

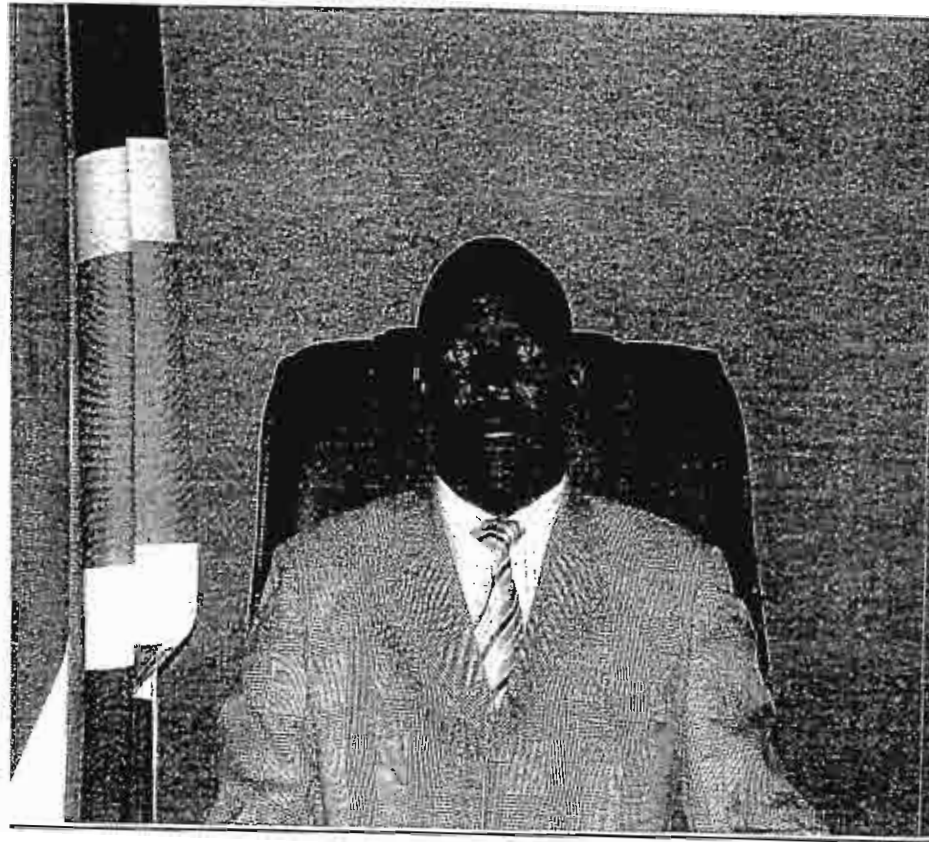
THABA CHWEU MUNICIPALITY



ANNUAL REPORT 2010 / 2011

DRAFT

THABA CHWEU LOCAL MUNICIPALITY



EXECUTIVE MAYOR
Cllr. M.M. MAROBELA

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THABA CHWEU MUNICIPALITY

Our Vision

Tourism home to the scenic
wonders of Africa.

Our Mission

To provide a tourism based developmental
local government by rendering:

- World Class Quality Services
- Socio and Economic Development
- A Safe and Healthy Environment
- Public Participation
- Tourism Enhancement

Foreword by Mayor

Welcome to the New financial year 2011 / 2012 this we are certain will indeed prove to be a watershed period in which we ,as a community of Thaba Chweu spare neither time nor energy to reposition our municipality among the best in the country through our collective efforts.

We are emerging from a painful era that was characterized by conflict and pessimism. The hour before dawn is the darkest and so be it with us. 2009/2010 should perhaps be regarded as such.

The pain that we have endured to date must encourage all of us to look towards our imminent comfort. The new year should therefore find a meaning similar to the phenomenon of the "crack of dawn".

The cooperation by communities during the past year through the organized structures enhanced the effectiveness of our Service Delivery Programme. This is appreciable. We also acknowledge that we as the municipality did go through a crises and we were under Administration in terms of Section 139(b). This in fact was correct medicine to steer the ship back in the right direction. With strengthening of the top structure that took immediate and decisive decisions the ladder of success was steadily climbed. Work must still be done in this sphere but a harmonious and stable climate was created to the benefit of all.

While we remain committed to the delivery of affordable services to all communities, the delivery of free water and electricity in terms of our indigent policy is in progress. We acknowledge the support and cooperation from administration level. It is also imperative to congratulate the hard work of all staff and urge them to strengthen the unity in our strive to better life for all

Together we can do more!!

.....
Cllr Mr. M. M. Marobela
The Executive Mayor of Thaba Chweu Local Municipality
28th January 2012

CHAPTER 1

INTRODUCTION AND OVERVIEW

GEOGRAPHY

Thaba Chweu Municipality came into being after the December 5th 2000 local government elections and it encompasses the following disestablished municipalities:

- Belfast TRC (Portion)
- Lydenburg TRC (Portion)
- Lydenburg TLC (Whole)
- Graskop TLC (Whole)
- Pilgrim's Rest TRC (Whole)
- Sabie TRC (Whole)
- Nelspruit (Portion)

Thaba Chweu Municipality is located in the northwestern region of Mpumalanga Province and covers an area of 5 680.71 km². The escarpment divides the district into eastern and western halves. The Western half (Lydenburg district) is dominated by agricultural and farming activities while forestry is the main economic activity of the Eastern half (Sabie/Graskop district). Thaba Chweu is one of the major tourist attraction areas in the Republic of South Africa and includes the following regions: Sabie/Simile/Harmony Hill (referred to as "Sabie"), Lydenburg/Mashishing/Kellysville (referred to as "Lydenburg"), Pilgrim's Rest, Graskop and Leroro/Moremela/Matibidi (referred to as Graskop), Lydenburg, Sabie and Graskop are the core service centers of the entire municipality. The municipality is subdivided into 14 wards and has a total of 27 Councillors of which 14 are ward councillors and 13 are Proportional Representation councillors. Table 2 indicates the different wards and the areas constituting the municipal area.

Mashishing

This is the oldest town in the province and the hub of heritage where amongst others, the famous Lydenburg Heads which said to date back to 400 AD were found in the 1950's. Also found here are the old stone houses. Most of all is this is the home of Trout fishing.

Graskop

The area is the home to the Three Rondavels, The Blyde Canyon, Potholes, God's window, The Pinnacle, Berlin, Lisbon and Graskop Falls, all of which are world renowned heritage sights and form the Panorama Route. Graskop is a tourist town.

Sabie

When travelling east of Mashishing through the Long Tom Pass there are hectares of pine plantations, the road twist and meanders in the mountains which are part of Drakensberg mountain range. Mountains covered with white snow caps during winter and green vegetation in summer with occasional mist.

The Economic Potential of Thaba Chweu

Tourism:

Thaba Chweu offers unique opportunities for tourism development through:

- Marketing, promotion and packaging of tourist sites and experiences
- Opportunity exists for accommodation development



- Tour guide and tour operator development
- Cultural village and township tourism establishment
- Arts and crafts development

Agriculture

Thaba Chweu is dominated by forestry, beef, peaches, kiwis, maize, and citrus production. The climate which is characterized by the up to 735mm rainfall makes Thaba Chweu ideally suitable region for such production. Pilgrims rest citrus production together with a number of citrus productions in the country forms largest citrus in the Agriculture sector are:

- Expansion and diversification of existing
- Agriculture products



- Agro-processing of citrus and meat
- Opportunities through backward and forward and forward economic linkages.
- SMME opportunities in the forestry sector

Mining

The Bushveld Complex of Platinum Group Metals which runs through Limpopo and Mpumalanga offers great economic potential. Mining activity has in the past three years increased reasonably dominating with platinum and gold, found in the western side of the municipality and around. Thaba Chweu boost some chrome production in the west western parts of the municipality and existing opportunities are:

- Small Scale mining

- Downstream beneficiation of minerals
- Ferrochrome for steel production
- New entrants through to mainstream industry for BEE (Black Economic Empowerment)

MUNICIPAL WARDS

WARD	DESCRIPTION
1	Portion of Mashishing Township
2	Portion of Mashishing to the east, Kellysville and Skhila
3	Portion of Mashishing to the west
4	Rural areas west of Lydenburg and Mashishing known as Coromandel
5	Rural areas north-west of Mashishing known as Shaga and Draaikrall
6	Portion of Simile and eastern rural areas
7	Sabie town, Harmonyhill and small portion of Simile
8	Matibidi
9	Moremela and Leroro
10	Graskop, Pilgrim's Rest and northern rural areas
11	Rural area south of Sabie and Graskop towards White River (known as Brondal)
12	Lydenburg town
13	Pilgrim's rest
14	Portion of Lydenburg

Table 2: Municipal Wards (Source: Thaba Chweu Local IDP 2003)

AREAS CONSTITUTING THE THABA CHWEU MUNICIPALITY

TOWNS AND VILLAGES

In terms of the Municipal Demarcation Board the Thaba Chweu Local Municipality consists the following areas:

Towns and Villages: Graskop, Sabie, Simile, Marambane, Mashishing (Lydenburg), Hendriksdaal, Leroro, Matibidi, Moremela, Badfontein, Blyde, Brondal, Buffelsvlei, Goedewil, Graan, Klein-Sabie, Klipskool, Krugerspos, Maartenshcop, Mauchberg, Pilgrim's Rest, De Berg, Vermont.

The towns of Mashishing (Lydenburg), Sabie and Graskop serve as the Municipality's main administrative units with Mashishing (Lydenburg) as the Municipality's head office.

POPULATION SIZE

As per the 2001 census data, the Municipality's population is estimated at 81 240, which is 8,6% of the Ehlanzeni District Municipality's population. As Figure 1 depicts, 86,0% of the Municipality's population is made out of Africans; 11.7% Whites; 2.0% Coloured and 0.4% Indians. Table 3 shows the Municipality's population size, gender and age structure per ward. In terms of gender there is more or less a balance between males and females in which 50.2% of the population is female and 49.8% of the population is younger than 5 years, 18.9% aged between 5 and 14 years, 37.7% aged between 15 and 34 years, 29.4% aged between 35 and 64 years and 4.4% aged over 65 years. The ward with the largest population size is ward 4 followed by ward 9 and 8, which are rural wards.

Population Size and Age Structure Per Ward – 2001													
Persons	WARD												Total
	1	2	3	4	5	6	7	8	9	10	11	12	
Males – 0 to 4	195	399	330	609	303	246	177	426	399	255	345	234	3918
Males – 15 to 34	435	696	660	127 5	315	417	408	108 9	114 9	501	276	378	7599
Males – 15 to 34	103 8	112 5	125 4	156 0	1596	121 5	100 5	126 6	139 2	129 0	188 1	792	1541 4
Males – 35 to 64	112 5	774	759	113 4	1506	870	906	588	693	120 6	191 7	579	1205 7
Males – Over 65	234	57	54	204	99	78	123	195	180	108	72	63	1467
Females – 0 to 4	180	396	363	600	228	216	183	441	435	261	312	189	3804
Females – 5 to 14	495	738	648	126 6	381	411	432	104 1	119 4	486	291	402	7785
Females – 15 to 34	963	146 1	133 2	161 4	1299	111 6	912	148 5	166 5	114 9	138 0	876	1525 2

Females – 35 to 64	122 7	825	789	118 8	915	855	909	106 5	113 1	981	129 0	636	1181 1
Females – Over 65	357	129	108	267	39	57	135	375	381	111	48	126	2133
Males Total	302 7	305 1	305 7	478 2	3819	282 6	261 9	356 4	381 3	336 0	449 1	204 6	4045 5
Females Total	322 2	354 9	324 0	493 5	2862	265 5	257 1	440 7	480 6	298 8	332 1	222 9	4078 5
TOTAL	624 9	660 0	629 7	971 7	6681	548 1	519 0	797 1	861 9	634 8	781 2	427 5	8124 0

Table 3: Population Size and Age Structure Per Ward (Source: Stats SA 2001)

According to the 2001 Census, 69,1% of households (14 556) lived in formal housing types, 21,5% (4 533) in informal, 9.0% (1 894) in traditional and 0.4% (91) other housing types (Table 8). Informal housing is still prevalent and increasing in wards in the three main towns of the municipality, which are ward 3 with 60.9%, wards 6 and 7 with 43.2% and 40.3% respectively. In the past year the Provincial Department of Local Government and Housing has been busy with a number of housing projects. This increase in the number of informal housing is attributed to the uncontrolled influx of people to these towns.

Number Of Households In Each Type Of Dwelling Per Ward												
	WARDS											
Dwelling Type	1	2	3	4	5	6	7	8	9	10	11	12
Formal	1746	1401	678	948	927	1053	1062	1512	1290	1719	1596	618
Informal	18	294	1080	96	102	834	735	153	411	342	39	426
Traditional	33	171	15	651	123	15	12	162	444	24	159	84
Other	6	3	0	6	3	27	12	0	9	18	6	0

In 2001, 40.9% (8 624) households used electricity, 35.3% (443) households used wood and 18.5% (3 903) households used paraffin as source of energy for cooking, as shown in Figure 9, (Source: Statistics SA Census

2001). Most of the households, for instance 76.7% within Thaba Chweu can access electricity (DPLG Database, 2004).

VALUES AND PRINCIPLES

Integrity
Accountability
Developmental & Environmental conservation
Impartiality
Responsiveness
Patriotism
Professionalism
Good Governance, and
Transparency

The above values will find expression through:

- Adhering to a high standard of professional ethics that will be promoted and maintained;
- Promoting the efficient, economic and effective use of resources;
- Impartially, fairly and equitably providing services to the community;
- Responding to the needs of the community;
- Encouraging community participation in the policy making mechanisms of the municipality;
- Staying accountable to the public, as a municipality; for decisions and actions taken;
- Demonstrating transparency, through providing the public with timeous, accessible and accurate information;
- Maintaining objectivity, fairness and adherence to the Employment Equity and Black Economic Empowerment Acts within the employment policies and practices of the municipality; and

- Structuring and managing the administration, budgeting and planning processes of the municipality to give priority to the basic needs of the community (including the indigent).

GOALS

- Provide a democratic and accountable local government to the community of Thaba Chweu;
- Provide sustainable services to the communities of Thaba Chweu;
- Promote social and economic development within the Municipal area;
- Promote a safe and healthy environment; and
- Elicit the participation of the community in the matters of the municipality.

OBJECTIVES

PRIORITY AREAS	ACTIVITIES	BUDGET PROVISION	RESPONSIBLE PERSON	TIME FRAME
Maintenance of Political Stability	Know and perform in accordance to your roles and responsibilities as a politician Political cohesion	YES	Executive Mayor, Speaker and Chief Whips	Continuously
Financial Management/Viability				
Revenue Management	Improve debt collection and income generation	YES	CFO	30 June 2011
Asset Management	To compile an asset register in a document form	YES	CFO	30 March 2011
Investment Management	To acquire a short term insurance			
Budget Control	To monitor all expenditure as per approved budget	YES	CFO	30 June 2011
			CFO	30 June 2011
Commitment (By both Politicians and Officials) towards effective and efficient service delivery	<ul style="list-style-type: none"> Meeting due dates Passion-Building Commitment Design weekly work 	NO	Executive Mayor Speaker and All HOD's	CONTINUOUS

	<p>schedules with Supervisors.</p> <ul style="list-style-type: none"> • Demand weekly Supervisors minutes together with attendance register. • Keeping of attendance registers • Concerns of the workers • Feedback • Strengthening of LLF • Communication • Development of a Hot line • Praising • Team building/informal get together • Engage to brainstorm 			
Economic Growth	<ul style="list-style-type: none"> • Develop Spatial Development Framework and Land Use Management System. • Develop LED and Tourism Strategy. • Acquire land for economic development. • Conduct land audit. • Provide bulk services • Develop infrastructure 	<p>YES</p> <p>YES</p> <p>YES</p> <p>YES</p> <p>YES</p> <p>YES</p>	<p>Director Technical and Engineering Services*</p> <p>Municipal Manager Municipal Manager Director Corporate</p>	<p>December 2010</p> <p>End June 2010</p>

	<ul style="list-style-type: none"> Encourage establishment PPP's 	YES YES	Director Technical Executive Mayor Communication and Marketing Officer All Directors	
Skills/Lack of capacity.				
Skills Acquisition	Develop an individual intervention plan Develop a Scarce Skills Retention Policy.	NO	Senior Manager: Institutional Development and Transformation	End September 2011

THABA CHWEU MUNICIPALITY STRATEGIC FIVE YEAR IMPLEMENTATION PLAN

Strategic Objective 1: Provide access to basic services						
KPA 1: The TCLM will provide basic services to all community members regarding housing, potable water, sanitation, waste removal, electricity, and a safe and healthy environment						
HOW? (Main projects /activities)	Outcomes: Year 1	Outcomes: Year 2	Outcomes: Year 3	Outcomes: Year 4	Outcomes: Year 5	

1.1 Integrated formal housing strategy & implementation plan	<p>Integrated housing strategy and implementation plan approved by Dept. of Human Settlements & TCLM Council</p> <p>✚ Housing developments already under construction completed</p>	<p>35% of identified housing needs addressed across all wards</p> <p>✚ Dolomite investigation & management plan completed</p>	<p>55% of identified housing needs addressed across all wards</p>	<p>75% of identified housing needs addressed across all wards</p>	<p>95% of identified housing needs addressed across all wards</p>
1.2 Implementation plan that ensures all communities have access to potable water	<p>Needs analysis relating to water requirements completed and implementation plan approved by Council</p> <p>Access to water capital projects to the value of R35m undertaken as per Tech. Dept. plan</p>	<p>Access to water capital projects to the value of an additional R82m undertaken as per Tech. Dept. plan</p> <p>✚ Connection of Harmony Hill reservoir to</p>	<p>Access to water capital projects to the value of an additional R63m undertaken as per Tech. Dept. plan</p> <p>✚ Construction of additional Lydenburg reservoirs</p> <p>✚ Start of bulk water reservoir</p>	<p>Access to water capital projects to the value of an additional R33m undertaken as per Tech. Dept. plan</p> <p>✚ Construction of Lydenburg reservoirs</p> <p>✚ Completion of Simile upgrades</p>	<p>Access to water capital projects to the value of an additional R31m undertaken as per Tech. Dept. plan</p> <p>✚ Lydenburg reservoirs completed</p> <p>✚ Dullstroom Rd reservoir completed</p>

	<ul style="list-style-type: none"> ✚ Upgrading Lydenburg water treatment plant ✚ Bulk water supply to Draaihoek settlement ✚ 14.3% of capital project spend completed 	<ul style="list-style-type: none"> Ext 3 ✚ Provision of water to Simile informal settlements ✚ Lydenburg Ext 6 reservoir ✚ Shaga bulk water supply ✚ Start of Moremela bulk water supply ✚ Construction of Dullstroom Rd. reservoir ✚ Water reticulation to Leroro ✚ 47.9% of 	<ul style="list-style-type: none"> ✚ Simile reticulation upgrades ✚ Mashishing reticulation upgrades ✚ Sikhila reticulation upgrades ✚ Provision of water supply to Stasie; 4x4; & Motibidi ✚ Moremela bulk supply ✚ Graskop upgrades 73.7% of capital project spend completed. 	<ul style="list-style-type: none"> ✚ General water network upgrading ✚ Silhila upgrade completed ✚ Completion of supply projects to Stasie and 4x4 ✚ Moremela bulk supply completed ✚ Sabie network upgrades ✚ Coromandel water supply upgrades ✚ Additional Graskop upgrades Morapama water supply completed ✚ 87.3% of capital project 	<ul style="list-style-type: none"> ✚ Continuation of water reticulation to Leroro ✚ General upgrading of network continues ✚ Ext 6 reticulation completed ✚ Motibidi water supply completed ✚ Graskop water supply & metering completed
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		capital project spend completed		spend completed	✚ Total capital project spend of R244m (100%) incurred over 5 year period
1.3 Sanitation strategy	<p>Strategy to ensure access to reasonable sanitation developed and implementation plan approved by Council</p> <p>Capital projects to the value of R32m spent on improving access to reasonable sanitation undertaken as per Tech. Dept. plan</p> <ul style="list-style-type: none"> ✚ R10m spent on rural sanitation ✚ R21m spent on urban sanitation upgrades 	<p>Capital projects to the value of an additional R63m spent on improving access to reasonable sanitation</p> <ul style="list-style-type: none"> ✚ R9m spent on rural sanitation ✚ Mashishing Ext 8 outfall sewer ✚ R21m spent on urban sanitation upgrades 	<p>Capital projects to the value of an additional R62m spent on improving access to reasonable sanitation</p> <ul style="list-style-type: none"> ✚ Sewer house connections ✚ R8.5m rural sanitation provisions ✚ R18m urban sanitation upgrades ✚ Western Outfall sewer main completed ✚ Graskop waste water 	<p>Capital projects to the value of an additional R24m spent on improving access to reasonable sanitation</p> <ul style="list-style-type: none"> ✚ Sewer house connections ✚ General sewer upgrading (R6.5m) ✚ Lydenburg waste water treatment plant upgrading 	<p>Capital projects to the value of an additional R22m spent on ensuring the strategy and implementation plan are met.</p> <ul style="list-style-type: none"> ✚ General sewer upgrading (R4.5m) ✚ Upgrading Lydenburg waste water plant completed

		<ul style="list-style-type: none"> ✦ Statsie connector sewer ✦ Constructio n Western outfall sewer main ✦ Extension of Lydenburg waste water treatment plant ✦ Sewer house thaba111ttt hconnectio ns ✦ 46.7% of capital project spend completed 	<p>treatment plant upgraded</p> <p>✦ 77.3% of capital project spend completed</p>	<p>✦ 89% of capital project spend completed</p>	<p>✦ Total capital spend of R203m (100%) incurred in improving access to reasonable sanitation</p>
	<p>✦ 15.2% of capital project spend completed</p>				

1.4 Effective waste removal & management	<p>Overarching waste management strategy and implementation plan, including 'green' options & technology, approved by Council</p> <ul style="list-style-type: none"> Feasibility study completed on outsourcing option, with strategic decisions taken New landfill site issues addressed in Graskop New landfill site issues addressed in Sabie 	<p>Effective & efficient waste management practices in place</p> <ul style="list-style-type: none"> Recycling system and practices adopted in Sabie Public monitoring & evaluation of service (Ward Committees) 	<p>Effective & efficient waste management practices in place</p> <ul style="list-style-type: none"> Public monitoring & evaluation of services (Ward Committees) 	<p>Effective & efficient waste management practices in place</p> <ul style="list-style-type: none"> Public monitoring & evaluation of services (Ward Committees) 	<p>Effective & efficient waste management practices in place</p> <ul style="list-style-type: none"> Public monitoring & evaluation of services (Ward Committees)
1.5 Access to & control of electricity services	<p>Access to electricity needs identified</p> <p>Electricity credit control system implemented & managed</p>	<p>Illegal connections reduced by further 20%</p> <ul style="list-style-type: none"> Rooidraai Substation constructio 	<p>Illegal connections reduced by further 10%</p> <ul style="list-style-type: none"> Rooidraai substation construction 	<p>Illegal connections reduced by further 5%</p> <ul style="list-style-type: none"> General refurbishmen t (R4m) 	<p>Illegal connections reduced by further 5%</p> <ul style="list-style-type: none"> Installation of streetlights

	<ul style="list-style-type: none"> ⚡ Illegal connections reduced by 50% ⚡ Rooibdraai substation construction (R5m) ⚡ General infrastructure upgrading (R9m) ⚡ General refurbishing (R4m) ⚡ Installation of streetlights in Coromandel, Lydenburg, Mashishing, Ext 2, Leroro & Graskop 	<ul style="list-style-type: none"> ⚡ Upgrade Mashishing substation (R8m) ⚡ Eskom substation (R39m) ⚡ Constructing switching stations and lines (R6m) ⚡ General refurbishing (R4m) ⚡ Installing ARM's (R21m) ⚡ Installation of streetlights in Matibidi, Skhila, Leroro & 	<ul style="list-style-type: none"> ⚡ completed (R5m) ⚡ Eskom substation (R40m) ⚡ Change to CABLE network (R11m) ⚡ General refurbishing (R4m) ⚡ Installing ARM's (R15m) 	<ul style="list-style-type: none"> ⚡ Installation of streetlights in Leroro & Graskop 	<ul style="list-style-type: none"> ⚡ in Leroro & Graskop
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		Graskop			
1.6 Safe & healthy environment	<p>Effective community policing systems in place as shown by reduced crime levels</p> <p>Health function transferred to Prov. Govt.</p> <ul style="list-style-type: none"> ✚ By-laws reviewed & enforced ✚ Water & air pollution tests and analysis conducted ✚ Emergency control room constructed in Sabie & Leroro ✚ 2 x fire trucks 	<p>Reduced crime levels</p> <p>Water & air pollution monitored & corrective action taken where necessary</p> <ul style="list-style-type: none"> ✚ By-laws enforced ✚ 2 x fire trucks secured ✚ 2 x water carriers secured ✚ 3 x LWD emergency vehicles 	<p>Reduction in crime levels</p> <p>Water & air pollution monitored & corrective action taken where necessary</p> <ul style="list-style-type: none"> ✚ By-laws enforced ✚ 2 x water carriers secured 	<p>Reduction in crime levels</p> <p>Water & air pollution monitored & corrective action taken where necessary</p> <ul style="list-style-type: none"> ✚ By-laws enforced 	<p>Reduction in crime levels</p> <p>Water & air pollution monitored & corrective action taken where necessary</p> <ul style="list-style-type: none"> ✚ By-laws enforced

	procured ✦ 1 x water carrier procured	procured ✦ 3 x Safety & security (equipped) procured			
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Strategic Objective 2: Local Economic Development (LED)

KPA 2: The TCM will develop and implement a LED strategy that will create jobs, reduce unemployment and inequalities whilst growing the economy of the municipal region

HOW ?(Main projects)	Outcomes: Year 1	Outcomes: Year 2	Outcomes: Year 3	Outcomes: Year 4	Outcomes: Year 5
2.1 Effective LED Agency	<p>THALEDA established as a functioning entity</p> <p>LED strategy and implementation plan for TCLM developed and approved by Council</p> <ul style="list-style-type: none"> Feasibility study for the establishment of Sabie Teachers Training/FET College (approx. 6000 learner educators) TCLM economy growth 2% greater than national average 4520 jobs 	<p>Additional jobs created</p> <p>Unemployment rate reduced by 2%</p> <ul style="list-style-type: none"> Outcome of college feasibility study in Sabie taken to next stage Economy grown by 2% greater than nat.ave. 	<p>Additional jobs created</p> <p>Unemployment rate reduced by an additional 2%</p> <ul style="list-style-type: none"> Economy grown by 2% greater than national ave. 	<p>Additional jobs created</p> <p>Unemployment rate reduced by an additional 2%</p> <ul style="list-style-type: none"> Economy grown by 2% greater than national ave. 	<p>Additional jobs created</p> <p>Unemployment rate reduced by an additional 2%</p> <ul style="list-style-type: none"> Economy grown by 2% greater than national ave.

	created				
2.2 Tourism Development	<p>Integrated tourism strategy & implementation plan developed and approved by Council</p> <p>MPTA development projects underway at Blyde River canyon, God's Window, Bourke's Luck & Lydenburg</p> <ul style="list-style-type: none"> ✚ Feasibility study of tourism rail coach project undertaken ✚ Refurbishment & outsourcing of Graskop Holiday resort ✚ Refurbishment & outsourcing of Castle Rock 	<p>On-going development & implementation of tourism strategy</p> <p>MPTA development projects continued</p> <ul style="list-style-type: none"> ✚ Additional 5% increase in tourists visiting the region ✚ additional jobs created in sector ✚ World class maintenance of public tourist sites 	<p>On-going development & implementation of tourism strategy</p> <ul style="list-style-type: none"> ✚ Additional 6% increase in tourists visiting the region ✚ additional jobs created in sector ✚ World class maintenance of public tourist sites 	<p>On-going development & implementation of tourism strategy</p> <ul style="list-style-type: none"> ✚ Additional 7% increase in tourists visiting region ✚ additional jobs created in sector ✚ World class maintenance of public tourist sites 	<p>On-going development & implementation of tourism strategy</p> <ul style="list-style-type: none"> ✚ Additional 8% increase in tourists visiting region ✚ additional jobs created in sector ✚ World class maintenance of public tourist sites

	<p>Resort in Sabie</p> <ul style="list-style-type: none"> ✚ Outsourcing of Lydenburg Game Reserve ✚ Maintenance of parks, gardens, grass verges, cemeteries & picnic/scenic spots. 				
2.3 Rural Development & Food Security	<p>A comprehensive rural development strategy & implementation plan approved by Council.</p> <p>Year 1 phase implemented</p> <ul style="list-style-type: none"> ✚ Development of a land use strategy. ✚ Implementation of small holder & food 	<p>Year 2 phase implemented</p> <ul style="list-style-type: none"> ✚ 10 additional co-op and/or smallholder farming projects. ✚ 2 additional agri-villages. ✚ 1500 additional jobs created 	<p>Year 3 phase implemented</p> <ul style="list-style-type: none"> ✚ 10 additional co-op and/or smallholder farming projects. ✚ 2 additional agri-villages. ✚ 2000 	<p>Year 4 phase implemented</p> <ul style="list-style-type: none"> ✚ 10 additional co-op and/or smallholder farming projects. ✚ 2500 additional jobs created. 	<p>Year 5 phase implemented</p> <ul style="list-style-type: none"> ✚ 10 additional co-op and/or smallholder farming projects. ✚ 3000 additional jobs created.

	<p>garden co-operative project in each ward.</p> <p>✚ 1000 jobs created</p> <p>✚ Establishment of an agri-village</p>		additional jobs created.		
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Strategic Objective 3: Responsive Local government

KPA 3: Responsive, effective, efficient local government system

HOW ?(Main projects /activities)	Outcome: Year 1	Outcome: Year 2	Outcome: Year 3	Outcome: Year 4	Outcome: Year 5
3.1 IDP Planning	<p>Integrated development plan (IDP) planning process completed.</p> <p>✚ Spatial development framework (SDF) reviewed & updated.</p>	<p>IDP Year 2 reviewed and outcomes implemented.</p> <p>✚ Best practice IDP capacity</p>	<p>IDP Year 3 reviewed & outcomes implemented.</p> <p>✚ TCLM's IDP planning & implementation process ranked best</p>	<p>IDP Year 4 reviewed & outcomes implemented.</p> <p>✚ TCLM's IDP planning & implementation process</p>	<p>IDP Year 5 reviewed & outcomes implemented.</p> <p>✚ TCLM's IDP planning & implementation process</p>

	<ul style="list-style-type: none"> ✦ Land audit & land use analysis (including municipal land) completed ✦ GIS capacity & resources developed. ✦ Priority projects identified and funding and/or grants secured. 	<p>developed.</p> <ul style="list-style-type: none"> ✦ TCLM's IDP planning & implementation process ranked 2nd best in EDM. ✦ All IDP projects include GIS inputs. 	<p>in EDM.</p> <ul style="list-style-type: none"> ✦ All IDP projects include GIS inputs 	<p>ranked best in province.</p> <ul style="list-style-type: none"> ✦ All IDP projects include GIS inputs 	<p>ranked amongst top three in country.</p> <ul style="list-style-type: none"> ✦ All IDP projects include GIS inputs
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3.2 Effective organizational structure	<p>Organisational structure reviewed, informed by IDP.</p> <ul style="list-style-type: none"> ✚ Job functions and people profiles defined and applied. ✚ All critical posts filled ✚ HR policies & procedures approved by Council. ✚ ETD programmes, informed by skills needs analysis, implemented. ✚ Workplace relations building intervention begun. 	<p>Effective HR practices in place.</p> <ul style="list-style-type: none"> ✚ Performance reviewed into contracts & corrective action taken where required. ✚ Ratio payroll expenses to overall operating expenses meets best practice ✚ Building workplace relations initiative continued. 	<p>Best practice HR processes and procedures in place.</p> <ul style="list-style-type: none"> ✚ TCLM regarded as a centre of excellence for HR practices & effectiveness. 		
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	<ul style="list-style-type: none"> ✦ Implementation of an effective performance management system. ✦ All HR practices comply with labour legislation. 				
3.3 Effective functioning of ward committees	<p>Fully representative ward committees functioning across all wards</p> <ul style="list-style-type: none"> ✦ Regular meetings of ward committees held ✦ Effectiveness of 	Effective communication between all communities and TCLM			

	ward committees monitored & evaluation				
3.4 Capacity to manage infrastructure & developmental projects and grants	<p>Capacity in project management skills developed as needed across TCLM</p> <p>✚ Grant management capacity and best practice developed</p>	✚ Projects & grants managed according to plan	✚ Projects & grants managed according to plan	✚ Projects & grants managed according to plan	✚ Projects & grants managed according to plan
3.6 Service Delivery and Budget implementation Plan (SDBIP)	<p>SDBIP developed & approved by Council</p> <p>✚ SDBIP implemented</p> <p>✚ Quarterly public evaluation on implementation of SDBIP via Ward Committees</p>	<p>Reviewed SDBIP implemented</p> <p>✚ Ward Committee evaluation of implementation progress</p>	<p>Reviewed SDBIP implemented</p> <p>✚ Quarterly implementation progress evaluation by Ward Committees</p>	<p>Reviewed SDBIP implemented</p> <p>✚ Quarterly Ward Committee evaluation of progress</p>	<p>Reviewed SDBIP implemented</p> <p>✚ Quarterly implementation progress by Ward Committees</p>

Strategic Objective 4: Maintenance & refurbishment of assets and infrastructure

KPA 4: Effective maintenance & refurbishment of assets & infrastructure

HOW (Main projects /activities)	Outcomes: Year 1	Outcomes: Year 2	Outcomes: Year 3	Outcomes: Year 4	Outcomes: Year 5
4.1 Asset register	<p>Asset register completed & maintained</p> <p>Refurbishment plan approved by Council</p> <ul style="list-style-type: none"> ✚ Infrastructure refurbishment plan implemented ✚ Road surfaces, both tarmac and gravel, maintained ✚ Pothole 	<ul style="list-style-type: none"> ✚ Refurbishment plan reviewed and implemented ✚ Asset register updated 	<ul style="list-style-type: none"> ✚ Refurbishment plan reviewed and implemented ✚ Asset register updated 	<ul style="list-style-type: none"> ✚ Refurbishment plan reviewed and implemented ✚ Asset register updated 	<ul style="list-style-type: none"> ✚ IDP refurbishment plan implemented & assets effectively maintained

	repair plan developed & implemented ✚ Standard operating & control procedures adhered to				
4.2 Planned maintenance programmes	Planned maintenance system developed ✚ Capacity needs to meet plan identified ✚ Planned maintenance programme & plan approved by Council ✚ Critical and scarce skills recruited & retained ✚ Apprenticeship and other	✚ Planned maintenance conducted ✚ Targeted reduction in breakdowns achieved	✚ Planned maintenance conducted ✚ Targeted reduction in breakdowns achieved	✚ Planned maintenance conducted ✚ Targeted reduction in breakdowns achieved	✚ Planned maintenance conducted ✚ Targeted reduction in breakdowns achieved

	<p>skills development plans developed</p> <p>✚ Effective water purification, storage & delivery system maintained</p> <p>✚ Plan to develop & maintain effective storm water infrastructure developed & approved</p> <p>✚ Municipal & other public buildings maintained</p> <p>✚ Effectiveness & connectivity</p>				
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	of sewerage systems upgraded + Electricity infrastructure protected (cable theft minimized) maintained & refurbished				
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Strategic Objective 5: Stakeholder Relations					
KPA 5: Improve stakeholder relations through engagements, public meetings, communications, plus a complaints & queries system					
HOW? (Main projects /activities)	Outcomes: Year 1	Outcomes: Year 2	Outcomes: Year 3	Outcomes: Year 4	Outcomes: Year 5

5.1 Interest group engagements & public meetings	<p>Respective interest groups identified & engaged on a planned and scheduled basis</p> <p>Effective communication strategy developed & approved by Council</p> <ul style="list-style-type: none"> ✦ Communication strategy implemented ✦ Meetings with identified groups held ✦ Effective notice of meetings communicated ✦ Minutes of meetings recorded ✦ Agreements/resolutions implemented and/or followed-up ✦ Effective ward committee meetings held quarterly at least 	Community members and interest groups are consulted, engaged and/or informed on all relevant development and service delivery issues.	Community members and interest groups are consulted, engaged and/or informed on all relevant development and service delivery issues.	Community members and interest groups are consulted, engaged and/or informed on all relevant development and service delivery issues.	Community members and interest groups are consulted, engaged and/or informed on all relevant development and service delivery issues.
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5.3 Complaints & queries system	<p>A formal complaints system developed and implemented (48 hour response time)</p> <ul style="list-style-type: none"> ✦ Maintain a complaints & queries 'desk' at all municipal offices ✦ Complaints and/or queries processed effectively 	Complaints and/or queries processed speedily & effectively	Complaints and/or queries processed speedily & effectively	Complaints and/or queries processed speedily & effectively	Complaints and/or queries processed speedily & effectively
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Strategic Objective 6: Increase revenues

KPA 4: Implement a strategy to increase the revenue base for the municipality to fund increased service delivery, including rates & service charges, grants and subsidies, donor funding, expense controls, value for money

HOW? (Main projects /activities)	Outcomes: Year 1	Outcomes: Year 2	Outcomes: Year 3	Outcomes: Year 4	Outcomes: Year 5
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6.1 Rates & Service Charges	<p>Credit control policy and practices reviewed</p> <ul style="list-style-type: none"> ✚ Policy and implementation plan extensively communicated ✚ Policy implemented consistently across all wards ✚ Indigent register signed-off by respective ward councilors ✚ Bad debt write-off's justified at Council 	<ul style="list-style-type: none"> ✚ Rates and service charge revenue maximized within policy and procedures ✚ Indigent register reviewed and updated ✚ Bad debt write-off's reduced by 10% from Year 1 	<ul style="list-style-type: none"> ✚ Rates & service charge revenues maximized within policy & procedures ✚ Indigent register reviewed & updated ✚ Bad debt write-off's reduced by 10% from Year 2 	<ul style="list-style-type: none"> ✚ Rates & service charge revenues maximized within policy & procedures ✚ Indigent register reviewed & updated ✚ Bad debt write-off's reduced by 10% from Year 3 	<ul style="list-style-type: none"> ✚ Rates & service charge revenues maximized within policy & procedures ✚ Indigent register reviewed & updated ✚ Bad debt write-off's reduced by 10% from Year 4 i.e a total reduction of 40% from Year 1.
6.2 Grants, subsidies & donor funding	<p>Strategy developed to secure required funds from government grants & subsidies; development financing institutions and legitimate donor</p>	<ul style="list-style-type: none"> ✚ Funding secured to meet IDP requirements for Year 2 	<ul style="list-style-type: none"> ✚ Funding secured to meet IDP requirements for Year 3 	<ul style="list-style-type: none"> • Funding secured to meet IDP requirements for Year 4 	<ul style="list-style-type: none"> ✚ IDP for 2011-15 funded adequately

	<p>sources.</p> <ul style="list-style-type: none"> ✚ Motivations and integrated project plans for required funding developed & submitted for approval by Council ✚ Approved motivations submitted to funding sources & process/es managed to completion 				
6.4 Expense controls	<p>Financial controls implemented that limit wasteful and irregular expenses</p> <ul style="list-style-type: none"> ✚ Wasteful and irregular expenditure reduced by 50% from 2010/11 	<ul style="list-style-type: none"> ✚ Wasteful & irregular expenditure reduced by 50% from 2011/12 	<ul style="list-style-type: none"> ✚ Wasteful & irregular expenditure reduced by 50% from 2012/13 	<ul style="list-style-type: none"> ✚ Wasteful & irregular expenditure reduced by 50% from 2013/14 	<ul style="list-style-type: none"> ✚ Wasteful & irregular expenditure reduced by 50% from 2014/15
6.5 Value for money	<p>Logistics chain management procedures reviewed to ensure maximum value for money</p>	<ul style="list-style-type: none"> ✚ Zero tolerance demonstrated by Council for tender & 	<ul style="list-style-type: none"> ✚ All instances of tender & procurement corruption prosecuted in 	<ul style="list-style-type: none"> ✚ Zero tolerance for corruption demonstrated by Council 	<ul style="list-style-type: none"> ✚ Zero tolerance for corruption demonstrat

	spent ✦ Greater transparency in tender bid adjudication processes	procurement corruption	terms of the law		ed by Council
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Strategic Objective 7: Sustainable natural resource management

KPA 7: Effectively manage the sustainability of natural resources of the municipality, i.e. land, water, minerals, fauna & flora taking cognizance of climate change challenges.

HOW? (Main projects /activities)	Implementation Steps Year 1	Time frames	By Whom	YEAR 1 PROOF	BUDGET
7.1 Strategy development & implementation	Sustainable natural resource strategy and policies developed ✦ Publication of strategy ✦ Implementation of strategy begun ✦ Implementation of standards and procedures ensuring compliance with legislated EIA	✦ On-going implementation of strategy & policies ✦ EIA compliance in all environmental developments	✦ On-going implementation of strategy & policies, including EIA compliance	✦ Strategy & EIA adherence	✦ Natural resources managed on a sustainable basis for the benefit of all community members

	requirements				
7.4 Climate change	<p>Understanding of the possible effects of climate change on the TCLM established & managed</p> <ul style="list-style-type: none"> ✦ Stakeholders engaged in developing a response to climate change challenges and opportunities 	Responsive strategy to climate change implemented	Responsive strategy to climate change implemented	Responsive strategy to climate change implemented	Responsive strategy to climate change implemented
7.5 Water Resources	<p>Specific plan to address sustainability of the water resources of the municipality, taking cognizance of both upstream and downstream issues & factors, developed - incorporating existing scientific research relating to water and waterways</p> <ul style="list-style-type: none"> ✦ Specific focus given to wetlands, including rehabilitation opportunities 	<ul style="list-style-type: none"> ✦ Plan to establish mining, forestry and agricultural needs relating to water usage and waste water disposal developed ✦ Implementation of plan included in IDP review process 	<ul style="list-style-type: none"> ✦ Implementation of water resource plan monitored & evaluated 	<ul style="list-style-type: none"> ✦ Water resource plan reviewed 	<ul style="list-style-type: none"> ✦ Water resources managed according to strategy, policies & plans

CHAPTER 2

PERFORMANCE HIGHLIGHTS

VISION

Tourism home to the scenic wonders of Africa

MISSION

To provide a tourism based developmental local government by rendering:

World class quality services

Socio and Economic Development

A safe and Healthy Environment

Public Participation

Tourism Enhancement

The mission will be accomplished by the following objectives:

- Provision of affordable potable
- Provision of efficient and effective sanitation services
- Construction and maintenance of appropriate level of storm water system
- Provision, maintenance and safe operation of electricity service
- Provision of high level of town planning services, including building control functions
- Establishment and implementation of an effective Project Management Unit

KEY PERFORMANCE AREA

- Water infrastructure provisioning, bulks supply, purification and distribution

- Sanitation infrastructure, reticulation and purification
- Roads provisioning and maintenance
- Storm water provision and maintenance
- Electricity infrastructure, distribution and maintenance
- Town planning and building control
- Management and implementation of capital projects

KEY PERFORMANCE AREAS

- Water infrastructure provisioning, bulk supply, purification and distribution,
- Sanitation infrastructure, reticulation and purification,
- Roads provisioning and maintenance,
- Storm water drainage provisioning and maintenance,
- Electricity infrastructure, distribution and maintenance,
- Town planning and building control,
- Management and implementation of a capital projects.

ACHIEVEMENTS

Water

- Maintained a relatively high level of water services,
- The quality of potable water reticulated met the quality requirement for domestic supplies on all occasions tested,
- The water backlog is standing at 19% as baseline study conducted by MKS Management Services in 2008 indicates,
- Master plan on water was done by the Steward and Scot International in 2008,
- A Water Service Development Plan (WSDP) is being revised by Invirocon Development Planning & Spatial Information System Specialists, they had been instructed by Department of Water Affairs to review the previous WSDP,
- Ground Water Protocol had also been carried out by Bhutana Earth Scientists in May 2009,
- Policy on bulk services contribution had been completed and to be implemented,

- Water services development at Extension 6 was partly carried on 400 ervtoens but stalled after Mpumalanga Finance Housing Cooperation (MFHCO) was dissolved,
- The construction of Stasie, was completed,
- The reticulation of the Simile informal settlement and provision of water reticulation to Phola Park informal settlement project were withdrawn since the settlement are not yet formalised,
- The implementation of provision of bulk water supply and reticulation to Kanan at Moremela, was delayed for completed at the end of the financial year and was rooled over into 2011/12 financial year. Provision of borehole pumps and rising mains in Mashishing reservoir and the provision of water reticulation to Leroro,
- Provision of bulk water supply and reticulation to the Draaikraal settlement Provision of water reticulation to Leroro business plans had been approved by MIG and will be implemented in 2011/12 Financial Years.



New water pump station in Pilgrim's rest

Sanitation

- The level of services on sanitation in all formal areas is of high standard where waterborne sewage system is in place, The has managed to maintain the sewer reticulation network despite the financial challenges experienced.
- The backlog in sanitation is standing at 43% as indicated in baseline study conducted by MKS Management Services in 2008,
- The sanitation at rural areas is well beyond standard but through the MIG grants, applications and business plans were approved and the project will be implemented in 2011/12 financial year.

- Implementation plans for 2011/12, of which MIG Business Plans had been approved, the following rural areas: Glory Hill (Graskop), Hostel Informal Settlement (Graskop), Pilgrims Rest, Ponieskrantz (Pilgrims Rest), Brondal, Badfontein, Boomplaats, Boschhoek Farm, Draaikraal, Shaga Farm (Maartenshoop), Versailles, Matibidi, Leroro, Moremela and Hendriksdal are going to benefit for rural sanitation programme, at a cost of R20 000 000.
- The Ground Water Protocol carried out by Bhutana Earth Scientists in May 2009 will also help in the implementation of the rural sanitation because most project could not be carried out because of the concern by the Department of Water Affairs on pollution of underground water by construction of ventilated improved pit latrines (VIPs).

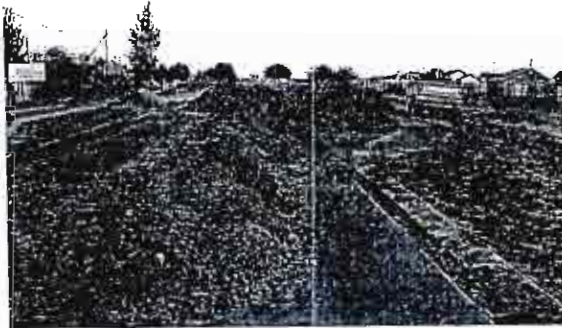
Electricity

- The Thaba Chweu Municipality has maintained a level of service on electricity provision even after experiencing major shut downs during the winter season, especially in the licensed areas in all formal areas (townships and towns). The rural areas are mainly supplied by Eskom,
- The backlog in electricity is standing at 14.5% as indicated in baseline study conducted by MKS Management Services in 2008,
- The Rooidraai Substation, was completed is waiting to be commissioned.
- DBSA loans are still being sourced out to help with the implementation of smart metering project.
- 2011/2012 Coromandel installation of street lights cost R 355 482 00 and Mashishing Ext 2 installation of Street light cost R 555 820 00

Roads

- The Thaba Chweu Municipality has maintained roads to acceptable level of service through minimal financial resources due to lack of funds, even though the roads have reached the level of serviceability period
- Lack of internal funds on part of Thaba Chweu Municipality has resulted in most projects put on hold,
- Master plan on roads and stormwater still need to be reviewed,
- Mashishing Extension 6, construction of new roads stalled due to the fact that Mpumalanga Finance Housing Cooperation (MFHCO) was dissolved,

- the upgrading of Voortrekker Street in Lydenburg, through MIG funding was approved and will be implemented during 2011/2012
- At Coromandel, 25 km from Lydenburg, an entrance road and lower bridge project was completed.
- At Moremela a bus route was constructed.
- Rehabilitation of Sabie main road was constructed.
-



Refurbishment of Voortrekker Street in Mashishing

Storm Water

- The Thaba Chweu Municipality has maintained storm water drainage to a minimum of service level of service due to lack of funds,
- Storm water drainage in the Lydenburg CBD had been cleaned as well as in Sabie and Graskop,
- Lack of internal funds on part of Thaba Chweu Municipality has resulted in most projects not being implemented.



Storm Water in Voortrekker Street

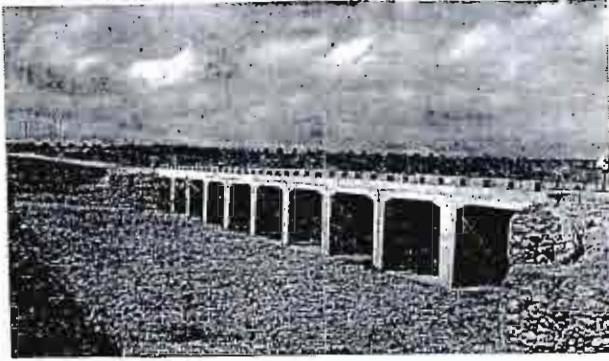
Town Planning

- The Thaba Chweu Municipality Town Planning Section, at the Directorate Technical and Engineering Services is responsible for all township establishment applications, rezoning, sub-divisions and consolidations.
- A permanent Town Planner had been appointed
- Applications for the township establishment are being prepared for Phola Park and Simile

Project Management Unit (PMU)

- The unit is presently functioning with a Manager and other complementary officials will be employed after skills audit had been carried by the Thaba Chweu Municipality,

- All MIG projects and applications mentioned above are managed by this unit.



Low water bridge to Koromandel

CHALLENGES

- The demand for water in Thaba Chweu Municipality both urban and rural areas is high and efforts are being made to meet the demand and supply by investigating alternative sources,
- The supply of electricity in Lydenburg/Mashishing will still be concern due to developments happening at a large scale around the area, mines and businesses being opened,
- Reviewal of electricity master plan is underway
- The is a demand for Spatial development Framework (SDF) to be completed urgently due to huge demands on housing and opening of mines to ensure orderly growth in the area,
- Most of the existing infrastructure need to be upgraded and replaced in order to continue with proper service delivery and the following need to be carried out:
 - i) Electricity overhead lines refurbishment,
 - ii) Electricity poles replacement,
 - iii) Electricity switch gear improvement,
 - iv) Old asbestos water pipes replacement,
 - v) Water and sewer pipes refurbishment,
 - vi) Concrete storm water pipes refurbishment,

- vii) Road refurbishment,
- viii) Sewer refurbishment,
- ix) Storm water drainage refurbishment.

- Most vehicles and plant are very old and need to be replaced,
- Vacant post had not yet been filled.
- The municipal fleet has reached the replacement period and the municipality is still faced with financial problems

CHAPTER 3

HUMAN RESOURCES ANNUAL REPORT

2010/11

1. INTRODUCTION

The municipality of Thaba Chweu Municipality Council has adopted the organizational structure under resolution A16/2008, in a meeting held in June 2008, the structure has been aligned to the Integrated Development Plan [IDP], under the custody of the Municipal Manager.

1.1 HUMAN RESOURCE MANAGEMENT

Vision

Tourism home to the scenic wonders of Africa

Mission

To provide a tourism developmental local government by rendering:

World Class Quality Services
Socio and Economic Development
A safe and Healthy Environment
Public Participation
Tourism Enhancement.

1.2 INFORMATION GATHERING AND SHARING KNOWLEDGE

Meetings of the Local Labour Forums.
Conduct Road shows and share information.
Conduct inductions and workshops to introduce new procedures, policies and legislative changes.
Attendance of SALGA meetings i.e. HR Practitioners forum.
Attendance of seminars conducted by IMPSA, IMASA to understand HR trends.
Attend information sessions at district and Provincial level.

Municipal policies, By-laws, SALGA circulars, legislations, Magazines, Seminars, workshops, internet [HR Future], Case studies, Research Reports are the main sources of information.

1.3 THE CHAMPION

The HR Division is managed by HR Manager who is responsible and accountable for the division.

The Acting HR Manager is accountable to and report to the Director Corporate Services.

The Acting HR Manager is responsible and accountable for the performance of the division Human Resource management.

The Acting HR Manager is supported by the following team members:

- (a) Skills Development Facilitator- Mr. Madala C. Mashego responsible for training and development Programme.
- (b) Labour Relations and Employee Wellness- Ms. Rose-Mary Williams responsible for handling workplace disputes and ensure the implementation of employee wellness.
- (c) Personnel officers- Mrs. C.G. Dippenaar, Mrs E.N. Ngwane and Mrs. E.H.C. Doyle are responsible for handling personnel management and provision.
- (d) Occupational Health and safety officer-(vacant) handling all matters related and in accordance to the requirements of OSH Act.

2. MUNICIPAL STRUCTURE: POSTS AND VACANCIES

	Department and Divisions	Positions	Filled	Vacant
1.	Municipal Manager	19	12	7
2.	Financial Viability-CFO and Admin		2	0
2.1	Revenue Management (Expenditure)	23	12	11
2.2	Debtor Management (Revenue)	48	35	13
3.	Corporate Services			
3.1	Administration	53	34	19
3.3	Legal & Property	3	2	1
3.3	Human Resources	14	6	8
3.4	Housing	8	4	4
4.	Technical and Engineering			
4.1	Administration	4	0	4
4.2	Civil & Works	74	33	41
4.3	Project management unit (PMU)	5	1	4
4.4	Electrical	38	22	16
4.5	Water and sanitation	92	53	39
4.6	Mechanical & Fleet Management	8	4	4
4.7	Town Planning	9	3	6
5.	Social Development			
5.1	Administration	61	53	8
5.2	Waste Management	110	87	23
5.3	Traffic service	38	27	11
5.4	Licensing Service	34	14	20
5.5	Parks & Cemeteries			
5.6	Fire and rescue	39	14	25
5.7	Business Control	2	1	1
5.8	Library	16	12	4
5.9	Museum	3	2	1
5.10	Clinics(Primary health Care)	10	6	4

6.	Economic Development and Planning			
6.1	Resort and Caravan Park	26	23	3
6.2	LED/IDP	9	3	6

Vacancies budgeted (2010-2011)

	Department and Divisions	Positions
1.	Municipal Manager	3
2.	Financial Viability-CFO and Admin	
2.1	Revenue Management(Expenditure)	4
2.2	Debtor Management(Revenue)	3
3.	Corporate Services	
3.1	Administration	1
3.2	Legal & Property	0
3.3	Human Resources	1
3.4	Housing	2
4.	Technical and Engineering	
4.1	Administration	1
4.2	Civil & Works	15
4.3	Project management Unit(PMU)	2
4.4	Electrical	5
4.5	Water and Sanitation	9
4.6	Mechanical &Fleet Management	0
4.7	Town Planning	2
5.	Social Development	
5.1	Administration	0
5.2	Traffic Service	5
5.3	Licensing Service	1
5.4	Parks & Cemeteries	1
5.5	Fire and Rescue	10
5.6	Waste Management	1
5.7	Business Control	0
5.8	Library	1

5.9	Museums	0
5.10	Clinic (Primary health Care)	0
6.	Economic Development and Planning	
6.1	Resort and Caravan Park	0
6.2	LED/IDP	0

3. RECRUITMENT AND SELECTION

The recruitment process used by Thaba Chweu municipality is a consultative and incorporate process. A request to fill a vacant position is received from the relevant Senior Manager; this request indicates all the necessary information pertaining to the post in terms of post requirements. Once the request is approved, by the Municipal Manager, the position is advertised by the HR Division. On receipt of applications, the Records Office registers all applications on the recruitment sheet. Human Resources does the initial sorting of applicants. A short list is compiled by the relevant department for final approval. Once this is completed, the interview is arranged and conducted with the applicants. The interviewing panel consists of delegates from Human Resources Division, the relevant Department and Union representatives as observers not less than 5 panel members' not more than 12 panel members.

4. EMPLOYMENT EQUITY

In compliance with the Employment Equity Act, Act 55 of 1998, Thaba Chweu Local Municipality developed an Employment Equity Policy and five year Employment Equity Plan are annually reported to the Department of Labour as contemplated in the Act. All Senior Managers are responsible to ensure that the policy and the plan are implemented consistently without compromise.

CURRENT EMPLOYEES PROFILE: CORE & SUPPORT FUNCTIONS

OCCUPATIONAL LEVEL	MALE				FEMALE				Foreign nations		TOTAL
	A	C	I	W	A	C	I	W	Male	Female	
Top Management	3	0	0	1	1	0	0	0	0	0	5
Senior Management	5	0	0	5	2	0	0	3	0	0	15
Professionally qualified and experienced specialists and mid-management	34	2	0	16	22	2	1	8	0	0	85
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	47	2	0	4	29	6	0	2	0	0	90
Semi-skilled and discretionary decision making	21	0	0	2	3	3	0	1	0	0	27
Unskilled and defined decision making	152	9	0	2	55	55	0	0	0	0	220
TOTAL PERMANENT	262	13	0	30	113	113	1	13	0	0	442
Temporary employees	22	0	0	2	11	11	0	1	0	0	37
GRAND TOTAL	284	13	0	32	124	11	1	14	0	0	479

5. INDUCTION

Newly appointed employees need to be informed as to how the municipality operates and what its core responsibilities are. Therefore it is of vital importance that they be introduced to processes, procedures and be given important information which is relevant to their functioning within the structure. By following a process of induction these new employees are introduced to the organizational culture and functions on the first day of engagement, new employees complete all necessary documentation needed for administration purpose and also given policies and documentation which includes the Conditions of Service, Job Description, Code of Conduct and Disciplinary Code , compiled an HR Induction Manual.

6. SKILLS DEVELOPMENT

The annual training budget is centralized and managed by Human Resources, the annual training budget was spent in 2009/2010.

Grants (mandatory) for the financial year 2009/2010 have been received from LGSETA.

Training Conducted

- Disciplinary training
- Traffic Diploma
- Financial Management – Accounting
- Electrical apprenticeship funded by DBSA
- Electrical training funded by LGSETA

PERSONNEL TRAINED: 2009/2010

Occupational Levels	Male				FEMALE				TOTAL
	A	C	I	W	A	C	I	W	
Top Management	1	0	0	0	1	0	0		2
Senior Management	0	0	0	0	0	0	0	1	1
Professionals, Permanent	3								3

Professionally qualified and experienced specialists and mid-management	6	0	0	0	1	0	0	0	7
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintends	15	0	0	2	13	1	0	0	31
Semi-skilled and discretionary decision making	0	0	0	0	0	0	0	0	0
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
TOTAL PERMANENT	22	0	0	2	15	1	0	1	41
TEMPORARY EMPLOYEES	2	0	0	2	17	1	0	1	45
GRND TOTAL	24	0	0	2	17	1	0	1	45

(a) INTERNSHIP

Thaba Chweu municipality hosted Secretarial learnership students from the Xstrata Alloys during 2008/9. The main objective of the internship was to assist the black lock in administration and to enable them to gain experiential training.

The interns assisted in the Corporate Department. Following the one year two interns were appointed permanently into service of the municipality with effect from 1 November 2009 to 31 October 2010.

(b) BURSARY SCHEME

Thaba Chweu municipality has drafted a policy to provide employees with opportunity to further their formal studies through a vibrant bursary scheme in 2008 for 2009 academic year and in 2010 no funding allocated. This initiative motivates employees to study and develop as individuals.

A total Budget of R400 000 for employees to participate in this scheme in the year 2009 has been allocated and managed by the Human Resource Division.

Allocation for funding is subject to registration with a tertiary institution in the Republic of South Africa.

(c) SKILLS EFFICIENCY ANALYSIS

Through this process, skills gaps of the employees were identified which resulted in the provisions of structured learning initiatives by the municipality. Further from that, this analysis process will assist Thaba Chweu by:

- Establishing a culture in individuals and departments take responsibility for the development of individuals.
- Assisting employees to understand their individual and team role in meeting our objectives.
- Assisting employees to be developed and to perform their duties more effectively.
- Assisting employees to identify their own shortcomings in terms of their job descriptions and suggesting the correct development strategies for such employees needed to deliver on key performance area.

7. PERSONNEL PROVISIONING: BENEFITS

The following benefits are available to all employees

Benefits	Comments
Medical Aid Scheme at 60% contribution by the municipality	Munimed-Key Health SMWUMED LA Health Bonitas Hosmed: Employees contribute 40%
Pension Fund at 22% contributed by the municipality which further provides funeral cover for employees family	MGF(Municipal Gratuity Fund) MEPF(Municipal Employees Pension Fund) SNPF(Samwu National Provident Fund) SALA Pension Fund JMEPE(Joint Municipal Employees

	Pension Fund) All pension funds have their rules in accordance to the Pension Fund Act, to handle retirement, ill-health, death, resignation.
Housing Subsidy	Contemplated in the collective agreement and formula is quarterly reviewed by SALGA through issue of circular and forms part of the wage negotiations package at South AFRICA Local Government Bargaining Council (SALGBC)

7.1. EMPLOYEE WELLNESS PROGRAMME

Thaba Chweu Local municipality established a dedicated HIV and AIDS Committee in the workplace, constituted by the employer representatives and the unions representatives from both SAMWU and IMATU, championed by the Manager HRM, whose main objectives is to promote the wellbeing of employees by providing with the information of employees various health and wellness issues but focusing mainly on HIV and AIDS and related illnesses.

This focus revolves around the following key elements of an Employee Wellness:

- To be responsible for the Health & Wellbeing through: awareness programmes, education, training, referral of employees, etc.
- Programmes hosted by the HIV & AIDS workplace committee included a Wellness Day. Services included blood pressure, cholesterol, blood glucose and eye tests. Voluntary counseling and testing to employees who wish to know their HIV status. The effort was in the line with the national Aids strategy. Some of the main aims were prevention and cure as well as overall wellness awareness.

In line with the wellness of employees, Thaba Chweu municipality Workplace HIV & AIDS Committee will be embarked on an Anonymous HIV Testing Campaign, aimed at obtaining the infection statistics of Thaba Chweu municipal Employees.

7.2. EDUCATION AND INFORMATION

Thaba Chweu Local municipality inculcated a culture of information-sharing with the general workforce through:

- Roadshows
- Workshops
- Briefing sessions
- Meetings
- News Bulletins
- Face to Face contact

8. HR INVOLVEMENT IN THE COMMUNITY

Poverty alleviation programmes include:

- Appointment for entry level positions (especially temporary) workers identified by Ward Councilors.
- Thaba Chweu municipality also offers student practical opportunities during school holidays or when deemed necessary as contemplated in the Volunteerism/Internship Policy of the municipality.
- Thaba Chweu LM has set up suggestions boxes for the community to critic or makes submission to the relevant department.
- In calculating the culture of Customer Care to our employees through information sharing session and to translate Batho Pele Principles and the set of believes into practice.

9. POLICY PROGRAMMES AND PLANNING

The following policies were drafted for the review and approval of Council in 2009/10:

- Use of Internet and E-Mail Policy
- Fraud Retention Policy
- Policy Framework: Experiential Training and Voluntary Work
- Communication Policy
- Cell Phone Policy
- Revised Fleet Management Policy

- Study Bursary Policy: for Community Members
- Subsistence and Travelling Allowance Policy
- Bursary Policy for Council Employees
- Bereavement Policy for Councilors
- Gift to Thaba Chweu Municipality Employees Policy
- Employment Equity Policy
- Incapacity: Due to Poor work Performance Policy
- Long Service Award Policy
- Medical Examination Policy
- Occupational Health and Safety Policy
- Recruitment Policy
- Retention of Scarcity Policy
- Sexual Harassment Policy
- Succession Planning Policy

Function:
Sub Function:

Executive and Council
N/A

Reporting Level	Detail	Total	
Overview:		Policy and Decision Making	
Description of the Activity:	<p>The municipality has a mandate to:</p> <p><i>Govern.</i></p> <p>The strategic objectives of this function are to:</p> <p><i>Serve the Community</i></p> <p>The key issues for 2010/11 are:</p> <p><i>Render a basic service to the community</i></p>		
Analysis of the Function:	<p><u>Councillor detail:</u></p> <p>Total number of Councillors</p> <p>Number of Councillors on Mayoral Committee</p>	<p>27</p> <p>4</p>	
	<p><u>Ward detail:</u></p> <p>Total number of Wards</p> <p>Number of Ward Meetings</p>	<p>14</p> <p>0</p>	
	<p>Number and type of Council and Committee meetings:</p> <p><i>Council</i></p> <p><i>Mayoral Committee</i></p> <p><i>Portfolio Committee</i></p>	<p>8</p> <p>3</p> <p>1</p>	

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Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
		No Performance Management System during Financial year 2010/11	

CHAPTER 3

PERFORMANCE HIGHLIGHTS

Vision

Tourism home to the scenic wonders of Africa.

Mission

To provide tourism based developmental local government by rendering:

- World Class Quality Services
- Socio and Economic Development
- A safe and Healthy Environment
- Public Participation
- Tourism Enhancement

OBJECTIVES

The mission will be accomplished by the following objectives:

- Provision of affordable potable
- Provision of efficient and effective sanitation services
- Construction and maintenance of appropriate level of storm water system
- Provision, maintenance and safe operation of electricity service
- Provision of high level of town planning services, including building control functions
- Establishment and implementation of an effective Project Management Unit

KEY PERFORMANCE AREA

- Water infrastructure provisioning, bulks supply, purification and distribution
- Sanitation infrastructure, reticulation and purification
- Roads provisioning and maintenance

- Storm water provision and maintenance
- Electricity infrastructure, distribution and maintenance
- Town planning and building control
- Management and implementation of capital projects

KEY PERFORMANCE AREAS

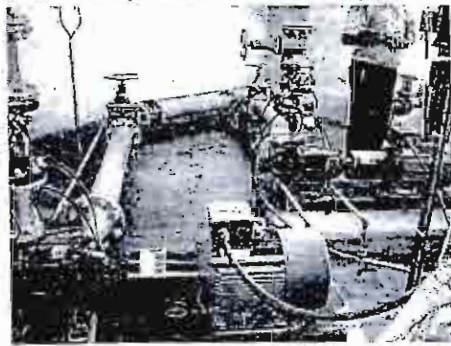
- Water infrastructure provisioning, bulk supply, purification and distribution,
- Sanitation infrastructure, reticulation and purification,
- Roads provisioning and maintenance,
- Storm water drainage provisioning and maintenance,
- Electricity infrastructure, distribution and maintenance,
- Town planning and building control,
- Management and implementation of an capital projects.

ACHIEVEMENTS

Water

- Maintained a relatively high level of water services,
- The quality of potable water reticulated met the quality requirement for domestic supplies on all occasions tested,
- The water backlog is standing at 19% as baseline study conducted by MKS Management Services in 2008 indicates,
- Master plan on water was done by the Steward and Scot International in 2008,
- A Water Service Development Plan (WSDP) is being revised by Invirocon Development Planning & Spatial Information System Specialists, they had been instructed by Department of Water Affairs to review the previous WSDP,
- Ground Water Protocol had also been carried out by Bhutana Earth Scientists in May 2009,
- Policy on bulk services contribution had been completed and to be implemented,
- Water services development at Extension 6 was partly carried on 400 ervens but stalled after Mpumalanga Finance Housing Cooperation (MFHCO) was dissolved,

- The has been a construction of a reservoir at Stasie, that included the construction of bulk water supply,
- Business plans for provision of bulk water supply and reticulation to Kanana at Moremela, provision of water reticulation to the Simile informal settlements and provision of water reticulation to Phola Park informal settlement,
- Business plans for provision water supply: storage reservoir, boreholes, main supply pipeline reticulation at Boomplaats 29 JT will also be submitted,
- Provision of water reticulation to Leroro and provision of boreholes pumps and rising main in Mashishing Reservoirs projects are being implemented,
- Provision of bulk water supply and reticulation to the Draaikraal settlement Provision of water reticulation to Leroro business plans had been approved by MIG and will be implemented in 2011/12 Financial Years.



New water pump station in Pilgrim's rest

Sanitation

- The level of services on sanitation in all formal areas is of high standard where waterborne sewage system is in place,
- The backlog in sanitation is standing at 43% as indicated in baseline study conducted by MKS Management Services in 2008,
- The sanitation at rural areas is well beyond standard but through the MIG grants, applications (business plans prepared and submitted and partially approved) had been made to solve this problem.
- Implementation plans for 2011/12, of which MIG Business Plans had been approved, the following rural areas: Glory Hill (Graskop), Hostel Informal Settlement (Graskop), Pilgrims Rest, Ponieskrantz (Pilgrims Rest), Brondal,

Badfontein, Boomplaats, Boschhoek Farm, Draaikraal, Shaga Farm (Maartenshoop), Versailles, Matibidi, Leroro, Moremela and Hendriksdal are going to benefit for rural sanitation programme, at a cost of R11 976 324.

- The Ground Water Protocol carried out by Bhutana Earth Scientists in May 2009 will also help in the implementation of the rural sanitation because most project could not be carried out because of the concern by the Department of Water Affairs on pollution of underground water by construction of ventilated improved pit latrines (VIPs).

Electricity

- The Thaba Chweu Municipality has maintained a level of service on electricity provision, especially in the licensed areas in all formal areas (townships and towns). The rural areas are mainly supplied by Eskom,
- The backlog in electricity is standing at 14.5% as indicated in baseline study conducted by MKS Management Services in 2008,
- The Public Private Partnership (PPP) has resulted in the construction of Rooidraai Substation, which has been completed and will be commissioned as funds had been sourced. This substation will help in the problem of outages in the Lydenburg/Mashishing areas.
- DBSA loans are still being sourced out to help with the electrification of some RDP houses around the Thaba Chweu Municipality area.

Roads

- The Thaba Chweu Municipality has maintained roads to acceptable level of service through minimal financial resources due to lack of funds,
- Lack of internal funds on part of Thaba Chweu Municipality has resulted in most projects put on hold,
- Master plan on roads still need to be reviewed,
- All roads at the Heads development had been completed,
- Mashishing Extension 6, construction of new roads stalled due to the fact that Mpumalanga Finance Housing Cooperation (MFHCO) was dissolved,
- Through MIG funding, the upgrading of Voortrekker Street in Lydenburg (which is link between Mashishing and the Central Business District (CBD) was done at a cost of ± R10 million on 2009/10 and 2010/11 financial years,

- At Coromandel, 25 km from Lydenburg, an entrance road and lower bridge project was completed in the 2009/10 and 2010/11 financial years at a cost of ± R13.3 million on 2009/10 and 2010/11 financial years, through MIG funding,
- At Moremela a bus route was constructed at a cost of ± R5.3 million,
- Through MIG funding , at Sabie on the main road, rehabilitation was done at cost of ± R1,3 million,
-



- Technical reports for all backlogs at the Municipality are being done.

Refurbishment of Voortrekker Street in Mashishing

Storm Water

- The Thaba Chweu Municipality has maintained storm water drainage to acceptable level of service through minimal financial resources due to lack of funds,
- Storm water drainage in the Lydenburg CBD had been cleaned as well as in Sabie and Graskop,
- Lack of internal funds on part of Thaba Chweu Municipality has resulted in most projects put on hold,



Storm Water in Voortrekker Street

Town Planning

- The Thaba Chweu Municipality Town Planning Section, at the Directorate Technical and Engineering Services is responsible for all township establishment applications, rezoning, sub-divisions and consolidations and is presently manned by a part-time Town Planner and prospective candidates had been interviewed for the permanent position.

Project Management Unit (PMU)

- The unit is presently functioning with a Manager and other complementary officials will be employed after skills audit had been carried by the Thaba Chweu Municipality,

- All MIG projects and applications mentioned above are managed by this unit.



Low water bridge to Koromandel

CHALLENGES

- The demand for water in Thaba Chweu Municipality both urban and rural areas is high and efforts are being made to meet the demand and supply by investigating alternative sources,
- The supply of electricity in Lydenburg/Mashishing will still be concern due to developments happening at a large scale around the area, mines and businesses being opened,
- There is a demand for Spatial development Framework (SDF) to be completed urgently due to huge demands on housing and opening of mines to ensure orderly growth in the area,
- Most of the existing infrastructure need to be upgraded and replaced in order to continue with proper service delivery and the following need to be carried out:
 - x) Electricity overhead lines refurbishment,
 - xi) Electricity poles replacement,
 - xii) Electricity switch gear improvement,
 - xiii) Old asbestos water pipes replacement,
 - xiv) Water and sewer pipes refurbishment,
 - xv) Concrete storm water pipes refurbishment,
 - xvi) Road refurbishment,

xvii) Sewer refurbishment,

xviii) Storm water drainage refurbishment.

- Most vehicles and plant are very old and need to be replaced,
- Vacant post had not yet been filled.

CHAPTER 4 FINANCIAL STATEMENTS

OFFICE OF THE CHIEF FINANCIAL OFFICER

FINANCIAL VIABILITY REPORT – JUNE 2011

PURPOSE

The purpose of the report is to provide an oversight of the performance of the financial Department.

STRATEGIC OBJECTIVES

This report addresses the strategic objective of "Ensuring good governance and financial viability with capacity to execute its mandate".

PERFORMANCE HIGHLIGHTS

Human Resources management

The planned employee costs for the period ended 30 June 2011 was R 74 881 041 whilst the actual expenditure was R 64 932 051. This is 13.29% lower than planned and it is mainly due to the inability of the municipality to appoint staff because of cash constraints.

Systems Support

The total Financial System and IT of the municipality will be revealed as part of the turnaround strategy.

3.3 Operating Revenue and Expenditure

The table below reflects the Statement of Financial Performance for the period ended 30 June 2010. The actual revenue and expenditure exclude revenues and expenditures relating to MIG projects as these are reported on separately.

PURPOSE

The purpose of the report is to provide an oversight of the performance of the Financial Department.

STRATEGIC OBJECTIVES

This report addressed the strategic objective of "Ensuring good government and financial viability with capacity to executive its mandate"

PERFORMANCE HIGHLIGHTS

Human Recourse Management

The planned employee cost for the period ended June 2011 was R 74 088 129 whist the actual expenditure was R 70 929 950

SYSTEM

The total financial system and information Technology of the Municipality will be reviewed as part of the turnaround strategy.

Table: Operating Revenue and Expenditure – Summary for year ended 30 June 2010.

DETAILS	ADJUSTMENTS BUDGET 2011	ACTUALS TO 30 JUNE 2011	% VARIANCE
	R	R	%
Total Revenue	269 288 107	294 924 598	9.52%
Total Expenses	268 191 802	248 841 481	7.22%
Net Profit/(Deficit)	1096 305	(46 083 117)	

There was R 161 660 674 under-recovery of income and a R 196 113 584 under spending on expenditure.

The under-recovery was mainly on the sale of land.

Table: Operating Expenditure by source for the year ended 30 June 2011.

DETAILS	ADJUSTMENTS BUDGET 2011	ACTUALS TO 30 JUNE 2011	VARIANCE TO BUDGET
	R	R	R
Labour expenses	83 522 002	76 422 943	7 099 059
Electricity purchases	77 673 581	75 419 253	-2 254 328
General expenses	71 706 219	90 609 237	-18 903 018
Repairs & maintenance	8515 000	175 800	8 339 200
Loan costs	2 060 000	2980 408	-920 402
Capital expenditure	24 715 000	3 233 846	21 481 154
Total	268 191 802	248 841 481	19 350 321

All expenditure the municipality had control over are less than budget..

Electricity was under budgeted for the year, hence the over expenditure.

FINANCIAL RESOURCE MANAGEMENT

Investments

Description	Current year June 2011	Prior year June 2011
	R	R
Listed	986 071	783 278

Unlisted	-	-
Long term deposits	6 640 297	5 901 489
Galaxy Portfolio Services	-	-

The Galaxy Portfolio service where written off due to lack of sufficient information to back up the investment. The long term deposit represent an initial R 845 which was invested with the public investment commission in 1993 as a loan redemption fund and stand as security deposit initial deposit of R 845 000 which was invested with the Public Investment Commission in 1993 as a loan redemption fund and stand as security for the repayment of local stock loan number E30 of R 8 910 000 which matures in 2014.

An investment policy is in place, which meets the requirements of the MFMA and is consistent with the Municipal Investment Regulations issued by National Treasury no R.308 of 01 April 2005.

5.2 External loans

Description	Current year June 2010	Prior year June 2009
	R	R
Local registered stock	8 910 000	8 910 000
INCA	1362 967	1 809 076
DBSA	1 401 421	2 641 560
Total	11 674 388	13 333 636

The local registered loan is repayable in 2014 from the proceeds of the long term deposit (see 5.1 above). Currently only the interest portion is payable. The average interest payable on these is 12%.

CONSUMER DEBTORS

Consumer debtors that are outstanding for 90 days and more are getting worse, as indicated by the following table.

Table: Consumer Debtors Age analysis:

	Current year June 2011	Prior year June 2010
	R	R
Current	8 850 505	7 317 870
60 days	5 051 024	3 311 440
90 days	6 829 206	10 330 261
90 days and over	49 209 206	83 896 005
Total	69 940 457	104 855 576

Table: Debtors by consumer group:

	Current year June 2010	Prior year June 2009
	R	R
Government	-422 414	-
Business	-	10 264 310
Households	70 362 871	94 541 266
Other	-	-
Total	69 940 457	104 805 576

Indigent debtors are included in the above figures.

A provision of R 49 209 206 has been made for possible bad debt, which is 42.4 % of the total book.

GRANTS

7.1 Table: Other grants

	Received	Spent	Balance
	R	R	R
MIG	10 922 759	6 955 665	3 966 335
Finance Management Grant	-	-	80 000
MSIG	-	-	131 223
Equitable Share	76 281 639	76 281 639	-

THABA-CHWEU LOCAL MUNICIPALITY
AUDITOR-GENERAL'S REPORT 2010/11

THABA CHWEU LOCAL MUNICIPALITY

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED
30 JUNE 2011



THABA CHWEU LOCAL MUNICIPALITY

Annual Financial Statements for the year ended
30 June 2011

THABA CHWEU

Tel: 013 235 7300
Fax: 013 235 1108
E-mail: mm@thabachweumun.gov.za



P O Box 61
Lydenburg
1120

DATE: 29 JUNE 2012

OUR REF.: MR. GROENEWALD

YOUR REF.: MRS CUSSENS

THE AUDITOR GENERAL OF SOUTH AFRICA
NELSPRUIT

BY HAND

Dear Sir,

RE: SUBMISSION OF ANNUAL FINANCIAL STATEMENTS: 2010/2011

Our previous engagements in this matter bear reference.

Please find annexed hereto the Annual Financial Statements for the 2010/2011 financial year.

Kindly acknowledge receipt thereof on the duplicate hereof.

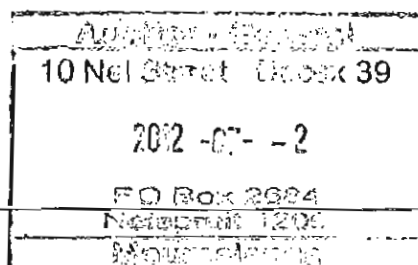
Regards

RECEIVED ON THIS 02 DAY OF July 2012:

AT NELSPRUIT

SIGNED: Phala

BS KOMA
MUNICIPAL MANAGER





THABA CHWEU LOCAL MUNICIPALITY
GENERAL INFORMATION
 Annual Financial Statements for the year ended
 30 June 2011

DESCRIPTION	NAME	DATE STARTED	DATE ENDED
Executive Mayor	Under Administration		
Speaker	Under Administration		
Executive Committee	Under Administration		
Councillors	BF Mohlala	Jul-10	Aug-10
	CE Mokoena	Jul-10	May-11
	CI Dickson	Jul-10	May-11
	CM Mokoni	Jul-10	Aug-10
	EN Mashego	Jun-11	Jun-11
	EV Bates	Jan-11	Jun-11
	FJC Rousseau	Jul-10	May-11
	GP Mashego	Jul-10	May-11
	HS Boshoff	Jul-10	Jun-11
	J Aucamp	Jul-10	May-11
	JA Maolele	Jul-10	Jun-10
	LJ Matsane	Jul-10	May-11
	LN Manzini	Jul-10	Aug-10
	M Mahlangu	Jul-10	Jun-11
	ME Mkhabela	Jul-10	Aug-10
	MT Mashego	Dec-10	Jun-11
	NS Sambo	Jul-10	Jun-11
	PJ De Witt	Jul-10	May-11
	PJ Mahlangu	Jul-10	Aug-10
	PM Mpholoane	Jul-10	May-11
	PP Chima	Jul-10	Jun-11
	S Mashigo	Jul-10	May-11
	SA Banda	Jul-10	May-11
	SJ Segoane	Jul-10	Aug-10
	VS Magagula	Jul-10	Jun-11
Municipal Manager	Mr. Ralebipi		
Chief Financial Officer	Mr. Landman		
Auditors	The Auditor General of S.A		
Bankers	Absa Bank of S.A		



THABA CHWEU LOCAL MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS
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 1 to 44, 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.

A handwritten signature in dark ink, appearing to read "R. S. M.", is written over a horizontal line.

Municipal Manager:

DATE



THABA CHWEU LOCAL MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS
30 June 2011

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THABA CHWEU LOCAL MUNICIPALITY
STATEMENT OF FINANCIAL POSITION
30 June 2011

	Note	2011 R	2010 R
ASSETS			
Current assets			
Cash and cash equivalents	1	6 855 924	(31 567 808)
Trade and other receivables from exchange transactions	2	22 104 084	60 383 785
Other receivables from non-exchange transactions	3	10 369 034	4 015 013
Inventories	4	1 530 122	1 850 941
Investments	5	-	723 308
VAT receivable	10	-	4 557 012
Non-current assets			
Investments	6	9 887 785	6 684 766
Property, plant and equipment	32/33	1 604 120 976	110 810 961
Total assets		1 654 867 925	157 457 978
LIABILITIES			
Current liabilities			
Trade and other payables from exchange transactions	7	70 775 654	44 780 608
Consumer deposits	8	3 246 727	3 163 096
VAT payable	9	9 524 154	-
Current provisions	13	9 115 041	-
Current portion of unspent conditional grants and receipts	11	4 097 558	138 620
Current portion of borrowings	12	507 485	1 458 200
Non-current liabilities			
Non-current borrowings	12	9 759 906	11 875 436
Short term loan portion		-	1 878 148
Total liabilities		107 026 525	63 294 108
Net assets		1 547 841 399	94 163 870
NET ASSETS			
Reserves Revaluation of assets		-	41 108 272
Surplus/deficit current year		-	-
Accumulated surplus / (deficit)		(1 547 841 399)	53 057 598
Total net assets		(1 547 841 399)	94 163 870



THABA CHWEU LOCAL MUNICIPALITY
STATEMENT OF FINANCIAL PERFORMANCE
30 June 2011

	Note	2011 R	2010 R
Revenue			
Property rates	14	32 761 694	9 075 940
Service charges	15	110 900 217	82 499 039
Rental of facilities and equipment	16	591 246	690 597
Interest earned - external investments	17	39 252	18 900 362
Interest earned - outstanding receivables	18	441 787	-
Fines		1 599 164	1 551 898
Dept Transport motor vehicle fee income and Licences and permits		3 807 915	-
Government grants and subsidies	19	81 087 631	76 896 390
Public contributions and donations		-	6 606 425
Other income	20	3 476 980	3 077 301
Total revenue		234 705 886	199 297 952
Expenses			
Employee related costs	21	70 294 075	64 932 051
Remuneration of councillors	22	4 539 763	3 719 494
Internal departmental service charges		30 979 932	-
Repairs and maintenance		4 576 497	5 916 213
Finance costs	23	1 431 152	1 704 929
Bulk purchases	24	79 264 755	61 406 037
Other Contracted services	25	9 563 324	15 722 278
Grants and subsidies paid	26	16 798 112	34 264 508
General expenses	27	31 968 897	26 512 726
Total expenses		249 416 508	214 178 236
Surplus / (deficit) for the period		(14 710 622)	(14 880 284)



THABA CHWEU LOCAL MUNICIPALITY
STATEMENT OF CHANGES IN NET ASSETS
 30 June 2011

of the background of the preparation of financial statements. It gives a detail overview of transactions completed. In terms of GRAP 3 the rule of "impracticability" of retrospective changes were used. However future users can refer back to this schedule in order

						TRANSACTION DESCRIPTION	GRAP 3 EFFECT
	Revaluation Reserve	Other reserves	Total: Reserves	Accumulated Surplus/(Deficit)	Total: Net Assets		
	R	R	R	R	R		
Restated balance	5 251 996	0	5 251 996	91 719 941	96 971 937		
Changes in accounting policy	-5 251 996	41 106 272	35 854 276	-35 854 276	0		
Other items	0	0	0	12 072 218	12 072 218		
Surplus / (deficit) for the period	0	0	0	-14 880 284	-14 880 284		
Balance at 30 June 2010	0	41 106 272	41 106 272	53 057 599	-94 163 071		
SUBTOTAL OF CURRENT YEAR JOURNALS						-71 242 133	
ACCT 6101/6111/6101 val corrections				90 739		The entries were journals posted in the current year. Some of the reasoning could be traced and some portion of the journals are prior year corrections where the assumptions for the rationale of the entries could not be determined	We applied the rule of "impracticable" of GRAP 3 as described below in the footnote and is a combination of a) b) or c) as described.
ACCT 6101/6111/6135 open balance and other corrections				-35 981 777			
ACCT 6101/6111/6136 opening balances correction				-35 212 476			
Correction of prior period error				-138 619			
SUBTOTAL OF CURRENT YEAR CORRECTIONS						76 368 494	
REVERSAL OF PRIOR YEAR ASSET REGISTER ENTRIES							
PRIOR YEAR CORRECTION				115 437 168		this entry was made whereby the total of the assets of the prior year were written back and the new entries in terms of GRAP 17 were done	We applied the rule of "impracticable" of GRAP 3 as described below in the footnote and is a combination of a) b) or c) as described.
CURRENT YEAR PROVISION INCORRECTLY ADDED TWICE NOW CORRECTED				201 938			
SUBTOTAL : CORRECTION OF ERRORS INDICATED AND CORRECTED DURING AUDIT				-39 270 612		Error recognised.	None
						Error recognised.	None
							83 836 085
EX 11-1	1. The electricity expense for June 2011 was not recorded, which resulted in an understatement of electricity expenses amounting to R4 179 755				-4 179 755	This matter relates to the current year only and has no impact on prior year corrections in terms of GRAP 3	None
	Departmental Electricity				-343 640	This matter relates to the current year only and has no impact on prior year corrections in terms of GRAP 3	None
EX 21-1	1. Disagreement Misstatements:				10 636		
Date	Supplier Name	Amount	Description				
2011/02/21	LEGAL COSTS	R 44 146,98	R44 909,00	782			
2011/06/23	TRAVEL & ACCOMODATION	R33 308,77	R34 466,87	(R1 157,90)			
2011/05/09	TELEPHONE	R39 295,73	R39 713,61	(R417,88)			
2011/06/13	SECURITY SYSTEMS	R 315 789,47	R304 339,20	R11 450,27			
Ex25 -4,3	Interest on overdue accounts not separately disclosed on the financial statements 3. Overstatement of interest paid amounting to R376 300				376 300	This matter relates to the current year only and has no impact on prior year corrections in terms of GRAP 3	None
Ex 25-1	1. Understatement of long term loans in the financial statements Long term loans as disclosed in the AFS R 9 397 879 Long term loans as confirmed by INCA R10 267 392 Understatement of loans R 869 513				869 513	The actual confirmation were acquired from INCA. The prior year confirmations could not be verified and is perhaps not valid. The year end amount verification were used to delamine existence and value	We applied the rule of "impracticable" of GRAP 3 as described below in the footnote and is a combination of a) b) or c) as described.
Ex 25-2	2. Incorrect classification of the short term portion of the long term loans No short term portion of the long term loans is disclosed on the financial statements. Short term portion of long term loan as confirmed by INCA R507 485				507 485	This matter relates to the current year only and has no impact on prior year corrections in terms of GRAP 3	None
Ex 43 table 1.2	1.1) In our evidence obtained from RD323 reports (reports indicating the income collected by the municipality on behalf of the department of transport) we found that the total income and relating expenses as per live RD 323 reports differed to the total income and relating expenses recognised in the financial statements(AFS) as follows:				1 129 724		
Ex 43 table 1.2					-1 165 060		
	Description	Amount per RD323	Amount per AFS	Difference found Overstatement/ (Understatement)			
	income collected on behalf of department of roads and transport	R19 216 250,39	R18 086 526,08	R 1 129 724,31			
	Relating expense	(R15 573 000,31)	(R14 207 940,08)	(R1 165 060,23)			
	Net effect to be recognised as income R3 843 250,08					This matter relates to an external verification received from the Department of Transport in order to verify the transactions in respect of the RTMC fees collected in the financial year 2010/2011 only. The impact is contained in the current year only.	None

	municipal inventory		
2	Total bulk kilowatt hours consumed for street lighting:		
	<i>Mashishing (Lydenburg)</i>	250,000	
	<i>Skhila</i>	58,000	
	<i>Marambane</i>	280,000	
	<i>Kellysville</i>	18,000	
	<i>Coromandel</i>	37,000	
	<i>Graskop</i>	50,000	
	<i>Gloryhill</i>	93,000	
	<i>Moremela</i>	123,000	
	<i>Leroro</i>	121,983	
	<i>Matibidi</i>	180,000	
	<i>Sabie</i>	170,000	
	<i>Simile</i>	170,819	
	<i>Harmony Hill</i>	29,000	
	Note: total number of kilowatt hours consumed by all street lighting for year	1 580 802	474

Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
<i>Operations and maintenance Refurbishment of infrastructure Upgrading of existing infrastructure</i>	<i>O&M has continued as required</i> <i>A refurbishment programme been implemented</i> <i>Street lighting has been upgraded in Mashishing (Lydenburg)</i>		

New infrastructure	Street lighting has been extended to Moremela, Mashishing, Skhila & Moremela		
--------------------	--	--	--

MUNICIPAL INFRASTRUCTURE GRANT (MIG)

MUNICIPAL FINANCIAL YEAR	AMOUNT RECEIVED BY THE MUNICIPALITY	AMOUNT OF FUNDS DELAYED OR WITH HELD FROM THE MUNICIPALITY	ACTUAL EXPENDITURE OF THE GRANT	% EXPENDITURE	TARGET % EXPENDITURE	COMPLIANCE WITH THE CONDITIONS OF ALLOCATION
2010/2011	21,976,74	0.00	18,441,605	83,91	100%	Full compliance
Total	21,976,74	0.00	18,44,605	83,91	100%	Full compliance

Note

- This financial year 2010/11 the municipality did not comply, it was under Sec 139 and it contributed negatively
- Implementation of the projects was done in full compliance with the conditions of the grant allocation. Monthly and quarterly reporting have been submitted on time.
- Expenditure was stagnant from April 2010 to November 2011 because of the office of the PMU was not manned by Technical Official.

CONCLUSION BY THE MUNICIPAL MANAGER

Among a wide variety of expectations and demands by our communities and legislation, it is imperative that we should balance our gains and set-backs against the objectives of the Local Government and the Constitution of the RSA.

At this stage, we can safely score ourselves three out of five (3/5) concerning our compliance in this regard despite the challenges we faced.

The past financial year was full of challenges, but I hope we overcome them as we progress to the next financial year (2010/11)

I want to emphasize and thank the Administrator's team, Politicians, Officials and Community at large for their positive contribution towards this Municipality. I can state that without you there is no municipality.

One further emphasized the improved Finance Department of the Municipality together with the committed staff and the municipal staff as a whole. Your contribution is highly noted.

Service Delivery is the core function of this Municipality. As a result we are all intended and committed to serve our Communities with services. It is in our heart that we see this municipality advance to higher level.

Finally, the commitment of our employees in discharging their difficult tasks, the seriousness of the Communities in ensuring that their payment of services is an all-time culture and tradition, and the resilient leadership of our Councillors are all factors that are proving one thing: "THE CENTRE IS HOLDING" in TCLM.

It is only when the centre holds that all goals are achievable.

In 2010/2011 the main goal is that at least 99% of the targets set in the IDP Document are achieved.

Working together we can do more!!!!

All thanks to all TCLM patriots!!!

Compiled by: Mr. Puleng Mapheto (Communications and Marketing Officer)

Ex 41	During our audit it was identified that the provision for leave as disclosed on the financial statements is not an accurate estimation. We received a recalculation of the provision from national treasury which we audited and corrected. The amount of the leave provision is R6 923 488.			-482 531
		Provision as disclosed on the AFS:	406 019	
		Recalculated provision:	6 923 488	
		Difference	482 531	
Ex 47	Per inspection of the initial financial statements no provision has been made for the bonuses that accrue during the year			2 919 550
Ex 22	The bonus provision was calculated and it is assessed that the provision should be R2 191 550. 1. Difference between the general ledger and financial statements			226 890
		Inventory on year end per the financial statements	R1 649 214	
		Inventory on year end per the general ledger	R1 422 324	
		Difference	R 226 890	
?	Provisions for bad Debt			39 272 612
Ex 40 b	b) Internal charges journal does not add up. The correctly calculated journal amounts to R24 537 366 (resulting in a error of R350 719)			-350 719
Ex 40 -8	Reconciliation of the correct disclosure of "Provision for doubtful debts"			3 585 070
		Opening balance	R44 471 793	
		Movement for the year	(R5 201 181)	
		Closing balance	R39 270 612	
	This matter relates to a prior year creation of so called parked debtors, which in our opinion is a incorrect calculation and guess work at best. As the amount was is currently an opening balance and thus carried over from the prior year, and created in 2009/10 and the "Income" recognised in the prior year the provision for bad debts was recognised against appropriated surplus.			82 501 558
Ex 51	The balance according to the trail balance does not agree with the list of Consumer Deposits.			-211 258
		Amount per Trail Balance:	R 3 457 984,67	
		Amount per Consumer Deposits:	R3 246 726,60	
		Difference:	R 211 258,07	
Ex 22	1. Negative inventory balances included in the stock count sheets at year end The stock count sheets used to prepare the financial statements contained stock items amounting with a negative value resulting in the understatement of inventory to R107 798.			-107 798
Ex 40	Based on the above calculation the reconciliation of doubtful debt provision as stated on the financial statements amounting to R88 478 818, is overstated by R49 209 208 due to the incorrect inclusion of the opening balance (R44 471 793) and the "doubtful debts written off against provision (R4 737 413)			-44 471 793
Ex 25 ???	Investments: REVALUATION OF EXTERNAL CONFIRMATION FROM INCA AND ABSA			-2 148 320
?	Provision for leave adjusted to correct amount and calculated as per actual.			5 527 871
Ex 15	3) Sales per Syntell report not recognised in correct accounting period. The sales for 30 June 2011 per the Syntell report equated R137 943,99. The proceeds on these sales were only received on 04 July 2011 No income for these sales was recognised in the 2011 financial year. This results in the understating of pre-paid income amounting to R137 943,99			137 944
Ex 29 ?	Investments			15 975
Ex 53-1	1. Differences identified between the FNB bank statement and the general ledger			2 141 280
		Recommendation		
		1. The following journal is proposed to correct the account:		
		CT – FNB account	(2 176 536)	
		DT – Motor vehicle expense	1 165 080	
		CT – Motor vehicle income	(1 129 724)	
		DT – Retained income	2 141 200	
Ex 39				81 087 632
Ex 40	Based on the above calculation the reconciliation of doubtful debt provision as stated on the financial statements amounting to R88 479 818, is overstated by R49 209 208 due to the incorrect inclusion of the opening balance (R44 471 793) and the "doubtful debts written off against provision (R4 737 413)			-4 737 413
	CASHIER SHORTAGES;BALANCE AT			780
	INSURANCE CLAIMS;SABIE UNRES			4 076 337
	SUNDRY DEBTORS;TRANSACTIONS			446 777
	LOANS **** BALANCE AT BEGINNING OF YEAR			43 186
	LOANS **** TRANSACTIONS FOR YEAR			-43 256
	RENT **** BALANCE AT BEGINNING OF YEAR			2 734
	VACUUM TANK **** BALANCE AT BEGINNING OF YEAR			383
	VACUUM TANK **** TRANSACTIONS FOR YEAR			-174 795
	RENT **** TRANSACTIONS FOR YEAR			25 458

This matter relates to the current year only and has no impact on prior year corrections in terms of GRAP 3	None
This matter relates to the current year only and has no impact on prior year corrections in terms of GRAP 3	None
This matter relates to the current year only and has no impact on prior year corrections in terms of GRAP 3	None
This matter relates to the current year only and has no impact on prior year corrections in terms of GRAP 3	None
This matter relates to the current year only and has no impact on prior year corrections in terms of GRAP 3	None
This matter relates to the current year only and has no impact on prior year corrections in terms of GRAP 3	None
This matter is a prior year issue.	We applied the rule of "Impracticable" of GRAP 3 as described below in the footnote and is a combination of a) b) or c) as described.
This matter relates to the current year only and has no impact on prior year corrections in terms of GRAP 3	None
This matter relates to the current year only and has no impact on prior year corrections in terms of GRAP 3	None
This matter was an internal error corrected after discussion of the exceptions raised in this regard and a wrong entry on the notes. The external confirmation from ABSA was received after some serious effort. In the remaining time ABSA informed us that it will take 4 weeks to try and establish what the growth for the period from 19954 was. We are however satisfied with the balance confirmation as at 30 June 2011.	We applied the rule of "Impracticable" of GRAP 3 as described below in the footnote and is a combination of a) b) or c) as described.
This matter relates to the current year only and has no impact on prior year corrections in terms of GRAP 3	None
This matter relates to the current year only and has no impact on prior year corrections in terms of GRAP 3	None
This matter relates to the current year only and has no impact on prior year corrections in terms of GRAP 3	None
This matter relates to the current year only and has no impact on prior year corrections in terms of GRAP 3	None
This matter relates to the current year only and has no impact on prior year corrections in terms of GRAP 3	None



THABA CHWEU LOCAL MUNICIPALITY
CASH FLOW STATEMENT
30 June 2011

	Note	2011 R	2010 R
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		234 705 886	242 426 997
Sales of goods and services		144 253 157	169 762 341
Grants		81 087 631	72 008 049
Fines		1 599 164	-
Interest received		481 039	656 607
Dept Transport motor vehicle fee income and Licences and permits		3 807 915	-
Other receipts		3 476 980	-
Payments		218 436 575	225 314 688
Employee costs		74 833 838	61 328 703
Suppliers		110 202 689	162 281 056
Interest / finance cost paid		1 431 152	1 704 929
Other payments		31 968 897	-
Net cash flows from operating activities		16 269 311	17 112 309
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of fixed assets (PPE)		-	(14 919 058)
Increase in investments		3 203 019	(656 607)
Decrease/(Increase) in Loans and receivables		1 608 045	-
Net cash flows from investing activities		4 811 064	(15 575 665)
		21 080 375	1 536 644
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		-	-
Internal charges with sales not credited no cash flow		(30 979 931)	-
Repayment of borrowings		(1 431 152)	(1 439 590)
Net cash flows from financing activities		(32 411 083)	(1 439 590)
Net increase / (decrease) in net cash and cash equivalents		(11 330 708)	97 054
Net cash and cash equivalents at beginning of period		(7 858 407)	1 765 637
Net cash and cash equivalents at end of period		6 855 924	1 862 691
Unreconciled cash book balances		-	(33 437 189)
Net cash and cash equivalents per general ledger		(1 002 483)	(31 574 498)

GRAP 3 NOTE ON IMPRACTICABLE MATTERS WHERE IT IS NOT PRACTICAL TO MAKE RETROSPECTIVE CHANGES.

The prior years were subject to disclaimers and the quality and source of information were unavailable in respect of prior years. The trial balances were also incomplete and inaccurate. The prior year carrying figures defined as unreconciled cash book balances could not be practically resolved. The information supplied is the information available and recorded for future reference and possible changes.

21 080 375

Thaba Chweu Local Municipality

Annual Financial Statements for the year ended 30 June 2011

Accounting Policies

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the effective Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention unless specified otherwise. They are presented in South African Rand.

The Standards comprise of the following:

GRAP 1	Presentation of Financial Statements
GRAP 2	Cash Flow Statements
GRAP 3	Accounting Policies, Changes in Accounting Estimates and Errors
GRAP 4	The Effects of Changes in Foreign Exchange Rates
GRAP 5	Borrowing Cost
GRAP 6	Consolidated Financial Statements and Accounting for Controlled Entities
GRAP 7	Accounting for Investments in Associates
GRAP 8	Financial Reporting of Interests in Joint Ventures
GRAP 9	Revenue
GRAP 10	Financial Reporting of Interests in Joint Ventures
GRAP 11	Construction Contracts
GRAP 12	Inventories
GRAP 13	Leases
GRAP 14	Events after the Reporting Date
GRAP 16	Investment Property
GRAP 17	Property, Plant and Equipment
GRAP 19	Provisions, Contingent Liabilities and Contingent Assets
GRAP 100	Non-current Assets held for Sale and Discontinued Operations
GRAP 101	Agriculture
GRAP 102	Intangible Assets

- The following GRAP standards are not applicable on Thaba Chweu Local Municipality
GRAP 4, 6, 7, 10, 11, 101
- The following GRAP standards have been issued but are not yet effective and have not been adopted by the municipality:
GRAP 8, 18, 23, 24 and 103.
- Transitional Provisions in respect of GRAP 12, 13, 16, 17, 19 and 102 have been used in the compilation of Financial Statements as prescribed by Directive 4.

Accounting policies for material transactions, events or conditions not covered by the above GRAP Standards have been developed in accordance with paragraphs 7, 11 and 12 of GRAP 3.

Accounting Policies

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

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

Asset Management Policy
Annual Financial Statement Policy

1.1 Offsetting

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

1.2 Presentation of currency

These annual financial statements are presented in South African Rand and are rounded to the nearest Rand.

1.3 Going concern assumption

These annual financial statements have been prepared on the going concern basis.

1.4 Comparative information

Change in accounting policy:

The adoption of GRAP Standards, it will be considered to be a change in accounting estimate and therefore all the comparative Information will be restated as prospective changes will be done.

Change in accounting estimate:

All changes in accounting estimates will be prospectively changed and therefore no restatement of comparative Information will be required.

Errors:

All errors that are material will be corrected prospectively and while non-material errors will also be corrected prospectively and the comparative information is therefore not restated.

1.5 Borrowing costs

Borrowing costs are recognised as an expense in the period in the Statement of Financial Performance.

1.6 Provisions and contingencies

Provisions are recognised when:

- the municipality has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to
- settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

1.7 Retirement Benefits

Pension Funds

The municipality contributes towards retirement benefits of its employees and councillors to the under mentioned pension funds:

- Municipal Councillors Pension Fund
- Municipal Employees Pension Fund
- Municipal Gratuity Fund
- SALA Pension Fund

Defined contribution plans

The funding of defined contribution plans is charged to the statement of financial performance in the same period as the related service is provided.

Post-employment medical care benefits

The municipality provides post-employment medical care benefits to its employees and their legitimate spouses.

The entitlement to post-retirement medical benefits is based on employees remaining in service up to retirement age and the completion of a minimum service period.

Post-employment medical care benefits are accounted for in accordance with the exemptions in terms of Gazette 30013 of 29 June 2007.

1.8 Investment property

Investment property shall be accounted for in terms of GRAP 16 and shall not be classified as property, plant and equipment for Statement of Financial Position.

Investment property shall be measured initially at cost and where investment property is acquired at no cost, or for a nominal cost, its cost is its fair value as at the date of acquisition to be determined by the Chief Financial Officer.

Investment property shall comprise land or buildings (or parts of buildings) or both held by the municipality, as owner or as lessee under a finance lease, to earn rental revenues or for capital appreciation or both.

Investment property shall be recorded in the asset register in the same manner as other assets, but a separate section of the asset register shall be maintained.

Investment property shall be depreciated according to their annual depreciation rates based on the estimated useful lives of the asset.

The estimated useful lives of Investment Property is:

Buildings: 30 Years

Land: Not depreciated as it is regarded as having an infinite life

1.9 Property, plant and equipment

Initial recognition

The municipality has taken advantage of the transitional provisions permitted by the Accounting Standards Board, as set out in Directive 4 issued in March 2009 as follows:

- GRAP 17 – Property Plant and Equipment 73-83

1.10 Heritage assets

In terms of this policy heritage assets are defined as any asset with a clearly definable intrinsic and remarkable heritage significance acknowledged by the South African Resources Agency in accordance with the National Heritage Resource Act, 1999 (Act No. 25 of 1999) or any other asset that has a cultural, environmental or historical significance. Examples are works of art, historical buildings, statues, conservation areas and nature reserves. If the cost of the heritage asset is going to be recognized, the municipality shall apply GRAP 17. However, if a heritage asset is recognized in the asset register and its estimated useful life is indefinite, it must be reviewed for impairment on an annual basis.

Where an asset is donated to the municipality, or an asset is acquired by means of an exchange of assets between the municipality and one or more other parties, the asset concerned shall be recorded in the asset register at its fair value, as determined by the Chief Financial Officer.

Heritage assets are also not normally depreciated. The reason is that these assets have cultural significance and as such are likely to be preserved for the benefit of future generations. It should therefore be impossible to determine their useful lives.

1.11 Intangible assets

An intangible asset is defined as an identifiable non-monetary asset without physical substance. This asset can be held for any purpose, but must be controlled by the municipality and expected to provide future economic benefit to the municipality or to be used for service delivery.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses. Where intangible assets are deemed to have an indefinite useful life, such intangible assets are not amortised, but are tested for impairment annually and impaired if necessary.

1.12 Depreciation and Impairment of assets

Since the municipality has taken advantage of Directive 4, no depreciation or impairment was calculated on all assets

1.13 Joint ventures

Thaba Chweu Local Municipality has no jointly controlled operations.

1.14 Financial instruments

Classification

Financial instruments include cash and bank balance, investments, trade receivables and borrowings. Financial Instruments are accounted for in accordance with the exemptions in terms of Gazette 30013 of 29 June 2007.

Debtors

Debtors are recognized initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less provision for impairment. A provision for impairment of debtors is established when there is objective evidence that the municipality will not be able to collect all amounts due according to the original terms of the debtors. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. Impairment losses are recognised in the Statement of Financial Performance.

Creditors

Creditors are stated at cost.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, deposits held at call with banks with original maturities of three months or less, and bank overdrafts.

Cash includes cash on hand and cash with banks. Cash equivalents are short-term highly liquid investments 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 and cash equivalents comprise cash on hand, deposits held on call with banks and investments in financial instruments, net of bank overdrafts.

Bank overdraft and borrowings

Bank overdrafts are recorded based on the facility utilized. Finance charges on bank overdraft are expensed as incurred.

Investment

Investments are held-to-maturity dates which are all short term investments.

1.15 Leases

Leases are classified as finance lease where substantially all the risks and rewards associated with ownership of an asset are transferred to the municipality. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Operating lease are those leases that do not fall within the scope of the above definition. Operating leases rentals are expensed as they become due.

Finance leases – lessee

The lease payments are apportioned between the finance charges and reduction of the outstanding liability. The finance charges are allocated to each period during the lease term so as to produce a constant periodic rate of on the remaining balance of the liability.

Finance lease payments are recognised according to the signed contract.

Operating leases - lessor

Revenue for leases is disclosed under revenue in statement of financial performance.

Operating lease payments are recognised as an expense according to the signed contract.

Operating leases - lessee

Leases where the lessor retains substantially all the risks and rewards of ownership are classified as operating leases.

Payments made under operating leases (net of any incentives from the lessor) are charged to the Statement of Financial Performance on a straight-line basis over the period of the lease.

Operating lease payments are recognised as an expense according to the signed contract.

1.16 Inventories

Inventories are assets in the form of:

- Materials or supplies to be consumed in the production process
- Materials or supplies to be consumed or distributed in the rendering of services
- Material or supplies held for sale or distribution in the ordinary course of operations, or.

Cost is determined by the weighted-average method and comprises all costs of purchases, costs of development, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Inventories are stated at the lower of cost and current replacement cost. Current replacement cost represents the cost the municipality would incur to acquire the asset on the reporting date.

When inventories are sold, exchanged or distributed the carrying amount of those inventories shall be recognized as an expense on the period in which the related revenue is recognized. If there is no related revenue, the expense is recognized when goods are distributed or related service is rendered.

The amount of any write-down of inventories and all losses of inventories shall be recognized as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories arising from an increase in replacement value, shall be recognized as a reduction in the amount of inventories recognized as an expense in the period in which the reversal occurs.

1.17 Revenue

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.

Rendering of services

Service charges relating to electricity and water are based on consumption. Meter readings are made on a monthly basis and are recognized as revenue when the billing is done the subsequent monthly levy run and if there are any variances, it is then corrected by doing an adjustment to the affected account the month after it occurred.

Service charges relating to refuse removal are recognized on a monthly basis in arrears by applying the approved tariff to each property that has improvements. Tariffs are determined per residential or business.

Revenue from the sale of electricity pre-paid meter cards is recognized as electricity is consumed.

Revenue from the sale of goods is recognized when the risks and rewards of ownership are passed to the purchaser.

Revenue arising from the application of the approved tariff of charges is recognized when the relevant service is rendered by applying the relevant approved tariff.

Income from agency services is recognized on a monthly basis once the income collected on behalf of the principal has been quantified.

Revenue from the sale of erven is recognized when all conditions associated with the deed of sale have been met.

Interest, royalties and dividends

Revenue arising from the use by others of entity assets yielding interest, royalties and dividends is recognised when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality, and
- The amount of the revenue can be measured reliably.

Interest is recognised, in surplus or deficit, using the effective interest rate method.

Royalties are recognised as they are earned in accordance with the substance of the relevant agreements.

Dividends or their equivalents are recognised, in surplus or deficit, when the municipality's right to receive payment has been established.

Service fees Included in the price of the product are recognised as revenue over the period during which the service is performed.

Revenue from non-exchange transactions

Revenue from non-exchange transactions refers to transactions where the municipality received value 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.

Rates, including collection charges and penalties interest Assessment rates income is recognized once a rates account has been issued to ratepayers. Collection charges are recognized when such amounts are legally enforceable. Assessment rates are levied on the land value of properties.

Fines

Fines constitute both spot fines and summonses. Revenue from spot fines and summonses is recognised when payment is received.

Government grants

Government grants can be in the form of grants to acquire or construct fixed assets (capital grants), grants for the furtherance of national and provincial government policy objectives and general grants to subsidise the cost incurred by municipalities rendering services.

Capital grants and general grants for the furtherance of government policy objectives are usually restricted revenue in that stipulations are imposed in their use.

Government grants and general grants for the furtherance of government policy objectives are usually restricted revenue in that stipulations are imposed in their use.

Government grants are recognized as revenue when it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality, if the amount of the revenue can be measured reliably and to the extent that there has been compliance with any restrictions associated with the grant.

Other grants and donations

Other grants and donations shall be recognized as revenue when it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality, the amount of the revenue can be measured reliably and to the extent that there has been compliance with any restrictions associated with the grant.

Donations are recognized on a cash receipt basis or where the donation is in the form of property, plant and equipment when received.

Revenue from public contributions is recognized when all conditions have been met or where the contribution to property, plant and equipment is recognized when such items of property, plant and equipment received.

1.18 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 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.

1.19 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 Officer Bearers Act (Act No. 20 of 1998) or in contravention of the supply chain management policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as 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.

1.20 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 in the statement of financial performance and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.21 Value added tax

The municipality accounts for Value added tax on the cash basis.

1.22 Taxation

Thaba Chweu Local Municipality are exempted from tax in terms of Section 10(1)cB(i)(ff) of the Income Tax Act.



THABA CHWEU LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS
30 June 2011

	2011	2010
	R	R

1 CASH AND CASH EQUIVALENTS

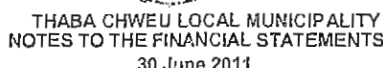
Cash and cash equivalents consist of the following:		
Cash on hand	6 690	6 690
Cash at bank	8 849 234	1 856 001
unreconciled cash book balances (suspense accounts)	-	(33 437 189)
	6 855 924	(31 574 498)
ABSA BANK LYDENBURG BRANCH ACCT NO 1010002018		
ABSA BANK SABIE BRANCH ACCT NO 4058264705		
Consolidated bank reconciliation for the year		
Cash book balance at beginning of year	(31 574 498)	(33 296 956)
Cash book balance at end of year	6 755 063	(22 862 392)
Lydenburg ABSA Bank statement balance at beginning of year		
	1 856 001	1 292 663
Sable ABSA Bank statement balance at beginning of year		
	101 804	-
Lydenburg and Sable total Bank statement balance at end of year		
	6 755 063	1 754 197
FNB LYDENBURG ACCOUNT ACCT NO 62028324046		
Cash book balance at beginning of year	194 270	-
Cash book balance at end of year	94 171	-
Bank statement balance at beginning of year	2 076 437	-
Bank statement balance at end of year	94 171	-
In bank at end of year	6 849 234	(31 567 808)
Cash on hand	6 690	-
Total cash and cash equivalents	6 855 924	(31 567 808)

2 TRADE AND OTHER RECEIVABLES FROM EXCHANGE TRANSACTIONS	Balance before corrections	Internal charges correction	Gross Balances	LESS: Provision for Doubtful Debts	LESS: Fair value additional audit provision increase	Net Balance trade receivables from exchange transactions
	R	R	R	R	R	R
30 June 2011	2011	2011	2011	2011	2011	2011
Debtors Electricity	41 753 568	(25 026 922)	16 726 646	12 519 077	1 142 920	3 064 648
Debtors Water	24 414 937	432 903	24 847 840	18 597 395	1 697 889	4 552 556
Debtors Sewerage	7 473 650	19 694	7 493 344	5 608 327	511 948	1 372 969
Debtors Refuse	3 354 339	37 102	3 401 441	2 545 813	232 313	623 316
Total	77 006 494	(24 537 323)	52 469 171	39 270 612	3 685 070	9 613 489
plus creditors with creditors balance transferred to creditors	12 490 595		12 490 595	-		12 490 595
Prior year parked debtors			82 501 558	82 501 558	-	-
Total Trade receivables from exchange transactions	89 497 089	(24 537 323)	147 461 324	121 772 170	3 585 070	22 104 084

The debtors are not measured at amortized cost as required by GRAP 104. The debtors are currently carried at fair value resulting in a provision for doubtful debts calculated as R 82 501 558.00 in respect of parked amounts, R 39 270 612.00 provision for bad debts on services and an additional KPMG calculated fair value provision bad debt of R 3 585 070.00 which amounts to a total of R R 125 357 420.00 provision for bad debts in total

Trade receivables	R	R	R	R	R	R
30 June 2010						
Electricity	9 348 834	(5 940 787)	-	3 408 047		3 408 047
Water	29 037 641	(12 185 726)	-	16 851 913		16 851 913
Sewerage	15 040 713	(7 268 887)	-	7 771 848		7 771 848
Refuse	10 777 682	(5 300 663)	-	5 476 999		5 476 999
Total	64 204 850	(30 696 045)	-	33 508 805		33 508 805
Other receivables	40 650 728	(13 775 748)	-	26 874 980		26 874 980
Other receivables rates	40 650 728	(13 775 748)	-	26 874 980		26 874 980
Total Trade and other receivables	104 855 578	(44 471 793)	-	60 383 785		60 383 785

30-Jun-10		
Current (0 - 30 days)	6 601 524	3 213 434
31 - 60 Days	2 987 283	2 937 352
61 - 90 Days	9 319 032	1 023 249
91 - 120 Days	5 076 890	3 090 275
121 - 365 Days	70 605 537	-
+ 365 Days		
Sub-total	94 590 266	10 264 310
Less: Provision for doubtful debts	(44 471 793)	
Total debtors by customer classification	50 118 473	10 264 310



Bond Code	Pricing Class Code	ISIN No	Issuer	Issuer Class	Issue Country	Currency	Authorized Amount	Issued Amount
3009	V	ZAG000015048	REPUBLIC OF SOUTH AFRICA	L10	ZAG	ZAR	5 517 685.15	5 517 685.15
All In Price	Clean Price	Market Cap AIP	Market Cap Clean	Total Spot Nominal Traded For May Excluding Repex	Total Spot Clean Consideration For May Excluding Repex	Issue Date	Coupon Rate %	Coupon Frequency
9120094	9120094	5 140 562.05	5 140 562.03	0.00	0.00	01 December 1999	0	2
Coupon Rate Indicator	First Interest Date	First Book Close Date	Broken First Coupon	Maturity Date	Callable Features	Early Redemption	Pricing Redemption Date	Split Maturity
FIXED	21 May 1994	01 May 1994	FALSE	20 November 2012	N	FALSE	20 November 2012	FALSE
Trade Type	Interest Date 1	Interest Date 2	Interest Date 12	Book Close Date 1	Book Close Date 2	Guarantee Type	Status	
FIELD	01 May	01 November	N/A	21 May	20 November	RSA GUARANTEE	LISTED	



**THABA CHWEU LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS
2010/2011**

	Note	2011 R	2010 R
7	TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS		
Trade creditors		54 346 268	44 780 608
Consumer Debtors with credit balances		12 490 595	-
Staff leave accrual		1 000 721	-
Other creditors (Unallocated deposits)		2 938 050	-
Total creditors		70 775 654	44 780 608

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

8	CONSUMER DEPOSITS		
Electricity and Water		3 246 727	3 163 098
Total consumer deposits		3 246 727	3 163 098

9	VAT PAYABLE		
VAT payable		9 524 164	-
VAT is payable on the receipts basis. VAT is paid over to SARS only once payment is received from debtors.			

10	VAT RECEIVABLE		
VAT receivable		-	4 557 012
		-	4 557 012
VAT is payable on the receipts basis. VAT is paid over to SARS only once payment is received from debtors.			

11	UNSPENT CONDITIONAL GRANTS AND RECEIPTS		
11.1	Unspent Conditional Grants from other spheres of Government		
MIG Grants		2 966 335	-
11.2	Other Unspent Conditional Grants and Receipts		
MSIG grants intern salaries		131 223	-
FMG grants		1 000 000	-
Total Unspent Conditional Grants and Receipts		4 097 558	-
Non-current unspent conditional grants and receipts			
		-	-
Current portion of unspent conditional grants and receipts			
		4 097 558	138 620

The prior years were subject to disclaimers and the quality and source of information were unavailable in respect of prior years. The trial balances were also incomplete and inaccurate. This posed severe challenges in compiling the current year financials as well as in respect of the prior year dealing with PMU and contractual matters. The information supplied is the information available and recorded for future reference and possible changes. The following application of GRAP 3 in terms of impracticability of retrospective changes were adopted in the compilation of this set of financial statements.

GRAP 3 NOTE ON IMPRACTICABLE MATTERS WHERE IT IS NOT PRACTICAL TO MAKE RETROSPECTIVE CHANGES.

The prior years were subject to disclaimers and the quality and source of information were unavailable in respect of prior years. The trial balances were also incomplete and inaccurate. This posed severe challenges in compiling the current year financials.

Impracticable Applying a requirement is impracticable when the entity cannot apply it after making every reasonable effort to do so. For a particular prior period, it is impracticable to apply a change in an accounting policy retrospectively or to make a retrospective restatement to correct an error if:

- (a) the effects of the retrospective application or retrospective restatement are not determinable;
- (b) the retrospective application or retrospective restatement requires assumptions about what management's intent would have been in that period; or
- (c) the retrospective application or retrospective restatement requires significant estimates of amounts and it is impossible to distinguish objectively information about those estimates that provides evidence of circumstances that existed on the date(s) as at which those amounts are to be recognised, measured or disclosed; and
- (d) would have been available when the financial statements for that prior period were authorised for issue from other information.



THABA CHWEU LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS
2010/2011

	Note	2011 R	2010 R
12 BORROWINGS			
Less : Current portion transferred to current liabilities		10 267 391	13 333 636
Local Registered Stock Loans		-	1 012 091
Annuity Loans		-	3 411 545
Other borrowings		10 267 391	8 910 000
less : current portion transferred to current liabilities		(507 485)	(1 458 200)
local registered stock loans		-	(1 012 091)
annuity loans		-	(448 109)
Total borrowings		9 759 906	11 875 436
13 CURRENT PROVISIONS			
Provision for rehabilitation of landfill sites		3	-
Provision bad debts parked amounts		-	-
Provision for bad debts		-	-
Provision for leave		6 923 488	1 878 148
provision for staff bonus		2 191 550	-
Total Non-Current Provisions		9 115 041	1 878 148
The provision for rehabilitation of landfill sites relates to the legal obligation to rehabilitate landfill sites used for waste disposal. It is calculated as the present value of the future obligation.			
The movement in the non-current provision is reconciled as follows: -			
Provision for rehabilitation of landfill sites:			
Balance at the beginning of year		-	-
Contributions to provision		3	-
Balance at the end of year		3	-
Disclosure on provision for landfill sites			
Directive 4			
.84 While entities are not required to recognize and/or measure provisions (which form part of the cost of an asset) in their financial statements as a result of applying the transitional provisions in other Standards of GRAP, entities are required to apply the disclosure requirements about the provisions related to those assets in accordance with the Standard of GRAP on Provisions, <i>Contingent Liabilities and Contingent Assets</i> .			
The Municipality has an obligation to rehabilitate its landfill sites in terms of its license stipulations. Due to the fact that the Landfill sites have not been recognized, the municipality has no license stipulations to meet. The rehabilitation costs have not yet been established. In terms of GRAP 19, no provisions has thus yet been made.			
At this stage it is deemed as illegal dumping sites. The Municipality is cleaning up illegal dumping on an ongoing basis as part of maintenance. Therefore there is no backlog cleaning that needs to take place. No provision is currently made for the cleaning up of illegal dumping. However, the municipality is in the process of applying for licensing rights and to legalize the landfill sites. Provisions for the landfill sites will be made in the 2011/2012 financial year.			
Provision for leave			
Balance at the beginning of year		1 878 148	1 912 172
contributions during year		417 864	-
Contributions to provision		4 638 213	-
Expenditure incurred		(10 837)	(34 024)
Balance at the end of year		6 923 488	1 878 148
Provision for staff bonus			
Balance at the beginning of year		-	-
contributions during year		-	-
Contributions to provision		-	-
Expenditure incurred		-	-
Increase in provision due to discounting		2 919 550	-
Transfer to current provisions		-	-
Balance at the end of year		2 919 550	-



THABA CHWEU LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS
2010/2011

	Note	2011 R	2010 R
14	PROPERTY RATES		
<u>Actual</u>			
Residential		59 283 483	8 075 940
Total property rates		59 283 483	8 075 940

Summary valuations of assessment rates

Rates	Stand Value	Stand Size	agri xempt stand	Exempt imp
	3 213 500.00	279 208.00	0.00	0.00
ADC1	12 210 000.00	19 944.00	0.00	0.00
AGR1	10 468 000.00	10 652 183.19	0.00	0.00
BON1	3 412 215 886.00	5 167 618 012.95	0.00	0.00
BUS1	631 995 350.00	17 224 085.34	748 900.00	1 008 000.00
CEC1	5 000.00	522.00	0.00	0.00
CHU1	69 645 700.00	5 390 099.00	2 932 300.00	7 302 400.00
HCI1	13 032 000.00	34 533.00	150 000.00	0.00
IND1	319 257 850.00	6 225 282.00	1 070 000.00	0.00
INS1	73 961 000.00	528 889.00	62 000.00	104 000.00
MUN1	97 558 640.00	10 290 605.09	1 014 100.00	6 349 400.00
MUS1	350 000.00	39 311.00	0.00	0.00
NRL1	0.00	30 623.00	0.00	0.00
PSI1	9 201 900.00	1 268 301.00	71 800.00	0.00
RER1	312 000.00	6 717.00	0.00	0.00
RES1	3 542 592 980.00	181 729 174.80	12 778 690.00	4 310 800.00
SOP1	91 185 900.00	138 895 061.00	31 600.00	0.00
SPO1	2 000 000.00	5 603 862.00	0.00	0.00
Total	8 431 382 283.00	5 558 404 542.36	18 890 891.00	19 074 600.00

Valuations on land and buildings are performed every four years. The last valuation came into effect on 1 July 2008. Interim valuations are processed on a quarterly basis to take into account changes in individual property values due to alterations.

RATES	R
Residential 1	0.00430
Residential 3	0.00636
Business	0.01060
Farms	0.00636
private towns, informal towns lodges, resorts and mining	0.01060
bona fide farming	0.00265

Rates are levied on an annual basis with the final date of payment being 30 November 2011 (2010: 30 November).

15	SERVICE CHARGES		
Sale of electricity		67 973 432	48 155 626
Sale of water		25 593 320	17 988 887
Refuse removal		8 766 424	7 682 430
Sewerage and sanitation charges		8 567 042	8 672 096
Total Service Charges		110 900 217	82 499 039
ELECTRICITY - AGRICULTURE		-7 035.08	
ELECTRICITY - INDUSTRIAL		-12 227 785.41	
BASIC CHARGE - INDUSTRIAL		-4 834 771.43	
ELECTRICITY - RES FOR COMMERCI		-195 856.67	
ELECTRICITY - PRE-PAID		-21 057 777.51	
ELECTRICITY - DEPARTMENTAL		-2 459 318.15	
BASIC CHARGE - DEPARTMENTAL		-27 190 887.65	
		-67 973 431.90	



THABA CHWEU LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS
2010/2011

	Note	2011 R	2010 R
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NOTE: The pre paid sales are a matter under investigation by the Special Investigation Unit after criminal case were lodged by the MM. our own investigations revealed a certain set of information for the period June 2010 to June 2011. this information was obtained from redundant and broekn servers. This information is subject to investigation . all relevant information were handed over to the SIU as well as KPMG. When the outcome of the investigations are concluded a retrospective change may need to be done in term of GRAP 3. this quantum will later be determined. However at this stage we only reflect the information for pre paid sales as It is reflected in the trial balance for the period under review.

16 RENTAL OF FACILITIES AND EQUIPMENT

Rental of facilities	591 246	690 957
Rent Municipal properties :: FLATS;	243 552.46	
Rent Municipal properties :: HALLS;	28 048.95	
Rent Municipal properties :: HALLS;	5 473.72	
Rent Municipal properties :: HALLS;	43.86	
Rent Municipal properties :: HOSTALS;	122 719.25	
Rent Municipal properties :: LAPA;	5 438.64	
Rent Municipal properties :: MUNICIPAL BUILDINGS;	120 876.96	
Rent Municipal properties :: TOWN LANDS;	75 091.88	
Total rentals	591 246	690 957

Disclosure In terms of Investment Properties directive 4 application

DIRECTIVE 4

.54. Entities are not required to measure Investment properties for reporting periods beginning on or after a date within three years following the date of initial adoption of the Standard of GRAP on Investment Property subject to the provisions in paragraph .55 below.

.56 If the initial accounting for Investment properties are incomplete by the end of a reporting period in which the Standard becomes effective or the transfer occurs, whichever is later, the entity shall report in its financial statements provisional amounts for the Investment properties for which the accounting is incomplete. During the measurement period, the entity shall retrospectively adjust the provisional amounts recognised to reflect information obtained about facts and circumstances that existed on the effective date of the Standard in accordance with paragraph .54 or the transfer date in accordance with paragraph .55, and, if known, would have affected the measurement of the amounts recognised as of that date. During the measurement period, the entity shall also recognise additional Investment property if information is obtained about the existence of Investment properties at the effective date of the Standard or the transfer date, whichever is applicable, and, if it had been known, would have resulted in the recognition of the Investment properties at that date. The measurement period ends as soon as the entity receives the information it was seeking about facts and circumstances that existed at the effective date of the Standard or the transfer date, whichever is applicable, or learns that no more information is obtainable. However, the measurement period shall not exceed the later of three years from the effective date of the Standard or the transfer date.

In Terms of the above, the Municipality wishes to disclose the following with regards to GRAP 16:

- The municipality is in the process of finalizing a system for the recognition and measurement of investment properties.
- Therefore the municipality wishes to adopt the transitional provisions as set out in Directive 4.
- The full measurement of Investment Property will be finalized in the 2011 / 2012 financial year.

17 INTEREST EARNED - EXTERNAL INVESTMENTS

Bank	39 252	18 900 362
Total Interest	39 252	18 900 362

18 INTEREST EARNED - OUTSTANDING RECEIVABLES

Debtors age analysis	441 787	-
Total Interest	441 787	-



THABA CHWEU LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS
2010/2011

	Note	2011 R	2010 R
19	GOVERNMENT GRANTS AND SUBSIDIES		
	EQUITABLE SHARE GRANT	59 552 631	43 766 279
	LOCAL GOVERNMENT FINANCIAL MANAGEMENT GRANT	1 000 000	
	MUNICIPAL SYSTEMS IMPROVEMENT GRANT	750 000	
	SPECIAL CONTRIBUTION GRANT TO COUNCILLORS SALARIES	1 278 000	
	MIG Grant	17 192 000	31 783 731
	Other Government Grants and Subsidies	1 315 000	1 346 380
	Total Government Grant and Subsidies	81 087 631	76 896 390
19.1	Equitable Share		
	In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members.		
19.2	MIG Grant		
	Balance unspent at beginning of year	-	-
	Current year receipts	17 192 000	19 122 000
	Conditions met - transferred to revenue	14 225 665	(19 122 000)
	Conditions still to be met - remain liabilities	2 966 335	-
19.3	Other Government Grants and Subsidies		
	Balance unspent at beginning of year	138 620	-
	Current year receipts	63 895 631	1 485 000
	Conditions met - transferred to revenue	(62 903 028)	(1 346 380)
	Total	1 131 223	138 620
20	OTHER INCOME, PUBLIC CONTRIBUTIONS AND DONATIONS		
20.1	Other Income		
	Other Income	3 476 960	417 964
	Total Other Income	3 476 960	417 964
20.2	Public contributions and donations		
	Public contributions - Conditional	-	3 077 301
	Public contributions - Unconditional	-	3 077 301
	Total public contributions and donations	-	3 077 301
21	EMPLOYEE RELATED COSTS	70 294 076	71 806 572
	Employee related costs - Salaries and Wages	43 569 441	41 716 710
	Employee related costs - Contributions for UIF, pensions and medical aids	12 802 005	11 327 411
	Travel, motor car, accommodation, subsistence and other allowances	-	5 171 508
	Housing benefits and allowances	328 564	-
	Overtime payments	5 053 880	4 558 224
	Performance and other bonuses	3 327 062	3 146 337
	Long-service awards	-	-
	Other employee related costs	5 213 023	2 731 355
	Employee Related Costs	70 294 075	68 651 545
	Remuneration of the Municipal Manager		
	Annual Remuneration	482 379	422 825
	Performance- and other bonuses	-	-
	Travel, motor car, accommodation, subsistence and other allowances	205 855	298 514
	Contributions to UIF, Medical and Pension Funds	749	23 848
	Total	688 982	745 187



THABA CHWEU LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS
2010/2011

	Note	2011 R	2010 R
Remuneration of the Chief Finance Officer			
Annual Remuneration		-	415 760
Travel, motor car, accommodation, subsistence and other allowances		-	256 838
Total		-	672 598
CFO remuneration paid by Ehlanzeni District Municipality			
Remuneration of Individual Executive Directors			
	Technical Services R	Corporate Services R	Community Services R
2011			
Annual Remuneration	Vacant	Vacant	403 288
Performance- and other bonuses	Vacant	Vacant	-
Travel, motor car, accommodation, subsistence and other allowances	Vacant	Vacant	141 111
Contributions to UIF, Medical and Pension Funds	Vacant	Vacant	18 901
Total	-	-	563 300
Manager Corporate remuneration paid by Ehlanzeni District Municipality			
	Technical Services R	Corporate Services R	Community Services R
2010			
Annual Remuneration	419 000	261 000	372 000
Performance- and other bonuses	60 312	60 312	-
Travel, motor car, accommodation, subsistence and other allowances	174 139	222 003	139 800
Contributions to UIF, Medical and Pension Funds	13 500	15 176	-
Total	666 951	558 491	511 800
22 REMUNERATION OF COUNCILLORS			
Executive Mayor	Vacant		-
Speaker	Acting ad hoc executive		
Executive Committee Members	Under administration		2 255 317
Councillors		3 063 911	383 614
Councillors' pension and medical aid contributions		206 153	1 080 563
Councillors' allowances		1 269 699	-
Total Councillors' Remuneration		4 539 763	3 719 494
In-kind Benefits			
The Executive Mayor, Deputy Executive Mayor, Speaker and Executive Committee Members are full-time. Each is provided with an office and secretarial support at the cost of the Council.			
The Executive Mayor is entitled to stay at the mayoral residence owned by the Council at no cost. The Executive Mayor has use of the Council owned vehicle for official duties. The Executive Mayor has 2 full-time bodyguards.			
23 FINANCE COSTS			
Borrowings		1 431 152	1 702 929
Consumer deposits		-	-
Bank overdrafts		-	-
Total Finance Costs		1 431 152	1 702 929
24 BULK PURCHASES			
Electricity		79 264 755	81 406 037
Total Bulk Purchases		79 264 755	81 406 037
25 CONTRACTED SERVICES			
Contracted services for: Information Technology		9 061 117	2 308 388
Contracted services for: Specialized services		334 035	3 746 806
Contracted services for: Other services		168 172	9 667 084
		9 563 324	15 722 278
26 GRANTS AND SUBSIDIES PAID			
Grant/subsidy towards indigent policy		16 798 112	34 264 508
		16 798 112	34 264 508



THABA CHWEU LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS
2010/2011

	Note	2011 R	2010 R
27	GENERAL EXPENSES		
	Included in general expenses are the following:-		
	Advertising	120	-
	Audit fees	2 122 846	1 442 079
	Bank charges	479 869	-
	Cleaning	183 914	-
	Conferences and delegations	51 650	-
	Consulting fees	9 787 967	-
	Entertainment	135 492	70 773
	Fuel and oil	1 583 947	-
	Insurance	3 955 553	324 909
	Interest paid overdue accounts	1 051 558	-
	Legal expenses	1 203 251	2 422 601
	Levies paid	47 037	-
	Postage	163 013	-
	Printing and stationery	952 271	510 375
	Professional fees	371 533	-
	Rental of buildings	168 668	-
	Other rentals	46 497	1 363 180
	Security costs	4 824 478	1 270 383
	Skills development levies	655 079	402 491
	Stocks and material	30 486	-
	Subscription & publication	182 348	-
	Telephone cost	1 201 066	849 286
	Training	210 728	324 748
	Travel and subsistence	907 833	912 449
	Uniforms & overalls	2 557	-
	Valuation costs	126 340	128 517
	Other	1 522 795	16 690 927
		31 968 837	26 512 726
28	Audit fees		
	Opening balance	829 404	-
	Current year audit fee	2 263 522	2 271 483
	Amount paid - current year	(2 122 846)	(1 442 079)
	Amount paid - previous years		
	Balance unpaid (Included in payables)	970 080	829 404
29	Councillor's arrear consumer accounts		
	The following Councillors had arrear accounts outstanding for more than 90 days as at:-	Total	Outstanding less than 90 days
		R	R
	AS AT 30 JUNE 2011		
	VE Bates	17 826	17 772
	JB Nkosi	16 412	15 580
	FJC Rousseau	2 621	948
	PP Chalma	227	218
	Total Councillor Arrear Consumer Accounts	37 087	2 569
	AS AT 30 JUNE 2010		
	SJ Segoane	3 166	-
	P Mahlangu	1 796	-
	J Aucamp	7 656	-
	PP Chima	17 948	-
	SA Banda	3 700	-
	NS Sambo	232	-
	EN Mashego	582	-
	M Mkhabela	3 320	-
	PJ de Wit	36 776	-
	HS Boshoff	800	-
	FJC Rousseau	2 754	-
	Total Councillor Arrear Consumer Accounts	78 732	78 732
30	COMPARISON WITH THE BUDGET	refer annexures e(1) and e(2)	

NOTE 31

TOTAL AMOUNT OF DISCLOSURE: R16 619 939.00

TOTAL AMOUNT: IRREGULAR EXPENDITURE: R15 234 126.03

IRREGULAR EXPENDITURE AS DEFINED BY THE MUNICIPAL FINANCE MANAGEMENT ACT (1)(D):

d) expenditure incurred by a municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of the supply chain management policy of the municipality or entity or any of the municipality's by-laws giving effect to such policy, and which has not been condoned in terms of such policy or by-law,

During the year under audit, the Supply Chain Management Unit was not functioning as prescribed by the Act. In the instances below, deviations from the Supply Chain Management Policy occurred. There were either no quotations, or not enough quotations, or the contracts awarded could not be substantiated in terms of procurement procedures.

DATE	VOUCHER NR.	AMOUNT	PAID TO	REASON FOR DEVIATION
29/04/2011	15318616	113,555.40	Catquip Sales	Supply Chain Policy not followed
08/10/2010	15304930	197,000.87	Drizit Enviromental Cc.	Supply Chain Policy not followed
21/06/2011	15318835	2,155.86	Ffa Operations	Supply Chain Policy not followed
02/08/2010	15301484	15,000.00	Hartman L	Supply Chain Policy not followed
18/08/2010	15301998	26,712.19	Hydro Pneumatics	Supply Chain Policy not followed
01/10/2010	15304945	7,481.06	Hydro Pneumatics	Supply Chain Policy not followed
08/02/2011	15316967	48,559.60	Hydro Pneumatics	Supply Chain Policy not followed
01/12/2010	15309904	41,820.36	MD Alarms	Supply Chain Policy not followed
06/09/2010	15303035	114,239.21	Penwel Risk Management	Supply Chain Policy not followed
15/11/2010	15307079	4,600.00	Penwel Risk Management	Supply Chain Policy not followed
23/11/2010	15309761	68,172.95	Penwel Risk Management	Supply Chain Policy not followed
14/12/2010	15312162	22,747.92	Penwel Risk Management	Supply Chain Policy not followed
02/02/2010	15316955	12,282.50	Penwel Risk Management	Supply Chain Policy not followed
22/12/2010	15313110	52,595.09	Penwel Risk Management	Supply Chain Policy not followed
08/10/2010	15304928	46,603.25	Penwel Risk Management	Supply Chain Policy not followed
12/07/2010	15296804	190,621.53	Penwel Risk Management	Supply Chain Policy not followed
06/06/2011	15318832	222,141.70	Penwel Risk Management	Supply Chain Policy not followed
08/10/2010	15304934	5,079.84	Ronl Hofmann Consultants	Supply Chain Policy not followed
12/07/2010	15296811	8,633.90	Renttokill	Supply Chain Policy not followed
01/06/2011	15318763	2,203.53	Sentec	Supply Chain Policy not followed
07/02/2011	15318460	3,728.50	The courier & freight group	Supply Chain Policy not followed

21/06/2011	15318833	1,395.36	Afrox	Supply Chain Policy not followed
21/06/2011	15318833	1,280.22	Afrox	Supply Chain Policy not followed
21/06/2011	15318833	1,280.22	Afrox	Supply Chain Policy not followed
21/06/2011	15318833	1,307.58	Afrox	Supply Chain Policy not followed
21/06/2011	15318833	1,307.58	Afrox	Supply Chain Policy not followed
13/06/2011	15318805	564.30	Amadeus	Supply Chain Policy not followed
31/03/2011	15318561	120.00	Burgersford Interactive Cc.	Supply Chain Policy not followed
11/05/2011	15318655	16,500.00	Budget inn	Supply Chain Policy not followed
27/08/2010	15302901	7,992.54	Brabys	Supply Chain Policy not followed
19/08/2010	15301973	43,299.71	Bantsho Management and Marketing Strategies	Supply Chain Policy not followed
22/03/2011	15318510	4,889.49	Conway General Lydenburg	Supply Chain Policy not followed
02/03/2011	15318476	9,655.80	Contact Communications	Supply Chain Policy not followed
26/05/2011	15318693	1,105.80	Cordu	Supply Chain Policy not followed
26/05/2011	15318718	1,295.67	Conway General Lydenburg	Supply Chain Policy not followed
01/06/2011	15318830	9,655.80	Contact Communications	Supply Chain Policy not followed
13/06/2011	15318803	3,077.93	Conway General Lydenburg	Supply Chain Policy not followed
27/07/2010	15300451	55,746.00	Catquip Sales	Supply Chain Policy not followed
22/09/2010	15304913	14,483.70	Contact Communications	Supply Chain Policy not followed
28/10/2010	15306491	30,275.00	Coetsee IPC	Supply Chain Policy not followed
28/10/2010	15306510	4,827.90	Contact Communications	Supply Chain Policy not followed
08/12/2010	15309862	20,935.10	Conway General Lydenburg	Supply Chain Policy not followed
21/12/2010	1531387	4,827.90	Contact Communications	Supply Chain Policy not followed
23/12/2010	15313206	57,144.00	Catquip Sales	Supply Chain Policy not followed
01/12/2010	15309902	55,917.00	Catquip Sales	Supply Chain Policy not followed
01/12/2010	15309899	13,167.00	Contact Communications	Supply Chain Policy not followed
28/01/2011	15316919	6,555.00	Datanamix	Supply Chain Policy not followed
31/03/2011	15318576	798.00	de Graaf Under-car	Supply Chain Policy not followed
26/05/2011	15318684	2,958.98	Dawson and Dobson	Supply Chain Policy not followed
03/12/2010	15309857	13,350.00	Dongrey Electrician	Supply Chain Policy not followed

01/06/2011	15318762	8,304.90	E.T Ngelo Construction	Supply Chain Policy not followed
01/06/2011	15318878	8,500.00	EBJ Trading	Supply Chain Policy not followed
31/03/2011	15318581	4,218.00	Francis Motors	Supply Chain Policy not followed
26/03/2011	15318687	1,955.10	Francis Motors	Supply Chain Policy not followed
21/06/2011	15318863	6,384.00	Francis Motors	Supply Chain Policy not followed
13/10/2010	15305592	980.00	Forget Me Not	Supply Chain Policy not followed
02/08/2010	15301512	5,340.00	Forget Me Not	Supply Chain Policy not followed
27/08/2010	15302927	8,920.00	Forget Me Not	Supply Chain Policy not followed
23/11/2010	15309763	6,555.00	Francis Motors	Supply Chain Policy not followed
03/11/2010	15306573	9,660.00	Forget Me Not	Supply Chain Policy not followed
14/10/2010	15312165	1,980.00	Forget Me Not	Supply Chain Policy not followed
31/03/2011	15318565	3,824.70	Gary's Tune up Centre	Supply Chain Policy not followed
31/03/2011	15318591	2,760.48	Greenvelw Spar	Supply Chain Policy not followed
12/09/2010	15296815	12,623.22	Gary's Tune up Centre	Supply Chain Policy not followed
27/07/2010	15300446	295,180.45	Grant Thorton	Supply Chain Policy not followed
26/09/2010	15303028	186,204.25	Grant Thorton	Supply Chain Policy not followed
13/10/2010	15305595	29,002.74	Gary's Tune up Centre	Supply Chain Policy not followed
15/11/2010	15307084	328,698.38	Grant Thorton	Supply Chain Policy not followed
20/05/2011	15318665	25,000.00	Grant Thorton	Supply Chain Policy not followed
26/05/2011	15318680	1,060.00	Graskop Stationary	Supply Chain Policy not followed
26/05/2011	15318679	751.14	Graskop Spar	Supply Chain Policy not followed
26/05/2011	15318707	3,668.52	Gary's Tune up Centre	Supply Chain Policy not followed
13/06/2001	15318812	10,722.84	Gary's Tune up Centre	Supply Chain Policy not followed
01/06/2011	15318766	3,674.44	G4s Cash Services	Supply Chain Policy not followed
08/02/2011	15316975	969.00	Highlands Panorama	Supply Chain Policy not followed
08/02/2011	15316972	1,117.20	Hlatini Forestry Specialists	Supply Chain Policy not followed
31/03/2011	15318587	969.00	Highlands Panorama	Supply Chain Policy not followed
31/03/2011	15318597	1,111.79	Harry's Arc Weld Lydenburg	Supply Chain Policy not followed
13/10/2011	15305576	969.00	Highlands Panorama	Supply Chain Policy not followed

21/06/2011	15318848	5,244.00	Highlands Panorama	Supply Chain Policy not followed
13/06/2011	15318797	8,157.27	Hendry's Elektries	Supply Chain Policy not followed
21/12/2010	15313089	10,600.00	Justbin Construction	Supply Chain Policy not followed
31/03/2011	15318566	7,000.00	Khulangwane Youth Centre	Supply Chain Policy not followed
16/03/2011	15318543	10,500.00	Kwagga Vervoer	Supply Chain Policy not followed
10/05/2011	15318673	7,000.00	Khulangwane Youth Centre	Supply Chain Policy not followed
20/05/2011	15318632	6,000.00	Kwagga Vervoer	Supply Chain Policy not followed
03/06/2011	15318780	7,000.00	Khulangwane Youth Centre	Supply Chain Policy not followed
13/06/2011	15318801	7,000.00	Khulangwane Youth Centre	Supply Chain Policy not followed
18/08/2011	15319464	537.00	Lydenburg Midas	Supply Chain Policy not followed
16/02/2011	15317000	47,949.54	Lydenburg Break and Clutch	Supply Chain Policy not followed
17/7/2010	15300448	53,468.10	Lybasol Motors	Supply Chain Policy not followed
10/11/2010	15307039	36,962.36	Lydenburg Break and Clutch	Supply Chain Policy not followed
14/12/2010	15312166	11,485.50	Lydenburg Break and Clutch	Supply Chain Policy not followed
08/12/2010	15309864	6,069.75	Lybasol Motors	Supply Chain Policy not followed
02/03/2011	15318479	1,794.95	Longtom Nissan	Supply Chain Policy not followed
29/04/2011	15318614	1,692.90	Lydo Electrical	Supply Chain Policy not followed
20/05/2011	15318635	10,026.74	LED Electrical and Pumps	Supply Chain Policy not followed
26/05/2011	15318702	2,268.60	Lydenburg Break and Clutch	Supply Chain Policy not followed
13/06/2011	15318789	4,418.20	LED Electrical and Pumps	Supply Chain Policy not followed
13/06/2011	15318802	22,288.14	Lydenburg Break and Clutch	Supply Chain Policy not followed
13/06/2011	15318787	6,492.37	Lybasol Motors	Supply Chain Policy not followed
31/03/2011	15318560	100,718.30	Lybasol Motors	Supply Chain Policy not followed
13/10/2010	15305079	5,042.20	Protea Hotel Nelspruit	Supply Chain Policy not followed
01/10/2010	15304948	3,836.84	Mogwela 395	Supply Chain Policy not followed
13/20/2010	15305582	80,137.59	Mogwela 395	Supply Chain Policy not followed
08/10/2010	15304949	6,093.30	Mechan Elec Services	Supply Chain Policy not followed

21/12/2010	15313093	20,000.00	Mainye E	Supply Chain Policy not followed
01/12/2010	15309903	7,443.00	Mandlakazi Electrical Tech	Supply Chain Policy not followed
08/02/2011	15316973	16,014.92	Mountain View Workshop	Supply Chain Policy not followed
26/05/2011	15318697	1,293.33	Mogwela 395	Supply Chain Policy not followed
26/05/2011	15318692	9,234.00	Mandlakazi Electrical Tech	Supply Chain Policy not followed
13/06/2011	15318794	3,663.72	Mountain View Workshop	Supply Chain Policy not followed
10/09/2010	15303145	4,000.00	Moswazi Trading Ent.	Supply Chain Policy not followed
08/02/2011	15316976	250.80	Nomcebo Consulting Ent.	Supply Chain Policy not followed
26/05/2011	15318696	456.00	Nomcebo Consulting Ent.	Supply Chain Policy not followed
11/01/2011	15313231	1,700.88	Ntaba Trading	Supply Chain Policy not followed
26/05/2011	15318685	1,995.89	Otees Cash and Carry	Supply Chain Policy not followed
28/10/2010	15306529	1,602.25	Otees Cash and Carry	Supply Chain Policy not followed
11/01/2011	15313227	5,513.61	Power Measurement Distribution	Supply Chain Policy not followed
02/02/2011	15318462	599.08	PNA	Supply Chain Policy not followed
02/02/2011	15318464	626.50	PNA	Supply Chain Policy not followed
22/03/2011	15318510	4,889.49	Pinnacle Africa	Supply Chain Policy not followed
31/03/2011	15318592	4,790.00	Purple Gecko	Supply Chain Policy not followed
11/03/2011	15318506	4,900.00	Purple Gecko	Supply Chain Policy not followed
30/07/2010	15301489	27,364.40	PNA	Supply Chain Policy not followed
01/10/2010	15304942	25,219.88	PNA	Supply Chain Policy not followed
13/05/2011	15318626	12,600.00	Purple Gecko	Supply Chain Policy not followed
13/05/2011	15318593	2,100.00	Purple Gecko	Supply Chain Policy not followed
08/10/2010	15304933	5,800.00	Ronique Stoffeerders	Supply Chain Policy not followed
08/12/2010	15311688	230,689.50	Ranamane Phungo Inc.	Supply Chain Policy not followed
01/12/2010	15309905	17,718.10	Renttokill	Supply Chain Policy not followed
26/05/2011	15318706	2,500.00	RnP Autobody	Supply Chain Policy not followed
26/05/2011	15318705	450.00	Ronique Stoffeerders	Supply Chain Policy not followed
11/01/2011	15313229	2,129.73	Rietfontein Verpakking	Supply Chain Policy not followed
01/06/2011	15318773	18,303.86	Renttokill	Supply Chain Policy not followed

01/06/2011	15318767	3,673.68	Rietfontein Verpakking	Supply Chain Policy not followed
28/10/2010	15306531	64,361.21	Sud-Cheml	Supply Chain Policy not followed
31/03/2011	15318546	17,072.64	Sabie Country Club	Supply Chain Policy not followed
26/05/2011	15318699	1,500.00	Sikhona Vestra	Supply Chain Policy not followed
21/06/2011	15318844	2,975.40	Spring & General	Supply Chain Policy not followed
30/07/2010	15301496	2,375.00	Sacctn Marketing	Supply Chain Policy not followed
03/11/2010	15306556	16,735.20	Sazabantu Trading	Supply Chain Policy not followed
15/11/2010	15307075	29,469.15	Supa Quick Lydenburg	Supply Chain Policy not followed
15/11/2010	15307076	3,728.53	Supa Quick Sable	Supply Chain Policy not followed
29/10/2011	15306527	7,943.20	Sable Stationary	Supply Chain Policy not followed
08/02/2011	15316968	38,107.48	Supa Quick Lydenburg	Supply Chain Policy not followed
13/10/2010	15305581	10,527.90	38 Degrees	Supply Chain Policy not followed
26/05/2011	15318698	826.50	Talisman Plant hire	Supply Chain Policy not followed
13/11/2010	15307078	3,248.77	The courier & freight group	Supply Chain Policy not followed
03/11/2010	15306574	175,748.67	Total Comuter Services	Supply Chain Policy not followed
01/08/2010	15309893	6,556.80	Truvelo Manufacturers	Supply Chain Policy not followed
29/01/2010	15275211	7,117.02	Total Comuter Services	Supply Chain Policy not followed
01/06/2011	15318769	3,464.32	Taalrat Radiators	Supply Chain Policy not followed
26/05/2011	15318690	2,751.99	Taalrat Radiators	Supply Chain Policy not followed
08/10/2010	15304936	20,178.17	Tim Trading Cc.	Supply Chain Policy not followed
13/06/2011	15318785	14,316.30	Tim Trading Cc.	Supply Chain Policy not followed
01/12/2010	15309890	502.98	4U Computers & Stationary	Supply Chain Policy not followed
08/02/2011	15316970	1,319.90	Union Motors Laeveld	Supply Chain Policy not followed
13/06/2011	15318798	6,382.65	Union Motors Laeveld	Supply Chain Policy not followed
01/06/2011	15318765	1,883.05	Viscon Cms Conveyor & Mining Supplies	Supply Chain Policy not followed
27/08/2010	15302915	388,626.16	Voltex Nelspruit	Supply Chain Policy not followed
31/03/2011	15318568	59,327.05	Voltex Nelspruit	Supply Chain Policy not followed
26/05/2011	15318682	1,885.44	Voltex Nelspruit	Supply Chain Policy not followed
26/05/2011	15318686	1,692.90	Voorspoed Sand en Klip	Supply Chain Policy not followed

14/12/2010	15312161	8,242.31	Wurth SA	Supply Chain Policy not followed
12/07/2010	15296814	52,500.00	Winning by Losing	Supply Chain Policy not followed
13/08/2010	15301997	15,000.00	Winning by Losing	Supply Chain Policy not followed
10/09/2010	15303144	53,172.00	Winning by Losing	Supply Chain Policy not followed
13/10/2010	15305590	55,629.00	Winning by Losing	Supply Chain Policy not followed
08/02/2011	15316971	1,103.29	Wurth SA	Supply Chain Policy not followed
01/06/2011	15318764	2,038.32	Wurth SA	Supply Chain Policy not followed
01/06/2011	15318770	4,389.61	Westvaal Mashishing	Supply Chain Policy not followed
03/11/2010	15306569	830.00	Zikies the cable man	Supply Chain Policy not followed
22/12/2010	15313109	6,844.95	Zikies the cable man	Supply Chain Policy not followed
31/03/2011	15318574	13,475.80	Zikies the cable man	Supply Chain Policy not followed
15/02/2011	INVOICE	12,471.00	Mandlakazi Electrical Tech	Supply Chain Policy not followed
18/01/2011	INVOICE	28,850.00	Mechan Elec Services	Supply Chain Policy not followed
22/02/2011	INVOICE	71,010.58	Bell Equipment	Supply Chain Policy not followed
31/03/2011	INVOICE	70,000.00	Bell Equipment	Supply Chain Policy not followed
30/06/2011	CONTRACT	897,816.00	PLP Consulting Engineers	Supply Chain Policy not followed
30/06/2012	CONTRACT	1,038,596.00	Famous Idea	Supply Chain Policy not followed
30/06/2013	CONTRACT	502,982.00	Alutha Investments	Supply Chain Policy not followed
30/06/2014	CONTRACT	1,779,986.32	Vuthela Africa Security	Supply Chain Policy not followed
30/06/2015	CONTRACT	1,238,155.39	Maximun Profit Security	Supply Chain Policy not followed
30/06/2016	INVOICE	101,525.42	Madala Robert Malyane	Supply Chain Policy not followed
30/06/2017	INVOICE	180,595.29	Collin Gower	Supply Chain Policy not followed
30/06/2018	CONTRACT	1,313,076.12	Van der Nest / Buys and Associates	Supply Chain Policy not followed
30/06/2019	CONTRACT	53,000.00	TMM Trading Enterprize	Supply Chain Policy not followed
30/06/2020	INVOICE	24,013.22	Enos Maunyne	Supply Chain Policy not followed
30/06/2021	CONTRACT	348,139.77	Syntell (Pty) Ltd	Supply Chain Policy not followed
30/06/2022	CONTRACT	3,000,000.00	Shining Star CC	Supply Chain Policy not followed

TOTAL AMOUNT FRUITLESS AND WASTEFUL EXPENDITURE: R 1 385 812.97

FRUITLESS EXPENDITURE AS DEFINED BY THE MUNICIPAL FINANCE MANAGEMENT ACT (1)

“fruitless and wasteful expenditure” means expenditure that was made in vain and would have been avoided had reasonable care been exercised;

The interest overdue on the accounts was a result of the creditors not paid within 30 days and could have been avoided by severe restrictions on cash flow management.

However, the Municipality faced serious cash flow constraints and should it not be seen as negligence in paying resulting in fruitless and wasteful expenditure.

30-Jun-11	TELKOM INVOICE	1,942.60	Telkom	Interest on overdue account exception 21
Jul-11	ESKOM INVOICE	60,793.85	Eskom	Interest on overdue account (note 27 – other)
Aug-11	ESKOM INVOICE	62,139.36	Eskom	Interest on overdue account (note 27 – other)
Sep-11	ESKOM INVOICE	82,544.71	Eskom	Interest on overdue account (note 27 – other)
Oct-11	ESKOM INVOICE	50,939.80	Eskom	Interest on overdue account (note 27 – other)
Nov-11	ESKOM INVOICE	77,835.33	Eskom	Interest on overdue account (note 27 – other)
7210/7211/7203		265,067.37	S.A.R.S	Interest on creditors paid late
7210/7211/7203		43,173.60	INTERST CHARGED FOR NON P	Interest on creditors paid late
7210/7211/7203		22,025.72	INTREST MEPF	Interest on creditors paid late
7210/7211/7203		72.70	INTEREST ON OVERDUE INV16	Interest on creditors paid late
7210/7211/7203		6.86	INTEREST ON OVERDUE INV68	Interest on creditors paid late
7210/7211/7203		167.00	INTEREST ON OVERDUE ACCOU	Interest on creditors paid late
7210/7211/7203		180.79	INTEREST ON OVERDUE ACCOU	Interest on creditors paid late
7210/7211/7203		605.54	INTEREST ON OVEDUE ACCOUN	Interest on creditors paid late
7210/7211/7203		440.23	INTEREST ON OVEDUE ACCOUN	Interest on creditors paid late
7210/7211/7203		652.79	INTEREST ON OVERDUE ACCOU	Interest on creditors paid late
7210/7211/7203		877.94	INTERST ON OVERDUE ACCOUN	Interest on creditors paid late
7210/7211/7203		176.53	INTEREST ON OVERDUE ACCOUN	Interest on creditors paid late
7210/7211/7203		633.70	INTEREST ON OVERDUE ACCOU	Interest on creditors paid late
7210/7211/7203		1,189.32	INTEREST ON OVERDUE ACCOU	Interest on creditors paid late
7210/7211/7203		1,470.50	MCPF PENALTY INTEREST	Interest on creditors paid late
7210/7211/7203		17,748.91	GEPF INTEREST DEC10	Interest on creditors paid late
7210/7211/7203		39,506.15	SARS UIF INTEREST AND PEN	Interest on creditors paid late
7210/7211/7203		65,467.62	SARS SDL INTEREST AND PEN	Interest on creditors paid late
7210/7211/7203		125.39	INTEREST ON OVERDUE ACC	Interest on creditors paid late
7210/7211/7203		297.34	INTEREST ON	Interest on creditors paid late

		OVERDUE ACCOU	
7210/7211/7203	327.27	INTEREST ON OVERDUE ACCOU	Interest on creditors paid late
7210/7211/7203	10.66	INTEREST ON OVERDUE ACCOU	Interest on creditors paid late
7210/7211/7203	5.86	INTEREST ON OVERDUE ACCOU	Interest on creditors paid late
7210/7211/7203	4,587.67	INTEREST ON OVERDUE ACCOU	Interest on creditors paid late
7210/7211/7203	125.07	INTEREST ON OVERDUE ACCOU	Interest on creditors paid late
7210/7211/7203	6,250.41	INTEREST ON OVERDUE ACCOU	Interest on creditors paid late
7210/7211/7203	280.34	INTEREST ON OVERDUE ACCOU	Interest on creditors paid late
7210/7211/7203	3,703.21	JANUARY ELECTRICITY ACCOU	Interest on creditors paid late
7210/7211/7203	38.12	INTEREST ON OVERDUE ACCOU	Interest on creditors paid late
7210/7211/7203	128.61	INTEREST ON OVERDUE ACCOU	Interest on creditors paid late
7210/7211/7203	220.08	INTEREST ON OVERDUE ACCOU	Interest on creditors paid late
7210/7211/7203	6,329.23	INTEREST ON OVERDUE ACCOU	Interest on creditors paid late
7210/7211/7203	259.32	INTEREST ON OVERDUE ACCOU	Interest on creditors paid late
7210/7211/7203	423.13	02274 REG 09/10	Interest on creditors paid late
7210/7211/7203	6,918.56	02274 REG08/09- 09/10	Interest on creditors paid late
7210/7211/7203	19.33	INTEREST ON OVERDUE ACCOU	Interest on creditors paid late
7210/7211/7203	234.42	INTEREST ON OVERDUE ACCOU	Interest on creditors paid late
7210/7211/7203	325.80	INTEREST ON OVERDUE ACCOU	Interest on creditors paid late
7210/7211/7203	26.33	FEBRUARY11 ELECTRICITY AC	Interest on creditors paid late
7210/7211/7203	26.39	FEBRUARY11 ELECTRICITY AC	Interest on creditors paid late
7210/7211/7203	62.60	FEBRUARY11 ELECTRICITY AC	Interest on creditors paid late
7210/7211/7203	56.35	FEBRUARY11 ELECTRICITY AC	Interest on creditors paid late
7210/7211/7203	369.54	FEBRUARY11 ELECTRICITY AC	Interest on creditors paid late
7210/7211/7203	471.47	FEBRUARY11 ELECTRICITY AC	Interest on creditors paid late
7210/7211/7203	4.33	FEBRUARY11 ELECTRICITY AC	Interest on creditors paid late
7210/7211/7203	0.74	FEBRUARY11 ELECTRICITY AC	Interest on creditors paid late
7210/7211/7203	33.73	FEBRUARY11 ELECTRICITY AC	Interest on creditors paid late
7210/7211/7203	179.70	FEBRUARY11 ELECTRICITY AC	Interest on creditors paid late
7210/7211/7203	3.73	FEBRUARY11 ELECTRICITY AC	Interest on creditors paid late
7210/7211/7203	17,214.29	FEBRUARY 11 INTEREST ON O	Interest on creditors paid late
7210/7211/7203	2,909.68	FEBRUARY 11 INTEREST ON O	Interest on creditors paid late
7210/7211/7203	16,644.96	FEBRUARY 11	Interest on creditors paid late

		INTEREST ON O	
7210/7211/7203	4,059.34	FEBRUARY 11 INTEREST ON O	Interest on creditors paid late
7210/7211/7203	200.72	FEBRUARY 11 INTEREST ON O	Interest on creditors paid late
7210/7211/7203	8,890.56	INTEREST ON OVERDUE ACC	Interest on creditors paid late
7210/7211/7203	5,189.07	INTEREST ON OVERDUE 2274R	Interest on creditors paid late
7210/7211/7203	6,189.07	FC-2484 SHORT PAID	Interest on creditors paid late
7210/7211/7203	236.50	INTERST OVERDUE ACCOUNT	Interest on creditors paid late
7210/7211/7203	43.99	INTEREST ON OVERDUE ACCOUN	Interest on creditors paid late
7210/7211/7203	47.39	INTEREST ON OVERDUE ACCOU	Interest on creditors paid late
7210/7211/7203	15.75	MARCH 2011 ELECTRICITY IN	Interest on creditors paid late
7210/7211/7203	3,348.16	MARCH 2011 ELECTRICITY IN	Interest on creditors paid late
7210/7211/7203	19,514.32	MARCH 2011 ELECTRICITY IN	Interest on creditors paid late
7210/7211/7203	17,994.36	INTEREST ON OVERDUE INVOI	Interest on creditors paid late
7210/7211/7203	130.97	INTEREST ON OVERDUE INV17	Interest on creditors paid late
7210/7211/7203	10.16	MARCH 2011 ELECTRICITY AC	Interest on creditors paid late
7210/7211/7203	9.14	INTEREST	Interest on creditors paid late
7210/7211/7203	11,080.58	INTERST ON OVERDUE ACCOUN	Interest on creditors paid late
7210/7211/7203	20.66	INTEREST CHARGED ON OVERD	Interest on creditors paid late
7210/7211/7203	1,870.08	INTEREST ON ONVERDUE ACCO	Interest on creditors paid late
7210/7211/7203	1,890.34	INTEREST ON OVERDUE ACCOU	Interest on creditors paid late
7210/7211/7203	1,763.83	INTEREST ON OVERDUE ACCOU	Interest on creditors paid late
7210/7211/7203	1,633.01	INTEREST ON OVERDUE ACCOU	Interest on creditors paid late
7210/7211/7203	1,647.98	INTEREST ON OVERDUE ACCOU	Interest on creditors paid late
7210/7211/7203	1,587.50	INTEREST ON OVERDUE ACCOU	Interest on creditors paid late
7210/7211/7203	1,601.39	INTEREST ON OVERDUE ACCOU	Interest on creditors paid late
7210/7211/7203	1,615.40	INTEREST ON OVERDUE ACCOU	Interest on creditors paid late
7210/7211/7203	1,629.53	INTEREST ON OVERDUE ACCOU	Interest on creditors paid late
7210/7211/7203	1,643.79	INTEREST ON OVERDUE ACCOU	Interest on creditors paid late
7210/7211/7203	1,658.17	INTEREST ON OVERDUE ACCOU	Interest on creditors paid late
7210/7211/7203	1,672.68	INTEREST ON OVERDUE ACCOU	Interest on creditors paid late
7210/7211/7203	3,604.23	INTEREST ON OVERDUE ACCOU	Interest on creditors paid late
7210/7211/7203	5,520.75	INTEREST ON OVERDUE ACCOU	Interest on creditors paid late
7210/7211/7203	7,541.65	INTEREST ON	Interest on creditors paid late

		OVERDUE ACCOU	
7210/7211/7203	9,617.12	INTEREST ON OVERDUE ACCOU	Interest on creditors paid late
7210/7211/7203	11,779.12	INTEREST ON OVERDUE ACCOU	Interest on creditors paid late
7210/7211/7203	18,394.11	INTEREST ON OVERDUE ACCOU	Interest on creditors paid late
7210/7211/7203	17,020.88	INTEREST ON OVERDUE ACCOU	Interest on creditors paid late
7210/7211/7203	17,815.89	INTEREST ON OVERDUE ACCOU	Interest on creditors paid late
7210/7211/7203	18,033.50	INTEREST ON OVERDUE ACCOU	Interest on creditors paid late
7210/7211/7203	11,561.45	INTEREST ON OVERDUE ACCOU	Interest on creditors paid late
7210/7211/7203	14,037.08	INTEREST ON OVERDUE ACCOU	Interest on creditors paid late
7210/7211/7203	16,696.00	INTEREST ON OVERDUE ACCOU	Interest on creditors paid late
7210/7211/7203	191.06	INTEREST ON OVERDUE ON IN	Interest on creditors paid late
7210/7211/7203	9.32	INTEREST ON OVERDUE ACC	Interest on creditors paid late
7210/7211/7203	322.51	INTEREST ON OVERDUE ACC	Interest on creditors paid late
7210/7211/7203	153.38	INTEREST ON OVERDUE ACCOU	Interest on creditors paid late
7210/7211/7203	305.86	INTEREST ON OVERDUE ACCOU	Interest on creditors paid late
7210/7211/7203	12.63	INTEREST ON OVERDUE ACCOU	Interest on creditors paid late
7210/7211/7203	353.54	INTEREST ON OVERDUE ACCOU	Interest on creditors paid late
7210/7211/7203	58.49	INTEREST ON OVERDUE ACCOU	Interest on creditors paid late
7210/7211/7203	29.37	INTEREST ON OVERDUE ACCOU	Interest on creditors paid late
7210/7211/7203	46.10	INTEREST ON OVERDUE ACCOUN	Interest on creditors paid late
7210/7211/7203	11.03	INTEREST ON OVERDUE ACCOU	Interest on creditors paid late
7210/7211/7203	53.64	INTEREST ON OVERDUE ACCOU	Interest on creditors paid late
7210/7211/7203	3,415.11	INTEREST ON OVERDUE	Interest on creditors paid late
7210/7211/7203	4,500.00	INTEREST ON OVERDUE ACCOU	Interest on creditors paid late
7210/7211/7203	36,429.60	INTEREST ON OVERDUE ACCO	Interest on creditors paid late
7210/7211/7203	4,786.73	INTEREST ON OVERDUE ACCOU	Interest on creditors paid late
7210/7211/7203	14.78	INTEREST ON OVERDUE ACCOU	Interest on creditors paid late
7210/7211/7203	4,655.69	INTEREST ON OVERDUE ACCOU	Interest on creditors paid late
7210/7211/7203	468.14	INTEREST ON OVERDUE ACCOU	Interest on creditors paid late
7210/7211/7203	130.39	INTEREST ON OVERDUE ACCOU	Interest on creditors paid late
7210/7211/7203	6,470.82	INTEREST ON OVERDUE ACCOU	Interest on creditors paid late
7210/7211/7203	21,305.72	INTEREST ON OVERDUE ACCO	Interest on creditors paid late

7210/7211/7203	16,920.40	INTEREST ON OVERDUE ACCOU	Interest on creditors paid late
7210/7211/7203	20,798.96	INTERST CHARGED ON OVERDU	Interest on creditors paid late
7210/7211/7203	5,715.07	INTEREST ON OVERDUE ACCOU	Interest on creditors paid late
7210/7211/7203	885.09	INTEREST ON OVERDUE ACCOU	Interest on creditors paid late
7210/7211/7203	4,945.49	INTEREST ON OVERDUE ACCOU	Interest on creditors paid late
7210/7211/7203	618.96	INTEREST ON OVERDUE ACCOU	Interest on creditors paid late
7210/7211/7203	5,436.31	INTERSET ON OVERDUE ACCOU	Interest on creditors paid late
7210/7211/7203	5,348.96	INTERSET CHARGED ON OVERD	Interest on creditors paid late
7210/7211/7203	1,942.60	INTEREST ON OVERDUE ACCOU	Interest on creditors paid late
7210/7211/7203	5,129.65	INTEREST CHARGED ON OVERD	Interest on creditors paid late
7210/7211/7203	56.77	INTEREST ON OVERDUE ACCOU	Interest on creditors paid late
7210/7211/7203	19,175.54	INTEREST ON OVERDUE ACCOU	Interest on creditors paid late
7210/7211/7203	21,921.82	INTEREST ON OVERDUE ACCOU	Interest on creditors paid late
7210/7211/7203	18,518.57	INTEREST ON OVERDUE ACCOU	Interest on creditors paid late
7210/7211/7203	21,226.92	INTEREST ON OVERDUE ACCOU	Interest on creditors paid late
7210/7211/7203	61.60	INTEREST ON OVERDUE ACCOU	Interest on creditors paid late
7210/7211/7203	109.63	INTEREST ON OVERDUE ACCOU	Interest on creditors paid late
7210/7211/7203	9.25	INTEREST ON OVERDUE ACCOU	Interest on creditors paid late
7210/7211/7203	38,183.64	INTEREST ON OVERDUE ACCOU	Interest on creditors paid late
7210/7211/7203	995.03	INTEREST ON OBVERDUE ACCO	Interest on creditors paid late



THABA CHWEU LOCAL MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS
30 June 2011

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PROPERTY, PLANT AND EQUIPMENT								
Reconciliation of Carrying Value								
	Land R	Buildings R	Infrastructure R	Community R	Heritage R	Other Assets R	sub totals R	Total R
2010	69 877	12 975 360	84 994 882	45 691	-	12 725 149	-	110 810 959
Cost/Revaluation	349 389	21 883 921	117 701 705	272 091	-	30 701 727	-	170 908 833
Accumulated depreciation and impairment losses	(279 512)	(8 908 561)	(32 706 823)	(226 400)	-	(17 976 578)	-	(60 097 874)
2011	-	-	-	-	-	110 810 959	-	110 810 959
Acquisitions	-	-	-	-	-	4 626 207	-	4 626 207
sub total before corrections	-	-	-	-	-	115 437 166	-	115 437 166
Correction work in progress Grap 17								
LAND & BUILDING								98 769 972
Lydenburg		15 340 000	-	-	-	516 200	15 856 200	
Mashishing		4 840 000	-	-	-	2 569 436	7 409 436	
Kellysville		-	-	-	-	477 410	477 410	
Sabie		17 365 000	-	-	-	6 545 016	23 910 016	
Simile		5 155 000	-	-	-	9 176 160	14 331 160	
Leroro		121 000	-	-	-	1 000	122 000	
Graskop		5 897 000	-	-	-	23 566 650	29 463 650	
Harmony Hill		220 000	-	-	-	6 980 100	7 200 100	
ROADS, INFRASTRUCTURE & SURVEYS								908 484 000
Bituminous			826 490 000				826 490 000	
Blocks			18 570 000				18 570 000	
Concrete			63 424 000				63 424 000	
WATER & SANITATION								595 827 150
Boreholes			1 110 000				1 110 000	
Surface water			300 150 000				300 150 000	
WTW			26 600 000				26 600 000	
Pumpstation			12 325 000				12 325 000	
Pipelines			68 812 150				68 812 150	
Reservoirs			76 230 000				76 230 000	
Reticulation Network			59 600 000				59 600 000	
Wastewater Works			51 000 000				51 000 000	
MOVABLE PROPERTY								1 039 854
IT EQUIPMENTS						178 906	178 906	
VEHICLES						644 109	644 109	
FURNITURE						117 626	117 626	
SOFTWARE						99 213	99 213	
subtotal								1 719 558 142
amount written of against accumulated profit/loss								-115 437 166
Totals per Statement of Position	-	48 938 000	1 504 311 150	-	-	50 871 826	1 604 120 976	1 604 120 976

Note 33	Disclosure in terms of GRAP 17 PPE
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The Municipality applied directive 4 in respect of the transitional provisions of property plant and equipment. The following remarks are applicable.

.07 Where an entity has taken advantage of the transitional provisions in other Standards of GRAP, the following disclosures shall be made in the financial statements:

- (a) The fact that the entity has taken advantage of the transitional provisions;
- (b) the classes of assets and/or liabilities that have not been recognized and/or measured in accordance with the applicable Standards of GRAP at the previous reporting date, but which are now so recognized and/or measured;
- (c) the nature and amount of any reporting period adjustments recognized during the period; and
- (d) the date that it will comply in full with the requirements of the Standards of GRAP, as well as information on the progress made by the entity towards recognizing and/or measuring assets or liabilities in accordance with the requirements of Standards of GRAP.

.67 If the initial accounting for property, plant and equipment is incomplete by the end of a reporting period in which the Standard becomes effective or the transfer occurs, whichever is later, the entity shall report in its financial statements provisional amounts for those items of property, plant and equipment for which the accounting is incomplete. During the measurement period, the entity shall retrospectively adjust the provisional amounts recognized to reflect information obtained about facts and circumstances that existed on the effective date of the Standard in accordance with paragraph .65 or the transfer date in accordance with paragraph .66, and, if known, would have affected the measurement of the amounts recognized as of that date. During the measurement period, the entity shall also recognize additional items of property, plant and equipment if information is obtained about the existence of those property, plant and equipment at the effective date of the Standard or the transfer date, whichever is applicable, and, if it had been known, would have resulted in the recognition of those property, plant and equipment at that date. The measurement period ends as soon as the entity receives the information it was seeking about facts and circumstances that existed at the effective date of the Standard or the transfer date, whichever is applicable, or learns that no more information is obtainable. However, the measurement period shall not exceed the later of three years from the effective date of the Standard or the transfer date.

In view of the above, the Municipality discloses the following:

- 1. That it has taken advantage of the transitional provisions as per Directive 4.
- 2. During the 2009/2010 financial year, no asset register was available. An amount of R115 437 166, which was made up by the following amounts: R110 810 961 ("old assets") and R4 626 207 (*additions*) was disclosed on the Financial Statements and could not be substantiated.
- 3. During the compilation of the financial statements for the 2010/2011 financial year, an asset register was discovered. It was then proposed to the Audit Committee that this asset register be used as the initial recognition of the Municipality's assets. It was approved by the Audit Committee.
- 4. To address .07 (c) above, herewith the following:
 - 4.1 The initial amount of R R115 437 166 was then written back against accumulated surplus
 - 4.2 As per .67 above, the amount of R1 604 120 976 was taken into the financial statements as the amount for those assets recognized, but it must be noted that this is still incomplete and will be dealt with in the 2011/2012 AFS as set out in the standards of GRAP.

Executive & Council	3 362 207		98 769 972	(3 362 207)	98 769 972
Finance & Admin	4 088 315		-	(4 088 315)	-

Planning & Development	89 906		-	(89 906)	-
Health	196 956		-	(196 956)	-
Community & Social Services	2 372 355		-	(2 372 355)	-
Public Safety	1 068 315		-	(1 068 315)	-
Sport & Recreation	111 565		-	(111 565)	-
Waste Management	13 376 332		51 000 000	(13 376 332)	51 000 000
Road Transport	44 354 121		908 484 000	(44 354 121)	908 484 000
Water	16 681 222		485 227 150	(16 681 222)	485 227 150
Electricity	17 300 170		59 600 000	(17 300 170)	59 600 000
Other	7 809 497	4 626 207	1 039 854	(12 435 704)	1 039 854
Total	110 810 961	4 626 207	1 604 120 976	(115 437 168)	1 604 120 976

The amount of R 1 604 120 976 were transferred to accumulated surpluses in term of the costing model opted as mentioned below.

5. In order to address .07 (b) and .67 above, and to do the changes as stipulated in the 2011/2012 financial year, the municipality has appointed a contractor, Aurecon, to complete the asset register and to ensure that it is fully GRAP 17 compliant.

A desktop pre-investigation included the following:

- a. A collection of the extent of the infrastructure assets of the municipality.
- b. Interviews with all responsible technical personnel responsible for the various Service Delivery Areas (SDA's).
- c) An indication was done of the infrastructure asset extent per SDA, and it is in the process of being assessed:

1. WATER NETWORK PER SDA

- Dams
- Weirs
- Boreholes
- Water Treatment Works
- Pump Stations
- Storage
- Water Meters
- Bulk Mains
- Distribution.

2. SANITATION NETWORK PER SDA

- Sewer Treatment Works
- Pump Stations
- Outfall sewers
- Reticulation

3. COMMUNITY FACILITIES AND BUILDINGS PER SDA

3.1 COMMUNITY FACILITIES

- Abattoirs
- Airports
- Cemeteries/crematoria
- Creches / care centres
- Clinics
- Halls / centres
- Libraries
- Markets / stalls / shops
- Museums / galleries / theatres
- Parks
- Public ablution facilities
- Public open spaces
- Taxi ranks / parking / bus terminals
- Landfill sites

- Mini refuse sites
- Waste processing facilities
- Waste transfer stations

3.2 SPORTS AND RECREATION FACILITIES

- Outdoor
- Indoor

3.3 OPERATIONAL BUILDINGS

- Fire / Ambulance Stations
- Laboratories
- Municipal Offices
- Pay / Enquiry Points
- Stores
- Testing stations
- Workshops / depots / yards

3.4 HOUSING

- Staff housing
- Hostels, Retirement village

6. The following are planned field assessments and are either in progress or upcoming:

- 6.1 Water and Sanitation networks.
- 6.2 Community Facilities and buildings
- 6.3 Roads
- 6.4 Electricity

7. Measurement after recognition

Cost model

.38 *After recognition as an asset, an item of property, plant and equipment shall be carried at its cost less any accumulated depreciation and any accumulated impairment losses.*

7. The municipality will comply with the standards set in GRAP 17 on 30 June 2012.



THABA CHWEU LOCAL MUNICIPALITY
APPENDIX A
SCHEDULE OF EXTERNAL LOANS
30 JUNE 2011

	Loan number	Redeemable Date	BAL 30 JUNE 2010	Received during the period	Redeemed / written off during the period	BAL 30 JUNE 2011
EXTERNAL LOANS			R	R	R	R
LONG-TERM LOANS						
			13 333 636		(3 066 245)	10 267 391
local registered stock loans			1 012 091		(1 012 091)	-
Annuity loans			3 411 545		(3 411 545)	-
inca other borrowings			8 910 000		1 357 391	10 267 391
less : current portion transferred to current liabilities			(1 458 200)		1 458 200	-
local registered stock loans			(1 012 091)		1 012 091	-
Annuity loans					-	-
annuity loans			(446 109)		446 109	-
TOTAL EXTERNAL LOANS			11 875 436	-	(1 608 045)	10 267 391

THABA CHWEU LOCAL MUNICIPALITY
APPENDIX B
ANALYSIS OF PROPERTY PLANT AND EQUIPMENT
30 June 2011

	Cost / Revaluation					Accumulated Depreciation					Transfers	Other movements	Carrying Value
	Opening Balance	Additions	Disposals	Under Construction	Closing Balance	Opening Balance	Depreciation	Impairment loss	impairment revaluation	Closing Balance			
	R	R	R	R	R	R	R	R	R	R	R	R	R
Land	69 878	-	-	-	69 878	69 878	-	(69 878)	-	-	-	-	-
Landfill Sites									15 856 200	15 856 200	-	-	15 856 200
Land : Lydenburg									7 409 436	7 409 436	-	-	7 409 436
Land : Mashising									477 410	477 410	-	-	477 410
Land: Kellysville									23 910 016	23 910 016	-	-	23 910 016
Land : Sable									14 331 160	14 331 160	-	-	14 331 160
Land : Simile									122 000	122 000	-	-	122 000
Land : Leroro	-	-	-	-	-	-	-	-	29 463 650	29 463 650	-	-	29 463 650
Land : Graskop									7 200 100	7 200 100	-	-	7 200 100
Land : Harmony hill											-	-	
	69 878	-	-	-	69 878	69 878	-	(69 878)	98 769 972	98 769 972	-	-	98 769 972
Buildings	12 975 360	-	-	-	12 975 360	12 975 360	-	(12 975 360)	-	-	-	-	-
Infrastructure											-	-	-
Reservoirs	-	-	-	-	-	-	-	-	76 230 000	76 230 000	-	-	76 230 000
Roads	39 098 811	-	-	-	39 098 811	39 098 811	-	(39 098 811)	908 484 000	908 484 000	-	-	908 484 000
Sewerage Mains & Purification	12 885 726	-	-	-	12 885 726	12 885 726	-	(12 885 726)	-	-	-	-	-
reticulation network									59 600 000	59 600 000	-	-	59 600 000
Waste water works									51 000 000	51 000 000	-	-	51 000 000
Electricity Mains	16 329 123	-	-	-	16 329 123	16 329 123	-	(16 329 123)	-	-	-	-	-
Boreholes	-	-	-	-	-	-	-	-	1 110 000	1 110 000	-	-	1 110 000
Water Mains & Purification	16 681 222	-	-	-	16 681 222	16 681 222	-	(16 681 222)	-	-	-	-	-
Reservoir dams surface water	-	-	-	-	-	-	-	-	300 150 000	300 150 000	-	-	300 150 000
Water treatment works	-	-	-	-	-	-	-	-	26 600 000	26 600 000	-	-	26 600 000
pumpstation	-	-	-	-	-	-	-	-	12 326 000	12 326 000	-	-	12 326 000
Pipelines	-	-	-	-	-	-	-	-	68 812 150	68 812 150	-	-	68 812 150
	97 970 242	-	-	-	97 970 242	97 970 242	-	(97 970 242)	1 504 311 150	1 504 311 150	-	-	1 504 311 150
Community Assets													
Recreation Grounds	45 691	-	-	-	45 691	45 691	-	(45 691)	-	-	-	-	-
											-	-	-
Total carried forward	111 061 171	-	-	-	111 061 171	111 061 171	-	(111 061 171)	1 603 081 122	1 603 081 122	-	-	1 603 081 122

THABA CHWEU LOCAL MUNICIPALITY
APPENDIX B
ANALYSIS OF PROPERTY PLANT AND EQUIPMENT
30-Jun-11

	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
Total brought forward	111 061 171	-	-	-	111 061 171	111 061 171	-	(111 061 171)	1 603 081 122	1 603 081 122	-	-	1 603 081 122
Other Assets													
Office Equipment	486	-	-	-	486	486	-	(486)	-	-	-	-	-
Furniture & Fittings	82 141	-	-	-	82 141	82 141	-	(82 141)	117 626	117 626	-	-	117 626
Bins and Containers	482 453	-	-	-	482 453	482 453	-	(482 453)	-	-	-	-	-
Emergency Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-
Motor vehicles	996 684	-	-	-	996 684	996 684	-	(996 684)	644 108	644 108	-	-	644 108
Computer Equipment	66 950	-	-	-	66 950	66 950	-	(66 950)	-	-	-	-	-
Computer Software (part of computer equipment)	-	-	-	-	-	-	-	-	99 213	99 213	-	-	99 213
Other Assets	11 096 431	4 626 207	-	-	15 722 638	15 722 638	-	(15 722 638)	178 907	178 907	-	-	178 907
	12 725 145	4 626 207	-	-	17 351 352	17 351 352	-	(17 351 352)	1 039 854	1 039 854	-	-	1 039 854
Finance Lease Assets													
Total	123 786 316	4 626 207	-	-	128 412 523	128 412 523	-	(128 412 523)	1 604 120 976	1 604 120 976	-	-	1 604 120 976

THABA CHWEU LOCAL MUNICIPALITY
APPENDIX C
SEGMENTAL ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT
30-Jun-11

	Cost / Revaluation					Accumulated Depreciation				Carrying value
	Opening Balance	Additions	Revaluation reserve changes	Revaluation reserve changes	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance	
	R	R	R	R	R	R	R	R	R	R
Executive & Council	3 362 207		98 769 972	(3 362 207)	98 769 972	98 769 972	-	-	98 769 972	98 769 972
Finance & Admin	4 088 315		-	(4 088 315)	-	-	-	-	-	-
Planning & Development	89 906		-	(89 906)	-	-	-	-	-	-
Health	196 956		-	(196 956)	-	-	-	-	-	-
Community & Social Services	2 372 355		-	(2 372 355)	-	-	-	-	-	-
Public Safety	1 068 315		-	(1 068 315)	-	-	-	-	-	-
Sport & Recreation	111 565		-	(111 565)	-	-	-	-	-	-
Waste Management	13 375 332		51 000 000	(13 375 332)	51 000 000	51 000 000	-	-	51 000 000	51 000 000
Road Transport	44 354 121		908 484 000	(44 354 121)	908 484 000	908 484 000	-	-	908 484 000	908 484 000
Water	16 681 222		485 227 150	(16 681 222)	485 227 150	485 227 150	-	-	485 227 150	485 227 150
Electricity	17 300 170		59 600 000	(17 300 170)	59 600 000	59 600 000	-	-	59 600 000	59 600 000
Other	7 809 497	4 626 207	1 039 854	(12 435 704)	1 039 854	1 039 854	-	-	1 039 854	1 039 854
Total	110 810 961	4 626 207	1 604 120 976	(115 437 163)	1 604 120 976	1 604 120 976	-	-	1 604 120 976	1 604 120 976



THABA CHWEU MUNICIPALITY
APPENDIX D
SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 30 June 2011

2010	2010	2010		2011	2011	2011
Actual Income	Actual Expenditure	Surplus / (Deficit)		Actual Income	Actual Expenditure	Surplus / (Deficit)
R	R	R		R	R	R
48 357 911	21 213 925	27 143 986	Executive & Council	54 565 843	22 086 316	32 479 527
		-	Corporate Services	-	21 271 936	(21 271 936)
49 016 452	61 536 651	(12 520 199)	Finance & Admin	59 764 520	36 709 211	23 055 309
6 612 610	2 130 277	4 482 333	Planning & Development	-	8 309 023	(8 309 023)
-	617 425	(617 425)	Health	-	789 464	(789 464)
124 713	3 009 787	(2 885 074)	Community & Social Services	591 249	2 332 305	(1 741 057)
-	-	-	Housing	-	894 637	(894 637)
1 501 421	10 049 080	(8 547 659)	Public Safety	-	2 395 924	(2 395 924)
453 369	12 900 456	(12 447 087)	Sport & Recreation	-	6 848 939	(6 848 939)
-	361 435	(361 435)	Environmental Protection	-	418 893	(418 893)
16 401 914	10 630 513	5 771 401	Waste Management	8 567 041	10 115 402	(1 548 361)
-	-	-	Waste Water Management	8 766 424	2 633 737	6 132 687
1 190 175	7 283 085	(6 092 910)	Road Transport	5 407 079	30 781 790	(25 374 711)
18 076 474	6 930 242	11 146 232	Water	25 593 319	10 913 681	14 679 638
57 284 338	68 424 168	(11 139 830)	Electricity	67 973 432	92 872 634	(24 899 202)
278 574	9 091 192	(8 812 618)	Other	3 476 980	42 616	3 434 364
199 297 951	214 178 236	(14 880 285)	Total	234 705 887	249 416 508	(14 710 621)



THABA CHWEU LOCAL MUNICIPALITY
APPENDIX E
STATEMENT OF COMPARATIVE AND ACTUAL INFORMATION
30 June 2011

Description	Original Budget	Budget Adjustments (i.t.o. s28 & s31 Of The MFMA)	Virement (i.t.o. Council Approved By-law)	Final Budget	Actual Income	Unauthorised Expenditure	Variance	Actual Income As % Of Final Budget	Actual Outcome As % Of Original Budget
	1	2	3	4	5	6	7	8	9
	R	R	R	R	R	R	R	R	R
Financial Performance									
Property Rates	106 000 000	0	106 000 000	106 000 000	32 761 694	-	-	30.91%	
Service Charges	105 229 647	0	105 229 647	105 229 647	110 900 217	-	-	105.39%	
Investment Revenue	457 500	0	457 500	457 500	630 498	-	-	137.81%	
Transfers Recognised - Operational	62 783 000	0	62 783 000	62 783 000	81 087 631	-	-	129.16%	
Other Own Revenue	19 923 420	0	19 923 420	19 923 420	9 325 847	-	-	46.81%	
Total Revenue (Excluding Capital Transfers & Contributions)	294 393 567	0	294 393 567	294 393 567	234 705 887	-	-	79.73%	-
Employee Costs	78 943 228	0	78 943 228	78 943 228	70 294 075	-	-	89.04%	
Remuneration Of Councillors	4 578 774	0	4 578 774	4 578 774	4 539 763	-	-	99.15%	
Debt Impairment	0	0	0	0	0	-	-	0.00%	
Internal departmental charges	0	0	0	0	30 979 932	-	-	0.00%	
Finance Charges	0	0	0	0	1 431 152	-	-	0.00%	
Materials & Bulk Purchases	77 673 581	0	77 673 581	77 673 581	79 264 755	-	-	102.05%	
Transfers & Grants	0	0	0	0	16 798 112	-	-	0.00%	
Other Expenditures	106 996 219	0	106 996 219	106 996 219	46 108 718	-	-	43.09%	
Total Expenditure	268 191 802	0	268 191 802	268 191 802	249 416 508	-	-	93.00%	-
Surplus/(Deficit)	26 201 765	0	26 201 765	26 201 765	-14 710 621	-	-	-13.27%	-

CHAPTER 5

FUNCTIONAL SERVICE DELIVERY REPORTING

OVERVIEW

The strategic goals and objectives of the Thaba Chweu Local Municipality based on the following legislative framework.

- * The Systems Act no 32 of 2000
- * The Municipal Structures Act No 117 of 1998
- * The Municipal Financial Management Act no 56 of 2003
- * The Constitution of Republic of South Africa 1996

THABA CHWEU MUNICIPALITY GENERAL INFORMATION			
Reporting Level	Detail	Total	
Overview:		Information Chapter 1	
Information:			
1	Geography: Geographical area in square kilometers Note: Indicate source of information	6034	WSDP
2	Demography: Total population	81 240	WSDP

3	Indigent Population Note: Indicate source of information and define basis of indigent policy including definition of indigent	78,363	WSDP & Indigent registration
4	Total number of voters	41 869	
5	Aged breakdown: - 65 years and over - between 40 and 64 years - between 15 and 39 years - 14 years and under Note: Indicate source of information	4% 19% 43% 34%	IDP
6	Household income: - over R3,499 per month - between R2,500 and R3,499 per month - between R1,100 and R2,499 per month - under R1,100 per month Note: Indicate source of information	14% 13% 23% 50%	WSDP

Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target

		No Performanc e Managemen t System during Financial year 2010/11	
--	--	--	--

Function:	Finance and Administration		
Sub Function:	Finance		
Reporting Level	Detail	Total	
Overview:	Includes all activities relating to the finance function of the municipality. Note: grants information should appear in Chapter 4 on <i>Financial Statements and Related Financial Information</i> .		
Description of the Activity:	<p>The function of finance within the municipality is administered as follows and includes:</p> <p><i>Utilize the funds according to the MFMA</i></p> <p>The strategic objectives of this function are to:</p> <p><i>Comply with all financial legislation.</i></p> <p>The key issues for 2010/11 are:</p> <p><i>To lower bad debt</i></p>		
Analysis of the Function:	<p>Debtor billings: number and value of monthly billings:</p> <p>1 Water</p> <p>Electricity</p> <p>Sewerage</p> <p>Rates</p> <p>Refuse</p> <p>- Number and amount billed each month across debtors by function (e.g.: water, electricity etc)</p>		<p>R (000s)</p> <p>R14 106 958</p> <p>R33 989 547</p> <p>R6 631 819</p> <p>R18 638 777</p> <p>R9 093 340</p>

2	<p>Debtor collections: value of amount received and interest:</p> <p>Water</p> <p>Electricity</p> <p>Sewerage</p> <p>Rates</p> <p>Refuse</p> <p>- Value received from monthly billings each month and interest from the previous month across debtors by function (e.g.: water, electricity etc)</p>	<i>R (000s)</i>	<i>R (000s)</i>
			<p><i>R16 635 314</i></p> <p><i>R39 986 397</i></p> <p><i>R7 735 667</i></p> <p><i>R22 374 208</i></p> <p><i>R6 900 455</i></p>
3	<p>Debtor analysis: amount outstanding over 30, 60, 90 and 120 plus days:</p> <p>Water</p> <p>30 days</p> <p>60 days</p> <p>90 days</p> <p>120+ days</p> <p>Electricity</p> <p>30 days</p> <p>60 days</p> <p>90 days</p> <p>120 plus days</p> <p>Sewerage</p> <p>30 days</p> <p>60 days</p> <p>90 days</p>	<i>R (000s)</i>	<p><i>R 2 505 605</i></p> <p><i>R 1 336 020</i></p> <p><i>R 2 569 326</i></p> <p><i>R12 000 015</i></p> <p><i>R2525 889</i></p> <p><i>R 1 632 564</i></p> <p><i>R 2 100 385</i></p> <p><i>R12 568 494</i></p> <p><i>R748 099</i></p> <p><i>R 487 533</i></p> <p><i>R 482 182</i></p> <p><i>R 482 182</i></p> <p><i>R 659 300</i></p>

	120 plus days		
	Rates		
	30 days		R1795 749
	60 days		R 719 892
	90 days		R 604 189
	120+ days		R15 342 043
	Refuse		
	30 days		R 447 558
	60 days		R 329 240
	90 days		R 299 109
	120+ days		R6 145 226
	Note: create a suitable table to reflect debts outstanding over 30, 60, 90 and 120 plus days across debtors by function		
4	Write off of debts: number and value of debts written off: - Total debts written off each month across debtors by function (e.g.: water, electricity etc) Note: create a suitable table to reflect write offs each month across debtors by function	0	R (000s) 0
5	Property rates (Residential): - Number and value of properties rated (Land) - Number and value of properties not rated - Number and value of rate exemptions - Rates collectible for the current year	10958	R (000s) R2 668 266 768

Reporting Level	Detail	Total
	Property rates (Commercial):	

R

6	<ul style="list-style-type: none"> - Number and value of properties rated - Number and value of properties not rated - Number and value of rate exemptions - Rates collectible for the current year 	1212 0 0	R1 262 538 232
7	Regional Service Council (RSC) levies: <ul style="list-style-type: none"> - Number and value of returns - Total Establishment levy - Total Services levy - Levies collected for the current year 	0	R (000s)
8	Property valuation: <ul style="list-style-type: none"> - Year of last valuation Regularity of valuation 		1998 Every 4th year
9	Indigent Policy: <ul style="list-style-type: none"> - Quantity (number of households affected) - Quantum (total value across municipality) 	2358	
10	Creditor Payments:	R (000s)	2092
11	Credit Rating: List here whether your Council has a credit rating, what it is, from whom it was provided and when it was last updated	R (000s)	
12	External Loans: <ul style="list-style-type: none"> - Total loans received and paid during the year Note: Create a suitable table to reflect the balance of each external loan at the beginning of the year, new loans raised during the year and loans repaid during the year as well as the balance at the end of the year. Interest rates payable on each loan,	R (000s) 0	R (000s) 0

13	Delayed and Default Payments:	R(000s)	
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Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
		No Performance Management System during Financial year 2010/11	

Function:	Finance and Administration
Sub Function:	Human Resources

Reporting Level	Detail	Total	
Overview:	Includes all activities relating to the human resource management function of the municipality including recruitment, selection and induction - also performance management systems, code of conduct detail and decision making systems. Note: Read in conjunct	Refer to Chapter 2	
Description of the Activity:	<p>The function of human resource management within the municipality is administered as follows and includes:</p> <p><i>Learnership Programme, Selection appointment and recruitment</i></p> <p>The municipality has a mandate to:</p> <p><i>Advertise, select and to appoint</i></p> <p>The strategic objectives of this function are to:</p> <p><i>Comply with the Systems Act</i></p> <p>The key issues for 2010/11 are:</p> <p><i>The filling of critical positions</i></p>	See Chapter 2 for information	
Analysis of the Function:	<p>Number and cost to employer of all municipal staff employed:</p> <p>- Professional (Managerial/Specialist)</p>	475	59 219 901

	<ul style="list-style-type: none"> - Field (Supervisory/Foremen) - Office (Clerical/Administrative) - Non-professional (blue collar, outside workforce) - Temporary Staff - Contract Staff 	49 53 88 69 50	
	Note: total number to be calculated on full-time equivalent (FTE) basis, providing detail of race and gender according to the breakdown described above. Total cost to include total salary package	9	
	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
Key Performance Area		No Performance Management System during Financial year 2010/11	

Function:	Finance and Administration
Sub Function:	Other Administration (Procurement)

Reporting Level	Detail	Total	
Overview:	Includes all activities relating to overall procurement functions of the municipality including costs associated with orders, tenders, contract management etc		
Description of the Activity:	<p>The function of the finance within the municipality is administered as follows as follows and includes:</p> <p><u>Adoption of the supply Chain Management Policy</u> The revised SCM policy has been adopted by the finance committee in September 2011. It has been structured in accordance with the National Treasury Guidelines.</p> <p><u>Establishment and staffing of the SCM unit</u> The unit has been established and consist of a assistant manager, two procurement officers and store clerks</p> <p><u>Training of officials involved in the implementation of the SCM policy</u> There was training which was provided to all SCM officials and bid committees, it was held in Thaba Chweu Municipality on the 12th of July 2011 by the provincial treasury. There was also training on public private partnership which was concluded by the national treasury at DBSA. Currently SCM staff are undergoing with provincial treasury supply chain management (certificate) which is a year course</p>		

Establishment of bid committees and functionality

There are three bid committees established within Thaba Chweu Local Municipality and are fully functional. The committee members have attended training on SCM and bid committees in July 2011

The committees are as follows:

Bid specification committee
Bid evaluation committee
Bid adjudication committee

Analysis of the Function: 1	Attendance and oversight is provided by the Municipal Manager	6 25 25 4 weeks	as required as required as required 4 weeks
2	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance		
	Refer to the attached two reports		

Key Performance Area		Current	Target



Function:	Planning and Development
Sub Function:	Economic Development

Reporting Level	Detail	Total	
Overview:			
Description of the Activity:	<p>The function of economic planning / development within the municipality is administered as follows and includes:</p> <ol style="list-style-type: none"> 1. According to Section 152 and 153 of the Constitution (Chapter 5, Subsection 23, Municipal Systems Act, Act 32 of 2000). Each municipality is intended to reflect a "single inclusive and strategic plan for the development of the municipality which links, integrates and co-ordinates plans and takes into account proposals for the development of the municipality" - The IDP is formulated through extensive public participation by the community. 2. One of the objectives of local government is to promote social and economic development through the creation of a conducive environment for economic development in order to create employment and business opportunities, attraction of investment and poverty alleviation. <p>The municipality has a mandate to:</p> <p>Promote social and economic development</p>		

The strategic objectives of this function are to:

1. *Ensure community participation in economic processes of the municipality.*
2. *Reduce unemployment.*
3. *Alleviate poverty*
4. *Provide access to economic / business opportunities*
5. *Attraction of investment*
6. *Tourism Development and Promotion*
7. *SMME Development and Promotion*
8. *Trade and Industrial Development*
9. *Establish economic research*

The key issues for 2010/11 are:

- * Ensure that social and economic development are prioritised within the municipal Integrated Development Plans (IDP's);*
- * Ensure community participation in economic processes of the municipality*
- * Conduct local economic studies - LED Strategy*
- * Establish sector linkages and clustering of economic activity.*
- * Establish LED capacity within the municipality that promotes institutional collaboration*
- * Establish LED groups within the community to mobilise the efforts and resources of local stakeholders around a common vision such as the LED Forum.*
- * Build and maintain an economic data base to inform local decisions and act as an "early warning system" within the municipality - LED Database.*
- * Identify and market new economic*

opportunities;
** Understand and communicate the complex local economic relations, limitations and advantages to key role players;*
** Network with key sectors and role players to create partnerships and project;*
** Motivate and support individuals, community groups and local authorities to initiate and sustain economic initiatives*
** Promote inter-departmental collaboration across line departments;*
** Identify and coordinate sources of finance for resource mobilization*

Analysis of the Function:			
1	<p>Number and cost to employer of all economic development personnel:</p> <p>- Professional (Directors / Managers)</p> <p>- Non-professional (Clerical / Administrative)</p> <p>- Temporary</p> <p>- Contract</p> <p>Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package</p>	<p>1</p> <p>1</p> <p>69</p> <p>1</p>	<p>R (000s)</p> <p>R 540,00 0</p> <p>R 77,000 0</p> <p>480 000</p>
2	Detail and cost of incentives for business investment:		R (000s)

	Land availability at market prices Note: list incentives by project, with total actual cost to municipality for year		0
3	Detail and cost of other urban renewal strategies: <i>Industrial Development (the Pellet factory in Sabie)</i> Note: list strategies by project, with total actual cost to municipality for year		R (000s) 0
4	Detail and cost of other rural development strategies: <i>Not quantifiable</i> Note: list strategies by project, with total actual cost to municipality for year		R (000s) 0
5	Number of people employed through job creation schemes: - Short-term employment - Long-term employment Note: total number to be calculated on full-time equivalent (FTE) basis, and should only be based on direct employment as a result of municipal initiatives		
6	Number and cost to employer of all Building Inspectors employed: - Number of Building Inspectors - Temporary - Contract Note: total number to be calculated on a full-time equivalent (FTE) basis, total cost to include total salary package	2 0 0	R (000s) R 249,23 2
7	Details of building plans:		

	- Number of building plans approved	305	83906
	- Value of building plans approved		3033

Reporting Level	Detail	Total	
8	<p><i>MIG</i></p> <p>Total value of specific planning and development grants actually received during year to be recorded over the five quarters - Apr to Jun last year, Jul to Sep, Oct to Dec, Jan to Mar, Apr to Jun this year.</p>	1	<p><i>R</i> <i>(000</i> <i>s)</i> <i>R</i> <i>14,7</i> <i>56,1</i> <i>26</i></p>

Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target

			No Perfor manc e Mana geme nt Syste m during Finan cial year 2010/ 11	
--	--	--	---	--

Function:	Health
Sub Function:	Clinics

Reporting Level	Detail	Total	
Overview:		Total function handed over to Provincial Department	

Description of the Activity:	<p>The function for the provision of community health clinics within the municipality is administered as follows and includes:</p> <p><i>Render a sustainable day to day clinic service to the community</i></p> <p>The municipality has a mandate to: Service the area of Sabie, Harmony Hill and Graskop</p> <p>The strategic objectives of this function are to:</p> <p><i>Ensure that all communities have access to basic health services</i></p> <p>The key issues for 2010/11 are:</p> <p><i>To hand over the clinics to the provincial government</i></p>		12000
Analysis of the Function:	<p>1</p> <p>Number and cost to employer of all health personnel:</p> <ul style="list-style-type: none"> - Professional (Doctors/Specialists) - Professional (Nurses/Aides) - Para-professional (Clinic staff qualified) - Non-professional (Clinic staff unqualified) <p>- Temporary</p> <p>- Contract</p> <p>Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package</p> <p>2</p> <p>Number, cost of public, private clinics servicing population:</p> <ul style="list-style-type: none"> - Public Clinics (owned by municipality) 	<p>11</p> <p>3</p> <p>0</p> <p>9</p> <p>0</p> <p>0</p> <p>4</p>	<p>832148</p> <p>R (000s)</p> <p>832148</p>

	- Private Clinics (owned by private, fees based)	0	0
3	Total annual patient head count for service provided by the municipality: - 65 years and over - between 40 and 64 years - between 15 and 39 years - 14 years and under Note: if no age range available, place to other		43220
4	Estimated backlog in number of and costs to build clinics: Total number should appear in IDP, and cost in future budgeted capital works programme	provincial	R (000s) 0
5	Type and number of grants and subsidies received: Total value of specific health clinic grants actually received during year to be recorded over the five quarters - Apr to Jun last year, Jul to Sep, Oct to Dec, Jan to Mar, Apr to Jun this year.		R (000s)
6	Total operating cost of health (clinic) function:		832 148

Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
		No Performance Management System during Financial year 2010/11	To finalize the MOU with Provincial Health

Function:	Health	
Sub	Ambulance	NOT
Function:	APPLICABLE	

Reporting Level	Detail	Total	
Overview:	Includes all activities associated with the provision of ambulance services	N/A	
Description of the Activity:		TCM Does not render a ambulance service	
Analysis of the Function:			
1	Number and cost to employer of all ambulance service personnel:		R (000s)

	<ul style="list-style-type: none"> - Professional (Doctors/Specialists) - Professional (Nurses/Aides) - Para-professional (Ambulance officers qualified) - Non-professional (Ambulance officers unqualified) - Temporary - Contract <p>Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package</p>	N/A	
		0	0
		0	0
		0	0
		0	0
		0	0
2	<p>Number and total operating cost of ambulance vehicles servicing population:</p> <ul style="list-style-type: none"> - Aged less than 10 years - Aged 10 years or greater <p>Note: this figure should be taken from the plant replacement schedule</p>	N/A	R (000s)
3	<p>Total annual patient head count:</p> <ul style="list-style-type: none"> - 65 years and over - between 40 and 64 years - between 15 and 39 years - 14 years and under <p>Note: list total number transported</p>	0 0 0 0	
5	<p>Type and number of grants and subsidies received:</p> <p>Note: total value of specific health ambulance grants actually received during year to be recorded over the five quarters - Apr to Jun last year, Jul to Sep, Oct to Dec, Jan to Mar, Apr to Jun this year.</p>	0	R (000s)
6	Total operating cost of health (ambulance) function		R (000s)

Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target

Function:	Community and Social Services
Sub	All inclusive

Function:			
Reporting Level	Detail	Total	
Overview:	Includes all activities associated with the provision of community and social services		
Description of the Activity:	<p>The function of provision of various community and social services within the municipality is administered as follows and includes:</p> <p><i>In terms of Manifesto, Legislature and Policy directive from Council and Community demand.</i></p> <p>These services extend to include <function/area>, but do not take account of <function/area> which resides within the jurisdiction of <national/provincial/other private sector> government. The municipality has a mandate to:</p> <p><i>Provide a daily service to the community</i></p> <p>The strategic objectives of this function are to:</p> <p><i>Enhance the standard of service delivery on a professional basis</i></p> <p>The key issues for 2009/10 are:</p> <p><i>Improve community participation through projects and involvement</i></p>		
Analysis of the Function:			
1	<p>Nature and extent of facilities provided:</p> <ul style="list-style-type: none"> - Library services - Museums and art galleries - Other community halls/facilities 	<p><i>no of facilities:</i></p> <p>5</p> <p>1</p> <p>9</p>	<p><i>no of users:</i></p> <p>±35000</p> <p>± 12500</p> <p>± 45 000</p>

2	- Cemeteries and crematoriums	11	-
	- Child care (including crèches etc)	16	6200
	- Aged care (including aged homes, home help)	6	+2200
	- Schools	13	11000
	- Sporting facilities (specify)	7	communities
	- Parks	10 000m2	communities
	Note: the facilities figure should agree with the assets register		
	Number and cost to employer of all personnel associated with each community services function:		R(000s)
	- Library services	5	1541955
	- Museums and art galleries	1	190389
6	- Other community halls/facilities	9	340155
	- Cemeteries and crematoriums	11	1541955
	- Child care	16	0
	- Aged care	1	0
	- Schools	13	0
	- Sporting facilities	7	2612524
	- Parks	10 sqkm	373160
	Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package		
	Total operating cost of community and social services function		6600138

Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
		No Performance Management System during Financial year 2010/11	Revise all entities to be productive and accountable in terms of service delivery

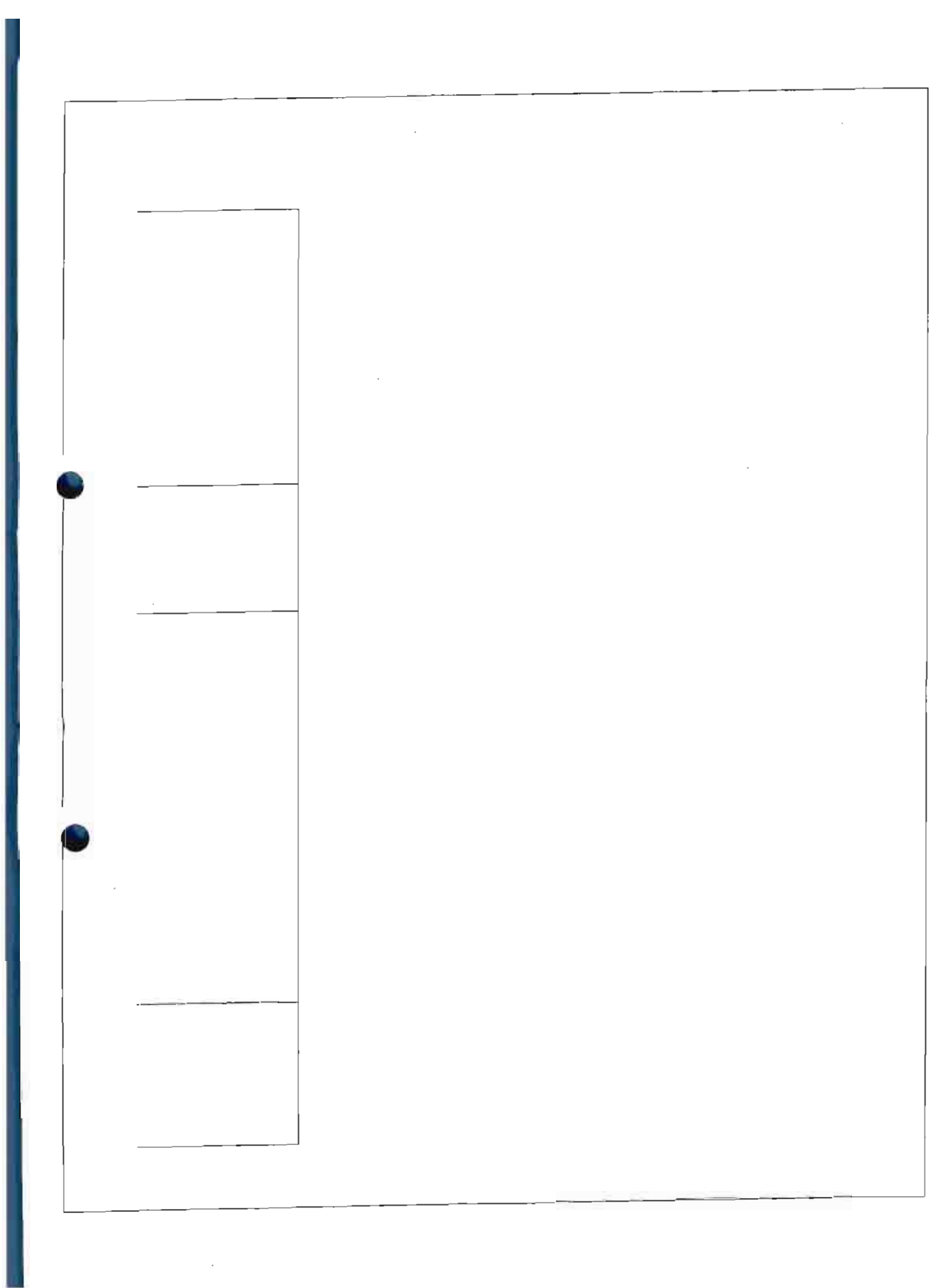
Function:	Housing
Sub	N/A

Function:

Reporting Level	Details		
Overview:	Includes all activities associated with provision of housing	Low cost houses and Transitional areas	
Description of the Activity:	<p>The function of provision of housing within the municipality is administered as follows and includes:</p> <p>The municipality has a mandate to:</p> <p><i>Play a huge role in housing delivery and to act as developer</i></p> <p>The strategic objectives of this function are to:</p> <p><i>Rural and Urban development on integration processes</i></p> <p>Key issues for 2010</p> <p><i>Informal Settlement Upgrading and Hostel Redevelopment Plan, To complete all units allocated</i></p>	<p>land provision, allocate sites to beneficiaries, Monitor housing projects and continually update of waiting list</p> <p>Funding of projects is released from the National Department to the Provincial Department and ultimately to the Municipalities</p>	
Analysis of the Function:			
1	Number and cost of all personnel associated with provision of municipal	nil	R (000s)

	housing: - Professional (Architects/Consultants) - Field (Supervisors/Foremen) - Office (Clerical/Administration) - Non-professional (blue collar, outside workforce) - Temporary - Contract (leaner) Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package. Professional includes project design, Field includes all tradespersons.	1 3 2 2	
2	Number and total value of housing projects planned and current: - Current (financial year after year reported on) - Planned (future years) Note: provide total project and project value as per initial or revised budget	1576 699	R 683,650,656 <R30410694> Waiting for allocation
3	Total type, number and value of housing provided: Note: total number and total value of housing provided during financial year	PHP +/- 302 X 676CBIS 922	R 401,125,320 R 401,125,320
	PHP Informal Settlement	302 102	16,504,300 5574300
4	Total number and value of rent received from municipal owned rental units		R (000s)

5	Estimated backlog in number of (and costs to build) housing: Note: total number should appear in IDP, and cost in future budgeted capital housing programmes	13598	R743,130,700
6	Type of habitat breakdown: - number of people living in a house or brick structure - number of people living in a traditional dwelling - number of people living in a flat in a block of flats - number of people living in a town/cluster/semi-detached group dwelling - number of people living in an informal dwelling or shack - number of people living in a room/flat let	0 0 0 0 0	
Reporting Level	Detail	Total	
7	Type and number of grants and subsidies received:		R (000s)
	Total value of specific housing grants actually received during year to be recorded over the five quarters - Apr to Jun last year, Jul to Sep, Oct to Dec, Jan to Mar, Apr to Jun this year.		
8	Total operating cost of housing function		R (000s)
Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target



Function:	Public Safety
Sub Function:	Police (Traffic)

Reporting Level	Detail	Total	
Overview:	Traffic Policing and Parking		Road Blocks, Law Enforcement, Complaints Events, CPF,AARTO, RTMC, Dept of Transport
Description of the Activity:	<p>The policing and traffic control functions of the municipality are administered as follows and include:</p> <p><i>RoadBlocks</i> <i>Contact Road Blocks and Excute warrant of arrest</i></p> <p><i>Law Enforcement: is a method used by Traffic Officers to assist the public and making them aware of defects on their vehicles or transport.</i></p>		

Joint Projects: This is a method used by all law enforcers binding together to just change on the template.

Events: Traffic also assists in events wherever needed for example Long Tom Marathon, Sasol Rally, Paradise Rally etc.

Complaints: Traffic Officers are always assisting public with any or all complaints regarding Traffic Legislation.

CPF: A community Policy initiative identifying and assisting with problematic areas

RTMC: Road Traffic Management Corporation which was established to ensure uniformed operations

Lydenburg, Sabie & Graskop

Mashishing, Harmony Hill, Simile, Pilgrims, Dinky, Leroro, Glory Hill, Moremela

The strategic objectives of this function are to:

To enhance road safety in this jurisdiction.

The key issues for 2010/11 are:

To ensure collective participation on road safety

Analysis of the Function:	1	<p>Number and cost to employer of all personnel associated with policing and traffic control:</p> <ul style="list-style-type: none"> - Professional (Senior Management) - Field (Detectives/Supervisors) - Office (Clerical/Administration) - Non-professional (visible police officers on the street) - Volunteer - Temporary - Contract <p>TOTAL COST FOR THE ABOVE PERSONNEL</p> <p>Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package. Office includes desk bound police and traffic officers, non-professional includes aides</p>	19 personnel	<p>R (000s)</p> <p>8222851</p>
	2	<p>Total number of call-outs attended:</p> <ul style="list-style-type: none"> - Emergency call-outs - Standard call-outs 	<p>60%</p> <p>40%</p>	
	3	<p>Note: provide total number registered, based on call classification at municipality</p> <p>Average response time to call-outs:</p> <ul style="list-style-type: none"> - Emergency call-outs 	<p>± 10 min</p>	

	- Standard call-outs Note: provide average by dividing total response time by number of call-outs	Pending on the distance	
4	Total number of targeted violations e.g.: traffic offences: <i>Traffic offences, Warrants of Arrests, Drink & Drive, Speed, law enforcement etc.</i>	20%	
5	Total number and type of emergencies leading to a loss of life or disaster: <i>Motor Vehicle Accidents</i>	Minor 680	
6	Type and number of grants and subsidies received: <i>Subsidies: Standby Allowance</i>		R (000s)
	<i>Housing</i>	none	0
	<i>Transport Allowance</i>	none	0
	<i>Cell Phone Allowance</i>	none	0
	Note: total value of specific public safety grants actually received during year to be recorded over the five quarters - Apr to Jun last year, Jul to Sep, Oct to Dec, Jan to Mar, Apr to Jun this year.		N/A
7	Total operating cost for Traffic for Thaba Chweu		20 735 38

Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
		No Performance Management System during Financial year 2010/11	Implements methods to manage & measures effectiveness

Function:	Waste Management		
Sub Function:	Solid Waste		
Reporting Level	Detail	Total	
Overview:	Includes refuse removal, solid waste disposal and landfill sites, street cleaning and recycling		



Description of the Activity:	<p>The refuse collection functions of the municipality are administered as follows and include:</p> <p><i>Service Delivery on a once a week bases for residential areas.</i></p> <p><i>6 Bags per Household.</i></p> <p><i>Business Refuse Removal X2 a week</i></p> <p><i>Food Premises X5 per week</i></p> <p>These services extend to include <function/area>, but do not take account of <function/area> which resides within the jurisdiction of <national/provincial/other private sector> government. The municipality has a mandate to:</p> <p><i>Render an effective cost effective community service to communities.</i></p> <p>The strategic objectives of this function are to:</p> <p><i>To ensure a safe and clean environment through optimization of all structures.</i></p> <p>The key issues for 2010/11 are:</p> <p><i>To render a professional service to all residents</i></p>		
Analysis of the Function:			
1	<p>Number and cost to employer of all personnel associated with refuse removal:</p> <p>- Professional (Engineers/Consultants)</p>		R (000s)

	- Field (Supervisors/Foremen)	105	
	- Office (Clerical/Administration)	3	230 000 410800
	- Non-professional (blue collar, outside workforce)	98	53000
	- Temporary	0	0
	- Contract		473112 (1)Landfill site
	Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package		
2	Number of households receiving regular refuse removal services, and frequency and cost of service:		R (000s)
	- Removed by municipality at least once a week	38 000T	2185573
	- Removed by municipality less often	1000	
	- Communal refuse dump used	3	
	- Own refuse dump	3	
	- No rubbish disposal	N/A	
	Note: if other intervals of services are available, please provide details		
3	Total and projected tonnage of all refuse disposed:		
	- Domestic/Commercial	38 000T	
	- Garden	8 000T	

	Note: provide total tonnage for current and future years activity		
4	<p>Total number, capacity and life expectancy of refuse disposal sites:</p> <ul style="list-style-type: none"> - Domestic/Commercial (number) * Graskop * Sabie * Lydenburg 	<p><lifespan> 6months To be closed in 12 months</p>	
Reporting Level	Detail	Total	
5	<p>- Garden (number)</p> <p>Note: provide the number of tip sites, their total current capacity and the expected lifespan as at end of reporting period</p> <p>Anticipated expansion of refuse removal service:</p> <ul style="list-style-type: none"> - Domestic/Commercial - Garden <p>Note: provide total number of households anticipated to benefit and total additional operating cost per year to the municipality</p>	<p>N/A</p> <p>550t 80t</p>	<p><lifespan></p> <p>R (000s) 75 000</p>
6	<p>Free Basic Service Provision:</p> <ul style="list-style-type: none"> - Quantity (number of households affected) - Quantum (value to each household) 	<p>None None</p>	

	Note: Provide details of how many households receive the FBS provision, and the average value it means per household. Describe in detail the level of Free Basic Services provided.	None	
7	Total operating cost of solid waste management function		R 11667659

Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
		No Performance Management System during Financial year 2010/11	
1			
2			

Function:	Waste Water Management		
Sub Function:	Sewerage etc		
Reporting Level	Detail	Total	Cost
Overview:	Includes provision of sewerage services, infrastructure and purification, also includes waterborne toilet facilities		
Description of the Activity:	<p>The sewerage functions of the municipality are administered as follows and include:</p> <p><i>Operate and maintain the existing sanitation infrastructure</i></p> <p><i>Provide new bulk sanitation infrastructure to new developments</i></p> <p><i>Implement the provision of at least a basic level of sanitation to all communities</i></p> <p>These services extend to include <i>all waterborne sanitation in the predominant urban areas</i>, but do not take account of <i>the northern rural areas</i> which reside within the jurisdiction of <i>local government</i>.</p> <p>The municipality has a mandate to:</p> <p><i>Extend its services to all communities, irrespective of the level of service provided.</i></p> <p>The strategic objectives of this function are to:</p> <p><i>Provide at least a Basic Level of Service to all communities</i></p> <p>The key issues for 2010/11 were:</p> <p><i>Obtain external grant funding to meet the sanitation backlog</i></p> <p><i>Refurbish the existing sewerage purification plants in the urban towns of Lydenburg, Sabie and Graskop</i></p> <p><i>Upgrade the sewerage pump station infrastructure in Lydenburg.</i></p>		

	<i>Start with the provision of basic sanitation in the rural areas</i>		
Analysis of the Function:			
1	Number and cost to employer of all personnel associated with sewerage functions: - Professional (Engineers/Consultants) - Field (Supervisors/Foremen) - Office (Clerical/Administration)	1 3 2	<i>R (000s)</i> <i>R 135</i> <i>R 300</i> <i>R 56</i>
	- Non-professional (blue collar, outside workforce) - Temporary - Contract Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package	17	<i>R 1700</i>
2	Number of households with sewerage services, and type and cost of service: - Flush toilet (connected to sewerage system) and Flush toilet (with septic tank) - Chemical toilet - Pit latrine with ventilation - Pit latrine without ventilation - Bucket latrine - No toilet provision Note: if other types of services are available, please provide details	15 600 0 13 500 4 000 0 0	<i>R (000s)</i> <i>R 7 500</i> <i>R 0</i> <i>R 0</i> <i>R 0</i> <i>R 0</i> <i>R 0</i>
3	Anticipated expansion of sewerage: - Flush/chemical toilet - Pit latrine - Bucket latrine - No toilet provision	800 2 500 0 0	<i>R (000s)</i> <i>R 4 000</i> <i>R 12 000</i> <i>R 0</i> <i>R 0</i>

	Note: provide total number of households anticipated to benefit and total additional operating cost per year to the municipality		
4	Free Basic Service Provision: - Quantity (number of households affected) - Quantum (value to each household)	15 600 0	R R 0
Reporting Level	Detail	Total	Cost
5	Total operating cost of sewerage function	0	R 5 100
Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
<i>Operations and maintenance</i> <i>Refurbishment of infrastructure</i> <i>Upgrading of existing infrastructure</i> <i>New infrastructure</i>	<i>O&M has continued as required</i> <i>A refurbishment programme been implemented</i> <i>No infrastructure has been upgraded this year due to lack of funds</i> <i>A Bulk Service Contribution Policy has been implemented</i>		

Function:	Road Transport
Sub Function:	Roads

Reporting Level	Detail	Total	Cost
Overview:	Construction and maintenance of roads within the municipality's jurisdiction		
Description of the Activity:	<p>The road maintenance and construction responsibilities of the municipality are administered as follows and include:</p> <p><i>Maintain the existing road infrastructure</i> <i>Refurbish existing infrastructure</i> <i>Construct new roads</i></p> <p>The strategic objectives of this function are to:</p> <p><i>Provide and maintain a safe and effective transport system to the municipality</i></p> <p>The key issues for 2010/2011 are:</p> <p><i>Refurbishment of existing roads</i> <i>Upgrading of gravel roads</i> <i>Construction of new roads</i></p>		
Analysis of the Function:			
1	<p>Number and cost to employer of all personnel associated with road maintenance and construction:</p> <p>- Professional (Engineers/Consultants)</p>	2	<p>R (000)</p> <p>R 700</p>

	<ul style="list-style-type: none"> - Field (Supervisors/Foremen) - Office (Clerical/Administration) - Non-professional (blue collar, outside workforce) - Temporary 	2 2 16	R 300 R 56 R2 100
	<ul style="list-style-type: none"> - Contract <p>Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package</p>	32	R 1000
2	<p>Total number, kilometres and total value of road projects planned and current:</p> <ul style="list-style-type: none"> - New bituminised (3) - Existing re-tarred (number) - New gravel - Existing re-surfaced <p>Note: if other types of road projects, please provide details</p>	40,0 km 2km 10km 40,0km	R (000) 80,000 3500 0 17,450
3	<p>Total kilometres and maintenance cost associated with existing roads provided</p> <p>Tar</p> <ul style="list-style-type: none"> - Gravel <p>Note: if other types of road provided, please provide details</p>	166,5 km 117,0km	R (000) 600 200
4	<p>Average frequency and cost of re-tarring, re-sheeting roads</p> <ul style="list-style-type: none"> - Tar - Gravel <p>Note: based on maintenance records</p>	n/a n/a	R (000) n/a n/a
5	<p>Estimated backlog in number of roads, showing kilometres and capital cost</p> <ul style="list-style-type: none"> - Tar - Gravel 	40km 300km	R (000) 15 000 20 000

Reporting Level	Detail	Total	Cost
6	Note: total number should appear in IDP, and cost in future budgeted road construction programme		
	Type and number of grants and subsidies received:	0	R (000) R 0
	Note: total value of specific road grants actually received during year to be recorded over the five quarters - Apr to Jun this year, Jul to Sep, Oct to Dec, Jan to Mar, Apr to Jun this year.		
7	Total operating cost of road construction and maintenance function		R 5 226

Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
<i>Operations and maintenance</i> <i>Refurbishment of infrastructure</i> <i>Upgrading of existing infrastructure</i> <i>New infrastructure</i>	<i>O&M has continued as required</i> <i>A refurbishment programme been implemented</i> <i>Voortrekker rd phase 1 has been upgraded</i> <i>A Bulk Service Contribution Policy has been implemented</i>		



Function:	Road Transport
Sub Function:	Public Buses
	NOT APPLICABLE

Reporting Level	Detail	Total	Cost
Overview:	Includes all activities associated with the provision of a public bus service to the community		
Description of the Activity:	Not applicable		
Analysis of the Function:			
1	Number and cost to employer of all public bus service personnel: - Professional (Engineers/Consultants) - Field (Supervisors/Foremen incl inspectors) - Office (Clerical/Administration) - Non-professional (blue collar, outside workforce)	0 0 0 0	<i>R (000s)</i> 0 0 0 0
	- Temporary - Contract Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package	0 0	0 0
2	Number and total operating cost of public buses servicing population: - Aged less than 10 years		<i>R (000s)</i>

	- Aged 10 years or greater Note: this figure should be taken from the plant replacement schedule		
3	Total kilometres of all buses travelled: Note: total number of kilometres travelled by entire fleet for year		
4	Total number of passengers: Note: total number of paying passengers travelling for year		
5	Total number of bus related complaints received: Total number of complaints received by paying customers for year	0 0	
6	Type and number of grants and subsidies received: total value of specific bus transport grants actually received during year to be recorded over the five quarters - Apr to Jun last year, Jul to Sep, Oct to Dec, Jan to Mar, Apr to Jun this year		R (000s)
7	Total operating cost of public bus service function		R (000s)

Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
Water and Sanitation Roads		No Performance Management	

Storm water
Electricity

System during
Financial year
2010/11

Function: Sub Function:	Water Water Distribution		
Reporting Level	Detail	Total	Cost
Overview:	Includes the bulk purchase and distribution of water		
Description of the Activity:	<p>The water purchase and distribution functions of the municipality are administered as follows and include:</p> <p><i>All water distribution is done internally by the municipality</i></p> <p><i>Technical administration of this function is done by the Department Technical & Engineering Services</i></p> <p><i>Financial administration is done by the Department of Finance</i></p> <p><i>These services extend to include the Thaba Chweu area, but do not take account of the Pilgrims Rest area which resides within the jurisdiction of provincial government (Dept of Public Works)</i></p> <p>The strategic objectives of this function are to:</p> <p><i>Operate and maintain all water resources</i></p>		

	<p><i>Operate and maintain all water treatment infrastructure</i></p> <p><i>Operate and maintain all water distribution infrastructure</i></p> <p><i>Implement the WC/WDM strategy</i></p> <p><i>Provide project management functions to this service</i></p> <p>The key issues for 2010/11 are:</p> <p><i>To embark on a 5 year extensive refurbishment programme</i></p> <p><i>To extend basic water services to all communities</i></p>		
1	<p>Number and cost to employer of all personnel associated with the water distribution function:</p> <ul style="list-style-type: none"> - Professional (Engineers/Consultants) - Field (Supervisors/Foremen) - Office (Clerical/Administration) - Non-professional (blue collar, outside workforce) - Temporary - Contract <p>Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package.</p>	<p>2</p> <p>2</p> <p>15</p>	<p>R (000s)</p> <p>R 700</p> <p>R300</p> <p>R2000</p>
2	<p>Percentage of total water usage per month</p> <p><i>Lydenburg</i></p> <p><i>Sabie</i></p> <p><i>Graskop</i></p> <p><i>Matibidi/Leroro/Moremela</i></p>	<p>43%</p> <p>21%</p> <p>10%</p> <p>21%</p>	<p>R 359</p> <p>R 174</p> <p>R 80</p> <p>R 222</p>
3	<p>Total volume and cost of bulk water purchases in kilolitres and rand, by</p>		

	category of consumer		
	<i>Not applicable</i>	N/A	N/A
4	Total volume and receipts for bulk water sales in kilolitres and rand, by category of consumer:		
	<i>Not applicable</i>	N/A	N/A
5	Total year-to-date water losses in kilolitres and rand	400 000	R 537
Reporting Level	Detail	Total	Cost
6	Number of households with water service, and type and cost of service:		R (000s)
	- Piped water inside dwelling	4,900	R 10,000
	- Piped water inside yard	6500	R 8000
	- Piped water on community stand: distance < 200m from dwelling	2000	R1200
	- Piped water on community stand: distance > 200m from dwelling	600	R 200
	- Borehole	5,700	R 0
	- Spring	1200	R 0
	- Rain-water tank	0	R 0
	Note: if other types of services are available, please provide details	n/a	0
7	Number and cost of new connections:		R (000s)
		100	R140
8	Number and cost of disconnections and reconnections:		R (000s)
		685	R58
9	Number and total value of water projects planned and current:		R (000s)
	- Current (financial year after year reported on)	2	R 10 000

	- Planned (future years) Note: provide total project and project value as per initial or revised budget	3	R 350,000
10	Anticipated expansion of water service: - Piped water inside dwelling - Piped water inside yard - Piped water on community stand: distance < 200m from dwelling - Piped water on community stand: distance > 200m from dwelling - Borehole - Spring - Rain-water tank Note: provide total number of households anticipated to benefit and total additional operating cost per year to the municipality	3,000 600 2 n/a	R (000s) R 50,000 R 600 R 0 R 0 300 n/a n/a
11	Estimated backlog in number (and cost to provide) water connection: - Piped water inside dwelling - Piped water inside yard - Piped water on community stand: distance < 200m	0 0 700	R (000s) R 0 R 0 R 5000
	- Piped water on community stand: distance > 200m from dwelling - Borehole - Spring - Rain-water tank Note: total number should appear in IDP, and cost in future budgeted capital housing programmes	0 2 0 0	R 0 R 300 R 0 R 0
12	Free Basic Service Provision: - Quantity (number of households affected) - Quantum (value to each household) per	26 000 R 330	R8 600

	annum Note: Provide details of how many households receive the FBS provision, and the average value it means per household. Describe in detail the level of Free Basic Services provided.	FBS = 6 kl/mnth	
13	Type and number of grants and subsidies received: <i>DWAF operating subsidy</i>	1	<i>R (000s)</i> <i>R 380</i>
	Note: total value of specific water grants actually received during year to be recorded over the five quarters - Apr to Jun last year, Jul to Sep, Oct to Dec, Jan to Mar, Apr to Jun this year.		<i>R380</i>
14	Total operating cost of water distribution function		<i>R 9,320</i>
Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
Operations and maintenance Refurbishment of infrastructure Upgrading of existing infrastructure	<i>O&M has continued as required</i> <i>A refurbishment programme been implemented</i> <i>No infrastructure has been upgraded this year due to lack of funds</i>	No Performance Management System during Financial year 2010/11	
New infrastructure Water loss management	<i>A Bulk Service Contribution Policy has been implemented</i> <i>Water loss management assessment continued</i>		

<i>Pressure management</i>	<i>Pressure management assessment continued</i>		
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Function:	Electricity
Sub Function:	Electricity Distribution

Reporting Level	Detail	Total	Cost
Overview:	Includes the bulk purchase and distribution of electricity		
Description of the Activity:	<p>The electricity purchase and distribution functions of the municipality are administered as follows and include:</p> <p><i>All electrical distribution is done internally by the municipality</i></p> <p><i>Technical administration of this function is done by the Department Technical & Engineering Services</i></p> <p><i>Financial administration is done by the Department of Finance</i></p> <p><i>These services extend to include the Thaba Chweu area, but do not take account of the Pilgrims Rest, Matibidi, Leroro & Moremela areas which are serviced by Eskom</i></p> <p>The strategic objectives of this function are to:</p> <p><i>Operate and maintain all electrical distribution infrastructure</i></p> <p><i>Provide project management functions to this service</i></p> <p>The key issues for 2010/11 are:</p> <p><i>Upgrading of the electrical infrastructure</i></p> <p><i>Provision of additional bulk infrastructure to Lydenburg</i></p> <p><i>Installation of additional streetlights</i></p> <p><i>To embark on a 5 year extensive refurbishment</i></p>		

	programme To extend basic electrical services to all communities by 2014		
Analysis of the Function:	Number and cost to employer of all personnel associated with the electricity distribution function:		R (000s)
1	- Professional (Engineers/Consultants)	2	R 700
	- Field (Supervisors/Foremen)	2	R 600
	- Office (Clerical/Administration)	2	R 150
	- Non-professional (blue collar, outside workforce)	16	1920
	- Temporary		
	- Contract		
	Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package.		
2	Total quantity and cost of bulk electricity purchases in kilowatt hours and rand, by category of consumer		R (000s)
	- Residential		
	- Commercial		
	- Industrial		
	- Mining		
	- Agriculture		
	- TOTAL	205mill kWh	76 000
3	Total quantity and receipts for bulk electricity sales in kilowatt hours and rand, by category of consumer:		R (000s)
	Lydenburg, Mashishing, Skhila, Graskop, Sabie	196 mill kWh	78 000
4	Total year-to-date electricity losses in kilowatt hours and rand		

		<i>Thaba Chweu</i>	<i>9mill kWh</i>	<i>3 150</i>
	5	Number of households with electricity access, and type and cost of service:	20 000	<i>R (000s)</i>
Reporting Level		Detail	Total	Cost
		<ul style="list-style-type: none"> - Electrified areas - Municipal - Eskom - Alternate energy source - Gas - Paraffin - Solar - Wood - Non electrified Note: if other types of services are available, please provide	20,000	76,000
	6	Number and cost of new connections:	150	<i>R214</i>
	7	Number and cost of disconnections and reconnections	320	300
	8	Number and total value of electrification projects planned and current: <ul style="list-style-type: none"> - Current (financial year after year reported on) - Planned (future years) Note: provide total project and project value as per initial or revised budget	4 2	<i>R (000s)</i> 17 000 55 000
	9	Anticipated expansion of electricity service: Note: provide total number of households anticipated to benefit and total additional operating cost per year to the municipality	1 300	<i>R (000s)</i> 15 000
	10	Estimated backlog in number (and cost to		<i>R (000s)</i>

	provide) electricity connection:	2000	24 000
	Note: total number should appear in IDP, and cost in future budgeted capital housing programmes		
11	Free Basic Service Provision: - Quantity (number of households affected) - Quantum (value to each household) Note: Provide details of how many households receive the FBS provision, and the average value it means per household. Describe in detail the level of Free Basic Services provided.	20 000 R 288	5 760
12	Type and number of grants and subsidies received:	N/A	R (000s)
	Note: total value of specific electricity grants actually received during year to be recorded over the five quarters - Apr to Jun last year, Jul to Sep, Oct to Dec, Jan to Mar, Apr to Jun this year.		
13	Total operating cost of electricity distribution function		55 000
Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
Operations and maintenance Refurbishment of infrastructure	O&M has continued as required A refurbishment programme been implemented		

Upgrading of existing infrastructure	No infrastructure has been upgraded this year due to lack of funds		
New infrastructure	A Bulk Service Contribution Policy has been implemented		

Function:	Electricity		
Sub Function:	Street Lighting		
Reporting Level	Detail	Total	Cost
Overview:	Includes all activities associated with the provision of street lighting to the community		
Description of the Activity:	<p>Street lighting responsibilities of the municipality are administered as follows and include:</p> <p><i>All street lighting is done internally by the municipality</i></p> <p><i>Technical administration of this function is done by the Department Technical & Engineering Services</i></p> <p><i>Financial administration is done by the Department of Finance</i></p> <p><i>These services extend to include the Thaba Chweu area, but do not take account of the Pilgrims Rest areas which are serviced by the</i></p>		

	<p><i>Department of Public Works</i></p> <p>The strategic objectives of this function are to: <i>Provide, operate and maintain all street lighting infrastructure</i> <i>Provide project management functions to this service</i></p> <p>The key issues for 2010/11 are: <i>Upgrading and expansion of the electrical infrastructure</i> <i>Provision of additional street lighting to Mashishing and Matibidi</i> <i>To extend street lighting services to all communities by 2014</i></p>		
Analysis of the Function:	1	<p>Number and total operating cost of streetlights servicing population:</p> <p><i>Mashishing (Lydenburg)</i></p> <p><i>Skhila</i></p>	<p><i>R (000s)</i></p> <p>829</p> <p>198</p>
		<p><i>Marambane</i></p> <p><i>Kellysville</i></p> <p><i>Coromandel</i></p> <p><i>Graskop</i></p> <p><i>Gloryhill</i></p> <p><i>Moremela</i></p> <p><i>Leroro</i></p> <p><i>Matibidi</i></p>	<p>140</p> <p>32</p> <p>950</p> <p>60</p> <p>66</p> <p>124</p> <p>166</p> <p>312</p> <p>418</p> <p>588</p>
		<p><i>Sabie</i></p> <p><i>Simile</i></p> <p><i>Harmony Hill</i></p> <p>Note: total streetlights should be available from</p>	<p>155</p> <p>10</p> <p>11</p> <p>20</p> <p>27</p> <p>53</p> <p>70</p> <p>95</p> <p>285</p> <p>551</p> <p>96</p> <p>4,643</p> <p>756</p>