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Chapter 1

Chapter 1 – Mayor’s Foreword and Executive Summary

Component A: Honourable Mayor’s Foreword

Vision

By 2020, our municipality should be a vibrant, sustainable and successful municipality which provides quality services.

The above vision should be achieved by promoting working relationship with stakeholders and communities, promoting sound financial management and increasing revenue base.

Key Policy Developments

IDP 2012/2013 is now aligned to the budget. The Mayor’s point of emphasis was the Local Economic Development (LED) strategy. This council has approved our LED strategy which is now aligned with the reviewed the Integrated Development Plan (IDP). The Service Delivery and Budget Implementation Plan (SDBIP) was developed and signed by the Mayor within prescribed timelines of the municipal finance management Act. All other budget related policies were reviewed and approved by this Council simultaneously.

Basic Service Delivery.

On basic service delivery, the municipality managed to collect all refuse removal weekly in all our areas including informal settlements. One of the major challenge remaining is the bad conditions of our municipal roads

The other challenge is the water problem in Jagersfontein and particularly in Fauresmith and the ageing infrastructure in all our towns. The bulk water project for Jagersfontein and Fauresmith is completed, the municipality and Department of Water Affairs (DWA) were busy with the second phase which was completed in November 2013

A total of 400 electrifications were planned and completed in Trompsburg, Bethulie, Fauresmith and Jagersfontein for financial year 2012/2013.

The municipality was able to fence cemeteries in Reddersburg, Edenburg, and Trompsburg and it is currently busy with Philippolis, we also fenced and renovated halls in Trompsburg, Springfontein and Philippolis with the limited resources that we are having.

Financial Viability.

Revenue generation remains the other challenge facing the municipality. The culture of non-payment of services and rates by resident remains a thorny issue for our municipality. The municipality have implemented the credit control policy, we have started to disconnect the services in improving the revenue and the Mayor has launched a programme called ‘**PATALA DI TSHEBELETSO**’, which means **Pay Your Municipal Services**. Our municipality wrote off debts for all indigent people that amounted to R46 million.

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Public Participation And Good Governance.

The **IDP/BUDGET** public participation was conducted in the municipality. The mayoral Imbizo and Patala Ditshebeletso meetings remain the priorities in our municipality. These meetings seek to inform the communities on how they can access services, how to be registered in the indigent register and how the municipality can help refer them to relevant department or service providers where the request is outside the scope of this municipality.

The Auditor General issued a disclaimer audit opinion in 2011/2012; however mechanisms for improvement were put in place and implemented. The invention of weekly whippy meetings between the Mayor, Chief - Whip, Speaker, Municipal Manager, Chief Financial Officer and Chief Internal Auditor assisted in realising an improved audit opinion . The municipality managed to achieve a qualified audit opinion in 2012/2013.

Conclusion

In conclusion, we were only able to achieve this objective through co-operation with the communities, relevant departments and employees that were passionate about the municipality. My sincere thanks and gratitude to the Speaker, Exco Members, Councillors, Municipal Manager, and staff members. I have confidence that together we will achieve high levels of success for our municipality and our people.

Cllr. XT Matwa

The Mayor of Kopanong Local Municipality

Component B: Executive Summary

Municipal Manager- Foreword

According to the Municipal Structures Act, Act No. 117, 1998 the primary purpose of the municipality are the following:

1. A municipal council must strive within its capacity to achieve the objectives set out in section 152 of the Constitution,
2. A municipal council must annually review
 - (a) *The needs of the community;*
 - (b) *Its priorities to meet those needs;*
 - (c) *its process for involving the community;*
 - (d) *its organizational and delivery mechanisms for meeting the needs of the community; and*
 - (e) *its overall performance in achieving the objectives referred to in subsection (1)*

Chapter 1

3. A municipal council must develop mechanisms to consult the community and organizations in performing its functions and exercising its powers;

Emanating from the municipal strategic planning session, we concluded strategic priorities accompanied with quarterly service delivery targets to be achieved; which are aligned with the resources at our disposal and it is believed that all these targets can be realized only if our municipality is getting total support from the community through enhanced revenue collection and effective public participation. We have also made our communities aware that a process of revising the municipal Vision and Mission was completed during that municipal strategic planning session and is incorporated in the IDP.

Besides, the developmental role that local government is called to play, we are also expected to maintain existing infrastructure which, in most cases, is aged and in a state of ill repair. The Integrated Development Plan (IDP) therefore needs to reflect a balancing act between providing access to basic services to new recipients and the maintenance of existing infrastructure to avoid power cuts, water leaks, pot holes, etc.

Underpinning successful service delivery will be availability of funds to do so. Whilst a substantial amount of funding is made available through the National and Provincial fiscus through conditional grants such as the Municipal Infrastructure Grant (MIG) and others, the only way that the municipality will realize service delivery to its fullest potential is by ensuring optimal revenue generation by collecting payment due for services rendered by the municipality. In addition to debt collection, the municipality has developed a revenue enhancement strategy that will increase our reserves to enable us to plan and implement capital projects beyond the provision of grant funding.

The municipality approved the Local Economic Development (LED) strategy in March 2013. This assisted the municipality to attack service delivery challenges, strengthening our local economic muscle and development, promoting emergence of cooperatives, entrepreneurs and public-private partnership.

We are continually implementing the turn-around strategy driven by the inter-governmental organs of state which will through the IDP address the social and development agenda for change.

The development and implementation of corrective action plans is put at the forefront by administration to ensure that we address and clear issues raised by the Auditor General and obtain an Unqualified Audit Opinion by 2014.

In the previous financial year Kopanong local municipality appointed consultants to implement and compile the financial statements. During this financial year we have even gone further to appoint consultants in assisting with the unbundling of assets. There are continuous meetings amongst the Mayor, the Municipal Manager and Chief Financial Officer to ensure the smooth running of the municipality and also to see to it that systems and internal controls are in place. Our goal is to achieve a better audit opinion and deliver services in an accountable and sustainable manner. For 2012/2013 the municipality compiled its own annual financial statements and the audit opinion improved from Disclaimer to Qualified Opinion.

There are also weekly management meetings where operational issues are discussed and addressed, and if there are any challenges, they are addressed in time. I would like to extend my heartfelt appreciation to the political leadership and staff of the municipality for their hard work and dedication, which culminated in the progress made by the institution during 2012/2013 financial year.

I thank you!!!!

L Y Moletsane(Me.)

Municipal Manager (MM)

Chapter 1

1.1. Municipal Functions, Population And Environmental Overview

Introduction to background Data

Kopanong population statistics is 49 171(Census 2011)

As the municipality we do not have funds to fund the projects the municipality depends on Municipal Infrastructure Grant (MIG), Department of Water Affairs (DWA) and Department of Energy (DOE).

Water

98.65% of population in Kopanong have access to water, 1.35 % don't have access water except people who are residing in informal settlement.

Electricity

98% of our population have access to electricity.2% is people who are residing in farms and informal settlement.

Sanitation and Refuse

85.5% of our population have access to sanitation and refuse.

Bucket Systems

1.60% is using bucket system

Housing

Bethulie was allocated 110 houses, 58 houses is completed and 52 are still under construction and the contractor has been appointed

Gariep Dam

66 houses have been allocated, zero completion, all houses are going to be demolished as they are not meeting SANBS and the contractor is appointed to complete the work.

Springfontein

Allocated houses 250, completed none.26 house connections are completed, 24 houses/sites are not occupied.

Jagersfontein

100 houses were allocated, 60 houses are completed, and 40 houses are still under construction.

Chapter 1

Population Details									
Age	Population ` 49 171								
	1996			2001			2011		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Age: 0 - 4	2514	2485	4999	2550	2629	5179	2654	2643	5297
Age: 5 - 9	2770	2877	5647	2992	2986	5978	2513	2529	5042
Age: 10 - 19	5646	5583	11224	6313	6281	12594	4346	4311	8657
Age: 20 - 29	4048	4312	8360	4381	4507	8888	4578	4229	8807
Age: 30 - 39	2987	3190	6177	3684	3910	7594	3288	3250	6538
Age: 40 - 49	2321	2581	4902	2808	3076	5884	2660	2914	5574
Age: 50 - 59	1605	1961	3566	2008	1049	3057	1973	2239	4212
Age: 60 - 69	1097	1493	2560	1349	1807	3156	1255	1623	2878
Age: 70+	871	1374	2245	840	1550	2390	817	1348	2165
Total	23859	25856	49715	26925	27795	54720	24084	25086	49171

Source: Statistics SA
T 1.2.2

Socio Economic Status						
Year	Housing Backlog as proportion of current demand	Unemployment Rate	Proportion of Households with no Income	Proportion of Population in Low-skilled Employment	HIV/AIDS Prevalence	Illiterate people
Year 12/13	7668	27%	2775	N/A	-	13.4%
Year 11/12	8500	33.6%	15 703	15 529	-	-
Year 10/11	8500	-	-	-	-	-

Chapter 1

Overview Of Neighbourhoods Within 'Kopanong Local Municipality		
Settlement Type	Households	Population
Towns		
Fauresmith	871	2768
Philippolis	1400	4408
Jagersfontein	3169	9892
Bethulie	3629	11318
Springfontein	792	2523
Trompsburg	1835	5757
Edenburg	1687	5368
Reddersburg	1510	4745
Gariep Dam	254	855
Sub-Total	15 147	47 634
Townships	0	0
None	-	-
Sub-Total	-	-
Rural settlements	0	0
None	-	-
Sub-Total	-	-
Informal settlements	5	
Bethulie	4	12
Edenburg	0	-
Gariep Dam	0	-
Fauresmith	4	12
Jagersfontein	0	-
Philippolis	0	-
Reddersburg	440	1364
Springfontein	31	96
Trompsburg	17	53
Sub-Total	496	1537
Total	15 643	49 171

Chapter 1

Natural Resource	
Major natural resource	Relevance to community
Jagersfontein- Mine	Employment and social economic services to the community of Jagersfontein
Gariiep Dam	Employment and tourism services to the community of Gariiep Dam
Exploration of Uranium mine	Currently busy with feasibility study, Employment and social economic services to the community of Jagersfontein.
Flatland for Energy Solar Hub	Springfontein & Bethulie

Key challenges and opportunities for the municipality arising from the data provided in this demographic section.

The energy solar hub is going to be popular in terms of tourist attraction.

Relevance of the 5 major resources and the ways in which your municipality is trying to improve the positive impact they have on the local community.

Job opportunities
Attracting investors' e.g. Koreans attracted to Energy Solar Hub.
Alleviation of poverty
Economic Growth.

Job opportunities was created on the following towns

Edenburg

No job opportunities were created

Jagersfontein Mine

100 jobs were created and students were allocated bursaries to enrol for Hospitality Courses and tracking.

Attracting investors' e.g. De Beers mine attracted to Energy Solar Hub.
Alleviation of poverty

Flatland for Energy Solar Hub

No job opportunity was created.

Chapter 1

1.2. Service Delivery Overview

Achievements

Access to water

- (a) There are 15 147 households with access to water in formalised sites.
- (b) Phase 1 of bulk water supply project is completed and it supplies Jagersfontein, and Phase 2 of the project on construction was completed in November 2013. This project supply Fauresmith.
- (c) The water pipeline from the reservoir in Reddersburg is upgraded for the supply of the entire area.
- (d) There is an approval of funding from DWA for the upgrading of the water pipeline from the reservoir and the pump station in Philippolis. The project will commence in January 2014 starting with designs and specifications and the physical construction of site will start in May 2014
- (e) Detailed investigations of all ageing water infrastructure were completed Technical Reports and business plans has been done and submitted for funding for the upgrading of the Network.

2. Access to sanitation.

- (a) 15147 households have access to waterborne sanitation in formalised sites.
- (b) 18 process controllers are trained for the maintenance of the sewerage pump stations.
- (c) The service provider is appointed on a contract of one year to assist with Routine Maintenance.
- (d) The technical report has been compiled and business plans submitted for funding for the provision of sewerage network, pump stations and installation of the grids.

Reddersburg	77 sites
Springfontein	568 sites
Philippolis	200 sites
Gariiep Dam	314 sites
Bethulie	260 sites

Challenges for access to water

- (a) There are 395 households without water on sites in formalised areas.
- (b) Fauresmith currently depends on boreholes for water supply which are drying out.
- (c) Ageing and decaying water infrastructure which is beyond its expected life span which also affect water quality.
- (d) There are some areas whereby the municipality experience low water pressure due to small capacity of the network and sometimes pipe burst which result at water losses.
- (e) There are households with leaking water meters and some without water meters.

Chapter 1

Access to Sanitation

- (a) There are 395 households without waterborne sanitation on sites in formalised areas.
- (b) The current sewerage network and pump stations can no longer withstand the current population growth.
- (c) Foreign material entering and damaging the sewerage pumps.
- (d) Constant blockages of the sewerage lines which results in sewerage overflow and spillages.

Access to Electricity:

- (a) There are 1 010 households without access to electricity as at September 2013.

Bethulie	336
Edenburg	132
Gariep-Dam	76
Jagersfontein	56
Springfontein	260
Trompsburg	103
Phillipolis	23

Access to Housing

- (a) 6342 households without houses (waiting list) as at August 2013

Bethulie	1624
Edenburg	1252
Gariep Dam	288
Fauresmith	700
Jagersfontein	410
Phillipolis	550
Reddersburg	796
Springfontein	362
Trompsburg	360

Chapter 1

Access to basic services

Electricity connections

(a) 14633(94%) households have access to electricity and 1010(6%) do not have access to electricity. Most of the beneficiaries who are allocated sites have the tendency of delaying to occupy their sites which also has an impact during the verifications for allocation of funds, and also causes delays for the implementation as well as the completion of the projects.

2. Water available within 200 m from dwelling:

(b) 15248(97.5%) households have access to waterborne sanitation and 395(2.5%) households without water on site in formalised areas. The ageing old asbestos and small capacity of water network is the major cause of pipe bursts and leakages and these results to low pressure and shortage of water. There are 496 informal sites that are illegally occupied and have no basic services, however there communal taps are installed for water:

3. Sanitation- households with at least VIP service:

(c) 17 411 (85.5%) households have access to waterborne sanitation and 219 (14.5%) households without waterborne sanitation on site in formalised areas. The conditions of the sewerage pump stations and the infiltration of the foreign substances into the sewerage network is also the major course of the sewerage spillages and manholes overflow. There are 373 informal sites that are illegally occupied and have no basic services, however the municipality provides buckets sanitation, and there are no VIP's.

4. Waste Collection- Kerbside collection twice per week:

(d) 15643(100%) households have access to refuse removal to refuse removal, and collection is done twice per week. The fleet are beyond its expected life span and retard daily operations with regard to waste removal, however there are weekly programmes for waste collections.

Proportion of households with minimum level of basic services

	12/13	11/12	11/10	10/09
Electricity service connections	14633	14533	14388	0
Water - available within 200 m from dwelling	15248	15248	15000	15000
Sanitation - Households with at least VIP service	15248	15248	15000	15000
Waste collection - kerbside collection once a week	15643	15643	15000	15000

Chapter 1

1.3. Financial health overview

The municipality's biggest challenge is cash flow. In rural areas such as ours it is very difficult to collect income due to high poverty rate. The municipality started an in-house debt collection which will assist in increasing our cash flow to attain the 2020 goal which is, to deliver service to the best of its ability.

Financial overview: 2012/2013				R' 000
Details	Original budget	Adjustment budget	Actual	
Income:				
Grants	94858	94858	142080	
Taxes, Levies and tariffs	82826	82826	10101	
Other	15366	18168	82174	
Sub Total	193050	195852	234356	
Less: Expenditure	200355	238157	278253	
Net Total*	-7305	-42305	43897	

* Note: surplus/(deficit)

Operating ratios	
Detail	%
Employee Cost	28%
Repairs & Maintenance	4%
Finance Charges & Impairment	18%

Total capital expenditure: 2012/2013				R'000
Detail	2010/2011	2011/2012	2012/2013	
Original Budget	33222	51490	53330	
Adjustment Budget	33222	51240	30021	
Actual	32378	26578	41964	

Chapter 1

Variations between actual, original and adjustment budgets.

Original budget is the first time when you baseline the budget, the municipality did that by inviting all heads of the department to allocate budget. The Budget Adjustment (BA) document is used to record income and expense transactions not processed through other documents, against an existing budget. It can be used to modify a base budget and current budget.

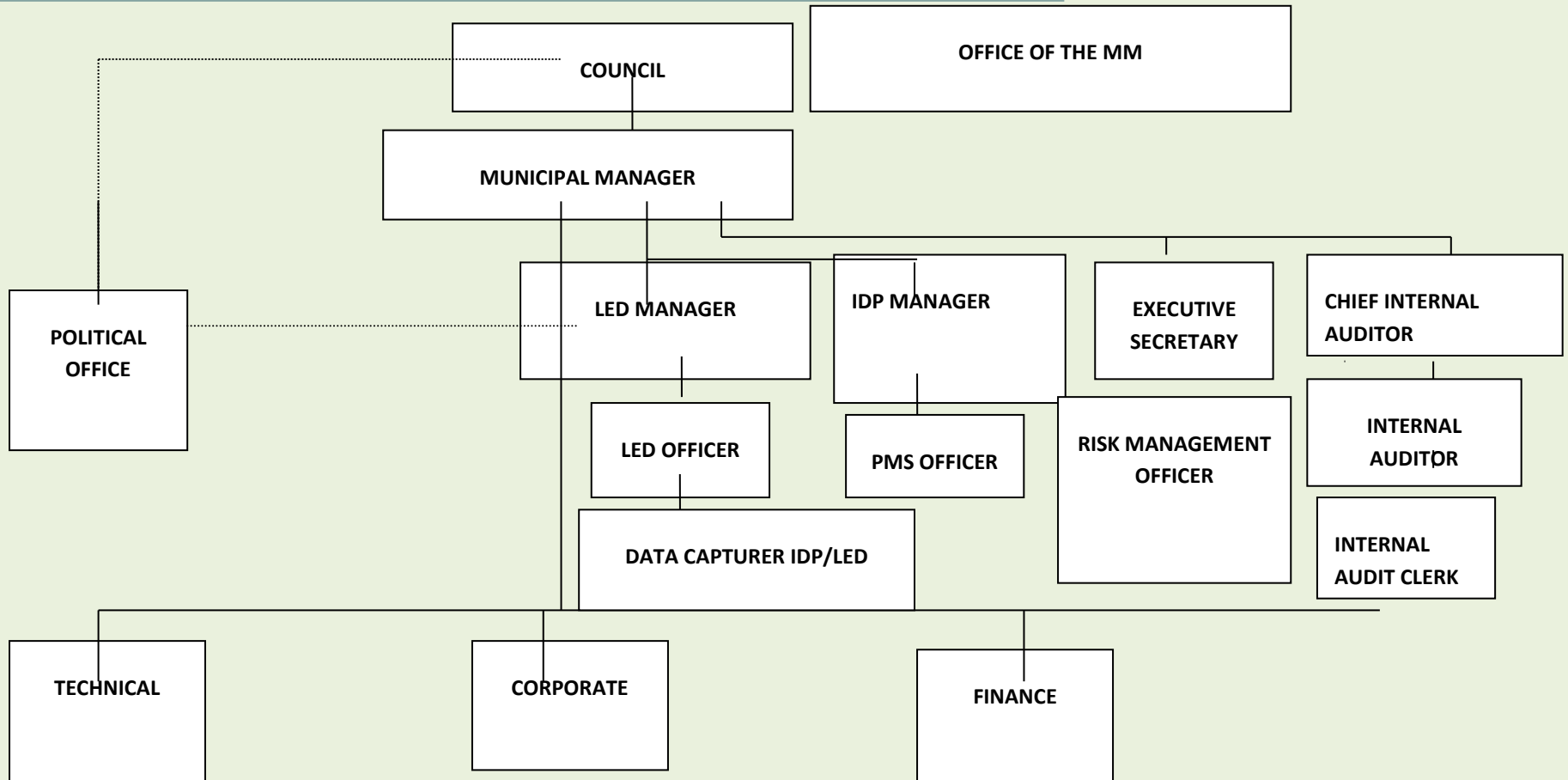
1.4. Organisational Development Overview

Development issues are covered within the workplace skills plan document of the municipality after needs are identified through a skills audit. There were trainings happening in the form of an apprenticeship for electrical engineering which is a three year project and currently invitations have gone out where service providers are invited to make proposals for the second intake for electrical engineering as well as for civil engineering which will also be done over a period of three years. Finance interns are also busy with a finance related course and other employees are currently undergoing different trainings.

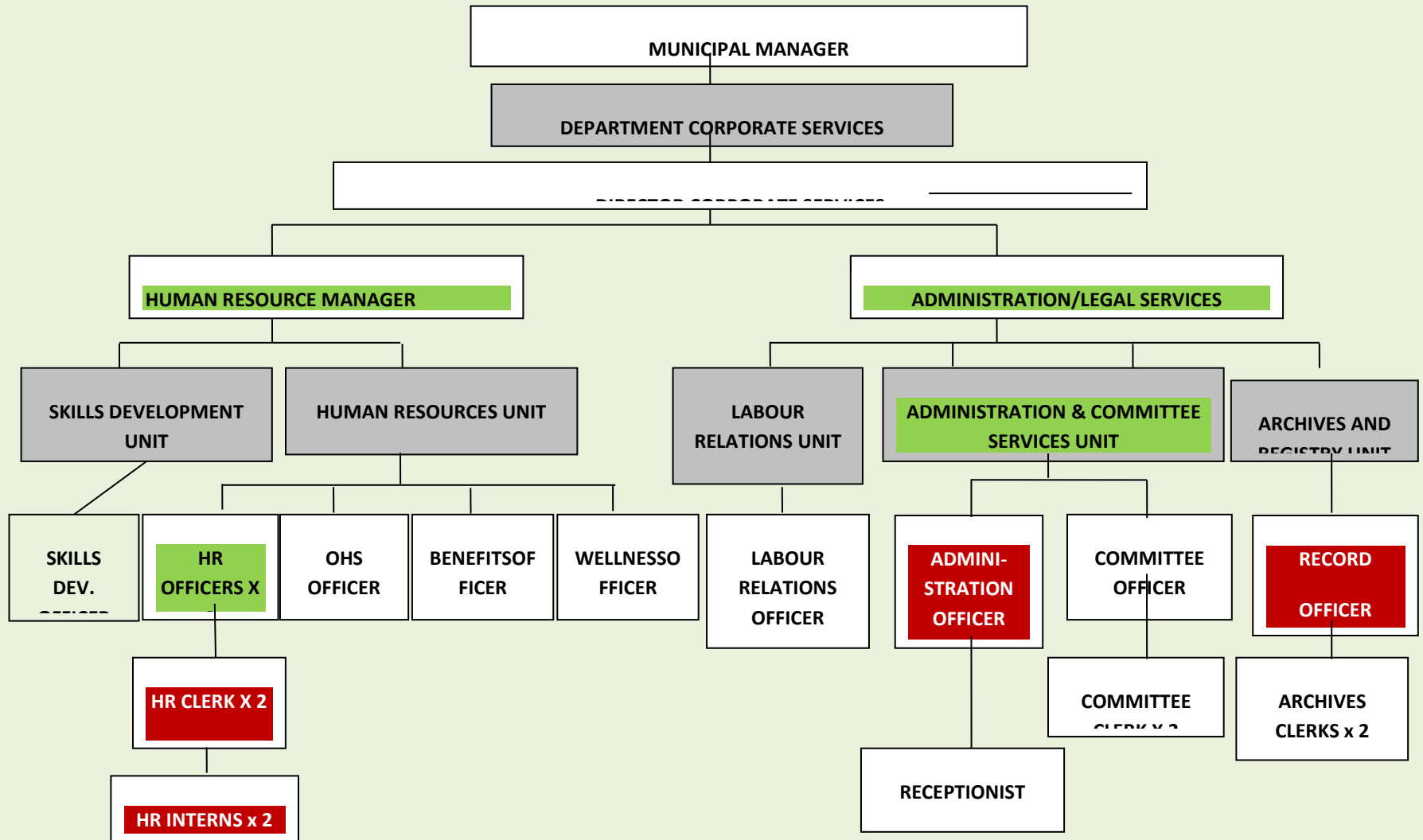
The municipalities currently do not have the performance management system, but in the interim we have developed the framework, currently the municipality is in the negotiating stage for the installation of PMS and a service provider.

The municipality is having an organizational structure in place that is approved by council on the 27 September 2012 and 28 March 2013. The organogram comprises of the office of the MM, CFO, Director Corporate Services, Technical Services and Community services department

Chapter 1

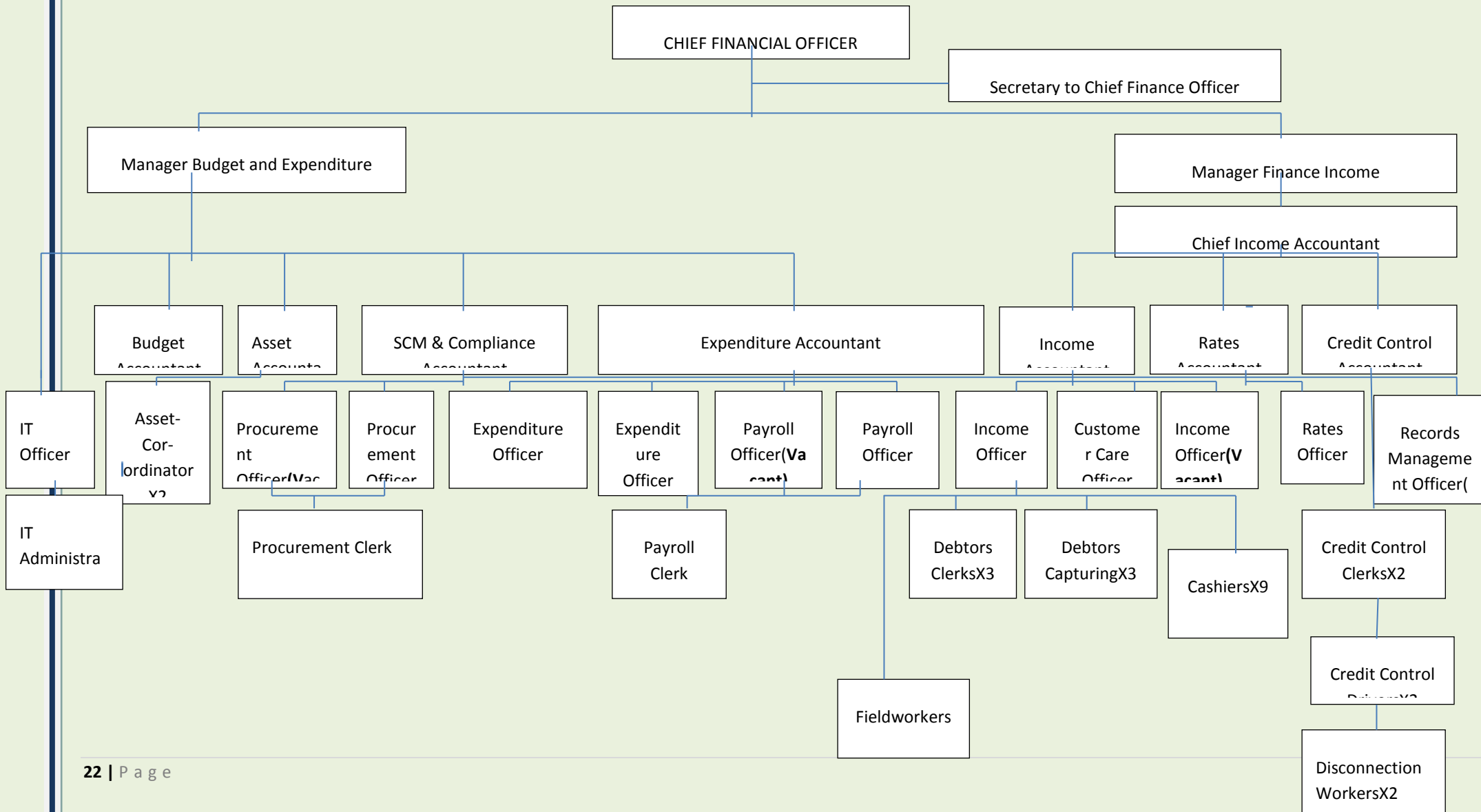


Chapter 1



Chapter 1

Budget and Treasury Office Organogram (Reviewed March 2013)



Chapter 1

1.5. Statutory annual reporting processes

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	27 September 2012
2	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	27 September 2012
3	Finalise the 4th quarter Report for previous financial year	
4	Submit draft year 2012 Annual Report to Internal Audit and Auditor-General	August 2012
5	Municipal entities submit draft annual reports to MM	N/A
6	Audit/Performance committee considers draft Annual Report of municipality and entities (where relevant)	N/A
8	Mayor tables the unaudited Annual Report	31 Jan 2014
9	Municipality submits draft Annual Report including consolidated annual financial statements and performance report to Auditor General	30/08/2012
10	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase	30/08/2012
11	Auditor General audits Annual Report including consolidated Annual Financial Statements and Performance data	30 August 2012
12	Municipalities receive and start to address the Auditor General's comments	
13	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor- General's Report	25/01/2013
14	Audited Annual Report is made public and representation is invited	30/01/2013
15	Oversight Committee assesses Annual Report	26/02/2013
16	Council adopts Oversight report	28/03/2013
17	Oversight report is made public	02/04/2013
18	Oversight report is submitted to relevant provincial councils	02/04/2013
19	Commencement of draft Budget/ IDP finalisation for next financial year. Annual Report and Oversight Reports to be used as input	March 2013

Chapter 1

The process is posing administrative challenges in terms of the compilation and completion of the report. This observation is based on the regulatory mandate that the municipality must comply with in terms of the Annual Report contents and deadlines for submission and tabling of annual report to council. Nevertheless the municipality managed to comply with the legislation.

Importance of alignment between the IDP, Budget and PMS

The IDP, budget and performance management processes must be seamlessly integrated. IDP fulfils the planning stage of performance management; performance management in turn fulfils the implementation management, monitoring and evaluation of the integrated development plan. The performance of an organisation is integrally linked to that of Section 56 and 57 managers. If employees do not perform the organisation will not achieve its intended objectives, and seemingly the municipality cannot plan without the budget.

Chapter 3

B. Chapter 2 – Governance

Introduction to Governance

Political governance is governed by the Honorable Mayor, administration is governed by the MM, IGR is a forum used by the municipality to interact with other organs ,the District, State Owned Enterprise's ,Province and National to address issues of support and assistance that we can provide to the municipality in terms of turnaround strategies.

Component A: Political and administrative governance

2.1 Introduction to political governance.

Kopanong municipality has several portfolio committees of which the Council, Executive Committee (Exco) and the Oversight Committee provide opinions and recommendations on financial processes and performance.

The Oversight Committee was appointed by Council on the 25 Jan 2013.

Kopanong Council constitutes of 15 Councillors comprising of Mayor and the Speaker

Councillor	Committee allocations
Chairperson as the Mayor and two Council members	Executive Committee
Mayor as the Chairperson and 2 Council members	Finance & LED
4 Councillors	Institutional Transformation
3 Councillors	Infrastructure and Rural Development

Councillors are elected by the local registered voters in their respective wards and represent their respective constituents in local council.

Kopanong municipality has a total of 15 Seats, Eight (8) of those are allocated to ward councillors who are elected by wards they are representing. The other 7 seats are allocated to political parties in proportion to the number of votes cast for them.

Political decisions- taking

The decisions of the council are taken following the rules and procedures of the council and all other questions before the council shall be decided by a majority votes. All resolutions are distributed to relevant departments. Currently there are no outstanding resolutions.

Chapter 3

Administrative governance

The municipality has a shared audit and performance committee in place, consisting of four (4) members and it is established in terms of Section 166 of the Municipal Finance Management Act (MFMA). The committee fulfils its oversight responsibility for the financial reporting, the system of internal controls, performance management, the audit process, and monitoring compliance with laws and regulations and the code of conduct. The committee sit and report quarterly to council about its activities, issues, and related recommendations.

The council appointed an oversight committee on the 25 January 2013, comprising of 5 members, 1 member as the Chairperson of audit committee, 1 Community member and 3 which are non –executive councillors. The oversight committee made a recommendation to council to adopt an annual report with reservations and the oversight report was published within 7 days after adoption by council. Oversight report was forwarded to COGTA and Provincial Treasury and they were also publicised on the website, units and libraries. The council resolved to have its own Municipal Public Accounts Committee (MPAC) in order to maximise efficiencies in the district and to enhance executive accountability and councillor oversight responsibilities.

Honourable Mayor

Cllr X T Matwa



Speaker

Cllr. M Masana

Chapter 3



Chief Whip
Cllr. K L Dlomo



MAYORAL COMMITTEE/ EXECUTIVE COMMITTEE

Mayor X T Matwa
Cllr L Dlomo
Cllr B Smit

Chapter 3

LIST OF COUNCILLORS

NAME AND INITIALS	PR/WARD	PARTY REPRESENTED
Cllr X.T Matwa/Mayor	PR Councillor(KLM)	ANC
Cllr M.E/Speaker	PR Councillor(KLM)	ANC
Cllr L.K Dlomo	PR Councillor(KLM)	ANC
Cllr B Smit/ Exco member	PR Councillor(KLM)	DA
Cllr H.M Hageman	PR Councillor(KLM)	DA
Cllr H.Shebe	PR Councillor (KLM)	DA
Cllr L.A Rigala	PR Councillor(KLM)	COPE
Cllr T.Koyana	Ward Councillor 1	ANC
Cllr M.D Matseo	Ward Councilor 8	ANC
Cllr N.J Stuurman	Ward Councilor 4	ANC
Cllr N.C Spogter	Ward Councilor 3	ANC
Cllr T.A Phafudi	Ward Councilor 2	ANC
Cllr L.A Sola	Ward Councillor 5	ANC
Cllr D Phepeng	Ward Councillor 7	ANC
Cllr P.D Basholo	Ward Councillor 6	INDEPENDENT

Chapter 3

Political decision-taking

Political decisions are taken during council meetings, all council resolutions taken are implemented one hundred percent (100%). Implementation of council resolutions is measured through compilation of the Action List where all council resolutions are summarized and it also indicates whether resolutions have been executed or not.

2.2. Administrative governance

The role of Municipal Manager, and Directors

Overall, the Municipal Manager (MM) is the accounting officer of the municipality, she is the head of the administration, and one of her roles is to ensure that Budget, and IDP, SDBIP and financial statement of the municipality are carried out. She has to ensure that compliance matters are adhered to and to delegated strategic decisions to her directors for implementation.

Roles of Directors

Directors are heads of the departments, they have to ensure that all strategic matters are adhered to and implemented. Chief Financial officer has to ensure budget, SCM, credit Control, AFS assets unbundling are executed. He is also accountable to the Municipal Manager who delegates some of her financial responsibilities to him.

The Municipal Manager (MM) is working with a team of directors, by holding management meetings, service delivery meetings, when the MM is absent she appoints one of her directors as the acting MM. There are service delivery meetings held at each ward. Matters of compliance such as the performance agreements have been signed and submitted to the Department of Cooperative Governance and Traditional Affairs (Cogta), Kopanong local municipality is a member of the Integrated Governmental Relations (IGR) and sits as per schedule. The SDBIP has been signed by the Mayor and has been submitted to Province, National Treasury and COGTA. IDP and Budget were approved on the 30 May 2012 by Council.

Work Skills Plan (WSP) has been completed and been submitted to LGSETA. Oversight report has been adopted and it has been publicized to the units, libraries and the websites within 7 days of its adoption. Copies of SDBIP were forwarded to COGTA, Auditor General and Provincial Treasury

Major structural changes made or structural reviews commenced during the year.

There were no major structural changes; the only vacant post is Director Community Services which has been vacant since 2011/2012 financial year.

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TOP ADMINISTRATIVE STRUCTURE

Municipal Manager

Me Lebohang Yvonne Moletsane



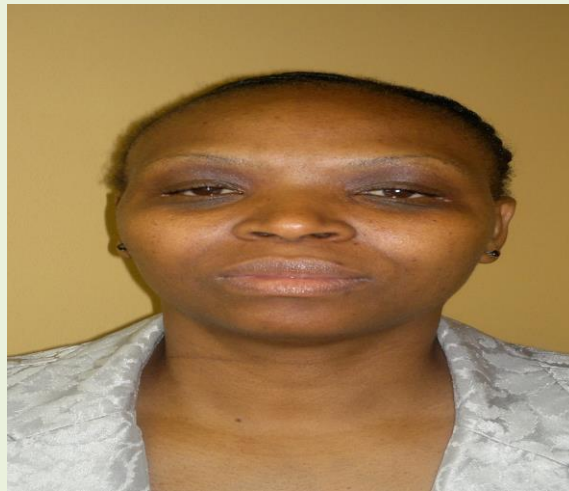
Chief Financial Officer

Mar. Molahlehi Jan Mekhoe



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Director Corporate Services
Me. Cecilia Kedisaletse Pitso



Director Technical Services
Mr Sebongile Hololoshe



Position for Director Community Services is still vacant

Chapter 3

COMPONENT B: INTERGOVERNMENTAL RELATIONS:

Overview of Co-operative governance and Intergovernmental relations for your municipality

Provincially, COGTA is playing a monitoring and evaluation role on issues of PMS, Provincial Government Local Turn-Around Strategy (PGLTAS), IDP, whereby our municipality was identified amongst the 10 municipalities that needs assistance in terms of service delivery and protests. The municipality then identified 5 Key Performance Areas (KPA's) to report on. Department of treasury also played a role to assist the municipality with the development of annual financial statements, annual report and to see to it that the municipality complies in terms of supply chain management. The district municipality also plays a supporting role on issues of environmental affairs and disaster management.

District technical IGR and coordinating forum meets and sits on a quarterly basis, at the IGR meetings the municipality report on service delivery issues, expenditure on the Municipal Infrastructure Grant (MIG), the District coordinating Forum(DCF) of the Xhariep District Municipality emphasized that issues of IDP and Clean Audit becomes the standing items in all IGR meetings.

There are other Intergovernmental Forums that are existing like CFO's, MM'S, Energy and IDP manager's forums.

2.3 National intergovernmental structures.

From the department of Cooperative Governance and Traditional Affairs (COGTA) there is a national body that focuses mainly on monitoring, evaluation and service delivery, more especially on municipal turnaround strategy, which addresses key issues within the municipality that focuses mainly on service delivery issues e.g. Fighting of corruption; basic services, local economic development, clean audit and institutional arrangements.

National Treasury has assigned an official to Kopanong municipality to assist the municipality on financial related matters and Provincial COGTA has assigned an intern as well.

Provincial Intergovernmental Structure

On a quarterly basis in the IGR, the municipality is submitting reports on, **IDP, Clean Audit** and fighting corruption issues.

Human settlement has assisted the municipality in appointing service provider to complete those Reconstruction Development Program (RDP) houses also with the establishment of sites. Department of Water Affairs is funding the project for Bulk Water Supply between Fauresmith and Jagersfontein.

COGTA is assisting with JOJO tanks in commonage and to review commonage policies of the municipality.

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MIG provides funding for paving of roads in Edenburg and Philippolis DWA is assisting with refurbishment works in Gariep Dam

Relationships with municipal Entities:

The municipality does not have any entities.

District Intergovernmental Structures

The district through its three phases of intergovernmental structures being, the monitoring and evaluation, district technical IGR and the district coordinating forum produces a quarterly report that encompasses all the reports from sub-forums of the IGR forum, Local Economic Development Energy Forum and other forums like these the report is tabled in the (DCF) and further submitted to provincial departments.

Component C: Public Accountability and Participation

Overview of Public Accountability and Participation

The municipality is communicating with the public through Mayoral Izimbizo's, media, radio stations, public notices, IDP engagements, budget processes and using four languages that are dominating: English, Sotho, Xhosa and Afrikaans.

The municipality managed to provide communities with relevant information to help them address issues of political unrests that were in Reddersburg, Edenburg and Philippolis. It also assisted the municipality to update the indigent register and to solve the issue of incorrect billing system.

2.4 Public Meetings

Communication, Participation and Forums

IDP and budget process plans, had to run concurrently and were adopted by council in August 2012. The IDP processes consists of 2 committees, IDP steering committee and the representative forum. The IDP processes unfolded from August to June the following year. The municipality is using the Mayoral Izimbizo, ward committees members, radio's and newspaper as medium of communications The municipality's website is regularly populated with relevant legislated documents. Opinion surveys were conducted; they were distributed in all 9 units and were completed by residents

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Nature and purpose of meeting	Date of events	Number of Participating Municipal Councillors	Number of Participating Municipal Administrators	Number of Community members attending
Ward 5/ Beneficiary meeting	27/06/2013	Cllr A Sola and Cllr R Mancane	CDW, Ward Committee and Unit Managers	91
Ward 5/Ordinary Community Meeting	23/06/2013	Cllr A Sola and Cllr R Mancane	CDW, Ward Committee and Unit Managers	100
Ward 3/Ordinary Community Meeting	29/05/2013	Cllr N Spogter and Me Shebe	CDW, Ward Committee and Unit Managers	29
Ward 2/Ordinary Community Meeting	.07/02/2013	Cllr Phafudi	CDW, Ward Committee and Unit Managers	69
Ward 2/ Ordinary Community Meeting	09/01/2013	Cllr Phafudi	CDW, Ward Committee and Unit Managers	71
Ward 2/ Ordinary Community	19/03/2013	Cllr Phafudi	CDW, Ward Committee and Unit Managers	110
Ward 6/ Ordinary Community Meeting	16/01/2013	Cllr Phepheng and Cllr Smith	CDW, Ward Committee and Unit Managers	188
Ward 1/ Ordinary Community Meeting	21/05/2013	Cllr T Koyana and Cllr Hagemann	CDW, Ward Committee and Unit Managers	161
Ward 1/ Ordinary Community Meeting	13/03/2013	Cllr T Koyana and Cllr Hagemann	CDW, Ward Committee and Unit Managers	175

Comment on the effectiveness of the public meetings held:

The benefits are during IDP meeting, communities own the process. The feedback that municipality has as a result of the meetings and report to the communities is vital. Communities' inputs during the IDP and Budget process are very important. Engagements are included into the documents and are made available and accessible to the communities e.g. IDP, Budget, SDBIP, Mid -Year Budget and Performance Assessment; Oversight Report and Annual report publication and the identification of projects per wards and the community is afforded an ample opportunity to make comments/ make objections or appeals on these documents

2.5 IDP Participation And Alignment

	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

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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	

Component D: Corporate Governance

Overview of Corporate governance

The Section 80 Committees, Executive committees and council meetings are sitting on a quarterly basis; the Mayor and the Municipal Manager are meeting daily to discuss issues of governance.

The municipal whippers committee consist of the Mayor, Speaker, Chief Whip of the ruling party are holding weekly meetings with the MM, CFO and CIA to discuss issues of audit as a way of improving the municipality's audit outcome.

Risk Management

The need for risk management (See MFMA Section 62 (1) (c) (i))

Risk management is a continuous, pro-active and systematic process implemented by the municipality's council. During the strategic planning session that was held, the accounting officer, management and other officials designed to identify potential events that may affect the municipality, and manage risks to be within its risk tolerance level, to provide reasonable assurance regarding the achievements of municipality objectives. A risk committee was also established, where the chairperson of the shared audit committee is a member.

The benefits of having an effective risk management:

1. Support efficient use of resources,
2. Promoting continuous improvement,
3. Minimize surprises,
4. Reassure the stakeholders,
5. Helps internal audit to comply with internal audit framework and standards
6. Continuity of services delivery.

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An effective risk management:

1. Improve accountability by ensuring that risks are explicitly stated and understood by all parties, that the management of risks is monitored and reported on, and that action is taken based on the results.
2. Focus on planning to deal with factors that may impact on the objectives of the municipality and provide an early warning signal
3. Ensure opportunities are not missed and surprise costs don't arise.

Service department role:

1. Develop risk management implementation plan of the municipality.
2. Works with senior management to develop risk management vision, strategy, and policy as well as risk appetite and tolerance level.
3. Conducting workshops on risk management and fraud awareness.
4. Coordinating risk assessment within the municipality.
5. Assisting management in developing and implementing risk responses for each identified material risk.
6. Reporting quarterly to the Risk Management Committee.

Top five risks to the municipality:

1. Uncontrolled water demand
2. Non-compliance to GRAP standards
3. Irregular expenditure
4. Unsafe conditions at landfill sites.
5. Audit queries not being resolved.

Fraud and anti-corruption strategy

The municipality developed a Fraud Prevention Plan for 2012/13 financial year and it was tabled in council by 14 December 2012. Workshops on fraud awareness were conducted in five towns out of nine during the financial year. The municipality has a shared audit and performance committee, and it is functional and councilors are not part of the committee.

2.6 Overview supply chain management

Municipality did not always comply with supply chain management (SCM) policies and procedure because of documentations which could not be substantiated during the audit processes, this was due to inadequate safe keeping of documents.

Suppliers without expected minimum requirements were appointed. Advertisements were not placed on the website and local newspaper. Bid committees were not composed by required members as per the Act, the

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reason being the vacant post of the Director Community services. Municipality is planning to keep all the tender documents in one place but the challenge was lack of storage.

Suitable employees were not placed in the relevant bid committees (e.g. one SCM official is placed in the **Bid Evaluation Committee**).

Not all advertisements were placed on the website and local newspapers.

Preferential Procurement Policy Framework Act (PPPFA) were not considered for any transaction value above R30 000, if not, then a motivation is provided and signed by the designated official.

2.7. By- laws

By-laws Introduced during Year 2012/2013						
Newly developed	Revised	public participation conducted prior to adoption of by-laws (yes/no)	Dates of public participation per town	By-laws gazetted (yes/no)	Date of publication	
Standard Building Regulations	Yes	Yes	5 June 2012	Yes	22 March 2013	
Standard Commonage	Yes	Yes	2 July 2012	Yes	22 March 2013	
Standard Credit Control	Yes	Yes		Yes	22 March 2013	
Standard Dumping and Littering	Yes	Yes	5 June 2012	Yes	22 March 2013	
Standard Impoundment	Yes	Yes		Yes	22 March 2013	
Standard Tariff Policy	Yes	Yes	07-08 August 2012	Yes	22 March 2013	
Standard Water Services	Yes	Yes	N/A	Yes	22 March 2013	
<i>*Note: See MSA section 13.</i>						

Comment on By- Laws:

Municipal By-Laws were identified and adopted by council in 2012, and they were published in the Provincial Gazette. All legislated processes including public participation for comments on the 22 March 2012 were followed.

Council will again identify another set of necessary and important By-Laws applicable to the municipality in 2013/2014 financial year.

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2.8 Website

Municipal Website: Content and Currency of Material		
Documents published on the Municipality's Website	Yes	Differs from Date of adoption
Current annual and adjustment budgets and all budget-related documents	Yes	
All current budget-related policies	Yes	
The previous annual report (Year 2011/2012)	Yes	
The annual report (Year 2012/2013) to be published		31Jan 2014
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act(MSA) year 2012/2013) and resulting scorecards	Yes	Yes
All service delivery agreements (year 2012/2013)	Yes	
All long-term borrowing contracts (year 2012/2013)	Yes	
All SCM contracts above a prescribed value (give value) for year 2012/2013	Yes	
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14(2) or (4) during year 2012/2013	No	
Contracts agreed in year 2012/2013 which subsection (1) of section 33 apply, subject to subsection (3) of that section	No	
Public-private partnership agreements referred to in section 120 made in Year 2012/2013	N/A	
All quarterly reports tabled in the council in terms of section 52(d) during Year 2012/2013	Yes	

1. MFMA

75. (1) The AO of a municipality must place on the website referred to in section 21A of the MSA the following documents of the municipality:

- (a) The annual and adjustments budgets and all budget-related documents:
- (b) all budget-related policies;
- (c) the annual report
- (d) all performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act:
- (e) all service delivery agreements;
- (f) all long-term borrowing contracts;
- (g) all SCM contracts above a prescribed value
- (h) an information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14(2) or (4) during the previous quarter:
- (i) contracts to which subsection (1) of section 33 apply, subject to subsection (3) of that section;
- (j) public-private partnership agreements referred to in section 120:
- (k) all quarterly reports tabled in the council in terms of section 52(d),:
- (l) and any other documents that must be placed on the website in terms of this Act or any other applicable legislation, or as may be prescribed.

(2) A document referred to in subsection (1) must be placed on the website not later than five days after its tabling in the council or on the date on which it must be made public, whichever occurs first.

Shortfall:

The department is receiving information slowly from the departments and this result in a delay for timeous publication in terms of the legislation.

All libraries each have a computer with internet access

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2.9. Public satisfaction on municipal services

Public satisfaction levels

Generally, customers are satisfied with service so far, there are few prevalent concerns, with regard to understanding and interpretation of the accounts; general queries are based on perceived inflated accounts. The further concern is our meter reading system which is believed to be assumed by those who are entrusted with meter reading tasks. In some other areas like Reddersburg there has been an outcry with water especially at new residential areas like Mokoai Moletsane but it has been apparent that this was as the result of pressure pump as the area has grown significantly. In addressing the matter Bloem Water which supplies water to most towns in Kopanong was providing portable water while they are busy installing new connection for the area, it is now installed.

Satisfaction surveys undertaken in 2012/2013				
Subject matter of survey	Survey method	Survey date	No of people included in survey	Survey result Indicating satisfaction or better %*
Overall satisfaction with:	Customer comments at the service points(units)	15 April to 27 May 2013	91	97%
(a) Municipality	Customer comments at the service points(units)	15 April to 27 May 2013	91	98%
(b) Municipal Service Delivery	Customer comments at the service points(units)	15 April to 27 May 2013	91	88%
© Mayor	-	-	-	-
Satisfaction with:	-	-	-	-
(a) Refuse removal	Customer comments at the service points(units)	15 April to 27 May 2013	91	99%
(b) Road Maintenance	Customer comments at the service points(units)	15 April to 27 May 2013	91	85%
© Electricity	Customer comments at the service points(units)	15 April to 27 May 2013	91	95%

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Satisfaction surveys undertaken in 2012/2013				
supply				
(d) Water supply	Customer comments at the service points(units)	15 April to 27 May 2013	91	93%
(e) Information supplied by the municipality to the public	Through Mayoral Izimbizo's and outreach that are being conducted	6 and 7 March 2013	261	99.1%
(f) Opportunity for consultation on municipal affairs	From the 19 June to 2 July 2013 municipality will be engage on road show to units to enlighten communities about different policies that the municipality has ,that has direct bearing to their daily routine	-	-	-

Chapter 3 – Service delivery performance (Performance report part i)

Component A: Basic services

3.1 Introduction to water provision

There are 15248 households with access to water in formalised sites. Phase 1 of bulk water supply project is completed and it supplies Jagersfontein, and Phase 2 of the pipeline project was completed in November 2013. This project will supply Fauresmith. Fauresmith currently depends on boreholes for water supply which are also drying out, however there is provision of Jojo tanks as contingency measures.

There are some areas whereby the municipality experiences low water pressure due to small capacity of network and sometimes pipe burst which result at water losses due to old asbestos pipes. Detailed investigations of all ageing water infrastructure with Technical Reports and Business Plans has been submitted for funding for the upgrading of the network.

There was an approval of funding from DWA for the upgrading of water pipeline from the reservoir and the pump station in Philipollis, the first phase of the project is anticipated to commenced in March 2014, and will address water pressure challenge especially at Rowlfontein.

The water pipeline from the reservoir in Reddersburg is upgraded for the supply of the entire area. Water samples are taken every month for tests and we are at 68% with regard to blue drop compliance.

Some of the households have illegally occupied sites without water infrastructure, however communal taps are provided to them and Jojo tanks.

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Households - Electricity service delivery levels below the minimum						
Households						
Description	2013-2012	2011/2012	2010/2011	2012/2013		
	Actual No.	Actual No.	Actual No.	Original Budget No.	Adjusted Budget No.	Actual No.
Formal Settlements						
Total households	15643	15643	17527			
Households below minimum service level(erf without connections)	1010	1410	1510	R4.0 ml	R4.0 ml	R4.0 ml
Proportion of households below minimum service level	6.5%	9%	8.6%			
Informal Settlements						
Total households	496	373	456	0	0	0
Households below minimum service level	0	0	0	0	0	0
Proportion of households below minimum service level	0	0	0	0	0	0
Employees: Water services						
Year 11/12	Year 12/13					
Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)		
No.	No.	No.	No.	%		
All Grades	173	173	173	0%		

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Financial Performance Year 2012/2013: Water Services				
R'000				
Details	2011/2012	Financial year 1 July 2012 to 30 June 2013		
	Actual	Final Budget as per the adjustment budget approved by council	Actual	Variance to Budget
Total Operational Revenue		56 215	41 494	14 721
Total Operational Expenditure		38 111	29 669	8 442
Net Operational Expenditure		18 104	11 825	6 279

Capital Expenditure Year 2012/2013 Water Services					
R' 000					
Capital Projects	2012/2013				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	27000	4000	12645	-114%	
Jagersfontein and Fauresmith Bulk Water Project	27000	4000	12645	-114%	

Comment on water services performance overall:

1. There are 395 households without water supply on site in formalized sites; however the municipality will purchase water pipes and connectors to install households' connections.
2. There are 496 informal sites that are illegally occupied and have no basic services, however the municipality have installed communal taps for water, and those households will be re-allocated sites with basic services.
3. There are 1 419 surveyed formalized sites without basic infrastructure. The technical reports have been compiled and the business plans submitted for the provision of water.
4. There is ageing and decaying water infrastructure which is beyond its expected life span as well as low water pressure due to small water pipe capacity. The technical reports and the business plans have been submitted to DWA and COGTA for the upgrading of the water network as capital projects.

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5. The water pipe line from the reservoir in Reddersburg is upgraded to increase water pressure.
6. There is an approval of R 5000 000.00 by DWA from MWIG for the upgrading of the water pipeline from the reservoir and the pump station in Philippolis. The first phase for the upgrading of the pipeline is anticipated to commence in July.
7. Refurbishment of water treatment plant in Gariep Dam.
8. The municipality does not have specific employee responsible for water, it is utilizing the general workers. However they were sent for process controllers training and they were placed as from 01 July 2013.

3.2 Introduction to waste management - water

1. There are 15 248 households with access to waterborne sanitation in formalized sites.
2. The current sewerage network and the sewerage pump stations capacity can no longer withstand the current population growth. Foreign material is entering and damaging the sewerage pumps, and there are constant blockages of the sewerage lines which results in sewerage overflow and spillages.
3. The sewerage overflow and spillages are attended to as soon as they are discovered.
4. There is a service provider who is appointed for routine maintenance, and also 16 trained process controllers for the maintenance of the sewerage pump stations.
5. The technical reports have been compiled and business plans submitted for the upgrading of the sewerage network, pumps and installation of the grids

households - sanitation service delivery levels below the minimum households						
Description	2012/2013	2011/2012	2010/2011	2009/2010		
	Actual No.	Actual No.	Actual No.	Original budget No.	Adjusted budget No.	Actual No.
Formal Settlements						
Total households	15 643	15 643	17 527	Comparable information not available		
Households below minimum service level	395	573	573	Comparable information not available		
Proportion of households below minimum service level	2.5%	3.7%	3.3%	Comparable information not available		
Informal Settlements						
Total households	496	373	456	Comparable information not available		
Households that below minimum service level	496	373	456	Comparable information not available		
Proportion of households below minimum service level	496	373	456	Comparable information not available		
Our municipality is aware of the status of the sanitation needs that are mainly in the informal settlements. Council is working with other stakeholders to address the situation.						

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households - sanitation service delivery levels below the minimum households

Employees: Waste management services – water				
Year 11/12	Year 12/13			
Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
No.	No.	No.	No.	%
39	39	39	39	0%

Financial Performance Year 2012/2013: Waste management services - water				
R'000				
Details	2011/2012	Financial year 1 July 2012 to 30 June 2013		
	Actual	Final Budget as per the adjustment budget approved by council	Actual	Variance to Budget
Total Operational Revenue		24 958	26 242	-1 284
Total Operational Expenditure		1 609	17 429	-5 820
Net Operational Expenditure		13 349	8 813	4 536

Capital expenditure 2012/2013: Sanitation services					
R' 000					
Capital projects	Year 2012/2013				
	Budget	Adjustment budget	Actual expenditure	Variance from original budget	Total project value
Total All	6882	6882	1916	-259%	
Inflow meters	600	600	600	0%	
MIG	6282	6282	1316	-377%	

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1. There are 395 households without access to waterborne sanitation on site in formalized areas however the municipality purchased pipes and connectors to install household's connections.
2. There are 496 informal sites that are illegally occupied and have no basic services, the municipality is providing buckets sanitation as a temporary measure, and those households will be re-located sites with proper waterborne sanitation.
3. There are 1 419 surveyed formalized sites without basic infrastructure. The technical reports have been compiled and the business plans submitted for the provision of waterborne sanitation.
4. Upgrading of waste water treatment plant in Gariepdam

3.3 Introduction to Electricity

There are 14 633 households with access to electricity, and 10 10 do not have access to electricity. Most of the beneficiaries who are allocated sites have the tendencies of delaying to occupy their sites which also have a negative impact during the verifications for allocation of funds, and it causes delays for the implementation as well as for the completion of the projects.

There are 400 households electrification connections completed for 2012 / 2013 financial year. The application for the electrification of 1 010 households has been submitted to Department of Energy(DOE) and only R1000 000.00 for 95 households has been approved for 2013 / 2014 financial year.

Households - Electricity service delivery levels below the minimum						
						Households
Description	2012-2013	2012-2011	2011-2010	Year 2012/2013		
	actual no.	actual no.	actual no.	original budget no.	adjusted budget no.	actual no.
Formal settlements						
Total households	15643	15643	17527	R4.0m	R4.0m	R4.0m
Households below minimum service level	1010	1410	1510			
Proportion of households below minimum service level	6.5%	9%	8.6%			
Informal settlements						
Total households	496	373	456	0	0	496
Households below minimum service level	496	373	456	0	0	0
Proportion of households below minimum service level	0	0	0	0	0	0

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Employees: Electricity services

(The municipality is utilising general workers)

Comment on electricity services performance overall:

1. There are 400 households electrification connections completed during 2012 / 2013 financial year which amounted to R 4000 000.00.
2. There are 1 010 households without access to electricity, and the applications have been submitted to DOE but only R 1000 000.00, for 95 households has been approved for 2013 / 2014 financial year.

3.4 Introduction to waste management

Community services provide acceptable, affordable and sustainable waste collection services to all residents. Frequency of collection is once a week for households and twice a week for businesses and once a week for illegal dumping. Every unit/town is assigned to clean streets and is reflecting to its weekly program, and there are no official recycling groups. The progress has been achieved although the challenge is equipment and refuse trucks. The municipality have indigent policy to cover the poverty living people. Refuse removal is not outsourced the municipality is doing it internal. Cost effectiveness of current service is poor mainly due to unavailability of equipments, lifespan of equipment, staff and planning. There is non compliance in terms of the legislation.

Solid waste service delivery levels

Description	Households			
	Year 2012/2013	Year 2011/2012	Year 2010/2011	Year 2009/2010
	Actual No.	Actual No.	Actual No.	Actual No.
Solid waste removal: (minimum level)				
Removed at least once a week	395	395	219	219
<i>Minimum Service Level and Above sub-total</i>	395	395	219	219
<i>Minimum Service Level and Above percentage</i>	100%	100%	100%	100%
Solid waste removal: (Below minimum level)				
Removed less frequently than once a week	0	0	0	0
Using communal refuse dump	15643	15643	17 527	17 527
Using own refuse dump	0	0	0	0

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Solid waste service delivery levels						
Other rubbish disposal	0	0	0	0	0	0
No rubbish disposal	0	0	0	0	0	0
<i>Below Minimum Service Level sub-total</i>	15643	15643	17527	17527		
<i>Below Minimum Service Level percentage</i>	100%	100%				
Total number of households	15634	15634	17527	17527		
Households - Solid waste service delivery levels below the minimum						
Households						
Description	2012/2013	2012/2011	2011/2010	2010/2009		
	Actual No.	Actual No.	Actual No.	Original budget No.	Adjusted budget No.	Actual No.
Formal settlements						
Total households	15643	15643	17527	100 000	100 000	100 000
Households below minimum service level	0	0	0	25 000	25 000	25 000
Proportion of households below minimum service level	100%	100%	100%	25%	25%	25%
Total households	15643	15643	17527	100 000	100 000	100 000
Households below minimum service level	0	0	0	25 000	25 000	25 000
Proportion of households below minimum service level	100%	100%	100%	25%	25%	25%

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Waste management service policy objectives taken from IDP									
Service Objectives	Outline Service targets	2012/2013		2011/2012			2010/2009	2009/2008	
		Target	Actual	Target		Actual	Target		
Service Indicators (i)	(ii)	*Previous year (iii)	(iv)	Previous year (v)	*Current Year (vi)	(vii)	Current year (viii)	Current year (ix)	Following year (x)
To ensure that landfill sites are managed and operated according to relevant legislation		Register landfill sites	4 landfill sites registered						
				Rehabilitate landfill sites in Reddersburg Fauresmith, Jagersfontein and Edenburg	Done partial				
							Identify land for landfill sites		

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Employees: Solid waste management services					
Job level	Year 11/12	Year 12/13			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
All grades	28	28	28	28	0%
Total	28	28	28	28	0%

Financial Performance Year 2012/2013: Solid waste management services				
R'000				
Details	2011/2012	Financial year 1 July 2012 to 30 June 2013		
	Actual	Final Budget as per the adjustment budget approved by council	Actual	Variance to Budget
Total Operational Revenue		16 971	21 159	4 188
Total Operational Expenditure		9 030	8 729	-301
Net Operational Expenditure		7 941	12 430	3 887

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Waste management service performance overall:

Municipal waste is collected from households and commercial activities. The waste is landfilled; leading to significant pressures on the environment .Waste management consists in its primary form of collection, transportation and disposal. Waste management is needed for collection and transportation aspects thereof are done to reasonable standards although certain problems do occur with the disposal function like mechanical breakdown of the current fleet. No solid waste sites comply with the necessary legislation measures are however put in place to ensure compliance with legislation is adhered to.

3.5 Introduction to housing

1. There were 982 houses allocated, 832 were Breaking New Grounds (BNG) housing projects and 150 Hlasela houses projects in Jagersfontein. There are 464 BNG housing projects complete and 150 Hlasela housing projects.

2. There is a total backlog of 7 668 housing need, of which 2 008 have been allocated serviced sites and 5 660 do not have serviced sites.

3. There are 1 101 houses that are dilapidated:

3.1. Bethulie	156
3.2. Edenburg	70
3.3. Fauresmith	130
3.4. Jagersfontein	44
3.5. Reddersburg	298
3.6. Springfontein	318
3.7. Trompsburg	53
3.8 Phillipolis	32

Housing is the competency of the province all the lists are submitted to COGTA.

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Percentage of households with access to basic housing			
Year end	Households in informal settlements	Households in formal settlements	Percentage of HHs in formal settlements
Year 2012/2013	448	15147	97%
Year 2011/2012	373	15643	98%
Year 2010/2011	456	17527	97%
Year 2009/2010	456	17527	97%

Employees: Housing services					
Job Level	Year 2012/2013	2011/2012			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
All grades	1	1	1	1	0%
Total	1	1	1	1	0%

Financial Performance Year 2012/2013: Housing services				
R'000				
Details	2011/2012	Financial year 1 July 2012 to 30 June 2013		
	Actual	Final Budget as per the adjustment budget approved by council	Actual	Variance to Budget
Total Operational Revenue		70	205	-135
Total Operational Expenditure		750	358	392
Net Operational Expenditure		-680	-153	-257

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3.6 Introduction to free basic services and indigent support

The municipality has reviewed the indigent policy to provide free water 6kl per month, sewerage and refuse removal to all people who have registered as indigent. Indigents information was submitted to Eskom and Centlec State-owned Company for free electricity supply.

Kopanong local municipality has a high percentage of water loss due to old, broken and unauthorised water connections and this has a negative impact on planned progress.

Free basic services to low income households										
Number of households										
Households earning less than R1,500 per month										
	Total	Total	Free basic water		Free basic sanitation		Free basic electricity		Free basic refuse	
			Access	%	Access	%	Access	%	Access	%
Year 12/13	2775	2775	Yes	100%	Yes	100%	Yes	50%	Yes	100%
Year 11/12	1628	1628	Yes	100%	Yes	100%	Yes	70%	Yes	100%
Year 10/11	4981	4981	Yes	100%	Yes	100%	Yes	80%	Yes	100%

Financial performance 2012/2013: Cost to municipality of free basic services delivered					
Services delivered	2011/2012	2012/2013			
	Actual	Budget	Adjustment budget	Actual	Variance to budget
Water	807				0
Waste Water (Sanitation)	996	1178	1178	1313	10%
Electricity					0
Waste Management (Solid Waste)	724	1074	1074	912	-18%
Total	2527	2252	2252	2225	-1%

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Free basic services objectives taken from IDP									
Service objectives	Outline Service targets	2012/2013		2011/2012			2010/2011		
		Target	Actual	Target		Actual	Target		
Service Indicators (i)	(ii)	*Previous year (iii)	(iv)	*Previous year (v)	*Current year (vi)	(vii)	*Current year (viii)	*Current year (ix)	*Following year (x)
Institutional development and transformation									
To provide the community with 6kilolitre of water		Update the indigent register on a quarterly basis	Done						
				Update the indigent register on a quarterly basis	Done				
							Update the indigent register on a quarterly basis	Done	

Comment on free basic services and indigent support:

The municipality complies with the act regarding free basic services.

All indigent consumers receives 6 kl free water on a mothly basis.

All indigents are subsidies with free sewerage and refuse.

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Rates for all indigent consumers is also subsidized up to the first 40 000 of their property value and receives a further 50% rebate on the balance.

All indigent consumers get 50 kwh free electricity on a monthly basis

Component B: Road transport

There is no roads strategy in place

Achievements

1.13.9 Km access roads paved

Bethulie	7km
Springfontein	2.5 km
Trompsburg	1.3 k
Reddersburg	3.1km

2. Paving of 4km access roads on construction

Philipollis	2 km
Edenburg	2km

Challenges:

1. Most of the internal streets are not accessible, especially during rainy seasons; however the municipality hire and negotiate with contractors and business groups for grading and blading of streets.
2. Tarred streets and roads have potholes; however they are fixed and sealed by the technical team responsible for road maintenance.
3. There is no road maintenance equipment like Graders, TLB, and Excavator.

Support given to municipality living in poverty

Grading and blading of streets for communities living in poverty

Gravel road infrastructure:

				Kilometers
	Total gravel roads	New gravel roads constructed	Gravel roads upgraded to tar/paving	Gravel roads graded/maintained
Year 2012/2013	280.07 km	0km	5.5 km	5 km

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Year 2011/2012	253.07 km	0km	0km	2 km
Year 2010/2011	253.07 km	0 km	6.3km	2 km

Tarred road infrastructure						Kilometers
	Total tarred roads	New tar roads	Existing tar roads re-tarred	Existing tar roads re-sheeted	Tar roads maintained	
Year 2012/2013	43.01 km	0	0	0	43.01km	
Year 2011/2012	43.01 km	0	0	0	43.01km	
Year 2010/2011	43.01 km	0	0	0	43.01km	

Cost of construction/maintenance							R' 000
	Gravel			Tar			
	New	Gravel - Tar	Maintained	New	Re-worked	Maintained	
Year 2012/2013							
Year 2011/2012	0	0	R60000-00				
Year 2010/2011	0	0	R60000-00	0	0	R45 000-00	

Road services policy objectives taken from IDP					
Service Objectives	Outline Services	Year 2012/2013	Year 2011/2012	Year 2010/2011	

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Service Indicators (i)	ce Targets (ii)	Target	Actual	Target		Actual	Target		Actual
		*Previous year (iii)	(iv)	*Previous year (v)	*Current year (vi)	Previous year (vii)	*Current Year (viii)	*Current year (ix)	*Following year (x)
To pave all muddy and gravel roads in Kopanong									
	Annually	4km	Done						
				Traffics signs are placed in all roads	Partially				
							Traffics signs are placed in all roads	Partially	

Employees: Road services				
Year 11/12	Year 12/13			
Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
No.	No.	No.	No.	%
All grades	50	50	50	0%
Total	50	50	50	0%

Financial Performance Year 2012/2013: Road services				
R'000				
Details	Year 2011/2012	Year 2012/2013		
	Actual	Original budget	Actual	Variance to budget
Total operational revenue	111	21	8243	-8222
Total operational expenditure	6824	8379	6713	1666
Net operational expenditure	6713	-8358	1530	-6556

Capital expenditure year 2012/2013: Road services	
R' 000	
Capital Projects	2012/2013

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	Budget	Adjustment budget	Actual expenditure	Variance from original budget	Total project value
Total All	20 742	20 742	20 106	3.1%	
Access roads	20 742	20 742	20 106	3.1%	

3.7 Comment on the performance of roads overall:

Where provincial roads have been delegated to your municipality ensure that this is presented as an additional major issue in this section.

1.13.9 Km access roads are paved

Bethulie 7km [R 22 121 294.00]

Springfontein 2.5km [R 10 524 070.00]

Trompsburg 1.3km R 3 226 489.56]

Reddersburg 3.1km [R 14 879 504 58]

2. Paving of 4km access roads on construction:

Philippolis 2km [R 13 869 534.79]

Edenburg 2km [R 13 499 998.00]

Performance of transport overall:

The municipality does not have the bus operation in place

3.8 Waste water (Storm drainage)

Success achieved

1.13.9 km access roads are paved with storm water channels

: Bethulie 7km

Springfontein 2.5km

Trompsburg 1.3km

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Reddersburg 3.1km

2. Paving of 4km access roads with storm water channels on construction:

Philippolis 2km

Edenburg 2km

Challenges:

1. There are no storm water drainage, however technical reports and business plans have been compiled and submitted to Cogta for funding for the construction of the storm water drainage system as capital projects.

Storm water Infrastructure				Kilometers
	Total Storm water measures	New storm water measures	Storm water measures upgraded	Storm water measures maintained
Year 2012/2013	0	0	0	0
Year 2012/2011	0	0	0	0
Year 2011/2010	0	0	0	0

Cost of construction/maintenance				R' 000
	Storm water measures			
	New	Upgraded	Maintained	
Year 2013	0	0	0	
Year 2012	0	0	0	
Year2011	0	0	0	

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Storm water policy objectives taken From IDP									
Service Objectives	Outline Service targets	Year 2012/2013		Year 2011/2012			Year 2010/2011		
		Target	Actual	Target		Actual	Target		
		*Previous Year (iii)	(iv)	*Previous year (v)	*Current year (vi)	(vii)	*Current year (viii)	*Current year (ix)	*Following year (x)
Service indicators (i)									
Service objective									
Install storm water drainage system		Install drainage water channels in newly established areas	Partially	0	0	0	0	0	

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Financial performance year 2012/2013: Storm water services				
				R'000
Details	2011/2012	2012/2013		
	Actual	Original budget	Actual	Variance to budget
Total operational revenue		24958	26241	-1283
Total Operational Expenditure		11609	17429	-5820
Net Operational Expenditure		13349	8812	4537

Performance of storm water drainage overall:

There are no new storm water drainages, however technical reports and business plans have been compiled and submitted to CoGTA for funding for the construction of the storm water drainage system as capital projects

Component C: Planning and development

3.9 Introduction to planning and development opportunities

Kopanong has high potential for farming and a number of agricultural crops to its maximum.

Kopanong has got climatic weather that favours most agricultural crops and this includes fields and crops.

Rainfall average of more than 508mm per annum.

Kopanong has a calcareous soil suitable for arable agricultural forestry.

Challenges:

No common understanding of local economic development.

Capacity building for councillors and officials.

Topography is flat and amenable to floods.

Shortage of human capital and financial resources.

Shortage of sustainable markets.

3.10 Introduction to planning

Main elements of the planning strategies

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For town planning the municipality is guided by the Spatial Development Framework which is approved by Council, which indicate the future area of development, there are building regulation by- laws as well as National Housing Regulation Council.

Top 3 service delivery priorities and the impact

1. Formalising informal settlements
2. Re allocation of beneficiaries to develop sites with basic services.
3. Identifying and developing land for residential and business purposes.

Set out measures taken to improve performance

Appointment of professional town planner

Major efficiencies achieved by your service during the year

Achievements

330 formalised survey sites which are provided by waterborne and sanitation that is Bethulie 277, Reddersburg 53

Applications for land use development						
Detail	Formalisation of townships		Rezoning		Built environment	
	2012/2013	2011/2012	2012/2013	2011/2012	2012/2013	2011/2012
Planning application received	500	0	7	2	442	510
Determination made in year of receipt	0	0	1	1	74	510
Determination made in following year	0	0	0	1	368	0
Applications withdrawn	0	0	0	0	1	0
Applications outstanding at year end	0	0	6	1	368	0

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Planning objectives taken from IDP										
Service Objectives	Outline Service Targets	2012/2013		2011/2012			2010/2012			
		To extend exiting electricity to newly developed areas.		Electrification of household without electricity	400 houses					
				Installation of high mast lights per town	0		Installation of high mast lights per town	0		

Employees: Planning Services					
Job Level	2012/2013		2011/2012		
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	-	-		-	-
4 - 6	-	-		-	-
7 - 9	1	1	1	1	-
10 - 12	-	-	-	-	-
13 - 15	1	1	1	1	-
16 - 18	-	-	-	-	-
19 - 20	-	-	-	-	-
Total	-	-	-	-	-

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Financial performance year 2012/2013: Planning Services				
				R'000
Details	2011/2012	2012/2013		
	Actual	Original budget	Actual	Variance to budget
Total operational revenue		18	476	-458
Total Operational Expenditure		1193	1947	-754
Net Operational Expenditure		-1175	-1943	-768

Performance of physical planning overall

The post for town planner is still vacant, but 2 officials, who are assigned to perform duties of a town planner,

. Formalising informal settlements

2. Re allocation of beneficiaries to develop sites with basic services.

3. Identifying and developing land for residential and business purposes.

4. 330 formalised survey sites which are provided by waterborne and sanitation that is Bethulie 277

Reddersburg 53

3.11 Introduction to local economic development

The LED strategy was developed and adopted by Council on 28 March 2013, with the purpose to undertake and implement LED in Kopanong. The strategy forms part of the IDP process and is one of the critical steps towards achieving local economic development within the area, therefore the LED strategy serves as a tool with which the municipality can broaden its economic development initiatives and increase sustainable growth and contribute to poverty alleviation.

Economic activity by sector			
R '000			
Sector	2011/2012	2012/13	2010/2011

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Agriculture, forestry and fishing	0	0	0
Mining and quarrying	0	0	0
Manufacturing	0	0	0
Wholesale and retail trade	0	0	0
Finance, property, etc.	0	0	0
Government, community and social services	0	0	0
Infrastructure services	0	0	0
Total	0	0	0
			0

Economic employment by sector			
Sector	2011/2012	2012/2013	2010/2011
Agriculture, forestry and fishing	0 000	0 000	000
Mining and quarrying	000	000	000
Manufacturing	000	000	000
Wholesale and retail trade	000	000	000
Finance, property, etc.	000	000	000
Government, community and social services	000	000	000
Infrastructure services	000	000	000
Total	0	0	0

Local job opportunities:

The municipality envisages having the following projects implemented during this financial year:

Springfontein cleaning of oxidation dams -20 people for a period of 3 months.

Springfontein cleaning of landfill site – 10 people for a period of 1 month.

Trompsburg cleaning of landfill site - 10 people for a period of 1 month

Reddersburg cleaning of landfill site – 10 people for a period of 1 month.

Bethulie cleaning of storm water channels -15 people for a period of 3 months.

Trompsburg cleaning of storm water channels – 10 people for a period of 3 months.

Philippolis cleaning of storm water channels – 10 people for a period of 3 months.

Tourism and market places:

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The intention is to ensure that sustainable tourism services products and facilities are available to achieve at least 5% growth per annum in the tourism trade of the area;

Revitalisation of the Bethulie Dam Resort.

Development of projects e.g. Tiger breeding in Philippolis and Fish breeding in Fauresmith.

Identification and availing sites for recycling projects in Bethulie.

Concentration camps in Bethulie and Springfontein.

Jobs created during 2012/2013 by LED initiatives (excluding EPWP projects)				
Total Jobs created / Top 3 initiatives	Jobs created	Jobs lost/displaced by other initiatives	Net total jobs created in year	Method of validating jobs created/lost
	No.	No.	No.	
Total (all initiatives)				
Year 11/12	0	0		
Year 12/13	356	0		
Year 10/11	0	0		
Initiative A (Year 0)				
Initiative B (Year 0)				
Initiative C (Year 0)				

Job creation through EPWP* projects		
Details	EPWP Projects	Jobs created through EPWP projects
	no.	no.
Year 2011/12	0	0
Year 2012/13	9	356
Year 2010/11	0	0
* Extended Public Works Programme		0

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Local economic development policy objectives taken from IDP									
Service Objectives	Outline service targets	Year 12/13		Year 11/12		Year 10/11	Year 3		
		Target	Actual	Target		Actual	Target		
		*Previous Year		Previous year	Current year		Current year	Current year	Following year
Service objective xxx									
<i>Create an environment that promotes the development of the local economy and facilitate job creation</i>	1 Information centre per financial year	1 Information centre per financial year	(0)		0	1	0		
				Development brochures of tourism areas	0				
							Roadshows to school inform them about our tourism destination		(0)

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Employees: Local economic development services					
Job Level	Year 2012/2013	Year 11/2012			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	no.	no.	no.	N2o.	%
All Grades	3	3	3	3	0%
Total	3	3	3	3	0%

Comment on Local economic development performance overall:

The municipality envisages as per its LED strategy to have the following projects implemented on a long term basis as set out in the IDP schedule though these are not provided for in the approved budget , the intention is to source out funding from external funders:

Agriculture – Grow small scale farming: Aquaculture and Lucerne production.

Manufacturing and Retail – Manufacturing of shoes and establishment of toilet papers factory.

Tourism including Arts and Crafts – Establishment of accommodation and conference facilities within the area, Concentration camps and Tiger breeding in Philipopolis.

Mining – Lime mining opportunities and Diamond mining.

Construction – Empowerment of emerging contractors and the building of shopping malls.

Component D: Community and social services

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

Libraries

Libraries is the competence of Sports, Arts and Culture the municipality is just monitoring the staff(Provincial function):

Renovation of community halls:

Bethulie,

Springfontein,

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Trompsburg and

Philippolis

38 people were employed to renovate the halls through the Employee Public Works Programme (EPWP).

Service statistics for libraries; archives; museums; galleries; community facilities; other (theatres, zoos, etc.)

The following are library staff (under Kopanong)

Springfontein	1 Librarian + 1 Assistant Librarian
Fauresmith	1 Librarian
Gariep dam	2 Librarians
Phillipolis	1 Assistant Librarian
Jagersfontein	1 Assistant Librarian
Bethulie	1 librarian + 1 Assistant Librarian
Trompsburg	1 assistant Librarian

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Financial performance year 2012/2013: Community and Social Services				
R'000				
Details	2011/2012	2012/2013		
	Actual	Original budget	Actual	Variance to budget
Total operational revenue		6420	2882	-3538
Total Operational Expenditure		7006	7231	-225
Net Operational Expenditure		-586	-4348	-3762

3.12 Performance of libraries

The overall performance of libraries is generally good, given the attendance by schools and adults.

Community Halls: The main objective is to maintain and control the usage of community halls. Hiring of halls is kept in a register in each unit. The following halls were renovated and some were fenced:

Madikgetla Hall

Williamsville Hall

Maphodi Hall

Bergmanshoogte Hall

The project and fencing of cemeteries were implemented from internal funding and incentive funds from EPWP.

3.13 Introduction to cemeteries and crematoriums

The overall objective of this function is to improve cemeteries/provide and control burials within the framework of the Health Act development community records and administration. The strategic objective is to develop new sites for cemeteries, maintain and control.

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The following cemeteries were fenced during March till June, Projects were implemented from internal funding and incentive funds of EPWP.

1. Madikgetla cemetery
2. Matoporong cemetery
3. Poding tse Rolo cemetery

Service statistics for cemeteries & crematoriums

29 Cemeteries

1 crematorium in Trompsburg privately owned by Dutch Reformed Church

Crematoriums and cemeteries objectives taken from IDP									
Service Objectives	Outline service targets	2012/2013		2011/2012		2010/2011	2009/2010		
		Target	Actual	Target	Actual	Target			
To increase available space in all town and to ensure that cemeteries are fenced in all towns		Fencing of 3 graveyards identified per year	100% Achieved.						
				To ensure proper management of cemeteries	(0)				
						Identify and set aside suitable land for new and existing cemeteries	(0)		

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Employees: Cemeteries and Crematoriums				
Year 11/12	Year 12/13			
Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
No.	No.	No.	No.	%
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
1	1	1	1	100%
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-

Capital expenditure year 2012/2013: Cemetery					
					R' 000
Capital projects	Year 2012/2013				
	Budget	Adjustment budget	Actual expenditure	Variance from original budget	Total project value
Total All	750	900	15	-4900%	
Fencing Cemetery	750	900	15	-4900%	

Performance of cemeteries & crematoriums

No job levels all employees are classified as general workers.

3.14 Introduction to child care; aged care; social programmes

- ❖ Given the scope that local government is operating under, child care is not our fundamental core function however the municipal renders service and support when requested i.e. Early Childhood Development(ECD) centres around our vicinity is being taken care of by the municipality in terms of basic services, refuse removal, water sanitation, buildings renovations
- ❖ Through the annual Mayoral Izimbizo`s, provision and priority is given to our elderly people around Kopanong were blankets are given out and we work together with other sector departments in this area.

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- ❖ The municipality strives to keep constant yet effective communication with our communities, with the main focus being woman, this can be attested by the Annual Social Event celebrated during woman's month, were the aim is to create a platform of engagement for woman

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

- ❖ We have beefed up the mobilization team by involving the media, local stakeholders to make sure that we better our performance and achievements
- ❖ We have seen a decline in woman abuse in the year 2012/2013 as announced by the cluster commander, and this is all attributed to the efforts made by the local government in terms of community education.
- ❖ Refer to support given to those communities that are living in poverty.

- ❖ We have given uniform to one hundred and six children(106) within two schools in our municipality i.e.Trompsburg secondary school and Pellisier high school in Bethulie.
- ❖ We almost sponsored eleven(11) children to further their education in different study fields.
- ❖ We have given moral support abused victims in Jagersfontein.
- ❖ We have also given moral support to minority communities who's families weremurdered.

- ❖ We wrote off one elderly person's basic services debt for her sustainabilityas they depend on her social grant.
- ❖ We have also extended time for indigent registration to allow poor families to register .
- ❖ We also made arrangements for poor families who are in arrears with their services to enable them to make payments.
- ❖ We had major projects in all our nine towns where poor families were identified for job opportunities.

Service statistics for child care

106 children were assisted with school clothing for financial year 2012/2013.

The municipality provided entrance fees to 11 children who passed matric in Kopanong to further their studies

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Employees: Child care, aged care, social programmes					
Job Level	Year 2011/2012	Year 2012/2013			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3					
4 - 6					
7 - 9					
10 - 12	1	1	1	1	100%
13 - 15					
16 - 18					
19 - 20					
Total					

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3.15 Performance of child care; aged care; social programmes overall:

These factors mentioned were not incorporated in the IDP of 2012/2013. This unit is composed of one employee that is the Special program's officer, who is responsible for the issues mentioned above. This programs assist mostly needy people with an idea of uplifting them .It went further to strengthen relations with our community who are vulnerable. Policies should be in place as to address the transversal group issues. Considering changes we need to take action as to prevent direct or indirect discrimination and promote greater equality.

The IDP 2012/2013 does not have the objectives for aged care, child care and social programmes. Considering changes we need to take action as to prevent direct and indirect discrimination and promote greater equality. The IDP 2012/2013 does not have the objectives of aged care and social programmes.

Component E: Environmental Protection

3.16 Introduction to pollution control

Environmental Health Practitioner (EHP) assists on investigation of environmental health pollutants such as air, water, soil, ground and noise.

Carrying out field surveys of industries to determine the impacts that pollutants have on specific communities. They also disseminate information to communities and industries on issues concerning environmental pollution.

Top 3 service delivery priorities and their impact

Water quality monitoring – improvements can be seen in the quality of the drinking water. There is an improvement in the blue drop status.

Waste water monitoring ensures that the quality of water being discharged into rivers and dams is in compliant with legislation.

Air quality monitoring- Monitoring of industrial emissions.

Measures taken to improve performance and the major efficiencies achieved

Establishment of district water quality forums improved communication between water service providers, local municipalities and environmental health practitioners. The forums have also tightened monitoring of the water quality being provided by the water services providers.

Yearly health awareness campaigns are held by all EHP's in their respective local municipalities which during the months create awareness on water issues such as pollution control and the importance not to pollute this source.

All EHP's were taken to a week training which upon completion will allow them to be qualified air quality officers.

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Performance of pollution control

For 2012/2013 the department has seen great improvements on all compliance matters relating to air quality within the district. This has seen many of the industries which were contributing to air quality problems within the district coming forth and applying for their Atmosphere Emission License (AEL) as stipulated by legislation, this has also increased monitoring of such industries. The establishment of our waste forums which will also be dealing with issues relating to pollution control through engaging the different stakeholders who can improve the situation through increased monitoring

3.17 Introduction to ambulance services

It is not the function of the Municipality but of the Province.

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Component G: Safety and Security:

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

There are positive relations between the municipality and police, section 4 meetings sits as required. When there are matters that need their involvement, we do receive their support and assistance as a municipality.

Policy Community Forum (PCF) are also established in Kopanong Local Municipality

3.18 Public Safety

Employees: Local economic development services					
Job Level	Year 2012/2013	Year 11/2012			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	no.	no.	no.	N2o.	%
All Grades	2	2	2	2	0%
Total	2	2	2	2	0%

Financial performance year 2012/2013: Public Safety				
				R'000
Details	2011/2012	2012/2013		
	Actual	Original budget	Actual	Variance to budget
Total operational revenue		1178	508	670
Total Operational Expenditure		633	23	610
Net Operational Expenditure		545	484	60

3.19 Introduction to Disaster management

Kopanong local municipality is only having a draft disaster management plan which is approved by council, but information provided below is sourced from district municipality.

By laws have been approved by council, what is needed is the enforcement thereof.

Chapter 3

Service statistics for Disaster management

Disaster management: The Xhariep District Municipality has a disaster management unit which consists of the following personnel: Manager Disaster management, coordinator disaster management and senior data capturer. The unit was established in September 2009 and it has a fully functional Disaster Management Act 57 of 2000. The unit has also set up volunteers group in each ward in all local municipalities. There is a task team established to look on how the district municipality can source funding for the establishment of the disaster management centre. The district has also assisted local municipalities to draw their disaster management plans which must inform the district plan.

Component H: Sport and Recreation

Introduction

Although we do not have all these facilities, e.g. sports halls and camp sites our community parks, sports field stadiums and swimming pools are kept neat and tidy

Top 3 service delivery priorities and their impact

Community parks

The pruning of trees along municipal streets

Regular cutting of grass on side walks

General Grooming

Measures taken to improve performance and the major efficiencies

Striving to acquire necessary equipment.

Employ more general workers.

Chapter 3

Employees: Sport and Recreation					
Job Level	Year 2012/2013	Year 11/2012			
	Employees	Posts	Employees	Vacancies (fulltime equivalents) N2o.	Vacancies (as a % of total posts)
	no.	no.	no.		%
All Grades	2	2	2	2	0%
Total	2	2	2	2	0%

Financial performance year 2012/2013: Sport and Recreation				
				R'000
Details	2011/2012	2012/2013		
	Actual	Original budget	Actual	Variance to budget
Total operational revenue		82	354	-272
Total Operational Expenditure		2047	1422	625
Net Operational Expenditure		-1965	-1419	506

3.20 Performance of Sport and Recreation:

Indications that our recreational facilities are busy generating revenue by taking place of different events. The Caleb Motshabi in Trompsburg is currently under the control of Kopanong local municipality with the major challenge being the maintenance of this facility especially the greening of the pitch. Realizing that our finances are not sufficient enough we have prioritized most of the sports facilities under MIG grant.

Chapter 3

Component I: Corporate policy offices and other services

3.21 Introduction to Corporate policy offices

The municipality has developed policies that cover all departments and areas of operation to ensure the effective and efficient smooth running of the municipal operations. Policy documents will be availed upon request

3.22 Executive and Council

The council is fully functional and sit quarterly as per legislation. The council is composed of 15 Councillors with the inclusion of the Mayor, Speaker and the Executive Committee. The council also comprises of the following Section 80 Committees, Finance and LED Committee, Institutional Transformation and Rural Development.

3 service delivery priorities

Basic services delivery

Financial viability

Good governance

Measures taken to improve performance and the major efficiencies achieved

The municipality develops an action list after every Council sitting that ensures the implementation of council resolutions for different departments as a monitoring tool.

There is a draft schedule for Section 80, EXCO, and Council it is used as a guiding tool for meetings and the dates are proposed by management and endorsed by the Speaker.

Service statistics for Executive and Council

15 Councillors including the Mayor and the Speaker.

Chapter 3

Employees: Executive and Council					
Job Level	Year 2012/2013	Year 11/2012			
	Employees	Posts	Employees	Vacancies (fulltime equivalents) N2o.	Vacancies (as a % of total posts)
	no.	no.	no.		%
All Grades	35	35	34	34	3%
Total	35	35	34	34	3%

Financial performance year 2012/2013: Executive and Council				
				R'000
Details	2011/2012	2012/2013		
	Actual	Original budget	Actual	Variance to budget
Total operational revenue		7552	10124	-2572
Total Operational Expenditure		31316	113394	-82078
Net Operational Expenditure		-23764	-103270	-79506

Chapter 4

Performance of Executive and Council:

The executive and council has achieved 100% target because they do sit as per legislation. The table for employees for executive and council is not completed because they don't have job levels. The council is composed of 15 Councilors with the inclusion of the Mayor and the Speaker.

3.23 Introduction to financial services

The CFO is the head of the department, supported by two managers the budget manager and income manager; there are also seven accountants in that department.

Previously there were only two employees in the procurement unit; currently they are three (3). There is also an official responsible for filing and safe keeping of documentation.

Before any payment can be effected, there should be at least three signatures. The travelling claims are paid fortnightly and salaries are paid on the last Friday of each month as per council resolution.

Different grants are placed into separate bank accounts, and utilized for the specific service.

Income section

- The indigent policy was reviewed and changed to be in line with National Treasury's policy that only indigent consumer must receive 6kl of water free
- The credit control policy was reviewed to be in line with the credit control policy of CENTLEC for the collection of arrears through electricity
- All the consumer accounts was evaluated and a list of bad debt to be written off and it was approved by council
- The valuation roll was for the first time reconciled with the system.
- A 100% audit of all accounts where done to ensure that all accounts have the correct levies.

Expenditure

- We compiled in house GRAP compliant Annual Financial Statements for the first time
- The municipality also compiled a fully GRAP compliant asset register
- Improved document management and all documents were submitted to the Auditor-General in time.
- All budget related policies where reviewed.

Chapter 4

Procurement

- We manage to compile a supply chain management policy to be in line with the National Treasury model policy.
- We managed to decrease irregular expenditure.
- 95% of transaction values were advertised, evaluation report was compiled and preferential procurement policy was followed.
- All the bid committees were established as per SCM regulations.

General

- The department also developed an internal control and procedure manual and it was implemented.
- The internal control measures where improved and this ensured that our audit opinion improved from a disclaimer to a qualified opinion.

Employees: Executive and Council					
Job Level	Year 2012/2013				
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	no.	no.	no.	No.	%
All Grades		101	94	94	7%
Total		101	94	94	7%

Chapter 4

Financial performance year 2012/2013:					
					R'000
Details	2011/2012	2012/2013			
	Actual	Original budget	Actual	Variance to budget	
Total operational revenue		25038	75358	-50320	
Total operational expenditure		38117	36032	-2085	
Net operational expenditure		13079	39325	-26246	

Capital Expenditure Year 2012/2013					
					R' 000
Capital Projects	Year 2012/2013				
	Budget	Adjustment budget	Actual expenditure	Variance from original budget	Total project value
Total All	1459	1000	1019	-43%	
Furniture and Vehicle	1459	1000	1019	-43%	

Comment on the performance of financial services overall:

There is a slight improvement in terms of the expenditure. There are third parties whom have been settled and that assisted in terms of bringing down interest charged, but there are also creditors where movement is very minimal due to low revenue collection. The biggest challenge is revenue collection, it is still very low in some of our areas, and it means that we cannot meet all our obligations as per the budget and this result in the municipality to depend on grants.

Chapter 4

HUMAN RESOURCE SERVICES

3.24. Introduction to human resource services

The municipality is having a corporate department, where human resources fall under. Also responsible for the municipality's administration, leave administration, employee benefits, development and implementation of policies, implementation of collective agreements, skills development for staff, controlling of overtime, capturing of council minutes and monitoring of attendance registers.

Priorities and the impact

The priority was to get a common administration method, systems and to also centralise the administration of leave for control purposes and to centralise all training initiatives for purposes of reporting and monitoring electronically.

Measures taken to improve performance and the major efficiencies achieved

The leave provisions will be administered electronically for financial year 2012/13, leave provision was an audit query, and the department is doing verification on a monthly basis and the staff that has 48 days are send on leave and the one with more than 30 days are also send on leave for 16 days for control purposes.

Service statistics for human resource services

1 Officer

1 Clerk

1 Intern

employees: Human resource services					
Job Level	Year 11/12	Year 12/13			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	no.	no.	no.	no.	%
All Grades		15	12	12	20%
Total		15	12	12	20%

Chapter 4

Financial Performance Year 2012/2013: Human Resources					
R'000					
Details	2011/2012	2012/2013			
	Actual	Original budget	Adjustment budget	Actual	Variance to budget
Total operational revenue		1171		181228	-180 057
Total operational expenditure		6721		4053	2668
Net operational expenditure		-5550		-3872	1678

Capital Expenditure Year 2012/2013: Human Resources					
R' 000					
Capital Projects	Year 2012/2013				
	Budget	Adjustment budget	Actual expenditure	Variance from original budget	Total project value
Total All	500	300	0	0	
Furniture	500	300	0	0	

Performance of human resource services

The department is performing extremely well, despite the fact that they are understaffed, Kopanong comprises of 9 towns and head office and they are handled by those 3 personnel.

Chapter 4

3.25 Introduction to Information and communication technology (ICT) services

The unit comprises of two personnel, IT officer and the administrator.

1. **Financial system (Sebata)** – This is our main priority to keep the system running 24/7 as it consists of our ledger, cons bill and payroll. Downtime over the past year was limited to 2 days during the upgrade from version 5.4 to 5.5. Upgraded and improvements to the system are being published on Sebata's website and it is visited regularly to ensure that we stay up to date.
2. **Internet & Email** striving to ensure that downtime is limited to an absolute minimum.
3. **Website:** ensure that as and when new information is available, documents are forwarded for publicising, and it is done within 5 days after approval of the budget.
4. **Telephones:** The municipality has a reliable system in place, over the past years services were limited for 2 hours during the installation of a new radio link system to our community services offices. Upgrading of the current system causes an hour's time. Community services radio link was down for a week due to lightning damage.

Employees: ICT services					
Job Level	Year 2012/2013	Year 2011/2012			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	-	-	-	-	-
4 - 6	-	-	-	-	-
7 - 9	1	1	1	1	1
10 - 12	1	1	1	1	1
13 - 15	-	-	-	-	-
16 - 18	-	-	-	-	-
19 - 20	-	-	-	-	-
Total	-	-	-	-	-

Performance of ICT services overall:

The department is operating very well on financial system, email and internet limited to an absolute minimum. Website is updated as soon as information is received from the departments.

3.26 Introduction to property; legal; risk management and procurement services:

Risk management is a continuous, pro-active and systematic process implemented by the municipality's council, accounting officer, management and other officials, applied in a strategic planning and across the municipality, designed to identify potential events that may affect the municipality, and manage risks to be within its risk tolerance level, to provide reasonable assurance regarding the achievements of municipality objectives.

Chapter 4

Top five risks to the municipality

1. Uncontrolled water demand
2. Non-compliance to GRAP standards
3. Irregular expenditure
4. Unsafe conditions at landfill sites.
5. Audit queries not being resolved

Employees: Legal, risk and procurement services					
Job Level	Year 2012/2013	Year 2011/2012			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
All Grades	1	1	1	1	0
Total	1	1	1	1	0
.					
Financial Performance Year 2012/2013: Property services					
					R'000
Details	2011/2012		2012/2013		
	Actual	Original budget	Adjustment budget	Actual	Variance to budget
Total operational revenue	1019	1000	1000	1008	1%
Total operational expenditure	4607	2418	2839	2697	10%
Net operational expenditure	3588	1418	1839	1689	16%

Chapter 4

Component K: Organisational performance report

Annual performance report for 2012/2013

3.27 Office of the Municipal Manager

Objective	Key performance Indicator (KPI)	Project/Programme	Annual target	Actual	Variance	Reason for deviation	Corrective measure
To provide efficient and effective local governance and administration	Implementation of risk management policy, and strategy	Risk Assessment Register and Workshop	4 Updated risk registers and 2 Workshops	2	(2)	Risk Officer appointed in November 2012.	
To provide oversight role on the affairs of the Municipality	Number of Oversight Committee Meetings	Functional Oversight Committee	1 meeting	1	-	-	-
To promote effective communication and provide feedback on needs to the community	Number of community outreach programmes	Facilitate community outreach programmes	8 outreach programmes to ward-committees	8	-	-	-
To support and capacitate Councillors, ward committees, CDWs in enhancing our	Number of Induction Workshops	Capacity-Building Programme on Public Participation and Good Governance	2 Capacity-Building Workshops		-	-	-

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Objective	Key performance Indicator (KPI)	Project/Programme	Annual target	Actual	Variance	Reason for deviation	Corrective measure
performance							
	Number of improved audit reports	Ensuring Improved Audit Reporting	1 improved audit report	0	(0)	The Indicator set was not specific	Indicators will be reviewed in adjustment budget and the smart principle will be applied.
	Number of Audit/Performance Audit Committee Meetings		4 Audit/Performance Audit Committee Meetings	4	-	-	-
To ensure the review of credible IDP	Assessment Report on IDP credibility	Produce a reliable and credible IDP	1 Assessment Report on IDP credibility	1	-	-	-
	Number of public participation meetings		12	12	-	-	-
	Number of IDP Rep Forum meetings		12	9	(3)	The Indicator set was not specific	Indicators will be reviewed in adjustment budget and the smart principle will be applied.
	Number of IDP Steering Committee Meetings		5 IDP-Steering Committee meetings	1			

Chapter 4

Objective	Key performance Indicator (KPI)	Project/Programme	Annual target	Actual	Variance	Reason for deviation	Corrective measure
To ensure the implementation of effective and efficient performance management	Number of annual performance plans in place for section 56 managers	Formulation of section 56 managers' annual performance plans	5 annual performance plans for all section 56 managers	4	4	Only 4 managers managed to enter into performance plan with the municipality.	
	Number of Performance Evaluations conducted	Implementation of OPMS and EPAS	4 Performance Evaluations conducted	4	-	-	-
	Submission of quarterly, mid-year and annual reports within statutory time-lines	Preparation of quarterly, mid-year and annual reports within statutory time-lines	4 Quarterly Reports by due-date	4	-	-	-
			Mid-year Report by due-date	1	-	-	-
			Annual report by due-date	1	-	-	-

Chapter 4

3.28 Corporate Services 2012/2013

Objective		Indicator	Annual Target	Actual	Variance	Reason for Deviation	Corrective Measure
To enhance the human capacity & productivity within the municipality Count	To enhance the human capacity & productivity within the municipality Count	Number of personnel leaving the Municipality	0	Target not achieved	-	The captured objective is too vague and not specific and the set target is wrong	Correct the objectives within the IDP and SDBIP to be SMART
		% of personnel trained in different departments	40% of personnel to be trained	Target not achieved	-	The targeted number of trainings as per Workplace Skills Plan could not all be achieved due to financial constraints	Correct the objective and indicator to be SMART and timeously inform Council of any changes or necessary deviations
		Number of employees assisted	All personnel/ employees	Target not achieved	-	The objective was wrongly captured and not clear enough as the meaning or output is differently done and not as per the captured objective	Objectives will be corrected to be more specific
To maintain sound labour relations Count	To maintain sound labour relations Count	Reviewed Employment Equity Plan	4 reports in a quarter	Not achieved	-	The set targets are wrong	To ensure that targets that are set are achievable, realistic and measurable
		Employee Performance Appraisal System (EPAS)		Not achieved	-	The Department set itself wrong targets	Installation of a Performance Management System to assist the implementation of EPAS

Chapter 4

		Number of Local labour Forum (LLF) meetings held			--	The Local Labour Forum is a statutory body that sets its own schedule and meetings were planned bi-monthly which could not be fully achieved due to unforeseen and uncontrollable challenges that occurred	Targets will be corrected to be achievable in future
--	--	--------------------------------------------------	--	--	----	------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	------------------------------------------------------

3.29 Chief Financial Officer 2012-2013

Objective		Indicator	Annual Target	Actual	Variance	Reason for Deviation	Corrective Measure
To improve financial management Count	To improve financial management Count	Outstanding debtors be reduced by 10% <i>(600 summons issued each quarter.)</i>	2400 summons issued Annually	Not achieved	0	Municipality appointed legal representatives however their contract was terminated due to none delivery. Hence the objective was not met.	In- house legal collection has been implemented for the 2013/2014 financial year. 50 letters of demand will be sent on monthly basis.
		Outstanding creditors be reduced by 10%	10%	Not achieved	0	Negative cash flow; low collection rate.	Saving on electricity (revised Service Level Agreement with Centlec). Increase cash flow through increase collections.

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Objective		Indicator	Annual Target	Actual	Variance	Reason for Deviation	Corrective Measure
		Number of GRAP related audit queries		Not achieved (Indicator is not relevant)	0	Office of the auditor General agreed that the relevant is not relevant.	
		% Detection of any ghost workers Number of audit queries on accounts (No late payments)		Achieved			
		% accuracy of Rates Levies		Not achieved	0	Inaccuracies of the valuation roll.	The service provider was appointed and the new valuation roll will be implemented in 1 st July 2014.
		Number of audit queries on accounts		Not achieved	0	No specific target set for the indicator (irrelevant)	Correction of the audit findings on the system.
		% credible debtors book		Not achieved	0	Due to lack or old infrastructure, municipality was not able to have 100% credible debtor book. Majority of our town do not have water meters or broken meters.	Municipality is going through data cleansing of the debtors, Council has approved a write off of 46 million post balance sheet date which will assist with the improved debtors' book.
		% working water meters		Not achieved	0	Due to lack or old infrastructure,	Municipality have advertised for

Chapter 4

Objective		Indicator	Annual Target	Actual	Variance	Reason for Deviation	Corrective Measure
						municipality was not able to have 100% credible debtor book. Majority of our town do not have water meters or broken meters.	procurement of new meters. The process will unfold beginning of January 2014
		% reduction on irregular and unauthorised expenditure		Not achieved	0	Municipality did not have a minimum of 4 directors as per the policy during the financial year. Prior year issues (tenders) which are still in progress increase irregular expenditure.	Municipality is going to outsource the director from other municipality. Treasury to waive the regulation.
		% of creditors paid on time		Not achieved	0	Negative cash flow.	Implementation of Recovery plan.
		% effective and efficient record keeping		Not achieved	0	Lack of space and storage.	Centralised storage for finance documents.

Chapter 4

Objective		Indicator	Annual Target	Actual	Variance	Reason for Deviation	Corrective Measure
		Number of updated and reviewed financial policies, internal control and procedure manuals		Not achieved	0	The review of the policies was done internally to reduce the costs.	Review of the financial policies will be done internally.
		% GRAP compliant asset register		Not achieved	0	High reliance to external service providers due to lack of expertise.	Municipality appointed the service provider for 2012/2013.

Chapter 4

3.30 Technical Services Department

Objective		Key Performance Indicator	Annual Target	Actual	Variance	Reason for Deviation	Corrective Measure
To provide portable water and sanitation in a sustainable manner. Count	To provide portable water and sanitation in a sustainable manner. Count	Regular maintenance of boreholes, water reservoirs and distribution networks	4 reports		-	-	-
		Monthly water samples are taken and analysed	Not achieved	0	-	-	-
		Number of trained process controllers	Not Relevant for this financial year(2012-2013)	0	-	-	-
Provide acceptable sanitation infrastructure. Count	Provide acceptable sanitation infrastructure. Count	Regular maintenance of purification plant, waste treatment works and oxidation ponds		0		-	-
To ensure the provision of adequate and sustainable electricity services to all customers. Count	To ensure the provision of adequate and sustainable electricity services to all customers. Count	Number of connected households.	400 households	Achieved	-	-	-
To increase available space for cemeteries in all towns. Count	To increase available space for cemeteries in	Number of cemeteries fenced per identified town					

Chapter 4

	all towns. Count						
To have good trafficable roads and streets Count	To improve the quality of streets, roads and storm water	Construction of 2 km paved access road and storm-water in Philippolis	2km paved road	Not Achieved	(0)	There was no Technical Director for the period of June 2012-September 2012.all procurement started in November 2012-December 2012 and the Construction works started in Jan 2013.	
		Construction of 2 km paved access road and storm-water in Edenburg	2km paved access road	Achieved	-	-	-
To ensure that landfill sites are managed & operated according to relevant legislations Count	To ensure that landfill sites are managed & operated according to relevant legislations Count	Business Plan in place for MIG funding and Registration or licensing of land-fill sites with DTEEA			-	-	-
Upgrading and maintenance of sports & recreation facilities Count	Upgrading and maintain ace of sports & recreation facilities Count	Number of sports grounds upgraded and maintained		Not achieved	-	-	-
Not on IDP	Provision of sporting facilities	% Construction of sporting facility in Fauriemith.		Not achieved	-	-	-

Chapter 4

3.31 Local Economic Development

No	Objective	Key Performance Indicator (KPI)	Project/Programme	Target 2012/2013	Actual	Variance	Reason for Deviation	Corrective Measure
1		Development of LED Strategy by due date	Development of LED Strategy	Development of LED Strategy by 28 Feb 2013	Achieved	-	-	-
2		Tourism Information Office established by due date	Packaged marketing for Kopanong	Tourism Information Office established by financial year-end	Achieved	-	-	-
3		Promotion and support to local festivals e.g. Gariep Water Festival by due-date	Tourism Information Boards by due-date	Tourism Information Boards by 31 Dec 2012	Not achieved	-	Financial constraints	The matter will be attended to this financial year

Chapter 4

No	Objective	Key Performance Indicator (KPI)	Project/Programme	Target 2012/2013	Actual	Variance	Reason for Deviation	Corrective Measure
4	To create and promote the local economy-		Involvement in Fauriesmith Endurance run, Gariep Water Festival, Phillipolis Witblit Fees	Support provided by due-date	.Not achieved	-	No proper communication between the stakeholder	Will be attended this financial year
5		Environment that is conducive for business is created by due-date	Facilitation of management training and skills development	Facilitation of management training and skills development by financial year-end	achieved	-	-	-
6			Establishment of co-operatives	Establishment of co-operatives by year-end	Achieved	-	-	-

Chapter 4

Chapter 4 – Organisational development performance

(Performance Report part II)

Introduction

Organization development provides an emphasis on performance and results in addition to an overview of tools, techniques, and processes.

Component A: Introduction to municipal personnel

Description	Employees					2012/13 Employee No.	Approved Posts No.	11/12		
	2011/12	2012/2013			2012/13			Employee	Vacanci	Vacanci
	Employee No.	Approved Posts No.	Employee No.	Vacanci No.	Vacanci %			es No.	es No.	es %
Water	76	76	480		%	480	480			
Waste Water (Sanitation)	21	21	480		%	480	480			
Electricity	0	0	480		%	480	480			
Waste Management	91	91	480		%	480	480			
Housing	11	11	480		%	480	480	1	1	0.01%
Waste Water (Stormwater Drainage)	83	83	480		%	480	480			
Roads	61	61	480		%	480	480			
Transport	11	11	480		%	480	480	11	0	0%
Planning	3	5	3	1	%	480	480	1	0	0%
Local Economic Development	3	480	480		%	480	480	2	1	0.01%
Planning (Strategic &	12	480	480		%	480	480	6	0	0%

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Employees										
Regulatory)										
Local Economic Development	2	480	480		%	480	480			
Community & Social Services	3	480	480		%	480	480			
Environmental Protection	0	480	480		%	480	480			
Health	0	480	480		%	480	480	1	1	0%
Security and Safety	1	480	480		%	480	480	0	0	0%
Sport and Recreation	0	480	480		%	480	480			
Corporate Policy Offices and Other	97	97	97	3	%	480	480	4	0	0%
Totals	480	480	480	88	-	480	480	26	3	0.02%

Chapter 4

4.1 Component A: Introduction to municipal personnel

Vacancy Rate: Year 2012/13			
Designations	*Total Approved Posts	*Vacancies (Total time that vacancies exist using fulltime equivalents)	*Vacancies (as a proportion of total posts in each category)
	No.	No.	%
Municipal Manager	1	0	0.00
CFO	1	0	0.00
Other S57 Managers (excluding Finance Posts)	2	1	50.00
Other S57 Managers (Finance posts)	0	0	0.00
Police officers	1	0	0.00
Fire fighters	0	0	0.00
Senior management: Levels 13-15 (excluding Finance Posts)	7	4	0.00
Senior management: Levels 13-15 (Finance posts)	2	0	0.00
Highly skilled supervision: levels 9-12 (excluding Finance posts)	39	6	0.02
Highly skilled supervision: levels 9-12 (Finance posts)	15	5	0.03
Total	65	16	5.00

Chapter 4

Turn -Over Rate			
Turn-over rate details	Total appointments as of beginning of financial year	Terminations during the financial year	Turn-over Rate*
Year 12-13	23	24	56%
Year 11-12	55	18	33%
Year 10-11	13	30	13

Attempts made to fill the posts of senior management and highly skilled supervision

The vacancies were advertised on the national newspaper in July 2012, and the municipality followed the COGTA monitoring tool. After selection processes the report in the form of circular 19 was forwarded to the MEC for Cogta and the council resolution that is endorsing the filling of those vacancies to check if incumbents do meet the requirements.

All section 56 and 57 posts were filled except the one for community services that is still vacant for a year. The post was advertised on two occasions, but due to budget constraints, it will only be filled in this current financial year 2013/2014.

Component B: Managing the municipal workforce

4.2 Introduction to municipal workforce management

Recruitment processes are fair, efficient and effective because vacancies are advertised, inviting suitable candidates to apply, master list is compiled and then shortlist is compiled after identifying candidates who meet the minimum requirements. Interviews are conducted and the reference checks is also conducted, a panel consisting of relevant qualified people is conducted, and part of transparency is union representative is invited to observe the interview processes

Employment equity plan is in place and it is enforced until 2015. Employment equity a report is submitted to the Department of Labour annually on 31 October 2012.

Chapter 4

As per our municipality the employment equity is not adequately implemented, and the municipality is not gender sensitivity in terms of women representation at management level.

4.3 Policies

HR policies and plans				
	Name of Policy	Completed	Reviewed	Date adopted by council or comment on failure to adopt
1	Affirmative Action	Completed		15 December 2011
2	Attraction and Retention	Completed		15 December 2011
3	Code of Conduct for employees	Completed		15 December 2011
4	Delegations, Authorisation & Responsibility	Incomplete		15 December 2011
5	Disciplinary Code and Procedures	Completed		15 December 2011
6	Essential Services	N/A		
7	Employee Assistance / Wellness	Completed		15 December 2011
8	Employment Equity Plan	Completed		15 December 2011
9	Exit Management			There is template for exit interview
10	Grievance Procedures	Completed		Within the HR Policy
11	HIV/Aids	Completed		Within the HR Policy
12	Human Resource and Development	N/A		Within the HR Policy
13	Information Technology	Completed		
14	Job Evaluation	N/A		Not yet finalised
15	Leave	Completed		Within the HR Policy
16	Occupational Health and Safety	Completed		Done
17	Official Housing	N/A		N/A
18	Official Journeys	Completed		
19	Official transport to attend Funerals	None		
20	Official Working Hours and Overtime	Completed		Within the HR Policy
21	Organisational Rights	Completed		Within the HR Policy
22	Payroll Deductions			
23	Performance Management and Development	N/A		
24	Recruitment, Selection and Appointments	Completed		Within the HR Policy

Chapter 4

HR policies and plans				
25	Remuneration Scales and Allowances	Completed		Within the HR Policy
26	Resettlement	N/A		Not applicable
27	Sexual Harassment	Completed		Within the HR Policy
28	Skills Development	Completed		Within the HR Policy
29	Smoking	Completed		Within the HR Policy
30	Special Skills	N/A		Not applicable
31	Work Organisation	N/A		
32	Uniforms and Protective Clothing	Completed		Within Occupational Health and Safety
33	Other:			
34	Anti- Fraud and Corruption	Completed		
35	Records management	Completed		
36	Access to information and Communication	Completed		
37	Communication policy	Completed		
38	Declaration of Interest	Completed		
39	Public participation policy	Completed		
40	Customer Care policy	Completed		
41	Travelling and Subsistence	Completed		
42	Occupational Health and Safety	Completed		
<i>Use name of local policies if different from above and at any other HR policies not listed.</i>				

Progress made during the year and plans for completing this work

All policies were tabled to council on time

Chapter 4

4.4 Injuries, sickness and suspensions

Number and cost of injuries on duty					
Type of injury	Injury Leave taken	Employees using injury leave	Proportion employees using sick leave	Average Injury leave per employee	Total estimated cost
	days	no.	%	days	R'000
Required basic medical attention only	0	0	0	0	0
Temporary total disablement	0	0	0	0	0
Permanent disablement	0	0	0	0	0
Fatal	0	0	0	0	0
Total	0	0	0	0	0

Number of days and cost of sick leave (excluding injuries on duty)						
Salary band	Total sick leave	Proportion of sick leave without medical certification	Employees using sick leave	Total employees in post	Average sick leave per employees	Estimated cost
	days	%	no.	no.	days	R' 000
Lower skilled (levels 1-2)	3233	80%	286	286		
Skilled (levels 3-5)	38	25%	72	72		
Highly skilled production (levels 6-8)	218	28%	35	35		
Highly skilled supervision (levels 9-12)	83	5%	54	54		

Chapter 4

Number of days and cost of sick leave (excluding injuries on duty)						
Senior management (levels 13-15)	61	5%	9	10		
Mm and s57	22	5%	3	4		
Total	3627		12	461		
	Nature of alleged misconduct	Date of suspension	Details of disciplinary action taken or status of case and reasons why not finalised	Date finalised	Date finalised	
General Worker	Assault	13 August 2012	Arbitration finalised Outcome: Dismissal 31 st May 2013	31 May 2013	31/05/2013	
Facility Management Manager	Gross dereliction of Duties	02 August 2012	Finalised Conciliation to sit on the 08 th August 2013	31 May 2013	31/05/2013	
Store man	Abusive Behaviour	11 February 2013	Settlement Agreement was reached / a written warning was issued	01 July 2013	01/07/2013	
Project Management Unit Manager	Gross dereliction of Duties	10 September 2013	Dismissal	06 June 2013	06/06/2013	
Income Officer	Absenteeism	10 August 2012	Dismissal			
Fleet Management Manager Officer	Gross dereliction of Duties	02 August 2012	In process last sitting was on the 05 th August 2013	Arbitration	Arbitration	
Local Economic Development Officer	Gross Insubordination	02 August 2013	In process	Arbitration	Arbitration	
Benefit Officer	Gross Insubordination	17 August 2013	In process	Arbitration	Arbitration to sit on the 30 th August 2013	

Chapter 4

Comment on injury and sick leave

None

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
Disconnecter	Theft(R347.95)	To pay R2000 as a sanction	02 May 2013.

Suspensions and cases of financial misconduct

There was only one case of financial misconduct during the previous financial year and it was finalised in less than two months

4.5 Performance Rewards

There were no performance rewards

Comment on performance rewards

There is no performance rewards because there is no Employee Performance Appraisal System (EPAS) in place

Chapter 4

Component C: Capacitating the municipal workforce

Introduction to workforce capacity development

The municipality has received an approval on 9 programmes from Local Government Sector Education and Training Authority (LGSETA) (Discretionary Grant) one of them had started on April 2013. The challenge that the municipality is currently experiencing is lack of funds to capacitate its employees. The skills development office has developed a greater consultation with LGSETA to receive more grants on skills development programmes.

4.6 Skills development and training

Management level	Gender	Employees in post as at 30 June Year 12/13	Number of skilled employees required and actual as at 30 June Year 2012/2013											
			Learnerships			Skills programmes & other short courses			Other forms of training			Total		
			Year 13	Year 12	Year 11	Year 13	Year 12	Year 11	Year 13	Year 12	Year 12	Year 13	Year 12	Year 12
MM and s57	Female		0		1					0	1			2
	Male		0		1					1	2		1	3
Councillors, senior officials and	Female		1	1	1			5		3	3		4	9
	Male		3	3	5			10		4	4		7	19

Chapter 4

Management level	Gender	Employees in post as at 30 June Year 12/13	Number of skilled employees required and actual as at 30 June Year 2012/2013											
			Learnerships			Skills programmes & other short courses			Other forms of training			Total		
			No.	Year 13	Year 12	Year 11	Year 13	Year 12	Year 11	Year 13	Year 12	Year 12	Year 13	Year 12
managers														
Technicians and associate professionals*	Female		0		0					2	10		10	10
	Male		0		1					8	36		36	37
Professionals	Female		4	4						6	0		10	
	Male		5	5						2	2		2	2
Sub total	Female		0	0	2			5		11	14		24	21
	Male		0	0	7			10		15	44		46	61

Chapter 4

Financial Competency Development: Progress Report*						
Description	A. Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	B. Total number of officials employed by municipal entities (Regulation 14(4)(a) and (c))	Consolidated: Total of A and B	Consolidated Competency assessments completed for A and B (Regulation 14(4)(b) and (d))	Consolidated: Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Consolidated: Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))
Financial Officials	10	0				
<i>Accounting officer</i>	1	0	0	0	0	1
<i>Chief financial officer</i>	1	0	0	0	1	0
<i>Senior managers</i>	2	0	0	0	1	0
<i>Any other financial officials</i>	9	0	0	0	0	0
Supply Chain Management Officials	3					
<i>Heads of supply chain management units</i>	0	0	0	0	0	0
<i>Supply chain management senior managers</i>	0	0	0	1	0	
Total	26	5	0	1	2	1

Chapter 4

Skills development and related expenditure on financial competency regulations

The Work Skills Plan (WSP) plan is in place but is not implemented. The municipality has its own budget for trainings which is the same amount as last financial year however is not there to support WSP and the municipality is also receiving grants from LGSETA to implement WSP.

Component D: Managing the workforce expenditure

Introduction to workforce expenditure

If we look at the workforce expenditure cost is below the national norm of 30 to 35 percent currently the municipality workforce expenditure is only 24 percent of the total operating budget.

4.7 Employee Expenditure

The municipality is at 38.5%, meaning that it is above the norm of between 30 and 35%, due to some employees that could not be paid out by provident funds whilst medically unfit, but now the problem is resolved as South African Municipal Workers Union (SAMWU) is paying them out.

Number of employees whose salaries were increased due to their positions being upgraded		
Beneficiaries	Gender	Total
Lower skilled (Levels 1-2)	Female	0
	Male	0
Skilled (Levels 3-5)	Female	0
	Male	0
Highly skilled production (Levels 6-8)	Female	1
	Male	2
Highly skilled supervision (Levels 9-12)	Female	1
	Male	1
Senior management (Levels 13-16)	Female	0
	Male	0
MM and S 57	Female	0
	Male	0
Total		0

Chapter 4

Employees whose salary levels exceed the grade determined by job evaluation

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
				Still waiting for the final outcome report from SALGA in order to implement job evaluation

Disclosures of financial interests

1 July 2012 to 30 June 2013

Position	Name	Description of Financial interests* (Nil / Or details)
Mayor	Cllr X T Matwa	
Members of Exco	Cllr X T Matwa	
	Cllr Smit	
	Cllr Dlomo	
Speaker	Cllr M E Masana	Three Queens
Councillor	Cllr J Stuurman	Phumelela Guest House
	Cllr K E Dlomo	Bokamoso Catering
	Cllr H Shebe	Nil
	Cllr P Basholo	Mamojalefa Tavern
	Cllr B Smit	Sky Karoo Kollege (Educator)
	Cllr T Koyana	Thembaletu Tavern Trading/Retail Thusanang Bottle Store Incedol kiam Construction and other Services
	Cllr H Hagemann	Hunters Lodge
	Cllr N Spochter	Nil
	Cllr T A Phafudi	Nil
	Cllr D Phepheng	Nil
	Cllr A Sola	Nil
Municipal Manager	Me L Y Moletsane	Nil
Chief Financial Officer	Mr P J Mekhoe	Owning taxi business.
Other S57 Officials	Mr. S Hololoshe	Nil.
	Me. C Pitso	Nil

Chapter 5

Chapter 5 – Financial Performance

Introduction

Chapter 5 contains information regarding financial performance and highlights specific accomplishments. The chapter comprises of three components:

The municipality is still experiencing some challenges in terms of payment to creditors and third parties. However salaries are being paid on time, also we try to pay within 30 days if possible.

The municipality managed to spend 100% on what was allocated to them; there was also a project that was completed two months ahead of schedule, therefore there were no challenges in terms of expenditure against the capital budget. Also with DWA the municipality managed to spend the R 4Mil which was allocated to them within the financial year.

Other financial matters was the allocation of R1mil from EPWP, the municipality managed to spend the whole amount, even spent R680 000, 00 on top of what was allocated from the municipal own funding.

Component A: Statement of financial performance

5.1 Statements of financial performance

Previously there were only two employees in the procurement unit; currently they are three (3). There is also an official responsible for filing and safe keeping of documentation.

Before any payment can be effected, there should be at least three signatures. The travelling claims are paid fortnightly and salaries are paid on the last Friday of each month.

Different grants are placed into separate bank accounts, and utilized for the specific service.

The municipality ended the financial year without an overdraft.

Chapter 5

Reconciliation of Table A1 Budget Summary

Description	2012/2013						
	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. Council approved policy)	Final Budget	Actual Outcome
R thousands	1	2	3	4	5	6	7
Financial Performance							
Property rates	13 621	–	13 621			13 621	16 096
Service charges	69 205	–	69 205			69 205	25 844
Investment revenue							
Transfers recognised - operational	94 858	–	94 858			94 858	105 355
Other own revenue	15 366	2 802	18 168			18 168	8 895
Total Revenue (excluding capital transfers and contributions)							
Employee costs	69 523	(2 156)	67 367			67 367	73 815
Remuneration of councillors	6 210	(490)	5 720			5 720	3 495
Debt impairment	–	–	–			–	
Depreciation & asset impairment	7 312	35 000	42 312			42 312	
Finance charges							
Materials and bulk purchases	48 593	–	48 593			48 593	21 062
Transfers and grants							
Other expenditure	68 718	5 448	74 166			74 166	35 660
Total Expenditure							
Surplus/(Deficit)	(7 305)	(35 000)	(42 305)			(42 305)	22 158
Transfers recognised - capital	50 521	(23 000)	27 521			27 521	
Contributions recognised - capital & contributed assets							
Surplus/(Deficit) after capital transfers & contributions							
Share of surplus/ (deficit) of associate			–			–	
Surplus/(Deficit) for the year							
Capital expenditure & funds sources							
Capital expenditure							
Transfers recognised - capital	50 521	(23 000)	27 521			27 521	41 964
Public contributions & donations							
Borrowing							
Internally generated funds	2 809	(309)	2 500			2 500	1 619
Total sources of capital funds							
Cash flows							
Net cash from (used) operating			–			–	
Net cash from (used) investing			–			–	
Net cash from (used) financing			–			–	
Cash/cash equivalents at the year end							

Chapter 5

Financial Performance of Operational Services						
R '000						
Description	2011/2012	2012/2013			2012/2013	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
Operating Cost						
Water	35 468	38 111	39 378	37 185	-2.49%	-5.90%
Waste Water (Sanitation)	13 259	10 274	11 426	8 249	-24.55%	-38.52%
Electricity	42 540	45 442	45 742		#DIV/0!	#DIV/0!
Waste Management	9 266	9 030	8 332	4 704	-91.97%	-77.13%
Housing	140	750	524	358	-109.21%	-46.17%
Component A: sub-total	100 673	103 607	105 402	50 496	-105.18%	-108.73%
Waste Water (Stormwater Drainage)	1 348	1 336	1 425	1 434	6.86%	0.66%
Roads	6 826	8 379	8 990	6 713	-24.81%	-33.92%
Transport					#DIV/0!	#DIV/0!
Component B: sub-total	8 174	9 715	10 415	8 148	-19.24%	-27.83%
Planning	789	1 193	1 767	1 948	38.74%	9.27%
Local Economic Development					#DIV/0!	#DIV/0!
Component B: sub-total	789	1 193	1 767	1 948	38.74%	9.27%
Planning (Strategic & Regulatory)					#DIV/0!	#DIV/0!
Local Economic Development					#DIV/0!	#DIV/0!
Component C: sub-total	-	-	-	-	#DIV/0!	#DIV/0!
Community & Social Services	5 495	7 006	7 024	4 434	-58.02%	-58.42%
Budget and Treasury Office	33 323	38 118	38 779	35 213	-8.25%	-10.13%
Executive and Council	78 938	31 316	65 124	34 782	9.97%	-87.23%
Security and Safety	162	633	456	236	-168.03%	-93.08%
Sport and Recreation	1 322	2 047	1 874	1 423	-43.87%	-31.71%
Corporate Policy Offices and Other	7 166	6 721	7 315	5 743	-17.03%	-27.38%
Component D: sub-total	126 405	85 841	120 572	81 830	-4.90%	-47.34%
Total Expenditure	236 041	200 356	238 156	142 421	-40.68%	-67.22%
In this table operational income is offset against operational expenditure leaving a net operational expenditure total for each service as shown in the individual net service expenditure tables in chapter 3. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.						T 5.1.2

Financial performance:

The municipality's biggest challenges are cash flow. In a rural area it is very difficult to collect income due to the high poverty and unemployment rates. The municipality are in the proses to start in-house debt collection which will help the municipality to increase the cash flow of the municipality to reach their goal before 2020 to deliver service to the best of its ability.

Chapter 5

Grant Performance						
R' 000						
Description	2011/2012	2012/2013		Year 0 Variance		
	Actual	Budget	Adjustments Budget	Actual	Original Budget (%)	Adjustments Budget (%)
Operating Transfers and Grants						
National Government:	80 124	89 346	89 346	90 136		
Equitable share	79 334	88 546	88 546	88 546		
Municipal Systems Improvement	790	800	800	1 590		
Department of Water Affairs						
Levy replacement						
	-	-	-			
Provincial Government:	1 450	1 500	1 500	1 500		
Health subsidy						
Housing						
Ambulance subsidy						
Sports and Recreation						
Finance Management Grant	1 450	1 500	1 500	1 500		
District Municipality:	-	-	-	-		
<i>[insert description]</i>						
Other grant providers:	-	-	-	-		
<i>[insert description]</i>						
Total Operating Transfers and Grants	81 574	90 846	90 846	91 636		
<i>Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.</i>						
<i>Full list of provincial and national grants available from published gazettes.</i>						T 5.2.1

5.2 Operating transfers and grants:

The municipality uses non-conditional grants according to the needs of the community, and reports on grants is always submitted.

The municipality used conditional grants, and a report on grants spending is always submitted to Department of Treasury.

Chapter 5

Introduction to asset management

Overview

Asset management is a broad function and includes a structured process of

Decision-making, planning and control over the acquisition, use, safeguarding and disposal of assets to maximize their service delivery potential and benefit, and to minimize their related risks and costs over their entire life.

Key elements of the policy

The objectives of Kopanong local municipality policy are to ensure that assets are managed and accounted for by:

- Accurate recording of fixed assets and related transactions
- Compliance with municipal legislation and accounting standards
- Compliance with accounting policies and standards
- Providing management information on fixed assets
- To ensure asset controllers are aware of their responsibilities in regards to assets.
- To set out the standards of physical management, recording and internal controls to ensure property, plant and equipment are safeguarded against inappropriate loss or utilization.
- To specify the process required before expenditure on assets.
- To prescribe the accounting treatment for assets including:

The criteria to be met before expenditure can be capitalized as an asset,

- The criteria for determining the initial cost of the different assets
- The method of calculating depreciation for different assets,
- The criteria for capitalizing subsequent expenditure on assets,
- The policy for scrapping and disposal of assets,
- The classification of assets

Asset section

Kopanong local municipality is formed by 9 towns namely Bethulie, Edenburg, Gariep Dam, Philippolis, Jagersfontein, Fauresmith, Reddersburg, Springfontein and Trompsburg. Currently the asset section is headed up by the asset accountant with the help of the of the finance intern, responsible for all the assets of the municipality.

Key issues under development

In 2011/2012 we started with the process of unbundling infrastructure assets. We had some difficulties in unbundling the infrastructure assets. Right now we are busy clarifying the problems encountered in unbundling the assets

Chapter 5

Treatment of the three largest assets acquired year 2012/2013				
Asset 1				
Name	Bulk Water Projects			
Description	11.2 km Water pipeline from Jagersfontein to Fauresmith			
Asset Type	Water infrastructure			
Key Staff Involved	Technical Director, PMU Technician Consultant and the Contractor			
Staff Responsibilities	Monitor and Evaluation of the project as per specification			
Asset Value	2010/2011	2011/2012	2012/2013	
		R14,899,941.82		
Capital Implications	R14,899,941.82			
Future Purpose of Asset	For water supply			
Describe Key Issues	Provision of long term solution of water			
Policies in Place to Manage Asset	Water sector development plan			
Asset 2				
Name	Edenburg Paved Access ROAD			
Description	Construction of 2km paved access road			
Asset Type	Road and storm water			
Key Staff Involved	Technical Director, PMU Technician Consultant and the Contractor			
Staff Responsibilities	Monitor and Evaluation of the project as per specification			
Asset Value	2010/2011	2011/2012	2012/2013	
		R11.802,432.49		
Capital Implications	R11.802,432.49			
Future Purpose of Asset	Improving of access to Edenburg township			
Describe Key Issues	Provision of improved Access to Edenburg.			
Policies in Place to Manage Asset	Roads and Storm Water management plans			
Asset 3				
Name	Philippolis Paved Access Roads			
Description	Construction of 2km Access Roads			
Asset Type	Road and Storm Water			
Key Staff Involved	Technical Director, PMU Technician Consultant and the Contractor			
Staff Responsibilities	Monitor and Evaluation of the project as per specification			
Asset Value	Year 2010/2011	Year	Year - 1	Year 0
		11,945,172.94		
Capital Implications	11,945,172.94			
Future Purpose of Asset	Improving of Access to Philippolis township			

Chapter 5

Treatment of the three largest assets acquired year 2012/2013

Describe Key Issues	Provision of improved Access to Philippolis
Policies in Place to Manage Asset	Roads and Storm Water management plans

Comment on asset management

11.2 Km water pipeline from Jagersfontein to Fauresmith: The project is completed

Edenburg paved access road: The project is completed

Philippolis paved access road: The project is in progress

Repair and maintenance expenditure: 2012/2013

R' 000				
	Original budget	Adjustment budget	Actual	Budget variance
Repairs and maintenance expenditure	9423	9210	3768	60%

5.4 Repair and maintenance expenditure

As municipality we can only afford to do this must every year on repair and maintenance due to the fast decline in municipal assets we are at a stage where we must consider is it worth it to fix an asset or replace it.

Chapter 5

Component B: Spending Against Capital Budget

Capital Expenditure - Funding Sources: Year 2011/2012 to Year 2012/13							
							R' 000
Details		Year 2011/12	Year 12/13				
		Actual	Original budget (OB)	Adjustment budget	Actual	Adjustment to (OB) variance (%)	Actual to (OB) variance (%)
Source of finance							
	External loans	0	0	0	0	-	-
	Public contributions and donations	0	0	0	0	-	-
	Grants and subsidies	26 159	50 521	27 521	33 493	-45.53%	33.70%
	Other	1 150	2 809	2 500	2 500	-11.00%	11.00%
Total		27309	53330	30021	35993	#DIV/0!	#DIV/0!
<i>Percentage of finance</i>							
	External loans	0.0%	0.0%	0.0%	0.0%	N/A	N/A
	Public contributions and donations	0.0%	0.0%	0.0%	0.0%	N/A	N/A
	Grants and subsidies	95.8%	94.7%	91.7%	93.1%	N/A	N/A
	Other	4.2%	5.3%	8.3%	6.9%	N/A	N/A
Capital expenditure							
	Water and sanitation	7793	35 794	12 794	13 962	-64.26%	60.99%
	Electricity	18366				-	-
	Housing					-	-
	Roads and storm water		13 548	13 548	21 852	0.00%	61.29%
	Other	1150	1 179	1 179	1 220	0.00%	3.48%
Total		27309	50521	27521	37034		
<i>Percentage of expenditure</i>							
	Water and sanitation	28.5%	70.8%	46.5%	37.7%	-	-
	Electricity	67.3%	0.0%	0.0%	0.0%	-	-
	Housing	0.0%	0.0%	0.0%	0.0%	-	-
	Roads and storm water	0.0%	26.8%	49.2%	59.0%	-	-
	Other	4.2%	2.3%	4.3%	3.3%	-	-

Chapter 5

5.6 Sources of funding:

Due to the current situation faced by the municipality, most of our funding comes from grants and only a small part of capital comes from internally generated funds.

5.7 Capital spending on 5 of our largest projects

Comment on capital projects:

The MIG expenditure is 100%, the allocation was R23 Mil and everything was spent accordingly. On the DWA the expenditure was R4 million and expenditure was 100%.

Introduction to basic service and infrastructure backlogs

The total population is 49 171 which is organized as 17 630 households. The municipality experience problems with sewer blockages, spillages, water pipe leakages, bursts and low water pressure.

The number of population and households has increased as the existing network was constructed far back 1994, thus affecting the efficiency of the network. It is imperative that the current network be upgraded to accommodate the current population and future developments.

The causes of sewer blockages, spillages, water pipe leakages and burst are as follows:

1. Ageing and decaying infrastructure which is beyond its expected life span.
2. The small capacity of the network which can no longer withstand the current population growth
3. The capacity of the sewerage pumps can no longer withstand the current population growth.
4. There is also a total number of 1 416 formalized sites without basic infrastructure. Therefore the report will reflect on implementation readiness per town with costs estimations.
5. Regular blockages are beyond municipal maintenance capacity.

Health hazard posed by the sewer spillages.

Capacitating the current infrastructure to service current population and future demands. Provision of water and sanitation reticulation to formalized sites is of great need.

Costs Estimations:

Water = R 99 509 858.00 [excl. vat] and R 113 441 238.10 [incl. vat]

Chapter 5

Sanitation = R 115 430 000.00 [excl. vat] and R 131 590 200.00 [incl. vat]

Total = R 214 939 858.00[Excl.] R 245 031 438.10 [incl. vat]

Service backlogs as at 30 June 2012/2013				
Households (HHs)				
	Service level above minimum standard		Service level below minimum standard	
	No. HHs	% HHs	No. HHs	% HHs
Water	17 848	97.79%	395	2.21%
Sanitation	17 848	97.79%	395	2.21%
Electricity	17 352	98%	1 010	6.62
Waste management	17 848	100%	0	0%
Housing	17 352	97.22%	496	2.78%

(MIG) expenditure 2012/2013 on service backlogs						R' 000
Details	Budget	Adjustments budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)
				Budget	Adjustments budget	
Infrastructure - road transport				%	%	
Roads, Pavements & Bridges	13548	13548	21 852	%	%	
Storm water				%	%	
Infrastructure - Electricity				%	%	
Generation				%	%	
Transmission &				%	%	

Chapter 5

Reticulation						
Street Lighting				%	%	
Infrastructure - Water				%	%	
Dams & Reservoirs				%	%	
Water purification				%	%	
Reticulation				%	%	
Infrastructure - Sanitation				%	%	
Reticulation	6282	6282	1 316	%	%	
Sewerage purification				%	%	
Infrastructure - Other				%	%	
Waste Management	2512	2512	0	%	%	
Transportation				%	%	
Gas				%	%	
Other Specify:	1179	1179	1 220	%	%	
				%	%	
				%	%	
				%	%	
Total				%	%	

Comment on backlogs

5.8 Water and sanitation

Project name	Project Value	Households backlogs to be addressed after completion	Anticipated completion date	Comments
Gariiep Dam: Upgrading of waste water treatment Works	R7,848,188.00	491	December 2013	The contractor is on site.
Gariiep Dam: Upgrading of water treatment works	R3,785,532.84	491	December 2013	The project is on evaluation
Jagersfontein to Fauresmith bulk water supply projects	R45,000,000.00	4590	February 2014	Three contractors are on site.

Chapter 5

5.9 Roads And storm-water				
Project name	Project value	Households backlogs to be addressed after completion	Anticipated completion date	Comments
Philippolis: paved 2km access road and storm-water	R13,869,534.79	1035	November 2013	The contractor is on site. The physical progress is on scheduled.
Edenburg: paved 2km access road and storm water	R13,499,998.00	6570	August 2013	The contractor is on site. The physical progress is ahead on scheduled.
Bethulie: Paved 2km access road and storm water	R22,121,294.00	8570	September 2013	The contractor is on site. The busy with snag list.

5.10 Sport facility				
Project name	Project value	Households backlogs to be addressed after completion	Anticipated completion date	Comments
Fauresmith: upgrading of a sport facility	R5,635,727.00	1320	March 2014	The project is on tender stage. Awaiting for the budget maintenance

Component c: Cash Flow management and investment

5.11 Importance of cash flow management

The municipality is paying the travelling claims fortnightly, normal payments every Thursday, the municipality is paying the salaries on the last Friday of each month.

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Cash flow outcomes				
				R'000
Description	2011/2012	2012/2013		Actual
	Audited outcome	Original budget	Adjusted budget	
Cash flow from operating activities				
Receipts				
Ratepayers and other	80 093	90878	90878	88578
Government - operating	111412	81684	84484	142081
Government - capital				
Interest				
Dividends				
Payments				
Suppliers and employees	-	-		
Finance charges				
Transfers and Grants				
Net cash from/(used) operating activities	191505	172562	175362	230659
Cash flows from investing activities				
Receipts				
Proceeds on disposal of PPE				
Decrease (Increase) in non-current debtors				
Decrease (increase) other non-current receivables				
Decrease (increase) in non-current investments				
Payments				
Capital assets				
Net cash from/(used) investing activities	-	-	-	-
Cash flows from financing activities				
Receipts				
Short term loans				
Borrowing long term/refinancing				
Increase (decrease) in consumer deposits				
Payments				
Repayment of borrowing				
Net cash from/(used) financing activities	-	-	-	-
Net increase/ (decrease) in cash held	191 505	172 562	175 362	230 659
Cash/cash equivalents at the year begin:				-
Cash/cash equivalents at the year -end:		172 562	175 362	230 659

Source: MBRR A7

Chapter 5

Component D: Other financial matters

5.12 Supply chain management

The SCM policy is reviewed on a yearly basis, and it is submitted to council for approval together with the budget related policies.

There is no councilor who is a member of any committee who is handling supply chain management processes. SCM accountant has NQF level 6 and is also attending the municipal finance management programme. There is a major performance improvement in the supply chain department. Auditor-General raised a finding regarding lack of segregation of duties, which was addressed by the appointed accountant.

5.13 GRAP compliance

GRAP is the acronym for **Generally Recognized Accounting Practice** and it provides 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.

Chapter 5

Chapter 6 – Auditor General audit findings

6.1 Introduction

The municipality received a qualified opinion in 2012/13. This was an improvement from the 2011/12 disclaimer opinion and 2010/11. The disclaimer of opinions were mainly due to the infrastructure asset were not unbundled correctly to comply with GRAP 17. During the 2012/13 municipality embarked on the exercise to unbundle the infrastructure assets and a GRAP compliant fixed asset register was compiled together with the other issues raised in the previous year`s audit report were also attended to.

Chapter 5

REPORT OF THE AUDITOR-GENERAL TO THE FREE STATE LEGISLATURE AND THE COUNCIL ON THE KOPANONG LOCAL MUNICIPALITY

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the financial statements of the Kopanong Local Municipality set out on pages xx to xx , which comprise the statement of financial position as at 30 June 2013, the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, the statement of comparison of budget and actual amounts and 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, 2012 (Act No. 5 of 2012) (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.

Basis for qualified opinion

Property, plant and equipment

6. I was unable to obtain sufficient appropriate audit evidence for water supply network and road infrastructure assets as I was unable to trace the assets physically verified to the fixed assets register. I was unable to confirm the completeness of water supply network and road infrastructure assets by alternative means. Consequently, I was unable to determine whether any adjustment relating to infrastructure assets stated at R845 137 292 (2012: R867 620 107) as disclosed in note 6 to the financial statements was necessary.

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Trade receivables from exchange transactions

7. I was unable to obtain sufficient appropriate audit evidence due to a difference between the billing system and the financial statements totalling R4 748 087. I was unable to confirm trade receivables from exchange transactions by alternative means. Consequently, I was unable to determine whether any further adjustments relating to trade receivables from exchange transactions stated at R19 542 124 (2012: R7 099 983) in note 3 to the financial statements was necessary.

Revenue from exchange transactions

8. I was unable to obtain sufficient appropriate audit evidence regarding revenue from the sale of water and electricity included in service charges revenue as not all the consumption for water and electricity was billed during the year. I was unable to confirm revenue from water and electricity sales by alternative means. Consequently, I was unable to determine whether any adjustment relating to revenue from water and electricity sales stated at R52 074 766 (2012: R47 954 221) in note 21 to the financial statements was necessary.

Expenditure

9. During 2012 I was unable to obtain sufficient appropriate audit evidence about general expenditure. I was unable to confirm the expenditure by alternative means. Consequently, I was unable to determine whether any adjustment to general expenditure stated at R30 494 056 in note 25 to the financial statements was necessary. My audit opinion on the financial statements for the period ended 30 June 2012 was modified accordingly. My opinion on the current period's financial statements is also modified because of the possible effect of this matter on the comparability of the current period's figures.

Irregular expenditure

10. The municipality did not disclose all the irregular expenditure in the notes to the financial statements, as required by section 125(2)(d)(i) of the MFMA. I was unable to obtain sufficient appropriate audit evidence that management has identified and recorded all instances of irregular expenditure for the current and prior year as the municipality's bid adjudication committee was not composed of the required membership, as per the supply chain management regulation (SCM). I was unable to confirm the irregular expenditure by alternative means. Consequently, I was unable to determine whether any adjustments to irregular expenditure of R163 301 873 (2012: R137 770 607) disclosed in the note 35 to the financial statements were necessary.

Qualified opinion

11. In my opinion, except for the 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 Kopanong Local Municipality as at 30 June 2013 and its financial performance and cash flows for the year then ended in accordance with the 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.

Going concern

13. Note 31 to the financial statements indicates that the Kopanong Local Municipality incurred a net loss of R43 897 013 during the year ended 30 June 2013. These conditions, along with other matters as set forth in note 31 indicate the existence of a material uncertainty that may cast significant doubt on the municipality's ability to

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operate as a going concern.

Material losses

14. As disclosed in note 36 to the financial statements, material losses to the amount of R 19 844 319 were incurred as a result of water and electricity distribution losses.

Restatement of corresponding figures

15. As disclosed in note 17 to the financial statements, the corresponding figures for June 2012 have been restated as a result of errors discovered during 2013 in the financial statements of the Kopanong Local Municipality at, and for the year ended, June 2012. 30

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

16. In accordance with the PAA and the general notice issued in terms thereof, I report the following findings relevant to performance against predetermined objectives, compliance with laws and regulations and internal control, but not for the purpose of expressing an opinion.

Predetermined objectives

17. I performed procedures to obtain evidence about the usefulness and reliability of the information in the annual performance report as set out on pages xx to xx of the annual report.
18. The reported performance against predetermined objectives was evaluated against the overall criteria of usefulness and reliability. The usefulness of information in the annual performance report relates to whether it is presented in accordance with the National Treasury's annual reporting principles and whether the reported performance is consistent with the planned development objectives. The usefulness of information further relates to whether indicators and targets are measurable (i.e. well defined, verifiable, specific, measurable and time bound) and relevant as required by the National Treasury Framework for managing programme performance information (FMPPi).

The reliability of the information in respect of the selected development objectives is assessed to determine whether it adequately reflects the facts (i.e. whether it is valid, accurate and complete).

19. There were no material findings on the annual performance report concerning the usefulness and reliability of the information.

Additional matters

20. Although no material findings concerning the usefulness and reliability of the performance information were identified in the annual performance report, I draw attention to the following matters below. These matters do not have an impact on the predetermined objectives audit findings reported above.

Achievement of planned targets

21. Of the total number of 51 targets planned for the year, 35 of targets were not achieved during the year under review. This represents 76% (>20%) of total planned targets that were not achieved during the year under review. This was mainly due to the fact that indicators and targets were not suitably developed during the strategic planning process.

Material adjustments to the annual performance report

22. Material misstatements (100% of adjustments) in the annual performance report were identified during the audit, all of which were corrected by management.

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Compliance with laws and regulations

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

Strategic planning and performance management

24. In terms of section 25(1)(b) of the Municipal Systems Act, 2000 (Act No. 32 of 2000) (MSA), the council must align the resources and capacity of the municipality with the implementation of the Integrated Development Plan (IDP).
25. The IDP adopted by the municipality does not reflect key performance indicators and targets, as required by sections 26 and 41 of the MSA.
26. The municipality did not prepare technical indicators as prescribed for all the indicators that are included in the IDP, SDBIP and the score cards for the different sections within the municipality.
27. The mayor and accounting officer did not establish performance evaluation panels for the accounting officer and managers reporting directly to the municipal manager as required by regulation 27(4)(d) of the Municipal Performance Regulations for Municipal Managers and Managers directly accountable to the municipal manager (GRN.805 of 1 August 2006)

Budget

28. Expenditure was incurred in excess of the limits of the amounts provided for in the votes of the approved budget, in contravention of section 15 of the MFMA.
29. Sufficient appropriate audit evidence could not be obtained that monthly budget statements were submitted to the mayor and relevant provincial treasury, as required by section 71(1) of the MFMA.

Annual financial statements, performance and annual reports

30. 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 identified by the auditors in the submitted financial statements were not adequately corrected and the supporting records could not be provided subsequently, which resulted in the financial statements receiving a qualified audit opinion.
31. The annual report for the year under review does not include an assessment by the accounting officer of any arrears on municipal taxes and service charges, the accounting officer's assessment of the municipality's performance against measurable performance objectives for revenue collection from each revenue source, for each budget vote and particulars of any corrective action taken (or to be taken) in response to issues raised in the audit report, as required by sections 121(3)(e), (f) and (g) of the MFMA.

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Procurement and contract management

32. 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).
33. Sufficient appropriate audit evidence could not be obtained that invitations for competitive bidding were advertised for the required minimum period of days, as required by SCM regulation 22(1) and 22(2).
34. Sufficient appropriate audit evidence could not be obtained that bid adjudication was always done by committees which were composed in accordance with SCM regulation 29(2).
35. The contract performance and monitoring measures and methods were insufficient to ensure effective contract management, as required by section 116(2)(c) of the MFMA.

Human resource management and compensation

36. Sufficient appropriate audit evidence could not be obtained that the municipality developed and adopted appropriate systems (policies) and procedures to monitor, measure and evaluate performance of staff as required by section 67(d) of the MSA.

Expenditure management

37. Money owed by the municipality was not always paid within 30 days or an agreed period, as required by section 65(2)(e) of the MFMA.
38. Payments were made without the approval of the accounting officer or a properly authorised official as required by section 11(1) of the MFMA.
39. Reasonable steps were not taken to prevent unauthorised, irregular, fruitless and wasteful expenditure as required by section 62(1)(d) of the MFMA.
40. An adequate management, accounting and information system which recognised expenditure when it was incurred was not in place, as required by section 65(2)(b) of the MFMA.

Revenue management

41. An effective system of internal control for debtors and revenue was not in place, as required by section 64(2)(f) of the MFMA.
42. Revenue due to the municipality was not calculated on a monthly basis, as required by section 64(2)(b) of the MFMA.

Asset management

43. An adequate management, accounting and information system which accounts for assets was not in place, as required by section 63(2)(a) of the MFMA.

Consequence management

44. Unauthorised, irregular, 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.

Chapter 5

Internal control

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

Leadership

46. The leadership was not able to ensure effective oversight of all the aspects of financial and performance reporting and compliance to laws and regulations. Although leadership had a culture of zero tolerance, audit findings were only addressed towards the end of the audit.

Financial and performance management

47. The internal control environment of the local municipality remains weak and lacks critical policies and procedures. Daily and monthly control processes and reconciliations are not performed and management has not implemented processes to ensure that there are consequences for poor performance.

Governance

48. The governance structures have not contributed to an improvement in the control environment of the local municipality. Findings raised and recommendations made by the audit committee and internal audit are not prioritised by leadership and implementation of recommendations is slow.

OTHER REPORTS

Investigations

An investigation by the Special Investigations Unit (SIU) into the appointment of consultants, the unlawful appointment and dismissal of officials and the awarding of contracts is in progress. The investigation had commenced in the 2008-09 financial year but no progress has been reported to date.

Bloemfontein
30 November 2013

Auditor-General



**AUDITOR - GENERAL
SOUTH AFRICA**

Auditing to build public confidence

Chapter 5

6.3 REPORT OF THE AUDIT COMMITTEE TO THE COUNCIL OF THE
KOPANONG LOCAL MUNICIPALITY

AUDIT COMMITTEE

REPORT –2012-13

FOR

KOPANONG LOCAL MUNICIPALITY

Report of the audit committee of Kopanong Local Municipality - for the year 2012-2013

1. Background

The audit committee reports that it has complied with its responsibilities arising from Section 166 of the Municipality Finance Management Act (“the

27.1.10. The audit committee consists of non-executive members including the chairperson and it has also adopted formal terms of reference as its audit committee charter, has regulated its affairs in compliance with this charter and has discharged most of its responsibilities as contained therein.

The Terms of Reference for the Committee are compiled in accordance with section 166 of the MFMA and the King III Report on Corporate Governance, and are enshrined in the Audit Committee Charter.

2. Audit committee members and attendance

The Audit Committee consisted of four (4) members and was scheduled to meet four (4) times per annum in terms of its approved terms of reference. The members listed below were appointed for a period of three years.

During the year for which this report refers, four (4) meetings were held and attendance of members is indicated hereunder:

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Member	Number of meetings held	Number of meetings Attended
Mr. M Segalo (Chairperson)	4	4
Mr. K Rapulungane	4	3
Mr. V Vapi	4	4
Ms. T Molelle	4	1

3. The adequacy and effectiveness of governance, risk management and control

The internal audit unit of the Municipality has furnished the audit committee with reports of its evaluation of the adequacy and effectiveness of governance, risk management and internal control processes within the Municipality. It is the view of the committee that, although, the governance, risk management and internal control processes are partly adequate and partly effective efforts are put in place to improve the internal control environment of the Municipality.

Governance

All significant structures and processes that provide strategic direction are in place and functioning as intended. The structures referred to include the Council, the Audit Committee, the Executive Management and the Internal Audit Unit.

Risk Management

Kopanong Municipality has developed and approved a Risk Management Strategy & Policy and established the Risk Management Committee for managing and monitoring of risks on an ongoing basis. During the period ending 30 June 2013, reports relating to risk management were presented to the Audit Committee. Based on the risk management reports presented, the Committee is satisfied that significant risks that may impact on the achievements of the municipality's are reasonably objectives managed.

Internal Controls

Based on the reports presented to the Audit Committee by Internal Audit Unit, the Audit Committee has noted that existing internal controls are partly adequate in most areas within the Municipality and therefore partly effective, during the financial year ended 30 June 2013.

4. The quality of management and monthly/quarterly reports submitted in terms of the Act

The quality of in year management and monthly/quarterly reports submitted in terms of MFMA and the Division of Revenue Act is reasonable.

GLOSSARY

5. Evaluation of Financial Statements

The Audit Committee has:

- Reviewed and discussed with the Accounting Officer the Audited Annual Financial statements to be included in the annual report;
- Reviewed the Accounting Policies and Practices
- Reviewed the Auditor General's management letter
- Reviewed significant adjustments resulting from the audit.
- Reviewed the entities compliance with legal and regulatory provisions.

The Audit Committee concurs with and accepts the conclusions of the Auditor General on the annual financial statements and is of the opinion that the audited annual financial statements be accepted and read together with the report of the Audit General.

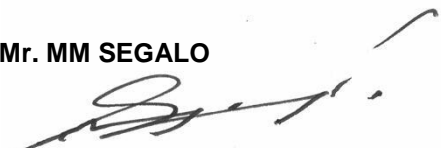
6. Performance Management

Audit and Performance Committee is satisfied that the Municipality has implemented an effective system of monitoring progress with the achievement of performance targets.

7. Conclusion

The committee is grateful for the co-operation and support shown by the Municipal Manager, Ms. L. Moletsane, and her team throughout the reporting period and further congratulates the Municipality for the improved audit opinion.

Mr. MM SEGALO



Chairperson of the Audit Committee

GLOSSARY

6.24 Action Plan 2012/2013

Nr	Description	Corrective action	Responsible person	Target date
1.	<p>Physically verified water supply network and road infrastructure assets could not be traced to fixed assets register.</p> <p>Consequently, I was unable to determine whether any adjustment relating to infrastructure assets stated at R845 137 292 (2012: R867 620 107) as disclosed in note 6 to the financial statements was necessary.</p>	<ul style="list-style-type: none"> Appoint an asset management consultant to correct and update the fixed asset register. Involve Technical Department to assist with infrastructure assets management. 	<p>Chief Financial Officer</p> <p>Director Technical Services</p>	<p>30 May 2014</p> <p>30 June 2014</p>
2.	<p>Sufficient appropriate audit evidence could not be obtained due to a difference between the billing system and the financial statements totalling R4 748 087.</p> <p>Consequently, I was unable to determine whether any further adjustments relating to trade receivables from exchange transactions stated at R19 542 124 (2012: R7 099 983) in note 3 to the financial statements was necessary.</p>	<p>Bill-R System Consultants will be consulted to correct financial system set-up to ensure that differences are eliminated.</p>	<p>CF O</p>	<p>30 April 2014</p>
3.	<p>No sufficient appropriate audit evidence regarding revenue from the sale of water and electricity included in service charges revenue was obtained as not all the consumption for water and electricity was billed during the year.</p> <p>Consequently, I was unable to determine whether any adjustment relating to revenue from water and electricity sales stated at R52 074 766 (2012: R47 954 221) in note 21 to the financial statements was</p>	<p>Appoint a service provider to perform a 100% data purification & management of all service charges.</p>	<p>Manager: Revenue</p>	<p>30 April 2014</p>

GLOSSARY

Nr	Description	Corrective action	Responsible person	Target date
	necessary.			
4.	During 2012 I was unable to obtain sufficient appropriate audit evidence about general expenditure. Consequently, I was unable to determine whether any adjustment to general expenditure stated at R30 494 056 in note 25 to the financial statements was necessary.	<ul style="list-style-type: none"> Investigate and follow-up on expenditure vouchers for 2012 and submit to Auditor General. All expense vouchers will be kept by a dedicated official in a strong-room and all recorded in a register of documents. 	Manager: Budget & Expenditure	30 March 2014
5.	<p>The municipality did not disclose all the irregular expenditure in the notes to the financial statements, as required by section 125(2)(d)(i) of the MFMA.</p> <p>I was unable to obtain sufficient appropriate audit evidence that management has identified and recorded all instances of irregular expenditure for the current and prior year as the municipality's bid adjudication committee was not composed of the required membership, as per the supply chain management regulation (SCM).</p>	<p>A register will be developed and implemented to record all the identified irregular expenditure incurred by the Municipality on a monthly basis.</p> <p>A committee of council will investigate irregular expenditure and submit a report to council.</p>	Manager: Budget & Expenditure	28 February 2014
6.	Kopanong Local municipality incurred a net loss of R43 897 013 during the year ended 30 June 2013. These conditions, along with other matters as set forth in note 31 indicate the existence of a material uncertainty that may cast significant doubt on the municipality's ability to operate as a going concern.	The Municipality will develop and implement measures and processes to improve the cash-flow and to cut on excessive expenditure. Implementation of Revenue Enhancement Strategy	Municipal Manager, CFO, Managers Income & Expenditure	30/03/2014
7.	As disclosed in note 36 to the financial statements, material losses to the amount of R 19 844 319 were incurred as a result of water and electricity distribution losses.	<ul style="list-style-type: none"> Management has approached DWA to assist with the purchases of meters and improvement of the old infrastructure. Municipality have also issued a tender to 	Chief Financial Officer/ Technical Director	30 June 2013

GLOSSARY

Nr	Description	Corrective action	Responsible person	Target date
		<p>purchase water meters.</p> <ul style="list-style-type: none"> Centlec has appointed a service provider to perform data purification in order to identify reasons for high losses. 		
8.	<p>As disclosed in note 17 to the financial statements, the corresponding figures for 30 June 2012 have been restated as a result of errors discovered during 2013 in the financial statements of the Kopanong Local Municipality at, and for the year ended, 30 June 2012.</p>	<p>Corresponding figures for 2012 have been restated during the preparation of the AFS and during the Audit of 2013 financial year.</p>	<p>Manager Budget & Expenditure</p>	<p>October and November 2013</p>
9.	<p>Of the total number of 51 targets planned for the year, 35 of targets were not achieved during the year under review. This represents 76% (>20%) of total planned targets that were not achieved during the year under review.</p> <p>This was mainly due to the fact that indicators and targets were not suitably developed during the strategic planning process.</p>	<ul style="list-style-type: none"> Development of Performance Management Policy. Review key performance indicators & targets to ensure that they are SMART. Quarterly monitoring of planned targets to detect under/over-performance. 	<p>PMS Officer</p> <p>PMS Officer</p> <p>PMS Officer</p>	<p>30 May 2013</p>
10.	<p>The IDP adopted by the municipality does not reflect key performance indicators and targets, as required by sections 26 and 41 of the MSA</p>	<p>Key performance indicators and targets will be included in 2014/2015 IDP Review.</p>	<p>IDP Manager</p>	<p>31 May 2014</p>
11.	<p>The municipality did not prepare technical indicators as prescribed for all the indicators that are included in the IDP, SDBIP and the score cards for the different sections within the municipality.</p>	<p>Key performance indicators and targets will be included in 2014/2015 IDP Review.</p>	<p>IDP Manager</p>	<p>31 May 2014</p>
12.	<p>The mayor and accounting officer did not establish performance evaluation panels for the accounting officer and managers</p>	<ul style="list-style-type: none"> In 2013/2014 the evaluation panel has been appointed by Council as per the regulation 27(4)(d) of 	<p>Municipal Manager</p>	<p>22 January 2014</p>

GLOSSARY

Nr	Description	Corrective action	Responsible person	Target date
	reporting directly to the municipal manager as required by regulation 27(4)(d) of the Municipal Performance Regulations for Municipal Managers and Managers directly accountable to the municipal manager (GRN.805 of 1 August 2006)	<p>the Municipal Performance Regulations for Municipal Managers and Managers directly accountable to the municipal manager (GRN.805 of 1 August 2006)</p> <ul style="list-style-type: none"> The panel will make an evaluation on a quarterly basis. 		
13.	Expenditure was incurred in excess of the limits of the amounts provided for in the votes of the approved budget, in contravention of section 15 of the MFMA.	<ul style="list-style-type: none"> Management will investigate overspending on the budget & implement controls to avoid occurrence of unauthorised expenditure. 	Budget Accountant	Monthly
14.	Sufficient appropriate audit evidence could not be obtained that monthly budget statements were submitted to the mayor and relevant provincial treasury, as required by section 71(1) of the MFMA.	A register for section 71 forms to be kept and maintained on a monthly basis and signed for receipt by the office of the Mayor	Budget Accountant	Monthly
15.	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 identified by the auditors in the submitted financial statements were not adequately corrected and the supporting records could not be provided subsequently, which resulted in the financial statements receiving a qualified audit opinion.	<p>Annual Financial Statements will be prepared in all material respect in accordance with the requirements of section 122 MFMA.</p> <p>Annual Financial Statements will be prepared and be reviewed to avoid material misstatements and all supporting records will be submitted for Audit purposes.</p>	CFO	15/08/2014
16.	The annual report for the year under review does not include an assessment by the accounting officer of any arrears on municipal taxes and service charges, the accounting officer's assessment of the municipality's performance against measurable	The Annual Report for 2013 will be compiled to include the assessment by the Accounting Officer of the arrears municipal taxes and service charges and the performance against the measurable performance objectives for revenue collection from each revenue	Accounting Officer	30/08/2014

GLOSSARY

Nr	Description	Corrective action	Responsible person	Target date
	performance objectives for revenue collection from each revenue source, for each budget vote and particulars of any corrective action taken (or to be taken) in response to issues raised in the audit report, as required by sections 121(3)(e), (f) and (g) of the MFMA.	source for each budget vote particulars of any corrective action taken.		
17.	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).	Management will implement controls to detect, identify and prevent irregular expenditure. And all quotations will be requested per regulations.	SCM Accountant	Ongoing
18.	Sufficient appropriate audit evidence could not be obtained that invitations for competitive bidding were advertised for the required minimum period of days, as required by SCM regulation 22(1) and 22(2).	This matter will be followed up and corrected during the 2013/2014 financial year. National and Provincial Treasury will be consulted to advise and give permission to deviate where instances of these nature occurs.	CFO	28/02/2014
19.	Sufficient appropriate audit evidence could not be obtained that bid adjudication was always done by committees which were composed in accordance with SCM regulation 29(2).	The council is in the process of appointing the Director Community Services and until such a time, management will second a director from other municipalities to sit in the Bid adjudication committee to form a quorum.	CFO & MM	Ongoing 2014
20.	The contract performance and monitoring measures and methods were insufficient to ensure effective contract management, as required by section 116(2)(c) of the MFMA.	Performance Evaluation Document will be developed and implemented to measure performance of the service providers	Manager Budget & Expenditure	28/02/2014
21.	Sufficient appropriate audit evidence could not be obtained that the municipality developed and adopted appropriate systems (policies) and procedures to monitor, measure and evaluate performance of staff as required by section 67(d) of the MSA.	Management is in the process of appointing a service provider to assist in the development of appropriate systems and procedures to monitor measure and evaluate performance of the employees.	Director Corporate Services	30/04/2014

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Nr	Description	Corrective action	Responsible person	Target date
22.	Money owed by the municipality was not always paid within 30 days or an agreed period, as required by section 65(2)(e) of the MFMA.	Processes are in place to recover the debts which are owed to the municipality so as to improve the financial position of the municipality. Payments will be prioritised	CFO	30/04/2014
23.	Payments were made without the approval of the accounting officer or a properly authorised official as required by section 11(1) of the MFMA.	Separate expense voucher form requiring MM signature will be developed for payments which do not require a completion of a requisition form.	Manager: Budget & Expenditure	31/02/2014
24.	Reasonable steps were not taken to prevent unauthorised, irregular, fruitless and wasteful expenditure as required by section 62(1)(d) of the MFMA. An adequate management, accounting and information system which recognised expenditure when it was incurred was not in place, as required by section 65(2)(b) of the MFMA	Before a requisition can be send to SCM Unit, the HOD of requesting department sign the requisition form to validate that the item requested is for the benefit of the municipality and then it is send to the budget accountant to provide a vote number and verify if the funds are available and goods are budgeted for. Irregular expenditure will be minimised by ensuring that SCM Policy is implemented at all times, if it not possible for the municipality to follow procedures in some situations then a motivation will be provided and approve by the designated officials. Expenditure will be recognised as when the goods or invoice are received and not when payment is made. Municipality will also try by all means to pay expenses incurred within 30 days. Management has also appointed section 32 committee which will assist with the investigation of these occurred cases.	SCM Accountant, Manager Budget and expenditure	Ongoing
25.	An effective system of internal control for debtors and revenue was not in place, as required by section	To appoint a service provider to perform a 100% data purification & management of all service charges to	Manager: Income	30 April 2014

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Nr	Description	Corrective action	Responsible person	Target date
	64(2)(f) of the MFMA	ensure effective system of internal controls.		
26.	Revenue due to the municipality was not calculated on a monthly basis, as required by section 64(2)(b) of the MFMA.	The internal controls will be developed and implemented to ensure that the monthly reconciliations are performed for monthly calculation of the revenue.	Manager: Income	30 April 2014
27.	An adequate management, accounting and information system which accounts for assets was not in place, as required by section 63(2)(a) of the MFMA.	The assets register will be transferred from the Excel format and be loaded onto the GRAP complaint accounting system to ensure effective control over all the Municipal assets.	Manager: Budget & Expenditure	30/06/2014
28.	Unauthorised, irregular, 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.	Council committee was established and the investigations were done and are still in the process of being completed through the assistance of Provincial Treasury.	Municipal Manager	On going
29.	The leadership was not able to ensure effective oversight of all the aspects of financial and performance reporting and compliance to laws and regulations. Although leadership had a culture of zero tolerance, audit findings were only addressed towards the end of the audit.	Develop an audit action plan to address audit report issues Track implementation on a monthly basis	Municipal Manager	Monthly basis
30.	The internal control environment of the local municipality remains weak and lacks critical policies and procedures. Daily and monthly control processes and reconciliations are not performed and management has not implemented processes to ensure that there are consequences for poor performance.	The Internal Controls and Procedures Manual to be reviewed and updated to cover the areas where the weaknesses were identified. Daily and monthly controls matrix should be performed and monitored.	CFO	30/03/2014 Monthly basis
31.	The governance structures have not contributed to an improvement in the control environment of the local municipality. Findings raised and recommendations made by the audit committee and	Recommendations of internal audit & audit committee will be a standing item in Management meetings. Ensure prompt	Municipal Manager	Monthly basis

GLOSSARY

Nr	Description	Corrective action	Responsible person	Target date
	internal audit are not prioritised by leadership and implementation of recommendations is slow.	implementation of recommendations. Track implementation on a quarterly basis.		
32.	An investigation by the Special Investigations Unit (SIU) into the appointment of consultants, the unlawful appointment and dismissal of officials and the awarding of contracts is in progress. The investigation had commenced in the 2008-09 financial year but no progress has been reported to date.	This matter is still in process by the Special Investigating Unit and until such time they have completed the investigations the progress will be reported accordingly	Municipal Manager	Ongoing

GLOSSARY

Component B

6.5 Report of the Auditor-General - Remedial Steps Taken during 2012/13

Auditor-General Report on service delivery performance 2011/2012	
Audit report status :	Disclaimer of Opinion
Non-compliance issues	Remedial action taken
Strategic planning and performance management	<ul style="list-style-type: none"> The municipality adopted IDP and made it public within 14 days of adoption. All priorities in the IDP reflect key performance indicators and performance targets in terms of section 41 of MSA Mayor did assign IDP responsibilities to Municipal Manager MM submitted IDP to MEC for Local Government within 10 days of adoption. Performance objectives and targets in performance agreements of section 56 managers were reviewed to be practical, measurable and based on KPI's in IDP. 2012/2013 IDP includes an organisational structure. Communities were afforded 21 days to comment on the IDP
Budget	<p>Budget was prepared in line with prescripts. Processes were put in place to detect and prevent unauthorised expenditure. Identified unauthorised expenditure was investigated and corrective action taken. MM submitted approved budget and adjustment budget to National and Provincial Treasury</p>
Annual financial statements, performance and annual reports	<ul style="list-style-type: none"> Oversight report was adopted in accordance to legislation. Mayor did take all reasonable steps to ensure that SDBIP is approved within 28 days after the approval of budget. The Mayor has made necessary revision in the SDBIP after adjustment budget was done. MM submitted Mid-year budget and performance report to National Treasury and Provincial Treasury. MM submitted draft SDBIP to the Mayor for tabling in terms of sec 16(2) of MFMA. MM made public SDBIP within ten working days after Mayor has approved the plan and submitted to National & Provincial Treasury.
Internal audit and Audit Committee	<p>Internal audit performed audits on predetermined objectives on a quarterly basis and reported to audit committee.</p> <p>Audit committee discharged its mandate in terms of section 166 of MFMA.</p>
Procurement and contract management	<ul style="list-style-type: none"> Bid committees were appointed in accordance to prescripts of MFMA and SCM regulations. Invitations to competitive bids were always advertised in the Kopanong's website, notice boards and newspapers. Minutes of bid-committees and other supporting documentation

GLOSSARY

Auditor-General Report on service delivery performance 2011/2012	
	<p>was always kept.</p> <ul style="list-style-type: none"> Procedures to avoid unauthorised, irregular, fruitless and wasteful expenditure were developed and implemented. A council committee was appointed to investigate expenditure.
Human resource management and compensation	The competencies of the MM, financial and supply chain management officials were not assessed.
Expenditure management	<ul style="list-style-type: none"> A financial recovery plan was developed and implemented. Measures were put in place to ensure that payments are made within 30 days. A financial system was used which recognizes expenditure when incurred. Creditors were reconciled and disclosed in financial statements. SCM policy was reviewed and SCM procedure manual was developed and implemented as a step to prevent irregular expenditure. A Council committee was appointed to investigate irregular, fruitless and wasteful expenditure and reports were submitted to council.
Transfer of funds and/or conditional grants	<ul style="list-style-type: none"> The Municipality submitted MFMA implementation plans to National Treasury. Project registration forms were submitted in time to CoGTA in terms of DoRA framework.
Revenue management	<ul style="list-style-type: none"> A system was put in place and procedures implemented to recognise revenue when it is earned and account for debtors.
Liability management	<ul style="list-style-type: none"> Bank overdraft was paid in full within the financial year.

Auditor-General report on financial performance for 2012	
Audit report status :	Disclaimer
Non-compliance issues	Remedial action taken
Property, Plant and Equipment	<ul style="list-style-type: none"> A consultant was appointed to assist the municipality in addressing assets management queries and developing a GRAP compliant asset register. All assets were identified and bar-coded. Verification was performed by assets accountant on a monthly basis.
Trade and Other Payables	<p>Leave provision calculations were completed and disclosed Creditors reconciliations were done on a monthly basis Bonus accrual calculations were done at year end. Differences in salary creditors were investigated and corrected. Supporting documentation was obtained to confirm the existence of creditors.</p>
Accounts Receivables	<ul style="list-style-type: none"> All contracts for new applications were completed and registered. Debtors were classified into categories in the age-analysis and a provision for doubtful debts was calculated and disclosed.

GLOSSARY

Auditor-General report on financial performance for 2012	
Provisions	<ul style="list-style-type: none"> • Provision for rehabilitation of landfill sites was completed and disclosed. • Actuarial valuations were calculated in terms of accounting policy and practices.
Retirement benefit obligation	<ul style="list-style-type: none"> • Actuarial valuations were calculated in terms of accounting policy and practices. Long service awards and retirement benefits obligation was performed by a certified Actuary.
Property Rates	<ul style="list-style-type: none"> • All charges on non-chargeable properties were identified and corrected. • Rates reconciliation was done
Rental of Facilities and equipment	<ul style="list-style-type: none"> • All contracts were signed between municipality and tenants • Rental register is maintained and reviewed on a monthly basis and reconciled to General Ledger • Billing is done on a monthly basis.
Service Charges	<ul style="list-style-type: none"> • All service charges on debtor accounts were checked for correctness. Sebata has assisted to create a file on which all services and zoning per site were printed and corrections were effected accordingly.
General Expenses	<ul style="list-style-type: none"> • Expenditure procedure manual was developed and implemented. • Supporting documentation is filed and stored in a strong-room.
Prior period errors	
Commitments	<ul style="list-style-type: none"> • Commitments register was compiled for both 2011/2012 and 2012/2013. • All outstanding contracts were obtained and filed for audit purposes.

Comments on Auditor-General's opinion 2011/2012

As much as we accepted the opinion as a municipality, we were disappointed as measures were put into place. Some of the issues could have been resolved, but due to time constraints, and matters that were coming from previous years and having impact on the audit period it was difficult for the municipality to could have improved immediately. There were also matters from CENTLEC that were of material value that had an impact as well.

We did not have an asset register in the past, therefore it was the first time that the municipality compiled an asset register, and it had an impact on what was disclosed in the financial statements. The assets were the major concern from the Auditor General; hence they alone had such a major impact. There were also concerns on methodology used to arrive at certain amounts.

The quality of the financial statements as per AG was also a matter of concern; hence they did not even entertain them that much.

All Section 71 reports have been submitted per to the legislation

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7.1 Glossary

Accessibility indicators	Explore whether the intended beneficiaries are able to access services or outputs.
Accountability documents	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.
Activities	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”.
Adequacy indicators	The quantity of input or output relative to the need or demand.
Annual Report	A report to be prepared and submitted annually based on the regulations set out in Section 121 of the Municipal Finance Management Act. Such a report must include annual financial statements as submitted to and approved by the Auditor-General.
Approved Budget	The annual financial statements of a municipality as audited by the Auditor General and approved by council or a provincial or national executive.
Baseline	Current level of performance that a municipality aims to improve when setting performance targets. The baseline relates to the level of performance recorded in a year prior to the planning period.
Basic municipal service	A municipal service that is necessary to ensure an acceptable and reasonable quality of life to citizens within that particular area. If not provided it may endanger the public health and safety or the environment.
Budget year	The financial year for which an annual budget is to be approved – means a year ending on 30 June.
Cost indicators	The overall cost or expenditure of producing a specified quantity of outputs.
Distribution indicators	The distribution of capacity to deliver services.
Financial Statements	Includes at least a statement of financial position, statement of financial performance, cash-flow statement, notes to these statements and any other statements that may be prescribed.
General Key performance indicators	After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally.
Impact	The results of achieving specific outcomes, such as reducing poverty and creating jobs.

GLOSSARY

Inputs	All the resources that contribute to the production and delivery of outputs. Inputs are "what we use to do the work". They include finances, personnel, equipment and buildings.
Integrated Development Plan (IDP)	Set out municipal goals and development plans.
National Key performance areas	<ul style="list-style-type: none"> • Service delivery & infrastructure • Economic development • Municipal transformation and institutional development • Financial viability and management • Good governance and community participation
Outcomes	The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives set out in its plans. Outcomes are "what we wish to achieve".
Outputs	The final products, or goods and services produced for delivery. Outputs may be defined as "what we produce or deliver". An output is a concrete achievement (i.e. a product such as a passport, an action such as a presentation or immunization, or a service such as processing an application) that contributes to the achievement of a Key Result Area.
Performance Indicator	Indicators should be specified to measure performance in relation to input, activities, outputs, outcomes and impacts. An indicator is a type of information used to gauge the extent to which an output has been achieved (policy developed, presentation delivered, service rendered)
Performance Information	Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.
Performance Standards:	The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service-level agreements. Performance standards are mutually agreed criteria to describe how well work must be done in terms of quantity and/or quality and timeliness, to clarify the outputs and related activities of a job by describing what the required result should be. In this EPMS performance standards are divided into indicators and the time factor.
Performance Targets:	The level of performance that municipalities and its employees strive to achieve. Performance Targets relate to current baselines and express a specific level of performance that a municipality aims to achieve within a given time period.
Service Delivery Budget Implementation Plan	Detailed plan approved by the mayor for implementing the municipality's delivery of services; including projections of the revenue collected and operational and capital expenditure by vote for each month. Service delivery targets and performance indicators must also be included.
Vote:	One of the main segments into which a budget of a municipality is divided for appropriation of money for the different departments or functional areas of the municipality. The Vote specifies the total amount that is appropriated for the purpose

GLOSSARY

of a specific department or functional area.
Section 1 of the MFMA defines a “vote” as:
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
b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned

APPENDICES

7.2 Appendices

Appendix A – Councillors; committee allocation and council attendance

Councillors, Committees Allocated and Council Attendance						
Council members	FT	PT	Committees Allocated	Ward and /or Party Represented	% Council Meetings Attendance	% Apologies for non-Attendance
Cllr X.T Matwa(Mayor)	X		Chair: Finance and LED	PR/ANC	70%	
Cllr T.Koyana		X	Finance and LED	Ward 1/ANC	70%	
Cllr D.Phepheng		X	Finance and LED	Ward 7/ANC	70%	
Cllr B.Smit		X	Chair: Institutional Transformation	Ward 7/DA	70%	
Cllr M.D Matseo		X	Institutional Transformation	Ward 8/ANC	60%	
Cllr L.A Sola		X	Institutional Transformation	Ward 5/ANC	70%	
Cllr N.J Stuurman		X	Institutional Transformation	Ward 4/ANC	70%	

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Chair: Cllr L.K Dlomo(Whip)	X		Chair: Rural development	PR/ANC	70%	
Cllr T.A Phafudi		X	Rural development	Ward 2/ANC	70%	
Cllr N.C Spochter		X	Rural development	Ward 3/ANC	70%	
<i>Note *Councillors appointed on a proportional basis do not have wards allocated to them</i>						

APPENDICES

Appendix B– Committees and committee purposes

Committees other than Mayoral /Executive Committee) and purposes of committees	
Municipal committees	Purpose of committee
Finance and local economic development	Oversee the smooth running of Municipal Funds and provide support on LED unit related matters.
Institutional Transformation	To enhance capacity of the municipality and ensure equity ,Transformation and development
Infrastructure and Rural Development	Focus on development of Small towns and rehabilitation of Municipal infrastructure e.g. Water pipes, sewerage spilages etc.

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Appendix C –Third tier administrative structure

Third tier structure	
Directorate	Director/Manager
Municipal Manager`s department	Municipal Manager: Me. Lebo Yvonne Moletsane
Corporate services	Director: Me. Kedisaletse Cecilia Pitso
Technical services	Director :Mr Sibongile Hololoshe
Finance department	Chief Financial Officer: Mr Phakiso Jan Mekhoe
<i>Use as a spill-over schedule if top 3 tiers cannot be accomodated in chapter 2 (T2.2.2).</i>	

Appendix D– Ward reporting

E. Functionality of Ward Committees					
Ward name (number)	Name of ward councillor and elected ward committee members	Committee established (yes / no)	Number of monthly committee meetings held during the year	Number of monthly reports submitted to speakers office on time	Number of quarterly public ward meetings held during year
ward 1 / Reddersburg	Ward Councillor: Themba Koyana Ward Committees: Natala Sam Ramosie Nonceba Mercy Ncokwane, Sekutwana Alinah Chaka, Lebogang Ishmael Sekgalo, Platana Elizabeth Khunong, Mosala George Molise, Disemelo Mavis Matlakala, Tsmal Moleko, Flourie Venter.	Yes	1 Monthly and during the year is 12	they are not consistently reporting.	3 per quarter and 12 per year

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E. Functionality of Ward Committees					
ward 2 / Trompsburg	Ward Councillor: Reverend Phafudi Ward Committee: Molatodi Edward Taole, Kgotso Mokala, Kenalemang Paulinah Mokete, Motsamai Godfrey Mokheseng, Eveline Shiwe	Yes	1 Monthly and during the year is 12	they are not consistently reporting.	3 per quarter and 12 per year
ward 3 / Bethulie	Ward Councillor: Ntswaki Spogter Ward Committees: Manana Elizabeth Mjika, Dorothy Nonduyiswa Shushu, Francis Thamsanqa Mkhafa, Thabang Amos Morotlo, Matlokotsi Ruth Khapha, Mavis Nthabiseng Morapela, Moselantja Gladys Mohale, Mahlangana John Spogter, Mxolisi Michael Mani, Vuyo Paulus Mkrwala,	Yes	1 Monthly and during the year is 12	they are not consistently reporting.	3 per quarter and 12 per year
ward 4	Ward Councillor: Mrs Stuurman Ward Committee: Dawid Derrison, Alwyn Johannes Kleynhans, Nomakhosazana Olga Toko, Ivo Edmundo Ferrao, Ancoise Renate Volmink, Lucia Malitsatsi Makoa, Selloane Ignacia Khabotse, Dirk Simons, Violet Matshediso Lempeche	Yes	1 Monthly and during the year is 12	they are not consistently reporting.	3 per quarter and 12 per year
Ward 5/ Springfontien	Ward Councillor: Andrew Sola Ward Committee: Seeiso Ben Tete, Madikgutlo Invethia Ramatsane, Shuping Fortunate Mthimkulu, Kelebogile Kate Mihi, Jeremiah Kgositsile Mohoje, Mrs JK Tana, Siphokazi Baruza, Lekhaba Zacharia Crescentius Kaphe, Nthabiseng Paulina Ntsapo.	Yes	1 Month and during the year is 12	They are not consistently reporting.	3 per quarter and 12 per year

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E. Functionality of Ward Committees

Ward 6/Jagersfontein	Ward Councillor: Phindile Basholo Ward Committee: None / Ward Committee became dysfunctional and the office of the speaker is waiting for the formal letter from the councillor in this regard		None	None	None
Ward 7 / Fauresmith	Ward Councillor: David Phepheng Ward Committee: Nomabulu Lucy Tseletsele, Kodisang Aaron Diamond, Nomalizo Maggy Boikanyo, Motlalepula David Moeketsi, Thomas Groep, Geraldine Pienaar, Rabajang Andries Sobekwa, Lahliwe Lucy Moeng, Kedi-Emetse Monica Nyongwana, Diratsagae Stephen Letebele		1 Monthly and during the year is 12	they are not consistently reporting.	3 per quarter and 12 per year
Ward 8	Ward Councillor: Moseou Matsheo Ward Committee: Evan Michael Van Wyk, Matsebela Lonia Makgotso, Willem Booysen, Makgotso Mahlela, Nnuku Angelina Ntomane, Nthofela Aaron Ralenala, Rethabile Jeanette Mbebe, Alice E Louw	Yes	1 Monthly and during the year is 12	they are not consistently reporting.	3 per quarter and 12 per year

Appendix F – Ward information

Detail	Water	Sanitation	Electricity	Refuse
Households with minimum service delivery	17411 households	17411 households	16 463 households	17630
Households without minimum service delivery	219 households	219 households	1167 households	0
Total Households*	17630 households	17630 households	17630 households	17630

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Municipal audit committee recommendations		
Date of committee	Committee recommendations during 2012/2013	Recommendations adopted (enter Yes) If not adopted (provide explanation)
23 August 2012	The Shared audit and performance resolution register to include the following: - Percentage of resolutions implemented - Number of resolutions made	Yes
23 August 2012	A risk register be amended to include the risk that relate to the municipality not achieving clean audit 2014 and be submitted before the end of month.	Yes
23 August 2012	The risk register to include the names of the risk champions.	Yes
23 August 2012	Clean audit projects should be a standing item in the audit committee meetings.	Yes
23 August 2012	The CFO to develop a project that will enable the municipality towards achieving clean audit by 2014.	Yes
25 March 2013	Clean audit projects to form part of the audit committee meeting.	Yes
25 March 2013	Management to review the availability of documentation that is expected by the AGSA during this financial year 2013/13.	Yes
25 March 2013	The department of technical services to give progress on the supporting documentation on the outstanding contracts.	Yes
25 March 2013	CFO to submit the audit action plan relating to the audit responses.	Yes
25 March 2013	CAE to follow-up on the resolutions made during the audit committee meeting and present them to management.	Yes
13 June 2013	The CFO to develop a project that will enable the municipality towards achieving clean audit by 2014.	Yes
13 June 2013	CAE to follow-up on the resolutions made during the audit committee meeting and present them to management.	Yes

APPENDICES

Appendix G–Service provider performance schedule 2012/2013

Directorate	Service provider	Term of contract	Contract value	Description of service / key performance areas	Targets	Performance rating	Performance comment	Corrective measure
Municipal manager	Namtra trading		R285 600.00	Development of led strategy	Credible IDP	5	Excellent	None
Municipal manager	Namtra trading		R198 900.00	Development of housing sector plan	Credible IDP	4	Very good	None
Corporate services	Lefanosi		R190 000.00	Facilitation and development of the strategic planning document	Planning on how municipal will be operating in the new financial year 2013/2014	5	Excellent	None
Corporate services	Arise Again		R120 000.00	Team building and motivation for councillors and employees	Building a unity among the officials and councillors	5	Excellent	None
Corporate services	Ratidzo solutions		R191 121.00	Training all on labour related	To transfer skills and	5	Excellent	None

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Directorate	Service provider	Term of contract	Contract value	Description of service / key performance areas	Targets	Performance rating	Performance comment	Corrective measure
				matters.	knowledge to employees regarding understanding of labour related matters			
Corporate services	Bokgoni Spatials consulting		R187 900.00	Development of the employee performance appraisal	Performance appraisal is in place	5	Excellent	None
Corporate services	Moroeng & Associates		R185 500.00	Review of policies	Our policies to be in line with applicable laws and regulations.	2	Poor	The service provider must appoint experience and qualified personnel
Technical Services	Delvis Construction	Contractor	R11.35 Million	Construction of a 2.5 km paved access road in Bethulie	June 213	2	Poor workmanship	<ol style="list-style-type: none"> 1. Regular site meetings. 2. Withhold the retention amount.

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Directorate	Service provider	Term of contract	Contract value	Description of service / key performance areas	Targets	Performance rating	Performance comment	Corrective measure
Technical Services	Skhokho Construction	Contractor	R8.8 Million	Construction of a 2.3 Mgl Reservoir	February 2014	2	Poor workmanship	<ol style="list-style-type: none"> 1. Regular site meetings. 2. Sign session for direct payment of supply especially for material in improving progress on site.
Technical Services	Skhokho Construction and Urban Project JV	Contractor	R13.4 Million	Construction of 2 Km paved Access road in Edenburg	August 2013	5	Completed the project two months ahead of the scheduled.	Payment of service provider within two weeks in order to maintain the progress

Contents

Directorate	Service provider	Term of contract	Contract value	Description of service / key performance areas	Targets	Performance rating	Performance comment	Corrective measure
Technical Services	ZS Msebenzi Construction	Contractor	R12.5 Million	Construction of 2 Km paved Access road in Philippolis	November 2013	3	The Contractor is on scheduled.	<ol style="list-style-type: none"> 1. Payment of service provider within two weeks in order to maintain the progress. 2. Monitoring and evaluation of the work done monthly.
Technical Services	Lohan Civils	Contractor	R14.8 Million	Construction of 11.2 Km Gravity Bulk Water Pipeline from Jagersfontein to Fauresmith	November 2013	4	The Contractor is on scheduled.	<ol style="list-style-type: none"> 1. Payment of service provider within two weeks in order to maintain the progress. 2. Monitoring and evaluation of work done monthly.

Contents

Directorate	Service provider	Term of contract	Contract value	Description of service / key performance areas	Targets	Performance rating	Performance comment	Corrective measure
Technical Services	Umbutho Construction	Contractor	R10.0 Million	Construction of a Water Treatment Works in Jagersfontein	November 2013	4	The Contractor is on scheduled.	<p>Payment of service provider within two weeks in order to maintain the progress.</p> <p>2. Monitoring and evaluation of the work done monthly.</p>

APPENDICES

Appendix H – Disclosures of financial interests:

Financial disclosures made for the period 1 July 2012 to 30 June 2013		
Position	Name	Description of financial interests* (Nil / or details)
Mayor	Cllr X T Matwa	Welkom Yizani Investments Ltd – 20 ordinary shares 15% stake in media 24%
Member of Exco	Cllr X T Matwa	Welkom Yizani Investments Ltd – 20 ordinary shares 15% stake in media 24%
	Cllr Smit	Skynkaroo Kollege – Independent school, Educator
	Cllr Dlomo	Bokamoso Catering, construction and cleaning CC
Speaker	Cllr M E Masana	Three Queens Cc
Councillor	Cllr J Stuurman	Phumelela Guest House
	Cllr K E Dlomo	Bokamoso Catering
	Cllr H Shebe	No interests to disclose
	Cllr P Basholo	Mamojalefa Tavern
	Cllr B Smit	Sky Karoo Kollege (Educator)
	Cllr T Koyana	Thembaletu Tavern Trading/Retail Thusanang Bottle Store Incedolkiam Construction and other Services
	Cllr H Hagemann	Hunters Lodge
	Cllr N Spochter	No interests to disclose
	Cllr T A Phafudi	No interests to disclose
	Cllr D Phepheng	No interests to disclose
	Cllr A Sola	Sanlam Pty Ltd – 301 computer shares
Municipal Manager	Me L Y Moletsane	No interests to disclose
Chief Financial Officer	Mr P J Mekhoe	Mekhoe taxi Owner
Other S57 Officials	Mr. S Hololoshe	No interests to disclose
	Me. C Pitso	No interests to disclose
* Financial interests to be disclosed even if they incurred for only part of the year. See MBRR SA34A T J		

APPENDICES

Appendix I (i): Revenue collection performance by vote

Vote description	Revenue collection performance by vote				
					R' 000
	2011-2012	2012/2013		2012/2013 Variance	
	Actual	Original budget	Adjusted budget	Actual	Adjustments
Governance and administration			33 761	85 664	154%
Executive and council			7 552	10 125	34%
Budget and treasury office			25 038	75 358	201%
Corporate services			1 171	181	-85%
Community and public safety			7 750	3 599	-54%
Community and social services			6 420	2 883	-55%
Sport and recreation			82	4	-96%
Public safety			1 178	508	-57%
Housing			70	205	193%
Economic and environmental services			39	13	-67%
Planning and development			18	5	-74%
Road transport			21	8	-61%
Trading services			151 500	145 080	-4%
Electricity			53 356	56 186	5%
Water			56 215	41 494	-26%
Waste water management			24 958	26 242	5%
Waste management			16 971	21 159	25%
Total Revenue - Standard			193 050	234 357	21%

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

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Appendix J (li): Revenue collection performance by source

Revenue collection performance by source						
						R '000
Description	2011/2012	2012/2013			2012/2013 variance	
	Actual	Original budget	Adjustments budget	Actual	Original budget	Adjustments budget
Property rates	7 539	13 621	13 621	9 857	-38%	-38%
Property rates - penalties & collection charges	N/a	N/a	N/a	N/a	N/a	N/a
Service charges - electricity revenue	39 977	44 338	44 338	43 646	-2%	-2%
Service charges - water revenue	7 978	9 747	9 747	8 429	-16%	-16%
Service charges - sanitation revenue	8 779	8 780	8 780	9 496	8%	8%
Service charges - refuse revenue	6 336	6 340	6 340	6 919	8%	8%
Service charges – other	12 809	7 928	7 928	9 987	21%	21%
Rentals of facilities and equipment	N/a	N/a	N/a	N/a	N/a	N/a
Interest earned - external investments	N/a	N/a	N/a	N/a	N/a	N/a
Interest earned - outstanding debtors	N/a	N/a	N/a	N/a	N/a	N/a
Dividends received	N/a	N/a	N/a	N/a	N/a	N/a
Fines	N/a	123	123	245	50%	50%
Licences and permits	N/a	N/a	N/a	N/a	N/a	N/a
Agency services	N/a	N/a	N/a	N/a	N/a	N/a
Transfers recognised - operational	81 637	81 684	84 484	142 081	43%	41%
Other revenue	N/a	N/a	N/a	N/a	N/a	N/a
Gains on disposal of ppe	N/a	N/a	N/a	N/a	N/a	N/a
Environmental protection	N/a	N/a	N/a	N/a	N/a	N/a
Total revenue (excluding capital transfers and contributions)	165 055	172 561	175 361	230 659	25.19%	23.97%

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

APPENDICES

Appendix K: Conditional grants received: Excluding MIG

Conditional Grants: Excluding MIG						R' 000
Details	Budget	Adjustments budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)
				Budget	Adjustments Budget	
Finance Management Grant	1 500	1 500	1 500	-	-	-
Municipal Systems Improvement Grant	800	800	1 590	-	-	-
Total						

Appendix L – Capital programme by project by ward 2012/2013

Capital Programme by Project by Ward 2012/2013			R' 000
Capital project	Ward(s) affected	Works completed (Yes/No)	
Water			
Regional Bulk Water Scheme	Jagersfontein and Fauresmith	Phase 1 Completed	
		Phase 2 in Progress	
Electricity			
400 households Connections	Trompsburg 262 sites, Fauresmith 49 sites	Completed	
	Bethulie 39 sites, Jagersfontein 50	N/A	
Housing			
832 BNG Housing project	Trompsburg 300, Bethulie 110,	Trompsburg, Phillipolis and Edenburg Comp	

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2013

2012
Restated

Capital Programme by Project by Ward 2012/2013		
	Gariep Dam 66,	
	Phillipolis 37, Edenburg 69, Springfontein 250	Bethulie, 58 Completed, Gariep Dam 0, Springfontein 20

Appendix M– Service connection backlogs at Schools and Clinics:

The municipality does not have service backlogs on Schools and Clinic.

Appendix N – Service backlogs experienced by the community where another sphere of government is responsible for service provision

Service backlogs experienced by the community where another sphere of government is the service provider (where the municipality whether or not act on agency basis)		
Services and locations	Scale of backlogs	Impact of backlogs
Clinics		It is not a functionality of the municipality
Housing	7668	Leads to illegal occupation
Licencing and Testing Centre	N/A	Available in each town but it is not functionality of the municipality.
Reservoirs	N/A	N/A
Sports Fields:	8	Increase rate of Crime.

Appendix N– Declaration of loans and grants made by the municipality

None

Appendix O – Declaration of returns not made in due time under MFMA S71

The Section 71 reports were submitted on time and there were no returns

Appendix P – National and provincial outcomes for local government

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National and provincial outcomes for local government		
Outcome/output	Progress to date	Number or percentage achieved
Output: Improving access to basic services	The municipality managed to implement some projects like fencing of cemeteries and renovation of halls from own funding.	70%
Output: Implementation of the community work programme	CDW are employed in 7 wards, they are fully functional, They report to the office of the Speaker and Premier's office and they have monthly programmes.	90%
Output: Deepen democracy through a refined Ward Committee model	The office of the speaker had developed a programme of action with the sole purpose of deepening democracy through public participation and ward committees played a vital role in the implementation of the programme, all nine towns of Koponong were reached and people without ID's, birth certificate, marriage certificate and registration of children were assisted to their satisfaction.	100% Work completed
Output: Administrative and financial capability	The municipality managed to settle the overdraft in full before the beginning of the new financial year. A 100% expenditure on MIG and Bulk water grants.	100%