

Annual Report

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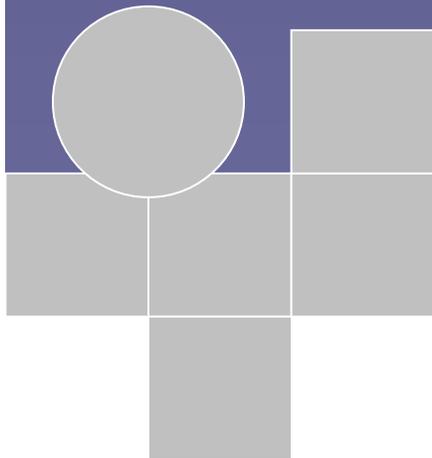
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**2010/2011**  
Financial Year



# **VICTOR KHANYE**

## **Local Municipality**

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ANNUAL REPORT

**2010**

**2011**

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**Foreword by the Executive Mayor  
Cllr EN Makhabane**



2010/2011 financial year was a very important year in the calendar of Local Government in that the Local Government Elections were held on 18 May 2011. Preparations for the elections had to be given priority but the municipality never faltered on the provision of sustainable services to our people.

We also should mention that the outgoing Council has laid a solid foundation for the municipality in terms of good governance hence the new Council will have a base to work on and also to improve where there is a need.

The municipality has also ensured that it is transparent in its dealings with the community in that community participation has been strengthened. The community is always at the forefront of development in the area. "For whenever men are not obliged to fight from necessity, they fight from ambition" – Niccolo Machiavelli, it is the standing vision of this municipality that the community is forever provided for with services.

The continuous lobbying undertaken by the Office of Executive Mayor with regards to Local Economic Development is indeed ongoing and will yield the desired results in the not so distant future. The commitment undertaken by this municipality regarding the provision of clean portable water will be realised through the soon to be operational water purification plant. This project will eventually address the quality of water. Construction work has also started on the Bloemendal Rand Water connection, a project which will address the quantity of water within the municipal boundaries.

The Sephaku Cement Plant construction has started in earnest, this will alleviate the joblessness within the municipal area. The office of the Executive Mayor has taken the fight against poverty to even greater heights through the provision of food parcels to needy families, through a partnership with various private sector organizations. Various needy school children were identified in our rural areas and they were provided with school uniforms and other essential materials to make their lives better.

The training of ward committee members as well as the working relations of the community development workers and the municipality indicates very clearly the strengthening of community participation face of governance.

The municipality is however still confronted by social ills such as unemployment, HIV/AIDS, crime, drug abuse by teenagers, etc, but the fight against all the ills mentioned is intensified by the revived intergovernmental committee chaired by the Executive Mayor. Everything and anything must be done to ensure that all government departments present within the boundaries of the municipality pull in the same direction to ensure that our people receive the various government products and services are easily accessed. The manifesto of the ruling party gives a clear guidance to the above aspects on integrated governance.

Emanating from the above, it is a clear indication that great strides have been made but more still needs to be achieved, for as long as most families remain income-less, and no one in that family is employed then government intervention in all aspects of our people's lives remains relevant.

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## **Foreword by the Acting Municipal Manager**

**Mr. BSS RIBA**

The year under review has been marked by unprecedented challenges one of which is the preparations for the local government elections. It became necessary that the current Mayor prepares a budget schedule that brings the review of the IDP and the tabling of the budget forward to late February or the beginning of March 2011. Then the current Council approved annual budget before the end of April 2011. On the other hand, the Municipal Demarcation Board had announced the increase of wards from eight (8) to nine (9) necessitating an increase in the number of Ward Committee Members from eighty (80) to ninety (90).

Invariably, our implementation capacity was to some considerable degree positively affected by these circumstances. In a way it broadened our scope of public participation. For the same reason we acknowledge that progress made, would not have been possible without the valued input from our communities.

Over the past year, this municipality has made great strides in ensuring open, democratic and accountable governance. Working together with all our constituencies, significant advances have been achieved in the realization of our objective to ensure good governance and sound administration. The establishment of Municipal Committee on Public Accounts, amongst others, bears testimony to this.

Our fiscal policy has provided a sound platform for our financial management. We have been declared to have conducted our financial affairs in a very exceptional manner. It is no surprise that we have succeeded in attaining a Clean Audit opinion from the Auditor General. Our title as the Ambassador of Clean Audits is here to stay. We, however, do not want to be complacent. We know full well that this achievement poses a challenge in that we have set for ourselves a standard to maintain.

The entire administration must be commended. It takes a concerted effort at all levels of the organization to uphold good financial management. Our employee corps continues to exceed our expectations through stringent application and adherence the legislative frameworks. Striving to achieve excellence often demands going well beyond their call of duty.

Yet on the Socio - Economic front development has not been as expected. Too many of our people are still living in poverty - unemployment and shortage of housing require of us to have more innovative solutions in the forthcoming year. Same applies on the provision of palatable water. The new Water Treatment Plant has reached its final stages and will be commissioned in the forthcoming year.

**In conclusion**, I find it incumbent upon me to express gratitude to the political leadership of the now ending term of Office of Council for the achievements the Municipality has attained. As we move into the 2011/2012 financial year, I wish to expressly welcome new political leadership for the starting term of Office. As Management we commit ourselves to work tirelessly with all our stakeholders in implementing the resolutions of Council. We trust that you will interrogate this Annual Report and put forth comments, opinions, criticisms and in certain areas, some due compliments.

**Thank you! Baie Dankie! Siyabonga! Siyathokoza! Hikhensile! Ndolebuha! Enkosi!**

## OVERVIEW OF THE MUNICIPALITY

Victor Khanye Local Municipality is a category B municipality situated within the Nkangala District Municipality in the Mpumalanga Province. The figure below shows the locality of Victor Khanye Local Municipality. It is located in the Western Highveld of the Nkangala District Municipality. Victor Khanye occupies a strategic geographic position within the Nkangala District municipality and covers approximately 1,570 km<sup>2</sup> in extent. It comprises of eight (8) municipal wards.

The Ekurhuleni Metropolitan Municipality, in the Gauteng Province, borders the Victor Khanye Local Municipality to the west. It is bordered to the north by the Kungwini Local Municipality, to the south by the Govan Mbeki and Lesedi Local Municipalities as depicted in Figure 1.

The Victor Khanye Local Municipality is strategically located in the provincial context, as it is located between Johannesburg in Gauteng and Nelspruit in Mpumalanga Province. It is also located close to the economically thriving metropolitan municipalities in Gauteng namely, Ekurhuleni and Tshwane. Furthermore, it is located 10KM from the N12 Highway, which joins the N4 Maputo corridor, the main link between Gauteng Province, Mpumalanga Province and Mozambique.

**Figure 1: Victor Khanye Locality Map**



Source: Spatial Development Framework, 2008

According to the 2001 Census, the total population of Victor Khanye Local Municipality is approximately 56 207 persons, which amounts to 5.5% of the total Nkangala District Municipality population (1 020 589) and 1.8% of the Mpumalanga province population (3 122 988 persons). Table A shows the population composition of the municipality. Of the population of 56 207 persons, 27 665 are male (49.2%) and 28 542 are female (50.8%).

However, the recent updates by the Department of Water affairs and Forestry indicate that the population is 61 625 with 0.58 annual population growth percentage.

For planning purposes, the Victor Khanye Local Municipality is working on the population figure of 61 625 at a growth rate of 9.5%.

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## GEOGRAPHIC LAYOUT

The area is approximately 1, 570 km<sup>2</sup> in extent. The area is mostly plain with a few rocky outcrops and meandering rivers. The average elevation is 1520 to 1640 metres above sea level. Settlements in the area are sparsely distributed with residential densities increasing away from the town centre. Urban settlements are found mostly in Eloff, Sundra, Delmas and Botleng. Rural settlements include Brakfontein, Argent, Arbor, Dryden and Waaikraal. Agricultural settlements in form of smallholdings are also found in Eloff, Sundra (Droogfontein and Reitkol), Strydpan and Delmas (Leeupoort). Dryden is also a railway settlement with industrial development such as BME and AFGRI.

Victor Khanye area falls within the Limpopo/Olifants catchments, however a small region towards the South forms part of the Orange /Vaal catchment. There are various rivers and watercourses traversing the area. The most important rivers include the Bronkhorstspuit River, the Wilge River and the Koffiespruit. There are numerous wetlands and environmentally sensitive areas associated with these rivers. The ground water levels rise above ground level forming natural ponds.

Farming is the most dominant economic activity in Victor Khanye Local Municipality, occupying approximately 60% of the total physical area. However, in terms of output and proportional contribution to the local economy, the largest sector is trade, followed by agriculture and mining sectors.

The area is defined by the major roads and railway linkages, which form major elements in its spatial structure. These elements in the transport network are:

- ☞ N12 connecting Delmas with towns in Gauteng e.g. Johannesburg and towns in Mpumalanga such as Ogies, Witbank and Nelspruit.
- ☞ R555 which connects Delmas with Springs and Witbank
- ☞ R50 which connects Delmas with Pretoria
- ☞ R42 which connects Delmas and Bronkhorstspuit

Victor Khanye Local Municipality is therefore linked to other economic centres within the country and the continent at large.

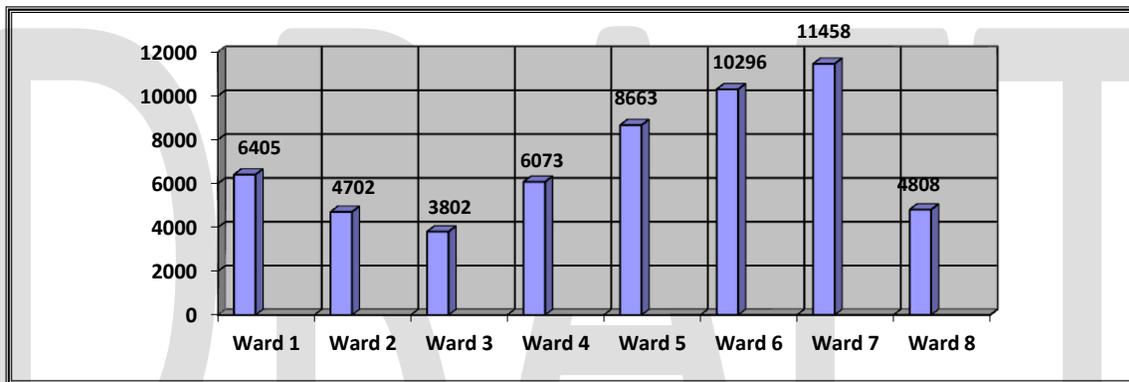
## DEMOGRAPHIC ANALYSIS

### Population and number of households

According to the 2001 Census, there were 56 207 people and 13 391 households in Victor Khanye Local municipality. The average household is 4.2 persons per household, which is slightly lower than that of the Mpumalanga province, which are 4.3 persons per household. Table A shows the concentration of people in Victor Khanye per ward

**Table A: Population by Ward**

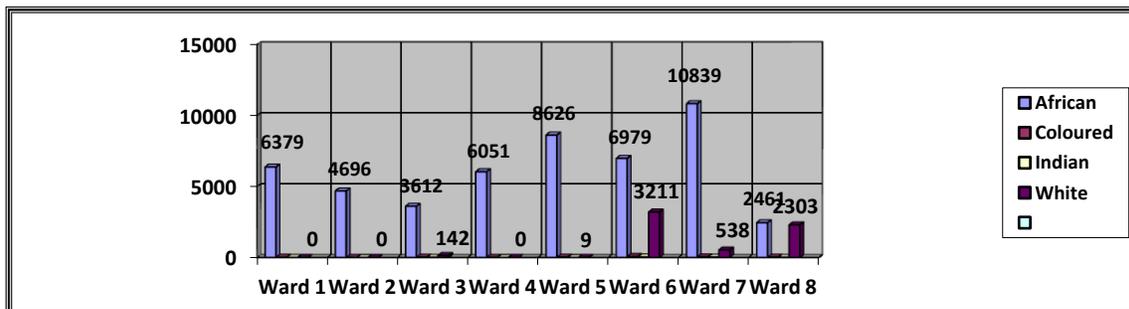
Source: Census 2001



The following table shows the categorisation of the population per race per ward. What is apparent is that generally there are more blacks than all other races combined and ward 6 is composed of more people, and then followed by ward 5. The main justification is that the most people are found in urban wards. Ward 6 combines both urban and farm villages.

**Table B:**

Source: Census 2001



**Table C: Population by Race, by Ward**

Ethnic Group	Total	Ward 1	Ward 2	Ward 3	Ward 4	Ward 5	Ward 6	Ward 7	Ward 8
<b>African</b>	49643	6379	4696	3612	6051	8626	6979	10839	2461
<b>Coloured</b>	258	20	6	30	18	28	70	52	34
<b>Indian</b>	102	4	0	18	3	0	37	30	10
<b>White</b>	6203	0	0	142	0	9	3211	538	2303
Total	56207	6405	4702	3802	6073	8663	10296	11458	4808

**Source: Census 2001**

The dominant language in Victor Khanye is IsiNdebele, which is spoken by 57.3% of the population, followed by isiZulu spoken 33% of population and Afrikaans (2%). A variety of languages are spoken in Victor Khanye None Urban.

According to the 2001 census, the male population contributes 49% and the female population 51% of the total population. The total number of people who are married is 13323 (23.7%), whilst 7.2% of male and female live like married couples.

In terms of age and gender, Victor Khanye has a relatively young population, with 54% of the population between the ages of 0 and 24 years. This is relatively lower compared to 58.9% in Mpumalanga Province. The percentage of pensioners in Victor Khanye is 4.8% as compared to 4.4% in Mpumalanga province and 4% in Gauteng.

### **Housing**

Victor Khanye Local municipality is facing numerous challenges in housing delivery to its citizens. This is witnessed by the high number of shack structures as main and second dwelling units as well as the development of squatter or informal settlements at the periphery of the predominantly Black urban areas. This state of affair is caused mainly by the natural population growth in most households resulting in the demand for more dwelling units and the influx of people in large numbers to these settlements from the surrounding farms. Provision of housing is the core function of the national and provincial departments of Housing and the municipality is playing the facilitating role. Although the national and provincial departments of housing put a lot of effort to provide housing and eradicate the squatter settlements in this Municipality the backlog is still high.

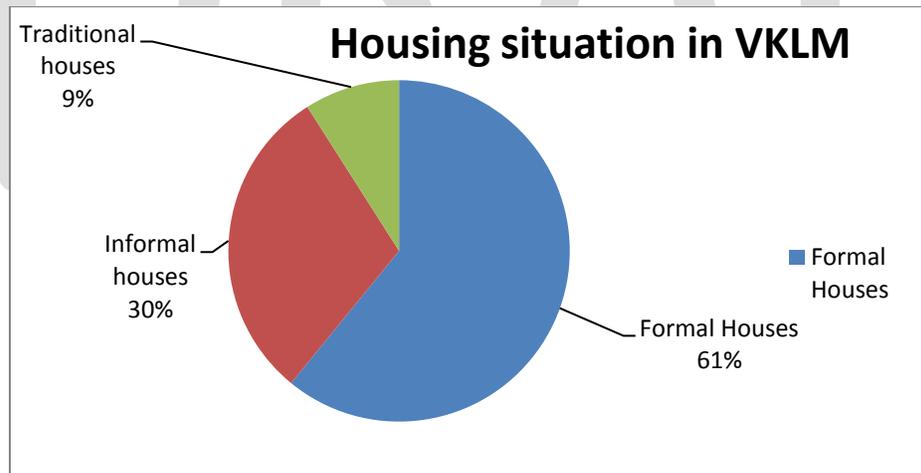
## Formal Housing

The majority of the population (58.7%) reside in a house or brick structure on a separate stand or yard, followed by 29% in informal dwellings and 8.7% in traditional structures. Although this information is from the official source, this figure is highly disputed as almost in every household within the predominantly Black communities is characterised by a backyard shack.

## Informal Housing

On the other hand, the number of informal dwelling/shacks in the informal or squatter settlements changed slightly from 24.5% to 25%. This reflects that the informal/squatter settlements are growing instead of decreasing and in terms of Victor Khanye 2008 Spatial Development Framework the highest number of informal dwellings/shacks are concentrated in Botleng with approximately 3 438 shacks. Due to the massive housing development currently taking place in Botleng Extension 5 this number has dropped to about 1 862.

**Figure 2: Housing Scenario**



**Source: Delmas LM SDF 2007/2008**

Home ownership is one of the important factors in establishing a stable community. It enhances social and economic stability and draws monetary power into the region, especially by tenure upgrading and the formalisation of informal settlements. According to the 2001 census, 42.9% of the population owned fully paid houses, 32.3% occupied rent free homes and 8.5% own houses which are not yet paid off.

**Table D: Dwelling Types by Ward**

Households	Total	Ward 1	Ward 2	Ward 3	Ward 4	Ward 5	Ward 6	Ward 7	Ward 8
Formal	8304	789	666	312	273	1 662	2 178	1 224	1200
Informal	3885	576	525	276	1 326	537	324	243	78
Traditional	1161	3	6	153	6	186	153	603	51
Other	39	3	3	0	12	6	6	6	3
<b>Total</b>	<b>13 389</b>	<b>1371</b>	<b>1 200</b>	<b>741</b>	<b>1 617</b>	<b>2391</b>	<b>2 661</b>	<b>2 076</b>	<b>1332</b>

Source: Delmas SDF

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## 1.2. EXECUTIVE SUMMARY

### VISION

"A cohesive, caring and prosperous community, within which a decent life is attainable within the parameters of sustainable development".

### MISSION

"A home to culturally diverse community, promoting local economic development, as well as creating a conducive environment by providing municipal services and embracing mining, commercial farming and agro-processing economic activities".

### MUNICIPAL CORE VALUES

- ☞ **Consultation** – This is a regulatory process by which the public's input is sought on matters affecting them. Its main goal is on improving efficiency, transparency and public involvement in large-scale projects, laws and policies.
- ☞ **Accountability** – The agencies involved in the management and implementation of projects should be procedurally and periodically be answerable to people.
- ☞ **Transparency** - The decision - maker should keep records of decision- making process and demonstrate how public input is being used.
- ☞ **Process equity** – The process should be balanced, fair to the public to negotiate their concerns, including the rights of the disfranchised and disabled people.
- ☞ **Outcome equity** - The outcome of the final product should be balanced and not biased towards a particular viewpoint or gender etc.
- ☞ **Excellence**- The stand we take, allows for performance that surpasses what was previously possible, performance that defies old limits and maps new territory
- ☞ **Access to information** - The Constitution gives every person the right of access to information, held by a public or private body for the exercise or protection of any right.

### **ACCESS TO FREE BASIC SERVICES**

The municipality fulfil the promise of giving access to the under-privileged or indigent households through the assistance of the Indigent Policy. Indigent's consumers get access to basic services (in terms of the Policy) such as "rates, refuse, sewerage, and 6kl of water and 50kw of electricity depending on their indigent status. However, free 6kl of water and 50kw of electricity are extended all consumers.

# *CHAPTER*

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*Performance  
Highlights*

## **INTEGRATED DEVELOPMENT PLANNING (IDP)**

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**Phase 1** The process was spearheaded by the Executive Mayor and the Mayoral Committee who embarked on intensive processes of internal and external consultation. First it was the adoption by the Council of the Process Plan which spells out clearly all the important milestones of the process to be followed. This document was made available for public scrutiny and formed the basis for open community discussions. The process as envisaged in the Process Plan commenced with the continued compilation of a summary of projects and tasks assigned to various departments and/or individuals for follow up. During this process the supplementary information required for the revision of the IDP was identified and actions taken to collect the necessary information. This included meetings and negotiations with the Nkangala District Municipality and Provincial Departments in order to align District, Provincially and/or nationally funded projects as contemplated in the IDP. During this process the situation regarding the appointment and conducting of sectoral strategic plans as listed in the IDP was also monitored

**Phase 2** Comprised of the revision and confirmation of priority issues as listed in the current IDP. Based on the activities conducted during July up to September 2009 and the findings and outcomes of certain actions, the technical committee was in a position to revise and elaborate and confirm the issues from the current IDP. The process took extensive community participation and was completed by the end of September 2009.

**Phase 3** Commenced during October and comprised the revision and confirmation of strategies associated with each of the priority issues identified. As previously, stakeholders like national, provincial departments and parastatals were involved.

**Phase 4** Commenced in November and the projects emanating from the priority issues and the strategies were revised and confirmed with the necessary additional project information.

**Phase 5** Commenced in mid November emanating projects were revised and confirmed in conjunction with integration components of the IDP.

**Phase 6** by December municipal draft IDP documents had been completed

**Phase 7** Final 2010/11 IDP was adopted as per Council Resolution, **A22/05/2010**

Public participation is a fundamental aspect of the IDP process and a public participation program was conducted both in terms of monitoring of implementation of the IDP as well as revision of the IDP process.

**Table E**

	August	September	October	November	December	January	February	March
Phase I: Implementation Monitoring								
- Assess IDP Process/ Content	Pattern							
- List Projects/Actions Emanating	Pattern							
- Compile Agenda for Implementation	Pattern							
- Implementation/Operational		Pattern	Pattern	Pattern	Pattern	Pattern	Pattern	Pattern
Phase II: Amend/Confirm Issues			Grey					
Phase III: Amend/Confirm Strategies				Grey				
Phase IV: Amend/Confirm Projects					Grey			
Phase V: Amend/Confirm Integration						Grey		
Phase VI: Compile Draft Reviewed IDPs							Grey	
Phase VII: Approve Final Reviewed IDP								Grey
Public Participation	Grey	Grey	Grey	Grey	Grey	Grey	Grey	Grey
Budgeting Process							Pattern	Grey

**Comments of the MEC**

After the adoption the IDP was submitted to the office of the MEC for Co-operative Governance and Traditional Affairs and outlined below is the comments from MEC:

In compliance with provisions of Section 32(2) of the Municipal Systems Act No. 32 of 2000, the Department conducted the following assessment on your IDP:

- (a) Municipality did not comply in relation to Chapter 5 of the Municipal Systems Act No. 32 of 2000 by submitting the IDP document after 10 working days.
- (b) Technical assessment in terms of the quality and presentation of information in the IDP document
- (c) IDP process (A.S.P.I.A methodology) as captured in the approved process plan of the IDP on Pg 10 –Pg 13.

- (d) Consultation with issues raised by communities is outlined on Pg 16 Pg 17, with communication through print and electronic media.
- (e) Vision and Mission of the municipality reflected on Pg 22 of the document.
- (f) Municipality's Strengths, Weaknesses, Opportunities and Threats reflected on Pg 23 of the document.
- (g) National and Provincial perspective clearly reflected on Pg 3 –Pg 7.
- (h) Key Performance Areas, Strategic objectives, Key performance indicators and objectives are outlined clearly with projects and budget for each project form Pg 33 Pg 123.
- (i) Projects addressing key priority issues as indicated per each priority issue on Section 6 of the IDP.
- (j) Municipal Turnaround strategy incorporated into the IDP on Pg 7.
- (k) Sector plans as per the core components of IDP clearly outlined on Pg 8.
- (l) It is commendable that your reviewed 2010/11 IDP meet the core components of an ideal IDP in terms of section 26 of the Municipal Systems Act 32 of 2000.

The Department would like to commend and acknowledge the efforts of the Municipality for taking into consideration the 2009/10 comments when reviewing and compiling the current IDP.

### **PERFORMANCE MANAGEMENT (PM)**

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All the Sect. 57 Managers had already been on the Performance Management System, with their performance contracts already in place. This was further operationalised through the development of the Scorecards that the Municipal Manager and Senior Managers use to regularly report on strategic priorities and service delivery targets. Outcomes of the mid-year performance review formed the basis of the Section 72 (MFMA) report presented to the Executive Mayor in mid-January 2010. The end of the year Annual assessment of the performance of the Municipal Manager and Senior Managers could not be finalized on due to the local government elections and the transitional arrangements in compliance with MFMA Circular No 54.

### **LOCAL ECONOMIC DEVELOPMENT (LED)**

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This is a core section of the Municipality entrusted with the task of initiating strategic Interventions in a bid to promote investment support SMMEs and develop Local Economic Development strategies and plans.

## **MINOR PROJECTS**

VKLM focused on SMME and Co-operative development, the LED Unit initiated formation of a small business Chamber, registration of four new Co-operatives three work-shops in Business management skills and numerous meetings in business support. Challenges faced by small businesses range from lack of business management skills, working capital and decent working premises. The Municipality supported a brick-making factory and an industrial laundry through linking these projects with potential support partners

## **MAJOR PROJECTS**

The anchor projects are Kusile Eskom power station and Nkangala Cargo Airport. Kusile Eskom power station former is at construction stage; at least 700 employment opportunities were created for the locals during 2010/11 period. Procurement opportunities and social labour projects were created by this project. Feasibility studies of the Nkangala Cargo airport have proved that this project is viable. The company is in the process of raising capital. The LED Unit has initiated development of a comprehensive LED strategy which will unlock developmental bottlenecks. Main challenges faced by potential investors are lack of investor initiatives and land.

## **TRANSVERSAL SERVICES**

Projects that were implemented during 2010-2011 financial year.

- Children's rally
- Renovating of Hlase's family house for dedicating sixty seven minutes.
- Launching Local Aids Council.
- Purchasing of Christmas gifts and school uniform for seven Primary School target was 10 learners per school.

## **YOUTH DEVELOPMENT**

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The Youth Development office is strategic in providing mechanisms to deal with the youth development issues. These programmes include the development of the youth development policy and strategy as well as to integrate issues of youth development into the mainstream of social development. The Municipality has appointed the Youth Development Manager in order to capacitate the Youth Development office.

Since July 2010 until June 2011 the office has successfully executed the following activities:

- Hosting of Inter-Provincial Debate festival for High schools in Victor Khanye and Ekurhuleni Metropolitan.
- Hosting of Spelling Championships for Primary Schools.
- Hosted the Youth Cultural Festival at FC Dumat Hall.
- Held Youth Imbizo's Ext3 (ward 03, 04 &05), Sinethemba & Delpark)
- Hosted the Youth in Gospel Festival at Sports Centre.
- Hosted the VICTOR KHANYE EASTER SPORTS TOURNAMENT (VFEST) where young people from the ages of 14 to 33 participated in different sporting codes and divisions.
- Facilitated the recruitment of more than 26 young people for the National Rural Youth Services Corps (NARSEC).
- Facilitated the recruitment and hosting of the ELECTRICAL and BOILERMAKING training in partnership with NYDA&MRIT were more than 45 young people benefited.
- Facilitated the recruitment and hosting of Proud to Serve Campaign a voluntary programme in partnership with NYDA focusing on DRUG and ALCOHOL abuse and HIV/AIDS.
- Facilitated the hosting of Skills Development Workshops focusing on Job preparedness and Life skills.
- Facilitated the hosting of the SMMEs workshop targeting young entrepreneurs.
- Facilitated the establishment of Arbor Youth Development centre at Arbor Primary School.
- Hosted motivational sessions for the matriculates class of 2010 at Botleng High School.
- Facilitated the allocation of the SAYC and NYDA office in No 1 Uganda Drive Delpark Ext 02.
- Facilitated the enrolment of more than 80 young people to EKURHULENI EAST COLLEGE.

## COMMUNICATION

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The mandate of COMMUNICATION is to provide the municipality with a comprehensive communication and marketing strategy that facilitates effective participation of all officials and members of the community in good governance, economic development and nation-building through sound communication interventions, stakeholder's engagement and marketing strategies. Looking back into the last financial year, Communication has since improved drastically, to mention but a few the following was implemented:

- Executed municipal website updates;
- Published and distributed four (04) quarterly newsletters;
- Printed and distributed desktop calendars;
- Printed prospectors aimed at attracting investors within the vicinity of Victor Khanye local municipality;
- Managed to handle all media enquiries with effectiveness and attention deserved;
- Appointed a service provider to design, draft and compile a Communication Strategy – not yet finalised.
- Issued weekly press releases;
- Continued to provide support to Task Team, established to fast track the a process of establishing a community radio station;
- Registered the new municipal website and emails domain;
- Introduced the SMS bundle system;
- Displayed the seasonal mayoral message on the billboard;
- Organised and Managed all municipal events;
- Organised and managed the 2010 FIFA World Cup Public viewing
- Secured sponsors for various municipal activities including the 2010 FIFA World Cup Fan Park;
- Exhibited at various municipal events

## **PERFORMANCE HIGHLIGHTS**

### **ROAD SAFETY**

#### **Driver's license testing center**

**Table F**

<b>LEARNERS AND DRIVERS LICENSE</b>	
<b>SUMMARY</b>	<b>NUMBER</b>
LEARNERS LICENSES ISSUED	2146
DRIVERS LICENSES ISSUED	3639
DRIVERS LICENSES WITH PDP ISSUED	868
<b>TOTAL NUMBER</b>	<b>6653</b>
VEHICLE REGISTRATIONS	10501
TEMPORARY PERMITS	261
<b>TOTAL NUMBER</b>	<b>10762</b>

The accident reports handled by the Accident report office for the Municipal area were 91. In order to provide a better service the following functions were performed;

1. A New Speed Checking Machine was acquired and commissioned.
2. Traffic Officers obtained subsidy vehicles.
3. Renovations and upgrading was done at the Traffic Offices in order to commission the new Learners License Centre in July 2011, in the 2011/2012 Financial Year

### **FIRE BRIGADE**

Victor Khanye Local Municipality is frequently affected by some hazards such as fire, vehicle accidents, technological and environmental threats, natural phenomena, service disruption and crime. Victor Khanye Local Municipality has a Disaster Management Plan that was reviewed and adopted by Council in June 2011.

Disaster Management incorporates the Fire Services as its primary response section as they are the first responders to incidents where life and property are under threat. The service is currently experiencing serious staff shortages as well as old equipment to perform their functions efficiently. Nkangala District Council has assisted with vehicles over the past two Financial Years with the addition of a Response Vehicle and a Hydraulic Rescue set. Another Pumper and grassfire vehicles have been purchased and will be delivered in the next Financial Year. A new risk assessment was performed and assistance requests were forwarded to the District Municipality as well as to the Mpumalanga Provincial Government. Risks identified are as follows;

1. Grass Fires are frequent during the Winter season
2. Shack fires have reduced somewhat, but are still a priority risk
3. Hazardous incidents have been identified as a risk due to its dangers; preparations for this Risk have not been dealt with sufficiently.
4. Severe Storms are frequent in the summer months with strong winds and heavy rainfall. Main problems experiencing is localized flooding due to storm water system overload and roof damages.

Vehicle collisions are also a constant risk that cannot be predicted, especially with the increase in road transport usages of both goods and passengers and the factor of the deterioration of the road condition. Planning is conducted frequently and the personnel are prepared to deal with collisions as and when they occur.

The following statistics are presented for incidents as serviced by the Fire Brigade during the 2010/2011 financial year;

**Table G**

Total amount of calls received	583
Total amount of vehicle collisions attended	199
Total amount of entrapped patients rescued from vehicles	27
Estimated annual Rand value loss towards vehicle collisions (Estimated costs were taken)	R 24 086 900
Total number of patients involved in vehicle collisions	827
Total number of critically injured	53
Total number of fatalities	62
Total time spent on vehicle collisions	381 hours and 3 minutes.

Total amount of fires responded to;

**Table H**

Grass fires	171
Building fires (dwellings, informal houses, commercial and industrial)	41
Vehicle fires	19
Miscellaneous fires (those not categorized)	11
Total estimated financial loss due to fires	R 15 356 620
Average loss cost per incident	R 63 457
Attending to Hazardous Materials Incidents (HAZMAT)	4
Total time used for fire fighting	413 hours and 39 minutes
Total time spent on non-essential and special services	308 hours and 14 minutes
Total time spent on HAZMAT incidents	5 hours and 22 minutes

On average the busiest hour of the service was between 16:00 and 17:00.

**Additional information**

1. The Fire Brigade conducted an awareness programme at the primary schools within the Municipality. Attention was given to children learning the emergency numbers and what to do during a fire.

2. A Response vehicle was received from Nkangala District Council as well as a Hydraulic Rescue set.
3. The Disaster Management Plan have been adopted by Council. The plan was upgraded to a level 2 plan.
4. Lightning caused a thatch roof structure to ignite in Rietkol. The fire destroyed the main structure, the fire department managed to protect the remainder of the thatch roof structures. During the investigation to the fire it was discovered that the structure was not in compliance to the approved plans. The matter was referred to the insurance company. It resulted in the owner bearing all the costs. The case was brought before the Gauteng South High Court by the owner. The case is still on-going.
5. Victor Khanye Fire Protection Association have been registered at the Department of Agriculture, Forestry and Fisheries DAFF, (formerly DWAF). The Chief Fire Officer has been appointed by the Minister responsible as the Fire Protection Officer under the National Veld- and Forest fire Act, Act 101 of 1998).

## **ENVIRONMENTAL HEALTH AND WASTE MANAGEMENT**

The development of new settlements puts pressure on the present resources, in such a way that the present landfill site in Botleng Ext. 4 has reached its capacity. The present households serviced within Victor Khanye Local Municipality are 12 794.

The building of a transfer station at Eloff has been put on hold since the Application for a License for the Transfer Station was denied by the Department of Environmental Affairs.

All pension pay points in the Municipal area were regularly visited to check compliance of food handling by hawkers and sale of illegal items. Hawkers are well controlled due to the ongoing training they receive from the Environmental Health Practitioners.

**Table I**

Inspections of food premises, hawkers	103
Number of water samples taken for compliance testing	242
Number of sewerage samples taken for compliance testing	47
Number of milk samples taken for compliance testing	15
Number of inspections done at sewer purification plants	24
Number of areas treated for pest control	18
Number of mass container removals performed	1644
Number of illegal dumping spots removed	90
Number of notices issued for overgrown stands	76
Number of cleaning campaigns conducted	1

### **The following events took place during 2010/2011:**

1. One Thousand Dustbins were distributed to indigent households through the ward Councilors and ward committees.
2. The stream through Botleng was cleaned during July 2010.
3. A feasibility study was done to determine if the current Landfill Site can be expanded or the second Phase of the Landfill Site should be developed. The report is awaited.

## **LIBRARIES**

In the Municipality there are three public libraries; one in Delmas, one in Botleng Ext. 3, and one in Sundra. These public libraries are the competency of the Mpumalanga Provincial Government and are managed by the Municipality on an agent basis. The public libraries have 10 422 registered members. The circulation of books was counted at 36 933 books for the 2010/2011 financial year.

The Library's biggest challenge is a shortage of new books and reference materials. A new multi-media reference section was established. The Mpumalanga Provincial Government acquired computers and only the Internet connection is needed.

## **ROADS AND STORM WATER**

Roads infrastructure in Victor Khanye area was originally designed for low volume traffic. The traffic volume has increased due to growth within the industrial and farming sectors. Sundra -, Eloff -, Leeupoort -, Rietkol Agricultural Holdings, Botleng and Delpark have inadequate storm water drainage systems. As a result certain houses are flooded during raining seasons. The estimated km of Municipal roads and Provincial roads around Victor Khanye is 245km and 170km (excluding 50 National Roads) respectively.

Eighty five percent (85%) of roads within the municipal vicinity are dilapidated as a result of increased traffic volume, especially heavy motor vehicles. There is a backlog in terms of maintenance of gravel roads as a result of old equipment and shortage of staff. The following areas are still having gravel roads:

- Botleng Proper, Botleng Ext. 1, 2, 3, 4, 5 and 6 - 45km
- Sundra and Eloff - 65km
- Delpark - 11km
- Delmas - 5km

Roads around Victor Khanye need to be upgraded including the newly developed areas. There is a challenged in terms of access to the following schools in Botleng Extension 3 and 4: Sizuzile Primary School, Phaphamani and MM Motloung Secondary Schools. Farm schools have been taken over by the Department of Education and as a result, access roads that were previously maintained by farm owners are totally neglected.

### **Tarring and Rebuilding of Roads**

#### **In Delmas**

1. First Avenue, Samuel Road and Portions of V/d Walt Street Delmas

#### **In Botleng**

1. Botleng Extension 5 : Main Road

#### **Storm Water:**

1. Botleng Extension 5

## **Maintenance**

The following maintenance was done:

1. Sundra / Rietkol Agricultural Holdings
2. Eloff Agricultural Holdings
3. Botleng Extension 3, 4 and 5
4. Delpark Extension 4
5. Argent, Savanna, Groenfontein, Waaikraal and Dryden Farms

## **PARKS AND RECREATION**

1. Cutting of grass - Parkerf 581 Delmas Extension 2
2. Cutting of grass - Botleng Park & Botleng Extension 3 Park
3. Cutting of grass - Delmas West park and open spaces
4. Cutting of grass - Delmas Sport fields (Rugby and Cricket)
5. Cutting of grass - Arts and Culture Centre
6. Cutting of grass - Eloff Community hall and water tower circle
7. Cutting of grass – Libraries
8. Cleaning of flower beddings at entrances of towns and CBD'S

## **Capital Projects.**

1. Construction of soccer field – Delpark Extension 4
2. Construction of soccer field – Delpark Extension 2
3. Construction of Tennis Court – Delpark Extension 4
4. Construction of Tennis Court – Delpark Extension 2
5. *Construction of soccer field – Botleng Extension 5*

Normal maintenance of the following sports fields was done as well as cutting of grass on side-walks and parks:

1. Delmas
2. Botleng
3. Rietkol- / Sundra- / Springs Agricultural Holdings

4. Eloff and Eloff Agricultural Holdings
5. Leeupoort Agricultural Holdings

## CEMETERIES

Victor Khanye Local Municipality has 3 cemeteries located in Delmas, Botleng and Sundra. Approximately 400 - 500 burials take place in all the 3 cemeteries per annum. There is no crematorium in the municipality.

The following work was done at Council's cemeteries:

### Cemeteries – General

1. Casting of tombstone foundations
2. Opening of graves for burials
3. Cutting of grass and cleaning of cemetery grounds
4. Fencing of 30% Delmas Extension 14 cemetery
5. Upgrading of toilet facilities

**Table J**

Cemetery	2007/2008	2008/2009	2009/2010	2010/2011
<b>Delmas</b>				
Burials	58	39	38	38
Value (R)	R 21 325	R 35 600	R 41 620	R 45 415
<b>Delmas X14</b>				
Burials	732	830	446	586
Value (R)	R 202 730	R 112 540	R 60 810	R 48 896
<b>Sundra</b>				
Burials	28	24	29	31
Value (R)	R 17 980	R 23 150	R 32 040	R 40 935

## D. SEWERAGE PURIFICATION

The capacity of the Delmas Sewer plant is 5ml and the Botleng 4ml; the two plants received almost 7-8ml and 5-6ml respectively per day. Thus, both plants are overloaded. In terms of Section 21 of the National Water Act (Act 36 of 1998), waste water treatment works discharging effluent into a stream or river must comply with certain standards. Overloaded waste water treatment plants rarely comply with these standards and further result in improper sludge handling, smell nuisance and substantial increase in maintenance costs. The overload is mainly caused by new residential and industrial development. Most rural communities are using pit latrines which contaminate ground water.

A sewer line pipeline at Kgomo Street in Botleng became inadequate with the development of Delpark Extension 4. This sewer pipe line cannot handle the load especially on rainy days. This results in blockages and overflow of manholes. The fall of the pipe is also no longer sufficient.

The resident of Sundra, Eloff, Rietkol, Leeupoort and Modder East Orchard are still making use of septic tanks and pit latrine. These areas are also making use of ground water for household purposes. The existing sanitation infrastructure is at risk of contaminating the ground water.

### 3 Delmas

**Table K**

	2008/2009	2009/2010	2010/2011
Samples			33
Purification (ml)			2880
Vacuum tank services		609	711
Value of Services (R)	263 624.93	299 483.70	358 059.60
Blockages	201 109220.10	284 94 499.80	318

### Botleng

**Table L**

	2010/2011
Samples	33
Purification (ml)	2160

### New Projects

- ❖ Upgrading of Botleng Waste Water Treatment Plant
- ❖ Biological toilets – Brakfontein, Arbor and Argent
- ❖ Cleaning of sludge dams at Delmas Waste Water Treatment Works

### WATER

Water supply in Delmas, Botleng, Delpark and other Extensions is supplied by means of boreholes. With the new developments in Botleng Extensions 5, 6 and other residential developments and the expansion of McCain Foods, the demand for water exceeds the supply. The demand for water will be 18Ml per day and the boreholes are delivering currently only 16Ml per day. Rand Water supplied to Eloff is used to augment the water supply to Delmas, which affect certain areas negatively e.g. Eloff Agricultural Holdings. Higher positioned areas experience water shortages when the level in the reservoirs reaches certain low levels e.g. Botleng Extension 4, Leeupoort Agricultural holdings, Eloff Agricultural Holdings, Delmas West and Delmas Extension 2.

Ground water contains high levels of Iron and Manganese which are oxidized by chlorine dosing. This results in brown coloured water. Two package plants installed at Botleng and Delmas reservoir reduce Iron and Manganese in the water. However, the old asbestos water pipes release the sediment layers formed in the pipes prior to the installation of the package plant. Furthermore, the A borehole field is bacteriological contaminated.

The old asbestos water pipes cause high frequently of pipe breakages which contributes negatively to the water shortage and water quality.

The rural communities around Victor Khanye receive their water supply from boreholes. However the communities are scattered all over the Municipal area e.g. Hawerklip situated approximately 21km South East from Delmas and Groenfontein situated 34km North East from Delmas. These communities receive water by means of a water tanker. The majority of the communities live on privately owned lands and the relevant owner responsible to provide services to people not working on the farm. Some of these rural boreholes are biologically contaminated, not maintained and/or dysfunctional.

## Water Consumption

### Delmas / Botleng

Table M

	2006/2007	2007/2008	2008/2009	2009/2010	2010/2011
Quantity pumped (kl)	1 552 360	5 743 084	7 005 864	6 936 138	5 763 610
Consumption (kl) (metered)	1 220 001	4 518 522		3 964 185	3 222 507
Loss (-) surplus (+)	332 359	1 224 562			2 541 103 -
Loss / Surplus %	-21.4%	21.3%			56 % -

- ❖ All above does not reflect rural consumption

### New Projects

- ❖ Water Tanker (Human Settlements)
- ❖ Replacement of asbestos pipes (NDM)
- ❖ Provision of water: Rural areas (NDM)
- ❖ Connection to boreholes (Department of Corporate Governance and Traditional Affairs)
- ❖ Connection to the Reservoirs and Pumping Station (Department of Corporate Governance and Traditional Affairs)

The following areas were supplied with water through a water tanker:

- ❖ Dryden
- ❖ Brakfontein
- ❖ Witklipbank
- ❖ Argent
- ❖ Savanna
- ❖ Groenfontein
- ❖ Hawerklip
- ❖ Olifantsfontein
- ❖ Arbor
- ❖ Botha's settlement
- ❖ Dwarsfontein
- ❖ Goedehoop
- ❖ Katboschfontein
- ❖ Kendal settlement
- ❖ Schoongesicht
- ❖ Waaikraal
- ❖ Welgelegen
- ❖ Wolvenfontein

## BUILDING CONTROL

Building plans submitted for approval:

**Table N**

	<b>2007/2008</b>	<b>2008/2009</b>	<b>2010/2011</b>
Plans submitted	133	124	166
Value (R)	R 84 375 585	R 58 005 465	R 73 267 958
Approval fee	R 142 049	R 381 102	R 545 072

### G. ELECTRICITY (REPORT ON STATUS)

Approximately 85% of the households in Victor Khanye Municipal area use electricity for cooking, warming and lighting. The remaining 15% includes residents of the rural areas and informal settlements or farm dwellers.

The electricity network within Victor Khanye Local Municipality is ageing and has become inefficient. The main electricity substation is under severe pressure and needs to be upgraded since the electricity demand is increasing due to the following:

- Electrification of 600 Houses – Botleng Extension 5 (VKLM)
- Electrification of Farm Worker houses - 72

### H. HOUSING

The delivery of housing units in the Victor Khanye Local Municipality is the function of the Mpumalanga Provincial Department of Housing. Victor Khanye Local Municipality has the following prominent areas:

- **Botleng and its extension:** predominantly a residential area for people in the lower income levels. This is where the housing demand is the highest as reflected by the concentration of squatter settlements on the periphery of the settlement as well as the development of backyard shack dwellings.
- **Delmas and its extensions:** including business and industrial area, and residential area for people in the middle and higher income levels.
- **Delpark and its extensions:** predominantly a residential area for people in the lower income levels.
- **Eloff:** predominantly an agricultural area.
- **Sundra:** predominantly an agricultural holding.

Following is the total number of informal settlements:

- Mawag – 1592 informal structures
- Mandela / Nkanini – 640 informal structures
- Waaikraal – 40 informal structures
- Savanna – 131 informal structures

Table O

## BACKLOG ON SERVICE DELIVERY

	30 JUNE 2009			30 JUNE 2010			30 JUNE 2011		
	Required	Budgeted	Actual	Required	Budgeted	Actual	Required	Budgeted	Actual
<b>WATER BACKLOGS (6KL P/MONTH)</b>									
Backlog to be eliminated (No. Of Households not receiving Minimum Standard of Service)	2868	1000	0	2828	1000	1000	1828	300	300
Backlog to be eliminated (% Households identified as backlog/ Total Households in the Municipality)	21.4%	-	-	21.1%	-	-	13.65	-	-
Spending on New Infrastructure Eliminate Backlogs(Rand '000)	82 000	8 596	1 855	45690	4088	473	10 000	5 500	5 500
Total Spending on renewal of Existing Infrastructure to Eliminate Backlogs (Rand '000)	7 000	7 000	7 000	15000	113	113	3 000	3 000	3 000
Total Spending on Infrastructure to Eliminate Backlogs (Rand '000)	89 000	15 596	8 855	60690	4201	586	13 000	8 500	8 500
Total Spending on Maintenance to Ensure No New Backlogs Created (Rand '000)	69 000	1 634	2 244	64 000	1 638	1385	45 000	37 694	45 570
<b>SANITATION BACKLOGS</b>									
	30 JUNE 2009			30 JUNE 2010			30 JUNE 2011		
	Required	Budgeted	Actual	Required	Budgeted	Actual	Required	Budgeted	Actual
Backlog to be eliminated (No. Of Households not receiving Minimum Standard of Service)	2868	1280	0	2828	1 000	1 000	1 828	150	150
Backlog to be eliminated (% Households identified as backlog/ Total Households in the Municipality)	21.4%	-	-	21.1%	-	-	13.06	1.12	1.12
Spending on New Infrastructure to Eliminate Backlogs (Rand '000)	8190	5601	0	15 600	5 800		45 000	45 000	45 000
Total Spending on Renewal of Existing Infrastructure to Eliminate Backlogs (Rand '000)	-	-	9	21	21	21	3 000	1 500	1 500
Total Spending on Infrastructure to Eliminate Backlogs (Rand '000)	8190	5601	9	15621	5821	21	48000	46500	46500
Total Spending on Maintenance to Ensure No New Backlogs Created (Rand '000)	7000	920	829	7000	920	829	7900	1498	1557

<b>ELECTRICITY BACKLOGS</b>									
	30 JUNE 2009			30 JUNE 2010			30 JUNE 2011		
	Required	Budgeted	Actual	Required	Budgeted	Actual	Required	Budgeted	Actual
Backlog to be eliminated (No. Of Households not receiving Minimum Standard of Service)	4292		1 050	771			171	1500	410
Backlog to be eliminated (% Households identified as backlog/ Total Households in the Municipality)	32.05%	-	-	7.98 %	-	-	1.77 %	-	-
Spending on New Infrastructure to Eliminate Backlogs (Rand '000)	276	2 608	174		100	496	4800	1500	3700
Total Spending on Renewal of Existing Infrastructure to Eliminate Backlogs (Rand '000)	276	-	-		900	130	2500	1000	300
Total Spending on Infrastructure to Eliminate Backlogs (Rand '000)	552	2 608	174		1000	626	7926	2500	4000
Total Spending on Maintenance to Ensure No New Backlogs Created (Rand '000)		1 187	973			110			
<b>ROADS BACKLOGS</b>									
	30 JUNE 2009			30 JUNE 2010			30 JUNE 2011		
	Required	Budgeted	Actual	Required	Budgeted	Actual	Required	Budgeted	Actual
Backlog to be eliminated (No. Of Households not receiving Minimum Standard of Service)	180	200	180	260	260	260	200	200	200
Backlog to be eliminated (% Households identified as backlog/ Total Households in the Municipality)	1.34%	-	-	1.94%	-	-	1.49%	-	-
Spending on New Infrastructure to Eliminate Backlogs (Rand '000)	5500	5500	5500	3500	3500	3500	2500	2500	2500
Total Spending on Renewal of Existing Infrastructure to Eliminate Backlogs (Rand '000)	-	-	-	3500	3500	3500	4000	4000	4000
Total Spending on Infrastructure to Eliminate Backlogs (Rand '000)	5500	5500	5500	7000	7000	7000	6500	6500	6500
Total Spending on Maintenance to Ensure No New Backlogs Created (Rand '000)		918	670		985	1207	45 000	13 088	43 676
<b>REFUSE REMOVAL BACKLOGS</b>									
	30 JUNE 2009			30 JUNE 2010			30 JUNE 2011		
	Required	Budgeted	Actual	Required	Budgeted	Actual	Required	Budgeted	Actual
Backlog to be eliminated (No. Of Households not receiving Minimum Standard of Service)	350	-	-	889	-	-	2232	-	-
Backlog to be eliminated (% Households identified as backlog/ Total Households in the Municipality)	5%	-	-	7.5%	-	-	13.35%	-	-
Spending on New Infrastructure to Eliminate Backlogs (Rand '000)	1.500	1.000	974	1.500	1.500	1.500	4.500	200	170
Total Spending on Renewal of Existing Infrastructure to Eliminate Backlogs (Rand '000)	200	150	130	500	300	272	300	280	72
Total Spending on Infrastructure to Eliminate Backlogs (Rand '000)	1.700	1.150	1.104	2.000	1.800	1.772	4.800	480	242
Total Spending on Maintenance to Ensure No New Backlogs Created (Rand '000)	1.200	1.200	1.118	1.500	1.500	1.293	1.500	1500	1.436

# *CHAPTER*

# 3

DRAFT

HUMAN  
RESOURCES AND  
ORGANISATIONAL  
MANAGEMENT

## POLITICAL OFFICE BEARERS

The Victor Khanye Local Municipality is a category B Municipality. It has a collective executive system combined with a ward participatory system in terms of the Local Government Municipal Structures Act, 117 of 1998. There are 17 councillors. Nine (09) of the seventeen (17) councillors are directly elected from the nine (09) municipal wards and the eight (08) councillors are proportionally elected and therefore represent the major political parties.

**The 09 ward councillors are as follows:**

**Table P**

Ward	Name of the Councillor
1	Cllr MM Nhlapho
2	Cllr BD Yeko
3	Cllr LN Mlambo
4	Cllr KV Buda
5	Cllr HM Ngoma
6	Cllr ET Shabangu
7	Cllr ZJM Zulu
8	Cllr DJ Bath
9	Cllr SS Nkabinde

**Table R**

Name	Position
Cllr EN Makhabane	Executive Mayor
Cllr KV Buda	Mayoral committee
Cllr SH Mahlangu	Mayoral committee

**08 proportionally elected Councillors are as follows:**

**Table Q**

Councillors	Political Party
Cllr EN Makhabane	ANC
Cllr RK Segone	ANC
Cllr SH Mahlangu	ANC
Cllr B Shabalala	ANC
Cllr MJ Rapatsa	ANC
Cllr M Rautenbach	DA
Cllr BS Rolisizu	DA
Cllr TM Maluleke	NFP

## MUNICIPAL COMMITTEES

### 1. Section 79 Committees

#### Geographic Names Change Committee

- |                          |                                |
|--------------------------|--------------------------------|
| 1. Cllr Zulu ZJM (Chair) | 4. Cllr Nkabinde SS            |
| 2. Cllr Ngoma HM         | 5. Cllr Segone RK (Ex-officio) |
| 3. Cllr Mlambo LN        |                                |

#### Local Labour Forum

- |                            |                                |
|----------------------------|--------------------------------|
| 1. Cllr Nhlapho MM (Chair) | 4. Cllr Buda KV                |
| 2. Cllr Shabangu ET        | 5. Cllr Rolisizu BS            |
| 3. Cllr Shabalala B        | 6. Cllr Segone RK (Ex-officio) |

#### Municipal Public Accounts Committee

- |                            |   |
|----------------------------|---|
| 1. Cllr Rapatsa MJ (Chair) | 6. Cllr Ngoma HM                        |
| 2. Cllr Rolisizu BS        | 7. Cllr Mlambo LN                       |
| 3. Cllr Shabalala B        | 8. Cllr Maluleka TM                     |
| 4. Cllr Bath DJ            | 9. Cllr Segone RK; Speaker (Ex-officio) |
| 5. Cllr Shabangu ET        |   |

#### Policy Development Committee

- |                                       |   |
|---------------------------------------|---|
| 1. Cllr Yeko BD (Chair)               | 5. Cllr Bath DJ                         |
| 2. Cllr Zulu ZJM                      | 6. Cllr Maluleka TM                     |
| 3. Cllr Rapatsa MJ                    | 7. Cllr Segone RK; Speaker (Ex-officio) |
| 4. Executive Mayor, Cllr Makhabane EN |   |

#### Rules and Ethics

- |                                     |                  |
|-------------------------------------|------------------|
| 1. Cllr Segone RK ; Speaker (Chair) | 3. Cllr Bath DJ  |
| 2. Cllr Buda KV                     | 4. Cllr Zulu ZJM |

## Section 80 Committees

### Finance, Administration & Economic development Portfolio Committee

1. Cllr Ngoma HM (Chair)
2. Cllr Zulu ZJM
3. Cllr Rolisizu BS
4. Cllr Mlambo LN
5. Exec Mayor, Cllr Makhabane EN

### Planning, Infrastructure, Transport & Safety Portfolio Committee

1. Cllr Nkabinde S (Chair)
2. Cllr Bath DJ
3. Cllr Buda KV
4. Cllr Shabangu ET
5. Cllr Maluleka TM

### Health, Sports & Social Services

1. Cllr Shabalala B (Chair)
2. Cllr Nhlapho MM
3. Cllr Yeko BD
4. Cllr Rautenbach M
5. Cllr Mahlangu SH

### Budget Steering Committee

1. Executive Mayor, Cllr Makhabane EN  
(Chair)
2. Cllr Zulu ZJM
3. Cllr Mlambo LN
4. Cllr Rolisizu BS

As per Council resolution S07/05/2011 the Speaker will be an ex-officio to all the section 79 committees (with the exception of the committee Chaired by him)

# Picture of the Councillors

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## ADMINISTRATIVE OFFICIALS

During the financial year under review the organizational structure that was adopted by Council constituted of the following directorates namely the political offices, (consisting of the Office of the Executive Mayor and the Office of the Speaker), the office of the Municipal Manager, the Budget and Treasury Office, the Directorate Community Services, the Directorate Corporate Services as well as the Directorate Technical Services. The Victor Khanye Local Municipality has a staff compliment of 329. The Municipality has within its financial means tried to fill all vacant and budgeted posts prioritising posts which have an impact directly on service delivery. The Municipal Manager as the Accounting Officer is the administrative head of the municipality with directorates divided as follows :



Mr BSS RIBA  
Acting Municipal Manager



Ms Solani G Ngobeni  
Director: Corporate Service



Ms Thembi Mdluli  
Director: Community Service



Mr Steven Weber  
Chief Financial Officer



Mr Obed Mahlabe  
Director: Technical Services

## BREAKDOWN OF STAFF PER FUNCTION

Table S

DEPARTMENT	TOTAL POST	FILLED	VACANT NOT FUNDED	VACANT FUNDED
Political Office	8	6	1	1
Municipal Managers Office	17	9	7	1
Corporate Services	32	21	10	1
Finance	52	46	6	1
Water	32	16	8	4
Sanitation	43	34	6	3
Electricity	18	15	0	3
Parks, Cemeteries & Building Control	52	30	16	6
Roads & Maintenance	30	17	8	5
Social Services & Library	19	13	4	2
Environmental Health	78	57	12	9
Public Safety	48	32	12	4
<b>TOTALS</b>	<b>429</b>	<b>296</b>	<b>90</b>	<b>40</b>

The following tables reflect the brake down of vacancies per departments. The tables reflect the total number of posts filled, post vacant and vacant (not-budgeted for)

Table T: Directorate: Budget & Treasury

Department	Post filled	Vacant (F)	Vacant (N/F)
Management	1	0	0
Secretary	1	0	0
Expenses section	7	1	1
Buying Store section	1	1	1
Procurement	8	1	1
Income section	29	6	2
System administration	1	0	0
<b>Total</b>	<b>48</b>	<b>9</b>	<b>5</b>

**Table U: Directorate: Technical Services**

Department	Post filled	Post vacant	Vacant(non-budget)
Management	0	1	0
Secretary & Admin Assistant	1	1	1
Spatial planning	1	1	1
Water	16	16	0
Sewer	44	6	6
Housing	1	2	2
Parks, cemeteries	32	9	8
Roads	18	8	8
Project Management	0	4	3
Cleaner	3	0	0
Electricity	18	3	0
<b>Total</b>	<b>134</b>	<b>51</b>	<b>29</b>

**Table V: Directorate: Community Services**

Department	Post filled	Post vacant	Vacant(non-budget)
Environmental affairs	57	22	13
Public safety	32	16	12
Libraries	6	2	2
Licences	1	1	1
Management	1	0	0
Secretary	0	0	0
Halls	3	2	2
<b>Total</b>	<b>100</b>	<b>43</b>	<b>30</b>

**Table U: Directorate: Corporate services**

Department	Post filled	Post vacant	Vacant(non-budget)
Management	1	0	0
Archives	2	1	1
Legal Services	1	1	1
Human resources	3	2	1
Estate and property	10	2	2
Secretariat	3	1	0
IT/IS	0	3	3
<b>Total</b>	<b>20</b>	<b>10</b>	<b>8</b>

**Table W: Municipal Managers office**

Department	Post filled	Post vacant	Vacant(non-budget)
Management	0	Municipal Manager	0
Secretary	1	1	0
Internal audit	3	1	1
Youth development	2	1	1
LED	1	0	0
Communication	1	1	0
Transversal	1	0	0
Driver/Messenger	0	1	0
Data Capturer	0	1	0
<b>Total</b>	<b>9</b>	<b>7</b>	<b>2</b>

**TABLE X: Political Office**

Department	Post filled	Post vacant	Vacant(non-budget
Management	1	0	0
Secretary	1	1	0
Public Participation	2	1	0
Driver	1	0	0
Cleaner	1	0	0
<b>Total</b>	<b>6</b>	<b>2</b>	<b>0</b>

**FILLING OF VACANT POSTS**

During the period under review the following posts were identified as vacant and needed to be filled in order to improve the levels of service delivery:

**Table Y: Vacancies**

Number	Position	Post Level
1.	MUNICIPAL MANAGER	CTI
2.	CLERICAL ASSISTANT (x 2)	12 – 10
3.	PLUMBER	6
4.	PA/MANAGER MAYOR'S OFFICE	CTI(3)
5.	SECRETARY SPEAKER	CTI (7)
6.	SECRETARY MAYOR	CTI(7)
7.	DRIVER/ PERSONAL SECURITY MAYOR	CTI(7)
8.	REFUSE REMOVER	16
9.	SECRETARY COMMUNITY SERVICES	7
10.	BUILDING INSPECTOR	5
11.	DRIVER GRADE 1 (x 2)	13
12.	SPECIAL WORKER	16
13.	LABOURER TECHNICAL	16
14.	LABOURER ELECTRICITY	16
15.	PARK ASSISTANT	12 – 10
16.	ELECTRICIAN (X 2)	6
17.	DRIVER GRADE 1 (WATER)	13
18.	FIELD WORKER	16
19.	FIRE FIGHTER (x 2)	10
20.	MANAGER TECHNICAL	1(CTI)
21.	DIRECTOR TECHNICAL	CTI
22.	PLANT OPERATORS x 6	12
23.	ASSETS MANAGER	4
24.	MANAGER TECHNICAL	1 (CTI)
25.	SYSTEMS ADMINISTRATOR	4

By the end of the financial year the following positions were filled.

**Table Z:**

Number	Position	Post Level
1.	CLERICAL ASSISTANT BUDGET & TREASURY	10-12
2.	PA/ MANAGER-EXECUTIVE MAYOR	3
3.	SECRETARY OF THE MAYOR	7
4.	SECRETARY OF THE SPEAKER	7
5.	BUILDING INSPECTOR	5
6.	PLANT OPERTORS x 6	12
7.	ELECTRICIAN	6
8.	DRIVER GRADE 1	13
9.	CLERICAL ASSISTANT STORES	12 – 10
10.	CLEARICAL ASSIATANT INCOME	12 – 10
11.	FIELD WOEKER BUDGET & TREASURY	16
12.	FIRE FIGHTERS x 2	10
13.	LABOURER	16
14.	PARK ASSISTANT	10
15.	SYSTEMS ADMINISTRATOR	4
16.	ASSETS MANAGER	4

### **EMPLOYEE WELLNESS**

The municipality has taken the necessary precautions to ensure that employees are given and receive the necessary wellness support as and when that is needed. This is done by creating an enabling and favourable condition for the pension and medical aid funds including continuous assessment of future risks liabilities:

### **Medical Schemes**

There are five medical aid schemes that are accredited by the South African Local Government Bargaining Council that are operational within the Municipality namely:

- Bonitas
- Key Health
- SAMWUMED
- Hosmed
- LA Health Discovery

## Pension Funds

The following pension funds have active membership within the municipality

- SAMWU National Provident Fund
- Municipal Gratuity Fund
- Municipal Councillors Pension Fund
- SALA Pension Fund
- National Fund For Municipal Workers (both 2% and main fund)
- Joint Municipal Pension Fund
- Municipal Employees Pension Fund

## Trends on the total personnel expenditure

The list below reflects the Human Resource actual expenditure during the past five financial years.

Table AA

Expenditure	2006/7	2007/8	2008/9	2009/10	2010/11
Budget	30 778 628	35 593 656	38 657 612	46 614 822	58 362 362
Actual	28 976 970	32 103 252	38 758 430	47 114 847	58 294 606

### 3.3. EMPLOYEE QUALIFICATIONS PROFILE: SKILL OR LEVEL OF QUALIFICATIONS ATTAINED BY STAFF

Table AB

<b>Skills or levels of education attained by staff (e.g. professionals, artisans and unskilled)NQF levels</b>	
<b>Professionals</b>	<b>4,5 and 6</b>
<b>Technicians and Associate Professionals</b>	<b>5 and 6</b>
<b>Clerks</b>	<b>4,5 and 6</b>
<b>Service and Sales Workers</b>	<b>None</b>
<b>Craft and Related Trade</b>	<b>None</b>
<b>Plant and Machine Operators &amp; Assemblers</b>	<b>3 and 4</b>
<b>Unskilled Labour</b>	<b>1 and 2</b>

Kindly take note that the training of staff is based on the Workplace Skills Plan that is submitted to the Local Government Sector Education and Training Authority (LGSETA) each year. We conduct a Skill Gap Analysis and Skills Audit to determine which of the staff members need urgent attention for training.

When appointing artisans e.g. Electricians it is a pre-requisite that the incumbent must be in possession of a trade test certificate. The Workplace Skills Plan for 2010/11 has been adopted and the implementation report for 2010/11 has been submitted to LGSETA as required by Skills Development Act. Grants totalling R135 380.52 were received from SETA during the period under the review.

**Table AC: Number of beneficiaries trained during the period under review:**

<b>COURSE</b>	<b>PROVIDER</b>	<b>SKILLS AREA</b>
<b>CPMD</b>	WITS	Project Management & Planning
<b>ELMDP</b>	UP	Management & Leadership
<b>JMDP</b>	0	0
<b>MMDP</b>	0	0
<b>MFMA</b>	UP	Financial
<b>Masters in Public Admin</b>	WITS	Project Management & Planning
<b>Traffic Diploma</b>	Boekenhout College	Social Development
<b>Event Management</b>	0	0
<b>Admin &amp; computer</b>	LIMCO	Administration
<b>B. Tech Cost Accounting</b>	UNISA	Finance
<b>Supply Chain Management</b>	0	0
<b>Archives and Records</b>	0	0
<b>Basic Operation Training</b>	26. Knowledge Base 27. Ambumed 28. Sejamo Building Civil and Engineering	Specialist Technical
<b>National Certificate in Municipal Governance</b>	UJ	Management and Leadership

# *CHAPTER*

# 4

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Functional Area of  
Service Delivery

Municipal manager's directorate is composed of different sections, the Internal Audit, Integrated Development Planning, Transversal Coordination, Communication, Youth Development and Local Economic Development. The core functions and scope of work for each section is defined in articles below.

- **INTERNAL AUDIT SECTION**

The section is responsible for monitoring and evaluating the quality of internal control systems and performance management practices in the municipality. Victor Khanye Local Municipality utilize the shared services of Nkangala District Audit Committee. This Audit Committee is mandated to oversee internal control and risk management practices, review financial reporting practices, checking the functionality of performance management system and reviewing the quarterly performance reports.

- **YOUTH DEVELOPMENT SECTION**

The young people within Victor Khanye are faced with different challenges among other perpetuating issues are drugs, high rate of HIV/AIDS and unemployment. Youth were highly marginalized by apartheid government which hampered their involvement into economic, political and environmental issues. The strategic intervention mechanisms put in place to deal with the issues are outlined as follows;

- ☞ To develop programmes aimed at building skills and technical capacity among young people within local government.
- ☞ To integrate issues of youth development into the mainstream of social development.
- ☞ To integrate youth development programs within government sectoral department.

- **LOCAL ECONOMIC DEVELOPMENT SECTION**

This is a core section of the municipality entrusted with the task of initiating strategic interventions that have been put in place and implemented in a bid to:

- ☞ Promote investment.
- ☞ Support SMME's and Co-operatives development.
- ☞ Develop LED strategies and plans.

- **COMMUNICATION UNIT**

Communication at is a strategic and planned process aimed at ensuring effective dialogue between the municipality and the community. Strategising for communication needs to be a frequent and ongoing exercise in Victor Khanye Local Municipality. This places a particular onus on Victor Khanye Local Municipality to fulfil a wide range of communication functions, such as'

- ☞ media liaison;
- ☞ marketing;
- ☞ advertising and branding; and
- ☞ direct and intensive unmediated communication.

## **INTEGRATED DEVELOPMENT PROGRAMME / PERFORMANCE MANAGEMENT SYSTEM**

The office is primarily responsible for driving the Integrated Development Planning (IDP) process, which in essence entails the strategic planning for the municipality's development agenda in accordance with its powers and functions. For the implementation of the IDP, the office facilitates the development, monitoring and reporting of a Service Delivery and Budget Implementation Plan. An important function related to IDP process is the consultation and communication process with the community, sectors and other stakeholders. Performance Management System is also aligned to the office. This function entails the development and upholding of a performance management system in accordance with a policy framework. The IDP/PMS manager is specifically responsible for strategic or organisational level performance management.

- **TRANSVERSAL AFFAIRS/HIV AIDS**

The function of this section is to advocate for the interest of the aged, disabled, women and children. In most cases people living with disability are often subjected to the assumption that they are not capable of anything, that results in high rate of unemployment for people living with disability and considered a charity case. Some families go to an extent of imprisoning them in their home. Gender inequality is one of the negative inheritances resulting from previous government. According to 2008/2009 IDP strategic objectives is:

- ☞ To ensure that all women are treated equally with their male counterparts.
- ☞ To promote a society that takes care of the needs of the vulnerable and destitute.

Budget and treasury directorate is divided into four sections revenue, supply chain management section, expenditure and financial administration.

### **REVENUE SECTION**

Payment of municipal accounts remains one of the major challenge in Victor Khanye Local Municipality, it's unfortunate that the rate of payment is reduced from 66% in the last financial year to 58%, this undesirable situation lead the municipality to take a loan amounting to 14 million rand to execute capital projects. It also contributes badly to budget and result in low rate of service delivery which is the core mandate of the municipality. There is high rate of people who are registered within the indigent database due high rate unemployment. Strategic objectives that have been put in place are as follows:

- ☞ To improve the payment of rates and taxes and services charges.
- ☞ To increase the staff efficiency and effectiveness.
- ☞ To enhance an advantage to collect from the consumers in Botleng extension three and extension five.

### **SUPPLY CHAIN MANAGEMENT UNIT**

Supply chain management policy was established in terms of Local Government Management Act (no 56 of 2003). The policy is not centralized, a challenge is that officials don't know how this policy works and the other challenge is that due to shortage of staff as a result of monetary constrains. Emerging service providers don't have knowledge regarding issues which can give them an edge on their business. The strategic objectives is:

- ☞ To establish the supply chain management unit, centralization of supply management function.
- ☞ To equip supply chain management officials in order to perform all function of SCM.

### **EXPENDITURE AND FINANCIAL ADMINISTRATION**

The effective management cash as well as cash flow to ensure that the municipality fulfil timeously its obligations towards service providers, personnel and other financial commitments. It is vital for both short term and long term survival of the municipality. Basic economic principles as well as the good and sound business practices are taken into consideration in the implementation of business practices and capital projects.

## Directorate: **CORPORATE SERVICE**

---

This Directorate plays a pivotal role in municipal governance and is responsible for the following functions:

- ☞ General Administration
- ☞ Human Resources Management
- ☞ Estate Administration
- ☞ Property Administration
- ☞ Legal Administration
- ☞ Archives
- ☞ Support Services

- **GENERAL ADMINISTRATION**

The tasks involved in the execution of this function includes amongst other procurement and dissemination of information, messenger services, safe custody of documents and registers of Council, typing, injury on duty administration.

- **HUMAN RESOURCES**

Personnel administration includes not only the ensuring that a proper duly comprehensive electronic as well as hard copy staff record system is in place and duly maintained, but also the recruitment process, leave administration, disciplinary and grievance procedures, occupational and health, injury on duty, skills development, employment equity, labour relations as well as the drafting of items, compilation and distribution of agendas, keeping of minutes of the proceedings and the finalization of resolutions in respect of the Local Labour Forum Meetings.

- **SECRETARIAT OF MEETINGS**

This function involves the drafting of items, compilation and distribution of agendas, keeping of minutes of the proceedings and the finalization of resolutions in respect of Council, Mayoral Committee, Sub and or Portfolio Committee Meetings.

- **ESTATE ADMINISTRATION**

The control over as well as cleaning of all of the municipal buildings/ offices, community halls and libraries are performed by this directorate. The rental of the various community halls and or equipment related thereto (chairs, tables, cutlery and table cloths) are also managed by this directorate. The security service which is outsourced is also managed by this directorate.

- **PROPERTY ADMINISTRATION**

The alienation (sale, purchasing, leasing and rental) of the fixed properties of Council are dealt with.

- **LEGAL ADMINISTRATION**

The functions in this regard includes amongst other:

- ☞ The drafting, verifying, scrutinising, proper record keeping of legal documents, agreements to be entered into by the council.
- ☞ The scrutinising of Government and Provincial Gazettes with the purpose to keep abreast with new and or amendments to legislation that is applicable to the local government sphere.
- ☞ The drafting, obtaining of approval and promulgation (bylaws) and maintenance, of Council's policy documents and bylaws.
- ☞ The maintenance of an electronic legal library.
- ☞ Legal opinion and advice

- **ARCHIVES**

All documents of this council are kept in the section referred to as Records. This section is not only responsible for the safe keeping of records but also receive, sort, electronically registers all incoming documents addressed to council after which it is referred to the relevant directorate for finalization and or comments. The original documents are filed as hard copy in the filing system kept in the section. This section is also responsible for reprography.

### **SUPPORT SERVICES**

This directorate is responsible to furnish the necessary equipment to the various directorates the rendering of the following support services:

- ☞ Postal
- ☞ Telephone
- ☞ Reprography (Photocopiers)
- ☞ Fax facilities

## **ENVIRONMENTAL HEALTH**

This directorate is responsible for ensuring that the environment is conducive to a healthy living of the community. Amongst others, the following are the tasks executed:

- ☞ Pest control
- ☞ Cleaning of vacant stands
  
- ☞ Protection of water resources (wetlands)
  
- ☞ Chemical safety
- ☞ Managing of illegal spots
- ☞ Inspection of funeral parlours
- ☞ Inspection of crèches
- ☞ Monitoring of waste water (sewerage effluent)
- ☞ Refuse removal
- ☞ Street sweeping
- ☞ Special removal (include medical waste)
- ☞ Managing landfill site
- ☞ mass container service
- ☞ Issue certificate of acceptability
- ☞ Shop inspections
- ☞ Health education to hawkers, shops and milk shops
- ☞ Taking milk, food and water samples

## **TRAFFIC DEPARTMENT**

The mission of the Traffic section is to render an effective and high quality service through a process of consultation and transparency in all facets of the traffic services and in rendering a service to the community of Victor Khanye Local Municipal are and its visitors by ensuring the free flow of traffic and safe environment. The following are the tasks executed:

- ☞ Speed checking
- ☞ Road blocks
- ☞ Road safety education
- ☞ Traffic signal observation (traffic lights)
- ☞ Funeral escorts
- ☞ Arrive Alive campaign
- ☞ Scholar patrols
- ☞ Road marking
- ☞ Testing of learners and drivers licences
- ☞ Issuing of learners and drivers licences
- ☞ Issuing of vehicle licences
- ☞ Issuing of special and temporary permits
- ☞ Scraping of vehicles (deregistration)
- ☞ Ordering of card-type drivers licences
- ☞ Registration of all vehicle

## **FIRE DEPARTMENT/ DISASTER MANAGEMENT:**

Delmas is frequently affected by some hazards such as fire, vehicle accidents, technological and environmental threats, natural phenomena, service disruption and crime. Victor Khanye Local Municipality has a Disaster Management Plan that is reviewed by-annually. Pertaining to Disaster Management, the fire services section is taking steps to ensure that the municipality will be prepared should a disaster occur. The following are the tasks executed:

- ☞ Disaster planning and coordination
- ☞ Risk and vulnerability assessments
- ☞ Fire suppression
- ☞ Fire safety
- ☞ Emergency response
- ☞ Humanitarian services
- ☞ Public education
- ☞ Maintaining a functional control room (emergency support centre)

## **SECURITY:**

- ☞ Access control
- ☞ Guards (outsourced)
- ☞ Armed response (outsourced)
- ☞ Alarms (passive protection)
- ☞ Camera surveillance

## **LIBRARY SERVICES:**

The main aim of this section is to render an effective and efficient library service to the community of Victor Khanye. In order for the municipality to reach that goal we provide an information and recreational service to adults, learners and students. The following are the services which can be accessed at the library:

- ☞ Issuing and controlling the return of books
- ☞ Reference enquiries
- ☞ Research (reference and internet)
- ☞ Photocopy and fax

## Directorate: **Technical Services**

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This Department is responsible for providing essential civil engineering services consisting of water, sewerage, waste management, waste water treatment, roads, storm water and related support services.

The department has the following six operational sections:

- ☞ Management and Support including Administration, Design and Planning, Management Information, Environmental Management and Contract Administration;
- ☞ Building Maintenance to municipal facilities;
- ☞ Roads, Storm Water and Traffic Engineering;
- ☞ Water and Sewerage services; and
- ☞ Sewerage Management including Sewerage water treatment works and cleansing services.

### **BUILDING MAINTANACE**

The main function of this section is to render a technical support service regarding maintenance, extensions and additions to municipal buildings and new building projects. The section also performs small building construction work and maintenance to municipal buildings and housing rental units.

The mission of this section is to maintain and develop the physical aspects of transport, roads and storm water systems required, to a standard that is legally required, acceptable and affordable to the community.

### **ROADS AND STORM WATER**

This Section consists of the Roads, Storm Water and Traffic Engineering subsections, and is responsible for extending and maintaining roads, streets and sidewalks, extending and maintaining storm water networks and systems and traffic engineering functions to the community within the municipal area.

### **WATER RETICULATION**

The mission of the subsection is to meet basic community needs through the provision of affordable and sustainable water related facilities and services to all residents.

The Water Reticulation Subsection is responsible for the extension and maintenance of bulk water supply pipelines and reservoirs, water supply pump-stations, reticulation pipeline networks including water connections and water meters as well as treatment of water supply from own sources. The section services all households, which are connected to the municipal water supply.

### **SEWERAGE RETICULATION**

The mission of the subsection is to meet basic community needs through the provision of affordable and sustainable sewer infrastructure and related facilities and services to all residents.

The Sewerage Reticulation Subsection is responsible for maintenance and extensions of sewerage pipelines and pump-stations, reticulation networks including sewerage connections, removal of blockages, sewerage tank removals as well as extension of basic services. The section services all households, which are connected to a municipal sewer system or equipped with a sewerage tank system.

This Department is responsible for providing essential electro-technical engineering services to the community. Apart from the operating, maintenance, upgrading and extension of the electrical networks – 66Kv, 11 kV and low tension networks, the department is also responsible for maintenance to electrical components.

## **CONCLUSION**

The Annual Report gives a comprehensive overview of the municipality's service delivery and performance during the 2010/2011 Financial Year. It enables the municipality to give a picture to stakeholders of the activities executed within the said financial year and how funds were utilised. The next section deals with the financial statements as audited by the Office of the AG.

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# *CHAPTER*

# 5 DRAFT

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**Audited Annual  
Financial  
Statements**



AUDITOR-GENERAL  
SOUTH AFRICA

The accounting officer  
Victor Kanye Local Municipality  
P O Box 6  
Delmas  
2210

30 November 2011

Reference: 02164REG10/11

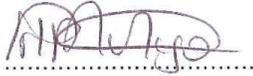
Dear Sir

**Report of the Auditor-General on the financial statements and other legal and regulatory requirements of Victor Kanye Local Municipality for the year ended 30 June 2011**

1. The above-mentioned report of the Auditor-General is submitted herewith in terms of section 21(1) of the Public Audit Act of South Africa read in conjunction with section 188 of the Constitution of the Republic of South Africa section 121(3) of the Municipal Finance Management Act of South Africa (MFMA).
2. In terms of section 121(3) (municipality) of the MFMA you are required to include the audit report in the municipality's annual report to be tabled.
3. Until the annual report is tabled as required by section 127(2) of the MFMA the audit report is not a public document and should therefore be treated as confidential.
4. Prior to printing or copying the annual report which will include the audit report you are required to do the following:
  - Submit the final printer's proof of the annual report to the relevant senior manager of the Auditor-General of South Africa for verification of the audit-related references in the audit report and for confirmation that the financial statements and other information are those documents that have been read and audited. Special care should be taken with the page references in your report, since an incorrect reference could have audit implications.
  - The signature *Auditor-General* in the handwriting of the auditor authorised to sign the audit report at the end of the hard copy of the audit report should be scanned in when preparing to print the report. This signature, as well as the place and date of signing and the Auditor-General of South Africa's logo, should appear at the end of the report, as in the hard copy that is provided to you. The official logo will be made available to you in electronic format.
5. Please notify the undersigned Senior Manager well in advance of the date on which the annual report containing this audit report will be tabled.
6. Your cooperation to ensure that all these requirements are met would be much appreciated.

Kindly acknowledge receipt of this letter.

Yours sincerely



.....  
Phetego Mokgope  
Senior Manager: Mpumalanga

Enquiries: Amit Bansal  
Telephone: (013) 756 0800  
Fax: (013) 756 0879

**REPORT OF THE AUDITOR-GENERAL TO THE MPUMALANGA PROVINCIAL LEGISLATURE  
AND THE COUNCIL ON THE VICTOR KHANYE LOCAL MUNICIPALITY**

**REPORT ON THE FINANCIAL STATEMENTS**

**Introduction**

1. I have audited the accompanying financial statements of the Victor Khanye 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 statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages xxx to xxx.

**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) and section 4 of the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), 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 audit opinion.

**Opinion**

7. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Victor Khanye Local Municipality as at 30 June 2011, and its financial performance and cash flows for the year then ended in accordance with SA Standards of GRAP and the requirements of the MFMA.

**Emphasis of matter**

8. I draw attention to the matter below. My opinion is not modified in respect of this matter:

**Material losses**

9. As disclosed in note 30 to the financial statements, material losses of R3 711 546 were incurred as a result of electricity distribution losses.

**Additional matter**

10. I draw attention to the matter below. My opinion is not modified in respect of this matter:

**Unaudited supplementary schedules**

11. The municipality provided supplementary information in the financial statements on whether resources were obtained and used according to the legally adopted budget, in accordance with GRAP 1 *Presentation of Financial Statements*. The supplementary budget information set out on pages XX to XX does not form part of the financial statements and is presented as additional information. Accordingly, I do not express an opinion thereon.

**REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

**Predetermined objectives**

12. There are no material findings on the annual performance report.

**Compliance with laws and regulations**

13. There are no findings concerning material non-compliance with laws and regulations applicable to the municipality.

**INTERNAL CONTROL**

14. 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. There are no significant deficiencies in internal control that resulted in a qualification of the auditor's opinion, findings on predetermined objectives or material non-compliance with laws and regulations.

*Auditor-General*

Nelspruit

30 November



AUDITOR-GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*