

# **Baviaans Municipality**

## **Annual Report 2007 / 2008**



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## 1.1 Foreword by Mayor

The following table reflects the accountability and governance framework for municipalities:

	Responsible for	Oversight over	Accountable to
<b>Council</b>	Approving policy and budget	Mayor or Committee	Community
<b>Mayor or Committee</b>	Policy, budgets, outcomes, management of/oversight over municipal manager	Municipal Manager	Council
<b>Municipal Manager</b>	Outputs and implementation	The Administration	Mayor or Committee
<b>Chief Financial Officer and Senior Managers</b>	Outputs and implementation	Financial Management and Operational Functions	Municipal Manager

Local Government in South Africa presents many challenges. A municipality has, inter alia, the objectives of providing democratic and accountable government, ensuring the provision of numerous services and promoting social and economic development. This must be done within its financial and administrative capacity.

In order to ensure service delivery the Municipality must balance the needs of the community against the resources available such as its human and financial capacity. To do this a Municipality must prepare an Integrated Development Plan (IDP) setting out the approach to delivery of its objectives.

Thereafter, an Annual Report is produced to reflect on the achievements and challenges for the past year in relation to the desired performance reflected in the IDP.

This Annual Report is the second report produced to comply with the legislation. Despite the many challenges facing Baviaans Municipality I am proud to present the Annual Report showing progress in service delivery for 2007/08

My appreciation goes to all staff, every community member and every Councillor for these achievements.

Mayor E Look

## **1.2 Baviaans Municipal area**

The information supplied hereunder is extracted from the Integrated Development Plan adopted by Council in 2007. The Municipal area consists of the following urban nodes of Willowmore and Steytlerville.

### ***Topography***

The municipal area is characterised by central plains and lowlands bordered by low parallel hills and mountains to the north and south thereof. The Groot, Traka, Olifants and Kariega rivers drain the region.

### ***Climate***

The region, located in the transitional climatic zone between summer and winter rainfall areas, is prone to fairly harsh climatic conditions whilst average rainfall varies from one sub region to the other.

### ***Vegetation***

Vegetation types are typical of those found in the Karoo region, such as Central Lower Nama Karoo, Grassy Fynbos, Succulent Thicket and Mountain Fynbos.

### ***Development Constraints***

At a regional level the following development constrains can be identified as having an effect on overall development patterns:

- i. Harsh climatic conditions
- ii. Low rainfall
- iii. Fragile vegetation types that are susceptible to erosion and overgrazing
- iv. Expansive clay conditions
- v. Mountainous areas and steep slopes
- vi. Desertification.

### ***Land Use Pattern***

The broad land use pattern of the study area, consisting of two urban nodes, various smaller settlements, a well-developed transportation network, farmlands and conservation areas, is illustrated in Figure 1.

## Demographic Profile

**Table 2: Number of Households**

Steytlerville	1438	1494	1552	1613
Willowmore	2087	2168	2253	2341
Rural area	1428	1494	1520	1539
<b>Total number of households</b>	<b>4953</b>	<b>5157</b>	<b>5326</b>	<b>5493</b>

(Source: Municipal Demarcation Board Census 2001, estimated projections and own statistics)

**Table 3: Population Size**

Year	2004	2010	2015	2020
Population per area	Current population in 2004	Short term 2004 - 2010 (Growth rate = 0,751)	Medium term 2010 - 2015 (Growth rate = 0,35)	Long term 2015 - 2020 (Growth rate = 0,25)
Steytlerville	3811	3986	4056	4107
Willowmore	6685	6992	7115	7205
Rural area	5571	5827	5929	6004
<b>Total population</b>	<b>16067</b>	<b>16805</b>	<b>17101</b>	<b>17316</b>

(Source: Municipal Demarcation Board Census 2001 and estimated projections)

**Table 3: Proportional distribution of population**

Calculation based on the 2004 figures	% of population of Baviaans
Steytlerville	23.72
Willowmore	41.61
Rural area	34.67
<b>Total population</b>	<b>100</b>

(Source: Municipal Demarcation Board Census 2001 and estimated projections)

**Table 4: Age Distribution**

	0-4	5-14	15-34	35-64	65 and over
% Male	48.5	51.7	49.3	45.8	43.7
% Female	51.5	48.3	50.7	54.2	56.3
Total	100	100	100	100	100

(Source: Municipal Demarcation Board Census 2000)

## Housing

Housing of the poor is an area of concern. Both towns and virtually all settlements are faced with a shortage in low-cost housing.

Table 3 provides a summary of housing conditions in Baviaans.

**Table 5: Housing Types**

Households	2001	1996
Formal	4443	2775
Informal		157
Traditional		112
Other		18

(Source: Municipal Demarcation Board Census 2001 and own statistics)

This aspect requires holistic research before detailed estimates of the overall need can be provided.

## Land and Tenure

Land issues are increasingly becoming a problem. Almost all the settlements require additional land for both urban expansion and for commonage purposes. Funding for land acquisition remains the biggest problem.

## Engineering Infrastructure

The provision and maintenance of engineering infrastructure and specifically basic services is and will remain the biggest challenge for the Baviaans Municipality. The municipality consists of two urban nodes, each with its own bulk

infrastructure and reticulation systems. Large disparities still exist in the level of services to various sections. The upgrading and maintenance of this infrastructure will provide major challenges to the capacity of the local authority.

The following tables provide a brief summary of the current situation.

**Table 6: Power Source for Lighting**

<b>Households</b>	<b>2008</b>	<b>1996</b>
Electricity	3108	1368
Gas		21
Paraffin		1115
Candles		578
Solar		-
Other		0

(Source: Municipal Demarcation Board Census 2001 and own statistics)

**Table 7: Water Usage**

<b>Households</b>	<b>2008</b>	<b>1996</b>
Dwelling	3108	1032
Inside yard	3108	1041
Community stand	289	549
Community stand over 200m		-
Borehole		315
Spring		128
Rain tank		23
Dam/Pool/Stagnant Water		-
River/Stream		-
Water vendor		-
Other		0

(Source: Municipal Demarcation Board Census 2001 and own statistics)

**Table 8: Refuse Removal**

<b>Households</b>	<b>2008</b>	<b>1996</b>
Municipal Weekly	3108	1908
Municipal Other		7
Communal dump	2	81
Own dump		1049
No disposal	58	7

(Source: Municipal Demarcation Board Census 2001 and own statistics)

**Table 9: Sanitation**

<b>Households</b>	<b>2008</b>	<b>1996</b>
Flush toilet	2048	1015
Flush septic tank	794	-
Chemical toilet		-
VIP	58	-
Pit Latrine		494
Bucket latrine		1227
None		352

(Source: Municipal Demarcation Board Census 2001 and own statistics)

The collective impact of deficiencies in the bulk infrastructure on the environment is a concern. It is imperative that this aspect be analysed in depth and appropriate mechanisms be introduced.

The municipality now has several rural roads to maintain and certain areas are experiencing very poor infrastructure in this regard.

## **Social Infrastructure**

As with engineering infrastructure, the municipality faces a daunting task in providing social infrastructure to all its inhabitants. Facilities such as libraries, clinics and sports fields are still required in some areas. Although the municipality has committed itself to the provision of these facilities, the serious lack of funds for this purpose will almost certainly result in long waiting periods in some areas.

## **Environment**

Large portions of the entire study area is characterised by sensitive natural areas that require conservation. The developmental needs of the various entities and their associated infrastructural needs pose a real threat to the natural environment unless properly managed.

The natural environment remains one of the most important assets of the region, both from an agricultural and tourism point of view, these sectors having been identified as vital elements of future economic growth.

## **Economy**

Agriculture, tourism and service industries form the basis of the study area's economy, but high levels of unemployment and poverty are still prevalent. These aspects are illustrated in the following tables:

**Table 10: Employment levels**

<b>Persons</b>	<b>2001</b>	<b>1996</b>
Employed	3186	2982
Unemployed	1014	1007
Not economically active	5378	-
Total labour force	4200	-

(Source: Municipal Demarcation Board Census 2001)

**Table 11: Income Patterns**

<b>Person</b>	<b>2001</b>	<b>1996</b>
None	9044	8138
R1-400	1527	560
R401-800	3304	3682
R801-1600	592	316
R1601-3200	323	220
R3201-6400	304	324
R6401-12800	168	69
R12801-25600	33	25
R25601-51200	13	8
R51201-102400	7	11
R102401-204800	16	-
Over R204801	4	-

(Source: Municipal Demarcation Board Census 2001)

### 1.3 Executive summary - Report by Municipal Manager

Before presenting the results for the year under review it is necessary to explain the legal requirements, context and processes to be followed in preparing the Annual Report.

In terms of Section 121 of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003), every municipality must for each financial year prepare an annual report and the Council must within nine months after the end of a financial year deal with the annual report of the Municipality.

In terms of Section 127 of the Municipal Finance Management Act, 2003, the mayor of a municipality must within seven months after the end of a financial year (by 31 January 2009), table in the municipal council the annual report of the municipality. Section 129 of the same Act states that the council of a municipality must consider the annual report by no later than two months from the date on which the annual report was tabled (that is by 31 March 2009), adopt an oversight report which must include a statement whether the Council,

- has approved the annual report with or without reservations,
- has rejected the annual report,
- has referred the annual report back for revision of those components that can be revised.

The purpose of the annual report is:

- *to provide a record of activities of the municipality during the financial year to which the report relates;*
- *to provide a report on performance against the budget of the municipality, and*
- *To promote accountability to the local community for the decisions made throughout the year by the municipality.*

The Council meeting where the annual report is to be discussed must be open to the public and written submissions from the public or organs of the state should be discussed.

#### SERVICE DELIVERY

The primary function of the Municipality is the delivery of basic services to its community.

The primary basic services such as electricity, water, refuse removal, sewerage and roads were supplied to some 3108 households and other categories of consumers during the year under review. Some 1345 indigent households were identified and assisted with a basic level of free services.

The level of service delivery is further detailed as follows:

#### Electricity

100% of households in urban areas have access to electricity with the exceptions being of houses on private land, certain rural developments and any new housing developments in progress.

#### Refuse removal

100% of households have a street front collection service of solid waste removal.

Solid waste is removed to two waste disposal sites. These sites are not licensed in terms of National Government requirements.

#### Roads

The municipality has maintained the road surfaces in 2007/08.

Municipal roads can be analysed as follows:

Tarred surfaces .....20%  
Gravel surfaces .....80%

Sanitation / sewerage  
3108 households have access to sanitation services of which approximately 85% is a waterbourne level of service and the balance of 15% is attributed to all other levels of service

such as a the pail removal system. The latter system is subject to a replacement programme.

#### **Water**

3108 households now have access to a basic level of water supply.

Informal areas are being provided with standpipes, except where people are occupying private land or uninhabitable electrical servitudes.

#### **Municipal Administration**

The financial results indicate that this will remain a challenge for the future. Greater emphasis on collection of revenue and maintenance of sound financial management systems and controls will be a requirement for the future.

#### **PREPARATION OF THE ANNUAL REPORT**

In order to report the progress for 2007/08 it is necessary that a performance management system is available to support the administration.

The performance management system for Baviaans municipality is implemented for the Section 57 employees. During the 2008/2009 all staff will be manage

according to the performance management system. The Integrated Development Plan (IDP) supported by the Budget and subsequent Service Delivery and Budget Implementation Plans are completed and approved by National Government.

The performance for 2007/08 contained in this Annual Report, is therefore a combination of the following:

- Planned activities and projects reflected in the adopted IDP.
- Generic targets normally associated with municipal administration.
- Legislative requirements.

#### **APPRECIATION**

As the Accounting Officer of this Municipality I would like to express my sincere appreciation and gratitude to the Councillors for their political guidance and leadership and to the staff for their support and commitment during the year under review.

#### **MUNICIPAL MANAGER**

## 2 **PERFORMANCE**

### 2.1 **Council / Office of the Mayor**

The Office of the Mayor oversees the Administration via various plans and reporting mechanisms. The IDP, as the main planning tool for directing all activities of the municipality towards meeting community needs and yardsticks for measuring performance will be utilised to analyse actual performance of all functional areas. In addition the Office ensures valuable contact between the community, other Institutions or Organisations and the Municipality.

The members of the Council are:

E Loock	Mayor
D Bezuidenhout	Councillor
H Booysen	Councillor
P Daniels	Councillor
N Miggels	Councillor

This year 11 Ordinary and 11 Special Meetings of Council were held and attended by Councillors. Council has during the year under review approved numerous policies affecting the community. It has also continued the oversight role as required by legislation.

#### **BUDGET PERFORMANCE**

Activity	Budget 2007/8 R'000	Actual 2007/8 R'000	Performance %	Target %
Council: General expenses				
Income	Nil	Nil	100	100
Expenditure	1 250	1 119	90	100

## 2.2 Office of the Municipal Manager

The Municipal Manager as the Accounting Officer is responsible for the overall performance of the municipal administration. The main objective is to establish a transparent, sustainable and user-friendly environment and system that serves the community.

Challenges, as identified in the IDP, to be addressed by this office are reflected below for information. Although progress was slow, the focus during 2007/8 has been to commence development of many of the systems necessary for service delivery as required by legislation, with a view to implementation in future years:

- Customer care ethos – the ability to react to all complaints by acknowledgement within 7 days and to take the necessary action within 30 days. While some improvement is evident the specified performance targets are not measured and further work will be necessary in this regard.
- Clear policies and by-laws that are user friendly, practical and tailor made to fit the Baviaans Municipality's area. The policies and Bylaws adopted by Council during the year are:

<b>Requirement</b>
Aerodrome By-law
By-law Relating to Community Fire Safety
Commonage By-law
Customer Care and Revenue Management By-Law
Electricity By-law
Fences and Fencing By-Law
Funeral Parlours, Cemeteries and Crematoria By-Laws
Impoundment of Animals Bylaw
Prevention of Public Nuisances and Keeping of Animals Bylaw
Liquor (Trading hours) By-law
Outdoor Advertising and Signage By-Law
Public Amenities By-Law
Roads and Traffic By-Law
Solid Waste Disposal By law
Sporting Facilities By-Law
Stormwater Management By-law
Street Trading By-law
Water Supply and Sanitation Services Bylaw

Other challenges were:

<b>Challenge</b>	<b>Progress</b>
Up to date asset register that must be employed to keep proper records of the municipality's property and make provision for depreciation of value. A clear asset alienation process which is in tandem with the Supply Chain Management policy must be employed and a workable maintenance plan for all assets must be utilised to ensure continuous service delivery;	An asset register exists however it requires further identification of individual assets. Under consideration and development Bid committees establish and total compliance with MFMA Chapter 12 will be implemented in 2008/2009.
Proper maintenance of computer hard- and software so as to enable personnel to render services efficiently and effectively. Funds should always be budgeted for maintenance and upgrading of computer software	The necessary accounting and debtors system is in operation but requires further refinement and development. Under consideration and development. Disaster recovery plan being develop and council will adopt an IT policy during 2008/2009 financial year.
Funding for the proper functioning of the municipality in general so as to deliver more than just the basic services;	Under consideration and development
Improvement in over-all revenue management that	Under consideration and development –

<p>focuses particularly on correct and accurate billing systems. The Baviaans Municipality must strive towards increasing of collections to a maximum of hundred 100 percent in 2007/2008 financial year and engage in a vigorous programme for the recovery of all outstanding debt. To do this the following measures must be employed:</p> <ul style="list-style-type: none"> <li>• Accounts must be billed against the occupants of house;</li> <li>• Correct list of house owners must be kept;</li> <li>• All households must receive accounts on time at the end of the month;</li> <li>• Enough and reliable water and electricity meters must kept in stock for installation whenever it becomes necessary;</li> <li>• Investigation into the utilisation of prepaid water meters for account holders that are in debt;</li> <li>• Cutting electricity and water loss to six (6) and twelve (12) percent respectively;</li> <li>• Preparations for the Implementation of the Property Rates Act 4 of 2004.</li> </ul>	<p>implementation is underway in the following year Debt collecting service provider will be appointed in the 2008/2009 financial year.</p>
<p>Implementation of the Performance Management - System so as to enhance the performance of management and employees and avoid duplication of tasks;</p>	<p>Performance Management System implemented in the 2007/ 2008 financial year for the section 57 employees and for the other personnel it will be implemented during the 2008/2009 financial year. A performance management system policy and framework has been adopted by council.</p>
<p>Improved security arrangements in all municipal buildings especially in the administrative offices where money transactions are handled; Security mechanisms and early warning systems must be employed to detect and secure outsourced electricity sales</p>	<p>Security systems have been implemented at the offices in Willowmore and Steytlerville. All other municipal buildings will be done in the 2008/2009 financial year.</p>
<p>Implementation of the National Environment Management Act as required by national legislation</p>	<p>Under consideration</p>
<p>The finalisation of a land use plan for the entire municipal area that would identify future land use patterns and developmental nodes</p>	<p>Under consideration</p>

## KEY PERFORMANCE INDICATORS

The development of these indicators is being considered for subsequent years.

## BUDGET PERFORMANCE

A separate vote is not available for the Office of the Municipal Manager. Expenditure and income relating to this Office is included in the figures for the Office of the Corporate Manager. This will change in future years.

## PROJECTS

The projects related to this Office during 2007/2008 are reflected below. It should be borne in mind that many projects which relate to administrative systems will take longer than one year to fully implement. Internal capacity also plays a role in the length of time necessary to complete these projects. Numerous other factors such as availability of funding, changing priorities and consultation with other organisations affect progress:

<i>Focus / Service</i>	<i>Project No.</i>	<i>Description</i>	<i>Area</i>	<i>Rand</i>	<i>Funded (F) Un Funded(NF)</i>	<i>Funding source</i>	<i>Progress / comment</i>
Governance	1	Finalising the Organogram for BM	BM	20 000	NF	DPHLG	Completed
Governance	2	Implement the Financial Recovery Plan	BM	300 000	NF	Provincia l Treasury /DPHLG	Completed
Governance	3	Complete process of drafting By-laws and policies	BM	30 000	NF	DPHLG	Completed
Governance	5	Implement Performance Management System	BM	384 000	F	DBSA	Completed for section 57 employees. Other personnel in the 2008/2009 financial year.
Governance	8	Finalising the draft Spatial Development Framework	BM	190 000	F	DPHLG	Completed
Economic develop.	46	Economic development and job creation programme for Baviaans Municipality	B	75,000		DEAT, DBSA, BM	In progress / Under consideration
Tourism	66	Website maintenance and online marketing of BM	BM	60 000	NF	DEAT/E CDC/BM	Completed
Tourism	68	Steytlerville Hero's Garden and Monument	S	80,000		DSAC, SAHRA	Complete
Social	81	Baviaans Resource and Development Centre and the creation of associated learnerships	W	300,000		UYF	Completed
Youth	135	Establishment of a youth unit within the municipality	B	-		-	Completed
Safety / security	9(b)	Preparation of a Disaster Management Plan for Baviaans Municipality	B	55,000		MSP	Completed

### Projects allocated to other institutions

<i>Focus / Service</i>	<i>Project No.</i>	<i>Description</i>	<i>Area</i>	<i>Rand</i>	<i>Funding source</i>	<i>Responsible</i>	<i>Progress / comment</i>
Cemeteries	76	Development of cemetery at Fullarton	F	50,000	MIG	BM	Completed
Transport	77c	Upgrading of office, toilets and waiting room at existing taxi rank	W	95,000	CDM	CDM	Completed
Agriculture	65	Steytlerville Pigs Hans Nappes Fencing, Stock water, Abattoir	S	81,500	D. Agric	D Agric.	Complete
Agriculture	68	Siyazondla Food Programme (Tools/fencing R60 000 and Seeds/fertiliser R60 000)	B	120,000	D. Agric	D Agric.	Not completed
Agriculture	64(a)	Willowmore Small Farmers: Fencing	W	100,000	D. Agric	D Agric.	Completed
Agriculture	64(a)i	Willowmore Piggery:	W	100,000	D. Agric	D Agric.	Completed
Agriculture	64(b)	Willowmore Kleinbegin:	W	100,000	D. Agric	D Agric.	
Agriculture	64(c)	Willowmore Poultry Jan Tarrentaal: Abattoir and	W	121,500	D. Agric	D Agric.	Completed

		fencing					
Agriculture	64(d)	Willowmore Maseti Goats Fencing and stock water	W	100,000	D. Agric	D Agric.	Completed
Agriculture	66(a)	Steytlerville Grootvlei: Fencing, dip tank and supplies	S	200,000	D. Agric	D Agric.	Completed
Tourism	53(a)	Western Gateway (Nuwekloof)	BK	400,000	Nat. EAT	Mega-reserve	Completed
Tourism	53(b)	Eastern Gateway (Cambria)	BK	400,000	Nat. EAT	Mega-reserve	Completed
Tourism	53(c)	World Heritage Site Interpretive Centre	BK	5,000,000	Nat. EAT	Mega-reserve	Completed
Tourism	53(d)	Heritage route at Eastern gateway(Cambria)	BK	325,000	Lottery	Mega-reserve	Completed

## 2.3. Budget and Treasury Office

The Chief Financial Officer supports the Municipal Manager to administer the finances of the Municipality. This office will therefore, inter alia, perform the following functions:

- Provide reliable and accurate financial information to all users including Councillors, managers and the public
- Collect revenue due to the municipality and manage the cash-flow
- Control expenditure and payment to creditors
- Prepare annual budgets
- Prepare annual financial statements

The position of Chief Financial Officer was vacant for four months in the previous financial year and for the reporting year it was filled. Due to the position filled, a much more satisfactory Auditor General's report was achieved during the 2007/2008 financial year.

The Budget and Treasury Office has 11 staff in service. The organogram makes provision for 12 posts.

### KEY PERFORMANCE INDICATORS

OBJECTIVE	KPI	TARGET 2007/08	RESULT 2007/08	COMMENT FOR VARIANCE
Comply with legal requirements	Produce financial statements on time	31 August each year	Complied	
	Produce budgets on time	Submitted to Council 31 May each year	Complied	
Financial sustainability	Collect all revenue due to municipality	Collection rate 100%	Collection rate achieved was 95%	Better achievement than last year due to the commitment of staff.
	Ensure total actual expenditure and total income does not deviate from budget	Actual to be within 3% of budget	Expenditure was 13.3% more than budget Income was 61.1% more than budget	Refer below for explanation

### BUDGET PERFORMANCE

Activity	Budget 2007/08 R'000	Actual 2007/08 R'000	Performance %	Target %
Income	7482	12053	161	100
Expenditure	3519	3988	113	100

A Government Grant of R 5m was received from Provincial Government that was not budgeted for and is reflected in the actual income. Expenditure towards these grants is not reflected in the actual expenditure and this is the main reason for the variances reflected above.

## PROJECTS

<i>Focus / Service</i>	<i>Project No.</i>	<i>Description</i>	<i>Area</i>	<i>Rand</i>	<i>Funded / Not funded</i>	<i>Funding source</i>	<i>Responsibility</i>	<i>Progress / comment</i>
Governance	94	Prepare a Financial Plan: assets, indigence, distribution losses, revenue enhancement, tariff policy, investment policy	B	50,000	F	Province	CFO	Completed
Governance	4	Implementation of Credit Control Policy	BM	50 000	F	DPHLG	CFO	Completed

SPACE FOR PICTURES IF NECESSARY

## 2.4 Infrastructure / Technical Services Office

The area that requires servicing is some 7727 square kilometers. The two towns of Steytlerville and Willowmore are complimented by large rural areas comprising mainly agricultural land and nature reserves.

Infrastructure services ensure that an acceptable quality and quantity of each service are rendered to the entire community within the capacity of the municipality. The main services are:

- Electricity
- Refuse
- Roads and Stormwater
- Sewerage
- Water

The work performed by dedicated staff made it possible to regularly service some 3108 customers this year.

The need to upgrade existing infrastructure was identified as an important aspect of future economic growth in the area. This included, amongst others:

- The deteriorating condition of the existing road network within the town and rural communities;
- The lack of electricity supply to certain areas and poor supply to the towns of Willowmore and Steytlerville;
- Poor water quality in the whole Baviaans Municipal area inclusive of Fullerton and Saaimanshoek;
- Removal of the bucket system and the installation of sanitary provisions within the standards prescribed in the RDP document;
- Housing at Fullerton / Saaimanshoek;
- Upgrading of municipal buildings and premises such as offices, community halls, sports facilities, libraries, swimming pools, etc;
- The erection of multi purpose community centres that would be able to provide one stop government services to inhabitants of the Baviaans Municipality; and,
- Purchase and maintenance of the Baviaans Municipality's service delivery fleet.

There are numerous demands to meet and progress will be dependent on human and financial resources available in future. Specifically during the period of this report access to transport and plant was severely limited. During future IDP revisions more detailed analysis of the service backlogs will be required in order to respond to the achievements in future Annual Reports. The performance for each of the main services is reflected below:

## ELECTRICITY

### KEY PERFORMANCE INDICATORS

OBJECTIVE	KPI	TARGET 2007/08	RESULT 2007/08	COMMENT FOR VARIANCE
ELECTRICITY: To provide basic services for all residents	No. of new connections	373	417	RDP Housing on project 373 houses completed. Part of 503 housing project completed
	% HH with access to basic level of service -	100%	100%	Isolated cases exist of households awaiting connections.
	% of network losses	9%	42%	Problems with statistics in Steytleville due to agreement with Eskom and old infrastructure
	Indigent households supplied with free basic electricity	All qualifying households subject to application	100%	

## REFUSE

### KEY PERFORMANCE INDICATORS

OBJECTIVE	KPI	TARGET 2007/08	RESULT 2007/08	COMMENT FOR VARIANCE
To maintain and improve existing level of service to urban communities and ensure environmentally acceptable disposal methods.	% HH with access to basic level of service	100%	100%	Quality of service is restricted due to financial constraints / cash-flow limitations which is receiving attention

## ROADS AND STORMWATER

### KEY PERFORMANCE INDICATORS

OBJECTIVE	KPI	TARGET 2007/08	RESULT 2007/08	COMMENT FOR VARIANCE
ROADS AND STORMWATER improvements / maintenance	No. of kms. of gravel road resurfaced	7 kms	100%	
	No of tarred roads resurfaced	Not determined	4km	Vuyolethwu and Dale view street in Steytleville

	Provide stormwater drainage on all roads, bus links, link roads	1 km	100%	

## SEWERAGE

### KEY PERFORMANCE INDICATORS

OBJECTIVE	KPI	TARGET 2007/08	RESULT 2007/08	COMMENT FOR VARIANCE
SANITATION: To provide basic services for all residents	% HH with access to basic level of service	RDP standard	100%	
	No. of new connections	All	417	
	Pail / Bucket eradication	100%	455 completed	

## WATER

### KEY PERFORMANCE INDICATORS

OBJECTIVE	KPI	TARGET 2007/08	RESULT 2007/08	COMMENT FOR VARIANCE
WATER: To provide basic services for all residents	Water provided with set standards of quality	Standard for urban households – yard connection	100%	
	% HH with access to basic level of service	On-site tap / water meter – 100%	100%	
	% HH with access to basic level service - Recognised informal areas	On-site tap / water meter – 100%	100%	
	No. of new connections	All	417	
	Existence of a water demand management plan	Not defined	Not available	
	Network loss %	11%	15%	Old infrastructure

## BUDGET PERFORMANCE

Service	Budget 2007/08 R'000	Actual 2007/08 R'000	Performance %	Target %
Electricity				
Income	3773	4524	119	100
Expenditure	2914	2945	101	100
Public Works				
Income	520	527	101	100
Expenditure	2648	2762	104	100
Sanitation				
Income	1279	1254	98	100
Expenditure	920	969	105	
Water				
Income	1105	1856	167	100
Expenditure	1164	1206	103	100

The main deviations in the actual income and expenditure compared to the Budget are due to financial constraints and cash flow limitations.

## IDP IDENTIFIED PROJECTS

Focus / Service	Project No.	Description	Area	Rand	Funded (F) Un Funded (NF)	Funding source	Progress / comment
Governance	6	Fleet and Asset Maintenance and Acquisition	BM	4 000 000	NF	NT/DPLG/DBS A/CDM/BM	Funds must be solicited to acquire new implements and vehicles to render effective service delivery in BM.
Governance	7	Water and Electricity Loss Minimisation	BM	5 000,000	NF	DWAF/MIG/DM E/DPLG/CDM	Completed Jun 2007 – ongoing to strive for maximum distribution loss of 13% for water and electricity to 9%.
Housing	10	Provision of housing to all the inhabitants of Baviaans Municipality, with specific reference to Willowmore and Steytlerville	BM	16,000,000	F	MIG, BM	“Willowmore 373” has started, 250 houses built to date. Delayed due to labour problems. “Steytlerville 501” in progress, contractors have been appointed and building of show houses has commenced. 118 transfers to date have been completed. Another 300 transfers have been lodged in the Deeds Office.
Housing	11	Transfer of Housing Board houses to occupants/owners	BM	600 000	F	DPHLG	Conveyancers have been appointed to carry out this task.
Housing	12	Water proofing of Willowmore 460 units	BM	658 000	F	DPHLG	Completed June 2007
Housing	13	Investigation into unoccupied houses for possible re-allocation to new beneficiaries	W	10 000	NF	DPHLG	All empty houses that are being vandalised must be recovered from owners and reallocated to new owners who can

							refurbish them or be demolished. Project is in progress
Housing	14	Investigation into Housing provision in Fullarton	F	50 000	NF	BM/CDM/DPHL G	Land must be identified for new housing units in Fullarton. The transfer of the Railway houses must also be addressed. Project is being monitored together with CDM and is not completed
Housing	15	Investigation of Housing provision in Saaimanshoek	S	50 000	NF	BM/CDM/DPHL G	Land must be identified for housing in Saaimanshoek and the need determined.
Water	16	Augmentation of surface water from Erasmuskloof	S	23 000 000	F	MIG	The preparation of an EIA study is in progress. Depending on the outcome funds from MIG (SMIF) have been committed for this project.
Water	17	Erection of a 1ML Reservoir Tank	S	2 500 000	NF	MIG	Funding must be committed from MIG allocation or Drought Relief Funds
Water	18	Installation of a Telemetry System to monitor water	S	120 000	F	MIG	The project is in the process of completion.
Water	19	Water provision to Sports Fields	S	300 000	F	DSRAC	The DSRAC has allocated R 1 000 000 for the sports stadium and it must be investigated if these funds can cater for permanent water supply.
Water	20	Provision of water Treatment Plant	S	4 000 000	NF	MIG	Funds must be sought from MIG for this project.
Water	21	Provision and installation of water pressure pump	S	130 000	F	MIG	The project is in the process of being implemented.
Water	22	Investigation of more boreholes in Wan hoop	W	1 160 000	F	MIG	300m borehole drilling will be investigated
Water	23	Investigation and utilisation of backwash water in Wanhoop plant	W	500 000	NF	MIG	Investigation must be done before funds can be solicited from MIG. Not completed.
Water	24	Provision and installation of Area meters	W	200 000	NF	MIG	Meters must be bought and installed from Crisis funding from CDM or MIG
Water	25	Installation of water pressure pumps	W	500 000	NF	MIG	One pump purchased for Steytlerville.
Water	26	Provision of permanent water supply to Sports Fields	W	400 000	NF	DSRAC	Funds must be sought for the permanent supply of water to Sports Fields. The use of the recycled water from the sewer works must be investigated
Water	27	Bulk water source development and supply Willowmore	W	3,500,000	F	DWAF, MIG	Consultant appointed to investigate (1) additional source west of Wanhoop waterworks; (2) additional reservoir (1,5mL) in Willowmore has been completed.
Water	28	Water provision Saaimanshoek	S	950,000	F	DWAF, MIG	Completed
Water	29	Upgrading of water supply	S	500 000	NF	MIG	Funds must be solicited for project.
Water	30	Installation of water meters	S	300 000	F	DWAF	Completed
Water	31	Upgrading of water supply	F	500 000	NF	MIG	Funds must be sought.
Water	32	Water provision to Waaikraal Outspan	F	200 000	NF	MIG	Investigation must be done.
Water	33	Installation of water meters	S	300 000	F	DWAF	Completed

Sewerage	34	Sewerage and stormwater drainage at Steytlerville:- Oxidation ponds- Internal reticulation	S	1,800,000	F	MIG	Oxidation ponds near completion stage. Internal reticulation for 501 houses complete.
Sewerage	35	Bucket Eradication in both Steytlerville and Willowmore	BM	3 203 200	F	MIG	Project in progress and phase 2 will commence early in next financial year.
Sewerage	36	Sanitation, Saaimanshoek	L	870,000	F	MIG, DBSA	Installation of VIP toilets is complete
Electricity	37	Electrification of 373 housing units in Willowmore	W	500 000	F	DME	133 connections completed
Electricity	38	Electrification of 503 housing units in Steytlerville	S	2 000 000	NF	DME/MIG	Funds must also be sought from NER to electrify these units
Electricity	39	Upgrading and Refurbishment of electricity supply to both Willowmore and Steytlerville	BM	3 540 000	NF	DME/MIG	Funds must also be sought from NER to electrify these units.
Electricity	40	Replacement of Plessey with Conlog meters	BM	190 000	NF	DME/MIG	Funds must also be sought from NER to electrify these units.
Electricity	41	Provision of Street Lighting in Vuyolwethu	S	900 000	NF	DME/MIG	Funds must also be sought from NER to electrify these units.
Electricity	42	Electrification of Saaimanshoek	L	270,000	F	MIG, CDM, DBSA	Completed
Electricity	43	Electrification of farm schools, farms and rural settlements	B	-		ESKOM, NER, SPOORNET	BM to facilitate
Refuse	43	Upgrading of waste disposal sites in Willowmore and Steytlerville	BM	1 000 000	NF	MIG	Funding to be sought.
Refuse	44	Improve collection and removal of refuse in Willowmore and Steytlerville	BM	800 000	NF	MIG	Funding to be sought.
Stormwater	45	The provision of stormwater drainage, Willowmore and Steytlerville	W	1,000,000	NF	MIG, DBSA	Not done – planning stage. Consultants have applied for funding.
Roads	48	Upgrading of R332 (TR397) Road	BM	15 000 000	NF	DEAT/DT	Not done
Roads	49	Upgrading of Cement Road between Steytlerville and Willowmore	BM	10 000 000	NF	DT	Not done
Tourism	54	Repartitioning and refurbishment of old library into a museum and marketing and information centre for tourism in Willowmore	W	70 000	F	DEAT/CDM	Completed
Tourism	55	Upgrading of Museum, Information Office and Monument in Steytlerville	S	500 000	NF	DEAT/CDM	Not done
Housing	84	The rehabilitation of 460 existing houses in Willowmore	W	1,100,000	NF	BM	Funding not available, being sourced
Social	104	Upgrading of community toilets, Willowmore and Steytlerville	W	100,000	NF	MIG	Funding being sought
Social	105	Upgrading of community halls in Willowmore and Steytlerville	W	2,600,000	NF	MIG	Funding being sought
Social	106	Upgrading of TV services to all inhabitants of Baviaans Municipality: tower maintenance, provision of TV	B	38,000	NF	BM	BM to facilitate and allocate funding from own budget for maintenance and to source external funding for upgrading.

		dishes at farm schools					
Roads	107	Upgrading of internal streets, Willowmore and Steytleville	W	500,000	NF	-	Business plan to be prepared and funding to be accessed
Sport / Recreation	111	Lighting of sportsfields, Steytleville	S	150,000	NF	MIG, ESKOM, BM	Not done
Sport / Recreation	112	Provision of sportsfields in Saaimanshoek	L	300,000	NF		Not done
Sport / Recreation	113	Investigate the provision of Indoor Sports Centre for Baviaans Municipality	W, S, L	20,000	NF	MIG, BM,	Not done
Sport / Recreation	114	Upgrading of play parks, Willowmore and Steytleville	W	60,000	NF	MIG, BM,	Not done
Sport / Recreation	115	Upgrading of swimming pool, Willowmore	W	1 500 000	NF	MIG, BM,	Project to be held in abeyance until a sustainable water resource has been secured
Sport / Recreation	116	Investigate the provision of swimming pool, Steytleville	S	20,000	NF	MIG, BM,	Project to be held in abeyance until a sustainable water resource has been secured
Youth????? Involvement ??	134	Establishment of a fire department	B	-	NF	-	Undertake a feasibility study
Economic – Job creation.	138	Removal of exotic trees to save water	B	-		-	Possible linkage with working for water.
Sport / Recreation	78(a)	Upgrading and extension of sportsfields.	W	300,000	NF	CDM	CDM funded minor upgrading in Willowmore. Additional funding required
Sport / Recreation	78(b)	Upgrading and extension of sportsfields.	S	1000,000	NF	CDM	Steytleville project not funded. Funding to be sought.
Safety / security	9(d)	Preparation of Water Services Development Plan for Baviaans Municipality	B, S, L	150,000	F	CDM, DWAF	Consultant appointed to review the current WSDP

## 2.5 Corporate Services

Corporate services is responsible for the following:

- Secretarial support to the Council
- General administration including aspects of legal compliance
- Human resources
- Legal services administration
- Information and communication technology

The main focus of the Office is to provide an internal administrative support resource for all other services.

The Office also oversees at present community services such as health, environment library and protection services. The functions of tourism and economic development also resort under this oversight. Many of these services are issues of cooperative governance and rely on funding from Province.

During 2007/08 the determination of key performance indicators was receiving consideration and implementation is due for a future year. Some of the statutory compliance issues are reflected below:

### KEY PERFORMANCE INDICATORS

OBJECTIVE	KPI	TARGET 2007/08	RESULT 2007/08	COMMENT FOR VARIANCE
Statutory compliance	Skills development	100% skilled work force	Majority of General Workers still unskilled	Limited Resources
	Gender equality	Totally representative	Fairly representative	Refer chapter 3
	Demographic status	Totally representative	Fairly representative	Refer chapter 3
Efficient administrative systems	Personnel recruitment	Fully operational	Some vacancies exist at year end	
	Archives and filing	Up to date	80%	Some human resource shortages existed
	Minutes and agendas produced on time and accurate	7 days before meeting	80%	
Land administration	Land Audit	100%	10% progress Quotations invited	Received funds late from Department

## BUDGET PERFORMANCE

Activity	Budget 2007/08 R'000	Actual 2007/08 R'000	Performance %	Target %
Administration				
Income	164	19	11	100
Expenditure	2557	2234	87	100

## PROJECTS

Focus / Service	Project No.	Description	Area	Rand	Funded (F) Un Funded (NF)	Funding source	Progress / comment
Tourism	69	Western Baviaans - Tourism Skills Development	BK		F	WBTA	To be funded and implemented by the Western Baviaans Tourism Association
Tourism	70	Western Baviaans – Annual Baviaans Tourism Festival	BK		F	WBTA	To be funded and implemented by the Western Baviaans Tourism Association
Health Care	74	Create a Health Forum/committee that will represent all communities and link to District Health Control body	B	10,000	F	BM, CDM	CDM and BM establishing various Forums. Clinic Committee in Willowmore, Steytlerville. HIV AIDS committee in Willowmore and Steytlerville. Launch of Baviaans HIV/AIDS Advisory Council
Health Care	75	Purchase of mobile clinics	B	160,000	F	CDM	CDM purchased two mobile clinics to service Baviaans Municipality.
Social	79	Create a forum/committee to represent the elderly and to link to government departments	W, S, L	20,000	F	MIG, BM	Steytlerville and Willowmore forums have been established
Social	101	Create infrastructure and facilities to transport patients to doctors, hospitals and clinics for Baviaans residents.	B, S, W	500,000	NF	BM, CDM	Under consideration
Health Care	102	Build clinic shelter points in BM	W	290,000	NF	CDM	Facilitation only / Not commenced.
Education	109	Lodge fund application for the development of pre-schools where needed in Baviaans Municipality	W	500,000	NF	MIG, BM	Facilitation only / Not commenced.

### 3 HUMAN RESOURCES

#### 3.1 Human resources data

The staff employed on average during 2007/2008 is analysed as follows:

Division	Number of staff
Office of the Municipal Manager	4
Budget and Treasury	8
Corporate Services	11
Infrastructural Services	43

The demographic profile is

Occupational Categories	MALES			FEMALES			TOTAL
	African	Coloured	White	African	Coloured	White	
Senior Officials & Managers	1	1	2				4
Professionals				1	1	1	3
Technical & Associate Professionals			3				3
Clerks, Sales and other semi skilled	1		1	3	7	1	13
Plant & Machine Operators	1	2					3
Elementary Occupations	3	31		2	4		40
<b>GRAND TOTAL</b>	<b>6</b>	<b>34</b>	<b>6</b>	<b>6</b>	<b>12</b>	<b>2</b>	<b>66</b>

The total organogram of the municipality makes provision for 76 posts. At the end of June 2008 66 posts were filled leaving 10 vacancies. These vacancies can be analysed in the table below. The average duration for vacancies is approximately 2 years.

Category	Office of the Municipal Manager	Budget and Treasury Office	Corporate Services	Infrastructural Services
Senior Officials & Managers				
Professionals				
Technical & Associate Professionals				2
Clerical, sales and other semi skilled				
Plant and machine operators				
Elementary Occupations				8

### 3.2 Disclosure concerning Councillors and Senior Officials

For the period under review the remuneration of Councillors, Senior Officials and other staff was as reflected in the table below:

Disclosure of Salaries, Allowances & Benefits	Salary	Pension Contributions	Medical Aid Contributions	Allowances	Performance Bonuses	Total Package
	R	R	R	R	R	R
<b>Councillors and Officials</b>	522 504		12 168	219 108		753 780
1. Mayor	140 184		12 168	55 716		<b>208 068</b>
2. Part-time Councillors (4)	382 320			163 392		<b>545 712</b>
<b>Management of the Municipality</b>	4 254 602	546 994	259 092	1 488 741		6 549 429
1. Accounting Officer	167 166			62 728		<b>229 894</b>
2. SM - Chief Financial Officer	148 216			107 544		<b>255 760</b>
3. SM - Infrastructure	191 728			83 781		<b>275 509</b>
4. SM – Comm. & Social Serv.						<b>0</b>
5. SM - Corporate Services	172 823			76 866		<b>249 689</b>
6. Other employees	3 574 669	546 994	259 092	1 157 822		<b>5 538 577</b>
<b>TOTAL COST - REMUNERATION</b>	<b>4 777 106</b>	<b>546 994</b>	<b>271 260</b>	<b>1 707 849</b>		<b>7 303 209</b>

## 4.1 Report of the Auditor General on the Annual Financial Statements and Performance Management.

### **REPORT OF THE AUDITOR-GENERAL TO THE EASTERN CAPE PROVINCIAL LEGISLATURE AND THE COUNCIL OF THE BAVIAANS MUNICIPALITY ON THE FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION OF BAVIAANS MUNICIPALITY FOR THE YEAR ENDED 30 JUNE 2008.**

#### **REPORT ON THE FINANCIAL STATEMENTS**

##### **Introduction**

1. I have audited the accompanying financial statements of the Baviaans Municipality, which comprise the balance sheet as at 30 June 2008, income statement and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, and the accounting officer's report, as set out on pages 1 to 28.

##### **Responsibility of the accounting officer for the financial statements**

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with the entity specific basis of accounting as determined by the National Treasury as set out in accounting policy note 1, to the financial statements and in the manner required by the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act, 2007 (Act No. 1 of 2007) (DoRA). This responsibility includes:
  - designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error
  - selecting and applying appropriate accounting policies
  - making accounting estimates that are reasonable in the circumstances.

##### **Responsibility of the Auditor-General**

3. As required by section 188 of the Constitution of the Republic of South Africa, 1996 read with section 4 of the Public Audit Act, 2004 (Act No. 25 of 2004) (PAA), my responsibility is to express an opinion on these financial statements based on my audit.
4. I conducted my audit in accordance with the International Standards on Auditing and General Notice 616 of 2008, issued in Government Gazette No. 31057 of 15 May 2008. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance on whether the financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the

circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

6. An audit also includes evaluating the:
  - appropriateness of accounting policies used
  - reasonableness of accounting estimates made by management
  - overall presentation of the financial statements.
7. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

#### **Basis of accounting**

8. The Municipality's policy is to prepare financial statements on the entity specific basis of accounting determined by the National Treasury, as set out in note 1 of the accounting policies.

#### **Basis for qualified opinion**

##### **Creditors**

9. Included in the Creditors balance of R1.9 million in the balance sheet, is an amount of R811 399 that relates to Trade Creditors (see Note 14 to the financial statements). The trade creditor's balance in the financial statements of R811 399 does not agree to the trial balance where an amount of R0 is reflected. As this matter emanates from a prior year unexplained difference, the creditors balance and retained income balances may be overstated by this amount.

##### **Debtors**

10. Included in the debtors balance of R3.7 million in the balance sheet, is an amount of R1.1 million that relates to "Other debtors" (see Note 10 to the financial statements). The municipality did not claim value added tax on certain expenses to the amount of R456 992. This resulted in the balance for "Other debtors" being understated whilst the affected expenditure items being overstated by an amount of R456 992. Also affected is the retained income balance which will be understated.
11. The current provision for doubtful debts of R2 492 799 as disclosed in note 10 to the financial statements is estimated to be understated by R2.5 million. Management acknowledged the under provision during the audit and indicated that council approval was needed for the adjustment. The adjustment was not made and as a result the consumer debtor balance is therefore overstated and the provision for doubtful debt balance is understated by an estimated R2.5Million.

##### **Fixed assets**

12. Fixed Assets in the Balance sheet totalling R216 963 (2007: R337 435) was understated due to assets totalling R98 144 being incorrectly classified as repairs and maintenance expenses during the year. This resulted in an overstatement of repairs and maintenance expenditure for the year and an understatement of the Retained Income and the fixed assets balances for the period. This was the result of inadequate policies and procedures implemented by the Municipality for the identification and recording of assets.

##### **Fruitless and Wasteful Expenditure**

13. The municipality has omitted disclosure of potential fruitless and wasteful expenditure of

R83 064 which was incurred during the financial year. The matter was pointed out during the audit to management who did not dispute the audit finding. Note 35 to the financial statements was not updated by management with the result that Section 125(2)(d) of the MFMA which requires disclosure of this matter in the annual financial statements, was not adhered to.

## **Disclosure**

14. During our review of the annual financial statements various shortcomings were identified that indicate that the financial statements do not comply with the minimum disclosure requirements of IMFO. These, inter alia, includes no details on capital commitments at year end and classification of leases not disclosed. In addition, although management included notes 27 to 35 to the financial statements to deal with the compulsory disclosures as required by section 123 to 125 of the MFMA, these notes have no amounts nor detail to give effect to the MFMA requirements and are therefore understated.

The non-disclosure occurred due to inadequate controls in place over financial reporting to ensure the completeness of the financial statements.

## **Qualified Opinion**

15. In my opinion, except for the effects of the matters described in the Basis for qualified opinion paragraphs, the financial statements of the Baviaans Municipality as at 30 June 2008 and its financial performance and cash flows for the year then ended have been prepared in all material respects in accordance with the basis of accounting as set out in note 1 of the accounting policies to the annual financial statements and in the manner required by the MFMA and DoRA.

## **OTHER MATTERS**

Without qualifying my audit opinion, I draw attention to the following matters that relate to my responsibilities in the audit of the financial statements:

### **Non-compliance with applicable legislation**

16. The following non-compliance with legislation was in evidence during the audit:

16.1 Municipal Property Rates Act, 2004 (Act No. 6 of 2004)

The Municipality has not conducted a general valuation since August 2000 which is contrary to section 30(2) of the act.

16.2 Municipal Systems Act, 2000 (Act No. 32 of 2000)(MSA)

Performance contracts have not been introduced for all staff who reports direct to the Municipal manager as set out in section 57(1)(a) of the act.

16.3 MFMA

- (a) No disclosure as set out in section 124(1)(a) of the act of details and amounts in respect of amounts owed by councilors in respect of services.

- (b) Non-implementation of accounting, management and information systems to achieve the desired effects as set out in section 63(2)(a) of the act with respect to asset and liability management.
- (c) Disclosure relating to intergovernmental and other allocations and other compulsory disclosure have not been made in the financial statements as set out in sections 123 and 125 of the act. The more important ones being :
- 123(1)(a) – any allocations received by the municipality.
  - 123(2)(b) – any allocations made by the municipality.
  - 123(3)(c) – how the allocations were spent.
  - 123(4)(d) – whether the municipality has complied with the conditions of the allocations received.
  - 125(2)(d) – any material losses and any material irregular or fruitless and wasteful expenditure.
- (d) The municipal entity does not comply with section 111 of MFMA as there is currently no supply chain management policy in place
- (e) Completeness of (trade creditors) payables to the amount of R22 639 could not be confirmed as there are indications that all payables were not recorded, resulting in the understatement of Creditors and Expenditure and the overstatement of surplus for the year. This is in contravention with section 65(2)(b) of MFMA which requires “the accounting officer of a municipality to take all reasonable steps to ensure that the municipality has and maintains a management, accounting and information system, which recognises expenditure when it is incurred, accounts for creditors of the municipality and accounts for payments made by the municipality”

#### Internal control

17. Section 62(1)(c)(i) of the MFMA states that the Accounting Officer must ensure that the Municipality has and maintains effective, efficient and transparent systems of financial and risk management and internal control. The table below depicts the root causes that give rise to the inefficiencies in the system of internal control which led to the qualified opinion. The root causes are categorised according to the five components of an effective system of internal control. In some instances deficiencies exist in more than one internal control component.

Reporting item	Control environment	Assessment of risks	Control activities	Information and communication	Monitoring
<b>Basis for opinion</b>					
Creditors	X		X		
Debtors			X	X	
Fixed assets			X		
Fruitless and wasteful expenditure	X		X		
Disclosure	X				
Control environment: establishes the foundation for the internal control system by providing fundamental					

Reporting item	Control environment	Assessment of risks	Control activities	Information and communication	Monitoring
discipline and structure for financial reporting.					
<u>Risk assessment</u> : involves the identification and analysis by management of relevant financial reporting risks to achieve predetermined financial reporting objectives.					
<u>Control activities</u> : policies, procedures and practices that ensure that management's financial reporting objectives are achieved and financial reporting risk mitigation strategies are carried out.					
<u>Information and communication</u> : supports all other control components by communicating control responsibilities for financial reporting to employees and by providing financial reporting information in a form and time frame that allows people to carry out their financial reporting duties.					
<u>Monitoring</u> : covers external oversight of internal controls over financial reporting by management or other parties outside the process; or the application of independent methodologies, like customised procedures or standard checklists, by employees within a process.					

### Matters of governance

18. The MFMA tasks the accounting officer with a number of responsibilities concerning financial and risk management and internal control. Fundamental to achieving this is the implementation of certain key governance responsibilities, which we have assessed as follows:

Matter of governance	Yes	No
<b>Audit committee</b>		
▪ The Municipality had an audit committee in operation throughout the financial year.	√	
▪ The audit committee operates in accordance with approved written terms of reference.	√	
▪ The audit committee substantially fulfilled its responsibilities for the year, as set out in section 166(2) of the MFMA.		√
<b>Internal audit</b>		
▪ The Municipality had an internal audit function in operation throughout the financial year.	√	
▪ The internal audit function operates in terms of an approved internal audit plan.	√	
▪ The internal audit function substantially fulfilled its responsibilities for the year, as set out in section 165(2) of the MFMA.		√
<b>Other matters of governance</b>		
▪ The annual financial statements were submitted for audit as per the legislated deadlines as set out in section 126 of the MFMA .	√	
▪ The financial statements submitted for audit were not subject to any material amendments resulting from the audit.		√
▪ No significant difficulties were experienced during the audit concerning delays or the unavailability of expected information and/or the unavailability of senior management.		√
▪ The prior year's external audit recommendations have been substantially implemented.		√
▪ There are documented policies and procedures and controls systems to ensure reliability of financial information reporting.		√
▪ There are documented policies and procedures and control systems to ensure compliance with applicable laws and regulations.		√
▪ The information systems were appropriate to facilitate the preparation of financial statements that are free from material misstatement.		√
▪ Delegations of responsibilities are in place.	√	
▪ Supply chain management policies and procedures were appropriately applied.		√
▪ There is a functioning performance management system.		√

Matter of governance	Yes	No
<b>Implementation of Standards of Generally Recognised Accounting Practice (GRAP)</b>		
<ul style="list-style-type: none"> <li>▪ The municipality submitted an implementation plan, detailing progress towards full compliance with GRAP, to the National Treasury and the relevant provincial treasury before 30 October 2007.</li> </ul>	√	
<ul style="list-style-type: none"> <li>▪ The municipality substantially complied with the implementation plan it submitted to the National Treasury and the relevant provincial treasury before 30 October 2007, detailing its progress towards full compliance with GRAP.</li> </ul>	√	
<ul style="list-style-type: none"> <li>▪ The municipality submitted an implementation plan, detailing further progress towards full compliance with GRAP, to the National Treasury and the relevant provincial treasury before 31 March 2008.</li> </ul>		√

#### Unaudited supplementary schedules

19. The supplementary information set out as Appendices to the financial statements does not form part of the financial statements and is presented as additional information. I have not audited these schedules and accordingly I do not express an opinion thereon.

### OTHER REPORTING RESPONSIBILITIES

#### Reporting on performance information

20. I have audited the performance information for the year end 30 June 2008.
21. There are not adequate policies and procedures to address the accurate compilation of the performance reports.
22. The internal auditors did not audit the performance measurements on a continuous basis, as required by section 45(a) of the MSA and did not submit quarterly reports on their audits to the municipal manager and the audit committee.

#### Responsibility of the accounting officer for the performance information

23. In terms of section 121(3)(c) of the MFMA, the annual report of a Municipality must include the annual performance report of the municipality prepared by the municipality in terms of section 46 of MSA.

#### Responsibility of the Auditor-General

24. I conducted my engagement in accordance with section 13 of the PAA read with General Notice 616 of 2008, issued in Government Gazette No. 31057 of 15 May 2008 and section 45 of the MSA.
25. In terms of the foregoing my engagement included performing procedures of an audit nature to obtain sufficient appropriate evidence about the performance information and related systems, processes and procedures. The procedures selected depend on the auditor's judgement.
26. I believe that the evidence I have obtained is sufficient and appropriate to provide a basis for the audit findings as reported below.

### **Audit findings (performance information)**

#### **27 Non-compliance with regulatory requirements**

- 27.1 The municipality did not submit performance information as required in terms of General Notice 616 issued in May 2008 and section 46 of the MSA, as required by section 121(3)(c) of the MFMA. The municipality has not implemented a performance management system to report on institutional performance.
- 27.2 The Municipal Planning and Performance Management Regulations, 2001 (GNR 796 of 24 August 2001) (hereafter referred to as the regulation) issued in terms of Chapter 6 of the MSA regulates the establishment and operation of the Performance Management System and related functions.
- 27.3 The Baviaans Municipality did not have a properly functioning performance audit committee during the 2007/08 financial year. The existing audit committee was also not utilised as the performance audit committee, as allowed for in terms of regulation 14(2)(a) of the Municipal Planning and Management Regulations, 2001.
- 27.4 The internal audit processes and procedures did not include assessments of the extent to which the Baviaans Municipality's performance measurements were reliable in measuring performance of the municipality on key as well as general key performance indicators, as required in terms of section 45(a) of the MSA.
- 27.5 The internal auditors of the Baviaans Municipality did not audit the performance measurements on a continuous basis and did not submit quarterly reports on their audits to the municipal manager and the audit committee as provided for in terms of regulation 14(1)(c) of the Municipal Planning and Management Regulations, 2001.

### **APPRECIATION**

- 28 The assistance rendered by the staff of the Baviaans Municipality during the audit is sincerely appreciated.

Port Elizabeth

30 November 2008

## 4.2 Comments on the Audit Report and corrective action taken



***BUSINESS PLAN TO ADDRESS THE  
REPORT OF THE AUDITOR-GENERAL  
FOR THE  
2007/2008 FINANCIAL YEAR***

<b>Basis for qualified opinion by A-G</b>	<b>A-G Ref.</b>	<b>Comments by Auditor-General</b>	<b>Response</b>	<b>Required Action</b>	<b>Deadline</b>	<b>Who does</b>
<b>Creditors</b>	9	Included in the Creditors of R 1.9 million in the balance sheet, is an amount of R 811 399 that relates to Trade Creditors (see Note 14 to the financial statements). The Trade Creditors balance in the financial statements of R 811 399 does not agree to the trail balance where an amount of R0 is reflected. As this matter emanates from a prior year unexplained difference, the creditors balance and retained income balances may be overstated by this amount.	Part of this amount is coming from the financial year 2003. BTO has implemented a creditors system that is available in our financial system "Samras". We introduced this system from the 1 July 2008 and we have now a system that managers can daily check their budgets. We also apply the Supply Chain Management Policy and will appoint an accountant to manage the Supply Chain Management Unit.	Review the internal controls relating to creditors. Ensure that the creditors systems are being used.	Jan 2008	CFO
<b>Debtors</b>	10	Included in the debtors balance of R 3.7 million in the balance sheet, is an amount of R 1.1 million that relates to "Other debtors" (see Note 10 to the financial statements). The municipality did not claim value added tax on certain expenses to the amount of R 456 992. This resulted in the balance for "Other debtors" being understated by an amount of R 456 992. Also affected is the retained income balance which will be understated.	An audit was done by SARS during the 2007/2008 financial year and all discrepancies were rectified. However this did not solve the problem. The Chief Financial Officer updated all outstanding VAT claims and this will also be the responsibility of the Accountant Financial Management and Support that will be appointed from the 1 February 2009.	Ensure that all VAT claims be send in at the required date. Ensure that the new accountant put the internal controls in place to manage VAT claims	Feb 2008	CFO
	11	The current provision for doubtful debts of R 2 492 799 as disclosed in note 10 to	Management did acknowledge the understated amount of R 2.5 million,	Ensure that the correct provision will be	Jan 2008	CFO

		the financial statements is estimated to be understated by R 2.5 million. Management acknowledged the under provision during the audit and indicated that council approval was needed for the adjustment. The adjustments were not made and as a result the customer debtor balance is therefore overstated and the provision for doubtful debt balance is understated by an estimated R 2.5 million.	however the BTO is currently busy with a debtor cleansing exercise and monthly a Customer Care and Revenue Collection Committee is held to solve the problem of outstanding debt. Furthermore as at the end of November 2008 the outstanding debt has decreased to R 4 725 932. Management will make the correct provision in the next financial year	made in the adjustment budget and the 2009/2010 budget	May 2008	
<b>Fixed assets</b>	12	Fixed Assets in the Balance sheet totalling of R 216 963 (2007: R 337 435) was understated due to assets totalling R 98 144 being incorrectly classified as repairs and maintenance expenses during the year. This resulted in an overstatement of repair and maintenance expenditure for the year and an understatement of the retained income and the fixed assets balances for the period. This was the result of inadequate policies and procedures implemented by the municipality for the identification and recording of assets.	A memo was sent out to all Managers not to purchase any assets out of the repair and maintenance votes. In future they must budget for equipment according to the MFMA and budget under the correct vote for example assets through the operating income must be budget for under capital outlay and not repair and maintenance.	Ensure that Supply Chain Management put internal controls in place to this will not occur in the future. Ensure that all Managers budget for assets on the correct votes.	Jan 2008	CFO
<b>Fruitless and Wasteful Expenditure</b>	13	The municipality has omitted disclosure of potential fruitless and wasteful expenditure of R 83 064, which was incurred during the financial year. The matter was pointed out during the audit to management who did not dispute the audit finding. Note 35 to the financial statements was not updated by management with the result that Section 125(2)(d) of the MFMA which requires disclosure of this matter in the annual financial statements, was not adhere to.	This matter was not pointed out by the auditors. This matter was pointed by the Chief Financial Officer during the first fase of the audit when the auditors did their systems audit. Furthermore this matter was handed over the municipality attorneys. The latest response from the lawyers is that they are waiting response from an advocate for the way forward. Letters were also send to the Auditor-General, National Treasury and the Provincial Treasury in Bhiso	Put internal controls in place to ensure that this will not happen again. That Cash focus will be use to transfers.	Jan 2008	CFO
<b>Notes to the Financial Statements</b>	14	During our review of the financial statements various shortcomings were identified that indicate that the financial statements do not comply with the minimum disclosure requirements of IMFO. These, inter alia, includes no detail on capital commitments at year end and classification of leases not disclosed. In addition, although management included notes 27 to 35 to	The last financial statements that were submitted to the Auditor-General did include notes 27 to 35 with there amount Management kwon that the financial statements that were given to the Auditors the 26 September were audited. The last statements were given to the auditor-general the first week of October which includes these amounts.	Ensure that all the relevant notes be reflected in the next financial statements	Jul 2008	CFO

		<p>the financial statements to deal with the compulsory disclosures as required by section 123 to 125 of the MFMA, these notes have no amounts nor detail to give effect to the MFMA requirements and are therefore understated.</p> <p>The non-disclosure occurred due to inadequate controls in place over financial reporting to ensure the completeness of the financial statements.</p>				
<b>Other matters</b>	16.1	<p>Municipal Property Rates Act, 2004 The Municipality has not conducted a general valuation since August 2000 which is contrary to section 30(2) of the act.</p>	<p>This municipality is a low capacity municipality and must only comply with the Property Rates Act from the 1 July 2009. A service provider was appointed on the 30 June 2008 and is busy with the valuation of all properties in both towns and the agricultural land. A proper valuation roll will be implemented from the 1 July 2009. A property rates policy will be adopted on the 11 December 2008 where the Auditor-General will be present.</p>	<p>Ensure that from the 1 July 2008 the new valuation roll be implemented.</p>	<p>Jul 2008</p>	<p>CFO</p>
	16.2	<p>Municipal Systems Act, 2000 Performance contracts have not been introduced for all staff who reports direct to the Municipal Manager as set out in section 57(1)(a) of the act.</p>	<p>Performance contracts for section 57 employees are in place.</p>	<p>Done</p>	<p>Done</p>	<p>MM</p>
	16.3	<p>MFMA</p>				
		<p>(a) Non disclosure as set out in section 124(1)(a) of the act of details and amounts in respect of amounts owed by councillors in respect of services.</p>	<p>The Chief Financial Officer did not disclose any amounts outstanding of any councillor as at the 30 June 2008, because they were not in arrears. Furthermore the section which is reflected in the Auditor-General is not the correct section. However management signed deduction orders from all councillors to deduct all services rendered by the municipality from their allowance.</p>	<p>Ensure that this section is disclosed in the next financial statements.</p>	<p>Jul 2008</p>	<p>CFO</p>
		<p>(b) Non-implementation of accounting, management and information systems to achieve the desire effects as set out in</p>	<p>A financial system is in place where all assets and liabilities are accounted for. A asset register is in place where all assets</p>	<p>Ensure that management comply with section of the MFMA</p>	<p>Jul 2008</p>	<p>CFO</p>

		section 63(2) (a) of the act with respect to asset and liability management.	are captured. Management agree that the assets register was not updated electronically but manually.			
		<p>© Disclosure relating to intergovernmental and other allocations and other compulsory disclosure have not been made in the financial statements as set out in sections:</p> <ul style="list-style-type: none"> <li>• 123(1)(a) any allocations received by the municipality</li> <li>• 123(2)(b) any allocations made by the municipality</li> <li>• 123(3)© how allocations were spent</li> <li>• 123(4)(d) whether the municipality has complied with the conditions of the allocations received</li> <li>• 125(2)(d) any material losses and any material irregular or fruitless and wasteful expenditure.</li> </ul>	<p>As set out in note 27 of the latest financial statements all allocations received by the municipal were disclosed. The municipality did not made any allocations to other municipalities or state organs. Monthly reports of all allocations were send to the relevant departments but management agree that it was not disclosed in the financial statements</p> <p>Management did report to the auditors of any material losses and any irregular or fruitless and wasteful expenditure but agree that it was not disclosed in the financial statements</p>	Ensure that management comply with these section of the MFMA	Jul 2008	CFO
		(d) The municipality entity does not comply with section 111 of MFMA as there is currently no supply chain management policy.	This municipality have a Supply Chain Management Policy and it was submitted to the Auditors. The problem was that management did not implement the policy due to capacity. As mentioned previously an Accountant will be appointed from the 1 February 2009 and this will be on his/hers job description	Ensure that management comply with this section of the MFMA	Jun 2008	CFO
		(e) Completeness of (trade creditors) payables to the amount of R 22 639 could not be confirmed as there are indications that all payables were not recorded, resulting in the understatement of creditors and expenditure and the overstatement of the surplus for the year. This is in contravention with section 65(2)(b) of MFMA which requires the accounting officer of a municipality to take all reasonable steps to ensure that the	All creditors are paid according to the MFMA within 30 days. Refer to the Auditor Generals Ref9	Ensure that all creditors are paid according to the MFMA	Ongoing	CFO

		municipality has and maintains a management, accounting and information systems, which recognise expenditure when it is incurred, accounts for creditors of the municipality and accounts for payments made by the municipality.				
<b>Matters of governance</b>	18	The Audit Committee substantially fulfilled its responsibility for the year, as set out in section 166(2) of the MFMA. NO	See report of the Chairperson of the Audit Committee			
		The Internal Audit function substantially fulfilled its responsibilities for the year, as set out in section 165(2) of the MFMA. NO	See report of the Chairperson of the Audit Committee			
		The financial statements submitted for audit were not subject to any material amendments resulting from the audit. NO				
		No significant difficulties were experience during the audit concerning delays or the unavailability of expected information and/or the unavailability of senior management. NO	Some of the senior employees were on leave because this was approved before the audit started. Management will ensure that all personnel will be at work when a audit is done by the external auditors.	Ensure that all relevant staff will be available during the audit next year.	Jul 2008	CFO
		The prior year's external audit recommendations have been substantially implemented. NO	A business plan to address the previous audit report was put in place. Almost 95% of the audit findings of the previous year were addressed. A copy of the business plan and the progress will be attached for the auditor General to review.	Ensure that outstanding issues be address and be submitted to the auditors	Jul 2008	CFO
		There are documented policies and procedures and control systems to ensure the reliability of financial reporting. NO	The municipality has adopted lots of policies during the 2007/2008 financial year. However there are certain policies that have not been adopted and management will ensure that these policies will be adopted during the 2008/2009 financial year.	Ensure that all policies are in place and that it is implemented.	Jun 2008	All managers
		There are documented policies and procedures and control systems to ensure compliance with applicable laws and regulations. NO	The municipality has adopted lots of policies during the 2007/2008 financial year. However there are certain policies that have not been adopted and management will ensure that these	Ensure that all policies and control systems are in place and implemented.	Jun 2008	All managers

			policies will be adopted during the 2008/2009 financial year			
		The information systems were appropriate to facilitate the preparation of financial statements that are free from material misstatement. NO	Out IT experts are currently busy with a business to address the issue of information systems.	Ensure that this business plan is implemented.	Jun 2008	CFO
		Supply chain management policies and procedures were appropriately applied. NO	Management agree however since February 2008 management did apply the policy. Bid committees were established and during the 2008/2009 financial year minutes and reports will be available to be audited.	Ensure that management comply with the SCM policy and that it is implemented	Jan 2008	CFO
		There is a functioning performance management system. NO	A performance management system is in place.	Done	Done	MM
		The municipality submitted an implementation plan, detailing further progress towards full compliance with GRAP, to the National Treasury and the relevant provincial treasury before 31 March 2008. NO	The trail balance for the 2008/2009 financial is converted to GRAP standards.	A reports must be send to National and Provincial treasury explaining the progress	Jan 2008	CFO
<b>Reporting on performance information</b>	21	There are no adequate policies and procedures to address the accurate compilation of the performance reports.	Framework for Performance management in Baviaans Municipality is in place	To execute policy	Ongoing process	MM
	22	The Internal Auditors did not audit the performance measurements on a continuous basis, as required by section 45(a) of the MSA and did not submit quarterly reports in their audits to the municipal manager and the audit committee	Performance evaluations were only done as from March 2008.	Will be done on a quarterly basis from the 2008/2009 financial year	Ongoing	MM
<b>Responsibility of the accounting officer for the performance information</b>	23	In term of section 121(3)© of the MFMA, the annual report of the Municipality must include the annual performance of the municipality prepared in terms of section 46 of MSA.	Will be in the 2008/2009 financial year.	Will form part of the next Annual Report	2008/2009	MM
<b>Audit findings on performance information</b>	27.1	The municipality did not submit performance information as required in terms of General Notice 616 issued in May 2008 and section 46 of the MSA, as required by section	Must develop a list of service providers for their performance in the 2008/2009 financial year: Supply Chain Practioner	Must develop a list of service providers for their performance in the 2008/2009 financial year: Supply Chain Practioner	2008/2009	MM

	27. 2	The municipal planning and performance management regulations, 2001 (GNR 796 of 24 August 2001) (hereafter referred to as the regulation) issued in terms of Chapter 6 of the MSA regulates the establishment and operation of the Performance Management System and related functions.	Performance Management System is in place – Framework adopted by council.	Staff and councillor's evaluations outstanding.	2008/2009	MM
	27. 3	The Baviaans Municipality did not have properly functioning performance audit committee during the 2007/2008 financial year. The existing audit committee was also not utilised as the performance audit committee, as allowed for in term of regulation 14(2)(a) of the Municipal Planning and Management Regulations, 2001.	See report of the Chairperson of the Audit Committee			
	27. 4	The internal audit processes did not include assessments of the extent to which the Baviaans Municipality's performance measurements were reliable in measuring performance of the municipality on key as well as general key performance indicators, as required in terms of section 45(a) of the MSA	See report of the Chairperson of the Audit Committee			
	27. 5	The internal auditors of the Baviaans Municipality did not audit the performance measurements on a continuous basis and did not submit quarterly reports on their audits to the municipal manager and the audit committee as provided for in terms of regulation 14(1)© of the Municipal Planning and Management Regulations, 2001.	See report of the Chairperson of the Audit Committee			



### 4.3 Annual Financial Statements

## REPORT OF THE CHIEF FINANCIAL OFFICER ON THE FINANCIAL STATEMENTS FOR THE YEAR 2007/2008

I have the pleasure in presenting my annual report together with the financial statements for the year ended 30 June 2008.

The primary objective of the Financial Department is to assist the Head of Departments to control their budgets and to ensure effective application of financial resources.

#### 1. OPERATING BUDGET

Details of the operating results per department, classification and object of expenditure are included in appendices D and E. The overall operating results are as follows: (Please note the Budget figures represents the Amended Budget).

INCOME	Actual	Actual	Variance	Budget	Variance
	2008	2007	2007/2008	2008	Actual/Budget
	R	R	%	R	%
Operating income	22,555,464	13,182,562	41.55	16,401,734	-37.52
Appropriations					
Closing Deficit/(Surplus)	(1,348,695)	2,155,477	259.82		
<b>Total</b>	<b>21,206,769</b>	<b>15,338,039</b>	<b>27.67</b>	<b>16,401,734</b>	

EXPENDITURE					
Opening Deficit	2,155,475	2,843,310	-31.91		
Operating expenditure	16,574,564	12,398,450	25.20	16,311,828	-1.61
Appropriations	2,476,730	96,279			
<b>Total</b>	<b>21,206,769</b>	<b>15,338,039</b>	<b>27.67</b>	<b>15,440,520</b>	

The net operating surplus for the year was R 5 980 900. The surplus was generated after a contribution towards a provision for bad debts of R 320 000. A grant of R 5 000 000 was received from Provincial Government to pay creditors and finance funds + reserves. The accumulated deficit was converted to a surplus of R 1 348 695 (2006/2007 – R 2 155 475 deficit) The total provision for bad debts stands at R 2 492 799.

The reason for the surplus is that in three sections the income generated was more than what was budgeted for.

Section	Income Surplus	Budget Surplus	Surplus
	R	R	R
Electricity	1,578,715	858,086	720,629
Water	649,335	-59,312	708,647
Rates	1,214,274	1,004,494	209,780
Contribution received from Provincial Government	5,000,000		5,000,000
<b>Total</b>	<b>8,442,324</b>	<b>1,803,268</b>	<b>6,639,056</b>

Furthermore there was a saving on personnel expenditure of R 1 258 928 and the actual cost on

repair and maintenance increased from R 858 380 (2006/2007) to R 1 651 642 (2007/2008).

### 1.1 RATES AND GENERAL SERVICES

DETAILS	Actual	Actual	Variance	Budget	Variance
	2008	2007	2007/2008	2008	Actual/Budget
	R	R	%	R	%
Income	16,175,416	8,297,052	48.71	10,724,410	-50.83
Expenditure	12,422,566	8,206,311	33.94	10,767,842	-15.37
<b>Surplus/(Deficit)</b>	<b>3,752,850</b>	<b>90,741</b>		<b>-43,432</b>	

### 1.2 TRADING SERVICES

ELECTRICITY	Actual	Actual	Variance	Budget	Variance
	2008	2007	2007/2008	2008	Actual/Budget
	R	R	%	R	%
Income	4,524,143	3,582,181	20.82	3,773,016	-19.91
Expenditure	2,945,428	3,069,858	-4.22	2,914,930	-1.05
<b>Surplus/(Deficit)</b>	<b>1,578,715</b>	<b>512,323</b>		<b>858,086</b>	

WATER	Actual	Actual	Variance	Budget	Variance
	2008	2007	2007/2008	2008	Actual/Budget
	R	R	%	R	%
Income	1,855,905	1,303,330	29.77	1,104,707	-68.00
Expenditure	1,206,571	1,122,281	6.99	1,164,019	-3.66
<b>Surplus/(Deficit)</b>	<b>649,334</b>	<b>181,049</b>		<b>-59,312</b>	

## 2. CAPITAL EXPENDITURE AND FINANCING

The expenditure on fixed assets during the year amounted to R 13 480 497 ( 2006/2007 - R 15 842 950) Hereunder is a summary of the capital expenditure for the year 2007/2008.

DETAILS	Actual	Budget	Actual
	2008	2008	2007
	R	R	R
<b>Capital Expenditure</b>			
<b>Land</b>			
<b>Buildings</b>	<b>22,000</b>	<b>500,000</b>	<b>367,513</b>
Municipal Building			
Community Halls			
Upgrading Libraries	22,000	500,000	367,513

<b>Infrastructure</b>	<b>13,261,008</b>	<b>16,092,950</b>	<b>18,572,289</b>
Sewerage and Sanitation	2,408,285	4,157,000	4,591,536
Water	3,231,681	7,870,000	3,314,039
Electricity	2,650,949	3,065,950	1,012,511
Housing	4,970,093		9,572,913
Streets			81,290
<b>Other fixed assets</b>	<b>197,489</b>	<b>250,000</b>	<b>161,816</b>
Vehicles			
Furniture and Equipment	197,489	250,000	
Administration			161,816
Finance			
Water			
<b>TOTAL</b>	<b>13,480,497</b>	<b>15,842,950</b>	<b>19,101,618</b>

Resources used to finance the fixed assets were as follows:

#### Resources

<b>TOTAL</b>	<b>13,480,498</b>	<b>15,842,950</b>	<b>19,101,618</b>
Grants and Subsidies	13,431,644	15,592,950	18,673,394
Bankfin Loans			376,585
Operating Income	48,854	250,000	51,639

A complete analysis of capital expenditure per department and a classification of service are included in appendix C. More detail regarding external loans used to finance fixed assets is shown in appendix B.

### **3. EXTERNAL LOANS , INVESTMENTS AND CASH**

External loans outstanding on 30 June 2008 amounted to R 216 965 (2007 - R 337 434) as set out in appendix B.

Investments and cash amount to R 33 003 988 (2007 - R 8 630 879)

#### **4. EXPRESSION OF APPRECIATION**

I am grateful to the Mayor, members of the Council, Heads of Departments for the support they have given me by controlling their budget in such away that savings were generated that contributed towards the net surplus for the year.

I would also like to express my appreciation to the staff of the Auditor-General for their co-operation and assistance during the audit of the Council's financial statements.

Johann H Doyle  
Chief Financial Officer  
Baviaans Municipality  
31 August 2008

**BALANCE SHEET AS AT 30 JUNE 2008**

	Notes	2008	2007
		R	R
<b><u>Capital Employed</u></b>			
<b>Funds and Reserves</b>		5 139 332	4 093 973
Statutory Funds	1	4 787 717	3 496 577
Reserves	2	351 615	597 396
(Accumulated deficit)/ Retained Income	19	1 348 696	-2 155 477
		6 488 028	1 938 496
Trust Funds	3		13 424 246
Long term liabilities	4	53 106	173 576
Consumer's Deposits	6	111 795	106 662
		6 652 930	15 642 980
<b><u>Employment of Capital</u></b>			
<b>Fixed Assets</b>	7	216 963	337 435
<b>Net current assets/(liabilities)</b>		6 435 967	15 305 545
<b><u>Current Assets</u></b>		38 039 287	17 043 431
Inventory	9	-	-
Debtors	10	3 748 849	5 730 269
Bank and Cash	5	1 491 700	2 682 283
Short-term investments	11	32 798 738	8 630 879
<b><u>Current liabilities</u></b>		31 603 320	1 737 886
Provisions	13	360 000	357 500
Creditors	14	1 983 615	1 216 527
Unspent conditional Grants	3	29 095 846	
Short-term of long-term liabilities	4	163 859	163 859
		6 652 930	15 642 980

**INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2008**

Actual Income 2007	Actual Expenditure 2007	Surplus/(Deficit) 2007		Actual Income 2008	Actual Expenditure 2008	Surplus/ (Deficit) 2008	Budget Surplus/(deficit) 2008
R	R	R					
8 297 052	8 206 310	90 742	<b>Rates and General Services</b>	16 175 416	12 422 566	3 752 850	-749 151
7 018 788	6 631 283	387 505	Community Services	14 844 424	10 901 350	3 943 074	-416 831
42 127	332 781	-290 654	Subsidies Services	76 679	551 810	-475 131	-569 928
1 236 137	1 242 246	-6 109	Economic Services	1 254 313	969 406	284 907	237 608
4 885 511	4 192 139	693 372	<b>Trading Services</b>	6 380 048	4 151 999	2 228 049	798 954
1 303 330	1 122 281	181 049	Water	1 855 905	1 206 571	649 334	-59 132
3 582 181	3 069 858	512 323	Electricity	4 524 143	2 945 428	1 578 715	858 086
13 182 563	12 398 449	784 114	<b>TOTAL</b>	22 555 464	16 574 564	5 980 900	49 803
		-96 279	Appropriation for the year (refer note )			-2 476 730	
		687 835	Nett surplus/(deficit) for the year			3 504 170	
		-2 843 310	Accumulated surplus/(deficit) at the beginning of the year			-2 155 475	
		-2 155 475	<b>Accumulated surplus/(deficit) at the end of the year</b>			1 348 695	

**CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2008**

	NOTES	2008	2007
<b>Cash retained from operating activities</b>			
		36 578 242	24 305 117
Cash generated by operation	20	-15 124 209	-5 902 287
Investment income	18	204 360	129 542
(Increase)/decrease in working capital	21	2 753 641	-3 383 000
Less: External interest paid	18	52 011	-
<b>Cash available from operations</b>		<b>-12 114 197</b>	<b>-9 155 745</b>
Cash contributions from public and the State		48 692 439	33 459 362
Net proceeds on disposal of fixed assets			1 500
<b>Cash utilised in investing activities</b>			
Investment in fixed assets	7	-13 480 497	-17 788 419
<b>Net cash flow</b>		<b>23 097 745</b>	<b>6 516 698</b>
<b>Cash effects of Financing activities</b>			
Increase/(decrease) in long-term loans	22	-120 469	-106 021
(Increase)/decrease in cash investments	23	-24 167 859	-6 314 910
(Increase)/decrease in cash	24	1 190 583	-95 767
		<b>-23 097 745</b>	<b>-6 516 698</b>

**ACCOUNTING POLICIES****1. Statutory framework**

In terms of section 62(1)(b) of the Local Government: Municipal Finance Management Act 2003 (Act No 56 of 2003) (MFMA) the Municipal Manager must take all reasonable steps to ensure that full and proper records of the financial affairs of the Municipality are kept in accordance with prescribed norms and standards.

**2. Accounting standards**

Section 122 of the MFMA requires the preparation of financial statements to comply with the prescripts of the Public Finance Management Act. In terms of the Government Gazette No. 30013 dated 29 June 2007 the municipality is exempted from implementing these requirements until the 2009/10 financial year subject to the financial statements for the financial years 2006/7, 2007/8, and 2008/9 being prepared using the same basis of accounting applied in the 2005/6 financial year.

Pending the full implementation of the GRAP / GAMAP standards issued by the Accounting Standards Board these financial statements therefore reflect the standards laid down by the Institute of Municipal Finance Officers in its Report on Standardisation of Financial Statements of Local Authorities. (second edition – 1996)

### **3. Basis of accounting**

The financial statements are prepared on the accrual basis using the historical cost convention. The accounting policies are consistent with those applied in the previous year, except when indicated otherwise.

Although many of these accounting policies appear for the first time there has been no change to the accounting practice during the period under review unless specifically identified.

### **4. Presentation currency**

These statements are presented in South African Rand.

### **5. Going concern assumption**

These annual financial statements are prepared on a going concern basis.

### **6. Recording of expenditure**

Expenditures are recorded in the accounting records when –

- materials or services are ordered;
- an obligation to pay has occurred; and
- the impairment of an asset has occurred.

## **7. Funds and reserves**

Various funds and reserves are maintained as follows:

### **7.1. Capital Development Fund**

The existing fund is not subject to any Council policy

### **7.2 Revolving Fund**

A minimum contribution equal to 20% more than the previous year's contribution is provided each year in terms of the previous Municipal Ordinance, No. 20 of 1974 section 74(1)(a) although this legislation is no longer applicable.

### **7.3 Dog Tax Fund**

Administered in respect of the Dog Tax Ordinance and is made up of revenue collected for dog licences.

### **7.4 Housing Development Fund**

This fund is inactive at present.

The Housing Development Fund was established in terms of the Housing Act, (Act No. 107 of 1997). Loans from national and provincial government used to finance housing selling schemes undertaken by the Municipality were extinguished on 1 April 1998 and transferred to a Housing Development Fund. Housing selling schemes, both complete and in progress as at 1 April 1998, were also transferred to the Housing Development Fund. In terms of the Housing Act, all proceeds from housing developments, which include rental income and sales of houses, must be paid into the Housing Development Fund. Monies standing to the credit of the Housing Development Fund can be used only to finance housing developments within the municipal area subject to the approval of the Provincial MEC responsible for housing.

## **8 Reserves**

### **8.1 Leave Reserve**

The municipality's employees are entitled to accrue leave in terms of their conditions of service. The Leave Reserve balance must be maintained to reflect the actual liability for leave standing to the credit of all personnel at year-end. Contributions to the Leave Reserve are made annually according to the budget provision and the liability for leave outstanding.

## **9 Accounting for fixed assets (Property, Plant and Equipment)**

Property, plant and equipment are stated at historical cost while they are in existence and fit for use, except in the case of bulk assets, which are written off at the end of their estimated life as determined by the Chief Financial Officer.

The fixed assets are reflected net of Loans Redeemed and other Capital Receipts. This is tantamount to accounting for depreciation. This is similar to writing down assets over their estimated useful life. However accounting for depreciation is not done in accordance with the GRAP/ GAMAP accounting standards and is to be introduced later.

Impairment losses are recognized as an expense in the year identified. Where an item of property plant or equipment has an estimated recoverable amount less than the carrying amount it will be written down and an expense charged to the Income Statement.

Gains or losses in disposal or retirement of assets are utilized or are applied to the Revolving Fund. Such gains or losses are determined as the difference between

the sales proceeds and the carrying value. Such gains or losses are therefore not reflected in the Income Statement or Statement of Financial Performance.

Land and buildings are not revalued.

Apart from advances from various Council funds, assets may also be acquired through:

- Appropriations from operating income where the full cost of the assets forms an immediate and direct charge against operating income, and therefore it is unnecessary to make any further provision for depreciation.
- Grants of donations, where the amount representing the value of such grant or donation is immediately credited to the "Loans Redeemed and other Capital Receipts" account.
- External loans which are repaid over the estimated lives of the assets acquired from such loans. Interest is charged to the service concerned at the ruling interest rate applicable at the time the advance is made.

## 10. Post Retirement Benefits

Baviaans Municipality provides retirement benefits for its employees. The contributions made to fund obligations for the payment of retirement benefits are charged against revenue in the year they become payable. The defined benefit funds are actuarially valued triennially. Deficits identified are recognised as a liability and are recovered through lump sum payments or increased future contributions on a proportional basis to all participating municipalities.

Any liability in respect of cases of early retirement for reasons such as medical boarding has not been determined or quantified.

In addition the Municipality carries an obligation to pay 70% of the contributions to medical insurance after retirement of an employee. The financial liability has not been quantified and nor does a reserve exist for such liability. At present this is provided annually within the operational budget.

## **11. Investments in financial instruments**

Council has an approved policy to administer investments. Financial instruments include listed government bonds, fixed deposits and short-term deposits with registered commercial banks. At present all investments are short-term deposits. Investments are stated at cost.

When investments have been impaired the carrying value is adjusted by the impairment, which is recognized as expenditure in the period identified.

On disposal of an investment any difference between net proceeds and the carrying amount will be charged or credited to the Income Statement or Statement of Financial Performance.

## **12. Investments in associates, municipal entities and joint ventures.**

The municipality has no such interests at present and therefore has not established a policy in this regard.

### **13. Inventory**

Consumable stores, raw materials, work-in-progress and finished goods shall be valued at the lower of cost and net realisable value. In general, the basis of determining cost shall be the first-in, first-out method.

Unsold properties shall be valued at the lower of cost and net realisable value on a weighted average cost basis. Direct costs, which shall also include a proportion of overhead costs, shall be accumulated for each separately identifiable development.

Redundant and slow-moving inventories shall be identified and written down from cost to net realisable value with regard to their estimated economic or realisable values.

### **14. Accounts receivable**

Accounts receivable (debtors) shall be carried at anticipated realisable value. An estimate shall be made for doubtful receivables based on a review of all outstanding amounts at year-end. Bad debts shall be written off during the year in which they are identified. Amounts that are receivable within 12 months from the reporting date shall be classified as current.

Accounts receivable in respect of property rates and service fees and which are subject to repayment terms longer than 12 months are shown as current.

## **15. Trade creditors**

Trade creditors shall be stated at their nominal value.

## **16. Revenue recognition**

Service charges relating to electricity and water are based on metered consumption. Credit meters are read on a monthly basis and recorded consumption is recognised as revenue when invoiced. Provisional estimates of consumption are made when meter readings have not been obtained. The provisional estimates of consumption are recognised as revenue when invoiced. Adjustments to provisional estimates of consumption are made in the invoicing period in which meters have been read. These adjustments are recognised as revenue in the invoicing period.

### **Revenue from exchange transactions**

- Revenue from the sale of prepaid electricity and water recognised at the point of sale.
- Service charges relating to sewage and refuse removal services are recognised as revenue when invoiced.
- Interest and rentals are recognised on a monthly basis.
- Revenue arising from the sale of other services, including the issuing of licences and permits, shall be recognised as revenue when invoiced or when payment is received.
- Revenue from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislative procedures including those set out in the Municipal Finance Management Act (Act 56 of 2003) and is recognized in the books of account when the recovery thereof from the responsible persons is virtually certain.
- Income for agency services shall be recognised on a monthly basis once the income collected on behalf of agents has been quantified, consistent with the agency agreement.
- Finance income from the sale of housing by way of instalment sales agreements or finance leases is recognised on a time proportion basis.
- Revenue from the sale of goods is recognised when the risk is passed to the buyer.
- Revenue from public contributions is recognised when all the conditions associated with the contribution have been met or where the contribution is to finance property, plant and equipment, when such items of property, plant and equipment is brought into use. Where public contributions have been received but the Municipality has not met the condition, a liability is recognised

### **Revenue from non-exchange transactions:**

- Revenue from property rates is recognised when the legal entitlement to this revenue arises. Collection charges are recognised when such amounts are legally enforceable.
- Penalty interest on unpaid property rates and other service charges are accrued monthly to accounts that reflect arrears.
- Fines i.e. spot fines and summonses are recognised when payment is received, together with an estimate of spot fines and summonses that will be received based on past collection experience.
- Donations are recognised on a cash receipt basis.
- Contributed property, plant and equipment are recognised when such items of property, plant and equipment are brought into use.
- Revenue from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is recognised when the recovery thereof from the responsible person is virtually certain.

## **17. Conditional grants and receipts**

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

## 18. Provisions

Provisions shall be recognised when the Municipality has a present or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the provision can be made. Provisions shall be reviewed at the reporting date and adjusted to reflect the current best estimate.

Non-current provisions shall be discounted to the present value using a discount rate based on the average cost of borrowing to the Municipality.

## 19. 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 change in value. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held on call with banks and investments in financial instruments, net of bank overdrafts. Bank overdrafts shall be recorded based on the facility utilised. Finance charges on bank overdrafts shall be expensed as incurred.

## 20. Unauthorised expenditure

Unauthorised expenditure is expenditure that has not been budgeted, expenditure that is not in terms of the conditions of an allocation received from another organ of state and expenditure in the form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act 56 of 2003). Unauthorised expenditure shall be accounted for as an expense in the Income Statement (Statement of Financial Performance) and where recovered, it shall subsequently be accounted for as revenue in the Income Statement (Statement of Financial Performance).

## 21. Irregular expenditure

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act 56 of 2003), the Local Government: Municipal Systems Act 2000 (Act No.32 of 2000), the Remuneration of Public Office Bearers Act 1998 (Act No. 20 of 1998) or is in contravention of the Municipality's Supply Chain Management Policy, but excludes unauthorised expenditure. Irregular expenditure shall be accounted for as expenditure in the Income Statement (Statement of Financial Performance) and where recovered, it shall subsequently be accounted for as revenue in the Income Statement (Statement of Financial Performance).

## 22. Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure shall be accounted for as expenditure in the Income Statement (Statement of Financial Performance) and where recovered, it shall subsequently be accounted for as revenue in the Income Statement (Statement of Financial Performance).

### **23. Foreign currencies**

Transactions in foreign currencies shall initially be recorded at the prevailing exchange rate on the dates of the transactions. Monetary assets and liabilities denominated in such foreign currencies shall be retranslated at the rates prevailing at the reporting date. Exchange differences shall be included in the Statement of Financial Performance.

### **24. Prior year comparative information**

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

### **25. Establishment of accounts**

- Except insofar as current legislation prescribes the format of accounts, the Municipality's accounting records are maintained in the form which the Chief Financial Officer deems to be the most suitable to enable her/him to manage the Municipality's finances effectively.
- The number of accounts shall be limited to the level necessary to ensure the efficient operation of the Municipality unless required by specific agreements. All requests to create new accounts shall be accompanied by proper documentation and approved by the Chief Financial Officer.
- Accounts shall be established in appropriate vote and item groups to reflect the nature of the revenues to be generated and/or the purpose of the expenditures to be incurred.
- All changes to account purpose codes and other account specific information shall be approved by the Chief Financial Officer. Every departmental head shall notify the Chief Financial Officer on a timely basis, of any organisational change, including the movement of staff, affecting reporting responsibility and any general ledger accounts to be deleted, including inactive accounts or special accounts for which the amount has been expended.

### **26. Reconciliation of accounts**

The Chief Financial Officer shall ensure that all control accounts and subsidiary records are reconciled on a monthly basis.

## **27. Changes to processed information in the financial management system**

All changes to processed information in the financial management system shall be done through properly authorised journal forms.

## **28. Surpluses and Deficits**

The overall surplus or deficit shall be retained and carried over to the following year. Council shall deal with the surpluses and deficits once the Chief Financial Officer has submitted a report and recommendations in this regard.

Any surpluses or deficits arising from the electricity and water services are transferred to Rates and General Services. No Council policy exists to define the maximum surplus that may be transferred from any trading service.

**NOTES TO THE FINANCIAL STATEMENTS**

Note Number	2008		2007	
	R		R	
<b>1 Statutory Funds</b>	4 787 718		3 496 577	
Capital development fund	9 342		9 342	
Revolving fund	4 112 178		2 821 038	
Dog tax fund	134 246		134 246	
Housing development fund	531 951		531 951	
(Refer to Appendix A for more details)				
<b>2 Reserves</b>	351 615		597 396	
Leave reserve fund	351 615		597 396	
Television relay fund				
Electrical maintenance fund				
(Refer to Appendix A for more details)				
<b>3 Trust funds</b>	29 095 847		13 424 246	
MSP Projects			-27 566	
Fire Fighting Trust (Cacadu)	22 394 562		5 738 929	
Project Consolidated	288 927		834 273	
Spatial Development Framework	95 637		73 192	
Land Sales			1 500	
Housing Project 460	66 512		97 032	
LED Paper project (Steytlerville)	710 193		716 890	
Electricity donation fund			8 325	
FMG Grant	362 048		664 445	
HIV Launch			9 429	
Willowmore Housing Repairs (Cacadu)			21 087	
Drought Relief fund	177 969		392 104	
CMIP Steytlerville sewerage project			156 425	
CMIP Steytlerville reservoir			-12 105	
Steytlerville Housing Project			4 700 286	
Steytlerville Sewer treatment works	-		-	
Property Valuation	5 000 000			
PMS/IDP			50 000	
(Refer to Appendix A for more details)				
<b>4 Long-term Liabilities</b>	53 106		173 576	
Long term loans	216 965		337 435	
Less: Short term portion	163 859		163 859	

(Refer to Appendix B for more details)

These loans bears interest at a rate that vary between 11.00% and 18.75%. These loans are redeemable in bi-annual payments.  
Vehicle loans are redeemable in monthly payments

<b>5 Bank and Cash</b>	<b>1 491 700</b>	<b>2 682 283</b>
Baviaans General Account (ABSA Bank)	1 424 435	583 724
Standard Bank	7 744	
Vuyolwethu Housing Account (ABSA Bank)	59 521	2 098 560
ABSA Bank (Primary Bank Account) Account Number 4053623514 Standard Bank Account Number 280252013 ABSA Bank (Vulolwethu Housing Account) Accountant Number 4061808429		
<b>6 Consumer Deposits</b>	<b>111 795</b>	<b>106 662</b>
Water and Electricity	111 795	106 662
<b>7 Fixed Assets</b>		
<b>Fixed assets at the beginning of the year</b>	<b>62 612 936</b>	<b>43 511 319</b>
Capital Expenditure during the year	13 480 497	19 101 618
Less: Assets written off, transferred or disposal of during the year		
<b>Total fixed assets</b>	<b>76 093 433</b>	<b>62 612 937</b>
Less: Loans redeemed and other capital receipts	75 876 470	62 275 502
<b>Nett fixed assets</b>	<b>216 963</b>	<b>337 435</b>
<b>8 Long-trem Debtors</b>	<b>-</b>	<b>-</b>
Housing loans	-	
Less: Provision for bad debts	-	
<b>9 Inventory</b>	<b>-</b>	
Inventory represents only fuel		
<b>10 Debtors</b>	<b>3 748 849</b>	<b>5 730 269</b>
	<b>2 618 353</b>	<b>1 589 740</b>
Consumers	5 111 152	8 850 939
Less: Provision for bad debts	2 492 799	7 261 199
Other debtors	<b>1 130 496</b>	<b>4 140 529</b>
Sundry debtors	270 156	1 249 385
Electricity 373 Houses	581 155	
Cacadu claims		576 725

Suspence account		32 125
VAT - Nett SARS claims at year end		1 680 227
IEC	7 420	
Nursery Electricity	78 110	
Christmas Lights	45 063	
IGG to be received from Bisho		400 000
Salary advances - Steytlerville		168 267
Pre-paid sales - outstanding deposit (Lucky 7)	30 363	33 800
Umsobomvu Youth Fund	118 230	

10.1 Age Analysis per Service	Less than 90	Over 90 days	Total
	days		
	R	R	R
Water	374 788	1 492 388	1 867 177
Electricity	214 052	381 893	595 945
Sewerage	93 712	691 530	785 243
Refuse	134 700	1 078 660	1 213 360
Rates	96 816	741 706	838 523
Other	212 115	61 663	273 778
<b>Total</b>	<b>1 126 185</b>	<b>4 447 844</b>	<b>5 574 030</b>

10.2 Age Analysis per category			
Provincial Departments	155 493	21 096	176 589
Industrial/Business	56 554	83 810	140 365
National Departments	11 847		11 847
Residents	902 290	4 342 937	5 245 227
<b>Total</b>	<b>1 126 185</b>	<b>4 447 844</b>	<b>5 574 030</b>

11 **Short term investments** 32 798 738 8 630 879

Unlisted		
ABSA Bank	32 098 122	7 921 191
Standard Bank	700 616	709 688

Market value of unlisted investments 32 798 738 8 630 879

Average rate of return on investments 11.00% 7.90%

Investments consists of savings accounts and 32 days notice deposits  
 No investment were pledged as security for any funding activities of the Council  
 Although no investments have been written off, an investment account of R 7 744 was closed by Standard Bank and transfer to their unclaimed funds account. A claim is submitted for this funds and is shown under debtors

12 **Deferred charges**

No deferred charges were applicable as at 30 June 2008.

13 **Provisions** 360 000 357 500

Audit Fees 2004/2005		157 500
Audit Fees 2005/2006		200 000
Audit Fees 2008/2009	360 000	200 000
<b>14 Creditors</b>	<b>1 983 615</b>	<b>1 216 526</b>
Trade Creditors	811 399	362 893
Motor vehicle registration fees		338 798
Auditor-General	-	-
Gaurantee Electricity project		62 434
Deposit's Halls	3 813	
VAT - Nett position	1 168 403	
VAT - Income not yet paid by debtors		
Suspence account		155 499
Other creditors		296 901
<b>15 Assessment rates</b>	<b>1 334 434</b>	<b>922 811</b>
All properties	1 334 434	922 811
<p>Valuations of residential, commercial/industries and state refer to Appendix F  The above valuations came into effect on 1 July 2000. A project to revalue all properties in terms of the Property Rates Act has been implemented – new valuations should be available for 1 July 2009. The general rate applied for the 2007/2008 financial year is reflected in Appendix F</p>		
<b>16.1 Councillor's Remuneration</b>	<b>753 780</b>	<b>705 688</b>
<u>Mayor/Speaker</u>	<b>208 068</b>	
Salary	140 184	
Transport allowance	46 728	
Medical aid allowance	12 168	
Cell phone allowance	8 988	
Councillor's allowance	<b>545 712</b>	<b>705 688</b>
Salary	382 320	
Transport allowance	127 440	
Cell Phone allowance	35 952	
<b>16.2 Details of arrears as at 30 June 2008 owing by individual councilors</b>		
Not on of the councillor's owed the council on 30 June 2008		
<b>17 Auditor's Remuneration</b>	<b>749 934</b>	<b>281 728</b>
Current year	749 934	

Prior year	-	281 728
<b>18 Finance Transaction</b>	<b>204 360</b>	<b>129 542</b>
Total external interest earned or paid		
Interest earned	204 360	129 542
Interest paid		
Capital charges debited to operating account		
<b>Interest:</b>	<b>52 011</b>	<b>91 688</b>
External	52 011	91 688
Internal		
<b>Redemption:</b>	<b>75 656</b>	<b>115 411</b>
External	75 656	115 411
Internal		
<b>19 Appropriations</b>		
Appropriation Account:		
Accumulated deficit at the beginning of the year	-2 155 477	-2 843 310
Operating (deficit)/surplus for the year	5 980 900	784 112
Appropriation for the year	-2 476 729	-96 279
Prior year various adjustments	-1 896	
Wrong allocation see note 37	-22 325	
Expenditure 2005/2006 See note 37	-428 430	
Expenditure 2005/2006 See note 37	-677 341	
Expenditure 2006/2007 See note 37	791 323	
Electrification 373 houses See note 37	62 434	
Unknown deposits See note 37	8 564	
Clearing suspense account See note 37	752 333	
IOT Money raised See note 37	-400 009	
MIG Funds wrongly allocated See note 37	-400 400	
Correction of housing account See note 37	-2 422 896	
Motor Vehicle Registration See note 37	388 798	
Provision Audit Fees	-360 000	
Investments	-205 250	
Leave Reserve	208 059	
Bank	280 305	
Audit Cost 02/03		-22 656
Audit Cost 02/03 & 03/04		-35 181
Audit Cost 02/03 & 03/04		-84 474
VAT Sanitation truck		46 032
<b>Accumulated surplus/(deficit) at the end of the year</b>	<b>1 348 694</b>	<b>-2 155 477</b>
<b>Operating account:</b>	<b>71 286</b>	<b>74 565</b>
Capital expenditure	71 286	74 565

<b>Contributions to:</b>	<b>492 410</b>	<b>561 672</b>
Revolving fund	120 160	100 134
Leave reserve fund	52 250	50 000
Provision for bad debts	320 000	411 538
<b>20 Cash generated by operations</b>		
(Deficit)/Surplus for the year	<b>5 980 900</b>	<b>784 112</b>
Adjustments in respect of:		
Previous years operating transactions	-2 476 730	-96 279
Appropriations charged against income	<b>603 696</b>	<b>808 562</b>
Revolving fund	120 160	100 134
Provisions	412 250	50 000
Fixed assets	71 286	658 428
Interest to internal funds		
Less: Operating contr. From Central and Prov. Govern.	-12 498 028	-5 534 205
Capital Charges	<b>127 667</b>	<b>207 099</b>
Interest paid to internal funds		
on external funds	52 011	91 688
Redemption of internal advances		
of external loans	75 656	115 411
Investment income (operating account)	-204 360	-129 542
Non-operating income:		
Net income from provisions and reserves	-120 469	-101 078
Non - Operating expenditure	-357 500	
Expenditure charged against provisions and Reserves	-6 179 385	-1 840 958
	<b>-15 124 209</b>	<b>-5 902 289</b>
<b>21 (Increase)/decrease in working capital</b>	<b>2 753 641</b>	<b>-3 383 000</b>
(Increase)/decrease in inventory		20 885
(Increase)/decrease in debtors, log-term debtors	1 981 420	-3 219 081
Increase/(decrease) in creditors, consumers deposit	772 221	-184 804
Less: Outstanding grant for Steytlerville Library		
<b>22 Increase/(decrease) in long-term loans (external)</b>	<b>-120 469</b>	<b>-106 021</b>
Loans raised	216 965	337 435
Loans repaid	337 434	443 456
<b>23 (Increase)/decrease in external cash investments</b>	<b>-24 167 859</b>	<b>-6 314 910</b>

Investments matured	8 630 879	2 315 969
Investments made	32 798 738	8 630 879
<b>24 (Increase)/decrease in cash on hand</b>	1 190 583	-95 767
Cash balance at the beginning of the year	2 682 283	2 586 516
Less: Cash balance at the end of the year	1 491 700	2 682 283

**25 Retirement benefits**

The employees of the former Willowmore Municipality are members of the Cape Joint pension fund as well as SAMWU Provident fund. Employees of the former Steytlerville Municipality are members of the SALA pension fund

**26 Revolving fund**

Outstanding advances to borrowing services		
Accumulated fund		
Less: Internal investment in the Rates and General Account	4 112 178	2 821 038
External investments	-4 112 178	-2 821 038
	-	-

<b>27</b>	<b><u>Government Grants and Subsidies</u></b>	<b><u>39 585 151</u></b>	
	<b>Grants received:</b>		
	National Equitable Share	5 905 207	
	Department of Transport		
	Finance Management Grant	500 000	
	Extra-ordinary allocation	5 000 000	
	MIG	21 607 253	
	Provincial PHB subsidies		
	Health subsidies	572 691	
	Libraries		
	Other		
	District Municipalities	1 000 000	
	LED projects		
	Municipal Property Rates	5 000 000	
	<b>Grants due in terms of Division of Revenue Act – payment delayed</b>		
	Drought Relief Fund	1 500 000	
<b>28</b>	<b>Senior Management remuneration</b>		
	<u>Municipal Manager Z Mvandaba to 31 December 2007</u>	<u>199 527</u>	

	Annual remuneration	142 999	
	Performance bonus		
	Vehicle allowance	55 328	
	Other	1 200	
	<b>Municipal Manager JZA Vumazonke 1 June 2008 to 30 June 2008</b>	<b>30 367</b>	
	Annual remuneration	24 167	
	Performance bonus		
	Vehicle allowance	5 000	
	Other	1 200	
	<b>Chief Financial Officer JH Doyle</b>	<b>255 760</b>	
	Annual remuneration	148 216	
	Performance bonus		
	Vehicle allowance	102 144	
	Other	5 400	
	<b>Corporate Services Manager M Lötter</b>	<b>249 689</b>	
	Annual remuneration	172 823	
	Performance bonus		
	Vehicle allowance	69 592	
	Other	7 274	
	<b>Technical Services Manager B Arends</b>	<b>275 509</b>	
	Annual remuneration	191 728	
	Performance bonus		
	Vehicle allowance	78 381	
	Other	5 400	
29	<b>Municipal Entities</b>		
	This municipality does not have any entities under its sole or shared control.		
30	<b>Contributions to organized Local Government</b>		
	Contributions made: SALGA	25 894	
	Contributions outstanding	Nil	
31	<b>Taxation and other disclosable expenditure</b>		
31.1	<b>Taxes paid:</b>	<b>773 320</b>	
	Levies	Nil	
	VAT	Nil	
	PAYE	641 795	
	SDL	42 657	
	UIF	88 869	
	Taxes unpaid at year end	Nil	
31.2	<b>Pension and Medical Aid Contributions:</b>	<b>818 254</b>	
	Current year contributions Medical aid	271 260	

	Current year contributions Pension	546 994	
32	<u>Details of current bank accounts (investment accounts excluded)</u>		
	Standard Bank: Steytlerville – cheque		
	Opening balance	434 227	
	Year-end balance	180 480	
	ABSA Bank – Willowmore – cheque		
	Opening balance	644 859	
	Year-end balance	1 507 619	
	ABSA Bank – Vuyolwethu Housing Account		
	Opening balance	1 982 848	
	Year-end balance	60 445	
33	<b>Particulars of non-compliance with the act Municipal Finance Management Act</b>	None recorded	
34	<b>Capital Commitments</b>		
	Expenditure approved and contracted:	None recorded	
	Expenditure approved but not contracted	None recorded	
35	<b>Contingent Liabilities</b>	None recorded	
36	<b>Unauthorized, Irregular, Fruitless and Wasteful expenditure</b>		
36.1	Material unauthorized expenditure	None recorded	
36.2	Material irregular expenditure	None recorded	
36.3	Material fruitless expenditure	None recorded	
36.4	Any material losses	None recorded	
36.5	Disciplinary and criminal proceedings	None recorded	
37	<b>Movement in appropriation account</b>		
	Prior year various adjustments	-1 896	
	An amount of R 22 324.63 was for water research in 2007/2008 which was for the book year 2006/2007: Journal Nr. 51/07/08	-22 325	
	Correction of creditors paid in 2007/2008 which was creditors during 2006/2007. Journal 78/07/08	-428 430	
	This expenditure made during July 2007 which was for June 2007. Journal 79/07/08	-677 341	
	Correction of creditors of the 2006/2007 book year. Journal 80/07/08	791 323	
	Electrification 373 houses – the first 150 houses. According to the Manager Technical Services all monies have been paid to Benkro. Journal 81/07/08	62 434	
	This correction of unknown deposits of R 99 064.12. R 90 500 was for the Pigs and Poultry project that as corrected. The other R 8 564.12 can not be traced. Journal 82/07/08	8 564	
	This was the posting of orders. It was	752 333	

	stopped by the accountant and she never put the journal through. The expenditure was posted from the payment vouchers to the correct vote numbers. Journal 84/07/08		
	During Willowmore Municipality a debtor was raised for R 400 000. The municipality claimed that National Government owed them R 400 000 of the equitable share. The correction was made because the government did not owe this money.	-400 009	
	When payment was made to the Department of Transport a wrong vote number was used. This is the correction Journal 97/07/08	-400 400	
	The municipality paid the Department of Transport R 400 000 re motor vehicle registration fees not paid over. Journal 106/07/08	338 798	
	Correction of Steytlerville Housing account Journal 105/07/08		
	Provision for Audit Fees	-360 000	
	Correction of Investments	-205 250	
	Correction of Leave Reserve	208 059	
	Correction of Bank Balance	280 305	

**APPENDIX A****STATUTORY FUNDS, RESERVES AND TRUST FUNDS**

	Balance at 30/06/2007	Contributions during the year	Interest on investments	Other income	Operating expenditure during the year	Capital expenditure during the year	Balance at 30/06/2008
	R	R	R	R	R	R	R
<b>Statutory Funds</b>							
Capital development fund	9 342						9 342
Revolving fund	2 821 038	120 160		1 201 076	30 096		4 112 178
Dog tax fund	134 246						134 246
Housing development fund	531 951						531 951
<b>Sub Total</b>	<b>3 496 577</b>	<b>100 134</b>	<b>-</b>	<b>1 201 076</b>	<b>30 096</b>	<b>-</b>	<b>4 787 717</b>
<b>Reserves</b>							
Leave reserve fund	597 396	52 250			298 030		351 616
Television relay fund							-
Electrical maintenance fund							-
<b>Sub Total</b>	<b>597 396</b>	<b>52 250</b>	<b>-</b>	<b>-</b>	<b>298 030</b>	<b>-</b>	<b>351 616</b>
<b>Unspent conditional grants</b>							
MSP Projects	-27 566			27 566			
Municipal Infrastructure Grants	5 738 929			23 098 780		6 443 147	22 394 562
Project Consolidated	834 273				545 147		288 927
Spatial Development Framework	73 192			63 983	41 438		95 637
Land Sales	1 500				1 500		
Housing Project 460	97 032					30 520	66 512
LED Paper project Steytlerville	716 890				6 698		710 192
Electricity donations fund	8 325				8 325		
FMG Grant	664 445				302 397		362 048
HIV Launch	9 429				9 429		

Willowmore Housing Repairs (Cacadu)	21 087		2 150	23 237		
Drought Relief	392 104			214 136		177 968
CMIP - Steytlerville sewer project	156 425			156 425		
CMIP - Steytlerville sewer reservoir	-12 105		12 105			
Steytlerville Housing project	4 700 286			4 700 286		
Property Valuation			5 000 000			5 000 000
PMS/IDP	50 000			50 000		
<b>Sub Total</b>	<b>13 424 246</b>		<b>28 204 584</b>	<b>6 059 317</b>	<b>6 473 667</b>	<b>29 095 846</b>
<b>TOTAL FUNDS</b>	<b>17 518 219</b>	<b>172 410</b>	<b>29 405 661</b>	<b>6 387 443</b>	<b>6 437 667</b>	<b>34 235 179</b>

**APPENDIX B**  
**EXTERNAL LOANS AND INTERNAL ADVANCES**

		Balance at 30/06/2007	Received during the year	Redeemed or written off during the year	Balance at 30/06/2008
		R			
<b>External loans</b>	Redeemable				
Issued					
<b>Development Bank:</b>					
1990 - R 35 000 @ 16.52%	2007	2 833		2 833	
1990 - R 52 000 @ 13.75%	2007	3 681		3 681	
<b>Sub Total</b>		<b>6 514</b>		<b>6 514</b>	
<b>ABSA Bank</b>					
2002 - R 341 695 @ 14.87%	2007	17 633	4	17 637	
2005 - R 376 585 @ 11.00%	2010	313287	6 708	103 030	216 965
<b>Sub Total</b>		<b>330 920</b>	<b>6 712</b>	<b>120 667</b>	<b>216 965</b>
<b>TOTAL</b>		<b>337 435</b>	<b>6 712</b>	<b>127 181</b>	<b>216 965</b>

**APPENDIX C**  
**ANALYSIS OF FIXED ASSETS**

Expenditure 2007		Budget 2008	Balance at 30/06/2007	Expenditure during the year	Written off, transferred or disposed	Balance at 30/06/2008
R		R	R	R	R	R
<b>Rates and General Services</b>		<b>4 907 000</b>	<b>14 832 279</b>	<b>2 627 774</b>	<b>-</b>	<b>17 460 053</b>
<b>243 105</b>	<b>Community Services</b>	<b>250 000</b>	<b>5 445 357</b>	<b>197 489</b>	<b>-</b>	<b>5 642 845</b>
152 668	Administration	250 000	972 240	197 489		1 169 729
81 290	Public Works	-	2 366 615			2 366 615
	Swimming Pool		54 110			54 110
	Civil Defense		1 304			1 304
	Traffic Services		221 976			221 976
	Television relay station		98 545			98 545
9 147	Council General Expenses		1 566 036			1 566 036
	Health Services		164 530			164 530
<b>367 513</b>	<b>Subsidies Services</b>	<b>500 000</b>	<b>2 004 147</b>	<b>22 000</b>	<b>-</b>	<b>2 026 147</b>
	Fire Protection		16 625			16 625
367 513	Civil Buildings	500 000	862 175	22 000		884 175
	Sport Complex		550 351			550 351
	Parks & Recreation		318 017			318 017
	Cemetery		61 687			61 687
	Properties		195 292			195 292
<b>4 591 536</b>	<b>Economic Services</b>	<b>4157 000</b>	<b>7 382 776</b>	<b>2 408 285</b>	<b>-</b>	<b>9 791 061</b>
4 591 536	Sanitation	4 157 000	7 382 776	2 408 285		9 791 061

<b>9 572 913</b>	<b>Housing Services</b>		<b>16 878 777</b>	<b>4 970 093</b>	<b>-</b>	<b>21 848 870</b>
9 572 913	Housing Schemes		16 878 777	4 970 093		21 848 870
<b>4 326 550</b>	<b>Trading Services</b>	<b>10 935 950</b>	<b>30 901 881</b>	<b>5 882 630</b>	<b>-</b>	<b>36 784 510</b>
1 012 511	Electricity	3 065 950	7 459 076	2 650 949		10 110 025
3 314 039	Water	7 870 000	23 441 998	3 231 681		26 673 679
	Abattoir		806			806
<b>19 101 617</b>	<b>TOTAL</b>	<b>15 842 950</b>	<b>62 612 937</b>	<b>13 480 497</b>	<b>-</b>	<b>76 093 433</b>
	<b>Less: Loans redeemed and other capital receipts</b>		<b>62 275 502</b>	<b>13 600 968</b>		<b>75 876 470</b>
	Loans redeemed and advances paid		4 087 297	120 470		4 207 767
	Contributions from operating income		2 157 868	48 854		2 206 722
	Grants		56 030 337	13 431 644		69 461 981
	<b>NET FIXED ASSETS</b>	<b>-</b>	<b>337 435</b>	<b>-120 471</b>		<b>216 963</b>

**APPENDIX D****ANALYSIS OF OPERATING INCOME AND EXPENDITURE FOR THE YEAR ENDED 30 JUNE 2008**

Actual 2007 R		Actual 2008 R	Budget 2008 R
<b>Income</b>			
5 534 205	Government - Grants and Subsidies	12 498 028	8 184 265
<b>7 648 358</b>	<b>Operating Income</b>	<b>10 057 437</b>	<b>8 217 469</b>
922 811	Assessment Rates	1 334 434	1 159 147
3 582 181	Sale of Electricity	4 524 143	3 751 730
1 303 330	Sale of Water	1 855 905	1 100 000
1 236 137	Sanitation and refuse services	1 254 313	971 184
603 899	Other Services	1 088 642	1 235 408
<b>13 182 563</b>	<b>TOTAL INCOME</b>	<b>22 555 466</b>	<b>16 401 734</b>
<b>Expenditure</b>			
5 406 336	Salaries, wages and allowances	7 303 208	7 796 856
<b>5 550 370</b>	<b>General Expenditure</b>	<b>7 219 632</b>	<b>6 936 505</b>
1 680 033	Purchase of Electricity	2 041 086	2 045 833
3 870 337	Other	5 178 546	4 890 672
858 380	Repair and Maintenance	1 651 642	1 345 153
207 099	Capital Charges	127 667	158 566
74 565	Contribution to fixed assets	71 286	73 579
561 672	Contribution to funds	492 410	492 410
-259 973	Less: Charged out	-291 282	-441 241
<b>12 398 449</b>	<b>TOTAL EXPENDITURE</b>	<b>16 574 563</b>	<b>16 361 828</b>

**APPENDIX E**  
**DETAILED INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2008**

Actual Income 2007	Actual Expenditure 2007	Surplus/(deficit) 2007		Actual Income 2008	Actual Expenditure 2008	Surplus/(deficit) 2008	Budget Surplus/(deficit) 2008
R	R	R					
8 297 052	8 206 310	90 742	<b>Rates and General Services</b>	16 175 416	12 422 566	3 752 850	-749 151
<b>7 018 789</b>	<b>6 631 283</b>	<b>387 506</b>	<b>Community Services</b>	<b>14 844 424</b>	<b>10 901 350</b>	<b>3 943 074</b>	<b>-416 831</b>
922 811	100 134	822 677	Assessment Rates	1 334 434	120 160	1 214 274	1 004 494
16 367	1 943 834	-1 927 467	Administration	18 801	2 234 036	-2 234 036	-2 392 916
4 952 020	1 759 340	3 192 680	Finance	12 053 151	3 988 012	8 065 139	3 962 939
342 122	505 456	-163 334	Health Services	572 691	577 457	-4 766	
418 032	831 862	-413 830	Council General Expenses		1 119 511	-1 119 511	-1 126 835
	1 480 087	-1 480 087	Public Works	527 070	2 762 418	-2 235 348	-2 128 050
367 437	10 570	356 867	Traffic Services	338 277	99 756	238 521	263 537
<b>42 126</b>	<b>332 781</b>	<b>-290 655</b>	<b>Subsidies Services</b>	<b>76 679</b>	<b>551 810</b>	<b>-475 131</b>	<b>-569 928</b>
39 291	54 459	-15 168	Civil Buildings	68 784	249 201	-180 417	-159 312
	21 885	-21 885	Parks & Recreation		23 399	-23 399	-23 267
2 815	46 950	-44 135	Cemetery	7 895	48 749	-40 854	-36 556
20	209 487	-209 467	Library		230 461	-230 461	-349 793
<b>1 236 137</b>	<b>1 242 246</b>	<b>-6 109</b>	<b>Economic Services</b>	<b>1 254 313</b>	<b>969 406</b>	<b>284 907</b>	<b>237 608</b>
1 236 137	1 242 246	-6 109	Sanitation	1 254 313	969 406	284 907	237 608
<b>4 885 511</b>	<b>4 192 139</b>	<b>693 372</b>	<b>Trading Services</b>	<b>6 380 048</b>	<b>4 151 999</b>	<b>2 228 049</b>	<b>798 774</b>
3 582 181	3 069 858	512 323	Electricity	4 524 143	2 945 428	1 578 715	858 086
1303 330	1 122 281	181 049	Water	1 855 905	1 206 571	649 334	-59 312

<b>13 182 563</b>	<b>12 398 449</b>	<b>693 372</b>	<b>TOTAL</b>	<b>22 555 464</b>	<b>16 574 564</b>	<b>5 980 900</b>	<b>49 623</b>
		-96 279	Appropriations for the year (refer to note 19)			-2 476 730	
		<b>687 835</b>	<b>Nett surplus/(deficit) for the year</b>	<b>22 555 464</b>	<b>16 574 564</b>	<b>3 505 170</b>	<b>49 623</b>
		-2 843 310	Accumulated deficit at the beginning of the year			-2 155 475	
<b>-</b>	<b>-</b>	<b>-2 155 475</b>	<b>Accumulated deficit at the end of the year</b>	<b>22 555 464</b>	<b>16 574 564</b>	<b>1 348 695</b>	<b>49 623</b>

**APPENDIX F  
STATISTICAL  
INFORMATION**

		2008	2007	2006	2005	2004
--	--	------	------	------	------	------

**General statistics**

Population		16 805	16 805	15 336	15 336	10 026
Registered Voters		7 802	7 802	7 802	7 802	7 734
Valuation of taxable property						
Land	Rand	2 244 820	2 244 820	2 244 820	2 244 820	2 244 820
Improvements	Rand	80 789 301	80 789 301	80 789 301	80 789 301	80 789 301
Valuation of non taxable property						
Land	Rand	2 191 170	2 191 170	2 191 170	2 191 170	2 191 170
Improvements	Rand	8 527 900	8 527 900	8 527 900	8 527 900	8 527 900
Assessment rates						
Willowmore Residential	Rand	0.01128	0.01025	0.00932	0.00847	0.0077
Willowmore Commercial	Rand	0.01499	0.01363	0.01217	0.01059	0.00963
Steytlerville Residential	Rand	0.01128	0.01025	0.00932	0.00847	0.0077
Steytlerville Commercial	Rand	0.01499	0.01363	0.01217	0.01059	0.00963
Number of plots		3854	3854	3854	3851	3544
Number of employees		81	81	63	67	76

**Electricity Statistics**

Units bought	Kwh	9 232 715	8 403 939	8 074 219	8 520 263	7 833 602
Units sold	Kwh	6 771 365	6 225 779	6 443 848	6 012 625	5 843 167
Units lost in distribution	Kwh	2 461 350	2 178 160	1 630 371	2 507 638	1 990 435
Units lost as a percentage	Perc	26.66%	25.92%	20.19%	29.43%	25.41%
Cost per unit sold	Rand	0.44	0.57	R 0.42	R 0.45	R 0.47

**Water Statistics**

Units purified	Kl	472 175	421 057	429 280	531 260	398 687
Units sold	Kl	398 115	331 119	362 962	442 717	332 239
Units lost in distribution	Kl	74 061	89 938	66 318	88 543	66 448
Units lost as a percentage	Perc	15.68%	21.36%	15.45%	16.67%	16.67%
Cost per unit sold	Rand	3.65	3.65	R 3.65	R 2.35	R 3.31

#### **4.4 Assessment by the Municipal Manager of any arrears on municipal taxes and service charges.**

The Municipal Finance Management Act (Act 56 of 2003) requires an assessment by the Municipal Manager of any arrears on municipal taxes and service charges owing to the municipality to be contained in the Annual Report.

At 30 June 2008 the total debtors balance was R3 748 849. This represents a decrease of R1 981 420 since 1 July 2007, mainly due to a debts cleansing exercise that management undertook during the financial year. Consumer debtors decreased from R8 850 939 to R5 111 152 before deduction of the provision for doubtful debts. The provision for bad debts has increased from R7 262 199 (2007) to R2 492 799 (2008).

Consumer debtors at year-end represented 56.98% of revenue derived from service charges and property rates (that is income that excludes Government grants and subsidies). As indicated by the Auditor-General the average number of days debts are outstanding is 514 days in the previous financial year. This decreased to 225 days. The generally accepted target for debtors turnover would be approximately 30 to 40 days.

The Municipality has implemented a debt collection policy and the results according to the previous year improved substantially. The Municipality implemented a By-law on debt collection that also assists the Municipality to improve their debt collection in the 2007/2008 financial year.

#### **4.5 Assessment of the measurable performance for revenue collection for each vote in the approved budget**

See Performance Report under section 6.

## 4.6 Recommendations of the Audit Committee

In terms of the Municipal Finance Management Act the Committee must advise the municipal Council, political office-bearers and staff on matters relating to inter alia internal control, risk management, accounting policies, performance management, effective governance and compliance with applicable legislation.

Besides the advisory role, the Committee must also review the financial statements and provide Council with an authoritative and credible view of the financial position, its efficiency and effectiveness and its overall compliance with legislation. The Committee must also respond to Council on any issues raised by the Auditor-General in the audit report.

Accordingly, the Committee has considered the Auditor-General's report for the 2007/2008 financial year and has responded as follows:

Audit Committee Annual Report

Baviaans Municipality (Part of Western Cluster of the Cacadu District)

The following report deals with the activities of the Audit Committee for the period 1 July 2007 to 30 June 2008

The report is presented to the council of Baviaans Municipality for its consideration.

### AUDIT COMMITTEE MEMBERS AND ATTENDANCE

The Audit Committee was appointed during July 2006 in terms of the MFMA no. 56 of 2003 and the Shared Audit Committee Terms of Reference were approved on 6 July 2006. The audit committee meets at least four times per annum as per its approved terms of reference, although additional meetings may be called as the need arises.

The Audit Committee consisted of the following independent external members:

MEMBER	NUMBER OF MEETINGS ATTENDED
Ronel Shaw (Chair)	4
Andre Saayman	4
Bongeka Jojo	3

Mr. Saayman is the only member residing within the Cacadu District. Ms. Jojo's term as member of the audit committee drew to a close on 30 June 2008 and she chose not to avail herself for another term.

The committee reports that it has complied, as far as possible with its responsibilities set out in its Council approved terms of reference and in line with relevant legislative requirements.

The Audit Committee met on a quarterly basis, on the following dates:

20 September 2007  
5 December 2007  
13 March 2008  
12 June 2008

Besides the audit committee members, the meetings were also attended at various times by:

The executive mayor  
The municipal manager/Acting municipal manager  
The chief financial officer  
The technical manager  
Representatives from the internal audit – PWC  
Representatives from the Auditor General's office

## REVIEW OF THE ANNUAL FINANCIAL STATEMENTS

The audit committee has noted the qualified opinion by the Auditor-General in his report on the Annual Financial Statements for the year ended 30 June 2008 and commends management with regards to the improvements made in the preparation of these financial statements from an adverse audit opinion on the financial statements of the municipality for the year ended 30 June 2007. The basis for the Auditor General's qualified opinion were in summary:

- Possible overstatement of creditors due to an unexplained prior year difference
- Failure to claim VAT on certain expenses resulting in the understatement of debtors whilst failure to increase the provision for doubtful debts resulted in the overstatement of debtors and the corresponding understatement of the provision.
- Incorrect classification of assets as repairs and maintenance
- Omission to disclose potential fruitless and wasteful expenditure

The audit committee has expressed its concerns regarding the abovementioned basis for qualification especially since the municipality was afforded the opportunity to rectify some of the above matters prior to the Auditor-General finalizing the audit and failed to do so timeously.

The Local Government: Municipal Finance Act, 2003 (Act No. 56 of 2003) gives the accounting officer a number of responsibilities concerning financial and risk management and the implementation and maintenance of internal controls. Fundamental to achieving this is the implementation of certain key governance responsibilities. The following key governance responsibilities were assessed by the Auditor General:

- Audit Committee
- Internal Audit
- Other matters of governance
- Implementation of Standards of Generally Recognised Accounting Practice (GRAP)

The Audit Committee has taken note of the satisfactory assessment of these governance responsibilities of the municipality with the exception of 'other matters of governance' and trust that the areas will receive the attention it deserves.

The other matters raised in the balance of the report have been noted by the committee

The committee has:

- Reviewed the audited financial statements
- Reviewed management responses to the management letters of the Auditor-General

- Concluded that the going concern premise is appropriate in preparing the annual financial statements

The audit committee accepts the conclusions of the Auditor-General on the annual financial statements for the year ended 30 June 2008 and recommends that the audited annual financial statements be adopted by Council.

#### OTHER MATTERS

- Revenue collection: Poor revenue control and the inability to improve collections remains a huge concern. Councillors should lead by example and at all times comply with relevant legislation and aspire to maintain high ethical standards by not allowing their accounts to become overdue.
- Fraud: Although we are not aware of any fraudulent activities within the municipality at present, we are concerned that the current control environment would not effectively curb fraud.
- Performance Management: The committee has taken note of the findings of the Auditor-General on performance information during the year under review. In the absence of a performance management audit committee, the issue of compliance with all regulatory requirements on performance information and management will be monitored by the current committee, should the necessary reports be presented at the quarterly meetings. With the pending appointment of the new committee member with an in-depth knowledge in the field of performance management, this void will to some extent be addressed on the 2008/09 financial period.

Full details of our activities are set out in the minutes of our quarterly audit committee meetings

#### CONCLUSION

In conclusion, the audit committee would like to acknowledge the co-operation and support it received from the management of Baviaans Municipality, the Office of the Auditor-General as well as the internal auditors resulting in a working relationship that continues to bear fruit.

R Shaw (CA (SA))  
Chairperson, Audit Committee

## **5 FUNCTIONAL AREA SERVICE DELIVERY REPORTING.**

### **5.1 Functional area analysis**

| The required analysis has been partly done in paragraph 2.

## 6 PERFORMANCE REPORT

### 6.1 Mayoral Foreword

The contents of the performance report 2007/08 is self explanatory. This report may have certain short comings but council have to take note of certain concerning arrears.

#### (a) Budget 07/08 – SDBIP

1. The budgeted amount not spend in the year 07/08 ± R 1 005 298
2. Critical overspending areas
  - Telephone – R 20 538
  - Fuel/Oil – R 85 480
  - Vehicle Maintenance – R 214 044
3. Under spending on salaries and wages

#### (b) IDP – SDBIP

1. Investigate Projects
  - Reports of investigation should be tabled before council
  - Incases where there are positive reports on investigation it should be followed with projects.
2. There are to little movement on projects in the IDP that are related to other departments for instance: Education and Health
3. Capital spending are hampered by lack of ROD

#### © Performance of Section 57 Managers

1. The evaluation 07/08 indicate a lack of managerial skills
2. Section 57 managers should be more positive towards performance measurement.

#### (d) Good Governance survey – January 2008

The above survey indicate that despite shortcomings, there are progress on service delivery in core functions

#### (e) Municipal Manager/Mayor: Work program on critical issues

Include in the performance report is a report on the critical issues discussed in the Municipal Manager and Mayor meetings up till 30 June 2008. Council need to take note of issues that do no move at all or move to slow which tempers service delivery.

E LOOCK  
MAYOR

## 6.2 SDBIP Operating - Budget 2007/08



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# BAVIAANS MUNICIPALITY

## SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP)

**BUDGET 2007/2008**

**Our VISION**

*Participation for Development*

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- A. Objective**
- B. Introduction**
- C. Legislation**
- D. Roleplayers**
- E. Organogram**
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  - F1 Operating Budget**
  - F2 Operating Expenditure**

### **SECTION 2- MONITORING AND REPORTING**

**Table 1**  
**Budget Performance by Quarter reporting/GFS and Department**  
**(Expenditure)**

**Table 2**  
**Budget Performance by Quarter reporting/GFS and Department**  
**(Income)**

### **SECTION 3- SUPPLEMENTARY INFORMATION**

**SDBIP revision**

**SECTION 1: GENERAL INFORMATION**

**A. OBJECTIVE**

The primary objective is to develop a 12 month plan within which the Municipality has to achieve the following:

- The services represented by the expenditure in the budget
- The income to fund the service delivery.

Circular 13 from National Treasury attempts to commitment all stakeholders to agree to work towards specific objectives. This is done within the framework of consultation as outline in Chapter 4 of the Systems Act.

The secondary objective is to reduce in writing the activities of the organization so that it may be subject to assessment and benchmarking.

It serves as supplementary support document to the approved budget represented as a policy document. It further serves as a record of the Key Performance Areas (KPA) with their corresponding Key Performance Indicators (KPI) or Critical Success Factors (CSF).

**DEFINITION**

S	----- SERVICE -----	THAT TANGIBLE AND INTANGLE GOOD(S) AND/OR SERVICE(S) THAT IS A PRODUCT OF OUR EXISTENCE BY MANDATE	----
D	----- DELIVERY -----	THE "VEHICLE" USE TO ACHIEVE THE SERVICE AT THE RIGHT TIME, PLACE , QUANTITY AND QUALITY	----
B	----- BUDGET -----	A POLICY DOCUMENT, THAT RECORDS REALISTIC INCOME AND EXPENDITURE AS WELL AS THE INTENDED ACTIVITIES	----
I	----- IMPLEMENTATION -----	THIS REFERS TO THE CONSEQUENCE AND REALIZATION OF DELIVERY. THE ACTION OR EFFORT	--
P	----- PLAN -----	THIS IS THE SDBIP STRATEGY DOCUMENT SO AGREED BY THE STAKEHOLDERS.	----

## **B. INTRODUCTION**

Once the budget has been approved, at least one week before the commencement of the new financial year the SDBIP must be presented to the Mayor by the Accounting Officer after consultations with Senior Manager and other Head of Departments.

Even though it is not a policy document like the IDP and the Budget it is a vital tool for planning and strategy development. It is a vital tool for decision making and contracting mandates from communities.

The layers of this document will see the objectives report by the following listed components as well as the comparisons to the Organizational Performance and in turn linked to the individual directors and their activities with in their votes.

The major components of the SDBIP are:

1. Quarterly projections of budgeted income and actual income per vote and per activity
2. Quarterly projections of budgeted expenditure against actual per vote and per activity
3. Quarterly projections of the service (KPA) achieved against budget spending and comment.

These will be illustrated both tabular and graphically with comments

### The procedure

The SDBIP was fundamentally divided in two sections namely:

#### *a. The Service Delivery Component(SD)*

Here we made use of controlled stationer and analyzed the purpose for the existence of the budget into the KPA and the corresponding KPI together with its delivery mechanism. Find filed behind each Department the KPA for all associated vote.

#### *b. The Budget Implementation Plan (BIP)*

Hereto we made use of controlled stationers to provide the detail associated with every line on the budget. This was to determine the justification for the budget as well as ascertain it directive in support of a KPA.

The following Departments exist are:

No	Main Vote	Sub Vote
1	Council	Administration
2	Budget and Treasury Office	Budget Planning and Implementation Finance Management Revenue and Debt Management
3	Technical Services	Electricity Water Sanitation Estates and Buildings Public Works
4	Community Services	Health Cemetery Traffic
3	Corporate Service	Administration Human Resources

The Concept

It is that spending will be indicative of service delivery as a major consideration of whether the KPA was achieved. It is supplemented by an overview report by the Director and endorsed by the Municipal Manager.

### **C. LEGISLATION**

The Municipal Finance Management Act 2004, Chapter 7, Section 53 (c)(ii), states:

“take reasonable steps to ensure the Municipalities SDBIP is approved by the Mayor within 28 Days after the approval of the budget and made public no later than 14 days after that”

Circular 13, from National Treasury provides the departure point for the SDBIP.

Chapter 8 of the MFMA stipulates that the Accounting Officer must submit a draft of the SDBIP to the Mayor within 14 days of the budget being approved as well as a draft of the annual performance agreements required by the Municipal Systems Act

Section 72 (1),(a),(ii) states “ the accounting officer of the municipality must by 25 January of each year-assess the performance of the municipality during the first half of financial year, taking into account-the municipality’s service delivery performance during the first half of the financial year, and the service delivery targets and performance indicators set in the service delivery and budget implementation plan”

These sections leads us to the budget monitoring requirements as per section 71 and the rest of section 72 of the MFMA where it is stipulated that the Mayor must check whether the budget is being implemented in accordance with the SDBIP

It should be note that service delivery and its related expenditure is based on the ability to fund the budget. Should a shortage of income be realized an Adjustment Budgets, in terms of the MFMA, will be tabled. The effect is that expenditure will be reduced inline with realistic income. This in turn means that service as contained in the SDBIP will then be reduces as well.

**D. ROLEPLAYERS**

They include and their respective roles are:

1. The Mayor  
As head of the Council and to provide political leadership and direction.  
Section 21(a),(b)
2. Councilor's  
Representatives in certain sectors of the community.
3. The Municipal Manager  
As Accounting Officer and administratively charged
4. Chief Financial Officer  
As advisor to the AO and responsible for the administration of the budget. (Section 84, (1))
5. Senior Managers  
As appointed as head of department for the respective services. (Section 78, (1))
6. Senior officials and Section Heads  
Reporting to Senior Manages and acting under delegation of their superiors.
7. Unions  
As recognized body for organized labour being SAMWU and IMATU.
8. External Parties  
National Treasury- MFMA  
Provincial Officers and Departments.-MFMA
9. Internal Documents  
IDP
10. Other

**E ORGANOGRAM AND INISTITUIONAL ARRANGEMENTS**

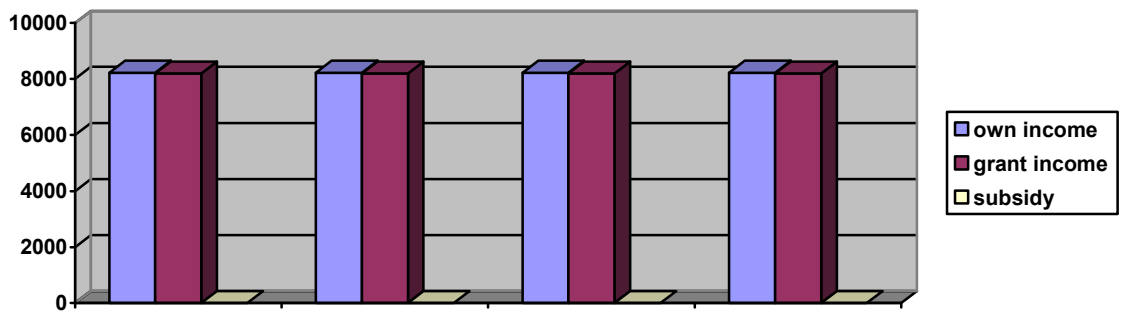
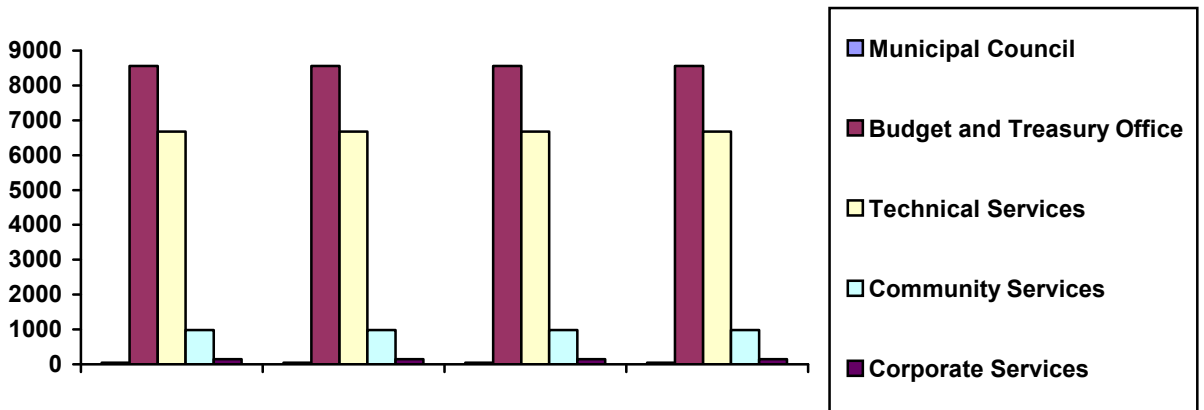
Refer to the Baviaans organogram that depicts the structure of employees that supports and delivered the objectives of the organization. The budget is divided into activities together with the employees associated with it.

**F. The Budget**

The following is the overview of the budget to 2007/2008

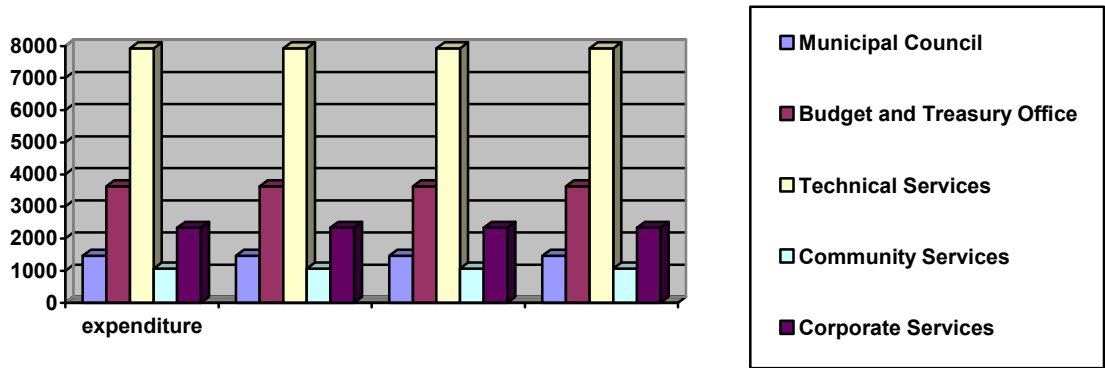
**F 1 Operating Income**

The total budgeted income amount to R16 414 170



F 2 Operating Expenditure

The total budgeted expenditure amount to R 16 427 570



## SECTION 2: MONITORING AND REPORT

### E1. Budget Implementation

Table 1: Budget Performance by Quarter reporting /GFS and Department (Expenditure)

VOTE	GFS and STD Item	Budget Actual R	Spending Period			
			Quarter 1	Quarter 2	Quarter 3	Quarter 4
<b>Municipal Council – Budget</b>	<b>Admin. GFS 1</b>	<b>1 466 843</b>	<b>366 711</b>	<b>366 711</b>	<b>366 711</b>	<b>366 710</b>
	Employee related expenditure	923 402	230 085	230 085	230 085	230 085
	General Expenditure	543 441	135 860	135 860	135 860	135 860
<b>Municipal Council – Actual</b>	<b>Admin. GFS 1</b>	<b>1 189 691</b>	<b>297 423</b>	<b>297 423</b>	<b>297 423</b>	<b>297 423</b>
	Employee related expenditure	873 932	218 483	218 483	218 483	218 483
	General Expenditure	315 759	105 253	105 253	105 253	105 253
<b>Variance</b>		<b>277 152</b>	<b>69 288</b>	<b>69 288</b>	<b>69 288</b>	<b>69 288</b>
<b>Performance Indicator</b>		<b>81.11%</b>	<b>81.11%</b>	<b>81.11%</b>	<b>81.11%</b>	<b>81.11%</b>
<b>Budget and Treasury Office – Budget</b>	<b>Financial Management GFS 1</b>	<b>3 629 539</b>	<b>907 385</b>	<b>907 385</b>	<b>907 385</b>	<b>907 385</b>
	Employee related expenditure	1 227 608	306 902	306 902	306 902	306 902
	General expenditure	2 266 200	566 550	566 550	566 550	566 550
	Repair and Maintenance	10 000	2 500	2 500	2 500	2 500
	Contributions to Funds	492 410	123 103	123 103	123 103	123 103
	Transfers	-356 679	-89 170	-89 170	-89 170	-89 170
<b>Budget and Treasury Office – Actual</b>	<b>Financial Management GFS 1</b>	<b>4 108 172</b>	<b>1 027 043</b>	<b>1 027 043</b>	<b>1 027 043</b>	<b>1 027 043</b>
	Employee related expenditure	1 094 904	273 726	273 726	273 726	273 726
	General expenditure	2 802 140	700 535	700 535	700 535	700 535
	Repair and Maintenance	10 000	2 500	2 500	2 500	2 500
	Contributions to Funds	492 410	123 103	123 103	123 103	123 103
	Transfers	-291 282	-72 821	-72 821	-72 821	-72 821
<b>Variance</b>		<b>-478 633</b>	<b>-119 658</b>	<b>-119 658</b>	<b>-119 658</b>	<b>-119 658</b>
<b>Performance Indicator</b>		<b>113.19%</b>	<b>113.19%</b>	<b>113.19%</b>	<b>113.19%</b>	<b>113.19%</b>
<b>Technical Services – Budget</b>	<b>Electricity GFS 1</b>	<b>2 914 930</b>	<b>728 733</b>	<b>728 733</b>	<b>728 733</b>	<b>728 733</b>
	Employee related expenditure	525 301	131 325	131 325	131 325	131 325
	General Expenditure	2 162 434	540 609	540 609	540 609	540 609
	Repair and Maintenance	191 945	47 986	47 986	47 986	47 986
	Capital Cost	35 250	8 813	8 813	8 813	8 813
<b>Technical Services – Actual</b>	<b>Electricity GFS 1</b>	<b>2 945 346</b>	<b>736 337</b>	<b>736 337</b>	<b>736 337</b>	<b>736 337</b>
	Employee related expenditure	525 121	131 280	131 280	131 280	131 280
	General Expenditure	2 176 981	544 245	544 245	544 245	544 245
	Repair and Maintenance	227 425	56 856	56 856	56 856	56 856
	Capital Cost	15 818	3 954	3 954	3 954	3 954

<b>Variance</b>		<b>-30 416</b>	<b>-7 604</b>	<b>-7 604</b>	<b>-7 604</b>	<b>-7 604</b>
<b>Performance Indicator</b>		<b>101.04%</b>	<b>101.04%</b>	<b>101.04%</b>	<b>101.04%</b>	<b>101.04%</b>
<b>Technical Services – Budget</b>	<b>Water GFS 2</b>	<b>1 164 019</b>	<b>291 005</b>	<b>291 005</b>	<b>291 005</b>	<b>291 005</b>
	Employee related expenditure	536 734	134 184	134 184	134 184	134 184
	General Expenditure	467 542	116 886	116 886	116 886	116 886
	Repair and Maintenance	138 579	34 448	34 448	34 448	34 448
	Capital Cost	21 164	5 291	5 291	5 291	5 291
<b>Technical Services – Actual</b>	<b>Water GFS 2</b>	<b>1 296 720</b>	<b>324 180</b>	<b>324 180</b>	<b>324 180</b>	<b>324 180</b>
	Employee related expenditure	533 904	133 476	133 476	133 476	133 476
	General Expenditure	511 453	127 863	127 863	127 863	127 863
	Repair and Maintenance	242 545	60 636	60 636	60 636	60 636
	Capital Cost	8 818	2 205	2 205	2 205	2 205
<b>Variance</b>		<b>-132 701</b>	<b>-33 175</b>	<b>-33 175</b>	<b>-33 175</b>	<b>-33 175</b>
<b>Performance Indicator</b>		<b>111.40%</b>	<b>111.40%</b>	<b>111.40%</b>	<b>111.40%</b>	<b>111.40%</b>
<b>Technical Services – Budget</b>	<b>Sanitation GFS 3</b>	<b>989 875</b>	<b>247 469</b>	<b>247 469</b>	<b>247 469</b>	<b>247 469</b>
	Employee related expenditure	571 029	142 757	142 757	142 757	142 757
	General Expenditure	189 694	47 424	47 424	47 424	47 424
	Repair and Maintenance	127 000	31 750	31 750	31 750	31 750
	Capital Cost	102 152	25 538	25 538	25 538	25 538
<b>Technical Services – Actual</b>	<b>Sanitation GFS 3</b>	<b>969 826</b>	<b>242 457</b>	<b>242 457</b>	<b>242 457</b>	<b>242 457</b>
	Employee related expenditure	597 278	149 320	149 320	149 320	149 320
	General Expenditure	193 678	48 420	48 420	48 420	48 420
	Repair and Maintenance	75 840	18 960	18 960	18 960	18 960
	Capital Cost	103 030	25 758	25 758	25 758	25 758
<b>Variance</b>		<b>20 049</b>	<b>5 012</b>	<b>5 012</b>	<b>5 012</b>	<b>5 012</b>
<b>Performance Indicator</b>		<b>97.97%</b>	<b>97.97%</b>	<b>97.97%</b>	<b>97.97%</b>	<b>97.97%</b>
<b>Technical Services – Budget</b>	<b>Estates and Buildings GFS 4</b>	<b>207 204</b>	<b>51 801</b>	<b>51 801</b>	<b>51 801</b>	<b>51 801</b>
	General Expenditure	87 815	21 954	21 954	21 954	21 954
	Repair and Maintenance	119 389	29 847	29 847	29 847	29 847
<b>Technical Services – Actual</b>	<b>Estates and Buildings GFS 4</b>	<b>249 201</b>	<b>62 300</b>	<b>62 300</b>	<b>62 300</b>	<b>62 300</b>
	General Expenditure	84 464	21 116	21 116	21 116	21 116
	Repair and Maintenance	164 736	41 184	41 184	41 184	41 184
<b>Variance</b>		<b>-41 997</b>	<b>-10 499</b>	<b>-10 499</b>	<b>-10 499</b>	<b>-10 499</b>
<b>Performance Indicator</b>		<b>120.27%</b>	<b>120.27%</b>	<b>120.27%</b>	<b>120.27%</b>	<b>120.27%</b>
<b>Technical Services – Budget</b>	<b>Public Works GFS 5</b>	<b>2 648 134</b>	<b>662 034</b>	<b>662 034</b>	<b>662 034</b>	<b>662 034</b>
	Employee related expenditure	2 171 568	542 892	542 892	542 892	542 892
	General Expenditure	118 127	29 532	29 532	29 532	29 532
	Repair and Maintenance	443 000	110 750	110 750	110 750	110 750
	Transfer Cost	-84 561	-21 140	-21 140	-21 140	-21 140
<b>Technical Services – Actual</b>	<b>Public Works GFS 5</b>	<b>2 762 418</b>	<b>690 605</b>	<b>690 605</b>	<b>690 605</b>	<b>690 605</b>
	Employee related expenditure	2 034 579	508 645	508 645	508 645	508 645
	General Expenditure	135 618	33 905	33 905	33 905	33 905
	Repair and Maintenance	592 221	148 055	148 055	148 055	148 055

	Transfer Cost					
<b>Variance</b>		<b>-114 284</b>	<b>-28 571</b>	<b>-28 571</b>	<b>-28 571</b>	<b>-28 571</b>
<b>Performance Indicator</b>		<b>104.32%</b>	<b>104.32%</b>	<b>104.32%</b>	<b>104.32%</b>	<b>104.32%</b>
<b>Total Budget Technical Services</b>		<b>7 924 162</b>	<b>1 981 041</b>	<b>1 981 041</b>	<b>1 981 041</b>	<b>1 981 041</b>
<b>Total Actual Technical Services</b>		<b>8 223 511</b>	<b>2 055 878</b>	<b>2 055 878</b>	<b>2 055 878</b>	<b>2 055 878</b>
<b>Total Variance</b>		<b>-299 349</b>	<b>-74 837</b>	<b>-74 837</b>	<b>-74 837</b>	<b>-74 837</b>
<b>Total Performance Indicator</b>		<b>103.78%</b>	<b>103.78%</b>	<b>103.78%</b>	<b>103.78%</b>	<b>103.78%</b>
<b>Community Services - Budget</b>	<b>Health – GFS 1</b>	<b>567 065</b>	<b>141 766</b>	<b>141 766</b>	<b>141 766</b>	<b>141 766</b>
	Employee related Expenditure	408 662	102 166	102 166	102 166	102 166
	General Expenditure	158 403	39 601	39 601	39 601	39 601
<b>Community Services - Actual</b>	<b>Health – GFS 1</b>	<b>577 457</b>	<b>144 364</b>	<b>144 364</b>	<b>144 364</b>	<b>144 364</b>
	Employee related Expenditure	383 109	95 777	95 777	95 777	95 777
	General Expenditure	194 347	48 587	48 587	48 587	48 587
<b>Variance</b>		<b>-10 392</b>	<b>-2 598</b>	<b>-2 598</b>	<b>-2 598</b>	<b>-2 598</b>
<b>Performance Indicator</b>		<b>101.83%</b>	<b>101.83%</b>	<b>101.83%</b>	<b>101.83%</b>	<b>101.83%</b>
<b>Community Services - Budget</b>	<b>Library – GFS 2</b>	<b>349 793</b>	<b>87 448</b>	<b>87 448</b>	<b>87 448</b>	<b>87 448</b>
	Employee related Expenditure	339 443	84 861	84 861	84 861	84 861
	General Expenditure	9 100	2 275	2 275	2 275	2 275
	Repair and Maintenance	1 250	313	313	313	313
<b>Community Services - Actual</b>	<b>Library – GFS 2</b>	<b>230 461</b>	<b>57 615</b>	<b>57 615</b>	<b>57 615</b>	<b>57 615</b>
	Employee related Expenditure	218 667	54 667	54 667	54 667	54 667
	General Expenditure	10 653	2 663	2 663	2 663	2 663
	Repair and Maintenance	1 141	285	285	285	285
<b>Variance</b>		<b>119 332</b>	<b>29 833</b>	<b>29 833</b>	<b>29 833</b>	<b>29 833</b>
<b>Performance Indicator</b>		<b>65.88%</b>	<b>65.88%</b>	<b>65.88%</b>	<b>65.88%</b>	<b>65.88%</b>
<b>Community Services - Budget</b>	<b>Cemetery – GFS 3</b>	<b>50 395</b>	<b>12 599</b>	<b>12 599</b>	<b>12 599</b>	<b>12 599</b>
	General Expenditure	48 749	12 187	12 187	12 187	12 187
	Repair and Maintenance	1 646	412	412	412	412
<b>Community Services – Actual</b>	<b>Cemetery – GFS 3</b>	<b>48 749</b>	<b>12 187</b>	<b>12 187</b>	<b>12 187</b>	<b>12 187</b>
	General Expenditure	48 749	12 187	12 187	12 187	12 187
	Repair and Maintenance					
<b>Variance</b>		<b>1 646</b>	<b>412</b>	<b>412</b>	<b>412</b>	<b>412</b>
<b>Performance Indicator</b>		<b>96.73%</b>	<b>96.73%</b>	<b>96.73%</b>	<b>96.73%</b>	<b>96.73%</b>
<b>Community Services – Budget</b>	<b>Traffic – GFS 4</b>	<b>103 045</b>	<b>25 761</b>	<b>25 761</b>	<b>25 761</b>	<b>25 761</b>
	General Expenditure	11 100	2 775	2 775	2 775	2 775
	Repair and Maintenance	91 945	22 986	22 986	22 986	22 986
<b>Community Services - Actual</b>	<b>Traffic – GFS 4</b>	<b>99 756</b>	<b>24 939</b>	<b>24 939</b>	<b>24 939</b>	<b>24 939</b>
	General Expenditure	10 911	2 728	2 728	2 728	2 728
	Repair and Maintenance	88 845	22 211	22 211	22 211	22 211
<b>Variance</b>		<b>3 289</b>	<b>822</b>	<b>822</b>	<b>822</b>	<b>822</b>
<b>Performance Indicator</b>		<b>96.81%</b>	<b>96.81%</b>	<b>96.81%</b>	<b>96.81%</b>	<b>96.81%</b>
<b>Total Budget Community Services</b>		<b>1 070 298</b>	<b>267 575</b>	<b>267 575</b>	<b>267 575</b>	<b>267 575</b>

<b>Total Actual Community Services</b>		<b>956 424</b>	<b>239 106</b>	<b>239 106</b>	<b>239 106</b>	<b>239 106</b>
<b>Total Variance</b>		<b>113 874</b>	<b>28 469</b>	<b>28 469</b>	<b>28 469</b>	<b>28 469</b>
<b>Performance Indicator Community Services</b>		<b>89.36%</b>	<b>89.36%</b>	<b>89.36%</b>	<b>89.36%</b>	<b>89.36%</b>
<b>Corporate Services - Budget</b>	<b>Admin – GFS 1</b>	<b>2 336 728</b>	<b>584 182</b>	<b>584 182</b>	<b>584 182</b>	<b>584 182</b>
	Employee related expenditure	1 134 068	283 517	283 517	283 517	283 517
	General Expenditure	928 682	232 171	232 171	232 171	232 171
	Repair and Maintenance	233 978	58 495	58 495	58 495	58 495
	Capital Expenditure	40 000	10 000	10 000	10 000	10 000
<b>Corporate Services – Actual</b>	<b>Admin – GFS 1</b>	<b>2 136 324</b>	<b>534 081</b>	<b>534 081</b>	<b>534 081</b>	<b>534 081</b>
	Employee related expenditure	1 041 714	260 429	260 429	260 429	260 429
	General Expenditure	819 140	204 785	204 785	204 785	204 785
	Repair and Maintenance	235 470	58 868	58 868	58 868	58 868
	Capital Expenditure	40 000	10 000	10 000	10 000	10 000
<b>Variance</b>		<b>200 404</b>	<b>50 101</b>	<b>50 101</b>	<b>50 101</b>	<b>50 101</b>
<b>Performance Indicator</b>		<b>91 42%</b>	<b>91 42%</b>	<b>91 42%</b>	<b>91 42%</b>	<b>91 42%</b>

Table 2: Budget Performance by Quarter reporting /GFS and Department (Income)

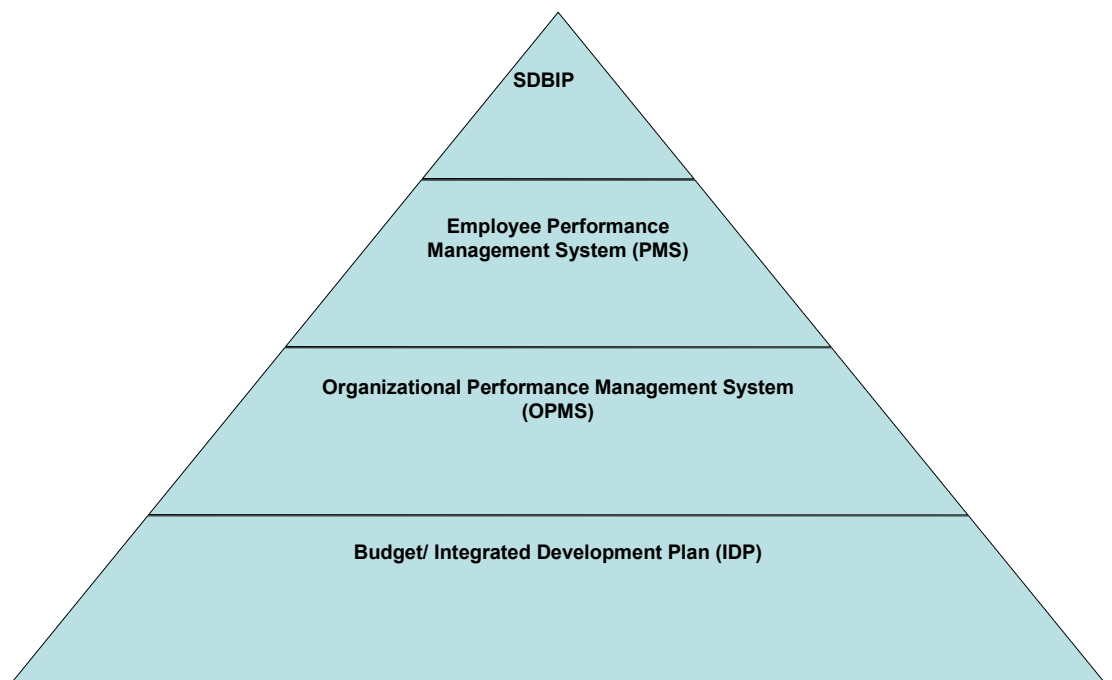
VOTE	GFS and STD Item	Budget Actual	Spending Period			
			Quarter 1	Quarter 2	Quarter 3	Quarter 4
		R				
<b>Municipal Council – Budget</b>	<b>Admin. GFS 1</b>	<b>50 000</b>	<b>12 500</b>	<b>12 500</b>	<b>12 500</b>	<b>12 500</b>
	Administration	50 000	12 500	12 500	12 500	12 500
<b>Municipal Council – Actual</b>	<b>Admin. GFS 1</b>	<b>1 809</b>	<b>452</b>	<b>452</b>	<b>452</b>	<b>452</b>
	Administration	1 809	452	452	452	452
<b>Variance</b>		<b>48 191</b>	<b>12 048</b>	<b>12 048</b>	<b>12 048</b>	<b>12 048</b>
<b>Performance Indicator</b>		<b>3.20%</b>	<b>3.20%</b>	<b>3.20%</b>	<b>3.20%</b>	<b>3.20%</b>

<b>Budget and Treasury Office – Budget</b>	<b>Financial Management GFS 1</b>	<b>8 559 941</b>	<b>2 139 985</b>	<b>2 139 985</b>	<b>2 139 985</b>	<b>2 139 985</b>
	Budget planning and Implementation	585 094	146 274	146 274	146 274	146 274
	Finance Management	6 552 002	1 638 001	1 638 001	1 638 001	1 638 001
	Revenue and Debt Management	1 422 845	355 711	355 711	355 711	355 711
<b>Budget and Treasury Office – Actual</b>	<b>Financial Management GFS 1</b>	<b>8 387 586</b>	<b>2 096 897</b>	<b>2 096 897</b>	<b>2 096 897</b>	<b>2 096 897</b>
	Budget planning and Implementation	10 182	2 546	2 546	2 546	2 546
<b>L</b>	Finance Management	6 609 697	1 652 424	1 652 424	1 652 424	1 652 424
	Revenue and Debt Management	1 767 707	441 927	441 927	441 927	441 927

<b>Variance</b>		172 355	43 089	43 089	43 089	43 089
<b>Performance Indicator</b>		97.99%	97.99%	97.99%	97.99%	97.99%
<b>Technical Services - Budget</b>	<b>Electricity GFS 1</b>	<b>6 678 791</b>	<b>1 669 698</b>	<b>1 669 698</b>	<b>1 669 698</b>	<b>1 669 698</b>
	Electricity	3 620 017	905 004	905 004	905 004	905 004
	Water	1 253 292	313 323	313 323	313 323	313 323
	Sanitation	1 230 025	307 506	307 506	307 506	307 506
	Estates and Buildings	50 849	12 712	12 712	12 712	12 712
	Public Works	524 608	131 152	131 152	131 152	131 152
<b>Technical Services - Actual</b>	<b>Electricity GFS 1</b>	<b>7 800 785</b>	<b>1 950 196</b>	<b>1 950 196</b>	<b>1 950 196</b>	<b>1 950 196</b>
	Electricity	4 524 143	1 131 036	1 131 036	1 131 036	1 131 036
	Water	1 946 055	486 514	486 514	486 514	486 514
	Sanitation	1 254 733	313 683	313 683	313 683	313 683
	Estates and Buildings	68 784	17 196	17 196	17 196	17 196
	Public Works	7 070	1 768	1 768	1 768	1 768
<b>Variance</b>		<b>1 121 994</b>	<b>-280 499</b>	<b>-280 499</b>	<b>-280 499</b>	<b>-280 499</b>
<b>Performance Indicator</b>		<b>116.80%</b>	<b>116.80%</b>	<b>116.80%</b>	<b>116.80%</b>	<b>116.80%</b>
<b>Community Services - Budget</b>	<b>Health – GFS 1</b>	<b>982 611</b>	<b>245 653</b>	<b>245 653</b>	<b>245 653</b>	<b>245 653</b>
	Health	567 065	141 766	141 766	141 766	141 766
	Cemetery	8 216	2 054	2 054	2 054	2 054
	Traffic	407 330	101 833	101 833	101 833	101 833
<b>Community Services - Actual</b>	<b>Health – GFS 1</b>	<b>918 863</b>	<b>229 716</b>	<b>229 716</b>	<b>229 716</b>	<b>229 716</b>
	Health	572 691	143 173	143 173	143 173	143 173
	Cemetery	7 895	1 974	1 974	1 974	1 974
	Traffic	338 277	84 569	84 569	84 569	84 569
<b>Variance</b>		<b>63 748</b>	<b>15 937</b>	<b>15 937</b>	<b>15 937</b>	<b>15 937</b>
<b>Performance Indicator</b>		<b>93.51%</b>	<b>93.51%</b>	<b>93.51%</b>	<b>93.51%</b>	<b>93.51%</b>
<b>Corporate Services - Budget</b>	<b>Admin – GFS 1</b>	<b>142 827</b>	<b>35 707</b>	<b>35 707</b>	<b>35 707</b>	<b>35 707</b>
	Administration	142 827	35 707	35 707	35 707	35 707
<b>Corporate Services - Actual</b>	<b>Admin – GFS 1</b>	<b>18 801</b>	<b>4 700</b>	<b>4 700</b>	<b>4 700</b>	<b>4 700</b>
	Administration	18 801	4 700	4 700	4 700	4 700
<b>Variance</b>		<b>124 026</b>	<b>31 007</b>	<b>31 007</b>	<b>31 007</b>	<b>31 007</b>
<b>Performance Indicator</b>		<b>13.16%</b>	<b>13.16%</b>	<b>13.16%</b>	<b>13.16%</b>	<b>13.16%</b>

## SECTION 3: Supplementary Information

*The pyramid illustrate the span between the SDBIP and the Policy Document*

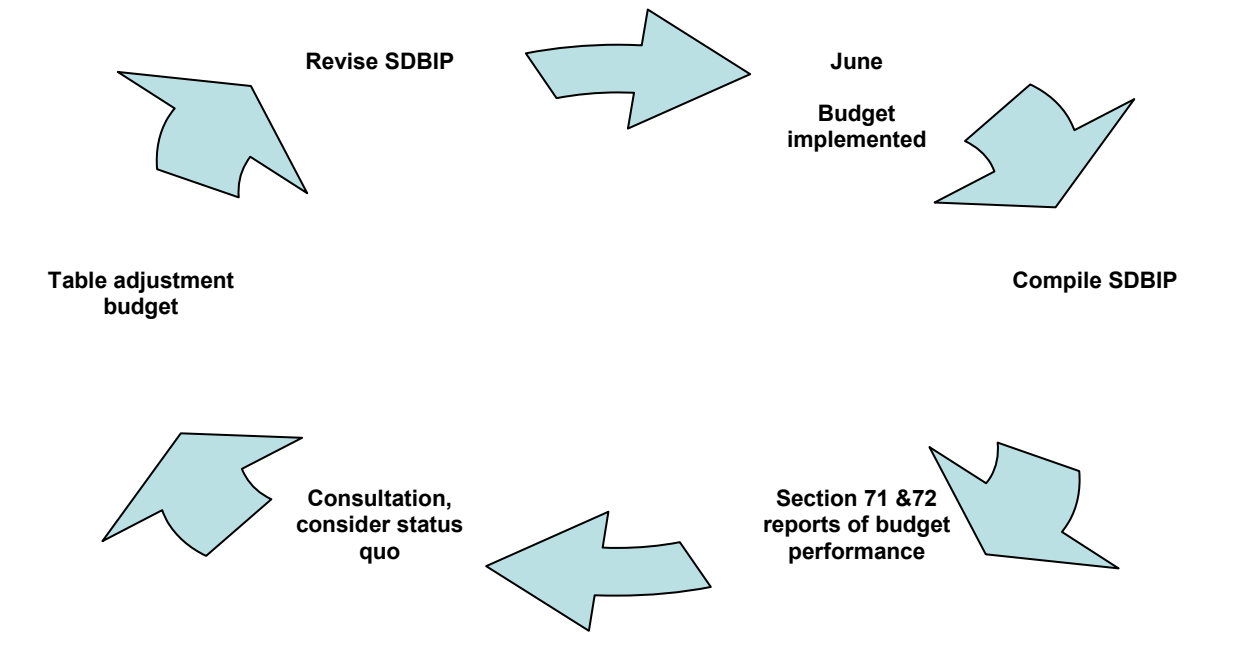


### **SDBIP REVISION**

As budget administrator the CFO will forward to the Accounting Officer the reports in terms of section 71 and 72. The results of trading between realistic income and expenditure will prompt the need to revise the SDBIP.

- The areas of concern will be highlighted
- The Adjustment Budget will be made available.
- The corresponding KPA will be identified
- The Director in charge will be requested to provide written comment as the need to adjust the SDBIP, considering the priority status.
- The choice of alternatives will be tabled in an effort to avert downwards adjustment.
- Consultation will be held with the Mayor and management
- A report will be compiled and tabled at Council.
- Performance measurements will be adjusted.
- Role over for capital projects will be note and the funds set aside at the year end should financial resources permit.

*The circular diagram illustrates the flow of functions to revise the SDBIP*



## **REFERENCE DOCUMENTS**

1. Total budget
2. Organogram
4. Performance Management Policy
5. The IDP
6. Medium Term Expenditure Framework

### 3 Capital Budget 2007/08 - spending

<b>BAVIAANS MUNICIPALITY</b>						
<b>CAPITAL BUDGET 2007/2008</b>	<b>Responsible</b>	<b>Budget</b>	<b>Actual to Date</b>	<b>Amount Available</b>	<b>% Spend</b>	<b>Comments</b>
<b>PARTICULARS</b>	Jun-08	R	R	R		
<b><u>Administration</u></b>						
Internal Skills Development Programme	Community Serv	60,000	60,000	-	100	Being done by CMTP
Community based training	Community Serv	70,000	70,000	-	100	Being done by CMTP
Designate hawking areas and promulgate	CSM	70,000		70,000	-	
Formulation of an Integrated Tourisn Plan 60%	MM	120,000	120,000	-	100	Done
Formulation of an Integrated Tourisn Plan 40%	MM	80,000	80,000	-	100	Done
Municipal Tourism to become part of District Tourism	Community Serv	124,000	124,000	-	100	Cacadu not responded yet
				-		
<b><u>Budget and Treasury Office</u></b>						
Vending machine Seytlerville	CFO	25,000	25,000	-	100	Done
Provision another prepaid vendor in Willowmore	CFO	25,000	25,000	-	100	New machine Bavians Kloof
<b><u>Public Works</u></b>						
Repair and Resealing of Victoria Street	TCM	669,000	669,000	-	100	Being Done by Dept of Trans
<b><u>Sanitation</u></b>						
Steytlerville Sanitation/Oxidation Ponds Extention	TCM	8,000,000	161,130	7,838,870	2	
Eradication of Bucket System	TCM	3,157,000	3,157,000	-	100	
<b><u>Water</u></b>						

Developing of water resources – Erasmuskloof	TCM	4,800,000	1,109,498	3,690,502	23	
Zaaymanshoek Upgrading of water , New borehole & internal reticulation	TCM	1,300,000	373,519	926,481	29	
Water - Wanhoop Upgrading	TCM	570,000	420,245	149,755	74	
Drill 3*300 boreholes Wanhoop	TCM	1,200,000	488,202	711,798	41	
Reservoir 1 meg – Steytlerville	TCM	300,000	608,967	308,967	203	
<b><u>Electricity</u></b>						
Replacement pf Plessy with Conlog Meters	TCM	40,000		-	-	Operating Maintenance
Electrification 241 Willowmore and 120 Steytlerville	TCM	925,950	690,079	235,871	75	
Upgrading internal electrical system	TCM	2,140,000	1,991,121	148,879	93	
<b><u>Sub Total Capital Projects</u></b>		<b>23,675,950</b>	<b>10,172,762</b>	<b>13,463,188</b>	<b>43</b>	

#### 6.4 SDBIP CAPITAL – Budget 2007/08

BAVIAANS LOCAL MUNICIPALITY: SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN 2007 / 08														
Objective	Strategy	Project	Key Performance Indicator (Project)	Annual Target	Means of Verification	Town*	Department	GFS	Account Number	2007/8 R000s	30 Sep 2007 Target	31 Dec 2007 Target	31 Mar 2008 Target	30 Jun 2008 Target
<b>DEVELOPMENT PRIORITY 1: BUILDING THE INSTITUTION AND EMPLOYEE CAPACITY</b>														
1. A well established municipality with sufficient resources and institutional capacity to deliver an excellent municipal service	<u>Improve Financial Sustainability</u>													
	Increase revenue base	Masakane Encourage the customer to pay for service	% of billed rates received	100% billed rates received	Financial statements	All	Finance	Finance & Admin		Operational Budget	80%	90%	100%	
		% reduction of outstanding debts	% reduction of outstanding debts	30% recovery rate	Arrear accounts showing a reduction	All	Finance	Finance & Admin		-	5%	15%	20%	
		Valuation of property including agricultural land	Completion of the revaluation of property including agricultural land	Appointment of Service Provider	Valuation roll compliant to Property Rates Act	All	Finance	Finance & Admin		R3 500 000	NA	NA	Consultations with community	Appoint service provider
	Increase collection of revenue	Accurate and correct billing system	% of rates queries (indicating correct accounts)	100% correct accounts billed	No accounts complaints as per log	All	Finance	Finance & Admin		R50 000	80%	90%	100%	

	Reduce unnecessary expenditure	Consider alternatives, savings options	Implementation of recommendations to council proposing 3 methods of reducing expenditure	100% Implementation of recommendations	Financial statements (cash flow) and implementation report	All	Finance	Finance & Admin		-	25% (Recommendations tabled to Council)	50% (Implementation of recommendations)	75% (Implementation of recommendations)	100% (Implementation of recommendations)
	Improve and strengthen existing planning system	Finalise Spatial Development Plan Town planning new erven Steytterville Future expansion	Existence of an approved spatial development plan (allowing for new erven for new Stetterville)	100%	Adopted SDF and Town Registers for new erven	All	Infrastructure	Planning & Development (Technical Services)		R50 000	60% (Draft to Council)	80% (Adjustment to draft)	95% (Community participation)	100% (Adopted SDF)
	Improve financial systems and procedures	Formulate a register for municipal land and building users	Existence of a register for municipal land and building users	100%	Comprehensive register of municipal land/building users	All	Finance	Finance & Admin		-	100%	100%	100%	
		Compilation of GAMAP/GRAP compliant Asset Register	% completion of the GAMAP GRAP compliant asset register	100% (complete and compliant)	Existence of Asset Register that is GRAP compliant	All	Finance	Finance & Admin		R150 000	60% (Registration underway)	100% (Asset register complete and hand over of skills)	100%	
	Review and strengthen internal systems and procedure	Action plans to implement by-laws. Simplify by-laws. Public awareness programme	Implementation of awareness campaigns to educate the community on applicable by-laws	100% communities consulted	Community seen to understand and abide to By-Laws (documented)	All	Finance	Finance & Admin		R10 000	49% (Focus groups)	60% (Willowmore and Steytterville)	97% (Baviaans-kloof and Fullarton)	100% (Rural Farming area)

	s	Execution of Council Resolutions	% execution of Council resolutions	100% attention to resolutions	Council minutes and any applicable action plans	All	Corporate Admin	Finance & Admin		-	100%	100%	100%	
		Policies of Council. Identify gaps/amend/add	% investigation of all comments regarding improvements to Council Policy and implementation thereof	100% comments / complaints investigated	Policy comments log	All	Corporate Admin	Finance & Admin		-	100%	100%	100%	
2. Working towards the creation of a stable, capacitated personnel-corps geared to increased service delivery and good performance in services delivered	An effective, customized organizational structure	Review of existing organizational Structure and drafting of new ideal structure	Annual review of organisational structure and implementation of resolutions	Annual review of structure by 30 June	Adoption of new organisational structure	All	Municipal Managers Office	Finance & Admin		R100 000	100% implementation of previous years resolution	NA	NA	Review existing structure and recommendations Council
		Internal Skills Development Programme	Adherence to the Workplace Skills Plan of the current year and submission for the following year	100% implementation	Complete WSP informed by a Skills Audit and implementation thereof	All	Corporate Admin	Finance & Admin		R60 000	20%	50%	90%	100% & submission of 08/09 WSP
	Create incentives for staff... to improve performance / productivity	Performance Management System	Successful roll-out of a legally compliant PMS to Middle Management level	100%	Fully functional PMS to Middle Management	All	Municipal Managers Office	Other - PMS		R350 000	MM & Sec 57s complying to PMS	NA	Middle Management complying to PMS	SDBIP plans prepared the following year

	Improve customer care (relations) and service	Reorganise office space with customer orientation in mind, as well as effective admin	Completion of office reorganisation	100%	Complaints log and dedicated space provided for all occupants and filing systems	All	Corporate Admin	Finance & Admin		R120 000	70% (alterations in progress)	100% (reorganisation complete)	100%	
		% of queries addressed in agreed turn around times	% of queries addressed in agreed turn around times	72 hours	Complaints log	All	Corporate Admin	Finance & Admin			NA	NA	100%	
<b>DEVELOPMENT PRIORITY 2: COMMUNITY SERVICE</b>														
1. Proud citizens that contribute to the development of their town/s	Promote Education not only academic but also practical work related learning that would make them economic active "technical" "trade	Upgrading of library (books and building)	% Completion of library upgrade	100% upgrading and stocking of library	Complete upgrading of Library Buildings	Willowmore	Corporate Admin	Community Services		R583 000	80% (Structure upgraded including painting)	100% (library completed and stocked)	100%	
	Need to raise the level of skill / competen	Implement a life skills programme	% Completion of a life skills project for the Community in accordance with original TOR	100%	Increased levels of competency among youth (documented)	All	Corporate Admin	Community Services		R280 000	100%	NA	NA	NA

ce of the community	Expansion of Umsobomvu Youth Advisory Centre to Steytleville and Baviaanskloof	% enhancement of the Umsobomvu Youth Advisory Centre (Steytleville and Baviaans kloof)	100%	Access to Umsobomvu YF services for all Baviaans youth	Steytleville & Baviaans Kloof	Corporate Admin	Community Services		R300 000	75% (access to internet installed at Steytleville)	90% (Proposal submitted to Council via standing item to address the need for more PCs at the Baviaans centre)	100% (Proposals implemented)	
	Establishment of Thusong Centre in Steytleville Old Clinic	% establishment of Thusong Centre in Steytleville Old Clinic	100%	Completion report indicating that government departments have office space	Steytleville	Corporate Admin	Community Services		R60 000	20% (planning complete)	68% (construction commenced)	90% (painting and fitting)	100% (Completion of build)
	Investigate possibility to give learners (Grade 7 – 12) opportunity to develop hand skills	% completion of an investigation and petition to Dept of Education to motivate the need for grade 7 - 12 learners to develop hand skills	100%	Proof of meeting with Dept of Education and presentation of findings	All	Corporate Admin	Community Services		R0	20% (Collation of data)	45% (Collation of data)	50% (Formulation of proposals)	100% (Tabled council presentation Dept of Education)
	Remove "poverty mentality"	Implement a life skills programme	Addressed above in Strategy 'Need to raise the level of skill / competence of the community'										

	Instill a sense of pride and ownership and dignity.	Implement a life skills programme	Addressed above in Strategy 'Need to raise the level of skill / competence of the community'											
	Utilize local skill in community to assist in projects.	Upgrade Willowmore and Steyterville town halls	% completion of the upgrading of Willowmore and Steyterville Town Halls	60%	Willowmore Town Hall able to hold functions and plans developed for Steyterville Town Hall	Willowmore & Steyterville	Corporate Admin	Community Services		R0	10% (Willowmore in progress)	36% (Willowmore complete)	43% (design complete for Steyterville & commencement of funding applications)	60% (funding secured)
	Build community spirit	Purchase and installation of Christmas lights	Timeous installation of the Christmas lights	100%	Christmas lights are installed during festive season	Willowmore & Steyterville	Infrastructure	Community Services		R90 000	20%	100%	100%	100%
	Remove sense of "helplessness"	Facilitate the formulation and implementation of a programme against alcohol abuse	% implementation of the programme against alcohol abuse	70%	Community members have sense of purpose in life	All	Corporate Admin	Community Services		-	15% (Draft strategy)	30% (Strategy in place)	50% (Form partnerships)	70% (Form partnerships)

	Source funding and resources Utilize local skill for municipal journalism	Training in Life Skills Programmes	Addressed above in Strategy 'Need to raise the level of skill / competence of the community'												
2. The Youth of Baviaans are actively integrated into and contribute to community development	Provision of recreational facilities	Upgrading of sports grounds and swimming pool for Willowmore	% Completion of the upgrading of Willowmore sports grounds and swimming pool	40%	Access to recreational facilities by all inhabitants	Willowmore	Infrastruc-ture	Sport & Recreation		Budget ed under infrastr ucture: Municip al Buildin gs	16%	25%	30%	4	
		Upgrade and establish play park	% completion of the play park	60%	Progress report		Infrastruc-ture	Sport & Recreation		R500 000	10% Investigat e	16% Draft Report	14% Report to Council	6	
	Exposure to extra curricula activities	Initiate and support existing youth, dance, karate, boxing and indoor sports	% completion of the sports hall	100%	Greater Youth participation in indoor sports		Infrastruc-ture	Sport & Recreation		R30 000	8% (Planning of refurbish-ment) Investigat e	50% (basic refurbish-ments done) Draft Repot	80% (field markings inside hall) Report to council	100% (use)	

	Promote self development	Facilitate the investigation of transport of children to schools, especially farm schools	% completion of the investigation of transport for school children (focusing on farm school transport)	40%	Evidence of communication to Dept.of Education requiring an undertaking to transport farm school children	All	Infrastruc-ture	Road Transport		-	20% Investigate	25% Draft Report	35% Report to Council	4
		Life skills programmes	Addressed above in Strategy 'Need to raise the level of skill / competence of the community'											
		Facilitate a study into the feasibility of adult basic education	& completion of a study into the feasibility of adult basic education	100%	Research report on adult education	All	Corporate Admin	Community Services		-	20% (investigations)	50% (draft report)	100% (Report to Council)	10
	Instill a sense of community pride and dignity	Women focused empowerment project	% completion of the empowerment programme for women	100%	Women starting up successful business ventures	All	Corporate Admin	Community Services		R50 000	10%	30%	60%	10
		Life skills programme	Addressed above in Strategy 'Need to raise the level of skill / competence of the community'											
	Promote education (academic and technical)	See projects under objective 3 hereunder												

3. Improve community access to a comprehensive health care service	Investigate private partnerships	Ensure availability of ambulance through intersectional planning meeting		80%	Reduction of complaints are received about unavailability of ambulances	All	Municipal Managers Office	Health		R0	40%	60%	80%	8
	Lobby with district and province	Ensure the availability of doctor through intersectoral meeting		80%	No complaints are received about unavailability of Doctor	All	Municipal Managers Office	Health		R0	40%	60%	80%	8
		Investigate options for transport to clinics and hospital	% completion of investigation and report recommending options for transport to clinics and hospital	100%	Report is tabled in the Council about various options	All	Municipal Managers Office	Health		R0	30% (investigations)	60% (Draft report)	100% (report tabled at Council)	10
	Promote home based care	Facilitate the establishment of home-based care centres. Establish HIV and AIDS Care Centre at Willowmore District Hospital		60%	Willowmore Hospital is able to dispense HIV/AIDS drugs	Willowmore	Municipal Managers Office	Health		R0	10%	30%	30%	6

	Improve customer care/service	Facilitate the establishment of a satellite clinic	% completion of a satellite clinic	100%	A structure for clinic exists	Baviaanskloof	Municipal Managers Office	Health		R0	40% (investigations)	60% (construction in progress)	100% (completion)	10
		Provision of waiting rooms at clinics		20%	Waiting rooms are extended in clinics		Municipal Managers Office	Health		R0	4%	7%	10%	2
		Ensure effective clinics & hospital through intersectoral planning	% satisfaction of customers as shown through evaluation	100%	Community is satisfied with services rendered		Municipal Managers Office	Health		R0	10%	30%	50%	10
4. SAPS fulfill their mandated role and responsibility in the community	Bilateral discussions with SAPS	Ensure separate jails for youth	% progression of discussions with SAPS petitioning separate jails for youth and adults	30%	Proof of correspondence	All	Corporate Admin	Public Safety		R0	25%	30%	30%	3
	Build healthy relationships	SAPS to ensure that their staff in Baviaans LM can speak Language of the client	% progression of discussions with SAPS petitioning for their staff to speak the local (clients) language	100%	Client friendly police service	All	Corporate Admin	Public Safety		R0	50%	75%	90%	10
	Forge partnerships to combat	Facilitate and strengthen community police forums	% efficiency of the Community Police Forum	100%	Functional Community Police Forums	All	Corporate Admin	Public Safety		R0	40%	60%	80%	10

	crime	Facilitate investigation of root causes of substance abuse leading to crime	% completion of a report investigating the root causes of substance abuse	100%	Report on the status and causes of substance abuse	All	Corporate Admin	Community Services		R0	30% (Investigations)	50% (Investigations complete)	70% (Draft Report)	100% (Report Council)
		Township fencing of road reserves and municipal commonage	% completion of the fencing of road reserves and municipal commonage	80%	Fences being completed for commonages and townships		Infrastruc-ture	Public Safety		R250 000	5%	40%	65%	8
		Facilitate security Consciousness roadshows and workshops with community of Baviaans	% implementation of security awareness campaign roadshows with the Baviaans Community	90%	Lessen the crime rate in Baviaans	All	Corporate Admin	Public Safety		R10 000	21%	46%	70%	9
5. Community have easier access to social services	Investigate other options to accessible service	Establish Thusong Centre	Addressed above in Strategy 'Need to raise the level of skill / competence of the community'											
	Reduce distance between service and the community	Establish Thsong Centre	Addressed above in Strategy 'Need to raise the level of skill / competence of the community'											
<b>DEVELOPMENT PRIORITY 3: ECONOMIC DEVELOPMENT</b>														

1. SMME's are provided with mandated municipal support that facilitates their growth and success	Empowerment of the SMME	Training programmes : Bookkeeping, Financial Management and Service	% completion of a training programme for SMMES in bookkeeping, financial management and service	100%	SMMEs are legally compliant	All	Municipal Managers Office	Planning & Development		R70 000	13% (investigations)	20% (Appointment)	70% (delivery of training)	100% (Completion)
	Promote the services and or products of the SMME	Avail tourism marketing facilities (office & website) for registered PDI's		100%	PDIs are using the tourism facilities for marketing their businesses	All	Municipal Managers Office	Planning & Development		Budget ed for under tourism	21%	61%	90%	100%
	Facilitate SMME website access and utilization Assist with marketing , exposure of the SMME's product / service	Provide training to registered SMME's on business skills and usage of internet for marketing	% completion of a training programme for SMMES in business skills and the use of the internet for marketing	100%	SMMEs are capacitated and thrive in Baviaans	All	Municipal Managers Office	Planning & Development		R0	7% (Investigations)	30% (Training programme in place)	70% (delivery of training)	100% (Completion)

	The provision of municipal business sites, premises for business.	Establish business stalls, beehives and suitable venues for SMME to sell products		100%	Physical structures are erected for SMMEs	All	Municipal Managers Office	Planning & Development		R150 000	7% (investigations)	20% (plan in place)	60% (consultations)	100% (Establishment)
	Assist with marketing, exposure of the SMME's product/service	Provide/ source a suitable venue for mohair and wool products		40%	A property is identified and business plan formulated for project	All	Municipal Managers Office	Planning & Development			7% (investigations)	20% (plan in place)	60% (consultations)	100% (Establishment)
	Legalise legitimate spaza shops	Create a data base of all Spaza shops and business owners in Baviaans		100%	All businesses operating in Baviaans are registered	All	Municipal Managers Office	Planning & Development		R0	28% (collation of data)	40% (collation of data)	100% (updated database)	100% (updated database)
		Assist SMMEs with registration of their businesses and registration of local contractors as accredited service providers		100%	All businesses operating in Baviaans are registered	All	Municipal Managers Office	Planning & Development		R0	28% (planning and marketing of service)	40% (registrations)	100%	100%
	Formalise local hawkers to promote organised	Designate hawking areas and promulgate	Existence of a formal hawking facility	100%	All businesses operating in Baviaans are registered	All	Municipal Managers Office	Planning & Development		R70 000	28% (planning and draft proposal)	40% (consultations)	100% (promulgation)	100%

	trade													
	Promote opportunity for local job creation	Encourage local contractors to register with CIDB		100%	All local contractors are CIDB registered	All	Municipal Managers Office	Planning & Development		R0	30% (investigations)	50% (Campaigning)	70% (Consultation with contractors)	100%
	Promote local economic development	Formulation of a LED Strategy	Existence of an LED strategy	100%	LED strategy is adopted by Council	All	Municipal Managers Office	Planning & Development		R180 000	10% (Investigations)	40% (Draft report)	70% (Final report)	100% (Report Council)
2. A pleasurable tourist experience	Promote local tourism	Formulation of an integrated tourism development plan		100%	Tourism sector plan is adopted by Council	All	Municipal Managers Office	Other - Tourism		R200 000	70% (Draft plan)	100% (Completion)	100%	100%
		Investigate Tourism development projects for Steytleville, Willowmore and Baviaanskloof: Flag project, Sibanje House, Community Kiosk		100%	Report on the investigation is tabled to Council	Steytleville, Willowmore & Baviaanskloof	Municipal Managers Office	Other - Tourism		R45 000	12% (Investigations)	28% (Completion of investigations)	70% (Draft report)	100% (Completion)

		Municipal tourism to become part of district tourism	% alignment of District and Local tourism	100%	Evidence of Baviaans having impact on District Tourism	All	Municipal Managers Office	Other - Tourism	R124 000	100%	100%	100%	100%
		Investigate Bakersdam for possible west gate to Baviaans		30%	Investigation report is tabled in Council	Bakersdam	Municipal Managers Office	Other - Tourism	R0	12%	30%	30%	30%
		Investigate Diesel engines as tourist attractions in Willowmore		20%	Investigation report is tabled in Council		Municipal Managers Office	Other - Tourism	R0	7%	16%	20%	20%
		Investigate Sunrise and Sunset Tours		40%	Investigation report is tabled in Council		Municipal Managers Office	Other - Tourism	R4 000 000	11%	20%	40%	40%
		Upgrading of Baviaans Tourism Office and Museum		70%	Funding is solicited for completion of the museum and tourism office as indicated in Business plan	Willowmore	Municipal Managers Office	Other - Tourism	R300 000	13%	60%	70%	70%
	PDI involvement in product ownership	Investigate training for tour guides and guesthouse personnel		100%	Investigation report is tabled in Council	All	Municipal Managers Office	Other - Tourism	R0	20%	50%	90%	100%

	of tourism products	Investigate Tourism development projects for Steytlerville, Willowmore and Baviaanskloof: Flag project, Sibanye House, Community Kiosk	Addressed above 'Promote local tourism'										
		Avail tourism marketing facilities (office & website) for registered PDI's	Addressed above 'Promote the services and or products of the SMME'										
	Promote local "tourist" products, services available.	Avail tourism marketing facilities (office & website) for registered PDI's	Addressed above 'Promote the services and or products of the SMME'										
	Facilitate website access and utilisation	Provide training to registered SMME's on business skills and usage of internet for marketing	Facilitate SMME website access and utilization Assist with marketing, exposure of the SMME's product / service										
	Create municipal database for tourism operators in Baviaans	Existence of an updated database of tourism operators	100%	Database	All	Municipal Managers Office	Other - Tourism		R0	20% (creation of database)	60% (collation of data)	90% (collation of data)	

10 Investigate the financial viability and sustainability of all resources and facilities of already existing agricultural projects & their contribution to LED	Ensure the implementation of sustainable projects	Access/evaluate all existing LED Projects: Based on results consider resuscitate or abort projects		100%	Status Quo reports are submitted to Council	All	Municipal Managers Office	Planning & Development		R0	0%	12% (collation of updated information)	60% (Assessment underway)
	Law enforcement	Action plans to implement by-laws. Simplify by-laws. Public awareness programme	Addressed above (Review and strengthen internal systems and procedures)										
		Investigate aeroponics, piggeries, poultry farms, nurseries, greenhouse projects	% evaluation of all existing projects as to the adherence to by-laws	100%	Evaluation report per project	All	Municipal Managers Office	Finance & Administration		R0	25% (Evaluation criteria designed)	50% (evaluations commenced)	75% (Evaluations underway)
	Conserve soil	Establish a soil committee according to the Soil Conservation Act		100%	A functional soil conservation committee is existent	All	Infrastructure	Environmental Protection		R0	21% Invitation to possible people	60% Establishment of Committee first meeting	90%
	Access of funding for the soil committee to implement soil conservation	Identification of conservation projects (alien plant removal)		50%	A report is tabled to Council and Business Plans are formulated	All	Infrastructure	Environmental Protection		R0	6% Identify projects	20% Draft Business plan	30% Business plan to Council

	projects												
	Increase number of beneficiaries of the agricultural projects	Everyone wishing to participate in projects must be given a chance		100%	Projects are functional and progress reports submitted	All	Municipal Managers Office	Planning & Development		R0	30%	70%	100%
		Individual small farmers must have access to commonages and pay for their animals utilising commonage grazing		100%	Legal contracts are entered into with small farmers unions		Infrastructure	Public Safety		R0	100%	100%	100%
		Monitor grazing on commonage		100%	Reports on commonage usage are submitted quarterly		Infrastructure	Environmental Protection		R0	40% Investigations)	100% (Report to Council)	100% (Report to Council)
<b>DEVELOPMENT PRIORITY 4: INFRASTRUCTURE AND DEVELOPMENT</b>													
11	Supply sustainable basic infrastructure to all inhabitants of	Sustainable water supply	Augmentation of surface water from Erasmuskloof	40%	Project is implemented resulting in sufficient water supply in Steytleville	Steytleville	Infrastructure	Water		R20 048 245	3% Starting of EIA Report	17% Submission of EIA Report	33% calling tenders

Baviaans: Water		Upgrading of water provision new borehole & reticulation in Zaaymanshoek		100%	Project is implemented resulting in sufficient water supply in Zaaymanshoek	Zaay-manshoek	Infra-structure	Water		R1 300 000	40% Starting EIA scoping report	70% Appointment of contractors	100% Project completion - Drilling
		Investigate water supply in Fullarton	No funding available for this project										
		Investigate the installation of water flow meters for indigent households to prevent unaffordable water usage		10%	Need funding for this project – Report be tabled to Council on investigation	All	Infra-structure	Water		R0	2% list of indigent households	5% Cost of installation	7% Council Report approval
		Maintenance program for Telemetry Systems Steytlerville and Willowmore	% compliance with the service level agreement for Telemetry services	100%	Service Level Agreements entered into with service provider	Willow-more & Steytler-ville	Infra-structure	Water		R70 000	100% Signing of contract	implement of contract	Implement of contract
		Drill 3 X 300 m deep boreholes: Wanhoop		100%	Completion of Project with sufficient water supply to Willowmore	Wan-hoop	Infra-structure	Water		R1 200 000	Appointment of contract	Installation of Borehole pump	100 % Operational

		Upgrading of Water Network at Wanhoop		100%	Completion of Project with sufficient water supply to Willowmore	Wan-hoop	Infra-structure	Water		R570 000	20% appointment of contractor	100% (Connecting to existing network)	100%
		Investigate the provision of permanent Water supply to Hillview Sport field		100%	Investigation is complete and report tabled in Council		Infra-structure	Water		R0	10% (Investigations)	50% (Draft Report)	100% (Completion)
		Investigate the utilisation of backwash water and upgrading of waterworks : Wanhoop		100%	Investigation is complete and report tabled in Council	Wan-hoop	Infra-structure	Water		R0	10% (Investigations)	50% (Investigations complete)	100% (Completion)
		Investigate water supply for new town development (Aftreeoord		100%	Investigation is complete and report tabled in Council	Aftreeoord	Infra-structure	Water		R0	0%	10% (Investigations)	50% (Draft Report)

	Efficient accounting system for water usage	Investigate the installation of water flow meters for indigent households to prevent unaffordable water usage as well as the installation of area water flow meters in both Willowmore and Steytlerville		100%	Investigation is complete and report tabled in Council with costs	Willowmore & Steytlerville	Infrastructure	Water		R0	3% (Commencement)	40% (Investigations)	70% (D Report)
		Monthly statistics of consumption for monitoring		100%	Reports on water consumption statistics tabled every month	All	Infrastructure	Water		Operation	80%	98%	100%
		Faulty meter replacement	% Reduction of complaints for faulty meter replacements	100%	Complaints log	All	Infrastructure	Water		Operation	50% Implementation of list received	79%	100%
	Budget for operation and maintenance of water reticulation network	Finalise water services development plan		100%	Water Services Development Plan being adopted by Council	All	Infrastructure	Water		R0	100% Table WSDP for Council approval	100%	100%

		Allocate funding from own revenue for operating and maintenance costs		8%	Council budgeting 12% of operation budget towards maintenance costs	All	Infra-structure	Water		Operating	0.50%	0.80%	
		Conclude legal contracts with users tapping on the municipal line		100%	Signed Contracts with water users tapping on line	All	Infra-structure	Water		Operating	Identify users	Signed contracts	100%
12 Supply sustainable basic infrastructure to all inhabitants of Baviaans: Sanitation	Provide sanitation of an acceptable standard to all communities	Bucket Eradication Steytlerville and Willowmore units (450 Steytlerville and 10 Willowmore)	% completion of bucket eradication programme	100%	No bucket toilet system exists within the Baviaans	Willow-more & Steytler-ville	Infra-structure	Waste Management		R7 000 000	70% Eradication of Buckets	Project completed	100%
		Extension of sewerage ponds in Steytlerville		50%	Adequate sewerage capacity	Steytler-ville	Infra-structure	-		R8 000 000	EIA Scoping Report	Submission of EIA	Tender Called
		Investigate VIP Toilet system in use in Fullarton and Zaaimanshoek for Upgrading		50%	Report to Council on the investigation is tabled	Fullarton & Zaai-manshoek	Infra-structure	-		R0	Identify toilets with buckets	Report to Council	Appointment of Contractor
13 Supply sustainable basic infrastructure to all	Legal compliance of all dumping sites	Investigate dumping sites in Fullarton and Baviaans		100%	Report to Council on the investigation is tabled	Fullarton & Baviaans	Infra-structure	Waste Management		R0	investigations	Report to Council	Report to Council

inhabitants of Baviaans: Refuse Removal and Management of Dumping Sites	Improve refuse removal plans	Investigate better management of dumping sites in Willowmore and Steytlerville as well as better personnel management for refuse removal		100%	Report to Council on the investigation is tabled	Willow-more & Steytler-ville	Infra structure	Waste Management		R0	10% Investigation	50% Investigate draft report	Report Council
14 Supply sustainable infrastructure to all inhabitants of Baviaans: Housing	Eradicate all squatters and informal settlements in Baviaans	Investigate new housing scheme: 50 houses for "Down" Willowmore and 50 houses : farm labourers Steytlerville		100%	Report to Council on the investigation is tabled	Willow-more & Steytler-ville	Infra structure	Housing		R0	Identify houses	50% Draft Report	70% Report Council
	Provide housing for needy people Baviaans and Fullarton	Investigate housing settlements Baviaanskloof and Fullarton		100%	Report to Council on the investigation is tabled	Baviaan-skloof & Fullarton	Infra structure	Housing		R0	10% Investigate	50% Draft Report	100% Report Council
		373 Housing Project Willowmore		100%	This project is finally complete	Willow-more	Infra structure	Housing		R Top up Funding from CDM	50% Investigate happy letters received	80% Ensure all happy letters signed	100% Houses painted
		503 Housing project Steytlerville		100%	Completion of the project	Steytler-ville	Infra structure	Housing		R13 600 000	50%	70%	9

		Investigate transfer of Spoorinet Houses (Willowmore and Fullarton)		100%	Report to Council on the investigation is tabled	Willowmore & Steytlerville	Infrastructure	Housing		R0	20% Investigate	50% Draft report	50% Report council
	Provision of housing for middle and high income earners	Private Sector Initiated retirement Estate Housing development in Willowmore (300 units)		60%	Council legal processes are completed for approval of scheme	Willow-more	Infrastructure	Housing		R0	6% Investigation	15% Draft report	4
	Enhance quality and standards of RDP housing	Transfer of housing board houses to beneficiaries		100%	Inhabitants of the houses have title deeds		Infrastructure	Housing		R600 000	50% Investigate transfers to date	80% Ensure all happy letters transferred	100% Beneficiaries receive title deeds
		Water proofing of 460 units – Willowmore		100%	Project is completed	Willow-more	Infrastructure	Housing		R658 00	100% All houses painted	100% All houses painted	100% All houses painted
		Investigate unoccupied houses for possible re-allocation		100%	Report to Council on the investigation is tabled		Infrastructure	Housing		R0	50% Investigation	80% Draft Report	100% Report Council
15 Supply basic infrastructure to all inhabitants of Baviaans: Electricity	Avoid power failure from the municipality supply network	Upgrade internal electrical system (Old dorp – Willowmore)		100%	Unbroken electricity supply in the area	Willow-more	Infrastructure	Electricity		R2 140 000	50% LV network completed	70% MV network	100% Completed
		Upgrade of old electrical network in Steytlerville	% upgrade of Steytlerville electrical supply	100%	Unbroken electricity supply in the area	Steytler-ville	Infrastructure	Electricity		R2 300 000	0 Application to DME	15%	60% Called tenders

	Eradicate or minimise electricity loss that is not accounted for	Action plans to implement by-laws. Simplify by-laws. Public awareness programme	Addressed above (Review and strengthen internal systems and procedures)										
Electricity supply to all inhabitants of Baviaans by 2012	Electrification of the 373 housing project and streetlights of area		100%	All 373 houses are electrified		Infra structure	Electricity		R1 425 950	70% (In progress) Electricity completed	100% (Complete)	100% complete	
	Electrification of 120 housing units in Steytleville		100%	All 120 housing units are electrified	Steytler-ville	Infra structure	Electricity		R ESKOM	20% complete	60% complete	100% complete	
	Investigate electrification of the rest of 503 housing Steytleville (street lights included)		100%	Investigation report is tabled in Council	Steytler-ville	Infra structure	Electricity		R0	3% submitted application to DME	30%	100% Called tenders	
	Investigate electrification of Fullarton Primary School		100%	Investigation report is tabled in Council	Fullarton	Infra structure	Electricity		R0	11% Investigation	60% Report to Council	100% Appointment of contractor	
	Investigate electrification of farm schools		100%	Investigation report is tabled in Council		Infra structure	Electricity		R0	11% Investigation	60% Draft report	100% Report submitted to Council	

		Investigate electricity supply to 30 households in Fullarton		100%	Investigation report is tabled in Council	Fullarton	Infra-structure	Electricity		R0	11% Investigation	60% Draft report	100% Report submitted to Council
		Replacement of Plessey with Conlog Meters		100%	Conlog electricity meters are being used in all houses within Baviaans		Infra-structure	Electricity		R120 000	4% Draft Report	60% Report to Council	80% Implementation
		Replacement of old pre-paid electricity vending machine in Steytlerville		100%	New vending machine is provided	Steytler-ville	Infra-structure	Electricity		R25 000	20% Draft Report	100% (Completion) Report to council	100% Implementation
		Provision of another prepaid electricity vendor point in Willowmore		100%	Two electricity vending points exist in Willowmore	Willow-more	Infra-structure	Electricity		R25 000	20% Draft Report	100% (Completion) Report to council	100% Implementation
16 Supply sustainable basic infrastructure to all inhabitants of Baviaans: Streets and Storm Water Drainage	Improve conditions of internal streets and roads in Willowmore and Steytlerville	Investigate upgrading of gravel roads Steytlerville and Willowmore with reference to the street priority list		100%	Investigation report is tabled in Council	Willowmore & Steytlerville	Infra-structure	Road Transport			20% Investigate List	100% (Completion) Action plan	100% Upgrading of Roads
		Investigate upgrading of Victoria Street		100%	Investigation report is tabled in Council		Infra-structure	Road Transport			20% Monitor project from public works	100% (Completion) Road tarred	100%
		Upgrading of R332 (TR 397) Access to World Heritage site		100%	Upgrading of road is complete		Infra-structure	Road Transport			20% Monitor project from public works	39% Complete project	5%

		Establishment of Transport Forum		100%	Existence of a functional Transport Forum		Infra-structure	Road Transport			100% Establish quarterly meetings	100%	100%
		Investigate storm water drainage (Willowmore and Steyterville)		100%	Investigation report is tabled in Council	Willowmore & Steyterville	Infra-structure	Waste Management			20% Report to council	39% Report to Council	50% Report Council
		Investigate street bumps and road signs		100%	Investigation report is tabled in Council		Infra-structure	Road Transport			20% Investigate	39% Draft Report	50% Report Council
		Upgrading of cement road between Willowmore and Steyterville		90%	The road is more safe and users are satisfied	Willowmore & Steyterville	Infra-structure	Road Transport			30% Investigate	68% Draft Report	100% Report Council
	Encourage efficient usage of municipal halls, buildings by community for revenue	Upgrade Willowmore Town Hall		70%	Willowmore town hall is user friendly	Willowmore	Infra-structure	Finance & Admin			4% Draft Report	11% Report to Council	50% Report Council
		Investigate upgrading of Steyterville Town Hall and Vuyolwethu Hall		100%	Investigation report is tabled in Council	Steytler-ville & Vuyolwethu	Infra-structure	Finance & Admin			20% Draft Report	40% Report to Council	50% Report Council
		Provision of water and upgrading of sport grounds: Steyterville		100%	Permanent supply of water to upgraded sportsfield	Steytler-ville	Infra-structure	Sport & Recreation			20% Called for tender	40% Contractor appointed	50% Project complete

		Upgrading of Willomore swimming pool		10%	A clear convincing Business Plan is submitted to possible funders	Willow-more	Infra-structure	Sport & Recreation			30% Investigation	68% draft Business plan	100% Plan submitted to Court

## 6.5 Service Delivery Survey Report



# REPORT ON THE GOOD GOVERNANCE SURVEY IN BAVIAANS LOCAL MUNICIPALITY

Conducted by



In partnership with the Cacadu District Municipality, Baviaans Local Municipality  
and the German Agency for Technical Co-operation (GTZ)



March 2008

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Appendix 1: Additional information provided by respondents

## Acknowledgements

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# 1. Introduction

This report presents the findings of the Good Governance Survey (GGS) that was carried out in Baviaans Local Municipality during July 2007. This GGS was part of a broader survey of four other local municipalities in the Cacadu District, namely Makana, Ndlambe, Camdeboo and Ikwezi. In a previous round of GGSs, the four other local municipalities in the district – Blue Crane Route, Kouga, KouKamma and Sundays River Valley – were surveyed. The consolidated report on the first round of surveys provides the context for the GGS. The partners involved in the GGS project are Cacadu District Municipality, the local municipalities themselves, Afesis-corplan as the lead implementing agent, and the Project for Conflict Resolution and Development.

## 1.1 Overview of the municipality

Baviaans Municipality encompasses the towns of Steytlerville, Willowmore and surrounding rural areas. It is home to 16 067 people. About 1 014 people in Baviaans are unemployed, 3 186 are employed and 5 378 are not economically active. The major economic sources in Baviaan is agriculture, tourism and the service industry.

### 1.1.1 Social Environment

The area is faced with various social challenges. The key issues highlighted in the IDP can be listed as follows:

- There is a high level of illiteracy and unskilled labour
- Lack of education facilities
- Deteriorating condition of roads
- Need for public transport facilities
- Lack of electricity supply in certain areas in the municipality
- General deficiency in the health care system (lack of facilities, personnel and medication)
- Non-availability of ambulances and emergency services
- Need to fund anti-crime units

### 1.1.2 Economic Environment

The area's main economic activity is agriculture. There is an overall economic decline in the area, influenced by harsh climatic conditions, low rainfall, fragile vegetation, erosion, overgrazing and desertification. There is a high rate of unemployment in the area, but comparing the situation in Baviaans with the other municipalities that are mentioned above, the number of employed people in Baviaans (3186) far exceeds the number of unemployed people (1 014), which is not the case in the other municipalities. The number of the total labour force (4 200) is much less compared to the number of the people who are not economically active (5 378).

A need for sustainable development projects and job creation; a need to provide incentives to attract business and industries; a need to provide facilities that process products locally and a need to develop and market local assets and to exploit the tourism potential of the area are some of the strategies identified in the IDP. There is a lack of revenue for the municipality.

### **1.1.3 Public Participation**

Public participation in the IDP review process is ensured through an IDP Representative Forum. Various consultative meetings were held, which resulted in the identification of the development priorities. The municipality acknowledges a need to establish community participation structures in the area and it is stated in the IDP that there are no funds available to do that. There is no information on the IDP as far as the effectiveness of ward committee structures is concerned as well as the challenges around the report back processes and community participation in such processes.

### **1.1.4 Development Issues**

A list of priorities that the municipality will focus on in the financial year are listed as follows:

1. Economic development
2. Health care services
3. Basic infrastructure
4. Educational facilities
5. Recreational facilities
6. Welfare facilities
7. Safety and security
8. Disaster management

Developmental constraints that are identified in the IDP can be listed as follows:

1. Harsh climatic conditions
2. Low rainfall
3. Fragile vegetation types that are susceptible to erosion and overgrazing
4. Expansive clay conditions
5. Mountainous areas and steep slopes
6. Desertification

However, there are no clear strategies or plans in the IDP to address the above challenges.

According to the planned project register attached to the IDP, most of the listed projects do not have funding available for implementation, and very few are listed as currently in progress. Potential funding sources are however identified and listed for each of the projects where funding is to be sourced. Very few of the projects listed will be funded from the municipal budget. It is not clear from the IDP what percentage of the total municipal budget goes towards staff remuneration.

## **1.2 Profile of the sample**

The sample consisted of three different types of respondents, namely municipal councillors, municipal officials, and members of the public (including representatives of organised civil society structures such as NGOs and CBOs). Table 1 shows the breakdown of the sample by type of respondent.

**Table 1: Survey sample by respondent category**

Respondent category	No. of respondents	% of total
Councillors	5	1.2
Officials	5	1.2
Members of the public	403	97.6
<b>Total</b>	<b>413</b>	<b>100</b>

For the purposes of presenting the findings of the survey, the respondents will be referred to in terms of two categories:

Category 1: Councillors and officials

Category 2: Members of the public

Members of the public were delineated into three income categories - low income, medium income and high income - roughly in proportion to the socio-economic profile of the population of the municipality. Settlement type was used as an approximate proxy of the income status of residents. As indicated in table 2, most respondents (83.6%) were from the low-income category.

**Table 2: Income category of members of the public**

Income category	No. of respondents	% of total
Low income	337	83.6
Medium income	42	10.4
High income	24	6
<b>Total</b>	<b>403</b>	<b>100</b>

Table 3 shows the gender profile of the sample. Amongst category 1 respondents there were significantly more male than female respondents. The opposite was the case with the members of the public, with females outnumbering males.

**Table 3: Survey sample by gender**

	Officials & councillors		Members of the public	
	No. of respondents	% Of total	No. of respondents	% of total
Male	7	70	174	43.8
Female	3	30	223	56.2
<b>Total</b>	<b>10</b>	<b>100</b>	<b>397</b>	<b>100</b>

Amongst category 1 respondents, there was an even split between the 21-40 and 41-60 age groups (table 4). Amongst the members of the public, most (53%) were in the 21-40 age group.

**Table 4: Survey sample by age**

	Officials & councillors		Members of the public	
	No. of respondents	% Of total	No. of respondents	% of total
20 or less	0	0	26	6.5
21-40	5	50	213	52.9
41-60	5	50	123	30.5
61+	0	0	41	10.2
<b>Total</b>	<b>10</b>	<b>100</b>	<b>403</b>	<b>100</b>

Table 5 shows the number of years experience of councillors and officials in their current positions. As can be seen, the highest proportion (50%) has been in their positions for between 13 and 24 months (i.e. one to two years). Only 20% has been in their positions for more that two years, which suggests that the councillors and officials in the municipality are relatively inexperienced in their positions.

**Table 5: Length of time in current position\***

Time (months)	No. of respondents	% of total
0-6 months	1	10
7-12 months	2	20
13-24 months	5	50
25-60 months	2	20
<b>Total</b>	<b>10</b>	<b>100</b>

\*Only asked for councillors & officials

## 2. Findings

### 2.1 Basic knowledge of the municipality

As a means to gauge their level of knowledge of the municipality and its population, category 1 respondents were asked a few questions about some basic facts pertaining to the municipality. Encouragingly, 80% of councillors and officials were able to provide a correct answer for the annual budget of the municipality, as indicated in table 6.

**Table 6: What is the estimated annual budget of municipality for the current financial year\***

	No. of respondents	% of total
Correct answer given	8	80
Don't know	2	20
<b>Total</b>	<b>10</b>	<b>100</b>

\*Only asked for councillors & officials

However, asked to provide the breakdown between the operational and capital budgets of the municipality, only 50% of category 1 respondents were able to provide the correct answers.

**Table 7: Specify the breakdown of the budget between the operational & capital budget\***

	Operational budget		Capital budget	
	No. of respondents	% of total	No. of respondents	% of total
Correct answer given	5	50	5	50
Incorrect answer given	1	10	1	10
Don't know	4	40	4	40
<b>Total</b>	<b>10</b>	<b>100</b>	<b>10</b>	<b>100</b>

\*Only asked for councillors & officials

A positive finding was that all of the councillors and officials interviewed knew the correct figure for the total population of Baviaans Municipality.

**Table 8: What is the total population of the municipality\***

	No. of respondents	% of total
Correct answer given	10	100
Incorrect answer given	0	0
Don't know	0	0
<b>Total</b>	<b>10</b>	<b>100</b>

\*Only asked for councillors & officials

These findings indicate that on the whole there is a high level of knowledge about some of the most basic facts councillors and officials should know about their municipality.

## 2.2 Decision-making

Both categories of respondents were asked how often council meetings are held. All of the category 1 respondents answered once a month, while 41% of category 2 respondents answered once a month, and 30% did not know.

**Table 9: How often are council meetings held?**

Respondent category	More than once a month	Once a month	Once every two months	Once every three months	Twice per year	Once a year	Other	Don't know	Total
Councillors & officials	0	10 (100)	0	0	0	0	0	0	10 (100)
Members of the public	59 (14.6)	166 (41.2)	22 (5.5)	17 (4.2)	8 (2)	9 (2.2)	0	122 (30.3)	403 (100)

Note: Figures in brackets indicate the percentage of the total responses recorded per category of respondent (i.e. 10 for councillors & officials category, and 403 for members of the public category)

Of some concern is the finding that 63% of councillors and officials were unable to say what the key decision-making structure within the municipality is (table 10).

**Table 10: What is the key decision-making structure of the municipality, aside from council?\***

	No. of respondents	% of total
Mayoral Executive Committee	0	0
Executive Committee	3	37.5
Don't know	5	62.5
<b>Total</b>	<b>8</b>	<b>100</b>

\*Only asked for councillors & officials

Despite not being sure what the structure is, there was a strong consensus amongst councillors and officials that it meets once a month (table 11).

**Table 11: How often does the key decision-making structure meet?\***

	No. of respondents	% of total
Once a month	9	90
Don't know	1	10
<b>Total</b>	<b>10</b>	<b>100</b>

\*Only asked for councillors & officials

Category 1 respondents were asked to offer a view on the extent of multi-party representation on the three main political structures within the municipality, namely the Mayco/Exco, portfolio committees and the full council. With regard to the Mayco/Exco, 75% of respondents did not know the party representation on the committee. In the case of portfolio committees, again a majority (56%) could not give an answer, while a third stated that no party has a clear majority. Regarding the full council, half the respondents believed that no party has a clear majority, while 30% were of the view that one party has a 67% majority. A fifth of respondents could not say for sure.

**Table 12: Describe the extent of multi-party representation in the following decision-making structures\***

	Mayoral Committee/ Executive Committee		Portfolio committees		Council	
	No. of respondents	% of total	No. of respondents	% of total	No. of respondents	% of total
One party dominates with a 100% majority	0	0	0	0	0	0
One party has a clear majority of 67% but with significant opposition	1	12.5	1	11.1	3	30
No party has a clear majority & powers are divided between parties	1	12.5	3	33.3	5	50
Don't know	6	75	5	55.6	2	20
<b>Total</b>	<b>8</b>	<b>100</b>	<b>9</b>	<b>100</b>	<b>10</b>	<b>100</b>

\*Only asked for councillors & officials

Members of the public were asked whether they have ever attended a council meeting (table 13). The vast majority, 85%, indicated that they had not. This finding is higher than the overall finding for all five municipalities combined, where 69% of members of the public had not attended a council meeting.

**Table 13: Have you ever attended a council meeting?\***

	Baviaans LM		All five LMs	
	No. of respondents	% of total	No. of respondents	% of total
Yes	60	14.9	613	30.7
No	343	85.1	1385	69.3
<b>Total</b>	<b>403</b>	<b>100</b>	<b>1998</b>	<b>100</b>

\* Only asked for members of the public

All ten councillors and officials were of the view that 81-100% of councillors usually attend council meetings. Amongst members of the public surveyed who indicated that they *had* attended a council meeting, the perception was somewhat more negative, with 42% believing that 50% or less of councillors usually attend, and 40% being of the opinion that 51 to 80% usually attend.

**Table 14: Are council meetings usually well attended by councillors?**

Respondent category	50% or less usually attend	51-80% usually attend	81-100% usually attend	Don't know	Total
Councillors & officials	0	0	10 (100)	0	100 (100)
Members of the public	28 (41.8)	27 (40.3)	7 (10.4)	5 (7.5)	67 (100)

There does not appear to be a problem with council meetings having to be postponed because a quorum of councillors could not be reached. Seventy percent of category 1 respondents indicated that this had not occurred in the past six months (table 15).

**Table 15: How many council meetings have been postponed in the last six months because a quorum could not be reached?\***

	No. of respondents	% of total
None	7	70
1-2	3	30
<b>Total</b>	<b>10</b>	<b>100</b>

\*Only asked for councillors & officials

## 2.3 Transparency

A number of questions were asked regarding the extent to which the municipality is transparent in the manner in which it conducts its affairs. The first question asked of category 1 respondents was whether Mayco/Exco meetings are open to the public (table 16). While the majority of respondents (56%) answered in the affirmative, a third did not know. Just over 11% said the meetings were not open to the public.

**Table 16: Are Mayoral/Executive Committee meetings open to the public?\***

	No. of respondents	% of total
Yes	5	55.6
No	1	11.1
Don't know	3	33.3
<b>Total</b>	<b>9</b>	<b>100</b>

\*Only asked for councillors & officials

The majority (70%) of councillors and officials interviewed answered yes to a question about whether the municipality gives progress reports to the community on municipal projects and programmes. Amongst the members of the public surveyed, 54 percent concurred, while 37% disagreed.

**Table 17: Does the municipality give progress reports to the community on municipal projects and programmes?**

Respondent category	Yes	No	Don't know	Total
Councillors & officials	7 (70)	3 (30)	0	10 (100)
Members of the public	215 (53.5)	148 (36.8)	39 (9.7)	402 (100)

Just over 82% of councillors and officials indicated that the municipality's annual report is widely distributed (table 18). In sharp contrast, 65% of the members of the public interviewed stated that that it is not.

**Table 18: Do you think that the municipality's annual report is widely distributed?**

Respondent category	Yes	No	Don't know	Total
Councillors & officials	14 (82.4)	3 (17.6)	0	17 (100)
Members of the public	96 (23.8)	261 (64.8)	46 (11.4)	403 (100)

In response to a question about whether they have ever heard of the Auditor- General's report, the overwhelming majority (95%) of members of the public said no. This was slightly higher than the collective average for all five municipalities surveyed, which was 89%.

**Table 19: Have you ever heard of an Auditor-General's report?\***

	Baviaans LM		Five LMs	
	No. of respondents	% of total	No. of respondents	% of total
Yes	22	5.5	215	11
No	379	94.5	1746	89
<b>Total</b>	<b>401</b>	<b>100</b>	<b>1961</b>	<b>100</b>

\* Only asked for members of the public

Seventy percent of the councillors and officials interviewed answered that the municipality does hold a public meeting on the Auditor-General's annual report on the municipality's finances (table 20).

**Table 20: Does the municipality hold a public meeting on the Auditor-General's report on the municipality every financial year-end?\***

	No. of respondents	% of total
Yes	7	70
No	2	20
Don't know	1	10
<b>Total</b>	<b>10</b>	<b>100</b>

\*Only asked for councillors & officials

Besides a public meeting, a variety of other channels for publicising the findings of the Auditor-General's report were identified by both categories of respondents. Amongst councillors and officials, the most common channels cited were local newspapers and newsletters, while amongst members of the public who had heard of the Auditor-General's report, the most common channel indicated was council meetings.

**Table 21: What other public communication channels were used to present the Auditor-General's report to the public?**

Respondent category	Newsletters	Local newspapers	Special leaflets	Council meeting	Ward committee meeting	Other	Don't know	Total*
Councillors & officials	2 (20)	3 (30)	1 (10)	0	0	3 (30)	1 (10)	10 (100)
Members of the public	5 (17.2)	3 (10.3)	6 (20.7)	10 (34.5)	2 (6.9)	4 (13.8)	7 (24.1)	29 (100)

\*Numbers in rows may not add up to totals because respondents could choose more than one option

Regarding whether the municipality holds public meetings as part of the annual IDP review, 44% of the members of the public interviewed said that it does, while a third said that it does not. With regards to the municipal budget, the majority of respondents (61%) stated that the municipality does hold public meetings.

**Table 22: Does the municipality hold public meetings to communicate progress on the IDP review and municipal budget?\***

	IDP review		Municipal budget	
	No. of respondents	% Of total	No. of respondents	% of total
Yes	177	44	245	60.8
No	135	33.6	96	23.8
Don't know	90	22.4	62	15.4
<b>Total</b>	<b>402</b>	<b>100</b>	<b>403</b>	<b>100</b>

\*Only asked for members of the public

## 2.4 Public participation and consultation

In terms of issues related to public participation and consultation, the first question asked of both categories of respondents was how members of the public are informed about council meetings (table 23). Amongst category 1 respondents, the most popular responses were public notice boards (80%) and loud hailing (40%), while amongst members of the public, by far the most popular answer given was loud hailing (77%).

**Table 23: How are members of the public informed about council meetings?**

Respondent category	Municipal accounts	Public notice boards	Municipal news-letters	Local newspapers	Ward committee meetings	Radio announcements	Loud hailing	Members of the public are not informed	Don't know	Total*
Councillors & officials	2 (20)	8 (80)	2 (20)	0	0	0	4 (40)	1 (10)	0	10 (100)
Members of the public	46 (11.4)	23 (5.7)	76 (18.9)	1 (0.2)	2 (0.5)	22 (5.5)	311 (77.2)	26 (6.5)	15 (3.7)	403 (100)

\*Numbers in rows may not add up to totals because respondents could choose more than one option

Almost all the councillors and officials interviewed indicated that they attend every meeting of council. Of the members of the public who previously indicated that they had ever attended a council meeting, most (52%) stated that they attend meetings occasionally.

**Table 24: How often do you attend council meetings?**

Respondent category	Every meeting	Occasionally	Attended once	Never attended	Total
Councillors & officials	9 (90)	0	0	1 (10)	10 (100)
Members of the public	6 (9.4)	33 (51.6)	22 (34.4)	3 (4.7)	64 (100)

Ninety percent of councillors and officials interviewed stated that they are satisfied with the level of attendance at council meetings by members of the public. In contrast, 68% of the members of the public who stated that they have attended a council meeting were not satisfied.

**Table 25: Are you satisfied with the level of attendance at council meetings by members of the public?**

Respondent category	Yes	No	Total
Councillors & officials	1 (10)	9 (90)	10 (100)
Members of the public	27 (32.5)	56 (67.5)	83 (100)

Respondents in both categories identified a range of forums for community participation in the municipality (table 26). Amongst the category 1 respondents, the most popular answers were IDP forum (80%) and steering committees (70%). Amongst the category 2 respondents, "development forums" was the most common answer selected (27%), followed by "no forums exist" (22.3) and steering committees and "don't know" (21.3%). It is noticeable that no councillors or officials, and only 4% of members of the public, stated that there are ward committees in the municipality, which suggests that they don't have much of a presence.

**Table 26: What forums for community participation exist in the municipality?**

Respondent category	Ward committees	IDP forum	Development Forums	Steering committees	No forums exist	Other	Don't know	Total*
Councillors & officials	0	8 (80)	4 (40)	7 (70)	1 (10)	7 (70)	0	10 (100)
Members of the public	16 (4)	83 (20.6)	107 (26.6)	86 (21.3)	90 (22.3)	0	86 (21.3)	403 (100)

\*Numbers in rows may not add up to totals because respondents could choose more than one option

Asked how often they attend any forums for community participation, 27% of members of the public interviewed said that they attend all of them, while 43% said they never participate in these forums.

**Table 27: How often do you attend any forums for community participation?\***

	<b>No. of respondents</b>	<b>% of total</b>
Never	172	42.8
Once	78	19.4
Twice	34	8.5
Thrice	10	2.5
All	108	26.9
<b>Total</b>	<b>402</b>	<b>100</b>

\*Only asked for members of the public

The members of the public who stated that they don't participate in forums for community participation were asked why they don't participate (table 28). The most common response selected was that they had no interest in participating (46%), while 19% of respondents indicated that the venues for meetings of the forums are inaccessible.

**Table 28: If never, why do you not attend forums for community participation?\***

	<b>No. of respondents</b>	<b>% of total</b>
The venue is inaccessible	34	19.4
The forum does not allow for input	30	17.1
No interest	81	46.3
Other	30	17.1
<b>Total</b>	<b>175</b>	<b>100</b>

\*Only asked for members of the public

Both categories of respondents were asked how effective the IDP forum and ward committees are as forums for community participation. Firstly, with regard to the IDP forum, the view of councillors and officials was overwhelmingly positive, with all saying the IDP forum is either effective or very effective as an instrument for public participation. The largest proportion of members of the public (31%) stated that they did not know. The next most common response (25%) was that the IDP forum is effective. In the case of ward committees, no responses were recorded for councillors and officials. In the case of members of the public, 44% said these structures were non-existent, while 20% said they were either very ineffective or ineffective.

**Table 29: How effective are the IDP forum and ward committees as forums for community participation?**

	<b>Councillors &amp; officials</b>			
	<b>IDP forum</b>		<b>Ward committees</b>	
	<b>No. of respondents</b>	<b>% of total</b>	<b>No. of respondents</b>	<b>% of total</b>
Effective	2	25	0	0
Very effective	6	75	0	0

<b>Total</b>	<b>8</b>	<b>100</b>	<b>0</b>	<b>100</b>
<b>Members of the public</b>				
	<b>IDP forum</b>		<b>Ward committees</b>	
	<b>No. of respondents</b>	<b>% of total</b>	<b>No. of respondents</b>	<b>% of total</b>
Very ineffective	21	6.8	12	5.1
Ineffective	50	16.2	34	14.5
Effective	76	24.7	13	5.6
Very effective	45	14.6	23	9.8
Non-existent	22	7.1	104	44.4
Don't know	94	30.5	48	20.5
<b>Total</b>	<b>308</b>	<b>100</b>	<b>234</b>	<b>100</b>

Regarding the factors that contribute to the effectiveness of forums for community participation, amongst the councillors and officials interviewed, the most important factors were the access to technical and financial resources, an understanding of the role of forums and leadership of the forums. Amongst members of the public, leadership of the forums was rated the most important factor, followed closely by credibility of the forums within civil society.

**Table 30: What contributes to the effectiveness of forums for community participation?**

	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>Total</b>
<b>Councillors &amp; officials</b>						
Human resources capacity	1 (12.5)	1 (12.5)	2 (25)	2 (25)	2 (25)	8 (100)
Access to technical & financial resources	0	0	2 (25)	3 (37.5)	3 (37.5)	8 (100)
Credibility of forums within civil society	1 (12.5)	2 (25)	2 (25)	1 (12.5)	2 (25)	8 (100)
An understanding of the role of forums	1 (12.5)	1 (12.5)	1 (12.5)	2 (25)	3 (37.5)	8 (100)
Existence of terms of reference	2 (25)	1 (12.5)	2 (25)	1 (12.5)	2 (25)	8 (100)
Leadership of the forum/councillor	1 (12.5)	0	2 (25)	2 (25)	3 (37.5)	8 (100)
<b>Members of the public</b>						
Human resources capacity	24 (16)	12 (8)	30 (20)	32 (21.3)	52 (34.7)	150 (100)
Access to technical & financial resources	15 (10)	25 (16.7)	41 (27.3)	28 (18.7)	41 (27.3)	150 (100)
Credibility of	15	17	24	36	58	150

forums within civil society	(10)	(11.3)	(16)	(24)	(38.7)	(100)
An understanding of the role of forums	15 (10.1)	18 (12.1)	43 (28.9)	40 (26.8)	33 (22.1)	149 (100)
Existence of terms of reference	16 (10.7)	41 (27.5)	41 (27.5)	18 (12.1)	33 (22.1)	149 (100)
Leadership of the forum/councillor	13 (8.8)	23 (15.5)	18 (12.2)	28 (18.9)	66 (44.6)	148 (100)

Asked whether members of the public give recommendations to council on their development priorities through ward communities, 67% of the councillors and officials interviewed stated that this occurs occasionally, while 33% stated regularly. A very different view emerged from the members of the public, of whom 65% stated that this never happens, while 20% said it happens occasionally.

**Table 31: Do members of the public, through ward committees, give recommendations to council regarding your development priorities?**

	Councillors & officials		Members of the public	
	No. of respondents	% of total	No. of respondents	% of total
Regularly	3	33.3	17	7.5
Occasionally	6	66.7	46	20.3
Never	0	0	147	64.8
Don't know	0	0	17	7.5
<b>Total</b>	<b>9</b>	<b>100</b>	<b>227</b>	<b>100</b>

The most important issues that are brought up at community participation forums relate to service delivery, according to both categories of respondents (table 32).

**Table 32: Of the proposals forwarded to council from forums for community participation, which issues emerged as the most important in your municipality?**

Respondent category	Service delivery issues	Community participation issues	Corporate governance issues	No proposals were forwarded	Other	Total
Councillors & officials	5 (55.6)	0	1 (11.1)	0	3 (33.3)	9 (100)
Members of the public	158 (66.1)	19 (7.9)	40 (16.7)	19 (7.9)	3 (1.3)	239 (100)

Most councillors and officials felt that forums for community participation are representative in terms of gender, disability, variety of stakeholders, geographical location and age. Amongst members of the public the criteria cited by the largest proportion of respondents was variety of stakeholders (46%), followed by gender (34%) and race (26%).

**Table 33: Are the forums for community participation representative in terms of the following criteria?**

Respondent category	Gender	Disability	Variety of stakeholders	Race	Geographical location	Age	Total
Councillors & officials	8 (100)	5 (62.5)	5 (62.5)	4 (50)	7 (87.5)	6 (75)	8 (100)
Members of the public	54 (33.8)	29 (18.1)	73 (45.6)	41 (25.6)	30 (18.7)	31 (19.4)	160 (100)

Seven out of the nine councillors and officials (77.8%) stated that there are terms of references for the forums for community participation. One respondent (11.1%) said that there are not terms of references and 1 (11.1%) gave “don’t know” as his/her answer.

According to the councillors and officials interviewed, the functioning of the forums for community participation is monitored through the minutes of meetings of the forums and attendance registers. Some respondents stated that there is no real system in place for monitoring.

All nine councillors and officials who answered the question indicated that there is a staff member in the municipality who is assigned the responsibility for community participation. Thirty-eight percent of the members of the public surveyed agreed with this, while 41% said that there isn’t anyone assigned responsibility for co-ordinating community participation.

**Table 34: Is there someone within the municipality who is responsible for coordinating community participation?**

Respondent category	Yes	No	Don’t know	Total
Councillors & officials	9 (100)	0	0	9 (100)
Members of the public	152 (37.7)	165 (40.9)	86 (21.3)	403 (100)

Of those who indicated that there is someone responsible for community participation in the municipality, all the category 1 respondents were able to name the person or the position, while only 25% of the members of the public knew who the person is.

**Table 35: If yes, who is this person?**

Respondent category	Name or position given	Don’t know	Total
Councillors & officials	9 (100)	0	9 (100)
Members of the public	38 (24.8)	115 (75.2)	153 (100)

According to 90% of the councillors and officials interviewed, the municipality provides travel, venues, catering and administrative resources for community participation processes. The most common form of support for community participation cited by members of the public was venues (82%).

**Table 36: What resources does the municipality provide in order to promote community participation?**

Respondent category	Travel	Venues	Catering	Administrative resources	Other	None	Total*
Councillors & officials	9 (90)	9 (90)	9 (90)	9 (90)	1 (10)	1 (10)	10 (100)
Members of the public	56 (13.9)	330 (81.9)	40 (9.9)	43 (10.7)	3 (0.7)	30 (7.4)	403 (100)

\*Numbers in rows may not add up to totals because respondents could choose more than one option

Forty percent of councillors and officials indicated that three public meetings were convened by the municipality to deliberate on the most recent municipal budget (table 37). A further 40% stated that four or more meetings were convened. Twenty percent stated that one to two meetings were held. The largest proportion of the members of the public interviewed (30%) were unable to say how many public meetings were held. The next most common responses were either that one or two meetings were held.

**Table 37: How many consultative meetings were held to discuss the most recent municipal budget?**

	No. of respondents**	% of total
None	35	8.7
1	88	21.8
2	89	22.1
3	32	7.9
4 or more	40	9.9
Don't know	119	29.5
<b>Total</b>	<b>403</b>	<b>100</b>

\*\*Members of the public

Councillors and officials were requested to give an estimation of the number of organisations and general members of the public that attended the budget meetings (table 38). Fifty percent of the respondents indicated between 11 and 20 organisations attended, while 40% stated 1 to 10. Fifty percent of respondents believed that more than 21 members of the public attended these meetings, while, less encouragingly, 30% stated 1 to 10 people attended.

**Table 38: How many organisations and members of the public attended these meetings?\***

	Organisations		Members of the public	
	No. of respondents	% of total	No. of respondents	% of total
1-10	4	40	3	30
11-20	5	50	2	20
21 or more	1	10	5	50
<b>Total</b>	<b>10</b>	<b>100</b>	<b>10</b>	<b>100</b>

\*Only asked for councillors & officials

All of the ten councillors and officials were of the view that the local community had not had any conflicts with the municipality in the past year. Amongst the members of the public surveyed, the vast majority concurred (81%). Only 7% stated that there had been conflicts.

**Table 39: Have members of the community had any conflicts with the local municipality in the past year?**

Respondent category	Yes	No	Don't know	Total
Councillors & officials	0 (41.2)	10 (100)	0	10 (100)
Members of the public	26 (6.5)	325 (80.8)	51 (12.7)	402 (100)

Asked what the conflict was about, the most common answer amongst the members of the public who stated that there had been conflicts was that it related to service delivery (52%), followed by corruption (24%) and public participation issues (21%).

**Table 40: What was the conflict about?**

Respondent category	Corruption	Service delivery	Councillors' performance	Officials' performance	Issues of public participation	Total
Councillors & officials	-	-	-	-	-	-
Members of the public	8 (24.2)	17 (51.5)	1 (3)	0	7 (21.2)	33 (100)

## 2.5 Disclosure

The following set of questions deal with issues around the requirements and systems in place for councillors and officials to declare their private business interests, which are important to promote transparency and reduce the scope for corrupt activities.

According to all but one of the ten councillors and officials, councillors are required to disclose information about their business interests (table 41). In the case of officials, eight of the ten answers recorded confirmed that they are also required to disclose their business interests.

**Table 41: Are councillors and officials required to disclose information about their business interests?\***

	Councillors		Officials	
	No. of respondents	% of total	No. of respondents	% of total
Yes	9	90	8	80
No	0	0	1	10
Don't know	1	10	1	10
<b>Total</b>	<b>10</b>	<b>100</b>	<b>10</b>	<b>100</b>

\*Only asked for councillors & officials

Members of the public were asked if the municipality has a system of disclosure of business interests by councillors and officials, the results of which are captured in table 42. The vast majority of respondents (79%) were of the view that there is no such system.

**Table 42: Is there a system of disclosure of business interests by councillors and officials in your municipality?\***

	<b>No. of respondents</b>	<b>% of total</b>
Yes	29	7.2
No	316	78.6
Don't know	57	14.2
<b>Total</b>	<b>402</b>	<b>100</b>

\*Only asked for members of the public

Amongst category 1 respondents, the majority (56%) held the view that the municipality's system for disclosure of business interests by councillors and officials was not effective. Surprisingly, of the members of the public who previously stated that the municipality does have a system for disclosure, 62% were of the opinion that the system is effective.

**Table 43: In your view, is the municipality's system for disclosure of business interests by councillors and officials effective?**

<b>Respondent category</b>	<b>Yes</b>	<b>No</b>	<b>Don't know</b>	<b>Total</b>
Councillors & officials	4 (44.4)	5 (55.6)	0	9 (100)
Members of the public	16 (61.5)	6 (23.1)	4 (15.4)	26 (100)

According to category 1 respondents, the most common means for the public to access information about the business interests of councillors and officials is via the municipal offices (table 1). Forty percent of members of the public also selected municipal offices, while 40% stated that the information is not made available to the public.

**Table 44: How is information on the business interests of councillors and officials made available to the public?**

<b>Respondent category</b>	<b>Municipal offices</b>	<b>It is not made available</b>	<b>Don't know</b>	<b>Total*</b>
Councillors & officials	8 (80)	1 (10)	1 (10)	10 (100)
Members of the public	10 (40)	10 (40)	5 (20)	25 (100)

Most members of the public felt that it is important for them to have access to information about the business interests of councillors and officials. In terms of how they believed they should be able to access such information, newsletters, notice boards, messages with municipal accounts, and the municipal offices were common responses.

## 2.6 Service delivery

Both categories of respondents were asked to rank the accessibility of the municipal offices to the public from 1 to 5, with 1 being least accessible and 5 most accessible. As table 45 reveals, the councillors and officials interviewed in Baviaans Municipality generally ranked the accessibility of the offices very highly, although 40% did rank them poorly. The members of the public also tended to give high rankings. Table 45 also provides the combined average scores of the five municipalities surveyed together.

**Table 45: On a scale of 1-5, how accessible are the municipal offices to the public?**

Baviaans LM						
Respondent category	1	2	3	4	5	Total
Councillors & officials	3 (30)	1 (10)	0	0	6 (60)	10 (100)
Members of the public	14 (3.5)	32 (7.9)	65 (16.1)	102 (25.3)	190 (47.1)	403 (100)
Five LMs						
Respondent category	1	2	3	4	5	Total
Councillors & officials	5 (5.1)	5 (5.1)	12 (12.2)	36 (36.7)	40 (40.8)	98 (100)
Members of the public	263 (13.2)	201 (10.1)	435 (21.8)	501 (25.1)	596 (29.9)	1996 (100)

A similar question was asked with regard to the helpfulness and friendliness of frontline staff at the council offices. In this case, the responses of councillors and officials were divided between the lowest ranking of 1 (30%), an indifferent ranking of 3 (40%) and the highest ranking of 5 (30%). Perhaps somewhat surprisingly, the members of the public tended to give high rankings, either of 5 (38%) or 4 (34%). Table 46 also shows how these responses compare to all five municipalities surveyed in the district combined.

**Table 46: On a scale of 1-5, how would you rate the helpfulness and friendliness of frontline staff at the council offices?**

Baviaans LM						
Respondent category	1	2	3	4	5	Total
Councillors & officials	3 (30)	0	4 (40)	0	3 (30)	10 (100)
Members of the public	19 (4.7)	28 (6.9)	67 (16.6)	136 (33.7)	153 (38)	403 (100)
Five LMs						
Respondent category	1	2	3	4	5	Total
Councillors & officials	5 (5.1)	2 (2)	29 (29.6)	31 (30.6)	31 (30.6)	98 (100)

Members of the public	163 (8.2)	222 (11.1)	436 (21.9)	585 (29.3)	588 (29.5)	1994 (100)
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Members of the public were asked to give their impressions of different aspects of service delivery quality on a scale of 1 to 5 (1 being least satisfactory, 5 most satisfactory). While the scores were spread over most rankings, in most cases respondents scored the various aspects of service delivery quality fairly high, especially in the case of the statement that “employees of the municipality are always willing to help us”. However, relatively negative perceptions were expressed with regard to views on whether the municipality follows through on its promises and whether the municipality performs the service right the first time.

**Table 47: Indicate your current impression of service delivery quality on a scale of 1-5\***

	1	2	3	4	5	Total
Employees of the municipality have the knowledge to answer our questions	71 (17.6)	44 (10.9)	84 (20.8)	153 (38)	51 (12.7)	403 (100)
The municipality has employees who give us personal attention	42 (10.4)	83 (20.6)	115 (28.5)	106 (26.3)	57 (14.1)	403 (100)
Employees of the municipality are always willing to help us	40 (9.9)	44 (10.9)	66 (16.4)	155 (38.5)	98 (24.3)	403 (100)
The municipality performs the service right the first time	62 (15.4)	141 (35)	85 (21.1)	74 (18.4)	41 (10.2)	403 (100)
When the municipality promises to do something by a certain time it does so	187 (46.4)	87 (21.6)	56 (13.9)	42 (10.4)	31 (7.7)	403 (100)

\*Only asked for members of the public

According to most (80%) of the councillors and officials interviewed, the municipality does specify service standards. The majority (90%) of category 1 respondents also believe these standards are made available to the public. In sharp contrast, the majority (84%) of members of the public were unaware of any document in which these service standards are specified.

**Table 48: Are service standards for the municipality specified\*/Are you aware of any document in which service standards for the municipality are specified?\***

Respondent category	Yes	No	Other	Total
Councillors & officials	8 (80)	2 (20)	0	10 (100)
Members of the public	53 (13.2)	339 (84.1)	11 (2.7)	403 (100)

\*Phrasing of the question in councillors & officials questionnaire

\*\*Phrasing of the question in members of the public questionnaire

Eight out of the 10 councillors and officials (80%) were of the opinion that the municipality meets the service standards it has set. Two (20%) said it does not.

According to some of the councillors and officials, service delivery in the municipality is monitored on a quarterly basis by means of the municipality's performance management system. Some of the respondents stated that there is not yet a system in place or that the municipality is in the process of setting up a monitoring system.

A majority of both categories of respondents indicated that there has not been a survey of public perceptions of service quality in Baviaans Municipality (table 49).

**Table 49: Has there been a survey of public perceptions of service quality in this municipality?**

Respondent category	Yes	No	Don't know	Total
Councillors & officials	4 (40)	6 (60)	0	10 (100)
Members of the public	55 (13.8)	303 (75.8)	42 (10.5)	400 (100)

The majority of both categories of respondents stated that the municipality does have a policy for free basic services provision (50).

**Table 50: Does the municipality have a policy for free basic services for the poor (an indigent policy)?**

Respondent category	Yes	No	Don't know	Total
Councillors & officials	9 (90)	1 (10)	0	10 (100)
Members of the public	347 (86.1)	45 (11.2)	11 (2.7)	403 (100)

A particularly positive finding was that 82% of the members of the public surveyed believed that the free basic services policy is effective in serving the needs of the poor (table 51).

**Table 51: In your view, is the indigent policy effective in serving the needs of the poor?\***

	No. of respondents	% of total
Yes	288	81.8
No	45	11.2
Don't know	19	4.7
<b>Total</b>	<b>352</b>	<b>100</b>

\*Only asked for members of the public

Six councillors and officials (60%) indicated that, apart from the indigent policy, the municipality does have other systems that ensure that service delivery gives priority to previously disadvantaged communities. Four (40%) said there isn't.

According to 55% of the members of the public, the municipality does have a system for receiving grievances and complaints from the public. However, 30% stated that it doesn't while 15% did not know.

**Table 52: Does the municipality have a system for receiving public grievances concerning customer service and the conduct/performance of municipal officials?\***

	No. of	%
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	<b>respondents</b>	<b>of total</b>
Yes	222	55.1
No	120	29.8
Don't know	61	15.1
<b>Total</b>	<b>403</b>	<b>100</b>

\*Only asked for members of the public

A negative finding was that 58% of the members of the public surveyed believe that the municipality does not effectively deal with grievances that are reported to it by the public (table 53).

**Table 53: Do you think that when grievances are reported, the municipality effectively deals with them?\***

	<b>No. of respondents</b>	<b>% of total</b>
Yes	167	42.1
No	230	57.9
<b>Total</b>	<b>397</b>	<b>100</b>

\*Only asked for members of the public

Members of the public were asked to rank a list of twelve service delivery issues according to their personal priorities, with 1 being highest priority, and 12 being lowest). The results of table 55 indicate the following overall order of number one ranked priorities:

- 1: Provision of water
- 2: Cleanliness of town/street (refuse removal)
- 3: Provision of electricity
- 4: Provision of primary health services
- 5: Housing
- 6: Quality of water
- 7: Policing
- 8: Provision of sanitation
- 9: Recreation facilities
- 10: Provision of fire services
- 11: Traffic management / Roads

**Table 54: On a scale of 1 to 12, how do you rank the following areas of service delivery according to your personal priority?\***

	<b>Ranked 1</b>
Cleanliness of town/street (refuse removal)	58
Provision of water	137
Quality of water	20
Provision of electricity	52
Provision of sanitation	13
Provision of primary health services	50
Provision of fire services	6
Traffic management	4
Housing	43
Roads	4
Recreation facilities	8
Policing	19

\*Only asked for members of the public

Members of the public were asked to rate the performance of the municipality in terms of the twelve service delivery issues stated above. A rating of 1 indicates very poor performance, while 5 indicates an excellent performance. As table 55 reveals, for most of the service delivery issues ratings of 3 or 4 were most common. Service issues that rated

especially highly were provision of water and electricity and quality of water. Issues that received particularly low ratings were recreation facilities, roads and traffic management.

**Table 55: On a scale of 1 to 5, how would you rank the current service delivery performance of your municipality?\***

	1	2	3	4	5	Total
Cleanliness of town/street (refuse removal)	35	69	131	136	32	403 (100)
Provision of water	7	29	104	216	46	402 (100)
Quality of water	7	37	146	164	48	402 (100)
Provision of electricity	6	30	108	203	56	395 (100)
Provision of sanitation	19	44	193	128	19	403 (100)
Provision of primary health services	22	86	151	118	26	403 (100)
Provision of fire services	93	186	77	37	10	403 (100)
Traffic management	115	171	65	40	12	403 (100)
Housing	29	63	143	123	45	403 (100)
Roads	173	132	61	27	9	402 (100)
Recreation facilities	191	133	58	17	4	403 (100)
Policing	82	77	177	54	13	403 (100)

\*Only asked for members of the public

On a very positive note, members of the public were strongly of the view that service delivery performance had improved over the past year (table 56).

**Table 56: In your view, has service delivery performance improved over the past twelve months?\***

	Yes	No	Don't know	Total
Water	355 (88.1)	42 (10.4)	6 (1.5)	403 (100)
Electricity	345 (86)	51 (12.7)	5 (1.2)	401 (100)
Sanitation	296 (73.4)	86 (21.3)	21 (5.2)	403 (100)
Housing	317 (78.7)	81 (20.1)	5 (1.2)	403 (100)
Refuse collection	281 (69.7)	110 (27.3)	12 (3)	403 (100)

\*Only asked for members of the public

Members of the public generally rated the municipality's response to social issues (e.g. HIV and AIDS, the aged, unemployed etc) as fair or good (table 57).

**Table 57: How do you rate the overall manner in which the municipality addresses social issues such as HIV and AIDS, the aged, unemployment etc?\***

	No. of respondents	% of total
1 (Poor)	77	19.1
2 (Fair)	220	54.6
3 (Good)	99	24.6
4 (Excellent)	7	1.7
<b>Total</b>	<b>403</b>	<b>100</b>

\*Only asked for members of the public

In terms of how service delivery could be improved, suggestions from members of the public were to improve communication with the public, make processes for advertising jobs in the municipality more transparent, increasing the number of municipal staff and improving staff skills through training.

## 2.7 Systems and structures

Both categories of respondents were asked about the systems for dealing with a variety of governance issues within the municipality. Almost all of category 1 respondents were of the view that the municipality has systems for dealing with discipline, procurement and financial reporting. There was slightly less confidence about whether the municipality has systems for compliance, corruption and risk management. Amongst the members of the public interviewed, a majority believed the municipality has discipline and compliance systems, and to a lesser extent financial reporting, corruption, risk management and procurement systems.

**Table 58: Does the municipality have systems for dealing with the following?\***

<b>Councillors &amp; officials</b>				
	Yes	No	Don't know	Total
Discipline	9 (90)	1 (10)	0	10 (100)
Procurement	9 (90)	1 (10)	0	10 (100)
Compliance	7 (70)	3 (30)	0	10 (100)
Risk management	6 (60)	4 (40)	0	10 (100)
Corruption	7 (70)	3 (30)	0	10 (100)
Financial reporting	9 (90)	1 (10)	0	10 (100)
<b>Members of the public</b>				
	Yes	No	Don't know	Total
Discipline	236 (58.6)	90 (22.3)	77 (19.1)	403 (100)
Procurement	125 (31)	132 (32.8)	146 (36.2)	403 (100)
Compliance	209 (51.9)	99 (24.6)	95 (23.6)	403 (100)
Risk management	147 (36.5)	101 (25.1)	155 (38.5)	403 (100)
Corruption	159 (39.5)	118 (29.3)	126 (31.3)	403 (100)
Financial reporting	187	94	122	403

	(46.4)	(23.3)	(30.3)	(100)
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Category 1 respondents were asked a follow-up question about which policies for good governance the municipality has in place. As table 59 reveals, all of the councillors and officials stated that there is a procurement policy, and 90% indicated that there is an employment equity policy. The respondents were less assured about the other policies through.

**Table 59: Which of the following policies does the municipality have in place?\***

	No. of respondents**	% of total***
Procurement Policy	10	100
Risk Management Policy	6	60
Compliance Policy	7	70
Discipline Policy	8	80
Employment Equity policy	9	90
Fraud & Corruption policy	8	80
Confidential Reporting policy	6	60
Financial Regulations Policy	6	60

\*Only asked for councillors & officials

\*\*Numbers in columns indicate respondents who gave "Yes" answers

\*\*\* N = 10

According to the councillors and officials surveyed, the most common ways in which councillors are informed of their code of conduct are through making the document available in printed format and inductions. In the case of officials, inductions seem to be the main means of making them aware of their code of conduct, followed by making the written document available.

**Table 60: How are councillors and officials made aware of their respective Codes of Conduct?\***

	Councillors		Officials	
	No. of respondents	% of total**	No. of respondents	% of total**
Making available a written code of conduct	7	70	6	60
Training	0	0	0	0
Inductions	3	30	8	80
Appraisals	0	0	0	0
Other	2	20	2	20

\*Only asked for councillors and officials

\*\* N = 10

Seven out of the ten category 1 respondents stated that the municipality does have a written formal procedure for conducting disciplinary hearings.

**Table 61: Is there a written formal procedure for conducting disciplinary hearings?\***

	No. of respondents	% of total
Yes	7	70
No	1	10
Other	2	20
<b>Total</b>	<b>10</b>	<b>100</b>

\*Only asked for councillors & officials

According to 70% of the category 1 respondents, the performance of councillors is not appraised by the municipality (table 62). In the case of officials, all ten respondents indicated a number of ways in which their performance is appraised.

**Table 62: How is the performance of councillors and officials appraised?\***

	Councillors		Officials	
	No. of respondents	% of total	No. of respondents	% of total
It is not appraised	7	70	0	0
Other	3	30	10	100
<b>Total</b>	<b>10</b>	<b>100</b>	<b>10</b>	<b>100</b>

\*Only asked for councillors & officials

There were mixed responses regarding whether performance is linked to remuneration (table 63). Three of the category 1 respondents indicated that it is, one stated that it is not, and six gave "other" as their answers.

**Table 63: Is performance management linked to remuneration?\***

	No. of respondents	% of total
Yes	3	30
No	1	10
Other	6	60
<b>Total</b>	<b>10</b>	<b>100</b>

\*Only asked for councillors & officials

## 2.8 Corruption

Both categories of respondents were asked what they perceive to be common forms of corruption in local government in general. The most common answers from category 1 respondents were maladministration (60%), irregularities in the award of tenders (50%) and nepotism (50%). Amongst members of the public, the most popular answer was irregularities in the award of tenders (63%), followed by nepotism (45%).

**Table 64: What do you perceive as common forms of corruption in local government?**

Respondent category	Nepotism in employment of officials	Irregularities in the award of tenders	Mal-administration of public funds & resources	Signing of cheques without appropriate controls	Other	Total*
Councillors & officials	5 (50)	5 (50)	6 (60)	4 (40)	0	17 (100)
Members of the public	180 (44.8)	253 (62.9)	124 (30.8)	61 (15.2)	35 (8.7)	402 (100)

\*Numbers in rows may not add up to totals because respondents could choose more than one option

An especially positive finding was that the overwhelming majority of both categories of respondents stated that they had not heard of cases of corruption in the municipality in the past year (table 65).

**Table 65: Have you ever heard or read about cases of corruption being experienced in your municipality in the past year?**

Respondent category	Yes	No	Total
Councillors & officials	1 (11.1)	8 (88.9)	9 (100)
Members of the public	32 (8.1)	365 (91.9)	397 (100)

Amongst the members of the public who claimed to have heard of cases of corruption in the municipality in the past year, irregularities in the award of tenders was cited as the most common form of corruption (71%), followed by nepotism (39%) and maladministration (36%).

**Table 66: If you have heard of cases of corruption being experienced in our municipality, what kinds of corruption are you aware of?**

Respondent category	Nepotism in employment of officials	Irregularities in the award of tenders	Mal-administration of public funds & resources	Signing of cheques without appropriate controls	Other	Total*
Councillors & officials	-	-	-	-	-	-
Members of the public	12 (38.7)	22 (71)	11 (35.5)	4 (12.9)	3 (9.7)	31 (100)

\*Numbers in rows may not add up to totals because respondents could choose more than one option

Asked whom they thought the corruption in the municipality was reported to, a worrying finding was that 45% of members of the public were of the view that the cases were not reported (table 67). The next most common answer was that they did not know (22%).

**Table 67: To whom was the corruption reported?**

Respondent category	To the police	To the municipal manager	To Council	Corruption was not reported	Other	Don't know	Total*
Councillors & officials	-	-	-	-	-	-	-
Members of the public	1 (3.2)	6 (19.3)	4 (12.9)	14 (45.2)	1 (3.2)	7 (22.3)	31 (100)

\*Numbers in rows may not add up to totals because respondents could choose more than one option

Amongst those members of the public who held the view that cases of corruption went unreported, the reason given by the majority of respondents (54%) was fear of reprisal.

**Table 68: If the corruption was not reported, what in your view were the reasons?**

Respondent category	Lack of faith in the municipality	Lack of faith in the policing structures outside of the municipality	Fear of reprisal	Not interested/apathy	Other	Total*
Councillors & officials	-	-	-	-	-	-
Members of the public	3 (23.1)	0	7 (53.8)	1 (7.7)	0	13 (100)

\*Numbers in rows may not add up to totals because respondents could choose more than one option

According to 44% of the category 1 respondents, the consequences of alleged corruption in the municipality are that the accused is investigated (table 69). Amongst category 2 respondents, the most common response was also that the accused is investigated (39%). Of some concern, however, is the fact that over a third (36%) of members of the public believed there were no consequences for alleged corruption.

**Table 69: What do you think are the consequences of alleged corruption in your municipality?**

Respondent category	The accused is subjected to disciplinary action	The accused is investigated	No consequences	Don't know	Total
Councillors & officials	3 (33.3)	4 (44.4)	1 (11.1)	1 (11.1)	9 (100)
Members of the public	3 (9.7)	12 (38.7)	11 (35.5)	5 (16.1)	31 (100)

All of the councillors and officials and 78% of the members of the public were of the view that there are consequences for those found guilty of corruption (table 70).

**Table 70: In general, do you think there are consequences for those found guilty of corruption?**

Respondent category	Yes	No	Total
Councillors & officials	105 (100)	0	10 (100)
Members of the public	313 (77.9)	89 (22.1)	402 (100)

Asked to rate the effectiveness of the municipality in dealing with persons convicted of corruption (where 1 is least effective and 5 most effective), 90% of the category 1 respondents gave a rating of 5. Amongst category 2 respondents, the answers given were more mixed. The most common rankings were 3 (48%) and 4 (18%).

**Table 71: On a scale of 1 to 5, how do you rate the effectiveness of your municipality in dealing with those convicted of corruption? (1 least effective, 5 most effective)**

Respondent category	1	2	3	4	5	Total
Councillors & officials	0	0	1 (10)	0	9 (90)	17 (100)
Members of the public	33 (8.2)	59 (14.6)	197 (48.9)	72 (17.9)	42 (10.4)	403 (100)

## 2.9 General

To end off the interview, respondents were asked some general questions, starting with their views on the levels of commitment of councillors and officials. Both categories of respondents were presented with a number of statements concerning the behaviour of councillors and officials and were asked to rank the extent to which they agree with the statements. As the results presented in table 72 reveal, councillors and officials were strongly of the view that councillors are committed to improving the quality of life of residents. They disagreed very strongly that councillors abuse their positions for personal

gain, that officials are unnecessarily overpaid and that officials abuse their positions for personal gain. Members of the public, on the other hand, had generally mixed views about both councillors' and officials' motives and levels of commitment.

**Table 72: On a scale of 1 to 5, with regard to your municipality, which of the following statements do you agree with? (1 strongly disagree, 1 strongly agree)**

<b>Councillors &amp; officials</b>						
	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>Total</b>
Councillors are committed to improving the quality of life of the residents of the municipality	0	0	0	4 (40)	6 (60)	10 (100)
Councillors put party interests before the interests of the community	6 (60)	0	2 (20)	1 (10)	1 (10)	10 (100)
Councillors abuse their positions for personal gain	9 (90)	1 (10)	0	0	0	10 (100)
Officials are unnecessarily overpaid	10 (100)	0	0	0	0	10 (100)
Officials abuse their positions for personal gain	9 (90)	1 (10)	0	0	0	10 (100)
Officials are committed to service delivery in the municipality	0	0	3 (30)	2 (20)	5 (50)	10 (100)
<b>Members of the public</b>						
	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>Total</b>
Councillors are committed to improving the quality of life of the residents of the municipality	39 (9.7)	97 (24.1)	59 (14.7)	150 (37.3)	57 (14.2)	402 (100)
Councillors put party interests before the interests of the community	29 (7.2)	123 (30.5)	53 (13.2)	169 (41.9)	29 (7.2)	403 (100)
Councillors abuse their positions for personal gain	61 (15.1)	116 (28.8)	66 (16.4)	130 (32.3)	30 (7.4)	403 (100)
Officials are unnecessarily overpaid	125 (31)	91 (22.6)	83 (20.6)	75 (18.6)	29 (7.2)	403 (100)
Officials abuse their positions for personal gain	44 (10.9)	144 (35.7)	71 (17.6)	126 (31.3)	18 (4.5)	403 (100)
Officials are committed to service delivery in the municipality	31 (7.7)	72 (17.9)	63 (15.6)	184 (45.7)	53 (13.2)	403 (100)

In response to being posed with a number of possible motives for why councillors want to be in office and asked to rank their answers, category 1 respondents were strongly of the view that councillors want to represent the needs of the community, and strongly disagreed that councillors want to be in office for personal gain, or for career ambitions. In response to the same statements, the members of the public agreed that councillors want to be in office to represent the needs of communities. However, there was also quite a strong feeling that councillors are in office to advance career ambitions, to promote political agendas and for personal gain.

**Table 73: Why do you think councillors want to be in office? (1 strongly disagree, 1 strongly agree)**

<b>Councillors &amp; officials</b>						
	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>Total</b>
To represent the needs of the community	0	0	2 (20)	2 (20)	6 (60)	10 (100)
To promote political	3	1	3	2	1	10

agendas	(30)	(10)	(30)	(20)	(10)	(100)
For personal gain	7 (70)	1 (10)	2 (20)	0	0	10 (100)
For career ambitions	5 (50)	4 (40)	1 (10)	0	0	10 (100)
<b>Members of the public</b>						
To represent the needs of the community	21 (5.2)	121 (30.2)	56 (13.9)	150 (37.4)	53 (13.2)	401 (100)
To promote political agendas	37 (9.2)	125 (31.1)	69 (17.2)	132 (32.8)	39 (9.7)	402 (100)
For personal gain	74 (18.5)	106 (26.4)	58 (14.5)	134 (33.4)	29 (7.2)	401 (100)
For career ambitions	34 (8.5)	69 (17.2)	97 (24.1)	156 (38.8)	46 (11.4)	402 (100)

Ninety percent of category 1 respondents indicated that the municipality does have a system in place for receiving public grievances and complaints.

**Table 74: Does the municipality have a system for receiving public grievances concerning customer service and the conduct/performance of municipal officials?**

	No. of respondents	% of total
Yes	9	90
Other	1	10
<b>Total</b>	<b>10</b>	<b>100</b>

\*Only asked for councillors & officials

A slightly lower percentage (70%) were of the view that the system effectively deals with grievances reported by the public.

**Table 75: Do you think that when grievances are reported, the municipality effectively deals with them?**

	No. of respondents	% of total
Yes	7	70
Other	3	30
<b>Total</b>	<b>10</b>	<b>100</b>

\*Only asked for councillors & officials

Additional information was offered by a number of respondents at the conclusion of the interviews. This information is captured in appendix 1 attached.

## 2.10 Findings from the Focus Group Discussions

The focus group discussion held on 16 October focused on the questions that were highlighted in the provisional report. There were twelve participants in the focus group, the majority of whom were councillors and officials.

### Decision making

It was verified that there is no Mayoral Exec or Executive Committee in place, only the council, which is the only decision-making structure in the municipality. This is a small municipality with no actual wards.

### Transparency

The annual report is available at the municipal offices and libraries. The councillors are also supposed to inform their wards/communities about the report. It was agreed that this is an issue that needs to be looked at and the municipality needs to improve the level of awareness of this report amongst the general public.

The Auditor-General's report is also available at the municipal office and libraries. Again, the group agreed that the councillors should be more active in informing the public about it and find better and more ways of advertising that the report is available.

The Auditor-General's report is discussed at council meetings and the Auditor-General does visit the municipality to make a formal presentation to council on his report. These meetings are open to the public and the participants indicated that this meeting to present the findings is advertised. They had very little response from the public during the last meeting and no one really attended - the one problem is that the council chambers aren't really set up to accommodate members of the public and this is an issue that is currently being looked at.

The public is informed about the IDP review meetings well in advance and this process continues until the day of the meeting. Through the councillors and advertising the public is informed, but the complaint from the councillors and the officials is that there is very little public participation and only certain stakeholders normally attend and give recommendations. The community members as well as the officials and councillors feel that the community should be educated on the functioning of the municipality and also on their role in local government. They also agreed that there normally is enough advertising done on IDP meetings, but the community still does not attend.

### Public participation and consultation

The general feeling was that the figure for the level of satisfaction with public attendance at council meetings is too high as there is not a lot of space for the public in the council chambers and there was a question about why the community should always attend if they are only observers and cannot give recommendations at council meetings.

The whole group agreed that the level of attendance of members of the public is too low and they think that it again might be a question of a lack of knowledge.

There are no ward committees or steering committees in place, but there are certain forums which play a role in public participation, i.e. women, youth, police.

Some of the reasons that contributed to the lack of participation were that the community feels frustrated, left out, let down that they are not really given an opportunity to talk and contribute their suggestions. They claim at certain meetings in certain areas they are

even told to sit and only listen. They are therefore not interested in taking part in forums that should promote public participation.

#### Disclosure

79% of the public said that there is no system of disclosure in place and the group agreed this might be due to a lack of knowledge of the systems and procedures in the municipality, they all agreed that this should be looked at.

The system is in place and it is reviewed every three months and the councillors and officials feel that it is effective as the municipality keeps to it and is very strict and deals with it without any compromise.

#### Service delivery

The municipality uses the national government's service standards and there are available to any members of the public who wish to see them. The community members present felt that the answers that were given are a true reflection from the public and show the lack of knowledge around the workings of a municipality.

The councillors and officials agree that in the past, grievances reported were not always dealt with and this was due mainly to a lack of resources. However, they now believe that this will change as more vehicles have been acquired and more staff has been appointed. The municipal area is very large and it can take up to a month to deal with a grievance depending on the severity of the problem.

The group agreed on the ranking of service delivery priorities and felt that the issues around water, electricity, housing and health are a true reflection. As a group they felt that the ratings that were given for service delivery performance were a true reflection, but the councillors and official agreed that on certain issues there could have been better performance and they also pointed out that some of the services were joint between local, district and provincial government and they felt that this was why certain services were rated poorly.

They also agreed that service delivery performance has improved, but they felt that housing could show more improvement and also that it might be necessary to educate the public about ownership, as there is a problem with people getting a house and then foreigners come in and take the house away from them either by offering them a small amount of money or by criminal activity.

#### Systems and structures

There is a grievance policy and system in place, but the members of the public that were part of the focus group felt that this was not yet up to standard, they felt that maybe the municipal staff should be trained in customer service and conflict resolution so that they can better handle situations as they arise. They councillors and officials fully agreed with these comments from the members of the general public.

#### Conclusion

The group responded well, but there was only a 50% participation rate. Two participants tended to dominate the discussions, and seemed to want to use the focus group as a platform to raise issues which were not part of the agenda.

There was a definite feeling of achievement from the councillors, officials and members of the public around service delivery performance and everyone felt that the municipality is definitely trying.

The one concern is that there seems to be a lack of knowledge around the functioning of the municipality, which was raised by the members of the community more than once. There was also a general agreement that council could do more to get the community involved in the municipality and that they should make an effort to go out and report to the community on projects and programmes.

They were all in agreement that there is still a lot of work to be done and everyone was open-minded and did not get offended if issues came up which pointed a finger directly to the public or to the municipality.

## 2.11 Factual Verification

Members of the research team randomly visited municipal offices in order to further clarify and verify the information provided by councillors and officials in the survey. Observations from these visits are captured in the table below:

<b>Council Meetings</b>	Attendance Register: <ul style="list-style-type: none"> <li>- Seen</li> <li>- Attendance mostly over 80% of councillors present</li> </ul> Number/Intervals: <ul style="list-style-type: none"> <li>- Number of council meetings 2006: 17</li> <li>- Number of council meetings 2007: 20 (01.10.2007)</li> </ul> Advertisements: No publication of council meetings in newspapers/notice boards
<b>Ward Meetings</b>	Unit meetings were held for IDP/Budget comments
<b>Other Forums</b>	<ul style="list-style-type: none"> <li>- Police Forum</li> <li>- Aids Council (Mayor)</li> <li>- Transport Forum (Mayor)</li> </ul>
<b>IDP</b>	<ul style="list-style-type: none"> <li>- No real IDP Rep. Forum</li> <li>- Mayoral Imbizos to all Units/Wards (advertisement in Graaf-Reinet Advertiser)</li> <li>- Direct invitations to list of stakeholders</li> </ul>
<b>Public Participation</b>	<ul style="list-style-type: none"> <li>- Mayor/Municipal Manager/Admin. Officer responsible for PP</li> <li>- Venues are provided</li> </ul>
<b>Relevant Policies</b>	<ul style="list-style-type: none"> <li>- PMS</li> <li>- Risk Management in process of implementation (PriceWaterhouseCoopers)</li> <li>- Supply Chain Management</li> <li>- Employment Equity</li> <li>- Recruitment and Selection</li> <li>- Indigenous</li> <li>- Credit Control</li> </ul>
<b>Budget</b>	<ul style="list-style-type: none"> <li>- Public participation - process on budget was linked to IDP</li> <li>- Meetings were held</li> <li>- Public comment was gathered</li> <li>- Publication available in municipal offices</li> </ul>
<b>Auditor-General's Report</b>	<ul style="list-style-type: none"> <li>- Council and municipal Manager comment on the report</li> <li>- Discussion in council (open)</li> <li>- Open after the discussions in municipal offices</li> </ul>
<b>Annual Report</b>	Available to public in municipal offices

### 3. Discussion and recommendations

This final section of the report provides a discussion and analysis of the key findings of the study and offers some recommendations to the Baviaans Municipality for improving governance practice where there have been found to be certain shortcomings. The discussion is arranged along the lines of the sections in which the finding are presented. Recommendations are written in italics.

#### **Decision-making**

It is important that all stakeholders, and in particular councillors and officials, know how decisions are made within the municipality, and by whom. The survey findings point to a lack of knowledge amongst councillors and officials regarding the key decision-making structures of the municipality. Sixty-three percent of respondents did not know whether the municipality has a Mayco or an Exco as the executive decision-making structure. Seventy-five percent did not know the party make-up of the Mayco/Exco, while 56% did not know the party representation on the portfolio committees. A further 20% did not know the party make-up of council.

*It is recommended that the municipality provide a clear message to both councillors/officials and members of the public as to the different decision-making structures in the municipality, as well as the breakdown of the political parties represented on these structures. This could be done in the form of a leaflet or an article in the municipality's newsletter (if it has one).*

#### **Transparency**

That decision-making processes are transparent and open to public scrutiny is a basic tenet of good governance. In this regard, it is notable that 33% of councillors and officials interviewed did not know whether Mayco/Exco meetings are open to the public, and 11% claimed that they are not.

*It is recommended that Mayco/Exco meetings (and full council meetings) be made open to the public and the media, and that notices regarding when and where meetings are to be held are communicated to the public.*

A significant proportion (37%) of the members of the public interviewed were of the view that the municipality does not provide progress reports to communities regarding municipal projects and programmes. Furthermore, 56% of members of the public claimed that the municipality's annual report is not widely circulated, while 33% believed that the municipality does not hold public meetings to consult as part of the annual IDP review.

*While acknowledging that these are public perceptions, it would appear that the municipality could do more to create greater awareness amongst the broader public about the mechanisms and processes it has in place to provide report backs to communities about projects and the annual report, as well as opportunities for members of the public to be involved in the IDP review.*

#### **Public participation and consultation**

A finding that warrants particular attention was that 22% (one fifth) of members of the public believed that there are no forums for public participation in the municipality. A further 21% indicated that they did not know what forums exist.

*The municipality should initiate a campaign to instil greater public awareness about the forums that are available for them to participate in local governance. This can be done through a variety of communication channels, including the municipality's newsletter, local newspapers, radio programmes, ward meetings and izimbizo.*

Ward committees have been set up in almost all municipalities in the country to serve as the primary channel for community participation in local governance. The survey in Baviaans Municipality found that 44% of the members of the public interviewed believed that there are no ward committees in the municipality, while 65% stated that they thought

communities never give recommendations to council via their ward committees. These findings would seem to suggest that ward committees are not functioning optimally as vehicles for public participation in Baviaans Municipality.

*The municipality should look at ways of strengthening ward (unit) committees and ensure that they have the necessary training and resources to carry out their mandates effectively. The municipality should also ensure that the general public are made aware of the existence of ward committees and are informed about their roles and how they can become involved.*

The survey found that 41% of the members of the public interviewed did not know who was responsible for co-ordinating public participation in the municipality.

*The municipality should consider including an article in its newsletter or a local newspaper explaining how public participation is co-ordinated by the municipality and who the relevant contact person is, with their contact details.*

### **Disclosure**

A particularly stark finding was that 79% of the members of the public surveyed did not believe the municipality has a system in place that requires councillors and officials to disclose their business interests. This points to a lack of confidence amongst members of the public that this important aspect of monitoring and preventing potential conflicts of interest and corruption is taken seriously by the municipality. It is also worth noting that, while all of the councillors and officials stated that the municipality does have a system for disclosure in place, 56% stated that it is not effective.

*While, again, these are public perceptions, and the municipality may indeed have a system for disclosure, it is important nevertheless that this be communicated to the public, so that they can be assured that the municipality is taking the necessary steps to prevent corruption. It would also seem that there is a need for the municipality to look into how the system for disclosure can be made more effective.*

### **Service delivery**

While the public's impressions of service delivery were generally positive, relatively poor ratings were given with regard to whether the municipality follows through on the promises it makes, and whether the municipality performs the service right the first time.

*The municipality should take steps to improve these two particular aspects of customer service.*

While 80% of the councillors and officials stated that service standards for the municipality are specified, 84% of the members of the public were unaware of any document in which these standards are specified.

*The municipality should consolidate its service standards into a user-friendly and accessible document that can be made available to communities at all municipal service points and distributed at meetings. Ideally this document should be available in all local languages.*

One very positive set of findings concerns the municipality's indigent policy, with 90% of councillors and officials, and 86% of members of the public acknowledging that the municipality does have an indigent policy, and 82% of the members of the public stating that the policy is effecting in serving the needs of the poor.

*A recommendation to the district and other local municipalities would be to look at the experience of Baviaans Municipality with regards to its indigent policy and to draw out the lessons for how to make the policy as accessible to the public as possible.*

It would appear that the municipality could do more to inform members of the public of the systems it has in place for them to report grievances and complaints. Just under a third of the members of the public interviewed were of the opinion that the municipality does not have such a system, while 15% did not know. Fifty-eight percent of the

members of the public also believed that the municipality does not effectively deal with grievances that are reported to it.

*The municipality should use a variety of communication channels to inform the public of how they can go about reporting complaints, what the process is for addressing their complaints, and by when they should expect a response. This should instil greater confidence on the part of the public in the municipality's system for dealing with grievances and complaints.*

It is notable that there were very positive sentiments expressed by members of the public with regard to improvements in service delivery in the past year.

### **Systems and structures**

According to 70% of councillors and officials, the performance of councillors is not appraised.

*The municipality should put in place a system for appraising councillors' performance. This should be undertaken by the Speaker's office.*

### **Corruption**

While there does not appear to be a significant issue with corruption in the municipality, it should be noted that 45% of members of the public held the view that corruption is not reported, with fear of reprisal being the number one reason for not reporting corruption. It should also be noted that 36% of the members of the public felt that there are no consequences for alleged corruption.

*The municipality needs to put in place a system (such as a confidential reporting hotline) that will enable members of the public to anonymously report incidents of corruption with no fear of any comeback. A further recommendation is for the municipality to implement a media campaign to inform the public about the different forms of corruption, how they can report it, and what the process for dealing with corruption is. It is very important for the municipality to send out a clear message that corruption in Baviaans Municipality will not be tolerated.*

### **General**

Some negative perceptions were expressed by members of the public with regards to councillors' motives for being in office. Fifty percent stated that councillors want to be in office to advance their career ambitions, while 41% said for personal gain, and 43% said to promote political agendas.

*While these perceptions do not reflect those of the majority of members of the public interviewed, they do nevertheless constitute a significant proportion. It is important that the municipality works to dispel some of the more negative perceptions the public may have of councillors as these perceptions undermine public confidence in their elected representatives and their perceived legitimacy.*

## 6.6 Performance Section 57 Managers

Minutes of the Section 57 Managers evaluation meeting of the Baviaans Municipality held on Thursday 24 July 2008 at 14h00 at the Council Chambers Willowmore.

### PANEL

E Loock	Mayor/Chairperson
P Daniels	Councillor
J Booyesen	Councillor
R Shaw	Chairperson Audit Committee
JZA Vumazonke	Municipal Manager

### Employee

ME De Beer	PMS Official – Baviaans Municipality
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The Acting Municipal Manager, Mr. M Lötter, was present for the review of the Section 57 managers, Mr. JH Doyle and Mr. B Arends

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#### 1. Opening

Councillor J Booyesen opened the meeting with a short prayer and the mayor welcomed all councilors and the panel present.

#### 2. Notice convening the meeting

The mayor read the notice convening the meeting and confirmed that the meeting is properly constituted by legislation.

#### 3. Apologies

Apologies were received from Councillor's D Bezuidenhout and L Miggels as well as Ms Y Ducie, PWC

#### 4. Statement of communication by the honorable mayor

The mayor states the following:

- The performance management framework for 2007/2008 was adopted by council.
- Section 57 managers were evaluated on an individual basis and not as a group as in 2006/2007.
- Panel to ask questions on evaluation done by the Mayor and the Acting Municipal Manager.
- In the future the Municipal Manager must manage the performance process very carefully and will encourage his managers to do so as well.
- Councillors also need to be positive about the process of performance management.

5. Term of Reference
  - Legal background (Municipal Systems Act 200, Performance Regulations of August 2001, the MFMA 2003 and Municipal Performance Regulations of 2006)
  - Council Resolutions
6. Report on the Acting Municipal Manager
  - Evaluating Mr. JH Doyle Attached Annexure A  
***Evaluation and scorecard of Mr. Doyle adopted***
  - Evaluating Mr. B Arends Attached Annexure B  
***Evaluation and scorecard of Mr. Arends adopted***
7. Report of the Mayor
  - Evaluating Mr. M Lötter – Attached Annexure C  
***Evaluation and scorecard of Mr. Lötter adopted***
8. Comments from Panel and Councillors

Mr. JZA Vumazonkhe

Important that managers accept performance processes which must be open and transparent? Inputs were inline with the observations made. Scope for improvement of their development is possible. Intervention with managers after Council meeting.

Ms R Shaw

Managers performance improved over the last year. If they improve the same way during 2008/09 it may be possible for them to qualify for a performance bonus. This exercise is proof of the success of the performance programme. Difficult in small municipality to have all the skills. Great improvement all over in the Bavians Municipality. Motivated managers will motivate staff.

Councillor P Daniels

He can see that the system works. Very impressed with this years evaluations and the improvement in management. Managers will not feel deprived. Very fairly undertaken.

Councillor J Booysen

Agree with members of the Panel. Satisfied with the process.

9. Recommendation to Council

- (a) Evaluation process for 07/08 done in a more orderly manner as compared to 06/07 evaluation.
- (b) Two evaluations done in 07/08. In the future four evaluations per year must be done.
- (c) Managers need to believe in the process and to understand that a bonus is a reachable target.
- (d) Gaps still exist regarding management skills and time management.
- (e) The absence of middle management in our municipality retards the progress of management skills. Council to give attention to the middle management problem in the different departments.
- (f) Council to take note that evaluations of other staff be done on a quarterly basis according to the adopted evaluation processes.
- (g) According to the evaluation process of 07/08 no manager qualify for a performance bonus, but there was a significant improvement since 06/07 evaluation process. The improvement from the previous year is as follows:

M Lötter	44.43%
J Doyle	58.82%
B Arends	46.78%

- (h) Council need to consider some kind of encouragement for the improvement of the manager's performance.
- (i) Manager's to keep their performance files updated on a monthly basis as well as the proof of their projects finalized. That will help with the final process at the end of the financial year.

10. Meeting adjourned

**PERFORMANCE MANAGEMENT PLAN**  
**M LOTTER**  
**Corporate Services Manager**

**Key Performance Area 1 – Weight 24%**

**Municipal Transformation and Organisational Development**

<b>Objective</b>	<b>Strategy</b>	<b>Key Performance Indicator</b>	<b>Intervention</b>	<b>Project</b>	<b>Proof</b>	<b>Annual Target</b>	<b>31 March 08</b>		<b>30 June 2008</b>	
							<b>Target</b>	<b>Achieved</b>	<b>Target</b>	<b>Achieved</b>
A well established municipality with sufficient resources & institutional capacity to deliver an excellent municipal service.	Review & strengthen internal systems & procedures for better service delivery.	<ul style="list-style-type: none"> <li>- Councillors to take resolutions &amp; management to formulate plans for execution of resolutions.</li> <li>- Review &amp; improve existing record management (filing &amp; archive systems &amp; recording of public complaints.</li> </ul>	1. Procedures to better the minutes of meetings.  2. Shorten the communication between committee clerk & managers.	(a) Establishing a new system of recording of meetings.	New system in place	100%	50%	50%	100%	100%
				(b) Training of committee clerk.	Training schedule	100%	80%	60%		100%
				(a) System which present the council resolution on the computer of the manager.	New system in place	100%	75%	50%		80%
				(b) Training of committee clerk & managers for system	Training schedule	100%	50%	50%		80%

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Objective	Strategy	Key Performance Indicator	Intervention	Project	Proof	Annual Target	31 March 08		30 June 2008	
							Target	Achieved	Target	Achieved
A well established municipality with sufficient resources & institutional capacity to delivery an excellent municipal service.	Review & strengthen internal systems & procedures for better service delivery	<ul style="list-style-type: none"> <li>- Councillors to take resolutions &amp; management to formulate plans for execution of resolutions.</li> <li>- Review &amp; improve existing record management (filing &amp; archive systems &amp; recording of public complaints)</li> </ul>	3. A better filing system	(a) Management plan for incoming correspondence <ul style="list-style-type: none"> <li>- Fax</li> <li>- Post</li> <li>- Email</li> </ul>	Plan on table & system in place	100%	50%	50%		100%
				(b) Office Space for better filing system.	Renovation done	100%	100%	100%		100%
				(c) Safety filing place	Renovation done	100%	New goal	100%		100%
				(d) A standardized filing system	Report from consultant	100%	0%	0%		0%



**PERFORMANCE MANAGEMENT PLAN**  
**CFO**

**Key Performance Area 4 – Weight 24%**

**Municipal Viability and Management**

<b>Objective</b>	<b>Strategy</b>	<b>Key Performance Indicator</b>	<b>Intervention</b>	<b>Project</b>	<b>Proof</b>	<b>Ann Target</b>	<b>31 March 08</b>		<b>30 June 2008</b>	
							<b>Target</b>	<b>Achieved</b>	<b>Target</b>	<b>Ach</b>
A well established municipality with sufficient resources and institutional capacity to deliver an excellent municipal service	(i) Increase collection of revenue	More payment for services	Masekane	-100% payment for services	07/07-06/08 <u>received</u> X 100 account sent out	100%	85%	93.62%	100%	80.69%
				-Effective indigent policy	Report on indigent vs actual low income households	100%	0%	0%	100%	100%
				-Flow meters to all indigent households using water more than 6 kl	Reconcile list of indigent excessive water user's vs list of households with flow meters.	100%	0%	0%	100%	80%
				-Effective payment terms	Report to Council	100%	0%	0%	100%	24.35%

## Key Performance Area 4 – Weight 24%

### Municipal Viability and Management

Objective	Strategy	Key Performance Indicator	Intervention	Project	Proof	Ann Target	31 March 08		30 June 2008	
							Target	Achieved	Target	Ach
A well established municipality with sufficient resources and institutional capacity to deliver an excellent municipal service	ii) Increase revenue base	Reconciled billing system	Accurate billing system & cleansing of debtors	-Appoint mentors in financial dept & executing working group minutes	Final report from mentors on work done	100%	75%	100%	100%	100%
				30% reduction in payment	Total debtors 07/07 minus total debtors 06/09  X 100  total debtors 07/07	30%	30%	36,11%	30%	43.38%

**PERFORMANCE MANAGEMENT PLAN**  
**B ARENDS**  
**Technical Manager**

**Key Performance Area 2 – Weight 24%**

**Infrastructure Development & Service Delivery**

Objective	Strategy	Key Performance Indicator	Intervention	Project	Proof	Ann Target	31 March 08		30 June 2008	
							Target	Achieved	Target	Ach
Supply sustainable basic infrastructure to all inhabitants of Baviaans Municipality	(i) Sustainable water supply households at Zaaimanshoek & Steyterville	-Better the internal distribution system of water in Steyterville	(i) Better water pressure old town area Steyterville	(i) Replace old pipeline	% of project complete	60%	100%	100%	100%	100% of 60%
	(ii) Sustainable sanitation to households in Steyterville	-Better quality water & distribution to each household in Zaaimanshoek	Water to each household in Zaaimanshoek with flow meters	New water system Zaaimanshoek	Project complete	100%	40%	40%	60%	80%
		- Extension of sewerage pound in Steyterville	Extension of sewerage ponds Steyterville	Extension of sewerage ponds in Steyterville	% of project complete	50%	30%	100%	50%	30%
		- Better VIP toilets in Fullarton & Zaaimanshoek	VIP toilets in Fullarton & Zaaimanshoek	Report to Council on improving VIP toilets in Fullarton	Report to Council	100%	0	0	100%	50%

**Key Performance Area 2 – Weight 24%**

**Infrastructure Development & Service Delivery**

Objective	Strategy	Key Performance Indicator	Intervention	Project	Proof	Ann Target	31 March 08		30 June 2008	
							Target	Achieved	Target	Achieved
Supply sustainable basic infrastructure to all inhabitants of Baviaans Municipality	(iii) To provide sustainable electricity to the housing project 503 in Steytlerville	Electrify houses as they are build	Electricity to 503	Electricity to 503	% of project completed - same % electrified	100%	100%	100%	100%	80%
	Provide electricity to farm school at Fullarton	Electricity to Fullarton primary school	Electricity to Fullarton primary school	Electricity to Fullarton primary school	Project completed	100%	30%	100%	100%	70%
	Avoid power failure due to overloading in Willowmore	Better electricity supply – Willowmore	Upgrade old network WMore Phase I & Phase 11	Phase I upgrading	Project completed	100%	75%	100%	100%	80%
	(iv) Tarring of strategic roads	Improve the accessibility to Golden Valley	Improving streets Steytlerville	Tarring Victoria Street Sville	Project completed	50%	30%	100%	60%	30%
	(v) Provision of recreational facilities	Upgrading sportfield – Sville	Upgrading sportfield – Sville	a) Appoint a caretaker b) Upgrading	Appointment Project	100% 100%	50% 50%	100% 100%	100% 100%	100% 100%

				of Sville sportfield	completed					
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## 6.7 Critical Issues outstanding on 30 June 2008

BAVIAANS MUNICIPALITY  
Work program: Mayor/Municipal Manager

Matters	Date originated	Decision taken	Target date	Process Date 10/06	Progress Date 24/06	Progress Date 08/07
Baviaans Skills Development Plan	24/05	Review document				Documents withdrew New Revised Plan
Special Council meeting Councillors only – 18/06/08 – 15h00 – Willowmore	10/06	Notice of meeting		Done		
Mayoral fund – Policy	10/06	Martin – next meeting	26/06		Adopted 05/07	
Contracts with users of municipal buildings and land	10/06	Registers and contracts	30/06		Not record yet	To council meeting August 2009
Training of Area Committees	10/06	Appoint service provider	30/06		In process	In process Visit Baviaans on 09/07
Reelings: ontvang	07/05	Program	31/05		Done	
Datums Umbizu	07/05	Program	09/05	Completed	Done	
Klinieke	07/05	Personeel aanvulling	31/05	Staf suster begin 02/06 – 28/05 Completed		
Wanhoop	07/05	Telefoon	31/05	Pre-paid telefoon MM implement policy	Outstanding	Outstanding
Atollo Holdings Tegniese Verslag	07/05	Kwotasië	29/05	Raadsvergadering 5 Junie 2008	Outstanding	Outstanding
Veiligheidshek	07/05	Bestel en installer	15/05	Completed	Done	

Toesighouers Sakisizwe	07/05	Meer effektiewe project	20/05	Completed		
Toetsentrum	07/05	Gesprek Privatisering	28/05	2 Junie 11H00 gesprek 28/05 Advertiser 19/06/08	In process	MM will follow up
Steytlerville Golfbaan	07/05	Tender uitsit	30/05	Raadsvergadering 05/06/08 – 28/05 ML – Council resolution 05/06/08	In process	MM will follow up
Tenders oortollige artikels	07/05	Tender uitsit – geld ontvang	30/05	Afgehandel Geelhout trap teruggehou – 28/05	Completed	Steytlerville stairs outstanding
373 vordering	07/05	Plan vorentoe beweeg	31/05	Raadsvergadering 05/06/08 Safcon Housing Solutions	Outstanding	Outstanding – Needs urgent attention
373 Probleme	07/05		31/05		Outstanding	Outstanding – Needs urgent attention
503 Vordering	07/05	Plan vir vorentoe beweeg Befondsing provinsie	31/05	Raadsvergadering 05/06 – 28/05 R 1.2m Nog nie ontvang BA skakel Johan Gerber	Outstanding	Outstanding – Needs urgent attention
Wanhoop		TV	31/05	Completed		
GOP Baviaans Dept Evaluering	28/05	Voorle aan Raad	05/06/08	Mondo sent to meeting	Done 24/06	
Wanhoop werkers	07/05		20/05	Skriftelike inligting Sperdatum 15/06 - 28/05	Outstanding	In process MM will follow up
Verg met Eskom	07/05	Moet gereel word – syfers van Eskom	28/05	Verskaf inligting op 28/05 Johan Van Rooyen	Council resolution on 5 June	Outstanding

Uitspannings	07/05	Proses voltooi	31/05	Briewe uit na Seeff en Herderson Properties 28/05	In process	No further report
Umsobomvu	07/05	Nuwe kontrak	31/05	Raadsvergadering 5 Junie 2008	Sign contract till end of June 2008 23/06 meeting Business Plan	Await payment - MM to follow up – contract for 08/09
Evaluation of Managers 30/06	10/06	Notice of meeting	31/08		Depends on availability of Ronel Shaw	Lizette to convene a meeting before 31/08

## 6.8 General Key Performance Indicators

The following general key performance indicators are prescribed in terms of Section 43 of the MFMA Act.

- a. The percentage of household with access to basic level of water, sanitation, electricity and solid waste removal;

100%

- b. The percentage of household earning less than R 1 800 per month with access to free basic services;

23.46%

- c. The percentage of a municipality's capital budget actually spent on capital projects identified for a particular financial year in terms of the municipality's integrated development plan;

43%

- a. The number of jobs created through the municipality's local economic development initiatives including capital projects;

Unknown

- b. The number of people from employment equity target groups employed in the three highest level of management in compliance with a municipality's approved employment equity plan;

$68 \div 76 = 89.47\%$

- c. The percentage of a municipality's budget actually spent on implementation its workplace skills plan;

47.73%

- d. Financial viability according prescribed ratios;

(i)  $A = (B-C) \div D$

Where

A – Represents debt coverage

B – Represents total operating revenue received

C – Represents operating grants

D – Represents debt service payments (i.e. interest and redemption) due within the financial year.

$$\frac{22\,555 - 12\,497}{128} = 78.6$$

(ii)  $A = B$   
 $\frac{\quad}{C}$

Where

- A – Represents the outstanding service debtors to revenue
- B – Represents the total outstanding service debtors
- C – Represents annual revenue actually received for services

$$\frac{5111}{7655} = 66.7\%$$

(iii)  $A = (B+C) \div D$

- A – Represents cost coverage
- B – Represents all available cash at a particular time
- C – Represents investments
- D – Represents monthly fixed operating expenditure

$$\frac{34\,215}{16\,302} = 210\%$$

## 6.9 Financial Performance Overview 2007/08

Operational Performance	2006/2007	2007/2008	Target/Benchmark
Actual operating expenditure to budget	80.3%	101.7%	100%
Actual operating income to budget	85.3%	137.5%	100%
Capital spending to budget	75.7%	85.0%	90%
Personnel cost to income	41.0%	32.7%	35%
Electricity distribution lost	25.9%	26.7%	8%
Water distribution lost	15.5%	15.7%	10%
<b>Liquidity</b>			
Debtors collection period	559 days	239 days	42 days
Outstanding debtors to revenue	153%	65.5%	12%

## 7. Abbreviations

B	Baviaans
BK	Baviaanskloof
BM	Baviaans Municipality
CDM	Cacadu District Municipality
CFO	Chief Financial Officer
D. Agric	Department of Agriculture
DBSA	Development Bank of South Africa
DEAT	Department of Environment and Tourism
DME	Department of Minerals and Energy
DPHLG	Department Provincial Housing and Local Government
DPHLGTA	Department of Provincial Housing, Local Government and Traditional Affairs
DPLG	Department of Provincial and Local Government
DPW	Department of Public Works
DSRAC	Department of Sport, Recreation and Culture
DT	Department of Transport
DWAF	Department of Water Affairs
F	Funded
IDP	Integrated Development Plan
MIG	Municipal Infrastructure Grant
MM	Municipal Manager
MSP	Municipal Support Programme
Nat EAT	National Environment and Tourism
NF	Not Funded
NT	National Treasury
S	Steytlerville
SAHRA	South African Heritage Resources Association
SAOSPB	South African Organic Seed project Baviaanskloof
SMIF	Special Municipal Infrastructure Fund
UYT	Umzobomvu Youth Trust
W	Willowmore
WBTA	Western Baviaans Tourism Association