



## EMPLOYEE ROAD SERVICES

Employees: Roads Service					
Job Level	2011/12		2012/13		
	Employees No	Posts No	Employees NO	Vacancies (Full time Equivalents) No	Vacancies(as a % of total post)
0 - 3		76	20	50	66%
4 - 6	10	24	10	14	58%
7 - 9		3	0	3	100%
10-12	3				
13 -15		5	4	1	20%
16 - 18					
19 - 20					
Total					

## FINANCIAL PERFORMANCE \_ ROAD SERVICES

Financial performance 2011/12: Roads Services					
Details	2011/12	2012/13			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue					
Expenditure:					
Employees	8,776,357	883,593	883,593	9,302,938	-
Repairs and Maintenance	1,262,014	184,530	184,530	1,426,075	-
Other	5,858,243	828,893	828,893	6,209,738	-
Total Operational Expenditure	15,896,64	1,897,016	1,897,016	16,938,72	15,041,736
Net Operational Expenditure	15,896,64	1,897,016	1,897,016	16,938,2	5,041,736



### CAPITAL EXPENDITURE 2012/13: ROADS SERVICES

Capital Expenditure 2012/13 Sanitation Services					
R' 000					
Capital Projects	2012/13				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All					
Winburg/Makeleketla: Construction of 0.8km residential distributor streets	112 403	-	599 604	98%	5 996 040
Winburg/Makeleketla: Construction of 1,5km residential distributor streets phase	1 26 417	-	13 179 153	99%	13 179 153

*Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.*



### **3.8 TRANSPORT (INCLUDING VEHICLE LICENSING & PUBLIC BUS OPERATION)**

This function is not performed by the Municipality.



### 3.9 WASTE WATER (STORM WATER DRAINAGE)

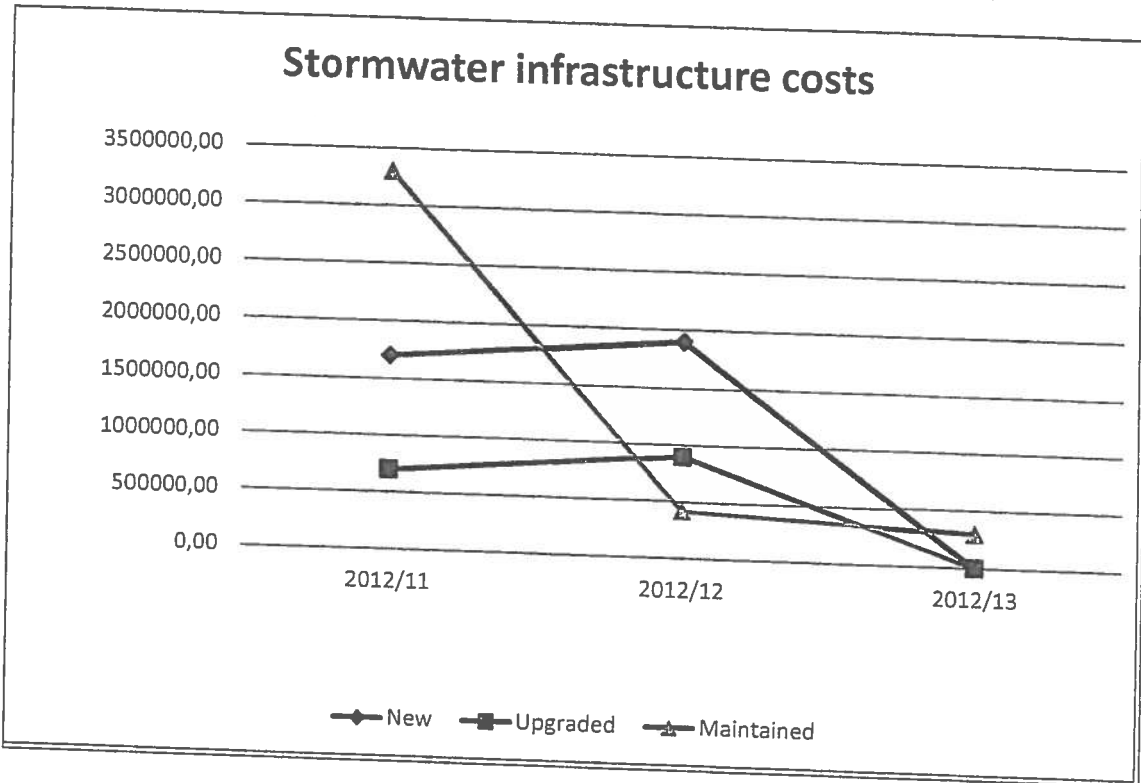
The main purpose of the storm-water management function in the Randfontein Local Municipality is to mitigate flooding and increase the lifespan of the road infrastructure. The main focus areas are:

- Cleaning of the storm-water pipes;
- Replacing broken pipes and kerb inlets;
- Installing new storm-water systems, construction of open channels and sub-soil drains;
- Construction of gabions.

The road network is not very good and the municipality prioritise the projects to address the water and sanitation due to the high backlog. R8 million projects had been implemented in Soutpanand, Verkeerdevlei and another one was implemented in Winburg to address the road and storm water challenges

Storm water Infrastructure				
	Storm Water Measures	New Storm Water Measures	Storm Water Measures Upgraded	Storm Water Measures Maintained
2010/11	129 km	0	0	5km
2011/12	129 km	0	3 km	20km
2012/13	131 km	0	0	10km

Cost of Construction/Maintenance			
Storm Water Measures			
	New	Upgraded	Maintained
2010/11	1700000	700000	3300000
2011/12	1900000	900000	420000
2012/13	-	-	300 000





**STORM WATER SERVICE POLICY OBJECTIVES TAKEN FROM IDP/SDBIP**

Key Performance Indicators	Baseline: 2012/13	Annual target: 2012/13	Actual performance: 30 June 2013	Reasons for non-or under-performance	Corrective measures taken or to be taken
Ensure functional storm water drainage system	Mostly blocked system by waste & mud	R3,188,007 was spend to improve the system	Complete	Poor workmanship due to poor monitoring EpWP	Appoint a sub-contractor with capacity to train our labour



## EMPLOYEES- STORM WATER SERVICES

Employees- Storm Water Services					
Job Level	2011/12 Employees No.	Post No	2012/13 Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total Costs) %
0-3	5	71	19	52	73%
4-6	0	29	19	10	34%
7-9	0				
10-12	1	10	6	4	40%
13-15					
16-18					
19-20					
Total					

## FINANCIAL PERFORMANCE: STORM WATER SERVICE

Financial performance : Storm Water Service				
Details	2012/13			
	Actual	Original Budget	Adjustment Budget	Variance to Budget
Total Operational Revenue:	18 286 322	161 885		11%
Expenditure:				
Employees	3 612 222	48 935		86%
Repairs and Maintenance	-	-	-	-
Other	-	-	-	-
Total Operational Expenditure	3 612 222	48 935		86%
Net Operational Expenditure	179 251	112 951		37%



### Capital Expenditure: Storm Water Services

Capital Expenditure 2012/13: Storm Water Services					
2012/13					
Capital Project	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All					
Upgrading of storm water drainage Winburg/Makeleketla	140000	140000			
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate)</i>					





## COMPONENT C: PLANNING AND DEVELOPMENT

### 3.10 PLANNING

Applications for Land Use Development						
Detail	Formalisation of Townships		Rezoning		Rezoning	
	2011/12	202/13	2011/12	2012/13	2011/12	2012/13
Planning application received	1	0	0	1	52	40
Determination made in year of receipt	0	0	0	0	48	32
Determination made in following year	0	0	0	0	4	17
Applications withdrawn	0	0	0	0	0	0
Applications outstanding at year end	1	0	0	1	4	17



**PLANNING OBJECTIVES TAKEN FROM IDP/SDBIP**

Key Performance indicators	Baseline: 2012/13	Annual target: 2012/13	Actual performance: 30 June 2013	Reasons for non-or under-performance	Corrective measures taken or to be taken
Review integrated development plan	2011/12 IDP	Develop process plan	IDP was developed & approved by council		
		2013 budget approved by council in an ordinary council setting Ensure public participation	2013 budget approved by council in an ordinary council setting Public was notified & requested to submit verbal or written representation		
Review service delivery budget implementation plan		Submit SDBIP to the mayor 14 days after approval of IDP & Budget	Submitted to the mayor for consideration & tabling before council.		



## EMPLOYEE SERVICES- PLANNING SERVICES

Employees-Planning Services					
Job Level	2011/12 Employees No.	Post No	2012/13 Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total Costs) %
0-3					
4-6		1		1	100%
7-9					
10-12	1	1		1	100%
13-15		1	2	1	100%
16-18					
19-20					
Total					

## FINANCIAL PERFORMANCE: PLANNING SERVICE

FINANCIAL PERFORMANCE :PLANNING SERVICE					
Details	2011/12	2012/13		Actual	Variance to Budget
	Actual	Original Budget	Adjustment Budget		
<b>Total Operational Revenue:</b>					
<b>Expenditure:</b>					
Employees					
Repairs and Maintenance					-
Other					-
Total Operational Expenditure					
<b>Net Operational Expenditure</b>					

The was no revenue nor expenditure realised

**CAPITAL EXPENDITURE PLANNING SERVICES**

Capital Expenditure 2012/13: Planning Services					
2012/13					
Capital Project	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All					
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate)</i>					

No major capital projects budgeted for in the 2012/13 financial year



## COMPONENT D: COMMUNITY & SOCIAL SERVICES

This component encompasses: libraries; community halls; cemeteries; special programmes,

### 3.11 LIBRARIES

#### SERVICE STATISTICS FOR LIBRARIES:

	Membership
2010/11	24 995
2011/12	25 044
2012/13	25 166

#### Employee-Libraries

Employees- Libraries Services					
Job Level	2011/12 Employees No.	Post No	2012/13 Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total Costs) %
0-3	4	6	4	2	33%
4-6	4				
7-9		10	5	5	10%
10-12					
13-15					
16-18					
19-20					
Total					



## FINANCIAL PERFORMANCE \_LIBRARY SERVICES

Financial performance 2011/12: Library Services					
	2011/11	2013			
Details	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue		(48 020)	(48 020)		
Expenditure:					
Employees	1 080 400	1 080 400	1 080 400	1 955 225	
Repairs and Maintenance					
Other					
Total Operational Expenditure					
Net Operational Expenditure					

## CAPITAL EXPENDITURE-LIBRARY SERVICES

Capital Expenditure 2012/13: Library Services					
	2012/13				
Capital Project	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All					
Brandfort Construction of sports centre	1523856	1523 856	18132858	92%	
Winburg Construction of sports centre	5338274	5338274	7401208.00	28%	
Construction of Soutpan community hall & sport complex	314524	314524			
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate)</i>					



### 3.12 CEMETORIES AND CREMATORIUMS

#### NUMBER OF CEMETERIES

NUMBER OF CEMETERIES	
	NUMBER
THEUNISSEN	5
WNDBURG	5
BRANDFORT	5
VERKEERDEVLEI	3
SOUTPAN	3
<b>TOTAL</b>	<b>21</b>

#### NUMBER OF CEMETERIES OPENED

NUMBER OF CEMETERIES OPENED DURING THE 2012/13	
	NUMBER
THEUNISSEN	352
WNDBURG	152
BRANDFORT	211
VERKEERDEVLEI	100
SOUTPAN	30
<b>TOTAL</b>	<b>845</b>



## EMPLOYEES- CEMETERIES SERVICES

Employees- Cemeteries Services					
Job Level	2011/12 Employees No.	Post No	2012/13 Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total Costs) %
0-3	10	10	1	9	90%
4-6		15	6	9	60%
7-9	5				
10-12			2	2	
13-15					
16-18					
19-20					
Total		15	9	20	150%





## **COMPONENT D: ENVIRONMENTAL PRTECTION**

### **3.13 BIO-DIVERSITY: LANDSCAPE**

This function is not performed by the municipality

## **COMPONENT F: HEALTH**

This component includes: clinics; ambulance services; and health inspections.

### **3.14 CLINICS**

The Municipality does not perform the above function.

### **3.15 AMBULANCE SERVICES**

The Municipality does not perform the above function.

### **3.16 HEALTH INSPECTION; FOOD AND ABBATOIR LICENSING AND INSPECTION**

The Municipality does not perform the above functions.



## COMPONENT G: SECURITY AND SAFETY

This component includes only traffic police; the fire and disaster management, functions are performed by the District.

### 3.17 POLICE

#### Police Service Data

Traffic Police Service Data				
	2010/11	2011/12		2012/13
	Actual No.	Estimate No.	Actual No.	Actual No.
Number of road traffic accidents during the year	11	8	4	2
Number of by-law infringements attended	6	5	1	1
Number of police officers in the field on an average day	1	1	1	1
Number of police officers on duty on an average day	1		1	1



## EMPLOYEES-POLICE SERVICES

Employees-Police Services					
Job Level	2011/12 Employees No.	Post No	2012/13 Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total Costs) %
0-3		2	5	3	150%
4-6		46		46	100%
7-9		6		6	100%
10-12	1	3		3	100%
13-15					
16-18					
19-20					
Total					



## COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES

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

### INTRODUCTION TO CORPORATE POLICY OFFICES

*-This is not the municipality's competency*

### 3.24 EXECUTIVE AND COUNCIL

**This component includes: Executive office (mayor; councillors; and municipal manager).**

#### INTRODUCTION TO EXECUTIVE AND COUNCIL

The executive is established in terms of chapter 4 of the Internal Structures and Functionaries (ss 42-82) and Part 1 of Executive Committees (ss 42-53) of the Local Government Municipal Structures Act 117 of 1998. An Act which regulates the establishment of an executive with regards to certain types of municipalities. It is composed of 8 (eight) members of the Mayoral committee each member of the committee chairs a section 80 committee. Refer to Appendices A.

The duty of the Executive is to assist the executive Mayor in the execution of her duties and also to attend to responsibilities assigned to them by the Executive Mayor.

The municipal Council is established in terms of Section 157 (1) of the Constitution and Section 22 (1) of the Local Government Municipal Systems Act. Which stipulates that council of the Metropolitan or Local consists of councillors elected in accordance with schedule 1? It is composed of the Speaker of council who presides at meetings of the council and must ensure that council meets at least quarterly, the Chief Whip who is appointed by council and has to ensure that councillors attend to their duties and account to their constituencies and gives political management of council meetings and councillors elected in terms of schedule 1.

#### SERVICE STATISTICS FOR THE EXECUTIVE AND COUNCIL

Councillors attend to different initiatives as per their programmes or those emanating from both National or Provincial spheres of government. Programmes differ from health, education environment, local economic development etc. through Private Partnerships; a few projects have been established with a view of fighting poverty and bettering the lives of our people.



## Employee: Executive and Council

Employees: The Executive and Council					
Job Level	2011/12 Employees No.	Post No	2012/13 Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total Costs) %
0-3		0	0		
4-6		2	2		
7-9		5	5		
10-12		5	5		
13-15		2	2		
16-18					
19-20					
Total		14	14		

## Financial Performance

Financial performance Year 2013/13: The Executive Council					
Details	2011/12	2012/13			
	Actual	Actual	Original Budget	Adjustment Budget	Variance to Budget
Total Operational Revenue:	35 688 741	41 032 500	41 032 500	41 032 500	
Expenditure:					
Employees	4 804 107	4 407 754	4 020 000	4 407 754	
Repairs and Maintenance	-	-	-	-	-
Other	5 756 753	5 852 292	5 942 40	5 876 446	
Total Operational Expenditure	10560860	10260046	9 962 400	10284199	
Net Operational Expenditure	25127881	30772454	42954900	-30748301	



Capital Expenditure Year 2012/13: The Executive Council					
2012/13					
Capital Project	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All					
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate)</i>					



### 3.25 Financial Services

Debt Recovery							
Details of the types of account raised and recovered	2012		2013			2014	
	Actual for accounts billed in year	Proportion of accounts value billed that were collected in the year %	Billed in Year	Actual for accounts billed in year	Proportion of accounts value billed that were collected %	Estimated outturn for accounts billed in year	Estimated Proportion of accounts billed that were collected %
	R' 000						
Property Rates	12 91991			5 948 186	60.91 %		
Water-B				5 097 935			
Water-C	12,831,64			3 811 028	51.11 %		
Electricity-B	16 472834			1 481 316			
Electricity-C				10 326 268			
Sanitation	12,949,621			9 656 620			
Refuse	6,358,152			4 623 471			
Other							

B- Basic; C= Consumption. See chapter 6 for the Auditor General's rating of the quality of the financial Accounts and the systems behind them.



**Financial Service Policy Objectives Taken From IDP**

Key Performance indicators	Baseline: 2011/12	Annual target: 2012/13	Actual performance: 30 June 2013	Reasons for non-or under-performance	Corrective measures taken or to be taken
Submission to the Office of the Auditor General & Treasury by 31 August 2010	Submitted late	100%	100%		
% of GRAP compliant FMS implemented		50%	70%		
Various policies, in compliance with relevant legislative framework, must be adopted by Council and be implemented accordingly		100%	40%	Limited municipal policy frameworks	Policies review and updated to ensure compliance
Expenditure management As per the requirements of the MFMA		100%	40%	Poor internal controls & out dated financial information systems	Establishment of a server & replace pastel
% of Existing accounts screened and rectified (data cleansing/purification)		100%	40%	Lack of HIR capacity	Conduct a work study





## Employees: Financial Services

Employees: Financial Services					
Job Level	2011/12 Employees No.	Post No	2012/13 Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total Costs) %
0-3		8	4		
4-6		19	16		
7-9		0	0		
10-12	24	16	10		
13-15	2	5	2		
16-18	1				
19-20					
Total	27	48	32		

## Financial Performance: Financial Services

Financial performance 2011/12: Financial Services					
Details	2011/12	2013			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	5 440 318	14 785 604	15 055 986	15 055 986	
<b>Expenditure:</b>					
Employees	4 756 045	6 092 490	6 122 490	6 122 490	
Repairs and Maintenance	5 076	365 143	214 700	199 674	
Other	9 875 895	9 443 110	10 474 760	11 340 926	
<b>Total Operational Expenditure</b>	14637016	15900743	16811950	17663090	
<b>Net Operational Expenditure</b>	<b>-9196698</b>	<b>-1115139</b>	<b>-1805964</b>	<b>-2607104 -</b>	



### Capital Expenditure: Financial Services

Capital Expenditure Year 2012/13: Financial Services					
2012/13					
Capital Project	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All					
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate)</i>					



Wireless and Cable LAN/WAN	Commando	Microsoft Windows	Kaspersky antivirus Ms Office 2007/10/13
Cable LAN/WAN	Human Resource	Microsoft Windows	Kaspersky antivirus Ms Office 2007/10/13
Cable LAN/WAN	Housing	Microsoft Windows	Kaspersky antivirus Ms Office 2007/10/13
Wireless and Cable LAN/WAN	Corporate	Microsoft Windows	Kaspersky antivirus Ms Office 2007/10/13
Cable LAN/WAN	Winburg	Microsoft Windows	Kaspersky antivirus MS Office 2007/10/13
Cable LAN/WAN	Brandfort	Microsoft Windows	Kaspersky antivirus
VSAT and cable LAN/WAN	Soutpan	Microsoft Windows	Kaspersky 2012 MM Office 2007/10/13
3G, VSAT and cable LAN/WAN	Verkeerdevlei	Microsoft Windows	Kaspersky antivirus MM Office 2007/10/13



**SERVICE STATISTICS FOR ITC SERVICES**

**THE FOLLOWING ARE SERVICES MADE DURING 2012/13:**

- Installation of Software (both servers and workstations = 34)
- Repairs: 15
- Purchases: 9

**CHALLENGES INCURRED:**

1. ICT is under staff (only 1 person is servicing entire municipality)
2. ICT does not have enough resources (equipment and software)
3. Current network connection (Telkom VPN) is very slow
4. ICT Budget is decentralized
5. Website, Internet and VPN is not paid on time.
6. ICT Policies not yet approved by council



**INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES POLICY OBJECTIVE TAKEN FROM IDP**

Key Performance indicators	Baseline: 2012/13	Annual target: 2012/13	Actual performance: 30 June 2013	Reasons for non-or under-performance	Corrective measures taken or to be taken
Develop current IT capacity & establish a unit	One employee	Complete work study	In the process of finalising the completion of a work study	Limited resources both human & capital	A consultant will be appointed
Improve the current server			A tender is advertised	Limited resources both human & capital	



## Employees: Information and Communication Technology (ict) Services

Employees: Information and Communication Technology (ict) Services					
Job Level	2011/12 Employees No.	Post No	2012/13 Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total Costs) %
0-3					
4-6					
7-9					
10-12		1	1		
13-15					
16-18	1				
19-20					
Total	1	1	1		

## Financial Performance: Information and Communication Technology (ict) Services

Financial performance Year 2013/13: : Information and Communication Technology (ict) Services					
Details	2011/12	2012/13			
	Actual	Actual	Original Budget	Adjustment Budget	Variance to Budget
Total Operational Revenue:	35 688 741	41 032 500	41 032 500	41 032 500	
Expenditure:					
Employees	4 804 107	4 407 754	4 020 000	4 407 754	
Repairs and Maintenance	-	-	-	-	-
Other	5 756 753	5 852 292	5 942 400	5 876 446	
Total Operational Expenditure	10560860	10260046	9 962 400	10284199	
Net Operational Expenditure	25127881	30772454	42954900	-30748301	



### Capital Expenditure: Information and Communication Technology (ict) Services

Capital Expenditure Year 2012/13: Financial Services					
Capital Project	2012/13				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All					
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate)</i>					



### 3.27 HUMAN RESOURCE SERVICES





Service Policy Objectives Taken From IDP

Key Performance Indicators	Baseline: 2011/12	Annual target: 2012/13	Actual performance: 30 June 2013	Reasons for non-or under-performance	Corrective measures taken or to be taken
Organisational Structure reviewed & approved by Council		30 August 2012	25%	Lack of human capacity	
PMS developed, approved and implemented		31 December 2012	25%	Lack of human capacity	
HR policies to be reviewed, approved by Council and implemented		8 Policies	8 Policies		
Employment Equity Plan approved by Council		-100%	Submitted to council		
An improved Number of Reports submitted to Council		All report required by legislation	40%	Lack of human capacity	
Skills Development Plan approved by Council		30 August 2012		Lack of human capacity	
Training programmes	3	4	25%		
Quarterly staff Meetings	3	4	25%		
Number of Employees		-	-		
Health & Safety Awareness Meetings		4	25%	Lack of human capacity	



Policy approved by Council	1 Policy	-1 Policy		
Workplace Skills Plan and Personal Development Plans	Plan & strategy developed & implemented			
Employment Equity Plan & Report submitted	Plan & Report developed & implemented			



### Employees: Human Resource Services

Employees: Human Resource Services					
Job Level	2011/12 Employees No.	Post No	2012/13 Employees No.	Vacancies (fulltime equivalents) No.	Vacancies (as a % of total Costs) %
0-3					
4-6		5	3		
7-9					
10-12	24	5	2		
13-15	2	1	0		
16-18	1				
19-20					
Total	27	11	5		

### Financial performance 2011/12: Human Resource Services

Financial performance 2011/12: Human Resource Services					
Details	2011/12	2013			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue					
Expenditure:					
Employees					
Repairs and Maintenance					
Other					
Total Operational Expenditure					
Net Operational Expenditure					

### Capital Expenditure Year 2012/13: Human Resource Services

Capital Expenditure Year 2012/13: Human Resource Services					
Capital Project	2012/13				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All					

*Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate)*



### **3.28 PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES**

This component includes: property; legal; risk management and procurement services



## Chapter 4

### COMPONENT A: ORGANIZATIONAL PERFORMANCE SCORECARD

This chapter gives an account of organizational development performance with reference to the municipal workforce. Attention will be paid to the management of municipal workforce, workforce capacity building and workforce expenditure.

#### Municipal Workforce

The majority of Maseko workforce is mostly dominated by male employees, 90% of employees are African (blacks). No persons with disability were recruited during the financial year under review. The municipality did not also have foreign nationals appointed for 2012/13. The table below gives an account of the municipal workforce.

#### HUMAN RESOURCE SERVICES

For the last quarter of the 2012/13 financial year the municipality focused on ensuring effective management of available human resources and attraction of competent workforce. The Human Resources Management Manual was developed and forwarded for approval by council in 2012/13 in order to ensure proper governance of the workforce. Senior Management Teams were trained on developed policies in order to familiarise the team with the policies. The municipal structure was reviewed and filling of vacant positions as identified in the new structure is also placed at the centre of service delivery by the municipal manager.

#### Skill Development:

Management team is attending training in various fields with the sole objective of capacity building and skills development, to close identified gaps within different directorates.

#### Promoting Safe and Healthy Work Environment:

Occupational Health and Safety Risk Assessments were conducted in 2012/13 where efforts to mitigate on all identified risks are unfolding. All employees performing work of the nature that required safety clothing and equipment were provided annually with requirements of safety. Health and Safety Committee which is inclusive of representatives is established and needs to be revitalised to ensure its effective functionality.

**Promoting the Wellbeing of all Employees:**

Organization wide Employee Wellness Program was approved by council in 2010 as a framework to guide wellness activities continuously.

**Management of Labour Relations:**

The municipality has made serious strides to ensure that the labour relationship between management and union remain sound. This is witnessed by the lack of strike actions within the municipality. The local Labour Forum was re-established and had functional engagements with management especially on matter affecting the municipal workforce.

**Information and Communications Technology:**

Information and Communications Technology is the backbone of service operations in the Municipality. The unit has set out to achieve the following.

- Information Technology Governance

The issue of governance was flagged as a necessary intervention to regulate and guide the development path of IT in the Municipality. Information Technology Governance is a subset discipline of Corporate Governance focused on information technology (IT) systems and their performance and risk management. The rising interest in IT governance is partly due to compliance initiatives, but more so because of the need for greater accountability for decision-making around the use of IT in the best interest of all stakeholders. IT capability is directly related to the long term consequences of decisions made by top management. Traditionally, executives deferred key IT decisions to the company's IT professionals. This cannot ensure the best interests of all stakeholders unless deliberate action involves all stakeholders. IT governance systematically involves everyone, executive management and staff. It establishes the framework used by the organization to establish transparent accountability of individual decisions, and ensures the traceability of decisions to assigned responsibilities.



## MUNICIPAL PERSONEL

### 4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

Department	Employees 2011/12	Employees 2012/13
General workers	4	4
Mayor	3	3
Speaker	6	6
Municipal Manager	16	6
Corporate Services	18	17
Town Hall and Offices	18	32
Finance	35	31
Social & Community Services	11	4
Cemeteries	5	8
Libraries	10	13
Housing	6	6
Traffic	1	25
Parks	26	19
Refuse	51	56
Sewerage	49	62
Public Works	62	29
Water	29	42
Electricity	6	5
Technical Services	44	7
<b>Total</b>	<b>417</b>	<b>375</b>



## CHAPTER 5

### INTRODUCTION

**Chapter 5** encompasses information regarding financial performance and highlights detail accomplishments carried out by the municipality using GRAP as guiding framework for reporting.

The chapter comprises of the following components:

- Component A: Statements of Financial Performance
- Component B: Spending Against Capital Budget
- Component C: Other Financial Matters

### INTRODUCTION TO FINANCIAL PERFORMANCE

Based on the Financial Performance of the Municipality a deficit is reported for the fiscal year under review. This resulted to an unfavourable expenditure of employee costs and Remuneration of councillors. These costs have to be reduced in order for the municipality to recover the loss and meet intended objectives.

There's no analysis made on depreciation and impairments due to the fact that Assets are currently revaluated; hence comments on assets will be pending until a true valuation of assets is provided.





**5.1 STATEMENTS OF FINANCIAL PERFORMANCE**

Description	Year 2011/12	Current Year: Year 2012/13			Year 1 Variance		R' 000
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget	
<b>Financial Performance</b>							
Property rates	14 455	10 359	10 359	15 075	31%	31%	31%
Service charges	63 283 120	55 177 824	22 066	1 164	-4740263%	-1796%	-1796%
Investment revenue	49 500	50	322	186	73%	-73%	-73%
Transfers recognised - operational	74 392 000	83 391	83 391	71 549	-17%	-17%	-17%
Other own revenue	3 399 579	12 907 689	137	25 417	-50684%	99%	99%
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>141 138 654</b>	<b>68 179 313</b>	<b>116 275</b>	<b>113 391</b>	<b>-60028%</b>	<b>-3%</b>	<b>-3%</b>
Employee costs	44 923 900	48 934 751	50 502	55 857 239	12%	100%	100%
Remuneration of councillors	4 834 816	5 249 679	5 703	5 276 284	1%	100%	100%
Depreciation & asset impairment	3 100 000	4 000 000	4 000	24 601 019	84%	100%	100%
Finance charges	513 560	555	555	1 474 432	100%	100%	100%
Materials and bulk purchases	23 575 000	30 736	26 950	28 185 051	100%	100%	100%
Transfers and grants	10 649 392	-	-	120 467 462	-	-	-
Other expenditure	67 457 055	71 419 437	50 478	23 126 662	-209%	100%	100%
<b>Total Expenditure</b>	<b>155 053 723</b>	<b>129 635 158</b>	<b>138 188</b>	<b>258 988 149</b>	<b>50%</b>	<b>100%</b>	<b>100%</b>
<b>Surplus/(Deficit)</b>	<b>-13 915 069</b>	<b>-61 455 845</b>	<b>-21 913 845</b>	<b>-258 874 758</b>	<b>76%</b>	<b>100%</b>	<b>100%</b>
Transfers recognised - capital	30 322	990	44 782 000				



Contributions recognised - capital & contributed assets	-	750	-	-	-	-			
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	16 406 931	-59 716 102	44 760 087	-258 874 758	77%	117%			
Share of surplus/ (deficit) of associate									
<b>Surplus/(Deficit) for the year</b>	16 406 931	-59 716 102	44 760 087	-258 874 758	77%	117%			
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	34	45	44						
Transfers recognised - capital	142	542	782						
		44	44						
	30 322 000	868	782						
Public contributions & donations	-	-	-	-	0%	0%			
Borrowing	-	-	-	-	0%	0%			
Internally generated funds	3820	675							
		45							
<b>Total sources of capital funds</b>	34 142	542	44 782 000	0					
<b>Financial position</b>									
Total current assets	15	24	18 883 000	78 923 759	69%	76%			
	623	434	138 217						
Total non-current assets	104	138	000	572 022 050	76%	76%			
Total current liabilities	61 707	62 717	62 717 000	54 614 189	-15%	-15%			
Total non-current liabilities	9 646	6 922	6 922 000	20 759 867	67%	67%			
Community wealth/Equity	48 912	93 012	87 433 000	0					



<b><u>Cash flows</u></b>									
Net cash from (used) operating	-	49 898 305	0	49 660 759	0%	100%			
Net cash from (used) investing	-	(44 782)	0	-28 409 199	-58%	100%			
Net cash from (used) financing	-	(2 724)	0	2 813 112	197%	100%			
<b>Cash/cash equivalents at the year end</b>	-	<b>2 392</b>	<b>0</b>	<b>4 716 294</b>	<b>49%</b>	<b>100%</b>			
<b><u>Cash backing/surplus reconciliation</u></b>									
Cash and investments available	5 097 000	10 649 8	5 097 000	0					
Application of cash and investments	56 594	256	16 614 000	0					
<b>Balance - surplus (shortfall)</b>	<b>(51 497)</b>	<b>392</b>	<b>-11 517 000</b>	<b>0</b>					
<b><u>Asset management</u></b>									
Asset register summary (WDV)	101 340 3	134 916 4	0	0					
Depreciation & asset impairment	100	000	4 000 000	0					
Renewal of Existing Assets	-	-	0	0					
Repairs and Maintenance	7 288	674	7 675 000	0					



<b>Free services</b>						
Cost of Free Basic Services provided	0	10 068 918	10 068 918	0		
Revenue cost of free services provided	0	19 688 209	19 688 209	0		
<b>Households below minimum service level</b>						
Water:	0	0	0	0		
Sanitation/sewerage:	0	0	0	0		
Energy:	0	0	0	0		
Refuse:	0	0	0	0		
<i>Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A1</i>						



## FINANCIAL PERFORMAMNCE OF OPERATIONAL SERIVICES

FINANCIAL PERFORMAMNCE OF OPERATIONAL SERIVICES						
						R' 000
Description	2011/12		2012/13			2012/13 Variance
	Actual	Original Budget	Adjustment Budgeted	Actual	Original Budget	Adjustments Budget %
<b>Operational Costs:</b>						
Water	14,638,928		(8,658,623)	13,805,598	22,464,221	
Waste Water(Sanitation)						
Electricity						
Waste Management	16,472,834			(5,356,538)		
Housing			(212,114)	891,466	1,103,580	
<b>Component A: sub-total</b>						
Storm water Drainage						
Roads						
Transport						
<b>Component B: sub-total</b>						
Planning						
Local Economic Development						
<b>Component B: sub-total</b>						
Planning ( Strategic & Regulatory)						
Local Economic Development						



<b>Component C: sub-total</b>						
Community & Social Services						
Environmental Protection						
Health Security and Safety						
Sport and Recreation						
Corporate Policy Offices and Other						
<b>Component D: sub-total</b>						
<b>Total Expenditure</b>						



## 5.2 GRANTS

## GRANT PERFORMANCE

GRANT						
Description	2011/12			2012/13		
	Actual	Budget	Adjusted Budgets	Actual	Budget	Adjusted Budgets
<b>National Government:</b>						
Equitable Share	72,369.831	72,369.	(72,369.831)	81,091.000	-	(81,091.000)
Municipal Systems Improvement	790,000	800	800	-	-	-
Department of Water Affairs				36 782 000	-	-
Levy replacement						
Other transfers/grants	1,589		1,250			
<b>Provincial Government:</b>						
Health subsidy Housing	81,900		(81,900)			
Ambulance subsidy						
Sports and Recreation						
Other transfers/grants [insert description]						
<b>District Municipality:</b>						
<b>Total Operating Transfers and Grants</b>						



## GRANTS RECEIVED FROM OTHER SOURCES

Grants Received from Other Sources						
DETAILS OF DONOR	Actual Grant 2011/12	Actual Grant 2012/13	Municipal Contribution 2012/13	Date Grant Terminates	Date Municipal Contribution Terminates	Nature and benefit from The grant received, include description of any contributions in kind
<b>Parastatals</b>						
A-"Project1"						
A-"Project2"						
B-"Project1"						
B-"Project2"						
<b>Foreign Governments/Development Aid Agencies</b>						
A-"Project1"						
A-"Project2"						
B-"Project1"						
B-"Project2"						
<b>Private Sector/Organisations</b>						
A-"Project1"						
A-"Project2"						
B-"Project1"						
B-"Project2"						
<i>Provide a comprehensive response to this schedule</i>						

Comment
---------

The municipality did not receive other grants from other sources for the financial year under review
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### 5.3 MANAGEMENT

#### TREATMENT OF THREE LARGEST ASSET ACQUIRED IN 2012/13

TREATMENT OF THE THREE LARGEST ASSETS ACQUIRED 2012/13				
<b>Asset1</b>				
Name				
Description				
Asset Type				
Key Staff Involved				
Staff Responsibilities				
Asset Value	2009/10	2010/11	2011/12	2012/13
Capital Implications				
Future Purpose of Asset				
Describe Key Issues				
Policies in Place to Manage Asset				
<b>Asset2</b>				
Name				
Description				
Asset Type				
Key Staff Involved				
Staff Responsibilities				
Asset Value	2009/10	2010/11	2011/12	2012/13
Capital Implications				
Future Purpose of Asset				
Describe Key Issues				
Policies in Place to Manage Asset				



Asset3				
Name				
Description				
Asset Type				
Key Staff Involved				
Staff Responsibilities				
Asset Value	2008/09	2009/10	2010/11	2012/13
			-	
Capital implications				
Future Purpose of Asset				
Describe Key Issues				
Policies in Place to Manage Asset				

#### Comment on Three Largest Assets acquired

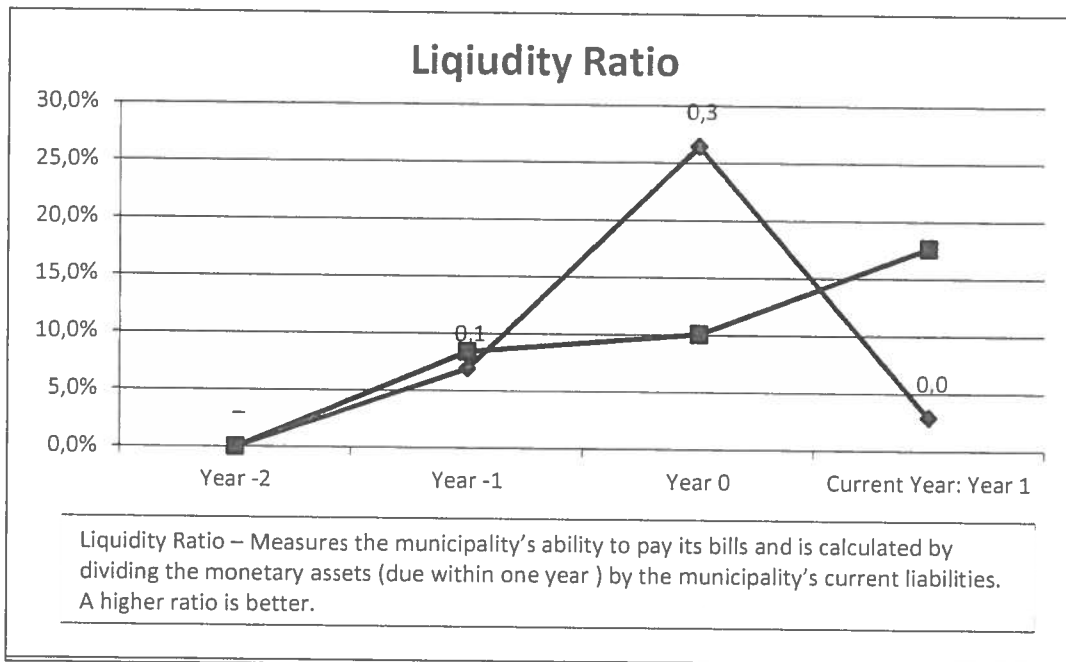
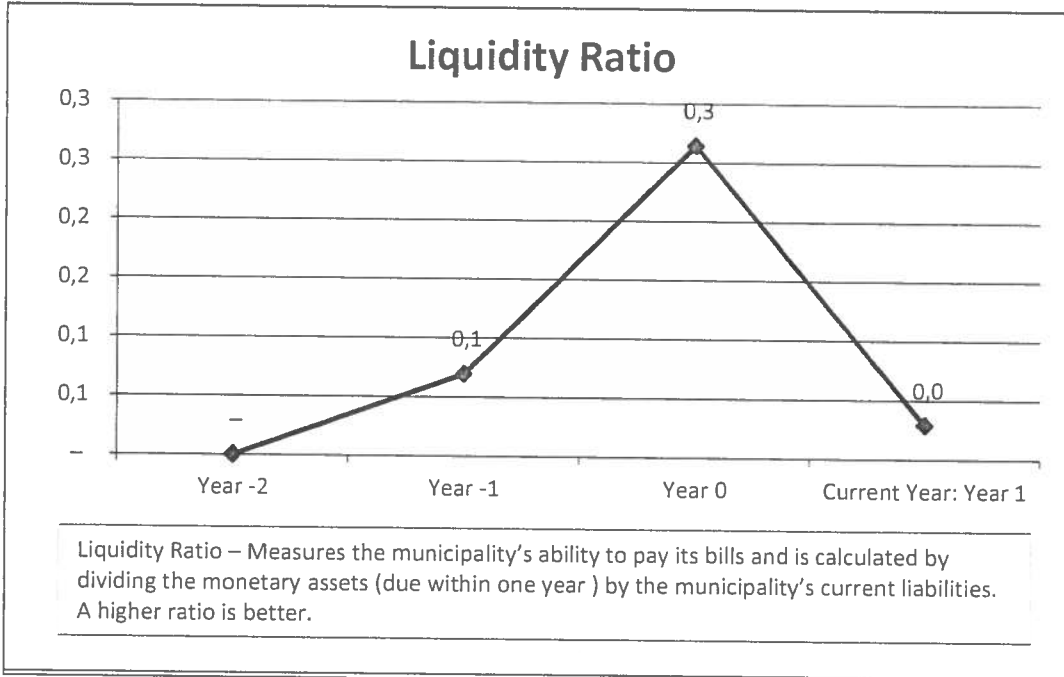
The municipality is currently in the process of asset verification and valuation

#### REPAIRS AND MAINTANANCE

Repair and Maintenance Expenditure: 2012/13				
				R'000
	Original Budget	Adjustment Budget	Actual	Budget variance
<b>Repairs and Maintenance</b>	12,592,986	8,093,488	4,499,498	64.27%

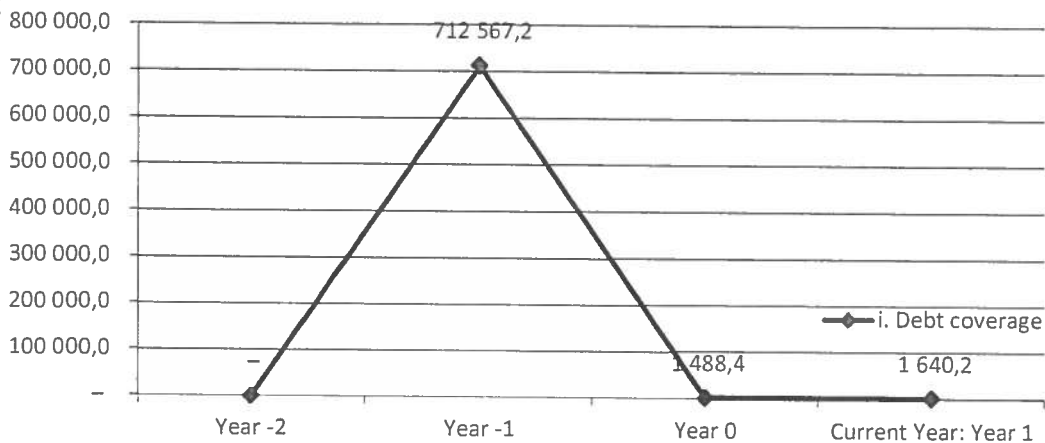


**5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS**



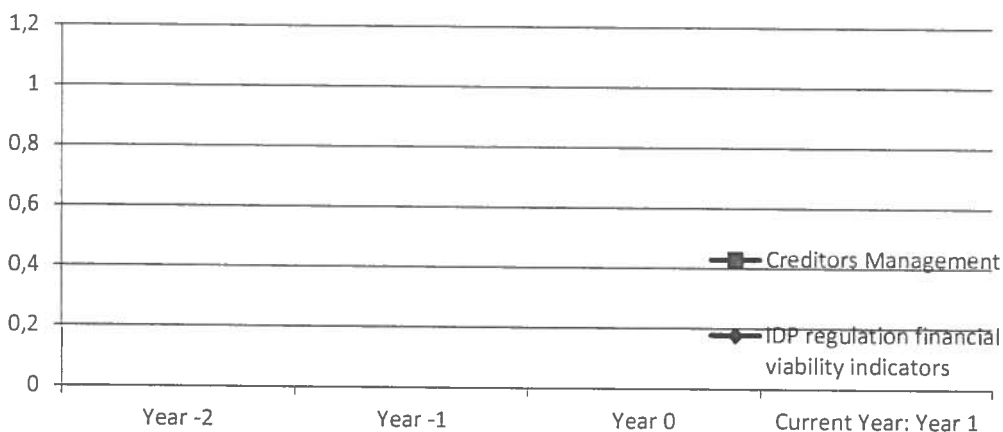


### Total Outstanding Service Debtors



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

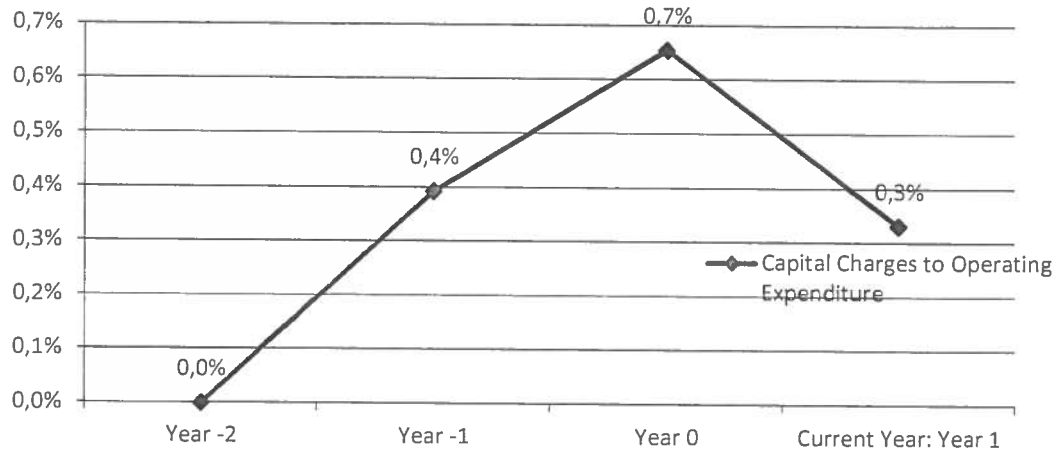
### Debt Coverage



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

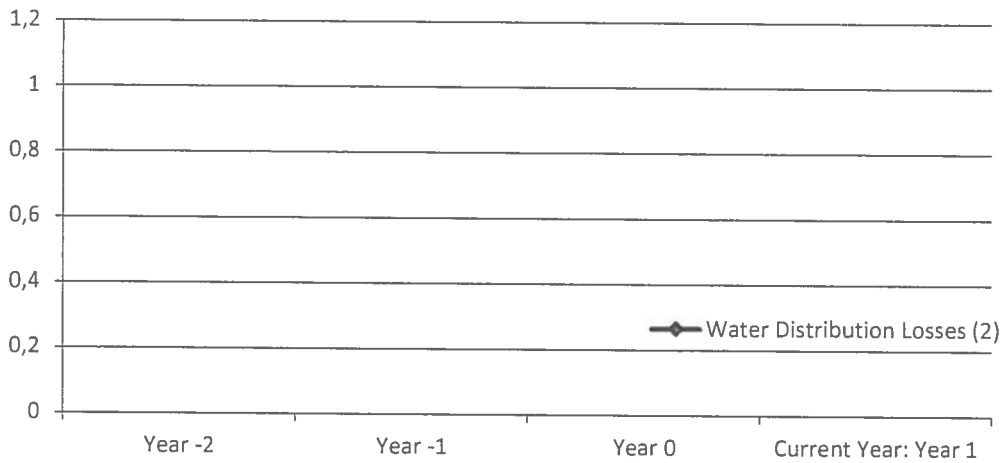


### Capital Charges to Operating Expenditure



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

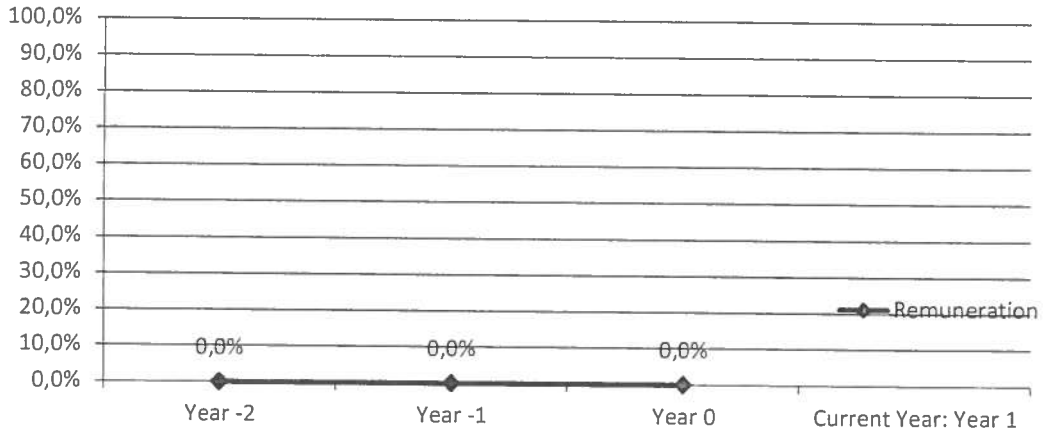
### Employee Costs



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



### Repairs & Maintenance



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



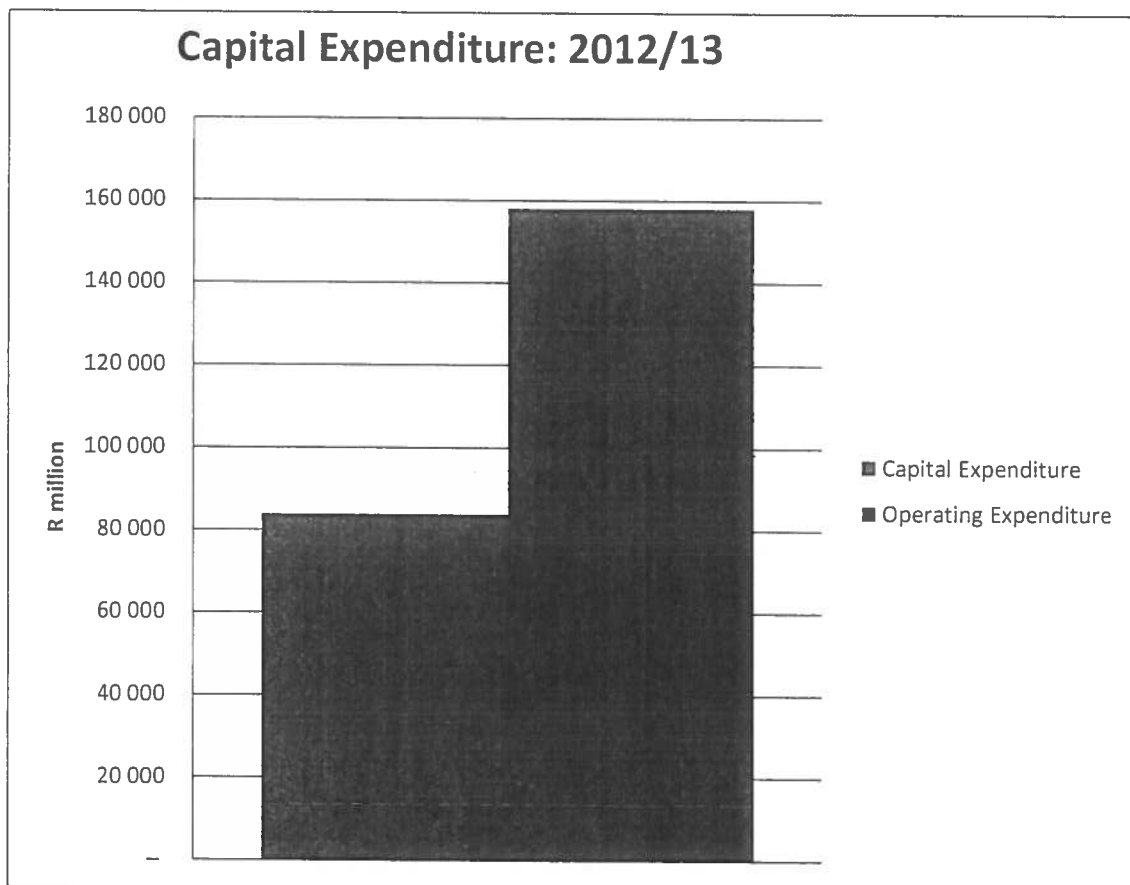
## COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

### INTRODUCTION TO SPENDING AGAINST CAPITAL BUDGET

**CAIPITAL EXPENDIYURE:** Capital expenditure includes costs incurred on the acquisition of fixed or movable assets, construction of projects and any subsequent expenditure that increases the earning capacity of an existing asset. The cost of acquisition not only includes the cost of purchases but also any additional costs incurred in bringing the asset into its present location and condition (e.g. Delivery Costs, Installation Cost, Replacement Cost, Up gradation Costs, etc.).

Capital expenditure is funded from grants, borrowings and operating expenditures; surpluses and any other applicable external funding.

### 5.5 CAPITAL EXPENDUTER





## 5.6 SOURCES OF FUNDING

Capital Expenditure - Funding Sources 2011/12 - 2012/13							
R' 000							
Details	Year 2011/12	Year 2012/13					
		Actual	Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance (%)	Actual to OB Variance (%)
Source of finance							
	External loans	5 334	555	537	5 003	-3.30%	801.52%
	Public contributions and donations	-	-	-	-	-	-
	Grants and subsidies	105 328	128 173	44 782	120 467	-65.06%	-6.01%
	Other	-	-	-	-	-	-
<b>Total</b>		<b>110 663</b>	<b>128 728</b>	<b>45 319</b>	<b>125 470</b>	<b>-68.36%</b>	<b>795.51%</b>
Percentage of finance							
	External loans	4.82%	0.43%	1.18%	3.99%	4.83%	100.76%
	Public contributions and donations	-	-	-	-	-	-
	Grants and subsidies	95.18%	99.57%	98.82%	96.01%	95.17%	-0.76%
	Other	-	-	-	-	-	-
Capital expenditure							





	Water and sanitation	22	34 313	4 289	22 721	-87.50%	-33.78%
	Electricity	-	30 884	4 517	26 366	-85.37%	-14.63%
	Housing	-	1 104	997	2 100	-9.68%	90.32%
	Roads and storm water	4 970	950	469	481	-50.46%	-49.36%
	Other	-	-	-	-	-	-
<b>Total</b>		<b>4 992</b>	<b>67 250</b>	<b>9 334</b>	<b>51 669</b>	<b>-331.91%</b>	<b>-7.45%</b>
<i>Percentage of expenditure</i>							
	Water and sanitation	0.44%	51.02%	45.95%	43.97%	26.4%	453.7%
	Electricity	-	45.92%	48.40%	51.03%	25.7%	196.4%
	Housing	-	1.64%	10.68%	4.06%	2.9%	1212.9%
	Roads and storm water	99.56%	1.41%	-5.02%	0.93%	45.0%	662.8%
	Other	-	-	-	-	-	-

## SOURCES

TYPE	2013	2012
MIG	36 782 000	30 322 000
MSIG	800 000	71 635 000
EQUITABLE SHARE	81 091 000	1250 000
FMG	1 500 000	790 000
SPECIAL ASISTANCE (COGTA)	-	-
HOUSING GRAND	-	30 322 000
<b>TOTALS</b>	<b>120 173 000</b>	<b>134 319 000</b>



## 5.7 CAPITAL SPENDING ON 5 LARGEST PROJECTS

Capital Expenditure of 5 largest projects*					
Name of Project	Current: 2012/13			Variance: 2012/13	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjustment variance (%)
A-MIG/FS/0575/S/07/08	27 486 154,00		25 455 048,93		
B-	20 406 000,00		-		
C- MIG/FS/0748/CF/09/10	18 132 858,00		-		
D-MIG/FS/0587/S/07/07	14 584 500,00		2 964 091,41		
E- MIG/FS/0874/R,ST/12/12	13 179 153,00		-		
<i>*ProjectswiththehighestcapitalexpenditureinYear0</i>					
<b>MIG/FS/0575/S/07/08 -A</b>					
Objective of Project	Winburg/Makeleketla: Eradication of 1261 buckets				
Delays	Planning processes				
Future Challenges	Capacity in PMU				
Anticipated citizen benefits	Improved service delivery				
<b>-B</b>					
Objective of Project	Brandfort/Majwemasweu Upgrading of Water Purification Plant-Phase 2				
Delays	Planning processes				
Future Challenges	Capacity in PMU				
Anticipated citizen benefits	Giving citizensthecontrolovertheirhouseholdwaterbillandtheopportunitytosavemoneybyreduc				
<b>MIG/FS/0859/W/11/11-C</b>					
Objective of Project	Installationof3122WaterMetersand3ZoneMetersinWinburg/Makeleketla				
Delays	Planning processes				
Future Challenges	Capacity in PMU				
Anticipated citizen benefits	Giving citizensthecontrolovertheirhouseholdwaterbillandtheopportunitytosavemoneybyreduc				
<b>MIG/FS/0857/W/11/11-D</b>					
Objective of Project	Installationof2719WaterMeters,3ZoneWaterMetersand3BulkWater Meters in Brandfort/Majwemasweu				
Delays	Planning processes				
Future Challenges	Capacity in PMU				



Anticipated citizen benefits	Giving citizen the control over their household water bill and the opportunity to save money by reducing
MIG/FS/0822/R,ST/11/1	
Objective of Project	Construction of 0.8km residential distributor streets in Winburg/Makeleketa
Delays	Planning processes
Future Challenges	Capacity in PMU
Anticipated citizen benefits	Improved service delivery

### 5.8 BASIC SERVICES AND INFRASTRUCTURE BACKLOGS- OVERVIEW

Service Backlogs as at 30 June Year 0					
				Households (HHs)	
	*Service level above minimum		**Service level below minimum standard		
	No. HHs	% HHs	No. HHs	% HHs	
Water		%		%	
Sanitation		%		%	
Electricity		%		%	
Waste management		%		%	
Housing		%		%	

*% HHs are the service above/below minimum standard as a proportion of total HHs. 'Housing' refers to \* formal and \* informal settlements.*



## MIG Expenditure

Municipal Infrastructure Grant (MIG)* Expenditure 2012/13 on Service Backlogs						
Details	Budget	Adjustments Budget	Actual	Variance		Major conditions Applied by donor (continue below if necessary)
				Budget		
				Adjustment		
<b>Infrastructure-Road transport</b>				%	%	
<i>Roads, Pavements &amp; Bridges</i>				%	%	
<i>Storm water</i>				%	%	
<b>Infrastructure-Electricity</b>				%	%	
<i>Generation</i>				%	%	
<i>Transmission &amp; Reticulation</i>				%	%	
<i>Street Lighting</i>				%	%	
<b>Infrastructure- Water</b>				%	%	
<i>Dams &amp; Reservoirs</i>				%	%	
<i>Water purification</i>				%	%	
<i>Reticulation</i>				%	%	
<b>Infrastructure-Sanitation</b>				%	%	
<i>Reticulation</i>				%	%	
<i>Sewerage purification</i>				%	%	
<b>Infrastructure-Other</b>				%	%	
<i>Waste Management</i>				%	%	
<i>Transportation</i>				%	%	
<i>Gas</i>				%	%	
<b>Other Specify:</b>				%	%	
				%	%	
				%	%	
<b>Total</b>				%	%	

\* MIG is a government grant program designed to fund expenditure in service backlogs, mainly: Water; Sanitation; Roads; Electricity. Expenditure on new, upgraded and renewed infrastructure is set out at Appendix M; note also the calculation of the variation. Variances are calculated by dividing the Difference between actual and original/adjustments budget by the actual.



## COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

### 5.9 CASH FLOW

#### Cash Flow Outcomes

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2013		
	30 JUNE 2013	30 JUNE 2012
	R	R
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Receipts</b>		
Taxation	3 202 014	(400 783)
Sale of goods and services	49 998 998	53 106 027
Grants	105 071 000	113 200 037
Interest income	783 086	959 301
Other receipts	1 178 570	1 188 138
<b>Payments</b>		
Employee costs	(52 256 190)	(50 563 185)
Suppliers	(56 791 447)	(76 760 712)
Finance costs	(1 525 271)	(1 955 263)
<b>Cash generated by operations</b>	<b>49 660 759</b>	<b>38 773 561</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property, Plant and Equipment	(52 127 157)	(35 823 422)
Purchase of Investment property	-	(5 650 196)
Proceeds from the disposal of investments	3 028	5 478 190
<b>Net Cash from Investing Activities</b>	<b>(52 124 129)</b>	<b>(35 995 428)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of long-term liabilities	(1 650 556)	(1 737 014)
Employee benefit payment	(1 162 556)	(654 564)
<b>Net Cash from Financing Activities</b>	<b>(2 813 112)</b>	<b>(2 391 578)</b>



<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	(5 276 482)	386 555
Cash and Cash Equivalents at the beginning of the year	1 287 269	527 000
Cash and Cash Equivalents at the end of the year	(3 429 025)	1 287 269
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(4 716 294)</b>	<b>760 269</b>



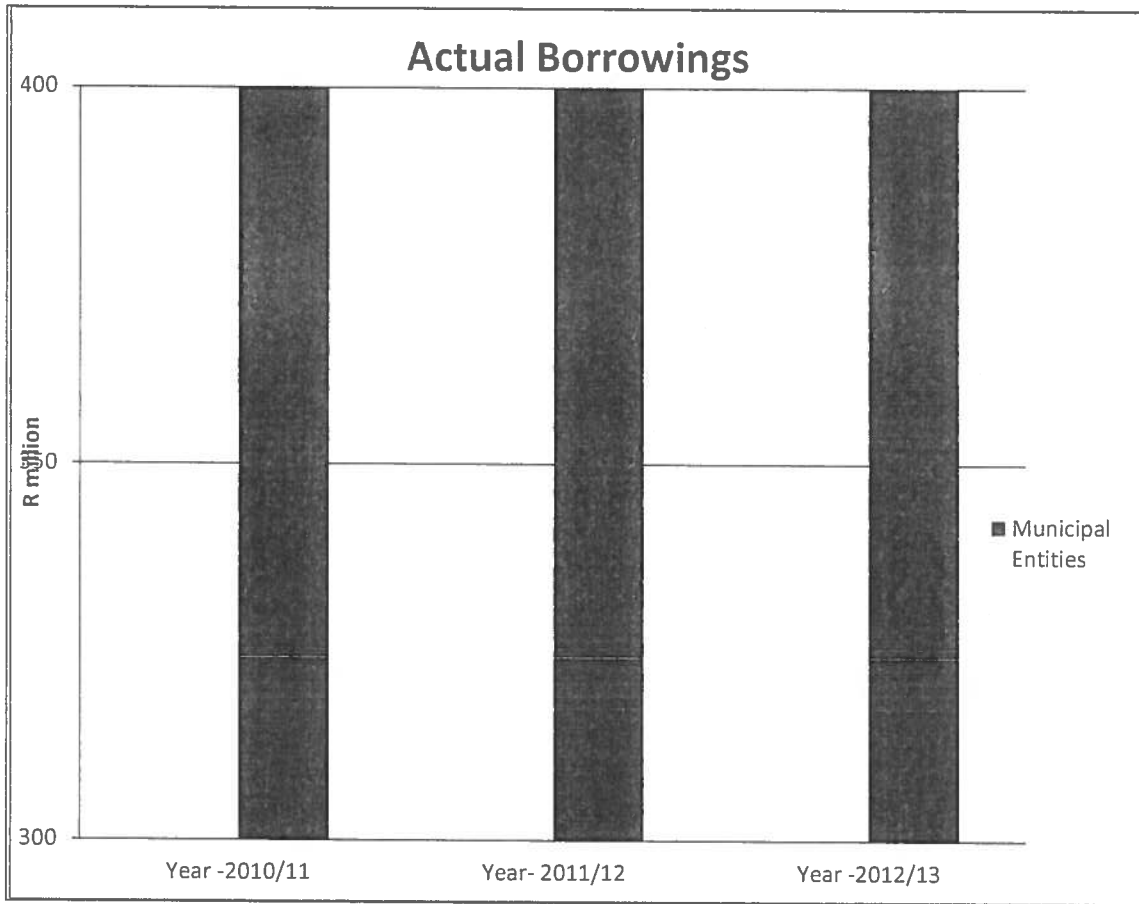
## 5.10 BORROWING AND INVESTMENTS

### INTRODUCTION TO LONG-TERM BORROWINGS AND INVESTMENTS

The municipality is not highly geared and able to meet its long term obligations. The long-term loans decreased over last year, with employee benefits and provisions being raised as per GRAP standards.

#### Actual Borrowings

Actual Borrowings: 2010/11 - 2012/13			
	R' 000		
Instrument	Year -2010/11	Year- 2011/12	Year -2012/13
<b>Municipality</b>			
Long-Term Loans (annuity/reducing balance)	6 518 846	20 695 925	3 629 963
Long-Term Loans (non-annuity)			
Local registered stock			
Instalment Credit			
Financial Leases	3 884 767	2 734 746	1 372 839
PPP liabilities			
Finance Granted By Cap Equipment Supplier			
Marketable Bonds			
Non-Marketable Bonds			
Bankers Acceptances			
Financial derivatives			
Other Securities			
<b>Municipality Total</b>	<b>10 403 613</b>	<b>23 430 671</b>	<b>5 002 802</b>
<b>Municipal Entities</b>			
Long-Term Loans (annuity/reducing balance)			
Long-Term Loans (non-annuity)			
Local registered stock			
Instalment Credit			
Financial Leases			
PPP liabilities			
Finance Granted By Cap Equipment Supplier			
Marketable Bonds			
Non-Marketable Bonds			
Bankers Acceptances			
Financial derivatives			
Other Securities			
<b>Entities Total</b>			







## Municipal Investments

Municipal			
	R'000		
Investment*type	2010/11	2011/12	2012/13
	Actua l	Actua l	Actua l
<b>Municipality</b>			
Securities-NationalGovernment			
ListedCorporateBonds			
Deposits-Bank	6,563,75	1,287,26	
Deposits-			
Deposits-CorporationforPublicDeposits			
BankersAcceptanceCertificates			
NegotiableCertificatesofDeposit-Banks			
GuaranteedEndowmentPolicies(sinking)			
RepurchaseAgreements -Banks			
MunicipalBonds			
Other	82,114	79,086	
<b>MunicipalityTotal</b>	<b>6,645,</b>	<b>6,645,8</b>	

### 5.11 PUBLIC PRIVATE PARTNERSHIPS

- The municipality have not entered into any public private partnership.

### 5.12 SUPPLYCHAINMANAGEMENT

#### COMMENT ON SUPPLY CHAIN MAGENT

The Supply Chain Unit consists of one official only and as such is not regarded as being functional as per section 155 of the MFMA. The Supply Chain Policy should be reviewed to ensure compliance with S112 of the MFM. During the period of administration, no bid committees were established and this contributed to non-compliance with SCM procedures and irregular expenditure. Contracts were concluded with some suppliers without following the lasted bid procedures further contributing to irregular expenditure.



Supply Chain Non-Compliance	2013	2012
		R
Unauthorised Expenditure	519,743,649	519,743,649
Fruitless Expenditure	525,966	849,082
Irregular Expenditure	164,046,667	133,071,845



### 5.13 GRAP COMPLIANCE

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

The annual financial statements have been prepared in accordance with the effective standards of Generally Recognised Accounting Practices(GRAP), including any interpretations and directives issued by the Accounting Standards Board(ASB) in accordance with Section 122(3) of the Municipal Finance Management Act, (Act No 56 of 2003). The Municipality resolved to formulate an accounting policy based on the following GRAP standards which have been issued but are not effective yet.

A summary of the significant accounting policies, which have been consistently applied, are disclosed below.

Assets, liabilities, revenue and expenses have not been offset except when off setting is permitted or required by a Standard of GRAP. The accounting policies applied are consistent with those used to present the previous year's financial statements, unless explicitly stated and for early adoption of the GRAP 104 and the accounting policy based on the GRAP 25. The details of any changes in accounting policies are explained in the relevant notes to the Financial Statements.

In terms of Directive 4: "Transitional Provisions for Medium and Low Capacity Municipalities" issued by the Accounting Standards Board the municipality has adopted the transitional provisions for the following GRAP Standards: