

Blouberg Local Municipality



BLOUBERG MUNICIPALITY

Annual Report 2010\11



Table of Contents



Table of Contents

1. INTRODUCTION AND OVERVIEW 2
2. PERFORMANCE HIGHLIGHTS 21
3. HUMAN RESOURCE AND ORGANIZATIONAL MANAGEMENT 24
4. FUNCTIONAL SERVICE DELIVERY REPORT 36
5. ANNUAL FINANCIAL STATEMENTS 110
6. AUDITOR GENERAL'S REPORT 171

Our Vision



BLOUBERG MUNICIPALITY

A participatory municipality that turns prevailing challenges into opportunities for growth and development through the optimal utilization of available resources.

1. Introduction and Overview



Introduction and Overview

Mayor's Foreword



Cllr Serite Sekgoloane

Mayor

MAYORS FOREWORD

The second term of local government has ended and the third term has come and as Blouberg we have adopted the theme “Celebrating of decade of local government democracy... the journey has begun”. That signaled our statement of intent on accelerating the much needed service delivery to our people and the attainment of a better life for all.

VISION

Our vision remains the same in that we want to see our self as ‘a participatory municipality that turns prevailing challenges into opportunities for growth and development through optimal utilization of available resources’.

The above we shall achieve by ensuring the delivery of quality services through community participation and the creation of an enabling environment for economic growth and job creation. We can proudly maintain that we have one of the best public participation models in the country.

KEY POLICY DEVELOPMENTS

Although our IDP 2010\11 is a product of public consultations and is aligned to the budget there are areas of concern regarding its credibility as per the MEC s assessment report. The IDP was rated poor. We had since developed the turnaround plan to address the issues identified in the assessment report. The major point of emphasis was with the plans that were not included in the IDP of the municipality. The other area that needed the attention of council was with regard to the relevancy of the LED Strategy of the municipality as it was developed in the 2003 financial year and was never reviewed hence council had to ensure that the strategy is reviewed to align it with Limpopo Employment Growth and Development Strategy. The SDBIP was developed and signed by the Mayor within prescribed timelines of the Municipal Finance Management Act. All other budget related policies (cash management, credit control and debt management etc were developed. The IDP Process Plan was developed to serve as a road map for the review of the IDP and Budget

Basic service delivery

On the aspect of basic service delivery during the period under review we managed to ensure that a roads unit is established to address poor road conditions within our municipality. Three clusters were established to that effect and the municipal staff that was assigned to the water function was deployed to achieve that. The major challenge remains the alignment our roads maintenance programmes with those of the provincial Department of Roads and Transport.

Water remains our challenge and the situation is compounded by illegal connections, theft of diesel engines and ageing infrastructure, as well as unreliable underground sources. For the year under view about fourteen diesel pumps were stolen. As the council we have decided to replace all the diesel pumps with the electricity pumps. This shall be done in collaboration with the district municipality.

A total of ten electrification projects (including Morale, Old long signe) were planned and completed for the period under review and ESKOM electrified a further four settlements namely, Maphoto, Werden, Tibunyana and Slaaphoek extension. Service delivery challenges remain in the areas of rollout of the refuse function to all our settlements as only twelve settlements benefitted from the roll out during the period under review.

Financial sustainability

Revenue generation remained the other challenge facing the municipality. The culture of nonpayment of services and rates by residents, especially in Senwabarwana, remains a thorny issue for the municipality. Council resolved to write off the debt of water, refuse and assessment rates up to June 2010 after the District wrote off debt for all local municipalities to which it is the Water Services Authority and they are the Water Services Provider.

Municipal transformation and institutional development

The decentralization of municipal services remains our priority and during the period under review we increased the number of satellite offices from three to four as the Senwabarwana satellite office got activated. The staffing of the special focus office was done with two incumbents manning the office to deal with issues affecting the youth, women, elderly, children and persons with disabilities.

Good governance and public participation

The year saw the amendment of the IDP Process Plan to allow the local government elections to be held in May 2011. The IDP/Budget public participation was conducted in the whole municipality resulting in the adoption of the IDP and Budget 2011/2012 in line with section 54 of the Municipal Finance Management Act during the period under review.

The municipality recorded improvements on the report of the Auditor-General. The audit turnaround strategy was developed and implemented as the endeavor to sustain the Qualified Audit opinion that we got the previous financial year 2009/2010 financial year. The latest report of the Auditor-General on the 2010\11 financial year indicates an improvement as matters of qualification have been reduced from 11 to 5. However, we remain resolute that our concerted efforts with management should yield positive results towards the attainment of a clean audit.

Local Economic Development

The year saw a variety of partnerships entered into with the traditional authorities in the celebration of their heritage.(Bahananwa, Kibi and Seakamela traditional councils). The Blouberg Cultural Show was hosted with the partnership of De Beers Mine, Lebowa Funeral Parlour and Mohodi FM. The implementation of EPWP ensured income generation for most of our poverty stricken communities. The transfer of Senwabarwana finalized in the late months of the 2010\11 financial year thereby becoming an enabling factor for retail development in the town.

Conclusion

During the period under review the municipality had to deal with the finalization of a case of dismissed twelve councillors who were recalled by the ruling party (ANC) from their deployment in the 2009\10 financial year. After a protracted series of litigations the municipality had the court ruling

against the dismissed councilors in its favour while a case on the eviction of illegal squatters in Senwabarwana was underway.

The report reflects on the actual performance of the municipality vis-à-vis planned targets for the 2010\11 financial year.

Re a leboga



**CLLR SERITE SEKGOLOANE
MAYOR**

MUNICIPAL MANAGERS OVERVIEW

The municipality adopted its IDP/Budget 2010/2011 and all the budget related policies at Eldorado Sports Complex on the 01 June 2010. The sports complex had just been identified as one of the 2010 FIFA WORLD CUP view areas. The decision put enormous pressure on the municipality to fast track the improvements on the facility.

There were not enough funds to complete the facility as we were utilizing the MIG funding. We had a total of five MIG capital projects(Eldorado Sports Complex, Alldays Speaker Park, Witten, Puraspan and Desmond Park storm water projects) The year saw much challenges with regard to the implementation of capital projects especially the Joint Venture part of it.(70/30 policy). There was a disagreement between partners that resulted in the delay in the implementation of projects and abandonment of them.

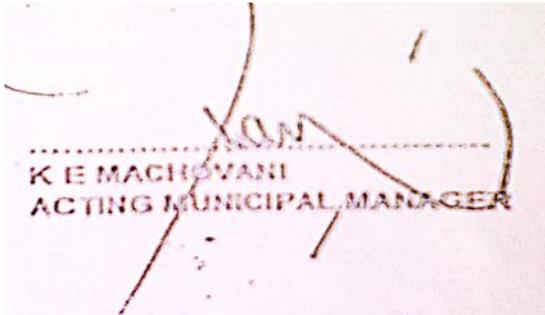
The municipality had challenges regarding revenue collection. The ratepayers from Senwabarwana had huge debt and were reluctant to pay for rates and services. The revenue sources did not generate as projected resulting in the negative budget adjustment. We had our share of challenges in that our systems were not in order particularly the billing system which issued out incorrect bills. The capacity to implement the credit control and debt management policies needs to be beefed up to assist on attaining and sustaining the financial viability of the municipality.. The delay in the completion of projects means we shall always have a sizeable amount of the unspent grant moving into the next financial year. Our endeavors to promote good governance and financial transparency entailed that we had to focus on achieving the Clean Audit inspired by the Qualified Auditor-General's report we had the previous financial year.

The Audit Committee was appointed to assist with the attainment of total compliance and the position of the internal auditor was also filled. The other focus was on the maintenance of the roads in the municipality and as a result the road unit was established with three cluster units in place to service identified regions within the municipality. On institutional development the municipality had to establish a satellite office in Senwabarwana to fast-track service delivery initiatives in this primary nodal point of the municipality.

The report incorporates the report of the Auditor-General which shows that the municipality has attained a qualified report for the 2010\11 financial year with five matters needing the attention of the municipality to move to a clean audit report. This report includes the following contents vis-à-vis our performance of the 2010\11 Integrated Development Plan:

1. Chapter one : Introduction and Overview
2. Chapter two : Performance Highlights
3. Chapter three : Human Resources and Organizational Management
4. Chapter four : Annual Financial Statements and related information
5. Chapter five : Functional Service delivery reporting

6. Chapter six :Auditor-General's Report



A handwritten signature in black ink is written over a rectangular stamp. The stamp contains the text "K E MACHOVANI" on the first line and "ACTING MUNICIPAL MANAGER" on the second line. The signature is written in a cursive style, crossing the lines of the stamp.

MACHOVANI K.E

ACTING MUNICIPAL MANAGER

B .OVERVIEW OF THE MUNICIPALITY

The municipality was established in 2000 in terms of the demarcation notice as NP351 category B municipality. It is a municipality with collective executive system. It is one of the five municipalities falling within Capricorn District municipality together with Aganang, Polokwane, Lepelle Nkumpi and Molemole. It is 95% rural and it covers over 5054sq km in terms of the hectorage. Large hectors of farms from both Makhado and Lephalale municipalities were redemarcated into Blouberg in the recent municipal boundaries demarcations. The 2007 community survey by Stats SA indicated the population as 194 119 and the number of households as 35 598. The number of the settlements is 123 located in 21 wards.

Blouberg municipal area is located at the far northern part of the Capricorn District Municipal Area. Aganang borders Blouberg on the south, Molemole on the southwest, Makhado on the northeast, Lephalale on the northwest, Mogalakwena on the southwest and Musina on the north. Five growth points were identified in the Blouberg local municipal area, i.e. Senwabarwana, Alldays, Eldorado, Tolwe and Harriswhich. The Puraspan-Avon-Indermark-Vivo corridors, as well as the Senwabarwana-Windhoek-Groblersbrug are some of the key economic corridors transversing the municipality. The central locality of the municipal area in relation to the rest of the country ensures that a number of important regional routes transverse the area, of which the R521 (Polokwane-Alldays) and D1200 (Mogwadi-Senwabarwana-Ga Mankgodi) routes link the municipal area with the rest of the country. Other routes, which are also of a regional and sub-regional importance, are the D1589 which links Blouberg with the Waterberg district municipal area and Botswana and the D1468 (Senwabarwana-Vivo-Indermark), which should be prioritized due to its economic importance.

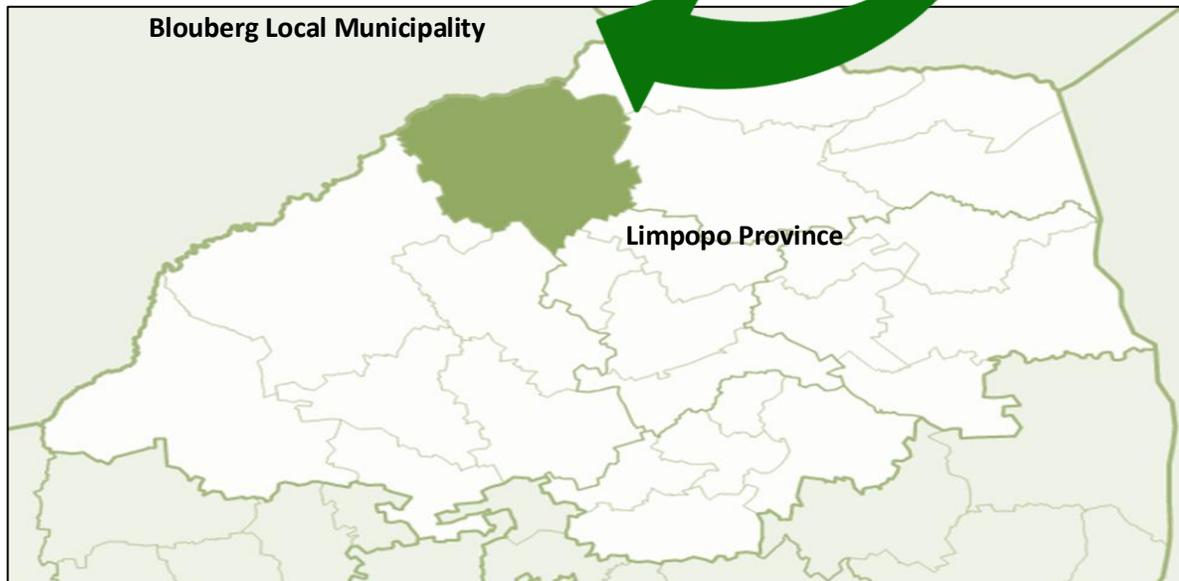
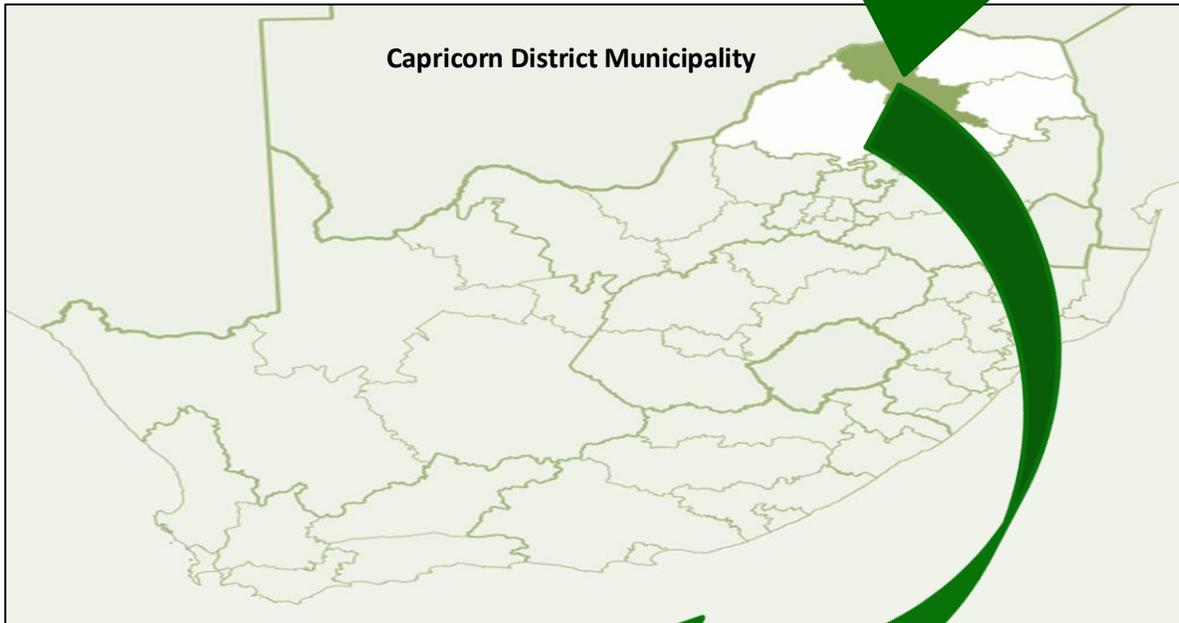
Currently there are twenty one wards in the municipality and they differ in size and population. The biggest ward in the municipality is ward twenty one which is predominantly a farming area and few villages. Ward nineteen and eighteen host both Senwabarwana and Alldays townships which are the growth points of the municipality. Most of the wards are rural and poverty stricken.

It has high levels of poverty (War on Poverty Campaign was launched in Blouberg Ward 06 at Ga-Kgatla village), unemployment and illiteracy. The community works programme was extended to the municipality to address the unemployment scourge. The two settlements that benefitted from the programme are Inveraan and Diepsloot where three hundred participants benefitted. The area is prone to drought and many inhabitants are subsistent livestock farmers. The people living in the area are predominantly Bahananoa, few Batlokwa and Vha-Venda speaking and the Afrikaans speaking who live on the farms. The infrastructure backlog in the area is very huge (water, sanitation, roads, schools, clinics and housing.)

There are few scattered abandoned mines ranging from coal, diamond and iron ore. The area has rich historical colonial resistance with King Maleboho fighting against the Boers led by General Piet Joubert. The area is home to one of the six kings in the province namely King Maleboho of the Bahananwa tribe.

The other traditional authorities in the area are Babirwa ba Ga- Mamadi, Bahananoa ba Ga- Kibi, Seakamela and Makgato traditional authorities.

The municipality has four satellite offices which are in Senwabarwana, Alldays, Eldorado and Tolwe. Plans for the fifth office in Harriswhich are at an advanced stage. This is done to decentralize municipal services and bring them closer to the people. Senwabarwana remains the head office.





CATEGORY OF MUNICIPALITY

Grade 03 Local Municipality

REGISTERED OFFICE

2nd Building Mogwadi-Senwabarwana Road

Box 1593

Senwabarwana

0790

Tel: 015 505 7100

Fax: 015 505 0296

E-mail: info@blouberg.gov.za

Satellite Offices

Alldays

Tel: 015 575 1144

Eldorado

Tel: 015 592 9900

Tolwe

Tel: 014 767 1594

Senwabarwana

Tel: 015 505 7100

AUDITORS

Office of the Auditor General

BANKERS

ABSA Bank

COUNCIL AND EXECUTIVE COMMITTEE OVERVIEW

The previous Blouberg Local Council was constituted after the 01st March 2006 Local Government elections. It comprised of 18 Wards. The current council was constituted after the 18th May local government elections and was comprised of 41 councillors. 15 EXCO meetings and 06 council meetings were held. EXCO was comprised of seven members and chaired by the Mayor while, as per the Local Government, Municipal Structures Act, council is chaired by the Speaker.

The Blouberg Local Municipality council is comprised of 41 elected councilors. Only the following councilors are full time:

1. Cllr. Serite Sekgoloane (Mayor)
2. Cllr. Thamaga N.M(Speaker)
3. Cllr.Choshi MM (Chief whip)
4. Cllr. Ratladi S.D (Technical Services)
5. Cllr. Masekwameng M.R (Finance Portfolio)

The following councilors are executive committee members but are part time:

1. Cllr. Moshuhla M.W (Without portfolio)
2. Cllr: Morapedi M.A (Economic Development and Planning)
3. Cllr: Sethukga M.E (Corporate Services)
4. Cllr: Tutja T.P (Community Services)
5. Cllr: Sekwatlakwatla S.P (Special Focus)

STATUS QUO BEFORE 18 MAY 2011 LOCAL GOVERNMENT ELECTIONS

1. Cllr. Serite Sekgoloane (Mayor)
2. Cllr.Thamaga N.M (Speaker)
3. Cllr. Choshi N.M (Chief whip)
4. Cllr. Ratladi S.D (Finance Department)
5. Cllr. Masekwameng R.M (Corporate Services)
6. Cllr. Seduma M.D (Technical Services)
7. Cllr.Moshuhla M.W (Community Services)
8. Cllr. Morapedi M.A (Economic Development and Planning)

THE STATUS QUO AFTER 18 MAY 2011 LOCAL GOVERNMENT ELECTIONS

WARD COUNCILLORS	PROPORTIONAL REPERESENTATIVES
<ul style="list-style-type: none"> • Cllr. Rapheaga K.T • Cllr. Lehong M.V • Cllr. Rangata M.J • Cllr. Mosebedi M.E • Cllr. Morukhu M.B • Cllr. Seduma M.D • Cllr. Ramone M.A • Cllr Makobela S.R • Cllr. Boloka M.P • Cllr. Nabane N.B • Cllr. Sekwatlakwatla S.P 	<ul style="list-style-type: none"> • Cllr. Serite S.E (Mayor) • Cllr Thamaga N.M (Speaker) • Cllr. Choshi M.M(Chief Whip) • Cllr. Moshutlha M.W • Cllr. Ratladi S.D. • Cllr. Morapedi M.A • Cllr. Tutja T.P • Cllr. Sethukga S.E • Cllr. Masekwameng R.M • Cllr. Tlouamma N.M • Cllr. Mokgehle P.S

- | | |
|--|--|
| <ul style="list-style-type: none"> • Cllr. Nare T.J • Cllr. Manetja M.R • Cllr. Moetji N.T • Cllr. Ntlatla M.W. • Cllr. Ntlema M.A. • Cllr. Mojodo M.D • Cllr. Kobe D.M • Cllr. Mathekgane C.R • Molokomme N.O • Cllr. Mashalane M.S | <ul style="list-style-type: none"> • Cllr. Kgosinkwa P.J • Cllr. Phosa M.H • Cllr. Shongoane S.L • Cllr. Modishetji M.P • Cllr. Malema K.C. • Cllr. Tjumana M.M • Cllr. Maboya M.S. • Cllr. Chauke K.R • Cllr. Mathidza S.E • Cllr. Keetse M.C |
|--|--|

THE TABLE BELOW REFLECTS THE NUMBER OF MEETINGS HELD BY COUNCIL COMMITTEES FOR THE PERIOD UNDER REVIEW.

TYPE OF MEETING	ORDINARY	SPECIAL
1. Finance Portfolio Committee meeting.	12	0
2. Economic Development and Planning Portfolio Committee meeting.	12	0
3. Corporate Services Portfolio Committee meeting.	12	0
4. Technical services Portfolio Committee meeting.	12	0
5. Community Services Portfolio Committee meeting.	12	0
6. Executive Committee meeting.	12	03
7. Council meeting	04	02
8. IDP Public Participation meetings.	23	0
9. IDP review sessions	04	0

BOUBERG LOCAL MUNICIPALITY- DIRECTORS/MANAGERS (DURING THE PERIOD UNDER REVIEW)

1. OFFICE OF THE MUNICIPAL MANAGER

Acting Municipal Manager	: Machovani K.E
Internal Auditor	: Seaba A.C/ Kgowa M.W
Legal Services Manager	: Vilankulu Q.V.E
Alldays Satellite Office	: Machaba M.J.
Eldorado Satellite Office	: Phalafala M.F.
Tolwe Satellite Office	: Molea M.J
Senwabarwana Satellite	: Mosena D.D
Manager Political Support	: Mosena D.D/ Monepya M.T

2. FINANCE

Departmental Manager	: Seabi L.M. (CFO)
Senior Accountant (Expenditure)	: Ledwaba K.J
Senior Accountant (Income)	: Mmonwa M.K.
Budget Manger	: Riba M.E
Supply Chain Manager	: Makobela M.M

3. TECHNICAL SERVICES

Departmental Manger	: Tlhabani H.B
Operations & Maintenance	: Baloyi M.S
Capital Projects Manager	: Wasilota Y
Electrical Services Manager	: Maleka M.J

4. ECONOMIC DEVELOPMENT & PLANNING

Departmental Manager : Kgorane M.J.
IDP Manager : Masama M.J
LED Manager : Moremi M.S.
Land Use Planning : Thabela A.P.

5. CORPORATE SERVICES

Departmental Manager : Mothibi M.F.
Human Resource : Netshimbupfe M.P
Information Technology : Semenya M.A
Communications : Mashele. N
Secretariat : Masipa M.H
Administration : Nkoana M.C.

6. COMMUNITY SERVICES.

Departmental Manager : Senosha P.P.
Traffic Services : Dikgare M.K
Community Dev Manager : Ranku M.F.

MUNICIPAL PRIORITIES

1. Economic Development and Partnerships.
2. Water and sanitation
3. Energy
4. Roads and public transport
5. Human Resources Development/ education
6. Health and welfare
7. Housing and disaster management
8. Institutional Development and financial sustainability
9. Emergency services and communication
10. Land use Development
11. Sports and recreational facilities

VISION

A participatory municipality that turns prevailing challenges into opportunities for growth and development through the optimal utilization of available resources.

MISSION

to ensure the delivery of quality services through community participation and the creation of an enabling environment of economic growth and job creation

MUNICIPALITY'S BROAD OBJECTIVES

The Municipality's strategies seek to achieve the following broad objectives:

To deliver basic services to communities in a sustainable manner in the quest to create a better life for all,

To create an environment for local economic growth and job creation, focusing on the competitive advantages of the Municipality.

To provide responsible and accountable political and administrative leadership to local communities,

To mobilize the broadest section of the local communities behind the Municipality's endeavors to develop communities with other government departments, public institutions, private sector, NGO's and CBO's as the Municipality's critical partners.

RELATIVE FINANCIAL HEALTH

The municipality is relatively financially healthy in the following senses.

- There is a finance department with CFO, Income Manager, Expenditure, Supply Chain and Budget manager.
- The Budget and budget policies are always approved in time.

- The tariffs structure is in place.
- The municipality has put in place measures to enhance intensive debt recovery.
- There are challenges regarding the payment of services and rates by residents and some sector departments. (Senwabarwana residents are the biggest defaulters).
- Audits are undertaken annually.
- The municipality receives grants annually from treasury, CDM and Department of Energy (INEP).

SOCIO ECONOMIC PROFILE

BASIC FACTS AND FIGURES FOR THE BLOUBERG MUNICIPALITY

INDICATOR	MUNICIPALITY	PROVINCE
Area size	5054 sq km(Excluded is the area acquired from Lephhalale and Makhado municipalities)	123 910
Population size	194 119(Community Survey 2007 by STATS SA)	4 900 000
Population age, younger than 15	44%	47%
Unemployment rate	42%	43%

PUBLIC PARTICIPATION, ACCOUNTABILITY AND TRANSPARENCY

INTRODUCTION

The Blouberg Municipality pulls out all the stops to ensure maximum participation by the broader community in all aspects that relate to good governance. The communication Strategy clearly outlines the measures that are taken and followed in ascertaining that there is the proper flow of information and that our communities play an active role in decision making. The Municipality ensures that the community has a say in the resolutions taken by Council by ensuring that they participate through their ward committees. The council calendar is developed and adopted annually to guide processes of public participation, accountability and transparency.

MEDIA COVERAGE

Blouberg Municipality is predominantly rural, comprising of one hundred and thirty nine (118) settlements with only two (2) semi-urban areas. It is only in the semi-urban areas that people have access to National and Provincial newspapers. Most residents rely on the radio, newsletter and television for information relating to the municipality. The municipality has adopted media strategy that aims to influence media agenda by developing good working relations with Mohodi Community radio station as well as the National Broadcaster, Thobela FM. The municipality has also established good working relations with regional print media houses namely: Northern print media and Limpopo News Agency.

PUBLIC PARTICIPATION

(a) Ward Systems.

Blouberg Municipality has been rated as one of the best municipalities as far as public participation is concerned. The annual ward Committees Forum was successfully launched during August 2010 at Elephant Spring (Bela-Bela). The municipality had eighteen wards with ten ward committees each. The ward committees were elected by community members within each ward and represent all sectors of the community such as business, youth, religion, sports and others. Gender representativity was ensured with sixty five percent (65%) of the committees being female. The meetings are held bi-monthly. There were six ordinary ward Committee meetings held per ward for the period under review. The municipality ensured the success of the meetings by providing administrative/secretarial support, transportation and out of pocket expenses. Through these ward Committee meetings the Municipality is able to get inputs and issues by the different communities. These issues are taken to the various Portfolio Committees/Departments. At the next Ward Committee meeting responses are provided detailing the steps to address the issues raised.

Every quarter ward Public meetings are held. These meetings are preferably held after every ordinary council sitting to appraise the community of the resolutions taken and to source their inputs relating to those specific resolutions and any draft policies and by –laws. The ward Councilors also informs the members of the community of the developments and programs relating to the service delivery.

The first water summit was convened at Elephant Spring in Bela-Bela to address the enormous water crisis in the municipality. The summit was held concurrently with the ward committee conference. The representatives from various community structures such as SANCO, Traditional Authorities, CDM, Premiers and DLGH attended the conference. Resolutions to address the water challenges in the municipality were taken. The water schemes were to be revived and the illegal connections to the raising main were to be cut off. The other forms of the illegal connections that do not affect supply of water would be legalized and billing would occur.

(b) EXCO AND COUNCIL OUTREACH

All the ordinary EXCO and Council meetings are open to the public except where there are unforeseen circumstances. EXCO meetings are held every month whereas council meetings are held once in every quarter.

There are two types of EXCO Outreach programmes. The first one is called Mayoral Imbizos where the Mayor and EXCO members visit communities to interact with them on issues relating to service delivery. The second outreach happens after every EXCO or Council sitting where the communities are accorded the opportunity to engage the council openly on service delivery issues.

(c) MAYOR MAGOSHI MEETINGS

Blouberg municipality is predominantly rural and most of the area falls under the traditional authority. There are five traditional authorities in the area and they play a significant role in the development of the communities. The ward demarcations 'are not done according to the traditional jurisdictions.

The council has established the forum where the Mayor meets with the Magoshi in the area. The meetings are held quarterly where issues relating to the mutual cooperation are discussed. The

other forum is where the ward councilors meet with the indunas in their respective wards. This forum unlike the Mayor- Magoshi forum is not effective.

(d) INTERGOVERNMENTAL RELATIONS

The municipality participates in various intergovernmental structures locally, at a district level and even at a provincial level. Locally structures of intergovernmental relations include the water sector forum, roads and transport forum, energy forum, local economic development forum, and disaster management forum. Various sector departments and relevant stakeholders are the main participants in the activities of such forums. In the district the municipality partakes in the district IDP Managers' forum, CFO;s forum, Municipal Managers' Forum, District Speakers and Mayors' forum. In the province the municipality participates in the Premier-Mayors' forum, provincial municipal managers' forum as well as the Provincial Planning and Development Forum.

2. Performance Highlights



Performance Highlights



CHAPTER 2: PERFORMANCE HIGHLIGHTS

The following reflects the performance of the municipality for the period under review (01 JULY 2010-30 JUNE 2011)

1. MIG FUNDING (ROADS AND STORM WATER PROJECTS).

A total of four storm water projects were planned with three completed

- (a) Witten storm water project phase two(complete)
- (b) Puraspan storm water project phase two (incomplete)
- (c) Desmond park storm water project(complete)
- (d) Alldays speaker park storm water project (complete)
- (e) Eldorado satellite office (incomplete)
- (f) Alldays multipurpose community centre (complete)
- (g) Fencing of Berg en Dal soccer field (complete)

A total of 3.5kms of road was paved.

All the projects were implemented through labour intensive method and about 320 jobs were created.

2. ELDORADO SPORTS FACILITY

Phase Three of the sports facility was under construction during the period under review.

3. ELECTRICITY SERVICES.

A total of ten electricity projects were planned for implementation for 2010/2011 financial year.

Morale, Mashamaite, Kgwale, Sadu, Nailana, Mochemi, Hlako B, Oldlongsign, Vienna (incomplete) and Devilliersdale benefitted from the municipal electrification project. . The other projects were implemented by Eskom and they are: Slaaphoek, Maphoto, Werden and Tibunyana all are complete.

A total of ten electricity projects were completed and switched on in 2010/11 financial year except for Sadu that was completed in 2011/2012. The Vienna electricity project was completed in but it is still not energized. The Senwabarwana Extension 05 electricity project was deferred to 2011/2012 financial year.

4. SANITATION SERVICES

The sanitation projects planned for implementation in 2010/2011 financial year were Tolwe and Taaibosch sewer reticulation projects.

The projects could not be implemented because the budget was not enough. There was a problem with the Tolwe project because the EIA for the area was not completed. The project was deferred to the 2011/2012 financial year. The Capricorn District Municipality is the authority and the function lies with them. The additional sanitation units from Human Settlements were allocated to Witten and are all completed.

5. WATER SERVICES

A total of nine water projects were planned for 2010/2011 financial year.

The water projects are: Senwabarwana BWS, Tolwe BWS and reticulation, Eldorado BWS and Reticulation, Windhoek BWS and Reticulation, Kobe BWS, Arrie BWS, Devilliersdale BWS, The Glade BWS and Williamshowe BWS.

The outstanding 2009/2010 projects are: Kgatla and La-Rochelle BWS, Mashalane and Dilaeneng Rising Main, Tswatsane BWS, Blouberg Water Refurbishment Scheme were completed in 2010/2011 financial year except for Driekoppies and Senwabarwana Extension 05 BWS were not completed

6. SPORTS SERVICES

Eldorado Sports facility was used as the FIFA 2010 World Cup Public Viewing Area

7. HOUSING SERVICES

There were new housing allocations for the 2010/11 financial year in the following wards:

1. Ward 05
2. Ward 06
3. Ward 09
4. Ward 14
5. Ward 15

N.B Tolwe housing project was moved to other municipality by Department of Local Government and Housing (currently called Department of Co-operative Governance, Human Settlements and Traditional Affairs) because of the readiness of the area.

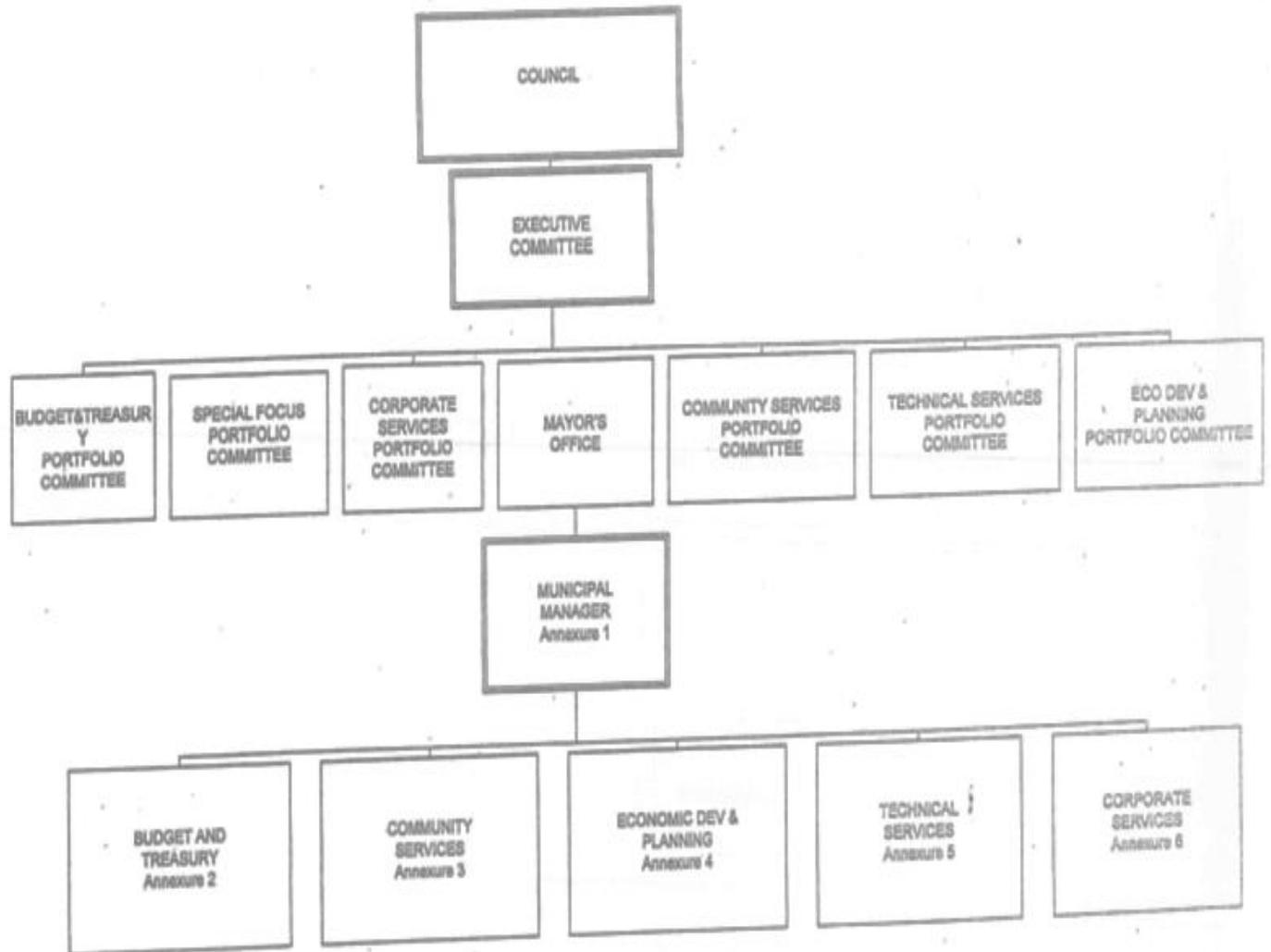
PROVISION OF SERVICES	NUMBER
Total number of indigent households	19597
Total number of households served with free basic electricity	9611
Total number of households served with free basic water	19597
Total number of households served with electricity	35445
Total number of households served with water	24426
Total number of households served with refuse removal services	8162
Total number of CDWs deployed	18
Availability of 2010\11 oversight report	1 (adopted by council on 29 March 2012)

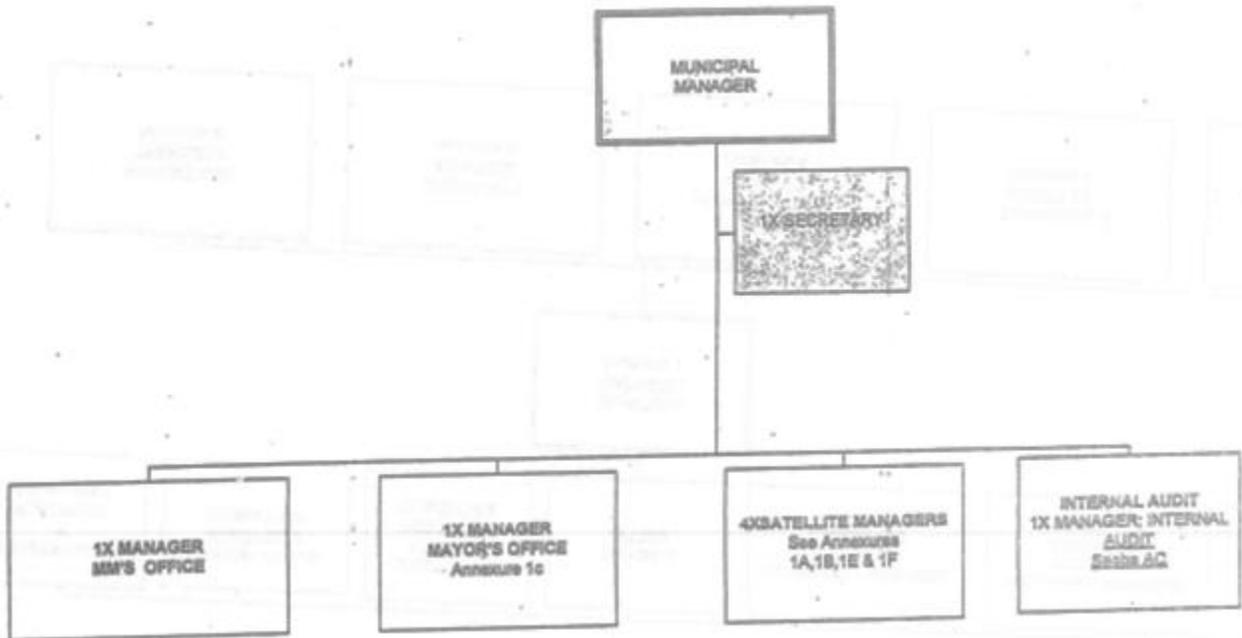
3. Human Resource and Organizational Management

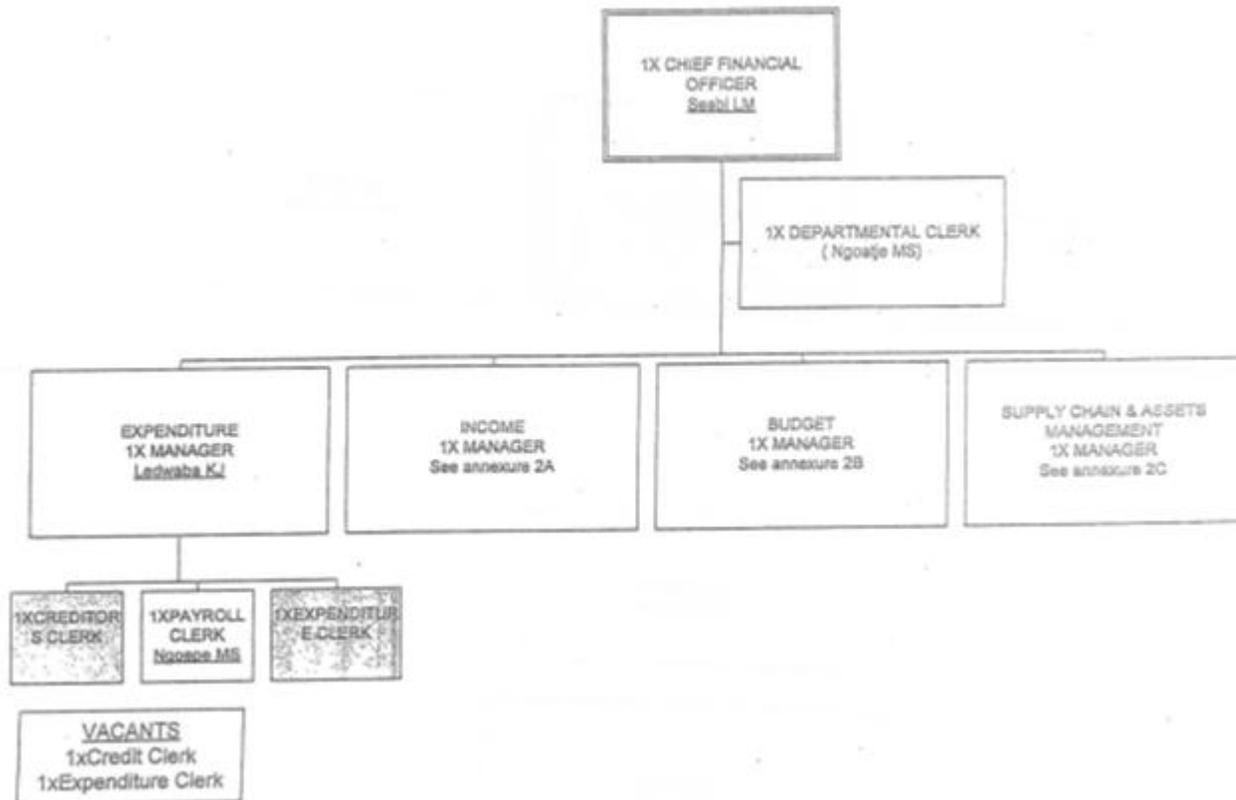
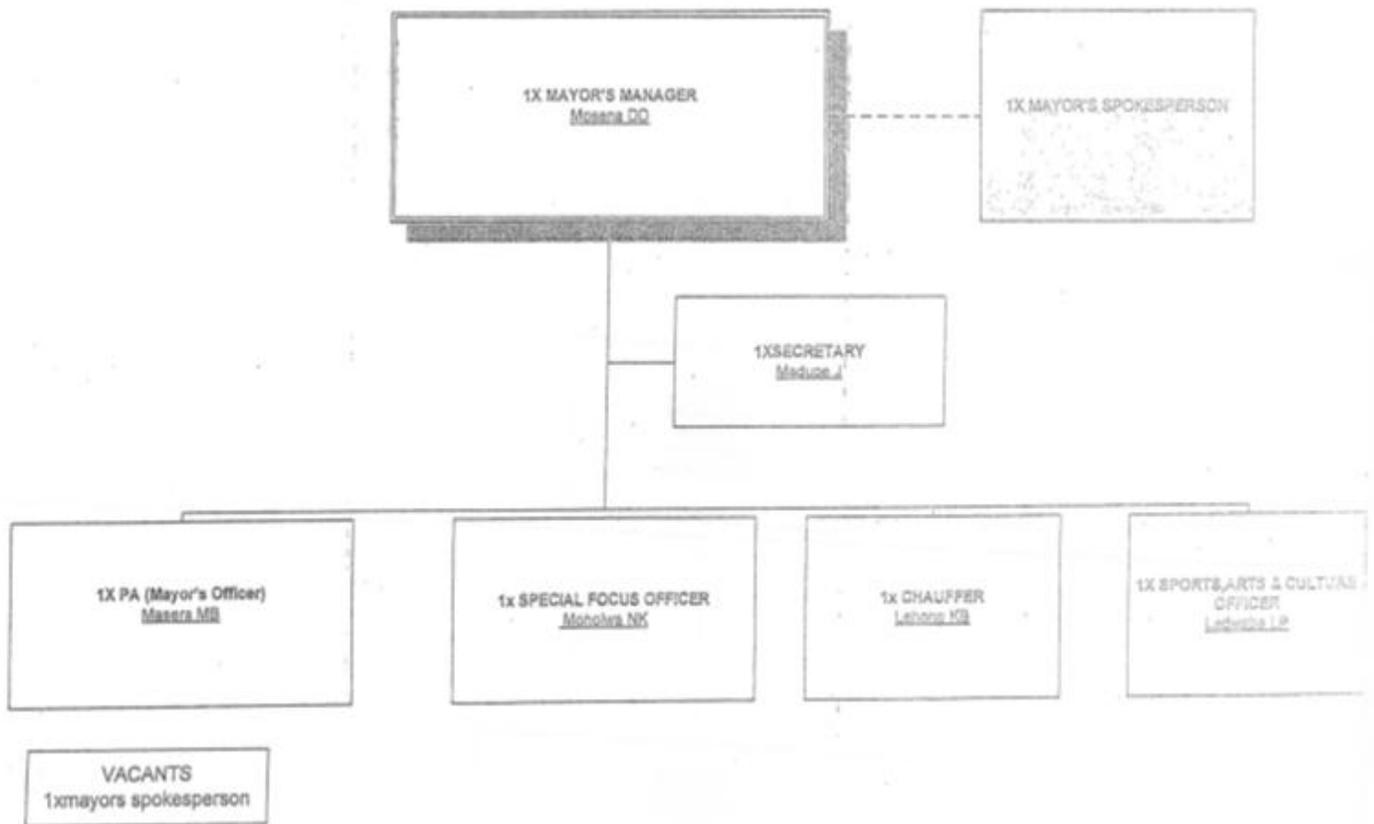


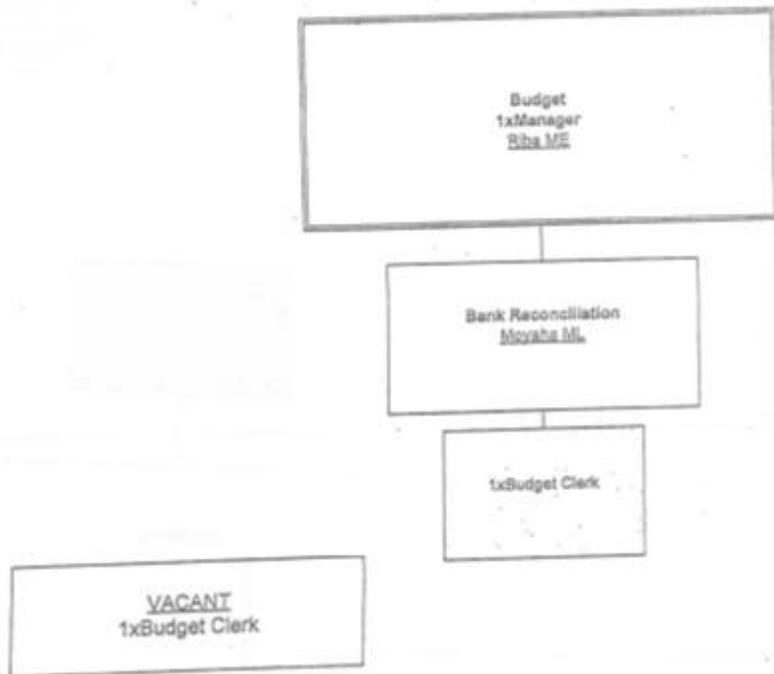
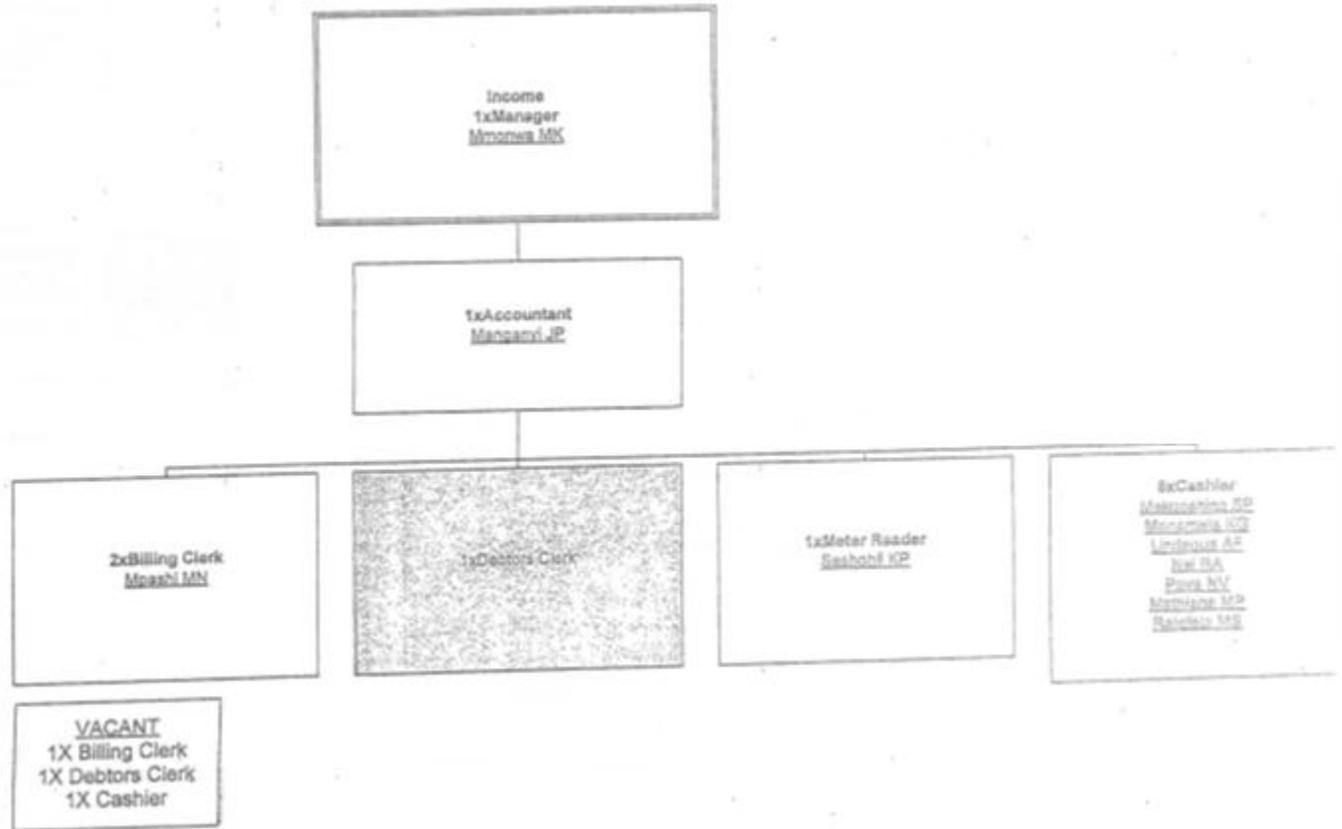
Human Resource And Organizational Management

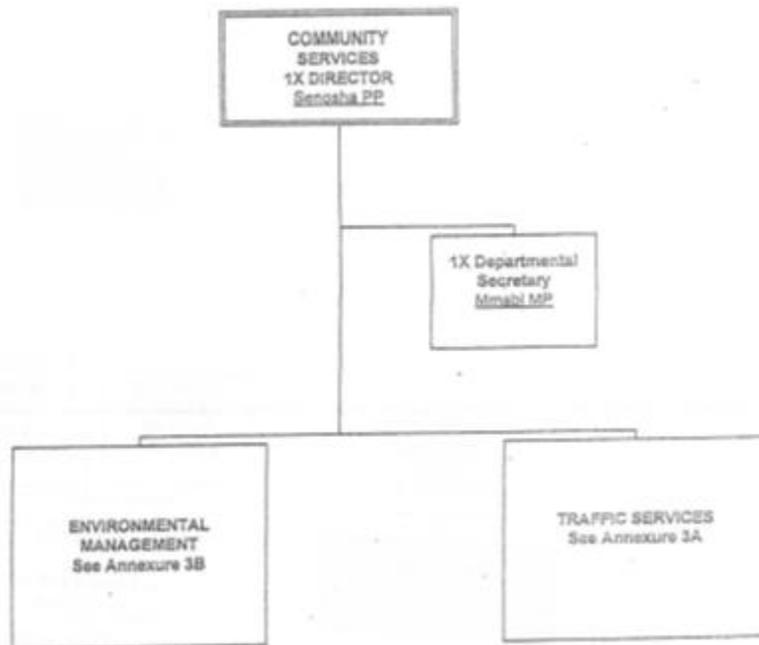
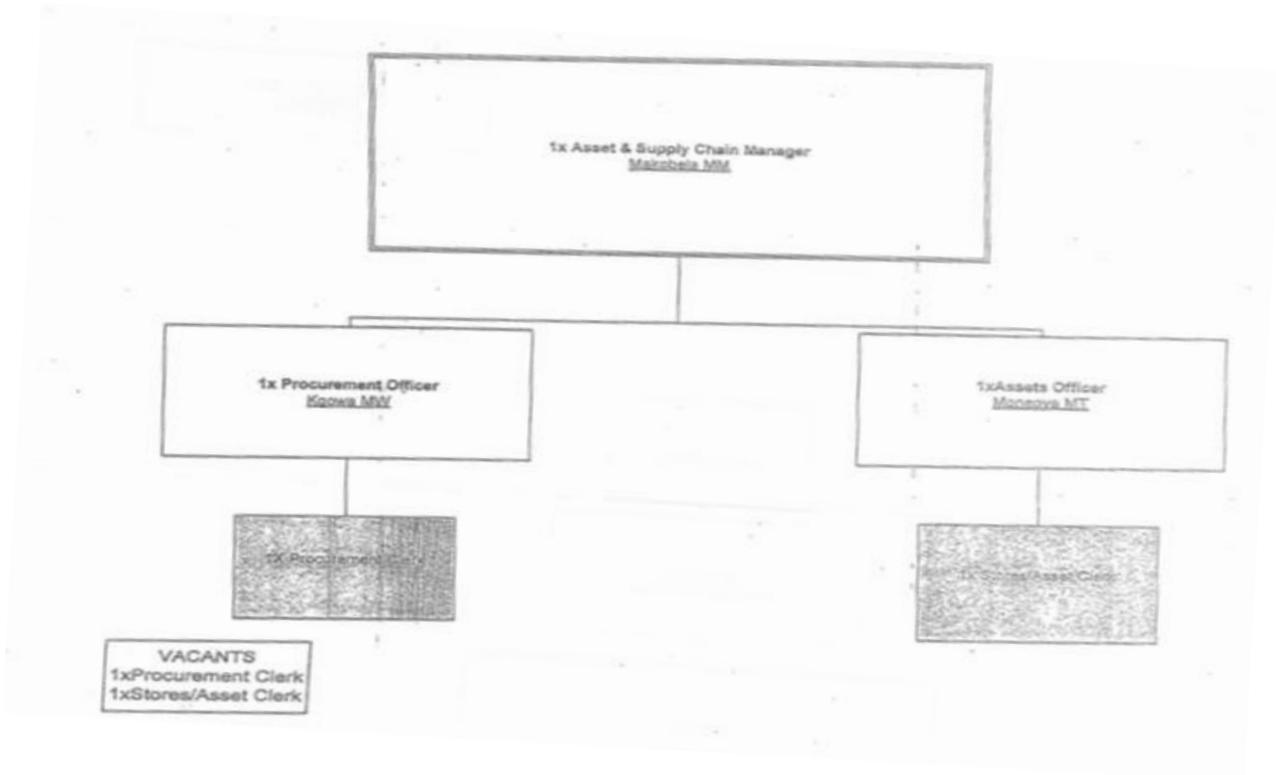


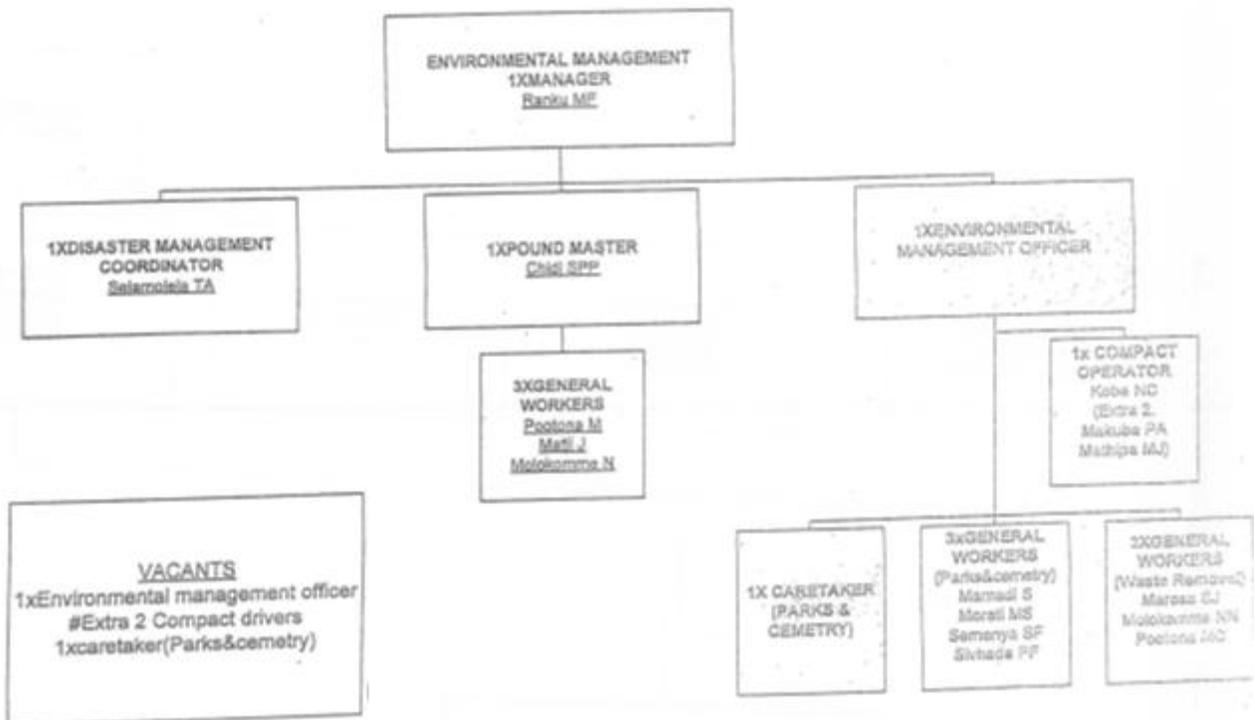
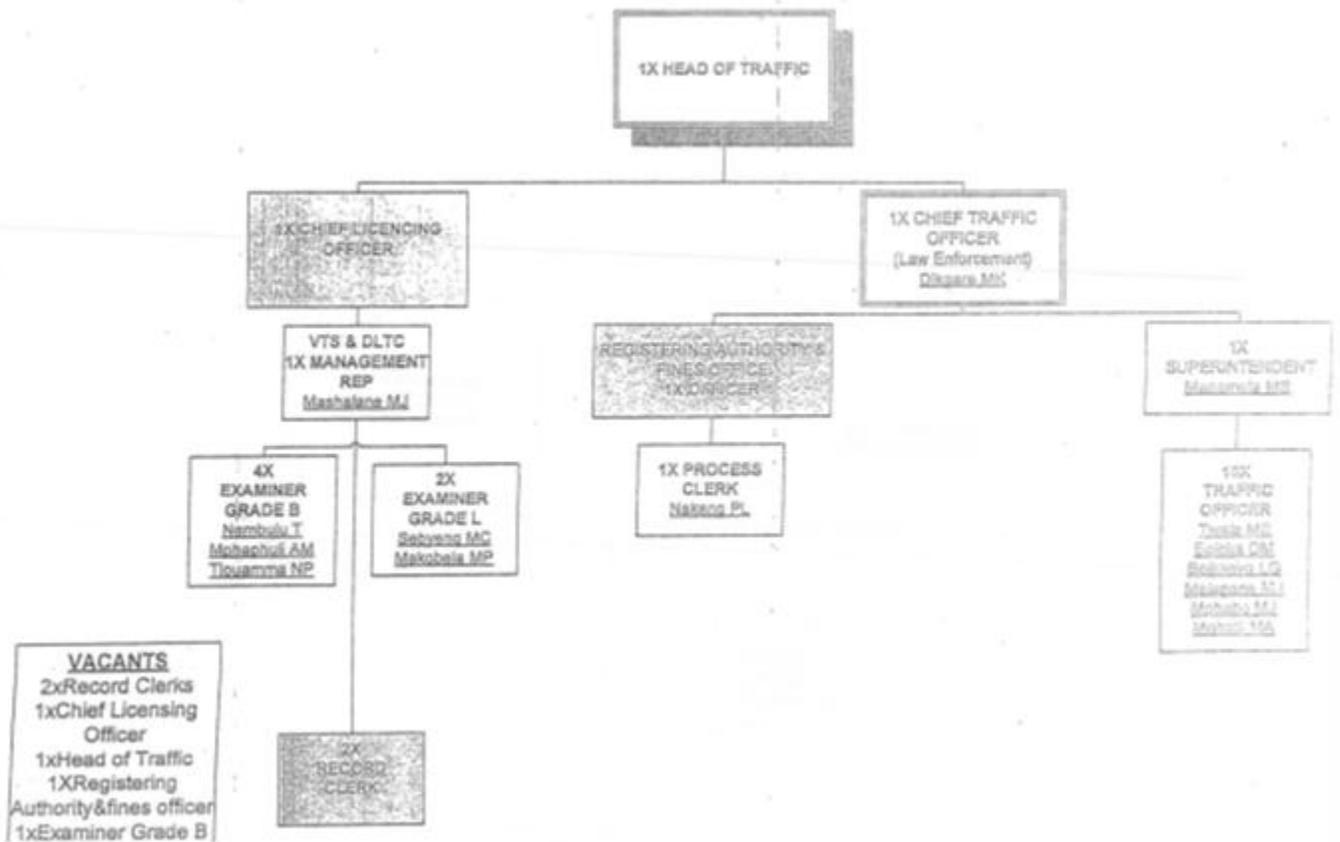


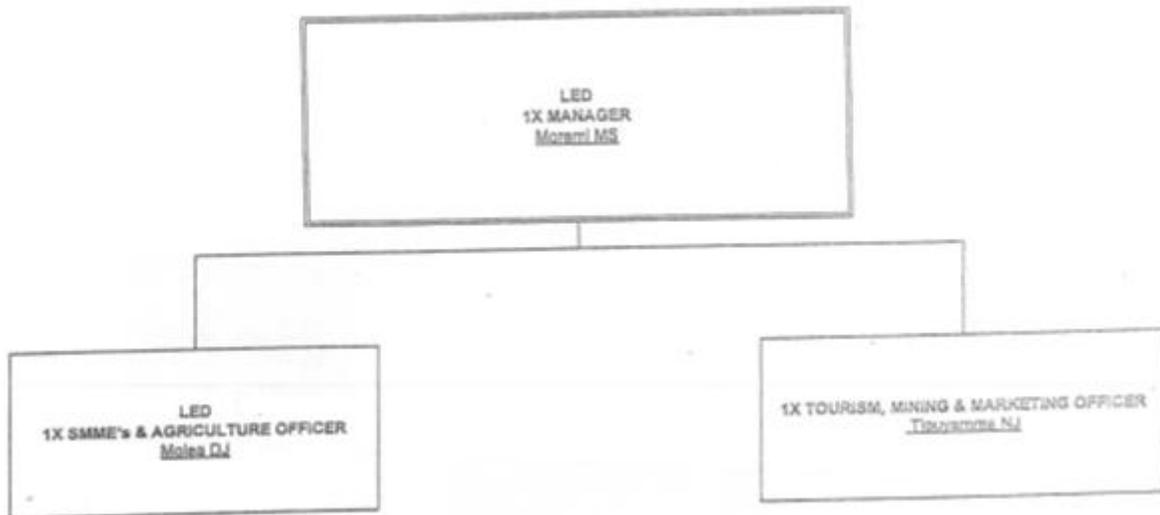
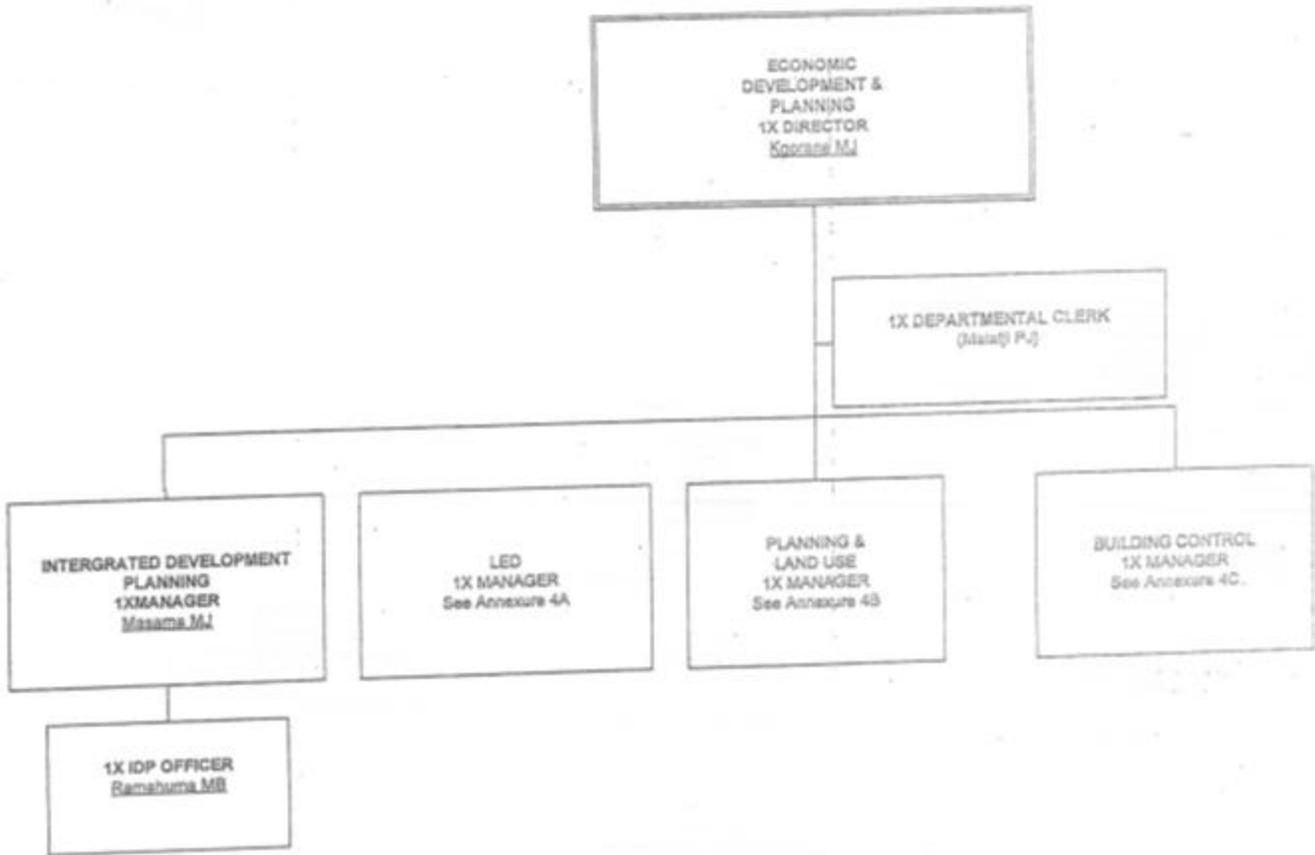


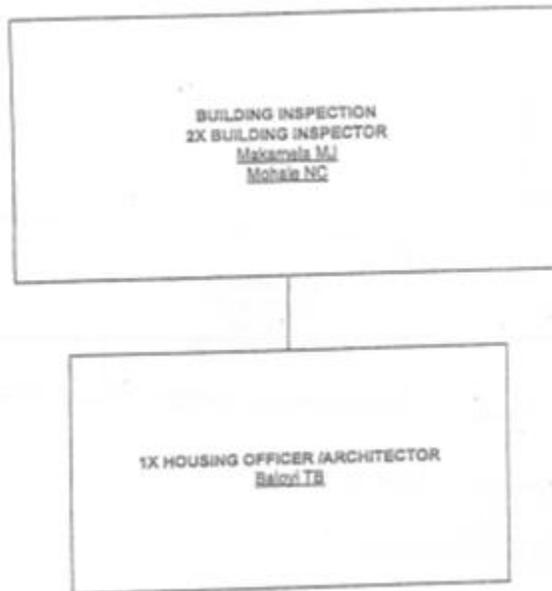
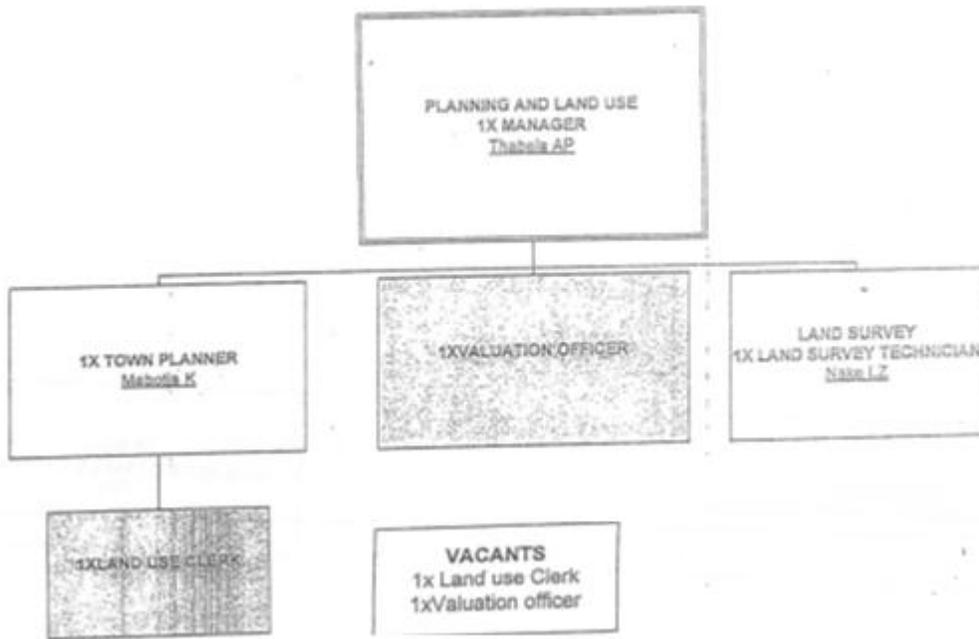


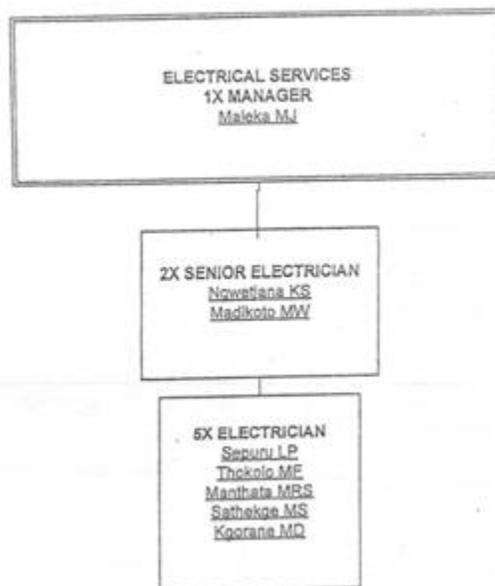
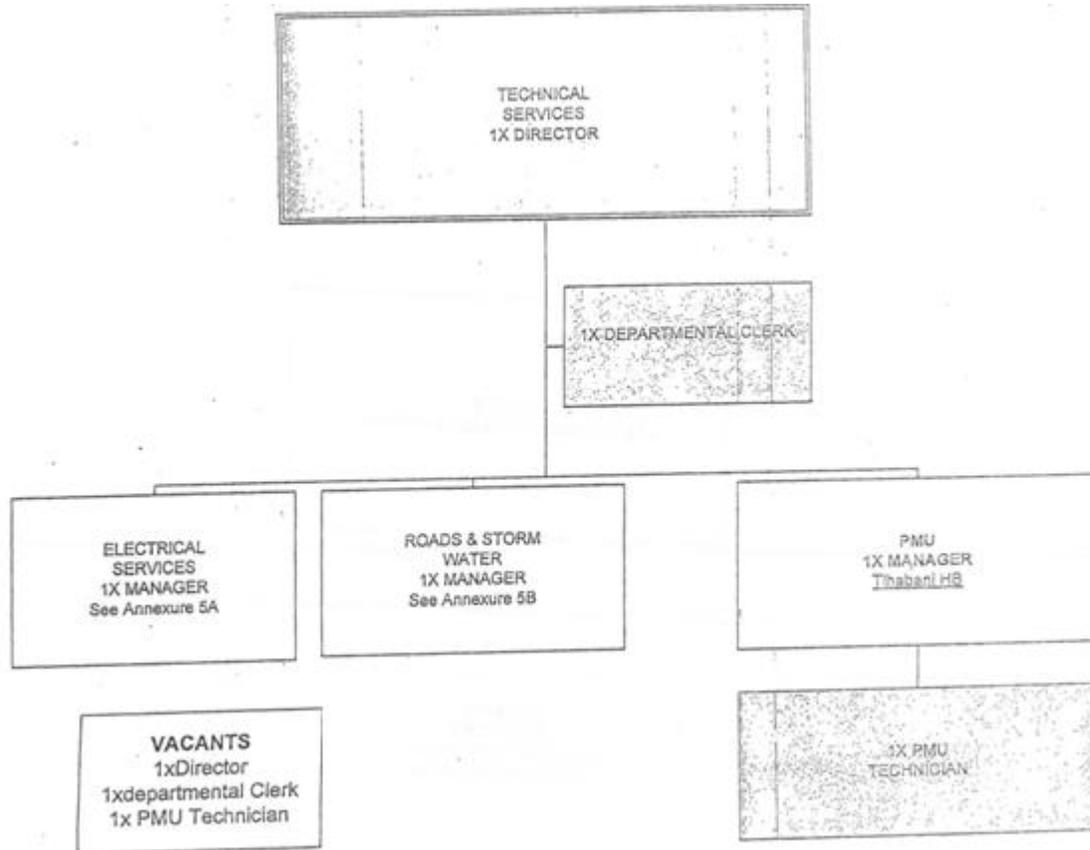


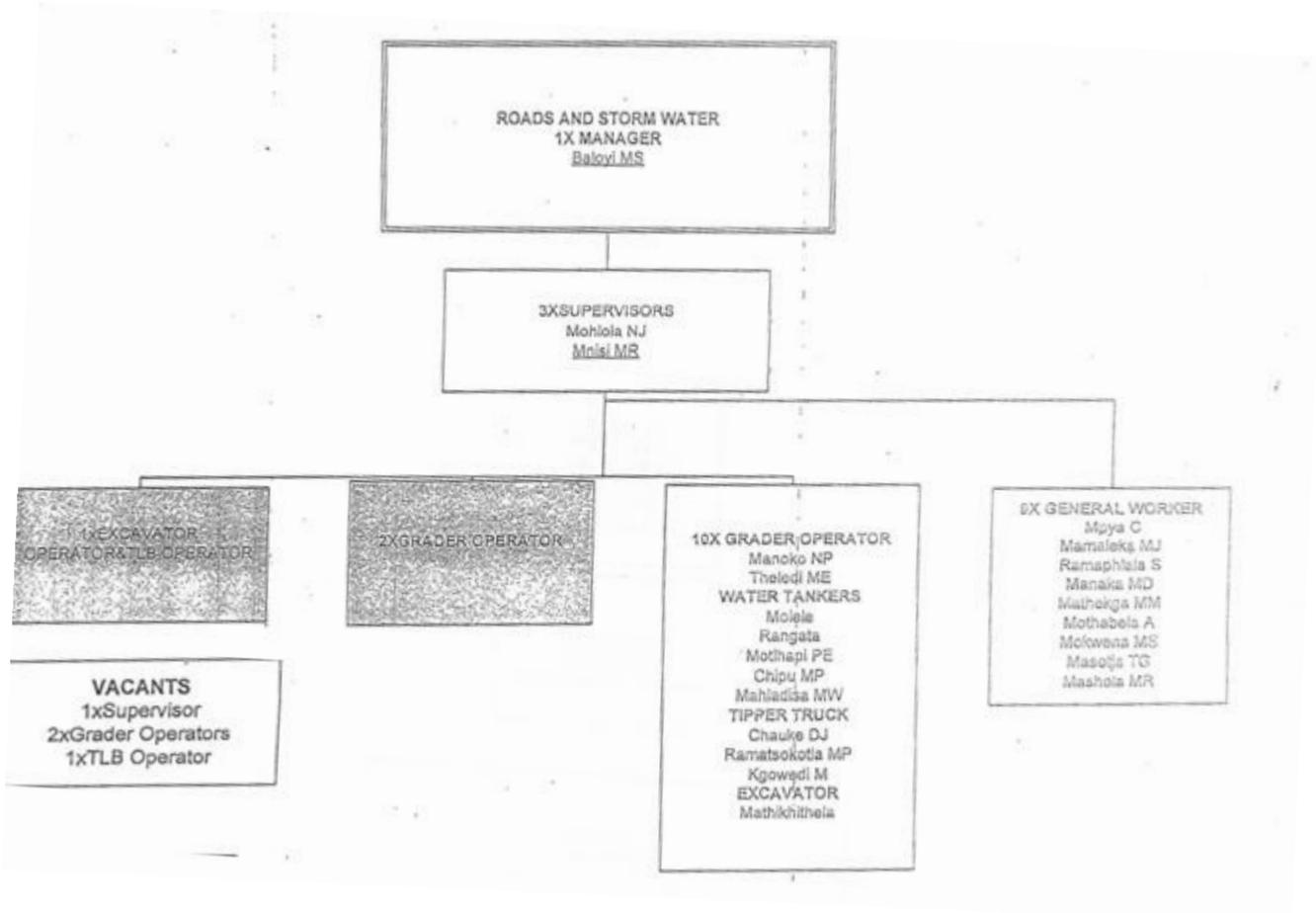


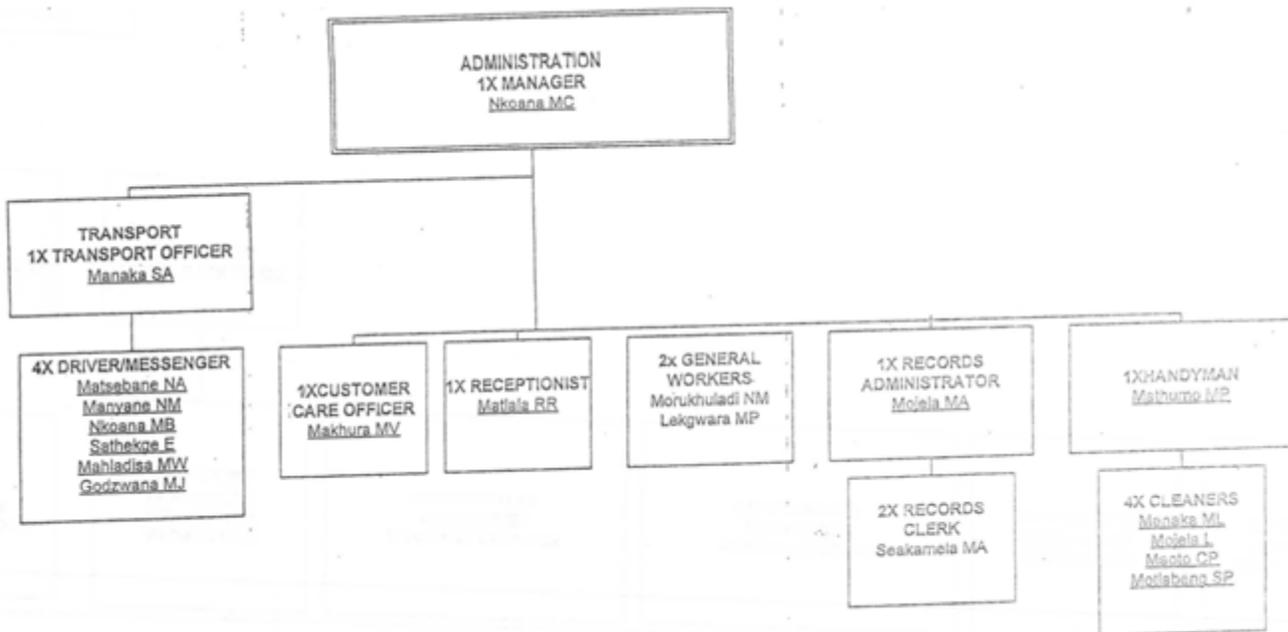
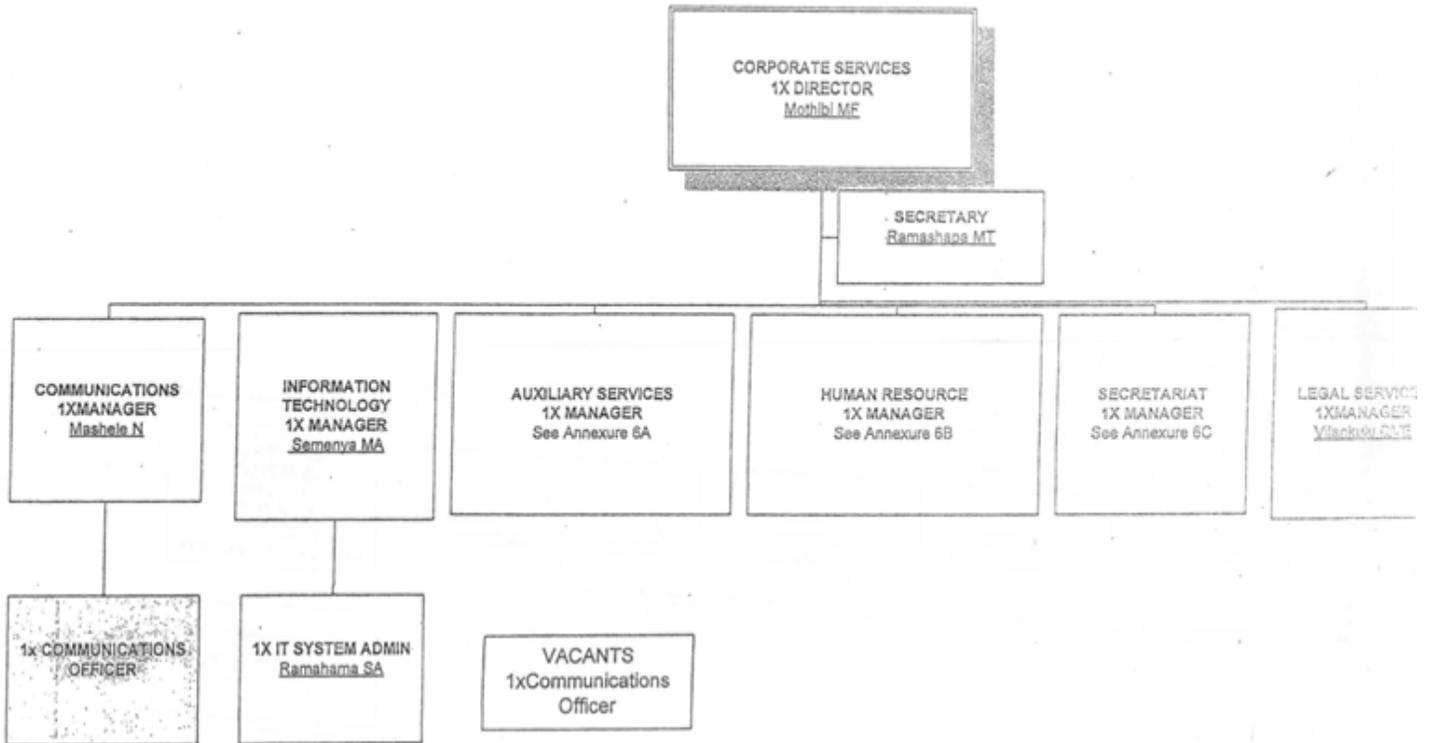












4 Functional Service Delivery Report



Functional Service Delivery Report



Municipal Manager

KPA 1: MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT (15%)

Sub-program	Objectives	Key Performance Indicators	Annual target	ACTUAL	REASONS FOR VARIATION	COMMENTS
Departmental Management	To fill all vacant posts	Number of vacant posts filled	18	Target achieved. All budgeted vacant posts advertised and filled	N/A	N/A
	To sign all the Performance Agreement by MM and Section 57 Managers	Signing of performance agreement	06	Target achieved. MM and senior managers signed performance agreements	N/A	N/A
	To conduct quarterly Performance Review Sessions	Departmental PMS quarterly review reports	4	Target achieved. All quarter review sessions were conducted	N/A	1
	To achieve the Employment Equity targets	% of employment targets achieved	100% of Employment Equity targets achieved	Target partially achieved.	50%	
	To conduct human resource training	Number of official trained	100%	25%	25%	25%

KPA 2: BASIC SERVICE DELIVERY AND INFRASTRUCTURE (10%)

Objectives	Unit of measurement	Annual target	ACTUAL	REASON FOR VARIANCE	COMMENTS
To appoint service providers for the infrastructure projects	Number of infrastructure projects with appointed service providers	100%	Target achieved	N/A	N/A
To approve the appointment of the service providers as recommended by the bid adjudication committee	Number of the appointments approved	100%	Target achieved. All submissions from the Bid Adjudication Committee processed and finalized timeously	N/A	N/A
To manage contracts for appointed service providers	% of work completed and payments done.	100%	Target partially achieved	Contractual challenges and the cancellation on some contracts	

KPA 3: LOCAL ECONOMIC DEVELOPMENT (20%)

OBJECTIVES	KPI	ANNUAL TARGET	ACTUAL	REASON FOR VARIANCE	COMMENTS
To implement the indigent policy	Number of beneficiaries	100%	Target achieved. Indigent register is in place and indigents are provided with free basic services where the is services infrastructure	N/A	N/A
To implement the preferential	% of Total Rand of value of contracts awarded to SMMEs	100%	Target mostly achieved.	A large bulk of services was contracted to BEE and SMME entities	N/A

Procurement Policy favouring SMMEs and BEEs				except for a few specialized fields and monopolistic enterprises	
	% of Total Rand of value of contracts awarded to BEEs	100%	Target mostly achieved.	A large bulk of services was contracted to BEE and SMME entities except for a few specialized fields and monopolistic enterprises	N/A
	% of Total Rand of value of contracts awarded to Women	100%	Target partially achieved	Most service providers on the database, as well as the ones appointed through the open tender system were women	N/A
	% of Total Rand of value of contracts awarded to Youth	100%	Target partially achieved	Very few entities owned by youth on the database	N/A
	% of Total Rand of value of contracts awarded to BEE Total Rand of value of contracts awarded to Disabled People	100%	Target poorly achieved	Very few entities owned by people with disabilities have registered on the database	N/A

KPA 4: FINANCIAL VIABILITY AND MANAGEMENT (15%)

Program	Objective	KPI	Annual Target	Qtr ending 30 Sep 10	Qtr ending 31 Dec 10	Qtr ending 31 Mar 11	Qtr ending 30 Jun 11
Revenue Collection	To collect 100% of projected revenue	100% of Collection ratio	100% of projections (28,825,612)	100% of projected quarterly amount (8,107,291)	100% of projected quarterly amount (6,653,903)	100% of projected quarterly amount (6,503,903)	100% of projected quarterly amount (7,630,515)
Billing Process	To enhance the current billing system	Efficient and reliable billing system	100%	Appointment of the service provider	100%	100%	100%
		Accounts sent	100%	100%	100%	100%	100%

		to customers on or before the 3 rd of each Month					
Debt Collection	To collect all debts due to municipality	Total amount of the debts collected	100%	25%	75%	100%	100%
Asset Register	To develop a credible and updated register	100% updated and credible asset register	100% updated Register	100%	100%	75%	100%
GAMAP and GRAP Implementation	To implement GRAP and GAMAP systems	100% Compliance	100% Compliance	100% Compliance	100% Compliance	100%	100%
Inventory Management	To perform annual stock reconciliations	Number of reconciliations per annum	2 stock reconciliations	00	1 st stock reconciliations		2 nd stock reconciliation
	To manage requisition and maintain stock levels	Maintained levels	100% per quarter	100% per quarter	100% per quarter	100% per quarter	100% per quarter
Preferential Procurement	To ensure that 50% of procurement budget is spent on local HDSA SMMEs and BEE	Percentage budget utilized	50% of budget utilized	15% of budget utilized	25% of budget utilized	35% of budget utilized	50% of budget utilized
Tender Processes	To functionalize Bid Committee	Number of bids	All bids processed through bid committee	Institution of Bid Committee	100%	100%	100%
Alignment of Budget and IDP	To align Budget and IDP as required by MFMA	Aligned Budget and IDP	100%	100%	100%	100%	100%

Financial Report	To submit Monthly, Quarterly, Half Yearly ad Annual reports to Exco, Council, Portfolio, Treasury and other relevant and other relevant Departments.	100% Financial reports submission	100%	100%	100%	100%	100%	100%
SDBIP development in line with MFMA	To develop SDBIP in line with MFMA requirements	Credible SDBIP	100% Credible SDBIP			SDBIP Drafted		SDBIP Approved
Develop budget in line with GRAP	To develop Budget in line with GRAP and MFMA requirements	Plausible Budget	100% Plausible Budget	Budget tabled		Budget drafted		Budget adopted
Indigent Management	To allocate resources for free basic services in the budget.	100% catering for indigence	100% catering for indigence	100%	100%	100%		100%
		% CAPEX Budget spent	37,991,139	9,497,784	9,497,784	9,497,784		9,497,784
Financial statement	To compile statement in line with GRAP and GAMAP	Annual financial statements compiled	AFS submitted on time	100%	100%	100%		100%
Reconciliation	To perform all financial reconciliation	100% reconciliation	100%	100%	100%	100%	100%	100%

Blouberg Municipality Annual Report 2010\11



Creditors payments	To ensure that creditors are paid within 30 days	Percentage of creditors paid on time	100%	100%	100%	100%	100%	100%
Employee relate cost	To process employment related cost in time.	Payment done on time	41,947,980	10,486,995	10,486,995	10,486,995	10,486,995	10,486,995
Accounting Management and Internal control	To sustain sound financial management	Proper record keeping	100% record keeping	100% record keeping	100% record keeping	100% record keeping	100% record keeping	100% record keeping
					Qtr ending 30 sep 10	Qtr ending 31 Dec 10	Qtr ending 31 Mar 11	Qtr ending 30 Jun 11
		Banking of income received the following working days		100%	100%	100%	100%	100%
		Reconciliation of manual and system income report (receipting)	100%	100%	100%	100%	100%	100%
		Reports of bank reconciliation by the 15 th every month	12	12	3	3	3	3
		Prepare cash book by the 5 th of every month	12	12	3	3	3	3
		Capture manual receipt within	100%	100%	100%	100%	100%	100%

		2 days of receipt of money						
		Bills of account by the 15 th of every month	12	12	3	3	3	3
		Reconcile consumer debtors to the general 10 days after billing	12	12	3	3	3	3
		Interest reconciliation reports 10 day after billing	12	12	3	3	3	3
		Number of resolved credit control enquiries on the same day as receipt of enquiry (walk in clients)	100%	100%	100%	100%	100%	100%
	To compile Monthly Repot	Monthly reports of the compile billing summary	12	12	3	3	3	3
		Monthly compile interest reports	12	12	3	3	3	3
		Monthly	12	12	3	3	3	3

		compile debtors age analysis reports						
			100%	100%	100%	100%	100%	100%
		Prepare cashbook by the 5 th of every month.	12	12	3	3	3	3
EXPENDITURE	To facilitate payments	Monthly prepare creditors reconciliation	12	12	3	3	3	3
		Prepare vat reconciliation 7 days after submission of vat returns	12	12	3	3	3	3
		Submission of vat return every month	12	12	3	3	3	3
		Monthly reconciliation reports of payroll and general ledger	12	12	3	3	3	3
SUPPLY CHAIN MANAGEMENT	Procurement of goods and Services	Quarterly compile and reviewing suppliers database	4	4	1	1	1	1
		Monthly reports of all awarded tenders	12	12	3	3	3	3

KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION (15%)

OBJECTIVE	KPI	ANNUAL TARGET	ACTUAL	REASON FOR VARIENCE	COMMENTS
To implement finance related by laws and policies	Implementation reports of adopted by-laws and policies Implementation reports of income related procedure manuals	100%	Target partially achieved. Most policies were implemented fully	Suspension of the credit control and debt management policies through council resolution in March	N/A
	Reviewing credit and debt control policies	100%	Target achieved. Credit Control and Debt Management Policies were reviewed and adopted by council during the adoption of the IDP\Budget	N/A	N/A
To manage assets accounting policies and procedures	Reviewing asset management policy	Asset management policy adopted	Target achieved.	N/A	N/A
To facilitate stakeholders participation	Reports of the public participation in the budget process	100%	target surpassed	More than 28 meetings were held with the public plus extra post EXCO and Council imbizos	N/A
To hold departmental staff meetings	No of staff meetings held	Meetings calendar	12	Target partially achieved	Programmes and commitments from sector departments had an impact on municipal plans



<p>To conduct imbizos and public participation</p>	<p>No of imbizos</p>	<p>Schedule of meetings</p>	<p>18</p>	<p>Target surpassed. Over 28 imbizos and public participation sessions held</p>	<p>Post council and exco outreach imbizos, IDP report back sessions boosted the surpassing of the target</p>	<p>N/A</p>
---	----------------------	-----------------------------	-----------	--	--	------------

Corporate Services

KPA 1 : SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT					Weight : 5%	
Program	Objectives	KPI	Annual Target	Actual	Reason For Variance	Comments
Service Delivery Consistency and Sustainability	To ensure that Corporate Services are rendered in a predictable; effective; efficient and economical manner	Availability and implementation of Corporate Services Departmental Service Delivery Charter by July 2010	Departmental Service Delivery Charter approved by July 2010 and implemented	Target achieved. The 2010/2011 Service Delivery Charter was approved by the Council of 29 July 2010 in terms of Resolution number C (3) 2010/2011. Progress reports on implementation of the Charter became standing items to the Portfolio Committee on a quarterly basis	N/a	None
		Availability of the Corporate Services Departmental Service Delivery Charter (2011/2012) by June 2011	Departmental Service Delivery Charter approved by June 2011 and implemented	Target Achieved. The Service Delivery Charter was approved by the Executive Committee meeting of 30/06/2010 in terms of Resolution OE 05/11/7.2.1	N/a	None

Infrastructure/Assets creation; maintenance and improvement	To ensure cost effective procurement; maintenance; and safeguarding of Departmental infrastructure and assets	Availability of departmental Demand Management Plan (DMP) by 08/2010	Goods/services procured per DMP	Target achieved. The DMP was approved by the Executive Committee of September 2010.	N/a	None
		Availability of Vehicle Maintenance Plan(VMP) by 08/2010	VMP developed and implemented	Target Achieved. The Plan was approved by the Executive Committee of October 2010	N/a	Progress report on implementation of the VMP had become a standing item on monthly reports to the Corporate Services Portfolio Committee
		Availability of IT Systems and Equipment Maintenance Plan by 08/2010	IT Systems and Equipment Maintenance Plan approved	Target Achieved. The Plan was approved by the Executive Committee of October 2010	N/a	Progress report on implementation of the Maintenance Plan had become a standing item on monthly reports to the Corporate Services Portfolio Committee
KPA 2 : LOCAL ECONOMIC DEVELOPMENT				Weight : 5%		
	Objectives	KPI	Annual Target			
LED Promotion	To promote the Municipality's LED and investment	Availability and implementation of a plan to promote LED and local	Plan to promote LED and local investment opportunities approved and	Target not achieved	Budgetary constraints	Rescheduled to 2011/2012

	opportunities	investment opportunities	implemented			
KPA 3 : FINANCIAL VIABILITY AND SUSTAINABILITY						Weight : 10%
Program	Objectives	KPI	Annual Target	Actual	Reason For Variance	Comments
Revenue Management	To ensure that all revenue due to the Department is collected and that the Department effectively plays its strategic role in the overall revenue collection by the	Availability and implementation of Revenue Generation Plan (RGP) by 08/2010	Approved and implemented RGP	Target Achieved. The 2010/2011 Revenue Generation Strategy was approved by the Portfolio Committee of 19/08/2010 and noted by the Council of 28 October 2010 in terms of Resolution Number OC 05/10/11.6(a)	N/a	Progress report on implementation of the Revenue Generation Plan had become a standing item on monthly reports to the Corporate Services Portfolio Committee and the Executive Committee as well as quarterly meetings of the Council

	Municipality	% of budgeted revenue realised	Departmental income budget realised at 100%	Target achieved	N/a	Progress report on implementation of the Revenue Generation Plan had become a standing item on monthly reports to the Corporate Services Portfolio Committee and the Executive Committee as well as quarterly meetings of the Council
Expenditure Management	To ensure that the financial and other resources of the Municipality are utilised effectively, efficiently, economically and transparently	% of the projected Department Budget spent for the current financial year	100 % of the projected Department Budget spent for the current financial year	Target achieved	N/a	None
		Availability and implementation of Cost Saving Plan (CSP) 08/2010	Approved and implemented CSP	Target achieved. Cost Saving Plan was approved by the Executive Committee of the 30th September 2010	N/a	None
KPA 4 : Organisational Transformation and Institutional Development					Weight : 40%	
Program	Objectives	KPI	Annual Target	Actual	Reason For Variance	Comments

Organisational Development and Design	To ensure continuous renewal and efficiency of the organisation to achieve its IDP objectives	2011/2012 organizational structure reviewed and aligned to the IDP by May 2011	Reviewed organisational structure	Target achieved. The revised and aligned organogram was approved by the Council of 20/04/2011 in terms of Resolution Number C (137) 2010/11	2010/2011 organisational structure	N/a
		Implementation of the Municipal Turnaround Strategy (MTAS)	100% achievement of the MTAS targets	Target achieved. All the 18 Corporate Services targets of the MTAS were achieved	N/a	Progress report on implementation of the MTAS had become a standing item on monthly reports to the Corporate Services Portfolio Committee and the Executive Committee as well as quarterly meetings of the Council
		2010/2011 organisational structure implemented	All funded posts/vacancies filled	Target achieved. All the 2010/2011 vacancies have been filled	N/a	None
Performance Management	To ensure that the performance of the Department and individual employees in the	Number Divisional managers with signed performance plans	6 Divisional managers with signed performance plans	Target achieved. All the 6 Divisional SDBIPs were approved by the Portfolio Committee of August 2010 and noted by the Council of 28/10/2010 in terms of Resolution Number C	N/a	Performance Plans could not be developed due to lack of credible performance management system

	Department is properly planned, monitored, reviewed, reported on and improved			(71) 2010/11		
		Number of Departmental Performance Review sessions conducted	4 Departmental Performance Review sessions conducted	Target achieved. The review sessions were held on 14/07/2010; 01/10/2010;21/02/2011 and 28/03/2011	N/a	None
		Number of performance assessments conducted on departmental managers	2 assessments conducted on all departmental managers	Target not achieved	Lack of overall municipal performance management system	Position of PMS Officer has been created to be filled in 2011/2012
Human Capital Development	To enhance employee skills development and overcome existing skills gaps	Availability of a Training and Development Implementation Plan (TDP)	Training and development implemented per the annual TDP	Target achieved. The TDP was approved by the Executive Committee of August 2010	N/a	Progress report on implementation of the WSP had become a standing item on monthly reports to the Corporate Services Portfolio Committee and the Executive Committee as well as quarterly meetings of the

						Council
		% of implementation of the 2010/2011 WSP	2010/2011 WSP implemented at 100%	Target revised. 101 of the 278 training targets were implemented. An amount of R60,974.05 was received in mandatory grants	Training budget was reduced during the Adjustments Budget due to the Municipality's cashflow challenges	None
		Number of mandatory WSP implementation reports compiled and submitted to the LGSETA	12 mandatory implementation reports timely compiled and submitted to the LGSETA	Target achieved. Reporting requirements of LGSETA were charged to 1 report per quarter and were accordingly complied with	N/a	None
		Functionality and number of Training Committee meetings held	12 Training Committee meetings held	Target achieved. 4 meetings were held on 11/08/2010; 01/12/2010; 28/02/2011 and 28/04/2011	Target had been revised to have quarterly instead of monthly meetings	None
		Availability of the 2011/2012 WSP	2011/2012 WSP developed; approved and submitted timely	Target achieved. The 2011/2012 WSP was submitted timely on 30/06/2011	N/a	N/a

		Availability of a Recognition of Prior Learning (RPL) Policy	RPL Policy developed and approved by Council for implementation in 2011/2012	Target not achieved	The Policy proved too technical to be completed as planned	Policy finalisation has been rescheduled to 2011/2012
Employment Equity	To ensure that the Municipality complies with duties of a designated employer as mandated by the Employment Equity Act and Regulations	% of implementation of the 2010/2011 Employment Equity (EE) targets	2010/2011 EE targets achieved at 100%	Target achieved. Top Management and legislators are fully compliant. Overall males stand at 71%; females at 29% and the PWD at 1.7%	N/a	None
		Functionality and number of Employment Equity Committee (EEC) meetings held	4 EEC meetings held	Target not achieved. 1 meeting was held on 23/02/2011	Absence of members	None
		2009/2010 Employment Equity Report (EER) submitted to the DoL by December 2010	2009/2010 EER compiled and submitted to the DoL	Target achieved. The report was timely submitted online on 04/09/2010	N/a	None
Employee Wellness; Occupational Health and Safety	To secure the health, wellness and safety of employees and other persons against	Availability and implementation of OHS Plan	OHS Plan developed and implemented	Target not achieved.	Lack of internal capacity and budget	DLGH was roped in to assist
		Functionality and number of Occupational Health and Safety (OHS) Committee	4 OHS meetings held	Target achieved. 4 meetings were held	N/a	None

	hazards to the health and safety arising out of or in connection with the activities of persons at work	meetings held				
		Availability of Employee Wellness Programme	Employee Wellness Programme developed and implemented	Target withdrawn	Budgetary constraints	None
	To create and maintain sound work place relationships between Council and employees	Number of departmental staff meetings	4 departmental staff meetings held	Target achieved. 5 Departmental staff meetings were held on 01/07/2010; 09/12/2010; 31/03/2011; 21/04/2011 and 30/06/2011	N/a	None
		Number of meetings of the Local Labour Forum (LLF) held	12 LLF meetings held	Target not achieved. Only 3 LLF meetings were held on 27/07/2010; 18/08/2010 and 28/01/2011	N/a	None
Number of workshops for supervisors on grievance and disciplinary procedures		4 workshops conducted for all supervisors on grievance and disciplinary procedures	Target achieved. 1 workshop was conducted for managers and supervisors on 06/04/2011 through the assistance of the CCMA	It had to be one workshop due to budgetary constraints	N/a	
KPA 5 : GOOD GOVERNANCE AND PUBLIC PARTICIPATION Weight : 40%						

	Objectives	KPI	Annual Target			
Municipal Communication and information	To ensure that the Municipality communicates effectively and meets its constitutional mandate of providing information to communities	Availability of Communication's Policy and Strategy (Internal & External) by September 2010	Communications Policy and Strategy developed and implemented at 100%	Target Achieved. The Communications Policy and Strategy for 2010/2011 were developed and approved by the Council of 28/10/2010 in terms of Resolution Number C (51) 2010/11	N/a	Progress report on implementation of the Communications Policy and Strategy had become a standing item on monthly reports to the Corporate Services Portfolio Committee
		Establishment and functionality of the Local Communicators Forum (LCF)	LCF established and complying with its meeting schedule	Target Achieved. Constitution of the LCF was approved by the Council of 28/10/2010 in terms of Resolution Number C(44) 2010/11. The LCF thereafter met on 25 Nov 2010; 07 February 2011 and 11 May 2011	None	N/a
		Number of newsletter editions compiled and distributed	4 newsletter editions compiled and distributed	Target achieved. All the four annual editions for the quarters ending June 2010; September 2010; December 2010 and March 2011 were successfully compiled and distributed per the approved distribution	N/a	N/a

				arrangements		
		Availability of Corporate Branding Plan (CBP)	CBP developed and implemented at 100%	Target Achieved. The Corporate Branding Plan was developed and approved by the Council of 28/10/2010 in terms of Resolution Number C (46) 2010/11	N/a	None
		Functionality and updated municipal website	All mandatory information (Section 75 of the MFMA) available on the website	Target Achieved. The Website Management Policy was approved by the Council of 28/10/2010 in terms of Resolution Number C (45) 2010/11 but regular updating of the website remained a challenge	Inadequate capacity (human resources) and unavailability of some information in electronic format	A dedicated official has been appointed to ensure regular updates of the website; scanner has been procured to scan and post all the documents
Events Management	To ensure that the Municipality's events are properly planned and executed	Availability of Events Management Team and Events Annual Calendar	Events Management Team established and functional	Target Achieved. The Committee was established and inducted on 03/08/2010 with individual members further given appointment letters outlining what is expected of the Events Committee.	N/a	None

Community Participation	To ensure the development and implementation of mechanisms, processes and procedures for community participation	% of scheduled ward public meetings held	100% of scheduled ward public meetings held	Target not achieved. Few meetings (8 wards) were held during the second quarter with all the wards meeting in the third quarter for the IDP/Budget review. Meetings for the fourth quarter were cancelled due to the local government elections	N/a	None
		Availability and implementation of a system for the receipt, processing and consideration of public complaints and petitions	System available and implemented at 100%	Target achieved. No petitions were received. Complaints received were referred to the relevant departments for processing with progress reported monthly to the Corporate Services Portfolio Committee and the Executive Committee	N/a	None
		% of scheduled ward committee meetings held	100% of scheduled ward committees held	Target achieved. All the ward committees sat for the bi - monthly meetings	N/a	None
		Number of Ward Committees with Ward Plans	18 Ward Committees having Ward Plans whose implementation is monitored by the Council	Target Achieved. All the ward committees had ward plans	N/a	None

		Ward Committees Conference held by August 2010	Annual Ward Committees Conference held	Target Achieved. The 2010/2011 Annual Ward Committees Conference was successfully held on 27-29 August 2010 in Bela Bela	N/a	None
		Availability of CDWs Policy	CDW Policy developed and implemented	Target not achieved	There was an indication that a similar policy was being developed at a provincial level	To await the provincially developed policy
Council Support	To provide administrative support and improve efficiency of the Council and its committees	Availability and implementation of annual schedule of meetings for all committees	Annual schedule of meetings developed and implemented	Target achieved. The Annual Schedule of meetings was developed and approved by the Council of 28/10/2010 in terms of Resolution Number C (47) 2010/11	N/a	All scheduled meetings were honoured save for those of December 2010 and May 2011 due to festive season vacations and local government elections respectively
		Revision of the Delegation of Powers Framework (DPF)	DPF reviewed	Target revised. DPF revision was postponed to early 2011/2012 in view of the 2011 Local Government Elections	N/a	N/a

Customer Care	To promote and implement Batho Pele principles	Complaints Management System (CMS) developed by July 2010	Develop and implement CMS	Target achieved. The system is functional with a dedicated official to man it. A second post has been created and funded for filling in 2011/2012	N/a	N/a
		% of complaints addressed in line with the CMS	Address 100% of lodged complaints	Target achieved. All the complaints received were duly referred to relevant departments for processing and monthly progress reports were submitted to the Portfolio Committee and the Executive Committee	N/a	Responses were also submitted to the President and Premier's offices in line with the set requirements
		% of Presidential Hotline complaints addressed	Address 100% of Departmental complaints received via the Presidential Hotline	Target achieved. All the complaints received were duly referred to relevant departments for processing and monthly progress reports were submitted to the Portfolio Committee and the Executive Committee	N/a	Responses were also submitted to the President and Premier's offices in line with the set requirements

		Batho Pele Committee established and functional	Batho Pele Committee established and meeting at least once per quarter	Target achieved. 4 quarterly meetings of Batho Pele Committee were held	N/a	None
Risk Management	To continuously identify, monitor and mitigate departmental risks	Availability of the Department's Risk Register by 08/2010	Develop and implement Department's Operational Risk register	Target achieved. The Risk Register was approved by the Portfolio Executive Committee of 21/10/2010	N/a	None
		Implementation of departmental internal controls (policies; procedures;etc) and availability of reporting templates for all reportable matters by 07/2010	Reportable matters & reporting templates approved	Target achieved. The standing reportable matters per Division were approved by the Portfolio Committee of 23/09/2010	N/a	All Divisions reported monthly to the Portfolio Committee in line with the approved list of reportable matters
		Availability of IT Disaster Recovery Strategy	IT Disaster Recovery Strategy developed and implemented	The target was withdrawn	Budgetary constraints	The target is accommodated in the 2011/2012 budget
		Development of a risk management culture within the Department	2 risk awareness campaigns conducted	Target achieved. The awareness campaigns were conducted on 09/12/2010 and on 21/04/2011	N/a	None

		Resolutions Implementation monitoring system revised by July 2010	Revised and implemented Resolutions Implementation monitoring system	Target achieved. The revised monitor was approved by the Portfolio Committee of August 2010 to include resolutions from Council and all council structures and functionaries	N/a	Progress report on implementation of the resolutions applicable to Corporate Services had become a standing item on monthly reports to the Corporate Services Portfolio Committee and the Executive Committee
		Availability and implementation of action plan on prior year's management report	100% rectification of prior year's Auditor General's queries and recommendations	Target achieved. Issues raised have been rectified	N/a	None
Records Management	To ensure that records are properly created, maintained and disposed of	Compliance with records management performance criteria as prescribed by the National Archives and Records Service of South Africa Act	100% compliance with records management performance criteria	Target achieved	N/a	Progress report on implementation of the records management performance criteria had become a standing item on monthly reports to the Corporate Services Portfolio Committee

						mentation
Statutory Reporting	To enhance accountability and compliance to statutory reporting requirements	Number of monthly reports to the Portfolio Committee/Executive Committee	12 monthly reports compiled and tabled before the Portfolio Committee/Executive Committee	Target achieved. 12 reports were compiled with 10 of them tabled before the Portfolio/Executive Committee	N/a	The Portfolio Committee meetings for December 2010 and May 2011 were officially cancelled due to festive facations and local government elections. However reports were compiled and integrated into subsequent monthly reports
		Number of quarterly reports to the Institutional Performance Review Forum/Council	4 quarterly reports compiled and submitted to Institutional Performance Review Forum/Council	Target achieved. 4 quarterly reports were timely compiled	N/a	Institutional Performance Review did not meet for the quarter ending March 2011 due to the Local Government Elections

		Number of reports compiled and submitted to the Audit Committee(AC)	4 reports compiled and submitted to the AC	Target achieved. 4 quarterly reports were timely compiled	N/a	AC has not always sat as expected
		Annual Report submitted to the Oversight Committee	Annual; Report timely submitted to the Oversight Committee	Target achieved. The Corporate Services chapters of the Annual Report (2009/2010) were timely submitted and accepted by the Oversight Committee/MPAC	N/a	N/a
Intergovernmental Relations	To ensure alignment and coordination with District Municipality; Provincial and National Spheres of Government	% of attendance of Corporate Services IGR meetings	100% participation in Corporate Services IGR structures	Target achieved. Only Communication Forum meetings were convened and attended	N/a	None

Community Services

KPA	Programme	Objective	KPI	Annual Target	Actual	Reason for variance	Comments
Infrastructure Development and Service Delivery	Grave digging	To provide communities with graves	Number of graves issued to the community	100% of all applied for graves provided	Target achieved. All applied graves were supplied to communities.	N/a	none
	Environmental Management	To render environmental compliance	Implementation of Environmental Management Plan	Appointed waste and environmental management officer	Target achieved.		
		To comply with environmental legislation	Number of encroachments dealt with in terms of the EMP	100% implementation of the environmental management plan in R293 towns	Not achieved.	Officials are still undergoing Environmental Management Inspectorate training.	none
		To provide shelter and fruit to communities	Number of trees provided to schools, facilities and households	Provide 2 000 trees for beautification and greening Limpopo	Not achieved.	Lack of budget	To have our own budget on Greening in 11/12 financial year.



	Parks	To maintain the Senwabarwana Park	Two beautification programs conducted & % improvement on the park outlook. All days and Senwabarwana	100% parks maintained	Achieved.		63 EPWP workers appointed by Department of Public Works.
		To resuscitate wetlands	Number of wetlands resuscitated	resuscitate two wetlands per annum	Partly achieved. Senwabarwana wetland resuscitated.		With the assistance of added human resources from EPWP program reeds have been cut down and the wetland cleaned. Tihonasedimong wetland to be resuscitated during the 2011/12 fy.

		To conduct awareness campaigns	Number of awareness campaigns conducted	18 campaigns conducted	Disaster risk awareness campaigns held in 10 wards		cluster all units in schedule of awareness campaigns to save on costs and audience
		To participate in the Greenest and comply Municipality Competition .	% improvement in environmental matters: landscaping, waste, energy, sewer and water conservation	100 %participation in the Greenest Municipality Campaign	Target achieved. Participated in the Greenest Municipality competition and obtained position 3 in the district. A cheque of R10 000 won.	N/a	To budget for GMC elements in the 11/12
	Waste and Refuse Removal	To form recycling initiatives in clusters	Number of recycling initiatives formed	Form four Recycle, Reduce and Re -use projects	Achieved.	N/a	none

		To provide refuse removal services	Number of households and businesses provided with refuse removal function	Provide refuse removal service to households and businesses 15 000	Achieved. Refuse removal services provided.	N/a	Numerous breakdowns experienced resulting in schedule not being adhered to. Tractor and truck breakdown
	Pound services	To impound stray livestock & develop an inspection program	Number of inspections conducted & impounded stray animals	100% impoundment in Senwabarwana town	Achieved. Pound master is placed on stand-by to attend to stray livestock when reported.	N/a	Pound unit is to be within the Satellite Office Senwabarwana with the assistance of escort from Traffic
		To remove dead carcasses from roads	% of carcasses removed	100% removal of carcasses within 48 hours of report	Achieved. 0 carcasses cleared	N/a	Transport for loading of dead carcasses
	Traffic Services Law Enforcement	To provide escort services	number of dignitaries escorted	100% provision of escort services to deserving dignitaries	Achieved.	n/a	none

		To respond rapidly to accidents	% Improvement of accidents response time	Road accident response within 2 hours	0 accidents responded to		Lack of a control room hinders response as traffic officers can not be reached
		To issue notices to traffic offenders	Number of offenders issued with notices	5800 notices to traffic offenders issued	Achieved.	N/a	none
		To develop & implement the Community Safety Plan	Availability of a Community Safety Plan	Community Safety Plan in place	Not achieved.		none
		To provide visible policing	% visibility of our law enforcement officers in terms of rosters	100% law enforcement conducted in all clusters	Partly achieved.	Quarterly rooster not followed in the last month of the quarter second due to shortage of traffic officers as a result of resignations	3 traffic officers appointed

	Licensing	To provide licensing services	Availability of the Traffic Management Systems	95 % Availability of the Traffic Management Systems in the main office and satellite offices to improve service delivery	Not achieved.	Non-availability of the systems	None
		To test vehicles	number of vehicles tested for roadworthiness	200 vehicles tested	Not achieved. 0 vehicles tested	Station not in operation as a result of unavailability of a vts management rep post.	The station is envisaged to be open during the next fy.
		To test for learners licenses	number of learner drivers tested	test 3000 learner drivers	Achieved.	N/a	none
		To test learner drivers	Number of test papers completed and filed	2010/11 applicants for learners and driver's licenses	Achieved.	N/A	None
		To report on R/A performance	Number of reports generated and submitted to Prodiba< RTMC and The Department of		Achieved.	N/a	None



			Roads and Transport				
		To report on VTS performance	number of reports submitted to Department of Roads and Transport on tests conducted	submission of monthly/ 12 reports to the Department of Transport for vehicles and persons tested	Achieved.	N/a	None
	Facility maintenance	to maintain facilities.	refurbishment of pound	100% refurbishment of Municipal pound	Partly achieved. Telkom lines, furniture and computers not installed.	Budget constraints.	To be pursued in the 2011/12 fy
	Disaster Management	To respond to disaster incidents	100% number of incidents reported and responded to	incident response within 24 hours	Achieved.	N/a	None

			Number of awareness campaigns conducted	8 awareness campaigns in vulnerable settlements	2 campaigns held at Diepsloot and Letswatla	N/a	None
		To profile households	Facilitation of household profiling	4 wards targeted	profile completed	N/a	none
		To develop Disaster Management Plan	Credible Disaster Management Plan	Development of an Disaster Management Plan within the latest legislative requirements	Not achieved	The risk register to be implemented by the district municipality.	To be pursued in the 2011/12 fy
Financial viability and Sustainability	Revenue management	To ensure collection of revenue due to the department	Availability and implementation of revenue collection plan by 08/10	Approved and implemented revenue collection plan	Not achieved	Competition high at the traffic station, as other municipalities have opened their stations.	None



	Cost reduction	To implement the cost cutting measures plan	Availability of operational cost cutting measures by July 2009	Operational cost management plan	Achieved	N/a	None
Local Economic Development	Preferential procurement	To influence preference for local businesses in procurement of departmental goods	Strategy for local preferential expenditure	Strategy for local preferential procurement and local spending	Achieved: see Finance report	N/a	none
	LED opportunities marketing	To sustain the temporary workers	Temporary job opportunities to communities through waste management	sustain employment opportunities to the Blouberg communities	Achieved.	N/a	none



Municipal transformation and institutional development	Human Resources	To fill the departmental organogram	Number of 9 vacant posts filled	To fill the departmental Organogram with all required posts	Achieved.	N/a	none
	Performance	To report on departmental performance	Reports on the departmental quarterly Performance review conducted	4 Reports on the departmental quarterly Performance review conducted	Achieved.	N/a	none
	Capacity Building	To coordinate and monitor training in line with WSP	No of the officials trained	Train officials in accordance with WSP	Achieved.	N/a	C/S staff be considered



	Forum Meetings	to convene forum meetings	report to Council on forum meetings	convene 12 forum meetings and report progress to Council	Achieved	N/a	None
	Council Resolutions	to ensure implementation of Council resolutions relevant to the department	Reports on the implementation of all council adopted policies	Implement all council adopted policies.	Achieved.	N/a	None
Records management	Council Resolutions	to ensure that records are properly created, maintained and disposed of	Compliance with records management performance criteria as prescribed by the National Archives and Records Service of South Africa	100% compliance with records management performance criteria	Alchieved. records filed	All N/a	files for traffic records

	Monitoring and Evaluation	To create and maintain sound work place relationships	Number of management and staff meetings conducted	12 meeting per annum held	Achieved.	N/a	adhere to schedule
	Departmental Revenue Collection	to collect revenue due to the department	100% of the projected Departmental Revenue collected for the current financial year	Collect of 100% of the projected Departmental Revenue for the current financial year	Achieved. see Finance report	N/a	set targets for all
	Departmental Expenditure	To ensure expenditure in line with forecast	% of the projected Department Budget spent for the current financial year	100 % of the projected Department Budget spent for the current financial year	see Finance report	N/a	cash flow problems
	Risk Management	Availability of the Department's risk register by 08/2010	develop and implement Department's Operational Risk Register	Develop and implement Department's Operational Risk register	Not achieved	The risk register to be implemented by the district municipality.	To be pursued in the 2011/12 fy

		To continually identify, monitor and mitigate departmental risks	Number of departmental queries resolved to eliminate future non-compliance	All number of departmental queries resolved to eliminate future non-compliance	Achieved: no implementation		none
		To ensure availability of an implementation action plan	100% of rectification of prior year's Auditor General queries and recommendations	100% of rectification of prior year's Auditor General queries and recommendations	Achieved: all queries from auditors attended to	N/a	none
Customer Care	To promote an implement Batho pele principles	Complaints Mngement system (CMS) develop by July 2010	Develop and implement CMS	Customer care officer appointed	Achieved	N/a	none
	Costomer query management	Improveme nt on the response to services elivery disruptions	% attended services delivery queries from Mayor's services delivery disruption	100% queries attended to within prescribed times	Achieved. All queries attended to and referrals made to Department of Health and Social Development, Department of Home Affairs, SASSA and SAPS	N/a	none

	Customer query Management	Improvement on the response to services Delivery disruption	% attended services delivery queries from the Mayor Services delivery Hot line	100% queries attended to within prescribed lead times	Achieved	N/a	None
	Reports, Revised SDBIP and Budgets	To ensure compliance with MFMA Process	Development of Departmental Budgets, Adjustment Budgets and SDBIP	Departmental Budgets, Adjustment Budgets and SDBIP developed and submitted on time to relevant authorities	Achieved	N/a	none

Economic Development and Planning

PERFORMANCE NOT REFLECTED IN THE SDBIP

- Successful implementation of the reviewed IDP process plan to accommodate local government elections
- Successful and legal demolition of Desmond Park illegal shacks
- Transfer of Bochum 178 is to municipality



LAND USE MANAGEMENT AND PLANNING REPORT FOR THE YEAR ENDING 30 JUNE 2011

PROGRAMME	OBJECTIVES	KPI	ANNUAL TARGET	ACTUAL	REASON FOR VARIANCE	COMMENTS
TOWNSHIP ESTABLISHMENT	To coordinate and facilitate the legal demarcation of sites within the municipality in collaboration with the DLGH	Number of villages with areas which are demarcated and allocated legally	700 SITES IN GROOTPAN, Puraspan, Pax, and Senwabarwana	<p>Target partially achieved</p> <ul style="list-style-type: none"> Approval of general plan for Puraspan, Pax , lay out plans for Tolwe and Senwabarwana ext 7 The EIA community meeting was also conducted FOR Senwabarwana ext 7 	<ul style="list-style-type: none"> Delays in EIA processes for Tolwe The delays is transfer a portion of Bochum 145 to the Blouberg Municipality 	Project prioritized to continue in the 2011\12 FY
LAND AUDIT	To verify ownership of land (mainly state land within the Blouberg Municipal area	Land Audit Register	100%	<p>Target achieved. Deeds searches have been conducted and the municipality has now established a list of all farms owned by the state in the boundaries of the municipality as part of the compilation of the supplementary valuation roll</p>	None	None
LAND ACQUISITION	To coordinate the acquisition of land in strategic areas	Number of farms/Portions of land purchased		15 portions of farm land have been purchased with the sum of R525,000.00 at Eldorado		None
MUNICIPAL VALUATION	To compile supplementary valuation roll for ratable properties within the	Supplementary roll	100%	<p>Target achieved. Supplementary roll available</p>	N/A	

	Blouberg Municipal area					
TRACKING & FINALIZATION OF OUTSTANDING TOWNSHIP ESTABLISHMENT S SUCH AS ALLDAYS & GROOTPAN	To fast track the finalization of Alldays and Grootpan settlement planning projects	Approved general plans for Grootpan and Alldays	100%	Target partially attained. Lay-out plans available for Grootpan and Alldays but no finality on the general plan.	The emigration of the service provider.	New service providers have been appointed to finalise the Alldays and Grootpan township establishment processes
UPGRADING OF LAND TENURE RIGHTS	To make available title deeds for Senwabarwana residents as part of the improvement of their land tenure	Availability of title deeds for all Senwabarwana property owners	100%	Target partially attained. Geotech report availed Surveying and verification of general plan vis-à-vis actual situation on the ground done Encroachments detected Deed searches finalized Process of the transfer of the farm Bochum 178 LS ongoing.	Social facilitation problems. Lack of community buy in	Project deferred to the 2011\12 financial year
LAND USE MANAGEMENT MEETINGS	To have committee meeting dealing with land use issues	Number of committee meetings	100%	Target reached. Total of 7 meetings held to date, based on the availability of applications to be considered	N/A	None
PTO APPLICATIONS & ASSESSMENT	To improve land tenure in rural areas	Number of PTO applications processed	100%	Target reached. All PTOs applications received were processed and sent to DLGH for approval	N/A	None
CAPACITY BUILDING ON TRADITIONAL LEADERSHIP & COUNCILORS	To provide up to date land use Information to our officials, traditional leaders and councilors	Number of capacity building sessions conducted	Two meetings per year	Target partial achieved. Teraining for officials on land use matters was conducted in collaboration with the Capricorn district Municipality	Training for councilors and traditional leaders not done	

Blouberg Municipality Annual Report 2010\11



PROGRAMME	OBJECTIVES	KPI	ANNUAL TARGET	ACTUAL	REASONS FOR VARIANCE	COMMENTS
IDP/BUDGET PLANNING	To develop a credible IDP/Budget for the 2011/12 Financial year	Credible and legislatively compliant IDP/Budget	100%	Target achieved. 2011/2012 IDP/Budget was approved by council	N/A	N/A
	To establish a functional IDP/Budget Steering Committee	Functional Steering Committee	04 meetings per annum	Target achieved. Committee in place and four meetings were convened	N/A	N/A
	To conduct the IDP/Budget cluster consultative meetings	Reports of the cluster meetings and	23 meetings	Target surpassed. 28 meetings were conducted	N/A	N/A
	To conduct IDP Performance reviews	Attendance registers Reports of the review sessions	04 IDP performance review sessions	Target achieved. 04	N/A	N/A
PMS	To measure and review the performance of the section 57 managers and the accounting officer	Performance assessment report	4 performance review sessions	Target not achieved. No individual performance measurement was conducted	Capacity challenges	
ANNUAL REPORT	To coordinate the compilation of a credible annual report for the year 2009/10 FY	Annual report compiled and adopted in time	100% 1 credible 2009/10 annual report compiled and tabled in time Two cluster based meetings	Target achieved. The annual report for 2009/10 was developed and adopted by council Two cluster meetings conducted	N/A	N/A
	To conduct the annual report	The MPAC report				

	consultative sessions					
REPORT BACK SESSIONS	To report performance progress with regard to the implementation of the IDP/Budget for the first 6 months	Cluster report back session Informed communities	100% 3 sessions in three cluster	Target achieved. The sessions were conducted in the second quarter of the financial year in December 2010	N/A	N/A

LOCAL ECONOMIC DEVELOPMENT

PROGRAMME	OBJECTIVES	KPI	ANNUAL TARGET	ACTUAL	REASON FOR VARIANCE	COMMENTS
LED STRATEGY FORMULATION	To review the LED strategy	A credible LED strategy	100%	Target partially achieved. Terms of reference finalized	Budget adjusted negatively	Project deferred to 2011\12 FY due to Budget shortfall
JOB CREATION THROUGH MUNICIPAL CAPITAL PROJECT	Creation of job opportunities	Number of job created	300	Target surpassed. 365 jobs created	N/A	However there were challenges of Non-existence of the project management team plus poor monitoring and evaluation
JOB CREATION COOPERATIVES AND SMALL TRADERS	To support and monitor activities of cooperatives and small traders	Number of jobs of sustainable job create	200	Small traders were trained in financial management, book keeping and general management and the 200 jobs in existence were sustained	N/A	None
SMME DEVELOPMENT	To support and facilitate trainings and workshops for SMME's	Capacitated SMME's	100%	Information sharing seminars were conducted for	N/A	None

				SMME's on compliance and access to funding (at least four sessions were held one per quarter)		
SHOWS AND FLEA MARKET	To coordinate shows and flea markets activities	Number of shows and flea markets	2	Target surpassed. 3 Flea markets were conducted to assist cooperatives and SMME's to market and sell their products to the public. The 1 st annual Blouberg cultural show was held end of November and beginning of December 2010	Partnership with LIBSA and LEDET boosted the surpassing of the annual target.	The 2011\12 cultural show should align its dates with the September heritage month celebrations
TOURISM DEVELOPMENT	To finalize EIA studies	A credible tourism development plan	100%	Target reached. Tourism development plans developed.	N/A	Funding to develop identified heritage sites should be made available in the 2011\12 FY
SOCIAL AND LABOUR PLANS COORDINATION	To facilitate social and labour plans of mining houses that have relationship with municipality	Number of job created through partnership Number of projects funded through the SLP		Public participation meeting were held with the affected municipalities on compliance issues by the Vele colliery mine before huge operations.	N/A	Operations have stopped for Coal mine due to non-compliance with environmental regulations. The mine is currently engaged in processes to rectify issues raised in the environmental report.
LED PROJECTS	To offer support and monitor poverty alleviation and anchor	Sustainable projects	10	Monitoring of projects were done on a monthly basis	N/A	None

ANCHOR PROJECTS	projects					
	To facilitate the operationalisation of the Blouberg marula project	Marula project	100% fully functional Marula project	Target not attained. The marula cooperative was established consisted of 13 members.	The expiry of the contract between DEAT and the service provider and suspected poor project management and monitoring on the part of the implementing agency	<p>The full project deliverables not available. The Municipality has approached the MEC for Economic Development, Environment and Tourism to intervene with his national counterpart (Minister) as Project Implementing Agent to unblock the project by availing all outstanding items before the project is handed over to the municipality.</p> <p>The municipality is in the process of engaging the Ba-Phalaborwa Municipality to partner with us for marula processing plant</p>

HOUSING AND BUILDING INSPECTORATE REPORT FOR YEAR ENDING JUNE 2011

PROGRAMME	OBJECTIVES	KPI	ANNUAL TARGET	BASELINE	ACTUAL	REASON FOR VARIANCE	COMMENTS
SERVICE DELIVERY AND INFRASTRUCTURE	Approval of Building plans	Number of building plans application received	100% of the applications received	National building regulations and by-laws to regulate	Target achieved. 102 building plans received and 90 were approved	N/A	Twelve (12) did not comply and as a result they were not approved

DEVELOPMENT		and approved		building development.			
	Monitoring Compliance	To ensure compliance of buildings in both Alldays and Senwabarwana to the accepted National Building Regulations and standards	National building regulation and by-law to regulate building developments to be in place	All building constructed have approved building plans minimization/reduction of substandard buildings	Target partially achieved. Routine inspection and issuing of non compliance notices were done for all building under construction in both Alldays and Senwabarwana.	Non-activation of legal action due to budgetary constraints as the bulk of the legal fees were consumed by the Desmond Park illegal land invasion court case	Most people who are building illegal structures are the same who have received contravention notices in the past. Problem has reported to legal service manager
	Monitoring and managing the implementation of Blouberg Inclusionary Housing Development	To ensure and monitor compliance to housing codes standards and specifications. Site inspection and compilation of applications forms for low cost housing	Relevant beneficiaries with quality houses and buildings		Target achieved. All 800 low cost houses construction and social facilitation were adequately done. Consumer education sessions were conducted for all beneficiaries. Site inspection and reports are available	N/A	There is a need to conduct feasibility study for social housing purpose. This can be funded by the provincial department. There is concern that the land reserved is very small and can only accommodate maximum of 15 units and as a result there is need for more land for social housing development
	Consumer Education	To conduct housing consumer education to all beneficiaries of low cost	Trainings are conducted by DLGH facilitators and Municipal	All approved beneficiaries for new projects will be trained	Target achieved. Consumer education and training of beneficiaries of low cost houses conducted	N/A	N/A

		housing	officials and councilor responsible for Housing				
	Inspection of Building projects	Report on the number and quality of the houses constructed	Approved plans and in house projects 12 inspections reports on the number and quality of the houses constructed		Target achieved. All 12 inspection reports were compiled and submitted to the portfolio committee (monthly), EXCO (monthly), Housing forum (quarterly) and council (quarterly)	N/A	
Good governance and public participation	Housing forum	Properly functional and participatory Housing forum meetings	Approved scheduled of meetings for the whole financial year	4 Housing forum meeting sittings and reports	Target achieved. All 4 housing forum sessions met as planned	N/A	Non attendants of ward councilors to housing forum and representative from DLGH is still a challenge

FINANCIAL VIABILITY

PROGRAMME	OBJECTIVES	KPI	ANNUAL TARGET	BASELINE	Q1JUL-SEP	Q2 OCT-DEC	Q3 JAN-MAR	Q4 APRI-JUN
REVENUE GENERATION AND SUSTAINABILITY	To ensure revenue due to the department is collected and further that the department plays a strategic role in the revenue management and enhancement of the		Approved and implemented revenue generation strategy	2009/10 FINANCIAL RECOVERY STRATEGY IN PLACE	100% implementation of the revenue generation strategy			

	entire municipality							
	To ensure that financial and other resources of the municipality are utilized effectively, efficiently, economically and transparent	Availability and implementation of cost saving plan (CSP) 08/2010	Approved and implemented CSP	2009/10 FINANCIAL RECOVERY STRATEGY	CSP implemented at 100%			

GOOD GOVERNANCE AND PUBLIC PARTICIPATION

PROGRAMME	OBJECTIVES	KPI	ANNUAL TARGET	ACTUAL	REASON FOR VARIANCE	COMMENTS
LED FORUM	TO COORDINATE LED ACTIVITIES WITH RELEVANT STAKEHOLDERS	COORDINATED MEETINGS AND INFORMED DECISIONS ON LED PROGRAMMES	4 MEETINGS	4	1N/A	N/A
LAND USE COMMITTEE	TO CONVENE MEETINGS OF THE COMMITTEE TO DEAL WITH LAND USE APPLICATION AND OTHER LAND RELATED MATTER	COORDINATED MEETINGS AND DISPOSAL OF ALL LAND DEVELOPMENT ACTIVITIES	12 MEETINGS	7	FEW APPLICATIONS WERE RECEIVED	
TOURISM FORUM	TO COORDINATE TOURISM ACTIVITIES WITH RELEVANT STAKEHOLDERS	COORDINATED MEETINGS AND INFORMED DECISIONS ON TOURISM	4 MEETINGS	2 MEETINGS	POOR ATTENDANCE TO MEETINGS COMPELLING MEETINGS TO BE POSTPONED	1 MEETING

		PROGRAMMES AND ACTIVITIES				
HOUSING FORUM	TO COORDINATE COOPERATIVES ACTIVITIES WITH RELEVANT STAKEHOLDERS	COORDINATED MEETINGS AND INFORMED DECISIONS ON HOUSING PROGRAMMES AND ACTIVITIES	4 MEETINGS	TARGET REACHED. FOUR MEETINGS CONVENED	N/A	N/A
COOPERATIVES	TO COORDINATE COOPERATIVES ACTIVITIES WITH RELEVANT STAKEHOLDERS	COORDINATED MEETINGS AND INFORMED DECISIONS ON COOPERATIVES PROGRAMME AND INTERVENTIONS	4 MEETINGS	TARGET PARTIALLY ACHIEVED	MEETINGS MERGED WITH SEMINARS AND INFORMATION SHARING SESSIONS	N/A
IDP MEETINGS	TO COORDINATE COOPERATIVES ACTIVITIES WITH RELEVANT STAKEHOLDERS	COORDINATED MEETINGS AND INFORMED DECISIONS ON COOPERATIVES PROGRAMME AND INTERVENTIONS	24 MEETINGS	TARGET SURPASSED. 28 MEETINGS CONVENED	N/A	N/A
PPORTFOLIO COMMITTEE MEETINGS	TO SUPPORT PORTFOLIO COMMITTEE IN ITS OVERSIGHT ROLE ON PROGRAMMES	SUCCESSFUL PORTFOLIO COMMITTEE MEETINGS	12	12 MEETINGS CONVENED AS PLANNED	N/A	N/A

	TOWARDS THE REALISATION OF MUNICIPAL PROGRAMMES AND THE TARGETS SET					
DEPARTMENTAL STAFF MEETINGS	TO COORDINATE DEPARTMENTAL PROGRAMMES TOWARDS THE REALISATION OF MUNICIPAL PROGRAMMES AND THE TARGETS SET	COORDINATED STAFF MEETINGS AND SUCCESSFUL IMPLEMENTATION OF MUNICIPAL PROGRAMMES	48	STAFF MEETINGS ARE ALWAYS HELD EVEN THOUGH TARGET NEVER REALISED DUE TO OTHER COUNCIL COMMITMENTS		

KPA 5: INSTITUTIONAL DEVELOPMENT AND MUNICIPAL TRANSFORMATION

PROGRAMME	OBJECTIVES	KPI	ANNUAL TARGET	ACTUAL	REASON FOR VARIANCE	COMMENTS
POLICY DEVELOPMENT	To review the rates policy and by-law	Revised rates policy and by-law	100%	Rates policy and by-law available and are reviewed annually	N/A	N/A
PMS	To measure and review the performance of	Performance assessment reports	4 reports	Target attained. 4 performance assessment sessions conducted	N/A	N/A
	To cascade	Signed	4	PMS for	MSIG	Development and finalization of

	PMS to all divisional heads	performance plans	performance	directors has been used, PMS framework available		performance plans
HOUSING CHAPTER	To review the municipal housing chapter	Approved housing chapter	1	Target not attained.	Capacity challenges due to the resignation of one building inspector	Project to be deferred to the 2011\12 FY
MUNICIPAL TURNAROUND STRATEGY	To implement programmes identified in the MTAS	Implemented MTAS and improved efficiency and effectiveness of programmes	100% for funded programme	MTAS have been developed and approved by council	OPEX and LED fund	

Finance

KPA	Program me	Objective	KPI	Annual Target	Baseline	Actual	Variance	Remedial action
Financial Viability 60%	Income and Billing	To collect all projected revenue	Percentage of the projected revenue collection within the current financial year.	R28.8m	Projected Revenue	5.016,933	Non payment of residence. Payment of assesment for public works made in October	Debt collector appointed
		To review revenue enhancement strategy	Revenue enhancement strategy in place and implemented	Reviewed and implemented revenue enhancement strategy	Revenue enhancement strategy	Target no achieved	slow pace of revenue collection	
		To develop revenue collection plan	Revenue collection plan	Revenue collection plan implemented	Projected Revenue	Done	n/a	
		To collect all debt due to municipality	% of debt collected within the current financial year from municipality debtors	100 % of debt collected	Age Analysis	Done		

		To print accurate bills on monthly basis	Zero % of faulty bills	12 reports per annum	Report	Done	None	
Budget Management		To prepare Budget and submit to Council for adoption on time	Adopted budget within the prescribed time	Adopted budget	Budget	Done	None	
		To submit Annual Financial Statements on time	Annual Financial Statements submitted	Annual Financial Statements submitted on time to AG	Annual Financial Statements	Submitted on the 31/08/2010	None	
		To submit financial reports on time	Monthly, half-yearly, quarterly and annual finance reports submitted	Monthly, bi-annually quarterly and annual finance reports submitted	Financial Reports	Target achieved	None	
		To perform Bank reconciliation on monthly basis	Bank reconciliation performed	12 reports per annum	Report	Target partially achieved	Few errors to be corrected	

		To clear suspense account on monthly basis	Clearing of suspense account	100% Suspense account cleared	Report	Target partially achieved	Immaterial amount outstanding	Close supervision of suspense account
		To implement action plan	Audit query plan in place	Audit plan compiled and implemented	Audit Plan	Done	None	
Expenditure Management		To pay third party and employee related costs on time	Timeous payment of third-party and employee-related expenditure	All employee related expenditure promptly paid	Expenditure Report	Done	None	
		To spent the projected budget	100% of budget spent	100% of the approved budget spent	Expenditure Report	20,231,727	None	
		To submit vat return on time	Submission of vat return	12 VAT returns reconciliated and submitted to SARS.	Vat Return	Target achieved	None	
		To pay creditors on time	Timeous payment of creditors	< 30 days (as per creditor age analysis)	Report	Done	None	

Supply chain and asset management services.	To develop demand and acquisition plan	Development of demand and acquisition plan	Implementation of demand and acquisition plan	Report	Target not achieved	Awaiting submissions from other departments	
	To Establish a credible and updated asset register	Updated asset register in place	Reviewed and updated asset register	Asset Register	Target not achieved	Awaiting finalisation of the Audit	
	To take stock half yearly	Number of reconciliations per annum	2 stock reconciliations	Report	Done	None	1
	To manage requisition	Manage requisition and maintain stock levels	100% maintenance of required and requested stock levels	Report	Done	None	
	To ensure that records are properly kept	Proper record keeping	100 % record keeping	Report		None	
	To verify existence of all assets	Asset verification	All assets verified	Report		None	

Local Economic Development 5%		To empower local suppliers	50% of budget is spent on local HDSA SMMEs and BEE	Ensure that 50 % of procurement budget is spent on local HDSA SMMEs and BEE	Supply Chain management Report	38%	12%	Adhere to LED strategy
Infrastructure Development and Service Delivery 5%		To procure vending machines	Number of vending machines procured	3 vending machines procured	Vending Machines		Budget constraints	
Municipal transformation and institutional development 10%	Council Resolutions	To report on quarterly performance	Reports on the departmental quarterly Performance review conducted	4 Reports on the departmental quarterly Performance review conducted	Quarterly reports	Done	n/a	
		To develop Departmental SDBIP	Development of Departmental Budgets, Adjustment Budgets and SDBIP	Departmental Budgets, Adjustment Budgets and SDBIP developed and submitted on time to relevant authorities	SDBIP reports	Done	None	
		To implement council resolutions	Reports on the implementation of all council adopted	Implement all council adopted policies.	Council Resolution	Done	None	

			policies					
Good Governance and public participation 10%	Implementation of financial policies	To implement adopted financial policies	Implementation of adopted financial policies	100% implementation	Budget related policy	70% implemented	30% implementation	
	Review of budget related policies	To review budget related policies	All budget related policies reviewed		Budget related policy		None	
	Risk management	To continuously identify, monitor and mitigate departmental risks	Implementation and updating of risk register	Implemented and updated risk register	Risk register	On target the draft already compiled		
	Customer query management	Improvement on the response to customer queries	% attended queries from customers	100% queries attended to within the prescribed time	Record of reported queries		None	
	Monitoring and evaluation	Monitoring and evaluation of Managers and the entire finance staff	Number of staff meetings held	4 meetings per annum	Minutes of meeting		None	



			Number of management meetings held	48 meetings per annum		6meetings held		Adhere to shedule of meetings
--	--	--	------------------------------------	-----------------------	--	----------------	--	-------------------------------

Technical Services

KPA 1: Service Delivery and Infrastructure Development							
Program	Objectives	Kpi	Annual Target	Baseline	Actual	Reason For Variance	Comments
Construction of Alldays (Speakerpark) Internal Streets and Stormwater	To Provide Roads Infrastructure to communities in order to enhance Service Delivery	km of internal Streets paved with 80mm interlocking Blocks.	Upgrading of 1.2km of internal Streets from gravel to surface with 80mm interlocking Blocks and stormwater channelling.	Project registered as MIG for implimentaion in the 2009/2010 FY by utilising allocated funds (Project rolled-over)	1.2km Road surfaced with 80mm interlocking blocks and stormwater channeling Constructed	-	-
Construction of Desmondpark Internal Streets and Stormwater		km of internal Streets paved with 80mm interlocking Blocks.	Upgrading of 0.8km of internal Streets from gravel to surface with 80mm interlocking Blocks and stormwater channelling.	Project registered as MIG for implimentaion in the 2009/2010 FY by utilising allocated funds (Project rolled-over)	0.8km of internal Streets have been ugraded from gravel to surface with 80mm interlocking Blocks and stormwater channelling.	-	-

<p>Construction of Desmondpark Internal Streets (Pavement Blocks) & Storm water - Phase 2</p>		<p>km of internal Streets paved with 80mm interlocking Blocks.</p>	<p>Upgrading of 0.65km of internal Streets from gravel to surface with 80mm interlocking Blocks and to channel the storm water along the side of the road with Concrete channels.</p>	<p>Project registered as MIG for implimentaion in the 2010/2011 FY by utilising allocated funds</p>	<p>50% Complete: Construction Stage.</p>	<p>Contractor terminated due to withdrawal of JV Partner with Qualifying CIDB Grdading. Request by Engineer to adjust Professional fees due to the continous termination of Contractors delayed site handover meeting.</p>	<p>New Contractor appointed and Site Handover meeting was held on 20th June 2011. Professional fees have been adjusted with additional R48,300.00</p>
<p>Construction of Witten Internal Streets (Pavement Blocks) & Storm water - Phase 2</p>		<p>km of internal Streets paved with 80mm interlocking Blocks.</p>	<p>Upgrading of 1.4km of internal Streets from gravel to surface with 80mm interlocking Blocks and to channel the storm water along the side of the road with Concrete channels.</p>	<p>Project registered as MIG for implimentaion in the 2010/2011 FY by utilising allocated funds</p>	<p>1.4km of internal Streets have been upgraded from gravel to surface with 80mm interlocking Blocks and to channel the storm water along the side of the road with Concrete channels.</p>	<p>None</p>	<p>None</p>

Construction of the Eldorado Satellite Office	To provide Eldorado and the surrounding Villages with a Satellite Office in order to enhance service Delivery to Communities.	% of Completed and Operational Satellite Office	Construction of a Satellite office at Eldorado	Project registered as MIG for implimentaion in the 2010/2011 FY by utilising allocated funds	Project Not fully completed.Constru ction Stage at 60% complete.	Slow progress by Contractor.	Contractor on penalties.
Construction of Eldorado Sports Complex - Phase 2	To provide the entire Blouberg with a fully functional Sporting Facility	% of Completed and operational Sporting Facility	Construction of a Sporting Facility at Eldorado	Project registered as MIG for implimentaion in the 2010/2011 FY by utilising allocated funds	Project not completed. Currently on Construction stage @ 55% complete	Slow progress by Contractor.	Correspondence sent to Engineer to request Contractor to expedite progress to avoid action being taken against them.
Construction of Alldays Multi-purpose Centre and Taxi Rank	To provide Alldays Community with a Multi-purpose Centre and Taxi Rank. And to offer the service of rental Ofiices to Local Businesses and/or Sector Departments.	% of Completed and operational offices, Community Hall and Taxi Rank shelter	4 offices,1 Taxi Rank Shelter and Community Hall	Capital Project funded by CDM for implimentation in the 2008/2009 FY	4 offices,1 Taxi Rank Shelter and Community Hall Completed	-	-

Fencing of the Berg-en-Dal Soccer Field	To provide fencing for the Soccer Field at Berg-en-Dal	% of Completed fencing for the Soccer Field	Fencing of Soccer Field at Berg-en-Dal	Project funded by CDM for implimentation in the 2010/2011 FY	Fencing of Soccer Field at Berg-en-Dal completed.	-	-
Planning and Design of the Senwabarwana Sporting Facility	To Plan and Design for a Sporting Facility in order to plan and budget for Construction in the future Financial Years.	% of completed designs for the sporting facility at Senwabarwana	Planning and Design of the Senwabarwana Sporting Facility	Project funded by CDM for the designs in the 2010/2011 FY	Not completed	The site and its Perimeters have been identified. We are currently inspecting the site before the compilation of specification for the fencing work.	-
Electrification of Nailana	To provide Electricity to Communities in order to cover the Backlog	No of households connected and energized	191 households connected and energized	INEP funds allocated to Municipality for implimentation of project in the 2009/2010 FY	191 Households Complete and Energized	None	None
Electrification of Sadu		No of households connected and energized	175 households connected and energized	INEP funds allocated to Municipality for implimentation of project in the 2009/2010 FY	175 Households Complete and Energized	None	None

Electrification of Mochemi		No of households connected and energized	480 households connected and energized	INEP funds allocated to Municipality for implimentation of project in the 2009/2010 FY	480 households Complete and Energized	None	None
Electrification of Hlako B		No of households connected and energized	101 households connected and energized	INEP funds allocated to Municipality for implimentation of project in the 2009/2010 FY	101 Households Complete and Energized	None	None
Electrification of Mashamaite		No of households connected and energized	125 households connected and energized	INEP funds allocated to Municipality for implimentation of project in the 2009/2010 FY	125 Households Complete and Energized	None	None
Electrification of Vienna		No of households connected and energized	150 households connected and energized	INEP funds allocated to Municipality for implimentation of project in the 2009/2010 FY	0 Households energised	The delay was caused by engagement between Eskom and the Municipality on Mosehleng-Goedetrou feeder line.	The process of installing the bulk meter is currently in progress.

Electrification of Morale		No of households connected and energized	108 households connected and energized	INEP funds allocated to Municipality for implimentation of project in the 2009/2010 FY	108 Complete and Energized	None	None
Electrification of Long Singe	Old	No of households connected and energized	145 households connected and energized	INEP funds allocated to Municipality for implimentation of project in the 2009/2010 FY	145 Households Complete and Energized	None	None
Electrification of Kgwale		No of households connected and energized	101 households connected and energized	INEP funds allocated to Municipality for implimentation of project in the 2009/2010 FY	101 households Complete and Energized	None	None
Electrification of De-Villiersdale		No of households connected and energized	195 households connected and energized	INEP funds allocated to Municipality for implimentation of project in the 2009/2010 FY	195 Households complete and energised	Eskom has completed capturing data for the customers, an inspection was done on the 4th June 2011 to identify snags which the Contractor has since adressed.	Project to be finally energized on 4th August 2011.

<p>Electrification of Senwabarwana Ext 5</p>		<p>No of households connected and energized</p>	<p>757 households connected and energized</p>	<p>INEP funds allocated to Municipality for implimentation of project in the 2010/2011 FY</p>	<p>0 Households energised</p>	<p>The delay in the appointment of Contractor was caused by approval of designs from Eskom. The Contractor is is not on site. Challenges with delivery of materials.</p>	<p>Correspondence written to Engineer to raise concerns on slow progress and requested that action be taken to expedite progress.</p>
<p>Refurbishment of Alldays Electricity reticulation network</p>	<p>To refurbish old Electrical Infrastructure in order to ensure proper functioning of the Network.</p>	<p>% of functioning and sustainable network</p>	<p>100% of functioning and sustainable network</p>	<p>Reticulation Network needs refurbishment as the life-span for the Transformer and poles has lapsed.</p>	<p>Not Done</p>	<p>Quotation for refurbishment were secured, but due to budget constraints we were unable to perform the task</p>	<p>Deffer the project to 2011/2012 and secure more funds</p>

<p>Transfer of the Senwabarwana Electrical Infrastructure and Licence from ESKOM</p>	<p>To take over the Senwabarwana Electrical Infrastructure and the Licence from Eskom to enable the Municipality additional source of Revenue Generation</p>	<p>% of progress in engaging Eskom with regards to negotiating for the transfer of the Electrical Infrastructure and Licence For Senwabarwana from Eskom to the Municipality</p>	<p>100% of engagement with Eskom for negotiations to Transfer Senwabarwan Electrical Infrastructure and Licence to Municipality.</p>	<p>Currently in the planning stage of an Electrification project for Senwabarwana X 5, of which a portion of it has already been electrified and handed over to ESKOM.</p>	<p>The last meeting with Eskom was held on the 15th April 2011 and they indicated then that they are still busy with the compilation of a Technical Report to submit to the Executive Committee, to date the status remains the same. However, indications are that the transfer can be possible technically but there will be a cost implication to the Municipality.</p>		
<p>Maintenance and Operational Inventory (Water, Electricity and Roads Infrastructure)</p>	<p>Ability to attend maintenance and operational needs in the Municipal's Infrastructure</p>	<p>Availability of a maintenance and operations store/workshop for inventory required during maintenance</p>	<p>Full operation of a maintenance and operations store/workshop for inventory required during maintenance</p>	<p>Approved Maintenance Plan</p>	<p>In place for Water and Electricity</p>	<p>Budget Constraints</p>	<p>CDM has been engaged to consider increasing our annual allocation for WSP Budget. To date there has not been positive</p>



							response. But they have requested that we submit a Business Plan for the 2011-12 Financial Year.
Provision of Water	Supply of Water to Communities in need through delivery with Water Tanks and the provision of other small storage Tanks (JoJo Tanks)	% of water supply to communities in need	100% supply of Water to communities in need	Programme for Water Deliveries and Monthly Reports	Water was provided to communities but not to satisfaction as some of reported breakdowns have not been attended to.	Budget Constraints and lack of Resources and personnel	CDM has been engaged to consider increasing our annual allocation for WSP Budget. To date there has not been positive response. But they have requested that we submit a Business Plan for the 2011-12 Financial Year.

Roads Maintenance	To maintain Municipal Roads in order to ensure their effective and proper functioning	Functional Office on roads maintenance	Well maintained roads within prescribed standards	Approved Roads Maintenance Plan and Reports	Roads unit has been divided into three(3) Clusters of functioning, namely; Eldorado, Buffelshoek and Indermark. Roads have been maintained by utilising our available resources to the maximum, although there is a serious challenge with the shortage of such resources and other small equipments.	Budget Constraints	We have procured other small tools and also for the repairing of some of our old Plant.
Street Lights Maintenance	To maintain Municipal Street lights in order to ensure their proper and effective functioning	% maintenance of Street lights	100% Well maintained street lights within prescribed standards	Approved Electrical Maintenance Plan and reports	Street light have been maintained (replacement of Light Bulbs) at Alldays and Senwabarwana, except those that have structural problems (5 in Alldays and 8 in Senwabarwana)	Budgetary Constraints	Increased Budget to repair street light with defective structures.



Municipal Buildings Maintenance	To maintain Municipal Buildings	% maintenance of Municipal Buildings	100% Well maintained street lights within prescribed standards	Municipal Buildings Maintenance plan and Reports	All maintenance of Municipal Building work has been attended to as identified and requested by the Corporate Services Department.	-	-
Customer Query Management	Improvement on the response to Service Delivery disruptions	% attended service delivery queries from the Mayor Service Delivery Hot line	100 % queries attended to within prescribed lead times	Record of reported and captured queries	Not all Queries have been attended to, especially those related to water.	Budget Constraints	Requests have been sent to CDM to consider increasing our WSP Budget. No positive response in this regard.

5. Annual Financial Statements



Annual Financial Statements



Annual Financial Statements

for

BLOUBERG LOCAL MUNICIPALITY

for the year ended
30 June:2010

2011

Province:

Limpopo

AFS rounding:

R'000 (i.e. to the nearest R100,000)

Contact Information:

Name of Acting Municipal Manager:	Machovani K.E
Name of Acting Chief Financial Officer:	Ledwaba KJ
Contact telephone number:	015 505 7147
Contact e-mail address:	ledwabak@blouberg.gov.za
Name of contact at provincial treasury:	Mulenga S
Contact telephone number:	015 291 5860
Contact e-mail address:	mulegas@limtreasury.gov.za
Name of relevant Auditor:	Nevhutalu L
Contact telephone number:	015 295 4765
Contact e-mail address:	lnevhutalu@agsa.co.za
Name of contact at National Treasury:	Thomas Matjeni
Contact telephone number:	thomas.matjeni@treasury.gov.za
Contact e-mail address:	012 315 5792

Blouberg Municipality Annual Report 2010\11

BLOUBERG LOCAL MUNICIPALITY ANNUAL FINANCIAL STATEMENTS for the year ended 30 June 2011



General information

Members of the Council

Sekgoloane S.E

Thamaga M.N

Choshi M.M

Ratladi S.D (chairperson :Finance)

Masekwameng M.R (Chairperson : Corporate Services)

Moshuhla M.W (Chairperson : Community Services)

Seduma M.D (Chairperson : Infrastructure
Development))

Morapedi M.A (Chairperson : Economic Dev &
Planning)

Sekwatlakwatla S.W (Chairperson Special Focus)

Mayor

Speaker

Chief Whip

Member of the Executive Committee

Mapunya M.C

Manaka M.T

Malema K.C

Seemola M.C

Dale P.N

Ntlatla M.W

Ntlema M.A

Mathidza S.E

Mokgehle P.S

Tutja T.P

Modishetji M.P

Maboko M.V

Matlala M.S

Phosa M.H

Maputla T.M.D / Thsikororo L.R

Motsuku M.D

Tjumana M.M

Maboya M.S

Ramone M.A

Dandane P.G

Maupi M.A

Member

The councillors were inaugurated June

Municipal Manager

Machovani K.E

Acting Chief Financial Officer

Ledwaba KJ

Grading of Local Authority

3

Auditors

Auditor-General South Africa

Bankers

ABSA

**BLOUBERG LOCAL MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS
for the year ended 30 June 2011**

General information (continued)

Physical address:

2nd Building
Dendron Road
0790

Postal address:

P.O box 1593
Senwabarwana
0790

Telephone number:

(015) 505 7100

Fax number:

(015) 505 0296

E-mail address:

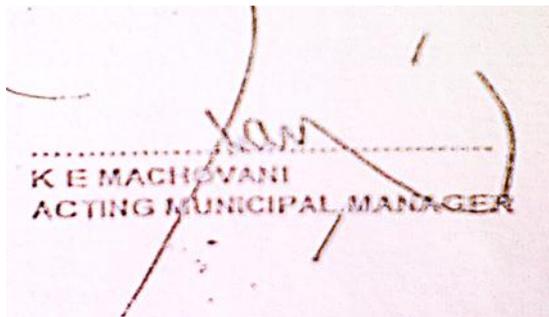
info@blouberg.gov.za

**BLOUBERG LOCAL MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS
for the year ended 30 June 2011**

Approval of annual financial statements

I am responsible for the preparation of these annual financial statements, which are set out on pages 5 to 48, in terms of Section 126(1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality.

I certify that the salaries, allowances and benefits of Councillors, loans made to Councillors, if any, and payments made to Councillors for loss of office, if any, as disclosed in note 28 of these annual financial statements are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.



K E MACHOVANI
ACTING MUNICIPAL MANAGER

22/12/2011

.....
DATE

**BLOUBERG LOCAL MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS
for the year ended 30 June 2011**

Index	Page
Statement of Financial Position	5
Statement of Financial Performance	6
Statement of Changes in Net Assets	7
Cash Flow Statement	8
Accounting Policies	9-17
Notes to the Annual Financial Statements	18-33
Appendix A: Analysis of Property, Plant and Equipment	34
Appendix B: Segmental Statement of Financial Performance	35
Appendix C: Actual versus Budget (Revenue and Expenditure)	36

BLOUBERG LOCAL MUNICIPALITY			
STATEMENT OF FINANCIAL POSITION			
as at 30 June 2011			
	Note	2011 R	2010 R
ASSETS			
Current assets			
Cash and cash equivalents	2	2,473,229	1,832,085
Trade and other receivables from exchange transactions	3	1,370,144	1,715,940
Other receivables from non-exchange transactions	4	4,369,811	3,729,980
Inventories	5	3,074,737	2,837,880
VAT receivable	9	7,806,917	4,243,417
Non-current assets			
Investments	6	4,166,171	4,441,734
Property, plant and equipment	7	178,569,875	159,567,110
Total assets		201,830,883	178,368,146
LIABILITIES			
Current liabilities			
Trade and other payables from exchange transactions	8	20,988,285	17,519,947
Current portion of unspent conditional grants and receipts	10	18,707,165	16,721,986
Total liabilities		39,695,451	34,241,933
Net assets		162,135,433	144,126,212
NET ASSETS			
Reserves		648,800	648,800
Accumulated surplus		161,486,633	143,477,412
Total net assets		162,135,433	144,126,212

BLOUBERG LOCAL MUNICIPALITY			
STATEMENT OF FINANCIAL PERFORMANCE			
for the year ending 30 June 2011			
	Note	2011	2010
		R	R
Revenue			
Property rates	11	6,753,497	7,590,559
Service charges	12	8,436,466	7,088,147
Rental of facilities and equipment	13	162,605	104,552
Interest earned - external investments	14	353,355	630,644
Interest earned - outstanding receivables	15	259,872	82,972
Fines		306,938	271,464
Licences and permits		2,329,593	2,144,665
Government grants and subsidies	16	87,714,581	81,303,144
Other income	17	4,275,828	11,334,999
Total revenue		110,592,736	110,551,145
Expenses			
Employee related costs	18	39,329,059	32,883,342
Remuneration of councillors	19	7,022,560	7,168,119
Bad debts		5,721,338	5,942,191
Depreciation and amortisation expense	20	9,302,409	7,566,163
Repairs and maintenance		1,262,374	646,013
Bulk purchases	21	9,312,570	8,422,824
Contracted services	22	1,165,017	1,051,227
General expenses	23	19,468,188	20,201,349
Total expenses		92,583,515	83,881,228
Loss on sale of assets	24	-	(472,526)
Surplus / (deficit) for the period		18,009,221	26,197,391

**BLOUBERG LOCAL MUNICIPALITY
STATEMENT OF CHANGES IN NET ASSETS
as at 30 June 2011**

Note	Revaluation Reserve	Total: Reserves	Accumulated Surplus/(Deficit)	Total: Net Assets
	R	R	R	R
Balance at 30 June 2008	-	-	126,390,850	126,390,850
Correction of prior period error				
Restated balance	-	-	126,390,850	126,390,850
Surplus / (deficit) on revaluation of property of property, plant and equipment				
Correction of prior period error			(13,492,347)	(13,492,347)
Restated balance	-	-	112,898,503	112,898,503
Transfers to / from accumulated surplus/(deficit)				
Surplus / (deficit) for the period			2,909,134	2,909,134
Balance at 30 June 2009	-	-	115,807,638	115,807,638
Correction of prior period error			1,472,383	1,472,383
Transfer on recognition of property of property, plant and equipment at revalued amount	648,800	648,800		648,800
Surplus / (deficit) for the period			26,197,391	26,197,391
Balance at 30 June 2010	648,800	648,800	143,477,412	144,126,212
Surplus / (deficit) for the period			18,009,221	18,009,221
Balance at 30 June 2011	648,800	648,800	161,486,633	162,135,433

BLOUBERG LOCAL MUNICIPALITY
CASH FLOW STATEMENT
 as at 30 June 2011

	Note	2011 R	2010 R
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		102,999,041	126,562,865
	Taxation		
	Sales of goods and services	12,686,055	28,005,965
	Grants	89,699,760	85,910,912
	Interest received	613,227	713,616
	Other receipts - VAT		
	Other adjustments		11,932,373
Payments		74,328,287	82,714,934
	Employee costs	46,351,619	40,051,461
	Suppliers	27,976,667	42,663,472
Net cash flows from operating activities	25	28,670,754	43,847,932
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of fixed assets		(28,305,173)	(28,905,385)
Proceeds from sale of fixed assets			414,355
Purchase of investments		275,563	(463,113)
Purchase of foreign currency securities			
Net cash flows from investing activities		(28,029,610)	(28,954,142)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		-	-
Repayment of borrowings		-	-
Proceeds from finance lease liability		-	-
Repayment of finance lease liability		-	-
Net cash flows from financing activities		-	-
Net increase / (decrease) in net cash and cash equivalents		641,144	14,893,790
Net cash and cash equivalents at beginning of period		1,832,085	(12,902,705)
Net cash and cash equivalents at end of period	26	2,473,229	1,991,085

BLOUBERG LOCAL MUNICIPALITY SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES for the year ending 30 June 2011

1 BASIS OF ACCOUNTING

1.1 BASIS OF PRESENTATION

The annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention unless specified otherwise.

These annual financial statements have been prepared in accordance with Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act, (Act No 56 of 2003).

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

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

The accounting policies applied are consistent with those used to present the previous year's financial statements, unless explicitly stated. The details of any changes in accounting policies are explained in the relevant policy.

1.2 PRESENTATION CURRENCY

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

1.3 GOING CONCERN ASSUMPTION

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

1.4 COMPARATIVE INFORMATION

Budget information in accordance with GRAP 1 and 24, has been provided in an annexure to these financial statements and forms part of the audited annual financial statements.

When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are restated. The nature and reason for the reclassification is disclosed. Where accounting errors have been identified in the current year, the correction is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly. Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly.

1.5 STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

The following GRAP standards have been issued but are not yet effective and have not been early adopted by the municipality:

GRAP 8 Interest in Joint Ventures - issued August 2006

GRAP 18 Segment Reporting - issued March 2005

GRAP 23 Revenue from Non-Exchange Transactions (Taxes and Transfers) - issued February 2008

GRAP 24 Presentation of Budget Information in Financial Statements - issued November 2007

GRAP 103 Heritage Assets - issued July 2008

The following standards, amendments to standards and interpretations have been issued but are not yet effective and have not been early adopted by the municipality:

IAS 19 Employee Benefits - effective 1 January 2009

IFRIC 17 Distribution of Non-cash Assets to Owners - effective 1 July 2009

2 PROPERTY, PLANT AND EQUIPMENT

2.1 INITIAL RECOGNITION

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one year. Items of property, plant and equipment are initially recognised as assets on acquisition date and are initially recorded at cost. The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the municipality. Trade discounts and rebates are deducted in arriving at the cost. The cost also includes the necessary costs of dismantling and removing the asset and restoring the site on which it is located.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Where an asset is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

Major spare parts and servicing equipment qualify as property, plant and equipment when the municipality expects to use them during more than one period. Similarly, if the major spare parts and servicing equipment can be used only in connection with an item of property, plant and equipment, they are accounted for as property, plant and equipment.

2.2 SUBSEQUENT MEASUREMENT - REVALUATION MODEL (LAND AND BUILDINGS)

Subsequent to initial recognition, land and buildings are carried at a revalued amount, being its fair value at the date of revaluation less any subsequent accumulated depreciation and impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation is credited directly to a revaluation surplus reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in surplus or deficit.

A decrease in the carrying amount of an asset as a result of a revaluation is recognised in surplus or deficit, except to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

2.3 SUBSEQUENT MEASUREMENT - COST MODEL

Subsequent to initial recognition, items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated as it is deemed to have an indefinite useful life.

Where the municipality replaces parts of an asset, it derecognises the part of the asset being replaced and capitalises the new component. Subsequent expenditure incurred on an asset is capitalised when it increases the capacity or future economic benefits associated with the asset.

2.4 DEPRECIATION AND IMPAIRMENT

Depreciation is calculated on the depreciable amount, using the straight-line method over the estimated useful lives of the assets. Components of assets that are significant in relation to the whole asset and that have different useful lives are depreciated separately. The annual depreciation rates are based on the following estimated average asset lives:

Infrastructure		Other	
Roads and Paving	10-30	Buildings	30
Pedestrian Malls	10-30	Specialist vehicles	5-10
Electricity	10-60	Other vehicles	5
		Office equipment	3-7
		Furniture and fittings	3-10
		Bins and containers	2-5
Community			
Buildings	30		
Recreational Facilities	30		
Security	3-30		
Halls	30		
Libraries	30		
Parks and gardens	30		
Other assets	30		

The residual value, the useful life of an asset and the depreciation method is reviewed annually and any changes are recognised as a change in accounting estimate in the Statement of Financial Performance.

The municipality tests for impairment where there is an indication that an asset may be impaired. An assessment of whether there is an indication of possible impairment is done at each reporting date. Where the carrying amount of an item of property, plant and equipment is greater than the estimated recoverable amount (or recoverable service amount), it is written down immediately to its recoverable amount (or recoverable service amount) and an impairment loss is charged to the Statement of Financial Performance.

2.5 DERECOGNITION

Items of Property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

3 INTANGIBLE ASSETS

3.1 INITIAL RECOGNITION

An intangible asset is an identifiable non-monetary asset without physical substance. Examples include computer software, licences, and development costs. The municipality recognises an intangible asset in its Statement of Financial Position only when it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the municipality and the cost or fair value of the asset can be measured reliably.

Internally generated intangible assets are subject to strict recognition criteria before they are capitalised. Research expenditure is never capitalised, while development expenditure is only capitalised to the extent that:

- the municipality intends to complete the intangible asset for use or sale;
- it is technically feasible to complete the intangible asset;
- the municipality has the resources to complete the project; and
- it is probable that the municipality will receive future economic benefits or service potential.

Intangible assets are initially recognised at cost.

Where an intangible asset is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired.

Where an intangible asset is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

3.2 SUBSEQUENT MEASUREMENT - COST MODEL

Intangible assets are subsequently carried at cost less accumulated amortisation and impairments. The cost of an intangible asset is amortised over the useful life where that useful life is finite. Where the useful life is indefinite, the asset is not amortised but is subject to an annual impairment test.

3.3 AMORTISATION AND IMPAIRMENT

Amortisation is charged so as to write off the cost or valuation of intangible assets over their estimated useful lives using the straight line method. The annual amortisation rates are based on the following estimated average asset lives:

Computer software

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at each reporting date and any changes are recognised as a change in accounting estimate in the Statement of Financial Performance.

The municipality tests intangible assets with finite useful lives for impairment where there is an indication that an asset may be impaired. An assessment of whether there is an indication of possible impairment is done at each reporting date. Where the carrying amount of an item of an intangible asset is greater than the estimated recoverable amount (or recoverable service amount), it is written down immediately to its recoverable amount (or recoverable service amount) and an impairment loss is charged to the Statement of Financial Performance.

3.4 DERECOGNITION

Intangible assets are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an intangible asset is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

4 INVENTORIES

4.1 INITIAL RECOGNITION

Inventories comprise current assets held for sale, consumption or distribution during the ordinary course of business. Inventories are initially recognised at cost. Cost generally refers to the purchase price, plus taxes, transport costs and any other costs in bringing the inventories to their current location and condition. Where inventory is manufactured, constructed or produced, the cost includes the cost of labour, materials and overheads used during the manufacturing process.

Where inventory is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of the item on the date acquired.

4.2 SUBSEQUENT MEASUREMENT

Inventories, consisting of consumable stores, raw materials, work-in-progress and finished goods, are valued at the lower of cost and net realisable value unless they are to be distributed at no or nominal charge, in which case they are measured at the lower of cost and current replacement cost. Redundant and slow-moving inventories are identified and written down in this way. Differences arising on the valuation of inventory are recognised in the Statement of Financial Performance in the year in which they arose. The amount of any reversal of any write-down of inventories arising from an increase in net realisable value or current replacement cost is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

The carrying amount of inventories is recognised as an expense in the period that the inventory was sold, distributed, written off or consumed, unless that cost qualifies for capitalisation to the cost of another asset.

In general, the basis of allocating cost to inventory items is the first-in, first-out method.

5 FINANCIAL INSTRUMENTS

5.1 INITIAL RECOGNITION

Financial instruments are initially recognised at fair value.

5.2 SUBSEQUENT MEASUREMENT

Financial Assets are categorised according to their nature as either financial assets at fair value through profit or loss, held-to maturity, loans and receivables, or available for sale. Financial liabilities are categorised as either at fair value through profit or loss or financial liabilities carried at amortised cost ("other"). The subsequent measurement of financial assets and liabilities depends on this categorisation and, in the absence of an approved GRAP Standard on Financial Instruments, is in accordance with IAS 39.

5.3 INVESTMENTS

Investments, which include listed government bonds, unlisted municipal bonds, fixed deposits and short-term deposits invested in registered commercial banks, are categorised as either held-to-maturity where the criteria for that categorisation are met, or as loans and receivables, and are measured at amortised cost. Where investments have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the period that the impairment is identified. Impairments are calculated as being the difference between the carrying amount and the present value of the expected future cash flows flowing from the instrument. On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Financial Performance.

5.4 TRADE AND OTHER RECEIVABLES

Trade and other receivables are categorised as financial assets: loans and receivables and are initially recognised at fair value and subsequently carried at amortised cost. Amortised cost refers to the initial carrying amount, plus interest, less repayments and impairments. An estimate is made for doubtful receivables based on a review of all outstanding amounts at year-end. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. Impairments are determined by discounting expected future cash flows to their present value. Amounts that are receivable within 12 months from the reporting date are classified as current.

An impairment of trade receivables is accounted for by reducing the carrying amount of trade receivables through the use of an allowance account, and the amount of the loss is recognised in the Statement of Financial Performance within operating expenses. When a trade receivable is uncollectible, it is written off. Subsequent recoveries of amounts previously written off are credited against operating expenses in the Statement of Financial Performance.

5.5 TRADE PAYABLES AND BORROWINGS

Financial liabilities consist of trade payables and borrowings. They are categorised as financial liabilities held at amortised cost, are initially recognised at fair value and subsequently measured at amortised cost which is the initial carrying amount, less repayments, plus interest.

5.6 CASH AND CASH EQUIVALENTS

Cash includes cash on hand (including petty cash) and cash with banks (including call deposits). Cash equivalents are short-term highly liquid investments, readily convertible into known amounts of cash, that are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held on call with banks, net of bank overdrafts. The municipality categorises cash and cash equivalents as financial assets: loans and receivables.

Bank overdrafts are recorded based on the facility utilised. Finance charges on bank overdraft are expensed as incurred. Amounts owing in respect of bank overdrafts are categorised as financial liabilities: other financial liabilities carried at amortised cost.

6 INVESTMENTS IN ASSOCIATES

An associate is an entity in which the investor has significant influence and which is neither a controlled entity nor a joint venture of the investor. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control over those policies. The municipality exercises judgement in the context of all available information to determine if it has significant influence over an investee.

The equity method involves recognising the investment initially at cost, then adjusting for any change in the investor's share of net assets of the associate since it acquired it. A single line-item in the Statement of Financial Performance presents the investor's share of the associate's surplus or deficit for the year.

The municipality commences accounting for an investment in an associate from the date that significant influence exists and discontinues the application of the equity method when it no longer has significant influence over an associate. Investments that are retained in whole or in part are subsequently accounted for in accordance with the accounting policies on subsidiaries, joint ventures or financial instruments depending on the nature of the retained investment.

The municipality uses the most recent available financial statements of the associate in applying the equity method. Where the reporting periods of the associate and the municipality are different, separate financial statements for the same period are prepared by the associate unless it is impracticable to do so. When the reporting dates are different, the municipality makes adjustments for the effects of any significant events or transactions between the investor and the associate that occur between the different reporting dates. Adjustments are made to ensure consistency between the accounting policies of the associate and the municipality.

7 UNAUTHORISED EXPENDITURE

Unauthorised expenditure is expenditure that has not been budgeted, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state and expenditure in the form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act No.56 of 2003). Unauthorised expenditure is accounted for as an expense in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

8 IRREGULAR EXPENDITURE

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the Municipality's supply chain management policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

9 FRUITLESS AND WASTEFUL EXPENDITURE

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

10 PROVISIONS

Provisions are recognised when the municipality has a present or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the provision can be made. Provisions are reviewed at reporting date and adjusted to reflect the current best estimate. Where the effect is material, non-current provisions are discounted to their present value using a pre-tax discount rate that reflects the market's current assessment of the time value of money, adjusted for risks specific to the liability (for example in the case of obligations for the rehabilitation of land).

The municipality does not recognise a contingent liability or contingent asset. A contingent liability is disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is disclosed where an inflow of economic benefits is probable.

Future events that may affect the amount required to settle an obligation are reflected in the amount of a provision where there is sufficient objective evidence that they will occur. Gains from the expected disposal of assets are not taken into account in measuring a provision. Provisions are not recognised for future operating losses. The present obligation under an onerous contract is recognised and measured as a provision.

A provision for restructuring costs is recognised only when the following criteria over and above the recognition criteria of a provision have been met:

(a) The municipality has a detailed formal plan for the restructuring identifying at least:

- the business or part of a business concerned;

the principal locations affected;

the location, function, and approximate number of employees who will be compensated for terminating their services;

- the expenditures that will be undertaken; and

when the plan will be implemented; and

(b) The municipality has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

11 REVENUE

11.1 REVENUE FROM EXCHANGE TRANSACTIONS

Revenue from exchange transactions refers to revenue that accrued to the municipality directly in return for services rendered / goods sold, the value of which approximates the consideration received or receivable.

Service charges relating to electricity and water are based on consumption. Meters are read on a quarterly basis and are recognised as revenue when invoiced. Provisional estimates of consumption are made monthly when meter readings have not been performed. The provisional estimates of consumption are recognised as revenue when invoiced. Adjustments to provisional estimates of consumption are made in the invoicing period in which meters have been read. These adjustments are recognised as revenue in the invoicing period.

Revenue from the sale of electricity prepaid meter cards is recognised at the point of sale.

Service charges relating to refuse removal are recognised on a monthly basis in arrears by applying the approved tariff to each property that has improvements. Tariffs are determined per category of property usage, and are levied monthly based on the recorded number of refuse containers per property.

Service charges from sewerage and sanitation are based on the number of sewerage connections on each developed property using the tariffs approved from Council and are levied monthly.

Interest revenue is recognised on a time proportion basis.

Revenue from the rental of facilities and equipment is recognised on a straight-line basis over the term of the lease agreement.

Dividends are recognised on the date that the Municipality becomes entitled to receive the dividend.

Revenue arising from the application of the approved tariff of charges is recognised when the relevant service is rendered by applying the relevant gazetted tariff. This includes the issuing of licences and permits.

Revenue from the sale of goods is recognised when substantially all the risks and rewards in those goods is passed to the consumer.

Revenue arising out of situations where the municipality acts as an agent on behalf of another entity (the principal) is limited to the amount of any fee or commission payable to the municipality as compensation for executing the agreed services.

11.2 REVENUE FROM NON-EXCHANGE TRANSACTIONS

Revenue from non-exchange transactions refers to transactions where the municipality received revenue from another entity without directly giving approximately equal value in exchange. Revenue from non-exchange transactions is generally recognised to the extent that the related receipt or receivable qualifies for recognition as an asset and there is no liability to repay the amount.

Revenue from property rates is recognised when the legal entitlement to this revenue arises. Collection charges are recognised when such amounts are legally enforceable. Penalty interest on unpaid rates is recognised on a time proportionate basis.

Fines constitute both spot fines and summonses. Revenue from spot fines and summonses is recognised when payment is received, together with an estimate of spot fines and summonses that will be received based on past experience of amounts collected.

Revenue from public contributions and donations is recognised when all conditions associated with the contribution have been met or where the contribution is to finance property, plant and equipment, when such items of property, plant and equipment qualifies for recognition and first becomes available for use by the municipality. Where public contributions have been received but the municipality has not met the related conditions, a deferred income (liability) is recognised.

Contributed property, plant and equipment is recognised when such items of property, plant and equipment qualifies for recognition and become available for use by the municipality.

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

11.3 GRANTS, TRANSFERS AND DONATIONS

Grants, transfers and donations received or receivable are recognised when the resources that have been transferred meet the criteria for recognition as an asset. A corresponding liability is raised to the extent that the grant, transfer or donation is conditional. The liability is transferred to revenue as and when the conditions attached to the grant are met. Grants without any conditions attached are recognised as revenue when the asset is recognised.

12 BORROWING COSTS

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalised to the cost of that asset unless it is inappropriate to do so. The municipality ceases the capitalisation of borrowing costs when substantially all the activities to prepare the asset for its intended use or sale are complete. It is considered inappropriate to capitalise borrowing costs where the link between the funds borrowed and the capital asset acquired cannot be adequately established. Borrowing costs incurred other than on qualifying assets are recognised as an expense in surplus or deficit when incurred.

13 RETIREMENT BENEFITS

The municipality provides retirement benefits for its employees and councillors. The contributions to fund obligations for the payment of retirement benefits are charged against revenue in the year they become payable. The defined benefit funds, which are administered on a provincial basis, are actuarially valued triennially on the projected unit credit method basis. Deficits identified are recognised as a liability and are recovered through lump sum payments or increased future contributions on a proportional basis to all participating municipalities. Specific actuarial information in respect of individual participating municipalities is unavailable due to centralised administration of these funds. As a result, defined benefit plans have been accounted for as if they were defined contribution plans.

14 IMPAIRMENT OF ASSETS

The municipality assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the municipality estimates the recoverable service amount of the asset.

Irrespective of whether there is any indication of impairment, the municipality also:

- tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period.

If there is any indication that an asset may be impaired, the recoverable service amount is estimated for the individual asset. If it is not possible to estimate the recoverable service amount of the individual asset, the recoverable service amount of the cash-generating unit to which the asset belongs is determined.

The recoverable service amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable service amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in surplus or deficit. Any impairment loss of a revalued asset is treated as a revaluation decrease.

An impairment loss is recognised for cash-generating units if the recoverable service amount of the unit is less than the carrying amount of the unit. The impairment loss is allocated to reduce the carrying amount of the assets of the unit as follows:

- to the assets of the unit, pro rata on the basis of the carrying amount of each asset in the unit.

A municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets may no longer exist or may have decreased. If any such indication exists, the recoverable service amounts of those assets are estimated.

The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation is recognised immediately in surplus or deficit. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

15 OPERATING LEASES

MUNICIPALITY AS LESSEE

Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the municipality. Property, plant and equipment or intangible assets subject to finance lease agreements are initially recognised at the lower of the asset's fair value and the present value of the minimum lease payments. The corresponding liabilities are initially recognised at the inception of the lease and are measured as the sum of the minimum lease payments due in terms of the lease agreement, discounted for the effect of interest. In discounting the lease payments, the municipality uses the interest rate that exactly discounts the lease payments and unguaranteed residual value to the fair value of the asset plus any direct costs incurred.

Subsequent to initial recognition, the leased assets are accounted for in accordance with the stated accounting policies applicable to property, plant, equipment or intangibles. The lease liability is reduced by the lease payments, which are allocated between the lease finance cost and the capital repayment using the effective interest rate method. Lease finance costs are expensed when incurred. The accounting policies relating to derecognition of financial instruments are applied to lease payables. The lease asset is depreciated over the shorter of the asset's useful life or the lease term.

Operating leases are those leases that do not fall within the scope of the above definition. Operating lease rentals are accrued on a straight-line basis over the term of the relevant lease.

MUNICIPALITY AS LESSOR

Under a finance lease, the municipality recognises the lease payments to be received in terms of a lease agreement as an asset (receivable). The receivable is calculated as the sum of all the minimum lease payments to be received, plus any unguaranteed residual accruing to the municipality, discounted at the interest rate implicit in the lease. The receivable is reduced by the capital portion of the lease instalments received, with the interest portion being recognised as interest revenue on a time proportionate basis. The accounting policies relating to derecognition and impairment of financial instruments are applied to lease receivables.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

16 VALUED ADDED TAX

The municipality accounts for Value Added Tax on the payment basis.

**BLOUBERG LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2011**

	Note	2011 R	2010 R
2 CASH AND CASH EQUIVALENTS			
Cash and cash equivalents consist of the following:			
Cash on hand		0	217
Cash at bank		2,473,229	1,831,868
Call deposits			
		<u>2,473,229</u>	<u>1,832,085</u>
The Municipality has the following bank accounts: -			
<u>Current Account (Primary Bank Account)</u>			
ABSA Bank Limited - Account Number 1150169476			
Cash book balance at beginning of year		<u>1,637,833</u>	<u>(8,128,985)</u>
Cash book balance at end of year		<u>2,424,961</u>	<u>1,637,833</u>
Bank statement balance at beginning of year		<u>2,705,945</u>	<u>767,106</u>
Bank statement balance at end of year		<u>3,118,115</u>	<u>2,705,945</u>
<u>Current Account (Other Account)</u>			
ABSA Bank Limited - Account Number 40-5592-4461		-	85,145
ABSA Bank Limited - Account Number 40-7298-5955		-	47,592
ABSA Bank Limited - Account Number 40-5735-0474		48,267	48,330
ABSA Bank Limited - Account Number 40-6324-2043		-	12,967
		<u>48,267</u>	<u>194,034</u>
Cash book balance at beginning of year		<u>194,034</u>	<u>194,034</u>
Cash book balance at end of year		<u>48,267</u>	<u>194,034</u>
Bank statement balance at beginning of year		<u>230,651</u>	<u>580,852</u>
Bank statement balance at end of year			

	48,267	230,651
	<u>0</u>	<u>217</u>
<u>Cash on hand</u>		
Total cash and cash equivalents	<u>2,473,229</u>	<u>1,832,085</u>

3 TRADE AND OTHER RECEIVABLES FROM EXCHANGE TRANSACTIONS	Gross Balances R	Provision for Doubtful Debts R	Net Balance R
Trade receivables as at 30 June 2011			
Electricity	2,494,086	288 011 ⁽²⁾	206,074
Refuse	909,993	834 805 ⁽¹⁾	75,188
Rates	11,646,234	683 961 ⁽¹⁰⁾	962,273
Other	1,532,318	405 710 ⁽¹⁾	126,608
Total	16,582,632	(15,212,488)	1,370,144

as at 30 June 2010

Electricity	1,631,824	(1,381,972)	249,852
Refuse	1,146,903	(971,298)	175,605
Rates	7,503,366	(6,354,511)	1,148,856
Other	924,997	(783,369)	141,628
Total	11,207,090	(9,491,150)	1,715,940

Electricity: Ageing

Previous bal	47,889	64,350
Current (0 – 30 days)	52,681	51,270
31 - 60 Days	46,346	64,995
61 - 90 Days	59,159	53,694
91 - 120 Days	51,568	48,283
121-150 Days	29,890	47,492
151-180 Days	41,490	41,776
181-210 Days	22,395	49,530
211-240 Days	32,433	82,787
241-270 Days	2,110,236	1,127,647
Total	2,494,086	1,631,824

Refuse: Ageing

Previous bal	17,473	45,227.44
Current (0 – 30 days)		

	19,221	36,034.26
31 - 60 Days	16,910	45,681.11
61 - 90 Days	21,585	37,737.92
91 - 120 Days	18,815	33,934.68
121-150 Days	10,906	33,379.32
151-180 Days	15,138	29,361.45
181-210 Days	8,171	34,811.26
211-240 Days	11,833	58,185.75
241-270 Days	769,942	792,549.94
	909,993	1,146,903

Rates: Ageing

<u>Previous bal</u>	223,619	295,891
Current (0 – 30 days)	245,995	235,746
31 - 60 Days	216,416	298,859
61 - 90 Days	276,243	246,892
91 - 120 Days	240,800	222,010
121-150 Days	139,572	218,377
151-180 Days	193,739	192,091
181-210 Days	104,573	227,745
211-240 Days	151,446	380,668
241-270 Days	9,853,832	5,185,087
	11,646,234	7,503,366

Other: Ageing

<u>Previous bal</u>	29,422	36,477
Current (0 – 30 days)	32,366	29,062
31 - 60 Days	28,474	36,843
61 - 90 Days	36,346	30,436
91 - 120 Days	31,683	27,369
121-150 Days	18,364	26,921
151-180 Days	25,491	23,681

Blouberg Municipality Annual Report 2010\11



181-210 Days	13,759	28,076
211-240 Days	19,926	46,928
241-270 Daya	1,296,488	639,205
	1,532,318	924,997

3 Reconciliation of the doubtful debt provision

Balance at beginning of the year	9,491,150	4,079,070
Contributions to provision	5,721,338	5,868,827
Doubtful debts written off against provision		(456,747)
Reversal of provision	-	-
Balance at end of year	<u>15,212,488</u>	<u>9,491,150</u>

4 OTHER RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

Other debtors	4,369,811	3,729,980
Total Other Debtors	<u>4,369,811</u>	<u>3,729,980</u>

5 INVENTORIES

Closing balance of inventories:

Consumable stores	361,537	124,680
Vacant stands	2,713,200	2,713,200
	<u>3,074,737</u>	<u>2,837,880</u>

Inventory recognised as expense during the year	<u>659,131</u>	<u>622,353</u>
---	-----------------------	-----------------------

6 INVESTMENTS

Deposits	4,166,171	4,441,734
	<u>4,166,171</u>	<u>4,441,734</u>

Blouberg Local Municipality
NOTES TO THE FINANCIAL STATEMENTS
 for the year ended 30 June 2011

7 PROPERTY, PLANT AND EQUIPMENT

7.1 Reconciliation of Carrying Value	Land	Infrastructure	Community	Other Assets	Total
	R	R	R	R	R
as at 30 June 2010	-	130,223,755	19,937,721	8,756,834	159,567,110
Cost	648,800	141,004,433	21,714,826	13,148,823	176,516,881
Accumulated depreciation and impairment losses	-	(10,780,678)	(1,777,105)	(4,391,989)	(16,949,771)
Acquisitions	-	16,340,460	292,694	2,530,139	19,163,292
Capital under Construction	-	3,694,416	5,447,465	-	9,141,881
Depreciation	-	(5,867,717)	(738,274)	(2,696,418)	(9,302,409)
Carrying value of disposals	-	-	-	-	-
Cost	-	-	-	-	-
Accumulated depreciation and impairment losses	-	-	-	-	-
as at 30 June 2011	648,800	144,390,914	24,939,606	8,590,555	178,569,875
Cost	648,800	161,039,308	27,454,985	15,678,961	204,822,054
Accumulated depreciation and impairment losses	-	(16,648,395)	(2,515,378)	(7,088,407)	(26,252,180)

Blouberg Local Municipality
NOTES TO THE FINANCIAL STATEMENTS
 for the year ended 30 June 2010

7.2 Reconciliation of Carrying Value	Land	Infrastructure	Community	Other Assets	Total
as at 1 July 2009	-	115,839,152	13,763,517	10,539,422	140,142,091
Cost	-	122,238,003	15,047,748	12,862,521	150,148,271
Accumulated depreciation and impairment losses	-	(6,398,851)	(1,284,231)	(2,323,098)	(10,006,180)
Acquisitions	648,800	13,838,323	6,667,078	1,311,143	22,465,344
Capital under Construction	-	7,088,840	-	-	7,088,840

Depreciation - (4,640,972) (492,874) (2,432,318) (7,566,164)

Carrying value of disposals

- **1,901,589** - **661,413** **2,563,002**

Cost - 2,160,734 - 1,024,841 3,185,575

Accumulated depreciation and impairment losses - (259,145) - (363,428) (622,573)

as at 30 June 2010

648,800 130,223,755 19,937,721 8,756,834 159,567,110

Cost 648,800 141,004,433 21,714,826 13,148,823 176,516,881

Accumulated depreciation and impairment losses 0 (10,780,678) (1,777,105) (4,391,989) (16,949,771)

**BLOUBERG LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2011**

	2011 R	2010 R
8 TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS		
Trade creditors	4,565,620	3,754,615
Payments received in advance	202,734	202,734
Retentions	4,132,804	3,906,494
Staff leave accrual	3,725,397	3,343,852
Bonus accrual	844,656	701,063
Other creditors	7,517,073	5,611,187
Total creditors	20,988,285	17,519,947

The fair value of trade and other payables approximates their carrying amounts.

9 VAT RECEIVABLE

VAT receivable	7,806,917	4,243,417
----------------	-----------	-----------

VAT is payable on the receipts basis. VAT is paid over to SARS only once payment is received from debtors.

10 UNSPENT CONDITIONAL GRANTS AND RECEIPTS

10.1 Unspent Conditional Grants from other spheres of Government

MIG Grants	10,110,291	2,163,624	
MSIG Grants	39,655		(0)
CDM Grants	4,010,103	8,100,235	
DME	4,204,238	6,374,457	
FMG	342,879	83,670	
Total Unspent Conditional Grants and Receipts	18,707,165	16,721,986	

Refer to Note 16 for reconciliation of conditional grants

11 PROPERTY RATES

Propoerty rates	6,753,497	7,590,559
Total	6,753,497	7,590,559

Valuations

Residential	142,128,800	142,128,800
Commercial	27,576,000	27,576,000
State	284,173,000	284,173,000
Municipal	30,167,900	30,167,900
Churches	536,000	536,000
Total Property Valuations	484,581,700	484,045,700

Valuations on land and buildings are performed every four years. The last valuation came into effect on 1 July 2004. Concil decided to extend the use of the valuation roll in the current financial year.

A basic rate applied in the current year was 2c in the rand on land. A rebate of 20% was granted on agricultural and farming land. A flat rate of R120 was charged on residential as per council resolution.

12 SERVICE CHARGES

Sale of electricity	8,212,484	6,875,593
Refuse removal	223,982	212,553
Sewerage and sanitation charges	-	-
Total Service Charges	8,436,466	7,088,147

13 RENTAL OF FACILITIES AND EQUIPMENT

Rental of facilities	162,605	104,552
Total rentals	162,605	104,552

14 INTEREST EARNED - EXTERNAL INVESTMENTS

Bank	353,355	630,644
Total interest	353,355	

630,644

**15 INTEREST EARNED -
OUTSTANDING
RECEIVABLES**

Other debtors	259,872	82,972
Total interest	259,872	82,972

16 GOVERNMENT GRANTS AND SUBSIDIES

Equitable share	60,017,061	49,268,498
MIG Grant	13,235,334	18,727,802
MSIG Grant	710,345	952,933
CDM Grant	5,590,831	5,009,988
DME Grant	7,170,219	6,329,042
FMG Grant	990,791	1,014,881
Total Government Grant and Subsidies	87,714,581	81,303,144
16.1 Equitable Share		
In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members.	60,017,061	49,268,498
16.2 MIG Grant		
Balance unspent at beginning of year	2,163,624	2,631,426
Current year receipts	21,182,000	18,260,000
Conditions met - transferred to revenue	(13,235,334)	(18,727,802)
Conditions still to be met - remain liabilities (see note 10)	10,110,291	2,163,624
16.3 Other Government Grants and Subsidies		
MSIG		
Balance unspent at beginning of year	(0)	217,933
Current year receipts	750,000	735,000
Conditions met - transferred to revenue	(710,345)	(952,933)
Conditions still to be met - remain liabilities (see note 10)	39,655	(0)
CDM Grant		
Balance unspent at beginning of year	8,100,235	5,809,781
Current year receipts	1,500,699	7,300,443
Conditions met - transferred to revenue	(5,590,831)	(5,009,988)
Conditions still to be met - remain liabilities (see note 10)	4,010,103	8,100,235

-

DME

Balance unspent at beginning of year

6,374,457 2,509,499

Current year receipts

5,000,000 10,194,000

Conditions met - transferred to revenue

(7,170,219) (6,329,042)

Conditions still to be met - remain liabilities (see note 10)

4,204,238 6,374,457

FMG

Balance unspent at beginning of year

83,670 98,551

Current year receipts

1,250,000 1,000,000

Conditions met - transferred to revenue

(990,791) (1,014,881)

Conditions still to be met - remain liabilities (see note 10)

342,879 83,670

16.4 Changes in levels of government grants

Based on the allocations set out in the Division of Revenue Act, no significant changes in the level of government grant funding are expected over the forthcoming 3 financial years.

17 OTHER INCOME, PUBLIC CONTRIBUTIONS AND DONATIONS

17.1	Other income	4,275,828	4,384,745
	Waiver of CDM debt	-	6,950,254
	Total Other Income	4,275,828	11,334,999

18 EMPLOYEE RELATED COSTS

	Employee related costs - Salaries and Wages	23,021,623	19,648,588
	Employee related costs - Contributions for UIF, pensions and medical aids	6,627,322	5,336,137
	Travel, motor car, accommodation, subsistence and other allowances	6,245,642	3,596,041
	Housing benefits and allowances	1,093,144	2,210,360
	Overtime payments	783,083	1,003,326
	Other employee related costs	1,558,246	1,088,890
	Total Employee Related Costs	39,329,059	32,883,342

Remuneration of Section 57 Manager included in employee related costs

Remuneration of the Municipal Manager

	Annual Remuneration	601,643	478,155
	Travel, motor car, accommodation, subsistence and other allowances	224,067	116,222
	Contributions to UIF, Medical and Pension Funds	110,362	95,431
	Total	936,072	689,808

Remuneration of the Chief Finance Officer

	Annual Remuneration	400,936	348,640
	Travel, motor car, accommodation, subsistence and other allowances	177,160	154,052
	Contributions to UIF, Medical and Pension Funds	90,131	77,905
	Total	668,227	580,597

Remuneration of Individual Executive Directors	Technical Services R	LED Services R	Corporate Services R	Community Services R
2011				
Annual Remuneration	400,936	400,936	400,936	400,936
Travel, motor car, accommodation, subsistence and other allowances	177,160	177,160	177,160	177,160
Contributions to UIF, Medical and Pension Funds	90,131	90,131	90,131	90,131
Total	668,227	668,227	668,227	668,227
	Technical Services R	LED Services R	Corporate Services R	Community Services R
2010				
Annual Remuneration	348,640	348,640	348,640	348,640
Travel, motor car, accommodation, subsistence and other allowances	154,052	154,052	142,258	144,362
Contributions to UIF, Medical and Pension Funds	77,905	77,905	90,656	87,934
Total	580,597	580,597	581,554	580,937

19 REMUNERATION OF COUNCILLORS

Executive Mayor	311,339	304,189
Speaker	248,975	273,817
Chief Whip	233,414	213,404
Executive Committee Members	980,339	890,042
Councillors	1,960,661	2,045,850
Councillors' pension and medical aid contributions	602,326	543,829
Councillors' allowances	2,685,506	2,896,988
Total Councillors' Remuneration	7,022,560	7,168,119

20 DEPRECIATION AND AMORTISATION EXPENSE

Property, plant and equipment	9,302,409	7,566,163
Total Depreciation and Amortisation	9,302,409	7,566,163

21 BULK PURCHASES

Electricity	9,312,570	8,422,824
Total Bulk Purchases	9,312,570	8,422,824

22 CONTRACTED SERVICES

Contracted services for:

Security services	1,165,017	1,051,227
	1,165,017	1,051,227

23 GENERAL EXPENSES

Included in general expenses are the following:-

Advertising	196,904	214,692
Admin fees	94,270	47,058
Audit fees	1,169,456	1,760,812
Bank charges	243,118	219,947
Bursaries	14,328	

Blouberg Municipality Annual Report 2010\11



		22,600
Conferences and delegations	781,467	669,002
Financial management grant	433,156	493,109
Fuel and oil	1,894,117	1,452,384
Insurance	183,716	253,575
Licence fees - vehicles	47,548	47,359
Membership fees	469,942	67,421
Postage	16,778	16,777
Printing and stationery	523,563	540,437
Professional fees	1,011,055	704,260
Rental of office equipment	925,417	873,179
Stores and material	135,569	81,916
Telephone cost	618,361	891,128
Training	338,111	416,398
Travel and subsistence	3,134,522	2,714,855
Uniforms & overalls		134,701
Valuation costs	329,823	384,360
Other	6,906,968	8,195,378
	19,468,188	20,201,349

24 LOSS ON SALE OF ASSETS

Property, plant and equipment	-	(472,526)
Total Loss on Sale of Assets	-	(472,526)

25 CASH GENERATED BY OPERATIONS

Surplus/(deficit) for the year	18,009,221	26,197,391
Adjustment for:-		
Depreciation and amortisation	9,302,409	7,566,163
Loss on sale of assets	-	472,526
Bad debt	5,721,338	5,942,191
Interest earned		
Prior year adjustments		11,932,373
Operating surplus before working capital changes:	33,032,967	52,110,644
(Increase)/decrease in inventories	(236,857)	(2,698,918)
(Increase)/decrease in trade receivables	(5,375,542)	1,239,810
(Increase)/decrease in other receivables	(639,831)	(674,585)
(Increase)/decrease in VAT receivable	(3,563,501)	(1,093,645)
Increase/(decrease) in conditional grants and receipts	1,985,179	4,607,768
Increase/(decrease) in trade payables	3,468,339	(9,643,142)
Cash generated by/(utilised in) operations	28,670,754	43,847,932

26 CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the cash flow statement comprise the following:

Bank balances and cash	2,473,229	1,832,085
Net cash and cash equivalents (bank overdrafts)	2,473,229	1,832,085

27 CORRECTION OF ERROR

During the year ended 30 June 2010, errors were discovered relating to the financial information reported in the previous financial years. The comparative amounts have been restated as follows:

27.1	Corrections to accumulated surplus	
	Prior year errors reported in the previous financial year	(22,241,905)
	- reversal of prior year income incorrectly recorded in unknown deposit suspense account	8,192,600
	- clearing of inter bank transfer suspense account	98,580
	- reversal of duplicated receipts	(25,143)
	- reversal on incorrect journal passed in 2008	2,813,068
	- reversal of prior year expenditure recorded in cashbook but never paid	255,595
	- clearing of stale cheque suspense account	(237,483)
	- Reversal of assets duplicated	(1,404,748)
	- 2008 traffic and free basic revenue not receipted	3,712,789
	- correction of water related agency transactions	(3,813,375.86)
	- straight lining of operating lease in respect of prior periods	(51,833.61)
	Net effect on 2009 accumulated surplus opening balance	(12,701,856.04)
	- Correction of the differences between cash book and bank statement	2,349,425
	- clearing of salary suspense account	(667,110.79)
	- reconciliation of consumer debtors to age analysis	(209,931)
	Net effect on 2010 accumulated surplus opening balance	1,472,383.18
27.2	Incorrect accounting of water related transactions (agency services)	

During the year ended 30 June 2010 errors were discovered relating to the treatment of water related transactions in terms of

the Municipal Structures Act. In accordance with GRAP 3, prior period error shall be corrected by retrospective restatement except to the extent that it is impracticable to determine either the period specific effects or cumulative effect of the error. However, due to system limitations, we were unable to generate information prior to 30 June 2008 and as a result we were unable to restate the financial information prior to that period. Corrections were therefore effected by restating the 2008/9 opening balances.

Corrections to consumer

27.2.1 debtors

Reversal of water related debtors relating to CDM Service Level agreement incorrectly recognised prior to 2009 - Gross	3,336,789
VAT impact of the above reversal	467,150
Net impact on consumer debtors	(3,803,939)
Commission - recognition of revenue from cash collected on behalf of CDM	231,363
VAT impact of the above reversal	32,390
Net impact on consumer debtors	263,749

27.2.2 Corrections made to revenue

Revenue (service charges) - reversal of water related revenue recognised in 2009 (1,348,454)

- net impact on VAT (188,784)

Net impact on accumulated surplus (1,537,237)

Revenue (service charges) - reversal of water related revenue (indigent) recognised in 2009 (797,315)

Revenue (other revenue) - recognition of revenue from cash collected on behalf of CDM 699,399

- net impact on VAT 97,916

Net impact on accumulated surplus -

Revenue (grants) - reversal of portion of CDM advance amortised to income (2,031,299)

Expenditure (repairs & maintenance) - reallocation of expenses incurred on behalf of CDM incorrectly recognised as municipal expenses 2,031,299

Net impact on accumulated surplus -

27.3 Cash and cash equivalents

- reversal of duplicated receipts (25,143)

- reversal on incorrect journal passed in 2008 2,813,068

- reversal of prior year expenditure recorded in cashbook but never paid 255,595

- recognition of revenue received in 2006-8 financial years but never receipted 3,712,789

- Correction of the differences between cash book and bank statement 2,349,425

Net effect on accumulated surplus (9,105,734)

27.4 Other debtors

- clearing of inter bank transfer suspense account (138,903)

Net effect on accumulated surplus 138,903

27.5 Other creditors

- reversal of prior year income incorrectly recorded in unknown deposit suspense account 8,192,600

Net effect on accumulated surplus (8,192,600)

27.6 Salary suspense

- clearing of salary suspense account	(667,111)
Net effect on accumulated surplus	667,111
27.7 Debtors	
- reconciliation of consumer debtors to age analysis	(209,931)
Net effect on accumulated surplus	209,931
27.8 Accumulated surplus	
- Reversal of stale cheques	102,910
- Prior year bank charges not recognised	(416)
- Revenue previously not receipted	790,811
- Reversal of receipts receipted twice	(36,257)
- Reversal of cancelled receipts incorrectly taken to accumulated surplus previously	(70,327)
- Reversal of traffic receipts incorrectly taken to accumulated surplus previously	(1,527,055)
- Reversal of transactions previously recorded in suspense accounts	20,337
- Recognition of property held for sale	1,813,200
- Reallocation of proceeds received on property held for sale	(159,000)
- Reversal of water assets	(1,724,693)
Net effect on accumulated surplus	790,490

28 UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED

28.1 Unauthorised expenditure

Reconciliation of unauthorised expenditure

Opening balance	21,460,771	1,963,360
Unauthorised expenditure current year	2,014,043	5,277,517
Correction of error - Unauthorised expenditure previously disclosed as irregular expenditure		14,219,894
Approved by Council or condoned	(16,183,254)	
Transfer to receivables for recovery		
Unauthorised expenditure awaiting authorisation	7,291,560	21,460,771

Incident
<p>Approved budget for Executive Council, Community Services and Technical Services has been exceeded. Contrary to section 84(1)(d) of the Municipal Structures Act, municipality incurred capital expenditure of R1 625 918 in the 2006/7 financial year relating to provision of portable water. This function rests with the Capricorn District Municipality and as a result the expenditure is deemed to be unauthorised expenditure. Unspent conditional grants is disclosed in note 10 of the financial statements at a balance of R18,7 million (2010 R16,7 million). This amount is not backed by cash as the municipality has a cash and cash equivalents aggregating to R2,4 million (2010: R2,5 million) as per note 2 of the financial statements. The current funding of the municipality was not adequate to cover its operational needs hence a portion of conditional grants was utilised to fund operational expenditure.</p>

		3,651,599
		1,625,918
	2,014,043	14,219,894
	2,014,043	19,497,411

28.2 Irregular expenditure

Opening balance	-	-
Irregular expenditure current year	45,939	14,219,894
Correction of error - unauthorised expenditure previously recognised as irregular		(14,219,894)
Approved by Council or condoned		-
Transfer to receivables for recovery		-
Irregular expenditure awaiting authorisation	45,939	-

29 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT

29.1	Contributions to organised local government		
	Opening balance	55,940	-
	Council subscriptions	198,000	55,940
	Amount paid - current	(253,940)	(55,940)
	Amount paid - previous years		
	Balance unpaid (included in payables)	-	-
29.2	Audit fees		
	Opening balance	721,456	-
	Current year audit fee	1,144,451	3,405,905
	Amount paid - current year	(1,865,907)	(2,684,448)
	Amount paid - previous years		-
	Balance unpaid (included in payables)	0	721,456
29.3	VAT		
	VAT input receivables and VAT output payables are shown in note 18. All VAT returns have been submitted by the due date throughout the year.		
29.4	PAYE and UIF		
	Opening balance	-	-
	Current year payroll deductions	4,754,017	5,393,162
	Amount paid - current year	(4,754,017)	(5,393,162)
	Amount paid - previous years	-	-
	Balance unpaid (included in payables)	-	-
29.5	Pension and Medical Aid Deductions		
	Opening balance	-	-
	Current year payroll deductions and Council Contributions	6,285,146	8,017,614

Blouberg Municipality Annual Report 2010\11



Amount paid - current year	(6,285,146)	(8,017,614)
Amount paid - previous years		
Balance unpaid (included in payables)	<hr/> <hr/> -	<hr/> <hr/> -

30 CAPITAL COMMITMENTS

30.1 Commitments in respect of capital expenditure

- Approved and contracted for

16,037,984 11,076,389

Infrastructure
Community
Heritage
Other

16,037,984 11,076,389

- Approved but not yet contracted for

- -

Infrastructure
Community
Heritage
Other

Total

16,037,984 11,076,389

This expenditure will be financed from:

- External Loans

- Government Grants

16,037,984 11,076,389

- Own resources

- District Council Grants

16,037,984 11,076,389

31 RETIREMENT BENEFIT INFORMATION

31.1 Defined contribution plan

The municipality operates a defined contribution plans. Contributions have been expensed in the statement of financial performance.

32 CONTINGENT LIABILITY

32.1 Claim for damages

During 2002, the municipality obtained an eviction order against the residents of Desmond Park and proceeded to evict them from the land which they had allegedly occupied unlawfully. However the residents applied for a rescission of judgement which was granted by the court. An out of court settlement was reached between the parties in which the municipality undertook to have the houses built for the residents. The residents are now suing the municipality on the grounds that the eviction order unlawful and are claiming damages to the sum of R189 125 000.00 (one hundred and eighty nine million one hundred and twenty five thousand rand). Pleadings were closed during May 2008 but the date of the hearing is not set.

During 2007, the municipality evicted residents from Desmond Park who had occupied another piece of land illegally. This time the eviction was done without first obtaining eviction order. The residents took the matter to court and the municipality was ordered to erect dwellings for the residents. The residents are suing the municipality for the evicting them unlawfully and are claiming damages to the sum of R19 200 000.00 (nineteen million two hundred thousand rand).

During or about April 2010, the ANC expelled 12 councillors attached to the municipality. The said councillors have taken the matter to the high sitting in Pretoria demanding that they be reinstated. The matter has been set down for hearing on the 30th of August 2010.

During December 2007, SAMWU Blouberg was granted an award during an arbitration hearing. The municipality has since instructed its attorney to take the matter on review to the labour Court. As at 30 June 2011, the matter was not yet finalised and outcome unknown.

Municipality was served with summonses by a service provider for the payment of fees for services rendered. It turned out that after receipt of a letter of demand, the municipality had paid the amount owing directly to the service provider without informing the attorneys. When this was brought to the attention of the attorneys, they required municipality to pay costs for the issuing and serving of the summonses.

33 RISK MANAGEMENT

Maximum credit risk

33.1 exposure

Credit risk consists mainly of cash deposits, cash equivalents and trade debtors. The municipality only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Financial assets exposed to credit risk at year end were as follows:

ABSA Bank	2,473,229	-
Trade and other receivables	20,952,443	14,937,070
	23,425,671	14,937,070

These balances represent the maximum exposure to credit risk.

33.2 Liquidity risk

The municipality's risk to liquidity is a result of the funds available to cover future commitments. The municipality manages liquidity risk through an ongoing review of future commitments and credit facilities.

Trade and other payables	20,988,285	17,519,947
	20,988,285	17,519,947

33.3 Interest rate risk

As the municipality has no significant interest-bearing assets, the municipality's income and operating cash flows are substantially independent of changes in market interest rates.

34 Operating lease

Amounts payable under operating lease	Minimum lease payment	Minimum lease payment
	R	R
Within one year	499,434	454,031
Within two to five years	171,680	671,114
	671,114	1,125,145

Municipality entered into an operating lease for

leasing of photocopier machine. The minimum rental payable under operating lease R29 315 excluding VAT escalating at 10% per annum. The lease agreement will expire at the end of October 2012.

35 Related party

Municipality is involved in an Agency relationship with Capricorn District Municipality for the provision of water services.

Commission revenue
recognised from Agency
relationship

485,666	2,008,348
----------------	------------------

**BLOUBERG LOCAL MUNICIPALITY
APPENDIX B
ANALYSIS OF PROPERTY PLANT AND EQUIPMENT
as at 30 June 2011**

	Cost / Revaluation					Accumulated Depreciation					Transfer s	Other moveme nts	Carrying Value
	Opening Balance	Additions	Disposals	Under Constructio n	Closing Balance	Opening Balance	Depreciatio n	Disposals	Impairment loss/Revers al of impairment loss	Closing Balance			
	R	R	R	R	R	R	R	R	R	R	R	R	R
Land					-					-			-
Land	648,800		-	-	648,800	-	-	-	-	-	-	-	648,800
					-	-	-	-	-	-	-	-	-
	648,800		-		648,800	-	-	-	-	-	-	-	648,800
Infrastruc ture													
Roads, pavements , bridges & stormwater	52,918,373	4,791,400	-	1,138,686	58,848,459	4,729,981	2,385,430			7,115,411			51,733,048
Electricity reticulation	88,086,060	11,549,061	-	2,555,729	102,190,850	6,050,697	3,482,287	-		9,532,984			92,657,867
					-	-	-			-			-
	141,004,433	16,340,460	-	3,694,416	161,039,309	10,780,678	5,867,717	-	-	16,648,395	-		144,390,914
Communi ty Assets													

Blouberg Municipality Annual Report 2010\11



Establishment of parks & gardens	864,599	-	-	-	864,599	90,549	28,820	-	119,369	745,230
Sports fields	6,674,101	137,021	-	-	6,811,122	312,611	227,037	-	539,648	6,271,474
Community halls	3,410,033	-	-	4,234,099	7,644,132	404,749	113,668	-	518,417	7,125,715
Pound	70,345	-	-	-	70,345	24,823	7,034	-	31,857	38,488
Bus/Taxi Shelters	848,310	-	-	-	848,310	50,941	28,277	-	79,218	769,092
Extension of Municipal Buildings	9,847,437	155,673	-	1,213,367	11,216,477	893,432	333,437	-	1,226,869	9,989,608
					-	-			-	-
Other Assets	21,714,826	292,694	-	5,447,465	27,454,985	1,777,105	738,274	-	2,515,378	24,939,606
Other motor vehicles	6,136,594	-	-	-	6,136,594	2,207,519	1,227,319	-	3,434,838	2,701,756
Plant & equipment	3,429,064	1,654,611	-	-	5,083,675	971,600	695,299	-	1,666,900	3,416,776
Office equipment	165,547	271,009	-	-	436,556	75,933	55,924	-	131,857	304,699
Furniture	2,179,239	269,738	-	-	2,448,977	658,238	356,601	-	1,014,839	1,434,138
Security measures (including fencing)	39,906	-	-	-	39,906	2,405	7,981	-	10,387	29,520
Computer equipment	1,188,000	334,780	-	-	1,522,780	475,188	352,742	-	827,930	694,849
Other land & buildings	-	-	-	-	-	-	-	-	-	-
Other (Tools)	10,473	-	-	-	10,473	1,104	552	-	1,656	8,817
					-	-			-	-



	13,148,823	2,530,139	-	-	15,678,961	4,391,989	2,696,418	-	-	7,088,407	8,590,555
Total	176,516,882	19,163,292	-	9,141,881	204,822,055	16,949,771	9,302,409	-	-	26,252,180	178,569,875

(21,626.68)
21,969

**Blouberg Local Municipality
APPENDIX B
ANALYSIS OF PROPERTY PLANT AND EQUIPMENT
as at 30 June 2010**

	Cost / Revaluation					Accumulated Depreciation					Transfers	Other movements	Carrying Value
	Opening Balance	Additions	Disposals	Under Construction	Closing Balance	Opening Balance	Depreciation	Disposals	Impairment loss/Reversal of impairment loss	Closing Balance			
	R	R	R	R	R	R	R	R	R	R	R	R	R
Land													
Land	-	-	-	-	-	-	-	-	-	-	-	-	-
Land													
Land	-	648,800	-	-	648,800	-	-	-	-	-	-	-	648,800
	-	648,800	-	-	648,800	-	-	-	-	-	-	-	648,800
Infrastructure													
Roads, pavement	40,471,332	9,820,277	-	2,626,764	52,918,37	3,028,510	1,701,471	-	-	4,729,981	-	-	48,188,39

Blouberg Municipality Annual Report 2010\11



s, bridges & stormwater					3							2
Water reservoirs & reticulation	1,823,002		1,823,002	-	-	227,191	-	227,191	(0)			0
Electricity reticulation	79,791,167	4,018,046	185,230	4,462,077	88,086,060	3,119,533	2,939,498	8,334	6,050,697			82,035,363
Sewerage purification & reticulation	152,502	-	152,502	-	-	23,620	-	23,620	(0)			0
Plant & equipment					-				-			-
					-				-			-
	122,238,003	13,838,323	2,160,734	7,088,840	141,004,433	6,398,853	4,640,969	259,145	-	10,780,677	-	130,223,756
Community Assets												
Establishment of parks & gardens	864,599	-	-	-	864,599	61,729	28,820	-	90,549			774,050
Sports fields	2,295,809	4,378,292	-	-	6,674,101	242,340	70,271	-	312,611			6,361,490
Community halls	2,859,960	550,073	-	-	3,410,033	292,588	112,161	-	404,749			3,005,284
Pound	70,345	-	-	-	70,345	17,789	7,034	-	24,823			45,522

Blouberg Municipality Annual Report 2010/11



Bus/Taxi Shelters	804,035	44,275	-	-	848,310	22,664	28,277	-	50,941	797,369
Extension of Municipal Buildings	8,153,000	1,694,437	-	-	9,847,437	647,121	246,311	-	893,432	8,954,005
					-				-	-
	15,047,748	6,667,078	-	-	21,714,826	1,284,231	492,874	-	1,777,105	19,937,721
Other Assets										
Other motor vehicles	6,151,710	931,476	946,592		6,136,594	1,265,314	1,277,791	335,586	2,207,519	3,929,075
Plant & equipment	3,384,772	44,292	-	-	3,429,064	485,491	486,109		971,600	2,457,464
Office equipment	162,006	15,723	12,182		165,547	39,248	41,117	4,432	75,933	89,614
Furniture	2,098,053	81,456	270		2,179,239	323,951	334,372	84	658,238	1,521,001
Security measures (including fencing)	-	39,906	-	-	39,906		2,405		2,405	37,501
Computer equipment	1,057,700	196,097	65,797		1,188,000	208,542	289,972	23,326	475,188	712,812
Other land & buildings	-	-			-		-	-	-	-
Other (Tools)	8,280	2,193			10,473	552	552	-	1,104	9,369
					-				-	-

Blouberg Municipality Annual Report 2010\1



	12,862,521	1,311,143	1,024,841	-	13,148,823	2,323,098	2,432,318	363,428	-	4,391,989	8,756,834
		22,465,344			176,516,882	10,006,183				16,949,771	159,567,111
Total	150,148,272	4	3,185,575	7,088,840	82	3	7,566,161	622,573	-	1	-



**BLOUBERG LOCAL MUNICIPALITY
APPENDIX D
SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 30 June 2011**

2010 Actual Income R	2010 Actual Expenditure R	2010 Surplus / (Deficit) R		2011 Actual Income R	2011 Actual Expenditure R	2011 Surplus / (Deficit) R
-	15,385,306	(15,385,306)	Municipal manager	-	4,743,137	(4,743,137)
92,487,626	18,452,492	74,035,134	Finance & Admin	96,414,019	24,501,692	71,912,326
1,303,454	6,884,534	(5,581,079)	Economic Development and Planning	2,896,801	7,654,294	(4,757,493)
3,394,456	9,421,174	(6,026,718)	Community & Social Services	2,940,032	9,305,099	(6,365,066)
-	14,352,434	(14,352,434)	Corporate Service	-	28,183,406	(28,183,406)
13,365,608	19,385,287	(6,019,679)	Technical Service	10,258,333	20,143,760	(9,885,428)
-	-	-	Other	-	-	-
110,551,145	83,881,228	26,669,917		112,509,184	94,531,388	17,977,797
		(472,526)	Less: Loss on disposal of assets			
110,551,145	83,881,228	26,197,391	Total	112,509,184	94,531,388	17,977,797

**APPENDIX C
BLOUBERG LOCAL MUNICIPALITY
STATEMENT OF COMPARATIVE AND ACTUAL INFORMATION
for the year ended 30 June 2011**

Description	20010/20011									
	Original Budget	Budget Adjustments (i.t.o s28 and s31 of the MFMA)	Virement (i.t.o Council approved by law)	Final Budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reason for variance
R thousands or R	1	2	3	4	5	6	7	8	9	
Financial Performance										
Property rates	9,750,000	11,819,605	-	11,819,605	6,753,497		5,066,108	57%	69%	Non payment of Government and Residential
Service charges	9,753,500	12,103,500	-	12,103,500	8,436,466		3,667,034	70%	86%	
Investment revenue	430,000	630,000	-	630,000	613,227		16,773	97%	143%	
Transfers recognised - operational	63,517,000	64,017,000	-	64,017,000	61,718,198	-	2,298,802	96%	97%	
Other own revenue	9,192,112	14,448,318	-	14,448,318	7,074,965		7,373,353	49%	77%	
Total Revenue (excluding Capital transfers and contributions)	92,642,612	103,018,423	-	103,018,423	84,596,353	-	18,422,070	82%	91%	
Employee costs								97%	93%	

Blouberg Municipality Annual Report 2010\1



	42,099,652	40,667,490	33,000	40,700,490	39,329,059		1,371,431		
Remuneration of councilors	8,023,102	7,193,062	-	7,193,062	7,022,560	-	170,502	98%	88%
Debt impairment	-	-	-	-	5,721,338		(5,721,338)	100%	100%
Depreciation & asset impairment	400,000	400,000	-	400,000	9,302,409		(8,902,409)	2326%	2326%
Finance charges	-	-	-	-	-		-	0%	#DIV/0!
Materials and bulk purchases	5,578,480	6,578,480	-	6,578,480	9,312,570		(2,734,090)	142%	167%
Transfers and grants	-	-	-	-	-		-	0%	#DIV/0!
Other expenditure	32,198,378	25,608,678	(33,000)	25,575,678	21,895,579		3,680,099	86%	68%
Total Expenditure	88,299,612	80,447,710	-	80,447,710	92,583,515	-	(12,135,805)	115%	
Surplus/(Deficit)	4,343,000	22,570,713	-	22,570,713	(7,987,162)		30,557,875	-35%	-184%
Transfers recognised - Capital Contributions recognised -capital & contributed assets	27,683,000	27,882,000	-	27,882,000	25,996,383		1,885,617	93%	94%
Surplus/(Deficit) after capital transfers&	32,026,000	50,452,713	-	50,452,713	18,009,221		32,443,492	36%	56%



contributions										
Surplus/(Deficit) for the year			-		-					
<u>Capital expenditure & funds sources</u>										
Capital Expenditure										
Transfer recognised-Capital			-							
Public contribution & donations			-							
Borrowing			-							
Internally generated funds			-							
Total sources of capital funds			-							
<u>Cash flows</u>										
Net cash from (used) operating										
Net cash from (used) investing										
Net cash from (used) financing										
Cash/cash										



equivalants at the year end										
--------------------------------	--	--	--	--	--	--	--	--	--	--

6. Auditor General's Report



Auditor General's Report

REPORT OF THE AUDITOR-GENERAL TO THE PROVINCIAL LEGISLATURE AND THE COUNCIL ON BLOUBERG LOCAL MUNICIPALITY

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the accompanying financial statements of the Blouberg Local Municipality, which comprise the statement of financial position as at 30 June 2011 and the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information as set out on pages **xx to xx**

Accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA), and for such internal control as management determines necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor-General's responsibility

3. As required by section 188 of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996) section 4 of the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) and section 126(3) of the MFMA, my responsibility is to express an opinion on these financial statements based on my audit.
4. I conducted my audit in accordance with International Standards on Auditing and *General Notice 1111 of 2010* issued in *Government Gazette 33872 of 15 December 2010*. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
6. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.

Basis for qualified opinion

Unauthorised expenditure

7. Section 62(1)(d) of the MFMA requires the accounting officer of the municipality to take reasonable steps to ensure that unauthorised, irregular or fruitless and wasteful expenditure and other losses are prevented. Conditional grants to the value of R18 707 165 were not cash backed, resulting in unauthorised expenditure of R16 233 937. The amount was not

included in the unauthorised expenditure disclosed in note 28 to the financial statements resulting in unauthorised expenditure being understated by R14 219 894.

Irregular expenditure

8. No system was in place for the identification and recognition of irregular expenditure and there were no satisfactory alternative audit procedures that I could perform to obtain reasonable assurance that all irregular expenditure was properly recorded. Consequently, I was unable to obtain sufficient appropriate audit evidence to satisfy myself as to the completeness of irregular expenditure of R45 939, as disclosed in note 28 to the financial statements

Leave provisions

9. The South African Standards of Generally Recognised Accounting Practice, GRAP 19, *Provisions, Contingent Liabilities and Contingent Assets* states that the amount recognised as provision shall be the best estimate of the expenditure required to settle the present obligation at the reporting date. The municipality has incorrectly calculated the leave provision, using total compensation instead of basic salary. The balance of R3 725 397 for Staff Leave Accrual and Employment Related Cost of R 39 329 059 as stated in note 8 and note 18, respectively, of the financial statements has been overstated by R 1 299 982

Revenue: property rates

10. Management systems were not adequate for the updating of the valuation roll and billing system, and there were no satisfactory audit procedures that I could perform to obtain reasonable assurance that all property rates revenue was properly recorded. Consequently, I was unable to obtain sufficient appropriate audit evidence to satisfy myself as to the completeness of property rates revenue of R6 753 497 (2010: R7 590 559).

Revenue: prepaid electricity

11. There was no system of controls for the proper recognition of prepaid electricity revenue on which I could rely for the purpose of my audit, and there were no satisfactory alternative audit procedures that I could perform to obtain reasonable assurance that all prepaid electricity revenue was properly recognised. Consequently, I was unable to obtain sufficient appropriate audit evidence to satisfy myself as to the accuracy of the prepaid electricity revenue of R6 836 684 included in the sale of electricity as disclosed in note 12 of financial statements and the completeness of the payments received in advance of R202 734 as disclosed on note 8 of the financial statements.

Opinion

12. In my opinion, except for the effects of the matters described in the Basis for qualified opinion paragraphs, the financial statements present fairly, in all material respects, the financial position of the Blouberg Local Municipality as at 30 June 2011 and its financial performance and cash flows for the year then ended, in accordance with the South African Standards of Generally Recognised Accounting Practice and the requirements of the MFMA.

Emphasis of matters

I draw attention to the matter below. My opinion is not modified in respect of these matters.

Restatement of corresponding figures

13. As disclosed in note 27 to the financial statements, the corresponding figures for 30 June 2010 have been restated as a result of an error discovered during 2011 in the financial statements of the Blouberg Local Municipality at, and for the year ended, 30 June 2010.

Additional matters

I draw attention to the matters below. My opinion is not modified in respect of these matters:

Unaudited supplementary schedules

14. The supplementary information set out on pages **xx to xx** does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion thereof.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

15. In accordance with the PAA and in terms of *General notice 1111 of 2010*, issued in *Government Gazette 33872 of 15 December 2010*, I include below my findings on the annual performance report as set out on pages **xx to xx** and material non-compliance with laws and regulations applicable to the Municipality.

Predetermined objectives

Reliability of information

16. The reported performance information was deficient in respect of the following criteria:
- **Validity:** The reported performance did not occur and does not pertain to the entity.
 - **Accuracy:** The amounts, numbers and other data relating to reported actual performance have not been recorded and reported appropriately.
 - **Completeness:** All actual results and events that should have been recorded have not been included in the reported performance information.
17. The following audit findings relate to the above criteria:
- Sufficient appropriate evidence in relation to any of the selected Technical Services: Service Delivery and Infrastructure Development and Community Services: Service Delivery and Infrastructure Development could not be obtained. There were no satisfactory audit procedures that I could perform to obtain the required assurance as to the validity, accuracy and completeness of the reported performance against predetermined objectives.

Compliance with laws and regulations

Annual financial statements, performance and annual report

18. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122 of the MFMA. Material misstatements identified by the auditors were subsequently corrected, but the uncorrected material misstatements resulted in the financial statements receiving a qualified audit opinion

Procurement and contract management

19. Awards were made to providers who are persons in service of other state institutions in contravention of the requirements of SCM regulations 44. Furthermore the provider failed to declare that he/she is in the service of the state as required by SCM regulation 13(c).

20. The municipality did not sign written agreements with awarded service providers as per the requirements MFMA sec 116 and MFMA circular 25
21. Goods and services with a transaction value of between R2 000 and R200 000 were procured without inviting at least three written price quotations from prospective suppliers, as per the requirement of regulation 12 of SCM Regulation GRN 868 of 2005.

Expenditure management

22. Money owing by the municipality was not always paid within 30 days of receiving an invoice or statement, as required by section 65(2)(e) of the MFMA.
23. The accounting officer did not take reasonable steps to prevent unauthorised expenditure, irregular expenditure, fruitless and wasteful expenditure, as required by section 62(1)(d) of the MFMA.

Revenue management

24. The accounting officer did not take effective and appropriate steps to collect all money due to the municipality, as required in terms of section 64 of the MFMA.

Asset management

25. The accounting officer did not take all reasonable steps to ensure that the municipality had and maintained an effective system of internal control for assets (including an asset register reconciliation with general ledger) as required by section 63(2)(c) of the MFMA.

Budget

26. The municipality incurred expenditure in excess of the limits of the amounts provided for in the votes in the approved budget in contravention of section 15 of the MFMA.

Audit committees

27. The audit committee did not function as required by section 166 of the MFMA, in that:
 - The audit committee did not meet at least four times a year.
28. The performance audit committee or another committee functioning as the performance audit committee did not perform the following as required by Municipal Planning and Performance Management Regulation 14:
 - Review the quarterly reports of the internal auditors on their audits of the performance measurements of the municipality
 - Review the municipality's performance management system and make recommendations in this regard to the council of the municipality
 - Submit an auditor's report to the council regarding the performance management system at least twice during the financial year.

Internal audit

29. The internal audit function did not assess the operational procedures and monitoring mechanisms over all internal control system and compliance with legal and regulatory provisions as per the requirements of section 165 of the MFMA. The internal audit unit did not function as required by section 165(2) of the MFMA, in that:
 - Internal audit did not prepare a risk-based audit plan and an internal audit programme for the financial year under review;

- Internal audit did not report to the audit committee on the implementation of the internal audit plan;
30. Internal audit did not advise the accounting officer and report to the audit committee on matters relating to internal controls, accounting procedures and practices, risk and risk management and loss control
 31. The internal auditors of the municipality did not audit the performance measurements on a continuous basis, did not submit quarterly reports on their audits to the municipal manager and the performance audit committee as required by Municipal Planning and Performance Management Regulation 14
 32. The internal audit processes and procedures did not include assessments of the extent to which the municipality's performance measurements were reliable in measuring the performance of the municipality on key as well as general performance indicators as required by Municipal Planning and Performance Management Regulation 14.
 33. The internal audit processes and procedures did not include assessments of the functionality of the municipality's performance management system and whether the system complied with the requirements of the Municipal Systems Act as required by Municipal Planning and Performance Management Regulation 14.
 34. The municipality did not develop and implement mechanisms, systems and processes for auditing the results of performance measurement as part of its internal audit processes as required by section 45(1)(a) of the Municipal Systems Act and Municipal Planning and Performance Management Regulation 14.
 35. Internal audit did not report to the audit committee on matters relating to compliance with the MFMA, the Division of Revenue Act and other applicable legislation as required by section 165(2)(b) of the MFMA.

INTERNAL CONTROL

36. In accordance with the PAA and in terms of General notice 1111 of 2010, issued in *Government Gazette 33872 of 15 December 2010*, I considered internal control relevant to my audit, but not for the purpose of expressing an opinion on the effectiveness of internal control. The matters reported below are limited to the significant deficiencies that resulted in the basis for qualified opinion, the findings on the annual performance report and the findings on compliance with laws and regulations included in this report.

Leadership

- The accounting officer did not exercise oversight responsibility regarding financial and performance reporting and compliance and related internal controls
- The accounting officer did not implement effective HR management to ensure that adequate and sufficiently skilled resources are in place and that performance is monitored
- The accounting officer did not establish an IT governance framework that supports and enables the business, delivers value and improves performance.

Financial and performance management

- The chief financial officer did not implement proper record keeping in a timely manner to ensure that complete, relevant and accurate information is accessible and available to support financial and performance reporting

- The chief financial officer did not implement adequate controls over daily and monthly processing and reconciling of transactions
- The chief financial officer did not prepare regular, accurate and complete financial reports that are supported and evidenced by reliable information
- The chief financial officer did not review and monitor compliance with applicable laws and regulations
- Management did not design and implement formal controls over IT systems to ensure the reliability of the systems and the availability, accuracy and protection of information.

Governance

- Accounting officer did not ensure that the audit committee was operational throughout the year.
- Accounting officer did not ensure that an adequately resources and functioning internal audit unit was operational throughout the year.

Auditor-General
Polokwane

07 February 2012



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Notes

