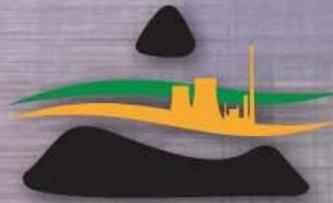


Annual Report
ANNUAL REPORT
2010/2011
2010/2011



Fezile Dabi

District Municipality

FOREWORD BY THE EXECUTIVE MAYOR

It is with great honour to present our Annual Report for the 2010/11 financial year which provides a reflection of many institutional activities carried out by this municipality for the period July 2010 to June 2011. At the same time, this is also a unique report as it is the last Annual Report to be served under my leadership as the Executive Mayor of Fezile Dabi District Municipality following the Local Government Elections of May 2011.

In the year 2006, when the outgoing Council was elected into office, as a collective, we took a firm commitment to become catalysts of accountable leadership and champions of service delivery to our people. This commitment is directly mirrored in our institutional Vision of "...striving to be a leading municipality in delivering effective, affordable and sustainable quality services to its communities"

On this foundation as laid down through our Vision, we have over the past five years, continued to build our reputation for service excellence, accountability and efficient leadership. This fact can be witnessed by numerous awards previously won by our municipality in recognition of outstanding institutional performance. Our service excellence is not only known and recognised within the Free State Province, but nationally. For example, the Empowdex service delivery report released in the period under review put our municipality at number two in the country with regard to performance with a scoring 76,8 per cent.

As we bowed out at the end of our term of in office as the Council of Fezile Dabi District Municipality, we left behind a well-oiled institutional machinery, that is immense with talented, educated, committed and dedicated individuals at all levels of the administrative wing.

In conclusion, I would like to express my sincere gratitude to the outgoing council for their support and having made my leadership as the Executive Mayor of Fezile Dabi District municipality the most memorable one. To the Municipal Manager, Senior Managers and all the staff, I thank you for being committed to the course throughout, without you, we would not have achieved all that we have achieved as an institution.

I would also like to thank the office of the Premier of the Free State, for their support and sharing common vision with us as the district Municipality, in our endeavour to change the lives of our people.

Finally, to the community within the Fezile Dabi District Municipality, I would like to say you have been the source of our inspiration and thank you for having kept us on our toes by holding us accountable on all that we have promised to deliver to you and I trust that you will continue to shape the future of our District through constructive engagements and informed interrogations.

To the incoming political leadership, I wish you all of the best in your new term of office.

Executive Mayor

Councillor: JERT Ramokhoase

MUNICIPAL MANAGER'S FOREWORD

Overview

The ethos or culture of an organization describes the relationship between people within the organization, and the people they serve. In Fezile Dabi District Municipality this relationship is focused between councillors, officials the community and other stakeholders.

Based on these simple, but coherent and important pillars of relationship, our municipality has managed, over the years, to be a people focused organisation. For instance, one of the most significant milestones that we achieved in the district is the successful way in which we have managed to mobilize resources to implement different projects in local municipalities, and the magnificent response from our communities to take different programmes forward.

Our Integrated Development Plan (IDP) remains a key guiding tool towards informed allocation of resources and implementation of budgets, priority setting and consequently improved delivery of services to the communities.

Objectives for 2011/12

Our programmes for the next financial year are largely aimed at contributing towards infrastructure development. This will be in line with Government's Programme of Action (POA). The aim of the POA is "to achieve higher rates of economic growth and development, improve the quality of life for all our people, and consolidate our social cohesion."

Looking at our current situation, we have the necessary capacity and systems to coordinate and lobby for more resources to assist local municipalities to implement their programmes. Our aim going forward is to double the support we provide to municipalities.

Some of the flagship projects targeted at local municipalities within our district include the following:

- Information Technology to support municipal finance systems;

- Facilitation of linking municipalities to potential sources of funding and partnership with the private sector in terms of engaging and negotiating with prospective funding institutions such as DBSA; Rand Water and SASOL.
- Supporting the municipalities' own initiatives to create sustainable local economic growth, identifying economic growth potential to local municipalities and implementing support programs accordingly;
- Emergency Support through maintaining sufficient emergency funds for acquisition of fire and rescue equipment; disaster Management Equipment and mobilization of disaster relief such as food parcels and temporary accommodation; and
- Financial support for identified and agreed upon operational and infrastructure needs.

Acknowledgements

To the outgoing Council, the Executive Mayor and the Speaker, I would like to thank you all for being a source of inspiration to my office, senior management team and the whole administrative staff through your unambiguous political leadership. It has indeed been a great honour to having served the people of Fezile Dabi under your watchdog.

I would also like to extend my gratitude to our senior managers and all the staff for their dedication and hard work.

As this reporting period also marks the end of term of the sitting Audit Committee, let me take this opportunity to pay tribute to all the members of the outgoing Audit Committee for their selfless contribution to our institution.

Thanks to all the people in Fezile Dabi District Municipality for having allowed us an opportunity to serve you in the past financial year, and my sincere gratitude to all local municipalities within our district and all other stakeholders both in government and private sector.

Municipal Manager

Dr M V Mongake

FEZILE DABI DISTRICT MUNICIPALITY AT A GLANCE

Fezile Dabi District Municipality, formerly known as the Northern Free State District Municipality, is one of the four district municipalities of the Free State Province, and is constituted of four local municipal areas, viz: Moqhaka Local Municipality, Metsimaholo Local Municipality, Ngwathe Local Municipality and Mafube Local Municipality.

This municipality is named after the late Mr Fezile Dabi, who was an ANC leader residing in Tumahole, Parys. Fezile Dabi was not only known for his iconic struggle against apartheid and oppressions, he was also an author, poet and philosopher.

Fezile Dabi is the second smallest District Municipality in the Free State covering 16.4% of the provincial area.

Towns within the Fezile Dabi District Municipality includes Cornelia, Deneysville, Edenville, Frankfort, Heilbron, Koppies, Kroonstad, Oranjeville, Parys, Sasolburg, Steynsrus, Tweeling, Viljoenskroon, Villiers and Vredefort.

According to Statistics South Africa: Community Surveys 2007, it is estimated that the Fezile Dabi District Municipality consists of total population of 474 089, the majority of which speaks Sesotho. This figure represents approximately 17% of the Free State Provincial total population of 2,706,775. Moqhaka Local Municipality, accounts for approximately 36% of the population of this region, followed by Metsimaholo Local Municipality with 33%.

Because of vast water surfaces and outdoor orientated conservancies, in this area, it offers weekend getaways of a special kind and provides excellent leisure opportunities from hiking in the Vredefort Dome area to boating, water skiing, river rafting, fly-fishing, mountain biking, horse riding and game viewing.

The Vredefort Structure, in the Vredefort/Parys area, has been declared as South Africa's 7th International World Heritage Site. It has been recognised internationally as the oldest and biggest meteorite impact site in the world and has become an important study field for geologists from all over the world. The

Dome area differs drastically from the flat plains of the Northern Free State and the North West Province. Except for a favourable frost-free climate, the region is also rich in plant-, wild- and birdlife.

In terms of the economy, the area has a diversity of economic sectors which serve as the main drivers of the local economy, ranging from Agriculture, Mining, Manufacturing, Utilities, Construction, Trade, Transport, Finance and Community Services.

OUR VISION

“Fezile Dabi District Municipality strives to be a leading municipality in delivering effective, affordable and sustainable quality services to its communities”

MISSION

- Promoting proper planning and implementation of projects and programmes
- Setting standards
- Being accountable
- Communication
- Capacity building of staff and communities
- Having proper systems and processes
- Ensuring a sustainable, affordable and effective service delivery

PERFORMANCE HIGHLIGHTS

OFFICE OF THE EXECUTIVE MAYOR

Overview

The Executive Mayor is the most senior political office bearer of the municipality and in terms of legislation, the Executive Mayor is responsible for identifying the needs of the community, recommending to the council strategies, programmes and services necessary to address priority needs through the integrated development plan, and to provide general political guidance over the fiscal and financial affairs of the municipality.

For the period under review, the **Executive Mayor was Councillor JERT Ramokhoase** until the May 2011 when his term of office came to an end.

Highlights - Office of the Executive Mayor

HIV/AIDS PROJECTS

The fight against HIV/AIDS Continues in Fezile Dabi District Municipality, annually this Municipality hosts the HIV/AIDS benefit concert. The objective is to raise funds for non-governmental organizations in the district that are committed to the fight against HIV/AIDS.

For the past three years more than two million rand has been raised and distributed to more than twenty six non-governmental organizations. The 2010 HIV/AIDS benefit concert was yet another success, and R 1million was raised through the concert. These proceeds were distributed to ten different non-governmental organisations in a function that was held on the 8th of April 2011 at Refengkgotso Community hall in Deneysville. Each of the following organisations received the sum of R 100,000 to be utilised towards improving the effectiveness of their HIV/AIDS programs. These beneficiaries were:

- Tswelang organization from Moqhaka
- Northern Free State Care Givers from Moqhaka
- Thabang Society from Ngwathe
- Phela O Phedise from Moqhaka
- Guardian Angel from Moqhaka
- SAMAG from Metsimaholo
- Kopanang Consortium from Metsimaholo
- Kopanang Community from Metsimaholo
- Phela O Phedise from Metsimaholo
- Maokeng Care Givers from Moqhaka

REMOVAL OF CATARACT PROJECT

The Executive Mayor of Fezile Dabi District Municipality, Councillor Jonas Ramokhoase initiated a project of cataract removal to those affected in Fezile Dabi District Municipality, the initiative was rolled out tripartite partnership between the Fezile Dabi District Municipality, the Free State Provincial Departments of Health and the Department of Social Development,

The programme was launched at the Arwa Hall in Parys. During the launch, it was estimated that about two thousand three hundred people have vision problem in the entire Free State that could be eliminated through the cataract removal. By April 2011, over one hundred people were successfully operated at Boitumelo Hospital in Kroonstad.

OUTREACH TO RURAL COMMUNITIES

As a way of reaching out to our rural communities and development of sports on farms, Fezile Dabi District Municipality hosted a rural sports development soccer tournament on Saturday the 9th of April 2011 at the Flavius Mareka Further Education and Training College in Sasolburg.

Rural communities from each of the four local municipalities within the district were represented in the finals that involved Soccer and Netball. This initiative was another way of contributing to rural sports development and giving a platform to players from these communities to showcase their talents.

50/50 WOMEN IN BUSINESS NETWORK FORUM

In the 2006 the Executive Mayor, Councillor Jonas Ramokhoase initiated a programme called 50/50 Women in Business Network Forum. The intention here was to address the needs of Women in Business, Women Councillors and Women in leadership positions within Fezile Dabi District Municipality.

On 25 August 2010, the Executive Mayor hosted a summit as part of the bigger initiative of women empowerment. The event was held at Metsimaholo Community Hall, Orangeville. One of the invited keynote speakers, Mr Wiseman Makhojane from the National Empowerment Fund (NEF), elaborated on how women in business benefit from the fund.

About three hundred (300) women coming across the four local municipalities within the district were empowered with information and knowledge as they participated in this summit.

BACK TO SCHOOL CAMPAIGN *Back to School*

Fezile Dabi District Municipality, through the office of the Executive Mayor, launched a back to school campaign for learners at both the Rural and Urban Schools during the re-opening of schools in January 2011.

The aim of this campaign was to contribute to the educational development of the region, by ensuring that learners have the necessary support system and tools to concentrate on their education.

In partnership with Bathabile Training Services and the Department of Education, Fezile Dabi District Municipality handed out school uniform and school bags to 74 farm learners in an event that took place at the Waived Agricultural Schools in Parys, and about 136 learners were provided with school uniform in Villiers in the Mafube Local Municipality.

OFFICE OF THE SPEAKER

Overview

Other than the Executive Mayor, and the Mayoral Committee members, the Speaker is also a full-time political office bearer in the Council. The Speaker is the chairperson of the council and as such, he presides over council meetings. He is the chief custodian of the legislative arm of the council.

Amongst other things, the Speaker is responsible to ensure that the Council convene and hold meetings at least once a quarter, ensures that meetings are held according to prescribed rules and regulations, assesses the needs of councillors and recommend training for their development, and importantly, the Speaker is responsible to ensure public participation in the affairs of the Council.

For the period under review, the **Speaker was Councillor S Mbalo** until May 2011 when his term of office came to an end.

Highlights - Office of the Speaker

There were series of programs from the office of the speaker in the period under review – these included the following:

OUTREACH PROGRAMS

As part of an outreach to communities, we visited different communities around the district to understand the impact of service delivery, to get feedback on the projects we initiated and how helpful they were, but importantly, also to play the oversight role by assessing whether what was reported to have been done by other structures within the council was really done.

We also held workshops for public education aimed at capacitating community based organizations and non- governmental organizations to understand the role and functions of the municipality and gave them the insight of what we expected from them.

For the next financial year, the objective will be to ensure that there is effective outreach program. More focus has to be put on a program which will open opportunities for the council to directly interact with the community members in a manner that will educate them about the work of the Council to avoid any potential social unrest as communities will be well informed about what the functions and the responsibilities of Council are and what are not.

PUBLIC PARTICIPATION

It is the responsibility of the municipality to develop mechanisms that ensure effective community participation in the affairs of municipalities. It is our role to ensure that community based structures such as the ward committees are being capacitated to respond positively to the needs and aspirations of the communities.

As part of our bigger role to build participatory democracy, we initiated a project to engage local community radio stations as one vehicle to promote public participation and so as to understand their frustrations and problems and to understand how we can assist as a municipality.

In a nut shell, the municipality is moving to a point where effective public participation that impact positively in the affairs of council is achieved, where accountability will reign supremely. Our approach as the Council is that the people on the ground must have a say in the affairs of municipalities.

Communities should be the ones that identify their needs and propose developments that have to take place in their respective wards and or communities.

WARD COMMITTEES IN THE DISTRICT

According to our recent assessment, approximately 90% of the Ward Committees district wide are functional but differ on the degree of functionality. There are still challenges that need to be addressed in order for us to have all Ward Committees functioning optimally.

As part of eradicating identified challenges, all Ward Committees have been supported through capacity building to enable them to implement programs and understand their roles and functions as prescribed by law. Although Ward Committees are given particular support, we still have a challenge with regard to monitoring and ensuring that meetings are held regularly, and this is going to be the key focus for next financial year.

THE SPEAKERS' FORUM

The Speakers' Forum is another structure where we promote Intergovernmental Relations. Here all the Council Speakers within the district come together to share ideas and integrate programs and identify areas of weakness that need support and intervention. Although this forum does not carry executive authority to make decisions, it can however, provide remedying advices.

The forum meets once every quarter and in the period under review, the meetings took place as follows:

Meeting	Date	Venue
1 st Meeting	July 2010	Ngwathe Local Municipality
2 nd Meeting	22 October 2010	Moqhaka Local Municipality
3 rd Meeting	01 December 2010	Mafube Local Municipality
4 th Meetings	April 2011	Fezile Dabi District Municipality

Furthermore, we also had a program that focused at providing support to Speakers' Offices in the local municipalities through capacity building.

OFFICE OF THE MUNICIPAL MANAGER

Overview

The Municipal Manager is the administrative head of the municipality and as such, is subject to the policy directions adopted by council, is responsible and accountable for a variety of duties and functions including the following amongst others:

- Efficient, effective and accountable administration;
- Implementation of the Integrated Development Plan (IDP), Performance Management Systems (PMS), Budgets, etc;
- Efficient delivery of services;
- Rendering advice to the Council and Political Officer Bearers;
- Implementation of lawful decisions of the Council and Political Office Bearers, etc.

Other than five other Senior Managers who report directly to the municipal manager, the following administrative units are located directly in the office of the Municipal Manager and also report directly to the Municipal Manager:

Internal Audit; Performance management; Internal Security; Communications and Marketing; Integrated Development Planning (IDP); Intergovernmental Relations (IGR); and Risk Management

For the period under review, the **Municipal Manager was Dr M Mongake**. He resumed his duties as the Municipal Manager of Fezile Dabi District Municipality on 1 August 2010.

Highlights – Municipal Manager’s Office

- **Internal Audit Unit**

The municipality has a functional Internal Audit unit which was established in accordance with the Municipal Finance Management Act. The unit accounts directly to the Municipal Manager with regard to administrative issues, but accounts functionally to the Audit Committee with regard to the professional matters such as independent appraisal of the financial and non-financial activities of the municipality.

In the period under review, the unit completed its activities according to their audit plan for 2010/11 and accordingly reported to the Audit Committee quarterly.

- **Performance Management Unit**

The performance management unit is responsible for administering the performance of the municipality as well as the individual performance. This unit ensures that all that is contained in the SDBIP and IDP is executed in an efficient manner. This unit is effectively managed by the Performance Management Systems Officer and directly reports to the Municipal Manager. Most activities within the unit are legislated and are implemented in compliance with the Municipal Performance Management Planning Regulations, Municipal Systems Act and Municipal Finance Management Act.

Other responsibilities of this unit are to prepare, generate, consolidate and submit different reports to various relevant structures internal and external. It performs its functions very closely with the internal audit unit of the municipality. The unit is also responsible for the preparation of the SDBIP of the municipality in consultation with respective directors for inputs.

For the period under review this unit managed to successfully cascade performance management system to post levels below section 57 managers in a phased in approach, with the specific focus to post level 1-3 for the 2010/11

financial year. A vast work has been done to ensure that post level 1-3 have scorecards which they could be measured against. Of the 20 officials at post level 1-3, 18 scorecards were developed and the other 2 officials would be included in the next phase of implementation. Workshops, individual sessions and rigorous meetings were held during the initial implementation phase of the project.

Other milestones of this unit were the performance management of section 57 managers. For the period under review all had signed performance agreements and plans as required by legislation. Performance assessments were also conducted to measure and reward their performance of the preceding year. Reports were also submitted timeously as performance was monitored on a quarterly basis.

- **Communications and Marketing**

In March 2011, the municipality launched its first ever newsletter called Fezile Dabi News. This newsletter, under the editorship of the Head of Communications in Fezile Dabi District Municipality, Mr Thomas Nopeche, came as a result of various interest groups within the Fezile Dabi region, baying for regional news publication that will inform and communicate to communities about the success and challenges that are faced by the local municipalities and the district municipality, in a consistent manner and on a continuous basis.

Therefore, through the publications, we will be able to present to our communities developments across the width and breadth of Fezile Dabi region.

As at the end of this reporting period, three publication of the Fezile Dabi News were already issued successfully. In order to maintain consistency and currency, publication will be issued on a quarterly basis.

- **Intergovernmental Relations (IGR)**

Details to follow! (WIP)

- **Risk Management**

The Risk Management Unit is responsible for the following functions amongst others:

- implementation of effective risk management as a key element of good governance and sound performance management;
- consideration of risk as an integral part of corporate and business planning and service delivery;
- encouraging considered and responsible risk taking as a legitimate response to opportunity and uncertainty;
- achieving better outcome for the Council through realistic assessment of the challenges faced, improved decision-making and targeted risk mitigation and control.

During the period under review, risk identification processes was performed, the municipality's management team and senior employees identified significant and emerging Business Unit risks and its mitigations. The Municipality-wide risk assessment process was performed according to the approved risk assessment criteria, through the application of the interviews process of each Department and the evaluation and assessment of the risks identified per Department. The Municipal risks register is updated regularly.

Anti-fraud and corruption policy and plan was adopted by council in January 2011. In this reporting period, one case of fraud and corruption was reported via the Anti-fraud and corruption hotline.

FINANCE DIRECTORATE

Overview

The finance service directorate is responsible for administering and managing the financial affairs of the municipality. It ensures accountability on municipal expenditure and provides reports to various stakeholders on the utilization of municipal funds. The department also provides technical, strategic assistance and support to local municipalities within the district.

This department consists of the following key operational components, *viz*: Supply Chain Management, Expenditure and Creditors, Local Municipalities Assistance unit, Financial Accounting, Budget Office, Payroll and Compliance unit.

The Local Municipalities Assistance unit that renders expert technical assistance to the Treasury and Budget Offices of the local municipalities within the district was established by Council resolution in 2009.

The activities, duties and functions in these components are carried out within the framework of Municipal Finance Management Act (MFMA) Act No 56 of 2003 and the Annual Division of Revenue Act (DoRA), other applicable pieces of legislation and approved budget related policies of the municipality.

This directorate is headed by the **Chief Financial Officer, Mr E M Mohlahlo**.

Highlights - Finance

Supply Chain Management

For the period under review, the municipality's Supply Chain was largely implemented in line with the approved policy, Municipal Finance Management Act and the associated regulations. The municipality's supply chain management Policy complies with the provision of section 112 of Municipal Finance Management Act.

All the tenders that were approved during the period were in line with the recommendations of the Bid Committees of the municipality and reporting has been done consistently monthly, quarterly and yearly to different authorities and stakeholders.

There is clear separation of duties within the supply chain management unit itself including its committees. No councillor or political office bearer is a member of any of the Bid Committees of the municipality, and the structures of the Bid Committees for the period under review were as follows:

Bid Specification Committee:

- Senior SCM Practitioner (Chairperson)
- SCM Practitioner
- Budget Officer
- A representative from the user department

Bid Evaluation Committee:

- Manager in the Office of the Municipal Manager (Chairperson);
- Secretary;
- SCM Practitioner;
- Snr SCM Practitioner;
- Risk Officer; and
- A representative from the user department

Bid Adjudication Committee:

- Chief Financial Officer (Chairperson);
- Director: LED & Tourism;
- Director: Community, Health and Environmental Services;
- Director: Project Management & Public Works; and
- Senior SCM Practitioner

All deviations are recorded in the internal register. For the period under review, 73 incidents of deviations which occurred as a result of urgent and emergency procurement, were recorded in the register and all were tabled to council for noting and where appropriate, are disclosed in the notes to the Financial Statements.

Consistent with the previous reporting period, no complaints, disputes, objections, or incidents of irregular conduct were received from any party in respect of implementation of supply chain management activities.

The following table provides a summary of contracts over the value of R 30,000 that were approved and awarded.

Period	2010/11		2009/10	
	No. of contracts	Total Contract Value	No. of contracts	Total Contract Value
July	0	R -	3	R 1 005 025
August	2*	R 526 320	5	R 628 813
September	2*	R 1 500 000	6	R 852 879
October	0	R -	0	R -
November	2	R 1 580 000	4	R 3 437 764
December	0	R -	6	R 3 142 823
January	2	R 902 692	8	R 599 076
February	0	R -	6	R 10 567 377
March	0	R -	8	R 1 277 005
April	4	R 6 679 598	2	R 175 200
May	0	R -	1	R 431 136
June	2	R 1 770 581	7	R 24 249 397

* One of the procured contracts is based on the charge out rate on the work completed; therefore the contract value is not included in the total contract value amount.

Expenditure and Creditors

The expenditure unit is responsible for all the payments of suppliers and creditors to which the municipality has the obligation. For the period under review, all the expenditure incurred was within the limits of the municipality's approved budget.

Suppliers and creditors were paid within 30 days of receipt of valid tax invoices, and only where delivery and / or supply of goods and / or services was evaluated and confirmed as satisfactory by various user departments.

In comparison with the budget for the period under review, the total actual expenditure rate stands at XXX % as presented in the figure below. Because of

limitations for generating own revenue, our expenditures are largely financed through equitable share and to an extent Finance Management Grant and Municipal Systems Improvement Grant for qualifying expenditure.

Local Municipalities Assistance unit

This unit is responsible for rendering expert technical support to various financial management matters to all the local municipalities within the district. The support is rendered to municipalities on request and also based on urgency.

For the period under review, the unit rendered support to Ngwathe Local Municipality and Moqhaka Local Municipality, where the major focus was on revenue enhancement and financial management reporting.

Financial Accounting

This unit is responsible for day-to-day accounting activities of the municipality which includes reconciliations of accounts, journals, bank and cash management, loans management, etc.

The activities of this unit are directed by the policies as approved by council and the Generally Recognised Accounting Practices (GRAP) Accounting Standards.

Budget Office

This unit is effectively responsible for budget preparation and monitoring thereof during implementation. The unit conducts its activities largely based on the approved Budget Policy of the council and the directives, reforms, norms and standards as issued from time to time by the provincial and national Treasury.

Payroll unit

The payroll unit is responsible for paying of salaries and related benefits for Councillors and Officials. It is also responsible for processing, maintenance and management of the payroll data for the municipality.

For the period under review, the sum total of over R 36, 3 million (2009: R 30 million) in respect of employee related costs was paid in respect of both officials and councillors as follows:

Compliance unit

This unit is responsible for producing various finance related reports and its distribution to various users internally and other external stakeholders. One of the primary responsibilities of this unit is also to guide and advice Senior Managers on various financial management matters in order to ensure continuous compliance with legislative requirements.

CORPORATE SERVICES SUPPORT DIRECTORATE

Overview

The Corporate Support Services directorate consists of the following operational components, viz: Human Resources Management, Skills Development, Legal and other Administrative support.

The activities, duties and functions in these components are carried out within the framework of Municipal Systems Act, Municipal Structures Act, SALGBC Collective Agreements, other applicable pieces of legislation and approved policies of the municipality.

The functions of the Department Corporate Support Services support the following strategic focus areas of the municipality:

- Skilled and competent employees (Human resources)
- Legislative compliance
- Sound labour relations

This directorate is headed by the **Director: Corporate Support Services, Mr G Mxoli**.

Highlights – Corporate Support Services

- **Human Resources Management**

As an accountable institution, we conduct and manage our Human Resources affairs within the ambits of Labour Relations Act, Basic Conditions of Services and South African Local Government Bargaining Council Collective Agreements, etc. This fact is substantiated by a record low level of internal employees' disputes and grievances.

During the period under review, only (2) two disciplinary cases were handled involving dishonesty and fruitless expenditure incurred by two different employees respectively. Both these cases were resolved internally.

- **Employment Equity**

Our municipality is one of the few that has managed to make great positive strides in addressing employment disparities as required by the Employment Equity Act at all levels within the institution.

Our Employment Equity profile as at the end of June 2011 is presented in the table below in support of the fact that the municipality has met most of transformation goals that are set.

Category	2010/11		2009/10		Movement (Number)
	Total	% of total employees	Total	% of total employees	
Black* employees	100	86.21%	82	87%	
Women employees	56	48.28%	49	52%	
Employees with Disabilities	1	.086%	2	2.1%	
Employees over age 51	12	10.34%	5	5.3%	
Employees between 31 & 50	69	54.48%	60	69.2%	
Employees under age 30	35	30.17%	24	25%	

* African, Coloured, Indian

- **Staff Recruitment**

During the period under review, a total of seventeen (17) new permanent appointments were made and seven (7) temporary appointments. Of the 17 permanent appointments, seven (7) were internal appointments, five (5) of the 7 temporary appointments, had already expired and the other two will expire in the course of 2011/12 financial year.

All the appointments, both permanent and temporary, were based on the municipality's operational needs and were appropriately budgeted for.

The table below provides an overview of how these appointments were effected:

Department	Number of new appointments 2010/11		Number of new appointments 2009/10	
	Permanent	Temporary	Permanent	Temporary
Office of the Executive Mayor	1	-	1	-
Office of the Speaker	1	-	-	-
Municipal Manager's Office	5	-	1	-
Finance Directorate	4	-	2	-
Community, Health & Environmental Services	2	2	-	-
Corporate Support Services	3	5	-	-
LED and Tourism	1	-	2	-
Public Works and Project Management Unit	-	-	-	-
TOTAL	17	7	6	-

- **Skills Development**

During the reporting period under review, a total of 46 employees and 8 councillors were trained and benefitted in 30 different formal training and skills development programmes. Moreover, learnerships, skills programmes and apprenticeship were provided to 171 employed learners during the year.

These training interventions are in line with our Skills Development Plans as were submitted to the LGSETA.

Moreover, 4 interns received structured work experience in Municipal Finance and 2 in Civil and Electrical Engineering.

**COMMUNITY, HEALTH AND ENVIRONMENTAL SERVICES
DIRECTORATE**

Overview

Community, Health and Environmental Services (CH&ES) Directorate is responsible for the following functions within the municipality:

- Building and enhancing the governance system in order to enable safe environment, sustainable development & service delivery;
- Monitoring, evaluating and communicating the impact of related district programmes in municipalities in order to enhance performance, accountability and public confidence;
- Supporting local municipalities in ensuring that communities live in an environment that is not harmful to their health;
- Promoting proactive disaster management through risk reduction programs;
- Promoting integrated and co-ordinate disaster management through partnerships between different stakeholders and through co-operative relations between all spheres of government; and
- Promote disaster management training and community awareness throughout the district.

Thus, Environmental Health, Disaster Management, and Community Services such as Food Safety, etc forms the core components of this directorate.

This directorate is headed by the **Director: Community, Health and Environmental Services, Dr K Mahlatsi**

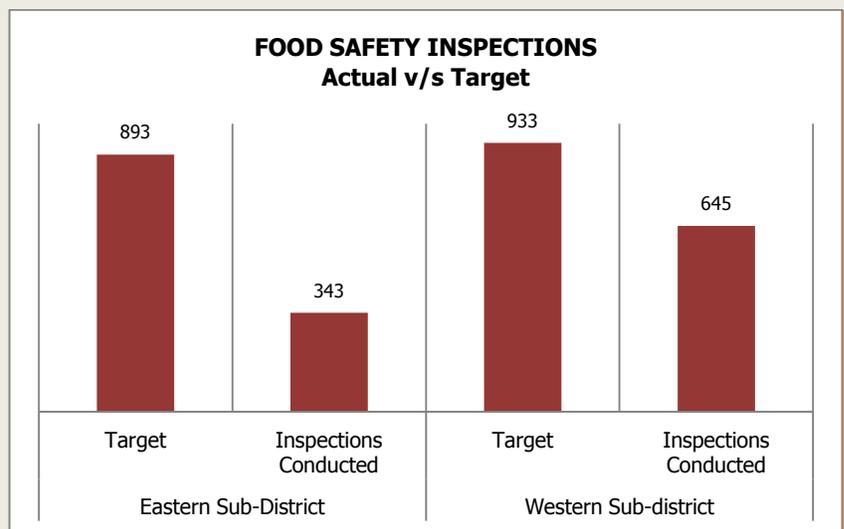
Highlights – Community, Health and Environmental Services

For the period under review, this directorate had focused on eleven (11), clear Key Performance Areas (KPA) and were as follows: Food Safety, Water Management, Waste Management, Environmental Pollution Control, Health Surveillance of Premises / Build Environment, Vector Control, Chemical Safety, Surveillance & Prevention of Communicable Diseases (Excluding Immunization), Disposal of the Dead, Environmental Health and Management. All these KPAs combined, compliments the functions of the directorate.

Clear goals and targets were set for each KPA in order to measure performance as summarily reported hereunder as follows:

- **Food Safety**

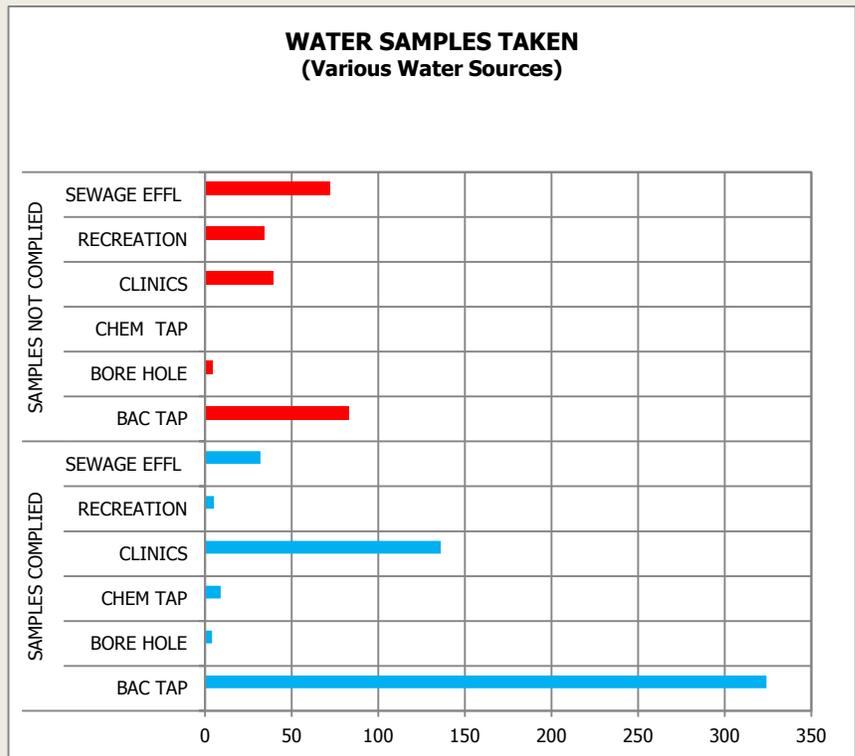
The objective with food safety programmes was to ensure Microbiological, Chemical and Physical food safety with acceptable nutritive value in the district. In the period under review, a number of activities were undertaken to ensure food safety, these included amongst others, the following: Evaluating all food premises, including dairy farms, and conducted food and milk sampling.



- **Water Management**

Our objective under water KPA is to ensure safe and adequate domestic water supply and to ensure safe supply of recreational water to communities.

The chart hereunder provides an overview of water samples taken from various water sources / supplies.



All in all, 68.7% of a total of 742 water samples taken were compliant, and 29% a total of 232 non-compliant samples is in respect of BAC TAP water.

- **Waste Management**

The Waste Management is aimed at ensuring implementation of effective waste management programs within the district. The main goal within Waste Management for the period under review was to create awareness amongst communities around waste management, implement waste management projects

and attend to related complaints from communities from all four local municipalities within the district.

In line with these key goals, the summary of results for the period under review is as follows:

DETAILS	WORK LOAD	WORKLOAD REACHED /	
	Target	Total Reached	Sub Eastern District / Sub Western District
Community awareness campaigns	8	8	1/1 / 7/7
Complaints attended to	532	481	83/83 / 398/449
No. of Local Municipalities reached with awareness presentation on waste management	4	4	1/1 / 3/3
No. of related complaints attended to	449	415	28/32 / 387/417
No. of effective waste management projects implemented	8	8	3/3 / 5/5
Medical Waste Disposal Inspections			
Doctors	43	43	22 / 21
After care visits	1	1	/ 1
Old Age homes	25	25	8 / 17
Clinics	19	19	18 / 1
Veterinary	14	14	12 / 2
Hospital	17	17	16 / 1
Hospice	4	4	2 / 2
Pharmacies	27	27	14 / 13

- **Environmental Pollution Management**

This KPA is focused on prevention of environmental pollution i.e. land, air, water, soil and noise. The focus areas here are identification of point source pollution, attend to and investigate pollution complaints received.

For this reporting period, 523 cases of point source pollution were attended to. As at the end of this reporting period 69,4% of the total pollution complaints (i.e 399) received were attended to and resolved.

- **Health Surveillance of Premises**

This area of performance is aimed at ensuring that all premises comply with health and building legislation.

One of the key objectives under this function for the period under review was to ensure that all schools within the district have access to effective and adequate sanitary services. Unfortunately, 12 out of 13 schools that were inspected around the district do not have access to the prescribed minimum standard of sanitary services, and 58% of the total is for the schools located in the Eastern-Sub District.

Our findings were reported to various authorities within the district and the province, and we believe that corrective measures will be instituted accordingly.

In respect of the build environment, 86.8% of the building plans (705) were inspected and found to be compliant with the applicable building legislation.

Finally, 21 places of care were issued with Health Certificate after they were assessed and measured against guidelines.

- **Vector Control**

The main objective within vector Control function was to reduce vector infections. In this reporting period, the number of vector infections was reduced by 91.3%.

- **Chemical Safety**

To prevent unintentional contamination or pollution of soil, water and food by hazardous chemicals by ensuring safe manufacturing, transportation and application storage and disposal practices" this is the goal we have set ourselves under the chemical safety programme.

In the period under review, we have recorded 58 incidences of reported cases relating to chemical poisoning, mainly from doctors and clinics within the district, and only one incident of unlawful chemical manufacturing, transportation, application, storage and disposal practices was recorded.

Moreover, a programme on chemical safety was conducted in one school within the district as part of an educational outreach on chemical safety to the end user.

- **Fire and Disaster Management**

During the period under review, the municipality delivered two fire fighting vehicles to Mafube Local Municipality. This initiative follows the commitment by Fezile Dabi District Municipality to take over the fire fighting services in Mafube Local Municipality.

Historically, there have been high incidents of fire around the area of Mafube Local Municipality and in some cases; even lives were lost as a result of lack of immediate reaction. Moreover, the N3 route passes through the Mafube Local Municipality area, and because of the high traffic volume on this route, there are frequent accidents which also requires rapid response.

Fifteen fire fighters were also appointed and trained to work and operate these vehicles. Over R 440 000 was used to establish fire fighters' in-service training, and over R 2,5 million was used to purchase other fire-fighting equipment and a further R 1,1 million was used for the renovation of fire station in Mafube Local Municipality.

Following the establishment of this fire station in Mafube Local Municipality incidents were reported and logged more efficiently and hereunder is a record of these incidents.

- **Area Accidents' Log:**

Type of Calls	Area	No. of Calls	Service Provided
M.V.A	FRANKFORT	19	EXTRICATION
M.V.A	N3	53	EXTRICATION
M.V.A	R34	16	EXTRICATION
M.V.A	R103	10	EXTRICATION
M.V.A	R26	33	EXTRICATION
M.V.A	TWEELING	01	EXTRICATION
P.V.A	N3/FRANKFORT	02	EXTRICATION
TOTAL ACCIDENTS	MAFUBE AREA	134	

- **Area Incidents Log:**

Incident	Human	Animals
Injuries	46	01
Facilities	26	02
Rescue	42	01

LOCAL ECONOMIC DEVELOPMENT & TOURISM DIRECTORATE

Overview

The Local Economic Development (LED) & Tourism Directorate is a multi-functional and diversified directorate, which is very much capacity building, developmental and supportive for all the different categories of communities in Fezile Dabi District Municipality.

The directorate deals with the five economic drivers that are identified as the strengths of the district economy, namely; Agriculture; Tourism; Manufacturing; Enterprise and Mining.

As a team, we are driven by passion for service delivery and equal opportunities for all.

The directorate is under the leadership of **Director: Local Economic Development & Tourism, Mrs V Moloi**

Highlights – LED & Tourism

Local Economic Development Unit

- **Agriculture and Food Security**

Agriculture is the biggest economic driver in our district. In order for us to complement the commercial farming taking place in our district, we have devised the means to uplift the emerging farmers through different interventions, mostly with food security projects and small scale farming assistance.

The following are emerging agricultural projects that we have assisted during the period under review:

PROJECT NAME	PROJECT TYPE	SUPPORT OFFERED BY FDDM
Rehatela pele	Vegetable production	<ul style="list-style-type: none"> • 345m fence • 100m shading net & poles
Joelyn Trust	Vegetable production	<ul style="list-style-type: none"> • Round up 20 litre • Cabbage, beetroot, spinach seeds
Bizzah's farming	Broilers and Cattle farming	<ul style="list-style-type: none"> • Starter, grower, finish mash
Iketsetseng Veg	Vegetable production	<ul style="list-style-type: none"> • 40x40 m fence • Jojo tank • Shading net & poles
Ribolla piggery	Broilers and piggery	<ul style="list-style-type: none"> • 52x30 m fence • Starter, grower, finish mash
Jeminah's farming	Vegetable farming & cattle farming	<ul style="list-style-type: none"> • Fertilizer 28, 2.3.2, round up 20 litre
Shangu lashu	Vegetable production	<ul style="list-style-type: none"> • 60x60 m fence • Shading net & poles • Round up 20 litre

- **Sorghum Grain Growers development program**

The land mark agricultural project that we were undertaking is the **Sorghum grower's project in Ngwathe Local Municipality (Parys)**. We have identified six emerging farmers that will grow about 30,000 tons of sorghum grain for Tiger Brand. These farmers have been taken through specialised training for growing the specific grain that is needed in the agreement.

This pilot project, if successful, will be rolled out to other local municipalities in the district to increase the production of this grain.

Some of our interventions to ensure the success of this project include the following:

- We sourced an Agricultural Specialist to facilitate the process and provide technical support;
- We assisted with training on ARC•LNR through the University of North West;

- Registered their company (Sizabantu Agricultural Primary Co-operative Limited);
- Preparation of the land; and
- Purchasing the seeds and chemicals for planting

The project will continue for the next three years, in which case we will be providing support and monitoring.

- **The Greenhouse Vegetable Project – Feasibility study**

Our Agricultural Sector Plan contains a number of strategies and project initiatives that can be explored to capacitate skills and empower our communities in the agricultural sector. Among others, the Greenhouse Vegetable Project is one of such projects that we believe will be the anchor of the economy for a small town like Kwakwatsi.

Since the early 2000, it has been our commitment that an agricultural project will be established in this town, on the land that was bought by FDDM. On just 3ha land, it is anticipated that about 15 greenhouses will be erected in the next 3 years, to produce vegetables like tomatoes, squash, green peppers etc.

Early in the 2011/12 financial year, an agreement will be signed between ourselves and Rand Water Foundation, to have a partnership in conducting a feasibility study, that will identify the type of produce, the markets, labour, skills required, and infrastructure and financial resources, that will make this project a reality.

- **Enterprise Development**

In this area, our main focus is to grow the SMME sector in the region in an effort to combat unemployment that is impacting on the social wellbeing of our communities.

We have designed a program, especially for the uplifting and development of the SMME sector. This programme includes compulsory training of entrepreneurs in Basic Business Management and Advanced Business Management. For the

entrepreneurs that require computer skills, we provide Basic Computer literacy for them.

All the training offered is covered under our Entrepreneurial Support system, and is being conducted by Flavius Mareka FET College. To date, 18 emerging business owners have been assisted through this program.

For the period under review, the following are beneficiaries who were taken on this programme.

BUSINESS NAME	OWNER'S NAME	BUSINESS ACTIVITY
Matselane Projects & Trading Enterprise	Matselane Maine	Construction +
Wathint-Imbokodo cc	Mabel Smith	Construction +
	Sibongile Mdumisi	Cleaning materials
Inyameko Trading 821	Tefo Ganafana	Catering
Midzi Artistic Productions	Jacob Molotsane	Grass cutting
Jem-Jem Building Construction	Jimina Tiger	Construction +
Ernest & Lizzy Construction	Ernest Tladi	Construction
Matla ke a Hao Construction & Projects	Cholofetso Chakalane	Construction +
Mahlakazela Trading cc	Mothibi Mahlakazela	Construction +
Mannoi Mahapela Construction & Catering	Mohanoe Mahapela	Construction +
Pulo Madiboko Trading & Projects	Sarah Mashiloane	Bakery
Recy Logistics & Supplies	Cynthia Motaung	Catering
Mbunana Building Construction	Motsamai Tsetetsi	Construction +
Bokamoso Printers	Moogo Sebuse	Printing
LJ Events & Marketing Solutions cc	Lazola Jafta	Event management
Mantaks Confectionery & Catering	Marriam Tsetetsi	Catering
Golden Rewards 1776	Edumisa Notemba	Marketing +
Sunrise Multi-Cleaning Services	Piet Finger	Car wash

- Investment Marketing and Partnerships**

Over the time, we have been in talks with many potential investors, with the aim of bringing investment into the District in order to stimulate local economy and enable job creation.

The following are the key potential investors that we have engaged with:

Rand Water Foundation, NEPAD, Standard Bank, NATREF, SASOL, Oliphant leadership Academy, IDC, and DTI

- **Economic Development Agency / Project Management Committee**

Our District Municipality is in the process of establishing Economic Development Agency. The primary objective of the envisaged Economic Development Agency will be to take care and ensure that capital projects that are reflected in the Local Municipalities' IDPs are implemented and invested into by funding agencies and other external companies outside the district and outside the country.

With many challenges along the way of establishing this institution, the council has put in place an interim structure which is called the **Project Management Committee** that will pursue the objective of implementing the identified high impact projects namely:

- Meat production Factory
- Agro- processing Plant
- Transport Node
- Logistical Hub

All these projects, and others reflected in our concept document are supported and funded by the Industrial Development Corporation

- **LED Summit/ Business Day**

On 31st March 2011 this directorate hosted the business day, where the Executive Mayor of the District Municipality interacted with Business Sector to establish the Economic Development Forum, which will help the municipality with drawing up the strategies of economic interest.

The Business Day workshop ended with an appointment of the Business Representatives who will form part of the Project Management Committee and the LED Forum. The terms of reference have been drawn up and concluded for the two committees to take forward the function of development for FDDM.

Tourism Unit

- **Vredefort Dome World Heritage Centre**

Fezile Dabi is known as a weekend-away destination. Fezile Dabi has doubled its visitor's numbers since 2009. The official study that was conducted by the Free State Tourism Authority in September 2010, revealed that 64% of the total tourists visiting the Free State, are choosing the Northern Region of the Free State, which is the Fezile Dabi Region, as their preferred weekend destination, this is way over the traditional tourist destination Clarens in the Eastern Part of the Free State.

This revelation came at a good time when we are putting an extra effort to have the Vredefort Dome Interpretation Centre completed and operational. This landmark building was erected just after the Vredefort Dome was listed among the World heritage Sites of the UNESCO. Since the completion of the exhibition structure, we have so far invested R 6m toward the final touch ups and the installation of the State of the art Interpretation Exhibition centre inside the building. This project is undertaken in conjunction with Wits Enterprise as the initiator and Project Managers.

This Centre is a Scientifically Rigorous Exhibition that is going to be the simplified version of the events leading to the meteorite impact in the Vredefort area. The completion and operation of this centre will see local people benefitting from it by starting small enterprises that are tourism related and surely, uplifting the economy of the Vredefort and Mokwallo communities.

- **Vredefort Dome Heritage Route**

The department has initiated the downstream project of the Vredefort Dome Heritage Site for the benefit of the communities in Ngwathe Local Municipality, Mokwallo and Vredefort, also for those stakeholders in Parys and Tumahole.

We envisage that the **Vredefort Dome Heritage Route** will open up opportunities in various tourism activities for communities in the surrounding areas.

A complete business plan for this initiative is ready for implementation and can be handed over to the project committee after it has been established.

- **Grading of Establishments**

The grading of ten accommodations establishment was done in order to create a greater awareness for the improved service delivery in our district.

The following are establishments that were graded in the period under review from all four local municipalities within the district:

GUEST HOUSE/B&B	GRADING	LOCATION
Stone Hedges	2 stars	Metsimaholo
9 Krommelenboog Guest House	4 stars	
Mohlongwafatshe	1 star	
Rooster B&B	3 stars	Mafube
Kgatholoha Guest House	1 star	
Kayanzee Lodge	3 stars	Ngwathe
The Secret Place	???	
Dorphuis	2 stars	
La Porte Vase B&B	2 stars	Moqhaka
Lusthof Guest House	2 stars	

- **Marketing**

The department has embarked on advertising, marketing and promoting Fezile Dabi District Municipality. The tourism sector was well marketed at the domestic and international shows which are: **Indaba international show, Outdoor Adventure, Getaway and World Travel Market.**

We received silver award for the Exhibition stand and Best presentation and outdoor Adventure. Our product owners are always privileged to be part of these exhibitions.

We have placed advertisements in selected magazines that are distributed in a large spectrum of target points both nationally and internationally, and these include:

- **Out There Adventure Magazine**
- **Explore Magazine**
- **AA Traveller**
- **Sowetan Soccer (World Cup magazine)**
- **African Encounter**

The Highway information Offices situated on the N1 and N3 National roads are strategically situated to lock in the travellers on these major roads to access information and get as much insight of the region as possible. These two offices are our main source of marketing because they are not seasonal and they provide information during week days and on weekends.

- **Tourism Development**

Tourism signage - signage on the **Riemland Tourism Route** is also one of the projects that we have accomplished.

Deneysville Business Tourism forum was also assisted with signage; waste bins each corner of the town and brochures.

SA Host Customer care training was conducted to empower products owners, 20 delegates per municipality attended.

Crafters Training Workshop

Crafters in our district had an opportunity to be trained on quality craft making. Our objective is to see our local products competing at a National and International level.

Our crafters have participated in the Craft Market during the MACUFE in **Bloemfontein, Crafters Exhibition in Bethlehem and the monthly flea market exhibition in Bloemfontein for 12 months**. The ideal situation is to see them participating in the national events like Outdoor living, Style Exhibition and many other shows for Interior decor.

We also continued to provide training for these crafters which include Glass making techniques and beadwork. This training was provided for 20 people per Local Municipality

Upgrading of Municipal Resorts

We provide an amount of R 600 000 annually to assist the local municipalities in the district with the upgrading of the resorts within their respective areas. Koonpark and Abrahamsrust Resorts are our immediate beneficiaries of this funds on yearly basis.

By providing this fund, FDDM shows commitment to support the Local Municipalities to maintain quality standard of service and product offering.

- **The Community Development**

The Community Development function is focused at the NGO's, CBO's, artists, both performing and visual.

In the **performing Arts**, we have assisted many young people that are aspirant to grow in what they do. The now well-known group **Rainbow Tenors** of Zamdela are an example of what we are doing in assisting the Performing Artists. These young people have been enrolled in the Music Academy in Vereeniging since 2009, and have been there until now. There, they were joined by two ladies, **The Sopranos**, who are doing just as well. They will stay in voice training until declared ready. Fezile Dabi is taking care of groups' transport, tuition, meal instruments, recording of the DVDs' and cd's.

Other performing artists were assisted with recording, production and realising of cd's are **Magomsha, Decwaa and DJ Naughty**. The famous artist in Zamdela "**DJ Naughty**" is an example of our efforts to uplift the young artists in our District. Both Deccwa and Magomsha have been on the play list of Lesedi FM for a long time and we are happy to see them growing from strength to strength.

Self Help Groups

The groups that are assisted under this category are the ordinary people who have stood up and created the community groups that are helping the old, sick, disabled and orphaned / vulnerable children. We have assisted these groups with food stuffs, necessities and other needs in this financial year:

PROGRAMMES/CENTRES	LOCATION	Help Provided
Thusong Day Care Centre	Vredefort	<ul style="list-style-type: none"> Catering Equipment
Bohlokwa Ba Rona Community Project	Zamdela	<ul style="list-style-type: none"> Sewing Machines
Iketsetseng Basotho le Likila	Zamdela	<ul style="list-style-type: none"> Musical equipment
Thuthukani Pre and Day Care Centre	Parys	<ul style="list-style-type: none"> Educational Equipment
Nkgopoleng Secondary School	Zamdela	<ul style="list-style-type: none"> Table Tennis Set
Refengkgotso Leratong Disability Centre	Zamdela	<ul style="list-style-type: none"> Renovations at the center Two roomed ZoZo for massaging the disabled kids Chairs, Pots, Basins etc.

The Young Women Development Workshop

This workshop was targeted for the upliftment, encouragement, empowerment and information sharing to our young women of the age between 18 and 25 years. On this day different Role Models, Speakers, Celebrities and Spiritual councillors were invited to talk to the young women of our society. Among the speakers, we had:

- Nakedi Ribane (Ex-Model and TV personality)
- Seputla Sebogodi (TV actor)
- Palesa Notsi (National Youth Development Agency)
- Matshepo Makiri (Groenpunt Prison: Parole Board)
- Joyce Sandamela (Zamdela Clinic)
- **Sports Development**

We are also looking after Sports Development within our district. The **OR Tambo games** are yet another sporting event to remember as these games are held annually during in our district. Team Fezile Dabi was well represented in all the sporting codes that were contested, and we came out tops with 6 Golden Trophies that were accompanied by the MEC's trophy for Good behaviour.

The **Mayoral Cup games** were also executed well on 21 March 2011. These were not the first games as the Games were launched in 2010. The objective of these games is to encourage the local municipalities to showcase the sporting talent within the district.

The **Rural schools games**, which enhance the farm schools in sports and recreation, were also held in April / May 2011. We have developed an inter-municipal farms schools competition in soccer and netball. The winning team received an opportunity to a price of going on a trip to Bloemfontein to watch a PSL game which was hosted by Bloemfontein Celtics. We have treated children to a City tour, a trip to the Airport and a PSL game between Bloemfontein Celtic and Mpumalanga Black Aces. This is our way of showing our wish to expose the under privileged children to the national assets that they only see on television.

- **Mountain Bike – Team Fezile Dabi**

This Team that was launched in 2009 is still going strong. The young ones have participated in a number of races and still continued to show commitment and passion for the mountain biking sport.

PROJECT MANAGEMENT & PUBLIC WORKS DIRECTORATE

Overview

The Project Management and Public Works Programme Directorate is responsible for overseeing and co-ordinating infrastructure provision within the district. The main focus of the directorate is on delivery of the following core services within the district.

- Provision of accessible roads
- Provision of clean drinking water and acceptable sanitation services
- Provision of community facilities
- Provision office space for municipal personnel
- Promotion of Extended Public Works Programs within the district
- Provision of Municipal fleet
- Implementation Geographic Information System (GIS)
- Locate, protect and conserve heritage, agricultural and environmental resources
- Support land reform projects

The directorate is under the leadership of Director: Project Management and Public Works, Mr S Mokgatle.

Highlights – Project Management & Public Works

- **Major Infrastructure Projects in Fezile Dabi**

Roads

One of the major projects that have been implemented in this reporting period is in respect of construction and upgrading of roads in Parys. The project was initially funded by the Department of Police, Roads and Transport co-funded by Ngwathe Local Municipality. The department contributed the sum total of R 40m.

Fezile Dabi Stadium

The second biggest project is the construction of Fezile Dabi Stadium in Parys. This is a regional stadium with capacity of 15 000 seated people. The financial value of the project was estimated at R 100m. As at the end of this reporting period, a major progress was made in relation to this project and it was estimated that the project will be finalised early in the 2011/12 financial year.

One of the unique features of this stadium is the built-in gymnasium and dining facilities that can take 250 people at once.

Relebohile Clinic in Heilbron

The construction of Relebohile Clinic was completed between March and April 2011. The financial value of this project amounted to R 20m.

Bulk Water Supply

The bulk water supply project in Edenville was progressing well according to the plan. The project was initially budgeted at R 4m. Due to water supply challenges in this area, we are considering other alternatives which included erecting boreholes in order to increase the supply to the communities. .

- **Extended Public Works Programme**

As part of the bigger employment creation while tackling service delivery to communities, Fezile Dabi District Municipality has launched Extended Public Works Programmes in various municipalities within the district, and the programme prioritizes vulnerable groups such as youth, women and people living with disability for job opportunities.

In the period under review, we implemented a number of EPWP projects in Zamdela, including the erection of water canals and sidewalks. The overall budget for these projects was R6,3m.

Through these projects, twenty eight (28) people were employed for more than six consecutive months and the projects were successfully completed in March 2011.

- **Operation Hlasela Projects in FDDM**

Over a year and half ago, the Premier of the Free State Mr Ace Magashule, launched Operation Hlasela programme within the province. The aim and vision of Operation Hlasela is to change the approach when it comes to provision of services to our communities in the Free State, by adopting a model of an integrated and coordinated approach to ensure accelerated service delivery in an economic, efficient and effective manner.

On the 16th September 2010, The Premier chose Kroonstad in Fezile Dabi District Municipality to come and report back on the progress made through Operation Hlasela programme since its inception.

Marabastad in Kroonstad was one of those areas that were used as an evidence, of what has been achieved, particularly within the Fezile Dabi District. In this case, some 104 modern and decent houses were built in the area and approximately 52 more were still to be completed.

The premier indicated not only black community will benefit from these houses, but also white communities.

MUNICIPAL MANAGER'S OFFICE

KPA 1: Municipal Transformation and Organizational Development

Planned Performance				File ref.	Actual Performance as at 30 June 2011	Corrective measures taken / to be taken to improve performance
2010/11						
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
Implement the performance management system for the municipality focusing on post level 1-3	Implemented PMS at post level 1-3	30-Jun-11	To support and ensure the implementation of Performance management System in the District	A	75% Achieved: Individual scorecards have been developed for post 1-3.	Quarterly reviews of post level 1-3 needs to take place. PMS was implemented in a phased-in approach.
Prepare the municipality's mid-year performance assessment report as required by section 72 of the MFMA	Compliant mid-year performance assessment report	31-Jan-11	To ensure effective and efficient administration	B	100% Achieved: The mid-year report has been prepared and tabled to council.	None
Prepare the annual performance report in respect to 2009/10 as required by section 46 of the Municipal Systems Act	Consolidated annual report of 2009/10	30-Jun-11	To ensure effective and efficient administration	C	100% Achieved: The annual report was developed and tabled to council	None
Ensure that the review of the IDP is conducted and completed in terms of the budget timetable as tabled in the Council	Reviewed IDP	28-Feb-11	To ensure the development/ review of credible IDPs in the district and local municipalities	D	100% Achieved: The IDP has been reviewed.	None
Conduct one employee satisfaction survey and table the report to the Council	Employee satisfaction survey results submitted to Council	30-Jun-11	To ensure effective and efficient administration	E	100% Achieved: Working hours survey has been conducted	None
Timeous compilation, distribution and production of Council agenda	Compilation, distribution and production of Council	Quarterly	To ensure effective and efficient administration	F	100% Achieved: Council agendas have been distributed	None

FEZILE DABI DISTRICT MUNICIPALITY

ANNUAL REPORT - 2010/11

	agenda				accordingly	
Ensure that the Employment Equity Plan and Occupational Health and Safety compliance policies and procedures are documented, implemented and reviewed	Document and implemented EEP, OHS, policies and procedures	30-Jun-11	To ensure effective and efficient administration	G	100% Achieved: EEP & OHASA procedures (policies) have been documented.	The policies did not necessitate the review.
Ensure that the departmental meetings are held	Departmental meetings held	30 Jun 2011 (Meetings held at least at a quarterly basis)	To ensure effective and efficient administration	H	75% Achieved: 3 meetings were held for the period under review.	Coordination of these meetings will be included in the scorecard of the Manager in the MM's Office

KPA 2: Service Delivery and Infrastructure Development

Planned Performance				File ref.	Actual Performance as at 30 June 2011	Corrective measures taken / to be taken to improve performance
2010/11						
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
Conduct quarterly meetings between the district municipality and the local municipalities through IGR structure (DCF)	IGR meetings conducted with relevant stakeholders	Quarterly	To promote & facilitate Intergovernmental Relations amongst stakeholders in the District	A	100% Achieved: DCF meetings were held as per the schedule.	None
Service providers providing services to the directorate meet agreed performance standards in terms of quality, budget and timelines						
Set input, output and outcome indicators for each service provider appointed by the department.	SLA incorporates the input, output and outcomes	Ongoing (Every contract as per agreed timeframes for assessment)	N/A	B	100% Achieved: SLA's were concluded with service providers	None

FEZILE DABI DISTRICT MUNICIPALITY

ANNUAL REPORT - 2010/11

Planned Performance				File ref.	Actual Performance as at 30 June 2011	Corrective measures taken / to be taken to improve performance
2010/11						
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
Measure performance of service providers in terms of contracts or monthly or as per SLA	Performance progress reports be submitted by the service provider	Ongoing (Every contract as per agreed timeframes for assessment)	N/A	C	100% Achieved: Service providers reports on projects	None
To develop, review and implement municipal by-laws	Developed, reviewed and implemented by-laws	Ongoing	N/A	D	100% Achieved: By-laws are already in use by EHP's and are implemented effectively.	None
Ensure the optimal operation and updating of the municipality's website on a quarterly basis	Functional and updated website	Quarterly	To provide information through ICT and to improve the corporate image of the municipality.	E	50% Achieved: FDDM website is functional and is being updated regularly by the web developer.	None

KPA 3: Local Economic Development

Planned Performance				File ref.	Actual Performance as at 30 June 2011	Corrective measures taken / to be taken to improve performance
2010/11						
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
Oversee the implementation of capital programmes for the municipality						
The IDP contains a financial plan, including a budget projection for the next three years	Financial plan is included in the IDP	31-Mar-11	To ensure the development/ review of credible IDPs in the district and local municipalities	A	100% Achieved: The financial plan is incorporated in the IDP	None
Create a conducive environment for the	Conducive environment and	31-Mar-11	To create an environment that	B	100% Achieved: Workshops	None

FEZILE DABI DISTRICT MUNICIPALITY

ANNUAL REPORT - 2010/11

Planned Performance				File ref.	Actual Performance as at 30 June 2011	Corrective measures taken / to be taken to improve performance
2010/11						
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
job creation and economic growth	provision of support		stimulates the economic growth		and road-shows were conducted	
Ensure that sustainable community investment programmes are introduced and implemented	Introduced community investment programmes	31-Mar-11	To create an environment that stimulates the economic growth	C	100% Achieved: New community initiatives were supported	None
Promote the implementation of the SCM Preferential Procurement Policy when tenders are awarded	Competitive bidding processes through the implementation of SCM PPP	30-Jun-11	To provide financial management services that enhance viability and compliance with the requirements of MFMA and other relevant legislation	D	100% Achieved: SCM PPP system is currently in use.	None
Monitoring of projects in the IDP and ensure that they are successfully implemented according to the budget and timeframes	IDP projects executed successfully in accordance to the budget and timeframes	Quarterly	N/A	E	75% Achieved: IDP projects were monitored throughout the financial year.	None
Promote Tourism through training of SMME's and the marketing of Tourism Initiatives	SMME's trainings conducted to promote Tourism	30-Jun-11	To promote & enhance the SMME sector in the district	F	100% Achieved: SMME's were assisted with the training and marketing	None
Establish the District Local Economic Forum	Established District Local Economic Forum	30-Jun-11	To create an environment that stimulates the economic growth	G	100% Achieved: The steering Committee has been set up during the Conference business day held on 30 March 2011.	

KPA 4: Municipal Financial Viability and Management

Planned Performance				File ref.	Actual Performance as at 30 June 2011	Corrective measures taken / to be taken to improve performance
2010/11						
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
Ensure timely preparation of the Directorate's budget for 2011/12 based on the approved IDP	Prepare the directorate's budget	31-Mar-11	N/A	A	100% Achieved: Budget inputs from the department were submitted for the preparation of the IDP	None
Ensure sound management of the budget votes allocated to the directorate						
No irregular expenditure	Be reported to Council	Ongoing (None be incurred)	N/A	B	0% Achieved: Reported incidences of irregular, unauthorized, fruitless and wasteful expenditure.	None
No unauthorized expenditure						None
No fruitless and wasteful expenditure						None
Complete the 2009/10 annual financial statements	Completed annual financial statements	31-Aug-10	To provide financial management services that enhance viability and compliance with the requirements of MFMA and other relevant legislation	C	100% Achieved: Annual Financial Statements were completed.	None
Achieve financially unqualified audit report for the municipality for 2009/10 financial statement	Unqualified audit report	15-Dec-10	To provide financial management services that enhance viability and compliance with the requirements of MFMA and other relevant legislation	D	100% Achieved: The municipality received an unqualified audit report	None
Comprehensive financial management policies and by-laws developed consistent with GRAP/GAMAP and relevant legislation (DORA)	Policies and by-laws developed in consistency with GRAP/GAMAP, DORA requirements	30-Jun-11	To provide financial management services that enhance viability and compliance with the requirements of MFMA and	E	100% Achieved: Policies and by-laws were developed within the framework of DORA requirements	None

FEZILE DABI DISTRICT MUNICIPALITY

ANNUAL REPORT - 2010/11

Planned Performance				File ref.	Actual Performance as at 30 June 2011	Corrective measures taken / to be taken to improve performance
2010/11						
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
			other relevant legislation			

KPA 5: Good Governance and Public Participation

Planned Performance				File ref.	Actual Performance as at 30 June 2011	Corrective measures taken / to be taken to improve performance
2010/11						
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
Implement a budget preparation process for the 2011/12 that allows for public participation and ensure that community participation processes are completed by 31 May 2011	Approved budget process plan.	31 Aug 2010 & 30 May 2011	N/A	A	100% Achieved: Community participation approach was used during the preparation process of 2011/12 budget.	None
Develop an institutional scorecard that is approved by Council for the financial year 2011/12	Developed and approved organizational scorecard	29-May-11	N/A	B	100% Achieved: The organizational wide SDBIP/ Institutional Scorecard was developed	None
Respond satisfactorily to internal and external audit queries relating to the directorate	Swift and positive responses to audit queries	Within 5 working days after receipt of request.	N/A	C	90% Achieved: All internal and external audit queries were responded to satisfactorily.	None
Ensure the auditing of performance and the submission of quarterly performance reports to the Performance Audit Committee	Audited and submitted quarterly performance reports	Quarterly	To support and ensure the implementation of Performance management System in the District	D	75% Achieved: Performance reports were completed late and could not at all times be submitted to the Audit	Performance evidence must be made available to the internal auditor for auditing.

FEZILE DABI DISTRICT MUNICIPALITY

ANNUAL REPORT - 2010/11

Planned Performance				File ref.	Actual Performance as at 30 June 2011	Corrective measures taken / to be taken to improve performance
2010/11						
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
					Committee	
Development of the Oversight Committee Report	Developed Oversight Committee Report	31-Mar-11	N/A	E	100% Achieved: The oversight committee met to consider the annual report of the municipality	None
Ensure that the Performance Audit Committee/Audit Committee meet at least once in every quarter to consider performance reports	Meetings of the PAC/Audit Committee	Quarterly	N/A	F	75% Achieved: The audit committee met to consider the performance reports	Timeous submission is necessary
Ensure that regular management meetings are held at least on a fortnightly basis	Meetings of management conducted and records kept	Monthly	To ensure effective and efficient administration	G	100% Achieved: Management meetings are held on a fortnightly basis	None
Audit queries responded and issues resolved	Queries resolved	Ongoing (As per prescribed time frames)	To ensure effective and efficient administration	H	100% Achieved: Audit queries were responded to satisfactorily	None
To promote the communication with community and other relevant stakeholders through distribution and issuing of the annual report, newsletters and media statements	Enhanced communication with stakeholders through issuing of the annual report, newsletters and media statements	30-Jun-11	To promote effective communication & provide feedback to the needs of the community	I	100% Achieved: Media statements are issued out. Fezile Dabi News is also been issued and distributed. The annual report has been distributed to stakeholders	None
Ensure that the Finance, CSS, PMU, LED and EHS Portfolio Committees seats at least two times in each quarter to consider reports	Meetings of all Portfolio Committees	Quarterly (Meetings be conducted at least 2 times in each	To ensure effective and efficient administration	J	100% Achieved: different portfolio meetings took place as per their schedule	None

FEZILE DABI DISTRICT MUNICIPALITY

ANNUAL REPORT - 2010/11

Planned Performance				File ref.	Actual Performance as at 30 June 2011	Corrective measures taken / to be taken to improve performance
2010/11						
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
		quarter)				
Conduct a comprehensive risk analysis and assessment of the Directorate based on the risk assessment model of the municipality and submit report to the Executive Mayor for approval	Comprehensive risk analysis and assessment of the department as per the risk assessment model	30-Jun-11	To ensure effective and efficient administration	K	100% Achieved: The risk analysis has been conducted and the report is yet to be submitted to the Executive Mayor.	The report must be submitted to the Executive Mayor

FINANCE DIRECTORATE

KPA 1: Municipal Transformation and Organizational Development

Planned Performance				File ref.	Actual Performance as at 30 June 2011	Corrective measures taken / to be taken to improve performance
2010/11						
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
Ensure departmental meetings are held quarterly	Meetings with staff	Quarterly	To ensure effective and efficient administration	A	75% Achieved: Five meetings held in the first six months.	None
Ensure that each staff member of the directorate signs the attendance register	Attendance register signed and times adhered to at all times	Monthly (attendance report)	To ensure effective and efficient administration	B	100% Achieved: the attendance register is signed and monitored on daily basis. The Secretary and MFO are monitoring the register on daily basis	None
Ensure that the audit committee meet to consider the audit report to respond to the issues raised in the audit report and internal audit report	Meetings of the audit committee	31-Jan-11	To ensure effective and efficient administration	C	100% Achieved: The draft audit report was submitted to the audit committee for consideration.	None
Develop the draft SDBIP of the directorate for the 2011/12 consistent with budget timetable	Developed draft SDBIP of 2011/12	30-May-11	To ensure effective and efficient administration	D	100% Achieved: SDBIP was developed in May 2011	
Compliance with the prescribed reporting and accountability requirements						
Submission of reports in terms of section 71 of the MFMA Treasury	Section 71 reports	Monthly	To provide financial management services that enhance viability and compliance with the requirements of MFMA and other relevant legislation	E	100% Achieved: Monthly reports are submitted to Treasury on monthly basis	None
Financial management grant report to National and Provincial Treasury	Report of the financial management grant	Monthly	To provide financial management services that enhance viability and	F	100% Achieved: Monthly reports are submitted to Treasury on monthly basis	None

FEZILE DABI DISTRICT MUNICIPALITY

ANNUAL REPORT - 2010/11

Planned Performance				File ref.	Actual Performance as at 30 June 2011	Corrective measures taken / to be taken to improve performance
2010/11						
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
			compliance with the requirements of MFMA and other relevant legislation			
Municipal systems Improvement grant report to National Treasury	MSIG report	Monthly	To provide financial management services that enhance viability and compliance with the requirements of MFMA and other relevant legislation	G	100% Achieved: Monthly reports are submitted to Treasury on monthly basis	None
Submission of FS Treasury Grant report to Provincial Treasury	Submission of grant report	Monthly	To provide financial management services that enhance viability and compliance with the requirements of MFMA and other relevant legislation	H	100% : Achieved: Monthly reports are submitted to Treasury on monthly basis	None
Strict internal control						
Review current policies and internal controls of the directorate and review procedure manuals	Reviewed policies and manuals	20-Feb-11	To provide financial management services that enhance viability and compliance with the requirements of MFMA and other relevant legislation	I	90% Achieved: The policies were reviewed in May 2011 however not yet submitted to Council. It is best practice that the policies for implementation be approved by the Council that will ensure implementation hence the policies were not submitted to the previous Council. The first Council meeting of the new	None

FEZILE DABI DISTRICT MUNICIPALITY

ANNUAL REPORT - 2010/11

Planned Performance				File ref.	Actual Performance as at 30 June 2011	Corrective measures taken / to be taken to improve performance
2010/11						
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
					Council only dealt with establishment issues.	
Submit document containing internal control measures to the Audit Committee for comment	Internal control measures submitted	30-Apr-11	To provide financial management services that enhance viability and compliance with the requirements of MFMA and other relevant legislation	J	90% Partially achieved: The reviewed internal control document is available but not yet submitted to the audit committee due to the reasons above.	Must be submitted to the next audit committee
Review the supply chain management policy in terms of chapter 11 of the MFMA and submit it to the Municipal Manager for consideration by the Executive Mayor and Council.	Reviewed SCM policies and submitted to the Municipal manager	31-Mar-11	To provide financial management services that enhance viability and compliance with the requirements of MFMA and other relevant legislation	K	90% Achieved: The policy was only reviewed in May 2011, however not yet submitted to Council. It is best practice that the policies for implementation be approved by the Council that will ensure implementation hence the policies were not submitted to the previous Council. The first Council meeting of the new Council only dealt with establishment issues.	None
Implementation and maintenance of the procurement systems and standards						
Ensure that the bid committees held their meetings regularly	Bid committee meetings held	Ongoing	To provide financial management services that enhance viability and compliance with the requirements of MFMA and	L	100% Achieved: All the bid committee meetings are held as and when bids are called. Bid specifications are scheduled for every	None

FEZILE DABI DISTRICT MUNICIPALITY

ANNUAL REPORT - 2010/11

Planned Performance				File ref.	Actual Performance as at 30 June 2011	Corrective measures taken / to be taken to improve performance
2010/11						
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
			other relevant legislation		Wednesday's provided there are bids to be advertised.	
Ensure that each employee involved in the SCM process signs the code of conduct. Members of bid committees discloses their interest	Signed code of conduct and disclosure of interest	Ongoing	To provide financial management services that enhance viability and compliance with the requirements of MFMA and other relevant legislation	M	100% Achieved: All the employees involved in the SCM processes has signed Code of Conduct and discloses their interest at every bid meeting	None
Conduct workshops of relevant personnel on procedures	Workshops conducted	30-May-11	To provide financial management services that enhance viability and compliance with the requirements of MFMA and other relevant legislation	N	0% Achieved:	There were no changes to the procedures for the period until May 2011. The workshop will be held in 2011/12 after all the policies are approved by Council.
Ensure that the local municipality support unit produce 2 reports per annum entailing support of the district to local municipalities	Reports be submitted by the Finance LM support Unit	Jan & Jun 2011	To provide financial management services that enhance viability and compliance with the requirements of MFMA and other relevant legislation	O	100% Achieved: Reports on assistance to Local Municipalities were submitted to Management and Finance Portfolio Committee. A number of other reports are prepared by the unit for submission to the CFO	None

KPA 2: Service Delivery and Infrastructure Development

Planned Performance				File ref.	Actual Performance as at 30 June 2011	Corrective measures taken / to be taken to improve performance
2010/11						
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
Service providers providing services to the directorate meet agreed performance standards in terms of quality, budget and timelines						
Set input, output and outcome indicators for each service provider appointed by the department through competitive bidding process	SLA incorporates the input, output and outcomes	Ongoing (Every contract as per agreed timeframes for assessment)	N/A	A	100% Achieved: All suppliers appointed for the directorate set performance targets with the Department	None
Measure performance of service providers in terms of contracts or monthly or as per SLA	Performance progress reports be submitted by the service provider	Ongoing (Every contract as per agreed timeframes for assessment)	N/A	B	100% Achieved: Projects are monitored in line with the performance standards/ service delivery requirements. There is however some shortcomings in 100% monitoring of the progress.	None
Ensure optimal operation of the municipality's ICT infrastructure						
Ensure that the municipal website is updated on a regular basis	Updated website	Ongoing	To render effective and efficient ICT Services	C	50% Achieved: The website is updated on regular basis.	None
Conduct an SCM user satisfaction survey	User satisfaction survey report	30-Jun-11	To render effective and efficient ICT Services	D	100% Achieved: The survey was conducted	None
Annual invitation of service providers for inclusion in the SCM database	Updated database with new service providers	30-Jun-11	To provide financial management services that enhance viability and compliance with the requirements of MFMA and other relevant legislation	E	100% Achieved: Prospective suppliers were invited by publishing a notice in Sowetan Newspaper	None

FEZILE DABI DISTRICT MUNICIPALITY

ANNUAL REPORT - 2010/11

Planned Performance				File ref.	Actual Performance as at 30 June 2011	Corrective measures taken / to be taken to improve performance
2010/11						
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
Conduct an IT customer satisfaction survey and report results to the Municipal Manager	Results of the IT customer satisfaction survey be reported to the Municipal Manager	30-Jun-11	To render effective and efficient ICT Services	F	100% Achieved: The survey was conducted	None
Conduct a customer satisfaction survey for the assistance given to LM's	Results of the customer satisfaction survey	30-Jun-11	To render effective and efficient ICT Services	G	0% Not achieved	Questionnaires will be designed for 2011/12 financial year

KPA 3: Local Economic Development

Planned Performance				File ref.	Actual Performance as at 30 June 2011	Corrective measures taken / to be taken to improve performance
2010/11						
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
Systems of the municipality supports LED						
Ensure that local companies are given preference points in procurement of goods and services	Preference points given to local companies	Bid reports	N/A	A	100% Achieved: Companies located within the District are allocated additional points in line with the SCM Policy	None
Ensure that the SMME's are given preference points in procurement of goods and services	Preference points given to SMME's	Bid reports	N/A	B	100% Achieved: SMME's are allocated an additional points in line with the SCM Policy	None

KPA 4: Municipal Financial Viability and Management

Planned Performance				File ref.	Actual Performance as at 30 June 2011	Corrective measures taken / to be taken to improve performance
2010/11						
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
Ensure timely preparation of the Directorate's budget for 2011/12 based on the approved IDP	Prepare the directorate's budget	31-Mar-11	N/A	A	100% Achieved: The budget for the institution was prepared and tabled in February	None
Ensure sound management of the budget votes allocated to the directorate						
No irregular expenditure	Be reported to the Municipal Manager	Ongoing (None be incurred)	N/A	B	100% Achieved: No irregular expenditure has been incurred by the department. All irregular expenditure by other departments have been reported to Council	None
No unauthorized expenditure					100% Achieved: No unauthorized expenditure has been incurred by the department. All unauthorized expenditure by other departments have been reported to Council	None
No fruitless and wasteful expenditure					100% Achieved: No fruitful and wasteful expenditure has been incurred.	None

FEZILE DABI DISTRICT MUNICIPALITY

ANNUAL REPORT - 2010/11

Planned Performance				File ref.	Actual Performance as at 30 June 2011	Corrective measures taken / to be taken to improve performance
2010/11						
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
Ensure the full implementation of GRAP/GAMAP	Implemented GRAP/GAMAP	In line with implementation plan	To provide financial management services that enhance viability and compliance with the requirements of MFMA and other relevant legislation	C	100% Achieved: All systems are in place to ensure that the Financial Statements for 2010/11 are prepared in compliance with GRAP Standards.	None
Complete the 2009/10 annual financial statements	Completed annual financial statements	31-Aug-10	To provide financial management services that enhance viability and compliance with the requirements of MFMA and other relevant legislation	D	100% Achieved: Financial Statements were prepared and submitted on time.	
Achieve financially unqualified audit report for the municipality for 2009/10 financial statement	Unqualified audit report	15-Dec-11	To provide financial management services that enhance viability and compliance with the requirements of MFMA and other relevant legislation	E	100% Achieved: The municipality received unqualified audit report for 2010/11	None
Manage the municipality's cash flow and long term liabilities, always ensuring that sufficient cash is available to repay loans on due dates and meet current budget commitment						
Checklist in place to ensure long and short term liabilities	Available checklist	Quarterly	To provide financial management services that enhance viability and compliance with the requirements of MFMA and other relevant legislation	F	100% Achieved: Checklist is in place	None
Ensure that the section 72 report is	Developed section 72 report	31-Jan-11	To provide financial	G	100% Achieved: Section 72	None

FEZILE DABI DISTRICT MUNICIPALITY

ANNUAL REPORT - 2010/11

Planned Performance				File ref.	Actual Performance as at 30 June 2011	Corrective measures taken / to be taken to improve performance
2010/11						
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
developed and submitted to Council and Treasury financial report			management services that enhance viability and compliance with the requirements of MFMA and other relevant legislation		report was prepared and submitted to Council for approval.	
Ensure that at least one project implemented at the local municipality improves the enhances the revenue of the municipality	One project implemented at local level.	30-Jun-11	To provide financial management services that enhance viability and compliance with the requirements of MFMA and other relevant legislation	H	100% Achieved: Revenue Enhancement and indigent verification and registration for Mqohaka Local Municipality	None

KPA 5: Good Governance and Public Participation

Planned Performance				File ref.	Actual Performance as at 30 June 2011	Corrective measures taken / to be taken to improve performance
2010/11						
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
Ensure that the budget process plan is submitted to Council for approval. Ensure that community participation processed is completed by 31 May 2011.	Approved budget process plan	31 Aug 2010 & 30 May 2011	N/A	A	100% Achieved: the budget process plan was approved by Council on the 6 th August 2010. Budget participation processes were held with the community.	None
Creditors are paid within 30 days of receiving valid tax invoices. No complaints are received from creditors	Payments made within 30 days to creditors	Monthly	N/A	B	100% Achieved: All valid invoices received by the Finance Department for	None

FEZILE DABI DISTRICT MUNICIPALITY

ANNUAL REPORT - 2010/11

Planned Performance				File ref.	Actual Performance as at 30 June 2011	Corrective measures taken / to be taken to improve performance
2010/11						
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
regarding late payment					action are paid within standard set by finance of 7 days. No complaints received in this quarter.	
Respond satisfactorily to internal and external audit queries relating to the directorate	Swift and positive responses to audit queries	Within 5 working days after receipt of request.	N/A	C	90% Achieved: Issues raised have been responded to within 3 working days	None
Implement PROPAC resolutions relating to financial management	Implemented PROPAC resolutions	100% responded and resolved	N/A	D	100% Achieved: All PROPAC questions were answered and additional information as requested by Propac was submitted	None
Ensure submission of report containing irregular, fruitless and wasteful expenditure to Council on quarterly	Submit the report	Quarterly	N/A	E	100% Achieved: Irregular expenditure and deviation report was submitted to Council for consideration.	None
Ensure that the CFO forum of the district seat at least 3 times in the financial year	CFO Forum meetings	Three sittings in a year	N/A	F	33.3% Achieved: 1 Meeting of the CFOs Forum was held in the first six months:	In addition individual meetings were held with Ngwathe and Mafube CFO's
Ensure that the finance portfolio committee seats at least two times in each financial year to consider financial reports	Meetings of the Finance Portfolio Committee	Two meetings in each quarter	N/A	G	100% Achieved: Finance Portfolio Committee had meetings in August and September, October and November, January and March	None

LED & TOURISM DIRECTORATE

KPA 1: Municipal Transformation and Organisational Development

Planned Performance				File ref.	Actual Performance as at 30 June 2011	Corrective measures taken / to be taken to improve performance
2010/11						
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
Prepare monthly and quarterly performance assessment reports of the department.	Reports prepared and submitted to the Municipal Manager/ Management	Monthly & quarterly	To ensure effective and efficient administration	A	100% Achieved: Reports have been prepared and submitted accordingly.	None
Implement the customer care management system and policy for the department that is linked to the municipality's customer care system and conduct at least one customer satisfaction surveys and present the report to the Municipal Manager	Implement customer care management system and conduct customer satisfaction surveys	30 Jun 2011 (1 Customer satisfaction surveys)	To ensure effective and efficient administration	B	0% Achieved:	To follow it up with the Finance department if there is no system, draft our new customer care system.
Training schedule developed based on the workplace skills plan and training done on WSP training schedule	Training schedule be developed as per the WSP	Monthly (Ongoing)	To enhance human capacity & productivity within the municipality.	C	100% Achieved: Officials within the department have undergone training as per the training schedule	None
All employees allocated to the department each has a personal performance and development plan for the current financial year and subject to implementation by CSS	Personal performance and development plans developed for employees	31-Oct-10	To ensure effective and efficient administration	D	100% Achieved: Individual scorecards have been developed for post 1-3.	Quarterly reviews of post level 1-3 needs to take place
Departmental meetings are held	Meetings with staff	Quarterly	To ensure effective and efficient administration	E	100% Achieved: Meetings with departmental staff are held.	None
All departmental staff members signs the attendance register	Attendance register signed and times adhered to at all times	Ongoing (Daily)	To ensure effective and efficient administration	F	100% Achieved: Staff members have been signing the attendance register daily.	None

FEZILE DABI DISTRICT MUNICIPALITY

ANNUAL REPORT - 2010/11

KPA 2: Service Delivery and Infrastructure Development

Planned Performance				File ref.	Actual Performance as at 30 June 2011	Corrective measures taken / to be taken to improve performance
2010/11						
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
Tourism						
Number of awareness trainings provided	Conducted awareness trainings	30 Sep 2010, 31 Mar & 30 Jun 2011 (3 trainings awareness conducted)	To promote tourism in the FDDM	A	100% Achieved: 3 Training sessions were conducted.	None
Number of establishments graded	Graded establishments	30 Jun 2011 (10 establishments graded)	To promote tourism in the FDDM	B	100% Achieved: Establishments were graded	None
Number of B&B's assisted	Assisted B&B's	30 Dec 2010 (4 B&B's out of the 10 above)	To promote tourism in the FDDM	C	100% Achieved: B& B's were assisted	None
Number of adverts placed	Advertisements placed	Ongoing (6 Adverts)	To promote tourism in the FDDM	D	100% Achieved: Advertisements were placed accordingly.	None
Number of shows attended	Attended shows	Sep, Nov 2010 & Mar, May 2011 (5 shows to attend)	To promote tourism in the FDDM	E	100% Achieved: Shows have been attended.	None
Number of tourism awareness campaigns	Tourism awareness campaigns conducted	July – Sep 2010 (Vredefort and Parys)	To promote tourism in the FDDM	F	100% Achieved: Awareness campaigns were conducted.	None
Number of Tourism visit feedback (Tourist feedback register)	Tourists feedback register	31 Jan & 30 Jun 2011 (5 per industry)	To promote tourism in the FDDM	G	100% Achieved :	Tourists feedback register needs to be developed

FEZILE DABI DISTRICT MUNICIPALITY

ANNUAL REPORT - 2010/11

Planned Performance				File ref.	Actual Performance as at 30 June 2011	Corrective measures taken / to be taken to improve performance
2010/11						
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
Planting, greening and irrigation at the VDWHs	Landscaping done at the VDWHs	30 Jun 2011 (Landscaping at the VDWHs)	To promote tourism in the FDDM	H	100% Achieved:	Work in progress
Working sessions with LTO's	Working sessions held with LTO's	Dec 2010 & 30 Jun 2011 (2 workshops/sessions)	To promote tourism in the FDDM	I	100% Achieved: Sessions were held with LTO's	None
Number of crafters workshops conducted	Conducted crafters workshop	30 Nov 2010 & 30 Jun 2011 (3 workshops)	To promote tourism in the FDDM	J	100% Achieved: Crafters workshops were conducted and exhibitions attended to.	None
Provision of assets and equipment for resorts	Assets and equipment provided at resorts	As per applications from local municipalities (3 resorts)	To promote tourism in the FDDM	K	75% Achieved: Assistance has been provided to LM's	None
Supporting and assisting new products/initiatives	Supported and assisted new initiatives	Ongoing (3 new products / initiatives)	To promote tourism in the FDDM	L	100% Achieved: New initiatives have been supported	None
Tourism month awareness campaign	Tourism month awareness campaign conducted	Sep to 30 Oct 2010 (Riemland route, Vredefort Heritage Route, Provincial Tourism Month Launch)	Tourism month awareness campaign	M	95% Achieved: Awareness campaign conducted.	None
Sports Development						
Number of activities coordinated	Activities coordinated	30 Jun 2011 (Coordinated as	To plan, coordinate & support Sports, Arts & Culture	N	100% Achieved: All activities were coordinated as per the	None

FEZILE DABI DISTRICT MUNICIPALITY

ANNUAL REPORT - 2010/11

Planned Performance				File ref.	Actual Performance as at 30 June 2011	Corrective measures taken / to be taken to improve performance
2010/11						
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
		per sports plans)			Sports Plans	
Number of enrolled local performing artists in academic institutions	Enrolled local performing artists	30 Jun 2011 (2 amateur groups or individuals)	To plan, coordinate & support Sports, Arts & Culture	O	100% Achieved: Local performing artists have been enrolled	None
Identification of adventure sport and train selected youth	Trained youth on adventure sport	01 Jun 2011 (10 Youth participants)	To plan, coordinate & support Sports, Arts & Culture	P	100% Achieved: Youth participants have been trained on adventure sport	None
To meet the prescriptions of OR Tambo Games	Met prescriptions of OR Tambo Games	Annual Event (OR Tambo Games participation)	To plan, coordinate & support Sports, Arts & Culture	Q	100% Achieved: FDDM participated in the OR Tambo Games	None
Ensure the administration, organization and hosting of the Mayoral Cup	Successful hosting and organizing of the Mayoral Cup	Annual Event (Mayoral Cup Held)	To plan, coordinate & support Sports, Arts & Culture	R	100% Achieved: MAYORAL Cup was held	None
The number of sponsorships provided for top achievers	Sponsorships provided to top achievers	Annual event (As per request)	To plan, coordinate & support Sports, Arts & Culture	S	100% achieved: dependent on the application	The municipality can only assist if there is an application or request
Improve sports in rural areas	Sports development in rural areas	Ongoing (4 Local Municipalities)	To plan, coordinate & support Sports, Arts & Culture	T	100% Achieved: Needs assessment was conducted	None
Hosting of sport events	Hosted sports events	Ongoing (1 Event hosted)	To plan, coordinate & support Sports, Arts & Culture	U	100% Achieved: OR Tambo games were held.	None

FEZILE DABI DISTRICT MUNICIPALITY

ANNUAL REPORT - 2010/11

KPA 3: Local Economic Development

Planned Performance				File ref.	Actual Performance as at 30 June 2011	Corrective measures taken / to be taken to improve performance
2010/11						
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
Local Economic Development						
Updating of the district economic development strategy with growth areas	Economic development strategy with growth areas	Dec 2010 (1 Strategy be developed)	To create an environment that stimulates the economic growth	A	0% Achieved:	Economic strategy must be developed
LED Summit	The summit be held	Oct 20 10 (1 summit be held)	To create an environment that stimulates the economic growth	B	100% Achieved: The summit was held on 30 March 2011 (However it was renamed to Business Conference Day)	None
Number of identified LED projects and monitoring reports	Identified LED projects and reports	Ongoing (As per the research conducted)	To create an environment that stimulates the economic growth	C	100% Achieved: LED projects were identified	None
Number of established public private partnership per municipality	Established public private partnerships	31 Dec 2010 (At least 4 PPP's established)	To create an environment that stimulates the economic growth	D	75% Achieved: PPP's have been established.	None
Number of engagements with the relevant stakeholders	Engagements with stakeholders be held	31 Dec 2010 (At least 4 meeting be held)	To create an environment that stimulates the economic growth	E	100% Achieved: Stakeholder meetings were held	None
Compilation of the regional natural resources registers	Natural resource register developed	30 Jun 2011 (1 database developed)	To create an environment that stimulates the economic growth	F	0% Achieved:	Natural resource register database must be developed
MoU signed with different corporate companies across the border	Signed MoU's with Corporate Companies	Ongoing (Sign with 3 companies)	To create an environment that stimulates the economic growth	G	33,3% Achieved: MoU has been signed	None
Number of interactive sessions with local municipalities	Interactive sessions conducted with LM's	Jul to Sep 2010 (6 sessions held with LM's)	To create an environment that stimulates the economic growth	H	33,3% Achieved: Interactive sessions with local municipalities	None

FEZILE DABI DISTRICT MUNICIPALITY

ANNUAL REPORT - 2010/11

Planned Performance				File ref.	Actual Performance as at 30 June 2011	Corrective measures taken / to be taken to improve performance
2010/11						
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
Number of consultation workshops with COGTA on LED issues	Consultation workshops conducted	30 Oct & Dec 2010 (2 workshops)	To create an environment that stimulates the economic growth	I	100% Achieved: Consultation workshops were held	None
Community Development						
The schedule of interaction meetings with CDW's, CBO's and NGO's	A drawn schedule of interaction meetings	Ongoing (1 meeting per local municipality)	To support and provide interventions and assistance to CBO's and self-help groups	J	100% Achieved: The schedule of meetings is available	None
Linkages with stakeholders and establishment of sustainable homestead food gardens	Established sustainable homestead food gardens	Ongoing (As per information from the stakeholders)	To support and provide interventions and assistance to CBO's and self-help groups	K	100% Achieved: Homestead food gardens	None
Number of necessary equipment and aid for the disability centres	Necessary equipment and support for centres	Jul, Nov 2010 & Feb, Jun 2011 (At least 3 centres aided)	To support and provide interventions and assistance to CBO's and self-help groups	L	100% Achieved: Equipment has been purchased	None
Report on needs analysis of the ECD's	Needs analysis report	Ongoing (1 report)	To support and provide interventions and assistance to CBO's and self-help groups	M	0% Achieved:	Analysis report needs to be done
Number of workshops and programmes conducted to empower community based care givers	Empowerment workshops conducted	Jul, Nov 2010 & Feb, Jun 2011 (1 workshop per LM)	To support and provide interventions and assistance to CBO's and self help groups	N	0% Achieved:	Workshops must be conducted as per the target and time frame
Compilation database of ECD, NGO, NPO and CBO's	Detailed completed Database	31 Jan 2011 (1 Database)	To support and provide interventions and assistance to CBO's and self-help groups	O	100% Achieved: Detailed database is available	None
Allocation of annual funding to municipal	Allocated funding to	Ongoing (2	To support and provide	P	100% Achieved: Funding	None

FEZILE DABI DISTRICT MUNICIPALITY

ANNUAL REPORT - 2010/11

Planned Performance				File ref.	Actual Performance as at 30 June 2011	Corrective measures taken / to be taken to improve performance
2010/11						
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
theatres	theatres	Municipal theatres)	interventions and assistance to CBO's and self help groups		has been allocated to Metsimaholo LM	
Purchasing of required equipment for artists	Procured equipment	31 Jan 2011 (1 Sound system package)	To support and provide interventions and assistance to CBO's and self help groups	Q	100% Achieved:	Group is not yet finished with training
Number of groups to be assisted	Groups assisted	Ongoing (6 performing groups)	To support and provide interventions and assistance to CBO's and self help groups	R	25% Achieved: Groups have already been assisted.	None
SMME's						
Number of regional training programmes conducted	Conducted regional training programmes	30 Jun 2011 (5 SMME's per LM)	To promote & enhance the SMME sector in the district	S	100% Achieved: Trainings have been conducted	None
Number of trainings provided	Training provided	30 Jun 2011 (10 SMME's per LM & 30 unemployed youth)	To promote & enhance the SMME sector in the district	T	100% Achieved: Training has been provided	None
Number of SMME's training	Trained SMME's	Jul 2010 to Jun 2011 (20 SMME's per municipality)	To promote & enhance the SMME sector in the district	U	100% Achieved: SMME's trainings have taken place	None
Establish more functional SMME's cooperatives and self help groups	SMME's cooperatives and self help groups established	30 Jun 2011 (4 Diversified cooperatives)	To promote & enhance the SMME sector in the district	V	25% Achieved: Self-helps groups and cooperatives have been established	None
Number of SMME's registered in the scheme	Registered SMME's	30 Jun 2011 (25 SMME's)	To promote & enhance the SMME sector in the district	W	84% Achieved: SMME's have been registered	None
Compilation of business plans and funds application	Prepared business plans application of funds	28 Feb 2011 (Approved)	To promote & enhance the SMME sector in the district	X	0% Achieved:	Business plan must be prepared for funding.

FEZILE DABI DISTRICT MUNICIPALITY

ANNUAL REPORT - 2010/11

Planned Performance				File ref.	Actual Performance as at 30 June 2011	Corrective measures taken / to be taken to improve performance
2010/11						
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
		business plans)				
Small scale glass making factory	Functional glass making factory	30 Jun 2011 (1 Glass making factory)	To promote & enhance the SMME sector in the district	Y	0% Achieved:	Upon approval of the business plan and provision of funding
A business plan for recycling and an application for funding	Approved business plan and application for funding	28 Feb 2011 (1 approved business plan)	To promote & enhance the SMME sector in the district	Z	0% Achieved:	Approved business plan must be in place
A fully funded and operational recycling centre	Functional recycling centre	30 Jun 2011 (1 recycling centre)	To promote & enhance the SMME sector in the district	AA	0% Achieved:	Work in progress
Agricultural dimension						
Establishment of agro-processing businesses	Established agro-processing businesses	30 Jun 2011 (2 Agro-processing businesses)	To develop emerging farmers into the mainstream of farming	BB	0% Achieved:	Feasibility study needs to be done.
Number of market contracts established with distributors	Established market contracts	31 Mar 2011 (1 contract per municipality with commercial farmers)	To develop emerging farmers into the mainstream of farming	CC	25% Achieved: Market contracts established.	
Consultation with relevant sector departments and institutions	Meetings held with relevant sector departments and institutions	30 Apr 2011 (Meeting held)	To develop emerging farmers into the mainstream of farming	DD	100% Achieved: Meetings with relevant stakeholders	None
Facilitation of the development of agricultural sector plan	Approved agricultural sector plan	30 Sep 2010 (Approved agricultural sector plan)	To develop emerging farmers into the mainstream of farming	EE	100% Achieved: Approved agricultural sector plan	None
The number of advertisements in the related publications and exposure at	Published advertisements	Jul 2010 to Jun 2011 (6 adverts)	To develop emerging farmers into the mainstream of	FF	0% Achieved:	Adverts must be published as per the target

FEZILE DABI DISTRICT MUNICIPALITY

ANNUAL REPORT - 2010/11

Planned Performance				File ref.	Actual Performance as at 30 June 2011	Corrective measures taken / to be taken to improve performance
2010/11						
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
events		in selected publications and 2 events)	farming			
Interaction with LMs and DoA	Meetings held	31 Mar 2011 (1 database of District Emerging farmers)	To develop emerging farmers into the mainstream of farming	GG	100% Achieved: The database is available.	None

KPA 4: Municipal Financial Viability and Management

Planned Performance				File ref.	Actual Performance from 01 July 2010 to 30 June 2011	Corrective measures taken / to be taken to improve performance
2010/11						
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
Ensure timely preparation of the Directorate's budget for 2011/12 based on the approved IDP	Prepare the directorate's budget	31-Mar-11	N/A	A	100% Achieved: The budget inputs of the department were submitted to the budget office during the budget preparation	None
Ensure sound management of the budget votes allocated to the directorate						
No irregular expenditure	Be reported to the Municipal Manager	Ongoing (None be incurred)	N/A	B	80% Achieved: Incidences of irregular expenditure were encountered	The incident was reported to the MM
No unauthorized expenditure					100% Achieved: No	None

FEZILE DABI DISTRICT MUNICIPALITY

ANNUAL REPORT - 2010/11

					incidences of unauthorized expenditure were encountered	
No fruitless and wasteful expenditure					100% Achieved: No incidences of fruitless and wasteful expenditure were encountered	None
Respond satisfactorily to internal and external audit queries relating to the directorate	Swift and positive response to audit related queries.	Ongoing (Within 3 days upon receipt of queries)	N/A	C	75% Achieved: All queries against the department were responded to swiftly and appropriately	None

KPA 5: Good Governance and Public Participation

Planned Performance				File ref.	Actual Performance as at 30 June 2011	Corrective measures taken / to be taken to improve performance
2010/11						
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
Ensure public participation in the development of the LED strategy	Involvement of the local communities in the development of the LED strategy	30 Jun 2011 (A report be presented to the Municipal Manager)	N/A	A	0% Achieved:	Community must be involved during the development of the LED Strategy
Ensure public participation in the development of the LED plan for FDDM	Involvement of the local communities in the development of the LED plan	30 Jun 2011 (A report be presented to the Municipal	N/A	B	0% Achieved:	Local communities be involved during the development of the LED Plan

FEZILE DABI DISTRICT MUNICIPALITY

ANNUAL REPORT - 2010/11

Planned Performance				File ref.	Actual Performance as at 30 June 2011	Corrective measures taken / to be taken to improve performance
2010/11						
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
		Manager)				
Establish the District Economic Forum for the monitoring of the implementation of LED strategy and plan	Established and functional District Economic Forum	28-Feb-11	N/A	C	100% Achieved: District Economic Forum be established	None
Ensure that all stakeholders are well informed regarding ASGISA and LED matters by conducting information sessions with						
Ward committees Councillors and Officials	Information sessions held	Ongoing (Sessions conducted)	N/A	D	0% Achieved:	Sessions must be held as a matter of urgency.
Conduct a comprehensive risk analysis and assessment of the directorate based on the risk assessment model of the municipality and submit report to Municipal Manager for approval	Analysis and assessment report is submitted to the Municipal Manager	Quarterly	N/A	E	100% Achieved: Risk analysis has been done for the department	None

CORPORATE SUPPORT SERVICES DIRECTORATE

FEZILE DABI DISTRICT MUNICIPALITY

ANNUAL REPORT - 2010/11

KPA 1: Municipal Transformation and Organizational Development

Planned Performance				File ref.	Actual Performance as at 30 June 2011	Corrective measures taken / to be taken to improve performance
2010/11						
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
Number of personnel leaving the municipality	Low turnover of staff through implementation of the retention strategy.	Monthly (Zero personnel turnover)	To enhance human capacity & productivity within the municipality.	A	100% Achieved: None of the FDDM officials has left the organization	None
Number of employees assisted through the Employee Assistance Program	Healthy & productive workforce through EAP and Internal Sports Activities.	Monthly (All officials part-take voluntarily)	To enhance human capacity & productivity within the municipality.	B	100% Achieved:	This is a voluntary programme
Number of sporting activities held for staff.	Participation by all interested officials	Quarterly (At least 1 sporting activity)	To enhance human capacity & productivity within the municipality.	C	100% Achieved: 8 Sporting events were conducted.	None
Number of policies	Consistency of policies applications and reviews	30 Jun 2011 (At least 8 policies be reviewed)	To enhance human capacity & productivity within the municipality.	D	25% Achieved: As per the management resolution 2 policies were reviewed.	None
Number of employees awarded bursaries	Competent and skilled employees	May & June 2010, Jan & Feb 2011 (All officials subject to availability of funds)	To enhance human capacity & productivity within the municipality.	E	100% Achieved: Bursaries were awarded to officials.	None
Reviewed Employment Equity Plan and reporting to relevant authorities	Effective implementation of recognized collective agreements, applicable legislation and policies to ensure healthy and conducive working environment.	30 Sep 2010 (Compliance reporting)	To maintain sound labour relations	F	100% Achieved: The status quo remains as the per management resolution.	None
Compliance with collective agreements	Local Municipalities comply	Monthly (All	To maintain sound labour	G	100% Achieved: Reports are	None

FEZILE DABI DISTRICT MUNICIPALITY

ANNUAL REPORT - 2010/11

Planned Performance				File ref.	Actual Performance as at 30 June 2011	Corrective measures taken / to be taken to improve performance
2010/11						
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
legislation and policies	with relevant legislation, policies and collective agreements	Local Municipalities comply)	relations		submitted to LGSETA.	
Number of Local Labour Forums Meetings	Meetings of Local Labour Forums held	Quarterly (4 Meetings)	To maintain sound labour relations	H	50% Achieved: LLF Meeting was held.	None
Number of employees received training as per the Workplace Skills Plan	Competent employees	30 Jun 2011 (75% of the WSP be implemented for FDDM, Mafube and Ngwathe LM)	To capacitate and support all municipalities within the District for service excellence (institutional arrangements)	I	100% Achieved: Management meetings minutes.	None
Number of employees and Councillors trained	Rollout capacity building program of interventions to provide municipal workers and councillors with necessary competencies	30 Jun 2011 (50% of workers and Councillors trained in the program for FDDM, Mafube and Ngwathe LM)	To capacitate and support all municipalities within the District for service excellence (institutional arrangements)	J	100% Achieved: Training was conducted as per the needs analysis results	None
Documented Mid-Year and Annual Training Report	Timely prepared and documented Training Report	30 Jun 2011 (FDDM, Mafube & Ngwathe LM)	To capacitate and support all municipalities within the District for service excellence (institutional arrangements)	K	100% Achieved: Submission of Mid-year and Annual Training Report was done	None
Number of capacity building projects	Institutional assistance to local municipalities	Quarterly (4 capacity	To capacitate and support all municipalities within the	L	100% Achieved: Assistance has been provided to local	None

FEZILE DABI DISTRICT MUNICIPALITY

ANNUAL REPORT - 2010/11

Planned Performance				File ref.	Actual Performance as at 30 June 2011	Corrective measures taken / to be taken to improve performance
2010/11						
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
		building projects to Local Municipalities)	District for service excellence (institutional arrangements)		municipalities	
Number of district legal Forum meetings held	Reduced litigation cases	Bi-Annually (2 Meetings held)	To ensure that all municipalities within the district comply with all applicable legislative framework	M	Not applicable: Delay due to the moratorium on filling vacant positions	Meeting needs to be held.
Number of learnerships, internships, bursaries and in-service training provided.	Create a data base of students and unemployed in the district and ensure qualified and experienced students through interventions	Ongoing (All Local Municipalities)	To create skills development opportunities for students and unemployed in the district	N	100% Achieved: A database of the unemployed youth has been developed.	None
Number of customer satisfactory surveys conducted	Responsive administration	30 Jun 2011 (3 Surveys for Sector Departments, Communities and Local Municipalities) Quarter 2,3 & 4	To ensure effective and efficient administration	O	100% Achieved: A questionnaire has been submitted to local municipalities and no responses were received, however follow-ups email were done.	None
Maintenance of classified information	No leakage of confidential information	Ongoing	To ensure effective and efficient administration	P	100% Achieved: No classified information has leaked.	None
Timeous response to correspondence and queries	Swift and prompt response	Ongoing (All queries responded to	To ensure effective and efficient administration	Q	100% Achieved: All queries have been responded	None

FEZILE DABI DISTRICT MUNICIPALITY

ANNUAL REPORT - 2010/11

Planned Performance				File ref.	Actual Performance as at 30 June 2011	Corrective measures taken / to be taken to improve performance
2010/11						
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
		satisfactorily)				
Rate of safety incidents and claims reduced	No incidence and injuries through the implementation of Occupational Health & Safety Act	Ongoing (Zero incidences at all FDDM Working stations/premises)	To ensure effective and efficient administration	R	100% Achieved: A report reflecting the incidents was submitted to management.	None
Accountable administration and disciplined workforce	No elements of fraud, theft, corruption and mismanagement of assets	Aug & Sept 2010 (All officials & Councillors be workshoped)	To ensure effective and efficient administration	S	100% Achieved: No reported or investigated cases	None
Trained IT technicians	Capable in house IT Support	Ongoing (IT Staff be trained)	To render effective and efficient ICT Services	T	0% Achieved: Training is conducted as per the WSP	Training will be conducted as and when necessary.
Prepare performance assessment report of the directorate	Submit monthly & quarterly reports to management	Monthly and Quarterly (All relevant reports concerning the Directorate be submitted)	To ensure effective and efficient administration	U	100% Achieved: Reports were submitted for management consideration.	None
Develop, implement & maintain corporate employment equity plan	Employment Equity Plan	30-Oct-10	To ensure effective and efficient administration	V	100% Achieved: As per the Council resolution	None
Conduct qualitative assessment as required in terms of section 19 of the Act	Qualitative assessment report	30-Oct-10	To ensure effective and efficient administration	W	0% Achieved:	Qualitative assessment report
Submit assessment report to Council and trade unions with recommendations and target dates	Submit the report to Council and Trade Unions	28-Aug-10	To ensure effective and efficient administration	X	0% Achieved:	Qualitative assessment report
Employment equity numerical goals established per job level and	Employment Equity numerical goals established	30-Nov-10	To ensure effective and efficient administration	Y	100% Achieved: As per the Council resolution	None

FEZILE DABI DISTRICT MUNICIPALITY

ANNUAL REPORT - 2010/11

Planned Performance				File ref.	Actual Performance as at 30 June 2011	Corrective measures taken / to be taken to improve performance
2010/11						
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
occupational category for the 2010/2011 FY						
Prepare draft policy regarding organizational design, approving and changing the organizational structure, creating and abolishing posts of the staff establishment in the workplace	Draft policy be developed	30-Oct-10	To ensure effective and efficient administration	Z	100% Achieved: As per the memorandum on post level adjustment and organizational design policy as well as resolution Organizational Development.	None
Workplace Skills Plan submitted to LGSETA and training done according to the WSP	WSP be submitted to LGSETA	30-Sep-10	To enhance human capacity & productivity within the municipality.	AA	100% Achieved: WSP was submitted to LGSETA	None
Submit quarterly training reports to SETA	Ensure compliance by submitting reports as required	Quarterly (4 training reports be submitted)	Compliance with legislation	BB	100% Achieved: Reports are submitted accordingly	None
Conduct a systematic skills analysis of all staff members, comparing personal skills to required skills.	Develop the Skills Audit Report	31-Jan-11	To enhance human capacity & productivity within the municipality.	CC	100% Achieved: Skills audit report has been developed	None
Based on the skills analysis, establish a medium term (3 year) training / capacity building programme.	Medium term capacity building program developed	28-Feb-11	To enhance human capacity & productivity within the municipality.	DD	100% Achieved: 3 Year Medium Term Plan is available	Implementation will be done as from 01 July 2011
All staff members signs the attendance register	Attendance register be signed and monitored at all times	Daily	To ensure effective and efficient administration	EE	85% Achieved: Attendance register is signed daily	None
Departmental meetings are held	Departmental meetings conducted	Quarterly	To ensure effective and efficient administration	FF	25% Achieved: As per the departmental and Management Minutes	None
Develop a detailed operational plan (SDBIP) for the Directorate that clearly	A detailed SDBIP be developed of the	30-Mar-11	To ensure effective and efficient administration	GG	100% Achieved: A departmental operational plan	None

FEZILE DABI DISTRICT MUNICIPALITY

ANNUAL REPORT - 2010/11

Planned Performance				File ref.	Actual Performance as at 30 June 2011	Corrective measures taken / to be taken to improve performance
2010/11						
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
defines the objectives to be achieved by the Directorate, the strategies to achieve the objectives, the service delivery and performance indicators as well as budget required.	Directorate.				is available	
Implement an employee performance appraisal system for post level 1-3	PMS be cascaded down & implemented to post level 1-3	01-Oct-10	To ensure effective and efficient administration	HH	100% Achieved: Individual scorecards have been developed for post 1-3.	Quarterly performance reviews needs to take place in the new financial year.
Workshop proposed employee performance appraisal system with Councillors, Management and Trade Unions for post level 4-7	Workshop be conducted	31-Dec-10	To ensure effective and efficient administration	II	100% Achieved: Workshop for post level 4-7 has been conducted	None
Each employee allocated to the Directorate has a personal performance and development plan for the current financial year for post level 1-7	Allocate personal performance and development plan for post 1-7	31-Aug-10	To ensure effective and efficient administration	JJ	100% Achieved: only post level 1-3	Other post levels will be dealt with in the next financial year. A phased in approach is used.
Prepare and implement written procedure manuals for each activity conducted in the Directorate.	Procedure manuals be developed	31-Aug-10	To ensure effective and efficient administration	KK	100% Achieved: Documented procedure manual	None
Prepare an annual business plan for the Directorate based on the IDP and the functions assigned to the Directorate together with the designated portfolio councillor prior to the preparation of the 2011/12 directorate draft budget.	Directorate business plan be developed	31-Dec-10	To ensure effective and efficient administration	LL	100% Achieved: Business plan has been developed and inputs incorporated in the institutional SDBIP.	None

KPA 2: Service Delivery and Infrastructure Development

Planned Performance				File ref.	Actual Performance from 01 July 2010 to 30 June 2011	Corrective measures taken / to be taken to improve performance
2010/11					As at 30 June 2011	
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
Develop and submit to the Municipal Manager, for submission to the Executive Mayor and consideration by the Council a corporate training strategy for the training of Councillors and employees consistent with the WSP	Submission of the Corporate Training Strategy	28-Feb-11	To enhance human capacity & productivity within the municipality.	A	100% Achieved: Corporate Training Strategy was developed and submitted to management	None
Conduct an audit of compliance with legislation affecting the Directorate	Submit the legislation compliance report to the Municipal Manager	30-Jun-11	To ensure effective and efficient administration	B	100% Achieved: legislation compliance audit was carried out.	None
Keep track of, study and analyze proposed new national and provincial legislation and policies affecting local government and prepare a draft comment thereon for consideration by the Executive Mayor and Council	Submission of legislation and policies affecting local government to Executive Mayor and Council with comments.	31-Mar-11	To ensure effective and efficient administration	C	100% Achieved: This is an ongoing process	None
Prepare and submit reports regarding the foreseeable implications and implementation of new legislation and policies affecting local government for consideration by the Executive Mayor and Council	Submit reports of legislation implications to the Executive Mayor and Council	31-Mar-11	To ensure effective and efficient administration	D	100% Achieved: Legislation reports were submitted	None
Prepare in a loose leaf or bound format a manual containing the municipality's policies and procedures	Manual of the municipality's policies and procedures	31-Dec-10	To ensure effective and efficient administration	E	100% Achieved: Manual containing the municipal policies has been developed.	None
Ensure that each Directorate, the	Submit a copy of the	31-Dec-10	To ensure effective and	F	100% Achieved: Copies	None

FEZILE DABI DISTRICT MUNICIPALITY

ANNUAL REPORT - 2010/11

Planned Performance				File ref.	Actual Performance from 01 July 2010 to 30 June 2011	Corrective measures taken / to be taken to improve performance
2010/11					As at 30 June 2011	
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
Municipal Manager and the Executive Mayor have a copy of the manual	manual to each Directorate, Municipal Manager and Executive Mayor		efficient administration		were submitted to the respective offices	
Develop a comprehensive HR Policy Manual and submit it to the Municipal Manager for adoption by the Council	A detailed comprehensive HR Policy Manual be submitted	31-Dec-10	To ensure effective and efficient administration	G	100% Achieved: HR policy manual is available	None

KPA 3: Local Economic Development

Planned Performance				File ref.	Actual Performance from 01 July 2010 to 30 June 2011	Corrective measures taken / to be taken to improve performance
2010/11					As at 30 June 2011	
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
Monitor the implementation of the IDP projects allocated to the department	Monitoring of IDP project implemented by the directorate	Ongoing	N/A	A	100% Achieved: All projects within the department were monitored	None
Service providers meet performance standards as per Service Level Agreement	Performance standards are met by service providers	Ongoing	N/A	B	100% Achieved: SLA's are signed with all service providers appointed by the department	None
Project plans and budget to be in place	Plans and budget be available	Ongoing	N/A	C	50% Achieved: Project plans are in place prior to the	None

FEZILE DABI DISTRICT MUNICIPALITY

ANNUAL REPORT - 2010/11

					commencement of the project	
Progress against project plans to be provided	Progress reports be submitted by the service provider	Ongoing	N/A	D	100% Achieved: Progress reports must be submitted by service providers	
Ensure that 80% of unskilled labour in all the major projects of the department/municipality is from the local municipality concerned.	Encourage, Promote and emphasize unskilled local labour in major projects.	Ongoing	N/A	E	100% Achieved: List of unskilled personnel employed in the EPWP	None

KPA 4: Municipal Financial Viability and Management

Planned Performance				File ref.	Actual Performance from 01 July 2010 to 30 June 2011	Corrective measures taken / to be taken to improve performance
2010/11					As at 30 June 2011	
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
Ensure timely preparation of the Directorate's budget for 2011/12 based on the approved IDP	Prepare the directorate's budget	Ongoing	N/A	A	100% Achieved: The budget inputs of the department were submitted to the budget office during the budget preparation	None
No irregular expenditure	Be reported to the Municipal Manager	None be incurred	N/A	B	100% Achieved: No incidences of irregular expenditure were encountered	None
No unauthorized expenditure					100% Achieved: No incidences of unauthorized expenditure were encountered	None

FEZILE DABI DISTRICT MUNICIPALITY

ANNUAL REPORT - 2010/11

No fruitless and wasteful expenditure					100% Achieved: No incidences of fruitless and wasteful expenditure were encountered	None
Respond satisfactorily to internal and external audit queries relating to the directorate	Swift and positive response to audit related queries.	Ongoing	N/A	C	100% Achieved: All queries against the department were responded to swiftly and appropriately	None

KPA 5: Good Governance and Public Participation

Planned Performance				File ref.	Actual Performance from 01 July 2010 to 30 June 2011	Corrective measures taken / to be taken to improve performance
2010/11					As at 30 June 2011	
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
Review the municipality's rules and orders if and when necessary	Reviewed rules and orders	Ongoing	To ensure effective and efficient administration	A	100% Achieved:	They are reviewed as and when necessary
Prepare a municipal reporting calendar to ensure that the municipality complies with reporting requirements in terms of primary legislations and regulations						
a) PMS Framework	Reporting calendar	31-Dec-10	To ensure effective and efficient administration	B	100% Achieved: Reporting framework has been developed	None
a) b) Municipal Systems Act	Reporting calendar	31-Dec-10	To ensure effective and efficient administration			
b) c) Municipal Performance Management Regulations	Reporting calendar	31-Dec-10	To ensure effective and efficient administration			

FEZILE DABI DISTRICT MUNICIPALITY

ANNUAL REPORT - 2010/11

Planned Performance				File ref.	Actual Performance from 01 July 2010 to 30 June 2011	Corrective measures taken / to be taken to improve performance
2010/11					As at 30 June 2011	
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
c) d) Employment Equity Act	Reporting calendar	31-Dec-10	To ensure effective and efficient administration			
Disciplinary cases conducted and finalized in compliance with the SALGBC Collective Agreement	Cases dealt with in compliance with SALGBC Collective Agreement	Ongoing	To maintain sound labour relations	C	100% Achieved: All disciplinary cases dealt with are in compliance with SALBGC agreement	None
Each contract overseen by the Directorate is executed in accordance with the relevant contractual stipulations	Oversee the signing of the SLA	Ongoing	To ensure effective and efficient administration	D	100% Achieved: All contracts are executed under a signed and agreed SLA terms and conditions	None
Service providers meet performance standards in terms of agreed quality, budgets and timelines						
Set input, output and outcome indicators for each service provider appointed by the Directorate	SLA's signed with the Directorate should include inputs and output indicators	Ongoing	To ensure effective and efficient administration	E	100% Achieved: SLA's and terms of reference from the tender document clearly outlines the output and outcome expected from the service provider.	None
Measure performance of service providers in terms of contracts	Service providers must provide project progress reports and feedback meetings held	Ongoing	To ensure effective and efficient administration	F	100% Achieved: Through SLA and reports submitted by the service provider	None
Contract variations are comprehensively documented, approved by the person/body that approved the principal contract and annexed to the principal	Contract variations be comprehensively documented	Ongoing	To ensure effective and efficient administration	G	100% Achieved: Contract variations have not been encountered	None

FEZILE DABI DISTRICT MUNICIPALITY

ANNUAL REPORT - 2010/11

Planned Performance				File ref.	Actual Performance from 01 July 2010 to 30 June 2011	Corrective measures taken / to be taken to improve performance
2010/11					As at 30 June 2011	
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
contract as properly executed and signed addendum.						
Conduct a comprehensive risk analysis and assessment of the directorate based on the risk assessment model of the municipality and submit report for approval to the municipal manager	Submit report of risk analysis to the Municipal Manager	30-Nov-10	To ensure effective and efficient administration	H	80% Achieved: Risk inputs were submitted to the Risk Officer to prepare a report	None
Develop a plan for capacitating of CDW's and ward committees for the alignment of their respective ward based projects to the local municipality's IDP's	Capacitating plan be developed for CDW's and ward committees	30-Nov-10	To enhance human capacity & productivity within the municipality.	I	100% Achieved: Provision of funding. Report/evidence from LGSETA	None
Ensure that the Corporate Support Services Forum Meetings are held	Meeting of CSS Forum	Quarterly	To ensure effective and efficient administration	J	100% Achieved: Meetings were held.	None

**COMMUNITY, HEALTH & ENVIRONMENTAL SERVICES
DIRECTORATE**

KPA 1: Municipal Transformation and Organizational Development

Planned Performance				File ref.	Actual Performance as at 30 June 2011	Corrective measures taken / to be taken to improve performance
2010/11						
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
Prepare monthly and quarterly performance assessment reports of the department.	Reports prepared and submitted to the Municipal Manager/ Management	Monthly & quarterly	To ensure effective and efficient administration	A	100% Achieved: Reports are submitted to Management, MAYCO, Portfolio and Council	None
Implement the customer care management system and policy for the department that is linked to the municipality's customer care system and conduct at least two customer satisfaction surveys and present the report to the Municipal Manager	Implement customer care management system and conduct customer satisfaction surveys	30 Jun 2011 (2 Customer satisfaction surveys)	To ensure effective and efficient administration	B	50% Achieved: Paraffin safety survey must be conducted.	Other surveys must be conducted.
Implement and monitor training schedule based on the workplace skills plan and training done on WSP training schedule	Training schedule be developed as per the WSP	Monthly (Ongoing)	To enhance human capacity & productivity within the municipality.	C	100% Achieved: Officials are attending as per the WSP training schedule	None
All employees allocated to the department each has a personal performance and development plan for the current financial year and subject to implementation by CSS	Personal performance and development plans developed for employees	31-Dec-10	To ensure effective and efficient administration	D	100% Achieved: Individual scorecards have been developed for post 1-3.	Quarterly performance reviews needs to take place in the new financial year.
Create a database and conduct an audit of compliance with legislation affecting the Directorate	Complete database and a compliance report on legislation audit	31-Jan-11	To ensure effective and efficient administration	E	100% Achieved: A database has been compiled.	None
All departmental staff members signs the attendance register	Attendance register signed and times adhered to at all times	Ongoing	To ensure effective and efficient administration	F	85% Achieved: All officials within the department sign the attendance register and monitored frequently.	None
Departmental meetings are held	Meetings with staff	Quarterly	To ensure effective and efficient administration	G	100% Achieved: Departmental meetings were	None

Planned Performance				File ref.	Actual Performance as at 30 June 2011	Corrective measures taken / to be taken to improve performance
2010/11						
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
					held	

KPA 2: Service Delivery and Infrastructure Development

Planned Performance				File ref.	Actual Performance as at 30 June 2011	Corrective measures taken / to be taken to improve performance
2010/11						
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
Departmental service providers meet performance standards in terms of agreed quality, budgets and timelines						
Set inputs, output and outcome indicators for each service provider appointed by the department	SLA outlines the inputs, outputs and outcomes	Ongoing/Monthly (Every contract as per agreed timeframes for assessment)	To ensure effective and efficient administration	A	100% Achieved: SLA's are signed with service providers appointed by the department.	None
Measure performance of service providers in terms of contracts	Performance progress report submitted by the service provider or meetings held	Ongoing (Reports submitted monthly)	To ensure effective and efficient administration	B	100% Achieved: Reports from service providers are submitted to indicate progress	None
Prepare and submit reports to the municipal manager and relevant political structure with regard to activities of the department regarding environmental health						
Monthly written report submitted to the Municipal Manager according to agreed format and providing agreed information and data	Monthly reports submitted to the Municipal Manager	Monthly	To ensure effective and efficient administration	C	100% Achieved: Monthly reports are submitted.	None
Enforce municipal health by-laws through inspection and issuing notices of	Issued notices of compliance	Monthly		D	100% Achieved: Notices are issued out.	None

FEZILE DABI DISTRICT MUNICIPALITY

ANNUAL REPORT - 2010/11

Planned Performance				File ref.	Actual Performance as at 30 June 2011	Corrective measures taken / to be taken to improve performance
2010/11						
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
compliance						
Conduct 3 workshops on environmental health awareness	Workshops conducted	31 May 2011 (3 Environmental health awareness workshops conducted)	To ensure that municipal health services are effectively and equitably provided in the district	E	100% Achieved: Workshops have been conducted at Deneysville of Health and Hygiene in conjunction with DWA and Metsimaholo Local Municipality. Basa project with 4 LM's has been conducted.	None
Develop a programme for the training of students doing their experiential training phase	Developed training programme for students	31-May-11		F	100% Achieved: The programme has been developed.	None
Disaster management centre for the district is operational and run in terms of section 43 of the Disaster Management Act 2002	Operational Disaster Centre	31-Jan-11	To ensure effective and efficient implementation of Disaster Risk Reduction	G	50% Achieved:	A request to procure the system is currently with SCM.
Coordinate and manage activities between the disaster management centre and local emergency services through quarterly meetings	Meetings with Local Emergency Services	Quarterly	To ensure effective and efficient implementation of Disaster Risk Reduction	H	50% Achieved: Meetings were held.	None
To promote disaster management capacity building, training and education in the municipal area						
Conduct training programmes in the district	Disaster management trainings conducted	31-May-11	To ensure effective and efficient implementation of Disaster Risk Reduction	I	100% Achieved: Training & Workshops have been conducted.	None
Develop an awareness programme for schools and present awareness programme to schools in the district	Awareness programme developed and presented to schools	Ongoing		J	100% Achieved: Awareness programme has been conducted at Mafube Local Municipality.	None
Fire department is fully operational at	Operational fire department	30-Nov-10	Planning, co-ordination and	K	100% Achieved: Personnel	None

FEZILE DABI DISTRICT MUNICIPALITY

ANNUAL REPORT - 2010/11

Planned Performance				File ref.	Actual Performance as at 30 June 2011	Corrective measures taken / to be taken to improve performance
2010/11						
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
Mafube Local Municipality			regulation of the Fire Services in the district		are appointed. Fire vehicles purchased. The Fire Station is currently being renovated.	
Regular meetings with relevant Chief Fire Officers of Local Municipalities regarding fire functions	Meetings with Chief Fire Officers held	Quarterly	Planning, co-ordination and regulation of the Fire Services in the district	L	25% Achieved: Meetings were held	Meetings needs to be held.
Rendering support to Local Municipalities regarding fire fighting	Fire fighting support provided to LM's	Monthly (Ongoing)	Planning, co-ordination and regulation of the Fire Services in the district	M	100% Achieved: Mafube LM is being assisted.	None
Support Local Municipalities with the cleanest town competition	Assistance provided to Local Municipalities	30-Sep-10	To ensure that municipal health services are effectively and equitably provided in the district	N	100% Achieved: Cleaning campaigns were held with Local Municipalities.	None
Create awareness about air quality	Conduct awareness campaigns		To ensure that municipal health services are effectively and equitably provided in the district	O	100% Achieved: Basa project conducted.	None
Water and Sanitation						
% of samples complying to SANS 241	Compliant samples	Ongoing	To ensure that Municipal Health Services are effectively and equitably provided in the District.	P	100% Achieved: Reports are compiled.	None
% of samples complying to relevant standards	Relevant standards complied with	Ongoing	To ensure that Municipal Health Services are effectively and equitably provided in the District.	Q	100% Achieved: Reports are compiled.	None
% of recreational water samples complying with SAWQG standards	Compliant recreational water samples	Ongoing	To ensure that Municipal Health Services are effectively and equitably	R	100% Achieved: Reports are compiled.	None

FEZILE DABI DISTRICT MUNICIPALITY

ANNUAL REPORT - 2010/11

Planned Performance				File ref.	Actual Performance as at 30 June 2011	Corrective measures taken / to be taken to improve performance
2010/11						
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
			provided in the District.			
Education and awareness campaigns held per local municipality	Educational awareness campaigns conducted	Quarterly 2, 3,4 (Awareness campaigns conducted at 4 Local Municipalities)	To ensure that Municipal Health Services are effectively and equitably provided in the District.	S	100% Achieved: Awareness campaigns have been conducted at all Local Municipalities	None
Refuse removal and waste management						
Approved and implemented waste management plan	Approved and implemented waste management plan	30-Jun-11	To monitor waste management system	T	0% Achieved: Waste Management Plan approved by Council and has commenced with monitoring.	None
Number of awareness and educational campaigns conducted and recycling projects and paybacks centres	Educational campaigns conducted	Quarterly (4 awareness and educational campaigns)	To monitor waste management system	U	100% Achieved: Educational campaigns conducted	None
Number of monitoring reports regarding the disposal of health care waste by private practitioners	Monitoring reports regarding disposals by private practitioners	Quarterly (4 audits per local municipality)	To monitor waste management system	V	100% Achieved: Reports on audits were compiled	None
Food Control						
Number of certificates of acceptability (R918) issued	Certificates issued	Ongoing	To ensure that municipal health services are effectively and equitably provided in the district	W	100% Achieved: Certificates were issued	None
Number of food sampling programs undertaken	Food sampling programs	Ongoing	To ensure that municipal health services are effectively and equitably provided in the district	X	100% Achieved: Food sampling was conducted	None
Number of campaigns on food safety	Conducted campaigns on	Ongoing	To ensure that municipal	Y	0% Achieved: Food safety	None

FEZILE DABI DISTRICT MUNICIPALITY

ANNUAL REPORT - 2010/11

Planned Performance				File ref.	Actual Performance as at 30 June 2011	Corrective measures taken / to be taken to improve performance
2010/11						
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
undertaken	food safety		health services are effectively and equitably provided in the district		campaigns were conducted.	
Number of food poisoning cases investigated	Investigation reports	Ongoing	To ensure that municipal health services are effectively and equitably provided in the district	Z	100% Achieved: Investigations are conducted as per the report.	None
Environmental Pollution Control (AQM)						
Reduced air pollution (Concentration) levels	Reports on reduced air pollution in compliance with NEMA	30-Jun-11	To ensure that municipal health services are effectively and equitably provided in the district	AA	100% Achieved: Service provider was appointed to conduct a study on AQM monitoring stations	None
Number of educational projects and awareness programs conducted	Conducted educational projects and awareness	Quarterly (4 Educational projects conducted)	To ensure that municipal health services are effectively and equitably provided in the district	BB	100% Achieved: Educational projects have been conducted. (Basa project)	None
Number of awareness campaigns and educational programs through councilors and schools programmes, public meetings, community workshops conducted	Awareness campaigns held	Quarterly (4 awareness campaigns held)	To ensure that municipal health services are effectively and equitably provided in the district	CC	100% Achieved: Awareness campaigns were conducted.	None
Number of environmental projects initiated and implemented by the district municipality and number of supported projects (such as greening projects)	Implemented environmental projects	30 Sep 2010 (1 project within the District)	To ensure that municipal health services are effectively and equitably provided in the district	DD	100% Achieved: Greening project with Metsimaholo Local Municipality and Randwater	None
Noise control						
Compliance with Noise Control Regulations	Enforcement of noise control regulations	Ongoing	To ensure that municipal health services are effectively and equitably provided in the	EE	100% Achieved: As per the reported cases, notices are issued.	None

FEZILE DABI DISTRICT MUNICIPALITY

ANNUAL REPORT - 2010/11

Planned Performance				File ref.	Actual Performance as at 30 June 2011	Corrective measures taken / to be taken to improve performance
2010/11						
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
			district			
Health Surveillance of Premises						
Number of projects, developments and EIA's participated in	Participation of EIA's in projects	Ongoing	To ensure that municipal health services are effectively and equitably provided in the district	FF	100% Achieved: FDDM participates on an ongoing basis.	None
Number of ENVH educational presentations	Environmental Health educational presentations conducted	Ongoing	To ensure that municipal health services are effectively and equitably provided in the district	GG	100% Achieved: Presentations are conducted in all the workshops and campaigns.	None
Environmental Health Management						
Number of cross border working agreements developed	Signed cross border agreements	31 Mar 2011 (1 agreement)	To ensure that municipal health services are effectively and equitably provided in the district	HH	50% Achieved: Ongoing communication between FDDM and Sedibeng DM on MHS however no formal agreement signed yet	Cross Boundary initiative with NWU, Sedibeng and Mvula Trust
Study of the number of current EHP's versus the population ratio	Report of the study	31-Dec-10	To ensure that municipal health services are effectively and equitably provided in the district	II	100% Achieved: Currently the ratio is standing at 1:28000 as compared to the required 1 : 15000	More EHP's must be employed.
Functional Authority (Implementation of the AQM plan)	Implementation report of the AQM	30-Jun-11	To ensure that municipal health services are effectively and equitably provided in the district	JJ	100% Achieved: The report on the plan has been submitted to Council	None
Environmental Health Marketing						
Local awareness campaigns on ENVH implementation calendar	ENVH awareness campaigns conducted	Quarterly (4 roadshows held)	To ensure that municipal health services are effectively and equitably provided in the district	KK	100% Achieved: Road shows in Tweeling, Deneysville, Parys, Vredefort and Kroonstad have been	None

FEZILE DABI DISTRICT MUNICIPALITY

ANNUAL REPORT - 2010/11

Planned Performance				File ref.	Actual Performance as at 30 June 2011	Corrective measures taken / to be taken to improve performance
2010/11						
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
Disposal of the dead					conducted.	
Number of premises and activities complying with regulations	Report on premises compliant with regulations	Ongoing (12 Premises be inspected)	To ensure that municipal health services are effectively and equitably provided in the district	LL	100% Achieved: As per the acceptability certificate.	None
Number of certificates of competence issued	Certificates issued	Ongoing (As per the number of applications)	To ensure that municipal health services are effectively and equitably provided in the district	MM	100% Achieved: Certificates issued as per request.	None
Surveillance and prevention of communicable diseases excluding the immunization						
Number of educational campaigns conducted	Educational campaigns conducted	Ongoing	To ensure that municipal health services are effectively and equitably provided in the district	NN	100% Achieved: None encountered to date	Will be conducted when there is a disease outbreak.
Number of reported and resolved cases regarding communicable disease	Reported and resolved cases	Ongoing	To ensure that municipal health services are effectively and equitably provided in the district	OO	100% Achieved: None encountered to date.	None
Disaster Management						
Installed IMS	Operational and functional disaster centre	31-Jan-11	To ensure effective and efficient implementation of Disaster Risk Reduction	PP	50% Achieved: Report on the system is readily available for the implementation	Work in progress, Currently awaiting the National Disaster Management Centre to be done
Emergency communication facility in place						
Number of critical positions filled						
Equipped DOF						
Clear, documented and updated Disaster Management risk assessments. DM	Documented disaster management risk	31 Mar 2011 (1 Disaster	To ensure effective and efficient implementation of	QQ	100% Achieved: The plan has been reviewed.	None

FEZILE DABI DISTRICT MUNICIPALITY

ANNUAL REPORT - 2010/11

Planned Performance				File ref.	Actual Performance as at 30 June 2011	Corrective measures taken / to be taken to improve performance
2010/11						
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
framework and contingency –plans	assessment	management plan reviewed)	Disaster Risk Reduction			
Number of workshops, training and awareness campaigns conducted	Campaigns conducted	31 Mar 2011 (6 workshops)	To ensure effective and efficient implementation of Disaster Risk Reduction	RR	50% Achieved: workshops have been conducted in Local Municipalities	None
Equipped (virtual system) in DM offices. Capacitated personnel dedicated to DM responsibilities and number of support programs for the municipality.	Function DM office with capacitated personnel	30 Apr 2011 (4 Local Municipalities)	To ensure effective and efficient implementation of Disaster Risk Reduction	SS	75% Achieved: Personnel is capacitated to deal with disaster related matters and they are attending relevant disaster management courses.	None
Rapid incidents specific contingency plan developed	Contingency plan developed	Ongoing (All 4 local municipalities)	To ensure effective and efficient implementation of Disaster Risk Reduction	TT	100% Achieved: As per the disaster management plan.	Work in progress
Develop guidelines on emergency communication with systematic protocol operation	Developed emergency communication guidelines	During incidents and disaster outbreak (All 4 local municipalities)	To ensure effective and efficient implementation of Disaster Risk Reduction	UU	100% Achieved: The report and guidelines have been developed.	None
Response and relief aids granted to affected communities(social/disaster relief)	Relief granted to affected communities	During incidents and disaster outbreak (All 4 local municipalities)	To ensure effective and efficient implementation of Disaster Risk Reduction	VV	100% Achieved: As and when incidents occurs	Work in progress
Fire fighting services						
Adopted by-laws	By-developed and in compliance with relevant	31 Mar 2011 (1 By-law)	Planning, co-ordination and regulation of the Fire Services	XX	100% Achieved: The Province has developed the	None

FEZILE DABI DISTRICT MUNICIPALITY

ANNUAL REPORT - 2010/11

Planned Performance				File ref.	Actual Performance as at 30 June 2011	Corrective measures taken / to be taken to improve performance
2010/11						
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
	legislation		in the district		model by-laws. The item regarding generic by-laws was also submitted to management	
Standard plan signed	Signed plan	30 Nov 2010 (1 plan developed and signed)	Planning, co-ordination and regulation of the Fire Services in the district	YY	0% Achieved:	A plan for FDDM firefighters must be made available
Number of MoU signed	MoU concluded and signed	31 Jan 2011 (5 MoU's signed)	Planning, co-ordination and regulation of the Fire Services in the district	ZZ	30% Achieved: Regular meetings are held. Metsimaholo LM is assisting together with the CFO of Mafube LM	Work in progress,
Number of fire fighters and in service training appointed	Appointed fire fighters for in-service training	30 Jun 2011 (18 Youths appointed)	To enhance human capacity & productivity within the municipality.	AA1	100% Achieved: Appointment is confirmed.	The number of appointments was reduced due to budget constraints. 9 fire fighters were appointed
Number of fire fighters taken through training	Fire fighters taken	30 Jun 2011 (21 fire fighters taken to in-service training)	To enhance human capacity & productivity within the municipality.	BB1	0% Achieved: Learner Fire Fighters have attended training	None
Procurement of firefighting equipment (Fire Engine)	Fire engine procured	30 Oct 2010 (1 Fire engine)	Planning, co-ordination and regulation of the Fire Services in the district	CC1	100% Achieved: Firefighting equipment has been procured	None
Renovation of fire fighting station at Mafube Local Municipality	Renovated fire fighting station	30 Oct 2010 (120 square meters of the station be renovated)	Planning, co-ordination and regulation of the Fire Services in the district	DD1	100% Achieved: The fire station has been renovated	Work in progress.
Purchase of furniture and equipment	Procured furniture and	31-Jan-11	Planning, co-ordination and	EE1	100% Achieved:	Work in progress.

FEZILE DABI DISTRICT MUNICIPALITY

ANNUAL REPORT - 2010/11

Planned Performance				File ref.	Actual Performance as at 30 June 2011	Corrective measures taken / to be taken to improve performance
2010/11						
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
	equipment		regulation of the Fire Services in the district		Procurement has been carried out	

KPA 3: Local Economic Development

Planned Performance				File ref.	Actual Performance from 01 July 2010 to 30 June 2011	Corrective measures taken / to be taken to improve performance
2010/11						
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
Monitor the implementation of the IDP projects allocated to the department and submit progress report to the municipal manager	Monitoring of IDP project implemented by the directorate and preparing reports	Ongoing (Monthly reports)	N/A	A	100% Achieved: All projects within the department are monitored.	None
Assist SMME's to comply with hospitality requirements	Complying SMME's	30 Jun 2011 (20 SMME's complying)	N/A	B	100% Achieved: Certificate of acceptability are issued	None
Manage the external consultants and contractors appointed for technical projects						
Project plans and budgets to be in place for inspection	Plans and budget be available	Ongoing (Monthly reports)	N/A	C	100% Achieved: Project plans are in place prior to the commencement of the project	None
Progress against plans to be provided and progress to be in line with plan from both time and budgetary perspectives	Progress reports be submitted by the service provider	Ongoing (Monthly reports)	N/A	D	100% Achieved: Reports are submitted by service providers	None

KPA 4: Municipal Financial Viability and Management

Planned Performance				File ref.	Actual Performance as at 30 June 2011	Corrective measures taken / to be taken to improve performance
2010/11						
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
Ensure timely preparation of the Directorate's budget for 2011/12 based on the approved IDP	Prepare the directorate's budget	31-Mar-11	N/A	A	100% Achieved: The budget inputs of the department were submitted to the budget office during the budget preparation	None
Ensure sound management of the budget votes allocated to the directorate						
No irregular expenditure	Be reported to the Municipal Manager	Ongoing (None be incurred)	N/A	B	100% Achieved: No incidences of unauthorized expenditure were encountered	None
No unauthorized expenditure					Achieved: 100% Achieved: No incidences of unauthorized expenditure were encountered	None
No fruitless and wasteful expenditure					Achieved: 100% Achieved: No incidences of fruitless and wasteful expenditure were encountered	None
Respond satisfactorily to internal and external audit queries relating to the directorate	Swift and positive response to audit related queries.	Ongoing (Within 5 days upon receipt of queries)	N/A	C	85% Achieved: All queries against the department were responded to swiftly and appropriately	None

KPA 5: Good Governance and Public Participation

Planned Performance				File ref.	Actual Performance as at 30 June 2011	Corrective measures taken / to be taken to improve performance
2010/11						
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
Promote community awareness regarding disaster management by conducting at least two disaster management exercises in the area	Conduct disaster management awareness/ exercises	28 Feb 2011 (2 awareness campaigns conducted)	To ensure effective and efficient implementation of Disaster Risk Reduction	A	100% Achieved: Disaster Management awareness campaigns were conducted	None
Monitor progress with the preparation and regular updating of disaster management plans and strategies by municipalities and municipal entities in the area by holding at least 4 review meeting during the year	Updated and monitored disaster management plans	31 May 2011 (Conduct at least 4 review meetings)	To ensure effective and efficient implementation of Disaster Risk Reduction	B	25% Achieved: Meetings were held with the portfolio committee and local municipalities	None
Ensure effective and efficient running and management of municipal disaster management advisory forum in terms of section 51 of the Disaster Management Act 2002. Forum to meet at least three times during the year	Effective disaster management advisory forum	Monthly (3 Meeting of the advisory forum held)	To ensure effective and efficient implementation of Disaster Risk Reduction	C	100% Achieved: Advisory Forum Meetings were held	None
Ensure community services forum meetings are held	Held community services forum	Quarterly	To ensure effective and efficient implementation of Disaster Risk Reduction	D	50% Achieved: Community service forum meeting were held.	None
Implement FDDM Public Health By-laws	Implemented health by-laws	Monthly	To ensure effective and efficient implementation of Disaster Risk Reduction	E	100% Achieved: By-laws were implemented accordingly by the EHP's through issuing of notices and certificates	None

**PROJECT MANAGEMENT & PUBLIC WORKS
DIRECTORATE**

KPA 1: Municipal Transformation and Organisational Development

Planned Performance				File ref.	Actual Performance as at 30 June 2011	Corrective measures taken / to be taken to improve performance
2010/11						
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
Prepare monthly and quarterly performance assessment reports of the department.	Reports prepared and submitted to the Municipal Manager/ Management	Monthly & quarterly	To ensure effective and efficient administration	A	100% Achieved: The reports have been submitted to management accordingly.	None
Training schedule developed based on the workplace skills plan and training done on WSP training schedule	Training schedule be developed as per the WSP	30-Jun-11	To enhance human capacity & productivity within the municipality.	B	100% Achieved: The WSP has been developed for the current financial year and awaiting the Skills Development Facilitator for dates of training	SDF must provide the dates of trainings
All employees allocated to the department each has a personal performance and development plan for the current financial year and subject to implementation by CSS	Personal performance and development plans developed for employees	31-Dec-10	To ensure effective and efficient administration	C	100% Achieved: Personal Development Plans have been incorporated in the individual scorecard for post level 1-3.	Quarterly performance reviews needs to take place in the 2011/12 FY
Develop a detailed operational plan for the department that clearly defines the objectives to be achieved by the department, the strategies to achieve the objectives, the service delivery and performance indicators as well as the budget required.	Detailed departmental operational plan with SDBIP's inputs.	31-Aug-10	To ensure effective and efficient administration	D	100% Achieved: The detailed operational plan has been done during the 2010/2011 budget preparation and planning	None
All departmental staff members signs the attendance register	Attendance register signed and times adhered to at all times	Ongoing	To ensure effective and efficient administration	E	100% Achieved: Staff members have been signing the attendance register daily.	None
Departmental meetings are held	Meetings with staff	Quarterly	To ensure effective and efficient administration	F	75% Achieved: The departmental meeting has been held on 30 July 2010, 15 Nov 2010 and 13 May	Adherence to the schedule must be maintained

FEZILE DABI DISTRICT MUNICIPALITY

ANNUAL REPORT - 2010/11

Planned Performance				File ref.	Actual Performance as at 30 June 2011	Corrective measures taken / to be taken to improve performance
2010/11						
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
					2011 respectively.	

KPA 2: Service Delivery and Infrastructure Development

Planned Performance				File ref.	Actual Performance as at 30 June 2011	Corrective measures taken / to be taken to improve performance
2010/11						
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
Service providers providing services to the department meet agreed performance standards in terms of quality, budgets and timelines						
Set inputs, output and outcome indicators for each service provider	SLA outlines the inputs, outputs and outcomes	Ongoing (Every contract as per agreed timeframes for assessment)	To ensure effective and efficient administration	A	100% Achieved: SLA signed with the service provider for ENM Relebohile Clinic and Mminathoko Trading for the VIP Toilets respectively. Another SLA was signed with Mthembu Mvelase Civil projects.	None
Measure performance of service providers in terms of contracts	Performance progress report submitted by the service provider or meetings held	Ongoing (Reports submitted monthly)	To ensure effective and efficient administration	B	100% Achieved: Monthly progress reports are submitted by the consultants	None
Ensure the effective operation, maintenance and timely replacement and expansion of municipal vehicles and equipment						
Track and report fuel consumption and maintenance costs of vehicles to the municipal manager and report variances	Monitor consumption and maintenance costs and prepare reports to the	Monthly	To ensure effective and efficient administration	C	100% Achieved: Finance department receives reports directly from the bank and the	None

FEZILE DABI DISTRICT MUNICIPALITY

ANNUAL REPORT - 2010/11

Planned Performance				File ref.	Actual Performance as at 30 June 2011	Corrective measures taken / to be taken to improve performance
2010/11						
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
of more than 5% against the budget	Municipal Manager				PMU department reconciles the report.	
Develop and implement an asset maintenance plan for assets of the municipality at each unit separately	Developed and implemented asset maintenance plan	30-Jun-11		D	50% Achieved: Asset maintenance plan is in place for fleet only	More still needs to be done
Service all vehicles according to manufacturers specifications, progress against plan must be submitted to the municipal manager	All vehicles serviced accordingly	Ongoing	To ensure effective and efficient administration	E	100% Achieved: Vehicles are serviced accordingly	None
Water and sanitation						
Provision of water connections to ward 1 of Metsimaholo	Water connections to ward 1 provided	31 Mar 2011 (100% of projects implemented and completed)	Ensure Local municipalities meet the water demand of communities.	F	0% Achieved:	A contractor has started with the project on 03 May 2011 and will complete the project in November 2011
Provision of water connections to ward 15 of Metsimaholo	Water connections to ward 11 provided	31 Mar 2011 (100% of projects implemented and completed)	Ensure Local municipalities meet the water demand of communities.	G	0% Achieved:	A contractor has started with the project on 03 May 2011 and will complete the project in November 2011
Erection of VIP toilets for farm workers	VIP toilets erected	30 Jun 2011 (100% of projects implemented and completed)		H	100% Achieved: The service provider was appointed and has completed the project later than 30 June but has been penalized for the delay.	None
Supply of water to farm workers	Water supply to farm workers	30 Jun 2011 (100 Connections)	Ensure Local municipalities meet the water demand of communities.	I	0% Achieved:	Farmers did not apply for water supply
Supply of bulk water at edenville	Bulk water supplied to	31 Mar 2011	Ensure Local municipalities	J	100% Achieved: Edenville	The commissioning of the

FEZILE DABI DISTRICT MUNICIPALITY

ANNUAL REPORT - 2010/11

Planned Performance				File ref.	Actual Performance as at 30 June 2011	Corrective measures taken / to be taken to improve performance
2010/11						
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
	Edenville	(Completion of bulk water projects at Edenville)	meet the water demand of communities.		bulk water supply.	project will be done on 21 July 2011
Emergency Funding						
Number of interventions	Applications received for District intervention	Ongoing (As per applications received)	To assist Local Municipalities with infrastructure emergencies	K	100% Achieved: Assisted Ngwathe Local Municipality with the water crisis	None
Roads and stormwater drainage						
Facilitate the implementation of EPWP project	Report on the implementation of EPWP	30 Jun 2011 (30 People appointed)	To support Local Municipalities with the provision of roads & storm water	L	90% Achieved: 27 employed currently for the EPWP	1 Resigned due to ill health, 1 Found permanent employment and the other 1 continued with studies.
Electricity						
Number of connections	Solar power connections	Ongoing (20 Solar power)	To facilitate the provision of electricity in the District	M	100% Achieved: 32 Solar connections completed to date	None
Provision of FDDM technical personnel to assist local municipalities with projects	Interventions of assistance to local municipalities provided by FDDM	Ongoing (All local municipalities)	To facilitate the provision of electricity in the District	N	100% Achieved: Have assisted with spatial plans in Moqhaka LM.	None
Conduct awareness campaigns jointly with local municipalities	Awareness campaigns conducted jointly	Ongoing (All local municipalities)	To facilitate the provision of electricity in the District	O	0% Achieved:	Awareness campaigns will be held as and when necessary
Spatial planning						
District and local municipalities SDF's are developed or reviewed	Developed or reviewed SDF's	30 Jun 2011 (3 SDF's developed)	To promote sustainable human settlements	P	33% Achieved: A service provider has been appointed to develop 1 SDF for FDDM	3 SDF's must be developed
Approved local municipality town planning schemes	Approved town planning schemes	30 Jun 2011 (4 town planning)	To promote sustainable human settlements	Q	100% Achieved: 5 Town planning applications	5 Applications are being attended to.

FEZILE DABI DISTRICT MUNICIPALITY

ANNUAL REPORT - 2010/11

Planned Performance				File ref.	Actual Performance as at 30 June 2011	Corrective measures taken / to be taken to improve performance
2010/11						
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
		approved)			received to date.	
Number of Site visits on development application areas	Site visits on development application areas	Monthly	To promote sustainable human settlements	R	100% Achieved: 12Building plans approved to date. Site inspections made.	None
Provision of FDDM town planning personnel to assist local municipalities with projects	Interventions of assistance to local municipalities provided by FDDM	Ongoing (2 Personnel to assist)	To promote sustainable human settlements	S	100% Achieved: Personnel is assisting in Moqhaka Local Municipalities.	None
Geographic Information System						
Functional corporate GIS	Functional corporate GIS	Ongoing (5 reliable sourced data)	To effectively quantify and prioritize needs of service delivery	T	0% Achieved:	
Availability of GIS data	GIS data available	Ongoing (5 Audited data)	To effectively quantify and prioritize needs of service delivery	U	0% Achieved:	
Local municipalities connected to FDDM corporate GIS	All Local municipalities connected to FDDM corporate GIS	31 March 2011 (4 Local Municipalities)	To effectively quantify and prioritize needs of service delivery	V	0% Achieved:	
Relevant officials capable of utilizing the GIS effectively	Officials capable of using the GIS	31 Mar 2010 (2 trained officials per local municipality)	To enhance human capacity & productivity within the municipality.	W	0% Achieved:	

KPA 3: Local Economic Development

Planned Performance				File ref.	Actual Performance as at 30 June 2011	Corrective measures taken / to be taken to improve performance
2010/11						
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
Monitor the implementation of the IDP projects allocated to the department	Monitoring of IDP project implemented by the directorate	Ongoing	N/A	A	100% Achieved: Reports are submitted	None
Ensure that 80% of unskilled labour in all the major projects of the department/municipality is from the local municipality concerned.	Encourage, Promote and emphasize unskilled local labour in major projects.	Ongoing	N/A	B	100% Achieved: Unskilled labour is used in all the major projects executed by the department	None
Manage the external consultants and contractors appointed for technical projects	Progress reports from the consultants on technical projects	Ongoing	N/A	C	100% Achieved: Progress reports and minutes of meetings	None
Project plans and budget to be in place for inspection	Plans and budget be available	Ongoing	N/A	D	100% Achieved: Project cash-flows	None
Progress against plans to be provided and progress to be in line with plan from both time and budgetary perspectives	Progress reports be submitted by the service provider	Ongoing	N/A	E	100% Achieved: Construction program is in place	None

KPA 4: Municipal Financial Viability and Management

Planned Performance				File ref.	Actual Performance as at 30 June 2011	Corrective measures taken / to be taken to improve performance
2010/11						
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
Ensure timely preparation of the Directorate's budget for 2011/12 based on the approved IDP	Prepare the directorate's budget	31-Mar-11	N/A	A	100% Achieved: Budget inputs were submitted for budgeting process	None
Ensure sound management of the budget votes allocated to the directorate						
No irregular expenditure	Be reported to the Municipal Manager	None be incurred	N/A	B	100% Achieved: No incidences of irregular expenditure have been encountered.	None
No unauthorized expenditure				C	100% Achieved: No incidences of unauthorized expenditure have been encountered.	None
No fruitless and wasteful expenditure				D	100% Achieved: No incidences of fruitless and wasteful expenditure have been encountered.	None
Respond satisfactorily to internal and external audit queries relating to the directorate	Swift and positive response to audit related queries.	Ongoing (Within 5 days upon receipt of queries)	N/A	E	100% Achieved:	None

KPA 5: Good Governance and Public Participation

Planned Performance				File ref.	Actual Performance as at 30 June 2011	Corrective measures taken / to be taken to improve performance
2010/11						
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
Develop and ensure the updating of the register for municipal properties	Developed and updated register	30-Jun-11	To effectively quantify and prioritize needs of service delivery	A	100% Achieved.	The register must be developed
Identify municipal property that are poorly secured and prepare a plan to ensure that municipal properties are fenced and secured	A plan be developed for poorly fenced municipal properties	Ongoing	To effectively quantify and prioritize needs of service delivery	B	100% Achieved:	No new building was erected in the current financial year. Last report was on May 2010
Ensure the safeguarding of municipal fleet vehicles	Safety and precautionary measures in place	Ongoing	To effectively quantify and prioritize needs of service delivery	C	100% Achieved: Tracking devices have been installed and secured parking is provided for municipal fleet.	None
All irregular incidents or misuse of fleet are reported to the Director CSS and MM within 14 days of occurrence	Irregular incidents report	Ongoing	To effectively quantify and prioritize needs of service delivery	D	100% Achieved: No incidences were reported in this quarter	None
Each contract overseen by the department is executed in accordance with the relevant contractual stipulations	SLA signed with all service providers appointed by the department	Ongoing	To effectively quantify and prioritize needs of service delivery	E	100% Achieved: SLA signed the service provider.	None
Contract variations are comprehensively documented, approved by the person or body that approved the principal contract and annexed to the principal contract as a properly executed and signed addendum	Documented contract variations	Ongoing	To effectively quantify and prioritize needs of service delivery	F	100% Achieved: one variation done for the Edenville Water project	The variation has been done.
Conduct a comprehensive risk analysis and assessment of the directorate based on the risk assessment model of the municipality and submit the report to MM	Comprehensive risk analysis and assessment is conducted	30-Nov-10	To effectively quantify and prioritize needs of service delivery	G	100% Achieved: The risk analysis report was conducted for the department.	None

FEZILE DABI DISTRICT MUNICIPALITY

ANNUAL REPORT - 2010/11

Planned Performance				File ref.	Actual Performance as at 30 June 2011	Corrective measures taken / to be taken to improve performance
2010/11						
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
for approval						
Ensure that infrastructure Forums or meetings with local municipalities and portfolio committee are held	PMU Forum / meetings and Portfolio Committees are held	Quarterly	To effectively quantify and prioritize needs of service delivery	H	75% Achieved: 4 Portfolio Meetings of PMU department were held.	None

AUDITOR'S REPORT OF THE AUDITOR-GENERAL TO THE FREE STATE LEGISLATURE AND COUNCIL ON FEZILE DABI DISTRICT MUNICIPALITY
REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Introduction

1. I have audited the accompanying consolidated and separate financial statements of the Fezile Dabi District Municipality, which comprise the consolidated and separate statement of financial position as at 30 June 2011, consolidated and separate statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 4 to 46.

The accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these consolidated and separate financial statements in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and in the manner required by Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA). This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor-General's responsibility

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

appropriateness of accounting policies used and the reasonableness of accounting estimates made by management as well as evaluating the overall presentation of the financial statements.

6. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

7. In my opinion the consolidated and separate financial statements present fairly, in all material respects, the financial position of the Fezile Dabi District Municipality as at 30 June 2011 and its financial performance and cash flows for the year then ended, in accordance with SA Standards of GRAP and in the manner required by the MFMA.

Emphasis of matters

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

Restatement of corresponding figures

8. As disclosed in note 38 to the financial statements, the corresponding figures for 30 June 2010 have been restated as a result of a change in accounting policies and errors discovered during the 2010-11 financial year in the financial statements of the Fezile Dabi District Municipality at, and for the year ended 30 June 2010.

Irregular expenditure

9. As disclosed in note 27 to the financial statements, the municipality incurred irregular expenditure of R46 300 due to inadequate procurement processes followed.

Additional matter

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

Unaudited supplementary schedules

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

12. In accordance with the PAA and in terms of *General notice 1111 of 2010*, issued in *Government Gazette 33872 of 15 December 2010*, I include below my findings on the report on predetermined objectives and compliance with the MFMA, the Municipal System Act of South Africa, 2000 (Act No. 32 of 2000) (MSA) and financial management (internal control).

Predetermined objectives

13. Material findings on the report on predetermined objectives, as are reported below:

Non-compliance with regulatory requirements**Presentation of information**

14. Contrary to section 46(1)(c) of the MSA, the municipality did not prepare the performance report on predetermined objectives reflecting adequate measures taken to improve performance where goals/objectives were partially achieved or not achieved. Further, the measures taken to improve performance were not supported by adequate and reliable corroborating evidence.

Usefulness of information

15. The reported performance information was deficient in respect of the following criteria:

- Consistency: The reported objectives, indicators and targets are not consistent with the approved strategic plan/corporate plan/annual performance plan/integrated development plan.
- Relevance: There is no clear and logical link between the objectives, outcomes, outputs, indicators and performance targets.
- Measurability: The indicators are not well defined and/or verifiable, and targets are not specific, and/or measurable, and/or time bound.

The following audit findings relate to the above criteria:

16. Contrary to section 121(3)(d) of the MFMA, the municipality did not indicate development objectives in the annual performance report; consequently, we could not confirm whether the development objectives/priorities, indicators and targets in the Integrated Development Plan (IDP) are consistent with those in the annual performance report. Further, the municipality did not include all the objectives, indicators and targets of the IDP in its annual performance report and incorrect information was presented in the annual performance report.

17. The specific development objectives in the annual performance report were not consistent with the objectives reported in the IDP, as required, in order to report back into planning budgeting and implementation process where they can be used for management decision-making and corrective action, as required by *Framework for Managing Programme Performance Information* issued by National Treasury.

18. The accounting officer did not ensure that the targets specified in the IDP are specific, measurable and time bound.

Compliance with laws and regulations**Strategic planning and performance management**

19. Contrary to section 72(1)(b) of the MFMA, 2003 (Act No. 56 of 2003), the accounting officer did not submit the mid-year budget and performance assessment report to National Treasury and the provincial treasury by 25 January 2011.
20. Contrary to section 32(4) of the MFMA, 2003 (Act No. 56 of 2003), the accounting officer did not submit report on the irregular expenditure incurred by the municipality to the MEC of local government and the office of the Auditor-General of South Africa.
21. Contrary to section 71(1) of the MFMA, 2003 (Act No. 56 of 2003), the accounting officer did not regularly submit a statement in prescribed format within 10 working days after the end of each month on the state of the municipality's budget.
22. Contrary to section 10(1)(b) of the Basic Conditions of Employment Act, (Act 75 of 1999), the accounting officer did not limit the overtime worked by an employee to 10 hours a week/40 hours a month.
23. Contrary to section 32(1)(a) of MSA, the accounting officer did not submit a copy of the integrated development plan as adopted by the council of municipality, and subsequent amendments to the plan, to the MEC for local government in the province within 10 days of adoption of the plan.

Annual financial statements, performance and annual report

24. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122 of the MFMA. Material misstatements of capital assets, current assets, liabilities, revenue expenditure and disclosure items) identified by the auditors were subsequently corrected resulting in the financial statements receiving an unqualified audit opinion.

Audit committees

25. Contrary to section 166(4) of the MFMA, 2003 (Act No. 56 of 2003), the audit committee did not meet at least four times during the year, as required, and thus did not effectively perform its function of oversight.

Procurement and contract management

26. Contrary to section 116(2)(b) of the MFMA, 2003 (Act No. 56 of 2003), the performance of contractors was not monitored on a monthly basis.

INTERNAL CONTROL

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

Leadership

28. The matters reported below are limited to the findings on the report on predetermined objectives:

- The accounting officer does not in all instances exercise oversight responsibility over reporting and compliance with laws and regulations and internal control.
- Actions are not in all instances taken to address risks relating to the achievement of complete and accurate financial and performance reporting.

Financial and performance management

- The financial statements were subject to material amendments resulting from the audit.
- General information technology controls are not designed to maintain the integrity of the information systems and the security of the data.
- Manual or automated controls are not designed to ensure that the transactions have occurred, are authorised and are completely and accurately processed.

Governance

- The municipality does not in all instances identify risks relating to the achievement of financial and performance reporting objectives.
- Internal controls are not selected and developed to prevent/detect and correct material misstatements in reporting on predetermined objectives.

Bloemfontein

30 November 2011



FEZILE DABI DISTRICT MUNICIPALITY

Consolidated Annual Financial Statements for the year ended 30 June 2011

General Information

Legal form of entity	District Municipality
Mayoral committee	
Executive Mayor	Clr M P Moshodi
Councillors	Clr SI Mbalo (Spk) Clr ME Ntosi Clr AM Olifant Clr K Khumolo Clr PR Ndayi Clr GN Guza
Grading of local authority	Low Capacity
Accounting Officer	Dr. MMV Mongake
Chief Finance Officer (CFO)	M E Mohlahlo
Registered office	John Vorster Road Sasolburg 1947
Postal address	P.O Box 10 Sasolburg 1947
Bankers	ABSA BANK
Auditors	The Auditor - General

FEZILE DABI DISTRICT MUNICIPALITY

Consolidated Annual Financial Statements for the year ended 30 June 2011

Index	Page
Accounting Officer's Responsibilities and Approval	3
Statement of Financial Position	4
Statement of Financial Performance	5
Statement of Changes in Net Assets	6
Cash flow statement	7
Accounting Policies	8 - 22
Notes to the Consolidated Annual Financial Statements	23 - 46

Appendixes:

- Appendix A: Schedule of External Loans
- Appendix B: Analysis of Property, Plant and Equipment
- Appendix C: Segmental analysis of Property, Plant and Equipment
- Appendix D: Segmental Statement of Financial Performance
- Appendix E(1): Actual versus Budget (Revenue and Expenditure)
- Appendix E(2): Actual versus Budget (Acquisition of Property, Plant and Equipment)
- Appendix F: Disclosure of Grants and Subsidies in terms of the Municipal Finance Management Act

Abbreviations:

COID	Compensation for Occupational Injuries and Diseases
CRR	Capital Replacement Reserve
EPWP	Expanded Public Works Programme
DBSA	Development Bank of South Africa
SA GAAP	South African Statements of Generally Accepted Accounting Practice
GRAP	Generally Recognised Accounting Practice
GAMAP	Generally Accepted Municipal Accounting Practice
HDF	Housing Development Fund
IAS	International Accounting Standards
IMFO	Institute of Municipal Finance Officers
IPSAS	International Public Sector Accounting Standards
ME's	Municipal Entities
MEC	Member of the Executive Council
MFMA	Municipal Finance Management Act

FEZILE DABI DISTRICT MUNICIPALITY

Consolidated Annual Financial Statements for the year ended 30 June 2011

Abbreviations: (Continued)

MIG	Municipal Infrastructure Grant (Previously CMIP)
FDDM	Fezile Dabi District Municipality
CBPWP	Community Based Public Works Program
DWAF	Department of Water Affairs and Forestry

FEZILE DABI DISTRICT MUNICIPALITY

Consolidated Annual Financial Statements for the year ended 30 June 2011

Accounting Officer's Responsibilities and Approval

I am responsible for the presentation of these financial statements which are set out on page 5 to 46 in terms of Section 126(1) of the Municipal Finance Management Act (Act 56 of 2003), and which I have signed on behalf of the Municipality.

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

The consolidated annual financial statements set out on page 5 to 46, which have been prepared on the going concern basis, were approved by the accounting officer on 31 August 2011 and were signed on its behalf by:

Municipal Manager
Dr. MMV Mongake
BA. Hons; Magister Artium, PhD Economics

FEZILE DABI DISTRICT MUNICIPALITY

Consolidated Annual Financial Statements for the year ended 30 June 2011

STATEMENT OF FINANCIAL POSITION

	Note(s)	2011 R	2010 R
Assets			
Current Assets			
Trade and other receivables	2	1 669 165	3 070 474
VAT receivable	3	2 624 022	6 292 936
Cash and cash equivalents	4	206 198 370	150 591 146
		210 491 557	159 954 556
Non-Current Assets			
Property, plant and equipment	5	22 492 430	22 818 225
Intangible assets	39	241 725	425 718
		22 707 155	23 243 943
Total Assets		233 198 712	186 198 499
Liabilities			
Current Liabilities			
Trade and other payables	8	20 189 602	13 930 635
Unspent conditional grants and receipts	41	56 661 118	21 157 111
Current portion of long term loans	7	4 729 858	4 241 177
		81 580 578	39 328 923
Non-Current Liabilities			
Retirement benefit obligation	40	5 643 000	3 483 000
Provisions	9	4 707 000	3 597 000
Long term Liabilities	7	25 717 818	30 449 958
Operating lease liability		768 338	974 732
		36 836 156	38 504 690
Total Liabilities		118 416 734	77 833 613
Net Assets		114 781 978	105 364 886
Reserves			
Revaluation reserve	6	8 181 602	8 364 448
Capital replacement reserve		4 019 492	4 019 492
Accumulated surplus		102 580 884	92 980 946
Total Net Assets		114 781 978	105 364 886

FEZILE DABI DISTRICT MUNICIPALITY

Consolidated Annual Financial Statements for the year ended 30 June 2011

STATEMENT OF FINANCIAL PERFORMANCE

	Note(s)	2011 R	2010 R
Revenue			
Government grants & subsidies	10	124 738 417	142 816 789
Administration and management fees received		66 998	68 520
Fees earned		117 894	124 317
Recoveries		36 391	34 827
Other income		1 795 040	1 568 399
Interest received – investment	12	9 319 046	9 140 673
Total Revenue		136 073 786	153 753 525
Expenditure			
Employees related costs	13	(47 431 798)	(36 369 234)
Remuneration of councillors	14	(4 984 859)	(4 806 148)
Administration	15	(1 158 012)	(825 178)
Depreciation and amortisation	16	(3 443 522)	(3 053 436)
Bad debt written off	17	-	(335 020)
Finance costs	18	(3 972 338)	(4 415 963)
Repairs and maintenance		(605 265)	(411 185)
Contracted services	19	(13 027 768)	(10 228 149)
Grants and subsidies paid	20	(9 043 571)	(34 087 850)
General Expenses	21	(43 228 302)	(41 097 005)
Total Expenditure		(126 895 435)	(135 629 168)
Loss on disposal of assets		(348 351)	-
Surplus for the year		8 830 000	18 124 357

FEZILE DABI DISTRICT MUNICIPALITY

Consolidated Annual Financial Statements for the year ended 30 June 2011

STATEMENT OF CHANGES IN NET ASSETS

	Revaluation Reserve	Capital Replacement Reserve	Total reserves	Accumulated Surplus	Total net Assets
	R	R	R	R	R
Opening balance as previously reported	8 792 718	4 019 492	12 812 210	81 238 337	94 050 547
Adjustments:					
Prior year adjustments	-	-	-	(7 558 964)	(7 558 964)
Balance at 01 July 2009 as restated	8 792 718	4 019 492	12 812 210	73 679 373	86 491 583
Changes in net assets					
Revaluation reserve realised	(428 270)	-	(428 270)	428 270	-
Other	-	-	-	748 946	748 946
Net income (losses) recognised directly in net Assets	(428 270)	-	(428 270)	1 177 216	748 946
Surplus for the year	-	-	-	18 124 357	18 124 357
Total recognised income and expenses for the year	(428 270)	-	(428 270)	19 301 573	18 873 303
Total changes	(428 270)	-	(428 270)	19 301 573	18 873 303
Balance at 1 July 2010	8 364 448	4 019 492	12 383 940	92 980 947	105 364 887
Changes in net assets					
Recognition of Revaluation Surplus Over-realised	163 615	-	163 615	-	163 615
Bursary Debt recognised	-	-	-	114 310	114 310
Auditors Corrections	-	-	-	(8 545)	(8 545)
Revaluation reserve realised	(346 461)	-	(346 461)	346 461	-
Prior year corrections	-	-	-	(15 000)	(15 000)
Other	-	-	-	332 711	332 711
Net income (losses) recognised directly in net assets	(182 846)	-	(182 846)	769 937	587 091
Surplus for the year	-	-	-	8 830 000	8 830 000
Total recognised income and expenses for the year	(182 846)	-	(182 846)	9 599 937	9 417 091
Total charges	(182 846)	-	(182 846)	9 599 937	9 417 091
Balance at 30 June 2011	8 181 602	4 019 492	12 201 094	102 580 884	114 781 978

Note(s)

6

FEZILE DABI DISTRICT MUNICIPALITY

Consolidated Annual Financial Statements for the year ended 30 June 2011

CASH FLOW STATEMENT

	Note(s)	2011 R	2010 R
Cash flows from operating activities			
Receipts			
Grants		124 738 417	117 569 001
Interest income		9 319 046	9 140 673
Other receipts		3 961 313	1 796 063
		<u>138 018 776</u>	<u>128 505 737</u>
Payments			
Employee costs		(49 146 657)	(41 175 382)
Suppliers		(21 751 235)	(48 509 120)
Finance costs		(3 972 338)	(4 415 963)
Other cash item		-	322 598
		<u>(74 870 230)</u>	<u>(93 777 867)</u>
Net cash flows from operating activities	22	<u>63 148 546</u>	<u>34 727 870</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	5	(3 445 711)	(3 567 328)
Proceeds from sale of property, plant and equipment	5	702 593	-
Loss from sale of property, plant and equipment		(348 351)	-
Net cash flows from investing activities		<u>(3 091 469)</u>	<u>(3 567 328)</u>
Cash flows from financing activities			
Movement in long term liabilities		(4 243 459)	(3 799 947)
Movement in operating lease liability		(206 394)	974 732
Net cash flows from financing activities		<u>(4 449 853)</u>	<u>(2 825 215)</u>
Net increase /(decrease) in cash and cash equivalent		55 607 224	28 335 327
Cash and cash equivalents at the beginning of the year		150 591 146	122 255 819
Cash and cash equivalents at the end of the year	4	<u>206 198 370</u>	<u>150 591 146</u>

FEZILE DABI DISTRICT MUNICIPALITY
Consolidated Annual Financial Statements for the year ended 30 June 2011

ACCOUNTING POLICIES

1. Basis of Presentation

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

These consolidated 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 rounded to the nearest Rand.

A summary of the significant accounting policies, which have been consistently applied, are disclosed below.

These accounting policies are consistent with the previous period.

1.1 Presentation of currency

These consolidated annual financial statements are presented in South African Rand.

1.2 Reserves

Capital replacement reserve (CRR)

In order to finance the provision of infrastructure and other items of property, plant and equipment from internal sources, amounts are transferred from the accumulated surplus/ (deficit) to the CRR in terms of a Council resolution. A corresponding amount is transferred to a designated CRR bank or investment account. The cash in the designated CRR bank account can only be utilised to finance items of property, plants and equipment. The CRR is reduced and the accumulated surplus/ (deficit) is credited by a corresponding amount when the amounts in the CRR are utilised.

1.3 Revaluation reserve

The surplus arising from the revaluation of property, plant and equipment is credited to a non-distributable reserve.

The revaluation surplus is realised as revalued assets are depreciated, through a transfer from the revaluation reserve to the accumulated surplus/deficit. On disposal, the net revaluation surplus is transferred to the accumulated surplus/deficit while gains or losses on disposal, based on revalued amounts, are credited or charged to the statement of financial performance.

1.4 Property, plant and equipment

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period.

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits or service potential associated with the item will flow to the municipality; and
- the cost of the item can be measured reliably.

FEZILE DABI DISTRICT MUNICIPALITY

Consolidated Annual Financial Statements for the year ended 30 June 2011

ACCOUNTING POLICIES

1.4 Property, plant and equipment (continued)

Property, plant and equipment is initially measured at cost.

The cost of an item of property, plant and equipment is the purchase price and other cost attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

Where an asset is acquired at no cost, or for a nominal cost its fair value as at date of acquisition.

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

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

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replace part is derecognised.

Property, plant and equipment is stated at cost less accumulated depreciation and any impairment losses except land and buildings which are revalued at least every five years. Similarly, land is not depreciated as it is deemed to have an indefinite life.

Subsequent expenditure is capitalized when the recognition and measurement criteria of an asset are met.

Land and buildings are carried at revalued amounts, being the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses in respect of buildings.

Revaluations are made with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

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

Any decrease in an asset's carrying amount, as a result of a revaluation, is recognised in surplus or deficit in the current period. The decrease debited directly to a revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value.

FEZILE DABI DISTRICT MUNICIPALITY

Consolidated Annual Financial Statements for the year ended 30 June 2011

ACCOUNTING POLICIES**1.4 Property, plant and equipment (continued)**

The annual depreciation rates are based on the following estimated asset useful lives:

Item	Average useful life
Land	Indefinite
Buildings	30 years
Furniture and fittings	3 - 10 years
Motor vehicles	5 years
• Ambulances	5-10 years
• Fire engines	20 years
• Buses	15 years
• Trucks and light delivery vehicles	5- 7 years
• Ordinary motor vehicles	5- 7 years
• Motor cycles	3 years
Office equipment	
• Computer hardware	5 years
• Computer software	3-5 years
• Office machines	3-5 years
• Air conditioners	5-7 years
Emergency Equipment	
• Fire hoses	5 years
• Other fire-fighting equipment	15 years
• Emergency lights	5 years
Other property, plant and equipment	
• Lawn mowers	2 years
• Compressors	5 years
• Laboratory equipment	5 years
• Radio equipment	5 years
• Firearms	5 years
• Telecommunication equipment	5 years

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

Impairment

The entity assess at each report date whether there is any indication that an asset may be impaired. If any such indication exists, the entity estimates the recoverable amount of the asset.

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

FEZILE DABI DISTRICT MUNICIPALITY
Consolidated Annual Financial Statements for the year ended 30 June 2011

ACCOUNTING POLICIES

1.4 Property, plant and equipment (continued)

An impairment loss shall be recognised immediately in surplus or deficit, unless the asset is carried at a revalued amount in accordance with another Standard of GRAP (for example, in accordance with the revaluation model in the standard of GRAP on Property, Plant and Equipment). Any impairment loss of a revalued asset shall be treated as a revaluation decrease in accordance with that Standard of GRAP.

An impairment loss recognised in prior periods for an asset shall be reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised. If this is the case, the carrying amount of the asset shall, except as described in paragraph. 65 of GRAP 21, be increased to its recoverable service amount. That increase is a reversal of an impairment loss.

The increased carrying amount of an asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised in prior periods.

A reversal of an impairment loss for an asset shall be recognised immediately in surplus or deficit unless the asset is carried at revalued amount in accordance with another Standard o GRAP (for example, the revaluation model in the Standard of GRAP on Property, Plant and Equipment).Any reversal of an impairment loss of a revalued asset shall be tread as a revaluation increase in accordance with that other Standard of GRAP.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the asset shall be adjusted in future period to allocate the asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Derecognition

The carrying amount of an item of property, plant and equipment shall be derecognised:

- on disposal, or
- when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of an item of property, plant and equipment shall be included in surplus or deficit when the item is derecognised (unless the Standard of GRAP on Leases requires otherwise on a sale and leaseback). Gains shall not be classified as revenue.

1.5 Revaluation of Land and Buildings

Land and buildings are stated at revalued amounts, being the fair value at the date of revaluation less subsequent accumulated depreciation and impairment losses in respect of buildings.

1.6 Financial instruments

Classification

The municipality classifies financial assets and financial liabilities into the following categories:

- Financial assets at fair value through surplus or deficit - designated
- Held-to-maturity investment
- Loans and receivables
- Available-for-sale financial assets

FEZILE DABI DISTRICT MUNICIPALITY

Consolidated Annual Financial Statements for the year ended 30 June 2011

ACCOUNTING POLICIES

1.6 Financial instruments (continued)

Classification depends on the purpose for which the financial instruments were obtained / incurred and takes place at initial recognition. Classification is re-assessed on an annual basis, except for derivatives and financial assets designated as at fair value through surplus or deficit, which shall not be classified out of the fair value through surplus or deficit category. Loans and receivables/payables are non-derivative financial assets/liabilities with fixed or determinable payments that are not quoted in an active market. They are included in current assets/liabilities, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets/liabilities. The municipality's loans and receivables/payables comprise 'trade and other receivables/payables' and cash and cash equivalents in the balance sheet.

Initial recognition and measurement

Financial instruments are recognised initially when the municipality becomes a party to the contractual provisions of the instruments.

The municipality classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial instruments are measured initially at fair value, except for equity investments for which a fair value is not determinable, which are measured at cost and are classified as available-for-sale financial assets.

For financial instruments which are not at fair value through surplus or deficit, transaction costs are included in the initial measurement of the instrument.

Transaction costs on financial instruments at fair value through surplus or deficit are recognised in surplus or deficit.

Subsequent measurement

Financial instruments at fair value through surplus or deficit are subsequently measured at fair value, with gains and losses arising from changes in fair value being included in surplus or deficit for the period.

Net gains or losses on the financial instruments at fair value through surplus or deficit include dividends and interest. Dividend income is recognised in surplus or deficit as part of other income when the municipality's right to receive payment is established.

Loans and receivables are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment losses.

Held-to-maturity investments are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment losses.

Available-for-sale financial assets are subsequently measured at fair value. This excludes equity investments for which a fair value is not determinable, which are measured at cost less accumulated impairment losses.

Gains and losses arising from changes in fair value are recognised in equity until the asset is disposed of or determined to be impaired. Interest on available-for-sale financial assets calculated using the effective interest method is recognised in surplus or deficit as part of other income.

Dividends received on available-for-sale equity instruments are recognised in surplus or deficit as part of other income when the municipality's right to receive payment is established.

FEZILE DABI DISTRICT MUNICIPALITY
Consolidated Annual Financial Statements for the year ended 30 June 2011

ACCOUNTING POLICIES

1.6 Financial instruments (continued)

Changes in fair value of available-for-sale financial assets denominated in a foreign currency are analysed between translation differences resulting from changes in amortised cost and other changes in the carrying amount. Translation differences on monetary items are recognised in surplus or deficit, while translation differences on nonmonetary items are recognised in other comprehensive income and accumulated equity.

Trade and other receivables

Trade and other receivables are classified as loans and receivables

Accounts receivable are carried at anticipated realisable value. An estimate is made for doubtful receivables based on a review of all outstanding amounts at year end. Bad debts are written off during the year in which they are identified.

Trade and other payables

Trade payables are stated at their nominal value.

Cash and cash equivalents

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 purpose of cash flow statement, cash and cash equivalents comprise cash on hand, deposits held on call with banks and short term deposits in financial instruments, net of bank overdrafts.

Held to maturity

These financial assets are initially measured at fair value plus direct transaction costs.

At subsequent reporting dates these are measured at amortised cost using the effective interest rate method, less any impairment loss recognised to reflect irrecoverable amounts. An impairment loss is recognised in surplus or deficit when there is objective evidence that the asset is impaired, and is measured as the difference between the investment's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition. Impairment losses are reversed in subsequent periods when an increase in the investment's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the investment at the date the impairment is reversed shall not exceed what the amortised cost would have been had the impairment not been recognised.

Financial assets that the municipality has the positive intention and ability to hold to maturity are classified as held to maturity.

FEZILE DABI DISTRICT MUNICIPALITY

Consolidated Annual Financial Statements for the year ended 30 June 2011

ACCOUNTING POLICIES

1.6 Financial instruments (continued)

Gains and losses

A gain or loss arising from a change in a financial asset or financial liability is recognised as follows:

- A gain or loss on a financial asset or financial liability classified as at fair value through surplus or deficit is recognised in surplus or deficit;
- A gain or loss on an available-for-sale financial asset is recognised directly in net assets, through the statement of changes in net assets, until the financial asset is derecognised, at which time the cumulative gain or loss previously recognised in net assets is recognised in surplus or deficit; and
- For financial assets and financial liabilities carried at amortised cost, a gain or loss is recognised in surplus or deficit when the financial asset or financial liability is derecognised or impaired, and through the amortisation process.

Derecognition

Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised where:

- the rights to receive cash flows from the asset have expired;
- the municipality retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement; or the municipality has transferred its rights to receive cash flows from the asset and either
 - has transferred substantially all the risks and rewards of the asset, or
 - has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the municipality has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the municipality's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the municipality could be required to repay. Where continuing involvement takes the form of a written and/or purchased option (including a cash-settled option or similar provision) on the transferred asset, the extent of the municipality's continuing involvement is the amount of the transferred asset that the municipality may repurchase, except that in the case of a written put option (including a cash-settled option or similar provision) on an asset measured at fair value, the extent of the municipality's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in surplus or deficit.

FEZILE DABI DISTRICT MUNICIPALITY
Consolidated Annual Financial Statements for the year ended 30 June 2011

ACCOUNTING POLICIES

1.7 Revenue Recognition

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Interest revenue is recognised using the effective interest rate method.

Interest revenue is recognised using the effective interest method.

Government grants are recognised as revenue when all conditions associated with the grant have been met. Where grants have been received but the municipality has not met the condition, a liability is raised.

Amounts received from government and donors for the purpose of acquiring item of property, plant and equipment are also recognised as revenue.

Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discount and volume rebates.

1.8 Conditional grants and receipts

Revenue received from conditional grants, donations and funding are recognised as revenue to the extent that the Municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met a liability is recognised.

This liability always has to be cash-backed. The following provisions are set for the creation and utilisation of this creditor:

Unspent conditional grants are recognised as a liability when the grant is received.

When grant conditions are met an amount equal to the conditions met are transferred to revenue in the Statement of Financial Performance.

The cash which backs up the creditor is invested until it is utilised.

Interest earned on the investment is treated in accordance with the grant conditions. If it is payable to the funder it is recorded a part of the creditor. If it is the Municipality's income it is recognised as interest earned in the Statement of Financial Performance.

1.9 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.

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

FEZILE DABI DISTRICT MUNICIPALITY
Consolidated Annual Financial Statements for the year ended 30 June 2011

ACCOUNTING POLICIES

1.9 Provisions and contingencies (continued)

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the municipality settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

Provisions are reviewed at each balance sheet 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.

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

A provision is used only for expenditures for which the provision was originally recognised.

Provisions are not recognised for future operating deficits.

If an entity has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

A constructive obligation to restructure arises only when an entity:

- has a detailed formal plan for the restructuring, identifying at least:
 - the activity/operating unit or part of a activity/operating unit concerned;
 - the principal locations affected;
 - the location, function, and approximate number of employees who will be compensated for services being terminated;
 - the expenditures that will be undertaken; and
 - when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

A restructuring provision includes only the direct expenditures arising from the restructuring, which are those that are both:

- necessarily entailed by the restructuring; and
- not associated with the ongoing activities of the municipality

No obligation arises as consequence of the sale or transfer of an operation until the municipality is committed to the sale or transfer, that is, there is a binding agreement.

After their initial recognition contingent liabilities recognised in business combinations that are recognised separately are subsequently measured at the higher of:

- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed.

FEZILE DABI DISTRICT MUNICIPALITY

Consolidated Annual Financial Statements for the year ended 30 June 2011

ACCOUNTING POLICIES**1.10 Unauthorised expenditure**

Unauthorised expenditure means:

- overspending of a vote or main division within a vote; and
- expenditure not in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division.

Unauthorised expenditure is expenditure that has not been budgeted, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state and expenditure in the form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act No.56 of 2003). All expenditure relating to unauthorised expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.11 Irregular expenditure

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the municipal system Act (Act No.32 of 2000), the public Office Bearer Act (Act No.20 of 1998) or is in contravention of the Municipality's supply chain management policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as revenue in the Statement of Financial Performance.

Irregular expenditure that was incurred and identified during the current financial and which was condoned before year end and/or before finalisation of the financial statements must also be recorded appropriately in the irregular expenditure register. In such an instance, no further action is also required with the exception of updating the note to the financial statements.

1.12 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.13 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the municipality. Property, plant and equipment subject to finance lease agreements are capitalized at their cash cost equivalent and the corresponding liabilities are raised. The cost of the item of property, plant and equipment is at appropriate rates on the straight-line basis over its estimated useful life. Lease payments are allocated between the lease finance cost and capital repayments using the effective interest rate method. Lease finance costs are expensed when incurred.

FEZILE DABI DISTRICT MUNICIPALITY
Consolidated Annual Financial Statements for the year ended 30 June 2011

ACCOUNTING POLICIES

1.13 Leases (continued)

Finance leases-lessor

The municipality recognises finance lease receivables as assets on the statement of financial position. Such assets are presented as a receivable at an amount equal to the net investment in the lease.

Finance revenue is recognised based on a pattern reflecting a constant periodic rate of return on the municipality's net investment in the finance lease.

Finance leases-lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amount equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease.

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

Any contingent rents are expensed in the period in which they are incurred.

Operating lease-lessor

Operating lease revenue is recognised as revenue on a straight-line basis over the lease term.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease revenue.

The aggregate cost of incentives is recognised as a reduction of rental revenue over the lease term on a straight- line basis

The aggregate benefit of incentives is recognised as a reduction of rental expense over the lease term on a straight-line basis.

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

Operating leases –lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability

1.14 Borrowing costs

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

FEZILE DABI DISTRICT MUNICIPALITY
Consolidated Annual Financial Statements for the year ended 30 June 2011

ACCOUNTING POLICIES

1.15 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

Defined contribution plans

Payment to defined contribution retirement benefit plans are charged as an expense as they fall due.

Payment made to industry-managed (or state plan) retirement benefit schemes are dealt with as defined contribution plans where the entity's obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.

Defined benefit plans

For defined benefit plans the cost of providing the benefits is determined using the projected credit method

Actuarial valuations are conducted on an annual basis by independent actuaries separately for each plan.

Consideration is given to any event that could impact the fund up to end of the reporting period where the interim valuation is performed at an earlier date.

Past service costs are recognised immediately to the extent that the benefits are already vested, and are otherwise amortised on a straight line basis over the average period until the amended benefits become vested.

To the extent that, at the beginning of the financial period, any cumulative unrecognised actuarial gain or loss exceeds ten percent of the greater of the present value of the projected benefit obligation and the fair value of the plan assets (the corridor), that portion is recognised in surplus or deficit over expected average remaining service lives of participating employees. Actuarial gains or losses within the corridor are not recognised.

Gains or losses on the curtailment or settlement of a defined benefit plan are recognised when the entity is demonstrably committed to curtailment or settlement.

When it is virtual certain that another party will reimburse some or all of the expenditure required to settle a defined benefit obligation, the right to reimbursement is recognised as a separate asset. The asset is measured at fair value. In all other respects, the asset is treated in the same way as plan assets. In surplus or deficit, the expense relating to a defined benefit plan is presented as the net of the amount recognised for a reimbursement.

The amount recognised in the statement of financial position represents the present value of the defined benefit obligation as adjusted for unrecognised actuarial gain and losses and unrecognised past service costs, and reduces by the fair value of plan assets.

FEZILE DABI DISTRICT MUNICIPALITY
Consolidated Annual Financial Statements for the year ended 30 June 2011

ACCOUNTING POLICIES

1.15 Employee benefits (continued)

Any asset is limited to unrecognised actuarial losses and past service costs, plus the present value of available refunds and reduction in future contributions to the plan.

Other post retirement obligations

The entity provides post-retirement health care benefits, housing subsidies and gratuities upon retirement to some retirees.

The entitlement to post-retirement health care benefits is based on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment. Independent qualified actuaries carry out valuations of these obligations. The entity also provides a gratuity and housing subsidy on retirement to certain employees. An annual charge to income is made to cover both these liabilities.

1.16 Comparative figures

Where necessary, comparative figure have been reclassified to conform to changes in presentation in the current year.

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

When the presentation or classification of items in the annual financial statement is amended, prior period comparative amounts are restated, unless a standard of GRAP does not require the restatements of comparative information. The nature and reason for the reclassification is disclosed.

Where material accounting errors have identified in the current year, the correction is made retrospectively as far as practicable, and the prior year comparative are restated accordingly. Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable, and the prior year comparatives are restate accordingly.

Prior year comparatives:

When the presentation or classification of items in the annual financial statements is amended, prior year comparative amounts are reclassified. The nature and reason for the reclassification is disclosed.

1.17 Significant judgements and source of estimation uncertainty

In preparing consolidated annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the consolidated annual financial statement and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the consolidated annual financial statements. Significant judgements include:

Trade receivables / held to maturity investments and/or loans and receivables

The municipality assesses its trade receivables, held to maturity investments and loans and receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, the surplus make judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

FEZILE DABI DISTRICT MUNICIPALITY
Consolidated Annual Financial Statements for the year ended 30 June 2011

ACCOUNTING POLICIES

1.17 Significant judgements and source of estimation uncertainty (continued)

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in a note.

Post retirement benefits

These present value of the post retirement obligation depends on a number of factors that determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) include the discount rate. Any change in these assumptions will impact on the carrying amount of post retirement obligations.

The municipality determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the municipality considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefit will be paid, and that have terms to maturity approximating the terms of the related pension liability.

Other key assumptions for pension obligation are based on current market conditions. Additional information is disclosed in Note 40.

1.18 Intangible assets

An asset is identified as an intangible asset when it:

- Is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, assets or liability; or
- Arises from contractual rights or other legal rights, regardless whether those rights are transferable or separate from the municipality or from other rights and obligations.

An intangible asset is recognised when:

- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the municipality; and
- the cost or fair value of the asset can be measured reliably.

Intangible assets are initially recognised at cost.

The cost of a separately acquired intangible asset comprises:

- (a) its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates; and
- (b) any directly attributable costs of preparing the asset for its intended use.

An intangible asset acquired at no or nominal cost, the cost shall be its fair value as at date of acquisition.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

FEZILE DABI DISTRICT MUNICIPALITY
Consolidated Annual Financial Statements for the year ended 30 June 2011

ACCOUNTING POLICIES

1.18 Intangible assets (continued)

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for used or sale.
- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.
- it will generate probable future economic benefit or service potential.
- There are available technical, financial and other resources to complete the development and to use or sell the asset.
- The expenditure attributable to the asset during its development can be measured reliably.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual as follows:

Item	Useful life
Computer software	3 – 5 years

Intangible assets are derecognised:

- On disposal; or
- when no future economic benefit or service potential are expected from its use or disposal.

The gain or loss is the difference between the net disposal proceeds, if any, and the carrying amount. It is recognised in surplus or deficit when the asset is derecognised.

Transitional provision

The municipality changed its accounting policy for intangible assets in 2011. The change in accounting policy is made in accordance with its transitional provision as per Directive 4 of the GRAP Reporting Framework.

Intangible Assets has been recognised at the current market value in an arm length transaction, retrospectively adjusted by the useful life of the assets concerned to its net replacement value.

FEZILE DABI DISTRICT MUNICIPALITY

Consolidated Annual Financial Statement for the year ended 30 June 2011

ACCOUNTING POLICIES**1.19 Use of estimates**

The preparation of consolidated annual financial statement in conformity with Standards of GRAP requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the municipality's accounting policies. The areas involving a higher degree of judgement or complexity, areas where assumptions and estimates are significant to the consolidated annual financial statements are disclosed in the relevant sections of the consolidated annual financial statements. Although these estimates are based on management's best knowledge of current events and actions they may undertake in the future, actual result ultimately may differ from those estimates.

1.20 Offsetting

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

1.21 Segmental information

Segmental information on property, plant and equipment, as well as income and expenditure, is set out in Appendices C and D, based on the International Government Financial Statistics classifications and the budget formats prescribed by National Treasury. The municipality operates solely in its area of jurisdiction as determined by the Demarcation Board. Segment information is prepared in conformity with the accounting policies applied for preparing and presenting the financial statements.

1.22 Research and development expenditure

Research costs are charged against operating surplus as incurred. Development costs are recognised as an expense in the period in which they are incurred unless the following criteria are met:

- The product or process is clearly defined and the costs attributable to the process or product can be separately identified and measured reliably;
- The technical feasibility of the product or process can be demonstrated;
- The existence of a market or, if to be used internally rather than sold, its usefulness to the municipality can be demonstrated;
- Adequate resources exist, or their availability can be demonstrated, to complete the project and the market or use the product or process: and
- The asset must be separately identifiable.

Where development costs are deferred, they are written off on a straight-line basis over the life of the process or product, subject to a maximum of five years. The amortization begins from commencement of the commercial production of the product or use of the process to which they relate.

FEZILE DABI DISTRICT MUNICIPALITY
Consolidated Annual Financial Statements for the year ended 30 June 2011

Notes to the Consolidated Annual Financial Statements

2. Trade and other receivables	2011 R	2010 R
Suspense	651 477	261 138
DWAF Project	-	2 239 802
Fuel deposit	1 000	1 000
Pick n Pay Card	2 251	2 251
SA Post Office - Deposit	-	15 000
Other debtors	922 893	503 462
Bursary recoupments	114 308	-
N Xaba - Vehicle	9 780	30 280
T Sefako - Vehicle	3 486	15 486
B Nyakane - Vehicle	-	2 055
	<u>1 669 165</u>	<u>3 070 474</u>

3. VAT receivable

VAT	<u>2 624 022</u>	<u>6 292 936</u>
-----	------------------	------------------

Revenue, expenses and assets are recognised net of the amounts of value added tax. The net amount of Value added tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

4. Cash and cash equivalents	2011 R	2010 R
Cash and cash equivalents consist of:		
Bank balances	90 236 741	41 303 241
Short-term deposits	<u>115 961 629</u>	<u>109 287 905</u>
	<u>206 198 370</u>	<u>150 591 146</u>

Short-term deposits amounting to R4 019 492 (2010: R4 019 492) are attributable to the Capital Replacement Reserve. Short term deposits are for periods which are less than 3 months.

FEZILE DABI DISTRICT MUNICIPALITY
Consolidated Annual Financial Statements for the year ended 30 June 2011

Notes to the Consolidated Annual Financial Statements

The municipality had the following bank accounts

	2011	2010
	R	R
Cheque Account		
ABSA BANK – Sasolburg		
Account number: 520000100		
Cash book balance at the beginning of the year	718 441	1 108 781
Cash book balance at the end of the year	21 674 920	718 441
Bank statement balance at the beginning of the year	961 942	1 160 210
Bank statement balance at the end of the year	<u>24 718 509</u>	<u>961 942</u>
Savings Account		
ABSA Bank – Sasolburg		
Account Number: 9070399717		
Cash book balance at the beginning of the year	40 203 780	20 834 375
Cash book balance at the end of the year	67 484 814	40 203 780
Bank statement balance at the beginning of the year	40 203 780	20 843 375
Bank statement balance at the end of the year	<u>67 484 814</u>	<u>40 203 780</u>
Fezile Dabi District Trust Account		
Standard Bank Parys		
Account number: 246525703		
Cash book balance at the beginning of the year	70 050	70 050
Cash book balance at the end of the year	-	-
Bank statement balance at the beginning of the year	70 050	70 050
Bank statement balance at the end of the year	<u>-</u>	<u>-</u>
HIV/Aids Project Bank Account		
ABSA Bank – Sasolburg		
Account number: 9209269956		
Cash book balance at the beginning of the year	381 020	-
Cash book balance at the end of the year	1 189 219	381 020
Bank statement balance at the beginning of the year	381 020	426 349
Bank statement balance at the end of the year	<u>1 189 219</u>	<u>381 020</u>

FEZILE DABI DISTRICT MUNICIPALITY

Consolidated Annual Financial Statements for the year ended 30 June 2011

Notes to the Consolidated Annual Financial Statements**5. Property, plant and equipment**

	2011			2010		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	2 025 000	-	2 025 000	2 025 000	-	2 025 000
Buildings	14 677 111	(2 564 724)	12 112 387	14 573 865	(1 970 376)	12 603 489
Plant and machinery	204 945	(25 535)	179 410	204 946	(14 775)	190 171
Furniture & fixtures	3 799 178	(2 829 956)	969 222	3 801 502	(2 597 711)	1 203 171
Motor vehicles	5 941 459	(1 677 608)	4 263 851	4 685 442	(1 531 746)	3 153 696
Office equipment	1 515 461	(1 161 599)	353 862	1 504 882	(1 148 966)	355 916
Computer equipment	5 054 260	(4 178 568)	875 692	5 176 085	(4 138 697)	1 037 388
Other Assets	2 386 097	(673 091)	1 713 006	2 649 691	(400 917)	2 248 774
Total	35 603 511	(13 111 081)	22 492 430	34 621 413	(11 803 188)	22 818 225

Reconciliation of property, plant and equipment – 2011

	Opening balance	Additions	Disposal	Revaluation Surplus over- realised	Depreciation	Total
Land	2 025 000	-	-	-	-	2 025 000
Buildings	12 603 489	103 246	-	163 616	(757 964)	12 112 387
Plant and machinery	190 171	-	-	-	(10 761)	179 410
Furniture & fixtures	1 203 489	162 947	(7 496)	-	(390 020)	969 222
Motor vehicles	3 153 696	2 122 213	-	-	(1 002 058)	4 263 851
Office equipment	355 916	155 429	(117)	-	(157 366)	(353 862)
Computer equipment	1 037 388	463 487	(8 113)	-	(617 070)	875 862
Other Assets	2 248 774	448 389	(686 867)	-	(297 290)	1 713 006
Total	22 818 225	3 445 711	(702 593)	163 616	(3 232 529)	22 492 430

FEZILE DABI DISTRICT MUNICIPALITY

Consolidated Annual Financial Statements for the year ended 30 June 2011

Notes to the Consolidated Annual Financial Statements**5. Property, plant and equipment (continued)**

	Opening balance	Additions	Depreciation	Total
Land	2 025 000	-	-	2 025 000
Buildings	13 334 842	254 251	(985 604)	12 603 489
Plant and machinery	200 931	-	(10 760)	190 171
Furniture & fixtures	1 393 673	220 782	(410 664)	1 203 791
Motor vehicles	1 866 901	1 836 012	(549 217)	3 153 696
Office equipment	353 845	138 953	(136 882)	355 916
Computer equipment	1 629 917	167 654	(760 183)	1 037 388
Other Assets	1 499 224	949 676	(200 126)	2 248 774
Total	22 304 333	3 567 328	(3 053 436)	22 818 225

Revaluations

The effective date of the revaluations was 26 June 2008. Revaluations were performed by independent valuer. Valuations were made on the basis of recent market transactions on the arm length terms. The valuation surplus was credited to revaluation reserve. Land and buildings are re-valued independently every 5 years.

	2011 R	2010 R
The carrying value of the revalued assets under the cost model would have been:		
Land	178 810	178 810
Buildings	4 984 097	5 232 752

Other information**Property, plant and equipment fully depreciated and still in use
(Gross carrying amount)**

Computer equipment	3 013 801	1 994 741
Furniture and fittings	2 001 014	865 362
Land and Buildings	-	-
Motor Vehicles	4 500	488 014
Office Equipment	684 338	789 684
Other Assets	189 186	-
	5 892 839	4 137 801

FEZILE DABI DISTRICT MUNICIPALITY
Consolidated Annual Financial Statements for the year ended 30 June 2011

Notes to the Consolidated Annual Financial Statements

5. Property, plant and equipment (continued)

	2011	2010
	R	R

As at year-end, Work in progress (WIP) contained the following amounts for the assets as at year-end not yet delivered / received by the municipality.

The following are the assets that makes up the WIP:

- Computer Equipment	13 514	
- Furniture and Fittings	90 708	
TOTAL	104 222	

Key Assumptions used to determine the recoverable service amount of assets during the period:

The municipality conducted a stock count/asset count, and in this process the assets' conditions were assessed, and it was determined that no assets were identified as impaired.

No further information is therefore disclosed, as there were no assets impaired during the period under review.

6. Revaluation reserve

Opening balance	8 364 448	8 792 718
Reserve raised	(346 461)	(428 270)
Reversal of Revaluation surplus over-realised	163 615	-
	8 181 602	8 364 448

Revaluation surplus relating to property, plant and equipment

Revaluation surplus at the beginning of the period	8 364 448	8 792 718
Movements in the reserve for the year	(346 461)	(428 270)
Reversal of Revaluation surplus over-realised	163 615	-
	8 181 602	8 364 448

7. Long term Liabilities

Loans from DBSA

External loans	30 447 653	34 691 132
Less: Current portion transferred to current liabilities	(4 729 858)	(4 241 177)
	25 717 795	30 449 955

FEZILE DABI DISTRICT MUNICIPALITY
Consolidated Annual Financial Statements for the year ended 30 June 2011

Notes to the Consolidated Annual Financial Statements

	2011	2010
	R	R
8. Trade and other payables		
Trade payables	6 813 834	7 665 713
Retention Creditors	9 680 215	3 226 358
Other creditors	21 961	-
Staff Leave Accrual	2 664 214	2 149 766
Service Bonus Accrual	1 009 378	888 798
	<u>20 189 602</u>	<u>13 930 635</u>

9. Provisions

Reconciliation of provisions – 2011

	Opening balance	Additions	Total
Long Service Awards	3 597 000	1 110 000	4 707 000

Reconciliation of provisions – 2010

	Opening balance	Additions	Total
Long Service Award	2 945 000	652 000	3 597 000

The provision relates to Long Service Award obligation for the municipal employees. The actuarial valuation was performed in line with the requirements of IAS 19.

Amounts recognised in the statement of Financial Performance are as follows:

Service cost	(647 000)	(514 000)
Interest cost	(337 000)	(279 000)
Expected benefits paid	667 000	653 000
Actuarial gains/(losses)	(793 000)	(512 000)
Net Expenditure recognised	(1 110 000)	(652 000)

FEZILE DABI DISTRICT MUNICIPALITY
Consolidated Annual Financial Statements for the year ended 30 June 2011

Notes to the Consolidated Annual Financial Statements

	2011	2010
	R	R
9. Provisions (continued)		
Amounts recognised in the statement of Financial Position are as follows:		
Defined benefit obligation	(4 707 000)	(3 597 000)
Plan Assets	-	-
Funded status	(4 707 000)	(3 597 000)
Unrecognised actuarial (gains) / losses	-	-
Net obligation recognised in the Statement of Financial Position	(4 707 000)	(3 597 000)

Key assumptions used:

Assumptions used at the reporting date:

Discount rates used	8.40%	9.40%
Salary inflation	7.70%	7.25%
Net discount rate	0.65%	2.00%

The basis on which the discount rate has been determined is as follows:

The discount rate used in the valuation is our best estimate assumption of the CPI inflation rate, consistent with the gross discount rate, is determined with reference to the difference between the yields on government conventional and index-linked bonds as at valuation date, adjusted by a liquidity risk premium of 0.35%. A 2% margin is added to these estimates to arrive at the best estimate assumption for salary inflation.

10. Government grants and subsidies

Equitable share	122 988 417	116 084 001
Financial management grant	1 000 000	750 000
MSIG	750 000	735 000
Government grant (operating)	-	22 247 788
	124 738 417	142 816 789
Equitable Share		
Current-year receipts	122 988 417	116 084 011
Conditions met - transferred to revenue	<u>(122 988 417)</u>	<u>(116 084 001)</u>
	<u>-</u>	<u>-</u>

The Equitable Share is an unconditional grant and is utilised to assist the municipalities to undertake service delivery.

FEZILE DABI DISTRICT MUNICIPALITY

Consolidated Annual Financial Statements for the year ended 30 June 2011

Notes to the Consolidated Annual Financial Statements

	2011	2010
	R	R
10. Government grants and subsidies (Continued)		
Financial management grant		
Current-year receipts	1 000 000	750 000
Conditions met - transferred to revenue	<u>(1 000 000)</u>	<u>(750 000)</u>
	<u>-</u>	<u>-</u>

The purpose of the financial management grant is to assist municipalities to implement financial reforms required by MFMA.

MSIG

Current-year receipts	750 000	735 000
Conditions met - transferred to revenue	<u>(750 000)</u>	<u>(735 000)</u>
	<u>-</u>	<u>-</u>

The fund is used to assist the district in building capacity to perform its functions and stabilize institutional and governance systems as required by the Municipal Systems Act of 2000.

Changes in level of government grants

Based on the allocations set out in the Division of Revenue Act, (Act No.12 of 2009), no significant changes in the level of government grant funding are expected over the forthcoming 2 financial years.

11. Other Income

Telephone deductions - Officials and Councillors	239 143	205 361
Jazz festival income	1 187 109	376 720
Vuna Awards Prize Money	-	750 000
Other	<u>368 788</u>	<u>236 318</u>
	<u>1 795 040</u>	<u>1 568 399</u>

12. Interest received**Interest revenue**

Unlisted financial assets	6 673 723	7 168 376
Bank	<u>2 645 323</u>	<u>1 972 297</u>
	<u>9 319 046</u>	<u>9 140 673</u>

FEZILE DABI DISTRICT MUNICIPALITY
Consolidated Annual Financial Statements for the year ended 30 June 2011

Notes to the Consolidated Annual Financial Statements

	2011 R	2010 R
13. Employee related costs		
Employee related costs - Salaries and Wages	26 422 444	22 047 356
Performance Bonus	515 223	475 795
Employee related cost - Contributions of UIF, pension and medical aids	6 429 013	4 992 931
Leave pay provision charge	970 200	1 468 636
Overtime payments	536 908	102 763
Long-Service awards	1 110 000	-
Annual Bonus	2 294 200	1 557 199
Travel, motor car and allowances	6 066 401	5 096 449
Housing benefits and allowances	927 409	628 105
Termination benefits	2 160 000	-
	47 431 798	36 369 234
Remuneration of municipal manager		
Annual Remuneration	649 297	64 877
Car Allowance	201 667	16 500
Performance Bonuses	-	140 925
Housing Subsidy	99 000	
Contributions to UIF, Medical and Pension Funds	128 470	5 216
	1 078 434	227 518
Remuneration of Chief Finance Officer		
Annual Remuneration	755 779	692 683
Car Allowance	251 926	230 894
Performance Bonuses	136 279	128 666
Acting Allowance: Municipal Manager	8 637	81 607
Contributions to UIF, Medical and Pension Funds	12 395	1 497
	1 165 016	1 135 347

FEZILE DABI DISTRICT MUNICIPALITY
Consolidated Annual Financial Statements for the year ended 30 June 2011

Notes to the Consolidated Annual Financial Statements

	2011 R	2010 R
13. Employee related costs (continued)		
Remuneration of Director: LED		
Annual Remuneration	554 389	487 448
Car Allowance	204 110	220 932
Performance Bonuses	103 399	46 975
Contributions to UIF, Medical and Pension Funds	146 278	121 080
	<u>1 008 176</u>	<u>876 435</u>
Remuneration of Director: PMU		
Annual Remuneration	657 932	578 558
Car Allowance	201 322	187 768
Performance Bonuses	112 740	-
Contributions to UIF, Medical and Pension Funds	10 922	1 497
	<u>982 916</u>	<u>767 823</u>
Remuneration of Director: Corporate Services		
Annual Remuneration	521 108	543 128
Car Allowance	220 467	204 162
Performance Bonuses	81 141	103 102
Contributions to UIF, Medical and Pension Funds	132 546	112 142
	<u>955 262</u>	<u>962 534</u>
Remuneration of Director: Health and Safety		
Annual Remuneration	550 853	497 953
Car Allowance	223 574	204 162
Performance Bonuses	81 665	103 102
Contributions to UIF, Medical and Pension Funds	127 989	112 142
	<u>984 181</u>	<u>917 359</u>

FEZILE DABI DISTRICT MUNICIPALITY
Consolidated Annual Financial Statements for the year ended 30 June 2011

Notes to the Consolidated Annual Financial Statements

	2011 R	2010 R
14. Remuneration of councillors		
Executive Mayor	609 560	444 082
Mayoral Committee Members	2 367 132	2 227 729
Speaker	449 903	442 692
Councillors	1 558 264	1 691 645
	4 984 859	4 806 148

In-kind benefits

The Executive Mayor, Speaker and Mayoral Committee Members are full-time. Each is provided with an office and secretarial support at the cost of the Council. The Executive Mayor has use of a Council owned vehicle for official duties.

15. Administrative expenditure

Administration and management fees	<u>1 158 012</u>	<u>825 178</u>
------------------------------------	------------------	----------------

16. Depreciation and amortization

Property, plant and equipment	3 232 530	3 053 436
Intangible assets	<u>210 992</u>	<u>-</u>
	3 443 522	3 053 436

17. Bad debt written off

Bad debt

Trade and other receivables	-	335 020
-----------------------------	---	---------

During the 2008/2009 financial year the District Municipality entered into an agreement with the DPLG to host the HIV/AIDS jazz festival. In terms of this agreement DPLG committed to fund the procurement of Sound and Stage that was used in this event due to the fact that they wanted the International Artist to perform at this event. The procurement was paid for by Fezile Dabi District Municipality and the said payment was to be recovered from DPLG. Council has resolved not to pursue this matter further.

FEZILE DABI DISTRICT MUNICIPALITY
Consolidated Annual Financial Statements for the year ended 30 June 2011

Notes to the Consolidated Annual Financial Statements

	2011 R	2010 R
18. Finance costs		
Interest on long term liabilities	<u>3 972 338</u>	<u>4 415 963</u>

19. Contracted services

Various Contractors	<u>13 027 768</u>	<u>10 228 149</u>
---------------------	-------------------	-------------------

These payments are contracts which have been entered into during the current and prior financial year.

Jazz Festival	4 302 356	2 494 823
IDP Implementation Monitoring	1 104 272	1 550 601
Municipal systems improvement programme	750 000	722 734
Cleaning Services	865 892	758 572
Performance Management System	442 028	150 000
Emergency Funding	653 197	863 576
Renovations – Mafube Fire Station	1 500 575	-
Security Services – Building	576 143	944 842
Sports Development Programme	1 012 378	998 926
Vredefort Dome	503 618	-
Other	<u>1 317 309</u>	<u>1 744 075</u>
	<u>13 027 768</u>	<u>10 228 149</u>

20. Grants and subsidies paid

Other subsidies

Mafube Local Municipality	-	21 286
Metsimaholo	90 902	-
Ngwathe Local Municipality	3 308 968	2 188 443
Moqhaka Local Municipality	-	2 667 000
District Rural Areas	<u>5 643 701</u>	<u>29 211 121</u>
	<u>9 043 571</u>	<u>34 087 850</u>

The Municipality identifies projects which are funded through grants and subsidies in the various local municipalities within the District. Projects are identified through the Integrated Development Plan. The operation and control of items of property, plant and equipment funded through these grants and subsidies vests in the local municipalities.

FEZILE DABI DISTRICT MUNICIPALITY
Consolidated Annual Financial Statements for the year ended 30 June 2011

Notes to the Consolidated Annual Financial Statements

	2011	2010
	R	R
21. General expenses		
Accounting fees	136 714	371 404
Advertising	287 648	379 623
Auditors remuneration	1 585 529	1 358 645
Bank charges	46 048	61 381
Cleaning	39 412	47 234
Consulting and professional fees	1 104 573	1 124 329
Consumables	335 703	145 645
Donations	562 103	2 537 453
Entertainment	1 329 452	1 242 177
Rental Equipment	3 151 237	2 926 903
Insurance	185 660	111 569
Community development and training	3 214 996	729 321
IT expenses	606 328	923 131
Fleet	68 736	53 911
Marketing	1 162 656	1 085 980
Magazines, books and periodicals	36 830	32 224
Medical expenses	1 575	2 611
Assistance to Local Municipalities	6 409 169	6 430 249
Fuel and oil	642 359	465 632
Postage and courier	13 430	7 605
Printing and stationery	454 176	263 043
Promotions	4 872 484	5 361 050
Protective clothing	96 908	3 707
Project maintenance costs	-	86 247
Research and development costs	-	378 449
Royalties and license fees	8 895	5 181
Security (Guarding of municipal property)	70 342	157 827
Staff welfare	762 111	823 840
Subscriptions and membership fees	475 128	312 373
Telephone and fax	609 691	534 887
Training	1 325 637	1 259 399
Travel - local	2 671 936	2 662 618
Assets expensed	-	229 709

FEZILE DABI DISTRICT MUNICIPALITY
Consolidated Annual Financial Statements for the year ended 30 June 2011

Notes to the Consolidated Annual Financial Statements

21. General expenses (continued)

	2011	2010
	R	R
Tourism development	673 839	2 562 705
Strategic sessions	892 475	-
Bursaries: External Students	1 451 085	808 895
Rental property	191 986	170 312
Other expenses	7 751 721	5 439 736
	43 228 302	41 097 005

22. Cash generated from operations

Surplus	8 830 000	18 124 357
Adjustments for:		
Depreciation and amortisation	3 443 522	3 053 436
Loss on sale of assets	348 351	-
Impairment deficit	-	335 020
Movement in retirement benefit assets and liabilities	2 160 000	-
Movement in provisions	1 110 000	-
Prior year corrections	(15 000)	-
Other	438 476	532 204
Changes in working capital:		
Trade and other receivables	1 401 309	10 790 359
Trade and other payables	6 258 967	(8 189 927)
VAT	3 668 914	(5 113 094)
Unspent conditional grants and receipts	35 504 007	15 195 515
	63 148 546	34 727 870

23. Retirement Benefit Information

Councillors and employees belong to two defined benefit retirement funds which are the Free State Municipal Pension Fund and the Councillors Pension Fund. These Funds are subject to triennial actuarial valuation. The last valuation of the Free State Municipal Pension Fund was performed in June 2005. The Free State Municipal Pension Fund, net assets that are available for benefits at 30 June 2005 was R 1 530 775 000.

The actuarial valuation determined that the fund was in a sound financial position. The estimated liability of the funds is R 1 308 118 000 which is adequately financed.

No new information was available at balance sheet date.

FEZILE DABI DISTRICT MUNICIPALITY
Consolidated Annual Financial Statements for the year ended 30 June 2011

Notes to the Consolidated Annual Financial Statements

	2011	2010
	R	R
24. Going concern		
The consolidated annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.		
25. Unauthorised expenditure		
Balance at the beginning of the year	-	281 340
Approved/condoned by council	-	(281 340)
	<u>-</u>	<u>-</u>
There were no unauthorised expenditure for the current year.		
26. Fruitless and wasteful expenditure		
Opening balance	-	91 013
Approved/condoned by council	-	(91 013)
	<u>-</u>	<u>-</u>
There were no fruitless and wasteful expenditure for the current year.		
27. Irregular expenditure		
Opening balance	85 428	3 241 181
Add: Irregular Expenditure - current year	351 672	970 445
Less: Amounts condoned by council	(390 800)	(4 126 198)
Less: Amounts recoverable (not condoned)	-	(10 922)
Add: Amounts recovered	-	10 922
	<u>46 300</u>	<u>85 428</u>
Analysis of expenditure awaiting condonation per age classification		
Current year	46 300	85 428
Prior years	-	-
	<u>46 300</u>	<u>85 428</u>

FEZILE DABI DISTRICT MUNICIPALITY
Consolidated Annual Financial Statements for the year ended 30 June 2011

Notes to the Consolidated Annual Financial Statements

	2011 R	2010 R
27. Irregular expenditure (continued)		
Details of irregular expenditure – current year		
Disciplinary steps / criminal proceedings	None	331 672
Supply Chain Policy procedures not followed		<u> </u>
Details of irregular expenditure condoned		
Condoned by (condoning authority) Municipal Council		305 372
Supply Chain Policy procedures not followed		<u> </u>
Irregular expenditure of R 305 372 (2010: 885 017) was condoned by council. Irregular expenditure of R 46 300 will be submitted to council for consideration.		
28. In-kind donations and assistance		
No in-kind donations or assistance were received during the year.		
29. Additional disclosure in terms of Municipal Finance Management Act		
Contributions to organised local government		
Current year subscription	453 925	305 905
Amount paid - current year	<u>(453 925)</u>	<u>(305 905)</u>
	<u> </u>	<u> </u>
Audit fees		
Current year fee	1 584 448	1 358 645
Amount paid - current year	<u>(1 584 448)</u>	<u>(1 358 645)</u>
	<u> </u>	<u> </u>
PAYE and UIF		
Opening balance	-	494 289
Current year payroll deduction	9 053 922	6 988 215
Amount paid - current year	<u>(9 053 922)</u>	<u>(7 482 504)</u>
	<u> </u>	<u> </u>

FEZILE DABI DISTRICT MUNICIPALITY
Consolidated Annual Financial Statements for the year ended 30 June 2011

Notes to the Consolidated Annual Financial Statements

	2011	2010
	R	R
29. Additional disclosure in terms of Municipal Finance Management Act (continued)		
Pension and Medical Aid Deductions		
Current year payroll deduction	8 100 703	7 511 233
Amount paid – current year	<u>(8 100 703)</u>	<u>(7 511 233)</u>
	<u>-</u>	<u>-</u>
VAT		
VAT receivable	<u>2 624 022</u>	<u>6 292 936</u>
All VAT returns have been submitted by the due date throughout the year.		

30. Actual operating expenditure versus budgeted operating expenditure

Refer to Appendix E(1) for the comparison of actual operating expenditure versus budgeted expenditure

31. Actual capital expenditure versus budgeted capital expenditure

Refer to Appendix E(2) for the comparison of actual capital expenditure versus budgeted expenditure.

32. Related parties

No related party transactions occurred during this financial year.

33. Risk Management

Financial risk management

The District municipality's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions.

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

The financial liabilities of the District Municipality are backed by appropriate assets and it has adequate liquid resources. The District Municipality monitors the cash projections by ensuring that borrowing facilities are available to meet its cash requirements.

No significant financial risk pertaining to the creditors exists except for mainly operational risks that are not covered in here.

FEZILE DABI DISTRICT MUNICIPALITY

Consolidated Annual Financial Statements for the year ended 30 June 2011

Notes to the Consolidated Annual Financial Statements

2011	2010
R	R

33. Risk Management (continued)

Interest rate risk

The District Municipality is mainly exposed to interest rate risk due to the movements in long-term and short term interest rates.

The risk is managed on an on-going basis.

Credit risk

Credit risk is the risk that a counter party to a financial asset will fail to discharge an obligation and cause the District Municipality to incur financial loss.

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

Foreign exchange risk

The District Municipality does not engage in foreign currency transactions.

34. Event after the reporting date

No events took place after the reporting date which has an impact on the Annual Financial Statements.

35. Deviation from supply chain management regulations

Paragraph 12(1)(d)(i) of Government gazette No.27636 issued on 30 May 2005 states that a supply chain management policy must provide for the procurement of goods and services by way of a competitive bidding process.

Paragraph 36 of the same gazette state that the accounting officer may dispense with the official procurement process in certain circumstances, provided that he records the reasons for any deviations and report them to the next meeting of the council and includes a note to the consolidated annual financial statements.

Deviations from supply chain management regulations did occur. These deviations were submitted and approved by council. A detailed deviation register is available at the municipality for inspection.

FEZILE DABI DISTRICT MUNICIPALITY
Consolidated Annual Financial Statements for the year ended 30 June 2011

Notes to the Consolidated Annual Financial Statements

	2011	2010	
	R	R	
36. Financial Assets by category			
2011			
	Loans and receivables	Held to maturity investments	Total
Trade and other receivables	1 669 165	-	1 669 165
VAT Receivable	2 264 022	-	2 624 022
Cash and Cash Equivalents	-	90 236 741	90 236 741
Short-term Deposits	-	115 961 629	115 961 629
	4 293 187	206 198 370	210 491 557
2010			
	Loans and receivables	Held to maturity investments	Total
Trade and other receivables	3 070 474	-	3 070 474
VAT Receivable	6 292 936	-	6 292 936
Cash and Cash Equivalents	-	41 303 241	41 303 241
Short-term Deposits	-	109 287 905	109 287 905
	9 363 410	150 591 146	159 954 556

FEZILE DABI DISTRICT MUNICIPALITY
Consolidated Annual Financial Statements for the year ended 30 June 2011

Notes to the Consolidated Annual Financial Statements

	2011	2010
	R	R
37. Financial liabilities by category		
2011		
	Financial liabilities at amortised cost	Total
Annuity Loans	25 717 818	25 717 818
Retirement benefit obligation	5 643 000	5 643 000
Trade and other payables	20 189 602	20 189 602
Operating lease liability	768 338	768 338
Current portion of Long-term Liabilities	4 729 858	4 729 858
Provisions	4 707 000	4 707 000
Unspent conditional grants and receipts	56 661 118	56 661 118
	118 416 734	118 416 734
2010		
	Financial liabilities at amortised cost	Total
Annuity Loans	30 449 958	30 449 958
Retirement benefit obligation	3 483 000	3 483 000
Trade and other payables	13 930 636	13 930 636
Operating lease liability	974 732	974 732
Current portion of Long-term Liabilities	4 241 177	4 241 177
Provisions	3 597 000	3 597 000
Unspent conditional grants and receipts	21 157 111	21 157 111
	77 833 614	77 833 614

FEZILE DABI DISTRICT MUNICIPALITY
Consolidated Annual Financial Statements for the year ended 30 June 2011

Notes to the Consolidated Annual Financial Statements

2011	2010
R	R

38. Changes in accounting policy

The consolidated annual financial statements have been prepared in accordance with South African Statements of Generally Recognised Accounting Practice on a basis consistent with the prior year except for the adoption of the following new or revised standards.

• GRAP 1	Presentation of Financial Statements
GRAP 2	Cash flow Statements
GRAP 3	Accounting Policies, Changes in Accounting Estimates and Errors
GRAP 4	Accounting Policies, changes in accounting estimates and errors
GRAP 5	Borrowing Cost
GRAP 6	Consolidated and Separate Financial Statements
GRAP 7	Investments in Associates
GRAP 8	Interests in joint ventures
GRAP 9	Revenue from Exchange Transactions
GRAP 10	Financial reporting in hyperinflationary economies
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 21	Impairment non-cash generating assets
GRAP 24	Presentation of Budget Information in Financial Statements
GRAP 100	Non-current Assets Held for Sale and Discontinued Operations
GRAP 102	Intangible Assets
IFRS 3	Business combinations
IFRS 4	Insurance contracts
IFRS 6	Exploration for and evaluation of mineral resources
IFRS 7	Financial instruments: Disclosures
IAS 12	Income taxes
IAS 19	Employee Benefits
IAS 32	Financial Instruments: Presentation
IAS 39	Financial Instruments: Recognition and measurement
IAS 36	Impairment of assets
IPSAS 20	Related Parties
GAMAP 9.29-.35 & .39-54	Revenue
IGRAP 1	Applying the probability test on initial recognition of exchange revenue
IFRIC 2	Members Share in Co-operative Entities and Similar instruments
IFRIC 4	Determining whether an Arrangement contains a Lease

FEZILE DABI DISTRICT MUNICIPALITY
Consolidated Annual Financial Statements for the year ended 30 June 2011

Notes to the Consolidated Annual Financial Statements

	2011	2010
	R	R
38. Changes in accounting policy (continued)		
IFRIC 9		Reassessment of Embedded Derivatives
IFRIC 12		Service Concession Arrangements
IFRIC 13		Customer Loyalty Programmes
IFRIC 14		IAS 19- The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
SIC 21		Income Taxes- Recovery of Re-valued Non-Depreciable Assets
SIC 25		Income Taxes- Changes in the Tax Status of an Enterprise or its Shareholders
SIC 27		Disclosure – Service Concession Arrangements
Directive 1		Repeal of Existing Transitional Provisions in, and Consequential Amendments to, Standards of GRAP
Directive 2		Transitional Provisions for the Adoption of Standards of GRAP by Public Entities, Municipal Entities and Constitutional Institutions
Directive 3		Transitional Provisions for Adoption of Standards of GRAP by High Capacity Municipalities
Directive 4		Transitional Provisions for the Adoption of Standards of GRAP by Medium and Low Capacity Municipalities
Directive 5		Determining the GRAP Reporting Framework
ASB guide 1		Guideline on Accounting for Public Private Partnerships Other 10

CHANGE IN ACCOUNTING POLICY IN TERMS OF GRAP 3

The following adjustments were made to amounts previously reported in the annual financial statements of the Municipality accounted for under the Institute of Municipal Finance Officers (IMFO) Accountants arising from the Implementation of the Generally Recognised Accounting Practice (GRAP):

The aggregate effect of the changes in accounting policy on the consolidated annual financial statements for the year ended 30 June 2010 is as follows:

FEZILE DABI DISTRICT MUNICIPALITY
Consolidated Annual Financial Statements for the year ended 30 June 2011

Notes to the Consolidated Annual Financial Statements

	2011 R	2010 R
38. Changes in accounting policy (continued)		
Statement of financial position		
Intangible Assets (GRAP 102)		
Previously stated	-	-
Cost recognised	-	1 135 560
Accumulated Amortisation recognised	-	(709 843)
	<u>-</u>	<u>(425 717)</u>
	<u>-</u>	<u>425 717</u>
Operating lease liability (GRAP 13)		
Previously stated	-	-
Cost recognised	-	(974 732)
	<u>-</u>	<u>(974 732)</u>
	<u>-</u>	<u>(974 732)</u>
Retirement benefit obligation (IAS 19)		
Previously stated	-	-
Cost recognised	-	(3 483 000)
	<u>-</u>	<u>(3 483 000)</u>
	<u>-</u>	<u>(3 483 000)</u>
Provisions: Long Service Award (GRAP 19)		
Previously stated	-	-
Cost recognised	-	(3 597 000)
	<u>-</u>	<u>(3 597 000)</u>
	<u>-</u>	<u>(3 597 000)</u>
Accumulated surplus		
Opening Balance 2010: Previously stated	-	(81 238 337)
Effects of Change in Accounting Policy	-	7 629 015
	<u>-</u>	<u>7 629 015</u>
	<u>-</u>	<u>(73 609 322)</u>

FEZILE DABI DISTRICT MUNICIPALITY

Consolidated Annual Financial Statements for the year ended 30 June 2011

Notes to the Consolidated Annual Financial Statements

2011	2010
R	R

39. Intangible assets

	2011			2010		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Caseware	173 950	(67 647)	106 303	173 950	(9 664)	164 286
Microsoft Office 2007	163 027	(163 027)	-	163 027	(163 027)	-
E-Venus	468 460	(468 460)	-	468 460	(391 984)	76 476
Server Software	241 071	(132 649)	108 422	241 071	(56 115)	184 956
Payday System	89 052	(89 052)	-	89 052	(89 052)	-
Total	1 135 560	(920 835)	214 725	1 135 560	(709 842)	425 718

Reconciliation of intangible assets - 2011

	Opening balance	Amortisation	Total
Caseware	164 286	(57 983)	106 303
E-Venus	76 476	(76 476)	-
Server Software	184 956	(76 534)	108 422
	425 718	(210 993)	214 725

Reconciliation of intangible assets - 2011

	Opening balance	Amortisation	Total
Caseware	173 950	(9 664)	164 286
E-Venus	170 168	(93 692)	76 476
Server Software	229 600	(44 644)	184 956
	573 718	(148 000)	425 718

FEZILE DABI DISTRICT MUNICIPALITY
Consolidated Annual Financial Statements for the year ended 30 June 2011

Notes to the Consolidated Annual Financial Statements

	2011	2010
	R	R

39. Intangible assets (continued)

Other information

Fully amortised intangible assets still in use:	720 539	252 079
-------------------------------------------------	---------	---------

Fully amortised intangible assets still in use consist of:

- Microsoft Office 2007
- ISA Server 2006
- MS Exchange 2003 Server
- Payday Payroll System
- E- Venus

There were no intangible assets that were assessed as having an indefinite useful life.

There are no intangible assets whose title is restricted

There are no contractual commitments for the acquisition of intangible assets.

40. Employee benefit obligations

Defined benefit plan

The defined benefit plan, to which employees belong, consist of the Free State Municipal Pension Fund and the Councillors Pension fund governed by the Pension Fund Act of 1956.

The actuarial valuation determined that the retirement plan was in a sound financial position

Post-retirement medical aid plan

The Post Retirement Benefit Plan is a defined benefit plan, of which the members are made up as follows:

In-service (employees) members	87	75
Continuation members (e.g: Retirees, widows, orphans)	3	2
Total Members	90	77

FEZILE DABI DISTRICT MUNICIPALITY

Consolidated Annual Financial Statements for the year ended 30 June 2011

Notes to the Consolidated Annual Financial Statements

	2011	2010
	R	R
40. Employee benefit obligations (continued)		
Total Members		
The municipality make monthly contributions for health care arrangements to the following medical aid schemes:		
- LA Health Medical Scheme		
- Bonitas Medical Scheme		
- Hosmed Medical Scheme		
- Samwumed Medical Scheme		
- KeyHealth Medical Scheme		
The amounts recognised in the statement of financial position are as follows:		
Carrying value		
Present value of the defined benefit obligation-wholly unfunded	(3 483 000)	(2 834 000)
Service Cost	(321 000)	(347 000)
Interest Cost	(339 000)	(282 000)
Actuarial gains or (losses)	(1 572 000)	(55 000)
Actuarial benefits paid	72 000	35 000
Net liability	(5 643 000)	(3 483 000)

Key assumptions used

Assumptions used at the reporting date:

Discount rates used	9.25%	9.40%
Healthcare cost inflation	7.70%	7.75%
Net discount rate	1.44%	1.53%

The basis on which the discount rate has been determined is as follows:

The discount rate used in the valuation is determined by reference to market yields on high quality corporate bonds as at the balance sheet date. In countries where there is no deep market in corporate bonds, government bonds are used. It is currently market practice to use government bond yields, as South African corporate bond market is not considered to be sufficiently developed. The currency and term of the government bonds shall be consistent with the currency and estimated term of the post-employment benefit obligations.

The estimated discount rate was set equal to the yield on a zero-coupon government bond with a term of approximately 20 years.

FEZILE DABI DISTRICT MUNICIPALITY
Consolidated Annual Financial Statements for the year ended 30 June 2011

Notes to the Consolidated Annual Financial Statements

	2011	2010
	R	R

40. Employee benefit obligations (continued)

Defined contribution plan

It is the policy of the municipality to provide retirement benefits to all its employees. A number of defined contribution provident funds, all of which are subject to the Pensions Fund Act exist for this purpose.

The municipality is under no obligation to cover any unfunded benefits.

41. Unspent conditional grants and receipts

See appendix "F2" for a detailed reconciliation of grants from other spheres of government. The Unspent Grants are cash-backed by term deposits. The municipality complied with the conditions attached to all grants received to the extent of revenue recognised. No grants were withheld during the year.

Unspent conditional grants and receipts comprises of:

Unspent conditional grants and receipts

Department of Roads, Transport and Police – Fire Fighting Vehicles	-	2 000 000
Department of Health – Relebohile Clinic: Ngwathe Local Municipality	13 503 163	123 632
Department of Roads, Transport and Police – Internal Roads: Ngwathe Local Municipality	732 391	5 920 186
EPWP Project – Sidewalks: Metsimaholo Local Municipality	897 157	2 594 452
Department of Public Works – Church: Ngwathe Local Municipality	276 926	79 946
Department of Sports – CBPWP Grant: Fezile Dabi Stadium	27 211 831	10 438 895
EPWP – Metsimaholo Hospital	10 000 000	-
DWAF	1 228 090	-
EPWP – Paved Roads (Mafube)	911 560	-
LOTTO Grant	1 900 000	-
	56 661 118	21 157 111

Movement during the year

Balance at the beginning of the year	21 157 111	633 596
Additions during the year	75 702 081	21 157 111
Income recognition during the year	(40 198 074)	(633 596)
	56 661 118	21 157 111

FEZILE DABI DISTRICT MUNICIPALITY
Consolidated Annual Financial Statements for the year ended 30 June 2011

Notes to the Consolidated Annual Financial Statements

	2011	2010
	R	R

41. Unspent conditional grants and receipts (continued)

The nature and extent of government grants recognised in the consolidated annual financial statements and an indication of other forms of government assistance from which the municipality has directly benefited; and unfulfilled conditions and other contingencies attaching to government assistance that has been recognised.

These amounts are invested in a ring-fenced investment until utilised.

42. Operating lease

The municipality rents photocopying machines from Journey Vehicle & Assets Finance (Bloemfontein) CC, being the major supplier:

- no contingent rent is payable in term of the lease agreements
- there is no renewal or purchase options as per lease agreement terms, the lease escalates as determined in the various lease agreements with the renter; and
- no restrictions are imposed by the lease agreements, with regards to additional debt and further leasing.

The lease agreements is for a total period of 60 months (5 years)

43. Commitments

Operating leases – as lessee (expense)

Minimum lease payments due

- within one year	3 987 439	3 357 630
- in second to fifth year inclusive	1 289 810	5 277 258
- later than five years	-	-
	5 277 258	8 634 888

44. Non-Compliance: UIF contributions Act No. 4 of 2002

During the 2010/11 financial year, the municipality did not deduct and pay-over UIF contributions for its full-time Councillors as required by Circular No. 24 as issued by the Provincial Treasury on 22 August 2011.

The non-compliance was remedied as follows:

The municipality raised a creditor as at year end for the total UIF contributions that was due for the 2010/11 financial year as stipulated in /circular No. 24. However, the requirements of Circular No. 24 have been complied with regarding the 2011/12 financial year.