes/projects	800	1552	752	800	1113	28	This is informed by the number of reported diarrheal cases by the clinics.	Monitor the blue and green drop status and increase awareness sessions
Sample results taken: micro-biological, chemical and physical aesthetical determinants	No. of samples taken	48 Naledi	37	(11)	48	17	(31)	There was a vacancy for the EHP	The municipality filled the vacancy of the EHP

		152 Kopanong	258	106	152	171	19	Any failures that occur results in the EH Unit having to resample until compliance is obtained.	Monitor the blue and green drop status regularly
		48 Mohokare	60	12	48	84	36	Any failures that occur results in the EH Unit having to resample until compliance is obtained.	Monitor the blue and green drop status regularly
		72 Letsemeng	120	48	72	40	(32)	Any failures that occur results in the EH Unit having to resample until compliance is obtained.	Monitor the blue and green drop status regularly

Water Quality Monitoring	Blue drop compliant water quality achieved by June 2014	30/06/2014	0	(1)	30/06/2013	1	0	Report was not yet released by 30 June 2014 by Department of Water and Sanitation	-
	No of water awareness campaigns conducted	4	4	0	4	4	0	-	-
	No of water quality reports submitted to Management	4	9	5	4	3	(1)	This is due to the increase in the number of water failures experienced which required EH Unit to report frequently to management.	Monitor the blue and green drop status regularly
To monitor and control acceptable food quality and safety	No of Site inspections Compliance and Notices	200	231	31	200	112	(88)	This was caused by non-compliance of food premises.	-

Funeral parlours to comply with R237 of 8 February 1985	No of inspections conducted	4	11	7	New KPI	New KPI	New KPI	This was caused by non-compliance of funeral parlours.	-
Disaster Management	Disaster management plan reviewed	30/06/2014	30/06/2014	0	30/06/2013	31/08/2012	10 months and 1 day	-	-
	No of municipal disaster management advisory forum meetings held (section 51 of the Disaster Management Act 2002)	4	4	0	4	5	1	-	-
	No of disaster management progress reports submitted to Council	4	2	(2)	4	8	4	Management makes decisions as to which reports need to be presented before Council	The Municipality to review this KPI
	Awareness campaigns for community on Disaster Management	4 campaigns	3	(1)	4	1	(3)	This is due to budget constraints	Make provision in the budget for conducting Awareness campaigns

									for community on Disaster Management
	No. of educational programmes for schools on Disaster Management	14 programs	3	(11)	20	2	(18)	This is due to budget constraints	Make provision in the budget for conducting educational programmes for schools on Disaster Management
Spatial Development	Annual review of the Spatial Development Framework	30/06/2014	0	0	New KPI	New KPI	New KPI	The municipality does not have the capacity to review the SDF	The municipality requested assistance from the Department of Rural Development and Land Affairs
	Compilation of the XDM Spatial Map	30/06/2014	0	0	New KPI	New KPI	New KPI	The municipality does not have	The municipality requested

								the capacity to compile the Spatial Map	assistance from the Department of Rural Development and Land Affairs
Basic Services	No of sanitation quality reports submitted to Management	4	7	3	4	10	6	Local Municipalities had to give feedback reports to the District and progress reports had to be submitted by Environmental Health Unit based on those LM's reports	
Local Economic Development (LED)	No. of LED forums held by 30 June 2014	3	3	0	4	3	(1)	-	-
	No. of LED implementation reports submitted to Management	8	26	18	8	11	3	This was informed by progress reports on LED	

								Initiatives or programmes that were reported to management before	
Promotion & marketing of XDM	No. of District exhibitors at MACUFE	5 exhibitors	0 exhibitors	5 exhibitors	2 exhibitors	2 exhibitors	0	This is due to budget constraints	Make provision in the budget for District exhibitors at MACUFE
LED Trainings	No. of SMME`s trained	12 SMME`s	32	20	New KPI	New KPI	New KPI	An assessment was done by LED Unit and SEDDA, a need was identified to train more	-
	No. of beneficiaries on business management(Recycling Co-operative)	15 beneficiaries	15	0	New KPI	New KPI	New KPI	-	-
	No. of beneficiaries on business management(Arts and Craft Centre)	12 beneficiaries	0	(12)	New KPI	New KPI	New KPI	Target not achieved because of the unavailability of the service	Training will take place in the 2014/15 financial

								provider	year
Tourism Campaigns	Awareness campaigns	4	2	(2)	4	4	0	This is due to budget constraints	Make provision in the budget for conducting awareness Tourism awareness campaigns
	Upgrading piggery stalls in Dewetsdorp	1	1	0	1	0	(1)	-	-
	Payments of stipends for the beneficiaries at the Arts and Craft Centre	R66 600	R49 380	(R17 220)	R388 800	R0.00	(R388 800)	The project started late(in the third quarter) due to Supply Chain Management processes	The remainder of the budget will be spent in the new financial year as the project has overlapped to 2014/15 financial year

	Registration of Waste Recycling co-operative	30/09/2013	0	(1)	1	0	(1)	The cooperative submitted insufficient information to SEDA hence the delay in the registration	Municipality to make a follow-up with SEDA regarding the registration of this cooperative .
Implementation of LED Projects	Appointment and payment of 200 Extended Public Works Programme beneficiaries	200 people	278	78	100 people	170	70	This was informed by the conditions of the Incentive Grant Manual).	-
Good Governance	% of Council resolutions implemented that was referred to the HOD for execution	100%	76%	(24%)	100%	99.5%	0.5%	The outturning resolution is implemented over a period of time due to project requirements	Follow up on all outstanding Council resolutions
Performance Management	No of performance appraisals conducted in the Department	2	0	(2)	2	1	(1)	Noncompliance with the Employee Performance Appraisal	HODs to play an oversight role in the implementa

								System(EPAS) Policy	tion of EPAS
	No of performance reports submitted to the MM	4	4	0	4	4	0	-	-



CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE

(PERFORMANCE REPORT PART II)

INTRODUCTION

The Municipality reviewed its organizational structure in April 2012 for 2012/2013 financial year with the intention to prepare and organize the Municipality to implement new political mandate and; ever changing and increasing scope of work that is assigned to the Municipality. Few new positions were created, others were abolished and some were shifted to other departments or units of the institution.

The Municipality is constituted of four departments, namely, the Office of the Municipal Manager, Corporate Services, Planning and Social Development and Budget and Treasury. The Office of the Municipal Manager comprises of four units i.e. Internal Audit, Risk Management, Performance Management and Communication. The Department of Corporate Services consists of three units, i.e. Administration, Human Resources and IT. The Department of Planning and Social Development is composed of four units, namely Local Economic Development, Development Planning, Disaster Management and Municipal Health. The Budget and Treasury Office comprises of three units, namely, Expenditure and Payroll, Supply Chain Management and Budget and Reporting.

T4.0.1

COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

Vacancy Rate: Year 1			
Designations	*Total Approved Posts No.	*Vacancies (Total time that vacancies exist using fulltime equivalents) No.	*Vacancies (as a proportion of total posts in each category) %
Municipal Manager			
CFO			
Other S57 Managers (excluding Finance Posts)			
Other S57 Managers (Finance posts)			
Police officers			
Fire fighters			
Senior management: Levels 13-15 (excluding Finance Posts)			
Senior management: Levels 13-15 (Finance posts)			
Highly skilled supervision: levels 9-12 (excluding Finance posts)			
Highly skilled supervision: levels 9-12 (Finance posts)			
Total			
<p><i>Note: *For posts which are established and funded in the approved budget or adjustments budget (where changes in employee provision have been made). Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.</i></p>			T4.1.2

Turn-over Rate			
Details	Total Appointments as of beginning of Financial Year No.	Terminations during the Financial Year No.	Turn-over Rate*
2013/2014			
2012/2013	10	15	150.00%
2011/2012	9	8	88.89%
* Divide the number of employees who have left the organisation within a year, by total number of employees who occupied posts at the beginning of the year			T4.1.3

COMMENT ON VACANCIES AND TURNOVER:

Delete Directive note once comment is complete - Detail the attempts made to fill the posts of senior management and highly skilled supervision and explain why there are no appropriate internal staff to fill the vacancies. Explain how long, at a minimum, the section 57 vacancies (including MM and CFO) have remained unfilled and the reasons for this. Give reasons for the turnover rate experienced by your municipality.

T4.1.4

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT

The Municipality has put proper municipal workforce management systems and procedure in place in order to entrench transparent personnel administration. A Human Resources Policy Manual was developed and presented before Council for approval. Furthermore, the Municipality has developed Employment Equity Plan which is used guide the Municipality on how to implement its recruitment strategy. An Employment Equity Report which shows whether the municipality has recruited employees in accordance with its Employment Equity Plan is then compiled and submitted to the Department of Labour on annual basis.

Every year before the end of June, the Municipality conduct skill audit for each every employee with the intention to identify skill gaps in the institution. The Skills Report in then submitted to the Local Government Sector Education and Training Authority together with the Works Place Skills Plan (WSP). The Officials are then sent to trainings based on the WSP.

The Municipality has developed other numerous policies that governs the activities that are taking place within the institution, namely, Records Management Policy, Fraud and Corruption Prevention Policy, Risk Management Policy, Delegation System Policy, Disaster Management Policy, Audit Charter, Performance Management Framework, Integrated Development Framework and budget related policies etc. These policies and procedures are meant to regulate the activities undertaken by the employees of the Municipality.

T4.2.0

4.2 POLICIES

HR Policies and Plans				
	Name of Policy	Completed	Reviewed	Date adopted by council or comment on failure to adopt
		%	%	
1	Affirmative Action	100%	100%	24 April 2012
2	Attraction and Retention	100%	100%	24 April 2012
24 April 2012	Code of Conduct for employees			24 April 2012
4	Delegations, Authorisation & Responsibility	100%	100%	24 April 2012
5	Disciplinary Code and Procedures			24 April 2012
6	Essential Services	100%	100%	24 April 2012
7	Employee Assistance / Wellness			24 April 2012
8	Employment Equity	100%	100%	24 April 2012
9	Exit Management			24 April 2012
10	Grievance Procedures	100%	100%	24 April 2012
11	HIV/Aids			24 April 2012
12	Human Resource and Development	100%	100%	24 April 2012
13	Information Technology			24 April 2012
14	Job Evaluation	100%	100%	24 April 2012
15	Leave			24 April 2012
16	Occupational Health and Safety	100%	100%	24 April 2012
17	Official Housing			24 April 2012
18	Official Journeys	100%	100%	24 April 2012
19	Official transport to attend Funerals	100%	100%	24 April 2012
20	Official Working Hours and Overtime			24 April 2012
21	Organisational Rights	100%	100%	24 April 2012
22	Payroll Deductions			24 April 2012
23	Performance Management and Development	100%	100%	24 April 2012
24	Recruitment, Selection and Appointments			24 April 2012
25	Remuneration Scales and Allowances	100%	100%	24 April 2012
26	Resettlement			24 April 2012
27	Sexual Harassment	100%	100%	24 April 2012
28	Skills Development			24 April 2012

29	Smoking			24 April 2012
30	Special Skills	100%	100%	24 April 2012
31	Work Organisation			24 April 2012
32	Uniforms and Protective Clothing	100%	100%	24 April 2012
33	Other:			

The Municipality created a Human Resource Policy that entails all issues raised in the table as referred to. The Human Resource Policy is reviewed annually and was reviewed for the 2012/2013 financial year

T4.2.1

COMMENT ON WORKFORCE POLICY DEVELOPMENT:

All necessary policies that enable the Municipality to conduct its business in a fair and transparent manner has been developed and submitted before Council for adoption.

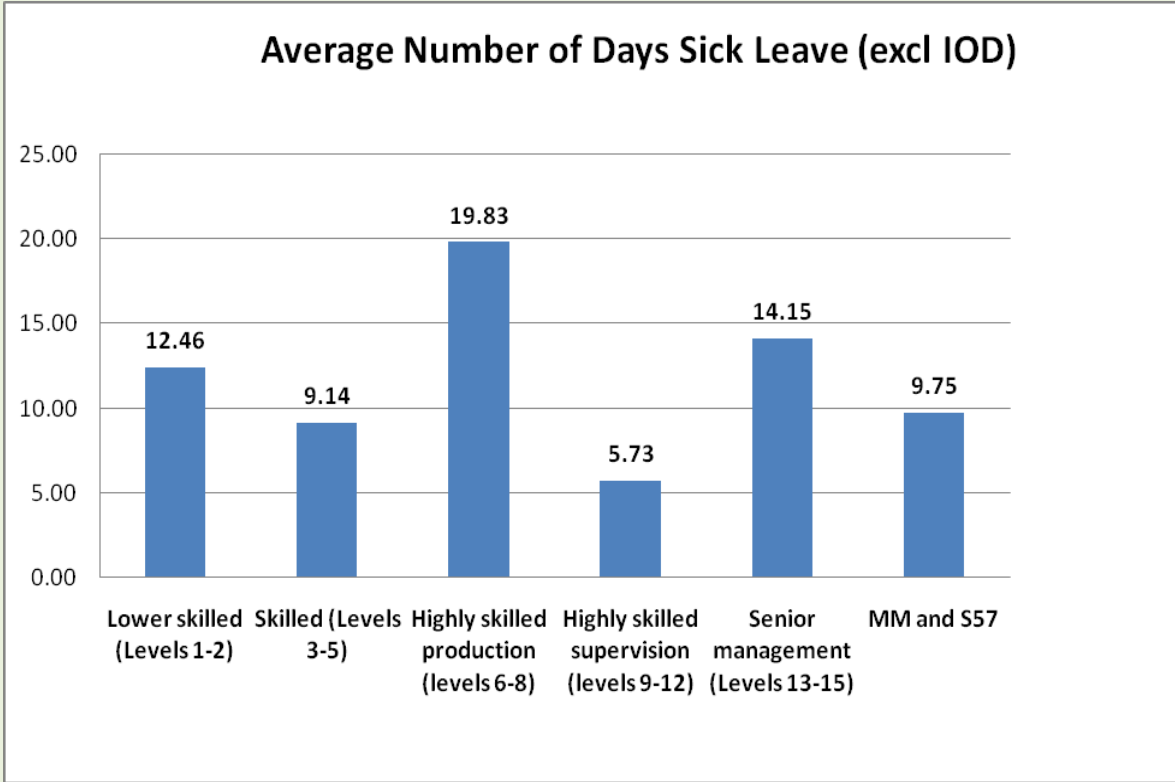
T4.2.1.1

4.3 INJURIES, SICKNESS AND SUSPENSIONS

Number and Cost of Injuries on Duty					
Type of injury	Injury Leave Taken	Employees using injury leave	Proportion employees using sick leave	Average Injury Leave per employee	Total Estimated Cost
	Days	No.	%	Days	R'000
Required basic medical attention only	60	5	8.33%	12	60
Temporary total disablement					
Permanent disablement					
Fatal					
Total	60	5	8.33%	12	60

T4.3.1

Number of days and Cost of Sick Leave (excluding injuries on duty)						
Salary band	Total sick leave	Proportion of sick leave without medical certification	Employees using sick leave	Total employees in post*	*Average sick leave per Employees	Estimated cost
	Days	%	No.	No.	Days	R' 000
Lower skilled (Levels 1-2)						
Skilled (Levels 3-5)						
Highly skilled production (levels 6-8)						
Highly skilled supervision (levels 9-12)						
Senior management (Levels 13-15)						
MM and S57						
Total						
* - Number of employees in post at the beginning of the year						
*Average is calculated by taking sick leave in column 2 divided by total employees in column 5						T4.3.2



T4.3.3

COMMENT ON INJURY AND SICK LEAVE:

Delete Directive note once comment's completed – Comment on injury and sick leave indicated in the above tables. Explain steps taken during the year to reduce injuries and follow-up action in relation to injury and sick leave (e.g. are injuries examined by the municipality’s own doctor; are those taking long or regular periods of sick leave monitored by municipality’s doctor; and are personal records maintained of the number of instances of sick leave and amount of time taken each year?)

T4.3.4

Disciplinary Action Taken on Cases of Financial Misconduct			
Position	Nature of Alleged Misconduct and Rand value of any loss to the municipality	Disciplinary action taken	Date Finalised
IDP Manager	Gross Insubordination	Suspension	In progress
PA of the Municipal Manager	Gross Insubordination	Termination of Contract	December 2013
			T4.3.6

COMMENT ON SUSPENSIONS AND CASES OF FINANCIAL MISCONDUCT:

The Municipality terminated the service of one employee due to the outcomes of the Disciplinary Hearing and the matter is at the Arbitration level. The other case is still in progress.

T4.3.7

4.4 PERFORMANCE REWARDS

COMMENT ON PERFORMANCE REWARDS:

The Municipality has developed Employee Performance Assessment System (EPAS) which is used as a tool to assess the performance of the employees for a particular period. However, there is no system that regulate how should the officials be rewarded for their outstanding work, except for section 54A and section 56 employees.

At this no performance rewards were paid out to any municipal employee, including Top Managers due to budget constraints.

T4.4.1.1

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT

Every year before the end of June, the Municipality conduct skill audit for each every employee with the intention to identify skill gaps in the institution. The Skills Report in then submitted to the Local Government Sector Education and Training Authority together with the Works Place Skills Plan (WSP). The Officials are then sent to trainings based on the WSP. Over and above this intervention the employees may apply for financial assist to further their studies with their institutions of their choice.

T4.5.0

4.5 SKILLS DEVELOPMENT AND TRAINING

Skills Matrix														
Management level	Gender	Employees in post as at 30 June Year 1	Number of skilled employees required and actual as at 30 June Year 1											
			Learnerships			Skills programmes & other short courses			Other forms of training			Total		
			No.	Actual: End of Year 0	Actual: End of Year 1	Target	Actual: End of Year 0	Actual: End of Year 1	Target	Actual: End of Year 0	Actual: End of Year 1	Target	Actual: End of Year 0	Actual: End of Year 1
MM and s57	Female													
	Male													
Councillors, senior officials and managers	Female													
	Male													
Technicians and associate professionals*	Female													
	Male													
Professionals	Female													
	Male													
Sub total	Female													
	Male													
Total														
*Registered with professional Associate Body e.g CA (SA)													T4.5	
													.1	

Financial Competency Development: Progress Report*						
Description	A. Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	B. Total number of officials employed by municipal entities (Regulation 14(4)(a) and (c))	Consolidated: Total of A and B	Consolidated: Competency assessments completed for A and B (Regulation 14(4)(b) and (d))	Consolidated: Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Consolidated: Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))
Financial Officials						
<i>Accounting officer</i>						
<i>Chief financial officer</i>						
<i>Senior managers</i>						
<i>Any other financial officials</i>						
Supply Chain Management Officials						
<i>Heads of supply chain management units</i>						
<i>Supply chain management senior managers</i>						
TOTAL						
* This is a statutory report under the National Treasury: Local Government: MFMA Competency Regulations (June 2007)						T4.5.2

Skills Development Expenditure

R'000										
Management level	Gender	Employees as at the beginning of the financial year	Original Budget and Actual Expenditure on skills development Year 1							
			Learnerships		Skills programmes & other short courses		Other forms of training		Total	
			No.	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual	Original Budget
MM and S57	Female									
	Male									
Legislators, senior officials and managers	Female									
	Male									
Professionals	Female									
	Male									
Technicians and associate professionals	Female									
	Male									
Clerks	Female									
	Male									
Service and sales workers	Female									
	Male									
Plant and machine operators and assemblers	Female									
	Male									
Elementary occupations	Female									
	Male									
Sub total	Female									
	Male									
Total										
<i>.*% and *R value of municipal salaries (original budget) allocated for workplace skills plan.</i>									<i>.*%</i>	<i>*R</i>

T4.5.3

COMMENT ON SKILLS DEVELOPMENT AND RELATED EXPENDITURE AND ON THE FINANCIAL COMPETENCY REGULATIONS:

The Municipality has budgeted for skill development of the councillors and officials. It is only few employees who were sent to trainings due to financial challenges experienced by the Municipality. The employees who are from trainings are expected to submit their certificates or obtained qualifications to the Human Resources

Division, Skill development Officer. The budget for training would be dramatically reduced in 2013/2014 financial year due to financial constraints.

T4.5.4

COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

INTRODUCTION TO WORKFORCE EXPENDITURE

Before the beginning of the next financial year the Municipality makes necessary estimates for the workforce expenditure. The Municipality then filled only vacant positions that are budgeted for. The Municipality strive all times to appointed only suitably qualified employees for the vacant posts.

T4.6.0

4.6 EMPLOYEE EXPENDITURE



Number Of Employees Whose Salaries Were Increased Due To Their Positions Being Upgraded		
Beneficiaries	Gender	Total

Lower skilled (Levels 1-2)	Female	
	Male	
Skilled (Levels 3-5)	Female	
	Male	
Highly skilled production (Levels 6-8)	Female	
	Male	
Highly skilled supervision (Levels9-12)	Female	
	Male	
Senior management (Levels13-16)	Female	
	Male	
MM and S 57	Female	
	Male	
Total		
<p><i>Those with disability are shown in brackets '(x)' in the 'Number of beneficiaries' column as well as in the numbers at the right hand side of the column (as illustrated above).</i></p>		

T4.6.2

Employees Whose Salary Levels Exceed The Grade Determined By Job Evaluation				
Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation

T4.6.3

Employees appointed to posts not approved				
Department	Level	Date of appointment	No. appointed	Reason for appointment when no established post exist
				T4.6.4

COMMENT ON UPGRADED POSTS AND THOSE THAT ARE AT VARIANCE WITH NORMAL PRACTICE:

Delete Directive note once comment is complete – Comment on T4.6.2 as appropriate and give further explanations as necessary with respect to T4.6.3 and T4.6.4.

T4.6.5

DISCLOSURES OF FINANCIAL INTERESTS

The Municipality has developed disclosure of interest forms which are completed by the Councillors, senior managers and all officials who serve in bid committees. They are required to disclose their financial interest at the beginning of each financial year.

T4.6.6

CHAPTER 5 – FINANCIAL PERFORMANCE

INTRODUCTION

Chapter 5 contains information regarding financial performance and highlights specific accomplishments. The chapter comprises of three components:

- Component A: Statement of Financial Performance
- Component B: Spending Against Capital Budget
- Component C: Other Financial Matters

Delete Directive note once comment is complete - Please explain how your municipality sought to contain inflationary pressures during the financial year. Take the 5 most expensive consultancy arrangements in 2008/09 and explain the costs, the reasons for the engagements and the results. Include such other introductory remarks as you wish.

T5.0.1

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

INTRODUCTION TO FINANCIAL STATEMENTS

Note: Statements of Revenue Collection Performance by vote and by source are included at **Appendix K**.

Delete Directive note once comment is complete - This component provides an overview of the financial performance of the municipality and focuses on the financial health of the municipality

T5.1.0

5.1 STATEMENTS OF FINANCIAL PERFORMANCE

Financial Summary						
R' 000						
Description	Year 0	Current Year: Year 1			Year 1 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
Financial Performance						
Property rates					%	%
Service charges					%	%
Investment revenue	284	129	375	256	-98.45%	31.70%
Transfers recognised - operational	40 588	59 971	65 968	54 605	8.95%	17.23%
Other own revenue	505	104	114	658	-532.69%	-4,86%
Total Revenue (excluding capital transfers and contributions)	41 377	60 203	66 457	55 519	-622.19%	44.07%
Employee costs	30 159	34 411	34 411	30 304	11.94%	11,94%
Remuneration of councillors	3 318	3 240	3 564	3 570	-10.19%	-0.17%
Depreciation & asset impairment	14 426	3 867	4 254	2 272	41.25%	46.59%
Finance charges	287			71	%	%
Materials and bulk purchases					%	%
Transfers and grants					%	%
Other expenditure	22 556	15 869	91 041	17 689	-11.47%	80.57%
Total Expenditure	70 745	57 387	133 27	53 906	31,53%	58,36%
Surplus/(Deficit)	(29 368)	3 168	(39 741)	1 613	49.10%	-104.06%
Transfers recognised - capital					%	%
Contributions recognised - capital & contributed assets	-	-	-	-	%	%
Surplus/(Deficit) after capital transfers & contributions	(29 368)	3 168	39 741	1 613	49.10%	-104.06%
Share of surplus/ (deficit) of associate					%	%
Surplus/(Deficit) for the year	(29 368)	3 168	39 741	1 613	%	%

<u>Capital expenditure & funds sources</u>						
Capital expenditure	-				%	%
Transfers recognised						
- capital	-				%	%
Public contributions & donations					%	%
Borrowing					%	%
Internally generated funds					%	%
Total sources of capital funds	-				%	%
<u>Financial position</u>						
Total current assets	3 729				%	%
Total non-current assets	20 822				%	%
Total current liabilities	8 521				%	%
Total non-current liabilities	879				%	%
Community wealth/Equity	-				%	%
<u>Cash flows</u>						
Net cash from (used) operating	(11 886)				49.10%	-104.06%
Net cash from (used) investing	3 095				%	%
Net cash from (used) financing	(452)				%	%
Cash/cash equivalents at the year end	1 819				%	%
<u>Cash backing/surplus reconciliation</u>						
Cash and investments available	1 819				%	%
Application of cash and investments	-				%	%
Balance - surplus (shortfall)	1 819				%	%
<u>Asset management</u>						
Asset register summary (WDV)	-				%	%
Depreciation & asset impairment	14 426				100,00%	100,00%
Renewal of Existing Assets	-				%	%

Repairs and Maintenance	1 271			671	%	%
Free services						
Cost of Free Basic Services provided	-	-	-	-	%	%
Revenue cost of free services provided	-	-	-	-	%	%
Households below minimum service level						
Water:	-	-	-	-	%	%
Sanitation/sewerage:	-	-	-	-	%	%
Energy:	-	-	-	-	%	%
Refuse:	-	-	-	-	%	%
						T5.1.1

5.2 GRANTS

GRANT PERFORMANCE				R' 000
Description	Year 0	Year 1	Year 1 Variance	

	Actual	Budget	Adjustments Budget	Actual	Original Budget (%)	Adjustments Budget (%)
-						
<u>Operating Transfers and Grants</u>						
National Government:	25,589	29,944	33,796	29,588	1.19%	12.45%
Equitable share	22,762	25,535	29,343	25,535	0%	12.98%
Finance Management	893	1,250	1,250	1,233	1.36%	1.36%
Municipal Systems Improvement	889	890	934	708	25.71%	24.20%
EPWP Incentive	1,045	1,000	1,000	999	0.10%	0.10%
RRAMS	-	1,269	1,269	1,113	12.29%	12.29%
			33,796			
Provincial Government:	15,000	30,000		29,588		
FS Provincial Government Financial Assistance	15,000	30,000	33,796	25,017	16.61%	25.98%
Provincial Infrastructure grant	-				0%	0%
Ambulance subsidy	-				0%	0%
Sports and Recreation	-				0%	0%
Other transfers/grants [insert description]	-				0%	0%
District Municipality:	-				0%	0%
Motheo Asset Share	-				0%	0%
Other grant providers:	-				0%	0%
[insert description]						
Total Operating Transfers and Grants	40,588				0	0
						T5.2.1

5.3 ASSET MANAGEMENT

INTRODUCTION TO ASSET MANAGEMENT

The asset management policy was drafted within the prescripts of the applicable legislations. Asset verifications are done monthly to ensure that assets are safeguarded properly. Stock counts are performed bi-annual by the asset management officials and once a year with the Office of the Auditor-General. In terms of key delegations, the Accounting Officer is the principal custodian who should ensure that the said policy is scrupulously applied and adhered to. The Chief Financial Officer is the assets registrar. The key elements of the asset management policy are classification, recognition, identification, write-off, depreciation, capitalization criteria, amendment of useful lives, and maintenance of assets.

T5.3.1

COMMENTON ASSET MANAGEMENT:

As Xharies is a District Municipality and its major assets are a building, security system, furniture and equipment. The Municipality revenue is via inter-governmental transfer and the tariffs and taxes are not applicable. The evaluation of all expenditure is in terms of the Supply Chain Management Policy of the Municipality, Regulations and applicable legislation.

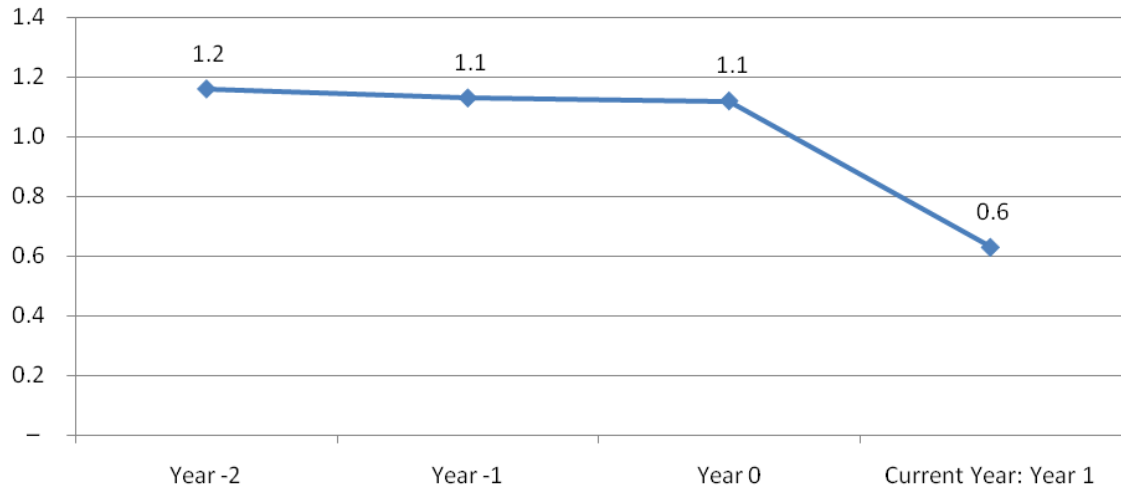
T5.3.3

Repair and Maintenance Expenditure: Year 1				R' 000
	Original Budget	Adjustment Budget	Actual	Budget variance
Repairs and Maintenance Expenditure				

T5.3.4

5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

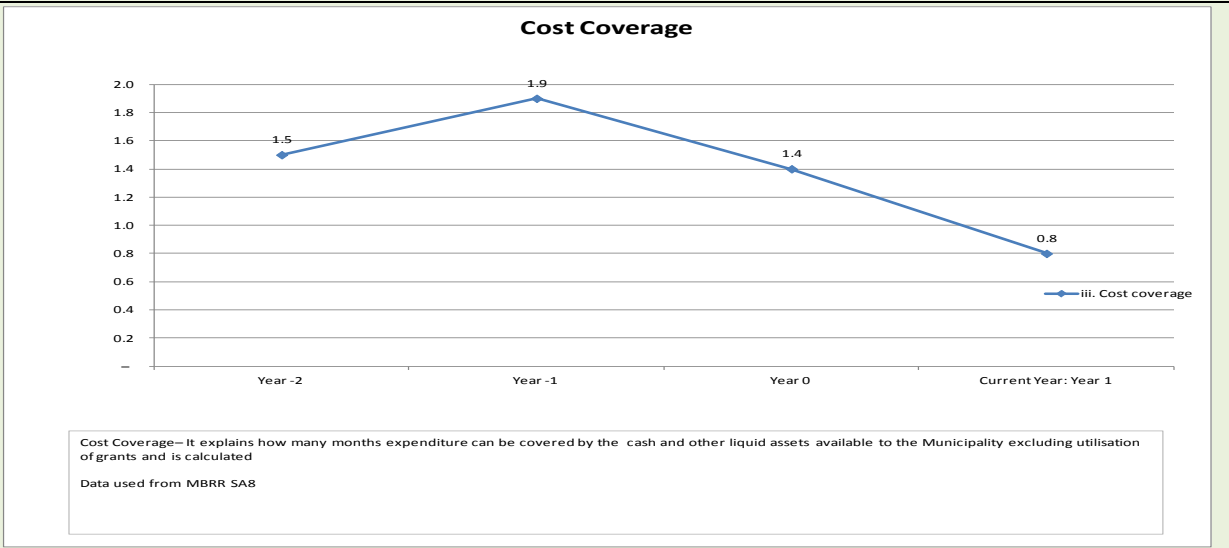
Liquidity Ratio



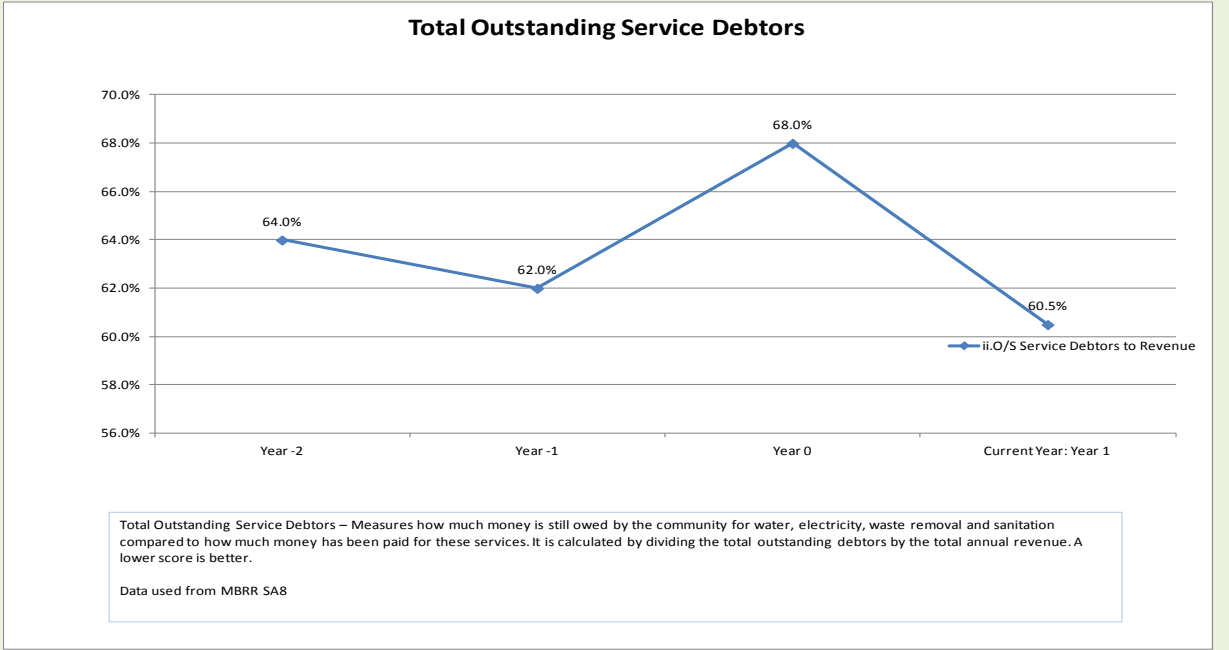
Liquidity Ratio – Measures the municipality’s ability to pay its bills and is calculated by dividing the monetary assets (due within one year) by the municipality’s current liabilities. A higher ratio is better.

Data used from MBRR SA8

T5.4.1

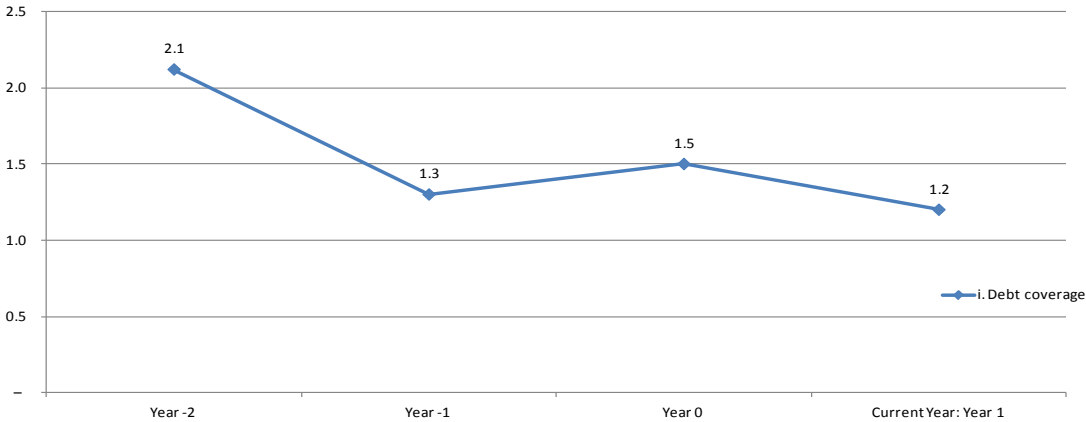


T5.4.2



T5.4.3

Debt Coverage

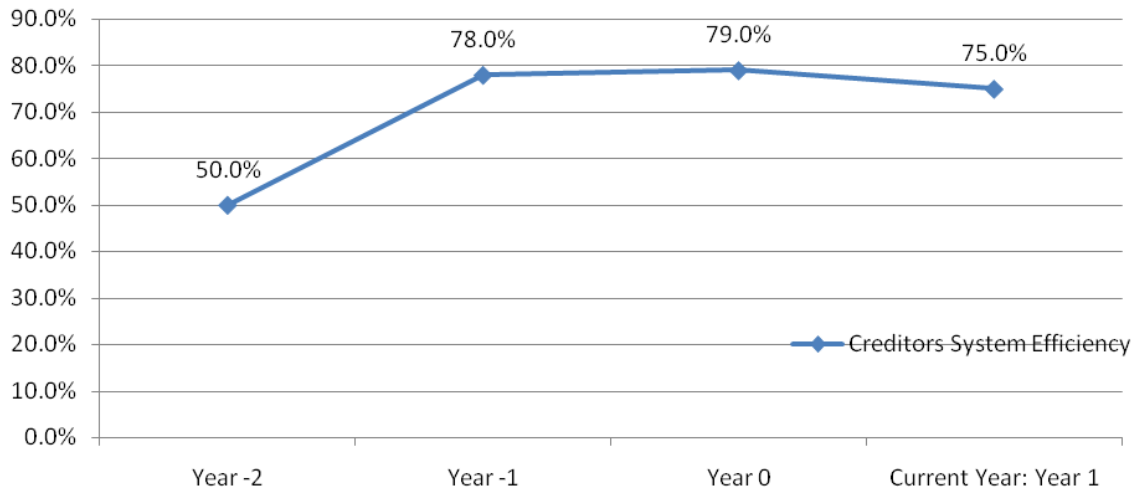


Debt Coverage– The number of times debt payments can be accommodated within Operating revenue (excluding grants) . This in turn represents the ease with which debt payments can be accommodated by the municipality

Data used from MBRR SA8

T5.4.4

Creditors System Efficiency

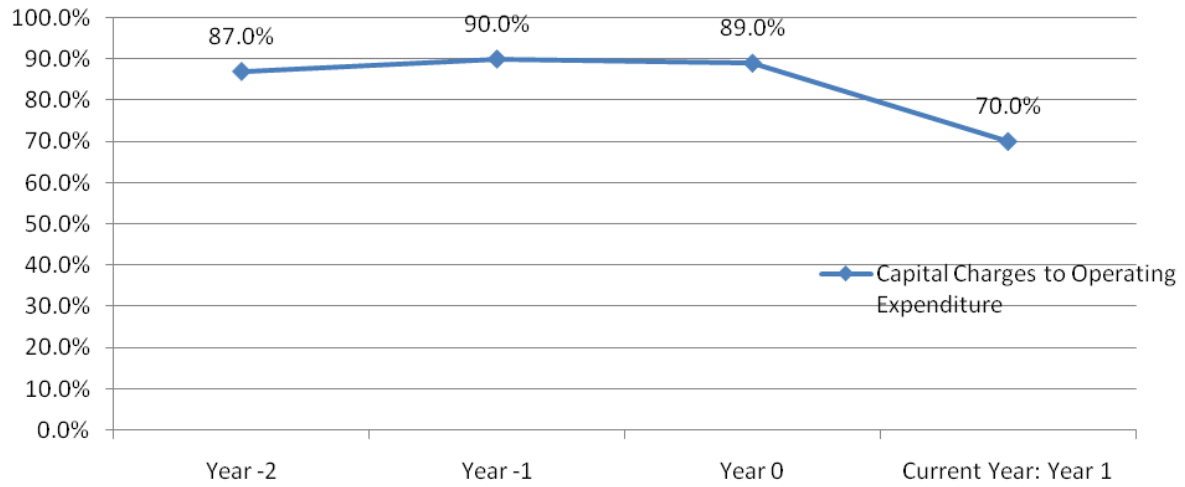


Creditor System Efficiency – The proportion of creditors paid within terms (i.e. 30 days). This ratio is calculated by outstanding trade creditors divided by credit purchases

Data used from MBRR SA8

T5.4.5

Capital Charges to Operating Expenditure

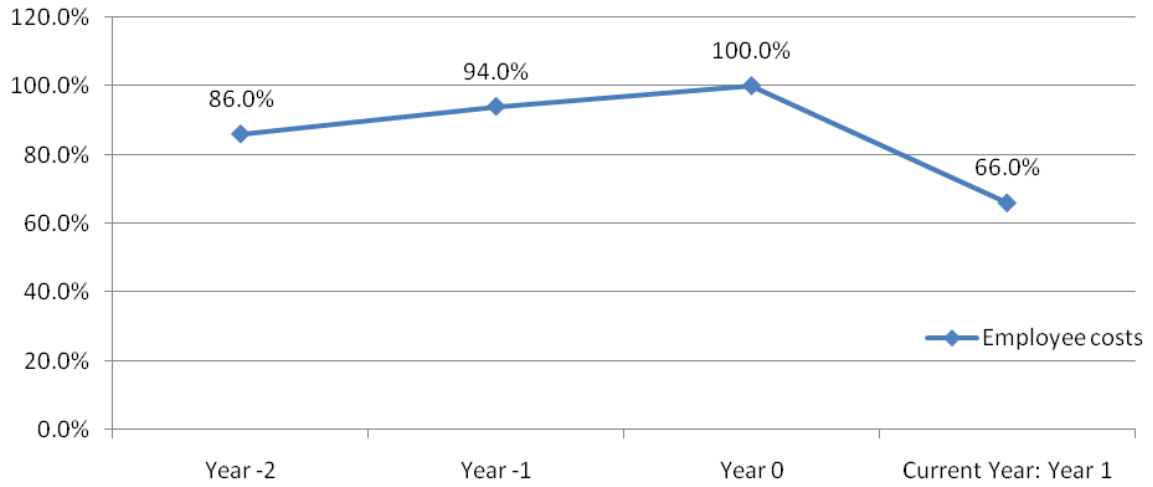


Capital Charges to Operating Expenditure ratio is calculated by dividing the sum of capital interest and principle paid by the total operating expenditure.

Data used from MBRR SA8

T5.4.6

Employee Costs

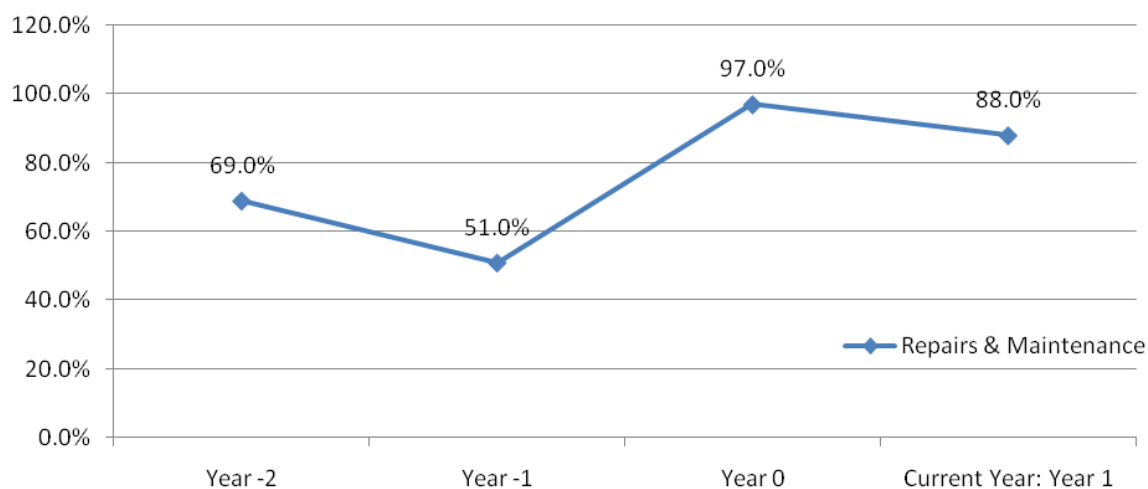


Employee cost – Measures what portion of the revenue was spent on paying employee costs. It is calculated by dividing the total employee cost by the difference between total revenue and capital revenue.

Data used from MBRR SA8

T5.4.7

Repairs & Maintenance



Repairs and Maintenance – This represents the proportion of operating expenditure spent and is calculated by dividing the total repairs and maintenance.

Data used from MBRR SA8

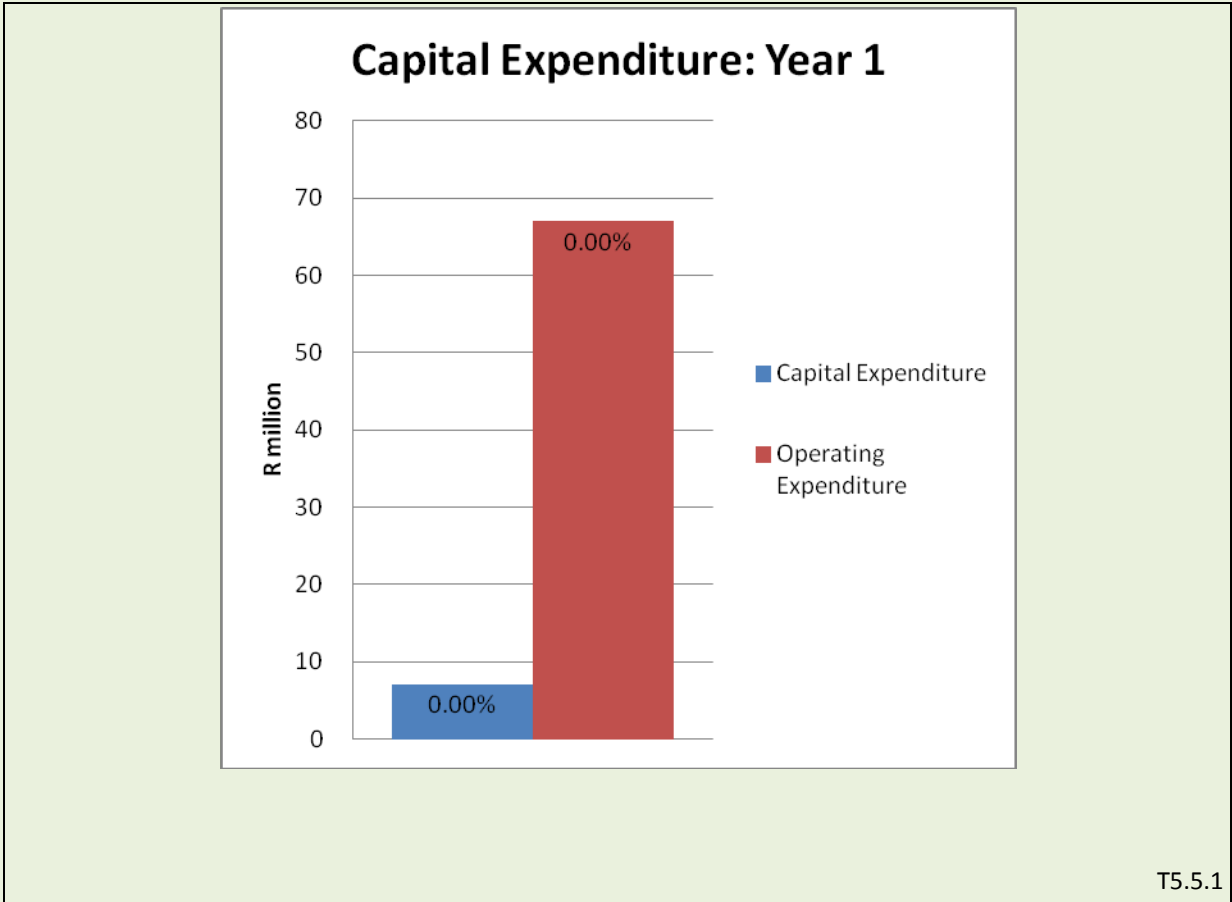
T5.4.8

COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

INTRODUCTION TO SPENDING AGAINST CAPITAL BUDGET

Delete Directive note once comment's completed – Capital expenditure relates mainly to construction projects that will have value lasting over many years. Capital expenditure is funded from grants, borrowings and operating expenditures and surpluses. Component B deals with capital spending indicating where the funding comes from and whether Municipalities are able to spend the available funding as planned. In this component it is important to indicate the different sources of funding as well as how these funds are spend. Highlight the 5 largest projects (see T5.7.1) and indicate what portion of the capital budget they use. In the introduction briefly refer to these key aspects of capital expenditure (usually relating to new works and renewal projects) and to **Appendices M** (relating to the new works and renewal programmes), **N** (relating to the full programme of full capital projects, and **O** (relating to the alignment of projects to wards).

5.5 CAPITAL EXPENDITURE



R' 000						
Description	Year 0	Current Year: Year 1			Year 1 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
<u>Financial Performance</u>						
Property rates					%	%
Service charges					%	%
Investment revenue					%	%
Transfers recognised - operational					%	%
Other own revenue					%	%
Total Revenue (excluding capital transfers and contributions)	-	-	-	-	%	%
Employee costs					%	%
Remuneration of councillors					%	%
Depreciation & asset impairment					%	%
Finance charges					%	%
Materials and bulk purchases					%	%
Transfers and grants					%	%
Other expenditure					%	%
Total Expenditure	-	-	-	-	%	%
Surplus/(Deficit)	-	-	-	-	%	%
Transfers recognised - capital					%	%
Contributions recognised - capital & contributed assets					%	%
Surplus/(Deficit) after capital transfers & contributions	-	-	-	-	%	%
Share of surplus/ (deficit) of associate					%	%
Surplus/(Deficit) for the year	-	-	-	-	%	%
<u>Capital expenditure & funds sources</u>						
Capital expenditure	-	-	-	-	%	%
Transfers recognised - capital	-	-	-	-	%	%
Public contributions & donations					%	%
Borrowing					%	%
Internally generated funds					%	%
Total sources of capital funds	-	-	-	-	%	%

<u>Financial position</u>						
Total current assets	-	-	-	-	%	%
Total non current assets	-	-	-	-	%	%
Total current liabilities	-	-	-	-	%	%
Total non current liabilities	-	-	-	-	%	%
Community wealth/Equity	-	-	-	-	%	%
<u>Cash flows</u>						
Net cash from (used) operating	-	-	-	-	%	%
Net cash from (used) investing	-	-	-	-	%	%
Net cash from (used) financing	-	-	-	-	%	%
Cash/cash equivalents at the year end	-	-	-	-	%	%
<u>Cash backing/surplus reconciliation</u>						
Cash and investments available	-	-	-	-	%	%
Application of cash and investments	-	-	-	-	%	%
Balance - surplus (shortfall)	-	-	-	-	%	%
<u>Asset management</u>						
Asset register summary (WDV)	-	-	-	-	%	%
Depreciation & asset impairment	-	-	-	-	%	%
Renewal of Existing Assets	-	-	-	-	%	%
Repairs and Maintenance	-	-	-	-	%	%
<u>Free services</u>						
Cost of Free Basic Services provided	-	-	-	-	%	%
Revenue cost of free services provided	-	-	-	-	%	%
<u>Households below minimum service level</u>						
Water:	-	-	-	-	%	%
Sanitation/sewerage:	-	-	-	-	%	%

	-	-	-	-		
Energy:	-	-	-	-	%	%
Refuse:	88	-	-	-	%	%

Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A1

T5.1.1

5.6 SOURCES OF FINANCE

Capital Expenditure - Funding Sources Year 0 to Year 1							R' 000
Details	Year 0	Year 1					
	Actual	Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance (%)	Actual to OB Variance (%)	
Source of finance							
	External loans						
	Public contributions and donations						
	Grants and subsidies						
	Other						
Total							
<i>Percentage of finance</i>							
	External loans						
	Public contributions and donations						
	Grants and subsidies						
	Other						
Capital expenditure							

	Water and sanitation						
	Electricity						
	Housing						
	Roads and storm water						
	Other						
Total							
<i>Percentage of expenditure</i>							
	Water and sanitation						
	Electricity						
	Housing						
	Roads and storm water						
	Other						
							T5.6.1

COMMENT ON SOURCES OF FUNDING:

Delete Directive note once comment is complete – Explain any variations from the approved budget of more than 10% and discuss the total capital expenditure as a viable proportion of total expenditure.

T5.6.1.1

5.7 CAPITAL SPENDING ON 5 LARGEST PROJECTS

COMMENT ON CAPITAL PROJECTS

No large projects for the municipality

T5.7.1.1

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

INTRODUCTION TO CASH FLOW MANAGEMENT AND INVESTMENTS

The starting point for good cash flow management is developing a cash flow projection. It is also imperative to develop historical cash flow statements to understand how the money was used. Understanding the basic concepts of cash flow also helps for the unforeseen eventualities that nearly every municipality faces.

T5.9.0

5.9 CASH FLOW

Cash Flow Outcomes				
R'000				
Description	Year 0	Current Year: Year 1		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts				
Ratepayers and other	73			
Government – operating	40,558			
Government – capital				
Interest	284			
Dividends				
Payments				
Suppliers and employees	(55,647)			
Finance charges	(287)			
Transfers and Grants				
NET CASH FROM/(USED) OPERATING ACTIVITIES	(11,886)			
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts				
Proceeds on disposal of assets	5,024			
Decrease (Increase) in non-current debtors				
Decrease (increase) other non-current receivables				
Decrease (increase) in non-current investments				
Payments				
Capital assets	(1,929)			
NET CASH FROM/(USED) INVESTING ACTIVITIES	(3,095)			
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts				
Short term loans				
Borrowing long term/refinancing				
Increase (decrease) in consumer deposits				
Payments				
Repayment of borrowing	(452)			
NET CASH FROM/(USED) FINANCING ACTIVITIES	(452)			

NET INCREASE/ (DECREASE) IN CASH HELD	(9,243)			
Cash/cash equivalents at the year begin:	11,062			
Cash/cash equivalents at the year end:	1,819			
				T5.9.1

COMMENT ON CASH FLOW OUTCOMES:

In terms of own revenue, the municipality received more than anticipated. The Financial Assistance Grant from COGTA, which was a receivable, was only confirmed in December 2013 that it would not be received. This resulted in the actual on Government Grants receipts to be less than the budget amount and that had a negative effect on supplier payments and employees as outlined above

T5.9.1.1

5.10 BORROWING AND INVESTMENTS

INTRODUCTION TO BORROWING AND INVESTMENTS

The municipality as a financially struggling organization only invests excess funds for a short-term aiming at maximizing the available revenue, which would be earning interest. Those said investments would be to meet financial obligations in the subsequent months. The municipality rather had finance leases and overdraft than borrowings.

T5.10.1

Municipal and Entity Investments			
			R
Investment* type	Year -1	Year 0	Year 1
	Actual	Actual	Actual
<u>Municipality</u>			
Securities - National Government			
Listed Corporate Bonds			
Deposits – Bank			
Deposits - Public Investment Commissioners			
Deposits - Corporation for Public Deposits			
Bankers Acceptance Certificates			
Negotiable Certificates of Deposit - Banks			
Guaranteed Endowment Policies (sinking)			
Repurchase Agreements – Banks			
Municipal Bonds			
Other			
Municipality sub-total	0		0
<u>Municipal Entities</u>			
Securities - National Government			
Listed Corporate Bonds			
Deposits – Bank			
Deposits - Public Investment Commissioners			
Deposits - Corporation for Public Deposits			
Bankers Acceptance Certificates			
Negotiable Certificates of Deposit - Banks			
Guaranteed Endowment Policies (sinking)			
Repurchase Agreements – Banks			
Other			
Entities sub-total	0	0	0
Consolidated total:	0	0	0
			T5.10.4

COMMENT ON BORROWING AND INVESTMENTS:

The municipality did not have any investments and borrowing at year end.

T5.10.5

COMPONENT D: OTHER FINANCIAL MATTERS

5.12 SUPPLY CHAIN MANAGEMENT

SUPPLY CHAIN MANAGEMENT

The SCM policy that is in line with the model policy prescribed by the National Treasury, as well as the Contract Management Policy, have been developed, adopted by council on the 5th of December 2013 and workshop was conducted to employees of the municipality in February 2013. The SCM implementation checklist is also being implemented effectively by the unit. No Councilor is a member of any bid committee handling Supply Chain processes. All Supply Chain Officials (intern included) are yet to be fully compliant with the National Treasury competency requirements as they will be attending the MFMP during the 2014/15 financial year that is in accordance with the municipality's Work Skills Plan (WSP), which is over and above the CPMD (7 modules) attended and completed by the Supply Chain Manager only as well as the LGAC and LGAAC courses attended and completed by the Supply Chain Administrator. As for the remarks made by the Auditor-General and the remedial action thereof, queries were raised on non-compliance with the regulation and other applicable legislations, of which AG action plan was developed by the municipality to address such issues..

T5.12.1

5.13 GRAP COMPLIANCE

GRAP COMPLIANCE

GRAP is the acronym for **Generally Recognized Accounting Practice** and it provides the rules by which municipalities are required to maintain their financial accounts. Successful GRAP compliance will ensure that municipal accounts are comparable and more informative for the municipality. It will also ensure that the municipality is more accountable to its citizens and other stakeholders. Information on GRAP compliance is needed to enable National Treasury to assess the pace of progress and consider the implications.

CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS

INTRODUCTION

Note: The Constitution S188 (1) (b) states that the functions of the Auditor-General includes the auditing and reporting on the accounts, financial statements and financial management of all municipalities. MSA S45 states that the results of performance measurement... must be audited annually by the Auditor-General.

Delete Directive note once comment's completed - Refer to the Annual Financial Statements set out in Volume II and the timescale for the audit of these accounts and the audit of performance and the production of reports on these matters by the Auditor General as set out in this Chapter. If this is the version of the annual report presented to Council in September then the Auditor-Generals statements on this year's submissions will not be available for inclusion in this Chapter and this should be explained.

T6.0.1

COMPONENT A: AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS YEAR 0

6.1 AUDITOR GENERAL REPORTS YEAR 0 (PREVIOUS YEAR)

Auditor-General Report on Financial Performance Year 0	
Audit Report Status*:	Qualification
Non-Compliance Issues	Remedial Action Taken
Non-Compliance with Municipal Budget and Reporting Regulation Section 18(1)& 30 (1) EX.128	<ol style="list-style-type: none"> 1. The Budget and monthly budget statements will be submitted to the IT Unit for placement on the municipality's website within the required timeframes. 2. The budgets shall be placed on the municipality's website (made public) within 10 days after approval by council. 3. The budget monthly statements shall be placed on the municipal website.
Non-Compliance with the provision of MFMA 32 (4)	The CFO will develop a mechanism to ensure compliance with the provisions of section 32 of the MFMA. The mechanism will include monitoring instruments.

EX. 129	
Non-Compliance with Municipal Budget and Reporting Regulation Section 26(1) EX. 130	The budgets shall be placed on the municipality's website (made public) within 10 days after approval by council.
Non-Compliance with Municipal Investment Regulation9(1) EX.131	Submissions to the Mayor shall be made monthly.
T6.1.1	

Auditor-General Report on Service Delivery Performance: Year 0	
Audit Report Status:	
Non-Compliance Issues	Remedial Action Taken
T6.1.2	

COMPONENT B: AUDITOR-GENERAL OPINION YEAR 1 (CURRENT YEAR)

6.2 AUDITOR GENERAL REPORT YEAR 1

Auditor-General Report on Financial Performance Year 1*	
Status of audit report:	
Non-Compliance Issues	Remedial Action Taken
<p><i>Note: * The report's status is supplied by the Auditor General and ranges from unqualified (at best); to unqualified with other matters specified; qualified; adverse; and disclaimed (at worse). This table will be completed prior to the publication of the Annual report but following the receipt of the Auditor- General Report on Financial Performance Year 1.</i></p>	
T6.2.1	

Auditor-General Report on Service Delivery Performance: Year 1*	
Status of audit report**:	
Non-Compliance Issues	Remedial Action Taken
<p><i>* This table will be completed prior to the publication of the Annual report but following the receipt of the Auditor- General Report on Service Delivery Performance Year 1</i></p> <p><i>** Inclusion of "Status" depends on nature of AG's remarks on Performance Data.</i></p>	
T6.2.2	

AUDITOR GENERAL REPORT ON THE FINANCIAL STATEMENTS: YEAR 1

Delete Directive note once comment is complete - Attach report

T6.2.3

COMMENTS ON AUDITOR-GENERAL'S OPINION YEAR 1:

Delete Directive note once comment's completed - Provide comments from the Municipal Manager / CFO on the Auditor-General's opinion. Include comments on YEAR 0 if it provides useful context.

T6.2.4

COMMENTS ON MFMA SECTION 71 RESPONSIBILITIES: Section 71 of the MFMA requires municipalities to return a series of financial performance data to the National Treasury at specified intervals throughout the year. The Chief financial officer states that these data sets have been returned according to the reporting requirements/ with the exception of those items and for those reasons given at **Appendix S (delete '/...' if not applicable)**.

Signed (Chief financial Officer)..... Dated

T6.2.5

GLOSSARY

Accessibility indicators	Explore whether the intended beneficiaries are able to access services or outputs.
Accountability documents	Documents used by executive authorities to give “ <i>full and regular</i> ” reports on the matters under their control to Parliament and provincial legislatures as prescribed by the Constitution. This includes plans, budgets, in-year and Annual Reports.
Activities	The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe “ <i>what we do</i> ”.
Adequacy indicators	The quantity of input or output relative to the need or demand.
Annual Report	A report to be prepared and submitted annually based on the regulations set out in Section 121 of the Municipal Finance Management Act. Such a report must include annual financial statements as submitted to and approved by the Auditor-General.
Approved Budget	The annual financial statements of a municipality as audited by the Auditor General and approved by council or a provincial or national executive.
Baseline	Current level of performance that a municipality aims to improve when setting performance targets. The baseline relates to the level of performance recorded in a year prior to the planning period.
Basic municipal service	A municipal service that is necessary to ensure an acceptable and reasonable quality of life to citizens within that particular area. If not provided it may endanger the public health and safety or the environment.
Budget year	The financial year for which an annual budget is to be approved – means a year ending on 30 June.

Cost indicators	The overall cost or expenditure of producing a specified quantity of outputs.
Distribution indicators	The distribution of capacity to deliver services.
Financial Statements	Includes at least a statement of financial position, statement of financial performance, cash-flow statement, notes to these statements and any other statements that may be prescribed.
General Key performance indicators	After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally.
Impact	The results of achieving specific outcomes, such as reducing poverty and creating jobs.
Inputs	All the resources that contribute to the production and delivery of outputs. Inputs are "what we use to do the work". They include finances, personnel, equipment and buildings.
Integrated Development Plan (IDP)	Set out municipal goals and development plans.
National Key performance areas	<ul style="list-style-type: none"> • Service delivery & infrastructure • Economic development • Municipal transformation and institutional development • Financial viability and management • Good governance and community participation
Outcomes	The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives set out in its plans. Outcomes are "what we wish to achieve".
Outputs	The final products, or goods and services produced for delivery. Outputs may be defined as "what we produce or deliver". An output is a concrete achievement (i.e. a product such as a passport, an action such as a presentation or immunization, or a service such as processing an application) that contributes to the achievement of a Key Result Area.

Performance Indicator	Indicators should be specified to measure performance in relation to input, activities, outputs, outcomes and impacts. An indicator is a type of information used to gauge the extent to which an output has been achieved (policy developed, presentation delivered, service rendered)
Performance Information	Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.
Performance Standards:	The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service-level agreements. Performance standards are mutually agreed criteria to describe how well work must be done in terms of quantity and/or quality and timeliness, to clarify the outputs and related activities of a job by describing what the required result should be. In this EPMDS performance standards are divided into indicators and the time factor.
Performance Targets:	The level of performance that municipalities and its employees strive to achieve. Performance Targets relate to current baselines and express a specific level of performance that a municipality aims to achieve within a given time period.
Service Delivery Budget Implementation Plan	Detailed plan approved by the mayor for implementing the municipality's delivery of services; including projections of the revenue collected and operational and capital expenditure by vote for each month. Service delivery targets and performance indicators must also be included.
Vote:	One of the main segments into which a budget of a municipality is divided for appropriation of money for the different departments or functional areas of the municipality. The Vote specifies the total amount that is appropriated for the purpose of a specific department or functional area. Section 1 of the MFMA defines a "vote" as: <i>a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and</i> <i>b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned</i>

APPENDICES

APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

Councillors, Committees Allocated and Council Attendance					
Council Members	Full Time / Part Time	Committees Allocated	*Ward and/ or Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
	FT/PT			%	%
CLLR MG NTWANAMBI	FT	Executive Mayor – Mayoral	ANC	54%	46%
		Council	ANC		
CLLR MG MODISE	FT	Corporate Services	ANC	62%	38%
		Mayoral Committee	ANC		
		Council	ANC		
CLLR JAFTA	PT	Planning & Social Development	ANC	77%	23%
		Council	ANC		
CLLR MM KHOTLELE	PT	Corporate Services	ANC	77%	23%
		Council	ANC		
CLLR MJ MOHAPI	PT	Budget and Treasury	ANC	70%	30%
		Council	ANC		
CLLR MJ MPHORE	PT	Corporate Services	COPE	92%	8%
		Council	COPE		
CLLR AJJ VAN RENSBURG	PT	Planning & Social dev	DA	62%	38%

		Council	DA		
CLLR SA SOLA	PT	Budget & Treasury	ANC	77%	23%
		Council	ANC		
CLLR NC SPOCHTER	PT	Corporate Services	ANC	77%	23%
CLLR H SHEBE	PT	Budget & Treasury	DA	92%	8%
		Council	DA		
CLLR VA MONA	FT	Budget & Treasury	ANC	92%	8%
CLLR P DIBE	PT	Planning & Social Development	ANC	70%	30%
		Council	ANC		
CLLR I MEHLOMAKULU	FT	Planning & Social Development	ANC	77%	23%
		Mayoral Committee	ANC		
		Council	ANC		
CLLR MJ SEHANKA	FT	Speaker - Council	ANC	92%	8%
CLLR JJ MAKITLE	PT	Budget & Treasury	ANC	70%	30%
		Council	ANC		
CLLR ML SEHLOHO	PT	Budget & Treasury	ANC	70%	30%
		Council	ANC		
<i>Note: * Councillors appointed on a proportional basis do not have wards allocated to them</i>					T A.1

APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

Committees (other than Mayoral / Executive Committee) and Purposes of Committees	
Municipal Committees	Purpose of Committee
Oversight Committee	Playing an oversight Role over the finances and the administration of the Municipality
Audit Committee	Performing duties as stipulated in Section 166 of the MFMA

APPENDIX D – FUNCTIONS OF MUNICIPALITY / ENTITY

Municipal / Entity Functions		
MUNICIPAL FUNCTIONS	Function Applicable to Municipality (Yes / No)*	Function Applicable to Entity (Yes / No)
Constitution Schedule 4, Part B functions:		
Air pollution	Yes	
Building regulations	No	
Child care facilities	Yes	
Electricity and gas reticulation	No	
Firefighting services	No	
Local tourism	Yes	
Municipal airports	No	
Municipal planning	Yes	
Municipal health services	Yes	
Municipal public transport	No	
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law	No	
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto	No	
Stormwater management systems in built-up areas	No	
Trading regulations	No	
Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems	No	
<i>Continued next page</i>		
<i>Continued from previous page</i>		
Municipal / Entity Functions		
MUNICIPAL FUNCTIONS	Function Applicable to Municipality (Yes / No)*	Function Applicable to Entity (Yes / No)
Constitution Schedule 5, Part B functions:		

Beaches and amusement facilities	No	
Billboards and the display of advertisements in public places	No	
Cemeteries, funeral parlours and crematoria	Yes	
Cleansing	No	
Control of public nuisances	No	
Control of undertakings that sell liquor to the public	No	
Facilities for the accommodation, care and burial of animals	No	
Fencing and fences	No	
Licensing of dogs	No	
Licensing and control of undertakings that sell food to the public	No	
Local amenities	No	
Local sport facilities	No	
Markets	No	
Municipal abattoirs	No	
Municipal parks and recreation	No	
Municipal roads	No	
Noise pollution	Yes	
Pounds	No	
Public places	No	
Refuse removal, refuse dumps and solid waste disposal	No	
Street trading	No	
Street lighting	No	
Traffic and parking	No	
* If municipality: indicate (yes or No); * If entity: Provide name of entity		T D

APPENDIX G – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE YEAR 1

Municipal Audit Committee Recommendations		
Date of Committee	Committee recommendations during Year 1	Recommendations adopted (enter Yes) If not adopted (provide explanation)
27 August 2014	Management should develop a plan to implement all policies so as to ensure compliance.	Yes
	The Shared Audit and Performance Committee to develop a template that will be used by management to produce quarterly financial statements using both the trial balance and general ledger.	In Progress
	Internal Audit to audit the financial statements for supporting documents on a quarterly basis.	An audit on Interim Financial Statement was conducted
	Management should adopt a specific target percentage (threshold) with respect to Performance Management System, directorates to provide motivation in instances where targets are not met and the Municipal Manager to subsequently report to the Shared Audit and Performance Committee on mechanisms taken to address non achievement of projected targets.	In Progress
	Internal Audit to include the following audits in their annual internal audit plan: <ul style="list-style-type: none"> ▪ Risk Management ▪ IT ▪ Governance ▪ Project Management ▪ Audit of Quarterly Financial Statements. 	Yes
	Internal audit to develop a finding and recommendation register, and report on the implementation of Internal Audit recommendation to the Shared Audit and Performance Committee.	Yes
26 February 2014	The IDP document to be submitted to the Chairperson of the SAPC before the sitting of the oversight committee.	Yes

	<p>The following corrections be made on the Annual Report.</p> <ul style="list-style-type: none"> - Page 36, the current Risk Management structure be provided. - Pages 40, 50, 51, 52 and 58, the guidelines from treasury be removed from the document. - The Annual SAPC report be attached as appendix in the Annual Report. 	Yes
03 April 2014	Internal Audit to submit reports to SAPC as and when they are readily available.	On going
	The Shared Audit and Performance Committee to prepare a report to the Accounting Officer on all reports submitted by Internal Audit.	In Progress
	The Municipal Manager to respond to the report of the Shared Audit and Performance Committee.	In Progress
	Management should ensure that at least a minimum of 90% implementation of SAPC resolution is achieved.	In Progress
	Internal Audit to include responsibility no: 33 (Report of the SAPC to Council) on the Compliance Evaluation Matrix.	Yes
	In the risk management policy, paragraph 7.1.1 be amended to state that reporting by risk owners be done on a quarterly basis.	Yes
	In the risk management committee terms of reference, under paragraph 3 – composition, be amended to state that line managers will be appointed as secondees.	Yes
	The CRO to clearly define the risk appetite and risk tolerance and further include in paragraph 5, of the risk management committee terms of reference under roles and responsibility how the review on risk appetite and risk tolerance will be conducted.	In progress
	<p>The following statements should be removed/amended under paragraph 5.7 of the Fraud and Corruption prevention plan:</p> <ul style="list-style-type: none"> - Bullet 1 “long enough period” - Bullet 4 “at each audit committee meeting” <p>Bullet 3; amend the entire statement to state that “The Shared Audit and Performance Committee must report or communicate any issues of fraud or corruption identified to the external auditors”.</p>	Yes

	CRO to clearly define or state the frequency in which the risk assessments will be conducted.	Yes
	Performance assessment of the municipality be reported cumulatively	Yes
	Chief Audit Executive to develop a template that will be used by Council to evaluate the Shared Audit and Performance Committee	Yes
	Municipal Manager to propose to Council that they appoint a councillor preferably the Executive Mayor to evaluate the performance of the Shared Audit and Performance Committee and present such results of the evaluation to Council.	This will be done after the template has been presented to the SAPC members for noting and consideration.
	Internal Audit to audit or review items in the interims that resulted in the municipality obtaining a qualification	Yes
	Management to develop a plan in addressing all the “red” faces on the AG Dashboard report.	In progress
	Internal Audit to make a follow up on all SAPC resolutions.	Yes
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APPENDIX H – LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS

Long Term Contracts (20 Largest Contracts Entered into Year 1)					
					R' 000
Name of Service Provider (Entity or Municipal Department)	Description of Services Rendered by the Service Provider	Start Date of Contract	Expiry date of Contract	Project manager	Contract Value
Namtra Trading	Supply of building materials for piggery stall in Dewetsdorp	30/07/2013	30/08/2013	Ms Kelebogile Molatedi	R480 900.00
Sizwe Ntsaluba and Advisory Services	IT Audit	23/08/2013	22/10/2013	Mrs P.B Mosomane	R292 068.00
Roseta Trading	Mentorship for Shoe Production	28/01/2014	08/07/2014	Ms Kelebogile Molatedi	R390 000.00
Free State Travelling Agency	Travelling Agency	10/02/2014	10/02/2017	N/A	10 % commission on each transaction
Royal Haskoning	Rural Roads Assets Management Grant	16/07/2013	16/07/2015	Mr Moeketsi Moloï	R1 268 934.69
Makomota Investments and Holdings	Compilation of GRAP compliant annual financial statements	16/07/2013	10/12/2013	Mr Jabulani Makubu	R759 506.65
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denote the difference.

APPENDIX K: REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE

APPENDIX K (i): REVENUE COLLECTION PERFORMANCE BY VOTE

Revenue Collection Performance by Vote						
						R' 000
Vote Description	Year 0	Current Year: Year 1			Year 1 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
Vote 1 - General Council	5,779	8,368	8,132	8,132	97.18%	100.00%
Vote 2 - Municipal Manager	12,596	6,049	5,880	5,880	97.21%	100.00%
Vote 3 - Budget & Treasury Office	47,305	13,283	21,464	21,464	161.59%	100.00%
Vote 4 - Planning & Development	8,177	12,017	11,901	11,901	99.03%	100.00%
Vote 5 - Corporate Services	17,967	26,829	26,110	26,110	97.32%	100.00%
Vote 6 - Community Services						
Vote 7 - [Name of sub-vote]						
Vote 8 - [Name of sub-vote]						
Vote 9 - [NAME OF VOTE 9]						
Vote 10 - [NAME OF VOTE 10]						
Vote 11 - [NAME OF VOTE 11]						
Vote 12 - [NAME OF VOTE 12]						
Vote 13 - [NAME OF VOTE 13]						
Vote 14 - [NAME OF VOTE 14]						
Vote 15 - [NAME OF VOTE 15]						
Total Revenue by Vote	91,824	66,546	73,486	73,486	0	0
<i>Variations are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A3</i>						

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APPENDIX K (ii): REVENUE COLLECTION PERFORMANCE BY SOURCE

Revenue Collection Performance by Source						
R '000						
Description	Year 0	Year 1			Year 1 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
Property rates						
Property rates - penalties & collection charges						
Service Charges - electricity revenue						
Service Charges - water revenue						
Service Charges - sanitation revenue						
Service Charges - refuse revenue						
Service Charges - other						
Rentals of facilities and equipment						
Interest earned - external investments						
Interest earned - outstanding debtors						
Dividends received						
Fines						
Licences and permits						
Agency services						
Transfers recognised - operational						
Other revenue						
Gains on disposal of PPE						
Environmental Protection						
Total Revenue (excluding capital transfers and contributions)						
<i>Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A4.</i>						

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APPENDIX L: **CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG**

Conditional Grants: excluding MIG						R' 000
Details	Budget	Adjustments Budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)
				Budget	Adjustments Budget	
Neighbourhood Development Partnership Grant				%	%	
				%	%	
				%	%	
Public Transport Infrastructure and Systems Grant				%	%	
				%	%	
				%	%	
				%	%	
<i>Other Specify:</i>				%	%	
				%	%	
				%	%	
				%	%	
Total				%	%	
<p><i>* This includes Neighbourhood Development Partnership Grant, Public Transport Infrastructure and Systems Grant and any other grant excluding Municipal Infrastructure Grant (MIG) which is dealt with in the main report, see T5.8.3. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.</i></p>						TL

COMMENT ON CONDITIONAL GRANTS EXCLUDING MIG:

Delete Directive note once comment is complete – Use this box to provide additional information on grant benefits or conditions and reasons for acceptance.

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APPENDIX M: CAPITAL EXPENDITURE – NEW & UPGRADE/RENEWAL PROGRAMMES

APPENDIX M (i): CAPITAL EXPENDITURE - NEW ASSETS PROGRAMME

Capital Expenditure - New Assets Programme*							
							R '000
Description	Year 0	Year 1			Planned Capital expenditure		
	Actual	Original Budget	Adjusted Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3
Capital expenditure by Asset Class							
Infrastructure - Total	-	-		-	-	-	-
Infrastructure: Road transport - Total	-	-		-	-	-	-
<i>Roads, Pavements & Bridges</i>							
<i>Storm water</i>							
Infrastructure: Electricity - Total	-	-		-	-	-	-
<i>Generation</i>							
<i>Transmission & Reticulation</i>							
<i>Street Lighting</i>							
Infrastructure: Water - Total	-	-		-	-	-	-
<i>Dams & Reservoirs</i>							
<i>Water purification</i>							
<i>Reticulation</i>							
Infrastructure: Sanitation - Total	-	-		-	-	-	-
<i>Reticulation</i>							

<i>Sewerage purification</i>							
Infrastructure: Other - Total	-	-		-	-	-	-
<i>Waste Management</i>							
<i>Transportation</i>							
<i>Gas</i>							
<i>Other</i>							
Community - Total	-	-		-	-	-	-
Parks & gardens							
Sportsfields & stadia							
Swimming pools							
Community halls							
Libraries							
Recreational facilities							
Fire, safety & emergency							
Security and policing							
Buses							
Clinics							
Museums & Art Galleries							
Cemeteries							
Social rental housing							
Other							

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Capital Expenditure - New Assets Programme*							
							R '000
Description	Year 0	Year 1			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3
Capital expenditure by Asset Class							
Heritage assets - Total	-	-		-	-	-	-

Buildings							
Other							
<u>Investment properties - Total</u>	-	-		-	-	-	-
Housing development							
Other							
-							
<u>Other assets</u>	-	-		-	-	-	-
General vehicles							
Specialised vehicles							
Plant & equipment							
Computers - hardware/equipment							
Furniture and other office equipment							
Abattoirs							
Markets							
Civic Land and Buildings							
Other Buildings							
Other Land							
Surplus Assets - (Investment or Inventory)							
Other							
<u>Agricultural assets</u>	-	-		-	-	-	-
<i>List sub-class</i>							
<u>Biological assets</u>	-	-		-	-	-	-
<i>List sub-class</i>							
<u>Intangibles</u>	-	-		-	-	-	-
Computers - software & programming							

Other (<i>list sub-class</i>)								
Total Capital Expenditure on new assets	-	-		-	-	-	-	
Specialised vehicles	-	-		-	-	-	-	
Refuse								
Fire								
Conservancy								
Ambulances								
* Note: Information for this table may be sourced from MBRR (2009: Table SA34a)							T	M.1

APPENDIX M (ii): CAPITAL EXPENDITURE – UPGRADE/RENEWAL PROGRAMME

Capital Expenditure - Upgrade/Renewal Programme*							
							R '000
Description	Year 0	Year 1			Planned Capital expenditure		
	Actual	Original Budget	Adjusted Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3
<u>Capital expenditure by Asset Class</u>							
<u>Infrastructure - Total</u>	-	-		-	-	-	-
Infrastructure: Road transport -Total	-	-		-	-	-	-
<i>Roads, Pavements & Bridges</i>							
<i>Storm water</i>							
Infrastructure: Electricity - Total	-	-		-	-	-	-
<i>Generation</i>							
<i>Transmission & Reticulation</i>							
<i>Street Lighting</i>							
Infrastructure: Water - Total	-	-		-	-	-	-
<i>Dams & Reservoirs</i>							
<i>Water purification</i>							
<i>Reticulation</i>							
Infrastructure: Sanitation - Total	-	-		-	-	-	-
<i>Reticulation</i>							
<i>Sewerage purification</i>							
Infrastructure: Other - Total	-	-		-	-	-	-
<i>Waste Management</i>							
<i>Transportation</i>							

Gas							
Other							
Community	-	-		-	-	-	-
Parks & gardens							
Sportsfields & stadia							
Swimming pools							
Community halls							
Libraries							
Recreational facilities							
Fire, safety & emergency							
Security and policing							
Buses							
Clinics							
Museums & Art Galleries							
Cemeteries							
Social rental housing							
Other							
Heritage assets	-	-		-	-	-	-
Buildings							
Other							

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Capital Expenditure - Upgrade/Renewal Programme*							
							R '000
Description	Year 0	Year 1			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3
Capital expenditure by Asset Class							
Investment properties	-	-		-	-	-	-
Housing development							

Other							
<u>Other assets</u>	-	-	-	-	-	-	-
General vehicles							
Specialised vehicles							
Plant & equipment							
Computers - hardware/equipment							
Furniture and other office equipment							
Abattoirs							
Markets							
Civic Land and Buildings							
Other Buildings							
Other Land							
Surplus Assets - (Investment or Inventory)							
Other							
<u>Agricultural assets</u>	-	-	-	-	-	-	-
<i>List sub-class</i>							
<u>Biological assets</u>	-	-	-	-	-	-	-
<i>List sub-class</i>							
<u>Intangibles</u>	-	-	-	-	-	-	-
Computers - software & programming							
Other (<i>list sub-class</i>)							
Total Capital Expenditure on renewal of existing assets	-	-	-	-	-	-	-

Specialised vehicles	-	-		-	-	-	-
Refuse							
Fire							
Conservancy							
Ambulances							
<i>* Note: Information for this table may be sourced from MBRR (2009: Table SA34b)</i>							T M.2

National and Provincial Outcomes for Local Government		
Outcome/Output	Progress to date	Number or Percentage Achieved
Output: Improving access to basic services	N/A	
Output: Implementation of the Community Work Programme	N/A	
Output: Deepen democracy through a refined Ward Committee model	N/A	
Output: Administrative and financial capability	Xhariep is doing well in terms of this output. For the past two financial years the municipality made remarkable strides in terms of improving its Audit opinion from a qualification to unqualified. Budget related policies are in place and approved by Council. Financial statements are GRAP Compliant.	85%
<p><i>* Note: Some of the outputs detailed on this table might have been reported for in other chapters, the information thereof should correspond with previously reported information.</i></p>		
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VOLUME II: ANNUAL FINANCIAL STATEMENTS

Provide the Annual Financial Statements (AFS) to the respective financial year as submitted to the Auditor-General. The completed AFS will be Volume II of the Annual Report.