



ANNUAL REPORT

2011

2012



Fezile Dabi

District Municipality

CHAPTER 1

GENERAL & OVERVIEW OF MUNICIPAL PERFORMANCE

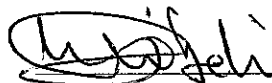
Component A:

Municipal Manager's Accountability Statement

Section 121(3) of the Municipal Finance Management Act 2003, read together with section 46 of the Municipal Systems Act 2000, prescribes the minimum contents of an annual report of a municipality.

Honourable Executive Mayor, in preparation of this annual report, I have considered these legislative requirements. I have also considered the importance of reliability, usefulness and relevance of the annual financial statements and performance information as contained herein.

This Annual Report therefore provides an authoritative record of the activities of Fezile Dabi District Municipality during the 2011/12 financial year, and therefore seeks to promote accountability to the local community for the decisions we made throughout the 2011/12 financial year.



Municipal Manager

ML Molibeli

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CHAPTER 1

GENERAL & OVERVIEW OF MUNICIPAL PERFORMANCE

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Municipal Manager

ML Molibeli

Component B: Foreword by the Mayor

Vision

Section 152 of the Constitution of South Africa requires that a municipality must strive, within its financial and administrative capacity, to achieve the following objects of local government:

- a) provide democratic and accountable government for local communities;
- b) ensure the provision of services to communities in a sustainable manner;
- c) promote social and economic development;
- d) promote a safe and healthy environment; and
- e) encourage the involvement of communities and community organisations in the matters of local government.

In other words, the Constitution clearly mandates us to be developmental in our approach and activities. This therefore requires that as an institution mandated with developmental roles and responsibilities, we should at all times strive to formulate and incorporate sound strategic business principles in our planning and management activities, with a goal of optimising available resources while at the same time promote sustained social and economic development of the community.

Fellow communities within Fezile Dabi District Municipality, as I present this Annual Report, I would like to affirm our commitment of striving to be a leading municipality in delivering effective, affordable and sustainable quality services to its communities.

This commitment can only be realised through a closer and harmonious working relationship with our communities throughout the district.

Key policy developments for the period under review

In order to provide vision, leadership and direction for all role-players in developmental local government, the Integrated Development Planning (IDP) remains a key instrument towards the realisation of the sustainable developmental local government goals.

The IDP requires us, as a district municipality, to focus on local issues and ensure sustainability and growth.

However, one of the major challenges facing many organisations and governments across the world is the Eurozone debt crisis which has had a negative financial impact even here in our country. This crisis has, in one form or the other resulted in higher prices of commodities, goods and services and consequently higher costs for service delivery, and we, as Fezile Dabi District Municipality, are no exception to this challenge.

In this context, it therefore expected that in order to achieve sustainability and growth, our IDPs must be underpinned by principles of prudent financial management practices, efficient and effective utilisation of our resources and the highest level of accountability.

Key service delivery developments

Water Provision

Fezile Dabi District Municipality renders support to all the local municipalities within the district in terms of infrastructure development and basic service delivery requirements.

As at the end of the period under review, a lot has been achieved throughout the district in relation to access to provision of drinking water. The measure of progress in relation to all four local municipalities within the district was as follows:

- Moqhaka Local Municipality – 90%
- Mafube Local Municipality – 81%
- Metsimaholo Local Municipality – 100%
- Ngwathe Local Municipality – 88%

On average, access to water provision as at the end of this reporting period stood at 89.75 %.

Electricity Provision

In terms of electricity provision, Eskom is the sole bulk supplier of electricity to all our municipalities within the district.

The levels of service of Electricity supply are according to the “Guidelines for the provision of engineering services in residential areas” (the so-called “Red Book”), published by the Department of Housing.

The level of access to electricity in respect of all the municipalities within the district was as follows as at the end of this reporting period:

- Moqhaka Local Municipality – 77%
- Mafube Local Municipality – 81,8%
- Metsimaholo Local Municipality – 97%
- Ngwathe Local Municipality – 93%

All in all, the district has a average of 87,2% of households with access to basic electricity supply.

Sanitation Services

In relations to sanitation services, our immediate priority is to ensure that there is provision of this service to all communities within the district. Moreover, our responsibility is further to ensure that the sanitation services rendered within the district, meet basic health and functional

requirements, including the protection of the quality of both surface and underground water.

Access to this service was as follows as at the end of the 2011/12 period.

- Moqhaka Local Municipality – 100%
- Mafube Local Municipality – 76%
- Metsimaholo Local Municipality – 88%
- Ngwathe Local Municipality – 83%

This puts the district average to 86.75% of households with access to basic level of sanitation service.

Refuse Removal

Currently, there is no formal system of refuse removal in the rural parts of district; however, there are weekly door-to-door removals of household and business normal refuse in all municipalities within the district.

The level of delivery of this service is as follows in all the municipalities within the district:

- Moqhaka Local Municipality – 100%
- Mafube Local Municipality – 80%
- Metsimaholo Local Municipality – 80%
- Ngwathe Local Municipality – 88%

Public Participation

One of our key strategic thrusts in relation to public participation is to ensure that there are functional ward committees within the district. If well-coordinated and supported, ward committees can serve as an interface between municipalities and communities they serve.

Following the local government elections in May 2011, old ward committees had to be disbanded and new committees were established.

As at the end of this reporting period, the establishment of new Ward Committees in all the municipalities within the district was as follows:

- **Metsimaholo Local Municipality**

Municipality has 21 wards and all ward committees were established and inducted on their roles and responsibility.

- **Mafube Local Municipality**

Municipality has 9 wards and all ward committees were established and inducted on roles and responsibility.

- **Ngwathe Local Municipality**

Municipality has only 20 wards and all ward committees are established and inducted on roles and responsibility.

- **Moqhaka Local Municipality**

Municipality had 25 wards and all ward committees were established and all ward committees are established and inducted on roles and responsibility.

The induction of the committees was done according to the programme adopted jointly by district and local municipalities, with training material adopted by Free State COGTA.

As part of the broader public participation programme, the Office of the Speaker of Fezile Dabi District Municipality spearheaded a number of engagements with communities around the district which, amongst others, included the following:

Public Education

The education programme was embarked upon in partnership with provincial sector departments in the district; the main purpose of this

programme was to provide our community and stakeholders with information regarding services offered by all government departments.

Departments which got involved in this public education programme are South African Social Services Agency (SASSA), Home Affairs, Social Development, SAPS and Department of Health.

Through this programme, it we were enlightened to the fact that communities do not have information about services offered by different governments departments in the district, and for this reason, we intend conduction similar education programmes in order to empower our communities with information and knowledge.

Anti-Crime Awareness

During the festive season, the municipality embarked on an anti-crime the programme in partnership with Metsimaholo Local Municipality, SAPS, Department of Correctional Services, Local Businesses, Taverns Association, Religious Leaders and Non-Governmental Organizations.

This programme was initiated by the office of the Speaker, after the community raised concerns about the crime that was engulfing Zamdela and Sasolburg areas. The main objective with this programme was to encourage the community to work together with police to fight crime. Crime task team was established to draft a programme of action and co-ordination.

Our program targeted all areas that were identified as crime “hot-spots”. The main rally was addressed by Deputy Minister of Safety and Security Me. Maggy Soty and MEC Butana Khompela. Fezile Dabi District and Zamdela SAPS provided resources for implementation of the programme, showing commitment to fight crime in the area. In this program more than 1 500 households were reached.

Future Actions

Our goal remains that of ensuring provision of quality, sustainable services to our communities. Our primary focus in the next financial year will be to continue to support our local municipalities in eradicating major infrastructure backlogs and ensuring provision of quality basic services to our communities

In the true spirit of cooperative governance, we will ensure that our plans, objectives and priorities directly link to those at the provincial and national spheres of government.

Conclusion

In conclusion, I would like to express my sincere gratitude to the entire council of Fezile Dabi District Municipality and all the councils of local municipalities within the district and all municipal officials within the district for their dedication and commitment in ensuring that we deliver to the promise of a better live for all.

To all our communities within the district, we are grateful of your participation in the affairs of local municipalities within your areas, it is only through your true spirit of civic patriotism that together, we can do more.

Executive Mayor

Councillor: M Moshodi

Component C:

Executive Summary

1. Municipal Manager's Overview

It is with pleasure once again that I present the Annual Report of Fezile Dabi District Municipality for 2011/12 reporting period. This Annual Report presents us with an opportunity to reflect on our achievements since the last reporting period, and also to provide a detailed account of our performance as an institution against the our strategic plans and resources that were at our disposal for the period under review.

The Integrated Development Plan (IDP), Budgets, Service Delivery and Budget Implementation Plans (SDBIP's), still remains the key service delivery planning tools that we have to utilise in an effort to deliver sustainable services to our communities.

In order to achieve the vision of "a leading municipality in delivering effective, affordable and sustainable quality services to its communities" we endeavour to align our planning with policy priorities adopted by the National and Provincial Governments, as well as ensuring that there is alignment of programs between ourselves and all local municipalities within our district.

In the previous reporting period, we have identified a number of initiatives that were targeted for implementation in this reporting period. Key to these initiatives was the programs related to support to local municipalities towards infrastructure investment within the district.

Although a much has been achieved in this regard, a lot still needs to be done in order to ensure that infrastructure development backlogs are effectively dealt with within the district.

Some of the projects that were targeted at local municipalities within our district, and were successfully implemented as planned include the following:

- Through the Corporate Services Support Directorate, we have assisted all local municipalities on Human Resources related matters that have direct financial implications for achieving 2014 vision on clean audits.
- Furthermore, the following municipalities were assessed in relation to the implementation of the collective agreements: Moqhaka Local Municipality, Mafube Local Municipality; and Metsimaholo Local Municipality. The findings were communicated with the municipalities concerned, and municipalities were requested to come up with corrective measures to curb the gaps.
- Mentoring and support was given on the compilation of Workplace Skills Plans, Annual Training report and Quality Assurance in training. Follow-ups are done by the district on the submission of monthly and quarterly reports to LGSETA by local municipalities.
- In line with Local Economic Development objectives, Ngwathe Local Municipality was provided with support with regard to the following:
 - ... The establishment of Ngwathe Business Forum- guidelines on the terms of reference for the Forum were drafted by the district.
 - ... Facilitation of the drafting of lease agreements for LED projects on municipal land.
 - ... Advising on all LED related matters.
 - ... Development of the LED Strategy.

- Through the Finance Directorate, we have assisted with funding for projects relating to financial statements in Mafube and Moqhaka, and infrastructure maintenance plan for Ngwathe.
- With regard to Community, Health and Environmental Services, we have conducted integrated water resource management research projects in Mafube and Moqhaka Local Municipalities. This was done in order to provide municipalities with professional inputs on water and sanitation challenges.
- Furthermore, the following responsibilities were undertaken though the Community, Health and Environmental Services Directorate:
 - ... We have taken full responsibility of the entire air quality management function in the district as a whole.
 - ... We assisted municipalities with blue drop and green drop certification challenges by assisting with sampling, technical advice and study tours to Rand Water.
 - ... We have trained local municipalities on GEMC and Disaster Management.
 - ... We have purchased GEMC software for all local municipalities within the district.
 - ... We have assisted local municipalities with education and awareness of use of plastic bags and protective clothing during cleaning campaigns.

With regard to infrastructure development and project management, we have supported local municipalities within our district financially, administratively and technically in the following projects:

Metsimaholo Local Municipality

- ... Provision of water supply
- ... EPWP project (Storm water channels and sidewalks)
- ... Laboratory

Ngwathe Local Municipality

- ... EPWP – (Tumahole storm water canals)
- ... Water and Sewer Emergency Funds

Mafube Local Municipality

- ... Upgrading of outfall Sewer.

Objectives for 2012/13

Our main objective for 2012/13 financial year is to continue to build on the solid platform what we have already laid down. Key to this is to ensure that we continue to build capacity of all local municipalities within the district, assist them to improve efficiency and thereby impact positively on the lives of ordinary people in our district.

Acknowledgements

I would like to extend my gratitude to our Council and the Executive Mayor for instilling a sense of accountable administration by holding us to account for implementation of all the programs of the council.

And to our staff, I would like to thank you sincerely for always showing a sense of urgency in dealing with the issues that we are faced with, I am humbled to be at the forefront of such a dedicated team of professionals.

Municipal Manager

ML Molibeli

2. Municipal Functions, Population and Environmental Overview

- ***Introduction to Background Data***

Fezile Dabi District Municipality is a category C municipality constituted of four local municipal areas, viz: Moqhaka Local Municipality, Metsimaholo Local Municipality, Ngwathe Local Municipality and Mafube Local Municipality.

This municipality is named after the late Mr Fezile Dabi, who was an ANC leader residing in Tumahole, Parys. Fezile Dabi was not only known for his iconic struggle against apartheid and oppressions, he was also an author, poet and philosopher.

Fezile Dabi is the second smallest District Municipality in the Free State covering 16.4% of the provincial area.

According to Statistics South Africa: Community Surveys 2007, it is estimated that the Fezile Dabi District Municipality consists of total population of 474 089, the majority of which speaks Sesotho. This figure represents approximately 17% of the Free State Provincial total population of 2,706,775. Moqhaka Local Municipality, accounts for approximately 36% of the population of this region, followed by Metsimaholo Local Municipality with 33%.

Because of vast water surfaces and outdoor orientated conservancies, in this area, it offers weekend getaways of a special kind and provides excellent leisure opportunities from hiking in the Vredefort Dome area to boating, water skiing, river rafting, fly-fishing, mountain biking, horse riding and game viewing.

The Vredefort Structure, in the Vredefort/Parys area, has been declared as South Africa's 7th International World Heritage Site. It has been recognised internationally as the oldest and biggest meteorite impact site in the world and has become an important study field for geologists from all over the world. The Dome area differs drastically from the flat plains of the Northern Free State and the North West Province. Except for a favourable frost-free climate, the region is also rich in plant-, wild- and birdlife.

In terms of the economy, the area has a diversity of economic sectors which serve as the main drivers of the local economy, ranging from Agriculture, Mining, Manufacturing, Utilities, Construction, Trade, Transport, Finance and Community Services.

- **Population Distributions**

Municipality	Persons		Households	
	Census 2001	Census 2011	Census 2001	Census 2011
Fezile Dabi	460 316	488 036	120 544	144 980
Moqhaka Local Municipality	167 892	160 532	41 514	45 661
Ngwathe Local Municipality	118 810	120 520	32 108	37 102
Metsimaholo Local Municipality	115 955	149 108	32 260	45 757
Mafube Local Municipality	57 659	57 876	14 661	16 460

Statssa, Census 2011

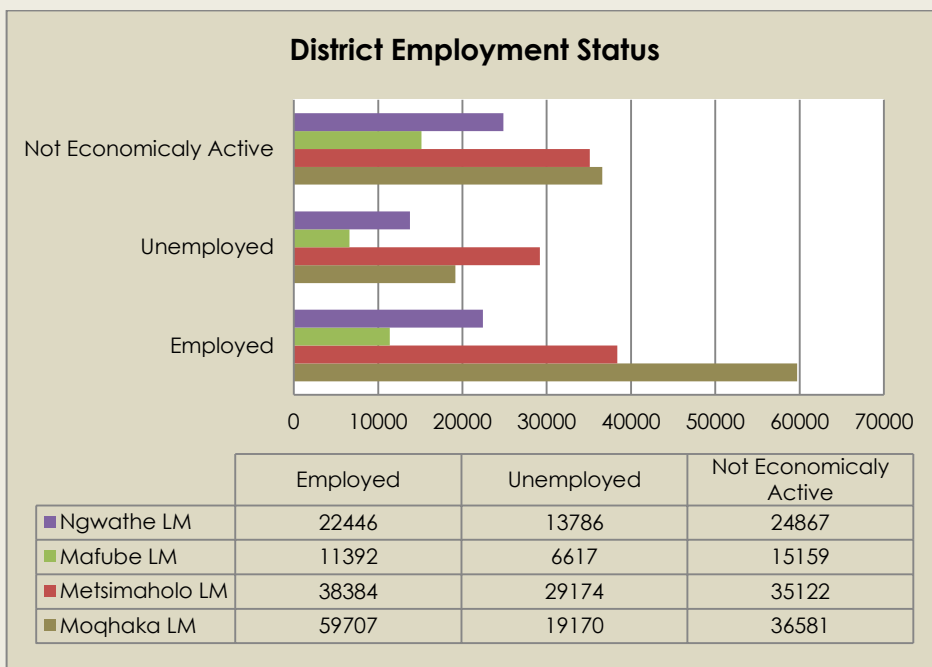
- **Racial make-up and Gender Distributions**

Category	Male	Female	Total
Black	208 420	211 635	420 054
Coloured	4 600	4 615	9 215
Indian or Asian	1 024	493	1 516
White	27 248	28 619	55 867
Total	241 292	245 362	486 654

Statssa, Census 2011

- **Employment Status**

The following table depicts the overall employment status within the district



Statssa, CS 2007

- **Service Delivery Overview**

In terms of Section 156 of the Constitution of the Republic of South Africa, 1996, Fezile Dabi District Municipality is a category C municipality that has executive and legislative authority to administer Local Government Matters listed in Part B of Schedule 4 and Part B of Schedule 5 and any other matter assigned to it by national or provincial legislation.

Furthermore, this municipality is accordingly empowered to do anything reasonably necessary for, or incidental to, the effective performance of its functions and the exercise of its powers and this includes making and administering by-laws.

In order to discharge its constitutional mandate effectively, Fezile Dabi District Municipality has a system of organisational structure which was established for the purpose for aligning and delegating functions to specific functional areas for the purpose of efficiency and accountability.

- **Financial Health**

The finance service directorate is responsible for administering and managing the financial affairs of the municipality. It ensures accountability on municipal expenditure and provides reports to various stakeholders on the utilization of municipal funds. The department also provides technical and strategic assistance and support to local municipalities within the district.

This department consists of the following key operational components, viz: Supply Chain Management, Expenditure and Creditors, Local Municipalities Assistance unit, Financial Accounting, Budget Office, Payroll and Compliance unit.

The Local Municipalities Assistance unit that renders expert technical assistance to the Treasury and Budget Offices of the local municipalities within the district was established by Council resolution in 2009.

The activities, duties and functions in these components are carried out within the framework of Municipal Finance Management Act (MFMA) Act No 56 of 2003 and the Annual Division of Revenue Act (DoRA), other applicable pieces of legislation and approved budget related policies of the municipality.

- **Organisational Development Overview**

In the period under review, we undertook a process of improving performance and level of accountability of the municipal administration by cascading performance management to the lower post levels within the municipality. The ultimate goal is to ensure that performance management is implemented from the lowest level within the institution.

From the human resource point of view, our strategy focuses on filling of critical vacancies, skills audit, and capacity building intervention for councillors and officials, performance recognition and develop human equity plan.

In terms of capacity building of employees, our Workplace Skills Development Plan (WSDP) remains a key guiding document. Our WSDP drafted in line with the prescripts of the law and reporting to the LGSETA was done continuously on a monthly and quarterly basis throughout the financial year.

- **Auditor General Report**

The Auditor-General issued an audit report on Fezile Dabi on 30 November 2012. According to the Auditor-General's opinion as contained in the report expresses that the consolidated financial statements present fairly, in all material respects, the financial position of the Fezile Dabi District Municipality as at 30 June 2012, 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. A comprehensive audit report as issued by the Auditor-General is contained herein under the section marked as Volume II AFS.

- **Statutory Annual Report Process**

No.	Activity	Timeframe
1	Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period.	July
2	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	
3	Finalise 4 th quarter Report for previous financial year	
4	Submit draft 2011/12 Annual Report to Internal Audit and Auditor-General	August
5	Audit/Performance committee considers draft Annual Report of municipality	
6	Executive Mayor tables the unaudited Annual Report	
7	Municipality submits draft Annual Report including consolidated annual financial statements and performance report to Auditor General.	
8	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase	September - October
9	Auditor General assesses draft Annual Report including consolidated Annual Financial Statements and Performance information	
10	The municipality receive and start to address the Auditor General's comments	November
11	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor-General's Report	
12	Audited Annual Report is made public and representation is invited	
13	Oversight Committee assesses Annual Report	December
14	Council adopts Oversight report	
15	Oversight report is made public	
16	Oversight report is submitted to the Free State provincial council	

CHAPTER 2**GOVERNANCE****Component A:****Political & Administrative Governance****• Introduction to Governance**

In line with Chapter 7 of the Constitution of the Republic of South Africa, Fezile Dabi District Municipality's executive and legislative authority is vested in its Municipal Council. In carrying out its mandate, to govern on its own initiative, the municipality must ensure consistent compliance with applicable national and provincial legislations. The Constitution of the Republic of South Africa specifically section 152 (ss. 1) enjoins and vest the following developmental mandates on municipalities. These are;

- To provide democratic and accountable government for the local communities.
- To ensure provision of services to communities in a sustainable manner.
- Promote social and economic development.
- To promote safe and healthy environment for local communities and,
- To encourage public and community participation in matters of local government.

Fezile Dabi District Municipality has both political as well as administrative structures. The political structure consists of the entire municipal Council, the Executive Mayor, the Speaker and the Mayoral Committee. The administrative structure in turn is embodiment of all municipal employees, with the Municipal Manager serving as head of administration. The senior management consists of three section 56 managers appointed on fixed contractual agreement, who also serve as heads of departments in the municipality.

Political Governance

1. Municipal Council

The municipal council of Fezile Dabi District Municipality is the highest decision making body in the area of jurisdiction of this municipality. The council consists 32 councillors affiliated to different political parties. The mayor and the speaker also form part of this council and are both full time political office bearers.

2. Mayoral Committee

The Mayoral Committee members are appointed by the mayor and serve as political heads of various departments and section 79 committees. Fezile Dabi District Municipality has an Executive Mayoral System, this means that the executive leadership of the municipality is vested with the Executive Mayor, and as a result, the executive authority the municipality is exercised through the Executive Mayor, and the exercise of his executive authority, he is assisted by his Mayoral Committee

The Fezile Dabi District Municipality's Mayoral Committee consisted of the following members as at the end of the period under review:

Cllr M P Moshodi - Executive Mayor

Cllr SI Mbalo (Speaker)

Cllr ME Ntosi

Cllr AM Olifant

Cllr K Khumolo

Cllr PR Ndayi

Cllr GN Guza

3. Section 79 Committees

The municipality had five section 80 committees during the period under review. These committees are responsible for implementation of specific committee related programmes and members of the Mayoral Committee serve as chairpersons in these committees and thus as political heads of various departments.

The section 79 committees were in place were as follows during the period under review:

- Finance Committee
- Local Economic Development Committee
- Corporate Support Services Committee
- Community, Health & Environmental Services Committee
- Project Management & Public Works Committee

4. Political Decision-Making

During the period under review, the council has taken a number of decisions for implementation. Decisions are made in a form of resolutions by consensus or majority vote of councillors present.

The table hereunder provides a summary of decisions (resolutions) taken by council and also whether such decisions have been carried out at the administrative level.

DATE OF COUNCIL MEETING: 04 October 2012

VENUE OF THE MEETING: Enoch Sontonga Council Chambers

ITEM NO	HEADING OF ITEM	RESOLUTIONS	IMPLEMENTED (YES/ NO)
09	Election of (MPAC)	<ol style="list-style-type: none"> 1. That the Committee be constituted by nine members. 2. That Council elects Cllr L.Kubeka as Chairperson of the Municipal Public Accounts Committee. 3. That the following Councillors serve as members of the Municipal Public Accounts Committee: <ol style="list-style-type: none"> 1. Cllr. L.Kubeka (ANC) 2. Cllr.T.Mahlakazela (ANC) 3. Cllr. M.Koloi (ANC) 4. Cllr. M.Pietersen (ANC) 5. Cllr.Z.Magadlela (ANC) 6. Cllr. S.Taje (ANC) 7. Cllr. E.Mokoena (DA) 8. Cllr.S.Pittaway (DA) 9. Cllr. Westhuizen (DA) 4. That the Municipal Accounts Committee of the Council will in the meantime service Ngwathe and Mafube Municipalities. 5. That the report be submitted in the next Council regarding financial implications and the organogram in that particular office. 6. That the appointment of the Chairperson of Municipal Public Accounts Committee is on full time basis. 7. That Council will consider inviting public members to form part of the Municipal Public Accounts Committee. 	Yes

Certified as correct as correct: B P MOLUPE (MANAGER CSS) Date: 23/10/2012

FEZILE DABI DISTRICT MUNICIPALITY

ANNUAL REPORT – 2011/12

DATE OF COUNCIL MEETING: **30 August 2012**

VENUE OF THE MEETING: **Enoch Sontonga Council Chambers**

ITEM NO	HEADING OF ITEM	RESOLUTIONS	IMPLEMENTED (YES/ NO)
02	06th Session of the World Urban Forum in Italy: Request by the Speaker to attend	<ol style="list-style-type: none"> 1. That Council grants permission to the Speaker Cllr S.I Mbalo and carry all cost associated with accommodation, S&T and daily allowance. 2. That the Speaker on return submits a full detailed report on lessons learned out of the Session. 3. That the policy on international trip for Councillors be developed and submitted to Council for consideration. 4. That note be taken on the 6th session of the world urban forum in Italy; request by the Speaker to attend. 	Yes
03	Deviations from Supply Chain policy: July 2011 – June 2012.	<ol style="list-style-type: none"> 1. That Council take note of deviations approved by the Municipal Manager under delegated powers. 2. That Council condone the actions of the Municipal Manager taken under his delegated powers for approval of the amount of R 251 366.76 	Yes
04	Roll over of funds the renovations of Fire Station work Mafube Frankfort	<ol style="list-style-type: none"> 1. That Council take note of deviations approved by the Municipal Manager under delegated powers. 2. That Council condone the actions of the Municipal Manager taken under his delegated powers for approval of the amount of R 251 366.76 	Yes
05	Additional funding for the renovation of Fire Station – Mafube Frankfort	<ol style="list-style-type: none"> 1. That the Council re-allocate R630 000 funding from vote the surplus account to Fire station vote no 1035 0111 618 00. 2. That the Municipal Manager must extend the invitation to the relevant people who suppose to attend the Council meeting. 	Yes
06	Upgrading of PMS Position	That the matter be deferred back to the relevant portfolio committee and be resubmitted back to council for consideration.	Yes
07	IDP Process Plan	<ol style="list-style-type: none"> 1. That Council take note of the contents and dates of the Process Plan. 2. That Council adopts the process plan. 	Yes

Certified as correct as correct: **B P MολουPE (MANAGER CSS) Date: 23/10/2012**

FEZILE DABI DISTRICT MUNICIPALITY

ANNUAL REPORT – 2011/12

DATE OF COUNCIL MEETING: 11 September 2012

VENUE OF THE MEETING: Enoch Sontonga Council Chambers

ITEM NO	HEADING OF ITEM	RESOLUTIONS	IMPLEMENTED (YES/ NO)
08	Appointment of Municipal Manager	<ol style="list-style-type: none"> 1. That Ms. Lindi Molibeli be appointed as the Municipal Manager of Fezile Dabi District Municipality. 2. That should Ms. Lindi Molibeli accept the offer of employment, she reports on duty as from the 1st of October 2012. 3. That Council delegates the authority to the Executive Mayor to conclude the employment contract and performance agreement that should be in line with the Municipal Systems Act No. 32 of 2000 as amended. 4. That after the finalisation of a contract, a report should be submitted to Council. 	Yes

Certified as correct as correct: B P MOLUPE (MANAGER CSS)

Date: 23/10/2012

DATE OF COUNCIL MEETING: 16 August 2012

VENUE OF THE MEETING: Enoch Sontonga Council Chambers

ITEM NO	HEADING OF ITEM	RESOLUTIONS	IMPLEMENTED (YES/ NO)
71	Employment Equity Plan	That the matter on employment equity plan be deferred back again.	N/A
01	Scheduled meetings for 2012/13 financial year	That Council resolve to adopt the proposed schedule of Council meetings for the 2012/2013 financial year.	Yes
02	Report on the activities of disaster management	That Council takes note of the report on the activities of disaster management centre.	N/A
03	Report on the health and hygiene project in Namahadi	That Council takes note of this report on the health and hygiene project in Namadi	N/A

FEZILE DABI DISTRICT MUNICIPALITY

ANNUAL REPORT – 2011/12

ITEM NO	HEADING OF ITEM	RESOLUTIONS	IMPLEMENTED (YES/ NO)
04	Report on sanitation tools guidelines workshop	<ol style="list-style-type: none"> 1. That Council takes note of this report on sanitation tools and guidelines workshop. 2. That an effective communication mechanism be established between FDDM and the Department of Human Settlements with specific reference to sanitation issues. 3. That Fezile Dabi District Municipality obtain a report from local municipalities to identify the status in relation to meeting the Millennium Development Goals targets on sanitation. 4. That Local municipalities should involve Municipal Health Services (MHS) in projects that deal with sanitation facilities to address Health and Hygiene issues. 	Yes
05	Report on health and hygiene education on water and sanitation	<ol style="list-style-type: none"> 1. That Council takes note on report on health and hygiene education on water and sanitation. 2. That the project be cascaded to the farming areas (rural communities) in view of government priorities. 	Yes
06	Report on waste management officers forum	<ol style="list-style-type: none"> 1. That Council takes note of this report. 2. That Council takes note that the District Waste Management Officer will assist local municipalities in an attempt to ensure that waste management activities are conducted and in line with the National Waste Management Strategy, FDDM Integrated Waste Management Plan and the NEM: Waste Act 59 of 2008. 	N/A
07	Financial Indicators for the month ending April 2012	That note be taken of the monthly financial report for April 2012.	N/A
08	Monthly Report – SCM Awards – April 2012	That Council takes note of the SCM report for the month ending April 2012.	N/A
09	Monthly Report – SCM Awards – May 2012	That the SCM report for the month ending May 2012 be noted.	N/A
10	Compliance Dates – June 2012	That Council take note of the dates regarding compliance related matters for the month of June 2012.	N/A

FEZILE DABI DISTRICT MUNICIPALITY

ANNUAL REPORT – 2011/12

ITEM NO	HEADING OF ITEM	RESOLUTIONS	IMPLEMENTED (YES/ NO)
11	Compliance Dates – July 2012	That Council takes note of the dates regarding compliance related matters for the month of July 2012.	N/A
12	Information Technology: Backup procedure policy	That Council adopts the backup procedure policy as a policy of Council.	N/A
13	SMME Road Show	<ol style="list-style-type: none"> 1. That Council takes note of the report on SMME road show. 2. The communication methods by local municipalities be improved to disseminate information to the communities on the ESS benefit. 3. The community radio stations and community newspapers be used to mobilize business people in all towns. 4. The Memorandum of Agreement between FDDM and Flavius Mareka FET College be extended for a period of three years to reduce the amount of time spent on drawing and signing of the contracts. 5. That Entrepreneur Support System policy be reviewed and report back to Council. 	YES
14	The leak plugging workshop	That Council take note of the report with specific reference to the arrangements to be made for the remaining local municipalities to host Leak Plugging Workshops.	N/A
15	The SMME development programme	<ol style="list-style-type: none"> 1. That Council take note of the report with specific reference to the information session to be held. 2. That the office of the Executive Mayor/ and other Councillors be notified prior to hosting of any or all events or campaigns in local municipalities. 	YES
16	Tourism Indaba meeting	<ol style="list-style-type: none"> 1. That Council takes note of the report. 2. That towns must start establishing the Local Tourism Organizations (LTO). 3. That the information offices should market all facilities and products within their town. 4. That product owners should join organized structures in tourism. 5. That FDDM must start considering a local Expo (show). 6. That the Director should arrange an urgent meeting with department of Economic, Tourism and Environmental Affairs and National department to discuss the issues on the Tourism learnerships. 	N/A

FEZILE DABI DISTRICT MUNICIPALITY

ANNUAL REPORT – 2011/12

ITEM NO	HEADING OF ITEM	RESOLUTIONS	IMPLEMENTED (YES/ NO)
18	Mountain bike team Fezile Dabi training camps and races	<ol style="list-style-type: none"> 1. That new bicycles be bought for the team with budget limits. 2. That new members be recruited to fill in the space for the members that have left. 3. That old bicycles be given to the team so that they can continue with training when they are at home. 4. That Indemnity forms be signed by the parents in all sports activity 5. That all cyclists must undergo health checkups and be cleared by the medical practitioner before they can participate in the cycling activities. 	YES
19	Training Report- May 2012	<ol style="list-style-type: none"> 1. That Council takes note of training received by our staff members: Occupational Directed Education & Training Development Programme delegates Local Economic Development Learnership1 delegate Local Government Advance Accounting Learnership 4 delegates Municipal Finance Programme 3 delegates 15 delegates attended Customer Care Course 2. That a monitoring tool be developed to assess performance of all trainees. 3. That in future, all financial implications should be clearly and fully reflected. 	N/A
20	Human Resources Report	<ol style="list-style-type: none"> 1. That Council takes note of the following within the HR report: <ul style="list-style-type: none"> • Increasing personnel (appointments) • Bursaries awarded • Resignation and deceased 2. That secular 58 does not allow Councilors to be granted bursaries. 3. That in future, costs per bursary holder be clearly reflected on a report. 	N/A
21	Risk Management Strategy review	That Council takes note and approves the Risk Management Strategy.	N/A
22	Risk assessment report	That Council takes note and approves the Risk Management Strategy	N/A
23	Scheduled dates for the Mayoral Committee meetings for	That Council takes note of the scheduled dates of the Mayoral Committee meetings.	N/A

FEZILE DABI DISTRICT MUNICIPALITY

ANNUAL REPORT – 2011/12

ITEM NO	HEADING OF ITEM	RESOLUTIONS	IMPLEMENTED (YES/ NO)
	the 2012/13		
24	Deviation from supply chain policy – July 2011-July 2012	<ol style="list-style-type: none"> 1. That Council takes note of deviations approved by the Municipal Manager under delegated powers. 2. That Council condone the actions of the Municipal Manager taken under his delegated powers for approval of the amount of R 171 022.19 3. That Council condone the fruitless expenditure of R 5 289.80 	N/A
25	Written off of irrecoverable debts and other financial statements adjustments	<ol style="list-style-type: none"> 1. That the debt of R 45 000 owed by the Free State Province be written off as irrecoverable Surplus / Deficit account in the financial system. 2. That the debt of R 260 000 owed by the DBSA be written off as irrecoverable Surplus / Deficit account in the financial system. 3. That the debt of R 419 430.84 owed by the COGHTA be written off as irrecoverable and transferred to the Surplus / Deficit account in the financial system. 4. That Council approve the amount of R2 376 that is difference on VAT relating to previous financial years be corrected against the Surplus / Deficit account in the financial system. 5. That Council condone the deviation of R 20 000 approved by the Municipal Manager under his delegated powers. 6. That Council condone the amount R26 300 that was identified as irregular expenditure and reported as such in the financial statements of 2010/2011 	YES
26	Disestablishment of the Capital replacement reserve fund	<ol style="list-style-type: none"> 1. That Council approves the disestablishment of the CRR fund. 2. That Council approves the transfer of R 4 019 492 from the CRR to the accumulated surplus account 	YES
27	Budget process plan	That the Budget Process Plan for 2012/2013 for the preparation of the 2013/14 financial year annual budget be adopted by Council.	N/A
28	Reviewed supply chain management policy	<ol style="list-style-type: none"> 1. That Council adopted the reviewed SCM policy due to the regulations changes. 2. That Council takes note that the changed regulations was already implemented by the SCM unit 	N/A
29	The approval of the revised projects description	That Council takes note and approves the revise projects.	N/A

FEZILE DABI DISTRICT MUNICIPALITY

ANNUAL REPORT – 2011/12

ITEM NO	HEADING OF ITEM	RESOLUTIONS	IMPLEMENTED (YES/ NO)
30	District wide infrastructure project report	1. That the Council take note of the progress at the Local Municipalities on MIG projects. 2. That Council takes note on the backlog of Ngwathe Local Municipality in their expenditure as per the expected target. The matter is handled at the Technical Portfolio Forum.	N/A
31	Roll over of funding for 2011/12 financial year	11.1. That the funding of the following project be rolled over into the 2012/2013 financial year. 11.1.1. Mafube: Upgrading of outfall sewer in Namahadi Ext 23 (Mamello, Frankfort) - R 201 000 11.1.2. EPWP - Tumahole stormwater canals R 627 000 11.1.3. Rehabilitation of streets in Ngwathe R 3 520 000 11.1.4. Laboratory R 1 000 000 11.1.5. EPWP Project (Storm water open channels and Sidewalks) Zamdela R 174 000	Yes
32	Approval of irregular expenditure	That Council condone the irregular expenditure, and this be funded by savings of the other departments of the council.	Yes
33	Movement of Democratic Alliance Councillors from one Portfolio Committee to the other	That Council endorses the movement of Democratic Alliance Councillors from one portfolio to the other as proposed. <ul style="list-style-type: none"> • That Cllr S. Holt be moved from Finance Portfolio Committee and be replaced by Cllr S. Pittaway. • That Cllr S. Holt be moved from Social Development Portfolio Committee to LED Portfolio Committee. • That Cllr G. Ntoane be moved from LED Portfolio Committee to Social Development Portfolio Committee. 	Yes
34	Audit Committee Charter	The council approves the Audit Committee Charter	N/A
35	Internal Audit Charter	The council take note of the Internal Audit charter.	N/A

Certified as correct as correct: B P MολουPE (MANAGER CSS) Date: 23/10/2012

Administrative Governance

In line with legislative prescripts, the head of the administrative structure at Fezile Dabi District Municipality is the Municipal Manager. As the Accounting Officer, the Municipal Manager provides guidance on compliance with legislation to political structures; political office bearers, and officials of the municipality.

In execution of his duties, the Municipal Manager was assisted by his senior managers, who serve as departmental heads.

The Municipal Manager, together with his senior managers, constitutes the senior management team of the municipality.

The following individuals were part of the senior management team of Fezile Dabi District Municipality for the period under review:

Dr. MMV Mongake (01/07/2011 to 30/09/2012) - Municipal Manager

ML Molibeli (01/10/2012 to date) - Municipal Manager

Mr Johan Reyneke – Acting Chief Financial Officer

Mr G Mxoli - Director: Corporate Support Services,

Dr K Mahlatsi - Director: Community, Health and Environmental Services,

Mrs V Moloi - Director: Local Economic Development & Tourism,

Mr S Mokgatle - Director: Project Management and Public Works,

The position of the Chief Financial Officer (CFO) became vacant since December 2011 and was not yet filled as at the end of this reporting period, and Mr Johan Reyneke was appointed in an acting capacity by the Municipal Manager.

Component B:

Intergovernmental Relations

The constitution of the country requires all spheres of government to observe the fundamental principles of cooperation between spheres of government. Concomitant to this background, Fezile Dabi District Municipality see the intergovernmental relations between spheres of government as an important tool to enhance and speed up service delivery.

- **District Coordinating Forum**

The object of the Forum is to promote and facilitate intergovernmental relations and cooperative government between the District Municipality and the Local Municipalities. The District Coordinating Forum is consultative platform where all the Mayors and other stakeholders within the district convene discuss and consult each other on matters of mutual interest. During the period under review, the Forum held four meetings (i.e one meeting per quarter).

- **The Speakers' Forum**

The Speakers' Forum is another structure where the established to further promote Intergovernmental Relations. This structure allows all Speakers within the district to come together to share ideas and integrate programs and identify areas of weakness as well as the type of intervention need. Although this forum does not carry executive authority to make decisions, it however, provides remedial advices on a number of issues.

- **Technical IGR**

There is a Technical Intergovernmental Relations (Technical IGR) structure in the district that promotes and facilitates intergovernmental relations between the district municipality and local municipalities in the district as well as other sector departments in the province.

During the period under review, four meetings (i.e one meeting per quarter)

Component C:

Public Accountability and Participation

Section 18(i)(d) of Municipal Systems Act requires that a municipality must supply its community with information concerning municipal governance , management and development. The act further requires that a municipality must develop a system of municipal governance that compliments formal representative governance with a system of participatory governance.

During the period under review, public participation was of pivotal importance in decision-making processes of council. The municipality relied on public input and consultation to improve public participation, integrated development plans, budgetary planning and reporting.

Ward Committees

The purpose of Ward Committees is to enhance participatory democracy with which ward councillors liaise regarding matters affecting their respective wards.

Although Ward Committees are established in all local municipalities within the district, there are however a number of challenges which

impact on their optimal functionality. However, one of the improvement measures that were instilled in this reporting period was to ensure that there is continuous monitoring and ensuring that meetings are held regularly as planned.

The following is an overview of the status of established Ward Committees within the district:

- **Metsimaholo Local Municipality**
Municipality has 21 wards and all ward committees were established and inducted on their roles and responsibility.
- **Mafube Local Municipality**
Municipality has 9 wards and all ward committees were established and inducted on roles and responsibility.
- **Ngwathe Local Municipality**
Municipality has only 20 wards and all ward committees are established and inducted on roles and responsibility.
- **Moqhaka Local Municipality**
Municipality had 25 wards and all ward committees were established and all ward committees are established and inducted on roles and responsibility.

IDP Participation and Alignment

Participation

During planning period in the period under review, the Executive Mayor of Fezile Dabi District Municipality supported by all councillors and municipal administration facilitated a series of community and stakeholder engagements to solicit their inputs on the draft Integrated Development Plan and the corresponding MTREF for 2011/2012.

The table hereunder provides a record of IDP public participation meetings during the 2011/12 IDP review process:

Area	Date	Venue	Time
Mafube LM	16 March 2012	Frankfort Hall	10h00
Moqhaka LM	21 March 2012	Viljoenskroon Hall	10h00
Ngwathe LM	23 March 2012	Vredefort Hall	10h00

Section 26 of the Municipal System Act, 32 of 2000 as amended requires that the council's development strategies must be aligned with any national or provincial sectorial plans and planning requirements binding on the municipality in terms of legislation.

In order to ensure meaningful and objective alignment of the IDP with national and provincial sectorial plans, the municipality IDP objectives, KPI and development objectives were aligned as follows with the government's policy priorities for 2011/12:

National Apex Priorities	Organizational Implications
<p>Priority 1: Implement intensive campaign on energy security</p> <p>Besides intensifying the project plans already in place to improve generation, transmission, distribution and reticulation capacity and diversify sources of energy, launch a massive campaign to ensure saving of energy by households and industrial users.</p>	<p>The District Municipality, Local Municipalities (CDWs and Ward Committees), Department of Minerals & Energy and Public Enterprises, working with Eskom, to conduct a creative and permanent public campaign on this issue; to ensure that all categories of energy consumers take into account the issue of saving energy and respond positively to that effect.</p>
<p>Priority 2: War against Poverty</p> <p><i>Medium-term objective:</i> development of comprehensive antipoverty strategy and its implementation plan, including broad societal consultations and agreement on issues such as</p>	<p>The District Municipality will, together with the Local Municipalities participate in responding to the template which will be compiled by dominant National sector departments in the surveys of the households on issues of poverty and the level of improvement.</p>

<p>poverty datum line.</p> <p><i>Interim campaign:</i> utilising CDWs, social workers, community and home-based care workers, constituency offices, councillors and NGOs identify households and individuals in dire poverty and provide one or combination of interventions already available – social grants, „distress grant“, food parcels, school feeding, agricultural starter-packs, micro-finance and SMME assistance, enrolment into EPWP etc.</p>	
<p>Priority 3: Speed up community infrastructure programme:</p> <p>Implement intensive campaign to meet targets for water, sanitation and electricity: speed up implementation of programme to attain universal access by 2014</p>	<p>The District Municipality will continue support and capacitate the local municipalities to meet the National Service Delivery Targets in terms of infrastructural development and to improve service delivery to communities around Fezile Dabi area.</p>
<p>Priority 4: Intensify campaign on communicable diseases</p> <p>Implement the updated strategy on HIV and AIDS and intensify campaign against various TB strains as well as other communicable diseases.</p>	<p>Both the District and the Local municipalities will have achievable strategies on their IDP's, strong actions to continue to communicate and implement education programmes among the communities and employees on issues relating to HIV/AIDS, and other communicable diseases.</p>
<p>Priority 5: Ensure integrated planning across all spheres</p> <p>Complete road map for the setting up of planning capacity and ensure alignment among planning instruments across all the spheres.</p>	<p>To meaningfully participate in the Provincial Development Planning Forums and to have the District Intergovernmental Relations Forum on quarterly basis for synchronized planning and development.</p>

Component D:

Corporate Governance

Corporate governance is a system by which corporations are operated and controlled. This system encompasses a set of rules, processes and laws.

In the context of our municipality, we view corporate governance as an effective system of ensuring that the community get value for money through diligence and honesty.

In the course of rendering services to the community, it is therefore important to do so within the parameters of the law, and this can be achieved by connecting corporate governance with legislative risk management as a guideline.

Risk Management

The MFMA requires that the municipality has and maintains effective, efficient and transparent systems of financial and risk management and internal control; and of internal audit operating in accordance with any prescribed norms and standards.

The municipality has a fully functional Risk Management Unit, is mainly responsible for the implementation of effective risk management as a key element of good governance and rigorous performance management. Risk management is an integral part of corporate, business planning and service delivery.

During the period under review, corporate and operational risk assessment was performed for all areas within the municipality, risk identification

processes were carried out through the interview and completion of risk management template by management and senior employees.

Furthermore, the process of identifying significant and emerging risk was carried out, and resulted to seven (7) emerging and thirty (30) changed risks. Risk registers were updated for all the departments on a quarterly basis in terms of any changes and progress made on action taken to improve management of identified risks.

Training on risk management was provided for Mayoral Committee Members, Directors and Risk Champions. The status of risk register was communicated to the Audit Committee, Municipal Council and Management on a quarterly basis.

Anti-Fraud and Corruption

For the period under review, the municipality adopted strategies to combat fraud and corruption in the IDP. The municipality's Internal Audit also plays a pivotal role in the review of processes and adherence to process relating to segregation of duties, procurement process, efficiency of internal controls, and other measures to prevent fraud and corruption from occurring.

Supply Chain Management

For the period under review, the municipality had an approved supply chain management policy which is in line with the MFMA and National treasury regulations, Furthermore; the policy was reviewed to be in line with the Preferential Procurement Policy Framework Regulations of 2011.

The Supply Chain Management unit is appropriately capacitated in terms of human resources and skills. The unit is headed by a senior official who assume the duties of a senior supply chain practitioner.

During the period under review, there were a number of instances where procurement procedures were not followed, which resulted in deviations from the approved policy.

The composition of the bid committees is in accordance with the provisions of the Supply Chain Management Regulations, 2005, and there is regular reporting on the implementation of the policy.

By-Laws

There were no new by-laws introduced in this reporting period. Neither was there any by-laws revised.

Publication of information of the municipality's websites

Documents to be published on the municipality's website	Published / Not published
Current annual and adjustments budgets and all budget-related documents	Published
All current budget-related policies	Published
The previous annual report (2010/11)	Published
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act and resulting scorecards	Published
All service delivery agreements	N/A
All long-term borrowing contracts	N/A
All supply chain management contracts above a prescribed value (R 100 000)	Published
An information statement containing a list of assets over a prescribed value that have been disposed on in terms of section 14 (2) or (4).	N/A
Contracts agreed in 2011/12 to which subsection (1) of section 33 apply, subject to subsection (3) of that section	N/A

FEZILE DABI DISTRICT MUNICIPALITY

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Public-private partnership agreements referred to in section 120.	N/A
All quarterly reports tabled in the council in terms of section 52 (d) during 2011/12	Published

The municipality's website has been functional and accessible during the period under review.

CHAPTER 3

PERFORMANCE REPORT (Part 1)

Introduction to Performance Report

The strategic direction undertaken by Fezile Dabi District Municipality is set out in its Integrated Development Plan (IDP). Commensurate with legislative provisions, the IDP was reviewed for this reporting period.

The implementation of Fezile Dabi District Municipality's IDP is strategically supported by 2011/12 Medium Term Revenue and Expenditure Framework (MTREF). Following the approval of the IDP and the Budget, the municipality subsequently developed an institutional Service Delivery and Budget Implementation Plan (SDBIP), which effectively gave effect to service delivery objectives as contained in the IDP.

The SDBIP includes the service delivery targets and performance indicators for each quarter that should be linked to the performance agreements of senior management. The SDBIP facilitates performance, accountability and transparency of the municipal administration and managers to the Council and Councillors to the community as it requires progressive in year reporting on the objectives and target.

This performance report therefore provides a comprehensive account of the performance of the municipality against the performance objectives, indicators and targets as contained in the SDBIP and the IDP for the period under review.

A detailed and audited performance report is attached herewith as Annexure D.

Component A:

Planning & Development

Introduction Planning and Development

Fezile Dabi District Municipality is a large municipal area and is home to about 17.3% of the total Free State population. This area is considered the grain basket of South Africa. In addition to this the district is the only area in the province where manufacturing is the main contributing sector to the district's economy, because of SASOL. Apart from agriculture and manufacturing other key economic drivers are mining, construction, and tourism and SMME development.

- **Local Economic Development**

Fezile Dabi District Municipality is no exception when it comes to unemployment and poverty. According to the poverty index of the total area of Fezile Dabi District Municipality, the majority of people in the district live below the poverty line – earning an income below R1 600 per month.

In acknowledgement of the seriousness of the problem of unemployment and poverty and the importance of forming partnerships in order to alleviate poverty, the municipality, through the Directorate of Local Economic Development (LED) & Tourism has undertaken various LED initiatives towards addressing issues of poverty and unemployment.

These initiatives included the following during the period under review:

- ***Koppies Greenhouse Vegetable Project***

The Koppies Greenhouse Vegetable (Hydroponic) Project is a commercial method for growing plants or crops. A partnership with Rand Water Foundation (RWF) has been established not only for the feasibility study, but also for the implementation of the project. The Service Level Agreement between FDDM and RWF was signed on 30 August 2011 in Koppies to conduct the feasibility study. The feasibility study for this project was completed and recommends that this initiative be established in the proposed area as a mitigation strategy to create rural employment for women and youth.

RWF will allocate an amount of R1.2 million for 2012/2013 for the establishment of the first phase of the project. The land that has been identified for the project is owned by FDDM.

It is anticipated to erect 20 double span greenhouses (divided into 5 groups of 4 houses – each group would have its own pool, pump, filter station and water controller system). English cucumber, tomatoes and spinach will be produced. This initiative will be implemented on a full scale business development model in order to realise the expected commercial viability.

- ***Sorghum Growing Project***

Land (Farm Wilde hondekop) owned by Ngwathe Local Municipality (Parys) was identified for the project. A cooperative called Sizabantu Agricultural Primary Co-operative Limited, consisting of six emerging farmers was registered and the members were also trained. Seeds and fertilizers have already been purchased.

An agreement with Tiger Brands was entered into in the 2010/11 financial year. At the outset, Sizabantu will deliver approximately 3 000 tons of sorghum to the Tiger Brands plant in Potchefstroom. The road infrastructure linking Parys and Potchefstroom is in good conditions and this will go a long way in enabling timeous deliveries.

Negotiations with Rand Water Foundation are currently underway to secure funding for the implementation of this project.

Both the Koppies Greenhouse Vegetable Project and the Sorghum Growing Project form part of the initiatives that are reflected in the District's Agricultural Sector Plan in order to empower the rural communities within the district.

- Enterprise development

As part of the enterprise development within the district, we have designed a program, called the Entrepreneurial Support System (ESS), to address the challenge of unemployment in the district.

This program entails the following two critical components:

- a) Training of identified entrepreneurs in Basic and Advanced Business Management by Flavius Mareka FET College, and
- b) Purchasing of business equipment to support operations

For the period under review, the following beneficiaries were assisted in terms of the ESS policy:

Business Name	Location	Business Activity	Assistance Value
Pula Madiboho Trading & Projects	Mafube	Bakery	R 17 050.00
Matselane Projects	Ngwathe	Catering	R 21 426.00
Midzi Artistic Productions	Ngwathe	Grass cutting	R 22 794.00
Recy Logistics & Supplies	Mafube	Catering	R 23 994.00
Jem-Jem Building & Construction	Ngwathe	Catering	R 26 199.00
Sunrise Multi-cleaning Services	Metsimaholo	Cleaning services	R 24 396.00
Sokudo Chemicals	Metsimaholo	Cleaning services	R 39 656.90
Inyameko Trading	Ngwathe	Catering	R 20 282.00
Bokamoso Printers	Ngwathe	T-shirt printing	R 31 181.82
LJ Events & Marketing	Metsimaholo	Event management	R 36 999.80
Matla Construction & Projects	Ngwathe	Catering	R 20 326.00
Mahlakazela Trading	Ngwathe	Catering	R 21 527.00
Ernest & Lizzy Construction	Ngwathe	Construction	R 21 945.00
Wathint-Imbokodo	Ngwathe	Garden services	R 20 000.00
Mbunana Building Construction	Mafube	Construction	R 29 275.00
Mannoi Mahapela Construction & Catering	Moqhaka	Catering	R 28 925.00
Mantaks Confectionery & Catering	Metsimaholo	Catering	R 25 800.00
Golden Rewards	Metsimaholo	Event management	R 32 299.83

- Leak Plugging workshops

The Leak plugging workshops were conducted in Ngwathe Local Municipality on 11 April and in Mafube Local Municipality on 18 April 2012. The objective of these workshops is to empower communities to better analyze, organize and shape their own local economies, which marks a departure from dependence on external sources of funding and expertise.

The anticipated results of these workshops are:

- The establishment of leak plugging teams to deal with challenges faced in the respective towns.
- Ensure that local municipalities support the action plans developed at the workshops, and
- That the local communities take control and lead processes to resolve challenges faced in their localities.

- **SMME Workshop**

In an effort to strengthen the SMME sector within the district a SMME workshop was held on 2 May 2012 in Sasolburg. Small Enterprise Development Agency, Small Enterprise Finance Agency (formerly known as Khula Enterprises), Free State Development Corporation, Impendulo Siyakha Consulting and FDDM's Supply Chain Management were invited to present their respective products and assistance that can be provided to the SMME's.

In addition to the above the following LED initiatives were also undertaken during the period under review:

- **LED and Tourism Summit**

The LED & Tourism Summit was held on 24 and 25 May 2012 in Kroonstad. The theme for the summit was: *Time for action: From policy to implementation*. The objective of the summit was to build partnerships with relevant stakeholders in order to improve the local economy by enhancing competitiveness; creating sustainable job opportunities; and ensuring that growth is inclusive. The presentations focused on the key economic drivers of the district, namely agriculture, manufacturing, tourism and mining.

- **District LED Forum**

The District LED Forum was launched on 28 June 2012 with the objective to establish strategic partnerships (government institutions, private sector and NGOs and CBOs) in order to ensure sustainable economic development in Fezile Dabi district.

Out of the forum, it was agreed that the functions and duties of the LED forum shall be to:

- ... Operate as an advisory body for the implementation of economic development initiatives.
- ... Advise and monitor economic development project(s) activities.
- ... Provide advocacy for LED project(s) implementation process so as to fast track the development processes.
- ... Facilitate linkages between the District, local municipalities, and respective organisation(s)/ institution(s) and the implementation of identified LED Development project(s)
- ... Mobilise various other resources necessary to implement and advance the LED forum objectives.
- ... Evaluate project(s) development progress from time-to-time.

• **Tourism Development**

Tourism remains an important economic driver for this region and awareness of this industry is gradually growing among the communities within our district.

The Riemland Tourism Route is one developing areas that has up to date attracted more than 42 members, who are keen and willing to strengthen the product offering of this route. With the flair of Cape wine range offered at the Falcon Creek guesthouse, this unique route links the North to the Eastern part of the Frees State, making this route second to Maluti Drakensberg Route in length.

Up to the end of the period under review, we erected more than 30 tourism sign boards on the Riemland Route, starting at all entrances and exits of the district; i.e R57; R59; R34; R723 and R707.

Moreover, the following tourism related activities took place during the period under review:

- **Crafters exhibition** in Bloemfontein is a strategic platform for our local crafters where they exhibit their products at the market and they conclude the deals with potential buyers and forward contracts. Our crafters are assisted to reach this market on monthly basis for the whole year.
- **Bead work training** was offered for 80 people to further develop their skills in making bead work.
- **Hospitality training** for 100 home owners was conducted during the period under review in Kroonstad. These owners were prepared to accommodate and host delegates that were attending the centenary celebrations in Bloemfontein during January 2012. We have identified an opportunity for our local hosts as it was announced that Bloemfontein could not provide enough accommodation for all the visitors during the celebrations. These hosts were trained, accredited and certificated in Hospitality. They are now the Home stay host in our district.
- **Tourism Indaba** was held on 09 March 2012. All the product owners of tourism facilities were hosted by the District Municipality. This is the platform that was created to strengthen the relations between Municipality and the Private Sector. The Indaba was attended by a big delegation from Provincial Department of Tourism and Environmental Affairs.

- **Grading of Tourism Establishments**

The Minister for Tourism unveiled a new star grading plague together with the Universal Accessibility plague for accommodation and MESE (Meetings, Exhibitions, and special events) on 21 March 2011. This was in perpetuating the introduction of the new grading system that has been constituted as a matter of compliance for all the accommodation and MESE establishments in South Africa for quality assurance, customer care and consistency with the World Tourism Organisation (WTO) standards.

It is against this background that Fezile Dabi District Municipality continues to ensure that all the accommodation facilities and other products are within the mainstream of such prescripts so as to ensure that local products are not deprived an opportunity of benefiting on the market trends, and that the products are well assessed and graded appropriately.

During the monitoring and assessment of the products, the Tourism unit identified the products that are new, ready to be graded and older ones that are being coached to ensure that they meet the required standards. The product owners identified by the unit as this current year's grading beneficiaries were assessed, coached, reassessed and ultimately graded by the South African Tourism Grading Council (TGCSA). We assisted with the appointment of the accredited assessor, certification and payment for the star grading plagues. At the end of grading, the facilities were provided with Brochures, Light boxes and business cards as their marketing materials package.

The results of the assessment and grading are listed below:

Name	Locality	Recommended Grading
Stone Cottage Guesthouse	Deneysville	3 Stars
Rethabise Premium Lodge	Kroonstad	4 Stars
Tripple K Guesthouse	Sasolburg	1 Star
LA Grand Chateau	Parys	3 Stars
Villa Bonheur Guesthouse	Heilbron	2 Stars

- **Tourism Marketing**

Fezile Dabi district Municipality has participated in the Domestic and International shows through the years, and is continuing to make appearance in the domestic tourism exhibitions. During the period under review, the district's tourism destinations and products were presented at the Getaway show in Randburg, at the Coca-cola Dome in September 2011. Four product owners from Parys Info, Riemland route, Parys golf estate; Kroonstad Info and Denneysville Info were invited to exhibit on the Fezile Dabi stand to showcase the treasures of this region.

- **Indaba International show 2011**

In May 2012, Fezile Dabi District Municipality was represented in the Free State Arena during the Indaba International show in Durban. This show is the world's third largest tourism show that attracts more than 3 000 overseas tour operators every year to South Africa. Once again, Fezile Dabi district Municipality made it possible for the local tourism operators to attend this high level international market.

- **Advertising and Publicity**

The advertising and Publicity unit is responsible for ensuring visibility and publicity of Tourism facilities and products in Fezile Dabi. The travel magazines are the most strategic points of marketing, because unlike the

business to business marketing, business to consumer advertising is effective and has a longer and broader circulation than other forms of marketing. The following travel magazines were target in the year under review:

- Explore Magazine: 2 X 1 A4 advertisements *Indaba Issue and Tourism month Issue*
- Encounter Magazine: 2 X 1 A4 advertisements: *indaba issue and world trade market Issue*
- AA travel map: Annual subscription

Component B:

Community and Social Services

Introduction to Community and Social Services

The community and social development functions are located within the LED Directorate under the Community Development Unit. This unit is specially established responsible to ensure that communities within Fezile Dabi District Municipality are able to access government services, so as to close the gap of social services.

This unit is responsible for, amongst others, the following community and social services: sports, arts and culture and social development.

- ***Community Development (social assistance)***

This unit is focusing on the community based organizations Non-Governmental Organisations that include among others; community backyard food gardens; early child development centres', old age homes; home care centres and disability centres. The interventions that we provide are the most needed and urgent commodities that are needed on daily basis to keep the centres operational.

- ***Early Childhood Development Indaba***

This event was held on 6th October 2011 at Ize 'Khaya guesthouse in Kroonstad. The objective of the Indaba was to interact with the matrons of the Early Childhood Development (ECD) centres and to understand their day to day challenges.

Mrs Ndaba, the Director responsible for ECDs presented the National Plan on ECDs to the delegates. In response the municipalities stated their

perceptions and their plans on how these institutions can implement this plan.

Assistance was provided for the following community structures:

Name	Location	Type of assistance/ intervention
Sonjolo food garden	Zamdela	Garden tools and seeds
Amazing race	Viljoenskroon	Catering Equipment
Hlalefang ECD	Qalabotjha	Cutlery, crockery, pots, blankets and mattresses
Ward 17	Zamdela	Seeds for backyard gardens
Kamohelo Quality foster Care Centre	Viljoenskroon	3pc cupboard, pots, cutlery and crockery + blankets
Amelia Disability Centre	Zamdela	Wheel chairs and, adult nappies

- **Sports development**

The objective with sports development is to plan, coordinate and support sports in the district.

As part of ensuring realisation of the above stated objective, the following interventions were provided for improved sports environment in the district:

- ... Karate kits for the Tai Kwon do club in Zamdela
- ... 30 chess sets for Tumahole Chess Club
- ... Soccer balls and netballs for the Rural schools in the clusters
- ... Transport, Sports equipment for soccer, volleyball, rugby, netball and table tennis for all teams that participated at the annual OR Tambo games in Welkom
- ... Tracksuits, attire and sports bags were provided for all 200 participants of OR Tambo games
- ... 10 children from Moqhaka and Mafube were enrolled and trained in Powerboat piloting

- ... Transport, accommodation and meals for Zamdela Boxing Club during their tour to Bethlehem on 25 – 26 November 2011
- ... Accommodation, transport, attire for Patricia Kamfer of Parys High, who participated in the National Selection Team for LYNKS Schools during the period under review.

- ***The Fezile Dabi Rural Schools Sports Development Program***

The Rural Schools Sports Development Program is specially aimed at integrating and including the children in rural areas in the activities of the municipality. This program was innovated following an observation that rural children are not exposed to the opportunities that their counterparts in towns and urban areas are exposed to.

The program is currently focusing on Soccer and Netball, to encourage rural children to study through sports. The annual event of the district games is whereby the winning teams on both soccer and netball are treated to a luxury tour to a soccer match where the national teams are playing for a cup or a league game. The 2011 Winners were Mafube Netball team and Moqhaka Soccer team. They were treated to Bloemfontein to watch a PSL match between Bloemfontein Celtic and Orlando Pirates.

- ***Qalabotjha stadium project***

Fezile Dabi District Municipality, in its quest to improve the sports facilities in the district, received a grant of R3.8m from National Lotteries Board. Of which R1.9 was paid into the Municipality account, for the renovation of Qala Botjha community stadium. The project was launched and introduced to the community of Mafube Municipality in August 2011.

A team of architects was appointed to design and cost the ideal facility at the end of the project. Although the amount approved is not enough, the municipality is determined to acquire additional funds so as to deliver

a facility of good standard that will be user-friendly for the communities of Mafube Municipality and the rest of the district.

- **Arts and Culture development**

Fezile Dabi District is an area consisting of a rich talent of preformed arts. This has prompted us to design a program that assists the up and coming artists to access services such as recording of videos, pressing and production of CD's and marketing.

Besides the recording costs, these artists are provided with transport, accommodation and meals for the duration of their stay until they complete the recording.

During the year under review, the following were the artists that were enrolled in our program:

Name	Location	Type of assistance	Value of assistance
DJ Nority	Zamdela	Recording studio equipment	R 95 000
Beauty of Nature	Viljoenskroon	Attire/ costume	R 30 000
Dups. & Duks		Studio equipment	R 30 000
Phiritona Arts & culture	Parys	Attire	R 30 000
Refuge Mail Choir	Metsi Maholo	Recording and pressing of an album	R 15 000
Ngwathe arts group	Edenville	Stage play of a prescribed book for matriculants – Haeso Mafotholeng	R 45 000

Component C:

Environmental Protection

The environmental protection function is located within the directorate of Community, Health and Environmental Services. The main function of the unit is to *Prevent environmental pollution i.e. land, air, water, soil and noise. These functions are carried out through enforcement of By-Laws and other applicable legislation.*

The following table provides an overview of the results achieved against the initial plans during the period under review.

GOAL	OBJECTIVE	KPI'S		WORKLOAD REACHED / INSPECTIONS		
			Target	EASTERN SUB REGION	WESTERN SUB REGION	TOTAL
<i>Prevent environmental pollution i.e. land, air, water, soil and noise</i>	Identify sources of pollution	Number of pollution sources identified	546	314	232	546
	Attend to complaints received	Number of complaints attended to	313	136	177	313
	Participate in all projects, developments and EIAs as interested affected party	Number of projects, developments and EIAs participated in as interested affected party (I&AP)	22	18	4	22
	Atmospheric emissions licences issued or applications received	AEL's or acknowledgement letters issued				
	Ensure that public premises businesses comply to tobacco control act	% of public premises complying to tobacco control act	84%	35/ 49	615/ 716	650/ 765

Component D:

Health

The health function is located within the Community, Health and Environmental Services (CH&ES) Directorate. The environmental Health, Disaster Management, and Community Services such as Food Safety, etc form the core components of this directorate.

As it will be noticed on the tables that follow hereunder, we have satisfactorily achieved all most of the targets we have set for ourselves under each of the key performance areas.

• *Health Surveillance Of Premises / Build Environment*

GOAL	OBJECTIVE	KPI'S		WORKLOAD REACHED / INSPECTIONS		
			Target	EASTERN SUB REGION	WESTERN SUB REGION	TOTAL
<i>That all premises comply with health legislation</i>	Ensure compliance of all premises with Relevant Legislation	Number of premises complying with relevant Legislation	156	22	134	156
		Keeping of Animals	61	21	40	61
	Ensure effective and adequate sanitary facilities at all private schools in district	Number of reached private schools with effective and adequate sanitary facilities	36	32	4	36
	Ensure compliance of building plans with relevant legislation	% of building plans complying	79%	422/ 612	283/ 295	705/ 907
	Application for EIA's/Building plans /AELs	Application for EIA's/Building plans /AELs and site visits				
	EIA's/Building plans /AELs issued	EIA's/Building plans /AELs issued				
	Issue Health Certificate according to the FDDM By Laws for places of care	Number of places of care issued with Health Certificate measured against FDDM By Laws	27	19	8	27
	Compliance of all Initiation Schools with Free State Initiation Schools Health Act, 1 of 2004	Number of Initiation Schools complying	12	8	4	12

• **Vector Control**

GOAL	OBJECTIVE	KPI'S		WORKLOAD REACHED / INSPECTIONS		
			TARGET	EASTERN SUB REGION	WESTERN SUB REGION	TOTAL
Prevent vector infestation	Facilitate, advice and educate on vector control	Number of vector control measures implemented	210	54	156	210

Chemical Safety

GOAL	OBJECTIVE	KPI'S		WORKLOAD REACHED / INSPECTIONS		
			TARGET	EASTERN SUB REGION	WESTERN SUB REGION	TOTAL
Prevent incidences of chemical pollution, poisoning and contamination	Educate communities on chemical safety measures	Number of educational sessions conducted	48	7	41	48
	Investigate cases of chemical poisoning reported	Number of cases of chemical poisoning investigated	54	19	35	54
	Monitoring manufacturing, transportation, storage, application and disposal practices	Number of unlawful practices	3	3	-	3
	Implement proper end user education programme at schools on chemical safety	Number of schools reached with education on chemical safety	9	4	5	9

**Surveillance And Prevention Of Communicable Diseases,
Excluding Immunizations**

GOAL	OBJECTIVE	KPI'S		WORKLOAD REACHED / INSPECTIONS		
			TARGET	EASTERN SUB REGION	WESTERN SUB REGION	TOTAL
Prevent communicable diseases	Educate communities on communicable diseases	Number of educational sessions held	11	7	4	11
	Investigate communicable disease cases notified by Drs & clinics	Number of communicable diseases investigated				

Disposal Of The Dead

GOAL	OBJECTIVE	KPI'S		WORKLOAD REACHED / INSPECTIONS		
			TARGET	EASTERN SUB REGION	WESTERN SUB REGION	TOTAL
<i>All exhumations and funeral undertakers premises must comply with relevant legislation</i>	Ensure that exhumations comply with regulations	Number of exhumations attended to	43	3	40	43
	Ensure that the funeral undertakers premises complies with the relevant legislation	Number of funeral undertakers premises complying	19	9	10	19
	Issue certificate of competence according to the regulations	Number of premises reached issued with certificate of competency	10	5	5	10

Environmental Health Education And Training

GOAL	OBJECTIVE	KPI'S		WORKLOAD REACHED / INSPECTIONS		
				EASTERN SUB REGION	WESTERN SUB REGION	TOTAL
<i>Ensure proper health education and training</i>	Develop effective MHS educational material	Number of initiated MHS educational material developed	5	4	1	5
	Train EHPs in minimum one technical course per year	Number of EHPs trained in minimum one technical course per year				
	Accommodate students for MHS training from tertiary institutions	Number of students accommodated for MHS training from tertiary institutions	6	3	3	6
	Implement Health and Hygiene Education on Water and Sanitation programme	Number of Health and Hygiene Education on Water and Sanitation programmes implemented	28	19	9	28
	To represent FDDM – MHS at Workshops, Seminars, congresses (other)	Number of workshops, Seminars, Congresses (and others) attended	700	399	301	700

- **Awareness Programmes and Campaigns**

- **Baswa le Meetse Programme**

Baswa le Meetse project was launched in 2003 by the Department of Water Affairs. The aim is to recognise the role of youth in education and awareness campaigns on water management; sanitation; impact of pollution on the environment and health and hygiene promotion issues.

In our district, this project targets grade six (6) learners who convey messages by using art (e.g. drama; poetry; traditional music; praise poetry and by a poster).

- **Health and Hygiene Event**

Fezile Dabi District Municipality Municipal Health Services (FDDM-MHS) conducted Health and Hygiene Education on Water and Sanitation project in Ntshwephepa Primary School in Tumahole (Parys).

The event was held on 17 May 2012, eighteen learners were reached (those who participate in Baswa le Meetse). Topics covered include water issues; personal hygiene; waste management; environmental pollution and impact of poor hygiene on human health.

- **Chemical Safety**

On the 14th and 17th of March 2012 FDDM Municipal Health and Auxiliary Services jointly conducted chemical and food safety education at Poelano and Thuto Ke tsela Primary Schools, in Frankfort. This was due to a food poisoning (honey) outbreak caused by possible chemical contamination of the said food reported to Municipal Health Services officials based in Frankfort.

The campaign was mainly focused on the dangers associated with the

handling and storage of household chemical substances. The target group was learners aged 5-15years, they were educated on the hazardous symbols associated with chemicals and how they could protect themselves from being poisoned or burnt.

Strong emphasis was placed on the dangers associated with exposure and adverse health effects when exposed to various household chemicals such as paraffin, bleach, rat poison etc. The three modes of exposure were illustrated to the learner's i.e. inhalation, ingestion, and skin contact.

On food safety education, emphasis was made on food poisoning. The definition of food poisoning, the symptoms associated with food poisoning as well as their incubation period depending on the contaminant and quantity were demonstrated.

A total number of 1800 learners and educators were reached.

- ***Cleanest Farm School Competition***

On 30 May 2012 the Waste Management and Greening Project: Cleanest Farm School Competition was launched in Viljoenskroon. Five following (5) farm schools were identified and participated in the competition.

- Barnato Primary School
- Ruby Primary School
- Doornspruit Primary School
- Wonderkring Primary School
- Vierfontein Primary School

The overall objective of this outreach was to encourage the farm communities to apply proper principles of handling waste by educating the learners.

Component E:

Public Safety & Security

- ***Disaster Management***

Fezile Dabi has an established Disaster management Centre, although the head of the centre was already appointed, there are a number of issues that still needs attention in order to ensure that the centre is fully operational. Furthermore, this unit also renders support in the area of disaster management functions to all four local municipalities within the district.

• **Institutional Capacity**

For the period under review, the District Disaster Management Centre embarked on the following activities associated with institutional capacity building:

- Coordinated District Disaster Management Advisory Forum held on 28 February 2012, 27 March 2012, 24 April 2012, and 24 May 2012.
- Participated in the provincial disaster advisory forums meetings held on 24 April 2012 and 11 May 2012
- Actively participated in all activities of the ANC Provincial Conference Preparatory Committee sitting on section 4 meetings in June 2012
- Actively participated in the Inter Provincial Snow Protocol Meetings between KZN, Free State, Mpumalanga, and Easter Cape held on 14 March 2012, 20 April 2012 and 17 May 2012
- Participated in Inter provincial Road safety forums facilitated by N3TC between FS, Gauteng, and Mpumalanga.
- Formed part of provincial response Task Team on tornados that hit the town of Ficksburg.

- Currently serve in the provincial Disaster Management quality Assurance technical task team.
- Participated in provincial SALGA Community Safety Working group held on 24 June 2012.
- Participated in Eurecon provincial workshop on disaster held on 12 & 13 June 2012.

- **Disaster Risk Reduction**

The following Risk Reduction initiatives were carried out during the period under review:

- We have actively stated engagements with Thabo Mofutsanyane District Municipality regarding cross boundary operations for firefighting, including N3TC.
- We have trained of ward committees and councillors in Metsimaholo Local Municipality on disaster management.
- We have conducted training workshops on fire fighting to volunteers from all municipalities within the district
- We have dispatched blankets to victims who were affected by floods and fire at Moqhaka and Metsimaholo municipalities, including Metsimaholo Hospital.

- **Other support**

We have actively assisted with the following as part of disaster management functions during the period under review:

- Purchasing fire vehicle for Ngwathe Local Municipality
- We have provided local schools with fire extinguishers.
- We have assisted with Minor infrastructure procurement for victims of fire and floods in Heilbron and Edenville.

Component F:

Internal Security, Anti-Fraud and Corruption

- **Introduction to Internal Security, Anti-Fraud and Corruption**

The objective of the unit is to create and maintain a condition of security on an acceptable or minimum standard and manage it as a complex or diverse function within the municipality. The function impacts on all functions of the municipality.

The unit exists for the simple reason of protecting the property, employees and assets of the municipality.

- **Information Security**

We have developed a manual of security procedures that must be applicable in respect of the institution's classified information. All employees have signed the declaration of secrecy and access to classified information is regulated.

- **Physical Security**

Access to the building and restricted areas is been achieved through access control measures. Physical Security Officer was also appointed to coordinate and supervise all physical security related matters.

We also take charge of the security of major events in the district and we have successfully managed the security of the Annual Benefit Concert that was held in December 2011. We have also developed contingency plan in case of any possible eventuality.

- **Personnel Security**

The screening of service providing personnel, i.e those with access to classified information has been conducted and this is done on a continuous basis. Moreover, we have also conducted vetting of employees with access to classified information. Personnel suitability checks or pre-screening employment investigations were also conducted on the incumbents to the posts.

- **Communication Security:**

The security unit is working closely with the Finance and IT unit to mitigate the identified risks with regard to the IT Information security and protection of information.

- **Security Awareness**

The following presentations were conducted as part of security awareness

- Handling of sensitive/ classified Information
- Vetting
- Anti-Fraud and Corruption

SECURITY ADMINISTRATION:

- The security policy and directives are in place.
- Security plan is available.
- Threat and Risk Assessment is conducted periodically
- Security Audit is conducted periodically.
- Information Manual in terms of sec 52 of PAIA is available

CHAPTER 4**ORGANISATIONAL DEVELOPMENT PERFORMANCE****Introduction to Organisational Development**

One of the key institutional developments objectives as contained in our IDP for the period under review was improving performance and level of accountability of the municipal administration by cascading performance management to the lower post levels within the municipality.

The cascading process of performance management was undertaken as planned; however as at the end of this reporting period, the implementation part was not thoroughly completed. The process was under the direct responsibility of the Manager; Planning and Performance Management, assisted by the Performance Officer

Municipal Human Resources**Workforce Profile**

The municipality' primary focus is to ensure that departments are neither over- nor understaffed, and that employees with appropriate talents and skills are available to carry out tasks in the right jobs at the right time to support the municipality to achieve its strategic objectives.

As part of the bigger Human resource management plan, the municipality's human resource strategy focuses on filling of critical vacancies, skills audit, and capacity building intervention for councillors and officials, performance recognition and develop human equity plan.

FEZILE DABI DISTRICT MUNICIPALITY

ANNUAL REPORT – 2011/12

The table hereunder summarizes the total workforce of the municipality per race group for the period under review.

Employment category	Race										Total
	African		Coloured		Indian		White		Total		
	M	F	M	F	M	F	M	F	M	F	
Top Management	5	1	0	0	0	0	0	0	0	0	6
Senior Management	4	3	0	0	0	0	4	1	0	0	12
Mid- Management	15	19	0	1	0	0	4	1	0	0	40
Supervisors and Junior Management	2	0	0	0	0	0	0	0	0	0	2
Semi-Skilled	21	28	0	0	0	0	0	4	0	0	53
Unskilled	7	1	0	0	0	0	0	0	0	0	8
Total Permanent	54	52	0	1	0	0	8	6	0	0	121
Temporary Employee	1	7	0	0	0	0	0	0	0	0	8
Grand Total	55	59	0	1	0	0	8	6	0	0	129

Employment Equity Profile

Similarly to the previous reporting periods, our municipality still shows a high level of adherence to promote equity at workplace as required by the Employment Equity Act.

According to our Employment Equity profile as at the end of June 2012, over 87% of our workforce was black, with 52% of our total workforce being women.

Staff turnover

- **Recruitment**

During the period under review, a total of 37 new employees were recruited, 21 of which constitutes female recruits.

- **Filling of critical vacancies**

AS at the end of this reporting period, approximately all critical vacancies were filled, except for that of the Chief Financial Officer, which would certainly be filled in the new financial year. Mr J Reyneke was the acting Chief Financial Officer as at the end of this reporting period.

- **Skills audit**

Skills audit is conducted once in a three year cycle. The next skills audit is due to be conducted in the 2013/14 financial year.

- **Capacity building** – the Workplace Skills Development Plan (WSP) was drafted and co-signed by labour as required by relevant legislation. Training is provided to staff in line with the plan and reported monthly and quarterly to the LGSETA.

Performance management system

The municipality has a functional Performance Management System in place. Performance recognition is designed and the reward system is implemented for the senior management level. All the reported performance information is subject to internal and external audits. Performance evaluation is conducted on the basis of reported performance and performance evidence disclosed and audited.

Human Resource Policies

The table below provides an overview of minimum human resources policies that the municipality must have in place and whether these policies have been reviewed and adopted by council.

Name of Policy	Policy in place Yes / No	Reviewed for 2011/12 Yes / No	Adopted by council or comment on failure to adopt
Affirmative action	Yes	Yes	Adopted by council
Attraction and Retention	Yes	Yes	Adopted by council
Code of Conduct for employees	Yes	Yes	Adopted by council
Delegations, Authorization & Responsibility	Yes	No	Adopted by council
Disciplinary Code and Procedures	Yes	Yes	Adopted by council
Essential Services	N/A	Yes	Adopted by council
Employee Assistance/Wellness	Yes	Yes	Adopted by council
Employment Equity	Yes	Yes	Adopted by council
Exit management	Yes	Yes	Adopted by council
Grievance Procedures	Yes	Yes	Adopted by council
HIV/Aids	Yes	Yes	Adopted by council
Human Resource and Development	Yes	Yes	Adopted by council
Information Technology	??	Yes	Adopted by council
Job Evaluation	???	Yes	Adopted by council
Leave	Yes	Yes	Adopted by council
Occupational Health and Safety	Yes	Yes	Adopted by council
Official Housing	Yes	Yes	Adopted by council
Official Journeys	Yes	Yes	Adopted by council
Official transport to attend Funerals	Yes	Yes	Adopted by council
Official Working Hours and Overtime	Yes	Yes	Adopted by council
Organisational Rights	Yes	Yes	Adopted by council
Performance Management and Development	Yes	Yes	Adopted by council
Recruitment, Selection and Appointments	Yes	Yes	Adopted by council

Name of Policy	Policy in place Yes / No	Reviewed for 2011/12 Yes / No	Adopted by council or comment on failure to adopt
Resettlement	Yes	Yes	Adopted by council
Sexual Harassment	Yes	Yes	Adopted by council
Skills Development	Yes	Yes	Adopted by council
Smoking	Yes	Yes	Adopted by council

Leave Utilisation

Leave utilisation was largely in accordance with the approved Leave policy. An independent review of leave utilisation for the period under review was conducted, the report was internally audited and the results thereof together with the annual leave reconciliation were available for audit by the Auditor-General.

CHAPTER 5**FINANCIAL PERFORMANCE****Introduction to Financial Performance**

The finance service directorate is responsible for administering and managing the financial affairs of the municipality. It ensures accountability on municipal expenditure and provides reports to various stakeholders on the utilization of municipal funds. The department also provides technical and strategic assistance and support to local municipalities within the district.

This department consists of the following key operational components, viz: Supply Chain Management, Expenditure and Creditors, Local Municipalities Assistance unit, Financial Accounting, Budget Office, Payroll and Compliance unit.

The Local Municipalities Assistance unit that renders expert technical assistance to the Treasury and Budget Offices of the local municipalities within the district was established by Council resolution in 2009.

The activities, duties and functions in these components are carried out within the framework of Municipal Finance Management Act (MFMA) Act No 56 of 2003 and the Annual Division of Revenue Act (DoRA), other applicable pieces of legislation and approved budget related policies of the municipality.

Supply Chain Management

For the period under review, the municipality's Supply Chain was largely implemented in line with the approved policy, Municipal Finance Management Act and the associated regulations. The municipality's supply chain management Policy complies with the provision of section 112 of Municipal Finance Management Act.

All the tenders that were approved during the period were in line with the recommendations of the Bid Committees of the municipality and reporting has been done consistently monthly, quarterly and yearly to different authorities and stakeholders.

There is clear separation of duties within the supply chain management unit itself including its committees. No councillor or political office bearer is a member of any of the Bid Committees of the municipality, and the structures of the Bid Committees for the period under review were as follows:

Bid Specification Committee:

- Senior SCM Practitioner (Chairperson)
- SCM Practitioner
- Budget Officer
- A representative from the user department

Bid Evaluation Committee:

- Manager in the Office of the Municipal Manager (Chairperson);
- Secretary;
- SCM Practitioner;
- Snr SCM Practitioner;
- Risk Officer; and
- A representative from the user department

Bid Adjudication Committee:

- Director: Project Management & Public Works (Chairperson);
- Director: LED & Tourism;
- Director: Community, Health and Environmental Services;
- And Senior SCM Practitioner

All deviations were recorded in the internal register and reported to council. For the period under review, 28 incidents of deviations which occurred as a result of urgent and emergency procurement, were recorded in the register and all were tabled to council for noting and where appropriate, are disclosed in the notes to the Financial Statements.

Consistent with the previous reporting period, no complaints, disputes, objections, or incidents of irregular conduct were received from any party in respect of implementation of supply chain management activities.

The following table provides a summary of contracts over the value of R 30,000 that were approved and awarded during the period under review.

Period	2011/12		2010/11	
	No. of contracts	Total Contract Value	No. of contracts	Total Contract Value
July	5	R 321 898	0	R -
August	4	R 180 599	2*	R 526 320
September	6	R 28 171 910	2*	R 1 500 000
October	4	R 440 442	0	R -
November	5	R 490 120	2	R 1 580 000
December	3	R 628 410	0	R -
January	1	R 195 000	2	R 902 692
February	4	R 313 769	0	R -
March	10	R 3 611 702	0	R -
April	3	R 259 250	4	R 6 679 598
May	8	R 831 345	0	R -
June	5	R 637 422	2	R 1 770 581

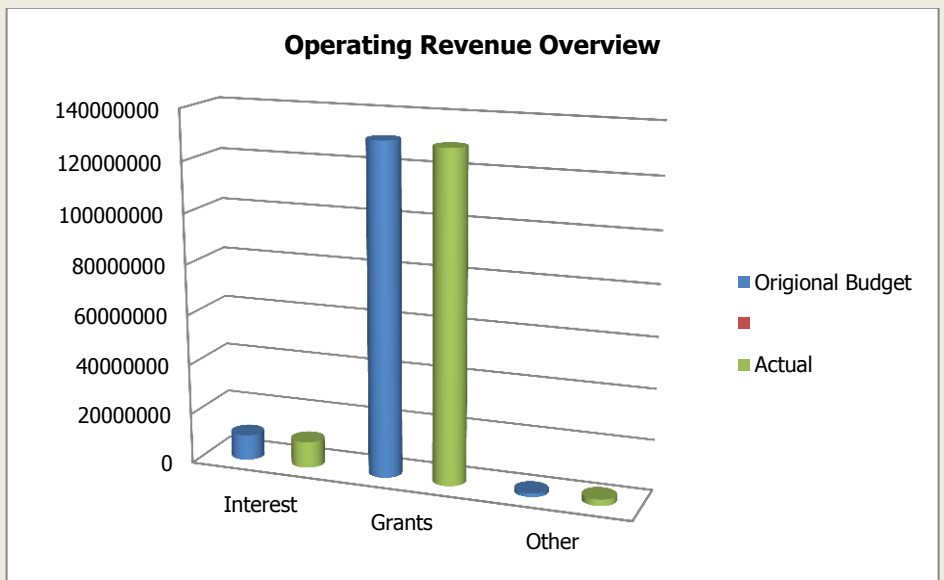
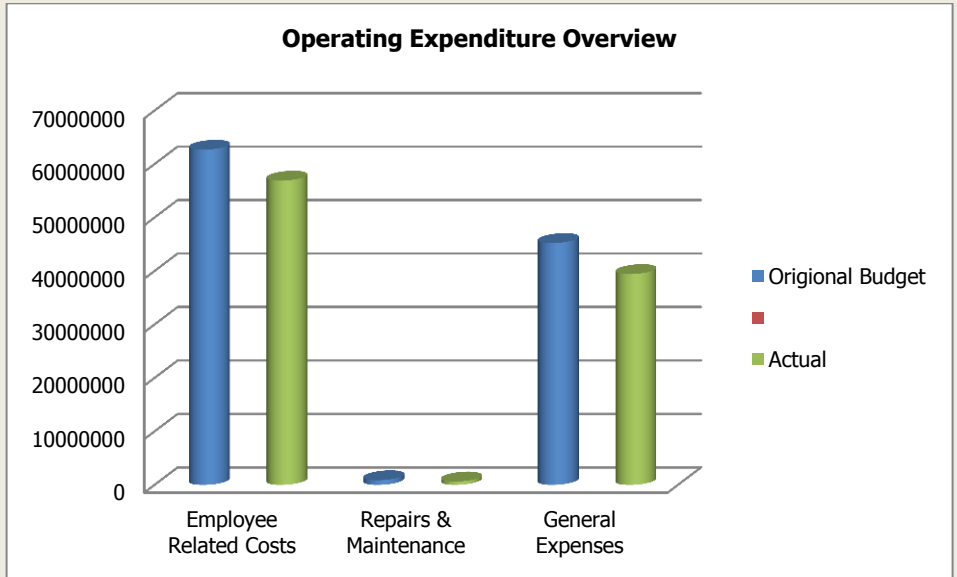
* One procured contract is based on the charge out rate on the work completed; therefore the contract value is not included in the total contract value amount.

Expenditure and Creditors

The expenditure unit is responsible for all the payments of suppliers and creditors to which the municipality has the obligation. For the period under review, all the expenditure incurred was within the limits of the municipality's approved budget.

Suppliers and creditors were paid within 30 days of receipt of valid tax invoices, and only where delivery and / or supply of goods and / or services was evaluated and confirmed as satisfactory by various user departments.

Because of limitations for generating own revenue, our expenditures are largely financed through equitable share and to an extent Finance Management Grant and Municipal Systems Improvement Grant for qualifying expenditure.



Local Municipalities Assistance unit

This unit is responsible for rendering expert technical support to various financial management matters to all the local municipalities within the district. The support is rendered to municipalities on request and also based on urgency.

For the period under review, the unit rendered support to Ngwathe Local Municipality and Moqhaka Local Municipality, where the major focus was on revenue enhancement and financial management reporting.

Financial Accounting

This unit is responsible for day-to-day accounting activities of the municipality, which includes reconciliations of accounts, journals, bank and cash management, loans management, etc.

The activities of this unit are directed by the policies as approved by council and the Generally Recognised Accounting Practices (GRAP) Accounting Standards.

Budget Office

This unit is effectively responsible for budget preparation and monitoring thereof during implementation. The unit conducts its activities largely based on the approved Budget Policy of the council and the directives, reforms, norms and standards as issued from time to time by the provincial and national Treasury.

Payroll unit

The payroll unit is responsible for paying of salaries and related benefits for Councillors and Officials. It is also responsible for processing, maintenance and management of the payroll data for the municipality.

For the period under review, the sum total of over R 56,9 million (2010/2011: R 49,1 million) in respect of employee related costs was paid in respect of both officials and councillors.

Compliance unit

This unit is responsible for producing various finance related reports and its distribution to various users internally and other external stakeholders. One of the primary responsibilities of this unit is also to guide and advice Senior Managers on various financial management matters in order to ensure continuous compliance with legislative requirements.

- **Expression on the Auditor General Report**

We believe that the opinion expressed by the Auditor-General is a true reflection of our efforts to always strive for institutional excellence through stewardship and accountability and over the public resources under our authority and control.

- **Plans to enhance financial viability**

Based on the findings of the Auditor-General' findings following the 2010/11 audit, we have prepared a comprehensive action plan which was aimed at resolving financial management matter that needed attention. Amongst others, the following matters needed to be addressed in the 2012/13 financial year.

- ... Ensure consistent application of accounting policies applicable to the financial statements so as to eliminate possibilities of errors in re-statement of financial information during external audits.
- ... Strengthening of controls relating to implementation of Supply Chain Management Policy. Ensuring that the municipality solves its major revenue challenges;
- ... Ensuring compliance with MFMA regarding in year requirements, such as Mid-Year performance assessment.
- ... To ensure the municipality progressively work towards obtaining a clean audit report by 2014.
- ... Funding of the Revenue Enhancement Plan.

Statement of Financial Position

Grants

Name of Grant	2011/12	
	Allocations	Actual expenditure
	R'000	
Local Government Finance Management Grant (FMG)	1 250	1 250
Municipal Systems Improvement Grant (MSIG)	790	790
EPWP	221	-
Equitable Share ¹	127 132	124 132
TOTAL	129 393	126 172

Financial Ratios based on Key Performance Indicators

Revenue Management

Level of Reliance on Government Grants

Purpose: The purpose of this ratio is to determine what percentage of the municipality's revenue is made up of government grants, to determine level of reliance on government funding by the municipality.

Formula: Grants & Subsidies/Total Revenue

2011/12		
Government Grants	Total Revenue	%
129 393 000	142 404 543	90.8%

Analysis and Interpretation: The Municipality's is highly reliance on Government Grants, and if this situation persists, the municipality may face serious liquidity problems.

Actual Revenue versus Budgeted Revenue

Purpose: The purpose of this ratio seeks to determine deviations between actual and budgeted revenue and to ascertain reasons for the deviations

Formula: Actual Revenue/Budgeted Revenue

Actual Revenue 2011/12	Budgeted Revenue 2011/12	Variance	Variance
		R	%
142 404 543	142 244 538	160 005	0.1%

Analysis and Interpretation: The acceptable standard is that the actual revenue for a financial year must equal or exceed the approved budget for the financial year. The municipality's actual revenue slightly exceeded the budget by less than 1%. The actual revenue includes Government Grants.

Expenditure Management

Employee Related Costs to Total Expenditure

Purpose: The purpose of this ratio is to indicate Personnel Cost as a percentage of Total Expenditure.

Formula: Actual Salaries, Wages and Allowances/Total Expenditure

2011/12		
Employee Cost	Total Expenditure	%
56 907 301	135 036 118	42.1%

Remuneration of Councillors

Purpose: The purpose of this ratio is to indicate Remuneration of Councillors as a percentage of Total Expenditure.

Formula: (Actual Remuneration of Councillors/ Total Expenditure)

2011/12		
Remuneration for Councillors	Total Expenditure	%
5 414 800	135 036 118	4%

Repairs and Maintenance to Total Expenditure

Purpose: The purpose of this ratio is to indicate Repairs and Maintenance as a percentage of Total Expenditure.

Formula: (Actual Repairs & Maintenance/ Total Expenditure)

2011/12		
Repairs & Maintenance	Total Expenditure	%
641 844	135 036 118	0.5%

Analysis and Interpretation: The norm for this ratio is that Repairs and Maintenance should equal at least 10% of Total Operating Expenditure.

Asset Management

Purpose: The purpose of this ratio is to identify per class of asset whether a municipality has a variance of more than 5% when actual and budgeted PPE acquisitions are compared.

Formula: (Actual Acquisition of PPE – Budget Acquisition of PPE)/Budgeted PPE Acquisition

2011/12			
Actual	Budgeted	Variance	%
2 610 726	6 731 000	4 120 274	-61.2%

Liability Management

Acid Test Ratio

Purpose: To test the extent to which the municipality's current assets can cover the short term obligations.

Formula: Current Assets less Inventory/Current Liabilities. The norm for this ratio is 1.5:1, i.e. the Current Assets less Inventory must exceed the Current Liabilities by 150%.

2011/12		
Current Assets less Inventory	Current Liabilities	Ratio
195 342 477	60 733 571	3:1

CHAPTER 6

AUDITOR GENERAL'S FINDINGS

The table below provides details of issues raised by the Auditor-General during the previous financial year as well as remedial action taken in the period under review in relation to those issues.

As it will be notices, a significant progress has been made in addressing all of the issues.

Deficiencies Pointed out in Report	Detail of Remedial Action to be Implemented (Plan Of Action)	Date of Completion	Status of Audit Finding(Resolved or Not Resolved)
As disclosed in note 38 to the financial statements, the corresponding figures for 30 June 2010 have been restated as a result of a change in accounting policies and errors discovered during 2010/11 financial year in the financial statements of the Fezile Dabi District Municipality at, and for the year ended 30 June 2010	Changes in accounting policy and errors discovered has effected changes in 30 June 2010 figures	30 November 2012	Done
As disclosed in note 27 to the financial statements, the municipality incurred irregular expenditure of R46300 due to inadequate procurement processes followed	Adherence to the SCM policy is encouraged and enforced. Controls will be strengthened to ensure compliance to the policy. Deviations to the SCM policy are recorded and reported.	In Progress	The municipality is scrutinizing the vouchers to identify any irregular expenditure the vouchers. Irregular expenditure will be submitted to the of the next sitting council.
Contrary to section 46(1)(c) of the MSA, the municipality did not prepare the performance report on predetermine objectives reflecting adequate measures take measures taken to improve performance where	Quarterly reports are prepared and information gets consolidated from user departments and evidence provided to substantiate the reported performance. The	Ongoing	Resolved. As this is an ongoing process.

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Deficiencies Pointed out in Report	Detail of Remedial Action to be Implemented (Plan Of Action)	Date of Completion	Status of Audit Finding(Resolved or Not Resolved)
<p>goals/objectives were partially achieved or not achieved. Further measures taken to improve performance were not supported by adequate and reliable corroborating evidence</p>	<p>report together with the evidence is audited by the internal audit. The Accounting Officer holds meetings with respective individuals to address non-performance matters on a quarterly basis.</p>		
<p>Usefulness of information</p> <p>Contrary to section 121 (3)(d) of the MFMA, the municipality did not indicate development objectives in the annual performance report; consequently , we could not confirm whether the development objectives/priorities, indicators and targets in the Integrated Development Plan (IDP) are consistent with those in the annual performance report. Further the municipality did not include all the objectives, indicators and targets of the IDP in its annual performance report and incorrect information was presented in the annual performance report</p> <p>The specific development objectives in the annual performance report were not consistent with the objectives reported in the IDP, as required in order to report back into planning budgeting and</p>	<p>All relevant objectives contained in the IDP will be included in our performance reporting in order to incorporate the two political offices (Mayor's and Speaker's offices) as they were previously omitted from the report. The Mid-year performance assessment report has already included the political offices performance information in remedying the situation.</p> <p>Consistency of objectives will be maintained with the IDP objectives and reported performance information.</p>	<p>31 June 2012</p> <p>30 Nov 2012</p>	<p>Resolved</p> <p>Not Resolved</p>

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Deficiencies Pointed out in Report	Detail of Remedial Action to be Implemented (Plan Of Action)	Date of Completion	Status of Audit Finding(Resolved or Not Resolved)
<p>implementation processes where they can be used for management decision-making and corrective action, as required by Framework for Managing Programme Performance Information issued by National Treasury.</p> <p>The accounting officer did not ensure that the targets specified in the IDP are specific, measurable and time bound</p>	<p>The targets will be verified with the IDP Coordinator to ensure compliance with the "SMART" principle. The Draft SDBIP for 2012/13 FY adheres to the SMART principle</p>	<p>30 June 2012</p>	<p>Resolved</p>
<p>Contrary to section 72(1)(b) of the MFMA, 2003 (Act No 56 of 2003), the accounting officer did not submit the mid-year budget and performance assessment report to National Treasury and the provincial treasury by 25 January 2011</p>	<p>Management will ensure that mid-year budget and performance are submitted to provincial and National Treasury within specified timeframe.</p>	<p>In progress</p>	<p>The S72 report was tabled to council on the 27/01/2012 and this has been brought to the attention of the mayor Council meeting will be scheduled in a way to accommodate the dates</p>
<p>Contrary to section 32(4) of the MFMA, 2003 (Act No 56 of 2003), the accounting officer did not submit report on irregular expenditure incurred by the municipality to the MEC of local government and the office of the Auditor-General of South Africa.</p>	<p>Management has established deviation register where all deviations are registered as they occur. deviations will on quarterly basis submit irregular expenditure to MEC of local government and the office of AG</p>	<p>In progress</p>	<p>The Municipal Manager agreed to the establishment of a small committee that will consist of 1. CFO (Chairperson) or delegated Snr. Manager</p>

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Deficiencies Pointed out in Report	Detail of Remedial Action to be Implemented (Plan Of Action)	Date of Completion	Status of Audit Finding(Resolved or Not Resolved)
			2. Compliance Officer 3. Chief Internal Auditor 4. Snr. Supply Chain Officer 5. Any Ad hoc person as needed This committee will start functioning appointed as from 1 July 2012
Contrary to section 71(1) of the MFMA, 2003 (Act No 56 of 2003), the accounting officer did not regularly submit a statement in prescribed format within 10 working days after the end of each month on the state of the municipality's budget.	Internal systems will be put in place to assist in ensuring that the budget statement is submitted within 10 working days after the end of each month.	On going	Two reports, July and August were not on time. Reports thereafter have been submitted on time since the preparation of this action plan
Contrary to section 10(1)(b) of the Basic Conditions of Employment Act, (Act 75 of 1999), the accounting officer did not limit the overtime worked by employee to 10 hours a week/40 hours per month.	Management has introduced stricter procedures; - preapproval forms must be signed before overtime can be worked, -All overtime sheet must go to HR for review, any overtime above 10hours a week is not paid but converted to leave	On going	Overtime are pre- authorised by Directors
Contrary to section 32(1)(a) of MSA, the accounting officer did not submit a copy of the integrated development plan as adopted by council of municipality, and	The IDP was submitted to the MEC Office within the prescribed time as stipulated by the Act, however we will ensure that as an when we submit the IDP we	13 April 2012	Resolved

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Deficiencies Pointed out in Report	Detail of Remedial Action to be Implemented (Plan Of Action)	Date of Completion	Status of Audit Finding(Resolved or Not Resolved)
subsequent amendments to the plan, to the MEC for local government in the province within 10 days of adoption of the plan	immediately receive the acknowledgment letter from COGTA , officials.		
Audit Committee Contrary to section 166(4)of the MFMA, 2003 (Act No 56 of 2003), the audit committee did not meet at least four times during the year.	Chief Internal Auditor should ensure that audit Committee meeting is held at least once a quarter	In progress	Three meetings have been held up until now. The next meeting is planned for 23/06/2012
Procurement and contract management Contrary to section 116(2)(b)of the MFMA, 2003 (Act No 56 of 2003), the performance of contractors was not monitored on monthly basis	Performance of contractors will be monitored on monthly basis	On going	
Contrary to the requirement of Par 17.7.1 of Section 11 of the SCM Policy, no proof could be obtained that the person appointed to deal with SCM disputes, objections, complaints and queries did submitted monthly reports to the accounting officer. (Ex 80)	Management has appointed a person internally (Legal Advisor) to deal with SCM disputes, objections, complains and queries. On monthly basis the SCM unit will submit disputes to (Legal Advisor)	In progress	Disputes will be submitted to Legal Advisor, only one has been submitted.
Contrary to Sections 3.3 and 3.4 of the municipality's leave policy, employees were identified that did not take the compulsory 16 annual leave days.(Ex 62)	At the beginning of each financial year employees are requested to submit their leave programs for the year. Employees are always encouraged to take leave, where minimum leave is not taken employees forfeited days in excess.	On going	Employee are encouraged to take leave and number of leave days available are shown on their payslips
Contrary to the Par 6.2, Par 10.3,	Management must ensure that	In progress	Supporting

Deficiencies Pointed out in Report	Detail of Remedial Action to be Implemented (Plan Of Action)	Date of Completion	Status of Audit Finding(Resolved or Not Resolved)
<p>Par 5.4, Par 5.2 and Par 18 of the leave policy,- leave taken by employees as recorded in the leave register could not be supported by a approved leave form.</p> <p>- supporting documentation for such leave as required by policy such as death certificates or medical certificates could not be provided.(Ex 76)</p>	<p>supporting documentation for such leave attached</p>		<p>documentation is attached to the leave form</p>
<p>Contrary to the Section 16 of the Fixed asset policy, 1) Assets mentioned below in the working progress were ready for use but not depreciated.</p> <p>2) Assets were delivered to the municipality after year-end (30 June 2011) and capitalized in the annual financial statements without any risk and rewards passing to the municipality</p> <p>3) Assets received post of 30 June 2011 should not be included in the fixed asset register. (Ex 36)</p>	<p>Management has sent an e-mail to all personnel clearly stating the closing dates for purchase capital assets, notices and tenders. The closing date for capital assets was 11th of May 2012. The municipality introduced the above to avoid similar incident occurring in the future. Asset register will be updated</p>	<p>In progress</p>	<p>The asset register is being updated. All the asset that are ready for use will be depreciated. We are waiting for the accounting system provider to assist in installing version 18 of E-venus</p> <p>-These asset have been capitalized, and they have been delivered at the Frankfort fire station</p>
<p>Contrary to Par. 25 of GRAP 17 standard the differences between the values of assets as recorded in the register and purchases prices as per invoice were identified. (Ex 35)</p>	<p>Management has sent an e-mail to all personnel clearly stating the closing dates for purchase capital assets, notices and tenders. The closing date for capital assets was 11th of May 2012. This will eliminate the</p>	<p>In progress</p>	<p>The invoice relating to these asset are being investigated and the assets will be updated once new version 18 of E-venus is uploaded</p>

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Deficiencies Pointed out in Report	Detail of Remedial Action to be Implemented (Plan Of Action)	Date of Completion	Status of Audit Finding(Resolved or Not Resolved)
	occurrence of similar incident. The asset will be updated on the system		
Contrary to Section 64(2) of the MFMA, when evaluating receivables, debtors were identified that were outstanding since previous year without any indications of recovery of such outstanding amounts. (Ex 18)	Management called the debtors trying to recover the amount without success. Management has decided to write-off the amount and it will be taken to council for consideration.	In progress	The item has been compiled to be submitted to Council during the next sitting of council.
Contrary to the requirement of Par 9 of the Investment policy, no interest was allocated to the CRR fund as the balance from previous year remained the same. According to the investment account for CRR fund (Standard Bank account no. 728670534/007) the balance at 30 June 2011 amounts to R5 176 354 a difference of R1 156 862 due to interest been capitalized. (Ex 17)	Management has prepared the document to council on Capital Replacement Reserve fund to be cancelled and the amount be taken to accumulated surplus	In progress	The item has been compiled to be submitted to Council during the next sitting of council.
Contrary to Par 3.1 of the Banking and Investment Policy it was noted that revenue was not banked within 48 hours after date of receipt.(Ex 8)	The municipality only receives money from selling tender documents, the money is often so little. Banking and investment policy will be reviewed and be submitted to council for approval. The money will be deposited on weekly basis or once the money exceed R1000	Completed	The money will be banked on weekly basis. The bank and investment policy were reviewed and approved by Council on 31 May 2012
With the verification of the VAT transaction the opening balance of	An amount of R88795 was already corrected for the period	In progress	The difference of R411 will taken to council for

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Deficiencies Pointed out in Report	Detail of Remedial Action to be Implemented (Plan Of Action)	Date of Completion	Status of Audit Finding(Resolved or Not Resolved)
<p>the VAT control account in the general ledger and amount of R6 292 936 was recorded. However, according to VAT reconciliation submitted the opening balance as on 1 July 2010 was recorded as R6 385 642 resulting in a difference of R92 706 (Ex 7)</p>	<p>ending 30 June 2011. An amount of R3911 have to be investigated in conjunction with the services provider</p>		<p>approval to be taken against accumulated surplus. The item is currently being prepared</p>
<p>IT management had not formally designed facilities and environmental controls (policies, procedures) to protect information resources against environmental hazards. Informal controls were in place, but were inadequate. As a result the state of the server room had not improved since the last audit as</p> <ul style="list-style-type: none"> • Flammables such as boxes and paper were still stored in the room. • Cables and other items were not kept in order. • Smoke and water detectors had not been installed and • The fire extinguisher had missed the service scheduled for June 2011. 	<p>Boxes and unnecessary papers were removed from the server</p>	<p>In progress</p>	<p>The arrangement for storage is still underway and will be finalized before end of May 2012. Unnecessary papers and boxes will be removed from the server</p> <p>There's a fire detector in a server room</p> <p>A request was made for service of a fire extinguisher still waiting for service provider</p>
<p>IT management had not finalised IT service continuity controls (back up strategy) to mitigate the risk of losing information and minimizing the effect of disruptions. As a result, the backup</p>	<p>Backup Procedures (Policy) will be submitted to council for approval. Backup testing machine will be bought</p>	<p>In progress</p>	<p>Backup Procedures Policy was modified it will be submitted to management meeting.</p>

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Deficiencies Pointed out in Report	Detail of Remedial Action to be Implemented (Plan Of Action)	Date of Completion	Status of Audit Finding(Resolved or Not Resolved)
tapes were still not being tested for restoration.			
<p>IT management had not formally designed IT governance controls (IT governance framework and IT risk management framework) to ensure that IT is aligned and delivers value to business, appropriately manages risks, resources and performance.</p> <p>As a result the risk assessment was performed and the risk register compiled without proper guidance to ensure critical municipal processes are given priority in the allocation of the resources required to mitigate or manage risks that might compromise service delivery.</p>	<p>We will develop the IT Risk Management Framework and re-evaluate our IT policies in order to ensure that new legislation is addressed</p>	<p>In progress</p>	<p>A service provider will be appointed to assist with the development of IT framework</p>

APPENDIX A**LIST OF COUNCILLORS****LIST OF ANC COUNCILLORS**

1. Moshodi MP (Executive Mayor)
2. Mbalo SI (Speaker)
3. Makhoba KJ
4. Guza NG
5. Taje MS
6. George DSL
7. Mokoena ME
8. Mahlakazela SJMT
9. Pietersen ML

LIST OF DA COUNCILLORS

1. Spruit MC
2. Pittaway SH
3. Van der Westhuizen PD

LIST OF COPE COUNCILLOR

1. De Hart D

SECONDED COUNCILLORS FROM METSIMAHOLO LOCAL MUNICIPALITY

1. Khubeka NJ (ANC)
2. Holt S (DA)
3. Makoele WL (DA)
4. Ntoane MG (DA)
5. Soetsang TL (ANC)
6. Poho MS (ANC)
7. Chebase LR (ANC)

SECONDED COUNCILLORS FROM MOQHAKA LOCAL MUNICIPALITY

1. Notsi ME (ANC)
2. Mbono MD (ANC)
3. Koloï MA (ANC)
4. Mahasa LP (ANC) (May 2011-May2012) Magadlela ZS 2012 May
5. Viljoen AH(DA)

SECONDED COUNCILLORS FROM NGWATHE LOCAL MUNICIPALITY

1. Oliphant MA (ANC)
2. Ndayi PR (May – November 2011) Magashule ME (Nov 2011-date) (ANC)
3. Serfontein C (DA)
4. Khumalo KJ (DA)
5. Hlapane ML (ANC)

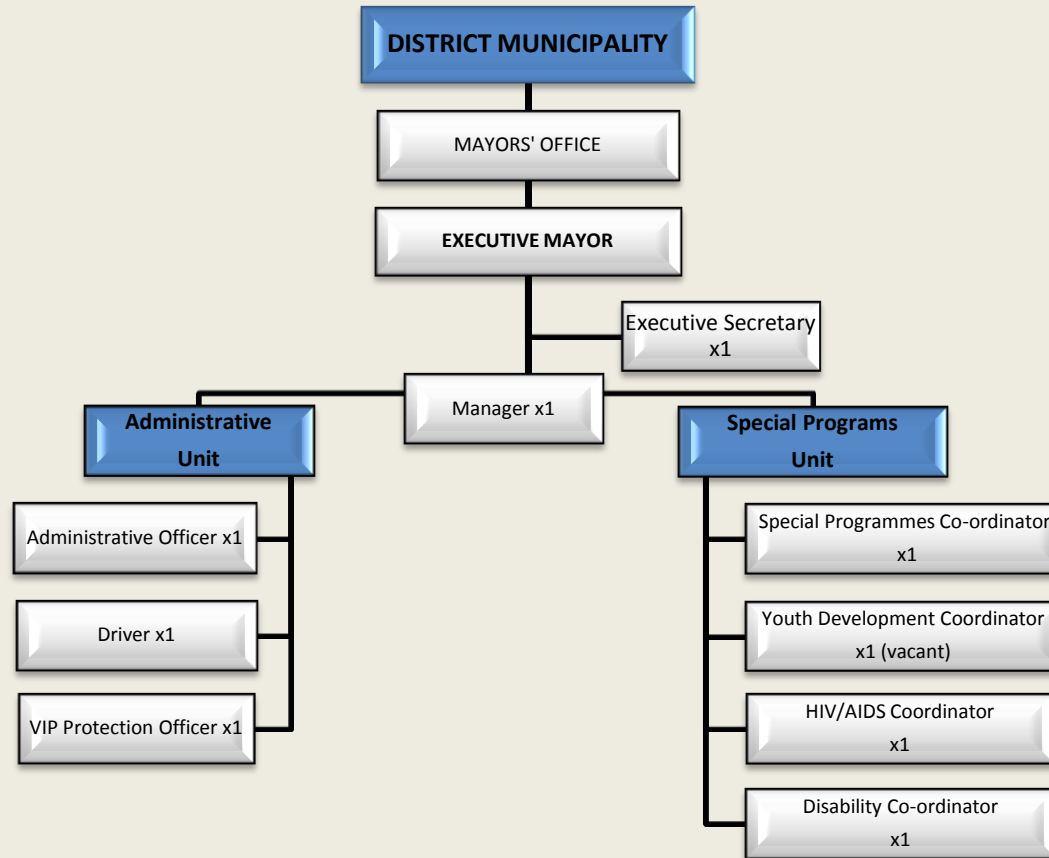
SECONDED COUNCILLORS FROM MAFUBE LOCAL MUNICIPALITY

1. Sigasa JE (ANC)
2. Mosia MA (ANC)

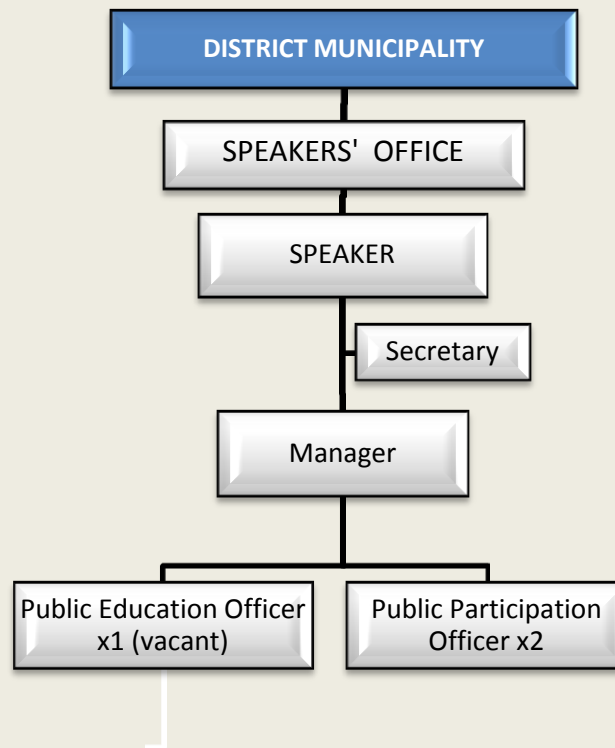
APPENDIX -B

MACRO ORGANISATIONAL STRUCTURE

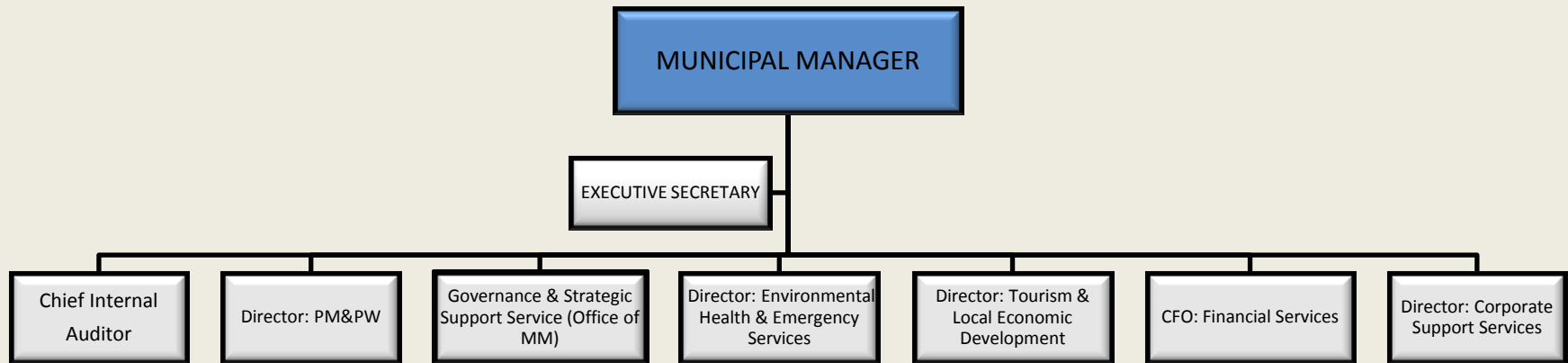
Part A: - 1: POLITICAL OFFICES – OFFICE OF THE EXECUTIVE MAYOR



Part A: - 2: POLITICAL OFFICES – OFFICE OF THE SPEAKER



Part B: - ADMINISTRATION



APPENDIX -C POWERS AND FUNCTIONS OF FEZILE DABI DISTRICT MUNICIPALITY

Constitutionally Mandated to Perform in terms of Schedule 4 (Part B) and Schedule 5 (Part B) of the Constitution of Republic of South Act, 1996	DEFINITION
Air pollution	Any change in the quality of the air that adversely affects human health or well-being or the ecosystems useful to mankind, now or in the future. District: licensing of listed processes
Building regulations	The regulation, through by-laws, of any temporary or permanent structure attached to, or to be attached to, the soil within the area of jurisdiction of a municipality, which must at least provide for: <ul style="list-style-type: none"> <input type="checkbox"/> Approval of building plans, <input type="checkbox"/> Building inspections, and <input type="checkbox"/> Control of operations and enforcement of contraventions of building regulations if not already provided for in national and provincial legislation. District: Control of premises from health point of view, starting from scrutinizing of building plans
Child care facilities	Facilities for early childhood care and development which fall outside the competence of national and provincial government. District: Control of premises and other places of care.
Fire Fighting	In relation to District Municipality "Fire fighting" means: <ul style="list-style-type: none"> <input type="checkbox"/> Planning, co-ordination and regulation of fire services; <input type="checkbox"/> Co-ordination of the standardization of infrastructure, vehicles, equipment and procedures; <input type="checkbox"/> Training of fire officers. In relation to Local Municipality "Fire fighting" means: <ul style="list-style-type: none"> <input type="checkbox"/> Any function not included in the definition applicable to a district municipality, including fighting and extinguishing of all fires; <input type="checkbox"/> The rescue and protection of any person, animal or property in emergency situations not covered by other legislation or powers and functions.

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Local tourism	The promotion, marketing and if applicable, the development, of any tourist attraction within the area of the municipality with a view to attract tourists; to ensure access, and municipal services to such attractions, and to regulate, structure and control the tourism industry in the municipal area subject to any provincial and national legislation, and without affecting the competencies of nation-al/provincial government pertaining to "nature conservation", "museums", "libraries" and "provincial cultural matters".
Municipal Planning	The compilation and implementation of an integrated development plan in terms of the Systems Act.
Municipal Health Services	<input type="checkbox"/> Subject to an arrangement with MECs to do the necessary authorizations, or alternatively, subject to amendments to the Structures Act, Municipal Health Service means environmental health services performed by a district municipality.
Municipal public transport	The regulation and control, and where applicable, the provision of: <ul style="list-style-type: none"> <input type="checkbox"/> Services for the carriage of passengers, whether scheduled or unscheduled, operated on demand along a specific route or routes or where applicable, within a particular area <input type="checkbox"/> Scheduled services for the carriage of passengers, owned and operated by the municipality, on specific routes
Storm water drainages /	The management of systems to deal with storm water in built-up areas.
Trading regulations	The regulation of any area facility and/or activity related to the trading of goods and services within the municipal area not already being regulated by national and provincial legislation.
Water (Potable)	The establishment, operation, management and regulation of a potable water supply system, including the services and infrastructure required for the regulation of water conservation, purification, reticulation and distribution; bulk supply to local supply points, metering, tariffs setting and debt collection so as to ensure reliable supply of a quantity and quality of water to households, including in-formal households, to support life and personal hygiene and establishment, provision, operation, management, maintenance and regulation of a system, including infrastructure for the collection, removal disposal and/or purification of human excreta and domestic waste-water to ensure minimum standard of services necessary for safe hygienic households.

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	District: water quality monitoring, including potable water
Sanitation	<p>The establishment, provision, operation, management, maintenance and regulation of a system, including infrastructure for the collection, removal, disposal and/or purification of human excreta and domestic waste water to ensure minimum standard of service.</p> <p>District: monitoring and awareness (sampling on networks and connection to assess compliance with applicable standards)</p>
Cemeteries, funeral parlours and crematoria	<p>The establishment conducts and control of facilities for the purpose of disposing of human and animal remains.</p> <p>District:</p> <ul style="list-style-type: none"> <input type="checkbox"/> monitoring of funeral parlours and crematoria for compliance, <input type="checkbox"/> responsible for regional cemeteries
Cleansing	<p>The cleaning of public streets, roads, and other public spaces either manually or mechanically.</p> <p>District: Waste management monitoring in terms of the health act, excludes collection and disposal of refuse, but includes development of plans and awareness and education programmes.</p>
Control of public nuisance	<p>The regulation, control and monitoring of any activity, condition or thing that may adversely affect a person or a community.</p> <p>Description: In terms of general function of municipal health services</p>
Facilities for the accommodation, care and burial of animals	<p>The provision of and/or the regulation, control and monitoring of facilities which provide accommodation and care for well or sick animals and the burial or cremation of animals, including monitoring of adherence to any standards and registration requirements and/or compliance with any environmental health standards and regulations.</p> <p>District: In terms of the By-laws, control of keeping of animals</p>
Licensing and control of undertakings that sell food to the public	<p>Ensuring the quality and the maintenance of environmental health standards through regulation, a licensing mechanism and monitoring of any place that renders in the course of any commercial transaction, the supply of refreshments or meals for consumption on or to be taken away from the premise at which such refreshments or meals are supplied.</p> <p>Implement policy ad regulations.</p>
Municipal roads	The construction, maintenance, and control of a road which the public has

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	the right to and includes, in addition to the roadway the land of which the road consists or over which the road extends and anything on that land forming part of, connected with, or belonging to the road, and also, for purposes of a local municipality, includes a street in a build-up areas.
Noise pollution	The control and monitoring of any noise that adversely affects human health or well-being or the ecosystems useful to mankind, now or in the future.
Street trading	The control, regulation and monitoring of the selling of goods and services along a public pavement or road reserve.
Municipal public works	Any supporting infrastructure or service to empower a municipality to perform its function

APPENDIX -C

PERFORMANCE REPORT

DEPARTMENT: OFFICE OF THE MAYOR

KPA 2: Service Delivery and Infrastructure Development

Planned Performance				File ref.	Actual Performance from 01 July 2011 to 30 June 2012	Corrective measures taken / to be taken to improve performance
2011/2012					As at 30 June 2012	
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
HIV/AIDS						
Number of meetings held	Compliance with the HIV and AIDS NSP (2007-2011) and a functional District Aids Council	Quarterly (4 Meetings)	To contribute towards the reduction in the prevalence of HIV/AIDS in the District	A	50% Achieved: 2 Meetings were conducted.	Meetings must be prioritized
Number of sector plans submitted	Multi-sector plan developed	FDDM multi-sector plan including all government departments within the region.	To contribute towards the reduction in the prevalence of HIV/AIDS in the District	B	0% Achieved: The budget for this program has been moved and a planned summit to popularize the new NSDP 2012-16 with the aim of sectors deriving plans from the Summit could not be realized.	Budget has been moved

KPA 2: Service Delivery and Infrastructure Development (continued)

Planned Performance				File ref.	Actual Performance from 01 July 2011 to 30 June 2012	Corrective measures taken / to be taken to improve performance
2011/2012					As at 30 June 2012	
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
Number of sectoral reports submitted	Consolidated multi-sectoral report	Consolidated multi-sectoral report	To contribute towards the reduction in the prevalence of HIV/AIDS in the District	C	50% Achieved: Sectoral report submission by sectors.	Work in progress, not all sectors submit reports as required
Number of mainstreamed items with HIV/AIDS within the FDDM departments	Informed and compliant FDDM departments with the framework	Ongoing	To contribute towards the reduction in the prevalence of HIV/AIDS in the District	D	100% Achieved: Workshop on mainstreaming was held.	Attendance was not satisfactory.
Number of high profiled campaigns held	Informed communities and changed attitudes and behaviour	1 Campaign for: Women dialogue, Men dialogue, Youth dialogue and dialogues for people with disabilities	To contribute towards the reduction in the prevalence of HIV/AIDS in the District	E	25% Achieved: Women dialogue campaign was conducted. Men and people with disability dialogues were postponed due to the Executive Mayor's 100% days program.	Youth dialogues could not be done by June 2012 since there is no budget to cater for this program
Number of awareness campaigns held	informed learners within the district and strengthened HIV prevention programmes within schools	Sep 2011 (4 schools campaigns)	To contribute towards the reduction in the prevalence of HIV/AIDS in the District	F	0% Achieved: The campaigns were postponed due to 100 days program	Budget has been moved in the budget adjustment

KPA 2: Service Delivery and Infrastructure Development (continued)

Planned Performance				File ref.	Actual Performance from 01 July 2011 to 30 June 2012	Corrective measures taken / to be taken to improve performance
2011/2012					As at 30 June 2012	
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
Number of awareness campaigns held, distributing male condoms, promotional material distributed and number of inmates reached	90% of services received by inmates and an increased number of willing inmates to test for HIV	Ongoing : 5 Prisons within the District	To contribute towards the reduction in the prevalence of HIV/AIDS in the District	G	0% Achieved: No campaigns were conducted.	Budget has been moved in the budget adjustment.
Number of male and female condoms distributed and promotional material	Sex workers awareness campagins	Ongoing : Sex workers within the District and 3 high risk areas	To contribute towards the reduction in the prevalence of HIV/AIDS in the District	H	0% Achived: The awareness campaign was cancelled to due to 100 Days	Budget moved for budget adjustment
Number of IEC, HCT, Male and female condoms distributed	Informed workforce and increased willingness to test for HIV	Ongoing: Employee assistance programme: HIV and AIDS awareness campaign	To contribute towards the reduction in the prevalence of HIV/AIDS in the District	I	100% Achieved: A meeting has been held with the EAP Coordinator.	None
Number of companies reached	Informed employees and compliant employers with HIV and AIDS relevant policies and guidelines	May 2012: 50% of companies within the district	To contribute towards the reduction in the prevalence of HIV/AIDS in the District	J	100% Achieved: Companies were invited and a workshop was conducted (SABCOHA)	None

KPA 2: Service Delivery and Infrastructure Development (continued)

Planned Performance				File ref.	Actual Performance from 01 July 2011 to 30 June 2012	Corrective measures taken / to be taken to improve performance
2011/2012					As at 30 June 2012	
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
Number of communities reached	A well coordinated World Aids Day	Dec 2011: 50% of the community within the district and celebration of the world aids day	To contribute towards the reduction in the prevalence of HIV/AIDS in the District	K	100% Achieved: The Worlds Aids Day celebration was conducted	None
Number of training sessions held and caregivers trained	Informed and compliant caregivers with prescribed guidelines	Quarterly (All NGO's within the district - 1 training session)	To contribute towards the reduction in the prevalence of HIV/AIDS in the District	L	0% Achieved:	Budget moved for budget adjustment
Number of patients receiving ART within the District	ART be received by 80% eligible patients	Ongoing (ART campaign with 80% of patients receiving ART)	To contribute towards the reduction in the prevalence of HIV/AIDS in the District	M	100% Achieved: Patients at the NGO of Thabong Society received ART	None

KPA 2: Service Delivery and Infrastructure Development (continued)

Planned Performance				File ref.	Actual Performance from 01 July 2011 to 30 June 2012	Corrective measures taken / to be taken to improve performance
2011/2012					As at 30 June 2012	
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
Number of patients receiving HBC within the district	HBC is rendered within the district and is received by 80% of legible patients	Ongoing: HBC campaign 80% of patients receiving HBC	To ensure that there is provision of care, treatment and support to people living with HIV/AIDS and other terminally ill patients and their families within FDDM and ensure 100% availability of facilities and material	N	0% Achieved: Work in progress	Currently awaiting the report from the Department of Health
Number of people reached	Distigmatisation of HIV and AIDS and strengthened support to PWA's	May 2012: 1 candlelight memorial and celebration of red ribbon month	To ensure that there is provision of care, treatment and support to people living with HIV/AIDS and other terminally ill patients and their families within FDDM and ensure 100% availability of facilities and material	O	0% Achieved:	None

KPA 2: Service Delivery and Infrastructure Development (continued)

Planned Performance				File ref.	Actual Performance from 01 July 2011 to 30 June 2012	Corrective measures taken / to be taken to improve performance
2011/2012					As at 30 June 2012	
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
Number of NGO's benefited	Resources mobilized for NGO's as per the need analysis	20 NGO's beneficiaries	To ensure that there is provision of care, treatment and support to people living with HIV/AIDS and other terminally ill patients and their families within FDDM and ensure 100% availability of facilities and material	P	0% Achieved: For the under review.	The Handover Ceremony is yet to prevail
Number of organisations pledged as part of their social responsibility towards HIV/AIDS	Resources mobilized for NGO's as per the need analysis	At least mobilize resources amounting to R200 000,00	To ensure that there is provision of care, treatment and support to people living with HIV/AIDS and other terminally ill patients and their families within FDDM and ensure 100% availability of facilities and material	Q	100% Achieved: The Unit managed to mobilize an amount of R500 000.	None

KPA 2: Service Delivery and Infrastructure Development (continued)

Planned Performance				File ref.	Actual Performance from 01 July 2011 to 30 June 2012	Corrective measures taken / to be taken to improve performance
2011/2012					As at 30 June 2012	
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
Number of caregivers receiving stipends	Caregivers receiving Nationally determined stipends and compliance to legislative requirements HBC stipend	Ongoing: All caregivers affiliating to registered NGO's within the district with the ratio of 1 caregiver to 10 patient	To ensure that there is provision of care, treatment and support to people living with HIV/AIDS and other terminally ill patients and their families within FDDM and ensure 100% availability of facilities and material	R	0% Achieved:	A work in progress as we are currently awaiting the report from the Department of Health
Number of capacitated caregivers and received HBC/CHBC certificates	Capacitated caregivers with basic home based care training (59 Days)	Quarterly: 70% of all caregivers within the district	To ensure that there is provision of care, treatment and support to people living with HIV/AIDS and other terminally ill patients and their families within FDDM and ensure 100% availability of facilities and material	S	100% Achived: HBC workshop for 20 days was conducted at Parys (Mimosa)	None

KPA 2: Service Delivery and Infrastructure Development (continued)

Planned Performance				File ref.	Actual Performance from 01 July 2011 to 30 June 2012	Corrective measures taken / to be taken to improve performance
2011/2012					As at 30 June 2012	
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
Number of OVC and child headed households receiving grants and social services at local level	Compliant with OVC policy and programmes	Ongoing: 50% of OVC and child headed households	To ensure that there is provision of care, treatment and support to people living with HIV/AIDS and other terminally ill patients and their families within FDDM and ensure 100% availability of facilities and material	T	0% Achieved:	Budget moved for budget adjustment
Number of coordinators meetings held and information dissemination	Existing and functional uniform administration of a well managed HIV/AIDS programmes within the District	Quarterly (12 Monthly reports)	To develop a functional and uniform administrative system within the District	U	0% Achieved:	None
Number of monthly reports and quarterly reports submitted inclusive of the district statistics	Effective fight against HIV/AIDS with informed intervention strategies	Quarterly (12 Monthly reports)	To develop a functional and uniform administrative system within the District	V	0% Achieved:	None

KPA 2: Service Delivery and Infrastructure Development (continued)

Planned Performance				File ref.	Actual Performance from 01 July 2011 to 30 June 2012	Corrective measures taken / to be taken to improve performance
2011/2012					As at 30 June 2012	
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
WOMEN, CHILDREN, DISABILITY AND THE AGED						
Facilitate the establishment of shelter for abused women and children	Fully functional shelter for abused women and children	November 2011 - 1 Shelter	To ensure effective aftercare and awareness for the elderly, women, children and people with disabilities	X	0% Achieved:	Currently the SPO is coordinating the request for funding from Department of Social Development.
Number of skills workshops conducted	Improved knowledge of basic rights and understanding on historical background	4 workshops (1 per cluster)	To ensure effective aftercare and awareness for the elderly, women, children and people with disabilities	Y	50% Achieved: Workshops were conducted.	The other workshop will be conducted on the 20 June 2012 for Metsimaholo LM.
Number of seminars conducted	Men active participation on gender issues and gender based violence dialogues and seminars	4 seminars (1 per cluster)	To ensure effective aftercare and awareness for the elderly, women, children and people with disabilities	Z	100% Achieved: Child protection and sexual offences project (Awareness Campaign) jointly with SAPS	None
	Launch of Mens Forum		To ensure effective aftercare and awareness for the elderly, women, children and people with disabilities	AA	100% Achieved: The mens awareness campaign was conducted	None

KPA 2: Service Delivery and Infrastructure Development (continued)

Planned Performance				File ref.	Actual Performance from 01 July 2011 to 30 June 2012	Corrective measures taken / to be taken to improve performance
2011/2012					As at 30 June 2012	
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
Number of reported cases reduced and resolved	Reduced number of reported cases of women not being able to access their inheritance	4 Conferences (1 per cluster)	To ensure effective aftercare and awareness for the elderly, women, children and people with disabilities	BB	0% Achieved:	Budgetary constraints.
	Young Women Parliament	September 2011 - 2 Sessions	To ensure effective aftercare and awareness for the elderly, women, children and people with disabilities	CC	0% Achieved:	Was cancelled due to the unavailability of the Executive Mayor
	Workshops career and Job Opportunity		To ensure effective aftercare and awareness for the elderly, women, children and people with disabilities	DD	100% Achieved: Was conducted at Heilbron	None
Number of female participants	Informed female participants	August 2011 - 1 Session	To ensure effective aftercare and awareness for the elderly, women, children and people with disabilities	EE	0% Achieved:	Was cancelled due to the unavailability of the Executive Mayor

KPA 2: Service Delivery and Infrastructure Development (continued)

Planned Performance				File ref.	Actual Performance from 01 July 2011 to 30 June 2012	Corrective measures taken / to be taken to improve performance
2011/2012					As at 30 June 2012	
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
Number of household, schools and centres with food garden	Identification of child headed families and provide trainings	Ongoing 2011-2012 Awareness Campaigns	To ensure effective aftercare and awareness for the elderly, women, children and people with disabilities	FF	100% Achieved: Sanitary towels were provided to the identified child headed households as part of the awareness campaign jointly with the department education.	None
Number of meetings	Consultation with relevant structures	4 Meetings	To ensure effective aftercare and awareness for the elderly, women, children and people with disabilities	GG	50% Achieved: Meetings were held to address women issues	Other meetings will be conducted in the new financial year 2012/13 to address Elderly and Children
Number of children orientated	Oriented children	50 Learners	To ensure effective aftercare and awareness for the elderly, women, children and people with disabilities	HH	0% Achieved:	Was cancelled due to the unavailability of the Executive Mayor
Number of campaigns	Awareness campaign	May 2012 - 500 Elderly people for World Abused Elderly Awareness Day	To ensure effective aftercare and awareness for the elderly, women, children and people with disabilities	II	100% Achieved: The awareness campaign was conducted in June 2012	None

KPA 2: Service Delivery and Infrastructure Development (continued)

Planned Performance				File ref.	Actual Performance from 01 July 2011 to 30 June 2012	Corrective measures taken / to be taken to improve performance
2011/2012					As at 30 June 2012	
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
Celebration of children's Day	Executive Mayor's dance with children	June 2012 - 200 Children	To ensure effective aftercare and awareness for the elderly, women, children and people with disabilities	JJ	25% Achieved: Advertisements were out on notice board, however the programme could not be achieved due to lack of funds.	Budgetary constraints.
DISABILITY						
Number of workshops and information sessions held	Effective structure representing people with disabilities	2 Workshops and 4 Meetings	To encourage people with disabilities to participate fully and contribute to the economy of the district and the country	KK	90% Achieved: Workshops and meetings were conducted.	1 meeting and a workshop still outstanding.
Celebration day held	Informed and updated communities.	1 celebration	To encourage people with disabilities to participate fully and contribute to the economy of the district and the country	LL	100% Achieved: The day was celebrated and there was issuing of assistive devices to disabled people at Metsimaholo LM	None

FEZILE DABI DISTRICT MUNICIPALITY

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KPA 2: Service Delivery and Infrastructure Development (continued)

Planned Performance				File ref.	Actual Performance from 01 July 2011 to 30 June 2012	Corrective measures taken / to be taken to improve performance
2011/2012					As at 30 June 2012	
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
Number of NGO's visited	Accessible structures within the district	July 2012 - 15 NGO's and 1 audit report	To encourage people with disabilities to participate fully and contribute to the economy of the district and the country	MM	75% Achieved: 11 Visits in total were conducted at Mafube LM (3 visits), Ngwathe LM (5 visits) and Metsimaholo LM (3 visits)	4 Visits still outstanding and will be done in the new financial year 2012/13
1 day at work	exposure to working environment	Quarterly - 5 persons with disabilities	To encourage people with disabilities to participate fully and contribute to the economy of the district and the country	NN	0% Achieved:	Intended candidates could not be identified.
number of workshops	improved knowledge on career choices and available support	September 2012 - 20-30 learners with disabilities	To encourage people with disabilities to participate fully and contribute to the economy of the district and the country	OO	100% Achieved: Career Exhibition was conducted in Heilbron on September 2011	None
1 session	better understanding and experience of being a person living with disability	December 2011 FDDM employees	To encourage people with disabilities to participate fully and contribute to the economy of the district and the country	PP	0% Achieved:	Could not find the relevant guest speaker programme.

KPA 5: Good Governance and Public Participation

Planned Performance				File ref.	Actual Performance from 01 July 2011 to 30 June 2012	Corrective measures taken / to be taken to improve performance
2011/2012					As at 30 June 2012	
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
Create awareness on our historic days regarding our democracy and successful hosting of the event within the community of Maokeng/Moqhaka and Fezile Dabi	Better understanding of our heritage and our rich history	February 2012 - 5000 people in attendance	To celebrate our historical Heritage and commemorate our Maokeng Day	A	25% Achieved: The municipality did not host the Maokeng event however the office just provided assistance in terms of catering towards the build-up meetings of the historical day celebration.	Funds were shifted to other programmes.
Attract and enrol grade 12 learners who qualify for admission at tertiary institutions so that they can register to study at tertiary institutions	Increased number of black students who register at tertiary institutions and ultimately obtain formal qualifications to go into the job market	March 2012- 200 students whose parents are unemployed or earn less than R5 000,00	To encourage culture of learning and have students registered with tertiary institutions	B	50% Achieved: The students were catered for however the funds were insufficient and as a result only 95 learners were assisted by the scheme.	Insufficient funds.
Attract and enrol grade 12 learners who qualify for admission at tertiary institutions so that they can register to study at tertiary institutions	Increased number of black students who register at tertiary institutions and ultimately obtain formal qualifications to go into the job market	March 2012 - 8 to 10 students with minimum of C symbol per year whose parents are unemployed or earn less than R5 000,00	To encourage culture of learning and have students registered with tertiary institutions	C	100% Achieved: A number of 11 learners were granted full bursaries and they were paid for.	None

KPA 5: Good Governance and Public Participation (continued)

Planned Performance				File ref.	Actual Performance from 01 July 2011 to 30 June 2012	Corrective measures taken / to be taken to improve performance
2011/2012					As at 30 June 2012	
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
Give dignity to learners and encourage the learners to study hard and succeed in life	Motivated, encouraged and dignified learners who go to school and pass their studies	January - February 2012 -200 Rural and urban school learners	To encourage culture of learning and restore dignity to the learners. To have young learners in school	D	100% Achieved: + 250 learners were assisted with the back to school campaign	None
Create awareness regarding human rights within our democracy	Better understanding and awareness of our rich history and understanding of our human rights	March 2012 - 5000 people in attendance	To promote Human rights for all our communities and further create awareness on human rights	E	0% Achieved:	Funds were shifted to other programmes.
Workshops are to be held in February. We must equip identified leaders with necessary skills so that they in turn will impart the knowledge to their communities	Leaders should be empowered and will then go back to communities to facilitate these workshops and further impart the knowledge to their communities	October 2011 and February 2012 - 960 community leaders and identified school learner	To promote and restore ethical behaviour and societal values and principles enshrined in the country's constitution	F	100% Achieved: The moral regeneration build-up meeting was conducted with faith based groups/organisations at Frankfort. The MRM was launched on the month of June 2012.	None

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KPA 5: Good Governance and Public Participation (continued)

Planned Performance				File ref.	Actual Performance from 01 July 2011 to 30 June 2012	Corrective measures taken / to be taken to improve performance
2011/2012					As at 30 June 2012	
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
Identify needs of women and attract relevant stakeholders in order to equip them	Better participation of women in local government and improved service delivery by Council	August 2011 - 1000 Delegates	To promote and empower women in local government	G	0% Achieved: Funds were shifted to other programmes.	This programme will be done the new financial year of 2012/13 FY under the Women in local government workshop
Create awareness on our historic days regarding our democracy and successful hosting of the event within the community of Ngwathe LM and Fezile Dabi	Better understanding of our heritage and our rich history	July 2011 - 10 000 People from Tumahole and around Ngwathe LM	To celebrate our historical Heritage and commemorate our Tumahole Day	H	100% Achieved: Tumahole day celebration was successfully held	None
Awareness campaign held	Better understanding of our heritage and our rich culture and history	September 2011 - 1 Campaign be held	To celebrate our historical heritage	I	100% Achieved: The awareness campaign was conducted as per the report from the LED department.	None
Food parcels	Distribution of food parcels to needy households	Dec-11	To celebrate our historical heritage	J	100% Achieved: 200 food parcels were distributed at Ngwathe Local Municipality in Edenville, farm dwellers were also supplied	None

DEPARTMENT: OFFICE OF THE SPEAKER

KPA 5: Good Governance and Public Participation

Planned Performance				File ref.	Actual Performance from 01 July 2011 to 30 June 2012	Corrective measures taken / to be taken to improve performance
2011/2012					As at 30 June 2012	
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
Number of Workshops and conferences conducted	Effective public participation efforts for Outreach Programmes	2011-2012 In all Four Local Municipalities	To support and capacitate Councillors, ward committees and community development workers in enhancing local government performance	A	100% Achieved: Stakeholders forum meeting and public education through Anti-crime outreach programme were conducted at koppies.	Insufficient funds
Number of Workshops and conferences conducted	Speaker's Imbizo	2011-2012 In all Four Local Municipalities	To support and capacitate Councillors, ward committees and community development workers in enhancing local government performance	B	75% Achieved: Workshops to continue in the new year. Stakeholder Imbizo to address Crime in the community of Viljoenskroon and Sasolburg was held in November and October 2011 respectively. (Jan-Mar) Prayer session was held under speaker's imbizo. Easter prayer day was conducted at N1 Toll Route and R82. (Apr-Jun) No Imbizo was conducted.	workshops to continue in the new year

KPA 5: Good Governance and Public Participation (continued)

Planned Performance				File ref.	Actual Performance from 01 July 2011 to 30 June 2012	Corrective measures taken / to be taken to improve performance
2011/2012					As at 30 June 2012	
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
Number of Workshops and conferences conducted	Ward Committee Conference/Indaba	2011-2012 In all Four Local Municipalities	To support and capacitate Councillors, ward committees and community development workers in enhancing local government performance	C	0% Achieved:	Budget for this purpose has been exhausted by the capacitation of CDW's cataract identification project.
Number of Workshops and conferences conducted	Ward Committee In-House Training	2011-2012 In all Four Local Municipalities	To support and capacitate Councillors, ward committees and community development workers in enhancing local government performance	D	75% Achieved: (Jan-Mar) ward committees were (Inducted) trained within FDDM on Mock Council Sitting. Inductions were conducted for Mafube, Ngwathe and Moqhaka LM.	Metsimaholo LM conducted their induction session without the involvement of FDDM PPO's.
Number of Workshops and conferences conducted	Capacity building of Community Based Organisations	2011-2012 (In all Four Local Municipalities	To support and capacitate Councillors, ward committees and community development workers in enhancing local government performance	E	0% Achieved:	Budget for this purpose has been exhausted by the capacitation of CDW's cataract identification project.

KPA 5: Good Governance and Public Participation (continued)

Planned Performance				File ref.	Actual Performance from 01 July 2011 to 30 June 2012	Corrective measures taken / to be taken to improve performance
2011/2012					As at 30 June 2012	
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
Number of Workshops and conferences conducted	District Managers (PA's to Speakers)	2011-2012 (In all Four Local Municipalities)	To support and capacitate Councillors, ward committees and community development workers in enhancing local government performance	F	25% Achieved: The District Manager's (PA's) meeting was held in June at Moqhaka LM for the period of Apr-Jun.	Unavailability of Speaker's from respective municipalities.
Number of Workshops and conferences conducted	DPPO's Steering Committee workshops/meetings	2011-2012 (In all Four Local Municipalities)	To support and capacitate Councillors, ward committees and community development workers in enhancing local government performance	G	75% Achieved: Steering Committee was held at Parys Ngwathe LM for the period Jan - Mar	None
Number of Workshops and conferences conducted	Public/Civic Education/Hearing	2011-2012 (In all Four Local Municipalities)	To support and capacitate Councillors, ward committees and community development workers in enhancing local government performance	H	100% Achieved: Stakeholders forum meeting and public education were conducted.	None

FEZILE DABI DISTRICT MUNICIPALITY

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KPA 5: Good Governance and Public Participation (continued)

Planned Performance				File ref.	Actual Performance from 01 July 2011 to 30 June 2012	Corrective measures taken / to be taken to improve performance
2011/2012					As at 30 June 2012	
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
Number of Workshops and conferences conducted	District CDW Conference	2011-2012 (In all Four Local Municipalities)	To support and capacitate Councillors, ward committees and community development workers in enhancing local government performance	I	100% Achieved: A meeting including all district CDW's was conducted	Conference budgeted for in this financial year of 2011/12
Number of Workshops and conferences conducted	Facilitation of the formation of street committees	2011-2012 (In all Four Local Municipalities)	To support and capacitate Councillors, ward committees and community development workers in enhancing local government performance	J	0% Achieved:	Will be done in the new financial year of 2012/13.
Number of Workshops and conferences conducted	induction of ward and street committees	2011-2012 (In all Four Local Municipalities)	To support and capacitate Councillors, ward committees and community development workers in enhancing local government performance	K	75% Achieved: (Jan-Mar) ward committees were (Inducted)trained within FDDM on Mock Council Sitting. Inductions were conducted for Mafube, Ngwathe and Moqhaka LM.	Street committees could not be formed. Metsimaholo LM conducted their induction session without the involvement of FDDM PPO's.

KPA 5: Good Governance and Public Participation (continued)

Planned Performance				File ref.	Actual Performance from 01 July 2011 to 30 June 2012	Corrective measures taken / to be taken to improve performance
2011/2012					As at 30 June 2012	
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
Number of Workshops and conferences conducted	Imvuselelo campaigns or ward meetings	2011-2012 (In all Four Local Municipalities	To support and capacitate Councillors, ward committees and community development workers in enhancing local government performance	L	50% Achieved: Meetings were conducted.	Meetings to continue as planned
Number of Workshops and conferences conducted	back to school campaigns and know your service rights	2011-2012 (In all Four Local Municipalities	To support and capacitate Councillors, ward committees and community development workers in enhancing local government performance	M	100% Achieved: The campaign was conducted at Parys in conjunction with the department of education. Identified matriculants were sent to FET's jointly with Portia Molapo Foundation.	None
Number of Workshops and conferences conducted	Stakeholder Summit	2011-2012 (In all Four Local Municipalities	To support and capacitate Councillors, ward committees and community development workers in enhancing local government performance	N	75% Achieved: The summit was held. Build-up meetings were conducted with stakeholders towards the summit. Tumahole Joint Stakeholders Forum was held at Parys. Community Policing Forum was also conducted at Moqhaka LM.	Budget for this purpose has been exhausted by the capacitation of CDW's cataract identification project

KPA 5: Good Governance and Public Participation (continued)

Planned Performance				File ref.	Actual Performance from 01 July 2011 to 30 June 2012	Corrective measures taken / to be taken to improve performance
2011/2012					As at 30 June 2012	
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
Number of Workshops and conferences conducted	Workshops for councillors.	2011-2012 (In all Four Local Municipalities)	To support and capacitate Councillors, ward committees and community development workers in enhancing local government performance	O	25% Achieved: Councillors forum was launched and COGTA and LGSETA presented to all the Councillors on Skills Development and capacity building opportunities. Councillors Forum was established.	Budget for this purpose has been exhausted by the capacitation of CDW's cataract identification project
Number of Workshops and conferences conducted	Conferences for both ward committees and CDW's	2011-2012 (In all Four Local Municipalities)	To support and capacitate Councillors, ward committees and community development workers in enhancing local government performance	P	0% Achieved:	Budget for this purpose has been exhausted by the capacitation of CDW's cataract identification project
Number of Workshops and conferences conducted	Monthly meetings of ward committees and CDW's	2011-2012 (In all Four Local Municipalities)	To support and capacitate Councillors, ward committees and community development workers in enhancing local government performance	Q	50% Achieved: Meetings were held.	Meetings to continue as planned

KPA 5: Good Governance and Public Participation (continued)

Planned Performance				File ref.	Actual Performance from 01 July 2011 to 30 June 2012	Corrective measures taken / to be taken to improve performance
2011/2012					As at 30 June 2012	
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
Number of effective public participation, credible budget and IDP process.	Improved attendance of communities to the campaigns.	4 Campaigns	To strengthen a meaningful community participation & interaction program	R	50% Achieved: Consultative meeting was conducted.	More meetings to be held in the remaining 6 months of the current financial year
Improved and functional relationship between these structures i.e. civics, NGO's, CBO's and ward committees on government programmes	Regular meetings for all stakeholders	4 Meetings (Quarterly)	To strengthen a meaningful community participation & interaction program	S	100% Achieved: Outreach interactions were conducted. Late registration and ID campaign stakeholders meeting district wide	More meetings to be held in the remaining 6 months of the current financial year

DEPARTMENT: OFFICE OF THE MUNICIPAL MANAGER

KPA 1: Municipal Transformation and Organizational Development

Planned Performance				File ref.	Actual Performance from 01 July 2011 to 30 June 2012	Corrective measures taken / to be taken to improve performance
2011/2012					As at 30 June 2012	
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
Prepare quarterly performance assessment reports of the Department	Quarterly performance assessment report	Quarterly	To ensure effective and efficient administration	A	100% Achieved: Reports were submitted to Management, Mayco and Council	None
Implement performance management system for the municipality focussing on post level 1-7	Quarterly progress report on the implementation of PMS to post level 1-7	Quarterly	To support and ensure the implementation of Performance management System in the District	B	90% Achieved: Post level 1-3 scorecards have been reviewed and concluded. Assessments are due. 75% Achieved: 4-7 appointment of a service provider has been confirmed for assistance and support. Induction sessions were also conducted. Scorecards were developed and must be concluded	Work in progress
Prepare the municipality's mid-year performance assessment report as required by section 72 of the MFMA	Mid-year assessment report prepared and submitted to Council	30-Jan-12	To ensure effective and efficient administration	C	100% Achieved: The mid-year performance assessment report as required by section 72 of the MFMA	None

FEZILE DABI DISTRICT MUNICIPALITY

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Planned Performance				File ref.	Actual Performance from 01 July 2011 to 30 June 2012	Corrective measures taken / to be taken to improve performance
2011/2012					As at 30 June 2012	
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
Number of employee satisfaction survey conducted	1 Survey (31 Mar 2012)	31-Mar-12	To ensure effective and efficient administration	D	100% Achieved: Surveys were conducted	None
Timeous compilation, distribution and production of Council agenda	Council meeting schedule and acknowledgement of agenda receipt from Councillors	As per Council schedule	To ensure effective and efficient administration	E	100% Achieved: Timeous compilation and distribution of the Council agenda was done for the Council meeting that convened on the 27 Jan and 29 March 2012 respectively.	None
Develop and implement customer care management system & policy.	Approved Customer care policy by Council	30-Jun-12	To ensure effective and efficient administration	F	25% Achieved: Internal customer satisfaction surveys were conducted. Officials also attended the customer care workshops.	
Implement the training schedule based on the workplace skills plan.	Quarterly training report and schedule	Ongoing	To ensure effective and efficient administration	G	100% Achieved: Training was attended by two officials (Tumo and Elizabeth) on 08-09 March 2012 For fundamentals of auditing the SCM Function.	None
Number of departmental meetings held	Departmental meetings held. Schedule, minutes, agenda and attendance registers of the departmental meetings	4 Meetings (Quarterly)	To ensure effective and efficient administration	H	100% Achieved: Meetings were conducted and held as per the schedule.	None

FEZILE DABI DISTRICT MUNICIPALITY

ANNUAL REPORT – 2011/12

Planned Performance				File ref.	Actual Performance from 01 July 2011 to 30 June 2012	Corrective measures taken / to be taken to improve performance
2011/2012					As at 30 June 2012	
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
Review of the organizational structure	Approved and reviewed organisational structure	31-Mar-12	To ensure effective and efficient administration	I	100% Achieved: The organogram has been approved by Council. Deloitte & Touche has been appointed to conduct the job evaluation.	None
Number of management meetings held	Minutes and attendance registers of management meetings	Fortnightly	To ensure effective and efficient administration	J	100% Achieved: Management meetings were held for the period under review as per the schedule	None
All employees allocated to the department each has a personal performance & development plan for the current financial year.	Signed job descriptions/individual scorecards with PDP's	31-Dec-11	To ensure effective and efficient administration	K	75% Achieved: Post level 1-3 scorecards has been reviewed and concluded.	Only Manager Planning scorecard is still outstanding

KPA 2: Service Delivery and Infrastructure Development

Planned Performance				File ref.	Actual Performance from 01 July 2011 to 30 June 2012	Corrective measures taken / to be taken to improve performance
2011/2012					As at 30 June 2012	
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
Service providers providing services to the directorate meet agreed performance standards in terms of quality, budget and timelines						
Set input, output and outcome indicators for each service provider appointed by the department.	SLA incorporates the input, output and outcomes	Ongoing (Every contract as per agreed timeframes for assessment)	N/A	A	100% Achieved: SLA Between FDDM and Tharollo Governance for the assistance with the implementation of PMS has been concluded. For the quarter of January to March 2012 no SLA was concluded.	None
Measure performance of service providers in terms of contracts or monthly or as per SLA	Performance progress reports be submitted by the service provider	Ongoing (Every contract as per agreed timeframes for assessment)	N/A	B	100% Achieved: The performance of Tharollo Governance & Development services is measured against the terms of reference. Monthly progress report on cascading PMS has been submitted.	Impact of PMS implementation can be realized in a 3 months period hence there were no monthly reporting. This is an operational exercise and it is implemented in different interdependent phases.

KPA 2: Service Delivery and Infrastructure Development (Continued)

Planned Performance				File ref.	Actual Performance from 01 July 2011 to 30 June 2012	Corrective measures taken / to be taken to improve performance
2011/2012					As at 30 June 2012	
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
Assist with the development & maintenance of municipal resorts	Request of assistance from LM and provision of support thereof.	As per application	To promote tourism in the FDDM	C	100% Achieved: Assistance provided to Abrahamsrust Resort Metsimaholo LM for the renovation. For the period under review Jan -March 2012 no application was received from the Local Municipality's	None
Conduct quarterly meetings between the district municipality and the local municipalities through IGR structure (DCF)	Minutes, agenda and attendance registers for meetings	Quarterly	To provide information through ICT and to improve the corporate image of the municipality.	D	75% Achieved: 3 IGR Meetings were held.	IGR Meetings must be held as per the schedule.
Ensure the optimal operation and updating of the municipality's website on a quarterly basis	Quarterly updates report from IT unit	Quarterly	To render effective and efficient ICT Services	E	100% Achieved: The website has been updated.	None
Number of capital projects budgeted, monitored and implemented by the municipality for the 2011/12 FY.	List of all capital projects. Progress and monitoring reports from contractors	Quarterly	To provide technical and financial assistance to local municipalities	F	100% Achieved: The list has been compiled for all capital projects, as per budget.	None

KPA 3: Local Economic Development

Planned Performance				File ref.	Actual Performance from 01 July 2011 to 30 June 2012	Corrective measures taken / to be taken to improve performance
2011/2012					As at 30 June 2012	
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
Oversee the implementation of capital programmes for the municipality						
The IDP contains a financial plan, including a budget projection for the next three years	Financial plan is included in the IDP	31-Mar-12	To ensure the development/ review of credible IDPs in the district and local municipalities	A	100% Achieved: The IDP contains the financial plan and the budget projection for the next three years.	None
Number of feasibility studies conducted for LED projects	1 Feasibility study is conducted	30-Jun-12	To create an environment that stimulates the economic growth	B	100% Achieved: The Koppies project is completed	None
Ensure that sustainable community investment programmes are introduced and implemented	Introduced community investment programmes	31-Mar-12	To create an environment that stimulates the economic growth	C	100% Achieved: 3 Self Help groups were assisted	None
Number of SMME's supported financially	Monthly reports for SMME's supported	Monthly	To create an environment that stimulates the economic growth	D	100% Achieved: 18 SMME's have been assisted with equipment	None
Number of meetings held for District Local Economic Forum	Quarterly reports from District Local Economic Forum. Minutes, agenda and attendance registers	Quarterly	To create an environment that stimulates the economic growth	E	25% Achieved:	The District Local Economic Forum will be held during the Month of May 2012

FEZILE DABI DISTRICT MUNICIPALITY

ANNUAL REPORT – 2011/12

KPA 3: Local Economic Development (Continued)

Planned Performance				File ref.	Actual Performance from 01 July 2011 to 30 June 2012	Corrective measures taken / to be taken to improve performance
2011/2012					As at 30 June 2012	
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
Number of SMME's trained	Quarterly reports for SMME's trained	Ongoing	To promote & enhance the SMME sector in the district	F	100% Achieved: 18 SMME's have been trained in Basic & Advanced Business Skills	None
Number of business awareness campaigns and exhibitions	Report of business awareness campaigns	Ongoing	To create an environment that stimulates the economic growth	G	100% Achieved: 2 Roadshows for cooperatives and entrepreneurs were conducted. For the period under review (Jan-Mar 2012) no roadshows were conducted.	Other Road-shows will be conducted during the month of May 2012.
Number of jobs created through the municipality's LED initiatives	Monthly reports for jobs created	Monthly	To create an environment that stimulates the economic growth	H	100% Achieved:	The municipality creates a conducive environment through LED's initiatives. The municipality does not create jobs.

KPA 4: Municipal Financial Viability and Management

Planned Performance				File ref.	Actual Performance from 01 July 2011 to 30 June 2012	Corrective measures taken / to be taken to improve performance
2011/2012					As at 30 June 2012	
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
Ensure timely preparation of the Directorate's budget for 2012/13 based on the approved IDP	Prepare the directorate's budget	31-Mar-12	To ensure the development/ review of credible IDPs in the district and local municipalities	A	100% Achieved: The Directorate's budget for 2012/13 FY was prepared	None
Ensure sound management of the budget votes allocated to the directorate						
No irregular expenditure	Be reported to Council	Ongoing (None be incurred)	To provide financial management services that enhance viability and compliance with the requirements of MFMA and other relevant legislation	B	25% Achieved: Incurred in the office of the Executive Mayor. Jazz Festival incurred overspending during Jan-Mar as a result of khemano Consortium invoice	Irregular expenditure must be avoided
No unauthorized expenditure					100% Achieved:	None
No fruitless and wasteful expenditure					100% Achieved:	None

KPA 4: Municipal Financial Viability and Management (continued)

Planned Performance				File ref.	Actual Performance from 01 July 2011 to 30 June 2012	Corrective measures taken / to be taken to improve performance
2011/2012					As at 30 June 2012	
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
Achieve financially unqualified audit report for the municipality for 2010/11 financial year	Unqualified audit report	31-Dec-11	To provide financial management services that enhance viability and compliance with the requirements of MFMA and other relevant legislation	C	100% Achieved: The municipality has received an unqualified report.	None
Comprehensive financial management policies and by-laws developed consistent with GRAP/GAMAP and relevant legislation (DORA)	Policies and by-laws developed in consistency with GRAP/GAMAP, DORA requirements	Ongoing	To provide financial management services that enhance viability and compliance with the requirements of MFMA and other relevant legislation	D	100% Achieved: Financial management policies were reviewed.	None
Respond satisfactorily to internal and external audit enquiries relating to the Directorate .	Register of all internal and external queries responded to by MM department	Within 05 days after receipt of report to the MM	To ensure effective and efficient administration	E	100% Achieved: Queries were responded to swiftly	None

KPA 5: Good Governance and Public Participation

Planned Performance				File ref.	Actual Performance from 01 July 2011 to 30 June 2012	Corrective measures taken / to be taken to improve performance
2011/2012					As at 30 June 2012	
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
Ensure public participation in the development of the IDP and process are completed	Minutes and attendance registers of IDP public participation, Steering committee and representative forums	2012/03/31	To ensure the development/ review of credible IDPs in the district and local municipalities	A	100% Achieved: Public participation was ensured during the development of the IDP. IDP Representative Forum and Steering Convened.	None
Development and review of the IDP	Approved IDP process plan, legislatively compliant IDP	31-Mar-12	To ensure the development/ review of credible IDPs in the district and local municipalities	B	100% Achieved: The IDP document has been reviewed and submitted to Council.	None
Development of the institutional top layer SDBIP for the 2012/13 FY	Top layer SDBIP approved by Council	31-May-12	To ensure the development/ review of credible IDPs in the district and local municipalities	C	100% Achieved: The SDBIP was developed and submitted to Council	None
Number of draft performance plans and agreements for the directors developed	Draft performance plans and agreements	30-Jun-12	To support and ensure the implementation of Performance management System in the District	D	100% Achieved: Performance plans were drafted and submitted to Council	None

KPA 5: Good Governance and Public Participation (continued)

Planned Performance				File ref.	Actual Performance from 01 July 2011 to 30 June 2012	Corrective measures taken / to be taken to improve performance
2011/2012					As at 30 June 2012	
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
Alignment of performance plans to the IDP and SDBIP	Approved IDP and SDBIP. Minutes and attendance register for the strategic session	31-May-12	To support and ensure the implementation of Performance management System in the District	E	100% Achieved: Alignment has been maintained with the SDBIP,BUDGET and PERF PLANS	None
Preparation of quarterly, Mid Year and Annual performance reports	Audited quarterly, mid year and annual performance report	Quarterly	To support and ensure the implementation of Performance management System in the District	F	100% Achieved: The quarterly report is prepared.	None
Number of oversight committee report	Minutes and attendance registers of the oversight committee	1 meeting (28 Feb 2012)	To ensure effective and efficient administration	G	100% Achieved: The oversight committee met to consider the annual report.	None
Number of audit committee meetings	Quarterly minutes, agenda and attendance register for audit committee meetings	4 meetings	To ensure effective and efficient administration	H	100% Achieved: The Audit Committee Meetings took place.	None
Ensure that the Finance, CSS, PMU, LED and CHES Portfolio Committees seats at least quarterly to consider reports	Schedule of all portfolio meetings, minutes, agenda's and attendance registers	Quarterly	To ensure effective and efficient administration	I	100% Achieved: Meetings are held	None

KPA 5: Good Governance and Public Participation (continued)

Planned Performance				File ref.	Actual Performance from 01 July 2011 to 30 June 2012	Corrective measures taken / to be taken to improve performance
2011/2012					As at 30 June 2012	
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
Development of the communication strategy	Approved communication strategy by Council	1 strategy	To promote effective communication & provide feedback to the needs of the community	J	50% Achieved: The draft Communication Strategy is currently available.	The Strategy must be submitted to Council for approval.
Number of Fezile Dabi News issues	Fezile Dabi News issues	6 issues (By-monthly)	To promote effective communication & provide feedback to the needs of the community	K	100% Achieved: 2 issues for the period under review. 2 issues for the second quarter	None
Updated municipal risk register	Quarterly reports of municipal risk register	Ongoing	To build a risk conscious culture within the organization	L	100% Achieved: The register has been updated.	None

DEPARTMENT: FINANCE
KPA 1: Municipal Transformation and Organizational Development

Planned Performance				File ref.	Actual Performance from 01 July 2011 to 30 June 2012	Corrective measures taken / to be taken to improve performance
2011/2012					As at 30 June 2012	
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
Prepare quarterly performance assessment reports of the Directorate	Departmental performance assessment report	Monthly on the 10th day	To ensure effective and efficient administration	A	80% Achieved: 3 Expenditure reports and 1 deviation report were prepared and submitted to management. 3 Expenditure reports were submitted to management, portfolio, MAYCO and Council during Jan-Mar.	None
Number of monthly reports submitted to management and finance portfolio committee	Monthly reports submitted	11 Reports (Monthly)	To ensure effective and efficient administration	B	100% Achieved: 12 Reports were submitted	None

KPA 1: Municipal Transformation and Organizational Development (continue)

Planned Performance				File ref.	Actual Performance from 01 July 2011 to 30 June 2012	Corrective measures taken / to be taken to improve performance
2011/2012					As at 30 June 2012	
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
Ensure that the audit committee meet to consider the audit report to respond to the issues raised in the audit report and internal audit report	Meetings of the audit committee, reports and minutes	15-Dec-11	To ensure effective and efficient administration	C	100% Achieved: AG's report was received after the Audit Committee Meeting of 03 December 2011, however a draft was tabled during the Audit Committee Meeting.	Audit Committee will consider audit report issues in their next meeting.
Develop the draft SDBIP of the directorate for the 2012/13 consistent with budget timetable	Developed draft SDBIP of 2012/13	30-May-12	To ensure effective and efficient administration	D	100% Achieved: SDBIP has been developed.	None
Compliance with the prescribed reporting and accountability requirements						
Submission of reports in terms of section 71 of the MFMA Treasury	Section 71 reports	Monthly	To provide financial management services that enhance viability and compliance with the requirements of MFMA and other relevant legislation	E	100% Achieved: Section 71 reports were submitted.	None

KPA 1: Municipal Transformation and Organizational Development (continue)

Planned Performance				File ref.	Actual Performance from 01 July 2011 to 30 June 2012	Corrective measures taken / to be taken to improve performance
2011/2012					As at 30 June 2012	
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
Financial management grant report to National and Provincial Treasury	Report of the financial management grant	Monthly	To provide financial management services that enhance viability and compliance with the requirements of MFMA and other relevant legislation	F	100% Achieved: Section 71 reports were submitted.	None
Municipal systems Improvement grant report to National Treasury	MSIG report	Monthly	To provide financial management services that enhance viability and compliance with the requirements of MFMA and other relevant legislation	G	100% Achieved: Section 71 reports were submitted.	None
Submission of FS Treasury Grant report to Provincial Treasury	Submission of grant report	Monthly	To provide financial management services that enhance viability and compliance with the requirements of MFMA and other relevant legislation	H	100% Achieved: Section 71 reports were submitted.	None

KPA 1: Municipal Transformation and Organizational Development (continue)

Planned Performance				File ref.	Actual Performance from 01 July 2011 to 30 June 2012	Corrective measures taken / to be taken to improve performance
2011/2012					As at 30 June 2012	
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
Strict internal control						
Review current internal measures existing in the directorate and develop procedure manuals	Reviewed internal control measures. Developed procedure manual	30-Oct-11	To provide financial management services that enhance viability and compliance with the requirements of MFMA and other relevant legislation	I	0% Achieved:	There were no changes that needed the review and the amendment of controls.
Submit document containing internal control measures to the Audit Committee for comment	Internal control measures submitted to the Audit Committee	30-Jan-12	To provide financial management services that enhance viability and compliance with the requirements of MFMA and other relevant legislation	J	0% Achieved:	There were no changes that needed the review and the amendment of controls.
Percentage of the budget spent	Budget expenditure report	100% budget spent (28 Feb 2012)	To provide financial management services that enhance viability and compliance with the requirements of MFMA and other relevant legislation	K	95% Achieved: 92% of the total budget has been spent to date.	The remaining percentage will be utilized in the next quarter of April - June 2012

KPA 1: Municipal Transformation and Organizational Development (continue)

Planned Performance				File ref.	Actual Performance from 01 July 2011 to 30 June 2012	Corrective measures taken / to be taken to improve performance
2011/2012					As at 30 June 2012	
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
Review the supply chain management policy in terms of chapter 11 of the MFMA and submit it to the Municipal Manager for consideration by the Executive Mayor and Council.	Reviewed SCM policies and submitted to the Municipal manager	30-Jun-12	To provide financial management services that enhance viability and compliance with the requirements of MFMA and other relevant legislation	L	100% Achieved: SCM policy has been reviewed and submitted to Council for approval	None
Implementation and maintenance of the procurement systems and standards						
Review and document procurement procedures (Not contained in the SCM policy)	Approved document for procurement procedures	30-Jun-12	To provide financial management services that enhance viability and compliance with the requirements of MFMA and other relevant legislation	M	0% Achieved:	There were no changes that needed the review and the amendment of controls.
Conduct workshops of relevant personnel on procedures and the service providers	Workshops conducted	30-Jun-12	To provide financial management services that enhance viability and compliance with the requirements of MFMA and other relevant legislation	N	100% Achieved: Revised Preferential Procurement Framework workshop was conducted to the suppliers.	None

KPA 1: Municipal Transformation and Organizational Development (continue)

Planned Performance				File ref.	Actual Performance from 01 July 2011 to 30 June 2012	Corrective measures taken / to be taken to improve performance
2011/2012					As at 30 June 2012	
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
Number of code of conduct signed	All employees in SCM have signed the code of conduct	All employees involved in SCM (30 Sep 2011)	To provide financial management services that enhance viability and compliance with the requirements of MFMA and other relevant legislation	O	100% Achieved: All employees in SCM has signed the code of conduct	None
Manage a specialized unit within finance directorate to assist the local municipalities with finance related matters	Report from specialized unit submitted to management	30-Jun-12	To provide financial management services that enhance viability and compliance with the requirements of MFMA and other relevant legislation	P	100% Achieved: The reports were submitted	None

KPA 2: Service Delivery and Infrastructure Development

Planned Performance				File ref.	Actual Performance from 01 July 2011 to 30 June 2012	Corrective measures taken / to be taken to improve performance
2011/2012					As at 30 June 2012	
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
Service providers providing services to the directorate meet agreed performance standards in terms of quality, budget and timelines						
Set input, output and outcome indicators for each service provider appointed by the department through competitive bidding process	SLA incorporates the input, output and outcomes	Ongoing (Every contract as per agreed timeframes for assessment)	N/A	A	100% Achieved: SLA with PWC	None
Measure performance of service providers in terms of contracts or monthly or as per SLA	Performance progress reports be submitted by the service provider	Ongoing (Every contract as per agreed timeframes for assessment)	N/A	B	100% Achieved: Reports were submitted	None

KPA 2: Service Delivery and Infrastructure Development (continued)

Planned Performance				File ref.	Actual Performance from 01 July 2011 to 30 June 2012	Corrective measures taken / to be taken to improve performance
2011/2012					As at 30 June 2012	
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
Ensure optimal operation of the municipality's ICT infrastructure						
Upgrade the website of the municipality	Upgraded website and quarterly reports	Ongoing	To render effective and efficient ICT Services	C	100% Achieved: The website is upgraded on a continuous basis	None
Ensure that the municipal website is updated on a regular basis	Updated website and quarterly reports	Ongoing	To render effective and efficient ICT Services	D	100% Achieved: The update is done on a regular basis	None
Annual invitation of service providers for inclusion in the SCM database	Updated database with new service providers. Newspaper advert inviting suppliers	30-Jun-12	To provide financial management services that enhance viability and compliance with the requirements of MFMA and other relevant legislation	E	100% Achieved: Suppliers database has been updated	None

KPA 2: Service Delivery and Infrastructure Development (continued)

Planned Performance				File ref.	Actual Performance from 01 July 2011 to 30 June 2012	Corrective measures taken / to be taken to improve performance
2011/2012					As at 30 June 2012	
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
Convening the ICT Steering Committee Meeting	Minutes, agenda and attendance registers for the Steering Committee	4 Meetings (Quarterly)	To render effective and efficient ICT Services	F	0% Achieved:	IT Unit must take the responsibility of convening the meetings
Number of IT software audit	Report of the software audit	2 Audits (ongoing)	To render effective and efficient ICT Services	G	50% Achieved: 1 Audit was conducted	None
Review the ICT policies	Reviewed ICT policy	4 Policies 30 Jun 2012	To render effective and efficient ICT Services	H	70% Achieved: Policies were reviewed but not submitted to Council.	None
Functional IT helpdesk	Progress report on the functionality of the help desk	Ongoing reports	To render effective and efficient ICT Services	I	40% Achieved: The helpdesk Planning and programming phase completed.	Distribution, Testing and implementation yet to be done.
Conduct an IT customer satisfaction survey and report results to the Municipal Manager	Results of the IT customer satisfaction survey be reported to the Municipal Manager	30-Jun-12	To render effective and efficient ICT Services	J	100% Achieved: The survey has been conducted.	None
Conduct a customer satisfaction survey for the assistance given to LM's	Results of the customer satisfaction survey	30-Jun-12	To provide financial management services that enhance viability and compliance with the requirements of MFMA and other relevant legislation	K	0% Achieved:	None

KPA 3: Local Economic Development

Planned Performance				File ref.	Actual Performance from 01 July 2011 to 30 June 2012	Corrective measures taken / to be taken to improve performance
2011/2012					As at 30 June 2012	
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
Oversee the implementation of the capital programme of the municipality						
The IDP contains a financial plan, including a budget projection for the next three years and an infrastructure investment plan	Approved financial plan and a three year budget projection	31-Mar-12	To ensure the development/ review of credible IDPs in the district and local municipalities	A	100% Achieved: The budget projection plan has been included in the IDP.	None
A reporting framework to monitor progress with the implementation of the financial plan is established	Approved reporting framework for monitoring of the financial plan	31-Mar-12	To provide financial management services that enhance viability and compliance with the requirements of MFMA and other relevant legislation	B	100% Achieved: Budget process plan	None

KPA 4: Municipal Financial Viability and Management

Planned Performance				File ref.	Actual Performance from 01 July 2011 to 30 June 2012	Corrective measures taken / to be taken to improve performance
2011/2012					As at 30 June 2012	
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
Ensure timely preparation of the Directorate's budget for 2012/13 based on the approved IDP	Prepare the directorate's budget	31-Mar-12	To ensure the development/ review of credible IDPs in the district and local municipalities	A	100% Achieved: The budget of the directorate has been submitted.	None
Ensure sound management of the budget votes allocated to the directorate						
No irregular expenditure	Be reported to the Municipal Manager	Ongoing (None be incurred)	To provide financial management services that enhance viability and compliance with the requirements of MFMA and other relevant legislation	B	100% Achieved: No irregular expenditure has been incurred	None
No unauthorized expenditure					100% Achieved: No unauthorized expenditure has been incurred	None
No fruitless and wasteful expenditure					100% Achieved: No fruitless and wasteful expenditure has been incurred	Fruitless expenditure incurred by Finance was as a result of CSS event (Internal Sport Event, officials could not be released to part-take in the event)

KPA 4: Municipal Financial Viability and Management (continued)

Planned Performance				File ref.	Actual Performance from 01 July 2011 to 30 June 2012	Corrective measures taken / to be taken to improve performance
2011/2012					As at 30 June 2012	
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
Amount of irregular and fruitless expenditure	Report on irregularities and fruitless expenditure	Zero amount (Ongoing)	To provide financial management services that enhance viability and compliance with the requirements of MFMA and other relevant legislation	C	100% Achieved: No fruitless and wasteful expenditure.	None
Percentage compliance with GRAP	GRAP compliance report	100% compliance (31 Aug 2011)	To provide financial management services that enhance viability and compliance with the requirements of MFMA and other relevant legislation	D	100% Achieved: Annual Financial Statements are 100% compliant with GRAP	None
Ensure the full implementation of GRAP/GAMAP	GRAP Implementation plan	In line with implementation plan	To provide financial management services that enhance viability and compliance with the requirements of MFMA and other relevant legislation	E	100% Achieved: Annual Financial Statements done in accordance to comply with standards	None

KPA 4: Municipal Financial Viability and Management (continued)

Planned Performance				File ref.	Actual Performance from 01 July 2011 to 30 June 2012	Corrective measures taken / to be taken to improve performance
2011/2012					As at 30 June 2012	
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
Number of asset count (updating of the asset register/inventory-asset count)	Updated asset register	2 Asset counts (30 Jun 2012)	To provide financial management services that enhance viability and compliance with the requirements of MFMA and other relevant legislation	F	50% Achieved: The register was updated	None
Number of asset disposal committee meetings	Minutes of the asset disposal committee and attendance registers	2 meetings 30 Sept 2011 & 28 Feb 2012	To provide financial management services that enhance viability and compliance with the requirements of MFMA and other relevant legislation	G	0% Achieved:	Meetings of Assets Disposal Committee must be held however there are no assets identified for the disposal.
Percentage of assets accounted	Asset management report	100% Ongoing	To provide financial management services that enhance viability and compliance with the requirements of MFMA and other relevant legislation	H	100% Achieved:	None
Percentage of assets insured	Insured assets	100% 31 Jul 2011	To provide financial management services that enhance viability and compliance with the requirements of MFMA and other relevant legislation	I	100% Achieved:	None

KPA 4: Municipal Financial Viability and Management (continued)

Planned Performance				File ref.	Actual Performance from 01 July 2011 to 30 June 2012	Corrective measures taken / to be taken to improve performance
2011/2012					As at 30 June 2012	
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
Percentage of budget spent (Repairs and maintenance)	Expenditure report on repairs and maintenance	100% Monthly	To provide financial management services that enhance viability and compliance with the requirements of MFMA and other relevant legislation	J	100% Achieved:	None
Complete the 2010/11 annual financial statements	Completed annual financial statements	31-Aug-11	To provide financial management services that enhance viability and compliance with the requirements of MFMA and other relevant legislation	K	100% Achieved:	None
Achieve financially unqualified audit report for the municipality for 2010/11 financial statement	Unqualified audit report	15-Dec-11	To provide financial management services that enhance viability and compliance with the requirements of MFMA and other relevant legislation	L	100% Achieved: The municipality has received an unqualified audit report	None

KPA 4: Municipal Financial Viability and Management (continued)

Planned Performance				File ref.	Actual Performance from 01 July 2011 to 30 June 2012	Corrective measures taken / to be taken to improve performance
2011/2012					As at 30 June 2012	
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
Complete the 2012/13 budget and supporting documentation	Detailed 2012/13 budget	31-Mar-12	To provide financial management services that enhance viability and compliance with the requirements of MFMA and other relevant legislation	M	100% Achieved: The budget has been completed.	None
Medium-term financial planning in line with the annual DORA						
Prepare medium-term financial plan, informed by the IDP (adjustment budget) and submit to Council	Council resolution regarding the financial plan	15-Jan-12	To provide financial management services that enhance viability and compliance with the requirements of MFMA and other relevant legislation	N	100% Achieved: Prepare the medium-term financial plan.	None
Submit medium-term financial plan to finance committee and Council for consideration	Minutes of the finance portfolio committee and Council	Together with draft budget for 2012/13	To provide financial management services that enhance viability and compliance with the requirements of MFMA and other relevant legislation	O	100% Achieved: The Finance Portfolio & Council	None
Number of activities (Budget preparation)	Approved budget process plan	As per budget process plan 31 Mar 2012	To provide financial management services that enhance viability and compliance with the requirements of MFMA and other relevant legislation	P	100% Achieved: Process plan has been approved.	None

KPA 4: Municipal Financial Viability and Management (continued)

Planned Performance				File ref.	Actual Performance from 01 July 2011 to 30 June 2012	Corrective measures taken / to be taken to improve performance
2011/2012					As at 30 June 2012	
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
Manage the municipality's cash flow and long term liabilities, always ensuring that sufficient cash is available to repay loans on due dates and meet current budget commitments						
Percentage of monthly cash surplus	Monthly cash surplus report	At least 60% (Monthly)	To provide financial management services that enhance viability and compliance with the requirements of MFMA and other relevant legislation	Q	0% Achieved:	None
Checklist in place to ensure long and short term liabilities are met on time	Available checklist	Quarterly	To provide financial management services that enhance viability and compliance with the requirements of MFMA and other relevant legislation	R	0% Achieved:	None
Schedule of long term liabilities submitted to the Municipal Manager	Quarterly schedule of liabilities	Quarterly	To provide financial management services that enhance viability and compliance with the requirements of MFMA and other relevant legislation	S	25% Achieved:	None

KPA 4: Municipal Financial Viability and Management (continued)

Planned Performance				File ref.	Actual Performance from 01 July 2011 to 30 June 2012	Corrective measures taken / to be taken to improve performance
2011/2012					As at 30 June 2012	
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
Number of local municipal visits (Financial support and compliance)	Report regarding the financial support	16 Visits	To provide financial management services that enhance viability and compliance with the requirements of MFMA and other relevant legislation	T	100% Achieved: 4 Visits were undertaken of which 3 visits were for Ngwathe LM and 6 visit for Moqhaka LM. 8 visits for Mafube LM.	None
Number of projects with impact to local municipalities (Review of financial policies, development/review of internal controls, operation clean audit)	Quarterly project reports	At least 1 project per municipality	To provide financial management services that enhance viability and compliance with the requirements of MFMA and other relevant legislation	U	75% Achieved: Mafube LM, Moqhaka LM and Ngwathe LM have been assisted with the assessment of infrastructure project	None
Implement at least one project to assist one local municipality in the district to achieve a better financial position	Quarterly project progress report	30-Jun-12	To provide financial management services that enhance viability and compliance with the requirements of MFMA and other relevant legislation	V	0% Achieved:	None

KPA 5: Good Governance and Public Participation

Planned Performance				File ref.	Actual Performance from 01 July 2011 to 30 June 2012	Corrective measures taken / to be taken to improve performance
2011/2012					As at 30 June 2012	
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
Implement a budget preparation process for 2012/13 that allows for public participation. Ensure that community participation processes are completed by 31 May 2012	Budget consultation meetings	31-Aug-11	To ensure the development/ review of credible IDPs in the district and local municipalities	A	100% Achieved: The budget process plan has been submitted to MAYCO and COUCIL	None
Creditors are paid within 30 days of receiving valid tax invoices. No complaints are received from creditors regarding late payment	Monthly creditors reports	Monthly	To provide financial management services that enhance viability and compliance with the requirements of MFMA and other relevant legislation	B	100% Achieved: Creditors are paid within 30 days	None
Number of complaints and interest paid	Complaints register	Zero complaints (Ongoing)	To provide financial management services that enhance viability and compliance with the requirements of MFMA and other relevant legislation	C	100% Achieved: No complaints received for the period under review.	None

KPA 5: Good Governance and Public Participation (continued)

Planned Performance				File ref.	Actual Performance from 01 July 2011 to 30 June 2012	Corrective measures taken / to be taken to improve performance
2011/2012					As at 30 June 2012	
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
Number of full installments/repayments	Loan settlement/repayment with confirmation from the bank	2 payments of loan installments (31 Jul 2011 & 31 Dec 2011)	To provide financial management services that enhance viability and compliance with the requirements of MFMA and other relevant legislation	D	100% Achieved: Loan payments are carried out as per schedule.	None
Respond satisfactorily to internal and external audit queries relating to the directorate	Swift and positive responses to audit queries	Within 5 working days after receipt of request.	To ensure effective and efficient administration	E	100% Achieved: Audit queries are responded to.	None
Implement PROPAC resolutions relating to financial management	Implemented PROPAC resolutions	100% responded and resolved	To ensure effective and efficient administration	F	N/A for the period under review:	No PROPAC resolutions on the FDDM
Audit queries responded and issues resolved	Action plan	As per prescribed timeframes	To ensure effective and efficient administration	G	100% Achieved: As per the action plan	

KPA 5: Good Governance and Public Participation (continued)

Planned Performance				File ref.	Actual Performance from 01 July 2011 to 30 June 2012	Corrective measures taken / to be taken to improve performance
2011/2012					As at 30 June 2012	
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
Ensure that the CFO forum of the district seat at least 3 times in the financial year	CFO Forum meetings	Three sittings in a year	To ensure effective and efficient administration	H	0% Achieved:	CFO Forum meetings must be prioritized
Ensure that the finance portfolio committee seats at least two times in each financial year to consider financial reports	Meetings of the Finance Portfolio Committee	Two meetings in each quarter	To ensure effective and efficient administration	I	100% Achieved: 3 Meetings of the Finance Portfolio Committee were held	None
Conduct a comprehensive risk analysis and assessment of the Directorate based on the risk assessment model of the municipality and submit report to the MM for approval	Risk assessment register of the department	30-Jun-12	To build a risk conscious culture within the organization	J	100% Achieved:	None

DEPARTMENT: CORPORATE SUPPORT SERVICE

KPA 1: Municipal Transformation and Organizational Development

Planned Performance				File ref.	Actual Performance from 01 July 2011 to 30 June 2012	Corrective measures taken / to be taken to improve performance
2011/2012					As at 30 June 2012	
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
Number of personnel leaving the municipality	Low turnover of staff through implementation of the retention strategy.	Monthly (Zero personnel turnover)	To enhance human capacity & productivity within the municipality.	A	90% Achieved: One official from the SCM unit has resigned for greener pastures elsewhere. (T. Taje). Ms A Radebe has resigned and made a referral to CCMA.	Despite efforts to retain him, he opted to leave. Results of the exit strategy will be reported.
Number of employees assisted through the Employee Assistance Program	Healthy & productive workforce through EAP and Internal Sports Activities.	Monthly (All officials part-take voluntarily)	To enhance human capacity & productivity within the municipality.	B	100% Achieved: Officials were assisted through the EAP.	Ongoing
Number of sporting activities held for staff.	Participation by all interested officials	Quarterly (At least 1 sporting activity)	To enhance human capacity & productivity within the municipality.	C	100% Achieved: 9 Sporting activities were conducted.	None
Number of employees awarded bursaries	Competent and skilled employees	May & June 2011, Jan & Feb 2012 (All officials subject to availability of funds)	To enhance human capacity & productivity within the municipality.	D	100% Achieved: Officials were awarded bursaries.	None

KPA 1: Municipal Transformation and Organizational Development (continued)

Planned Performance				File ref.	Actual Performance from 01 July 2011 to 30 June 2012	Corrective measures taken / to be taken to improve performance
2011/2012					As at 30 June 2012	
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
Implementing, maintaining and reviewing Employment Equity Plan and reporting to relevant authorities	Effective implementation of recognized collective agreements, applicable legislation and policies to ensure healthy and conducive working environment.	30 Oct 2011 (Compliance reporting)	To maintain sound labour relations	E	100% Achieved: The EEP has been reviewed and reported to the relevant authorities	None
Number of Local Labour Forums Meetings	Meetings of Local Labour Forums held	Quarterly (4 Meetings)	To maintain sound labour relations	F	75% Achieved: 3 LLF Meetings were conducted.	None
Percentage of litigations against the municipality successfully defended	All litigations resolved successfully	All cases	To maintain sound labour relations	G	100% Achieved: One hearing for arbitration case pending. Grievance sitting took place and the matter was referred to the bargaining Council, however the issue was also referred to the CCMA.	Certificate of unresolved awaited and the matter currently pending.

KPA 1: Municipal Transformation and Organizational Development (continued)

Planned Performance				File ref.	Actual Performance from 01 July 2011 to 30 June 2012	Corrective measures taken / to be taken to improve performance
2011/2012					As at 30 June 2012	
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
Time taken to finalize disciplinary cases	Report of all disciplinary cases dealt with	90 Days	To maintain sound labour relations	H	100% Achieved: Cases are handled in terms of the collective, disciplinary and grievance procedures	None
2011/12 WSP developed and submitted to LGSETA	Detailed WSP and acknowledgement of receipt by LGSETA	30-Jun-12	To enhance human capacity & productivity within the municipality.	I	100% Achieved: The WSP has been approved for the current financial year	None
Number of employees received training as per the Workplace Skills Plan	Competent employees and submission of quarterly implementation report	30 Jun 2012 (FDDM and Local Municipalities)	To capacitate and support all municipalities within the District for service excellence (institutional arrangements)	J	100% Achieved: Officials attended training as per the item submitted to management.	None
Number of ward committees trained	Quarterly training report for ward committees	All ward committees within FDDM	To capacitate and support all municipalities within the District for service excellence (institutional arrangements)	K	75% Achieved: Ward committees were trained	The achievement of this KPI is subject to COGTA funding

KPA 1: Municipal Transformation and Organizational Development (continued)

Planned Performance				File ref.	Actual Performance from 01 July 2011 to 30 June 2012	Corrective measures taken / to be taken to improve performance
2011/2012					As at 30 June 2012	
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
Percentage of skills development levy claimed by the municipality	Report on the disbursement of the levy. 100% of Skills development levy is claimed	100% Claimed SDL	To capacitate and support all municipalities within the District for service excellence (institutional arrangements)	L	100% Achieved: 100% of the Skills Development Levy claimed.	None
Documented Mid-Year and Annual Training Report	Timely prepared and documented Training Report	30 Jun 2012 (FDDM)	To capacitate and support all municipalities within the District for service excellence (institutional arrangements)	M	100% Achieved: The mid-year and Annual training report was prepared and submitted to Council	None
Number of capacity building projects	Institutional assistance to local municipalities	Ongoing (capacity building projects to Local Municipalities) As and when necessary	To capacitate and support all municipalities within the District for service excellence (institutional arrangements)	N	100% Achieved: Assistance on legal matters to Moqhaka and Ngwathe LM. Training of Councillors at local municipalities. HR technical assistance to Ngwathe LM. Legal assistance is being provided to other Municipalities in the Province	None

KPA 1: Municipal Transformation and Organizational Development (continued)

Planned Performance				File ref.	Actual Performance from 01 July 2011 to 30 June 2012	Corrective measures taken / to be taken to improve performance
2011/2012					As at 30 June 2012	
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
Number of district legal Forum meetings held	Reduced litigation cases. Minutes, invitations and quarterly report by the District Legal Forum	4 Meetings	To ensure that all municipalities within the district comply with all applicable legislative framework	O	75% Achieved: 3 Meetings were held.	None
Number of learnerships, internships, bursaries and in-service training provided.	Detailed report on learnerships, internships, bursaries and in-service training submitted to management	Quarterly reports	To create skills development opportunities for students and unemployed in the district	P	100% Achieved: A report has been prepared and submitted to the Executive Mayor.	None
Number of customer satisfactory surveys conducted	Responsive administration through conducting 3 Surveys	30 Jun 2012 (1 Survey for Sector Departments, Communities and Local Municipalities)	To ensure effective and efficient administration	Q	100% Achieved: A customer satisfactory survey was conducted to the local municipalities whereby a questionnaire was developed and submitted to relevant LM.	None

KPA 1: Municipal Transformation and Organizational Development (continued)

Planned Performance				File ref.	Actual Performance from 01 July 2011 to 30 June 2012	Corrective measures taken / to be taken to improve performance
2011/2012					As at 30 June 2012	
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
Timeous response to correspondence and queries	Swift and prompt response	Ongoing (All queries responded to satisfactorily within 5 days)	To ensure effective and efficient administration	R	100% Achieved: All queries were responded to swiftly and promptly	None
Rate of safety incidents and claims reduced	No incidence and injuries through the implementation of Occupational Health & Safety Act	Ongoing (Zero incidences at all FDDM Working stations/premises)	To ensure effective and efficient administration	S	100% Achieved: No incidences were reported for the period under review.	None
Accountable administration and disciplined workforce	Workshop on ethical and code of conduct report. No elements of fraud, theft, corruption and mismanagement of assets	Aug 2011 & Feb 2012 (All officials & be workshopped)	To ensure effective and efficient administration	T	100% Achieved: The workshop on code of conduct, fraud and anti-corruption and the organogram.	None

KPA 1: Municipal Transformation and Organizational Development (continued)

Planned Performance				File ref.	Actual Performance from 01 July 2011 to 30 June 2012	Corrective measures taken / to be taken to improve performance
2011/2012					As at 30 June 2012	
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
Prepare performance assessment report of the directorate	Submit monthly & quarterly reports to management	Monthly and Quarterly (All relevant reports concerning the Directorate be submitted)	To ensure effective and efficient administration	U	100% Achieved: Reports were submitted to Management	None
Conduct qualitative assessment report on the numerical goals of the EEP	Qualitative assessment report	31-Jan-12	To ensure effective and efficient administration	V	100% Achieved: has been submitted and approved by Council	None
Submit assessment report to Council and trade unions with recommendations and target dates	Submit the report to Council and Trade Unions. Council on the assessment report	31-Jan-12	To ensure effective and efficient administration	W	100% Achieved: has been submitted and approved by Council	None

KPA 1: Municipal Transformation and Organizational Development (continued)

Planned Performance				File ref.	Actual Performance from 01 July 2011 to 30 June 2012	Corrective measures taken / to be taken to improve performance
2011/2012					As at 30 June 2012	
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
Employment equity numerical goals established per job level and occupational category for the 2011/2012 FY	Employment Equity numerical goals established	31-Jan-12	To ensure effective and efficient administration	X	100% Achieved: has been submitted and approved by Council	None
Maintaining and implementing the policy regarding organizational design, approving and changing the organizational structure, creating and abolishing posts of the staff establishment in the workplace	Organisational policy and approved organisational structure	30-Dec-11	To ensure effective and efficient administration	Y	100% Achieved: The organogram was reviewed, submitted and approved by Council.	None
Submit quarterly training reports to SETA	Ensure compliance by submitting reports as required	Quarterly (4 training reports be submitted)	Compliance with legislation	Z	100% Achieved: The report has been submitted to LGSETA	None

KPA 1: Municipal Transformation and Organizational Development (continued)

Planned Performance				File ref.	Actual Performance from 01 July 2011 to 30 June 2012	Corrective measures taken / to be taken to improve performance
2011/2012					As at 30 June 2012	
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
Improve and enhance skills of the workforce						
Conduct a systematic skills analysis of all staff members, comparing personal skills to required skills.	Develop the Skills Audit Report	31-Jan-12	To enhance human capacity & productivity within the municipality.	AA	100% Achieved: The Skills Audit was conducted and the report was submitted to LGSETA	None
Departmental meetings are held	Departmental meetings conducted	Quarterly	To ensure effective and efficient administration	BB	100% Achieved: 2 Departmental meetings were held. 1 departmental meeting held in the second quarter. For the period of January- March only 1 departmental meeting was held.	None
Develop a detailed operational plan (SDBIP) for the Directorate that clearly defines the objectives to be achieved by the Directorate, the strategies to achieve the objectives, the service delivery and performance indicators as well as budget required for the 2012/13 FY.	A detailed SDBIP be developed of the Directorate.	30-Mar-12	To ensure effective and efficient administration	CC	100% Achieved: The SDBIP has been developed and in place.	None

KPA 1: Municipal Transformation and Organizational Development (continued)

Planned Performance				File ref.	Actual Performance from 01 July 2011 to 30 June 2012	Corrective measures taken / to be taken to improve performance
2011/2012					As at 30 June 2012	
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
Implement an employee performance appraisal system phase one for post level 4-7	Developed individual scorecards	30-Jun-12	To ensure effective and efficient administration	DD	75% Achieved: 4-7 appointment of a service provider has been confirmed for assistance and support. Induction sessions were also conducted. Scorecards were developed and must be concluded	Work in progress, two officials within the department have not yet submitted their scorecards inputs.
Workshop proposed employee performance appraisal system for post level 4-7	Workshop be conducted	31-Dec-11	To ensure effective and efficient administration	EE	100 % Achieved : Induction sessions and workshops were also conducted	None
Each employee allocated to the Directorate has a personal performance and development plan for the 2012/13 financial year for post level 1-7	Allocate personal performance and development plan for post 1-7	30-Jun-12	To ensure effective and efficient administration	FF	66% Achieved: Scorecards are available	2 Official's scorecards outstanding

KPA 1: Municipal Transformation and Organizational Development (continued)

Planned Performance				File ref.	Actual Performance from 01 July 2011 to 30 June 2012	Corrective measures taken / to be taken to improve performance
2011/2012					As at 30 June 2012	
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
Prepare an annual business plan for the Directorate based on the IDP and the functions assigned to the Directorate together with the designated portfolio councilor prior to the preparation of the 2012/13 directorate draft budget.	Directorate business plan be developed	31-Dec-11	To ensure effective and efficient administration	GG	100% Achieved: The SDBIP has been developed	None

KPA 2: Service Delivery and Infrastructure Development (continued)

Planned Performance				File ref.	Actual Performance from 01 July 2011 to 30 June 2012	Corrective measures taken / to be taken to improve performance
2011/2012					As at 30 June 2012	
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
Maintenance of the corporate training strategy for the training of councillors and employees consistent with the WSP	Submission of the Corporate Training Strategy	28-Feb-12	To enhance human capacity & productivity within the municipality.	A	100% Achieved: Its an ongoing process however the training strategy was submitted to Council a while back.	None
Conduct an audit of compliance with legislation affecting the Directorate	Submit the legislation compliance report to the Municipal Manager	30-Jun-12	To ensure effective and efficient administration	B	100% Achieved: The calendar has been developed and its an on-going exercise	None
Keep track, study and analyze proposed new national and provincial legislation, regulations and policies affecting local government and prepare a draft comment thereon for consideration by Council	Submission of legislation and policies affecting local government to Council with comments.	31-Mar-12	To ensure effective and efficient administration	C	100% Achieved: The amendment of the MSA 32 of 2000 regarding appointments of section 57 and was tabled to Council.	None

KPA 2: Service Delivery and Infrastructure Development (continued)

Planned Performance				File ref.	Actual Performance from 01 July 2011 to 30 June 2012	Corrective measures taken / to be taken to improve performance
2011/2012					As at 30 June 2012	
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
Prepare and submit reports regarding the foreseeable implications and implementation of new legislation and policies affecting local government for consideration by Council	Submit reports of legislation implications to the Council	31-Mar-12	To ensure effective and efficient administration	D	100% Achieved: The amendment of the MSA 32 of 2000 regarding appointments of section 57 and was tabled to Council. Council approved the new bylaws	None
Ensure consistent adherence to policies and procedures						
Ensure that each Directorate, the Municipal Manager and the Executive Mayor have a copy of the manual	Submit a copy of the manual to each Directorate, Municipal Manager and Executive Mayor	31-Dec-11	To ensure effective and efficient administration	E	100% Achieved: The Copies were sent to the Directorates.	None

FEZILE DABI DISTRICT MUNICIPALITY

ANNUAL REPORT – 2011/12

KPA 3: Local Economic Development

Planned Performance				File ref.	Actual Performance from 01 July 2011 to 30 June 2012	Corrective measures taken / to be taken to improve performance
2011/2012					As at 30 June 2012	
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
Monitor the implementation of the EMS Learnership (IDP projects) allocated to the department	Monitoring of IDP project implemented by the directorate	Ongoing	To create skills development opportunities for students and unemployed in the district	A	75% Achieved: Medical assessment for local municipalities has been completed. Awaiting external funding from LGSETA.. 3 LM have signed the MoU's.	Work in progress
Service providers meet performance standards as per Service Level Agreement	Performance standards are met by service providers	Ongoing	To ensure effective and efficient administration	B	100% Achieved: Lekhadimane cleaning services. A contract has been concluded with Lekhadimane for cleaning facilities/equipment. For the period of January-March no service provider was appointed.	None
Project plans and budget to be in place	Plans and budget be available	Ongoing	To ensure effective and efficient administration	C	100% Achieved: Lekhadimane cleaning services company project plans and budget are available until the end of September 2011.	None
Ensure that 80% of unskilled labour in all the major projects of the department/municipality is from the local municipality concerned.	Encourage, Promote and emphasize unskilled local labour in major projects.	Ongoing	To ensure effective and efficient administration	D	100% Achieved: EPWP project is ongoing and local labour is used.	None

KPA 4: Municipal Financial Viability and Management

Planned Performance				File ref.	Actual Performance from 01 July 2011 to 30 June 2012	Corrective measures taken / to be taken to improve performance
2011/2012					As at 30 June 2012	
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
Ensure timely preparation of the Directorate's budget for 2012/13 based on the approved IDP	Prepare the directorate's budget	Ongoing	To ensure the development/ review of credible IDPs in the district and local municipalities	A	100% Achieved: Budget inputs were submitted to budget office.	None
No irregular expenditure	Be reported to the Municipal Manager	None be incurred	To provide financial management services that enhance viability and compliance with the requirements of MFMA and other relevant legislation	B	100% Achieved: No irregular expenditure was incurred	None
No unauthorized expenditure					100% Achieved: No unauthorized expenditure was incurred	None
No fruitless and wasteful expenditure					100% Achieved: No fruitless and wasteful expenditure was incurred	None
Respond satisfactorily to internal and external audit queries relating to the directorate	Swift and positive response to audit related queries.	Ongoing (100% response within 3 working days of receiving querie	To ensure effective and efficient administration	C	100% Achieved:	None

KPA 5: Good Governance and Public Participation

Planned Performance				File ref.	Actual Performance from 01 July 2011 to 30 June 2012	Corrective measures taken / to be taken to improve performance
2011/2012					As at 30 June 2012	
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
Review the municipality's rules and orders if and when necessary	Reviewed rules and orders	Ongoing	To ensure effective and efficient administration	A	100% Achieved: They were reviewed as per the Council resolution.	None
Review job descriptions	Approved and signed job descriptions	Ongoing	To ensure effective and efficient administration	B	70% Achieved: The job descriptions have been reviewed for post 1-3 and are awaiting finalization of scorecards.	None
Timeous distribution of Council Agenda	Signed distribution lists	Ongoing	To ensure effective and efficient administration	C	100% Achieved: Council agenda is distributed timeously	None
Minute taking during Council meetings and timeous distribution	Registers for acknowledgement of receipt	Ongoing	To ensure effective and efficient administration	D	100% Achieved: Council meetings minutes are recorded	None

KPA 5: Good Governance and Public Participation (continue)

Planned Performance				File ref.	Actual Performance from 01 July 2011 to 30 June 2012	Corrective measures taken / to be taken to improve performance
2011/2012					As at 30 June 2012	
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
Prepare a municipal reporting calendar to ensure that the municipality complies with reporting requirements in terms of primary legislations and regulations						
a) PMS Framework	Reporting calendar	31-Dec-11	To ensure effective and efficient administration	E	100% Achieved: The calendar is prepared and available	None
b) Municipal Systems Act	Reporting calendar	31-Dec-11	To ensure effective and efficient administration			
c) Municipal Performance Management Regulations	Reporting calendar	31-Dec-11	To ensure effective and efficient administration			
d) Employment Equity Act	Reporting calendar	31-Dec-11	To ensure effective and efficient administration			

KPA 5: Good Governance and Public Participation (continue)

Planned Performance				File ref.	Actual Performance from 01 July 2011 to 30 June 2012	Corrective measures taken / to be taken to improve performance
2011/2012					As at 30 June 2012	
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
Cascade PMS to post level 1-7	Workplans, job profiles and individual scorecards for selected levels	30-Jun-12	To ensure effective and efficient administration	F	90% Achieved: Post level 1-3 scorecards have been reviewed and concluded. Assessments are due. 75% Achieved: 4-7 appointment of a service provider has been confirmed for assistance and support. Induction sessions were also conducted. Scorecards were developed and must be concluded	None
Disciplinary cases conducted and finalized in compliance with the SALGBC Collective Agreement and executed with substantive fairness principles as contained in the LRA	Cases dealt with in compliance with SALGBC Collective Agreement. Report on disciplinary cases	Ongoing	To maintain sound labour relations	G	100% Achieved: The disciplinary case was dealt with accordingly and in compliance with SALGBC	None

KPA 5: Good Governance and Public Participation (continue)

Planned Performance				File ref.	Actual Performance from 01 July 2011 to 30 June 2012	Corrective measures taken / to be taken to improve performance
2011/2012					As at 30 June 2012	
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
Each contract overseen by the Directorate is executed in accordance with the relevant contractual stipulations	Oversee the signing of the SLA with terms of reference	Ongoing	To ensure effective and efficient administration	H	100% Achieved: The signed SLA including the terms of reference for Lekhadimane Cleaning Services	None
Service providers meet performance standards in terms of agreed quality, budgets and timelines						
Measure performance of service providers in terms of contracts or monthly reporting	Service providers must provide project progress reports and feedback meetings held	Ongoing	To ensure effective and efficient administration	I	100% Achieved: Lekhadimane submits progress reports.	None
Contract variations are comprehensively documented, approved by the person/body that approved the principal contract and annexed to the principal contract as properly executed and signed addendum.	Contract variations be comprehensively documented	Ongoing	To ensure effective and efficient administration	J	100% Achieved: Lekhadimane's contract has been extended with 30 days (Expires on 30 October 2011). The variation has been documented and approved by the Municipal Manager.	None

KPA 5: Good Governance and Public Participation (continue)

Planned Performance				File ref.	Actual Performance from 01 July 2011 to 30 June 2012	Corrective measures taken / to be taken to improve performance
2011/2012					As at 30 June 2012	
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
Conduct a comprehensive risk analysis and assessment of the directorate based on the risk assessment model of the municipality and submit report for approval to the municipal manager	Submit report of risk analysis to the Municipal Manager	30-Jun-12	To ensure effective and efficient administration	K	100% Achieved: As per the Risk Register.	None
Ensure that the Corporate Support Services Forum Meetings are held	Meeting of CSS Forum	Quarterly	To ensure effective and efficient administration	L	75% Achieved: 4 Portfolio Committee Meetings and 3 CSS Forum Meetings.	None

DEPARTMENT: PROJECT MANAGEMENT UNIT

KPA 1: Municipal Transformation and Organizational Development

Planned Performance				File ref.	Actual Performance from 01 July 2011 to 30 June 2012	Corrective measures taken / to be taken to improve performance
2011/2012					As at 30 June 2012	
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
Prepare monthly and quarterly performance assessment reports of the department.	Reports prepared and submitted to the Municipal Manager/ Management	Monthly & quarterly	To ensure effective and efficient administration	A	100% Achieved: 9 Reports were prepared and submitted to management.	None
Training schedule developed based on the workplace skills plan and training done on WSP training schedule	Training schedule be developed as per the WSP	30-Jun-12	To enhance human capacity & productivity within the municipality.	B	100% Achieved: Personnel attended training.	None
All employees allocated to the department each has a personal performance and development plan for the current financial year.	Personal performance and development plans developed for employees	30-Jun-12	To ensure effective and efficient administration	C	100% Achieved: Scorecards of the department has been concluded except for post level 4-7.	Work in progress

KPA 1: Municipal Transformation and Organizational Development (continue)

Planned Performance				File ref.	Actual Performance from 01 July 2011 to 30 June 2012	Corrective measures taken / to be taken to improve performance
2011/2012					As at 30 June 2012	
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
Develop a detailed operational plan for the department that clearly defines the objectives to be achieved by the department.	Detailed departmental operational plan with SDBIP's inputs.	31-May-12	To ensure effective and efficient administration	D	100% Achieved: SDBIP has been developed	None.
Departmental, stakeholders, Forums and Portfolio meetings are held	Minutes and attendance registers of meetings conducted	Quarterly	To ensure effective and efficient administration	E	100% Achieved: 3 Departmental, 7 Portfolio Committee meeting were held. 5 meetings for the PMU Forum	None

KPA 2: Service Delivery and Infrastructure Development

Planned Performance				File ref.	Actual Performance from 01 July 2011 to 30 June 2012	Corrective measures taken / to be taken to improve performance
2011/2012					As at 30 June 2012	
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
Service providers providing services to the department meet agreed performance standards in terms of quality, budgets and timelines						
Set inputs, output and outcome indicators for each service provider	Signed SLA outlines the inputs, outputs and outcomes (Terms of reference)	Ongoing (Every contract as per agreed timeframes for assessment)	To ensure effective and efficient administration	A	100% Achieved: 4 SLA's concluded.	None
Measure performance of service providers	Performance progress report submitted by the service provider or meetings held	Ongoing (Reports submitted monthly)	To ensure effective and efficient administration	B	100% Achieved: Monthly progress report has been submitted.	None
Track and report fuel consumption	Report submitted to management regarding fuel consumption	All municipal fleet on a monthly basis	To ensure effective and efficient administration	C	100% Achieved: The report has been submitted to management.	None
Maintenance and servicing of vehicles according to manufacturers' specifications	Report submitted to management regarding maintenance and servicing of vehicles	All municipal fleet on a monthly basis	To ensure effective and efficient administration	D	100% Achieved: A report has been submitted to management	None

KPA 2: Service Delivery and Infrastructure Development (continue)

Planned Performance				File ref.	Actual Performance from 01 July 2011 to 30 June 2012	Corrective measures taken / to be taken to improve performance
2011/2012					As at 30 June 2012	
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
Water and sanitation						
Upgrading of outfall sewer (Mafube LM-Namahadi Ext 23 Mamello Frankfort)	Project progress report and project completion certificate	30 Jun 2012 100% of projects implemented and completed	Ensure Local municipalities meet the water demand of communities.	E	100% Achieved: The project has been completed.	None
Upgrading of water treatment works (Moghaka LM-Kroonstad, Viljoenskroon and Steynsrus)	Project progress report and project completion certificate	30 Jun 2012 100% of projects implemented and completed	Ensure Local municipalities meet the water demand of communities.	F	N/A for the period under review.	The project funding was reallocated to Ngwathe LM
Laboratory (Metsimaholo LM- Sasolburg and Deneysville)	Project progress report and project completion certificate	30 Jun 2012 100% of projects implemented and completed	Assist Local Municipalities financially, technically and administratively with the implementation of water and sanitation projects.	G	0% Achieved:	Work in progress and currently in the designing phase

FEZILE DABI DISTRICT MUNICIPALITY

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KPA 2: Service Delivery and Infrastructure Development (continue)

Planned Performance				File ref.	Actual Performance from 01 July 2011 to 30 June 2012	Corrective measures taken / to be taken to improve performance
2011/2012					As at 30 June 2012	
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
Pedestrian steel bridge (Ngwathe LM-Tumahole)	Project progress report and project completion certificate	30 Jun 2012 100% of projects implemented and completed	Assist Local Municipalities financially, technically and administratively with the implementation of water and sanitation projects.	H	N/A for the period under review.	The project has been replaced with emergency work at Ngwathe LM
EPWP Storm water canals (Ngwathe LM-Tumahole)	Project progress report and project completion certificate	30 Jun 2012 100% of projects implemented and completed	Assist Local Municipalities financially, technically and administratively with the implementation of water and sanitation projects.	I	85% Achieved:	Work in progress. Project extended till the end August 2012.
Electricity						
Electricity supply to farm workers	Project progress report and project completion certificate	30 Jun 2012 100% of projects implemented and completed	To facilitate the provision of electricity in the District	J	113% achieved: 17 Houses were electrified	None

KPA 2: Service Delivery and Infrastructure Development (continue)

Planned Performance				File ref.	Actual Performance from 01 July 2011 to 30 June 2012	Corrective measures taken / to be taken to improve performance
2011/2012					As at 30 June 2012	
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
Spatial planning						
Developed or reviewed SDF for FDDM	Developed or reviewed SDF	30 Jun 2012 (1 SDF developed)	To promote sustainable human settlements	K	100% Achieved: FDDM SDF was developed	None
Number of Site visits on development application areas	Site visits on development application areas, minutes of site meetings	Monthly	To promote sustainable human settlements	L	N/A for the period under review.	None
Geographic Information System						
Availability of GIS data	GIS data available and new data uploaded	Ongoing (New data)	To effectively quantify and prioritize needs of service delivery	M	95% Achieved: A service provider is currently busy with the implementation phase and FDDM is awaiting the administrative rights	None

KPA 3: Local Economic Development

Planned Performance				File ref.	Actual Performance from 01 July 2011 to 30 June 2012	Corrective measures taken / to be taken to improve performance
2011/2012					As at 30 June 2012	
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
Monitor the implementation of the IDP projects allocated to the department	Monitoring of IDP project implemented by the directorate	Ongoing	To ensure effective and efficient administration	A	100% Achieved: Projects are monitored on a monthly basis	None
Ensure that 80% of unskilled labour in all the major projects of the department are from the local municipality concerned.	Encourage, Promote and emphasize unskilled local labour in major projects.	Ongoing	To ensure effective and efficient administration	B	100% Achieved: EPWP project	None
Manage the external consultants and contractors appointed for technical projects	Progress reports from the consultants on technical projects. Signed SLA and site visits minutes	Ongoing	To ensure effective and efficient administration	C	100% Achieved: Progress report on all ongoing projects has been submitted	None
Progress against plans to be provided and progress to be in line with plan from both time and budgetary perspectives	Progress reports be submitted by the service provider. Scope of terms of reference and budget expenditure be submitted	Ongoing	To ensure effective and efficient administration	D	100% Achieved: Progress report on all ongoing projects has been submitted	None

KPA 4: Municipal Financial Viability and Management

Planned Performance				File ref.	Actual Performance from 01 July 2011 to 30 June 2012	Corrective measures taken / to be taken to improve performance
2011/2012					As at 30 June 2012	
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
Monitor the implementation of the IDP projects allocated to the department	Monitoring of IDP project implemented by the directorate	Ongoing	To ensure effective and efficient administration	A	100% Achieved: Projects are monitored on a monthly basis	None
Ensure that 80% of unskilled labour in all the major projects of the department are from the local municipality concerned.	Encourage, Promote and emphasize unskilled local labour in major projects.	Ongoing	To ensure effective and efficient administration	B	100% Achieved: EPWP project	
Manage the external consultants and contractors appointed for technical projects	Progress reports from the consultants on technical projects. Signed SLA and site visits minutes	Ongoing	To ensure effective and efficient administration	C	100% Achieved: Progress report on all ongoing projects has been submitted	None
Progress against plans to be provided and progress to be in line with plan from both time and budgetary perspectives	Progress reports be submitted by the service provider. Scope of terms of reference and budget expenditure be submitted	Ongoing	To ensure effective and efficient administration	D	100% Achieved: Progress report on all ongoing projects has been submitted	None

KPA 4: Municipal Financial Viability and Management

Planned Performance				File ref.	Actual Performance from 01 July 2011 to 30 June 2012	Corrective measures taken / to be taken to improve performance
2011/2012					As at 30 June 2012	
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
Respond satisfactorily to internal and external audit queries relating to the directorate	Swift and positive response to audit related queries. List of all audit queries against the department and the management letter response	Ongoing (Within 3 days upon receipt of queries)	To ensure effective and efficient administration	E	100% Achieved:	None
Ensure that 100% of the capital budget allocated to the department is spent	Budget expenditure report on capital projects	30-Jun-12	To provide financial management services that enhance viability and compliance with the requirements of MFMA and other relevant legislation	F	61% Achieved: Only 61% of the capital budget has been spent by the department at the end of the financial year.	None

KPA 5: Good Governance and Public Participation

Planned Performance				File ref.	Actual Performance from 01 July 2011 to 30 June 2012	Corrective measures taken / to be taken to improve performance
2011/2012					As at 30 June 2012	
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
Develop and ensure the updating of the register for municipal properties	Developed and updated register	30-Jun-12	To effectively quantify and prioritize needs of service delivery	A	100% Achieved: 1 Register has been developed.	None
Identify municipal property that are poorly secured and prepare a plan to ensure that municipal properties are fenced and secured	A report and a plan be developed for poorly fenced municipal properties	Ongoing	To effectively quantify and prioritize needs of service delivery	B	100% Achieved: No municipal property has been purchased for the period under review	
Ensure the safeguarding of municipal fleet vehicles	Safety and precautionary measures in place. Tracker report for installation to all municipal fleet	Ongoing	To effectively quantify and prioritize needs of service delivery	C	100% Achieved: All municipal fleet vehicles have tracking devices system. Netstar certificates	None

KPA 5: Good Governance and Public Participation (continued)

Planned Performance				File ref.	Actual Performance from 01 July 2011 to 30 June 2012	Corrective measures taken / to be taken to improve performance
2011/2012					As at 30 June 2012	
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
All irregular incidents or misuse of fleet are reported to the Director CSS and MM within 5 days of occurrence	Irregular incidents report	Ongoing	To effectively quantify and prioritize needs of service delivery	D	100% Achieved: 2 incidents have been reported for the period under review. Jan-Mar None	None
Contract variations are comprehensively documented, approved by the person or body that approved the principal contract and annexed to the principal contract as a properly executed and signed addendum	Documented contract variations. Report of all contract variations submitted to management	Ongoing	To effectively quantify and prioritize needs of service delivery	E	100% Achieved:	None
Conduct a comprehensive risk analysis and assessment of the directorate based on the risk assessment model of the municipality and submit the report to MM for approval	Comprehensive risk analysis and assessment is conducted	30-Jun-12	To effectively quantify and prioritize needs of service delivery	F	100% Achieved: A risk register has been developed	None

DEPARTMENT: COMMUNITY, HEALTH & ENVIRONMENTAL SERVICES

KPA 1: Municipal Transformation and Organizational Development

Planned Performance				File ref.	Actual Performance from 01 July 2011 to 30 June 2012	Corrective measures taken / to be taken to improve performance
2011/2012					As at 30 June 2012	
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
Prepare monthly and quarterly performance assessment reports of the department.	Reports prepared and submitted to the Municipal Manager/ Management	Monthly & quarterly	To ensure effective and efficient administration	A	100% Achieved: 1 report has been submitted to the Portfolio Committee and Management. For October to December 2011 reports were only submitted to management. 15 Reports were submitted to management and 6 reports to Council for (Jan-Mar)	None
Number of customer satisfaction survey conducted and present report to the MM	Customer satisfaction survey results	30 Jun 2012 (1 Customer satisfaction survey)	To ensure effective and efficient administration	B	0% Achieved:	Work in progress as the questionnaire is being developed.

KPA 1: Municipal Transformation and Organizational Development (continued)

Planned Performance				File ref.	Actual Performance from 01 July 2011 to 30 June 2012	Corrective measures taken / to be taken to improve performance
2011/2012					As at 30 June 2012	
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
Implement and monitor training schedule based on the workplace skills plan and training done on WSP training schedule	Training schedule be developed as per the WSP	Monthly (Ongoing)	To enhance human capacity & productivity within the municipality.	C	100% Achieved: 4 Personnel under- went training in the first quarter. All EHP's attended training on SAIEHP. 1 also attended a course on waste management in the second quarter. For Jan-Mar personnel from Fire, Disaster and EHP department attended training.	None
All employees allocated to the department each has a personal performance and development plan for the current financial year.	Signed job descriptions/ individual scorecards with PDP's	31-Dec-11	To ensure effective and efficient administration	D	100% Achieved: Scorecards of the department has been concluded except for post level 4-7.	Work in progress
Create a database and conduct an audit of compliance with legislation affecting the Directorate	Complete database and a compliance report on legislation audit	31-Jan-12	To ensure effective and efficient administration	E	100% Achieved: The database has been developed.	None

KPA 1: Municipal Transformation and Organizational Development (continued)

Planned Performance				File ref.	Actual Performance from 01 July 2011 to 30 June 2012	Corrective measures taken / to be taken to improve performance
2011/2012					As at 30 June 2012	
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
Departmental staff meetings are held	Meetings with staff. Schedule of meetings and minutes thereof	Quarterly	To ensure effective and efficient administration	F	100% Achieved: 8 Departmental / Sub-region meetings were held.	Due to the large and diverse department capacity, sub-region meetings are treated as departmental meetings

KPA 2: Service Delivery and Infrastructure Development

Planned Performance				File ref.	Actual Performance from 01 July 2011 to 30 June 2012	Corrective measures taken / to be taken to improve performance
2011/2012					As at 30 June 2012	
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
Departmental service providers meet performance standards in terms of agreed quality, budgets and timelines						
Set inputs, output and outcome indicators for each service provider appointed by the department	SLA outlines the inputs, outputs, outcomes and terms of reference	Ongoing/Monthly (Every contract as per agreed timeframes for assessment)	To ensure effective and efficient administration	A	100% Achieved: Aerocon SLA has been concluded with the municipality.	None
Measure performance of service providers in terms of contracts	Performance progress report submitted by the service provider or meetings held. Signed SLA's	Ongoing (Reports submitted monthly)	To ensure effective and efficient administration	B	100% Achieved: Reports on the research for the water quality are submitted by the University of North-West and meetings are also held to measure progress. The final draft has been submitted to FDDM in the period under review (Jan-Mar)	None
Monthly written report submitted to the Municipal Manager according to agreed format and providing agreed information and data regarding departmental activities	Monthly reports submitted to the Municipal Manager	Monthly	To ensure effective and efficient administration	C	100% Achieved: Reports were submitted to the Management	None

KPA 2: Service Delivery and Infrastructure Development (continued)

Planned Performance				File ref.	Actual Performance from 01 July 2011 to 30 June 2012	Corrective measures taken / to be taken to improve performance
2011/2012					As at 30 June 2012	
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
Enforce municipal health by-laws through inspection and issuing notices of compliance	Issued notices of compliance	Monthly	To ensure that municipal health services are effectively and equitably provided in the district	D	100% Achieved: Notices were issued.	None
Develop a programme for the training of students doing their experiential training phase	Developed training programme for students	31-May-12	To create skills development opportunities for students and unemployed in the district	E	100% Achieved: The programme has been developed for student doing their experiential training	None
Coordinate and manage activities between the disaster management centre and local emergency services through quarterly meetings	Meetings with Local Emergency Services	Quarterly	To ensure effective and efficient implementation of Disaster Risk Reduction	F	100% Achieved: Meetings with Local Emergency Services were held.	None
Create awareness about air quality	Awareness campaigns held	4 Campaigns - Quarterly	To ensure that municipal health services are effectively and equitably provided in the district	G	100% Achieved: Awareness was conducted at Edenville. No awareness campaign was conducted for the last quarter. For Jan-Mar no awareness was conducted	None

KPA 2: Service Delivery and Infrastructure Development (continued)

Planned Performance				File ref.	Actual Performance from 01 July 2011 to 30 June 2012	Corrective measures taken / to be taken to improve performance
2011/2012					As at 30 June 2012	
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
Water and Sanitation						
% of samples complying to SANS 241	Compliant samples and monthly reports on the analysis of samples taken	Ongoing	To ensure that Municipal Health Services are effectively and equitably provided in the District.	H	100% Achieved: Water sampling were taken.	None
Waste management						
Number of waste management educational and awareness campaigns conducted	Educational campaigns conducted	Quarterly (4 awareness campaigns)	To monitor waste management system	I	100% Achieved: 3 Awareness campaigns were conducted at Heilbron, Zamdela and Vredefort.	Another educational awareness will be held in May 2012
Food control						
Number of certificates of acceptability (R918) issued	Certificates issued	Ongoing	To ensure that municipal health services are effectively and equitably provided in the district	J	100% Achieved: They are issued as per application	None
Number of food sampling programs undertaken	Food sampling programs and monthly reports	Ongoing	To ensure that municipal health services are effectively and equitably provided in the district	K	100% Achieved: Food sampling was done	None

KPA 2: Service Delivery and Infrastructure Development (continued)

Planned Performance				File ref.	Actual Performance from 01 July 2011 to 30 June 2012	Corrective measures taken / to be taken to improve performance
2011/2012					As at 30 June 2012	
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
Number of campaigns on food safety undertaken	Conducted campaigns on food safety and report thereof	Ongoing	To ensure that municipal health services are effectively and equitably provided in the district	L	100% Achieved: Milk safety campaign was conducted at Viljoenskroon. Milk campaign was also conducted at Parys under the period under review (Jan-Mar)	None
Number of food poisoning cases investigated	Investigation reports	Ongoing	To ensure that municipal health services are effectively and equitably provided in the district	M	100% Achieved: Food poisoning case was investigated at Frankfort	None
Environmental Pollution Control (AQM)						
Reduced air pollution (Concentration) levels	Reports on reduced air pollution in compliance with NEMA and the implementation of AQMP	30-Jun-12	To ensure that municipal health services are effectively and equitably provided in the district	N	100% Achieved: Currently regular monitoring is being done. Monitoring is done jointly with the department of environmental affairs.	None
Number of educational projects and awareness programs conducted (Basa njengo magogo)	Conducted educational projects and awareness	Quarterly (Educational projects conducted)	To ensure that municipal health services are effectively and equitably provided in the district	O	100% Achieved: Awareness was conducted.	None

KPA 2: Service Delivery and Infrastructure Development (continued)

Planned Performance				File ref.	Actual Performance from 01 July 2011 to 30 June 2012	Corrective measures taken / to be taken to improve performance
2011/2012					As at 30 June 2012	
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
Noise control						
Number of statutory notices issued	Enforcement of noise control regulations through notices issued	Ongoing	To ensure that municipal health services are effectively and equitably provided in the district	P	100% Achieved: Notices were issued.	Work in progress
Surveillance and prevention of communicable diseases excluding the immunization						
Number of reported and resolved cases regarding communicable disease	Reported and resolved cases	Ongoing	To ensure that municipal health services are effectively and equitably provided in the district	Q	100% Achieved: Reported case was investigated.	Work in progress
Disaster Management						
Installed IMS	Operational and functional disaster centre	31-Jan-12	To ensure effective and efficient implementation of Disaster Risk Reduction	R	80% Achieved: Request to procurement has been submitted and advertisement made for positions. The system has been installed and equipment purchased	Personnel still needs to be appointed
Emergency communication facility in place						
Number of critical positions filled						
Equipped DOF						

KPA 2: Service Delivery and Infrastructure Development (continued)

Planned Performance				File ref.	Actual Performance from 01 July 2011 to 30 June 2012	Corrective measures taken / to be taken to improve performance
2011/2012					As at 30 June 2012	
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
Clear, documented and updated Disaster Management risk assessments, DM framework and contingency –plans	Documented disaster management risk assessment	31 Mar 2012 (1 Disaster management plan reviewed)	To ensure effective and efficient implementation of Disaster Risk Reduction	S	100% Achieved: The disaster management plan has been reviewed	Work in progress
Develop guidelines on emergency communication with systematic protocol operation	Developed emergency communication guidelines	During incidents and disaster outbreak (All 4 local municipalities)	To ensure effective and efficient implementation of Disaster Risk Reduction	T	100% Achieved: Different emergency communication guidelines are available.	Work in progress
Chemical safety						
Number of incidences for organophosphate poisoning and complaints related to chemical safety	Report of the educational and awareness programme	2 Educational awareness	To ensure that municipal health services are effectively and equitably provided in the district	U	100% Achieved: Disaster Management, chemical safety and Fire educational, paraffin safety awareness campaigns were conducted.	None
Number of chemical poisoning cases received	Monthly report of poisoning cases	Ongoing	To ensure that municipal health services are effectively and equitably provided in the district	V	100% Achieved: Poisoning cases received were also investigated.	None

KPA 2: Service Delivery and Infrastructure Development (continued)

Planned Performance				File ref.	Actual Performance from 01 July 2011 to 30 June 2012	Corrective measures taken / to be taken to improve performance
2011/2012					As at 30 June 2012	
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
Number of education and awareness programs	Report of the awareness conducted	2 Awareness programs	To ensure that municipal health services are effectively and equitably provided in the district	W	100% Achieved: Disaster Management, chemical safety and Fire educational, paraffin safety awareness campaigns were conducted.	None
Vector control						
Reduced number of vector infestations cases	Report of all vector infestation cases	Ongoing (As and when required)	To ensure that municipal health services are effectively and equitably provided in the district	X	100% Achieved: Case of rodents infestations was reported. Statutory notice has also been issued out.	None
Fire fighting services						
Number of meetings conducted	Minutes and attendance registers of the meetings	Quarterly	Planning, co-ordination and regulation of the Fire Services in the district	Y	100% Achieved: Meetings with Chief Fire Officer were held.	None
Number of fire fighters trained	Development programme for fire fighters and list of all fire fighter attended	30 Jun 2012 (All current fire fighters)	To enhance human capacity & productivity within the municipality.	Z	100% Achieved: Fire fighters were trained on Fire Fighting level 1	Work in progress

KPA 2: Service Delivery and Infrastructure Development (continued)

Planned Performance				File ref.	Actual Performance from 01 July 2011 to 30 June 2012	Corrective measures taken / to be taken to improve performance
2011/2012					As at 30 June 2012	
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
Procurement of firefighting equipment (Medium pumping fire fighting engine)	Report of fire fighting engine	30-Jun-12	Planning, co-ordination and regulation of the Fire Services in the district	AA	100% Achieved: 1 Fire fighting engine has been procured and delivered at Ngwathe LM in January 2012.	Another fire fighting engine to be re-advertised
Renovation of fire fighting station at Mafube Local Municipality	Renovated fire fighting station	30 Sep 2011 (120 square meters of the station be renovated)	Planning, co-ordination and regulation of the Fire Services in the district	BB	100% Achieved: The renovations to the station were completed and we are awaiting the handing over.	Work in progress
Purchase of furniture and equipment	Procured furniture and equipment	30-Nov-11	Planning, co-ordination and regulation of the Fire Services in the district	CC	100% Achieved: Furniture has been procured	None

KPA 3: Local Economic Development

Planned Performance				File ref.	Actual Performance from 01 July 2011 to 30 June 2012	Corrective measures taken / to be taken to improve performance
2011/2012					As at 30 June 2012	
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
Monitor the implementation of the IDP projects allocated to the department.	Report of the IDP projects for the department	Ongoing (Monthly reports)	To ensure effective and efficient administration	A	100% Achieved: The renovation of the station project.	None
Assist SMME's to comply with hospitality requirements	Complying SMME's	Ongoing (10 SMME's complying)	To ensure that municipal health services are effectively and equitably provided in the district	B	100% Achieved: As per the report submitted to management regarding the Groenpunt Event/Festival. Certificates were issued to SMME's for the period under review.	None
Manage the external consultants and contractors appointed for technical projects						
Project plans and budgets to be in place.	Project plan and budget for the specific project	Ongoing (Monthly reports)	To ensure effective and efficient administration	C	100% Achieved: Aerocon Consultants.	None
Progress against plans to be provided and progress to be in line with plan from both time and budgetary perspectives	Progress reports be submitted by the service provider	Ongoing (Monthly reports)	To ensure effective and efficient administration	D	100% Achieved: Progress reports were submitted.	None

KPA 4: Municipal Financial Viability and Management

Planned Performance				File ref.	Actual Performance from 01 July 2011 to 30 June 2012	Corrective measures taken / to be taken to improve performance
2011/2012					As at 30 June 2012	
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
Ensure timely preparation of the Directorate's budget for 2012/13 based on the approved IDP	Prepare the directorate's budget	Ongoing	To ensure the development/ review of credible IDPs in the district and local municipalities	A	100% Achieved: Budget inputs were submitted to the budget office.	None
Ensure sound management of the budget votes allocated to the directorate						
No irregular expenditure	Be reported to the Municipal Manager	Ongoing (None be incurred)	To provide financial management services that enhance viability and compliance with the requirements of MFMA and other relevant legislation	B	75% Achieved: Irregular expenditure has been incurred by the department. Not incurred in the last quarter.	Irregular expenditure must be avoided
No unauthorized expenditure					100% Achieved: Did not incur	None
No fruitless and wasteful expenditure					100% Achieved: Did not incur	None
Respond satisfactorily to internal and external audit queries relating to the directorate	Swift and positive response to audit related queries. Register of all internal and external queries responded by CHES	Ongoing (Within 3 days upon receipt of queries)	To ensure effective and efficient administration	C	N/A for the period under review	No queries were raised against the department

KPA 5: Good Governance and Public Participation

Planned Performance				File ref.	Actual Performance from 01 July 2011 to 30 June 2012	Corrective measures taken / to be taken to improve performance
2011/2012					As at 30 June 2012	
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
Monitor progress with the preparation and regular updating of disaster management plans and strategies by municipalities and municipal entities in the area by holding at least 4 review meeting during the year	Updated and monitored disaster management plans. Minutes and attendance registers of the meetings	31 May 2012 (Conduct at least 4 review meetings)	To ensure effective and efficient implementation of Disaster Risk Reduction	A	100% Achieved: Meetings were held with stakeholders.	None
Ensure effective and efficient running and management of municipal disaster management advisory forum in terms of section 51 of the Disaster Management Act 2002. Forum to meet at least three times during the year	Effective disaster management advisory forum	3 Meeting of the advisory forum held	To ensure effective and efficient implementation of Disaster Risk Reduction	B	100% Achieved: Meetings were held with stakeholders.	None

KPA 5: Good Governance and Public Participation (continued)

Planned Performance				File ref.	Actual Performance from 01 July 2011 to 30 June 2012	Corrective measures taken / to be taken to improve performance
2011/2012					As at 30 June 2012	
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
Ensure community services forum meetings are held	Held community services forum	Quarterly	To ensure effective and efficient implementation of Disaster Risk Reduction	C	100% Achieved: A meeting with the community services for Mafube and Moqhaka LM were held in the first quarter. A meeting was conducted with Metsimaholo and Ngwathe LM in the second quarter. Third quarter no meetings were held	None
Implement FDDM Public Health By-laws	Approved and implemented health by-laws.	Monthly	To ensure effective and efficient implementation of Disaster Risk Reduction	D	100% Achieved: EHP's are implementing the by-laws.	None

DEPARTMENT: LED & TOURISM**KPA 1: Municipal Transformation and Organisational Development**

Planned Performance				File ref.	Actual Performance from 01 July 2011 to 30 June 2012	Corrective measures taken / to be taken to improve performance
2011/2012					As at 30 June 2012	
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
Prepare monthly and quarterly performance assessment reports of the department.	Monthly reports prepared and submitted to the Municipal Manager/ Management	Monthly & quarterly	To ensure effective and efficient administration	A	100% Achieved: Comprehensive reports were prepared and submitted to the Management and Portfolio.	None
Number of customer satisfaction surveys conducted and present the report to the MM	Customer satisfaction survey results	30 Jun 2012 (1 Customer satisfaction)	To ensure effective and efficient administration	B	100% Achieved: Tourism customer satisfaction survey has been conducted.	None
Implement and monitor training schedule based on the workplace skills plan (WSP) and training done based on WSP	Monthly training reports	Monthly (Ongoing)	To enhance human capacity & productivity within the municipality.	C	100% Achieved: The LED and Tourism personnel attended training.	None
All employees allocated to the department each has a personal performance and development plan for the current financial year.	Signed job descriptions/ individual scorecards with PDP	31-Jan-12	To ensure effective and efficient administration	D	100% Achieved. Scorecards of the department have been concluded except for post level 4-7.	Performance management is implemented in phases. Post level 1-3 has already concluded their scorecards with PDP's. Currently post level 4-7 are drafting the scorecards.
Departmental meetings are held	Schedule of departmental meetings with staff, minutes and attendance	Quarterly	To ensure effective and efficient administration	E	100% Achieved: Departmental meetings were held.	None

KPA 2: Service Delivery and Infrastructure Development

Planned Performance				File ref.	Actual Performance from 01 July 2011 to 30 June 2012	Corrective measures taken / to be taken to improve performance
2011/2012					As at 30 June 2012	
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
Tourism						
Number of establishments graded	Graded establishments and list of graded B&B's	Ongoing (5 establishments graded)	To promote tourism in the FDDM	A	100% Achieved: 5 Establishments were Graded.	None
Number of B&B's assisted	Assisted B&B's	Ongoing (5 B&B's above)	To promote tourism in the FDDM	B	100% Achieved: Graded establishments have been assisted with brochures and marketing material.	None
Number of adverts placed	Advertisements placed	Ongoing (2 Adverts)	To promote tourism in the FDDM	C	100% Achieved: 5 Adverts placed, Beyond, twice on Explore, twice on Encounter magazines	None
Number of tourism signage in 4 local municipalities	Report on Tourism signage	Sep, 2011 & Apr 2012 (As per needs analysis)	To promote tourism in the FDDM	D	100% Achieved: Signage has been done for Ngwathe and Metsimaholo as per their application requests.	This depends on application from municipalities for assistance with signage

KPA 2: Service Delivery and Infrastructure Development (continued)

Planned Performance				File ref.	Actual Performance from 01 July 2011 to 30 June 2012	Corrective measures taken / to be taken to improve performance
2011/2012					As at 30 June 2012	
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
Number of shows attended	Tourism shows attended. Detailed report of the shows.	Sep-Nov 2011 & Mar-May 2012 (2 Shows)	To promote tourism in the FDDM	E	100% Achieved: Getaway show attended	Tourism indaba show will be attended in May 2012
Number of tourism awareness campaigns	Report on Tourism awareness campaigns held	Quarterly 4 awareness campaigns	To promote tourism in the FDDM	F	100% Achieved: Vredefort Dome Heritage Route awareness campaign held on September 2011.	None
Number of tourism products	Tourism products report	Ongoing - Vredefort Heritage Route	To promote tourism in the FDDM	G	100% Achieved: Vredefort Dome Heritage Route product has been launched and the Riemland Route.	None
Appointment of staff, installation of exhibition material	Appointment letters	30 Jun 2012 (4 Personnel appointed and installation of the exhibition)	To promote tourism in the FDDM	H	50% Achieved: Interviews for staff has been conducted. Exhibition material procured and delivered.	Due to structural defects other processes cannot unfold.
Facilitation of landscaping at the VDWHS	Landscaping progress/report	30 Jun 2012 (Landscaping VDWHS)	To promote tourism in the FDDM	I	20% Achieved: A letter of commitment has been sent to the MEC of DETEA	Due to structural defects other processes cannot unfold.

KPA 2: Service Delivery and Infrastructure Development

Planned Performance				File ref.	Actual Performance from 01 July 2011 to 30 June 2012	Corrective measures taken / to be taken to improve performance
2011/2012					As at 30 June 2012	
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
Number of briefing sessions with LTO's	Briefing sessions held. Report and attendance registers.	3 Briefing sessions	To promote tourism in the FDDM	J	100% Achieved: Meetings with LTO were held.	None
Distribution and supply of tourism information at Highway offices	Acknowledgement of information distributed at highway offices	Ongoing - 2 Highway offices	To promote tourism in the FDDM	K	100% Achieved: Acknowledgement letters from highway offices	None
Provision of assets and equipment for resorts	Report on assets and equipment provided to the resort. Application letters from Local Municipalities	1 Resort (As per application from LM)	To promote tourism in the FDDM	L	100% Achieved: The project at Abrahamsrust was completed.	None
Tourism month celebration	Tourism month is celebrated and a report of the event prepared.	Sep-11	To promote tourism in the FDDM	M	100% Achieved: Tourism month was celebrated	None

KPA 2: Service Delivery and Infrastructure Development (continued)

Planned Performance				File ref.	Actual Performance from 01 July 2011 to 30 June 2012	Corrective measures taken / to be taken to improve performance
2011/2012					As at 30 June 2012	
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
Sports Development						
Number of activities coordinated	Activities coordinated as per sports development plans	30 Jun 2012 (Coordinated as per sports plans)	To plan, coordinate & support Sports, Arts & Culture	N	100% Achieved: OR Tambo games facilitated. Power boating activity was conducted.	None
Identification of adventure sport and train selected youth	Trained youth on adventure sport	01 Jun 2012 (1 adventure sport)	To plan, coordinate & support Sports, Arts & Culture	O	100% Achieved: Intensive training on power boating to the selected youth was provided	Work in progress
To meet the prescriptions of OR Tambo Games	Met prescriptions of OR Tambo Games	Annual Event (OR Tambo Games participation)	To plan, coordinate & support Sports, Arts & Culture	P	100% Achieved: Prescriptions were met	None
Improve sports in rural areas	Sports development in rural areas	Ongoing (4 Local Municipalities)	To plan, coordinate & support Sports, Arts & Culture	Q	100% Achieved: Rural sports was conducted.	None

KPA 3: Local Economic Development

Planned Performance				File ref.	Actual Performance from 01 July 2011 to 30 June 2012	Corrective measures taken / to be taken to improve performance
2011/2012					As at 30 June 2012	
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
Local Economic Development						
Facilitation of the District economic development strategy with investment portfolio	Monthly progress report on the strategy and portfolio. Approved LED strategy and investment portfolio	Ongoing (1 LED Strategy and 1 investment portfolio)	To create an environment that stimulates the economic growth	A	90% Achieved: The strategy has been developed.	The strategy must be submitted for approval to Council.
Number of LED Forum Meetings/ Local Municipalities	LED Forum meetings are held	Quarterly 4 meetings	To create an environment that stimulates the economic growth	B	100% Achieved: The LED Forum Meetings were held as well as build-up meetings.	None
Number of established public private partnership per municipality	Established public private partnerships and MoU signed	Ongoing - 1 PPP established	To create an environment that stimulates the economic growth	C	100% Achieved: PPP has been established.	None
Formation of project management committee and meetings	Results of the feasibility studies	Ongoing - 4 Feasibility studies	To create an environment that stimulates the economic growth	D	100% Achieved: Appointments for the board of directors were completed.	The project management committee was withdrawn and the original objective of establishing the agency was reinstated.

FEZILE DABI DISTRICT MUNICIPALITY

ANNUAL REPORT – 2011/12

KPA 3: Local Economic Development (continued)

Planned Performance				File ref.	Actual Performance from 01 July 2011 to 30 June 2012	Corrective measures taken / to be taken to improve performance
2011/2012					As at 30 June 2012	
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
Number of interactive sessions with local municipalities	Minutes and attendance registers for the meetings	Ongoing - 4 Sessions	To create an environment that stimulates the economic growth	E	50% Achieved: Buyback project at Ngwathe LM. The LM has identified the land for the project but the Council must approve it. The interactions between FDDM and Chemcity. For the period under review the Council has approved the land and a lease agreement is yet to be concluded.	None
Community Development						
Number of food security projects	Quarterly progress reports on food security projects	Quarterly - 1 Food security project per LM	To support and provide interventions and assistance to CBO's and self help groups	F	100% Achieved: 4 Food security projects were undertaken on food gardening.	No request was received from Moqhaka LM.
Number of meetings conducted for needs analysis of the ECD's	1 Approved report of ECD's	Ongoing - 1 Report	To support and provide interventions and assistance to CBO's and self-help groups	G	100% Achieved: A needs analysis for Hlalefang Creche at Villiers in Mafube LM. Greatfontein creche at viljoenskroon for Moqhaka LM.	None

KPA 3: Local Economic Development (continued)

Planned Performance				File ref.	Actual Performance from 01 July 2011 to 30 June 2012	Corrective measures taken / to be taken to improve performance
2011/2012					As at 30 June 2012	
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
Number of resourced ECD's assisted	List and type of assistance for the ECD's	4 ECD's (1 per LM) Quartely	To support and provide interventions and assistance to CBO's and self help groups	H	50% Achieved: ECD's were assisted for Hlalefang Creche at Villiers in Mafube LM. Greatfontein creche at Viljoenskroon for Moghaka LM.	None
Compilation of the database for ECD's	Detailed up to date database	30 Sep 2011 - 1 database	To support and provide interventions and assistance to CBO's and self help groups	I	100% Achieved: Database has been compiled.	None
Allocation of annual funding to municipal theatres	Application for funding from LM. Report of funding.	Ongoing (1 Municipal theatres)	To support and provide interventions and assistance to CBO's and self help groups	J	N/A: No application from LM received yet	As per the application from Local Municipalities
Number of enrolled local performing artists in academic institutions	Proof of registration for performing artists	1 Group (Sopranos)		K	100% Achieved: 2 groups Rainbow Tenors and the Sopranos. 5 performing artist were registered for the period under review.	None
Purchasing of required equipment for artists	Submission for procurement of the sound system. Acknowledgement of receipt from the assisted artists.	31 Jan 2012 - 1 Sound system package	To support and provide interventions and assistance to CBO's and self help groups	L	100% Achieved: Sound system has been procured.	Performing artists are still in training

KPA 3: Local Economic Development (continued)

Planned Performance				File ref.	Actual Performance from 01 July 2011 to 30 June 2012	Corrective measures taken / to be taken to improve performance
2011/2012					As at 30 June 2012	
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
Number of groups to be assisted	Report of performing groups assisted	Ongoing - 6 performing groups		M	100% Achieved: Performing groups have been assisted.	None
SMME's						
Number of referrals to agencies	Register of all referrals to agencies	Ongoing (As and when necessary)	To promote & enhance the SMME sector in the district	N	100% Achieved: A referral has been made to the Land Bank.	This can be achieved as and when necessary (Voluntary)
Number of sustainable programs for SMME's	Quarterly reports of workshops conducted	Ongoing (1 Workshop per LM)	To promote & enhance the SMME sector in the district	O	100% Achieved: Work in progress. Leak plugging, Capacity building for all the LM's in the region.	Workshops must be conducted
Number of registered in the scheme/ESS	List of SMME's registered	30 Jun 2012 - 10 SMME's	To promote & enhance the SMME sector in the district	P	100% Achieved: Receiving applications and evaluating each SMME. 12 SMME's were registered for the period under review.	None

KPA 3: Local Economic Development (continued)

Planned Performance				File ref.	Actual Performance from 01 July 2011 to 30 June 2012	Corrective measures taken / to be taken to improve performance
2011/2012					As at 30 June 2012	
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
Compilation of business plans and funds application (Recycling Centre)	Approved business plan	31 Oct 2011 (Approved business plan)	To promote & enhance the SMME sector in the district	Q	100% Achieved: Business plan was approved and completed. An investor has been secured.	None
Agricultural dimension						
Number of reports for agro-processing businesses	Approved agro-processing profile	30 Jun 2012 - 1 profile	To develop emerging farmers into the mainstream of farming	R	95% Achieved: The agro-processing profile has been prepared and documented.	The profile must be submitted to Council for approval
Formalization of sorghum growers cooperatives	Business plan and MoU signed for a cooperative	30 Jun 2012 - (1 Sorghum growing cooperative)	To develop emerging farmers into the mainstream of farming	S	100% Achieved: They were registered and are operating as a legal entity (Sizabantu)	None
Interaction with LMs and DoA to obtain the database of all commonage/agricultural land within the district	Detailed up to date database of commonage	30 Jun 2012 - 1 Database	To develop emerging farmers into the mainstream of farming	T	100% Achieved: 1 Database is available	None

KPA 4: Municipal Financial Viability and Management

Planned Performance				File ref.	Actual Performance from 01 July 2011 to 30 June 2012	Corrective measures taken / to be taken to improve performance
2011/2012					As at 30 June 2012	
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
Ensure timely preparation of the Directorate's budget for 2012/13 based on the approved IDP	Prepare the directorate's budget	31-Mar-12	To ensure the development/ review of credible IDPs in the district and local municipalities	A	100% Achieved: Budget inputs were submitted accordingly. SDBIP inputs were submitted.	None
Ensure sound management of the budget votes allocated to the directorate						
No irregular expenditure	Be reported to the Municipal Manager	Ongoing (None be incurred)	To provide financial management services that enhance viability and compliance with the requirements of MFMA and other relevant legislation	B	90% Achieved: None were encountered	None
No unauthorized expenditure				C	100% Achieved: None were encountered	None
No fruitless and wasteful expenditure				D	100% Achieved: None were encountered	None
Respond satisfactorily to internal and external audit queries relating to the directorate	Swift and positive response to audit related queries. Register of all internal and external queries responded to by the department	Ongoing (Within 3 days upon receipt of queries)	To ensure effective and efficient administration	E	100% Achieved: Queries were responded to effectively.	None

KPA 5: Good Governance and Public Participation

Planned Performance				File ref.	Actual Performance from 01 July 2011 to 30 June 2012	Corrective measures taken / to be taken to improve performance
2011/2012					As at 30 June 2012	
Performance Indicator	Performance Measure	Target	IDP / SDBIP Objective			
Establish the District Economic Forum for the monitoring of the implementation of LED strategy and plan	Minutes and attendance registers of the District Economic Forum Meetings	28-Feb-12	To create an environment that stimulates the economic growth	A	100% Achieved: The terms of reference were completed and signed.	None
Ensure that all stakeholders are well informed regarding LED matters by:						
Conducting a number of business awareness campaign	Minutes, attendance registers and report of the sessions/ campaigns conducted	Ongoing (Sessions conducted)	To create an environment that stimulates the economic growth	B	100% Achieved: Roadshows of cooperatives from the 17 October 2011. COGTA roadshow in the period under review Jan-Mar.	None
Conduct a comprehensive risk analysis and assessment of the directorate.	Departmental risk analysis report	31-Mar-12	To build a risk conscious culture within the organization	C	100% Achieved: The assessment was done	None
Ensure the LED Forum meetings are held	Minutes, attendance registers of the LED Forum Meetings	Quarterly	To ensure effective and efficient administration	D	50% Achieved: Meetings were held.	LED Forum meeting must be held.

APPENDIX -E**RECOMMENDATIONS OF THE AUDIT COMMITTEE****REPORT OF THE AUDIT COMMITTEE for the year ended 30 June 2012**

We are pleased to present our report for the financial year ended 30 June 2012.

Audit Committee Members and Attendance:

The Audit Committee consisted of the members listed hereunder. During the current year, four meetings were held.

(Audit Committee Member who served until 31 January 2012)

Name of Member	Meetings Attended	Apologies
Mr N Mokhesi (Chairperson)	2	0
Ms J V Mogadime	2	0
Mr M J Tlou	2	0
Mr M T Netshivhodza	2	0

(Audit Committee Member from 29 March 2012)

Name of Member	Meetings Attended	Apologies
Mr N Mokhesi (Chairperson)	1	1
Ms J V Mogadime	2	0
Mr M N G Mahlatsi	2	0
Mr M E Mohlahlo	2	0

All members of the Audit Committee are independent, with no interest in the management or conduct of the business of the Municipality.

The current Members have had an opportunity to engage with the Auditor General's report and the management letter thereon,

Audit Committee Responsibility

The committee reports that it has complied substantially with its responsibilities arising from section 166 (2) of the Municipal Finance Management Act (MFMA) in terms of its defined responsibilities as an advisory body to the municipality.

The Audit Committee also reports that it has adopted appropriate formal terms of reference as its audit committee charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

The effectiveness of internal control

The system of controls is designed to provide cost effective assurance that assets are safeguarded and that liabilities and working capital are efficiently managed. In line with the MFMA, Internal Audit provides the Audit Committee and management with assurance that the internal controls are appropriate and effective. This is achieved by means of the risk management process, as well as the identification of corrective actions and suggested enhancements to the controls and processes. From the various reports of the Internal Audit, the Audit Report on the Annual Financial Statements and management letter of the Auditor-General. It was noted that there were instances of weaknesses in controls. However the Audit Committee is pleased to report that there has been significant improvement in the general controls and management has put mechanisms and action plans in place to deal with identified weaknesses. Management has further undertaken to report to the Audit Committee on a regular basis on progress made in this regard.

During the financial year 2011/12 there was weaknesses identified relating to the following:

- Service level Agreements
- Irregular expenditures
- Compliance with legislated dates

The Audit Committee therefore urges management to address these problems without any further delay.

Performance Management

Council has also designated the Audit Committee as a Performance Audit Committee in terms of Municipal Planning and Performance Management Regulations 2001.

The committee takes note of the progress made regarding Performance Management System. However, the committee noted a gap in reporting the quarterly performance reports, this is as a result that management does not present report on time to allow the Performance Audit Committee to exercise its oversight role. Accordingly the committee express no opinion on the municipal performance and notes insufficient performance reporting which management has conceded to and undertaken to address.

Internal Audit

The Audit Committee is satisfied that the Internal Audit functions adequately, and has fulfilled its duties according to the annual internal audit plan.

Risk Management

The Audit Committee is also satisfied with the risk management processes within the institution.

The quality of in year management and monthly reports submitted in terms of MFMA

The Audit Committee is, satisfied with the quality of in-year management reports as per section 71 of the Municipal Finance Management Act which were duly prepared and submitted to the Provincial Treasury.

Evaluation of Financial Statements

The Audit Committee has

- Reviewed and discussed the audited annual financial statements to be Included in the annual report with the Accounting Officer;
- Reviewed the Auditor-General's management letter and management responses thereto
- Reviewed changes in accounting policies and practices;
- Reviewed significant adjustments resulting from the audit.

Conclusion

The Audit Committee concurs and accepts the Auditor-General's conclusions 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 Auditor-General.

.....

N MOKHESI

Chairperson of the Audit Committee

Date 29/11/2012

REPORT OF THE AUDITOR-GENERAL TO FREE STATE LEGISLATURE AND THE COUNCIL ON THE FEZILE DABI DISTRICT MUNICIPALITY**REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS****Introduction**

1. I have audited the consolidated financial statements of the Fezile Dabi District Municipality set out on pages XX to XX, which comprise the consolidated statement of financial position as at 30 June 2012, the consolidated statement of financial performance, consolidated statement of changes in net assets and the cash flow statement for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Accounting officer's responsibility for the consolidated financial statements

2. The accounting officer is responsible for the preparation and fair presentation of the consolidated 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, 2011 (Act No. 6 of 2011) (DoRA), and for such internal control as the accounting officer determines is necessary to enable the preparation of consolidated 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 consolidated 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 consolidated 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 consolidated 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

audit opinion.

Opinion

6. In my opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Fezile Dabi District Municipality as at 30 June 2012, 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.

Additional matter

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

Unaudited supplementary information

8. The supplementary information set out on pages XX to XX does not form part of the consolidated financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion thereon.

Supplementary explanations of budget variances presented outside the financial statements

9. The supplementary explanations of budget variances contained in actual versus budget, as referred to in notes 31 and 32, do not form part of the consolidated financial statements. I have not audited these explanations and, accordingly, I do not express an opinion thereon.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

10. 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

11. I performed procedures to obtain evidence about the usefulness and reliability of the information in the annual performance report as set out on pages X to X of the annual report.
12. 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*.
- 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).
13. The material findings are as follows:

Usefulness of information

14. Section 46 of the Municipal Systems Act requires the disclosure of measures taken to improve performance in the annual performance report where planned targets were not achieved. Adequate and reliable corroborating evidence could not be provided for 33% of all major variances as disclosed in the annual performance report, while in 67% of the major variances the explanations were not adequate as disclosed in the annual performance report. The municipality's records did not permit the application of alternative audit procedures. Consequently, I did not obtain sufficient appropriate audit evidence to satisfy myself as to the validity, accuracy and completeness of the measures taken to improve performance.
15. Section 41(c) of the Municipal Systems Act requires that the integrated development plan (IDP) should form the basis for the annual report, therefore requiring the consistency of objectives, indicators and targets between planning and reporting documents. A total of 39% of the reported objectives, 24% of indicators and 23% of targets are not consistent with the objectives, indicators and targets as per the approved IDP. This is due to the fact that no process or system was in place to ensure that what is reported on the service delivery and budget implementation plan and the performance report is aligned and consistent.

Compliance with laws and regulations

16. 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:

Audit committee

17. The performance audit committee did not make recommendations to the council, as required by municipal planning and performance management (MPPM) regulation 14(4)(a)(ii).
18. The performance audit committee did not submit at least twice during the financial year an audit report on the review of the performance management system to the council, as required by MPPM regulation 14(4)(a)(iii).

Grants

19. Sufficient appropriate audit evidence could not be obtained that the municipality submitted quarterly performance reports to the transferring national officer, the Free State Provincial Treasury and the National Treasury, within 30 days after the end of each quarter, as required by section 12(2)(c) of DoRA.

Annual financial statements, performance and annual reports

20. The consolidated financial statements submitted for auditing were not prepared in all material respects accordance with the requirements of section 122 of the MFMA. Material misstatements of non-current assets, current assets, liabilities, revenue and disclosure items identified by the auditors in the submitted

consolidated financial statements were subsequently corrected, resulting in the consolidated financial statements receiving an unqualified audit opinion.

Internal control

21. I considered internal control relevant to my audit of the financial statements, 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 findings on the performance report and the findings on compliance with laws and regulations included in this report.

Leadership

22. Oversight of financial and performance reporting and compliance and related internal controls was not effective during the year due to a lack of monitoring.

Financial and performance management

23. The accounting officer did not regularly review and monitor management's compliance with laws, regulations and internally designed policies and procedures. Management did not take timely action to prevent non-compliance issues during the period under review. As a result, non-compliance issues were noted that could have been prevented.

Governance

24. The audit committee did not effectively report to council on the audit of performance information throughout the year.

Bloemfontein

30 November 2012



 FEZILE DABI DISTRICT MUNICIPALITY

Consolidated Annual Financial Statements for the year ended 30 June 2012

General Information

Legal form of entity	An organ of state exercising legislative and executive authority
Nature of business and principal activities	District Municipality
Mayoral committee	
Executive Mayor	Clr M P Moshodi
Councillors	Clr SI Mbalo (Speaker) Clr ME Notsi Clr AM Olifant Clr K Khumalo Clr M E Magashule Clr GN Guza
Grading of local authority	Low Capacity
Accounting Officer	Dr. MMV Mongake (01/07/2011 to 30/09/2012) ML Molibeli (01/10/2012 to date)
Chief Finance Officer (CFO)	Mr J Reyneke (Acting)
Registered office	John Vorster Road Sasolburg 1947
Postal address	P.O Box 10 Sasolburg 1947
Bankers	ABSA BANK
Auditors	The Auditor – General: Free State

FEZILE DABI DISTRICT MUNICIPALITY

Consolidated Annual Financial Statements for the year ended 30 June 2012

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Appendixes:

Appendix A: Schedule of External Loans
Appendix B: Analysis of Property, Plant and Equipment
Appendix C: Segmental analysis of Property, Plant and Equipment
Appendix D: Segmental Statement of Financial Performance
Appendix E(1): Actual versus Budget (Revenue and Expenditure)
Appendix E(2): Actual versus Budget (Acquisition of Property, Plant and Equipment)
Appendix F: Disclosure of Grants and Subsidies in terms of the Municipal Finance Management Act

Abbreviations:

COID	Compensation for Occupational Injuries and Diseases
CRR	Capital Replacement Reserve
EPWP	Expanded Public Works Programme
DBSA	Development Bank of South Africa
SA GAAP	South African Statements of Generally Accepted Accounting Practice
GRAP	Generally Recognised Accounting Practice
GAMAP	Generally Accepted Municipal Accounting Practice
HDF	Housing Development Fund
IAS	International Accounting Standards
IDP	Intergrated Development Plan
IPSAS	International Public Sector Accounting Standards
ME's	Municipal Entities
MEC	Member of the Executive Council
MFMA	Municipal Finance Management Act

FEZILE DABI DISTRICT MUNICIPALITY

Consolidated Annual Financial Statements for the year ended 30 June 2012

Abbreviations: (Continued)

MIG	Municipal Infrastructure Grant (Previously CMIP)
FDDM	Fezile Dabi District Municipality
DWA	Department of Water Affairs
COGTA	Cooperative Governance and Traditional Affairs

FEZILE DABI DISTRICT MUNICIPALITY

Consolidated Annual Financial Statements for the year ended 30 June 2012

Accounting Officer's Responsibilities and Approval

I am responsible for the presentation of these financial statements which are set out on page 5 to 56 in terms of Section 126(1) of the Municipal Finance Management Act (Act 56 of 2003), and which I have signed on behalf of the Municipality.

The consolidated annual financial statements have been prepared in accordance with South African Statements of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

I certify that the salaries, allowances and benefits of councillors as disclosed in note 14 of these annual financial statements, are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.

The consolidated annual financial statements set out on page 227 - 291, which have been prepared on the going concern basis, were approved by the accounting officer on 30 September 2012 and were signed on its behalf by:

Municipal Manager
ML Molibeli
Hons & Masters: Public Governance and
Management

FEZILE DABI DISTRICT MUNICIPALITY

Consolidated Annual Financial Statements for the year ended 30 June 2012

STATEMENT OF FINANCIAL POSITION

		2012	Restated 2011
	Note(s)	R	R
Assets			
Current Assets			
Trade and other receivables	2	293 584	1 090 854
VAT receivable	3	4 224 101	3 202 333
Cash and cash equivalents	4	190 824 792	206 198 370
		195 342 477	210 491 557
Non-Current Assets			
Property, plant and equipment	5	22 938 624	24 406 832
Intangible assets	40	137 057	214 725
		23 075 681	24 621 557
Total Assets		218 418 158	235 113 114
Liabilities			
Current Liabilities			
Trade and other payables	8	19 938 513	20 189 602
Unspent conditional grants and receipts	42	35 507 082	56 661 118
Current portion of long term loans	7	5 287 916	4 729 858
		60 733 511	81 580 578
Non-Current Liabilities			
Retirement benefit obligation	41	6 440 000	5 643 000
Provisions	9	5 677 000	4 707 000
Long term Liabilities	7	20 432 122	25 717 818
Operating lease liability		209 355	768 338
		32 758 477	36 836 156
Total Liabilities		93 491 988	118 416 734
Net Assets		124 926 170	116 696 380
Reserves			
Revaluation reserve	6	7 835 140	8 181 602
Capital replacement reserve		-	4 019 492
Accumulated surplus		117 091 030	104 495 286
Total Net Assets		124 926 170	116 696 380

FEZILE DABI DISTRICT MUNICIPALITY

Consolidated Annual Financial Statements for the year ended 30 June 2012

STATEMENT OF FINANCIAL PERFORMANCE

		2012	Restated
	Note(s)	R	2011
			R
Revenue			
Government grants & subsidies	10	129 393 000	126 738 417
Administration and management fees received		46 450	66 998
Fees earned		272 233	117 894
Recoveries		13 381	36 391
Other income		2 212 514	1 795 040
Interest received – investment	12	10 466 965	9 319 046
Total Revenue		142 404 543	138 073 786
Expenditure			
Employees related costs	13	(56 907 301)	(47 431 798)
Remuneration of councillors	14	(5 414 800)	(4 984 859)
Administration	15	(691 835)	(1 158 012)
Depreciation and amortisation	16	(3 634 351)	(3 526 757)
Bad debt written off	17	(724 431)	-
Finance costs	18	(3 488 495)	(3 972 338)
Repairs and maintenance		(641 844)	(605 265)
Contracted services	19	(15 043 831)	(13 027 768)
Grants and subsidies paid	20	(8 472 580)	(9 043 571)
Loss on disposal of assets		(579 097)	(348 351)
General Expenses	21	(39 437 553)	(43 230 664)
Total Expenditure		(135 036 118)	(127 329 383)
Surplus for the year		7 368 425	10 744 403

FEZILE DABI DISTRICT MUNICIPALITY

Consolidated Annual Financial Statements for the year ended 30 June 2012

STATEMENT OF CHANGES IN NET ASSETS

	Revaluation Reserve	Capital Replacement Reserve	Total reserves	Accumulated Surplus	Total net Assets
	R	R	R	R	R
Balance at 01 July 2010	8 364 448	4 019 492	12 383 940	92 980 947	105 364 887
Changes in net assets					
Recognition of Revaluation Surplus Over-realised	163 615	-	163 615	-	163 165
Bursary Debtors recognised	-	-	-	114 310	114 310
Auditors Corrections	-	-	-	(8 545)	(8 545)
Revaluation reserve realised	(346 461)	-	(346 461)	346 461	-
Prior year corrections	-	-	-	(15 000)	(15 000)
Other corrections	-	-	-	332 710	332 710
Net income (losses)					
Recognised in net assets	(182 846)	-	(182 846)	769 936	587 090
Surplus for the year	-	-	-	10 744 403	10 744 403
Total recognised income and expenses for the year	(182 846)	-	(182 846)	11 514 339	11 331 493
Total changes	(182 846)	-	(182 846)	11 514 339	11 331 493
Opening balance as previously reported	8 181 602	4 019 492	12 201 094	102 580 879	114 781 973
Adjustments					
Prior year error	-	-	-	1 914 402	1 914 402
Balance at 1 July 2011 as restated	8 181 602	4 019 492	12 201 094	104 495 281	116 696 375
Changes in net assets					
Revaluation reserve realised	(346 462)	-	(346 462)	342 462	-
Adjustments against accumulated surplus	-	-	-	861 370	861 370
Disestablishment of Capital Replacement Reserve (CRR)	-	(4 019 492)	(4 019 492)	4 019 492	-
Net income (losses) recognised directly in net assets	(346 462)	(4 019 492)	(4 365 954)	5 227 324	861 370
Surplus for the year	-	-	-	7 368 425	7 368 425
Total recognised income and expenses for the year	(346 462)	(4 019 492)	(4 365 954)	12 595 749	8 229 795
Total charges	(346 462)	(4 019 492)	(4 365 954)	12 595 749	8 229 795
Balance at 30 June 2012	7 835 140	-	7 835 140	117 091 030	124 926 170

Note(s)

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FEZILE DABI DISTRICT MUNICIPALITY

Consolidated Annual Financial Statements for the year ended 30 June 2012

CASH FLOW STATEMENT

		2012	Restated 2011
	Note(s)	R	R
Cash flows from operating activities			
Receipts			
Grants		129 393 000	126 738 417
Interest income		10 466 965	9 319 046
Other receipts		2 544 578	2 016 323
		<u>142 404 543</u>	<u>138 073 786</u>
Payments			
Employee costs		(62 322 101)	(52 416 657)
Suppliers		(84 013 330)	(16 538 607)
Finance costs		(3 488 495)	(3 972 338)
		<u>(149 823 926)</u>	<u>(72 927 602)</u>
Net cash flows from operating activities	22	<u>(7 419 383)</u>	<u>65 146 184</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	5	(2 610 726)	(5 443 349)
Proceeds from sale of property, plant and equipment	5	579 097	702 593
Purchase of intangible assets	40	(56 848)	-
Loss from sale of property, plant and equipment		(579 097)	(348 351)
		<u>(2 667 574)</u>	<u>(5 089 107)</u>
Net cash flows from investing activities		<u>(2 667 574)</u>	<u>(5 089 107)</u>
Cash flows from financing activities			
Movement in long term liabilities		(4 727 638)	(4 243 459)
Movement in operating lease liability		(558 983)	(206 394)
		<u>(5 286 621)</u>	<u>(4 449 853)</u>
Net cash flows from financing activities		<u>(5 286 621)</u>	<u>(4 449 853)</u>
Net increase /(decrease) in cash and cash equivalent		(15 373 578)	55 607 224
Cash and cash equivalents at the beginning of the year		206 198 370	150 591 146
Cash and cash equivalents at the end of the year	4	<u>190 824 792</u>	<u>206 198 370</u>

FEZILE DABI DISTRICT MUNICIPALITY
Consolidated Annual Financial Statements for the year ended 30 June 2012

ACCOUNTING POLICIES

1. Basis of Presentation

The consolidated annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

These consolidated annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention unless specified otherwise.

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

1.1 Presentation of currency

These consolidated annual financial statements are presented in South African Rand.

1.2 Reserves

Capital replacement reserve (CRR)

In order to finance the provision of infrastructure and other items of property, plant and equipment from internal sources, amounts are transferred from the accumulated surplus/(deficit) to the CRR in terms of a Council resolution. A corresponding amount is transferred to a designated CRR bank or investment account. The cash in the designated CRR bank account can only be utilised to finance items of property, plant and equipment. The CRR is reduced and the accumulated surplus/(deficit) is credited by a corresponding amount when the amounts in the CRR are utilised.

The CRR reserve was disestablished by council on the 16 August 2012, as it was deemed to be no longer applicable.

1.3 Revaluation reserve

The surplus arising from the revaluation of property, plant and equipment is credited to a non-distributable reserve. The revaluation surplus is realised as revalued assets are depreciated, through a transfer from the revaluation reserve to the accumulated surplus/deficit. On disposal, the net revaluation surplus is transferred to the accumulated surplus/deficit while gains or losses on disposal, based on revalued amounts, are credited or charged to the statement of financial performance.

1.4 Property, plant and equipment

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period.

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits or service potential associated with the item will flow to the municipality; and
- the cost of the item can be measured reliably.

FEZILE DABI DISTRICT MUNICIPALITY

Consolidated Annual Financial Statements for the year ended 30 June 2012

ACCOUNTING POLICIES

1.4 Property, plant and equipment (continued)

Property, plant and equipment is initially measured at cost.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

Where an asset is acquired at no cost, or for a nominal cost, its cost is its fair value as at date of acquisition.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Property, plant and equipment is stated at cost less accumulated depreciation and any impairment losses except land and buildings which are revalued at least every five years. Similarly, land is not depreciated as it is deemed to have an indefinite life.

Subsequent expenditure is capitalised when the recognition and measurement criteria of an asset are met.

Land and buildings are carried at revalued amounts, being the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses in respect of buildings.

Revaluations are made with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

Any increase in an asset's carrying amount, as a result of a revaluation, is credited directly to a revaluation surplus. The increase is recognised in surplus or deficit to the extent that it reverses a revaluation decrease of the same asset previously recognised in surplus or deficit.

Any decrease in an asset's carrying amount, as a result of a revaluation, is recognised in surplus or deficit in the current period. The decrease is debited directly to a revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value.

FEZILE DABI DISTRICT MUNICIPALITY
Consolidated Annual Financial Statements for the year ended 30 June 2012

ACCOUNTING POLICIES

1.4 Property, plant and equipment (continued)

The annual depreciation rates are based on the following estimated asset useful lives:

Item	Average useful life
Land	Indefinite
Buildings	30 years
Furniture and fittings	3 - 10 years
Motor vehicles	
• Ambulances	5-10 years
• Fire engines	20 years
• Buses	15 years
• Trucks and light delivery vehicles	5- 7 years
• Ordinary motor vehicles	5- 7 years
• Motor cycles	3 years
Office equipment	
• Computer hardware	5 years
• Computer software	3-5 years
• Office machines	3-5 years
• Air conditioners	5-7 years
Emergency Equipment	
• Fire hoses	5 years
• Other fire-fighting equipment	15 years
• Emergency lights	5 years
Other property, plant and equipment	
• Lawn mowers	2 years
• Compressors	5 years
• Laboratory equipment	5 years
• Radio equipment	5 years
• Firearms	5 years
• Telecommunication equipment	5 years

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

FEZILE DABI DISTRICT MUNICIPALITY

Consolidated Annual Financial Statements for the year ended 30 June 2012

ACCOUNTING POLICIES

1.4 Property, plant and equipment (continued)

Impairment

The entity assess at each report date whether there is any indication that an asset may be impaired. If any such indication exists, the entity estimates the recoverable amount of the asset.

If, and only if the recoverable service amount of an asset is less than its carrying amount, the carrying amount of the asset shall be reduced to its recoverable service amount. That reduction is an impairment loss.

An impairment loss shall be recognised immediately in surplus or deficit, unless the asset is carried at a revalued amount in accordance with another Standard of GRAP (for example, in accordance with the revaluation model in the standard of GRAP on Property, Plant and Equipment). Any impairment loss of a revalued asset shall be treated as a revaluation decrease in accordance with that Standard of GRAP.

An impairment loss recognised in prior periods for an asset shall be reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised. If this is the case, the carrying amount of the asset shall, except as described in paragraph. 65 of GRAP 21, be increased to its recoverable service amount. That increase is a reversal of an impairment loss.

The increased carrying amount of an asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised in prior periods.

A reversal of an impairment loss for an asset shall be recognised immediately in surplus or deficit unless the asset is carried at revalued amount in accordance with another Standard of GRAP (for example, in accordance with the revaluation model in the standard of GRAP on Property, Plant and Equipment). Any reversal of an impairment loss of a revalued asset shall be treated as a revaluation increase in accordance with that Standard of GRAP.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the asset shall be adjusted in future period to allocate the asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Derecognition

The carrying amount of an item of property, plant and equipment shall be derecognised:

- on disposal, or
- when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of an item of property, plant and equipment shall be included in surplus or deficit when the item is derecognised. (unless the Standard of GRAP on Leases requires otherwise on a sale and leaseback). Gains shall not be classified as revenue.

FEZILE DABI DISTRICT MUNICIPALITY
Consolidated Annual Financial Statements for the year ended 30 June 2012

ACCOUNTING POLICIES

1.5 Financial instruments

Classification

The municipality classifies financial assets and financial liabilities into the following categories:

- Financial assets at fair value through surplus or deficit - designated
- Held-to-maturity investment
- Loans and receivables
- Available-for-sale financial assets

Classification depends on the purpose for which the financial instruments were obtained / incurred and takes place at initial recognition. Classification is re-assessed on an annual basis, except for derivatives and financial assets designated as at fair value through surplus or deficit, which shall not be classified out of the fair value through surplus or deficit category.

Loans and receivables/payables are non-derivative financial assets/liabilities with fixed or determinable payments that are not quoted in an active market. They are included in current assets/liabilities, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets/liabilities. The municipality's loans and receivables/payables comprise 'trade and other receivables/payables' and cash and cash equivalents in the balance sheet.

Initial recognition and measurement

Financial instruments are recognised initially when the municipality becomes a party to the contractual provisions of the instruments.

The municipality classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial instruments are measured initially at fair value, except for equity investments for which a fair value is not determinable, which are measured at cost and are classified as available-for-sale financial assets.

For financial instruments which are not at fair value through surplus or deficit, transaction costs are included in the initial measurement of the instrument.

Transaction costs on financial instruments at fair value through surplus or deficit are recognised in surplus or deficit.

Subsequent measurement

Financial instruments at fair value through surplus or deficit are subsequently measured at fair value, with gains and losses arising from changes in fair value being included in surplus or deficit for the period.

Net gains or losses on the financial instruments at fair value through surplus or deficit include dividends and interest.

Dividend income is recognised in surplus or deficit as part of other income when the municipality's right to receive payment is established.

Loans and receivables are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment losses.

FEZILE DABI DISTRICT MUNICIPALITY

Consolidated Annual Financial Statements for the year ended 30 June 2012

ACCOUNTING POLICIES

1.5 Financial instruments (continued)

Held-to-maturity investments are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment losses.

Available-for-sale financial assets are subsequently measured at fair value. This excludes equity investments for which a fair value is not determinable, which are measured at cost less accumulated impairment losses.

Gains and losses arising from changes in fair value are recognised in equity until the asset is disposed of or determined to be impaired. Interest on available-for-sale financial assets calculated using the effective interest method is recognised in surplus or deficit as part of other income. Dividends received on available-for-sale equity instruments are recognised in surplus or deficit as part of other income when the municipality's right to receive payment is established.

Changes in fair value of available-for-sale financial assets denominated in a foreign currency are analysed between translation differences resulting from changes in amortised cost and other changes in the carrying amount.

Translation differences on monetary items are recognised in surplus or deficit, while translation differences on non-monetary items are recognised in other comprehensive income and accumulated equity.

Receivables from exchange transactions

Trade and other receivables are classified as loans and receivables

Accounts receivable are carried at anticipated realisable value. An estimate is made for doubtful receivables based on a review of all outstanding amounts at year end. Bad debts are written off during the year in which they are identified.

Payables from exchange transactions

Trade payables are stated at their nominal value.

Cash and cash equivalents

Cash includes cash on hand and cash with banks. Cash equivalents are short-term highly liquid investments that are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of changes in value.

For the purpose of cash flow statement, cash and cash equivalents comprise cash on hand, deposits held on call with banks and short term deposits in financial instruments, net of bank overdrafts.

Held to maturity

These financial assets are initially measured at fair value plus direct transaction costs.

FEZILE DABI DISTRICT MUNICIPALITY

Consolidated Annual Financial Statements for the year ended 30 June 2012

ACCOUNTING POLICIES

1.5 Financial instruments (continued)

At subsequent reporting dates these are measured at amortised cost using the effective interest rate method, less any impairment loss recognised to reflect irrecoverable amounts. An impairment loss is recognised in surplus or deficit when there is objective evidence that the asset is impaired, and is measured as the difference between the investment's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition. Impairment losses are reversed in subsequent periods when an increase in the investment's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the investment at the date the impairment is reversed shall not exceed what the amortised cost would have been had the impairment not been recognised.

Financial assets that the municipality has the positive intention and ability to hold to maturity are classified as held to maturity.

Gains and losses

A gain or loss arising from a change in a financial asset or financial liability is recognised as follows:

- A gain or loss on a financial asset or financial liability classified as at fair value through surplus or deficit is recognised in surplus or deficit;
- A gain or loss on an available-for-sale financial asset is recognised directly in net assets, through the statement of changes in net assets, until the financial asset is derecognised, at which time the cumulative gain or loss previously recognised in net assets is recognised in surplus or deficit; and
- For financial assets and financial liabilities carried at amortised cost, a gain or loss is recognised in surplus or deficit when the financial asset or financial liability is derecognised or impaired, and through the amortisation process.

Derecognition

Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised where:

- the rights to receive cash flows from the asset have expired;
- the municipality retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement; or
- the municipality has transferred its rights to receive cash flows from the asset and either
 - has transferred substantially all the risks and rewards of the asset, or
 - has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the municipality has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the municipality's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the municipality could be required to repay.

FEZILE DABI DISTRICT MUNICIPALITY

Consolidated Annual Financial Statements for the year ended 30 June 2012

ACCOUNTING POLICIES

1.5 Financial instruments (continued)

Where continuing involvement takes the form of a written and/or purchased option (including a cash-settled option or similar provision) on the transferred asset, the extent of the municipality's continuing involvement is the amount of the transferred asset that the municipality may repurchase, except that in the case of a written put option (including a cash-settled option or similar provision) on an asset measured at fair value, the extent of the municipality's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in surplus or deficit.

1.6 Revenue Recognition

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Interest revenue is recognised using the effective interest rate method.

Government grants are recognised as revenue when all conditions associated with the grant have been met. Where grants have been received but the municipality has not met the condition, a liability is raised. Amounts received from government and donors for the purpose of acquiring item of property, plant and equipment are also recognised as revenue.

Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

1.7 Conditional grants and receipts

Revenue received from conditional grants, donations and funding are recognised as revenue to the extent that the Municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met a liability is recognised.

This liability always has to be cash-backed. The following provisions are set for the creation and utilisation of this creditor:

Unspent conditional grants are recognised as a liability when the grant is received.

When grant conditions are met an amount equal to the conditions met are transferred to revenue in the Statement of Financial Performance.

The cash which backs up the creditor is invested until it is utilised.

FEZILE DABI DISTRICT MUNICIPALITY

Consolidated Annual Financial Statements for the year ended 30 June 2012

ACCOUNTING POLICIES

1.7 Conditional grants and receipts (continued)

Interest earned on the investment is treated in accordance with the grant conditions. If it is payable to the funder it is recorded as part of the creditor. If it is the Municipality's income it is recognised as interest earned in the Statement of Financial Performance.

1.8 Provisions and contingencies

Provisions are recognised when:

- the municipality has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the municipality settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

A provision is used only for expenditures for which the provision was originally recognised.

Provisions are not recognised for future operating deficits.

If an entity has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

FEZILE DABI DISTRICT MUNICIPALITY

Consolidated Annual Financial Statements for the year ended 30 June 2012

ACCOUNTING POLICIES

1.9 Provisions and contingencies (continued)

A constructive obligation to restructure arises only when an entity:

- has a detailed formal plan for the restructuring, identifying at least:
 - the activity/operating unit or part of a activity/operating unit concerned;
 - the principal locations affected;
 - the location, function, and approximate number of employees who will be compensated for services being terminated;
 - the expenditures that will be undertaken; and
 - when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

A restructuring provision includes only the direct expenditures arising from the restructuring, which are those that are both:

- necessarily entailed by the restructuring; and
- not associated with the ongoing activities of the municipality

No obligation arises as a consequence of the sale or transfer of an operation until the municipality is committed to the sale or transfer, that is, there is a binding arrangement.

After their initial recognition contingent liabilities recognised in entity combinations that are recognised separately are subsequently measured at the higher of:

- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed. 45

1.9 Unauthorised expenditure

Unauthorised expenditure means:

- overspending of a vote or a main division within a vote; and
- expenditure not in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division.

Unauthorised expenditure is expenditure that has not been budgeted, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state and expenditure in the form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act No.56 of 2003). All expenditure relating to unauthorised expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

FEZILE DABI DISTRICT MUNICIPALITY

Consolidated Annual Financial Statements for the year ended 30 June 2012

ACCOUNTING POLICIES

1.10 Irregular expenditure

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the municipal system Act (Act No.32 of 2000), the Public Office Bearer Act (Act No.20 of 1998) or is in contravention of the Municipality's supply chain management policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as revenue in the Statement of Financial Performance.

Irregular expenditure that was incurred and identified during the current financial year and for which condonement is being awaited at year end must be recorded in the irregular expenditure register. No further action is required with the exception of updating the note to the financial statements.

Where irregular expenditure was incurred in the previous financial year and is only condoned in the following financial year, the register and the disclosure note to the financial statements must be updated with the amount condoned.

1.11 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.12 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

When a lease includes both land and buildings elements, the entity assesses the classification of each element separately.

Finance leases - lessor

The municipality recognises finance lease receivables as assets on the statement of financial position. Such assets are presented as a receivable at an amount equal to the net investment in the lease.

Finance revenue is recognised based on a pattern reflecting a constant periodic rate of return on the municipality's net investment in the finance lease.

Finance leases - lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease.

FEZILE DABI DISTRICT MUNICIPALITY

Consolidated Annual Financial Statements for the year ended 30 June 2012

ACCOUNTING POLICIES

1.12 Leases (continued)

Minimum lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Any contingent rents are expensed in the period in which they are incurred.

Operating leases - lessor

Operating lease revenue is recognised as revenue on a straight-line basis over the lease term.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease revenue.

The aggregate cost of incentives is recognised as a reduction of rental revenue over the lease term on a straight-line basis.

The aggregate benefit of incentives is recognised as a reduction of rental expense over the lease term on a straight-line basis.

Income for leases is disclosed under revenue in statement of financial performance.

Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability

1.13 Borrowing costs

Borrowing costs are recognised as an expense in the Statement of Financial Performance in the period in which they are incurred

1.14 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

FEZILE DABI DISTRICT MUNICIPALITY

Consolidated Annual Financial Statements for the year ended 30 June 2012

ACCOUNTING POLICIES

1.14 Employee benefits (continued)

Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

Payments made to industry-managed (or state plans) retirement benefit schemes are dealt with as defined contribution plans where the entity's obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.

Defined benefit plans

For defined benefit plans the cost of providing the benefits is determined using the projected credit method.

Actuarial valuations are conducted on an annual basis by independent actuaries separately for each plan.

Consideration is given to any event that could impact the funds up to end of the reporting period where the interim valuation is performed at an earlier date.

Past service costs are recognised immediately to the extent that the benefits are already vested, and are otherwise amortised on a straight line basis over the average period until the amended benefits become vested.

To the extent that, at the beginning of the financial period, any cumulative unrecognised actuarial gain or loss exceeds ten percent of the greater of the present value of the projected benefit obligation and the fair value of the plan assets (the corridor), that portion is recognised in surplus or deficit over the expected average remaining service lives of participating employees. Actuarial gains or losses within the corridor are not recognised.

Gains or losses on the curtailment or settlement of a defined benefit plan is recognised when the entity is demonstrably committed to curtailment or settlement.

When it is virtually certain that another party will reimburse some or all of the expenditure required to settle a defined benefit obligation, the right to reimbursement is recognised as a separate asset. The asset is measured at fair value. In all other respects, the asset is treated in the same way as plan assets. In surplus or deficit, the expense relating to a defined benefit plan is presented as the net of the amount recognised for a reimbursement.

The amount recognised in the statement of financial position represents the present value of the defined benefit obligation as adjusted for unrecognised actuarial gains and losses and unrecognised past service costs, and reduces by the fair value of plan assets.

Any asset is limited to unrecognised actuarial losses and past service costs, plus the present value of available refunds and reduction in future contributions to the plan.

Other post retirement obligations

The entity provides post-retirement health care benefits, housing subsidies and gratuities upon retirement to some retirees.

The entitlement to post-retirement health care benefits is based on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment. Independent qualified actuaries carry out valuations of these obligations.

FEZILE DABI DISTRICT MUNICIPALITY

Consolidated Annual Financial Statements for the year ended 30 June 2012

ACCOUNTING POLICIES

1.14 Employee benefits (continued)

The entity also provides a gratuity and housing subsidy on retirement to certain employees. An annual charge to income is made to cover both these liabilities.

1.15 Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

Budget information in accordance with GRAP 1, has been provided in an annexure to these financial statements and forms part of the audited annual financial statements.

When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are restated, unless a standard of GRAP does not require the restatements of comparative information. The nature and reason for the reclassification is disclosed.

Where material accounting errors have been identified in the current year, the correction is made retrospectively as far as is practicable, and the prior year comparative are restated accordingly. Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly.

Prior year comparatives:

When the presentation or classification of items in the annual financial statements is amended, prior year comparative amounts are reclassified. The nature and reason for the reclassification is disclosed.

1.16 Significant judgements and sources of estimation uncertainty

In preparing the consolidated annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the consolidated annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the consolidated annual financial statements. Significant judgements include:

Trade receivables / Held to maturity investments and/or loans and receivables

The municipality assesses its trade receivables, held to maturity investments and loans and receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, the surplus makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in a note.

FEZILE DABI DISTRICT MUNICIPALITY

Consolidated Annual Financial Statements for the year ended 30 June 2012

ACCOUNTING POLICIES

1.16 Significant judgements and source of estimation uncertainty (continued)

Postretirement benefits

The present value of the post retirement obligation depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) include the discount rate. Any changes in these assumptions will impact on the carrying amount of post retirement obligations.

The municipality determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the municipality considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability.

Other key assumptions for pension obligations are based on current market conditions. Additional information is disclosed in Note 41.

1.17 Intangible assets

An asset is identified as an intangible asset when it:

- is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, assets or liability; or
- arises from contractual rights or other legal rights, regardless whether those rights are transferable or separate from the municipality or from other rights and obligations.

An intangible asset is recognised when:

- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the municipality; and
- the cost or fair value of the asset can be measured reliably.

Intangible assets are initially recognised at cost.

The cost of a separately acquired intangible asset comprises:

(a) its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates; and

(b) any directly attributable costs of preparing the asset for its intended use.

An intangible asset acquired at no or nominal cost, the cost shall be its fair value as at the date of acquisition.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

FEZILE DABI DISTRICT MUNICIPALITY

Consolidated Annual Financial Statements for the year ended 30 June 2012

ACCOUNTING POLICIES

1.17 Intangible assets (continued)

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for used or sale.
- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.
- it will generate probable future economic benefit or service potential.
- There are available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual as follows:

Item	Useful life
Computer software	3 – 5 years

Intangible assets are derecognised:

- on disposal; or
- when no future economic benefit or service potential are expected from its use or disposal.

The gain or loss is the difference between the net disposal proceeds, if any, and the carrying amount. It is recognised in surplus or deficit when the asset is derecognised.

FEZILE DABI DISTRICT MUNICIPALITY

Consolidated Annual Financial Statement for the year ended 30 June 2012

ACCOUNTING POLICIES

1.18 Use of estimates

The preparation of consolidated annual financial statements in conformity with Standards of GRAP requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the municipality's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated annual financial statements are disclosed in the relevant sections of the consolidated annual financial statements. Although these estimates are based on management's best knowledge of current events and actions they may undertake in the future, actual results ultimately may differ from those estimates.

1.19 Offsetting

Assets, liabilities, revenue and expenses have not been offset except when offsetting is required or permitted by a Standard of GRAP

1.20 Segmental information

Segmental information on property, plant and equipment, as well as income and expenditure, is set out in Appendices C and D, based on the International Government Financial Statistics classifications and the budget formats prescribed by National Treasury. The municipality operates solely in its area of jurisdiction as determined by the Demarcation Board.

Segment information is prepared in conformity with the accounting policies applied for preparing and presenting the financial statements.

1.21 Research and development expenditure

Research costs are charged against operating surplus as incurred. Development costs are recognised as an expense in the period in which they are incurred unless the following criteria are met:

- The product or process is clearly defined and the costs attributable to the process or product can be separately identified and measured reliably;
- The technical feasibility of the product or process can be demonstrated;
- The existence of a market or, if to be used internally rather than sold, its usefulness to the municipality can be demonstrated;
- Adequate resources exist, or their availability can be demonstrated, to complete the project and then market or use the product or process; and
- The asset must be separately identifiable.

Where development costs are deferred, they are written off on a straight-line basis over the life of the process or product, subject to a maximum of five years. The amortization begins from the commencement of the commercial production of the product or use of the process to which they relate.

FEZILE DABI DISTRICT MUNICIPALITY

Consolidated Annual Financial Statement for the year ended 30 June 2012

ACCOUNTING POLICIES

1.22 Budget information

Municipality are typically subject to budgetary limits in the form of appropriations or budget authorisations (or equivalent), which is given effect through authorising legislation, appropriation or similar.

General purpose financial reporting by municipality shall provide information on whether resources were obtained and used in accordance with the legally adopted budget.

The consolidated annual financial statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the consolidated annual financial statements.

1.23 Related parties

The municipality operates in an economic sector currently dominated by entities directly or indirectly owned by the South African Government. As a consequence of the constitutional independence of the three spheres of government in South Africa, only entities within the national sphere of government are considered to be related parties.

Management are those persons responsible for planning, directing and controlling the activities of the municipality, including those charged with the governance of the municipality in accordance with legislation, in instances where they are required to perform such functions.

Close members of the family of a person are considered to be those family members who may be expected to influence, or be influenced by, that management in their dealings with the municipality.

Only transactions with related parties not at arm's length or not in the ordinary course of business are disclosed.

FEZILE DABI DISTRICT MUNICIPALITY
Consolidated Annual Financial Statements for the year ended 30 June 2012

Notes to the Consolidated Annual Financial Statements

	2012 R	Restated 2011 R
2. Trade and other receivables		
Suspense	33 282	37 136
Fuel deposit	1 000	1 000
Pick n Pay Card	2 251	2 251
Other debtors	198 462	922 893
Bursary recoupments	56 089	114 308
N Xaba - Vehicle	2 500	9 780
T Sefako - Vehicle	-	3 486
	<u>293 584</u>	<u>1 090 854</u>

3. VAT receivable

VAT	<u>4 224 101</u>	<u>3 202 333</u>
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Revenue, expenses and assets are recognised net of the amounts of value added tax. The net amount of Value added tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

	2012 R	Restated 2011 R
4. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Bank balances	68 305 534	90 236 741
Short-term deposits	<u>122 519 258</u>	<u>115 961 629</u>
	<u>190 824 792</u>	<u>206 198 370</u>

Short term deposits are for periods which are less than 3 months.

FEZILE DABI DISTRICT MUNICIPALITY
Consolidated Annual Financial Statements for the year ended 30 June 2012

Notes to the Consolidated Annual Financial Statements

4. Cash and cash equivalents (continued)

	2012	Restated 2011
	R	R
Short-term deposits consist of the following balances at various Institution		
ABSA BANK	38 524 139	36 726 445
NEDBANK	29 608 219	27 959 580
RAND MERCHANT BANK	10 941 142	10 324 315
STANDARD BANK	43 445 758	40 951 289
	122 519 258	115 961 629

The municipality had the following bank accounts

Cheque Account

ABSA BANK – Sasolburg

Account number: 520000100

Cash book balance at the beginning of the year	21 674 920	718 441
Cash book balance at the end of the year	3 667 675	21 674 920
Bank statement balance at the beginning of the year	24 718 509	961 942
Bank statement balance at the end of the year	<u>3 838 931</u>	<u>24 718 509</u>

Savings Account

ABSA Bank – Sasolburg

Account Number: 9070399717

Cash book balance at the beginning of the year	67 484 814	40 203 780
Cash book balance at the end of the year	63 210 824	67 484 814
Bank statement balance at the beginning of the year	67 484 814	40 203 780
Bank statement balance at the end of the year	<u>63 210 824</u>	<u>67 484 814</u>

HIV/Aids Project Bank Account

ABSA Bank – Sasolburg

Account number: 9209269956

Cash book balance at the beginning of the year	1 189 219	381 020
Cash book balance at the end of the year	1 427 035	1 189 219
Bank statement balance at the beginning of the year	1 189 219	381 020
Bank statement balance at the end of the year	<u>1 427 035</u>	<u>1 189 219</u>

FEZILE DABI DISTRICT MUNICIPALITY
Consolidated Annual Financial Statements for the year ended 30 June 2012

Notes to the Consolidated Annual Financial Statements

4. Cash and cash equivalents (continued)	2012	Restated 2011
	R	R
Fezile Dabi District Trust Account		
Standard Bank Parys		
Account number: 246525703		
Cash book balance at the beginning of the year	-	70 050
Cash book balance at the end of the year	-	-
Bank statement balance at the beginning of the year	-	70 050
Bank statement balance at the end of the year	-	-

5. Property, plant and equipment

	2012			2011		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	2 025 000	-	2 025 000	2 025 000	-	2 025 000
Buildings	14 718 126	(3 335 095)	11 383 031	14 377 582	(2 564 724)	11 812 858
Plant and machinery	204 945	(36 295)	168 650	204 945	(25 535)	179 410
Furniture & fixtures	4 006 006	(3 093 829)	912 177	3 793 621	(2 829 956)	963 665
Motor vehicles	8 760 272	(3 109 079)	5 651 193	7 939 097	(1 760 843)	6 178 254
Office equipment	1 689 566	(1 326 786)	362 780	1 532 289	(1 161 599)	370 690
Computer equipment	5 321 858	(4 639 398)	682 460	5 051 492	(4 178 568)	872 924
Other Assets	2 778 213	(1 024 880)	1 753 333	2 677 122	(673 091)	2 004 031
Total	39 503 986	(16 565 362)	22 938 624	37 601 148	(13 194 316)	24 406 832

FEZILE DABI DISTRICT MUNICIPALITY

Consolidated Annual Financial Statements for the year ended 30 June 2012

Notes to the Consolidated Annual Financial Statements**5. Property, plant and equipment (continued)****Reconciliation of property, plant and equipment – 2012**

	Opening balance	Additions	Disposals	Depreciation	
Land	2 025 000	-	-	-	2 025 000
Buildings	11 812 858	340 544	-	(770 371)	11 383 031
Plant and machinery	179 410	-	-	(10 760)	168 650
Furniture & fixtures	963 665	217 786	(5 400)	(263 874)	912 177
Motor vehicles	6 178 254	1 523 661	(573 697)	(1 477 025)	5 651 193
Office equipment	370 690	157 277	-	(165 187)	362 780
Computer equipment	872 924	270 367	-	(460 831)	682 460
Other Assets	2 004 031	101 091	-	(351 789)	1 753 333
Total	24 406 832	2 610 726	(579 097)	(3 499 837)	22 938 624

Reconciliation of property, plant and equipment – 2011

	Opening balance	Additions	Additions	Disposals	Depreciation	Carrying Value
Land	2 025 000	-	-	-	-	2 025 000
Buildings	12 303 960	103 246	-	163 616	(757 964)	11 812 858
Plant and machinery	190 171	-	-	-	(10 761)	179 410
Furniture & fixtures	1 198 235	162 947	(7 496)	-	(390 020)	963 665
Motor vehicles	3 153 696	4 109 851	-	-	(1 085 293)	6 178 254
Office equipment	372 744	155 429	(117)	-	(157 366)	370 690
Computer equipment	1 034 620	463 487	(8 113)	-	(617 070)	872 924
Other Assets	2 539 799	448 389	(686 867)	-	(297 290)	2 004 031
Total	22 818 225	5 443 349	(702 593)	163 616	(3 315 765)	24 406 832

Revaluations

The effective date of the revaluations was 26 June 2008. Revaluations were performed by independent valuer. Valuations were made on the basis of recent market transactions on the arm length terms. The valuation surplus was credited to revaluation reserve.

Land and buildings are re-valued independently every 5 years.

FEZILE DABI DISTRICT MUNICIPALITY

Consolidated Annual Financial Statements for the year ended 30 June 2012

Notes to the Consolidated Annual Financial Statements**5. Property, plant and equipment (continued)**

	2012	Restated 2011
	R	R
The carrying value of the revalued assets under the cost model would have been:		
Land	178 810	178 810
Buildings	4 865 717	4 984 097

Other information**Property, plant and equipment fully depreciated and still in use****(Gross carrying amount)**

Computer equipment	4 156 241	3 013 801
Furniture and fittings	2 296 970	2 001 014
Buildings	750 425	-
Motor Vehicles	4 5000	4 500
Office Equipment	1 194 777	684 338
Other Assets	321 234	189 186
	8 764 647	5 892 839

As at year-end, Work in progress (WIP) contained the following amounts for the assets as at year-end not yet delivered / received by the municipality.

The following are the assets that makes up the WIP:

- Computer Equipment	-	13 514
- Furniture and Fittings	-	90 708
TOTAL	-	104 222

Key Assumptions used to determine the recoverable service amount of assets during the period:

The municipality conducted a stock count/asset count, and in this process the assets' conditions were assessed, and it was determined that no assets were identified as impaired.

No further information is therefore disclosed, as there were no assets impaired during the period under review.

6. Revaluation reserve

Opening balance	8 181 602	8 364 448
Reserve raised	(346 462)	(346 461)
Reversal of Revaluation surplus over-realised	-	163 615
	7 835 140	8 181 602

FEZILE DABI DISTRICT MUNICIPALITY
Consolidated Annual Financial Statements for the year ended 30 June 2012

	2012	Restated 2011	
	R	R	
Notes to the Consolidated Annual Financial Statements			
6. Revaluation reserve (continued)			
Revaluation surplus relating to property, plant and equipment			
Revaluation surplus at the beginning of the period	8 181 602	8 364 448	
Movements in the reserve for the year	(346 462)	(346 461)	
Reversal of Revaluation surplus over-realised	-	163 615	
	7 835 140	8 181 602	
7. Long term Liabilities			
Loans from DBSA			
External loans	25 720 038	30 447 653	
Less: Current portion transferred to current liabilities	(5 287 916)	(4 729 858)	
	20 432 122	25 717 795	
8. Trade and other payables			
Trade payables	6 269 987	6 813 834	
Retention Creditors	8 879 287	9 680 215	
Other creditors	-	21 961	
Staff Leave Accrual	3 467 588	2 664 214	
Service Bonus Accrual	1 321 651	1 009 378	
	19 938 513	20 189 602	
9. Provisions			
Reconciliation of provisions – 2012			
Long Service Awards	4 707 000	970 000	5 677 000
Reconciliation of provisions - 2011			
Long Service Awards	3 597 000	1 110 000	4 707 000

The provision relates to the Long Service Award obligation for the municipal employees. The actuarial valuation was performed in line with the requirements of IAS 19.

FEZILE DABI DISTRICT MUNICIPALITY

Consolidated Annual Financial Statements for the year ended 30 June 2012

Notes to the Consolidated Annual Financial Statements**9. Provisions (continued)**

	2012	Restated 2011
	R	R
Amounts recognised in the statement of Financial Performance are as follows:		
Service cost	(849 000)	(647 000)
Interest cost	(401 000)	(337 000)
Expected benefits paid	696 000	667 000
Actuarial gains/(losses)	(416 000)	(793 000)
Net Expenditure recognised	(970 000)	(1 110 000)

Amounts recognised in the statement of Financial Position are as follows:

Defined benefit obligation	(5 677 000)	(4 707 000)
Plan Assets	-	-
Funded status	(5 677 000)	(4 707 000)
Unrecognised actuarial (gains) / losses	-	-
Net obligation recognised in the Statement of Financial Position	(5 677 000)	(4 707 000)

Key assumptions used:

Assumptions used at the reporting date:

Discount rates used	8.00%	8.40%
Salary inflation	7.50%	7.70%
Net discount rate	0.47%	0.65%

The basis on which the discount rate has been determined is as follows:

The discount rate used in the valuation is our best estimate assumption of the CPI inflation rate, consistent with the gross discount rate, is determined with reference to the difference between the yields on government conventional and index-linked bonds as at valuation date, adjusted by a liquidity risk premium of 0.35%. A 2% margin is added to these estimates to arrive at the best estimate assumption for salary inflation.

10. Government grants and subsidies

Equitable share	127 132 000	122 988 417
Financial management grant	1 250 000	1 000 000
MSIG	790 000	750 000
Extended Public Works Program Incentive Government grant (operating)	221 000	-
	-	2 000 000
	129 393 000	126 738 417

FEZILE DABI DISTRICT MUNICIPALITY
Consolidated Annual Financial Statements for the year ended 30 June 2012

Notes to the Consolidated Annual Financial Statements

	2012	Restated 2011
	R	R
10. Government grants and subsidies (Continued)		
Equitable Share		
Balance unspent at the beginning of year	-	-
Current-year receipts	127 132 000	122 988 417
Conditions met - transferred to revenue	<u>(127 132 000)</u>	<u>(122 988 417)</u>
	<u>-</u>	<u>-</u>

The Equitable Share is an unconditional grant and is utilised to assist the municipalities to undertake service delivery.

Financial management grant

Balance unspent at the beginning of year	-	-
Current-year receipts	1 250 000	1 000 000
Conditions met - transferred to revenue	<u>(1 250 000)</u>	<u>(1 000 000)</u>
	<u>-</u>	<u>-</u>

The purpose of the financial management grant is to assist municipalities to implement financial reforms required by MFMA.

MSIG

Balance unspent at the beginning of year	-	-
Current-year receipts	790 000	750 000
Conditions met - transferred to revenue	<u>(790 000)</u>	<u>(750 000)</u>
	<u>-</u>	<u>-</u>

The fund is used to assist the district in building capacity to perform its functions and stabilize institutional and governance systems as required by the Municipal Systems Act of 2000.

Extended Public Works Program Incentive (EPWP)

Balance unspent at the beginning of year	-	-
Current-year receipts	221 000	-
Conditions met - transferred to revenue	<u>(221 000)</u>	<u>-</u>
	<u>-</u>	<u>-</u>

The extended Public Works Program Incentive grant was received by the municipality based on its ability to meet the performance requirements as set by the Department of Extended Public Works Programme.

FEZILE DABI DISTRICT MUNICIPALITY

Consolidated Annual Financial Statements for the year ended 30 June 2012

Notes to the Consolidated Annual Financial Statements

	2012	Restated 2011
	R	R
10. Government grants and subsidies (Continued)		
Provincial Department of Transport - Fire Truck		
Balance unspent at the beginning of year	-	2 000 000
Current-year receipts	-	-
Conditions met - transferred to revenue	-	(2 000 000)
	<u>-</u>	<u>-</u>

The municipality received the grant from the provincial department of Transport to assist the municipality to procure a fire truck.

Changes in level of government grants

Based on the allocations set out in the Division of Revenue Act, (Act No. 5 of 2012), no significant changes in the level of government grant funding are expected over the forthcoming 2 financial years.

11. Other Income

Telephone deductions - Officials and Councillors	279 081	239 143
Jazz festival income	1 646 186	1 187 109
Other	287 247	368 788
	<u>2 212 514</u>	<u>1 795 040</u>

12. Interest received**Interest revenue**

Unlisted financial assets	6 577 630	6 673 723
Bank	3 904 526	2 645 323
Interest charged on trade and other receivables	4 809	-
	<u>10 466 965</u>	<u>9 319 046</u>

FEZILE DABI DISTRICT MUNICIPALITY
Consolidated Annual Financial Statements for the year ended 30 June 2012

Notes to the Consolidated Annual Financial Statements

	2012	Restated 2011
	R	R
13. Employee related costs		
Employee related costs - Salaries and Wages	32 254 799	26 422 444
Performance Bonus	837 522	515 223
Employee related cost - Contributions of UIF, pension and medical aids	7 959 368	6 429 013
Leave pay provision charge	2 122 744	970 200
Overtime payments	1 247 457	536 908
Long-Service awards	970 000	1 110 000
Annual Bonus	2 666 700	2 294 200
Travel, motor car and allowances	7 219 256	6 066 401
Housing benefits and allowances	832 455	927 409
Termination benefits	797 000	2 160 000
	56 907 301	47 431 798
Remuneration of Municipal Manager		
Annual Remuneration	751 224	649 297
Car Allowance	220 000	201 667
Performance Bonuses	164 220	-
Housing Subsidy	108 000	99 000
Contributions to UIF, Medical and Pension Funds	149 114	128 470
	1 392 558	1 078 434
Remuneration of Chief Finance Officer		
Annual Remuneration	271 694	755 779
Car Allowance	90 565	251 926
Performance Bonuses	147 798	136 279
Acting Allowance: Municipal Manager	-	8 637
Contributions to UIF, Medical and Pension Funds	6 363	12 395
	516 420	1 165 016

The municipality's CFO Mr E Mohlahlo, only served the municipality up to 30 October 2011.

FEZILE DABI DISTRICT MUNICIPALITY

Consolidated Annual Financial Statements for the year ended 30 June 2012

Notes to the Consolidated Annual Financial Statements

	2012	Restated 2011
	R	R
13. Employee related costs (continued)		
Allowances paid to the Acting Chief Financial Officer		
Car Allowance	41 057	-
Acting Allowance	150 366	-
	191 423	-

Mr J Reyneke was appointed as the Acting Chief Financial Officer effectively from 01 November 2011 till the end of the 2011/12 financial year.

Remuneration of Director: LED

Annual Remuneration	692 674	554 389
Car Allowance	120 000	204 110
Performance Bonuses	131 376	103 399
Contributions to UIF, Medical and Pension Funds	172 226	146 278
	1 116 276	1 008 176

Remuneration of Director: PMU

Annual Remuneration	770 716	657 932
Car Allowance	201 322	201 322
Performance Bonuses	131 376	112 740
Contributions to UIF, Medical and Pension Funds	12 372	10 922
	1 115 786	982 916

Remuneration of Director: Corporate Services

Annual Remuneration	595 394	521 108
Car Allowance	243 041	220 467
Performance Bonuses	131 376	81 141
Contributions to UIF, Medical and Pension Funds	144 738	132 546
	1 114 549	955 262

Remuneration of Director: Health and Safety

Annual Remuneration	600 073	550 953
Car Allowance	243 041	223 574
Performance Bonuses	131 376	81 665
Contributions to UIF, Medical and Pension Funds	140 501	127 989
	1 114 991	984 181

FEZILE DABI DISTRICT MUNICIPALITY

Consolidated Annual Financial Statements for the year ended 30 June 2012

Notes to the Consolidated Annual Financial Statements

14. Remuneration of councillors	2012	Restated 2011
	R	R
Executive Mayor	677 569	609 560
Mayoral Committee Members	1 985 438	2 367 132
Speaker	527 987	449 903
Councillors	2 223 806	1 558 264
	5 414 800	4 984 859
Executive Mayor - Cllr MP Moshodi		
Basic Salary	402 459	-
Car Allowance	158 836	-
Cellphone Allowance	37 752	-
Social Contributions	78 522	-
	677 569	-
Speaker - Cllr SI Mbalo		
Basic Salary	316 457	-
Car Allowance	127 068	-
Cellphone Allowance	18 840	-
Social Contributions	65 622	-
	527 987	-
MMC – FINANCE: Cllr ME Notsi (01/07/2011 – 30/06/2012)		
Basic Salary	186 459	-
Car Allowance	71 476	-
Cellphone Allowance	6 924	-
Social Contributions	28 842	-
	293 701	-
MMC – CORPORATE SERVICES: Cllr AM Oliphant (01/07/2011 – 30/06/2012)		
Basic Salary	179 289	-
Car Allowance	73 235	-
Cellphone Allowance	6 924	-
Social Contributions	41 288	-
	300 736	-

FEZILE DABI DISTRICT MUNICIPALITY

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Notes to the Consolidated Annual Financial Statements

14. Remuneration of councillors (continued)	2012	Restated 2011
	R	R
MMC – TECHNICAL SERVICES: Cllr K Khumalo (01/07/2011 – 30/06/2012)		
Basic Salary	205 143	-
Car Allowance	73 235	-
Cellphone Allowance	6 924	-
Social Contributions	15 434	-
	<u>300 736</u>	<u>-</u>
MMC – SOCIAL DEVELOPMENT: Cllr GN Guza (01/07/2011 – 30/06/2012)		
Basic Salary	295 739	-
Car Allowance	119 127	-
Cellphone Allowance	18 840	-
Social Contributions	62 514	-
	<u>496 220</u>	<u>-</u>
MMC – EHS & PUBLIC SAFETY: Cllr Ndai (01/07/2011 – 31/10/2011)		
Basic Salary	58 673	-
Car Allowance	24 412	-
Cellphone Allowance	2 364	-
Social Contributions	15 060	-
	<u>100 509</u>	<u>-</u>
MMC – EHS & PUBLIC SAFETY: Cllr ME Magashule (01/11/2011 – 30/06/2012)		
Basic Salary	146 469	-
Car Allowance	48 823	-
Cellphone Allowance	4 560	-
Social Contributions	374	-
	<u>200 226</u>	<u>-</u>

FEZILE DABI DISTRICT MUNICIPALITY

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Notes to the Consolidated Annual Financial Statements

	2012	Restated 2011
	R	R
14. Remuneration of councillors (continued)		
MMC – LED & TOURISM: Cllr ML Hlapane (01/07/2011 – 30/06/2012)		
Basic Salary	181 780	-
Car Allowance	73 235	-
Cellphone Allowance	6 924	-
Social Contributions	31 371	-
	293 310	-
Part Time Councillors		
Cllr's: ME Mokoena, ML Pietersen, SJMT Mahlakazela, DP van der Wethuizen, MC Spruit, SH Pittaway, MS Taje, DLS George, KJ Ngozo, D de Hart		
Basic Salary	1 446 636	-
Car Allowance	476 508	-
Cellphone Allowance	165 512	-
	2 088 656	-
Sitting Allowance for Seconded Councillors of Local Municipalities	135 150	-
In-kind benefits		
The Executive Mayor, Speaker and Executive Committee Members are full-time. Each is provided with an office and secretarial support at the cost of the Council.		
The Executive Mayor has use of a Council owned vehicle for official duties.		
The Executive Mayor has two full-time bodyguards.		
15. Administrative expenditure		
Administration and management fees	691 835	1 158 012
16. Depreciation and amortization		
Property, plant and equipment	3 499 835	3 315 765
Intangible assets	134 516	210 992
	3 634 351	3 526 757

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Notes to the Consolidated Annual Financial Statements

	2012	Restated 2011
	R	R
17. Bad debt written off		
Bad debts		
Office of the premier	45 000	-
DBSA	260 000	-
Provincial COGTA	419 431	-
	<u>724 431</u>	<u>-</u>
18. Finance costs		
Interest on long term liabilities	<u>3 488 495</u>	<u>3 972 338</u>
19. Contracted services		
Various Contractors	<u>15 043 831</u>	<u>13 027 768</u>

These payments are contracts which have been entered into during the current and prior financial year.

Jazz Festival	4 892 106	4 302 356
IDP Implementation Monitoring	646 229	1 104 272
Municipal systems improvement programme	750 000	750 000
Cleaning Services	457 583	865 892
Performance Management System	492 296	442 028
Emergency Funding	-	653 197
Renovations – Mafube Fire Station	3 724 345	1 500 575
Security Services – Building	513 314	576 143
Sports Development Programme	781 996	1 012 378
Vredefort Dome	-	503 618
Upgrading of Municipal Resorts	508 921	6 174
Establishment of District Centre	1 250 926	-
Other	1 026 115	1 311 135
	<u>15 043 831</u>	<u>13 027 768</u>

FEZILE DABI DISTRICT MUNICIPALITY

Consolidated Annual Financial Statements for the year ended 30 June 2012

Notes to the Consolidated Annual Financial Statements

	2012	Restated 2011
	R	R
20. Grants and subsidies paid		
Other subsidies		
Mafube Local Municipality	3 199 209	-
Metsimaholo Municipality	793 494	90 902
Ngwathe Local Municipality	3 793 010	3 308 968
Moqhaka Local Municipality	6 123	-
District Rural Areas	<u>680 744</u>	<u>5 643 701</u>
	<u>8 472 580</u>	<u>9 043 571</u>

The Municipality identifies projects which are funded through grants and subsidies in the various local municipalities within the District. Projects are identified through the Integrated Development Plan. The operation and control of items of property, plant and equipment funded through these grants and subsidies vests in the local municipalities.

FEZILE DABI DISTRICT MUNICIPALITY

Consolidated Annual Financial Statements for the year ended 30 June 2012

Notes to the Consolidated Annual Financial Statements

	2012	Restated 2011
	R	R
21. General expenses		
Accounting fees	78 947	136 714
Advertising	231 772	287 648
Auditors remuneration	1 796 318	1 585 529
Bank charges	77 542	46 048
Cleaning	82 778	39 412
Consulting and professional fees	1 358 112	1 104 573
Consumables	295 038	335 703
Donations	782 081	562 103
Entertainment	945 474	1 329 452
Rental Equipment	3 479 263	3 151 237
Insurance	225 600	185 660
Community development and training	3 170 778	3 214 996
IT expenses	1 183 388	606 328
Fleet	65 295	68 736
Marketing	1 65 123	1 162 656
Magazines, books and periodicals	76 162	36 830
Medical expenses	7 800	1 575
Assistance to Local Municipalities	3 351 288	6 409 169
Fuel and oil	852 977	642 359
Postage and courier	10 206	13 430
Printing and stationery	420 771	454 176
Promotions	4 235 351	4 872 484
Protective clothing	195 987	96 908
Research and development costs	167 564	-
Royalties and license fees	8 138	11 257
Security (Guarding of municipal property)	92 966	70 342
Staff welfare	720 207	762 111
Subscriptions and membership fees	479 743	475 128
Telephone and fax	756 509	609 691
Training	877 191	1 325 637
Travel - local	3 103 910	2 671 936

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Consolidated Annual Financial Statements for the year ended 30 June 2012

Notes to the Consolidated Annual Financial Statements

21. General expenses (continued)	2012	Restated 2011
	R	R
Tourism development	219 268	673 839
Strategic sessions	-	892 475
Bursaries: External Students	953 645	1 451 085
Rental property	183 231	191 986
Other expenses	7 287 130	7 751 721
	<u>39 437 553</u>	<u>43 230 664</u>

Donations

All donations made by the municipality are in terms of the council's donation policy

22. Cash (used in) generated from operations

Surplus	7 368 425	10 744 403
Adjustments for:		
Depreciation and amortisation	3 634 351	3 526 757
Loss on sale of assets	579 097	348 351
Impairment deficit	724 431	-
Movement in retirement benefits	797 000	2 160 000
Movement in provisions	970 000	1 110 000
Other non-cash items	861 367	423 476
Changes in working capital:		
Trade and other receivables	72 839	1 505 827
Trade and other payables	(251 089)	6 258 967
VAT	(1 021 768)	3 564 396
Unspent conditional grants and receipts	(21 154 036)	35 504 007
	<u>(7 419 383)</u>	<u>65 146 184</u>

23. Retirement Benefit Information

Councilors and employees belong to two defined benefit retirement funds which are the Free State Municipal Pension Fund and the Councilors Pension Fund governed by the Pension Fund Act of 1956. These Funds are subject to triennial actuarial valuation.

The last valuation of the Free State Municipal Pension Fund was performed June 2005. The Free State Municipal Pension Fund, net assets that are available for benefits at 30 June 2005 was R 1 530 775 000.

The actuarial valuation determined that the fund was in a sound financial position. The estimated liability of the funds is R1 308 118 000 which is adequately financed.

No new information was available at balance sheet date.

FEZILE DABI DISTRICT MUNICIPALITY

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Notes to the Consolidated Annual Financial Statements

	2012	Restated 2011
	R	R
24. Prior period errors		
The following errors occurred, in relation to the prior financial year, which necessitated corrective action in the current year. The errors were corrected retrospectively in terms of GRAP 3: Accounting Policies, Changes in Accounting Estimates and Errors:		
Fire Truck funded by the Department of Transport:		
During the 2010-11 financial year, the municipality received funding from the department of transport to purchase a fire truck amounting to R1 997 638 which was erroneously expensed during the 2010-11 financial year.		
The correction was made in the previous year against Accumulated Surplus.		
The effect on the financial statements is as follows:		
Statement of financial position		
Property, plant and equipment	-	1 914 403
Statement of Financial Performance		
Depreciation expense	-	(83 235)
Expenditure: License & Registration	-	(2 362)
Revenue: Government Grants and Subsidies	-	2 000 000
Cash flow statement		
Cash flow from investing activities		
Purchase of Property, Plant and Equipment	-	(1 997 638)
25. Going concern		
The consolidated annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.		
26. Unauthorised expenditure		
Balance at the beginning of the year	-	-
Unauthorised expenditure – current year	272 771	-
Approved/condoned by council	-	-
	272 771	-

The municipality incurred unauthorised expenditure during the year under review, that amounted to R272 771. This amount was condoned by council on the 16 August 2012.

FEZILE DABI DISTRICT MUNICIPALITY
Consolidated Annual Financial Statements for the year ended 30 June 2012

Notes to the Consolidated Annual Financial Statements

27. Fruitless and wasteful expenditure	2012	Restated 2011
	R	R
Opening balance	-	-
Fruitless and wasteful expenditure -current year	5 290	-
Approved/condoned by council	-	-
Transfer to receivables for recovery	-	-
	<u>-</u>	<u>-</u>

The municipality incurred fruitless expenditure during the year under review, that amounted to R5 290. This amount was condoned by council on the 16 August 2012.

28. Irregular expenditure

Opening balance	46 300	85 428
Add: Irregular Expenditure - current year	4 253 383	3 687 280
Less: Amounts condoned by council	<u>(3 816 894)</u>	<u>(3 726 408)</u>
	<u>482 789</u>	<u>46 300</u>

Analysis of expenditure awaiting condonation per age classification

Current year	482 789	46 300
Prior years	<u>-</u>	<u>-</u>
	<u>482 789</u>	<u>46 300</u>

Details of irregular expenditure – current year

	Disciplinary steps taken/criminal proceedings	
SCM procedures not followed: Order class-Urgent	None	26 761
SCM procedures not followed: Order class-Sole Supplier	None	14 575
SCM procedures not followed: Order class-Specialised Services	None	117 750
SCM procedures not followed: Order class-Other	None	<u>323 703</u>
		<u>482 789</u>

Details of irregular expenditure condoned

	Condoned by (condoning authority)	
Supply Chain Policy procedures not followed.	Municipality Council	<u>46 300</u>

Irregular expenditure of R217 322 (2011:R305 372) were condoned by council on the 16 August 2012. The remaining balance of R251 367 was condoned by council on the 30 August 2012.

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Notes to the Consolidated Annual Financial Statements	2012	Restated 2011
	R	R
29. In-kind donations and assistance		
No in-kind donations or assistance were received during the year.		
30. Additional disclosure in terms of Municipal Finance Management Act		
Contributions to organised local government		
Current year subscription	454 986	453 925
Amount paid - current year	<u>(454 986)</u>	<u>(453 925)</u>
	-	-
Audit fees		
Current year fee	1 796 318	1 585 529
Amount paid - current year	<u>(1 796 318)</u>	<u>(1 585 529)</u>
	-	-
PAYE and UIF		
Current year payroll deduction	11 638 051	9 053 922
Amount paid - current year	<u>(11 638 051)</u>	<u>(9 053 922)</u>
	-	-
Pension and Medical Aid Deductions		
Current year payroll deduction	9 925 513	8 100 703
Amount paid – current year	<u>(9 925 513)</u>	<u>(8 100 703)</u>
	-	-
VAT		
VAT receivable	<u>4 224 101</u>	<u>3 202 333</u>

All VAT returns have been submitted by the due date throughout the year.

31. Actual operating expenditure versus budgeted operating expenditure

Refer to Appendix E(1) for the comparison of actual operating expenditure versus budgeted expenditure

32. Actual capital expenditure versus budgeted capital expenditure

Refer to Appendix E(2) for the comparison of actual capital expenditure versus budgeted expenditure.

FEZILE DABI DISTRICT MUNICIPALITY

Consolidated Annual Financial Statements for the year ended 30 June 2012

Notes to the Consolidated Annual Financial Statements

	2012	Restated 2011
	R	R
33. Related parties		
Associate of close family member of key management		Pitso Gas Supply of (Mrs F Pitso-LED Manager)

The above related party was identified during the financial year under review.

34. Risk Management

Financial risk management

The District municipality's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions.

The municipality's risk to liquidity is a result of the funds available to cover future commitments. The municipality manages liquidity risk through an ongoing review of future commitments and credit facilities.

The financial liabilities of the District Municipality are backed by appropriate assets and it has adequate liquid resources. The District Municipality monitors the cash projections by ensuring that borrowing facilities are available to meet its cash requirements.

No significant financial risk pertaining to the creditors exists except for mainly operational risks that are not covered in here.

Interest rate risk

The District Municipality is mainly exposed to interest rate risk due to the movements in long-term and short term interest rates.

The risk is managed on an on-going basis.

Credit risk

Credit risk is the risk that a counter party to a financial asset will fail to discharge an obligation and cause the District Municipality to incur financial loss.

Credit risk consists mainly of cash deposit, cash equivalents, derivative financial instruments and trade debtors. The municipality only deposit cash with major banks with high quality credit standing and limits exposure to any one counter party.

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Consolidated Annual Financial Statements for the year ended 30 June 2012

Notes to the Consolidated Annual Financial Statements

34. Risk Management (continued)	2012	Restated 2011
	R	R

Foreign exchange risk

The District Municipality does not engage in foreign currency transactions.

35. Event after the reporting date

No events took place after the reporting date which has an impact on the Annual Financial Statements.

36. Deviation from supply chain management regulations

Paragraph 12(1)(d)(i) of Government gazette No.27636 issued on 30 May 2005 states that a supply chain management policy must provide for the procurement of goods and services by way of a competitive bidding process.

Paragraph 36 of the same gazette state that the accounting officer may dispense with the official procurement process in certain circumstances, provided that he records the reasons for any deviations and report them to the next meeting of the council and includes a note to the consolidated annual financial statements.

Deviations from supply chain management regulations did occur. These deviations were submitted and approved by council. A detailed deviation register is available at the municipality for inspection.

37. Financial Assets by category

In accordance with IAS 39.09 the financial assets of the municipality are classified as follows:

2012

	Loans and receivables	Held to maturity investments	Total
Trade and other receivables	293 584	-	293 584
VAT Receivable	4 224 101	-	4 224 101
Cash and Cash Equivalents	-	68 305 534	68 305 534
Short-term Deposits	-	122 519 258	122 519 258
	4 517 685	190 824 792	195 342 477

2011

	Loans and receivables	Held to maturity investments	Total
Trade and other receivables	1 090 854	-	1 090 854
VAT Receivable	3 202 333	-	3 202 333
Cash and Cash Equivalents	-	90 236 741	90 236 741
Short-term Deposits	-	115 961 629	115 961 629
	4 293 187	206 198 370	210 491 557

FEZILE DABI DISTRICT MUNICIPALITY
Consolidated Annual Financial Statements for the year ended 30 June 2012

Notes to the Consolidated Annual Financial Statements

	2012	2011
	R	R
38. Financial liabilities by category		
In accordance with IAS 39.09 the financial liabilities of the municipality are classified as follows:		
2012		
	Financial liabilities at amortised cost	Total
Annuity Loans	20 432 122	20 432 122
Retirement benefit obligation	6 440 000	6 440 000
Trade and other payables	19 938 513	19 938 513
Operating lease liability	209 355	209 355
Current portion of Long-term Liabilities	5 287 916	5 287 916
Provisions	5 677 000	5 677 000
Unspent conditional grants and receipts	35 507 082	35 507 082
	118 416 734	118 416 734
2011		
	Financial liabilities at amortised cost	Total
Annuity Loans	25 717 818	25 717 818
Retirement benefit obligation	5 643 000	5 643 000
Trade and other payables	20 189 602	20 189 602
Operating lease liability	768 338	768 338
Current portion of Long-term Liabilities	4 729 858	4 729 858
Provisions	4 707 000	4 707 000
Unspent conditional grants and receipts	56 661 118	56 661 118
	118 416 734	118 416 734

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Consolidated Annual Financial Statements for the year ended 30 June 2012

Notes to the Consolidated Annual Financial Statements

2012	Restated 2011
R	R

39. New standards and interpretations

39.1 Standards and interpretations issued, but not yet effective

The municipality has not applied the following standards and interpretations, which have been published and are mandatory for the municipality's accounting periods beginning on or after 01 July 2012 or later periods:

GRAP 18: Segment Reporting

Segments are identified by the way in which information is reported to management, both for purposes of assessing performance and making decisions about how future resources will be allocated to the various activities undertaken by the municipality. The major classifications of activities identified in budget documentation will usually reflect the segments for which an entity reports information to management.

Segment information is either presented based on service or geographical segments. Service segments relate to a distinguishable component of an entity that provides specific outputs or achieves particular operating objectives that are in line with the municipality's overall mission. Geographical segments relate to specific outputs generated, or particular objectives achieved, by an entity within a particular region.

This Standard has been approved by the Board but its effective date has not yet been determined by the Minister of Finance. The effective date indicated is a provisional date and could change depending on the decision of the Minister of Finance.

Directive 2 - Transitional provisions for public entities, municipal entities and constitutional institutions, states that no comparative segment information need to be presented on initial adoption of this Standard.

Directive 3 - Transitional provisions for high capacity municipalities states that no comparative segment information need to be presented on initial adoption of the Standard. Where items have not been recognised as a result of transitional provisions under the Standard of GRAP on Property, Plant and Equipment, recognition requirements of this Standard would not apply to such items until the transitional provision in that Standard expires.

Directive 4 - Transitional provisions for medium and low capacity municipalities states that no comparative segment information need to be presented on initial adoption of the Standard. Where items have not been recognised as a result of transitional provisions under the Standard of GRAP on Property, Plant and Equipment and the Standard of GRAP on Agriculture, the recognition requirements of the Standard would not apply to such items until the transitional provision in that standard expires.

The effective date of the standard is for years beginning on or after 01 April 2013.

The municipality expects to adopt the standard for the first time in the 2014 consolidated annual financial statements.

It is unlikely that the standard will have a material impact on the municipality's consolidated annual financial statements.

FEZILE DABI DISTRICT MUNICIPALITY

Consolidated Annual Financial Statements for the year ended 30 June 2012

Notes to the Consolidated Annual Financial Statements

39. New standards and interpretations (continued)	2012	Restated 2011
	R	R

GRAP 23: Revenue from Non-exchange Transactions

Revenue from non-exchange transactions arises when an entity receives value from another entity without directly giving approximately equal value in exchange. An asset acquired through a non-exchange transaction shall initially be measured at its fair value as at the date of acquisition.

This revenue will be measured at the amount of increase in net assets recognised by the municipality.

An inflow of resources from a non-exchange transaction recognised as an asset shall be recognised as revenue, except to the extent that a liability is recognised for the same inflow. As an entity satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it will reduce the carrying amount of the liability recognised as recognise an amount equal to that reduction.

This Standard has been approved by the Board but its effective date has not yet been determined by the Minister of Finance. The effective date indicated is a provisional date and could change depending on the decision of the Minister of Finance.

The effective date of the standard is for years beginning on or after 01 April 2012.

The municipality expects to adopt the standard for the first time in the 2013 consolidated annual financial statements.

It is unlikely that the standard will have a material impact on the municipality's consolidated annual financial statements.

GRAP 24: Presentation of Budget Information in the Financial Statements

Subject to the requirements of paragraph .19, an entity shall present a comparison of the budget amounts for which it is held publicly accountable and actual amounts either as a separate additional financial statement or as additional budget columns in the financial statements currently presented in accordance with Standards of GRAP. The comparison of budget and actual amounts shall present separately for each level of legislative oversight:

- the approved and final budget amounts;
- the actual amounts on a comparable basis; and
- by way of note disclosure, an explanation of material differences between the budget for which the municipality is held publicly accountable and actual amounts, unless such explanation is included in other public documents issued in conjunction with the financial statements, and a cross reference to those documents is made in the notes.

Where an entity prepares its budget and consolidated annual financial statements on a comparable basis, it includes the comparison as an additional column in the primary consolidated annual financial statements. Where the budget and consolidated annual financial statements are not prepared on a comparable basis, a separate statement is prepared called the 'Statement of Comparison of Budget and Actual Amounts'. This statement compares the budget amounts with the amounts in the consolidated annual financial statements adjusted to be comparable to the budget.

FEZILE DABI DISTRICT MUNICIPALITY

Consolidated Annual Financial Statements for the year ended 30 June 2012

Notes to the Consolidated Annual Financial Statements

39. New standards and interpretations (continued)	2012	Restated 2011
	R	R

A comparable basis means that the budget and consolidated annual financial statements:

- are prepared using the same basis of accounting i.e. either cash or accrual;
- include the same activities and entities;
- use the same classification system; and
- are prepared for the same period.

This Standard has been approved by the Board but its effective date has not yet been determined by the Minister of Finance. The effective date indicated is a provisional date and could change depending on the decision of the Minister of Finance.

The effective date of the standard is for years beginning on or after 01 April 2012.

The municipality expects to adopt the standard for the first time in the 2013 consolidated annual financial statements.

It is unlikely that the standard will have a material impact on the municipality's consolidated annual financial statements.

GRAP 103: Heritage Assets

Grap 103 defines heritage assets as assets which have a cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations.

Certain heritage assets are described as inalienable items thus assets which are retained indefinitely and cannot be disposed of without consent as required by law or otherwise.

A heritage asset should be recognised as an asset only if:

- it is probable that future economic benefits or service potential associated with the asset will to the municipality; and
- the cost of fair value of the asset can be measured reliably.

The standard required judgment in applying the initial recognition criteria to the specific circumstances surrounding the entity and the assets.

Grap 103 states that a heritage asset should be measured at its cost unless it is acquired through a nonexchange transaction which should then be measured at its fair value as at the date of acquisition.

In terms of the standard, an entity has a choice between the cost and revaluation model as accounting policy for subsequent recognition and should apply the chosen policy to an entire class of heritage assets.

The cost model requires a class of heritage assets to be carried at its cost less any accumulated impairment losses.

The revaluation model required a class of heritage assets to be carried at its fair value at the date of the revaluation less any subsequent impairment losses. The standard also states that a restriction on the disposal of a heritage asset does not preclude the entity from determining the fair value.

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Notes to the Consolidated Annual Financial Statements

	2012	Restated 2011
	R	R
39. New standards and interpretations (continued)		

Grap 103 prescribes that when determining the fair value of a heritage asset that has more than one purpose, the fair value should reflect both the asset's heritage value and the value obtained from its use in the production or supply of goods or services or for administrative purposes.

If a heritage asset's carrying amount is increased as a result of a revaluation, the increase should be credited directly to a revaluation surplus. However, the increase should be recognised in surplus or deficit to the extent that it reverses a revaluation decrease of the same heritage asset previously recognised in surplus or deficit. If a heritage asset's carrying amount is decreased as a result of a revaluation, the decrease should be recognised in surplus or deficit. However, the decrease should be debited directly to a revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that heritage asset.

Grap 103 states that a heritage asset should not be depreciated but an entity should assess at each reporting date whether there is an indication that it may be impaired.

In terms of the standard, compensation from third parties for heritage assets that have been impaired, lost or given up, should be included in surplus or deficit when the compensation becomes receivable.

For a transfer from heritage assets carried at a revalued amount to property, plant and equipment, investment property, inventories or intangible assets, the asset's deemed cost for subsequent accounting should be its revalued amount at the date of transfer. The entity should treat any difference at that date between the carrying amount of the heritage asset and its fair value in the same way as a revaluation in accordance with this

Standard. If an item of property, plant and equipment or an intangible asset carried at a revalued amount, or investment property carried at fair value is reclassified as a heritage asset carried at a revalued amount, the entity applies the applicable Standard of GRAP to that asset up to the date of change. The entity treats any difference at that date between the carrying amount of the asset and its fair value in accordance with the applicable Standard of GRAP relating to that asset. For a transfer from investment property carried at fair value, or inventories to heritage assets at a revalued amount, any difference between the fair value of the asset at that date and its previous carrying amount should be recognised in surplus or deficit.

The carrying amount of a heritage asset should be derecognised:

- on disposal, or
- when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of a heritage asset should be determined as the difference between the net disposal proceeds, if any, and the carrying amount of the heritage asset. Such difference is recognised in surplus or deficit when the heritage asset is derecognised.

The effective date of the standard is for years beginning on or after 01 April 2012.

The municipality expects to adopt the standard for the first time in the 2013 consolidated annual financial statements.

It is unlikely that the standard will have a material impact on the municipality's consolidated annual financial statements.

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Notes to the Consolidated Annual Financial Statements

	2012	Restated 2011
39. New standards and interpretations (continued)	R	R

GRAP 21: Impairment of non-cash-generating assets

Non-cash-generating assets are assets other than cash-generating assets.

When the carrying amount of a non-cash-generating asset exceeds its recoverable service amount, it is impaired.

An municipality assesses at each reporting date whether there is any indication that a non-cash-generating asset may be impaired. If any such indication exists, an entity estimates the recoverable service amount of the asset.

The present value of the remaining service potential of a non-cash-generating asset is determined using one of the following approaches:

- Depreciated replacement cost approach
- Restoration cost approach
- Service units approach

If the recoverable service amount of a non-cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. This reduction is an impairment loss. An impairment loss is recognised immediately in surplus or deficit. Any impairment loss of a revalued non-cash-generating asset is treated as a revaluation decrease.

An municipality assess at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a non-cash-generating asset may no longer exist or may have decreased. If any such indication exists, an entity estimates the recoverable service amount of that asset.

A reversal of an impairment loss for a non-cash-generating asset is recognised immediately in surplus or deficit. Any reversal of an impairment loss of a revalued non-cash-generating asset is treated as a revaluation increase.

This Standard has been approved by the Board but its effective date has not yet been determined by the Minister of Finance. The effective date indicated is a provisional date and could change depending on the decision of the Minister of Finance.

The effective date of the standard is for years beginning on or after 01 April 2012.

The municipality expects to adopt the standard for the first time in the 2013 consolidated annual financial statements.

It is unlikely that the standard will have a material impact on the municipality's consolidated annual financial statements.

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	2012	Restated 2011
39. New standards and interpretations (continued)	R	R

GRAP 26: Impairment of cash-generating assets

Cash-generating assets are those assets held by an municipality with the primary objective of generating a commercial return. When an asset is deployed in a manner consistent with that adopted by a profit-orientated entity, it generates a commercial return.

When the carrying amount of a cash-generating asset exceeds its recoverable amount, it is impaired.

An entity assesses at each reporting date whether there is any indication that a cash-generating asset may be impaired. If any such indication exists, an municipality estimates the recoverable amount of the asset. When estimating the value in use of an asset, an municipality estimates the future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal and an municipality applies the appropriate discount rate to those future cash flows.

If the recoverable amount of a cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. This reduction is an impairment loss. An impairment loss is recognised immediately in surplus or deficit. Any impairment loss of a revalued cash-generating asset is treated as a revaluation decrease.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, an municipality determines the recoverable amount of the cash-generating unit to which the asset belongs (the asset's cash-generating unit).

If an active market exists for the output produced by an asset or group of assets, that asset or group of assets is identified as a cash-generating unit, even if some or all of the output is used internally. If the cash inflows generated by any asset or cash-generating unit are affected by internal transfer pricing, an entity use management's best estimate of future price(s) that could be achieved in arm's length transactions in estimating:

- the future cash inflows used to determine the asset's or cash-generating unit's value in use; and
- the future cash outflows used to determine the value in use of any other assets or cash-generating units that are affected by the internal transfer pricing.

Cash-generating units are identified consistently from period to period for the same asset or types of assets, unless a change is justified.

An impairment loss is recognised for a cash-generating unit if the recoverable amount of the unit is less than the carrying amount of the unit. The impairment is allocated to reduce the carrying amount of the cash-generating assets of the unit on a pro rata basis, based on the carrying amount of each asset in the unit. These reductions in carrying amounts are treated as impairment losses on individual assets.

Where a non-cash-generating asset contributes to a cash-generating unit, a proportion of the carrying amount of that non-cash-generating asset is allocated to the carrying amount of the cash-generating unit prior to estimation of the recoverable amount of the cash-generating unit.

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39. New standards and interpretations (continued)

An municipality assess at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a cash-generating asset may no longer exist or may have decreased. If any such indication exists, an municipality estimates the recoverable amount of that asset.

A reversal of an impairment loss for a cash-generating asset is recognised immediately in surplus or deficit. Any reversal of an impairment loss of a revalued cash-generating asset is treated as a revaluation increase.

This Standard has been approved by the Board but its effective date has not yet been determined by the Minister of Finance. The effective date indicated is a provisional date and could change depending on the decision of the Minister of Finance.

The effective date of the standard is for years beginning on or after 01 April 2012.

The municipality expects to adopt the standard for the first time in the 2013 consolidated annual financial statements.

It is unlikely that the standard will have a material impact on the municipality's consolidated annual financial statements.

GRAP 25: Employee benefits

The objective of GRAP25 is to prescribe the accounting and disclosure for employee benefits. The Standard requires an municipality to recognise:

- a liability when an employee has provided service in exchange for employee benefits to be paid in the future; and
- an expense when an municipality consumes the economic benefits or service potential arising from a service provided by an employee in exchange for employee benefits.

GRAP 25 must be applied by an employer in accounting for all employee benefits, except share based payment transactions.

GRAP 25 defines, amongst others, the following:

- Employee benefits as all forms of consideration given by an municipality in exchange for service rendered by employees;
- Defined contribution plans as post-employment benefit plans under which an municipality pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods;
- Defined benefit plans as post-employment benefit plans other than defined contribution plans;
- Multi-employer plans as defined contribution plans (other than state plans and composite social security programmes) or defined benefit plans (other than state plans) that:
 - pool the assets contributed by various entities that are not under common control; and
 - use those assets to provide benefits to employees of more than one entity, on the basis that contribution and benefit levels are determined without regard to the identity of the municipality that employs the employees concerned;

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39. New standards and interpretations (continued)		

Other long-term employee benefits as employee benefits (other than post-employment benefits and termination benefits) that is not due to be settled within twelve months after the end of the period in which the employees render the related service;

- Post-employment benefits as employee benefits (other than termination benefits) which are payable after the completion of employment;
- Post-employment benefit plans as formal or informal arrangements under which an municipality provides post-employment benefits for one or more employees;
- Short-term employee benefits as employee benefits (other than termination benefits) that are due to be settled within twelve months after the end of the period in which the employees render the related service;
- State plans as plans other than composite social security programmes established by legislation which operate as if they are multi-employer plans for all entities in economic categories laid down in legislation;
- Termination benefits as employee benefits payable as a result of either:
 - an entity's decision to terminate an employee's employment before the normal retirement date; or
 - an employee's decision to accept voluntary redundancy in exchange for those benefits;
- Vested employee benefits as employee benefits that are not conditional on future employment.

The standard states the recognition, measurement and disclosure requirements of:

- Short-term employee benefits;
 - All short-term employee benefits;
 - Short-term compensated absences;
 - Bonus, incentive and performance related payments;
- Post-employment benefits: Defined contribution plans;
- Other long-term employee benefits;
- Termination benefits.

The standard states Post-employment benefits: Distinction between defined contribution plans and defined benefit plans:

- Multi-employer plans;
- Defined benefit plans where the participating entities are under common control;
- State plans;
- Composite social security programmes;
- Insured benefits.

The standard states, for Post-employment benefits: Defined benefit plans, the following requirements:

- Recognition and measurement;
- Presentation;
- Disclosure;
- Accounting for the constructive obligation;
- Statement of financial position;
- Asset recognition ceiling;
- Asset recognition ceiling: When a minimum funding requirement may give rise to a liability;
- Statement of financial performance.

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	2012	Restated 2011
39. New standards and interpretations (continued)	R	R

The standard prescribes recognition and measurement for:

- Present value of defined benefit obligations and current service cost:
 - Actuarial valuation method;
 - Attributing benefits to periods of service;
 - Actuarial assumptions;
 - Actuarial assumptions: Discount rate;
 - Actuarial assumptions: Salaries, benefits and medical costs;
 - Actuarial gains and losses;
 - Past service cost.
- Plan assets:
 - Fair value of plan assets;
 - Reimbursements;
 - Return on plan assets.

The standard also deals with Entity combinations and Curtailments and settlements.

This Standard has been approved by the Board but its effective date has not yet been determined by the Minister of Finance. The effective date indicated is a provisional date and could change depending on the decision of the Minister of Finance.

The effective date of the standard is for years beginning on or after 01 April 2013.

The municipality expects to adopt the standard for the first time in the 2014 consolidated annual financial statements.

It is unlikely that the standard will have a material impact on the municipality's consolidated annual financial statements.

GRAP 104: Financial Instruments

The standard prescribes recognition, measurement, presentation and disclosure requirements for financial instruments. Financial instruments are defined as those contracts that results in a financial asset in one municipality and a financial liability or residual interest in another municipality. A key distinguishing factor between financial assets and financial liabilities and other assets and liabilities, is that they are settled in cash or by exchanging financial instruments rather than through the provision of goods or services.

One of the key considerations in initially recognising financial instruments is the distinction, by the issuers of those instruments, between financial assets, financial liabilities and residual interests. Financial assets and financial liabilities are distinguished from residual interests because they involve a contractual right or obligation to receive or pay cash or another financial instrument. Residual interests entitle an municipality to a portion of another municipality's net assets in the event of liquidation and, to dividends or similar distributions paid at management's discretion.

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	R	R
39. New standards and interpretations (continued)		

In determining whether a financial instrument is a financial asset, financial liability or a residual interest, an municipality considers the substance of the contract and not just the legal form.

Where a single instrument contains both a liability and a residual interest component, the issuer allocates the instrument into its component parts. The issuer recognises the liability component at its fair value and recognises the residual interest as the difference between the carrying amount of the instrument and the fair value of the liability component. No gain or loss is recognised by separating the instrument into its component parts.

Financial assets and financial liabilities are initially recognised at fair value. Where an municipality subsequently measures financial assets and financial liabilities at amortised cost or cost, transactions costs are included in the cost of the asset or liability.

The transaction price usually equals the fair value at initial recognition, except in certain circumstances, for example, where interest free credit is granted or where credit is granted at a below market rate of interest.

Concessionary loans are loans either received by or granted to another municipality on concessionary terms, e.g. at low interest rates and flexible repayment terms. On initial recognition, the fair value of a concessionary loan is the present value of the agreed contractual cash flows, discounted using a market related rate of interest for a similar transaction. The difference between the proceeds either received or paid and the present value of the contractual cash flows is accounted for as non-exchange revenue by the recipient of a concessionary loan in accordance with Standard of GRAP on Revenue from Non-exchange Revenue Transactions (Taxes and Transfers), and using the Framework for the Preparation and Presentation of Financial Statements (usually as an expense) by the grantor of the loan.

Financial assets and financial liabilities are subsequently measured either at fair value or, amortised cost or cost. An municipality measures a financial instrument at fair value if it is:

- a derivative;
- a combined instrument designated at fair value, i.e. an instrument that includes a derivative and a non-derivative host contract;
- held-for-trading;
- a non-derivative instrument with fixed or determinable payments that is designated at initial recognition to be measured at fair value;
- an investment in a residual interest for which fair value can be measured reliably; and
- other instruments that do not meet the definition of financial instruments at amortised cost or cost.

Derivatives are measured at fair value. Combined instruments that include a derivative and non-derivative host contract are accounted for as follows:

- Where an embedded derivative is included in a host contract which is a financial instrument within the scope of this Standard, an entity can designate the entire contract to be measured at fair value or, it can account for the host contract and embedded derivative separately using GRAP 104. An municipality is however required to measure the entire instrument at fair value if the fair value of the derivative cannot be measured reliably.
- Where the host contract is not a financial instrument within the scope of this Standard, the host contract and embedded derivative are accounted for separately using GRAP 104 and the relevant Standard of GRAP.

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	2012	Restated 2011
	R	R

39. New standards and interpretations (continued)

Financial assets and financial liabilities that are non-derivative instruments with fixed or determinable payments, for example deposits with banks, receivables and payables, are measured at amortised cost. At initial recognition, an municipality can however designate such an instrument to be measured at fair value.

An municipality can only measure investments in residual interests at cost where the fair value of the interest cannot be determined reliably.

Once an municipality has classified a financial asset or a financial liability either at fair value or amortised cost or cost, it is only allowed to reclassify such instruments in limited instances.

An entity derecognises a financial asset, or the specifically identified cash flows of an asset, when:

- the cash flows from the asset expire, are settled or waived;
- significant risks and rewards are transferred to another party; or
- despite having retained significant risks and rewards, an municipality has transferred control of the asset to another municipality.

An municipality derecognises a financial liability when the obligation is extinguished. Exchanges of debt instruments between a borrower and a lender are treated as the extinguishment of an existing liability and the recognition of a new financial liability. Where an municipality modifies the term of an existing financial liability, it is also treated as the extinguishment of an existing liability and the recognition of a new liability.

An municipality cannot offset financial assets and financial liabilities in the statement of financial position unless a legal right of set-off exists, and the parties intend to settle on a net basis.

GRAP 104 requires extensive disclosures on the significance of financial instruments for an municipality's statement of financial position and statement of financial performance, as well as the nature and extent of the risks that an municipality is exposed to as a result of its consolidated annual financial statements. Some disclosures, for example the disclosure of fair values for instruments measured at amortised cost or cost and the preparation of a sensitivity analysis, are encouraged rather than required.

GRAP 104 does not prescribe principles for hedge accounting. An municipality is permitted to apply hedge accounting, as long as the principles in IAS 39 are applied.

This Standard has been approved by the Board but its effective date has not yet been determined by the Minister of Finance. The effective date indicated is a provisional date and could change depending on the decision of the Minister of Finance.

The effective date of the standard is for years beginning on or after 01 April 2012.

The municipality expects to adopt the standard for the first time in the 2013 consolidated annual financial statements.

It is unlikely that the amendment will have a material impact on the municipality's consolidated annual financial statements.

FEZILE DABI DISTRICT MUNICIPALITY

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39. New standards and interpretations (continued)

2012

Restated

2011

R

R

GRAP 20: Related parties

The objective of this standard is to ensure that a reporting entity's consolidated annual financial statements contain the disclosures necessary to draw attention to the possibility that its financial position and surplus or deficit may have been affected by the existence of related parties and by transactions and outstanding balances with such parties.

An entity that prepares and presents financial statements under the accrual basis of accounting (in this standard referred to as the reporting entity) shall apply this standard in:

- identifying related party relationships and transactions;
- identifying outstanding balances, including commitments, between an entity and its related parties;
- identifying the circumstances in which disclosure of the items in (a) and (b) is required; and
- determining the disclosures to be made about those items.

This standard requires disclosure of related party relationships, transactions and outstanding balances, including commitments, in the consolidated and separate financial statements of the reporting entity in accordance with the Standard of GRAP on Consolidated and Separate Financial Statements. This standard also applies to individual consolidated annual financial statements.

Disclosure of related party transactions, outstanding balances, including commitments, and relationships with related parties may affect users' assessments of the financial position and performance of the reporting entity and its ability to deliver agreed services, including assessments of the risks and opportunities facing the entity.

This disclosure also ensures that the reporting entity is transparent about its dealings with related parties.

The standard states that a related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control. As a minimum, the following are regarded as related parties of the reporting entity:

- A person or a close member of that person's family is related to the reporting entity if that person:
 - has control or joint control over the reporting entity;
 - has significant influence over the reporting entity;
 - is a member of the management of the entity or its controlling entity.
- An entity is related to the reporting entity if any of the following conditions apply:
 - the entity is a member of the same economic entity (which means that each controlling entity, controlled entity and fellow controlled entity is related to the others);
 - one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of an economic entity of which the other entity is a member);
 - both entities are joint ventures of the same third party;
 - one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - the entity is a post-employment benefit plan for the benefit of employees of either the entity or an entity related to the entity. If the reporting entity is itself such a plan, the sponsoring employers are related to the entity;
 - the entity is controlled or jointly controlled by a person identified in (a); and
 - a person identified in (a) (i) has significant influence over that entity or is a member of the management of that entity (or its controlling entity).

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Notes to the Consolidated Annual Financial Statements

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	R	R
39. New standards and interpretations (continued)		

The standard furthermore states that related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

The standard elaborates on the definitions and identification of:

- Close member of the family of a person;
- Management;
- Related parties;
- Remuneration; and
- Significant influence

The standard sets out the requirements, inter alia, for the disclosure of:

- Control;
- Related party transactions; and
- Remuneration of management

The effective date of the standard is for years beginning on or after 01 April 2013.

The municipality expects to adopt the standard for the first time in the 2014 consolidated annual financial statements.

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Notes to the Consolidated Annual Financial Statements

40. Intangible assets	2012			Restated 2011		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Microsoft Exchange 2010	56 848	-	56 848	-	-	-
Caseware	173 950	(125 630)	48 320	173 950	(67 647)	106 303
Microsoft Office 2007	163 027	(163 027)	-	163 027	(163 027)	-
E-Venus	468 460	(468 460)	-	468 460	(468 460)	-
Server Software	241 070	(209 181)	31 889	241 071	(132 649)	108 422
Payday System	89 052	(89 052)	-	89 052	(89 052)	-
Total	1 192 407	(1 055 350)	137 057	1 135 560	(920 835)	214 725

Reconciliation of intangible assets – 2012

	Opening balance	Additions	Amortisation	Carrying Value
Caseware	106 303	-	(57 983)	48 320
Microsoft Exchange	-	56 848	-	56 848
Sever Software	108 422	-	(76 533)	31 889
	214 725	56 848	(134 516)	137 057

Reconciliation of intangible assets – 2011

	Opening balance	Amortisation	Carrying Value
Caseware	164 286	(57 983)	106 303
E-Venus	76 476	(76 476)	-
Server Software	184 956	(76 534)	108 422
	425 718	(210 993)	214 725

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Notes to the Consolidated Annual Financial Statements

	2012	Restated 2011
	R	R
40. Intangible assets (continued)		
Other information		
Fully amortised intangible assets still in use:	720 539	720 539

Fully amortised intangible assets still in use consist of:

- Microsoft Office 2007
- ISA Server 2006
- MS Exchange 2003 Server
- Payday Payroll System
- E- Venus

There were no intangible assets that were assessed as having an indefinite useful life.

There are no intangible assets whose title is restricted

There are no contractual commitments for the acquisition of intangible assets.

41. Employee benefit obligations

Defined benefit plan

The defined benefit plan, to which employees belong, consist of the Free State Municipal Pension Fund and the Councillors Pension fund governed by the Pension Fund Act of 1956.

The actuarial valuation determined that the retirement plan was in a sound financial position

Post-retirement medical aid plan

The Post Retirement Benefit Plan is a defined benefit plan, of which the members are made up as follows:

In-service (employees) members	107	87
Continuation members (e.g: Retirees, widows, orphans)	3	3
Total Members	110	90

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Notes to the Consolidated Annual Financial Statements

	2012	Restated 2011
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41. Employee benefit obligations (continued)		
Total Members		
The municipality make monthly contributions for health care arrangements to the following medical aid schemes:		
<ul style="list-style-type: none"> - LA Health Medical Scheme - Bonitas Medical Scheme - Hosmed Medical Scheme - Samwumed Medical Scheme - KeyHealth Medical Scheme 		
The amounts recognised in the statement of financial position are as follows:		
Carrying value		
Present value of the defined benefit obligation-wholly unfunded	(5 643 000)	(3 483 000)
Service Cost	(480 000)	(321 000)
Interest Cost	(541 000)	(339 000)
Actuarial gains or (losses)	127 000	(1 572 000)
Actuarial benefits paid	97 000	72 000
Net liability	(6 440 000)	(5 643 000)

Key assumptions used

Assumptions used at the reporting date:

Discount rates used	9.20%	9.25%
Healthcare cost inflation	7.50%	7.70%
Net discount rate	1.58%	1.44%

The basis on which the discount rate has been determined is as follows:

The discount rate used in the valuation is determined by reference to market yields on high quality corporate bonds as at the balance sheet date. In countries where there is no deep market in corporate bonds, government bonds are used. It is currently market practice to use government bond yields, as South African corporate bond market is not considered to be sufficiently developed. The currency and term of the government bonds shall be consistent with the currency and estimated term of the post-employment benefit obligations.

The estimated discount rate was set equal to the yield on a zero-coupon government bond with a term of approximately 19 years.

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	2012	Restated 2011
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41. Employee benefit obligations (continued)		
Defined contribution plan		
It is the policy of the municipality to provide retirement benefits to all its employees. A number of defined contribution provident funds, all of which are subject to the Pensions Fund Act exist for this purpose.		
The municipality is under no obligation to cover any unfunded benefits.		
42. Unspent conditional grants and receipts		
See appendix "F2" for a detailed reconciliation of grants from other spheres of government. The Unspent Grants are cash-backed by term deposits. The municipality complied with the conditions attached to all grants received to the extent of revenue recognised. No grants were withheld during the year.		
Unspent conditional grants and receipts comprises of:		
Unspent conditional grants and receipts		
RWF Feasibility Study Funding	450 000	-
Department of Health – Relebohile Clinic: Ngwathe Local Municipality	4 335 865	13 503 163
Department of Roads, Transport and Police – Internal Roads: Ngwathe Local Municipality	732 391	732 391
EPWP Project – Sidewalks: Metsimaholo Local Municipality	117 428	897 157
Department of Public Works – Church: Ngwathe Local Municipality	85 794	276 926
Department of Sports – Grant: Fezile Dabi Stadium	24 410 077	27 211 831
EPWP – Metsimaholo Hospital	2 278 555	10 000 000
DWAF	656 147	1 228 090
EPWP – Upgrading and construction of street network within the Ngwathe Municipal Area	540 825	911 560
LOTTO Grant	1 900 000	1 900 000
	35 507 082	56 661 118
Movement during the year		
Balance at the beginning of the year	56 661 118	21 157 111
Additions during the year	20 534 284	75 702 081
Income recognition during the year	(41 688 320)	(40 198 074)
	35 507 082	56 661 118

FEZILE DABI DISTRICT MUNICIPALITY

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Notes to the Consolidated Annual Financial Statements

2012	Restated 2011
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42. Unspent conditional grants and receipts (continued)

The nature and extent of government grants recognised in the consolidated annual financial statements and an indication of other forms of government assistance from which the municipality has directly benefited; and unfulfilled conditions and other contingencies attaching to government assistance that has been recognised.

These amounts are invested in a ring-fenced investment until utilised.

43. Operating lease

The municipality rents photocopying machines from Journey Vehicle & Assets Finance (Bloemfontein) CC, being the major supplier:

- no contingent rent is payable in term of the lease agreements
- there is no renewal or purchase options as per lease agreement terms, the lease escalates as determined in the various lease agreements with the renter; and
- no restrictions are imposed by the lease agreements, with regards to additional debt and further leasing.

The lease agreements is for a total period of 60 months (5 years)

44. Commitments

Operating leases – as lessee (expense)

Minimum lease payments due

- within one year	1 289 819	3 987 439
- in second to fifth year inclusive	-	1 289 819
- later than five years	-	-
	<u>1 289 819</u>	<u>5 277 258</u>

45. Contingencies

The municipality had the following contingent liabilities as at year-end:

The certainty and timing of the outflow of these liabilities are uncertain. The amount disclosed below are possible outflow;

Maseko Tilana - Civil not finalised Ref (MMW/1/M/5M0728/11)	<u>16 630</u>	<u>-</u>
-------------------------------------------------------------	---------------	----------