MOPANI DISTRICT MUNICIPALITY

ANNUAL REPORT 2006 - 2007

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FOREWORD: 2007/8 Half Yearly Report

Clr. Matome Humphrey Mokgobi

Executive Mayor

This Half Yearly Report for 2007/8 Financial Year bear testimony to our compliance to the 'People's contract to create work and fight poverty' by responding to the mandate of making local government work better for our people to achieve the vision of effective, democratic and accountable local government.

This testimony in the form of 6-months progress report, confirms our commitment that we will "assist those who want to set up small businesses with skills, credit and other forms of support". In this reporting period we launched Moshupatsela Farming Project to afford local cooperatives and disabled people an opportunity to enter commercial farming and create self-employment.

Clean water and decent sanitation is the integral part of our municipal service delivery program. This area remains the major beneficiary of our resources and we are grateful that activities are taking place to ensure that our rural areas receive water uninterrupted water supply and that Modjadjiskloof sewage system will be improved and the town will start attracting investors to grow its economy.

The past six months has also seen the tarring of at least 11km of our district roads to carry the hopes of our people that we are together on the way to achieve the goal of all district roads tarred. The Siyenza Manje program is effective as is evident from our spending pattern (financial) report on Municipal Infrastructure Grant (MIG). This is in consistence with our promise (2006 manifesto) that "through Project Consolidate, the ruling party will ensure that municipalities that need hands-on support are provided with highly qualified and experienced technical people to ensure that they work better".

The institutional capacity continue to grow with all Section 57 posts now filled and the personnel from DWAF and Environmental Health Officers from Dept. of Health

and Social Development after completing the devolution of service agreements with the said departments welcomed. The events and awareness campaigns we hosted during this period confirm our social transformation agenda to improve the quality of life of all our people.

The three Izimbizo we had were characterized by our people converging in large numbers to confirm their confidence in our government but at the same time critically, but positively, responding to our service delivery programs. We take pride and priority of the inputs that our people frankly submitted during these consultative meetings and these submissions will help us in the planning for 2008/9 going forward.

The District Intergovernmental Relations Forum meeting and parallel meetings we had with Local Mayors, Traditional Leaders and other stakeholders, have helped us to strengthen our capacity to ensure coordinated service delivery in the district.

As we move into the final half of the Financial Year, we recommit ourselves to accelerate service delivery by Updating the Indigent Register and filling service delivery oriented posts in the finance and technical services department, and adopting the Spatial Development Framework and developing Multiyear IDP and Budget.

We continue to be mindful that 'It is a favour to have been voted for".

Ha Tira! Re a šoma!

Unity in Diversity

EXECUTIVE SUMMARY

Mopani District has developed its performance management system which is in line with the Performance Management Regulations as developed by the Department of Provincial and Local Government. In terms of the Municipal Systems Act and the regulations the municipality must conduct a formal assessment of its performance.

During the beginning of the year our municipality embarked on the institutional assessment process which had to inform our half year report in terms of the IDP targets, budget utilization and meeting the set targets. During this period, a series of meetings were conducted leading to the District wide Budget Lekgotla wherein the report was presented for appropriate decisions to be made. Subsequent to that a Council meeting was convened on the 30 January 2008 to consider the report which was then approved by Council.

In terms of the performance of the municipality given its historical background, the outcome of the assessment demonstrates a tremendous improvement including the local municipalities. The report clearly demonstrates that we are gradually improving in the area of transformation and organizational development wherein critical by-laws have been approved by Council and are just awaiting the promulgation. The municipality was able to convene all its Council sittings which were also more than the required target and also Mayoral Committee meetings were held.

With regard to basis services and infrastructure development, our municipality has been able to provide basic services to those households who previously could not enjoy this fundamental right. However we have noted the fact that we are still having a huge backlog when it comes to waste management and this is attributed to the lack of land fill sites in three of our municipalities but the land has now been made available, thanks to the contribution of our traditional leaders.

Growing the economy is the wish of every member of a municipality hence we have worked very hard to realise this important matter. The implementation of our LED strategy as endorsed by the District Economic Development Summit has started but on a very slow pace wherein only two of the anchor projects are now underway, that is, Moshupatsela Project on the establishment of Cooperatives and the establishment of the Fresh Produce Market.

As a district municipality our financial situation is in a sound position however we need to improve on the Audit outcomes and we believe that we have now reached the turning point since the audit backlog has now been reduced we are just awaiting the opinion for the 2005/6 and 2006/7. This means that by the time we prepare our financial statements, we will not have to adjust them later due to some of the audit findings and responses.

KPA 1: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT

Measurement	Status Quo	Key Challenges	Future Mitigating Intervention
ORGANISATIONAL CAPACITY: HUMAN RESOURCES MANAGEMENT			
Skills Development Plan and implementation thereof, especially for the sec. 57 managers	Yes		
Amount which the municipality was paid in skills levy for the financial year 2006/07	R 1'408'300.00		
Is the municipality having an approved organizational structure?	Yes	Office space	There is a need to construct new office buildings.
Is the placement process complete?	No	Condition of service	In terms of the functions devolved, a single public service policy will assist.
Number of posts in the organogram?	281		
Number of posts in the organogram which are filled?	150	Office space	The short term plan is to rent offices while other offices must be built.
Total number of staff employed in the municipality?	150		

Measurement	Status Quo	Key Challenges	Future Mitigating Intervention
Total number of Section 57 Staff employed.	06		
Number of posts unfilled for more than the last three months?	131		
Number of Section 57 posts unfilled for more than the last three months?	0		
No. of personnel with signed performance contracts.	06		
Number of Section 57 Staff that are classified as black?	06		
Number of Section 57 staff that are women?	02		
Number of staff (out of the total number of staff) in the municipality that are women?	69		
Number of staff (out of the total number of staff) in the municipality that are disabled?	01		
Have the municipality completed the transfers of functions in terms of the Section 78 of the Municipal Systems Act	No	The most outstanding issue is on staff transfer.	In terms of the functions devolved, a single public service policy will assist.

Measurement	Status Quo	Key Challenges	Future Mitigating Intervention
INTEGRATED DEVELOPMENT PLANNING			
Has the municipality appointed an IDP Coordinator and what level is the incumbent appointed, what qualification and skills does the incumbent	No		Post is to be advertised before end of January 2008.
Does the municipality have an up to date reviewed IDP aligned with the budget and PMS according to legislations?	Yes		
How far is the municipality regarding the process plan for the review of the IDP and Budget for preparation for 08/09? (copy of process plan)	We are currently finalizing the project phase.		The review is done only where there is new information.
Does the municipality have an approved Spatial Development Framework?	No		Draft is ready for approval by Council during the third quarter Council sitting.
Does the municipality have an applicable Disaster Management Plan?	Yes		
Does the municipality have an approved Environmental Management Plan?	No	Lack of capacity	Outsourcing for a service provider to assist.

Does your municipality have an approved Medium Term Income and Expenditure Framework?	No		The framework is part of our IDP/Budget/PMS review which is taking place this month.
Does the municipality have an approved Land Use Planning Management Plan in place?	No		This is only applicable to the local municipalities.

Measurement	Status Quo	Key Challenges	Future Mitigating Intervention
Performance Management System			
Does your municipality have an approved Performance Management Framework and Performance Management Policy	Framework and policy approved by Council.		
Does your municipality implement an organizational performance system?	The municipality is using the balance scorecard model.		
Does your municipality conduct periodic organisational performance reviews, monthly, quarterly etc	Monthly and quarterly reviews are conducted.		
Does your mayor submit quarterly reports to council	Yes		
Number of section 57staff employed on the performance contract and signed performance agreement?	06	None	

Table 1.1 SUMMARY OF THE EXPERTISE AND QUALIFICATIONS OF SECTION 57 MANAGERS

Position	Requisite Skills (as outlined in the Section 57 Regulations)	Incumebent Skills	Incumbent's Qualifications	Gabs Identified	Proposed training and support measures
Municipal Manager	Strategic Capability, Performance management, Programme & Project management, People and Diversity Management, Financial Management, Problem Solving & Analytic Thinking, Policy conceptualization and implementation, Mediation & Conflict Management, Partnership and Stakeholder management, Accountability and ethical conduct, Communication, Client Management, Supply Chain Management, Service Delivery Innovation, Knowledge and Change Management.	Strategic Capability, Performance management, Programme & Project management, People and Diversity Management, Financial Management, Problem Solving & Analytic Thinking, Policy conceptualization and implementation, Mediation & Conflict Management, Partnership and Stakeholder management, Accountability and ethical conduct, Communication, Client Management, Supply Chain Management, Service Delivery Innovation, Knowledge and Change Management.	BADMIN. DIPLOMA IN FINANCIAL MANAGEMENT; AND MPA	None	Leadership programme.
Chief Financial Officer	Strategic Capability, Performance management,	Strategic Capability, Performance	Intermediate Degree	Strategic Management	Executive Leadersjip Programme

Position	Requisite Skills (as outlined in the Section 57 Regulations)	Incumebent Skills	Incumbent's Qualifications	Gabs Identified	Proposed training and support measures
	Programme & Project management, Financial Management, Problem Solving & Analytic Thinking, Policy conceptualization and implementation, Supply Chain Management, Accountability and ethical conduct, Communication,	management, Programme & Project management, Financial Management, Problem Solving & Analytic Thinking, Policy conceptualization and implementation, Supply Chain Management, Accountability and ethical conduct, Communication,	Qualifications in Commerce, Bookkeeping and Business Administration		
Director Technical	Strategic Capability, Performance management, Programme & Project management, People and Diversity Management, Financial Management, Problem Solving & Analytic Thinking, Policy conceptualization and implementation, Mediation & Conflict Management, Partnership and Stakeholder management, Accountability and ethical conduct, Communication, Client Management, Supply Chain Management, Service Delivery Innovation,	Strategic Capability, Performance management, Programme & Project management, Financial Management, Problem Solving & Analytic Thinking, Policy conceptualization and implementation, Supply Chain Management, Accountability and ethical conduct, Communication,	N2 in Water Purification, National Diploma Water Care, Diploma in Development Leadership and Management	Project Management; Strategic Management	Executive Leadersjip Programme; Advanced Project Management

Position	Requisite Skills (as outlined in the Section 57 Regulations)	Incumebent Skills	Incumbent's Qualifications	Gabs Identified	Proposed training and support measures
	Knowledge and Change Management.				
Director Community	Strategic Capability, Performance management, Programme & Project management, Financial Management, Problem Solving & Analytic Thinking, Policy conceptualization and implementation, Supply Chain Management, Accountability and ethical conduct, Communication,	Strategic Capability, Performance management, Programme & Project management, Financial Management, Problem Solving & Analytic Thinking, Policy conceptualization and implementation, Supply Chain Management, Accountability and ethical conduct, Communication,	Management Training Programme, Primary Health Care, Master of Education	Strategic Management.	Executive Leadersjip Programme
Director Planning	Strategic Capability, Performance management, Programme & Project management, Financial Management, Problem Solving & Analytic Thinking, Policy conceptualization and implementation, Supply Chain Management, Accountability and ethical conduct, Communication,	Strategic Capability, Performance management, Programme & Project management, Financial Management, Problem Solving & Analytic Thinking, Policy conceptualization and implementation, Supply Chain Management,	Bachelor of Arts, Bachelor of Education, Master of Education	Strategic Management; Development Economics.	Executive Leadersjip Programme; Development Economics.

Position	Requisite Skills (as outlined in the Section 57 Regulations)	Incumebent Skills	Incumbent's Qualifications	Gabs Identified	Proposed training and support measures
		Accountability and ethical conduct, Communication,			
Director Corporate	Strategic Capability, Performance management, Programme & Project management, Financial Management, Problem Solving & Analytic Thinking, Policy conceptualization and implementation, Supply Chain Management, Accountability and ethical conduct, Communication,	Strategic Capability, Performance management, Programme & Project management, Financial Management, Problem Solving & Analytic Thinking, Policy conceptualization and implementation, Supply Chain Management, Accountability and ethical conduct, Communication,	B.Admin; Computer Literacy	Financial Management and Project Management	Financial Management and Project Management

KPA 2: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

Measurement	Status Quo	Key Challenges	Future Mitigating Intervention
Water Services			
Are you the Water Services authority? If not indicate your role in this function.	Yes		
New water connections\number of household in the water service authority area that was a part of the backlog but was provided for the first time in the first half of the 2007\08 FY with at least a portable water supply within 200m of the dwelling.	14 293	Huge backlogs and the initial approach adopted by the municipality dealing with basic service delivery.	
New water and sanitation services connected to schools during the first of the financial year and how many schools are still outstanding	12	Dept of Education still to conduct an audit.	

Measurement	Status Quo	Key Challenges	Future Mitigating Intervention
New water and sanitation services connected to clinics during the first of the financial year and how many schools are still outstanding	53		
New sanitation connections\number of household in the water service authority area that was a part of the backlog in but was provided for the first time in the first half of the 2007\08 with at least a ventilated improved pit-latrine.	6920		
National Targets: What is the progress made in addressing service delivery in terms of the national government targets in respect of: • Water and sanitation at schools 2005 • Water and sanitation at clinics 2007 • Water supply • Bucket Eradication 2007 Please indicate the number of planned targets and progress made thereof, and what percentage of that would be achieved be end of the national deadlines	53 51 12 121 0		Regarding the bucket eradication we have the sceptic tank system which we are attending to in Modjadjiskloof.

Measurement	Status Quo	Key Challenges	Future Mitigating Intervention
Total amount of water abstracted and or purchased by the municipality (in kilolitres) in 2006\07	Local municipalities providing water in their jurisdiction in terms of the SLA signed except for Maruleng wherein the Department of Public Works is the provider.		
What is the bulk water purchasing tariff for the 2007/08 FY	Currently bulk water is being supplied by Lepelle Northern Water and DWAF in terms of existing agreements.		
The total water which is supplied and metered (in kilolitres) during the first half of the 2007/08 FY	Local municipalities providing water in their jurisdiction in terms of the SLA signed except for Maruleng wherein the Department of Public Works is the provider.		
What is the percentage of unaccounted for water and rand value thereof	Still being determined in the district area.	The fact that the municipalities purchase bulk water from Lepelle Northern Water, this exercise must be a joint approach of which the process has started.	Joint team has been set up and will report to Accounting Officers soon.

Measurement	Status Quo	Key Challenges	Future Mitigating Intervention
What is the approved water services tariff for the 2007/08 financial	The municipality has approved the tariffs as proposed by each local municipality in terms of the SLA and their budgets.		

Measurement	Status Quo	Key Challenges	Future Mitigating Intervention
Electricity			
Are you the service authority for electricity?	Yes		
Does the municipality have a electricity roll out plan?	Eskom and the local municipalities are the service providers, as a district we play a supporting role.		We are working with Eskom.
New electricity connection-number of household in the electricity service authority area that were part of the backlog but were provided for the first time in the first half of the 2007/08 FY	6420		
National Targets What is the progress made in addressing service delivery in terms of the national government targets in respect of electricity? Please indicate the number of	Eskom and the local municipalities are the service providers, as a district we play a supporting role.		

Measurement	Status Quo	Key Challenges	Future Mitigating Intervention
planned targets and progress made thereof, and what percentage of that would be achieved be end of the national deadlines			
Total electricity generated and or purchased (in KWH) in the first half of the 2007/08 FY	Eskom and the local municipalities are the service providers, as a district we play a supporting role.		
What is bulk purchase price of the electricity during the 2007/08 FY	Eskom and the local municipalities are the service providers, as a district we play a supporting role.		
What is the approved electricity tariff for the 2007/08 FY	Eskom and the local municipalities are the service providers, as a district we play a supporting role.		
The total electricity which is supplied and metered (in KWH)in 2006\07	Eskom and the local municipalities are the service providers, as a district we play a supporting role.		
Solid waste management			

Measurement	Status Quo	Key Challenges	Future Mitigating Intervention
Are you a service authority for this service?	Yes		
New solid waste service points-number of urban household in the service authority area that were a part of backlog but were provided for the first time in the first half of the 2007/08 with a weekly refuse collection service.	Nil		
What is the approved sold waste tariff?	Tariffs are determined by the local municipalities.		
Landfill volume license according to the terms of the Environmental Conservation Act in 2006\07	Only two areas are licensed	Availability of land	We have secured land for the three remaining municipalities.
Does you municipality have an environmental management plan?	No		
Roads and storm water services			
Are you responsible for roads**?**	Yes	Most access roads are gravel.	Implement tarring of roads in phases.
Which roads are you responsible	District roads		

Measurement	Status Quo	Key Challenges	Future Mitigating Intervention
for? Indicate if you are responsible for municipal roads or district roads or both.			
How many kilometers of roads are you responsible for in total?	2061,33 km		
How many kilometers of roads were built in the first half of the 2007/08 FY	11.39 km		
How many kilometers of roads for which your municipality is responsible for, were maintained and rehabilitated in the first half of the 2007/08 FY	Nil		
Total amount of capital budget allocated to roads in 2007/08 and amount spent during the first half of the 2007/08 FY	R 49'100'000.00		
Total amount of operating budget allocated to roads maintenance in 2007/08 and amount spent in the first half of the 2007/08 FY	Nil		

Measurement	Status Quo	Key Challenges	Future Mitigating Intervention

Measurement	Status Qou	Key Challenges	Future Mitigating Intervention
Housing			
How many PHP housing were allocated in 2007/08 and how many were completed during the first half of the 2007/08 FY	Allocation provided to local municipalities.		
New houses\ number of houses handed over to targeted recipients in 2007/08 during the first half of the 2007/08 FY	Allocation provided to local municipalities.		
Percentage of rental units where ownership has been transferred to tenants in the first half of the 2007/08 FY	Allocation provided to local municipalities.		
Does the municipality have a Housing Beneficiary List?	List generated by local municipalities		
Does the municipality have a Housing Plan / Strategy that includes assessment of the land for housing construction, indigent register and waiting listing	No		Currently working with local municipalities to incorporate housing as a section in the IDP.

Measurement	Status Qou	Key Challenges	Future Mitigating Intervention
Municipal infrastructure			
Does the municipality have an approved Municipal Infrastructure Investment Framework	No		The drafting of a detailed framework is planned to be finalized by end of June 2008.
Does your municipality receive MSIG?	Yes		
What is the allocation for 2007/08	R 1'000'000.00		
What amount of this allocations has been spent in the first half of the 2007/08 FY	R 1'000'000.00		
Does your municipality receive the municipal infrastructure grant	Yes		
What was the allocation 2007/08	R 123'937'000.00		
List the outputs achieved through MIG	See table 2.1		

Table 2.1 MIG EXPENDITURE AND DELIVERABLES

Project Name	07/08 Budget	Actual Expenditure	% of Total Allocation	Remaining Budget	Projected Exp by June 2008	Key Milestones/Outputs achieved
Benfarm water reticulation	R 5,000,000.00	R 4,603,097.04	92%	R 396,902.96	R 396,902.96	80%
Middle-Letaba Mamaila Sekgosese	R 15,000,000.00	R 7,643,685.75	51%	R 7,356,314.25	R 7,356,314.25	30%
Water Reticulation to Villages in GGM: Extension and Upgrading	R 5,000,000.00	R 650,235.19	13%	R 4,349,764.81	R 4,349,764.81	0%
Mametja-Sekororo RWS	R 10,000,000.00	R 3,731,086.00	37%	R 6,268,914.00	R 6,268,914.00	0%
Thabina RWS	R 12,000,000.00	R 5,402,875.46	45%	R 6,597,124.54	R 6,597,124.54	50%
Extension to Middle-Letaba Water Works	R 2,555,000.00	R 3,359,220.36	131%	R -804,220.36	R -804,220.36	10%
Maruleng Central Bulk	R 1,380,196.00	R 1,605,881.39	116%	R -225,685.39	R -225,685.39	40%
Extension to Modjadji Water Works	R 2,185,840.00	R 254,429.95	12%	R 1,931,410.05	R 1,931,410.05	10%
Modjadji Outfall Sewer	R 12,000,000.00	R 1,526,648.85	13%	R10,473,351.15	R 10,473,351.15	0%
Modjadji Sewer Reticulation	R 17,000,000.00	R 1,835,654.57	11%	R 15,164,345.43	R 15,164,345.43	0%
Mopani Household Sanitation-Rural	R 10,000,000.00	R 11,614,219.50	116%	R -1,614,219.50	R -1,614,219.50	100%
Lulekani RDP Houses Sewer Reticulation	R 2,000,000.00	R 177,026.57	9%	R 1,822,973.43	R 1,822,973.43	30%
Namakgale D Sewer Reticulation	R 7,000,000.00	R 1,046,852.49	15%	R 5,953,147.51	R 5,953,147.51	30%
Giyani Water Works	R 7,000,000.00	R 1,117,034.08	16%	R 5,882,965.92	R 5,882,965.92	0%

Table 2.3 EXPANDED PUBLIC WORKS PROJECTS

EPWP PROJECTS	2007/08 BUDGET ALLOCATION	EXPENDITURE TRENDS				NUMBER OF JOB CREATED AGAINST PLANNED TARGETS
		ACTUAL SPENT	% OF TOTAL ALLOCATION	REMAINING BUDGET ALLOCATION	PROJECTED EXPENDITURE BY JUNE 2008	
Thabina RWS	R 12,000,000.00	R 5,402,875.46	45%	R 6,597,124.54	R 6,597,124.54	50
Benfarm - Lulekani Road III	R 4,200,000.00	R 1,590,157.88	30%	R2, 609, 842.12	R2, 609, 842.12	65
Lulekani RDP Houses Sewer Reticulation	R 2,000,000.00	R 177,026.57	9%	R 1,822,973.43	R 1,822,973.43	23
Namakgale D Sewer Reticulation	R 7,000,000.00	R 1,046,852.49	15%	R 5,953,147.51	R 5,953,147.51	15
Modjadji Sewer Reticulation	R 17,000,000.00	R 1,835,654.57	11%	R 15,164,345.43	R 15,164,345.43	0

KPA 3: LOCAL ECONOMIC DEVELOPMENT

Measurement	Status Qou	Key Challenges	Future Mitigating Intervention
Do you have a LED Strategy? Is the alignment of the LED / Provincial Growth and Development Strategy/ ASGISA/ District LED? Does the municipality have projects responding to the above national strategy priorities?	Yes		
Have you established an LED stakeholders Forum?	No		The process to establish the forum was initiated through the Summit.
Do you have an LED Unit? How many staff members are manning the unit?	Yes 02		
Do you have a Preferential Procurement Policy favouring SMME and BEE?	Yes		
Total rand value of contracts awarded during 2007/08?	R111, 536, 889		
Total rand value of contracts awarded to SMME during 2007/08?	R102, 848, 120.45		
Total rand value of contracts awarded to women in 2007/08?	R21, 200, 000.00		

Measurement	Status Qou	Key Challenges	Future Mitigating Intervention
Total rand value of contracts awarded to youth in 2007/08?	R20, 569, 624.09		
Total rand value of contracts awarded to people with disabilities in 2007/08.	R0.00		
Total number of jobs created through LED projects during the first half of the 2007/08 FY	38		
Are the any flagship projects across all sector identified by the municipality	15		

Measurement	Status Qou	Key Challenges	Future Mitigating Intervention
Poverty Alleviation			
Did the municipality have an indigent policy and register in 2007/08 FY	Yes	Tracking of changes on monthly basis of beneficiaries.	Register is updated annually.
Total number of household earning less than R1 100 per month who received free basic water.	96 876	Tracking of changes on monthly basis of beneficiaries.	Register is updated annually.

Measurement	Status Qou	Key Challenges	Future Mitigating Intervention
Total number of household earning less than R1 100 per month who received free basic sanitation.	12 121		
Total number of household earning less than R1 100 per month who received free basic electricity.	73645		
% of the Equitable Share used for free basic services.	10		
Have you established the PMU through the MIG?	Yes		

KPA 4: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT

Measurement	Status Qou	Key Challenges	Future Mitigating Intervention
Submission of monthly and quarterly performance reports	Yes		
Submission of Annual Financial Statements	Yes		
Do you have a Credit control Policy?	Yes		
Billing System give type and functionality (level of satisfaction).	We no longer use the system because it was for RSC Levies.		
Indicate your Revenue collection mechanisms.	Currently we only receive grants.		The process has started to collect fire services charges.
Breakdown the revenue streams.	None		
Cash collected from customers in the first half of the 2007/08 FY	R 215'682'851.32		
Do you have an Audit Committee?	Yes		
Do you have an Internal Audit Unit? If not how do you ensure	Yes	Lack of adequate human capacity.	New post created and are being filled urgently.

Measurement	Status Qou	Key Challenges	Future Mitigating Intervention
that the function is done?			
Total operating expenditure 2007/08	R 346'193'000.00		
Capital budget spend in 2007/08	R 68'165'939.00	Monitoring and evaluation of providers.	Quarterly and monthly meetings to be strengthened.
Council approved capital budget in 2007\08.	R 232'670'786.00		
Total outstanding customer debt as at January 2008	Nil		
Billed revenue for the first half of the 2007/08 FY	Nil		
Do you have an asset register? (copy).	Yes	Tracking the movement of assets and lack of a dedicated staff.	Council to appoint a dedicated staff in this last half of the year.
Current assets as at January 2008	R 232'670'786		
Current liabilities as at January 2008	Nil		
Total Revenue January, 2007/08	R 215'682'851.32		
Revenue from grants January 2008	R 215'682'851.32		
Debt service payments January 2008	Nil		

Measurement	Status Qou	Key Challenges	Future Mitigating Intervention
What is the amount that is owed by government departments to the municipality and how much has been paid during the first half of the financial year? Please indicate the departments and for how long is the debt outstanding.	Nil		
Salaries budget against the total budget (including benefits). As January 2008	R 14'485'665.00/ R51'298'887.00	Late publications of the Remuneration of Councilors notice.	DPLG to issue notice in line with municipal budgeting processes.
Total Capital Budget,	R 232'670'786.00	Insufficient funding for capital.	Funding strategy to be developed.
Total amount of grants received	R 215'682'851.32		
Total operational budget 2007\08	R 346'193'000.00		
Do you have a Supply Chain Management policy?	Yes		Policy is ready for processing through to normal sitting of council.

KPA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

Measurement	Status Qou	Key Challenges	Future Mitigating Intervention
Running of council			
What is the number of municipal council meetings that took place during the first half of the financial year 2007/08?	2	None	None
What is the number of special council meeting that took place during the first half of the financial year?	1		
Have you the public being notified of the sitting of the council meetings?	Yes in all instances.	Poor attendance by the public.	Council meetings to rotate within the district area.
What are the By-laws and Policies that have been approved by municipal council during the first half of the financial year?	Cemetery and Crematoria, Waste Management, Food Vending, Food Handling, Street Trading and Fire Safety By Laws.	Delays in Promulgation	Department of Local Government and Housing must accelerate the process.
How many full time councilors have been appointed and what is the total budget?	07 R 3'283'979.00		
Have your council lost a councilor during the first half of the financial year?	No		

Measurement	Status Qou	Key Challenges	Future Mitigating Intervention
Have you conducted the by-elections ? Where the by-elections conducted in line with the relevant legislation	N/A		
How many mayoral committee and portfolio meetings were held during the first half of the financial year?	5 Mayoral Committee meetings and 22 Portfolio meetings	Clashes with either provincial and/or national programmes.	Joint sharing of programmes.
What processes are undertaken to enforce the Municipal Code of Conduct for councilors?	Through the Ethics Committee	None	
Have your municipal council dismiss a councilor, if yes, please indicate the reason.	No		
What administrative, financial and technical support is offered to political bearer's office (Mayors, Chief Whip, Speakers, etc)	Recording of minutes, purchases, compilation of reports, coordination of IGR structures and all Council Committees	Inadequate resources	The support offered to key political offices being improved.

Measurement	Status Qou	Key Challenges	Future Mitigating Intervention
Ward Committees			
How many wards are established in the municipality?	118	Dispersed villages.	
Number of wards that have established ward committee structures?	118	Adequate resources and capacity constraints	Training programme being developed.
Aggregate number of ward committee meetings held across all wards during 2007\08.	In terms of legislation ward committees must meet at least once a month and they are accounted for at the local municipalities.		In terms of legislation ward committees must meet at least once a month and they are accounted for at the local municipalities.
No. of CDW's and use thereof.	138		
Corporate Governance			
Is the communication strategy in place?	No	Capacity constraints.	
Do you have a communication unit	Yes but not fully functional.	Lack of resources	Appointment of further staff

Measurement	Status Qou	Key Challenges	Future Mitigating Intervention
in place			
Did your municipality conduct a citizen satisfaction survey for 06/07?	Yes		This was conducted through the Izimbizo convened throughout the district and the meetings held with stakeholders.
Does your municipality have a functional complaint management system?	No		The system is being developed.
Is the financial audit committee functional?	Yes		
Is the performance audit functional?	Yes		
Does the municipality have an implement anti corruption policy?	No		Draft in place pending approval by Council.
Were the financial statement for FY 2006\07 submitted to the auditor general by 31 August 2007?	Yes		
Has the Auditor General audited your financial statement for 2006\07	Currently busy with audit.		
What has been the outcome of the	Pending		

Measurement	Status Qou	Key Challenges	Future Mitigating Intervention
audit			
If the auditor general's opinion was qualified or no opinion what were the reasons?	Pending		
What endeavors have been done to address the recommendations of the AG's reports	Full compliance with legislation and policies coupled with training and development of staff.		Improved systems and the functioning of the internal audit unit.
Do you have an approved Fraud & Corruption Prevention Strategy	No		Draft Fraud and corruption strategy has been developed informed by the risk assessment.
Do you have an enterprise Risk Management Strategy in place?	The Risk Management Strategy is in place.		
Have suspended or dismiss any official due to corruption or fraudulent activities?	No		
Information Technology Management	Currently building our capacity.	Lack of staff	Appointment of all outstanding staff by the municipality.
Do you have an approved	No	Lack of capacity	The process of developing

Measurement	Status Qou	Key Challenges	Future Mitigating Intervention
Information Masters Systems Plan			the plan is at 50%. SITA is assisting.
What is the content of the municipal website	Council, reports, documents and Budgets.	Continuous updating of the website.	Lack of dedicated staff with the required skills.
Do you provide an municipal services by utilizing IT systems	Yes		

SECTION B.2: SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN PROGRESS REPORT

See attached documents.

SECTION B. 3: HALF YEAR FINANCIAL ASSESSMENT REPORT

Most of the departments are within their budgets, only a few are above their budgets for this period. These over expenditure need to be addressed during the second half of the financial year to ensure that expenditure stay within the budgets. The departments need to submit motivation for an adjustment on their budgets.

The departments with over-expenditure are:

DEPARTNENT	*% SPENT*	*VARIANCE*
GENERAL COUNCIL	*51*	*1%*

Reason for variances

GENERAL COUNCIL

- The under budgeting for both catering services and conferences.

CASH FLOW

The projected cash flow for the 1st half of the Financial Year is very good.

- **INCOME**

During the first half of the financial year the department managed to collect an income of R 215'682'851.00, which is more than what was anticipated for the period as per the Service Delivery Budget Implementation Plan.

The actual surplus for the period, amounts to R85 172 702.00 which is 11,41% more than the budgeted amount.

- **GRANTS INCOME**

Besides the budgeted grants, the Municipality also received one additional grant i.e. R40m from Department of Water Affairs and Forestry.

DESCRIPTION	BUDGET	AMOUNT RECEIVED
DWAF O & M	0	R 40'000'000.00
Total	**0**	**R40'000'000.00**

EXPENDITURE

Description	Budget	Actual Expenditure	Percentage
	R	**R**	**%**
Salaries & Allowances	51,298,887	14,485,666	28
General Expenses	59,844,860	32,310,309.16	54
Repairs and Maintenance	2,378,500	27,871,759	1,172
Capital	215,682,851.32	68'165'939.00	37

DEPARTMENTAL ANALYSIS

DESCRIPTION	BUDGET	EXPENDITURE
General Council	6,382,523	3,271,983.80
Municipal Manager	2,629,757	1,100,622.34
PIMS	1,387,608	673,411.71
Finance	24,497,5060	18118300,87

Planning and Development	2,143,648	667710.02
LED	6,030,156	1401908.64
IDP	807,600	108032.00
Communication & Marketin	1,652,895	460553.99
Technical Services	43706591	4092991.01
Water Services	106044911	73038545.02
Environment & Waste Man.	12941477	282679.12
Electrical Services	193990	90725.16
Roads, Transport & Elect	49095895	14746297.77
Community Services	9983231	2109174.18
Fire Services	22135044	5651993.14
Disaster Management	26485391	5624979.74
Health Services	5195321	1626880.07
Corporate Services	1517229	366855.86
Human Resource Man.	8011789	4465823.87
Administration	5282019	2137335.66
Legal Services	1443545	1385179.07
Office Of the Executive May	2017600	920132.74
Office Of the Speaker	1346628	229014.22
Office of the Chief Whip	421236	108915.67
Disability Desk	531463	18047.46
Gender Desk	606463	116507.46
Youth Desk	601463	19072.46
Total	**346193033**	**14283673.05**

STAFF BENEFITS

Salaries	23,011,602.00
Annual Bonus	440,206
Overtime	504,677
Housing Subsidy	162,767
Medical Aid	638,0543
Cell Phone Allowance	31,830.00
Pension	1,570,160
Locomotion Allowance	1,522,871
UIF	79,069
Skills Development Levy	51,222

COUNCILORS BENEFITS

DESCRIPTION	**AMOUNT**
Basic Allowance	R1,735,741
Medical Aid	R20,067.00
Cell Phone Allowance	R131,238
Locomotion Allowance	R549,467
Total	

The rate of Expenditure as a percentage of Budget is only satisfying in terms of service delivery i.e. Expenditure on Capital is 56% as opposed to the rest of the items where the Expenditure is a bit slow hence the Adjustment.

SECTION B.4: ADJUSTED BUDGET

Please refer to the attached document named: Adjustment Budget 2007/08".

CONCLUSION

The performance of the municipality during this half yearly period is encouraging. However we need to accelerate the implementation of projects which have some financial implications. While there was a budget adjustment, the main reasons were clearly outlined as new funds received from DWAF and the delays in the infrastructure projects due to unforeseen circumstances. We have since put in place a mechanism to ensure that the remaining projects are completed and the budget well spent.