

DRAFT ANNUAL REPORT 2011/2012



SIYANDA DISTRICT
MUNICIPALITY

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PART	INTRODUCTION & OVERVIEW
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1.1 Executive Mayor's Foreword

It is with a sense of humility and responsibility that I introduce the 2011/12 Annual Report of the Siyanda District Municipality, in compliance with legislative and accountability requirements. In terms of Section 46 of the Local Government: Municipal Systems Act No. 32 of 2000 and Sections 121 and 127(2) of the Local Government: Municipal Finance Management Act No. 56 of 2003, South African municipalities must prepare annual reports for each financial year and Executive Mayors must table such reports in their Councils within seven months after the end of each financial year.

The year under review presented itself with many challenges, many of which we managed to address.

Martha to work on Mayor's foreword:

- Role of council in ensuring sustainability decision making
- Establishment of MPAC
- Challenges faced during the year under review
- Political Oversight
- Mandate of the district municipality
-

1.2 Statement by Municipal Manager

As the Accounting Officer of the Municipality, I confirm that this 2011/12 Annual Report has been compiled in line with the Local Government: Municipal Systems Act 32 of 2000, the Local Government: Municipal Finance Management Act 56 of 2003, the National Treasury Circular No. 11.

The key priority areas of the institution during the year under review find their expression in the Municipality's Integrated Development Plan, the Budget and the Service Delivery and Budget Implementation Plan. Although this Annual Report reflects considerable progress in the roll-out of services we are acutely aware of the gaps and shortcomings that remain and are prioritizing initiatives and programmes to address these. In this regard, the Municipality developed an audit recovery plan. to stabilize the institution to address service delivery and development challenges.

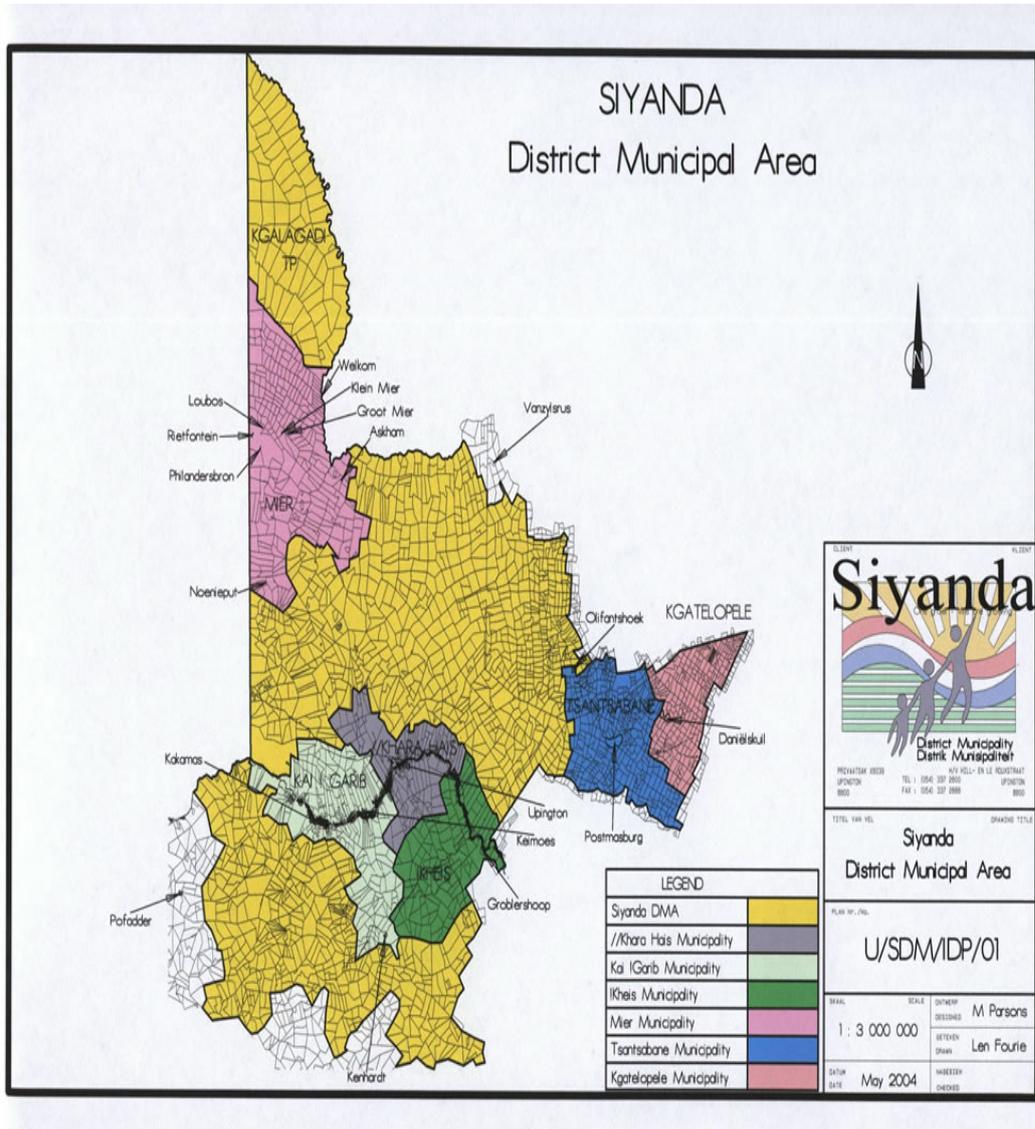
- (a) Review of Supply Chain Management Policy
- (b) Strengthening intergovernmental relations for mutual knowledge exchange and best practices.
- (c) Promotion of sound labour relations. Good relations with labour unions
- (d) Strengthening internal controls and anti-fraud and anti-corruption initiatives.
- (e) Maintaining an unqualified audit opinion and addressing matters of emphasis as reflected in the Auditor General's Report
- (f) Addressing institutional communication and reputational risks.
- (g) Continue with the initiatives to entrench the culture of performance within the institution.
- (h) Promoting financial discipline and management

(Martha to work on MM's statement include the following:

- Audit Outcome – audit to start later this year
- Recovery plan- addressing exceptions of auditor
- Performance management systems in place
- Assistance to category B's / Mandate of the district
- Issues that were not resolved in previous year.

1.3 Overview of Municipality

Siyanda District Municipality is situated in the Northern Cape and covers an area of +-120 000km². It consists of six local municipalities, Mier, !Kai! Garib, //Kharo Hais, !Kheis, Tsantsabane and Kgatelopele. The District Management Areas (DMA's) of Siyanda District Municipality exists mainly of areas in the Kalahari, private farmlands in the Kenhardt and surrounding areas as well as the Riemvasmaak Community. (See map below).



Siyanda District Municipality had a total population of approximately 238,063. This district is predominately Coloured (63.47%), followed by the black population with 24.66%. The White population in this district contributes 11.77% to the population of the district and the Indian or Asian population a scarce 0.10%. The majority of people (36%) are between the ages of 15 to 39 years, implying that the population is fairly young, with lots of potential for economic growth. The second largest number of people are between 40 and 65 years of age, with only a small percentage being older than 65 years -5.09%.

1.4 EXECUTIVE SUMMARY

1.4.1 Vision

Basic Services for all

The Council of Siyanda resolved that the Vision of the municipality should change, as we no longer are directly responsible for rendering services to communities since the demarcation of the District Management Areas. This process will unfold in the 2012/13 financial year

1.4.2 Mission Statement

To enhance economic development for the benefit of the community of the Siyanda district area. We do this by creating and maintaining an effective administration and a safe environment to attract tourists and investors.

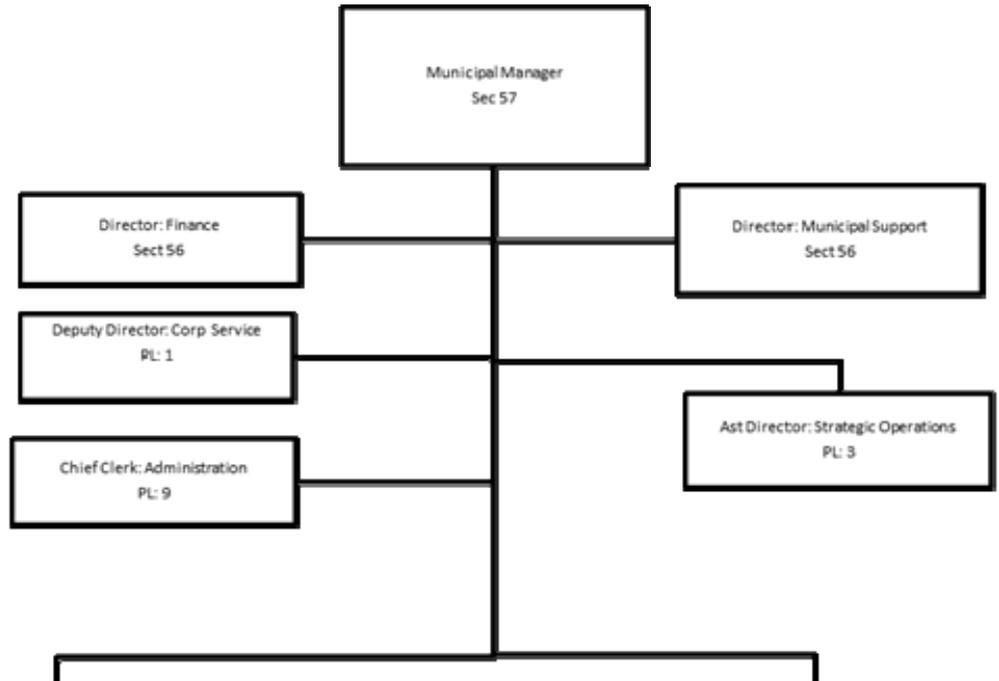
Similarly with the mission, this will be reviewed in the 2012/13 financial year.

1.4.3 Statement of goals and priorities

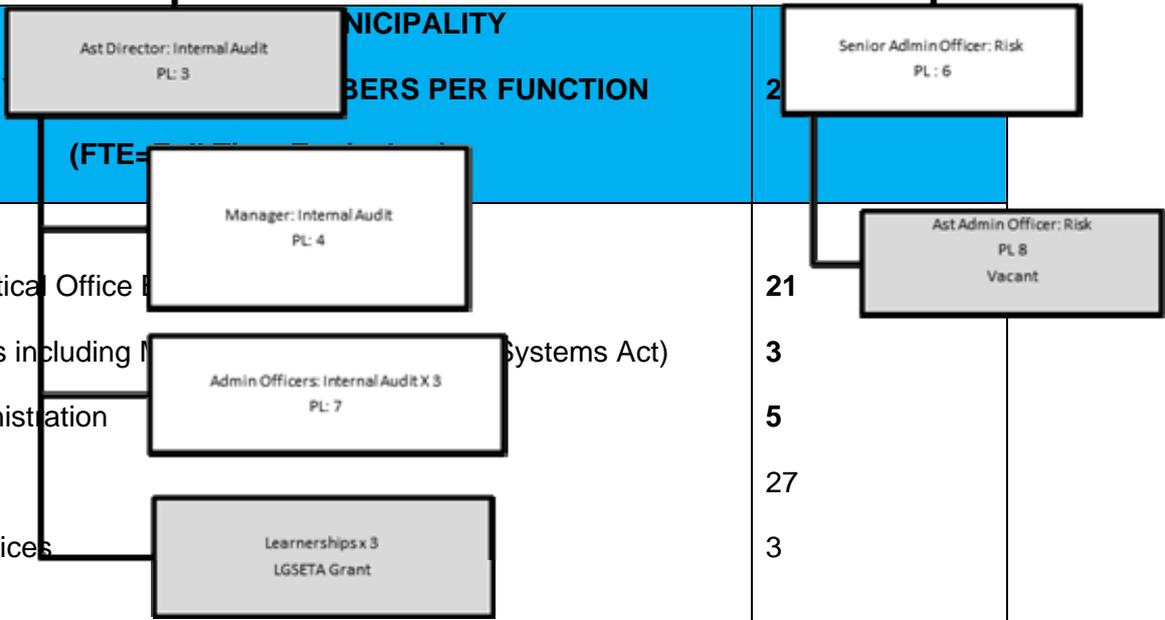
- The following are overall strategic goals and priorities of the municipality:
- To provide strong civic leadership and good governance which build stakeholder confidence and engenders a strong sense of common purpose among all stakeholders;
- To transform and build an efficient administration that cares and serves the people of Siyanda with excellence;
- Ensure economic growth and creation of jobs;
- Ensure that Siyanda is a safe and secure place to live, visit and do business in;
- To contribute towards the decrease of mortality and infection rates affected by HIV/AIDS related diseases as well as to address the negative economic impact it has on productivity;
- Promote and strengthen the tourism industry with special attention given to community tourism;
- Improve the municipality's abilities and capacity to play a coordinating role in land reform;
- Capacity building and upgrading of equipment in order to create an effective functioning Disaster Management Centre and;
- To ensure that the finances of the municipality are managed well

PART	KPA ACHIEVEMENT REPORT
2	

CHAPTER 1: INSTITUTIONAL TRANSFORMATION & ORGANISATIONAL DEVELOPMENT



MUNICIPALITY		MEMBERS PER FUNCTION	
SUMMARY	(FTE=)	21	2
Municipality			
Councillors (Political Office)		21	
Senior Managers including M (Systems Act)		3	
Councillor Administration		5	
Finance		27	
Community Services		3	
Administration		18	



Human Resources	7
Environmental Health	5
Security	13
Tourism	2
LED	2
Office of the Municipal Manager	3
Audit Committee	3
Internal Auditor	4
IDP	4
Disaster Management	9
Roads	0
Interns: Finance	1
Leaverships	0

Key Performance Indicator	Baseline	Target 2011/12	Actual 2011/12	Explanation of Variance
1.1 Strategic Planning				
Development and Implementation of an IDP & Budget review schedule	IDP and Budget Review Schedule adopted	By June 2012	IDP and Budget Review Schedule adopted	The Process Plan and District Framework Plan was approved on 26 August 2011 Public participation in the absence of direct communities was held in the form of targeted stakeholder meetings in all six municipalities and IDP Representative Forums. The draft IDP was adopted by council on the 31 March 2012 and the final draft on 30 May 2012 . During the 2011/12 financial year Department Rural Development and Land Reform funded the compilation of the District SDF
Implementation of a Turn Around Strategy	Turnaround strategy adopted	Inclusion of Turnaround Strategy into SDBIP by July 2011	Turnaround Strategy incorporated and reported on as an integral part of the SDBIP	The Turnaround Strategy was implemented and a progress report in this regard was submitted to COGHSTA. The Turnaround Strategy's targets were included in the SDBIP
1.2 PERFORMANCE MANAGEMENT				
Annual review of the performance management system	Performance management system in place	By June 2012	Target met	Annual performance report attached The Annual Performance Report reflects Siyanda District Municipality performance during the 2011/12 financial year. Annual performance management review report attached

Audit of Performance Management System and information	Quarterly audits	Quarterly audits	Quarterly audits	
Approval of the compliant SDBIP	Compliant SDBIP approved by Executive Mayor	Within 28 days after Budget approval by the Executive Mayor	Within 28 days after Budget approval by the Executive Mayor	
Conclusion of compliant performance agreements for section 57 employees and the Municipal Manager	Compliance performance agreements in place	By July 2011	Compliant performance agreements concluded	
Roll-out of performance plans to employees	Performance plans rolled out	By June 2012	Performance plans rolled out	The Performance Management Committee meets quarterly in order to provide the necessary capacity and support needed by directorates to ensure that performance management is rolled out throughout the institution.
Conduct Mid-Term and annual performance reviews of Municipal Manager and direct reportees	Annual performance reviews completed	Mid Term performance report by January 2012	Annual Performance reviews of section 57 employees completed	
1.3 HUMAN RESOURCE DEVELOPMENT				
Roll out of training	Functional training programme in place	By June 2012	Training rolled out	A training committee was established to look at the training needs of the employees.

1.3 HUMAN RESOURCE DEVELOPMENT

Development and submission of a Work Skills Plan	Workplace Skills Plan submitted	By June 2012	WSP finalised and submitted to LGSETA	<p>The training committee met on 27 June 2012 to sign of the Work Skills Plan for the 2012/13 financial year</p> <p>The District Municipality assisted the B's to finalise their WSP's and ensure submission.</p>
Number of people from employment equity target groups employed in the three highest levels of management in compliance with the Municipality's approved Employment Equity Plan : Top Management	3	3	3	
Number of interns trained				How many interns were recruited and trained??
Development of an integrated Human Resources Development Plan to include competency based HRD manpower				
Review of all HR policies	N/A	By June 2012	Target not met	<p>The non-availability of stakeholders to meet regularly to finalise the process led to the non - achievement of this target. Due to the fact that there was no Council meeting in June 2012</p>

1.4 EMPLOYEE RELATIONS

Resolving key outstanding labour relations issues	N/A	By June 2012	Evaluation and progress report	All applications received were considered and finalised
Implementation of collective agreement on disciplinary matters	N/A	By June 2012	Was target met?	
Review and submit employment equity plan	N/A	January 2012	Target was met	

ADDITIONAL INFORMATION AND DATA ON INSTITUTIONAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT

a) Presentation of Organisational Structure

For the organisational structure, please see Annexure "A".

The Municipality has a work force of 136 employees

b) Staff development initiatives during financial year

A total of ?? employees participated in different learning programmes and/interventions during the 2011/12 financial year in terms of the Workplace Skills Plan submitted on 30 June 2011. Trends on personnel expenditure

c) Trends on personnel expenditure

Description	2011/2012	2010/2011	2009/2010
Total Actual Expenditure			
Staff Expenditure Budget			
Actual staff Expenditure			
Variance			
% Staff Expenditure as % Total Expenditure			

d) Employee pension and medical aid

Pension Funds

Fund	Members
Cape Retirement Fund	91
Cape Joint Pension Fund	0
National Fund for Municipal Workers	8
Municipal Councillors Pension Fund	2
SAMWU National Provident Fund	4
Non Members	1
TOTAL	

Medical Funds

Fund	Members
LA Health	19
Bonitas	20
SAMWUMED	5
Keyheath	8
TOTAL	

e) Senior Officials wages and benefits

The disclosures of senior management is attached as appendix

f) Disclosures of Councillors

The disclosures of councillors is attached as appendix

CHAPTER 2: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

2.1 PROVISION OF INTEGRATED AND SUSTAINABLE HUMAN SETTLEMENTS

Meeting by the Municipality of all Level 2 accreditation requirements as a housing developer	Level 2 accreditation met	June 2012	Accreditation requirements finalized for level 1 & 2	<p>The Siyanda District Municipality submitted an application to COGHSTA to be accredited at level 1&2 for the purposes of administration national housing programmes and the issuing of an accreditation compliance certificate.</p> <ul style="list-style-type: none"> • LEVEL ONE – Accreditation which will enable the accredited local authority to administer subsidy budget allocation including housing subsidy budgetary allocation across programmes and projects, subsidy fund allocations and project identification; and • LEVEL TWO - Accreditation which will enable the accredited local authority to over and above the functions of Level One Accreditation, being accredited with the function of programme management and administration, which includes project evaluation and approval, contract administration, cash flow projection and management and quality assurance. <p>In respect of the national housing programmes for which it has been accredited, the Municipality shall undertake functions on behalf of Mier, Khai !Garib, !Kheis, Tsantsabane and Kgatelopele Municipalities</p>
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2.1 PROVISION OF INTEGRATED AND SUSTAINABLE HUMAN SETTLEMENTS

Development of Housing Sector Plan	Housing Sector Plan developed and approved	June 2012	Housing sector plan to be approved by Council in 2012/13	<p>Masikhule Projects was appointed through our supply chain processes to draw up our housing sector plan which included the B-Municipalities. The service provider has visited all the municipalities in the district to gather information. This was presented to us in a comprehensive report.</p> <p>We received a draft housing sector plan for the District Municipality as well as each B –Municipality in Early April 2012.</p> <p>The final housing sector plan was handed over in May 2012 and must still been approved by council</p>
Housing Consumer Education	Quarterly Reports	June 2012	Target met	<p>We are regularly embarking on training campaigns, in conjunction with the B-municipalities and the Department of Human Settlement in all areas where houses was built in the last 5 years.</p> <p>Consumer education is conducted on a monthly basis at the B- Municipalities thru the unit.</p>
Data Systems	Housing data system in place	June 2012	Target met	<p>Demand Database System: The District Municipality is capturing the data collected in the 5 B municipalities that we support. The data collected will be captured on the system and we regularly provide each municipality with the details of the people registered on the system.</p> <p>We capture forms on a continuous basis as the National Housing Needs Register needs to be updated regularly to assist with credible planning</p>

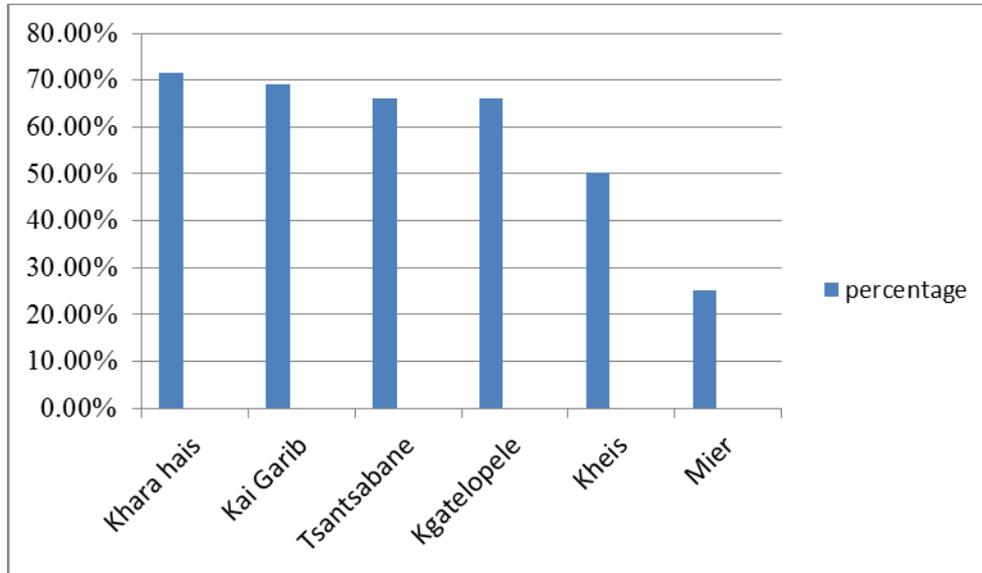
Key Performance Indicator	Baseline	Target 2011/12	Actual 2011/12	Explanation of Variance
2.2 PROVISION OF INTEGRATED AND SUSTAINABLE HUMAN SETTLEMENTS				
Provide Technical support to municipalities	N/A	June 2012	Target met	<p>MIER MUNICIPALITY Funding has been allocated for the repair and rebuild of disaster houses that's been damage. The tender was advertised and is now waiting for the evaluation process to unfold</p> <p>KHEIS MUNICIPALITY Funding has been allocated for the construction of 10 houses in Grootdrink and 10 Houses in Topline for the 2012/2013 financial year. The tender was advertised and is now waiting for the evaluation process to unfold.</p> <p>TSANTSABANE MUNICIPALITY Our team assisted Tsantsabane Municipality as well for the quality assurance on the current running projects. We visited the sites on a monthly basis to do site inspections and site meetings were held every month.</p>

Key Performance Indicator	Baseline	Target 2011/12	Actual 2011/12	Explanation of Variance
2.3ENVIRONMENTAL HEALTH				
Water Quality Management	N/A	June 2012	Target met	Every municipality in the Siyanda region is a water services authority in its own right. This per implication means that every municipality is responsible for water quality monitoring according to SANS 241.
Waste Management	N/A	June 2012	Target met	Waste management is one of the biggest problems facing all municipalities in the Siyanda Region. Every Municipality now have a waste management plan which their council have to approve and the Siyanda Integrated Waste Management Plan is with the MEC for Environment and Nature Conservation for approval.
Sanitation	N/A	June 2012	Target met	Sanitation refers to mainly sewerage works and oxidation pond systems at municipalities that differ from very good to very poor condition and maintenance throughout the region. It also refers to sanitation systems in communities and of special significance to this office is the poor state of sanitation at schools.
Air quality Management	N/A	June 2012	Target met	Siyanda is a licensing authority under the National Environmental Management: Air Quality Act, (Act no. 39 of 2004). This function is performed in close collaboration with Department of Environment, Tourism and Nature Conservation

BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

ENVIRONMENTAL HEALTH

Water Quality



Waste Management



Environmental Management

Other function of this unit is to review EIA's (Environmental Impact Assessments) regarding new development. One of the most exiting activities in this regard is also the Mining Environmental Management Forums. This is where most of our big mining companies have a forum to discuss environmental issues to all relevant stakeholders. Another massive development in our region is solar power generation on a grand scale

PROJECT MANAGEMENT

MIG Report

The Siyanda District Municipality has been receiving MIG funds for the past 6 years and this has played a significant role to development.

May 2012 Report

District Municipality/ Municipality	MIG Allocation 2011/2012	Amount transferred	Total Actual expenditure	% of allocation spent	Balance
Mier	R 9 385 000.00	R 9 385 000.00	R 7 797 858.32	83%	R 1 587 141.68
Kai! Garib	R 17 293 000.00	R 17 293 000.00	R 13 150 314.77	76%	R 4 142 685.23
//Khara Hais	R 19 611 000.00	R 19 611 000.00	R 9 338 657.24	48%	R 10 272 342.76
! Kheis	R 11 434 000.00	R 11 434 000.00	R 9 792 418.05	86%	R 1 641 581.95
Tsantsabane	R 11 888 000.00	R 11 888 000.00	R 7 936 327.69	67%	R 3 951 672.31
Kgatelopele	R 7 727 000.00	R 7 727 000.00	R 132 890.66	2%	R 7 594 109.34
Total	R 77 338 000.00	R 77 338 000.00	R 48 148 466.73	62%	29 189 533

1.1. EPWP – Incentives grant

The District only received R 490 000.00 from the allocation that was made for Job Creation and this has result in 150 jobs created on cleaning of cemeteries and assisting LMs with Water services and roads.

Due to new demarcation we have no area of development; however we have requested the executive mayor to assist with resolution to allow us to implement projects in the B-Municipalities.

1.2. MIG

The Report requested by Treasury was submit and we have not received any report on that but the Treasury office has transferred all the equitable share that they indicated to withhold from us should we not report to them about the MIG funds or transfer the funds back to their account. The funds will be utilised on the projects for Swartkopdam which was completed in November and has a retention of 2.5% and the consultant must be paid his final account since we have change strategy that only an average of 60% of the consultant fees will be paid during construction and the 40% when project is finalised and completed we will pay it.

We also wish to complete the street project in Vredesvallei which was not completed all along for year now. Idada was appointed and we expect that they complete everything outstanding. Our proposal is that the Municipal Manager grant us the right to do additional work under this contract with Idada for to employ another contractor will be more expensive for Siyanda District Municipality.

1.3. DWA

We have been granted R 3 000 000.00 to complete the work in Mission of the Bulk Water Supply project and it was decided that the R 3million will be used only on the contracts for the Mechanical Pumps and Water Treatment Plant. We are claiming the money with every invoice from contractors. The project has been completed but we still owe the contractor some fees including the retention fees.

1.4. CRDP

The department has provided much support to our infrastructure development and enhancing development in the Riemvasmaak Area. We would like to congratulate them on the completion of the Bulk Water Supply project successfully. This has been a long waited development and improvement to our services delivery systems. Riemvasmaak has fresh water currently. The only challenge is that the department has delays on every payment we claim for the service providers which make it difficult for us to pay the services providers on time.

Funding for the Sewer Reticulation and Waste Water Treatment plant was approved in January 2012 but funds will only be available on April at their new Financial year.

Bulk Water Supply in Mission





1. Progress report on the Upgrading of Bulk water Swartkopdam

We have completed the project in Swartkopdam which was planned to upgrade the water system in the area for the borehole that we previously used could no longer meet the demand.

The project included the following;

1. Upgrading and equipping the borehole with solar equipment,
2. Provision of a reverse osmosis desalination plant,
3. Provision of a bulk water supply pipeline,
4. Equipping of the desalination plant with solar power system, etc.

Below you will see the photo of the work that was outstanding.





May 2012 Report

PROJECT	Funder	ALLOCATION	SPENT	BALANCE	%	COMMENTS
EPWP Projects	Public Works Incentives program	R 490 000.00	R 489 641.43	R 358.57	99.93	Funds were completely used
CRDP Bulk Water pipeline RVM MISSION	Water Affairs	R 3 068 720.89	R 1 316 778.14 R 1 682 638.63	69 304.12 0	97.74	Retention fees monies
	Rural Development	R 11 550 736.72 R 2 111 780.00	R 10 952 363.61 R 2 011 975.00	R 598 373.11 R 99 805.00	94.82 95.27	Retention monies final claim submitted to DRD & LR (R45 494.56)
Construction of 22 Houses in Vredesvallei	Rural Development	R 2 600 000.00	R 226 944.00	2 373 056.00	8.73	Project started in April with the financial year of DRD & LR
	Dept. Of Human Settlement					
Upgrading of Bulk Water Services in Swartkopdam	MIG Funds rolled over (R 3 450 210.12)	R 2 706 415.86	R 2 408 073.59	298 342.27	88.98	R 711 481.41 paid from the funds requested for roll over
Tarring of Streets in Vredesvallei		R 2 056 286.40	R 518 789.72	R 1 537 496.68	25.23	Contractor started on the 14 May on site with construction of outstanding works for Vredesvallei (payment not yet made but invoice was received)

	R 183 558.10	R 0.00	R 183 558.10	0.00	Additional street not included in the business plan
Paving of Streets in Mission	R 9 409 923.26	R 132 285.60	R 9 277 637.66	1.41	Project on hold. Treasury indicated that Projects that the district won't be able fund due to the stoppage of MIG for the district must be handed over to the LMs. Payments were only made for the design fees to Thomason Consulting
Upgrading of Bulk Water Services in Vredesvallei	R 3 607 859.55	R 86 195.49	R 3 521 664.06	2.39	Project on hold. Treasury indicated that Projects that the district won't be able fund due to the stoppage of MIG for the district must be handed over to the LMs.
Balance on funds rolled over	R 3 450 210.12	R 1 230 271.13	R 2 219 938.99	35.66	Funds to be used for Streets project in Vredevallei

CHAPTER 3: LOCAL ECONOMIC DEVELOPMENT

3.1 ECONOMIC DEVELOPMENT & GROWTH

Approval of LED Strategy	N/A	By June 2012	LED Strategy approved	<p>Urban-Econ was appointed by the Siyanda District Municipality in conjunction with the Independent Development Trust (IDT) in order to review and revise the Local Economic Development Strategy for the Siyanda District Municipality. This document is aimed at ensuring that the municipality can efficiently and effectively facilitate the creation of an appropriate enabling environment conducive to economic development and investment.</p> <p>The Draft LED Strategy was tabled to Council on 30 May 2012</p>
Quarterly Meeting of LED Forum	4 meetings	4	4	<p>The District LED Forum is seen as the primary link between the Administration and other stakeholders such as business chambers, mines, labour groups, ward committees and sector specialists. The District LED Forum serves as a platform for all Economic Development stakeholders to work in a more structured manner to reach its objective of creating jobs and alleviate poverty. We can therefore gladly report that the District LED Forum meets each quarter to discuss Economic Development issues in the District.</p>
Registration of Co-operatives	N/A	June 2012	3	<p>Siyanda District Municipality in collaboration with IDT and SEDA helped registered Future Focus Co-</p>

				operative, Kalksloot Bakery Co-operative and the Green plan Co-operative. The LED Unit of the District was key in assisting these co-operatives and also very hands-on.
3.1 ECONOMIC DEVELOPMENT & GROWTH				
Implement LED Plan	N/A	By June 2012		Draft LED Plan was presented to Council
No of new cooperatives supported	N/A	By June 2012	Target met	Cooperatives were supported during the year under review
Handing over of Masakhane Arts and Culture Cooperative	N/A	By June 2012	Cooperative successfully handed over	Siyanda District Municipality successfully handed over the Masakhane Arts and Culture Cooperative as being one of the projects funded during this financial year by the SDM. A handing over ceremony was arranged between SDM and the co-operative where the Executive Mayor addressed the co-operative and material as requested were then handed over to the co-operative.
3.2 TOURISM				
Awareness Campaigns	N/A	June 2012	Target met	The Green Kalahari Tourism office did managed to hold two successful Awareness Campaigns. The first campaign started 26 September 2011 till 14 October 2011 and the second one was conducted during 02 April 2012 till 10 April 2012. Both campaigns took the form of placing unemployed youths at strategic filling stations at each Local Municipality.

3.2 TOURISM

Attendance of tourism shows	N/A	June 2012	Target Met	As part of marketing the Green Kalahari to potential tourists the Tourism Office did attend four shows. Shows attended were as follow: Getaway Show Johannesburg: 02 September 2011-04 September 2011 Agriculture Show Keetmanshoop: 07 September 2011-10 September 2011 Cape Outdoor and Travel show Cape Town: 14 October 2011-16 October 2011 Indaba Trade Show Durban: 12 May 2012-15 May 2012
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CHAPTER 4: FINANCIAL SUSTAINABILITY AND VIABILITY

4.1 BUDGETING AND FINANCIAL ACCOUNTING

4.1 BUDGETING AND FINANCIAL ACCOUNTING				
Approval of budget aligned to the IDP	Approved budget in place	By June 2012	Budget aligned to IDP and approved	Final Budget approved by Council in May 2012
% of the Municipality's Capital Budget spent on capital projects identified in terms of the IDP				
% of the Municipality's approved Operating Budget spent				
Quarterly variance reports	4x reports	June 2012		
Completed Annual Financial Statements		August 2011		
MFMA Quarterly Reports to Council and Treasury				
Monthly bank reconciliations	Bank recons	June 2012		

FINANCIAL SUSTAINABILITY AND VIABILITY

Towards the end of the review period, the Municipality started to experience a financial challenge, caused by a congruence of factors, amongst other things, a cash flow challenge. The municipality developed a budget constraint report which placed a moratorium on certain types of expenditure. Expenditure had to be recommended by the CFO and approved by the Municipal Manager.

Actual capital expenditure for the 2011/12 financial year amounted to R??, compared to a budget of R??, resulting in a % spending rate.

AUDITED FINANCIAL STATEMENTS

At the time of the compilation of this report, the annual financial statements were not yet submitted or audited. Once this is done they will be attached to the report as appendix XX.

AUDIT RECOVERY PLAN

An audit recovery plan is attached as Appendix XX. During the year under review the Municipal Manager had weekly management meetings with middle management in order to work through the audit recovery plan and to address the exceptions raised by the Auditor General.

(Include the following information as at 30 June 2012)

- Quarterly information on Conditional Grants
- Assessment of arrears
- Expenditure per department (graphs)
- Revenue by source

ASSET MANAGEMENT

On acquisition of a new asset a prescribed form called the new asset form is completed by the official who will take ownership/operate the asset. The asset is then barcoded with the currently used IMQS identification system and scanned with a unique number under a unique room. With the IMQS system also all vehicles are barcoded and scanned/allocated under the relevant department head.

Monthly a physical verification is done of all assets under the control of the SDM. With the monthly verification a condition assessment of all assets is done to identify assets which might become obsolete, damage or idle during the year.

The monthly verification and condition assessment is then reconciled to an annual asset which is schedule for year end 30 June. During this count where all assets are physically

counted an invitation is also extended to the office of the Auditor General to observe the process. At year end a report with all assets and its condition is sent to all directors to physically confirm the condition of all assets from there a report is compiled with all items which are identified to be of poor or very poor condition to be tabled to council for approval to either dispose the assets through public auction or donated as was decided by council for assets which were obsolete at 30 June 2011.

CHAPTER 5: GOOD GOVERNANCE & PUBLIC PARTICIPATION

5.1 ADMINISTRATION

Distribution of Correspondence	Incoming correspondence indexed on system	June 2012	Report on status of filling submitted	
Compilation and distribution of Agendas for all Council, Committee and other meetings of the Council	Nr of agendas distributed within 7 days	June 2012	Target met	
The compilation and submission of Council resolutions to the Municipal Manager	Number of Council resolutions not submitted to MM within 72 hours	June 2012	Target met	
Attend to Legal Claims against and by Council	Monthly report on outstanding claims	June 2012	???	

5.2 INTERNAL CONTROLS

Development of Risk Management Strategy	N/A	June 2012	Approved Risk Management Strategy	Risk Management strategy approved in March 2012
Establishment of risk management committee	N/A	June 2012	Committee in place	The risk register was submitted for approval by the risk management committee and after approval a mitigating action plan was compiled by the risk management unit and the Heads of each unit.
No of Audit Committee meetings held	4	4	10	The Audit committee meets once a quarter, however there were additional meetings held during the year
Annual review of anti-fraud and anticorruption strategies	Reviewed strategies in place	June 2012	Strategies not in place	Strategies could not be reviewed and approved by Council as at 30 June 2012
Development and implementation of an action plan to address matters arising from the Auditor-General's Report	Audit recovery plan in place	February 2012	Recovery plan developed to address issues raised	The audit recovery plan is a strategic document with the intention of addressing matters raised by the Auditor General. Managers are required to report weekly on the implementation of the plan

Key Performance Indicator	Baseline	Target 2011/12	Actual 2011/12	Explanation of Variance/ Comment
5.2 COMMUNICATION AND PUBLIC PARTICIPATION				
Review of the Communications Strategy and develop and implement a comprehensive Customer Care Policy that is customer focused	Strategy in place	By June 2012	Strategy not reviewed and approved	Strategy and Policy could not be reviewed by June 2012. This will stand over for the 2012/13 financial year.
Production of Newsletters aimed at profiling the municipality	Quarterly	Quarterly	Quarterly	Newsletters for the year under review were produced
Communicating key Mayoral and Council decisions made to the community via media releases	Monthly	Monthly	Monthly	A media file is on hand which includes all press releases per month. Good relations exist with the media and the district municipality is able to communicate key council decisions
Management of Website	Monthly	Monthly updates	Monthly updates	The website is updated monthly, a IMIS is send out to all managers on a monthly basis requesting them for updated information. We make use of a application for the placement of information on the website and this is approved b the Municipal Manager.
Communication Forum meetings held	Quarterly	4x meetings	3	The District Communication Forum meeting is a forum where municipal communication officers and sector departments come together and discuss integrated approaches to communication.

Compilation of Annual report	Annually	1x Report	1 Report	<p>The annual report was approved by Council in March 2012 as well as an oversight report.</p> <p>An oversight and MPAC committee was established to deal with the Annual report</p>
Implementation of a Customer Care Model	N/A	June 2012	New Customer Care model implemented	The customer care model was fully implemented in the 4 th quarter. A customer care official fully clothed with a uniform and a signage have been put in place
Key Performance Indicator	Baseline	Target 2011/12	Actual 2011/12	Explanation of Variance/ Comment
5.3 INTERGOVERNMENTAL RELATIONS				
Implement intergovernmental relations forum resolutions	Report on implementation of resolutions	June 2012	4x reports	<p>There are three forms of intergovernmental relations forum</p> <ol style="list-style-type: none"> 1. Technical IGR – Chaired by the Municipal Manager 2. Political IGR (Mayoral Forum)- Chaired by the Executive Mayor 3. Intergovernmental Forum (Joint sitting of technical and political) <p>A report is drafted for each of the forums with clear indications of timeframes and responsible people</p>

5.3 INTERGOVERNMENTAL RELATIONS

District Health Forum	Functional Health Forum	Quarterly	Quarterly	
District HIV/Aids Council	Functional HIV/Aids Council	Quarterly	Quarterly	
District IDP Rep Forum				
16 days of Activism against Women and Children - Programme launched				

5.4 POLITICAL MANAGEMENT AND OVERSIGHT

Investigate and develop a framework for the establishment of a SCOPA-like Oversight Committee to enhance Accountability	Municipal Public Accounts Committee in place	By December 2011	MPAC in place	The establishment of the Municipal Public Accounts Committee was approved by Council on 06 December 2012. The Committee is functional
Quarterly report to Council		June 2012	4x reports	The Executive Mayor gives a report to Council on the activities of his office.

GOOD GOVERNANCE AND PUBLIC PARTICIPATION

Public participation plays a critical role in deepening democracy and promoting good governance. Citizens' involvement in governance processes ensures that their experiential and grounded perspectives inform government on their needs and how these needs can best be addressed.

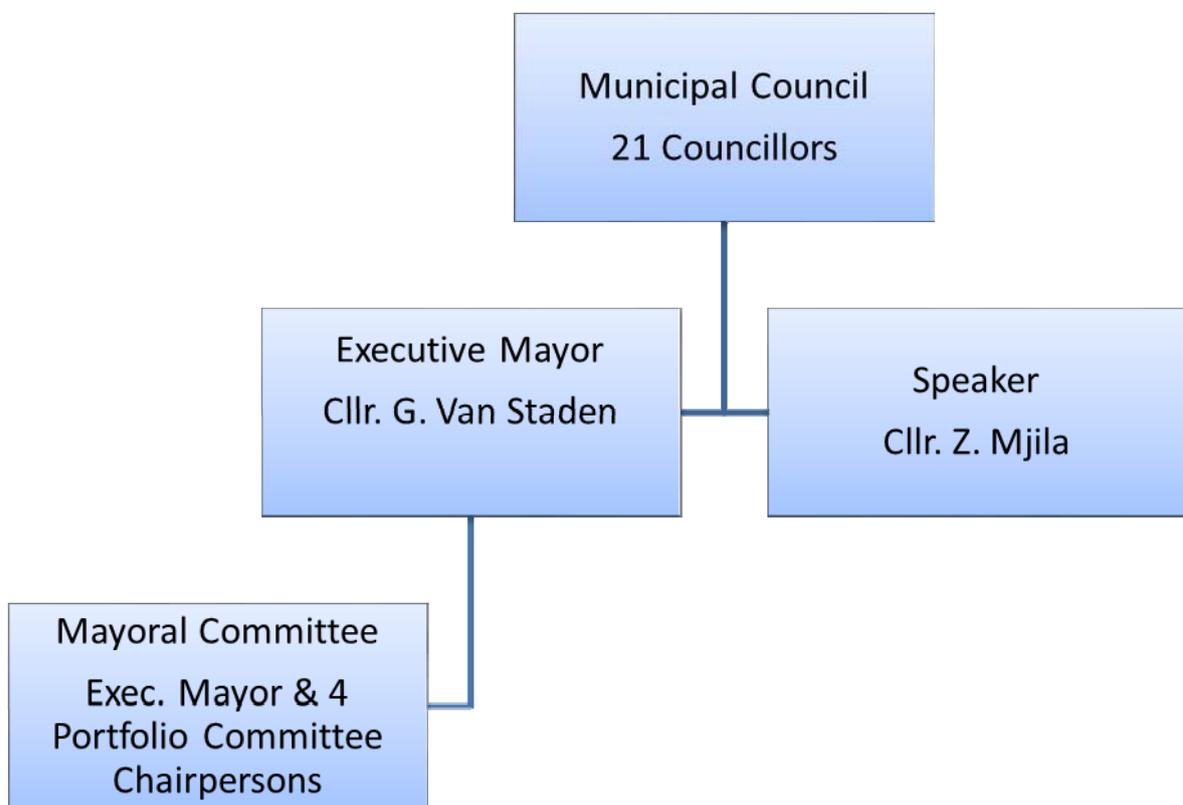
The involvement of citizens in matters of service delivery is important in a democratic society. Public participation is a mechanism for entrenching democracy and it promotes social cohesion between government and the citizens, particularly in the provision of quality and sustainable services

Good corporate governance is vital for providing people-driven service delivery and development and promoting accountability and transparency. The Municipality has received an unqualified audit report for the fourth successive year from the Auditor-General.

A growing priority for the Municipality is extending its intergovernmental programmes to ensure a joint approach to service delivery and poverty challenges. Towards this end, it has concluded agreements with neighbouring municipalities

OVERVIEW OF EXECUTIVE AND COUNCIL FUNCTIONS AND ACHIEVEMENTS

The Siyanda District Municipality consists of 21 Councillors, 8 of which are Direct Elected Councillors and 13 seconded Councillors from local municipalities



The council is responsible to provide overall political leadership and accountability to communities and stakeholders through implementation of sound policies and programmes.

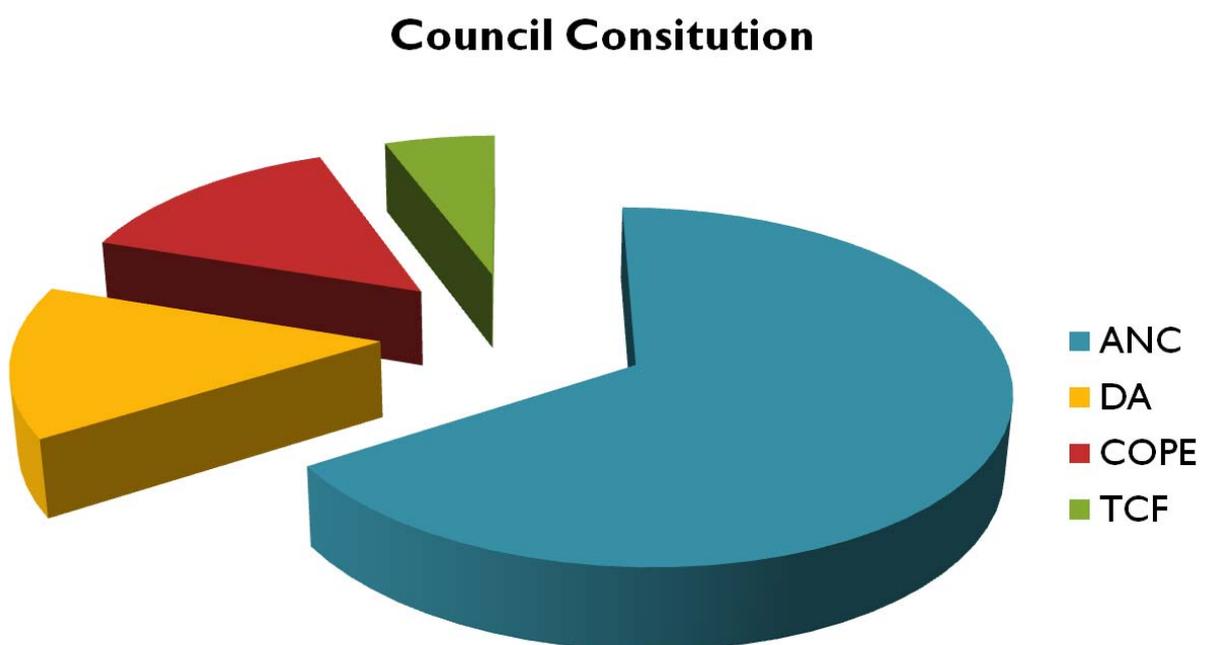
This must ensure that the decision-making processes provide a balance between a speedy, transparent and efficient decision-making process as well as meaningful participation of citizens and other stakeholders. It must ensure provision of quality service delivery at a reasonable cost.

The municipality in accordance with the Municipal Structures Act has the following committees in place:

- The Institutional Development Portfolio Committee
- The Social Economic Development Portfolio Committee
- Service Delivery Development Portfolio Committee
- Good Governance and Public Participation
- Municipal Financial Viability
- Mayoral Committee

The Chairpersons of these committees form part of the Mayoral Committee.

The Mayoral Committee has the responsibility of monitoring the management of the municipality's administration in accordance with the policy directions of the council and also to oversee the provision of services to communities in the municipality in a sustainable manner



Council meetings held during the 2011/2012 financial year are reflected below.

Number of Scheduled meetings	Number of actual meetings held
6	5

Special Council meetings held for the 2011/2012 financial year

Number of scheduled meetings	Number of actual meetings held
1	1

Portfolio committee meetings held for the 2011/2012 financial year

Number of scheduled meetings	Number of actual meetings held
7	2

PUBLIC PARTICIPATION AND CONSULTATION

The District Municipality role is to review its IDP on an annual basis and when changing circumstances demand so. The District Municipality must consult their local municipalities and must allow them to participate before adopting the process. Public participation in the absence of direct communities was held in the form of targeted stakeholder meetings in all six municipalities and IDP Representative Forums.

Due to the support and coordination role the district municipality should play, it was deemed necessary to visits municipalities to assess what support is needed from the district municipality, in order to help the B municipalities successfully fulfill their developmental mandate. The visits where arrange as follows.

Municipality	Date
Kgatelopele	23 April 2012
Tsantsabane	24 April 2012
Kheis	25 April
Kai Garib	26 April 2012
Mier	02 May 2012
Khara Hais	03 May 2012

COMMUNICATIONS STRATEGY

The municipality has a communication strategy. This strategy will be reviewed in the 2012/2013 financial year.

(a) Purpose of Communications Strategy

The purpose of the Communications Strategy is to ensure that all communications initiatives in the Siyanda District Municipality are well coordinated, integrated and focused.

(b) Principles of Communications Strategy

Key principles of the Communications Strategy are as follows:

- All communication should be clear, concise and easily understandable.
- All communication should be timely and up to date, and reflect Council's position.
- All municipal published material should adhere to an acceptable and easily recognisable corporate identity.
- In terms of legislative tenets and the NMBM's official Language Policy, multilingualism and a high standard of language usage should apply.
- Honest and open two-way communication must be maintained.

(c) Objectives of the Communication Strategy

- To comply with the legal obligations as prescribed in the Constitution and other relevant Acts of Government in the upholding of democratic values and principles
- To provide a mechanism of communication between the municipality, the community and other sector departments and stakeholders
- To promote and make public aware of the programmes undertaken by the municipality as well as understanding the functioning of the municipality in its mandate to bring services to the people.
- To communicate with the community on business opportunities available to improve Local Economic Development
- To encourage cooperation among government departments as well as the different spheres of government in the spirit of intergovernmental relations
- To ensure that we are a transparent, open, accountable and responsive local government
- That we create and maintain good working relationship with the media
- To encourage communication between various municipal departments and between the politicians and officials so that we do not send conflicting messages to the public

The table below indicates the number of hits and visitors to the municipality's website

Month	Visitors	Hits
July 2011	1209	75093
August 2011	947	75896
September 2011	1013	59155
October 2011	937	58613
November 2011	851	74845
December 2011	865	42706
January 2012	992	70193
February 2012	990	71655
March 2012	965	62144
April 2012	1157	59894
May 2012	1032	83854
June 2012	791	83427
TOTAL	11 749	817 475

Include Graph of the breakdown

INFORMATION TECHNOLOGY

1. Training

Workshop attended on IT Governance to ensure that the IT function sustains the organization's strategies and objectives, and what is required. Samras user group meeting to address certain problems experienced with the system. IT Department are also providing training in regards to the policies being implemented towards IT Governance.

2. System Upgrades

For this financial year the mail server was upgraded to Kerio systems which provide us a lot of benefits like:

- out of office replies
- safeguarding of emails
- quicker mail retrieval
- better security features for blocking unwanted spam and spyware
- and to retrieve Siyanda mail remotely via internet connection

The wireless antenna's that connects all the Siyanda buildings(ex roads, tourism) was also upgrade to a higher data transfer rate to provide users with better network performance and that the backups are being done in less time. Also the encryption being used on the wireless link is an advanced encryption standard.

3. IT Governance and policies

An IT District advisory committee was established to address certain and most common issues experienced and provide solutions through IT governance principles. Siyanda's own IT Steering Committee was established to align IT strategy with Business strategy to ensure service and value delivery from IT Department and monitor the performance. Following policies were implemented to comply with Audit exceptions:

- Backup Policy
- Disaster Recovery Policy
- User Account Control Policy
- Access to IT environment policy
- Physical access to IT assets
- Software policy
- Patch Management Policy
- Email acceptable use Policy
- Internet acceptable use Policy
- Change Control Policy
- IT Charter
- SLA Policy
- Network and Security management policy

4. Support to B Municipality's

The IT Department is assisting B municipalities with technical support as well as guidance to IT Governance and establishment of their Steering Committees with the focus being on a better Audit.

AUDIT COMMITTEE REPORT

The report from the audit committee will be attached as Appendix XX as soon as it is approved by Council