



TSWELOPELE
LOCAL MUNICIPALITY
A MUNICIPALITY IN PROGRESS



EXECUTIVE SUMMARY

The Council's vision for the municipality is:

"To be an accountable, transparent, non-racial Municipality that promotes economic development and provides sustainable services and improves the quality of life in the Community"

With this vision in mind, two important factors must be borne in mind, i.e. firstly, in the realization that we cannot succeed single-handedly in our quest to address poverty, we recognise that development must happen in a spirit of co-operation and participation with all stakeholders.

Secondly, in realising our limitations in the sphere of development and to provide in all needs, TLM must focus on creating the conditions conducive to facilitating opportunities for appropriate development.

Tswelopele Local Municipality is committed to effective and transparent governance by:

- Promoting economic development
- Providing sustainable services and
- Improving the quality of life of all people

In addition to the Batho Pele principles, our municipality commits itself to upholding the following set of values:

- | | |
|---------------------|-------------------|
| ▪ Democratic values | ▪ Equity |
| ▪ Good governance | ▪ Commitment |
| ▪ Transparency | ▪ Accountability |
| ▪ Honesty | ▪ Professionalism |

In order to realise TLM's vision the strategic objectives have been identified in the following priority issues to drive the developmental agenda of Council.

- | | |
|-------------------------|-----------------------|
| ❖ Electricity | ❖ Safety and Security |
| ❖ Roads and Storm water | ❖ Education |
| ❖ Social development | ❖ Housing |
| ❖ Sport and Recreation | ❖ Good Governance |
| ❖ Health | |



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CHAPTER 1: INTRODUCTION AND OVERVIEW

1. STATEMENT BY THE MUNICIPAL MANAGER

The 2010/11 financial year has immensely demonstrated the challenging and daunting time for our municipality due to the limited resources at our disposal e.g. The Budgetary Constraints because of the nature of our Municipality and the unemployment rate, found within our Tswelopele Local Municipality.

But nonetheless the year under review has seen our Municipality making attributes and strides on the following, maintaining the momentum of the Cleanest Municipal Awards Campaign not only for the sake of the competition, but in the quest to encourage and instil the culture of cleanliness within our communities, we have also achieved better outcomes in as far as the Blue and Green Drop Assessment required but also for health reasons and not for compliance only.

At core and heart of everything our mandate is to render effective and efficient service delivery to the community at large within the ambit and boundaries of Tswelopele Local Municipality, which are some of the services we render without fear, favour or prejudice. We will always and forever persist to accept and keep up and live to our Municipal motto which defines us as the "Municipality in Progress" by acknowledging the weaknesses and positive criticism as outlined by the community, stakeholders and in particular the office of the Auditor General in the betterment and the quest for better and speedy service delivery and the principle of transparency and accountability.

I wish to thank political office bearers management team and all and sundry for their contribution and meaningful support.

KELEHILE MOTLHALE
MUNICIPAL MANAGER

2. OVERVIEW OF THE MUNICIPALITY

2.1 Demographic Profile

The municipal area is 6 506, 68¹ km² in extent. The demographic profile of the municipality according to the most recent information available is shown in the table below:

	1996 – Stats SA	2001 – Stats SA	2007 – Community Survey ²
No. of households	12,624	12,987	12,623
Average people	4.40	4.2	3.2
Total population	55,591	58,858	40,617

Table 1: Demographic detail

Key statistics regarding the municipality as reflected in Census 2001 is shown on the following pages to place the municipality's performance in context. The net population increase in the municipality between 1996 and 2001 was 2,318 persons (1,110 households). The total population of the municipality declined from 2001 with 18,241. This decrease as reflected in the Community Survey of 2007 is disputed by the Municipality. The average size of households has also decreased according to the community survey. If the size of the average people in a household remains the same as in 2001 (4,2) the total population will be 55 412.

From the above it is apparent that the municipality will have to review their service delivery plans to ensure that planning is based on correct information. However the decline (± 30%) seems unrealistic.

2.2 Service Delivery Backlogs³

The following service delivery backlogs exist within the municipality the last 2 financial years:

	30-Jun-09	30 Jun 10
	Actual	Actual
Water Backlogs (6KL per month)		
Backlogs to be eliminated (No of Households(HH) not receiving the Minimum standard of service)	-	-
Backlogs to be eliminated (Percentage = HH identified as backlogs/total HH in municipality)	-	-
Spending on new infrastructure to eliminate Backlogs	-	-
Spending on Renewal of existing infrastructure to eliminate Backlogs	-	-
Total spending to eliminate Backlogs	-	-
Spending on maintenance to ensure no new backlogs created	516 496	224 069
Sanitation Backlogs		
Backlogs to be eliminated (No of Households(HH) not receiving the	-	-

¹ Free State Development Plan 2001

² Community Survey, 2007, Basic Results: Free State - Report No. 03-01-30

³ Unaudited Information

	30-Jun-09	30 Jun 10
	Actual	Actual
Minimum standard of service)		
Backlogs to be eliminated (Percentage = HH identified as backlogs/total HH in municipality)	0%	0%
Spending on new infrastructure to eliminate Backlogs	25 450 317	22 284 291
Spending on Renewal of existing infrastructure to eliminate Backlogs	-	-
Total spending to eliminate Backlogs	25 450 317	22 284 291
Spending on maintenance to ensure no new backlogs created	178 148	172 865
Electricity Backlogs (30KWH per month)		
Backlogs to be eliminated (No of Households(HH) not receiving the Minimum standard of service)	-	-
Backlogs to be eliminated (Percentage = HH identified as backlogs/total HH in municipality)	0%	0%
Spending on new infrastructure to eliminate Backlogs	-	-
Spending on Renewal of existing infrastructure to eliminate Backlogs	-	-
Total spending to eliminate Backlogs	-	-
Spending on maintenance to ensure no new backlogs created	463 611	429 268
Roads Backlogs		
Spending on Renewal of existing infrastructure to eliminate Backlogs	1 297 120	616 041
Total spending to eliminate Backlogs	1 297 120	616 041
Spending on maintenance to ensure no new backlogs created	510 339	255 279

Table 2: Service delivery backlogs

CHAPTER 2: DEVELOPMENT PLANNING

1. THE PLANNING PROCESS

The IDP of the Municipality is founded on the developmental needs, priorities and strategic direction identified in a collaborative process with a representative forum of the Lejweleputswa District and Local Stakeholders. The Integrated Development Plan will strive to guide the activities in Tswelopele Local Municipality.

The IDP process itself is seen as being fundamental to the realisation of the conception of *developmental local government*; that is, local government (District and Local Municipalities) that manages and facilitates effective service delivery in line with a shared vision of reconstruction and more equitable social and economic development.

The IDP is the overarching and principal strategic tool through which the municipality will guide all its planning, budgeting, management and decision making regarding resource allocation and prioritization for development.

2. PURPOSE OF THE IDP

The basic purpose of Integrated Development Planning is to achieve faster and more appropriate delivery of services and providing a framework for economic and social development in a municipality. Integrated Development Planning creates an environment that allows for the integration and alignment of government's delivery priorities and objectives and is aimed at eliminating the development legacies of the past.

3. ROLE OF IDP IN MUNICIPAL ACTIVITIES

For development to be realized and managed effectively, three essential tools are required.

These are:

1. a development plan;
2. a budget; and
3. A performance management system.

All three tools are interrelated and no single one of them can operate effectively without the other.

In this regard, the IDP represents the forward planning and strategic decision-making tool that informs the budget, which must give effect to the strategic priorities of Tswelopele, embodied in the IDP. In turn, the Performance Management System (PMS) and the Service Delivery Budget Implementation Plan (SDBIP), are the core development management, implementation and monitoring tools. Synergy between all the management tools will enable the following: -

- Monitoring the evaluation of the budget;

- Monitoring of the performance of the municipality;

4. IDP PROCESS

The generic IDP process for preparing IDPs was developed by the Department of Provincial and Local Government as part of their guide packs to support the IDP process. The process is divided into 5 phases: Analysis, Strategies, Project Formulation, Integration and Approval and is illustrated below.



Figure 1: IDP Process

5. IDP OBJECTIVES FOR 2010/11

The following objectives were identified in the 2010/11 IDP review process:

1. Electricity
 - (i) To improve public lighting in Tswelopele by 2011.
 - (ii) To upgrade the existing electricity needs infrastructure by 2011
2. Roads and Storm water
 - (i) To upgrade the existing roads and storm water infrastructure by 2011.
 - (ii) To tar and upgrade 40 % of all main bus routes with kerbs and storm water by 2011.
3. Social development
 - (i) To extend the Home Based Care Service in Tswelopele to more people by 2010 - 2011.
 - (ii) To improve the food security to the indigents by 2010 – 2011
 - (iii) To improve day care facilities in Tikwana by 2010 -2011.
4. Sport and Recreation

- (i) To have all existing sport facilities upgraded to full operational status by 2010 - 2011.
- (ii) To have a maintenance program of sport facilities operational by 2010 - 2011
- (iii) To erect additional sporting facilities in Tswelopele by 2011

5. Health

- (i) To upgrade all existing clinic services in Phahameng and Tikwana.
- (ii) To improve mobile clinic services to rural areas
- (iii) To develop a cost effective and sustainable Waste Management System by 2011
- (iv) To have an environmental health awareness program by 2011
- (v) To encourage voluntary testing at all health centres in Tswelopele by 2011

6. Safety and Security

- (i) To reduce prevalent crimes by 50% by 2010 - 2011.
- (ii) To increase Police visibility with 50% by 2011.
- (iii) Establish a Municipal law enforcement unit in Tswelopele by 2011

7. Education

- (i) To reduce adult illiteracy by 10% by 2011.

8. Housing

- (i) To eradicate informal housing structures in Tswelopele by 2011.
- (ii) To ensure that 100% of households has security of tenure.

9. Good Governance

- (i) Increase of payment levels in Phahameng and Tikwana to 50% by 2010/2011
- (ii) Upgrade the municipal IT system by 2011.
- (iii) Formulate all Municipal Policies and bylaws by 2011.
- (iv) To establish an effective and efficient governance and administration structure by 2011.

CHAPTER 3: PERFORMANCE MANAGEMENT

1. INTRODUCTION

The Municipality must develop and implement a performance management system [PMS] in terms of the *Local Government: Municipal Systems Act 2000* (Act No 32 of 2000). A PMS describes and represents how the Municipality's cycle and processes of performance planning, performance monitoring, performance measuring, performance reviewing, performance reporting and performance improvement will be conducted, organised and managed.

The purpose of the PMS is to –

- produce accurate and verifiable evidence of the extent to which the Municipality implemented its IDP; and
- to identify the causes of underperformance in order to take corrective action in a timely fashion, i.e. to serve as an early warning system of poor performance.

A key activity in the performance management process is the setting of key performance indicators [KPIs] and targets for measuring performance against the development priorities and objectives set out in the Municipality's IDP during a specific financial year. KPIs are yardsticks for measuring performance. The Municipality's KPIs must measure inputs, outputs and outcomes. *Input indicators* measure the cost, resources and time used to achieve a particular objective. *Output indicators* measure the result, in terms of goods and services produced, of the activities the Municipality undertook to achieve a particular objective, e.g. number of residences connected to the water reticulation system, or distance of streets built. *Outcome indicators* measure the quality and/or impact of a particular output on the achievement of an objective, i.e. provides answers to the question whether the planned results had been achieved?

In addition to the KPIs the Municipality must set, it must also measure its performance against the general KPIs determined by the Minister of Co-operative Government and Traditional Affairs.

The Municipality must, at least once during a year, measure and review its performance against the KPIs and performance targets set for that year and prepare an annual performance report. These measurements will indicate in what areas the Municipality performed satisfactorily and where improvements are required.

The annual performance report must reflect at least the following –

- the Municipality's performance and that of each external service provider that provided municipal services on its behalf during that financial year;
- a comparison of the performance of a specific year with the performance in the previous financial year; and
- measures taken to improve performance.

2. GENERAL KEY PERFORMANCE INDICATORS

The *Local Government: Municipal Planning and Performance Management Regulations 2001* prescribe the general KPIs for municipalities. The Municipality's performance against these general KPIs is presented and discussed in this section.

2.1 Key Performance Area: Service-delivery

One of the key priority projects of Government is the speeding up of community infrastructure with intensified efforts to accelerate universal access to water, sanitation and electricity. This implies that by 2014 there should be decent human settlements and access by all households to these services. The following recent national information is available with regard to service delivery:

- 88.6% of the population in South Africa enjoyed access to piped water. All provinces recorded an increase in the percentage of households that had access to piped water (based on the Community Survey, 2007).
- A little more than 60% of the households in South Africa had access to flush toilets (based on the Community Survey, 2007).
- Electricity for lighting has increased in all provinces, with 80% of households in South Africa using electricity for lighting (based on the Community Survey, 2007).
- A total of 7,4 million households in South Africa had refuse removed at least once a week (based on the Community Survey, 2007).

The municipality's performance against the national and provincial results is reflected below:

2.1.1 The % of households with access to basic level of water

Currently 100% of the households in the municipal area have access to a basic level of water. This indicator is defined as:

- ⇒ Higher level of service includes piped water inside dwelling.
- ⇒ Basic level of service includes piped water inside yard and piped water within 200m⁴.

The municipality's performance measured against the national and provincial results is shown below:

- South Africa 88.6%
- Free State 97.3%
- Tswelopele Local Municipality 100%

2.1.2 The % of households with access to basic level of sanitation

The key performance indicator is defined as:

- ⇒ Higher level of service includes, flush toilet connected to sewerage system
- ⇒ Basic level of service includes flush toilet with septic tank and PIT latrine with ventilation⁵.

In the Free State the proportion of households using the bucket toilet system decreased from 20.5% in 2001 to 12.7% in 2007. All municipalities recorded a decrease in the proportion of households using bucket toilet

⁴ Basic Services Publication 2009 <http://www.info.gov.za/>

⁵ Basic Services Publication 2009 <http://www.info.gov.za/>

facilities. The proportion of households with no toilet facility decreased from 9.7% in 2001 to 3.2% in 2007. This trend was recorded in all municipalities. In 2007 the municipality recorded that 2.4%⁶ of the households had no access to toilet facilities. In 2010 the municipality recorded that 100% of the households have access to toilet facilities.

In the Free State 96.8% of municipalities had access to toilet facilities at the minimum standard. 100% of the households in Tswelopele had access to the minimum standard of toilet facilities at 30 June 2010.

2.1.3 The % of households with access to basic level of electricity

Access to electricity is defined as:

- ⇒ High level of service includes connection to the grid.
- ⇒ Basic level of service includes 10 Amp connections.

In the Community survey of 2007 the results show that the proportion of households in the Free State using electricity for lighting increased from 74.4% in 2001 to 86.6% in 2007. In the municipal area 100% of the households have access to a basic level of service.

2.1.4 The % of households with access to basic level of solid waste removal

In the Free State refuse removed by a local authority/private company increased from 61.7% in 2001 to 76,0% in 2007⁷. Nationally the figure increased from 57% to 61.8%.

- South Africa 88.6%
- Free State 97.3%
- Tswelopele Local Municipality 100%

2.1.5 The % of households earning less than R1 300 per month with access to free basic services

All the households in the municipal area earning less than R1 300 per month have access to free basic services.

2.1.6 The % of the municipality's capital budget actually spent on capital projects identified

Capital expenditure, i.e. expenditure incurred to acquire assets, is an important indicator of –

- progress towards extinguishing backlogs in service-delivery; and
- the Municipality's ability to provide goods and services in adequate volumes and at acceptable quality to a growing local population.

The Municipality's performance in this regard was as follows –

Key Performance Indicator	2008/09	2009/10
Approved capital budget [R]	15 388 000	22 289 700
Actual capital expenditure on acquiring assets [R]	57 294 508	24 848 235

⁶ <http://www.statssa.gov.za/Publications/Report-03-01-30/Report-03-01-302007.pdf>

⁷ <http://www.statssa.gov.za/Publications/Report-03-01-30/Report-03-01-302007.pdf>

Key Performance Indicator	2008/09	2009/10
Percentage of approved capital budget spent on acquiring assets	100%	100%

Table 3: Capital expenditure

The Municipality's ability to spend money appropriated for capital purpose has increased significantly from 2008/09 to 2009/10. However, there is a need to install effective arrangements to ensure that spending of money for capital purposes increase drastically.

2.2 Key Performance Area: Local economic development

The municipality succeeded in creating 187 jobs through the implementation of LED projects.

Key Performance Indicator	2008/09	2009/10
Number of Jobs Created	706	787
Actual expenditure on LED projects	-	-
Percentage of approved budget spent on LED projects	-	-

Table 4: Local economic development

The additional job creation was facilitated through MIG and other provincial or national funding.

2.3 Key Performance Area: Municipal transformation and institutional development

The Municipality's performance during 2008/09 and 2009/10 measured against the general KPIs, was as follows

–

Key Performance Indicator	2008/09	2009/10
No of posts in the 3 highest organisational levels	13	13
The number of persons from designated groups employed in the 3 highest levels	10	10
% of money appropriated for skills development actually spent on implementing the approved workplace skills plan	69%	71%

Table 5: Employment equity and skills development

The Municipality spent slightly more money during 2009/10 than in 2008/09 to improve the skills and knowledge of its employees and councillors.

2.4 Key Performance Area: Financial viability

A municipality is financially viable if it is able to generate adequate funds to perform the functions, exercise the powers and discharge the duties assigned to and conferred upon it over the long term in a manner that would progressively supply the needs and realize the development goals of the local communities residing and working in its area.

2.4.1 Debt coverage ratio

The debt coverage ratio indicates the Municipality's ability to generate sufficient revenues to pay interest and redemption (i.e. debt service/finance charges) on loans (long term debt). A low debt coverage ratio (i.e. <1) indicates that the Municipality might encounter difficulties meeting debt service/finance charge obligations

from own operating revenue. A high ratio (i.e. >1) indicates relatively low expenses and a good financial position.

Debt coverage ratio = Total revenue received - Operating grants ÷ Debt service payments

	2008/09	2009/10
B = Total revenue received which includes grants	83 504 649	104 266 019 ⁸
C = Expenditures	57 650 835	74 545 298
Net Income (Deficit)	25 853 814	29 720 722
Operating grants	56 697 795	65 165 076 ⁹
D = Debt service payments ¹⁰	2 106 600	2 106 600 ¹¹
A = (B-C)/D	12.2	14.1

Table 6: Debt coverage ratio

2.4.2 Outstanding service debtors to revenue ratio

The outstanding service debtors to revenue ratio indicates the average number of days debtors (property rates, water sales, electricity sales, sewage removal and refuse removal) are outstanding. An acceptable norm is 56 days. On 30 June 2010 R 31 515 908 (91.94%) of the Municipality's debtors were older than 60 days.

	2006/07	2007/08	2008/09	2009/10
Rand value of debtors outstanding for less than 30 days	1 703 653	1 813 967	2 134 163	1 707 336
Rand value of debtors outstanding for less than 60 days	840 917	791 569	830 286	699 381
% of debtors older than 60 days	91%	92%	92%	92%
Amount outstanding for more than 60 days	27 071 471	31 217 667	37 190 808	30 720 584

Table 7: Outstanding service debtors to revenue ratio

There was a 17% decrease in the debt outstanding for more than 60 days during this financial year.

2.4.3 Cost coverage ratio

The cost coverage ratio indicates the cash flow situation of the Municipality, i.e. whether it has the cash available to cover its expenses during a specified period. If the result of the equation is > 1 it means that the Municipality has sufficient cash to cover one month's expenses. If it is <1, the Municipality cannot cover a month's expenses, which means that it will not be able to meet its commitments. Ideally the ratio should be 3 or > 3, i.e. the Municipality should have sufficient cash to cover three month's expenses. Cost coverage is determined by using the following formula:

Cost coverage = All available cash + Investments ÷ Monthly fixed operating expenditure

⁸ AFS 2010 Statement on Fin Performance

⁹ AFS 2010 Statement on Fin Performance

¹⁰ Interest and redemption due for the year

¹¹ See item 20 of AFS 2010

	2008/09	2009/10
B = All available cash ¹²	3 466 044	9 073 545
C = Investments ¹³	212 455	212 455
D = Monthly fixed operating expenditure	2 956 692	5 867 261 ¹⁴
A = (B+C)/D	1.24	1.58

Table 8: Cost coverage ratio

2.4.4 Liquidity ratio

Liquidity is an indicator that indicates whether the Municipality will be able to meet its short term obligations and is expressed by the following formula. If the result of the equation is 1 or more, the Municipality would be able to meet its short term obligations:

$$\text{Liquidity} = \text{Current assets} \div \text{Current liabilities}$$

	Financial year		Increase/(Decrease)	
	2008/09	2009/10	Rand	%
B = Current assets ¹⁵	14 149 232	19 067 154	4 917 922	26%
C = Current liabilities	21 600 005	25 206 278	3 606 273	14%
A = (B/C)	0.66	0.76		

Table 9: Liquidity ratio

On the short term the municipality will not be able to meet its short term obligations.

2.4.5 Solvency ratio

Solvency is an indicator that indicates whether the Municipality would be able to meet its long term obligations, i.e. whether the Municipality would be able to meet its long term obligations if it is dissolved (in the case of private enterprise if it is liquidated). Solvency is expressed by the following formula. If the result of the equation is 1 or more, the Municipality would be able to meet its long term obligations:

$$\text{Solvency} = \text{Non-current assets} \div \text{Long term liabilities}$$

	Financial year		Increase/(Decrease)	
	Sep-08	Oct-09	Amount	%
B = Non-current assets ¹⁶	227 969 933	257 212 401	29 242 468	11%
C = Long term liabilities ¹⁷	17 095 237	17 756 020	660 783	4%
A = (B/C)	13.34	14.49		

Table 10: Solvency ratio

¹² Note 1 – AFS 2009/10

¹³ Note 5 – AFS 2009/10

¹⁴ Includes Salaries and wages, repairs and maintenance and bulk purchases

¹⁵ AFS – Statement of Financial position

¹⁶ AFS 2010 – Statement of Financial position

¹⁷ AFS 2010 – Statement of Financial position

3. LOCAL KEY PERFORMANCE INDICATORS

3.1 Corporate Services

3.1.1 Employment equity

The Municipality is a designated employer in terms of the *Employment Equity Act 1999* [Act No 55 of 1998]. The Municipality is thus required to implement affirmative action measures [i.e. measures designed to ensure that suitably qualified people from designated groups, i.e. Blacks, women and persons with disabilities, have equal employment opportunities and are equitably represented in all occupational categories and levels in the Municipality's workforce] to achieve employment equity for persons from designated groups. For this purpose the Municipality must prepare, approve and implement an employment equity plan, which must state, amongst other things, where under representation of people from designated groups has been identified, numerical goals to achieve the equitable representation of suitably qualified people from designated groups within each occupational category and level in the workforce, the timetable within which this is to be achieved, and the strategies intended to achieve those goals.

3.1.2.1 Employment equity – workforce gender profile

The demographic profile of the Free State indicates that 51% of the Province's population is female and 49% male. Of the 216 employees in the Municipality's employ on 30 June 2010, only 45, i.e. ± 21% are female. The Municipality has to address the gender imbalance in the administration by increasing female representation in the workforce.

It is evident from the graph below, that women of all races are severely under-represented in various positions and occupational levels. Although a number of women are indeed employed in the semi-skilled and skilled occupational levels, very little of them are employed in technical positions (either in the skilled, semi-skilled and un-skilled occupational levels).

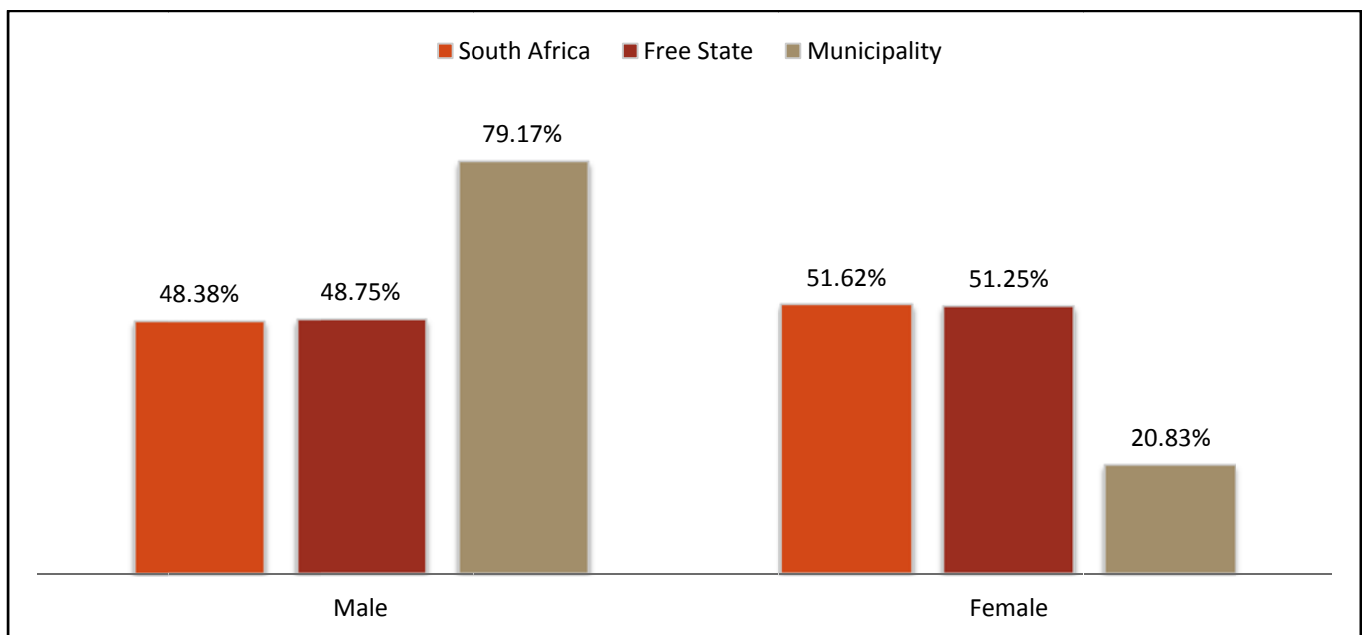


Figure 2: Gender Profile

Of the 14 position in the first three occupational levels only 4 of those positions are occupied by female employees. The biggest challenge for the municipality is the gender imbalances that still exist within the workforce.

3.1.2.2 Employment equity – employment of persons from designated groups

Designated employees (African, Indian, Coloured, Females and Disabled persons) currently make out 96.30% of the workforce. The designated employees within the municipality increased from 94% in 2006/07 to the current level of 96.30%. The municipality has succeeded with the overall transformation of the municipality with regard to race.

	2006/07	2007/08	2008/09	2009/10
Designated employees (African, Indian and Coloured)	94.58%	96.17%	96.30%	96.30%

Table 11: Designated employees profile

3.1.2 Absenteeism

The following table reflects the level of absenteeism in the Municipality:

Key Performance Indicator	2007/08	2008/09	2009/10
No of employees absent from work without reason	120	218	412
No of man-days lost due to absence without reason	273	326	1238
No of employees on sick leave	423	438	481
Total available man-days	54216	54216	54216
No of man-days lost due to sick leave taken	1818	1403	1585
No of employees dismissed for absenteeism	0	0	0

Table 12: Absenteeism

“Absenteeism” is the term used for employees being habitually absent from work without a good reason. Absenteeism often results in –

- disruption of business operations;
- resentment amongst employees who have to do the absentee’s work;
- customers becoming disgruntled;
- the Municipality needing to pay replacement labour;
- extra overtime costs; and
- financial losses.

The absenteeism rate in an organisation is calculated by dividing the number of days employees were absent by the number of days they should have been at work.

The absenteeism rate for *absent without reason* for 2009/2010 in Tswelopele is:

$$\frac{\text{No of man-days lost due to } \textit{absence without reason}}{\text{Total number of employees}} = \frac{1238}{54216} \times 100\% = 2\%$$

The absenteeism rate for *sick leave* for 2009/2010 in Tswelopele is:

$$\frac{\text{No of man-days lost due to sick leave}}{\text{Total number of employees}} = \frac{1585}{54216} \times 100\% = 3\%$$

The national absenteeism rate for Local Government employees was 2.7%¹⁸ during 2009. The municipality needs to manage absenteeism to prevent a further increase in absenteeism. The municipality's average absenteeism rate was 2.6%. Sick leave absenteeism should be about 1.5% - which meant that for every 250 working days per year, the average employee should take 3.75 days off sick.

The average number of sick days taken per employee was 7.3¹⁹ and for unauthorized absence 5.7. The average number of days that employees were absent during the 2009/10 financial years was 6.5 days.

To calculate the annual cost of sick leave taken per year the following formula is used:

- Average work days lost per year: 216 (employees) x 7.3 days = 1576
- Average wage: R 27 347 089 (Annual Salary expenditure) ÷ 216(employees) = R 126 606
- Average daily wage rate: R 126 606 (Average wage per employee) ÷ 250 (working days per year) = R506
- Annual cost of absenteeism per year = 1576 days * R 506 (salary per day) = R 798 535

The average number of sick days leave taken far exceeds the norm.

3.1.2 Labour Relations

The following table indicates the nature, volume and outcome of disciplinary transgressions during 2009/10 –

Nature of complaint	No complaints received	No prosecuted	No completed	Guilty verdicts	Dismissals
Absent without leave/ permission	0	0	0	0	0
Dishonesty, theft, fraud	2	2	2	1	1
Insubordination/refusal to execute a lawful instruction	1	0	0	0	0
Under the influence of an intoxicating sustenance, incl. alcohol	0	0	0	0	0
TOTAL	3	2	2	1	1

Table 13: Disciplinary transgressions

The following table indicates the number of suspensions of employees as well as the outcome of those suspensions –

¹⁸ http://www.thenewage.co.za/1739-1007-53-Mining_employees_record_highest_absenteeism

¹⁹ Total days sick leave taken ÷ Number of employees = Average number of sick days taken per employee.

Suspension	Number
▪ Total no of suspensions pending disciplinary enquiries	2
▪ No of suspensions ended without disciplinary action taken	1
▪ No of suspensions exceeding three months	1
▪ No of suspensions extended by presiding officer of disciplinary tribunal	0

Table 14: Precautionary suspensions

The following table indicates the reasons for terminating employment and the amount of employees whose employment was terminated –

Terminations	Number
Total no of terminations	7
Dismissals	
* Dismissal due to ill-health or injury	0
* Dismissal due to the Municipality's operational requirements [retrenchment]	0
* Dismissal due to misconduct, including absconding	1
* Dismissal due to poor work performance [incompetence]	0
Resignations	
▪ Voluntary resignation	3
▪ Resignation to avoid dismissal	0
▪ Resignation claiming "constructive dismissal"	0
▪ Reaching retirement age	3

Table 15: Reasons for terminating employment

3.1.3 Public libraries

The Municipality manages and operates the Hoopstad Public Library. The Bultfontein, Tikwana and Phahameng libraries are managed and operated by the Department of Sport, Arts, Culture and Recreation.

3.2 Community Services

The Department of Community Services is responsible and accountable for the following functions –

- Public safety and security, including traffic services, and building control
- Environmental management
- Spatial and land-use planning
- Environmental health services
- Human settlements [housing] and land reform

3.2.1 Traffic services²⁰

The following information is provided:

²⁰ No comparative data available

Key Performance Indicator	2009/10
Number of summons written / Fines	733
Number of accidents	14
Number of car accidents	14
Number of pedestrian accidents	1
Number of fatal car accidents	3
Number of fatal pedestrian accidents	1
Number of Safety Awareness Programs held	4

Table 16: Traffic data

3.2.2 Building control

The important performance information is reflected below:

Key Performance Indicator	2009/10
Number of building plans approved	236
Number of building plans rejected	40
No of buildings declared unsafe/unfit for human habitation	0
No of occupation certificates issued	0

Table 17: Building control data

3.2.3 Housing

The municipality completed no new houses during the year under review. The municipality planned for 2092 units but received no funding from National Government to execute the planned number of units for the 2009/10 financial year.

Key Performance Indicator	2009/07	2007/08	2008/09	2009/10
No of units built	40	177	318	0

Table 18: No of houses built

The Municipality's responsibilities with regard to housing development are enumerated in the *Housing Act 1997* (Act No 107 of 1997) and is limited to planning for the provision of housing. The Municipality's planning responsibilities include –

- setting housing delivery goals for the Municipality;
- identifying and designating land for housing development; and
- providing bulk engineering services, and revenue generating services in so far as such services are not provided by specialist utility suppliers.

In addition, the Municipality is responsible for maintaining housing waiting lists and allocating housing to beneficiaries. Although the Municipality planned to construct and complete 400 housing units during 2009/10 no units were built.

3.3 Technical Services

The Department of Technical Services is responsible and accountable for the following functions –

- Potable water
- Sanitation [sewage]
- Corporate fleet management services, including mechanical workshops
- Roads and storm water management
- Maintenance of municipal buildings and facilities
- Solid waste
- Cemeteries

3.3.1 Potable water supply

3.3.1.1 Abstraction of water

The Municipality abstracts water from the following sources –

Settlement/supply zone	River	Borehole
Hoopstad	Vetriver	0
Bultfontein	Vetriver	1

Table 19: Water sources

3.3.1.2 Water purification and quality

Water abstracted from these various sources are purified as follows:

Settlement/supply zone	Purification works
Hoopstad	Hoopstad water treatment works (Flocculation channels, settling tanks Rapid Sand filters, Chlorine, Disinfection)
Bultfontein	Bultfontein water treatment works (Flocculation channels, settling tanks Rapid Sand filters, Chlorine, Disinfection)

Table 20: Water purification works

The Municipality's water services development plan must, in terms of the *Regulations Relating to Compulsory National Standards and Measures to Conserve Water 2001*, include a water quality sampling programme for sampling the quality of the water it provides to consumers. Such a sampling programme must specify the points at which potable water provided to consumers will be sampled, the frequency of sampling and for which substances and determinants the water will be tested. The Municipality must compare the results obtained from the testing of the samples with *SABS 241: Specifications for Drinking Water*, or the *South African Water Quality Guidelines* published by the Department of Water Affairs.

Samples were taken and tested as follows –

Water purification works	No of samples taken		Compliance with standards	
	2008/09	2009/10	2008/09	2009/10
Hoopstad	9	2	9	2
Bultfontein	9	2	9	2

Table 21: Water sampling and quality

The number of tests decreased significantly. The municipality also failed to achieve a blue drop and green drop status for the 2009/10 financial year.

3.3.1.3 Water consumption measurement

The Municipality must in terms of the *Regulations Relating to Compulsory National Standards and Measures to Conserve Water* be able to measure the quantity of water supplied to/used by every consumer. The relevant indicators for the water services provided in urban-type settlements are as follows –

Standard of service	Total consumers	Metered connections	
		2008/09	2009/10
No access to municipal/piped water	0		
Communal water supply: standpipe within 200 m	0		
Communal water supply: water tanker	0		
In-yard standpipe	3 512	8 279	8 279
In-dwelling	11 791	8 279	8 279

Table 22: Metered water connections

3.3.1.4 Water distribution loss

The *Regulations Relating to Compulsory National Standards and Measures to Conserve Water* require that the Municipality must every month measure the quantity of water provided to each supply zone within the Municipality and determine the quantity of unaccounted for water [i.e. the water distribution loss] by comparing the measured quantity of water provided to each supply zone with the total measured quantity of water provided to all user connections within that supply zone. The water distribution losses for the various supply zones were as follows –

Settlement/supply zone	Quantity supplied [kl]		Unaccounted for Volume [kl]
	To supply zone	To consumers	
Bultfontein	<i>Data unavailable</i>	<i>Data unavailable</i>	<i>Data unavailable</i>
Hoopstad	<i>Data unavailable</i>	<i>Data unavailable</i>	<i>Data unavailable</i>

Table 23: Volume of water unaccounted for

The reason for the unavailability of data is due to a dispute between the municipality and DWAF regarding the volume of water supplied. The Municipality is in the process of resolving this issue.

3.3.1.5 Water infrastructure asset management²¹

The Municipality's financial performance in respect of the maintenance and repair of water services infrastructure assets and acquisition of water services infrastructure assets were as follows –

²¹ Unaudited Information

Key Performance Indicator	2008/09	2009/10
Budget for maintenance of infrastructure assets	477 500	325 000
Actual maintenance expenses	516 496	224 069
Acquisition of assets [capital expenditure]	0	0

Table 24: Water infrastructure asset management

3.3.2 Sanitation

The sanitation services provided by the Municipality entail the purification [treatment] of human excreta, domestic waste-water, sewage and effluent resulting from the use of water for commercial purposes.

3.3.2.1 Service levels

Residents in urban-type communities enjoy the following levels of sanitation services –

Service level	No of households	
	2008/09	2009/10
Below standard sanitation [bucket/bush]	0	0
Communal/shared toilet facilities [ablution block]	0	0
In-yard VIP	0	0
In-yard flush, connected to water borne system	10 445	10 455
In-yard flush, connected to septic/conservancy tank	0	0
In dwelling flush		

Table 25: Sanitation service levels

3.3.2.2 Sanitation Service standards

Table 26 indicates the amount of blockages the Municipality cleared in sewer mains and the average time taken to clear such blockages –

Key Performance Indicator	2008/09	2009/10
No of sewer main blockages reported	763	988
Average time taken to clear blockages	4 hrs	3 hrs

Table 26: Sanitation service levels

3.3.2.3 Sanitation infrastructure asset management²²

The Municipality's financial performance in respect of the maintenance and repair of sanitation services infrastructure assets and acquisition of sanitation services infrastructure assets were as follows –

Key Performance Indicator	2008/09	2009/10
Budget for maintenance of infrastructure assets	474 000	270 000
Actual maintenance expenses	318 526	172 865
Acquisition of assets [capital expenditure]	25 450 317	284 291

Table 27: Sanitation infrastructure assets management

²² Unaudited Information

3.3.3 Electricity

Electricity distribution is regulated by the *Electricity Regulation Act* 2006 (Act No 4 of 2006). Electricity distribution may only be undertaken in terms of a license issued by the National Energy Regulator. The Municipality and Eskom are licensed to distribute electricity in Tswelopele.

3.3.3.1 Electricity distribution loss²³

With regard to electricity distribution the Municipality performed as follows –

Key Performance Indicator	2007/08	2008/09	2009/10
% Electricity Loss	7.8%	5.7%	...% ²⁴
R budgeted for maintenance	1 102 000	1 132 500	1 160 000
R spent on maintenance	1 063 451	R759 672	361 848

Table 28: Electricity distribution loss

3.3.3.2 Electricity Service Standards

Table 29 indicates the amount of power failures the Municipality cleared in sewer mains and the average time taken to clear such blockages –

Key Performance Indicator	2008/09	2009/10
Power failures reported	29	36
Average time taken to resolve complaints (Hours)	1	1

Table 29: Electricity service levels

Power failures significantly increased from the previous financial year. The municipality had 36 power failures in the year under review and 29 in the previous financial year. Power failures were resolved within 1 to 2 hours after the power failure have been reported.

3.3.4 Roads/streets and storm water management

3.3.4.1 Maintenance and acquisition of infrastructure²⁵

The Municipality's performance with regard to the maintenance and acquisition of roads infrastructure was as follows –

Key Performance Indicator	Total km	Distance [km]	
		2008/09	2009/10
Gravel/dirt road bladed	98,8	265	± 297
Gravel roads regravelled	1	5,5	6,5
Gravel/dirt road upgraded to paved road	0	0	0

²³ Unaudited Information

²⁴ Data could not be calculated

²⁵ Unaudited Information

Key Performance Indicator	Total km	Distance [km]	
		2008/09	2009/10
Access roads built	0	2	3
Paved roads resealed	0	0	0
Paved roads rehabilitated	0	0	0
Road markings completed	<i>DU</i>	7,2	4,9

Table 30: Construction, maintenance and repair of roads

3.3.4.2 Road markings and road signs

With regard to road markings and road signs, the Municipality performance as follows –

Key Performance Indicator	2008/09	2009/10
Km road markings completed	7,2	4,9
No of road signs installed/erected	65	42
No of road signs replaced	75	52

Table 31: Road markings and signage

3.3.4.3 Roads and storm water management infrastructure asset management²⁶

The Municipality's financial performance in respect of the maintenance and repair of roads and storm water management infrastructure assets and acquisition of infrastructure assets were as follows –

Key Performance Indicator	2008/09	2009/10
Budget for maintenance of infrastructure assets	1 679 500	900 000
Actual maintenance expenses	1 695 654	616 041
Acquisition of assets [capital expenditure]	0	0

Table 32: Roads and storm water management infrastructure assets management

The municipality completed the following projects during the 2009/10 financial year.

NR	ROADS/STREETS OR STORMWATER UPGRADED	AMOUNT ²⁷	FUNDER MIG/Own	LENGTH
1	Resealing of Roads in Bultfontein, Hoopstad, Phahameng & Tikwana	502 396	Own	(Patch)
2	Blading/Grading of Roads in Bultfontein/ Phahameng/Tikwana & Hoopstad	294 290	Own	+96 km.
3	Gravelling of Roads in Phahameng	Farmers/ Contractors	Grant	+ _ 1km
Total		796 686		

Table 33: Roads and Storm water projects

²⁶ Unaudited Information

²⁷ Unaudited Information

3.3.5 Fleet management²⁸

Key Performance Indicator	2009/10
No of collisions involving municipal vehicles	7
No of incidents of damage to municipal vehicles left unattended	0
No of incidents of mechanical damage to municipal vehicles due to poor maintenance or user abuse	0
No of investigations conducted regarding damage to vehicles	0
No of cases of damage to municipal vehicles attributed to user negligence/recklessness/abuse	0
Total cost of repairing damaged municipal vehicles	R 12 815-98
R paid as insurance excess to repair damaged municipal vehicles	R 3 370-00
R recovered on users for repairing damaged vehicles	R 9 445-98
No of damaged municipal vehicles written off as irreparable	1

Table 34: Damage to vehicles

3.3.6 Solid waste management

The Municipality consistently maintain the following standard of service, namely –

- Domestic: 1 x weekly curb side removal (10225 households);
- Business: 2 x weekly removal (165 businesses)

The Municipality managed and operated the following landfill sites:

- ⇒ Bultfontein
- ⇒ Hoopstad

3.3.7 Cemeteries and interments

The Municipality manages and operates the following cemeteries –

- Bultfontein
- Phahameng
- Hoopstad
- Tikwana

²⁸ Unaudited Information

3.4 Financial Services

3.4.1 Operating revenue

Operating revenue is raised from the Municipality's own revenue sources as well as conditional and unconditional operating grants received from the national and provincial governments and Lejweleputswa district municipality. The most significant unconditional operating grant that the Municipality receives is its equitable share of revenue raised nationally. Conditional operating grants include the Municipal Systems Improvement Grant [MSIG] and the Local Government Finance Management Grant.

Revenue source	2008/09	2009/10	Increase/(decrease)	
	Amount	Amount	Amount	%
Property rates, incl. interest charged on overdue amounts	3 803 590	4 582 235	778 645	20.5%
Service charges [water, sewage and solid waste]	20 187 043	21 720 332	1 533 289	7.6%
Grants and subsidies	56 697 795	65 165 076	8 467 281	14.9%
Fines	73 367	100 449	27 082	36.9%
Other revenue sources [interest, rentals etc]	2 816 221	12 697 927	9 881 706	350.9%
Sub-total ["gross" revenue]	83 504 649	104 266 019	20 761 370	24.9%
Less income foregone [property rates discount and FBS]	-	-	-	0.0%
TOTAL ["net" revenue]	83 504 649	104 266 019	20 761 370	24.9%

Table 35: Increase/(decrease) in budgeted operating revenue by source

The Municipality's income increased by more than 24% from 2008/09 to 2009/10 the main reason for this increase is the sharp increase of 350% in income from other revenue sources [interest, rentals etc].

Error! Reference source not found. below indicates that the Municipality depends heavily on operating grants to fund its operating expenses, deriving 62% of its income from this revenue source. During 2009/10 the Municipality derived less than 5% of its income from property rates and 20% from consumer/service charges –

Revenue source	2008/09		2009/10	
	Amount	%	Amount	%
Property rates, incl. interest charged on overdue amounts	3 803 590	4.6%	4 582 235	4.4%
Service charges [water, sewage and solid waste]	20 187 043	24.2%	21 720 332	20.8%
Grants and subsidies	56 697 795	67.9%	65 165 076	62.5%
Fines	73 367	0.1%	100 449	0.1%
Other revenue sources [interest, rentals etc]	2 816 221	3.4%	12 697 927	14.7%
Sub-total ["gross" revenue]	83 504 649		104 266 019	
Less income foregone [discount on property rates and FBS]	0		0	
TOTAL ["net" revenue]	83 504 649		104 266 019	

Table 36: Operating Revenue

Due to the bigger proportion of the Municipality's operating income for 2009/10 deriving from interest and rentals, the proportion of income deriving from operating grants decreased with 5%, although the amount of such grants increased by more than R 8 million from 2008/09.

3.4.2 Operating expenses

The Municipality incurs operating expenses to finance recurrent expenditure. The Municipality's operating expenses increased by 29% from 2008/09 to 2009/10. This increase is largely attributed to sharp increases in general expenses [185%] and Bulk Purchases [41%] as well as employee related cost [24%] –

Expenditure class	Financial year		Increase/(Decrease)	
	2008/09	2009/10	Amount	%
Employee related costs	21 936 271	27 347 089	5 410 818	24.7%
Remuneration of councillors	3 089 264	2 855 663	-233 601	-7.6%
Repairs and maintenance	4 050 496	2 107 452	-1 943 044	-48.0%
Interest paid	2 163 234	1 755 971	-407 263	-18.8%
Bulk purchases	10 404 170	14 725 040	4 320 870	41.5%
General expenses	7 432 266	21 196 195	13 763 929	185.2%
Finance leases	0	0	0	0.0%
Total operating expenditure	51 706 359	72 163 100	20 456 741	39.6%
Bad debts	5 944 476	2 382 197	-3 562 279	-59.9%
Transfers to provisions	0	0	0	0.0%
TOTAL EXPENDITURE	57 650 835	74 545 298	16 894 463	29.3%
Deficit/ (Surplus) for the year	(25 853 814)	(29 720 721)		

Table 37: Increase/(decrease) in operating expenses

Despite the rise of 24% in employee related cost since 2008/09, employee related cost as a proportion of operating expenses remained at about 37% during 2008/09 and 2009/10, as shown in Table 34. However, at the end of 2009/10 general expenses constituted nearly a third [28.4%] of the Municipality's operating expenditure, compared to less than 13% the year before. The Municipality managed to increase its surplus with R 3, 8 million on 30 June 2010.

Expenditure class	2008/09		2009/10	
	Amount	%	Amount	%
Employee related costs	21 936 271	39.9%	27 347 089	36.7%
Remuneration of councillors	3 089 264	5.6%	2 848 337	3.8%
Repairs and maintenance	4 050 496	7.4%	2 107 452	2.8%
Interest paid	2 163 234	3.9%	1 755 971	2.4%
Bulk purchases	10 404 170	18.9%	14 725 040	19.8%
General expenses	7 432 266	13.5%	21 196 195	28.4%
Finance leases	0	0.0%	0	0.0%
Total operating expenditure	49 075 701		69 980 084	
Bad debts	(5 944 476)		2 382 197	
Transfers to provisions	0		0	
TOTAL EXPENDITURE	55 020 177		74 545 298	
Deficit/ (Surplus) for the year	(28 484 472)		(29 720 721)	

Table 38: Operating expenses

3.4.3 Funding of capital expenses by source

The Municipality's capital programme is funded from grants allocated to it by the national and provincial governments, as well as the accumulated surplus as indicated in **Error! Reference source not found.** below. It is noteworthy that the municipality received no grants from Provincial Government.

Funding source	2008/09		2009/10		Increase/(decrease)	
	Amount	%	Amount	%	Amount	%
National government grants, including roll-overs	15 268 000	7.0%	18 649 000	7.4%	3 381 000	22.1%
Provincial government grants, including roll-overs	0	0.0%	0	0.0%	0	0.0%
Accumulated surplus	203 423 924	93.0%	233 317 257	92.6%	29 893 333	14.7%
TOTAL	218 691 924		251 966 257	100.0%	33 274 333	15.2%

Table 39: Funding of capital expenses

Grants for capital purposes increased by more than 22% from 2008/09 to 2009/10; i.e. almost R 4 million.

3.4.4 Expenditure

3.4.4.1 Payment of creditors

Section 65(2) of the *Local Government: Municipal Finance Management Act 2003* requires that the Municipality must pay its creditors within 30 days of receiving the relevant invoice or statement. It also requires that the Municipality must promptly comply with its tax, levy, duty, pension, medical aid, audit fees and other statutory commitments. The Municipality's performance in this regard was as follows –

Creditor	Total payment overdue on	
	30 June 2009	30 June 2010
South African Revenue Service: Employee's tax	R 0.00	R 0.00
South African Revenue Service: Skills development levy	R 0.00	R 0.00
South African Revenue Service: Unemployment insurance	R 0.00	R 0.00
South African Revenue Service: Value-added tax	R 0.00	R 0.00
Telkom	R 0.00	R 0.00
S A Post Office	R 0.00	R 0.00
Eskom - free basic electricity in Eskom's license area	R 0.00	R 0.00
Employee medical aid contributions	R 0.00	R 0.00
Employee retirement fund contributions	R 0.00	R 0.00
Fuel supplier[s]	R 0.00	R 0.00
Department of Water Affairs – bulk water purchases ²⁹	R 2 528 977.00	R 2 528 977.00
Maintenance and repair – office machine suppliers	R 0.00	R 0.00
Other trade creditors ³⁰	R 8 102 871.00	R 8 263 541.00

Table 40: Overdue creditors

²⁹ Note 44 - AFS

³⁰ Statement of Financial Position - AFS

3.4.4.2 Financial results

The Municipality's expenditure compared to revenue received was as follows:

Financial year	Revenue	Expenditure	Surplus/(deficit)	
			Amount	%
2008/09 ³¹	83 504 649	55 020 177	28 484 472	34.1%
2009/10 ³²	104 266 019	74 545 298	29 720 722	28.5%

Table 41: Comparison of revenue and expenditure

3.4.4.3 Expenditure trends

Error! Reference source not found. below depicts an analysis of expenditure trends during the past two years in the Municipality. Between 2008/09 and 2009/10 revenue accruing to the Municipality has increased by 25% [see **Error! Reference source not found.** above]. During this period expenditure according to main expenditure categories has, with few exceptions, maintained the proportion of revenue consumed [See **Error! Reference source not found.** below].

In 2008/09 expenditure on general expenses was 13% of revenue accrued and spiked to 28% during 2009/10.

A declining portion [2.4%] of revenue accruing to the Municipality is spent on repairs and maintenance of assets. Ideally at least 7% of the Municipality's expenses should be apportioned for maintenance of assets as was the case in 2008/09.

Expenditure by class	Actual expenditure as % of actual revenue			
	2008/09		2009/10	
Employee related costs	21 936 271	26%	27 347 089	26%
Remuneration of councillors	3 089 264	4%	2 848 337	3%
Repairs and maintenance	4 050 496	5%	2 107 452	2%
Interest paid	2 163 234	3%	1 755 971	2%
Bulk purchases	10 404 170	12%	14 725 040	14%
General expenses	7 432 266	9%	21 196 195	20%
Finance leases	0	0%	0	0%
Total operating expenditure	49 075 701		69 980 084	

Table 42: Expenditure trends

3.4.4.4 Compliance

The Municipality may not incur, make or authorise fruitless and wasteful expenditure, irregular expenditure and unauthorised expenditure. An expense is *fruitless and wasteful* if it was made in vain and could have been avoided had reasonable care been exercised. An expense is *irregular* if it was incurred contrary to the *Local Government: Municipal Finance Management Act 2003*, the *Local Government: Municipal Systems Act 2000*, the *Remuneration of Public Office-Bearers Act 1998 (Act No 20 of 1998)* or the Municipality's supply chain management policy. An *unauthorised* expense is an expense that was incurred otherwise than in terms of the Municipality's approved budget and includes (i) overspending of the total amount appropriated in the

³¹ Statement of Financial Performance - AFS

³² Statement of Financial Performance - AFS

Municipality's approved budget; (ii) overspending of the total amount appropriated for a vote in the approved budget, (iii) expenditure from a vote unrelated to the department or functional area covered by the vote, (iv) expenditure of money appropriated for a specific purpose, otherwise than for that specific purpose and (v) spending of a conditional grant contrary to the conditions of the allocation.

The budget is overspent if the operating or capital expenses incurred by the Municipality during a financial year exceed the total amount appropriated in that year's budget for its operational or capital expenditure, as the case may be. A vote in the budget is overspent if the amount appropriated for that vote is exceeded.

Section 32 of the *Local Government: Municipal Finance Management Act 2003* obligates the Municipality to recover unauthorised, irregular or fruitless and wasteful expenditure from the person who is liable for that expenditure, unless the Council has found the expense to be irrecoverable and writes it off.

	2008/09	2009/10
Amount of irregular expenditure incurred	-	-
Amount of irregular expenditure recovered	-	-
Amount of irregular expenditure written off as irrecoverable	-	-
Amount of fruitless and wasteful expenditure incurred	-	-
Amount of fruitless and wasteful expenditure recovered	-	-
Amount of fruitless and wasteful expenditure written off as irrecoverable	-	-
Amount of unauthorised expenditure incurred ³³	6 791 189	2 848 441

Table 43: Irregular, fruitless and wasteful and unauthorised expenses

Error! Reference source not found. indicates that the Municipality incurred irregular, fruitless and wasteful and unauthorised expenses of R 2 848 441 during 2009/10 out of total expenditure of R 72 163 100 [see **Error! Reference source not found.** above]. This means that more than 4% of the expenses the Municipality incurred during 2009/10 were irregular, fruitless and wasteful or unauthorised.

3.4.5 Revenue

3.4.5.1 Comparison of income accrued to income received

The following table indicates the Municipality's performance with regard to collecting debts owing to it –

Revenue source [excl. grants]	2008/09				2009/10			
	Levied	Received ³⁴	Difference	%	Levied	Received ³⁵	Difference	%
Property rates	3 323 700	3 207 373	-116 327	-3.5	3 808 623	4 582 235	773 612	20.3
Service charges	18 774 900	20 187 043	1 412 143	7.5	19 421 970	21 720 332	2 298 362	11.8
Interest earned	-	2 279 749	2 279 749	-	-	1 323 539	1 323 539	-
Fines	-	73 367	73 367	-	-	100 449	100 449	-

³³ Note 40 – AFS 2009/10

³⁴ Statement of Performance – AFS 2009/10

³⁵ Statement of Performance – AFS 2009/10

Table 44: Comparison of income accrued to income received

The Municipality's accounting records are prepared on the accrual basis of accounting. Consequently, transactions and other events are recognised when they occur and not only when cash or its equivalent is received or paid. Therefore, the transactions and events are recorded in the accounting records and recognised in the financial statements of the periods to which they relate [see *GRAP Statement No 1*: par. 6].

During 2008/09 the municipality under collected revenue from property rates and in respect of consumer/service charges the Municipality consistently collects more than levied.

3.4.5.2 Debtors' age analysis

Error! Reference source not found. below reflects the debtors' age analysis for the last financial years.

Debtors ³⁶	Unit	2006/07	2007/08	2008/09	2009/10
Current debtors	R	1 703 653	1 813 967	1 683 443	2 015 054
Debtors overdue for 31 to 60 days	R	840 917	791 569	1 526 744	720 635
Debtors overdue for 61 or more days	R	24 526 901	28 612 131	33 881 371	27 984 894
Total overdue debtors	R	27 071 471	31 217 667	37 091 558	30 720 584

Table 45: Debtors' age analysis

3.4.5.3 Revenue from grants compared to own revenue

Error! Reference source not found. shows the consistent trend of the revenue accruing from grants exceeding revenue accruing from the Municipality's own sources of revenue during the last two financial years.

	2008/09	2009/10
Total actual revenue – grants	56 697 795	65 165 076
Total revenue levied – own sources	26 806 853	39 100 943
Difference	29 890 942	26 064 133
% of total revenue from grants	52.7%	40.0%

Table 46: Comparison of revenue from grant to own revenue

3.4.5.4 Billing and consumer account enquiries

Error! Reference source not found. indicates trends in consumer enquiries regarding rates and services accounts received from the Municipality, as well as the Municipality's ability to resolve such enquiries –

	2008/09	2009/10
No of rates and consumer accounts sent out	127 200	130 000
No of enquiries received regarding accounts	130	120
% of enquiries resolved within 5 work days	100%	100%

Table 47: Billing and account enquiries

³⁶ Note 2 – AFS 2009/10

3.4.6 Financial reporting

The MFMA prescribes a framework of monthly, quarterly, half-yearly and annual financial reporting designed to promote accountability of the Municipality's personnel to the Council and the Council, in turn, to local communities. The prescribed financial reporting system is an essential component of the Municipality's management information system that enables it to identify emerging trends in a timely fashion so as to take corrective action to avoid financial crises from arising.

3.4.6.1 Monthly budget statements

12 Monthly budget statements were submitted to the Mayor within 10 working days after the end of each month, as required by section 71 of the *Local Government: Municipal Finance Management Act 2003*.

3.4.6.2 Mayor's quarterly financial report

The Mayor's quarterly report on the implementation of the budget and the financial state of affairs of the municipality required in terms of section 52(d) of the *Local Government: Municipal Finance Management Act 2003* was submitted to the Council as follows –

No	Quarter	Date submitted
1	1 July 2009 – 30 September 2009	31-Oct-09
2	1 October 2009 – 31 December 2009	31-Jan-10
3	1 January 2010 – 31 March 2010	30-Apr-10
4	1 April 2010 – 30 June 2010	31-Jul-10

Table 48: Quarterly financial reports

3.4.6.3 Mid-year budget and performance report

The Municipal Manager submitted the mid-year budget and performance report for the period 1 July 2009 to 31 December 2009 to the Mayor on 23 January 2010, who tabled it in the Council in terms of section 72 of the *Local Government: Municipal Finance Management Act 2003*.

3.4.6.4 Annual financial statements for 2008/09

The Municipal Manager submitted the annual financial statements for 2008/09 on 31 August 2009 to the Auditor-General in accordance with section 126(1) of the *Local Government: Municipal Finance Management Act 2003*.

3.4.6.5 Annual report for 2008/09

The Mayor tabled the annual report for 2008/09 in the Council on 30 April 2010 in terms of section 127(1) of the *Local Government: Municipal Finance Management Act 2003*.

3.4.6.6 Oversight report on the annual report

The Council considered the annual report for 2008/09 and adopted an oversight report containing the Council's comments on the annual report in terms of section 129(1) of the *Local Government: Municipal Finance Management Act 2003*. The Council approved the annual report without reservations.

3.4.7 Internal audit

The audit committee met as follows –

Audit committee members	No of meetings	Meetings attended
Ms M. Fourie (Acting Chairperson)	4	4
JW Young		4
M Tshake (Appointed May 2010)		1
MS Matlakala (Internal Auditor)		4

Table 49: Audit committee

4. COMMENTARY AND ASSESSMENT OF KEY ISSUES OF THE ANNUAL PERFORMANCE REPORT

4.1 Compliance with legislation regulating performance management

Section 41(1)(a) of the *Local Government: Municipal Systems Act 2000* requires that the Municipality must set KPIs and performance targets with regard to its development priorities and development objectives set out in its IDP. According to regulation 9 of the *Local Government: Municipal Planning and Performance Management Regulations 2001* the local key performance indicators which the Municipality must set must include input, output and outcome indicators

Section 17(3)(b) of the *Local Government: Municipal Finance Management Act 2000* requires that an annual budget must, when it is tabled in the Council, be accompanied by, amongst other things, measurable performance objectives for revenue from each source and for each vote in the budget. Items 12 to 14, inclusive, of Schedule A to the *Municipal Budget and Reporting Regulations 2008* require that such measurable performance objectives and indicators must include at least –

- key financial indicators and ratios dealing with (i) borrowing management, (ii) safety of capital, (iii) liquidity, (iv) debtors' and creditors' management, the mix of expenditure type, (vi) the mix of revenue sources and (vii) unaccounted for losses in respect of services rendered; and
- measurable performance objectives for (i) revenue for each vote, (ii) revenue for each source and (iii) for operating and capital expenditure for each vote.

The measurable performance objectives for the provision of free basic services in respect of property rates, water, sanitation, waste management and electricity must give details of (i) the amount in rand value of each of the free basic services, (ii) the level of service to be provided free, (iii) the number of households to receive each of the free basic services, (iv) the total budgeted cost of providing each free basic service and (v) the total budgeted revenue foregone by providing each free basic service.

The Municipal Manager must, in terms of regulation 14(2) of the *Municipal Budget and Reporting Regulations 2008*, together with the draft budget, also submit a draft service-delivery and budget implementation plan, which must be tabled together with the budget in the Council. A service-delivery and budget implementation plan must indicate –

- projections for each month of revenue to be collected, by source and operational and capital expenditure, by vote; and
- service delivery targets and performance indicators for each quarter.

The Municipality does not yet comply fully with the relevant statutory requirements set out above. It is, however, working towards full compliance.

4.2 Continuous performance monitoring and review

Virtually no systematic in-year corporate performance reviews take place. Had such reviews taken place it would have been a matter of consolidating the performance data collected during the course of the year.

4.3 Debt collection

Overdue debtors, i.e. debtors outstanding for 60 or more days, on 30 June 2010 is R 35 056 940 and revenue that accrued to the Municipality from its own revenue sources during 2009/10 is R 39 100 943. The debtors outstanding nearly exceeds the revenue accrued from own sources. The most significant consequence of this is the continuous cash flow stress that the Municipality experiences.

4.4 Expenditure control

During 2008/09 more than 12% of the expenses that the Municipality incurred were unlawful in some manner. For the 2009/101 financial year this dropped to 4%. This should be 0%.

4.5 Grant dependency

Over the two year period since 1 July 2008 to 30 June 2010 grants allocated by the national government to the Municipality made up an average of 46% of its revenue. During 2009/10 the Municipality still derived more than 40% of its revenue from grants.

5. PERFORMANCE IMPROVEMENT MEASURES

5.1 Management of the corporate performance management system

Management of the corporate performance management process has been allocated to the Executive Manager Corporate Services. The Executive Manager Corporate Services is responsible and accountable for managing corporate performance. Specifically the Executive Manager Corporate Services must –

- provide guidance to the Municipality's personnel regarding the performance management system; and
- coordinate the Municipality's performance monitoring and performance reporting functions.

The Executive Manager Corporate Services should be tasked with the responsibility to –

- * ensure that suitable input, output and outcome KPIs and performance targets are set in respect of each development priority and development objective in the Municipality's IDP are proposed and considered by the Council, taking into account critical statutory compliance prescripts;

- * ensure that responsibility for the collection, verification and safe-keeping of performance data is assigned to relevant personnel in the various departments and other organisation units of the Municipality;
- * together with personnel of other departments, collect, verify, maintain and regularly update baseline data;
- * ensure that quarterly departmental and a quarterly corporate performance report is prepared, submitted to the Council and published.

5.2 Debt collection and credit control

In view of its debt collection performance, the Municipality should review –

- its current debt collection and credit control policy and bylaws;
- its indigent support policy; and
- existing strategies and procedures for collecting current and overdue debtors, including crediting consumer accounts of qualifying consumers from the Municipality's equitable share of revenue raised nationally.

A strategy to dramatically increase collection of current debtors and reducing overdue debtors may require that the Municipality, amongst others, –

- * enlist the support of ward committees to identify household consumers and ratepayers who are able to pay and business consumers but who are in arrears with payments;
- * to specifically target business and household consumers who are able to pay but who are in arrears to pay; and
- * increase its capacity and inclination to administer agreements to pay overdue debts in instalments diligently.

5.3 Expenditure control

The Municipality should –

- establish, implement and enforce appropriate procedures and control measures to prevent incurring irregular, fruitless and wasteful and unauthorised expenditure; and
- comply with the requirements of section 32 of the *Local Government: Municipal Finance Management Act* 2003 with regard to irregular, fruitless and wasteful and unauthorised expenditure incurred during 2008/09 and 2009/10.

CHAPTER 4: HUMAN RESOURCES

1. ORGANISATIONAL STRUCTURE

Employee data	2009/10
Designated employees (African, Indian Coloured)	203
No of female employees	45
Total no of employees	220
No of employees Technical Services	167
No of employees Corporate Services	15
No of employees Financial Services	20
No of employees Community Services	12
No of employee's Municipal Managers Office	7
No of employees in Management (Sec 57 and Post levels 1 – 3)	14

Table 50: Organisational Statistics

The approved staff establishment with vacant posts is shown in the table below:

Approved posts				Vacant Posts			
MM & Sec 57	Middle Man	Admin officers & clerks	General workers	MM & Sec 57	Middle Man	Admin officers & clerks	General workers
5	4	47	160	1	2	8	5

Table 51: Approved staff establishment

The municipality's structure consists of the following organisational units:

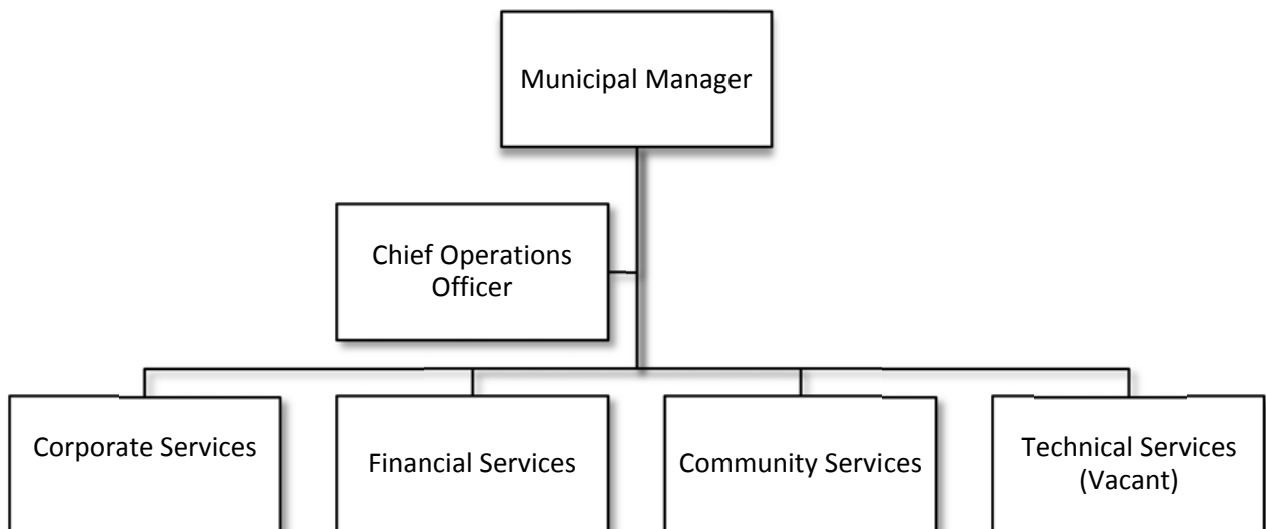


Figure 3: Organisational Units

2. SALARIES AND WAGES³⁷

The salaries and wages paid to employees of the municipality from the 2008/09 financial year to date are shown in Table 52 below:

	2009/10	2008/09
Salaries and Wages	18 474 294	16 014 770
Contributions for UIF, pensions and medical aids	4 873 527	4 477 102
Travel, motor car, accommodation, subsistence and other allowances	1 785 865	1 965 215
Housing benefits and allowances	53 412	67 165
Overtime payments	1 029 964	977 140
Performance and other bonuses	719 476	608 446
Other employee related costs	240 629	915 697
Workman's compensation	169 922	-
Total Employee Related Costs	27 347 089	25 025 534

Table 52: Employee salaries and wages

3. DISCLOSURES CONCERNING MANAGEMENT

The following table indicates the remuneration paid to the MM and managers directly accountable to the MM:

Description	MM	COO	CFO	Corporate Services	Community Services	Technical Services
Salaries and wages	566 082	743 624	700 359	640 972	623 893	Vacant
Normal	419 116	415 200	429 000	393 600	390 000	-
Overtime	-	-	-	-	-	-
Contributions						
Contributions to UIF, Medical and Pension Funds	76 108	76 524	79 018	77 065	76 371	-
Allowances						
Travel, motor car, accommodation, subsistence and other allowances	156 411	251 900	192 341	170 306	125 022	-
Housing Benefits & Allowances	-	-	-	-	-	-

³⁷ Note 28 – AFS 2009/10

Description	MM	COO	CFO	Corporate Services	Community Services	Technical Services
Loans and Advances	-	-	-	-	-	-
Other Benefits & Allowances						
Other	-	-	-	-	-	-
Bonus	34 800	-	-	-	32 500	-
Arrears Owed to Municipality R	-	-	-	-	-	-

Table 53: Disclosures concerning management

4. DISCLOSURES CONCERNING COUNCILLOR ALLOWANCES³⁸

The following disclosures regarding Councillor's allowances are reflected in the annual financial statements:

	Salary 2009 R	Salary 2010 R	Increase/(Decrease) %
Mayor	468 915	534 258	14%
Speaker	375 322	444 031	18%
Executive Committee Members	375 955	405 571	8%
Councillors	1 353 313	1 471 803	9%
Total Councillors' Remuneration	2 573 505	2 855 663	11%

Table 54: Disclosures concerning councillor allowances

³⁸ See AFS 2010 Note 29

CHAPTER 5: AUDITED FINANCIAL STATEMENTS AND OTHER RELATED FINANCIAL INFORMATION

1. ANNUAL FINANCIAL STATEMENTS

The annual financial statements are attached as **Annexure A**.

2. AG REPORT ON THE ANNUAL FINANCIAL STATEMENTS

The Auditor General report on the annual financial statements is attached as **Annexure B**.

3. OTHER RELATED FINANCIAL INFORMATION

3.1. Information on Grants

GOVERNMENT GRANTS AND SUBSIDIES³⁹

Equitable share⁴⁰

Actually received

Directly utilised for subsidised services

	2009/10	2008/09
	35 915 821	27 853 031
	38 186 758	29 757 818
	(2 270 937)	(1 904 787)
Conditional Grants		
District Municipality Grant	50 000	50 000
Financial Management Grant	750 000	270 428
MSIG Grant	739 113	794 935
Municipal Infrastructure Grant (MIG)	27 106 683	26 164 106
DBSA Grant	-	24 080
Planning Provincial Government	-	10 600
Grant - purchase and repair of moveable assets	5 561	67 997
Skills Development Grant	131 194	25 000
Grant - Town planning and survey	-	60 448
Vuna award	466 705	1 015 768
Lotto Grant	-	361 403
Total Government Grant and Subsidies	65 165 076	56 697 796

³⁹ No grants were withheld due to unfulfilled conditions.

⁴⁰ The free electricity provided by the Municipality is recoverable from the equitable share grant

3.2. Income and Expenditure⁴¹

The annual income and expenditure per vote is reflected below:

	2008/09 Actual R
Income	
Grants and Subsidies	56 697 796
Operating Income	
Property rates, incl. interest charged on overdue amounts	3 803 590
Service charges [water, sewage and solid waste]	20 187 043
Fines	73 367
Other revenue sources [interest, rentals etc]	2 816 221
	83 504 649
Expenditure	
Employee related costs	21 936 271
Remuneration of councillors	3 089 264
Repairs and maintenance	4 050 496
Interest paid	2 163 234
Bulk purchases	10 404 170
General expenses	7 432 266
Finance leases	0
	51 706 359
Bad debts	5 944 476
Surplus / (Deficit)	(25 853 814)

3.3. Debtors Age Analysis

Service 2008/09	< 30 days	60 days	90 days	91 days >	Total
Rates	259 409	143 230	130 214	4 813 006	5 345 860
Electricity	918 464	52 079	16 632	280 346	1 267 522
Water	409 705	206 144	196 205	757 349	8 385 548
Sewerage	315 983	244 645	237 707	11 194 336	11 992 672
Refuse	222 192	180 781	176 766	8 210 214	8 789 961
Miscellaneous (Other)	8 408	3 405	92 558	1 304 876	1 409 248

⁴¹ AFS 2010 see Note 18

Service 2008/09	< 30 days	60 days	90 days	91 days >	Total
Total	2 134 163	830 286	850 084	33 376 274	37 190 808

Service 2009/10	< 30 days	60 days	90 days	91 days >	Total
Rates	242 191	90 446	67 020	3 875 535	4 275 194
Electricity	889 571	64 180	26 531	304 890	1 285 174
Water	362 149	167 729	172 309	5 979 884	6 682 072
Sewerage	284 479	209 132	196 291	8 910 968	9 600 872
Refuse	218 634	160 015	151 693	6 606 981	7 137 325
Miscellaneous (Other)	18028	7876	106787	1607251	1 739 944
Total	2 015 054	699 381	720 635	27 285 512	30 720 584

3.4. Report on statutory payments

The following statutory payments were made by the municipality from the 2008/09 financial year:

	2008/09	2009/10
VAT (Refundable)/Payable	3 654 080	(2 758 328)
PAYE and UIF Paid	330 374	2 376 050
Audit fees paid	678 596	1 666 413
Contributions to Pension and Medical Aid	3 686 450	4 739 507
Total	8 349 500	6 023 642

Table 55: Statutory Payments

CHAPTER 6: FUNCTIONAL ANALYSIS

1. GENERAL OVERVIEW

TSWELOPELE LOCAL MUNICIPALITY General Information			
Reporting Level	Detail	Total	
Overview:	Provide a general overview of municipality: this may include a short narrative of issues peculiar to the municipality and issues specific to the financial year being reported		
Information:	<Provide statistical information on (as a minimum):>		
	Geography:		
1	Geographical area in square kilometres	650 668 ⁴²	
Note: Indicate source of information: Demarcation Board			
	Demography:		
2	Total population	40,617 ⁴³	
Note: Indicate source of information: Demarcation Board			
3	Indigent Population	3375	
Note: Indicate source of information and define basis of indigent policy including definition of indigent: Demarcation Board			
4	Total number of voters	23353 ⁴⁴	
5	Aged breakdown:		
	- 65 years and over	DU ⁴⁵	
	- between 40 and 64 years	DU	
	- between 15 and 39 years	DU	
	- 14 years and under	DU	
Note: Indicate source of information: Demarcation Board			
6	Household income:		
	- over R3,499 per month	DU	
	- between R2,500 and R3,499 per month	DU	
	- between R1,100 and R2,499 per month	DU	
	- under R1,100 per month	DU	

⁴² Free State Development Plan 2001

⁴³ See paragraph 2.1 above

⁴⁴ IEC Data

⁴⁵ Data unavailable

2. EXECUTIVE AND COUNCIL

Function:	Executive and Council		
Sub Function:	N/A		

Reporting Level	Detail	Total	
Overview:	Includes all activities relating to the executive and council function of the municipality including costs associated with mayoral, councillor and committee expenses and governance..		
Note: remuneration of councillor information should appear in Chapter 4 on <i>Financial Statements and Related Financial Information</i>			
Description of the Activity:	The function of executive and council within the municipality is administered as follows and includes:		
	- Policy and law making		
	These services extend to include Tswelopele The municipality has a mandate to:		
	<ul style="list-style-type: none"> • <i>Provide democratic and accountable government for local communities;</i> • <i>Promote the involvement of local communities in local government matters;</i> • <i>Govern, on its own initiative, the local government affairs of local communities; and</i> • <i>Make by-laws for the effective administration of the matters it has a right to perform</i> 		
Analysis of the Function:	<Provide statistical information on (as a minimum):>		
1	Councillor detail:		
	Total number of Councillors	14	
	Number of Councillors on Executive Committee	3	
2	Ward detail:		
	Total number of Wards	7	
	Number of Ward Meetings	60	
3	Number and type of Council and Committee meetings:		
	Special Council Meetings	8	
	Ordinary council Meetings	4	
	Management Meetings	3	
	Ordinary Exco Meetings	11	
Special Exco Meetings	0		

3. FINANCES

Function:	Finance and Administration
Sub Function:	Finance

Reporting Level	Detail	Total		
Overview:	Includes all activities relating to the finance function of the municipality. Note: grants information should appear in Chapter 4 on <i>Financial Statements and Related Financial Information</i> .			
Description of the Activity:	The function of finance within the municipality is administered as follows and includes:			
	<ul style="list-style-type: none"> ▪ <i>Supply Chain Management & Expenditure Budget</i> ▪ <i>Revenue Management</i> ▪ <i>Financial Management</i> 			
	These services extend to include <i>Tswelopele</i> The municipality has a mandate to:			
	<ul style="list-style-type: none"> ▪ <i>Levy and collect property rates</i> ▪ <i>Determine, levy and collect charges for the provision of municipal services</i> ▪ <i>Borrow money</i> ▪ <i>Prepare, adopt and execute an annual budget consisting of income and expenditure estimates</i> ▪ <i>Acquire goods and services, and dispose of assets, by means of competitive bidding</i> 			
	The strategic objectives of this function are to:			
	<ul style="list-style-type: none"> ▪ <i>Supply Chain Management & Expenditure Management</i> ▪ <i>Budget preparation, reporting and analysis</i> ▪ <i>Revenue Management</i> ▪ <i>Financial Management</i> 			
	The key issues for 2009/10 are:			
	<ul style="list-style-type: none"> ▪ <i>Ensure accurate and timeously reporting and Planning</i> ▪ <i>To develop a compliant budget and financial statements</i> ▪ <i>Ensure effective capacity development and support in the financial unit</i> ▪ <i>Establish and maintain financial systems and policies</i> 			
	Analysis of the Function:	<i>Provide statistical information on (as a minimum):</i>		

Reporting Level	Detail		Total
1	Debtor billings: number and value of monthly billing ⁴⁶ s:		R
	Rates & Taxes	8 020	4 081 577
	Water	9 939	6 214 622
	Electricity	3 306	313 667
	Sewerage	9 920	9 189 059
	Refuse	9 674	6 884 733
	Interest on debtors		
2	Debtor collections: value of amount received and interest ⁴⁷ :		R
	Rates & Taxes		4 582 235
	Water		4 703 465
	Electricity		9 752 705
	Sewerage		4 408 094
	Refuse		2 856 068
	Interest on debtors		
3	Debtor analysis: amount outstanding over 30, 60, 90 & 120		R
	Total debts outstanding over 30, 60, 90 and 120 plus days across debtors by function (e.g.: water, electricity etc.)		30 720 584
4	Write off of debts: number and value of debts written off:		R
	Total debts written off each month across debtors by function ⁴⁸		6 828 833
5	Property rates (Residential):		R (000's)
	- Number and value of properties rated	1 919	368 030
	- Number and value of properties not rated	-	-
	- Number and value of rate exemptions		147 315
	- Rates collectible for the current year		3 600 ⁴⁹
6	Property rates (Commercial):		R
	- Number and value of properties rated	239	150 734
	- Number and value of properties not rated	-	-
	- Number and value of rate exemptions	-	-
	- Rates collectible for the current year		
7	Property rates (State):		R
	- Number and value of returns	55	56 873
	- Total Establishment levy		
	- Total Services levy		1 491
	- Levies collected for the current year		981 ⁵⁰

⁴⁶ AFS 2010 Note 1 - 5

⁴⁷ AFS 2010 Note 18

⁴⁸ AFS 2010 Note 2

⁴⁹ AFS 2010 Note 18

Reporting Level	Detail	Total	
8	Property valuation:		
	- Year of last valuation	01/07/2009	
	- Regularity of valuation	MPRA	Next 2013
9	Indigent Policy:		
	- Quantity (number of households affected)		
	- Quantum (total value across municipality)		
10	Creditor Payments:		R
	1. Audit Fees 100% paid		1 666 413
	2. Eskom – 100% paid		13 678 091
	3. Sand-Vet – 100% paid		1 046 949
	4. Statutory deductions – 100% paid		5 428 534
Note: create a suitable table to reflect the five largest creditors individually, with the amount outstanding over 30, 60, 90 and 120 plus days			
11	Credit Rating:	R	
	N/A		
List here whether your Council has a credit rating, what it is, from whom it was provided and when it was last updated			
12	External Loans:	R	R
	- Total loans received and paid during the year	<received>	<paid>
	1. DBSA	0	398 641
13	Delayed and Default Payments:		
		<value>	<date>
	1. None		
List here whether Council has delayed payment on any loan, statutory payments or any other default of a material nature			

See paragraph 3 above.

Service 2009/10	< 30 days	60 days	90 days	91 days >	Total
Rates	242 191	90 446	67 020	3 875 535	4 275 194
Electricity	889 571	64 180	26 531	304 890	1 285 174
Water	362 149	167 729	172 309	5 979 884	6 682 072
Sewerage	284 479	209 132	196 291	8 910 968	9 600 872
Refuse	218 634	160 015	151 693	6 606 981	7 137 325
Miscellaneous (Other)	18028	7876	106787	1607251	1 739 944
Total	2 015 054	699 381	720 635	27 285 512	30 720 584

⁵⁰ AFS 2010 Note 18

4. HUMAN RESOURCES

Function:	Finance and Administration		
Sub Function:	Human Resources		

Reporting Level	Detail	Total	
Overview:	Includes all activities relating to the human resource management function of the municipality including recruitment, selection and induction - also performance management systems, code of conduct detail and decision making systems. Note: Read in conjunction with Chapter 3 on <i>Human Resource Management</i> .		
Description of the Activity:	The function of human resource management within the municipality is administered as follows and includes:		
	<ul style="list-style-type: none"> ▪ <i>Ensure proper management of available human resources</i> ▪ <i>Ensure effective utilization of Human Resources</i> ▪ <i>Compliance with all Human Resources related legislation</i> ▪ <i>To build sufficient capacity for effective and efficient service delivery</i> 		
	These services extend to internal departments within the municipality. The municipality has a mandate to:		
	<ul style="list-style-type: none"> ▪ <i>Employ such personnel as it may require for the effective and efficient performance of its functions, exercise of its powers and discharge of its duties</i> 		
	The strategic objectives of this function are to:		
	<ul style="list-style-type: none"> ▪ <i>Ensure skilled employees</i> ▪ <i>Proper implementation of legislation</i> ▪ <i>Promote sound labour relations</i> 		
	The key issues for 2009/10 are:		
	<ul style="list-style-type: none"> ▪ <i>To staff the municipality with competent employees in order to achieve IDP objectives</i> ▪ <i>To capacitate employees with the necessary skills</i> ▪ <i>Develop an organisational structure for the municipality to achieve the IDP goals and objectives</i> 		
Analysis of the Function:	<Provide statistical information on (as a minimum):		

Reporting Level	Detail	Total	
1	Number and cost to employer of all municipal staff employed:	220	R ⁵¹
	- Professional (Managerial/Specialist)	14	6 079 819.55
	- Field (Supervisory/Foremen)	25	3 808 729.23
	- Office (Clerical/Administrative)	32	5 024 159.22
	- Non-professional (blue collar, outside workforce)	144	12 432 887.60
	- Temporary Staff	0	0
	- Contract Staff	1 ⁵²	169 845.83

Note: total number to be calculated on full-time equivalent (FTE) basis, providing detail of race and gender according to the breakdown described above. Total cost to include total salary package

⁵¹ Unaudited Information

⁵² Electrician JR Reitsma

5. OTHER ADMINISTRATION

Function:	Finance and Administration		
Sub Function:	Other Administration (Procurement)		

Reporting Level	Detail	Total	
Overview:	Includes all activities relating to overall procurement functions of the municipality including costs associated with orders, tenders, contract management etc.		
Description of the Activity:	The function of procurement within the municipality is administered as follows and includes:		
	<ul style="list-style-type: none"> ▪ <i>Tender requisition</i> ▪ <i>Tender adjudication</i> ▪ <i>Contract Management</i> 		
	These services extend to include Tswelopele The municipality has a mandate to:		
	<ul style="list-style-type: none"> ▪ <i>Acquire goods and services</i> ▪ <i>Dispose of assets</i> 		
	The strategic objectives of this function are to:		
	<ul style="list-style-type: none"> ▪ <i>Procurement of quality goods and services at the right time from registered suppliers</i> ▪ <i>Proper recording of goods received and issues by the stores</i> 		
	The key issues for 2009/10 are:		
	<ul style="list-style-type: none"> ▪ <i>Implement an effective system of Expenditure control in compliance with MFMA requirements</i> ▪ <i>Ensure implementation of the Supply Chain Management regulations and approved policy</i> ▪ <i>Establish an effective store and inventory system</i> 		
Analysis of the Function:	<Provide statistical information on (as a minimum):>		
1	Details of tender / procurement activities:		
	Tot no of times that tender committee met during year	5	
	Total number of tenders considered	6	
	Total number of tenders approved	6	
	Ave time taken from tender advertisement to award	7 days	
2	Details of adjudicationtender committee:		
	1. JW Young		

Reporting Level	Detail	Total
	2. <i>PJ Polori</i>	
	3. <i>I Moletsane</i>	
	4. <i>MJ Mahlanyane</i>	

6. ECONOMIC DEVELOPMENT

Function:	Planning and Development		
Sub Function:	Economic Development		

Reporting Level	Detail	Total		
Overview:	Includes all activities associated with economic development initiatives			
Description of the Activity:	The function of economic planning / development within the municipality is administered as follows and includes:			
	<ul style="list-style-type: none"> ▪ <i>Infrastructural Development</i> ▪ <i>Informal Trade policies and bylaws</i> ▪ <i>Rural Development and Exhibitions</i> ▪ <i>Identify, Upgrade and Establishment of tourism facilities</i> ▪ <i>Tourism sector plans</i> ▪ <i>Marketing plans,</i> ▪ <i>Event management</i> 			
	These services extend to include Tswelopele. The municipality has a mandate to:			
	<ul style="list-style-type: none"> ▪ <i>Promote local tourism;</i> ▪ <i>Regulate street trading;</i> ▪ <i>Control undertakings that sell liquor to the public</i> ▪ <i>License and control undertakings that sell food to the public</i> 			
	The strategic objectives of this function are to:			
	<ul style="list-style-type: none"> ▪ <i>SSME Promotion and support</i> ▪ <i>Export promotion and International Trade</i> ▪ <i>Community Economic Development (Self Reliance)</i> ▪ <i>Business Retention and Expansion</i> ▪ <i>Industrial Recruitment and Placement</i> ▪ <i>Tourism</i> ▪ <i>Environmental Management</i> 			
	The key issues for 2009/10 are:			
	<ul style="list-style-type: none"> ▪ <i>Draw new investments to the area</i> ▪ <i>Expand Agricultural sector in the region by exploring diverse agricultural products and agro processing</i> ▪ <i>Strengthen the institutional capacity of SMME's</i> ▪ <i>Expand Tourism in the sector</i> 			
	Analysis of the Function:	<Provide statistical information on (as a minimum):>		
1	Number and cost to employer of all economic development		R	

Reporting Level	Detail	Total	
	personnel ⁵³ :		
	- Professional (Directors / Managers)	0	-
	- Non-professional (Clerical / Administrative)	1	210 717.48
	- Temporary	0	-
	- Contract	0	-
Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package			
2	Detail and cost of incentives for business investment:		R
	<i>None</i>		0
Note: list incentives by project, with total actual cost to municipality for year			
3	Detail and cost of other urban renewal strategies:		R
	<i>None</i>		0
Note: list strategies by project, with total actual cost to municipality for year			
4	Detail and cost of other rural development strategies:		R
	<i>None</i>		0
Note: list strategies by project, with total actual cost to municipality for year			
5	Number of people employed through job creation schemes:		
	- Short-term employment	787	
	- Long-term employment	DU	
Note: total number to be calculated on full-time equivalent (FTE) basis, and should only be based on direct employment as a result of municipal initiatives			
6	Number and cost to employer of all Building Inspectors employed ⁵⁴ :		R
	- Number of Building Inspectors	2	157 252.61
	- Temporary	0	-
	- Contract	0	-
	Details of building plans:		
	- Number of building plans approved	236	
	- Value of building plans approved	11 182	
Reporting Level	Detail	Total	
7	Type and number of grants and subsidies received:		R
	1. <i>None</i>		0
Note: Total value of specific planning and development grants actually received during year to be recorded over the five quarters - Apr to Jun last year, Jul to Sep, Oct to Dec, Jan to Mar, Apr to Jun this year.			

⁵³ Unaudited Information

⁵⁴ Unaudited Information

7. CLINICS

Function:	Health	<i>Function not performed</i>
Sub Function:	Clinics	

Reporting Level	Detail	Total	
Overview:	Includes all activities associated with the provision of health		
Description of the Activity:	The function for the provision of community health clinics within the municipality is administered as follows and includes:		
	These services extend to include <function/area>, but do not take account of <function/area> which resides within the jurisdiction of <national/provincial/other private sector> government. The municipality has a mandate to:		
	The strategic objectives of this function are to:		
	The key issues for 2009/10 are:		
Analysis of the Function:	<Provide statistical information on (as a minimum):>		
1	Number and cost to employer of all health personnel:		R
	- Professional (Doctors/Specialists)	<total>	<cost>
	- Professional (Nurses/Aides)	<total>	<cost>
	- Para-professional (Clinic staff qualified)	<total>	<cost>
	- Non-professional (Clinic staff unqualified)	<total>	<cost>
	- Temporary	<total>	<cost>
	- Contract	<total>	<cost>
Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package			
2	Number, cost of public, private clinics servicing population:		R
	- Public Clinics (owned by municipality)	<total>	<cost>
	- Private Clinics (owned by private, fees based)	<total>	<cost>
3	Total annual patient head count for service provided by the municipality:		
	- 65 years and over	<total>	
	- between 40 and 64 years	<total>	
	- between 15 and 39 years	<total>	
	- 14 years and under	<total>	
Note: if no age range available, place to other			

Reporting Level	Detail	Total	
4	Estimated backlog in number of and costs to build clinics:		R
	<i><list details></i>	<i><total></i>	<i><cost></i>
Note: total number should appear in IDP, and cost in future budgeted capital works programme			
5	Type and number of grants and subsidies received:		R
	1. <i><list each grant or subsidy separately></i>	<i><total></i>	<i><value></i>
	2.		
	3.		
Note: total value of specific health clinic grants actually received during year to be recorded over the five quarters - Apr to Jun last year, Jul to Sep, Oct to Dec, Jan to Mar, Apr to Jun this year.			
6	Total operating cost of health (clinic) function:		

8. AMBULANCE

Function:	Health	<i>Function not performed</i>
Sub Function:	Ambulance	

Reporting Level	Detail	Total	
Overview:	Includes all activities associated with the provision of ambulance services		
Description of the Activity:	The function of provision of an ambulance service within the municipality is administered as follows and includes:		
	These services extend to include <function/area>, but do not take account of <function/area> which resides within the jurisdiction of <national/provincial/other private sector> government. The municipality has a mandate to:		
	The strategic objectives of this function are to:		
	The key issues for 2009/10 are:		
Analysis of the Function:	<Provide statistical information on (as a minimum):>		
1	Number and cost to employer of all ambulance service personnel:		R
	- Professional (Doctors/Specialists)	<total>	<cost>
	- Professional (Nurses/Aides)	<total>	<cost>
	- Para-professional (Ambulance officers qualified)	<total>	<cost>
	- Non-professional (Ambulance officers unqualified)	<total>	<cost>
	- Temporary	<total>	<cost>
	- Contract	<total>	<cost>
Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package			
2	Number and total operating cost of ambulance vehicles servicing population:		R
	- Aged less than 10 years	<total>	<cost>
	- Aged 10 years or greater	<total>	<cost>
Note: this figure should be taken from the plant replacement schedule			

Reporting Level	Detail	Total	
3	Total annual patient head count:		
	- 65 years and over	<total>	
	- between 40 and 64 years	<total>	
	- between 15 and 39 years	<total>	
	- 14 years and under	<total>	
Note: list total number transported			
4	Type and number of grants and subsidies received:		R
	1. <list each grant or subsidy separately>	<total>	<value>
	2.		
	3.		
	4.		
Note: total value of specific health ambulance grants actually received during year to be recorded over the five quarters - Apr to Jun last year, Jul to Sep, Oct to Dec, Jan to Mar, Apr to Jun this year.			
5	Total operating cost of health (ambulance) function		

9. COMMUNITY AND SOCIAL SERVICES

Function:	Community and Social Services
Sub Function:	All inclusive

Reporting Level	Detail	Total	
Overview:	Includes all activities associated with the provision of community and social services		
Description of the Activity:	<p>The function of provision of various community and social services within the municipality is administered as follows and includes:</p> <ul style="list-style-type: none"> ▪ <i>To render social services</i> ▪ <i>Public Libraries</i> <p>These services extend to include Tswelopele The municipality has a mandate to:</p> <ul style="list-style-type: none"> ▪ <i>Establish, manage and operate public libraries on behalf of the Provincial Government</i> <p>The strategic objectives of this function are to:</p> <ul style="list-style-type: none"> ▪ <i>Conduct awareness campaigns regarding social services</i> ▪ <i>Provide integrated services for HIV/Aids</i> ▪ <i>Provide social services for the aged, children and other vulnerable groups</i> <p>The key issues for 2009/10 are:</p> <ul style="list-style-type: none"> ▪ <i>Attend to social problems in the community</i> ▪ <i>Participate in national events to create awareness regarding social problems</i> ▪ <i>Maintain the current Social Welfare Services</i> 		
Analysis of the Function:	<Provide statistical information on (as a minimum):>		
1	Nature and extent of facilities provided:	<i>no of facilities:</i>	<i>no of users:</i>
	- Library services	1	458
	- Museums and art galleries	0	-
	- Other community halls/facilities	7	DU
	- Cemeteries and crematoriums	6	DU
	- Child care (including crèches etc.)	DU	DU
	- Aged care (including aged homes, home help)	2	DU
	- Schools	12	DU
	- Sporting facilities (specify)	4	DU
	- Parks	DU	DU

Reporting Level	Detail	Total	
2	Number and cost to employer of all personnel associated with each community services function ⁵⁵ :		R
	- Library services ⁵⁶	4	463 419
	- Museums and art galleries	-	-
	- Other community halls/facilities	10	839 247.37
	- Cemeteries and crematoriums	28 ⁵⁷	2 437 336.60
	- Child care	-	-
	- Aged care	-	-
	- Schools	-	-
	- Sporting facilities	-	-
	- Parks	28 ⁵⁸	2 437 336.60
Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package			
3	Total operating cost of community and social services function		5 200 833

⁵⁵ Unaudited Information

⁵⁶ See paragraph 3.1.3 above

⁵⁷ The 29 employees are responsible for Parks and Cemeteries and are used where and when necessary

⁵⁸ The 29 employees are responsible for Parks and Cemeteries and are used where and when necessary

10. HOUSING

Function:	Housing
Sub Function:	N/A

Reporting Level	Detail	Total	
Overview:	Includes all activities associated with provision of housing		
Description of the Activity:	The function of provision of housing within the municipality is administered as follows and includes:		
	<ul style="list-style-type: none"> ▪ <i>Implement building control measures</i> ▪ <i>Apply national building control regulations</i> ▪ <i>Plan survey and transfer land</i> ▪ <i>Township establishment</i> ▪ <i>Land Use management</i> 		
	These services extend to include <i>Tswelopele</i> The municipality has a mandate to:		
	<p>(a) <i>ensure that —</i></p> <p>(i) <i>local residents have access to adequate housing on a progressive basis;</i></p> <p>(ii) <i>conditions that are not conducive to the health and safety of local residents are prevented or removed;</i></p> <p>(iii) <i>services in respect of water, sanitation, electricity, roads, storm water drainage and transport are provided in an economic and efficient manner;</i></p> <p>(b) <i>set housing delivery goals in respect of the municipality;</i></p> <p>(c) <i>identify and designate land for housing development;</i></p> <p>(d) <i>create and maintain a public environment conducive to financially and socially viable housing development ;</i></p> <p>(e) <i>promote the resolution of conflicts arising in the housing development process:</i></p>		

Reporting Level	Detail	Total	
	<p>(f) initiate, plan, co-ordinate, facilitate, promote and enable appropriate housing development in the Municipality;</p> <p>(g) provide bulk engineering services and revenue generating services in so far as such services are not provided by specialist utility suppliers;</p> <p>(h) plan and manage land use and development and enforce land-use regulations;</p> <p>(i) participate in a national housing program in accordance with the rules of such program; and</p> <p>(j) lay-out and establish townships</p>		
	The strategic objectives of this function are to:		
	<ul style="list-style-type: none"> ▪ Land Reform ▪ Housing ▪ Township Establishment ▪ Informal Settlement ▪ Town Lands and Commonages ▪ Property Management ▪ Enabling all communities to have access to basic services and land 		
	The key issues for 2009/10 are:		
	<ul style="list-style-type: none"> ▪ Build capacity within the section ▪ Eradication of informal settlements ▪ Upgrading of land tenure rights ▪ Land transfer ▪ Implement building control 		
Analysis of the Function:	<Provide statistical information on (as a minimum):>		
1	Number and cost of all personnel associated with provision of municipal housing ⁵⁹ :		R
	- Professional (Architects/Consultants)	-	-
	- Field (Supervisors/Foremen)	-	-
	- Office (Clerical/Administration)	2	356 964
	- Non-professional (blue collar, outside workforce)	-	-
	- Temporary	-	-
	- Contract	-	-
Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package. Professional includes project design, Field includes all tradespersons.			
2	Number and total value of housing projects planned and current:		R

⁵⁹ Unaudited Information

Reporting Level	Detail	Total	
	- Current (financial year after year reported on)	266	17 240 000
	- Planned (future years)	-	-
Note: provide total project and project value as per initial or revised budget			
3	Total type, number and value of housing provided:		R
		RDP	64 000 each
Note: total number and total value of housing provided during financial year			
4	Total number and value of rent received from municipal owned rental units		R
	5 Houses	5	1 140
5	Estimated backlog in number of (and costs to build) housing:		R
	Houses	1 499	959 360
Note: total number should appear in IDP, and cost in future budgeted capital housing programs			
6	Type of habitat breakdown:		
	- number of people living in a house or brick structure	DU ⁶⁰	
	- number of people living in a traditional dwelling	DU	
	- number of people living in a flat in a block of flats	DU	
	- number of people living in a town/cluster/semi-detached group dwelling	DU	
	- number of people living in an informal dwelling or shack	DU	
	- number of people living in a room/flat let	DU	
7	Type and number of grants and subsidies received:		R
	None		-
Note: total value of specific housing grants actually received during year to be recorded over the five quarters - Apr to Jun last year, Jul to Sep, Oct to Dec, Jan to Mar, Apr to Jun this year.			
8	Total operating cost of housing function		See footnote below ⁶¹

⁶⁰ Data unavailable

⁶¹ Forms part of the operating cost of Community Services

11. PUBLIC SAFETY

Function:	Public Safety
Sub Function:	Police (Traffic)

Reporting Level	Detail	Total	
Overview:	Includes police force and traffic (and parking) control		
Description of the Activity:	The traffic control functions of the municipality are administered as follows and include:		
	<ul style="list-style-type: none"> ▪ <i>Law enforcement</i> ▪ <i>Visible policing</i> ▪ <i>Road safety</i> 		
	These services extend to include Tswelopele The municipality has a mandate to:		
	<i>Make and adopt traffic bylaws;</i> <ul style="list-style-type: none"> - <i>Regulate traffic and enforce traffic laws, including the erection and removal of road markings, traffic signs and traffic lights;</i> - <i>Regulate the display of advertisements and billboards, i.e. written or visual descriptive material, signs and symbols which promotes the sale and / or encourages the use of goods and services;</i> - <i>Establish, regulate, manage and operate pounds for the impoundment of stray animals and objects, including vehicles, confiscated by the municipality</i> - <i>License dogs</i> - <i>Regulate and control access to, and use of, public amenities</i> 		
	The strategic objectives of this function are to:		
	<i>Maintaining public order and protecting road users and ensuring road safety</i>		
	The key issues for 2009/10 are:		
	<i>Awareness campaigns regarding road safety and education of road users and public</i>		
Analysis of the Function:	<Provide statistical information on (as a minimum):>		
1	Number and cost to employer of all personnel associated with policing and traffic control ⁶² :		R

⁶² Unaudited Information

Reporting Level	Detail	Total	
	- Professional (Senior Management)	-	-
	- Field (Detectives/Supervisors)	2	419 919.40
	- Office (Clerical/Administration)	-	-
	- Non-professional (visible police officers)	-	-
	- Volunteer	-	-
	- Temporary	-	-
	- Contract	-	-
Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package. Office includes desk bound police and traffic officers, non-professional includes aides			
2	Total number of call-outs attended:		
	- Emergency call-outs	10	
	- Standard call-outs	57	
Note: provide total number registered, based on call classification at municipality			
3	Average response time to call-outs:		
	- Emergency call-outs	±10 min	
	- Standard call-outs	±10 min	
Note: provide average by dividing total response time by number of call-outs			
4	Total number of targeted violations e.g.: traffic offences:		
		685	
5	Total number and type of emergencies leading to a loss of life or disaster:		
		13	
6	Type and number of grants and subsidies received:		R
		-	-
Note: total value of specific public safety grants actually received during year to be recorded over the five quarters - Apr to Jun last year, Jul to Sep, Oct to Dec, Jan to Mar, Apr to Jun this year.			
7	Total operating cost of police and traffic function		442 578

12. SOLID WASTE

Function:	Waste Management
Sub Function:	Solid Waste

Reporting Level	Detail	Total	
Overview:	Includes refuse removal, solid waste disposal and landfill, street cleaning and recycling		
Description of the Activity:	The refuse collection functions of the municipality are administered as follows and include:		
	<i>Weekly kerb-side refuse removal for residential areas and twice weekly for commercial areas</i>		
	These services extend to include Tswelopele. The municipality has a mandate to:		
	- <i>Provide, manage and operate a service for the collection, conveyance and disposal of solid waste.</i>		
	- <i>The Municipality does not remove or dispose of hazardous, biological and medical waste.</i>		
	The strategic objectives of this function are to:		
	- <i>Improve waste removal service and Management of landfill site</i>		
	- <i>To reduce illegal dumping</i>		
The key issues for 2009/10 are:			
	- <i>Improve waste removal service and management of landfill site</i>		
	- <i>Awareness campaigns and educational programs</i>		
Analysis of the Function:	<Provide statistical information on (as a minimum):>		
1	Number and cost to employer of all personnel associated with refuse removal ⁶³ :		R
	- Professional (Engineers/Consultants)	-	-
	- Field (Supervisors/Foremen)	9 ⁶⁴	824 550.60
	- Office (Clerical/Administration)		
	- Non-professional (blue collar, outside workforce)	38	3 193 148.98
	- Temporary		
	- Contract		

⁶³ Unaudited Information

⁶⁴ Tractor Drivers and Operators act as the supervisory staff

Reporting Level	Detail	Total	
2	Number of households receiving regular refuse removal services, and frequency and cost of service:		<i>R</i>
	- Removed by municipality at least once a week	10 455	<i>DU</i>
	- Removed by municipality less often	-	<i>DU</i>
	- Communal refuse dump used	-	<i>DU</i>
	- Own refuse dump	2	<i>DU</i>
	- No rubbish disposal	1 336	<i>DU</i>
Note: if other intervals of services are available, please provide details			
3	Total and projected tonnage of all refuse disposed:	<Total>	<Projected>
	- Domestic/Commercial	<i>Unknown</i>	<i>Unknown</i>
	- Garden	<i>Unknown</i>	<i>Unknown</i>
Note: provide total tonnage for current and future years activity			
4	Total number, capacity and life expectancy of refuse disposal sites:	<Total>	<Projected>
	- Domestic/Commercial (number)	<i>Unknown</i>	<i>Unknown</i>
	- Garden (number)	<i>Unknown</i>	<i>Unknown</i>
Note: provide the number of tip sites, their total current capacity and the expected lifespan as at end of reporting period:			
<ul style="list-style-type: none"> ▪ Number of sites: 2 sites ▪ Total current capacity: Unknown ▪ Lifespan: ± 3 years 			
5	Anticipated expansion of refuse removal service:		<i>R</i>
	- Domestic/Commercial	<i>Unknown</i>	<i>Unknown</i>
	- Garden	<i>Unknown</i>	<i>Unknown</i>
Note: provide total number of households anticipated to benefit and total additional operating cost per year to the municipality			
6	Free Basic Service Provision:	3 129 951	
	- Quantity (number of households affected)	11 791	
	- Quantum (value to each household)	265.43	
7	Total operating cost of solid waste management function		5 303 778

13. SEWERAGE

Function:	Waste Water Management
Sub Function:	Sewerage etc.

Reporting Level	Detail	Total	Cost
Overview:	Includes provision of sewerage services not including infrastructure and water purification, also includes toilet facilities		
Description of the Activity:	The sewerage functions of the municipality are administered as follows and include:		
	<i>Two services offered:</i>		
	- Full waterborne sewage system		
	- Ventilated Improved Pit Latrines		
	These services extend to include Tswelopele The municipality has a mandate to:		
	<i>Collect, remove, dispose of and treat human excreta, domestic waste-water, sewage and effluent resulting from the use of water for commercial purposes</i>		
	The strategic objectives of this function are to:		
	<i>Provide cost effective and efficient sewerage services</i>		
	The key issues for 2009/10 are:		
<i>Provision of sewage services to all residents</i>			
Analysis of the Function:	<Provide statistical information on (as a minimum):>		
1	Number and cost to employer of all personnel associated with sewerage functions ⁶⁵ :		R
	- Professional (Engineers/Consultants)		
	- Field (Supervisors/Foremen)	7 ⁶⁶	663 246.36
	- Office (Clerical/Administration)		
	- Non-professional (blue collar, outside workforce)	18	1 512 460.82
	- Temporary		
- Contract			
2	Number of households with sewerage services, and type and cost of service. ⁶⁷		R
	- Flush toilet (connected to sewerage system)	10 455	379 517

⁶⁵ Unaudited Information

⁶⁶ Driver/Operators and Tractor drivers

⁶⁷ Unaudited Information

Reporting Level	Detail	Total	Cost
	- Flush toilet (with septic tank)	-	-
	- Chemical toilet	-	-
	- Pit latrine with ventilation	-	-
	- Pit latrine without ventilation	-	-
	- Bucket latrine	-	-
	- No toilet provision	1 336	48 497
Note: if other types of services are available, please provide details			
3	Anticipated expansion of sewerage:		R
	Bultfontein: Construction of New Sewer Works		
	Hoopstad: Upgrading of Existing Works		
	Tikwana: Installation of Network / 499 erven		
	Phahameng: Installation of Network / 837 erven		
Note: provide total number of households anticipated to benefit and total additional operating cost per year to the municipality			
4	Free Basic Service Provision:	8 196 849	
	- Quantity (number of households affected)	10 455	
	- Quantum (value to each household)	784.01	
5	Total operating cost of sewerage function		6 840 616

14. ROADS

Function:	Road Transport
Sub Function:	Roads

Reporting Level	Detail	Total	Cost
Overview:	Construction and maintenance of roads within the municipality's jurisdiction		
Description of the Activity:	The road maintenance and construction responsibilities of the municipality are administered as follows and include:		
	<ul style="list-style-type: none"> ▪ <i>Construction of paved roads</i> ▪ <i>Gravelling of roads with black top</i> ▪ <i>Road maintenance</i> 		
	These services extend to include Tswelopele The municipality has a mandate to:		
	<i>Plan, construct, close and divert roads which form an integral part of the municipality's road transport system</i>		
	The strategic objectives of this function are to:		
	<i>Provide access roads to the municipality</i>		
	The key issues for 2009/10 are:		
	<i>Construction of paved roads in Tswelopele</i>		
Analysis of the Function:	<Provide statistical information on (as a minimum):>		
1	Number and cost to employer of all personnel associated with road maintenance and construction ⁶⁸ :		R
	- Professional (Engineers/Consultants)	1 ⁶⁹	300 737.64
	- Field (Supervisors/Foremen)	5	687 925.80
	- Office (Clerical/Administration)	2	245 272.32
	- Non-professional (blue collar, outside workforce)	32	2 861 571.28
	- Temporary		
	- Contract		
Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package			
2	Total number, kilometres and total value of road projects planned and current:		R

⁶⁸ Unaudited Information

⁶⁹ Superintendent

Reporting Level	Detail	Total	Cost
	- New bituminised (number)	<i>DU</i> ⁷⁰	<i>DU</i>
	- Existing re-tarred (number)		
	- New paved (number)		
	- Existing re-sheeted (number)		
Note: if other types of road projects, please provide details			
3	Total kilometres and maintenance cost associated with existing roads provided		<i>R</i>
	- Tar		
	- Gravel		
Note: if other types of road provided, please provide details			
4	Average frequency and cost of re-tarring, re-sheeting roads		<i>R</i>
	- Tar		
	- Gravel		
Note: based on maintenance records			
5	Estimated backlog in number of roads, showing kilometres and capital cost		<i>R</i>
	- Tar		
	- Gravel		
Reporting Level	Detail	Total	Cost
6	Type and number of grants and subsidies received:		<i>R</i>
			-
7	Total operating cost of road construction and maintenance function		5 219 616

⁷⁰ Data Unavailable

15. WATER DISTRIBUTION

Function:	Water
Sub Function:	Water Distribution

Reporting Level	Detail	Total	Cost
Overview:	Includes the bulk purchase and distribution of water		
Description of the Activity:	<p>The water purchase and distribution functions of the municipality are administered as follows and include:</p> <p><i>Provide safe drinking water , supply sanitation services , repair and maintain distribution network</i></p> <p>These services extend to include all off Tswelopele area. The municipality has a mandate to:</p> <p><i>Abstract, convey, treat and distribute potable water, water intended to be converted to potable water or water for commercial use but not water for industrial use.</i></p> <p>The strategic objectives of this function are to:</p> <p><i>Provide water and sanitation services to consumers</i></p> <p>The key issues for 2010 are:</p> <p><i>Improving services</i></p>		
	<Provide statistical information on (as a minimum):>		
874.76	Number and cost to employer of all personnel associated with the water distribution function ⁷¹ :		R
	- Professional (Engineers/Consultants)	-	-
	- Field (Supervisors/Foremen)	2	265 874.76
	- Office (Clerical/Administration)	-	-
	- Non-professional (blue collar, outside workforce)	6	537 185.52
	- Temporary	-	-
	- Contract	-	-
2	Percentage of total water usage per month		
	<Insert table showing monthly water usage >	DU ⁷²	DU
Note: this will therefore highlight percentage of total water stock used per month			

⁷¹ Unaudited Information

⁷² Data Unavailable

Reporting Level	Detail	Total	Cost
3	Total volume and cost of bulk water purchases in kilolitres and rand, by category of consumer		R
	- Category 1 <insert here> (total number of households)	DU	DU
	- Category 2 <insert here> (total number of households)	DU	DU
	- Category 3 <insert here> (total number of households)	DU	DU
	- Category 4 <insert here> (total number of households)	DU	DU
4	Total volume and receipts for bulk water sales in kilolitres and rand, by category of consumer:		R
	- Category 1 <insert here> (total number of households)	DU ⁷³	DU
	- Category 2 <insert here> (total number of households)	DU	DU
	- Category 3 <insert here> (total number of households)	DU	DU
	- Category 4 <insert here> (total number of households)	DU	DU
5	Total year-to-date water losses in kilolitres and rand		R
	<detail total>	DU	DU
6	Number of households with water service, and type and cost of service:		R
	- Piped water inside dwelling	DU	DU
	- Piped water inside yard	11 791	DU
	- Piped water on community stand: distance 200m from dwelling	-	-
	- Piped water on community stand: distance 200m from dwelling	-	-
	- Borehole	Unknown	
	- Spring	Unknown	
	- Rain-water tank	Unknown	
	- Dam	Unknown	
	- River	Unknown	
	- Water vendor	Unknown	
	- Other	Unknown	
7	Number and cost of new connections:		R
	1. Quotation [Actual Costs + 20% Admin Fees]		
	2.		

⁷³ Data Unavailable

Reporting Level	Detail	Total	Cost
8	Number and cost of disconnections and reconnections:		
		136	DU
9	Number and total value of water projects planned and current:		
	- Current (financial year after year reported on)	-	-
	- Planned (future years)	2	R 13.6 million
Note: provide total project and project value as per initial or revised budget			
10	Anticipated expansion of water service:		
	- Piped water inside dwelling	DU ⁷⁴	DU
	- Piped water inside yard	DU	DU
	- Piped water on community stand: distance < 200m from dwelling	DU	DU
	- Piped water on community stand: distance > 200m from dwelling	DU	DU
	- Borehole	DU	DU
	- Spring	DU	DU
	- Rain-water tank	DU	DU
Note: provide total number of households anticipated to benefit and total additional operating cost per year to the municipality			
11	Estimated backlog in number (and cost to provide) water connection:		
	- Piped water inside dwelling	DU	DU
	- Piped water inside yard	DU	DU
	- Piped water on community stand: distance < 200m from dwelling	DU	DU
	- Piped water on community stand: distance > 200m from dwelling	DU	DU
	- Borehole	DU	DU
	- Spring	DU	DU
	- Rain-water tank		
Note: total number should appear in IDP, and cost in future budgeted capital housing programs			
12	Free Basic Service Provision:	9 191 674	
	- Quantity (number of households affected)	11 791	
	- Quantum (value to each household)	77 954	
13	Type and number of grants and subsidies received:		
	1. <i>Equitable Share</i>	9 191 674	
	2.		

⁷⁴ Data Unavailable

Reporting Level	Detail	Total	Cost
	3.		
Note: total value of specific water grants actually received during year to be recorded over the five quarters - Apr to Jun last year, Jul to Sep, Oct to Dec, Jan to Mar, Apr to Jun this year			
14	Total operating cost of water distribution function		6 893 243

16. ELECTRICITY DISTRIBUTION

Function:	Electricity
Sub Function:	Electricity Distribution

Reporting Level	Detail	Total	Cost
Overview:	Includes the bulk purchase and distribution of electricity		
Description of the Activity:	<p>The electricity purchase and distribution functions of the municipality are administered as follows and include:</p> <p><i>Provision of electricity to each household</i></p> <p>These services extend to include Tswelopele The municipality has a mandate to:</p> <ul style="list-style-type: none"> ▪ <i>transmit, distribute and sell electricity for retail use;</i> ▪ <i>provide, regulate, control and maintain an electricity distribution network; and</i> ▪ <i>determine tariffs for the sale of electricity</i> <p>The strategic objectives of this function are to:</p> <p><i>Provision of a continues electricity service to the community</i></p> <p>The key issues for 2009/10 are:</p>		
Analysis of the Function:	<Provide statistical information on (as a minimum):>		
1	Number and cost to employer of all personnel associated with the electricity distribution function ⁷⁵ :		
	- Professional (Engineers/Consultants)	-	-
	- Field (Supervisors/Foremen)	2	375 634.67
	- Office (Clerical/Administration)	-	-
	- Non-professional (blue collar, outside workforce)	2	206 367.23
	- Temporary	-	-
	- Contract	1 ⁷⁶	169 845.83
2	Total quantity and cost of bulk electricity purchases in kilowatt hours and rand, by category of consumer		
	- Residential	DU ⁷⁷	DU
	- Commercial	DU	DU
	- Industrial	DU	DU
	- Mining	DU	DU

⁷⁵ Unaudited Information

⁷⁶ Electrician AJ Reitsma

⁷⁷ Data Unavailable

Reporting Level	Detail	Total	Cost
	- Agriculture	DU	DU
	- Other	DU	DU
3	Total quantity and receipts for bulk electricity sales in kilowatt hours and rand, by category of consumer:		
	- Household	DU ⁷⁸	DU
	- Commercial	DU	DU
	- Industrial	DU	DU
	- Mining	DU	DU
	- Agriculture	DU	DU
	- Other	DU	DU
4	Total year-to-date electricity losses in kilowatt hours and rand		
	DU	DU	DU
5	Number of households with electricity access, and type and cost of service:		
	- Electrified areas	10 325	0
	- Municipal	1 378	3
	- Eskom	8 947	DU
	- Alternate energy source	Unknown	<cost>
	- Gas	Unknown	<cost>
	- Paraffin	Unknown	<cost>
	- Solar	Unknown	<cost>
	- Wood	Unknown	<cost>
	- Non electrified - Coal	Unknown	<cost>
Note: if other types of services are available, please provide details			
6	Number and cost of new connections:		
	<detail total>	DU	DU
7	Number and cost of disconnections and reconnections		
	<detail total>	DU	DU
8	Number and total value of electrification projects planned and current:		
	- Current (financial year after year reported on)	0	DU
	- Planned (future years)	3	DU
Note: provide total project and project value as per initial or revised budget			
9	Anticipated expansion of electricity service:		
	<detail total>	<total>	<cost>

⁷⁸ Data Unavailable

Reporting Level	Detail	Total	Cost
Note: provide total number of households anticipated to benefit and total additional operating cost per year to the municipality			
10	Estimated backlog in number (and cost to provide) electricity connection:		
	<detail total>	<total>	<cost>
Note: total number should appear in IDP, and cost in future budgeted capital housing programmes			
11	Free Basic Service Provision:	11 000 000	
	- Quantity (number of households affected)	11 791	
	- Quantum (value to each household)	93 291	
12	Type and number of grants and subsidies received:		
	1. <i>Equitable Share</i>	11 000 000	
13	Total operating cost of electricity distribution function		16 998 836

15. STREET LIGHTING

Function:	Electricity
Sub Function:	Street Lighting

Reporting Level	Detail	Total	Cost
Overview:	Includes all activities associated with the provision of street lighting to the community		
Description of the Activity:	Street lighting responsibilities of the municipality are administered as follows and include:		
	<i>Provision of street lights and high mast lights to the community</i>		
	These services extend to include Tswelopele The municipality has a mandate to:		
	<i>Provide and operate street and area lighting</i>		
	The strategic objectives of this function are to:		
	<i>Provision of street lights and high mast lights to the community</i>		
	The key issues for 2009/10 are:		
	<i>High mast lights in dark areas</i>		
Analysis of the Function:	<Provide statistical information on (as a minimum):>		
1	Number and total operating cost of streetlights servicing population:		R
		DU ⁷⁹	DU
Note: total streetlights should be available from municipal inventory			
2	Total bulk kilowatt hours consumed for street lighting:		
		DU	
Note: total number of kilowatt hours consumed by all street lighting for year			

⁷⁹ Data Unavailable