

Auditor-General Report Service Delivery : June 2013

Audit Report Status*:Unqualified report with other matters

| # | Non-Compliance Issues | Remedial Action Taken |
|---|--|---|
| | | <p>Controls are in place to ensure that no unauthorised, irregular, fruitless and wasteful expenditure occurs. While compliance notices are issued where it is felt that non-compliance is occurring, it is required that proactive efforts be made to prevent continued acts of wasteful or fruitless expenditure and non-compliance with SCM regulations. The new Evaluation and Specifications Committee was formed to increase efficiency. Asset Management is occurring as per the required targets and implementation plans. The Immoveable Asset Register has been completed and consolidated with the Movable Assets Register and areas of non-compliance identified.</p> |
| 6 | <p>Paragraph number 28 under compliance with laws and regulations “Expenditure Management” of the audit report.</p> <p>Reasonable steps were not taken to promptly inform the MEC for local government in the province, in writing of any unauthorised, irregular or fruitless and wasteful expenditure incurred by the municipality, as required by section 32(4) of the MFMA.</p> | <p><u>Recommended</u></p> <p>Reporting in terms of any unauthorised, irregular or fruitless and wasteful expenditure incurred by the municipality must be undertaken as required in terms of section 32(4) of the MFMA.</p> <p><u>Action Already Taken</u></p> <p>Controls are in place to ensure that no unauthorised, irregular, fruitless and wasteful expenditure occurs. While compliance notices are issued where it is felt that non-compliance is occurring, it is required that proactive efforts be made to prevent continued acts of wasteful or fruitless expenditure and non-compliance with SCM regulations</p> |
| 7 | <p>Paragraph number 29 under compliance with laws and regulations “Budget” of the audit report.</p> <p>After the council approved the adjustment budget, the municipal manager did not make public the approved adjustment budget as required by the Municipal budget and reporting regulation 26(1) / 52(1) (GN 393 of 17 April 2009).</p> | <p><u>Recommended</u></p> <p>After the council approved the adjustment budget, the municipal manager must make public the approved adjustment budget as required by the Municipal budget and reporting regulation 26(1) / 52(1) (GN 393 of 17 April 2009). Follow up must be conducted to ensure that this occurs as required.</p> |
| 8 | <p>Paragraph number 30 under compliance with laws and regulations “Performance Management” of the audit report.</p> <p>The municipality did not have and maintain effective, efficient and transparent systems of financial and risk management and internal controls as required by section 62(1)(c)(i) of the Municipal Finance Management Act.</p> | <p><u>Recommended</u></p> <p>Transparent systems of financial, risk management and internal controls (as required by section 62(1)(c)(i) of the Municipal Finance Management Act) must be created and monitored strictly in terms of implementation.</p> <p>Regular performance reporting to this extent is to be provided and appropriate and ongoing action to ensure compliance.</p> |

| Auditor-General Report Service Delivery : June 2013 | | |
|--|--|---|
| Audit Report Status*:Unqualified report with other matters | | |
| # | Non-Compliance Issues | Remedial Action Taken |
| 9 | <p>Paragraph number 31 under internal control “Leadership” of the audit report.</p> <p>The accounting officer adequately reviewed the financial statements prior to their submission for audit. However, there is still room for some minimal improvement.</p> | <p><u>Recommended</u></p> <p>Additional and ongoing efforts to be made by the accounting officer in order to continue to improve upon the quality of AFS reporting.</p> |
| 10 | <p>Paragraph number 32 under internal control “Leadership” of the audit report.</p> <p>Oversight responsibilities over reporting of performance information, compliance with laws and regulations have improved compared to the previous financial year. This is evident by the number of findings reported in the current year.</p> | <p><u>Recommended</u></p> <p>Despite the noted improvements for which the municipality must be commended, improvements remain an ongoing objective, especially when recognising that the quality of performance reporting is required to improve together with ensuring that performance reporting occurs strictly in accordance with stated policy.</p> |
| 11 | <p>Paragraph number 33 under internal control “Financial and Performance Management” of the audit report.</p> <p>Several instances of non-compliance with laws and regulations were identified which was due to a lack of processes in place at the municipality to ensure compliance with relevant legislation. Such non-compliance could have been prevented had compliance been properly reviewed and monitored.</p> | <p><u>Recommended</u></p> <p>Processes are to be formally created and agreed to in order to ensure that all compliance issues are addressed. Regular monitoring and reporting to Council in terms of this is required (as a standard item on the agenda). Accountability will then be created – facilitating compliance.</p> |
| 12 | <p>Paragraph number 34 under internal control “Governance” of the audit report.</p> <p>The municipality has an effective and adequately qualified internal audit and audit committee. More oversight role over the effectiveness of the internal control environment and performance reporting should however, be promoted as required by section 165 and 166 of the MFMA.</p> | <p><u>Recommended</u></p> <p>The audit committee to evaluate the effectiveness of internal controls more regularly and this should be linked to the objectives of a risk management plan. Appropriate remedial action is to be undertaken.</p> |

- Performance against predetermined objectives against the overall criteria of usefulness and reliability in the Annual Report was presented in accordance with the National Treasury’s annual reporting principles and reported performance was consistent with the planned objectives. (The usefulness of information further relates to whether indicators and targets are measurable (i.e. well defined, verifiable, specific, measurable and time bound) and relevant as required by the *National Treasury Framework for managing programme performance information* in respect of being valid, accurate and complete). **The Auditor General had no material findings on the annual performance report concerning the usefulness and reliability of the information.** Despite the findings the Auditor General has brought the following to Seqnu Municipality attention.

Overall the following additional comments are made (**with specific reference to performance reporting generally and performance management in particular**):

- Performance reporting concerns all directors. Notwithstanding the fact that at times they “contribute” towards a report that they are not directly responsible for, their quality input is required. Failure to provide this means that the required reporting cannot be effectively compiled. Performance reporting is thus everyone’s responsibility;
- The detail and quality of performance reporting is required to be improved and so too the evidence produced (located in the appropriate portfolio of evidence) – this must relate directly to the target. Lack of evidence translates to a lack of performance;
- Specific attention must be paid to ensuring that reporting is provided timeously (e.g. reports to National Treasury). These reports depend on directorate reporting and should this not be received timeously the deadlines of NT for consolidated reporting will not be met;
- Certain targets within the SDBIP for the following financial year (2013/2014) must be revisited. Aside from the wording of these, it is critically important that the essential reporting targets as detailed within s10g of the Municipal Planning and Performance Regulations (2006) are specified directly. While these are accommodated indirectly within targets to some degree this is insufficient, impedes reporting and will result in audit queries and the like; and
- Performance reporting is often very poorly reported on and at times the performance measures themselves do not adequately reflect appropriate measures to ascertain that the target has been met. These need to be adjusted within both the scorecard and in terms of reporting where necessary.

Auditor General’s Opinion for 2012/2013

“Unqualified Report with other matters”

The financial statements present fairly, in all material respects, the financial position of Senqu Local Municipality as at 30 June 2013 and its financial performance and cash flows for the year then ended, in accordance with GRAP and the requirements of the MFMA.

Comments on the MFMA Section 71 Responsibilities

It is to be noted that Senqu Municipality is currently meeting all timeframes regarding the s71 reporting to National Treasury. They are further to be commended for having been recognized as having one of the best s71 reporting submissions within the Eastern Cape Province.

6.2. AUDITOR GENERAL REPORT: YEAR 2012/2013

**REPORT OF THE AUDITOR-GENERAL TO THE EASTERN CAPE PROVINCIAL
LEGISLATURE AND COUNCIL OF SENQU MUNICIPALITY
REPORT ON THE FINANCIAL STATEMENTS**

Introduction

1. I have audited the financial statements of Senqu Municipality set out attached as Volume II page 311 of the Annual Report ,annexure pages 1 to 83, which comprise the statement of financial position as at 30 June 2013,the statement of financial performance, statement of changes in net assets, statement of comparison of budget and actual amounts and the statement of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

The accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with South African Standards of Generally Recognised Accounting Practice (GRAP)and the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and No. 5 of 2012: Division of Revenue Act of South Africa, 2012 (DoRA), and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor-General's responsibility

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), the General Notice issued in terms thereof and International Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

6. In my opinion the financial statements present fairly, in all material respects, the financial position of Senqu Local Municipality as at 30 June 2013 and its financial performance and cash flows for the year then ended, in accordance with GRAP and the requirements of the MFMA.

Emphasis of matters

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

Restatement of corresponding figures

8. As disclosed in note 37 to the financial statements, the corresponding figures which relate to the year ended 30 June 2012 have been restated as a result of errors discovered during the current financial year.

Additional matters

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

Material losses/impairments

10. As disclosed in note 42.4 to the financial statements, material losses to the amount of R2 million was incurred as a result of electricity distribution losses.
11. As disclosed in note 28 to the financial statements, impairments relating to impairment provision for doubtful debts to the amount of R5 million was incurred as a result of a write-off of irrecoverable exchange and non exchange receivables

Material under spending of the budget

12. As disclosed in the statement of budget and actual amounts to the financial statements, the municipality has materially under spent on conditional grants to the amount of R27, 8 million. As a consequence, the municipality has not achieved all of its planned objectives.
13. As disclosed in note 42 to the financial statements, the municipality has materially under spent on the capital budget to the amount of R19,3 million. As a consequence, the municipality has not achieved all of its planned objectives.

Additional matter

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

Unaudited supplementary schedules

15. The supplementary information set out on the attached annexure Volume II page 311 of the Annual Report pages 84 to 87 of the attached annexure the Annual Report does not form part of the financial statements and is presented as additional information. We have not audited these schedules and, accordingly, we do not express an opinion thereon.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

16. In accordance with the PAA and the General Notice issued in terms thereof, I report the following findings relevant to performance against predetermined objectives, compliance with laws and regulations and internal control, but not for the purpose of expressing an opinion.

Predetermined objectives

17. I performed procedures to obtain evidence about the usefulness and reliability of the information in the annual performance report as set out on attached Appendix T page 310 of the annual report pages 1 to 104 of the attached appendix in the annual report.
18. The reported performance against predetermined objectives was evaluated against the overall criteria of usefulness and reliability. The usefulness of information in the annual performance report relates to whether it is presented in accordance with the National Treasury's annual reporting principles and whether the reported performance is consistent with the planned objectives. The usefulness of information further relates to whether indicators and targets are measurable (i.e. well defined, verifiable, specific, measurable and time bound) and relevant as required by the *National Treasury Framework for managing programme performance information*).
19. The reliability of the information in respect of the selected objectives is assessed to determine whether it adequately reflects the facts (i.e. whether it is valid, accurate and complete).
20. There were no material findings on the annual performance report concerning the usefulness and reliability of the information.

Additional matters

21. Although no material findings concerning the usefulness and reliability of the performance information were identified in the annual performance report, I draw attention to the following matter below.

Achievement of planned targets

22. Of the total number of 47 targets planned for the year, 15 of targets were not achieved during the year under review. This represents 32% (>20%) of total planned targets that were not achieved during the year under review. The reason for this was that the reported unrest in Sterkspruit interfered with operations and caused this lack in achievement of planned targets.

Compliance with laws and regulations

23. I performed procedures to obtain evidence that the entity has complied with applicable laws and regulations regarding financial matters, financial management and other related matters. My findings on material non-compliance with specific matters in key applicable laws and regulations as set out in the General Notice issued in terms of the PAA are as follows:

Procurement and contract management

24. The preference point system was not applied in all procurement of goods and services above R30 000 as required by section 2(a) of the Preferential Procurement Policy Framework Act (PPPFA) and SCM regulation 28(1) (a). The register of bids received on time and the bid results were not published on the website of the municipality as per the requirement of SCM regulation 23(c).
25. Contracts were awarded to bidders based on preference points that were not allocated and/or calculated in accordance with the requirements of the PPPFA and its regulations.
26. Awards were made to providers who are in the service of other state institutions or whose directors/ principal shareholders are in the service of other state institutions, in contravention of section 112(j) of the MFMA and SCM regulations 44.

Expenditure management

27. Reasonable steps were not taken to prevent unauthorised expenditure, irregular expenditure, as required by section 62(1)(d) of the MFMA.

28. Reasonable steps were not taken to promptly inform the MEC for local government in the province, in writing of any unauthorised, irregular or fruitless and wasteful expenditure incurred by the municipality, as required by section 32(4) of the MFMA.

Budget

29. After the council approved the adjustment budget, the municipal manager did not make public the approved adjustment budget as required by the Municipal budget and reporting regulation 26(1) / 52(1) (GN 393 of 17 April 2009).

Performance management

30. The municipality did not have and maintain effective, efficient and transparent systems of financial and risk management and internal controls as required by section 62(1)(c)(i) of the Municipal Finance Management Act.

Internal control

Leadership

31. The accounting officer adequately reviewed the financial statements prior to their submission for audit. However, there is still room for some minimal improvement.
32. Oversight responsibilities over reporting of performance information, compliance with laws and regulations have improved compared to the previous financial year. This is evident by the number of findings reported in the current year.

Financial and performance management

33. Several instances of non-compliance with laws and regulations were identified which was due to a lack of processes in place at the municipality to ensure compliance with relevant legislation. Such non-compliance could have been prevented had compliance been properly reviewed and monitored.

Governance

34. The municipality has an effective and adequately qualified internal audit and audit committee. More oversight role over the effectiveness of the internal control environment and performance reporting should however, be promoted as required by section 165 and 166 of the MFMA.

Auditor-General

East London

30 November 2012



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

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 “ <i>full and regular</i> ” 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 “ <i>what we do</i> ”. |
| 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 those particular areas. 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 delivery 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 reducing 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) | Sets 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 & management • Good governance & 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 immunisation, 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 Information | Generic terms 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 timelines, 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 "vote" as</p> <ul style="list-style-type: none"> a) One of the main segments into which a budget of the municipality is divided for the appropriation of money for the different departments or functional areas of the municipality, and b) That which specifies the total amount that is appropriated for the purposes of the department or functional area concerned. |

Appendices

APPENDIX A

| COUNCILLORS, COMMITTEES A& COUNCIL ATTENDANCE | | | | | |
|---|-----------------------|---------------------------|--------------------------------|-------------------------------|--------------------------------|
| COUNCIL MEMBERS | FULL TIME / PART TIME | COMMITTEES ALLOCATED | *WARD AND/OR PARTY REPRESENTED | % COUNCIL MEETINGS ATTENDANCE | % APOLOGIES FOR NON-ATTENDANCE |
| | | | | % | % |
| N.Y Mtyali – Mayor | Full Time | EXCO | Party Representative | 100% | |
| M.W. Mpelwane | Part Time | Technical Services & EXCO | Party Representative | 80% | 20% |
| A.P. Kwinana | Part Time | MPAC | Party Representative | 80% | 20% |
| S.S Tindleni | Part Time | Corporate Services | Party Representative | 50% | 50% |
| G.N. Mbonyana | Part Time | Community Services & EXCO | Party Representative | 90% | 10% |
| JOB CONstabel | Part Time | BTO & EXCO | Party Representative | 100% | |
| N.R. Nthako | Part Time | Corporate Services | Party Representative | 80% | 20% |
| I.Mosisidi | Part Time | Community Services | Party Representative | 100% | |
| G.S. Mvunyiswa | Part Time | Technical Services | Party Representative | 80% | 20% |
| M.A. Mshasha | Part Time | MPAC | Party Representative | 80% | 20% |
| I.M. Elia | Part Time | MPAC | Party Representative | 90% | 10% |
| M.A. Mangali | Part Time | MPAC | Party Representative | 50% | 50% |
| A.H. Sobhuza | Part Time | Community Services | Party Representative | 90% | 10% |
| B.S. Majodina | Part Time | BTO | Ward Councillor – Ward 1 | 100% | |
| P.G. Key | Part Time | Technical Services | Ward Councillor – Ward 2 | 100% | |
| N. Nombula | Part Time | IPME | Ward Councillor – Ward 3 | 90% | 10% |
| N.M. Kwinana | Part Time | EXCO & Corporate Services | Ward Councillor – Ward 4 | 100% | |
| J. Lamani | Part Time | Community Services | Ward Councillor – Ward 5 | 100% | |
| N.C Mraji | Part Time | IPME | Ward Councillor – Ward 6 | 90% | 10% |

APPENDIX A (CONT.)

| COUNCILLORS, COMMITTEES A& COUNCIL ATTENDANCE | | | | | |
|---|-----------------------|----------------------|--------------------------------|-------------------------------|--------------------------------|
| COUNCIL MEMBERS | FULL TIME / PART TIME | COMMITTEES ALLOCATED | *WARD AND/OR PARTY REPRESENTED | % COUNCIL MEETINGS ATTENDANCE | % APOLOGIES FOR NON-ATTENDANCE |
| M. Gojo | Part Time | BTO | Ward Councillor – Ward 7 | 100% | |
| M.G. Moeletsi | Part Time | Community Services | Ward Councillor – Ward 8 | 80% | 20% |
| P.A. April | Part Time | IPME | Ward Councillor – Ward 9 | 80% | 20% |
| S. Mfisa | Part Time | BTO | Ward Councillor – Ward 10 | 80% | 20% |
| M.N. Ngendane | Part Time | Community Services | Ward Councillor – Ward 11 | 100% | |
| M.P. Bingwa | Part Time | IPME | Ward Councillor – Ward 12 | 70% | 30% |
| L.M. Tokwe | Part Time | IPME | Ward Councillor – Ward 13 | 70% | 30% |
| M.J. Mjali | Part Time | Community Services | Ward Councillor – Ward 14 | 100% | |
| S.S. Ndzongana | Part Time | MPAC | Ward Councillor – Ward 15 | 80% | 20% |
| M. Mafilika | Part Time | IPME & EXCO | Ward Councillor – Ward 16 | 100% | |
| P.N August - Speaker | Full Time | Speaker | Ward Councillor – Ward 17 | 100% | |
| B. Ngogodo | Part Time | Technical Services | Ward Councillor – Ward 18 | 80% | 20% |
| N.C. Motemekwana | Part Time | Technical Services | Ward Councillor – Ward 19 | 100% | |
| R.M Joubert | Part Time | Corporate Services | Party Representative DA | 60% | 40% |
| I.H. Van Den Walt | Part Time | BTO | Party Representative DA | 100% | |
| S. Mziki | Part Time | Corporate Services | Party Representative | 60% | 40% |
| M.J. Sereba | Part Time | EXCO | Party Representatives | 80% | 20% |
| M. Senoamali | Part Time | IPME | Party Representative UDM | 70% | 30% |

APPENDIX B

COMMITTEES & COMMITTEE PURPOSES

| Committees (other than Mayoral /Executive Committee) and Purpose of Committees | |
|--|---------------------------------------|
| Municipal Committees | Purpose of Committee |
| Audit committee | Administrative Oversight |
| Municipal public accounts committee | Oversight |
| Remuneration committee | Remuneration Issues |
| Local Labour Forum | Labour Issues |
| Training Committee | Training and Employment Equity Issues |
| Bid Committees | Bid/Specification/Tender Adjudication |
| Performance Management Evaluation | Assessment of Performance |

APPENDIX C

THIRD TIER ADMINISTRATIVE STRUCTURE

| Third Tier Structure | |
|--|---|
| Directorate | Director/Manager (State title and Name) |
| Financial | Chief Financial Officer - Mr C Venter |
| Technical Services | Director: Mr R Crozier |
| Integrated Planning, Monitoring & Evaluation | Director: IPED Mr P L Bashula |
| Community Services | Director: L N Gologolo |
| Corporate Services | Director: T E Wonga |

APPENDIX D

FUNCTIONS OF MUNICIPALITY/ ENTITY

| Municipal / Entity Functions | | |
|--|---|---|
| Municipal Functions | Function Applicable to Municipality Yes/No | Function applicable to Entity Yes/No |
| Constitution Schedule 4, Part B functions | | |
| Air Pollution | No | |
| Building Regulations | Yes | |
| Child care facilities | No | |
| Electricity and gas reticulation | Yes | |
| Fire fighting services | No | |
| Local tourism | Yes | |
| Municipal airports | No | |
| Municipal Planning | Yes | |
| Municipal Health Services | No | |
| Municipal Public Transport | No | |
| Municipal Public Works only in respect of the needs of municipalities to administer functions specifically assigned to them under this Constitution or any other law | Yes | |
| Pontoons, ferries , jetties, piers & harbours, excluding the regulation of international & national shipping & matters elated thereto | No | |
| Storm water management systems in built-up areas | Yes | |
| Trading regulations | Yes | |
| Water and sanitation services limited to potable water supply systems and domestics waste water and sewage disposal systems | Yes | |
| Beaches and amusement facilities | No | |
| Billboards and the display of advertisements in public area | Yes | |

APPENDIX D (CONT.)

| Municipal / Entity Functions | | |
|--|---|---|
| Municipal Functions | Function Applicable to Municipality Yes/No | Function applicable to Entity Yes/No |
| Constitution Schedule 4, Part B functions | | |
| Cemeteries, funeral parlours and crematoria | Yes | |
| Cleansing | Yes | |
| Control of public nuisances | Yes | |
| Control of undertakings that sell liquor to the public | Yes | |
| Facilities for the accommodation, care and burial of animals | Yes | |
| Fencing and fences | Yes | |
| Licensing of dogs | Yes | |
| Licensing and control of undertakings that sell food to the public | Yes | |
| Local amenities | Yes | |
| Local sport facilities | Yes | |
| Markets | Yes | |
| Municipal abattoirs | No | |
| Municipal parks and recreation | Yes | |
| Municipal roads | Yes | |
| Noise pollution | No | |
| Pounds | Yes | |
| Public places | Yes | |
| Refuse removal, refuse dumps and solid waste disposal | Yes | |
| Street trading | Yes | |
| Street lighting | Yes | |
| Traffic & Parking | Yes | |

APPENDIX E

WARD REPORTING

| PUBLIC MEETINGS | | | | | | |
|--|---|---|---|-------------------------------|-----------------------------|---|
| Name and purpose of meeting | Date of meeting | Number of participating councillors /ward members | No. of participating Municipal officials / Administrators | Number of Community attending | Issues addressed (Yes /no) | Dates and manner of feedback given to the community |
| Mayoral Outreach (Public Consultation) | 06/06/ 12 30/ 05/12 09/05/12 23/05/12 | 5.Cllrs &134 W/M 4.Cllrs & 135 WM 3.Cllrs &252 WM 3.Cllrs &60 WM | 4 Officials 5 Officials 6 Official 5 Official | 134 135 252 60 | Yes | Community Needs & Feedback on their needs |
| Local Round | 02 /10/ 12 08/ 08/12 | 33.Cllrs & 170 Ward Committee & 13 CDWS 19.Cllrs & 13 CDWS | 1 Official 2 Officials | 0 0 | Yes Yes | Report on issues of wards Formation of the forum |
| Public Participation Forum | 11-12 /06/13 | 39. Cllrs &32 NGO & 180 Ward Committee. 9 Gov Dep | 5 Officials | 0 | Yes | Launch of the form |
| Ward Committee meeting | 12/02/13 | 19 Cllrs & 44 Ward Committees | 3 Officials | 0 | Sterksprut unrest | Ward committees to have Community meeting in wards |
| Door to door | 07 / 12 | Cllrs & CDWS and Ward Committees & Gov Department | 3 Official | 20 houses per village | Social needs | Yearly programme |
| Information Road show | 08 /05 / 13 09 / 05/ 13 10/ 05/ 13 11 / 05/ 13 | 19 Cllrs& 1CDWS& 16 Gov Dep 5.Cllrs & 13 Gov Dep 4.Cllrs &1CDW & 13 Gov Dep 4.Cllrs &1CDW & 13 Gov Dep | 10 Official 10 Official 10 Official 10 Official | 350 97 120 200 | Yes Yes Yes Yes | |

APPENDIX F

WARD INFORMATION

| PROJECTS APPROVED AND IN PROGRESS | | | |
|-----------------------------------|---|-----------------------|-----------------------------------|
| National Project Reference No. | Project name | Expenditure 2012/2013 | Balance Available on MIG Approval |
| EC0156 | Upgrading of Sport Facilities in Sterkspruit | 2 919 692.72 | 648 963.28 |
| EC0432 | Construction Solid Waste Site Sterkspruit | - | 2 109 360.62 |
| MIG/EC1689 | Herschell Solid Waste Site | - | 3 294 600.00 |
| MIG/EC1691 | Rhodes Solid Waste Site | - | 1 250 580.00 |
| MIG/EC1692 | Rossouw Solid Waste Site | - | 1 250 580.00 |
| MIG/EC1698 | Upgrading Roads & Storm Water Wards 1,2 & 3 | - | 120 693.92 |
| MIG/EC 4060 | Upgrading of Roads in Wards 7, 8, 9 & 12 (Phase IV) | 2 478 808.84 | 11 376 829.28 |
| MIG/EC 5053 | Senqu Cemeteries (Phase III) | 325 848.07 | 28 832 362.00 |
| EC20110050 | Sport Field Flood Lighting | - | 201 624.88 |
| EC2012146 | Upgrading Transwilger Taxi Route | 1 765 246.65 | 20 729.61 |
| EC2012145 | Transwilger Bridge Upgrade | 2 853 742.50 | 1 414 386.95 |
| EC2012153 | Community Hall - Zakhele | 1 550 000.00 | - |
| EC2012145 | Ward 5 Bridge | 1 654 457.79 | 1 349 657.28 |
| EC2012268 | Roads Ward 19 | 397 745.03 | 12 636 325.27 |
| EC2012269 | Roads Ward 01 | - | 1 275 052.19 |
| EC2012270 | Roads Ward 03 | - | 3 138 270.39 |
| EC2012271 | Roads Ward 04 | - | 2 147 062.87 |
| EC2012272 | Community Hall - Zakhele AFA | 602 378.24 | 32 068.76 |
| | Project Management Unit (PMU) 2012 / 13 | 1 401 250.00 | - |
| | | 15 949 169.84 | 71 099 147.30 |

APPENDIX G

RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE YEAR 2012/2013

Auditor-General Report on Service Delivery: June 2013

| Auditor-General Report Service Delivery : June 2013 | | |
|--|---|---|
| Audit Report Status*:Unqualified report with other matters | | |
| # | Non-Compliance Issues | Remedial Action Taken |
| 1 | <p>Paragraph number 22 under pre-determined objectives “Achievement of planned targets” of the audit report.</p> <p>Of the total number of 47 targets planned for the year, 15 of targets were not achieved during the year under review. This represents 32% (>20%) of total planned targets that were not achieved during the year under review. The reason for this was that the reported unrest in Sterkspruit interfered with operations and caused this lack in achievement of planned targets.</p> | <p><u>Recommended</u></p> <p>Efforts are underway to resolve the Sterkspruit issues. Notwithstanding the challenges it is recommended that additional efforts be made to re-evaluate the affected targets and to ensure that these targets accommodate potential Sterkspruit challenges i.e. proactive action to resolve identified issues that can now be anticipated.</p> |
| 2 | <p>Paragraph number 24 under compliance with laws and regulations “Procurement and contract management”.</p> <p>The preference point system was not applied in all procurement of goods and services above R30 000 as required by section 2(a) of the Preferential Procurement Policy Framework Act (PPPFA) and SCM regulation 28(1) (a).The register of bids received on time and the bid results were not published on the website of the municipality as per the requirement of SCM regulation 23(c).</p> | <p><u>Recommended</u></p> <p>Strict monitoring is to be undertaken in order to ensure that the preference point system is strictly applied. Controls are to be applied to ensure that bid results are published on the municipal website in terms of SCM regulation 23(c).</p> <p><u>Action Already Taken</u></p> <p>The new Evaluation and Specifications Committee was formed to increase efficiency.</p> |

Auditor-General Report Service Delivery : June 2013

Audit Report Status*:Unqualified report with other matters

| # | Non-Compliance Issues | Remedial Action Taken |
|---|---|---|
| 3 | <p>Paragraph number 25 under compliance with laws and regulations “Procurement and contract management”.</p> <p>Contracts were awarded to bidders based on preference points that were not allocated and/or calculated in accordance with the requirements of the PPPFA and its regulations.</p> | <p><u>Recommended</u></p> <p>SCM practices are to be strictly controlled and monitored regularly in terms of compliance. No deviations from the requirements of the PPPFA and its regulations are to be tolerated. Regular monthly reporting to take place in terms of this.</p> <p><u>Action Already Taken</u></p> <p>The new Evaluation and Specifications Committee was formed to increase efficiency.</p> |
| 4 | <p>Paragraph number 26 under compliance with laws and regulations “Procurement and contract management”.</p> <p>Awards were made to providers who are in the service of other state institutions or whose directors/ principal shareholders are in the service of other state institutions, in contravention of section 112(j) of the MFMA and SCM regulations 44.</p> | <p><u>Recommended</u></p> <p>SCM practices are to be strictly controlled and monitored regularly in terms of compliance. No deviations from the requirements of the PPPFA, SCM regulations and s112(j) of the MFMA are to be tolerated. Regular monthly reporting to take place in terms of this.</p> |
| 5 | <p>Paragraph number 27 under compliance with laws and regulations “Expenditure Management” of the audit report.</p> <p>Reasonable steps were not taken to prevent unauthorised expenditure, irregular expenditure, as required by section 62(1)(d) of the MFMA.</p> | <p><u>Recommended</u></p> <p>Regular monitoring and reporting on expenditure and the manner in which this is authorised it to be evaluated. Zero tolerance policy to be adopted. All staff to receive updated documents and/or training regarding authorisations and procedure. The risk assessment of the SCM system has not yet been completed and must be attended to. The management of suppliers remains a challenge which must be resolved through formal reporting.</p> <p><u>Action Already Taken</u></p> <p>Improvements in turnaround relating to SCM processes have already occurred despite the challenges in functioning that are being faced daily. SCM is now assisted by the Sebata system in that staff is now advised of insufficient funds prior to overspending. In addition to the new evaluation and specifications committees that were formed to increase efficiency, a SCM Manager has also been appointed as from 1st of February 2014 (assisting with compliance). Supply Chain Management reports are required to be submitted to the Municipal Manager and Mayor within 10 days of the end of each quarter and within 30 days of the end of each financial year a report on the implementation of SCM Policy is required to be submitted to Council. The risk assessment of the SCM system has not yet been completed. The management of suppliers also remains a challenge which will be resolved through formal reporting.</p> |

Auditor-General Report Service Delivery : June 2013

Audit Report Status*:Unqualified report with other matters

| # | Non-Compliance Issues | Remedial Action Taken |
|---|--|---|
| | | <p>Controls are in place to ensure that no unauthorised, irregular, fruitless and wasteful expenditure occurs. While compliance notices are issued where it is felt that non-compliance is occurring, it is required that proactive efforts be made to prevent continued acts of wasteful or fruitless expenditure and non-compliance with SCM regulations. The new Evaluation and Specifications Committee was formed to increase efficiency. Asset Management is occurring as per the required targets and implementation plans. The Immoveable Asset Register has been completed and consolidated with the Movable Assets Register and areas of non-compliance identified.</p> |
| 6 | <p>Paragraph number 28 under compliance with laws and regulations “Expenditure Management” of the audit report.</p> <p>Reasonable steps were not taken to promptly inform the MEC for local government in the province, in writing of any unauthorised, irregular or fruitless and wasteful expenditure incurred by the municipality, as required by section 32(4) of the MFMA.</p> | <p><u>Recommended</u></p> <p>Reporting in terms of any unauthorised, irregular or fruitless and wasteful expenditure incurred by the municipality must be undertaken as required in terms of section 32(4) of the MFMA.</p> <p><u>Action Already Taken</u></p> <p>Controls are in place to ensure that no unauthorised, irregular, fruitless and wasteful expenditure occurs. While compliance notices are issued where it is felt that non-compliance is occurring, it is required that proactive efforts be made to prevent continued acts of wasteful or fruitless expenditure and non-compliance with SCM regulations</p> |
| 7 | <p>Paragraph number 29 under compliance with laws and regulations “Budget” of the audit report.</p> <p>After the council approved the adjustment budget, the municipal manager did not make public the approved adjustment budget as required by the Municipal budget and reporting regulation 26(1) / 52(1) (GN 393 of 17 April 2009).</p> | <p><u>Recommended</u></p> <p>After the council approved the adjustment budget, the municipal manager must make public the approved adjustment budget as required by the Municipal budget and reporting regulation 26(1) / 52(1) (GN 393 of 17 April 2009). Follow up must be conducted to ensure that this occurs as required.</p> |
| 8 | <p>Paragraph number 30 under compliance with laws and regulations “Performance Management” of the audit report.</p> <p>The municipality did not have and maintain effective, efficient and transparent systems of financial and risk management and internal controls as required by section 62(1)(c)(i) of the Municipal Finance Management Act.</p> | <p><u>Recommended</u></p> <p>Transparent systems of financial, risk management and internal controls (as required by section 62(1)(c)(i) of the Municipal Finance Management Act) must be created and monitored strictly in terms of implementation.</p> <p>Regular performance reporting to this extent is to be provided and appropriate and ongoing action to ensure compliance.</p> |

Auditor-General Report Service Delivery : June 2013

| Auditor-General Report Status*:Unqualified report with other matters | | |
|---|--|---|
| # | Non-Compliance Issues | Remedial Action Taken |
| 9 | <p>Paragraph number 31 under internal control “Leadership” of the audit report.</p> <p>The accounting officer adequately reviewed the financial statements prior to their submission for audit. However, there is still room for some minimal improvement.</p> | <p><u>Recommended</u></p> <p>Additional and ongoing efforts to be made by the accounting officer in order to continue to improve upon the quality of AFS reporting.</p> |
| 10 | <p>Paragraph number 32 under internal control “Leadership” of the audit report.</p> <p>Oversight responsibilities over reporting of performance information, compliance with laws and regulations have improved compared to the previous financial year. This is evident by the number of findings reported in the current year.</p> | <p><u>Recommended</u></p> <p>Despite the noted improvements for which the municipality must be commended, improvements remain an ongoing objective, especially when recognising that the quality of performance reporting is required to improve together with ensuring that performance reporting occurs strictly in accordance with stated policy.</p> |
| 11 | <p>Paragraph number 33 under internal control “Financial and Performance Management” of the audit report.</p> <p>Several instances of non-compliance with laws and regulations were identified which was due to a lack of processes in place at the municipality to ensure compliance with relevant legislation. Such non-compliance could have been prevented had compliance been properly reviewed and monitored.</p> | <p><u>Recommended</u></p> <p>Processes are to be formally created and agreed to in order to ensure that all compliance issues are addressed. Regular monitoring and reporting to Council in terms of this is required (as a standard item on the agenda). Accountability will then be created – facilitating compliance.</p> |
| 12 | <p>Paragraph number 34 under internal control “Governance” of the audit report.</p> <p>The municipality has an effective and adequately qualified internal audit and audit committee. More oversight role over the effectiveness of the internal control environment and performance reporting should however, be promoted as required by section 165 and 166 of the MFMA.</p> | <p><u>Recommended</u></p> <p>The audit committee to evaluate the effectiveness of internal controls more regularly and this should be linked to the objectives of a risk management plan. Appropriate remedial action is to be undertaken.</p> |

- Performance against predetermined objectives against the overall criteria of usefulness and reliability in the Annual Report was presented in accordance with the National Treasury’s annual reporting principles and reported performance was consistent with the planned objectives. (The usefulness of information further relates to whether indicators and targets are measurable (i.e. well defined, verifiable, specific, measurable and time bound) and relevant as required by the *National Treasury Framework for managing programme performance information* in respect of being valid, accurate and complete). **The Auditor General had no material findings on the annual performance report concerning the usefulness and reliability of the information.** Despite the findings the Auditor General has brought the following to Seqnu Municipality attention.

Overall the following additional comments are made (**with specific reference to performance reporting generally and performance management in particular**):

- Performance reporting concerns all directors. Notwithstanding the fact that at times they “contribute” towards a report that they are not directly responsible for, their quality input is required. Failure to provide this means that the required reporting cannot be effectively compiled. Performance reporting is thus everyone’s responsibility;
- The detail and quality of performance reporting is required to be improved and so too the evidence produced (located in the appropriate portfolio of evidence) – this must relate directly to the target. Lack of evidence translates to a lack of performance;
- Specific attention must be paid to ensuring that reporting is provided timeously (e.g. reports to National Treasury). These reports depend on directorate reporting and should this not be received timeously the deadlines of NT for consolidated reporting will not be met;
- Certain targets within the SDBIP for the following financial year (2013/2014) must be revisited. Aside from the wording of these, it is critically important that the essential reporting targets as detailed within s10g of the Municipal Planning and Performance Regulations (2006) are specified directly. While these are accommodated indirectly within targets to some degree this is insufficient, impedes reporting and will result in audit queries and the like; and
- Performance reporting is often very poorly reported on and at times the performance measures themselves do not adequately reflect appropriate measures to ascertain that the target has been met. These need to be adjusted within both the scorecard and in terms of reporting where necessary.

APPENDIX H

LONG-TERM CONTRACTS & PUBLIC PRIVATE PARTNERSHIPS

| Long Term Contracts (20 Largest Contracts Entered into during Year 0) | | | | | |
|---|--|------------------------|-------------------------|----------------------------|----------------|
| R'000 | | | | | |
| Name of Service Provider (Entity or Municipal Department) | Description of Services Rendered by the Service Provider | Start Date of Contract | Expiry Date of Contract | Project Manager | Contract Value |
| TELKOM ISDN PRA Rental | Installation and Rental of Telkom ISDN 30 PRA Service | 10-Nov-10 | 10-Nov-13 | Director Corporate Service | R 91 610 |

| Public Private Partnerships Entered into during Year 0 | | | | | |
|--|------------------------|-----------------|-------------|-----------------|-----------------|
| R'000 | | | | | |
| Name of and Description of the Project | Name of the Partner(s) | Initiation Date | Expiry Date | Project Manager | Value 20../20.. |
| No PPP were entered into by council | | | | | |

APPENDIX I

MUNICIPAL ENTITY/SERVICE PROVIDER

SUPPLIER PERFORMANCE EVALUATION REPORT 01 July 2012 – 31 July 2013

Non-Infrastructure Projects

| BID NO | DESCRIPTION OF SERVICE | END-USER/ PROJECT MANAGER | CONTRACTOR/ SERVICE PROVIDER | EXTENTION /VARIATION | COMMENTS |
|----------|--|--------------------------------|---|----------------------|--|
| 92/2012 | PMS & SDBIP | Director: IPME | Charmaine v Schalkwyk Consulting, East London | Yes | The consultant has finished phase 1 of the contract satisfactory. Next financial year (1 July 2013) the consultant will begin second phase of the project. |
| 116/2011 | Develop organisational structure | Director: IPME | Charmaine v Schalkwyk Consulting, East London | None | The project is complete |
| 90/2012 | Diaries & Calendars | T.Koena | Umalu-C projects & Suppliers | None | Once off |
| 136/2012 | Off-site backup facility | Darlene | | - | Only one tender – no tax clearance |
| 09/2013 | Supply delivery 11 refuse mini skip bins | Director :Community | Trolley & Bin Pty Ltd | None | Once off |
| 36/2013 | 68 Ton Coldmix Asphalt | Director :Community | Kup's Trading CC | None | Once off |
| 37/2013 | Repair UnderCarriage PC 200-7 Excavator | Director :Community | Komatsu RSA | None | Once off |
| 38/2013 | New Millitron tester | R. Crozier | Workshop Electronics CC | None | Once off |
| 40/2013 | Off-site IT backup facility | Darlene Oertel | First wave Technology | None | Once off |
| 71/2012 | Refuse Compactor truck | Director Community | Mark Wilson Motors t/a Jackson | None | Once off |
| 72/2012 | High Volume Colour Photo Copier Machine | Director Corporate/ Matsolo A. | Toshiba Business system | None | Once off |

| BID NO | DESCRIPTION OF SERVICE | END-USER/ PROJECT MANAGER | CONTRACTOR/ SERVICE PROVIDER | EXTENTION /VARIATION | COMMENTS |
|------------|---|---------------------------|------------------------------|----------------------|----------------------------|
| 73/2012 | Electric glue binding machine | Director Corporate | NGR Office Solutions Pty Ltd | None | Once off |
| 74/2012 | SUV Mayoral vehicle | Mayor | Sovereign Motors | None | Once off |
| 75/2012 | Design documentation supervision access road in ward 1,3,4 & 19 | Director :Technical | Sagient Consultants | - | Once off |
| 76/2012 | Design documentation supervision bridges ward 5 | Director :Technical | Sinakho Consultants | - | Once off |
| 77/2012 | Design documentation construct community halls Rhodes | Director :Community | Mhatti Architects | - | Once off |
| 80/2012 | Electrical cables accessories & 9 pillar boxes | Director :Technical | Heroldts electrical | None | Once off |
| 87/2012 | Integrated Waste management plan | Director :Community | Aurecon, Bloemfontein | None | Once off |
| v/o | Integrated Waste management plan | Director :Community | Aurecon, Bloemfontein | | Once Off |
| 55/2013 | 22kv Overhead Lines Material Barkley East | Director : Technical | ARB Electrical Wholesalers | None | Once Off |
| 56/2013 | 22kv Overhead lines material Sterkspruit | Director : Technical | ARB Electrical Wholesalers | None | Once Off |
| Section 32 | CPMD Training | Director : Corporate | Kgolo Institute | - | The contract is continuing |
| Extens | Security Service | Director : Corporate | OTIA | - | The contract is continuing |

| BID NO | DESCRIPTION OF SERVICE | END-USER/ PROJECT MANAGER | CONTRACTOR/ SERVICE PROVIDER | EXTENSION /VARIATION | COMMENTS |
|---------------|---|------------------------------|---------------------------------------|----------------------|---------------------------------------|
| 91/2012 | Dwelling in Lady Grey | Director : Community | AM Oosthysen, Lady Grey | - | - |
| 96/2012 | Design documentation supervision additions alterations Sterkspruit sport fields | Director :Community | Maxifield projects consulting Pty Ltd | - | Once off |
| 123/2012 | Personal clothing – Job creation | - | Sukumani Nje Trading | - | - |
| 124/2012 | 68 ton coldmix Asphalt | Director :Technical services | Burwana Asphalt coldmix | - | Once off |
| 93/2012 | Two articulated dump trucks | Director Community | Bell Equipment, Beacon Bay | None | Once off |
| 94/2012 | Articulated Water Tanker | Director Technical | Bell Equipment, Beacon Bay | None | Once off |
| 95/2012 | Double Vibratory Roller | Director Technical | Bell Equipment, Beacon Bay | None | Once off |
| 97/2012 | Articulated tractor | | Bell Equipment, Beacon Bay | None | Once off |
| Single Source | Provision of Banking services | CFO | Guardian Security services | - | Contract still running satisfactorily |
| Single Source | Provision of Travel Agency | -0 | Bassie Travel Centre | None | Contract still running satisfactorily |
| Single Source | Provision of Security Services | Director Corporate | OTIA | None | Contract is still running |

| BID NO | DESCRIPTION OF SERVICE | END-USER/ PROJECT MANAGER | CONTRACTOR/ SERVICE PROVIDER | EXTENSION /VARIATION | COMMENTS |
|---------------|---|---------------------------|------------------------------|----------------------|---------------------------------------|
| Single Source | Financial support system :Finance, PMS, and Issue manager | CFO | SEBATA | None | The project is running satisfactory |
| Single Source | Accounting Support with asset management and the Compilation of the AFS | CFO | Mubesko Africa cc | None | Contract still running satisfactorily |

INFRASTRUCTURE/CAPITAL PROJECTS

| BID NO | DESCRIPTION OF SERVICE | END-USER/ PROJECT MANAGER | CONTRACTOR / SERVICE PROVIDER | EXPIRY DATE | EXTENSION /VARIATION | COMMENTS/CURRENT STATUS |
|---------|---|---------------------------|-------------------------------|---------------|----------------------|--|
| 84/2012 | Upgrading the existing bridge access road Transwilger | PMU | Bobbi Construction | 08 May 2013 | Yes | The project has been completed. Everything has been done according to the project specifications, by May 2013. The project comprised of portal culverts and sidewalks on the bridge and guard rails and stormwater channels. Reinforced concrete foundations for the bridge. |
| 85/2012 | Upgrading existing taxi route Transwilger | PMU | WDR Earthmoving enterprise | 08 March 2013 | None | Construction comprised of a gravel layer works, 80mm brick pavers and concrete side drains. Variance of the amount is because of the retention amount. 100% Completed as per construction program. The last payment was done in June 2013. They also did stormwater channels and road signs. |

| BID NO | DESCRIPTION OF SERVICE | END-USER/ PROJECT MANAGER | CONTRACTOR/ SERVICE PROVIDER | EXPIRY DATE | EXTENSION /VARIATION | COMMENTS/CURRENT STATUS |
|----------|---|---------------------------|--------------------------------------|-----------------|----------------------|---|
| 96/2012 | Design documentation supervision additions alterations Sterkspruit sports | | Maxfield Projects Consulting Pty Ltd | 30 June 2013 | None | Site handover will be done on the 20 th of August 2013 because the project has been finished as per project specifications. Club house ablution blocks, tennis and netball courts, soccer field, 90% of the parameter safety fence has been completed so far, they still have to work on the cricket pitch, pavilion stand and athletic track and 10 % of security fences and parking area still to be completed. The contractor still working on the project. |
| 120/2012 | Upgrading Existing Bridge Ward 5 | Director : Technical | Amadwala Trading 363 | 31 July 2013 | None | By June 2013 the project has been 100% complete as per the specification that happened in June2013. Construction comprised of a gravel layer works, 80mm brick pavers and concrete side drains and portal culverts and they have been completed. Variance of the amount is because of the retention amount. |
| 129/2012 | Alteration & Additions Sterkspruit Sport Facilities | Director :Community | Abednego Mvelase Construction | 30 June 2013 | None | Site handover will be done on the 20 th of August 2013 because has been finished as per project specification. |
| 141/2012 | Construction gravel roads Ward 7,8,9 & 12 | Director : Technical | Amadwala Trading 363 Cc | 18 October 2013 | None | The project is still on progress satisfactory, as per plan it will be finished in October 2013. It is the contraction of 4kms in each ward with concrete road crossing, stone pitching channels, the work is still in progress and the project is still running satisfactory. |

| BID NO | DESCRIPTION OF SERVICE | END-USER/ PROJECT MANAGER | CONTRACTOR/ SERVICE PROVIDER | EXPIRY DATE | EXTENSION /VARIATION | COMMENTS/CURRENT STATUS |
|---------|--|---------------------------|------------------------------|-------------------------|----------------------|---|
| 08/2013 | Renovations Rossouw Community Hall | | Mhatti Architects Cc | 30 September 2013 | None | The project is still on an ongoing phase its going to be complete by End August – satisfactorily. The only thing left is snag checklist in overhaul job. The project just started its just renovations of Rossouw Community Hall, which will include plastering, painting, restoring of wooden floors, electrical reticulation and also building of VIP toilets. |
| 19/2013 | Construction Sports field Naledi | Director: Community | Bobbi construction | 30 August 2013 | None | 29% Completed as per construction program. There have been some delays from Dept. of Sports and recreation for payment and that is why the constructor won't make it by the end of August 2013 as planned. Project is about parameter fencing, soccer pitch, netball and basket pitch and planting of trees. |
| 20/2013 | Construction Sports field Gcina | Director :Community | Bobbi construction | 30 August 2013 | None | 29% Completed as per construction program. There have been some delays from Dept. of Sports and recreation for payment and that is why the constructor won't make it by the end of August 2013 as planned. The PMU Manager has suggested that in future the department should write a commitment letter to the CFO to do the Bridge funding in the meantime so that in future the projects won't be affected by their delays in payments. Project is about parameter fencing, soccer pitch, netball and basket pitch and planting of trees. |

| BID NO | DESCRIPTION OF SERVICE | END-USER/ PROJECT MANAGER | CONTRACTOR/ SERVICE PROVIDER | EXPIRY DATE | EXTENSION /VARIATION | COMMENTS/CURRENT STATUS |
|---------|---|---------------------------|------------------------------------|-------------------|----------------------|---|
| 21/2013 | Refurbishment old age home, Mayoral residence & Construction Vehicle Fleet yard | | Maxi field project consulting | 31 October 2013 | None | Mayoral house was completed end June 2013, Old age home offices and fleet yard will be completed by End August 2013 the progress in on 89% so far the project is going as planned. In mayoral house the project was about to do restoration, painting, installing kitchen net, and renovations of garage and car port. Old age home refurbishment to municipal offices and construction of fleet yard which will have an office space, wash bay and paved parking area. Work is progressing satisfactory. |
| | V/O Rhodes community hall | Director :Community Hall | Wittenberg Consortium | 30 April 2013 | None | 100% Completed as per construction program Plastering of internal walls have been completed and the project is complete. |
| 33/2013 | New ablution block at Bhunga Hall Sterkspruit | Director :Community | Zuki Skills development & projects | 30 September 2013 | None | The project now is 75% complete- it should be complete by the end of August 2013. It the construction of ablution blocks similar in Bhunga hall. |
| 34/2013 | Construction fence Barkley East Cemetery | Director: Community | Tsedimosetso trading | 31 October 2013 | None | 65% complete, the project is still going satisfactory....The are putting up palisade fencing and entrance gates. |
| 35/2013 | Construction Fence Barkley East Pound | Director :Community | Tsedimosetso trading | 30 September 2013 | None | 55% complete, the project is still going satisfactory....The are putting up palisade fencing and entrance gates. |
| 59/2013 | Construction of gravel roads in Ward 3 | Director :Technical | Booming projects /Ludumo JV | November 2013 | - | They 've been given 2 weeks for site establishment stage which is ending 16 th August 2013, by next week they will start the actually construction works on the 19 th August 2013 |

| BID NO | DESCRIPTION OF SERVICE | END-USER/ PROJECT MANAGER | CONTRACTOR/ SERVICE PROVIDER | EXPIRY DATE | EXTENSION /VARIATION | COMMENTS/CURRENT STATUS |
|---------|---|---------------------------|------------------------------|-------------|----------------------|--|
| 60/2013 | Construction of gravel roads in Ward 4 | Director :Technical | Booming projects /Ludumo JV | | - | They' ve been given 2 weeks for site establishment stage which is ending 16 th August 2013, by next week they will start the actually construction works on the 19 th August 2013 |
| 61/2013 | Construction of gravel roads in Ward 19 | Director :Technical | WDR Earthmoving Enterprises | | - | They' ve been given 2 weeks for site establishment stage which is ending 16 th August 2013, by next week they will start the actually construction works on the 19 th August 2013. Although |
| 63/2013 | Prof services: Box culvert, Pedestrian Bridge & Roads in Ward 5 | Director :Technical | SKCM Engineers | | - | Although the project is on designing stage but it is delayed by the approval of EIA (Environmental Impact assessment) which will be approved End March 2014. ...The roads in ward 5 will be taken to the specification committee in September to the approved tender stage. |
| 64/2013 | Prof service: Roads in ward 15 & 16 | Director :Technical | SKCM Engineers | | - | Still on design stage, it will be taken to the specification committee for approval in September 2013 |
| 65/2013 | Prof service: Roads Ward & Sport Fields Ward 19 | Director :Technical | SKCM Engineers | | - | Still on design stage for roads to be taken to the specification committee for tender approval... for the sports field in Barkley it's still awaiting for the council resolution for shifting the funding of the sports filed in ward 19 so as to complete the lightning of Sterkspruit stadium. |

| BID NO | DESCRIPTION OF SERVICE | END-USER/ PROJECT MANAGER | CONTRACTOR/ SERVICE PROVIDER | EXPIRY DATE | EXTENSION /VARIATION | COMMENTS/CURRENT STATUS |
|---------|---|---------------------------|------------------------------|-------------|----------------------|---|
| V/O | Bridge ward 5 | Director: Technical | Amadwala Trading | | - | Project is complete |
| V/O | Transiwilger Bridge | Director :Technical | Sinako Consulting | | - | Project is complete |
| V/O | Kwa-Gcina Sport Field | Director :Technical | Bobi Construction | | - | Still pending |
| V/O | Integrated Waste Management Plan | Director :Technical | Aurecon, Bloemfontein | | - | The project has been completed – The municipality did the variation order for the IWP, because after they have finished the project they realised that we as the municipality we are not making enough money from the waste as compared to the money we spend. So the variation order was for the Aurecon to make us Cost benefit analysis. |
| 88/2012 | Weighbridge Barkley East Solid Waste site | Director: Community | Opt East Coat, Uitenhage | | - | The project has been completed. Although it has been completed but the waste site is not working still, because they realised after it has been finished that, on the site we don't have electricity supply. The municipality is busy trying means for the electricity to be installed on the site. |
| V/O | V/O Transwilger Bridge & Access Roads | Director :Technical | Bobi Construction | | - | Project is complete |

APPENDIX J

DISCLOSURES OF FINANCIAL INTERESTS

| DISCLOSURES OF FINANCIAL INTEREST (these should be disclosed in the AFS) | | |
|---|----------------|---|
| PERIOD 1 July 2012 to 30 June 2013 | | |
| Position | Name | Description of financial interest Nil or provide details |
| Mayor | Cllr NY Mtyali | Nil |
| Member/s of Exco | M.W. Mpelwane | |
| | G.N. Mbonyana | |
| | J Konstabel | |
| | N.M. Kwinana | |
| | M. Mafilika | |
| Councillors | A.P. Kwinana | Nil |
| | S.S Tindleni | Nil |
| | N.R. Nthako | Nil |
| | I.Mosisidi | Nil |
| | G.S. Mvunyiswa | Nil |
| | M.A. Mshasha | Nil |
| | I.M. Elia | Nil |
| | M.A. Mangali | Nil |
| | A.H. Sobhuza | Nil |
| | B.S. Majodina | Nil |
| | P.G. Key | Nil |
| | N. Nombula | Nil |
| | J. Lamani | Nil |
| | N.C Mraji | Nil |
| | M. Gojo | Nil |

APPENDIX J

DISCLOSURES OF FINANCIAL INTERESTS (CONT.)

| DISCLOSURES OF FINANCIAL INTEREST (these should be disclosed in the AFS) | | |
|--|----------------------|---|
| PERIOD 1 July 2012 to 30 June 2013 | | |
| Position | Name | Description of financial interest Nil or provide details |
| | M.G. Moeletsi | Nil |
| | P.A. April | Nil |
| | S. Mfisa | Nil |
| | M.N. Ngendane | Nil |
| | M.P. Bingwa | Nil |
| | L.M. Tokwe | Nil |
| | M.J. Mjali | Nil |
| | S.S. Ndzongana | Nil |
| | P.N August - SPEAKER | Nil |
| | B. Ngogodo | Nil |
| | N.C. Motemekwane | Nil |
| | R.M Joubert | Nil |
| | I.H. Van Der Walt | Nil |
| | S. Mziki | Nil |
| | M.J. Sereba | Nil |
| | M. Senoamali | Nil |
| Municipal Manager | MM Yawa | Nil |
| CFO | CR Venter | Nil |
| Directors | PL Bushula | Nil |
| | TE Wonga | Nil |
| | RN Crozier | Nil |
| | LNC Gologolo | Nil |

APPENDIX K

REVENUE COLLECTION PERFORMANCE BY VOTE

The Table below shows the comparisons between actual and budgeted revenue for the financial year 2012/13 and previous financial years with the Original and Adjusted Budget

| Revenue | Actual Income | Actual Income | Original Budget | Adjusted Budget | Variance |
|--------------------------------------|---------------|---------------|-----------------|-----------------|------------------------|
| | 2011/2012 | 2012/2013 | 2012/2013 | 2012/2013 | Actual and ADJ BUDG |
| Vote 1 - Executive & Council | 2 526 000 | 4 836 000 | 4 836 000 | 4 836 000 | - |
| Vote 2 - Planning & Development | 2 211 847 | 10 554 334 | 2 300 000 | 18 769 388 | 8 215 054 |
| Vote 3 - Corporate Services | 114 742 | 2 285 250 | 53 000 | 53 000 | -2 232 250 |
| Vote 4 - Budget & Treasury | 83 133 196 | 93 177 985 | 87 799 085 | 91 645 121 | -1 532 864 |
| Vote 5 - Road Transport | 35 912 935 | 15 386 969 | 24 525 220 | 26 629 946 | 11 242 977 |
| Vote 6 - Waste Water Management | 6 349 521 | - | 6 652 642 | - | - |
| Vote 7 - Housing | 7 944 135 | 578 707 | 60 000 | 8 446 866 | 7 868 159 |
| Vote 9 - Community & Social Services | 1 879 126 | 4 150 637 | 3 062 416 | 3 943 298 | -207 339 |
| Vote 10 - Sport & Recreation | 3 306 137 | 3 094 896 | 3 993 570 | 7 293 570 | 4 198 674 |
| Vote 11 - Public Safety | 67 557 | 20 070 | 23 320 | 23 320 | 3 250 |
| Vote 12 - Electricity | 22 562 876 | 30 115 520 | 25 794 778 | 26 182 178 | -3 933 343 |
| Vote 13 - Waste Management | 5 457 735 | 7 190 470 | 8 277 389 | 6 777 389 | -413 081 |
| Vote 14 - Water | 6 608 233 | - | 7 412 976 | - | - |

APPENDIX K (I)

REVENUE COLLECTION BY SOURCE

A Revenue by Source Analysis with explanations regarding material variances can be seen on the table below.

| REVENUE BY SOURCE | | 2013 | 2013 | 2013 | Explanations for material variances (10% of line-item with a minimum of R1m) |
|-------------------|--|--------------------|--------------------|--------------------|--|
| | | R | R | R | |
| | | (Actual) | (Final Budget) | (Variance) | |
| | Property rates | 4 311 689 | 4 375 503 | (63 814) | -1% |
| | Property rates - penalties & collection charges | - | - | - | |
| 1 | Service charges | 25 267 381 | 21 627 921 | 3 639 460 | 17% |
| | Rental of facilities and equipment | 423 707 | 262 260 | 161 447 | 62% |
| | Interest earned - external investments | 7 476 031 | 7 300 000 | 176 031 | 2% |
| | Interest earned - outstanding debtors | 1 092 245 | 774 032 | 318 213 | 41% |
| | Dividends received | - | - | - | |
| | Fines | 65 462 | 60 000 | 5 462 | 9% |
| | Licences and permits | 1 749 913 | 1 140 000 | 609 913 | 54% |
| | Agency services | 1 618 737 | 1 731 390 | (112 653) | -7% |
| 2 | Government Grants and Subsidies - Operating | 103 398 274 | 116 003 255 | (12 604 981) | -11% |
| 3 | Other revenue | 5 844 350 | 1 847 792 | 3 996 559 | 216% |
| | Gains on disposal of PPE | - | - | - | |
| | Total Operating Revenue | 151 247 789 | 155 122 152 | (3 874 363) | |
| | Explanations | | | | |
| | 1 - Rebates were budgeted as expenditure, but deducted from Service Charges in terms of GRAP 9 | | | | |
| | 2 - Grants not spent in the financial year | | | | |
| | 3 - Actuarial Gains, Third Party payments and Contributed assets not budgeted for | | | | |

APPENDIX L

CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

| Conditional GRANTS 2012/2013 | 2013 R | 2012 R |
|---|-------------------|-------------------|
| National: Municipal Finance Management (MFMA) | 1 500 000 | 1 395 577.72 |
| National: Municipal Systems Improvement Grant | 800 000 | 790 000 |
| National: Neighbourhood Development Partnership Grant | 10 154 769 | 1 931 571 |
| National: Expanded Public Works Program | 1 857 000 | 1 625 000 |
| National: Dept Sport (Youth Development - Sport Fields) | 175 203 | - |
| Peach & Vegetable Processing | - | 8 302 |
| Holo Hlahatsi Agricultural Project | 103 897 | 620 |
| Co-op's Development | - | 2 993 |
| Prov Gov - Housing (Lady Grey) | - | 1 618 897 |
| Prov Gov - Housing (Hillside) | 507 727 | 6 213 391 |
| Implementation Ownership | 53 216 | 45 060 |
| Rossouw Agricultural Project | 49 582 | 43 230 |
| Internet/Communication Systems | - | 84 131 |
| Plastic Products | 90 167 | 115 913 |
| Provincial Roads (Musong Road) | 626 675 | 12 085 399 |
| Greenest Municipality | 500 000 | - |
| Second Economy Regeneration (LED) | 109 862 | 97 218 |
| Clean Audit | 95 000 | - |
| Commonage Management Plan | 46 056 | 12 000 |
| Municipal Support Programme | - | 61 858 |
| Joe Gqabi DM - District Call Centre | - | 87 383 |
| Libraries | 1 200 000 | 1 278 873 |
| Total Government Grants and Subsidies | 17 869 153 | 27 497 417 |

Conditional Grants for the financial year are listed above and shows amounts for conditions met transferred to revenue.

APPENDIX M - M (I) M (II)

CAPITAL EXPENDITURE – NEW ASSETS PROGRAMME / CAPITAL EXPENDITURE – UPGRADE/RENEWAL PROGRAMME

| Senqu Municipality Capital Acquisition Programme | Actual Results 2012/13 | | Budget year 1 2013/2014 | | Budget year 2 2014/2015 | | Budget year 3 2015/2016 | |
|--|---------------------------|------------------|----------------------------|------------------|----------------------------|------------------|----------------------------|------------------|
| | New | Renewal | New | Renewal | New | Renewal | New | Renewal |
| INFRASTRUCTURE | | | | | | | | |
| Roads, Pavements, Bridges & Storm Water | 8 494 936 | - | 20 054 224 | - | 21 988 352 | - | 15 689 450 | - |
| Car Parks, Bus Terminals and Taxi Ranks | 1 027 478 | - | 500 000 | - | 500 000 | - | - | - |
| Electricity Reticulation | 703 847 | - | 3 400 000 | - | 2 000 000 | - | 4 000 000 | - |
| Street Lighting | - | - | 1 508 176 | - | 4 202 048 | - | 2 800 000 | - |
| Refuse sites | - | - | 1 250 000 | - | - | - | - | - |
| Sub-total Infrastructure | 10 226 261 | - | 26 712 400 | - | 28 690 400 | - | 22 489 450 | - |
| COMMUNITY | | | | | | | | |
| Sports fields | 2 780 560 | - | 4 792 950 | - | 5 379 450 | - | 11 909 550 | - |
| Community Halls | 1 954 286 | 438 596 | 2 850 000 | 2 100 000 | 3 000 000 | 2 500 000 | 6 600 000 | 3 000 000 |
| Other | 285 832 | - | 3 400 000 | - | 1 500 000 | - | 1 000 000 | - |
| Sub-total Community | 5 020 678 | 438 596 | 11 042 950 | 2 100 000 | 9 879 450 | 2 500 000 | 19 509 550 | 3 000 000 |
| OTHER ASSETS | - | - | - | - | - | - | - | - |
| Other motor vehicles | 9 677 935 | - | 8 500 000 | - | 4 605 000 | - | 8 000 000 | - |
| Plant & equipment | 643 196 | - | 60 000 | - | 1 050 000 | - | 1 020 000 | - |
| Office equipment | 1 411 585 | - | 2 665 000 | - | - | - | - | - |
| Civic Land and Buildings | - | - | 4 000 000 | - | - | - | - | - |
| Other Land and Buildings | 9 368 652 | 854 308 | - | 1 400 000 | - | - | - | - |
| Sub-total Other Assets | 21 101 368 | 854 308 | 15 225 000 | 1 400 000 | 5 655 000 | - | 9 020 000 | - |
| TOTAL ASSETS | 36 348 307 | 1 292 904 | 52 980 350 | 3 500 000 | 44 224 850 | 2 500 000 | 51 019 000 | 3 000 000 |
| SOURCE OF FINANCE | - | - | - | - | - | - | - | - |
| External Loans | - | - | - | - | - | - | - | - |
| Asset Financing Reserve | 16 403 350 | 1 094 812 | 22 625 000 | 3 500 000 | 10 155 000 | 2 500 000 | 14 520 000 | 3 000 000 |
| Public contributions/ donations | - | - | - | - | - | - | - | - |
| National Government Transfers and Grants | 19 944 957 | 198 092 | 30 355 350 | - | 34 069 850 | - | 36 499 000 | - |
| TOTAL FINANCING | 36 348 307 | 1 292 904 | 52 980 350 | 3 500 000 | 44 224 850 | 2 500 000 | 51 019 000 | 3 000 000 |

This table contains a complete Capital Programme for all Municipal Capital Acquisitions including both New and Renewal assets. Sources of funding for each asset are also shown and this funding is cash backed and provision is being made for these types of capital purchases in the municipalities Capital Replacement Reserve.

APPENDIX N

CAPITAL PROGRAMME BY PROJECT YEAR 2012/2013

Capital Additions for the financial year 2012/2013 amounted to R 37 665 260.90. The following tables show these additions per category and per vote and are being classified as Infrastructure Assets, Loose Assets and Land & Buildings.

| Infrastructure Additions 2012- 2013 | | |
|--|----------------------|-------------------|
| Row Labels | Sum of Amount | Sum of Retention |
| 1200/2011 | 7 273 915.34 | - |
| Kwezi-Naledi node development Phase 1 | 7 273 915.34 | - |
| 4600/4122 | 348 899.15 | - |
| Construction of access roads in ward 1,3,4 and 19 | 348 899.15 | - |
| 4600/4122,5450/4124,4600/4112 | 2 174 393.72 | 165 495.00 |
| Construction of gravel roads in ward 7,8,9 and 12, Phase 4 | 2 174 393.72 | 165 495.00 |
| 4600/4123 | 5 503 023.64 | 303 124.47 |
| Transwilger access road and bridge & ward 5 bridge | 5 503 023.64 | 303 124.47 |
| 4600/4175 | 1 027 478.33 | - |
| Sterkspruit taxi rank and hawker facilities | 1 027 478.33 | - |
| 4700/4104/0000 | 727 884.55 | |
| Electrical Infrastructure (Inventory working paper) | 727 884.55 | |
| 5301/4152 | 1 895 892.63 | 58 393.33 |
| Construction of new Rhodes community hall | 1 895 892.63 | 58 393.33 |
| 5302/4116 | 285 831.64 | - |
| Barkly East Cemetery | 285 831.64 | - |
| 5450/4124 | 2 585 890.31 | - |
| Design and supervision of renovations and additions to sports field, Sterkspruit | 2 585 890.31 | - |
| 5450/4167/0000 | 87 601.50 | 9 733.50 |
| Construction of sport field in Kwa Gcina | 87 601.50 | 9 733.50 |
| 5450/4168/0000 | 87 601.50 | 9 733.50 |
| Construction of sport field in Naledi | 87 601.50 | 9 733.50 |
| (blank) | | |
| (blank) | | |
| Grand Total | 21 998 412.31 | 546 479.80 |

APPENDIX O

CAPITAL PROGRAMME BY PROJECT BY WARD YEAR 2012/2013

| Loose Assets Additions Per Vote 2012- 2013 | |
|--|---------------------------|
| Row Labels | Sum of Amount (Excl VAT): |
| 1100/4105/0000 | 675 123.68 |
| Motor Vehicles | 675 123.68 |
| 1100/4106/0000 | 1 464.92 |
| Furniture & Fittings | 1 464.92 |
| 1101/4106/0000 | 39 727.03 |
| Computer Equipment | 26 653.74 |
| Furniture & Fittings | 3 199.27 |
| Intangible Assets | 3 085.00 |
| Office Equipment | 6 789.01 |
| 1200/4106/0000 | 137 890.71 |
| Buildings | 730.60 |
| Computer Equipment | 50 290.00 |
| Furniture & Fittings | 8 255.53 |
| Intangible Assets | 16 130.00 |
| Loose Equipment | 9 870.00 |
| Office Equipment | 39 014.14 |
| (blank) | 13 600.45 |
| 2150/4106/0000 | 234 985.73 |
| Buildings | 34 367.98 |
| Office Equipment | 200 228.95 |
| Plant & Equipment | 388.80 |
| 3150/4106/0000 | 319 207.64 |
| Computer Equipment | 130 096.78 |
| Furniture & Fittings | 147 893.84 |
| Office Equipment | 41 217.02 |
| 3600/4106/0000 | 1 469.29 |
| Furniture & Fittings | 1 469.29 |
| 3600/4150/0000 | 829 123.30 |
| Plant & Equipment | 829 123.30 |
| 4150/4103/0000 | 10 885.00 |
| Computer Equipment | 7 800.00 |
| Intangible Assets | 3 085.00 |
| 4150/4106/0000 | 53 616.35 |
| Computer Equipment | 3 243.86 |
| Furniture & Fittings | 48 623.49 |
| Intangible Assets | 1 749.00 |
| 4600/4105/0000 | 7 265 968.60 |
| Plant & Equipment | 7 262 893.00 |
| (blank) | 3 075.60 |

APPENDIX O

CAPITAL PROGRAMME BY PROJECT YEAR 2012/2013(CONT.)

| Loose Assets Additions Per Vote 2012- 2013 (cont.) | |
|--|---------------------------|
| Row Labels | Sum of Amount (Excl VAT): |
| 4700/4103/0000 | 53 721.01 |
| Plant & Equipment | 53 721.01 |
| 5300/4106/0000 | 9 200.00 |
| Furniture & Fittings | 9 200.00 |
| 5301/4103/0000 | 28 228.20 |
| Furniture & Fittings | 1 300.00 |
| Plant & Equipment | 26 928.20 |
| 5500/4103/0000 | 550 361.86 |
| Loose Equipment | 128 568.00 |
| Plant & Equipment | 421 793.86 |
| 5500/4105/0000 | 1 736 842.11 |
| Specialised Vehicles | 1 736 842.11 |
| (blank) | |
| (blank) | |
| Grand Total | 11 947 815.43 |

APPENDIX O

CAPITAL PROGRAMME BY PROJECT YEAR 2012/2013(CONT.)

| Land and Buildings Additions Per Vote 2012-2013 | |
|--|----------------------|
| Row Labels | Sum of Amount |
| 2150/4121/0000 | 701 754.39 |
| Offices and Council Chambers | 414 782.86 |
| Repairs and renovation to Old Age Home Offices | 286 971.53 |
| 2150/4127/0000 | 692 982.46 |
| Repairs and renovations to Mayor's Residence | 692 982.46 |
| 2150/4128/0000 | 700 000.00 |
| Building MM Residence; | 700 000.00 |
| 3600/4150/0000 | 25 185.02 |
| Barkly-East Traffic station renovations | 25 185.02 |
| 4150/4118/0000 | 614 035.09 |
| Construction of Vehicle Fleet Yard | 614 035.09 |
| 5301/4120/0000 | 438 596.49 |
| Renovation of Rossouw Community Hall | 438 596.49 |
| (blank) | |
| (blank) | |
| Grand Total | 3 172 553.45 |

APPENDIX P

SERVICE CONNECTION BACKLOGS AT SCHOOLS & CLINICS

| WARD 1 | |
|---|---|
| Mbobo J.S.S | Cracks on walls Water Supply Administration Block Poor Playing Fields Damaged Toilets No Hall |
| BIKIZANA J.S.S. | Toilets, Water, Sports Ground One block is a mud Structure and Access Roads |
| WALAZA J.S.S. | Admin Block not in good condition Toilets are falling apart No Sport Grounds, No Furniture |
| NDOFELA J.S.S. | Mud structure Toilets, Access Roads, Fencing Water Supply, Playing Ground, Admin block |
| NXASANA S.P.S. | Admin block, Sanitation, Grade R class is falling apart, Sports field. Erection of Security fence Renovations of all classes, Furniture |
| GOVERNORS DRIFT | Mud structure, Admin block, Fencing Water Supply, Access Roads, |
| WARD 2 | |
| QHOBOSHANE, QHEMERHA, TELLE JUNCTION, Kwa GCINA, STOROMO, ST TERESA, | Access Roads, Water Supply, Sanitation, Admin Block, Furniture, Fencing, Laboratory, Library |

Ward 3 cont.....

APPENDIX P (CONT.)

SERVICE CONNECTION BACKLOGS AT SCHOOLS & CLINICS

| WARD 3 | |
|--|---|
| NDINGISHE J.S.S. | 5 Additional Classrooms, Access Roads, Water Supply, Admin Block, Library, Laboratories, School Grounds, Fencing |
| | |
| TLOKWENG S.S.S. | Toilets for Teachers, Admin Block, Library, Laboratory. |
| | |
| Mahedi J.S.S. | 4 Additional classrooms, Administration Block, |
| | |
| HOHOBENG J.S.S. AND MMUSONG | Cracked walls, roof blown away, major renovations, water supply, Toilets, Network Coverage. |
| TLHAKONG S.P.S. | Water Supply, Sanitation, Administration Block, Sport Grounds, 3 classrooms blown away. |
| EKRA J.S.S | 5 Additional Classrooms, Administration Block, Water Supply, Toilets, Sports field. |
| MUSONG J.S.S | Major Renovations, Water Supply, Sanitation, Administration Block, An access Road, Network Coverage. |
| MPOKI S.P.S | Water Supply, Access Roads, No Network Coverage. |
| WARD 4 | |
| Bongiwe, Buyani, Cebano, Blikana, Jonas Goduka, Hillside, Lufefe, Mkunyazo, Mthabisa, Ndungunya, Ntlangano, Mxokozeli, Penhoek, Vusisizwe. | Water, 1 2 Schools 8 Schools needs Toilets 8 schools needs access roads All 14 needs sports fields 5 schools needs to be upgraded in terms of electricity 11 schools needs fencing |

Ward 5 cont.....

APPENDIX P (CONT.)

SERVICE CONNECTION BACKLOGS AT SCHOOLS & CLINICS

| WARD 5 | |
|--|---|
| Makhumsha, Mabele, Kwabo, Sivumelene, Bebeza, Nomlengana, Dangershoek. | Mud Structures Water Supply Toilets Fencing Sports fields Network Coverage No compliance Certificate issued to those schools with electricity |
| WARD 6 | |
| HOITA, Majuba, MALGAS, MAPOLO, THEMBALETHU, UMLAMLI, ZINGXENGELE, BONGOLETHU, MONWABISI, PHELANDABA. | Renovations of existing buildings. Playgrounds Water Supply Fencing Access Roads Libraries Laboratories Administration Block |
| WARD 7 | |
| Nyathela S.S.S | Mud Structure Fencing Sanitation Shortage of Classrooms |
| TSAKANA S.P.S. | 5 Classrooms needs Renovations Sanitation Water Supply Sports fields Fencing |
| THABA LESOBA | Access Roads Fencing Renovations of 5 Classes Sanitation Water Supply Sports fields |

APPENDIX P (CONT.)

SERVICE CONNECTION BACKLOGS AT SCHOOLS & CLINICS

| | |
|------------------------------|---|
| St Michaels | Mud Structures Weak Electricity Fencing, Toilets, Water Supply Sports Fields |
| MBOLEKWA S.P.S | Mud Structures Administration Block Sanitation, Water Supply Sports Fields |
| EGUGWINI J.S.S. | Toilets and Fencing |
| MACACUMA S.P.S. | Sports Fields Fencing and Toilets Minor Renovations Water Supply |
| WARD 8 DID NOT SUBMIT | |
| WARD 9 | |
| AMAQWATHU JSS | Administration Block |
| LUVUMELWANO S.S. | Administration Block 10 Classrooms |
| VOYIZANA SPS | Renovations of 13 Classrooms Administration Block |
| | |
| NGQUBA JSS | Admin Block 4 Classrooms to be added Renovations of 5 Classrooms |
| JOVELENI S.P.S | Addition of 3 Classrooms |
| SUNDUZA J.S.S | Addition of 3 Toilets |
| | Common Challenges For Ward 9 <ul style="list-style-type: none"> - Water Supply - Sanitation - Fencing - Access Roads - Sports Fields - Library, Laboratory - Upgrading of Electricity |

Ward 10 cont.

APPENDIX P (CONT.)

SERVICE CONNECTION BACKLOGS AT SCHOOLS & CLINICS

| WARD 10 | |
|-------------------|---|
| BENSONVAILE JSS | Major Renovations Admin Block Library Laboratory Sanitation Fence Sporting Facilities Access Road |
| EKUZOLENI JSS | 6 New Classrooms Minor Renovations Admin Block Library Laboratory Sanitation Fence Sporting Facilities Access Road |
| NGONGODOVILLE SPS | 3 New Classrooms Major Renovations (building in the stat of collapsing) Admin Block Library Laboratory Sanitation Fence Sporting Facilities Access Road |
| NKULULEKO SSS | 6 New Classrooms Major Renovations Admin Block Library Laboratory Sanitation Fence Sporting Facilities Access Road |

APPENDIX P (CONT.)

SERVICE CONNECTION BACKLOGS AT SCHOOLS & CLINICS

| | |
|---------------------------|---|
| NOMZAMO (Sterkspruit) JSS | 15 New Classrooms Minor Renovations Admin Block Library Laboratory Sanitation Fence Sporting Facilities |
| STERKSPRUIT COMMUNITY | 10 New Classrooms Minor Renovations Admin Block Library Laboratory Sanitation Fence Sporting Facilities Access Road |
| STERKSPRUIT SSS | 25 New Classrooms (Declared that the building cannot be renovated) Admin Block Library Laboratory Sanitation Fence Sporting Facilities Access Road |
| TAPOLENG JSS | 6 New Classrooms Minor Renovations Admin Block Library Laboratory Sanitation Fence Sporting Facilities Access Road |

APPENDIX P (CONT.)

SERVICE CONNECTION BACKLOGS AT SCHOOLS & CLINICS

| | |
|----------------------|--|
| TIENBANK JSS | 5 New Classrooms Major Renovations Admin Block Library Laboratory Sanitation Fence Sporting Facilities Access Road |
| WARD 11 | |
| SCHOOL | CHALLENGES |
| HERSCHEL VILLAGE JSS | Danger Zone School Electricity wires fallen out of ceiling Renovation Struck by disaster & nothing has happened since No fence Trees damaging school with roots |
| EZINTATYANENI SP | Administration Block Sanitation Fence Electricity (upgrade) Mud Structure (2) No play grounds |
| DIBINKONZO JSS | Sanitation Fence Administration Block and Renovations Mud Structure Sport field |
| MEHLOMAKHULU SSS | Fence Water & Sanitation Renovations & Administration Block Sports Field Furniture for Learners |
| ST MARYS | Water & Sanitation Access Road Sport Ground School Hall |

APPENDIX P (CONT.)

SERVICE CONNECTION BACKLOGS AT SCHOOLS & CLINICS

| | |
|---------------------|--|
| HLANJWA SPS | Administration Block Sport Ground Sanitation Access Roads Mud Structure (2) Fence |
| MEYI JSS | Mud Structure Sanitation Fence Weak & Faulty Electricity – disaster |
| MAGUMBU SPS | Sanitation Fence 5 Classrooms cracked all sides Administration Block Weak & Faulty Electricity – disaster Sport Grounds Access road |
| EBENEZER NYATHI SSS | Sanitation –State of collapse Fencing 2 block (community built) one strongly needs renovation Water Admin Block 3 classroom 1 lab |
| BAMBOESSPRUIT JSS | Renovations (Whole school) Fencing Sanitation Admin Block Cracked Walls to be fixed Access Roads Sport Grounds Furniture Leaking Roof 2 Classrooms Paving Staffing Erection of a Stoep |

Ward 12 cont.

APPENDIX P (CONT.)

SERVICE CONNECTION BACKLOGS AT SCHOOLS & CLINICS

| WARD 12 | |
|------------------|--|
| ENTSIMEKWENI JSS | Minor Renovations Flooring Fencing Access Road Sanitation |
| NYANISO SPS | Flooring Fencing Water School Grounds |
| MANXEBA JSS | 3 Classrooms Water Fence School Grounds to be constructed Furniture |
| MNCUNUBENI JSS | 5 Classrooms Sanitation & Water Fence Access Road Sport Ground |
| JOZANA'S NEK JSS | Water Playground Access Road Renovation of Ceiling in 4 classrooms Furniture |
| JOZANA'S HOEK | Major renovations in 8 classrooms & office Security Fence Play Grounds Access Road Sanitations |
| MAGWIJI JSS | 6 Classrooms Water & Sanitation Playgrounds Fencing Access Road Furniture |

APPENDIX P (CONT.)

SERVICE CONNECTION BACKLOGS AT SCHOOLS & CLINICS

| | |
|-----------------|---|
| MROBONGWANA SPS | Water & Sanitation Playground Access Road Admin Block Furniture |
| HLOMENDLINI JSS | Water & Sanitation Fence Play ground Furniture |
| MZOMHLE SSS | Water & Sanitation Access Roads Furniture Playgrounds Administration Block |
| WARD 13 | |
| KHIBA JSS | 6 Prefect classes 4 Mud Structures Flooring Water & Sanitation Fencing Furniture Electricity Admin Block |
| SKISAZANA JSS | Major renovations Flooring Water & Sanitation Roofing Admin Block Fencing Access Road |

APPENDIX P (CONT.)

SERVICE CONNECTION BACKLOGS AT SCHOOLS & CLINICS

| | |
|------------------|--|
| LUNGISANI SPS | Access Road Water Fencing Sport Ground |
| MBONISWENI SPS | Fencing Access Road |
| WITTERBERGEN SPS | Sport Ground Fencing Access Road Attention to be paid to a query next to school |
| DIPHANA SPS | Mud Structure Sanitation Fence Admin Block Access Road |
| WITTERBERGEN JSS | Principal's Office Fencing Sanitation Access Roads Sport Field Roofing |
| ZAVA SPS | Flooring Sanitation Prevention of soil erosion |
| NKOPANE JSS | Fencing Major Renovations Water & Sanitation Sport Field |
| NOMPUMELELO SSS | Fencing Mud Structure Water & Sanitation Sport Ground Access Road |

APPENDIX P (CONT.)

SERVICE CONNECTION BACKLOGS AT SCHOOLS & CLINICS

| | |
|---|---|
| MDLOKOVANA JSS | Mud Structures Sporting Facilities Sanitation Fencing |
| WARD 14: Rossouw was promised a school 3 years ago | |
| Farm schools need attention | |
| WARD 15 | |
| MZONDEKI SPS | No Buildings Water & Sanitation Access Road Play Grounds Fence |
| SIZAMULWAZI SPS | Sport Grounds 5 Classrooms |
| SIJORHA SPS | No Buildings Water & Sanitation Access Road Play Grounds Fence |
| LUYOLO SPS | No Proper Buildings Water & Sanitation Admin Block Access Road Play Grounds |
| SAKAKUDE JSS | No Buildings Water & Sanitation Access Road Electricity Ceiling Fence |

APPENDIX P (CONT.)

SERVICE CONNECTION BACKLOGS AT SCHOOLS & CLINICS

| | |
|---------------------|---|
| IMPUMELELO SSS | No Buildings Water & Sanitation Access Road Play Grounds Fence Electricity |
| WARTRAIL | Water & Sanitation Play Grounds |
| WARD 16 | |
| MALIKHANYE SSS | Sport Grounds Furniture Minor Renovations Fencing |
| RHODES PS | School is Prefab Structure Toilets |
| FARM SCHOOLS | |
| MOSHOESHOE's FORD | Structure falling apart School on Private Property |
| BARKLY EAST DRC P.S | 2 Classrooms Science Class Admin Block Grader R Classroom Toilets Kitchen Office Plot Ground to build school in Fairview |

APPENDIX R

DECLARATION OF LOANS & GRANTS MADE BY THE MUNICIPALITY

| Declaration of Loans and Grants made by the municipality: Year 0 | | | | |
|--|-------------------|--------------------------------|--------------------|---|
| All Organisation or Person in receipt of Loans*/Grants* provided | Nature of Project | Conditions attached to funding | Value Year 0 R'000 | Total Amount committed over previous and future years |
| JOGEDA Development Agency | | | R 333 000 | R 1 000 000 |

APPENDIX T

SECTION 46 REPORT

VOLUME II

ANNUAL FINANCIAL STATEMENTS