

# NALA LOCAL MUNICIPALITY



## ANNUAL PERFORMANCE REPORT

2012/13

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# Chapter 1

## MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

### COMPONENT A: MAYOR'S FOREWORD

#### MAYOR'S FOREWORD

##### a. Vision

The vision of Nala Local Municipality as captured in the IDP 2012/13 reads thus;

***"To be the agricultural production centre of South Africa, a self- sustainable, diverse, viable and an effective municipality".***

In order to achieve the vision the municipality has set itself the following mission statement:

***"A well – governed , performance- driven municipality striving to improve the social and economic well-being of its citizen through sustainable and effective service delivery and public participation".***

##### b. Key Policy Developments

The municipality has identified the following Key Policy Developments with strategic alignment to the Free State Provincial Growth and Development Strategy and municipal IDP.

FreeState Growth and Development Strategy	Municipal IDP
1. Economic Restructuring, Growth and Employment Creation	Support development of SMMEs and Cooperatives
2. Education, Innovation and Skills Development	Skills development through Learnership and internship.
3. Improved Quality of Life	Increase the proportion of people with access to water in their dwelling from 45% in 2009 to 100% in 2030
4. Sustainable Rural Development	Improve access to markets for small-scale farmers and rural co-operatives
5. Build Social Cohesion	Strengthen participatory democracy to encourage citizenry expression to guide and influence behavior.

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## **Key service delivery developments**

### **Water Provision**

Nala Local Municipality is the retail water service provider and Sedibeng Water is the bulk water service provider. The quality of water provided by the municipality complies with the SABS standard according to the Water Service Development. The capacity of the bulk water infrastructure has been improved by the addition of the new water pressure tower and reservoir, which serve as temporary alleviation of the bulk capacity problem in the Kgotsong area.

Recent extensions of Kgotsong are provided with a skeleton water network with prepaid communal standpipes; however plans are underway to ensure that all households have metered water connections.

### **Electricity Provision**

In terms of electricity provision, Eskom is the service provider in the rural areas as well as in Monyakeng. Nala Local Municipality is services provider within Bothaville and Wesselsbron. The levels of service of Electricity supply are according to the "Guidelines for the provision of engineering services in residential areas" (the so-called "Red Book"), published by the Department of Housing.

### **Sanitation Services**

In terms of sanitation services, the immediate priority is to provide the service to all, which meet basic health and functional requirement including the protection of the quality of both surface and underground water. In order to ensure sustainable provision of this service in line with the objective outlined in the earlier paragraph, we have managed to upgrade the Waste Water Treatment Plant (WWTP) in Bothaville and the plant has sufficient capacity.

Similarly, we are aware of the inadequacy challenges of the WWTP in Wesselsbron area and once this challenge is overcome, which will be given priority in the next financial year, over 350 erven in this area which had no access to waterborne sewerage system, will also be connected to the network and be provided with the appropriate level of service.

### **Refuse Removal**

Currently, there is no formal system of refuse removal in the rural parts of the municipality; however, there are weekly door-to-door removals of household and business normal refuse. There are also regular removal of commercial / industrial refuse and waste as required.

### **Public Participation**



During the annual planning phases, the Mayor, supported by all councilors and municipal administration facilitates a series of community and stakeholder engagements to solicit inputs and representation for the drafting of the Integrated Development Plan (IDP) and corresponding Budgets.. For the planning process which culminated in the IDP for this reporting period, public participation meeting were held between February and January 2012 in all 12 wards.

Other than this form of public participation, ward councilors held regular ward meetings with communities in their respective wards, giving regular feedback on the progress of the work of the municipality and also outlining various programmes of the council.

#### **Future Actions**

Our goal remains that of ensuring provision of quality, sustainable services to our communities. Our primary focus in the next financial year will be on eradicating major infrastructure backlogs, with primary focus on internal roads expanding of infrastructure for bulk services. In the true spirit of cooperative governance, we will ensure that our plans, objectives and priorities directly link to those at the provincial and national spheres of government.

#### **Conclusion**

In conclusion, I would like to express my sincere gratitude to the predecessor council for having laid a solid foundation towards improving the lives of our communities. I would also like to thank our administrative wing for being dedicated and ensuring that communities continue to receive services on a continuous basis.

(Signed by:) \_\_\_\_\_

**Cllr. T Mogoje**  
**Mayor**

## **COMPONENT B: EXECUTIVE SUMMARY**

### **MUNICIPAL MANAGER'S OVERVIEW**

Section 121(3) of the Municipal Finance Management Act 2003, read together with section 46 of the Municipal Systems Act 2000, prescribes the minimum contents of an annual report of a municipality. Honourable Mayor, in preparation of this annual report, we have considered these legislative requirements. We have also considered the importance of reliability, usefulness and relevance of the annual financial statements and performance information as contained herein.

This Annual Report therefore provides an authoritative record of the activities of the Nala Local Municipality during the 2012/13 financial year, and therefore seeks to promote accountability to the local community for the decisions we made throughout the 2012/13 financial year.

Section 152 of the Constitution of South Africa requires that a municipality must strive, within its financial and administrative capacity, to achieve the following objects of local government:

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

In other words, the Constitution clearly mandates us to be developmental in our approach and activities. This therefore requires that as an institution mandated with developmental roles and responsibilities, we should at all times strive to formulate and incorporate sound strategic business principles in our planning and management activities, with a goal of optimising available resources while at the same time promote sustained social and economic development of the community.

## Key policy developments

In order to provide vision, leadership and direction for all role-players in developmental local government, the Integrated Development Planning remains a key instrument towards the realisation of the sustainable developmental local government goals. The integrated development planning requires us, as a municipality, to focus on local issues and ensure sustainability.

However, one of the critical challenges that have beset many organisations and governments across the world is the Eurozone debt crisis which has had a negative financial impact even here in our country. This crisis has, in one form or the other resulted in higher prices of commodities, goods and services and consequently higher costs for service delivery.

In this context, it therefore means that in order to achieve sustainability, our integrated development planning must be underpinned by principles of prudent financial management practices and efficient and effective utilisation of our resources.

## Key service delivery developments

### Water Provision

Nala Local Municipality is the retail water service provider and Sedibeng Water is the bulk water service provider. The quality of water provided by the municipality complies with the SABS standard according the Water Service Development. The capacity of the bulk water infrastructure has been improved by the addition of the new water pressure tower and reservoir, which serve as temporary alleviation of the bulk capacity problem in the Kgotsong area. Recent extensions of Kgotsong are provided with a skeleton water network with prepaid communal standpipes; however plans are underway to ensure that all households have metered water connections.

### Electricity Provision

In terms of electricity provision, Eskom is the service provider in the rural areas as well as in Monyakeng. Nala Local Municipality is services provider within Bothaville and Wesselsbron. The levels of service of Electricity supply are according to the "Guidelines for the provision of engineering services in residential areas" (the so-called "Red Book"), published by the Department of Human Settlement.

### Sanitation Services

In terms of sanitation services, the immediate priority is to provide the service to all, which meet basic health and functional requirement including the protection of the quality of both surface and underground water. In order to ensure sustainable provision of this service in line with the objective outlined in the earlier paragraph, we have managed to upgrade the Waste Water Treatment Plant (WWTP) in Bothaville and the plant has sufficient capacity. Similarly, the inadequacy challenges of the WWTP in Wesselsbron area have been addressed and the sewer reticulation system is functioning well in households which had no access waterborne sewerage system.

## Refuse Removal

Currently, there is no formal system of refuse removal in the rural parts of the municipality; however, there are weekly door-to-door removals of household and business normal refuse. There are also regular removal of commercial / industrial refuse and waste as required.

## Public Participation

During the annual planning phases, the Mayor, supported by all councillors and municipal administration facilitates a series of community and stakeholder engagements to solicit inputs and representation for the drafting of the Integrated Development Plan (IDP) and corresponding Budgets. Once tabled to council, the IDP gets publicised on the municipality's website as well as by making draft documents accessible through all other municipal offices.

For the planning process which culminated in the IDP for this reporting period, public participation meetings were held in January 2012 in all 12 wards. Other than this form of public participation, ward councillors held regular ward meetings with communities in their respective wards, giving regular feedback on the progress of the work of the municipality and also outlining various programmes of the council.

## **MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW**

### **INTRODUCTION TO BACKGROUND DATA**

#### **DEMOGRAPHIC PROFILE**

The Nala Local Municipality's area of jurisdiction consists of the Bothaville/Kgotsong area, Naledi as well as the Wesselsbron/Monyakeng area with the municipal seat located in Bothaville. The Bothaville/Kgotsong area is located approximately 50km south of Klerksdorp, 80 km north of Welkom and 200 km south of Gauteng. Wesselsbron/Monyakeng is situated approximately 80 km south-west from Bothaville, approximately 35 km west of Welkom/Odendaalsrus and 55 km east of Hoopstad (Nala, 2010).

The Nala area is located within a significant agricultural region. It forms part to the so-called "maize-triangle" of South Africa. Bothaville is strategically located close to the gold mining towns of Klerksdorp/Orkney, whilst Wesselsbron is in close proximity to Welkom/Odendaalsrus and are directly depended on these large urban centers for commercial support (Nala, 2010).

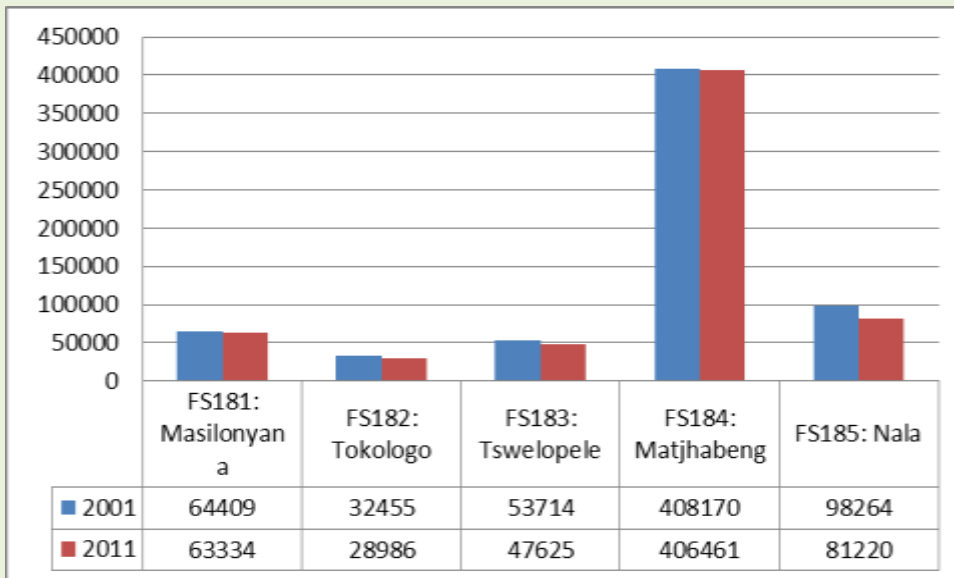
**Table 1: Population profile**

Geographic area	Population size and households	Population and household density		
<p>Nala Local Municipality area of jurisdiction covers 4,135 km<sup>2</sup>.</p> <p>The municipality is therefore is geographically the smallest of all local municipalities in the district.</p>	<b>Population size</b>	<p>The municipality is also the second densest populated local municipal area in the district of 32 i.e. people/km<sup>2</sup> after Matjhabeng LM.</p> <p>Nala LM has a household density of 9 i.e. people/km<sup>2</sup> according to Quantec Research (Urban-Econ, 2008).</p> <p>Nala LM household density is higher than the Free State Province i.e. 6 people/km<sup>2</sup> and Lejweleputswa District i.e. 7 people/km<sup>2</sup>.</p>		
	<b>Census 2001</b>		<b>Census 2011</b>	<b>Change</b>
	98 262		81220	17042
	<b>Number of Households</b>			
<p>According to Statistics South Africa: Community Surveys, there were a total number of 21 518 households within the area of jurisdiction of Nala Local Municipality.</p>				

A comparative analysis of the 2001 Census and the 2011 Census displays our municipality as not growing faster in terms of population and household numbers showing a decline of 10% from 98 262 in 2001 to 81220 in 2011 respectively.

This situation may be a result of myriad of factors such as migration of local residents to other provinces or within the province due to work or education, increasing mortality rates due to HIV/AIDS, and unemployment causing a decline in the purchasing of new property. Equally important is lack of visible economic growth which may generally account for non-growth of population and household numbers. It is possible that some of these factors, except HIV/AIDS, will continue depressing population and household growth in the area.

**Figure 1.1: Total population size in Lejweleputswa Local municipalities, 2001, 2011.**

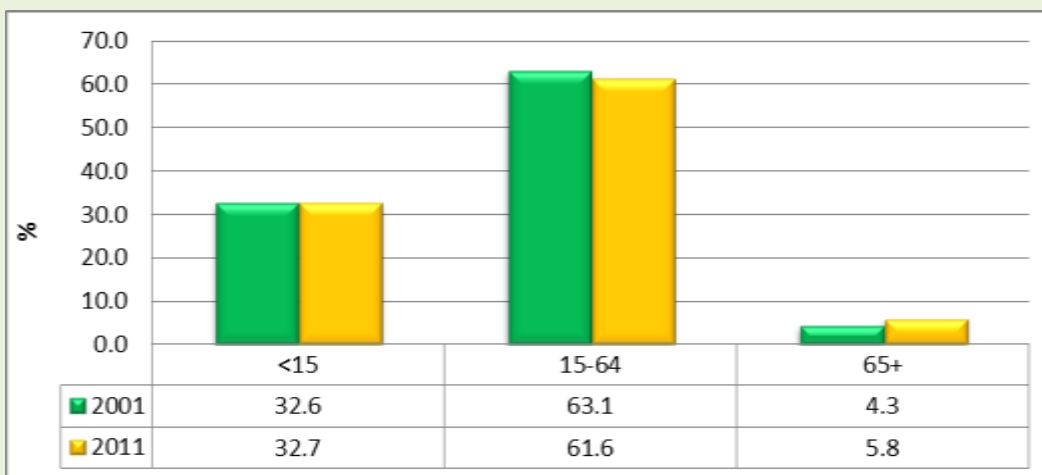


Source: Statistics South Africa, 2011

According to the table above, Nala had a population size of 98264 in 2001. This figure decreased by 17044 in 2011 to 81220. Negative population growth was not only a unique feature of Nala’s demographic patterns between 2001 and 2011, but a common situation across all municipalities in Lejweleputswa. Factors that could be attributed to this occurrence are among others; migration of people to other districts in the province or to other provinces due to collapse of mining sector in Welkom and other surrounding towns, migration to other districts and provinces for educational needs. HIV/AIDS could also account for negative population growth, particularly prior to introduction of ARV treatment regime.

## 2. POPULATION DISTRIBUTION BY AGE

**Figure 2.1: Percentage population distribution of Nala by age, 2001, 2011**



Source: Statistics South Africa, 2001, 2011

The above graph shows population distribution of Nala by age. Between 2001 and 2011, there was a slight change in population distribution of 0.01%. Between these years percentage population distribution of children less than fifteen years (< 15) was 32.6% and 32.7% respectively. This scenario suggests that future planning should focus on developing ECDC programmes and building of extra classrooms for primary and intermediate learners. In the age category of 15-64 years of age, registered percentage population distribution in Nala was 63.1% in 2001 and 61.6% in 2011, showing a negative growth of -1.5%. In the age category of 65+ years, a positive growth of 1.5% was registered from 4.3% to 5.8%.

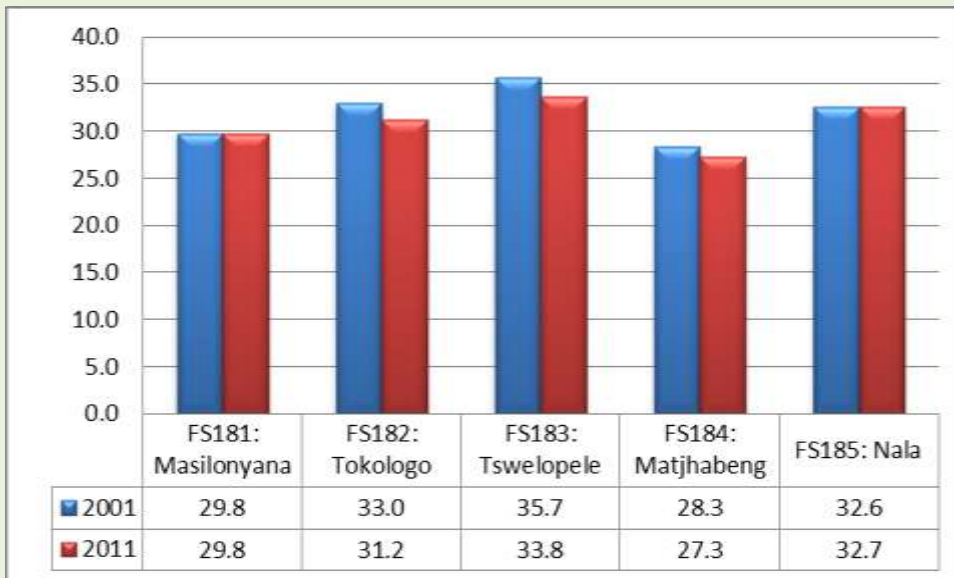
**Figure 2.2: Percentage population distribution of Nala by types of main dwelling in Lejweleputswa local municipalities, 2001, 2011**



Source: Statistics South Africa, 2001, 2011

According to the graph above, percentage population distribution of formal dwelling in Nala has improved by 18.27%, from 59.32% to 77.59% between 2001 and 2011 respectively. Traditional dwelling has dropped from 2.94% to 0.41% between 2001 and 2011, showing an additional improvement to formal dwelling of 2.53%. Informal dwelling has decreased from 37.57% in 2001 to 21.44% in 2011, indicating an improvement of 16.13%, as formalization of townships (informal settlements) is finalised in both Monyakeng and Kgotsong.

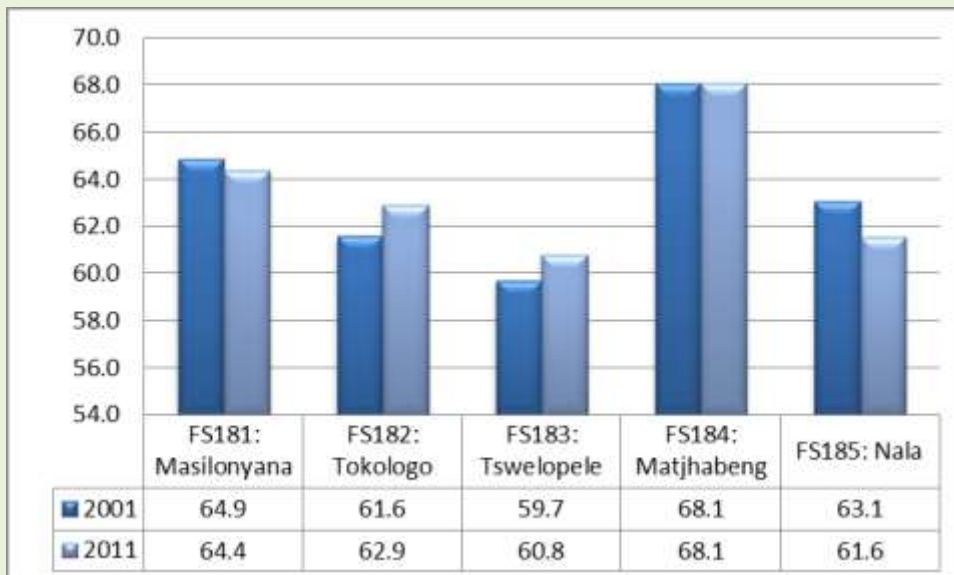
**Figure 3.2: Population composition of Lejweleputswa municipalities by young age (<15) 2001, 2011**



Source: Statistics South Africa, 2001, 2011

According to the graph above, Nala had a young population of <15 years of age of 32.6% in 2001 and 32.7% in 2011, showing a slight increase of 0.1%. Nala was the third in Lejweleputswa in terms of population composition of young people of <15 years. These figures indicate that almost a third of total population of Nala is <15 years of age. This situation suggests that youth programmes in the local municipality should take the highest priority.

**Figure 3.3: Population composition of Lejweleputswa municipalities by working age (15-64) 2001, 2011.**



Source: Statistics South Africa, 2001, 2011



According to the above figure, the percentage of population by working age between 15 and 64 years in Nala has dropped by 2.5% between 2001 and 2011. In 2001 Nala has registered the third highest at 63.1% in Lejweleputswa after Matjhabeng and Masilonyana in terms of percentage of population in working age. In 2011 the figure dropped to 61.6% placing it fourth in Lejweleputswa after Matjhabeng, Masilonyana and Tswelopele, each at 68.1%, 64.4% and 62.9% respectively. This drop in the number of population in working age might be a result of a number of factors such as; drop in employment levels, migration and population decrease and job losses.

## SECTION B

### SOCIO-ECONOMIC INDICATORS

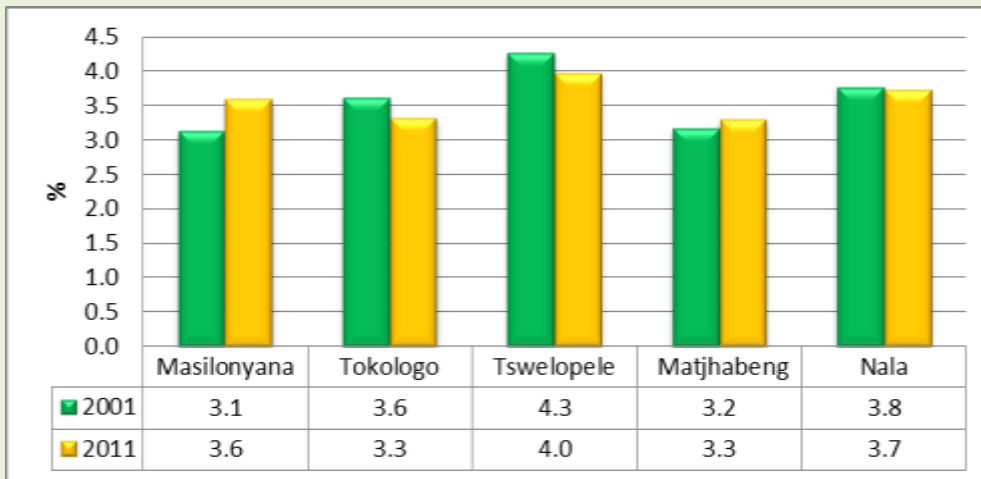
#### Socio Economic Status

Year	Housing Backlog as Proportion of Demand	Unemployment rate	Proportion of households with no income	Proportion of Households in Low – skilled Employment	HIV/AIDS Prevalence	Illiterate People Older than 14 yrs
2012/13	<b>35%</b>	<b>56%</b>	<b>32.36%</b>	<b>16.30%</b>	<b>11.30%</b>	<b>7%</b>

Source: Statistics South Africa, 2001, 2011

This table makes presentation of average number of rooms per household during census period 2011. For the purpose of this exercise an assumption was made that standard number of rooms per household is from 4, 5, 6 and 7 rooms. During the census year Nala was the second after Matjhabeng in terms of number of rooms per household during the census period 2011. During the census period 2011, Nala had 7390 four roomed houses, 4203 five roomed houses households, 2566 six roomed houses and 1392 seven roomed houses.

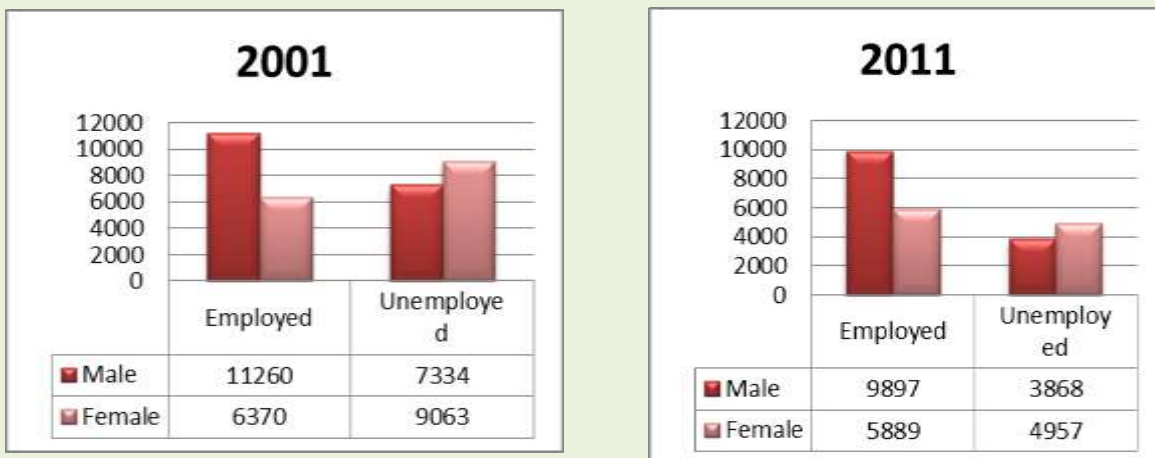
**Figure 1.2: Average household size for Lejweleputswa Local Municipalities, 2001, 2011**



Source: Statistics South Africa, 2001, 2011

According to the above graph, in 2001 Nala was the second highest in terms of average household size after Tswelopele in Lejweleputswa. Nala had an average household size of 3.8%, whilst Tswelopele had 4.3% in 2001. The 2011 figures had slightly dropped from 3.8% to 3.7% for Nala, and 4.3% to 4.0% in Tswelopele. Throughout the two periods, the weighted average household size for Nala stayed at 3.7%.

**Figure 3.2: Unemployment rates (by sex) of Nala Local Municipalities, 2001, 2011.**

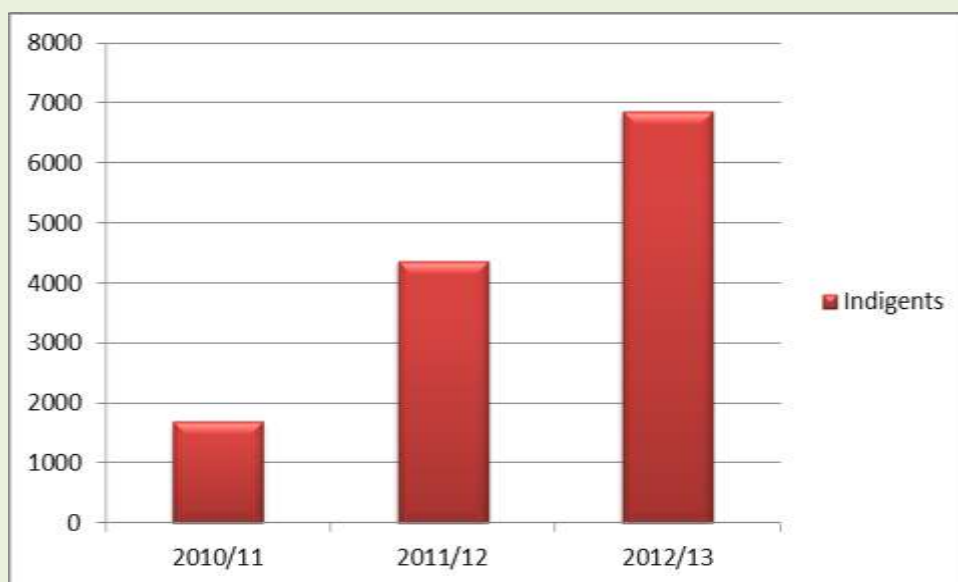


Source: Statistics South Africa, 2001, 2011

According to the above figure, unemployment rate for males in Nala has decreased by 3466 jobs between 2001 and 2011, from 7334 jobs to 3868 jobs respectively. Male employment rate on the other hand has declined by 1363 jobs from 11260 to 9897 jobs between 2001 and 2011. Female employment rate has declined by 481 jobs between 2001 and 2011, from 6370 to 5889 jobs respectively. Simultaneously, female unemployment rate has

declined by 4106 jobs between 2001 and 2011, from 9063 to 4957 jobs respectively. It is possible global economic meltdown which occurred in 2008 and 2009 might have contributed immensely in job losses during this period.

**Figure 4.2: Indigents household income per population group in Nala local municipality in 2011.**



Source: Nala Local Municipality

The above graph illustrates that the number of indigent households is growing progressively from one financial year to another. In 2010/11 financial year the number of indigent households was 1692. Between 2010/11 and 2011/12 financial the number increased by 2671 indigent households (63.3%) from 1692 to 4363 indigent households respectively. Between 2011/12 and 2012/13 the figure increased by 2504 indigent households, from 4363 to 6867 indigents households. Large indigent households register means the number of households depending on FBS in Nala has grown, depressing the number of households creating revenue for the municipality. It also suggests that the number of households who are depended on state grants has tripled between 2010/11 and 2012/13 financial years.

The following population pyramid provides as better analysis of the municipality's population by age group and gender.

Number of households in municipal area	21220
Number of poor households in municipal area	6867

#### Socio Economic Status

Year	Housing Backlog as Proportion of Demand	Unemployment rate	Proportion of households with no	Proportion of Households in Low –	HIV/AIDS Prevalence	Illiterate People Older than 14 yrs

			income	skilled Employment		
2012/13	35%	56%	32.36%	16.30%	11.30%	7%

### Overview of Neighborhoods within Nala Local Municipality

Wesselsbron	267	1,739
Bothaville	463	2903
Sub-Total	796	4,642
<b>Townships</b>		
Kgotsoong	12,903	67,612
Monyakeng	9,773	39,092
Sub-Total	22,676	106,704
<b>Rural settlements</b>	136	398
Sub-Total	0	0
<b>Informal settlements</b>	869	1,738
Sub-Total	0	0
<b>Total</b>	<b>23,472</b>	<b>111,346</b>

### Natural Resources

Major Natural Resources	Relevance to Community
Land: Moderate arable/fertile soil	Cultivation of crops, Agro-processing, livestock farming and livestock grazing. Land development and Human settlement/Housing
Water: Sources[ Vals, Vet, Vaal & Sandspruit	Human consumption, irrigation, sanitation, eco-

rivers.	tourism
Biodiversity: Variations in living organisms, ecosystems etc.	Culture, heritage, leisure etc.

There is no mining activity taking place in the municipality; however there is still a need to explore mining of titanium and gold located between Bothaville and Allanridge and to the northwest of Bothaville. This is for the long term economic development in the region.

### **Challenges and Opportunities arising out of the demographic profile**

1. More children between the ages of 0 – 4 years suggests that the municipality together with government departments must plan for more Early Childhood Development centres.
2. There is a need to plan for building of more classrooms for increasing number of school going kids.
3. There is a need also for development and construction of more sporting codes' facilities recreational facilities for the young people.
4. Unemployment rate is high and more job opportunities should be created for young people.
5. Curbing of informal settlements and development of sites with basic infrastructure should be prioritized in order to address housing backlog.
6. As more households resort to use electricity for lighting, cooking and heating, the municipality must upgrade its distribution capacity of electricity to households.
7. Business would also need more electricity to expand their operations.
8. Existing backlogs in basic services should be addressed as a matter of urgency.
9. HIV/Aids programmes should be prioritized and planned for.
10. Skills development programmes must be developed for young people.

### **INTRODUCTION TO BACKGROUND DATA**

Nala Local Municipality currently renders the following basic services: Water and Storm-water drainage systems; Sanitation; Electricity and Refuse and removal. It has been a constant battle to

have up to date ward based household statistics of the entire community and their different categories. It is envisaged that with the outcome of the recent 2011 Census, better information will be kept to provide better input from different wards. A process will be undertaken to get all the information regarding indigents and services rendered to them, and all the other sectors of the community. The current estimated statistics for households in Nala Local Municipality is estimated at 23424. Unfortunately this population estimate cannot be broken down into wards, and will await results of Census 2011.

The following are major environmental problems:

- ✓ Soil erosion during rainy seasons;
- ✓ Blockages of sewer reticulation network and sewer spillage;
- ✓ Illegal dumping
- ✓ Stray animals in residential areas.
- ✓ Informal settlements.

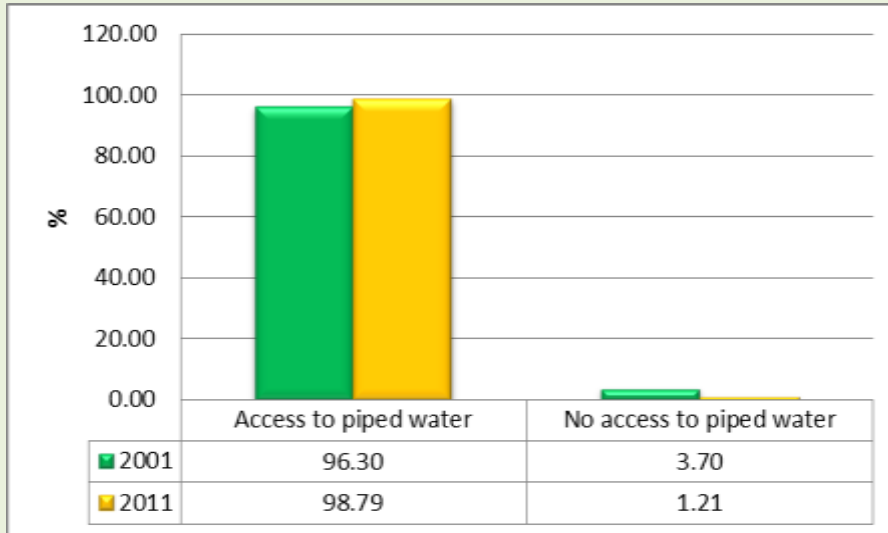
### **1.3 Service Delivery Overview**

#### **SERVICE DELIVERY INTRODUCTION**

The municipality has provided 6867 households in Nala with free basic services (water, electricity and refuse removal) during the financial year under review. Almost hundred percent of this number received free water and free refuse removal services came from Kgotsong part of Nala Local municipality, whilst ESKOM provides free electricity to Monyakeng indigents households. Distribution of electricity in Monyakeng is done and maintained by ESKOM, whilst Wesselsbron, Bothaville and Kgotsong is done and maintained by the local municipality, hence Kgotsong indigents receive their free basic electricity from the municipality.

## Service Levels for Core Functions

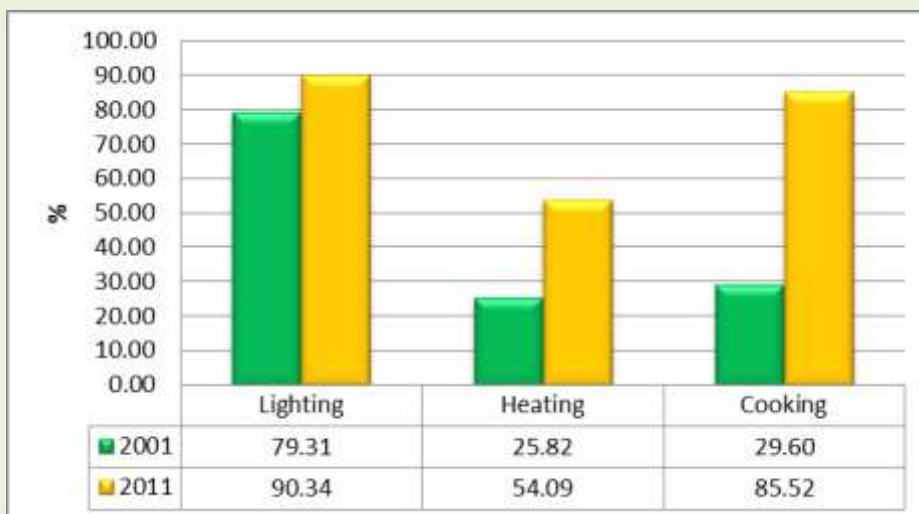
**Figure 1.3: Percentage distribution of households by access to piped water, Nala: 2001, 2011**



Source: Statistics South Africa, 2001, 2011

According to the above graph, in 2001 Nala registered 96.3% household access to piped water and 98.79% in 2011. This is an improvement of 2.49%. Percentage of Households with no access to piped water in 2001 was 3.70% and had decreased to 1.21% in 2011 as a result of the registered improvement. This improvement suggests that water infrastructure maintenance budget should be allocated and upscaled accordingly.

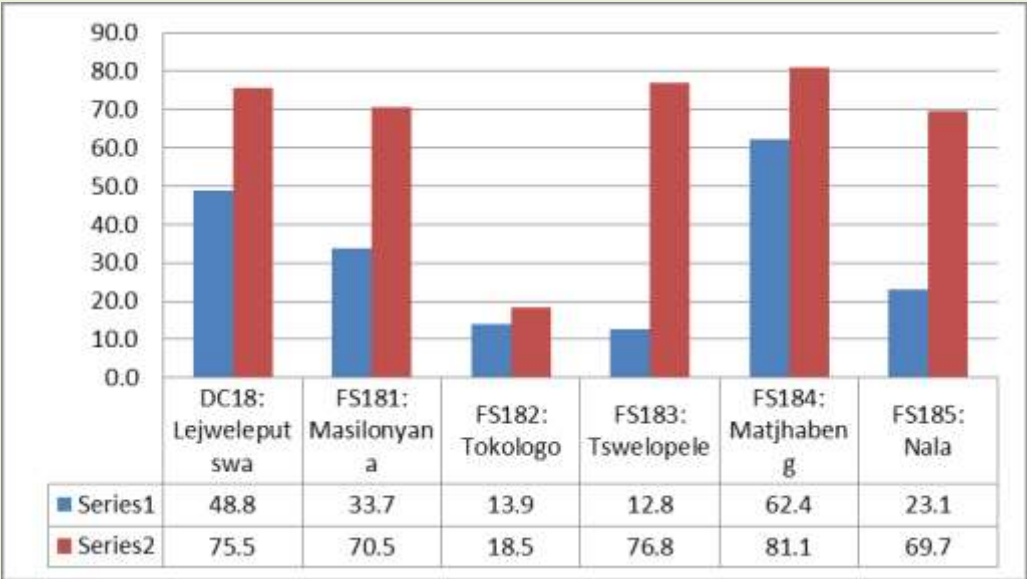
**Figure 1.4: Percentage distribution of households using electricity for lighting, heating and cooking, Nala: 2001, 2011**



Source: Statistics South Africa, 2001, 2011

According to the figure above, percentage distribution of households using electricity for lighting has increased by 11.03% between 2001 and 2011, from 79.31% to 90.34% respectively. Percentage distribution of households using electricity for heating has improved by 28.27% between 2001 and 2011, from 25.82% to 54.09% respectively. Household access to electricity for cooking has improvement by 55.92% from 29.60% to 85.52%, between 2001 and 2011 respectively. These improvements in household access to electricity suggest municipality's capacity to distribute electricity might be under strain and that electricity maintenance and operations budget should be allocated appropriately to accommodate this growing challenge.

**Figure 1.5 Percentage distribution of households with access to sanitation, Nala: 2001, 2011**

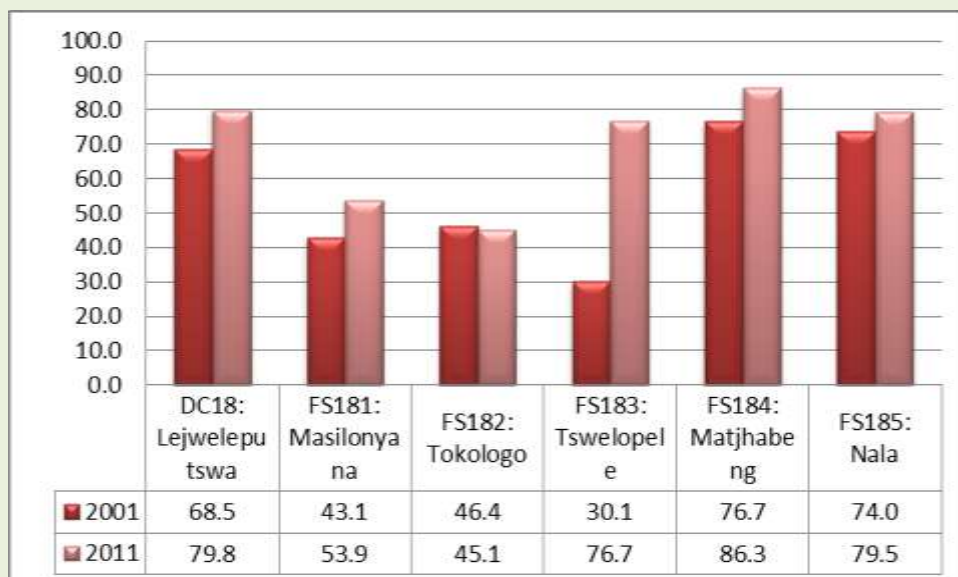


Source: Statistics South Africa, 2001, 2011

According to the figure above, Nala has shown an improvement of 46.6% in terms of household access to sanitation in two series (1 and 2, from 2001 to 2011) in Lejweleputswa from 23.1% to 69.7%. In terms of these figures, the national bucket eradication programme that was launched in 2006 by the national government has considerably reduced usage of bucket toilet system in Nala. However, Nala seems to trail behind almost all municipalities in Lejweleputswa, suggesting that there is still outstanding buckets that need to be eradicated.



Figure 1.6: Percentage distribution of households with access to weekly refuse removal, Nala: 2001, 2011



According to the above statistics, Nala has shown an improvement of 5.5% in terms of household access to refuse removal services at least once a week between 2001 and 2011, from 74% to 79.5% respectively. Nala seems to be amongst the top municipalities in Lejweleputswa which have sustained acceptable levels of provision of this service to its citizen.

Sub Total	259 170 479	259 170 479	259 170 479
Less Expenditure	259 170 479	259 170 479	259 170 479
Net Total*	0	0	0
* Note: surplus/(- deficit)	0	0	0

<i>MIG</i>	45 642 000
<i>INEP</i>	246 000
<b>TOTAL CAPITAL EXPENDITURE</b>	45 888 000

Operating Ratios	
Detail	%
Employee Costs	29.0%
Repairs & Maintenance	6.0%
Finance Charges & Depreciation	0.8%

#### **COMMENT ON CAPITAL EXPENDITURE:**

1. For the financial year under reporting the capital expenditure constituted 17% of total operating expenditure. However there was again under-expenditure of 42%, as the bulk water project implementation did not take-off at the ideal speed.
2. For the 2010/2011 financial year there was significant increase of 202% due to the fact that the un-spent portion of R29m was never rolled over from the previous financial year. For the year under review there was an over-expenditure of R9m mainly from R3m for INEP grant (electricity) and R6m from DWA (Regional Bulk Water) thus the difference. These were not budgeted for thus the difference.
3. For the 2012/13 there was 100% spending on MIG and RBIG from DWA. There were no changes between original and the adjustment budget.

#### **ORGANISATIONAL DEVELOPMENT PERFORMANCE**

During the year under review (2012/13), the municipality has still not developed Organisational Performance Management System and its corresponding framework. The unit has been manned jointly with the IDP. There is still a growing need to appoint a permanent performance management official to monitor and evaluate performance of the monitor in relation to its indicators and targets.

#### **AUDITOR GENERAL REPORT**

At the time of writing of this report, the Auditor General's report opinion for Nala LM was not available due to lack of AFS. For the 2009/10 report, the auditor-general declared a disclaimer opinion, whilst the 2010/11 auditor-general's report is still under construction. The Auditor General 's report of the previous financial years has identified common challenges faced by the municipality over the years, and these were;

1. Non-compliance with laws and regulations;
2. Non-implementation of internal controls;
3. Limitations of scope matters;
4. Gross fruitless expenditure;
5. Lack of systems of accountability;
6. Late submission of AFS;
7. Non clearance of all prior years reported audit findings;
8. Unfilled vacant posts; and
9. Implementation of required GRAP standards.

No.	Activity	Time-Frame
-----	----------	------------

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 2011
2	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	July
3	Finalise 4th quarter Report for previous financial year	July 2011
4	Submit draft 2010/11 Annual Report to Internal Audit and Auditor General.	31 <sup>st</sup> August 2011
5	Municipal entities submit draft annual reports to MM	July 2011
6	Audit/Performance committee considers draft Annual Report of municipality and entities (where relevant)	August 2011
7	Mayor tables the unaudited Annual Report	End August 2011
8	Municipality submits draft Annual Report including consolidated annual financial statements and performance report to Auditor General.	August
9	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase.	September 2011
10	Auditor General assesses draft Annual Report including consolidated Annual Financial Statements and Performance data	September - October 2011
11	Municipalities receive and start to address the Auditor General's comments	November 2011
12	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor- General's Report	End January 2012
13	Audited Annual Report is made public and representation is invited	November 2011
14	Oversight Committee assesses Annual Report	October 2011
15	Council adopts Oversight report	November 2011
16	Oversight report is made public	Dec 2011
17	Oversight report is submitted to relevant provincial councils	January 2011
18	Commencement of draft Budget/ IDP finalisation for next financial year. Annual Report and Oversight Reports to be used as input.	January 2011

#### COMMENT ON THE ANNUAL REPORT PROCESS:

An Annual Report requires a large volume of data from various sources so an early start and adherence to the timelines is imperative. This will ensure that we can submit a credible and detailed Annual Report timeously. This will also ensure that the municipality does not use the services of consultants, and save costs. This will ensure that the legislative requirements and compliance are

adhered to. If we stick to timelines, other processes such as IDP/Budget review will commence timeously giving each enough space and time to work on. It is important to submit the draft annual performance report by the end of August for audit purposes.

It is essential that there is alignment between the IDP, Budget and Performance Management System for ease of reference and credible documentation. This will allow for better monitoring and reporting to different stakeholders.

Unfortunately the municipality failed to adhere to the above-mentioned timelines, and thus the failure to submit the annual report as legislated. This was as a result of back to back audits, absence of Performance Management Unit, and lack of data to compile the document. However endeavors are underway to deal with the municipality's shortcomings, and for the next report the timelines could thus be adhered to and compliance can be achieved.

#### FINANCIAL OVERVIEW

Financial Overview – 2012/13			
			R'000
Details	Original budget	Adjustment Budget	Actual
Income	259 170 479	0	259 170 479
Grants	121 766 000	121 766 000	121 766 000
Taxes, Levies and tariffs	132 096 046	132 096 046	132 096 046
Other	5 308 432	5 308 432	5 308 432
Sub Total	259 170 479	259 170 479	259 170 479
Less Expenditure	259 170 479	259 170 479	259 170 479
Net Total	0	0	0

During the financial year under review, Nala Local Municipality had challenges with regard to financial sustainability due to non-billing of ratepayers beginning May 2010 to end financial year 2011/12 due to migration from BIQ financial system to Pastel Evolution. Challenges pertaining implementation of Pastel Evolution had resulted in delays to bill ratepayers by more than twenty months. By the end of financial year 2011/12 the billing problem had not been resolved and this had resulted in loss of almost 80% of revenue from ratepayers. This challenge had caused that the municipality use conditional grants to pay for operational costs.

Operating Ratios	
Detail	%
Employee Cost	29.00%
Repairs and Maintenance	6.00%
Finance Charges & Depreciation	0.80%

With regard to repairs and maintenance and employee costs ratios, there was stability. The municipality spent less than 20% of operating budget on repairs and maintenance, and less than 30% on employee costs. On Finance charges and depreciation, the figure was stabilized at less 0.80% instead of expected norm of 10% of operating budget.

Total Capital Expenditure 2011/12 – 2012/13		
Detail	2011/12	2012/13
Original Budget	45.642	50.853
Adjustment Budget	40.431	60.316
Actual	35.22	55.105



The original capital budget of Nala Local Municipality was R 45.642 million in 2010/11 financial year and this amount was increased to R 50.853 million by beginning of MTREF 2011/12. The actual capital budget spent at the end of Mid-term review was R 40.431million by the beginning of January 2011. Adjustment budget for capital expenditure at the beginning of financial year 2011/12 was increased to R 60.316 million. The actual expenditure on capital budget was R 55.105 million at the end of financial year 2011/12.

#### BUDGET FOR 2012/13 CAPITAL PROJECTS

MIG Ref	Description	Allocation	Actual	Under spending
	PMU	1 732 000.00	1 732 000.00	0.00
MIG/FS0379/CF/09/09	<b>Kgotsong</b> : MPCC	3 017 753.71	2 732 542.61	285 211.10
MIG/FS0393/S/07/09	<b>Monyakeng</b> BEP phase 3 (survey)	2 902 425.75	2 902 425.75	0.00

MIG/FS0512/R,ST/09/09	<b>Monyakeng</b> :Paved Roads Ph 2 (3.3km)	576 914.34	576 914.34	0.00
MIG/FS0529/R,ST/10/10	<b>Kgotsoong</b> : Paved Road Phase 3 (MIS: 186215)	7 506 340.80	7 506 340.80	0.00
MIG/FS0530/R,ST/10/10	<b>Monyakeng</b> : Paved Road Phase 3 (MIS: 186216)	714 976.66	714 967.66	0.00
MIG/FS0687/R,ST/08/09	<b>Monyakeng</b> : Paved Road Ph 1 (0.9km)	754 574.66	217 567.69	537 006.97
MIG/FS0708/S/08/10	<b>Monykeng/ Wesselsbron</b> : Construction of new sewer works phase 2 (MIS: 161541)	1 711 267.00	1 741 267.00	0.00
MIG/FS0723/R,ST/09/09	<b>Kgotsoong</b> : 1.8km New cemetery Road	2 818 059.37	2 818 059.37	0.00
MIG/FS0758/CF/10/11	<b>Monyakeng</b> : Multi Purpose Community Centre (MIS: 186756)	3 458 547.71	3 458 547.71	0.00
MIG/FS0833/R,ST/11/13	<b>Kgotsoong</b> : Paved Roads PH 4 (2.1km)	5 765 756.50	703 001.08	5 062 755.42
MIG/FS0835/R,ST/11/13	<b>Monyakeng</b> Paved Roads Ph 4 (2.1km)	5 647 980.79	1 209 335.79	4 438 645.00
MIG/FS0836/R,ST/11/13	<b>Monyakeng</b> : 1.5km New Cemetery Road	3 433 533.78	584 538.21	2 848 995.57
MIG/FS0866/R,ST/12/13	<b>Kgotsoong</b> : Paved Roads PH 4 (a) (2.2km)	2 120 890.13	236 974.56	1 883 915.57
MIG/FS0867/R,ST/12/13	<b>Kgotsoong</b> : Paved Roads Ph 4 ( c) (1.5km)	3 450 987.80	589 022.05	2 861 965.75

Financial Year	2010/11	2011/12	2012/13
Approved Budget Amount	R 25 811 000.00	R37 776 340.48	R45 645 000.00
Amount Spent	R 20 611 000.00	R 33 923 837.82	R27 723 504.62
Difference	R 5 200 000.00	R 3 852 502. 66	R17 000 000 00

## CHAPTER 2 – GOVERNANCE

### INTRODUCTION TO GOVERNANCE

The local government sphere is one of the most important layers of government which is closer to the community. The local government sphere has four components that have positive contribution to service delivery and they are Political and Administrative Governance, Intergovernmental Relations and lastly the Public Participation sphere.

### COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

#### INTRODUCTION TO GOVERNANCE

In terms of Section 151 (3) of the Constitution of the Republic of South Africa states that the Council of a municipality has the right to govern on its own initiative, the local government affairs of the local community, subject to national and provincial legislation. Nala Local Municipality is a collective municipality without executive powers, which implies that the composition of the council has more than ten council members. The Council makes decisions as a collective and the wards of the municipality are also more than ten. Nala Local municipality has twenty four councilors of 50% of them are PR councilors and 50% are ward councilors.

#### 2.1 POLITICAL GOVERNANCE

##### INTRODUCTION TO POLITICAL GOVERNANCE

In terms of MFMA S52(a), the Mayor of Nala local municipality provides general political guidance over the fiscal and financial affairs of the municipality. The speaker of Nala Local municipality in turn is political head and chairperson of council. The Mayor of Nala Local municipality is also chairperson of Executive Committee of council, which has three committees; namely: Public works and Housing, Corporate Services and Human; and Finance and Treasury. Other governance structures include; the Oversight Committee which comprise of non-executive councilors. The purpose of this committee is to provide council with comments and recommendations on the annual report. Audit and Performance Committee on the other hand, provides opinions and recommendations on financial processes and performance to the Oversight Committee on the annual report. The Oversight committee report will be published separately in accordance with MFMA guidance.

##### POLITICAL STRUCTURE

**Mayor**

Cllr. Theko Mogoje

**Speaker**

Cllr. Nozililo Mashiya

**Chief Whip**

Cllr. Nkadameng Motsoeneng

**WARD COUNCILLORS**

1. Cllr :M.Segalo (Wd1) - ANC
2. Cllr :M Dongeni (Wd2) - ANC
3. Cll :R Bopiko (Wd3) - ANC
4. Cllr :B Mabeleng (Wd4) - ANC
5. Cllr :J Mamatela (Wd5) - ANC
6. Cllr :M Marumule (Wd6) - ANC
7. Cllr :M Tutubala (Wd7) - ANC
8. Cllr :D Mahalapa (Wd8) - ANC
9. Cllr: T Mohloare - ANC
10. Cllr: B Moshane (W 10) - ANC
11. Cllr: M. Moepi (W 11) - ANC
12. Cllr: B. Botma (W 12) - DA

**PR COUNCILLORS**

1. Cllr. R Lenake (Pr) - ANC
2. Cllr. : M Masisi (Pr) - ANC
3. Cllr :M Mpesi(Pr) - ANC
4. Cllr: T Thebehae (Pr) - ANC
5. Cllr: Rj Mokolutlo (Pr) - COPE
6. Cllr: S Radebe (Pr - COPE
7. Cllr: K Leburu (Pr) - DA
8. Cllr: Niewoudt (Pr) - DA

Nala Local Municipality has a total number of 24 councillors. There are twelve (12) ward councillors and twelve (12) PR councillors and three section 79 committees as follows;

**LIST OF SECTION 79 COMMITTEES**



## **HUMAN SETTLEMENT, HEALTH AND PUBLIC WORKS**

1. Cllr Mosola Masisi
2. Cllr Thabo Mohloare
3. Cllr Moeketsi Mabeleng
4. Cllr Zacharia Moshane
5. Cllr Dikeledi Mahalapa
6. Cllr PS Radebe
7. Cllr Helena Mass

## **LOCAL DEVELOPMENT AND FINANCE**

1. Cllr Mampai Mpesi
2. Cllr Johannes Botma
3. Cllr Monare Marumule
4. Cllr Segalo Moses
5. Cllr Martha Tutubala
6. Cllr Rebecca Lenake
7. Cllr Leburu Kaelo
8. Cllr RJ Mokolutlo

## **CORPORATE SERVICES AND HUMAN RESOURCES**

1. Cllr Nkadimeng Motsoeneng
2. Cllr Reinett Boipiko
3. Cllr Tselane Molutsi
4. Cllr Philippus Niewoudts
5. Cllr RJ Mokolutlo
6. Cllr Abel Moepi
7. Cllr Molatodi Dongeni

## **ADMINISTRATIE GOVERNANCE**

### **2.2 INTRODUCTION TO POLITICAL AND ADMINISTRATIVE GOVERNANCE**

#### **TOP ADMINISTRATIVE STRUCTURE**

**MUNICIPAL MANAGER:** Mr. BC Mekomela

**DIRECTOR FINANCE:** Vacant

**DIRECTOR CORPORATE SERVICES:** Mr. BP Modupe

**DIRECTOR TECHNICAL SERVICES:** Vacant

## COMPONENT B: INTERGOVERNMENTAL RELATIONS

### INTRODUCTION

#### INTRODUCTION TO CO-OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS

In terms of section 3 of Municipal Systems Act, 2000, Nala Local Municipality had exercised its executive and legislative authority within the constitutional system of co-operative as envisaged in section 41 of the Constitution of the Republic of South Africa by engaging in intergovernmental relations with other municipalities and different sector departments for improved service delivery.

#### NATIONAL INTERGOVERNMENTAL STRUCTURES

Nala Local Municipality is represented in the following National IGR Structures;

#### FREESTATE PROVINCIAL IGR STRUCTURES

Nala Local Municipality is represented in the following Freestate IGR Structures;

- **FreeState Provincial IGR – Monitoring and Evaluation**

In this structure the municipality report to this on progress made on LGTAS, and get feet back on how to improve performance for better service delivery.

- **SALGA FS Provincial LED Working Group**

In this structure the municipality benefit through continuous engagement with other municipalities on how to develop and implement LED projects.

- **COGTA FS Provincial LED Working Group**

In this structure the municipality benefits through continuous engagement and support from sector departments on how to develop and implement LED projects.

- **DETEA FS Provincial LED and Tourism Working Group**

In this structure the municipality benefits through continuous engagement and support from sector departments on how to develop and implement LED and tourism projects

- **COGTA FS Provincial IDP Managers' Forum**

In this structure the provincial COGTA provides support, capacity building and continuous monitoring of review processes of municipal IDPs.

#### **DISTRICT INTERGOVERNMENTAL STRUCTURES**

- **Lejweleputswa District IDP Managers' Forum**

In this structure the provincial COGTA provides support, capacity building and continuous monitoring of review processes of municipal IDPs.

- **Lejweleputswa District IGR – Monitoring and Evaluation**

In this structure the municipality report to this on progress made on LGTAS, and get feedback on how to improve performance for better service delivery.

- **Lejweleputswa District LED Forum**

In this structure the municipality benefits through continuous engagement and support from Lejweleputswa District municipality on how to develop and implement LED projects.

## **2. ENHANCING GOOD GOVERNANCE AND PUBLIC PARTICIPATION**

### **OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION**

Municipal Systems Act, (No. 32 of 2000) section 15(b) requires that a municipality establish and organize its administration to facilitate a culture 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.

During the financial year under reporting the municipality has engaged community participation processes in a number of ways to enhance public accountability and broader stakeholder and community participation. For example, during the financial year under review the municipality engaged members of the public around IDP and Budget review, review and development of Water Service Development Plan (WSDP), Spatial Development Framework (SDF).

### **BROADER PUBLIC PARTICIPATION POLICIES AND PLANS**

There currently are no broader public participation policies and plans at Nala.

#### **PUBLIC COMMUNICATION MECHANISMS**

To give feedback and communicate with the public, the municipality has put a number of mechanisms in place such as; ward based constituency meetings, IDP/Budget consultation meetings and Annual Budget conferences.

#### **COMPLAINTS MANAGEMENT SYSTEM**

There are no service standards at the municipality at the municipality, no toll free number for reporting complaints, no complaints/compliments boxes, and complaints are reported manually.

#### **FRONT DESK INTERFACE**

The municipality does have capacity to provide Front Desk Interface and there are officials appointed to perform daily complaints management.

#### **APPOINTMENT OF CDWS VS. NUMBER OF WARDS**

There are ten community development workers (cdw's) appointed to work in twelve wards. Wards twelve and eleven do not have cdw's.

#### **STABILITY OF COUNCIL**

Governance structures not sitting according to set schedule.

#### **TRAINING OF COUNCILORS**

Councilors have received training on councilor support programme.

#### **OVERSIGHT REPORT FOR THE 2010/11 FY**

There is no oversight report for the annual performance report 2010/11 due lack of performance information to report about.

#### **RESIGNATION OF COUNCILORS**

Two DA councilors resigned during the financial year under reporting and these are; Cllr. David Ross and Cllr. Ray Brink.

#### **ORGANISATIONAL DESIGN**

The current organizational structure is not sufficiently filled and there is no job descriptions designed. No job grading and job. The organizational structure is being reviewed to make it more relevant to the size of this municipality.

#### **STAFF ESTABLISHMENT**

Support is needed to review the current organizational structure. Once review of organizational structure has been finalized staff establishment will be done.

#### **RECRUITMENT, SELECTION AND SUSPENSION OF EMPLOYEES**

There is non-functionality of Human Resource unit as a result of incapacity. Assistance sought from SALGA and COGTA to address this incapacity. During the last financial year the MM was suspended, the technical services Director resigned and the Director Cooperate Services' contract was not renewed.

#### **VACANCIES – CRITICAL POSTS**

The MM, Cooperate and CFO posts are filled. The Technical Services Director post is vacant. Other vacancies are; HR Practitioner, IT Technician, Town Planner, Electrical engineer, Mechanical Engineer, Water Quality Analyst, Legal Advisor, Accountants, Environmental management Practitioner, SCM Practitioner and Budget Manager.

#### **PERFORMANCE AGREEMENTS**

No Performance Agreements were signed.

#### **ORGANISATIONAL PERFORMANCE MANAGEMENT SYSTEM**

There is no OPMS Policy and Framework at the municipality. It was last developed and reviewed in June 2008. There is a lack of capacity to develop and monitor its implementation.

#### **IDP ADOPTION BY COUNCIL**

The IDP 2012/13 was adopted by council by the end of May 2012.

#### **SDBIP ADOPTION BY COUNCIL**

The SDBP 2012/13 was approved by the Mayor at the end of June 2012.

#### **SECTION 46 REPORT FOR 2011/12**

The compilation of section 46 report for 2011/12 financial year was delayed due to lack of support from other departments due to non-availability of senior managers responsible for drafting of quarterly departmental reports and lack of AFS.

#### **MID-YEAR ASSESSMENT REPORT FOR 2012/13 ADOPTED BY COUNCIL**

The Mid-year assessment report was done for the financial year 2012/13.

#### **TARGETED CAPACITY BUILDING INTERVENTIONS**

The municipality has received a targeted capacity building interventions through from Treasury to address minimum competency levels known as the MFMP internship.

#### **SKILLS AUDIT CONDUCTED FOR ALL EMPLOYEES**

The municipality has not updated Personal Development Plans for all employees according GAPS KILL or related system in 2012/13 due to lack of capacity to do so. Assistance sought from Cogta and here

#### **SKILLS DEVELOPMENT FOR EMPLOYEES**

Grants from LGSETA are used for skills development at the municipality.

#### **LLF ESTABLISHED (EQUITY IN REPRESENTATION)**

The LLF Has not sat for the past two financial years and matters relating to LLF are discussed outside the structure. Preparations underway to revive the LLF that would ensure equitable representation.

### **DECLARATION OF DISPUTE**

A number of cases still not resolved; Swartbooi v/s Nala; Mahlatsi and others v/s Nala; Tlake v/s Nala; Mokalake v **MTAS adopted post 2011 elections**

/s Nala;

### **FUNCTIONALITY OF OVERSIGHT STRUCTURES (MPAC)**

There is no MPAC at the municipality due to lack of capacity and knowledge about it. There is still confusion on the role of AC and MPAC. Cogta and Salga to provide assistance to the municipality on this formation. In the meantime MPAC of LDM should serve Nala LM as well.

### **COMPLIANCE WITH LEGISLATION**

Standard Advertising By-law, Std Commonage by – law,Control of Public Nuisance; Control of street vendors,hawkers or peddlers, credit control and debt collection,Delegation of powers, environmental management, dogs and cats by-laws, STD Taxi rank,Unsitely and neglected buildings by laws, water restrictions bylaw, waste management bylaw, property rates bylaw, std electricity supply , Indigent support, bylaw etc. Tariffs have not been reviewed since the last financial year. Tax rates have not been reviewed since the last property valuation.

### **MONITORING AND EVALUATION**

The municipality does not have a monitoring and evaluation tool in place. The OPMS framework does not exist. It was last reviewed and adopted by council in June 2008.

### **GOVERNANCE OF INFORMATION COMMUNICATION TECHNOLOGY**

The municipality has not developed a broader ICT architecture. There is no personnel responsible for IT at the municipality and it is manned by consultants. Municipal website has not been updated in the past five years.

### **MTAS ADOPTED POST 2011 ELECTIONS**

**The Municipality has adopted a localized LGTAS (MTAS) developed by Council during the period 2006-2011 as a strategic roadmap for their functioning post the 2011 elections. This MTAS is reviewed annually.**

### **REVENUE ENHANCEMENT**

The municipality has encountered the following challenges which impeded revenue enhancement;

- Majority of consumers are indigent.
- 18 month backlog in billing has led municipality into slow revenue collection.
- Accounts that are not issued on time which result into low collection.
  
- Lack of systems integrations which results in discrepancies of accounts.

### **DEBTORS MANAGEMENT**

- Due to mismanagement of funds in the past the municipality has found itself battling to pay creditors on time.
- Currently municipality has made some arrangements with bulk service providers in order to reduce the debt owed; there has been some positive increase in creditor's payment.

#### **CLEAN AUDIT**

- For the past three year there were no financial statements prepared by municipality.
- However 2012, the municipality managed to compile two financial statement (2009/10 and 2010/11) and 2009/10 has been audited. While the 2010/11 is currently been audited.

#### **ASSET MANAGEMENT**

- There is an assets policy in place. However there is current shortage of staff that poses challenges in dealing with day to day operation effectively.
- There municipality is currently updating the organogram to enable them to fill in the critical posts. Asset manager is one of the critical posts to be filled.

#### **SUPPLY CHAIN MANAGEMENT AND PROCUREMENT**

- There is policy and procedures.

#### **FINANCIAL DELEGATIONS**

- There is lack of appropriate financial delegations in place at the municipality.

#### **BUDGETING AND CASH MANAGEMENT**

- Budgets are prepared and approved in terms of MFMA prescripts and cash balances are negative.

#### **EXPENDITURE MANAGEMENT**

Expenditure management complies with the provisions as set out in the MFMA.

- For the current year municipality will experience overspending of their expenditure since treasury as some stage has halted the funds.
- These funds were already budgeted for in the current year budget.
- Expenditure on salaries stood at 28% at the end of financial year being reported.

#### **REPAIRS AND MAINTENANCE PROVISION**

- Spending on repairs and maintenance as a proportion of operational expenditure is in line with percentage prescribed by NT (which is 10%).

#### **LOCAL ECONOMIC DEVELOPMENT**

- There is a draft LED Strategy document in place, but which is not yet adopted by Council, owing to poor response on dialogue from business sector.
- A draft document is based on outdated stats from an unofficial stats authority "Global Insight".

- LDM and COGTA-FS IDP/LED Directorate has pledged to fund the review of the LED Strategy based on 2011 census.
- It is envisaged that the final document be available by early April 2013 for adoption by Council, and to inform the LED Budget and LED component of SDBIP for roll-out implementation of LED Programmes and projects.
- The LED Plan is aligned to the PGDS, but the LED Plan is not adopted by Council since relevant stakeholders could not be convened to engage the plan.
- The LED Plan could not be communicated to local business owing to poor response from them.
- Cogta-FS IDP/LED Unit, LDM and DETEA to be engaged in establishing local task team to open dialogue in planning and execution of LED and Tourism activities in line with PGDS.
- The LED manager was appointed in 2010.
- The vacancy of Agriculture & Rural Dev-Official strains the LED Unit. (b) Redeployment of the suitable candidate to fill up the vacancy.
- Dept.Agric & Rural Dev to assist with Agriculture value chain programmes in line with final LED Strategy.

### **EQUITABLE SHARE**

- The municipality receives equitable share from the national government.
- The tax base is too small and largely indigent.
- NALA 's population at 81220 and with 21703 households has 62.4% dependency ratio and 35.9% unemployment rate.
- Local economy is mainly agrarian with limited manufacturing focused in agricultural activities.
- The closure of New Holland plant has worsened the unemployment rate and led to further shrinking of the tax base.

The municipality must expand the tax base as follows;

- Long-term:DETEA to finalise proposed ethanol plant and mining activities for development of local industrialization and diversification of local economy.
- Short-and Medium term: Agro-processing, SMME Development and local tourism development to include HDIs.

### **CONDITIONAL GRANTS FOR PROCUREMENTS/SERVICES**

The municipality receives the following conditional grants;

- Municipal Infrastructure Grants (MIG)
- Municipal Systems Improvement Grant (MSIG)



- Financial Management Grant (FMG)
- Expanded Public Works Programme (EPWP)

#### **FIGHTING CORRUPTION/ALLEGATIONS OF CORRUPTION**

- There are outstanding allegations of corruption as per the recommendations of KPMG's forensic audit report.
- There is no anti-corruption tool.
- No anti-corruption strategy in place.
- No anti-corruption units in place at the municipality.
- No Fraud Prevention Plans in place.

#### **MISA**

- To facilitate Sustainable Infrastructure Development, the municipality is using MISA to provide technical support to PMU.
- The municipal council has not approved the Integrated Support Programme.

#### **MUNICIPAL INFRASTRUCTURE GRANT (MIG)**

- The municipality is ready with MIG Implementation Plan 2013/14 and team of consultants has been appointed.
- The relevant sector technical reports and project registrations in respect of the 2013/14 projects has been done.
- Planning and supply chain management processes in respect of the 2013/14 projects are in progress.

#### **MUNICIPAL INFRASTRUCTURE**

- The municipality has sufficient information concerning the municipal infrastructure for the delivery of water, energy (grid and renewable), sanitation, roads, there is also available information regarding location, capacity, age, performance profile and maintenance plans in respect of each category of infrastructure, and their respective interventions.

The following sector plans specify type of intervention needed in each category;

- Electricity Master Plan (EMP)
- Water Service Development Plan (WSDP)
- Spatial Development Framework (SDF)

#### **COMPREHENSIVE INFRASTRUCTURE PLAN**

- There is no CIP in place at the municipality.

#### **DEVELOPMENT AND MAINTENANCE OF INFRASTRUCTURE**

- The municipality does not have the requisite capacity to develop and maintain the infrastructure needed for the provision of the services in its jurisdiction.

#### **COORDINATION BETWEEN LGSETA & MISA**

- There is no coordination between the activities of the LGSETA and other related SETAs as well as the capacity-building initiatives of MISA.
- The municipality is a license holder for distribution of electricity only.

#### **IDP/BUDGET PUBLIC CONSULTATION SCHEDULE**

During the financial under review the municipal council of Nala LM could not hold any ward constituency meetings owing to political instability and protest marches. However, ward IDP/Budget review public consultation meetings were held for twelve wards. The following schedule details dates on which these meetings were held;

<b>WARD</b>	<b>VENUE</b>	<b>TIME</b>	<b>DATE</b>	<b>COUNCILLORS RESPONSIBLE</b>
1 &	Tataiso Primary School	17H00	09/02/2012	Cllr. Moses Segalo and Cllr. Bushi Mabeleng
2 & 3	Alfred Nzo Hall	17H00	10/02/2012	Cllr. Molatudi Dongeni and Cllr. Reinett Boipiko
5 & 6	Bothaville Primary School	17H00	11/02/2012	Cllr. Jerry Mamatela and Cllr. Monare Marumule
7 & 8	Mamellang Thuto School	17H00	12/02/2012	Cllr. Mhula Tutubala and Cllr. Dikeledi Mahalapa
10	Orion School	09H00	13/02/2012	Cllr. M. Mshane
10	Bovaal School	09H00	14/02/2012	Cllr. M. Mshane
11 & 12	Hlaboloha Primary School	17H00	16/02/2012	Cllr. P. Moepi and Cllr. Johannes Botma
9	Open Space (Mighty Tuck Shop)	17H00	17/02/2012	Cllr. Thabo Mohloare

## FUNCTIONALITY OF WARD COMMITTEES

### OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION

#### WARD COMMITTEES

Nala Local Municipality has twelve wards and a corresponding number of ward committees. The purpose of establishment of ward committees is to assist ward councillors in carrying out their mandated duties and responsibilities in wards. They serve as ears and eyes of the municipality at ward level. Together with community development workers, ward committees also assist ward councillors in compiling ward based profiles and updating indigent register.

IDP Participation and Alignment Criteria*	Yes/No
Does the Municipality have impact, outcome indicators?	Yes
Does the IDP have priorities, objectives, KPIs development Strategies?	Yes
Does the IDP have multi—year targets?	Yes
Are the above aligned and can they calculate into a score?	Yes
Does the budget align directly to the KPIs in the strategy?	Yes
Do the IDP KPIs align to the Section 57 Managers?	Yes
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	Yes
Were the indicators communicated to the public?	Yes
Were the four quarter aligned reports submitted within stipulated time frames?	No
*Section 26 Municipal System Act 2000	T2.5.1

## **COMPONENT D: CORPORATE GOVERNANCE**

### **OVERVIEW OF CORPORATE GOVERNANCE**

Nala Local Municipality's corporate governance includes several systems and structures such, risk management unit, anti-corruption and fraud unit, supply chain management unit and set of by-laws. These structures and by-laws assist in enhancing the capacity of the municipality to ensure good governance and excellent service delivery.

### **RISK MANAGEMENT**

There is no risk management in the municipality.

### **IMPORTANCE OF RISK MANAGEMENT**

Section 62 (1) (c) (i) of MFMA provides that in order to *maintain effective, efficient and transparent systems*, municipality must have Risk management unit, to assist with detection of improper financial management and what strategies the municipality must employ to avoid them. The following are five major risks in the municipality;

- High overtime claims
- Supply Chain Management
- Lack of proper fleet management
- No proper controls of stock and assets.
- Lack of skills in finance.

### **ANTI – CORRUPTION AND FRAUD**

There is no anti - corruption and fraud strategy.

### **SUPPLY CHAIN MANAGEMENT**

The SCM policy is being reviewed for implementation in the next financial year 2012/13. The SCM committees have been appointed and they are as follows; Bids committee; Adjudication committee and; Evaluation committee.

### **BY-LAWS**

At the end of financial year under review, there were no by-laws at the municipality.

#### **INFORMATION TECHNOLOGY AND WEBSITE**

Website for the municipality is still under construction and municipal IT is manned by service provider.

#### **DISASTER MANAGEMENT**

The Lejweleputswa District Municipality together with COGTA has assisted the municipality develop draft integrated disaster management plan. However, this plan has not been approved by council.

# CHAPTER 3

## SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

### COMPONENT A: BASIC SERVICES

#### INTRODUCTION

During the financial year under review (2012/13) the municipality had to ensure uninterrupted provision of basic water to 21820 households. In addition to this Nala Local municipality was faced with a mammoth task of addressing water service backlogs especially in Monyakeng Extension. In addressing this Nala local municipality put basic water infrastructure to a number of households in order to extend provision of this service to these households as well. About 869 households benefitted from this project as basic water service infrastructure was installed.

The municipality had to also improve provision sanitation services beyond RDP levels for Nala residents. Bucket eradication programme was being finalized and basic infrastructure for this service was also being done. Expansion and upgrading of Monyakeng/Wesselsbron WWTP was necessary in order to accommodate the growing utilisation of waterborne toilet system. Energy saving initiatives were also employed to curb high consumption of electricity by local residents. More than 1267 street lights were retrofitted with energy saving bulbs. To enhance solid waste management, the municipality intended to purchase mobile wastebins for its residents. Formalisation of informal settlements had also characterized provision of housing in Nala.

#### SERVICE DELIVERY AND INFRASTRUCTURE

##### 1. WATER PROVISION

The municipality has a backlog of 1500 sites which still has to be installed with basic water infrastructure in both Monyakeng and Meyerhof extension. During the financial year under reporting, Nala local municipality earmarked 869 households in Monyakeng Extension for connection to basic water infrastructure. Provision of this service had also involved formalization of this area as a municipal human settlement. By the end of financial year under review 2012/13 100% of these connections were achieved.

#### SANITATION

Sanitation backlog at Nala LM during the financial year 2012/13 was estimated at 1500 households and sites in Monyakeng and Meyerhof Extension. These sites and households need to be installed with sewer line. Remedial work has been done at Monyakeng sewer line to offset sewer spillage which resulted from poor workmanship during initial installation of sewer line.

During the financial year under review the municipality undertook a number of waste water (sanitation) projects. These were completion of bucket eradication in Monyakeng/Kgotsong phase 1, rehabilitation of internal sewer in Kgotsong, completion of WWTP phase 1 in Monyakeng/Wesselsbron and upgrading of outfall sewer in Kgotsong and installation of internal sewer for 1250 households at Monyakeng Extension. These projects were a response to the ever growing number of households using water borne toilet system due to eradication of bucket systems in the previous financial years.

At the end of financial year under review upgrading of Kgotsong outfall sewer still awaits finalisation of business plan and submission thereof to DWA for funding. The project was deferred for implementation in the next financial year depending on availability of funds. Kgotsong bucket eradication phase 1 was completed at the end of financial year under review at a cost of R 600.000. Phase 1 of Monyakeng Bucket Eradication programme is complete and its Phase2 is earmarked for next outer years pending on the availability of funds. Rehabilitation of internal sewer network at RDP in Kgotsong was successfully completed, whilst installation of sewer line for 1250 households in Monyakeng is still outstanding due to lack of funding and bulk of work would be completed in the next financial year.

### **MUNICIPAL ROADS**

At the start of financial year under review, the municipality had committed to embark on capital projects to develop internal roads network by paving 16km of roads in two phases; namely Kgotsong Paved roads Phase 2 (8km) and Monyakeng paved road (phase3). The Kgotsong paved road phase 2 was complete at the end of financial year under review, whilst Monyakeng Paved road phase 3 was not complete due to contractor who had abandoned site. The project to construct a 1km road using labour intensive method of work was not done as the brick making machine for this project broke down and could therefore not produce the amount of bricks required to complete this project. All the three projects were budgeted for R27.650 million.

### **ELECTRICITY**

Similarly 1500 households and sites in Monyakeng and Wesselsbron need to be connected with electricity. Two sub-stations have been installed as part of electricity infrastructure network and upgrading. During the financial year under review, the municipality had several electricity projects identified for implementation. Amongst projects identified for implementation, we have; replacing street lights' bulbs with energy saving bulbs, installation of geysers to 250 households in Meyerhof Extension and their electrification, electrification of 1250 households in Monyakeng Ext and upgrading of HT line feeder 2 in Bothaville. The municipality has also provided free basic electricity to 6405 households during the financial year under review.

### **REFUSE REMOVAL**

In order to ensure access to refuse removal and thereby creating a conducive and healthy environment to all households in Nala Local municipality, the municipality had identified a number of projects for implementation and these are; development of Integrated Waste Management Plan, Upgrading of two solid waste disposal sites in both Bothaville and Wesselsbron and procurement of refuse fleet and plant.

The upgrading of two landfill sites was completed at the end of financial year under review. The two sites were fenced around with concrete palisade. Further upgrading of these landfill sites would include construction of solid waste recycle plant, however, this facility was not operational at the end of financial year under review.. Two tipper trucks and a refuse truck were procured from the FreeState provincial government garage to equip refuse removal plant. The municipality has not developed its Integrated Waste Management Plan at the end of financial year under review.

The municipality could not proceed with the project to distribute 1000 dustbins to equal number of households. However, 19100 households are still receiving once a week refuse removal and solid waste collection service.

## ACCESS TO FREE BASIC SERVICES

During the financial year under review approximately 6405 households received free basic service such as six kilolitres of water, fifty units of electricity, weekly refuse removal and sanitation every month.

## HUMAN SETTLEMENT

Provision of housing in the municipality remains the sole responsibility of the provincial department of Human Settlement. At the end of financial year under review, there was no housing allocation for the municipality from provincial department of Human Settlement. The municipality does not have the Housing sector Plan.

## MUNICIPAL INDIGENT SUPPORT POLICY AND FREE BASIC SERVICES

At the end of financial year under review, the municipality had 6405 indigent households who qualified for 6kl of free basic water, free basic electricity, free sanitation and free refuse removal. In terms of municipal indigent policy every household with a monthly income of less than R2 200 qualifies for free basic services.

## PLANNING

This component includes: planning; and local economic development.

The IDP review for 2012/13 did not take place in terms of the process plan adopted by council due to administrative delays. The Budget Steering Committee and IDP Steering committee not sitting as per schedule of the Process plan.

There was alignment between the SDBIP 2012/13, Budget and IDP.

## APPLICATIONS FOR LAND USE DEVELOPMENT

Detail	Formalisation of Townships		Rezoning		Built Environment	
	2011/12	2012/13	2011/12	2012/13	2011/12	2012/13
Planning Applications received	2	3	2	2	5	52
Determination made in year of receipt	0	1	0	2	5	52
Determination made in the following year	0	0	0	0	0	0



Applications withdrawn	0	0	0	0	0	0
Applications outstanding at year end	2	2	2	0	0	0

## EXECUTION

Some plans are not adequately executed due to human resource capacity, budget constraints, lack of effective supervision of staff and ailing fleet etc. There is no monitoring and evaluation system.

In order to enhance capacity of employees the municipality must implement rigorous training and capacitation of employees. The OPMS unit must also be properly capacitated and relevant official appointed to enhance its performance.

## LOCAL ECONOMIC DEVELOPMENT AND TOURISM

### INTRODUCTION

During the financial year under review the municipality has developed and adopted Local Economic Development Strategy. However, this strategy could not be implemented due to reluctance of local organised stakeholder to participate and support the strategy. Several projects with implications were implemented at municipal level and a number of Jobs were created.

EPWP AND MIG – 103

CWP – 108

COOPERATIVES – 854

### Economic Activity by Sector

Sector	2011/12	2012/13
<b>Agric, Forestry and Fishing</b>	5881	7154
<b>Mining and Quarrying</b>	567	217
<b>Manufacturing</b>	842	1172
<b>Wholesale and retail trade</b>	229	188
<b>Finance, property etc</b>	646	356
<b>Govt., community and social services</b>	1282	1828
<b>Infrastructure services</b>	769	462

Data Source: SSA, Census 1996 and CS 2007

### Economic Employment by Sector

Sector	2011/12	2012/13
Agric, Forestry and Fishing	7154	3233
Mining and Quarrying	217	490
Manufacturing	1172	1763
Wholesale and retail trade	1828	2261
Finance, property etc	462	1021
Govt., community and social services	2003	2867
Infrastructure services	301	350
Construction	356	356
Electricity, Water supply and gas	188	351
Transport, Storage and communication	350	301
Private Households	2776	2691
Undetermined	1038	2028
<b>Total</b>	<b>17545</b>	<b>17313</b>

Data Source: SSA, Census 1996 and CS 2007

### Employment Status in Nala

Employment Status	1996	2001	2007
Employed	17 182	17 545	17 313
Unemployed	8 486	16 407	14 583

Data Source; SSA, Census 1996, 2001 and CS 2007.

Number LED Employees - 3

### COMPONENT D: COMMUNITY & SOCIAL SERVICES

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

## INTRODUCTION TO COMMUNITY AND SOCIAL SERVICES

During the financial year under review, the municipality has provided free basic services and food parcels to 1692 households as Mayoral responsibility.

### CHILD CARE, OLD AGED CARE AND SOCIAL PROGRAMMES

Social Services	Child care	Old aged care	Other social programmes
Number	27	3	2

### SERVICE STATISTICS FOR LIBRARIES, ARCHIVES, MUSEUMS; GALLERIES; THEATRES; ZOOS *etc*

Service/ Facilities	Libraries	Archives	Museums	Galleries	Theatres	Zoo
Numbers	4	0	3	0	0	0

### CEMETORIES AND CREMATORIA

The municipality does not provide mortuary services and cremations. However, there are nine grave sites which are maintained by the local municipality. The municipality is currently compiling maintenance plan for graves sites to determine future need for graves at the municipality. However, the municipality has embarked on a project to fence all currently operating graves with concrete palisade.

### COMPONENT E: ENIRONMENTAL PROTECTION

The municipality does not have any environmental protection policies and its specific Environmental Management Plan.

### COMPONENT F: HEALTH

Nala Local Minicipality does provide these services directly to the community they are responsibility of the provincial department of Health. However, 6768 hhouseholds were declared as indigents during the financial year under review and were therefore catered under various poverty alleviation programmes by different sector departments and agencies.

#### Clinics and other health services

Health Facilities/services	Clinics	Hospitals	Mobile Clinics
Number	6	1	4

#### **COMPONENT G: DISASTER MANAGEMENT, FIRE AND TRAFFIC**

The municipality is not responsible for disaster management and this service is provided for by the Lejweleputswa District municipality. Fire brigade service is poorly equipped. However, the municipality does have its own traffic department which employs four traffic officers.

#### **COMPONENT H: SPORT AND RECREATION**

<b>Facilities</b>	<b>Community Parks</b>	<b>Sports fields</b>	<b>Sports Halls</b>	<b>Stadiums</b>	<b>Swimming Pools</b>	<b>Camp sites</b>
<b>Number</b>	<b>3</b>	<b>6</b>	<b>3</b>	<b>4</b>	<b>2</b>	<b>2</b>

#### **COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES**

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

#### **EXECUTIVE AND COUNCIL**

##### **EXECUTIVE COMMITTEE MEMBERS**

1. Mayor: Clr T. Mogoje: Chairperson of Executive Committee
2. Clr M. Masisi – Chairperson: Public Works
3. Clr M. Mpesi – Chairperson: Finance and LED
4. Clr N. Motsoeneng – Chairperson: Corporate Services and Human Resource

##### **WARD COUNCILORS AND PR COUNCILORS**

13. Cllr :M.Segalo (Wd1) - ANC
14. Cllr :M Dongeni (Wd2) - ANC
15. Cll :R Bopiko (Wd3) - ANC
16. Cllr :B Mabeleng (Wd4) - ANC
17. Cllr :J Mamatela (Wd5) - ANC
18. Cllr :M Marumule (Wd6) - ANC
19. Cllr :M Tutubala (Wd7) - ANC
20. Cllr :D Mahalapa (Wd8) - ANC

- 21. Cllr: T Mohloare - ANC
- 22. Cllr: B Moshane (W 10) - ANC
- 23. Cllr: M. Moepi (W 11) - ANC
- 24. Cllr: B. Botma (W 12) - DA

**PR COUNCILLORS**

- 9. Cllr. R Lenake (Pr) - ANC
- 10. Cllr. : M Masisi (Pr) - ANC
- 11. Cllr :M Mpesi(Pr) - ANC
- 12. Cllr: T Thebehae (Pr) - ANC
- 13. Cllr: RJ Mokolutlo (Pr) - COPE
- 14. Cllr: S Radebe (Pr - COPE
- 15. Cllr: K Leburu (Pr) - DA
- 16. Cllr: Niewoudt (Pr) – DA

**MUNICIPAL MANAGER**

Mr. BC Mokomela

**COUNCIL MEETINGS**

	PLANNED SITTINGS	ACTUAL SITTINGS
<b>Ordinary Council Meetings</b>	12	7
<b>Special Council Sitings</b>	4	4
<b>Executive Committee Meetings</b>	12	7

**FINANCIAL SERVICES**

**INTRODUCTION TO FINANCIAL**

During the financial year under review the municipality had utilized service providers for a number of activities in the finance department to enhance capacity. The following service providers were used in the municipality in 2012/13 financial year;

1. Dinatla Advisory Services
2. Pastel Evolution
3. VIP Pay Roll system

#### Debt Recovery

Details of the types of account raised and recovered	2010/11		2011/12			2012/13 R' 000		
	Actual for accounts billed in year	Proportion of accounts value billed that were collected in the year	Billed in Year	Actual for accounts billed in year	Proportion of accounts value billed that were collected	Billed in Year	Estimated outturn for accounts billed in Year	Estimated Proportion of accounts billed that were collected %
Property rates								
Electricity								
Water								
Sanitation								
Refuse removal								

### 3.71. HUMAN RESOURCE AND SERVICES

During the financial year under review, Nala local municipality had set the following priorities;

#### 1. Training and Development

During the financial year under review the municipality had provided training for fifteen employees on the following;

- Advanced labour Law
- LGAAC
- MFMP
- Fire Fighting; and
- VIP Protection

## **2. Labour Relations**

To create a sound labour relations environment, had set itself a target at least of four LLF meetings for the year under review. However, this target was not met due to inability of the municipality to organize sittings of LLF due to absence of Director Corporate Services.

## **3. Organisational design and Implementation**

The organizational structure was implemented during the previous financial year as employees were placed accordingly. However, the municipality could not finalise placement of staff as certain discrepancies had to be addressed. By the end of financial year under review resolution of these discrepancies was not done due to disagreement between organized labour and employer component.

## **4. Employment Equity**

There is no employment equity plan for the municipality and this makes it difficult to determine whether or not equity goals are met.

## **5. Filling of critical posts**

At the beginning of financial year under review the post of CFO was not filled and the municipality had resolved to fill this post. However, during the financial year under review, more posts were left vacant as the council of Nala resolved to suspend the then Municipal Manager and Director Corporate Technical Services. The Director Corporate Services resigned thus creating vacancy of four critical posts. The posts of Municipal Manager and CFO were filled by Cogta officials who seconded as acting officials to Nala Local Municipality. The post of Director Technical Services was filled on acting capacity by an official from Nala, whilst the Director Corporate Services post was left vacant.

## **TOTAL NUMBER OF EMPLOYEES FOR 2012/13**

The municipality had 473 permanent employees and 90 casuals at the end of financial year being reported.





## INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

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

ICT services	Libraries	Museums, Arts and Galleries	Community halls	Cemeteries	Child Care	Old Aged Care
Number	4	1	4	4	23	3

## COMPONENT J: MISCELLANEOUS

### COMPONENT J: MISCELLANEOUS

This component includes: the provision of Airports, Abattoirs, and Forestry as municipal enterprises.

Nala Local municipality does not provide airports, abattoirs, and forestry. The local airstrip and abattoir are owned by private companies.

## CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE

### (PERFORMANCE REPORT PART II)

#### COMPONENT A: INTRODUCTION TO THE MUNICIPAL WORKFORCE

##### EMPLOYEE TOTALS

Employees					
Description	2010/11	2011/12			
	Employees	Approved Posts	Employees	Variance	Variance
	No.	No.	No.	No.	%
Water	69	69	69	0	0%
Waste Water (Sanitation)	49	49	49	0	0%
Electricity	19	30	19	11	37%
Waste Management	110	110	104	6	5%
Housing	9	9	9	0	0%
Waste Water (Stormwater Drainage)	0	0	0	0	
Roads	25	28	23	5	18%
Transport	10	10	10	0	0%

Planning	6	12	6	6	50%
Local Economic Development	3	3	3	0	33%
Planning (Strategic & Regulatory)	0	8	0	0	0%
Local Economic Development	1	1	1		0%
Community & Social Services	6	12	6	6	50%
Security and Safety	49	49	49	0	0%
Sport and Recreation	1	5	1	4	80%
Corporate Policy Offices and Other	132	140	130	10	7%
<b>Totals</b>	<b>489</b>	<b>535</b>	<b>478</b>	<b>49</b>	<b>9%</b>

### New Appointments for 2012/13

Four appointments took place in the office of the Mayor during the financial year under review.

The municipality is required in terms of section 67 of Municipal Systems Act of 2000, develop and adopt appropriate systems, procedures to ensure fair, efficient, effective and transparent municipal workforce administration in accordance with the Employment Equity Act, 1998.

## MANAGING MUNICIPAL WORKFORCE

### POLICIES

HR Policies and Plans				
	Name of Policy	Completed %	Reviewed %	Date adopted by council or comment on failure to adopt
1	Affirmative Action	0%	0%	Deadlock in the Local Labour Forum
2	Attraction and Retention	0%	0%	Deadlock in the Local Labour Forum
3	Code of Conduct for employees	0%	0%	Deadlock in the Local Labour Forum
4	Delegations, Authorisation & Responsibility	0%	0%	Non adoption of the by-law by Council
5	Disciplinary Code and Procedures	100%	100%	As per the Collective Agreement
6	Essential Services	0%	0%	Refusal to bargain in the LLF
7	Employee Assistance / Wellness	0%	0%	Only a draft not yet adopted by all stakeholders
8	Employment Equity	70%	0%	Only a draft not yet adopted by all stakeholders
9	Exit Management	0%	0%	No policy yet
#	Grievance Procedures	100%	100%	As per the Collective Agreement
#	HIV/Aids	0%	0%	Only a draft not yet adopted by all stakeholders

#	Human Resource and Development	0%	0%	Only a draft noy yet adopted by all stakeholders
#	Information Technology	100%	0%	
#	Job Evaluation	50%	50%	Awaiting the outcome of a dispute lodged by organised labour at national level on the wage curve
#	Leave	0%	0%	Only a draft noy yet adopted by all stakeholders
#	Occupational Health and Safety	50%	0%	Refusal to bargain in the LLF
#	Official Housing	100%	100%	Annually as per the Collective Agreement
#	Official Journeys	100%	0%	
#	Official transport to attend Funerals	0%	0%	No policy yet
#	Official Working Hours and Overtime	100%	100%	Jun-12
#	Organisational Rights	100%	100%	As per the Collective Agreement
#	Payroll Deductions	100%	0%	As per the provisions of BCEA
#	Performance Management and Development	100%	0%	
#	Recruitment, Selection and Appointments	0%	0%	Only a draft not yet adopted by all stakeholders
#	Remuneration Scales and Allowances	50%	50%	Awaiting the outcome of a dispute lodged by organised labour at national level on the wage curve
#	Resettlement	50%	0%	Refusal to bargain in the LLF
#	Sexual Harassment	0%	0%	Only a draft not yet adopted by all stakeholders
#	Skills Development	50%	0%	As per the provisions of Skills Development and Skills Development Levies Acts
#	Smoking	0%	0%	Only a draft not yet adopted by all stakeholders
#	Special Skills	0%	0%	Only a draft not yet adopted by all stakeholders
#	Work Organisation	0%	0%	Only a draft not yet adopted by all stakeholders
#	Uniforms and Protective Clothing	50%	50%	
#	Other:			

#### PERFORMANCE REWARDS

No performance rewards were awarded during the financial year under review.

### Employees not placed to established posts

Except for temporary workers all employees are placed on posts appearing on the organizational structure during the financial year under review.

### Disclosures of financial interests

No formal disclosures of financial interests were recorded for all councilors and senior managers during the financial year under review.

## 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

**Delete Directive note once comment is complete** - Please explain how your municipality sought to contain inflationary pressures during the financial year. Take the 5 most expensive consultancy arrangements in 2008/09 and explain the costs, the reasons for the engagements and the results. Include such other introductory remarks as you wish.

T5.0.1

## COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

### INTRODUCTION TO FINANCIAL STATEMENTS

Note: Statements of Revenue Collection Performance by vote and by source are included at **Appendix K**.

**Delete Directive note once comment is complete** - This component provides an overview of the financial performance of the municipality and focuses on the financial health of the municipality

T5.1.0

## 5.1 STATEMENTS OF FINANCIAL PERFORMANCE

Financial Summary						
Description	2007/08	Current Year 2008/09			2008/09 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
<b>Financial Performance</b>						
Property rates	-	-	-	-	%	%
Service charges	-	-	-	-	%	%
Investment revenue	-	-	-	-	%	%
Transfers recognised - operational	-	-	-	-	%	%
Other own revenue	-	-	-	-	%	%
<b>Total Revenue (excluding capital transfers and contributions)</b>	-	-	-	-	%	%
Employee costs	-	-	-	-	%	%
Remuneration of councillors	-	-	-	-	%	%
Depreciation & asset impairment	-	-	-	-	%	%
Finance charges	-	-	-	-	%	%
Materials and bulk purchases	-	-	-	-	%	%
Transfers and grants	-	-	-	-	%	%
Other expenditure	-	-	-	-	%	%
<b>Total Expenditure</b>	-	-	-	-	%	%
<b>Surplus/(Deficit)</b>	-	-	-	-	%	%
Transfers recognised - capital	-	-	-	-	%	%
Contributions recognised - capital & contributed assets	-	-	-	-	%	%
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	-	-	-	-	%	%
Share of surplus/ (deficit) of associate	-	-	-	-	%	%
<b>Surplus/(Deficit) for the year</b>	-	-	-	-	%	%
<b>Capital expenditure &amp; funds sources</b>						
<b>Capital expenditure</b>	-	-	-	-	-	-
Transfers recognised - capital	-	-	-	-	-	-
Public contributions & donations	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-
Internally generated funds	-	-	-	-	-	-
<b>Total sources of capital funds</b>	-	-	-	-	-	-
<b>Financial position</b>						
Total current assets	-	-	-	-	-	-
Total non current assets	-	-	-	-	-	-
Total current liabilities	-	-	-	-	-	-
Total non current liabilities	-	-	-	-	-	-
Community wealth/Equity	-	-	-	-	-	-
<b>Cash flows</b>						
Net cash from (used) operating	-	-	-	-	-	-
Net cash from (used) investing	-	-	-	-	-	-
Net cash from (used) financing	-	-	-	-	-	-
<b>Cash/cash equivalents at the year end</b>	-	-	-	-	-	-
<b>Cash backing/surplus reconciliation</b>						
Cash and investments available	-	-	-	-	-	-
Application of cash and investments	-	-	-	-	-	-
<b>Balance - surplus (shortfall)</b>	-	-	-	-	-	-
<b>Asset management</b>						
Asset register summary (WDV)	-	-	-	-	-	-
Depreciation & asset impairment	-	-	-	-	-	-
Renewal of Existing Assets	-	-	-	-	-	-
Repairs and Maintenance	-	-	-	-	-	-
<b>Free services</b>						
Cost of Free Basic Services provided	-	-	-	-	-	-
Revenue cost of free services provided	-	-	-	-	-	-
<b>Households below minimum service level</b>						
Water:	-	-	-	-	-	-
Sanitation/sewerage:	-	-	-	-	-	-
Energy:	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A1						

T5.1.1

Financial Performance of Operational Services							R '000
Description	2007/08	2008/09			2008/09 Variance		
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget	
<b>Operating Cost</b>							
Water	26,485	23,572	28,075	23,042	-2.30%	-21.84%	
Waste Water (Sanitation)	8,541	8,285	9,054	8,456	2.02%	-7.07%	
Electricity	12,355	10,254	12,478	13,219	22.43%	5.61%	
Waste Management	14,232	13,235	13,662	12,097	-9.41%	-12.94%	
Housing	6,542	5,496	5,954	6,346	13.40%	6.19%	
Component A: sub-total	1,865	1,622	1,865	1,510	-7.41%	-23.46%	
Waste Water (Stormwater Drainage)	5,643	5,530	5,925	5,304	-4.26%	-11.70%	
Roads	5,643	5,530	5,925	5,304	-4.26%	-11.70%	
Transport	5,322	4,470	5,747	4,630	3.45%	-24.14%	
Component B: sub-total	8,455	8,455	8,624	9,554	11.50%	9.73%	
Planning	1,254	1,003	1,191	1,354	25.93%	12.04%	
Local Economic Development	2,516	2,063	2,264	2,340	11.83%	3.23%	
Component B: sub-total	6,846	6,230	7,256	6,640	6.19%	-9.28%	
Planning (Strategic & Regulatory)	12,546	10,413	11,793	11,542	9.78%	-2.17%	
Local Economic Development	2,355	2,190	2,425	2,402	8.82%	-0.98%	
Component C: sub-total	48,542	40,776	48,542	46,115	11.58%	-5.26%	
Community & Social Services	4,565	3,698	4,337	4,291	13.83%	-1.06%	
Environmental Protection	5,649	4,971	6,157	4,971	0.00%	-23.86%	
Health	5,649	4,971	6,157	4,971	0.00%	-23.86%	
Security and Safety	5,649	4,971	6,157	4,971	0.00%	-23.86%	
Sport and Recreation	5,649	4,971	6,157	4,971	0.00%	-23.86%	
Corporate Policy Offices and Other	5,649	4,971	6,157	4,971	0.00%	-23.86%	
Component D: sub-total	32,808	28,552	35,122	29,145	2.04%	-20.51%	
<b>Total Expenditure</b>	<b>179,353</b>	<b>157,791</b>	<b>181,274</b>	<b>169,118</b>	<b>6.70%</b>	<b>-7.19%</b>	
In this table operational income (but not levies or tariffs) is offset against operational expenditure leaving a net operational expenditure total for each service as shown in the individual net service expenditure tables in chapter 3. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.							

T5.1.2

COMMENT ON FINANCIAL PERFORMANCE:

**Delete Directive note once comment is complete** – Comment on variances

T5.1.3

Grant Performance						
R' 000						
Description	2007/08	2008/09			2008/09 Variance	
	Actual	Budget	Adjustments Budget	Actual	Original Budget (%)	Adjustments Budget (%)
<b>Operating Transfers and Grants</b>						
<b>National Government:</b>	<b>33,977</b>	-	-	<b>24,756</b>		
Equitable share	21,565			17,303	#REF!	
Municipal Systems Improvement	4,524			2,182	#REF!	
Department of Water Affairs	6,665			4,283	#REF!	
Levy replacement	1,222			988	#REF!	
Other transfers/grants [insert description]						
<b>Provincial Government:</b>	<b>18,925</b>	-	-	<b>5,994</b>		
Health subsidy	8,645			3,786	#REF!	
Housing	4,865			1,502	#REF!	
Ambulance subsidy	846			219	#REF!	
Sports and Recreation	4,568			489	#REF!	
Other transfers/grants [insert description]					#REF!	
<b>District Municipality:</b>	-	-	-	-		
[insert description]					#REF!	
					#REF!	
<b>Other grant providers:</b>	-	-	-	-		
[insert description]					#REF!	
					#REF!	
<b>Total Operating Transfers and Grants</b>	<b>52,902</b>	-	-	<b>30,751</b>		
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. <span style="float: right;">T5.2.1</span>						

COMMENT ON OPERATING TRANSFERS AND GRANTS:



Note: For Municipal Infrastructure Grant (MIG) see T5.8.3. For other conditional transfers including Neighbourhood Development Partnership Grant (NDPG); Public Transport Infrastructure and Systems Grant (PITS) see **Appendix L**.

**Delete Directive note once comment is complete** – Comment on the variances in the above table and other issues as appropriate.

T5.2.2

Grants Received From Sources Other Than Division of Revenue Act (DORA)						
Details of Donor	Actual Grant '07/08	Actual Grant '08/09	08/09 Municipal Contribution	Date Grant terminates	Date Municipal contribution terminates	Nature and benefit from the grant received, include description of any contributions in kind
<b>Parastatals</b>						
A - "Project 1"						
A - "Project 2"						
B - "Project 1"						
B - "Project 2"						
<b>Foreign Governments/Development Aid Agencies</b>						
A - "Project 1"						
A - "Project 2"						
B - "Project 1"						
B - "Project 2"						
<b>Private Sector / Organisations</b>						
A - "Project 1"						
A - "Project 2"						
B - "Project 1"						
B - "Project 2"						

Provide a comprehensive response to this schedule

T5.2.3

COMMENT ON CONDITIONAL GRANTS AND GRANT RECEIVED FROM OTHER SOURCES:

**Delete Directive note once comment is complete** – Use this box to provide additional information on grant benefits or conditions and reason for acceptance.

T5.2.4

### 5.3 ASSET MANAGEMENT

#### INTRODUCTION TO ASSET MANAGEMENT

**Delete Directive note once comment is complete** – Provide a brief overview on Asset Management as practiced within your organisation and outline the key elements of your Asset Management Policy. Explain how asset management is organised, the staff involved and the key delegations. Describe key issues under development. Indicate the approach to capacity development for this activity. Refer to the illustrations of asset management approach in relation to the new assets set out below.

T5.3.1

TREATMENT OF THE THREE LARGEST ASSETS ACQUIRED 2008/09				
<b>Asset 1</b>				
Name				
Description				
Asset Type				
Key Staff Involved				
Staff Responsibilities				
Asset Value	2005/06	2006/07	2007/08	2008/09
Capital Implications				
Future Purpose of Asset				
Describe Key Issues				
Policies in Place to Manage Asset				
<b>Asset 2</b>				
Name				
Description				
Asset Type				
Key Staff Involved				
Staff Responsibilities				
Asset Value	2005/06	2006/07	2007/08	2008/09
Capital Implications				
Future Purpose of Asset				
Describe Key Issues				
Policies in Place to Manage Asset				
<b>Asset 3</b>				
Name				
Description				
Asset Type				
Key Staff Involved				
Staff Responsibilities				
Asset Value	2005/06	2006/07	2007/08	2008/09
Capital Implications				
Future Purpose of Asset				
Describe Key Issues				
Policies in Place to Manage Asset				

T5.3.2

COMMENT ON ASSET MANAGEMENT:

**Delete Directive note once comment's completed** – With reference to the three projects approved in the year, set out above, describe how these projects were evaluated from a cost and revenue perspective, including Municipal tax and tariff implications (See MFMA section 19(2)(a)&(b) and MSA section 74(2)(d),(e)&(i)). Ensure that these projects are maintained on files that are readily accessible for audit inspection. Financial data regarding asset management may be sourced from **MBRR Table A9**

T5.3.3

Repair and Maintenance Expenditure 2008/09				R' 000
	Original Budget	Adjustment Budget	Actual	Budget variance
Repairs and Maintenance Expenditure	125	129	128	-2.40%
				T5.3.4

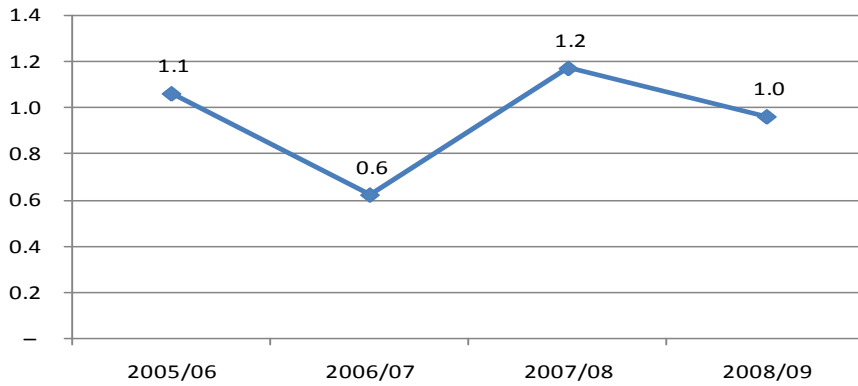
COMMENT ON REPAIR AND MAINTENANCE EXPENDITURE:

**Delete Directive note once comment's completed** – Comment on adequacy of Repair & Maintenance Expenditure and variances show in T5.3.4 above and on the implications of the proportion of operating budget spend on repairs and maintenance over the past four years set out below. Note that the repairs and maintenance expenditure in T5.3.4 must reconcile with the operational repairs and maintenance expenditure for all services set out in Chapter 3.

T5.3.4.1

## 5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

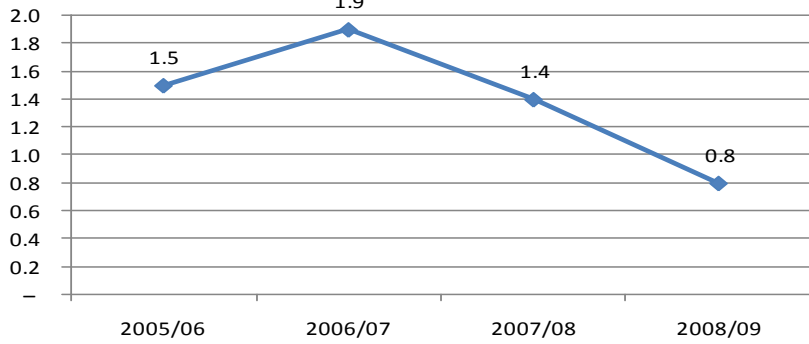
### Liquidity Ratio



Liquidity Ratio – Measures the municipality’s ability to pay its bills and is calculated by dividing the monetary assets by the municipality’s current liabilities. A higher ratio is better.

T5.4.1

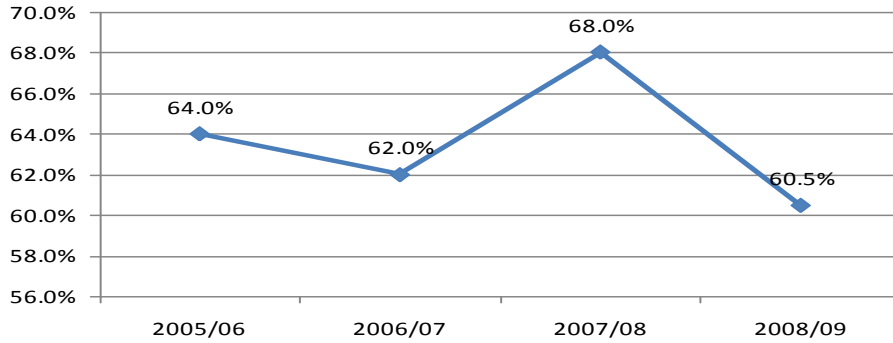
### Cost Coverage



Cost Coverage– It explains how many months expenditure can be covered by the cash and other liquid assets available to the Municipality excluding utilisation of grants

T5.4.2

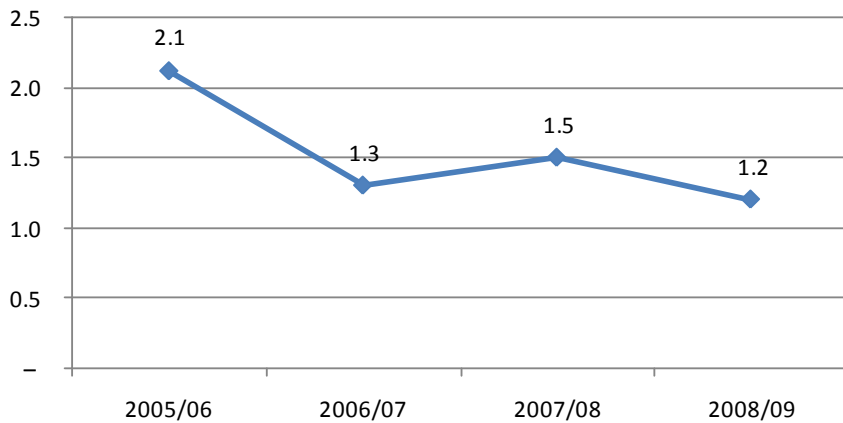
### Outstanding Service Debtors to Revenue



Outstanding Service Debtors to Revenue – Measures how much money is still owed by the community for water, electricity, waste removal and sanitation compared to how much money has been paid for these services. It is calculated by dividing the total outstanding debtors by the total annual revenue. A lower score is better.

T5.4.3

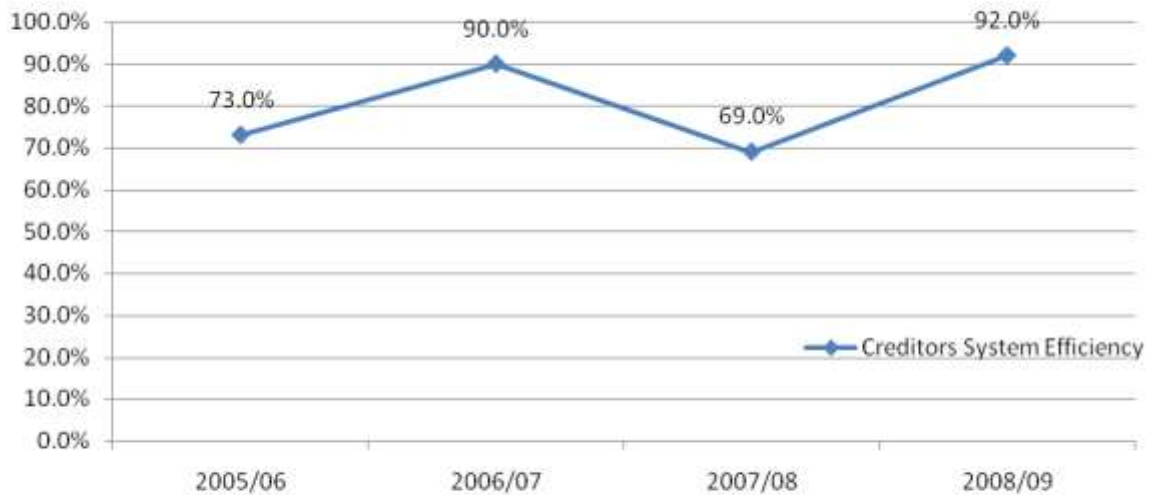
### Debt Coverage



Debt Coverage– The number of times debt payments can be accommodated within Operating revenue (excluding grants) . This in turn represents the ease with which debt payments can be accommodated by the municipality

T5.4.4

## Creditors System Efficiency

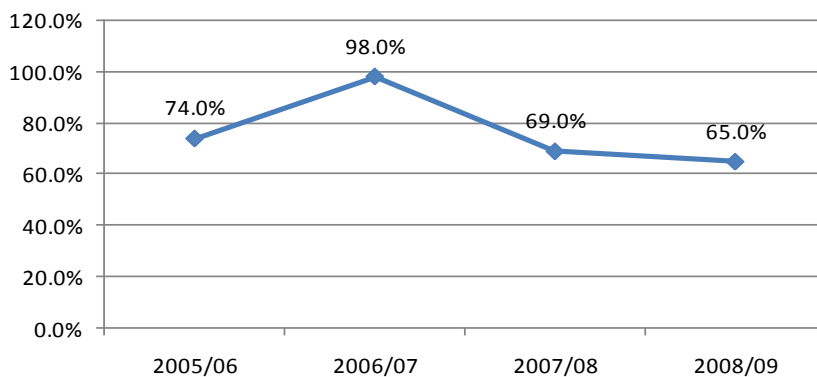


Creditor System Efficiency – The proportion of creditors paid within terms (i.e. 30 days). This ratio is calculated by outstanding trade creditors divided by credit purchases

Data used from MBRR SA8

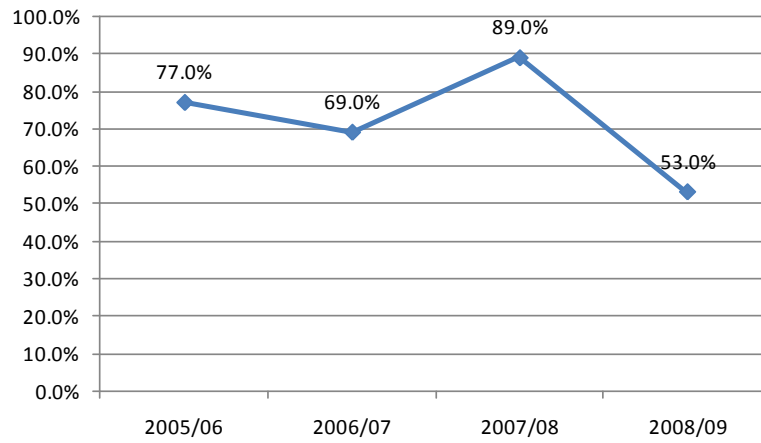
T5.4.5

## Capital Charges to Operating Expenditure



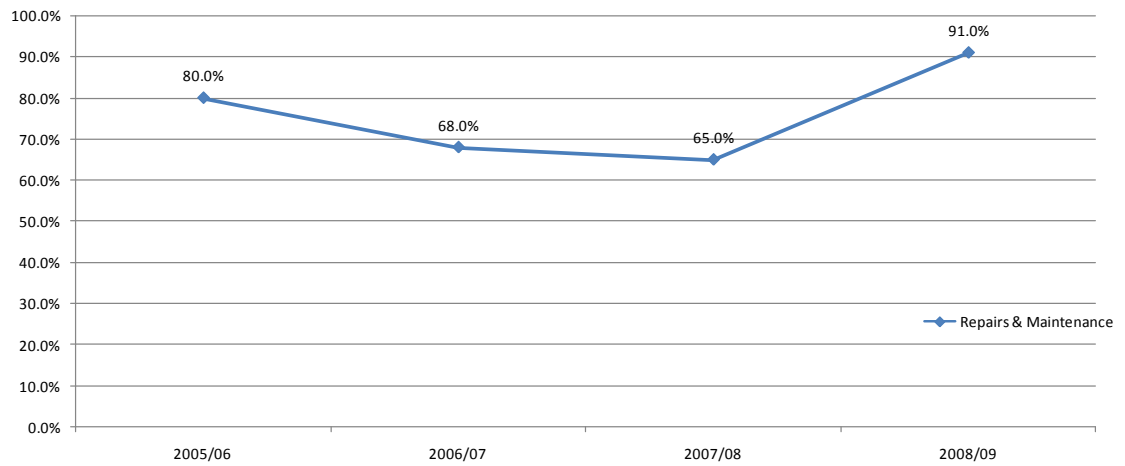
Capital Charges to Operating Expenditure ratio is calculated by dividing the sum of capital interest and principle by the total operating expenditure.

### Employee costs



Employee cost – Measures what portion of the revenue was spent on paying employee costs. It is calculated by dividing the total employee cost by the difference between total revenue and capital revenue.

### Repairs & Maintenance



Repairs and Maintenance – This represents the proportion of operating expenditure spent and is calculated by dividing the total repairs and maintenance.

Data used from MBRRSA8

T5.4.8

#### COMMENT ON FINANCIAL RATIOS:

**Delete Directive note once comment is complete** - Comment on the financial health of the municipality / municipal entities revealed by the financial ratios set out above. These ratios are derived from table SA8 of the MBRR.

T5.4.9

#### COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

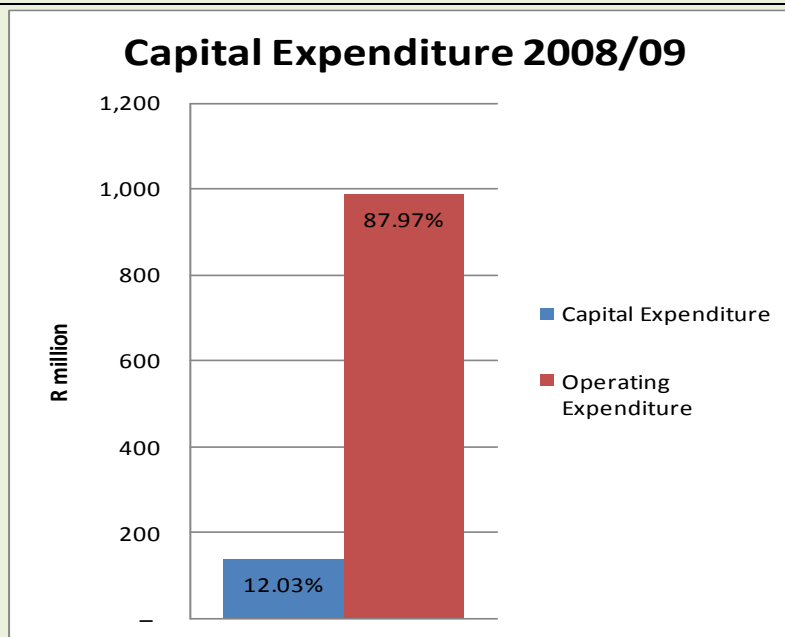


## INTRODUCTION TO SPENDING AGAINST CAPITAL BUDGET

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

T5.5.0

## 5.5 CAPITAL EXPENDITURE



T5.5.1

## 5.6 SOURCES OF FINANCE

Capital Expenditure - Funding Sources 2007/08 - 2008/09							R' 000
Details	2007/08	2008/09					
	Actual	Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance (%)	Actual to OB Variance (%)	
<b>Source of finance</b>							
External loans	3542	5500	5520	5511	0.36%	0.20%	
Public contributions and donations	248	300	390	421	30.00%	40.33%	
Grants and subsidies	3451	3700	3700	3856	0.00%	4.22%	
Other	2451	4500	4600	4565	2.22%	1.44%	
<b>Total</b>	<b>9692</b>	<b>14000</b>	<b>14210</b>	<b>14353</b>	<b>32.59%</b>	<b>46.19%</b>	
<i>Percentage of finance</i>							
External loans	36.5%	39.3%	38.8%	38.4%	1.1%	0.4%	
Public contributions and donations	2.6%	2.1%	2.7%	2.9%	92.1%	87.3%	
Grants and subsidies	35.6%	26.4%	26.0%	26.9%	0.0%	9.1%	
Other	25.3%	32.1%	32.4%	31.8%	6.8%	3.1%	
<b>Capital expenditure</b>							
Water and sanitation	1845	4300	4250	4256	-1.16%	-1.02%	
Electricity	1562	2400	2480	2453	3.33%	2.21%	
Housing	1243	2700	2800	2685	3.70%	-0.56%	
Roads and storm water	1352	1500	1400	1486	-6.67%	-0.93%	
Other	3690	3500	3450	3473	-1.43%	-0.77%	
<b>Total</b>	<b>9692</b>	<b>14400</b>	<b>14380</b>	<b>14353</b>	<b>-2.22%</b>	<b>-1.08%</b>	
<i>Percentage of expenditure</i>							
Water and sanitation	19.0%	29.9%	29.6%	29.7%	52.4%	95.2%	
Electricity	16.1%	16.7%	17.2%	17.1%	-150.1%	-205.4%	
Housing	12.8%	18.8%	19.5%	18.7%	-166.8%	51.7%	
Roads and storm water	13.9%	10.4%	9.7%	10.4%	300.2%	86.8%	
Other	38.1%	24.3%	24.0%	24.2%	64.3%	71.7%	
T5.6.1							

COMMENT ON SOURCES OF FUNDING:

***Delete Directive note once comment is complete*** – Explain any variations from the approved budget of more than 10% and discuss the total capital expenditure as a viable proportion of total expenditure.

T5.6.1.1

## 5.7 CAPITAL SPENDING ON 5 LARGEST PROJECTS

Capital Expenditure of 5 largest projects*					
R' 000					
Name of Project	Current Year			Variance Current Year	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjustment variance (%)
A -	26,000,000	26,500,000	25,700,000	1%	-2%
B -	19,500,000	19,750,000	19,900,000	-2%	-1%
C -	15,700,000	15,700,000	15,500,000	1%	0%
D -	12,000,000	11,800,000	11,700,000	3%	2%
E -	11,500,000	11,000,000	11,250,000	2%	4%

\* Projects with the highest capital expenditure in 2008/09

Name of Project - A	
Objective of Project	
Delays	
Future Challenges	
Anticipated citizen benefits	

Name of Project - B	
Objective of Project	
Delays	
Future Challenges	
Anticipated citizen benefits	

Name of Project - C	
Objective of Project	
Delays	
Future Challenges	
Anticipated citizen benefits	

Name of Project - D	
Objective of Project	
Delays	
Future Challenges	
Anticipated citizen benefits	

Name of Project - E	
Objective of Project	
Delays	
Future Challenges	
Anticipated citizen benefits	

T5.7.1

COMMENT ON CAPITAL PROJECTS:

**Delete Directive note once comment is complete** - Provide information in the template above on the 5 largest projects, ranked according to their approved budget provision 2008/09. Comment on the variance between the original and adjustment budgets and on availability of future Budget provision to operate the projects and lessons learnt in the year about capital project implementation on time to budget.

T5.7.1.1

## 5.8 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW

### INTRODUCTION TO BASIC SERVICE AND INFRASTRUCTURE BACKLOGS

**Delete Directive note once comment is complete** – Explain that 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. T5.8.1

Service Backlogs as at 30 June 2009				
	*Service level above minimum standard		**Service level below minimum standard	
	No. HHs	% HHs	No. HHs	% HHs
Water		%		%
Sanitation		%		%
Electricity		%		%
Waste management		%		%
Housing		%		%
% HHs are the service above/below minimum standard as a proportion of total HHs. 'Housing' refers to * formal and ** informal settlements.				

T5.8.2

Municipal Infrastructure Grant (MIG)* Expenditure 2008/09 on Service backlogs						R' 000
Details	Budget	Adjustments Budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)
				Budget	Adjustments Budget	
<b>Infrastructure - Road transport</b>				%	%	
<i>Roads, Pavements &amp; Bridges</i>				%	%	
<i>Storm water</i>				%	%	
<b>Infrastructure - Electricity</b>				%	%	
<i>Generation</i>				%	%	
<i>Transmission &amp; Reticulation</i>				%	%	
<i>Street Lighting</i>				%	%	
<b>Infrastructure - Water</b>				%	%	
<i>Dams &amp; Reservoirs</i>				%	%	
<i>Water purification</i>				%	%	
<i>Reticulation</i>				%	%	
<b>Infrastructure - Sanitation</b>				%	%	
<i>Reticulation</i>				%	%	
<i>Sewerage purification</i>				%	%	
<b>Infrastructure - Other</b>				%	%	
<i>Waste Management</i>				%	%	
<i>Transportation</i>				%	%	
<i>Gas</i>				%	%	
<b>Other Specify:</b>				%	%	
				%	%	
				%	%	
				%	%	
<b>Total</b>				%	%	

\* 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.

T5.8.3

COMMENT ON BACKLOGS:

**Delete Directive note once comment's completed** - Comment on how MIG grants have been utilised to redress the backlogs and on the variances in T 5.8.3. If appropriate, comment that **Appendix P** contains details of schools and clinics that have been established that do not have ready access to one or more basic services and **Appendix Q** contains details of those services provided by other spheres of government (whether the municipality is involved on an agency basis or not) that carry significant backlogs.

T5.8.4

## COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

### INTRODUCTION TO CASH FLOW MANAGEMENT AND INVESTMENTS

**Delete Directive note once comment is complete** – Give a brief comment on the importance of cash flow management. Refer to the scope of this activity as indicated in this component and what you regard as the key management features of your municipality's approach. Refer to any other cash flow issues of current relevance to your municipality that are not adequately provided for in the format of this component.

T5.9.0

5.9 CASH FLOW

<b>Cash Flow Outcomes</b>				
<b>R'000</b>				
Description	2007/08	Current Year 2008/09		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Ratepayers and other				
Government - operating				
Government - capital				
Interest				
Dividends				
<b>Payments</b>				
Suppliers and employees				
Finance charges				
Transfers and Grants				
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	-	-	-	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Receipts</b>				
Proceeds on disposal of PPE				
Decrease (Increase) in non-current debtors				
Decrease (increase) other non-current receivables				
Decrease (increase) in non-current investments				
<b>Payments</b>				
Capital assets				
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	-	-	-	-
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Receipts</b>				
Short term loans				
Borrowing long term/refinancing				
Increase (decrease) in consumer deposits				
<b>Payments</b>				
Repayment of borrowing				
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	-	-	-	-
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	-	-	-	-
Cash/cash equivalents at the year begin:				-
Cash/cash equivalents at the year end:		-	-	-

Source: MBRR SA7

T5.9.1

COMMENT ON CASH FLOW OUTCOMES:

**Delete Directive note once comment is completed** - Supply a brief summary about the cash flow status of the municipality. Explain variances from Original and Adjustment Budget to Actual. Include information on operating activities and what effect they had on cash flow and on cash backing of surpluses. Information regarding cash flow may be sourced from **Table A7 of the MBRR**.

T5.9.1.1

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## 5.10 BORROWING AND INVESTMENTS

### INTRODUCTION TO BORROWING AND INVESTMENTS

**Delete Directive note once comment is completed** – Explain briefly the relevance of borrowing and investments to you municipality with reference to the tables below and your municipality’s requirements in the year. Information may be sourced from **table SA3 AND SA15 in the MBRR**.

T5.10.1



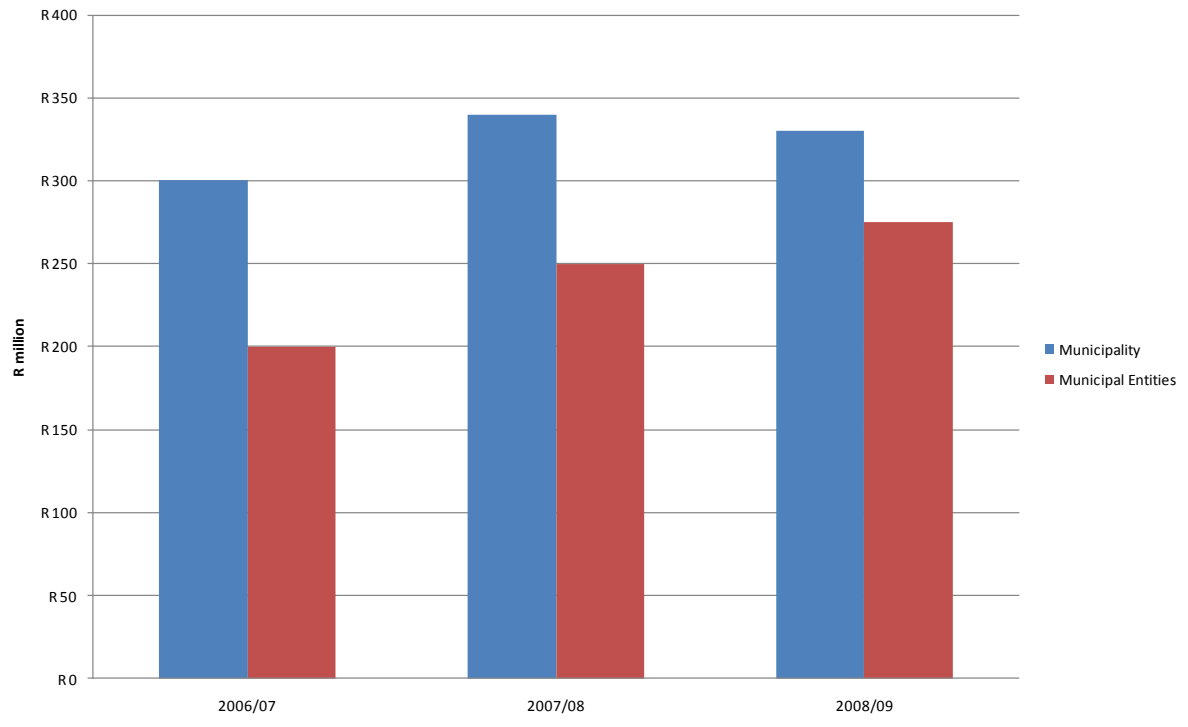
**Actual Borrowings 2005/06 - 2009/10**

R' 000

<b>Instrument</b>	<b>2006/07</b>	<b>2007/08</b>	<b>2008/09</b>
<b><u>Municipality</u></b>	1351	1342	1455
Long-Term Loans (annuity/reducing balance)	325	452	486
Long-Term Loans (non-annuity)			
Local registered stock			
Instalment Credit			
Financial Leases			
PPP liabilities			
Finance Granted By Cap Equipment Supplier			
Marketable Bonds			
Non-Marketable Bonds			
Bankers Acceptances			
Financial derivatives			
Other Securities			
<b>Municipality Total</b>			
<b><u>Municipal Entities</u></b>			
Long-Term Loans (annuity/reducing balance)			
Long-Term Loans (non-annuity)			
Local registered stock			
Instalment Credit			
Financial Leases			
PPP liabilities			
Finance Granted By Cap Equipment Supplier			
Marketable Bonds			
Non-Marketable Bonds			
Bankers Acceptances			
Financial derivatives			
Other Securities			
<b>Entities Total</b>			

T5.10.2

### Actual Borrowings



T5.10.3

<b>Municipal and Entity Investments</b>			
			R' 000
Investment* type	2006/07	2007/08	2008/09
	Actual	Actual	Actual
<b><u>Municipality</u></b>			
Securities - National Government			
Listed Corporate Bonds			
Deposits - Bank			
Deposits - Public Investment Commissioners			
Deposits - Corporation for Public Deposits			
Bankers Acceptance Certificates			
Negotiable Certificates of Deposit - Banks			
Guaranteed Endowment Policies (sinking)			
Repurchase Agreements - Banks			
Municipal Bonds			
Other			
<b>Municipality sub-total</b>	0	0	0
<b><u>Municipal Entities</u></b>			
Securities - National Government			
Listed Corporate Bonds			
Deposits - Bank			
Deposits - Public Investment Commissioners			
Deposits - Corporation for Public Deposits			
Bankers Acceptance Certificates			
Negotiable Certificates of Deposit - Banks			
Guaranteed Endowment Policies (sinking)			
Repurchase Agreements - Banks			
Other			
<b>Entities sub-total</b>	0	0	0
<b>Consolidated total:</b>	0	0	0

T5.10.4

COMMENT ON BORROWING AND INVESTMENTS:

***Delete Directive note once comment is complete*** – Make clarifying comments on the above tables as necessary. All investments whether in the form of loans (in cash or kind) made by the municipality but not to one or more of the organisations set out above and all grants (in cash or kind) made to any form of organisation **must** be set out in full at **Appendix R**.

T5.10.5

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5.11 PUBLIC PRIVATE PARTNERSHIPS

PUBLIC PRIVATE PARTNERSHIPS

***Delete Directive note once comment's completed*** - Provide overview of agreements, contracts and projects undertaken during the year through PPP's – Refer to further details of PPP details **Appendix H. Table SA3 (MBRR)** may also be used to gain information on PPP's.

T5.11.1

## 5.12 SUPPLY CHAIN MANAGEMENT

### SUPPLY CHAIN MANAGEMENT

**Delete Directive note once comment is complete** - Provide a brief narrative that describes the progress made by your municipality in developing and implementing policies and practices in compliance with the guidelines set down by the SCM Regulations 2005. State whether any councilors are members of any committee handling Supply Chain processes; state the number of Supply Chain officials that have reached the prescribed levels required for their positions (See MFMA Competency Regulation Guidelines) and state the number of prescribed officials that are yet to reach the necessary competency levels; and set out any remarks made in the previous Auditor-General's report or his report for 2008/09 concerning the quality of Supply Chain Management and detail the remedial action taken, as necessary.

T5.12.1

## 5.13 GRAP COMPLIANCE

### GRAP COMPLIANCE

GRAP is the acronym for **Generally Recognised 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.

**Delete Directive note once comment's completed** – Follow the above with information on progress with GRAP compliance at your municipality. Detail any instances where the municipality has deviated from the GRAP standards currently applicable.

T5.13.1

## CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS

### INTRODUCTION

Note: The Constitution S188(1)(b) states that the functions of the Auditor-General includes the auditing and reporting on the accounts, financial statements and financial management of all municipalities. MSA S45 states that the results of performance measurement... must be audited annually by the Auditor-General

**Delete Directive note once comment's completed** - Refer to the Annual Financial Statements set out in Volume II and the timescale for the audit of these accounts and the audit of performance and the production of reports on these matters by the Auditor General as set out in this Chapter. If this is the version of the annual report presented to Council in September then the Auditor-Generals statements on this year's submissions will not be available for inclusion in this Chapter and this should be explained

T6.0.1

## COMPONENT A: AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS 2007/08

### 6.1 AUDITOR GENERAL REPORTS 2007/08

Auditor-General Report on Financial Performance 2007/08	
<b>Audit Report Status*:</b>	
<b>Non-Compliance Issues</b>	<b>Remedial Action Taken</b>
Note:*The report's status is supplied by the Auditor General and ranges from unqualified (at best); to unqualified with other matters specified; qualified; adverse; and disclaimed (at worse)	
T6.1.1	

Auditor-General Report on Service Delivery Performance 2007/08	
Audit Report Status:	
Non-Compliance Issues	Remedial Action Taken
T6.1.2	

COMPONENT B: AUDITOR-GENERAL OPINION 2008/09

6.2 AUDITOR GENERAL REPORT 2008/09

Auditor-General Report on Financial Performance 2008/09*	
Status of audit report:	
Non-Compliance Issues	Remedial Action Taken
<p>Note:* The report's status is supplied by the Auditor General and ranges from unqualified (at best); to unqualified with other matters specified; qualified; adverse; and disclaimed (at worse). This table will be completed prior to the publication of the Annual report but following the receipt of the Auditor- General Report on Financial Performance 2008/09.</p>	
T6.2.1	

Auditor-General Report on Service Delivery Performance 2008/09*	
Status of audit report**:	
Non-Compliance Issues	Remedial Action Taken
* This table will be completed prior to the publication of the Annual report but following the receipt of the Auditor- General Report on Service Delivery Performance 2008/09	
** Inclusion of "Status" depends on nature of AG's remarks on Performance Data.	
T6.2.2	

AUDITOR GENERAL REPORT ON THE FINANCIAL STATEMENTS 2008/09

**Delete Directive note once comment is complete** - Attach report

T6.2.3

COMMENTS ON AUDITOR-GENERAL'S OPINION 2008/09:

**Delete Directive note once comment's completed** - Provide comments from the Municipal Manager / CFO on the Auditor-General's opinion. Include comments on 2007/08 if it provides useful context.

T6.2.4

COMMENTS ON MFMA SECTION 71 RESPONSIBILITIES: 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/ with the exception of those items and for those reasons given at **Appendix S (delete '/...' if not applicable)**.

Signed (Chief financial Officer)..... Dated

T6.2.5



## GLOSSARY

<b>Accessibility indicators</b>	Explore whether the intended beneficiaries are able to access services or outputs.
<b>Accountability documents</b>	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.
<b>Activities</b>	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> ”.
<b>Adequacy indicators</b>	The quantity of input or output relative to the need or demand.
<b>Annual Report</b>	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.
<b>Approved Budget</b>	The annual financial statements of a municipality as audited by the Auditor General and approved by council or a provincial or national executive.
<b>Baseline</b>	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.
<b>Basic municipal service</b>	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.
<b>Budget year</b>	The financial year for which an annual budget is to be approved – means a year ending on 30 June.
<b>Cost indicators</b>	The overall cost or expenditure of producing a specified quantity of outputs.

<b>Distribution indicators</b>	The distribution of capacity to deliver services.
<b>Financial Statements</b>	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.
<b>General Key performance indicators</b>	After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally.
<b>Impact</b>	The results of achieving specific outcomes, such as reducing poverty and creating jobs.
<b>Inputs</b>	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.
<b>Integrated Development Plan (IDP)</b>	Set out municipal goals and development plans.
<b>National Key performance areas</b>	<ul style="list-style-type: none"> <li>• Service delivery &amp; infrastructure</li> <li>• Economic development</li> <li>• Municipal transformation and institutional development</li> <li>• Financial viability and management</li> <li>• Good governance and community participation</li> </ul>
<b>Outcomes</b>	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".
<b>Outputs</b>	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.
<b>Performance Indicator</b>	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)
<b>Performance Information</b>	Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.
<b>Performance Standards:</b>	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.
<b>Performance Targets:</b>	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.
<b>Service Delivery Budget Implementation Plan</b>	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.
<b>Vote:</b>	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>

**APPENDICES**

**APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE**

<b>Councillors, Committees Allocated and Council Attendance</b>					
<b>Council Members</b>	<b>Full Time / Part Time</b>	<b>Committees Allocated</b>	<b>*Ward and/ or Party Represented</b>	<b>Percentage Council Meetings Attendance</b>	<b>Percentage Apologies for non-attendance</b>
	<b>FT/PT</b>			<b>%</b>	<b>%</b>

Note: \* Councillors appointed on a proportional basis do not have wards allocated to them T A

CONCERNING TA

A spreadsheet exists to compile attendance data

**Delete Directive note before publication**

TA.1





APPENDIX D – FUNCTIONS OF MUNICIPALITY / ENTITY

<b>Municipal / Entity Functions</b>		
<b>MUNICIPAL FUNCTIONS</b>	<b>Function Applicable to Municipality (Yes / No)*</b>	<b>Function Applicable to Entity (Yes / No)</b>
<b>Constitution Schedule 4, Part B functions:</b>		
Air pollution		
Building regulations		
Child care facilities		
Electricity and gas reticulation		
Firefighting services		
Local tourism		
Municipal airports		
Municipal planning		
Municipal health services		
Municipal public transport		
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other		
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related		
Stormwater management systems in built-up areas		
Trading regulations		
Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems		
<i>Continued next page</i>		

Continued from previous page

<b>Municipal / Entity Functions</b>		
<b>MUNICIPAL FUNCTIONS</b>	<b>Function Applicable to Municipality (Yes / No)*</b>	<b>Function Applicable to Entity (Yes / No)</b>
<b>Constitution Schedule 5, Part B functions:</b>		
Beaches and amusement facilities		
Billboards and the display of advertisements in public places		
Cemeteries, funeral parlours and crematoria		
Cleansing		
Control of public nuisances		
Control of undertakings that sell liquor to the public		
Facilities for the accommodation, care and burial of animals		
Fencing and fences		
Licensing of dogs		
Licensing and control of undertakings that sell food to the public		
Local amenities		
Local sport facilities		
Markets		
Municipal abattoirs		
Municipal parks and recreation		
Municipal roads		
Noise pollution		
Pounds		
Public places		
Refuse removal, refuse dumps and solid waste disposal		
Street trading		
Street lighting		
Traffic and parking		
<b>* If municipality: indicate (yes or No); * If entity: Provide name of entity</b>		T D



APPENDIX E – WARD REPORTING

Functionality of Ward Committees					
Ward Name (Number)	Name of Ward Councillor and elected Ward committee members	Committee established (Yes / No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
					T E

APPENDIX F – WARD INFORMATION

**Ward Title: Ward Name (Number)**

Capital Projects: Seven Largest in 2008/09 (Full List at Appendix X)					R' 000
No.	Project Name and detail	Start Date	End Date	Total Value	

T F.1

Basic Service Provision					
Detail	Water	Sanitation	Electricity	Refuse	Housing
Households with minimum service delivery					X
Households without minimum service delivery					
Total Households*					
Houses completed in year	X				
Shortfall in Housing units					
<i>*Including informal settlements</i>					

T F.2

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	Priority Name and Detail	Progress During 2008/09

T F.3

ELECTED WARD MEMBERS (STATING NUMBER OF MEETING ATTENDED – MAXIMUM 12 MEETINGS)

Names: xxx (8); xxx (7)...

T F.3



APPENDIX H – LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS

Long Term Contracts (20 Largest Contracts Entered into 2008/09)					R' 000
Name of Service Provider (Entity or Municipal Department)	Description of Services Rendered by the Service Provider	Start Date of Contract	Expiry date of Contract	Project manager	Contract Value
					T H.1

Public Private Partnerships Entered into 2008/09					R' 000
Name and Description of Project	Name of Partner(s)	Initiation Date	Expiry date	Project manager	Value 2008/09
					T H.2

# APPENDICES

## APPENDIX I – MUNICIPAL ENTITY/ SERVICE PROVIDER PERFORMANCE SCHEDULE

Municipal Entity/Service Provider Performance Schedule									
Name of Entity & Purpose  (i)	(a) Service Indicators  (b) Service Targets  (ii)	2007/08		2008/09			2009/10	2012/13	
		Target	Actual	Target		Actual	Target		
		*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)

Note: This statement should include no more than the top four priority indicators. \* 'Previous Year' refers to the targets that were set in the 2007/08 Budget/IDP round; \*'Current Year' refers to the targets set in the 2008/09 Budget/IDP round. \*'Following Year' refers to the targets set in the 2009/10 Budget/IDP round. Note that all targets must be fundable within approved budget provision. In column (ii) set out the Service Indicator (In bold italics) then the Service Target underneath (not in bold - standard type face) to denote the difference.

# APPENDICES

## APPENDIX J – DISCLOSURES OF FINANCIAL INTERESTS

Disclosures of Financial Interests		
Period 1 July 2008 to 30 June 2009		
Position	Name	Description of Financial interests* (Nil / Or details)
(Executive) Mayor		
Member of MayCo / Exco		
Councillor		
Municipal Manager		
Chief Financial Officer		
Deputy MM and (Executive) Directors		
Other S57 Officials		

\* Financial interests to be disclosed even if they incurred for only part of the year. See MBRR SA34A

T J

# APPENDICES

## APPENDIX K: REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE

### APPENDIX K(i): REVENUE COLLECTION PERFORMANCE BY VOTE

Revenue Collection Performance by Vote						
Vote Description	Current Year 2011/12			R' 000		
	2011/12 Actual	Original Budget	Adjusted Budget	Actual	2011/12 Original Budget	Variance Adjustments Budget
Example 1 - Vote 1						
Example 2 - Vote 2						
Example 3 - Vote 3						
Example 4 - Vote 4						
Example 5 - Vote 5						
Example 6 - Vote 6						
Example 7 - Vote 7						
Example 8 - Vote 8						
Example 9 - Vote 9						
Example 10 - Vote 10						
Example 11 - Vote 11						
Example 12 - Vote 12						
Example 13 - Vote 13						
Example 14 - Vote 14						
Example 15 - Vote 15						
<b>Total Revenue by Vote</b>	-	-	-	-	-	-

Variations are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A3

T K.1

### APPENDIX K(ii): REVENUE COLLECTION PERFORMANCE BY SOURCE

# APPENDICES

Revenue Collection Performance by Source							R '000
Description	200708	2008/09			2008/09 Variance		
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget	
Property rates	26,485	23,572	28,075	23,042	-2.30%	-21.84%	
Property rates - penalties & collection charges	8,541	8,285	9,054	8,456	2.02%	-7.07%	
Service Charges - electricity revenue	12,355	10,254	12,478	13,219	22.43%	5.61%	
Service Charges - water revenue	14,232	13,235	13,662	12,097	-9.41%	-12.94%	
Service Charges - sanitation revenue	6,542	5,496	5,954	6,346	13.40%	6.19%	
Service Charges - refuse revenue	1,865	1,622	1,865	1,510	-7.41%	-23.46%	
Service Charges - other	5,643	5,530	5,925	5,304	-4.26%	-11.70%	
Rentals of facilities and equipment	5,643	5,530	5,925	5,304	-4.26%	-11.70%	
Interest earned - external investments	5,322	4,470	5,747	4,630	3.45%	-24.14%	
Interest earned - outstanding debtors	8,455	8,455	8,624	9,554	11.50%	9.73%	
Dividends received	1,254	1,003	1,191	1,354	25.93%	12.04%	
Fines	2,516	2,063	2,264	2,340	11.83%	3.23%	
Licences and permits	6,846	6,230	7,256	6,640	6.19%	-9.28%	
Agency services	12,546	10,413	11,793	11,542	9.78%	-2.17%	
Transfers recognised - operational	2,355	2,190	2,425	2,402	8.82%	-0.98%	
Other revenue	48,542	40,776	48,542	46,115	11.58%	-5.26%	
Gains on disposal of PPE	4,565	3,698	4,337	4,291	13.83%	-1.06%	
Environmental Protection	5,649	4,971	6,157	4,971	0.00%	-23.86%	
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>179,353</b>	<b>157,791</b>	<b>181,274</b>	<b>169,118</b>	<b>6.70%</b>	<b>-7.19%</b>	

Variations are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A4.

T K.2

## APPENDIX L: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG



# APPENDICES

Conditional Grants: excluding MIG						R' 000
Details	Budget	Adjustments Budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)
				Budget	Adjustments Budget	
Neighbourhood Development Partnership Grant				%	%	
				%	%	
				%	%	
Public Transport Infrastructure and Systems Grant				%	%	
				%	%	
				%	%	
				%	%	
<i>Other Specify:</i>				%	%	
				%	%	
				%	%	
				%	%	
<b>Total</b>				%	%	

\* This includes Neighbourhood Development Partnership Grant, Public Transport Infrastructure and Systems Grant and any other grant excluding Municipal Infrastructure Grant (MIG) which is dealt with in the main report, see T5.8.3. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.

TL

COMMENT ON CONDITIONAL GRANTS EXCLUDING MIG:

**Delete Directive note once comment is complete** – Use this box to provide additional information on grant benefits or conditions and reasons for acceptance.

TL.1

# APPENDICES

## APPENDIX M: CAPITAL EXPENDITURE – NEW & UPGRADE/RENEWAL PROGRAMMES

### APPENDIX M(i): CAPITAL EXPENDITURE - NEW ASSETS PROGRAMME

Capital Expenditure - New Assets Programme*							
Description	2007/08	2011/12		Planned Capital expenditure			R '000
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3
	<b>Capital expenditure by Asset Class</b>						
<b>Infrastructure - Total</b>	-	-		-	-	-	-
<b>Infrastructure: Road transport - Total</b>	-	-		-	-	-	-
<i>Roads, Pavements &amp; Bridges</i>							
<i>Storm water</i>							
<b>Infrastructure: Electricity - Total</b>	-	-		-	-	-	-
<i>Generation</i>							
<i>Transmission &amp; Reticulation</i>							
<i>Street Lighting</i>							
<b>Infrastructure: Water - Total</b>	-	-		-	-	-	-
<i>Dams &amp; Reservoirs</i>							
<i>Water purification</i>							
<i>Reticulation</i>							
<b>Infrastructure: Sanitation - Total</b>	-	-		-	-	-	-
<i>Reticulation</i>							
<i>Sewerage purification</i>							
<b>Infrastructure: Other - Total</b>	-	-		-	-	-	-
<i>Waste Management</i>							
<i>Transportation</i>							
<i>Gas</i>							
<i>Other</i>							
<b>Community - Total</b>	-	-		-	-	-	-
Parks & gardens							
Sportsfields & stadia							
Swimming pools							
Community halls							
Libraries							
Recreational facilities							
Fire, safety & emergency							
Security and policing							
Buses							
Clinics							
Museums & Art Galleries							
Cemeteries							
Social rental housing							
Other							

Table continued next page

# APPENDICES

Table continued from previous page

Capital Expenditure - New Assets Programme*							
Description	R '000						
	2007/08	2008/09			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3
<b>Capital expenditure by Asset Class</b>							
<b>Heritage assets - Total</b>	-	-		-	-	-	-
Buildings							
Other							
<b>Investment properties - Total</b>	-	-		-	-	-	-
Housing development							
Other							
<b>Other assets</b>	-	-		-	-	-	-
General vehicles							
Specialised vehicles							
Plant & equipment							
Computers - hardware/equipment							
Furniture and other office equipment							
Abattoirs							
Markets							
Civic Land and Buildings							
Other Buildings							
Other Land							
Surplus Assets - (Investment or Inventory)							
Other							
<b>Agricultural assets</b>	-	-		-	-	-	-
List sub-class							
<b>Biological assets</b>	-	-		-	-	-	-
List sub-class							
<b>Intangibles</b>	-	-		-	-	-	-
Computers - software & programming							
Other (list sub-class)							
<b>Total Capital Expenditure on new assets</b>	#REF!	#REF!		#REF!	#REF!	#REF!	#REF!
<b>Specialised vehicles</b>	-	-		-	-	-	-
Refuse							
Fire							
Conservancy							
Ambulances							

\* Note: Information for this table may be sourced from MBRR (2009: Table SA34a)

T M.1

# APPENDICES

## APPENDIX M(ii): CAPITAL EXPENDITURE – UPGRADE/RENEWAL PROGRAMME

Capital Expenditure - Upgrade/Renewal Programme*							
Description	R '000						
	2007/08	2008/09		Planned Capital expenditure			
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3
<b>Capital expenditure by Asset Class</b>							
<b>Infrastructure - Total</b>	-	-		-	-	-	-
Infrastructure: Road transport -Total	-	-		-	-	-	-
<i>Roads, Pavements &amp; Bridges</i>							
<i>Storm water</i>							
<b>Infrastructure: Electricity - Total</b>	-	-		-	-	-	-
<i>Generation</i>							
<i>Transmission &amp; Reticulation</i>							
<i>Street Lighting</i>							
<b>Infrastructure: Water - Total</b>	-	-		-	-	-	-
<i>Dams &amp; Reservoirs</i>							
<i>Water purification</i>							
<i>Reticulation</i>							
<b>Infrastructure: Sanitation - Total</b>	-	-		-	-	-	-
<i>Reticulation</i>							
<i>Sewerage purification</i>							
<b>Infrastructure: Other - Total</b>	-	-		-	-	-	-
<i>Waste Management</i>							
<i>Transportation</i>							
<i>Gas</i>							
<i>Other</i>							
<b>Community</b>	-	-		-	-	-	-
Parks & gardens							
Sportsfields & stadia							
Swimming pools							
Community halls							
Libraries							
Recreational facilities							
Fire, safety & emergency							
Security and policing							
Buses							
Clinics							
Museums & Art Galleries							
Cemeteries							
Social rental housing							
Other							
<b>Heritage assets</b>	-	-		-	-	-	-
Buildings							
Other							

Table continued next page

# APPENDICES

Table continued from previous page

Capital Expenditure - Upgrade/Renewal Programme*							R '000
Description	2007/08	2008/09		Actual Expenditure	Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget		FY + 1	FY + 2	FY + 3
<b>Capital expenditure by Asset Class</b>							
<b>Investment properties</b>	-	-		-	-	-	-
Housing development							
Other							
<b>Other assets</b>	-	-		-	-	-	-
General vehicles							
Specialised vehicles							
Plant & equipment							
Computers - hardware/equipment							
Furniture and other office equipment							
Abattoirs							
Markets							
Civic Land and Buildings							
Other Buildings							
Other Land							
Surplus Assets - (Investment or Inventory)							
Other							
<b>Agricultural assets</b>	-	-		-	-	-	-
List sub-class							
<b>Biological assets</b>	-	-		-	-	-	-
List sub-class							
<b>Intangibles</b>	-	-		-	-	-	-
Computers - software & programming							
Other (list sub-class)							
<b>Total Capital Expenditure on renewal of existing assets</b>	-	-		-	-	-	-
<b>Specialised vehicles</b>	-	-		-	-	-	-
Refuse							
Fire							
Conservancy							
Ambulances							

\* Note: Information for this table may be sourced from MBRR (2009: Table SA34b)

T M.2

# APPENDICES

## APPENDIX N – CAPITAL PROGRAMME BY PROJECT 2011/12

Capital Programme by Project 2011/12					
Capital Project	Original Budget	Adjustment Budget	Actual	Variance (Act - Adj)	Variance (Act - OB)
				%	%
<b>Water</b>					
"Project A"	82	85	92	8%	11%
"Project B"	82	85	92	8%	11%
"Project C"	85	90	95	5%	11%
<b>Sanitation/Sewerage</b>					
"Project A"	82	85	92	8%	11%
"Project B"	85	90	95	5%	11%
<b>Electricity</b>					
"Project A"	82	85	92	8%	11%
"Project B"	85	90	95	5%	11%
<b>Housing</b>					
"Project A"	82	85	92	8%	11%
"Project B"	85	90	95	5%	11%
<b>Refuse removal</b>					
"Project A"	82	85	92	8%	11%
"Project B"	85	90	95	5%	11%
<b>Stormwater</b>					
"Project A"	82	85	92	8%	11%
"Project B"	85	90	95	5%	11%
<b>Economic development</b>					
"Project A"	82	85	92	8%	11%
"Project B"	85	90	95	5%	11%
<b>Sports, Arts &amp; Culture</b>					
"Project A"	82	85	92	8%	11%
"Project B"	85	90	95	5%	11%
<b>Environment</b>					
"Project A"	82	85	92	8%	11%
"Project B"	85	90	95	5%	11%
<b>Health</b>					
"Project A"	82	85	92	8%	11%
"Project B"	85	90	95	5%	11%
<b>Safety and Security</b>					
"Project A"	82	85	92	8%	11%
"Project B"	85	90	95	5%	11%
<b>ICT and Other</b>					
"Project A"	82	85	92	8%	11%
"Project B"	85	90	95	5%	11%

T N

## APPENDIX O – CAPITAL PROGRAMME BY PROJECT BY WARD 2011/12

# APPENDICES

Capital Programme by Project by Ward 2011/12*		
Capital Project	Ward(s) affected	R' 000 Works completed (Yes/No)
<b>Water</b>		
"Project A"		
"Project B"		
<b>Sanitation/Sewerage</b>		
<b>Electricity</b>		
<b>Housing</b>		
<b>Refuse removal</b>		
<b>Stormwater</b>		
<b>Economic development</b>		
<b>Sports, Arts &amp; Culture</b>		
<b>Environment</b>		
<b>Health</b>		
<b>APPENDIX P – SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINICS</b>		
<b>Safety and Security</b>		
<b>ICT and Other</b>		

TO

# APPENDICES

Service Backlogs: Schools and Clinics				
Establishments lacking basic services	Water	Sanitation	Electricity	Solid Waste Collection
<b>Schools (NAMES, LOCATIONS)</b>				
<b>Clinics (NAMES, LOCATIONS)</b>				
Names and locations of schools and clinics lacking one or more services. Use 'x' to mark lack of service at appropriate level for the number of people attending the school/clinic, allowing for the proper functioning of the establishment concerned.				

T P



# APPENDICES

APPENDIX Q – 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 (where the municipality whether or not act on agency basis)

Services and Locations	Scale of backlogs	Impact of backlogs
<b>Clinics:</b>		
<b>Housing:</b>		
<b>Licencing and Testing Centre:</b>		
<b>Reseviors</b>		
<b>Schools (Primary and High):</b>		
<b>Sports Fields:</b>		

T Q



# APPENDICES

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

MFMA Section 71 Returns Not Made During 2011/12 According to Reporting Requirements	
Return	Reason Return has not been properly made on due date

TS

CONCERNING TS

Delete this Appendix if all returns have been made in accordance with reporting requirements.

***Delete Directive note before publication***

TS.1

# VOLUME II

## VOLUME II: ANNUAL FINANCIAL STATEMENTS

Provide the audited Annual Financial Statements to the Annual report for 2011/12 – This to be developed as a separate volume. Refer to MFMA Circular 36 for further guidance.

TV2