



Sedibeng District Municipality

Annual Report

2012 | 13



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Chapter

1

EXECUTIVE MAYOR'S FOREWORD

Tasked with the imperative to comply and satisfy the legislative prescription for the completion of the Annual Report as legislated in Section 46 of the Local Government Municipal Systems Act (No: 32 of 2000) read in conjunction with and Sections 121 and 127 (2) of the Local Government Municipal Finance Management Act (No: 56 of 2003). Find herein the Sedibeng District Municipality's Executive Mayor's foreword to the Annual Report. This serves as a political overview into the Annual Report which seeks to account for the activities of the Municipality in pursuit of its legislative mandate.

The above pieces of legislation compel the Municipality to prepare an Annual Report for each financial year and the Executive Mayor to table such a report in Council within seven months after the end of each financial year. To that end, this Executive Mayor's Foreword forms part of this Annual Report for the Sedibeng District Municipality for the financial year 2012-13, being the year under review.

VISION AND MISSION

The Sedibeng District Municipality is committed to being an innovative, dynamic, developmental government that consistently meets and exceeds the expectations of the communities and various stakeholders it serves. In pursuit of this commitment, we have undertaken the road less travelled, namely to provide a framework of developmental and incremental investment in the infrastructure within the entire region which seeks to improve the quality of life to the communities of Sedibeng.

In this manner, Sedibeng District Municipality continues to be the number one Municipality in the Gauteng province which is providing low cost housing to its people. To continue in this trend, the release of land for residential purposes coupled with the envisaged multi-year Sedibeng Regional Sewer Works remains the central theme which will drive Sedibeng District Municipality to greater heights.

KEY POLICY DEVELOPMENTS

In pursuit of the mandate to provide seamless service delivery for the entire communities of the region, the Sedibeng District Municipality developed the Second



Executive Mayor, Sedibeng District Municipality
Cllr. Mahole Simon Mofokeng

Generation Sedibeng Growth and Development Strategy (2nd SGDS) to continue on the objectives identified in the First Generation Sedibeng Growth and Development Strategy (1st SGDS). This led to the ultimate change of vision thus to create a single tier local

government system for the entire Region. This translated into the vision for the Vaal Metropolitan River City. In this regard flowing various summits and engagements with constituent local Municipalities, this vision will enjoy the attention of Sedibeng District Municipalities for the foreseeable future.

To this end, various engagements with stakeholders and broader community were the order of the day. Presentations were made to the Municipal Demarcation Board and the pronouncement on our application is expected in the 2013/14 financial year. The electronic Performance Management System which was put through its paces for the past year will be tested for efficiency and effectiveness with the Sedibeng District Municipality receiving performance reviews from the system.

The Sedibeng Mayoral Awards Policy which was adopted in the previous financial year will undergo its application in the second anniversary of the Mayoral Awards during the year under review, to give expression

to the Integrated Development Planning (IDP) Strategy to releasing the Human Potential with a view to acknowledge and encourage ordinary citizens of Sedibeng to go the extra mile in the service of their fellow citizens.

KEY SERVICE DELIVERY IMPROVEMENTS

The continued investment in the Fibre Optic network, the backbone of our Smart City drive and vision, continued unabated. This network was put into effect and through its paces during the State of the District Address. It passed through with great distinction, providing real-time connectivity with a rural school and the wi-fi offering came through much better than was expected. The cost of doing business in Sedibeng puts the Region in the driving seat as a result of this innovation.

PUBLIC PARTICIPATION

The annual State of the District Address, which presents an annual report, the future plans and the annual budget is beamed into as many households in the Region through satellite link ups. The regular IDP Stakeholder engagements and review of the IDP is characterised by two cycles of engagements which includes youth, women, people living with disabilities, designated groupings such as the ex-combatants, the religious fraternity, emerging business, organised business fraternity and professional groupings and institutions of higher learning.

All of these accounting platforms are greatly enhanced through the other various stakeholder corps such as the Sedibeng AIDS Council, the Sedibeng District Municipality Community Safety Forum, and the Farmers Forum. The widespread consultations on the Sedibeng First Generation Growth and Development Strategy review led to the successful completion and adoption of the second generation 2013/14 IDP which enjoys mass appeal and community ownership.

It is this widespread Public Participation and accountable system in Sedibeng which has contributed to the massive decline in the number of service delivery protests in the Region. Furthermore, the Municipality is proud to confirm that Sedibeng District Municipality we have attained another unqualified audit report from the Auditor General. This makes it the 8th consecutive unqualified audit the Sedibeng District Municipality has achieved. This clearly illustrates that the financial management of the Municipality is on the right track to attract investors. It is on these bases that we look

forward and are committed to working harder to achieve Clean Audits in 2014.

FUTURE ACTIONS

Sedibeng District Municipality together with its constituent local Municipalities are committed to a single tier Municipality with the envisaged realisation of the Vaal Metropolitan River City in the near future. Submission to the Municipality Demarcation Board has been made.

In this mandate, the people of this Region have given us responsibility to press forward with the solid efforts and foundation based on the collective commitments developed through intensive public consultations and public participation to develop a future for Sedibeng and its people.

This future is best captured in our heartfelt declaration that "Sedibeng, the Cradle of Human Rights, the beautiful place we all call our home" A place in which to live, play, work and raise our families in peace, as an expression of a better quality of life.

The mandate to serve the Region prudently, for the next five years, finds expression in both our Second Generation Sedibeng Growth and Development Strategy and the five year integrated development plan which will guide our path to the next Local Government Elections in 2016. This firm foundation and building blocks, makes up a clear vision to take Sedibeng on a trajectory of seamless and integrated growth and governance which seeks to optimize development which is geared to give expression to the following priorities:

Reinventing our economy through SMME development, strengthening Cooperatives through Extended Public Works Programmes to respond to the needs of a Green Economy which will enhance job creation and skills development.

Promote more active community participation in local government by enhancing our IDP Stakeholder engagements through Izimbizo. These public consultations will form the basis for the engagements on the 2nd SGDS, thus paving the way forward.

It is with this in mind that our best interest will be served through consolidation of governance as we launch ahead in our plan to become the Vaal Metropolitan River City by 2016.

SPECIAL AGREEMENTS AND PARTNERSHIPS

TaxidoTaxi Rank Refurbishment which is geared towards the creation of a multi-nodal transport facility started in earnest during the period under review. This will respond to the current and future transport needs for the region, linking it to the existing transport facilities in the entire Gauteng Province.

In order to improve the mobility of the community of Sedibeng in line with our quest for a Smart City, a partnership with PRASA has been concluded for the refurbishment and overhaul of the Taxido Junction Taxi Rank into a world class transport Precinct.

The Smart City Concept, based on the District-wide fibre optic cabling as the basis, has created the foundation for a future Vaal Metropolitan City. The implementation of the concept shall yield smart environmental practices, e-government, smart mobility and smart economy.

In order to arrive at this lofty ideal, through developmental growth of our key drivers, aimed at taking our rightful place in the competitive Gauteng Global City Region; Sedibeng seeks to give expression to the National and Provincial Outcomes in a manner which enhances the stature of the District.

Councillor Mahole Simon Mofokeng
Executive Mayor

1.1

MUNICIPAL MANAGER'S OVERVIEW

It is my privilege to provide this overview on the 2012/2013 Annual Report. The prescribed reporting template is restrictive, but I will endeavour to accommodate essential aspects that must be included in the Municipal Manager's overview.

The year under review has been largely successful in most operational areas, and I trust that the details in the Annual Report will support that assessment and also reveal areas of weaknesses that require attention by the administration. I therefore submit the following in the specifics in the areas noted:

(1) THE ALIGNMENT OF SERVICES TO IDP INDICATORS AND COUNCIL PRIORITIES.

The Operations of the Sedibeng District Municipality are well aligned to the IDP in that there is a tight alignment with the 7 priority areas as set out in the Second Generation Growth and Development Strategy (GDS-02). The role and function of a District Municipality dictates that while the District Municipality oversees the overall development of the area, most of the public services are rendered by our three local municipalities (Emfuleni, Midvaal and Lesedi).

(2) SERVICE DELIVERY PERFORMANCE

The Sedibeng District Municipality renders only a handful of direct services to the public. The overview of these services is as follows:



Municipal Manager, Sedibeng District Municipality
Mr. Yunus Chamda

No	PUBLIC SERVICE	MUNICIPAL MANAGERS OVERVIEW COMMENT
1	Driver Licensing Testing Centres (DLTC's)	The service is functional. Ageing infrastructure has hampered operations and services being delivered at an optimal level. Allegations of fraud and corruption remains a major challenge.
2	Motor Vehicle Registration and Licensing	The service is fully functional and several new and innovative ideas have been proposed and implemented to improve services to the public.
3	Public Halls (Vereeniging City Hall)	The Vereeniging City Hall remains the most cost-effective public hall in the District and is fully utilised by the public for a variety of events and functions. The comparative low rates charged for the hire of the City Hall (and adjoining Banqueting Hall) make it accessible to the public but also inhibits capital investment in the development thereof.
4	Theatres (Mphatlalatsane Theatre and Vereeniging Civic Theatre)	The Mphatlalatsane Theatre has become a multi-purpose facility for the Sebokeng Community. It is therefore of great concern that the infrastructure is deteriorating rapidly. The Sedibeng District Municipality invested in emergency repairs to keep the facility functional but jointly with Emfuleni, a long-term upgrade is urgently required. The Vereeniging Civic Theatre is functional but also underutilised by the arts community. It is also under-performing in relation to its income potential.

No	PUBLIC SERVICE	MUNICIPAL MANAGERS OVERVIEW COMMENT
5	Aerodromes	The Vereeniging Aerodrome and Heidelberg Aerodromes are fully functional. For the period under review, the Vereeniging Aerodrome has improved its services and supply of fuel, general maintenance and usage that stabilised. The Heidelberg aerodrome is primarily operated by the local flying club and a pilot training school is also based at the facility. The uncontrolled development of the facility by private operators is of concern. A former landing strip in Vanderbijlpark is still listed as an aerodrome, but is completely non-functional and needs to be deregistered. It runs alongside a residential community and is therefore unsuitable to re-establishment.
6	Disaster Relief	The service is fully functional. It does however only have capacity to provide very limited, small scale, emergency relief in incidents of natural disaster and mishaps. Disaster Relief is intended for short-term interventions, however, due to a lack of relevant transfer of incidents to relevant authorities, the District is being burdened with having to provide long-term solutions (e.g. emergency sanitation at Bears Farm in Midvaal). In the event of a large scale disaster, the District will be fully dependant on the support of Provincial and National programmes.
7	Heritage Centres (Vaal Teknorama, Sharpeville Monument)	The Vaal Teknorama is fully functional and still attracts a steady flow of visitors (especially schools) The facility is deteriorating rapidly due to a lack of maintenance. The Sharpeville Heritage precinct is functional. Supporting maintenance by Emfuleni around the precinct (especially Constitution Walk and the Circle) must be speedily resolved. The addition of the Boipatong Memorial Site to our portfolio will further strain our limited resources.

The above table does not reflect sufficiently on the primary role and function of the Sedibeng District Municipality. For completeness it would be important to note the following services, from which the community derives benefit:

No	FUNCTION	MUNICIPAL MANAGERS OVERVIEW COMMENT
1	Support to Local Municipalities	<p>The Sedibeng District Municipality continues to support the local municipalities, wherever possible, and is willing to avail both financial and human resources wherever possible. The shrinking Capital Budget of the District has seen diminishing support in capital projects.</p> <p>The 'Smart City' project being driven by the District Municipality, and the investment in fibre-optic infrastructure, is an essential support provided to local municipalities.</p> <p>Inter office connectivity in Emfuleni has been enhanced, while plans are unfolding to do the same for Midvaal.</p>
2	Facilitating Role between spheres of government	The Sedibeng District Municipality facilitates a number of projects that are implemented in communities. These include the NDPG (Neighbourhood Development Partnership Grant) projects, Alien Vegetation Project, Lotto Sports Facilities Development Project, Fabrication Lab Project, Bio-digesters Project, Energy Conservation Projects, HIV-Aids support project,

No	FUNCTION	MUNICIPAL MANAGERS OVERVIEW COMMENT
3	Facilitating Development	This remains one of the key areas that the District plays an essential role in. Both in the areas of economic development and in social development, the District stimulates investment and facilitates development. Interventions and facilitation of developments such as Savannah City, the R82 road, the R59 corridor, The Zone of Opportunity, Barrage infill development are all examples of 'services' that the District delivers and that communities benefit from indirectly.

(3) ENERGY CONSERVATION (INTERNAL)

On the aspect of the efforts the municipality is making to conserve power and water in its offices and other facilities to compliment the conservation measures its residents are being requested to adopt in their own housekeeping, the Sedibeng District Municipality has made limited progress. An extensive study was undertaken to look at energy saving measures in all SDM buildings. Progress has been made in areas of replacement of light bulbs to energy efficient lighting. Other recommendations from the study are yet to be implemented. Behavioural consciousness amongst the workforce could also be improved. Many PC's and office lights are left turned on all night despite not being required.

(4) SHARED SERVICES

The only active shared service remains the IT services. The Sedibeng District Municipality oversees three areas of the services via Service Level Agreements, i.e. Expanding and maintaining the Wide Area Network, supporting the DRP (Disaster Recovery Programme) and promoting standardisation of systems for easy integration. The system is functional. The Service Level Agreement with Emfuleni remains unsigned for several years now, and the shared service is compromised as a result. Many areas of shared services are being looked into, but no tangible proposals have emerged thus far. These areas include:

- a. Sharing Fleet Management Systems
- b. Performance Management Systems (PMS) standardisation
- c. Accounting and Internal Auditing Services
- d. Forensic Investigation Services
- e. Centralised Procurement of consumables (stationery, printer cartridges, paper etc)
- f. Banking Services
- g. Security Services
- h. Insurance Services

The above list is by no means complete, and does provide great opportunity to create saving through economies of scale and adopting best practices that exists amongst the District and its locals. The future prospects of a Metropolitan Municipality (Metro), and the associated migration process, may well activate these possibilities in the future.

(5) METRO MIGRATION

While the date announcement of the incoming Metro (15 August 2013) falls outside of the period under review, it would be inappropriate to ignore it as a reality in this report. During the period under review, many efforts were made by the Sedibeng District Municipality to promote the viability and benefits of a Metro system for the area. The District has performed extremely well in regard to this, which is one of the ten flagship projects of the Sedibeng Growth and Development Strategy (GDS-02)

The migration to a Metro will, through its consolidation, address many areas of inefficiencies contained in this overview. These benefits will not however accrue automatically. It will require an enormous effort to execute a balanced and objective migration plan towards a Metro. The basis of a sound migration plan has been laid through activities and actions undertaken during the period under review. These include amongst others, the Study Tours to Mangaung and Buffalo City and the numerous presentations made to community organisations and stakeholders on the 'Towards A

Metro' concept.

The Council took a transformational and developmental stance to advancement of the municipality. It resolved to put a moratorium on filling of all vacant posts, except critical ones. Thus to address high municipal salary bill, caused by lack of correlation between annual salary increases and equitable share. SDM salary budget continued to grow, whilst revenue was decreasing. The municipality allocates resources for critical positions on year to year basis, and implement strategies to fill them.

1.2

MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

The Sedibeng District Municipality plays a coordination and facilitation role in provision of some services to the communities. We always cooperate with our local municipalities to have a sustainable delivery of services in the region.

POWERS AND FUNCTIONS

Chapter 7 of the Constitution sets out the status, objects, powers and duties of local government, and ancillary matters. A municipality has the right to govern, on its own initiative, the local government affairs of its community, subject to national and provincial legislation, as provided for in the Constitution (Section 151).

A municipality has executive authority and the right to administer the local government matters listed in Part B of Schedule 4 and Part B of Schedule 5 to the Constitution, and any other matter assigned to it by national or provincial legislation (Section 156).

In accordance with Chapter 2 of the Local Government: Municipal Systems Act 32 of 2000, a municipality's administration is governed by the democratic values and principles embodied in section 195 (1) of the Constitution. The administration of a municipality must – be responsive to the needs of the community; facilitate a culture of public service and accountability amongst staff; take measures to prevent corruption; establish clear relationships, facilitate co-operation and communication, between it and the local community; give members of the local community full and accurate information about level and standard of municipal services they are entitled to receive; and inform the local community how the municipality is costs involved and the persons in charge.

Chapter 5 of the Local Government: Municipal Systems Act 32 of 2000, stipulates that a municipality has the functions and powers assigned to it in terms of sections 156 and 229 of the Constitution. These functions and powers must be divided in the case of a district

municipality and the local municipalities within the area of the district municipality. A district municipality must seek to achieve the integrated, sustainable and equitable social and economic development of its area as a whole.

Section 84 (1) of the Local Government: Municipal Systems Act 32 of 2000, states that a district municipality has the following functions and powers:

- (a)** Integrated development planning for the district municipality as a whole, including a framework for integrated development plans of all municipalities in the area of the district municipality.
- (b)** Potable water supply systems.
- (c)** Bulk supply of electricity, which includes for the purposes of such supply, the transmission, distribution and, where applicable, the generation of electricity.
- (d)** Domestic waste-water and sewage disposal systems.
- (e)** Solid waste disposal sites, in so far as it relates to-
 - (i)** the determination of a waste disposal strategy;
 - (ii)** the regulation of waste disposal;
 - (iii)** the establishment, operation and control of waste disposal sites, bulk waste transfer facilities and waste disposal facilities for more than one local municipality in the district.
- (f)** Municipal roads which form an integral part of a road transport system for the area of the district municipality as a whole.
- (g)** Regulation of passenger transport services.
- (h)** Municipal airports serving the area of the district municipality as a whole.
- (i)** Municipal health services.
- (j)** Fire fighting services serving the area of the district municipality as a whole, which includes-
 - (i)** planning, co-ordination and regulation of fire services;
 - (ii)** specialised fire fighting services such as mountain, veld and chemical fire services;
 - (iii)** co-ordination of the standardisation of infrastructure, vehicles, equipment and procedures;

(iv) training of fire officers.

(k) The establishment, conduct and control of fresh produce markets and abattoirs serving the area of a major proportion of the municipalities in the district.

(l) The establishment, conduct and control of cemeteries and crematoria serving the area of a major proportion of municipalities in the district.

(m) Promotion of local tourism for the area of the district municipality.

(n) Municipal public works relating to any of the above functions or any other functions assigned to the district

municipality.

(o) The receipt, allocation and, if applicable, the distribution of grants made to the district municipality.

(p) The imposition and collection of taxes, levies and duties as related to the above functions or as may be assigned to the district municipality in terms of national legislation.

The Sedibeng District Municipality has three local municipalities within its area, namely, Emfuleni, Midvaal and Lesedi.”

The summary below aims to provide an assessment of progress on the Ten Flagship Projects and to assess the milestones as adopted in 2012. The summary also notes some targets for the 2013/2014 Financial Year.

**FLAGSHIP PROJECT 01
SEDIBENG DEVELOPMENT AGENCY**

Description of Project:	It is a municipal entity to that is established to initiate, coordinate, manage and implement economic development projects in Sedibeng.
Impact of Project:	One Stop Shop for business and investment facilitation for Sedibeng, increase take up of incentives and opportunities that comes with investing in the area.
Key Milestones	<i>Progress as at June 2013, assessment of milestones and adjustments if required.</i>
1. Market Sedibeng as a pre-eminent destination of choice for Investment	<p>DELAYED PROGRESS: Alignment with Provincial Programmes has delayed the establishment of the SDA.</p> <p>The newly established Gauteng Growth and Development Agency has brought about clarity and the SDA can now be established. Alignment with the work of the GGDA can now be effected.</p> <p>Announcement of the Process for establishment was scheduled for 29 May 2013.</p> <p>This Flagship projects remains viable and on track for implementation.</p>
2. Facilitate Investment for the Region	
3. Brand and Profile strategic Catalytic Projects to unleash economic development for Sedibeng	
4. Reducing Cost of doing business in Sedibeng and fast track development and re-zoning application	
5. Manage and maintain Strategic Partnerships with other spheres of Government and Private Sector/ Investors	

FLAGSHIP PROJECT 02
VAAL FREIGHT & LOGISTICS HUB

<p>Description of Project:</p>	<p>This is a Special Economic Zone to facilitate inland port for freight and logistics and facilitate movement of goods from manufacturing and other sectors for domestic, national and International destination since Vaal is one of the largest industrial hubs in Southern Africa and its proximity to Gauteng markets and its excellent rail and road transport networks make it a natural location for a logistics hub.</p> <p>The project seeks to designate certain infrastructure to support rail and road travel to and from Sedibeng to the domestic, national and International destination</p>
<p>Impact of Project:</p>	<ol style="list-style-type: none"> 1. Reduce congestion and traffic on the road to deliver goods on time 2. Reduce maintenance cost for road maintenance 3. Shift road to rail intermodal facilities to address major issues of lowering inland transport costs and improve track and trace capacities 4. Realize economic development potential of the area through warehousing facilities, efficient loading, off-loading and freight transfer handling 5. Improve ICT and Connectivity through data interchange, electronic trading and consignment tracking and tracing - Business Process Outsourcing growth
<p><i>Key Milestones</i></p>	<p><i>Progress as at June 2013, assessment of milestones and adjustments if required.</i></p>
<ol style="list-style-type: none"> 1. Establish a Special Economic Zone to attract investment into the designated AREA 2. Increase competitive and comparative advantage Sedibeng (Vaal) has in freight forwarding, transfer, handling and warehousing with ease of travelling 3. Direct link to Container depot- Vaal Container Depot 4. Create new Infrastructure suitable for handling export orientated production (Iron and Steel) 5. Revive rail mode for local heavy Engineering, Iron and Steel, and Metal industries for manufacturing 	<p>STEADY PROGRESS WITH PROVINCIAL ENDORSEMENT:</p> <p>The Gauteng Provincial Government has confirmed a project in this regard. Assessments of a suitable location are underway with Emfuleni.</p> <p>Greater detail required on Provincial Programme to do due diligence on suitable location and supporting infrastructure</p> <p>This flagship project has grown in viability but concrete decisions need to me made with regard to location as well as infrastructure plans to support a dynamic and active Logistics Hub.</p>

FLAGSHIP PROJECT 03A
COMPREHENSIVE RURAL DEVELOPMENT PROJECT
Sedibeng Maize Triangle Project

Description of Project:	To provide technical and infrastructure as well as logistical support to small and emerging farmers and cooperative in Agriculture.
Impact of Project:	<ul style="list-style-type: none"> • To directly address the problems of start up by small scale and emerging farmers; • To provide food security and address of rural poverty and create jobs; • To reduce the outflow of the rural poor into urban areas to seek alternative livelihoods; • To avoid congestion into urban centres and create economic migrants thereby causing problems for urban development; • To create sustainability in Agriculture and food security for all • To create and improve infrastructure in rural communities to attract investments and economic development and job creation.
<i>Key Milestones</i>	<i>Progress as at June 2013, assessment of milestones and adjustments if required.</i>
1. Sustainable Agricultural development	<p>STEADY PROGRESS WITH PROVINCIAL ENDORSEMENT:</p> <p>The 'Maize Triangle' project was launched in 2010 has three focus areas:</p> <ul style="list-style-type: none"> • Maize planting • Distribution of production inputs (seeds, fertilizers, pesticides, diesel) • Mechanized equipment for farmers. <p>Progress has been made on all three focus areas with recent handover of tractors and farming implements to local municipalities to support local farmers</p>
2. Improve production processes in the Agricultural sector	
3. Increase agricultural productivity by improving our Fresh Produce Market and other small markets, private sector investment, physical infrastructure, human capital, demand driven research & extension services;	
4. To come with our own regional integrated and comprehensive rural development strategy, to strengthen the linkages with other sector strategies/improve coordination/and set implementation priorities;	
5. Create Jobs and sustainable livelihoods	
6. Improve access to markets for rural/ Agricultural production	

FLAGSHIP PROJECT 03B
AGRICULTURAL COOPERATIVES

Description of Project:	Rural Development Pilot Project in Midvaal
Impact of Project:	<ul style="list-style-type: none"> • To develop infra-structures in and around Vaal Marine/Bantu Bonke areas; • To reduce the outflow of the rural poor into urban areas; • To increase number of tunnels and create more job opportunities in an area; • To change a mindset that thinks that rural development is all about agricultural development only
<i>Key Milestones</i>	<i>Progress as at June 2013, assessment of milestones and adjustments if required.</i>
1. To formulate plans that will bring sustainable developments in the rural areas;	<p>(This Flagship Project which is focused on Midvaal requires integration with Flagship Programme 3A above as the milestones overlap in several areas)</p> <p>Note for Next Review: Milestones of this project to be migrated into Flagship Project 3a above.</p>
2. To come with or support national/provincial fundamental structural reforms to ensure macroeconomic stability and improve market efficiency;	
3. To increase agricultural productivity by improving our Fresh Produce Market and other small markets, private sector investment, physical infrastructure, human capital, demand driven research & extension services;	
4. To come with our own regional integrated and comprehensive rural development strategy, to strengthen the linkages with other sector strategies/improve coordination/and set implementation priorities;	
5. To reduce the rate of youth unemployment in our rural areas reducing household vulnerability to risk associated with climate and environmental change, as well as fluctuating market prices of agricultural products;	

FLAGSHIP PROJECT 04

ESTABLISHMENT OF A RIVER CITY METROPOLITAN MUNICIPALITY

Description of Project:	The project relates to the processes of disestablishment of the current municipalities within the Sedibeng region and establishment of a single tier form of local government
Impact of Project:	<p>The project will eliminate duplication, maximise efficiencies in service delivery and resource distribution and utilisation within the region by promoting:</p> <ul style="list-style-type: none"> • Spatial integration and social development of all; • Equity, social justice and economic prosperity; • Local democracy; • Integrated affordable and efficient services and • Consolidated local government
<i>Key Milestones</i>	<i>Progress as at June 2013, assessment of milestones and adjustments if required.</i>
1. Management of Municipal Demarcation Board processes towards the establishment of the Metropolitan Municipality	<p>GOOD PROGRESS:</p> <p>The MDB has issued a Section 26 notice which has endorsed the possibility of a Metro. Currently Section (28) Public Hearings are underway. Several engagements and preparatory discussions have been held to adequately cope with the final announcement via a Section 21(5) notice of the MDB.</p> <p>Future progress will be determined by the Section (23) notice that is issued by the MDB</p>
2. Establishment of a Multi-disciplinary Task Team to manage the transitional process	
3. Empowerment of IGR structures through legislation to enforce their decisions through Councils	
4. Management of decisions with potential impact on the region by a regional IGR structure e.g. Joint Political Management Teams' (PMT) Forum	
5. Conduct due processes for all municipal functions, e.g. ring fencing of all water and sanitation functions	
6. Place moratorium on internal restructuring processes rather encourage inter-municipal assistance and deployment of resources	
7. Facilitate inter-departmental, inter-municipal and discussion networks on metropolitan governance and integrated approach to service delivery	
8. Consolidation of Budgets	
9. Consolidation of Human Resources	
10. Placement of employees	
11. Consolidation of Assets	
12. Re-alignment of organisational structure to one	
13. Consolidation of Financial Management	
14. Standardisation of tariffs	
15. Standardisation of operational procedures	
16. Standardisation of policies, etc.	

FLAGSHIP PROJECT 05

FIBRE OPTIC CONNECTIVITY AND ROLL OUT

Description of Project:	Roll-out of fibre to all municipal offices, clinics and libraries including CCTV sites: To successful install, commission and maintain a fibre optic connectivity solution within Sedibeng District Municipality and its Locals.
Impact of Project:	<p>The installation of fibre in Sedibeng is being installed and is informed by the objectives that seek to create data connectivity to every municipal office, library, clinic and youth centres across the district. This will, amongst other things, lower the cost of doing business for vital economic players and increase economic participation by the broader society. In the long run, this will contribute towards reshaping the district's economy to be more inclusive and broad-based by opening up new opportunities for the marginalised communities. This strategy also takes into account being environmentally sensitive and can reduce Council's carbon footprint whilst at the same time ensuring economic growth and development.</p> <ul style="list-style-type: none"> • To provide connectivity to all of councils buildings to ensure access to systems and solutions to assist the citizens. • To build the network infrastructure and information super-highway to encourage the development of an advanced workforce with better ICT silks. • To enhance economic productivity through ICT infrastructure development in order to lower the cost of doing business and increase connectivity for companies especially SMMEs. • To increase the ICT skills capacity within the public and the private sectors to create a pool of ICT practitioners and entrepreneurs. • To improve service delivery by providing high quality ICT services through e-government. • To build an economic and industrial sector with a focus on ICT. • To ensure that innovation becomes part of the economic network in Gauteng Province in relation to ICT. • To create employment in the ICT sector and the District. • To create a safe and healthy environment for the citizens of the District
<i>Key Milestones</i>	<i>Progress as at June 2013, assessment of milestones and adjustments if required.</i>
1. Link all Municipal offices	EXCELLENT PROGRESS:
2. Provide backbone for CCTV	The term 'Smart City' has assumed common reference for this project.
3. Extend network to education institutions	Fibre Optic backbone extended to 90kms. Upgraded CCTV Surveillance System.
4. Integrate telephony onto fibre network	CCTV MOA signed between SDM and Lesedi LM, Midvaal LM and Gauteng Community Safety/ SAPS.
5. Increase ICT Skills	<p>Study Tour of India and Dubai for Conference on 'Smart Cities in Africa' undertaken in May 2013.</p> <p>2013 SoDA showcased the 'Smart City'. Next Financial year to provide CCTV Surveillance System maintenance and repairs Implement the Council approved 2013-2017 SDM Community Safety Strategy.</p>

FLAGSHIP PROJECT 06
HERITAGE COMMEMORATIVE EVENTS

<p>Description of Project:</p>	<p>Heritage Resources Preservation and Commemoration of Identified National, Provincial and Regional Events. SDM has initiated the Sharpeville Heritage Precinct Legacy Project including significant heritage related events to preserve, promote and commemorate our local history, to promote social cohesion and nation building as well as contributing to the economic development of our region.</p>
<p>Impact of Project:</p>	<p>Preservation and promotion of Heritage Resources including Monuments, Museums, Plaques, Outdoor Art, Heritage trails/routes and other symbolic representations that create visible reminders of, and commemoration of our History.</p>
<p><i>Key Milestones</i></p>	<p><i>Progress as at June 2013, assessment of milestones and adjustments if required.</i></p>
<p>Commemoration of National Days: Heritage, Human Rights, Signing of the S.A. Constitution, Signing of the Peace Treaty, Nangalembe, Boipatong and other Vaal Massacres</p>	<p>VERY GOOD PROGRESS:</p> <p>Regional Heritage Summit held successfully on 15 & 16 November 2012, Heritage Declaration signed by Heritage stakeholder. A report was tabled before MAYCO and Council for the approval of commemoration events, namely Human rights day, signing of the Constitution, signing of the peace treaty, Nangalembe and Boipatong massacres, and other Vaal massacres.</p> <p>Restoration and refurbishment of Museums in phases subject to funding availability.</p> <p>Host commemorative events as per Summit resolutions. Facilitate establishment of the SDM Geographic Name Change Committee and Name Change implementation process.</p>

FLAGSHIP PROJECT 07
SEDIBENG REGIONAL SANITATION SCHEME

<p>Description of Project:</p>	<p>This is high impact project that is critical to South Africa national as it directly impacts on the national GDP. The estimated budget for the total solution is R4billion. It is aimed at addressing the following problems</p> <ul style="list-style-type: none"> • Spillage of raw sewage into the Vaal river • Discharge of non-compliant effluent into the Vaal River • Negative environmental and health impact • Restricting the potential of socio economic growth and it's an impediment to investment potential of the province • The sanitation infrastructure within the Sedibeng Regional Municipality is old, resulting in high maintenance costs and frequent availability and performance failures • The demand exceeds the design capacity of all Waste Water Treatment Works <p>The proposed solution is holistic in nature and broken down in 3 phases: short, medium and long term. These terms are phased to address the identified challenges as per their priorities.</p> <p>The solution proposes the expansion of existing waste water treatment plants i.e. Sebokeng from 100ML/day to 200ML/day, Meyerton from about 10ml/day to 20ML/day and construction of outfall sewers, mega pumps station and a new Waste water treatment plant with a capacity of 147ML/day.</p> <p>The objectives of the project are as follows:</p> <ul style="list-style-type: none"> • Deliver an effective solution that will eradicate the pollution into the Vaal River and its tributaries • Create bulk sanitation infrastructure for the Southern Gauteng Region • Institute interim measures to address immediate/emergency problems • Facilitate local economic development and job creation • Eradicate water & sanitation service delivery challenges, inhibiting both social & economic development in the region • To create institutional capacity to provide water services sustainable in the Regio • To create project management capacity to deliver the project successfully (Governance, Procurement, IGR, Funding, expertise and systems)
<p>Impact of Project:</p>	<p>The impact of the project will be in two folds one at a national level the other provincially as follows:</p> <p>Nationally</p> <ul style="list-style-type: none"> • This project will have an impact on the Gross Domestic product (GDP) estimated at R3 Billion • It is expected that it will create employment opportunities of 12757 • The other impacts extends to an increase to household income, education opportunities etc. <p>Provincially</p> <ul style="list-style-type: none"> • This project will have an impact on the Gross Domestic product (GDP) estimated at R2 Billion • It is expected that it will create employment opportunities of 8900 • The other impact extends to an increase to household income, education opportunities etc. • The project will further unlock a number of developments i.e. Savannah city, low cost housing south of Johannesburg etc.
<p>Key Milestones</p>	<p><i>Progress as at June 2013, assessment of milestones and adjustments if required.</i></p>
<p>Short term</p> <ul style="list-style-type: none"> • Ensure effluent compliance with all plant 	<p>DELAYED PROGRESS:</p> <p>All process completed for upgrade of Sebokeng and Meyerton WWTW and PIO.</p>
<p>Medium Term</p> <ul style="list-style-type: none"> • Capacity expansion for Sebokeng by 100ML/day • Meyerton 10ML/day • Bulk reticulation refurbishment 	<p>Migration of project to Rand Water has delayed progress.</p> <p>Upgrade to Sebokeng and Meyerton WWTW to commence with Rand Water as Implementing Agent. PIO to be migrated to Rand Water to execute current and future expansion of the New WWTW.</p>
<p>Long term</p> <ul style="list-style-type: none"> • Construction of totally new infrastructure as follows: • New waste water treatment Plant for 147ml/dal • Linking outfall sewer • Super Pump station 	<p>Implementation Agency Agreement between DWA and Rand Water close to finalisation.</p> <p>The Implementation Protocol Agreement (IPA) to clarify exact role of the Sedibeng District and Its Local Municipalities in the future of the Project was signed.</p> <p>The project, despite being delayed in relation to the timelines as at 2011, remains on track. Funding for the new WWTW still needs to be secured.</p> <p>The role of Sedibeng District Municipality is now limited to that outlined in the IPA</p>

FLAGSHIP PROJECT 08
ALTERNATIVE ENERGY GENERATION

Description of Project:	At a household level, the project is about the conversion of the solar energy (sunlight) into electricity for heating up of water for domestic use.
Impact of Project:	In line with the Government drive to reduce the dependence on fossil fuel for the generation of electricity, that is the drive towards clean and green energy (electricity) production, the project will effectively cut out the need to use the current conventionally produced electricity for heating up water for household use. The project can easily be extended to cover the need for heating up water for office use, small business use, sport and recreation use, etc.
<i>Key Milestones</i>	<i>Progress as at June 2013, assessment of milestones and adjustments if required.</i>
1. Installations of Solar Geysers	<p>STALLED PROGRESS:</p> <p>Failure of appointed Service Provider to roll out projects has led to cancellation of the contract. New initiatives being put into place. Currently a district wide 3 year project is being rolled out to install Solar Water Geysers in the low to middle income households in the region. Structural adjustments to the funding model between Eskom and DEA underway to align the implementation.</p> <p>New service providers to be appointed and projects to be rolled out for Solar Geysers.</p> <p>Broader planning and consolidation required on wider 'Green Energy' projects (other than solar geysers) in collaboration with VUT (Hydrogen Fuel) and other stakeholders.</p>
2. Exploring alternative sources of 'Green Energy'	

FLAGSHIP PROJECT 09

IMPLEMENTATION OF THE TRANSPORT MODEL SUCH AS THE BRT

Description of Project:	The project looks into the feasibility of developing an long term integrated public transport plan that looks into the integration of modes of transport into the public transport system operating as a single seamless system.
Impact of Project:	Integration of the current independently operating modes of public transport into an integrated public transport system.
Key Milestones	<i>Progress as at June 2013, assessment of milestones and adjustments if required.</i>
The project's feasibility will be dissected into phases, the Bus Rapid Transport, the Intercity (inter-municipal) Bus Transport, the Intercity (inter-municipal) Speed Train. Experiences and best practices will be sourced from the Johannesburg Metro and the GDRT. The feasibility of these projects is depended on the land use plan, the spatial development framework, and the local economic development plan. That is, the development of these plans must ensure that the framework and foundations are laid for the above integrated public transport system to be feasible.	<p>SLOW PROGRESS:</p> <p>Overall Transport Plan for the region to be developed in alignment with the Provincial vision.</p> <p>Develop a Transport plan as aligned to developing nodes and corridors.</p>

FLAGSHIP PROJECT 10

VAAL 21

Description of Project:	This project is aimed at developing synergies of development on both banks of the Vaal River. It is also a marketing brand for major developments within the Sedibeng District which aims to re-position the name of the 'Vaal' at the forefront of marketing and geographical consolidation.
Impact of Project:	Marketing the Vaal Stimulating developments on both banks of the Vaal River. Working in collaboration with the Fezile Dabi District Municipality of common areas of interest such as economic development, air quality improvement, protection of wetlands and the Vaal River.
Key Milestones	<i>Progress as at June 2013, assessment of milestones and adjustments if required.</i>
1. Consolidating the Vaal 21 Brand	<p>GOOD PROGRESS ON BRANDING , STALLED PROGRESS ON CROSS BORDER INITIATIVES:</p> <p>The 'Vaal 21' brand continues to grow with sustained usage and branding on flagship projects.</p> <p>Cross border discussions on joint projects with Fezile Dabi have stalled. Efforts to resuscitate cross border projects with Fezile Dabi to be pursued.</p>
2. Development of the Riverfront	
3. Cross-Border cooperation with Fezile Dabi on developments on both banks of the Vaal River	

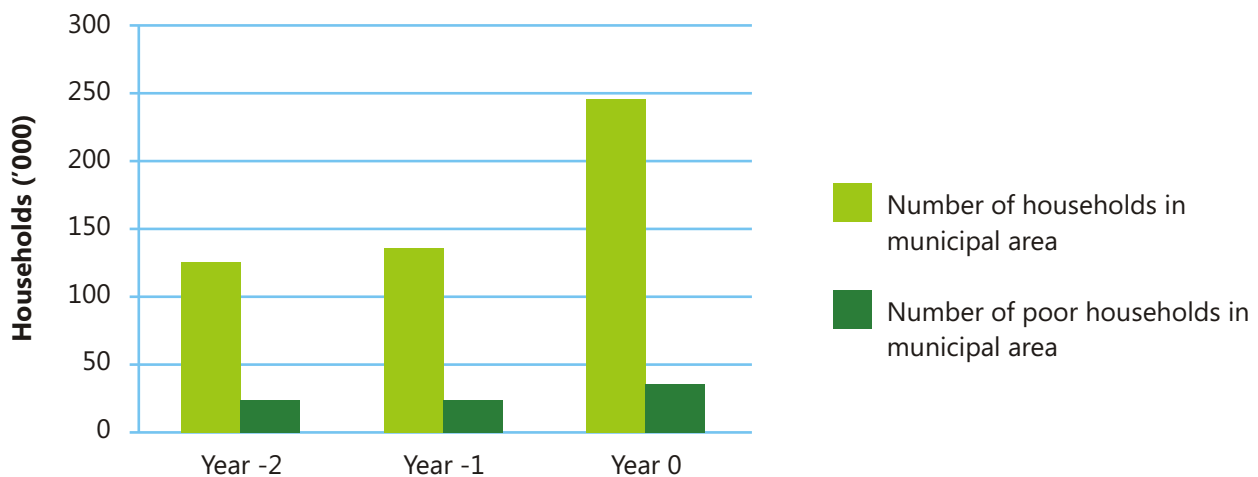
Population Details

The table above shows gender distribution according to different ages. Thus demonstrates a significant growth across all ages between 2010/11 and 2012/13 financial years.

Description of economic indicator	1996 Census	2001 Census	2007 Survey	Year -2 2010/11	Year -1 2011/12	Year 0 2012/13
Demographics				785	865	901
Population	527	685	802	107	112	124
Females aged 5 - 14	87	95	105	122	134	148
Males aged 5 - 14	102	112	124	191	199	215
Females aged 15 - 34	153	169	185	238	247	265
Males aged 15 - 34	185	204	224			
Unemployment						
Number of households in municipal area				125	135	245
Number of poor households in municipal area				22	23	35

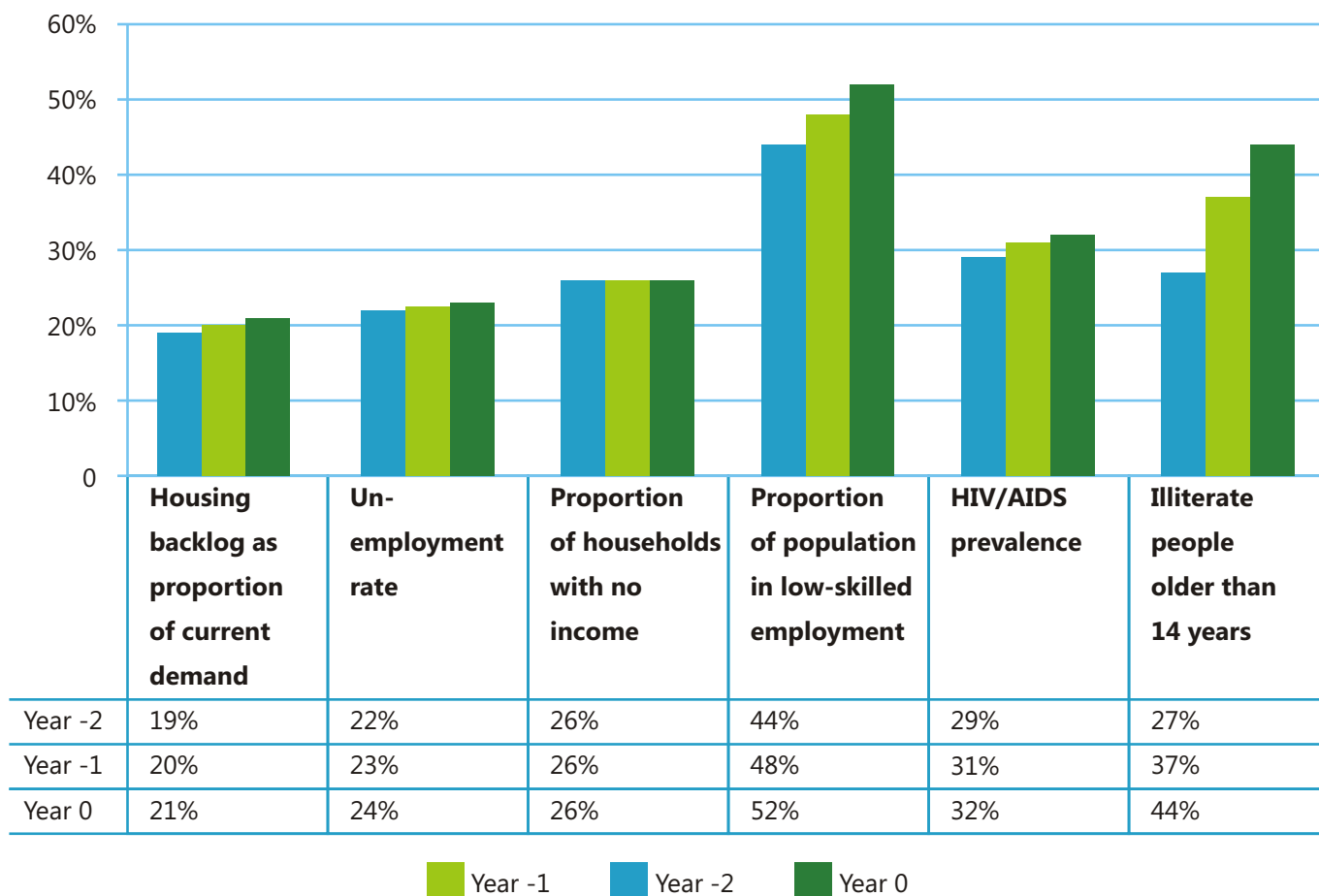
Population in '000

Households



The graph above demonstrates a quantum leap in the number of households in 2012/13 year, as compared to the two previous years. There has also been a slight increase in the number of poor households in the municipal area. This may be as a result of population growth as shown in the previous table above, and other possible economic factors.

Socio Economic Status



Natural Resources

Major Natural Resource	Relevance to Community
Vaal River System	Water supply, Tourism opportunities and job creation
Land for Agriculture	Food security and Job creation
Land for Urban Development	Urban development and Human settlement

The District has 2 major resources: Vaal River and Land for agriculture. This has proved to be benefitting to growth and development of the region. SDM enjoys tourists from local and abroad, thus direct impact on revenue stream for local businesses.

1.3

SERVICE DELIVERY OVERVIEW

The Sedibeng District Municipality offers various services to its communities. These include, but not limited to local economic development, tourism, fresh produce market, town halls, motor vehicle licensing & registration, theatres, aerodromes, municipal health services, heritage centres, atmospheric emission licensing, disaster relief, social development programmes.

We draw attention to the fact that at 30 June, 2013, the municipality had accumulated surplus of R138 112 674 and that the municipality's total assets exceeded its liabilities by R138 112 674.

Council assets have shown a diminishing decrease over the last four financial periods. Over the last two financial periods it has declined in total assets resulting in an average decrease of 122% in current assets mainly as a result of projects performed on behalf of the Local Municipalities which has been transferred. Council liabilities have shown an average decrease of 14% over the last four financial periods. This is primarily due to Council's increase in operations as there have been no long-term liabilities for the past four financial years. Council net assets have shown a steady decline of an average of 26% over the last four financial periods. This is mainly due to the decrease in Council assets on the transfer of capital project construction assets of over R85million (in 2010) to the local municipalities. This transfer impacts directly on the calculation of the operating deficit which in turn adversely affects the accumulated surplus.

Council has declared an operating deficit for the previous financial years. This deficit is directly in relation to the transfer of completed capital projects to the local municipalities paid as grants & subsidies as well as an increase on depreciation cost due to the implementation of the CCTV project in conjunction with the Optic Fibre project currently still in progress. Pursuant to these cost containment measures, Council managed to successfully restrain general expenses.

Financial Overview: Year 0

Details	Original Budget	Adjustment Budget	Actual Budget
Income:			
Grants	295 357	273 313	260 115
Taxes, Levies and Tarriffs	8 515	7 495	7 927
Other	75 404	75 629	73 796
Sub Total	379 276	356 437	341 839
Less: Expenditure	367 499	356 288	355 064
Nett Total*	11 777	149	(13 225)

Source: SDM Audited Annual Financial Statements 2012/2013

*Note: surplus/(defecit)

Operating Ratios

Details	%
Employee Cost	57
Repairs and Maintenance	1
Finance Charges and Impairment	7

Source: SDM Audited Annual Financial Statements 2012/2013

While the Sedibeng District Municipality remains viable, the tight financial position of the Municipality cannot be underestimated. The gap between the increase in equitable share and the actual increase in the cost of operating the Municipality (2.4% versus an actual cost of 8%) is annually reducing the capacity of the municipality at an average rate of 5% of its total budget. In real terms, we have approximately R20m less to spend every year for the same operations. Over the last few years the capital budget has been squeezed out to a negligible amount. Now operations are being squeezed with maintenance taking the biggest hit. Without a Cost Reduction Strategy and the Cost Containment Programme in place, the Municipality will be rendered unsustainable.

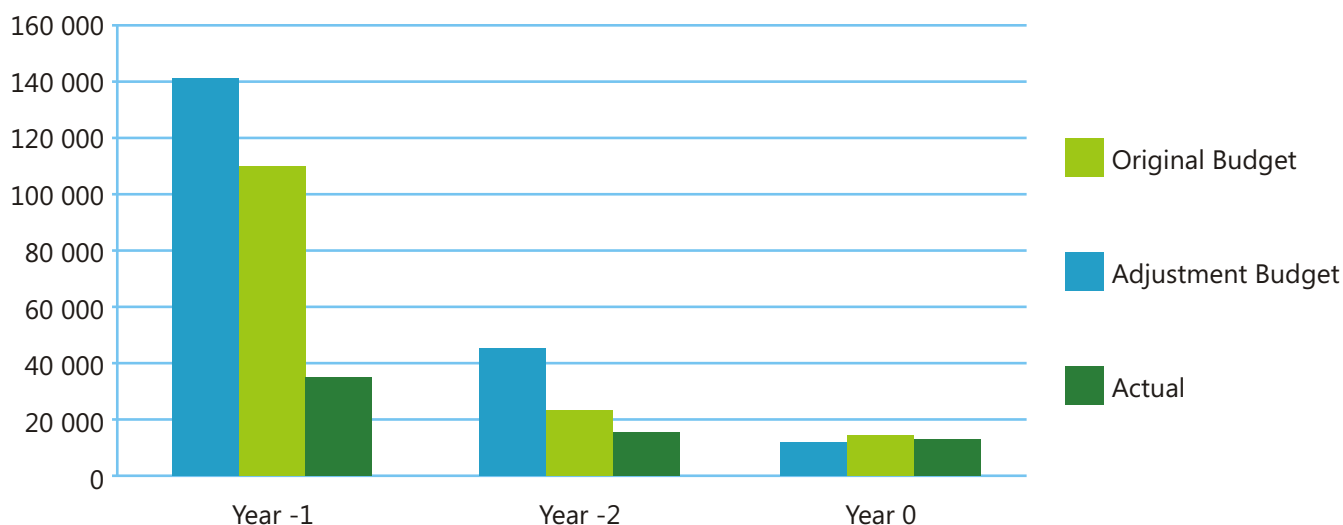
The concerns raised by the Auditor-General over the 'going concern' are valid concerns that must be addressed. Stringent restrictions in non-essential expenditure must be maintained. Expenditure on travel, conferences etc. should

also be approved on a prioritised and selective basis. The salary budget remains excessive in relation to the services and functions of the municipality. Local municipalities should consider drawing staff from the District to fill vacancies as this will benefit both municipalities. The municipality can also do much better in increasing revenue at the Fresh Produce Market, aerodromes, theatres, halls, licensing centres (only a portion of which is retained by the District) etc.

Total Capital Expenditure” Year -2 to Year 0

Details	Original Budget	Adjustment Budget	Actual Budget
Original Budget	141 396	45 070	11 670
Adjustment Budget	109 563	23 750	14 092
Actual	35 519	15 643	13 275

Source: SDM Audited Annual Financial Statements 2012/2013



Source: SDM Audited Annual Financial Statements 2012/2013

1.5

ORGANISATIONAL DEVELOPMENT OVERVIEW

The Sedibeng District Municipality has a functional Human Resources Directorate, responsible for human capital data and staff development issues. In October 2012, Council took a resolution on organisational restructuring, thus finalising a process of reviewed organogram. SDM benefitted from the alignment of positions and functions, thus eliminating overlapping duties. The municipality conducted review of policies and developed processes and procedures to enhance council management and good governance. It should be noted that SDM established a Committee on Employment Equity, and monitors its targets. Employee training and development is undertaken throughout the year.

1.6

AUDITOR GENERAL REPORT

We are proud to have received an unqualified opinion from the Auditor General in the year under review which is 'clean' of matters of emphasis. In the past five years we have been receiving unqualified opinion with matters of emphasis, and we have always strived to address all such matters towards an opinion that is 'clean'. We micro manage our processes, especially financial procedures, used internal auditors more frequently on areas of concern, and maintained legislative compliance. The implementation of an electronic Performance Management System and close monitoring of projects and programmes also played a major role towards achievement of this deserved opinion. The full Auditor-General's report is contained under chapter 6 of this annual report.

No.	Activity	Time frame
1	Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period	July
2	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	
3	Finalise the 4th quarter Report for previous financial year	
4	Submit draft year 0 Annual Report to Internal Audit and Auditor-General	
5	Municipal entities submit draft annual reports to MM	
6	Audit/Performance committee considers draft Annual Report of municipality and entities (where relevant)	August
7	Mayor tables the unaudited Annual Report	
8	Municipality submits draft Annual Report including consolidated annual financial statements and performance report to Auditor General	
9	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase	
10	Auditor General audits Annual Report including consolidated Annual Financial Statements and Performance data	September - October
11	Municipalities receive and start to address the Auditor General's comments	November
12	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor- General's Report	
13	Audited Annual Report is made public and representation is invited	
14	Oversight Committee assesses Annual Report	
15	Council adopts Oversight report	December
16	Oversight report is made public	
17	Oversight report is submitted to relevant provincial councils	
18	Commencement of draft Budget/ IDP finalisation for next financial year. Annual Report and Oversight Reports to be used as input	January

The Sedibeng District Municipality implemented an electronic Performance Management System (ePMS) in order to align its planning, budgeting, contracting, implementing, reporting, monitoring and evaluation. The Integrated Development Plan (IDP) and the Service Delivery and Budget Implementation Plan (SDBIP) are integrated onto the system, and their timelines determined as per legislative requirements. All quarterly progress reports, and the evidence thereof, were uploaded onto the system by responsible managers, quality assured by the Performance Unit, and submitted to various stakeholders, both internal and external.

Draft Annual Performance Report and consolidated annual financial statements were submitted to Auditor General. All municipal Clusters were involved in the process of updating and correcting information in the draft report. The Auditor General provided our municipality with final audit report on the 30th of November, and that was tabled before Audit Committee, and finally to Council.

A public notice was made to inform our communities of Council outcomes, and requested them to make inputs on the published Annual Report, distributed to all government offices in the region. Municipal Public Accounts Committee also received the report to provide oversight. The final Annual Report and Oversight report were finally tabled before Council, and shared with the public and other stakeholders as per legislative requirement. MPAC took time to finalise their oversight, due to issues of inadequate reporting and quality assurance of the report itself.

Chapter

2

INTRODUCTION TO GOVERNANCE

The relationship of all structures of government is regulated by the Constitution of the Republic of South Africa and relevant legislation governing local government, namely:

- The Constitution of the Republic, 118 of 1995
- White Paper on Local Government
- The Local Government: Municipal Structures Act, 117 of 1998.
- The Local Government: Municipal Systems Act, 32 of 2000.
- The Local Government: Municipal Finance Management Act, 56 of 2003.
- The Local Government: Municipal Electoral Act, 27 of 2000.
- The Local Government: Municipal Demarcation Act, 27 of 1998.
- The Local Government: Municipal Property Rates Act, 6 of 2004.
- The Local Government: Municipal Finance Management Act, 56 of 2003
- All Regulations and Frameworks on Local Government.

The Sedibeng District Municipality as a statutory body is a creature of the above mentioned legislation. It comprises of Political and Administration arms. The political arm is made up of politicians whilst the administrative one is of officials. The administration accounts to the political segment of the municipality. For purpose of improved efficiency and effectiveness, various committees and sub-committees have been established within the prescribed parameters of the legislation above.

POLITICAL AND ADMINISTRATIVE GOVERNANCE

The Political segment of the municipality comprises of a Council (made up of 48 Councillors) and a Mayoral Committee (made up of 8 Councillors). The Chairperson of the Council is the Speaker whilst that of the Mayoral Committee is the Executive Mayor. The responsibility for the management of code of conduct of Councillors rests with the Speaker. The Speaker exercises Oversight. This ensures harmonious relationships within Council.

All Councillors as politicians provide a bridge through which needs of communities and various stakeholders are channeled into the Council for consideration. The Executive Mayor takes full responsibilities for the execution of all policies and resolutions of the Council.

On the other hand the Administration is headed by the Municipal Manager who is supported by the Chief Operations Officer, Chief Financial Officer and Executive Directors. All other officials report to the afore mentioned top management. The Administration is tasked with the responsibility to render services to communities.

In order to ensure accountability the SDM has established structures that exercise oversight over Council and its Committees, as well as Administration. These structures are:

- Municipal Public Accounts Committee
- Audit/Performance and Risk Committee
- Elections Committee
- Ethics Committee
- Rules Committee
- Gender Committee
- Petitions Management Committee
- Section 80 (MSA 32 of 2000) Committees

INTRODUCTION TO POLITICAL GOVERNANCE

The Sedibeng District Municipality as a statutory body is a creature of the above mentioned legislation. It comprises of Political and Administration arms.

POLITICAL STRUCTURE:

EXECUTIVE MAYOR

Councillor Mahole Simon Mofokeng

SPEAKER

Councillor Busisiwe Joyce Modisakeng

CHIEF WHIP

Councillor Masebata Christina Sale

MAYORAL COMMITTEE

Councillor S. Maphalla

Councillor S.A. Mushudulu

Councillor B. Mncube

Councillor P.B. Tsotetsi

Councillor M. M. Gomba (as from January 2013)

Councillor Y. Mahomed

Councillor M.E. Tsokolibane

Councillor Z. Raikane

Councillor F. Mnguni (resigned December 2012)

COUNCILLORS

The Sedibeng District Municipality (SDM) consists of directly elected proportional representatives as well as seconded Councillors from local municipalities constituting members of the district municipality. In this current term SDM consists of 48 councillors elected as follows:

- 19 Proportional Representatives (PR Councillors) and
- 29 Seconded (23 Emfuleni LM, 3 Midvaal LM and 3 Lesedi LM).

Political Parties Representation is as follows:

- 14 Democratic Alliance;
- 2 Pan Africanist Congress of Azania; and
- 32 African National Congress

Refer to **Appendix A** where a full list of Councillors can be found (including committee allocations and attendance at council meetings).

POLITICAL DECISION-TAKING

The Administration develops report based on requests from Councillors, communities, individuals, and various stakeholders. These reports are then submitted firstly to various committees of council such as the committees established under Section 80 of the Local Government: Municipal Structures Act, 1998 (as amended). These Committees after extensive consideration of the reports recommended to the Mayoral Committee and referred to Council for final decision (resolution).

It sometimes happens that Councillors submit motions for consideration by full Council.

INTRODUCTION TO ADMINISTRATIVE GOVERNANCE

The Administration is headed by the Municipal Manager, and all operations are run by the Chief Operations Officer, Chief Financial Officer and Executive Directors. Various Directorates are headed by Directors, who report directly to Executive Directors, and supported by Managers, Assistant Managers in the delivery of various services to SDM communities.

The administrative decisions within the Council are taken at different levels depending on their nature and the extent of delegation to the official taking such decisions. The Municipal Manager holds weekly meetings with the top management referred to above. It is at these meetings that decisions relating to operations within Council are taken. Authority to decide on matters is contained in a set of delegations that have been approved by council. Any deviation from the set rules and delegations is considered as misconduct and punishable in terms of the disciplinary procedures as adopted by council.

TOP ADMINISTRATIVE STRUCTURE:

MUNICIPAL MANAGER

Mr Y. Chamda

CHIEF OPERATIONS OFFICER

Mr T.L. Mkaza

CHIEF FINANCIAL OFFICER

Mr B.J.Scholtz

EXECUTIVE DIRECTOR: CORPORATE SERVICES

Mrs M.R.Phiri-Khaole

EXECUTIVE DIRECTOR: COMMUNITY SERVICES

Mrs M.M.Mazibuko

EXECUTIVE DIRECTOR: STRATEGIC PLANNING AND ECONOMIC DEVELOPMENT

Ms M.E.Mahlulo

EXECUTIVE DIRECTOR: TRANSPORT, INFRASTRUCTURE AND ENVIRONMENT

Mr M.S.Manele

INTRODUCTION TO CO-OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS

The Sedibeng District Municipality established functional structures to undertake its objectives on Inter-Governmental Relations.

The IGR Unit interacted closely with the Provincial government on support and coordination. The Sedibeng District undertook both National and International IGR visits to benchmark and share information with other Governments.

NATIONAL INTERGOVERNMENTAL STRUCTURES

The Sedibeng District Municipality actively participates in various key forums at a national level. The key ones are the South African Local Government Association (SALGA) and the National Anti-Fraud & Corruption IGR Forum. In SALGA, the Directorate of Community Safety represents SDM at the Civilian Secretariat for Police Working Group and Plenary Forums. These platforms are responsible for policy development and reviews related to the Community Policing Forums, Community Safety Forums, Green Paper on Policing, Rural Safety, etc.

Participation at this level enables the Municipality to expand and further build its strategic networks, which further impact positively in terms of acquisition of best models for the benefit communities within Sedibeng. Such learning attained from such forums assist the municipality during its review of its policies and procedures undertaken mainly on annual basis.

PROVINCIAL INTERGOVERNMENTAL STRUCTURE

SDM also participates in various structures at Provincial level, namely the Gauteng Intergovernmental Safety Coordinating Committee, MEC/Mayoral Committee Forum, Gauteng Speakers' Forum, Premier's Coordinating Forum, and SALGA Working Groups & Functional Areas. SDM is fully represented by the relevant Clusters and members of the Political Management Team. Their participation and continuous feedback keep the municipality informed of current issues related to amendments in legislation and new developments in municipal management and strategies.

RELATIONSHIPS WITH MUNICIPAL ENTITIES

NB! The Sedibeng District Municipality has no entities.

DISTRICT INTERGOVERNMENTAL STRUCTURES

SDM, in consultation with all local municipalities in its municipal area, has set up relevant IGR forums to advance cooperation and consultation towards coordinated development and advancement of the region. These structures met on monthly, quarterly and or bi-annual basis. SDM and the three local municipalities, namely Emfuleni, Lesedi and Midvaal Local Municipality, are fully represented in these Forums. Some of the Forums are aligned to both National and Provincial Structures for direct implementation of plans as designed at higher levels. SDM has set up these Forums and Committees to advice on and direct operationalization of policies, systems, projects and programmes as discussed. These advocate synergy in the region, thus curb duplications and possible waste of time and public resources.

OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION

The Sedibeng District Municipality rolled out various public engagements such as programmes, projects and activities in the form of Summits and Stakeholder Participation to ensure public accountability and participation in governance.

2.4**PUBLIC MEETINGS**

The Sedibeng District Municipality held public engagement processes, including meetings, events and consultations. These encompassed one on one stakeholder consultations and various community outreach programmes.

Public participation sessions are listed hereunder:

- IDP consultation held in September to October 2012
- IDP public comments notices to public libraries and local Municipalities done in November 2012
- Municipal Demarcation Board (M D B) public participation process conducted in November/ December 2012
- During February – March 2013 ,IDP Analysis process were held
- State of the District Address held in May 2013
- Arcellor Mittal /Sedibeng District Stakeholders engagement April –May 2013
- The Office of the Speaker provides capacity building support to Ward Committees in the District.

WARD COMMITTEES

The Sedibeng District Municipality has no Ward Committees. However, through the Office of Speaker and in collaboration with local municipalities, it provides oversight, capacity building and support to all Ward Committees.

COMMENT ON THE EFFECTIVENESS OF THE PUBLIC MEETINGS HELD:

All public participation and commemorative events are publicized in various media to maximise attendance, thus used as means of educating and informing stakeholders about their rights, roles and significance of all municipal service delivery programmes and events. The External Communications Directorate has also employed various participatory initiatives as part of deepening democracy.

IDP Participation and Alignment Criteria*	Yes / No
Does the municipality have impact, outcome, input, output indicators?	Yes
Does the IDP have priorities, objectives, KPIs, development strategies?	Yes
Does the IDP have multi-year targets?	Yes
Are the above aligned and can they calculate into a score?	Yes
Does the budget align directly to the KPIs in the strategic plan?	Yes
Do the IDP KPIs align to the Section 57 Managers	Yes
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	Yes
Do the IDP KPIs align with the provincial KPIs on the 12 Outcomes	Yes
Were the indicators communicated to the public?	Yes
Were the four quarter aligned reports submitted within stipulated time frames?	No

* Section 26 Municipal Systems Act 2000

The Sedibeng District Municipalities and its Local Municipalities prepared an Integrated Process Plan within the adopted IDP Framework. The Process Plan outlined all events and activities involved leading to the drafting and completion of the annual IDP Review processes.

The IDP, Performance Management Systems (PMS) and Budget are all components of one overall development planning and management system of SDM.

Since the integrated development planning is an inter-governmental system of planning which requires involvement of all three spheres of government, the Sedibeng District engaged all government departments and other stakeholders like Stats SA and Provincial Treasury (State of Economic Review and Outlook -SERO) to put together its final IDP document.

Component D

CORPORATE POLICY OFFICES AND OTHER SERVICES

The Sedibeng District Municipality established governance systems as prescribed by relevant legislation. The Local: Municipal Finance Management Act, 56 of 2003, highlights that:

"The accounting officer...has and maintains:

1. Effective, efficient and transparent systems of financial and risk management and internal control
2. A system of internal audit under the control and direction of an audit committee..."

The District has a functional IGR Committees, interacting with all stakeholders at local, provincial and national levels. The Audit Committee is effective, thus provide oversight on all issues within its mandate. SDM outsourced its Internal Audit function to Grant Thornton, which implement its total audit operations interfaced with SDM's Internal Audit personnel. Fraud and Corruption issues detected and reported were prevented and managed accordingly. MPAC exercised oversight and provided Council with assurance on the acceptance of the prior year's annual report. It is compulsory that a Local Labour Forum must be established at each municipality (if not established then it is non-compliance with collective agreement and this could lead to compliance order by South African Local Government Bargaining Council (SALGBC) and a possible fine).

Matters currently discussed at Local Labour Forums includes, but not limited to Job evaluation, Employment Equity, Training and development of staff, Skills Development, filling of vacancies, Occupational Health & Safety, Employee benefits, Policies – formulation, interpretation and enforcement, Conditions of service and Collective agreements - interpretation, enforcements and exemptions. This continuous consultation enriches management processes and systems in order to minimise workplace conflicts between the employer and employees.

The Local Labour Forum (LLF) was established to foster harmonious working relationship between the employer and employees.

2.6

RISK MANAGEMENT

In accordance with Municipal Finance Management Act section 62 (i) (c), The Accounting Officer of SDM has facilitated a process to determine both strategic and operational risks, set up risk management processes in Clusters through resources and personnel. The Audit Committee Charter was revised to include Risk and Performance Management, established respective sub-committees constituting senior managers and led by an experienced member of the Committee.

The Gauteng Provincial Treasury conducted a Risk Assessment workshop for SDM, on 15 and 29 October 2012. This was in line with the Enterprise Risk Management (ERM) Coverage Plan. This process resulted in the total identification of top 10 Risks, of which 5 are listed herein under. These Risks are classified in various categories, namely Financial Management, Service Delivery, Reputation and Human Resources.

Top 5 Risks in SDM

- Uncertain financial sustainability of the District
- Lack of integration between local and district municipalities
- Damage to municipal property and possible loss of life
- Poor image of the municipality
- Inadequate capacity to implement programmes

The SDM has developed a risk management mitigating plan in order to manage the aforementioned risks. This process was undertaken in collaboration with the Provincial Department of Finance.

The Sedibeng District Municipality upholds the following principles in its commitment to excellent corporate governance: Discipline, Transparency, Accountability, Responsibility, Fairness and Social responsibility.

2.7

ANTI-CORRUPTION AND FRAUD

SDM has established and closely monitored its Fraud Register. The Human Resources Department is capacitated to handle disciplinary cases related to any form of discipline. The Chief Operations Officer handles all serious cases of fraud, corruption and forensic investigations. The Supply Chain Policy was revised and updated accordingly to clarify roles and responsibilities of all Council officials and politicians, as well as procurement processes and procedures. Internal Audit Plans were planned and finalized to always include high risk areas like licensing, airport, fresh produce market, finance and supply chain management.

2.8

SUPPLY CHAIN MANAGEMENT

Adoption and amendment of Supply Chain Management Policy

The Local Government: Municipal Finance Management Act (Act 56 of 2003) requires the municipality to have and implement a Supply Chain Management Policy (SCM Policy) which gives effect to the provisions of Part 1 of Chapter 11 of the Act that deals with 'Supply Chain Management'. In addition, the Preferential Procurement Policy Framework Act (Act 5 of 2000) requires an organ of state to determine its Preferential Procurement Policy and to implement it within the framework prescribed.

The Council has developed its policy in line with the Municipal Supply Chain Management Regulations and MFMA circulars issued by National Treasury. The policy was presented to Council and adopted on the 30th January 2012 and effective date was the 31st January 2012. The policy has since been reviewed and

amended; the newly revised policy will be tabled before Council meeting in August 2013.

Establishment of the Supply Chain Management Unit

The Supply Chain Management Unit resides within the Finance Cluster (Budget and Treasury Office).

Establishment of bid committees

The following committees were established and are fully functional:

- Bid Specification Committee;
- Bid Evaluation Committee; and
- Bid Adjudication Committee.

All declarations of interest and clearance in terms of confidentiality are done at the commencement of each meeting. In addition to this, all the bid committee members have signed the supply chain management role players' code of conduct. There are currently no

challenges with the functioning of bid committees.

Implementation of Municipal Bidding Documents

All municipal bid documents (MBD's) are in place and forms part of each and every tender document including the formal written quotations.

Establishment of supplier database

The municipality has developed and established the supplier database. Adverts are placed annually in the newspapers circulating locally to invite potential suppliers to be registered on the supplier database. Service providers may however register at any time. The supplier database is used to request quotations for all purchases up to R30 000 (VAT inclusive) and for formal written quotations (R30 000 to R200 000).

Although all potential suppliers are invited to register on the supplier database, it is always difficult to get the companies owned by people with disabilities to register on the database. Thus SDM issued an advert inviting companies owned by people with disabilities to register on the supplier database for specific commodities.

Supply Chain Management Planning Annual Procurement Plan

The municipality has developed an annual procurement plan for 2012/2013 and 2013/2014 financial years. The plan has been approved by the Municipal Manager; all the procurement requirements are measured against the plan.

Oversight role of the council of the municipality

The Executive Mayor provided general political guidance over fiscal and financial affairs of the SDM. He also monitored and oversaw the exercising of responsibilities assigned to the Accounting Officer and the Chief Financial Officer. As SDM policy prescribes, Councillors are not permitted to serve as members in any bid committee or participate in the supply chain management processes.

Total	Historically	Women	People with	Local	Youth
Amount	Disadvantaged		Disability	Bidders	
awarded	Individuals				
R 54 805 025.10	R 32 119 679.24	R 12 674 880.67	R 50 000.00	R 21 249 409.62	R 4 386 132.25
%	58.61%	23.13%	0.09%	38.77%	8.00%

Training of Supply Chain Management Officials

National Treasury has issued Guidelines for Municipal Competency Levels for Heads of Supply Chain Management and Supply Chain Management; these guidelines have been issued in terms of Municipal Regulations on Minimum Competency Levels.

The Director: Supply Chain Management, Assistant Manager: Demand and Acquisition Management and Supply Chain Management Specialist: Logistics Management comply with these minimum competency levels. All other five officials will be enrolled with the South African Institute of Chartered Accountants for this programme.

Past audit queries and remedial actions taken

**Three quotations not being obtained.*

SCM unit uses an automated system to request quotations from 9 suppliers at the time, on rotational basis. An attempt is made at all times to obtain 3 quotations, in the case where three quotations cannot be obtained, reasons are recorded and reported to the Chief Financial Officer.

**Non-disclosure of deviations from supply chain management procedures*

A deviation template to record all deviations has been developed. All deviations are reported to council on monthly basis and annual deviations are disclosed as a note on the annual financial statements.

**Non-declaration of business, commercial and other financial interests by councillors and officials*

Declarations of interests have been recorded for both employees and councillors.

ENVIRONMENT & CLEAN ENERGY

Municipal Health Services (MHS) and the Air Quality Management (AQM) - management of Atmospheric Emission Licences, are district functions.

The SDM has started with the development of the MHS and AQM By-laws which are now in their 3rd draft.

Representatives from the Local Municipalities, GDARD and DEA participated actively in the development process. The process towards the finalisation of the draft by laws on MHS was temporarily stalled due to the repeal of the Health Act, Act 63 of 1977 and Regulations promulgated under the Act which created a void in the legislative framework on Environmental Health. The matter has been addressed by the National Department of Health who in turn promulgated new regulations governing general hygiene requirements for food premises and the transport of food, regulations relating to hygiene requirements for milking sheds, the transport of milk and related matters and the management of human remains.

The draft By-laws on MHS will be presented to SDM Council in January 2014 in order to get approval and to start with the public consultation process. The process will allow all stakeholders to comment on the draft and such inputs will be used to review and finalise affected by-laws towards adoption and promulgation.

Documents published on the Municipality's website	Yes / No	Publishing Date
Current annual and adjustments budgets and all budget-related documents	Yes	June 2013
All current budget-related policies	Yes	June 2013
The previous annual report (Year -1)	Yes	June 2013
The annual report (Year 0) published/to be published	Yes	June 2013
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (Year 0) and resulting scorecards	Yes	June 2013
All service delivery agreements (Year 0)	Yes	June 2013
All long-term borrowing contracts (Year 0)	None	
All supply chain management contracts above a prescribed value (give value) for Year 0	Yes	June 2013
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during Year 1	None	
Contracts agreed in Year 0 to which subsection (1) of section 33 apply, subject to subsection (3) of that section	Yes	Ongoing
Public-private partnership agreements referred to in section 120 made in Year 0	None	
All quarterly reports tabled in the council in terms of section 52 (d) during Year 0	Yes	June 2013

Note: MFMA s75 sets out the information that a municipality must include in its website as detailed above.

Municipalities are, of course encouraged to use their websites more extensively than this to keep their community and stakeholders abreast of service delivery arrangements and municipal developments.

The SDM website performed much better in this financial year in as far as the MFMA requirements are concerned. Great strides were made in the collection of the material that needed to be uploaded to the website to comply with the MFMA requirements. At the end of the financial year the SDM website was more than 100% compliant. A new page on the website was designed under the "Key Documents" section which addressed the MFMA compliance issues directly which

inturn pointed to all the relevent content.

Public Libraries and Youth Centres around the Sedibeng District have been equipped with computers that have internet connections which allow people access to the SDM Website.

2.11

PUBLIC SATISFACTION ON MUNICIPAL SERVICES

The Sedibeng District Municipality did not undertake any form of survey to measure public satisfaction levels against its services and operations. However, public participation sessions held with general public and stakeholders yield an impression of acceptable public satisfaction. The Gauteng City Region Observatory (GCRO), undertook a study on the Quality of life in the Province, thus far remains the current outlook and positive public satisfaction.

Chapter

3

INTRODUCTION

This chapter provides information on the services that have been rendered by the Sedibeng District Municipality during the year under review. As reflected under the overview of the Municipal Manager the district plays a co-ordinating and facilitatory role in its area of jurisdiction. In some of the functions though they are not its direct responsibility, the District facilitated processes that ensured that the Local Municipalities deliver those services efficiently and effectively. For instance the District Municipality facilitated the processes around the implementation of the Sedibeng Regional Sewer Scheme. It co-ordinated the processes as these involved two local municipalities being Emfuleni and Midvaal. In the ensuing paragraphs more details will be provided on these services."

Component A

BASIC SERVICES

3.1

WATER PROVISION

The function of water provision resides with the local municipalities in the Sedibeng region. The Sedibeng District Municipality can therefore not account on this item.

3.1

3.2

WASTE WATER (SANITATION) PROVISION

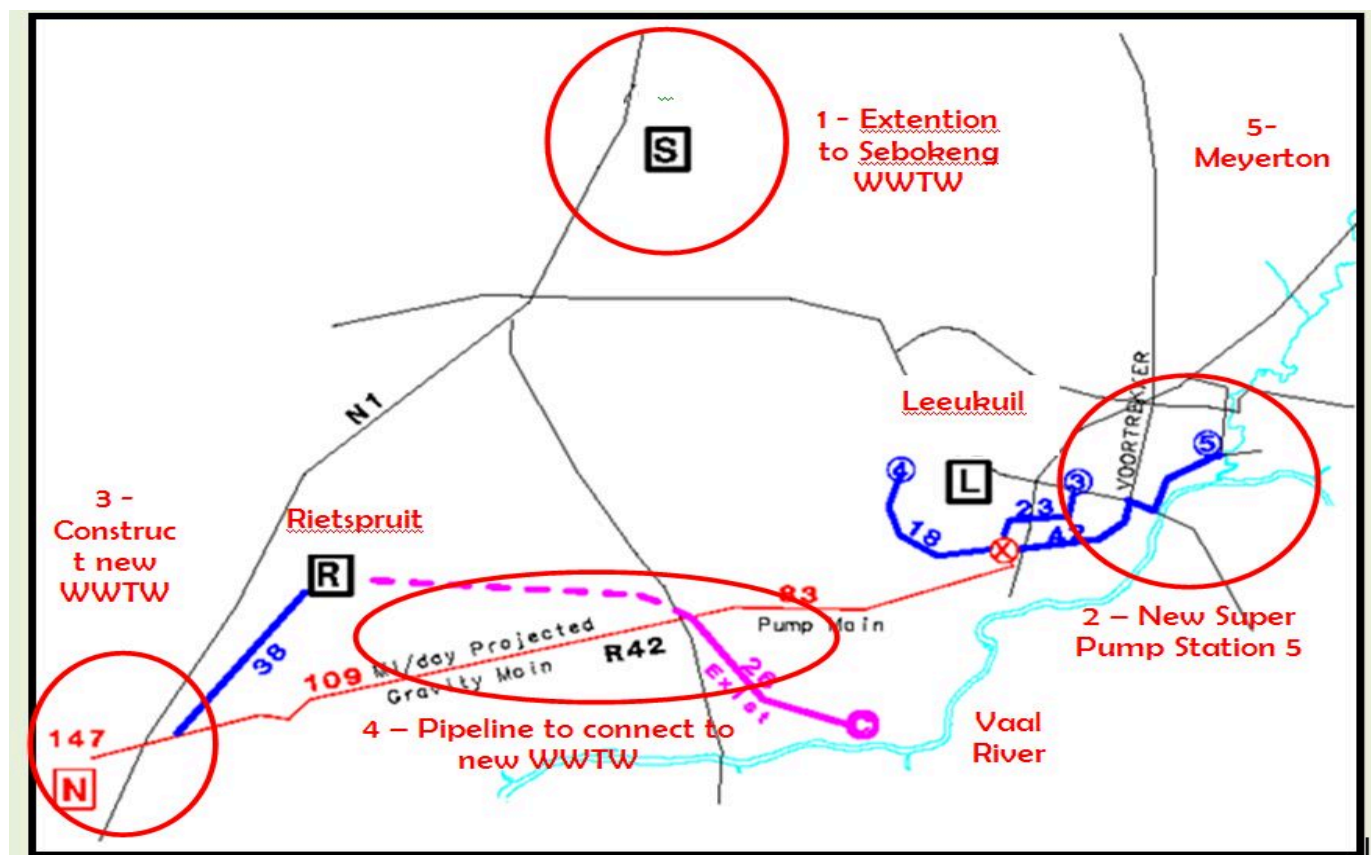
The Sedibeng region is faced with an issue of raw sewage and non-compliance effluent being discharged into the Vaal River. This is as a result of the sanitation infrastructure capacity within the Sedibeng region of Emfuleni Local Municipality (ELM) and Midvaal Local Municipality (MLM) being old and running beyond its design capacity. The issue of old infrastructure is resulting in high maintenance costs and frequent failures, for instance, Emfuleni has 43 pump stations some of which were built more than 50 years ago.

To compound the challenge, most of the existing Waste Water Treatment Works (WWTW) in the sanitation system are also running at full capacity (and above in some cases) and will not be able to handle the planned future developments. The table below demonstrates the capacity challenge faced by both the Emfuleni and Midvaal Municipalities.

Name of Treatment Works	Treatment Capacity	Municipality	Catchment Areas	Current treatment being handled
Sebokeng	100MI/day	Emfuleni	Evaton, Sebokeng, South of Johannesburg,	150MI/day
Rietspruit	25MI/day	Emfuleni	Vanderbijlpark,	28 MI/day
Leeukuil	35MI/day	Emfuleni	Vereeniging, Sharpville, Three Rivers	35MI/day
Meyerton	8MI/day	Midvaal	Meyerton, Henley on Klip	13MI/day

Sedibeng Regional Sanitation Scheme was initiated to deal with challenges faced by the Local Municipalities in the region. The Sedibeng DM plays a facilitation role as it is neither the Water Services Authority nor the Water Services Provider. The current stakeholders in the project are the theEmfuleni and Midvaal LMs, the National Department of Water Affairs, the National Treasury, the Gauteng Department of Local Government and Traditional Affairs, and the Sedibeng District Municipality

The high level description of the project will include the upgrading of Sebokeng and Meyerton Waste Water Works and the construction of the new Waste Water Treatment Works. The diagram below illustrates the project.



3.3

ELECTRICITY

The function of electricity resides with the local municipalities in the Sedibeng region. The Sedibeng District Municipality can therefore not account on this item, however we do provide coordination and support as and where required.

3.4

WASTE MANAGEMENT

The function of waste management resides with the local municipalities in the Sedibeng region. The Sedibeng District Municipality can therefore not account on this item.

3.5

HOUSING

The function of housing provision resides with the provincial government in the Sedibeng region. The Sedibeng District Municipality only provides coordination services, thus cannot account on this item as per subtopics below.

3.6

FREE BASIC SERVICES AND INDIGENT SUPPORT

These services reside with the local municipalities in the Sedibeng region.

3.7

ROADS

These services reside with the local municipalities in the Sedibeng region.

3.8

TRANSPORT

INTRODUCTION TO TRANSPORT

Although SDM is not a transport authority, through its coordination role the following were facilitated:

- The number of conflicts involving public transport operators and minibus taxi industry in particular decreased.
- The moratorium on new operating licenses as recommended by the ITP was successfully implemented.
- The assessment of meter taxi industry was completed.
- The terms of reference for development of the meter taxi strategy was completed.
- There are improved relations among the public transport operators, their associations and municipality due to regular meetings held.

MOTOR VEHICLE LICENSING AND REGISTRATION

The following activities were undertaken during the year under review:

- A number of employees committed serious forms of misconduct for which they were subjected to disciplinary action. This included fraud/corruption and those found guilty were dismissed.
- The SDM as a part of a turnaround strategy, installed and commissioned a number of drop-safes in each of the four license service centres (LSCs). The aim was to reduce identified risks of cash management and handling. A second initiative relating to the same strategy is the installation and commissioning of debit and credit card technology as a payment alternative. This initiative is also aimed at preventing customers from having to visit the licensing centres carrying large amounts of cash on their person.

- The License Department successfully achieved its annual income budget.
- The vehicle population in the area of jurisdiction showed a growth and it presently numbers 254 000 vehicle population in total in the Sedibeng region.

Employees: Transport Services

Job Level	Year -1	Year 0			
	Employees No.	Posts No.	Employees No.	Vacancies (Full-time equivalents)	Vacancies (as a % of total posts)
0-3	3	3	3	0	0%
4-6	1	1	1	0	0%
7-9	4	4	4	0	0%
10-12	1	1	1	0	0%
13-15	1	1	1	0	0%
16-18					
19-20					
Total	10	10	10	0	

Financial Performance Year 0: Transport Services

R '000

Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget (%)
Total Operational Revenue					
<i>Expenditure:</i>					
Employees	4 139	4 380	4 362	4 345	-1%
Repairs and Maintenance					
Other	205	165	675	680	76%
Total Operational Expenditure	4 343	4 545	5 037	5 025	10%
Net Operational Expenditure	4 343	4 545	5 037	5 025	10%

There were no transport capital projects in the 2012/13 financial year. However, the Sedibeng District municipality has contributed R500 000,00 towards the upgrading of the Vereeniging Station and Taxi Rank where these projects are respectively funded by PRASA for R50m and GDRT for R49.5. The contribution by the SDM has largely been utilised for public and stakeholder consultation during the planning and design of the projects. The tender for the upgrading of the Vereeniging Taxi rank has been advertised and contractor appointment is expected around September/October 2013.

3.9

WASTE WATER (STORMWATER DRAINAGE)

This service is provided by the local municipalities.

3.10

PLANNING

The district is responsible for spatial planning and promotion of local economic development. The challenges the Council envisaged during the year under review is that its Spatial Development Framework (SDF) was developed in 2009 and only reviewed annually. Thus outdated and not aligned to that of its local municipalities. The challenges in terms of LED were that the local municipalities do not have LED Strategies which makes it difficult for council to perform its coordination role, as it relates to the Regional Economic Development. The District priorities are to develop a District-wide Strategic Incentive Policy in order to stimulate economic growth and creation of job opportunities within the region.

Employees: Planning Services

Job Level	Year -1	Year 0			
	Employees No.	Posts No.	Employees No.	Vacancies (Full-time equivalents)	Vacancies (as a % of total posts)
0-3	1	1	1	0	0%
4-6	2	2	2	0	0%
7-9					
10-12					
13-15					
16-18					
19-20					
Total	3	3	3	0	

Financial Performance Year 0: Planning Services

R '000

Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget (%)
Total Operational Revenue					
<i>Expenditure:</i>					
Employees	475	529	524	530	0%
Repairs and Maintenance					
Other	15	75	136	137	45%
Total Operational Expenditure	490	604	660	667	9%
Net Operational Expenditure	490	604	660	667	9%

Capital Expenditure: Planning Services

Sedibeng District Municipality does not have any capital for planning services.

Sedibeng District Municipality has developed a twenty year plan contained in the Sedibeng Growth and Development Strategy which has been aligned to the five (5) year plan of Integrated Development Plan (IDP). In the first 5 years of our Growth and Development Strategy and IDP between 2007-12 financial years we have improved the investment climate to boost investor confidence into Sedibeng region.

This is manifested by growing retail, services, tourism, agriculture as well as the crowding in of investment along the development corridors and nodes such as R59, R42, N1 and R82. In the last three (3) years there has been opening of one of the biggest Makro store in the region valued at R20 million investment, expansion of Bedworthpark Centre to include Builders' Warehouse, new franchises to the value of R10 million, expansion of shopping centres in Sebokeng, Evaton to the value of about R120 million and Three Rivers, at River Walk to the value of about R40 million with a lot of job opportunities and SMMEs development in construction as well as services sector.

The communities within the Sedibeng region have enjoyed significant benefits emanating from the mega investments injected in the region. The R1 billion investment by BHP Billiton at SAMANCOR Metalloys Plant, the R3.7 billion towards the Regional Sanitation Scheme, and the expansion and unbundling of DCD Engineering to set up DCD Ring-rollers plant at the value of R380 million. Other strategic investment and growth are in the establishment and running of Heineken Plant in the region, Liquid Fuel Mass storage Hub with petroleum pipe from Durban, and the R400 million Coca Cola Plant to bottle Valpre water.

These projects continue to benefit peoples of the region with their more social responsibility projects and job creation, thus direct influence in business activities and economic growth.

Sedibeng District Municipality has facilitated a lot of these developments including coordinating and providing investment facilitation between some of the investors and local municipalities to ease the process of application and approval turnaround time through One Stop service.

The greatest measures were to set out a vision about the economic trajectory and the tractions of the Sedibeng Growth and Development Strategy which has improved the efficiency in processing and management of

development and investment application as opposed to investors 'knocking' many doors before approvals.

The other improvement is in the ability to re-position and diversify the regional economy to decrease reliance over the manufacturing to begin to grow in Tourism, Agriculture, Services, Retail and Wholesale which has grown to provide much needed jobs.

The poverty alleviation programme:

Sedibeng District Municipality has successfully rolled out the Community Works Programme and Expanded Public Works Programme (EPWP) to create short term relief and linking poor Wards in the region to income generating or job opportunities with skills development dimension.

In the region, there are 3000 people majority of them young people enlisted in the programmes and it is planned to grow it even further to accommodate more numbers in these programmes to create short term relief to indigent and the poor in various Wards.

The Sedibeng District Municipality in conjunction with Gauteng Provincial Department of Agriculture and Rural Development have donated 9 Tractors, 2 trailers and 38 farming Equipment to small scale farmers and emerging farmers to access mechanization to improve production methods, size of the land to be worked on and improved turnaround time in the production processes.

This effort builds on the already existing agricultural support programme established, called Maize Triangle, to provide support and build capacity amongst farmers, assist farmers to become self-sufficient and ensure food security and development of a successful Grain development programme in the region.

The equipment and tractors have been extended to support community gardens to ensure that with the availability of mechanization, more land is worked on and more beneficiaries' access food through the programme to fight poverty.

JOB OPPORTUNITIES:

The regional sanitation scheme (limited capacity of the sewer scheme) has been the main constraint to economic development in the Sedibeng region and this matter is now attended to and there will be realization of flagship projects that have been identified in the second generation Sedibeng Growth and Development Strategy.

In the longer term horizon, a River front master plan contains many projects of vital importance to economic growth and development, linked to cross border development along the Vaal River with northern Free State to come up with complementary development on both sides of the river.

Central to long term economic development of Sedibeng region is SMART City concept that will use technology and knowledge based economy to create long term sustainable development but the road map is anchored around a number of programmes.

The turnaround strategy for Vereeniging Fresh Produce Market to increase access of produce by local farmers big and small, which will benefit local small street traders and informal economy to exploit the whole value chain inclusive of beverages, meat and vegetables as well as fruits in one coordinated precinct.

The crowding in of Investment in the development nodes and corridors such as R59 with office park, industrial development, R82 as a high mobility and residential corridor, R42 for Vaal Freight and Logistics Hub and Heritage offering of Sharpeville.

There is an intention to develop a 'struggle route' Frikkie Meyer/ Moshoeshoe into Golden Highway as a heritage resource to grow township tourism, add R54 more as a water sport nodes linking Vaal River and Vaal Dam in Vaal Marina, and N1 as a primary link between Vaal area and the Northern Free State in Sasolburg (chemical industry) leveraging on the land availability along these strategic routes.

Job creation through EPWP* projects

Details	EPWP Projects	Jobs Created through EPWP projects
Year -2	0	0
Year -1	3	80
Year 0	3	121

* *Extended Public Works Programme*

SDM notes that it underperformed in this area, as the EPWP projects provides more opportunities than what was explored. The district municipality in direct liaison with all stakeholders, including its local municipalities, has set up plans to increase the number of EPWP beneficiaries significantly.

Employees: Local Economic Development Services

Job Level	Year -1	Year 0			
	Employees No.	Posts No.	Employees No.	Vacancies (Full-time equivalents)	Vacancies (as a % of total posts)
0-3	1	1	1		0%
4-6	2	2	2		0%
7-9	2	2	2		0%
10-12					
13-15					
16-18					
19-20					
Total	5	5	5	0	

Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget (%)
Total Operational Revenue	2		1	1	100%
<i>Expenditure:</i>					
Employees	2 359	2 481	2 016	2 140	-16%
Repairs and Maintenance					
Other	1 408	122	417	1 627	92%
Total Operational Expenditure	3 767	2 603	2 434	3 767	31%
Net Operational Expenditure	3 767	2 603	2 432	3 766	31%

Capital Expenditure: Local Economic Development Services

Sedibeng District Municipality does not have any capital for Local Economic Development services

The largest capital projects targeted in the region

The four (4) largest capital projects targeted in the region are the improved Connectivity as an Economic Infrastructure to reduce cost associated with doing business in the region through layout of broad band fibre optic and connected to CCTV to reduce incidences of business burglaries and contact crimes including surveillance of main roads in the region to make it safe to investors.

The other major project is the roll out of the next three phases of our Regional Sanitation Scheme to unlock development potential of the area and this project is driven by national department of Water Affairs and Rand Water and once it is complete, Sedibeng will be the next logical destination for every investment in Gauteng given ease with which transport infrastructure for movement of goods and people.

The third major project is to lift off the loads in the road into rail with the revitalization of rail infrastructure in support of the manufacturing, Retail and Wholesale, Agriculture as well as other services with the creation of or establishment of Vaal Freight and Logistic Hub to support movement of goods in the region and to the ports of entry.

The fourth (4) major project is work with PRASA on two dimensional programme which the first one is linked to positioning of steel base of the region in the refurbishment and building of new fleet renewal rolling stock programme given the availability of input resources for such a programme and on the other side, develop integrated Transport model build around Vereeniging Railways station, linking with taxi and bus rank, formalization of informal traders space/ stalls and longer term to build in the Sedibeng Rapid Bus Transport model as we move towards a Metropolitan Municipality.

The success of these projects are reliant on own budgets but there is sufficient mobilization and partnership of other spheres of Government, State Owned Enterprises, private sector and academia to each contribute and it is for this reason that, as part of the implementation of the flagship projects, is the creation of a single window of coordination and implementation.

3.12

LIBRARIES; ARCHIVES; MUSEUMS; GALLERIES;
COMMUNITY FACILITIES; OTHER

Gauteng Department of Sports, Arts, Culture and Recreation operates within a Constitutional Mandate, drawn from Schedules 4 and 5 of the Constitution of the Republic of South Africa, 1996, which describes areas of exclusive provincial legislative competence. Part A of the schedule lists the following as provincial competencies: Archives, other than National Archives, Libraries, other than National Libraries, Museums, other than National Museums, Provincial Cultural Matters, Provincial Recreation and amenities and Provincial Sports. Part B of the same schedule lists the competencies in which the Provincial Department has a role to support and monitor local government's amusement facilities, local amenities, sports facilities, municipal parks and recreational facilities.

Sedibeng District Municipality (SDM) therefore does not have a direct legislative competency to provide the respective functional areas mentioned above nor own such facilities in this regard. However, SDM has a rich and diverse cultural and political history emanating from its role throughout the different epochs of History in relation to obtaining holistic basic Human Rights and ultimately adding to the achievement of Democracy in South Africa, thus promoting and developing the heritage of this region including sustaining and preserving our Heritage remains a fundamental priority. In this context SDM is leasing the three Museums and two theatres from local municipalities within our area to ensure the promotion of our cultural heritage as well as preservation of heritage resources.

Libraries and information services are currently provided by Local Municipalities in accordance with the Grant funding received directly from Provincial Treasury for the 2012/13 financial year.

Employees: Libraries; Archives; Museums; Galleries; Community Facilities; Other

Job Level	Year -1	Year 0			
	Employees No.	Posts No.	Employees No.	Vacancies (Full-time equivalents)	Vacancies (as a % of total posts)
0-3	1		1		0%
4-6	8		7		0%
7-9	5		5		0%
10-12	9		9		0%
13-15	34		34		0%
16-18					
19-20					
Total	57	0	56	0	

Financial Performance Year 0: Libraries; Archives; Museums; Galleries; Community Facilities; Other

R '000

Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget (%)
Total Operational Revenue	125	104	205	189	45%
<i>Expenditure:</i>					
Employees	11 727	13 198	12 660	13 061	-1%
Repairs and Maintenance					
Other	1 466	1 684	3 243	3 186	47%
Total Operational Expenditure	13 193	14 882	15 904	16 247	8%
Net Operational Expenditure	13 068	14 778	15 699	16 699	8%

Financial Performance Year 0: Libraries; Archives; Museums; Galleries; Community Facilities; Other

Service Objectives	Service Indicators	Outline Service Targets	Year -1		Year 0		Year 1		Year 3			
			Target	Actual	Target	Actual	Target	Actual	Target	Actual		
			*Previous Year		*Previous Year		*Current Year		*Current Year		*Current Year	*Following Year
Promote and develop the Heritage of our Region		Host and Support Commemorative days as per Regional, Provincial and National	Four(4)	Four(4)	Four(4)	Five(5)	Four(4)	Four(4)	Four(4)	Four(4)	Four(4)	
			Implement GNC Program	National GNC Conference attended, Regional workshops held with Emfuleni, Midvaal and Lesedi local municipalities. List of corrupted names compiled.	GNC process facilitated successfully region wide. GNC Policy approved by Council. List of derogatory names verified.	GNC Policy approved by Council. Regional Workshops to verify name changes held.	Approve and implement GNC Policy	GNC Policy approved by Council. Regional Workshops to verify name changes held.	Implement GNC program as planned.	Implement GNC program as planned.		
			Identify, declare, manage and restore heritage sites depending on funding availability.	Applications to declare proposed heritage sites done.	Applications to declare proposed heritage sites done.	Heritage sites and Theatres managed by SDM in accordance with lease agreements.	Heritage sites, museums and Theatres managed by SDM.	Heritage sites and museums and Theatres managed by SDM in accordance with lease agreements.	Manage and restore Heritage sites pending budget availability.	Manage and restore Heritage sites pending budget availability.		
Co-ordinate regional sports development		Co-ordinate and support Arts and Culture programs	Arts and Culture programs supported accordingly.	Arts and Culture programs supported accordingly.	Arts and Culture programs supported accordingly.	Arts and Culture programs supported in accordance with SACR MOA.	Arts and Culture programs supported accordingly.	Arts and Culture programs supported in accordance with SACR MOA.	Arts and Culture programs supported in accordance with SACR MOA.	Arts and Culture programs supported in accordance with SACR MOA.	Arts and Culture programs supported in accordance with SACR MOA.	
			SDM applied and received R6.3 million from the National Lotteries Board for the development of Multi-purpose Facilities in Lesedi Local Municipality.	Contractor was appointed in November 2011 for an amount of R1 162 030.64 VAT exclusive for the Design, Specification, Documentation and Supervision for the Upgrading of Various sports fields in the Lesedi Local Municipality.	Tenders for construction of Jameson Park, Impumelelo and Vischkuil finalised and advertised.	Tenders for construction of Jameson Park, Impumelelo and Vischkuil finalised and advertised.	Tenders for construction of Jameson Park, Impumelelo and Vischkuil finalised and advertised.	Tenders for construction of Jameson Park, Impumelelo and Vischkuil finalised and advertised.	Tenders for construction of Jameson Park, Impumelelo and Vischkuil finalised and advertised.	Tenders for construction of Jameson Park, Impumelelo and Vischkuil finalised and advertised.	Tenders for construction of Jameson Park, Impumelelo and Vischkuil finalised and advertised.	Tenders for construction of Jameson Park, Impumelelo and Vischkuil finalised and advertised.

3.13

CEMETERIES AND CREMATORIUMS

This service is provided by the local municipalities.

3.14

CHILD CARE; AGED CARE; SOCIAL PROGRAMMES

Employees: Child Care; Aged Care; Social Programmes

Job Level	Year -1	Year 0			
	Employees No.	Posts No.	Employees No.	Vacancies (Full-time equivalents)	Vacancies (as a % of total posts)
0-3	1	1	1	0	0%
4-6	4	4	4	0	0%
7-9	16	12	12	5	42%
10-12					
13-15					
16-18					
19-20					
Total	21	17	17	5	

Financial Performance Year 0: Child Care; Aged Care; Social Programmes

R '000

Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget (%)
Total Operational Revenue	120	125	100	95	-32%
<i>Expenditure:</i>					
Employees	1255	244	250	248	2%
Repairs and Maintenance	25	244	250	248	2%
Other	45	244	250	248	2%
Total Operational Expenditure	195	732	750	744	2%
Net Operational Expenditure	75	607	650	649	6%

Financial Performance Year 0: Child Care; Aged Care; Social Programmes

Service Objectives	Service Indicators	Outline Service Targets	Year -1		Year 0		Year 1		Year 3	
			Target	Actual	Target	Actual	Target	Actual	Target	Actual
			*Previous Year		*Previous Year		*Current Year		*Current Year	
Facilitate Youth Economic Development programmes	4 Economic Development programmes for Youth were facilitated namely NARYSEC, Energy Cooperative, Learnerships Youth centre services	1000	1517	1000	2500	3200	3200	3200	3500	
Facilitate Gender Socio Economic Empowerment	4 Socio - Economic programmes were planned to support gender services capacity building for cooperatives, Genderbased Violence, Life skills programmes and calendar events	50	89	100	250	260	260	200	200	
Facilitate Socio - Economic empowerment programmes for People with Disabilities	Capacity building and life skills development for People with Disability and Calendar events	110	60	60	82	70	70	100	100	
Facilitate Socio - Economic empowerment programmes for Ex-combatants	Capacity building on entrepreneurship and skills development	30	54	30	30	30	30	35	35	
Child Care services	Capacity building for child care practitioners (Day care model)	0	0	0	0	0	0	8	8	

Capital Expenditure: Child Care; Aged Care; Social Programmes

Sedibeng District Municipality does not have any capital for Child Care; Aged Care; Social Programmes. SDM only plays a coordination role, these functions are handled by Local Municipalities in collaboration with Provincial government.

Pollution control is one of the priority programmes of the Department: Environment & Clean Energy. Pollution control is one of the 9 programmes situated within Municipal Health Services. The function is rendered by local municipalities on behalf of the Sedibeng DM through a Service Level Agreement. Pollution control and surveillance of premises is done on a routine basis and covers all aspects around illegal dumping, sanitation, noise pollution, industrial pollution, odours, dust, and water and air pollution. The repeal of the Health Act, Act 63 of 1977, in 2012 meant that additional workload has been placed on the SDM to manage all aspects of environmental health on state owned premises, i.e. schools, prisons, hospitals etc. The ever increasing demand for services is putting strain on the limited resources within the SDM.

Up until June 2012 (the year of review), a total number of 6 AELs (Atmospheric Emission Licences) have been issued to various industries in the Sedibeng region, and these AELs are in effect tools to manage emissions from industrial activities.

The SDM in collaboration with GDARD had to take strong action on several occasions during 2012/13 to prevent pollution of the environment caused as a result of illegal dumping of medical waste in Lesedi, dumping of industrial and hazardous chemicals in Midvaal, and a number of air pollution related incidences in Emfuleni.

Illegal dumping is currently the biggest single contributor regarding the deterioration of our surrounding environment which affects poor communities directly. This indicates that the waste management system in the Sedibeng region is inadequate and that limited law enforcement is done by local municipalities. Noise pollution related complaints are also on the increase followed by air pollution related issues.

All complaints received by the SDM Environment Department are treated as a priority and are attended to within 24 hours. Complainants are also duly informed on progress and outcome of investigations.

Air Quality Management

The National Environmental Management: Air Quality Act, Act 39 of 2004, has delegated the function of Air Quality Management to the Metropolitan and District Municipalities. As per this delegation the SDM is now responsible for the Atmospheric Emission Licensing function for all industries that are listed in terms of Section 21 of the Air Quality Act. Sedibeng DM has resumed the function and has issued 13 Atmospheric Emission Licenses in the 2012/13 financial year.

The issuance of licenses further requires the SDM to ensure compliance with the conditions of the licenses. Currently, through the support of GDARD, compliance monitoring division in the SDM is able to conduct compliance inspections to check compliance to the license conditions and 4 compliance notices have been issued to industries for such purposes.

The two air quality monitoring stations of the municipality are still not operational mainly due to vandalism that occurred in the stations and lack of funds for maintenance. There are plans to re-commission the station by installing new particulate matter and sulphur dioxide analysers in the two stations with the intention of installing other pollutant analysers over the next three years. It is envisaged that the two new analysers will be operational by June 2014.

The air quality within the Sedibeng DM continues to be a challenge as the particulate matter ambient air quality standard is continuously exceeded throughout the district. The exceedence of the ambient air quality standards signifies that the air quality in the region is in a poor state. The Minister for these reason declared the area a priority area and an Air Quality Management Plan was developed for the purposes of identifying interventions that can be implemented to improve the air quality in the region. SDM is participating in the implementation forums for the priority area. The SDM is expected to implement the air quality management plan.

Employees: Pollution Control

Job Level	Year -1	Year 0			
	Employees No.	Posts No.	Employees No.	Vacancies (Full-time equivalents)	Vacancies (as a % of total posts)
0-3	4	4	4	0	0%
4-6	2	2	2	0	0%
7-9	2	2	2	0	0%
10-12					
13-15					
16-18					
19-20					
Total	8	0	8	0	

Financial Performance Year 0: Pollution Control

R '000

Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget (%)
Total Operational Revenue	1		1	1	100%
<i>Expenditure:</i>					
Employees	3 734	3 847	4 233	4 340	11%
Repairs and Maintenance					
Other	15 928	12 638	13 924	13 942	9%
Total Operational Expenditure	19 662	16 485	18 156	18 283	10%
Net Operational Expenditure	19 661	16 485	18 155	18 282	10%

All pollution and illegal dumping complaints received by the SDM Environment Department are treated as a priority and are attended to within 24 hours. Complainants are also duly informed on progress and outcome of investigations.

3.16

BIO-DIVERSITY; LANDSCAPE AND OTHER

A. Removal of alien vegetation in the Lesedi Local Municipality

PR Tsapa Consulting was appointed by the Department of Environmental Affairs for the removal of alien invasive plants for two identified sites within the Lesedi LM in Sedaven and KwaZenzele. The implementation of the project was monitored through a Project Advisory Committee comprising of Sedibeng DM and Lesedi LM, as well as DEA. A total project funding was to the tune of R3m.

The project entails the following:

- Eradication of invasive plants.
- Treatment of the plants removed.

The project commenced in February 2012 and was completed in December 2012 instead of November 2012, due to

project savings. About 108 hectares of alien vegetation has been removed and treated, 100% of the total budget has been spent, and 64 beneficiaries were recruited.

B. Rehabilitation of the Pelindaba Cemetery

The Department of Environmental Affairs appointed Basadzi Pele Consulting for the rehabilitation of the Phelindaba Cemetery. The implementation of the project was monitored through a Project Advisory Committee comprising of Sedibeng District Municipality and Emfuleni Local Municipality as well as DEA. A total project funding was to the tune of R10m.

The project entails the following:

- Construction of a guard house,
- Paving of roads and parking areas,
- Planting of trees and flowers, and
- Art work through dump rock and shrubs.

The project commenced in February 2012 and was completed in February 2013. The projects deliverables were all completed. About 149 beneficiaries were recruited and 100% of the total budget has been spent.

Component E

HEALTH

3.17

CLINICS

HEALTH AND SOCIAL DEVELOPMENT DIRECTORATE

The purpose of the Directorate is to promote the health and social development of our communities focusing mainly on two strategic objectives; namely

- Support the development of the District Health System within the context of provincialization.

Currently primary health care clinic services are implemented and managed by the Local Municipalities and Province. The staff and the health facilities are a local municipality and provincial responsibility. The view is to have the services under a single authority guided by the Health Act No 61 of 2003. The district therefore coordinates activities and supports implementation of plans on health across the district. District Health Technical Committee involving provincial as well as local municipality managers has been established to facilitate consultative processes and joint planning. The District Health Council which is established in terms of the Health Act and chaired by the District Member of Mayoral Committee responsible for health plays an over side role to health matters across the district.

- Promote social development of our communities.

To perform this function, intergovernmental as well as community structures have been established to facilitate integrated planning and integration. In terms of implementation, the district's main focus is on special groups; namely Youth, People with Disabilities, Ex- combatants, Women and Gender. Policies have been developed to guide implementation of programmes relating to these groups. Community Forums relating to the respective groups as well as technical stakeholders committees have been established to ensure coordination and implementation of developmental programmes.

Financial Performance Year 0: Pollution Control

Details	Year -2	Year 1		Year 0
	Actual No.	Estimated No.	Actual No.	Estimated No.
Average number of Patient visits on an average day	N/A		N/A	
Total Medical Staff available on an average day	N/A		N/A	
Average Patient waiting time	N/A		N/A	
Number of HIV/AIDS tests undertaken in the year				
Number of tests in 4 above that proved positive				
Number of children that are immunised at under 1 year of age				
Child immunisation s above compared with the child population under 1 year of age	106.20%	10.00%	114.00%	100.00%

3.18 AMBULANCE SERVICES

This service is provided by the Provincial Government.

3.19 HEALTH INSPECTION; FOOD AND ABBATOIR LICENSING AND INSPECTION; ETC

Surveillance of premises and food hygiene are both priority programmes within the SDM Environment Department.

The top delivery priorities during 2012/13 were:

- Issuing of Certificates of Acceptability (CoA) to all food handling premises which are in compliance with minimum health requirements and standards as prescribed in legislation
- Improve the hygiene quality of milk and milk products produced within the Sedibeng region.
- Development of a data base on all medical waste generators and state owned premises within the Sedibeng region.

Sixty percent (60%) of all formal food premises within the Sedibeng region comply with minimum health/hygiene standards and have been issued with a Certificate of Acceptability. No cases of food poisoning were reported in the Sedibeng region during 2012/13.

The improvement in the quality of milk remains unsatisfactory despite the effort put in by the Municipal Health Services in the SDM. The Cluster intends to intensify the programme during the 2013/14 year.

An updated database on all medical waste generators within the Sedibeng region has been compiled. All such

generators are now monitored on a routine basis.

All abattoirs within the Sedibeng region are monitored continuously in collaboration with GDARD who has the mandate to register such facilities.

All environmental health inspections are recorded and reported on a monthly basis to the Sedibeng DM in terms of the reporting regime as contained in the service level agreement on Municipal Health Service. The IGR: MHS is the vehicle and platform through which service delivery is gauged and remedial action taken where there is under performance.

The 2013/14 financial year will see a change in how environmental services are rendered as the approach and output of the Department will be outcome based in terms of the 9 programs namely

- Water quality Monitoring
- Food control
- Waste management
- Health surveillance of premises
- Surveillance and prevention of communicable diseases
- Vector control
- Environmental pollution control
- Chemical safety
- Disposal of the dead

INTRODUCTION TO SECURITY & SAFETY

Directorate of Community Safety is made up the following divisions:

- Social Crime Prevention Unit
- CCTV Surveillance Unit
- VIP Close Protection Services
- Security Events Planning Unit

Disaster Management is a separate and independent directorate from Community Safety, whilst Licensing Service Centres falls within the Directorate of Transport, Infrastructure Development.

The District does not have a competency for policing function, hence; Traffic Services including Fire and Rescue Services are located at the Local Municipalities, whilst Emergency Medical Services is at a Provincial level.

3.20

POLICE

This function is at a Local Municipality and Metro level in the form of traffic services and Metropolitan Police, respectively, whilst at National level this function is rendered by the South African Police Services.

As part of the IDP Strategy, the District Municipality support this policing function through active participation in joint special law enforcement operations where focus is on conducting awareness by issuing community safety awareness pamphlets and public engagements on safety and security aspects.

3.21

FIRE

The District Municipality is only responsible for specific section in the Local Government: Municipal Structure Act Section 84 (1)(j) which is:

Planning, co-ordination and regulation of fire services, Specialised fire fighting services such as mountain, veld and chemical fire services
Co-ordinating of the standardising of infrastructure, vehicles, equipment and procedures
Training of fire officials

Top 2 delivery priorities.

- **1.** Provision of specialized fire fighting services (MOA's with Local fire services regarding rendering of specialised fire fighting service).
- **2.** Training of fire officers

Claims received from the local municipalities regarding specialized fire-fighting services as per sec 84 (1j) have been received and processed. The total amount re-imbursed for the period is R113 000.00. The fire services MOA for specialized fire-fighting services with Emfuleni Local Municipality was signed for the duration starting 1st July 2013 to 30 June 2016. The fire services MOA for specialized fire-fighting services with Midvaal Local Municipality was signed for the duration starting 1st July 2012 to 30 June 2015.

Sedibeng is only responsible for Fire Services as explained in the Municipal Structures Act Section 84(1)

Employees: Fire Services

Job Level	Year -1	Year 0			
	Employees No.	Posts No.	Employees No.	Vacancies (Full-time equivalents)	Vacancies (as a % of total posts)
0-3	1		1		0%
4-6					
7-9					
10-12					
13-15					
16-18					
19-20					
Total	1	0	1	0	

Financial Performance Year 0: Fire Services

R '000

Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget (%)
Total Operational Revenue					
<i>Expenditure:</i>					
Fire Fighters					
Other employees	691	732	726	722	-1%
Repairs and Maintenance					
Other	244	462	138	118	-291%
Total Operational Expenditure	935	1 194	864	840	-42%
Net Operational Expenditure	935	1 194	864	840	-42%

Capital Expenditure: Fire Services

Sedibeng District Municipality does not have any capital for Local Economic Development services.

Summary

As indicated, the District Municipality is only responsible for the Section 84 (1)(j) in the Municipal structure Act and do not render Fire brigade operational duties. The Directorate also coordinated with the Local Fire & Rescue Services and revived the Emergency Services forum to assist the Local Fire services with planning & standardizing of the Fire brigade services.

3.22

OTHER (DISASTER MANAGEMENT, ANIMAL LICENCING AND CONTROL, CONTROL OF PUBLIC NUISANCES AND OTHER)

The Sedibeng Disaster Management Directorate is established within the Community Services cluster and is striving towards the elimination of all avoidable disasters in the Sedibeng District Municipality thereby supporting the social and economic development of our communities.

The key mission of the Directorate is to develop and implement a holistic and integrated disaster management planning and practice in a cost effective and participatory manner, thus ensuring the preparedness of our communities to prevent and respond to disasters.

Service Delivery priorities:

- Ensure the state of readiness and alertness aimed at combating potential disaster situations within the region through plans.
- Ensure effective service delivery of the Sedibeng Emergency Communication Centre.

The Emergency Communication Centre, a Unit under Disaster Management directorate, deals with call-taking and despatching of emergency response. It takes calls for, among others:

- Motor vehicle accident
- Shooting
- EMS need
- SAPS related incidents
- Other community emergencies like burst water pipes, electrical black-outs
- Disaster related incidents like storms, floods, tornados, blown roofs etc.

SERVICE STATISTICS FOR DISASTER MANAGEMENT, ANIMAL LICENCING AND CONTROL, CONTROL OF PUBLIC NUISANCES, ETC.

Disaster Management Plan has been reviewed for the financial year as per the legislative requirement. The key objective for the annual review of the plan is to ensure that processes that are to be taken to prevent, mitigate and prepare to manage disasters or disasters threatening to occur within the region are updated and applicable. The reviewed Disaster Management Plan forms an integral part of the IDP processes. The IDP cannot be complete without the attachment of the Disaster Management Plan.

A total of 23 incidents were recorded that needed Disaster Management intervention and responded to within the stipulated time frames of 20 minutes. The incidents were at the following areas:

Siceloext 4	Informal House in Old Sicelo	240 Verwoerd road
Sebokeng Zone 11	75/6 Small Farms	286 Vaal Marina
84 Grey Ave	3375 Zone 13 Sebokeng	62405 Zone 17 Sebokeng
Zone 20 Sebokeng	5044 Sharpeville	W 200 Pills farm
Plot 11 KudungSuikerbos	923/4 Sicelo	Ruste-Vaal Informal
Houses 682 Sonder Water	435 Ngobeni Road	Informal House Old Sicelo
Q 407-1 Ext 4 Sicelo	80 Rose Ave Rothdene	Informal Houses Khayelitsha
109 Geelbooi street	Sicelo	

During the term the directorate provided water to the following areas:

- Midvaal Chicken Farm, De Deur and Makokong, all in all a total of 106 500 litres water were provided to the above areas.
- 3 water tanks, with a capacity of 5500 litres each, were procured for water storage for ward 12(Makokong) and ward 11 (De Deur) in Midvaal.

The financial cost: R 32900.00

The total number of people who received assistance is 314.

The following relief items were provided for the year.

Tents	= 6
Blankets	= 136
Food parcels	= 23

The Emergency Communication Centre received a total of 29427 calls in the 2012-2013 financial year. 81% of all calls received were handled within the stipulated timeframe of 3 minutes. (The targeted % is 80%).

Several workshops were held with the Emergency Communication Centre personnel to, review and the enhancement of the Disaster Management Emergency Communication Centre Standard Operating Procedures and to improve the IGR with GPG Emergency Medical Services.

Ensure execution and implementation of public awareness programmes and identified calendar events

With Provincialisation of Emergency Medical Services (EMS), three officials were seconded to the Disaster Management Directorate and two of the officials consigned to form the PIER unit. There is also a team of officials from the Disaster Emergency Communication Centre who voluntarily, in their off-days, to assist in the running of the awareness programs and planning thereof.

The PIER unit participate in the Southern African Emergency Services Institute Conference in May 2013, representing the Sedibeng Region.

The unit also participate in the Public Awareness campaign in Lesedi Local Municipality (Ratanda), together with other regions within the province.

Themes that were covered during the Ratanda event were as follows:

Sedibeng Region: Candle safety, presentation was done with regard to the safe use of candles to avoid unnecessary house fires and loss of human life.

Ekurhuleni Region: Pot-fire safety.

City of Joburg Region: Electrical Safety.

And Promotion of the Emergency number in August 2012 Sebokeng & November 2012 in Sharpeville.

The objective of the public awareness campaigns is to have well-informed and educated communities.

Employees: Disaster Management, Animal Licencing and Control, Control of Public Nuisances, Etc

Job Level	Year -1	Year 0			
	Employees No.	Posts No.	Employees No.	Vacancies (Full-time equivalents)	Vacancies (as a % of total posts)
0-3					
4-6	1	1	1	0	0%
7-9					
10-12	2	2	2	0	0%
13-15					
16-18	1	1	1	0	0%
19-20					
Total	4	4	4	0	

Financial Performance Year 0: Disaster Management, Animal Licencing and Control, Control of Public Nuisances, Etc

R '000

Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget (%)
Total Operational Revenue					
<i>Expenditure:</i>					
Employees					
Repairs and Maintenance					
Other					
Total Operational Expenditure	0	0	0	0	
Net Operational Expenditure	0	0	0	0	

Capital Expenditure: Disaster Management, Animal Licencing and Control, Control of Public Nuisances, Etc

Sedibeng District Municipality does not have any capital for Disaster Management, Animal Licencing and Control, Control of Public Nuisances, Etc

Financial Performance Year 0: Disaster Management, Animal Licencing and Control, Control of Public Nuisances, Etc

Service Objectives	Service Indicators	Outline Service Targets	Year -1		Year 0		Year 1		Year 3				
			Target	Actual	Target	Actual	Target	Actual	Target	Actual			
			*Previous Year		*Previous Year		*Current Year		*Current Year		*Current Year	*Following Year	
Established and functional Public Information & Education Relations (PIER) Unit for running disaster awareness campaigns.		Initial process for appointment of Public Information & Education Relations (PIER) Officer	0		0	1	1		1		1	Fully functional unit	
			3		3	4	4		4		4		
Implement core functions of Disaster Management		Review and update Disaster Management Plan	1 revised plan	1 revised plan	1 revised plan	1 revised plan	1 revised plan		1 revised plan		1 revised plan		
			80% claims processed	90%	80%	100%	100%		100%		100%		100%
Implement Emergency Communications Centre programs		Conduct quality care of the Emergency Communication Centre Systems	0		4	4	4		4		4		
			12 Staff trained	12	12	6	6		6		6		0

3.23

SPORT AND RECREATION

SDM is in terms of its powers and functions mainly responsible for the coordination and support of regional Sports and Recreation programmes in accordance with the Gauteng Department of SACR Sports Plan, which was approved by Council.

Sedibeng District Municipality currently has 31 sports facilities owned by Local Municipalities which require refurbishment and major upgrading to fulfil the objectives of sports development in the region. There is an under-provision of sports fields and facilities, especially in the townships, informal settlements and most of our semi-rural areas.

SDM sourced funding from various external funders and the National Lotteries Development fund provided funding to develop four Multi-purpose Sports Facilities in the Lesedi Local Municipal area.

Tsekema Consulting was appointed in November 2011 for an amount of R 1 162 030.64 Vat exclusive for the Design, Specification, Documentation and Supervision for the Upgrading of Various Sportfields in the Lesedi Local Municipality. The original project business plan

was subjected to a technical investigation the result of which was a Preliminary Design Report (PDR), that was approved in April 2012. The cost estimate as per the scope of work (original project business plan) was found to be R 13 648 623.95, inclusive of professional fees but Vat exclusive.

The scope of the work needed to be scaled down to within the available budget of R 6 028 727.45. The scope of the work was therefore divided into two phases, Phase 1 to cost R 6 028 727.45 inclusive of professional fees but Vat exclusive, and Phase 2 to cost the balance of R 7 619 896.50. The tender document for Phase 1 of the scope of work was approved in May 2012 and construction tenders were received in October 2012 with a tender validity expiry date of 1 February 2013. SDM will be applying to the NLDTF for an amount of R 7 619 986.50 to complete the scope of the work as per original project business plan..

The Department of SRACH Sedibeng District Municipality has entered into an MOA with the Provincial Department of SACR to develop the 7 priority codes in the Sedibeng Region as well as assist the District Sports Council in developing its mandate in the Region.

Employees: Sports and Recreation

Job Level	Year -1	Year 0			
	Employees No.	Posts No.	Employees No.	Vacancies (Full-time equivalents)	Vacancies (as a % of total posts)
0-3	1	1	1	0	0%
4-6	2	2	2	0	0%
7-9	1	1	1	0	0%
10-12					
13-15	1	1	1	0	0%
16-18					
19-20	1	1	1	0	0%
Total	6	6	6	0	

Capital Expenditure Year 0: Sports and Recreation

R '000

Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from Original Budget	Total Project Value
Total All	2 607	2 607	217	-1 101%	
LOTTO Sport	2 607	2 607	217	-1 101%	6 030

Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget (%)
Total Operational Revenue	1		1	1	100%
<i>Expenditure:</i>					
Employees	1 191	1 342	1312	1 285	-4%
Repairs and Maintenance					
Other	341	582	418	393	-48%
Total Operational Expenditure	1 532	1 924	1 730	1 678	-15%
Net Operational Expenditure	1 532	1 924	1 729	1 678	-15%

Sports and Recreation is not sufficiently funded by Municipalities, Business and Communities as where there are facilities they are often vandalized or abused in different communities and is not driven properly by Sports organizations or Federations in the Sedibeng District and is driven by too much individuals and not holistic societal passion of creating a sporting society ethos.

Component H

CORPORATE POLICY OFFICES AND OTHER SERVICES

3.24

EXECUTIVE AND COUNCIL

SDM has a functional Council and all of its executive offices, i.e. Office of the Executive Mayor, Office of the Chief Whip and Office of the Speaker. This political management cluster is led by the Executive Mayor. The Municipal Manager is responsible for the administration wing of the municipality. SDM's main function as district municipality is to coordinate and facilitate implementation of programmes and projects, and also to support its local municipalities. Top 3 service delivery priorities were good governance, local economic development and proper financial management for a sustainable municipality. SDM is run properly and is governed accordingly. Under or LED, we managed to assist and develop local SMMEs, through various capacity programmes rolled out. Our biggest achievement is unqualified opinion by the Auditor General/

Employees: The Executive and Council

Job Level	Year -1	Year 0			
	Employees No.	Posts No.	Employees No.	Vacancies (Full-time equivalents)	Vacancies (as a % of total posts)
0-3					
4-6	10		10	0	0%
7-9	8		8	0	0%
10-12					
13-15	4		4	0	0%
16-18					
19-20					
Total	22		22	0	

Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget (%)
Total Operational Revenue	22		24	13	100%
<i>Expenditure:</i>					
Employees	10 518	10 658	10 395	11 129	4%
Repairs and Maintenance					
Other	17 610	16 130	17 976	17 301	7%
Total Operational Expenditure	28 128	26 788	28 372	28 430	6%
Net Operational Expenditure	28 106	26 788	28 348	28 417	6%

3.25

FINANCIAL SERVICES

Employees: Financial Services

Job Level	Year -1	Year 0			
	Employees No.	Posts No.	Employees No.	Vacancies (Full-time equivalents)	Vacancies (as a % of total posts)
0-3	3		3		0%
4-6	9		8		0%
7-9	8		8		0%
10-12	6		6		0%
13-15	2		2		0%
16-18					
19-20					
Total	28	0	27	0	

Financial Performance Year 0: Financial Services

Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget (%)
Total Operational Revenue	234 282	233 420	246 404	231 798	-1%
<i>Expenditure:</i>					
Employees	10 520	11 260	11 149	11 036	-2%
Repairs and Maintenance					
Other	39 847	27 176	46 710	46 049	41%
Total Operational Expenditure	50 367	38 436	57 859	57 085	33%
Net Operational Expenditure	(183 914)	(194 984)	(188 546)	(174 713)	-12%

Capital Expenditure: Financial Services

Sedibeng District Municipality does not have any capital for Financial services.

Financial Performance Year 0: Financial Services

Service Objectives / Service Indicators	Outline Service Targets	Year -1		Year 0		Year 1		Year 3	
		Target	Actual	Target	Actual	Target	Actual	Target	Actual
		*Previous Year		*Previous Year		*Current Year		*Current Year	
Increase in speed of payment of tariffs, tax demands, invoices.	No more than x% of creditors raised (in Rand value) during the year outstanding at year end.	No more than T0% of current year creditors outstanding at year end.	No more than A0% of current year creditors outstanding at year end.	No more than T1% of current year creditors outstanding at year end.	No more than A1% of current year creditors outstanding at year end.	No more than T2% of current year creditors outstanding at year end.	No more than T5% of current year creditors outstanding at year end.	No more than T5% of current year creditors outstanding at year end.	No more than T5% of current year creditors outstanding at year end.
Reducing the number of invoices raised by increasing advance payment for services rendered (A project requiring participation by all departments but led by the central finance department).	x% reduction in number of invoices raised over the previous years target.	T0% reduction in invoices raised; target limit of invoices	A0% reduction in invoices raised; target limit of invoices	T1% reduction in invoices raised; target limit of invoices	A1% reduction in invoices raised; target limit of invoices	T2% reduction in invoices raised; target limit of invoices	T5% reduction in invoices raised; target limit of invoices	T5% reduction in invoices raised; target limit of invoices	T5% reduction in invoices raised; target limit of invoices
Improving speed of legal measures to recover revenues.	Commence legal proceedings for recovery of revenues within 4 weeks of the due date.	Legal proceeding within 4 weeks of the due date	Legal proceeding within 4 weeks of the due date	Legal proceeding within 4 weeks of the due date	Legal proceeding within 4 weeks of the due date	% of legal proceeding within 4 weeks of the due date	% of legal proceeding within 4 weeks of the due date	% of legal proceeding within 4 weeks of the due date	% of legal proceeding within 4 weeks of the due date

Council approved a new SDM organogram to guarantee an alignment between its employees and their functions. Introduction and implementation of ePMS (electronic Performance Management System) was a success as employee performance was monitored effectively. Human Resources managed staff information, support and development. A healthy relationship between management and labour was always maintained and managed at all times.

Employees: Human Resource Services

Job Level	Year -1	Year 0			
	Employees No.	Posts No.	Employees No.	Vacancies (Full-time equivalents)	Vacancies (as a % of total posts)
0-3	2		2		0%
4-6	7		7		0%
7-9	6		6		0%
10-12	1		1		0%
13-15					
16-18					
19-20					
Total	16	0	16	0	

Financial Performance Year 0: Human Resource Services

R '000

Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget (%)
Total Operational Revenue	20	1 024	1 037	352	-191%
<i>Expenditure:</i>					
Employees	6 604	6 598	6 770	6 831	3%
Repairs and Maintenance					
Other	1 237	1 892	1 092	1 040	-82%
Total Operational Expenditure	7 841	8 489	7 871	7 871	-8%
Net Operational Expenditure	7 821	7 465	6 824	7 519	1%

Capital Expenditure: Human Resource Services

Sedibeng District Municipality does not have any capital for Human Resource services.

The main objectives of the IM Department are to ensure proper utilization of Council's ICT resources as well as providing strategic direction and a technology growth path for the region.

The Department is segmented in three main areas, namely Networking, Technical Support and Operations. ICT was influenced by two strategic objectives in the period under review. Firstly, working towards providing a world-class ICT infrastructure in support of a "smart Sedibeng" and secondly, to improve municipal financial and administrative capabilities.

In line with this the top three service delivery priorities were:

1. Roll-out of a fibre optic network in the District

This project runs over a period of five years and aim to link all the main nodal points (Council buildings) in the District through fibre. To this effect 78 kilometres of fibre was laid towards completion of this project. The project also created local jobs and 52 labourers were employed. The project is on schedule and the total expenditure on fibre for the financial year 2012/2013 was R 12,829,000.00.

Towards the end of the financial year budget allocation for this project became extremely difficult with the unavailability of funding. This should be carefully managed in the outer years of this project or the project could fail.

2. Maintaining adequate operations and procedures to ensure high up-time of systems and networks

The department continued to ensure a 93% average uptime during the period under review. The infrastructure remained stable and the environment is secure and performing at an optimal level. All software licenses are up to date and all system resources are continuously monitored to ensure peak utilization. Anti-virus signatures are updated on-line and distributed in real-time ensuring swift identification of infiltrations.

3. Implement systems to assist the visually impaired community members.

A second system was procured to assist the visually impaired that would assist these community members in the following ways:

- Screen reading software (Jaws) will be used for the blind and magnification software (ZoomText) will be used for low-vision citizens.
- Optical character recognition (OpenBook with a scanner) will be used to scan a page or multiple pages (e.g. letter, book, bible, newspaper, etc.). This scanned version of the document can then be emailed or saved as mp3 (citizen can then later listen to the scanned document). This can be used by both the blind and low vision citizens.
- A desktop magnifier offers various options for low-vision citizens. It includes magnify and colour contrast (select brightness) settings. The monitor can be tilted (up / down / sideways) to ease usage by citizen

This unit was installed in the Sharpeville Precinct at a cost of R 92,457.00.

Employees: ICT Services

Job Level	Year -1	Year 0			
	Employees No.	Posts No.	Employees No.	Vacancies (Full-time equivalents)	Vacancies (as a % of total posts)
0-3	3		3		0%
4-6	8		9		0%
7-9	20		20		0%
10-12					0%
13-15	1		1		
16-18					
19-20					
Total	33	0	33	0	

Financial Performance Year 0: ICT Services
R '000

Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget (%)
Total Operational Revenue	9 969	15 460	6 957	7 250	-127%
<i>Expenditure:</i>					
Employees	13 001	13 726	13 180	13 636	-1%
Repairs and Maintenance	651	481	772	744	35%
Other	6 282	7 773	6 124	6 128	-27%
Total Operational Expenditure	19 933	21 980	20 076	20 509	-7%
Net Operational Expenditure	12 964	5 520	13 119	13 258	58%

Capital Expenditure Year 0: ICT Services
R '000

Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from Original Budget	Total Project Value
Total All	11 000	12 992	12 829	14%	
Optical Fibre Network	11 000	12 992	12 829	14%	

ICT Services Policy Objectives taken from IDP

Service Objectives	Service Indicators	Outline Service Targets	Year -1		Year 0				Year 1		Year 3	
			Target	Actual	Target		Actual	Target		Target		
			*Previous Year		*Previous Year	*Current Year		*Current Year	*Current Year	*Following Year		
World class ICT infrastructure in support of a smart Sedibeng	Roll out of IF fibre optic network Implement systems to assist the visually impaired Roll out a IT Strategic Plan for Sedibeng District Implement a full DRP for the District	12 000 000.00	12 756 471.65	12 000 000.00	11 000 000.00	12 829 000.00	7 200 000.00	13 000 000.00	0.00			
		100 000.00	100 000.00	100 000.00	100 000.00	92 458.00	150 000.00	150 000.00	150 000.00			
		0.00	0.00	0.00	0.00	0.00	100 000.00	175 000.00	125 000.00			
		0.00	0.00	0.00	100 000.00	90 714.00	750 000.00	750 000.00	50 000.00			

The overall performance of the IT Services component in Sedibeng was excellent. Throughout the period the availability of systems and resources were high (over 93%) and is sure to improve further in the new financial year.

The Department has various Policy documents in place and procedures are well documented to ensure continuance in the Department. IT governance in this area is key, in order to ensure effective utilization of the resources.

During the period there were no security breaches and no loss of data occurred. Our firewalls and peripheral devices functioned well and protected the environment from infections, infiltrations, hacking and excessive browsing.

The report from the Auditor General on IT was also positive. Five issues were raised with only overall medium to low risk value. The medium risk items (matters that are important to the system of internal control and the reduction of overall risk, and should be addressed as soon as possible) were addressed immediately. Matters of low risk (suggested improvements that would enhance internal control or efficiency, but are not vital to the system of internal control) were also addressed during the year. As the mandate of the AG evolves, new matters of risk and other matters will be highlighted. The department is confident that they will be in a position to embrace the changes recommended and is confident that no serious matter will be raised, ensuring a continued unqualified IT Audit Report.

The scope of IT will further be enhanced in the forthcoming period as an effort will be made to draw and implement an IT Strategic Plan for the whole of the district. This Strategic Plan will assist IT to focus on items of relevance and importance. This would ensure that resources (time, talent, money) be properly allocated to those activities that provide the most benefit. The plan will ensure resilience in an ever changing market, where new technology is appearing on a daily basis. Realistic objects with attainable goals could be set, aligning performance with budget allocation in an environment where growth can be accelerated and improved.

A single capital project was embarked on during the period. The roll-out of the Fibre Optic Network will establish Council's vision for maintaining and enhancing communication throughout the District Municipality and to promote public infrastructural growth as per the key strategy "Improve ICT Connectivity in Sedibeng" in-line with the key deliverable "Reintegrating our Region".

The use and demand for optical fibre has grown tremendously and optical-fibre applications are numerous. These involve the transmission of voice, data or video over distances of less than a meter to hundreds of kilometers, using one single strand.

The installation of fibre optic as a "backbone" for communications technology is one of the major projects for the Sedibeng District Municipality in the next 3 years. The roll-out of this project is in year 3 of the project plan.. Approximately 78 kilometers of fibre was laid down to link the municipal infrastructure of Sedibeng.

Legal Services are rendered under the auspices of the Legal and Support Services directorate. The business units that fall under this directorate are the committee section (also called the secretariat), records management (also called archives), auxiliary services, internal communications and legal services.

The functions of the legal services unit include, inter alia, the rendering of general legal support to council committees and other functionaries, the development or vetting of contracts, overseeing and co-ordinating the management of contracts and instituting or defending legal action. The main priority for legal services is to ensure compliance with legislation and to minimise risk insofar as legal issues are concerned.

Legal Services achieved its objectives for the year under review in all its functional areas in that it has created an enabling environment for council to operate in. This includes vetting and giving legal inputs with respect to all reports that are tabled before council to ensure that the decisions made are properly informed and that the contracts the municipality enters into are scrutinised or developed with utmost professionalism to ensure minimised risk for council. The directorate also convenes regular contract management meetings with contract administrators to keep track of the implementation of contracts, and, further, co-ordinates regular intergovernmental meetings with the legal services practitioners from the local municipalities, to ensure a district-wide alignment of the handling of legal issues that affect municipalities.

Employees: Property; Legal; Risk Management; and Procurement Services

Job Level	Year -1	Year 0			
	Employees No.	Posts No.	Employees No.	Vacancies (Full-time equivalents)	Vacancies (as a % of total posts)
0-3	2		2		0%
4-6	5		4		0%
7-9	4		3		0%
10-12	1		1		0%
13-15	1		1		0%
16-18					
19-20					
Total	13	0	11	0	

Financial Performance Year 0: Property; Legal; Risk Management; and Procurement Services

R '000

Details	Year -1	Year 0			Variance to Budget (%)
	Actual	Original Budget	Adjustment Budget	Actual	
Total Operational Revenue	7		258	5	100%
<i>Expenditure:</i>					
Employees	4 889	5 317	4 673	4 561	-17%
Repairs and Maintenance					
Other	7 495	8 062	7 845	7 676	-5%
Total Operational Expenditure	12 385	13 379	12 518	12 237	-9%
Net Operational Expenditure	12 377	13 379	12 259	12 232	-9%

Capital Expenditure: Property; Legal; Risk Management; and Procurement Services

Sedibeng District Municipality does not have any capital for Property; Legal; Risk Management; and Procurement Services

Chapter

4

4.1

EMPLOYEE TOTALS, TURNOVER AND VACANCIES

The following spread sheets depict the staff levels, existing posts, number of employees and level of vacancies as well as year on year turn-over rate per functional area.

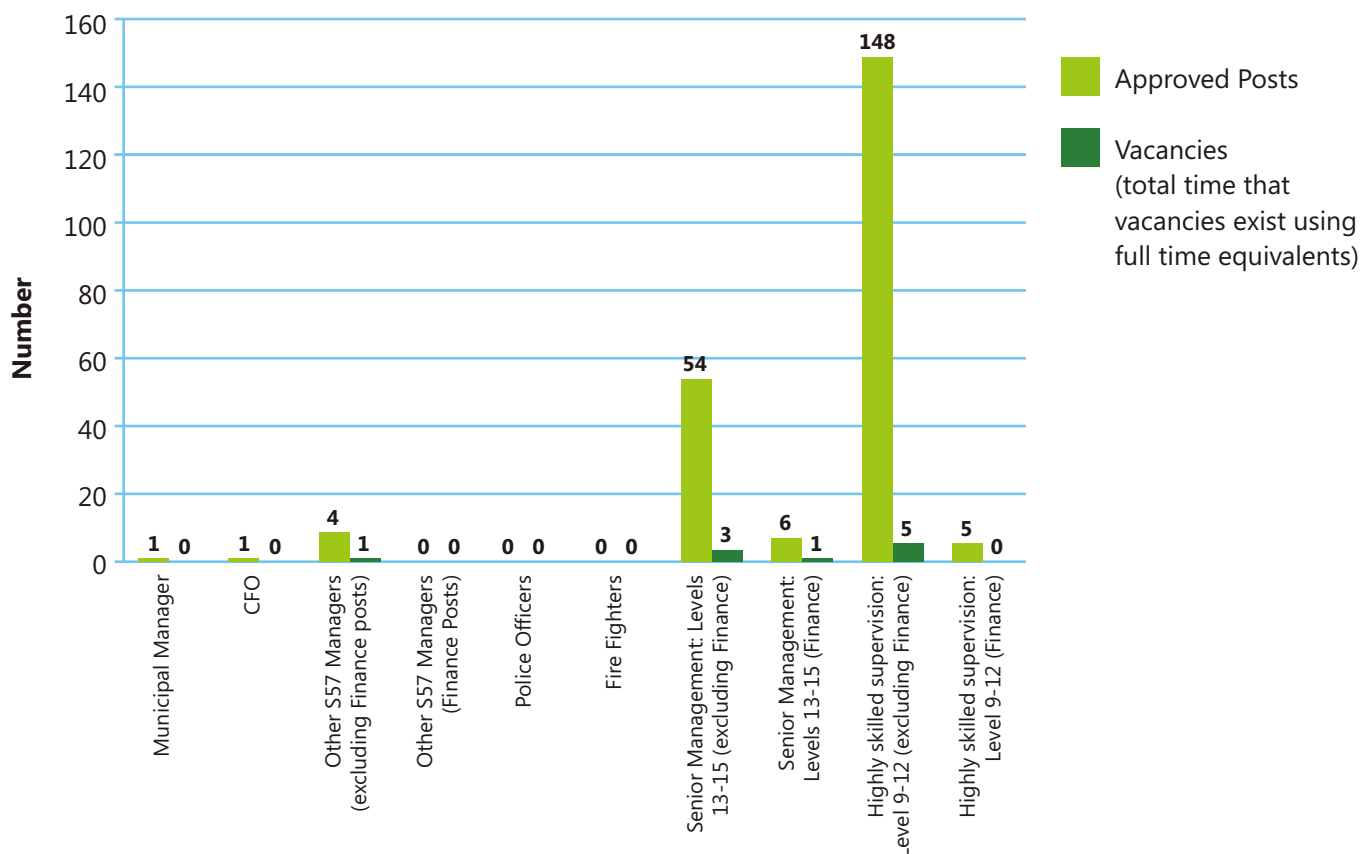
Employees:

Description	Year -1	Year 0			
	Employees No.	Approved Posts No.	Employees No.	Vacancies No.	Vacancies %
Water					
Waste Water (Sanitation)					
Electricity					
Waste Management	2	2	2	0	0%
Housing	4	4	4	0	0%
Waste Water (Storm water drainage)					
Roads					
Transport	5	9	4	5	57%
Planning	3	3	3	2	40%
Local Economic Development	4	5	4	1	50%
Planning (Strategic and Regulatory)	8	8	8	0	0%
Community and Social Services	119	125	119	6	17%
Environmental Protection	7	7	10	3	30%
Health	185	197	189	8	4%
Security and Safety	22	24	25	2	80%
Sports and Recreation	3	3	3	1	33%
Corporate Policy Offices and Other	268	290	265	19	7%
Totals	627	674	633	54	

Vacancy Rate: Year 0

Designation	Total Approved Posts No.	Vacancies (total time that exist using full time equivalents) No.	Vacancies (as a proportion of posts in each category) %
Municipal Manager	1	0	0%
CFO	1	0	0%
Other S57 Managers (excluding Finance posts)	4	1	25%
Other S57 Managers (Finance Posts)	0	0	0%
Police Officers	0	0	0%
Fire Fighters	0	0	0%
Senior Management: Levels 13-15 (excluding Finance)	54	3	5.5%
Senior Management: Levels 13-15 (Finance)	6	1	16.67%
Highly skilled supervision: Level 9-12 (excluding Finance)	148	5	3.38%
Highly skilled supervision: Level 9-12 (Finance)	5	0	0%
Total	219	10	4.57%

Vacancy Rate



Turn-over Rate

Details	Total appointments as of beginning of Financial Year	Terminations during the Financial Year	Turnover Rate
Year - 2	18	45	5%
Year -1	2	49	6%
Year 0	7	207	33%

Component B

MANAGING THE MUNICIPAL WORKFORCE

MANAGING THE MUNICIPAL WORKFORCE

The Sedibeng District Municipality as a third tier of governance aspires to provide an excellent service delivery to the community within its area of Jurisdiction and is enable by Legislation, Regulations and Policies through the provision and utilization of competent, diligent and ambitious Personnel.

There are five (5) pillars that ensure proper administration and service delivery to the stakeholders within and outside the Municipality, to wit:

- Personnel Administration
- Labour Relations
- Human Resources Development
- Work Study and Quality Assurance
- Performance Management

To date the Human Resources Department as part of Corporate Services within the Municipality still successfully provide the required service to its Stakeholders.

HR Policies and Plans

The following policies forms part of the Human Resources strategy that enables Council to manage staff appropriately in order to deliver services of a high quality.

No.	Name of Policy	Completed %	Reviewed %	Date adopted by council or comment on failure to adopt
1	Affirmative Action			4 November 2009
2	Attraction and Retention			There is no policy on its own safe for mention of this in 3.13 of the Recruitment, Selection and Placement Policy of December 2010
3	Code of Conduct for employees			Draft
4	Delegations, Authorisation & Responsibility			2 December 2009
5	Disciplinary Code and Procedures			Draft- as part of the Collective Bargain Council-SALGBC
6	Essential Services			No update
7	Employee Assistance / Wellness			28 November 2007
8	Employment Equity			27 August 2008
9	Exit Management			1 December 2010
10	Grievance Procedures			Policy goes hand-in-hand with Disciplinary Code of procedures hence there is a draft- as part of the Collective Bargain Council-SALGBC
11	HIV/Aids			2 October 2002
12	Human Resource and Development			No Policy except that an Internal Bursary Policy has been compiled to meet needs for development- 2007
13	Information Technology			31 July 2002
14	Job Evaluation			SALGA circulated a Policy for Municipalities to implement and a Council resolution in this respect was taken to establish a Job Evaluation Unit on 12-12-2012 (Resolution A1146)
15	Leave			Draft 5 October 2010
16	Occupational Health and Safety			1 October 2010
17	Official Housing/Subsidy			Draft
18	Official Journeys			29 October 1996
19	Official transport to attend Funerals			23 February 1999
20	Official Working Hours and Overtime			Draft
21	Organisational Rights			Depends on decision taken at the Collective Bargaining Council-SALGBC

No.	Name of Policy	Completed %	Reviewed %	Date adopted by council or comment on failure to adopt
22	Payroll Deductions			11 August 2011
23	Performance Management and Development			1 December 2010
24	Recruitment, Selection and Appointments			1 December 2010
25	Remuneration Scales and Allowances			No policy in place
26	Resettlement / Relocation			Draft
27	Sexual Harassment			Draft 23 June 2009 requires revision
28	Skills Development			28 August 2007
29	Smoking			No Policy
30	Special Skills			No Policy
31	Work Organisation			No Policy
32	Uniforms and Protective Clothing			Forms part of item 16
33	Flexi Time Policy			Currently under Review
34	Other: Bereavement Policy			Currently under Review

The Workforce Policies are largely derived from legislation and Collective Agreements concluded at the Bargaining Council comprising both employer and organised labour. Notwithstanding the aforesaid processes, the Municipality reviews and develop policies to suit the demands and needs of its employees with the involvement of all Stakeholders.

4.3

INJURIES, SICKNESS AND SUSPENSIONS

For the period under review the following number of personal workplace injuries have occurred, these, notwithstanding, have not been disabling nor had an impact on costs or service delivery.

Number and Cost of Injuries on Duty

Type of injury	Injury leave taken Days	Employees using injury leave No.	Proportion employees using sick leave %	Average Injury leave per employee Days	Total Estimated Cost R'000
Required basic medical attention only	0	0	0	0	0
Temporary total disablement	200	25	100%	8	1 803 450
Permanent disablement					
Fatal					
Total	200	25	100%	8	1 803 450

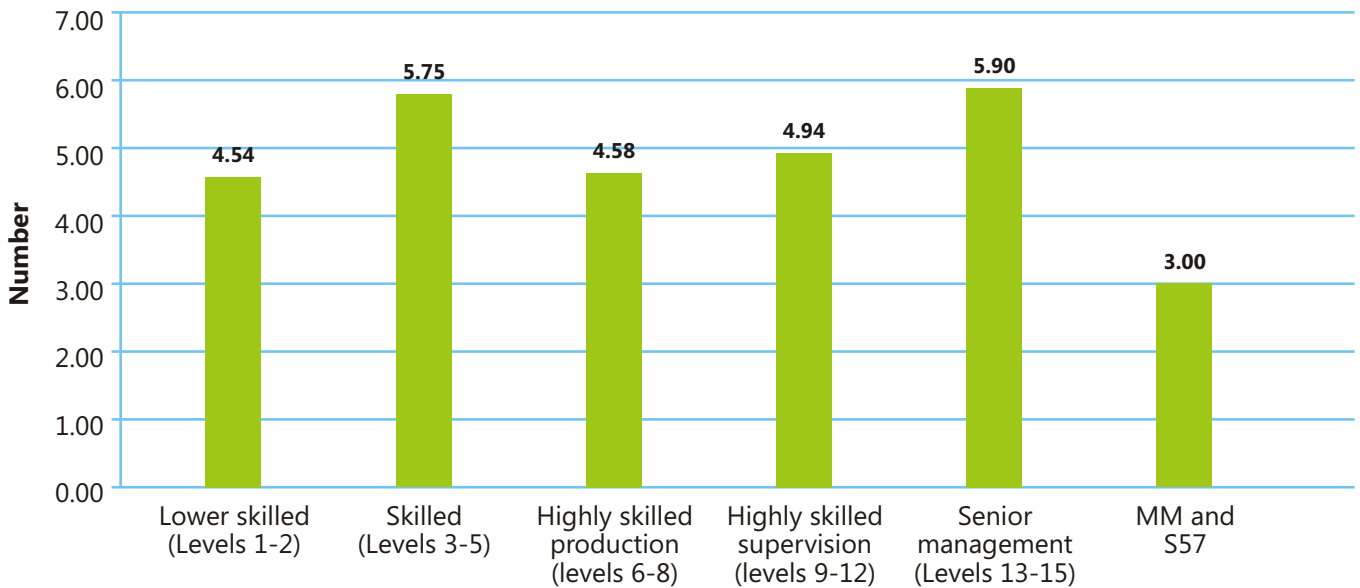
Sick leave

The following statistical data represents the perspective on the utilization of the sick leave benefit of our employees.

Number of days and Cost of Sick Leave (excluding injuries on duty)

Salary band	Total sick leave <i>Days</i>	Proportion sick leave without medical certification <i>%</i>	Employees using sick leave <i>No.</i>	Total employees in post <i>Days</i>	Average sick leave per employee <i>Days</i>	Estimated Cost <i>R'000</i>
Lower skilled (Levels 1-2)	568	13%	60	125	4.54	229 437.50
Skilled (Levels 3-5)	426	3%	7	74	5.75	537 479.04
Highly skilled production (levels 6-8)	1393	50%	232	304	4.58	989 105.04
Highly skilled supervision (levels 9-12)	277	19%	121	56	4.94	306 444.53
Senior management (Levels 13-15)	360	23%	38	61	5.90	530 510.59
MM and S57	21	19%	4	7	3.00	

Average Number of days - Sick Leave (excluding IOD)



Injuries sustained were not serious as they required only basic medical attention.

Management need to make an analysis on the high rate of sick leave taken amongst senior Management.

Suspensions

The SDM has had a virtually peaceful workplace in relation to workplace labour discipline and this is attested to by the following data.

Number and Period of Suspensions

Position	Nature of Alleged Misconduct	Date of Suspension	Details of Disciplinary Action taken or Status of Case and Reasons why not Finalised	Date Finalised
Cashier Clerk	Fraud & Corruption	16-Apr-12	Dismissal	27-May-13
Quality control officer	Insubordination	17-Apr-12	Dismissal	4-Mar-13
Supervisor DLTC	Fraud & Corruption	16-Apr-12	Dismissal	23-May-13
Assistant Manager HRD	Insolent behaviour and performance related misconduct	24-Jun-13	Disciplinary tribunal in progress	
Admin Assistant	Insolent behaviour	24-Jun-13	Disciplinary tribunal in progress	
Telecommunicator	Insolent behaviour	24-Jun-13	Disciplinary tribunal in progress	

Disciplinary Action Taken on Cases of Financial Misconduct

Position	Nature of Alleged Misconduct and Rand value of any loss to the municipality	Disciplinary action taken	Date Finalised
Coordinator Arts & Culture programmes	Theft & Fraud to the value of R 29 220. 00	Dismissal but overturned at appeal	04-Feb-13
Cashier/Clerk	Theft to the value of R 80 000.00	resigned prior to disciplinary action being taken	Apr-13

The misconduct was of serious nature and three (3) employees were dismissed.

4.4

PERFORMANCE REWARDS

Non. Place note here with short explanation on why there were no rewards in the year under review.

Component C

CAPACITATING THE MUNICIPAL WORKFORCE

WORKFORCE CAPACITY DEVELOPMENT

The Municipality is obliged by the Skills Development Act to capacitate its employees and annually submit its Workplace Skills Plan to the LGSETA. Improvements are that forty two (42) employees were trained in the financial year 2012/2013

4.5

SKILLS DEVELOPMENT AND TRAINING

Skills Matrix

Management level	Gender	Employees in post as at 30 June Year 0	Number of skilled employees required and actual as at 30 June Year 0													
			Learnerships				Skills programmes & other short courses				Other forms of training				Total	
			Actual: End of Year -1	Actual: End of Year 0	Year 0 Target	Year 0 Target	Actual: End of Year -1	Actual: End of Year 0	Year 0 Target	Year 0 Target	Actual: End of Year -1	Actual: End of Year 0	Year 0 Target	Year 0 Target	Actual: End of Year -1	Actual: End of Year 0
MM and S57	Female	3	0	0	0	0	1	0	0	0	0	0	0	0	0	0
	Male	4	0	0	0	0	6	0	0	0	0	0	0	0	0	0
Councillors, senior officials and managers	Female	34	0	0	0	0	8	0	0	0	0	0	0	0	0	0
	Male	86	0	0	0	0	8	0	0	0	0	0	0	0	0	0
Technicians and associate professionals	Female	25	0	0	0	0	6	0	0	0	0	0	0	0	0	0
	Male	32	0	0	0	0	7	0	0	0	0	0	0	0	0	0
Professionals	Female	45	0	0	0	0	7	0	0	0	0	0	0	0	0	0
	Male	58	0	0	0	0	4	0	0	0	0	0	0	0	0	2
Sub total	Female	107	0	0	0	0	22	0	0	0	0	0	0	0	0	0
	Male	180	0	0	0	0	25	0	0	0	0	0	0	0	0	2
Total		287	0	0	0	0	47	0	0	0	0	0	0	0	0	4

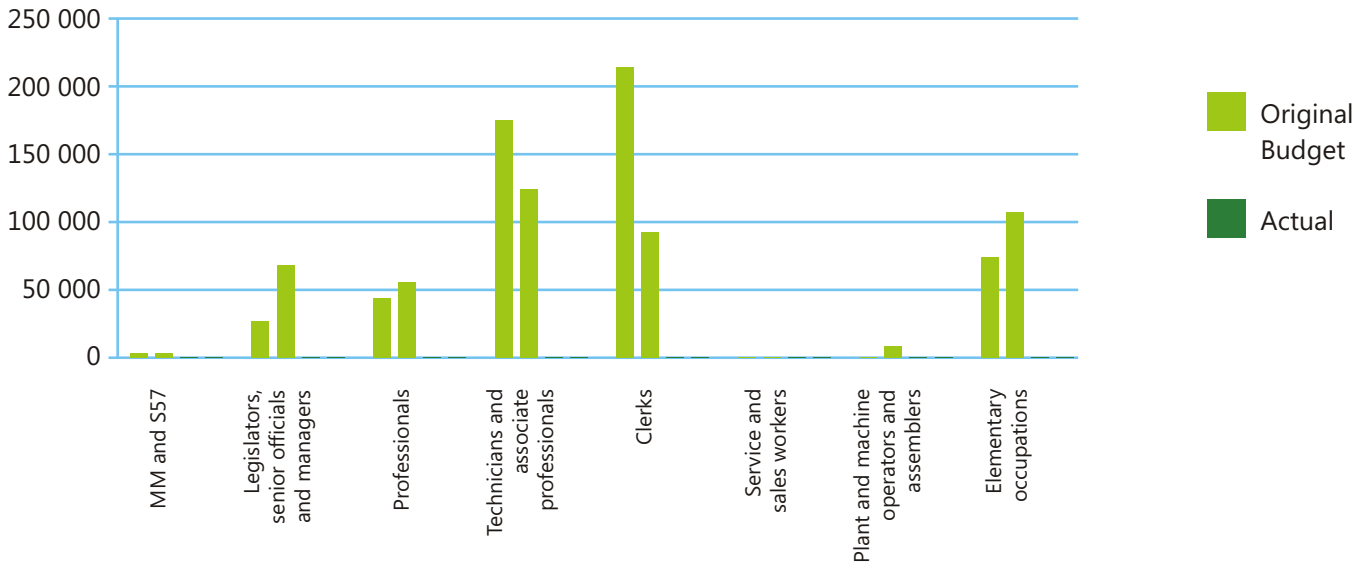
Financial Competency Development: Progress Report

Description	A. Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	B. Total number of officials employed by municipal entities (Regulation 14(4)(a) and (c))	Consolidated: Total of A and B	Consolidated: Competency assessments completed for A and B (Regulation 14(4)(b) and (d))	Consolidated: Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Consolidated: Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))
Financial Officials						
Accounting officer	1	0	1	0	0	0
Chief financial officer	1	0	1	0	0	0
Senior managers	4	0	4	0	0	0
Any other financial officials	8	0	8	0	0	0
Supply Chain Management Officials						
Heads of supply chain management units	1	0	1	0	0	0
Supply chain management senior managers	0	0	0	0	1	1
Total	15	0	15	0	1	1

Skills Development Expenditure

Management level	Gender	Employees as at the beginning of the Financial year No.	Original Budget and Actual Expenditure on skills development Year 1						R '000	
			Learnerships		Skills programmes & other short courses		Other forms of training		Total	
			Original Budget	Actual Budget	Original Budget	Actual Budget	Original Budget	Actual Budget	Original Budget	Actual Budget
MM and S57	Female	33	0	0	2 381	0	2 381	0	2 381	
	Male	4	0	0	3 174	0	3 174	0	3 174	
Legislators, senior officials and managers	Female	34	0	0	26 979	0	26 979	0	26 979	
	Male	86	0	0	68 241	0	68 241	0	68 241	
Professionals	Female	25	0	0	43 478	0	43 478	0	43 478	
	Male	32	0	0	55 652	0	55 652	0	55 652	
Technicians and associate professionals	Female	101	0	0	175 652	0	175 652	0	175 652	
	Male	72	0	0	125 217	0	125 217	0	125 217	
Clerks	Female	154	0	0	215 686	0	215 686	0	215 686	
	Male	66	0	0	92 436	0	92 436	0	92 436	
Service and sales workers	Female	0	0	0	0	0	0	0	0	
	Male	0	0	0	0	0	0	0	0	
Plant and machine operators and assemblers	Female	0	0	0	0	0	0	0	0	
	Male	6	0	0	8 456	0	8 456	0	8 456	
Elementary occupations	Female	54	0	0	75 600	0	75 600	0	75 600	
	Male	77	0	0	107 800	0	107 800	0	107 800	
Sub total	Female	370	0	0						
	Male	337	0	0						
Total		708	0	0						

Skills development budget

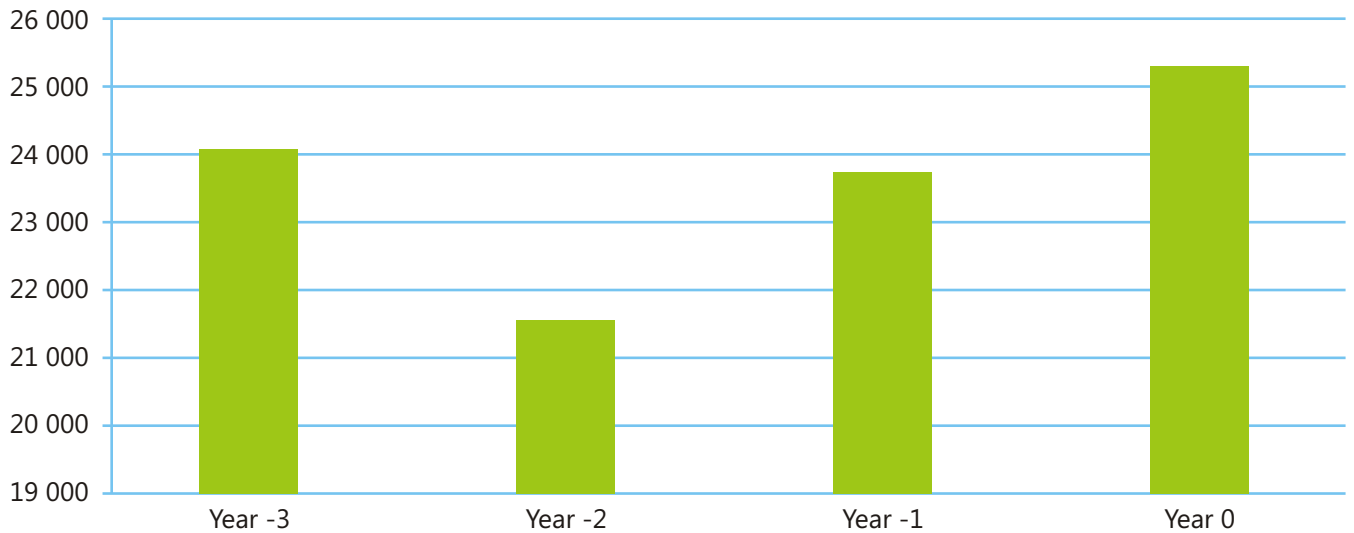


There was no Expenditure on The Financial Competency Regulations for the financial year under review.

Component D MANAGING THE WORKFORCE EXPENDITURE

4.6 EMPLOYEE EXPENDITURE

Average Number of days - Sick Leave (excluding IOD)



Source: MBRR SA22

Number of employees whose salaries were increased due to their positions being upgraded

Beneficiaries	Gender	Total
Lower skilled (Levels 1-2)	Female	0
	Male	0
Skilled (Levels 3-5)	Female	0
	Male	0
Highly skilled production (Levels 6-8)	Female	0
	Male	0
Highly skilled supervision (Levels9-12)	Female	0
	Male	0
Senior management (Levels13-16)	Female	0
	Male	0
MM and S 57	Female	0
	Male	0
Total		0

Employees Whose Salary Levels Exceed The Grade Determined By Job Evaluation

None

Employees appointed to posts not approved

None

DISCLOSURES OF FINANCIAL INTERESTS

Employees submitted their disclosure of financial interest's forms.

Chapter

5

5.1

STATEMENTS OF FINANCIAL PERFORMANCE

Note: Statements of Revenue Collection Performance by vote and by source are included at **Appendix K**.

The statement of financial performance shows the results of operations for the past year. It lists sources of revenue and expenses. The statement measures the performance of Council for a given period of time. Surplus or deficit is used to measure financial performance and directly related to the measurement of revenue and expenditure for the reporting period.

Operating expenses are incurred in the course of conducting normal Council business. They are classified by function such as employee related costs, general expenses, finance charges and contributions to provisions.

Financial Summary

R '000

Description	Year -1	Current: Year 0			Year 0 Variance	
	Actual Budget	Original Budget	Adjustment Budget	Actual Budget	Original Budget	Adjustment Budget
Financial Performance						
Property rates						
Service charges						
Investment revenue	2 222	3 035	2 060	2 116	30%	-3%
Transfers recognised - operational	292 213	295 357	273 313	259 627	12%	5%
Other own revenue	77 321	80 884	81 065	79 607	2%	2%
Total Revenue (excluding capital transfers and contributions)	371 756	379 276	356 437	341 350	10%	4%
Employee costs	228 392	242 207	202 850	202 733	16%	0%
Remuneration of councillors	9 407	10 191	10 663	10 284	-1%	4%
Depreciation & asset impairment	23 602	15 953	26 522	26 517	-66%	0%
Finance charges						
Materials and bulk purchases						
Transfers and grants	32 302	2 508	6 328	5 222	-108%	17%
Other expenditure	108 912	96 640	109 925	109 715	-14%	0%
Total Expenditure	402 616	367 499	356 288	354 470	4%	1%
Surplus/(Deficit)	(30 860)	11 777	149	(13 121)	211%	8896%
Transfers recognised - capital						
Contributions recognised - capital & contributed assets						
Surplus/(Deficit) after capital transfers & contributions	(30 860)	11 777	149	(13 121)	211%	8896%
Share of surplus/ (deficit) of associate						
Surplus/(Deficit) for the year	(30 860)	11 777	149	(13 121)	211%	8896%

Financial Summary

R '000

Description	Year -1	Current: Year 0			Year 0 Variance	
	Actual Budget	Original Budget	Adjustment Budget	Actual Budget	Original Budget	Adjustment Budget
Capital expenditure & funds sources						
Capital expenditure						
Transfers recognised - Capital						
Public contributions & donations						
Borrowing						
Internally generated funds	15 999	11 670	14 092	13 275	-14%	6%
Total sources of capital funds	15 999	11 670	14 092	13 275	-14%	6%
Financial position						
Total current assets	55 283			18 617		
Total non current assets	186 157			176 786		
Total current liabilities	95 080			58 835		
Total non current liabilities	-			-		
Community wealth/Equity	144 746			135 622		
Cash flows						
Net cash from (used) operating	(15 506)			7 617		
Net cash from (used) investing	(14 430)			(13 193)		
Net cash from (used) financing						
Cash/cash equivalents at year end	12 492			6 916		
Cash backing/surplus reconciliation						
Cash and investments available	42 429			12 492		
Application of cash and investments	29 937			5 576		
Balance - surplus (shortfall)	12 492			6 916		
Asset management						
Asset register summary (WDV)	184 234			178 343		
Depreciation & asset impairment	23 602			27 100		
Renewal of Existing Assets						
Repairs and Maintenance						
Free services						
Cost of Free Basic Services provided						
Revenue cost of free services provided						
Households below min service level						
Water:						
Sanitation/sewerage:						
Energy:						
Refuse:						

Financial Performance of Operational Services

R '000

Description	Year -1	Current: Year 0			Year 0 Variance	
	Actual Budget	Original Budget	Adjustment Budget	Actual Budget	Original Budget	Adjustment Budget
Operating Cost						
Water						
Waste Water (Sanitation)						
Electricity						
Waste Management						
Housing	2 139	2 251	1 858	1 896	-18.74%	1.99%
Component A: sub-total	2 139	2 251	1 858	1 896	-18.74%	1.99%
Waste Water (Stormwater Drainage)						
Roads						
Transport	2 442	2 725	2 684	2 609	-4.45%	-2.85%
Component B: sub-total	2 442	2 725	2 684	2 609	-4.45%	-2.85%
Planning						
Local Economic Development						
Component B: sub-total	-	-	-	-		
Planning (Strategic &Regulatory)	1 247	1 250	1 219	1 282	2.49%	4.91%
Local Economic Development	1 799	1 854	1 828	1 926	3.75%	5.11%
Component C: sub-total	3 046	3 104	3 046	3 208	3.25%	5.03%
Community & Social Services	13 294	14 789	16 646	17 102	13.52%	2.67%
EnviromentalProtection	19 662	16 485	18 156	18 283	9.83%	0.69%
Health	1 372	1 451	1 451	1 476	1.66%	1.65%
Security and Safety	9 877	10 596	10 499	10 795	1.84%	2.74%
Sport and Recreation	1 532	1 924	1 730	1 678	-14.61%	-3.07%
Corporate Policy Offices and Other	99 373	99 033	100 237	101 497	2.43%	1.24%
Component D: sub-total	145 110	144 278	148 719	150 830	4.34%	1.40%
Total Expenditure	152 736	152 358	156 307	158 543	3.90%	1.41%

FINANCIAL PERFORMANCE:

Council has declared an operating deficit for the previous financial years. This deficit is directly in relation to the transfer of completed capital projects to the local municipalities paid as grants & subsidies as well as an increase on depreciation cost due to the implementation of the CCTV project in conjunction with the Optic Fibre project currently still in progress. Due to our cost containment measures implemented council managed to restrain general expenses over the past four years.

The marginal average increase in income from agency services, licenses & permits, and "other income" does not compensate for the drastic declines in the other sources of revenue, which is a contributory factor to the closing on a deficit for financial years. The revenue generated from interest on investments averages at a decline of 102%, with 2012 reporting a decline of 180% and 2013 a decline of 5%. This is directly attributed to Council's reducing cash held in short-term investments due to the continual compensation of a shortfall in the EMS subsidy allocation from Provincial Department of Health in the past. This function has been transferred to the Provincial Department of Health end August

2012. Grants and subsidies is also lower than the previous financial years which contribute further to the deficit encounter. Revenue has also increased at a lower rate than the CPI rate which had a direct impact on expenses.

1. General Expenses

Council has made a concerted effort to reduce operating expenses by implementing cost cutting and containment practices. This has resulted in a 47% decrease in general expenses from the previous reporting year (2011 compared to 2012) whereby a 6% increase occurred within the one under review (2013).

2. Employee Related Costs

Although the average increase in salaries and contributions to benefits has been 0.10% for the past four financial years, the decrease for 2012 was as a result of the moratorium on placements, demonstrating that cost containment exercises have been proven successful. The further reduction in salary cost for the 2013 financial year of 13% is a direct result of EMS function being transferred to the Provincial Department of Health.

3. Debt Impairment

Debt impairment is assessed and recommended on an ad-hoc basis as each case is reviewed and evaluated individually according to the debtor's specific circumstances as per Council's credit control and debt collection policy. The motivations for the recommendation are tabled accordingly to Council for their approval prior to any write-off.

4. Depreciation and Amortisation

Depreciation costs have increased by an average of 29% for the last four years due to the implementation of the CCTV and Optic Fibre projects.

5. Finance Costs

No finance costs for the reporting period due to the discontinuation of Council long-term liabilities.

6. Collection Costs

No collection costs incurred due to the repeal of RSC levies and write-off of outstanding balances.

7. Repairs & Maintenance

Although repairs & maintenance costs have decreased by an average of 18.57% over the last four financial years, the decrease of 30% and 26% for the last two financial periods was well below the average at an indicator of 0,17%. This further indicates that Council has been unable to implement routine repairs & maintenance on Council-owned assets in recent financial periods due to the financial constraints imposed by the global financial crisis.

8. Contracted Services

There was a decrease of 3% in 2013, a 13% increase in 2012 for contracted services and an average increase of 6% over the last four financial years. All contracts entered into by Council are reviewed thoroughly by Corporate Services: Legal and approved by the Municipal Manager.

9. Grants & Subsidies Paid

Grants & subsidies of R5,221,646 was transferred to the Local Municipality in the 2013 financial year whereby the previous financial year (2012) amounts to R 32,301,612 and (2011) an amount of R84,710,637. The majority of expenses related to assets done on behalf of the Local Municipalities.

Grant Performance

R '000

Description	Year -1	Current: Year 0			Year 0 Variance	
	Actual Budget	Original Budget	Adjustment Budget	Actual Budget	Original Budget	Adjustment Budget
Operating Transfers and Grants						
National Government:	246 494	231 369		231 672		
Equitable share	220 439	226 009		226 009	0%	
Municipal Systems Improvement	1	1 500		1 500	0%	
Department of Water Affairs						
Levy replacement						
Other transfers/grants [NDPG]	26 054	3 860		2 880	25%	
Other transfers/grants [FMG]	1 288	1 250		1 249	0%	
Other transfers/grants [EPWP]		1 039		34	97%	
Provincial Government:	36 253	24 284		27 955		
Health subsidy						
Housing						
Ambulance subsidy	34 694	18 215		18 215	0.00%	
Sports and Recreation						
Other transfers/grants [HIV/Aids]	1 559	6 069		7 692	-26.73%	
Carry over grant utilized				2 049		
District Municipality:	–	–		–		
Other grant providers:	–	–		–		
Total Operating Transfers and Grants	282 746	255 652		259 627		

Grants and subsidies received has been lower in Year'0 than the previous financial years which contributes further to the deficit counter. Revenue from the equitable share apportionment of the National Fiscus has also increased at a lower rate than the CPI rate which has had a direct impact on operational deficit.

Grants Received From Sources Other Than Division of Revenue Act (DoRA)

R '000

Details of Donor	Actual Grant Year -1	Actual Grant Year 0	Year 0 Municipal Contribution	Date Grant Terminates	Nature and benefit from the grant received
Parastatals					
"Lotto Sport"	393	297			

Council abides by the generally accepted principals and objectives of asset management in order:-

- to safeguard fixed assets of SDM and to ensure the effective use of the existing resources
- to emphasise a culture of accountability over fixed assets;
- to ensure that effective controls are communicated to management and staff through clear and comprehensive written documentation; and
- to provide a formal set of financial procedures that can be implemented to ensure that SDM's financial asset policies are achieved and are in compliance with the MFMA and statements of GRAP.

Treatment of the three largest assets acquired Year 0

Asset 1				
Name	Network Fibre Optic			
Description	Fibre Optic			
Asset Type	Computer hardware			
Key Staff Involved	IT Department			
Staff Responsibilities	- Planning, installation and management of the project. - Installation, maintenance, monitoring and reporting.			
Asset Value	Year -3	Year -2	Year -1	Year -0
		6,082,972.00	10,301,321.00	10999551.00
Capital Implications				
Future Purpose of Asset	Connectivity			
Describe Key Issues				
Policies in Place to Manage Asset	Asset Management Policy			
Asset 2				
Name	CCTV Expansion			
Description				
Asset Type	Infrastructure			
Key Staff Involved	Community Services			
Staff Responsibilities	- Planning, installation and management of the project. - Installation, maintenance, monitoring and reporting.			
Asset Value	Year -3	Year -2	Year -1	Year -0
	28,368,509.00	15,799,637.00	2,999,999.00	0
Capital Implications				
Future Purpose of Asset	Surveillance			
Describe Key Issues				
Policies in Place to Manage Asset	Asset Management Policy			
Asset 3				
Name	Sebokeng Taxi Rank wash bays			
Description				
Asset Type	Buildings			
Key Staff Involved	Utilities Department			
Staff Responsibilities	- Planning, installation and management of the project. - Installation, maintenance, monitoring and reporting.			
Asset Value	Year -3	Year -2	Year -1	Year -0
			194,600.00	0
Capital Implications				
Future Purpose of Asset	Service delivery to taxi owners			
Describe Key Issues				
Policies in Place to Manage Asset	Asset Management Policy			

Asset 3				
Name	Sebokeng Taxi Rank wash bays			
Description				
Asset Type	Buildings			
Key Staff Involved				
Staff Responsibilities	<ul style="list-style-type: none"> - Planning, installation and management of the project. - Installation, maintenance, monitoring and reporting. 			
Asset Value	Year -3	Year -2	Year -1	Year -0
				194600
Capital Implications				
Future Purpose of Asset				
Describe Key Issues				
Policies in Place to Manage Asset				

ASSET MANAGEMENT:

Asset Management is a key enabler in providing the framework in which Council's processes and procedures are governed in accordance with prescribed legislative requirements.

More specifically, policy for the Sedibeng District Municipality (SDM) is guided by the legislative requirements as laid out in:

- The Municipal Finance Management Act (MFMA), Act No. 56 of 2003,
- Treasury Regulations for municipalities and municipal entities, issued in terms of the Municipal Finance Management Act No. 56 of 2003.
- Standards of Generally Recognised Accounting Practice (GRAP) issued by the Accounting Standards Board (ASB).

Asset Management further serves to provide all stakeholders with the appropriate guidance as to the rules and requirements across relevant operating processes and procedures. It also ensures:

- Consistency in application and implementation
- Procedural excellence; an
- Minimised risk exposure to noncompliance issues.

These objectives provide an overarching governance framework to assist management and employees of SDM in implementing and maintaining consistent, effective and efficient asset management principles.

Repair and Maintenance Expenditure: Year 0

R '000

Description	Actual Budget	Adjustment Budget	Actual Budget	Budget Variance
Repairs and Maintenance Expenditure	4729894	4823574	4813629	-2%

REPAIR AND MAINTENANCE EXPENDITURE:

Repairs & maintenance costs relate to the day-to-day servicing of Council's property, plant & equipment. Although repairs & maintenance costs have decreased by an average of 18.57% over the last four financial years, the decrease of 30% and 26% for the last two financial periods was well below the average at an indicator of 0,17%. This further indicates that Council has been unable to implement routine repairs & maintenance on Council-owned assets in recent financial periods due to the financial constraints imposed by the global financial crisis.

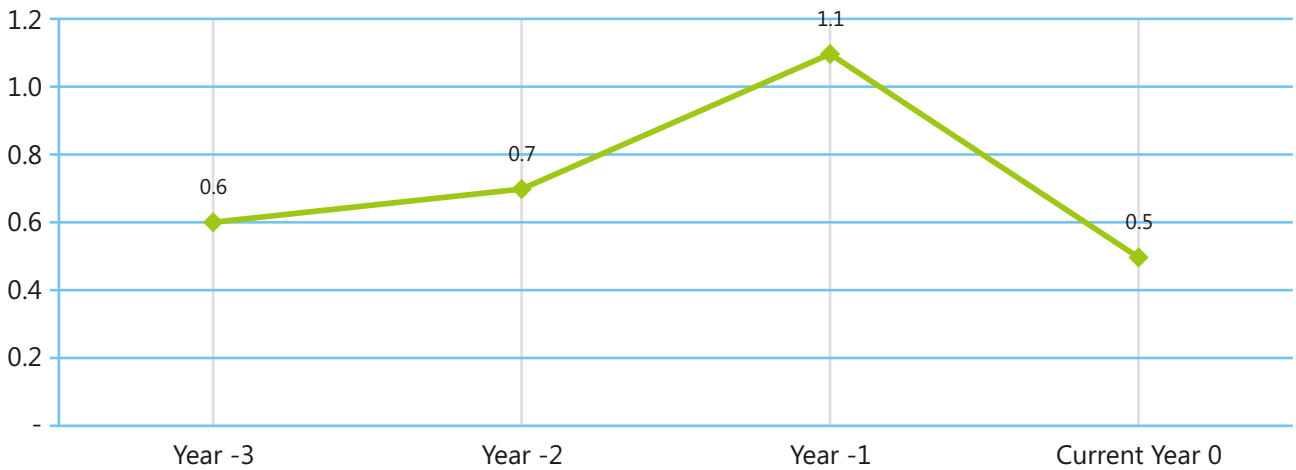
5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

Repair and Maintenance Expenditure: Year 0

R '000

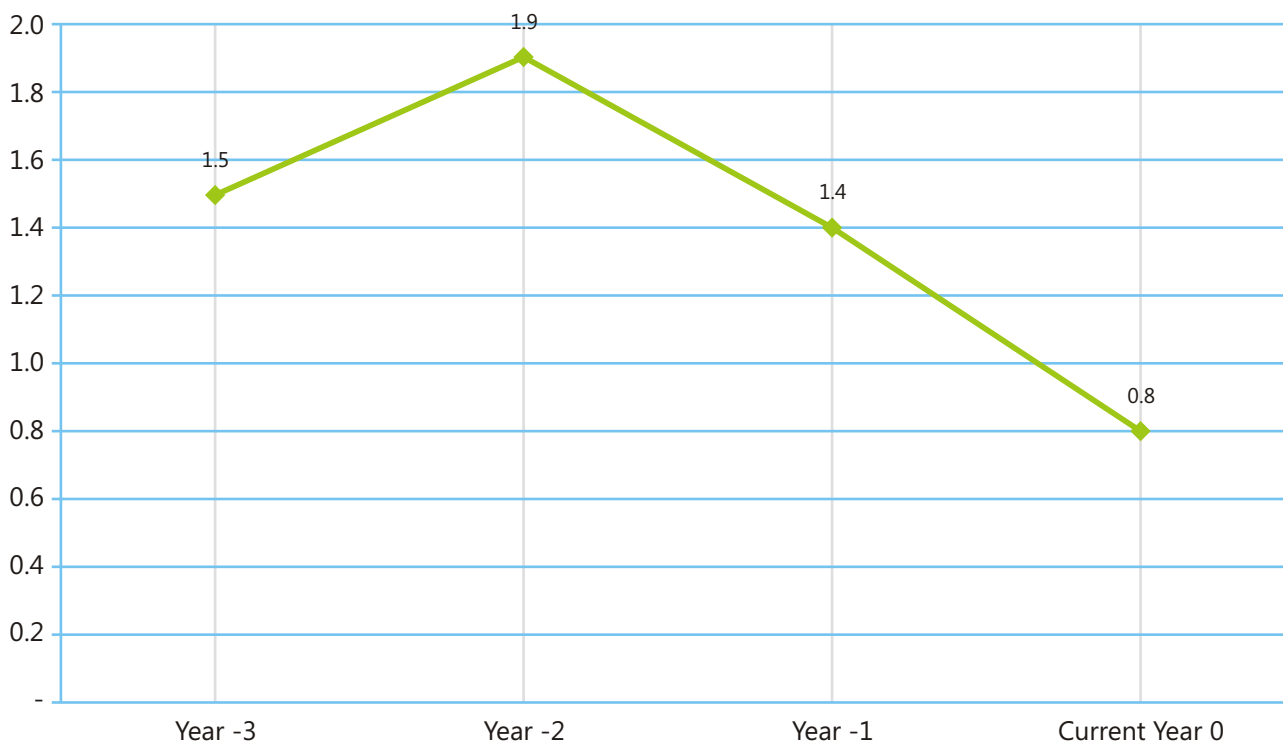
Description	Actual Budget	Adjustment Budget	Actual Budget	Budget Variance
Repairs and Maintenance Expenditure	4729894	4823574	4813629	-2%

Liquidity Ratio



Liquidity Ratio - Measures the Municipality's ability to pay its bills and is calculated dividing the monetary assets (due within one year) by the municipality's current liabilities. A higher ratio is better
 Data used from MBRR SA8

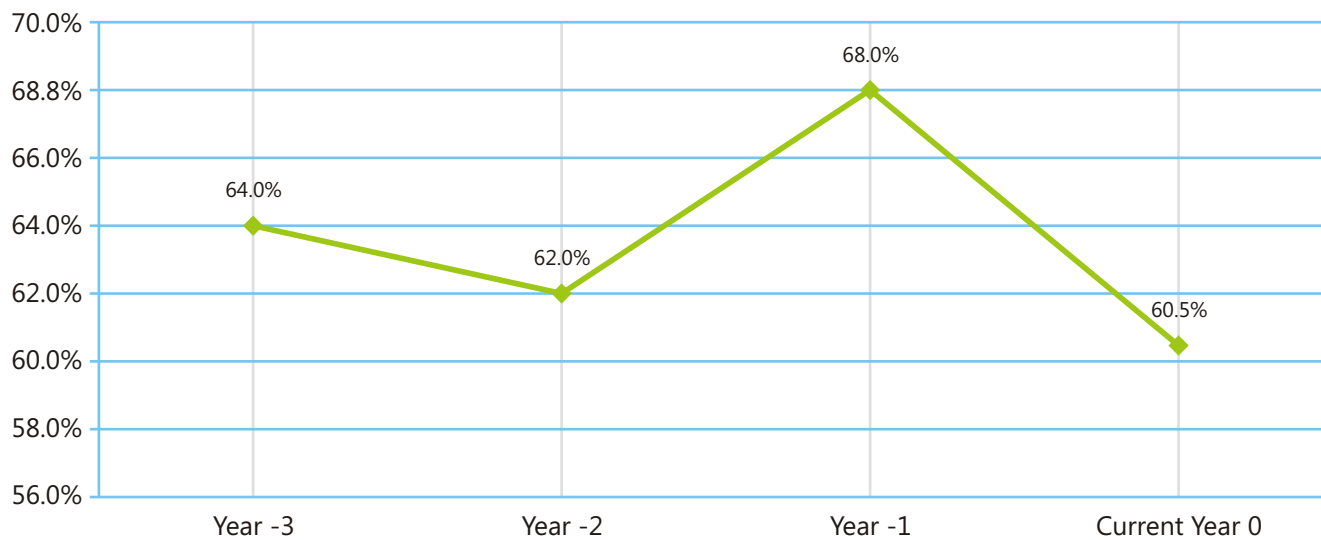
Cost Coverage



Cost Coverage - It explains how many months expenditure can be covered by the cash and other liquid assets available to the municipality excluding utilisation of grants.

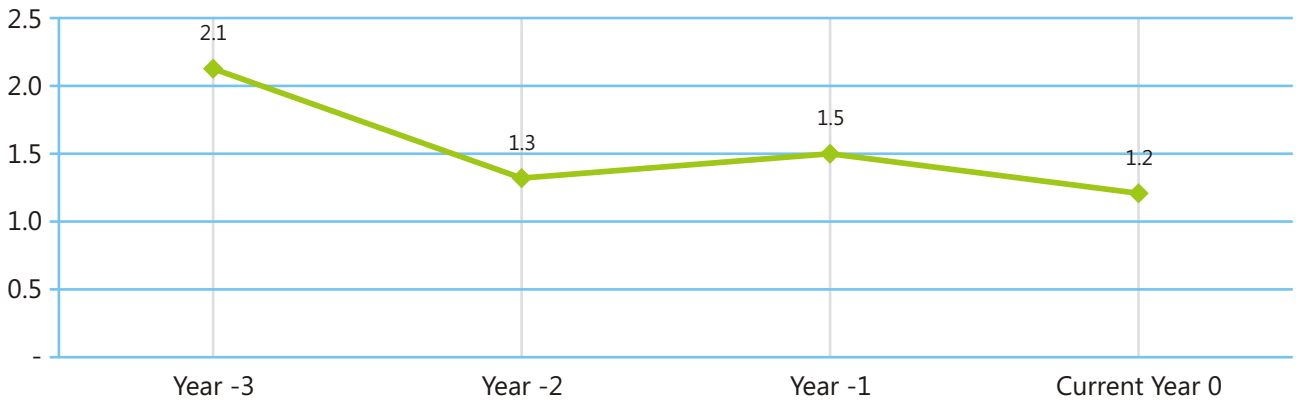
Data used from MBRR SA8

Total Outstanding Service Debtors



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

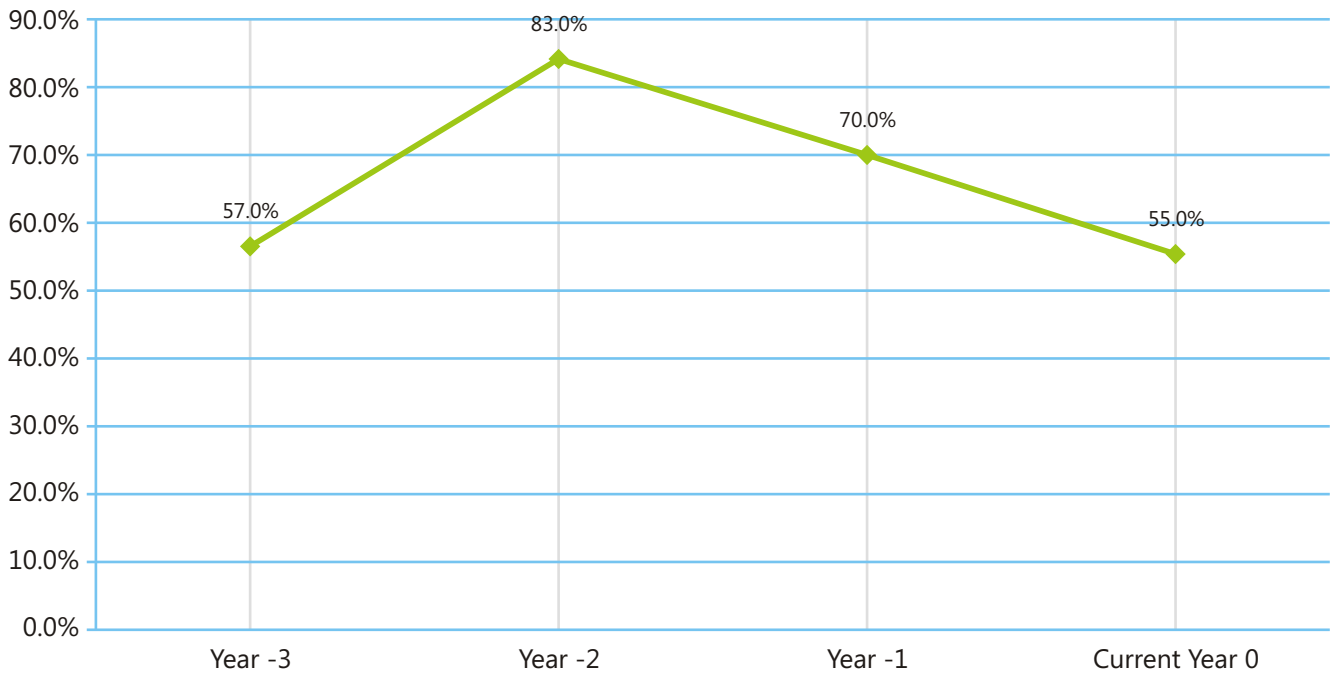
Debt Coverage



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

Data used from MBRR SA8

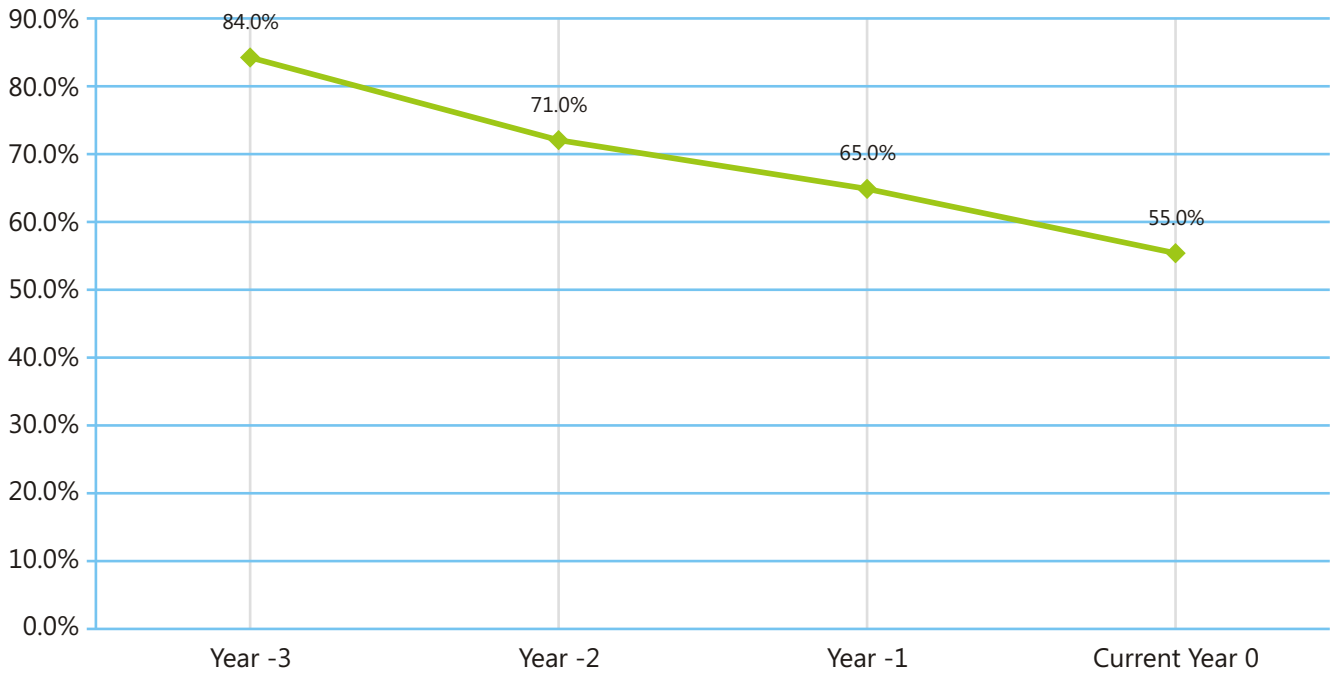
Creditors System Efficiency



Creditors System Efficiency - The proportion of creditors paid within terms (i.e. 30 days). This ratio is calculated by outstanding trade creditors divided by credit purchases.

Data used from MBRR SA8

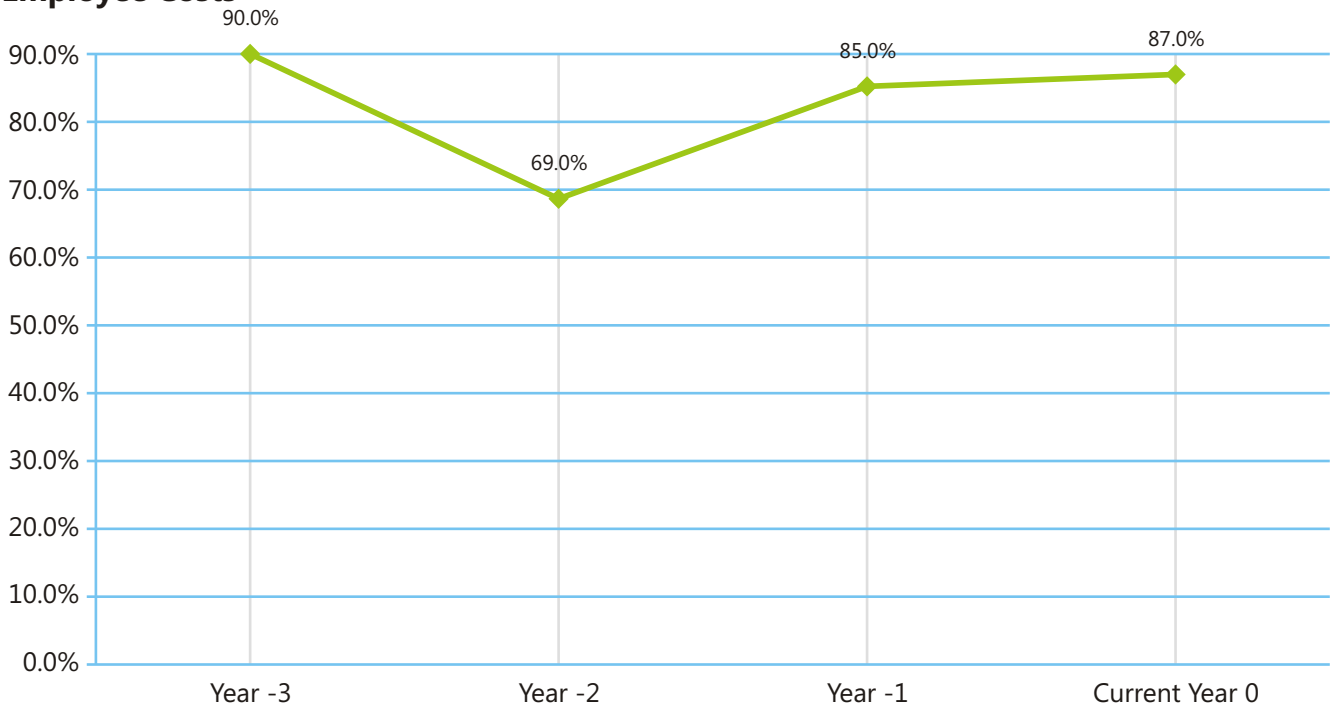
Capital Charges to Operating Expenditure



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

Data used from MBRR SA8

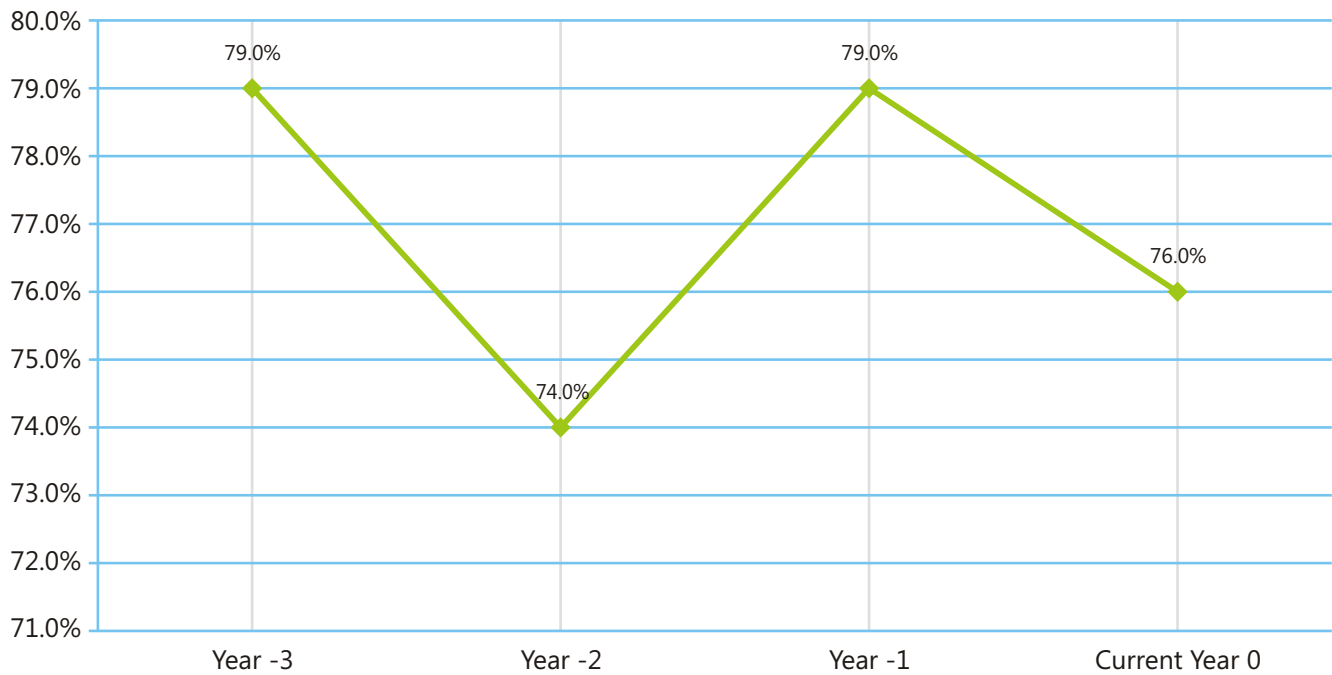
Employee Costs



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

Data used from MBRR SA8

Repairs and Maintenance



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

Data used from MBRR SA8

Ratio	Equation Calculation	2013	2012	2011	2010	Indication
Ratios measuring Council's ability to pay short-term obligations						
Acid Test	$= \frac{\text{Cash} + \frac{A}{R} + \text{Short Term Investments}}{\text{Current Liabilities}}$	0.28	1.23	0.79	2.31	An increase of 18% against the previous year demonstrates a increase in Council's ability to meet its current financial obligations but is still below an acceptable level.
Current Ratio	$= \frac{\text{Current Assets}}{\text{Current Liabilities}}$	0.31	0.58	0.79	2.88	A decrease of 87% against the previous year demonstrates a decline in Council's ability to meet its current financial obligations.
Ratios measuring Council's activity						
Average collection period for Account Receivable	$= \frac{\text{Average Accounts Receivable}}{\text{Net Credit} \frac{\text{Sales}}{365} \text{ days}}$	9.96	9.09	31.07	18.55	A 9% increase in the no. of average days taken to recover A/R shows an increase in Council's position to recover debt quickly.
Inventory Turnover	$= \frac{\text{Cost of Goods Sold}}{\text{Average Inventory}}$	144.45	77.04	44.78	81.57	A increase of 33% in turnover demonstrates that Council has implement measures to optimize on sales for the reporting year.

Equity Position

Ratios that measure long-term solvency of Council and its capacity to generate and obtain investment resources.

Ratio	Equation Calculation	2013	2012	2011	2010	Indication
Creditors' Equity to Total Assets	$= \frac{\text{Total Liabilities}}{\text{Total Assets}}$	0.30	0.40	0.35	0.17	A decrease of 33% indicates that Council's liabilities are decreasing against Council's assets.
Debt to Net Worth Ratio	$= \frac{\text{Total Liabilities}}{\text{Net Assets}}$	0.44	0.66	0.53	0.21	A decrease of 50% indicates that Council's liabilities are decreasing against Council's net worth (net assets) due to the increase of Council's total assets base.

Economic Vitality and Financial Viability

Ratio	2013	2012	2011	2010	Indication
$= \frac{\text{Total Operating Revenue} - \text{Total Operating Grants Received}}{\text{Total Expenditure}}$	0.23	0.20	0.29	0.37	This ratio is an indicator that Council's dependency on Grants & Subsidies has increased from the previous financial year as only a fifth of total expenditure is funded by internally generated revenue

Soundness of Financial Management Practices

Ratio	2013	2012	2011	2010	Indication
$= \frac{\text{Short-term Investment Income}}{\text{Total Internal Revenue}}$	0.10	0.21	0.65	0.03	Due to Council's reducing short-term investment balances, Council's ability to generate income from interest received on investment has decreased.

SPENDING AGAINST CAPITAL BUDGET

Capital expenditure relates mainly to construction projects that will have value lasting over many years. Capital expenditure is funded from grants, borrowings and operating expenditures and surpluses. Component B deals with capital spending indicating where the funding comes from and whether Municipalities are able to spend the available funding as planned. In this component it is important to indicate the different sources of funding as well as how these funds are spend. The 5 largest projects are highlighted (see T5.7.1) and indicate what portion of the capital budget they use. Further reference is made to Appendices **M,N** and **O**.

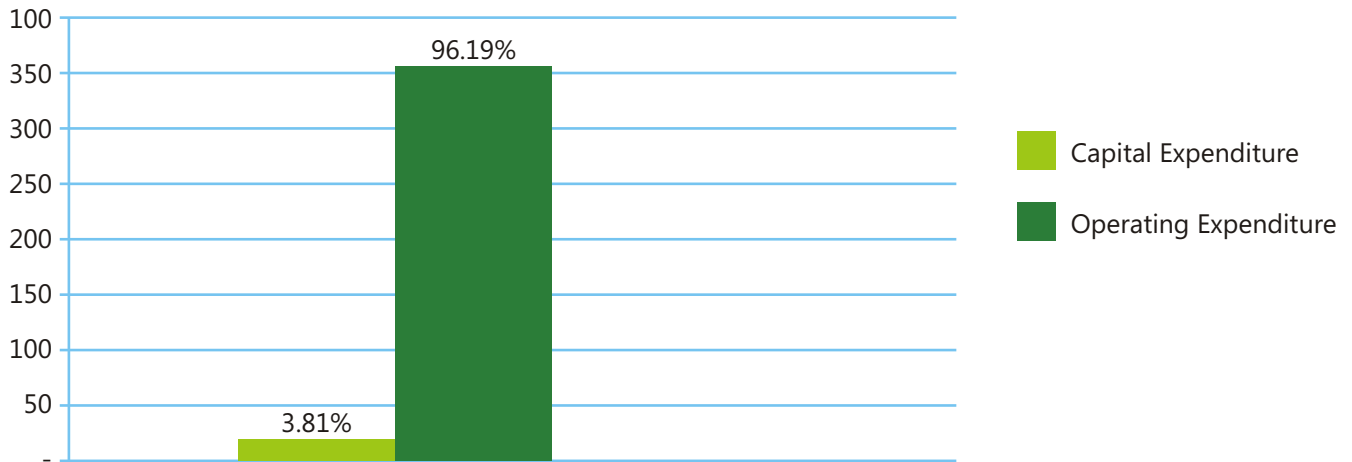
Component B

SPENDING AGAINST CAPITAL BUDGET

5.5

CAPITAL EXPENDITURE

Capital Expenditure



5.6

SOURCES OF FINANCE

Description	Original Budget	Adjustment Budget	Un-audited Full Year Total	Original Budget Variance	Adjustment Budget Variance
<i>R '000 000</i>					
Capital Expenditure	12	14	13	-13.8%	5.8%
Operating Expenditure	367	356	355	3.4%	0.4%
Total Expenditure	379	370	368	2.9%	0.6%
Water and sanitation					
Electricity					
Housing					
Roads,Pavements,Bridges & Storm Water					
Other	12	14	13	-13.8%	5.8%
	12	12	13	-13.8%	5.8%
External Loans					
Internal contributions	12	14	13	-13.8%	5.8%
Grants and subsidies					
Other					
	12	14	13	-13.8%	5.8%
External Loans					
Grants and subsidies			257		
Investments Redeemed					
Statutory Receipts (including VAT)					
Other Receipts			230		
			487		

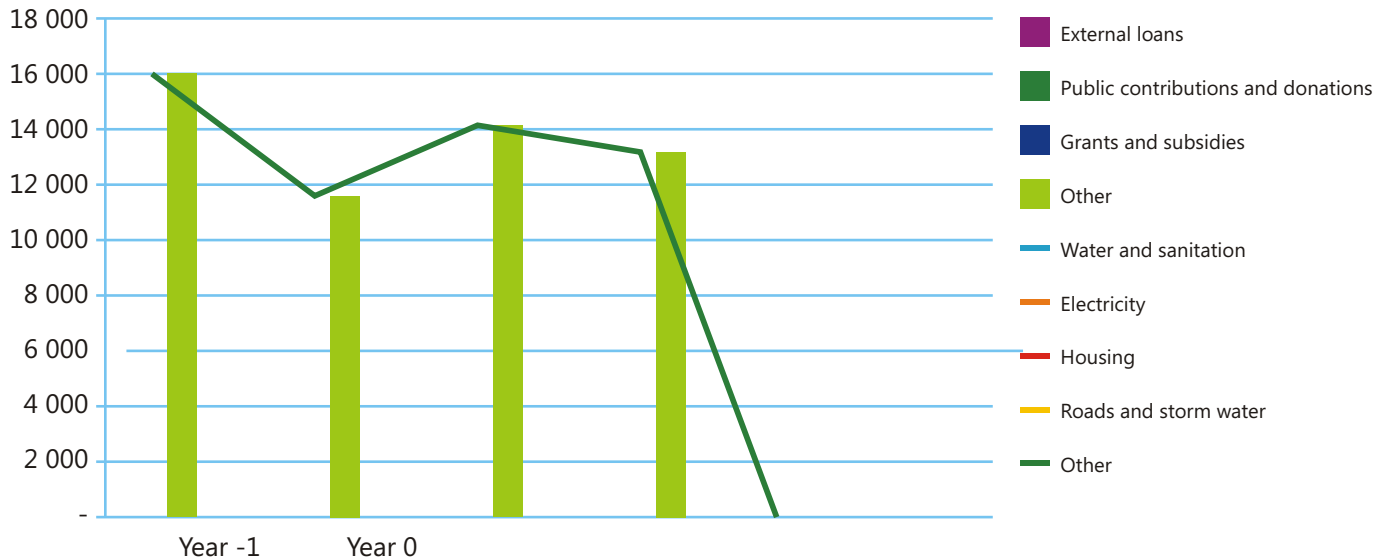
Description <i>R '000 000</i>	Original Budget	Adjustment Budget	Un-audited Full Year Total	Original Budget Variance	Adjustment Budget Variance
Salaries, wages and allowances	204	204	204		
Cash and creditor payments	132	132	132		
Capital payments	13	13	13		
Investments made					
External loans repaid					
Statutory Payments (including VAT)					
Other payments	142	142	142		
	492	492	492		
Property rates					
Service charges					
Other own revenue	84	83	82	2.6%	1.7%
Employee related costs	242	203	203	16.2%	0.0%
Provision for working capital					
Repairs and maintenance	5	5	5	-1.8%	0.2%
Bulk purchases					
Other expenditure	121	148	147	-22.1%	0.8%
Service charges: Electricity					
Grants & subsidies: Electricity					
Other revenue: Electricity					
Employee related costs: Electricity					
Provision for working capital: Electricity					
Repairs and maintenance: Electricity					
Bulk purchases: Electricity					
Other expenditure: Electricity					
Service charges: Water					
Grants & subsidies: Water					
Other revenue: Water					
Employee related costs: Water					
Provision for working capital: Water					
Repairs and maintenance: Water					
Bulk purchases: Water					
Other expenditure: Water					

Capital Expenditure - Funding Sources: Year -1 to Year 0

R '000

Description	Year -1	Year 0				
	Original Budget	Original Budget	Adjustment Budget	Actual	Adjustment to OB Variance (%)	Actual to OB Variance (%)
Source of finance:						
External loans						
Public contributions and donations						
Grants and subsidies						
Other	15 999	11 670	14 092	13 275	20.75%	13.75%
Total	15 999	11 670	14 092	13 275		
<i>Percentage of Finance:</i>						
External loans	0,0%	0,0%	0,0%	0,0%		
Public contributions and donations	0,0%	0,0%	0,0%	0,0%		
Grants and subsidies	0,0%	0,0%	0,0%	0,0%		
Other	100,0%	100,0%	100,0%	100,0%		
Capital Expenditure:						
Water and sanitation						
Electricity						
Housing						
Roads and storm water						
Other	15 999	11 670	14 092	13 275	20.75%	13.75%
Total	15999499	11670000	14091996	13275079		
<i>Percentage of Expenditure:</i>						
Water and sanitation	0,0%	0,0%	0,0%	0,0%		
Electricity	0,0%	0,0%	0,0%	0,0%		
Housing	0,0%	0,0%	0,0%	0,0%		
Roads and storm water	0.0%	0.0%	0.0%	0.0%		
Other	100,0%	100,0%	100,0%	100,0%		

Source of Finance and Capital Expenditure



SOURCES OF FUNDING:

The implementation of the CCTV project in conjunction with the Optic Fibre project currently still in progress, has been funded internally by Council.

5.7

CAPITAL SPENDING ON 5 LARGEST PROJECTS

Capital Expenditure of largest projects

Name of Project	Current Year 0			Variance: Current Year 0	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjustment Variance (%)
IT SEDIBENG NETWORKS	9 000 000	11 000 000	10 999 551	-22%	-22%

CAPITAL PROJECTS:

The CCTV Project started in 2005 with CCTV cameras being installed in Vereeniging CBD, Sebokeng, Evaton and Sharpeville. SDM and ELM financed this phase of installation with SDM allocating about R3 200 000.00 and ELM R2 000 000.00

The second phase of the project commenced in 2009 with a contract of worth about R39 490 785.80. The scope of the project included upgrading of the CCTV Surveillance Room, replacement of aerial optic fibre network in the townships with a wireless transmission network, and installation of CCTV cameras. The licensing service centres project was entirely funded by SDM for the financial year 2011/12, with a Capital Budget of only R3,000,000.00 being approved for this phase of the project. Civil work is ongoing in Vereeniging CBD whereby underground reticulation is being laid and camera poles are being planted. The current aerial optic fibre is also being migrated to underground sleeves. Installation in Ratanda had commenced in April 2012 and should have been completed by the end of October 2012. Cameras that were initially allocated to Heidelberg CBD were moved to Ratanda because a private Section 21 Company had install cameras in the CBD, and areas that were identified as possible camera positions have been utilized. SAPS further requested that additional CCTV cameras be deployed in the Barrage area to reduce the overall levels of serious crime in the rural arterial routes.

The Fibre optic cabling installation project started in 2011 and had been designed as four year project for installation of fibre optic cable Wi-Fi and wireless hot spots in all the municipal offices throughout the Sedibeng region. The buildings include emergency services, workshops, clinics, libraries and community centres in all townships. These links will improve communication linkages to strengthen the municipal and administrative capabilities to deliver an efficient and effective public service to the community throughout the municipal district.

The main fibre optic cables between Vereeniging, the CCTV control room and Vanderbijlpark have been installed. The link between Vanderbijlpark, the Trust Bank building and Sharpville library have been commissioned and is operational. The first phase of the project was funded by SDM. The last phase of the ICT infrastructure would be the installation of fibre optic cables and wireless and microwave links inside Meyerton, Everton, Heidelberg and Gauteng. The expected completion date of the last phase of the ICT infrastructure installation is June 2014.

5.8

BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW

The District does not render basic services.

Component C

CASH FLOW MANAGEMENT AND INVESTMENTS

CASH FLOW MANAGEMENT AND INVESTMENTS

Cash includes cash on hand and cash with banks. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand and cash with banks. Short term investments are included. Bank overdrafts are recorded on the facility utilised. Finance charges on bank overdrafts are expensed as incurred. Information about cash flows may be useful to users of SDM's financial statements in assessing Council's cash flows, assessing Council's compliance with legislation and regulations (including authorised budgets) and for making decisions about whether to provide resources to, or enter into transactions with Council. These users and stakeholders are generally interested in how Council generates and uses cash and cash equivalents. Municipalities need cash for operations related to service delivery. Municipalities use cash to pay for the goods and services they consume, to meet ongoing debt servicing costs, and, in some cases, to reduce levels of debt. According to the standards of GRAP all entities are required to present a cash flow statement.

Cash Flow Outcomes

R '000

Description	Year -1	Current Year 0		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts				
Ratepayers and other	273 714	80 884	81 065	227 738
Government - operating	271 266	295 357	273 313	256 658
Government - capital				
Interest	2 222	3 035	2 060	2 116
Dividends				
Payments				
Suppliers and employees	(562 709)	(358 042)	(319 375)	(473 673)
Finance charges				
Transfers and Grants		(2 508)	(6 328)	(5 222)
NET CASH FROM/(USED) OPERATING ACTIVITIES	(15 506)	18 725	30 734	7 617
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts				
Proceeds on disposal of PPE	1 569	5		82
Decrease (Increase) in non-current debtors		(3 793)	(17 975)	
Decrease (increase) other non-current receivables				
Decrease (increase) in non-current investments				
Payments				
Capital assets	(15 999)	(11 670)	(14 092)	(13 275)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(14 430)	(15 458)	(32 067)	(13 193)
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts				
Short term loans				
Borrowing long term/refinancing				
Increase (decrease) in consumer deposits				
Payments				
Repayment of borrowing				
NET CASH FROM/(USED) FINANCING ACTIVITIES	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD	(29 937)	3 267	(1 334)	(5 579)
Cash/cash equivalents at the year begin:	42 429	12 492	12 492	12 492
Cash/cash equivalents at the year end:	12 492	15 759	11 158	6 916

Source: MBRR A7

CASH FLOW OUTCOMES:

An increase of 18% against the previous year's quick ratio demonstrates an increase in Council's ability to meet its short-term (< 90 days) current financial obligations but is still below an acceptable level.

A decrease of 87% against the previous year's current ratio demonstrates a decline in Council's ability to meet its current (< 12 months) financial obligations.

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

5.10

BORROWING AND INVESTMENTS

Interest received on investments is one of the revenue categories of Council. Surplus "unused" cash is invested in short-term investments in order to employ Council's cash more efficiently and to ensure its safekeeping through risk transfer. The monies held in investments for Council are mostly made up of grant monies received that are not yet utilised. Due to Council's reducing short-term investment balances, Council's ability to generate income from interest received on investment has decreased. Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade receivables. The municipality only deposits cash with major banks with high quality credit standing and limits exposure to any one counter party.

Council incurred no debt during the period under review.

Investments

R '000

Investment Type	Year -2 Actual	Year -1 Actual	Year 0 Actual
Municipality			
Securities - National Government			
Listed Corporate Bonds			
Deposits – Bank	20 364	33	908
Deposits - Public Investment Commissioners			
Deposits - Corporation for Public Deposits			
Bankers Acceptance Certificates			
Negotiable Certificates of Deposit – Banks			
Guaranteed Endowment Policies (sinking)			
Repurchase Agreements – Banks			
Municipal Bonds			
Other			
Municipality sub-total	20 364	33	908
Municipal Entities			
Securities - National Government			
Listed Corporate Bonds			
Deposits – Bank			
Deposits - Public Investment Commissioners			
Deposits - Corporation for Public Deposits			
Bankers Acceptance Certificates			
Negotiable Certificates of Deposit – Banks			
Guaranteed Endowment Policies (sinking)			
Repurchase Agreements – Banks			
Other			
Entities sub-total			
Consolidated total:	20 364	33	908

Council has recorded a 5% decrease in revenue from interest received from investments in Year'0 against the prior year.

5.11

PUBLIC PRIVATE PARTNERSHIPS

South African law defines a PPP as a contract between a public sector institution/municipality and a private party, in which the private party assumes substantial financial, technical and operational risk in the design, financing, building and operation of a project.

Council did not enter into any Public-Private Partnerships for Year'0.

5.12**SUPPLY CHAIN MANAGEMENT**

The Council has developed its policy in line with the Municipal Supply Chain Management Regulations and MFMA circulars issued by National Treasury.

The municipality has developed and established the supplier database. SDM issued an advert inviting companies owned by people with disabilities to also register on the supplier database for specific commodities.

The Bid Committees were established and are fully functional, namely Bid Specification Committee, Bid Evaluation Committee; and Bid Adjudication Committee. There are currently no challenges with the functioning of bid committees.

The municipality has developed an annual procurement plan for 2012/2013 and 2013/2014 financial years, and all procurement requirements are measured against the plan.

SCM initiated the recruitment of the Assistant Manager: Demand and Acquisition and Committee Officer to be filled in the new financial year.

National Treasury has issued Guidelines for Municipal Competency Levels for Heads of Supply Chain Management and Supply Chain Management; these guidelines have been issued in terms of Municipal Regulations on Minimum Competency Levels.

The Director: Supply Chain Management, Assistant Manager: Demand and Acquisition Management and Supply Chain Management Specialist: Logistics Management comply with these minimum competency levels. All other five officials will be enrolled with the South African Institute of Chartered Accountants for this programme.

The Executive Mayor provided general political guidance over the fiscal and financial affairs of the SDM. There are no Councillors serving as members of any bid committees or who participate in the supply chain management processes at Sedibeng District Municipality.

The Municipality noted three past audit queries and has implemented remedial actions in the year under review: (1) Three quotations not being obtained - An attempt is made at all times to obtain 3 quotations, in the case where three quotations cannot be obtained, reasons are recorded and reported to the Chief Financial Officer. (2) Non-disclosure of deviations from supply chain management procedures - A deviation template has been developed to record all deviations, and all deviations are reported to council on monthly basis and annual deviations are disclosed as a note on the annual financial statements. (3) Non-declaration of business, commercial and other financial interests by councillors and officials - Supply Chain Unit provides support to Human Resources Department and Office of the Speaker to ensure that declarations are recorded.

5.13**GRAP COMPLIANCE**

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

Chapter

6

INTRODUCTION

Note: The Constitution S188 (1) (b) states that the functions of the Auditor-General includes the auditing and reporting on the accounts, financial statements and financial management of all municipalities. MSA section 45 states that the results of performance measurement... must be audited annually by the Auditor-General.

6.1

AUDITOR GENERAL REPORTS YEAR -1 (PREVIOUS YEAR)

Auditor-General Report on Financial Performance: Year -1	
Audit Report Status*	Unqualified with other matters specified
Non-Compliance Issues	Remedial Action Taken
Significant uncertainties	A panel of legal experts has been procured to advice and close on some of these pending matters.
Material underspending	The grant transfers were only received in the last month of the financial year, making for the capital expenditure impractical. The funds were rolled-over and expended in Year 0 and this expenditure has been accordingly reported on in the Year 0 financial statements for verification.
Reported indicators and targets not consistent with planned indicators and targets	Retraining of all managers on the 6 components of the newly acquired electronic performance management system assisted in their contribution during the IDP review process, setting of KPIs and targets in the SDBIP.
Reliability of selected objectives in the annual performance report	Due to robust process put in place in the IDP and SDBIP planning steps, total alignment in assured between these documents, hence quality objectives are selected and approved.
Achievement of planned targets	Introduction of the electronic Performance Management System aligned projects/programmes and resources. It also provides constant monitoring reports against planned targets. SDM witnessed an improvement in the roll out of planned targets.
Internal control	Annual Internal plan scheduled audits of departments and units identified as needy to improve on internal controls.
Leadership	Both political and administrative leadership are enrolled in relevant capacity building programmes. Leadership direction of the municipality has since significantly improved.
Financial and performance management	Financial and performance matters of the municipality are managed closely according to legislative guidelines and policies. Relevant policies were reviewed to guide the management.

6.1

AUDITOR GENERAL REPORTS YEAR -1 (PREVIOUS YEAR)

Auditor-General Report on Service Delivery Performance: Year -1

Audit Report Status:	Unqualified with other matter specified
Non-Compliance Issues	Remedial Action Taken

Component B

AUDITOR-GENERAL OPINION YEAR 0 (CURRENT YEAR)

6.2

AUDITOR GENERAL REPORT YEAR 0

Auditor-General Report on Financial Performance Year 0*

Status of audit report:	Unqualified
Non-Compliance Issues	Remedial Action Taken
Significance uncertainties as the municipality is the defendant in various court cases.	The legal processes are on-going, and SDM has sought services of experts both internal and external for advice and close on these matters.
Material under spending of the conditional grants	Plans are put in place to commence projects/programmes as soon as grants are received. The note key problem is the late allocation of grants to our municipality.

Auditor-General Report on Service Delivery Performance: Year 0*

Status of audit report**	Unqualified
Non-Compliance Issues	Remedial Action Taken
achievement of planned targets	A new system (EPMS) has been implemented and assists in the alignment of deliverables and resources, correct setting of targets and KPIs. SDM will timeously commence all projects and programmes.

AUDITOR GENERAL REPORT ON THE FINANCIAL STATEMENTS: YEAR 0

AG's opinion on SDM: Unqualified status (See attached report)

COMMENTS ON AUDITOR-GENERAL'S OPINION YEAR 0:

The Sedibeng District Municipality welcomes the unqualified opinion from the Auditor General. This is as results of hard work, dedication and commitment by all employees, management and oversight role players. SDM received unqualified with other matters in the past 5 years, and converged resources to clear out all such matters raised by the AG.

COMMENTS ON MFMA SECTION 71 RESPONSIBILITIES:

Section 71 of the MFMA requires municipalities to return a series of financial performance data to the National Treasury at specified intervals throughout the year. The Chief Financial Officer states that these data sets have been returned according to the reporting requirements.



Signed (Chief Financial Officer)..... Date.....



Glossary

GLOSSARY

Accessibility indicators	Explore whether the intended beneficiaries are able to access services or outputs.
Accountability documents	Documents used by executive authorities to give "full and regular" reports on the matters under their control to Parliament and provincial legislatures as prescribed by the Constitution. This includes plans, budgets, in-year and Annual Reports.
Activities	The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe "what we do".
Adequacy indicators	The quantity of input or output relative to the need or demand.
Annual Report	A report to be prepared and submitted annually based on the regulations set out in Section 121 of the Municipal Finance Management Act. Such a report must include annual financial statements as submitted to and approved by the Auditor-General.
Approved Budget	The annual financial statements of a municipality as audited by the Auditor General and approved by council or a provincial or national executive.
Baseline	Current level of performance that a municipality aims to improve when setting performance targets. The baseline relates to the level of performance recorded in a year prior to the planning period.
Basic municipal service	A municipal service that is necessary to ensure an acceptable and reasonable quality of life to citizens within that particular area. If not provided it may endanger the public health and safety or the environment.
Budget year	The financial year for which an annual budget is to be approved – means a year ending on 30 June.
Cost indicators	The overall cost or expenditure of producing a specified quantity of outputs.
Distribution indicators	The distribution of capacity to deliver services
Financial Statements	Includes at least a statement of financial position, statement of financial performance, cash-flow statement, notes to these statements and any other statements that may be prescribed.
General Key performance indicators	After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally.
Impact	The results of achieving specific outcomes, such as reducing poverty and creating jobs.
Inputs	All the resources that contribute to the production and delivery of outputs. Inputs are "what we use to do the work". They include finances, personnel, equipment and buildings.
Integrated Development Plan (IDP)	Set out municipal goals and development plans.
National Key performance areas	<ul style="list-style-type: none"> • Service delivery & infrastructure • Economic development • Municipal transformation and institutional development • Financial viability and management • Good governance and community participation
Outcomes	The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives set out in its plans. Outcomes are "what we wish to achieve".

Outputs	The final products, or goods and services produced for delivery. Outputs may be defined as "what we produce or deliver". An output is a concrete achievement (i.e. a product such as a passport, an action such as a presentation or immunization, or a service such as processing an application) that contributes to the achievement of a Key Result Area.
Performance Indicator	Indicators should be specified to measure performance in relation to input, activities, outputs, outcomes and impacts. An indicator is a type of information used to gauge the extent to which an output has been achieved (policy developed, presentation delivered, service rendered).
Performance Indicator	Indicators should be specified to measure performance in relation to input, activities, outputs, outcomes and impacts. An indicator is a type of information used to gauge the extent to which an output has been achieved (policy developed, presentation delivered, service rendered).
Performance Information	Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.
Performance Standards	The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service-level agreements. Performance standards are mutually agreed criteria to describe how well work must be done in terms of quantity and/or quality and timeliness, to clarify the outputs and related activities of a job by describing what the required result should be. In this EPMDS performance standards are divided into indicators and the time factor.
Performance Targets	The level of performance that municipalities and its employees strive to achieve. Performance Targets relate to current baselines and express a specific level of performance that a municipality aims to achieve within a given time period.
Service Delivery Budget Implementation Plan	Detailed plan approved by the mayor for implementing the municipality's delivery of services; including projections of the revenue collected and operational and capital expenditure by vote for each month. Service delivery targets and performance indicators must also be included.
Vote	<p>One of the main segments into which a budget of a municipality is divided for appropriation of money for the different departments or functional areas of the municipality. The Vote specifies the total amount that is appropriated for the purpose of a specific department or functional area.</p> <p>Section 1 of the MFMA defines a "vote" as:</p> <ul style="list-style-type: none"> a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned