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# Chapter 1: Introduction and Overview

## 1. FOREWORD BY THE EXECUTIVE MAYOR

It is my pleasure to present the 2008\09 Annual Report of the Motheo District Municipality. The period under review was an eventful year with highlights and challenges. A positive report that reflects a financially sound Municipality is presented.

This is particularly important as the Municipality is faced with growing service provision demands. The quality of services that government provide must be improved and this municipality will over the next few years be central to ensuring that services provision in the district is improved.



### The Integrated Development Plan

The Municipality recognised the need for a delivery driven IDP and during the year under review, the first phase of the strategic action plans was implemented.

One of the highlights of the IDP process was the extensive dialogue between all stakeholders. Not only did the Municipality comply with all the relevant statutory provisions in developing its IDP but the stakeholders actively participated and contributed towards identifying measures to address the service provision challenges in the district. During the year under review, public participation also improved considerably.

### Service delivery and budget implementation plans.

The Motheo District Municipality IDP and Budget for the financial year under review was the product of extensive review processes. The challenge for the municipality was to translate the planning and the funding allocated in the budget into effective service provision.

Service delivery priorities have been set out in its SDBIP and with the municipality's substantial allocation for the provision infrastructure the goals of the municipality are clearly reflected.

### Spatial Development

The Spatial Development Framework (SDF) is an important vehicle which will guide growth, development and, in fact, the whole future of the Motheo District Municipality. Guidelines must and will be put in place to ensure sustainable and accountable development that is in keeping with the environment it seeks to protect.

### HIV/AIDS

The Motheo District Municipality initiated a number of awareness campaigns in the district as an effort to combat the infection of this disease that affects the lives of all our people on a daily basis. The municipality however needs to be more visible in its approach and an involvement in home based care systems is strongly suggested.

## **Conclusion**

I would like to record my sincere appreciation to the Council for its continual leadership and dedication. I would also like to thank the management and staff for their commitment, dedication and hard work during the past financial year.

With a new year ahead of us, I am confident that the councillors and staff of the Motheo District Municipality are well equipped and prepared to build on our achievements during the year under review and to ensure that all goals are achieved.

## 2 FOREWORD BY MUNICIPAL MANAGER

The year under review has been marked by the unprecedented challenges at local, national and international fronts particularly at the economic sphere. The global financial downturn coupled by our very own domestic economic recession that commenced at the beginning of the year and escalated rapidly affected every country, sector and to a large extent, every household. Invariably, our implementation capacity as well as the objective to step up the fight in the provision of a better, improved and quality service was to some considerable degree greatly affected by these circumstances.



Over recent years, this institution has made great strides in the provision of accountable governance to the district populace. We can confidently state that working together with all our constituent municipalities, significant advances have been achieved in the realization of our objective to ensure that whilst promoting good governance and sound administration, we adequately respond to the enormous challenges facing our communities by accelerating the provision of services and amenities worthy of human life. Working together as a district family of municipalities is a cornerstone of all our municipal processes and programmes because it places us at the cutting edge of all the service delivery programmes.

The progress made, would not have been possible without the valued input from our communities and we are committed to deepen and expand public participation and other engagement practices in all our planning and decision-making processes. In this regard, we call on our communities to pro-actively engage and partner with us through the various public participation processes and platforms available for it remains our intention to foster participatory democracy by encouraging participation in the day-to-day affairs of the district and observing the principles of Batho Pele by providing a caring, accessible and accountable service to our people.

Our Institutional Performance Management System has enabled us to measure our progress, identify service gaps and develop timely interventions in order to better perfect our response strategies. In so doing, it presented us with a possibility to assess the extent of our ability to successfully implement programmes and projects identified in the Integrated Development Plan of our municipality. Thus, this annual report provides an account of the activities undertaken by the municipality in its quest to provide a value for money service to all the residents of the Motheo District Municipality.

## 3 Overview of the Municipality

### 4 District profile

The Motheo area of jurisdiction is situated in the central part of the Free State. The District management area comprises of three local municipal areas and measures 13 950.18 km<sup>2</sup>.

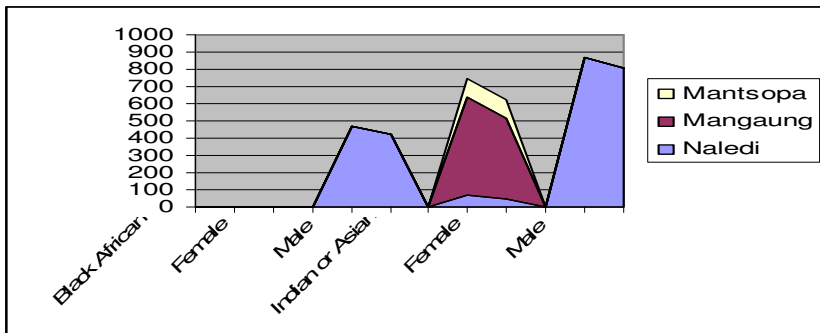
#### 4.1.1 Demographic profile

*Motheo has an estimated population of approximately 837 379 (STATS SA, 2007)*

	Black	Coloured	Indian or Asian	White	Total
Naledi Local Municipality	23083	640	148	1574	25445
Mangaung Local Municipality	618408	32071	1257	101170	752906
Mantsopa Local Municipality	48211	6392	170	4255	59028

Age Distribution	Naledi Local Municipality	Mangaung Local Municipality	Mantsopa Local Municipality	Total
0 – 4	2651	66972	5986	75609
5 – 9	2638	69321	6855	78814
10 – 14	3053	67872	6114	77039
15 – 19	2833	81475	5650	89958
20 – 24	2257	80761	5263	88281
25 – 29	2035	62761	4920	69716
30 – 34	1748	57421	4312	63481
35 – 39	1363	55306	4347	61016
40 – 44	888	50765	2647	54300
45 – 49	1143	40004	2857	44004
50 – 54	884	34360	2900	38144
55 – 59	1020	27650	2386	31056
60 – 64	1030	18531	1124	20685
65 – 69	769	14424	1420	16613
70 – 74	449	10898	799	12146
75 – 79	329	5905	520	6754
80 – 84	150	4510	652	5312
85 +	205	3970	276	4451

It is clear from the table above that the Black African population group dominates in the district. Mangaung accommodates 88% of the total population of the district whilst Mantsopa accommodates 8% and Naledi only 4% of the total population of Motheo.

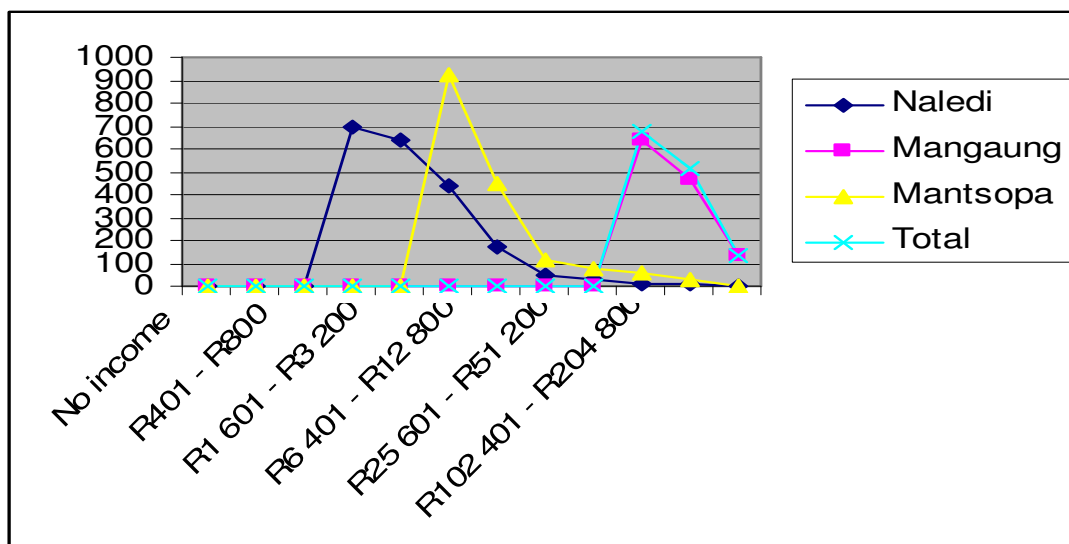


The latest statistics indicate that females outnumber their male counterparts in the district whilst the larger part of the population in the major urban areas is between 0 to 35 years of age. This is significant as female citizens should be given higher consideration in the development plans of the district whilst a lot more focus should be given to job creation and employment initiatives that targets the youth as this group is most vulnerable for unemployment.

#### 4.1.2 Socio-Economic Profile

According to the figures in the table below, 24% of the people are employed in the area, the remaining 76% need to be brought into the mainstream of the development and economy of the area.

With the estimated population of 837 379 only (26%) of the population is being formally employed. The balance of the population derives their livelihoods from the informal sector including pensions, disability grants as well as seasonal work. The challenge is to revisit the employment sector or job creation initiatives and endeavor to increase them by harnessing the local resources. 37.2% of the population does not earn a monthly income. This poses a challenge to Motheo District Municipality to develop support programmes that will reduce the number of dependants significantly.



#### 4.1.3 Other aspects of significance

There are a number of national roads transgressing the municipal area, of which the N1, N6 and N8 are the most prominent. A number of provincial, secondary and tertiary roads service the area while there is also a national airport at Bloemfontein as well as a small aircraft airport at Tempe, just west of Bloemfontein and a landing strip at Ladybrand. The regional airport at Thaba Nchu is no longer operational. The area is also well serviced with rail infrastruc-

ture which runs in a north-south, east-west and south-easterly direction, connecting the municipal area with the Western Cape, Gauteng, KwaZulu Natal and the Eastern Cape.

Several dams are located in the rural areas of Motheo of which the Krugersdrift, Tierpoort, Mockes, Rustfontein, Groothoek, Leeurivier, Welbedacht and Egmont dams are some of the more prominent water sources. The Modder and Caledon Rivers drain the area. There are also 5 nature conservation areas, Soetdoring Nature Reserve, just north of Bloemfontein, Krugersdrift Dam Nature reserve to the west of Bloemfontein, Rustfontein Dam Nature Reserve, next to Botshabelo, Maria Moroka Nature Reserve, next to Thaba Nchu and Caledon Nature Reserve, just south of Wepener.

#### 4.1.4 Composition and size of District management area:

Local Municipality	Number of farms	Area in km <sup>2</sup>
Mangaung	3 368 (2886)	6 262.51 km <sup>2</sup>
Naledi	1147 (38)	3 412.08 km <sup>2</sup>
Mantsopa	1 888	4 275.59 km <sup>2</sup>
Total	6 403 (2 924)	13 950.18 km <sup>2</sup>

Source: Survey General Bloemfontein, 2001

The three local municipal areas are made up of eleven urban centres and surrounding rural areas of which Bloemfontein, Ladybrand and Dewetsdorp form the main centres.

#### 4.1.5 Institutional Profile

##### Administrative Component

The Municipal Manager is the accounting officer of the Municipality. The incumbent in this position is Mr. G Ramathebane. The departments making up the administration of the municipality are headed by Strategic Executive Directors directly accountable to the Municipal Manager.

The Office of the Municipal Manager is directly responsible for Performance Management, the Integrated Development Plan of the Municipality, Internal Audit, Shared Services Support and Political Support, Intergovernmental Relations and Risk and Security. The head in the Office of the Municipal Manager, the Chief Operating Officer, is coordinating all these divisions.

It also includes the special programmes function focusing on the development of youth, children, aged, disabled and gender equity.

The core responsibilities of departments of Motheo District Municipality are structured to fulfil its mandate according to the following five main divisions in the Municipality: Corporate Services, Financial Services, Technical Services, Social Development Services and Economic Development and Planning.

## 5 Political Component

The Motheo District Municipality is made up of a political component of 12 elected councilors and 28 appointed councilors. The Executive Mayor, Councilor Eva Moilwa, is the political head of the Motheo District Municipality. The Speaker is Councilor Erasmus and the Council Whip Councilor Moeng.

*The municipality runs 9 section 80 committees as indicated in the table below:*

<b>Corporate Service, Policy and Governance</b>	<b>Health</b>	<b>Social Development</b>	<b>Finance and IDP</b>
<b>Chairperson:</b> Clr IB Ntlathi	<b>Chairperson:</b> Clr LR July	<b>Chairperson:</b> Clr EK Goliath	<b>Chairperson:</b> Clr JP van der Merwe
Committee Secretary: Me. P. Nyatsane	Committee Secretary: Me. D. Mahamotse	Committee Secretary: Me. M. Lepheane	Committee Secretary: Me. L. Tlhakudi
<b>Members</b>	<b>Members</b>	<b>Members</b>	<b>Members</b>
Clr. G.K. Saohatsi (ANC) Clr. S M Visagie (ANC) Clr. A S Monnakgori (ANC) Clr. M M Maele (ANC) Clr. P. van Biljon (DA) Clr. J.S. Human (DA) Clr. G S Fouche (FF+)	Clr. G M Thipanayane (ANC) Clr. A S Monnakgori (ANC) Clr. G K Saohatse (ANC) Clr. N.B. Dimbaza(ANC) Clr. P. Scott (DA) Clr. M.E. Dennies(DA) Cr. G S Fouche (FF+)	Clr. M.S. Khutlane (ANC) Clr. A.L. Toba (ANC) Clr. G M Thipanayane (ANC) Clr. M. Malakane (ANC) Clr. P Scott (DA) Clr. W van Aswegen (DA) Clr. M A Oganne (UCDP)	Clr. S N Soebehle (ANC) Clr. L S Lebese (ANC) Clr. N B Dimbaza (ANC) Clr. L.E. Letlaka(ANC) Clr Q De Bruyn (DA) Clr. J.S. Human (DA) Clr. M.A. Seeco (UCDP)
<b>Special Programmes</b>	<b>Local Economic Development and Tourism</b>	<b>Rural Development</b>	<b>Infrastructure</b>
<b>Chairperson:</b> Clr MJ Matsoetlane	<b>Chairperson:</b> Clr VS Rani	<b>Chairperson:</b> Clr. M Molangoanyane	<b>Chairperson:</b> Clr XD Pongolo
Committee Secretary: Me. M. Lepheane	Committee Secretary: Mr. L S Mifi	Committee Secretary: Me. M. Mokhethi	Committee Secretary: Me. M. Mokgoke
<b>Members</b>	<b>Members</b>	<b>Members</b>	<b>Members</b>
Clr. M. Malakaneg (ANC) Clr. M S Khutlane Dimbaza (ANC) Clr. G M Thipanyane (ANC) Clr. FS Chainé (ANC) Clr. W. van Aswegen (DA) Clr. P. van Biljon (DA) Clr. M.A. Oganne (UCDP)	Clr. LE Letlaka (ANC) Clr. SM Visagie (ANC) Clr. NB Dimbaza (ANC) Clr. GK Saohatse (ANC) Clr. Q De Bruyn (DA) Clr. D. Dennis (DA) Clr. TM Ramona (APC)	Clr. LS Lebese (ANC) Clr. LE Letlaka (ANC) Clr. M Malakane (ANC) Clr. FS Chainé (ANC) Clr. Q De Bruyn (DA) Clr. P. Scott (DA) Clr. M.A. Seeco (UCDP)	Clr. AL Toba (ANC) Clr. SN Soebehle (ANC) Clr. MS Khutlane (ANC) Clr MM Maele (ANC) Clr. J S Human (DA) Clr. W. van Aswegen (DA) Clr. TM Ramona (APC)
<b>Disaster Management &amp; Environment</b>			
<b>Chairperson:</b> Clr MA Ncwada			
Committee Secretary: Me. M.S. Dlepu			
<b>Members</b>			
Clr AS Monnakgori (ANC) Clr. SN Soebehle (ANC) Clr. MM Maele (ANC) Clr. SM Visagie (ANC) Clr. P van Biljon (DA) Clr. M.E. Dennis (DA) Clr. P C Pelsler (FF+)			

## 6. Executive Summary

The Strategic Plan comprises of the Vision, Mission, Values, Objectives and Strategies of the municipality. These form the basis for all development planning and decision making within the district. The following revised vision; mission and values were adopted by the District Council in June 2007 to guide development within the District.

### 6.1 Vision

The Council's vision for the municipality is:

By 2015, Motheo District Municipality shall have maintained and improved the quality of life of all the citizens of our community by providing, supporting and coordinating resources that enhance and contribute to socio economic development

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

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

Bearing the above in mind the MDM wants the community to take hands with it as equal partner. Our values are set out below:

- Foster people's development by being orientated towards and responsive to the people's needs;
- Develop a culture of participatory governance and contribute to building the capacity for such participation;
- To exercise the rights and duties within the financial and administrative capacity of the municipality
- To exercise rights and duties in a transparent and accountable fashion
- To maintain an effective and efficient administration.

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

No	Development Priority	Strategic Objective
1	Water and Sanitation	<ul style="list-style-type: none"><li>• To ensure that adequate support is provided in all local municipalities in eradicating water and sanitation backlogs through the provision of sustainable and acceptable level of service in the district.</li></ul>
2	Public Transport, Roads and Storm water	<ul style="list-style-type: none"><li>• Enhance the minimization of transport costs necessary to satisfy a people's requirements for carrying out daily activities</li><li>• To coordinate roads infrastructure development and maintenance</li><li>• To coordinate storm water management</li><li>• To provide support on the implementation of identified and prioritized</li></ul>

No	Development Priority	Strategic Objective
		public transport Infrastructure
3	Economic Development	<ul style="list-style-type: none"> <li>Facilitating sustainable economic growth evidenced by reduced poverty levels, reduced unemployment levels and increased percentage contribution to the gross domestic product of the Republic of South Africa</li> <li>Realizing the full potential of tourism as one of the key drivers of the economy of the district and the province of the Free State as a whole</li> <li>Promote economic development in rural areas, discourage urban influx and create sustainable livelihoods through agriculture</li> <li>To facilitate economic development and poverty eradication in rural areas</li> </ul>
4	Clean and Healthy Environment	<ul style="list-style-type: none"> <li>To offer refuse removal services to all households and industries in urban areas</li> </ul>
5	Special Programmes (HIV/Aids, Children, Youth, Aged, Gender, Disability and Heritage)	<ul style="list-style-type: none"> <li>To ensure that Councillors perform their legislative functions, provide political leadership and oversight role on good governance</li> <li>Reduce the prevalence of HIV/AIDS; promote youth development; support programmes for people with disabilities; and promote child and gender programmes</li> </ul>
6	Protection and Disaster Management	<ul style="list-style-type: none"> <li>To implement disaster management mandate and effectively mitigate potential disasters</li> </ul>
7	Sports, Arts and Culture	<ul style="list-style-type: none"> <li>Enhance people skills and self-reliance in Sports, Arts, Culture, Heritage and Poverty Alleviation</li> <li>Encourage the use and sustainable access to sports, recreation, heritage and cultural activities</li> </ul>
8	Housing and Electricity	<ul style="list-style-type: none"> <li>To provide support in the eradication of the electricity supply backlogs</li> <li>To coordinate housing needs in the district</li> </ul>

Section 26(f) of the MSA requires that the IDP must include the key performance indicators and performance targets set in terms of section 41 of the Act. Section 41(1)(a) of the MSA identifies key performance indicators (KPI's) and performance targets as key components of the Municipality's performance management system.

KPI's and performance targets must be set for the development priorities and objectives contained in the IDP. For each of the development issues and objectives in the IDP the Council must set input indicators (i.e. indicators that measure the costs, resources and time used to produce an output), output indicators (i.e. indicators that measure the results of activities, processes and strategies of a programme of the Municipality) and outcome indicators (i.e. indicators that measure the quality and/or impact of an output on achieving a particular objective).

The performance of the municipality against the set key performance indicators for 2008/2009 financial year is discussed in Chapter 2.

# Chapter 2: Performance highlights

## 1. Introduction

The Local Government: Municipal Systems Act 2000 (Act No 32 of 2000) (the MSA) obliges Motheo District Municipality (MDM) to develop and implement a performance management system (PMS). The PMS is a framework that describes and represents how MDM's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed and what roles different role-players will fulfil in the process. The purpose of the PMS is to set key performance indicators (KPI's) and targets for measuring MDM's performance with regard to the development priorities and objectives set out in its integrated development plan (IDP) during a specific financial year and to measure its performance during that year against those KPI's and targets.

The MSA further requires that MDM must at least once during a year measure and review its performance against the KPI's and performance targets and to prepare an annual performance report. These measurements will indicate in what areas it performed satisfactorily and where improvements are required. The annual performance report must reflect at least the following –

- MDM's performance and that of each external service provider that provides municipal services on its behalf during that financial year;
- a comparison of the performance of one year with the performance in the previous financial year; and
- Measures taken to improve performance.

The Local Government: Municipal Finance Management Act 2003 (Act No 56 of 2003) (the MFMA) requires that MDM must for each financial year prepare an annual report. The annual performance report must form part of the annual report. The Executive Mayor must table the annual report regarding a specific financial year in the Council on or before 31 January of the next financial year. The Council must deal with the annual report on or before 31 March.

An annual report has a threefold purpose, namely –

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

The following five key performance indicators are going to be measured by means of assessing the annual performance of the MDM

- Good Corporate Governance
- Technical services
- Social development

- Economic development
- Municipal Financial Viability

## 2 . MUNICIPAL KEY PERFORMANCE INDICATORS

### 2.1.1 GOOD CORPORATE GOVERNANCE

### 2.1.2 POLICY AND RESEARCH

#### KEY OUTPUT:

- To provide support services to the institution in the development of policies to ensure the standardisation of internal and external procedures as well as the compliance with legislation
- To conduct research to ensure that policies are adequately informed by legislation and stakeholders needs and challenges
- To identify relevant support services to local municipalities

The Policy and Research Unit developed the following policies during the 2008/09 financial year. Due to the fact that the policies had to be workshopped and submitted to all relevant Council structures of the municipality the policies were only formally adopted by Council on 31 August 2009.

POLICIES	OBJECTIVE OF THE POLICY	DATE APPROVED BY THE COUNCIL
Amendment of Appointment in an Acting Capacity policy	The objective of the policy is outline guidelines for the appointment of employees in acting positions and the granting of acting allowances.	31 August 2009
Amendment to study assistance policy	The objective of the policy is to afford the personnel of the Motheo District Municipality the opportunity to develop themselves in a formally structured way on the basis of identified requirements in the interest of the Municipality, in order to be able to cope satisfactorily with present and future allocated duties.	31 August 2009
Journal policy	The objective of the policy is to set norms and standards for the preparation, authorisation and posting of journals intended to correct erroneous accounting entries, consistent with best practise.	31 August 2009
Petty cash policy	The objective of the policy is to set norms and standards for managing, utilising and accounting for petty cash, consistent with best practise and relevant legislation.	31 August 2009

<b>POLICIES</b>	<b>OBJECTIVE OF THE POLICY</b>	<b>DATE APPROVED BY THE COUNCIL</b>
Policy on the nomination and attendance of training courses and programmes	The objective of the policy is to set norms and standards and prescribe procedures for the nomination and attendance by employees of training events.	31 August 2009
System of delegation and register of delegated powers	The objectives of this system of delegation are – to ensure maximum administrative and operational efficiency; to provide for adequate checks and balances; to delegate decision-making to the most effective level within the administration;	31 August 2009
Supply chain management policy	The objective of the policy is to consistently ensure that the Municipality obtains the best value for money possible when it contracts for the supply of goods and services and the execution of work.	31 August 2009

### **2.1.3 LEGAL SERVICES**

#### **KEY OUTPUT**

- **To coordinate and provide legal support to Local Municipalities**
- **To provide legal services for the institution**

#### **COURT CASES**

<b>DESCRIPTION OF THE CASE</b>	<b>DATE WHEN THE CASE WAS LODGED</b>	<b>OUTCOME</b>
Mangaung Tourism vs. Motheo District Municipality(MDM)	May 2007	The High Court ordered WRIT OF EXECUTION against Mangaung Tourism
MDM vs. N Mohapi & T Madolo	2004 & 2005	The Court ordered the respondents to pay costs.

### **2.1.4 COMUNICATIONS**

#### **KEY OUTPUT:**

- **Implementation of communication policy**
- **Effectively showcasing MDM**

- **Implementation of the Customer Care Policy**
- **Implementation Media Strategy**
- **Facilitate the implementation of Language Policy**
- **Institutional Events Management**
- **Facilitate the implementation of Language Policy**

<b>PROGRAMMES</b>	<b>ACTIVITIES</b>
Management of the District Communicators Forum	3 Meetings were convened
Translation and interpretation services for Council	Translation services are provided as and when required – outsourced to the University of the Free State
Update and enhance website	Updates are done on continuous basis – outsourced to Webdeign
Publication and management of the Newsletter	2 issues were provided – outsourced to Lucky Shots Editorial committee is in place
Embark on community roadshows & media Roadshows	Planning meetings were conducted No roadshow was conducted
Improve the standard of communication equipment through acquisition of advanced technology	Equipment is available and requests are submitted to the unit by other directorates
Conduct community perception survey	Report available and distributed to different directorates
Facilitate customer care workshops	20 officials trained from Motheo, Naledi & Mantsopa LM through HRD
Establish Customer care line	Share call line 0861MOTHEO is in place – currently linked with Motheo switchboard
Management and maintenance of the Publication Library	Established and functional though it is not resourced
Develop a policy guide on events management policy	Draft policy developed not adopted by Council yet
Enhance corporate branding	- Corporate Identity Manual is in place - Corporate Stationery has been developed Door signage in place
Place promotional advertisements in both national and international media and printing of tourism marketing material such as brochures and memorabilia	Memorabilia is kept on stock and distributed during national and international events  Advertorials placed at THE Cup Publication distributed at SOCCAREX, FS Prospering Companies, PSL Match Program for Siwelele BFN soccer matches, Black Chamber of Commerce & Industry Publication, including tourism focused advertorials at FS Business Bulletin

## **2.1.5 INFORMATION COMMUNICATION TECHNOLOGY**

### **KEY OUTPUT:**

- **Establishment of Information Systems**
- **Performing of Infrastructure Upgrades and Initiatives**
- **Ensure effective Software License Management**
- **Update Policies**
- **ICT Support**

<b>PROGRAMMMES</b>	<b>ACTIVITIES</b>	<b>ANY COST</b>
Implement Electronic Information System	ICT 5 year strategy drafted. Submission submitted to secretarial services. Currently waiting date for next S80 meeting in order to submit strategy for recommendation. Appointment of Documentation Officer / Records Manager still a major inhibitor.	0
Implement Spatial Information System	Completed. Updates will be made to GIS as required.	R 6336.46
Install and upgrade current network infrastructure in Naledi	Completed. (Project is on-going as new equipment gets added to network.)	R 53653
Procure and install Domain Servers in Naledi and Mant-sopa	Completed. (Project is on-going as new equipment gets added to network.)	R 3199
Obtain and update Microsoft Office Software Licensing	Completed	R 109725
Obtain and update Antivirus Licensing for Motheo , Naledi and Mantsopa	Completed	R 26277
Helpdesk	The helpdesk was reinitialized and all assets were rescanned to ensure that duplicate values do not exist on the database. Currently 101 assets were added to the database.	R 1422
User Support – Motheo	A total of 253 service calls were logged during the reported period of which 252 were attended to and closed.	R 49903.36

## **2.1.6 ADMINISTRATION SUPPORT**

### **KEY OUTPUT:**

- **To provide secretarial services**
- **To provide effective Document Management System**
- **To provide Support Services to the Institution**
- **To ensure effective maintenance of MDM buildings**

PROGRAMMMES	ACTIVITIES	ANY COST
Management and Provision of secretarial Services	Section 80 meetings Mayco meetings Council Meetings	None
Document and Records Management	Implementation of the filing system Document Reproduction	R300 000. 00
Provision of Support Services	Procurement of Stationary, Consumables and appliances	
Provide driver/ messenger Services	Provision of driver/ messenger services and comply with fleet management policy	
General Maintenance of the building	Daily routine	
Provision of Cleaning Services	Daily cleaning of all offices	

## 2.2 TECHNICAL SERVICES

### 2.2.1. SANITATION :MUNICIPALITY

#### KEY OUTPUT:

- To provide support in eradicating Sanitation backlogs
- To provide support in ensuring provision of sufficient bulk sewer outfall works
- To provide support in eradicating water backlogs
- Ensure provision of sufficient of bulk water supply
- To provide support to initiatives intended at water conservation and water demand management
- To support the implementation of water services development plan

Projects	Description of the project	Cost\ Funding	Progress	Town\Area
	Waterborne Sanitation ( 233 household ) Dewetsdorp/Wepener	R1.250 000.00	Complete	Dewetsdorp/ Wepener
	Wepener: Upgrade Oxidation ponds	R 1 150 000.00	Complete	Wepener
	Construction of 1.5ML Reservoir	R 3 500 000	Under Construction	Wepener
	Naledi Sewer Master Plan	R 1 000 000	Complete	Naledi
	Naledi Water Master Plan	R 1 000 000	Complete	Naledi

## 2.2.2 SANITATION MANTSOPA

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- To provide support in eradicating Sanitation backlogs
- To provide support in ensuring provision of sufficient bulk sewer outfall works
- To provide support in eradicating water backlogs
- Ensure provision of sufficient of bulk water supply
- To provide support to initiatives intended at water conservation and water demand management
- To support the implementation of water services development plan

Projects	Description of the project	Cost \ Funding	Progress	Town\Area
	Hobhouse Bucket Eradication	R 1 800 000.	Complete	Hobhouse
	Tweespruit Bucket Eradication	R 1800 000	Complete	Tweespruit
	Mantsopa Sewer Master Plan	R 1 000 000	Complete	Mantsopa
	Mantsopa Water Master Plan	R 1 000 000	Complete	Mantsopa
	Hobhouse Upgrading of Water Treatment	R 2 000 000	Under Construction	Hobhouse
	Tweespruit Solid Waste Disposal	R 1 600 000	Complete	Tweespruit
	Construction of Toilets Structures in Ladybrand Ward 3	R 100 000	Snag list to be attended by Contractor	Ladybrand

Programmes	Project Description	Cost\ Funding	Progress	Town \Area
Environmental Consciousness and awareness	To raise awareness and consciousness on environmental management with specific reference to land and water pollution	R50 000.00	Material (posters for electricity saving, global warming) readily used in various MDM outreach programmes, e.g. school visits	Mangaung Ladybrand
Establish an Environmental Management Forum	To promote environmental governance and integrated planning	R10.000.00	Enviro-Forum was established in 2007/08 and readily holds plenary meeting on a need basis. The first forum meeting is scheduled for the 11/02/09 then every second month till June 2009. Then the forum will have quarterly meetings and on urgent need basis.	MDM
Support for environmental awareness /celebration days	To support environmental calendar events in the district	R30 000.00	The Earth Hour campaign was held  Celebration of Palliative care day	Mangaung
Support for municipalities for preparations on Cleanest Town Competition	To promote greening and cleanliness in municipalities within the MDM	R100 000.00	The cleaning campaign was conducted in all wards where services of volunteers were engaged.	Mangaung Naledi Mantsopa
Assist Local Municipalities with a feasible environmental management project	Job creation through environmental management compositing project	R40 000.00	a report has been completed for this purpose outlining various environmental management related projects based on compositing / greening and recycling	To be implemented in Ladybrand
Improve MDM IEMP	Assist Naledi and Mantsopa with IEMP	R140 000.00	The project was advertised twice but could not attract sufficient bidders. As a result of time constraints, the project was postponed.	Naledi Mantsopa
Environmental Management Framework for MDM	Develop a policy framework for MDM	R150 000	The project was advertised twice but could not attract sufficient bidders. As a result of time constraints, the project was postponed.	MDM

## 2.3 SOCIAL DEVELOPMENT

## 2.3.1 ENVIRONMENTAL MANAGEMENT

To establish mechanisms for participation and partnerships in environmental governance

## 2.3.2 DISASTER MANAGEMENT

To Develop the Institutional Capacity within the Disaster Management field in the District

Programmes	Description of the project	Cost \ Funding	Progress	Town \ Area
Establishment of mini disaster management centre	For co-ordination and management of disaster events	R250 000	<ul style="list-style-type: none"> <li>Due to the fact that Mangaung is to become a METRO, the configuration of offices within MDM office space was proposed. There has to be a movement of people to other offices to accommodate the proposal, as a result, the project is dependent on such for implementation.</li> </ul>	MDM
Improvement of control rooms	Assist one municipality (Naledi) with resources of control room, and include MDM in 2009/10	R100 000	Quotations from service providers were received however quotations received exceeded the actual budgeted amount. Secondly, as a result of Confederation Cup tournament, the budget was used for management of Half-way station in Ladybrand (which was meant for emergency purposes)	Ladybrand
Organize Disaster Management Advisory Forum	For improved stakeholder participation	R10 000	There are three advisory forums which are operational Naledi LDMF two ordinary meeting Mantsopa LDMF three meeting Mangaung LDMF three meetings	Naledi Mantsopa Mangaung
Assist locals to develop the local policy framework	Build capacity and assist municipalities to develop and align their	R150 000	Policy developed for both Naledi and Mantsopa	Naledi Mantsopa

Programmes	Description of the project	Cost \ Funding	Progress	Town \ Area
	policies with the DDMF			
Review the risk and vulnerability analysis	For the analysis and identification of areas prone to disaster	R150 000	The risk and vulnerability study completed and report compiled	MDM
Improve participation in emergency services (protective clothing)	Procure protective clothing	R100 000	Protective clothing procured for both Naledi and Mantsopa	Naledi Mantsopa
Public awareness campaign / capacity building and development	To increase awareness of disaster prevention and mitigation	R250 000.	Implementation of ISDR Programme  Veld-fire simulation exercise in Mantsopa LM	Mangaung  Mantsopa
High sites rental payment	For the maintenance of disaster network	R100 000	Payment done	MDM

### 2.3.3 HEALTH SERVICES

To implement Municipal Health services mandate within the district

Programme	Description of the project	Cost \ Funding	Progress	Town\Area
Provide Environmental Health Services	An improved municipal health services	R12 520 500. Income :R8,200m Grant : R4,320 500	Service level agreements concluded with all three local municipalities.  Allocation is done per claims submitted by each as outlined in the Service Level Agreement	Naledi Mantsopa Mangaung
Ensure effective functioning of the District Health Council	The implementation of District Health Plan	R250 000.	Programmes conducted such as : <ul style="list-style-type: none"> <li>workshop held in Naledi and Mangaung</li> <li>District health summit</li> <li>DHC meetings</li> </ul>	Naledi Mangaung

Programme	Description of the project	Cost \ Funding	Progress	Town/Area
			<ul style="list-style-type: none"> <li>Long serving employee recognition</li> </ul>	
Cleaning and greening of Motheo District towns	Clean healthy environment	R240 000	For training of volunteers and creation of community parks	Naledi Mantsopa Mangaung
Situational Analysis	Rural areas in Mantsopa and Naledi	R10 000.00	Other areas in Naledi and Mantsopa still outstanding	Naledi and Mantsopa
Health Expo in Rural areas	Address problems identified in Naledi and Mantsopa	R30 000.00	Mantsopa	Naledi still outstanding
Health open day HIV, STD, TB	Community education on STD, HIV, TB	R20 000.00	Done	Naledi outstanding
Need analysis	All clinics in Motheo District Municipality	0	To be updated	All areas

## 2.3.4 COMMUNITY DEVELOPMENT

### TO PROMOTE COMMUNITY DEVELOPMENT ACTIVITIES WITHIN THE DISTRICT BY PROMOTING SPORTS ART AND CULTURE

Programmes	Description of the project	Cost \ Funding	Progress	Town/Area
Participate in arts cultural events in LM's	Promotion, coordination and support for Arts and Culture events.	R250 000	Supported two events <ul style="list-style-type: none"> <li>Macufe and</li> <li>Pelican Arts and Culture Festival</li> </ul>	Mangaung Excelsior
Participation in sports and recreation projects and events in each LM	To increase participation, promotion and support for sport program/event and sport codes	R600 000	Supported four (4) programs/projects and events per LM <ul style="list-style-type: none"> <li>Trans- Mohokare</li> <li>OR Tambo Games</li> </ul>	

			• Golf	
Implement a district wide master plan sport, culture and heritage	Develop and Implement phase 1 of the master plan	R0	Ongoing	MDM

## 2.4.1 ECONOMIC DEVELOPMENT

To reduce poverty alleviation in the district through improving economic GROWTH AND REDUCE UNEMPLOYMENT

## 2.4.2 TOURISM AND MARKETING

Project Or Programme	Description	Total Cost Funding
National and International conferences	-Attend one international show (ITB Berlin) and 5 domestic shows (Outdoor Expo, Holidaymakers Expo, Get-away Show, Indaba Show) -Reprinting of speciality brochures	R500 000-00
Support of Local Forum	-One Tourism Forum namely Mantsopa Tourism Forum was assisted to hold its Annual General Meeting and its projects allocated funds  -Other Tourism Forums (Mangaung and Naledi) were not launched to due local dynamics e.g. lack of accountability and to some extent lack of interest by tourism stakeholders	R200 000-00
Support of grading of establishment	45 establishments assisted with grading	R500 000-00

## 2.4.2 ECONOMIC DEVELOPMENT

PROJECT NAME	DESCRIPTION OF THE PROJECT	NUMBER OF BENEFICIARIES	TOTAL COST FUNDING
Promote investment in the district	Harmonizing District Economic Interventions and marketing the region to investors	N/A	N/A
Training and mentoring of SMMEs	Improve Business Skills Assist with basic skills to draft business plan Encouraging SMMEs to make use of basic ITC and introduce basic concepts of ITC	In Mantsopa, 30 SMMEs have been trained	R300 000,00
Study on Sand Mining in Wepener	Access to mineral resources for PDI's.	Upon completion of study, it's envisaged that TEN(10) beneficiaries be assisted	R200 000 00
Delico Bakery	Produce fresh bread and cakes ranging from party celebration cakes to ordinary daily usage. Re-open the bakery which resulted to 17 job losses thus re-instating. Purchase operational space and working capital.	10	R50 000 00
Support initiatives for women aimed at job creation	Supporting women initiatives for effective empowerment.	N/A	Not budgeted for.
Consolidation of all existing forums	One forum to house all sector forums/fora.	N/A	R100 000
Manage PPP in support of SMME's	Establishing SEDA satellite offices to bring SMME support at door steps throughout the three locals.	N/A	R400 000

## 2.4.3 RURAL DEVELOPMENT

- To improve the livestock held by PDI's for commercial purposes
- To optimize the utilization of land and improve nutrition

Project Or Programme	Description	Name Beneficiary	Total Cost Funding
Livestock improvement	Maintaining livestock and for breeding purposes	N/A	Although not budgeted for, the Business plan is developed and a process of financing is pursued.
Review and implement rural development strategy	Improvement and development of rural life, including clean and healthy environments.	Rural communities	Although no budget provision was made during the 2008-2009 financial year, plan is in place and is due to be submitted for locals to review.
Homestead Gardening	Supported in a form of vegetable production in Wepener though going beyond homestead parameters.	Homesteads Monitoring and assessment of identified projects is currently underway.	Assessment of identified projects in Naledi is currently underway, however this mandate has not been budgeted for.
LRAD Farmer Projects	Access to land/ land redistribution	This programme is intended at benefiting the emerging farmers; however, there is no provision.	This programme is intended at benefiting the emerging farmers; however, there is no provision.

## 2.5 OFFICE OF THE MUNICIPAL MANAGER

### 2.5.1 COUNCILLOR SUPPORT

- To establish an effective Council Support system in Motheo District Municipality

Program	Program Description	Progress
Identify training needs of Councillors	To develop and implement training programme	Done and ongoing
Establish the district forums for Councillors	To promote good governance	Pending
To facilitate performance management workshop	Conduct one workshop in 1 financial year	Pending
Facilitate and monitor distribution of Agenda	Development of annual council sitting schedule	More than three council meetings were held
Identification of capacity and	Develop training as per capacity training	Workshops for Public speaking

Program	Program Description	Progress
training needs by Councillors	needs identified	were conducted for councillors

## 2.5.2 PUBLIC PARTICIPATION

To support Local municipalities through public participation in the district

Program	Program Description	Progress
Provide support to all sector forums	Support working relations amongst public participation forums	Done and ongoing
Ensure public participation through public hearings imbizo's	Promote public/ community participation on governance and service delivery matters	Done and ongoing

## 2.5.3 POLITICAL SUPPORT: WHIPPERY

To strengthen the capacity and oversight role of the whipper.

Program	Program Description	Progress
Provide support to multiparty whipper	develop a programme on meetings of the multiparty whipper	Programme was developed and four (4) meetings held.
Management of the Political parties' offices	to ensure that established party political offices are functioning well	New offices were allocated to both ANC and DA party secretaries. Three (3) new political secretaries were appointed for the FF+; ANC and APC to replace their predecessors.
Provide support to parties' caucuses	develop and implement a programme of the party' caucuses meetings	A programme was developed and fourteen meetings held successfully.
Coordination of study groups and clusters	develop and implement a programme of study groups and clusters	A programme was developed. Only one Finance and IDP study group meeting was held
Provide Support for strategic planning and constituents mainstreaming	develop and implement a programme	A programme was developed and implemented. A District Strategic planning session was held
Coordinate the whipper District Forum	to develop and implement a programme on the meetings of the Chief Whips Forum in the District	Programme was developed

## 2.5.4 INTERGOVERNMENTAL RELATIONS

- **To implement and maintain IGR policy/strategy f/work methods or Motheo District Municipality**

<b>Programmes</b>	<b>Program Description</b>	<b>Progress</b>
Ensure implementation of the IGR policy/international	Policy implemented as per programme	Complete
Liaise, coordinate and monitor performance of IGR in LM's	Submit process report on IGR in local municipalities Number of meetings and reports	Complete
Submit draft policy and work method for approval	Submit draft Policy Develop policy booklets for MDM	Policy adopted and printed
Monitor and maintain policy implementation	Submit reports	Policy Implemented
To ensure visas for councillors and officials of MDM are arranged for international trips.	Consult with the Foreign Affairs dept Number of international trip	Continuous process
To ensure arrangements for foreign missions to SA visiting MDM are done.	Confirmed itineraries for inbound and outbound mission	No foreign Mission received
To compile and submit report to MDM, DPLG and Dept of Foreign Affairs	Number of reports submitted	Done
Cooperative agreements	Draft agreements submitted to Section 80 committee and Council for approval	Mantsopa –Maseru Cooperation arrangement signed
Liaise and participate in SALGA IGR Forum	Meeting and outputs made	Continuous
Arrange protocol and Etiquette training for MDM councillors and officials	Number of Councillors and official Trained	Protocol training conducted
Perform head of protocol function for visiting missions to MDM	Itinerary received for inbound mission.	No visiting foreign mission as yet
Submit draft policy and work method section 80, council for approval	Policy develop and approved	Continuous
Monitor and maintain policy implementation	Submit reports	Follow up on previous reports
Develop policy booklets for MDM	To promote effective District-wide inter-governmental and international relations	Done

## **2.5.5 INTERNAL AUDIT**

**To ensure effective efficient and risk free internal control systems process improvement**

Programmes	Program Description	Progress
Establish internal Audit committee	Functional Internal Audit Unit	Internal audit unit is functional
To ensure internal policy compliance	Review of compliance with compatibility's policies and procedures	Two operational audits has been performed
To promote relevant training and development	Review of business issues with need to acquaint personnel with municipal operations	Workshop on Fraud Prevention plan for senior management and middle management was performed.
To ensure regulatory policy compliance	<ul style="list-style-type: none"> <li>Control business risk posed by non-compliance</li> <li>Manage regulatory relationships</li> </ul>	One compliance audit on midterm report for 2008/09
Review of the MDM Risk Assessment profile	Maintain effective, efficient and transparent system of financial and risk management and internal controls	Organizational risk assessment was reviewed during the internal audit projects for finance and corporate services
Establish internal Audit committee	Functional Internal Audit Unit	Internal audit unit is functional
Review of Risk Assessment Plan for the organization	Organizational risk assessment was reviewed during the internal audit projects for finance and corporate services	Two operational audits has been performed One compliance audit on midterm report for 2008/09
Fraud Prevention Plan Risk Assessment Plan.	Draft Risk Assessment Strategy fraud prevention plan for the Municipality	Draft Fraud Prevention Plan completed awaiting council approval Risk Assessment Strategy Completed awaiting council approval

## 2.5.6 ORGANIZATIONAL PERFORMANCE MANAGEMENT SYSTEM

To ensure that the performance of the municipality is monitored

Programme	Program Description	Progress
Monitoring and evaluation of the performance of the district	Monitoring and evaluation of the performance of the district	Monitoring and evaluation was done by developing quarterly reports, Mid-term, Third quarterly reports and annual reports
Development of Service Delivery and Budget Implementation plan	Development of Service Delivery and Budget Implementation plan	Service delivery and budget implementation plan was developed

## 2.5.7 RISK AND SECURITY MANAGEMENT

To coordinate and provide safety and security support to Local Municipalities

Programme	Program Description	Progress
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Initiate security awareness campaign	Creation of security awareness campaign	Adverts have been placed for service providers and this was as a result of budgetary constraints in the 2008-2009 allocation.
Put in place security standards	Installation of CCV security cameras	Provision has been made in this current budget 2009-2010 for the purchase of extra CCV cameras in offices that could not be covered in the 2008-2009 budget.

## 2..5.8 SPECIAL PROGRAMS (HIV/ AIDS, YOUTH, DISABILITY, AGED GENDER & CHILDREN AND CEMETERIES)

### 2.5.9 HIV/ AIDS

To reduce the prevalence of HIV/ AIDS in the district

Programme	Program Description	Progress
Mobilization on HIV/AIDS information, education and communication	To have a number of campaigns done and to support Health calendar on HIV/AIDS	Six campaigns were done
Support the District and Local AIDS Council's	Revive the DAC and LAC and support its programmes	There were three District Aids Council Meeting and Two Local AIDS Council meetings were held.
Holding workshops on HIV/AIDS	To have information sessions with NGO's	Two workshops were conducted i.e. for Traditional Healers and for the Gender based violence v/s HIV Infection

### 2.5.10 YOUTH

To effectively advocate and implement programmes aimed at advancing youth development

Programme	Program Description	Progress
Conduct awareness campaigns on the children's Act	Maximise awareness on the children's	One workshop was held in Naledi
Support moral regeneration programmes for youth	Support moral regeneration by targeting youth development programmes	Three workshops conducted
Support initiatives aimed at addressing the plight of the needy primary school children	Poverty alleviation in the District by supporting needy primary schools	Uniform were distributed to needy primary schools for poverty alleviation
Establish strategic partnerships with organisations dealing with children	Implement intergrated programme in the District with revelant organisation dealing with children	A database has been compiled for Mangaung

Conduct awareness campaigns on the children's Act	Maximise awareness on the children's	One workshop was held in Naledi
Development of clear guidelines for funding	Create funding guidelines for funding	Guidelines for funding were developed
Invite proposals for funding	Consider and support proposal received for funding	Six Projects were supported by the District

## 2.5. 11 DISABILITY, AGED, CHILDREN, AND CEMETERY

### KEY OUTPUT:

- **To raise awareness, offer support and implement programmes aimed at addressing the plight of people with disability.Aged, and Woment**

Programme	Program Description	Progress
Campaigns on no violence against women and children	Improved awareness on gender based violence	Two workshops were held in Naledi
Campaigns on no violence against the aged	Improved awareness on aged-based violence	Five awareness campaigns were held this financial year
Celebration of the Women's Month	Support to Women's Month Programme	One Gender summit in Thaba-Nchu and one Gender rally in Ladybrand
Implement the programmes of quality of life of people with disability	Support empowerment programmes	Two workshop were held
Celebration of the month of the Disabled	Support National calendar of events	One workshop held in Naledi

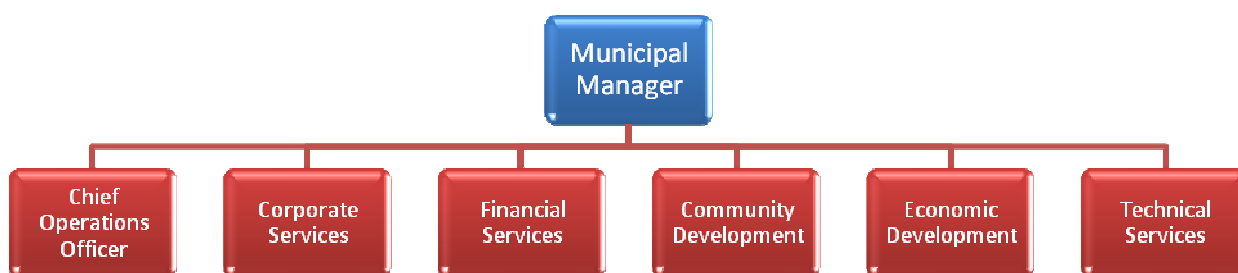
# Chapter 3 : HUMAN RESOURCE AND ORGANISATIONAL DEVELOPMENT

## 3. MDM Staff and Departments

All together 171 employees are in the service of the municipality. At any given time however certain positions are vacant and filled on a temporary basis. The total number of staff required for this municipality has been established at 175, thus meaning that 4 positions must still be filled on a permanent basis.

In the Management Structure there are 26 employees. The Department Technical Services employ 9 employees, and 13 employees are employed in the Social Services Department. The Finance Department consists of 25 employees and Corporate Services consists of 55. The Office of the Municipal Manager and the Chief Operations Officer employs 21 persons. The Local Economic Development department employs 13 persons.

The municipality's structure consists of the following 6 basic organisational units:



### **MDM Macro Structure**

The following table sets out the purpose and key performance areas of each of the municipality's five basic organisational units:

Department	Purpose	Key Performance Areas
<b>Municipal Manager</b>	To provide strategic guidance and leadership to the Municipality	<ul style="list-style-type: none"> <li>• Manages the preparation and review of the integrated development plan and other corporate strategic plans</li> <li>• Manages the preparation and review of the corporate performance management system and regularly monitor and review corporate level performance</li> <li>• Ensure legal compliance</li> </ul>
<b>Chief Operations Officer</b>	To provide strategic guidance and leadership to the Municipality	<ul style="list-style-type: none"> <li>• Provide political support;</li> <li>• Responsible for the Internal Audit function;</li> <li>• Manage Intergovernmental Relations;</li> <li>• Responsible for Security Management;</li> </ul>

Department	Purpose	Key Performance Areas
		<ul style="list-style-type: none"> <li>• Manage the IDP Office and ensure compliance with legal requirements;</li> <li>• Manage Shared Service Support to local municipalities; and</li> <li>• Implement Organisational Performance Management and ensure regular performance assessment.</li> </ul>
<b>Financial Services</b>	To provide corporate financial management and accounting services	<ul style="list-style-type: none"> <li>• Manage budget process</li> <li>• Manage municipal expenditure</li> <li>• Ensure effective and efficient financial planning</li> <li>• Procurement and Asset Management</li> <li>• Render management information services</li> <li>• Levies administration and collections</li> </ul>
<b>Corporate Services</b>	To provide corporate administrative and human resources management services	<ul style="list-style-type: none"> <li>• Render sundry corporate administrative services, including records management services and secretariat services</li> <li>• Render corporate legal support services</li> <li>• Render corporate human resource management services</li> <li>• Provide Information Communication Technology services (ICT)</li> <li>• Provide communication services</li> <li>• Render policy development services</li> </ul>
<b>Social Development Services</b>	To ensure proper planning and social services are provided and implementation of community development projects	<ul style="list-style-type: none"> <li>• Render social development services</li> <li>• Render disaster management services</li> <li>• Render health services</li> <li>• Provide community development services</li> <li>• Provide environmental management services</li> <li>• Implement special programmes focussing on the development of youth, aged, disabled and gender equity</li> </ul>
<b>Economic Development Services</b>	To ensure proper local and rural economic development and marketing of the district to increase tourism activities in the district	<ul style="list-style-type: none"> <li>• Render Tourism and marketing services</li> <li>• Render local and rural economic development services</li> </ul>

Department	Purpose	Key Performance Areas
		<ul style="list-style-type: none"> <li>• Manage the LED strategy of the municipality</li> <li>• Strive to secure investment and to increase job creation and alleviate poverty</li> </ul>
<b>Technical Services</b>	To ensure effective maintenance of the Municipality's assets and execution of construction projects	<ul style="list-style-type: none"> <li>• Strives to create sustainable urban and rural environments through supporting infrastructural development within Local Municipalities</li> <li>• assisting with implementing the Expanded Public Works Programme and Municipal Infrastructure Grant</li> </ul>

### 3.1. HUMAN RESOURCE MANAGEMENT

To enhance administrative and labour relations and improve motivation of the workforce

Workforce Movement	Number employees
Appointments	16
Promotions	0
Terminations	16

### 3.2. HUMAN RESOURCE DEVELOPMENT

Capacity building and skills development and Promotion of employee wellness/assistance programm

#### 3.2. 1 SKILLS DEVELOPMENT

The table below indicate the training interventions attended by the employees in the 2008\09 financial year.

DESCRIPTION OF THE COURSE	NUMBER OF OFFICIALS ATTENDED THE COURSE	NUMBER OF DAYS
Migration Management Conference	2	3
Training Symposium application for protocol	2	1
Training for electronic recording	1	3
Skills development	1	2
Legal workshop	1	3
Labour Relations workshop	1	1
Training on strategic thinking	9	3

DESCRIPTION OF THE COURSE	NUMBER OF OFFICIALS AT-TENDED THE COURSE	NUMBER OF DAYS
Skills development	1	2
LED Training	5	1
Finance	1	1
Labour intensive construction	5	2
Self Development for women	26	1
Management development	1	1
Managing sustainable livelihood	2	4
Samras	1	2
ITC	1	5
Application of protocol	2	1
Project management	2	3
Management Development	1	12
Interpersonal and communication	6	3
Diversity and conflict	3	3
ASSADPAM conference	1	2
Public Relations	2	2
Tourism development	1	2
Marketing and branding	2	2
Health and safety	6	1
Local government congress	4	2
HUB	1	1
Imation disk	1	1
LED learnerships	14 external	12 months
Customer care	1	2
Project management	1	5
Finance annual conference	3	3
Samras	4	2
6th annual management and leadership	1	4
IMFO	3	3
Conference for Financial officers	1	3
Recording management	1	3
Public relations	1	5
Air quality conference	1	5
Record and management	2	2

### 3.3 INTEGRATED DEVELOPMENT PLANNING

To provide support in developing the IDP process plan within the district

<b>Programmes</b>	<b>Program Description</b>	<b>Progress</b>
Develop the IDP district framework	Develop / review the MDM IDP Framework in consultation with the LM's	IDP district Framework developed, awaiting approval by council
Establish the IDP representative forum	Ensure broad consultation through the Representative Forum	IDP Representative Forum will be operational during the implementation of the approved IDP Framework
Convene the IDP Steering Committee	Ensure consultation and implement the District Framework	IDP Steering Committee will be operational during the implementation of the approved IDP Framework
Ensure the alignment of the LMs IDP with the district IDP	To ensure the development of the credible Integrated Development Plan within the district	Alignment will be done during the integration phase of the IDP
Develop the IDP	Ensure integrated planning in the district	The implementation of the approved IDP Framework will lead to the development of the IDP
To ensure alignment of the National Spatial Development Perspective (NSDP), Provincial Growth and Development Strategy (PDGS) and Spatial Development Framework (SDF) in the IDP	Improve credible IDPs by ensuring alignment and integration with other provincial and local plans.	Request has been made to Provincial Department regarding the development / review of the Spatial Development Framework, awaiting response, and other plans will be aligned during integration phase.
Provide professional guidance to LMs	<ul style="list-style-type: none"> <li>• Participate in LM's IDP Representative Forums</li> <li>• Participate in LM's IDP Steering Committees</li> </ul>	Professional guidance is provided as and when required by LM's
Promote intergovernmental planning	Involve all relevant stakeholders across all levels of government in promoting seamless planning, prioritisation and resource allocation in service delivery.	It happens through all phases of the IDP



# Chapter 4: FINANCIAL MATTERS

## AUDITOR GENERAL REPORT

### REPORT OF THE AUDITOR-GENERAL TO THE FREE STATE LEGISLATURE AND THE COUNCIL ON THE FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION OF MOTHEO DISTRICT MUNICIPALITY FOR THE YEAR ENDED 30 JUNE 2009

#### REPORT ON THE FINANCIAL STATEMENTS

##### Introduction

1. I have audited the accompanying financial statements of the Motheo District Municipality which comprise the balance sheet as at 30 June 2009, income statement and the cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory notes, as set out on pages 1 to 27 **of the attached appendix(a) to the annual report.**

##### The accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation of these financial statements in accordance with the entity-specific basis of accounting and in the manner required by the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA) 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.

##### The Auditor-General's responsibility

3. As required by section 188 of the Constitution of the Republic of South Africa, 1996 read with section 4 of the Public Audit Act, 2004 (Act No. 25 of 2004) (PAA) and section 126(3) of the MFMA, my responsibility is to express an opinion on these financial statements based on my audit.
4. I conducted my audit in accordance with the International Standards on Auditing read with *General Notice 616 of 2008*, issued in *Government Gazette No. 31057 of 15 May 2008*. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. 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.

6. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### **Basis for qualified opinion**

#### **Provisions**

7. The leave records of the municipality and its records of work attendance were not reliable for purposes of confirming the accuracy and completeness of leave days available to officials as at the financial year-end. The available leave balances were therefore not a reliable basis for calculation of the provision for leave as included in the balance sheet and disclosed in note 7 to the financial statements. I was thus unable to obtain sufficient appropriate audit evidence to confirm the completeness and valuation of the provision for leave amounting to R1 901 505 (2008 – R1 733 772) and the contribution to the leave provision of R1 218 597 that was expensed in the income statement. In the absence of reliable leave records it was also not possible to perform alternative procedures to accurately determine the value of the provision.

#### **Irregular and Fruitless and wasteful expenditure**

8. Section 62(1)(d) of the MFMA prescribed that the accounting officer of the municipality has to take reasonable steps to ensure that irregular and fruitless and wasteful expenditure are prevented. Notwithstanding this provision of the MFMA the municipality did not have an approved policy in respect of either irregular or fruitless and wasteful expenditure and no processes are in place to identify, report, record and investigate instances of possible irregular and fruitless and wasteful expenditure. Due to the extent of irregular and fruitless and wasteful expenditure that was identified as part of the external audit process and the weaknesses in the control processes as aforementioned I was not able to confirm the completeness of irregular expenditure of R47 371 484 (2008 – R45 659 632) as disclosed in note 27 and fruitless and wasteful expenditure of R4 465 208 (2008 – R2 788 714) as disclosed in note 28 to the financial statements. The lack of consideration of irregular and fruitless and wasteful expenditure by management and the lack of control records in this respect also prevents me from performing reasonable alternative procedures to confirm the completeness of the disclosure.

#### **Expenditure**

9. As reported in my audit report on the financial statements for the year ended 30 June 2008 I was unable to perform all the audit procedures deemed necessary to confirm the occurrence, accuracy and correct classification of salaries and wages transactions amounting to R142 041. This was due to the fact that management was unable to provide me with sufficient appropriate audit evidence in respect of these transactions. In the absence of adequate supporting documentation it was also not possible to perform alternative procedures.

#### **Qualified opinion**

10. In my opinion, except for the possible effects of the matters described in the Basis for qualified opinion paragraphs, the financial statements of the Motheo District Municipality have been prepared, in all material respects, in accordance with the basis of accounting as set out in accounting policy note 1 and in the manner required by the MFMA.

#### **Emphasis of matters**

I draw attention to the following matters on which I do not express a qualified opinion:

#### **Basis of accounting**

11. The municipality's policy is to prepare financial statements on the entity specific basis of accounting, as set out in accounting policy note 1.

#### **Unauthorised expenditure**

12. As disclosed in note 26 to the financial statements, the municipality incurred cumulative unauthorised expenditure amounting to R3 603 440 in the 2005/06 and 2006/07 financial years that has still not been approved through the budget processes.

#### **Restatement of corresponding figures**

13. As disclosed in notes 31 and 32 to the financial statements, the corresponding figures for 30 June 2008 have been restated as a result of errors discovered during the audit of the financial statements for the year ending 30 June 2008 and to align the income statement with the functions of the municipality as stipulated in section 84 of the Local Government Municipal Structures Act, 1998 (Act No. 117 of 1998) and the strategic priorities as per the approved integrated development plan.

#### **Other matters**

I draw attention to the following matters that relates to my responsibilities in the audit of the financial statements:

#### **Unaudited supplementary schedules**

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

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

##### **Municipal Finance Management Act, 2003 (Act no 56 of 2003) (MFMA)**

15. Contrary to the prescripts of section 52 of the MFMA, the mayors' quarterly reports to council on the implementation of the budget and the financial state of the affairs of the municipality were not submitted as prescribed by the act. Three of the reports were not submitted within the legislated deadline of 30 days from the end of the quarter and one report was not submitted to council at all.

16. Contrary to the prescripts of section 64(2)(g) of the MFMA, the accounting officer of a municipality should charge interest on loans made to councillors and officials. The interest that should have been levied in respect of these arrear accounts is estimated to amount to R87 786 (2008: R108 901).

17. Contrary to the prescripts to section 75 of the MFMA, the municipalities official website did not contain the adjustment budget 2008/2009, budget-related policies, annual reports, performance agreements, service delivery agreements, long-term borrowing contracts and a list of disposed assets as is prescribed by the act.
18. Contrary to the prescripts of section 79(a) of the MFMA, the accounting officer did not develop an appropriate system of delegation as no approved financial delegation of powers are in place at the municipality.
19. The MFMA in section 164(1)(c) expressly forbids a municipality from making loans to councillors or officials of the municipality or to members of public. Contrary to the prescripts of the act councillors and officials owed the municipality a total amount of R798 056 as at the end of the financial year.

**Municipal Systems Act, 2000 (Act no 32 of 2000) (MSA)**

20. Contrary to the prescripts of section 57 of the MSA, none of the performance agreements entered into with the municipal manager or managers directly accountable to the municipal manager were adequately signed to ensure that these constitutes a legally binding contract.

**Governance framework**

21. The governance principles that impact the auditor’s opinion on the financial statements are related to the responsibilities and practices exercised by the accounting officer and executive management and are reflected in the internal control deficiencies and key governance responsibilities addressed below:

**Internal control deficiencies**

22. Section 62(1)(c)(i) of the MFMA states that the accounting officer must ensure that the municipality has and maintains effective, efficient and transparent systems of financial and risk management and internal control. The table below depicts the root causes that gave rise to the deficiencies in the system of internal control, which led to the qualified opinion. The root causes are categorised according to the five components of an effective system of internal control. (The number listed per component can be followed with the legend below the table.) In some instances deficiencies exist in more than one internal control component.

Par. No.	Basis for qualified opinion	CE	RA	CA	IC	M
7	Provisions	7			1	1
8	Irregular and Fruitless and Wasteful expenditure	4		4,5,6		2
9	Expenditure			4		

**Overall reflection on the governance framework based on internal control deficiencies,**

23. The re-occurring issue of the unreliability of attendance and leave records has resulted from management’s inaction against employees in the personnel section that is responsible for leave administration and against officials that do not diligently maintain attendance records. Officials in the personnel section responsible for the administration of leave do not perform their duties diligently and has never been appropriately held accountable for the state of the leave records in the municipality.

24. The lack of past leadership commitment in the Motheo District Municipality and lack of leadership stability has resulted in the municipality not addressing the issues that has been highlighted by the Auditor-General of South Africa in the audit reports. This has left the current administration with various challenges to address of which it has not been able to, within the year under review, address the issues surrounding the identification, administration and recording of irregular and fruitless and wasteful expenditure and the previous year issues reported on in terms of debtors and the availability of audit evidence in respect of the previous year salary and wages expenses. The municipality has also not been able to establish a fully staffed and functioning procurement division and this weakness in its control environment has been a major contributing factor to the incurrence of irregular and fruitless and wasteful expenditure and the reason why expenses of this nature were not identified and appropriately accounted for.

<b>Legend</b>	
<b>CE = Control environment</b>	
The organisational structure does not address areas of responsibility and lines of reporting to support effective control over financial reporting.	1
Management and staff are not assigned appropriate levels of authority and responsibility to facilitate control over financial reporting.	2
Human resource policies do not facilitate effective recruitment and training, disciplining and supervision of personnel.	3
Integrity and ethical values have not been developed and are not understood to set the standard for financial reporting.	4
The accounting officer/accounting authority does not exercise oversight responsibility over financial reporting and internal control.	5
Management's philosophy and operating style do not promote effective control over financial reporting.	6
The entity does not have individuals competent in financial reporting and related matters.	7
<b>RA = Risk assessment</b>	
Management has not specified financial reporting objectives to enable the identification of risks to reliable financial reporting.	1
The entity does not identify risks to the achievement of financial reporting objectives.	2
The entity does not analyse the likelihood and impact of the risks identified.	3
The entity does not determine a risk strategy/action plan to manage identified risks.	4
The potential for material misstatement due to fraud is not considered.	5
<b>CA = Control activities</b>	
There is inadequate segregation of duties to prevent fraudulent data and asset misappropriation.	1
General information technology controls have not been designed to maintain the integrity of the information system and the security of the data.	2
Manual or automated controls are not designed to ensure that the transactions have occurred, are authorised, and are completely and accurately processed.	3
Actions are not taken to address risks to the achievement of financial reporting objectives.	4
Control activities are not selected and developed to mitigate risks over financial reporting.	5
Policies and procedures related to financial reporting are not established and communicated.	6
Realistic targets are not set for financial performance measures, which are in turn not linked to an effective re-	7

ward system.	
<b>IC = Information and communication</b>	
Pertinent information is not identified and captured in a form and time frame to support financial reporting.	1
Information required to implement internal control is not available to personnel to enable internal control responsibilities.	2
Communications do not enable and support the understanding and execution of internal control processes and responsibilities by personnel.	3
<b>M = Monitoring</b>	
Ongoing monitoring and supervision are not undertaken to enable an assessment of the effectiveness of internal control over financial reporting.	1
Neither reviews by internal audit or the audit committee nor self -assessments are evident.	2
Internal control deficiencies are not identified and communicated in a timely manner to allow for corrective action to be taken.	3

### Key governance responsibilities

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

No.	Matter	Y	N
<b>Clear trail of supporting documentation that is easily available and provided in a timely manner</b>			
1.	No significant difficulties were experienced during the audit concerning delays or the availability of requested information.	X	
<b>Quality of financial statements and related management information</b>			
2.	The financial statements were not subject to any material amendments resulting from the audit.		X
3.	The annual report was submitted for consideration prior to the tabling of the auditor's report.	X	
<b>Timeliness of financial statements and management information</b>			
4.	The annual financial statements were submitted for auditing as per the legislated deadlines section 126 of the MFMA.	X	
<b>Availability of key officials during audit</b>			
5.	Key officials were available throughout the audit process.	X	
<b>Development and compliance with risk management, effective internal control and governance practices</b>			
6.	Audit committee		
	<ul style="list-style-type: none"> <li>The district municipality had an audit committee in operation throughout the financial year.</li> </ul>		X
	<ul style="list-style-type: none"> <li>The audit committee operates in accordance with approved, written terms of reference.</li> </ul>		X

No.	Matter	Y	N
	<ul style="list-style-type: none"> <li>The audit committee substantially fulfilled its responsibilities for the year, as set out in section 166(2) of the MFMA.</li> </ul>		X
7.	Internal audit		
	<ul style="list-style-type: none"> <li>The district municipality had an internal audit function in operation throughout the financial year.</li> </ul>	X	
	<ul style="list-style-type: none"> <li>The internal audit function operates in terms of an approved internal audit plan.</li> </ul>		X
	<ul style="list-style-type: none"> <li>The internal audit function substantially fulfilled its responsibilities for the year, as set out in section 165(2) of the MFMA].</li> </ul>		X
8.	There are no significant deficiencies in the design and implementation of internal control in respect of financial and risk management.		X
9.	There are no significant deficiencies in the design and implementation of internal control in respect of compliance with applicable laws and regulations.		X
10.	The information systems were appropriate to facilitate the preparation of the financial statements.	X	
11.	A risk assessment was conducted on a regular basis and a risk management strategy, which includes a fraud prevention plan, is documented and used as set out in section 62(1)(c)(i)/95(c)(i) of the MFMA.		X
12.	Delegations of responsibility are in place, as set out in section 79 of the MFMA.		X
<b>Follow-up of audit findings</b>			
13.	The prior year audit findings have been substantially addressed.	X	
14.	SCOPA/Oversight resolutions have been substantially implemented.		X
<b>Issues relating to the reporting of performance information</b>			
15.	The information systems were appropriate to facilitate the preparation of a performance report that is accurate and complete.	X	
16.	Adequate control processes and procedures are designed and implemented to ensure the accuracy and completeness of reported performance information.	X	
17.	An integrated development plan was prepared and approved for the financial year under review for purposes of monitoring the performance in relation to the budget and delivery by the Motheo District Municipality against its mandate, predetermined objectives, outputs, indicators and targets section 68/87 of the MFMA.	X	
18.	There is a functioning performance management system and performance bonuses are only paid after proper assessment and approval by those charged with governance.		X

#### **Overall reflection on the governance framework based on other key governance requirements**

26. The financial statements submitted for audit contained material misstatements which were corrected during the audit. Although management was aware that disclosure of irregular and fruitless and wasteful expenditure

incurred in the current year was not included in the financial statements and contingent liabilities that existed at year end was not disclosed, the statements were submitted without these disclosures to meet the deadline for submission as prescribed in section 126 of the MFMA

27. Despite the processes undertaken by management to fill the positions of audit committee members, suitable candidates could not be obtained within the boundaries of the district municipality. As a result an executive decision was taken to re-advertise the positions.
28. Although the municipality has established an internal audit division, it has not been effective and has not been able to completely discharge its responsibilities as it comprised of only one official and also did not have any guidance from a functioning audit committee. The filling of the vacant position in the internal audit division of the municipality was not sufficiently prioritised by management in the year under review.
29. No risk assessment was performed and no risk management implemented for the year under review. Management has also failed to submit the risk assessment of the previous financial year to council for approval. Risk management is a function of the internal audit division of the municipality and, for the reasons as highlighted in par 28 above internal audit was not affective as a result risk assessment processes were not performed.
30. The lack of control procedure to monitor compliance to relevant laws and regulations is as a result of management failing to design adequate control processes in this respect. It was not deemed a priority issue to analyse and formalise all of the legislative requirements and no specific person has been tasked with the responsibility of monitoring legislative compliance. This resulted in certain oversight during the year under review and the issues of non compliance that stemmed there from.
31. As reported in paragraph 18, no financial delegation of powers is included in the approved delegations of power. This is also a result of the fact that no risk assessment was performed for the current financial year and the ineffectiveness of the internal audit function.
32. None of the SCOPA resolutions have been addressed as at 30 June 2009. As already indicated due to a lack of commitment by previous management, the resolutions were not prioritised, addressed and resolved.
33. Due to the ineffective leadership of past management, the performance agreements for the municipal manager and the managers directly accountable to the municipal manager were not signed.

## **Investigations**

34. An investigation was conducted on suspension of the previous acting municipal manager, previous acting chief financial officer and general manager: security by a consulting firm appointed by Council. Although the investigation had been finalised in March 2009 and a report on the matter is available, management did not provide me with the report resulting in the contravention of the prescripts of section 15 of the PAA . The previous municipal manager and general manager: security, has settled their cases with the municipality and no criminal case has been opened.

## **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

### **Report on performance information**

35. I have reviewed the performance information as set out on pages 12 to 32.

### **The accounting officer's responsibility for the performance information**

36. In terms of section 121(3)(c) of the MFMA, the annual report of a municipality must include the annual performance report of the municipality, prepared by the municipality in terms of section 46 of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) (MSA).

### **The Auditor-General's responsibility**

37. I conducted my engagement in accordance with section 13 of the PAA read with *General Notice 616 of 2008*, issued in *Government Gazette No. 31057 of 15 May 2008* and section 45 of the MSA.

38. In terms of the foregoing my engagement included performing procedures of an audit nature to obtain sufficient appropriate evidence about the performance information and related systems, processes and procedures. The procedures selected depend on the auditor's judgement.

39. I believe that the evidence I have obtained is sufficient and appropriate to provide a basis for the findings reported below.

### **Findings on performance information**

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

##### **Existence and functioning of a performance audit committee**

40. Although a process was undertaken to advertise and fill the positions of committee members for the audit committee including the performance audit committee the municipality was not able to identify suitable candidates. As a result management did not adhere to the prescripts of regulation 14(2) of the Municipal Planning and Performance Management Regulations, 2001.

##### **Internal auditing of performance measurements**

41. As a result of the ineffective internal audit division in the municipality as discussed in par 32 of this report, internal audit processes and procedures did not include assessments of the functionality of the Motheo District Municipality's performance management system and whether the system complied with the requirements as prescribed by section 41 of the Municipal Systems Act, 2000 (Act no 32 of 2000).

##### **Usefulness and reliability of reported performance information**

42. The following criteria were used to assess the usefulness and reliability of the information on the municipality's performance with respect to the objectives in its integrated development plan:

- Consistency: Has the municipality reported on its performance with regard to its objectives, indicators and targets in its approved integrated development plan?

- **Relevance:** Is the performance information as reflected in the indicators and targets clearly linked to the pre-determined objectives and mandate. Is this specific and measurable, and is the time period or deadline for delivery specified?
- **Reliability:** Can the reported performance information be traced back to the source data or documentation and is the reported performance information accurate and complete in relation to the source data or documentation?

The following audit findings relate to the above criteria:

#### **Inconsistently reported performance information**

43. The annual performance report (APR) of the Motheo District Municipality do not include an assessment of the municipality's actual performance against the measurable performance objectives, as required by section 46 of the MSA. The APR does not include detail of the projects, key performance indicators or measurable targets as included in the integrated development plan. The objective of the APR is to report on the performance of the municipality measured against the actual service delivery achieved and as a result of the shortcomings as aforementioned the APR is not a fair reflection of this objective. The APR is published in its current format following a request by council that the annual report should be simplified. Management's simplification of the report has however resulted in it not meeting the requirements of the legislation and not providing the reader with all relevant information.

#### **APPRECIATION**

44. The assistance rendered by the staff of the Motheo District Municipality during the audit is sincerely appreciated.

Bloemfontein

7 December 2009

*Auditor-General*



**AUDITOR - GENERAL**  
**SOUTH AFRICA**

*Auditing to build public confidence*

## 4.2.FINANCIALSTATEMENTS

## 4.3CONCLUSION

This report is has drawn on the results of our work ,including validation of the reported performance.Having regard to the council guidance,the report has set out the quality of our performance against the background elating to reported key performance activities in interms of the Service Delivery and Budget Implementaion Plan.MDM is bound by its Vision and Mission to be transparent in terms of reporting the performance of the district. The process of Transparency promote accountability to the stakeholders. The public are entitled to know whether their money is being well spent and what is being achieved