

2011 / 2012

Tswelopele Local Municipality

Annual Report

CHAPTER 1

COMPONENT A: MAYORS' FOREWORD.....

1.1 MUNICIPAL MANAGER'S OVERVIEW

1.2 MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW....

1.2.1 DEMOGRAPHIC PROFILE.....

1.2.2 ECONOMIC PROFILE.....

1.2.3 TOURISM.....

1.3 SERVICE DELEIVERY OVERVIEW.....

1.4 FINANCIAL OVERVIW.....

1.5 ORGANISATIONAL DEVELOPMENT OVERVIEW.....

1.6 AUDITOR-GENERAL REPORT.....

1.7 STATUTORY ANNUAL REPORT PROCESS.....

CHAPTER 2

CHAPTER 2: GOVERNANCE.....

2.1 POLITICAL GOVERNANCE.....

2.2 ADMINISTRATIVE GOVERNANCE.....

2.3 INTERGOVERNMENTAL RELATIONS.....

2.4 PUBLIC MEETINGS.....

2.5 IDP PARTICIPATION AND ALIGNMENT.....

2.6 RISK MANAGEMENT.....

2.7 ANTI-CORRUPTION AND FRAUD.....

2.8 SUPPLY CHAIN MANAGEMENT.....

2.9 BY-LAWS.....

2.10 WEBSITES.....

2.11 PUBLIC SATISFACTION ON MUNICIPAL SERVICES.....

CHAPTER 3

CHAPTER 3: SERVICE DELIVERY PERFORMANCE.....

3.1 WATER PROVISION.....

3.2 WASTE WATER

3.3 ELECTRICITY

3.4 WASTE MANAGEMENT.....

3.5 HOUSING.....

3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT.....

3.7 ROADS.....

3.8 TRANSPORT.....

3.9 PLANIING.....

3.10 LOCAL ECONOMIC DEVELOPMENT.....

3.11 LIBRARIES, ARCHIVES AND COMMUNITY SERVICES.....

3.12 CEMETORIES, PARKS AND SPORTS GROUNDS.....

3.13 TRAFFIC AND LAW ENVORCEMENT.....

3.14 EXECUTIVE AND COUNCIL.....	.....
3.15 FINANCIAL SERVICES.....	.....
3.16 HUMAN RESOURCES SERVICES.....	.....
3.17 INFORMATION AND COMMUNICATION TECHNOLOGICAL SERVICES.....	.....

CHAPTER 4

CHAPTER 4: ORGANISATIONAL DEVELOPMENT PERFORMANCE...

4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES.....	.....
4.2 POLICIES.....	.....
4.3 INJURIES, SICKNESS AND SUSPENSIONS.....	.....
4.4 PERFORMANCE REWARDS.....	.....
4.5 EMPLOYEE EXPENDITURE.....	.....

CHAPTER 5

CHAPTER 5: FINANCIAL PERFORMANCE.....

5.1 STATEMENTS OF FINANCIAL PERFORMANCE.....	.....
5.2 GRANTS.....	.....
5.3 ASSETSE MANAGEMENT.....	.....
5.4 SOURCES OF FINANCE.....	.....
5.5 CAPITAL SPENDING .....	.....
5.6 BASIC SERVICES AND INFRASTRUCTURE BACKLOGS - OVERVIEW.....	.....
5.7 BORROWING AND INVESTMENTS.....	.....
5.8 PUBLIC-PRIVATE PARTNERSHIPS.....	.....
5.9 SUPPLY CHAIN MANAGEMENT.....	.....
5.10 GRAP COMPLIANCE.....	.....

CHAPTER 6

CHAPTER 6: AUDITOR GENERAL AUDIT FINDINGS.....

6.1 AUDITOR-GENERAL REPORT 2010/11.....
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GLOSSARY

APPENDICES

APPENDIX A: COUNCILLORS; COMITTEES ALLOCATIONAND COUNCIL ATTENDANCE.....
APPENDIX B: COMITEES AND COMMITTEE PURPOSES.....	.....
APPENDIX C: THIRD-TIER ADMINISTRATIVE STRUCTURE.....	.....
APPENDIX D: FUNCTIONS OF A MUNICIPALITY.....	.....
APPENDIX E: WARD REPORTING.....	.....
APPENDIX F: WARD INFORMATION.....	.....

APPENDIX G: RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE 2011/12.....
APPENDIX H: LONG TERM CONTRACTS AND PUBLIC-PRIVATE PARTNERSHIPS.....
APPENDIX I: MUNICIPAL ENTITY/SERVICE PROVIDER PERFORMANCE SCHEDULE.....
APPENDIX J: DISCLOSURES OF FINANCIAL INTEREST.....
APPENDIX K: CONDITIONAL GRANTS RECEIVED.....
**APPENDIX L: SERVICE BACKLOGS EXPERIENCED BY THE COMMUNITY WHERE
ANOTHER SPHERE IS RESPONSIBLE FOR SERVICE PROVISION.....**

CHAPTER 1

COMPONENT A: MAYOR'S FOREWORD

The Council of Tswelopele continues to strive for improving the quality of services that our people receive. We have within a short period of time we have been in office. During the term under review we have built good working relations with our different constituencies. We have addressed a significant number of challenges that are faced by our people. We however understand that we could not address everything all at once because of financial constraints. We further appreciate the cooperation that we have received from all stakeholders. The above notwithstanding, we assure our community that we shall continue to listen to their inputs and their advice as we understand that we can only do better if we listen to those we are supposed to serve.

We have drawn and adopted a new Integrated Development Plan (IDP) that came into effect from 1 July 2012. This document will guide all our actions and efforts for the next five (5) years. Our communities have been consulted and have provided their inputs that have been included in the IDP Document. Although this is a five year plan, we openly undertake to have this document reviewed annually as the needs and priorities of both council and the public changes. The bottom-line is that the adopted document is not cast in stone and will be modified constantly as the situation on the ground changes.

We are committed to ensuring that the five priorities as set by the National Government find expression at our level of government. We are also determined to ensuring that the second phase of our transition into democracy becomes a reality and we are willing to partner with other two spheres of government in making sure that this becomes a reality. We at the same time call on our communities to support the programmes of the Municipality and appeal to those who are able to pay for the services that the Municipality renders to do so. It is only when we do this that we can provide more quality services quicker. In line with the national guidelines we shall continue to provide Free Basic Services (FBS) to the more vulnerable members of our community.

On behalf of the Council of Tswelopele I humbly submit the Annual Report for the 2011/12 financial year. This is a comprehensive feedback to the people of Tswelopele on what the Council and its Administration has been able to achieve on its behalf.

MAYOR: CLR. M.E. MATHIBE

1.1 MUNICIPAL MANAGER'S OVERVIEW

MUNICIPAL MANAGER'S OVERVIEW

The Constitution of the Republic of South Africa Act, 1996 (Act 108 of 1996) state the objectives of Local Government as:

- To provide democratic and accountable government for local communities;
- To ensure the provision of services to communities in a sustainable manner;
- To promote social and economic development;
- To promote a safe and healthy environment; and
- To encourage the involvement of communities and community organisations in the matters of local government.

Despite the financial constraints experienced by Tswelopele Municipality, both Council and the Administration work extremely hard to ensure that we achieve the above objects. We are mindful of the fact that our communities do become impatient with the pace with which we are moving. We take this opportunity to confirm our commitment of achieving all of the objectives mentioned above.

As the head of the Administrative arm of the Municipality, I am equally aware of the basic values and principles governing public administration as captured in Chapter 10 of the Constitution. We have in the past year developed policies that would assist us to realize these values and principles. We are committed to adhere to the highest standards of professional ethics and zero tolerance for corruption and maladministration. We invite the community to bring to our attention any suspected acts of the above. We believe that it is only when we work together that we can turn this municipality to be a world-class municipality.

It will become clear when our community engages with this Annual Report that we do not only report on positive results of the municipality but that we also acknowledge areas where the municipality still needs to improve. As we embark on the journey of equal and sustainable service delivery, we humbly request our communities to travel side by side with us.

MUNICIPAL MANAGER: KELEHILE MOTLHALE

Table 1.2

1.2 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

1.2.1 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	12 623	12 624	12 987
Average people	4,40	4,2	8.18
Total population	58 858	55 591	53 713

Table 1.4

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

1.2.2 ECONOMIC PROFILE

There is a contention that “negative growth I the agricultural sector can be attributed to a number of factors including drought, precarious weather conditions, and market conditions. There are other factors causing a large percentage of commercial farmers to experience financial problems. Most farmers are also mechanizing their operations, which is causing job losses and migration to urban areas. As the economies of the smaller towns are based on businesses supporting agriculture, the business climate of the smaller towns is showing negative trends” (source: web.ndmc.gov.za/profiles/fs).

The above observation equally applies to Tswelopele Community, the struggling farming situation does not only create job losses and migration to Bultfontein and Hoopstad, but also puts a lot of pressure on services such as water usage and waste water disposal facilities.

1.2.3 TOURISM

It is reported that tourism in this area is suppressed because the area lacks natural attractions and also because the tourism infrastructure of the area is highly underdeveloped and will need substantial upgrading before any serious attempts towards tourism promotion is done. Despite the above there is potential to develop tourism in specific areas like eco-tourism, game farming and cultural tourism (source: web.ndmc.gov.za/profiles/fs).

1.3 SERVICE DELIVERY OVERVIEW

We continue to ensure that the highest standards of services are provided to our community despite of a number of challenges that we face including financial constraints. We are mindful of the fact that it is almost impossible to deal with back-logs in all aspects of service delivery. This is mainly so because as the municipality addresses the current back-logs, the existing infrastructure needs to be maintained and upgraded and both of these exercises (covering the back-logs and maintaining the existing infrastructure) need financial attention.

1.4 FINANCIAL HEALTH 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. The bigger portion of our operating and capital expenditure derives from Grants, Equitable Share and allocations by the District Council.

Financial Overview: 2011/12				R'
Details	Original budget	Adjustment Budget	Actual	
Income:				
Grants	89 824 000	92 824 000	97 697 348	
Taxes, Levies and tariffs	31 291 029	31 291 029	34 325 952	
Other	15 629 600	2 289 600	3 159 516	
Sub Total	136 744 629	126 404 629	135 182 816	
Less: Expenditure	105 533 725	94 379 709	114 315 396	
Net Total*	31 210 904	32 024 920	20 867 420	
* Note: surplus/(defecit)				Table 1.6

Operating Ratios	
Detail	%
Employee Cost	32%
Repairs & Maintenance	5%
Finance Charges & Impairment	7%
Table 1.7	

Total Capital Expenditure: 2009/10 to 2011/12			
			R'
Detail	2009/10	2010/11	2011/12
Original Budget	18 790 000	20 799 000	42 204 500
Adjustment Budget	-	-	-
Actual	18 790 000	14 323 109	39 504 339

Table 1.8

COMMENT ON CAPITAL EXPENDITURE:

Comparison of the capital budget over three financial years (2010/11 – 2011/12) shows a steady increase, albeit on a smaller scale.

Table 1.9

1.5 ORGANISATIONAL DEVELOPMENT OVERVIEW

ORGANISATIONAL DEVELOPMENT PERFORMANCE

Tswelopele Municipality continues to maintain a steady workforce. This happens despite the size of our municipality and the ability of our municipality to attract competent individuals who are knowledgeable and possess the necessary working experience.

Table 1.10

1.6 AUDITOR GENERAL REPORT

Below is the Report of the Auditor-General for the 2011/12 Financial Year:

1.7 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 1.11

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 Plans of Senior Managers as deliverables.

Table 1.12

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 (COGTA) and the District Municipality is very good. Their inputs and assistance to our municipality is invaluable. The different spheres of government meet regularly through the Inter-Governmental Relations Meetings convened to discuss matters of mutual interest. Tswelopele Municipality receives the necessary support in an effort to strengthen our capacity as prescribed by Section 154(1) of the Constitution.

Table 2.1

INTRODUCTION TO POLITICAL AND ADMINISTRATIVE GOVERNANCE

The Tswelopele Local Municipality is a **Collective Executive System** combined with a **Ward Participatory System** (according to section 9 (b) of the Municipal Structures Act, 1998 (Act 117 of 1998) with the Council as the highest decision making body. Both the legislative and executive authority of the Municipality is vested in Council. The Municipality is a **Category B** Municipality as outlined by Section 155 of the Constitution. 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 as determined by Section 49 of the Municipal Structures Act, 1998 (Act 117 of 1998). 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

THE POLITICAL STRUCTURE

The Political Structure of the Council of Tswelopele Municipality is composed as follows:

A. MAYOR

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

B. SPEAKER

Cllr TA Matlakala - Presides at Council meetings and performs duties and exercises 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 functions:

- 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.

C. EXECUTIVE COMMITTEE MEMBERS

Members of the Executive Committee are as follows:

- Clr. M.E. Mathibe (Chairperson by virtue of being the Mayor);
- Clr. P.P. Moalosi; and
- Clr. C. Horn.

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

D. COUNCILLORS

Tswelopele Local Council is constituted of 15 Councillors (ie.8 ward councilors and 7 Proportional Representative Councilors). The names of Councillors and constituencies are summarized below:

WARD COUNCILLORS

- a) Ward 1: Clr. B.P. Essau
- b) Ward 2: Clr. P.P. Moalosi
- c) Ward 3: Clr. T.A. Matlakala
- d) Ward 4: Clr. D.A. Njodina
- e) Ward 5: Clr. M.W. Raseu
- f) Ward 6: Clr. MJ Ngexe
- g) Ward 7: Clr. T.T. Taedi
- h) Ward 8: Clr. M.S. Baleni

PR. COUNCILLORS

- a) Clr. M.E. Mathibe
- b) Clr. M.S. Bonokoane
- c) Clr. K.R. Phukuntsi
- d) Clr. M.J. Taljaard
- e) Clr. C. Horn
- f) Clr. E.C. Joubert
- g) Clr. M.M. Snyer

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 100 %.

Table 2.4

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 2.5

TOP MANAGEMENT

The Top Management of the Municipality is constituted as follows:

1. The Municipal Manager: Mr. Kelehile Motlhale

As mentioned above, 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.

2. Executive Manager Corporate Services: Mr. Sabata Rabanye

This department is a catalyst of all Municipal Departments. It provides support and auxiliary services to both Political Structures and the Administration. It is responsible for legal, human resources, personnel records, secretariat, archives, performance management and training.

3. Executive Manager Community Services: Mr. Molehe Mahlanyane

The Department ensures proper planning takes place and ensures that social and emergency services are provided. The Department is also responsible for the implementation of community services.

4. Chief Financial Services: Mr. James Young

The Department provides corporate financial management and accounting services as prescribed by Section 81 of the MFMA. The incumbent of this position performs and accounts to the Municipal Manager.

5. Chief Operations Officer: Mr. Pieter De Bruin

The incumbent is responsible for the daily operations of the Municipality. He is also responsible for the creation of synergy between various Municipal Departments. All special projects of the Municipality are handled by this department. The incumbent performs and accounts to the Municipal Manager.

6. Executive Manager Technical Services: the position was vacant during the term under review

Chief Operations Officer was acting in the position during the term under review. The major responsibilities of this department include the management of all technical services such as water provision, sanitation services, electricity provision, waste removal and maintenance of roads infrastructure.

COMPONENT B: INTERGOVERNMENTAL RELATIONS

INTRODUCTION TO CO-OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS

It is required that municipalities exercise their executive and legislative authority within the constitutional system of co-operative governance envisaged Section 41 of the Constitution. The relationship between Tswelopele Municipality, National and Provincial Governments, Department of Co-operative Governance and Traditional Affairs (COGTA) Lejweleputswa District Municipality is very good. Their inputs and assistance to our municipality is invaluable.

Table 2.6

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's Intergovernmental Relations Meetings and mainly through interactions when compiling the IDP through a structure called IDP Forums and IDP Steering Committees.

Table 2.7

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 inculcate 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 2.8

2.4 PUBLIC MEETINGS

COMMUNICATION, PARTICIPATION AND FORUMS

The following mechanisms are used as tools to ensure public participation and communication with the citizens within Tswelopele local municipal area. These include News -letters, Loud -hailers, Lesedi FM, local News -papers and Tswelo News. Ward Councillors, Community Development Workers and Ward Committees hold 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 Forums, Sectional and Ward and Mass meetings. All these meetings are held on scheduled dates and communicated to the public through local newspapers as prescribed by the law.

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 2.9

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 regularly. The fact that Ward Committee members must be resident within the area where they serve ensures that these are people who are not only close to those communities, but are also affected daily by what the Municipality does in those areas. During consultations, e.g. Imbizo`s with the communities by the municipality and sector departments, Ward Committee members are more positioned to help with rendering service offered by the said departments.

Table 2.10

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
Budget and IDP meetings	Dec 2011 to May-June 2012	All Councillors	Municipal Personnel	Public	Consultative
Municipal Demarcation	November 2011	All Councillors	Municipal Personnel	Stakeholders	Consultative
Lejweleputswa Annual Report Road Show	December 2011	Lejweleputswa District Councillors and	Lejweleputswa and Tswelopele Municipal Personnel	Stakeholder	Consultative

		Tswelopele Councillors			
					Table 2.11

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 2.12

2.5 IDP PARTICIPATION AND ALIGNMENT

IDP Participation and Alignment Criteria*	Yes/No
Does the municipality have impact, outcome, and 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 calculate 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 2.13	

COMPONENT D: CORPORATE GOVERNANCE

Tswelopele Municipality always is determined to adhere to principles of good governance at all times. These include aspects of managing risk; Measures aimed at addressing Fraud and Anti-Corrupting and to protect whistle-blowers; Open, credible and transparent Supply Chain Management processes; Adherence to the rule of law; Providing Information to the public and other stakeholders and providing good quality and reliable services.

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.

The top risks within our Municipality that need urgent attention are the following:

- a. the extent of the Unaccounted For Water and Electricity;
- b. reliance on Grants and Equitable Share;
- c. lack of expertise on specific areas of our operations;
- d. Development of By-Laws to enforce implementation of certain resolutions; and
- e. Implementation of all laws applicable to Municipalities.

Table 2.14

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 2.15

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 issued by National Treasury require 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 and circulars mentioned above, Tswelopele 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 2.16

2.9 BY-LAWS

By-laws Introduced during 2011/12						
Name of By-Law	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
Property Rates By-Law	No	Yes	No	Not yet done	Not Yet done	Not Yet done

Table 2.17

The Property Rates By-Laws were compiled and public hearings were held in all the towns falling under the jurisdiction of our Municipality. The inputs of the community are still being incorporated into the draft document. After the completion of this process, the By-Laws will be promulgated in the Provincial Gazette to have an effect of the law. The promulgated By-Laws will have an impact on the Property Rates and will inform the budget of the Municipality on an Annual basis.

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 (2011/12) 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 2011/12	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 2011/12	No	
Contracts agreed in 2011/12 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 2011/12	No	
All quarterly reports tabled in the council in terms of section 52(d) during 2011/12	No	
Table 2.18		

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/designate a person whose responsibility will be to comply with the provisions of the law. Due to the Municipality's financial constraints this has not been achieved. The Municipality is considering entering into an agreement with the host of our website to assist with this exercise.

Table 2.19

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. Views gathered at public and ward meetings are immediately brought to the attention of the responsible officials for ratification. The Chief Whip ensures that the complaints of communities are addressed without hesitation.

Table 2.20

CHAPTER 3

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

INTRODUCTION

As a creation of the Constitution of the Republic of South Africa Tswelopele Municipality provides services as outlined in Schedules 4 (Part B) and 5 (Part B) of the Republic of South Africa Act, (Act 108 of 1996). These services include 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. In accordance with National Treasury Guidelines and Directives, the Municipality also provides Free Basic Services (FBE) to indigent households within our communities. This is meant to provide relief to those households that are not able to pay their consumer accounts.

COMPONENT A: BASIC SERVICES

The extent to which Tswelopele Municipality provides services such as water; waste water (sanitation); electricity; waste management and housing services will be provided and achievements realised will be discussed and a summary of free basic services will be reported.

3.1 WATER PROVISION

The Water Services Act of 1997 and the General Enabling Act of 2005 dictate how Water Authorities and Water Service Providers should provide the water services as well as the quality of water that needs to be supplied. 100% of households within the municipal area have access to the basic level of clean water.

We are glad to announce that during the Blue Drop Awards Ceremony held by the Department of Water Affairs on the 8th May 2012, Tswelopele Local Municipality received an overall Blue Drop Score of 92, 42%. This score is less than 3% from a Blue Drop Status. However, Tswelopele has taken the lead in the Free State Province in the Green Drop Status.

The indicators are described in detail below.

Water Services Delivery Levels				
Description	Households			
	2008/09	2009/10	2010/11	2011/12
	Actual No.	Actual No.	Actual No.	Actual No.
Water- (above minimum level)				

Piped water inside dwelling	1294	3512	3820	3820
<i>Piped water inside yard (but not in dwelling)</i>	9012	8279	7971	7971
<i>Using public tap (within 200m from dwelling)</i>	9012	0	0	0
<i>Other water supply (within 200)</i>	0	0	0	0
<i>Minimum Service Level and sub-total</i>	10306	11791	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	11791	11791	11791

Table 3.1

Households -Water Service Delivery Levels below the Minimum						
Description	Households					
	2008/09	2009/10	2010/11	2011/12		
	Actual No.	Actual No.	Actual No.	Original Budget No.	Adjusted Budget No.	Actual No.
FORMAL SETTLEMENTS						
Total households	10306	11791	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	2010/11	2011/12			
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts)
0 -3	2	3	3	0	0%
4 -6	4	4	4	0	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	8	9	9	0	0%

Table 3.3

Financial Performance 2011/12: Water Services					
R'					
Details	2010/11	2011/12			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	16 311 941	17 009 300	17 009 300	17 357 826	2%
Expenditure:					
Employees	1 040 333	968 000	968 000	1 012 582	4%
Repairs and Maintenance	488 340	242 000	504 000	454 412	47%

Other	12 086 632	12 344 100	8 078 500	5 291 862	-133%
Total Operational Expenditure	13 615 305	13 554 100	9 550 500	6 758 856	-101%
Net Operational Expenditure	2 696 636	3 455 200	7 458 800	10 598 970	67%

Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.

Table 3.4

Capital Expenditure 2011/12:Water Services					
R'					
Capital Projects	2011/12				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	2 000 000	2 000 000	2 000 000	0%	

Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.

Table 3.5

3.2 WASTE WATER (SANITATION) PROVISION

INTRODUCTION TO SANITATION PROVISION

We are still committed to provide the highest level of sanitation services to its residents. In our area of jurisdiction 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		
	2009/10	2010/11	2011/12

	Actual No.	Actual No.	Actual No.
Sanitation/sewerage- (above minimum level)			
<i>Flush toilet (connected to sewerage)</i>	10 438	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>	10 455	10 455	10 455
<i>Minimum Service Level and Above Percentage</i>	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>	1 336	1 336	1 336
<i>Below Minimum Service Level Percentage</i>	13%	13%	13%
Total number of households including informal settlements	11 791	11 791	11 791

Table 3.6

Households –Sanitation Service Delivery Levels below the Minimum Standard						
Households						
Description	2008/09	2009/10	2010/11	2011/12		
	Actual No.	Actual No.	Actual No.	Original Budget No.	Adjusted Budget No.	Actual No.
FOMAL SETTLEMENTS	10 306	11 791	11 791	10 306	11 791	11 791
Total households	10 306	11 791	11 791	11 791	0	11 791
<i>Households below minimum service level</i>	0	0	0	1 336	1 336	1 336
<i>Proportion of households below minimum service level (%)</i>	0	0	0	13%	13%	13%

<i>Households below minimum service level</i>	0	0	0	1 336	1 336	1 336
<i>Proportion of households below minimum service level</i>	0	0	0	1 336	1 336	1 336

Table 3.7

EMPLOYEES: SANITATION SERVICES					
Job level	2010/11	2011/12			
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %
0-3	16	19	17	2	7,69%
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	23	26	24	2	7,69%

Table 3.8

Financial Performance 2011/12: Sanitation Services						R'
Details	2010/11	2011/12				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget	
Total Operational Revenue	187 4 443	200 16 079	200 16 079	415 41 756	61%	
Expenditure:						
Employees	752 1 863	800 2 540	800 2 540	016 2 294	-11%	
Repairs and Maintenance	687 465	000 390	000 700	339 615	37%	
Other	154 5 416	450 7 520	300 3 535	210 3 579	-110%	
Total Operational Expenditure	593 7 745	250 10 451	100 6 776	566 6 488	-61%	
Net Operational Expenditure	406 -3 302	950 5 627	100 9 303	850 35 267	84%	
<i>Net expenditure to be consistent with summary in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>						

Table 3.9

Capital Expenditure 2011/12: Sanitation Services					
					R'
Capital Projects	2011/12				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	25 015 000	25 015 000	25 015 000	0%	
Construction of Sewerage Network	25 015 000	25 015 000	25 015 000	0%	
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.</i>					

Table 3.10

COMMENT ON SANITATION SERVICES PERFORMANCE OVERALL:

The project started on 13 January 2010 and will be completed by 30 August 2012. For the 2011/12 financial year Council has spent 100% of the allocated total grant.

3.3 ELECTRICITY

INTRODUCTION TO ELECTRICITY

For the purpose of electricity provision, 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.

Electricity Generation and Transmission is the sole responsibility of Eskom. Tswelopele Municipality is licenced by the National Energy Regulator of South Africa (NERSA) only to distribute electricity within its area of jurisdiction. The Tswelopele Municipality has noted over time that electricity is no longer a cheap commodity and that it is no longer in abundance as it used to be. As a result, the municipality continues to appeal to users to use it sparingly and to take measures intended to reduce pressure on the national grid.

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			
	2008/09	2009/10	2010/11	2011/12
	Actual No.	Actual No.	Actual No.	Actual No.
Energy- (above minimum level)				
Electricity (at least minimum service level)	1408	1408	1408	1408
Electricity – prepaid (minimum service level)	106	106	106	106
Minimum Service Level and Above sub-total	1514	1514	1514	1514
Minimum Service Level and Above Percentage	100%	100%	100%	100%
Energy- (below minimum level)				
Electricity (< minimum service level)	0	0	0	0
Electricity – prepaid (< minimum service level)	0	0	0	0
Other energy sources	0	0	0	0
Below Minimum Service Level sub-total	0	0	0	0
Below Minimum Service Level Percentage	1514	1514	1514	1514
Total number of households including informal settlements				

Table 3.11

Households –Electricity Service Delivery Levels below the Minimum						
Description	Households					
	2008/09	2009/10	2010/11	2011/12		
	Actual No.	Actual No.	Actual No.	Original Budget No.	Adjusted Budget No.	Actual No.
FOMAL SETTLEMENTS	0	0	0	0	0	0
Total households						
Households below minimum service level	0	0	0	0	0	0
Proportion of households below minimum service level (%)	0	0	0	0	0	0
INFORMAL SETTLEMENTS	0	0	0	0	0	0
Total households						
Households below minimum Service level	0	0	0	0	0	0
Proportion of households below minimum service level	0	0	0	0	0	0

Table 3.12

The National government has provided targets to be met by all spheres of government by 2014. However, it is clear from the information provided above that Tswelopele is far ahead of the targets as 100% of its customers have access to the Minimum Level of Service on electricity. The challenge may be in rural areas (farms) falling in our area where the back-logs are still to be established by us and brought to the attention of Eskom.

EMPLOYEES: ELECTRICITY SERVICES					
Job level	2010/11	2011/12			
	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	0
19 -20	0	0	0	0	0
Total	4	4	4	0	0

Table 3.13

Financial Performance 2011/12: Electricity Services					
					R'
Details	2010/11	2011/12			Variance to Budget
	Actual	Original Budget	Adjustment Budget	Actual	
Total Operational Revenue	12 446 960	32 048 987	32 065 987	33 021 418	3%
Expenditure:					
Employees	526 819	945 500	975 500	708 183	-34%
Repairs and Maintenance	679 953	1 285 000	1 385 000	1 551 853	17%
Other	3 032 255	22 254 440	18 947 620	19 825 068	-12%
Total Operational Expenditure	4 239 027	24 484 940	21 308 120	22 085 105	-11%
Net Operational Expenditure	-8 207 933	-7 564 047	-10 757 867	-10 936 313	31%

Net expenditure to be consistent with summary in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.

Table 3.14

Capital Expenditure 2011/12: Electricity Services					
R'					
Capital Projects	2011/12				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0	0%	
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i>					

Table 3.15

COMMENT ON ELECTRICITY SERVICES PERFORMANCE OVERALL:

Tswelopele Municipality plans to provide the following upgrading on the electricity service in the 2012/13 Financial Year: Upgrading of 65 industrial Erven in Hoopstad Phase 1 and Erven 799-806 industrial Erven at Hoopstad (Bloemhof Entrance).

3.4 WASTE MANAGEMENT

INTRODUCTION TO WASTE MANAGEMENT

Tswelopele Municipality spares no effort 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. Although there are still isolated areas of inconsistency, remedial action is taken where such are detected.

The indicators for waste management services are depicted below:

Solid Waste Services Delivery Levels				
Description	Households			
	2008/09	2009/10	2010/11	2011/12
	Actual No.	Actual No.	Actual No.	Actual No.
Solid waste- (minimum level) <i>Removed at least once a week</i>	10 306	10 455	10 455	10 455
<i>Minimum Service Level and Above sub-total</i>	10 306	10 455	10 455	10 455

<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>	0	0	0	0
<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	11 791	11 791	11 791

Table 3.16

EMPLOYEES: SOLID WASTE MANAGEMENT SERVICES					
Job level	2010/11	2011/12			
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %
0 -3	44	50	49	1	1,66%
4 -6	10	10	10	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	54	60	59	1	1,66 %

Table 3.17

Financial Performance 2011/12: Waste Disposal and other Services					
R'					
Details	2010/11	2011/12			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	2 391 376	9 041 100	9 850 100	10 188 265	11%
Expenditure:					
Employees	3 044 854	4 587 700	4 587 700	4 438 227	-3%
Repairs and Maintenance	77 302	198 000	198 000	1 291 392	85%
Other	4 753 025	2 792 060	1 056 160	1 317 364	-112%
Total Operational Expenditure	7 875 181	7 577 760	5 841 860	7 046 984	-8%
Net Operational Expenditure	5 483 805	-1 463 340	-4 008 240	-3 141 282	53%
<i>Net expenditure to be consistent with summary in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					

Table 3.18

Capital Expenditure 2011/12: Waste Management Services					
R'					
Capital Projects	2011/12				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0	0%	
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.</i>					

Table 3.19

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 (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 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 settlements)	Households in formal settlements	Percentage of HH's in formal settlements
2008/09	10 306	185	1.79
2009/10	11 791	1 696	14,3
2010/11	11 791	1 696	14,3
2011/12	11 791	1 696	14,3

Table 3.20

EMPLOYEES: HOUSING SERVICES					
Job level	2010/11	2011/12			
	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	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	4	4	4	0	0

Table 3.21

FINANCIAL PERFORMANCE 2011/12: HOUSING SERVICES					
Details	2010/11	2011/12			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue (excluding tariffs)	0	0	0	0	0
Expenditure:					
Employees	0	0	0	0	0
Repairs and Maintenance	0	0	0	0	0
Other	0	0	0	0	0
Total Operational Expenditure	0	0	0	0	0
Net Operational (Services) Expenditure	0	0	0	0	0

Table 3.22

CAPITAL EXPENDITURE 2011/12					
Housing Services					
Capital Projects	2011/12				
	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 regulates the access of consumers to Free Basic Services (FBS) and maintain a ledger of such indigents. The total value of FBS 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									
	Households earning less than R1 100-00 per month								
	Total	Free Basic Water		Free Basic Sanitation		Free Basic Electricity		Free Basic Refuse	
		Access	%	Access	%	Access	%	Access	%
2010/11	3 087	3 087	100	3 087	100	1 408	100	3 087	100
2011/12	3 087	3 087	100	3 087	100	1 408	100	3 087	100

Table 3.24

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. During the 2012/13 Financial Year, the Municipality will embark on a process of constructing roads both in Tikwana and Phahameng.

GRAVEL ROAD INFRASTRUCTURE				
Kilometres				
Year	Total Gravel Roads	New gravel roads completed	Gravel Roads upgraded to tar	Gravel Roads Graded/maintained
2009/10	98,8	+ 1km	0	98,8
2010/11	98,8	0	0	98,8
2011/12	98,8	500Km	0	180,5

Table 3.26

TARRED ROAD INFRASTRUCTURE					
Year	Total tarred roads	New tar roads	Existing tar Roads re-tarred	Existing tar roads re-sheeted	Tar roads Maintained
2009/10	54 Km	0	0	0	1,5 Km
2010/11	54 Km	0	0	0	1,5Km
2011/12	54 Km	0	0	0	5km

Table3. 27

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

EMPLOYEES: ROADS					
Job level	2010/11	2011/12			
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %
0 -3	17	17	16	1	2,70
4 -6	14	14	14	0	0
7 -9	2	3	3	0	0
10 -12	2	3	2	1	2,70
13 -15	0	0	0	0	0
16 -18	0	0	0	0	0
19 -20	0	0	0	0	0
Total	35	37	35	2	5,40 %

Table 3.28

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

Financial Performance 2011/12: Road Services					
R'					
Details	2010/11	2011/12			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	1 871 860	267 000	252 000	29 982	-791%
Expenditure:					
Employees	4 560 130	4 991 900	5 241 900	5 269 502	5%
Repairs and Maintenance	813 406	1 422 000	1 617 000	1 747 894	19%
Other	2 695 185	1 035 700	1 052 900	2 998 766	65%
Total Operational Expenditure	8 068 721	7 449 600	7 911 800	10 016 162	26%
Net Operational Expenditure	6 196 861	7 182 600	7 659 800	9 986 180	28%
Net expenditure to be consistent with summary in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					

Table 3.29

Capital Expenditure 2011/12: Road Services					
R'					
Capital Projects	2011/12				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0	0%	
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i>					

Table 3.30

3.8 TRANSPORT (INCLUDING VEHICLE LICENSING & PUBLIC BUS OPERATION)

COMMENTS ON THE PERFORMANCE OF TRANSPORT OVERALL

Tswelopele Local Municipality does not provide any train, bus or taxi services to its community. As a result there are no Employees, 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 the former Black Townships the biggest challenge is that the practice of erecting new houses and extension of existing housing units occurs without residents submitting building plans to the municipality for approval. A further challenge is that residents run business at their houses without applying for such properties to be rezoned. Although this is a serious problem, the municipality has to balance legal compliance with the need to stimulate small business development. We accept that this matter needs to be address in a manner that strikes a balance between compliance and the need to stimulate small business initiatives.

Application for Land Use Development						
Details	Formalisation of townships		Rezoning		Built Environment	
	2010/11	2011/12	2010/11	2011/12	2010/11	2011/12
Planning application received	0	0	1	3	130	172
Determination made in year of receipt	0	0	1	3	130	157
Determination made in following year	2	0	0	0	0	0
Applications withdrawn	0	0	0	0	0	0
Applications outstanding at year end	0	0	0	0	0	0

Table 3.31

Tswelopele Municipality does not have a dedicated planning department or division. All the functions associated with these functions are normally outsourced. This option seems to be the most cost-effective.

3.10 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM)

INTRODUCTION TO ECONOMIC DEVELOPMENT

The Local Economic Development (LED) Function of the Municipality is located in the office of the Municipal Manager. Strategy is not yet developed, but assistance is being sought for funding. The LED function includes 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	2009/10	2010/11	2011/12
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 3.32

Economic Employment by Sector			
	Jobs		
Sector	2009/10 No.	2010/11 No.	2011/12 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 3.33

COMMENT ON LOCAL ECONOMIC DEVELOPMENT

The formal employment sector is unable to provide the number of jobs that are required. As a result Local Economic Development becomes a key driver of job creation. During the 2010/11 financial year the number of jobs created through LED initiatives was 787 and 661 in 2011/12 financial year.

Job Creation through EPWP projects		
Details	EPWP Project No.	Job creation through EPWP Project No.
2009/10	0	0
2010/11	0	0
2011/12	2	72

Table 3.34

EMPLOYEES: LOCAL ECONOMIC DEVELOPMENT SERVICES					
Job level	2010/11	2011/12			
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total % 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	1	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	1	2	1	1	50 %

Table 3.35

COMPONENT D: COMMUNITY & SOCIAL SERVICES

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

3.11 LIBRARIES, ARCHIVES AND COMMUNITY FACILITIES

INTRODUCTION TO LIBRARIES; ARCHIEVES AND 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	2010/11	2011/12			
	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 3.36

Financial Performance 2011/12: Libraries; Archives; Museums; Community Facilities; Other						R'
Details	2010/11	2011/12			Variance to Budget	
	Actual	Original Budget	Adjustment Budget	Actual		
Total Operational Revenue	490 669	2 397 536	2 401 750	2 401 470	0%	
Expenditure:						
Employees	473 206	4 496 600	4 496 600	4 380 811	-3%	
Repairs and Maintenance	-	219 360	174 360	132 942	-65%	
Other	14 314	1 302 353	1 121 567	2 684 302	51%	
Total Operational Expenditure	487 520	6 018 313	5 792 527	7 198 055	16%	
Net Operational Expenditure	-3 149	3 620 777	3 390 777	4 796 585	25%	

Table 3.37

CAPITAL EXPENDITURE 2011/12 Libraries; Archives; Community Facilities; Others					
Capital Projects	2011/12				
	Budget	Adjustment Budget	Actual Expenditure	Variance from Original Budget	Total Project Value
None	0	0	0	0	

Table 3.38

3.12 CEMETORIES, CREMATORIUMS, PARKS AND SPORTS GROUNDS

INTRODUCTION TO CEMETORIES, CREMATORIUMS, PARKS AND SPORTS GROUNDS

Tswelopele Municipalities does not own or provide crematorium facilities and services. Below are the statistics for the 2011/12 Financial Year

EMPLOYEES: Cemeteries/Parks & Sports Grounds					
Job level	2010/11	2011/12			
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %
0 -3	25	25	24	1	3,22 %
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	31	31	30	1	3,22 %

Table 3.39

Financial Performance 2011/12: Cemeteries/Parks and Sports Grounds					
R'					
Details	2010/11	2011/12			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	117 121	147 000	147 000	6 198 629	98%
Expenditure:					
Employees	2 318 301	2 250 200	2 250 200	2 343 522	4%
Repairs and Maintenance	150 880	176 500	216 500	228 293	23%
Other	215 311	412 465	410 482	1 106 768	63%
Total Operational Expenditure	2 684 492	2 839 165	2 877 182	3 678 582	23%
Net Operational Expenditure	2 567 371	2 692 165	2 730 182	-2 520 046	207%

Table 3.40

Capital Expenditure 2011/12: Cemeteries, Parks and Sports Grounds					
R'					
Capital Projects	2011/12				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	-	11 400 000	6 074 657	100%	
Fencing of Cemeteries	-	11 400 000	6 074 657	100%	

Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).

Table 3.41

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

There were no capital projects for Tswelopele Municipality for cemeteries during the 2011/12 financial year. However, provision for the fencing of cemeteries in Tikwana and Phahameng has been made in the 2012/13 financial year. The Municipality constructed athletic track in Tikwana, Hoopstad, the funding was from National Lottery Fund

COMPONENT E: SECURITY AND SAFETY

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

3.13 TRAFFIC AND LAW ENFORCEMENT

INTRODUCTION TO TRAFFIC AND LAW ENFORCEMENT

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

TRAFFIC AND LAW ENFORCEMENT DATA					
	Details	2010	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	3
4	Number of traffic officers on duty on an average day	2	2	2	3

Table 3.42

EMPLOYEES: Traffic and Law Enforcement					
Job level	2010/11	2011/12			
	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	2	0	0	33,33%
7 -9	2	4	3	1	16,66%
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	6	3	3	50%

Table 3.43

Financial Performance 2011/12: Sport and Recreation					
Details	2010/11	2011/12			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	1 028 566	1 234 100	1 233 100	1 067 000	-16%
Expenditure:					
Employees	497 509	850 000	850 000	566 810	-50%
Repairs and Maintenance	9 127	10 000	10 000	10 823	8%
Other	1 086 438	374 100	373 100	141 823	-164%
Total Operational Expenditure	1 593 074	1 234 100	1 233 100	719 456	-72%
Net Operational Expenditure	-564 508	-	-	-347 544	100%

Net expenditure to be consistent with summary in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.

Table 3.44

CAPITAL EXPENDITURE 2011/12 Traffic and Law Enforcement					
Capital Projects	2011/12				
	Budget	Adjustment Budget	Actual Expenditure	Variance from Original Budget	Total Project Value
Total All	300 000	0	0	0	

Table 3.45

COMPONENT F: CORPORATE POLICY OFFICES AND OTHER SERVICES

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

3.14 EXECUTIVE AND COUNCIL

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

INTRODUCTION TO THE EXECUTIVE AND COUNCIL

The part comprises of two components, namely political and administration. The political component 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 component 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: 6 Special Meetings

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

EMPLOYEES: EXECUTIVE AND COUNCIL					
Job level	2010/11	2011/12			
	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	2	3	1	2	14,28%
7 -9	6	6	6	0	0
10 -12	4	5	4	1	7,14%
13 -15	0	0	0	0	0
16 -18	0	0	0	0	0
19 -20	0	0	0	0	0
Total	12	14	11	3	21,42%

Table 3.46

Financial Performance 2011/12: The Executive and Council					
					R'
Details	2010/11	2011/12			Variance to Budget
	Actual	Original Budget	Adjustment Budget	Actual	
Total Operational Revenue	759 634	1 441 000	1 444 000	1 428 912	-1%
Expenditure:					
Employees	7 567 948	6 358 275	6 358 275	6 449 254	1%
Repairs and Maintenance	106 159	124 650	230 000	196 152	36%
Other	1 632 963	4 321 810	5 109 540	20 961 530	79%
Total Operational Expenditure	9 307 070	10 804 735	11 697 815	27 606 937	61%
Net Operational Expenditure	8 547 436	9 363 735	10 253 815	26 178 024	64%

Net expenditure to be consistent with summary in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.

Table 3.47

Capital Expenditure 2011/12: The Executive and Council

					R'
Capital Projects	Year 0				Total Project Value
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	
Total All	0	0	0	0%	

Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.

Table 3.48

COMMENT ON THE PERFORMANCE OF THE EXECUTIVE AND COUNCIL:

The council has a responsibility to oversee both the performance of both the Executive Committee; Council Committees and the Administration. During the year under review the Council exercised this oversight work with due diligence. It held both the Executive Committee and the Administration to the highest level of scrutiny and oversight. The Executive Committee also ensured that the reports and recommendations that went to Council were thoroughly scrutinized and investigated. This assisted in ensuring that the best decisions were taken by the Council. It is also worth mentioning that Tswelopele Council operates as one entity and that it always aspires to take decisions that are in the best interest of all the residents, irrespective of their individual members' political party and persuasion.

3.15 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	2010/11	2011/12			
	Employees No.	Posts No.	Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total posts) %
0 -3	0	1	0	1	5%
4 -6	7	8	7	1	5%
7 -9	5	5	5	0	0
10 -12	5	5	5	0	0
13 -15	0	0	0	0	0
16 -18	1	1	1	0	0
19 -20	0	0	0	0	0
Total	18	20	18	2	10%

Table 3.49

Financial Performance 2011/12: Financial Services					
R'					
Details	2010/11	2011/12			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	141 478	11 980 577	4 361 763	4 582 096	-161%
Expenditure:					
Employees	7 145 937	6 797 700	6 832 500	6 269 177	-8%
Repairs and Maintenance	108 748	306 500	281 500	126 983	-141%
Other	13 381 861	2 300 000		6 746 029	66%
Total Operational Expenditure	20 636 546	9 404 200	7 114 000	13 142 189	28%
Net Operational Expenditure	20 495 068	-2 576 377	2 752 237	8 560 093	130%

Net expenditure to be consistent with summary in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.

Table 3.50

Capital Expenditure 2011/12: Financial Services					
R'					
Capital Projects	2011/12				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0	0%	

Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).

Table 3.51

3.16 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. The Department is crucial in providing support to Political Office-Bearers.

SERVICE STATISTICS FOR HUMAN RESOURCE SERVICES IN THE WHOLE MUNICIPALITY

The Total number of Employees is 229

Females: 50

Males: 179

Below are statistics of employees in the Corporate Department (excluding other Departments):

EMPLOYEES: Human Resources Services					
Job level	2010/11	2011/12			
	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	2	2	2	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	7	8	7	1	11,11

Table 3.52

Financial Performance 2011/12: Human Resource Services					
R'					
Details	2010/11	2011/12			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	2 647 700	9 173 542	6 474 142	16 591 362	45%
Expenditure:					
Employees	-	3 379 000	3 379 000	2 210 633	-53%
Repairs and Maintenance	-	165 666	169 800	574 009	71%
Other	2 604 800	2 018 160	1 990 760	6 345 815	68%
Total Operational Expenditure	2 604 800	5 562 826	5 539 560	9 130 457	39%
Net Operational Expenditure	-42 900	-3 610 716	-934 582	-7 460 905	52%
<i>Net expenditure to be consistent with summary in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					

Table 3.53

Capital Expenditure 2011/12: Human Resource Services					
R'					
Capital Projects	2011/12				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	-	8 414 652	8 414 652	0%	
Airstrip (Council Property)	-	8 414 652	8 414 652	0%	
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.</i>					

Table 3.54

3.17 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

INTRODUCTION TO INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

Tswelopele Municipality does not provide any of these services in-house. In instances where they are required by the Municipality, an external service provider is appointed.

CHAPTER 4

**CHAPTER 4 - ORGANISATIONAL DEVELOPMENT PERFORMANCE
(PERFORMANCE REPORT PART II)**

INTRODUCTION

Tswelopele Municipality is dedicated toward the objectives of Local Government as outlined in Chapter 7 of the Constitution of the Republic of South Africa Act, 1996 (Act 108 of 1996). These objectives are to provide democratic and accountable government for local communities; to ensure the provision of services to communities in a sustainable manner; to promote social and economic development; to provide a safe and healthy environment; to encourage the involvement of communities and community organisation in the matters of local government.

COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

Below is an outline of Roles and Responsibilities of various Stakeholders in the Management of Performance Management System (PMS) at Tswelopele Local Municipality.

**ROLES AND RESPONSIBILITIES OF STAKEHOLDERS IN THE
MANAGEMENT OF THE PMS**

A. MUNICIPAL COUNCIL’S POLITICAL OVERSIGHT ROLES AND RESPONSIBILITIES

Planning	Monitoring		
	Review	Reporting	Performance Audit
1. Adopts priorities and objectives of the Integrated Development Plan. 2. Adopts the PMS framework. 3. Adopts the municipality’s corporate strategy that includes key performance indicators and performance targets. 4. Assigns the	1. Approves the annual review programme of the IDP, including the review of key performance indicators and performance targets. 2. Approves the annual improvement measures of the municipality as part of the new	1. Receives externally audited performance reports from the Mayor every quarter. 2. Reports the municipality performance to the community twice a year. 3. Approves recommendations for the improvement of	1. Notes the municipal annual audit plan and any substantial changes to it. 2. Can receive reports directly from the Audit Committee. 3. Approves the implementation of the recommendations of the Audit Committee with regard to both

Planning	Monitoring		
	Review	Reporting	Performance Audit
responsibility for the management of the PMS to the Mayor. 5. Adopts SDBIPS.	municipal strategic scorecard. 3. Approves any changes to the priorities, objectives, key performance indicators and performance targets of the municipality.	the performance management system. 4. Annually approves performance appraisal of the municipal manager and other section 57 employees. 5. Submits the municipal annual report to the Auditor General and the MEC.	improvement in the performance of the municipality or improvement of the performance management system itself. 4. Receives performance audit report from the Auditor General and approves implementation of its recommendations.

B. ROLES AND RESPONSIBILITIES OF THE EXECUTIVE COMMITTEE

Planning	Monitoring		
	Review	Reporting	Performance Audit
<ol style="list-style-type: none"> 1. Submits priorities and objectives of the IDP to Council for approval. 2. Submits the PMS framework for approval. 3. Submits the municipality's corporate strategy that includes key performance indicators and performance targets for approval. 4. Approves the SDBIP 5. Mandate the Mayor to enter into a performance agreement with the Municipal manager on behalf of Council. 6. Assigns the responsibility for the management of the PMS to the Municipal Manager. 	<ol style="list-style-type: none"> 1. Proposes to Council, the annual review programme of the IDP, including the review of key performance indicators and performance targets. 2. Proposes the annual performance improvement measures of the municipality. 3. Proposes changes to the priorities, objectives, key performance indicators and performance targets of the municipality. 4. Quarterly evaluates the performance of the municipality against adopted KPIs and targets. 5. Quarterly reviews the performance of departments to improve the economy, efficiency and effectiveness of the municipality. 6. Quarterly and annually evaluates the performance of the Municipal Manager. 	<ol style="list-style-type: none"> 1. Receives performance reports quarterly from the Municipal Manager 2. Receives performance reports twice a year from the Audit Committee. 3. Receives Monthly financial indicators and quarterly performance reports from the Municipal Manager on the performance of section 57 employees. 4. Reports to Council on the performance of the municipality once every quarter. 5. Reports to Council on the recommendations for the improvement of the performance management system. 6. Annually reports to Council on the performance of the Municipal Manager and other section 57 employees. 	<ol style="list-style-type: none"> 1. Submits the municipal annual audit plan and any substantial changes to it to Council for approval. 2. Approves the implementation of the recommendations of the internal auditor with regard to both improvement in the performance of the municipality or improvement of the performance management system itself. 3. Receives performance audit report from the Auditor General and makes recommendations to Council.

C. ROLES AND RESPONSIBILITIES OF THE MUNICIPAL MANAGER

Planning	Implementation	Monitoring		
		Review	Reporting	Performance Audit
<ol style="list-style-type: none"> 1. Coordinates the process of IDP needs identification and prioritization among all stakeholders, including community structures. 2. Coordinates the formulation and revision of the PMS framework. 3. Coordinates the formulation and revision of the municipality's corporate strategy that includes key performance indicators and performance targets. 4. Leads the process of the formulation and revision of the SDBIP. 5. Enters into a performance agreement with other section 57 employees on behalf of Council 	<ol style="list-style-type: none"> 1. Manages the overall implementation of the IDP. 2. Ensures that all role players implement the provisions of the PMS framework. 3. Ensures that the SDBIP serve the achievement of corporate performance targets. 4. Ensures that the SDBIP is implemented according to the approved targets and timeframes. 5. Implements performance improvement measures approved by the Mayor and the Council. 6. Ensures that performance objectives in the section 57 employee's performance agreements are achieved. 	<ol style="list-style-type: none"> 1. Formulates the annual review programme of the IDP, including the review of key performance indicators and performance targets for the consideration of Council Committees and the Mayor. 2. Formulates the annual performance improvement measures of the municipality as part of the new corporate strategy and SDBIP. 3. Quarterly reviews the performance of departments to improve the economy, efficiency and effectiveness of the municipality. 4. Quarterly and annually evaluates the performance of section 57 employees. 	<ol style="list-style-type: none"> 1. Receives performance reports quarterly from the internal auditor. 2. Receives performance reports twice a year from the Performance Audit Committee. 3. Receives monthly departmental performance reports from HoDs. 4. Reports once quarterly to council committees and the Mayor on the performance of Directorates. 5. Reports on the implementation of improvement measures adopted by the Mayor and Council. 6. Annually reports on the performance of section 57 employees. 7. Submit the municipal annual report 	<ol style="list-style-type: none"> 1. Formulates the municipal annual audit plan. 2. Formulates a response to the recommendations of the internal auditor and the Audit Committee. 3. Formulates a response to performance audit report of the Auditor General and makes recommendations to the Mayor.

Planning	Implementation	Monitoring		
		Review	Reporting	Performance Audit
			to the Mayor	

D. ROLES AND RESPONSIBILITIES OF COUNCIL COMMITTEES

Planning	Monitoring		
	Review	Reporting	Performance Audit

Planning	Monitoring		
	Review	Reporting	Performance Audit
<ol style="list-style-type: none"> 1. Advise the Mayor on priorities and objectives of the Integrated Development Plan. 2. Deliberates and advice on the corporate strategy and SDBIP that includes key performance indicators and performance targets. 3. Ensures that concerns of community structures are taken into account in discharging their responsibilities. 	<ol style="list-style-type: none"> 1. Participate in the formulation of the annual review programme of the IDP. 2. Participate in the formulation of proposals for the annual performance improvement measures of the municipality as part of the corporate strategy. 3. Quarterly evaluates the performance of their portfolios against adopted KPIs and targets. 4. Quarterly reviews the performance of their portfolios to improve the economy, efficiency and effectiveness of the municipality. 	<ol style="list-style-type: none"> 1. Receives quarterly reports from the Directors responsible for their portfolios before they are tabled at the Mayor and Council. 2. Reports to the Mayor on the recommendations for the improvement of the performance management system. 	<ol style="list-style-type: none"> 1. Participate in the formulation of the annual audit plan. 2. Advises the Mayor on the implementation of the recommendations of the internal auditor with regard to both the improvement in the performance of the municipality and improvement of the performance management system itself.

E. ROLES AND RESPONSIBILITIES OF HEADS OF DEPARTMENTS

Planning	Monitoring			
	Implementation	Review	Reporting	Performance Audit
<ol style="list-style-type: none"> 1. Participates in the IDP process 2. Participates in the formulation and revision of the municipality's corporate strategy that includes key performance indicators and performance targets. 3. Develop Technical SDBIP 4. Enters into a performance agreement with the Municipal Manager. 5. Manages the development of subordinates' performance measurement system. 	<ol style="list-style-type: none"> 1. Manages the implementation of the SDBIP. 2. Ensures that the SDBIP is implemented according to the approved targets and timeframes. 3. Implements performance improvement measures approved by the Mayor and the Council. 4. Manages the implementation of subordinates' performance measurement system. 5. Ensures that performance objectives in the performance agreements are achieved. 	<ol style="list-style-type: none"> 1. Participates in the formulation of the annual review programme of the IDP, including the review of key performance indicators and performance targets for the consideration of Council Committees and the Mayor. 2. Annually reviews the performance of the Municipality 3. Quarterly and annually evaluates the performance of the department. 	<ol style="list-style-type: none"> 1. Submit monthly section 71 reports 2. Comment on section 71 reports on material variances 3. Reports on the implementation of improvement measures 	<ol style="list-style-type: none"> 1. Participates in the formulation of the response to the recommendations of the internal auditor and the Performance Audit Committee. 2. Participates in the formulation of the response to performance audit report of the Auditor General and makes recommendations to the Municipal Manager

F. ROLES AND RESPONSIBILITIES OF STAFF

Planning	Implementation	Review	Reporting
<ol style="list-style-type: none"> 1. Participates in the development of the SDBIP 2. Participates in the development of their own performance measurement. 	<ol style="list-style-type: none"> 1. Executes individual work plans. 	<ol style="list-style-type: none"> 1. Participates in the review of unit plans. 2. Participates in the review of own performance. 	<ol style="list-style-type: none"> 1. Reports to line manager on the implementation of their work plans.

G. ROLES AND RESPONSIBILITIES OF INTERNAL AUDIT

Planning	Monitoring	
	Review	Reporting
<ol style="list-style-type: none"> 1. Participates in the formulation of the Audit Committee Charter. 2. Participates in the formulation of the annual audit plan. 	<ol style="list-style-type: none"> 1. Review the functionality of the PMS system 2. Compliance with the Act 3. Audit the results of the performance measurements 4. The extent to which the municipality's performance measurements are <i>reliable</i> in measuring the performance of municipalities by making use of indicators 	<ol style="list-style-type: none"> 1. Report to the MM and to the Performance Audit Committee regarding the performance measurements 2. Receive annual performance and budget reports from council 3. Participate in the development of the Oversight report

H. ROLES AND RESPONSIBILITIES OF THE PERFORMANCE AUDIT COMMITTEE

Planning	Monitoring	
	Review	Reporting
1. Plan the work of the Performance Audit Committee	1. Review the reports submitted to it; 2. Review the Municipality's PMS and make recommendations in this regard to the Municipal Council; and 3. Must focus on the economy, efficiency, effectiveness and impact in so far as the KPI's and performance targets set by the municipality are concerned	1. At least twice during the financial year submit an audit report to the Municipal Council; 2. Participate in the development of the Oversight report

I. ROLES AND RESPONSIBILITIES OF THE COMMUNITY

Planning	Monitoring	
	Review	Reporting
1. Participate in the drafting and implementation of the municipality's IDP through established forums 2. Participates in the development of the PMS, to Comment on KPIs and targets set for the municipality every year 3. Make representations on the draft annual budget	1. Participate in the annual review of performance through their involvement in the development of the Oversight Report.	1. Receive annual performance and budget reports from council 2. Participate in the development of the Oversight report

4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

EMPLOYEES					
Description	2010/11	2011/12			
	Employees No.	Approved Posts No	Employees No.	Vacancies No.	Vacancies %
Water	8	9	9	0	0

Waste Water (Sanitation)	23	26	24	2	7,69%
Electricity	4	4	4	0	0
Waste Management	54	60	59	1	1,66%
Public Works ,includes Roads, Storm Water, Waste Water, Workshop & Admin Personnel	35	37	35	2	5,40%
Housing Services	4	4	4	0	0
Libraries, Archives, Community Facilities	14	14	14	0	0
Local Economic Development	1	2	1	1	50%
Executive & Council Employees	12	14	11	3	21,42%
Community and Social Development	4	4	4	0	0
Disaster Management	1	1	1	0	0
Financial Services	18	20	18	2	10%
Traffic and Law Enforcement	2	6	3	3	50%
Cemeteries, Parks & Sports Ground	31	31	30	1	3,22%
Human Resource Services	7	8	7	1	11,11%
TOTALS	218	240	224	16	6,66

Table 4.1

VACANCY RATE 2011/12			
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	4	2	50%
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)	4	0	0
TOTALS	17	3	17,64%

Table 4.2

TURN-OVER RATE: 2011/12			
Details	Total Appointments as of Beginning of financial year No.	Terminations during the Financial Year No.	Turn-over Rate*
2009/10	1	7	0,0315%

2010/11	12	11	0,050%
2011/12	16	6	30%

Table 4.3

COMMENT ON VACANCIES AND TURNOVER:

The Municipality has been able to retain staff across all levels and occupational categories. The impact that the current Minimum Competency Levels as prescribed by National Treasury will have on the staff turnover is unknown at this stage.

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	100	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	22 August 2011
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	100	22 August 2011
12.	Human Resources Policy	100	100	22 August 2011
13.	Information Technology	100	0	Adopted on 29 March 2006
14.	Job Evaluation	100	100	As approved by parties to

				SALGBC.
15.	Leave	100	100	22 August 2011
16.	Occupational Health and Safety	100	100	22 August 2011
17.	Official Housing	100	100	22 August 2011
18.	Official Journey	100	100	22 August 2011
19.	Official transport to attend funerals	100	100	22 August 2011
20.	Official Working Hours and Overtime	100	100	22 August 2011
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	100	Adopted on 30th November 2010.
24.	Recruitment, Selection and Appointments	100	100	22 August 2011
25.	Remuneration Scales and Allowances	100	100	Determined by parties to SALGBC.
26.	Resettlement	100	100	22 August 2011
27.	Sexual Harassment	100	100	22 August 2011
28.	Skills Development	100	100	22 August 2011
29.	Smoking	100	100	22 August 2011
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	100	22 August 2011
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 2011/12 financial year is 1679 days involving 596 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 4.6

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 4.7

COMMENT ON SUSPENSIONS AND CASES OF FINANCIAL MISCONDUCT:

During the term under review there were zero (0) incidents of suspension 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 2011/12 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.

The information provided below is about the Minimum Competency Levels determined by the National Treasury Levels that certain categories of employees must comply with by the 31 January 2011 or at least apply for Special Merit Cases where the Municipality does not comply.

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 4.8

COMPONENT C: MANAGING THE WORKFORCE EXPENDITURE

4.5 EMPLOYEE EXPENDITURE

Employees not appointed to established posts				
Department	Level	Date of	No. appointed	Reasons for appointment when

		appointment		no established post exist
N/A	N/A	N/A	N/A	N/A

Table 4.9

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 119 841 766 and an expenditure of R 121970621. This resulted into a deficit of R 2 128 855 for the 2011/12 Financial Year.

5.1 STATEMENTS OF FINANCIAL PERFORMANCE

Description	2011/2012		2010/2011	
	Original Budget	Final adjustments budget	Actual Outcome	Restated Audited Outcome
R thousands				
Financial Performance				
Property rates	5 779	5 779	6 571	5 068
Service charges	25 512	25 512	27 755	24 897
Investment revenue	510	610	816	738
Transfers recognised - operational	58 209	58 209	58 193	50 753
Other own revenue	15 220	1 780	2 344	2 867
	105 230	91 890	95 678	84 323
Total Revenue (excluding capital transfers and contributions)				
Employee costs	32 171	32 486	32 664	30 782
Remuneration of councillors	4 097	4 097	3 670	3 723
Debt impairment	-	-	6 260	7 359
Depreciation & asset impairment			19 753	31 372
Finance charges	2 024	2 340	1 998	2 060
Materials and bulk purchases	17 242	17 242	24 839	17 647
Transfers and grants	3 728	3 728	-	1 950
Other expenditure	45 967	34 182	25 130	19 238
Total Expenditure	105 230	94 076	114 315	114 131
Surplus/(Deficit)				
Transfers recognised - capital	31 515	34 515	39 504	14 323
Contributions recognised - capital & contributed assets		-	-	
Surplus/(Deficit) after capital transfers & contributions	31 516	32 330	20 867	(15 484)
Share of surplus/ (deficit) of associate	-	-	-	-
Surplus/(Deficit) for the year	31 516	32 330	20 867	(15 484)
Capital expenditure & funds sources				
Capital expenditure				
Transfers recognised - capital	31 205	34 205	39 504	14 323
Public contributions & donations	-	-	-	-
Borrowing	7 000	7 000	-	-
Internally generated funds	1 300	1 000	632	-
Total sources of capital funds	39 505	42 205	40 137	14 323
Cash flows				
Net cash from (used) operating	40 056	28 841	48 904	13 796
Net cash from (used) investing	(39 355)	(42 055)	(40 125)	(14 185)
Net cash from (used) financing	7 300	7 300	(1 357)	(890)
Cash/cash equivalents at the year end	9 522	(4 394)	15 220	7 825

Table 5.1

Financial Performance of Operational Services						R '000
Description	Year 0			Year 0 Variance		
	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget	
Operating Cost						
Water	13 554	9 551	6 759	-101%	-41%	
Waste Water (Sanitation)	10 451	6 776	6 489	-61%	-4%	
Electricity	24 585	21 513	22 085	-11%	3%	
Waste Management	7 578	5 842	7 047	-8%	17%	
Component A: sub-total	56 168	43 682	42 380	-33%	-3%	
Roads	7 450	7 912	10 016	26%	21%	
Component B: sub-total	8 455	8 624	9 554	12%	10%	
Total Expenditure	64 623	52 306	51 934	-24%	-1%	
<i>T 5.2</i>						

5.2 GRANTS

Grant Performance							R' 000
Description	Year -1	Year 0			Year 0 Variance		
	Actual	Budget	Adjustments Budget	Actual	Original Budget (%)	Adjustments Budget (%)	
Total Transfers and Grants							
National Government:	65 077	57 623	57 623	83 158			
Equitable share	48 803	55 333	55 333	55 333	0%	0%	
Municipal Systems Improvement	750	840	840	840	0%	0%	
Department of Water Affairs							
Levy replacement							
Finance Management Grant	1 200	1 450	1 450	1 450	0%	0%	
EPWP		536	536	520	0%	-3%	
MIG	14 323	25 015	25 015	25 015	0%	0%	
Provincial Government:	-	-	8 415	8 568			
Health subsidy							
Housing							

Ambulance subsidy Sports and Recreation						
COGTA Free State		-	8 415	8 415	100%	0%
FS Gov Infrastructure Grant		1 900	1 900	154	0%	-1138%
District Municipality:	-	50	50	50		
<i>Lejweleputswa</i>		50	50	50	0%	0%
Other grant providers:	-	6 500	6 500	5 921		
<i>National Lottery Development Fund</i>		6 500	6 500	5 921	0%	-10%
Total Operating Transfers and Grants	65 077	64 173	72 588	97 697		
<i>Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. Full list of provincial and national grants available from published gazettes.</i>						
						<i>T 5.3</i>

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 2010/11	Actual Grant 2011/12	2011/12 Municipal Contribution	Date Grant Terminates	Date Municipal Contribution Terminates	Nature and Benefit from the grant received, include 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	5 921 148	0	2011/2012	n/a	Construct an athletic field in Hoopstad
"Project 2"	0		0			

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 for the 2011/12 Financial Year

5.3 ASSET MANAGEMENT

Repair and Maintenance Expenditure: 2011/12				
				R'
	Original Budget	Adjustment Budget	Actual	Budget variance
Repairs and Maintenance Expenditure	4 779 676	5 831 160	5 534 176	-16%

Table 5.5

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.

5.3 SOURCES OF FINANCE

Capital Expenditure - Funding Sources: 2010/11 to 2011/12						
						R'
Details	2010/11	2011/12				
	Actual	Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance (%)	Actual to OB Variance (%)
Source of finance						
External loans		7 000 000	7 000 000	-		
Public		-	-	-		

	contributions and donations						
	Grants and subsidies	14 323 109	34 204 500	34 204 500	39 504 348	0%	15%
	Other	2 451	1 000 000	1 000 000	632 412	0%	-37%
Total		14 325 560	42 204 500	42 204 500	40 136 760	0%	-21%
<i>Percentage of finance</i>							
	External loans	0%	17%	17%	0%		0%
	Public contributions and donations	0%	0%	0%	0%		0%
	Grants and subsidies	100%	81%	81%	98%		-73%
	Other	0%	2%	2%	2%		173%
Capital expenditure							
	Water and sanitation	14 323 109	25 015 039	25 015 039	25 015 039	0%	0%
	Electricity						
	Housing						
	Roads and storm water						
	Other	2 451	17 189 461	17 189 461	15 121 721	0%	-12%
Total		14 325 560	42 204 500	42 204 500	40 136 760	0%	-12%
<i>Percentage of expenditure</i>							
	Water and sanitation	100%	59%	59%	62%		0%
	Electricity	0%	0%	0%	0%		0%
	Housing	0%	0%	0%	0%		0%
	Roads and storm water	0%	0%	0%	0%		0%
	Other	0%	41%	41%	38%		100%

Table 5.6.

5.5 CAPITAL SPENDING ON 5 LARGEST PROJECTS

Capital Expenditure of 5 largest projects*					
Name of Project	Current: Year 0			Variance: Current Year 0	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjustment variance (%)
Construction of Sewerage Network	25 015 000	25 015 000	25 015 000	0%	0%

Construction of Athletic Fields	9 500 000	6 500 000	5 921 148	38%	32%
Fencing of Cemeteries	1 900 000	1 900 000	153 509	92%	0%
					Table 5.7

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)* Expenditure 2011/12						R'
Details	Budget	Adjustments Budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)
				Budget	Adjustments Budget	
Infrastructure - Sanitation				%	%	
<i>Reticulation</i>	25 015 000	25 015 000	25 015 000	%	%	100% Expenditure on Grants
Total	25 015 000	25 015 000	25 015 000	%	%	

* MIG is a government grant program designed to fund a reduction in service backlogs, mainly: Water; Sanitation; Roads; Electricity. Expenditure on new, upgraded and renewed infrastructure is set out at Appendix M; note also the calculation of the variation. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.

Table 5.8

5.7 BORROWING AND INVESTMENTS

INSTRUMENT	2010/11	2011/12
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 C: 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. The Policy was amended following the changing of legislation in December 2011 to re-determine the BBBEE threshold and points allocation. No Councilors are members of any committee handling Supply Chain Processes.

5.10 GRAP COMPLIANCE

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.

Table 6.1

COMPONENT A: AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS 2010/11

6.1 AUDITOR GENERAL REPORT 2010/11

During the 2010/11 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 2010/11	
Audit Report Status: Qualified Audit Opinion	
Non-Compliance Issues	Remedial Action Taken
➤ Various issues raised	➤ Audit Action Plan developed to address the non-compliance issues
Table 6.2	

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 6.3	

AUDITOR GENERAL REPORT ON THE FINANCIAL STATEMENTS 2011/12

The Auditor-General Report on the Financial Statements for the 2011/12 Financial Statements have been captured in Chapter 1 of this report.

Table 6.4

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 6.5

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 indicators	The distribution of capacity to deliver services.
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>
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APPENDICES

APPENDICES

APPENDIX A - COUNCILLORS; COMMITTE 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
				%	%
Cllr ME Mathibe	FT	Executive Committee; Finance Committee.	PR	100%	0
Cllr TA Matlakala	FT	Finance Committee; Housing & Erven Committee.	Ward 3[ANC]	100%	0
Cllr PP Moalosi	PT	Finance Committee	Ward 2[ANC]	100%	0
Cllr. KR Phukuntsi	PT	None	PR[ANC]	100%	0
Cllr TT Taedi	PT	Housing and Erven.	Ward7[ANC]	100%	0
Cllr MS Baleni	PT	None	Ward8[ANC]	100%	0
Cllr. MS Bonokoane	PT	none	PR[ANC]	98%	2%
Cllr MW Raseu	PT	None	Ward 5[ANC]	100%	0
Cllr DA Njodina	PT	None	Ward 4[ANC]	100%	0
Cllr MJ Taljaard	PT	None	PR [ANC]	92%	8%
Cllr C Horn	PT	None	PR [DA]	97%	3%
Cllr MM Snyer	PT	None	PR[Cope]	88%	12%
Cllr.EC Joubert	PT	None	PR [DA]	99.9%	1%
Cllr BP Essau	PT	None	Ward 1[ANC]	100%	0
Cllr MJ Ngexe	PT	None	Ward 6[ANC]	100%	0

Table A.1

APPENDIX B - COMMITTEES AND COMMITTEE PURPOSES

COMMITTEES (other than 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 a 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
Chief Operations Officer	P. De Bruin
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 function specifically assigned to them under the 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	No	Not Applicable

public		
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 BP Esau Ward Committees (S. Thebesoa, D. Thulo, S. Sonopo, N. Tolela, D. Malanka, G.Maerman, R. Vanrooi, N. Jonas, L. Peter).	Yes	10	4	4
2 [Two]	Cllr TA Matlakala Ward Committees (G. Skosana, Z. Noveld, T. Mtsewu, Z. Jan, M. Monang, V. Magaxane, M. Leaba, C.Klaas, S. Molaoa).	Yes	9	4	4
3 [Three]	Cllr PP Moalusi Ward Committees (I. Ramosa, T. Maki, M. Ranothsi, N. Wittes, L.	Yes	7	4	4

	Khalaki, N. Manju, M. Rens, T. Bangani, N. Motsoeneng)				
4 [Four]	Cllr DA Njodina Ward Committees (M. Molefe, N. Dasheka, M. Sesotlo, J. Gasemetse, V. Maripa, M. Nteo, S. Mabogole, S. Mambalo, K. Dandiso).	Yes	10	4	4
5 [Five]	Cllr MW Raseu Ward Committees (M. Motshabi, P. Masekwa, S. Leeuw, T. Ditjhaba, M. Marametse, D. Makgetla, D. Matlatse, T. Kgang, M. Metsing).	Yes	5	0	3
6 [Six]	Cllr MJ Ngexe Ward Committee (S. Seoke, K. Kamolane, C. Mphatsoe, G. Phetlo, N. Saliwe, M. Maphisa, J. Seretsi, S. Kgang, N. Libazi).	Yes	5	0	2
7 [Seven]	Cllr TT Taedi Ward Committees (M. Pan, M. Seitisho, M. Nthatisi, N. Qankase, M. Mkabane, L. Gotyana, W. Vinger, O. Phukuntsi).	Yes	5	0	3
8 [Eight]	Cllr MS Baleni Ward Committees (T. Raitibane, S. Moshoeshe, N. Lekaota, V. Sixaxa, M. Gotyane, L. Nkomo, D. Lephoi, D. Molohe, D. Mmusi)	Yes	5	0	4

Table A6

APPENDIX F - WARD INFORMATION

Ward Title: Ward Name (Number)

Capital Projects: Seven largest in 2011/12				
				R
No.	Project Name and detail	Start date	End Date	Total Value
1	Phahameng Sewer Treatment Plant	2010/11	Continuing	R 47 805 500-00

Table A7

APPENDIX G - RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE 2011/12

MUNICIPAL AUDIT COMMITTEE RECOMMENDATIONS		
Date of Committee	Committee recommendations during 2011/12	Recommendations adopted
14 October 2011	Internal Audit Policy documents and the Audit Committee Charter be adopted	Yes
08 December 2011	Risk Management Policy documents and Risk Assessment report and register be adopted	Yes
05 April 2012	The Municipality must develop a performance management system	No
	The Municipality must prepare and submit to the Mayor for approval a Service Delivery and Budget Implementation Plan	Yes
	The revised Internal Audit Strategy adopted	Yes
	The Municipality appoint a Risk Officer to take on risk management functions	Yes

Table A8

APPENDIX H - LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS

Long Term Contracts (20 largest Contracts Entered into 2011/12)					R'000
Name of Service Provider	Description of Service Rendered by the Service Provider	Start Date of Contract	Expiry date of Contract	Project Manager	Contract Value per Annum/ha
Vivier Trust	Arable Land (Camps A-E)	15 September 2010	15 August 2020	N/A	R 175 105
Loomer Boerdery	Arable Land (Camps F-I)	15 September 2010	15 August 2020	N/A	R 95 718
Tikwe Farmers	Arable Land (Camps 4&9)	01 September 2006	31 August 2031	N/A	R 32 148
Reasebetsa Farmers Trust	Arable Land (Camps 1-3)	01 October 2010	31 August 2020	N/A	R 1133 750
C Horn	Arable Land (Camps 4&9)	01 December 2010	31 October 2020	N/A	R 11 73 915
Hlanganani Project	Arable Land (Camps 5-6)	01 November 2010	31 October 2020	N/A	R 1 708 155
Bultfontein Farming Project	Arable Land (Camps 7,8 and 10)	01 November 2010	30 April 2015	N/A	R 1 192 300
Kopano Tswelopele	Arable Land (Camps 11 & 12)	01 July 2009	30 April 2019	N/A	R 1 649 430
Matla Farming	Arable Land (Camp 13)	01 October 2009	31 August 2019	N/A	R 506 400

Community					
Reasebetsa Farmers Trust	Arable Land (Camps 14 & 15)	01 October 2010	31 August 2020	N/A	R 162 600
G.D Oosthuizen	Arable Land (Camps 16,21,22 & 24)	01 October 2010	31 October 2020	N/A	R 4 752 118

Table A9

APPENDIX I - MUNICIPAL ENTITY/ SERVICE PROVIDER PERFORMANCE SCHEDULE

Tswelopele Municipality does not have any Entity. As a result no information will be provided on entities.

APPENDIX J - DISCLOSURES OF FINANCIAL INTERESTS

DISCLOSURES OF FINANCIAL INTERESTS		
Position	Name	Description of Financial Interests* (Nil/ or details)
Mayor	Cllr ME Mathibe	declared
Members of Exco	Cllr PP Moalosi	declared
	Cllr C Horn	declared
Speaker	Cllr TA Matlakala	declared
Councillors	Cllr MJ Taljaard	declared
	Cllr KR Phukunsi	declared
	Cllr MS Bonokoane	declared
	Cllr MS Baleni	declared
	Cllr EC Joubert	declared
	Cllr MM Snyer	declared
	Cllr BP Essau	declared
	Cllr DA Njodina	declared
	Cllr MJ Ngexe	declared
	Cllr MW Raseu	declared
	Cllr C Horn	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	MJ Mahlanyane	declared

Services		
		Table A 10

Revenue Collection Performance by Vote						
Vote Description	R					
	2010/11	2011/12			2011/12 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
General Council Budget and Treasury Office	768 519	1 441 000	1 444 000	1 428 912	-1%	-1%
Property Rates	23 080 922	11 972 577	4 361 763	4 570 252	-62%	5%
Corporate Services	5 408 387	5 784 142	5 784 142	6 836 661	18%	18%
Council Property	2 647 700	2 679 600				
Community Services	101 125	130 000	100 000	9 121 549		
Electricity	2 178 649	2 544 536	2 548 750	2 678 951	5%	5%
Water	27 883 464	32 048 987	32 065 987	33 021 417	3%	3%
Public Works: Roads	16 234 770	17 009 300	17 009 300	17 357 825	2%	2%
Waste Water Management	1 871 860	3 247 000	252 000	29 982	-99%	-88%
Waste Management	14 881 387	16 079 000	16 079 200	41 756 415	160%	160%
Licenses	9 330 475	9 850 100	9 850 100	10 188 265	3%	3%
Camps and Arable Land	100			633 152		
Sports Ground	424 428	580 000	590 000	5 921 148	0%	
Public Safety		0				
Municipal Manager	1 479 116	1 863 387	1 638 287	1 638 297	-12%	0%
Total Revenue by Vote	106 291	105 230	91 724	135 183	0	0

Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.

Table A11

APPENDIX K: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

CONDITIONAL GRANTS: EXCLUDING MIG						R
Details	Budget	Adjustment Budget	Actual	Variance		Major conditions applied by donor
				Budget	Adjustment Budget	
	57 678 000	57 678 000	57 678 000	-	-	N/A
				-	-	N/A
Total	57 678 000	57 678 000	57 678 000	-	-	N/A

Table A 13

COMMENT ON CONDITIONAL GRANTS EXCLUDING MIG:

Tswelopele Municipality met all the conditions of the grants received and all the reports that were mandatory were provided to the funders

Table A 14

APPENDIX L - 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
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 M - DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY

DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY 2011/12				
All Organisations or Persons in receipt of Loans*/Grants* provided by the municipality	Nature of project	Conditions attached to funding	Value 2011/12 R'000	Total Amount committed over previous and future years
None	None	None	None	None
None	None	None	None	None
None	None	None	None	None
None	None	None	None	None
None	None	None	None	None

*Loans/Grants-whether in cash or kind

**APPENDIX N - DECLARATION OF RETURNS NOT MADE IN DUE TIME
UNDER MFMA S.71**

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

APPENDIX O - ANNUAL FINANCIAL STATEMENTS

Below is a copy of the Audited Financial Statement for the 2011/12 Financial Year