

SECTION E

OPERATIONAL STRATEGIES

5.1. Financial Plan 2007-2012

This **five year financial plan** is direct outflow from the Integrated Development Planning (IDP) process and is also a legal requirement in terms of Chapter V, section 26 of the Local Government: Municipal System Act, 2000.

The purpose of the five-year financial plan is simply to ensure the financial viability and sustainability of the Municipality's operations and investments. This means that the financial plan will serve as a Medium Term Strategic Financial Framework (MTSFF), for allocating all available Municipal resources (personnel, equipment, potential, income etc.) through a proper Municipal budgeting process.

5.1.1 Summary Of Financial Management Arrangements

The financial management arrangements of the municipality relates firstly to **the financial management resources** which is required to ensure smooth financial operations and secondly highlight the management **guidelines and procedures** to give effect to the required output from the Municipality.

Inventory and description of Financial Management Resources

The Municipal Council serves as the highest financial authority responsible for managing and supervising financial matter within the Municipality. More specifically, the Council is responsible for setting up and approve the annual budget as well as financial statements of the Municipality.

The Municipal Manager is the accounting officer responsible for implementing all council resolutions and is therefore responsible for implementing all financial decisions. Officials employed within the Financial Services Department support the Municipal manager.

Apart from the above management structures, all financial matters of the Municipality are currently running on the Abakus financial system, which is a fully integrated system. Only the treasury department is at present connected to the main server.

Apart from the Abakus system used for financial administration, other departments also make use of task specific software. The municipalities make use of CSIR software to calibrate and keep record of environmental quality such as water purity. The provision of water and electricity us also managed through modeling software from the National Electricity Regulator (NER) and the Department of Water Affairs and Forestry (DWAF).

Financial Management Guidelines and Procedures

The Municipality currently has several financial management guidelines and procedures in place as briefly discussed below.

Credit control policy

The credit control policy serves as a guideline to officials in respect of procedures and methods to be used in collecting outstanding monies form consumers who default in the payment of their accounts. This policy has been approved by council but is not yet implemented due to staff shortages.

Indigent policy

The Indigent policy is a tool to distinguish between people who can pay for services and those who can not pay. It arranges the payment of a subsidy in respect of the municipal accounts of beneficiaries and sets out procedures to follow in order to ensure that the registration, subsidization and control over the funds is correctly administered. This policy has also been approved by Council but not yet implemented in full.

Debt collection policy

The credit control officer and the financial manager currently do debtor's management. A debtor register is held in respect of all outstanding debtors.

Funding Cost recovery

Council has the policy to pay accounts within 30 days, provided that items/services have been budgeted for, in which case it is paid from the operating budget. Should items not be budgeted for, council's approval has to be obtained. Grants/subsidies for projects are paid out after receive of the funds.

Payment of creditors

As far as financially possible, invoices from creditors are paid monthly, within thirty (30) days upon receipt of such and invoice and b the acting town treasurer who has delegated powers to make such payments on behalf of the municipality. There must also be orders issued for purchases. If there are no orders, no payments will be done.

Payment methods

All legitimate invoices against the municipality are paid by cheque, debit order and internal electronic transfers based upon amounts indicated on the relevant invoices. Wages amounting to approximately +- R800 000 are paid out monthly. A petty cash with a monthly float of R500.00 is also applied in each of the different towns for day to day expenses. In cases where payment is less than the invoice amount, credit notes as requested.

Terms of payment

All payments to creditors are made within 30 days from date of invoice. Where funds for immediate payment are not available, arrangement will be made with creditors. An arrangement for overdraft facilities is already in place at banks.

Leases

All leases are paid by means of debit orders of cheques on request. The total amount for monthly debit orders is approximately R7 000 for leases and approximately R28 000 for insurance.

Erven Trust Funds

The Free State Local Government Ordinance No 9/1962, requires that the sale of immovable property of Council be credited to the Erven Trust Fund.

5.1.2 Financial Strategies

Capital and operational financing strategies

Capital projects are being financed by means of external loans, as well as through subsidies and grants from the Government Institutions. Additional non-capital liabilities are funded directly out of the operating budget, which in turn is based on income out of consumption of services and taxes. Provision for liabilities are being made directly in the operating budget as needed.

Asset management strategies

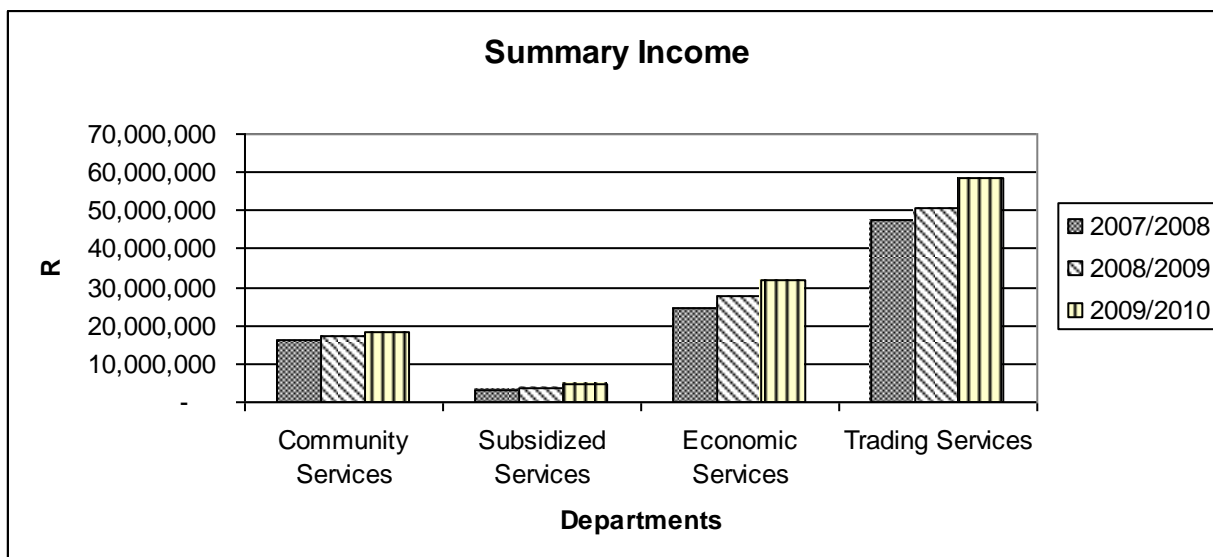
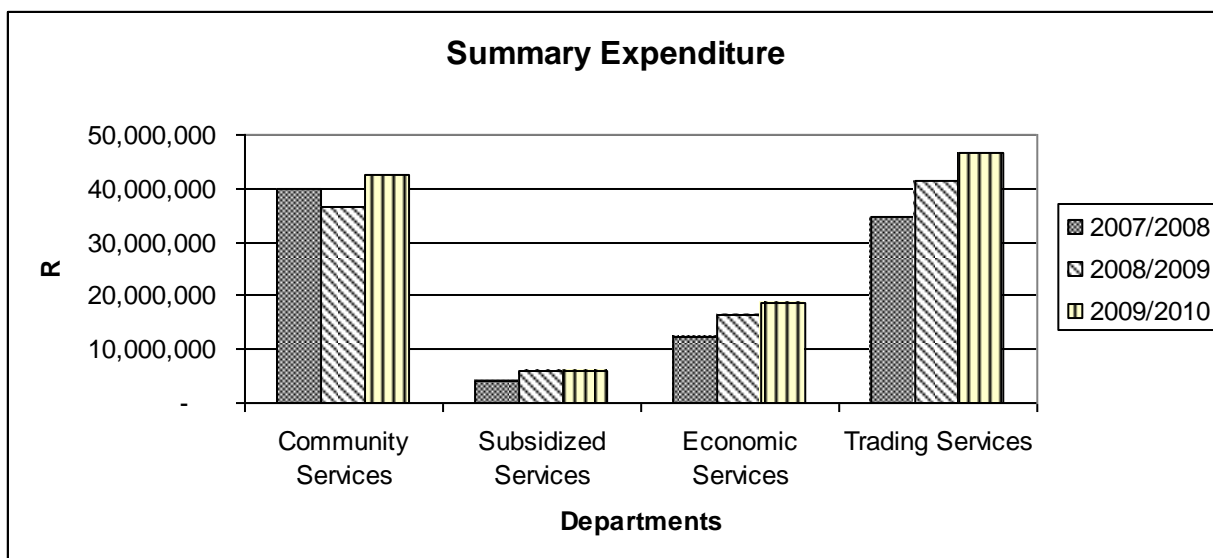
Prior to the formulation of definite asset management strategies, it was necessary to compile a concise list of main strategic assets of the Municipality.

Deriving from the asset assessment, it was possible to identify a number of asset management strategies, which are required to safeguard the most strategic assets of the municipality.

A detailed Asset Register for the whole of Municipality has been compiled by Management Support Services. An Asset Policy has been approved by the Municipal Council

5.2 Revenue and Expenditure

EXPENDITURE				INCOME			
DEPARTMENT	2007/2008 REVISED BUDGET	2008/2009 BUDGET	2009/2010 BUDGET	DEPARTMENT	2007/2008 REVISED BUDGET	2008/2009 BUDGET	2009/2010 BUDGET
COMMUNITY SERVICES				COMMUNITY SERVICES			
Council & Executive	13,458,776	8,689,055	9,010,105	Council & Executive	(3,738,831)	(3,766,594)	(4,363,604)
Sport & Recreation	1,017,637	1,070,891	1,250,096	Sport & Recreation	(77,980)	(82,659)	(85,965)
Planning & Development	876,602	1,079,872	925,467	Planning & Development	(13,740)	(204,564)	(15,147)
Road Transport	8,672,237	10,372,859	11,178,957	Road Transport	(131,939)	(139,855)	(145,450)
Finance & Admin	15,918,426	15,177,051	20,044,029	Finance & Admin	(12,057,655)	(13,098,848)	(13,448,048)
Sub Total	39,943,677	36,389,728	42,408,655	Sub Total	(16,020,145)	(17,292,520)	(18,058,214)
SUBSIDIZED SERVICES				SUBSIDIZED SERVICES			
Community & Social	3,360,206	5,051,936	5,293,322	Community & Social	(2,612,117)	(3,037,193)	(3,872,956)
Public Safety	321,001	352,304	370,395	Public Safety	(506,088)	(577,951)	(723,517)
Housing	412,001	439,924	459,693	Housing	(52,000)	(55,120)	(57,325)
Sub Total	4,093,208	5,844,164	6,123,410	Sub Total	(3,170,205)	(3,670,265)	(4,653,798)
ECONOMICAL SERVICES				ECONOMICAL SERVICES			
Waste Management	3,514,776	4,329,571	4,702,903	Waste Management	(10,108,580)	(11,130,076)	(12,674,436)
Waste Water Management	8,793,650	12,042,199	13,784,030	Waste Water Management	(14,476,186)	(16,603,022)	(19,028,028)
Sub Total	12,308,425	16,371,770	18,486,933	Sub Total	(24,584,766)	(27,733,099)	(31,702,463)
TRADING SERVICES				TRADING SERVICES			
Electricity	17,987,066	18,984,450	21,660,100	Electricity	(21,775,403)	(21,240,880)	(23,003,760)
Water	16,864,384	22,346,101	24,971,676	Water	(25,663,509)	(29,319,008)	(35,451,479)
Sub Total	34,851,450	41,330,551	46,631,776	Sub Total	(47,438,912)	(50,559,888)	(58,455,239)
	91,196,762	99,936,213	113,650,774	Total Income	(91,214,027)	(99,255,771)	(112,869,714)



5.3 CAPITAL BUDGET 2007/2008 - 2009/2010

IDP NR	Description of capital projects per department	2007/2008	2008/2009	2009/2010	Funding				MIG/SMIG	DWARF	DPWR	DLGH	DoA	DEPT
					Contributions from Revenue	National Lottery	Transitional Grant	Eskom/Sentec						
GOOD GOVERNANCE														
A1.1.1	Furniture	150,000.00			150,000.00	-	-	-	-	-	-	-		Corporate S
A1.1.2	Pool car	-			-	-	-	-	-	-	-	-		Corporate S
A1.1.3	Mayoral car	400,000.00			400,000.00	-	-	-	-	-	-	-		Corporate S
A1.1.4	Computerised filing system	1,000,000.00												Corporate S
A1.1.5	Computer and printers	500,000.00			500,000.00	-	-	-	-	-	-	-		Corporate S
	Sub Total	2,050,000.00			1,050,000.00	-	-	-	-	-	-	-		-
PROPERTY														
	AIRCONS	220,000.00			220,000.00	-	-	-	-	-	-	-		Corporate S
	Sub Total	220,000.00			220,000.00	-	-	-	-	-	-	-		-
IMPROVED SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT														
KPA 2														Technical
2.1	WASTE WATER MANAGEMENT													Technical
S2.1.1	Identify the need for improved sanitation in rural areas				0					0				Technical
S2.1.2	Negotiate with farmers on other methods of sanitation in rural areas				0					0				Technical
S2.1.3	Liaise with DWAF for funding for rural sanitation projects				0					0				Technical
S2.1.4	Oxidation Ponds: Fauresmith	2,798,578.95			-	-	-	-	2,798,578.95	-	-	-		Technical
S2.1.5	Oxidation Ponds: Bethulie	2,325,450.00			-	-	-	-	2,325,450.00	-	-	-		Technical
S2.1.6	Oxidation Ponds: Philippolis	1,758,630.00			-	-	-	-	1,758,630.00	-	-	-		Technical
S2.1.7	Oxidation Ponds: Reddersburg	4,095,000.00			-	-	-	-	4,095,000.00	-	-	-		Technical
S2.1.8	Oxidation Ponds: Edenburg	4,771,000.00			-	-	-	-	4,771,000.00	-	-	-		Technical
S2.1.9	Oxidation Ponds: Springfontein	4,500,000.00			-	-	-	-	4,500,000.00	-	-	-		Technical
S2.1.10	Oxidation Ponds: Jagersfontein	3,536,842.00			-	-	-	-	3,536,842.00	-	-	-		Technical
S2.1.11	Sewer network & Bucket eradication: Eden	1,870,000.00			-	-	-	-	1,870,000.00	-	-	-		Technical
S2.1.12	Bucket eradication backlog: all towns (189)	2,362,500.00			-	-	-	-	2,362,500.00	-	-	-		Technical
S2.1.13	Oxidation Ponds	-			1,000,000.00	-	-	-	-	-	-	-		Technical
S2.1.14	Provision of adequate plants: Trompsburg		7,106,000						7,106,000					Technical
S2.1.15	Eraducation of buckets		0						0					Technical
S2.1.16	House connections		2,500,000						2,500,000					Technical
S2.1.17	Extension network newly developed sites		0											Technical
	Springfontein, Edenburg								9,606,000					Technical
S2.1.18	Eraducation of buckets													Technical
S2.1.19	Extension network newly developed sites													Technical
	Springfontein, Edenburg													Technical
	Sub-total	28,018,000.95	9,606,000.00		1,000,000.00				47,230,000.95					
2.2	WATER													Technical
W2.2.1	Water Project: Jagersfontein/Fauresmith	21,000,000.00							5,000,000	16,000,000				Technical
W2.2.2	Water Crisis: Jagersfontein	0							0	1,000,000				Technical
W2.2.3	Water Connections	0							0	0				Technical
	Sub-total	21,000,000.00							5,000,000	17,000,000				

IDP NR	Description of capital projects per department	2007/2008	2008/2009	2009/2010	Contributions from Revenue	National Lottery	Transitional Grant	Eskom/Sentec	MIG/SMIG	DWARF	DPWR	DLGH	DoA	DEPT
2.3	ELECTRICITY													Technical
E2.3.1	Top up	932,736.00			932,736.00	-	-	-	-	-	-	-	-	Technical
E2.3.2	New Connections: Reddesburg, Bethulie													Technical
E2.3.3	High Mast Lighting													Technical
E2.3.4	Trompsburg, Reddersburg, Bethulie, Philippolis													
	Sub Total	932,736.00			932,736.00	-	-	-	-	-	-	-	-	-
2.4	STREETS ROADS AND TRANSPORT													
R2.4.1	Upgrade Springfontein- Bethulie road (P45/1)	70,000												Technical
R2.4.2	Upgrade Jagersfontein - Trompsburg road	6,000,000												Technical
R2.4.3	Prepare a land transport plan				-									Technical
R2.4.4	Pave arterial roads e.g. R704				-									Technical
R2.4.5	Other roads				-									Technical
R2.4.6	Access road: Jagersfontein	2,498,880												Technical
R2.4.7	Access road: Springfontein	6,275,000												Technical
	Upgrading of access roads:													Technical
R2.4.8	Upgrading of equipment		7,152,000						7,152,000					Technical
R2.4.9	Grading of all roads in all towns: Philippolis, Reddersburg, Trompsburg, Fauresmith		0						0					Technical
R2.4.10	Building taxi rank: Reddersburg, Trompsburg		0						0					Technical
R2.4.11	Upgrading stormwater		0						0					Technical
R2.4.12	Upgrading of access roads Reddersburg, Springfontein		4,500,000.00	-					4,500,000.00					Technical
	Sub Total	14,843,880.00	11,652,000.00						11,652,000					
2.5	CEMETERIES													Community S
C2.5.1	Development of new cemeteries		-											Community S
C2.5.2	Fencing of 3 Cemeteries		-											Community S
C2.5.3	Upgrading fencing & maintenance halls		-											Community S
	Edenburg, Philippolis, Gariep Dam, Fauresmith		-											Community S
C2.5.4	Extension of cemeteries		-											Community S
C2.5.5	Provision of water & ablution facilities to all		-											Community S
C2.5.6	Develop a policy on burial methods and cemeteries			-										Community S
C2.5.7	Prepare a pauper burial policy for the		-	-										Community S
	Sub Total													
2.6	DISASTER MANAGEMENT													
D2.6.1	Prepare a disaster management plan		-		-									
	Sub Total													
2.7	PARKS AND RECREATION													Community S
P2.7.1	Communal gardens		2,270,000											
	Sub Total		2,270,000.00											
2.8	SPORTS AND RECREATION													Community S
S2.8.1	Upgrading of sports fields		-											Community S
	Bethanie, Fauresmith		-											Community S
S2.8.2	Policy on provision & utilisation- sport facilities													Community S
S2.8.3	Upgrading & fencing of swimming pools		-											Community S
	Sub Total													

IDP NR	Description of capital projects per department	2007/2008	2008/2009	2009/2010	Contributions from Revenue	National Lottery	Transitional Grant	Eskom/Sen tlec	MIG/SMIG	DWARF	DPWR	DLGH	DoA	DEPT
2.9	PLANNING & DEVELOPMENT & HOUSING													Technical
H2.9.1	Review and update the housing sector plan													Technical
H2.9.2	New erven Gariëpdam	-			-	-	-	-	-	-	-	-		Technical
H2.9.3	Development residential sites: Gariëp Dam, Edenburg, Springfontein		0											Technical
H2.9.4	Development residential sites Fauresmith, Philippolis, Reddersburg			-	-	-	-	-	-	-	-	-		Technical
H2.9.5	Investigate provision of rental of all houses		0									0		Technical
h2.9.6.	Formalised erven all units incl. squatters			-										Technical
	Sub Total													
2.10	WASTE MANAGEMENT													Community S
WM2.10.1	Maintenance of landfill sites: Edenburg, Jagerfontein, Fauresmith		300,000.00		300,000									Community S
	Sub Total		300,000.00		300,000									Community S
2.11	Education													
E2.11.1	Conversion for disabled learners at Itumeleng PS	400,000					DoE							Community S
E2.11.2	Fencing of Pellisier CS	450,000					DoE							Community S
E2.11.3	Fencing of Philippolis SS	450,000					DoE							Community S
E2.11.4	Paving at Ithumeleng PS	15,000					DoE							Community S
E2.11.5	Paving at and painting of Trompsburg SS	15,000					DoE							Community S
E2.11.6	Paving at St Lawrance PS	15,000					DoE							Community S
E2.11.7	Paving at Botle ba Thuto PS	15,000					DoE							Community S
E2.11.8	Paving at Springfontein SS	15,000					DoE							Community S
E2.11.9	Paving at Oranjekrag IS	15,000					DoE							Community S
E2.11.10	Paving at Madikgetla PS	15,000					DoE							Community S
E2.11.11	Paving at Tshwaraganang PS	15,000					DoE							Community S
E2.11.12	Paving at Vooruitsig PS	15,000					DoE							Community S
E2.11.13	Paving at and painting of Olien SS	15,000					DoE							Community S
	Sub Total	1,450,000.00												
2.12	ARCHIEVES & LIBRARY													
L2.12.1	Upgrading library and museum	200,000												Community S
L2.12.2	Computerised filing system	-			-	-	-	-	-	-	-	-		Community S
	Sub Total	200,000.00												
2.13	HEALTH													Community S
2.13.1	Diamant Hospital upgrading	3,470,000												Community S
2.13.2	Prepare an HIV/AIDS plan for the Municipality													Community S
	Sub Total	3,470,000.00												

IDP NR	Description of capital projects per department	2007/2008	2008/2009	2009/2010	Contributions from Revenue	National Lottery	Transitional Grant	Eskom/Sentec	MIG/SMIG	DWARF	DPWR	DLGH	DoA	DEPT
2.14 SS2.14.1	SAFETY AND SECURITY Adopt bylaws to facilitate combating of crime													Community S
	Sub Total	0			0	0	0	0	0	0	0	0		0
IDP NR	Description of capital projects per department	2007/2008	2008/2009	2009/2010	Contributions from Revenue	FSTA/TEEA	Transitional Grant	XDM	SAC	DSD	LGSETA/ DPLG	DOA	LGH	PWRT/DEAT
KPA 3	LOCAL ECONOMIC DEVELOPMENT													Office of MM
LED3.1	Review and update the Municipality's LED strategy in line with the PGDS and district GDS				-		-							Office of MM
LED3.2	Develop a marketing strategy for Kopanong				-	-								Office of MM
LED3.3	Develop and implement a commonage management plan											-		Office of MM
LED3.4	Tourism awareness-raising road shows		100,000				-	-						Office of MM
LED3.5	Training of tour-guides		150,000				-	-			-			Office of MM
LED3.6	Arts and crafts stalls		200,000		-	-		-		-				Office of MM
LED3.7	Rock art site at Gariep, Fossilised trees at Lokshoek Farm, Jagersfontein hole		500,000		-	-		-			-		-	Office of MM
LED3.8	Route marker signs in and out side Gariep Dam		300,000		-	-		-						Office of MM
LED3.9	Packaged marketing for the region		1,000,000		-	-		-						Office of MM
LED3.10	Cheese-making project	850,000						-						Office of MM
LED3.11	Jewellery from Wild Olive Wood	700,000						-						Office of MM
LED3.12	Prickly-pear alcoholic beverage-making	900,000						-						Office of MM
LED3.13	Develop investment incentives schemes	100,000			-	-		-						Office of MM
	Sub Total	2,550,000	2,250,000											

5.4. Institutional Analysis

5.4.1 Introduction

The municipality is a beneficiary of Project Consolidate. Project Consolidate is a targeted hands-on support and engagement programme for building the capacity of the Municipality to perform its mandate and complementary process of systematic refinement of policy, fiscal and institutional matters that will enable the consolidation of the local government system in the long-term. During Project Consolidate particular focus is placed on supporting the Municipality in the following areas:

- public empowerment, participation and community development;
- capacity building, systems, human resources development and improved organizational structure;
- integrated human settlement development;
- free basic services which target poor households, appropriate billing systems, and reduction of municipal debt;
- local economic development, job creation, public works programme and municipal infrastructure;
- anti-corruption campaign;
- special intervention in rural and urban development nodes and those municipalities where provincial and national government has intervened according to provisions sections 139 of the constitution; and
- performance monitoring, evaluation and communication

The Project Consolidate Service-delivery facilitator (SDF) mentioned in the action plan that the project of the Municipality successfully executing the action plan is hampered by-

- lack of essential management and leadership skills
- Insufficient financial and human resources
- Lack of drive and commitment (enthusiasm) from senior and middle management
- The Municipality's political structures appear not to be involved in the execution of the plan, which may be attributed to poor communication by the management
- Senior managers are not appropriately qualified for the positions they occupy
- The municipality's revenue base is extremely limited

5.4.2 Project Consolidate focus

Project consolidate focuses on the following critical aspects in Kopanong-

No	Issue	Deliverables
1	Financial management and financial performance	1.1 Prepare, adopt and implement cash flow and service delivery and budget implementation plan 1.2 Train personnel in using financial system 1.3 review supply chain management policy and implementation 1.4 Document and improve stores management procedures 1.5 Improve and increase debt collection 1.6 Approach arrears creditors, e.g. Bloem water, employee pension funds and medical aid, to restructure debt 1.7 Respond to the issues raised in the audit report and management letter 1.8 Update asset register and prepare capitalization policy and asset management policy 1.9 Develop, adopt and implement revenue enhancement strategies 1.10 Document internal control measures

No	Issue	Deliverables
2	Institutional readiness	2.1 Develop and implement a communication strategy 2.2 Review the organizational structure 2.3 Finalize preparation of job description in TASK format 2.4 Develop and implement customer care programme 2.5 Establish audit committee and performance audit committee 2.6 Revitalize the performance management system 2.7 Develop and install an archiving system 2.8 conduct a review of existing bylaws and policies and rationalize policies and bylaws 2.9 develop internal audit charter
3	Governance	3.1 Workshop of councilors to deal with their roles and responsibilities 3.2 Develop and implement a delegation system and terms of reference for section 79 and 80 committees 3.3 Develop and implementation anti-corruption strategy and plan 3.4 Train ward committee members 3.5 Develop and implement a community participation/civic engagement strategy 3.6 develop and inter-municipal cooperation framework
4	Local economic development	4.1 Develop and implement an LED strategy
5	Service-delivery and infrastructure	5.1 Engage with the Provincial Administration to increase the number of subsidies for housing 5.2 Install waterborne sewage system and improve treatment works (oxidation dams) 5.3 Develop and implement water services development plan 5.4 Ring fence electricity assets 5.5 Replace current refuse trucks/vehicles

5.4.3 Project Consolidate – Deliverables

The following table reflects the progress achieved with the production of the deliverables identified in the Municipality's Project Consolidate plan at 30 March 2007¹:

Deliverables	Achieved	Not achieved
Prepare, adopt and implement cash flow and service delivery and budget implementation plan		x
Train personnel in using financial systems		x
Review supply chain management		x
Document and improve stores management procedures		x
Improve and increase debt collection		x
Approach arrears creditors, e.g. Bloem Water, employees pension funds and medical aid, to reduce debt		x
Respond to the issues raised in the audit report and management letter	Partly achieved	
Update asset register and prepare capitalization policy and asset management policy		x
Develop adopt and implement revenue enhancement strategies		x
Document internal control measures		x
Develop and implement communication strategy	✓	
Review the organizational structure	✓	
Finalize preparation of job description in TASK format	✓	
Develop and implement customer care		x
Establish audit committee and performance audit committee		x
Revitalize the performance management system	✓	x
Develop and install an archiving system		x
Conduct a review of existing bylaws and policies and rationalize policies and bylaws		x
Develop internal audit charter		x
Workshop of councilors to deal with their roles and responsibilities		x
Develop and implement a delegation system and terms of reference for section 79 and 80 committees	✓	
Develop and implement an anti-corruption strategy and plan		
Train ward committee members	✓	
Develop and implement a public participation/civic engagement strategy		x

¹ IDP Review 2007/2008

Deliverables	Achieved	Not achieved
Develop an inter-municipal cooperation framework		x
Develop and implement an LED strategy	✓	
Engage with the Provincial Administration to increase the number of subsidies for housing		x
Install waterborne sewage systems and improve treatment works (oxidation dams)		x
Develop and implement water services development plan		x
Ring fence electricity assets		x
Replace current refuse trucks/vehicles		x

5.4.4 Progress towards archiving Project Consolidate deliverables

General institutional assessment²

In order to assess the Municipality's institutional capacity and develop needs, a questionnaire was prepared and the Municipal Manager requested to complete it. The questionnaire focused on the following performance areas:

- compliance with legislation
- information management
- human resource management
- policy-making
- financial management
- corporate governance
- governance

Compliance with legislation

The following are the results of the survey:

No	Description	Yes	No
Legislation			
1	The Municipality receives the Provincial Gazette in printed or electronic form	x	
2	The Municipality has a system and procedure for ensuring that relevant information published in the Provincial Gazette is distributed amongst departments		x
3	The Municipality receives the Government gazette in printed or electronic form	x	
4	The Municipality has a system and procedure for ensuring that relevant information published in the government Gazette is distributed amongst departments		x
5	All bylaws applicable in the Municipality is bound in a municipal code		x
6	The municipality has assigned responsibility for review and rationalization of the bylaws applicable in the Municipality to a person/department		x
7	The process of reviewing and rationalizing the bylaws applicable in the Municipality has commenced		x
8	The municipality is subscribed to a service supplying it with national and provincial legislation, in printed or electronic format, e.g. Butterworths, Juta etc	x	
9	Responsibility for updating legislation has been assigned to a particular department		x
10	A person has been assigned responsibility for scanning relevant government websites for information, e.g. Department of Provincial and Local Government, National Treasury, Free State Provincial Government, Department of Labour		x
11	The Municipality has bylaws for the effective implementation of its-		x
	11.1 Debt collection and credit control policy		x
	11.2 Tariff policy		x
	11.3 Rates policy		x
12	The Municipality has bylaws for the administration of-		x
	(a) Water and sewage services		x
	(b) Electricity reticulation		x
	(c) Refuse removal/solid waste management		x
	(d) Cemeteries		x
	(e) Public amenities		x
	(f) Streets and traffic, including car watch undertakings and management and operation of taxi ranks		x

² IDP Review 2007/2008

	(g) Hawkers and peddlers		×
	(h) display of advertisements and billboards		×
	(i) keeping of animals		×
	(j) renting and use of municipal facilities, e.g. halls		×
	(k) fireworks and discharging of firearms		×

Information Management

No	Description	Yes	No
Information management			
13	The municipality has a written, approved reporting system detailing who must submit what reports to whom and what frequency		×
14	The municipality uses a standard format for preparing items for consideration by committees and the council		×
15	The Municipality's record management system complies with best practices and the relevant statutory requirements		×
16	Securities and face value documents are stored in a fireproof, limited access facilities		×
17	Electronic information is regularly backed up	×	
18	Back-ups are stored off-site in a fireproof limited access facility: Only back-ups of financial information is stored off-site	×	

Policy-making

No	Description	Yes	No
Policy			
19	The Municipality has written approved financial management policies on the following matters		
(a)	Accounting		×
(b)	Asset management, including policy regarding the loss, damage to and destruction of assets	×	
(c)	Cash receipts and banking	×	
(d)	Cash management and payment of creditors	×	
(e)	Borrowing and raising of debt		×
(f)	Budget	×	
(g)	Cost estimation		×
(h)	Credit control and debt collection	×	
(i)	Customer care		×
(j)	Donations, sponsorships and grants, including financial assistance for burials		×
(k)	Financial reporting framework		×
(l)	Liability for the Municipality for damages sustained or incurred by councilors and officials		×
(m)	Internal audit	×	
(n)	Investment	×	
(o)	Rates policy	×	
(p)	Reimbursement of mobile phone cost policy	×	
(q)	Risk management policy	×	
(r)	Subsistence and traveling policy	×	
(s)	Tariff policy	×	
20	The Municipality has written approved human resource management policies on the following matters		
(a)	Allowances		×
(b)	Appointment		×
(c)	Careers opportunities, succession planning and rapid progression		×
(d)	Creating and abolishing posts		×
(e)	Demotion		×
(f)	Employee benefit schemes		×
(g)	Employee remuneration		×
(h)	Labour relations		×
(i)	Leave		×
(j)	Legal aid to employees and cession of action		×
(k)	Normative framework of human resources management		×
(l)	Occupational health, employee wellness and work place safety		×
(m)	Organizational design, approving and changing the organizational structure		×
(n)	Private work/secondary employment		×
(o)	Promotion		×
(p)	Recruitment		×
(q)	Relocation		×
(r)	Selection		×
(s)	Staff establishment		×
(t)	Training and development		×

(u)	Transfer		×
(v)	Working hours and attendance		×
21	The municipality has written, approved policies on the following matters		×
(a)	Attendance of conferences and similar events		×
(b)	Attendance of internal meetings		×
(c)	Committees		×
(d)	Community participation		×
(e)	Constituency meetings by councilors		×
(f)	Cooperative government/intergovernmental relations		×
(g)	Decentralized cooperation/municipal international relations		×
(h)	Delegation		×
(i)	Development and maintenance of pavement and sidewalks		×
(j)	Display of advertisements		×
(k)	Employee performance appraisal		×
(l)	Erection of traffic and directional signs		×
(m)	Information dissemination		×
(n)	Inter-municipal cooperation		×
(o)	Language		×
(p)	Local economic development		×
(q)	Municipal services partnerships		×
(r)	Performance management		×
(s)	Provision and use of information communications technology		×
(t)	Public hearings		×
(u)	Publicity		×
(v)	Representation in public and statutory bodies		×
(w)	Service standards		×
(x)	Social development		×
(y)	Spatial and land-use planning		×
(z)	Use of internet and electronic mail facilities		×
22	The municipality has assigned responsibility to a person to maintain the policy register		×

Financial Management

No	Description	Yes	No
Financial management			
23	The Municipality has written approved procedure manuals for all activities in the financial department		×
24	The municipality has documented its internal control measures		×
25	The Municipality set and enforce performance indicators and targets in contracts with its service providers		×
26	The Municipality pays current creditors with 30 days with receipt of invoice		×
27	The municipality has set and achieved targets for the reduction of overdue debtors during the current year		×
28	The Municipality has set and achieved targets for the collection of current debtors during the current year		×
29	The Budget and Treasury Office prepares a bank reconciliation statement of all bank accounts of the Municipality on a weekly basis	×	

Human resource Management

No	Description	Yes	No
Human resource management			
30	The Municipality has an approved staff establishment	×	
31	Each job indicated in the staff establishment has a job description		×
32	The Municipality has established a process for regularly evaluating the staff establishment and, if necessary, reviewing the staff establishment and the remuneration and condition of service		×
33	The Municipality provides funds in every annual budget for the training of staff	×	
34	The Municipality has written work place rules that are available in all work places		×

Corporate Governance

No	Description	Yes	No
Cooperate governance			
35	The Municipality has an approved document setting out the roles and responsibilities of the Municipality's political structures, political office-bearers and the municipal manager in precise terms of reference and relationships between the Municipality's political structures, political office-bearers and		×

	the Municipal manager		
36	The Municipality has an approved document setting out the relationships between the Municipality's political structures, political office-bearers and the Municipal Manager		×
37	The Municipality has an approved delegation system		×
38	The Municipality's delegation system has been reviewed after the election on 1 March		×
39	Written reports regarding the exercise of delegated powers are made regularly		×

Governance and Administration

No	Description	Yes	No
Governance			
40	The Council consults the community regularly regarding the level, quality, range and impact of municipal services provided by the municipality, either directly or through another services provider		×
41	The Municipality responds promptly to community members' written or oral communications, including complaints		×
42	The Municipality regularly discloses the state of affairs of the municipality, including its finances to the public		×
43	The Municipality's measures to prevent corruption and fraud is documented		×
44	The Municipality has given the local community full and accurate information about the level and standard of municipal services they are entitled to receive		×
45	The Municipality has informed the local community how the municipality is managed, of the costs involved and the person in charge		×
46	The Council has adopted the standing Rules and Orders published by the MEC of Local Government as the Municipality's rules and orders	×	
47	The Municipality published the rules and orders after the Council adopted them		×
48	The municipality has built the capacity of the local community and community organizations to participate in the Municipality's affairs		×
49	The Municipality annually provide funds in the budget for building the capacity of Municipality's affairs		×
50	The Municipality has established procedures, mechanisms and processes for the receipt, processing and consideration of petitions and complaints lodged by the members of the local community		×
51	The Municipality has established procedures, mechanism and processes for notification and public comment procedures, when appropriate		×
52	The Municipality has established procedures, mechanisms and processes for public meetings and hearings when appropriate		×
53	The Municipality has established procedures, mechanisms and processes for report-back to the community		×
54	The municipality has communicated to its community information concerning the available mechanisms, processes and procedures to encourage and facilitate community participation, the matters with regard to which community participation is encouraged, the rights and duties of members of the local community and municipal governance, management and developments		×
55	The Municipal Manager give notice to the public, in a manner determined by the council, of the time, date and venue of every ordinary, special and urgent meeting of the council except when time constraints make this impossible.		×
56	The council has determined which newspapers circulating in the area are newspapers of record		×
57	A copy of every notice that must be published in the Provincial Gazette or media is displayed at the municipal offices		×
58	All document that must be made public by a municipality in terms of a requirement of legislation, is conveyed to the local community of displaying the document at the Municipality's head satellite offices or libraries		×
60	All documents that must be made public by a municipality in terms of a requirement of legislation, is conveyed to the local community by notifying the local community of the place, including the website address, where detailed particulars concerning the documents can be obtained		×
61	The mid-year performance report for 2006/07 was tabled in the Council on or before 31 January 2007		×
62	The annual report for 2005/06 was tabled in the Council on or before 31 January 2007		×
63	The budget timetable was tabled in the Council 10 months before the commencement of the 2007/08 budget year		×

Status of Sector Plans

No	Description	Yes	No
Planning			
64	The municipality has approved sector plans for -		
(a)	Housing		×
(b)	Water services		×
(c)	Disaster management		×
(d)	Air quality management		×

(e)	HIV/Aids strategy		×
(f)	Local economic development strategy	✓	
(g)	Poverty alleviation		×
(h)	Land transport		×

5.4.5 Functional competencies (powers and functions)

The Municipality derives its functional competencies from the Constitution and national and provincial legislation. The Municipality has the executive authority and the right to administer the functional competencies conferred upon it. It also has the right to exercise any power concerning a matter reasonably necessary for, or incidental to, the effective performance of its functions.

Kopanong is a Category B (local) municipality, which means that shares its executive and legislative authority in its area with Xhariep District Municipality (XDM). The constitutional concept of shared functional jurisdiction informs the division of powers and functions between the Municipality and XDM in terms of section 84 of the Structures Act 1998 and the adjustment of competencies in terms of section 85 of the Act.

Functional competencies

The following functional competencies were conferred on the Municipality in terms of section 156 of the constitution:

- Air pollution
- Beaches and amusement facilities
- Billboards and the display of advertisements in public places
- Building regulations
- Cemeteries, funeral parlours and crematoria
- Child care facilities
- Cleansing
- Control of public nuisances
- Control of undertakings that sells liquor to the public
- Electricity and gas reticulation
- Facilities for the accommodation, care and burial of animals
- Fencing and fences
- Fire fighting services
- Licensing of dogs
- Local amenities
- Local sport facilities
- Local tourism
- Markets
- Municipal abattoirs
- Municipal airports
- Municipal health services
- Municipal parks and recreation
- Municipal planning
- Municipal public transport
- Municipal public works only in respect of the needs of municipalities in discharge of their responsibilities to administer functions especially assigned to them under the Constitution or any other law
- Municipal roads
- Noise pollution
- Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto
- Pounds
- Public places
- Refuse removal, refuse dumps and solid waste disposal
- Storm water management systems in built-up areas

- Street lighting
- Street trading
- Trading regulations
- Traffic and parking
- Water and sanitation services limited to portable water supply systems and domestic waste-water and sewage disposal systems

Division of functional competencies: Structures Act³

In terms of section 84 of the Local Government: Municipal Structures Act 1998 (Act No 117 of 1998) the following functional competencies are conferred upon XDM:

Municipal functions identified in the Constitution	Functions assigned to XDM in terms of the Structures Act	Section	Perform
Air pollution			
Beaches and amusement facilities			
Billboards and the display of advertisements in public places			
Building regulations			
Cemeteries, funeral parlours and crematoria	The establishment, conduct and control of cemeteries and crematoria serving the area of a major proportion of municipalities in the district	84(1)(l)	
Child care facilities			
Cleansing			
Control of public nuisances			
Control of undertakings that sell liquor to the public			
Electricity and gas reticulation	Bulk supply of electricity, which includes for the purposes of such supply, the transmission, distribution and, where applicable, the generation of electricity	84(1)(c)	
Facilities for the accommodation, care and burial of animals			
Fencing and fences			
Fire fighting services	Fire fighting services serving the area of the district municipality as a whole, which includes planning, co-ordination and regulation of fire services, specialized fire fighting services such as mountain, veld and chemical fire services, co-ordination of the standardization of infrastructure, vehicles, equipment and procedures and training of fire officers (see par (a), below)	84(1)(j)	
Licensing and control of undertakings that sell food to the public			
Licensing of dogs			
Local amenities			
Local sport facilities			
Local tourism	Promotion of local tourism for the area of the district municipality	84(1)(m)	
Markets	The establishment, conduct and control of fresh produce markets and abattoirs serving the area of a major proportion of the municipalities in the district	84(1)(k)	
Municipal abattoirs			
Municipal airports serving the area of the district municipality as a whole	84(1)(h)		
Municipal health services	Municipal health (see par(b), below)	84(1)(i)	
Municipal parks and recreation			
Municipal planning	Integrated development planning for the district municipality as a whole, including a framework for integrated development plans of all municipalities in the area of the district municipality	84(1)(a)	
Municipal public transport	Regulation of passenger transport services	84(1)(g)	
Municipal public works only in respect of the needs of municipality in the discharge of their responsibilities to administer functions specifically assigned to them under the Constitution or other law	Municipal public works relating to any of the functions assigned to the district municipality	84(1)(n)	
Municipal roads	Municipal roads which form an integral part of a		

³ IDP Review 2007/2008

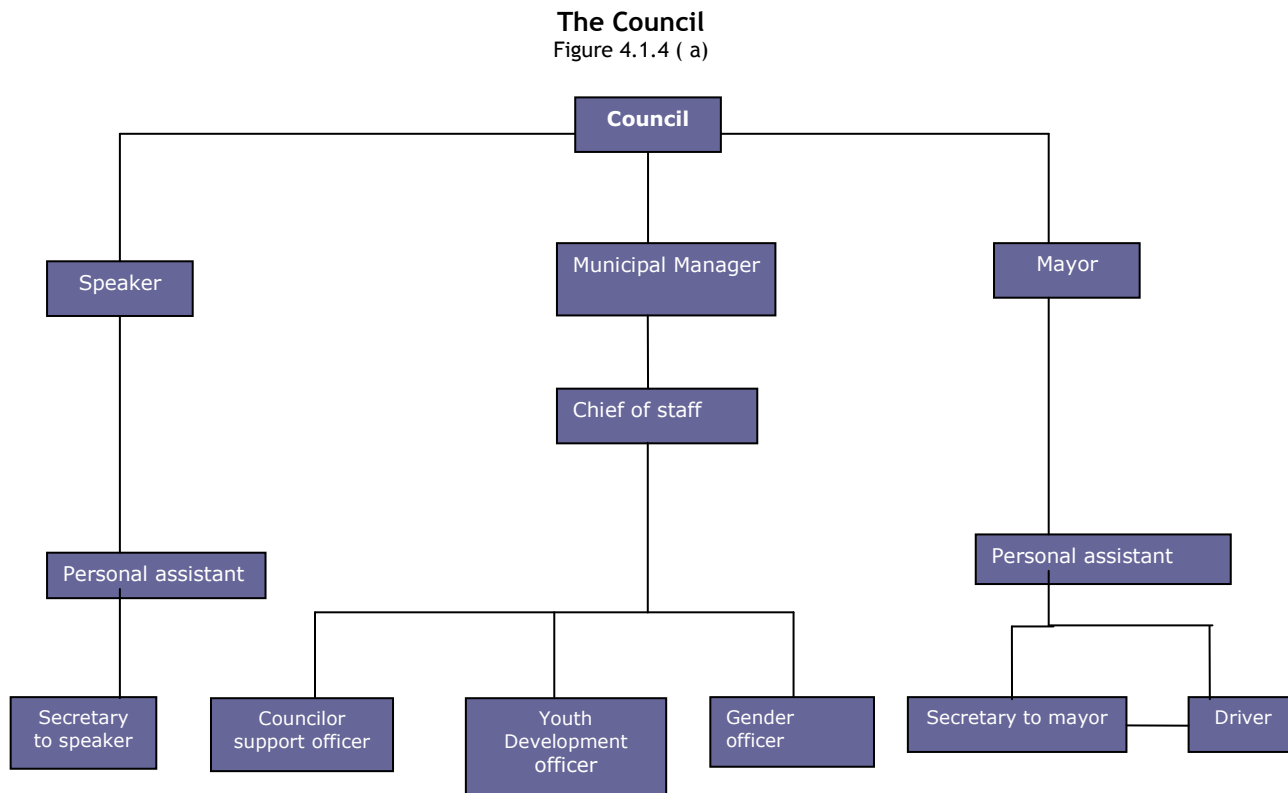
	road transport system for the area of the district municipality as a whole	84(1)(f)	
Noise pollution			
Panatoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto			
Pounds			
Public places			
Refuse removal, refuse dumps and solid waste disposal	Solid waste disposal sites, in so far as it relates to the determination of a waste disposal strategy, the regulation of waste disposal, the establishment, operation and control of waste disposal sites, bulk waste transfer facilities and waster disposal facilities for more than one local municipality		
Storm water management systems in built-up areas			
Street lighting			
Street trading			
Trading regulations			
Traffic and parking			
Water and sanitation services limited to portable water supply systems and domestic waste-water and sewage disposal systems	Portable water supply systems.	84(1)(b)	
	Domestic waste water and sewage disposal systems	84(1)(d)	
	The receipt, allocation and, if applicable, the distribution of grants made to the district municipality	84(1)(d)	
	The imposition and collection of taxes, levies and duties as related to the above functions or as may be related to the above functions or as may be assigned to the district municipality in terms of national legislation	84(1)(p)	

5.4.6 Political management

The political system in terms of The Section 14 of the Local Government: Municipal Structures Act, Act No 117 of 1998) and was published in Provincial Gazette No 109 as well as Section 3(b) of the Determination of Types of Municipality Act, 2000 (Act No 1 of 2000) is as follows:

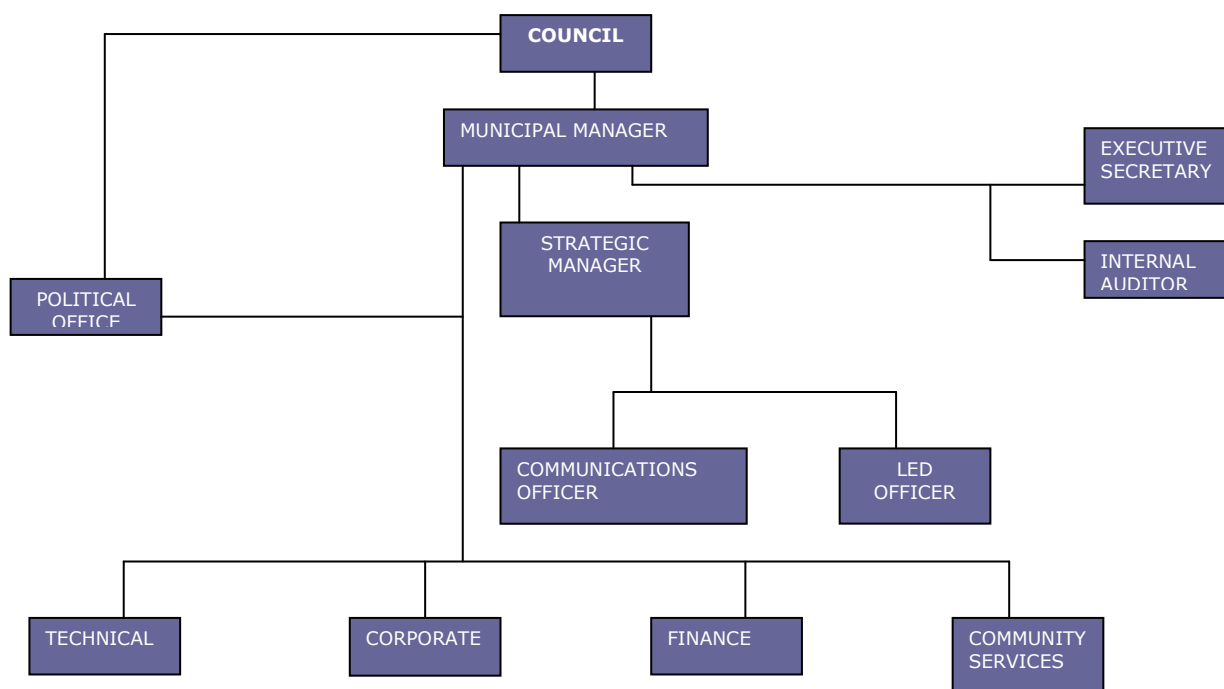
5.4.7 Organisational structures

The organizational structure is provided for the functioning of the Municipal council and the Departments within the Administration, guided by the Municipal Manager.



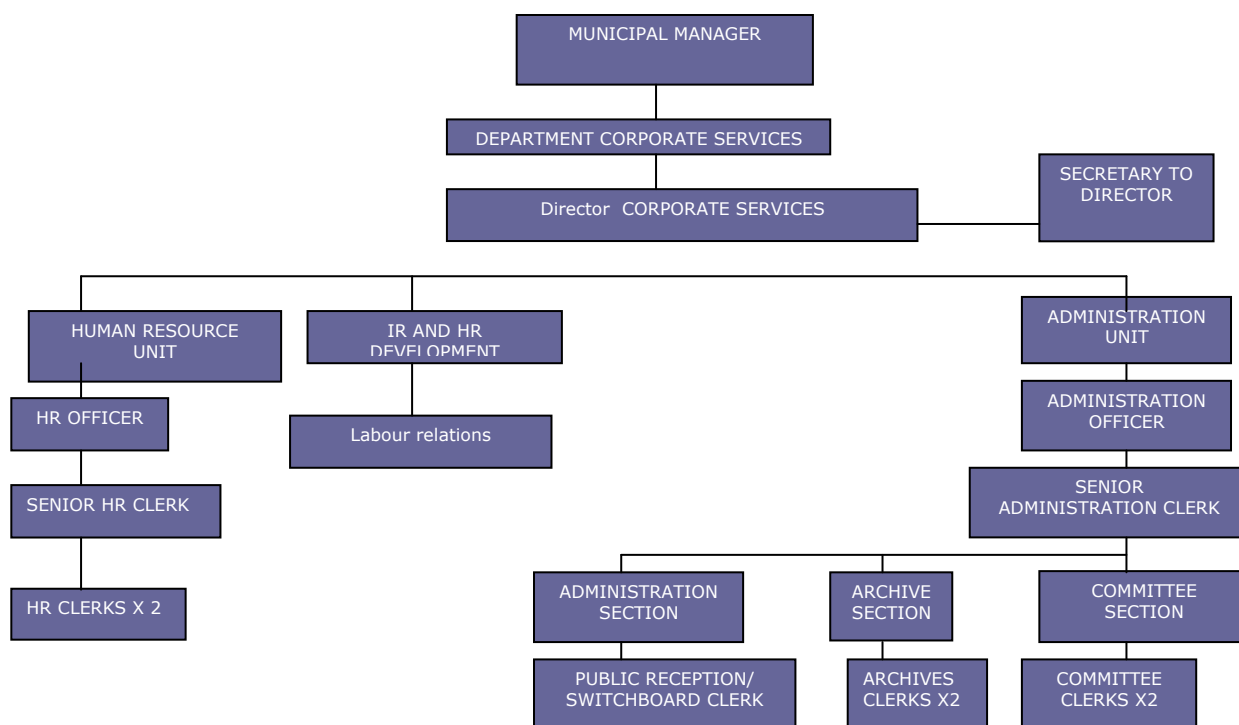
Office of the Municipal manager: Top Structure

Figure 4.1.4 (a)



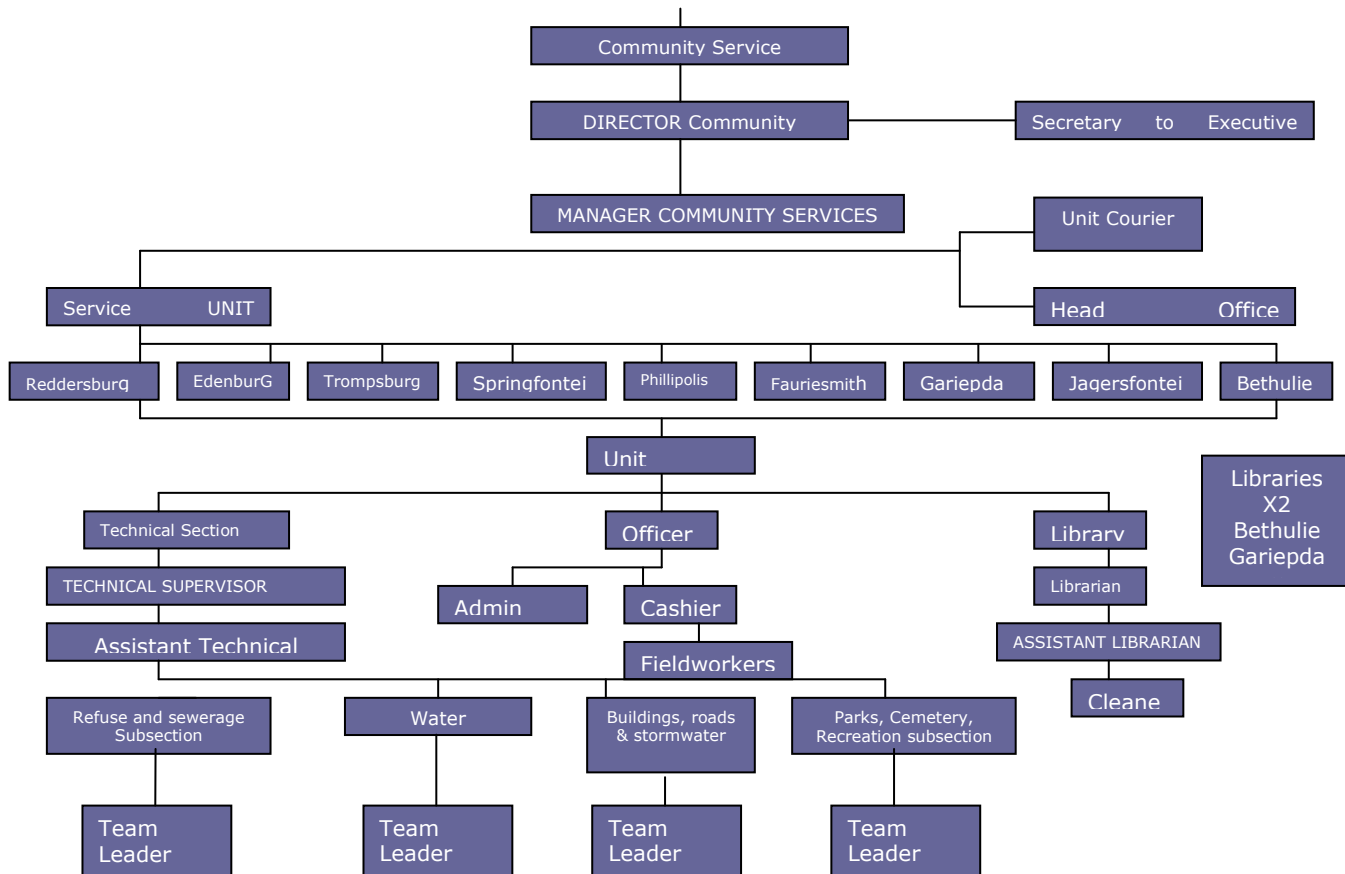
Directorate: Corporate services

Figure 4.1.4 (a)



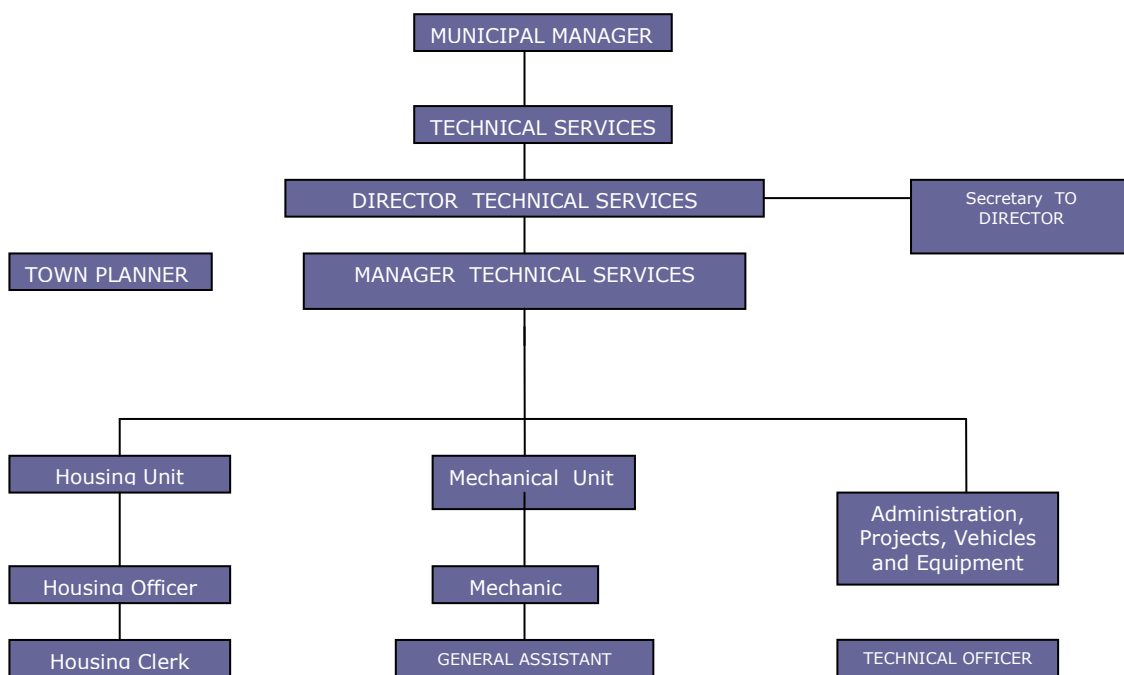
Directorate: Community Services

Figure 4.1.4 (b)



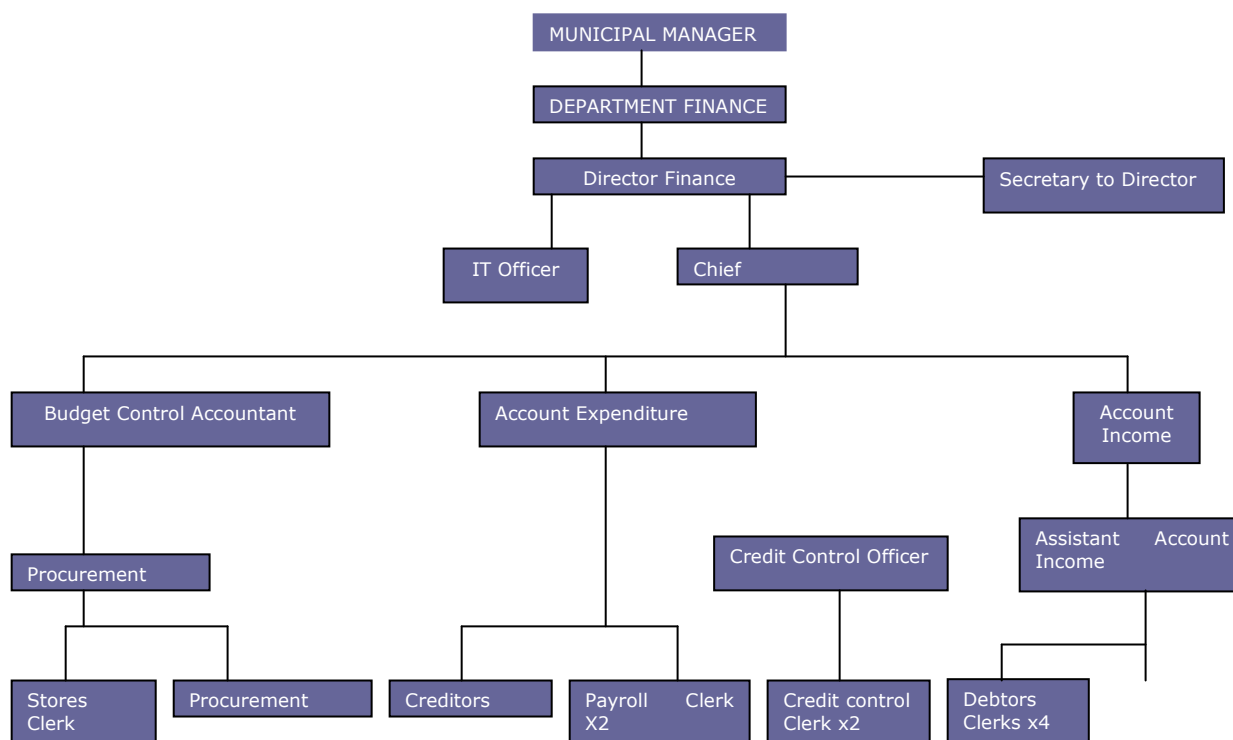
Directorate: Technical Services

Figure 4.1.4 (b)



Directorate: Finance

Figure 4.1.4 (b)



4.1.5 Human Resources

Please get and provide information on the Positions at the Municipality approved, filled, vacant and newly proposed

	Department	Approved
1	Office: Speaker and Mayor	
2	Municipal Manager	
3	Administration Services	
	Administration and legal	
	Administration and Legal (Auxiliary Services)	
	Community Services - Libraries	
	Community Services	
4	Financial Services department	
	Supply Chain	
	Income Division	
	Budgeting and finance	
	Expenditure	
5	Technical services department –Top structure	
	Planning and Building	
	Protection	
	Electricity	
	Total	

Table 4.1.5: Summarised Personnel Structure- Municipality

CHAPTER 5

INSTITUTIONAL ANALYSIS OF KOPANONG LOCAL MUNICIPALITY

3.1. INSTITUTIONAL ANALYSIS

3.1.1 Introduction

The municipality is a beneficiary of Project Consolidate. Project Consolidate is a targeted hands-on support and engagement programme for building the capacity of the Municipality to perform its mandate and complementary process of systematic refinement of policy, fiscal and institutional matters that will enable the consolidation of the local government system in the long-term. During Project Consolidate particular focus is placed on supporting the Municipality in the following areas:

- public empowerment, participation and community development;
- capacity building, systems, human resources development and improved organizational structure;
- integrated human settlement development;
- free basic services which target poor households, appropriate billing systems, and reduction of municipal debt;
- local economic development, job creation, public works programme and municipal infrastructure;
- anti-corruption campaign;
- special intervention in rural and urban development nodes and those municipalities where provincial and national government has intervened according to provisions sections 139 of the constitution; and
- performance monitoring, evaluation and communication

The Project Consolidate Service-delivery facilitator (SDF) mentioned in the action plan that the project of the Municipality successfully executing the action plan is hampered by-

- lack of essential management and leadership skills
- Insufficient financial and human resources
- Lack of drive and commitment (enthusiasm) from senior and middle management
- The Municipality's political structures appear not to be involved in the execution of the plan, which may be attributed to poor communication by the management
- Senior managers are not appropriately qualified for the positions they occupy
- The municipality's revenue base is extremely limited

3.1.2 Project Consolidate focus

Project consolidate focuses on the following critical aspects in Kopanong-

No	Issue	Deliverables
1	Financial management and financial performance	1.11 Prepare, adopt and implement cash flow and service delivery and budget implementation plan 1.12 Train personnel in using financial system 1.13 review supply chain management policy and implementation 1.14 Document and improve stores management procedures 1.15 Improve and increase debt collection 1.16 Approach arrears creditors, e.g. Bloem water, employee pension funds and medical aid, to restructure debt 1.17 Respond to the issues raised in the audit report and management letter 1.18 Update asset register and prepare capitalization policy and asset management policy 1.19 Develop, adopt and implement revenue enhancement strategies 1.20 Document internal control measures

2	Institutional readiness	2.1 Develop and implement a communication strategy 2.2 Review the organizational structure 2.3 Finalize preparation of job description in TASK format 2.4 Develop and implement customer care programme 2.5 Establish audit committee and performance audit committee 2.6 Revitalize the performance management system 2.7 Develop and install an archiving system 2.8 conduct a review of existing bylaws and policies and rationalize policies and bylaws 2.9 develop internal audit charter
3	Governance	3.1 Workshop of councilors to deal with their roles and responsibilities 3.2 Develop and implement a delegation system and terms of reference for section 79 and 80 committees 3.3 Develop and implementation anti-corruption strategy and plan 3.4 Train ward committee members 3.5 Develop and implement a community participation/civic engagement strategy 3.6 develop and inter-municipal cooperation framework
4	Local economic development	4.1 Develop and implement an LED strategy
5	Service-delivery infrastructure and	5.1 Engage with the Provincial Administration to increase the number of subsidies for housing 5.2 Install waterborne sewage system and improve treatment works (oxidation dams) 5.3 Develop and implement water services development plan 5.4 Ring fence electricity assets 5.5 Replace current refuse trucks/vehicles

3.1.3 Project Consolidate – Deliverables

The following table reflects the progress achieved with the production of the deliverables identified in the Municipality's Project Consolidate plan at 30 March 2007⁴:

Deliverables	Achieved	Not achieved
Prepare, adopt and implement cash flow and service delivery and budget implementation plan		x
Train personnel in using financial systems		x
Review supply chain management		x
Document and improve stores management procedures		x
Improve and increase debt collection		x
Approach arrears creditors, e.g. Bloem Water, employees pension funds and medical aid, to reduce debt		x
Respond to the issues raised in the audit report and management letter	Partly achieved	
Update asset register and prepare capitalization policy and asset management policy		x
Develop adopt and implement revenue enhancement strategies		x
Document internal control measures		x
Develop and implement communication strategy	✓	
Review the organizational structure	✓	
Finalize preparation of job description in TASK format	✓	

⁴ IDP Review 2007/2008

Develop and implement customer care		x
Establish audit committee and performance audit committee		x
Revitalize the performance management system	✓	x
Develop and install an archiving system		x
Conduct a review of existing bylaws and policies and rationalize policies and bylaws		x
Develop internal audit charter		x
Workshop of councilors to deal with their roles and responsibilities		x
Develop and implement a delegation system and terms of reference for section 79 and 80 committees	✓	
Develop and implement an anti-corruption strategy and plan		
Train ward committee members	✓	
Develop and implement a public participation/civic engagement strategy		x
Develop an inter-municipal cooperation framework		x
Develop and implement an LED strategy	✓	
Engage with the Provincial Administration to increase the number of subsidies for housing		x
Install waterborne sewage systems and improve treatment works (oxidation dams)		x
Develop and implement water services development plan		x
Ring fence electricity assets		x
Replace current refuse trucks/vehicles		x

3.1.4 Progress towards archiving Project Consolidate deliverables

General institutional assessment⁵

In order to assess the Municipality's institutional capacity and develop needs, a questionnaire was prepared and the Municipal Manager requested to complete it. The questionnaire focused on the following performance areas:

- compliance with legislation
- information management
- human resource management
- policy-making
- financial management
- corporate governance
- governance

Compliance with legislation

The following are the results of the survey:

No	Description	Yes	No
Legislation			
1	The Municipality receives the Provincial Gazette in printed or electronic form	x	
2	The Municipality has a system and procedure for ensuring that relevant information published in the Provincial Gazette is distributed amongst departments		x
3	The Municipality receives the Government gazette in printed or electronic form	x	
4	The Municipality has a system and procedure for ensuring that relevant information published in the government Gazette is distributed amongst departments		x

⁵ IDP Review 2007/2008

5	All bylaws applicable in the Municipality is bound in a municipal code		×
6	The municipality has assigned responsibility for review and rationalization of the bylaws applicable in the Municipality to a person/department		×
7	The process of reviewing and rationalizing the bylaws applicable in the Municipality has commenced		×
8	The municipality is subscribed to a service supplying it with national and provincial legislation, in printed or electronic format, e.g. Butterworths, Juta etc	×	
9	Responsibility for updating legislation has been assigned to a particular department		×
10	A person has been assigned responsibility for scanning relevant government websites for information, e.g. Department of Provincial and Local Government, National Treasury, Free State Provincial Government, Department of Labour		×
11	The Municipality has bylaws for the effective implementation of its-		×
	11.1 Debt collection and credit control policy		×
	11.2 Tariff policy		×
	11.3 Rates policy		×
12	The Municipality has bylaws for the administration of-		×
	(a) Water and sewage services		×
	(b) Electricity reticulation		×
	(c) Refuse removal/solid waste management		×
	(d) Cemeteries		×
	(e) Public amenities		×
	(f) Streets and traffic, including car wash undertakings and management and operation of taxi ranks		×
	(g) Hawkers and peddlers		×
	(h) display of advertisements and billboards		×
	(i) keeping of animals		×
	(j) renting and use of municipal facilities, e.g. halls		×
	(k) fireworks and discharging of firearms		×

Information Management

No	Description	Yes	No
Information management			
13	The municipality has a written, approved reporting system detailing who must submit what reports to whom and what frequency		×
14	The municipality uses a standard format for preparing items for consideration by committees and the council		×
15	The Municipality's record management system complies with best practices and the relevant statutory requirements		×
16	Securities and face value documents are stored in a fireproof, limited access facilities		×
17	Electronic information is regularly backed up	×	
18	Back-ups are stored off-site in a fireproof limited access facility: Only back-ups of financial information is stored off-site	×	

Policy-making

No	Description	Yes	No
Policy			
19	The Municipality has written approved financial management policies on the following matters		
(a)	Accounting		×
(b)	Asset management, including policy regarding the loss, damage to and destruction of assets	×	
(c)	Cash receipts and banking	×	
(d)	Cash management and payment of creditors	×	
(e)	Borrowing and raising of debt		×
(f)	Budget	×	
(g)	Cost estimation		×
(h)	Credit control and debt collection	×	
(i)	Customer care		×
(j)	Donations, sponsorships and grants, including financial assistance for burials		×
(k)	Financial reporting framework		×
(l)	Liability for the Municipality for damages sustained or incurred by councilors and officials		×
(m)	Internal audit	×	
(n)	Investment	×	
(o)	Rates policy	×	
(p)	Reimbursement of mobile phone cost policy	×	
(q)	Risk management policy	×	
(r)	Subsistence and traveling policy	×	
(s)	Tariff policy	×	
20	The Municipality has written approved human resource management policies on the following matters		
(a)	Allowances		×
(b)	Appointment		×
(c)	Careers opportunities, succession planning and rapid progression		×
(d)	Creating and abolishing posts		×
(e)	Demotion		×
(f)	Employee benefit schemes		×
(g)	Employee remuneration		×
(h)	Labour relations		×
(i)	Leave		×
(j)	Legal aid to employees and cession of action		×
(k)	Normative framework of human resources management		×
(l)	Occupational health, employee wellness and work place safety		×
(m)	Organizational design, approving and changing the organizational structure		×
(n)	Private work/secondary employment		×
(o)	Promotion		×
(p)	Recruitment		×
(q)	Relocation		×
(r)	Selection		×
(s)	Staff establishment		×
(t)	Training and development		×
(u)	Transfer		×
(v)	Working hours and attendance		×
21	The municipality has written, approved policies on the following matters		×
(a)	Attendance of conferences and similar events		×
(b)	Attendance of internal meetings		×

(c)	Committees		×
(d)	Community participation		×
(e)	Constituency meetings by councilors		×
(f)	Cooperative government/intergovernmental relations		×
(g)	Decentralized cooperation/municipal international relations		×
(h)	Delegation		×
(i)	Development and maintenance of pavement and sidewalks		×
(j)	Display of advertisements		×
(k)	Employee performance appraisal		×
(l)	Erection of traffic and directional signs		×
(m)	Information dissemination		×
(n)	Inter-municipal cooperation		×
(o)	Language		×
(p)	Local economic development		×
(q)	Municipal services partnerships		×
(r)	Performance management		×
(s)	Provision and use of information communications technology		×
(t)	Public hearings		×
(u)	Publicity		×
(v)	Representation in public and statutory bodies		×
(w)	Service standards		×
(x)	Social development		×
(y)	Spatial and land-use planning		×
(z)	Use of internet and electronic mail facilities		×
22	The municipality has assigned responsibility to a person to maintain the policy register		×

Financial Management

No	Description	Yes	No
Financial management			
23	The Municipality has written approved procedure manuals for all activities in the financial department		×
24	The municipality has documented its internal control measures		×
25	The Municipality set and enforce performance indicators and targets in contracts with its service providers		×
26	The Municipality pays current creditors with 30 days with receipt of invoice		×
27	The municipality has set and achieved targets for the reduction of overdue debtors during the current year		×
28	The Municipality has set and achieved targets for the collection of current debtors during the current year		×
29	The Budget and Treasury Office prepares a bank reconciliation statement of all bank accounts of the Municipality on a weekly basis	×	

Human resource Management

No	Description	Yes	No
Human resource management			
30	The Municipality has an approved staff establishment	×	
31	Each job indicated in the staff establishment has a job description		×
32	The Municipality has established a process for regularly evaluating the staff establishment and, if necessary, reviewing the staff establishment and the remuneration and condition of service		×
33	The Municipality provides funds in every annual budget for the training of staff	×	
34	The Municipality has written work place rules that are available in all work places		×

Corporate Governance

No	Description	Yes	No
Cooperate governance			
35	The Municipality has an approved document setting out the roles and responsibilities of the Municipality's political structures, political office-bearers and the municipal manager in precise terms of reference and relationships between the Municipality's political structures, political office-bearers and the Municipal manager		×
36	The Municipality has an approved document setting out the relationships between the Municipality's political structures, political office-bearers and the Municipal Manager		×
37	The Municipality has an approved delegation system		×
38	The Municipality's delegation system has been reviewed after the election on 1 March		×
39	Written reports regarding the exercise of delegated powers are made regularly		×

Governance and Administration

No	Description	Yes	No
Governance			
40	The Council consults the community regularly regarding the level, quality, range and impact of municipal services provided by the municipality, either directly or through another services provider		×
41	The Municipality responds promptly to community members' written or oral communications, including complaints		×
42	The Municipality regularly discloses the state of affairs of the municipality, including its finances to the public		×
43	The Municipality's measures to prevent corruption and fraud is documented		×
44	The Municipality has given the local community full and accurate information about the level and standard of municipal services they are entitled to receive		×
45	The Municipality has informed the local community how the municipality is managed, of the costs involved and the person in charge		×
46	The Council has adopted the standing Rules and Orders published by the MEC of Local Government as the Municipality's rules and orders	×	
47	The Municipality published the rules and orders after the Council adopted them		×
48	The municipality has built the capacity of the local community and community organizations to participate in the Municipality's affairs		×
49	The Municipality annually provide funds in the budget for building the capacity of Municipality's affairs		×
50	The Municipality has established procedures, mechanisms and processes for the receipt, processing and consideration of petitions and complaints lodged by the members of the local community		×

51	The Municipality has established procedures, mechanism and processes for notification and public comment procedures, when appropriate		×
52	The Municipality has established procedures, mechanisms and processes for public meetings and hearings when appropriate		×
53	The Municipality has established procedures, mechanisms and processes for report-back to the community		×
54	The municipality has communicated to its community information concerning the available mechanisms, processes and procedures to encourage and facilitate community participation, the matters with regard to which community participation is encouraged, the rights and duties of members of the local community and municipal governance, management and developments		×
55	The Municipal Manager give notice to the public, in a manner determined by the council, of the time, date and venue of every ordinary, special and urgent meeting of the council except when time constraints make this impossible.		×
56	The council has determined which newspapers circulating in the area are newspapers of record		×
57	A copy of every notice that must be published in the Provincial Gazette or media is displayed at the municipal offices		×
58	All document that must be made public by a municipality in terms of a requirement of legislation, is conveyed to the local community of displaying the document at the Municipality's head satellite offices or libraries		×
60	All documents that must be made public by a municipality in terms of a requirement of legislation, is conveyed to the local community by notifying the local community of the place, including the website address, where detailed particulars concerning the documents can be obtained		×
61	The mid-year performance report for 2006/07 was tabled in the Council on or before 31 January 2007		×
62	The annual report for 2005/06 was tabled in the Council on or before 31 January 2007		×
63	The budget timetable was tabled in the Council 10 months before the commencement of the 2007/08 budget year		×

Status of Sector Plans

No	Description	Yes	No
Planning			
64	The municipality has approved sector plans for -		
(a)	Housing		×
(b)	Water services		×
(c)	Disaster management		×
(d)	Air quality management		×
(e)	HIV/Aids strategy		×
(f)	Local economic development strategy	✓	
(g)	Poverty alleviation		×
(h)	Land transport		×

3.1.5 Functional competencies (powers and functions)

The Municipality derives its functional competencies from the Constitution and national and provincial legislation. The Municipality has the executive authority and the right to administer the functional competencies conferred upon it. It also has the right to exercise any power concerning a matter reasonably necessary for, or incidental to, the effective performance of its functions.

Kopanong is a Category B (local) municipality, which means that shares its executive and legislative authority in its area with Xhariep District Municipality (XDM). The constitutional concept of shared functional jurisdiction informs the division of powers and functions between the Municipality and XDM in terms of section 84 of the Structures Act 1998 and the adjustment of competencies in terms of section 85 of the Act.

Functional competencies

The following functional competencies were conferred on the Municipality in terms of section 156 of the constitution:

- Air pollution
- Beaches and amusement facilities
- Billboards and the display of advertisements in public places
- Building regulations
- Cemeteries, funeral parlours and crematoria
- Child care facilities
- Cleansing
- Control of public nuisances
- Control of undertakings that sells liquor to the public
- Electricity and gas reticulation
- Facilities for the accommodation, care and burial of animals
- Fencing and fences
- Fire fighting services
- Licensing of dogs
- Local amenities
- Local sport facilities
- Local tourism
- Markets
- Municipal abattoirs
- Municipal airports
- Municipal health services
- Municipal parks and recreation
- Municipal planning
- Municipal public transport
- Municipal public works only in respect of the needs of municipalities in discharge of their responsibilities to administer functions especially assigned to them under the Constitution or any other law
- Municipal roads
- Noise pollution
- Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto
- Pounds
- Public places
- Refuse removal, refuse dumps and solid waste disposal
- Storm water management systems in built-up areas
- Street lighting
- Street trading
- Trading regulations
- Traffic and parking
- Water and sanitation services limited to portable water supply systems and domestic waste-water and sewage disposal systems

Division of functional competencies: Structures Act⁶

In terms of section 84 of the Local Government: Municipal Structures Act 1998 (Act No 117 of 1998) the following functional competencies are conferred upon XDM:

Municipal functions identified in the Constitution	Functions assigned to XDM in terms of the Structures Act	Section	Perform
Air pollution			
Beaches and amusement facilities			
Billboards and the display of advertisements in public places			
Building regulations			
Cemeteries, funeral parlours and crematoria	The establishment, conduct and control of cemeteries and crematoria serving the area of a major proportion of municipalities in the district	84(1)(l)	
Child care facilities			
Cleansing			
Control of public nuisances			
Control of undertakings that sell liquor to the public			
Electricity and gas reticulation	Bulk supply of electricity, which includes for the purposes of such supply, the transmission, distribution and, where applicable, the generation of electricity	84(1)(c)	
Facilities for the accommodation, care and burial of animals			
Fencing and fences			
Fire fighting services	Fire fighting services serving the area of the district municipality as a whole, which includes planning, co-ordination and regulation of fire services, specialized fire fighting services such as mountain, veld and chemical fire services, co-ordination of the standardization of infrastructure, vehicles, equipment and procedures and training of fire officers (see par (a), below)	84(1)(j)	
Licensing and control of undertakings that sell food to the public			
Licensing of dogs			
Local amenities			
Local sport facilities			
Local tourism	Promotion of local tourism for the area of the district municipality	84(1)(m)	
Markets	The establishment, conduct and control of fresh produce markets and abattoirs serving the area of a major proportion of the municipalities in the district	84(1)(k)	
Municipal abattoirs			
Municipal airports serving the area of the district municipality as a whole	84(1)(h)		
Municipal health services	Municipal health (see par(b), below)	84(1)(i)	
Municipal parks and recreation			

⁶ IDP Review 2007/2008

Municipal planning	Integrated development planning for the district municipality as a whole, including a framework for integrated development plans of all municipalities in the area of the district municipality	84(1)(a)	
Municipal public transport	Regulation of passenger transport services	84(1)(g)	
Municipal public works only in respect of the needs of municipality in the discharge of their responsibilities to administer functions specifically assigned to them under the Constitution or other law	Municipal public works relating to any of the functions assigned to the district municipality	84(1)(n)	
Municipal roads	Municipal roads which form an integral part of a road transport system for the area of the district municipality as a whole	84(1)(f)	
Noise pollution			
Pantries, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto			
Pounds			
Public places			
Refuse removal, refuse dumps and solid waste disposal	Solid waste disposal sites, in so far as it relates to the determination of a waste disposal strategy, the regulation of waste disposal, the establishment, operation and control of waste disposal sites, bulk waste transfer facilities and waste disposal facilities for more than one local municipality		
Storm water management systems in built-up areas			
Street lighting			
Street trading			
Trading regulations			
Traffic and parking			
Water and sanitation services limited to portable water supply systems and domestic waste-water and sewage disposal systems	Portable water supply systems.	84(1)(b)	
	Domestic waste water and sewage disposal systems	84(1)(d)	
	The receipt, allocation and, if applicable, the distribution of grants made to the district municipality	84(1)(d)	
	The imposition and collection of taxes, levies and duties as related to the above functions or as may be related to the above functions or as may be assigned to the district municipality in terms of national legislation	84(1)(p)	

4.1.2 Political management

The political system in terms of The Section 14 of the Local Government: Municipal Structures Act, Act No 117 of 1998) and was published in Provincial Gazette No 109 as well as Section 3(b) of the Determination of Types of Municipality Act, 2000 (Act No 1 of 2000) is as follows:

Compilation of wards and registered voters

How many wards and total number registered voters as well as the distribution of these voters amongst the different voting wards are indicated per ward:

Ward 1 :
 Ward 2 :
 Ward 3 :
 Ward 4 :
 Ward 5 :
 Ward 6 :
 Ward 7 :

Council functioning

The powers and function assigned to the Municipality as stipulated in sections 156 and 229 of the Constitution and Sections 83 and 84 of the Local Government: Municipal Structures Act, 1998.

How many Councillors with the speaker and plenary being full time?

The organizational structures and levels of administration and existing human resources are indicated and the diagrams How may times does The Council meets per annum and special council meeting take place as the need may arise. Management meets weekly.

The political groupings in the Council are mainly :

- ANC (Majority)
- Democratic Alliance
- Freedom Front plus
- PAC

And the seats acquired....

Political Party	Seats
ANC (Majority)	
Democratic Alliance	
Freedom Front plus	
PAC	
<i>Any other?</i>	

Mayoral committees

The mayoral committees and the detail should be provided – such as below

	Committee (please correct)	Chairperson	Number members	of	Manadate
1	Social Services				
2	Financial Services				
3	Technical Services				
4	Transformation and Corporate Services				
5	<i>Economic development and Planning</i>				

Table 4.1.2 : Portfolio Committee

What is the mandate of the Mayoral committees?

Service Delivery

The expenditure per service delivery allocated to the municipality for the current financial year, is as follows:

Get and fill in amounts

Capital projects	Amount
Sewerage	
Water	
Electricity	
Roads and Stormwater	
<i>Total capital Projects</i>	

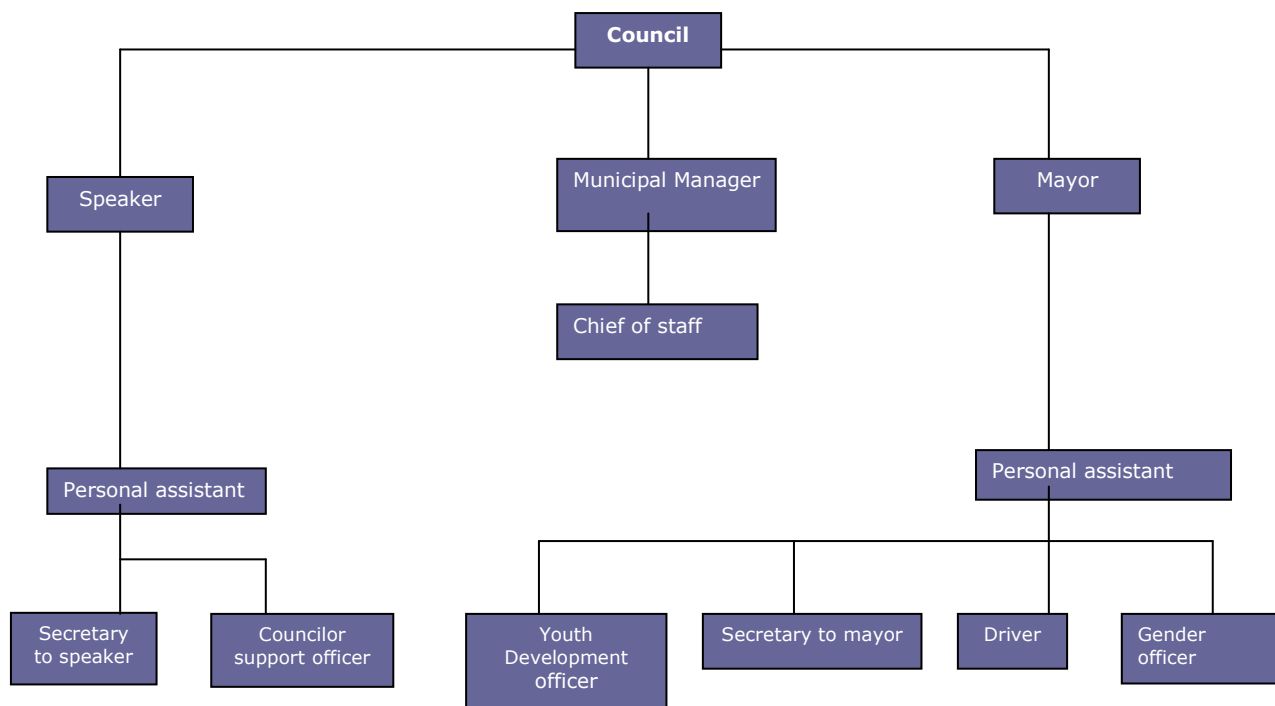
Table 41.3 : Capital Project Summary

4.1.3 Organisational structures

The organizational structure is provided for the functioning of the Municipal council and the Departments within the Administration, guided by the Municipal Manager.

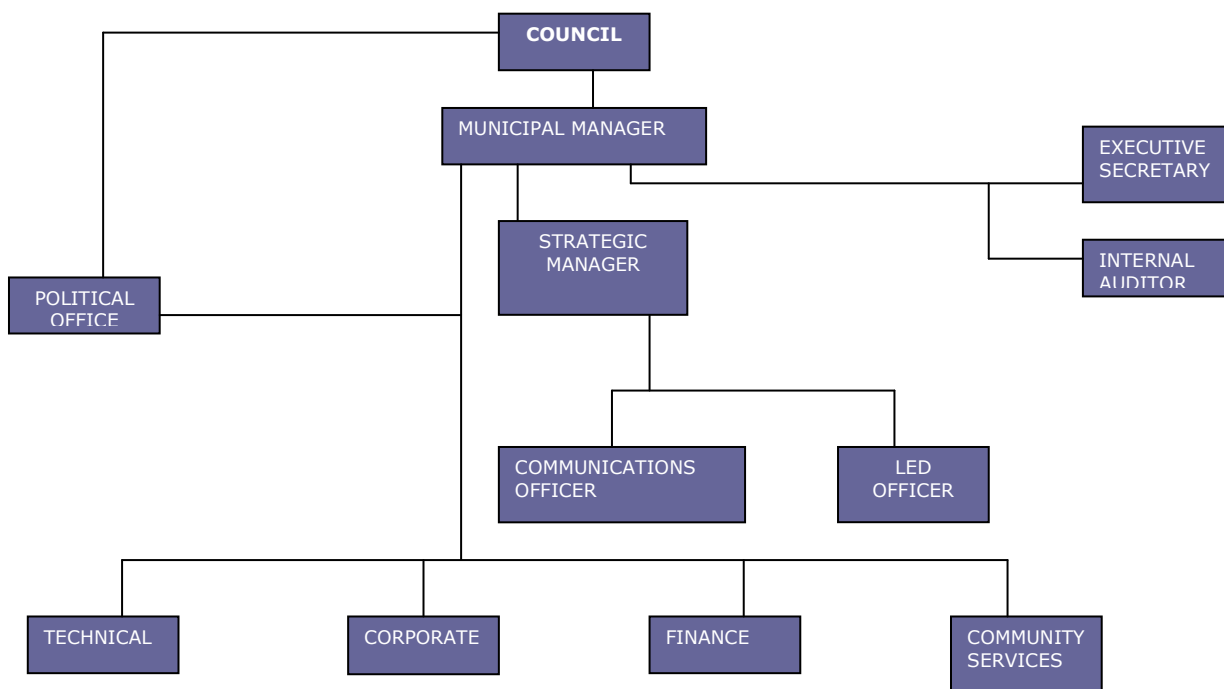
The Council

Figure 4.1.4 (a)



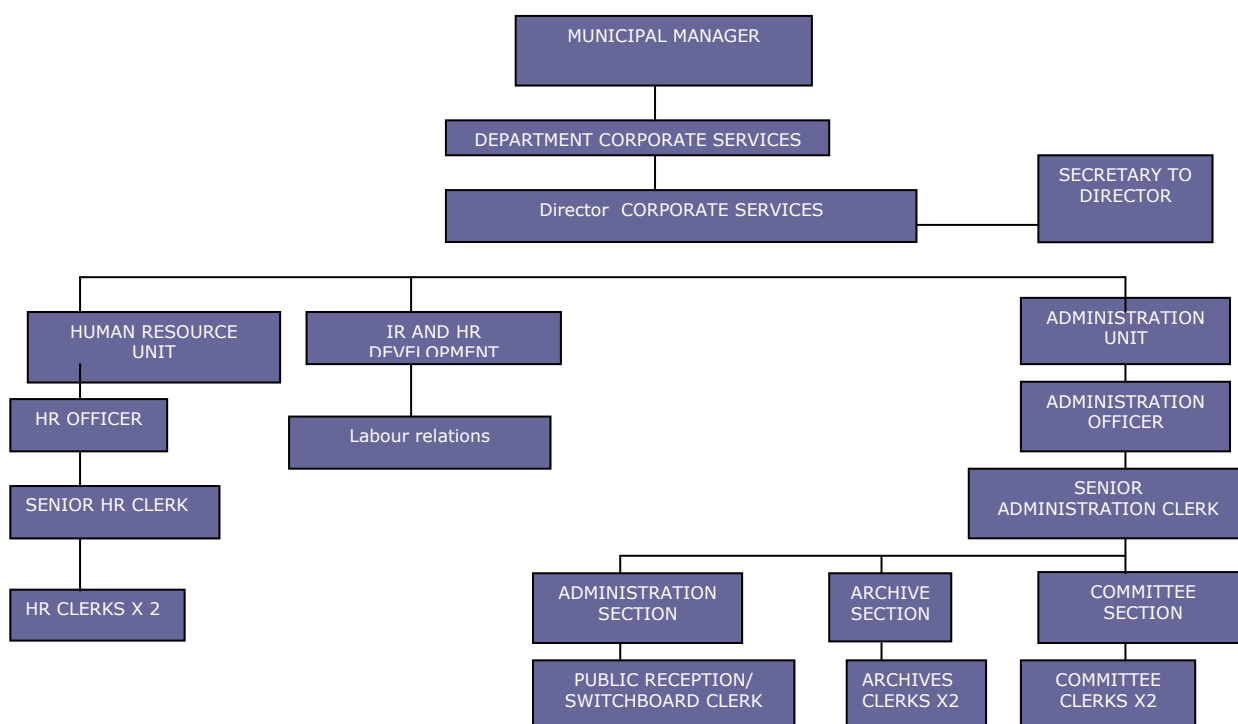
Office of the Municipal Manager: Top Structure

Figure 4.1.4 (a)



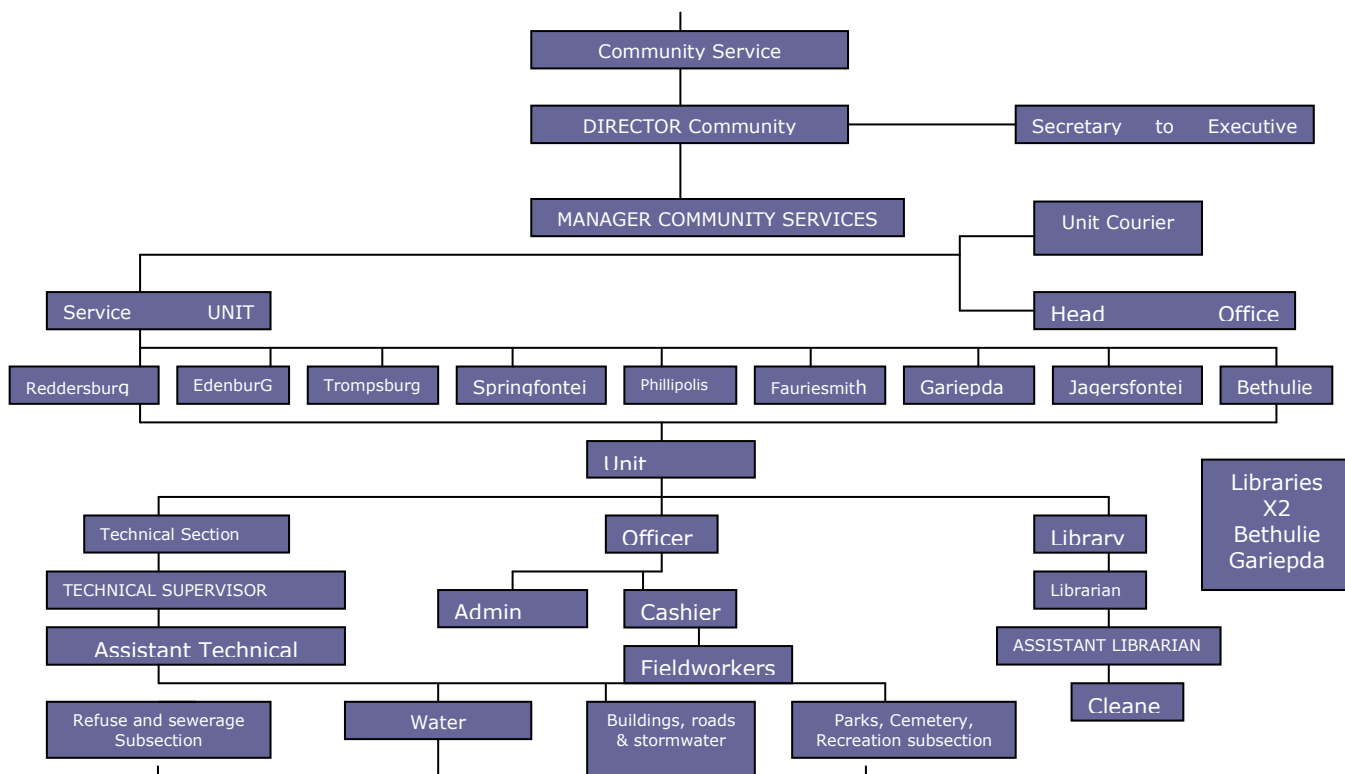
Directorate: Corporate services

Figure 4.1.4 (a)



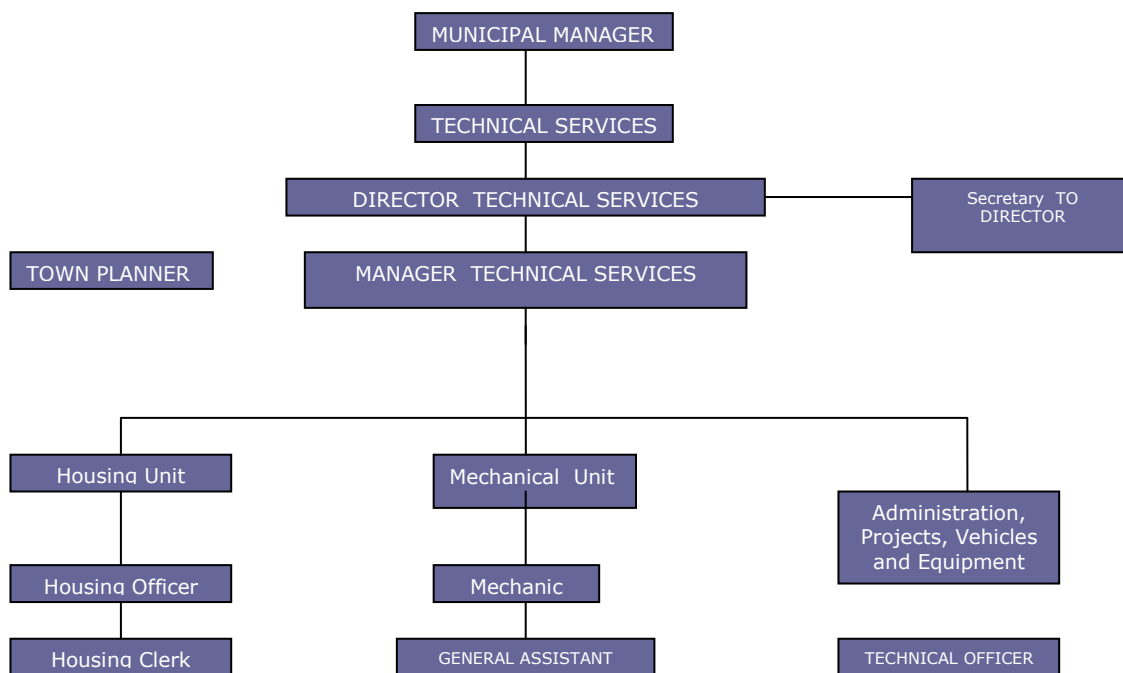
Directorate: Community Services

Figure 4.1.4 (b)



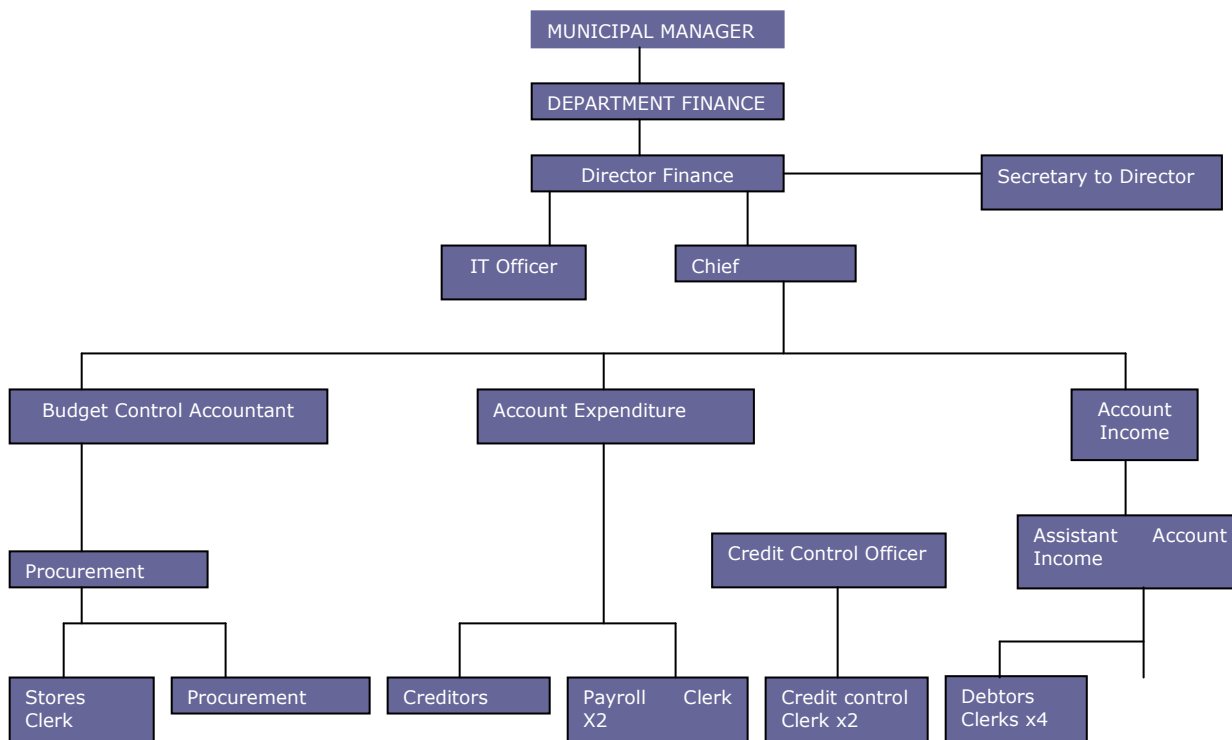
Directorate: Technical Services

Figure 4.1.4 (b)



Directorate: Finance

Figure 4.1.4 (b)



4.1.5 Human Resources

Please get and provide information on the Positions at the Municipality approved, filled, vacant and newly proposed

	Department	Approved	Filled	Vacant	New Proposed	Total New Structures
1	Office: Speaker and Mayor					
2	Municipal Manager					
3	Administration Services					
	Administration and legal					
	Administration and Legal (Auxiliary Services)					
	Community Services - Libraries					
	Community Services					
4	Financial Services department					
	Supply Chain					
	Income Division					
	Budgeting and finance					
	Expenditure					
5	Technical services department –Top structure					
	Planning and Building					
	Protection					
	Electricity					
	Total					

Table 4.1.5: Summarised Personnel Structure- Municipality

4.1.6 Administrative facilities

Control

The current status of formats of control is assessed below. Its status quo will be reflected.

Item	Status Quo
Asset register	
Entrance control	
Safety of cashiers/pay points	
Alarm system and armed response	
Insurance	
Vehicle management system	
<i>Clock-card system</i>	

Table 4.1.6 (a): Status Quo of Control Formats

Administration

Please get and provide informatin on the following administrative facilities – also indicate needs

Item	Status Quo
Office space and buildings	
Offices for officials, Councillors and Council activities (including Council Chambers as well as recording equipment)	
Cashier pay points	
Office equipment	
Communication	
IT System	
<i>Vehicles and Equipment</i>	

Table 4.1.6(b): Level of Facilities

Management Control

What system for the measuring of productivity is in place?

The municipality's strategic plan should be implemented simultaneously with the IDP, after finalisation.

What is the position of the IDP Specialised Plan namely the Performance Management System, will allow for increased productivity and measuring of performance to the lowest job level in the organisation.

Is there an electronic management information system, which allows for budget and votes allocation control, but could be utilised more effectively?

What about Management Support Team? to assist the municipality.

4.2` FINANCIAL PLAN 2010-2012

4.2.1 Introduction

This **five year financial plan** is direct outflow from the Integrated Development Planning (IDP) process and is also a legal requirement in terms of Chapter V, section 26 of the Local Government: Municipal System Act, 2000.

The purpose of the five-year financial plan is simply to ensure the financial viability and sustainability of the Municipality's operations and investments. This means that the financial plan will serve as a Medium Term Strategic Financial Framework (MTSFF), for allocating all available Municipal resources (personnel, equipment, potential, income etc.) through a proper Municipal budgeting process.

4.2.2 Summary Of Financial Management Arrangements

Get all info on these arrangements such as:

The financial management arrangements of the municipality relates firstly to **the financial management resources** which is required to ensure smooth financial operations and secondly highlight the management **guidelines and procedures** to give effect to the required output from the Municipality.

Inventory and description of Financial Management Resources

The Municipal Council serves as the highest financial authority responsible for managing and supervising financial matter within the Municipality. More specifically, the Council is responsible for setting up and approve the annual budget as well as financial statements of the Municipality.

The Municipal Manager is the accounting officer responsible for implementing all council resolutions and is therefore responsible for implementing all financial decisions. Officials employed within the Financial Services Department support the Municipal manager.

Apart from the above management structures, all financial matters of the Municipality are currently running on the Abakus financial system, which is a fully integrated system. Only the treasury department is at present connected to the main server.

Apart from the Abakus system used for financial administration, other departments also make use of task specific software. The municipalities make use of CSIR software to calibrate and keep record of environmental quality such as water purity. The provision of water and electricity us also managed through modeling software from the National Electricity Regulator (NER) and the Department of Water Affairs and Forestry (DWAf).

Financial Management Guidelines and Procedures

The Municipality currently has several financial management guidelines and procedures in place as briefly discussed below.

Credit control policy

The credit control policy serves as a guideline to officials in respect of procedures and methods to be used in collecting outstanding monies form consumers who default in the payment of their accounts. This policy has been approved by council but is not yet implemented due to staff shortages.

Indigent policy

The Indigent policy is a tool to distinguish between people who can pay for services and those who can not pay. It arranges the payment of a subsidy in respect of the municipal accounts of beneficiaries and sets out procedures to follow in order to ensure that the registration, subsidization and control over the funds is correctly administered. This policy has also been approved by Council but not yet implemented in full.

Debt collection policy

The credit control officer and the financial manager currently do debtor's management. A debtor register is held in respect of all outstanding debtors.

Funding Cost recovery

Council has the policy to pay accounts within 30 days, provided that items/services have been budgeted for, in which case it is paid from the operating budget. Should items not be budgeted for, council's approval has to be obtained. Grants/subsidies for projects are paid out after receipt of the funds.

Payment of creditors

As far as financially possible, invoices from creditors are paid monthly, within thirty (30) days upon receipt of such and invoice and b the acting town treasurer who has delegated powers to make such payments on behalf of the municipality. There must also be orders issued for purchases. If there are no orders, no payments will be done.

Payment methods

All legitimate invoices against the municipality are paid by cheque, debit order and internal electronic transfers based upon amounts indicated on the relevant invoices. Wages amounting to approximately +- R800 000 are paid out monthly. A petty cash with a monthly float of R500.00 is also applied in each of the different towns for day to day expenses. In cases where payment is less than the invoice amount, credit notes as requested.

Terms of payment

All payments to creditors are made within 30 days from date of invoice. Where funds for immediate payment are not available, arrangement will be made with creditors. An arrangement for overdraft facilities is already in place at banks.

Leases

All leases are paid by means of debit orders of cheques on request. The total amount for monthly debit orders is approximately R7 000 for leases and approximately R28 000 for insurance.

Erven Trust Funds

The Free State Local Government Ordinance No 9/1962, requires that the sale of immovable property of Council be credited to the Erven Trust Fund.

4.2.3 Financial Strategies

Get all info on the financial strategies such as:

Capital and operational financing strategies

Capital projects are being financed by means of external loans, as well as through subsidies and grants from the Government Institutions. Additional non-capital liabilities are funded directly out of the operating budget, which in turn is based on income out of consumption of services and taxes. Provision for liabilities are being made directly in the operating budget as needed.

Asset management strategies

Prior to the formulation of definite asset management strategies, it was necessary to compile a concise list of main strategic assets of the Municipality.

Deriving from the asset assessment, it was possible to identify a number of asset management strategies, which are required to safeguard the most strategic assets of the municipality.

A detailed Asset Register for the whole of Municipality has been compiled by Management Support Services. An Asset Policy has been approved by the Municipal Council

4.3 REVENUE AND EXPENDITURE

Get the 5-year budgets from the Department of Finance

Including:

Revenue (amounts and source) – Mention type of grant, source and amounts

Also info on rates and tariffs

Also income from rent, services, interests, etc.

Expenditure (including repairs, maintenance, and capital expenses) – operational and capital budgets

Get a 5-year financial capital forecast and action plan

