

2013/2014

XHARIEP DISTRICT MUNICIPALITY

# ANNUAL REPORT

## Volume I

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# Chapter 1

## CHAPTER 1 – MAYOR’S FOREWORD AND EXECUTIVE SUMMARY

### COMPONENT A: MAYOR’S FOREWORD

#### MAYOR’S FOREWORD

Once again it is that time of the year which we do introspection and reflect on what we did achieve and what we did not as well. This is a very important exercise for us in government because it is a tool that we account to our constituents, rate payers and the community at large.

I have great pleasure to introduce the 2013/2014 Annual Report of the Xhariep District Municipality, which is both a legislative and accountability requirement. In terms of Section 46 of the Local Government: Municipal Systems Act No. 32 of 2000 and Sections 121 and 127(2) of the Local Government: Municipal Finance Management Act No. 56 of 2003, the Municipality must prepare an annual report for each financial year and the Executive Mayor must table such report in Council within seven months after the end of each financial year.

This Annual Report is a culmination of the implementation of the Council’s adopted Integrated Development Plan and Service Delivery and Budget Implementation Plan for the 2013/2014 financial year.

This Report presents the institution’s achievements and challenges in working smarter and better in improving service delivery and development.

#### Achievements

The Municipality’s progress in achieving its objectives in all key performance areas will be outlined in this Annual Report. The key performance areas are as follows:

- Basic service delivery and infrastructure development
- Municipal financial viability and management
- Municipal transformation and development
- Local economic development
- Good governance and public participation

#### Key Achievements over the review period include the following

- Establishment of shared services for risk management and auditing.
- Financial statements comply with GRAP standards.
- Establishment of Disaster Management Unit and Environmental Health Unit as part of our powers and function in terms of section 84 of municipal structures act.
- Constant communication with residents of Xhariep District about plans and developments within this jurisdiction.
- Municipal transformation and development through skills development, Financial accountability

# Chapter 1

- More processes are internally carried out without the use of consultants, specifically compilation of IDP's, annual budgets and SDBIP's.
- Projects implementation as per IDP and budget.
- Establishment of economic development forums to provide platform for the LED stakeholders to engage on matters related to economic development.

I would like to articulate my genuine gratitude to all Councillors, officials, the communities of Xhariep and stakeholders for their involvement to the progress made for the year under review.

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

Mayor/Executive Mayor

T 1.0.1

# Chapter 1

## COMPONENT B: EXECUTIVE SUMMARY

### 1.1. MUNICIPAL MANAGER'S OVERVIEW

#### MUNICIPAL MANAGER'S OVERVIEW

I feel very honoured to present the 2013/14 Annual Report of Xhariep District Municipality as prepared in terms of section 46(1) of the Local Government: Municipal Systems Act 32 (act 32 of 2000) and section 121(1) of the Local Government: Municipal Finance Management Act (Act 56 of 2003). This Annual Report will reflect on all the achievements and challenges faced by the District during the year under review. In compiling this annual report, the three important legislative core processes the IDP, the Budget and the Performance Management Systems were used.

It is important to note that Xhariep District Municipality is still solely dependent on the National and Provincial Grants for it to survive and carry to out to its constitutional mandate and for it to annually approve a balanced budget, there needs to be top-up funding, over and above, the grants.

As mentioned earlier, the District uses the IDP for Strategic Planning which gives direction and guidance and to link what has been planned with the budget. The performance management system is also a strategic monitoring tool to evaluate, review and measure the performance. These are core processes without which the District cannot function and operate.

These core processes when applied properly, will assist in planning, as planning sets the standard to facilitate the control. Without planning, control, cannot take place. These core processes will definitely help improve service delivery and promote general welfare of the communities in the District.

The District has managed to achieve political stability, sound financial and administrative management as well as a number of core functions. Below are just some of the achievements of the Xhariep District Municipality in the year under review:

- ❖ The municipality being able to perform some of its powers and functions such as Municipal Planning; Local Economic Development; Disaster Management and Environmental Health Services.
- ❖ Providing support to SMME's through purchasing equipment for them and assisting them in professionalizing their business.
- ❖ Expanded Public Works Programme (EPWP) for creating jobs in the Xhariep District
- ❖ The profiling of roads within our local municipalities through the Rural Road Asset Management System (RRAMS) project



# Chapter 1

My gratitude goes to the Municipal Council, the Executive Mayor, Heads of Department as well as to all employees who assisted the Municipality to steer the ship to provide quality services to our community.

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

Municipal Manager

T 1.1.1

## 1.2. MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

### INTRODUCTION TO BACKGROUND DATA

Out of 16 district functions, Xhariep district municipality is performing 3(18.75%) of these functions. Xhariep District was estimated at a population of approximately 164 000 people in 2007. According to the 2011 Census statistics, its population size has declined with a lesser average of 2.21% per annum since 2007 to 2011,). The current district's population is at 145 742 people as per the 2011 census survey statistics.

T 1.2.1

### Population Details

Age	Population '000								
	Year -1			Year 0			Year 1		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Age: 0 - 14	25 189	25 022	50 211	26 189	26 241	52 430	22 734	22 250	44 984
Age: 15-64	42 333	43 860	86 193	49 859	50 762	100 621	45 309	46 692	92 001
Age: 65+	3 304	5 117	8 421	3 699	5 976	9 676	3 615	5 658	9 273
Total	70 826	74 000	144 826	79 747	82 990	162 727	71 658	74 600	146 259

Source: Statistics SA T1.2.2

### SOCIO ECONOMIC STATUS: Economically Active Population per local municipality

Local Municipality	Number	Percentage (%)
Kopanong	19472	29.54
Letsemeng	16639	30.53
Mohokare	12110	32.63
Naledi	8067	27.38

Data Source: STATSSA (Census 2011 Survey)

# Chapter 1

## OVERVIEW OF NEIGHBOURHOODS WITHIN (NAME OF MUNICIPALITY)

Type of dwellings	FS161: Letsemeng	FS162: Kopanong	FS163: Mohokare	FS164: Naledi
House or brick/concrete block structure on a separate stand or yard or on a farm	9016	13904	9027	6309
Traditional dwelling/hut/structure made of traditional materials	17	57	74	34
Flat or apartment in a block of flats	63	80	62	35
Cluster house in complex	12	11	5	42
Townhouse (semi-detached house in a complex)	36	31	1	9
Semi-detached house	76	20	97	106
House/flat/room in backyard	133	197	103	15
Informal dwelling (shack; in backyard)	634	475	838	662
Informal dwelling (shack; not in backyard; e.g. in an informal/squatter settlement or on a farm)	1179	739	483	436
Room/flat let on a property or larger dwelling/servants quarters/granny flat	22	51	55	10
Caravan/tent	5	6	9	-

# Chapter 1

Natural Resources	
Major Natural Resource	Relevance to Community
Water (Gariiep Dam)	Supply of water to households and generation of electricity.
Diamonds (Jaggersfontein and Koffiefontein)	Job creation, Revenue enhancement, Economic development, human settlement.
Uranium (Edenburg)	Job creation, Revenue enhance, Economic development, human settlement
Land	Job creation through farming and settlement of communities
Sun (Radiation energy)	Job creation through erection of solar hubs
T1.2.7	

## COMMENT ON BACKGROUND DATA:

The District faces various challenges ranging from widespread poverty to service delivery and infrastructure backlogs. It is estimated that almost 80% of the District residents live in poverty; worsened by a high unemployment rate of approximately 26.80%. Backlogs in service delivery are experienced in the following areas: water delivery and sanitation. The main contributors to the area's economy are agriculture, which generates approximately 28% of Gross Value Added; public service and administration 26%; services and retail 17%; and construction 8%.

T1.2.8

## 1.3. SERVICE DELIVERY OVERVIEW

### SERVICE DELIVERY INTRODUCTION

The district municipality has started to perform the functions of Environmental Health and Disaster Management with effect from December 2009. Critically, the Municipal Structures Amendment Act (Act 33 of 2000) provides for an extensive annual review of the division of powers and functions between Category B and Category C to ensure effective implementation of these assigned powers following an advice provided by the Municipal Demarcation Boarding emanating from the Boards' annual capacity assessment report.

T1.3.2

## COMMENT ON ACCESS TO BASIC SERVICES:

The district has no primary competencies or authority for basic services such as water, sanitation, refuse / waste removal and electricity supply. However, as a developmental local government Xhariep has interest in ensuring that these services are adequately provided by its local municipalities who have primary authority for their provision. In addition, the district has a constitutional role of coordinating support for local municipalities so that they can be better capacitated to perform their mandates.

# Chapter 1

T1.3.3

## 1.4. FINANCIAL HEALTH OVERVIEW

### FINANCIAL OVERVIEW

The municipality at large does not have a revenue base as it solely depends on grants from other spheres of government and that is putting a strain on the finances of the municipality as only a few projects can be carried out in a financial year

T1.4.1

# Chapter 1

Financial Summary						
						R' 000
Description	Year 0	Current Year: Year 1			Year 1 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
<b>Financial Performance</b>						
Property rates	-	-	-	-	%	%
Service charges	-	-	-	-	%	%
Investment revenue	284	129	129	272	110.85%	110.85%
Transfers recognised - operational	40 588	59 971	59 340	54 605	-9.83%	-8.67%
Other own revenue	505	445	444	712	37.50%	37.50%
<b>Total Revenue (excluding capital transfers and contributions)</b>	41 377	60 555	59 913	56 344	-7.47%	-5.96%
Employee costs	30 159	34 411	32 100	34 018	-1.15%	5.98%
Remuneration of councillors	3 318	3 240	3 240	3 624	10.60%	10.60%
Depreciation & asset impairment	14 426	3 867	3 367	2 646	-32.09%	-21.41%
Finance charges	287	-	-	71	0%	0%
Materials and bulk purchases	-	-	-	-	%	%
Transfers and grants	-	-	-	-	%	%
Other expenditure	22 556	21 339	21 700	19 685	-7.75%	-9.29%
<b>Total Expenditure</b>	70 745	62 856	60 406	60 044	14,53%	4,16%
<b>Surplus/(Deficit)</b>	(29 368)	(2 301)	(493)	(3 700)	-4.47%	-1.52%
Transfers recognised - capital					%	%
Contributions recognised - capital & contributed assets					%	%
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	(29 368)	(2 301)	(493)	(3 700)	-4.47%	-1.52%
Share of surplus/ (deficit) of associate					%	%
<b>Surplus/(Deficit) for the year</b>	(29 368)	(2 301)	(493)	(3 700)	-4.47%	-1.52%
<b>Capital expenditure &amp; funds sources</b>						
<b>Capital expenditure</b>	-				%	%
Transfers recognised - capital	-				%	%

# Chapter 1

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Borrowing					%	%
Internally generated					%	%
funds					%	%
<b>Total sources of capital funds</b>	-				%	%
<b>Financial position</b>						
Total current assets	3 729			3 462	%	%
Total non-current assets	20 822			20 095	%	%
Total current liabilities	8 521			7 502	%	%
Total non-current liabilities	879			1 113	%	%
Community wealth/Equity	-			-	%	%
<b>Cash flows</b>						
Net cash from (used) operating	(11 886)			-853	%	%
Net cash from (used) investing	3 095			-408	%	%
Net cash from (used) financing	(452)			201	%	%
<b>Cash/cash equivalents at the year end</b>	1 819			770	%	%
<b>Cash backing/surplus reconciliation</b>						
Cash and investments available	1 819			770	%	%
Application of cash and investments	-			-	%	%
<b>Balance - surplus (shortfall)</b>	1 819			770	%	%
<b>Asset management</b>						
Asset register summary (WDV)	-	-	-	-	%	%
Depreciation & asset impairment	3 648			2 646	%	%

# Chapter 1

Renewal of Existing Assets	-			-	%	%
Repairs and Maintenance	1 271			1 596	%	%
<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:	-	-	-	-	%	%
<i>*Note: surplus/(deficit)</i>						
						T1.4.2

Operating Ratios	
Detail	%
Employee Cost	57%
Repairs & Maintenance	3%
Depreciation, Finance Charges & Impairment	4%
T1.4.3	

## OPERATING RATIOS:

Employee cost is excessively above the expected norm of 30%, repairs and maintenance significantly lower than the 20% norm and finance charges considerably lower than the 10% benchmark

T1.4.3

# Chapter 1

Total Capital Expenditure: Year -1 to Year 1					
					R'000
Details		Year 0	Year 1		
		Actual	Original Budget (OB)	Adjustment Budget	Actual
<b>Source of finance</b>					
	External loans	0	0	0	0
	Public contributions and donations	0	0	0	0
	Grants and subsidies	40 588	59 971	59 340	55 361
	Other	789	584	573	910
<b>Total</b>		<b>41 377</b>	<b>60 555</b>	<b>59 913</b>	<b>56 271</b>
<i>Percentage of finance</i>					
	External loans	0.00%	0%	0%	0%
	Public contributions and donations	0.00%	0%	0%	0%
	Grants and subsidies	98.10%	99.04%	99.05%	98.38%
	Other	1.90%	0.96%	0.95%	1.62%
<b>Capital expenditure</b>					
	Water and sanitation	0	0	0	0
	Electricity	0	0	0	0
	Housing	0	0	0	0
	Roads and storm water	0	0	0	0
	Other	1457514	4 346	1 325	0
<b>Total</b>		<b>1457514</b>			
<i>Percentage of expenditure</i>					
	Water and sanitation	0.00%	0.00%	0.00%	0.00%
	Electricity	0.00%	0.00%	0.00%	0.00%
	Housing	0.00%	0.00%	0.00%	0.00%
	Roads and storm water	0.00%	0.00%	0.00%	0.00%
	Other	100.00%	100.00%	100.00%	0.00%
					T1.4.4



# Chapter 1

## CAPITAL EXPENDITURE:

Capital expenditure is minimal and very insignificant (less than 10% of the budget) as the municipality does not have infrastructure assets under its jurisdiction by virtue of being a district municipality.

T 1.4.5.1

## 1.5. ORGANISATIONAL DEVELOPMENT OVERVIEW

### ORGANISATIONAL DEVELOPMENT PERFORMANCE

Organization Development (OD) is about improving performance at the individual, group, and Municipal organizational levels. It is about improving the organization's ability to effectively respond to changes in its external environment, and it's about increasing internal capabilities by ensuring the Xhariep District Municipal structures, human resources systems, job designs, communication systems, and leadership/managerial processes fully harness human motivation and help people function to their full potential.

Done well, such improvement can be transformational—producing fundamental changes in the way individuals, groups, and organizations functions.

T1.5.1

## 1.6. AUDITOR GENERAL REPORT

### AUDITOR GENERAL REPORT YEAR 1

The municipality obtained a qualified audit opinion for 2013/2014 financial year wherein the major issues were Property, Plant and Equipment, Prior period errors, commitments, aggregation of immaterial uncorrected misstatements and Unspent conditional grants and receipts.

T 1.6.1

# Chapter 1

## 1.7. STATUTORY ANNUAL REPORT PROCESS

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

T1.7.1

# Chapter 1

## COMMENT ON THE ANNUAL REPORT PROCESS

It is very important for the municipality to abide to statutory requirements regarding annual reporting.

The objectives of performance reporting are-

To foster accountability for performance

To facilitate systematic review of performance in order to ensure rational decision-making about improvement actions and to provide a historical record of progress made with achieving the Municipality's development objectives. Xhariep District Municipality is not foreseeing any failure of complying with statutory requirements regarding the compilation of the annual report.

T1.7.1.1

# Chapter 2

## CHAPTER 2 – GOVERNANCE

### INTRODUCTION TO GOVERNANCE

The Municipal Council uses a governance system that applies executive mayoral system. It is consisted of fourteen (14) Councillors with an Executive Mayor, Speaker and three (3) Mayoral Committee members are full time.

The Speaker presides over Ordinary and Special Council meetings and is also designated as a full time Councillor. The administration dispatch notices and agendas to Councillors forty eight (48) hours before the commencement of the council meeting as determined in the Standard Rule and Orders.

The Executive Mayor has executive powers and attends to day to day duties of the Municipal Council; and the three Mayoral Committee Members assist him in executing some of his responsibilities. One of the responsibilities of the Executive Mayor is to present the Mayoral Committee reports before Council.

The Municipality has appointed the Municipal Manager who is the head of the administration. He is responsible for day to day operations of the organization and accounts to the Executive Mayor. . Other managers who have been appointed in terms of section 56 of the Municipal Systems Act, 2000 reports directly to the Municipal Manager. It is important to highlight that the Municipality is composed of three departments, excluding the office of the Municipal Manager i.e. Corporate Services, Budget and Treasury Office and Planning and Social Development. These departments are headed by the section 56 Managers.

T2.0.1

## COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

### INTRODUCTION TO POLITICAL AND ADMINISTRATIVE GOVERNANCE

The Municipal Council is an executive mayoral system that was proclaimed in the Free State Provincial Gazette by the Minister of Cooperative Governance and Human Settlement. It consists of Sixteen (16) Councillors with an Executive Mayor, Speaker and three (3) Mayoral Committee members as full time Councillors

The Municipal Manager and managers directly accountable to the municipal manager organize administration in a manner that enables the Municipality to be responsive to the needs of the community within its jurisdiction. The Municipal Manager is the accounting officer who accounts to the political head, Executive Mayor as well as Council. He further provides guidance and advice to the political structures and manages the administration of the institution

T2.1.0

# Chapter 2

## 2.1 POLITICAL GOVERNANCE

### INTRODUCTION TO POLITICAL GOVERNANCE

Note: MFMA S52 (a): The Mayor must provide general political guidance over the fiscal and financial affairs of the municipality

The Council has established the following Committees in terms of the Municipal Structures Act and the Municipal Finance Management Act:

Three Section 80 Committees that process items before they could be forwarded to the Mayoral Committee and eventually to Council i.e. Corporate Services Committee, Planning and Development Committee and Budget and Treasury Committee. Three Section 80 Committees that process items before they could be forwarded to the Mayoral Committee and eventually to Council i.e. Corporate Services Committee, Planning and Development Committee and Budget and Treasury Committee.

The different Departments of the Municipality prepare reports that are then submitted to the Section 80 Committees for deliberation. After the aforementioned Committees have processed the reports presented before them, they are forwarded to the Mayoral Committee for further processing. Thereafter these reports are taken to Council for consideration and adoption. Important to note is that the Section 80 Committees, Mayoral Committee and Council sit as per schedule of Council meetings that was adopted by the Council.

The Municipal Council has established an Oversight Committee, which is composed of three members, one non-executive Councillor, one community member and one member of the Internal Audit Committee; and the Council by playing an Oversight role in the activities that are performed by the Municipality.

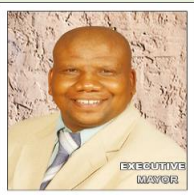
The Annual Report is prepared by the Performance Management Unit in collaboration with other departments. When the management is satisfied with this report it is then submitted to the Council for noting before the 25<sup>th</sup> of January of each year. Subsequent to this process it is forwarded to the Oversight Committee before the 31<sup>st</sup> March of each year for assessment and thereafter it is presented before the Council with the Committee comments and recommendations. The Annual Report and the Oversight Committee report are submitted to Departments of Treasury and Cooperative Governance and Traditional Affairs for comments. Furthermore, these reports are separately published to the community for comments.

The Internal Audit Unit conducts audit throughout the year in terms of their audit plan and prepares Audit packs/reports that are then submitted to the Internal Audit Committee. After consideration of these reports the Audit Committee forwards its recommendations to Council for considerations. Council then resolves on the findings of the Shared Audit and Performance Committee with the intention to order the administration to remedy the findings revealed by the aforesaid Committee.

T2.1.1

# Chapter 2

## POLITICAL STRUCTURE



### **MAYOR**

#### **Cllr M.G Ntwanambi**

Exercises powers delegated to the Mayor by Council or the Executive Committee

### **SPEAKER**

#### **Cllr M.J Sehanka**

Presides at Council meetings and exercises powers delegated to the Speaker in terms of section 59 of the Local Government: Municipal Systems Act, Act 32 of 2000.



### **CHIEF WHIP**

To ensure political mandates are executed

#### **Cllr V.A Mona**

### **MAYORAL COMMITTEE/ EXECUTIVE COMMITTEE**

Cllr V.A Mona: Chairperson of the Budget and Treasury Committee

Cllr MG Modise: Chairperson of the Corporate Services Committee

Cllr NI Mehlomakhulu: Chairperson of Planning & Social Development Committee

T2.1.1

## COUNCILLORS.

The Municipal Council of Xhariep District Municipality is consisted of sixteen (16) Councillors. Six of the fourteen Councillors are directly elected and ten (10) are seconded from the three local municipalities. Five Councillors are full time i.e the Executive Mayor, Speaker and three (3) Mayoral Committee members. Three members of the Mayoral Committee are designated as Chairpersons of Section 80 Committees. Both Budget and Treasury Committee and Planning and Social Development Committee are composed of five (5) members which includes the Chairperson of the Committee. And Corporate Services Committee is composed of four (4) members. Furthermore, it has established an oversight committee which is composed of five members, i.e. three Council members, one Community member and the Chairperson of the Shared and Performance Audit Committee.

T2.1.2

# Chapter 2

## POLITICAL DECISION-TAKING

The Section 80 Committees sit as per schedule of Council meeting to process the items placed before them and make recommendations to the Mayoral Committee. These items are further processed by the Mayoral Committee and forwarded to the full sitting of Council with recommendations. Then the Council pronounces itself on the issues presented before it. The decisions are taken by majority of members present at the meeting. Where members share a different view on an item under consideration, they vote on the matter, either by show of hands or through a secret ballot as stipulated in the Standing Rules and Orders of Council. All the Resolutions passed by the Council are implemented by the administration.

T2.1.3

## 2.2 ADMINISTRATIVE GOVERNANCE

### INTRODUCTION TO ADMINISTRATIVE GOVERNANCE

The Municipal Manager and managers directly accountable to the municipal manager organize administration in a manner that enables the Municipality to be responsive to the needs of the community within its jurisdiction. The Municipal Manager is the accounting officer who accounts to the political head, Executive Mayor as well as Council. He further provides guidance and advice to the political structures manage the administration of the institution.

The Director: Corporate Services administer the Department of Corporate Services and advise the Municipal Manager that relate to administration, human resources and information technology. The Chief Financial Officer administers Budget and treasury Office and advice the Municipal Manager on matter that relate to the finances of the Municipality. The Director: Planning and Social Development is responsible for the affairs of the Department of Planning and Social Development and she advices and assists the Municipal Manager on all matters that relates to this department, i.e. planning, disaster management, local economic development and social services.

T2.2.1

# Chapter 2

## TOP ADMINISTRATIVE STRUCTURE



### TIER 1

#### MUNICIPAL MANAGER

Mr Mazondi Martiens Kubeka

### TIERS 2 AND 3

#### *Directors*

#### **EXECUTIVE DIRECTOR: Mr**

Mr Mazondi Martiens Kubeka

Tsietsi Deeuw(Acting)

Mbuyiselo Khapha(Acting)

DIRECTOR: Corporate Services

#### **EXECUTIVE DIRECTOR: Mr**

Jabulani Makubu(Acting)

Me. S Mgudlwa( Acting)

Levy Mashiane

Director: Chief Financial Officer

#### **EXECUTIVE DIRECTOR: Mrs**

**Makhotso Seekoei**

Mr Mopedi Sam Mohale

Director: Planning & Social Development

T2.2.2



# Chapter 2

## COMPONENT B: INTERGOVERNMENTAL RELATIONS

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

Note: MSA S3 requires that municipalities exercise their executive and legislative authority within the constitutional system of co-operative governance envisaged in the Constitution S41.

Intergovernmental relations are mainly informal, making the system flexible to respond to changing circumstances. The approach of the Act is therefore that it does not seek to govern intergovernmental relations in its totality but provides only the broad framework in terms of which spheres of government interact with one another.

T 2.3.0

## 2.3 INTERGOVERNMENTAL RELATIONS

### NATIONAL INTERGOVERNMENTAL STRUCTURES

The District does not participate in any national forums except participating in meetings when invited by national department.

T2.3.1

### PROVINCIAL INTERGOVERNMENTAL STRUCTURE

The District is part of the Premiers' Coordinating Forum which is used to facilitate intergovernmental relations between the province and local government in the province. The District also participates in Provincial Forums which include Provincial IDP Forum, Provincial Energy Forum, Provincial AIDS Forum as well as South African Local Government Association (SALGA).

T2.3.2

# Chapter 2

## RELATIONSHIPS WITH MUNICIPAL ENTITIES

The role of a district is to serve as a consultative forum for the district municipality and the local municipalities to discuss and consult each other on matters of mutual interest including, the matters arising in the Premiers intergovernmental forum affecting the district. The provision of service delivery in the district. Coherent planning and development in the district. Any other matters of strategic importance which affect the interests of the municipalities in the district. This include the information sharing ,best practice and capacity building.

T2.3.3

## DISTRICT INTERGOVERNMENTAL STRUCTURES

Meetings are been held once in a quarter, whereby the District Municipality is responsible for ensuring the co-ordination of intergovernmental relations within the district municipality with local municipalities in the district.  
**District Coordinating Forum:** Forum consists of the Executive Mayor and 3 primary members of which is the Local Mayors.

### **Technical Support Committee**

Forum consists of the District Municipal Manager and 3 primary members (Local Municipal Manager). The forum must meet at least once per year with service providers and other role players concerned with the development in the district to co-ordinate effective provision of services and planning in the district.

T2.3.4

# Chapter 2

## COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

### OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION

The municipality has developed a comprehensive public participation strategy which is integrated in the development of the IDP and the Budget, the Municipal website is often used to publicise all the developments in the municipality including calls for public participation and comments on the IDP and Budget. After the adoption of the annual report the municipality also avails this document for public scrutiny as recommended by the MSA act 32 of 2000.

T 2.4.0

## 2.4 PUBLIC MEETINGS

### COMMUNICATION, PARTICIPATION AND FORUMS

In consideration with the mechanisms of effective public participation, the following processes and aspects were taken in consideration and were implemented as required were taken in consideration and were implemented as required

#### CONTEXT OF PUBLIC PARTICIPATION AS IMPLEMENTED

Four major functions can be aligned with the public participation process namely:

- ◆ Needs identification;
- ◆ Identification of appropriateness of proposed solutions;
- ◆ **Community ownership and buy-in; and**
- ◆ Empowerment.

#### MECHANISMS FOR PARTICIPATION

The following mechanisms for participation were utilized:

##### a) IDP Representative Forum (IDP RF)

This forum will represent all stakeholders and will be as inclusive as possible. Efforts will be made to bring additional organizations into the IDP RF and ensure their continued participation throughout the process.

# Chapter 2

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## **b) Media**

Local newspapers were used to inform the community of the progress of the IDP and the Community consultation dates.

## **c) Information sheets**

These were prepared in English and be distributed to communities prier the start of all the meetings

### **The DM's Website**

The DM's website was also utilized to communicate and inform the community. Copies of the IDP and Budget were placed on the website for people to download

T2.4.1

# Chapter 2

## WARD COMMITTEES

The District Municipalities are not assigned to be responsible for ward committees. The local municipalities are liable for ward committees. However, the Office of the Speaker of the District Municipality assists the local municipalities with the coordination of the programmes of the ward committees. Issues that relates to public participation and ward committees are discussed and synchronized at the District Speakers' Forum.

T2.4.2

## Public Meetings

Nature and purpose of meeting	Date of events	Number of Participating Municipal Councillors	Number of Participating Municipal Administrators	Number of Community members attending	Dates and manner of feedback given to community
Public consultation on Meetings	21-May-14	1	2	20+	IDP and Budget presentations
Public consultation on Meetings	22-May-14	1	8	15+	IDP and Budget presentations
Public consultation on Meetings	22-May-14	0	4	5+	IDP and Budget presentations
Public consultation on Meetings	23-May-14	4	3	30+	IDP and Budget presentations

T2.4.3

# Chapter 3

## THE EFFECTIVENESS OF THE PUBLIC MEETINGS HELD:

As per the requirements of the Municipal Systems act and the Municipal Finance Management Act the municipality has a series of outreach consultations including the IDP and Budget consultative sessions with the communities of the Xhariep District. The Municipal council has also adopted public participation strategy

The Local Government Municipal Management Act (MFMA, Act 56 of 2003) puts at the centre of this process the voice of the people. The MFMA calls for active participation and input from the public in the budgeting process as well as the alignment of the budget to the IDP

In order to ensure public participation in local governance, government has over time put in place various pieces of legislation and policies. The following are some of the legislative and policy provisions aimed at fostering public participation at local government level:

The Constitution – 1996

Municipal Structures Act & White Paper on Local Government – 1998

Municipal Systems Act-2000

Municipal Finance Management Act-2003

Municipal Property Rates Act-2004

Municipal Finance Management Act-2003

Guidelines for Operation of Ward Committees-2005

T2.4.3.1

# Chapter 3

## 2.5 IDP PARTICIPATION AND ALIGNMENT

IDP Participation and Alignment Criteria*	Yes/No
Does the municipality have impact, outcome, input, output 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 strategic plan?	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
Do the IDP KPIs align with the provincial KPIs on the 12 Outcomes	Yes
Were the indicators communicated to the public?	Yes
Were the four quarter aligned reports submitted within stipulated time frames?	Yes
* Section 26 Municipal Systems Act 2000	
T2.5.1	

## COMPONENT D: CORPORATE GOVERNANCE

### OVERVIEW OF CORPORATE GOVERNANCE

As the head of administration the Municipal Manager is responsible for the following tasks:

- The formation and development of an economical, effective, efficient and accountable administration.
- The management of the municipality's administration in accordance with legislation applicable to the municipality.
- The implementation of the municipality's integrated development plan.
- The management of the provision of services to the local community in a sustainable and equitable manner.
- The appointment of staff subject to the Employment Equity Act, 1998.
- The management, effective utilisation and training of staff.
- The maintenance of discipline of staff. The promotion of sound labour relations and compliance with labour legislation. Advising the political structures and political office bearers of the municipality.

# Chapter 3

- Managing communications between the municipality's administration and its political structures and political office bearers.
- Carrying out the decisions of the political structures and political office bearers of the municipality.
- The administration and implementation of the municipality's by-laws and other legislation.
- The exercise of any powers and the performance of any duties delegated by the municipal council.
- Facilitating participation by the local community in the affairs of the municipality.
- The implementation of national and provincial legislation.

T2.6.0

## 2.6 RISK MANAGEMENT

### RISK MANAGEMENT

The Xhariep District Municipality is committed to the effective risk management and treatment of risk in order to achieve its objectives. Management of risk is the responsibility of all Executive, Senior Management and employees and Section 62(1) (c) (i) of the MFMA requires that:

The municipality has and maintains: Effective, efficient and transparent systems of financial and risk management and internal control.

Treasury Regulations section 3.2.1 further prescribes that the Accounting Officer must ensure that a risk assessment is conducted regularly to identify emerging risks of the institution. A risk management strategy, which must include a fraud prevention plan, must be used to direct internal audit effort and priority, and to determine the skills required of managers and staff to improve controls and to manage these risks. The strategy must be clearly communicated to all officials to ensure that the risk management strategy is incorporated into the language and culture of the institution.

The embedding of Risk Management within the municipality is a proactive approach in mitigation of events that will have a negative impact in the achievement of municipal goals and objectives; risk management thus assists Xhariep District Municipality in:

1. Supporting the efficient use of resources (Risk Based decision making),
2. Promoting continuous improvement
3. Minimizing surprises,



# Chapter 3

4. Reassuring stakeholders
5. Rationalization of capital and financial resources,
6. Helps internal audit to comply with Internal Audit Framework and IIA standards
7. Continuity of service delivery

T2.6.1

## 2.7 ANTI-CORRUPTION AND FRAUD

### FRAUD AND ANTI-CORRUPTION STRATEGY

Fraud is defined as the intentional, false representation or concealment of a material fact for the purpose of inducing another to act upon it to his or her injury.

Xhariep District Municipality has a **ZERO TOLERANCE** to Fraud and Corruption and thus has the intent to promote consistent organizational behavior by providing guidelines and assigning responsibilities for the development of controls and conduct of investigations relating to fraud and corruption

The fraud prevention strategy and policy are such documents designed to align Xhariep District Municipality with the MFMA which states that each municipality must develop an effective, efficient and transparent system of financial and risk management and internal control. Fighting against corruption is a national priority and Xhariep District Municipality positions itself to combat the scourge of fraud and corruption. The strategy demonstrates the stance of the municipality in preventing and detecting fraud and corrupt activities as well as corrective action when fraud has been committed.

T2.7.1

# Chapter 3

## 2.8 SUPPLY CHAIN MANAGEMENT

### OVERVIEW SUPPLY CHAIN MANAGEMENT

Our current SCM policy has been reviewed to address Auditor-General's queries and be in line with the National Treasury model. As far as the processes are concerned, a **MEMO** for **DEMAND** and **ACQUISITION** has been developed by the municipality to **manage, control** and **monitor** procurement of goods and services. The **MEMO** is signed by the responsible manager to confirm the need of the service or product, the manager for Budget and Reporting Unit confirms the budget availability, relevant HOD recommends as well as the CFO and the Accounting Officer/Municipal Manager finally approves the **MEMO** for **DEMAND** and **ACQUISITION**.

T2.8.1

## 2.9 BY-LAWS

By-laws introduced during year 1					
Newly developed	Revised	Public participation conducted prior to adoption of by-laws (Yes/No)	Date of public participation	By-law gazette Yes/No	Date of publication
Standard District Municipal Environmental Health	N/A	Yes	Week of 4 to 11-Sep-2012	No	N/A
Standard Environmental Health By-Law	N/A	Yes	Week of 4 to 11-Sep-2012	No	N/A
Dumping and Littering By-Law.	N/A	Yes	Week of 4 to 11-Sep-2012	No	N/A
Public Nuisances and animals	N/A	Yes	Week of 4 to 11-Sep-2012	No	N/A

T2.9.1

# Chapter 3

## COMMENT ON BY-LAWS:

The Provincial Department of Cooperative Governance, Traditional Affairs and Human Settlement have developed Standard By-Laws for all municipalities within Free State Province. Xhariep District Municipality has identified four By-Laws that are relevant to the District Municipality and were placed before the Municipal Council for noting. The administration then conducted public participation on the by-laws. The process of public participation has been concluded; and the by-laws with comments from the communities were placed before Council in December 2013 for consideration and finally for approval. There were gazetted in provincial gazette and the municipality is currently developing tariff policies on the By-Laws.

T2.9.1.1

## 2.10 WEBSITES

### COMMENT MUNICIPAL WEBSITE CONTENT AND ACCESS:

The website of the Municipality is fully functional, but documents were not loaded in the 2013/14 financial year due to revamping/construction of the website.

T2.10.1.1

# Chapter 3

## INTRODUCTION

The district municipality has started to perform the functions of Environmental Health and Disaster Management with effect from December 2009. Critically, the Municipal Structures Amendment Act (Act 33 of 2000) provides for an extensive annual review of the division of powers and functions between Category B and Category C to ensure effective implementation of these assigned powers following an advice provided by the Municipal Demarcation Boarding emanating from the Boards' annual capacity assessment report.

T3.0.1

## COMPONENT A: BASIC SERVICES

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

## INTRODUCTION TO BASIC SERVICES

The district has no primary competencies or authority for basic services such as water, sanitation, refuse/waste removal and electricity supply. However, as a developmental local government Xhariep has interest in ensuring that these services are adequately provided by its local municipalities who have primary authority for their provision. In addition, the district has a constitutional role of coordinating support for local municipalities so that they can be better capacitated to perform their mandates.

T3.1.0

Employees: Local Economic Development Services					
Job Level	Year 0	Year 1			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	1	1	1	0	0%
4 – 6	3	3	3	0	0%
7 – 9	1	1	1	0	0%

# Chapter 3

10 - 12	0	0	0	0	
13 - 15	0	0	0	0	
16 - 18	0	0	0	0	
19 - 20	0	0	0	0	
Total	5	5	5	0	0%

*T3.11.*

## 3.11 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLACES)

### INTRODUCTION TO ECONOMIC DEVELOPMENT

Tourism in Xhariep is currently limited to a small number of domestic visitors from other parts of the country. The tourism location quotient (1.1) indicates that more tourism activities are evident in Xhariep compared to the rest of the Free State. The majority of tourists (65.9%) in Xhariep are visiting friends and family with only a small portion visiting the District for leisure (14.0%) and business (4.0%). Tourists are mainly residents of the Free State (50.1%) and Gauteng (19.6%) spending approximately R280 per trip.

Tourism is expected to grow through the construction of Mayor Projects that are currently underway like Trompsburg Hospital, Fish Demonstration Centre, upgrading of tussen de reviere, development of park and installation of machinery for shoe production at Arts and Craft Centre, this projects will influence other projects to be implemented like shopping complex and taxi rank as there will be a need in future. Maintenance of internal streets

New strategy for marketing the FS was developed and launched at Tourism Indaba 2013 Tourism Awareness Campaigns were conducted quarterly with the aim to educate and provide knowledge of opportunities within the tourism industry.

The performance of the utilities and construction sector reflects the provision of infrastructure within the District. The utility sector has grown on average at approximately 2.9% per year with the annual growth of the construction sector at approximately 0.4%. The location quotient of the utility and construction sector is relatively high at 1.1 and 1.2 respectively indicating that the district is has the required potential economic mass to render development in this sector viable.

# Chapter 3

T3.11.1

## LOCAL JOB OPPORTUNITIES:

Job opportunities that have been created were through the construction of Agricultural Demonstration Centre and fish ponds at the District level. The District has budgeted for infrastructural project out of the RRAMS grant allocation. Investments opportunities are solar hub project and pomegranate project.

T3.11.4

### Jobs Created during Year 1 by LED Initiatives (Excluding EPWP projects)

#### Jobs Created during Year 1 by LED Initiatives (Excluding EPWP projects)

Total Jobs created / Top 3 initiatives	Jobs created No.	Jobs lost/displaced by other initiatives No.	Net total jobs created in year No.	Method of validating jobs created/lost
Total (all initiatives)				
Year -1	2600	2300	300	Projects
Year 0	688	681	7	Projects
Year 1	83	0	83	Projects

T3.11.5

### Job creation through EPWP\* projects

Details	EPWP Projects No.	Jobs created through EPWP projects No.
Year -1	2	51
Year 0	3	60
Year 1	4	275
* - Extended Public Works Programme		T3.11.6

# Chapter 3

## LOCAL ECONOMIC DEVELOPMENT PERFORMANCE OVERALL:

District municipality is better positioned to provide a coordinating and supporting role to the local municipalities within their broad geographic areas. Local municipalities on the other hand are the key LED implementation agencies of government. They have a more direct impact on LED in terms of their potential influence on issues and factors such as by-laws, tender and procurement procedures and other regulations. They also have a more direct influence on access to land, the necessary infrastructure and services, promoting a positive image of their area, making the environment more appealing and welcoming for investors and visitors, facilitating skills development.

T3.11.11

## 3.64 HEALTH INSPECTION; FOOD AND ABBATOIR LICENSING AND INSPECTION; ETC

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

One of the key roles of EHP's is to conduct inspections of food premises and government premises to ensure compliance with R926, Foodstuffs, Cosmetics and Disinfectants act 1972 (Act no. 54 of 1972), National health act, 2003 (Act no 63 of 2003). District Environmental Health Practitioners issue out compliance notices to food premises if there is non-compliance and issue certificate of acceptability for compliant premises. Certificate of health are issued to compliant ECD's and old age homes. Licences for operations are not issued by EHP's.

Surveillance of premises is also conducted to insure vector control and to monitor health and hygiene standards of premises

**Set out your top 3 service delivery priorities and the impact you have had on them during the year.**

The following activities are measured: These ensure that there is constant monitoring of compliance.

No. of COA's issued

No. of non-compliance notices issued

No. of health inspections conducted.

**Explain the measures taken to improve performance and the major efficiencies achieved by your service during the year.**

# Chapter 3

Bimonthly raids are conducted with the assistance of SAPS to curb non-compliance by shop owners and seize expired foods.

T3.64.1



# Chapter 3

## 3.67 OTHER (DISASTER MANAGEMENT)

### INTRODUCTION TO DISASTER MANAGEMENT

**Disaster Management** is a continuous and integrated multi-sectoral and multi-disciplinary process of planning and implementation of measures aimed at disaster prevention, -mitigation, -preparedness, -response, -recovery and –rehabilitation

Top three Service Delivery Priorities:

1. Community Safety
2. Preparedness
3. Recovery and Rehabilitation

The DM Unit main role is to ensure a safe and unwavering environment to the Xhariep district community. Through proper planning the Unit will be able to build resilient communities through the Disaster Management Activities within the district Municipality. A budget for the review of the DM Plan, DM training and DM relief was approved to enhance the previous achievements and to implement the plan for mitigation through education, awareness and training. The DM Unit played a vital role to assist disaster stricken victims throughout the district in rebuilding of houses and rehabilitation.

T3.67.1

### PERFORMANCE OF DISASTER MANAGEMENT

The Disaster Management Plan and Disaster Management Framework were reviewed as compelled by the Disaster Management Act (57/2002). Regular Disaster Management Advisory Forum meetings are held. Assistance with Disaster Management in general is given to all Local Municipalities in the District. We are trying to educate the communities through awareness campaigns and with Disaster Management Programs at the primary schools. This, in a way will help us to prepare for and minimizes the impact of disastrous incidents in the area. Training and workshop for Councilors, Ward Committees, Disaster Management Forums and Volunteer Groups are planned to enhance our Disaster Management educational program.

The Disaster Management Unit attends to most of the incidents within the District to record the incident and report to the authorities and the respective relevant parties. Due to financial constraints, the Unit cannot support all the victims financially. The Disaster Management Unit had several engagements with Sector Departments and Stakeholders on the establishment of the Disaster Management Centre. An established Centre will play a fundamental role in managing disasters in the District.

T3.67.7

# Chapter 3

## COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES

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

### INTRODUCTION TO CORPORATE POLICY OFFICES

The Municipality has developed required policies as per directive of legislations that govern the local sphere of government for all aspects of the Municipality, i.e. finance, Human Resources, performance management, risk management, disaster management, Local Economic Development, Municipal Health Services and internal audit.

T3.69.0

## 3.69 EXECUTIVE AND COUNCIL

### INTRODUCTION TO EXECUTIVE AND COUNCIL

Municipality is currently executing two service delivery related matters, i.e. local economic development and Municipal Health Services. The Local Economic Development Division that is located within the Department of Planning and Social Development has made strides in providing financial assistance and providing training to Small Micro and Medium Enterprises. The Municipality has assisted interested individuals or group of people to establish their own businesses, in particular cooperatives.

The Environmental Health Services Division that is also located within the Department of Planning and Social Development is checking the quality of water from different local municipalities that fall within its jurisdiction on frequent intervals as required by applicable legislations and policies. Furthermore this division inspect businesses that sell food and local municipalities' landfill sites – check whether they comply with appropriate Municipal Health Services legislations and policies.

T3.69.1

# Chapter 3

Financial Performance Year 1: The Executive and Council					000'
Details	Year 0	Year 1			Variance to Budget
	Actual	Original Budget	Adjustment Budget	Actual	
<b>Total Operational Revenue</b>	4 900	16 290	16 038	7 763	12 814
Expenditure:					
Employees	192	7 381	7 227	7 678	-451
Repairs and Maintenance	5 056	119	223	79	144
Other	9 197	9 685	9 919	7 703	2 216
<b>Total Operational Expenditure</b>	4 297	17 185	17 369	-7 697	1 909
<b>Net Operational Expenditure</b>					T3.69.5

## 3.70 FINANCIAL SERVICES

### INTRODUCTION FINANCIAL SERVICES

The Budget and Treasury Office is responsible for the financial administration and management of the municipality.

T3.70.1

Employees: Financial Services					
Job Level	Year 0	Year 1			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	4	4	4	0	0%
4 – 6	7	7	7	0	0%

# Chapter 3

7 – 9	6	6	5	1	17%
10 – 12	0	0	0	0	
13 – 15	0	0	0	0	
16 – 18	0	0	0	0	
19 – 20	0	0	0	0	
<b>Total</b>	<b>17</b>	<b>17</b>	<b>16</b>	<b>1</b>	<b>17%</b>
<i>T3.70.4</i>					

<b>Financial Performance Year 1: Financial Services</b>					
					<b>R'000</b>
Details	Year 0	Year 1			Variance to Budget
	Actual	Original Budget	Adjustment Budget	Actual	
<b>Total Operational Revenue</b>	7 862	11 913	11 779	14 137	2 358
Expenditure:					
Employees	6 725	8 533	8 058	8 412	354
Repairs and Maintenance	101	100	100	82	18
Other	6 615	3 016	2 450	3 517	1 067
<b>Total Operational Expenditure</b>	13 442	11 649	10 608	12 011	1 403
<b>Net Operational Expenditure</b>	-5 580	264	1 171	2 126	955
<i>T3.70.5</i>					

# Chapter 3

## 3.71 HUMAN RESOURCE SERVICES

### INTRODUCTION TO HUMAN RESOURCE SERVICES

The purpose of Human Resources Services at the institution is cater for human resource development needs of the employees, remuneration and benefits of employees, labour relations and human resources information that relates to leave management and employee personal information.

The management set itself priorities to overhaul the services the institution provides to its internal clients, the key three amongst them were;

Purify leave management

Provide accurate inputs- information to payroll

Recruit people with required competencies

So far the this division has made major strides in insuring that leave of employees is managed in accordance with Municipal Human Resources Policy Manual. Every week they reconcile attendance registers, VIP register with completed leave forms; and make follow-ups on employees who did not sign registers or completed leave forms. The principle of no work no pay is applied on employees who are found not to have followed proper procedure in absenting themselves from work.

The official providing information to employees in payroll on remuneration and benefits of employees work s closely with them in order to ensure that accurate information is forwarded to them before they process the salaries of councillors and employees. The inputs are compiled, checked, approved by different individuals in order to ensure that correct information is provided to payroll. Such information is forwarded to payroll on or before the 15<sup>th</sup> of each month in order to give officials in payroll an ample time to process the remuneration and benefits of both councillors and officials

The Human Resources Division advertises all vacant positions as required by the Human Resources Policy Manual and set competencies that are needed from the interest individuals. It is important to highlight that the Municipality appoints only incumbent who meet minimum competency requirements as place on the advertisement and who perform well during the interviews

T3.71.1

# Chapter 3

Employees: Human Resource Services					
Job Level	Year 0	Year 1			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0%
4 - 6	6	6	6	0	0%
7 - 9	1	1	1	0	0%
10 - 12	0	0	0	0	
13 - 15	0	0	0	0	
16 - 18	0	0	0	0	
19 - 20	0	0	0	0	
<b>Total</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>0</b>	<b>0%</b>

T3.71.4

Financial Performance Year 1: Corporate Services					
					000'
Details	Year 0	Year 1			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	17 379	15 177	15 051	23 436	18 385
Expenditure:					
Employees	11 446	9 399	9 271	13 260	3 989
Repairs and Maintenance	466	1 440	770	1 326	556
Other	17 801	8 846	9 102	2 734	6 368
<b>Total Operational Expenditure</b>	<b>29 713</b>	<b>19 625</b>	<b>19 143</b>	<b>17 320</b>	<b>1 823</b>
<b>Net Operational Expenditure</b>	<b>12 335</b>	<b>4 448</b>	<b>4 092</b>	<b>6 116</b>	<b>2 024</b>

T3.71.5

# Chapter 3

## 3.72 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

### INTRODUCTION TO INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

The Information Technology provides ITC related services to the entire institution, i.e. internet, website and emails. Most importantly maintains ITC infrastructure, namely, servers, computers, telephones etc.

T3.72.1

Employees: ICT Services					
Job Level	Year 0	Year 1			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0%
4 - 6	1	1	1	0	0%
7 - 9	1	1	1	1	100%
10 - 12	0	0	0	0	
13 - 15	0	0	0	0	
16 - 18	0	0	0	0	
19 - 20	0	0	0	0	
Total	3	3	3	1	100%

T3.72.4

### PERFORMANCE OF ICT SERVICES OVERALL:

The IT Unit has achieved so many successes in the 2013/2014 FY to bring the IT environment to a stable position with the infrastructure upgrade projects that were implemented. Our Internet connectivity is much improved. There is stability with our Financial Information Systems. Documents are uploaded regularly and within acceptable time on the municipal Website. The environment is pretty much stable.

T3.72.7

# Chapter 3

## COMPONENT K: ORGANISATIONAL PERFORMANCE SCORECARD

This component includes: Annual Performance Scorecard Report for the current year.

### FINANCIAL SERVICES

Indicator/vote	Unit of measurement	Annual target	Actual	Variance	Prior Target	Prior Actual	Prior Variance	Reason for Deviation	Corrective Measure
Financial Viability	Monthly budget statements submitted to the Municipal Manager [MFMA, s 71]	12	12	0	12	12	0	-	-
	Submission of annual financial statements for 2012/2013 to the Auditor General	31-Aug-2013	31-Aug-2013	0	31-Aug-2011	31-Aug-2011	0	-	-
	Realistic and comprehensive draft financial plan prepared and incorporated in the IDP for 2014/2015	31/03/2014	31/03/2014	0	28/02/2013	28/06/2013	4 months	-	-



# Chapter 3

Indicator/vote	Unit of measurement	Annual target	Actual	Variance	Prior Target	Prior Actual	Prior Variance	Reason for Deviation	Corrective Measure
	R value of rent collected from Kopanong Local Municipality	R388 424	R0	(R388 424)	R337 760	R353 014.35	R15 254.35	Despite sending KLM monthly accounts KLM failed to pay XDM.	XDM to hand KLM over to National Treasury.
Quarterly finance reports submitted to Council	Section 52(d) MFMA reports	4	4	0	4	4	0	-	-
Good Governance	% of council resolutions implemented that were referred to the Head of Department for execution	100%	90%	(10%)	100%	99%	(1%)	The outturning resolutions is implemented over a period of time to due to project requirements	Follow up on all outstanding Council resolutions
	%Management of external audit queries by ensuring that all queries are answered within 5 days	100%	The Department is unable to quantify external audit queries that were not responded to within 5 days	The Department is unable to quantify external audit queries that were not responded to within 5 days	100%	100%	0%	Noncompliance to the Auditor General's request	Queries will be responded to within the stipulated timeframes

# Chapter 3

Indicator/vote	Unit of measurement	Annual target	Actual	Variance	Prior Target	Prior Actual	Prior Variance	Reason for Deviation	Corrective Measure
Performance Management	No of performance reports submitted to the Municipal Manager	4	4	0	4	4	0	-	-
Financial Viability	Months without unauthorised spending by accounting officer as indicated in MFMA 32(1)(b)	12	5	(7)	12	0	(12)	The department incurred unauthorised expenditure in certain votes	Council will investigate unauthorised expenditure as indicated in MFMA 32(1)(b)
Performance Management	No of performance appraisals conducted in the department	2	0	(2)	2	1	(1)	Noncompliance to the Employee Performance Appraisal System Policy	HODs to play an oversight role in the implementation of EPAS .
Contract Management	Monitor projects undertaken by the municipality by setting performance indicators for each projects (PPMR Sec 9(2)(b))	1 Project Performance Report	1	0	2	2	0	-	-
Financial	95% of total	95%	99%	4%	90%	95%	5%	Due to the	-

# Chapter 3

Indicator/vote	Unit of measurement	Annual target	Actual	Variance	Prior Target	Prior Actual	Prior Variance	Reason for Deviation	Corrective Measure
Viability	conditional grants spent in compliance with set conditions							effort of staff, spending was more than anticipated	
	% of total conditional grants spent	100%	99%	(1%)	100%	96%	(4%)	This is due to a project that is ongoing and also due to a project that is not VAT inclusive.	XDM will strive to spend 100% of the grants received.
Development of Asset Register	GRAP compliant asset register	31-Aug-2013	01- Jul-2013	31 days	31-Aug-2012	31-Aug-2012	0	Target achieved one month prior to deadline due to corporation of all departments to finalise the asset register	-
Cash flow Management	Cash flow Management Reports	Monthly	12	0	Monthly	12	0	-	-
Monitoring and implementation	Updated action plan	2	2	0	4	4	0	-	-

# Chapter 3

Indicator/vote	Unit of measurement	Annual target	Actual	Variance	Prior Target	Prior Actual	Prior Variance	Reason for Deviation	Corrective Measure
of the Auditor General's action plan									

## MUNICIPAL MANAGER

Indicator/vote	Unit of measurement	Annual target	Actual	Variance	Prior Target	Prior Actual	Prior Variance	Reason for Deviation	Corrective Measure
Contract Management	Appropriate performance indicators and performance targets are set for supplier performance for each contract awarded through the supply chain management system	Reports on performance of Projects(1)	1	0	1	1	0	-	-
Good Governance	No of reports submitted to Council regarding the execution of council decisions	4	5	1	4	4	0	The number of Council meetings held informed the increased number of reports submitted to	-

# Chapter 3

								Council regarding the execution of council decisions	
	% of council resolutions implemented that were referred to the Head of Department	100%	90%	(10%)	New KPI	New KPI	New KPI	The outturning resolutions is implemented over a period of time to due to project requirements	Follow up on the implementation of outstanding Council resolutions
Performance Management	Annual performance agreements for 2013/2014 entered into with each of the managers who are directly accountable to the municipal manager	31- Jul-2013	29-Jul-2013	2 days	31- Jul-2013	25-Jul-2012	6 days	Target Achieved earlier as anticipated due to corporation of the Senior Managers	-
	Corporate performance report for 2012/2013 submitted to the Auditor General	31-Aug-2013	31-Aug-2013	0	New KPI	New KPI	New KPI	-	-

# Chapter 3

	Mid-year budget and performance report for the period 01/07/2013 to 31/12/2013 submitted to the executive mayor	25-Jan-2014	24-Jan-2014	1 day	New KPI	New KPI	New KPI	Target achieved earlier because the target date was on a weekend.	-
	Annual report 2012/2013 tabled to Council	31-Jan-2014	27-Jan-2014	3 days	New KPI	New KPI	New KPI	Target achieved earlier because Council sat earlier than the target date	-
	PMS reports	4	4	0	New KPI	New KPI	New KPI	-	-
	Quarterly feedback reports regarding implementation of the IDP and PMS (PPMR Sec 15)	4	4	0	New KPI	New KPI	New KPI	-	-
Internal Auditing	Internal audit reports on the functionality of the PMS, compliance of the PMS with relevant legislation and the reliability of performance	4	4	0	4	4	0	-	-

# Chapter 3

measurements submitted to the audit committee/performance audit committee [MPPMR, r 14(1)(c)]									
Availability and Implementation of risk based Internal Audit plan.	1	1	0	1	1	0	-	-	
Availability of quarterly audit reports (internal controls, financial and compliance)	4	11	7	4	4	0	This is informed by the number of Audits performed in a quarter as per the IA Plan.	Target will be revised and be aligned to the IA Plan	
Follow-up on Auditor General recommendations	2	2	0	1	1	0	-	-	
Audit/performance audit committee's audit reports submitted to the Council [MPPMR, r. 14(4)(a)]	4	4	0	2	3	1	-	-	

# Chapter 3

	Annual Financial Statements for 2012/2013 submitted to the audit committee for review [MFMA, s 166(2)(b)]	31/08/2013	27/08/2013	4 days	31/09/2012	31/08/2012	1 month	Target was achieved earlier due to the sitting of the Audit Committee	-
	No of audit committee meetings held	4	5	1	4	4	0	There was a need for an extra Audit Committee meeting	-
Risk assessment	Review Risk Management Strategy, Policy and Framework	1	1	0	1	1	0	-	-
	Risk register	1	1	0	1	1	0	-	-
	Risk Management Reports	3	2	(1)	4	1	(3)	This was due to the vacancy of the Chief Risk Officer	The municipality filled the vacancy of the CRO
	Approved Fraud Prevention Plan	1	1	0	1	1	0	-	-



# Chapter 3

Financial Viability	Months without unauthorised expenditure as indicated in MFMA 32(1)(b)	12	6	(6)	12	9	(3)	This is due to overspending on certain votes	Council will investigate unauthorised expenditure as indicated in MFMA 32(1)(b)
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# Chapter 3

## CORPORATE SERVICES

Indicator/vote	Unit of measurement	Annual target	Actual	Variance	Prior Target	Prior Actual	Prior Variance	Reason for Deviation	Corrective Measure
Contract Management	Monitor projects undertaken by the department by setting performance indicators for each projects (PPMR Sec 9(2)(b))	1	1	0	4	3	(1)	-	-
Upload and update municipal website regularly and comply with s 21B of the Systems Act and s 75 of the MFMA	Fully functional website at all times	4	3	(1)	4	4	0	Website was under the construction during quarter two	Earlier construction and updating of the municipal website to avoid non compliance
Development of IT master plan	ICT Master plan	1	1	0	1	0	(1)	-	-

# Chapter 3

Employment Equity	% of female employees in the municipality	50.59%	54.76%	4.17%	50.59%	40.66%	9.93%	Gender equality is in line with provincial statistics	-
	% of differently able employees in the municipality	0.8%	1.19%	0.39%	0.8%	1.4%	0.6%	Representation is in line with provincial statistics	-
Skills Development Plan	No of employees attending skills development interventions	50	0	(50)	50	19	(31)	No training took place due to budget constraints	The municipality to make provision in the budget for skills development as it is a compliance matter
Good Governance	% of council resolutions implemented that were referred to the HOD for execution	100%	67%	(33%)	100%	81.42%	(18.58%)	The outrunning resolutions is implemented over a period of time due to project requirements	Follow up on all outstanding Council resolutions

# Chapter 3

Performance Management	No of performance reports submitted to the MM (MSA Sec 38 and 39)	4	4	0	4	4	0	-	-
Skills Development	Submission of employment equity report to Department of Labour	Manually 31-Oct-2013 Electronically 31-Jan-2014	Manually 25-Sep-2013	36 days	Manually 31-Oct-2012 Electronically 31-Jan-2013	Electronically 01-02-2013 and was rejected by DOL	(2days)	The HR department concluded the report timeously and submitted to DOL	-
	Percentage of skills development levy claimed back from skills development fund (SDL Act & Reg)	1%	0%	(1)	1%	63.45%	62.45%	There was no budget dedicated towards skills development	XDM to make provision in the budget for skills development as it a compliance matter

# Chapter 3

	Workplace Skills Plan (WSP) submitted to LGSETA	30/06/2014	30/04/2014	2 months	30/06/2013	26/06/2013	4 days	WSP was concluded earlier than the target date due to cooperation from all departments	-
Good Governance	No queries received from Auditor General regarding incompleteness of employee records	0	0	0	0	0	0	-	-
Occupational Health and Safety	No of health and safety inspections carried out in terms of the Occupational Health and Safety Act 85 Of 1993	2	1	(1)	2	2	0	Inspections are informed by number of incidents. For the 2013/14 financial there were no incidents reported	The municipality to engage with DOL to assist in setting up health and safety
	Compliance with all aspects regarding work related injuries	100%	100%	0	100%	100%	0	-	-

# Chapter 3

	as required by the Occupational Health and Safety Act 85 Of 1993								
Labour Relations	No of Local Labour Forum(LLF) meetings	12	3	(9)	12	8	(5)	This is due to unavailability of other LLF members	Develop a schedule for the sitting of the LLF meetings and communicate it in time to all members
Performance Management	No of performance appraisals conducted to employees in the department	2	0	(2)	2	0	(2)	Noncompliance to the Employee Performance Appraisal System (EPAS) Policy	HODs to play an oversight role in the implementation of EPAS

# Chapter 3

## COUNCIL

Indicator/vote	Unit of measurement	Annual target	Actual	Variance	Prior Target	Prior Actual	Prior Variance	Reason for Deviation	Corrective Measure
Council meetings	No. of meetings held	4	11	7	4	7	1	Council had special Council meetings hence the high number of Council meetings	-
Mayoral Committee meetings	No. of meetings held	6	6	0	6	6	0	-	-
Section 80 committees	No. of meetings held	6	6	0	6	6	0	-	-
Agendas to Council and Committees	Issue agenda in time	Within 48 hours before the sitting of meetings	Within 48 hours	0	Within 48 hours	Within 48 hours	0	-	-

# Chapter 3

Good Governance	% of council resolutions(internal) executed by management	100% implementation (before the next ordinary council meeting)	66.2%	(33.8%)	100% implementation (before the next ordinary council meeting)	94.1%	(5.9%)	The outturning resolution is implemented over a period of time due to project requirements	Follow up on outstanding Council resolutions
	Budget and IDP process plan tabled in Council	31 –Aug-2013	29- Aug-2013	02 days	31 –Aug-2012	31 –Aug-2012	0	Target achieved earlier because Council sat earlier than the target date.	-
Performance Management	Review of performance management system and monitoring of compliance (MSA Sec 39)	31-Jul-2013	29-Aug-2013	(30 days)	31-Jul-2012	29-Jun-2013	31 days	Target achieved earlier because Council sat earlier than the target date.	-
	Report to the Executive Mayor on performance reviews/assessment of top management	31/10/2013 31/01/2014 30/04/2014 31/07/2014	3	(1)	31/10/2012 31/01/2013 30/04/2013 31/07/2013	4	0	No formal committee established as per Reg 27 of MSA due to budget constraints	Council to formally appoint a Committee to assess the performance of Senior Managers



# Chapter 3

Financial Viability	Mayor`s report on the implementation of the budget and the financial state of the affairs of the municipality to Council (MFMA Sec 52(d))	31/10/2013 31/01/2014 30/04/2014 31/07/2014	4	0	31/10/2012 31/01/2013 30/04/2013 31/07/2013	4	0	-	-
Public Participation	IDP	4(1 per local municipality)	4	0	4(1 per local municipality)	4	0	-	-
Approval of the first Draft of the IDP and Budget by Council	IDP	1	1	0	1	1	0	-	-
Approval of the final budget and IDP	Approved budget and IDP	30-Jun-2014	30-Jun-2014	0	1	1	0	-	-
Mid-year budget and performance report tabled in Council	Mid-year budget and performance report	25-Jan -2014	24-Jan-2014	1	31-Jan -2013	23-Jan-2013	0	Target Achieved earlier because target date was on a weekend	-
Draft Annual report for submission to AGSA	Draft Annual report	31-Aug-2013	31-Aug-2013	0	31-Aug-2012	31-Aug-2012	0	-	-

# Chapter 3

Good Governance	Annual report for 2012/2013 tabled in Council (MFMA 127(2))	31-Jan-2014	27-Jan-2014	4 days	31-Jan-2013	23-Jan-2013	0	Target achieved earlier because Council sat earlier than the target date.	-
	Oversight report on the annual report adopted by Council	31- Mar-2014	31-Mar-2014	0	31 Mar-2013	31 Mar-2013	0	-	-
Approval of the SDBIP	SDBIP	Within 28 days after approval of the Budget	Within 24 days after approval of the Budget	4 days	Within 28 days after approval of the Budget	Within 29 days after approval of the Budget	(1) day	Target achieved earlier because of the cooperation of all departments towards concluding this document	-
Good Governance	Annual performance agreements for 2013/2014 entered into with the Municipal Manager	31- Jul -2013	29-Jul-2013	2 days	31- Jul -2012	29-Jul-2012	3 days	Target Achieved earlier as anticipated due to corporation of the Senior Managers	-

# Chapter 3

Mayor's social responsibility	Paying Registration fees for prospective (tertiary students)	5 students	10 students	5 students	16 students	8 students	(8)	The municipality anticipated to pay registration for 5 students but because there was still budget available then an extra 5 students were accommodated in that budget	-
Special Programmes	District Aids Council Meetings	2	0	(2)	2	1	(1)	This is due to unavailability of other District Aids Council members	Develop a schedule for the sitting of the District Aids Council meetings and communicate the schedule earlier to members to avoid non sitting of these meetings
Outreach Programmes	Youth Month	1	1	0	1	1	0		-

# Chapter 3

	Women's Day	1	0	(1)	1	1	0	Women's day was celebrated in the province, the municipality avoided duplication of this event	Women's day to also be celebrated locally.
	Heritage month	1	1	0	1	1	0	-	-
IGR Forum	No. Of meetings	4 political	2	(2)	4	2	(2)	This was due to the unavailability of other stakeholders of the IGR.	Develop a schedule for the sitting of the Political IGR meetings and communicate the plan early to all stakeholders
		4 Technical	4	0	4	2	(2)	-	-

# Chapter 3

## PLANNING AND SOCIAL DEVELOPMENT

Indicator/vote	Unit of measurement	Annual target	Actual	Variance	Prior Target	Prior Actual	Prior Variance	Reason for Deviation	Corrective Measure
Contract Management	Monitor projects undertaken by the municipality by setting performance indicators for each projects (PPMR Sec 9(2)(b))	4 Project Performance report	4	0	4	5	1	-	-
Environmental Health	No of environmental support meetings attended with local municipalities	1	7	6	8	9	1	There was a need for specialized EH intervention from the District hence the increased number of meetings.	
	Number of incidents of illegal dumping	4	8	(4)	0	16	(16)	Lack of refuse collection by Local Municipalities lead to the high number of illegal dumping incidents.	Licensing of land fill sites by Local Municipalities .

# Chapter 3

	No of health & hygiene projects	8	11	3	New KPI	New KPI	New KPI	This is informed by the number of reported diarrheal cases by the clinics.	Monitor the blue and green drop status and increase awareness sessions
	No of persons attending health education programmes/projects	800	1552	752	800	1113	28	This is informed by the number of reported diarrheal cases by the clinics.	Monitor the blue and green drop status and increase awareness sessions
Sample results taken: micro-biological, chemical and physical aesthetical determinants	No. of samples taken	48 Naledi	37	(11)	48	17	(31)	There was a vacancy for the EHP	The municipality filled the vacancy of the EHP
		152 Kopanong	258	106	152	171	19	Any failures that occur results in the EH Unit having to resample until compliance is obtained.	Monitor the blue and green drop status regularly

# Chapter 3

		48 Mohokare	60	12	48	84	36	Any failures that occur results in the EH Unit having to resample until compliance is obtained.	Monitor the blue and green drop status regularly
		72 Letsemeng	120	48	72	40	(32)	Any failures that occur results in the EH Unit having to resample until compliance is obtained.	Monitor the blue and green drop status regularly
Water Quality Monitoring	Blue drop compliant water quality achieved by June 2014	30/06/2014	0	(1)	30/06/2013	1	0	Report was not yet released by 30 June 2014 by Department of Water and Sanitation	The Environmental Health Manager to do a follow up with the DWA regarding the status of the release of the report.
	No of water awareness campaigns conducted	4	4	0	4	4	0	-	-

# Chapter 3

	No of water quality reports submitted to Management	4	9	5	4	3	(1)	This is due to the increase in the number of water failures experienced which required EH Unit to report frequently to management.	Monitor the blue and green drop status regularly
To monitor and control acceptable food quality and safety	No of Site inspections Compliance and Notices	200	231	31	200	112	(88)	This was caused by non-compliance of food premises.	-
Funeral parlours to comply with R237 of 8 February 1985	No of inspections conducted	4	11	7	New KPI	New KPI	New KPI	This was caused by non-compliance of funeral parlours.	-
Disaster Management	Disaster management plan reviewed	30/06/2014	30/06/2014	0	30/06/2013	31/08/2012	10 months and 1 day	-	-
	No of municipal disaster management advisory forum meetings held (section 51 of the Disaster Management Act 2002)	4	4	0	4	5	1	-	-



# Chapter 3

	No of disaster management progress reports submitted to Council	4	2	(2)	4	8	4	Management makes decisions as to which reports need to be presented before Council	The Municipality to review this KPI
	Awareness campaigns for community on Disaster Management	4 campaigns	3	(1)	4	1	(3)	This is due to budget constraints	Make provision in the budget for conducting Awareness campaigns for community on Disaster Management
	No. of educational programmes for schools on Disaster Management	14 programs	3	(11)	20	2	(18)	This is due to budget constraints	Make provision in the budget for conducting educational programmes for schools on Disaster Management

# Chapter 3

Spatial Development	Annual review of the Spatial Development Framework	30/06/2014	0	0	New KPI	New KPI	New KPI	The municipality does not have the capacity to review the SDF	The municipality requested assistance from the Department of Rural Development and Land Affairs
	Compilation of the XDM Spatial Map	30/06/2014	0	0	New KPI	New KPI	New KPI	The municipality does not have the capacity to compile the Spatial Map	The municipality requested assistance from the Department of Rural Development and Land Affairs
Basic Services	No of sanitation quality reports submitted to Management	4	7	3	4	10	6	Local Municipalities had to give feedback reports to the District and progress reports had to be	

# Chapter 3

								submitted by Environmental Health Unit based on those LM's reports	
Local Economic Development (LED)	No. of LED forums held by 30 June 2014	3	3	0	4	3	(1)	-	-
	No. of LED implementation reports submitted to Management	8	26	18	8	11	3	This was informed by progress reports on LED Initiatives or programmes that were reported to management before	
Promotion & marketing of XDM	No. of District exhibitors at MACUFE	5 exhibitors	0 exhibitors	5 exhibitors	2 exhibitors	2 exhibitors	0	This is due to budget constraints	Make provision in the budget for District exhibitors at MACUFE
LED Trainings	No. of SMME's trained	12 SMME's	32	20	New KPI	New KPI	New KPI	An assessment was done by LED Unit and	-

# Chapter 3

								SEDA, a need was identified to train more	
	No. of beneficiaries on business management( Recycling Co-operative)	15 beneficiaries	15	0	New KPI	New KPI	New KPI	-	-
	No. of beneficiaries on business management( Arts and Craft Centre)	12 beneficiaries	0	(12)	New KPI	New KPI	New KPI	Target not achieved because of the unavailability of the service provider	Training will take place in the 2014/15 financial year
Tourism Campaigns	Awareness campaigns	4	2	(2)	4	4	0	This is due to budget constraints	Make provision in the budget for conducting awareness Tourism awareness campaigns
	Upgrading piggery stalls in Dewetsdorp	1	1	0	1	0	(1)	-	-

# Chapter 3

	Payments of stipends for the beneficiaries at the Arts and Craft Centre	R66 600	R49 380	(R17 220)	R388 800	R0.00	(R388 800)	The project started late(in the third quarter) due to Supply Chain Management processes	The remainder of the budget will be spent in the new financial year as the project has overlapped to 2014/15 financial year
	Registration of Waste Recycling co-operative	30/09/2013	0	(1)	1	0	(1)	The cooperative submitted insufficient information to Small Enterprise Development Agency (SEDA) hence the delay in the registration	Municipality to make a follow-up with SEDA regarding the registration of this cooperative.
Implementation of LED Projects	Appointment and payment of 200 Extended Public Works Programme beneficiaries	200 people	278	78	100 people	170	70	This was informed by the conditions of the Incentive	-

# Chapter 3

								Grant Manual.	
Good Governance	% of Council resolutions implemented that was referred to the HOD for execution	100%	76%	(24%)	100%	99.5%	0.5%	The outturning resolution is implemented over a period of time due to project requirements	Follow up on all outstanding Council resolutions
Performance Management	No of performance appraisals conducted in the Department	2	0	(2)	2	1	(1)	Noncompliance with the Employee Performance Appraisal System(EPAS) Policy	HODs to play an oversight role in the implementation of EPAS
	No of performance reports submitted to the MM	4	4	0	4	4	0	-	-

# Chapter 4

## CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE

### (PERFORMANCE REPORT PART II)

#### INTRODUCTION

The Municipality reviewed its organizational structure in April 2012 for 2012/2013 financial year with the intention to prepare and organize the Municipality to implement new political mandate and; ever changing and increasing scope of work that is assigned to the Municipality. Few new positions were created, others were abolished and some were shifted to other departments or units of the institution.

The Municipality is constituted of four departments, namely, the Office of the Municipal Manager, Corporate Services, Planning and Social Development and Budget and Treasury. The Office of the Municipal Manager comprises of four units i.e. Internal Audit, Risk Management, Performance Management and Communication. The Department of Corporate Services consists of three units, i.e. Administration, Human Resources and IT. The Department of Planning and Social Development is composed of four units, namely Local Economic Development, Development Planning, Disaster Management and Municipal Health. The Budget and Treasury Office comprises of three units, namely, Expenditure and Payroll, Supply Chain Management and Budget and Reporting.

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# Chapter 4

## COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

### 4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

Vacancy Rate: Year 1			
Designations	*Total Approved Posts No.	*Vacancies (Total time that vacancies exist using fulltime equivalents) No.	*Vacancies (as a proportion of total posts in each category) %
Municipal Manager	1	0	0%
CFO	1	0	0%
Other S57 Managers (excluding Finance Posts)	2	1	50%
Other S57 Managers (Finance posts)	0	0	0
Police officers	0	0	0
Fire fighters	0	0	0
Senior management: Levels 13-15 (excluding Finance Posts)	13	0	0%
Senior management: Levels 13-15 (Finance posts)	4	0	0%
Highly skilled supervision: levels 9-12 (excluding Finance posts)	19	1	5%
Highly skilled supervision: levels 9-12 (Finance posts)	5	0	0%
<b>Total</b>	<b>45</b>	<b>2</b>	<b>4.4%</b>
<p><i>Note: *For posts which are established and funded in the approved budget or adjustments budget (where changes in employee provision have been made). Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.</i></p>			T4.1.2



# Chapter 4

Turn-over Rate			
Details	Total Appointments as of beginning of Financial Year No.	Terminations during the Financial Year No.	Turn-over Rate*
2013/2014	11	6	55%
2012/2013	10	15	150%
2011/2012	9	8	89%
			T4.1.3

#### COMMENT ON VACANCIES AND TURNOVER:

Xhariep District Municipality has effective retention strategy which is aimed at retaining employees hence the low turnover rate and that strategy is implemented. It is clear that in some instances vacancies are more than the numbers of terminations because of other newly created positions in the organisational structure.

The municipality always fill positions with internal employees as part of the retention strategy objective and the Municipality have tried to fill all vacant positions within the required time including Section 56 & 57 managers.

T4.1.4

# Chapter 4

## COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

### INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT

The Municipality has put proper municipal workforce management systems and procedure in place in order to entrench transparent personnel administration. A Human Resources Policy Manual was developed and presented before Council for approval. Furthermore, the Municipality has developed Employment Equity Plan which is used guide the Municipality on how to implement its recruitment strategy. An Employment Equity Report which shows whether the municipality has recruited employees in accordance with its Employment Equity Plan is then compiled and submitted to the Department of Labour on annual basis.

Every year before the end of June, the Municipality conduct skill audit for each every employee with the intention to identify skill gaps in the institution. The Skills Report in then submitted to the Local Government Sector Education and Training Authority together with the Works Place Skills Plan (WSP). The Officials are then sent to trainings based on the WSP.

The Municipality has developed other numerous policies that governs the activities that are taking place within the institution, namely, Records Management Policy, Fraud and Corruption Prevention Policy, Risk Management Policy, Delegation System Policy, Disaster Management Policy, Audit Charter, Performance Management Framework, Integrated Development Framework and budget related policies etc. These policies and procedures are meant to regulate the activities undertaken by the employees of the Municipality.

T4.2.0

# Chapter 4

## 4.2 POLICIES

HR Policies and Plans				
	Name of Policy	Completed %	Reviewed %	Date adopted by council or comment on failure to adopt
1	Affirmative Action	100%	100%	24 April 2012
2	Attraction and Retention	100%	100%	24 April 2012
24 April 2012	Code of Conduct for employees			24 April 2012
4	Delegations, Authorisation & Responsibility	100%	100%	24 April 2012
5	Disciplinary Code and Procedures			24 April 2012
6	Essential Services	100%	100%	24 April 2012
7	Employee Assistance / Wellness			24 April 2012
8	Employment Equity	100%	100%	24 April 2012
9	Exit Management			24 April 2012
10	Grievance Procedures	100%	100%	24 April 2012
11	HIV/Aids			24 April 2012
12	Human Resource and Development	100%	100%	24 April 2012
13	Information Technology			24 April 2012
14	Job Evaluation	100%	100%	24 April 2012
15	Leave			24 April 2012
16	Occupational Health and Safety	100%	100%	24 April 2012
17	Official Housing			24 April 2012
18	Official Journeys	100%	100%	24 April 2012
19	Official transport to attend Funerals	100%	100%	24 April 2012
20	Official Working Hours and Overtime			24 April 2012
21	Organisational Rights	100%	100%	24 April 2012
22	Payroll Deductions			24 April 2012
23	Performance Management and Development	100%	100%	24 April 2012
24	Recruitment, Selection and Appointments			24 April 2012
25	Remuneration Scales and Allowances	100%	100%	24 April 2012
26	Resettlement			24 April 2012

# Chapter 4

27	Sexual Harassment	100%	100%	24 April 2012
28	Skills Development			24 April 2012
29	Smoking			24 April 2012
30	Special Skills	100%	100%	24 April 2012
31	Work Organisation			24 April 2012
32	Uniforms and Protective Clothing	100%	100%	24 April 2012
33	Other:			

The Municipality created a Human Resource Policy that entails all issues raised in the table as referred to. The Human Resource Policy is reviewed annually and was reviewed for the 2012/2013 financial year

T4.2.1

## COMMENT ON WORKFORCE POLICY DEVELOPMENT:

All necessary policies that enable the Municipality to conduct its business in a fair and transparent manner has been developed and submitted before Council for adoption.

T4.2.1.1

## 4.3 INJURIES, SICKNESS AND SUSPENSIONS

Number and Cost of Injuries on Duty					
Type of injury	Injury Leave Taken Days	Employees using injury leave No.	Proportion employees using sick leave %	Average Injury Leave per employee Days	Total Estimated Cost
Required basic medical attention only	1	1		10	R6 689
Temporary total disablement	0	0			
Permanent disablement	0	0			
Fatal	0	0			
<b>Total</b>	<b>1</b>	<b>1</b>		<b>10</b>	<b>R6 689</b>

T4.3.1

# Chapter 4

Number of days and Cost of Sick Leave (excluding injuries on duty)						
Salary band	Total sick leave Days	Proportion of sick leave without medical certification %	Employees using sick leave No.	Total employees in post* No.	*Average sick leave per Employees Days	Estimated cost
Lower skilled (Levels 1-2)	358	0	6	6	59.6	R 119 135
Skilled (Levels 3-5)	208	0	11	11	18.9	R 114 054
Highly skilled production (levels 6-8)	312	0	19	19	16.4	R 309 751
Highly skilled supervision (levels 9-12)	342	0	26	26	13.2	R 349 000
Senior management (Levels 13-15)	51	0	21	21	2.4	R 74 460
MM and S57	1	0	3	3	0.3	R 4 632
<b>Total</b>	<b>1272</b>	<b>0</b>	<b>86</b>	<b>86</b>	<b>110.8</b>	<b>R 971 032</b>
						T4.3.2

# Chapter 4

Number and Period of Suspensions				
Position	Nature of Alleged Misconduct	Date of Suspension	Details of Disciplinary Action taken or Status of Case and Reasons why not Finalised	Date Finalised
Manager: Planning and Development	Gross Insubordination	May 2014	Matter still pending	-
				T4.3.5

Disciplinary Action Taken on Cases of Financial Misconduct			
Position	Nature of Alleged Misconduct and Rand value of any loss to the municipality	Disciplinary action taken	Date Finalised
IDP Manager	Gross Insubordination	Suspension	In progress
PA of the Municipal Manager	Gross Insubordination	Termination of Contract	December 2013
			T4.3.6

**COMMENT ON SUSPENSIONS AND CASES OF FINANCIAL MISCONDUCT:**

The Municipality terminated the service of one employee due to the outcomes of the Disciplinary Hearing and the matter is at the Arbitration level. The other case is still in progress.

T4.3.7

# Chapter 4

## 4.4 PERFORMANCE REWARDS

### COMMENT ON PERFORMANCE REWARDS:

The Municipality has developed Employee Performance Assessment System (EPAS) which is used as a tool to assess the performance of the employees for a particular period. However, there is no system that regulate how should the officials be rewarded for their outstanding work, except for section 54A and section 56 employees.

At this no performance rewards were paid out to any municipal employee, including Top Managers due to budget constraints.

T4.4.1.1

## COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

### INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT

Every year before the end of June, the Municipality conduct skill audit for each every employee with the intention to identify skill gaps in the institution. The Skills Report in then submitted to the Local Government Sector Education and Training Authority together with the Works Place Skills Plan (WSP). The Officials are then sent to trainings based on the WSP. Over and above this intervention the employees may apply for financial assist to further their studies with their institutions of their choice.

T4.5.0

# Chapter 4

## 4.5 SKILLS DEVELOPMENT AND TRAINING

Skills Matrix														
Management level	Gender	Employees in post as at 30 June Year 1	Number of skilled employees required and actual as at 30 June Year 1											
			Learnerships			Skills programmes & other short courses			Other forms of training			Total		
			No.	Actual: End of Year 0	Actual: End of Year 1	Target	Actual: End of Year 0	Actual: End of Year 1	Target	Actual: End of Year 0	Actual: End of Year 1	Target	Actual: End of Year 0	Actual: End of Year 1
MM and s57	Female	0	0	0	0	0	0	0	0	0	0	0	0	0
	Male	3	3	3	3	0	0	0	0	0	0	0	0	0
Councillors, senior officials and managers	Female	15	1	1	15	1	0	0	0	0	0	0	0	0
	Male	13	1	1	13	1	0	0	0	0	0	0	0	0
Technicians and associate professionals*	Female	0	0	0	0	0	0	0	0	0	0	0	0	0
	Male	0	0	0	0	0	0	0	0	0	0	0	0	0
Professionals	Female	14	0	0	14	0	0	0	0	0	0	0	0	0
	Male	7	0	0	7	0	0	0	0	0	0	0	0	0
Sub total	Female	29	2	2	29	0	0	0	0	0	0	0	0	0
	Male	23	5	5	23	0	0	0	0	0	0	0	0	0
<b>Total</b>		<b>104</b>	<b>12</b>	<b>12</b>	<b>104</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

\*Registered with professional Associate Body e.g CA (SA)

T4.5.1



# Chapter 4

Skills Development Expenditure										
Management level	Gender	Employees as at the beginning of the financial year	Original Budget and Actual Expenditure on skills development Year 1							
			Learnerships		Skills programmes & other short courses		Other forms of training		Total	
			No.	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual	Original Budget
MM and S57	Female	3	200 000	133 400						
	Male	2	200 000	45 600	200 000	6 000			200 000	6 000
Legislators, senior officials and managers	Female	4	200 000	90 288	200 000	6 000			200 000	6 000
	Male									
Professionals	Female									
	Male									
Technicians and associate professionals	Female									
	Male									
Clerks	Female									
	Male									
Service and sales workers	Female									
	Male									
Plant and machine operators and assemblers	Female									
	Male									
Elementary occupations	Female									
	Male									
Sub total	Female	7								
	Male	2								
Total		9	200 000	90 288	200 000	6 000			200 000	6 000
<b>*% and *R value of municipal salaries (original budget) allocated for workplace skills plan.</b>									<b>%*</b>	<b>*R</b>
T4.5.3										

# Chapter 4

## SKILLS DEVELOPMENT AND RELATED EXPENDITURE AND ON THE FINANCIAL COMPETENCY REGULATIONS:

The Municipality has budgeted for skill development of the councillors and officials. It is only few employees who were sent to trainings due to financial challenges experienced by the Municipality. The employees who are from trainings are expected to submit their certificates or obtained qualifications to the Human Resources Division, Skill development Officer. The budget for training would be dramatically reduced in 2014/2015 financial year due to financial constraints.

T4.5.4

## COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

### INTRODUCTION TO WORKFORCE EXPENDITURE

Before the beginning of the next financial year the Municipality makes necessary estimates for the workforce expenditure. The Municipality then filled only vacant positions that are budgeted for. The Municipality strives all times to appointed only suitably qualified employees for the vacant posts.

T4.6.0

### DISCLOSURES OF FINANCIAL INTERESTS

The Municipality has developed disclosure of interest forms which are completed by the Councillors, senior managers and all officials who serve in bid committees. They are required to disclose their financial interest at the beginning of each financial year.

T4.6.6

# Chapter 5

## CHAPTER 5 – FINANCIAL PERFORMANCE

### COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

#### INTRODUCTION TO FINANCIAL STATEMENTS

The Financial Statements have been prepared in accordance with Standards of Generally Recognized Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board. They are further based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

T5.1.0

# Chapter 5

## 5.1 STATEMENTS OF FINANCIAL PERFORMANCE

Financial Summary						
R' 000						
Description	Year 0	Current Year: Year 1			Year 1 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
<b>Financial Performance</b>						
Property rates	-	-	-	-	%	%
Service charges	-	-	-	-	%	%
Investment revenue	284	129	129	272	110.85%	110.85%
Transfers recognised - operational	40 588	59 971	59 340	54 605	-9.83%	-8.67%
Other own revenue	505	445	444	712	37.50%	37.50%
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>41 377</b>	<b>60 555</b>	<b>59 913</b>	<b>56 344</b>	<b>-7.47%</b>	<b>-5.96%</b>
Employee costs	30 159	34 411	32 100	34 018	-1.15%	5.98%
Remuneration of councillors	3 318	3 240	3 240	3 624	10.60%	10.60%
Depreciation & asset impairment	14 426	3 867	3 367	2 646	-32.09%	-21.41%
Finance charges	287	-	-	71	0%	0%
Materials and bulk purchases	-	-	-	-	%	%
Transfers and grants	-	-	-	-	%	%
Other expenditure	22 556	21 339	21 700	19 685	-7.75%	-9.29%
<b>Total Expenditure</b>	<b>70 745</b>	<b>62 856</b>	<b>60 406</b>	<b>60 044</b>	<b>14,53%</b>	<b>4,16%</b>
<b>Surplus/(Deficit)</b>	<b>(29 368)</b>	<b>(2 301)</b>	<b>(493)</b>	<b>(3 700)</b>	<b>-4.47%</b>	<b>-1.52%</b>
Transfers recognised - capital Contributions					%	%
recognised - capital & contributed assets					%	%
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>(29 368)</b>	<b>(2 301)</b>	<b>(493)</b>	<b>(3 700)</b>	<b>-4.47%</b>	<b>-1.52%</b>
Share of surplus/ (deficit) of associate					%	%
<b>Surplus/(Deficit) for the year</b>	<b>(29 368)</b>	<b>(2 301)</b>	<b>(493)</b>	<b>(3 700)</b>	<b>-4.47%</b>	<b>-1.52%</b>

# Chapter 5

<b>Capital expenditure &amp; funds sources</b>						
<b>Capital expenditure</b>	-				%	%
Transfers recognised - capital	-				%	%
.....						
.....						
.....						
.....						
.....						
.....						
.....						
.....						
Borrowing					%	%
Internally generated funds					%	%
<b>Total sources of capital funds</b>	-				%	%
<b>Financial position</b>						
Total current assets	3 729			3 462	%	%
Total non-current assets	20 822			20 095	%	%
Total current liabilities	8 521			7 502	%	%
Total non-current liabilities	879			1 113	%	%
Community wealth/Equity	-			-	%	%
<b>Cash flows</b>						
Net cash from (used) operating	(11 886)			-853	%	%
Net cash from (used) investing	3 095			-408	%	%
Net cash from (used) financing	(452)			201	%	%
<b>Cash/cash equivalents at the year end</b>	1 819			770	%	%
<b>Cash backing/surplus reconciliation</b>						
Cash and investments available	1 819			770	%	%
Application of cash and investments	-			-	%	%
<b>Balance - surplus (shortfall)</b>	1 819			770	%	%

# Chapter 5

<b>Asset management</b>						
Asset register summary (WDV)	-	-	-	-	%	%
Depreciation & asset impairment	3 648			2 646	%	%
Renewal of Existing Assets	-			-	%	%
Repairs and Maintenance	1 271			1 596	%	%
<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:	-	-	-	-	%	%
<i>*Note: surplus/(deficit)</i>						
						T5.1.1

# Chapter 5

## 5.2 GRANTS

GRANT PERFORMANCE						
						R' 000
Description	Year 0	Year 1		Year 1 Variance		
	Actual	Budget	Adjustments Budget	Actual	Original Budget (%)	Adjustments Budget (%)
-						
<b>Operating Transfers and Grants</b>						
<b>National Government:</b>	<b>25 589</b>	<b>29 971</b>	<b>29 340</b>	<b>31 042</b>		
Equitable share	22 762	25 535	29 904	24 905	-2.47%	100%
Finance Management	893	1 250	1 250	1 250	100%	100%
Municipal Systems Improvement	889	890	890	708	-20.45%	-20.45%
EPWP Incentive	1 045	1 000	1 000	3 066	206.60%	206.60%
RRAMS	-	1 296	1 296	<b>1 113</b>	-14.12%	-14.12%
<b>Provincial Government:</b>	<b>15 000</b>	<b>30 000</b>	<b>30 000</b>	<b>25 000</b>		
FS Provincial Government Financial Assistance	15 000	30 000	30 000	25 000	-16.67%	-16.67%
Provincial Infrastructure grant	-				0%	0%
Ambulance subsidy	-				0%	0%
Sports and Recreation	-				0%	0%
Other transfers/grants [insert description]	-				0%	0%
<b>District Municipality:</b>	-				0%	0%
<i>Motheo Asset Share</i>	-				0%	0%
<b>Other grant providers:</b>	-				0%	0%
<i>[insert description]</i>						
<b>Total Operating Transfers and Grants</b>	<b>40 588</b>	<b>59 971</b>	<b>59 340</b>	<b>56 042</b>	<b>0</b>	<b>0</b>

T5.2.1

# Chapter 5

## 5.3 ASSET MANAGEMENT

### INTRODUCTION TO ASSET MANAGEMENT

The asset management policy was drafted within the prescripts of the applicable legislations. Asset verifications are done monthly to ensure that assets are safeguarded properly. Stock counts are performed bi-annual by the asset management officials and once a year with the Office of the Auditor-General. In terms of key delegations, the Accounting Officer is the principal custodian who should ensure that the said policy is scrupulously applied and adhered to. The Chief Financial Officer is the assets registrar. The key elements of the asset management policy are classification, recognition, identification, write-off, depreciation, capitalization criteria, amendment of useful lives, and maintenance of assets.

T5.3.1

### COMMENTON ASSET MANAGEMENT:

As Xhariep is a District Municipality and its major assets are a building, security system, furniture and equipment. The Municipality revenue is via inter-governmental transfer and the tariffs and taxes are not applicable. The evaluation of all expenditure is in terms of the Supply Chain Management Policy of the Municipality, Regulations and applicable legislation.

T5.3.3

Repair and Maintenance Expenditure: Year 1				R' 000
	Original Budget	Adjustment Budget	Actual	Budget variance
Repairs and Maintenance Expenditure	1 151	1 318	1 596	278

T5.3.4



# Chapter 5

## COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

### 5.5 CAPITAL EXPENDITURE

Financial Summary							R' 000
Description	Year 0	Current Year: Year 1			Year 1 Variance		
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget	
<b>Financial Performance</b>							
Property rates	-	-	-	-	%	%	
Service charges	-	-	-	-	%	%	
Investment revenue	284	129	129	272	110.85%	110.85%	
Transfers recognised - operational	40 588	59 971	59 340	54 605	-9.83%	-8.67%	
Other own revenue	505	445	444	712	37.50%	37.50%	
<b>Total Revenue (excluding capital transfers and contributions)</b>	41 377	60 555	59 913	56 344	-7.47%	-5.96%	
Employee costs	30 159	34 411	32 100	34 018	-1.15%	5.98%	
Remuneration of councillors	3 318	3 240	3 240	3 624	10.60%	10.60%	
Depreciation & asset impairment	14 426	3 867	3 367	2 646	-32.09%	-21.41%	
Finance charges	287	-	-	71	0%	0%	
Materials and bulk purchases	-	-	-	-	%	%	
Transfers and grants	-	-	-	-	%	%	
Other expenditure	22 556	21 339	21 700	19 685	-7.75%	-9.29%	
<b>Total Expenditure</b>	70 745	62 856	60 406	60 044	14.53%	4.16%	
<b>Surplus/(Deficit)</b>	(29 368)	(2 301)	(493)	(3 700)	-4.47%	-1.52%	
Transfers recognised - capital Contributions					%	%	
recognised - capital & contributed assets					%	%	
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	(29 368)	(2 301)	(493)	(3 700)	-4.47%	-1.52%	

# Chapter 5

Share of surplus/ (deficit) of associate					%	%
<b>Surplus/(Deficit) for the year</b>	(29 368)	(2 301)	(493)	(3 700)	-4.47%	-1.52%
<b>Capital expenditure &amp; funds sources</b>						
<b>Capital expenditure</b>	-				%	%
Transfers recognised - capital	-				%	%
.....						
.....						
.....						
.....						
.....						
.....						
.....						
.....						
.....						
.....						
Borrowing					%	%
Internally generated funds					%	%
<b>Total sources of capital funds</b>	-				%	%
<b>Financial position</b>						
Total current assets	3 729			3 462	%	%
Total non-current assets	20 822			20 095	%	%
Total current liabilities	8 521			7 502	%	%
Total non-current liabilities	879			1 113	%	%
Community wealth/Equity	-			-	%	%
<b>Cash flows</b>						
Net cash from (used) operating	(11 886)			-853	%	%
Net cash from (used) investing	3 095			-408	%	%
Net cash from (used) financing	(452)			201	%	%
<b>Cash/cash equivalents at the year end</b>	1 819			770	%	%
<b>Cash backing/surplus reconciliation</b>						

# Chapter 5

Cash and investments available	1 819			770	%	%
Application of cash and investments	-			-	%	%
<b>Balance - surplus (shortfall)</b>	1 819			770	%	%
<b><u>Asset management</u></b>						
Asset register summary (WDV)	-	-	-	-	%	%
Depreciation & asset impairment	3 648			2 646	%	%
Renewal of Existing Assets	-			-	%	%
Repairs and Maintenance	1 271			1 596	%	%
<b><u>Free services</u></b>						
Cost of Free Basic Services provided	-	-	-	-	%	%
Revenue cost of free services provided	-	-	-	-	%	%
<b><u>Households below minimum service level</u></b>						
Water:	-	-	-	-	%	%
Sanitation/sewerage:	-	-	-	-	%	%
Energy:	-	-	-	-	%	%
Refuse:	-	-	-	-	%	%
<i>*Note: surplus/(deficit)</i>						
						T5.1.1

# Chapter 5

## 5.6 SOURCES OF FINANCE

Capital Expenditure - Funding Sources Year 0 to Year 1							R' 000
Details	Year 0	Year 1					
	Actual	Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance (%)	Actual to OB Variance (%)	
<b>Source of finance</b>							
	External loans						
	Public contributions and donations						
	Grants and subsidies		59 971	59 971	55 361	-7.69%	-7.69%
	Other		581	573	910	56.62%	58.81%
<b>Total</b>							
<i>Percentage of finance</i>							
	External loans						
	Public contributions and donations						
	Grants and subsidies						
	Other						
<b>Capital expenditure</b>							
	Water and sanitation						
	Electricity						
	Housing						
	Roads and storm water						
	Other						
<b>Total</b>							
<i>Percentage of expenditure</i>							
	Water and						

# Chapter 5

sanitation							
Electricity							
Housing							
Roads and storm water							
Other							
							T5.6.1

## COMMENT ON SOURCES OF FUNDING:

The sources of funding are less than the approved budget due to projects that were not completed by year-end and a portion of financial assistance grant which was diverted to one of our local municipalities. In terms of other income, rental of facilities and interest income were more than anticipated.

T5.6.1.1

## COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

### INTRODUCTION TO CASH FLOW MANAGEMENT AND INVESTMENTS

The starting point for good cash flow management is developing a cash flow projection. It is also imperative to develop historical cash flow statements to understand how the money was used. Understanding the basic concepts of cash flow also helps for the unforeseen eventualities that nearly every municipality faces.

T5.9.0

# Chapter 5

## 5.9 CASH FLOW

<b>Cash Flow Outcomes</b>				
<b>R'000</b>				
Description	Year 0	Current Year: Year 1		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Ratepayers and other	73	444	444	638
Government – operating	40 558	59 971	59 340	55 361
Government – capital				
Interest	284	139	129	272
Dividends				
<b>Payments</b>				
Suppliers and employees	(55 647)	(58,358)	(59 741)	(58 032)
Finance charges	(287)			(71)
Transfers and Grants				
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>(11 886)</b>	<b>2 196</b>	<b>172</b>	<b>(1 832)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Receipts</b>				
Proceeds on disposal of assets	5 024	-	-	74
Decrease (Increase) in non-current debtors				
Decrease (increase) other non-current receivables				
Decrease (increase) in non-current investments				
<b>Payments</b>				
Capital assets	(1 929)	(3 746)	(2 621)	(482)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(3 095)</b>	<b>(3 743)</b>	<b>(2 621)</b>	<b>(408)</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	(452)			0
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>(452)</b>			

# Chapter 5

<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>(9 243)</b>	<b>(1 550)</b>	<b>(2 449)</b>	
Cash/cash equivalents at the year begin:	<b>11 062</b>	<b>0</b>	<b>0</b>	<b>1 819</b>
Cash/cash equivalents at the year-end:	<b>1 819</b>	<b>(1 550)</b>	<b>(2 449)</b>	<b>770</b>
				T5.9.1

## CASH FLOW OUTCOMES:

In terms of own revenue, the municipality received more than anticipated. The Financial Assistance Grant from COGTA, which was a receivable, was only confirmed in December 2013 that it would not be received. This resulted in the actual on Government Grants receipts to be less than the budget amount and that had a negative effect on supplier payments and employees as outlined above

T5.9.1.1

## 5.10 BORROWING AND INVESTMENTS

### INTRODUCTION TO BORROWING AND INVESTMENTS

The municipality as a financially struggling organization only invests excess funds for a short-term aiming at maximizing the available revenue, which would be earning interest. Those said investments would be to meet financial obligations in the subsequent months. The municipality rather had finance leases and overdraft than borrowings.

T5.10.1

# Chapter 5

## COMPONENT D: OTHER FINANCIAL MATTERS

### 5.12 SUPPLY CHAIN MANAGEMENT

#### SUPPLY CHAIN MANAGEMENT

The SCM policy that is in line with the model policy prescribed by the National Treasury, as well as the Contract Management Policy, have been developed, adopted by council on the 5<sup>th</sup> of December 2013 and workshop was conducted to employees of the municipality in February 2014. The SCM implementation checklist is also being implemented effectively by the unit. No Councilor is a member of any bid committee handling Supply Chain processes. All Supply Chain Officials (intern included) are yet to be fully compliant with the National Treasury competency requirements as they will be attending the MFMP during the 2014/15 financial year that is in accordance with the municipality's Work Skills Plan (WSP), which is over and above the CPMD (7 modules) attended and completed by the Supply Chain Manager only as well as the LGAC and LGAAC courses attended and completed by the Supply Chain Administrator. As for the remarks made by the Auditor-General and the remedial action thereof, queries were raised on non-compliance with the regulation and other applicable legislations, of which AG action plan was developed by the municipality to address such issues.

T5.12.1

### 5.13 GRAP COMPLIANCE

#### GRAP COMPLIANCE

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

T5.13.1



# Chapter 6

## CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS

### COMPONENT A: AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS YEAR 0

#### 6.1 AUDITOR GENERAL REPORTS YEAR 0 (PREVIOUS YEAR)

Auditor-General Report on Financial Performance Year 0	
<b>Audit Report Status*:</b>	Qualification
<b>Non-Compliance Issues</b>	<b>Remedial Action Taken</b>
Non-Compliance with Section 12(5) of Division of Revenue Act	The FMG report will be submitted to NT before the deadline every month.
Non-Compliance with MFMA 15, 32 (2), 62(1)(d) & 71	Internal Controls have been developed in the form of: Unauthorized- memo (requisition form) Irregular- SCM Policy Fruitless- MFMA 65  They will be implemented from February 2014.
Non-Compliance with Municipal Budget and Reporting Regulation Section 26(1)	The budgets shall be placed on the municipality's website (made public) within 10 days after approval by council.
Non-Compliance with Municipal Investment Regulation 9(1)	Submissions to the Mayor shall be made monthly.
Expenditure: Invoices paid after 30 days	Going forward management will ensure that payments are made within 30 days from the date of receipt of invoice. Efforts will be made that even disputed invoices are paid in line with the MFMA.
Non-Compliance with Municipal Budget and Reporting Regulation Section 18(1)& 30 (1)	<ol style="list-style-type: none"> <li>1. The Budget and monthly budget statements will be submitted to the IT Unit for placement on the municipality's website within the required timeframes.</li> <li>2. The budgets shall be placed on the municipality's website (made public) within 10 days after approval by council.</li> <li>3. The budget monthly statements shall be placed on the municipal website.</li> </ol>

# Chapter 6

Non-Compliance with the provision of MFMA 32 (4)	The CFO will develop a mechanism to ensure compliance with the provisions of section 32 of the MFMA. The mechanism will include monitoring instruments.
Non-Compliance with Municipal Budget and Reporting Regulation Section 26(1)	The budgets shall be placed on the municipality's website (made public) within 10 days after approval by council.
Non-Compliance with Municipal Investment Regulation9(1)	Submissions to the Mayor shall be made monthly.
T6.1.1	

## COMPONENT B: AUDITOR-GENERAL OPINION YEAR 1 (CURRENT YEAR)

### 6.2 AUDITOR GENERAL REPORT YEAR 1

Auditor-General Report on Financial Performance Year 1*	
<b>Status of audit report:</b>	Qualification
<b>Non-Compliance Issues</b>	<b>Remedial Action Taken</b>
Annual Financial Statements, Performance and Annual Report – Non-Compliance with section 122 of the MFMA	The Financial Statements of the municipality will be presented to Provincial Treasury, Audit Committee and Internal Auditors for review prior to submission. The interim AFS will be submitted to Audit Committee, Auditor General, and Provincial Treasury on the 30 <sup>th</sup> of January 2015 for review. The CFO will also review the AFS on the 23rd of January prior submission.
Audit Committee- Noncompliance with section 166 of the MFMA	An Audit Committee member was appointed during the month of November 2014. Appointment letter and acceptance letter of newly appointed member has been forwarded to the Internal Audit Unit.

# Chapter 6

	<p>Moreover management will ensure that the composition of the Audit Committee comprises of at least four members so that in instances where one member resigns the Audit can still perform its duties as required by section 166 of the MFMA.</p>
<p>Unspent conditional Grant- Discrepancies identified</p>	<p>Management will ensure that separate bank accounts are opened for all conditional grants to ensure effective monitoring of grants monies.</p> <p>Management will engage relevant custodians of the grants to obtain confirmation for write-off.</p>
<p>Audit Committee not properly constituted for the full period of 2013/14</p>	<p>An Audit Committee member was appointed during the month of November 2014. Appointment letter and acceptance letter of newly appointed member has been forwarded to the Internal Audit Unit.</p> <p>Moreover management will ensure that the composition of the Audit Committee comprises of at least four members so that in instances where one member resigns the Audit can still perform its duties as required by section 166 of the MFMA.</p>
<p>Property ,Plant and Equipment- Auctioned/donated/ written off without council resolution</p>	<p>Management will ensure that all assets disposed/auctioned/donated/written off are submitted to council for approval</p>
<p>Expenditure: Only one quotation attached to payment batch</p>	<p>Management to ensure that preference points system is applied for transactions between R30 000.00 and R200 000.00 (VAT Inc) as required in terms of the Preferential Procurement Regulation. In which the SCM Compliance checklist will be reviewed prior to payment being made and filling by the Expenditure Manager and Senior Records Clerk. However, it should be noted that the said expenditure was investigated and reported as irregular. Furthermore all quotations received for a specific tender will be attached to the payment batch.</p>
<p>Procurement and Contract Management: Payments R30 000 - R200 000</p>	<p>Management to ensure that the prescripts of the Preferential Procurement Regulation apply fully going forward for transactions between R30 000.00 and R200 000.00 (VAT Inc). The SCM Manager will review all supporting documentation to</p>

# Chapter 6

	ensure that they are attached prior placing an order.
Non Compliance: MFMA S32(4) Reports	Management will ensure that all MFMA Section 32 reports are submitted to the Section 80, Section 32 Committee and subsequently to Council for consideration, investigation and approval.
<p><i>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 Year 1.</i></p>	
T6.2.1	

# Chapter 6

## REPORT OF THE AUDITOR-GENERAL TO THE FREE STATE LEGISLATURE AND THE COUNCIL ON THE XHARIEP DISTRICT MUNICIPALITY

### REPORT ON THE FINANCIAL STATEMENTS

#### Introduction

1. I have audited the financial statements of the Xhariep District Municipality set out on pages 141 to 178, which comprise the statement of financial position as at 30 June 2014, the statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget and actual amounts for the year then ended, as well as the notes, comprising a summary of significant accounting policies and other explanatory information.

#### Accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2013 (Act No. 2 of 2013) (DoRA), and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### Auditor-general's responsibility

3. My responsibility is to express an opinion on the financial statements based on my audit. I conducted my audit in accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), the general notice issued in terms thereof and International Standards on Auditing. Those standards require that I comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.

# Chapter 6

## **Basis for qualified opinion**

### **Property, plant and equipment**

6. I was unable to obtain sufficient appropriate audit evidence regarding property, plant and equipment. Management could not provide supporting documentation to confirm the adjustments made to the fixed asset register. In addition, I was unable to physically verify the existence of the property, plant and equipment due to a lack of unique numbers as well as inadequate descriptions of assets and locations recorded in the fixed asset register. I was unable to confirm property, plant and equipment by alternative means. Consequently, I was unable to determine whether any adjustment was necessary in respect of property, plant and equipment stated at R20 095 302 (2013: R22 261 494) in note 6 to the financial statements.

### **Unspent conditional grants and receipts**

7. I was unable to obtain sufficient appropriate audit evidence that management had properly accounted for unspent conditional grants and receipts due to management not providing sufficient supporting information. I was unable to confirm unspent conditional grants and receipts by alternative means. Consequently, I was unable to determine whether any adjustment was necessary relating to unspent conditional grants and receipts stated at R1 699 499 in note 9 to the financial statements.

### **Commitments**

8. I was unable to obtain sufficient appropriate audit evidence that management had properly accounted for all commitments due inadequate contract management systems. I was unable to confirm commitments by alternative means. Consequently, I was unable to determine whether any adjustment was necessary in respect of commitments stated at R2 962 787 (2013: R1 328 470) in note 25 to the financial statements.

### **Prior period errors**

9. I was unable to obtain sufficient appropriate audit evidence regarding the disclosure of the prior period errors. Management could not provide documentation to support the adjustments made to the prior period error note as well as the accumulated surplus. I was unable to confirm the prior period errors by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to the prior period errors as disclosed in note 36 to the financial statements.

### **Aggregation of immaterial uncorrected misstatements**

10. The financial statements were materially misstated due to the cumulative effect of individually immaterial uncorrected misstatements in the following items making up the statement of financial position and the statement of financial performance:
  - Trade and other receivables reflected as R1 737 141 was overstated by R158 432

# Chapter 6

- Employee related costs reflected as R34 017 652 was overstated by R139 585

In addition, I was unable to obtain sufficient appropriate audit evidence and to confirm the following items by alternative means:

- Payables from exchange transactions of R138 457 as included in the disclosed balance of R5 542 848
- Employee related costs of R197 795 as included in the disclosed balance of R34 017 652

As a result, I was unable to determine whether any adjustment to these items was necessary.

## **Qualified opinion**

11. In my opinion, except for the possible effects of the matters described in the basis for qualified opinion paragraphs, the financial statements present fairly, in all material respects, the financial position of the Xhariep District Municipality as at 30 June 2014 and its financial performance and cash flows for the year then ended, in accordance with SA Standards of GRAP and the requirements of the MFMA and DoRA.

## **Emphasis of matters**

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

## **Restatement of corresponding figures**

13. As disclosed in note 36 to the financial statements, the corresponding figures for the 30 June 2013 have been restated as a result of errors discovered during 2014 in the financial statements of the municipality at, and for the year ended, 30 June 2013.

## **Irregular expenditure**

14. As disclosed in note 23.3 to the financial statements, the municipality incurred irregular expenditure of R8 364 073 (2013: R4 957 023) during the year under review due to non-compliance with supply chain management (SCM) regulations.

## **Unauthorised expenditure**

15. As disclosed in note 23.1 to the financial statements, the municipality incurred unauthorised expenditure of R2 377 362 (2013: R5 667 656) during the year under review, due to overspending of the municipal budget.

# Chapter 6

## Going concern

16. As disclosed in note 34 to the financial statements, the municipality incurred a deficit of R3 700 003 during the year ended 30 June 2014 and, as of that date the municipality's unspent conditional grants and receipts of R1 699 499 exceed the cash balance held by the municipality of R769 595. The net cash outflow from operating activities is R853 082 and the current liabilities of R7 502 347 exceed the current assets of R3 461 970. These conditions, along with other matters indicate the existence of a material uncertainty that may cast significant doubt on the municipality's ability to operate as a going concern.

## Additional matter

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

## Unaudited disclosure notes

18. In terms of section 125(2)(e) of the MFMA the municipality is required to disclose particulars of non-compliance with the MFMA. This disclosure requirement did not form part of the audit of the financial statements and accordingly I do not express an opinion thereon.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

19. In accordance with the PAA and the general notice issued in terms thereof, I report the following findings on the reported performance information against predetermined objectives for selected development objectives presented in the annual performance report, non-compliance with legislation as well as internal control. The objective of my tests was to identify reportable findings as described under each subheading but not to gather evidence to express assurance on these matters. Accordingly, I do not express an opinion or conclusion on these matters.

## Predetermined objectives

20. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information for the following selected development objectives presented in the annual performance report of the municipality for the year ended 30 June 2014:

- Development objective: Corporate services on pages 58 to 62
- Development objective: Planning and social development on pages 69 to 78

21. I evaluated the reported performance information against the overall criteria of usefulness and reliability.



# Chapter 6

22. I evaluated the usefulness of the reported performance information to determine whether it was presented in accordance with the National Treasury's annual reporting principles and whether the reported performance was consistent with the planned development objectives. I further performed tests to determine whether indicators and targets were well defined, verifiable, specific, measurable, time bound and relevant, as required by the National Treasury's *Framework for managing programme performance information* (FMPPI).
23. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
24. I did not raise any material findings on the usefulness and reliability of the reported performance information for the selected development objectives.

## **Additional matter**

25. Although I raised no material findings on the usefulness and reliability of the reported performance information for the selected development objectives, I draw attention to the following matter:

## **Achievement of planned targets**

26. Refer to the annual performance report on pages **1 to 198** and **48 to 78** for information on the achievement of the planned targets for the year.

## **Compliance with legislation**

27. I performed procedures to obtain evidence that the municipality had complied with applicable legislation regarding financial matters, financial management and other related matters. My findings on material non-compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA, are as follows:

## **Budgets**

28. Expenditure was incurred in excess of the limits of amounts provided for in the votes of the approved budget, in contravention of section 15 of the MFMA.

## **Annual financial statements, performance and annual report**

29. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122 of the MFMA. Material misstatements of non-current assets, current liabilities, expenditure and disclosure items identified by the auditors in the submitted financial statements were subsequently corrected, but the uncorrected material misstatements and supporting records that could not be provided, resulted in the financial statements receiving a qualified audit opinion.

## **Audit committee**

# Chapter 6

30. The audit committee was not constituted in the manner required by section 166(4)(a) of the MFMA. One member of the audit committee resigned during the year and another member's contract was not renewed. This resulted in the audit committee not having the required minimum of three members. The latest audit committee member position became vacant in March 2014.
31. The audit committee did not review the annual financial statements to provide the council with an authoritative and credible view of the financial position of the entity, its efficiency and effectiveness and its overall level of compliance with legislation, as required by section 166(2)(b) of the MFMA.
32. The audit committee did not review the fourth quarter internal audit reports on performance measurement, as required by municipal planning and performance management regulation 14(4)(a)(i).
33. The audit committee did not advise the council on matters relating to compliance with legislation, as required by section 166(2)(a)(vii) of the MFMA.
34. The audit committee did not advise the council on matters relating to the adequacy, reliability and accuracy of financial reporting and information, as required by section 166(2)(a)(iv) of the MFMA.

## **Asset management**

35. An effective system of internal control for assets was not in place, as required by section 63(2)(c) of the MFMA.
36. Assets disposed by the municipality were not approved by the council as required by section 14(2)(a) of MFMA.

## **Procurement and contract management**

37. Sufficient appropriate audit evidence could not be obtained to confirm that contracts were awarded in accordance with the legislative requirements and a procurement process which is fair, equitable, transparent and competitive due to inadequate record keeping.
38. Goods and services with a transaction value of below R200 000 were procured without obtaining the required price quotations as required by SCM regulation 17(a) and (c).
39. Bid specifications were not always drafted by bid specification committees which were composed of one or more officials of the municipality as required by SCM regulation 27(3).

# Chapter 6

40. Invitations for competitive bidding were not always advertised for a required minimum period of days, as required by SCM regulation 22(1) and 22(2).
41. The preference point system was not applied in all procurement of goods and services above R30 000 as required by section 2(a) of the Preferential Procurement Policy Framework Act of South Africa, 2000 (Act No. 5 of 2000) (PPPFA) and SCM regulation 28(1)(a).
42. Contracts and quotations were awarded to bidders who did not submit a declaration on whether they are employed by the state or connected to any person employed by the state, as required by SCM regulation 13(c).
43. Contracts and quotations were awarded to providers whose tax matters had not been declared by the South African Revenue Service to be in order, as required by SCM regulation 43.

## **Expenditure management**

44. Reasonable steps were not taken to prevent unauthorised, irregular as well as fruitless and wasteful expenditure as required by section 62(1)(d) of the MFMA.

## **Consequence management**

45. Unauthorised, irregular as well as fruitless and wasteful expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, in accordance with the requirements of section 32(2) of the MFMA.
46. Council certified irregular, fruitless and wasteful expenditure as irrecoverable without conducting an investigation by council committee to determine recoverability of the expenditure, as required by section 32(2) of the MFMA.

## **Internal control**

47. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with legislation. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the qualified opinion, and the findings on non-compliance with legislation included in this report.

## **Leadership**

# Chapter 6

48. The leadership did not respond to the matters reported by the external auditors in the previous financial year in order to ensure an improvement in the audit outcome. They did not take timely and adequate action to address weaknesses in the finance and supply chain management directorate, which resulted in non-compliance with applicable legislation and an increase in irregular expenditure. There were no consequences for officials that did not perform or performed their job functions poorly.

## **Financial and performance management**

49. Inadequate filing procedures and a lack of proper record keeping resulted in the municipality obtaining a qualified opinion once again. As a result, significant difficulties and delays were experienced in respect of the availability of information. The financial statements were not properly reviewed by the chief financial officer for completeness and accuracy prior to submission for auditing, which resulted in material audit adjustments being made.

50. The municipality did not establish effective monitoring and evaluation processes within its finance and strategic planning directorates to regularly review and monitor compliance with laws, regulations and internally designed policies and procedures due to capacity problems. As a result, significant non-compliance issues were identified that could have been prevented.

## **Governance**

51. The governance structures of the municipality were not sufficiently capacitated and as a result did not deliver on its mandate. Internal control deficiencies and risks affecting the municipal environment were not identified, communicated and corrected in a timely manner. The implementation of external and internal audit recommendations were not prioritised and monitored which resulted in some of the qualification matters recurring.

## **OTHER REPORTS**

### **Investigation**

52. The municipality is in the process of conducting an internal review in respect of possible fraudulent transactions identified during the audit. It is alleged that management could be colluding with service providers to procure services in contravention of the SCM regulations. The accounting officer has indicated that this will be investigated and officials involved will be criminally charged and monies will be recovered. At the time of this report, the composition, terms and reference of the investigation was not yet finalised.

Bloemfontein

# Chapter 6

30 November 2014



## AUDITOR-GENERAL'S OPINION YEAR 1:

The municipality obtained a qualified audit opinion for both 2012/2013 and 2013/2014 financial years wherein the major issues were Property, Plant and Equipment, Commitments, Prior year errors and Unspent conditional grants and receipts.

T6.2.4

## 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

## 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 “full and regular” 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 “what we do”.
<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.

# GLOSSARY

<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.

# GLOSSARY

<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

## APPENDICES

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

Councillors, Committees Allocated and Council Attendance					
Council Members	Full Time / Part Time	Committees Allocated	*Ward and/ or Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
	FT/PT			%	%
CLLR MG NTWANAMBI	FT	Executive Mayor – Mayoral	ANC	86%	14%
		Council	ANC		
CLLR MG MODISE	FT	Corporate Services	ANC	64%	36%
		Mayoral Committee	ANC		
		Council	ANC		
CLLR JAFTA	PT	Planning & Social Development	ANC	64%	36%
		Council	ANC		
CLLR MM KHOTLELE	PT	Corporate Services	ANC	28%	72%
		Council	ANC		
CLLR MJ MOHAPI	PT	Budget and Treasury	ANC	57%	43%
		Council	ANC		
CLLR MJ MPHORE	PT	Corporate Services	COPE	86%	14%
		Council	COPE		
CLLR AJJ VAN RENSBURG	PT	Planning & Social Development	DA	36%	64%

# APPENDICES

		Council	DA		
CLLR SA SOLA	PT	Budget & Treasury	ANC	71%	29%
		Council	ANC		
CLLR NC SPOCHTER	PT	Corporate Services	ANC	79%	21%
CLLR H SHEBE	PT	Budget & Treasury	DA	93%	7%
		Council	DA		
CLLR VA MONA	FT	Budget & Treasury	ANC	79%	21%
CLLR P DIBE	PT	Planning & Social Development	ANC	64%	36%
		Council	ANC		
CLLR I MEHLOMAKULU	FT	Planning & Social Development	ANC	93%	7%
		Mayoral Committee	ANC		
		Council	ANC		
CLLR MJ SEHANKA	FT	Speaker - Council	ANC	79%	21%
CLLR JJ MAKITLE	PT	Budget & Treasury	ANC	93%	7%
		Council	ANC		
CLLR ML SEHLOHO	PT	Budget & Treasury	ANC	57%	43%
		Council	ANC		
<i>Note: * Councillors appointed on a proportional basis do not have wards allocated to them</i>					T A.1

# APPENDICES

## APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

<b>Committees (other than Mayoral / Executive Committee) and Purposes of Committees</b>	
<b>Municipal Committees</b>	<b>Purpose of Committee</b>
Oversight Committee	Playing an oversight Role over the finances and the administration of the Municipality
Audit Committee	Performing duties as stipulated in Section 166 of the MFMA

# APPENDICES

## 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	Yes	
Building regulations	No	
Child care facilities	Yes	
Electricity and gas reticulation	No	
Firefighting services	No	
Local tourism	Yes	
Municipal airports	No	
Municipal planning	Yes	
Municipal health services	Yes	
Municipal public transport	No	
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 law	No	
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto	No	
Stormwater management systems in built-up areas	No	
Trading regulations	No	
Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems	No	
<i>Continued next page</i>		
<i>Continued from previous page</i>		
<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	No	

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

# APPENDICES

## APPENDIX G – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE YEAR 1

<b>Municipal Audit Committee Recommendations</b>		
<b>Date of Committee</b>	<b>Committee recommendations during Year 1</b>	<b>Recommendations adopted (enter Yes) If not adopted (provide explanation)</b>
<b>27 August 2014</b>	Management should develop a plan to implement all policies so as to ensure compliance.	Yes
	The Shared Audit and Performance Committee to develop a template that will be used by management to produce quarterly financial statements using both the trial balance and general ledger.	In Progress
	Internal Audit to audit the financial statements for supporting documents on a quarterly basis.	An audit on Interim Financial Statement was conducted
	Management should adopt a specific target percentage (threshold) with respect to Performance Management System, directorates to provide motivation in instances where targets are not met and the Municipal Manager to subsequently report to the Shared Audit and Performance Committee on mechanisms taken to address non achievement of projected targets.	In Progress
	Internal Audit to include the following audits in their annual internal audit plan: <ul style="list-style-type: none"> <li>▪ Risk Management</li> <li>▪ IT</li> <li>▪ Governance</li> <li>▪ Project Management</li> <li>▪ Audit of Quarterly Financial Statements.</li> </ul>	Yes
	Internal audit to develop a finding and recommendation register, and report on the implementation of Internal Audit recommendation to the Shared Audit and Performance Committee.	Yes
<b>26 February 2014</b>	The IDP document to be submitted to the Chairperson of the SAPC before the sitting of the oversight committee.	Yes

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	<p>The following corrections be made on the Annual Report.</p> <ul style="list-style-type: none"> <li>- Page 36, the current Risk Management structure be provided.</li> <li>- Pages 40, 50, 51, 52 and 58, the guidelines from treasury be removed from the document.</li> <li>- The Annual SAPC report be attached as appendix in the Annual Report.</li> </ul>	Yes
<b>03 April 2014</b>	Internal Audit to submit reports to SAPC as and when they are readily available.	On going
	The Shared Audit and Performance Committee to prepare a report to the Accounting Officer on all reports submitted by Internal Audit.	In Progress
	The Municipal Manager to respond to the report of the Shared Audit and Performance Committee.	In Progress
	Management should ensure that at least a minimum of 90% implementation of SAPC resolution is achieved.	In Progress
	Internal Audit to include responsibility no: 33 (Report of the SAPC to Council) on the Compliance Evaluation Matrix.	Yes
	In the risk management policy, paragraph 7.1.1 be amended to state that reporting by risk owners be done on a quarterly basis.	Yes
	In the risk management committee terms of reference, under paragraph 3 – composition, be amended to state that line managers will be appointed as secondees.	Yes
	The CRO to clearly define the risk appetite and risk tolerance and further include in paragraph 5, of the risk management committee terms of reference under roles and responsibility how the review on risk appetite and risk tolerance will be conducted.	In progress
	<p>The following statements should be removed/amended under paragraph 5.7 of the Fraud and Corruption prevention plan:</p> <ul style="list-style-type: none"> <li>- Bullet 1 “long enough period”</li> <li>- Bullet 4 “at each audit committee meeting”</li> </ul> <p>Bullet 3; amend the entire statement to state that “The Shared Audit and Performance Committee must report or communicate any issues of fraud or corruption identified to the external auditors”.</p>	Yes

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	CRO to clearly define or state the frequency in which the risk assessments will be conducted.	Yes
	Performance assessment of the municipality be reported cumulatively	Yes
	Chief Audit Executive to develop a template that will be used by Council to evaluate the Shared Audit and Performance Committee	Yes
	Municipal Manager to propose to Council that they appoint a councillor preferably the Executive Mayor to evaluate the performance of the Shared Audit and Performance Committee and present such results of the evaluation to Council.	This will be done after the template has been presented to the SAPC members for noting and consideration.
	Internal Audit to audit or review items in the interims that resulted in the municipality obtaining a qualification	Yes
	Management to develop a plan in addressing all the “red” faces on the AG Dashboard report.	In progress
	Internal Audit to make a follow up on all SAPC resolutions.	Yes
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# VOLUME II

## APPENDIX H – LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS

Long Term Contracts (20 Largest Contracts Entered into Year 1)					
					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
Namtra Trading	Supply of building materials for piggery stall in Dewetsdorp	30/07/2013	30/08/2013	Ms Kelebogile Molatedi	R 480 900
Sizwe Ntsaluba and Advisory Services	IT Audit	23/08/2013	22/10/2013	Mrs P.B Mosomane	R 292 068
Roseta Trading	Mentorship for Shoe Production	28/01/2014	08/07/2014	Ms Kelebogile Molatedi	R 390 000
Free State Travelling Agency	Travelling Agency	10/02/2014	10/02/2017	N/A	10 % commission on each transaction
Royal Haskoning	Rural Roads Assets Management Grant	16/07/2013	16/07/2015	Mr Moeketsi Moloji	R 1 268 934
Makomota Investments and Holdings	Compilation of GRAP compliant annual financial statements	16/07/2013	10/12/2013	Mr Jabulani Makubu	R 759 506
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## APPENDIX I – MUNICIPAL ENTITY/ SERVICE PROVIDER PERFORMANCE SCHEDULE

Service Provider	Project Name	Contract Amount	Project Status	End User Remarks
Namtra Trading	Supply of building material for piggery stall in Dewetsdorp	R 480 900	Complete	The service provided was satisfactory
Sizwe Ntsaluba and Gobodo Advisory	IT Audit	R 292 068	Complete	The service provided was satisfactory
KTP Management	Strategic Support(Under section 32)	R 302 000	Complete	Under Investigation
Makomota Investment Holdings	Compilation of annual financial statements	R 670 000	Complete	The service provided was satisfactory
Royal Haskoning DHV	Rural roads asset management grant	R 2 427 174	Still in progress	The service provided so far is satisfactory
Stormy Seasons	ICT Master Plan	R 193 600	Complete	The service provided was satisfactory
Roseta Trading CC	Mentorship for Shoe Production	R 390 000	Still in progress	The service provided so far is satisfactory

# APPENDICES

Matsapa Trading 725	Fumigating of Municipal Premises	R 48 800	Complete	The service provided was satisfactory
LKGA Construction and Projects	Repair to Damaged Roofing of the Garage	R 88 000	Complete	The service provided was satisfactory
Orange Toyota Bloemfontein	Supply of 7 Seater Vehicle	R 183 769	Complete	The service provided was satisfactory
Procon IT Solutions	Supply of domain controller AD Server and File server	R 129 065	Complete	The service provided was satisfactory
Altimax	Review of interim financial statements, performing of proper reconciliation on vat, creditors and payroll. Training of BTO managers on the compilation of annual financial statements.	R 101 916	Complete	The service provided was satisfactory
Altimax	Year-end assessment of assets. Determination of useful lives, assets of impairment and GRAP 3 statement, long service benefit liability	R 116 622	Complete	The service provided so far is satisfactory

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Procon IT Solutions	Back up service	R 41 400	Ongoing	The service provided so far is satisfactory
Procon IT Solutions	Internet service provider	R 54 000	Ongoing	The service provided so far is satisfactory
Roseta Trading CC	Leasing of machinery for shoe production	R 5 400 p/m	Still in progress	The service provided so far is satisfactory
Kgolo Institute	Training of finance officials on the municipal finance management programme	R 134 064	Other learners were added on the programme, hence later application of reg 32 through Kopanong Local Municipality	The service provided was satisfactory
Wolters Kluwer	Supply and installation of Audit Software	R 153 777	Still in progress	The service provided was satisfactory

# APPENDICES

Kgolo Institute	Training of finance officials on the municipal finance management programme (under section 32)	R 319 200	still in progress (Officials still attending classes)	The service provided was satisfactory
Njunga Construction and Projects	Mayoral Imbizo	R 195 000	Complete	Under Investigation

# VOLUME II

## APPENDIX J – DISCLOSURES OF FINANCIAL INTERESTS

Disclosures of Financial Interests		
Period 1 July to 30 June of Year 1 (Current Year)		
Position	Name	Description of Financial interests* (Nil / Or details)
<b>(Executive) Mayor</b>	M.G Ntwanambi	Nil
<b>Member of MayCo / Exco</b>		
	M.G Modise	Nil
	N.I Mehlomakhulu	Nil
	V. Mona	Nil
<b>Councillor</b>	N Jafta	Nil
	H Shebe	Nil
	MM Khotlele	Nil
	M.J Mohapi	Nil
	M.J Mphore	Nil
	NC Spochter	Nil
	S. A Sola	Nil
<b>Municipal Manager</b>	MM Kubeka	Nil
<b>Chief Financial Officer</b>	L Mashiane	Nil
<b>Deputy MM and (Executive) Directors</b>	M Khapha	Nil
<b>Other S57 Officials</b>	MS Mohale	Nil

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# APPENDICES

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

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

Revenue Collection Performance by Vote							R' 000
Vote Description	Year 0	Current Year: Year 1			Year 1 Variance		
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget	
Vote 1 - General Council	5 779	5 874	5 747	8 132	38.44%	41.50%	
Vote 2 - Municipal Manager	12 596	10 417	10 291	5 880	43.55%	75.02%	
Vote 3 - Budget & Treasury Office	47 305	11 916	11 779	21 464	80.13%	82.22%	
Vote 4 - Planning & Development	8 177	17 172	17 045	11 901	-30.70%	-30.18%	
Vote 5 - Corporate Services	17 967	15 177	15 051	26 110	72.03%	73.47%	
<b>Total Revenue by Vote</b>	<b>91 824</b>	<b>60 555</b>	<b>59 913</b>	<b>73 486</b>	<b>21.35%</b>	<b>22.66%</b>	
<i>Variiances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A3</i>							

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# APPENDICES

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

Capital Expenditure - New Assets Programme*							
							R '000
Description	Year 0	Year 1			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3
<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							



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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*

*Table continued from previous page*

<b><u>Other assets</u></b>	-	-		-	-	-	-
General vehicles		170	170				
Specialised vehicles							
Plant & equipment							
Computers - hardware/equipment		221	221		88	88	-
Furniture and other office equipment		182	182		87	87	-

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Abattoirs							
Markets							
Civic Land and Buildings							
Other Buildings							
Other Land	15	15					
Surplus Assets - (Investment or Inventory)							
Other	3 278	2 778			3 674	3 656	-
<b><u>Agricultural assets</u></b>	-	-			-	-	-
<i>List sub-class</i>							
<b><u>Biological assets</u></b>	-	-			-	-	-
<i>List sub-class</i>							
<b><u>Intangibles</u></b>	-	-			-	-	-
Computers - software & programming							
Other ( <i>list sub-class</i> )							
<b>Total Capital Expenditure on new assets</b>	-	-			-	-	-
<b><u>Specialised vehicles</u></b>	-	-			-	-	-
Refuse							
Fire							
Conservancy							
Ambulances							
* Note: Information for this table may be sourced from MBRR (2009: Table SA34a)							T M.1

# APPENDICES

## APPENDIX T – NATIONAL AND PROVINCIAL OUTCOMES FOR LOCAL GOVERNMENT

National and Provincial Outcomes for Local Government		
Outcome/Output	Progress to date	Number or Percentage Achieved
Output: Improving access to basic services	N/A	
Output: Implementation of the Community Work Programme	N/A	
Output: Deepen democracy through a refined Ward Committee model	N/A	
Output: Administrative and financial capability	Xhariep is doing well in terms of this output. For the past two financial years the municipality made remarkable strides in terms of improving its Audit opinion from a qualification to unqualified. Budget related policies are in place and approved by Council. Financial statements are GRAP Compliant.	85%
* Note: Some of the outputs detailed on this table might have been reported for in other chapters, the information thereof should correspond with previously reported information.		

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# APPENDICES

## VOLUME II: ANNUAL FINANCIAL STATEMENTS

Provide the Annual Financial Statements (AFS) to the respective financial year as submitted to the Auditor-General. The completed AFS will be Volume II of the Annual Report.