



Sedibeng District Municipality

Annual Report 2010-2011



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Foreword by the Executive Mayor



In all our Municipalities throughout our entire country, the notion of accountability is the cornerstone for all that we do. Our country is one amongst those countries in the world which upholds the principle of transparency and accountability.

I would like to take this opportunity to present to the people of Sedibeng, this Annual Report for the financial year 2010/11. The report is a clear indication of our commitment as the Sedibeng District Municipality to the principle of accountability, and our commitment to build a truly responsible, responsive and caring local government.

I want to use this opportunity of presenting this report to reflect on the progress made by the Sedibeng District Municipality to meet its strategic objectives, consistent with its vision and mission. We remain resolute in making certain that we are service delivery driven to cater for the needs of our communities.

During the year under review, a number of achievements were made by the Municipality, an indication that we are on track to meet our commitments as the Sedibeng District Municipality, consistent with the electoral mandate given to the Municipality.

We take pride in the good work that we do as the Sedibeng District Municipality, especially in the provision of outstanding service delivery to our communities.

Building a responsive, accountable, effective and efficient Sedibeng District Municipality

Part of the Provincial Operation Clean Audit, we are proud to report that once again for the fifth consecutive year we have attained another Clean Audit for this year.

The financial report is a clear indication of the measures we have taken to enhance internal controls and improve financial management in the District. Our focus was to ensure that scarce resources are allocated to programmes aligned with priorities of the Sedibeng District Municipality and everyone is working together to accelerate implementation.

The Precincts Development Programme continues to bring pride and joy to our communities here in Sedibeng. The face of the Region is changing for the better. Traversing Sedibeng is such a joy with tarred roads creating a network of all our communities. Things could have never been better.

It is as we come to the end of the first generation of Sedibeng Growth and Development Strategy that we are proud of the developments and achievements which have made our District a better place to live in.

In conclusion, I urge all our communities to take part in studying this report with a view to engage us as the Sedibeng District Municipality as we forge a new path towards a Vaal Metropolitan River City.

**Mahole Simon Mofokeng (Councillor)
Executive Mayor**

Overview by the Municipal Manager



The 2010/2011 period was notable in that, at the tail-end of the period, the term of office of the political representatives came to an end and a new Council was inducted. The positive spin-off is that there was accelerated activity to bring projects to a close, to meet targets set for the period and to prepare end of term

reports and assessments of performance. The administration continued to function in sync with the Councillors right to the end at which point politicians went into the field to contest the 2011 Local Government Elections which were held on 18 May 2011.

As an institution, the Sedibeng District Municipality continues to flourish and evolve with changes internally and externally. In the previous Annual Report, the Municipal Manager raised concerns over the growth of personnel, and personnel costs, which were outgrowing the increases in equitable share allocations. The good news is that as we came to a close of the Financial Year we had reduced staff from 908 to 855. This by way of placing a moratorium on the filling of vacancies and allowing natural attrition to reduce numbers. To keep the institutional functional a realignment of the structure will need to take place in the next financial year. The imminent migration of EMS back to the Gauteng Provincial Department of Health will see a further significant reduction in staff numbers. The shortfall on the EMS subsidy has placed a huge burden on the financial resources of Sedibeng and has eroded the capital reserves.

In relation to direct services rendered, the migration of EMS needs to be smooth, planned and systematic. In the next financial year uncertainty will creep in and its impact on services would be of concern. Currently the department not only meets the norms and standards, but exceeds them in most areas. With regard to licensing, greater investment is needed in the maintenance and in the long term, renovation of reconstruction of licensing facilities. For Sedibeng District Municipality, licensing is one of the direct services that the District provides and is a stern test of our commitment to Batho Pele. We could perform much better in this regard.

The financial position of the institution remains sound, but the greatest risk remains the inconsistent subsidies for the EMS function. Expenditure on capital projects was high and operational costs are being contained in a strict manner. Once again Sedibeng District was able to sustain an unqualified audit opinion. The target should still remain an unqualified audit opinion without any matters of emphasis.

Years of planning efforts began to materialise during this financial year in respect of NDPG projects. The Sharpeville Cemetery, the Sharpeville Exhibition Centre upgrade and the commencement of the Constitution Walk saw tangible results of much effort and application. The Evaton paving project was a good example of labour intensive projects that create jobs within communities. These type of projects must be accelerated in partnership with EPWP Programmes.

The elections of 18 May 2011, ushered in a new political collective. Their mandate has been renewed. The contracts of the Senior Managers will come to an end shortly and our tenure will end. I must thank the Senior Management Team (MANCO) for serving the institution so diligently. I must thank the outgoing Council for their commendable leadership and on behalf of the administration, we welcome the new leadership with the assurance that the administration is ready and willing to further the work of the municipality

The future of Sedibeng is destined for great change. In the context of a Gauteng Global City Region, Sedibeng will be reshaped greatly. This represents a great opportunity for Sedibeng to evolve into a highly efficient, highly competent and service-orientated municipality.

It's always heartening when residents show signs of having engaged with our Annual Report. Their comments remain most valuable so that we can connect our work with the aspirations of our citizens and measure the alignment for better or for worse.

Yours faithfully,

Yunus Chamda
Municipal Manager



Chapter 1

Overview of Sedibeng District Municipality

1.1

Introduction

The 2010/2011 Annual Report is prepared and tabled in accordance with Chapter 12 of the Local Government: Municipal Finance Management Act (MFMA), Act 56 of 2003. The Act states that (1) every municipality and every municipal entity must for each financial year prepare an annual report in accordance with this Chapter. The Council of a municipality must within nine months after the end of a financial year deal with the annual report of the municipality and of any municipal entity under the municipality's sole or shared control in accordance with section 129.

The four Chapters in this report are divided to cover the following areas:

- **Chapter 1** : Overview of the Sedibeng District Municipality
- **Chapter 2** : Institutional Transformation and Governance
- **Chapter 3** : Performance and Progress on Key Performance Areas
- **Chapter 4** : Financial Reports for the year end June 2011

1.2

Powers and Functions

In accordance with Chapter 2 of the Local Government: Municipal Systems Act 32 of 2000, a municipality's administration is governed by the democratic values and principles embodied in section 195 (1) of the Constitution. The administration of a municipality must – be responsive to the needs of the community; facilitate a culture of public service and accountability amongst staff; take measures to prevent corruption; establish clear relationships, facilitate co-operation and communication, between it and the local community; give members of the local community full and accurate information about level and standard of municipal services they are entitled to receive; and inform the local community how the municipality is costs involved and the persons in charge.

Chapter 5 of the Local Government: Municipal Systems Act 32 of 2000, stipulates that a municipality has the functions and powers assigned to it in terms of sections 156 and 229 of the Constitution. These functions and powers must be divided in the case of a district municipality and the local municipalities within the area of the district municipality. A district municipality must seek to achieve the integrated, sustainable and equitable social and economic development of its area as a whole. Section 84 outlines division of functions and powers between district and local municipalities.

A municipality has executive authority and the right to administer the local government matters listed in Part B of Schedule 4 and Part B of Schedule 5 to the Constitution, and any other matter assigned to it by national or provincial legislation (section 156). The Sedibeng District Municipality as demonstrated below has three local municipalities within its area, namely, Emfuleni Local Municipality (ELM), Midvaal Local Municipality (MLM) and Lesedi Local Municipality (LLM).

1.3

Geographical Location

The Sedibeng District Municipality is a Category C municipality found in the Gauteng Province. It is the only area of the Gauteng Province that is situated on the banks of Vaal River and Vaal Dam in the Southern-most part of the Province, covering the area formerly known as the Vaal Triangle inclusive of Heidelberg. It includes the towns of Vereeniging, Vanderbijlpark, Meyerton and Heidelberg as well as the historic townships of Evaton, Sebokeng, Boipatong, Bophelong,



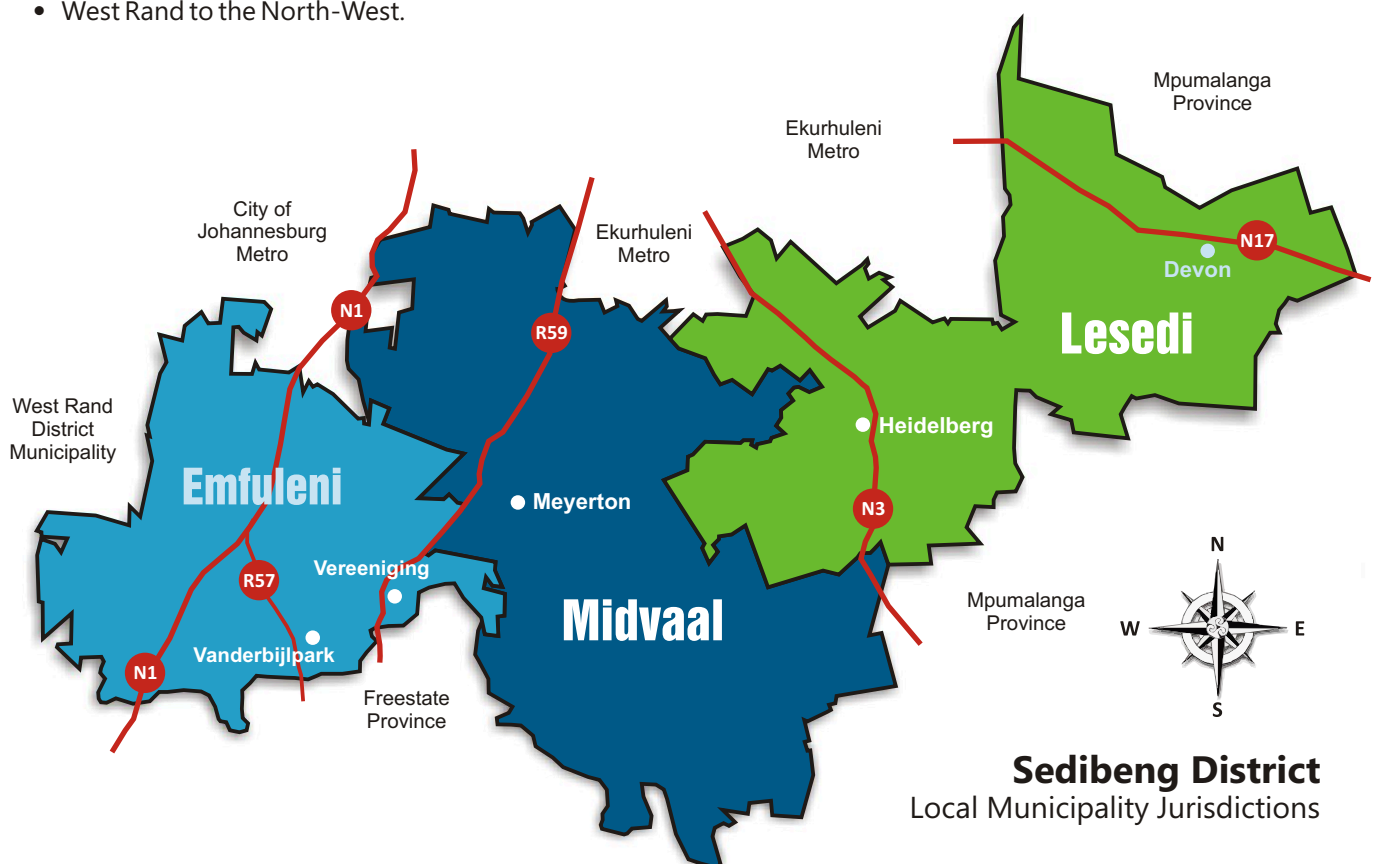
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Sharpeville, and Ratanda, which have a rich political history and heritage.

The SDM covers the entire southern area of Gauteng Province, extending along 120 km axis from East to West. The total geographical area of the municipality is 3, 894 square kilometres (km²). The SDM comprises of three Category B municipalities, namely, Emfuleni, Lesedi and Midvaal Local Municipalities and is surrounded by the following municipalities:

- City of Johannesburg (Johannesburg) to the North;
- Ekurhuleni (East Rand) to the North-East;
- Nkangala (Mpumalanga) to the North-East;
- GertSibande (Mpumalanga) to the East;
- Northern Free State (Free State) to the South;
- Southern District (North-West) to the West; and
- West Rand to the North-West.

Figure 1
Map of Sedibeng District Municipality





Chapter 1

1.4 Demographics

South Africa is a nation of diversity, with over 50 million people and a wide variety of cultures, languages and religious beliefs. According to the annual mid-year estimates from Statistics South Africa, in July 2011 the country's population was 50 586 757, of which 26 071 721 (52%) were female and 24 515 036 (48%) were male. Africans are in the majority at 40.2-million, making up 79.5% of the total population. The white population and the coloured population are both estimated at 4.5-million (9.0%) and the Indian/Asian population at 1.3-million (2.5%).

Population group	Number	% of total
African	40 206 275	79.5%
White	4 565 825	9.0%
Coloured	4 539 790	9.0%
Indian/Asian	1 274 867	2.5%
TOTAL	50 586 757	100%

(Source: Statistics South Africa)

Table 1
Mid-year Population Estimates 2011

There have been three official censuses since South Africa's first democratic election in 1994, the first in 1996, the second in 2001, and the third undertaken in October 2011. The population increased from 40.6-million in 1996 to 44.8-million in 2001 – a growth of 10%. From 2001 to 2011, the population has grown by an additional 12.7%.

Table 2
Population Distribution per Municipality per Population Group, Sedibeng 2010

Population Group by Gender		Emfuleni Local Municipality		Midvaal Local Municipality		Lesedi Local Municipality	
		2009	2010	2009	2010	2009	2010
Black	Male	276,766	276,709	26,030	26,520	32,697	32,890
	Female	273,333	273,743	25,346	26,040	31,225	31,473
White	Male	43,785	42,934	11,906	11,642	5,213	5,027
	Female	44,944	44,102	11,346	11,073	5,303	5,126
Coloured	Male	3,669	3,713	630	652	623	641
	Female	3,883	3,924	652	673	561	578
Asian or Indian	Male	3,255	3,325	182	188	368	379
	Female	3,183	3,264	163	168	373	385
Total		652,818	651,713	76,255	76,957	76,363	76,498

(Source: Global Insight, 2010)

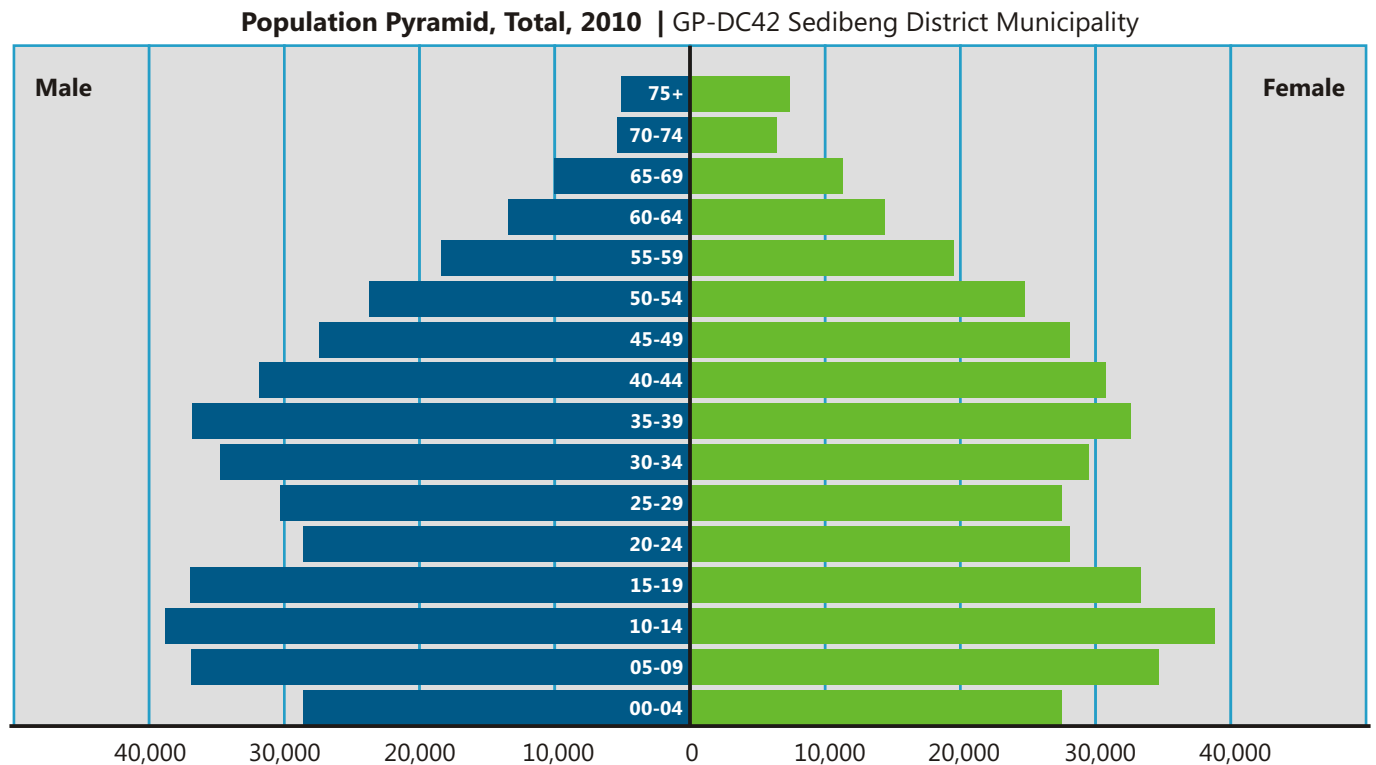
Table 1 indicates that Emfuleni has highest population in the Sedibeng region at 80.94% compared to 81.05% in 2009 followed by Lesedi and Midvaal at 9.56% compared to 9.48% in 2009 and 9.50% compared to 9.47% in 2009 respectively. Population figures for Lesedi and Midvaal show a slight difference as they almost share the same population figures. The Black male population is high in all Local Municipalities followed by Black females. The Black population accounts for 82.88% compared to 82.6% in 2009, Whites 14.89% compared to 15.2% in 2009, Coloureds and Asians population at 1.26% compared to 1.2% in 2009 and 0.96 compared to 0.9% in 2009 respectively.



Chapter 1

Graph 1

Population Composition by Age and Gender



(Source: IHS Global Insight Regional eXplorer version 49.3)

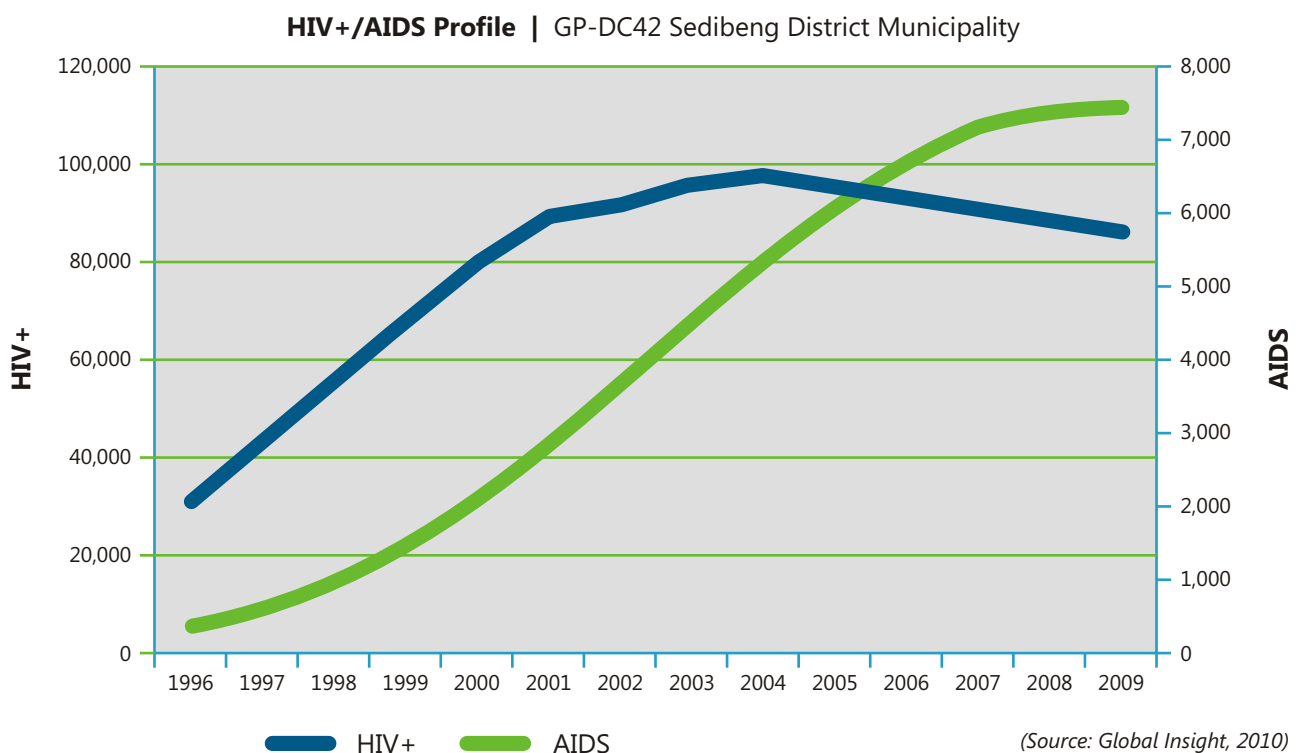
Graph 1 shows the age breakdown of the Sedibeng population. Furthermore, it shows that there is a higher population between the ages 10 – 14 followed by 05 – 09. The smallest population is between the ages 70 – 74 followed by 75+.

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1.5 HIV and AIDS

The Sedibeng District municipality AIDS Council and the AIDS Councils for all local municipalities are fully established and functional.

Graph 2
Number of HIV-positive Individuals, Sedibeng 2008



Graph 2 above shows a steady decline in the number of people living with HIV, between 2004 and 2009. The new HIV infections have decreased drastically from just below 100,000 mark in 2003 to just above 80,000 in 2009. This is an indication of the positive impact of various HIV and AIDS programmes the District has launched over the years, including the public-private interface. Stabilisation of the AIDS-related illnesses can be attributed to the introduction of the ARVs and robustness of the HIV and AIDS programme in the region.

1.6 Urbanisation

Urbanisation measures the percentage of people in a region that are living in urban areas.

Urban and Rural areas are defined as follows:

- An urban area is one that has been legally proclaimed as being urban. These include towns, cities and metropolitan areas.
- A semi-urban area is not part of a legally proclaimed urban area, but adjoins it. Informal settlements are examples of these types of areas. Semi-urban areas have been included with non-urban areas.
- All other areas are classified as non-urban, including commercial farms, small settlements, rural villages and other areas, which are further away from towns and cities than semi-urban areas.



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Sedibeng region have a large landscape with pockets of land that is suitable for Agricultural purpose and show all the marks of a rural or semi- urban area. However, in the last 15 years, there was a significant shift from the combination of peri-urban or semi urban outlook to an urban area with the biggest growth in the building and settlement of people in the low cost housing (RDP house)

Table 3

Urbanisation Rate, Sedibeng, 2008

Racial Group	Sedibeng District Municipality	Emfuleni Local Municipality	Midvaal Local Municipality	Lesedi Local Municipality
Black	89.6%	95.7%	40.5%	76.8%
White	84.7%	91.1%	66.3%	71.5%
Coloured	85.0%	95.9%	36.5%	67.6%
Asian	92.1%	96.0%	-	89.0%
Total	88.8%	95.1%	48.2%	76.0%

(Source: Global Insight, 2009)

Table 3 above shows that Emfuleni has the highest number of people living in urban areas at 95.1% with Midvaal reflecting the lowest rate at 48.2%. Sedibeng urbanization figures have been declining from 93.6% in 2000, to 92.2% in 2007 and 88.8% in 2008.

This decline in the rate of urbanization is largely attributed to increased emergence of informal dwelling and growth in urban sprawl which is characterized by lack of or poor infrastructure such as access to water, electricity, sanitation and other important social facilities.

1.7

Socio – Economic Perspective

The Manufacturing sector in South Africa that was mainly based in our region, namely ISCOR, lost all the market protectionism and near monopoly status it enjoyed for years resulting in a serious slump which required restructuring ISCOR that gave birth to Arcelor Mittal.

The metals, energy and construction sectors have been identified as the main manufacturing sub-sectors in the Sedibeng District. Sedibeng offers a comparative cost advantage in the provision of non-metallic mineral products, metal products, machinery, household appliances, electrical machinery and apparatus that comprise a total of 32% of the total exports of Sedibeng. This means that the region is doing better than South Africa as a whole in producing these products (Source: Global Insight, 2004). This contributes to the strong industrial development in the Sedibeng.



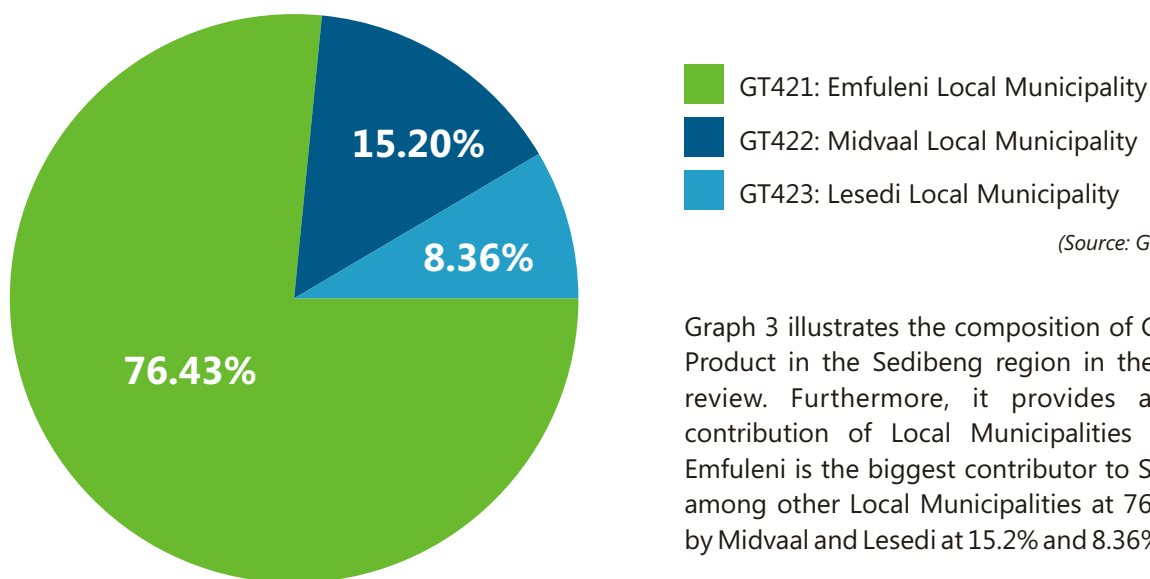
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1.7.1

Economic Performance

Graph 3

Composition of Sedibeng GDP by Municipality, 2008 - 2009



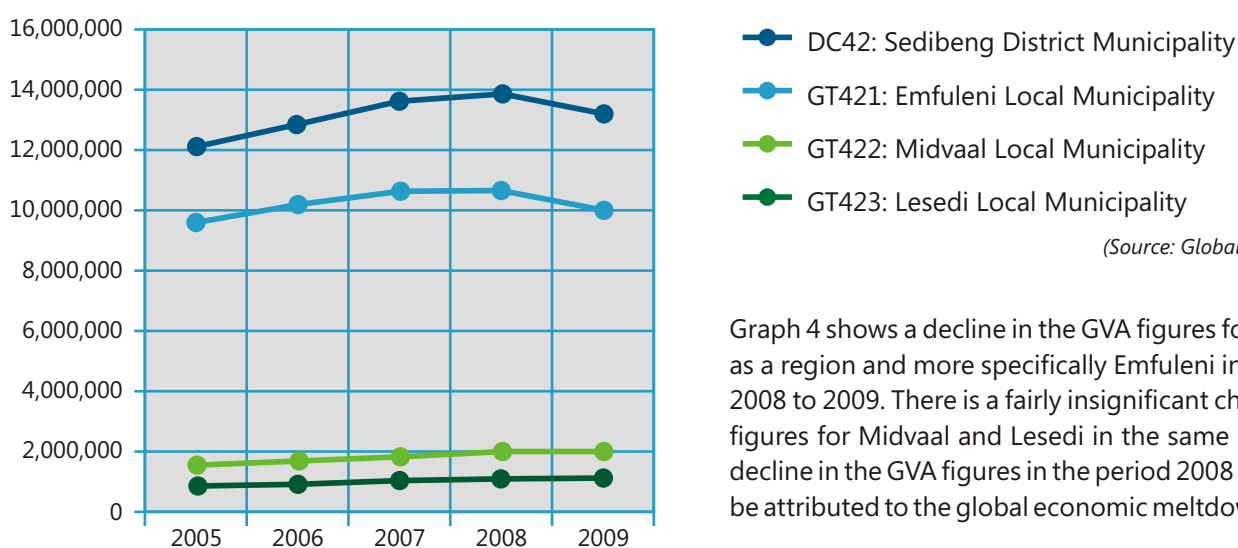
(Source: Global Insight, 2010)

Graph 3 illustrates the composition of Gross Domestic Product in the Sedibeng region in the period under review. Furthermore, it provides a comparative contribution of Local Municipalities to the GDP. Emfuleni is the biggest contributor to Sedibeng GDP among other Local Municipalities at 76.43%, followed by Midvaal and Lesedi at 15.2% and 8.36% respectively.

Graph 4

Gross Value Added by Region, 2005 - 2009

Gross Value Added by Region 2009



(Source: Global Insight, 2009)

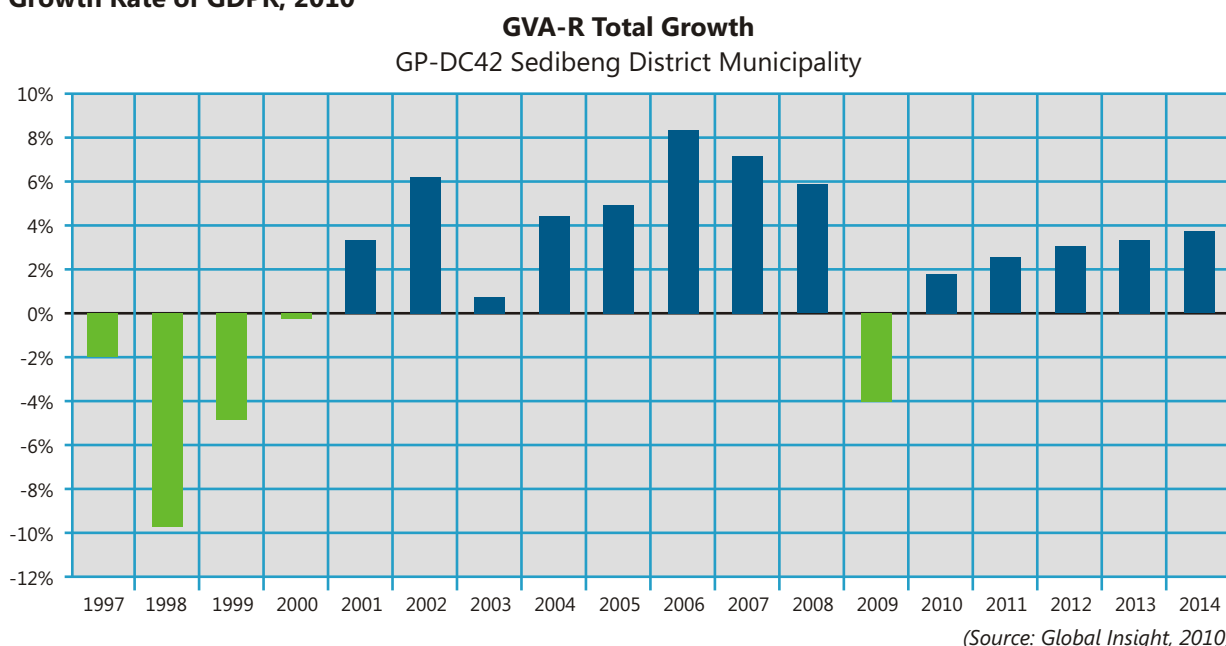
Graph 4 shows a decline in the GVA figures for Sedibeng as a region and more specifically Emfuleni in the period 2008 to 2009. There is a fairly insignificant change in the figures for Midvaal and Lesedi in the same period. The decline in the GVA figures in the period 2008 to 2009 can be attributed to the global economic meltdown.



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Graph 5

Total Growth Rate of GDP, 2010



The decline in the Sedibeng GDP shown in the graph 6 above in 2009 can be linked to the global meltdown crisis that affected both the local and international economies. However, the projections seem to point to an upwards swing in 2010 and beyond. Projections into 2014 show positive growth for the Sedibeng region.

1.7.1.1

Sectoral Analysis

The percentage contribution of economic sectors to the total GVA is used to measure how much each sector has contributed to the economy's GVA. The lowest contributing sector to the Sedibeng's GVA was the mining sector. This indicates that mining is not active in the Sedibeng District Municipality. The table below illustrates the contribution of the three (3) sectors to the total economy of the region.

Table 4

Sectoral Contributions to GVA, Sedibeng 2010

Sector	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
1. Agriculture	1.6%	2.3%	1.9%	1.6%	1.3%	1.4%	1.5%	1.6%	1.8%	2%
2. Mining	0.3%	0.3%	0.2%	0.3%	0.3%	0.4%	0.3%	0.4%	0.3%	0%
Primary Sector	1.8%	2.6%	2.2%	1.9%	1.7%	1.8%	1.9%	2.0%	2.1%	2%
3. Manufacturing	43.2%	46.0%	44.5%	44.0%	43.7%	43.7%	45.5%	46.0%	40.8%	35%
4. Electricity	3.8%	3.8%	3.8%	3.6%	3.7%	3.6%	3.3%	3.2%	3.3%	4%
5. Construction	2.2%	2.1%	2.3%	2.4%	2.5%	2.8%	2.9%	3.1%	3.5%	4%
Secondary Sector	49.2%	51.9%	50.6%	50.0%	49.8%	50.0%	51.7%	52.3%	47.7%	43%
6. Trade	8.7%	8.0%	8.1%	8.2%	8.1%	8.0%	7.5%	7.1%	7.4%	8%
7. Transport	5.2%	4.9%	4.9%	5.1%	5.1%	4.7%	4.4%	4.2%	4.4%	6%
8. Finance	12.3%	11.9%	12.2%	12.9%	13.3%	14.5%	14.9%	15.0%	16.0%	18%
9. Community Services	22.7%	20.7%	22.0%	21.9%	22.0%	20.9%	19.6%	19.4%	22.3%	23%
Tertiary Sector	48.9%	45.5%	47.2%	48.1%	48.5%	48.2%	46.4%	45.7%	50.2%	55%
Total Industries	100	100	100	100	100	100	100	100	100	100

(Source: Global Insight, 2010)

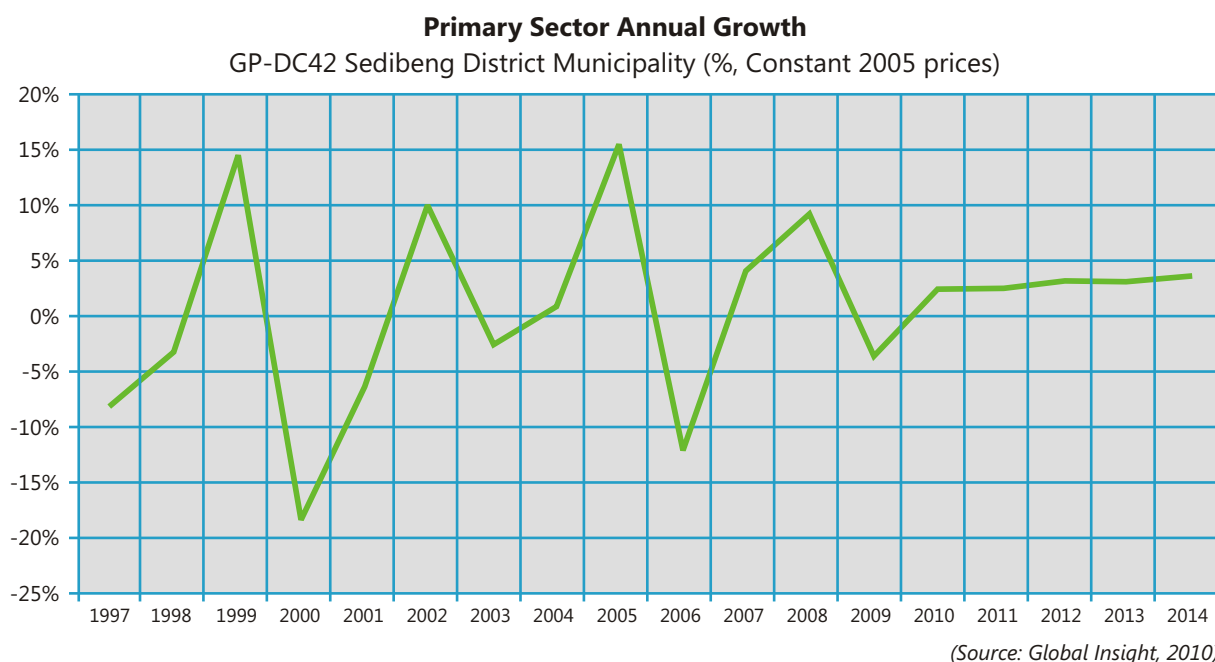


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Table 4 shows that the primary sector is the least contributor to the Sedibeng GVA at 2.0% compared to 2.1% in 2009 followed by the secondary sector at 43% compared to 47.7% in 2009. The main contributor is the tertiary sector at 55% compared to 50.2% in 2009. There is a downward trend in both the primary and secondary sectors. Whilst there seem to be a favourable shift towards the tertiary sector, mining was almost inactive as a contributor towards GVA in 2010.

Graph 6

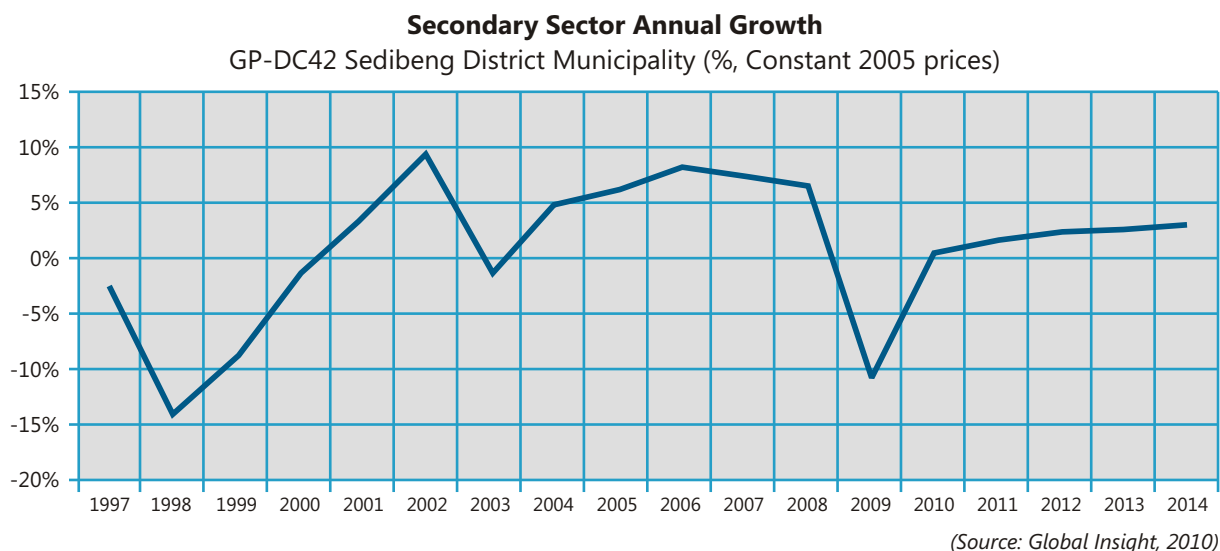
GVA Growth Rates in the Primary Sector, Sedibeng 2001 - 2010



Graph 6 indicates a positive growth in the primary sector after the global economic crisis. The graph shows a growth in that the primary sector beyond the year under review.

Graph 7

GVA Growth Rate in the Secondary Sector, Sedibeng 2001 - 2014



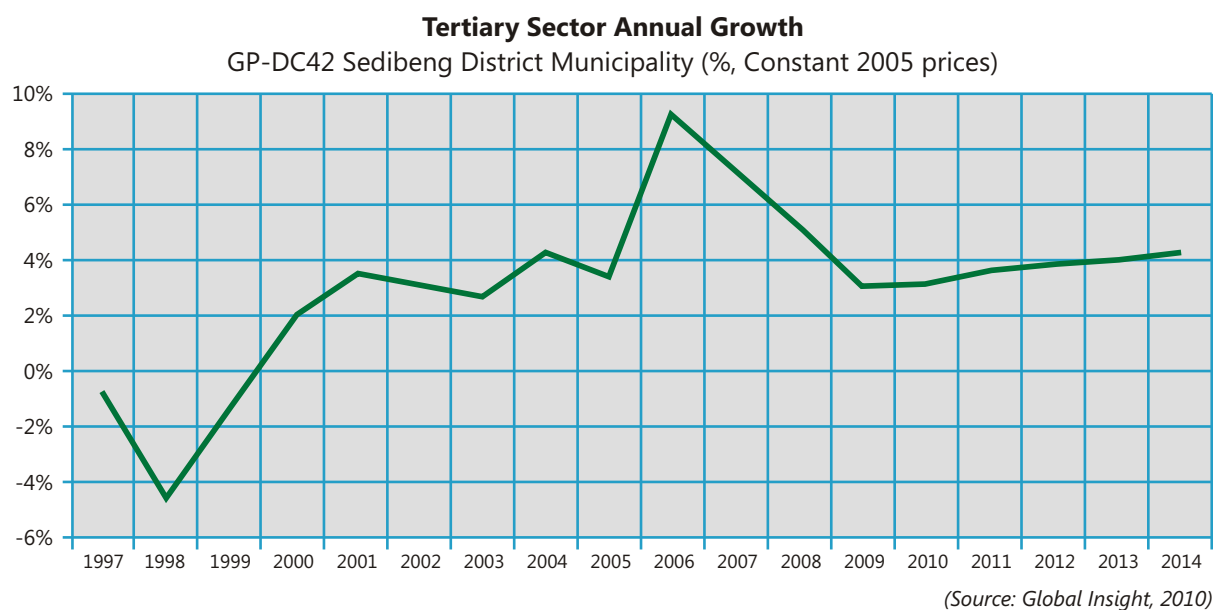


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The secondary sector of the economy consists of manufacturing, electricity and construction. The manufacturing sector is the largest contributor to the total economy of Sedibeng and leads in the secondary sector contributing 35% compared to 40.8% in 2009. There is a decrease in growth in this sector recording a contribution of 43% in 2010 compared to 47.7% of a total Sedibeng economy in 2009. Although this sector is recording a decline since, the projections point to a positive growth in the period 2010 to 2014.

Graph 8

GVA Growth Rates in the Tertiary Sector, 2001 - 2014



The tertiary sector is basically the services sector as well as the government and contributes 55% compared to 50.2% in 2009 to the Sedibeng GVA. Growth figures in this sector have experienced fluctuations over the last 8 years. In the period 2008 to 2009, this sector has experienced an increase of 4.5% from 45.7% in 2008 recording the highest positive growth among all sectors. The growth in the year under review recorded a 4.8% increase.

1.7.2

Employment

1.7.2.1

Labour Force Profile

Table 5

Economically Active Population by Gender and Population Group, Sedibeng 2010

Population	Male	Female	Total
African	146 284	128 580	274 864
White	26 826	18 289	45 116
Coloured	1 982	1 807	3 789
Asian	1 862	839	2 701
Total	176 955	149 514	326 469

(Source: Global Insight, 2010)



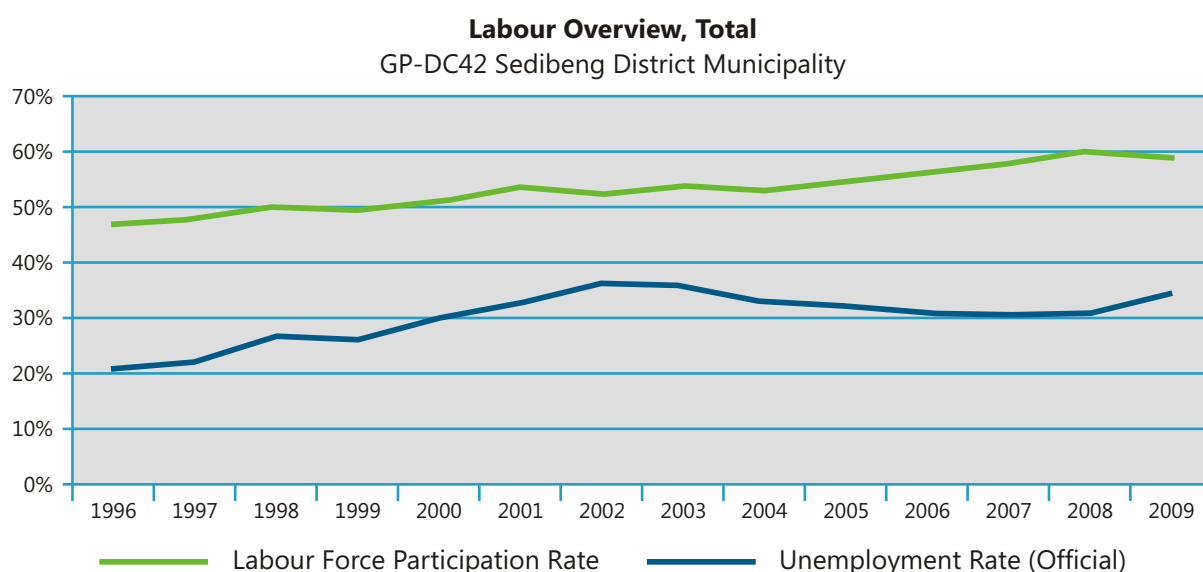
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A total of 326,469 compared to 339,296 of the population are employed across all sectors of the economy in Sedibeng; this represents 42.1% of the population of the region. Blacks account for 84.19% compared to 83.9% of the economically active in 2009, followed by Whites at 13.82% compared to 14.1% in 2009, Coloureds at 1.16% compared to 1.1% in 2009 and Asians at 0.83% compared to 0.8% in 2009. There has been a decline in the total number of the economically active population from 339,296 in 2008 to 326,469 in 2010, this represents 12,827 job losses.

The male population accounted for 54.2% compared to 54.8% in 2009 while females comprised of 45.8% compared to 45.2% in 2009 of the economically active population. The figures for males have decreased by 0.6% compared to an increase of 1% in 2009, whilst figures for women have increased by 0.6% compared to a decrease of 1.1% in 2009.

Graph 9

Labour Force Participation Rate (LFPR), Sedibeng, 1996 - 2009



(Source: Global Insight, 2010)

Graph 9 shows labour force participation as well as unemployment rates in Sedibeng. There seem to be an increase in the labour force participation rate in the period 1996 to 2008. A similar trend can be observed with the unemployment rate in the period 1996 to 2002. Since then, unemployment has been on the decline. A drastic decline was experienced in the period 2002 to 2004 and in 2005 to 2008.

Table 6

Unemployment by Race by Gender, Sedibeng, 2010

Racial group	Male	Female	Total	Percentage
Black	49,533	58,551	108,084	95.23%
White	2,244	2,289	4,533	3.99%
Coloured	341	335	676	0.60%
Asian	127	79	207	0.18%
Total	52,245	61,255	113,500	100.00%

(Source: Global Insight, 2010)

Table 6 shows unemployment by race and by gender in the Sedibeng region. The Black population accounts for 95.3% compared to 94.7% in 2009. The White population accounts for 3.99% compared to 4.27% in 2009 of the unemployed Coloureds, Asians at 0.6% compared to 0.77% in 2009 and 0.18% respectively. The Black population has experienced an increase in unemployment whilst other races have recorded a decline. Figures for Asian population remain unchanged.

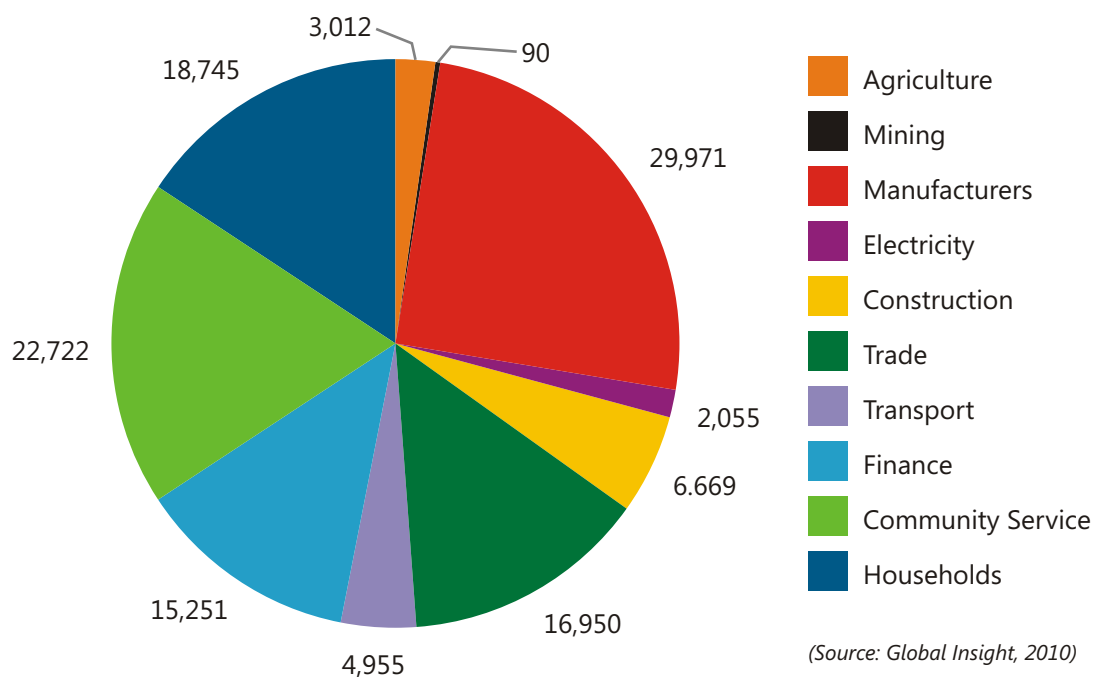


Chapter 1

1.7.2.2 Sectoral Employment

Graph 10

Number of Formal Employment by Sector, Sedibeng 2010



Graph 10 above provides us with the total employment composition across all sectors of the economy in Sedibeng. It depicts that the manufacturing sector proves to be the largest employment sector at 29,971 people followed by the community services sector at 22,722 people. There is insignificant activity in mining with only 90 people employed in this sector. Agriculture and Electricity sectors show least employment absorption compared to other sectors.

1.8 Access to Services

1.8.1 Education

There are 148 primary schools and 88 secondary schools in Sedibeng District Municipality. Of the total 236 schools within Sedibeng, 90.3% are public schools and the remaining 9.7% are either private or semi-private schools.

Table 7

Learner - Teacher Ratio, Sedibeng & Gauteng, 2007 & 2008

Types of Schools	Sedibeng		Gauteng	
	2007	2008	2007	2008
Primary	32.0	32.1	34.3	33.8
Secondary	30.4	30.4	31.8	29.5

(Source: Gauteng Department of Education, 2008)



Chapter 1

1.8.2 Housing

Table 8

Access to Housing by Dwelling Type, by Local, Sedibeng, 2001 & 2009

Dwelling Type	Emfuleni			Midvaal			Lesedi		
	2001	2007	2009	2001	2007	2009	2001	2007	2009
Formal	81.8%	82.9%	85%	80.8%	86.3%	87%	76.7%	76.7%	88%
Informal	16.5%	14.9%	14.8%	16.7%	8.4%	8%	20.2%	20.2%	11%
Traditional	1.4%	0.5%	5%	1.9%	0.4%	3%	2.8%	2.8%	1.4%
*Other	0.3%	1.7%	1.5%	0.6%	5%	5%	0.3%	0.3%	2.3%

(Source: Stats SA, Census 2001 (P0300) & Community Survey 2007 (P0301))

*Other includes living in caravan/tent, boat/ship and workers living in hostels as well as any misspecification filled out during the two surveys.

Formal housing has increased in the past years within Sedibeng District by 5.9% which led to partly formalisation of at least 4 informal settlements. The challenge has been the growing of existing informal settlements after the beneficiary administration has already been completed.

Informal residential settlements can be defined as settlements that do not have any formal town-planning structure and have limited access to basic engineering services such as water, sewerage and electricity. There are thirty five (35) informal settlements in Sedibeng with six (6) being in the process of being formalized.

Midvaal has the highest percentage of the formal housing at 86.3% followed by Emfuleni and Lesedi at 82.9% and 82.1% respectively. Emfuleni has the highest informal housing at 14.9% followed by Lesedi at 13.8% and Midvaal at 8.4%. There has been a dramatic improvement in the process of formalising informal housing in Sedibeng between 2001 and 2007 with Midvaal showing the greatest achievement of 8.3% followed by Lesedi at 6.4%. Emfuleni made the least improvement at 1.6%.

1.8.3 Health Services

Table 9

Health Service Indicators, Sedibeng, 2004/05 - 2008/09

Indicator	2004/05	2005/06	2005/06	2005/06	2005/06
Medical Aid Coverage	-	14.8%	14.8%	14.8%	14.8%
Nurse Clinical Workload	42.7%	39.3%	39.3%	39.3%	39.3%
Bed Utilisation Rate (bur)	68%	72%	72%	72%	72%
TB Cure Rate	57%	66%	66%	66%	66%

(Source: Gauteng Department of Health, Health Status Report 2008)



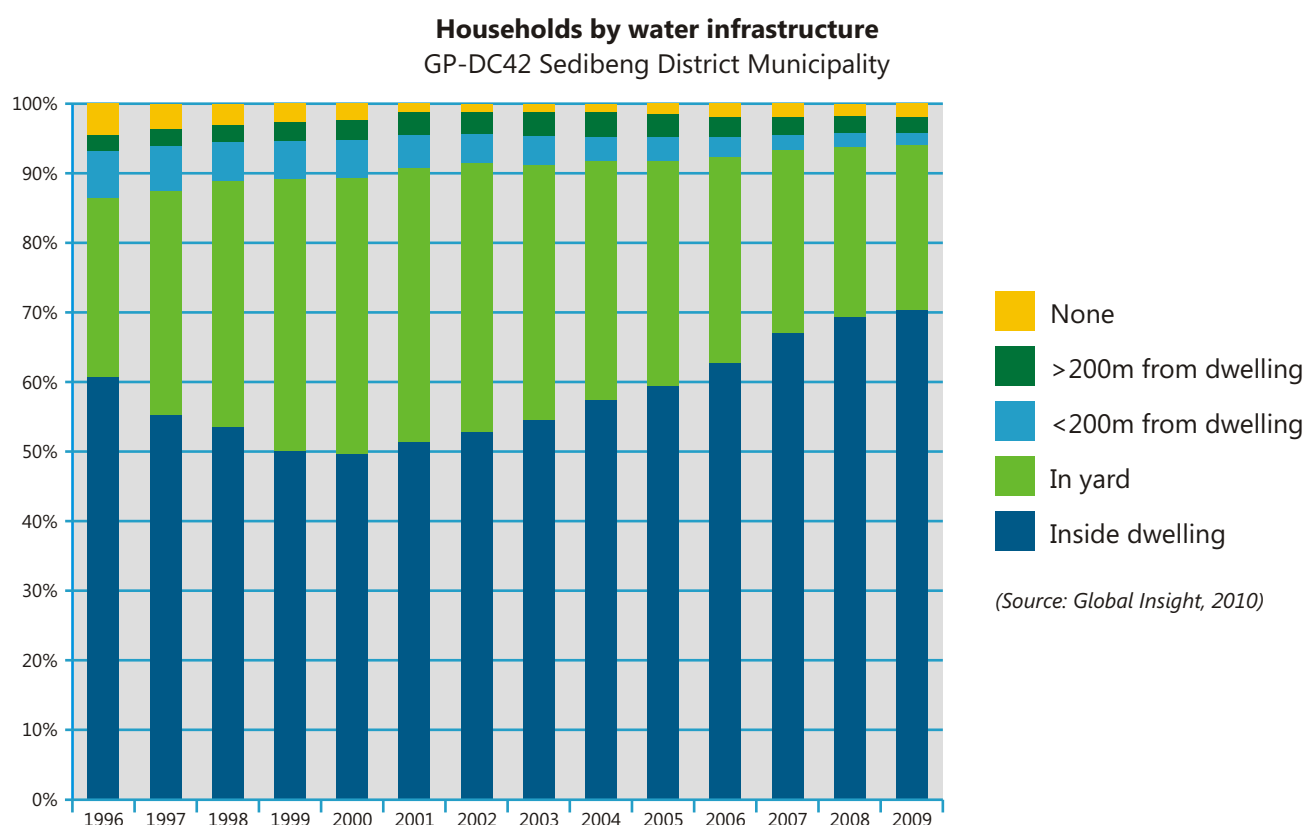
Chapter 1

Table 9 shows that Sedibeng has the lowest medical aid coverage in Gauteng, ranging between 14.8% in 2005/06 and 18.7% in 2008/09. There has been a decline in the nurse client workload from 42.7% patients per nurse in 2004/05 to 26% patients per nurse in 2008/09. This shows improvement on the patient/ nurse ratio making the work load manageable for health workers. The bed utilisation rate is fluctuating between 68% and 72%; however a 2% drop occurred in this financial year. It is commendable that in the wake of the HIV& AIDS epidemic, TB cure rate has improved from 57% in 2004/05 to 77% in 2008/9.

1.8.4 Water and Sanitation

Graph 11

Access to Water, Sedibeng 2007



The Sedibeng District Municipality has high water service levels, with 95.5% of the households having access to RDP water services. Emfuleni Local Municipality has the highest RDP water service levels at 96.1%, followed by Midvaal Local Municipality at 95.4% and lastly Lesedi Local Municipality with 89.6%.

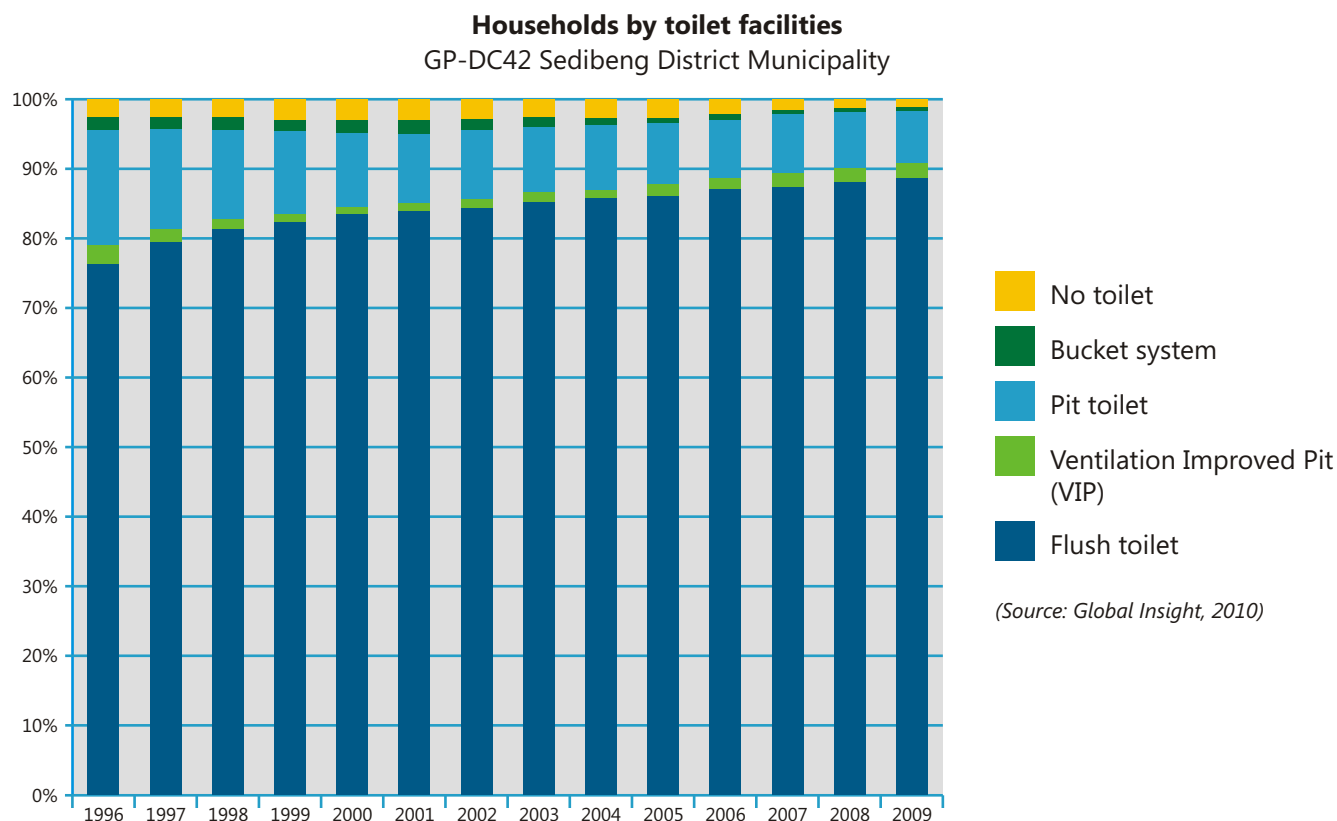
Sedibeng has a water backlog of 11, 497 households below RDP level. Emfuleni has the largest water backlog of 7, 780 households, which accounts for 67.67% of the district backlog.



Chapter 1

Graph 12

Sanitation, Sedibeng 2010



Access to sanitation has been described as access to various forms of sanitation including flush toilets, dry toilets, chemical toilets and pit latrine and excludes the bucket system and people with no access to sanitation.

Sedibeng has high sanitation service levels, with 91.2% of the households having access to sanitation. Midvaal has the highest sanitation service levels in the district at 95.3%, followed by Emfuleni at 90.9% and Lesedi at 88.7%.

Sedibeng has a sanitation backlog of 22,136 households without hygienic toilets. Emfuleni has the largest backlog in the district of 11,212 households and contributes 82.27% to the district backlog. Midvaal has the smallest backlog of 1,486 households without hygienic toilets and contributes 6.71% to the district backlog.

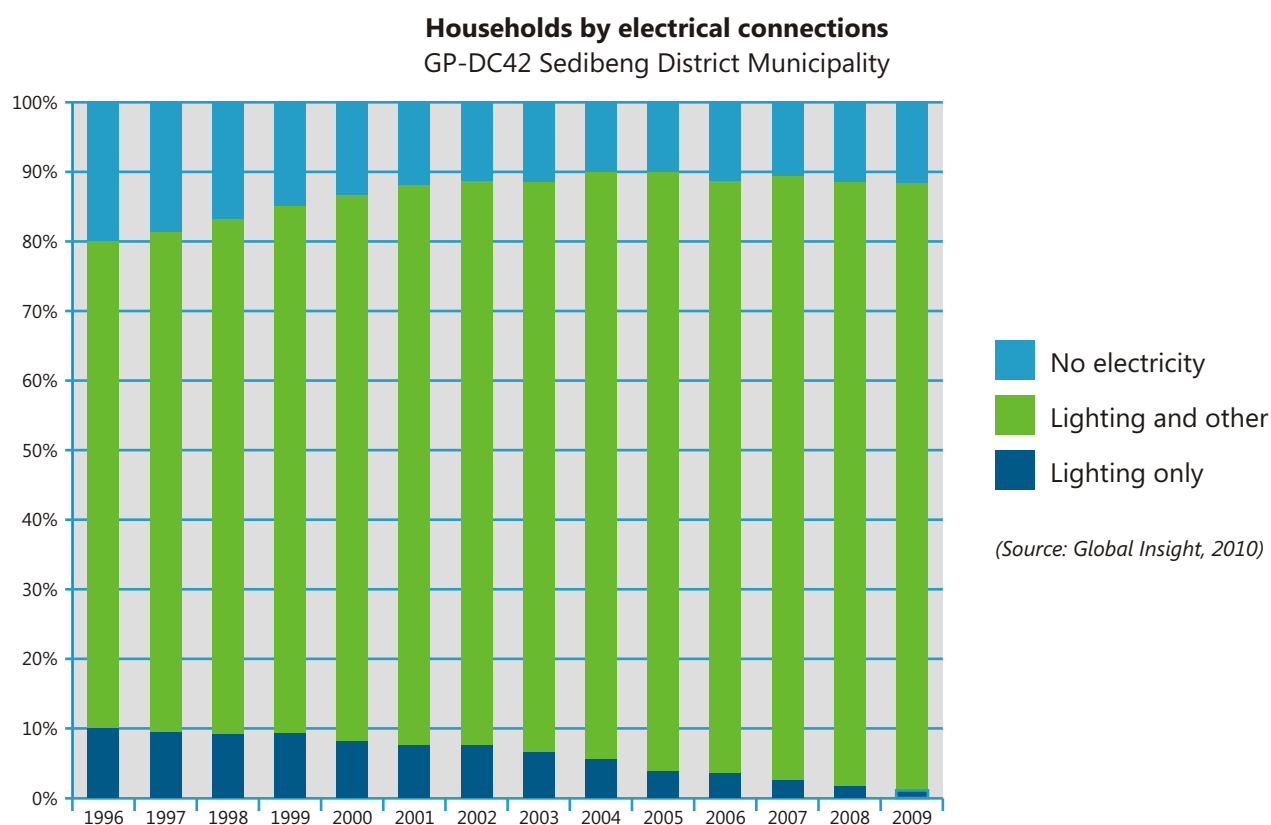


Chapter 1

1.8.5 Electricity

Graph 13

Access to Electricity, Sedibeng, 2010



Graph 13 indicates that 88.7% of the households in Sedibeng region have access to electricity for lighting purposes. Emfuleni has the highest percentage of households with access to electricity for lighting purposes at 92% and Lesedi has the lowest percentage at 68%.

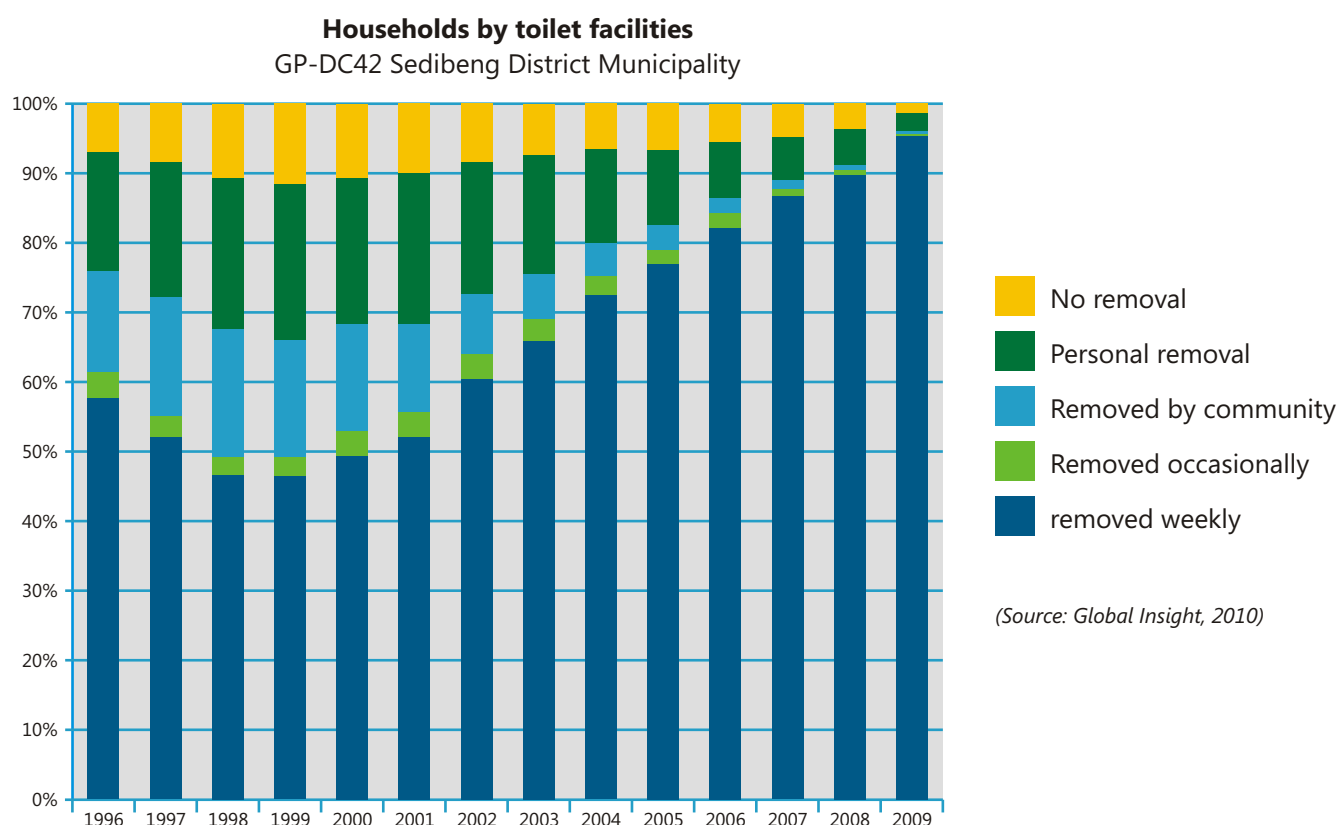
Sedibeng as a region has a backlog of 28, 570 households with no electrical connection. Emfuleni has the largest backlog in the district of 16, 044 households with no electrical connection and contributes 56.16% to the district backlog. Midvaal has the smallest backlog of 5, 603 households, accounting for 19.61% of the district backlog.



Chapter 1

1.8.6 Refuse Removal

Graph 14
Refuse Removal, Sedibeng, 2010



Graph 14 shows that Emfuleni has the highest refuse removal levels at 98.5%, followed by Midvaal at 87.4% and then Lesedi at 81.1%. Lesedi has the largest refuse removal backlog of 4, 102 households with no formal refuse removal and contributes 36.76% to the district backlog. Emfuleni has the smallest refuse removal backlog of 3, 044 households and accounts for 27.28% of the district backlog.

1.9 Human Development Index

The Human Development Index (HDI) is a composite, relative index that attempts to quantify the extent of human development of a community. It is based on measures of life expectancy, [literacy](#) and income. It is thus seen as a measure of people's ability to live a long and healthy life, to communicate, to participate in the life of the community and to have sufficient resources to obtain a decent living. The HDI can assume a maximum level of 1, indicating a high level of human development, and a minimum value of 0, indicating no human development.



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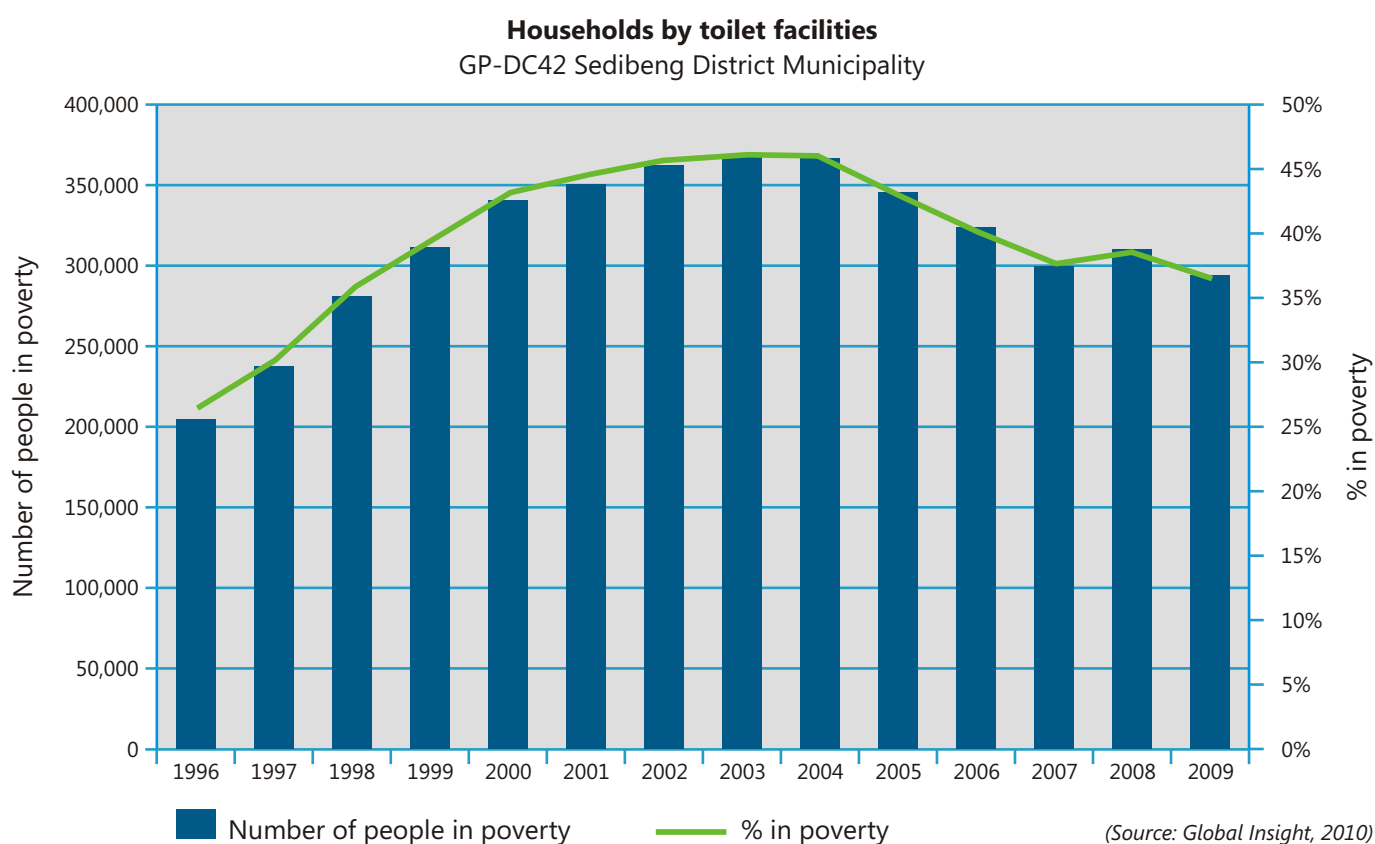
1.9.1

The Poverty Rate

Poverty rate is the number of people living in households that have an income less than the poverty income. The percentage of people in poverty is the percentage of these people relative to the total regional population. It should be noted that the poverty income is defined as the minimum monthly income needed to sustain a household and varies according to the size of that household. The larger the household, the larger the income required to keep its members out of poverty.

Graph 15

Number and Percentage of People in Poverty, Sedibeng, 2010



Graph 16 above illustrates a significant decline in the percentage of people living in poverty, from 2005 to 2009. This represents a dramatic achievement in the fight against poverty in the Sedibeng region. There is a strong indication that the number of people living in poverty will drop further in the near future, a positive observation for the region.



Chapter 1

1.9.2

Poverty Gap

The restriction of the poverty rate as an indicator of poverty is that it does not give indication of the depth of poverty i.e. how far the poor households are below the poverty income level. In this regard, the poverty gap becomes useful and is used to measure the gap between each poor household's income level and the poverty line, thus providing some depth of poverty of each poor household. The gap represents what poor households would have to earn to raise them up to the minimum income level.

Table 10

Poverty Gap, Local and by Race, Sedibeng, 2010

Racial Group	Emfuleni Local Municipality		Midvaal Local Municipality		Lesedi Local Municipality	
	2009	2010	2009	2010	2009	2010
Black	460	677	25	33	46	68
White	11	14	3	3	4	6
Coloured	4	5	0	1	0	0
Asian	1	1	0	0	0	0
Total	476	697	28	37	50	74

(Source: Global Insight, 2010)

Emfuleni has the highest poverty gap followed by Lesedi and Midvaal respectively. Blacks in Emfuleni have the highest poverty gap at 677 compared to 460 in 2009, followed by Whites at 14 compared to 11 in 2009, Coloureds and Asians at 4 and 1 respectively. There is generally a high poverty gap among Blacks compared to other races.



Chapter 1

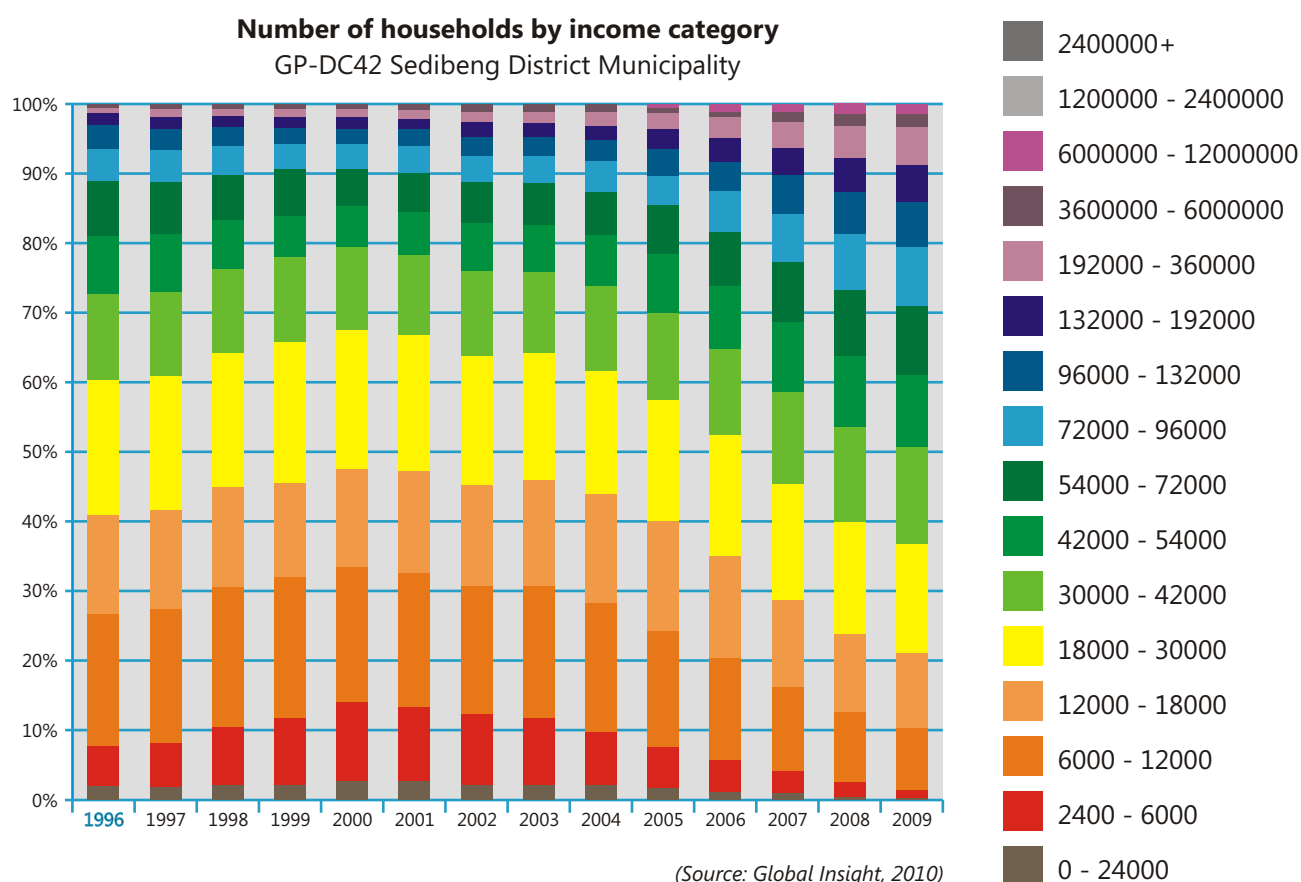
1.9.3

Income Inequality

The following section shows how many houses are in each of the predefined income categories, starting at the lowest income category R0 - R2 400 per annum up to R2 400 000 per annum and includes payments in kind from employers, old age pensions, income from informal sector activities, etc.

Graph 16

Income Inequality, Sedibeng, 2010



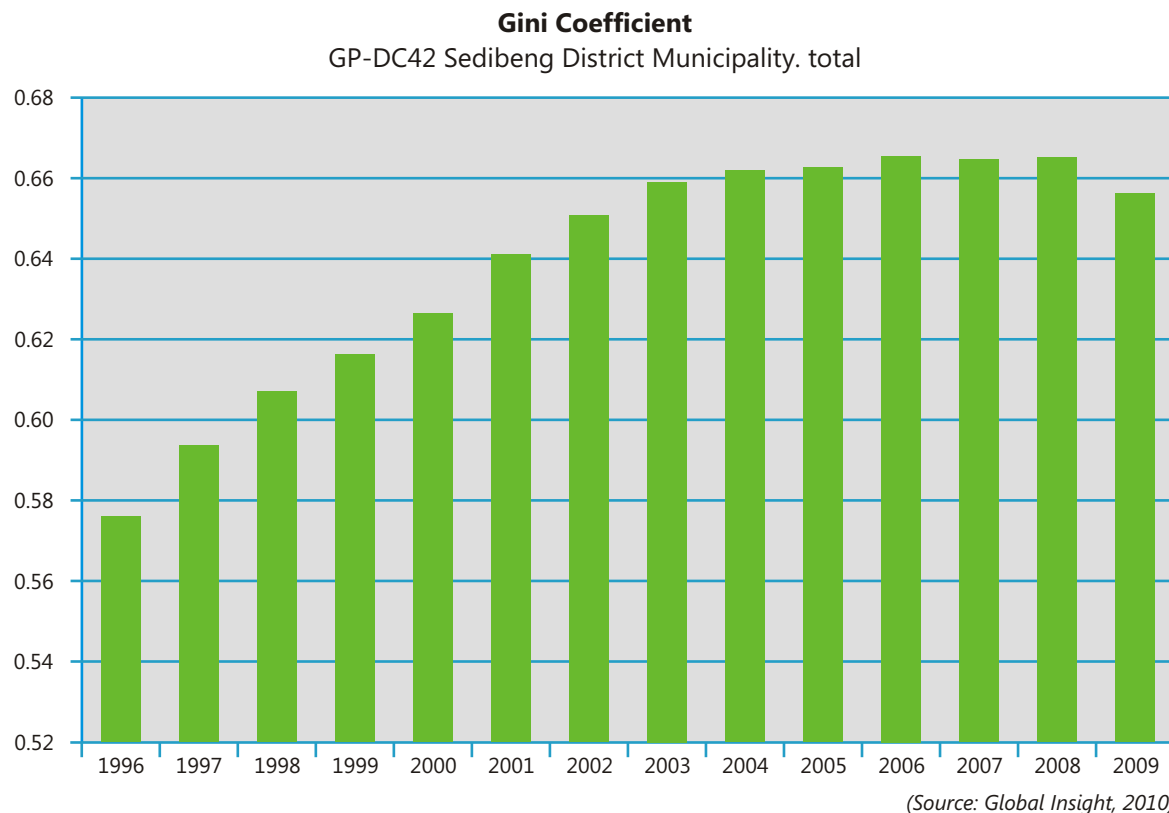
The Gini coefficient is a summary statistic of income inequality, which varies from 0 (in the case of perfect equality where all households earn equal income) to 1 (in the case where some households earn more income than others). In practice the coefficient is likely to vary from approximately 0,25 to 0,70.



Chapter 1

Graph 16

Gini Coefficient, by Municipality, Sedibeng, 2010



Emfuleni has the lowest inequality gap at 0.63 compared to 0.64 in 2009, whilst Midvaal has the highest inequality gap at 0.72 compared to 0.73 in 2009 followed by Lesedi at 0.70 compared to 0.72 in 2009.

1.9.4

Population Dynamics

Table 12

Human Development Index by Population Group, Sedibeng 2008 - 2010

Racial Group	Emfuleni Local Municipality		Midvaal Local Municipality		Lesedi Local Municipality	
	2009	2010	2009	2010	2009	2010
Black	0.53	0.52	0.45	0.44	0.47	0.46
White	0.87	0.87	0.88	0.89	0.87	0.88
Coloured	0.62	0.59	0.55	0.51	0.49	0.45
Asian	0.76	0.74				
Total	0.60	0.59	0.64	0.62	0.56	0.55

(Source: Global Insight, 2010)

Table 12 depicts the HDI composition by population group in the period 2008 -2010 for Sedibeng region. HDI levels for Whites are the highest at 0.89 compared to 0.88 in 2009 in Midvaal. The overall development level of Sedibeng District has decreased from 0.60 in 2009 to 0.59 in 2010 in Emfuleni, from 0.56 in 2009 to 0.55 in 2010 in Lesedi.

Institutional Transformation and Governance

2.1

Human Resources and Management

2.1.1

Organisational Breakdown within Clusters by end June 2011

The table below illustrates the deployment of the Human Capital within the Municipality with the exclusion of Councillors:

Table 13

Deployment of Human Capital within SDM

Cluster	Actual Staff Compliment	Terminations Per Cluster
Office of the Executive Mayor	10	0
Office of the Speaker	09	0
Office of the Chief Whip	06	0
Office of the Municipal Manager	08	0
Corporate Services	260	11
Finance	35	01
Social Services	218	15
Community Safety and SRACH	87	3
Strategic Planning & Economic Development	45	4
Transport Infrastructure & Environment	177	7
TOTAL	855	41

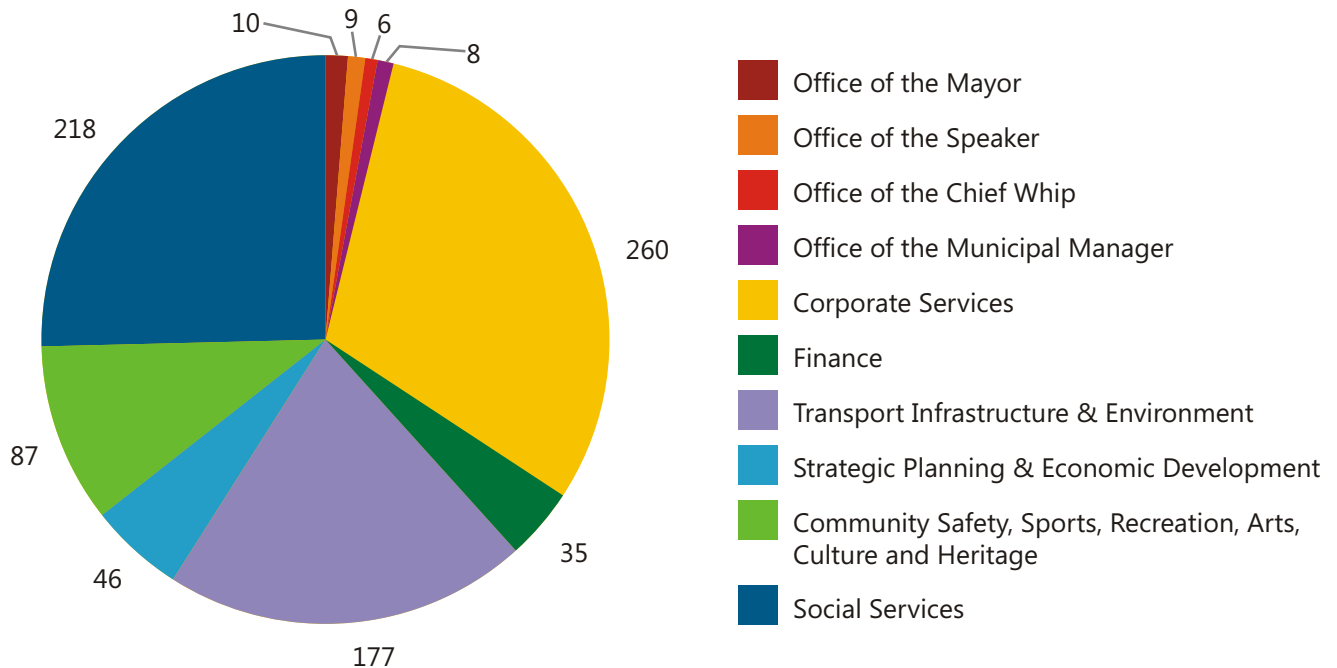


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The illustration below shows SDM staff deployment per cluster excluding Councillors

Graph 17

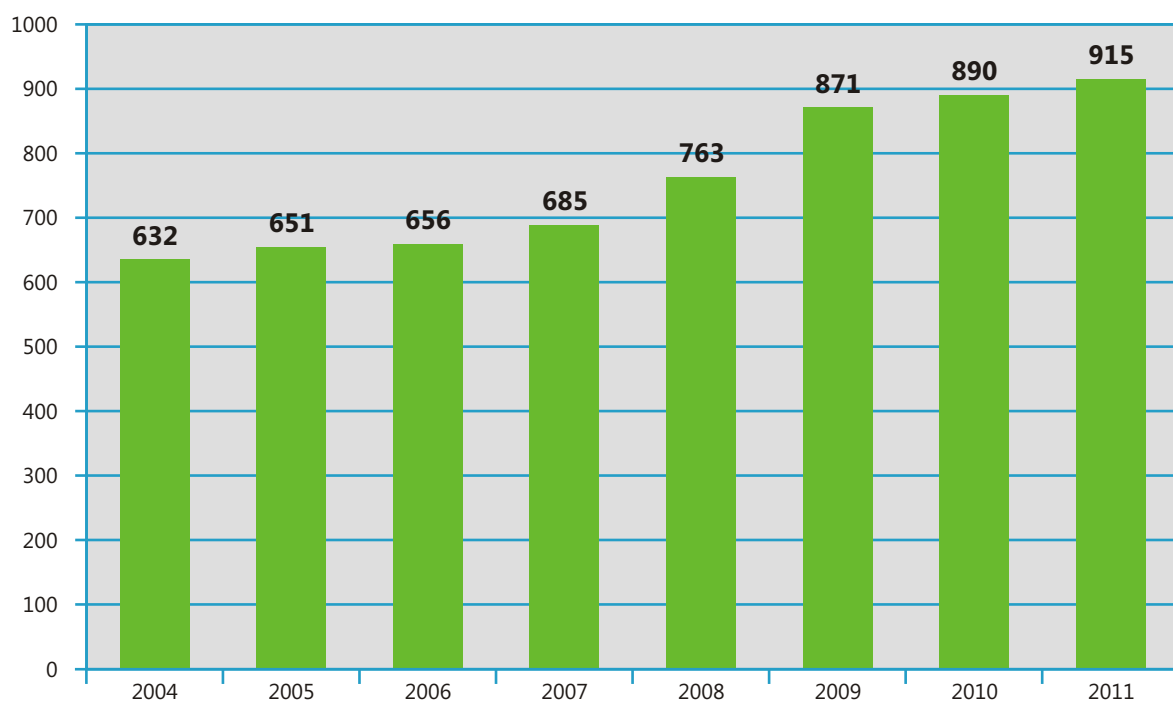
Deployment of Human Capital within SDM



The graph below depicts Sedibeng [Staff Growth] inclusive of Councillors from 2004 to June 2011.

Graph 18

Staff and Councillor growth 2004 - 2011





Chapter 2

2.1.2 Staffing

The following matrix reflects the number of positions filled during the period under review:

Table 14

**Number of positions filled
(01 July 2010 - 30 June 2011)**

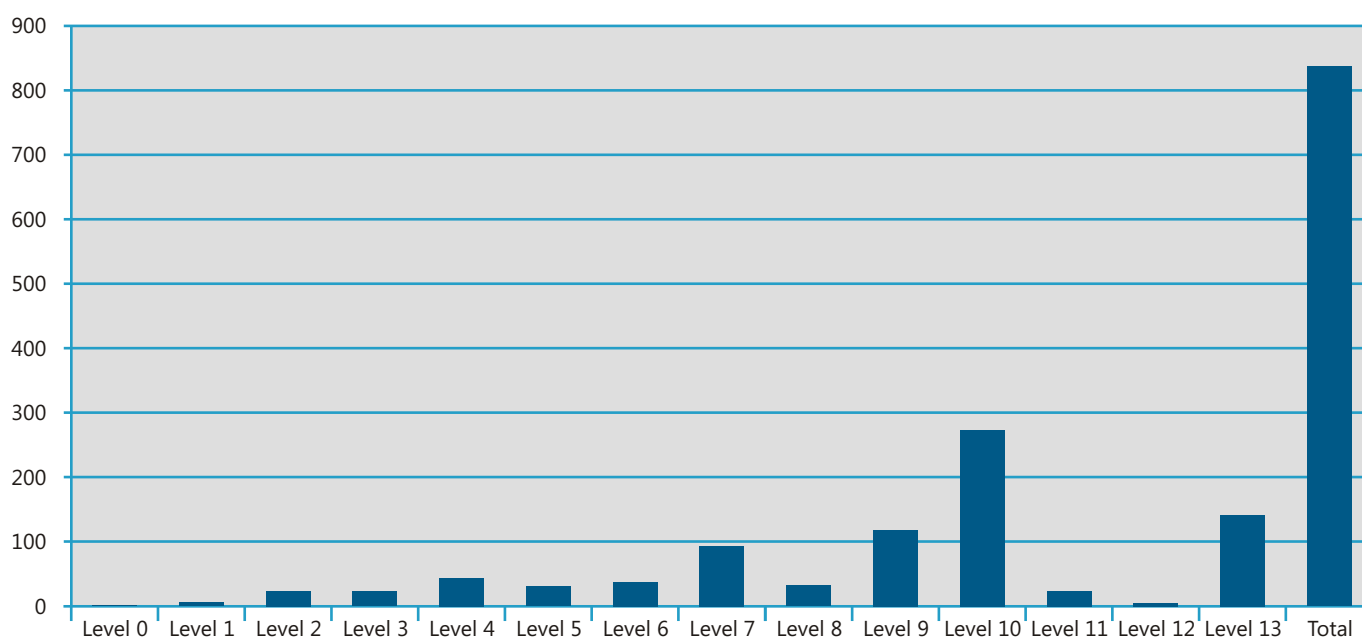
The adjacent matrix reflects the number of positions filled during the period under review.

Functional Area	Positions Filled
Office of the Executive Mayor	0
Office of the Speaker	0
Office of the Chief Whip	0
Office of the Municipal Manager	5
Corporate Services	15
Community Services	1
Total	24

The graph below depicts Sedibeng [Staff Growth] inclusive of Councillors from 2004 to June 2011.

Graph 19

Staff Profile by Levels





Chapter 2

2.1.3

Employment Equity

For the period (October 2010 to September 2011) being reported on the Municipality's assessment of its demographics reveals, as evidenced in the Equity Report appended hereto, that its workplace complies with the requirements/provisions of the Employment Equity Act 55 of 1998.

As a consequent the Municipality is on course to achieve the elusive objective of being fully representative of the demographics of the region.

Table 15

Number of positions filled (01 July 2010 – 30 June 2011)

Occupational Levels	Male vs Race				Female vs Race				Total Gender		Grand Total
	A	C	I	W	A	C	I	W	Male	Fem	
Top management (0-3)	19	3	1	2	5	0	0	0	25	5	49
Senior management (4 – 5)	36	0	2	11	14	1	2	4	49	21	81
Professionally qualified and experienced specialists and mid-management (6-7)	92	1	2	22	62	2	4	17	117	85	129
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (8-11)	172	6	2	5	196	4	0	11	185	211	447
Semi-skilled and discretionary decision making (12)	8	0	0	0	15	0	2	0	8	17	6
Unskilled and defined decision making (13-17)	82	1	1	0	65	0	0	0	84	65	154
GRAND TOTAL	409	11	8	40	357	7	8	32	468	404	872



Chapter 2

2.1.4 Staff Loss

For the period under review the Council has lost 74 employees due to various factors.

The staff loss did not have any adverse effect on service delivery.

The following table shows staff loss across occupational levels, gender and reasons for disengagement:

Table 16
Staff Loss across occupational levels

Occupational Levels	Male vs Race				Female vs Race				Total Gender		Grand Total
	A	C	I	W	A	C	I	W	Male	Fem	
Top management (0-3)	2(Res)								2		2
Senior management (4 – 5)					2(Res)		1(Res)			3	3
Professionally qualified and experienced specialists and mid-management (6-7)	7(Res)			1 (Pen)	2 (Res & Death)				8	2	10
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (8-11)	6	2 (Death & Dis)		2 (Pen & Res)	4 (Res)			1 (Pen)	10	5	15
Semi-skilled and discretionary decision making (12)											
Unskilled and defined decision making (13-17)	6 (Res, death)				1				6	1	7
GRAND TOTAL	21	2	0	3	9		1	1	26	11	74

LEGEND : • **Res** – Resignation • **Dis** – Dismissal • **Dec** – Deceased • **CT** – Contract Terminated • **Pen** – Pension

2.1.5 Staff Retention Strategies

In its endeavours to retain suitably qualified staff the municipality has adopted some of the best staff retention practises which are yielding positive results and these are:

- Performance acknowledgment and recognition
- Comparatively competitive Conditions of Employment
- Individual career development interventions
- Effective Employee Assistance Programme



Chapter 2

2.1.6

Training and Development

2.1.6.1

Workplace Skills Development

Effective and efficient service delivery hinges on, inter alia, employees' skills being honed. This therefore impels Council to focus on skills development.

To further reinforce the skills development obligation various Legislation and Prescript also enforces skill development

- National Skills Development Strategy(NSDS)
- Skills Development Act 97 of 1998
- Skills Development Levies Act 9 of 1999
- SALGBC Main Collective Agreement

Training interventions were conducted within the identified workplace skills gaps with accredited service providers, as listed hereunder:

Table 17

Training Interventions across Clusters

Training Course	Targeted Group	No. of Employees
Oxygen Decanting Training	Basic Life Attendants	12
Basic Life Support	Basic Life Support Attendants	26
Close Protection Service	VIP Officers	2
VIP Training	VIP Officers	7
Fire Arms handling	VIP Officers	5
Advance Cardiac Life Support	Advance Life Support	2
Management Development Course	Senior Management	4
Collective Bargaining Training	Senior Management	3
Collective Bargaining Training	Shop-stewards	3
Peer Educators HIV/AIDS Training	Administrative Assistant/ Office Managers	9
Labour Law Training	Manager Labour Relations	1
Business Writing Skills (Report Writing)	Office Managers/ Admin Assistants	12
Organisational Security Training	Senior Management	3
Facility Management	Senior Management	1
Installing & Configuring Window 7	Senior IT Technician	1
Technical Computer Training Novel Linux Admin	Senior IT Technicians	2
Integrated Facilities Management	Senior Management	1
Specialist IT Training Course	IT Technician	1
ITDev Break-Through Course	IT Operations Manager	1
Specialised Training For Technicians	IT Technician	1
Diploma Human Resources	Administrative Assistant	1

Table 17

Training Interventions across Clusters

Training Course	Targeted Group	No. of Employees
Fire Arms Audit And Risk Management	VIP Officer	1
General Office Practice	Admin Assistant	5
Secretarial Course	Administrative Officers	6
Examiner of Driving Licences	Cashier/Clerk	33
Office Management Course	Admin Assistant	1
Archive's Course	Records Clerks	4
Advanced Archive's Course	Records' Clerks	4
Archives And Records Course	Printing Officer, Switchboard Operator & Records' Driver /Messenger	3
Public Relations	Events Co-ordinator	1
Close Protection Training	Liaison Officers	3
Project Management	Protocol &Events Officer	1
Advanced Project Management	Senior Management	1
Chairing of Disciplinary Hearing	Senior Management	8
Fleet Management Training	Fleet Controller	1
National Diploma Business Informatics	Assistant Manager: IT	1
Introduction To IDP	IDP Co-ordinator	1
IDP Learnership	IDP Co-ordinator	1
Hydroponics Vegetable Production Course	Manager: LED	1
CMPD Course	Finance Interns	6
Pay Day Electronic System Training	Human Resources Staff	8
Public Relation Course	Events Management Officers	4
Stakeholders Reputation Master Class	Stakeholder Relations Officer	1
GRAND TOTAL		193

A total of R 1 766 770.00 was spent in developing skills for the SDM employees.

2.1.7

Employee Assistance Programme

The Employee Assistance Programme focuses on the holistic well being of all the employees with the aim of enhancing better job performance.

For the financial year July 2010 – June 2011 we have consulted/counselled 150 employees, on very peripheral challenges, out of which only 50 were referred for external assessment.

Year	Consultations	Number of referrals
July 2010 / June 2011	150	50

These consultations and referrals are related to counselling (inclusive debriefings) on the following psycho-social problems:

- Trauma
- HIV and AIDS
- Substance Abuse
- Family Problems
- Work related Problems
- Health related Problems
- Financial problems
- Indigent problems

Furthermore to reinforce the stability of the staff in relation to psychosocial ills the following workplace programmes were rendered.

Table 18
EAP Programmes implemented

Year	Programme / Event	Activities
November 2010	16 Days of Activism of No Violence Against Women and Children	Distribution of leaflets, pamphlets and resource list
December 2010	World Aids Day	Distribution of leaflets, both male and female condoms as well as resource list.
December 2010	Employee-Year End Function	Acknowledgement of Employees who excelled at OR Tambo Games, Long Serving And Retiring Employees, Rhythm & Drums (different dances).
February 2011	The National Condom/STI Awareness Week	Distribution of all relevant material and condoms.
May 2011	Stress Management Workshop for Emergency Medical Services Employees.	This programme relates to both "How to Dealwith Occupational and Personal Stress"

2.1.8 Performance Management And Development System (PMDS)

Since the advent of the Performance Management and Development System (PMDS) in the industry, SDM has been leading the pack in the Province in terms of the application and roll-out of the Performance Management Concept by successfully applying, monitoring and reporting on it.

At the close of the period under review an extensive process was initiated to switch over the manual system, to an electronic version which could take one to two financial years to install.



Chapter 2

2.1.9

Work Study And Quality Assurance

In order to enhance the effectiveness and efficiencies of service delivery, the Council has established a Work Study and Quality Assurance (WS & QA) unit whose aim is, inter alia, to undertake scientific investigations relating to work and functions for the overall productive functioning of the Municipality.

Though still in its infancy stage, the impact of the effectiveness and efficiency, of the division, is mirrored in the absence of Municipal service delivery riots.

2.1.10

Labour Relations

Despite the volatile workplace relations of the day, the SDM has - successfully over the years and trying times - been able to manage its workplace relations such that there has not been any major disruptions caused by either the employer or employees disregarding each other's rights.

To that extend therefore the Local Labour Forum (LLF) work is at times lessened.

2.1.11

Batho Pele

The Council in improving service delivery to the community continuously rolled out the Batho Pele campaign to intensify outreach activities that included the following:

- Service Delivery Watch:
 - Continuous monitoring, review and evaluation of on-site service delivery processes
- Know Your Service Rights Campaign:
 - Rigorous campaigns to educate members of the community about their rights relating to government services.

2.2

Corporate Governance

2.2.1

Governance Structures

The Council (Legislature) and the Mayoral Committee (Executive) constitute the governance structure of the Sedibeng District Municipality. The Executive Mayor, Cllr. M.S. Mofokeng, who represents the African National Congress (ANC), is the head of SDM Council. Cllr. K. Mogotsi chairs all Council sittings. The Local Government elections that took place on 18 May 2001, led to change in the Council membership. The new Speaker and Chief Whip were elected as Cllr. B. Modisakeng and Cllr. C. Sale, respectively.

2.2.2

Council

The Sedibeng District Council is the Local Legislature with both the legislative and executive powers responsible for accountability and oversight. The Council convened seven (7) ordinary Council meetings and two (2) special Council



Chapter 2

meeting. The Sedibeng District Council has forty three (43) Councillors consisting of thirty two (32) Councillors from the African National Congress (ANC), nine (9) Councillors from the Democratic Alliance (DA) and two (2) Councillors from the Pan Africanist Congress (PAC). The representation of Council from a gender perspective is 21 female and 22 male Councillors. Council consists of seventeen (17) directly elected representatives, two (2) from Midvaal Local Council, two (2) from Lesedi Local Council and twenty two (22) from Emfuleni Local Council.

2.2.3

Mayoral Committee

The Mayoral Committee consists of nine (9) members, including the Executive Mayor. The members of the Mayoral Committee are appointed by the Executive Mayor to assist him in the performance of his functions. All members of the Mayoral Committee were allocated portfolios as per the functions of the municipality. The Mayoral Committee held fourteen (14) ordinary meetings and five (5) special meetings in the year under review.

There was one resignation occasioned by various reasons. This resignation led to the appointment of Cllr Mluleki Nkosi as the MMC for Sports, Recreation, Culture and Heritage following the resignation of Cllr Neville Felix.

2.2.4

Section 79 Committees

Section 79 Committees are committees of Council which are also directly accountable to Council. Council has established six (6) Section 79 Committees responsible for oversight matters. These committees report directly to Council. The six (6) Section 79 Committees are:

1. Municipal Public Accounts Committee (MPAC) represented by six (6) ANC Councillors, one (1) DA Councillor and one (1) PAC Councillor; 2. The Petitions Management Committee represented by five (5) ANC Councillors, two (2) DA Councillors and one (1) PAC Councillor; 3. The Ethics Committee represented by three (3) ANC Councillors, one (1) DA Councillor and one (1) PAC Councillor; 4. The Rules Committee represented by five (5) ANC Councillors, one (1) DA Councillor and one (1) PAC Councillor; 5. The Gender Committee is represented by five (5) ANC Councillors, one (1) DA Councillor and one (1) PAC Councillor; and 6. Elections Committee is represented by five (5) ANC Councillors, one (1) DA Councillor and one (1) PAC Councillor. The Section 79 Committees convened meetings as follows: MPAC convened four (4) ordinary meetings, two (2) strategic workshops, and one (1) special meeting; the Petitions Management Committee convened two (2) meetings; the Gender Committee convened two (2) strategic workshops and two (2) ordinary meetings; the Rules Committee convened two (2) ordinary meetings and one (1) special meeting; the Ethics Committee convened one ordinary meeting; the Gender Committee convened two (2) strategic workshops and two (2) ordinary meetings and the Joint Mayoral Committee convened two ordinary meetings and three (3) strategic workshops. The remuneration committee held three meetings during this period.

2.2.5

Section 80 Committees

These are committees of the Mayoral Committee. There are eight (8) Section 80 Committees namely Corporate Services; Finance; Environment Management; Transport & Infrastructure; Public Safety, Health & Social Development; Sports, Recreation, Arts, Culture & Heritage; Development Planning & Housing as well as Strategic Planning & Local Economic Development & Tourism. The Councillors who serve on Section 80 Committees are from political parties represented in the Council. The number of Councillors in Section 80 Committees varies from ten (10) to twelve (12) Councillors. Each Section 80 Committee is chaired by a Member of the Mayoral Committee - MMC.



Chapter 2

2.2.6

Audit Committee 2010/2011 - Sedibeng District Municipality

The current Audit Committee has a three year rolling contract to provide oversight to all Audit functions within the Sedibeng District, 2010-2013. The Audit Charter was reviewed to include Risk Management and Performance Management as responsibility areas of the Audit Committee. The Committee constitutes five (5) external members, and internal senior officials attend per invitation. The Audit Committee convened four (4) ordinary meetings and two special meetings.

2.2.7

Remuneration Committee

Sedibeng District Municipality established a Remuneration Committee in line with good corporate governance mandate. The Committee constitutes five (5) members, 3 ANC, 1 DA and 1 PAC. The Remuneration Committee held three (3) meetings to deal with matters of salaries and benefits of all Section 57 employees/officials including all employees employed on contractual basis. The salaries and benefits of all staff are negotiated at the South African Local Government Bargaining Council.

2.2.8

Risk Committee

The Audit Charter of the Sedibeng District Municipality's Audit Committee was reviewed to include as its functions responsibilities related to Risk Management and Performance Management. In the year under review, Assistant Manager Risk Management was appointed in the office of the Municipal Manager. A Risk service provider was appointed and facilitated, with all Executive Directors, identification of risks in all Clusters, update of risk registers, and development of a Risk Assessment Report. The Strategic Risk Assessment Report shall be finalized in the 2011/12 year.

2.2.9

Bursary Committee

Sedibeng District Municipality has a functional Bursary Board comprising of eight members, set up to oversee the screening, selection and awarding processes of bursaries to deserving students in the region. The committee comprises members of the public i.e. educationists, women, youth and people with disabilities. Since the inception of the External Bursary in 2008 a total of 256 young people have accessed these bursaries, including forty five that have been funded during financial year 2010/11. In the year under review, the committee held six (6) successful meetings.



Chapter 3

Performance and Progress on Key Performance Areas (KPA) 2010/11

3.1

Introduction

This chapter provides a consolidated account on all achievements and progress by the Sedibeng District Municipality (SDM) against the set IDP deliverables in the Service Delivery and Budget Implementation Plan (SDBIP) within a period under review.

In the 2010/11 year SDM complied with Chapters 6 of the Local Government: Municipal Systems Act, 2000 (Act No.32 of 2000), which requires local government to:

- Develop a performance management system (currently manual).
- Set targets, monitor and review performance based on indicators linked to the Integrated Development Plan (IDP).
- Publish an annual report on performance management for the councilors, staff, the public and other spheres of government.
- Incorporate and report on a set of general indicators prescribed nationally by the Minister responsible for local government.
- Conduct an internal audit on performance report audited by the Auditor-General.
- Involve the community in setting indicators and targets and reviewing municipal performance.

3.2

Background

The Sedibeng District Municipality in consultation with its stakeholders and employees developed seven Key Priority Areas (KPAs) and IDP Strategies. The specific IDP deliverables/projects, targets, key performance indicators, outputs and outcomes were then identified under each strategy in the formulation of the five year Integrated Development Plan. Each year the IDP was reviewed, and annual IDP and its SDBIP were developed through the same process of intensive consultations. SDM identified the following Key Priority Areas (KPAs) in its mission towards broader and long term growth and development of the region:

- Reinventing our economy
- Renewing our communities
- Reviving sustainable environment
- Reintegrating our region
- Releasing human potential
- Good and financially sustainable governance
- Vibrant democracy

This Chapter focuses on key activities and actions undertaken by relevant Directorates in various Clusters towards the achievement of set targets and objectives under each KPA. These activities were implemented within Key Priority Areas (KPAs), and against each IDP Strategy, thus applied in the valuation and assessment of broader organisational performance.



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3.3

Progress against KPAs

The Sedibeng District Municipality rolled out most of its planned programmes and projects. The six (6) Clusters, their Directorates, and the Political Management Team implemented their SDBIPs to achieve the planned IDP deliverables.

In this financial year, a number of important Forums were establishment by SDM management and officials to advance organisational objectives. There were intensive public participation and stakeholder relations projects and programmes implemented, led by the political management team, and rolled out at operational levels. The office of the Executive Mayor and the Executive Mayor assisted by administration and members of Mayoral Committee, engaged with stakeholder on various issues and deliverables to advance branding, coordination and cooperation. Such engagements set a platform towards achievement of SDM objectives pulled under all seven priority areas.

The achievements translate into capital projects, operational efficiency, human capital development, environmental awareness, sustainable and proper financial governance, oversight and accountability, people potential development, intergovernmental coordination, facilities management, inclusivity in the economy, and many more focal areas. SDM turned the region into high activity zone, for the reason that streets were upgraded, heritage tombstones were unveiled, jobs were created, schools and clinics were supported, SMMEs were integrated and capacitated, signage were upgraded, health and HIV and AIDS programmes were rolled out, IT systems were integrated, roads were integrated too, staff were trained and offered employee support, bench marking was done, registration and licensing of vehicles were effective, tourism and leisure promoted, charity organisations were engaged and supported, safety and disaster management programmes were implemented, general public participation was enhanced, and there was high level corporate governance. All these programmes and projects were implemented to promote SDM vision and mission statement, and to benefit all stakeholders and residential areas under the three local municipalities, namely; Emfuleni, Lesedi and Midvaal.

The Sedibeng District Municipality successfully completed the following projects and programmes during the year under review (2010/11):

1. KPA: REINVENTING OUR ECONOMY

IDP STRATEGY: SUPPORT THE CONSOLIDATION AND EXPANSION OF THE METAL, ENERGY AND CONSTRUCTION SECTORS

The Gauteng Economic Development Agency GEDA has appointed Kitso Consulting to assist SDM in all Steel Sector Strategy related programmes and parastatals co-ordination. On the 20th May 2011 Local Economic Development (LED) in SDM took part in the finalisation of Draft Gauteng Green Strategy. LED attended Energy Sector Conference and the broader Gauteng Green Energy Forum and identified strategic partners to assist SDM in operations of Sedibeng Energy Sector Forum. Transport, Infrastructure and Environment (TIE) and LED have finalised the Terms of Reference for the Construction Sector Strategy. SDM and DED are currently implementing two projects for Fabrication Laboratory and Bio Digesters. Finally, the Sedibeng Territorial Review Report was adopted by SDM Council.

IDP STRATEGY: PROMOTE AND DEVELOP TOURISM AND LEISURE SECTOR

The Tourism Signage Project was finalised and handed over to local Municipalities for maintenance. SDM implemented tourism and directional signage, identified tourism routes and continuous rendered assistance to all tourism stakeholders regarding tourism signage regulations and policies. The District facilitated linkages between stakeholders with relevant departments within the local municipalities, provincial government and South African Roads Agency to

address delays, and queries related to tourism signage.

The three (3) Local Tourism Organisations (LTOs) were established, and the functioning Interim Regional Tourism Association was established, with elected tourism representatives, representing all tourism sectors. The service provider was appointed to conduct the Sedibeng Tourist Guide Training.

In the Adopt a Tavern Programme, SDM in conjunction with Gauteng Tourism Authority identified 5 taverns for assistance. The Rural Tourism and Intelligence sharing workshop was successfully held. Tourism Database, a Tourism Indaba article, Non graded establishments and Zorgvliet Travel winning Welcome Awards article were posted on the Sedibeng website for public consumption. SDM coordinated coverage of Tourism attractions and products with private sector by BBC as well as the Gauteng Tourism Authority (11 April 2011).

Tourism included five (5) new establishments on non-graded database, viz.: Lekoa Guesthouse; Yellow Guesthouse; Pomegranate B&B; PampoeneOppiDak B&B; and Emfuleni River Lodge & Café. The Lords Boutique Hotel received 4 star grading. SDM secured funding from GTA for the development of a Birding Route, and Industrial Development Corporation (IDC)undertaken to fund further research on water tourism.

A successful Vaal Water Forum meeting was held at Stonehaven on Vaal with representatives of DWAF, Rand Water, Sedibeng Fire and Emergency Services, Emfuleni Fire and Emergency services to discuss water issues relating to Tourism (3 May 2011). Other workshops held: Rural Tourism workshop (20 June 2011), and Intelligence Sharing workshop (29 June 2011). SDM received 10 sponsorships to market the region at the Indaba meeting held on 3 May 2011. Launch of Wine Route of Sedibeng at Indaba and information on Wine Route posted on *"I love Gauteng website"*. Sedibeng attractions were filmed by BBC and posted on the Meeting the World as well as the GTA websites.

The Emfuleni Mayor was interviewed on Sedibeng Tourism and Launch of Wine Route on 8 May 2011 on KAYA FM. VUT FM also interviewed representative of IRTO (Tour Operators). Wine Route Launch event announced in Daily Indaba news. Vaal Meander advert finalised and submitted for publication in next financial year publication. 600 Bags and 250 key rings distributed at Tourism Indaba, 825 Brochures distributed, 600 Leaflets of individual tourism stakeholders distributed at the Durban Indaba.



IDP STRATEGY: PROMOTE AND DEVELOP AGRICULTURE SECTOR

A detailed record of farms bought and leased to beneficiaries is available from the Department of Rural Development and Land Reform (DRDLR), and Data of projects established for Food Security and farm settlements is available from Gauteng Department of Agriculture and Rural Development (GDARD). The IPC awareness and training on the establishment of the Integrated Food Security Phase Classification program was done.

The Department of Rural Development and Land Reform launched two projects in Devon and Bantu Bonke for agricultural development. The Sedibeng Farmers Forum session held on the 14th April 2011 at Vaal Technorama invited emerging farmers to apply for marketing of products through NAMC. The Forum also presented the programme around the market agents and capacity building for emerging farmers. NAFU has been re-launched through the facilitation of DAFF, and LED coordinated meeting of other farming associations in March 2011.

Lesedi Local Municipality's agricultural projects are supported financially by SDM. The well attended Farmers Forum meeting took place on the 14th April 2011 and National Agricultural Marketing Council gave valuable information on services and capacity programmes they offer to farmers in general.

IDP STRATEGY: PROMOTE OPPORTUNITIES FOR INCREASED INCLUSIVITY IN THE ECONOMY

The Sedibeng Broad-Based Black Economic Empowerment (BBBEE) Summit outcomes have been revisited and discussions have been held with various stakeholders to implement the resolutions. SDM held a meeting with NAFSOC, Vereeniging and Vanderbijlpark Chambers representatives on the 1st October 2010 at House & Home Board Room. Another meeting was also held on the 29th June 2011 with Chambers from Heidelberg, Midvaal, Vanderbijlpark, and Vereeniging.

The workshop on DTI products around incentives was conducted on the 3rd March 2011 at Emerald Casino. More DTI and other Government Agencies products were presented during Sedibeng Investor Conference held on the 7th and 8th April 2011 at Emerald Casino. The Mayoral Investment Council (MIC) was launched and meeting programmes are unfolding.

2. KPA: RENEWING OUR COMMUNITIES

IDP STRATEGY: ENSURE INTEGRATED SPATIAL DEVELOPMENT PLANNING AND PROMOTE GOOD LAND USE MANAGEMENT.

The District has an operational Geographic Information System, and Emfuleni has already been integrated.

IDP STRATEGY: PROMOTE RESIDENTIAL DEVELOPMENT AND URBAN RENEWAL



The Sharpeville Cemetery Project was completed on the 04 March 2011, and nine (9) local subcontractors have benefitted from the project. The Main and Sub Contractors to work on site employed 150 labourers, and the project has achieved 40% of local subcontract. The Sharpeville Exhibition Center achieved a practical completion. The construction work was at 95 % completion, at the end of June 2011. The project employed 50 labourers at the site by both the Main and sub-contractor. Eight local sub subcontracts were

appointed on site. The District in conjunction with the local municipalities have developed a series of roads in different townships, including Sharpeville, Sebokeng and Boipatong.

A Provincial Forum was established. As part of the programme, a backyard housing development was piloted in Boipatong.

The paving of 8 Roads in Evaton namely, Hamilton, Stirling,



Togo and Union are 100% complete while Avondale, Boundary and Easton phase 1 and 2 are 98% nearly complete. Lakeside Estates Ext 1, construction of roads and storm water drainage complete. The Power of Attorney has been signed for Township Establishment for Mamello. Tshepiso North Extension 3 and Kanana transfer has been finalised.

IDP STRATEGY: PLAN FOR EFFECTIVE, EFFICIENT AND SUSTAINABLE INFRASTRUCTURE FOR WATER AND SANITATION SERVICES, AND PROVISION OF ELECTRICITY

The implementation of the Sedibeng Regional Sewer Scheme is in progress and Eurocon has been appointed to do the design for Sebokeng works, to be finalised by end December 2011. The Project Steering Committee is set up to oversee activities of the Scheme, the Technical Steering Committee manages the administrative affairs of the Scheme, and the Political Steering Committee is there to deal with all political implications of the Scheme. National Treasury committed R500,00 million towards the Scheme. The report on status of Free Basic Services in the region was presented to Section 80. The REDS initiative was discontinued by the South African Cabinet.

3. KPA: REVIVING A SUSTAINABLE ENVIRONMENT

IDP STRATEGY: CREATE HEALTHY ENVIRONMENT THROUGH EFFECTIVE ENVIRONMENTAL HEALTH MANAGEMENT

A Service Level Agreement on Municipal Health Services (MHS) for 2010/11 was signed and implemented, and for the 2011/12 was also finalised by June 2011 for implementation on 1st July 2011 for the 2011/12 financial year. MHS Strategy project has been delivered by KPMG. The Food Safety programme is a priority initiative implemented by the Local Municipalities.

SDM celebrated World Environment Week, funded by Indalo-Yethu and hosted at Emmanuel Primary School. The MTK participants' registration process continued and forms were submitted to Gauteng Department of Agriculture and Rural Development (GDARD).



IDP STRATEGY: BUILD PARTNERSHIPS TO ENSURE INTEGRATED ENVIRONMENTAL AWARENESS, PLANNING AND MANAGEMENT

The District is continuously participating in various programmes, coordinating, and hosting the national and provincial environmental awareness programs and events. These include: i) visits to schools for environmental awareness campaigns, ii) community clean-up campaigns at illegal dumping sites, and iii) tree planting activities.

A successful Industrial Outreach Programme, aimed at engaging industries on their environmental performance, has been launched. Several industries have been visited (Lethabo Power Station, Mittal Steel, Rand Water) and the SDM Portfolio Committee on Environment has been involved in the visits.

IDP STRATEGY: PROMOTE CONSERVATION OF ENVIRONMENTAL RESOURCES AND BIO-DIVERSITY



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SDM is continuously participating in the Arbor Week Events. The Sedibeng Township Wetland Clean Up and Rehabilitation Program (Alien plant vegetation removal and Ecosystem Improvement), is being funded Indaleiyethu. SDM has been accepted as a member of the International Council for Local Environmental Initiatives (ICLEI) Membership. The District Municipality is also part of the Urban Task Team on Biodiversity/Grasslands chaired by South African National Biodiversity Institute.

4. KPA: REINTEGRATING OUR REGION

IDP STRATEGY: PLAN AND PROVIDE EFFECTIVE, EFFICIENT AND SUSTAINABLE ROAD INFRASTRUCTURE FOR WATER AND SANITATION SERVICES, AND PROVISION OF ELECTRICITY

Four (4) IGR meetings were convened, two were coupled to the Integrated Transport Plan (ITP) and the rest with provincial programme on the construction of roads in the region. The Madiba road was complete and handed to Lesedi Local Municipality. Three (3) Local sub-contractors are exclusively used for the installation of the road signs with 2 local technical assistants appointed on the contract. The project has lead improved road signage in all major routes in Emfuleni, and the project cost R7 million.

The tourism signage was also installed at the cost of R1.7 million. The project employed 12 people and two local sub-contractors were used as part of district economic empowerment and transfer of skills to local contractors. The project has led to exposure of heritage areas throughout the district. The number of employment in all our projects has been quantified.

Section 80 resolved to use extended IGR meetings where Councillors will be invited as a platform for presentations. Together with Emfuleni, the Water Week Awareness campaign was observed and culminated in stakeholders meeting in Bophelong. The consultations with Evaton Renewal Project consultants and Emfuleni about any study made and linked to the project are on-going. The report about REDS was submitted to Section 80 stating that they were discontinued by the cabinet.

IDP STRATEGY: PLAN AND DEVELOP ACCESSIBLE, SAFE AND AFFORDABLE PUBLIC TRANSPORT SYSTEMS AND FACILITIES.

Modal Integration: A meeting was held with public transport operators and all modes were held. Metered Taxis; Data base from Registrar has been received, and the meter taxi industry was consulted to verify the data. Public Transport Month activities were undertaken and road safety was the focus. Four (4) meetings on IGR were held, two focused on ITP and the rest normal scheduled meetings. PRASA also informed the District that it has upgraded the Kwaggastroom Station in Sebokeng.

IDP STRATEGY: RENDER AN EFFICIENT AND CORRUPTION FREE VEHICLE REGISTRATION AND LICENSING SERVICE

Ten (10) Contract Employees went through interviews and have been permanently appointed with effect from March 1, 2011. Fourteen (14) more cashiers were successfully trained at the Lengau Traffic College during the last quarter. In total 37 personnel members has been trained as examiners of driver license varying from grade "A" to grade "L".

A meeting with the DDG for Roads and Transport was held on Friday the 2nd December 2010. All monthly Reports (12) were submitted on status of Licensing in the District.

IDP STRATEGY: IMPROVE ICT CONNECTIVITY IN SEDIBENG

IT Directorate managed and enhanced the Sedibeng wide Area Network (WAN) and Local Area Network (LAN) successfully: 91% uptime, some down time occurred on the Novell server, due to GroupWise errors. New Novell server successfully commissioned and is fully functional. Status quo remains (91% up time).

There was Hard drive breakdown on server Sedibeng05 (Identity Manager), and System swap-out to support server and services restored to normal within 24 hours. Main Servers and the LAN/WAN's are running optimally. All links reviewed, status quo report drafted, and final report submitted to Dir: IM.

Develop project plan for review of WAN links tender awarded to Securelink on 13 April 2011. Project Plan approved and roll-out commenced. Installation of cabling commenced, and Project phase 1 successfully completed.

Transactional Advisor (Koos van der Westhuizen) appointed in relation to link identification of sites.

Executive Director: Corporate Service approved process to appoint a service provider on 3 March 2011. Server commissioned and successfully implemented. The Roll-out specialized software enhancements and working with different internal department to provide them with IT Solutions to meet their respective IDP demands: Software rolled-out to 404 users (Sedibeng DM).

In order to capacitate Moments Film studio in locally filmed project, the venue was equipped with 7 x Desktops, 4 x Printers, 2 x laptop, 4 x 42" Plasma screens. Full internet access (3G & ADSL) established. The following projects completed successfully: Wrap up Soccer World Cup 2010 venues and JOC centre; SODA broadcast, and Inaugural Dinner broadcast.

5. KPA: RELEASING HUMAN POTENTIAL

IDP STRATEGY: NURTURE THE DEVELOPMENT OF PEOPLE'S POTENTIAL THROUGH SPORT, RECREATION, ARTS AND CULTURE

In an endeavour to achieve transformation in sports, all sporting bodies had to be re-established to align them to National and Provincial sporting councils. SDM with its three Locals Municipalities, Lesedi, Emfuleni and Midvaal reconfigured and launched their Sports Councils, at workshops held on 3rd, 7th, 12th and 23rd March 2011 respectively to ensure fully functional Regional Sports Councils.

SDM participated in both the Safety at Sport and Recreation Events workshop organized by Sport and Recreation South Africa and the Gauteng Sports Indaba hosted by Gauteng Sport, Arts, Culture and Recreation Department. The Magnificent Cricket Friday was hosted at the Thabong Shopping Centre in partnership with Provincial SACR Department and Sports Council members.

Though SDM was not a host city, the region successfully implemented its adopted 2010 Strategy in partnership with its three locals. SDM hosted Switzerland and Ivory Coast respectively. SDM in partnership with Gauteng Department of Education donated full sets of playing kits and soccer boots, in the colours of the respective World Cup Teams, to 32 primary schools as part of the July school holiday program. SDM hosted 17 Public Viewing Areas (PVA's) regionally. 2



Primary and 15 Secondary PVA's as detailed in the final 2010 Report approved by Council.

Amalgamated Beverages Industries, in collaboration with Vaal University of Technology and Sedibeng 2010 Organizing Committee, hosted the viewing of the World Cup Trophy to the public on the 3rd June 2010 which was graced by the Gauteng Premier and MEC for SACR. A National Live Broadcast of the Quarter Finals was successfully shown at the Saul Tsotetsi PVA.

In support of developmental and professional theatre productions, SDM staff, identified community members and students from VUT to participate in the development of the movie Algiers. Different scenes were captured and the movie is currently being edited, ready for the Premier by September 2011. As part of commemorating Africa Day, the African Festival celebrated as part of 2010 FIFA World Cup event. The Khunou Choral Music Festival was hosted successfully as part of the Heritage Month Programme. A Literature and Theatre books Exhibition, which took place on 28th May 2011 at Mphatlalatsane Theatre Foyer, and a Drama Festival which took place on 11th June 2011 at Mphatlalatsane Theatre, were both part of the developmental programme which were graced by local schools and crafters.



To promote local artists, the Department sourced groups of artist at the State of the District Address (SODA) on 20th April 2011. SDM in partnership with Provincial Departments of SRAC and Education organised the Schools Choral Music Festival which took place from the 11 – 13 May 2011. Several Grades 7 – 9 Choirs from different schools in Gauteng participated in this category. SDM participated in the plenary proceedings of the Executive Mayor's Inauguration Address Gala Dinner which took place on 14th June 2011 as well as the hosting of an International Children's Day that was held at Groenpunt Correctional Services in partnership with department of Correctional Services on 09th June 2011.



To promote Arts and Culture, the Department participated in the hosting of the Lesedi FM 51st Anniversary which took place on the 24th and 25th June 2011 at Saul Tsotetsi Centre. SDM partnered with Unomthandazo Productions in hosting the Poetry Festival which took place on 25th June 2011 as well as with Provincial Dept. of SRAC in their programme that is called Ishashalaza, which is focusing on the developmental theatre groups. The programme was hosted on the 11th, 12th and 18th June 2011. A meeting for the establishment of Lesedi Local Municipality Arts and Culture Forum was held on the 16th and 24th April 2011. The meeting was honoured by local Arts and Culture Stakeholders including Artists and the Provincial Dept of SRAC.

Renovations at the Regional Craft Hub Centre were completed as per Business Plan, the 2nd phase will be completed by end of August 2010. Fifty Crafters were trained and accommodated at the centre. MINTEK has been appointed as a service provider to do a glass beads project, which will be rolled out throughout the Region. A Service Provider was appointed on 30th June 2011 for a Silk Screen Machine which was be delivered at Old Sharpeville Police Station on 18th July 2011.

SRAC Department participated in the plenary and staging of Boipatong Massacre Commemoration which took place on 17th June 2011 at Boipatong Stadium. Six developmental local artists and two well known artists performed on the day.



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IDP STRATEGY: PROMOTE AND DEVELOP THE HERITAGE OF OUR REGION

A successful trip was undertaken from 23rd to 28th September 2010 to Lesotho, involving 80 survivors and families of the victims of the apartheid atrocities in Sedibeng. Participants were taken to places of historical importance including a visit to the Parliament of Lesotho.

The following National and Local Commemorative days were observed during the period under review:

- **a)** 12 January, Zone 7 "Nangalembe" Massacre was commemorated at events held at Avalon Cemetery, Johannesburg and Evaton Cemeteries which culminated at a Rally which was held at Zone 7 stadium.
- **b)** 21 March, known as the Sharpeville Massacre/Human rights Day was observed to commemorate the 51st Anniversary of the Sharpeville Massacre at the Sharpeville Cricket Pitch.
- **c)** 17 June, known as the Boipatong Massacre was commemorated at the Boipatong Stadium. The day was also used to hand over a house to the surviving Mittah Molete family.
- **d)** 18 July, known as Nelson Mandela day was commemorated at Lakeside and the following items were donated to needy families: 50 brooms, 50 wheelbarrows, grass cutters and 50 overalls. There was also a cleaning campaign in that area.
- **e)** 3rd September, known as the Vaal Uprising Day was also commemorated, characterised by activities including a Memorial Lecture, a Prayer Service, a Community March and a Political Rally.

To preserve our history, the Heritage Department assisted researchers from WITS University with research in the Sedibeng region. Meetings and visits to the families of victims as well as survivors were done to develop a database. SDM hosted exhibitions as part of Heritage celebrations at North West University. A consultative meeting was held with the Evaton Heritage Organisation to discuss listing and declaration of Heritage Sites. Families of the Boipatong Massacre victims were also visited prior to the commemoration. To ensure an integrated approach a comprehensive Heritage Turn Around Strategy, aligned by Provincial and National guidelines was approved by Council.

Field trips were undertaken with the Provincial Heritage Resources Authority-Gauteng(PHRA-G) to Heritage Sites that must be nominated as Provincial Heritage Sites. The Consultants appointed by Province to collate information with regard to Wrongly Spelt and Corrupted Names - Geographic Name Change Project were assisted accordingly. SDM coordinated meetings with all three local municipalities to ensure the success of the project regarding Wrongly Spelt and Corrupted Names. Tender for the renovation of the Heidelberg Museum Buildings as part of Heritage Capital Projects was adjudicated and signed off by the Executive Director Community Safety and Sports, Recreation, Arts and Culture and Heritage (SRAC&H), however, the project was could not proceed due insufficient funding.

A Preservation Project of the Art Collections of SDM and ELM were initiated. Evaluation of arts assets took place by Sotherby's Auctioneers. The Education Programme on Road Safety at Sakhile Primary in Ratanda was coordinated as requested by EMS. Partnerships were established with departments Traffic, EMS, Fire Brigade etc. to assist with demonstrations during Education Programmes. SDM presented Holiday Programmes for Learners in conjunction with the DoE including all the new partners.

The four museum guides of the Heritage Department have been selected to be trained as registered tour guides for Gauteng as an initiative from the SDM Tourism Department. The Conference Centre at the Vaal Teknorama Museum has been extremely busy with between 12 – 15 bookings per month. School bookings at the Vaal Teknorama Museum have been generally 5 – 7 schools per month with a number of ± 150 learners per school. School bookings in Sharpeville have been generally 5 – 6 schools per month with a number of ± 120 learners per school, ± 30 International visitors and ± 50 National visitors.

As part of the Heritage Month Celebrations, on 2nd September 2010 a Memorial Lecture was hosted with the Key Note Address done by the MEC Mr. Paul Mashatile. On 2nd September 2010. Candle Lighting events and night vigils were hosted at respective Local Churches. On 3rd September 2010 the Vaal Uprising Commemorative event was hosted at the

Mphatlalatsane Theatre with political leaders and VIP's in attendance. The Heritage Department hosted an exhibition and documentary screening on the events in 1984. SDM funded the commemoration of the signing of the new South African Constitution held at Sharpeville Human Rights Precinct. The Nangalembe Night Vigil was hosted on 12th January 2011 at Avalon and Evaton cemeteries respectively.

The Boipatong Massacre was commemorated on 17th June 2011 where the Aaron Mokoena Foundation made a generous donation of blankets and food parcels to the elderly his active participation helped to make the commemoration a success. SDM coordinated the cleaning campaign at the Vuka Cemetery for the commemoration, and successfully hosted the morning programme. The process of planning towards the September 2011, Heritage Month program started with all key stakeholders including the office of the Executive Mayor.



IDP STRATEGY: PROMOTE A SAFE AND SECURE ENVIRONMENT

Twelve Victim Empowerment Centres (VECs) are fully functional located at each of the twelve Police stations in our region to support all victims of abuse excluding De Deur, where there is a lack of space. A Joint 16 Days of Activism Event was successfully held at Sicelo Stadium in Midvaal. About 1 258 children and women were referred and recorded in the 2010/11 year.

Six Road safety awareness programs were conducted in Sebokeng, Evaton, Beverley Hills, Palm Springs and Sharpeville to promote road safety. 32 Schools Safety Teams were established at various schools. In support of this program, a Hlayiseka workshop was also held during the period 09 – 11 March 2011 to outline processes related to the establishment of schools safety teams, including roles and responsibilities of key role-players. 28 awareness programs related to violence against women and children and schools safety held at areas De Barrage, Bantu Bonke, Evaton, Sharpeville, Skansdam, Sicelo, Heidelberg, Ratanda, Groenpunt Prison, Rustervaal, Meyerton, Kliprivier and De Deur. Four (04) cleaning campaigns conducted at De Barrage, Skansdam, Regional Victim Empowerment Centre and Bophelong.

A Community safety workshop and awards ceremony was successfully held on the 14th and 15th April 2011, respectively. Fifteen Community Safety Forum meetings/workshops were held with various stakeholders to address issues related to safety and security in the region. One conference on Law enforcement and crime prevention was attended in Mossel Bay, hosted by Institute for Municipal Public Safety during the period 1st – 3rd September 2010.

Two workshops were held whereby Rural Safety Forums and Strategies were developed for the areas, De Barrage and Heidelberg. A Rural Safety Forum was also established in De Deur. Processes were outlined at the Community Safety workshop with regard to the establishment, implementation and sustaining of Rural Safety Strategies. Four Liquor Forums were established in Sebokeng, Sharpeville, Boipatong and Evaton to address challenges related to liquor outlets in townships.

Nine CPF Induction workshops were conducted in Evaton, Sharpeville, Bophelong, De Deur, Sebokeng, Vereeniging, De Deur, De Barrage, Meyerton to strengthen crime prevention initiatives. A CPF Annual General Meeting (AGM) was also held on 17th April 2011 at Ratanda.

To manage, improve and upgrade the CCTV Street Surveillance System within the region, way-leaves applications were



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approved and granted. Civil work for underground reticulation has also been completed, with 24 camera poles being planted and electronic boxes installed in Vanderbijlpark.

Four wireless cameras installed, and they are being monitored at the CCTV Control Room situated at Fire Station in Meyerton. These cameras have been linked and can now be accessed and viewed at the main CCTV Surveillance Centre.

Application for the way-leaves has been made at various departments to enable civil work to commence after installation in Heidelberg and Ratanda. Work completed at the end of July and August 2010 respectively. Four CCTV technical courses were attended by the technicians to maintain the upgraded system. Five Optic Fibre Network Technical Committee meetings held with three Technical Reports and one Progress Report submitted. Report has been send to Council through Section 80 Committee for approval.

One Tactical Shooting training session was held on 8th April 2011 by VIP protection officers. Six firearms procured and registered.

IDP STRATEGY: PERFORM DISASTER MANAGEMENT EFFICIENTLY

The Macro Disaster plan has been reviewed and updated for the 2010-2011 financial year. Flood Contingency Plan for the District was updated as an addendum to the Macro plan. Emfuleni and Lesedi, Midvaal DMP have been reviewed.

Plans for the Bulk Water Distribution (Amanzimtoti, Barrage and Meyerton) have been reviewed. Emergency plan for Randwater Barrage has been reviewed during the workshop that was held on the 24th of February 2011. 84 Mass events were reported to the directorate and emergency plans were drawn for them. Seven (7)successful simulation exercises were coordinated for the year at Rand Water. The following relief items were provided to destitute families due to fires and other emergencies; 822 Blankets, 67fFood parcels , 38 Tents and 49 Sails.

A status report on floods was tabled to section 80. A report on the establishment of the Sedibeng Disaster Management Centre was tabled to section 80. Flood damage verification process status report has been tabled before the section 80. Xenophobic Attacks Strategic Plan has been reviewed.

A pre-winter awareness week activity report has been completed. 3 Forum sittings took place for the financial year. 80% of emergency calls were answered in 5 rings. All calls were handled within the stipulated time frame. 3 consoles were manned and maintained during the year. No complaints were received for the year. Thirty seven (37) claims received from the local municipalities and processed. Program completed in May 2011, Activity report tabled before section 80. Public Awareness Programs were conducted in December 2010 and April 2011, during vacations.





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IDP STRATEGY: PROMOTE HIV & AIDS UNDERSTANDING, TREATMENT, CARE AND SUPPORT

More than 150 000 people, including youth were reached through safer sexual practices educational campaigns and drama performances at taverns, taxi ranks, train stations, pubs, filling stations, and hostels, in the process distributing more than five million females and males condoms.

BopheloImpilo Wellness project, Faith Based and Traditional Health Practitioners HIV&AIDS coordinating structures, through their daily door-to-door households' visits and sectors empowerment respectively assisted a great deal in mobilising people towards safe sexual practices and behaviours. There are signs of positive change since consistent carrying and usage of condoms has increased in these areas.

Through the three hospitals, 933 males utilised medical male circumcision services. The District has identified all private doctors, clinics and hospitals as potential agents of medical male circumcision statistics.

Most companies have done employees' HIV&AIDS impact studies; hence an anecdotal evidence of a decline in stigma and discrimination against people living with HIV and their affected families.

There are encouraging trends by government departments and Parastatals, inclusive being DoH, DoSD, DoHA, SARS, SAPS, DoCS, DoL, DoJ, SRACH &H, Local Municipalities, Eskom, Rand Water, Telkom; that show that HIV&AIDS is a part of the core business by having dedicated coordinators, policies and internal and external HIV7&AIDS programmes. This is further evidenced by joint planning and execution of strategic projects within the District.

The district and the three Local AIDS Councils meet regularly (quarterly), chaired by Executive Mayors and/or political delegates (MMC). There is strong political commitment and leadership in an effort to mobilise and monitor the implementation of HIV&AIDS programme by all within the district.

Although all the wards (63) were serviced through monthly door-door households' campaigns, utilising more than 1000 stipend volunteers (cumulatively), only 45 ward-coordinators (on monthly stipend) were appointed to spearhead structures' mobilisation towards HIV&AIDS mitigation. More than 95% of households were visited during this financial year, reaching more than 500 000 people (cumulatively).

Visits were focused on identifying indigent households, orphaned- and elderly-headed households, social ills and one-on-one educational campaigns regarding where to access services within/outside their wards and lastly on safer sexual and social behaviour, emphasising on medical male circumcision and concurrent and multiple sexual partnerships.

Bophelo-Impilo Wellness project (partnership between ELM, SDM, Nkanyezi and Arcelor Mittal) focused at Sebokeng hostel, Kwa-Masiza hostel and Boiketlong, reaching more than 95% of households, including youth and women.

All health facilities and some few non-medical sites such as VUT and NGOs provide HCT services to the community. More than 150 000 people utilised HCT services during the period under review.

All health facilities, including hospitals, and some private doctors provide Comprehensive Care and Management Treatment (CCMT). More than 37 800 people were enrolled to the programme, including children. The "Bucket of Love" Project, held in December 2010 at Kopanong Hospital for children hospitalised (all three hospitals) and are on chronic medication, reached more than 500 children and their guardians.

Multi-sectoral coordination takes place through the four AIDS Councils, which meet on quarterly bases, chaired by Executive Mayors. These forums mobilise and monitor HIV&AIDS implementation by all within the district. Technical coordination takes place through all government departments, that have met four times (quarterly) to share

best practices, report challenges and jointly execute strategic projects within the district, such as the World AIDS Day event that was held in December 2010 at Saul Tsoetsi, which attracted more than 3 000 people and was attended by provincial and other districts and metro people.

IDP STRATEGY: PROMOTE THE EFFICIENT DELIVERY OF PRIMARY HEALTH CARE AND EMERGENCY MEDICAL SERVICES

65.67% of confirmed Priority 1 incidents reached within 15 minutes in Urban Areas. 85.14% of confirmed Priority 1 incidents reached within 40 minutes in Rural Areas. 17.94 Emergency Medical vehicles on average operational per shift. 1.02 advanced life support primary response vehicles on average operational per shift.

8 BLSHCP courses arranged. 67 Personnel trained. 47 Courses conducted to empower communities in basic first aid. 2429 Community members trained in basic First Aid. 1595 Community members reached. 24 Schools reached. 0.46 EMS Vehicles on average dedicated per shift at identified satellite venues.



IDP STRATEGY: PROMOTE SOCIAL DEVELOPMENT OF OUR COMMUNITIES

5 DHCTC meeting held in this financial year; 10 reports submitted for deliberations by the District Health Council (DHC). District Health Plan 2011/2012 completed. Health Post launched in Boipatong.

2 Health Posts functioning in Emfuleni. Roll-out plan for establishment of Health Posts developed.

TB cure rate is at 79.1% to 80%. 2 campaigns on measles, polio and de-worming held coverage reached 99%. Sedibeng District awarded 2nd best achievement in reaching campaign targets in Gauteng.

2 H1N1 campaigns held – 52 523 community members vaccinated. Immunization coverage for children under one year of age is 111%.

International Children's Day was held on the 1st June 2011 at Devon and 900 Primary school children attended. Health education on sexuality, Reproductive health, teenage pregnancy and HIV/AIDS was done.

Move for Health campaign held wherein screening on HIV Counselling and Testing; Blood pressure and HGT done. 8 Outbreak response team meetings held. 2 H1N1 confirmed cases in Sebokeng. 4 Primary Health Care Facility Committee (PHCFC) meetings held. Sub- District Primary Health Care Facility Committee Forums established in Midvaal, Emfuleni and Lesedi. 37 clinics have functioning PHCFC. Training for PHCFC conducted. 45 Luncheon clubs for older citizens functioning. Data on elderly forums and lunch-on clubs updated.

4 Elderly Forum Meeting held in this year. RAC for elderly termed Golden Games were held. Executive Mayor's Honouring function for aged people between the age of 90 years was held in December. 1 Financial workshop for employees was held. 1 Business empowerment workshop for cooperatives - 89 delegates attended. Workshop on



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Human Trafficking held for cooperatives. Men's Indaba, organised by SALGA. Woman's Forum established in Boipatong. Gender training manual for employees developed. 6 meetings held to finalise the Gender Based Violence Plan. 16 days of activism conducted.

Woman's Month activities conducted. 4 Gender technical Committee meetings held. 6 Gender Intergovernmental meetings held. Policy Action Plan and Implementation workshop held facilitated by Gender Links. 4 meetings held to strengthen the functioning of children's forum. (Stakeholder's Forum). 2 Early Childhood Development (ECD) Level 4 training Programmes completed (Matthew Goniwe School of Leadership and Governance). 237 ECDs funded by Provincial Health & Social Development.[934 beneficiaries]. 2 School Holiday Programmes conducted. Child Protection Week Awareness campaign held. 2 Child Care Act Trainings held for 30 child minders and 30 health promoters.

Training on Nutrition for Child minders conducted. Boipatong Parenting workshop held. PWD Stakeholders Forum established. 2 PWD Stakeholder Forum held. 4 PWD Forum meeting held. 2 day Train the Trainer Workshop on HIV/AIDS held. 1 local PWD structure established – Lesedi. 50 PWDs were screened for HIV /AIDS Counselling and Testing. 30 PWD women screened for cervical cancer. 30 PWD youth attended educational talk on teenage pregnancy. 25 copies of the PWD policy converted to Braille.

20 ex-combatants trained on security. 34 ex-combatants attended the Eco-Therapy Sessions. 2 road shows (status of ex-combatants) in the respective areas of facilitation [Evaton / Sebokeng / Bophelong / Sharpeville / Tshepiso / Ratanda].

86 ex-combatants employed by Sedibeng district Municipality. Thirty two (32) ex-combatants employed by Emfuleni Local Municipality. 7 ex-combatants buried through the donations policy as per Ex-Combatants policy guide. Constant visits to sick ex-combatants were undertaken.

89 needy girls received sanitary towels distributed at Springfield Junior Secondary. 199 children receive clothing donations in Mamello. 34 women screened for HIV/AIDS at the Mamello Clothing donation distributions. 71 young people trained by NYDA on interviewing and communication skills for the purpose of collecting research data.

6 workshops held for 109 NARYSEC Participants – rural youth. House Hold Profile and WAR on Poverty programme held at Bantu Bonke and Evaton West. NARYSEC.

14 youth graduated for non-military training at De Brug, 8 were young women. NARYSEC – 18 youth attended life skills programme. NARYSEC - provision for 118 youth to attend FET Colleges around Gauteng province.

247 youth attended the Youth World Festival. 107 rural young people attended the ABSA Financial Management Training. 97 young people attended the entrepreneurship workshop facilitated by Wits Business School and Business Partners. Job preparedness workshop attended by 66 youth organised by Red cap foundation and NYDA. Ten (10) Youth Owned Local Car Wash signed contracts with the NYDA through Evaton based Trauma Agency Branch.

A successful "Proud to serve campaign" was held on the 10th June 2011 in Evaton North, Bophelong and Ratanda as part of the Youth Month, Programme to be extended to Mandela Day the 18th July 2011.

Research on Youth in Sedibeng conducted - 67 youth appointed as field workers. 10 youth owned cooperatives mobilized to attend the Youth In Construction Summit organized by the Department of Infrastructure and Development. 10 young people appointed by Mr. Price Group in the RED CAP Foundation Learnership. 732 youth participated in the Proud to Serve campaign facilitated by National Youth Service (NYS). 5 cooperatives of provided with business starter packs by SASOL Chemcity.



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Ekhaya Fashion Show – 3 youth designer contracts. 4 Career Expo with Career Information and Exhibition Association (CEIA) held successfully. 2 Career Exhibition in partnership with TRAMA Agency as part of the Youth Month Programme conducted. Leadership camp conducted in partnership with SAAYC-Vaal. 3483 Young people assisted with Job Hunting and CV Writing in February. 2908 young people assisted to date with basic computer skills and internet access for livelihood opportunities, 4 were youth with disabilities. 4281 youth assisted with career counselling through school outreach programmes. Forty Five (45) Bursaries processed and paid for the 2010/11 financial year. 4 Bursary Board meetings held.

IDP STRATEGY: PROMOTE SKILLS DEVELOPMENT AND TRAINING

Training Courses conducted and coordinated for staff and relevant stakeholders with a mandate to advocate and promote Skills Development and training in the Region:

- 1 fire official trained in Diving Instructor course
- 4 fire & rescue staff were trained in commercial supervisor dive training.
- 1 fire & rescue staff were trained in disaster management.
- 30 Fire-fighting officials trained in B.A. and Hot fire fighting course.

Specialist Comp TIA Security course scheduled for 2 x Technicians in Nov 2010. Technicians completed course successfully. New courses to be scheduled in Jan 2011. 2 staff members currently on A+/C+ certification course. 1 user attending end-user computing course. 6 staff members to attend a Windows 7 installation and management course (May/June 2011). 11 staff members attended specialist training courses. 20 ex-combatants trained on security. 71 young people trained by NYDA on interviewing and communication skills for the purpose of collecting research data. 14 youth graduated for non-military training at De Brug, 8 were young women. NARYSEC – 18 youth attended life skills programme. NARYSEC - provision for 118 youth to attend FET Colleges around Gauteng province. 107 rural young people attended the ABSA Financial Management Training. 97 young people attended the entrepreneurship workshop facilitated by Wits Business School and Business Partners. Job preparedness workshop attended by 66 youth organised by Red cap foundation and NYDA. 10 young people appointed by Mr Price Group in the RED CAP Foundation Learnership.

Forty Five (45) Bursaries processed and paid for the 2010/11 financial year.

6. KPA: GOOD AND FINANCIAL SUSTAINABLE GOVERNANCE

IDP STRATEGY: ENSURE FINANCIAL SUSTAINABLE LOCAL GOVERNMENT INCLUDING REVENUE COLLECTION, MANAGEMENT AND FINANCIAL MOBILISATION

Treasury completed twelve monthly asset reconciliations, and twelve monthly claims on services rendered to and from Local Municipalities settled accordingly. Service Level Agreements with Local Municipalities maintained for the better management of assets between District and Locals. Capitalisation and/or transfer of assets completed in line with powers and functions as per Municipal Systems Act, No 32 of 2000. Two asset stock-takes conducted to perform inventory control of moveable assets. Monthly monitoring and reduction interventions of cashier shortages reported in four quarterly reports. Daily cash flows compiled and reported monthly as part of year end process for the compilation of the annual financial statements. Finance completed a report to initiate revenue funding options on grant and/or donor funding as infrastructure and social delivery option. The Cluster tabled eleven monthly debt management and credit control reports. Debt write-off report partially achieved as there was none to report on.

IDP STRATEGY: GOVERNANCE OF MUNICIPAL FINANCE

100% MFMA compliance achieved and completed. Executive Mayor, MMC: Finance, Municipal Manager and Executive Directors as well as regulatory bodies were kept informed of compliance issues. Implementation of analysis and review of financial policies completed and workshopped with Portfolio Committee and MANCO and adopted at Mayoral Committee and Council. Implementation of financial procedure manual completed and workshopped with stakeholders and MANCO.

IDP STRATEGY: BUILDING CAPACITY TO MANAGE MUNICIPAL FINANCE

The monitoring and reporting of skills development plans for the Budget and Treasury office staff were completed and achieved in line with Council performance and personal development policy. All corresponding quarterly PMDS reports were duly compiled and submitted. Four (4) quarterly performance management reports were also compiled and submitted to the CFO IGR Forum;

IDP STRATEGY: FINANCIAL REPORTING

Annual Financial Statements for 09/10 completed and presented to Auditor-General on 31 August 2010. Unqualified Auditor-General opinion received for fifth consecutive year. Finance drew up Action Plan against management letter and presented to the Audit Committee and Portfolio Committee. Progress reports also subsequently tabled. Regular feedback provided to MANCO and Audit Committee on follow-up actions. Internal Control Review assessments coordinated with Auditor-General and quarterly reports tabled at MANCO and Audit Committee;



Financial Statements in full compliance with GRAP standards achieved and completed. Unaudited annual financial statements for 09/10 were drawn up in line with GRAP standards and were tabled and accepted by Audit Committee.

IDP STRATEGY: BUDGETING AND PLANNING MUNICIPAL FINANCES

The determination of pro-poor tariffs were completed and achieved as part of the budget process as per the budget timetable. Both the draft MTREF and final MTREF were tabled as per the budget timetable and the budget approved well ahead of deadlines. The outcomes of budget panel meetings were reported to the Executive Mayor and were included in reports to the Mayoral Committee and Council.

Cost cutting and containment measures monitored monthly through dashboards submitted to MANCO. Regular meetings were held with Clusters regarding their SDBIP implementation progress. Cost-centre re-alignment achieved and applied as part of the budget compilation process. All four quarterly performance progress SDBIP reports were achieved and submitted to Portfolio Committee. Adjustment budget process roll-out successfully achieved and completed. Financial Framework Plan completed and achieved as part of final budget approved by Council on 20 April 2011 and in consultation with Gauteng Department of Finance.

The drafting and submission to Council of an operating expenditure and capital expenditure budget prior to public



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participation processes were completed and achieved. The drafting and submission to Council of an operating expenditure and capital expenditure budget incorporating public participation inputs and submissions were completed and achieved. The submission of budgetary inputs for the State of the District Address were completed and achieved. The incorporation of new MBRR budget reporting formats into the MTREF was fully completed and achieved.

IDP STRATEGY: SUPPLY CHAIN MANAGEMENT

Sedibeng District Municipality (SDM) adopted its revised Supply Chain Management Policy and Procedures on the 10th August 2011; this was in compliance with Section 111 of Municipal Finance Management Act (Act No. 56 of 2003).

Implementation of Supply Chain Management Policy

In the implementation of Supply Chain Management (SCM) policy, under Bids and formal written quotes the following activities were undertaken:

Bid Adjudication Committee was established in terms of the provisions of Local Government: Municipal Finance Management Act No. 56 of 2003. This committee consists of officials with delegated authority to award bids in accordance with predetermined criteria. Bids were evaluated in accordance with criteria set out in terms of Preferential Procurement Policy Framework Act No. 5 of 2000, Preferential Regulations published in terms of Government Gazette No. 22549, and also the criteria set out in terms of Municipal Finance Management Act No. 56 of 2003 Circular no. 53. The bids and formal written quotes awarded by both the Executive and the Bid Adjudication Committee as per the Council's system of delegations. There were 27 tenders and 45 formal written quotes awarded for the year under review. This is summarized as follows:

Total Amount awarded	R 96,705,586.44	
Historically Disadvantaged Individuals	R 85,077,425.36	(88%)
Women	R 13,580,379.70	(14%)
People with Disability	R 1,529,240.96	(2%)
Local Bidders	R 27,044,988.68	(28%)

There was only one appeal/complaint received and responded to for this financial year. Suppliers were invited to be in Sedibeng District Municipality's supplier database through a publication in the local newspapers. There are currently 4 451 suppliers in the database. SCM has put in place a system to effectively monitor and evaluate contracts procured through supply chain management processes. A contracts schedule has been developed which monitors contracts, expiry dates, cost-overruns and supplier performance. This schedule is updated on the monthly basis by collating information from various departmental contract administrators.

SDM provided significant assistance to small and micro enterprises. The Tender Advice Center has been established and is fully functional. Sedibeng District Municipality has engaged the services of a specialist procurement and supply chain management consultancy, to conduct a feasibility study that will determine the merits of establishing an integrated Supply Chain Management Function within the district. The feasibility study has been completed and its findings and recommendations have been presented at Joint Municipal Manager's forum for decision-making. Sedibeng District Municipality in conjunction with ABSA Bank Limited, have entered into a memorandum of understanding in which ABSA Bank Limited will assist financially struggling SME's with bridging finance.

IDP STRATEGY: EFFECTIVE MANAGEMENT OF COUNCIL BUSINESS

The Office of the Executive Mayor plays a major role in oversight of Council, which is on how Clusters, PMT and relevant stakeholders participate and conduct towards effective management of Council business, through governance structures. Legal and Support Services prepared agendas and minutes for all Governance Committee meetings:



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MAYCO; Council; Remuneration; Audit; MPAC; Gender; Joint Mayoral; Petitions; Rules; Ethics.

Visit to Motsweding took place on 22 October 2010. A report prepared and submitted to the AED and MMC: Admin. Phase 2 for the HR and SCM's closed files project finalized; SLA between SDM and .Metrofile expired on 31/05/2011. The Records Management Strategy was approved by Council on 01/09/2010. The Records Manager was nominated to be a member of the newly established Provincial Archives & Records Management Council that deals with general oversight role on overall management of the Provincial Archives.

Sedibeng was invited to give a presentation at the A-G's Seminar for Records Management on 20/04/11 which was well received. The District hosted the Sedibeng Archives & Records Management conference that took place on 28-29 May 2011. Sixty-nine (69) tool end-users including one member of the MANCO were successfully trained from 15-19 March 2010. A Draft Prototype Policy was prepared and finalized on 29/07/2010. This policy is now due for the review. This policy was adopted by Council during its meeting held on 01/12/2010.

Resource centre established and furnished. Updating of information in progress. All sites fully equipped and linked to main site. Sedibeng voted second best in terms of PAIA compliance on 28 September at a SAHR Ceremony. Section 32 PAIA report submitted on time. Manual translated into Sesotho during this period. Clusters send reports for legal comments before they serve on various council committees. Verbal and written legal advice provided as and when required.

IDP STRATEGY: RENDER EFFECTIVE IT SERVICES

Manage and enhance the Sedibeng Wide Area Network (WAN) and Local Area Network (LAN): 91% uptime. New Novell server successfully commissioned and is fully functional. The Main Servers and the LAN/WAN's are running optimally. All links reviewed, status quo report drafted, and final report submitted to Director Information Management. The installation of cabling underway, and Project phase 1 was successfully completed. Roll-out specialized software enhancements and working with different internal department to provide them with IT Solutions to meet their respective IDP demands: Software rolled-out to 404 users (Sedibeng DM). In order to capacitate Moments Film studio in locally filmed project, the venue was equipped with 7 x Desktops, 4 x Printers, 2 x laptop, 4 x 42" Plasma screens. Full internet access (3G & ADSL) established.

The following projects completed successfully: Wrap up Soccer World Cup 2010 venues and JOC centre; SODA broadcast, and Inaugural Dinner broadcast.

IDP STRATEGY: ENSURE EFFECTIVE, COMPETENT AND MOTIVATED STAFF

The Human Resources Standard Operating Procedures were developed. Equity and Incapacity Policies approved by Council. Batho Pele Strategy was served at Section 80 Committee, and the Performance Management & Development System was reviewed and finalised.

SDM launched the National Condom / STI Awareness week, and condom distribution project was rolled out in various Sedibeng licensing stations, i.e. Vereeniging, Vanderbijlpark, Meyerton and Heidelberg stations.

The Equity Policy and Plan was approved by Council. SDM conducted various training interventions for staff in different Clusters. Several departments and Councillors benefitted from extensive training programmes. Programmes included EMS specialised skills, IT, computer, office managers, administration assistants, senior managers, audit, risk management, performance management, human resources, protective services, etc.



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IDP STRATEGY: DEVELOP AND MAINTAIN HIGH QUALITY MUNICIPAL FACILITIES

Project on Security personnel training, two security awareness, development and implementation programs completed. The implementation of the AARTO as provided by the Act project is completed.

Workshop held in January 2011: Develop a long term plan Model for efficient management and maintenance of our facilities including possibilities of partnership to partner with private sector e.g. Turn Around Strategy for Taxi Ranks. A Model is being developed in conjunction with the JMC and the consultant dealing with the development of the Utilities model. A model and implementation plan completed by Service provider. Report Turnaround Strategy for Airports: Vereeniging & Heidelberg submitted to section 80 in January.

Service Providers working on a model for Utilities Management appointed in February., work in progress and the following milestones achieved: Service Level Agreement; Time Frames; Strategic Framework and Operational Framework.

IDP STRATEGY: FACILITATE ACCESS TO RELEVANT INFORMATION AND PROMOTE KNOWLEDGE

Knowledge Management Policy approved by Council as per Resolution A951 on 01 Sept 2010.

Council approved the following HR Policies: PMDS; Recruitment & Selection; Termination of service; Disciplinary procedure policy; Absenteeism; and Disciplinary procedure policy.

IDP STRATEGY: ENSURE MEASURABLE PERFORMANCE AND TRANSPARENT MONITORING OF THE MUNICIPALITY

The Performance Information (PI) workshop held on the 03-04 March 2011 at Maccauvlei reviewed KPIs, aligned IDP, addressed legislative requirements, SDBIP and Budget, and finalisation of the reporting processes and timelines. All Clusters submitted revised SDBIPs to Organisational Performance Unit, finalised and submitted to the Executive Mayor and approved. All Quarterly Reports were prepared by respective Clusters and presented to the Office of the Municipal Manager. A process to procure a service provider for an electronic Performance Management system was initiated, to be finalised in the next financial year. Quarterly 1 Report and Annual Report 2009/10 were tabled before Audit Committee and Council, and submitted to relevant stakeholders. Audit Committee Charter was extended to serve the function of Performance Monitoring and Evaluation Committee, and all Performance Reports are continuously tabled before its meetings.

An aligned Process Plan and Budget for 2011/12 was submitted and Approved by Council on Wednesday, 01 September 2010. IDP Analysis Chapter was consolidated and submitted to Manco in January 2011 for Scrutiny. Chapter on Strategies and Projects were consolidated and submitted to Mayoral Committee in March 2011. SDM held one IDP Steering Committee on 12 November 2010 and One IDP Representative Forum. The (IDP Technical Working Group Committee was established in conjunction with the locals and met four times during the development of IDP 2011/12. Public engagements were held during Analysis phase with various Sectors in October and November 2010, and in March and April 2011. Two days (2) Public Participation Indaba was held on 24 and 25 Nov 2010 with different Stakeholders to review, align and implement Public Participation process as per Cabinet decision and learn best practice model as exchange programs with other municipalities in the country. Draft IDP was Approved by Council on Monday, 28 March 2011 subjected to amendments and additions to it. Final IDP was approved by Council on Wednesday, 20 April 2011. Final IDP CD's copies were produced to be shared with stakeholders. The final document is also available on the municipality's website.



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7. KPA: VIBRANT DEMOCRACY

IDP STRATEGY: BUILD HIGH LEVEL OF STAKEHOLDER RELATIONS AND EFFECTIVE COMMUNICATION & BRANDING

Numerous meetings were held with various stakeholders and role-players in participation with the Local Municipalities in preparations of commemorative events and other matters of common interest. For instance, Emfuleni Local Municipality; SANCO, COSATU in preparation of commemorative events; Khulumani Support group in preparation for the Lesotho Trip, and another on the 03 February 2011 in preparations for the 21 March Human Rights Day commemorations; Bana Ba Morena from Boipatong to prepare for the commemoration of the Boipatong Massacre Commemoration; Sabe Production to discuss the film called Sebokeng; South African National Civic Association, SACC, Sharpeville Six, SANCO, COSAS and COSATU also in preparations for the 1984 03 September Vaal uprising Commemoration; Motseki Foundation regarding the proposal for audio recording of the History of the Vaal; Public meeting was held on the 29 August 2010 with the community of Tshepiso north extension 03 and 04 regarding the Electricity problem; Emfuleni Local Municipality in preparations for the commemoration of the 12 January 1991; IDP Breakfast meeting attended by around 300 business people; Statistics South Africa to brief the Executive Mayor on the envisaged census 2011 count; Ali Maziya from Communication Workers Union regarding the retrenched staff; stakeholders in Evaton in preparations for the 20th Anniversary of Nangalembe Massacre; stakeholders in Tshepong in preparations for the MEC Local Government and Housing Imbizo; Metrorail management after the train was burned in a protests by community members; Boitshepille Business Development Forum in preparation for the 21 March Human Rights Commemorations; Association of Early Child Development Center regarding the relaxation of by laws by Municipality on the required health standard and another with the Provincial leadership of Love life; NAFCOC Sedibeng regarding partnership with local Municipalities.

The following visits were conducted: Government and services delivery projects, CCTV, Mphatlalatsane Hall and Paving projects; others, including Busy Bee hospice in Vanderbijlpark, KwaMasiza Hostel in Sebokeng; and Levi Mbatha Clinic.

The External Communication Directorate managed to increase aerial and print activities: Press statements and media releases; Newspaper adverts and live reads; Television and Radio interviews/slots; and also issued a discussion paper titled the "50th Anniversary of the Sharpeville Massacre". Three (3) press releases were sent off to media stakeholders: Sedibeng Investor Conference; State of the District Address; Boipatong Massacre.

The following information was updated on the SDM Website:

News Articles x12; Events x10; Tenders x36; Media Statements x3; Mayors Speeches x61; Other x19

Statistics: (web usage) - Hits: 1,457,710; Visits: 36,242; Pages: 123,058. A number of events were branded: Investor conference; Solar Heating; Women in Prayer for elections; State of The District Address; Ex-combatants seminar; Inaugural Council Meeting; Mayoral Inauguration; 19th Anniversary of Boipatong Massacre, etc.

Internal Department are utilizing the SMS software for communicating with their stakeholders. Six Caucus sittings were convened in the past financial year. Seven Whippy meetings were convened during the period under review. Two Multi Party Forum were convened during the period under review. All Study Groups had an average of three to five meetings in the past financial year with the exception of finance which has ten sittings.

Councillors were deployed to Section 80 and 79 Committees including to SALGA Committees and both the Chief Whip of the Democratic Alliance and the Pan Africanist Congress submitted their deployment lists for consolidation prior submission to the Speakers Office. The Sedibeng District Municipality African National Congress Councillors Lekgotla was held on the 13-14 April 2011.



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Pan Africanist Congress Councillors convened two strategic retreats during the period under review. Whippy during the period under review undertook bench marking visits.

The Office organizational structure was reviewed in June, a new position was created in the Structure to beef up the administration. A meeting was held with secretaries to highlight and discuss: concerns with transportation of councillors; how administrative support should be provided to MMC's; the need for secretaries of the MMC's to attend the protocol workshop and to be involved at the events of their principals.

A multi-disciplinary team comprising of different role players has been established to manage Councillors Health and Wellness Plan. Councillors Safety and Security Plan was approved by Council. Office of the Speaker attended a two day APAC Annual Training on the 11–13 May on Financial Governance related elements, also attended Gauteng Social Economic data meeting. SDM participated in SALGA Gauteng Capacity Building Forum meetings which prepared for the intake of new Councillors after local government elections.

IDP STRATEGY: PROMOTE HIGH LEVEL OF INTERGOVERNMENTAL COOPERATION AND COORDINATION

Corporate Calendar approved at the Council meeting on 25 August 2010. The Gauteng Intergovernmental Relations framework was approved in September 2010. The proposed high level Sedibeng Intergovernmental Relations Structures document was submitted to the Joint Municipal Managers Forum on 26 January 2011. The District – wide IGR Planning workshop was held on 28 January 2011. The Provincial IGR Workshop was held on 24-25 March 2011. Joint Municipal Managers Forum meetings were held on 21 July 2010, 25 August 2010. The Joint Municipal Managers Forum meetings were held on 26 January 2011 and 09 March 2011.

Joint Mayoral Committees Forum meeting was held on 18 August 2010 and a special Joint Mayoral Committees meeting with the MEC for Local Government and Housing was held on 07 September 2010. The Joint Mayors meeting was held on 28 July 2010. A special Joint Mayors meeting was also held on 07 September 2010. The Joint Mayors Forum was held on 16 February 2011.

Dates for the SALGA working group meetings are incorporated into the SDM corporate calendar. Three (3) Provincial Executive Committees were held with full participation from the Sedibeng District Municipality. Local Government Turn Around Strategy Quarter 4 Report submitted to the Service Delivery Monitoring and Evaluation Department.

IDP STRATEGY: ENSURE HIGH LEVEL OF CORPORATE GOVERNANCE

The overall three year rolling Internal Audit Plan was developed by the Internal Auditors Gobodo Forensic and Investigative Accounting (GFIA), and was approved by the Audit Committee on 27 July 2010. The Annual Internal Audit Plan was developed by the Internal Auditors Gobodo Forensic and Investigative Accounting (GFIA), and was approved by the Audit Committee on 27 July 2010. The Internal Auditors conducted 2 (two) audit assignments in August 2010; the final reports were sent out to Management in September 2010. The Audit Assignments completed in September 2010 are: Asset Management; and Financial Discipline Review.

The Internal Auditors conducted 2 (two) audit assignments in March 2011. The Audit assignments completed are: Application Control Review: Venus System; and Performance Against Objectives. The Internal Auditors conducted 3 (three) audit assignments in May 2011. The Audit assignments completed are: Follow-up Audits (conducted in the 2009/10 financial year) Asset Management; Contract Management; and Compliance Review Strategic Planning IDP. The scheduled Audit Committee meetings as resolved by the Audit Committee at its meeting held on 30 April 2010, have been adopted for all 4 quarters. The Audit Committee Meeting for the first (1st) quarter convened on 27 July 2010. A

Special Audit Committee Meeting convened on 05 October 2010. The Audit Committee Meeting for the second (2nd) quarter convened on 06 December 2010. The Audit Committee Meeting for the third (3rd) quarter convened on 11 January 2011. The Audit Committee Chairperson presented the "Audit Committee Status Report" to Council on 26 January 2011.

Two Risk Management workshops have been conducted, one for top management (MANCO) and another for level 1-4 managers in October and November 2011 respectively. Risk management and Organisational Performance are included into the Audit Committee responsibility areas.

IDP STRATEGY: ENSURE PUBLIC PARTICIPATION

An Imbizo was held on the 28th July 2010 in Ratanda which was attended by over 5000 people. The programme has also seen the maximum support and participation of all Local Municipalities led by Executive Mayors including Members of Mayoral Committee's and senior management teams. 100 Days of Service Delivery Report- back Imbizo was organized in 9 November 2010 and the event was attended by +/- 700 community members. Another public meeting held in Tshepiso, Phase 4 on the 1st August 2010.



Numerous meetings were held with various stakeholders and role-players in participation with the Local Municipalities in preparations of commemorative events and other matters of common interest. The following meetings were also held to support the deliverable: SANCO, COSATU, Khulumani Support Group; SACC, Sharpeville Six, South African National Civic Association (SANCO). Meetings were held with stakeholders Khulumani Support Group in Evaton and other stakeholders in Evaton in preparations for the 20th Anniversary of Nangalembe Massacre. An IDP Breakfast meeting was held on the 22 September 2010 at the Quests Conference Centre and around 300 business people attended the meeting.

Meeting was held on the 08 March with Boitshepille Business Development Forum in preparation for the 21 March Human Rights Commemorations. Meeting was held on the 11 May 2011 with NAFCO Sedibeng regarding partnership with local Municipalities and another on the 13 June 2011 with stakeholders in Boipatong in preparation for the 19 Anniversary commemoration of the Boipatong Massacre.

Financial Reports for the Year End 30 June 2010

4.1

Comparative Analysis on the Audited Annual Financial Statements for year end 30 June 2011.

PURPOSE

This report serves to provide the Committee with a financial overview and comparative analysis of the audited annual financial statements for the year ending 30 June 2011.

BACKGROUND

Legislative Requirement:

Sections 122 and 126 of the Local Government: Municipal Finance Management Act, 56 of 2003 state:-

Preparation of financial statements

122.

- (1) *Every municipality and every municipal entity must for each financial year prepare annual financial statements which -*
 - (a) *fairly presents the state of affairs of the municipality or entity, its performance against its budget, its management of revenue, expenditure, assets and liabilities, its business activities, its financial results, and its financial position as at the end of the financial year; and*
 - (b) *disclose the information required in terms of sections 123, 124 and 125.*
- (2) *A municipality which has sole control of a municipal entity, or which has effective control within the meaning of the Municipal Systems Act of a municipal entity which is a private company, must in addition to complying with subsection (1), prepare consolidated annual financial statements incorporating the annual financial statements of the municipality and of such entity. Such consolidated annual financial statements must comply with any requirements as may be prescribed.*
- (3) *Both annual financial statements and consolidated annual financial statements must be prepared in accordance with generally recognised accounting practice prescribed in terms of section 91(1)(b) of the Public Finance Management Act.*

Submission and auditing of annual financial statements

126.

- (1) *The accounting officer of a municipality-*
 - (a) *must prepare the annual financial statements of the municipality and, within two months after the end of the financial year to which those statements relate, submit the statements to the Auditor-General for auditing; and*
 - (b) *must in addition, in the case of a municipality referred to in section 122(2), prepare consolidated annual financial statements in terms of that section and, within three months after the end of the financial year to which those statements relate, submit the statements to the Auditor-General for auditing.*

- (2) *The accounting officer of a municipal entity must prepare the annual financial statements of the entity and, within two months after the end of the financial year to which those statements relate, submit the statements to -*
 - (a) *the parent municipality of the entity; and*
 - (b) *the Auditor-General, for auditing.*
- (3) *The Auditor-General must -*
 - (a) *audit those financial statements; and*
 - (b) *submit an audit report on those statements to the accounting officer of the municipality or entity within three months of receipt of the statements.*
- (4) *If the Auditor-General is unable to complete an audit within three months of receiving the financial statements from an accounting officer, the Auditor-General must promptly submit a report outlining the reasons for the delay to the relevant municipality or municipal entity and to the relevant provincial legislature and Parliament.*
- (5) *Once the Auditor-General has submitted an audit report to the accounting officer, no person other than the Auditor-General may alter the audit report or the financial statements to which the audit report relates.*

In accompaniment to the annual financial statements, the Chief Financial Officer must further provide a comparative analysis report citing an overview of the financial performance of the municipality during the financial year as set out in MFMA Circular No 11 – Annual Report Guidelines, 14 January 2005.

DISCUSSION

4.1.1. Internal Quality Control Processes:

The annual financial statements attached hereto as ANNEXURE "A" have been subjected to rigorous quality assessment as part of our OPCA internal control processes and has been duly reviewed externally by a professional service provider, and we have been assured of both the quality of the face of the financial statements as well as the accompanying notes. The Auditor General has also completed their audit for the period under review and the report of the Auditor General on the financial statements and other legal and regulatory requirements for the year ended 30 June 2011 is discussed in a separate report.

4.1.2. Objectives:

The basic financial reporting objectives as prescribed by the Accounting Standards Board are:

- Financial reporting should assist in fulfilling government's duty to be publicly accountable and should enable users to assess that accountability by:-
 - Providing information to determine whether current year revenues were sufficient to meet the cost of providing current year services rendered.
 - Demonstrating whether resources were obtained and used in accordance with Council's legally adopted budget, and demonstrating compliance with other finance-related legal or contractual requirements.

- Providing information to assist users in assessing the service efforts, costs, and accomplishments of the entity.
- Financial reporting should assist users in evaluating the operating results of Council for the year by:-
 - Providing information about sources and uses of financial resources.
 - Providing information about how it finances its activities and meet its cash flow requirements.
 - Providing information necessary to determine whether its financial position improved or deteriorated as a result of the year's operations.
- Financial reporting should assist users in assessing the level of services that can be provided by Council and its ability to meet its obligations as they become due by:-
 - Providing information about its financial position and condition.
 - Providing information about its physical and other non-financial resources having useful lives that extend beyond the current year, including information that can be used to assess the service potential of those resources.
 - Disclosing legal or contractual restrictions on resources and the risk of potential loss of resources.

This report analyses the financial position and financial performance trends over the past four years of Sedibeng District Municipality as per the AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2011, annexed hereto as ANNEXURE "A".

Key words: Accountability, Evaluation, Assessment, Statement of Financial Position, Statement of Financial Performance, Statement of Change in Net Assets, Statement of Cash Flow, Assets, Liabilities, Net Assets, Financial Ratios

4.1.3. Highlights of the Period Under Review:

a) Reinventing Our Economy

- Gauteng Economic Development Agency (GEDA) and the Sedibeng District Municipality hosted an Inaugural Sedibeng Investor Conference & Exhibition, themed: "Regeneration, Recovery, Investing in Sedibeng's Economic Future". The main aim of the conference was to sell packaged investor ready projects in the district to potential investors, business establishments, individual business people and financiers. About 15 investment opportunities through specific projects were identified and packaged to potential investors worth a combined estimated value of R1.8 billion.

b) Renewing Our Communities

- On the 22 July 2010 the Sedibeng District kicked off its Women's Month. The year 2010 marked Council's 8th consecutive year commemorating, celebrating and championing the cause of women. This year's month long programme was held under theme "Women, engine for empowerment and equality / Basadi, enjene ya tswelopele le tekatekano."
- As part of Council's public safety campaign, Council increased CCTV coverage within the region, including making accessible available additional services by the system for ICT Connectivity which is being utilised for community upliftment.
- On the 26th August 2010 the 3rd Victim Empowerment Centre was opened at God's Acre in Heidelberg. The first Victim Empowerment Centre was opened in Itsose Primary School, Sharpeville in 2009 and the second one at Barrage in August 2010.

The victim centres aim to bridge the gap between the police and the community. The various centres have been set up in partnership with the community policing forum to cater for victims of crime, especially women and children affected by domestic and child abuse, child neglect and other crimes against women and children. The centres recruit volunteers from the community and provide them with a two day training programme.

c) Reviving a Sustainable Environment

- On the 16 April 2011 the Sedibeng District Municipality's Department of Transport, Infrastructure & Environment launched the Solar Water Heating (SWH) programme. The launch took place in Rus-ter-Vaal near Vereeniging and Kanana in Sebokeng, where some 1500 solar geyser units have already been installed.

The installation of the solar water heaters in Sedibeng is a project that aims to provide benefits beyond saving electricity. Projects such as these ensure that increased environmental awareness and a legacy of sustainability and renewable energy and energy efficiency are entrenched in communities throughout Sedibeng and the country as a whole.

- Council successfully developed and adopted Environmental Health by-laws which specifically targeted the promotion of a clean environment for people to live, work and recreate in through effective environmental health management.

d) Reintegrating Our Region

- The Sharpeville and waterfront precinct projects are developmental projects in the Sedibeng region. These projects are an intervention by the Sedibeng District Municipality as part of the fulfilment of Sedibeng Growth and Development Strategy which was adopted in 2007. These projects are part of the 2010 Flagship Project in order to create the 2010 legacy in relation to the Neighbourhood Development Programme Grant funded by National Treasury.

e) Releasing Human Potential

- Council's Knowledge Management Strategy and the Blueprint Framework for Knowledge Management Implementation and Roll-out Plan for the Knowledge Management Strategy was developed to facilitate and promote knowledge sharing for better service delivery to communities. It was also an attempt to have buy-in of the political leadership of Sedibeng District Municipality to understand the importance of knowledge sharing, knowledge exchange and knowledge tourism, as the new economy that is so certain, an economy that never goes into recession, but grows as its used

The Knowledge Management Strategy is believed to be the tool to transform the Sedibeng District Municipality into an African icon for Learning Communities of Practice. This is envisaged to facilitate harnessing tacit and elicited knowledge from all employees, thus encouraging them to become knowledge workers as they appreciate and get to be part of communities for knowledge sharing, as they develop a culture and passion for what they do because they want to.

- At least 30 people with disabilities in the Sedibeng District Municipality were empowered with life skills, business skills and training in organizational development as part of a donation by the ABSA Foundation to the Medunsa Organisation for Disabled Entrepreneurs (MODE).

This initiative came as a result of the engagement between Sedibeng District Municipality, its local Municipalities and ABSA Corporate Social Investment group.

MODE's approach focuses on skills development and business education. The initiative is believed to help create jobs among a sector of society which unemployment is extremely high.

f) Good and Financial Sustainable Governance

- On the 12 April 2011 Sedibeng District Municipality received a Municipal recognition award on its unqualified audit opinion for the 2009/10 financial period. The award was handed over by the MEC for Finance Mr. Mandla Mkomfe and supported by the MEC for Local Government & Housing Mr. Humphrey Mmemenzi at the Extended Municipal Finance Indaba to the Municipal Manager and Chief Financial Officer. This is the fifth consecutive unqualified audit opinion Sedibeng District Municipality received over the last five financial periods.
- On Wednesday the 20 April Executive Mayor, Cllr. Mahole Simon Mofokeng, presented the Integrated Development Plan and the Budget for the financial year ahead. This report was a historic one, in that it was also a platform to report on the municipality's five year tenure since 2006.

The State of the District Address 2011 was viewed by the people of Sedibeng via satellite broadcast throughout the District. Four satellite viewing were in Evaton, Sicelo in Midvaal, Bophelong and Ratanda while the main event was held in Vereeniging.

The State of the District Address should further be seen in the context of a continuation of the Sedibeng District Municipality's commitment to account to its communities on its achievements, with specific focus on service delivery. Challenges experienced during the period under review were also highlighted and the report will be used as a vehicle to chart the road map for the upcoming financial year.

g) Vibrant Democracy

- The year 2010 marked the 26th anniversary of the Vaal Uprising, which occurred on the 3rd September 1984. In commemoration of this heroic day, the Sedibeng District Municipality together with its communities lead a commemoration to honour the martyrs of our struggle towards freedom and democracy.
- In pursuit of Council's Growth & Development Strategy as well as their commitment to renewing their communities, and in commemoration of the 50th Anniversary of the Sharpeville Massacre, now the Human Rights Day on 21 March 2010, the Executive Mayor announced his 100 Days Service Delivery Projects of various developmental projects throughout the Sedibeng District Municipality.

These projects were specifically selected to commence within the 100 days from 21 March 2010. Critical elements were service delivery projects and programmes aimed at the development of the Sedibeng area and involvement of local residents in the implementation of these projects

4.1.4. Statement of Financial Position Definitions

The financial position of a municipality is directly measured by the number of resources controlled by the municipality from which future economic benefits are expected (assets), obligations resulting in a outflow of municipal resources (liabilities) and the residual interest in the assets of Council after deducting all the liabilities of the municipality, also known as the community's wealth or Council's net worth (net assets).

What Council Owns (Assets) – What Council Owes (Liabilities) = Council's Net Assets

Item Description	Item Definition
Current Assets	These are the most liquid assets
Property, plant & equipment	Fixed assets of Council
Current Liabilities	Obligations Council must pay within the next year <ul style="list-style-type: none"> - Accrued expenses are unpaid expenses - Current portion of long-term debt are the monies owed in the next year on long-term debt
Non-current Liabilities	Monies borrowed to finance long-term assets

The net assets of Council are primarily composed of the accumulated surplus and reserves that Council has built up over the years. The nature of these reserves is that they are ring-fenced for specific purposes. These reserves are not supported by cash but are only used for book entry purposes for the phasing in of increased depreciation charges as a result of the full implementation of GRAP 17.

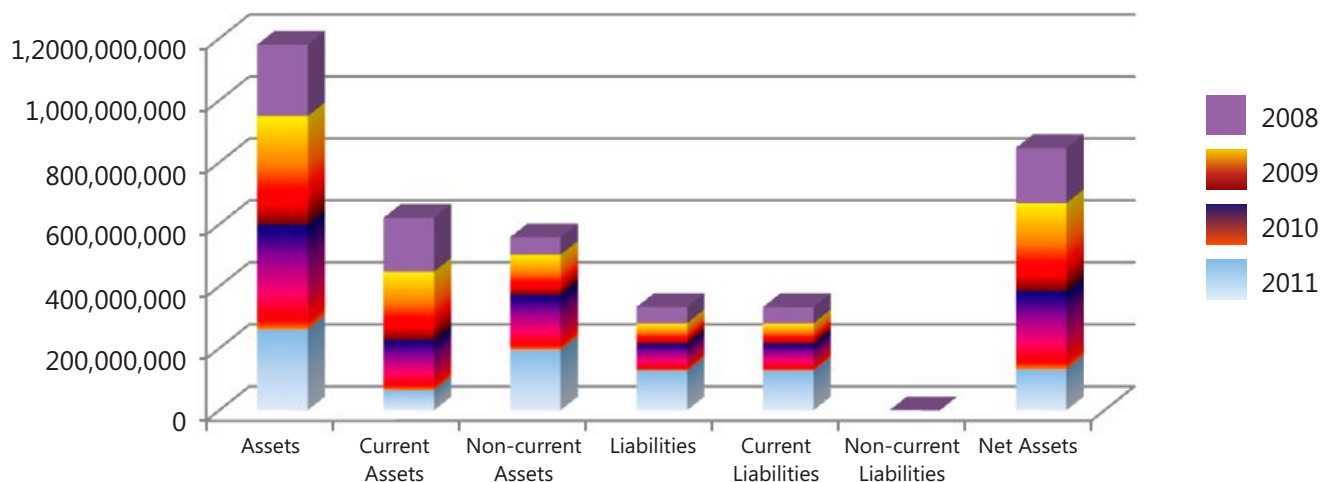
The accumulated surplus, on the other hand, is built up over the years from savings made every year from the service delivery operations of Council. The accumulated surplus is then utilised for funding those projects that Council were not able to procure external (grant) funding for. These are referred to as internally funded projects. It must be noted that the accumulated surplus is made up of accounting book-entries and does not necessarily imply that these sums are cash-backed by physical funds in investments. The monies held in investments for Council are mostly made up of grant monies received that are not yet utilised.

4.1.5. Analysis of the Statement of Financial Position:

The statement of financial position states Council's financial position at the end of an operating period of a 12-month fiscal year (July 2010 to June 2011). It represents the assets, liabilities, net assets and their relationship to one another. This report performs a horizontal analysis of Council's balance sheet items over the past four fiscal years.

	2011	2010	2009	2008
ASSETS	260 599 690	337 645 794	351 212 640	230 981 262
Current Assets	65 688 275	160 606 758	221 201 520	174 270 610
Non-Current Assets	194 911 415	177 039 036	130 011 120	56 710 652
LIABILITIES	127 964 542	86 439 430	66 390 200	52 738 327
Current Liabilities	127 964 542	86 439 430	66 390 200	52 678 573
Non-current Liabilities				59 754
NET ASSETS	132 635 149	251 206 364	284 822 440	178 242 935

Changes in Financial Position



Item Description	Discussion / Trend Analysis
Assets	Council assets have shown a diminishing increase over the last four financial periods. The last two financial periods have shown a decline in total assets resulting in an average decrease of 50% in current assets.
Liabilities	Council liabilities have shown an average increase 15% over the last four financial periods. This is primarily due to Council's increase in operations as there have been no long-term liabilities for the past three financial years.
Net Assets	Council net assets have shown a steady decline of an average of 5% over the last four financial periods. This is mostly due to the decrease in Council assets due to the transfer of capital project construction assets of over R85 million to the local municipalities as this transfer impacts directly on the calculation of the operating deficit which in turn adversely affects the accumulated surplus.

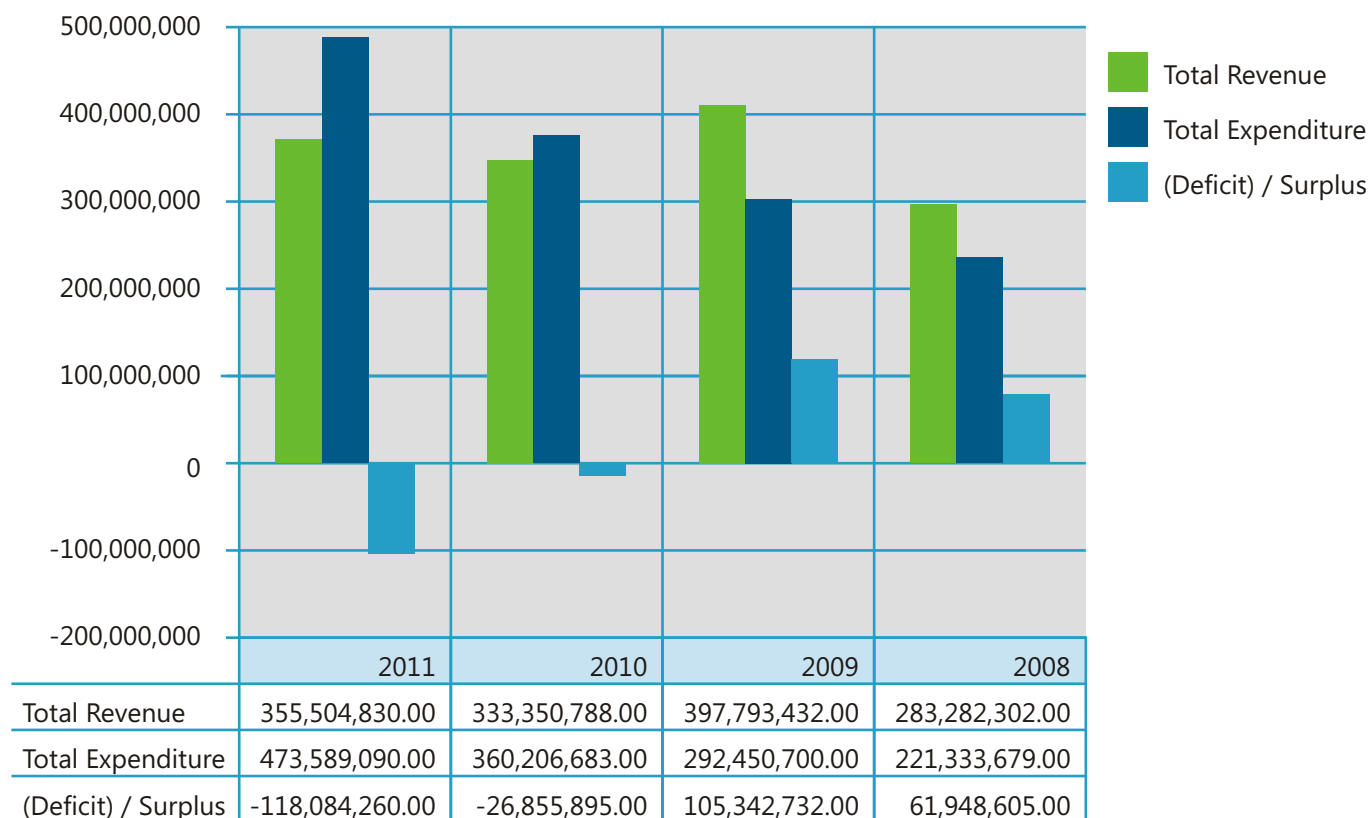
4.1.6. Description of Statement of Financial Performance:

The statement of financial performance shows the results of operations for the past year. It lists sources of revenue and expenses. The statement measures the performance of Council for a given period of time. Surplus or deficit is used to measure financial performance and directly related to the measurement of revenue and expenditure for the reporting period.

Operating expenses are incurred in the course of conducting normal Council business. They are classified by function such as employee related costs, general expenses, finance charges and contributions to provisions.

4.1.7. Analysis of Statement of Financial Performance:

Financial Performance



Council has moved from declaring an operating surplus to a deficit for the last two financial years. This deficit is directly in relation to the transfer of completed capital projects to the local municipalities paid as grants & subsidies to the value of R118,084,260. A detailed discussion on various operating line items is provided below.

4.1.8. Operating Revenue:

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. Revenue categories include:

Category Description	Definition
Sale of goods	Income derived from sale of fuel at the airport
Rental of facilities and equipment	Rental of facilities and equipment such as the town hall and theatres
Interest received	Interest received from trading activities as well as on investments
Income from agency services	Income from agency services performed in the provision of IT services to local municipalities
Licenses and permits	Income received from performing the motor vehicle licensing and permits function on behalf of provincial administration
Government grants & subsidies	Government grants & subsidies received as per DoRA allocations
Other income	Other Income consists of income items such as ambulance fees, airfield fees, profit on sale of assets, skills levy income, tender income as well as recoveries from telephone costs and commission on salaries

Revenue	2011 Average		2010 Average		2009 Average		2008 Average	
Sale of goods	321,965.00	5.33%	305,674.00	-17.71%	371,463.00		-	-4.13%
Rental of facilities and equipment	7,695,109.00	-8.70%	8,428,823.00	5.01%	8,026,490.00	6.22%	7,556,372.00	0.84%
Interest received (trading)	-		141.00	-98.93%	13,238.00	-90.60%	140,825.00	-63.18%
Income from agency services	6,496,536.00	14.69%	5,664,190.00	39.61%	4,057,196.00	11.07%	3,652,677.00	21.79%
Licenses and permits	43,254,275.00	16.78%	37,037,748.00	-3.74%	38,477,430.00	5.12%	36,602,220.00	6.06%
Government grants & subsidies	290,229,183.00	14.96%	252,453,877.00	10.33%	228,808,544.00	4.34%	219,292,588.00	9.88%
Other income	1,163,667.00	-37.61%	1,865,007.00	-10.81%	2,091,036.00	67.41%	1,249,024.00	6.33%
Interest received – investment	6,237,003.00	-54.85%	13,813,333.00	-28.95%	19,441,804.00	31.46%	14,788,596.00	-17.44%
Total Revenue	355,397,738.00	11.21%	319,568,793.00	6.07%	301,287,201.00	6.36%	283,282,302.00	7.88%

The marginal average increase in income from agency services, licenses & permits and grants & subsidies does not compensate for the drastic declines in the other sources of revenue, which is a contributory factor to the closing on a deficit for the last two financial years. The revenue generated from interest on investments averages at a decline of 17.44%, with 2011 reporting a decline of 54.85%. This is directly attributed to Council's reducing cash held in short-term investments due to the continual compensation of a shortfall in the EMS subsidy allocation from Provincial Department of Health.

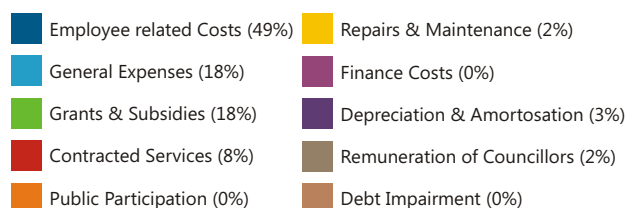
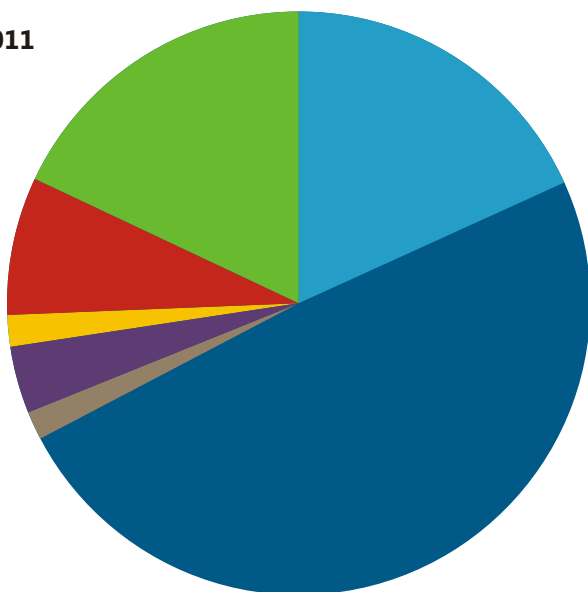
4.1.9. Operating Expenses:

Expenses are decreases in economic benefits or service potential during the reporting period in the form of outflows or consumption of assets or incurrence's of liabilities that result in decreases in net assets. Operating expenses were divided into ten categories:

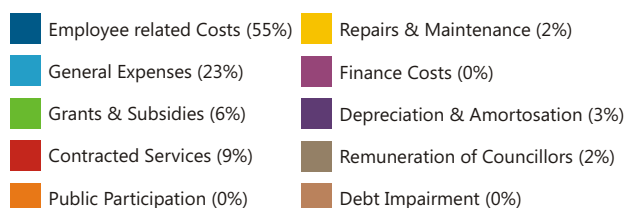
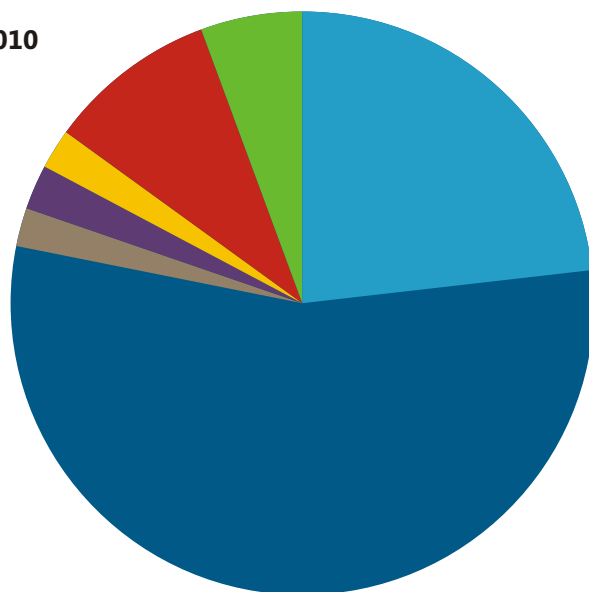
Category Description	Definition
General Expenses	Those expenses directly relating to revenue production and service delivery
Employee Related Costs	Labour related costs
Remuneration of Councillors	Costs related to Public Office Bearers allowances as per the Upper Limits gazetted
Debt Impairment	The process of reducing a current asset by the amount by which the carrying amount of the current asset (debtor) exceeds its recoverable amount
Depreciation & Amortisation	The systematic allocation of the depreciable amount of an asset over its useful life with depreciable amount being the cost of an asset, or other amount substituted for cost, less its residual value
Finance Costs	Expenses that reflect the price of purchasing goods, services and financial instruments
Collection Costs	Costs related to the application of Council's credit control & debt collection policy
Repairs & Maintenance	Costs related to the day-to-day servicing of Council's property, plant & equipment
Contracted Services	Expenses related to the engagement of external service providers for the performance of a knowledge-based expertise specialty function
Grants & Subsidies Paid	Government grants & subsidies paid as per DoRA allocations and MTREF

Expenditure	2011 Average		2010 Average		2009 Average		2008 Average	
General Expenses	86,542,894	3.96%	83,247,398	52.53%	54,579,209	25.95%	43,335,552	27.48%
Employee related costs	232,053,627	16.99%	198,345,065	24.97%	158,715,935	27.89%	124,102,310	23.28%
Remuneration of councillors	8,368,655	8.55%	7,709,580	968.46%	721,562	-89.86%	7,114,026	295.72%
Debt impairment	37,761		-		3,663,701	939.16%	352,563	313.05%
Depreciation and amortisation	17,198,678	96.57%	8,749,480	23.11%	7,106,863	29.61%	5,483,078	49.77%
Finance costs	-		317	-98.93%	29,623	-56.65%	68,335	-51.86%
Public participation	140,129	-35.99%	218,918		-	-	-	-12.00%
Repairs and maintenance	7,877,686	0.17%	7,864,470	13.40%	6,935,182	164.34%	2,623,603	59.30%
Contracted services	36,659,023	8.08%	33,919,718	38.56%	24,479,909	27.15%	19,253,052	24.60%
Grants and subsidies paid	84,710,637	320.36%	20,151,737	-32.21%	29,724,916	56.44%	19,001,178	114.87%
Total Expenditure	473,589,090	31.48%	360,206,683	25.97%	285,956,900	29.20%	221,333,697	28.88%

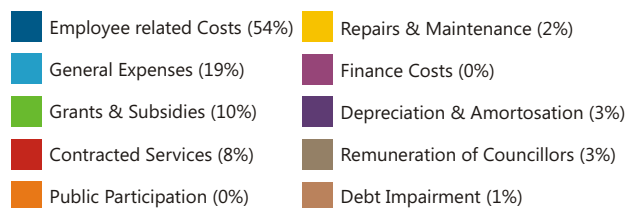
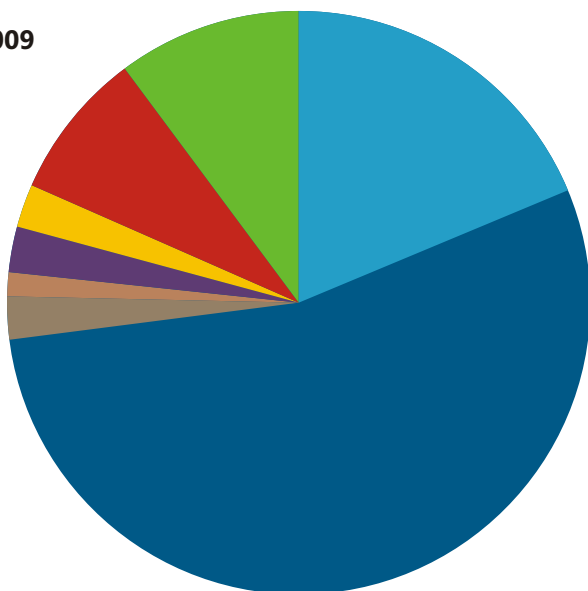
2011



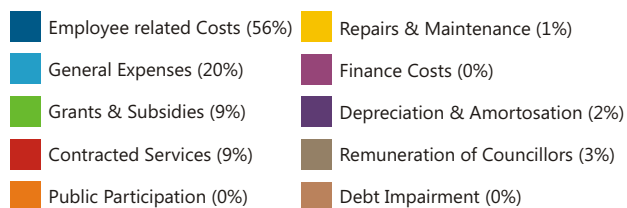
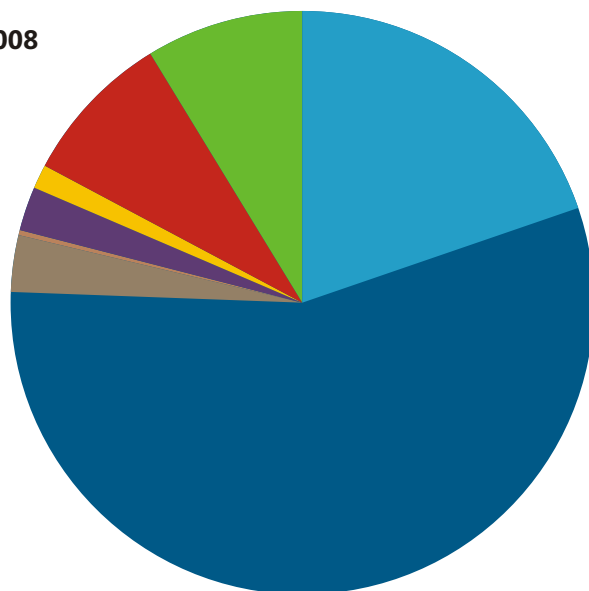
2010



2009



2008



4.1.9.1. General Expenses

Council has made a concerted effort to reduce operating expenses by implementing cost cutting and containment practices. Operational grant expenses has however increase with R15 Million due to the completion of the Urban Environmental Program. This has resulted in a limited increase of 3.96% in general expenses from the previous reporting year (2010) to the one under review (2011).

4.1.9.2. Employee Related Costs

Although the average increase in salaries and contributions to benefits has been 23.28% for the past four financial years, the increase for 2011 was at 16.99%, demonstrating that cost containment exercises have been proving successful. This is further illustrated by this category forming only 49% of total expenses as opposed to 55%, 54% and 56% for the years 2010, 2009 and 2008 respectively.

4.1.9.3. Debt Impairment

Debt impairment is assessed and recommended on an ad-hoc basis as each case is reviewed and evaluated individually according to the debtor's specific circumstances as per Council's credit control and debt collection policy.

The motivations for the recommendation are tabled accordingly to Council for their approval prior to any write-off's.

4.1.9.4. Depreciation and Amortisation

Depreciation costs have increased by an average of 50% for the last four years due to the average increase of 14% (refer to Statement of Financial Position) in Council non-current asset acquisitions.

4.1.9.5. Finance Costs

No finance costs for the reporting period due to the discontinuation of Council long-term liabilities.

4.1.9.6. Collection Costs

No collection costs incurred due to the repeal of RSC levies and write-off of outstanding balances.

4.1.9.7. Repairs & Maintenance

Although repairs & maintenance costs have increased by an average of 59.3% over the last four financial years, the increase in 2011 was well below the average at an indicator of 0,17%. This further indicates that Council has been unable to implement routine repairs & maintenance on Council-owned assets in recent financial periods due to the financial constraints imposed by the global financial crisis of 2009. However, this matter has accordingly been addressed with remedial steps being included in the 2011/2012 SDBIP.

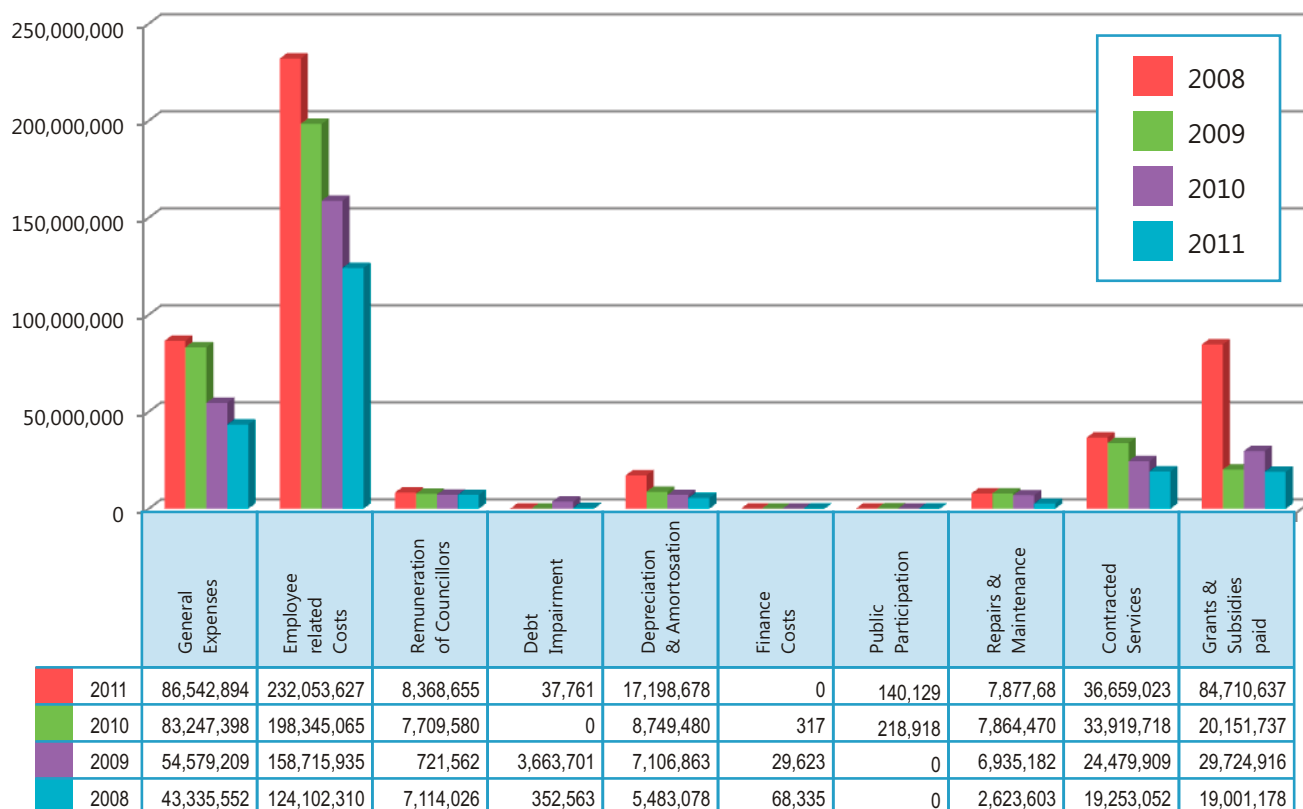
4.1.9.8. Contracted Services

There was a 8.08% increase in 2011 for contracted services and an average increase of 24.60% over the last four financial years. All contracts entered into by Council are reviewed thoroughly by Corporate Services: Legal and approved by the Municipal Manager.

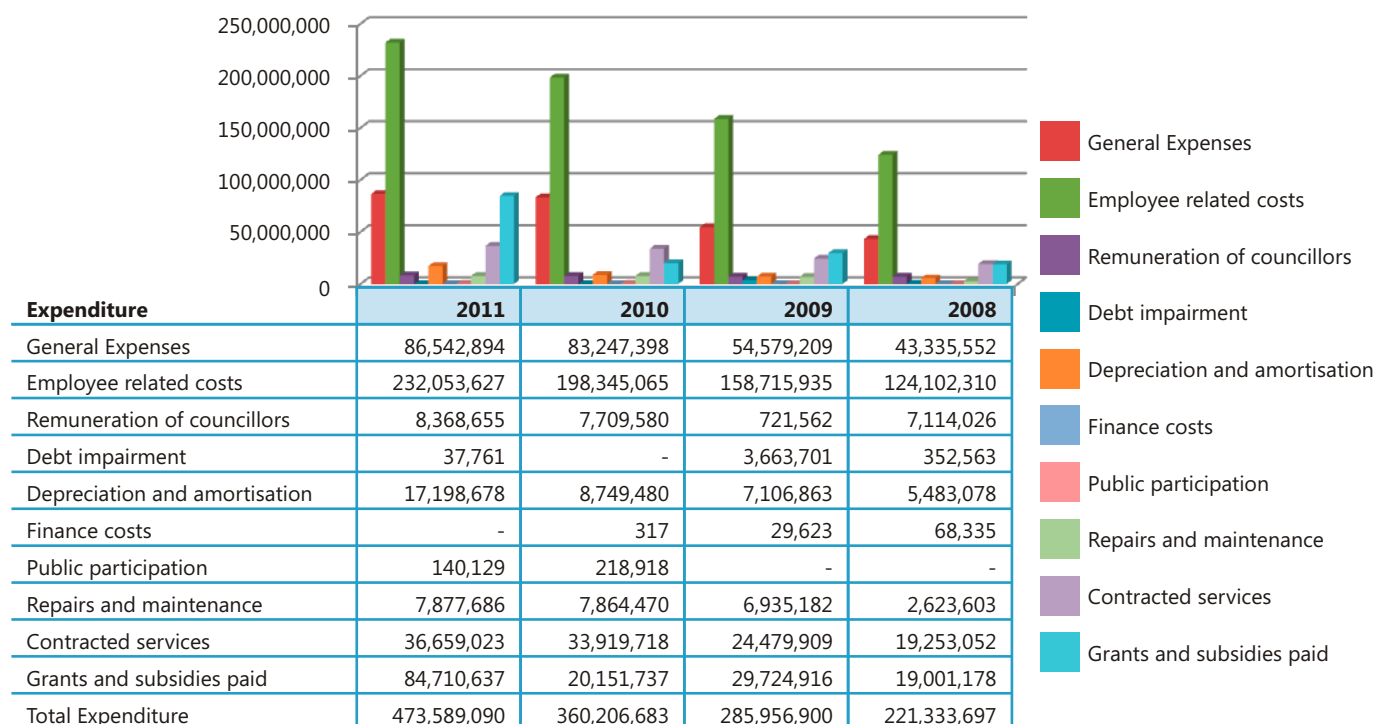
4.1.9.9. Grants & Subsidies Paid

Grants & subsidies consisted a fifth of total expenditure and was the second biggest category after employee related costs. This is a sharp increase of 320% against 2010 and is due to the several completed construction projects that were handed over to local municipalities.

Expenditure by Category



Expenditure by Year



4.1.10. Statement of Changes in Net Assets:

The purpose of this statement is to disclose transactions impacting on the components of community wealth (net assets) included in the statement of financial position. These transactions may include adjustments and movements to and from reserves. These reserves comprise of the Government Grant reserve, the Re-valuation Reserve and the Accumulated Surplus. This statement reports on changes in Council's net assets between two reporting dates by reflecting the increase or decrease in its net assets during the period.

The overall change in net assets represents the total net surplus/deficit for the period, other revenues and expenses recognised directly as changes in net assets.

The posting of an operational deficit of R82,4million to the accumulated surplus hence has partially depleted the distributable reserve and impacts negatively on Council's net worth (net assets).

Change in Accumulated Surplus	
Balance brought forward 01 July 2010	R 247,411,977
Less: Total movements for 2011 (including transfers to local municipalities)	(R 118,084,260)
Balance as at 30 June 2011	R 129,327,717
Add: grants & subsidies paid to local municipalities	R 84,710,637
Balance as at 30 June 2011 excluding grants & subsidies paid to local municipalities	R214,038,354

The summary above indicates that had Council paid no grants & subsidies over to the local municipalities, the impact on the accumulated surplus would have been a closing balance of R214million as opposed to the reported closing balance of R129,3million.

4.1.11. Cash Flow Statement:

Information about cash flows may be useful to users of SDM's financial statements in assessing Council's cash flows, assessing Council's compliance with legislation and regulations (including authorised budgets) and for making decisions about whether to provide resources to, or enter into transactions with Council. These users and stakeholders are generally interested in how Council generates and uses cash and cash equivalents. Municipalities need cash for operations related to service delivery. Municipalities use cash to pay for the goods and services they consume, to meet ongoing debt servicing costs, and, in some cases, to reduce levels of debt. According to the standards of GRAP all entities are required to present a cash flow statement.

Benefits of cash flow information

- Information about the cash flows of an entity is useful in assisting users to predict the future cash requirements of the entity, its ability to generate cash flows in the future and fund changes in the scope and nature of its activities. A cash flow statement also provides a means by which an entity can discharge its accountability for cash inflows and cash outflows during the reporting period.
- A cash flow statement, when used in conjunction with other financial statements, provides information that enables users to evaluate the changes in net assets (net worth) of an entity, its financial structure (including its liquidity and solvency) and its ability to affect the amounts and timing of cash flows in order to adapt to changing circumstances and opportunities. It also enhances the comparability of the reporting of operating performance by different entities, because it eliminates the effects of using different accounting treatments for the same transactions, other events and conditions.
- Historical cash flow information is often used as an indicator of the amount, timing and certainty of future cash flows. It is also useful in checking the accuracy of past assessments of future cash flows.

4.1.12. Financial Ratio Analysis:

The application of financial ratio analysis enables and informs our public office bearers and stakeholders decision making with regards to:

- Ability to meet long-term commitments;
- Ability to meet short-term commitments from liquid resources;
- Determine whether investments are yielding acceptable returns;
- Reduce risks arising from below average performance; and
- Make recommendations to address challenges.

Advantages	Disadvantages
Communicate aspects of an entity's overall economic situation more broadly and succinctly than financial statement data alone	Distort comparisons by over-reliance on book values rather than market values
Facilitate understanding how certain variables may influence each other	Involve comparative norms which are statistically unreliable due to bias and/or small sample size
Help determine a variety of financial aspects	Be difficult to obtain for use in public sector auditing
	Lead to misleading conclusions if viewed out of context
	Ignore unique factors which make municipalities fundamentally incomparable

It must be noted by the Committee that ratio analysis is not as widespread in government as in private sector as generally no applicable ratios have been developed for the purpose of use at (local) government level as each municipality differs in political and economic climates, demographics, missions, values and goals based on their unique individual nature and community needs.

The ratios applied in this analysis were selected based on their usefulness in being able to indicate to Council factors & conditions which may lead to poor financial circumstances.

4.1.12.1. Current Position

These ratios focus on working capital and serve as supplements to the statements of financial performance and cash flow.

Ratio	Equation Calculation	2011	2010	2009	2008	Indication
Ratios measuring Council's ability to pay short-term obligations						
Acid Test	$= \frac{\text{Cash} + \frac{A}{R} + \text{Short Term Investments}}{\text{Current Liabilities}}$	0.46	1.53	2.57	2.82	A decrease of 102% against the previous year demonstrates a decline in Council's ability to meet its current financial obligations.
Current Ratio	$= \frac{\text{Current Assets}}{\text{Current Liabilities}}$	0.46	1.95	3.07	3.31	A decrease of 151% against the previous year demonstrates a decline in Council's ability to meet its current financial obligations.
Ratios measuring Council's activity						
Average collection period for Account Receivable	$= \frac{\text{Average Accounts Receivable}}{\text{Net Credit} \frac{\text{Sales}}{365} \text{ days}}$	63.46	4.68	12.60	240.13	A 27% increase in the no. of average days taken to recover A/R shows a decline in Council's position to recover debt quickly.
Inventory Turnover	$= \frac{\text{Cost of Goods Sold}}{\text{Average Inventory}}$	44.78	81.57	233.37	0	A decline of 88% in turnover demonstrates that Council did not optimize on sales for the reporting year.

4.1.12.2. Equity Position

Ratios that measure long-term solvency of Council and its capacity to generate and obtain investment resources.

Ratio	Equation Calculation	2011	2010	2009	2008	Indication
Creditors' Equity to Total Assets	$= \frac{\text{Total Liabilities}}{\text{Total Assets}}$	0.30	0.23	0.19	0.23	An increase of 23% indicates that Council's liabilities are increasing against Council's assets due to the diminishing base of Council's total assets.
Debt to Net Worth Ratio	$= \frac{\text{Total Liabilities}}{\text{Net Assets}}$	0.43	0.29	0.23	0.32	An increase of 31% indicates that Council's liabilities are increasing against Council's net worth (net assets) due to the diminishing base of Council's total assets.

4.1.12.3. Economic Vitality and Financial Viability

Ratio	2011	2010	2009	2008	Indication
$= \frac{\text{Total Operating Revenue} - \text{Total Operating Grants Received}}{\text{Total Expenditure}}$	0.14	0.19	0.25	0.29	This ratio is an indicator that Council's dependency on Grants & Subsidies has increased by 3% from the previous financial year as only a fifth of total expenditure is funded by internally generated revenue

4.1.12.4. Soundness of Financial Management Practices

Ratio	2011	2010	2009	2008	Indication
$= \frac{\text{Short-term Investment Income}}{\text{Total Internal Revenue}}$	0.07	0.19	0.27	0.23	Due to Council's reducing short-term investment balances, Council's ability to generate income from interest received on investment has decreased by 187% as opposed to 2010.

4.1.13. Financial Implications

- 1.13.1. A deficit generated of R118,084,260 for the year ending 30 June 2011 due to the transfer of R84,710,637 to local municipalities as grants & subsidies paid; implying
- 1.13.2. A diminished net worth balance (accumulated surplus) of R 132,635,149 as at 30 June 2011.

4.1.14. Legal Implications

The compilation of annual financial statements is directly in compliance with requirements of Chapter 12, Municipal Finance Management Act, No 56 of 2003 and Chapter 3, The Public Audit Act, No 25 of 2004, together with the King III Code and Report on Governance, dated 01 September 2009.

4.1.15 Alignment To Council Strategy

The compilation of annual financial statements is directly aligned to Council's strategy to ensure financial sustainable local government including revenue collection/ generation, management and financial mobilisation.

RECOMMENDATIONS

It is recommended THAT this report together with the Audited Annual Financial Statements for the year ending 30 June 2011 be noted by the Committee for informational purposes in line with section 122 of the MFMA.

4.2

Annual Financial Statements for year end 30 June 2011

General Information

The following is included in the scope of operation	District Municipality
Grading of local authority	Grade 11 Local Authority
Chief Finance Officer (CFO)	Mr Brendon Scholtz
Accounting Officer	Mr Yunus Chamda
Registered office	Municipal Offices Civic Centre Cnr. Beaconsfield & Leslie street Vereeniging 1930
Business address	Municipal Offices Civic Centre Cnr. Beaconsfield & Leslie street Vereeniging 1930
Postal address	PO Box 471 Vereeniging 1930
Bankers	ABSA Bank
Auditors	Auditor General

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Abbreviations	
DBSA	Development Bank of South Africa
GRAP	Generally Recognised Accounting Practice
IAS	International Accounting Standards
IMFO	Institute of Municipal Finance Officers
IPSAS	International Public Sector Accounting Standards
MEC	Member of the Executive Council
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure Grant (Previously CMIP)
GAMAP	Generally Accepted Municipal Accounting Practice
PPE	Property Plant and Equipment

Accounting Officer's Responsibilities and Approval

The accounting officer is required by the Municipal Finance Management Act (Act 56 of 2003), to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of the accounting officer to ensure that the annual financial statements fairly present the state of affairs of the municipality as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are responsible for reporting on the fair presentation of the annual financial statements.

The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practices (GRAP).

The annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The accounting officer acknowledges that he is ultimately responsible for the system of internal financial control established by the municipality and place considerable importance on maintaining a strong control environment. To enable the accounting officer to meet these responsibilities, the accounting officer sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the municipality and all employees are required to maintain the highest ethical standards in ensuring the municipality's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the municipality is on identifying, assessing, managing and monitoring all known forms of risk across the municipality. While operating risk cannot be fully eliminated, the municipality endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The accounting officer is of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The accounting officer has reviewed the municipality's cash flow forecast for the year to 30 June 2012 and, in the light of this review and the current financial position, he is satisfied that the municipality has or has access to adequate resources to continue in operational existence for the foreseeable future.

The annual financial statements set out on pages 4 to 34, 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:



Mr. Yunus Chamda

Accounting Officer's Report

The accounting officer submits his report for the year ended 30 June 2011

1. Incorporation

The municipality was incorporated on 01 January 1988 and obtained its certificate to commence its business as a regional services council on the same day.

2. Going concern

We draw attention to the fact that at 30 June 2011, the municipality had an accumulated surplus of R129,327,717 and that the municipality's total assets exceed its liabilities by 132,635,149.

The 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.

3. Accounting policies

The annual financial statements are prepared in accordance with the prescribed Standards of Generally Recognised Accounting Practices (GRAP) issued by the Accounting Standards Board as the prescribed framework by National Treasury.

4. Accounting Officer

The accounting officer of the municipality during the year and to the date of this report is as follows:

Name: Mr Yunus Chamda
Nationality: RSA

5. Bankers

The Current bankers appointed by Council through a formal tender process are ABSA Bank.

6. Auditors

The Auditor General will continue in office for the next financial period.

6. Cost cutting measures

Following the global economic crisis of 2009 and in line with MFMA Circular 48, the executive management of Sedibeng District Municipality had taken the decision to make conscientious efforts to increase revenue and decrease operating expenses by:

Increasing revenue through	Cost containment measures
<ul style="list-style-type: none"> – Optimizing all revenue streams; – Reviewing billing processes; – Rigorously applying credit control; – Tightening internal control measures and SCM processes 	<ul style="list-style-type: none"> – Educating staff to be more conscientious – Better cash management – Claiming discounts from creditors/ suppliers – Institutionalising discussion on under-provision of EMS grant – Institutionalising discussion on under-provision of equitable share – Value-for-money spending and application of economies-of-scale procurement – Closer monitoring of repairs & maintenance will lead to reduction in productivity losses – Reducing & reviewing discretionary spending

6. Income generation and turnaround strategies

In the attempt to explore revenue generation avenues for Council, executive management had resolved to:

- Review the progression and duration of renovation projects and as to when Council facilities will be available for external use by the public;
- Resolve on the issue of overtime and time-management for the staff at these venues;
- Formulate an income generating strategy as well as a marketing strategy for the venues;
- Develop income and tariffs policies based on the strategy above;
- Take a decision on the management of the confectionery and cafeteria stands.

Statement of Financial Position

<i>Figures in Rand</i>	Note(s)	2011	2010
Assets			
<i>Current Assets</i>			
Cash and cash equivalents	2	42,428,705	117,972,319
Construction of Assets in Progress	6	-	33,205,456
Inventories	7	370,013	110,394
Trade and other receivables from exchange transactions	8	22,889,557	9,318,589
		65,688,275	160,606,758
<i>Non-Current Assets</i>			
Property, plant and equipment	4	192,591,725	173,906,545
Intangible assets	5	2,319,690	3,132,491
		194,911,415	177,039,036
Total Assets		260,599,690	337,645,794
Liabilities			
<i>Current Liabilities</i>			
Unspent conditional grants and receipts	10	33,326,167	32,838,449
Provisions	11	2,026,485	1,827,135
Trade and other payables from exchange transactions	12	80,628,803	43,114,801
VAT Payable	13	11,983,086	8,659,045
		127,964,542	86,439,430
Total Liabilities		127,964,542	86,439,430
Net Assets			
<i>Reserves</i>			
Government grant reserve	9	3,307,432	3,794,388
Accumulated surplus		129,327,717	247,411,976
Total Net Assets		132,635,149	251,206,364

Statement of Financial Performance

<i>Figures in Rand</i>	Note(s)	2011	2010
Revenue	1		
Sale of goods	4	321,965	305,674
Rental of facilities and equipment	14	7,695,109	8,428,823
Interest received (trading)	14	-	141
Income from agency services	14	6,496,536	5,664,190
Licenses and permits	14	43,254,275	37,037,748
Government grants & subsidies	15	290,229,183	252,453,877
Other income	16	1,163,667	1,865,007
Interest received - investment	21	6,237,003	13,813,333
Total Revenue		355,397,738	319,568,793
Expenditure			
General Expenses	17	(86,542,894)	(83,247,398)
Employee related costs	18	(232,053,627)	(198,345,065)
Remuneration of councillors	19	(8,368,655)	(7,709,580)
Debt impairment	20	(37,761)	-
Depreciation and amortisation	22	(17,198,678)	(8,749,480)
Finance costs	23	-	(317)
Public participation		(140,129)	(218,918)
Repairs and maintenance		(7,877,686)	(7,864,470)
Contracted services	25	(36,659,023)	(33,919,718)
Grants and subsidies paid	26	(84,710,637)	(20,151,737)
Total Expenditure		(473,589,090)	(360,206,683)
Gain or loss on disposal of assets and liabilities		107,092	90,062
Revenue from non-exchange transactions		-	13,691,933
Deficit for the year		(118,084,260)	(26,855,895)

Statement of Changes in Net Assets

<i>Figures in Rand</i>	Note	Government grant reserve	Accumulated surplus	Total net assets
Balance at 01 July 2009		2,047,382	282,775,059	284,822,441
Correction of errors	32	-	(7,615,803)	(7,615,803)
Restated Balance at 01 July 2009		2,047,382	275,159,256	277,206,638
Changes in net assets				
Adjustments		870,673	(891,385)	(20,712)
Offset Depreciation		(413,474)	-	(413,474)
Capital Grants used to purchase PPE		1,306,085	-	1,306,085
Asset Disposal		(16,278)	-	(16,278)
Net income (expenses) directly in net assets		1,747,006	(891,385)	855,621
Surplus for the year		-	(21,883,686)	(21,883,686)
Correction of errors	32	-	(5,185,285)	(5,185,285)
Restated Surplus for the year		-	(26,855,895)	(26,855,895)
Total recognised income and expenses for the year		1,747,006	(27,747,280)	(26,000,274)
Total changes		1,747,006	(27,747,280)	(26,000,274)
Balance at 01 July 2010		3,794,388	247,411,977	251,206,365
Changes in net assets				
Surplus for the year		-	(118,084,260)	(118,084,260)
Adjustments		-	-	-
Capital Grants used to purchase PPE		277,087	-	277,087
Asset disposals		(726,995)	-	(726,995)
Offset depreciation		(37,048)	-	(37,048)
Total changes		(486,956)	(118,084,260)	(118,571,216)
Balance at 30 June 2011		3,307,432	129,327,717	132,635,149

Cash Flow Statement

<i>Figures in Rand</i>	Note(s)	2011	2010
Cash flows from operating activities			
Receipts			
Grants		278,718,934	243,171,376
Interest income		6,237,003	13,813,333
Other receipts		306,462,135	183,169,397
		591,418,072	440,154,106
Payments			
Employee costs		(240,629,523)	(206,054,645)
Suppliers		(390,641,205)	(236,901,470)
		(631,270,728)	(442,956,115)
Net cash flows from operating activities	29	(39,852,656)	(2,802,009)
Cash flows from investing activities			
Purchase of property, plant and equipment	4	(35,718,666)	(51,398,574)
Proceeds from sale of property, plant and equipment	4	273,656	257,692
Purchase of other intangible assets	5	(245,948)	(256,369)
Net cash flows from investing activities		(35,690,958)	(51,397,251)
Cash flows from financing activities			
Repayment of financial lease liabilities			(60,021)
Finance lease payments			(317)
Net cash flows from financing activities			(60,338)
Net increase/(decrease) in cash and cash equivalents		(75,543,614)	(54,259,598)
Cash and cash equivalents at the beginning of the year		117,972,319	172,231,917
Cash and cash equivalents at the end of the year	2	42,428,705	117,972,319

Accounting Policies**1. Significant accounting policies to the Annual Financial Statements****1.1 Basis Of Presentation**

The Annual Financial Statements have been prepared on an accrual basis of accounting and are in accordance with the historical cost basis unless otherwise stated. Under this basis the effects of transactions and other events are recognised when they occur and are recorded in the financial statements within the period to which they relate. The annual financial statements have been prepared in accordance with the effective Standards of Generally Recognised Accounting Practices (GRAP) prescribed by the Minister of Finance in terms of General Notices 991 of 2005 and General Notice 516 of 2008, including any interpretations and directives issued by the Accounting Standards Board. Accounting policies for material transactions, events or conditions not covered by the above GRAP have been developed in accordance with paragraphs 7, 11 and 12 of GRAP 3. These accounting policies and the applicable disclosures have been based on the South African Statements of Generally Accepted Municipal Accounting Practices (SA GAMAP) including any interpretations of such statements issued by the Accounting Practices Board. The Minister of Finance has, in terms of General Notice 1290 of 2008 exempted compliance with certain of the above-mentioned standards and aspects or parts of these standards. Details of the exemptions applicable to the municipality have been provided in the notes to the annual statements. These accounting policies are consistent with those of the previous financial year. Offsets Assets, liabilities, revenues and expenses have not been offset except when offsetting is required or permitted by a standard of GRAP. The principal accounting policies adopted in the preparation of these annual financial statements are set out below.

1.2. Presentation Currency

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

1.3. Significant Estimates, Judgements and Assumptions

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

In preparing the annual financial statements to conform with the standards of GRAP, management is required to make estimates, judgments and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgment are inherent in the formation of estimates. Actual results in the future may differ from these estimates.

All significant estimates, judgments and underlying assumptions are reviewed on constant basis. All necessary revisions of significant estimates are recognised in the period during such revisions as well as in any future affected periods.

Specific areas where these significant estimation uncertainties as well as critical judgments and assumptions were made in the application of accounting policies with the most significant effect in the annual financial statements are included in the following notes:

Note 11: Provisions and contingencies

Note 12: Lease classification

Note 20: Doubtful Debts

1.4. Reserves

1.4.1. Government Grant Reserve

When items of property, plant and equipment are purchased from government grants, a transfer is made from the accumulated surplus/(deficit) to the Government Grants Reserve equal to the Government Grant recorded as revenue in the Statement of Financial Performance in accordance with a directive (budget circular) issued by National Treasury. When such items of property, plant and equipment are depreciated, a transfer is made from the Government Grant Reserve to the accumulated surplus/(deficit).

The purpose of this reserve is to promote community equity and facilitate budgetary control by ensuring that sufficient funds are set aside to offset the future depreciation expenses that will be incurred over the estimated useful lives of the items of property, plant and equipment funded from government grants.

When such items of property, plant and equipment are depreciated, a transfer is made from the Government Grant Reserve to the accumulated surplus/(deficit).

When an item of property, plant and equipment financed from government grants is disposed of, the balance in the Government Grant Reserve relating to such item is transferred to the accumulated surplus/(deficit).

1.4.2. Donations and Public Contributions Reserve

When items of property, plant and equipment are financed from public contributions and donations, a transfer is made from the accumulated surplus/(deficit) to the Donations and Public Contributions Reserve equal to the donations and public contributions recorded as revenue in the Statement of Financial Performance in accordance with a directive (budget circular) issued by National Treasury.

The purpose of this reserve is to promote community equity and facilitate budgetary control by ensuring that sufficient funds are set aside to offset the future depreciation charges that will be incurred over the estimated useful life of the item of property, plant and equipment financed from donations and public contributions.

When such items of property, plant and equipment are depreciated, a transfer is made from the Donations and Public Contributions Reserve to the accumulated surplus/(deficit).

When an item of property, plant and equipment financed from donations and public contributions is disposed of, the balance in the Donations and Public Contributions Reserve relating to such item is transferred to the accumulated surplus/(deficit).

1.4.3. 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 buildings 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.

1.5. Property, Plant & Equipment

An item of property, plant and equipment which qualifies for recognition as an asset have been initially be measured at cost except where land and buildings have been revalued at fair value at date of the revaluation less subsequent depreciation.

The cost of an item of property, plant and equipment comprises of its purchase price, including import duties and non-refundable purchase taxes and any directly attributable costs of bringing the asset to working condition for its intended use.

Where an item of property, plant and equipment was donated, is initially recognised at its fair value as at the date of acquisition.

Where an asset is acquired through a non-exchange transaction, its cost shall be measured at its fair value as at date of acquisition.

The cost of an item of property, plant and equipment acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets was measured at its fair value. If the acquired item could not be measured at its fair value, its cost was measured at the carrying amount of the asset given up.

Subsequent expenditure is capitalised when the recognition and measurement criteria of an asset are met. If expenditure only restores the originally best estimate of the expected useful life of the asset, then it is regarded as repairs and maintenance and is expensed.

Incomplete construction work is stated at historical cost. Depreciation only commences when the assets is commissioned into use.

Properties in the course of construction for production, rental or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Municipality's accounting policy, refer to note 4. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Subsequently property, plant and equipment, are stated at cost, less accumulated depreciation and accumulated impairment losses.

Land is not depreciated as it is regarded as having an infinite life.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

Depreciation is calculated on the asset's depreciable amount, using the straight-line method over the useful lives of the asset. The depreciable amount is determined after deducting the residual value of the asset from its cost. The depreciation charge is recognised as an expense unless it is included in the carrying amount of another asset under construction. Assets will be depreciated according to their annual depreciation rates based on the following estimated asset lives:

Infrastructure Assets	Years
Street names, signs and parking meters	5
Water reservoirs and reticulation	15 - 20

Community Assets	Years
Parks and gardens	10 - 30
Sport fields	20 - 30
Community halls	30
Recreation facilities	20 - 30

Other Assets	Years
Motor vehicles	5
Plant and equipment	2 - 15
Security measures	3 - 10
Buildings	30
IT equipment	3 - 5
Office equipment	3 - 7
Specialised vehicles	10

The municipality has complied with Directive 4 of February 2008 and applied the requirements of the standard of GRAP 3, Accounting policies, Changes in accounting estimates and errors on the standard on Property, Plant and Equipment, GRAP 17, on initial adoption of the standard.

1.6. Intangible Assets

Intangible assets acquired separately or internally generated are reported at cost less accumulated amortisation and accumulated impairment losses. Refer to impairment of assets accounting policy 1.7

Where an intangible asset has been acquired at no or for a nominal cost, its cost is its fair value on the date of acquisition.

Goodwill (negative goodwill) arises on the acquisition of associates and joint ventures.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands is recognised in the statement of financial performance as incurred.

Costs associated with developing or maintaining computer software programmes are recognised as an expense as incurred. Costs that are directly associated with the development of identifiable and unique software products controlled by the Municipality and that will probably generate economic benefits exceeding costs beyond one year are recognised as intangible assets. Costs include the employee costs incurred as a result of developing software and an appropriate portion of relevant overheads.

1.6.1. Research and Development

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in the statement of financial performance when incurred.

Development activities involve a plan or design for the production of new or substantially new improved products and processes.

Development expenditure is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the municipality intends to and has sufficient resources to complete development and to use or sell the asset.

The expenditure capitalised includes the cost of materials, direct labour and overhead costs that are directly attributable to preparing the asset for its intended use.

Other development expenditure is recognised in the statement of financial performance as incurred.

1.6.2. Amortisation

Amortisation is recognised in the statement of financial performance on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use. The estimated useful lives for the current and comparative periods are as follows:

Item	Useful Life
Computer software	3 Years

Each item of intangible asset is amortised separately.

Intangible assets that have an indefinite useful life are tested for impairment annually.

The estimated useful life, the amortisation method and the residual values are reviewed annually at the end of the financial year. Any adjustments arising from the annual review are applied prospectively.

1.7. Impairment of Financial Assets

Impairment of Non-financial assets

Non-Financial assets, excluding investment property, biological assets and inventories, are assessed at each reporting date to determine whether there is an indication that the carrying amount of the asset may be impaired. If such an indication exists, the recoverable amount of the asset is determined. Irrespective of whether an indication of impairment exists, the recoverable amount of goodwill, indefinite-life intangible assets and intangible assets not available for use are determined annually.

The recoverable amount of an asset is the higher of its fair value less costs to sale and its value in use. In determining the value in use, the estimated future cash flows of the asset is discounted to their present value based on pre-tax discount rates that reflects current market assessments of the time value of money and the risks that are specific to the asset. If the value in use of an asset for which there is an indication of impairment cannot be determined, the recoverable amount of the cash-generating unit to which the asset belongs is determined. An asset's cash generating unit is the smallest group of identifiable assets that includes the asset and that generates cash inflows from continuing use that are largely independent from cash inflows from other assets.

An impairment loss is recognised in the statement of financial performance when the carrying amount of an individual asset or of a cash-generating unit exceeds its recoverable amount. If the loss relates to the reversal of a previous revaluation surplus, it is recognised in equity. Impairment losses recognised on cash-generating units are allocated on a pro rata basis, to the assets in the cash-generating unit.

Impairment losses are reversed if there has been a change in the estimates used to determine the recoverable amount of the asset or cash-generating unit. Reversals of impairment losses on cash-generating units are allocated on a pro rata basis to the assets in the unit. Impairment losses are reversed only to the extent that the carrying amount of the asset does not exceed the carrying amount that would have been recognised in the past. Reversals of impairment losses are recognised directly in the statement of financial performance.

Impairment of Monetary assets

A provision for impairment is created when there is objective evidence that the municipality will not be able to collect all amounts due according to the original terms of the receivables. The carrying value is reduced through the use of a provision and is recognised as a charge to the statement of financial performance. When a receivable is uncollectible, it is written off against the provision. Any subsequent recoveries of amounts previously written off are credited directly in the statement of financial performance.

An available for sale financial asset is impaired when there is a significant or prolonged decline in the fair value of the asset below its cost price or amortised cost. At such a point, a cumulative gains or losses that have been accumulated in equity are removed from equity as a reclassification adjustment and are recognised in the statement of financial performance. Any subsequent impairment losses are recognised directly in the statement of financial performance.

Where Held-to-maturity investments have been impaired, the carrying value is adjusted by the impairment loss and this is recognised as an expense in the period that the impairment is identified

1.8. Non-current Assets Held for Sale

Non-current assets or disposal groups are classified as non-current assets held for sale when the carrying amount of the asset or disposal group is to be recovered principally through a sale transaction rather than through continuing use.

Immediately before the classification of the asset or disposal group as held for sale, the carrying amount of the assets, or the assets and liabilities in the disposal group, are measured in accordance with applicable GRAP standards. Subsequently the asset or disposal group is measured at the lower of its carrying amount and fair value less cost to sell, with any adjustment recorded in the statement of financial performance.

The municipality complied with Directive 4 of February 2008, on initial adoption of the standard of GRAP on Non-current Assets Held for Sale and Discontinued Operations, GRAP 100, and has done so prospectively, for all non-current assets (or disposal groups), that meet the criteria to be classified as held for sale.

An exception to non-recognition and non-measurement, is where items have not been recognised in accordance with other relevant GRAP standards as a result of transitional provisions, which take precedence over the requirements of GRAP 100. The following standards will have to be complied with first, or transitional provisions of these standards are to expire prior to application of GRAP 100:

GRAP 12:	Inventories
GRAP 16:	Investment property
GRAP 17:	Property, Plant and Equipment:
GRAP 101:	Agriculture
GRAP 102:	Intangible Assets

1.9. Leases

Leases that transfer substantially all the risks and rewards of ownership are classified as finance leases. All other leases are classified as operating leases.

Operating leases are those leases that do not fall within the scope of the above definition. Operating lease payments are recognised as an expense on a straight-line basis over the lease period.

The Municipality as Lessee

Assets leased in terms of finance lease agreements are capitalised at amounts equal at the inception of the lease to the fair value of the leased property, or lower, at the present value of the minimum lease payments. Capitalised leased assets are depreciated in accordance with the accounting policy applicable to property, plant and equipment; refer to property, plant and equipment policy 1.5. The corresponding rental obligations, net of finance charges, are included in long-term borrowings. Lease finance charges are amortised to the statement of financial performance (unless they are directly attributable to qualifying assets) over the duration of the leases so as to achieve a constant rate of interest on their remaining balance of the liability.

Obligations incurred under operating leases are charged to the statement of financial performance in equal installments over the period of the lease, except when an alternative method is more representative of the time pattern from which benefits are derived.

1.10. Financial Instruments

Financial instruments are initially measured at fair value, plus, in the case of financial instruments not at fair value through profit or loss, transaction costs. The fair value of a financial instrument that is initially recognised is normally the transaction price, unless the fair value is evident from the observable market data. The municipality uses a discounted cash flow model which incorporates entity-specific variables to determine the fair value of financial instruments that are not traded in an active market. Differences may arise between the fair value initially recognised in (which in accordance with IAS 39, is generally the transaction price) and the amount initially determined using the valuation technique. Any such differences are subsequently recognised in profit or loss only to the extent that they relate to a change in the factors (including time) that market participants would consider in setting the price.

Financial instruments include cash and bank balance, investments, trade receivables and borrowings. The municipality classifies its financial assets as loans and receivables.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discount) through the expected life of the financial asset, or, where appropriate a shorter period.

1.10.1. Financial Assets

Financial assets are recognised in the municipality's statement of financial position when the municipality becomes a party to the contractual provisions of an instrument. Regular way purchases and sales of financial assets are recorded on the trade date.

The municipality classifies its financial assets in the following categories: fair value through profit or loss, loans and receivables, held-to-maturity as well as available for sale. All financial assets that are within the scope of IAS 39 are classified into one of the four categories.

1.10.1.1. Financial assets at fair value through profit and loss

An instrument is at fair value through profit or loss if it is held for trading or designated as such. Purchase or sale

decisions with regard to these investments are managed in accordance with the municipality's documented risk or investment strategy. Financial assets at Fair value through profit or loss are stated at fair value, with any resultant gain or loss recognised in the statement of financial performance. The net gain or loss recognised in the statement of financial performance incorporates any dividend or interest earned on the financial asset.

1.10.1.2. Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities in excess of 12 months. These are classified as non-current assets. They include short-term receivables, such as property rates, trade and other receivables, and long-term receivables, such as loans granted. This category may also include financial assets that would have been impaired or past due if the terms of the instrument were not renegotiated.

Loans and receivables are recognised initially at fair value, plus transaction costs. Subsequently items in this category are measured at amortised cost using the effective interest rate, and interest income is included in the statement of financial performance for the period. Net gains or losses represent; reversals of impairment losses, impairment losses, refer to impairment of assets policy XX as well as gains or losses on derecognition. These net gains and losses are included in the statement of financial performance.

1.10.1.3. Held-to-maturity investments

Debt securities that the Municipality has the expressed intention and ability to hold to a fixed maturity date are recognised on a trade date basis and are initially measured at fair value plus transaction cost.

Subsequent to initial recognition, held-to-maturity assets are measured at amortised cost calculated using the effective interest method.

Investments which include listed government bonds, unlisted municipal bonds, fixed deposits and short term deposits invested in registered banks are stated at cost.

Surplus funds are invested in terms of Council's Investment Policy. Investments are only made with financial institutions registered in terms of the Deposit Taking Institutions Act of 1990 with an A1 or similar rating institution for safe investment purposes.

The investment period should be such that it will not be necessary to borrow funds against the investments at a penalty interest rate to meet commitments.

1.10.1.4. Available for sale assets

Non-derivative assets that do not fall into any of the other categories are classified as available for sale. These financial instruments are stated at fair value plus transaction costs. Fair value is determined with reference to quoted market prices. Gains and losses arising from changes in fair value, with the exception of impairment losses, refer to assets management policy, are recognised directly in equity in the Mark-to-Market reserve.

Dividends on available for sale equity instruments are recognised in the surplus or deficit when the Municipality's right to receive payment is established.

1.10.2. Financial Liabilities

Financial liabilities are recognised in the municipality's statement of financial position when the municipality becomes

party to the contractual provisions of the instrument.

The municipality classifies its financial liabilities in the following categories: at fair value through profit or loss and other financial liabilities. The classification depends on the purpose for which the financial liabilities were issued/obtained.

1.10.2.1. Financial liabilities at fair value through profit or loss

Financial liabilities are classified as at Fair Value Through Profit or Loss where the financial liability is either held for trading or it is designated as at Fair Value Through Profit or Loss.

Financial liabilities at Fair Value Through Profit or Loss are stated at fair value, with any resultant gain or loss recognised in the statement of financial performance. Interest expense is calculated using the effective interest rate method and included as part of finance costs in the Statement of Financial Performance.

1.10.3. Other financial liabilities

Other financial liabilities, including interest bearing borrowings, are initially measured at fair value, net of transaction costs.

Subsequently, other financial liabilities are measured at amortised cost using the effective rate method, with interest costs being recognised on an effective yield basis.

1.11. Inventories

Inventories are initially measured at cost which cost of inventories comprises of all costs of purchase, costs of development, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Consumable stores, raw materials, work in progress, unused water, and finished goods are valued at the lower of cost and net realisable value. In general, the basis of determining cost is the weighted average cost of commodities.

Redundant and slow-moving stock are identified and written down with regard to their estimated economic or realisable values and sold by public auction. Consumables are written down with regard to age, condition and utility.

Unsold properties are valued at the lower of cost and net realisable value on a specific identification cost basis. Direct costs are accumulated for each separately identifiable development. Costs also include a proportion of overhead costs.

The municipality complied with Directive 4 of February 2008, on initial adoption of the standard of on Inventories, GRAP 12, and has done so retrospectively according to the Standard of GRAP on Accounting Policies, Changes in Accounting Estimates and Errors.

The Municipality has taken advantage of the three year transitional provision period in which it has to comply with GRAP 12.

Due to the Municipality taking advantage of the above three year transitional provisions, until expiration of these provisions the Municipality need not comply with the following:

GRAP 1:	Presentation of Financial Statements to the extent that this standard requires presentation, and disclosure, of inventories not measured in accordance with GRAP 12 as a result of the
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transitional provision.
GRAP 101: Non-current Assets Held for Sale.

The necessary disclosures have been made for non-measurement of inventories in accordance with GRAP 12.

1.12. Cash and Cash Equivalents

Cash includes cash on hand and cash with banks.

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand and cash at bank. Short term investments are included. Bank overdrafts are recorded on the facility utilised. Finance charges on bank overdrafts are expensed as incurred.

1.13. Provisions and Contingencies

Provisions are recognised when the municipality has a present or constructive obligation, as a result of past events, that is probable to cause an outflow of resources embodying economic benefits required to settle the obligation and a reliable estimate of the provision can be made.

Where the effect of the 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. The discount rate used in calculating the present value is the interest rate implicit in the transaction. Where this is impractical to determine the average interest rate cost of borrowing rate of the Municipality is used.

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

The municipality on initial adoption of the standard of GRAP on Provisions, Contingent Liabilities and Contingent Assets has done so retrospectively according to the Standard of GRAP on Accounting Policies, Changes in Accounting Estimates and Errors.

Due to the transitional provisions under the Standard of GRAP on Property, Plant and Equipment, certain assets have not been recognised as Property, Plant and Equipment. Due to the non-recognition of such assets, the requirements of the Standard on Provisions, Contingent Liabilities and Contingent assets have not been applied until the expiration the Property, Plant and Equipment transitional provisions. All necessary disclosure for those assets not recognised as Property, Plant and Equipment have been made.

The municipality complied with Directive 4 of February 2008, on initial adoption of the standard of on Provisions, Contingent Liabilities and Contingent Assets, GRAP 19, and has done so retrospectively according to the Standard of GRAP on Accounting Policies, Changes in Accounting Estimates and Errors.

Where items have not been recognised in accordance with GRAP 17, Property, Plant and equipment as a result of transitional provisions, which take precedence over the requirements of GRAP 19. The GRAP 17 will have to be complied with first, or transitional provisions of this standard are to expire prior to application of GRAP 19.

The necessary disclosures have been made for non-recognition of provisions (which form part of the cost of an asset).

1.14. Employee Benefits

1.14.1. Short-term employee benefits

The cost of short-term employee benefits, which include salaries and wages, short-term compensated absences and profit sharing and bonus plans, are expensed in the Statement of Financial Performance in the financial year during which the payment is made.

Liabilities for short-term employee benefits that are unpaid at year-end are measured at the undiscounted amount that the municipality expected to pay in exchange for that service that had accumulated at the reporting date.

1.14.2. Termination Benefits

Termination benefits are recognised when actions have been taken that indicate that the municipality is demonstrably committed to either terminate the employment of an employee or group of employees before the normal retirement date; or provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.

1.14.3. Retirement benefits

The municipality provides retirement benefits for its employees and councilors.

Contributions to defined contribution retirement benefit plans are recognised as an expense when employees and councilors have rendered the employment service or served office entitling them to the contributions.

1.14.4. Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the municipality pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in the statement of financial performance when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

1.14.5. Post employment medical care benefits

The municipality provides post employment medical care benefits to its employees and their legitimate spouses. The entitlement to post-retirement medical benefits is based on employees remaining in service up to retirement age and the completion of a minimum service period.

1.15. Revenue Recognition

Revenue shall be measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates, VAT and other similar allowances

1.15.1. Revenue from exchange transactions

Rendering of services

Flat rate service charges relating to rental of facilities and the reporting date shall be recognised when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and

- The amount of the revenue can be measured reliably.

Interest, royalties and dividends

Interest shall be recognised on a time proportionate basis that takes into account the effective yield on the asset;

Royalties are recognised as they are earned on a time basis is recognised on a straight-line basis over the period of the agreement. Royalty revenue that is based on production, sales and other measures is recognised in accordance with the substance of the relevant agreement; and

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

Agency Services

Income for agency services is recognised on a monthly basis once the income collected on behalf of agents has been quantified.

The income recognised is in terms of the agency agreement.

Collection charges are recognised when such amounts are incurred.

The municipality complied with Directive 4 of February 2008, on initial adoption of the standard of on Revenue from Exchange Transaction, GRAP 9, and has done so retrospectively according to the Standard of GRAP on Accounting Policies, Changes in Accounting Estimates and Errors.

Sale of Fuel

The municipality is selling AVGAS fuel at the Vereeniging Airport as part of enhancing service delivery to a specific community group.

1.15.2. Revenue from non-exchange transactions**Grants and donations received**

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

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

Conditional grants, donations and funding were recognised as revenue in the Statement of Financial Performance to the extent that the Municipality has complied with any criteria, conditions or obligations embodied in the agreement/arrangement. To the extent that the criteria, conditions and obligations have not been met a liability is raised in the Statement of Financial Position. Unconditional grants, donations and funding are recognised as revenue in the Statement of Financial Performance at the earlier of the date of receipt or when the amount is receivable.

Contributed assets are recognised at fair value when the risks and rewards associated with such assets are transferred to the Municipality.

1.15.3. Transfer revenue

Assets and revenue recognised as a consequence of a transfer at no or nominal cost is measured at the fair value of the assets recognised as at the date of recognition. Non-monetary assets are measured at their fair value, which is determined by reference to observable market values or by independent appraisal by a member of the valuation profession.

1.15.4. Other

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

Revenue from the recovery of unauthorised irregular, fruitless and wasteful expenditure is based on legislated procedures.

1.16. Value Added Tax

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

1.17. Unauthorised Expenditure

Unauthorised expenditure is expenditure that has not been budgeted, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state and expenditure in the form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act 56 of 2003).

Unauthorised expenditure is accounted for as an expense in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.18. Irregular Expenditure

Irregular expenditure is expenditure that is contrary to the Municipal Finance Act (Act 56 of 2003), the Municipal Systems Act (Act 32 of 2000), the Public Office Bearers Act (Act 20 of 1998) or is in contravention of the municipality's supply chain management policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.19. Fruitless and Wasteful Expenditure

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

1.20. Comparative Information

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

1.21. Construction of Assets in Progress

Construction of assets in progress is capital projects done on behalf of the Local Municipalities from the proceeds of conditional grants received and internal contributions. These projects are only handed over after full completion of the project and therefore all those uncompleted capital projects will be shown as Construction of assets in progress until date of transfer.

1.22. Related Parties

Emfuleni Local Municipality, Midvaal Local Municipality and Lesedi Local Municipality are category B municipalities which in terms of the Constitution of South Africa, section 155 (1) (b) means, "A Municipality that shares executive and legislative authority in its area with a category C municipality within whose area it falls." Sedibeng District Municipality is performing agency services on behalf of the Local Municipalities.

Sedibeng District Municipality performs an agency function on behalf of the Department of Health related to Ambulance services as well as an agency service with the Department of Transport, Roads and Works related to motor vehicle license renewal fees.

Council does not have and associates nor any joint ventures or any other form of association that may be defined as related party relation.

2. Cash and cash equivalents

Cash, cash equivalents and short term investments consist of:

<i>Figures in Rand</i>	2011	2010
Cash on hand	40,125	40,175
Cash book balances	22,024,261	23,273,539
Investment deposits	20,364,319	94,658,605
	42,428,705	117,972,319
Current assets -Bank balances and cash on hand	22,064,386	23,313,714
Current assets -Investment deposit	20,364,319	94,658,605
	42,428,705	117,972,319

The municipality had the following bank accounts

Account number / description	Bank statement balances			Cash book balances		
	30 June 2011	30 June 2010	30 June 2009	30 June 2011	30 June 2010	30 June 2009
ABSA BANK	3,583,679	10,603,511	1,388,301	3,503,814	10,306,855	321,171
<i>Primary Bank Account</i>						
ABSA BANK	16,563,063	12,541,510	12,298,979	18,520,447	12,541,510	12,298,979
<i>License Function Bank Account</i>						
ABSA BANK	-	425,174	325,612	-	425,174	297,010
<i>RSC Levy Bank Account</i>						
NEDBANK	-	-	51,707	-	-	51,707
<i>Theatre Bank Account</i>						
Total	20,146,742	23,570,195	14,064,599	22,024,261	23,273,539	12,968,867

Investments Deposits		
ABSA Bank -Call Account - 908 579 6427	92,325	4,260,870
STANDARD Bank -Investment account - 228499054	13,035	40,285,855
ABSA Bank -Investment Account - 206 832 6856	-	30,101,195
First National Bank -Investment Account - 742 724 208 67	-	20,010,685
ABSA Bank -Investment Account - 207 050 6236	20,258,959	-
	20,364,319	94,658,605

3. Changes in accounting policy

The 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. Operating leases have been restated in accordance with GRAP 13. The impact of the implementation is very limited as the majority of operating leases have a 0% escalation clause except the lease of two office buildings. An operating lease liability has been created while lease rentals on operating leases have increased with the same amount.

Residual value on fixed assets has been implemented which had resulted in a change in the depreciation of fixed assets taking into account the residual value while all assets with a purchase price of less than R5,000 are being expense in the same year as acquisitions.

4. Property, plant and equipment

	Cost / Valuation	Accumulated depreciation	Carrying value	Cost / Valuation	Accumulated depreciation	Carrying value
Land & Buildings	114,560,986	(6,347,483)	108,213,503	113,920,574	(3,937,567)	109,983,007
Furniture and fixtures	15,010,431	(10,501,683)	4,508,748	12,600,275	(8,480,610)	4,119,665
Motor vehicles	12,182,150	(6,054,913)	6,127,237	9,085,737	(4,669,740)	4,415,997
Electronic equipment	22,723,171	(8,541,550)	14,181,621	12,358,838	(6,592,385)	5,766,453
Infrastructure	68,796,613	(14,763,303)	54,033,310	51,550,413	(7,311,089)	44,239,324
Other property, plant & equipment	9,468,404	(4,528,615)	4,939,789	8,056,100	(2,985,297)	5,070,803
Specialised vehicles	745,973	(158,456)	587,517	453,091	(141,795)	311,296
Total	243,487,728	(50,896,003)	192,591,725	208,025,028	(34,118,483)	173,906,545

Reconciliation of property, plant and equipment - 2011

	Opening Balance	Additions	Disposals	Depreciation	Total
Land & Buildings	109,983,007	640,412	-	(2,409,916)	108,213,503
Furniture and fixtures	4,119,665	2,427,801	(12,670)	(2,026,048)	4,508,748
Motor vehicles	4,415,997	3,163,648	(32,930)	(1,419,478)	6,127,237
Electronic equipment	5,766,453	10,535,418	(120,964)	(1,999,286)	14,181,621
Infrastructure	44,239,324	17,246,200	-	(7,452,214)	54,033,310
Other property, plant & equipment	5,070,803	1,412,304	-	(1,543,319)	4,939,789
Specialised vehicles	311,296	292,882	-	(16,661)	587,517
Total	173,906,545	35,718,666	(166,564)	(16,866,922)	192,591,725

Reconciliation of property, plant and equipment -2010

	Opening Balance	Additions	Disposals	Depreciation	Total
Land & Buildings	97,962,668	14,063,206	-	(2,042,867)	109,983,007
Furniture and fixtures	5,350,203	1,572,645	-	(2,803,183)	4,119,665
Motor vehicles	5,201,608	-	-	(785,611)	4,415,997
Electronic equipment	5,738,762	4,102,628	(159,166)	(3,915,771)	5,766,453
Infrastructure	16,370,240	30,074,384	-	(2,205,300)	44,239,324
Other property, plant & equipment	4,101,050	1,585,711	(8,464)	(607,494)	5,070,803
Specialised vehicles	329,492	-	-	(18,196)	311,296
Total	135,054,023	51,398,574	(167,630)	(12,378,422)	173,906,545

5. Intangible assets

	Cost / Valuation	Accumulated depreciation	Carrying value	Cost / Valuation	Accumulated depreciation	Carrying value
Computer software, other	3,524,145	(1,204,455)	2,319,690	3,278,197	(145,706)	3,132,491

Reconciliation of intangible assets -2011

	Opening Balance	Additions	Amortisation	Total
Computer software, other	3,132,491	245,948	(1,058,749)	2,319,690

Reconciliation of intangible assets -2010

	Opening Balance	Additions	Amortisation	Total
Computer software, other	2,999,335	256,369	(123,213)	3,132,491

6. Construction of Assets in Progress

Related Projects	2011	2010
Upgrade Matanzima Road Phase1	-	2,980,295
Construction Bonatla Road Phase 2	-	137,985
Upgrade Ring Road Phase 2	-	1,906,396
Construction of Thorometsane road	-	7,330,212
Construction of Sekwati Road	-	10,279,620
Construction of Tea-Tree Road	-	3,208,496
Evaton Pedestrian Sidewalk	-	431,530
Road Signage	-	541,878
Sharpeville Community Hall	-	1,439,170
Sharpeville Police Station	-	346,050
Sharpeville Cemetery	-	4,603,825
	-	33,205,457

7. Inventories

	2011	2010
Fuel -Airport	370,013	110,394

8. Trade and other receivables from exchange transactions

	2011	2010
Trade debtors	640,932	692,383
Prepayments (if immaterial)	107,089	-
VAT on Accruals	1,464,614	562,471
Government subsidies	16,985,000	-
Bank Error	-	49,351
Operating Projects -Bridging Finance	-	3,397,542
Department of Transport -License refund	-	3,617,828
Local Municipalities -Agency services	2,959,591	999,014
Salaries Advanced	85,392	
HIV & AIDS Bridging Finance	646,939	
	22,889,557	9,318,589

9. Government grant reserve

	2011	2010
Opening balance	3,794,388	2,047,382
Capital grants used to obtain property, plant and equipment	277,087	1,306,085
Offset depreciation	(726,994)	(413,475)
Asset Lifespan adjustment		870,673
Asset Disposal	(37,049)	(16,277)
	3,307,432	3,794,388

10. Unspent conditional grants and receipts

Below is a list of all grants where all the conditions were not yet met during the year under review.

Unspent conditional grants and receipts comprises of:

Unspent conditional grants and receipts	2011	2010
Provincial Grants	9,908,233	10,654,036
National Grants	21,575,280	19,349,833
DPLG Grants	1,842,654	2,834,580
	33,326,167	32,838,449

Movement during the year

	2011	2010
Balance at the beginning of the year	32,838,449	26,400,030
Additions during the year	43,525,900	26,273,000
Income recognition during the year	(43,038,182)	(19,834,581)
	33,326,167	32,838,449

The nature and extent of government grants recognised in the annual financial statements and an indication of other forms of government assistance from which the entity has directly benefited; and Unfulfilled conditions and other contingencies attaching to government assistance that has been recognised. See note 15 for reconciliation of grants from National/Provincial Government. These amounts are invested in an investment account until utilised.

11. Provisions

Reconciliation of provisions - 2011	Opening Balance	Additions	Total
Performance Bonus	1,141,900	-	1,141,900
Retirement Bonus	685,235	199,350	884,585
	1,827,135	199,350	2,026,485

Reconciliation of provisions - 2010	Opening Balance	Additions	Total
Performance Bonus	1,141,900	-	1,141,900
Retirement Bonus	566,260	118,975	685,235
	1,708,160	118,975	1,827,135

12. Trade and other payables from exchange transactions

	2011	2010
Trade payables	14,740,485	19,356,490
Accrued leave pay	16,739,201	13,613,807
Operating lease liabilities	84,217	63,185
Department of Transport (License fees)	39,767,852	2,551,303
Local Municipalities Accounts	5,564,666	7,270,120
Retention on Capital Projects	1,618,832	-
Compensation Commissioner	1,330,307	-
Insurance Claims	-	7,885
Mayoral Event	98,800	78,800
Ambulance fees in advance	87,122	66,197
Refundable town hall rental deposits	71,749	40,181
Unclaimed Salaries	25,199	5,574
Salaries in arrears	-	54,645
Unknown deposits	134,598	-
VAT on Debtors	365,774	6,614
	80,628,803	43,114,801

13. VAT Payable

	2011	2010
VAT payable	11,983,086	8,659,045

14. Revenue

	2011	2010
Sale of goods	321,965	305,674
Income from agency services	6,496,536	5,664,190
Licenses and permits	43,254,275	37,037,748
Government grants & subsidies	290,229,183	252,453,877
	340,301,959	295,461,489

The amount included in revenue arising from exchanges of goods or services are as follows:

	2011	2010
Sale of goods	321,965	305,674
Rental of facilities & equipment	7,695,109	8,428,823
Income from agency services	6,496,536	5,664,190
Licenses and permits	43,254,275	37,037,748
	57,767,885	51,436,435

The amount included in revenue arising from non-exchange transactions is as follows:

	2011	2010
Government grants & subsidies	290,229,183	252,453,877

15. Government grants and subsidies

	2011	2010
Equitable share	213,221,000	201,582,745
Ambulance Subsidies	33,970,000	31,120,000
Youth Grant	-	1,000,000
Support Grants	43,038,183	18,751,132
	290,229,183	252,453,877

Equitable Share

	2011	2010
Current year receipts	(213,221,000)	(201,582,745)
Conditions met -transferred to revenue	213,221,000	201,582,745
	-	-

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

Ambulance Subsidies

	2011	2010
Current year receipts	(33,970,000)	(31,120,000)
Conditions met -transferred to revenue	33,970,000	31,120,000
	-	-

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

Provincial Grants

	2011	2010
Balance unspent at beginning of year	10,654,036	16,973,519
Current year receipts	4,427,900	650,000
Conditions met -transferred to revenue	(5,173,703)	(6,969,483)
	9,908,233	10,654,036

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

National Grants

	2011	2010
Balance unspent at beginning of year	19,349,833	1,933,809
Current year receipts	39,098,000	24,623,000
Conditions met -transferred to revenue	(36,872,553)	(7,017,976)
Transfer back to Grant Authority	-	(189,000)
	21,575,280	19,349,833

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

The outstanding amount consist of the following Grants:

	2011	2010
NDPG	21,405,923	19,269,175
Finance Management Grant	38,256	42,005
MSIG	-	38,653
Danida - Urban Environment Grant	131,101	
	21,575,280	19,349,833

DPLG Grants

	2011	2010
Balance unspent at beginning of year	2,834,580	6,291,847
Conditions met -transferred to revenue	(991,926)	(3,457,267)
	1,842,654	2,834,580

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

Local Municipality Grants

	2011	2010
Balance unspent at beginning of year	-	1,000,855
Conditions met -transferred to revenue	-	(1,000,855)
	-	-

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

Local Municipality Grants

	2011	2010
Current year receipts	-	1,000,000
Conditions met -transferred to revenue	-	(1,000,000)
	-	-

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

DBSA Grant

	2011	2010
Balance unspent at beginning of year	-	200,000
Conditions met -transferred to revenue	-	(200,000)
	-	-

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

16. Other revenue

	2011	2010
Ad-hoc income	139,037	151,252
Skills levy income	124,046	708,746
Ambulance fees	442,017	657,892
Tender income	153,246	221,323
Commission on salaries	147,347	125,794
Telephone cost recovered	157,974	-
	1,163,667	1,865,007

17. General expenses

	2011	2010
Advertising	1,091,628	1,746,412
Assessment rates & municipal charges	7,017,932	4,651,187
Auditors remuneration	2,018,762	2,756,648
Bank charges	662,276	652,426
Computer expenses	2,363,111	2,258,991
Consulting and professional fees	6,008,145	4,721,138
Consumables	1,061,427	1,095,509
Debt collection	2,743,294	-
Entertainment	505,997	432,485
Insurance	2,453,864	1,975,483
Lease rentals on operating lease	6,970,888	5,131,935
Marketing	2,841,587	15,316,450
Magazines, books and periodicals	261,805	265,741
Fuel and oil	826,722	799,895
Postage and courier	13,449	21,388
Printing and stationery	2,594,941	2,763,085
Promotions	3,392,160	2,245,130
Protective clothing	912,952	1,073,129
Royalties and license fees	2,276,190	2,208,363
Staff welfare	187,478	1,332,219
Subscriptions and membership fees	1,296,466	1,094,718
Telephone and fax	4,167,686	4,196,116
Training	1,970,722	2,706,301
Travel	2,131,845	2,976,041
Campaigns	681,430	1,008,054
Office refreshments	486,061	424,843
Workshops	8,867,245	8,573,437
Congresses & Meetings	504,009	636,527
Expenses from Grants	16,777,565	6,446,896
External Bursaries	492,000	948,000
Donations & Grants	992,462	588,908
Catering Expenses	1,556,819	1,944,076
Sale of goods -Aircraft fuel	413,976	255,867
	86,542,894	83,247,398

18. Employee related costs**Employee related cost exclusive of Section 57 employees**

	2011	2010
Basic	138,410,255	118,521,882
Medical aid -company contributions	11,510,204	9,607,846
UIF	1,188,621	1,094,137
WCA	1,330,307	1,223,265
SDL	1,774,466	1,501,338
Other payroll levies	2,731,895	2,325,220
Leave pay provision charge	4,142,851	5,780,814
Post-employment benefits -Pension -Defined contribution plan	27,306,816	23,223,200
Overtime payments	9,073,410	8,817,512
13th Cheques	14,833,168	8,633,816
Car allowance	10,890,088	9,978,257
Housing benefits and allowances	1,133,404	1,432,175
Telephone Allowances	500	1,061
Standby Allowance	1,904,083	1,911,726
	226,230,068	194,052,249

Remuneration of municipal manager

	2011	2010
Annual Remuneration	897,906	859,807
Car Allowance	119,784	119,784
Contributions to UIF, Medical and Pension Funds	83,666	78,870
	1,101,356	1,058,461

Remuneration of chief operating officer

	2011	2010
Annual Remuneration	894,007	-
Contributions to UIF, Medical and Pension Funds	43,746	-
	937,753	-

Remuneration of chief finance officer

	2011	2010
Annual Remuneration	556,417	539,033
Car Allowance	120,000	120,000
Contributions to UIF, Medical and Pension Funds	159,772	144,756
Housing Allowance	4,800	4,800
	840,989	808,589

Remuneration of executive directors

	2011	2010
Annual Remuneration	2,277,043	1,769,456
Car Allowance	372,348	372,348
Contributions to UIF, Medical and Pension Funds	294,070	283,962
	2,943,461	2,425,766

The Executive Director for Strategic Planning and Economic Development (SPED) was appointed on 5 January 2011.

Total employee related costs	232,053,627	198,345,065
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19. Remuneration of councillors

	2011	2010
Executive Mayor	656,507	628,199
Mayoral Committee Members	3,963,438	3,708,175
Speaker	527,510	501,855
Councillors	2,449,887	2,163,893
Councillors' pension contribution	771,313	707,458
	8,368,655	7,709,580

Benefits-in-kind

The Executive Mayor, Speaker, Chief Whip 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.

The Executive Mayor and Speaker have full-time bodyguards.

20. Debt impairment

	2011	2010
Debt impairment	37,761	-

21. Investment revenue

	2011	2010
Interest Revenue - Bank	6,237,003	13,813,333

22. Depreciation

	2011	2010
Property, plant and equipment	16,139,929	8,504,213
Intangible assets	1,058,749	245,267
	17,198,678	8,749,480

23. Finance costs

	2011	2010
Finance leases	-	317

24. Auditors' remuneration

	2011	2010
Fees	2,018,762	2,756,648

25. Contracted Services

	2011	2010
Specialist Services	11,747,604	11,714,383
Other Contractors	24,911,419	22,205,335
	36,659,023	33,919,718

26. Grants and subsidies paid

	2011	2010
Other subsidies - Grants paid to Local Municipalities	84,710,637	20,151,737

27. Cash receipts from customers

	2011	2010
Income	355,397,738	319,568,793
Inventories	(259,619)	(78,137)
Trade and other receivables from exchange transactions	(13,570,968)	4,166,371
VAT	3,324,041	(3,067,720)
	344,891,192	320,589,307

28. Cash paid to suppliers and employees

	2011	2010
Expenses	473,589,090	360,419,759
Movements in provisions	(199,350)	(118,975)
Construction of Assets in Progress	(33,205,456)	(564,958)
Trade and other payables from exchange transactions	(37,514,002)	(3,514,185)
Unspent conditional grants and receipts	(487,718)	(6,438,419)
Depreciation	(17,198,678)	(8,962,556)
Finance costs	-	(317)
Surplus/Deficit account adjustments	-	891,385
Assets Adjustments	(240,038)	(18,320,418)
	384,743,848	323,391,316

29. Cash used in operations

	2011	2010
Deficit	(118,084,260)	(26,855,895)
Adjustments for:		
Depreciation	17,198,678	8,749,480
Loss / (Gain) on sale of assets and liabilities	(107,092)	(90,062)
Initial recognition of fixed asset at fair value	-	(13,691,933)
Finance costs -Finance leases	-	317
Debt impairment	37,761	-
Movements in provisions	199,350	118,975
Asset movement	240,038	18,320,418
Surplus/Deficit account adjustments	-	(891,385)
Changes in working capital:		
Inventories	(259,619)	(78,137)
Trade and other receivables from exchange transactions	(13,570,968)	4,166,371
Consumer debtors	(37,761)	-
Construction of Assets in Progress	33,205,456	564,958
Trade and other payables from exchange transactions	37,514,002	3,514,185
VAT	3,324,041	(3,067,720)
Unspent conditional grants and receipts	487,718	6,438,419
	(39,852,656)	(2,802,009)

30. Commitments**Authorised capital expenditure**

This committed expenditure relates to property and will be financed by available bank facilities, retained surpluses, rights issue of shares, issue of debentures, mortgage facilities, existing cash resources, funds internally generated, etc.

Operating leases – as lessee (expense)

Minimum lease payments due	2011	2010
-Later than one year and not later than five years	7,323,949	7,736,839
-Later than 5 years	1,120,720	2,241,441
Less: Future Finance charges	(21,031)	(63,185)
	8,423,638	9,915,095

Operating lease payments represent rentals payable by the municipality for certain of its office properties. Leases are negotiated for an average term of three years and rentals are normally fixed for an average of three years. No contingent rent is payable.

31. Contingencies

The municipality might be liable for claims instituted against the municipality from employees with disputes against Council. The amount is uncertain as an arbitration award has not yet being issued against those claims. Council might be held liable for interest and/or penalties relating to VAT disclosure on Agency Licensing fees for the past four years based on a VAT audit conducted. We have disclosed the R18,594,021 through the voluntary disclosure program run at SARS

Contingent assets

A VAT audit was conducted and a potential revenue of R 22,239,420 might arise after SARS has completed their reconciliation.

Emergency Medical Services is the process of being transferred to the Department of Health whereby unfunded expenditure related to the previous years might be recoverable which amounts to R 33,441,815.

32. Prior year restatements

Statement of changes in net assets

Opening Balance 1 July 2009	282,775,059
License revenue overstated	-13,408,737
Creditor on taxi ranks not created	-1,378,632
Assets life span extended	7,171,565
Restated Closing balance 1 July 2009	275,159,255
Surplus for the year	-21,883,686
License revenue overstated	-5,185,285
Depreciation of fixed assets	213,076
Restated Surplus for the year	-26,855,895

33. Risk management

Financial risk management

The 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.

The municipality's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the municipality's financial performance. The municipality uses derivative financial instruments to hedge certain risk exposures. Risk management is carried out by a central treasury department (municipality treasury) under policies approved by the accounting officer. Municipality treasury identifies, evaluates and hedges financial risks in close co-operation with the municipality's operating units. The accounting officer provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, and credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

Liquidity risk

The municipality's risk to liquidity is a result of the funds available to cover future commitments. The municipality manages liquidity risk through an ongoing review of future commitments and credit facilities. Cash flow forecasts are prepared and adequate utilised borrowing facilities are monitored.

Interest rate risk

As the municipality has no significant interest-bearing assets, the municipality's income and operating cash flows are substantially independent of changes in market interest rates. The municipality analyses its interest rate exposure on a dynamic basis. Various scenarios are simulated taking into consideration refinancing, renewal of existing positions, alternative financing and hedging. Based on these scenarios, the municipality calculates the impact on surplus and deficit of a defined interest rate shift. For each simulation, the same interest rate shift is used for all currencies

Credit risk

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

Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The utilisation of credit limits is regularly monitored. Sales to retail customers are settled in cash or using major credit cards. Credit guarantee insurance is purchased when deemed appropriate.

No credit limits were exceeded during the reporting period, and management does not expect any deficits from non-performance by these counterparties.

34. Going concern

We draw attention to the fact that at 30 June 2011, the municipality had an accumulated surplus of R129,327,717 and that the municipality's total assets exceed its liabilities by R132,635,149.

The 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.

35. Events after the reporting date

A decision was made by the Provincial Department of Health that Emergency Medical Services will be Provincialise with the target date being March 2012. This will resolve the unfunded portion currently in dispute with the Department of Health.

It has been identified that land is incorrectly registered at the Deeds Office in the name of Sedibeng District Municipality. These properties need to be transferred to their rightful owner, Emfuleni Local Municipality.

36. Unauthorised, fruitless & wasteful expenditure and irregular expenditure**Unauthorised expenditure**

Council does have an over expenditure on Employee related cost which resulted mainly from additional provision on leave days accumulated and the Compensation commissioner tariff which increased without making the necessary provision on the budget. This amount to R3,36 million

Grants and subsidies paid has an over expenditure of R 84,5 million due to assets being done on behalf of the Local Municipalities being transferred as a grant. These expenses were budgeted for under capital projects in the current and previous financial years

Fruitless & wasteful expenditure

1. Fruitless and wasteful expenditure to the sum of R140,000 to Khaprop Properties Pty Ltd was detected, duly reported and condoned by the Municipal Manager.
2. Reference is made to a disclosure in the 2009/ 2010 Annual Financial Statements whereby the former Speaker of Council received a motor vehicle allowance as well as council had rented a vehicle for the execution of the former Speaker's duties thereby causing the municipality to incur fruitless and wasteful expenditure. An approximate amount of R322,000 was discovered and an investigation prompted. The matter has been reported to the MEC: DLGH for condonement.

Irregular Expenditure

Council incurred irregular expenditure as a result of non-compliance with supply chain management regulations to the amount of R1,615,346.45 on extending and/or amending contracts.

3. The Office of the Executive Mayor has incurred expenses on the council's credit card which amounts to R369,413.20 for the 2010/11 financial year while normal supply chain processes were not followed during the procurement of these items. The matter has been reported to the MEC: DLGH for condonement.

37. Additional disclosure in terms of Municipal Finance Management Act**PAYE, UIF & SDL**

	2011	2010
Current year subscription / fee	32,270,670	27,404,132
Amount paid -current year	(32,270,670)	(27,404,132)
	-	-

Pension and Medical Aid Deductions

	2011	2010
Current year subscription / fee	57,431,587	48,905,770
Amount paid -current year	(57,431,587)	(48,905,770)
	-	-

VAT

	2011	2010
VAT Payable	11,983,086	8,659,045

All VAT returns have been submitted by the due date throughout the year. A Vat review has been conducted and the exercise is not yet finalized.

Supply chain management regulations

In terms of section 36 of the Municipal Supply Chain Management Regulations any deviation from the Supply Chain Management Policy needs to be approved/condoned by the Municipal Manager and noted by Council. The expenses incurred as listed hereunder as Appendix G have been condoned.

38. Utilisation of Long-term liabilities reconciliation

Long-term liabilities have been utilized in accordance with the Municipal Finance Management Act. Sufficient cash has been set aside to ensure that long-term liabilities can be repaid on redemption date.

39. Actual operating expenditure versus budgeted operating expenditure

Refer to Appendix E1 for the comparison of actual operating expenditure versus budgeted expenditure.

40. Actual capital expenditure versus budgeted capital expenditure

Refer to Appendix B for the comparison of actual capital expenditure versus budgeted expenditure.

41. 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 states that the accounting officer may dispense with the official procurement process in certain circumstances, provided that he records the reasons for any deviations and reports them at the next meeting of the accounting officer and includes a note to the annual financial statements.

Refer to Appendix G for detail.

42. Additional Note

Appendix B: Analysis of Property, plant and equipment

43. Television sets in terms of the Television License Regulations under the Broadcasting act no 4 of 1999, as amended

Description	Number of sets	Period that sets were in entity's possession
Owned television sets	32	24 sets were used for the full year; 8 sets were procured during the financial year
Rented or leased television sets	-	
Number of sets donated/ alienated	-	
TOTAL	32	

44. Related party transactions

The Council is rendering information technology services to both Emfuleni and Midvaal local municipalities. Claims towards actual salary expenses have been lodged on a monthly basis whereby the cost incurred for the year was as follow:

Emfuleni Local Municipality	R 6,044,516
Midvaal Local Municipality	R 1,451,034

APPENDIX B for the period ended 30 June 2011

Government Template: Analysis of Property Plant and Equipment as at 30 June 2011

	Cost / Revaluation			Accumulated Depreciation			Carrying Value	Budget Additions
	Opening Balance	Additions	Disposals	Closing Balance	Opening Balance	Additions		
	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand
Buildings								
Land	41,907,735	-	-	41,907,735	608,655	-	41,299,080	-
Buildings	72,012,839	640,412	-	72,653,251	3,328,912	2,409,916	66,914,423	11,335,000
	113,920,574	640,412	-	114,560,986	3,937,567	2,409,916	108,213,503	11,335,000
Motor vehicles								
Vehicles	9,085,737	3,163,647	67,234	12,182,150	4,669,739	1,419,478	6,127,236	3,275,000
	9,085,737	3,163,647	67,234	12,182,150	4,669,739	1,419,478	6,127,236	3,275,000
IT equipment								
Computer Equipment	12,360,038	10,535,418	171,085	22,724,371	6,593,585	1,999,286	14,181,621	12,101,036
	12,360,038	10,535,418	171,085	22,724,371	6,593,585	1,999,286	14,181,621	12,101,036
Computer software								
Intangible Asset	3,278,197	245,948	-	3,524,145	145,706	1,058,749	2,319,690	260,000
	3,278,197	245,948	-	3,524,145	145,706	1,058,749	2,319,690	260,000
Infrastructure								
Security	37,755,290	17,246,200	-	55,001,490	5,592,559	6,762,341	42,646,590	17,560,000
Airport	9,921,064	-	-	9,921,064	766,580	496,334	8,658,150	-
Electricity	100,974	-	-	100,974	5,460	5,045	90,469	-
Water	3,773,085	-	-	3,773,085	946,489	188,494	2,638,102	-
	51,550,413	17,246,200	-	68,796,613	7,311,088	7,452,214	54,033,311	17,560,000

APPENDIX B for the period ended 30 June 2011

	Cost / Revaluation			Accumulated Depreciation				Carrying Value	Budget Additions
	Opening Balance	Additions / Revaluations	Disposals	Closing Balance	Opening Balance	Additions / Revaluations	Disposals		
	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand
Other property, plant and equipment									
Office Equipment	12,613,258	2,427,800	17,645	15,023,413	8,493,592	2,026,049	4,975	10,514,666	3,083,626
Furniture & Fittings	8,055,600	1,412,303	-	9,467,903	2,984,896	1,543,319	-	4,528,215	3,050,000
Emergency Equipment	1,500	-	-	1,500	1,400	-	-	1,400	-
Aircraft	384,211	-	-	384,211	96,231	15,808	-	112,039	-
Watercraft	68,880	292,882	-	361,762	45,564	853	-	46,417	350,000
Total	21,123,449	4,132,985	17,645	25,238,789	11,621,683	3,586,029	4,975	15,202,737	6,483,626
Buildings	113,920,574	640,412	-	114,560,986	3,937,567	2,409,916	-	6,347,483	11,335,000
Motor vehicles	9,085,737	3,163,647	67,234	12,182,150	4,669,739	1,419,478	34,303	6,054,914	3,275,000
IT equipment	12,360,038	10,535,418	171,085	22,724,371	6,593,585	1,999,286	50,121	8,542,750	12,101,036
Computer software	3,278,197	245,948	-	3,524,145	145,706	1,058,749	-	1,204,455	260,000
Infrastructure	51,550,413	17,246,200	-	68,796,613	7,311,088	7,452,214	-	14,763,302	17,560,000
Other property, plant and equipment	21,123,449	4,132,985	17,645	25,238,789	11,621,683	3,586,029	4,975	15,202,737	6,483,626
Total	211,318,408	35,964,610	255,964	247,027,054	34,279,368	17,925,672	89,399	194,911,413	51,014,662

APPENDIX C for the period ended 30 June 2011

Government template: Segmental Analysis of Property Plant and Equipment as at 30 June 2011

	Cost / Revaluation			Accumulated Depreciation			Carrying Value
	Opening Balance	Additions	Under Construction	Disposals	Closing Balance	Opening Balance	
	Rand	Rand	Rand	Rand	Rand	Rand	Rand
Executive & Council	2,590,225	854,578	-	113,110	3,331,693	1,402,357	1,849,379
Finance & Admin	55,066,068	13,315,582	-	87,102	68,294,548	13,441,352	19,206,694
Planning & Development	5,767,035	1,226,738	-	38,365	6,955,408	1,572,105	2,411,247
Health	1,027,438	470,153	-	-	1,497,591	668,134	832,532
Community & Social Services	2,631,964	451,921	-	-	3,083,885	1,561,483	2,041,109
Housing	200,687	15,194	-	-	215,881	102,758	135,266
Public Safety	40,364,984	16,944,864	-	-	57,309,848	7,403,809	14,338,983
Sport & Recreation	-	-	-	-	-	-	-
Environmental Protection	1,826,683	11,622	-	-	1,838,305	877,813	1,180,621
Waste Management	84,704	-	-	-	84,704	55,847	61,976
Road Transport	74,929,376	2,237,232	-	17,386	77,149,222	5,365,040	7,232,437
Water	-	-	-	-	-	-	-
Electricity	-	-	-	-	-	-	-
Other	26,899,934	436,725	-	-	27,336,659	1,899,361	2,896,287
211,389,098	35,964,609	255,963	247,097,744	34,350,059	17,925,672	89,200	52,186,531
							194,911,213

APPENDIX D for the period ended 30 June 2011

Segmental statement of Financial Performance for the year ended

Prior year			Sedibeng District Municipality	Prior year		
Actual Income (000's)	Actual Expenditure (000's)	Surplus / (Deficit) (000's)		Actual Income (000's)	Actual Expenditure (000's)	Surplus / (Deficit) (000's)
-	24,656,488	(24,656,488)	Executive & Council	9,462	29,423,872	(29,414,410)
254,712,582	162,551,352	92,161,230	Finance & Administration	277,331,698	227,626,219	49,705,479
-	23,322,881	(23,322,881)	Planning & Development	19,886	19,844,612	(19,824,726)
31,781,880	49,244,337	(17,462,457)	Health	34,419,101	53,038,581	(18,619,480)
1,587,630	21,680,046	(20,092,416)	Community & Social Services	115,065	57,466,656	(57,351,591)
-	2,321,431	(2,321,431)	Housing	10,284	3,115,624	(3,105,340)
-	19,517,716	(19,517,716)	Public Safety	1,953	19,854,532	(19,852,579)
-	-	-	Sport and Recreation	-	-	-
-	15,626,797	(15,626,797)	Environmental Protection	930	15,848,965	(15,848,035)
-	-	-	Waste Water Management	-	-	-
37,121,829	36,151,287	970,542	Road Transport	43,268,762	42,258,993	1,009,769
-	-	-	Water	-	-	-
-	-	-	Electricity	-	-	-
8,146,867	5,134,348	3,012,519	Other	327,689	5,111,036	(4,783,347)
333,350,788	360,206,683	(26,855,895)		355,504,830	473,589,090	(118,084,260)

APPENDIX E(1) for the period ended 30 June 2011

Government Template: Actual versus Budget (Revenue and Expenditure) For the year ended 30 June 2011

	Actual Balance (000's)	Budget Amount (000's)	Variance (000's)	Variance %	Explanation of Significant Variances greater than 10% versus Budget
Revenue					
Rental of facilities and equipment	7,695	9,708	(2,013)	(20.7)	Theatres closed temporarily for maintenance Less fuel sales than anticipated
Licenses and permits	43,254	42,000	1,254	3.0	
Income from agency services	6,497	6,297	200	3.2	
Government grants & subsidies	290,229	287,757	2,472	0.9	
Trading and general	322	504	(182)	(36.1)	
	347,997	346,266	1,731	0.5	
Other income					
Other income	1,164	23,236	(22,072)	(95.0)	Budget for income related to prior years. Investments interest decreased More PPE lost than anticipated
Interest received - investment	6,237	9,946	(3,709)	(37.3)	
Property, plant and equipment	107	112	(5)	(4.5)	
Profit and loss on exchange differences	-	-	-	-	
	7,508	33,294	(25,786)	(77.4)	
Cost of sales					
Sale of goods	(414)	(500)	86	(17.2)	Fuel sales less than anticipated Assets less than R5000 depreciated in year of acquisition.
Manufacturing - Depreciation & impairments	(16,154)	(7,069)	(9,085)	128.5	
	(16,568)	(7,569)	(8,999)	118.9	
Total Revenue	338,937	371,991	(33,054)	(2.4)	
Expenses					
Employee related costs	(232,054)	(228,694)	(3,360)	1.5	Assets completed on behalf of Locals transferred. Expenditure from grants received not originally budgeted for.
Remuneration of councillors	(8,369)	(8,422)	53	(0.6)	
Debt impairment	(38)	-	(38)	-	
Public Participation	(140)	(140)	-	-	
Amortisation	(1,045)	-	(1,045)	-	
Repairs and maintenance	(7,878)	(7,756)	(122)	1.6	
Contracted Services	(36,659)	(38,166)	1,507	(3.9)	
Grants and subsidies paid	(84,711)	(200)	(84,511)	42,255.5	
General expenses	(86,128)	(70,271)	(15,857)	22.6	
	(457,022)	(353,649)	(103,373)	29.2	
Operating profit	(118,085)	18,342	(136,427)	(612.6)	
Other revenue and costs					
Net surplus/ (deficit) for the year	(118,085)	18,342	(136,427)	(612.6)	

APPENDIX E(2) for the period ended 30 June 2011

**Government Template: Actual versus Budget (Acquisition of Property, Plant and Equipment)
for the year ended 30 June 2011**

	Additions <i>Rand</i>	Under Constr. <i>Rand</i>	Closing Balance <i>Rand</i>	Budget <i>Rand</i>	Variance <i>Rand</i>	Variance <i>%</i>	Explanation of Significant Variances greater than 10% versus Budget
Buildings							
Land	-	-	-	-	-	-	
Buildings	640,412	-	640,412	11,335,000	(10,694,588)	(1,670)	Part of cost cutting – needs re-aligned
	640,412	-	640,412	11,335,000	(10,694,588)	(1,670)	
Motor vehicles							
Vehicles	3,163,647	-	3,163,647	3,275,000	(111,353)	(4)	
	3,163,647	-	3,163,647	3,275,000	(111,353)	(4)	
Office equipment	-	-	-	-	-	-	
IT equipment							
Computer Equipment	10,535,418	-	10,535,418	12,101,036	(1,565,618)	(15)	Part of cost cutting – needs re-aligned
	10,535,418	-	10,535,418	12,101,036	(1,565,618)	(15)	
Computer software							
Intangible Assets	245,948	-	245,948	260,000	(14,052)	(6)	
	245,948	-	245,948	260,000	(14,052)	(6)	
Infrastructure						(2)	
Security	17,246,200	-	17,246,200	17,560,000	(313,800)	-	
Airport	-	-	-	-	-	-	
Electricity	-	-	-	-	-	-	
Water	-	-	-	-	-	-	
	17,246,200	-	17,246,200	17,560,000	(313,800)	(2)	
Other property, plant and equipment						-	
Landfill sites	-	-	-	-	-	-	
Office Equipment	2,427,800	-	2,427,800	3,083,626	(655,826)	(27)	Part of cost cutting – needs re-aligned
Furniture & Fittings	1,412,303	-	1,412,303	3,050,000	(1,637,697)	(116)	
Bins and Containers	-	-	-	-	-	-	
Emergency Equipment	-	-	-	-	-	-	
Motor vehicles	-	-	-	-	-	-	
Fire engines	-	-	-	-	-	-	
Refuse tankers	-	-	-	-	-	-	
Computer equipment	-	-	-	-	-	-	
Councillors Regalia	-	-	-	-	-	-	
Conservancy tankers	-	-	-	-	-	-	
Watercraft	292,882	-	292,882	350,000	(57,118)	(20)	Saving on purchase
Land	-	-	-	-	-	-	
Buildings	-	-	-	-	-	-	
	4,146,968	-	4,146,968	6,483,626	(2,336,658)	(56)	
Total							
Buildings	640,412	-	640,412	11,335,000	(10,694,588)	(1,670)	
Leasehold property	-	-	-	-	-	-	
Plant and machinery	-	-	-	-	-	-	
Furniture and fixtures	-	-	-	-	-	-	
Motor vehicles	3,163,647	-	3,163,647	3,275,000	(111,353)	(4)	
Office equipment	-	-	-	-	-	-	
IT equipment	10,535,418	-	10,535,418	12,101,036	(1,565,618)	(15)	
Computer software	245,948	-	245,948	260,000	(14,052)	(6)	
Housing Develop Fund	-	-	-	-	-	-	
Infrastructure	17,246,200	-	17,246,200	17,560,000	(313,800)	(2)	
Community	-	-	-	-	-	-	
Other property, plant and equipment	4,132,985	-	4,132,985	6,483,626	(2,350,641)	(56)	
	35,964,610		35,964,610	51,014,662	(15,050,052)	(42)	

APPENDIX F for the period ended 30 June 2011

Disclosures of Grants and Subsidies in terms of Section 123 of MFMA, 56 of 2003

Name of Grants	Name of organ of state or municipal entity	Quarterly Receipts				Quarterly Expenditure				Grants and Subsidies delayed / withheld				Reason for delay/ withholding of funds	Did your municipality comply with the grant conditions in terms of grant framework in the latest Division of Revenue Act	Reason for noncompliance
		Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun			
Equitable Share	National Treasury	73,242,000	71,073,000	68,906,000	-	53,305,250	53,305,250	53,305,250	53,305,250	-	-	-	-		Yes/ No	
Youth Grant	NYDA	-	-	-	-	-	-	-	-	-	-	-	-		Yes	
Ambulance Subsidy	Dept of Health	8,492,500	-	-	8,492,500	12,564,000	12,369,106	11,766,792	13,102,753	-	-	8,492,500	8,492,500	Cash shortages at Provincial Department	Yes	
NDPG Grant	National Treasury	-	-	-	-	-	-	-	-	-	-	-	-		Yes	
Operational Grant	National treasury	-	-	23,000,000	-	3,950,795	8,415,477	5,213,804	5,392,636	-	-	-	-		Yes	
DLG Grants	DLG Grants	1,000,000	15,098,000	-	-	4,239,081	3,209,234	5,947,480	2,613,507	-	-	-	-		Yes	
Provincial grants	Provincial Treasury	-	-	-	-	510,846	73,189	42,664	165,227	-	-	-	-		Yes	
		-	2,147,900	1,980,000	300,000	189,101	422,609	1,232,231	2,063,635	-	-	-	908,000		Yes	
		82,734,500	88,318,900	93,886,000	8,792,500	74,759,073	77,794,865	77,508,221	74,533,548	-	-	8,492,500	9,400,500		Yes	

APPENDIX G

Deviations recorded for the month: July 2010

Date of deviation	Name of supplier used	Type	Order No.	Vote Number	Procurement action taken	Reason for deviation	Amount	Approved by	Department
10/07/2010	Herhut	U	1020404	4701071060003	One quote was source due to time constraints	Sole supplier for target	R 21 340.80	MM	Office of the Mayor
22/07/2010	Morietez Trading	U	1020414	4404031101200	Existing Public Toilets are out of order tender process underway	Public Toilets	R98 200.00	MM	Corporate Services
20/07/2010	Novell	U	1020505	4421011060201	Sole Supplier target	Commission software owned by the sole supplier	R151 050.00	MM	Corporate Services
Total for the month = R270 590.80									

Deviations recorded for the month: August 2010

Date of deviation	Name of supplier used	Type	Order No.	Vote Number	Procurement action taken	Reason for deviation	Amount	Approved by	Department
25/08/2010	Demand Data	U	1018722	4421014030002	Sole supplier for target	The device currently in use to facilitate our daily Novell backups which has failed and the unit needs to be replace as a matter of urgency, and the quotations were sourced from vendors	R 140,869.55	MM	Corporate Services
Total for the month = R140 869.55									

Deviations recorded for the month: September 2010

Date of deviation	Name of supplier used	Type	Order No.	Vote Number	Procurement action taken	Reason for deviation	Amount	Approved by	Department
01/03/2010	Garujo Trading Enterprise	E	1020894	4421014030002	Sole supplier for target	Maintenance of Damage steel Structures and Two Sliding Gates at Sebokeng Plaza Taxi Rank as a matter of urgency, and the quotations were sourced from vendors	R 79,800.00	MM	Corporate Services
Total for the month = R79 800.00									

Deviations recorded for the month: October 2010

Date of deviation	Name of supplier used	Type	Order No.	Vote Number	Procurement action taken	Reason for deviation	Amount	Approved by	Department
27/10/2010	OXY Trading 541	U	1021099	4404031101200	Sole Supplier for target	Block drains and stolen lids at taxido taxi rank, the matter was becoming a health hazard	R189 400.00	MM	Corporate Services
27/10/2010	Morietez Trading	U	1021100	4404031101200	Sole Supplier for target	Supply of mobile toilets at Vereeniging Metre Taxi Rank	R 98,200.00	MM	Corporate Services
27/10/2010	Tambo electrical Air-conditioning and Refrigeration	U	1021092	4404031101200	Sole Supplier for target	Repairs and upgrade of electrical Supply at Vaal Technorama, it was the matter of urgency	R 64,526.28	MM	Corporate Services
28/10/2010	Lacs Security and Cleaning Service CC	U	10211104	4405021060204	Sole Supplier for target	Only one quote was obtained and because of the urgent of the matter an instruction was given for the Service provider to resume with the required cleaning	R170 088.00	MM	Corporate Services
Total for the month = R522 214.28									

Deviations recorded for the month: November 2010

Date of deviation	Name of supplier used	Type	Order No.	Vote Number	Procurement action taken	Reason for deviation	Amount	Approved by	Department
01/11/2010	Vaal Juvenile Troops	U	1021113	4101011060402	Sole Supplier for target	The Service provider which was suppose to provide water indicated on the day of the event that he won't be able to deliver the water, the quotation was received from SCM the supplier that was catering on the day of the events was then requested to supply with 1000 water.	R 5,000.00	MM	Office of the Mayor
Total for the month = R5000.00									

Deviations recorded for the month: December 2010

Date of deviation	Name of supplier used	Type	Order No.	Vote Number	Procurement action taken	Reason for deviation	Amount	Approved by	Department
10/12/2010	Elite Tente Verhuuring	U	1021099	4404031101200	Sole Supplier for target	One quotation received from the Supplier due to urgency, No other supplier provide quotation due time limitations	R58 014.60	MM	IGR
08/12/2010	Kemi Courier Service	U	1021180	4404031101200	Sole Supplier for target	Appointment of the above service provider to remove old structure and replace the roof structure with new designed steel structure	R184 326.00	MM	Corporate Services
26/12/2010	Elite Tente Verhuuring	U	1021270	4101011060210	3 quotations were obtained from the database	Preferred the cheapest supplier quotation exceed R30000.00 which will have be placed on a seven day notice, but due to the urgency the fact that event is on the 02/11/2010	R37 084.20	MM	Office of the Mayor
22/12/2010	Dynasty Transport & Tours cc	U	1021448	4805011061701	Time did not allow to seek more quotations due to the urgency	Attending funeral of EMS employee who passed away	R18,500	MM	Emergency Services
Total for the month = R297 924.80									

Deviations recorded for the month: January 2011

Date of deviation	Name of supplier used	Type	Order No.	Vote Number	Procurement action taken	Reason for deviation	Amount	Approved by	Department
06/01/2011	Clear Greek Trading 65 (PTY) LTD	U	1021459	4404031101200	2 quotes were sourced and the lowest one was used	Maintenance work at Sebokeng Plaza Taxi Rank, it was necessitated by heavy rainfall and water increase which affected the drainage capacity of the sewer pipe. The situation was causing a hazard to commuters.	R 106,300.00	COO	Corporate Services
11/01/2010	Mophalanyana Motlatla Trading Enterprise CC	U	1021478	9002022371002	Lowest quote of the three received	Two quotes were sourced from the panel and Mophalanyana Motlatla Trading (who is not in the panel) was the lowest of the three quotes received for the Nangalembe Event.	R 80,000.00	COO	Office of the Executive Mayor
28/01/2011	Bonthjafatso Construction CC	U	1021572	440403110200	Lowest quote of the two received	Due to the high rain fall over the past couple of weeks, the grass at the Vereeniging Fresh Produce Market has grown immensely and it has resulted in snakes and rats hiding within, in turn poses a risk hazard for the people.	R 93,650.00	CFO	Corporate Services
28/01/2011	Big Parn Trading Enterprise	U	1021586	4404031101200	Lowest quote of the two received	Due to the high rain fall over the past couple of weeks, the grass at the Vereeniging Fresh Produce Market has grown immensely and it has resulted in snakes and rats hiding within, in turn poses a risk hazard for the people.	R 96,000.00	CFO	Corporate Services
28/01/2011	Picrovision	U	1021571	4404031101200	Lowest quote of the two received	Due to the high rain fall over the past couple of weeks, the grass at the Vereeniging Fresh Produce Market has grown immensely and it has resulted in snakes and rats hiding within, in turn poses a risk hazard for the people.	R 105,000.00	CFO	Corporate Services

Deviations recorded for the month: January 2011 - continued...

Date of deviation	Name of supplier used	Type	Order No.	Vote Number	Procurement action taken	Reason for deviation	Amount	Approved by	Department
07/01/2011	Vaal Toyota	U	1021469	4404021101204	Only supplier on database who is accredited to work on Toyota's	Sole supplier.	R19,980.76	MM	Corporate Services
Total for the month = R500,930.76									

Deviations recorded for the month: February 2011

Date of deviation	Name of supplier used	Type	Order No.	Vote Number	Procurement action taken	Reason for deviation	Amount	Approved by	Department
07/02/2011	Multilinue Translation	U	1021640	4701041060209	Only one quote received from the Institute of translations	Translation (Specialised Service) of 90 Day Notice. Only sworn translator in Gauteng.	R 837.22	MM	SPED
15/02/2011	Opti Plumbers CC T/A Drain Surgeon	E	1021695	4404031101200	Time does not allow to follow 7 day notice SCM process	The main sewage line at the north entrance to the main building has burst and needs to be replaced	R 31,443.88	MM	Corporate Services
17/02/2011	Inhlakanipo Trading and Projects	E	1021700	4404031101200	Time does not allow to follow 7 day notice SCM process	The roof of Mayor's parlour and rates hall has serious leaks and excessive rain does not allow for tender process	R 174,494.10	MM	Corporate Services
Total for the month = R206,775.20									

Deviations recorded for the month: March 2011

Date of deviation	Name of supplier used	Type	Order No.	Vote Number	Procurement action taken	Reason for deviation	Amount	Approved by	Department
07//02/2011	Imraans Take away	U	1021897	420211060403	Only one quotation received, because it was urgent request	The Disciplinary Hearing continuation on 16 March 2011	R 360.00	COO	Office of the Municipal Manager
15/02/2011	Nandos	U	1021892	4202011060403	Only one quotation received, because it was urgent request	Urgent Disciplinary Meeting	R 266.40	MM	Corporate Services
17/02/2011	08 Dijhene Trading	U	1021894	4404031101200	Only one quotation received, because it was urgent request	Urgent plumbing services required	R 230.00 p/h totalling to R16,110.00	MM	Office of the Municipal Manager

Deviations recorded for the month: March 2011 - continued...

Date of deviation	Name of supplier used	Type	Order No.	Vote Number	Procurement action taken	Reason for deviation	Amount	Approved by	Department
	Nandos	U	1021893	44101011060403	Only one quotation received, because it was urgent request	Lunch for Executive Mayor Meeting with Stakeholders	R 846.30	MM	Office of the Executive Mayor
	BCX	U	1021939	4421011101201	Only one quotation received, because it was urgent request	Emergency repairs of main link hanger and to Emfuleni Main	R 20,844.90	MM	Corporate Services
	JLE Project	U	1021988	4405211060204	Only one quotation received, because it was urgent request	Requested the service provider Mess JLE Projects to undertake the project and assist with the removal of garbage and cleaning of the area concerned	R 19,500.00	MM	Corporate Services
Total for the month = R42,047.60									

Deviations recorded for the month: January 2010

Date of deviation	Name of supplier used	Type	Order No.	Vote Number	Procurement action taken	Reason for deviation	Amount	Approved by	Department
11/04/2011	VPN Technologies CC	U	1022034	442101430005	2 quotes were sourced and the lowest one was used	Only two vendors on database capable of complete installation and alignment	R 30 681.96	MM	Corporate Services
16/04/2011	Blaque Cherry Gifts & Stationery Supplies CC	U	1022087	4101011060210	One quote received from supplier on our database, because it was request urgent.	Gifts (Watches) requires for End Term function for Mayor, Speaker, Chief whip, MM, COO, ED's and special guests.	R 8, 447.60	MM	Office of the Mayor
15/04/2011	Vaal University of Technology	U	1022096	4101011060210	Sole provider for targeted area	Procurement for live reads and two interviews for SODA 2011	R 6,612.00	MM	Office of the Mayor
15/04/2011	Theta FM 100.6	U	1022095	4101011060210	Sole provider for targeted area	Procurement for live reads for SODA	R 20, 460.00	MM	Office of the Mayor
20/04/2011	Ellen G CC	U	1022115	41011060210	Quotes requested via Supply Chain, only one quote received, no response from other suppliers	Wristband required for SODA 2011 (790)	R 2, 431.62	MM	Office of the Mayor

Deviations recorded for the month: April 2011 - continued...

Date of deviation	Name of supplier used	Type	Order No.	Vote Number	Procurement action taken	Reason for deviation	Amount	Approved by	Department
20/04/2011	Zemdock	U	1022125	4101011060210	2 quotes were sourced and the lowest one was used.	Golf T-shirt for general workers of Theatre for SODA	R 2,462.40	MM	Office of Executive Mayor
Total for the month = R71, 095.58									

Deviations recorded for the month: May 2011

Date of deviation	Name of supplier used	Type	Order No.	Vote Number	Procurement action taken	Reason for deviation	Amount	Approved by	Department
05/05/2011	Imperial Group/ Vaal Ridge Auto	U	1022179	4404021101204	Sole Supplier	Replacement of a tyre for the BMW 325i located at the office of the Speaker	R 5 223.25	CFO	Corporate Services
10/05/2011	Blaque Cherrie	U	1022245	4101011061801	Sole Supplier	Watch required as a gift for Mr. Neville Felix former MMC at end of term function held on 10 May 2011	R446.34	MM	Office of the Executive Mayor
24/05/2011	Big Parn Trading Enterprise	U	1022252	440511060204	Three quotes were sourced by user department	Cutting of grass at Vereeniging Airport for an area of 110 hectares	R185 000.00	MM	Corporate Services
	Markplan Construction and Projects 92CC								
24/05/2011	Belton Park Trading 39 CC	U	1022250	4405011060204	Three quotes were sourced through supply chain	Electrical upgrading and re-calibration of runway lights at Vereeniging Airport	R920/h estimate	MM	Corporate Services
25/05/2011	Vereeniging New Printers	U	1022254	4504021061800	The request was done through Intenda, but the price quote exceeds the allowable R40 000.00	LSC forms	R44 477.10	MM	Corporate Services
26/05/2011	Unicool Air-conditioning Services	U	1022301	4421014030005	Sole Supplier	Additional air conditioning unit due to current one continuously breaking down	R23 921.76	MM	Corporate Services
Total for the month = R447 588.45									

Deviations recorded for the month: June 2011

Date of deviation	Name of supplier used	Type	Order No.	Vote Number	Procurement action taken	Reason for deviation	Amount	Approved by	Department
14/06/2011	Little Creek Trading 549 CC	U	1022417	4101011060210	Three quotes requested.	Food packs for Sicelo Satellite Venue for Inauguration	R 78 260.00	MM	Office of the Mayor
14/06/2011	Amtronics T/A Diamond Corner	U	1022456	4404014030001	Time Constraints and severe weather.	18 Patio Gas heaters for Inauguration Address	R43 200.00	CFO	Supply Chain Management
14/06/2011	Mpempe Transport	U	1022474	4101011060210	One quote was received due to time constraint	Buses for Inauguration , Satellite venue in Sebokeng	R17 350.00	MM	Office of the Mayor
20/06/2011	Meriting Catering	U	1022479	4101011060210	Three quotes received and the user department requested to utilize Meriting	Catering for Boipatong Massacre.	R67 543.60	MM	Office of the Mayor
15/06/2011	Tsohang Basadi Catering	U	1022467	4401011060403	Due to deadline for SDBIP for the new financial year which will be presented at Strategic session.	Catering for Corporate Service Strategic Session	R950.00	MM	Corporate Services
06/06/2011	Emaline Enterprise 2CCT/A Meriting Food Service	U	1022522	4101011060210	End-user department sourced own quote as request was received late and the service provider was contacted as they are reliable to deliver accordingly.	Request for Catering for Mayors office guests from Qwa-Qwa who were attending the Inauguration.	R3 600.00	MM	Office of the Mayor
21/06/2011	Amtronics T/A Diamond Corner	U	1022528	4421014030002	Professional quality microphones to facilitate the voice broadcast sourced from Diamond Corner.	Professional Microphones needed during the preparations for the dry run on the Mayoral Inauguration	R7 500.00	MM	Office of the Mayor
Mar 2010 to Nov 2010	Maine Construction and Projects	U		4404011060204	Cleaning of Taxi Ranks – contract extended in order to finalise tender processes	Taxi ranks need to be kept clean due to potential health hazard.	R836,940.00	MM	Corporate Services

Deviations recorded for the month: June 2011 - continued...

Date of deviation	Name of supplier used	Type	Order No.	Vote Number	Procurement action taken	Reason for deviation	Amount	Approved by	Department
1 Mar 2010 to 1 Mar 2011	ADD X Trading	U		4404031060204	Contract was amended to include the fumigation of Licensing offices	Potential health hazard and loss of records due to insect and rodent infestation	R82,638.45	MM	Corporate Services
1 Oct 2010 to 3 Nov 2011	Timba Consulting	U		4201011060204	Contract was extended in order to get the Organisation Performance Management Report for 4 quarters completed	Finalisation of Performance Management System	R 695,768.00	MM	Corporate Services
Total for the month = 1,837,008.17									

Abbreviations:

COO	Chief Operations Officer
CFO	Chief Financial Officer
MM	Municipal Manager
E	Emergency
U	Urgent

4.3

Auditor's report of the Auditor-General to the Gauteng Provincial Legislature and the Council on the Sedibeng District Municipality



AUDITOR-GENERAL
SOUTH AFRICA

Mr. Yunus Chamda
Municipal Manager
Sedibeng District Municipality P.O Box 471
Vereeniging
1930

30 November 2011 Dear Mr Chamda

Reference: TS98 19611

Dear Mr Chamda

Report of the Auditor-General on the financial statements and other legal and regulatory requirements of Sedibeng District Municipality for the year ended 30 June 2011

1. The above-mentioned report of the Auditor-General is submitted herewith in terms of section 21(1) of the Public Audit Act of South Africa read in conjunction with section 188 of the Constitution of the Republic of South Africa section 121(3) of the Municipal Finance Management Act of South Africa (MFMA).
2. We have not yet received the other information that will be included in the annual report with the audited financial statements and have thus not been able to establish whether there are any inconsistencies between this information and the audited financial statements and the reported performance against pre-determined objectives. You are requested to supply this information as soon as possible. Once this information is received it will be read and should any inconsistencies be identified these will be communicated to you and you will be requested to make the necessary corrections. Should the corrections not be made we will amend and reissue the audit report.
3. In terms off section 121(3) of the MFMA; you are required to include the audit report in the municipal entity's annual report to be tabled.
4. Until the annual report is tabled as required by section 127(2) of the MFMA municipal entity the audit report is not a public document and should therefore be treated as confidential.
5. Prior to printing or copying the annual report which will include the audit report you are required to do the following:

Submit the final printer's proof of the annual report to the relevant senior manager of the Auditor-General of South Africa for verification of the audit-related references in the audit report and for confirmation that the financial statements and other information are those documents that have been read and audited. Special care should be taken with the page references in your report, since an incorrect reference could have audit implications.

Auditing to build public confidence

Auditor-General of South Africa

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The signature Auditor-General in the handwriting of the auditor authorised to sign the audit report at the end of the hard copy of the audit report should be scanned in when preparing to print the report. This signature, as well as the place and date of signing and the Auditor-General of South Africa's logo, should appear at the end of the report, as in the hard copy that is provided to you. The official logo will be made available to you in electronic format if needed.

Please notify the undersigned Senior Manager well in advance of the date on which the annual report containing this audit report will be tabled.

Please submit 5 copies of the annual report to the AGSA (Attention Ockie Ludick) at 61 Central Street, Houghton.

The tabled report must be submitted to MPAC.

Your cooperation to ensure that all these requirements are met would be much appreciated.

Kindly acknowledge receipt of this letter.

Yours sincerely

Signed



.....
Senior Manager: Gauteng

Enquiries: Ockie Luddick
Telephone: (011) 703 7638
Fax: (011) 703 7690



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

The reputation promise of the Auditor-General

"The Auditor-General has a constitutional mandate and, as the Supreme Audit Institution (SAI) of South Africa, it exists to strengthen our country's democracy by enabling oversight, accountability and governance in the public sector through auditing, thereby building public confidence."

The mission statement informs the content of the Public Audit Manual (PAM) by recognising that the audits conducted by the SAI of South Africa are unique due to its mandate. This mandate includes responsibilities in terms of laws or regulations that go beyond generally accepted practice of the auditor's responsibilities in the audit of the financial statements.

These responsibilities include: consideration of issues such as public interest; accountability; probity; effective legislative oversight, in particular as concerns compliance with law, regulation or other authority; performance against pre-determined objectives; and economic, efficient, and effective procurement of resources.

The ultimate goal of the audits is to strengthen the South African democracy



AUDITOR - GENERAL
SOUTH AFRICA

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**Auditor's report of the Auditor-General to
the Gauteng Provincial Legislature on the
Sedibeng District Municipality for the year
Ended 30 June 2011_y**

REPORT OF THE AUDITOR-GENERAL TO THE GAUTENG PROVINCIAL LEGISLATURE AND THE COUNCIL ON THE SEDIBENG DISTRICT MUNICIPALITY

REPORT ON THE FINANCIAL STATEMENTS

Introduction

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

Accounting Officer's responsibility for the financial statements

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

Auditor-General's responsibility

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

Opinion

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

Emphasis of matters

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

9. As disclosed in note to the financial statements, the corresponding figures for 30 June 2010 have been restated as a result of errors discovered during the year ended 30 June 2011.

Unauthorised expenditure

10. The municipality incurred unauthorised expenditure of R88 631 829 as a result of exceeding the budgeted amounts in employee costs and grant expenditure.

Fruitless and wasteful expenditure

11. The municipality incurred fruitless and wasteful expenditure of R140 000 because an event that was organised was not attended by the delegates.

Going concern

12. Note 34 to the financial statements indicate that the Sedibeng District Municipality incurred a net loss of R118 084 260 during the year ended 30 June 2011 and, as of that date, the entity's current liabilities exceeded its current assets by R62 276 267. These conditions indicate the existence of a material uncertainty that may cast significant doubt on the municipality's ability to operate as a going concern.

Additional matter

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

Unaudited supplementary schedules

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

Report on predetermined objectives

Presentation of information

16. The reported performance information was deficient in respect of the following criteria:
- Performance against predetermined objectives was not reported using the National Treasury guidelines
17. The following audit finding relate to the above criteria:

No reporting against predetermined objectives, indicators and targets

- The annual performance report for the financial year under review was not prepared as required by section 46 of the MSA read with section 121(3)(c) of the MFMA, as there is no specific target, baseline and actual performance columns.

Usefulness of information

18. The reported performance information was deficient in respect of the following criteria:
- **Measurability:** The indicators are not well defined, and targets are not specific, and/or measurable.
 - **Consistency :** The reported objectives, indicators and targets are not consistent with the approved integrated development plan

19. The following audit findings relate to the above criteria:

Planned and reported targets are not well defined

- **Well defined:** For the selected programmes/objectives, 40% of the planned and reported indicators were not clear, as unambiguous data definitions were not available to allow for data to be collected consistently.

Planned and reported targets are not specific and measurable

- **Specific:** For the selected programmes/objectives, 43% of the planned and reported targets were not specific in clearly identifying the nature and the required level of performance.
- **Measurable:** For the selected programmes/objectives, 35% of the planned and reported targets were not measurable in identifying the required performance.

Reliability of information

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

- **Validity:** The reported performance did not occur and does not pertain to the entity.
- **Accuracy:** The amounts, numbers and other data relating to reported actual performance have not been recorded and reported appropriately.
- **Completeness:** All actual results and events that should have been recorded have not been included in the reported performance information.

21. The following audit findings relate to the above criteria:

The validity, accuracy and completeness of reported performance against objectives could not be confirmed as no supporting source information was provided

- For selected objectives, the validity, accuracy and completeness of the reported targets could not be established as sufficient appropriate evidence could not be provided.

Compliance with laws and regulations

Annual financial statements, performance and annual reports

22. The financial statements submitted by the municipality for auditing were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements of property, plant and equipment, liabilities, expenditure and various disclosure items identified by the auditors were subsequently corrected, resulting in the financial statements receiving an unqualified audit opinion.

Procurement and contract management

23. Goods and services of a transaction value above R200 000 were procured by the municipality without inviting competitive bids as per the requirements of SCM regulations 19(a) and 36(1).
24. Goods and services of a transaction value of between R10 000 and R200 000 were procured without obtaining written price quotations from at least three different prospective providers as per the requirements of SCM regulation 17 (a) & (c).
25. Awards were made by the municipality to providers who are persons in service of the municipality in contravention of SCM regulation 44. Furthermore, the providers failed to declare

that they are in the service of the municipality as required by SCM regulation 13(c).

26. Awards were made by the municipality to providers who are persons in service of other state institutions in contravention of SCM regulation 44. Furthermore, the providers failed to declare that they are in the service of the municipality as required by SCM regulation 13(c).

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 basis for the findings on the annual performance report and the findings on compliance with laws and regulations included in this report.

Leadership

28. Exercising of oversight responsibility regarding financial and performance reporting and compliance and related internal controls was not done.

Financial and performance management

29. No regular review and monitoring were done of compliance with applicable laws and regulations.
30. No proper implementation of controls over daily and monthly processing of transactions and reconciling of transactions.

Governance

31. The implementation of appropriate risk management activities to ensure that regular risk assessments, including consideration of Information Technology (IT) risks and fraud prevention, were not conducted and that a risk strategy to address the risks was not developed and monitored.

Auditor General

30 November 2011



**AUDITOR - GENERAL
SOUTH AFRICA**

Auditing to build public confidence

4.4

Action Plan for Auditor-General's report on the regularity audit and audit of performance information performed at Sedibeng District Municipality for the year ended 30 June 2011.

Summary of Audit Findings

No.	Finding	Responsible Cluster and Department	Action	Target Date	Progress to Date
Restatement of corresponding figures					
9	As disclosed in note 32 to the financial statements, the corresponding figures for 30 June 2010 were restated as a result of errors discovered during the 2010-2011 financial year	Finance	Adjustments were made to Financial Statements	Nov 2011	Completed
Unauthorised expenditure					
10	As disclosed in note 36 to the financial statements, the municipality incurred unauthorised expenditure of R 88,631,829 as a result of exceeding the budget amounts in employee cost and grant expenditure	Finance	A report was submitted to council in order to obtain approval for over expenditure and budget methodology changed in the 2011-2012 adjustment budget process	Sep 2011	Completed
Fruitless and wasteful expenditure					
11	As disclosed in note 36 to the financial statements, the municipality incurred fruitless and wasteful expenditure of R 140,000 because of an event that was organised which was not attended by the delegates	Finance	The matter was resolved whereby council was informed about the matter and administrative steps taken in order to limit the fruitless expense and signed of by the Municipal Manager	Jun 2011	Completed
Going concern					
12	Note 34 to the financial statements indicate that the Sedibeng District Municipality incurred a net loss of R118,084,260 during the year ended 30 June 2011 and, as of that date, the entity's current liabilities exceeds its current assets by R 62,276,267. These conditions indicate the existence of a material uncertainty that may cast significant doubt on the municipality's ability to operate as a going concern	Finance	The Municipality has implemented cost containment measures in order to rectify the current state of affairs. Moratorium of vacancies were put in place and operational cost cut down to only essential items	Ongoing	Ongoing

4.5

Annual Report - Supply Chain Management.

Annual Supply Chain Management Performance Report - 1 July 2010 to 30 June 2011

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1. Introduction

The Municipal Supply Chain Regulations (promulgated in Government Gazette Number 27636 on 30 May 2005) states the following:

Oversight role of council of municipality:

- a) The council of a municipality must maintain an oversight over the implementation of its supply chain policy. For the purpose of such oversight the Accounting Officer must -:
 - i. In the case of a municipality, within 30 days at the end of each financial year submit a report on the implementation of the supply chain management policy of the municipality to the council.

This report complies with Municipal Supply Chain Regulations as stated above by providing detailed compliance information in respect of compliance, progress, challenges and constraints in the implementation of the Supply Chain Management policy and procedures, as well as the way forward recommended for the new financial year (2011/2012).

2. Discussions

2.2. Adoption of Supply Chain Management Policy and Procedures:

Sedibeng District Municipality (SDM) adopted its revised Supply Chain Management Policy and Procedures on the 10th August 2011; this was in compliance with Section 111 of Municipal Finance Management Act (Act No. 56 of 2003). The following are the areas where amendments were effected:

- Delegations and sub-delegations of Supply Chain Management in terms of Municipal Supply Chain Management Regulations issued in Government Gazette No. 27636;
- Petty cash threshold has been reduced from R 800.00 to R 500.00;
- Composition of the Bid Specification Committee has been changed to include Assistant Manager: Organizational Performance;
- Composition of Bid Evaluation Committee has been changed to include Assistant Manager: Internal Audit and the Chief Operations Officer;
- Allocation of points in terms of Preferential Procurement Policy Framework Act, has been aligned with circular no. 53 of 2010 as issued by National Treasury;
- Price of bid documents will be determined by the tariffs process of the council;
- The granting of bidders, 14 working days after the closing of the tender to submit a valid tax clearance certificate has been removed;
- Guarantees have been added;
- Supplier performance management has been added; and
- The section relating to Disposal Management has been removed and replaced by Assets Disposal Policy.

In light of the new Preferential Procurement Policy regulations of 2011, which will be effective in December 2011 and the new District Procurement Strategy to be adopted by Council end October 2011, the current policy will need to be reviewed during the course of 2011/2012 financial year. The policy complies with the regulatory framework and is implemented by all the role players.

The monitoring and evaluation of the implementation of this policy is done through quarterly reports submitted to the Executive Mayor and the Council.

2.3. Implementation of Supply Chain Management Policy

2.3.1. Bids and Formal Written Quotes awarded

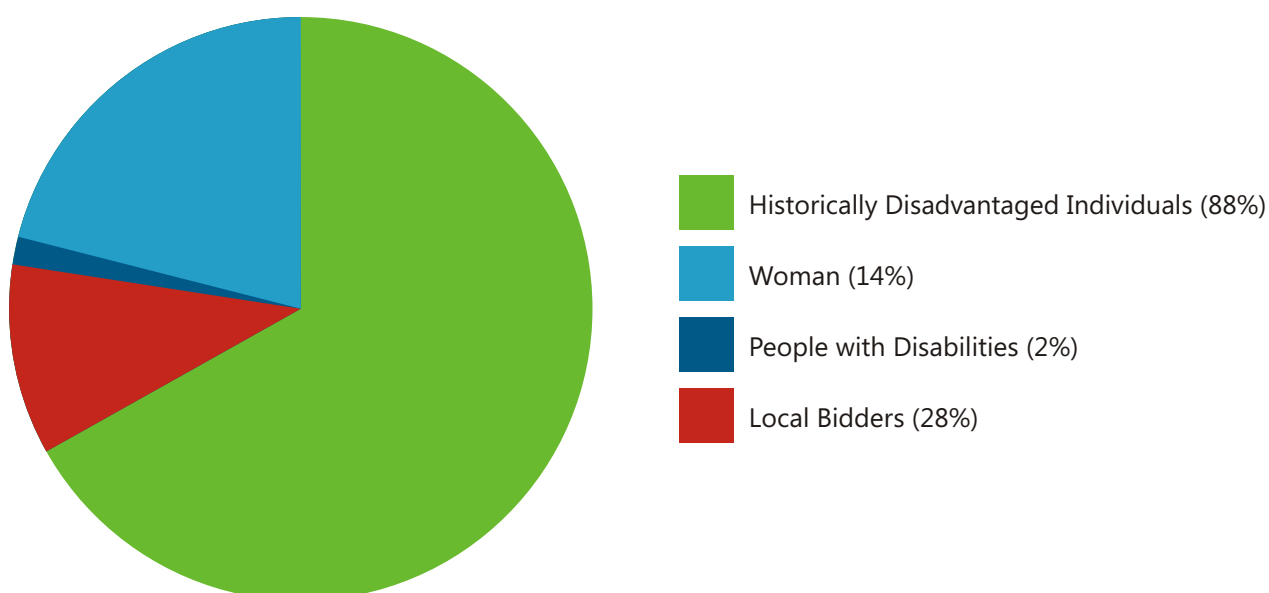
Bid Adjudication Committee was established in terms of the provisions of Local Government: Municipal Finance Management Act No. 56 of 2003. This committee consists of officials with delegated authority to award bids in accordance with predetermined criteria.

Bids were evaluated in accordance with criteria set out in terms of Preferential Procurement Policy Framework Act No. 5 of 2000, Preferential Regulations published in terms of Government Gazette No. 22549, and also the criteria set out in terms of Municipal Finance Management Act No. 56 of 2003 Circular no. 53.

The bids and formal written quotes awarded by both the Executive and the Bid Adjudication Committee as per the Council's system of delegations are hereby attached as **Annexure A**.

There were 27 tenders and 45 formal written quotes awarded for the year under review. This is summarized as follows:

Total Amount awarded	Historically Disadvantaged Individuals	Women	People with Disability	Local Bidders
R 96,705,586.44	R 85,077,425.36	R 13,580,379.70	R 1,529,240.96	R 27,044,988.68
	88%	14%	2%	28%



2.3.2. Appeals/Complaints recorded

There was only one appeal/complaint received and responded to for this financial year. These appeal emanated from the award and administration of the contract for provision of catering services to Sedibeng District Municipality. Detailed list of appeals/complaints is attached as Annexure B.

2.3.3. Deviations approved

Municipal Supply Chain Management Regulations allows a municipality to deviate from normal supply chain management processes if it is deemed impractical to follow procedures. There were 46 deviations approved by the Executive to the value of R 2,780,639.86 VAT Included. Detailed list of approved deviations is hereby attached as **Annexure C**.

Most of deviations recorded were as a result of poor planning from end-user departments and do not constitute emergency/urgency as per the SCM Policy and Procedures. This continues to pose a risk and challenges for SCM as reasons provided do not prove the impracticality of following the normal processes.

2.3.4 Invitation of suppliers to be in the SDM's Database

Suppliers were invited to be in Sedibeng District Municipality's supplier database through a publication in the local newspapers. Only categories of commodities/services that had less than 100 suppliers linked to them were invited. The supplier database has been accredited and updated on quarterly basis to detect suppliers that are "on the service of the state" and those with expired tax clearance certificates and which has the deregistration process or deregistration final with Companies and Intellectual Property Registration Office. There are currently 4 451 suppliers in the database.

2.3.5. Effective management of contracts

We have put in place a system to effectively monitor and evaluate contracts procured through supply chain management processes. A contracts schedule has been developed which monitors contracts, expiry dates, cost-overruns and supplier performance. This schedule is updated on the monthly basis by collating information from various departmental contract administrators.

2.4 Assistance provided to small and micro enterprises

2.4.1. Tender Advice Centre

Tender Advice Center has been established and is fully functional, it provides the following services:

- Explaining invitations to tender, assisting in completing tender documents (including advice on how to enter into contracts and how to work out pricing);
- Providing information on procurement and tendering policies;
- Holding tender awareness workshops, seminars and forums;
- Development and implementation of an appropriate responsive programme for identified enterprises;
- Providing service providers with access to information on business and tendering opportunities;
- Advice on regulations and legal requirements (e.g. VAT registration);
- Referrals to specialist training programmes, project management assistance; and
- Training needs assessments, co-ordination of training programmes.

2.4.2. Integrated Supply Chain Module

Sedibeng District Municipality has engaged the services of a specialist procurement and supply chain management consultancy, to conduct a feasibility study that will determine the merits of establishing an integrated Supply Chain Management Function within the district.

The scope of services covered in the study included the following:

- A review of SCM activities in the 4 municipalities, namely Sedibeng District Municipality, Emfuleni, Lesedi and Midvaal Local Municipalities;
- Development of a cost-benefit analysis to identify feasibility and potential of establishing a collaborative hub;
- Presentation of a comprehensive report detailing the findings, options and recommendations, benefits and obstacles to establishing a collaborative hub;
- Work shopping the findings and options with the entire management team of the district; and
- Conducting the legislative review to identify any legislative impacts that need to be considered when establishing a SCM Collaborating Hub; and
- Review of Intenda capabilities to support the Collaborative Hub.

The feasibility study has been completed and its findings and recommendations have been presented at Joint Municipal Manager's forum for decision-making.

2.4.3 Procurement Strategy

Sedibeng District Municipality is in the process of developing a procurement strategy that will ensure an enabling legal environment to ensure that, the procurement spend is targeted at local BEE suppliers.

Objectives of Procurement Strategy are as follows:

- To stimulate and promote local economic development in a targeted and focus manner;
- To facilitate the creation of employment and business opportunities in the Region;
- To promote the competitiveness of local enterprises;
- To have preference for employment and economic empowerment beyond just HDI status as is the case with the current policy;
- The inclusion of SDM's priority/designated groups that have not benefited from implementation of the current policy;
- To have a significant contribution towards job creation, poverty alleviation and local economic growth;
- To have the procurement strategy that links with the IDP, GDS, Vaal 21 initiative and any other strategies of the municipality; and
- The procurement strategy that enables Sedibeng District Municipality to impact significantly in improving the quality of life of the majority of its citizens/customers, by optimizing employment and economic empowerment in all its dealings; resulting in the annual procurement spend generally reflecting Sedibeng's demographics.

It is expected that, the procurement strategy will be adopted by Council at the end of September 2011.

2.4.4. ABSA Procurement Scheme for SME's

Sedibeng District Municipality in conjunction with ABSA Bank Limited, have entered into a memorandum of understanding in which ABSA Bank Limited will assist financially struggling SME's with bridging finance. We are also looking at entering into the same agreements with other major financing institutions including National Youth Development Agency in order to broaden this assistance.

2.5. Challenges and Constraints:

2.5.1. Risk Management Framework and Supplier Performance Management

The current two most important elements of SCM which are not fully implemented are Risk and Performance Management.

Risk Management Function falls within the office of Municipal Manager. Numerous requests have been made in the past to the office of Municipal Manager to formulate risk management framework for SCM Unit but to date, this has not been performed.

Supplier Performance Management is also lacking internally from SCM Unit, a decision has been taken to allocate this responsibility to SCM Specialist: Logistics Management who will serve in the Contract Management Committee.

2.5.2 Deviations

The municipal supply chain management regulations allows for a municipality to deviate from normal SCM processes if it impractical to follow SCM procedures. However, the number of deviations received and approved by the Accounting Officer and the Chief Financial Officer are as a result of poor planning from user departments and they don't constitute emergency/urgency as per policy. This poses a challenge to the SCM unit when dealing with audit queries, because the reasons provided for deviations do not prove the impracticality of following the normal SCM procedures.

The SCM Unit has reviewed and amended the current deviations template to ensure that, the Director: SCM certifies that the process followed complies with the policy and procedures, the ultimate aim are to ensure that, there are no deviations recorded for the new financial year.

3. Financial Implications

None

4. Legal Implications

Compliance with regards to prescripts of Municipal Finance Management Act, (Act 56 of 2003)

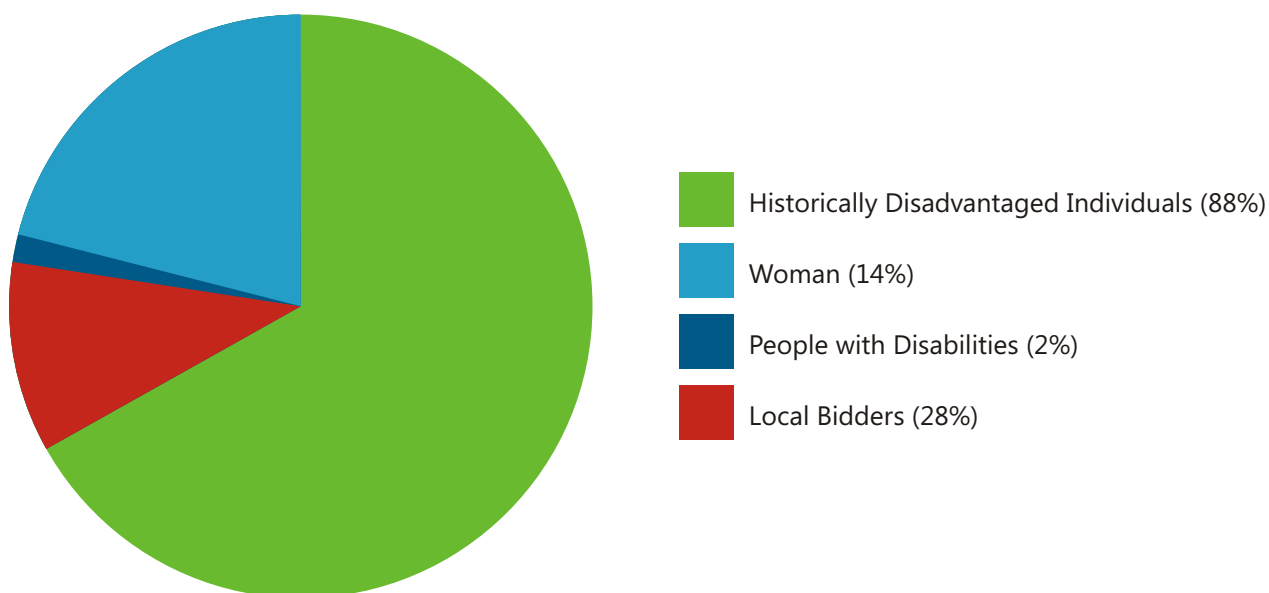
5. Recommendation

That the annual report for 2011/2012 financial year on implementation Supply Chain Management Policy be hereby approved.

ANNEXURE A

**Summary of Formal Written Quotes and Tenders awarded for the
Financial year : 2010 - 2011 for purchases above R30 000**

Total Amount awarded	Historically Disadvantaged Individuals	Women	People with Disability	Local Bidders
R 96,705,586.44	R 85,077,425.36	R 13,580,379.70	R 1,529,240.96	R 27,044,988.68
	88%	14%	2%	28%



Formal Written Quotes and Tenders awarded for the Financial year : 2010 - 2011 for purchases above R30 000

No	Bid/ PR No.	Contract description	Name of Contractor	Department	HDI (%)
1	8/2/1/5-2010	Proposals to Develop a consolidated end of term report	Jicama 269 (Pty) Ltd.	Office of the Municipal Manager	100%
2	8/2/1/6-2010	Proposals to conduct a comprehensive Annual Enterprise Risk Assessment for Sedibeng District Municipality	Business Innovations Group Pty (Ltd)	Office of the Municipal Manager	68%
3	8/2/1/3-2011	Supply and Delivery of Office Furniture for Chief Operations Officer	Mount Dew Trading CC.	Office of the Municipal Manager	100%
4	8/2/2/49-2010	Supply, Install & Commission New Water Pump	Sego Security Services	Corporate Services	100%
5	8/2/2/77-2010	Construction of Concrete Palisade Fencing at Vereeniging Airport (Phase 2).	New Team Construction CC. T/A XPS	Corporate Services	100%
6	8/2/2/78-2010	Proposals for Installation second AVGAS Tank at the Vereeniging Airport.	Qhosh Trading Enterprise CC.	Corporate Services	100%
7	8/2/2/59-2010	Office Furniture for ED: corporate Services' Office	Mountdew Trading CC.	Corporate Services	100%
8	8/2/8/2-2011	Installation of electronic security measures for Sedibeng District Municipality.	Amtronics CC. T/A Diamond Corner	Corporate Services	100%
9	8/2/2/26-2011	Supply of mobile toilets at Vereeniging Fresh Produce Market.	Lefatshe Larona Trading and Projects CC.	Corporate Services	100%
10	8/2/2/42-2011	Request for recording and broadcasting services for the Inaugural dinner of the newly elected Council of the Sedibeng District Municipality.	Global Access Telecommunications (Pty) Ltd	Corporate Services	0%
11	8/2/2/41-2011	Proposal for design, documentation, construction and commissioning of 4 taxi wash bays at Taxido Taxi Rank.	Bokana Construction & Projects CC.	Corporate Services	100%
12	8/2/2/110-2010	Supply and installation of concrete palisade fencing at Vereeniging Fresh Produced Market	EP Office Dynamics CC	Corporate Services	100%
13	8/2/2/109-2010	Refurbishment of cashier Offices at Vereeniging Fresh Produced Market.	Captonox CC.	Corporate Services	100%
14	8/2/2/112-2010	Supply and delivery of Computer Equipment, Printers and other Peripherals to the Sedibeng District Municipality Information Technology Department.	Amtronics CC. T/A Diamond Corner	Corporate Services	100%

Woman (%)	Disability (%)	Local Bidder (%)	HDI (R)	Woman (R)	Disability (R)	Local Bidder (R)	Total contract price
0%	0%	100%	R 195 500.00	R 0.00	R 0.00	R 195 500.00	R 195 500.00
65%	0%	0%	R 128 162.25	R 123 415.50	R 0.00	R 0.00	R 189 870.00
0%	0%	100%	R 126 562.00	R 0.00	R 0.00	R 126 562.00	R 126 562.00
49%	0%	0%	R 90 000.00	R 44 100.00	R 0.00	R 0.00	R 90 000.00
0%	0%	100%	R 1 392 692.40	R 0.00	R 0.00	R 1 392 692.40	R 1 392 692.40
0%	0%	0%	R 395 000.00	R 0.00	R 0.00	R 0.00	R 395 000.00
0%	0%	100%	R 99 385.20	R 0.00	R 0.00	R 99 385.20	R 99 385.20
0%	0%	100%	R 199 920.00	R 0.00	R 0.00	R 199 920.00	R 199 920.00
100%	0%	100%	R 90 000.00	R 90 000.00	R 0.00	R 90 000.00	R 90 000.00
0%	0%	0%	R 0.00	R 0.00	R 0.00	R 0.00	R 434 599.35
							Total amount of R 434,599.35 (VAT included) for an hour and twenty minutes and R215.00 per minute (at a chunk of 15 minutes) if the broadcasting time is more than the stipulated time.
0%	0%	100%	R 192 550.00	R 0.00	R 0.00	R 192 550.00	R 192 550.00
100%	0%	100%	R 182 400.00	R 182 400.00	R 0.00	R 182 400.00	R 182 400.00
0%	0%	0%	R 149 800.00	R 0.00	R 0.00	R 0.00	R 149 800.00
0%	0%	100%					Price per unit not exceeding the available budget for a period of 3 years on an as and when required basis.

No	Bid/ PR No.	Contract description	Name of Contractor	Department	HDI (%)
15	8/2/2/15-2011	Proposal to supply, deliver, Install, test and commission a fibre optic cabling solution	SecureLink T/A Klatrade 470 (Pty) Ltd	Corporate Services	64%
16	8/2/2/29-2011	Request for the supply and delivery of audio visual broadcasting services to the Sedibeng District Municipality.	Global Access Telecommunications (Pty) Ltd	Corporate Services	0%
17	8/2/2/11-2011 (Re-advert)	Supply and Installation of Water Pump	Bataung Move Transport and Projects CC.	Corporate Services	100%
18	8/2/8/1-2011	Construction of security measures for Sedibeng District Municipality.	Lekoa Constructors CC.	Corporate Services	100%
19	8/2/2/22-2011	Supply, Installation and Commissioning of a Banana Room evaporator and 7:5HP Compressor	Instant Service & Repairs (Pty) Ltd	Corporate Services	0%
20	8/2/2/62-2010	Grading of Open Unven land to Reach the Proposed level for Provision of Car Parking Space at Vereeniging Airport for a Period of ten days.	Oxy Trading 541 CC.	Corporate Services	100%
21	8/2/2/63-2010	Upgrading of Electricity and lighting of the Airport (Rate per Hour)	Tambo Electrical Air-conditioning Refrigeration CC.	Corporate Services	100%
22	8/2/2/64-2010	Cutting of grass at Vereeniging Airport for a period of fifteen days.	Picrovision CC.	Corporate Services	100%
23	8/2/5/11-2010	Research and Compilation of Historical Records of the Event of September 3th 1984	Bafetuhile Development CC.	Corporate Services	100%
24	8/2/2/65-2010	Proposal for design, documentation and commission on construction of new Public Toilets at Vereeniging Fresh Produced Market.	Dibate Property Consulting	Corporate Services	100%
25	8/2/2/27-2010	Proposal for a panel of electrical services (Awarded to the value not exceeding the available budget)	P&D Construction CC. True Commissioning CC.	Corporate Services	0%
					0%
26	8/2/2/28-2010	Proposal for a panel of qualified air conditioner contractors. (Awarded to the value not exceeding the available budget)	Lungisa Air Conditioning & Refrigeration CC.	Corporate Services	100%
			Fast Move Electrical CC.		100%
27	8/2/2/29-2010	Proposal for a panel of plumbing services. (Awarded to the value not exceeding the available budget)	Sandla Sangezana Trading & Projects CC,	Corporate Services	100%
			P & D Building Construction CC.		0%
			Alpro Pool & Plumbing Services CC.		0%
28	8/2/2/22-2010	Proposal for a panel of professional painting contractors. (Awarded to the value not exceeding the available budget)	Mdlane Trading CC.	Corporate Services	100%
			Chaba Tsohle Construction & Projects CC.		100%

Woman (%)	Disability (%)	Local Bidder (%)	HDI (R)	Woman (R)	Disability (R)	Local Bidder (R)	Total contract price
0%	0%	0%	R 19 200 000.00	R 0.00	R 0.00	R 0.00	R 30 000 000.00
0%	0%	0%	R 0.00	R 0.00	R 0.00	R 0.00	R 482 610.79
0%	0%	100%	R 98 560.00	R 0.00	R 0.00	R 98 560.00	R 98 560.00
50%	0%	100%	R 228 000.00	R 114 000.00	R 0.00	R 228 000.00	R 228 000.00
0%	0%	0%	R 0.00	R 0.00	R 0.00	R 0.00	R 248 584.00
50%	0%	0%	R 159 600.00	R 79 800.00	R 0.00	R 0.00	R 159 600.00
80%	0%	0%	R 741.00	R 592.80	R 0.00	R 0.00	R 741.00
0%	0%	0%	R 145 000.00	R 0.00	R 0.00	R 0.00	R 145 000.00
0%	0%	100%	R 192 660.00	R 0.00	R 0.00	R 192 660.00	R 192 660.00
26%	0%	100%	R 131 000.00	R 33 405.00	R 0.00	R 131 000.00	R 131 000.00
100%	0%	0%	R 0.00	R 1 529 240.96	R 0.00	R 0.00	R 1 529 240.96
0%	0%	0%	R 0.00	R 0.00	R 0.00	R 0.00	
0%	0%	0%	R 1 529 240.96	R 0.00	R 0.00	R 0.00	
0%	0%	0%	R 1 529 240.96	R 0.00	R 0.00	R 0.00	
0%	100%	100%	R 1 529 240.96	R 0.00	R 1 529 240.96	R 1 529 240.96	
100%	0%	0%	R 0.00	R 1 529 240.96	R 0.00	R 0.00	
0%	0%	0%	R 0.00	R 0.00	R 0.00	R 0.00	
0%	0%	100%	R 1 529 240.96	R 0.00	R 0.00	R 1 529 240.96	
50%	0%	100%	R 1 529 240.96	R 764 620.48	R 0.00	R 1 529 240.96	

No	Bid/ PR No.	Contract description	Name of Contractor	Department	HDI (%)
29	8/2/23-2010 (Re-Advert)	Proposal for supply and delivery of one tractor, one plain disc mower and one rotary cutter (slasher).	Vuza Management Services (Pty)Ltd.	Corporate Services	100%
30	8/2/2/91-2010	Refurbishment of Offices at Sedibeng District Municipality's Main Building (Room No.: 13 and 07 Ground Floor).	Mvelas and Mahwana Construction CC.	Corporate Services	100%
31	8/2/2/57-2010	Supply of Comprehensive Repair and Maintenance Services for printing peripherals to the Sedibeng District Municipality Information Technology Department.(Price per Unit)	Ams Rentals (Pty) Ltd	Corporate Services	56%
32	RT57	Proposal to procure vehicles for the political management units and other clusters.	BMW Vereeniging (Vaalridge Auto)	Corporate Services	45%
			Shadewind 40 (Pty) Ltd T/A Star Nissan		70%
			New Vaal Motors		50%
33	8/2/3/20-2009	Proposal for VAT review and recovery exercise for Sedibeng District Municipality.	PKG Consulting CC.	Finance	100%
34	8/2/3/18-2009	Development of Sedibeng District Municipality's procurement Strategy	Africa Vukani Holding (Pty) Ltd	Finance	100%
35	8/2/3/1-2010	Proposals for a professional service provider to develop a long term financial plan for Sedibeng District Municipality.	Ubuntu Business advisory & Consultancy (PTY) Ltd.	Finance	50%
36	8/2/3/8-2010	Proposal for Panel of Supply and Delivery of Cleaning Supplies.	Mmapaballo Thathalasi Trading CC.	Finance	100%
			Tsoani Trading Enterprise CC.		100%
			Inhlakanipo Trading and Projects CC.		100%
			Hepit Trading and Projects CC.		67%
			Teriskano Trading CC.		100%
			Leeto La Rona Trading and Projects CC.		100%
			Mahlake Kabamba Construction and Projects CC		100%
			Maranang A Letsatsi Logistics and Services CC.		100%
			Pule Paul Nhlapo IT Services Maintenance CC.		100%
			Pontshong Trading and Projects CC.		100%

Woman (%)	Disability (%)	Local Bidder (%)	HDI (R)	Woman (R)	Disability (R)	Local Bidder (R)	Total contract price
0%	0%	0%	R 498 388.05	R 0.00	R 0.00	R 0.00	R 498 388.05
50%	0%	100%	R 183 711.00	R 91 855.50	R 0.00	R 183 711.00	R 183 711.00
34%	0%	100%	R 12 378.58	R 7 515.56	R 0.00	R 22 104.60	R 22 104.60
25%	0%	100%	R 355 806.00	R 197 670.00	R 0.00	R 790 680.00	R 790 680.00
20%	0%	100%	R 1 333 267.23	R 380 933.49	R 0.00	R 1 904 667.47	R 1 904 667.47
35%	0%	100%	R 197 399.98	R 138 179.99	R 0.00	R 394 799.96	R 394 799.96
50%	0%	0%	R 0.03	R 0.01	R 0.00	R 0.00	2.85%
0%	0%	0%	R 437 500.00	R 0.00	R 0.00	R 0.00	R 437 500.00
0%	0%	0%	R 612 495.98	R 0.00	R 0.00	R 0.00	R 1 224 991.96
50%	0%	100%	R 127 991.96	R 63 995.98	R 0.00	R 127 991.96	R 127 991.96
100%	0%	100%	R 127 991.96	R 127 991.96	R 0.00	R 127 991.96	
100%	0%	100%	R 127 991.96	R 127 991.96	R 0.00	R 127 991.96	
0%	0%	100%	R 85 754.61	R 0.00	R 0.00	R 127 991.96	
0%	0%	100%	R 127 991.96	R 0.00	R 0.00	R 127 991.96	
0%	0%	100%	R 127 991.96	R 0.00	R 0.00	R 127 991.96	
0%	0%	100%	R 127 991.96	R 0.00	R 0.00	R 127 991.96	
60%	0%	0%	R 127 991.96	R 76 795.18	R 0.00	R 0.00	
0%	0%	100%	R 127 991.96	R 0.00	R 0.00	R 127 991.96	
100%	0%	0%	R 127 991.96	R 127 991.96	R 0.00	R 0.00	

No	Bid/ PR No.	Contract description	Name of Contractor	Department	HDI (%)
37	8/2/3/6-2010	Proposal for a Panel of Transport Service Providers.	Magic Labour & Hire CC.	Finance	100%
			Aahaah Shuttle & Tours CC.		100%
38	8/2/3/7-2010	Proposal for Panel of Supply and Delivery of Office Refreshments.	Izigi Zeafrika Construction CC.	Finance	100%
			Manana C Trading Enterprise CC.		100%
			Teriskano Trading CC.		100%
			Zaidul Trading CC.		100%
			Pitsi Ya Naga Trading Enterprise CC.		100%
			Mampopi Marketing and Promotions CC.		100%
			Palipa Trading Enterprise CC.		53%
			Moreki Distributors CC.		100%
			Tiaco Trading and Projects CC.		100%
			Ketumo Trading Enterprise (Pty) Ltd		100%
			Makume Learn and Drive CC.		100%
			Ntjiloni Trading Enterprise CC		100%
			NH Direct Supply CC.		100%
			Mmapaballo Thathalasi Trading CC.		100%
			NTC Distributors CC.		100%
39	8/2/3/9-2010	Supply and delivery of Newspapers for Sedibeng District Municipality.	Siza Kancane Trading Enterprise CC.	Finance	100%
40	8/2/4/6-2010	Construction of Pedestrian Paving in Evaton: Avondale Street.	Kea Dira Construction CC.	Transport, Infrastructure and Environment	100%
41	8/2/4/7-2010	Construction of Pedestrian Paving in Evaton: Boundary Street.	African Moon Trading CC.	Transport, Infrastructure and Environment	100%

Woman (%)	Disability (%)	Local Bidder (%)	HDI (R)	Woman (R)	Disability (R)	Local Bidder (R)	Total contract price
0%	0%	100%	R 1 480 454.79	R 0.00	R 0.00	R 1 480 454.79	R 1 480 454.79
50%	0%	0%	R 1 480 454.79	R 740 227.40	R 0.00	R 0.00	
0%	0%	0%	R 225 401.34	R 0.00	R 0.00	R 0.00	R 225 401.34
100%	0%	0%	R 225 401.34	R 225 401.34	R 0.00	R 0.00	
0%	0%	100%	R 225 401.34	R 0.00	R 0.00	R 225 401.34	
50%	0%	100%	R 225 401.34	R 112 700.67	R 0.00	R 225 401.34	
50%	0%	100%	R 225 401.34	R 112 700.67	R 0.00	R 225 401.34	
0%	0%	0%	R 225 401.34	R 0.00	R 0.00	R 0.00	
24%	0%	0%	R 119 462.71	R 54 096.32	R 0.00	R 0.00	
32%	0%	0%	R 225 401.34	R 72 128.43	R 0.00	R 0.00	
50%	0%	100%	R 225 401.34	R 112 700.67	R 0.00	R 225 401.34	
100%	0%	100%	R 225 401.34	R 225 401.34	R 0.00	R 225 401.34	
0%	0%	100%	R 225 401.34	R 0.00	R 0.00	R 225 401.34	
50%	0%	100%	R 225 401.34	R 112 700.67	R 0.00	R 225 401.34	
50%	0%	0%	R 225 401.34	R 112 700.67	R 0.00	R 0.00	
50%	0%	100%	R 225 401.34	R 112 700.67	R 0.00	R 225 401.34	
0%	0%	100%	R 225 401.34	R 0.00	R 0.00	R 225 401.34	
0%	0%	100%	R 179 946.00	R 0.00	R 0.00	R 179 946.00	R 179 946.00
0%	0%	0%	R 1 699 689.06	R 0.00	R 0.00	R 0.00	R 1 699 689.06
0%	0%	0%	R 1 792 448.79	R 0.00	R 0.00	R 0.00	R 1 792 448.79

No	Bid/ PR No.	Contract description	Name of Contractor	Department	HDI (%)
42	8/2/4/8-2010	Construction of Pedestrian Paving in Evaton: Easton Street Phase I.	Arocon Projects CC.	Transport, Infrastructure and Environment	100%
43	8/2/4/14-2010	Construction of Pedestrian Paving in Evaton: Hamilton Street.	Rantoa Service Provider CC.	Transport, Infrastructure and Environment	100%
44	8/2/4/9-2010	Construction of Pedestrian Paving in Evaton: Easton Street Phase II.	Mofulatsira Building CC. and Mdlane Trading CC. JV	Transport, Infrastructure and Environment	100%
45	8/2/4/10-2010	Construction of Pedestrian Paving in Evaton: Stirling Street.	Inkokheli Business Enterprise CC.	Transport, Infrastructure and Environment	100%
46	8/2/4/11-2010	Construction of Pedestrian Paving in Evaton: Togo Street.	Asande Developers CC.	Transport, Infrastructure and Environment	100%
47	8/2/4/12-2011	Construction of Pedestrian Paving in Evaton: Union Street.	Tsepang Contractors and Trading CC.	Transport, Infrastructure and Environment	100%
48	8/2/4/13-2009	Supply and Erection of Warning, Regulatory and Directional Signposting for the Emfuleni Local Municipality	Le-nash International Investment CC.	Transport, Infrastructure and Environment	0%
49	8/2/4/18-2010	Supply and Installation of Solar Water Heating Systems (Geyser) to 1.500 low income household Emfuleni	Messrs Thunzi Consulting (Pty) Ltd	Transport, Infrastructure and Environment	100%
50	8/2/5/10-2010	Supply, Install and maintenance of an IP based Radio and Unified Group Communication Systems.	Sysman Vunumphelo (Pty) Ltd.	Community Services	100%
51	8/2/5/19-2010	Supply and delivery of Uniform for Sedibeng District Municipality's Emergency Services.	Zemdock CC. T/A Sedgars	Community Services	100%
52	8/2/5/4-2011	Supply and Delivery of Inflatable Rescue Boat for Sedibeng District Municipality	Dive Looneys CC.	Community Services	0%
53	8/2/5/3-2011	Supply and delivery of Fire Fighting Trailer for Sedibeng District Municipality.	Boiketlo Baka Trading 341 CC.	Community Services	100%
54	8/2/5/8-2011	Supply and delivery of a Remote Wireless Camera System	Klatrade 470 (Pty) Ltd T/A Securelink	Community Services	30%
55	8/2/5/1-2011	Proposals to Procure Silk Screen Equipment	Rediabetsoe Trading CC.	Community Services	100%
56	8/2/5/9-2011	Supply and delivery of office Furniture for MMC: Social Services.	Diamond Corner T/A Amtronics CC.	Community Services	100%
57	8/2/5/10-2010	Tombstones of victims Nangalembe Massacre.	ABA- Nation Construction & Projects CC.	Community Services	100%

Woman (%)	Disability (%)	Local Bidder (%)	HDI (R)	Woman (R)	Disability (R)	Local Bidder (R)	Total contract price
0%	0%	0%	R 1 632 652.95	R 0.00	R 0.00	R 0.00	R 1 632 652.95
51%	0%	100%	R 2 635 290.75	R 1 343 998.28	R 0.00	R 2 635 290.75	R 2 635 290.75
50%	0%	50%	R 1 538 189.00	R 769 094.50	R 0.00	R 769 094.50	R 1 538 189.00
40%	0%	100%	R 1 901 413.87	R 760 565.55	R 0.00	R 1 901 413.87	R 1 901 413.87
100%	0%	0%	R 1 517 911.80	R 1 517 911.80	R 0.00	R 0.00	R 1 517 911.80
0%	0%	100%	R 2 790 800.54	R 0.00	R 0.00	R 2 790 800.54	R 2 790 800.54
0%	0%	0%	R 0.00	R 0.00	R 0.00	R 0.00	R 8 106 967.50
0%	0%	0%	R 10 301 501.70	R 0.00	R 0.00	R 0.00	R 10 301 501.70
0%	0%	100%	R 990 546.00	R 0.00	R 0.00	R 990 546.00	R 990 546.00
10%	0%	100%	R 542 548.00	R 54 254.80	R 0.00	R 542 548.00	R 542 548.00
100%	0%	100%	R 0.00	R 333 885.00	R 0.00	R 333 885.00	R 333 885.00
0%	0%	100%	R 73 500.00	R 0.00	R 0.00	R 73 500.00	R 73 500.00
0%	0%	0%	R 22 196.28	R 0.00	R 0.00	R 0.00	R 73 987.60
20%	0%	100%	R 172 140.00	R 34 428.00	R 0.00	R 172 140.00	R 172 140.00
0%	0%	100%	R 102 087.00	R 0.00	R 0.00	R 102 087.00	R 102 087.00
70%	0%	100%	R 199 858.18	R 139 900.73	R 0.00	R 199 858.18	R 199 858.18

No	Bid/ PR No.	Contract description	Name of Contractor	Department	HDI (%)
58	8/2/5/16-2010	Appointment of a Transaction Advisor for CCTV Expansion Project & IT Cabling Project.	Eskteen & Le Roux CC.	Community Services	0%
59	8/2/5/25-2010	Supply and delivery of firearms for Sedibeng District Municipality.	Ensemble Trading 2053 CC.	Community Services	100%
60	8/2/6/12-2010	Establishment of the Sedibeng Development Agency for Sedibeng District Municipality	Urban- Econ CC.	Strategic, Planning and Economic Development	51%
61	8/2/6/1-2011	Supply and delivery of office furniture for SPED.	Rediabetsoe Trading CC.	Strategic Planning Economic Development	100%
62	8/2/6/9-2010	Proposal for printing of IDP documents.	Dirt Predators CC.	Strategic, Planning and Economic Development	100%
63	8/2/6/2-2011	Supply and delivery of office Furniture for SPED (Executive Director and Reception).	Diamond Corner T/A Amtronics CC.	Strategic, Planning and Economic Development	100%
64	8/2/6/3-2011	Supply and delivery of office Furniture for SPED (Director).	Mount Dew Trading CC.	Strategic, Planning and Economic Development	100%
65	8/2/6/1-2010	Additions, alterations, repairs and renovations to Sharpeville Community Hall at Cnr of Zwane and Seeiso Street Sharpeville.	Kamo Business Enterprise CC.	Strategic, Planning and Economic Development	100%
66	8/2/6/4-2011	Supply and delivery of office Furniture for SPED (staff).	Sharlimar Garden Trading CC.	Strategic, Planning and Economic Development	100%
67	8/2/6/6-2011	Supply and delivery of office Furniture for MMC: SPED.	Sharlimar Garden Trading CC.	Strategic, Planning and Economic Development	100%
68	8/2/6/5-2011	Proposal for printing of the IDP Documents for 2011/2012	Marena Printing Company Pty Ltd	Strategic, Planning and Economic Development	100%
69	8/2/8/14-2010	Mount (Conceive, develop, implement and review) a public relations (PR) communications programme / campaign promoting Sedibeng Municipality's service delivery achievements and plans.	7th Question Marketing & Communications	Mayor's Office	100%
70	8/2/9/1-2011	Supply and Delivery of a Marquee Tent for 2000 people.	Zox Trading and Projects CC.	Speaker's Office	100%
71	8/2/9/6-2010 (Re-Advert)	Assessment of Councilors Accumulated Knowledge from Training Programmes.	Reflection Institute for Development CC.	Speaker's Office	100%
72	8/2/9/2-2010	Office furniture for the Director in the Office of the Chief Whip.	Diamond Corner CC.	Chief Whip	100%
					88%

Woman (%)	Disability (%)	Local Bidder (%)	HDI (R)	Woman (R)	Disability (R)	Local Bidder (R)	Total contract price
0%	0%	0%	R 0.00	R 0.00	R 0.00	R 0.00	R 941 153.20
0%	0%	100%	R 122 664.00	R 0.00	R 0.00	R 122 664.00	R 122 664.00
81%	0%	0%	R 101 745.00	R 161 595.00	R 0.00	R 0.00	R 199 500.00
20%	0%	100%	R 159 222.00	R 31 844.40	R 0.00	R 159 222.00	R 159 222.00
0%	0%	100%	R 150 000.00	R 0.00	R 0.00	R 150 000.00	R 150 000.00
50%	0%	100%	R 73 416.00	R 36 708.00	R 0.00	R 73 416.00	R 73 416.00
0%	0%	100%	R 143 526.00	R 0.00	R 0.00	R 143 526.00	R 143 526.00
0%	0%	0%	R 13 274 014.81	R 0.00	R 0.00	R 0.00	R 13 274 014.81
0%	0%	100%	R 143 900.00	R 0.00	R 0.00	R 143 900.00	R 143 900.00
0%	0%	100%	R 58 500.00	R 0.00	R 0.00	R 58 500.00	R 58 500.00
50%	0%	100%	R 89 262.00	R 44 631.00	R 0.00	R 89 262.00	R 89 262.00
100%	0%	0%	R 496 584.00	R 496 584.00	R 0.00	R 0.00	R 496 584.00
50%	0%	100%	R 59 565.00	R 29 782.50	R 0.00	R 59 565.00	R 59 565.00
0%	0%	0%	R 156 043.03	R 0.00	R 0.00	R 0.00	R 156 043.03
0%	0%	100%	R 32 148.00	R 0.00	R 0.00	R 32 148.00	R 32 148.00
14%	2%	28%	R 85 301 667.56	R 13 580 379.70	R 1 529 240.96	R 27 269 230.88	R 96 929 828.64

Proceformal Written Quotes and Tenders awarded for the Financial year : 2010 - 2011 for purchases above R30 000

No	Bid/ PR No.	Contract description	Name of Contractor	Department	Appointment Date
1	8/2/1/5-2010	Proposals to Develop a consolidated end of term report	Jicama 269 (Pty) Ltd.	Office of the Municipal Manager	19-Jan-11
2	8/2/1/6-2010	Proposals to conduct a comprehensive Annual Enterprise Risk Assessment for Sedibeng District Municipality	Business Innovations Group Pty (Ltd)	Office of the Municipal Manager	03-Mar-11
3	8/2/1/3-2011	Supply and Delivery of Office Furniture for Chief Operations Officer	Mount Dew Trading CC.	Office of the Municipal Manager	24-Jun-11
4	8/2/2/49-2010	Supply, Install & Commission New Water Pump	Sego Security Services	Corporate Services	22-Jul-11
5	8/2/2/77-2010	Construction of Concrete Palisade Fencing at Vereeniging Airport (Phase 2).	New Team Construction CC. T/A XPS	Corporate Services	02-Mar-11
6	8/2/2/78-2010	Proposals for Installation second AVGAS Tank at the Vereeniging Airport.	Qhosh Trading Enterprise CC.	Corporate Services	02-Mar-11
7	8/2/2/59-2010	Office Furniture for ED: corporate Services' Office	Mountdew Trading CC.	Corporate Services	24-Jun-11
8	8/2/8/2-2011	Installation of electronic security measures for Sedibeng District Municipality.	Amtronics CC. T/A Diamond Corner	Corporate Services	18-Apr-11
9	8/2/2/26-2011	Supply of mobile toilets at Vereeniging Fresh Produce Market.	Lefatshe Larona Trading and Projects CC.	Corporate Services	27-May-11
10	8/2/2/42-2011	Request for recording and broadcasting services for the Inaugural dinner of the newly elected Council of the Sedibeng District Municipality.	Global Access Telecommunications (Pty) Ltd	Corporate Services	09-Jun-11

Period of Contract	Recommendation Reasons	Total Points Scored (100)	Total contract price
Standard Term	Three (03) bids were received and one(1) bid was non-responsive due to failure on their side to o attach a Valid Tax Clearance Certificate,utilities accountstatement and complete MBD:8(SCM Disclosure), and one (01) bid was non-responsive due to non-satisfactory to functionality evaluation. The one(1) bid was further evaluated in detail in terms of the PPPFA. The bidder scored the highest number of points as per Preferential Procurement Policy Framework Act (PPPFA) and its regulations and complied with both specifications and terms and conditions of the contract.	84.00	R 195 500.00
Standard Term	Three(03) bids were received and all bids were sastifactory to functionality Three(03) bids were further evaluated in detail in terms of the PPPFA. The bidder scored the highest number of points as per Preferential Procurement Policy Framework Act (PPPFA) and its regulations and complied with both specifications and terms and conditions of the contract.	88.00	R 189 870.00
Standard Term	Ten(10) bids were received and all bids were sastifactory to functionality evaluation. All bids were further evaluated in detail in terms of the PPPFA. The bidder scored the highest number of points as per Preferential Procurement Policy Framework Act (PPPFA) and its regulations and complied with both specifications and terms and conditions of the contract.	94.00	R 126 562.00
Standard Term	Six (6) bids were received and one(1) bid was non-responsive due to failure on their side to attach a valid tax clearance certificate, an up to date utilities account statement and four (4) bids were non-responsive due to non-satisfactory to functionality evaluation. The one(1) bid was further evaluated in detail in terms of the PPPFA. The bidder scored the highest number of points as per Preferential Procurement Policy Framework Act (PPPFA) and its regulations and complied with both specifications and terms and conditions of the contract.	89.50	R 90 000.00
Standard Term	Twenty three (23) bids were received and sisteen(16) bids were non-responsive due to failure on their side to attach a valid tax clearance certificate, an up to date utilities account statement, deregistration final and six (06) bids were non-responsive due to non-satisfactory to functionality evaluation. The one(1) bid was further evaluated in detail in terms of the PPPFA. The bidder scored the highest number of points as per Preferential Procurement Policy Framework Act (PPPFA) and its regulations and complied with both specifications and terms and conditions of the contract.	94.00	R 1 392 692.40
Standard Term	Two (02) bids were received and all bids were sastifactory to functionality evaluation. The one(1) bid was further evaluated in detail in terms of the PPPFA. The bidder scored the highest number of points as per Preferential Procurement Policy Framework Act (PPPFA) and its regulations and complied with both specifications and terms and conditions of the contract.	94.00	R 395 000.00
Standard Term	Ten(10) bids were received and all bids were sastifactory to functionality evaluation. All bids were further evaluated in detail in terms of the PPPFA. The bidder scored the highest number of points as per Preferential Procurement Policy Framework Act (PPPFA) and its regulations and complied with both specifications and terms and conditions of the contract.	94.00	R 99 385.20
Standard Term	One (01) bid was received and complied with the terms of reference. The one(1) bid was further evaluated in detail in terms of the PPPFA. The bidder scored the highest number of points as per Preferential Procurement Policy Framework Act (PPPFA) and its regulations and complied with both specifications and terms and conditions of the contract.	94.00	R 199 920.00
Standard Term	Three (03) bids was received and two (02) bids were non-responsive due to non-satisfactory to functionality evaluation. The one(1) bid was further evaluated in detail in terms of the PPPFA. The bidder scored the highest number of points as per Preferential Procurement Policy Framework Act (PPPFA) and its regulations and complied with both specifications and terms and conditions of the contract.	98.00	R 90 000.00
Standard Term	Six (6) bids were received and one(1) bid was non-responsive due to failure on their side to attach a valid tax clearance certificate, an up to date utilities account statement and four (4) bids were non-responsive due to non-satisfactory to functionality evaluation. The one(1) bid was further evaluated in detail in terms of the PPPFA. The bidder scored the highest number of points as per Preferential Procurement Policy Framework Act (PPPFA) and its regulations and complied with both specifications and terms and conditions of the contract.	90.00	R 434 599.35 Total amount of R 434,599.35 (VAT included) for an hour and twenty minutes and R215.00 per minute (at a chunk of 15 minutes) if the broadcasting time is more than the

No	Bid/ PR No.	Contract description	Name of Contractor	Department	Appointment Date
11	8/2/2/41-2011	Proposal for design, documentation, construction and commissioning of 4 taxi wash bays at Taxido Taxi Rank.	Bokana Construction & Projects CC.	Corporate Services	24-Jun-11
12	8/2/2/110-2010	Supply and installation of concrete palisade fencing at Vereeniging Fresh Produced Market	EP Office Dynamics CC	Corporate Services	02-Mar-11
13	8/2/2/109-2010	Refurbishment of cashier Offices at Vereeniging Fresh Produced Market.	Captonox CC.	Corporate Services	14-Feb-11
14	8/2/2/112-2010	Supply and delivery of Computer Equipment, Printers and other Peripherals to the Sedibeng District Municipality Information Technology Department.	Amtronics CC. T/A Diamond Corner	Corporate Services	11-Apr-11
15	8/2/2/15-2011	Proposal to supply, deliver, Install, test and commission a fibre optic cabling solution	SecureLink T/A Klatrade 470 (Pty) Ltd	Corporate Services	13-Apr-11
16	8/2/2/29-2011	Request for the supply and delivery of audio visual broadcasting services to the Sedibeng District Municipality.	Global Access Telecommunications (Pty) Ltd	Corporate Services	01-Apr-11
17	8/2/2/11-2011 (Re-advert)	Supply and Installation of Water Pump	Bataung Move Transport and Projects CC.	Corporate Services	03-Jun-11
18	8/2/8/1-2011	Construction of security measures for Sedibeng District Municipality.	Lekoa Contractors CC.	Corporate Services	20-Jun-11
19	8/2/2/22-2011	Supply, Installation and Commissioning of a Banana Room evaporator and 7.5HP Compressor	Instant Service & Repairs (Pty) Ltd	Corporate Services	09-Jun-11

Period of Contract	Recommendation Reasons	Total Points Scored (100)	Total contract price
Standard Term	Two (02) bids were received and one(1) bid was non-responsive due to failure on their side to attach a bid amount. The one(1) bid was further evaluated in detail in terms of the PPPFA. The bidder scored the highest number of points as per Preferential Procurement Policy Framework Act (PPPFA) and its regulations and complied with both specifications and terms and conditions of the contract.	94.00	R 192 550.00
Standard Term	Six (6) bids were received and one(1) bid was non-responsive due to failure on their side to attach a valid tax clearance certificate, an up to date utilities account statement and four (4) bids were non-responsive due to non-satisfactory to functionality evaluation. The one(1) bid was further evaluated in detail in terms of the PPPFA. The bidder scored the highest number of points as per Preferential Procurement Policy Framework Act (PPPFA) and its regulations and complied with both specifications and terms and conditions of the contract.	94.00	R 182 400.00
Standard Term	Six (6) bids were received and one(1) bid was non-responsive due to failure on their side to attach a valid tax clearance certificate, an up to date utilities account statement and four (4) bids were non-responsive due to non-satisfactory to functionality evaluation. The one(1) bid was further evaluated in detail in terms of the PPPFA. The bidder scored the highest number of points as per Preferential Procurement Policy Framework Act (PPPFA) and its regulations and complied with both specifications and terms and conditions of the contract.	88.00	R 149 800.00
Three year contract	Eighteen (18) bids were received and two(02) bids were non-responsive due to failure on their side to attach a valid tax clearance certificate, an up to date utilities account statement and twelve (12) bids were non-responsive due to non-satisfactory to functionality evaluation. The four(04) bid was further evaluated in detail in terms of the PPPFA. The bidder scored the highest number of points as per Preferential Procurement Policy Framework Act (PPPFA) and its regulations and complied with both specifications and terms and conditions of the contract.	96.00	Price per unit not exceeding the available budget for a period of 3 years on an as and when required basis.
Three year contract	Two (02) bids were received and one(1) bid was non-responsive due to failure on their side to attach a valid tax clearance certificate, an up to date utilities account statement. The one(1) bid was further evaluated in detail in terms of the PPPFA. The bidder scored the highest number of points as per Preferential Procurement Policy Framework Act (PPPFA) and its regulations and complied with both specifications and terms and conditions of the contract.	92.56	R 30 000 000.00
Standard Term	Five (05) bids were received and were all responsive in terms of compliance evaluation and four (4) bids were non-responsive due to non-satisfactory to functionality evaluation. The one(1) bid was further evaluated in detail in terms of the PPPFA. The bidder scored the highest number of points as per Preferential Procurement Policy Framework Act (PPPFA) and its regulations and complied with both specifications and terms and conditions of the contract.	90.00	R 482 610.79
Standard Term	Eight(08) bids were received and one(1) bid was non-responsive due to failure on their side to attach a valid tax clearance certificate, an up to date utilities account statement and three(03) bids were non-responsive due to non-satisfactory to functionality evaluation. The four(04) bids were further evaluated in detail in terms of the PPPFA. The bidder scored the highest number of points as per Preferential Procurement Policy Framework Act (PPPFA) and its regulations and complied with both specifications and terms and conditions of the contract.	94.00	R 98 560.00
Standard Term	Six (6) bids were received and one(1) bid was non-responsive due to failure on their side to attach a valid tax clearance certificate, an up to date utilities account statement and four (4) bids were non-responsive due to non-satisfactory to functionality evaluation. The one(1) bid was further evaluated in detail in terms of the PPPFA. The bidder scored the highest number of points as per Preferential Procurement Policy Framework Act (PPPFA) and its regulations and complied with both specifications and terms and conditions of the contract.	96.00	R 228 000.00
Standard Term	One (01) bid was received and complied with the terms of reference. The one(1) bid was further evaluated in detail in terms of the PPPFA. The bidder scored the highest number of points as per Preferential Procurement Policy Framework Act (PPPFA) and its regulations and complied with both specifications and terms and conditions of the contract.	90.00	R 248 584.00

No	Bid/ PR No.	Contract description	Name of Contractor	Department	Appointment Date
20	8/2/2/62-2010	Grading of Open Unven land to Reach the Proposed level for Provision of Car Parking Space at Vereeniging Airport for a Period of ten days.	Oxy Trading 541 CC.	Corporate Services	26-Sep-10
21	8/2/2/63-2010	Upgrading of Electricity and lighting of the Airport (Rate per Hour)	Tambo Electrical Air-conditioning Refrigeration CC.	Corporate Services	24-Oct-11
22	8/2/2/64-2010	Cutting of grass at Vereeniging Airport for a period of fifteen days.	Picrovision CC.	Corporate Services	15-Aug-10
23	8/2/5/11-2010	Research and Compilation of Historical Records of the Event of September 3th 1984	Bafetuhile Development CC.	Corporate Services	15-Aug-10
24	8/2/2/65-2010	Proposal for design, documentation and commission on construction of new Public Toilets at Vereeniging Fresh Produced Market.	Dibate Property Consulting	Corporate Services	23-Feb-11
25	8/2/2/27-2010	Proposal for a panel of electrical services (Awarded to the value not exceeding the available budget)	P&D Construction CC. True Commissioning CC.	Corporate Services	29-Nov-10
26	8/2/2/28-2010	Proposal for a panel of qualified air conditioner contractors. (Awarded to the value not exceeding the available budget)	Lungisa Air Conditioning & Refrigeration CC.	Corporate Services	29-Nov-10
			Fast Move Electrical CC.		
27	8/2/2/29-2010	Proposal for a panel of plumbing services. (Awarded to the value not exceeding the available budget)	Sandla Sangezana Trading & Projects CC,	Corporate Services	29-Nov-10
			P & D Building Construction CC.		
			Alpro Pool & Plumbing Services CC.		

Period of Contract	Recommendation Reasons	Total Points Scored (100)	Total contract price
Standard Term	Six (6) bids were received and one(1) bid was non-responsive due to failure on their side to attach a valid tax clearance certificate, an up to date utilities account statement and four (4) bids were non-responsive due to non-satisfactory to functionality evaluation. The one(1) bid was further evaluated in detail in terms of the PPPFA. The bidder scored the highest number of points as per Preferential Procurement Policy Framework Act (PPPFA) and its regulations and complied with both specifications and terms and conditions of the contract.	90.00	R 159 600.00
Standard Term	Six (6) bids were received and one(1) bid was non-responsive due to failure on their side to attach a valid tax clearance certificate, an up to date utilities account statement and four (4) bids were non-responsive due to non-satisfactory to functionality evaluation. The one(1) bid was further evaluated in detail in terms of the PPPFA. The bidder scored the highest number of points as per Preferential Procurement Policy Framework Act (PPPFA) and its regulations and complied with both specifications and terms and conditions of the contract.	89.60	R 741.00
Standard Term	Six (6) bids were received and one(1) bid was non-responsive due to failure on their side to attach a valid tax clearance certificate, an up to date utilities account statement and four (4) bids were non-responsive due to non-satisfactory to functionality evaluation. The one(1) bid was further evaluated in detail in terms of the PPPFA. The bidder scored the highest number of points as per Preferential Procurement Policy Framework Act (PPPFA) and its regulations and complied with both specifications and terms and conditions of the contract.	88.00	R 145 000.00
Standard Term	Six (6) bids were received and one(1) bid was non-responsive due to failure on their side to attach a valid tax clearance certificate, an up to date utilities account statement and four (4) bids were non-responsive due to non-satisfactory to functionality evaluation. The one(1) bid was further evaluated in detail in terms of the PPPFA. The bidder scored the highest number of points as per Preferential Procurement Policy Framework Act (PPPFA) and its regulations and complied with both specifications and terms and conditions of the contract.	94.00	R 192 660.00
Standard Term	Six (6) bids were received and one(1) bid was non-responsive due to failure on their side to attach a valid tax clearance certificate, an up to date utilities account statement and four (4) bids were non-responsive due to non-satisfactory to functionality evaluation. The one(1) bid was further evaluated in detail in terms of the PPPFA. The bidder scored the highest number of points as per Preferential Procurement Policy Framework Act (PPPFA) and its regulations and complied with both specifications and terms and conditions of the contract.	89.04	R 131 000.00
One year contract.	Six (6) bids were received and one(1) bid was non-responsive due to failure on their side to attach a valid tax clearance certificate, an up to date utilities account statement and four (4) bids were non-responsive due to non-satisfactory to functionality evaluation. The one(1) bid was further evaluated in detail in terms of the PPPFA. The bidder scored the highest number of points as per Preferential Procurement Policy Framework Act (PPPFA) and its regulations and complied with both specifications and terms and conditions of the contract.	92.00	R 1 529 240.96
		90.00	
One year contract.	Six (6) bids were received and one(1) bid was non-responsive due to failure on their side to attach a valid tax clearance certificate, an up to date utilities account statement and four (4) bids were non-responsive due to non-satisfactory to functionality evaluation. The one(1) bid was further evaluated in detail in terms of the PPPFA. The bidder scored the highest number of points as per Preferential Procurement Policy Framework Act (PPPFA) and its regulations and complied with both specifications and terms and conditions of the contract.	94.00	
		94.00	
One year contract.	Nine (09) bids were received and one(1) bid was non-responsive due to failure on their side to attach a valid tax clearance certificate, an up to date utilities account statement and four (5) bids were non-responsive due to non-satisfactory to functionality evaluation. The three(03) bids were further evaluated in detail in terms of the PPPFA. The bidder scored the highest number of points as per Preferential Procurement Policy Framework Act (PPPFA) and its regulations and complied with both specifications and terms and conditions of the contract.	94.00	
		92.00	
		90.00	

No	Bid/ PR No.	Contract description	Name of Contractor	Department	Appointment Date
28	8/2/22-2010	Proposal for a panel of professional painting contractors. (Awarded to the value not exceeding the available budget)	Mdlane Trading CC.	Corporate Services	29-Nov-10
			Chaba Tsohle Construction & Projects CC.		
29	8/2/23-2010 (Re-Advert)	Proposal for supply and delivery of one tractor, one plain disc mower and one rotary cutter (slasher).	Vuza Management Services (Pty)Ltd.	Corporate Services	02-Mar-11
30	8/2/291-2010	Refurbishment of Offices at Sedibeng District Municipality's Main Building (Room No.: 13 and 07 Ground Floor).	Mvelas and Mahwana Construction CC.	Corporate Services	18-Jan-11
31	8/2/257-2010	Supply of Comprehensive Repair and Maintenance Services for printing peripherals to the Sedibeng District Municipality Information Technology Department.(Price per Unit)	Ams Rentals (Pty) Ltd	Corporate Services	27-Oct-10
32	RT57	Proposal to procure vehicles for the political management units and other clusters.	BMW Vereeniging (Vaalridge Auto)	Corporate Services	03-Dec-10
			Shadewind 40 (Pty) Ltd T/A Star Nissan		
			New Vaal Motors		
33	8/2/320-2009	Proposal for VAT review and recovery exercise for Sedibeng District Municipality.	PKG Consulting CC.	Finance	15-Jul-10
34	8/2/318-2009	Development of Sedibeng District Municipality's procurement Strategy	Africa Vukani Holding (Pty) Ltd	Finance	27-Oct-10
35	8/2/31-2010	Proposals for a professional service provider to develop a long term financial plan for Sedibeng District Municipality.	Ubuntu Business advisory & Consultancy (PTY) Ltd.	Finance	27-Oct-10

Period of Contract	Recommendation Reasons	Total Points Scored (100)	Total contract price
One year contract.	Eleven (11) bids were received and two (02) bids were non-responsive due to failure on their side to attach a valid tax clearance certificate, an up to date utilities account statement and seven (07) bids were non-responsive due to non-satisfactory to functionality evaluation. The two(02) bids were further evaluated in detail in terms of the PPPFA. The bidder scored the highest number of points as per Preferential Procurement Policy Framework Act (PPPFA) and its regulations and complied with both	97.00	
		98.00	
Standard Term	Seven (07) bids were received and all bids were responsive and were further evaluated for functionality and only two(02) bids were found to be non-responsive for functionality The five(05) bid was further evaluated in detail in terms of the PPPFA. The bidder scored the highest number of points as per Preferential Procurement Policy Framework Act (PPPFA) and its regulations and complied with both specifications and terms and conditions of the contract.	94.00	R 498 388.05
Standard Term	Six (6) bids were received and one(1) bid was non-responsive due to failure on their side to attach a valid tax clearance certificate, an up to date utilities account statement and four (4) bids were non-responsive due to non-satisfactory to functionality evaluation. The one(1) bid was further evaluated in detail in terms of the PPPFA. The bidder scored the highest number of points as per Preferential Procurement Policy Framework Act (PPPFA) and its regulations and complied with both specifications and terms and conditions of the contract.	94.00	R 183 711.00
Standard Term	Six (6) bids were received and one(1) bid was non-responsive due to failure on their side to attach a valid tax clearance certificate, an up to date utilities account statement and four (4) bids were non-responsive due to non-satisfactory to functionality evaluation. The one(1) bid was further evaluated in detail in terms of the PPPFA. The bidder scored the highest number of points as per Preferential Procurement Policy Framework Act (PPPFA) and its regulations and complied with both specifications and terms and conditions of the contract.	92.94	R 22 104.60
Standard Term	RT 57 contract form National Treasury was used to procure the vehicles.	90.00	R 790 680.00
			R 1 904 667.47
			R 394 799.96
One year contract.	Six (6) bids were received and one(1) bid was non-responsive due to failure on their side to attach a valid tax clearance certificate, an up to date utilities account statement and four (4) bids were non-responsive due to non-satisfactory to functionality evaluation. The one(1) bid was further evaluated in detail in terms of the PPPFA. The bidder scored the highest number of points as per Preferential Procurement Policy Framework Act (PPPFA) and its regulations and complied with both specifications and terms and conditions of the contract.	95.00	2.85%
One year contract.	Six (6) bids were received and one(1) bid was non-responsive due to failure on their side to attach a valid tax clearance certificate, an up to date utilities account statement and four (4) bids were non-responsive due to non-satisfactory to functionality evaluation. The one(1) bid was further evaluated in detail in terms of the PPPFA. The bidder scored the highest number of points as per Preferential Procurement Policy Framework Act (PPPFA) and its regulations and complied with both specifications and terms and conditions of the contract.	94.00	R 437 500.00
One year contract.	Six (6) bids were received and one(1) bid was non-responsive due to failure on their side to attach a valid tax clearance certificate, an up to date utilities account statement and four (4) bids were non-responsive due to non-satisfactory to functionality evaluation. The one(1) bid was further evaluated in detail in terms of the PPPFA. The bidder scored the highest number of points as per Preferential Procurement Policy Framework Act (PPPFA) and its regulations and complied with both	92.00	R 1 224 991.96

No	Bid/ PR No.	Contract description	Name of Contractor	Department	Appointment Date
36	8/2/3/8-2010	Proposal for Panel of Supply and Delivery of Cleaning Supplies.	Mmapaballo Thathalasi Trading CC.	Finance	08-Dec-10
			Tsoani Trading Enterprise CC.		
			Inhlakanipo Trading and Projects CC.		
			Hepit Trading and Projects CC.		
			Teriskano Trading CC.		
			Leeto La Rona Trading and Projects CC.		
			Mahlake Kabamba Construction and Projects CC.		
			Maranang A Letsatsi Logistics and Services CC.		
			Pule Paul Nhlapo IT Services Maintenance CC.		
			Pontshong Trading and Projects CC.		
37	8/2/3/6-2010	Proposal for a Panel of Transport Service Providers.	Magic Labour & Hire CC.	Finance	08-Dec-10
			Aahaah Shuttle & Tours CC.		
38	8/2/3/7-2010	Proposal for Panel of Supply and Delivery of Office Refreshments.	Izigi Zeafrica Construction CC.	Finance	08-Dec-10
			Manana C Trading Enterprise CC.		
			Teriskano Trading CC.		
			Zaidul Trading CC.		
			Pitsi Ya Naga Trading Enterprise CC.		
			Mampopi Marketing and Promotions CC.		
			Palipa Trading Enterprise CC.		
			Moreki Distributors CC.		
			Tiaco Trading and Projects CC.		
			Ketumo Trading Enterprise (Pty) Ltd		
			Makume Learn and Drive CC.		
			Ntjiloni Trading Enterprise CC.		
			NH Direct Supply CC.		

Period of Contract	Recommendation Reasons	Total Points Scored (100)	Total contract price
One year contract.	<p>Forty two (42) bids were received and Thirteen(13) bid was non-responsive due to failure on their side to attach a valid tax clearance certificate, an up to date utilities account statement and Deregistration final and nineteen (19) bids were non-responsive due to non-satisfactory to functionality evaluation.</p> <p>The ten(10) bids were further evaluated in detail in terms of the PPPFA.</p> <p>The bidders scored the highest number of points as per Preferential Procurement Policy Framework Act (PPPFA) and its regulations and complied with both specifications and terms and conditions of the contract.</p>	90.00	R 127 991.96
One year contract.	<p>Three(03) bids were received and all bids were responsive and were further evaluated for functionality and only one(01) was found to be non-responsive for functionality</p> <p>The two(02) bids were further evaluated in detail in terms of the PPPFA.</p> <p>The bidders scored the highest number of points as per Preferential Procurement Policy Framework Act (PPPFA) and its regulations and complied with both specifications and terms and conditions of the contract.</p>	90.00	R 1 480 454.79
One year contract.	<p>Forty Seven (47) bids were received and Thirteen(13) bids were non-responsive due to failure on their side to attach a valid tax clearance certificate, an up to date utilities account statement, deregistration final and nineteen (19) bids were non-responsive due to non-satisfactory to functionality evaluation.</p> <p>The fifteen(15) bids were further evaluated in detail in terms of the PPPFA.</p> <p>The bidders scored the highest number of points as per Preferential Procurement Policy Framework Act (PPPFA) and its regulations and complied with both specifications and terms and conditions of the contract.</p>	90.00	R 225 401.34

No	Bid/ PR No.	Contract description	Name of Contractor	Department	Appointment Date
			Mmapaballo Thathalasi Trading CC.		
			NTC Distributors CC.		
39	8/2/3/9-2010	Supply and delivery of Newspapers for Sedibeng District Municipality.	Siza Kancane Trading Enterprise CC.	Finance	100%
40	8/2/4/6-2010	Construction of Pedestrian Paving in Evaton: Avondale Street.	Kea Dira Construction CC.	Transport, Infrastructure and Environment	19-Jul-11
41	8/2/4/7-2010	Construction of Pedestrian Paving in Evaton: Boundary Street.	African Moon Trading CC.	Transport, Infrastructure and Environment	19-Jul-11
42	8/2/4/8-2010	Construction of Pedestrian Paving in Evaton: Easton Street Phase I.	Arocon Projects CC.	Transport, Infrastructure and Environment	19-Jul-11
43	8/2/4/14-2010	Construction of Pedestrian Paving in Evaton: Hamilton Street.	Rantoea Service Provider CC.	Transport, Infrastructure and Environment	19-Jul-11
44	8/2/4/9-2010	Construction of Pedestrian Paving in Evaton: Easton Street Phase II.	Mofulatsira Building CC. and Mdlane Trading CC. JV	Transport, Infrastructure and Environment	19-Jul-11
45	8/2/4/10-2010	Construction of Pedestrian Paving in Evaton: Stirling Street.	Inkokheli Business Enterprise CC.	Transport, Infrastructure and Environment	19-Jul-11

Period of Contract	Recommendation Reasons	Total Points Scored (100)	Total contract price
One year contract.	Five (05) bids were received and one(1) bid was non-responsive due to failure on their side to attach a valid tax clearance certificate, an up to date utilities account statement and four (2) bids were non-responsive due to non-satisfactory to functionality evaluation. The two(02) bids were further evaluated in detail in terms of the PPPFA. The bidders scored the highest number of points as per Preferential Procurement Policy Framework Act (PPPFA) and its regulations and complied with both	96.00	
Standard Term	Twenty eight(28) bids were received and eight (08) bids were non-responsive due to failure on their side to attach a valid tax clearance certificate, an up to date utilities account statement and nineteen (19) bids were non-responsive due to non-satisfactory to functionality evaluation. The one(1) bid was further evaluated in detail in terms of the PPPFA. The bidder scored the highest number of points as per Preferential Procurement Policy Framework Act (PPPFA) and its regulations and complied with both specifications and terms and conditions of the contract.	94.00	R 1 699 689.06
Standard Term	Twenty three (23) bids were received and three(03) bids were non-responsive due to failure on their side to attach a valid tax clearance certificate, an up to date utilities account statement, CIDB is below the required grading and nineteen(19) bids were non-responsive due to non-satisfactory to functionality evaluation. The one(1) bid was further evaluated in detail in terms of the PPPFA. The bidder scored the highest number of points as per Preferential Procurement Policy Framework Act (PPPFA) and its regulations and complied with both specifications and terms and conditions of the contract.	94.00	R 1 792 448.79
Standard Term	Twenty Five (25) bids were received and five(05) bids were non-responsive due to failure on their side to attach a valid tax clearance certificate, an up to date utilities account statement and nineteen (19) bids were non-responsive due to non-satisfactory to functionality evaluation. The one(1) bid was further evaluated in detail in terms of the PPPFA. The bidder scored the highest number of points as per Preferential Procurement Policy Framework Act (PPPFA) and its regulations and complied with both specifications and terms and conditions of the contract.	94.00	R 1 632 652.95
Standard Term	Six (6) bids were received and one(1) bid was non-responsive due to failure on their side to attach a valid tax clearance certificate, an up to date utilities account statement and four (4) bids were non-responsive due to non-satisfactory to functionality evaluation. The one(1) bid was further evaluated in detail in terms of the PPPFA. The bidder scored the highest number of points as per Preferential Procurement Policy Framework Act (PPPFA) and its regulations and complied with both specifications and terms and conditions of the contract.	98.02	R 2 635 290.75
Standard Term	Fourteen (14) bids were received and three(03) bids were non-responsive due to failure on their side to attach a valid tax clearance certificate, an up to date utilities account statement, CIDB is below the required grading and ten (10) bids were non-responsive due to non-satisfactory to functionality evaluation. The one(1) bid was further evaluated in detail in terms of the PPPFA. The bidder scored the highest number of points as per Preferential Procurement Policy Framework Act (PPPFA) and its regulations and complied with both specifications and terms and conditions of the contract.	96.05	R 1 538 189.00
Standard Term	Twenty Five (25) bids were received and five(05) bids were non-responsive due to failure on their side to attach a valid tax clearance certificate, an up to date utilities account statement and nineteen (19) bids were non-responsive due to non-satisfactory to functionality evaluation. The one(1) bid was further evaluated in detail in terms of the PPPFA. The bidder scored the highest number of points as per Preferential Procurement Policy Framework Act (PPPFA) and its regulations and complied with both specifications and terms and conditions of the contract.	95.00	R 1 901 413.87

No	Bid/ PR No.	Contract description	Name of Contractor	Department	Appointment Date
46	8/2/4/11-2010	Construction of Pedestrian Paving in Evaton: Togo Street.	Asande Developers CC.	Transport, Infrastructure and Environment	19-Jul-11
47	8/2/4/12-2011	Construction of Pedestrian Paving in Evaton: Union Street.	Tsepang Contractors and Trading CC.	Transport, Infrastructure and Environment	19-Jul-11
48	8/2/4/13-2009	Supply and Erection of Warning, Regulatory and Directional Signposting for the Emfuleni Local Municipality	Le-nash International Investment CC.	Transport, Infrastructure and Environment	09-Nov-10
49	8/2/4/18-2010	Supply and Installation of Solar Water Heating Systems (Geyser) to 1.500 low income household Emfuleni	Messrs Thunzi Consulting (Pty) Ltd	Transport, Infrastructure and Environment	01-Dec-10
50	8/2/5/10-2010	Supply, Install and maintenance of an IP based Radio and Unified Group Communication Systems.	Sysman Vunumphelo (Pty) Ltd.	Community Services	02-Mar-11
51	8/2/5/19-2010	Supply and delivery of Uniform for Sedibeng District Municipality's Emergency Services.	Zemdock CC. T/A Sedgars	Community Services	20-Jun-11
52	8/2/5/4-2011	Supply and Delivery of Inflatable Rescue Boat for Sedibeng District Municipality	Dive Looneys CC.	Community Services	09-Jun-11
53	8/2/5/3-2011	Supply and delivery of Fire Fighting Trailer for Sedibeng District Municipality.	Boiketlo Baka Trading 341 CC.	Community Services	01-Jun-11
54	8/2/5/8-2011	Supply and delivery of a Remote Wireless Camera System	Klatrade 470 (Pty) Ltd T/A Securelink	Community Services	07-Jun-11

Period of Contract	Recommendation Reasons	Total Points Scored (100)	Total contract price
Standard Term	Eleven (11) bids were received and three(03) bid were non-responsive due to failure on their side to attach a valid tax clearance certificate, an up to date utilities account statement and seven (07) bids were non-responsive due to non-satisfactory to functionality evaluation. The one(1) bid was further evaluated in detail in terms of the PPPFA. The bidder scored the highest number of points as per Preferential Procurement Policy Framework Act (PPPFA) and its regulations and complied with both specifications and terms and conditions of the contract.	94.08	R 1 517 911.80
Standard Term	Twenty four (24) bids were received and five(05) bids were non-responsive due to failure on their side to attach a valid tax clearance certificate, an up to date utilities account statement and eighteen (18) bids were non-responsive due to non-satisfactory to functionality evaluation. The one(1) bid was further evaluated in detail in terms of the PPPFA. The bidder scored the highest number of points as per Preferential Procurement Policy Framework Act (PPPFA) and its regulations and complied with both specifications and terms and conditions of the contract.	96.00	R 2 790 800.54
Standard Term	Nine (09) bids were received and six(06) bids were non-responsive due to failure on their side to attach a valid tax clearance certificate, an up to date utilities account statement, CIDB is below the required grading and four (2) bids were non-responsive due to non-satisfactory to functionality evaluation. The one(1) bid was further evaluated in detail in terms of the PPPFA. The bidder scored the highest number of points as per Preferential Procurement Policy Framework Act (PPPFA) and its regulations and complied with both specifications and terms and conditions of the contract.	90.00	R 8 106 967.50
Standard Term	Twenty three (23) bids were received and one(01) bid was non-responsive due to failure on their side to attach a valid tax clearance certificate, an up to date utilities account statement and four (18) bids were non-responsive due to non-satisfactory to functionality evaluation. The four(04) bids were further evaluated in detail in terms of the PPPFA. The bidder scored the highest number of points as per Preferential Procurement Policy Framework Act (PPPFA) and its regulations and complied with both specifications and terms and conditions of the contract.	94.00	R 10 301 501.70
Standard Term	Two (02) bids were received and were both responsive as per functionality evaluation. Both bids were further evaluated in detail in terms of the PPPFA. The bidder scored the highest number of points as per Preferential Procurement Policy Framework Act (PPPFA) and its regulations and complied with both specifications and terms and conditions of the contract.	97.00	R 990 546.00
Standard Term	Six (6) bids were received and one(1) bid was non-responsive due to failure on their side to attach a valid tax clearance certificate, an up to date utilities account statement and four (4) bids were non-responsive due to non-satisfactory to functionality evaluation. The one(1) bid was further evaluated in detail in terms of the PPPFA. The bidder scored the highest number of points as per Preferential Procurement Policy Framework Act (PPPFA) and its regulations and complied with both specifications and terms and conditions of the contract.	97.02	R 542 548.00
Standard Term	Six (6) bids were received and one(1) bid was non-responsive due to failure on their side to attach a valid tax clearance certificate, an up to date utilities account statement and four (4) bids were non-responsive due to non-satisfactory to functionality evaluation. The one(1) bid was further evaluated in detail in terms of the PPPFA. The bidder scored the highest number of points as per Preferential Procurement Policy Framework Act (PPPFA) and its regulations and complied with both specifications and terms and conditions of the contract.	95.00	R 333 885.00
Standard Term	Four (04) bids were received and one(1) bid was non-responsive due to failure on their side to attach a valid tax clearance certificate and an up to date utilities account statement. The three(03) bids were further evaluated in detail in terms of the PPPFA. The bidder scored the highest number of points as per Preferential Procurement Policy Framework Act (PPPFA) and its regulations and complied with both specifications and terms and conditions of the contract.	97.00	R 73 500.00
Standard Term	Four (04) bids were received and three(03) bids were non-responsive due to failure on their side to attach a valid tax clearance certificate, an up to date utilities account statement .. The one(1) bid was further evaluated in detail in terms of the PPPFA. The bidder scored the highest number of points as per Preferential Procurement Policy Framework Act (PPPFA) and its regulations and complied with both specifications and terms and conditions of the contract.	82.40	R 73 987.60

No	Bid/ PR No.	Contract description	Name of Contractor	Department	Appointment Date
55	8/2/5/1-2011	Proposals to Procure Silk Screen Equipment	Rediabetsoe Trading CC.	Community Services	17-Jun-11
56	8/2/5/9-2011	Supply and delivery of office Furniture for MMC: Social Services.	Diamond Corner T/A Amtronics CC.	Community Services	24-Jun-11
57	8/2/5/10-2010	Tombstones of victims Nangalembe Massacre.	ABA- Nation Construction & Projects CC.	Community Services	12-Nov-10
58	8/2/5/16-2010	Appointment of a Transaction Advisor for CCTV Expansion Project & IT Cabling Project.	Eskteen & Le Roux CC.	Community Services	10-Jan-11
59	8/2/5/25-2010	Supply and delivery of firearms for Sedibeng District Municipality.	Ensemble Trading 2053 CC.	Community Services	17-Feb-11
60	8/2/6/12-2010	Establishment of the Sedibeng Development Agency for Sedibeng District Municipality	Urban- Econ CC.	Strategic, Planning and Economic Development	17-Aug-10
61	8/2/6/1-2011	Supply and delivery of office furniture for SPED.	Rediabetsoe Trading CC.	Strategic Planning Economic Development	19-May-11
62	8/2/6/9-2010	Proposal for printing of IDP documents.	Dirt Predators CC.	Strategic, Planning and Economic Development	31-Aug-10
63	8/2/6/2-2011	Supply and delivery of office Furniture for SPED (Executive Director and Reception).	Diamond Corner T/A Amtronics CC.	Strategic, Planning and Economic Development	24-Jun-11
64	8/2/6/3-2011	Supply and delivery of office Furniture for SPED (Director).	Mount Dew Trading CC.	Strategic, Planning and Economic Development	24-Jun-11

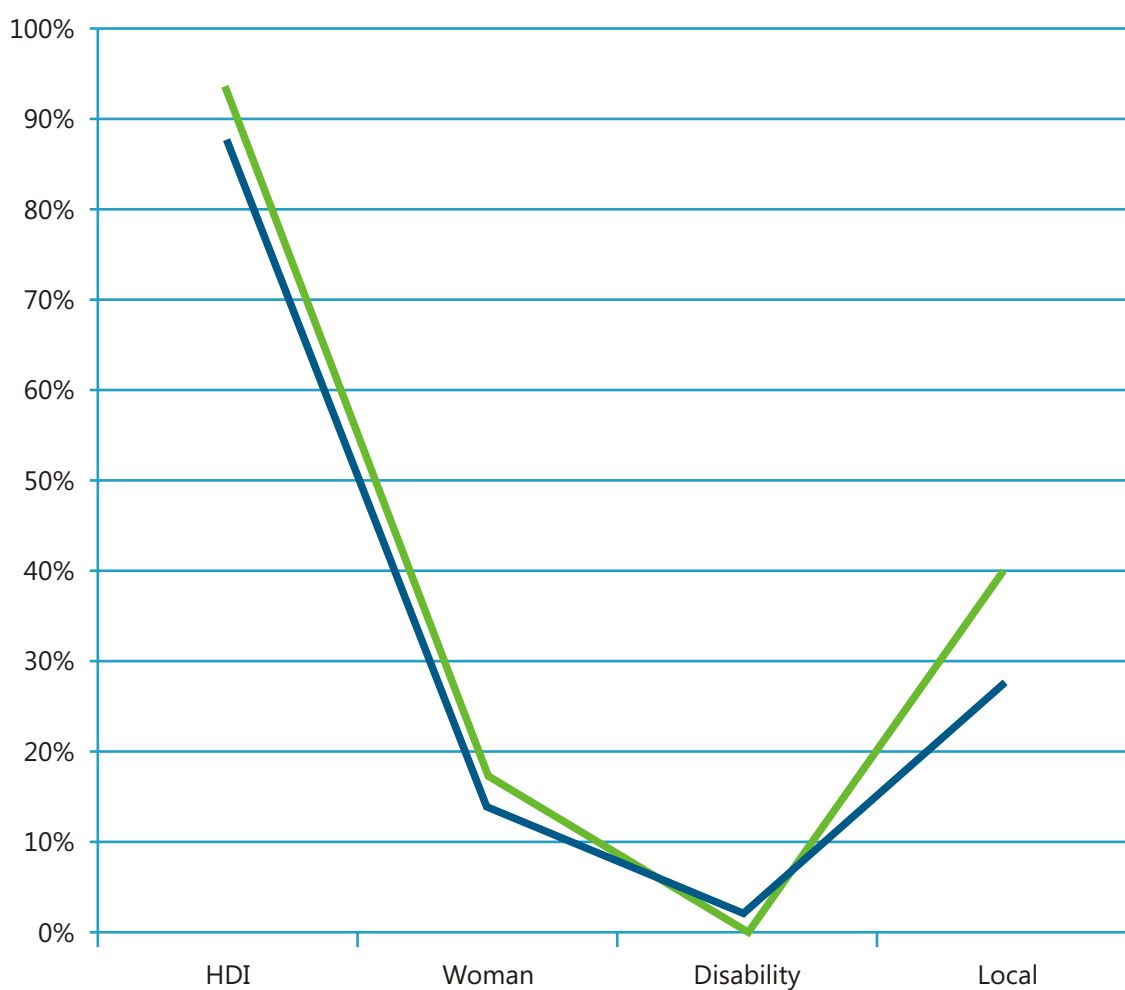
Period of Contract	Recommendation Reasons	Total Points Scored (100)	Total contract price
Standard Term	Six (6) bids were received and one(1) bid was non-responsive due to failure on their side to attach a valid tax clearance certificate, an up to date utilities account statement and four (4) bids were non-responsive due to non-satisfactory to functionality evaluation. The one(1) bid was further evaluated in detail in terms of the PPPFA. The bidder scored the highest number of points as per Preferential Procurement Policy Framework Act (PPPFA) and its regulations and complied with both specifications and terms and conditions of the contract.		R 172 140.00
Standard Term	Three (03) bids were received and all bids were satisfactory to functionality evaluation. The three (03) bid was further evaluated in detail in terms of the PPPFA. The bidder scored the highest number of points as per Preferential Procurement Policy Framework Act (PPPFA) and its regulations and complied with both specifications and terms and conditions of the contract.	94.00	R 102 087.00
Standard Term	Five(05) bids were received and two (02) bid was non-responsive due to failure on their side to attach a valid tax clearance certificate, an up to date utilities account statement and two (02) bids were non-responsive due to non-satisfactory to functionality evaluation. The one(1) bid was further evaluated in detail in terms of the PPPFA. The bidder scored the highest number of points as per Preferential Procurement Policy Framework Act (PPPFA) and its regulations and complied with both specifications and terms and conditions of the contract.	98.00	R 199 858.18
Three year contract.	Seven (07) bids were received and one(1) bid was non-responsive due to failure on their side to attach a valid tax clearance certificate, an up to date utilities account statement and three (03) bids were non-responsive due to non-satisfactory to functionality evaluation. The one(1) bid was further evaluated in detail in terms of the PPPFA. The bidder scored the highest number of points as per Preferential Procurement Policy Framework Act (PPPFA) and its regulations and complied with both specifications and terms and conditions of the contract.	90.00	R 941 153.20
Standard Term	One (01) bid was received and the (1) bid was further evaluated in detail in terms of the PPPFA. The bidder scored the highest number of points as per Preferential Procurement Policy Framework Act (PPPFA) and its regulations and complied with both specifications and terms and conditions of the contract.	94.00	R 122 664.00
Standard Term	Six (6) bids were received and one(1) bid was non-responsive due to failure on their side to attach a valid tax clearance certificate, an up to date utilities account statement and four (4) bids were non-responsive due to non-satisfactory to functionality evaluation. The one(1) bid was further evaluated in detail in terms of the PPPFA. The bidder scored the highest number of points as per Preferential Procurement Policy Framework Act (PPPFA) and its regulations and complied with both specifications and terms and conditions of the contract.	92.06	R 199 500.00
Standard Term	Ten (10) bids were received and one(1) bid was non-responsive due to failure on their side to attach a valid tax clearance certificate, an up to date utilities account statement and nine (09) bids were evaluated and were satisfactory for functionality . The nine(09) bids were further evaluated in detail in terms of the PPPFA. The bidder scored the highest number of points as per Preferential Procurement Policy Framework Act (PPPFA) and its regulations and complied with both specifications and terms and conditions of the contract.	96.00	R 159 222.00
Standard Term	Six (6) bids were received and one(1) bid was non-responsive due to failure on their side to attach a valid tax clearance certificate, an up to date utilities account statement and four (4) bids were non-responsive due to non-satisfactory to functionality evaluation. The one(1) bid was further evaluated in detail in terms of the PPPFA. The bidder scored the highest number of points as per Preferential Procurement Policy Framework Act (PPPFA) and its regulations and complied with both specifications and terms and conditions of the contract.	94.00	R 150 000.00
Standard Term	Eight (08) bids were received and all bids complied with functionality evaluation. The eight(08) bids were further evaluated in detail in terms of the PPPFA. The bidder scored the highest number of points as per Preferential Procurement Policy Framework Act (PPPFA) and its regulations and complied with both specifications and terms and conditions of the contract.	94.00	R 73 416.00
Standard Term	Eight (08) bids were received and all bids complied with functionality evaluation. The eight(08) bids were further evaluated in detail in terms of the PPPFA. The bidder scored the highest number of points as per Preferential Procurement Policy Framework Act (PPPFA) and its regulations and complied with both specifications and terms and conditions of the contract.	94.00	R 143 526.00

No	Bid/ PR No.	Contract description	Name of Contractor	Department	Appointment Date
65	8/2/6/1-2010	Additions, alterations, repairs and renovations to Sharpeville Community Hall at Cnr of Zwane and Seeiso Street Sharpeville.	Kamo Business Enterprise CC.	Strategic, Planning and Economic Development	24-Jun-11
66	8/2/6/4-2011	Supply and delivery of office Furniture for SPED (staff).	Sharlimar Garden Trading CC.	Strategic, Planning and Economic Development	24-Jun-11
67	8/2/6/6-2011	Supply and delivery of office Furniture for MMC: SPED.	Sharlimar Garden Trading CC.	Strategic, Planning and Economic Development	24-Jun-11
68	8/2/6/5-2011	Proposal for printing of the IDP Documents for 2011/2012	Marena Printing Company Pty Ltd	Strategic, Planning and Economic Development	24-Jun-11
69	8/2/8/14-2010	Mount (Conceive, develop, implement and review) a public relations (PR) communications programme / campaign promoting Sedibeng Municipality's service delivery achievements and plans.	7th Question Marketing & Communications	Mayor's Office	01-Apr-11
70	8/2/9/1-2011	Supply and Delivery of a Marquee Tent for 2000 people.	Zox Trading and Projects CC.	Speaker's Office	13-Apr-11
71	8/2/9/6-2010 (Re-Advert)	Assessment of Councilors Accumulated Knowledge from Training Programmes.	Reflection Institute for Development CC.	Speaker's Office	15-Mar-11
72	8/2/9/2-2010	Office furniture for the Director in the Office of the Chief Whip.	Diamond Corner CC.	Chief Whip	15-Sep-11

Period of Contract	Recommendation Reasons	Total Points Scored (100)	Total contract price
Standard Term	Fourteen(14) bids were received and two(02) bids were non-responsive due to failure on their side to attach a valid tax clearance certificate, an up to date utilities account statement, CIDB is below the required grading and six (06) bids were non-responsive due to non-satisfactory to functionality evaluation. The six(06) bids were further evaluated in detail in terms of the PPPFA. The bidder scored the highest number of points as per Preferential Procurement Policy Framework Act (PPPFA) and its regulations and complied with both specifications and terms and conditions of the contract.	94.00	R 13 274 014.81
Standard Term	Eight (08) bids were received and all bids complied with functionality evaluation. The eight(08) bids were further evaluated in detail in terms of the PPPFA. The bidder scored the highest number of points as per Preferential Procurement Policy Framework Act (PPPFA) and its regulations and complied with both specifications and terms and conditions of the contract.	94.00	R 143 900.00
Standard Term	Three(03) bids were received and all bids complied with functionality evaluation. The three(03) bid was further evaluated in detail in terms of the PPPFA. The bidder scored the highest number of points as per Preferential Procurement Policy Framework Act (PPPFA) and its regulations and complied with both specifications and terms and conditions of the contract.	94.00	R 58 500.00
Standard Term	Four (04) bids were received and one(1) bid was non-responsive due to failure on their side to attach a valid tax clearance certificate, an up to date utilities account statement and two (02) bids were non-responsive due to non-satisfactory to functionality evaluation. The one(1) bid was further evaluated in detail in terms of the PPPFA. The bidder scored the highest number of points as per Preferential Procurement Policy Framework Act (PPPFA) and its regulations and complied with both specifications and terms and conditions of the contract.	96.00	R 89 262.00
Standard Term	Eight (08) bids were received and one(1) bid was non-responsive due to failure on their side to attach a valid tax clearance certificate, an up to date utilities account statement and four (4) bids were non-responsive due to non-satisfactory to functionality evaluation. The one(1) bid was further evaluated in detail in terms of the PPPFA. The bidder scored the highest number of points as per Preferential Procurement Policy Framework Act (PPPFA) and its regulations and complied with both specifications and terms and conditions of the contract.	97.00	R 496 584.00
Standard Term	Four (04) bids were received and one(1) bid was non-responsive due to failure on their side to attach a valid tax clearance certificate, an up to date utilities account statement and two (2) bids were non-responsive due to non-satisfactory to functionality evaluation. The one(1) bid was further evaluated in detail in terms of the PPPFA. The bidder scored the highest number of points as per Preferential Procurement Policy Framework Act (PPPFA) and its regulations and complied with both specifications and terms and conditions of the contract.	96.00	R 59 565.00
Standard Term	Six (6) bids were received and one(1) bid was non-responsive due to failure on their side to attach a valid tax clearance certificate, an up to date utilities account statement and four (4) bids were non-responsive due to non-satisfactory to functionality evaluation. The one(1) bid was further evaluated in detail in terms of the PPPFA. The bidder scored the highest number of points as per Preferential Procurement Policy Framework Act (PPPFA) and its regulations and complied with both specifications and terms and conditions of the contract.	88.00	R 156 043.03
Standard Term	Eleven (11) bids were received and three(03) bid were non-responsive due to failure on their side to attach a valid tax clearance certificate, an up to date utilities account statement and seven (07) bids were non-responsive due to non-satisfactory to functionality evaluation. The one(1) bid was further evaluated in detail in terms of the PPPFA. The bidder scored the highest number of points as per Preferential Procurement Policy Framework Act (PPPFA) and its regulations and complied with both specifications and terms and conditions of the contract.	94.00	R 32 148.00

**Comparison of Formal Written Quotes and Tenders awarded
from Financial Year : 2009 - 2010 to 2010 - 2011 for purchases above R30 000**

Financial year	HDI (%)	Woman (%)	Disability (%)	Local Bidder (%)	HDI (R)	Woman (R)	Disability (R)	Local Bidder (R)	Total Contract Price
2009-2010	93%	18%	0%	40%	R 64,799,848.25	R 12,344,559.16	R 0.00	R 27,929,433.50	R 69,776,885.74
2010-2011	88%	14%	2%	28%	R 85,077,425.36	R 13,580,379.70	R 1,529,240.96	R 27,044,988.68	R 96,705,586.44



ANNEXURE B**Appeals / Complaints Received**

The table below illustrates progress made in addressing all the appeals/complaints received by Supply Chain in the year under review:

BID/ PR NO.	Contract Description	Date Of Appeal	Date Responded
8/2/24-2009	Supply and Installation of Palisade fencing for Vereeniging Airport.	18 January 2010	08 May 2010
8/2/3/13-2009	Supply and Erection of warning, regulatory and directional road traffic signs on major routes in the Emfuleni Local Municipality.	09 June 2010	Outstanding

ANNEXURE C

Procurement Breaches / Deviations For The 2010/2011 Financial Year:

Jul-10								
No.	Date of Deviation	Name of Company	Type of Deviation	Supporting Documentation	Reasons for deviation	Amount	Approved by:	Category
1	10-Jul-10	Heraut	Urgent	1020404	Placement of advert on newspaper and sole supplier of target	R 21,340.80	Municipal Manager	B
2	22-Jul-10	Moriez Trading	Urgent	1020414	Existing public Toilets are out of order	R 98,200.00	Municipal Manager	B
3	20-Jul-10	Novelle	Urgent	1020505	Commissioning software owned by the sole supplier	R 151,050.00	Municipal Manager	B
Total						R 270,590.80		
Aug-10								
No.	Date of Deviation	Name of Company	Type of Deviation	Supporting Documentation	Reasons for deviation	Amount	Approved by:	Category
1	25-Aug-10	Demand Data	Urgent	1018722	The device currently in use to facilitate our daily novell backups which has failed and the unit needs to be replaced as a matter of urgency. Quotations were sourced and the lowest was appointed	R 140,869.55	Municipal Manager	B
Total						R 140,869.55		
Sep-10								
No.	Date of Deviation	Name of Company	Type of Deviation	Supporting Documentation	Reasons for deviation	Amount	Approved by:	Category
1	1-Sep-10	Garujo Trading Enterprise	Emergency	1020894	Maintenance of Demand steel structures and two sliding gates at Sebokeng Plaza taxi rank as a matter of urgency and quotations were sourced from vendors and the lowest was appointed	R 79,800.00	Municipal Manager	A
Total						R 79,800.00		
Oct-10								
No.	Date of Deviation	Name of Company	Type of Deviation	Supporting Documentation	Reasons for deviation	Amount	Approved by:	Category
1	27-Oct-10	Oxy trading 541	Urgent	1021099	Blocked Drains and stolen lids at Taxido taxi rank, the matter was becoming a health hazard	R 189,400.00	Municipal Manager	B
2	27-Oct-10	Moriez Trading	Urgent	1021100	Supply of Mobile toilets at Vereeniging Metre Taxi	R 98,200.00	Municipal Manager	B
3	27-Oct-10	Tambo Electrical Air-conditioning and refrigeration	Urgent	1021092	Repairs and upgrade of electrical supply at Vaal Technorama	R 64,526.28	Municipal Manager	B
4	28-Oct-10	Lacs Security and Cleaning Services CC	Urgent	1021110	Only one quote was obtained and because of the urgency of matter	R 170,088.00	Municipal Manager	B
Total						R 522,214.28		
Nov-10								
No.	Date of deviation	Name of Company	Type of Deviation	Supporting Documentation	Reasons for deviation	Amount	Approved by:	Category
1	1-Nov-10	Vaal Juvenile Troops	Urgent	1021113	The service provider which was suppose to provide water indicated on the day of the event that they wont be able to deliver the water. The supplier for catering was then asked to provide water	R 5,000.00	Municipal Manager	B
Total						R 5,000.00		
Dec-10								
No.	Date of deviation	Name of Company	Type of Deviation	Supporting Documentation	Reasons for deviation	Amount	Approved by:	Category
1	10-Dec-10	Elite Tente Verhuuring	Urgent	1021099	One supplier received due to to urgency, no other supplier provided quotations due to time constraints	R 58,014.60	Municipal Manager	B
2	8-Dec-10	Kemi Courier Service	Urgent	1021180	Remove old structure and replace the roof structure with new Designed Steel Structure	R 184,326.00	Municipal Manager	B
3	26-Dec-10	Elite Tente Verhuuring	Urgent	1021270	Preferred the cheapest supplier which exceeded R30K which will have been placed on a seven day advert. Due to the event being a week away.	R 37,084.20	Municipal Manager	B
Total						R 279,424.80		
Jan-11								
No.	Date of deviation	Name of Company	Type of Deviation	Supporting Documentation	Reasons for deviation	Amount	Approved by:	Category
1	6-Jan-11	Clear Greek Trading 65 (PTY) LTD	Urgent	1021459	Maintenance work at Sebokeng Plaza Taxi Rank, it was necessitated by heavy rainfall and water increase which affected the drainage capacity of the sewer pipe. The situation was causing a hazard situation	R 106,300.00	Municipal Manager	B
2	11-Jan-10	Mophalanya Motlatla Trading Enterprise	Emergency	1021478	Two quotes were sourced from the panel and Mophalanyana Motlatla Trading (Who is not on the panel) was the lowest of the 3 quote received for the Nangalembe Event	R 80,000.00	Municipal Manager	B
3	28-Jan-11	Bonthjafatso Construction CC	Urgent	1021572	Due to the high rain fall over the past couple of weeks, the grass at the Vereeniging Fresh Produce Market has grown immensely and it has resulted in snakes and rats hiding within, in turn poses a risk hazard for the people	R 93,650.00	Municipal Manager	B
4	28-Jan-11	Big Parn Trading Enterprise	Urgent	1021586	Due to the high rain fall over the past couple of weeks, the grass at the Taxido Taxi Rank has grown immensely and it has resulted in snakes and rats hiding within, in turn poses a risk hazard for the people	R 96,000.00	Chief Financial Officer	B
5	28-Jan-11	Proviscon	Urgent	1021571	Due to the high rain fall over the past couple of weeks, the grass at the Vereeniging Airport has grown immensely and it has resulted in snakes and rats hiding within, in turn poses a risk hazard for the people	R 105,000.00	Chief Financial Officer	B
Total						R 480,950.00		

Feb-11								
No.	Date of Deviation	Name of Supplier	Type of Deviation	Supporting Documentation	Reason for deviation	Amount	Approved by;	Category
1	7-Feb-11	Multinue Translation	Urgent	1021640	Translation (Specialised Service) of 90 day Notice-Only sworn translator in Gauteng	R 837.22	Municipal Manager	B
2	15-Feb-11	Opti Plumbers CC T/A The Drain Surgeon	Urgent	1021695	The main sewage line at the North entrance to the main building has burst and needs to be replaced	R 31,443.88	Municipal Manager	B
3	17-Feb-11	Inhlakanipo Trading and projects	Urgent	1021700	The roof of Mayor's parlour and rates hall has serious leaks and excessive rain does not allow for tender process	R 174,494.10	Municipal Manager	B
Total						R 206,775.20		
Mar-11								
No.	Date of Deviation	Name of Company	Type of Deviation	Supporting Documentation	Reason for deviation	Amount	Approved by;	Category
1	7-Mar-11	Imraans Take Away	Urgent	1021897	Lunch for Disciplinary Hearing members that continued on 16 March 2011	R 360.00	Municipal Manager	B
2	15-Mar-11	Nandos	Urgent	1021892	One quotation received due to an urgent disciplinary meeting	R 266.40	Municipal Manager	B
3	17-Mar-11	08 Djihene Trading	Urgent	1021894	Urgent Plumbing Services required, one quotation was sourced	R 16,110.00	Municipal Manager	B
4	21-Mar-11	Nandos	Urgent	1021893	Urgent request for lunch with the Executive Mayor with Stakeholders	R 846.30	Municipal Manager	B
5	25-Mar-11	BCX	Urgent	1021939	Emergency request for repairs of main link hanger and to Emfuleni's main server	R 20,844.90	Municipal Manager	B
6	26-Mar-11	JLE Projects	Urgent	1021988	Removal of garbage and cleaning of the area concerned	R 19,500.00	Municipal Manager	B
Total						R 57,927.60		
Apr-11								
No.	Date of Deviation	Name of Company	Type of Deviation	Supporting Documentation	Reason for deviation	Amount	Approved by;	Category
1	11-Apr-11	VPN Technologie CC	Urgent	1022034	Only two vendors on the database are capable of complete installation and alignment	R 30,681.96	Municipal Manager	B
2	16-Apr-11	Blaque Cherry Gifts and stationery supplies CC	Urgent	1022087	Gifts for end term function for Mayor, Speaker, Chief Whip, MM, COO ED's and special guests, only one quote was received due to an urgent request	R 8,447.60	Municipal Manager	B
3	15-Apr-11	Vaal University of Technology FM	Urgent	1022096	Sole Supplier for target area- Procurement of live reads and two interviews for the SODA	R 6,612.00	Municipal Manager	B
4	15-Apr-11	Theta FM 100.6	Urgent	1022095	Sole Supplier for target area- Procurement of live reads and two interviews for the SODA	R 20,460.00	Municipal Manager	B
5	20-Apr-11	Ellen G CC	Urgent	1022115	Only one quote received, wristbands for SODA	R 2,431.62	Municipal Manager	B
6	20-Apr-11	Zemdock	Urgent	1022125	Two quotes received for Golf T-shirt for general workers of the theatre for SODA	R 2,462.40	Municipal Manager	B
Total						R 71,095.58		
May-10								
No.	Date of Deviation	Name of Company	Type of Deviation	Supporting Documentation	Reason for deviation	Amount	Approved by;	Category
1	5-May-11	Imperial Group/Vaal ridge auto	Urgent	1022179	Sole Supplier- Replacement of a tyre for the BMW 325i located to the office of the Speaker	R 5,223.25	Chief Financial officer	B
2	10-May-11	Blaque Cherry Gifts and stationery supplies CC	Urgent	1022245	Watch required as a gift for Mr. Neville Felix former MMC at End of term function held on 10 May 2011	R 446.34	Municipal Manager	B
3	24-May-11	Big ParnTrading Enterprise	Urgent	1022252	Cutting of grass at Vereeniging Airport for an area of 110 hectares	R 185,000.00	Municipal Manager	B
4	24-May-11	Markplan Construction and Projects 92 CC	Urgent	1022251	Runway Markings at Vereeniging Airport	R 188,520.00	Municipal Manager	B
5	24-May-11	Belton Park Trading 39 CC	Urgent	1022250	Electrical upgrading and recalibration of runway lights at Vereeniging Airport	920/h estimate	Municipal Manager	B
6	25-May-11	Vereeniging New Printers	Urgent	1022254	3 quotes were sourced but the price exceeds R30K for LSC forms	R 44,477.10	Municipal Manager	B
7	26-May-11	Unicool Air-conditioning services	Urgent	1022301	Additional air conditioning unit due to current on continuously breaking down	R 23,921.76	Municipal Manager	B
Total						R 447,588.45		
Jun-10								
No.	Date of Deviation	Name of Supplier	Type of Deviation	Supporting Documentation	Reason for deviation	Amount	Approved by;	Category
1	14-Jun-11	Little greek Trading 549	Urgent	1022417	Food packs for Siculo satellite Venue for Inauguration	R 78,260.00	Municipal Manager	B
2	14-Jun-11	Amtronics T/A Diamond Corner	Urgent	1022456	18 Patio Gas heaters for Inauguration Address	R 43,200.00	Chief Financial Officer	B
3	14-Jun-11	Mpembe Transport	Urgent	1022474	Buses for Inauguration , Satellite venue in sebokeng, One quotation received	R 17,350.00	Municipal Manager	B
4	16-Jun-11	Meriting Catering	Urgent	1022479	Catering for Boipatong Massacre, not lowest quote used for the event	R 67,543.60	Municipal Manager	B
5	15-Jun-11	Tsohang Basadi catering	Urgent	1022467	Catering for Corporate Service Strategic Session	R 950.00	Municipal Manager	B
6	6-Jun-11	Meriting food services	Urgent	1022522	Request for Catering for Mayors office guests from Qwa-Qwa who were attending the Inauguration.	R 3,600.00	Municipal Manager	B
7	21-Jun-11	Amtronics T/A Diamond Corner	Urgent	1022528	Professional Microphones needed during the preparations for the dry run on the Mayoral Inauguration.	R 7,500.00	Municipal Manager	B
Total						R 218,403.60		

CATEGORY

- A - Deviations due to emergency
- B - Deviations due to time constraints/ Urgency
- C - Deviations due to special circumstances
- D - Deviations incorrectly recorded as deviations as there are existing contracts or sole suppliers of such goods/services
- E - Deviations due to poor planning and negligence

4.6

Audit Committee Report to Council 2011**Audit Committee Report to Council - 2011/2012****Contents**

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1. Purpose

This report serves to inform the Council on key activities undertaken by the Audit Committee of Sedibeng District Municipality (SDM) towards the achievement of set targets and objectives, and the current status of the Audit Committee thereof.

This report is prepared for Council by the Chairperson of the Audit Committee on behalf of it.

The following areas are covered in the report:

- I. Background on the appointment of the current Audit Committee.
- ii. Objectives of an Audit Committee.
- iii. Purpose/Responsibilities of an Audit Committee (Governance requirements).
- iv. Current Status of the Audit Committee.
- v. Overall Opinion of the Audit Committee.

2. Background on the appointment of the Audit Committee

In line with section 166 of the Local Government: Municipal Finance Management Act, No 56 of 2003, an Audit Committee comprising of the following members was duly appointed by Council to serve for the period 01 April 2010 to 30 June 2012:

- Ms Masabata Mutlaeng (Chairperson);
- Ms Mmule Raditsela;
- Mr Lefadi Makibinyane;
- Mr Sheik Kassim;
- Prof Ernest Ababio.

3. Objectives of the Audit Committee

An Audit Committee is an independent advisory body appointed by the Council and tasked with specific responsibilities as set out in an Audit Committee Charter approved by Council.

The Committee is an oversight function and works in an advisory capacity to the Council. Accordingly, it must report and make recommendations to the Council but the Council retains the responsibility for implementing such recommendations

- 1.1 The main objectives of an Audit Committee are:
 - 1.1.1 To assist the council in fulfilling its oversight responsibilities.
 - 1.1.2 To review:
 - The Financial reporting process.
 - The system of internal control and management of financial risks.
 - The audit process.
 - Compliance
 - 1.1.3 To maintain effective working relationship with Council, Management and Auditors.

4.

Responsibilities of the Audit Committee (Governance Requirements)

Section 166 (1) of the Municipal Finance Management Act no 56 of 2003 (MFMA) states that "Each Municipality and each Municipal entity must have an Audit Committee, subject to subsection (6)". Section 166(2) further discusses the responsibilities of the audit committee as follows: "An audit Committee is an independent advisory body which must:

- (a) Advise the municipal council, the political office-bearers, the accounting officer and the management staff of the municipality, or the board of directors, the accounting officer and the management staff of the municipal entity, on matters relating to:
 - (i) Internal financial control and internal audits,
 - (ii) Risk Management,
 - (iii) Accounting policies,
 - (iv) The adequacy, reliability and accuracy of financial reporting and information;
 - (v) Performance Management;
 - (vi) Effective governance,
 - (vii) Compliance with the act, the annual Division of Revenue Act and any other applicable legislation,
 - (viii) Performance evaluation; and
 - (ix) Any other issues referred to it by the municipality or municipal entity.
- (b) Review the annual financial statements to provide the Council of the municipality or, in the case of a municipal entity, the Council of the parent municipality and the Board of Directors of the entity, with an authoritative and credible view of the financial position of the municipality or municipal entity, its efficiency and effectiveness and its overall level of compliance with the Act, the annual Division of revenue Act and any other applicable legislation.
- (c) Respond to the council on any issues raised by the Auditor General in the audit report.
- (d) Carry out such investigations into the financial affairs of the municipality or municipal entity as the Council of the municipality, or in the case of a municipal entity, the Council of the parent municipality or the board of directors of the entity, may request; and
- (e) Perform such other functions as may be prescribed.

5.

Current status of the Audit Committee at Sedibeng District Municipality**5.1 Schedule of Meetings**

At its meeting held on 13 July 2011 the Audit Committee resolved as follows:

"That the schedule of meetings for the Audit Committee as reflected hereunder be adopted."

Quarter	1	2	3	4
Period	July - September	October - November	January - March	April - June
Date	25 August 2011	14 November 2011	17 January 2012	10 April 2012

The schedule however allows for urgent Special Audit Committee meetings that may be arranged as and when necessary.

To date, the attendance of meetings by the Audit Committee has been satisfactory. Two scheduled meetings and one special meeting were convened during the period under review and the following reports were tabled before the Audit Committee:

Date	Meeting	Agenda Items
Wednesday, 13 July 2011	6th Special Meeting of the Audit Committee	<ol style="list-style-type: none"> 1. Mid-Year Report 2010/2011 2. Third Quarterly Report 2010/2011 3. Schedule of Audit Committee Meetings for 2011/2012 Year 4. Evaluation of Audit Committee for the 2011/2012 Year 5. Report on Year End Programme for the Preparation of the 2011 Annual Financial Statements 6. Progress Report on Action Plan on AG's Report 2010 7. Key Control Review: 29 June 2011 8. Audit Strategy: 29 June 2011
Monday, 29 August 2011	23rd Ordinary Meeting of the Audit Committee	<ol style="list-style-type: none"> 1. Financial Overview report and comparative analysis report on the unaudited Annual Financial Statements for the year ended 30 June 2011. 2. Annual Report on the implementation of Supply Chain Management Policy. 3. Internal Audit catalyst and audit reports for the period July 2010 to June 2011. 4. Annual review of the Audit Committee Charter. 5. Annual review of the Internal Audit Charter. 6. Approval of the annual internal audit plan.
Friday, 09 December 2011	24th Ordinary Meeting of the Audit Committee	<ol style="list-style-type: none"> 1. Final Management Letter for Regularity Audit Auditor-General (Deferred to next Audit Committee Meeting) 2. Comparative Analysis Report on the audited annual financial statements (Deferred to next Audit Committee Meeting). 3. Introduction of newly appointed Internal Audit Service Provider. 4. Internal Audit Catalyst and Audit Reports for the period July 2011 to September 2011. 5. Enterprise Risk Management Framework and Policy (Deferred to next Audit Committee Meeting). 6. Annual Organisational Performance Report 2010/1 (Deferred to next Audit Committee Meeting).

5.2. Evaluation of the Internal Audit Function

The internal audit function of Sedibeng District Municipality is an out-sourced function.

Messrs. Gobodo Forensic and Investigative Accounting (Pty) Ltd were appointed to perform the Internal Audit Services at Sedibeng District Municipality for a three (3) year contract that ended on 30 June 2010, and was further extended to 30 September 2011.

In October 2011 a new engagement partner Grant Thornton Advisory Services (Pty) Ltd was appointed to provide internal auditing services to Sedibeng District Municipality.

The contract will be for a period of three (3) years, commencing on 03 October 2011 to 02 September 2014.

Messrs Grant Thornton Advisory Services have subcontracted 30% of the project scope to a local Audit Firm which will in turn appoint local graduates and/or students. The subcontracted engagement partner is H. Pochee & Co Chartered Accountants, an audit firm from previously disadvantaged groups and based in the Sedibeng region.

5.3 Review of internal audit work performed

The Audit Committee has ensured that the Internal Audit engagement partner employed by Sedibeng District Municipality (SDM) performs its responsibilities effectively and efficiently by reviewing and approving the Internal Audit Charter and the annual internal audit plan.

The Committee also on a continuous basis monitors and reviews the scope and effectiveness of the Internal Audit Function. The objective of this review and evaluation is to ensure that Internal Audit is operating effectively.

At its meeting held on 29 August 2011, the previously appointed Internal Auditors (Gobodo Forensic and Investigative Accounting Pty Ltd), presented to the Audit Committee for consideration, the Internal Audit Catalyst report and detailed Audit Reports for the period July 2010 to June 2011 of the work performed for the 2010/11 financial year.

The following final Internal Audit Reports (July 2010-June 2011) were submitted to the Audit Committee for consideration:

1. Asset Management
2. Financial Discipline Review
3. Application Control Review: Venus System

At its meeting held on 09 December 2011, the previously appointed Internal Auditors (Gobodo Forensic and Investigative Accounting Pty Ltd), presented to the Audit Committee for consideration, the Internal Audit Catalyst report and detailed Audit Reports for the period July 2010 to June 2011 of the work performed for the 2010/11 financial year.

The following final Internal Audit Reports (July 2011-September 2011) were submitted to the Audit Committee for consideration:

1. Strategic Planning and IDP
2. Financial Discipline Review
3. Performance against objectives (Quarter 1-4)
4. Follow-up Audits

As per the requirements of the approved Audit Committee Charter, the Audit Committee has successfully managed to

evaluate and review management's attitude towards the internal audit function, and has ensured that the recommendations made by the internal auditors are adhered to and taken into consideration for the improvement of the internal control structure.

5.4 Compliance with laws, regulations and ethics

The Audit Committee has reviewed the SDM's compliance with laws, regulations, ethics, policies and rules regarding conflict of interest and what Management is doing to encourage compliance with the said regulations, policies and rules.

5.5 Reviewing the Annual Financial Statements

In accordance with the requirements of Section 166 of the Municipal Finance Management Act (MFMA), the Audit Committee is supposed to review the Annual Financial Statements before they are submitted to the Auditor General (AGSA) for the annual regularity audit.

At its meeting held on 29 August 2011, the Audit Committee reviewed the unaudited annual Financial Statements for the year ended 30 June 2011, before they were submitted to the Auditor General.

5.6 Governance

Together with external and internal audit, the Audit Committee is currently striving to review developments in corporate governance and best practice and consider their impact and implication on the SDM's processes and structures.

6. Conclusion

The Audit Committee has responsibly exercised its role to provide oversight of the municipality's control, governance and risk management. Furthermore, the Committee has provided the Accounting Officer and Council with independent counsel, advice and direction.

From the report tabled above, it can be concluded that a lot has been achieved by the Sedibeng District Municipality Audit Committee in driving its obligation of being an independent advisory body for the Council.

7. Overall opinion by the audit committee

The Audit Committee welcomes and acknowledges a healthy and sound Financial Position of the Municipality. Its credit Balance has been noted with different opinions, however it's agreed that the responsibility of the Municipality is to implement their Strategic Objectives in line with its Service Delivery and Budget Implementation Plan (SDBIP) and all the priorities of the financial year and ensure that Community Service Delivery takes precedence.

The Audit Committee would also like to acknowledge the leadership of the SDM that have diligently discharged their responsibilities efficiently and effectively. And this has also lead to the overall Satisfactory of the Organisational Performance, headed by the Municipal Manager Mr. Y. Chamda together with his collective Management team and personnel of SDM. And as the Audit Committee we will ensure that Management Action Plans are implemented to ensure compliance with all the relevant Laws that are governing the institution at all times.

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Sedibeng District Municipality



Annual Report
2010-2011