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CHAPTER 1

CHAPTER 1 – MAYOR’S FOREWORD AND EXECUTIVE SUMMARY

COMPONENT A: MAYOR’S FOREWORD

The new Council of Tswelopele was declared elected towards the 2010/11 financial year. However, we immediately acquainted ourselves with the challenges faced by our Municipality. We fully identify with the vision that we want “to be an accountable, transparent, non-racial Municipality that promotes economic development and provides sustainable services and improves the quality of life in the Community”

Although we have inherited an Integrated Development Plan (IDP) adopted by our predecessors, the new Council will develop a new plan before the beginning of the 2011/12 Financial Year. It is through this new plan that the Council will capture the needs of our Community and devise strategies to fund and implement them.

Despite the fact that it is a legal requirement that the Municipality must involve the Community in all important activities, we strongly believe that it is through this Community Participation that the provision of the Freedom Charter that says “People Shall Govern” finds true expression. As elected representatives we believe that Community Participation must not only take place but must be seen to be taking place.

We are mindful of the fact that Tswelopele Municipality is a very small Municipality with limited financial resources and this restricts our capacity to provide services in a rate that we would have ideally wanted to provide them. We however believe that with the assistance of the National and Provincial spheres of government and the District Municipality we shall make a steady progress in facilitating better life for all.

We would like to thank our residents who have entrusted us with the responsibility to be trustees of their aspirations and all spheres of government for the support they have given to us. We also thank the Non-Governmental structure from inside and outside the boundaries of our Municipality for the support they have provided to the Municipality. We believe that indeed “working together, we shall do more”

MAYOR: CLR. M.E. MATHIBE

Table 1.1

1.2 MUNICIPAL MANAGER'S OVERVIEW

MUNICIPAL MANAGER'S OVERVIEW

The Administration of the Municipality is geared towards being responsive to the needs of the Community of Tswelopele. We believe in a performance driven Municipality. The first layer of the administration are appointed on fixed term, performance linked contracts. It is our intention that the performance plans should be cascaded down to all employees of the Municipality.

We are mindful of the financial constraints and challenges that our Municipality faces. Towards this end, we are putting mechanisms in place to address electricity losses and Unaccounted For Water (UFW). We believe that once these challenges are addressed, the revenue of the Municipality will improve and we shall be able to divert the revenue towards addressing other pressing needs of the Municipality.

We are regularly in touch with the Provincial Government, Provincial Treasury and the District Municipality to foster cooperation with a view to improving the quality of life of the entire community of Tswelopele.

We have noted that although not an ideal situation, we received a qualified audit opinion from the Auditor-General in the previous financial year. We are committed to improve the situation to a point where the Tswelopele receives a clean audit report.

MUNICIPAL MANAGER: KELEHILE MOTLHALE

Table 1.2

1.3 MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

INTRODUCTION TO BACKGROUND DATA

Tswelopele Municipality performs some of the functions outlined in Schedules 4 and 5 of the Constitution of the Republic of South Africa Act. We have 100% of our population that have access to basic level of electricity (10 Amps connection); 100% access to basic level of waste removal and 100% access to basic level of sanitation. The majority of our roads are gravel roads that we maintain regularly depending on the availability of equipment and resources. The maintenance referred to above includes storm-water drainage, public lighting and patching of pot-holes. Other services such as library and environmental health are rendered by the District Municipality.

Table 1.3

1.3.1 DEMOGRAPHIC PROFILE

Tswelopele Municipality is 6 506, 68 square kilometres in extent. The demographic profile of the municipality according to the most recent information available is shown in the table below:

	1996 – Stats SA	2001- Stats SA	2007 – Community Survey
No. of households	12 624	12 987	12 623
Average people	4,40	4,2	3,2
Total population	55 591	58 858	40 617

Table 1.4 : Demographic details

The key statistics mentioned above as reflected in Census 2001 are shown to place the municipality's performance in the proper context. The net population increase in the municipality between 1996 and 2001 was 2 318 people (1 110 households). The total population of the municipality declined from 2001 with 18 241. This decrease as reflected in the Community Survey of 2007 is still disputed by the Municipality. The average size of households has also decreased according to the community survey. If the size of the average people in a household remains the same as in 2001 (4,2), the total population will be 55 412. The figure can only be verified once the results of 2011 Census have been published.

Natural Resources	
Major Natural Resources	Relevance to Community
None	Not Applicable

Table 1.5

1.4 SERVICE DELIVERY OVERVIEW

SERVICE DELIVERY INTRODUCTION

The Municipality prides itself in having met the basic level of all services that the municipality provides. We however are mindful of the fact that attention has to be given to matters of greening, recycling and on providing environmental awareness.

Table 1.6

1.5 FINANCIAL HEALTH OVERVIEW

FINANCIAL OVERVIEW

The population of the Municipality is dominated by indigent, unemployed and poor households. As a result the municipality's revenue is based on the limited contribution from part of the community that can pay for the services that they receive and mainly on the Equitable Share received from National Treasury. We have developed an Audit Action Plan wherein we have identified interventions to address issues raised by the Auditor-General in the previous audit. Matters to be raised by the Auditor-General in the current Audit cycle will also be incorporated in the audit action plan.

Table 1.7

Financial Overview – 2010/11			
			R'000
Details	Original Budget	Adjustment Budget	Actual
Income	40 767 496	40 39 6951	33 458 455
Grants	51 659 345	51 659 345	65 076 588
Other	-	-	-
Sub-Total	92 426 841	92 056 296	98 535 043
<i>Less Expenditure</i>	92 418 851	92 049 664	113 124 855
Net Total*	7989	6 632	(15 057 162)
*Surplus/(deficit)			Table1.8

Operating Ratios	
Detail	%
Employee Cost	30.37 %
Repairs and Maintenance	2.76 %
Finance Charges and Depreciation	29.91 %
Table 1.9	

COMMENT ON OPERATING RATIOS:

Variance between the original budget and the adjustment budget is brought about by the reduction in the expected revenue (income). The reduction in revenue affected the percentage of employee cost to the income as the employee costs are fixed and do not go down when the expected income decreases. The percentage of repairs and maintenance of 5.18 (ideally 20%) and finance charges and maintenance of 2 (ideally 10%) were also affected by the reduction of expected income. We are mindful of the negative impact of this practice on the infrastructure that is not well maintained and the depletion of the depletion of funds to replace assets as a result of insufficient depreciation provision.

Table 1.10

Total Capital Expenditure 2008/09 – 2010/11			
			R
Detail	2008/09	2009/10	2010/11
Original Budget	14 800 000	18 790 000	20 799 000
Adjustment Budget	-	-	-
Actual	14 800 000	18 790 000	20 799 000

Table 1.11

COMMENT ON CAPITAL EXPENDITURE:

Comparison of the capital budget over three financial years (2008/09 – 2010/11) shows a steady increase, albeit on a smaller scale.

Table 1.12

1.6 ORGANISATIONAL DEVELOPMENT OVERVIEW

ORGANISATIONAL DEVELOPMENT PERFORMANCE

Tswelopele Municipality has a steady workforce. Although we are a small municipality, we manage to retain our key staff members for a long time. We have relevant Human Resources policies and they are reviewed regularly. Compliance with legislation and maintenance of discipline is of paramount importance to the Municipality.

Table 1.13

1.7 AUDITOR GENERAL REPORT

AUDITOR GENERAL REPORT 2010/11

REPORT OF THE AUDITOR-GENERAL TO THE FREE STATE LEGISLATURE AND THE COUNCIL ON THE TSWELOPELE LOCAL MUNICIPALITY

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the accompanying financial statements of the Tswelopele Local Municipality, which comprise the statement of financial position as at 30 June 2011, and the statement of financial performance, statement of changes in net assets and cash

flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages xxx to xxx.

Accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and in the manner required by the Local Government: Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2010 (Act No. 1 of 2010) (DoRA), 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 South Africa, 1996 (Act No. 108 of 1996), and section 4 of the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), my responsibility is to express an opinion on these financial statements based on my audit.
4. I conducted my audit in accordance with International Standards on Auditing and *General Notice 1111 of 2010* issued in *Government Gazette 33872 of 15 December 2010*. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management as well as evaluating the overall presentation of the financial statements.
6. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.

Basis for qualified opinion

Consumer receivables from exchange transactions

7. I could not confirm the existence of consumer debtors of R22 384 354 as disclosed in note 5 (gross balances) to the financial statements. In the absence of payments made after year-end as well as service contracts and indigent applications, I could not confirm that these debtors did exist at year-end.
8. I was unable to obtain sufficient, appropriate audit evidence that bad debts written off during the year under review amounting to R6 163 825 had been written off with the approval of the council.

-
9. Approved indigent applications for a sample of consumer debtors could not be submitted for audit purposes. In the absence of these applications, I could not verify the status of these consumer debtors as indigent and the municipality's records did not allow me to perform alternative audit procedures to confirm the status of these debtors as indigent.
 10. Contrary to the requirements of SA Standard of GRAP 1 *Presentation of Financial Statements*, the municipality did not disclose debtors with arrangements as non-current assets in the financial statements.

Trade and other payables

11. I could not confirm the existence, valuation as well as rights and obligations of trade and other payables amounting to R1 496 666 included in note 18 to the financial statements. I was unable to confirm the total extent of income, expenditure, assets or liabilities that might be included in these amounts, as sufficient appropriate audit evidence could not be presented and alternative procedures could not be performed.
12. Due to a lack of a system of control over trade payables, I could not perform satisfactory audit procedures to obtain reasonable assurance that all amounts payable by the municipality had been properly recorded. Consequently, I was unable to obtain sufficient appropriate audit evidence to satisfy myself as to the completeness of trade payables of R4 025 643 as disclosed in note 18 to the financial statements.
13. The municipality could not provide sufficient appropriate audit evidence to support amounts received in advance amounting to R1 552 661 as disclosed in note 18 to the financial statements. I was unable to confirm the existence, valuation as well as rights and obligations of payments received in advance.
14. The municipality could not provide sufficient appropriate audit evidence to support other payables of R956 100 included in note 18 to the financial statements. I was unable to confirm the existence, valuation as well as rights and obligations of other payables to the amount of R956 100.

Investment properties

15. Properties that conform to the definition and recognition criteria of an investment property as stated in SA Standard of GRAP 16 *Investment Property*, were not included in the investment property register. As I was unable to determine the extent of the misstatement in the disclosed investment property balance, I was unable to obtain sufficient appropriate audit evidence to confirm the completeness of investment property amounting to R13 066 000 as disclosed in note 10 to the financial statements.

Biological assets

16. I was unable to obtain sufficient appropriate audit evidence to confirm the existence and completeness of biological assets amounting to R1 067 100 as disclosed in note 9 to the financial statements. The municipality's records did not allow me to perform any alternative procedures.

Irregular expenditure

17. Section 1 of the MFMA defines irregular expenditure as expenditure incurred by a municipality that is not in accordance with a requirement of the act and that has not been condoned in terms of section 170. Several instances were noted where the municipality did not comply with the requirements outlined in the Municipal Supply Chain Management (SCM) Regulations and its own SCM policy. Based on my assessment,

irregular expenditure as disclosed in note 42 to the financial statements was understated by at least R280 969.

Qualified opinion

18. In my opinion, except for the effects of the matters described in the basis for qualified opinion paragraphs, the financial statements present fairly, in all material respects, the financial position of the Tswelopele Local Municipality as at 30 June 2011, and its financial performance and cash flows for the year then ended in accordance with SA Standards of GRAP and the requirements of the MFMA and DoRA.

Emphasis of matters

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

Restatement of corresponding figures

19. As disclosed in note 36 to the financial statements, the corresponding figures for 30 June 2010 have been restated as a result of correcting prior year audit findings during the current financial year in the financial statements of the municipality at, and for the year ended, 30 June 2010.

Going concern

20. As disclosed in note 38 to the financial statements, the ability of the municipality to continue as a going concern is dependent on a number of factors, including the need to obtain funding on a continuous basis.

Additional matter

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

Unaudited supplementary schedule

21. The supplementary information set out on page XXX to XXX 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

22. 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 XX to XX and material non-compliance with laws and regulations applicable to the municipality.

Predetermined objectives

Usefulness of information

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

- Consistency: The reported objectives, indicators and targets are not consistent with the approved integrated development plan.
- Measurability: The targets are not specific and time bound.

The following audit finding relates to the above criteria:

Reported objectives, indicators and targets not consistent when compared to planned objectives, indicators and targets (consistency)

24. The municipality did not report throughout on its performance against the planned development objectives, indicators and targets as stated in the service delivery and budget implementation plan.

Reliability of information

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

- Validity: The actual reported performance occurred and pertains to the entity, i.e. the reported performance information can be traced back to the source data or documentation.
- Accuracy: The amounts, numbers and other data relating to reported actual performance have been recorded and reported appropriately.
- Completeness: All actual results and events that should have been recorded have been included in the reported performance information.

The following audit finding relates to the above criteria:

The validity, accuracy and completeness of reported performance against targets could not be confirmed as inadequate supporting source information was provided (reliability)

26. There was not sufficient appropriate audit evidence in relation to the reporting in the annual performance report. There were also no satisfactory audit procedures that I could perform to obtain the required assurance as to the validity, accuracy and completeness of the reported information.

Compliance with laws and regulations

Strategic planning and performance management

27. The municipality did not implement a framework that described and represented how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement would be conducted, organised and managed, including determining the roles of the different role players, as required by sections 38, 39, 40 and 41 of the Municipal Systems Act of South Africa, 2000 (Act No. 32 of 2000) (MSA) and Municipal Planning and Performance Management Regulations 7 and 8.

Budget

28. The municipality incurred expenditure in excess of the limits of the amounts provided for in the votes in the approved budget, in contravention of section 15 of the MFMA.
29. The accounting officer did not make public the approved adjustment budget in terms of Municipal Budget and Reporting Regulation 26(1) (GNR 393 of 17 April 2009) or submit the adjustment budget within 10 days to the provincial treasury, as required by section 28(7) of the MFMA and Municipal Budget and Reporting Regulations 26 and 27(1) (GNR 393 of 17 April 2009).
30. The mayor did not approve the service delivery and budget implementation plan within 28 days after the approval of the budget, as required by section 53(1)(c)(ii) of the MFMA,

nor did the accounting officer make public the approved service delivery and budget implementation plan within 10 days after it had been approved by the mayor, as required by Municipal Budget and Reporting Regulation 19 (GNR 393 of 17 April 2009).

31. The monthly budget statements, mid-year budget and performance assessment report were not placed on the municipality's website, as required by Municipal Budget and Reporting Regulations 5 and 34(1) (GNR 393 of 17 April 2009).

Annual financial statements and performance report

32. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122 of the MFMA. Material misstatements identified by the auditors were subsequently corrected, but the uncorrected material misstatements resulted in the financial statements receiving a qualified audit opinion.
33. The annual performance report did not contain a comparison of the performance of the municipality and of each external service provider with development priorities, objectives and performance indicators set out in its integrated development plan, as required by section 46 of the MSA.

Audit committees

34. No functioning audit committee was in place, as required by section 166(1) of the MFMA.
35. The municipality did not appoint and budget for a performance audit committee, nor was another audit committee utilised as the performance audit committee, as required by Municipal Planning and Performance Management Regulation 14.

Internal audit

36. The internal audit unit did not function as required by section 165(2) of the MFMA, as the unit did not advise the accounting officer on matters relating to internal audit, internal controls, accounting procedures and practices, risk and risk management as well as loss control.
37. The municipality did not develop and implement mechanisms, systems and processes for auditing the results of performance measurement as part of its internal audit processes, as required by section 45(1)(a) of the MSA and Municipal Planning and Performance Management Regulation 14.
38. The internal auditors of the municipality did not audit the performance measurements on a continuous basis and did not submit quarterly reports on their audits to the municipal manager, as required by Municipal Planning and Performance Management Regulation 14.

Human resource management and compensation

39. Senior managers directly accountable to the municipal manager did not undergo annual performance assessments for the year under review, as required by section 57(1)(b) and 57(2)(a) of the MSA.

Expenditure management

40. The accounting officer did not take reasonable steps to prevent unauthorised, irregular as well as fruitless and wasteful expenditure, as required by section 62(1)(d) of the MFMA.

41. The municipality did not recover irregular or fruitless and wasteful expenditure from the liable person, as required by section 32(2) of the MFMA.

INTERNAL CONTROL

42. 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 qualified opinion, the findings on the annual performance report and the findings on compliance with laws and regulations included in this report.

Leadership

43. The accounting officer did not exercise oversight responsibility over reporting, compliance with laws and regulations as well as internal control. This resulted in the municipality receiving a qualified opinion and significant findings on predetermined objectives and compliance.

Financial and performance management

44. Proper record keeping was not implemented in a timely manner to ensure that complete, relevant and accurate information was accessible and available to support financial and performance reporting, resulting in a limitation of scope on my audit.

45. The accounting officer did not prepare regular, accurate and complete financial and performance reports that were supported and evidenced by reliable information.

Governance

46. Management did not identify risks relating to the achievement of financial and performance reporting objectives. An audit committee was not functioning during the year under review. Ongoing monitoring and supervision were not undertaken to enable an assessment of the effectiveness of internal control over financial and performance reporting.

47. Management did not ensure that there was an adequately resourced and functioning internal audit unit that identified internal control deficiencies and recommended corrective action effectively, thus resulting in significant internal control deficiencies not being addressed in a timely manner.

Bloemfontein

30 November 2011



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

1.8 STATUTORY ANNUAL REPORT PROCESS

Below is an exposition that the processes that the Municipality must follow in order to comply with the compilation of the Budget; review of the IDP; submitting monthly and quarterly REPORTS; preparation of the PERFORMANCE Report, Annual Financial Statements and Annual Report:

No	Activity	Timeframe
1	Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period.	July
2	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	
3	Finalise 4 th quarter Report for previous financial year	
4	Submit draft 2010/11 Annual Report to Internal Audit and Auditor-General	
5	Audit/Performance committee considers draft Annual Report of the municipality a	August
6	Mayor tables the unaudited Annual Report	
7	Municipality submits draft Annual Report including consolidated annual financial statements and performance report to Auditor General.	
8	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase	September - October
9	Auditor General assesses draft Annual Report including consolidated Annual Financial Statements and Performance data	
10	Municipalities receive and start to address the Auditor General's comments	November
11	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor- General's Report	
12	Audited Annual Report is made public and representation is invited	
13	Oversight Committee assesses Annual Report	December
14	Council adopts Oversight report	
15	Oversight report is made public	

16	Oversight report is submitted to relevant provincial councils	
17	Commencement of draft Budget/ IDP finalisation for next financial year. Annual Report and Oversight Reports to be used as input.	January
Table 1.15		

COMMENT ON THE ANNUAL REPORT PROCESS:

Compliance with the above process is important in that it creates predictability, uniformity and stability. If this is not strictly adhered to synergy between the various steps and processes will not be created. This also serves as a good management tool in that it mandates what processes should be implemented at what stage. For Tswelopele Municipality to meet the timelines mentioned above, most of the items have been included in the Performance Agreements/Plans of Senior Managers.

Table 1.16

CHAPTER 2

CHAPTER 2 – GOVERNANCE

INTRODUCTION TO GOVERNANCE

Matters of governance are taken very seriously by all structures within the Municipality. The relationship between Politicians and the Administration is very good. Although each structure understands and appreciates its own roles and those of others, a culture of co-operation and consultation is the order of the day. Key role-players in the Municipality believe in the principle of Co-operative governance as stipulated in section 41 of the Constitution. The relationship between Tswelopele Municipality and Provincial Government, Department of Co-operative Governance and Traditional Affairs and the District Municipality is very good. Their inputs and assistance to our municipality is invaluable.

Table 2.1

INTRODUCTION TO POLITICAL AND ADMINISTRATIVE GOVERNANCE

The Tswelopele Local Municipality is Collective Executive System with the Council as the highest decision making body. Both the legislative and executive authority of the Municipality is vested in Council. The Municipal Manager is the head of the administration and also the accounting officer and reports to both the Mayor and the Council.

Table 2.2

2.1 POLITICAL GOVERNANCE

INTRODUCTION TO POLITICAL GOVERNANCE

The Mayor is the key figure in the Municipality in terms of section 52 of the Municipal Finance Management Act (MFMA), Act 56 of 2003. She is the Chairperson of the Executive Committee (EXCO) that is responsible for receiving reports from various Section 79 Committees of Council and makes recommendations to Council. The Speaker is the Chairperson of Council and performs function as stipulated in Section 37 of the Municipal Structures Act, 117 of 1998.

Table 2.3

POLITICAL STRUCTURE

Photos

MAYOR: Cllr ME Mathibe - The Mayor presides at the meetings of the Executive Committee. Performs duties, including any ceremonial functions, and exercise delegated to the Mayor by Council or the Executive Committee.

SPEAKER: *Cllr TA Matlakala - Presides at Council meetings and performs duties and exercise powers delegated to the Speaker in terms of section 59 of Local Government: Municipal Systems Act, Act 32 of 2000. Further that the Speaker has the following function:*

- to ensure that the Council meets at least quarterly;
- to maintain order during Council meeting;
- to ensure compliance in the Council and Council Committees with code of conduct;
- to ensure that Council meetings are conducted in accordance with rules and orders of the Council.

EXECUTIVE COMMITTEE MEMBERS

Members

1. Clr. M.E. Mathibe
2. Clr. P.P. Moalosi
3. Clr. C. Horn

The functions of the Executive Committee are as stipulated in section 44 of the Structures Act.

(Photos)

Table 2.4

COUNCILLORS

Tswelopele Local Council is constituted of 15 Councillors (ie.8 ward councilors and 7 proportional representative councilors):

WARD COUNCILLORS COUNCILLORS	PROPORTIONAL	REPRESENTATIVES
Ward One – Cllr BP Essau		Cllr ME Mathibe
Ward Two – Cllr PP Moalosi		Cllr MS Bonokoane
Ward Three – Cllr TA Matlakala		Cllr KR Phukuntsi
Ward Four – Cllr DA Njodina		Cllr MJ Taljaard
Ward Five – Cllr MW Raseu		Cllr C Horn
Ward Six – Cllr TW Nabi [resigned]		Cllr EC Joubert
Ward Seven- Cllr TT Taedi		Cllr MM Snyer
Ward Eight –Cllr MS Baleni		

Table 2.5

POLITICAL DECISION-TAKING

The Council of Tswelopele Local Municipality is a Collective Executive System and it consists of the Council, which is the highest decision making body and it meets quarterly, and the Executive Committee which meets once every month.

The Percentage of Number Resolutions Implemented vis-à-vis the Percentage of Number Decision Taken is about 90%.

Table 2.6

2.2 ADMINISTRATIVE GOVERNANCE

INTRODUCTION TO ADMINISTRATIVE GOVERNANCE

The Municipal Manager is the accounting officer of the municipality in terms Section 60 of the MFMA and must provide guidance on compliance with this Act to political structures; political office bearers, and officials of the municipality and any entity under the sole or shared control of the municipality. Although the Municipal Manager is at the apex of the administration, the administration of Tswelopele Municipality functions as a collective unit and meets regularly to address various service delivery issues.

Table 2.7

TOP ADMINISTRATIVE STRUCTURE

Photo	TIER 1	Function
	MUNICIPAL MANAGER: Mr KJ Motlhale	-.
	<ul style="list-style-type: none">➤ Is the Accounting Officer in terms of Section 60-75 of the MFMA and performs functions stipulated in terms of Section 66 of the Municipal Systems Act, 32 of 2000)	
Photos Optional	CHIEF OPERATIONS OFFICER: Mr. Pieter De Bruin	
	<ul style="list-style-type: none">➤ Is responsible for the daily operations of the Municipality. He performs and accounts to the Municipal Manager.	
	EXECUTIVE MANAGER: CORPORATE SERVICES: Mr. Sabata Rabanye	
	<ul style="list-style-type: none">➤ Provides administrative, legal and human resource management function to the Council, EXCO, the Municipal Manager and other employees of Council. He performs and accounts to the Municipal Manager.	
	CHIEF FINANCIAL OFFICER: Mr. James Young	
	<ul style="list-style-type: none">➤ Provides corporate financial management and accounting services as prescribed by Section 81 of the MFMA. He performs and accounts to the Municipal Manager.	
	EXECUTIVE MANAGER: COMMUNITY SERVICES: Mr. Molehe Mahlanyane	
	<ul style="list-style-type: none">➤ Ensures proper planning; social and emergency services are provided and is responsible for the implementation of community services.	
	EXECUTIVE MANAGER: TECHNICAL SERVICES: Vacant	
	Chief Operations Officer was acting in the position. – To ensure effective maintenance of the municipality's assets and execution of construction projects.	

COMPONENT B: INTERGOVERNMENTAL RELATIONS

INTRODUCTION TO CO-OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS

Section requires that municipalities exercise their executive and legislative authority within the constitutional system of co-operative governance envisage in the Constitution S41. The relationship between Tswelopele Municipality and Provincial Government, Department of Co-operative Governance and Traditional Affairs and the District Municipality is very good. Their inputs and assistance to our municipality is invaluable.

Table 2.9

2.3 INTERGOVERNMENTAL RELATIONS

INTERGOVERNMENTAL STRUCTURES

Tswelopele Municipality participates in a number of structures aimed at enhancing Intergovernmental relations as prescribed by Chapter 3 of the Constitution and Section 3 of the Systems Act. These include outreach programmes of national Ministers; Provincial Cabinet Lekhotla; SALGA; National and Provincial Treasuries; District Municipality Intergovernmental Meetings and mainly through interactions when compiling the IDP.

Table 2.10

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION

Section 15(b) of the Systems Act requires a municipality to establish and organise its administration to facilitate and a culture of accountability amongst its staff. Section 16(i): states that a municipality must develop a system of municipal governance that compliments formal representative governance with a system of participatory governance. Section 18(i)(d): requires a municipality to supply its community with information concerning municipal governance , management and development.

The above objectives are achieved by holding public meetings; ward meetings; communication with and through Non-Governmental Organisations and through the use of Community Development Workers. Political leaders of parties represented in Council also give feedback to the community through meetings of those structures.

Table 2.11

2.4 PUBLIC MEETINGS

COMMUNICATION, PARTICIPATION AND FORUMS

The following mechanisms are used as tools to ensure public participation and communication with the local municipal area and they are; news -letters, loud hailers, Lesedi FM, local news -papers and Tswelo news. Ward Councillors, Community Development Workers and Ward Committees held sectional meetings in their respective wards to enhance public participation by consulting their constituencies.

The IDP and budget consultative meetings are held as stipulated by law through different forums and they are inclusive of, Steering committee, Representative/ stakeholders, sectional and ward and mass meetings. The total number of meetings held is 48, but there could have been more if it was not of other pressing commitments. All this meetings are held by scheduled dates and communicated properly.

The efficiency and effectiveness of these forums is improved through taking members to workshops that provide them with relevant skills and to the larger community.

Table 2.12

WARD COMMITTEES

Ward Committees are said to be the eyes, ears and strong link between the Municipality, Ward Councillors and the community. They are the people with more knowledge regarding service delivery issues within the municipal area as they work and interact with those communities. During consultations, e.g. Imbizo`s with the communities by the municipality and sector department Ward Committee members are more positioned to help with rendering service offered by the said departments.

Table 2.13

PUBLIC MEETINGS					
Nature and Purpose of meeting	Date of event	Number of Participating Municipal Councillors	Number of Participating Municipal Administrators	Number of Community members attending	Manner of feedback given to community
Department of Agriculture, Bultfontein District Landbou embarked on a cleaning campaign	03 May 2011	Lejweleputswa District Mayor and Tswelopele Councillors	Municipal Senior personnel	Different Stakeholders	The Premier addressed the stakeholders
Budget meeting: Lejweleputswa	12 April 2011	All Councillors	Finance dept.	Stakeholders	Consultative
Boertjifees at showground	03 September 2011	All Councillors	Political office personnel	stakeholders	Speech delivered by President Jacob Zuma

Table 2.14

COMMENT ON THE EFFECTIVENESS OF THE PUBLIC MEETINGS HELD:

The meetings were effective in that members of the public, Councillors and municipal officials were able to get first-hand information from key decision makers, to ask questions directly and to raise their problems regarding service delivery by all spheres of government and get responses immediately.

Table 2.15

2.5 IDP PARTICIPATION AND ALIGNMENT

IDP Participation and Alignment Criteria*	Yes/No
Does the municipality have impact, outcome, input indicators?	Yes
Does the IDP have priorities, objectives, KPI's, development strategies?	Yes
Does the IDP have multi-year targets?	Yes
Are the above aligned and can they be calculated into a score?	No
Does the budget align directly to the KPI's in the strategic plan?	No
Do the IDP KPI's align to the Section 57 Managers?	Yes
Do the IDP KPI's lead to a functional area KPI's as per the SDBIP?	Yes
Were the indicators communicated to the public?	Yes
Were the four quarter aligned reports submitted within the stipulated time frames?	No

Table 2.16

COMPONENT D: CORPORATE GOVERNANCE

2.6 RISK MANAGEMENT

RISK MANAGEMENT

Section 62(1)(c) of the MFMA requires a municipality to have and maintain an effective, efficient and transparent system of risk management. As a result, the municipality has developed and approved the Anti-Fraud and Corruption Policy; has appointed an Audit Committee that meets once a quarter and emphasizes on maintaining proper records for every transaction done. The municipality has also adopted a Risk Management Policy. The short-coming of the Municipality in this regard is the development of the risk register on the water, sewerage and the electricity network.

Table 2.17

2.7 ANTI-CORRUPTION AND FRAUD

FRAUD AND ANTI-CORRUPTION STRATEGY

Section 83 (c) of the Systems Act, 2000 requires providers to be chosen through a process which minimizes the possibility of fraud and corruption. As a result, over and above measures mentioned under 2.17 above the municipality has adopted the Supply Chain Management Policy, the Procurement Policy and the Internal Audit Charter.

Table 2.18

2.8 SUPPLY CHAIN MANAGEMENT

OVERVIEW SUPPLY CHAIN MANAGEMENT

Section 110-119 of the MFMA; the Supply Chain Management (SCM) Regulations 2005; and relevant MFMA circulars set out required processes and guidance manuals to help ensure that SCM arrangements provide appropriate goods and services, offer best value for money and minimise the opportunities for fraud and corruption. To comply with legislation mentioned above, Council has adopted the Procurement Policy and the Supply Chain Management Policy. An improvement can be made on the placement of tenders and quotations on the Municipality's website.

Table 2.19

2.9 BY-LAWS

By-laws Introduced during 2010/11					
Newly Developed	Revised	Public Participation Conducted Prior to the Adoption of By-Laws (Yes/No)	Dates of Public Participation	By-Laws Gazetted (Yes/No)	Date of Publication
No	No	No	No	No	No

Table 2.20

2.10 WEBSITES

Municipal Website: Content and Currency of Material		
Documents published on the Municipality's Website	(Yes/No)	Publishing
Current annual and adjustments budgets and all budget-related document	No	
All current budget-related policies	No	
The previous annual report (2009/10)	No	
The annual report (2010/11) published	No	
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (2010/11) and resulting scorecards	No	
All service delivery agreements (2010/11)	No	
All long-term borrowing contracts (2010/11)	No	
All supply chain management contracts above a prescribed value (give value) for 2010/11	No	
An information statement containing a list of assets over a prescribed value that have been disposed in terms of section 14 (2) or (4) during 2010/11	No	
Contracts agreed in 2010/11 to which subsection (1) of section 33 apply, subject to subsection (3) of that section	No	
Public-private partnership agreements referred to in section 120 made in 2010/11	No	
All quarterly reports tabled in the council in terms of section 52(d) during 2010/11	No	

Table 2.21

COMMENT MUNICIPAL WEBSITE CONTENT AND ACCESS:

Section 75 of the MFMA prescribes information that must be placed on the municipality's website. This was not completely complied with the Municipality. The solution will be to appoint a person whose responsibility will be to comply with the provisions of the law.

2.11 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

PUBLIC SATISFCATION LEVELS

Tswelopele Municipality did not conduct any formal or structured customer satisfaction surveys during the year under review. This was because of the limitations on financial resources. However, public and ward meetings were used to get views of the community on the services provided by Tswelopele Municipality.

CHAPTER 3

CHAPTER 3: SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

INTRODUCTION

Tswelopele Local Municipality continues to provide basic services such as water provision, waste water (sanitation), electricity distribution, waste management (including refuse removal and solid waste disposal) and the facilitation of housing and provision of sites to an extent provided for in both Schedules 4 and 5 of the Constitution of the Republic of South Africa Act, (108 of 1996). It is also dedicated to the provision of Free Basic Services (FBS) as directed by National Government and within the financial, personnel and systems limitations of the Municipality.

COMPONENT A: BASIC SERVICES

This component includes: water; waste water (sanitation); electricity; waste management; and housing services; and a summary of free basic services.

3.1 WATER PROVISION

Tswelopele Municipality strives very hard to comply with the provisions of the Water Services Act of 1997 as well as the General Enabling Act of 2005. 100% of households within the municipal area have access to the basic level of clean water. The indicators are described in detail below.

Water Services Delivery Levels				
Description	Households			
	2007/08	2008/09	2009/10	2010/11
	Actual No.	Actual No.	Actual No.	Actual No.
Water- (above minimum level)				
Piped water inside dwelling	981	1294	3512	3820
<i>Piped water inside yard (but not in dwelling)</i>	9325	9012	8279	7971

<i>Using public tap (within 200m from dwelling)</i>	0	9012	0	0
<i>Other water supply (within 200)</i>	0	0	0	0
<i>Minimum Service Level and sub-total</i>	10306	10306	11791	11791
<i>Minimum Service Level and Above Percentage</i>	100%	100%	100%	100%
Water- (below minimum level)				
<i>Using public tap (more than 200m from dwelling)</i>	0	0	0	0
<i>Other water supply (more than 200m from dwelling)</i>	0	0	0	0
<i>No water supply</i>	0	0	0	0
<i>Below Minimum Service Level sub-total</i>	0	0	0	0
<i>Below Minimum Service Level Percentage</i>	0	0	0	0
Total number of households including informal settlements	10306	10306	11791	11791

Table 3.1

Households –Water Service Delivery Levels below the Minimum						
Households						
Description	2007/08	2008/09	2009/10	2010/11		
	Actual No.	Actual No.	Actual No.	Original Budget No.	Adjusted Budget No.	Actual No.
FOMAL SETTLEMENTS						
Total households	10306	10306	11791	11791	11791	11791
<i>Households below minimum service level</i>	0	0	0	0	0	0

<i>Proportion of households below minimum service level (%)</i>	0	0	0	0	0	0
INFORMAL SETTLEMENTS	0	0	0	0	0	0
Total households	0	0	0	0	0	0
<i>Households below minimum service level</i>	0	0	0	0	0	0
<i>Proportion of households below minimum service level</i>	0	0	0	0	0	0

Table3.2

EMPLOYEES: WATER SERVICES					
Job level	2009/10	2010/11			
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %
0 -3	3	3	2	1	11,1%
4 -6	4	4	4	0	
7 -9	2	2	2	0	0
10 -12	0	0	0	0	0
13 -15	0	0	0	0	0
16 -18	0	0	0	0	0
19 -20	0	0	0	0	0
Total	9	9	8	1	11,1%

Table 3.3

Details	2010/11			
	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue (excluding tariffs)	15 985 400	15 985 400	16 311 941	(326 541)
Expenditure:				
Employees	935 917	911 280	1 040 333	(129 053)

Repairs and Maintenance	365 000	365 000	488 340	(123 340)
Others:	11 476 017	9 497 180	12 086 632	2 589 452
Total Operational Expenditure	9376017	858 2180	10709252	(2 127 072)
Net Operational (Services) Expenditure	6 609 383	74 003 220	(6 225 774)	1 177 446

Table 3.4

CAPITAL EXPENDITURE 2010/11					
Water Services					
Capital Projects	2010/11				
	Budget	Adjustment Budget	Actual Expenditure	Variance from Original Budget	Total Project Value
Total All	0	0	0	0	
None	0	0	0	0	

Table3. 5

COMMENT ON WATER SERVICES PERFORMANCE OVERALL:

The Tswelopele Local Municipality had no planned capital projects for water during the 2010/11 financial year. The four main water projects will start in the 2011/12 up to and including 2013/14 financial years and include the installation of water meters; needs determination in rural areas; installation of 3512 water meters in Tikwana as well as the facilitation of hyacinths in the Vet River at Hoopstad. The realization of the above will, however, depend on the availability of own or external funds.

3.2 WASTE WATER (SANITATION) PROVISION

INTRODUCTION TO SANITATION PROVISION

Tswelopele Local Municipality is committed to provide the highest level of sanitation services to its residents. The highest level of sanitation services provided by the municipality is a flush toilet connected to the sewerage system and the basic level of service includes flush toilet with septic tank and a PIT latrine with ventilation.

The indicators for sanitation services are depicted below:

Sanitation Services Delivery Levels			
Description	Households		
	2008/09	2009/10	2010/11
	Actual No.	Actual No.	Actual No.
Sanitation/sewerage- (above minimum level)			
<i>Flush toilet (connected to sewerage)</i>	10 289	10 438	10 438
<i>Flush toilet (with septic tank)</i>	17	17	17
<i>Chemical toilet</i>	0	0	0
<i>Pit toilet (Ventilated)</i>	0	0	0
<i>Other toilet provisions (above minimum level)</i>			
<i>Minimum Service Level and Above sub-total</i>	10 306	10 455	10 455
Minimum Service Level and Above Percentage	100%	100%	100%
Sanitation/sewerage- (below minimum level)			
<i>Bucket toilet</i>	0	0	0
<i>Other toilet provisions (below minimum service level)</i>	1 336	1 336	1 336
<i>No toilet provision</i>	0	0	0
<i>Below Minimum Service Level sub-total</i>	0	1 336	1 336
Below Minimum Service Level Percentage	0	13%	13%
Total number of households including informal settlements	0	0	0
	10 306	11 791	11 791

Table 3.6

Households –Sanitation Service Delivery Levels below the Minimum						
Households						
Description	2007/08	2008/09	2009/10	2010/11		
	Actual No.	Actual No.	Actual No.	Original Budget No.	Adjusted Budget No.	Actual No.
FOMAL SETTLEMENTS	10 306	10 306	11 791	11 791	11 791	11 791
Total households	10 306	10 306	11 791	11 719	11 791	11 791
<i>Households below minimum service level</i>	0	0	0	0	0	0
<i>Proportion of households below minimum service level (%)</i>	0	0	0	0	0	0
<i>Households below minimum service level</i>	0	0	0	0	0	0
<i>Proportion of households below minimum service level</i>	0	0	0	0	0	0

Table 3.7

EMPLOYEES: SANITATION SERVICES					
Job level	2009/10	2010/11			
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %
0-3	19	19	16	3	11,53%
4-6	7	7	7	0	0
7-9	0	0	0	0	0

10 -12	0	0	0	0	0
13 -15	0	0	0	0	0
16 -18	0	0	0	0	0
19 -20	0	0	0	0	0
Total	26	26	23	3	11,53%

Table 3.8

FINANCIAL PERFORMANCE 2010/11: SANITATION SERVICES					
R'000					
Details	2009/10	2010/11			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue (excluding tariffs)	12 026 049	14 267 400	14 267 400	4 443 187	9 824 213
Expenditure:					
Employees	2 300 000	2 293 880	2 455 487	1 863 752	207 357
Repairs and Maintenance	270 000	340 000	350 000	465 687	(115 687)
Other	6 271 900	6 749 200	6 709 100	5 416 154	1 292 946
Total Operational Expenditure	8 841 900	9 383 080	9 514 587	8 027 341	1 384 616
Net Operational (Services) Expenditure	3 184 149	4 884 320	4 752 813	(3 686 784)	1 066 029

Table 3.9

CAPITAL EXPENDITURE 2010/11 Sanitation Services					
Capital Projects	2010/11				
	Budget	Adjustment Budget	Actual Expenditure	Variance from Original Budget	Total Project Value
Sewer Treatment Plant at Phahameng	20 299 000	0	20 299 000	0	

Table 3.10

COMMENT ON SANITATION SERVICES PERFORMANCE OVERALL:

During the year under review 2010/11 the municipality embarked on phase 2 of the new sewer treatment plant in Phahameng in Bultfontein to the figures mentioned in Table 10 above.

3.3 ELECTRICITY

INTRODUCTION TO ELECTRICITY

Basic level of access to electricity is defined as including connection of the household to the grid and basic level of service includes 10 Amp connection.

Tswelopele Municipality is only responsible for the distribution of electricity as licenced by the National Energy Regulator (NERSA) and does not provide any generatio or transmission services. The indicators for electricity services are depicted below (the figures below apply only to the municipality's licence area and exclude the Eskom licence area):

Electricity Services Delivery Levels				
Description	Households			
	2007/08	2008/09	2009/10	2010/11
	Actual No.	Actual No.	Actual No.	Actual No.

Energy- (above minimum level)				
<i>Electricity (at least minimum service level)</i>	1408	1408	1408	1408
<i>Electricity – prepaid (minimum service level)</i>	106	106	106	106
<i>Minimum Service Level and Above sub-total</i>	1514	1514	1514	1514
<i>Minimum Service Level and Above Percentage</i>	100%	100%	100%	100%
Energy- (below minimum level)				
<i>Electricity (< minimum service level)</i>	0	0	0	0
<i>Electricity – prepaid (< minimum service level)</i>	0	0	0	0
<i>Other energy sources</i>				
<i>Below Minimum Service Level sub-total</i>	0	0	0	0
<i>Below Minimum Service Level Percentage</i>	0	0	0	0
Total number of households including informal settlements	1514	1514	1514	1514

Table 3.11

Households –Electricity Service Delivery Levels below the Minimum						
Households						
Description	2007/08	2008/09	2009/10	2010/11		
	Actual No.	Actual No.	Actual No.	Original Budget No.	Adjusted Budget No.	Actual No.
FOMAL SETTLEMENTS	0	0	0	0	0	0
Total households	0	0	0	0	0	0
<i>Households below minimum service level</i>	0	0	0	0	0	0
<i>Proportion of households below minimum service level (%)</i>	0	0	0	0	0	0

INFORMAL SETTLEMENTS	0	0	0	0	0	0
Total households	0	0	0	0	0	0
<i>Households below minimum service level</i>	0	0	0	0	0	0
<i>Proportion of households below minimum service level</i>	0	0	0	0	0	0

Table 3.12

EMPLOYEES: ELECTRICITY SERVICES					
Job level	2009/10	2010/11			
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %
0 -3	1	1	1	0	0
4 -6	1	1	1	0	0
7 -9	0	0	0	0	0
10 -12	2	2	2	0	0
13 -15	0	0	0	0	0
16 -18	0		0	0	0
19 -20	0	0	0	0	0
Total	4	4	4	0	0

Table 3.13

FINANCIAL PERFORMANCE 2010/11: ELECTRICITY SERVICES					
R					
Details	2009/10	2010/11			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue (excluding tariffs)	22 741 850	27 141 700	27 163 200	12 446 960	14 716 240

Expenditure:					
Employees	663 400	608 267	640 176	526 819	(22 595)
Repairs and Maintenance	1 180 000	1 285 000	1 250 000	679 953	(570 047)
Other	12 843 600	19 026 800	18 792 500	3 032 255	166 660 477
Total Operational Expenditure	15 925 000	20 920 067	20 682 676	3 032 255	17 650 421
Net Operational (Services) Expenditure	6 816 850	6 221 633	6 480 524	(1 787 295)	(8 267 819)

Table 3.14

CAPITAL EXPENDITURE 2010/11					
Electricity Services					
Capital Projects	2010/11				
	Budget	Adjustment Budget	Actual Expenditure	Variance from Original Budget	Total Project Value
Total All	0	0	0	0	

Table 3.15

COMMENT ON ELECTRICITY SERVICES PERFORMANCE OVERALL:

Tswelopele Municipality planned to Upgrade the electricity network in both Bultfontein and Hoopstad.

3.4 WASTE MANAGEMENT

INTRODUCTION TO WASTE MANAGEMENT

All efforts are made to ensure that refuse removal is done at least once a week at every house-hold, to ensure the efficient management of the solid waste disposal sites, to prevent littering and to ensure that the street and pavements are regularly cleaned.

The indicators for waste management services are depicted below:

Solid Waste Services Delivery Levels				
Description	Households			
	2007/08	2008/09	2009/10	2010/11
	Actual No.	Actual No.	Actual No.	Actual No.
Solid waste- (minimum level)				
<i>Removed at least once a week</i>	10306	10306	10455	10455
<i>Minimum Service Level and Above sub-total</i>	10306	10306	10455	10455
<i>Minimum Service Level and Above Percentage</i>	100%	100%	100%	100%
Solid Waste Removal- (below minimum level)				
<i>Removed less frequently than once a week</i>				
<i>Using communal refuse dump</i>	0	0	0	0
<i>Using own refuse dump</i>	0	0	0	0
<i>Other rubbish disposal</i>	0	0	0	0
<i>No rubbish disposal</i>	0	0	0	0
<i>Below Minimum Service Level sub-total</i>	0	0	0	0
<i>Below Minimum Service Level Percentage</i>	0	0	0	0
Total number of households including informal settlements	10 306	10 306	11 791	11 791

Table 3.16

EMPLOYEES: SOLID WASTE MANAGEMENT SERVICES					
Job level	2009/10	2010/11			
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %
0 -3	44	45	44	1	1,82%
4 -6	10	10	8	2	3,63
7 -9	0	0	0	0	0
10 -12	0	0	0	0	0
13 -15	0	0	0	0	0
16 -18	0	0	0	0	0
19 -20	0	0	0	0	0
Total	54	55	52	3	5,45 %

Table 3.17

FINANCIAL PERFORMANCE 2010/11: WASTE DISPOSAL AND OTHER SERVICES					
R					
Details	2009/10	2010/11			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue (excluding tariffs)	7 551 613	9041 100	9 042 100	2 391 376	6 650 724
Expenditure:					
Employees	4 172 400	4 572 857	4 572 857	3 044 854	1 528 003
Repairs and Maintenance	120 000	180 000	150 000	77 302	72 698
Other:	9 519 013	11 570 900	11 913 600	4 753 025	7 160 575

Total Operational Expenditure	6 259 800	7 282 657	7 594 357	17 742 360	(10148003)
Net Operational (Services) Expenditure	1 291 813	1 758 443	1 447 743	(15 350 984)	(3 497 279)

Table 3.18

CAPITAL EXPENDITURE 2010/11					
Waste Management Services					
Capital Projects	2010/11				
	Budget	Adjustment Budget	Actual Expenditure	Variance from Original Budget	Total Project Value
None	0	0	0	0	

Table 3.19

COMMENT ON WASTE MANGEMENT SERVICE PERFORMANCE OVERALL:

Tswelopele Municipality had no planned capital projects for 2010/11 financial year. The Upgrading /fencing of refuse sites in Tikwana and Phahameng projects will start in the 2012/12 financial years. The realization of the above will, however, depend on the availability of own or external funds

3.5 HOUSING

INTRODUCTION TO HOUSING

Housing in the Free State Province is a provincial competency unless in instances where a municipality is accredited by the provincial government to build government funded houses. This is not the case in Tswelopele Municipality. The responsibility of Tswelopele Municipality with regards to housing is to allocate erven (sites), provide infrastructure and to maintain a waiting list of residents who qualify for RDP houses. The amount of houses built within the municipal area in any given year depends solely on the number of housing units allocated by the provincial government. The responsibility of the municipality of the municipality in this regard is to identify beneficiaries and to assist applicants to complete application forms

PERCENTAGE OF HOUSEHOLDS WITH ACCESS TO BASIC HOUSING

Year End	Total households (including formal and informal)	Households in formal settlements	Percentage of HH's in formal settlements
-----------------	---	---	---

	settlements)		
2007/08	10306	185	1,79
2008/09	10306	185	1.79
2009/10	11791	1696	14,3
2010/11	11791	1696	14,3

Table 3.20

EMPLOYEES: HOUSING SERVICES					
Job level	2009/10	2010/11			
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %
0-3	1	1	1	0	0
4-6	0	0	0	0	0
7-9	0	0	0	0	0
10-12	4	4	4	0	0
13-15	0	0	0	0	0
16-18	0	0	0	0	0
19-20	0	0	0	0	0
Total	5	5	5	0	0

Table 3.21

FINANCIAL PERFORMANCE 2010/11: HOUSING SERVICES					
R					
Details	2009/10	2010/11			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue (excluding tariffs)	1 794 500	1 435 446	1 450 246		
Expenditure:					
Employees	1 400 100	1 080 546	1 080 546		
Repairs and Maintenance	1 300	1 300	1 300		
Other	0	0	0	0	

Total Operational Expenditure	1 788 500	1 435 446	1 450 246		
Net Operational (Services) Expenditure					

Table 3.22

CAPITAL EXPENDITURE 2010/11 Housing Services					
Capital Projects	2010/11				
	Budget	Adjustment Budget	Actual Expenditure	Variance from Original Budget	Total Project Value
None	0	0	0	0	

Table 3.23

COMMENT ON THE PERFORMANCE OF THE HOUSING SERVICE OVERALL:

The provision of housing services, especially to the poorest of the poor is the sole competency of the Free State Provincial Authorities. As a result it is not possible for Tswelopele to budget for this expenditure, except in instances where the number of housing units allocated to us is communicated well in advance. During the year under review, no housing allocations were made for our Municipality.

3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT

INTRODUCTION TO FREE BASIC SERVICES AND INDIGENT SUPPORT

Tswelopele Municipality regulate the access of consumers to Free Basic Services (FBS) and maintain a ledger of such indigents. The total value of FSB services is determined in a way that can be recovered from the available portion of the equitable share. We have however, established that the electricity tariff as currently implemented may not reflect the actual cost of the service. This anomaly is currently receiving attention. The electricity figures below cover only the municipality's supply area and excludes the Eskom area of supply.

It is also worth noting that FBS on electricity is provided to all residents with each household receiving the first 50 kW/h free of charge monthly.

FREE BASIC SERVICES TO LOW INCOME HOUSEHOLDS										
	Number of households									
	Total	Households earning less than R1 100-00 per month								
		Free Basic Water			Free Basic Sanitation		Free Basic Electricity		Free Basic Refuse	
		Total	Access	%	Access	%	Access	%	Access	%
2009/10	3087	3087	100	3087	100	1408	100	3087	100	
2010/11	3087	3087	100	3087	100	1408	100	3087	100	

Table 3.24

FINANCIAL PERFORMANCE 2010/11: COST TO MUNICIPALITY OF FREE BASIC SERVICE DELIVERED					
Service Delivered	2009/10	2010/11			
	Actual	Budget	Adjustment Budget	Actual	Variance to Budget
Water					
Waste Water (Sanitation)					
Electricity					
Waste Management (Solid water)					
Total					

Table 3.25

COMMENT ON FREE BASIC SERVICES AND INDIGENT SUPPORT:

Indigent Support is restricted to residents of the municipality within municipal supply area, who are unable to pay their municipal accounts. An indigent register is kept for registered indigents and updated regularly.

COMPONENT B: ROAD TRANSPORT

This component includes: roads; transport; and waste water (stormwater drainage).

3.7 ROADS

INTRODUCTION TO ROADS

The majority of our roads are dominated by dirt and gravel roads (especially in the former black townships) and few tarred roads. Our strategies include, budget allowing, the tarring or paving of current dirt roads; filling of pot-holes as well as the rehabilitation of the current tarred roads. Because of the financial constraints and our inability to generate enough (own) funds, this municipality largely depends on grants and allocations from both the District Municipality and the Provincial and National spheres of government.

GRAVEL ROAD INFRASTRUCTURE				
Kilometres				
	Total Gravel Roads	New gravel roads completed	Gravel Roads upgraded to tar	Gravel Roads Graded/maintained
2008/09	98,8	0	0	98,8
2009/10	98,8	+ 1km	0	98,8
2010/11	98,8	0	0	98,8

Table 3.27

TARRED ROAD INFRASTRUCTURE					
	Total tarred roads	New tar roads	Existing tar Roads re-tarred	Existing tar roads re-	Tar roads maintained

				sheeted	
2008/09	54 Km	0	0	0	1 Km
2009/10	54 Km	0	0	0	1,5 Km
2010/11	54 Km	0	0	0	1,5Km

Table3. 28

NB: Public Works includes Roads, Storm Water and Waste Water .All personnel do work in all sections.

EMPLOYEES: ROADS					
Job level	2009/10	2010/11			
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %
0 -3	18	19	19	1	2,56
4 -6	14	15	15	0	0
7 -9	3	3	2	0	0
10 -12	2	3	2	1	2,56
13 -15	0	0	0	0	0
16 -18	0	0	0	0	0
19 -20	0	0	0	0	0
Total	37	39	37	2	5,12 %

Table3. 29

NB: Public Works includes Roads, Storm Water and Waste Water .All work in all sections.

FINANCIAL PERFORMANCE 2010/11: ROADS SERVICES					
R					
Details	2009/10	2010/11			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue (excluding tariffs)	2 521 000	2 388 600	2 997 400	1 871 860	1 125 540
Expenditure:					
Employees	4 409 700	3 619 106	4 381 002	4 560 130	179 128

Repairs and Maintenance	850 000	1 350 000	1 350 000	813 406	(560 324)
Other	840 100	887 000	1 562 272	2 695 183	1 132 911
Total Operational Expenditure	5 856 106	7 293 274	1 437 168	4 301 270	5 738 438
Net Operational (Services) Expenditure	(3 335 106)	(4 904 674)	1 560 232	(2 429 410)	(4 612 898)

Table 3.30

CAPITAL EXPENDITURE 2010/11					
Roads Services					
Capital Projects	2010/11				
	Budget	Adjustment Budget	Actual Expenditure	Variance from Original Budget	Total Project Value
None	0	0	0	0	

Table 3.31

3.8 TRANSPORT (INCLUDING VEHICLE LICENSING & PUBLIC BUS OPERATION)

INTRODUCTION TO TRANSPORT

COMMENT ON THE T PERFORMANCE OF TRANSPORT OVERALL:

It is specifically brought to the attention of the reader and user of this document that Tswelopele Local Municipality does not provide any train, bus or taxi services to its community. As a result there will not be any Employee, financial nor capital costs reported associated with this service.

COMPONENT C: PLANNING AND DEVELOPMENT

This component includes: planning; and local economic development.

INTRODUCTION TO PLANNING AND DEVELOPMENT

Tswelopele's geographic position as well as its limited scope of growth coupled with the large population of unemployment provides very little opportunities for planning and development. The biggest activities currently include building plans; rezoning applications; applications for consolidation and consent use.

3.9 PLANNING

INTRODUCTION TO PLANNING

In areas occupied by people from the previously disadvantaged areas, the biggest challenge is that housing construction occurs without the residents submitting building plans and businesses run in areas that are not zoned for the purpose. The need to strictly enforce the law is always balanced with the need to create job opportunities and employment in those areas.

Application for Land Use Development						
Details	Formalisation of townships		Rezoning		Built Environment	
	2009/10	2010/11	2009/10	2010/11	2009/10	2010/11
Planning application received	2	0	1	1	155	130
Determination made in year of receipt	0	0	1	1	141	130
Determination made in following year	0	2	0	0	0	0
Applications withdrawn	0	0	0	0	14	0

Applications outstanding at year end	0	0	0	0	0	0
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Table 3.32

Tswelopele Municipality does not have a planning and development section or division. As a result it does not have staff for the services. Most of the functions that are done in this respect are outsourced to the private sector.

3.10 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM)

INTRODUCTION TO ECONOMIC DEVELOPMENT

The Local Economic Development Strategy is not yet developed, but assistance is being sought for funding. The function of economic development within the municipality is administered and includes the following; Infrastructural Development, Informal Trade and by-laws, rural development, Identification and upgrading and establishment of tourism facilities and tourism sector plans

Economic Activity by Sector			
R			
Sector	2008/09	2009/10	2010/11
Agriculture	0	0	0
Mining and quarrying	0	0	0
Manufacturing	0	0	0
Wholesale and retail trade	0	0	0
Finance, property, etc.	0	0	0
Government, community and social services	0	0	0
TOTAL	0	0	0

Table 3.33

Economic Employment by Sector			
Jobs			
Sector	2008/09	2009/10	2010/11
	No.	No.	No.
Agriculture	0	0	0

Mining and quarrying	0	0	0
Manufacturing	0	0	0
Wholesale and retail trade	0	0	0
Finance, property, etc.	0	0	0
Government, community and social services	0	0	0
TOTAL	0	0	0

Table 3.34

COMMENT ON LOCAL JOB OPPORTUNITIES:

The municipality's long term planning include the following: building hawkers' cubicles; launching of 'youth in agriculture project' ; agro-processing and hydro-ponics project. The number of jobs created through other LED initiatives is 787.

Job Creation through EPWP projects		
Details	EPWP Project No.	Job creation through EPWP Project No.
2008/9	0	0
2009/10	0	0
2010/11	0	0

Table 3.35

EMPLOYEES: LOCAL ECONOMIC DEVELOPMENT SERVICES					
Job level	2009/10	2010/11			
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalent) No.	Vacancies (as a % of total posts) %
0 -3	0	0	0	0	0
4 -6	0	0	0	0	0
7 -9	0	0	0	0	0
10 -12	2	2	1	1	0,50 %
13 -15	0	0	0	0	0
16 -18	0	0	0	0	0
19 -20	0	0	0	0	0
Total	2	2	1	1	50 %

Table 3.36

COMPONENT D: COMMUNITY & SOCIAL SERVICES

This component includes: libraries and archives; museums arts and galleries; community halls; cemeteries and crematoria; child care; aged care; social programmes, theatres.

INTRODUCTION TO COMMUNITY AND SOCIAL SERVICES

Community Services include the maintenance of library gardens; maintenance of cemeteries, parks and Sports-grounds

3.10 LIBRARIES; ARCHIVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES;

INTRODUCTION TO LIBRARIES; ARCHIEVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES

In this category the municipality provides only the following functions/services: maintenance of library premises (as the actual library services are provided by the Free State Provincial government; disaster management and public halls.

EMPLOYEES: Libraries; Archives; Museums; Community Facilities; Others					
Job level	2009/10	2010/11			
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %
0 -3	13	13	13	0	0
4 -6	0	0	0	0	0
7 -9	0	0	0	0	0
10 -12	1	1	1	0	0
13 -15	0	0	0	0	0
16 -18	0	0	0	0	0
19 -20	0	0	0	0	0
Total	14	14	14	0	0

Table 3.39

FINANCIAL PERFORMANCE 2010/11: Libraries; Archives; Museums; Community Facilities; Others					
R					
Details	2009/10	2010/11			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue (excluding tariffs)	521 234	494 165	494 165	490 669	3 496
Expenditure:					
Employees	429 700	433 578	433 578	473 206	(27 106)
Repairs and Maintenance	0	0	0	0	0
Other	600 014	554 752	63 387	0	0
Total Operational Expenditure	552 480	494 165	494 165	14 314	479 851
Net Operational (Services) Expenditure	(31 246)	0	0	476 355	(476 355)

Table 3.40

CAPITAL EXPENDITURE 2010/11					
Libraries; Archives; Museums; Community Facilities; Others					
Capital Projects	2010/11				
	Budget	Adjustment Budget	Actual Expenditure	Variance from Original Budget	Total Project Value
None	0	0	0	0	

Table 3.41

3.11 CEMETRIES, CREMATORIUMS, PARKS AND SPORTS GROUNDS

INTRODUCTION TO CEMETRIES, CREMATORIUMS, PARKS AND SPORTS GROUNDS

Tswelopele Municipalities does not own or provide crematorium facilities and no information will be provided on them in this report.

SERVICE STATISTICS FOR CEMETRIES, PARKS AND SPORTS GROUNDS

Below are the statistics for the 2010/11 financial year

EMPLOYEES: Cemeteries/Parks & Sports Grounds					
Job level	2009/10	2010/11			
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %
0 -3	26	26	25	1	3,12 %
4 -6	5	5	5	0	0
7 -9	1	1	1	0	0
10 -12	0	0	0	0	0
13 -15	0	0	0	0	0
16 -18	0	0	0	0	0
19 -20	0	0	0	0	0
Total	32	32	31	1	3,12 %

Table 3.42

FINANCIAL PERFORMANCE 2010/11: Cemeteries/Parks and Sports Grounds

R

Details	2009/10	2010/11
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	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue (excluding tariffs)	132 000	132 000	134 000	117 121	(103 721)
Expenditure:					
Employees	1 972 400	2 244 913	2 244 916	2 318 301	(73 388)
Repairs and Maintenance	90 000	160 000	160 000	150 880	9 120
Other:	323 650	323 650	461 550	215 311	246 239
Total Operational Expenditure	2 254 050	2 843 063	2 853 063	2 567 371	285 692
Net Operational (Services) Expenditure	(2 122 050)	(271 1063)	(2 839 663)	(2 450 250)	(181 971)

Table 3.43

CAPITAL EXPENDITURE 2010/11 Cemeteries, Parks, and Sports grounds					
Capital Projects	2010/11				
	Budget	Adjustment Budget	Actual Expenditure	Variance from Original Budget	Total Project Value
None	0	0	0	0	

Table 3.44

COMMENT ON THE PERFORMANCE OF CEMETERIES, PARKS, SPORTS GROUNDS & OVERALL:

Tswelopele Municipality had no planned capital projects for cemeteries during the 2010/11 financial year. The fencing of cemeteries in Tikwana and Phahameng projects will start in the 2012/13 financial year. The realization of this will however, depend on the availability of own or external funds

3.12 CHILD CARE; AGED CARE; SOCIAL PROGRAMMES

INTRODUCTION TO CHILD CARE; AGED CARE; SOCIAL PROGRAMMES

Tswelopele Municipality does not provide the above mentioned services as they are both the provincial and national government competencies. As a result, no information on employees and budget will be provided.

COMPONENT E: ENVIRONMENTAL PROTECTION

This component includes: pollution control; biodiversity and landscape

INTRODUCTION TO ENVIRONMENTAL PROTECTION

It must be noted that Tswelopele Municipality does not provide Environmental Protection Services. As a result, no information on employees and budget will be provided.

3.13 POLLUTION CONTROL

INTRODUCTION TO POLLUTION CONTROL

It must be noted that Tswelopele Municipality does not provide any pollution control functions because of its lack of capacity and financial constraints. As a result, no information on employees and budget will be provided.

3.14 BIO-DIVERSITY; LANDSCAPE (INCL. OPEN SPACES); AND OTHERS

INTRODUCTION BIO-DIVERSITY AND LANDSCAPE

Tswelopele Municipality does not provide any bio-diversity; landscape functions because of lack of capacity and financial constraints. As a result, no information on employees and budget will be provided.

COMPONENT F: HEALTH

This component includes: clinics; ambulance services; and health inspections.

INTRODUCTION TO HEALTH

Tswelopele Municipality does not provide health services as this is the competency of the Free State Provincial Government. As a result, no information will be provided on employees and budget.

3.15 CLINICS

INTRODUCTION TO CLINICS

It is brought to the attention of the reader or user of this document that Tswelopele Local Municipality does not provide or render any clinics as this is the Provincial Government competency. As a result, no information will be reported on this service.

3.16 AMBULANCE SERVICES

INTRODUCTION TO AMBULANCE

It is brought to the attention of the reader or user of this document that Tswelopele Local Municipality does not render or provide any ambulance services as this is a Provincial Government competency. As a result, this matter will not be reported on.

3.17 HEALTH INSPECTION; FOOD AND ABBATOIR LICENSING AND INSPECTION

INTRODUCTION TO HEALTH INSPECTIONS; FOOD AND ABBATOIR LICENSING AND INSPECTIONS, ETC

Tswelopele Municipality does not provide or render health inspections; food and abattoir services as this is the competency of the District and the provincial government. As a result, no information on employees and budget will be provided.

COMPONENT G: SECURITY AND SAFETY

This component includes: traffic; fire; disaster management, licensing and control of animals, and control of public nuisances, etc.

3.18 TRAFFIC AND LAW ENFORCEMENT

INTRODUCTION TO TRAFFIC AND LAW ENFORCEMENT

Tswelopele Local Municipality has only two traffic officers (peace officers). Their functions cover both law enforcement and traffic.

TRAFFIC AND LAW ENFORCEMENT DATA

	Details	2009	2010/11		2011/12
		Actual No.	Estimate No.	Actual No.	Estimate No.
1	Number of road traffic accidents during the year	14	7	6	5
2	Number of by-law infringements attended	733	600	593	700
3	Number of traffic officers in the field on any average day	2	4	2	4

4	Number of traffic officers on duty on an average day	2	2	2	4
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Table 3.45

EMPLOYEES: Traffic and Law Enforcement					
Job level	2009/10	2010/11			
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %
0 -3	0	0	0	0	0
4 -6	0	0	0	0	0
7 -9	2	2	2	2	0
10 -12	0	0	0	0	0
13 -15	0	0	0	0	0
16 -18	0	0	0	0	0
19 -20	0	0	0	0	0
Total	2	2	2	2	0

Table 3.46

FINANCIAL PERFORMANCE 2010/11: Traffic and Law Enforcement					
R'000					
Details	2009/10	2010/11			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue (excluding tariffs)	632 871	1 214 766	1 194 666	1 028 566	166 100
Expenditure:					
Employees	413 171	834 466	834 466	497 509	336 957
Repairs and Maintenance	1 500	1 500	1 500	9 127	5 873
Other	837 571	1 580 066	1 539 866	1 086 438	453 428

Total Operational Expenditure	1 214 766	1 194 660	20 100	464 058	(443 958)
Net Operational (Services) Expenditure	(581 895)	20 106	1 174 566	564 508	610 058

Table 3.47

CAPITAL EXPENDITURE 2010/11					
Traffic and Law Enforcement					
Capital Projects	2010/11				
	Budget	Adjustment Budget	Actual Expenditure	Variance from Original Budget	Total Project Value
Total All	0	0	0	0	

Table 3.48

3.19 FIRE

INTRODUCTION TO FIRE SERVICES

It is brought to the attention of the reader of this document that Tswelopele Municipality does not provide Fire Services, therefore no data will be provided in the report.

COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES

This component includes: corporate policy offices, financial services, human resource services, ICT services, property services.

3.20 EXECUTIVE AND COUNCIL

This component includes: Executive office (Mayor; Councillors; and Municipal Manager).

INTRODUCTION TO EXECUTIVE AND COUNCIL

The part comprises of two legs, namely political and administration. The political leg consists of the Mayor who is the Chairperson of the Executive Committee (Exco) as well as the Speaker who is the Chairperson of Council and is also responsible for ward committees. The administration leg is headed by the Municipal Manager who is the head of the administration and the Accounting Officer of the Municipality.

SERVICE STATISTICS FOR THE EXECUTIVE AND COUNCIL

Number of Scheduled Council Meetings: Four (4) Council Meetings

Number of Scheduled Exco Meetings: 11 Exco Meetings

Number of Special Council Meetings: 5 Special Meetings

The statistics for the Executive and Council during the period under review are as follows:

EMPLOYEES: EXECUTIVE AND COUNCIL					
Job level	2009/10	2010/11			
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %
0-3	0	0	0	0	0
4-6	0	1	1	0	0
7-9	3	3	2	1	16,66%
10-12	1	2	1	1	16,66%
13-15	0	0	0	0	0
16-18	0	0	0	0	0
19-20	0	0	0	0	0
Total	4	6	4	2	33,33%

Table 3.49

FINANCIAL PERFORMANCE 2010/11					
EXECUTIVE AND COUNCIL					
R					
Details	2009/10	2010/11			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue (excluding tariffs)	7 006 000	781 000	781 000	759 634	21 366
Expenditure:					
Employees	3 843 574	4 039 774	4 039 774	7 567 948	(3 528 174)

Repairs and Maintenance	31 500	31 500	70 000	106 159	(36 159)
Others:	2 080 600	2 116 500	2415 900	1 632 963	782 937
Total Operational Expenditure	59 49 074	6 184 774	6 522 674	6 036 013	486 661
Net Operational (Services) Expenditure	1 056 926	(5 403 774)	(5 741 674)	(5 276 379)	(465 296)

Table 3.50

CAPITAL EXPENDITURE 2010/11 Executive and Council					
Capital Projects	2010/11				
	Budget	Adjustment Budget	Actual Expenditure	Variance from Original Budget	Total Project Value

Table 3.51

COMMENT ON THE PERFORMANCE OF THE EXECUTIVE AND COUNCIL:

The council is driven with a goal of complying with the provisions of the Municipal Structures Act; the Municipal Systems Act and the Municipal Finance Management Act with the Constitution being the overall over-arching legislation. The other main responsibility of council was to hold the administration to account.

It is worth noting that the new council was declared elected in May 2011 with only one month remaining until the end of the 2010/11 financial year remaining.

3.21 FINANCIAL SERVICES

INTRODUCTION FINANCIAL SERVICES

The Finance Department is headed by the Chief Financial Officer who accounts to the Municipal Manager. The finance department is divided into the following sections: Revenue, Expenditure, Treasury and Budget Office and Supply Chain.

EMPLOYEES: FINANCIAL SERVICES					
Job level	2009/10	2010/11			
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %
0 -3	0	1	0	1	4,76%
4 -6	7	8	7	1	4,76%
7 -9	5	5	5	0	0
10 -12	6	6	6	0	0
13 -15	0	0	0	0	0
16 -18	1	1	1	0	0
19 -20	0	0	0	0	0
Total	19	21	19	2	9,52%

Table 3.53

FINANCIAL PERFORMANCE 2010/11					
FINANCIAL SERVICES					
R					
Details	2009/10	2010/11			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue (excluding tariffs)	8 478 012	11 281 890	10 234 345	141 478	10 092 867
Expenditure:					
Employees	3 810 300	7 268 962	485 0125	7 145 937	(2 295 812)
Repairs and Maintenance	214 700	285 000	6 400	108 748	(102 348)
Other	14 465 387	18 398 995	17 848 915	13 381 861	4 467 054
Total Operational Expenditure	1 002 1175	1 4671 067	12 528 625	8 982 186	3 546 439

Net Operational (Services) Expenditure	(1 543 163)	(3 389 177)	(2 294 280)	(8 840 708)	(6 546 428)
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Table 3.54

CAPITAL EXPENDITURE 2010/11 FINANCIAL SERVICES					
Capital Projects	2010/11				
	Budget	Adjustment Budget	Actual Expenditure	Variance from Original Budget	Total Project Value
None	0	0	0	0	

Table 3.55

3.22 HUMAN RESOURCE SERVICES

INTRODUCTION TO HUMAN RESOURCE SERVICES

The Human Resources function is located within the Department of Corporate Services and is headed by the Executive Manager Corporate Services who is accountable to the Municipal Manager. The Section serves as a catalyst to all Departments of the Municipality.

SERVICE STATISTICS FOR HUMAN RESOURCE SERVICES IN THE WHOLE MUNICIPALITY

The Total number of Employees is 217

Females: 46

Males: 165

Below are statistics of employees in the Corporate Department only (excluding others):

EMPLOYEES: Human Resources Services					
Job level	2009/10	2010/11			
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %
0 -3	3	3	3	0	0
4 -6	0	1	0	1	11,11
7 -9	3	3	3	0	0
10 -12	1	1	1	0	0
13 -15	0	0	0	0	0
16 -18	1	1	1	0	0
19 -20	0	0	0	0	0
Total	8	9	8	1	11,11

Table 3.55

FINANCIAL PERFORMANCE 2010/11					
HUMAN RESOURCES SERVICES					
R					
Details	2009/10	2010/11			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue (excluding tariffs)	0	2 706 100	2 080 600	2 647 700	(567 100)
Expenditure:					
Employees	0	2 564 661	2 564 661	0	0
Repairs and Maintenance	0	69 696	69 696	0	0
Other:	0	1 978 951	1988 951	42 900	1 946 051
Total Operational Expenditure	0	4 613 308	4 623 308	2 604 800	2 018 508

Net Operational (Services) Expenditure	0	(1 907 208)	(2 542 708)	42 900	2 499 808
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Table 3.56

CAPITAL EXPENDITURE 2010/11 HUMAN RESOURCES SERVICES					
Capital Projects	2010/11				
	Budget	Adjustment Budget	Actual Expenditure	Variance from Original Budget	Total Project Value
None	0	0	0	0	

Table 3.57

3.23 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

This component includes: computers; software; vending systems; internet; emails; servers, etc.

INTRODUCTION TO INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

Tswelopele Municipality does not have these functions. In instances where they are required by the Municipality, an external service provider is appointed. As a result no information regarding staff and budgets will be provided.

CHAPTER 4

CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE

(PERFORMANCE REPORT PART II)

INTRODUCTION

We strive within our financial constraint to provide an environment conducive for the successful completion of work by all employees. Our efforts to inculcate the ideal of loyalty, performance, dedication and customer care are beginning to bear fruits. We admit that there are areas in which we still need to improve significantly, including restructuring of the electricity tariff that is a traditional 'trading service' to help us in subsidising other services and functions that do not generate any income.

COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

EMPLOYEES					
Description	2009/10	2010/11			
	Employees No.	Approved Posts No.	Employees No.	Vacancies No.	Vacancies %
Water	9	9	8	1	11,11%
Waste Water (Sanitation)	26	26	23	3	11,53%
Electricity	4	4	4	0	0
Waste Management	54	55	52	3	5,45%
Public Works ,includes Roads, Storm Water, Waste Water, Workshop & Admin Personnel	37	39	37	2	5,12
Housing Services	5	5	5	0	0
Libraries, Archives, Comm Facilities	13	13	13	0	
Local Economic Development	2	2	1	1	0,50%
Executive & Council Empl	4	6	4	2	33,33%
Community and Social Development	2	3	3	0	0

Disaster Management	1	1	1	0	0
Financial Services	19	21	19	2	9,52%
Traffic and Law Enforcement	2	2	2	0	0
Cemeteries, Parks & Sports Ground	32	32	31	1	3,12%
Human Resource Services	8	9	8	1	11%
TOTALS	220	227	212	16	0

Table 4.1

VACANCY RATE 2010/11			
Designation	*Total Approved Posts No.	*Vacancies (Total time that vacancies exist using fulltime equivalents) No.	*Vacancies (as a Proportion of total posts in each category) %
Municipal Manager	1	0	0
CFO	1	0	0
Other Sec. 57 Managers (excluding finance posts)	4	1	25
Other Sec. 57 Managers (finance posts)	0	0	0
Traffic Officers	2	0	0
Fire fighters	0	0	0
Senior management: Levels 13-15 (excluding finance posts)	2	0	0
Senior management : Levels 13-15 (finance posts)	1	0	0
Highly skilled supervision: Levels 9-12 (finance posts)	6	0	0
TOTALS	17	1	1

Table 4.2

TURN-OVER RATE: 2010/11			
Details	Total Appointments as of Beginning of financial year No.	Terminations during the Financial Year No.	Turn-over Rate*
2008/09	24	9	0,043%
2009/10	1	7	0,0315%
2010/11	12	11	0,050%

Table 4.3

COMMENT ON VACANCIES AND TURNOVER:

Although we ensure that we have a satisfied work-force, there are instances where we cannot retain skilled employees, simply because of remuneration packages that are offered by other bigger municipalities and the private sector. However, the section 57 appointees have been stable for the

past few years which has assisted greatly in creating stability. A number of incentive schemes are currently being investigated to retain key staff members.

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT

Our municipality has developed and adopted a number of policies that are intended to create a fair, efficient and transparent system on matters affecting the employees. These documents are not only adopted but have been posted on our website to ensure that they are easily accessible. The municipality reviews these policies regularly to ensure that they are on par with best practice, new and amended legislation.

4.2 POLICIES

HUMAN RESOURCES POLICIES AND PLANS				
No.	Name of Policy	Completed %	Reviewed %	Date adopted by council or comment on failure to adopt
1.	Affirmative Action	0	0	N/A
2.	Attraction and Retention	100%	0	Still to be adopted.
3.	Code of conduct for employees	100%	100	As contained in the Municipal Systems Act (Act 32 of 2000).
4.	Delegations, Authority and Responsibility	100%	0	22 February 2006
5.	Disciplinary Code and Procedure	100%	100%	As approved by parties to the SALGBC.
6.	Essential Services	100%	100%	As approved by parties to the Local Labour Forum

7.	Employee Assistance/wellness	100%	100%	Contained in the HR Policy as adopted on 22 February 2006.
8.	Employment Equity	100%	100%	Adopted on 30 November 2010.
9.	Exit Management	100%	0	See item 2 above
10.	Grievance Procedure	100%	100%	As approved by parties to SALGBC.
11.	HIV/AIDS	100%	0	Contained in the HR Policy adopted on 22 February 2006.
12.	Human Resources Policy	100%	100%	22 February 2006[it was amended several times]
13.	Information Technology	100%	0	Adopted on 29 March 2006
14.	Job Evaluation	100%	100%	As approved by parties to SALGBC.
15.	Leave	100%	0	Contained in the HR Policy adopted on 22 February 2006.
16.	Occupational Health and Safety	100%	0	Contained in the HR Policy adopted on 22 February 2006.
17.	Official Housing	0	0	N/A
18.	Official Journey	100%	0	Contained in the HR Policy adopted on 22 February 2006.

19.	Official transport to attend funerals	0	0	Contained in the HR Policy adopted on 22 February 2006.
20.	Official Working Hours and Overtime	100%	0	Contained in the HR Policy adopted on 22 February 2006.
21.	Organisational Rights	100%	0	Adopted by parties to SALGBC.
22.	Payroll Deductions	100%	0	Adopted on 30 May 2001.
23.	Performance Management and Development	100%	0	Adopted on 30th November 2010.
24.	Recruitment, Selection and Appointments	100%	0	Contained in the HR Policy adopted on 22 February 2006.
25.	Remuneration Scales and Allowances	100%	100%	Determined by parties to SALGBC.
26.	Resettlement	100%	0	Relocation as indicated in the HR Policy adopted on 22 February 2006.
27.	Sexual Harassment	100%	0	Contained in the HR Policy adopted on 22 February 2006.
28.	Skills Development	100%	0	Contained in the HR Policy adopted on 22 February 2006.
29.	Smoking	100%	0	Contained in the HR Policy adopted on 22 February 2006.

30.	Special Skills	100%	0	Retention and Exit Policy pending approval.
31.	Work Organisation	100%	0	As per approved staff establishment.
32.	Uniforms and Protective Clothing	100%	0	Contained in the HR Policy adopted on 22 February 2006.
33.	Other	100%	100%	

Table 4.4

4.3 INJURIES, SICKNESS AND SUSPENSIONS

Number and Cost of Injury on Duty					
Type of Injury	Injury Leave Taken Days	Employee using injury leave Days	Proportion employees using sick leave %	Average Injury Leave per employee Days	Total Estimated Cost R'000
Required basic medical attention only	0	0	0	0	0
Temporary total disablement	0	0	0	0	0
Permanent disablement	0	0	0	0	0
Fatal	0	0	0	0	0
TOTAL	0	0	0	0	0

Table 4.5

COMMENT ON INJURY AND SICK LEAVE:

The total number of days taken/ used by employees during 2010/11 financial year is 1343 days involving 478 employees.

Number and Period of Suspensions				
Positions	Nature of Alleged Misconduct	Date of Suspension	Details of Disciplinary Action taken or Status of Case and Reasons why not Finalised	Date Finalised
N/A	N/A	N/A	N/A	N/A

Table 4.7

Disciplinary Action Taken on Cases of Financial Misconduct			
Position	Nature of Alleged Misconduct and Rand Value of any loss to the municipality	Disciplinary action taken	Date Finalized
N/A	N/A	N/A	N/A

Table 4.8

COMMENT ON SUSPENSIONS AND CASES OF FINANCIAL MISCONDUCT:

It must be noted that there were no suspensions and cases of financial misconduct

4.4 PERFORMANCE REWARDS

COMMENT ON PERFORMANCE REWARDS:

The only reward system applicable currently at the municipality is the payment of performance bonuses to the Municipal Manager and Managers accountable to the Municipal Manager. At the time of drafting this report no performance bonus for the 2010/11 financial year had been paid as the performance of the affected employees had not yet been evaluated.

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT

A key document in this regard is the Skills Development Plan drawn in terms of the Skills Development Act. Assessment of skills levels of employees and gaps are regularly identified and external interventions sought and implemented in line with the Plan.

Financial Competency: *Progress Report						
Description	A. Total number of officials employed by municipality (Reg. 14(14)(a) and (c)	B. Total number of officials employed by municipal entities (Reg. 14(4)(a) and (c)	Consolidated: Total of A and B	Consolidated: Competency assessments completed for A and B (Reg. 14(4)(b) and (d)	Consolidated: Total number of officials whose performance agreements comply with Reg. 16(Reg. 14(4)(f))	Consolidated: Total number of officials that must meet prescribed competency levels (Reg.(14)(4)(e)
FINANCIAL OFFICIALS						
<i>Accounting Officer</i>	0	0	0	0	0	0
<i>Chief Financial Officer</i>	0	0	0	0	0	0
<i>Senior Manager</i>	0	0	0	0	0	0
<i>Any other financial Official</i>	0	0	0	0	0	0
SUPPLY CHAIN MANAGEMENT						
<i>Heads of supply chain management Unit</i>	0	0	0	0	0	0
<i>Supply chain management senior managers</i>	0	0	0	0	0	0

Table 4.11

COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

4.5 EMPLOYEE EXPENDITURE

<i>Employees not appointed to established posts</i>				
Department	Level	Date of appointment	No. appointed	Reasons for appointment when no established post exist
N/A	N/A	N/A	N/A	N/A

Table 4.15

DISCLOSURES OF FINANCIAL INTERESTS

During the year under review, no employees or councillors had declared any interest on any work done by the municipality or any organ of state.

CHAPTER 5

CHAPTER 5 – FINANCIAL PERFORMANCE

INTRODUCTION

Chapter 5 contains information regarding financial performance and highlights specific accomplishments. The chapter comprises of three components:

- Component A: Statement of Financial Performance
- Component B: Spending Against Capital Budget
- Component C: Other Financial Matters

The municipality sought to contain inflationary pressures during the financial year through anticipating it during the budget preparation process and factoring it into the budget.

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

INTRODUCTION TO FINANCIAL STATEMENTS

Tswelopele Municipality had a revenue of R 98 535 043-00 and an expenditure of R 113 124 855-00. This resulted into a deficit of R 15 057 162-00 for the 2010/11 Financial Year.

5.1 STATEMENTS OF FINANCIAL PERFORMANCE

Description	Current Year 2010/11			2010/11	
	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustment Budget
FINANCIAL PERFORMANCE					
<i>Property rates</i>	3 808 624	3 808 624	5 067 801	3 808 624	3 808 624
<i>Service charges</i>	22 270 000	22 270 000	24 896 892	22 270 000	22 270 000
<i>Investment revenue</i>	316 172	860 000	753 193	316 000	860 000
<i>Transfers recognized-operational</i>	50 645 480	50 645 635	50 753 478	50 645 480	50 645 635

<i>Other own revenue</i>	15 385 564	14 450 037	2 740 570	15 385 564	14 450 037
TOTAL REVENUE (Excluding capital transfers and contributions)	92 425 840	92 034 296	84 211 934	92 425 840	92 034 296
<i>Employee costs</i>	31 116 075	29 628 014	30 781 719	31 116 075	29 628 014
<i>Remuneration of Councilors</i>	4 039 774	4 039 774	3 722 629	4 039 774	4 039 774
<i>Depreciation and asset impairment</i>	0		30 789 039	0	0
<i>Finance Charges</i>	1 840 000	1 840 000	2 059 767	1 840 000	1 840 000
<i>Materials and bulk purchases</i>	14 327 000	15 075 700	17 647 016	14 327 000	15 055 700
<i>Transfers and grants</i>	2 728 000	2 728 000	2 728 000	2 728 000	2 728 000
<i>Other expenditure</i>	38 438 302	38 716 176	25 864 035	38 438 302	38 716 176
Total Expenditure	92 489 151	92 027 664	113 592 205	92 489 151	92 072 664
Surplus/(Deficit)					
<i>Transfers recognized- capital</i>	20 799 000	20 799 000	14 323 109	20 799 000	20 799 000
<i>Contributions recognized-capital and contributed Assets</i>					
Surplus/(Deficit) after capital transfers & contributions	20 735 689	20 805 632	(15 057 162)	20 735 689	20 805 632
<i>Share of surplus/(deficit) of associate</i>	0	0	0	0	0
Surplus/(Deficit for the year)	20 735 689	20 805 632	(15 057 162)	20 735 689	20 805 632
Capital Expenditure & funds resources					
Capital Expenditure					
<i>Transfers recognized- capital</i>	20 799 000	20 799 000	14 323 109	20 799 000	20 799 000
<i>Public contributions & donations</i>					
<i>Borrowing</i>					
<i>Internally generated funds</i>					
Total source of capital funds	20 799 000	20 799 000	14 323 1036	20 799 000	20 799 000
FINANCIAL POSITION					
<i>Total current assets</i>	0	0	19 455 281	0	0
<i>Total non-current assets</i>	0	0	489 554 773	0	0
<i>Total current liabilities</i>	0	0		0	0
<i>Total non-current liabilities</i>	0	0	20 906 500	0	0
	0	0	17 922 480	0	0

<i>Community wealth/Equity</i>	0	0	450 725 793	0	0
Cash flows					
<i>Net cash from (used) operating</i>	0	0	13 747 903	0	0
<i>Net cash from (used) investing</i>	0	0	(13 983 008)	0	0
<i>Net cash from (used) financing</i>	0	0	(1 044 378)	0	0
Cash/cash equivalents at the year end	0	0	7 824 931	0	0
Cash backing					
<i>Cash and investments available</i>	0	0	7 824 931	0	0
<i>Application of cash and investment</i>	0	0	7 824 931	0	0
Balance – surplus (shortfall)					
Asset Management					
<i>Asset register summary (WDV)</i>					
<i>Depreciation & asset impairment</i>					
<i>Renewal of existing assets</i>					
<i>Repairs and Maintenance</i>	4 786 000	4 474 000	3 129 000	4 786 000	4 474 000

Table 5.1

Description	2010/11			2010/11 Variance %	
	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustment Budget
Operation Cost					
<i>Water</i>	9 376 017	8 574 180	4 655 309	50%	54%
<i>Electricity</i>	20 920 067	20 747 876	18 698 119	89%	90%
<i>Waste Management</i>	7 282 657	7 591 557	5 009 751	69%	66%

Component A sub-total	39 679 164	36 913 613	29 675 850		
Waste water (Storm-water Drainage)	9 383 080	9 508 187	6 322 422	67%	66%
Roads	5 856 106	7 293 274	9 195 432	157%	126%
Transport	0	0		0	0
Component B sub-total	15 239 186	16 801 461	15 517 854		
TOTAL EXPENDITURE	54 918 350	53 715 074	45 193 704		

Table 5.2

5.2 GRANTS

Descriptions	2010/11			2010/11 Variances	
	Budget	Adjustment Budget	Actual	Original Budget (%)	Adjustment Budget (%)
<u>000operating Transfers and Grants</u>					
National Government	51 078 000	51 078 000	51 078 000	100%	100%
Equitable Share	48 040 000	48 040 000	48 040 000	100%	100%
Municipal Systems Improvement	750 000	750 000	750 000	100%	100%
Department of Water Affairs	0	0	0	0	0
Levy replacement	0	0	0	0	0
Other transfers/grants (FMG)	1 200 000	1 200 000	1 200 000	100%	100%
MIG (PMU)	310 000	310 000	310 000	100%	100%
Spe Contr Council	778 000	778 000	778 000	100%	100%

Provincial Government:					
Health Subsidy	0	0		0	0
Housing	0	0		0	0
Ambulance Subsidy	0	0		0	0
Sports and Recreation	0	0		0	0
Other transfers/grants	0	0		0	0
DISTRICT MUNICIPALITY					
Sewerage	50 000	50 000	50 000	100%	100%
OTHER GRANT DESCRIPTION					
(insert description)					
TOTAL OPERATING TRANSFERS AND GRANTS	51 128 000	51 128 000	51 128 000		

Table 5.3

COMMENT ON OPERATING TRANSFERS AND GRANTS:

Grants received were from the following sources: Equitable Share; Financial Management Grant; Lottery; Municipal Systems Improvement Grant; Municipal Infrastructure Grant and Skills Development Grant.

Grants Received From Sources Other Than Division of Revenue Act (DORA)

Details of Donor	Actual Grant	Actual Grant	2010/11 Municipal	Date Grant Terminates	Date Municipal	Nature and Benefit from the grant received, include
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	2009/10	2010/11	Contribution		Contribution Terminates	description of an contribution in kind
Parastatals						
"Project 1"	N/A	0	0	0	N/A	N/A
"Project 2"	N/A	0	0	0	N/A	N/A
Foreign Governments/ Development Aid Agency						
"Project 1"	N/A	0	0	0	N/A	N/A
"Project 2"	N/A	0	0	0	N/A	N/A
Private Sector/ Organization						
National Lottery (Athletic Track)	0	2 167 987	0	2011/2012	n/a	Construct an athletic field in Hoopstad
"Project 2"						

Table 5.4

COMMENT ON CONDITIONAL GRANTS AND GRANT RECEIVED FROM OTHER SOURCES:

National Lottery donated R 2 192 823 for the construction of athletic track in Hoopstad, Tikwana Township, the project will only start in the following financial year.

5.3 ASSET MANAGEMENT

INTRODUCTION TO ASSET MANAGEMENT

Tswelopele Local Municipality has recently updated its asset register to be Generally accepted accounting principle compliant, the consults involved were I-chain and Aurecon, the process was started in May 2011 and was concluded in September 2011. The book value of Municipality assets increased from R 240 million to over R 455 m. Municipality did not have an asset management policy prior to this exercise or had any procedural manual for asset management, AURECON developed and asset management policy and it is currently on a draft face, for all assets procedures, Tswelopele Local Municipality will be using Guidelines as provided by AGSA. There currently isn't asset management unit and therefore no staff member is involved in the Asset management, the Municipality is in a process to establish a unit and thus appoint full time employees to deal with assets.

COMMENT ON ASSET MANAGEMENT:

Tswelopele Local Municipality vastly depends on Grants and the main funding source for Capital expenditure is Municipal Infrastructure Grant (MIG), and because of this, the municipality only had one project under the financial year under review, i.e. Construction of Sewerage Plant in Phahameng Bultfontein, the grant for 2010/2011 was R 20 799 000, however R 10 500 000 was received in 2009/10.

Repair and Maintenance Exenditure 2010/11				R'000
	Original Budget	Adjustment Budget	Budget	Budget Variance %
Repairs and Maintenance Expenditure	4786	4474	4786	14%

Table 5.5

COMMENT ON REPAIR AND MAINTENANCE EXPENDITURE:

Total Budgeted repairs and maintenance is R 4 786 000, and an actual expenditure of R 3 129 592 was incurred; this amounts to less than 0.7% of total value of R 455 753 937 of infrastructure assets , this is a cause for concern as in the long run Municipality infrastructure will not be able to deliver services effectively and efficiency due to the lack of proper maintenance.

COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

INTRODUCTION TO SPENDING AGAINST CAPITAL BUDGET

Capital expenditure relates mainly to construction projects that will have value lasting over many years. Capital expenditure is funded from grants, borrowings and operating expenditures and surpluses. Component B deals with capital spending indicating where the funding comes from and whether Municipalities are able to spend the available funding as planned. In this component it is important to indicate the different sources of funding as well as how these funds are spend. Highlight the 5 largest projects (see T5.7.1) and indicate what portion of the capital budget they use. In the introduction briefly refer to these key aspects of capital expenditure (usually relating to new works and renewal projects) and to **Appendices M** (relating to the new works and renewal programmes), **N** (relating to the full programme of full capital projects, and **O** (relating to the alignment of projects to wards).

5.4 SOURCES OF FINANCE

Capital Expenditure – Funding Sources 2009/10 – 2010/11							
R							
Details		2009/10	2010/11				
		Actual	Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance (%)	Actual to OB Variance (%)
Source of finance							
	External Loans	0	0	0	0	0	0
	Public contributions and loans	0			0		
	Grants and subsidies	18 750 000	20 799 000	20 799 000	20 799 000	0%	0%
	Other	0			0		
TOTAL		18 750 000	20 799 000	20 799 000	20 799 000	0	0
<i>Percentage of finance</i>							
	External loans	0			0		
	Public contributions and donations	0			0		
	Grants and subsidies	100	100	100	100	0	0
	Other	0			0		
Capital Expenditure							
	Water and sanitation	18 750 000	20 799 000	20 799 000	20 799 000	0	0
	Electricity	0			0		
	Housing	0			0		
	Roads and storm-water	0			0		
	Other	0	0	0	0	0	0
TOTAL		18 750 000	20 799 000	20 799 000	20 799 000	0	0
<i>Percentage of expenditure</i>							
	Water and sanitation	100	100	100	100		
	Electricity	0			0		
	Housing	0			0		
	Roads and storm water	0			0		
	Other	0			0		

Table 5.6

COMMENT ON SOURCES OF FUNDING:

Funding source for capital expenditure was MIG; and 100% of total allocation was spent.

5.5 CAPITAL SPENDING ON 5 LARGEST PROJECTS

Capital Expenditure of 5 largest projects*					
R					
Name of Project	Current Year			Variance Current Year	
	Original	Adjustment	Actual	Original	Adjustment
	Budget	Budget	Expenditure	Variance %	Variance %
A – Construction of Sewerage Network	20 799 000	20 799 000	20 799 000	0	0

*Projects with the highest capital expenditure in 2010/11

Table 5.7

COMMENT ON CAPITAL PROJECTS:

The Municipality had only one project approved for the financial year under review, and it was for the construction of new sewerage treatment plant in Phahameng; Bultfontein, total project value was R 20 799 000, the entire amount was from Municipal infrastructure grant (MIG) and the whole allocation was spent.

5.6 BASIC SERVICES AND INFRASTRUCTURE BACKLOGS – OVERVIEW

INTRODUCTION TO BASIC SERVICE AND INFRASTRUCTURE BACKLOGS

The need and cost of backlogs are the result of migration into an area; migration out of an area; the trend towards disaggregation of families into more than one housing unit; and the cost of renewing and upgrading core infrastructure. Explain how this balance effects net demand in your municipality and how your municipality is responding to the challenges created.

Municipal Infrastructure Grant (MIG)						
Details	Budget	Adjustment Budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)
				Budget	Adjustment Budget	
Infrastructure - Sanitation						
<i>Reticulation</i>	20 799 000	20 799 000	20 799 000	100%	100%	Construction of new sewerage reticulation plant
<i>Sewerage purification</i>	0	0	0	0%	0%	0
TOTAL	20 799 000	20 799 000	20 799 000	100%	100%	

Table 5.9

COMMENT ON BACKLOGS:

The Municipal Infrastructure grant as gazette in the Division of revenue act, was spent on the construction of new sewerage reticulation plant, the amount received was R 20 799 000 and Municipality spent the entire allocation at year end.

5.7 BORROWING AND INVESTMENTS

INTRODUCTION TO BORROWING AND INVESTMENTS

The Municipality has two loans with the Development bank of South Africa, one was taken in 1984 and the other in 2005, Municipality does not anticipate taking any further loans with any institutions. During the current financial year, Municipality entered into a finance lease agreement with Minolta for Photocopy machines and Gesterner for the telephone system.

Instrument	2009/10	2010/11
Municipality		
Long term Loans (annuity/reducing balance)	0	0
Long term Loans (non-annuity)	0	0
Local Registered Stock	0	0
Installment Credit	0	0
Financial leases	425 729	423 525

PPP Liabilities	0	0
Finance Granted By Cap Equipment Supplier	0	0
Market Bonds	0	0
Non-Market Bonds	0	0
Bankers Acceptance	0	0
Financial Derivatives	0	0
Other Securities	0	0
Municipality Total	425 729	423 525

Table 5.11

COMMENT ON BORROWING AND INVESTMENTS:

The Municipality has two loans with DBSA, the loans were acquired in 2005 and 1984, during the year under review Municipality did not make any borrowings.

5.8 PUBLIC PRIVATE PARTNERSHIPS

PUBLIC PRIVATE PARTNERSHIPS

Tswelopele Municipality has not entered into any Public Private Partnerships (PPP) or any Municipal Services Partnerships as contemplate by Section 83(1)-(4) of the Municipal Systems Act (Act 32 of 2000; the White Paper on Municipal Services Partnerships nor in the Treasury Guidelines. As a result no information will be provided in this report.

COMPONENT D: OTHER FINANCIAL MATTERS

5.9 SUPPLY CHAIN MANAGEMENT

SUPPLY CHAIN MANAGEMENT

The Municipality has adopted updated Supply Chain Management and Procurement Policies in accordance with the guidelines set down by the SCM Regulations 2005. No Councilors are members of any committee handling Supply Chain Processes.

GRAP COMPLIANCE

GRAP is the acronym for **Generally Recognized Accounting Practice** and it provides the rules by which municipalities are required to maintain their financial accounts. Successful GRAP compliance will ensure that municipal accounts are comparable and more informative for the municipality. It will also ensure that the municipality is more accountable to its citizens and other stakeholders. Information on GRAP compliance is needed to enable National Treasury to assess the pace of progress and consider the implications.

All standards of GRAP as disclosed in National treasury directive 5 have been complied with.

CHAPTER 6

CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS

INTRODUCTION

Section 188(1) (b) of the Constitution states that the functions of the Auditor-General includes the auditing and reporting on the accounts, financial statements and financial management of all municipalities. Section 45 of the Municipal Systems Act states that the results of performance measurement must be audited annually by the Auditor-General.

At the time when this draft Annual Report was drafted, the Report of the Auditor-General on the financial performance as well as the outcome of the audit of the performance report had not been received from the Auditor General.

Table 6.1

COMPONENT A: AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS 2009/10

6.1 AUDITOR GENERAL REPORT 2009/10

During the 2009/10 Financial Year, Tswelopele Municipality obtained a Qualified Audit Report with emphasis of matter. The matters raised by the Auditor-General as well as remedial action developed by the Municipality are as outlined below:

AUDITOR-GENERAL REPORT ON SERVICE DELIVERY PERFORMANCE 2009/10	
Audit Report Status: No opinion was provided by the Auditor-General.	
Non-Compliance Issues	Remedial Action Taken
➤ Various issues raised	➤ Audit Action Plan developed to address the non-compliance issues
Table 6.3	

COMPONENT B: AUDITOR-GENERAL OPINION 2010/11

6.2 AUDITOR GENERAL REPORT 2010/11

AUDITOR-GENERAL REPORT ON FINANCIAL PERFORMANCE 2010/11	
Audit Report Status: Qualified report	
Non-Compliance Issues	Remedial Action Taken
Various matters	The Audit Action Plan developed to address the non-compliance issues

Table 6.4

AUDITOR-GENERAL REPORT ON SERVICE DELIVERY PERFORMANCE 2010/11*	
Audit Report Status: Not issued	
Non-Compliance Issues	Remedial Action Taken
Various matters	The Audit Action Plan developed to address the non-compliance issues

Table 6.5

AUDITOR GENERAL REPORT ON THE FINANCIAL STATEMENTS 2010/11
The Auditor-General Report on the Financial Statements for the 2010/11 Financial Statements have been captured in Chapter 1 of this report.

Table 6.6

Section 71 of the MFMA requires municipalities to return a series of financial performance data to the National Treasury at specified intervals throughout the year. The Chief financial officer states that these data sets have been returned according to the reporting requirements.
Signed (Chief financial Officer).....Dated

Table 6.8

GLOSSARY

GLOSSARY

Accessibility indicators	Explore whether the intended beneficiaries are able to access services or outputs.
Accountability documents	Documents used by executive authorities to give <i>"full and regular"</i> reports on the matters under their control to Parliament and provincial legislatures as prescribed by the Constitution. This includes plans, budgets, in-year and Annual Reports.
Activities	The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe <i>"what we do"</i> .
Adequacy indicators	The quantity of input or output relative to the need or demand.
Annual Report	A report to be prepared and submitted annually based on the regulations set out in Section 121 of the Municipal Finance Management Act. Such a report must include annual financial statements as submitted to and approved by the Auditor-General.
Approved Budget	The annual financial statements of a municipality as audited by the Auditor General and approved by council or a provincial or national executive.
Baseline	Current level of performance that a municipality aims to improve when setting performance targets. The baseline relates to the level of performance recorded in a year prior to the planning period.
Basic municipal service	A municipal service that is necessary to ensure an acceptable and reasonable quality of life to citizens within that particular area. If not provided it may endanger the public health and safety or the environment.
Budget year	The financial year for which an annual budget is to be approved – means a year ending on 30 June.
Cost indicators	The overall cost or expenditure of producing a specified quantity of outputs.
Distribution	The distribution of capacity to deliver services.

indicators	
Financial Statements	Includes at least a statement of financial position, statement of financial performance, cash-flow statement, notes to these statements and any other statements that may be prescribed.
General Key performance indicators	After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally.
Impact	The results of achieving specific outcomes, such as reducing poverty and creating jobs.
Inputs	All the resources that contribute to the production and delivery of outputs. Inputs are "what we use to do the work". They include finances, personnel, equipment and buildings.
Integrated Development Plan (IDP)	Set out municipal goals and development plans.
National Key performance areas	<ul style="list-style-type: none"> • Service delivery & infrastructure • Economic development • Municipal transformation and institutional development • Financial viability and management • Good governance and community participation
Outcomes	The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives set out in its plans. Outcomes are "what we wish to achieve".
Outputs	The final products, or goods and services produced for delivery. Outputs may be defined as "what we produce or deliver". An output is a concrete achievement (i.e. a product such as a passport, an action such as a presentation or immunization, or a service such as processing an application) that contributes to the achievement of a Key Result Area.
Performance Indicator	Indicators should be specified to measure performance in relation to input, activities, outputs, outcomes and impacts. An indicator is a type of information used to gauge the extent to which an output has been achieved (policy developed, presentation

	delivered, service rendered)
Performance Information	Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.
Performance Standards:	The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service-level agreements. Performance standards are mutually agreed criteria to describe how well work must be done in terms of quantity and/or quality and timeliness, to clarify the outputs and related activities of a job by describing what the required result should be. In this EPMDS performance standards are divided into indicators and the time factor.
Performance Targets:	The level of performance that municipalities and its employees strive to achieve. Performance Targets relate to current baselines and express a specific level of performance that a municipality aims to achieve within a given time period.
Service Delivery Budget Implementation Plan	Detailed plan approved by the mayor for implementing the municipality's delivery of services; including projections of the revenue collected and operational and capital expenditure by vote for each month. Service delivery targets and performance indicators must also be included.
Vote:	One of the main segments into which a budget of a municipality is divided for appropriation of money for the different departments or functional areas of the municipality. The Vote specifies the total amount that is appropriated for the purpose of a specific department or functional area. Section 1 of the MFMA defines a "vote" as: <i>a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and</i> <i>b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned</i>

VOLUME II

APPENDICES

APPENDICES

APPENDIX A – COUNCILLORS; COMMITTEES ALLOCATION AND COUNCIL ATTENDANCE

COUNCILLORS, COMMITTEES ALLOCATED AND ATTENDANCE					
Council Members	Full Time/ Part Time FT/PT	Committees Allocated	*Ward and/Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non- attendance
				%	%
ClIr ME Mathibe	FT	Executive Committee; Finance Committee.	PR	100%	0
ClIr TA Matlakala	FT	Finance Committee; Housing & Erven Committee.	Ward 3[ANC]	100%	0
ClIr PP Moalosi	PT	Finance Committee	Ward 2[ANC]	100%	0
ClIr. KR Phukuntsi	PT	None	PR[ANC]	100%	0
ClIr TT Taedi	PT	Housing and Erven.	Ward7[ANC]	100%	0
ClIr MS Baleni	PT	None	Ward8[ANC]	100%	0
ClIr. MS Bonokoane	PT	none	PR[ANC]	98%	2%
ClIr MW Raseu	PT	None	Ward 5[ANC]	100%	0
ClIr DA Njodina	PT	None	Ward 4[ANC]	100%	0
ClIr MJ Taljaard	PT	None	PR [ANC]	92%	8%
ClIr C Horn	PT	None	PR [DA]	97%	3%
ClIr MM Snyer	PT	None	PR[Cope]	88%	12%
ClIr. EC Joubert	PT	None	PR [DA]	99.9%	1%
ClIr BP Essau	PT	None	Ward 1[ANC]	100%	0
ClIr TK Nabi	PT	None	Ward 6[ANC]	Resigned.	

Table A.1

APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

COMMITTEES (other than Mayoral/Executive Committee) AND PURPOSES OF COMMITTEES	
Municipal Committees	Purpose of Committee
Finance Committee	Deals with municipal financial management.
Audit Committee	It is independent advisory body to council, municipal manager and management staff on financial controls, risk management, accounting policies, performance management etc.
Housing & Erven	Deals with housing & erven matters within municipal jurisdiction.
Local Labour Forum[LLF]	It is platform were organised labour and the employer negotiate and bargain on issues affecting labour at local level.
Education	Deals with local educational matters.
Sports	Deal with issues affecting all sporting code.
Agriculture & Rural Development	Deals with all matters pertaining to agriculture and rural development.
Economic Development	Deals with local economic development issues.
Social Development	Deal with social & welfare issues affecting the community.

Table A2

APPENDIX C –THIRD TIER ADMINISTRATIVE STRUCTURE

THIRD TIER STRUCTURE	
Directorate	Director/Manager (State title and name)
Corporate Services	Executive Manager: Corporate Services- S Rabanye
Financial Services	Chief Financial Officer- JW Young
Community Services	Executive Manager: Community Services- M Mahlanyane
Technical Services	Vacant (COO is Acting- P De Bruin)

Table A3

APPENDIX D – FUNCTIONS OF MUNICIPALITY

MUNICIPAL FUNCTIONS		
Municipal Functions	Function Applicable to Municipality (Yes/No)	Function Applicable to Entity (Yes/No)
Constitution Schedule 4, Part B functions		
Air Pollution	Yes	Not Applicable
Building regulations	Yes	Not Applicable
Child care facilities	No	Not Applicable
Electricity and gas reticulation	Yes	Not Applicable
Fire fighters services	No	Not Applicable
Local Tourism	Yes	Not Applicable
Municipal Airports	No	Not Applicable
Municipal planning	Yes	Not Applicable
Municipal public transport	No	Not Applicable
Municipal public works only in respect of the Needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other	Yes	Not Applicable
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related	No	Not Applicable
Storm-water management in built-up areas	Yes	Not Applicable
Trading regulations	Yes	Not Applicable
Water and sanitation services limited to potable water supply systems and domestic waste-water and sewerage system	Yes	Not Applicable

Table A4

MUNICIPAL FUNCTIONS		
Municipal Functions	Function Applicable to Municipality (Yes/No)	Function Applicable to Entity (Yes/No)
Constitution Schedule 5, part B functions:		
Beaches and amusement facilities	No	Not Applicable
Cemeteries, funeral parlours and crematoria	Yes	Not Applicable
Cleansing	No	Not Applicable
Control of public nuisances	Yes	Not Applicable
Control of undertakings that sell liquor to public	No	Not Applicable
Facilities for the accommodation, care and burial of animals	No	Not Applicable
Fencing and Fence	Yes	Not Applicable

Licensing of dogs	Yes	Not Applicable
Licensing and control of undertakings that sell food to the public	Yes	Not Applicable
Local amenities	Yes	Not Applicable
Local sport facilities	Yes	Not Applicable
Markets	No	Not Applicable
Municipal abattoirs	No	Not Applicable
Municipal parks and recreation	Yes	Not Applicable
Municipal roads	Yes	Not Applicable
Noise pollution	Yes	Not Applicable
Pounds	Yes	Not Applicable
Refuse removal, refuse dumps and solid waste disposal	Yes	Not Applicable
Street trading	Yes	Not Applicable
Street lighting	Yes	Not Applicable
Traffic and parking	Yes	Not Applicable

Table A5

APPENDIX E – WARD REPORTING

FUNCTIONALITY OF WARD COMMITTEES					
Ward Name (Number)	Name of Ward Councillor and elected ward committee members	Committees established (Yes/No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to the Speaker's office on time	Number of quarterly public ward meetings held during the year
1 [One]	Cllr DE Liphooko Ward Committees (J.Sonopo, NK. Semelo, L.J. Willem, P. Maarman, K. Mohlomi, L. Dithebe, L. Tshabalala, N. Mafa, T. Molelekoa, B. Matlotlo).	Yes	Four	None	Four
2 [Two]	Cllr TA Matlakala Ward Committees (T.Semelo, S. Motseki, M. Seshotlo, P. Nthetha, S. Molale, K. Lefera, K. Moeketsi, M. Molelekeng, M. Wittes).	Yes	Four	None	Four
3 [Three]	Cllr T Tjabane Ward Committees (D. Moalusi, N. Mfazwe, N. Bonokoane, D. Makhasa, O. Mohulatsi, M. Kotola, B. Mafike, K. Phokoje, M. Thamsanqa.	Yes	Four	None	Four
4 [Four]	Cllr NE Mphirime Ward Committees (M. Mohlabane, P.P. Matoli, Z. Elias, K. Dial, N.J. Jonas, V.I. Mehloane, S. Mambalo, S.	Yes	Four	None	Four

	Moremi, V. Jonas).				
5 [Five]	Cllr FT Matsholo Ward Committees (C. Mahatale, SE. Pitso, M. Modise, M. Baleni, N. Khonco, M. Tladi, M. Khaspane, P. Mkhahlane, C. Moshoeshe, W. Bauw).	Yes	Four	None	Four
6 [Six]	Cllr MJ Ngexe Ward Committee (S. Seoke, S. Montea, E. Skei, S. Maphisa, M. Selanda, N. Gxoxo, M. Mkobane, N. Qankase, S. Ngayi, P. Kamolane).	Yes	Four	None	Four
7 [Seven]	Cllr MM Snyer Ward Committees (M. Sello, M. Mohlabakoe, M. Matseliso, L. Finger, S. Moshodi, M. Polori, A. Lephole, K. Moshodi, S. Tladi).	Yes	Four	None	Four

Table A6

APPENDIX F – WARD INFORMATION

Ward Title: Ward Name (Number)				
Capital Projects: Seven largest in 2010/11				
				R
No.	Project Name and detail	Start date	End Date	Total Value
4	Phahameng Sewer Treatment Plant	2010/11	continuing	R 47 805 500-00
Table A7				

APPENDIX G – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE 2010/11

MUNICIPAL AUDIT COMMITTEE RECOMMENDATIONS		
Date of Committee	Committee recommendations during 2010/11	Recommendations adopted (enter Yes); not adopted (Provide explanation)

DISCLOSURES OF FINANCIAL INTERESTS		
Position	Name	Description of Financial Interests* (Nil/ or details)
Mayor	ClIr ME Mathibe	Nil- not declared
Member of Exco	ClIr PP Moalosi	Nil- not declared
	ClIr C Horn	Yes
Speaker	ClIr TA Matlakala	Yes
Councillors	ClIr MJ Taljaard	Yes
	ClIr KR Phukuntsi	Yes
	ClIr MS Bonokoane	Yes
	ClIr M Snyer	Yes
	ClIr EC Joubert	Yes
	ClIr MM Snyer	Yes
	ClIr BP Essau	Nil- not declared
	ClIr DA Njodina	Nil- not declared
	ClIr MS Baleni	Nil – not declared
	ClIr TW Nabi	Nil- resigned
	ClIr MW Raseu	Nil – not declared
Municipal Manager	KJ Motlhale	declared
Chief Operation Officer	PW De Bruin	declared
Chief Financial Officer	JW Young	declared
Executive: Corporate Services	S Rabanye	declared
Executive: Technical Services	vacant	
Executive: Community Services	MJ Mahlanyane	declared

Table A 10

REVENUE COLLECTION PERFORMANCE BY VOTE						
Vote Description	R'000					
	2009/10	Current Year 2010/11			2010/11 Variance	
	Actual	Original Budget	Adjustment Budget	Actual Budget	Original Budget	Adjustment Budget
General Council	700 600	781 000	781 000	768 519	12 481	1 768 519
Budget and Treasury Office	8 478 012	11 281 890	10 234 345	23 080 922	1 047 545	9 186 800
Property Rates	21 414 249	49 406 624	49 406 624	5 408 387	467 763	4 472 861
Corporate Services	-	2 076 100	2 080 600	2 647 700	571 600	150 900
Council Property	130 000	130 000	150 000	101 125	28 875	121 125
Community Service	2 528 334	2 142 211	2 159 011	2 178 649	36 438	2 122 573
Electricity	22 741 850	27 141 700	27 163 200	27 883 464	741 764	26 421 436
Water	13 474 374	15 985 400	15 985 400	16 234 770	249 370	15 736 030
Public Works: Roads	2 521 000	2 388 600	2 997 400	1 871 860	516 740	2 480 660
Waste Water Management	12 026 049	14 267 400	14 267 400	14 881 387	613 987	13 653 613
Water Management	7 551 613	9 041 100	9 042 100	9 330 475	289 375	8 752 725
Licences	-	-	-	100	-	-

Camps and Arable Land	580 000	580 000	610 000	424 428	155 572	454 428
Sports Grounds	-	-	-	-	-	-
Public Safety	738 671	1 669 816	1 645 216	1 479 116	190 700	1 454 516
Municipal Manager	2 677 200	-	-	-	-	-
Total Revenue by Vote	96 141 952	136 891 841	136 522 296	106 290 902	4 922 210	85 775 986
Table A 11						

APPENDIX K: REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE

Below is an outline of revenue collected by vote and by source:

APPENDIX L: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

CONDITIONAL GRANTS: EXCLUDING MIG							R
Details	Budget	Adjustments Budget	Actual	Variance		Major conditions applied by donor	
				Budget	Adjustment Budget		
Municipal System Improvement Grant	750 000	750 000		100%	100%	Valuation roll adopted	
Financial Management Grant	1 200 000	1 200 000		100%	100%	5 (Five) Interns appointed	
Total	1 950 000	1 950 000		%	%		
Table A 13							

COMMENT ON CONDITIONAL GRANTS EXCLUDING MIG:

All the conditions were met for all the grants received.

Table A 14

APPENDIX P – SERVICE BACKLOGS EXPERIENCED BY THE COMMUNITY WHERE ANOTHER SPHERE OF GOVERNMENT IS RESPONSIBLE FOR SERVICE PROVISION

Service Backlogs Experienced by the Community where another Sphere of Government is the Service provider (whether the municipality acts on an agency basis or not)		
Services and Locations	Scale of Backlogs	Impact of Backlogs
Clinics: Phahameng Clinic is still under construction. The service provider is the Department of Health.	Construction not yet completed.	Residents have to travel long distance to the nearest clinic.
Housing: Insufficient housing units. The service provider is the Department of COGTA.	New shacks are erected regularly.	Residents do not have houses and some resorts to illegal occupation of land.

Table A 18

APPENDIX Q – DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY

DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY 2010/11				
All Organisations or Persons in receipt of Loans*/Grants* provided by the municipality	Nature of project	Conditions attached to funding	Value 2010/11 R'000	Total Amount committed over previous and future years
None				

**Loans/Grants-whether in cash or kind* TR

APPENDIX R – DECLARATION OF RETURNS NOT MADE IN DUE TIME UNDER MFMA S71

All the Section 71 Returns in terms of the MFMA have been submitted on the required dates following the approved format.

VOLUME II: ANNUAL FINANCIAL STATEMENTS

Below is a copy of the Audited Financial Statement for the 2010/11 Financial Year: