



# XHARIEP DISTRICT MUNICIPALITY

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2019



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# XHARIEP DISTRICT MUNICIPALITY

## GUNNER FOR CLEAN AUDIT, 2019/2020

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The Xhariep District Municipality is amongst the only 3 municipalities who have received unqualified audit opinion in the Free State. For the past three consecutive years, that is; 2015/2016, 2016/2017 and 2017/2018 financial years, the Auditor General of South Africa noted few matters of emphasis that relates to the following;

- Non-compliance matters,
- Material Misstatements on the Annual Financial Statements, and
- Non investigation on the Unauthorised, Irregular, Fruitless and wasteful expenditure.

Having stated above non – compliance matters, the Xhariep District Municipality have not been performing its powers and functions, and there was a cut on equitable shares during the 2015 / 2016 financial year however municipality maintained its status of receiving unqualified opinion from the Office of the Auditor General of SA. The municipality has been preparing Annual Financial Statements (AFS) in – house wholly reliant on its dedicated employees from Budget and Treasury Office who had sufficient skills and knowledge to execute municipality`s objective with due diligence.

The support of political office bearers, the municipal manager and managers reporting to her ensures that governance is upheld at all units within the municipality to ensure that deliverables of the mandate is achieved.

With AGSA underway with its audit for the period under review 2018/2019, the municipality is hoping to reduce its non-compliance matters. The municipality has worked tirelessly to ensure that its aim of working towards clean administration would be achievable. The municipality had appointed AFS consultants for the current financial year to attend to the matters of emphasis as raised by the AGSA and optimistic that the Municipal Public Accounts Committee will play its essential role of oversight and accountability.

I have taken a serious thump by the resignation of key employees in the Budget and Treasury Office; however I am inspired by the culture of hard work that they've left behind. I draw courage from the consistency of our municipality audit performance for the last 3 years, and I am confident that our collective efforts will yield positive results, said the Municipal Manager, Ms Lebohang Moletsane boastfully.

# MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC): IMPROVING OVERSIGHT AND ACCOUNTABILITY

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The MPAC is a committee of council established in terms of Section 79 (1) (a) and (b) of the Municipal Systems Act of 1998. In accordance with the above provision, the MPAC has powers and functions that council has seen fit to delegate to the committee.

The legal basis for the MPAC oversight functions are set out in Section 129 (4) of the Municipal Finance Management Act (MFMA) which provides guidance on the manner in which Municipal Council should consider annual reports and conduct public hearings.

*According to the Auditor General "MPAC undertake and manage similar functions and responsibilities for municipalities as undertaken by SCOPA."*

The primary functions of MPAC are as follows, namely;

- To review and evaluate the content of the annual report and make recommendations to council when adopting an oversight, report on the annual report;
- In the case of matters not finalised, information relating to past recommendations made on the annual report, must also be reviewed. This relates to current in-year reports, including quarterly, mid-year and annual reports. This exercise must be geared to the remedy of problems rather than simply reporting on issues that remain persistently unresolved;
- To examine the financial statements and audit reports of the municipality. This review must identify shifts and improvements from previous statements and reports. It must also assess the extent to which the Audit Committee's and the Auditor-General's recommendations have been implemented and seek explanation when no or ineffective actions have followed;
- To promote good governance, transparency and accountability and value for money in the use of municipal resources;
- To recommend or undertake any investigation in its area of responsibility, after reviewing any investigation report already undertaken by the municipality or the Audit Committee;
- To perform any other functions assigned to it through a resolution of Council within its area of responsibility. The municipality is the closest sphere of government where direct service delivery occurs and this requires significant public expenditure.

Consequently, it is at this level that proper public oversight and accountability become critical. The municipalities face serious challenges in respect to governance, accountability and financial management systems. The widely accepted principles of public oversight and accountability ensure that those entrusted with Executive powers and public resources are required to give account of how they exercise of their powers and responsibilities.

# AGRI-PARK IS WORK IN PROGRESS

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Despite the challenges that have been there with regard to the implementation of the Agri – Park, the Xhariep District Municipality has managed to sit down with the Department of Rural Development and Land Reforms to come up with a way – forward.

The Agri – Park in Springfontein, Kopanong Local Municipality is one of the 44 established throughout South Africa.

The concept for Agri-Parks draws from existing models locally and abroad, including educational/experimental farms, collective farming, farmer-incubator projects, agri – clusters, eco – villages, and urban – edge allotments and market gardens.

These models may exist on both public and private lands. The naming of the concept as a “park” is intended to convey the role the Agri – Park will play in open space preservation.

While the term suggests the permanent land conservation and recreational use as exemplified by the public park, it also evokes the traditional model of an agricultural business park or hub, where multiple tenants and owners operate under a common management structure.

It is anticipated that by 2030, the district wide project would be handed over to the beneficiaries, and then the Department of Rural and Land Reforms will exit the functional project. The Xhariep District Municipality has signed off the business master plan for the Agri – Hub where processing plant will be done and the approach is as follows;

- Construct the Agri – Hub processing plant at Springfontein with the abattoir, warehouse, bulk reticulation services, access roads with related storm water works and parking spaces,
- Farmers Production Support Unit (FPSU) projects at all three local municipalities to feed to the processing hub in Springfontein,
- The Aquaculture production plants will feed into the Agri – Park Processing plant.

The District Agri – Park Management Committee (DAMC) that is chaired by the Executive Mayor is responsible for oversight and implementation of the project.

# Agric – Hub in brief

Whilst, the Department of Agriculture has erected a fence and a guard room around the facility in Springfontein, the Environmental Impact Assessment (EIA) was not conducted and other related issues like zoning would have affected the implementation. The construction of an abattoir cannot be funded for this financial year 2019/20 due to the challenge of land classification (agricultural land) of which the application for land development and use is before the Municipal Planning Tribunal (MPT) of Kopanong Local Municipality for consideration. The service provider for Springfontein has been appointed at the estimated costs of R21 million to do the following works;

- Warehouse,
- Bulk services (reticulation), Access roads with related storm water works, and
- Parking spaces
- The Agri – Hub is a production, equipment hire, processing, packaging, logistics, innovation and training unit.
- Parking spaces

## Farmer's Production Support Unit at Local Municipality



The Agri – Hub is a production, equipment hire, processing, packaging, logistics, innovation and training unit. The department of Rural Development and Land Reforms has since constructed Farmers Production Support Units in Bethulie, Kopanong and Koffiefontein, Letsemeng respectively. This infrastructure is fairly new and intervention plans are in motion to incorporate them into the business master plan.

The town of Zastron in Mohokare Local Municipality has also been earmarked for Farmers Production Support Unit. The Department of Rural Development and Land Reforms has appointed service provider to the tune 23 million to do the following works;

- Built a training centre
- Mechanisation centre

The Farmer Production Support Unit (FPSU) is a rural small – holder farmer outreach and capacity building unit that links farmers with markets. The FPSU does primary collection, some storage, provides some processing for the local market, and extension services including mechanisation. From the enterprise side of Rural Development, plans are being put in place to ensure that the project feed to the Agri – Hub by capacitating farmers with regards to production and enterprise training.

# Job Opportunities

The total costs for the business master plan was estimated to be at R96 million with all the phases expected been completed. With the current work been done on the identified sites, it is anticipated that there will be job creation opportunities for local small enterprises and labourers according to each phase of the project.

The Executive Mayor remains the champion of the Agri – Hub and she is working very closely with the members District Agric – Park Management Committee to ensure proper coordination and integration of all stakeholders to adequately play their role, be it funding, training etc.

*This is the national programme; I am the mouthpiece of the community and I will make sure that all the necessary channels are followed*

To the latter including bringing on board the relevant sector departments dealing economic growth and development. This is an important milestone for our poorest district and processes must be expedited, the Executive Mayor; Clr MJ Sehanka emphasise.

## Way - Forward

The Local Economic Development Forum will be resuscitated and will include all sector departments together with other interested stakeholders responsible for economic development and growth. These structures are important to support the political office bearers, the DAMC, the project steering committees including the service provider to efficiently and effectively implement the project. The Xhariep District Municipality calls on community members and other stakeholders to preserve and protect these facilities against eminent vandalism.

## MEC DESTEA VISITS THE XHARIEP DISTRICT MUNICIPALITY

The MEC Economic, Small Business Development, Tourism and Environment Affairs, Mr Makalo Mohale visited the Xhariep District Municipality and its Local Municipalities on Tuesday, the 17th of September 2019 in Trompsburg.



The purpose of the visit was to assess investment initiatives that can be undertaken and supported by

his department following his budget vote. The Department had bi – lateral engagements with the municipalities around possible projects to be backed for this financial year, and also aimed to establish the first ever Enterprise Support Initiatives in the Xhariep District Municipality.

The department together with the municipalities have agreed on a structured approach to ensure delivery and implementation of the program of action that will be finalised by the LED Managers. The

DESTEA HOD and the Accounting Officers after the interactions with the MEC resolved that the Xhariep District Municipality will submit a programme of action signed off by Municipal Managers on the 27th of September 2019 after they have received a detailed briefing from the LED Managers.

# LEARN MORE ABOUT THE GARIEP FISH HATCHERY

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Background of China –South Africa Agricultural Technology Demonstration Centre

The China-South Africa Agricultural Technology Demonstration Centre (ATDC) was one of the fourteen Agricultural Technology Demonstration Centre's funded by the Chinese Government during the Beijing Summit on Forum of China Africa Cooperation (FOCAC) in 2006. Other African countries also funded includes: Zambia, Mozambique, Zimbabwe, Ghana, Sierra Leon, Sudan and Malawi.



It is the first project in which the Chinese Government aided South Africa in the area of agriculture.

The ATDC project was jointly undertaken by the Chinese Government (Ministry of Commerce, MOFCOM), the South African Governments (Department of Agriculture, Forestry and Fisheries, DAFF) and the Free State Department of Agriculture and Rural Development (FS: DARD). The ATDC project was divided into two phases.

The Construction phase (phase one) which started in March 2009 and completed in January 2011.

December 2012, the Chinese Government visited South Africa and conducted verification processes which lead to formal conclusion of the Phase One.

The first phase of the project was formally handed over to South Africa in October 2013 through a signed Hand-over certificate between DAFF and MOFCOM. The Technical Cooperation phase (phase two)

Technical Cooperation Phase took place from February 2014 until January 2017.

The formal conclusion of the partnership with the Chinese Government was in June 2017, giving the South African Government total control and ownership of the facility.

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## TCP Hand over Ceremony

The formal conclusion of the partnership with the Chinese Government was in June 2017, giving the South African Government total control and ownership of the facility.

The project is located in Free State province, Xhariep District, Kopanong Local Municipality, Gariiep dam along the Orange River System which supplies water to the Centre with a total Area of 47 ha.

## Responsibility

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- To conduct research on freshwater aquaculture breeding technology, and select seeds fitting for local conditions (Research).
- To promote advanced freshwater aquaculture technology and management practice (Technology Demonstration).
- To cultivate and promote freshwater fish market in South Africa, maintaining sustainable development (Breeding).
- To perform social responsibilities, spreading knowledge to common people and primary and secondary students (Training and capacity building).
- To develop technology extension and local farmers training (Awareness).
- To assist local farmers with providing guidance and related supporting service (Advisory and extension services).

## Training and Capacity Building

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The ATDC project has trained a total of 168 trainees from April 2018 to March 2019 (previous financial year).

This total number of trainees comprised of local farmers, potential farmers, higher education students, graduates and government officials. ATDC has also offered 4 experiential trainings and 3 internship programs.

ATDC hosted 510 visitors who received a day tour of the Centre. It has been involved in International training.



# Research

The ADTC research is being conducted by the aquaculture specialists, scientists and the technicians. Research will be focusing research topics around the following:

- Fish nutrition
- Fish breeding
- Aquaculture environment
- Production systems
- Aquaculture economics
- Aquatic animal health and diseases



The value chain at ATDC includes the;

- Fingerlings production- Breeding and rearing of fries to be supplied to out grower projects.
- Grow out and broodstock production- for potential market and breeding.
- Fish Processing Plant- for future fish agro-processing: capacity 250 to 500 ton per year (which is 1-2 tons per day).
- Feed Processing Plant- for production of feed for ATDC and neighboring- projects

## Fingerling Production

The demonstration of breeding and farming of freshwater fish is the most significant technical activities facilitation in the Centre.

The Centre is currently conducting breeding techniques on African catfish, Common carp, Mozambique Tilapia and aquarium fish (Koi Carp and Gold fish).

Breeding is done twice a year, around January to March and October to December.

## QUARTERLY DISASTER MANAGEMENT ADVIRORY FORUM

The Disaster Management 2002, section requires that the District convenes Disaster Management Advisory Forum quarterly. The Xhariep District Municipality convened its sitting on the 26 September 2019 at the District offices, The Disaster Management Advisory Forum comprised of different stakeholders such as Department and State owned Enterprises.

Disaster Management Advisory Forum was blessed with the presence of Joe Qgabi District Municipality and OR Tambo District Municipality from Eastern Cape was represented by Mr Patrick Moyo and Ms Lindiwe Mehlokhulu. TISES presented a document on how to sources funds from various methodologies in relation to Disaster Management. The Xhariep District Municipality and Joe Qgabi District Municipality signed a memorandum of understanding regarding the issues of Disaster between two District Municipalities. The Disaster Management Advisory Forum expatiated quite number of issues such as safety checklist reviewed of Disaster Management Plan of Local Municipalities and of four Hospitals, Albert Nzula, Embekweni, Diamant and Stoffel Coetzee.

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