

A map of the Frances Baard District Municipality area. Key locations labeled include Grootfontein, Phokwane, Magareng, Leeuwfontein, Sol Plaatjie, Dikgatlong, Kapsvlei, and Carters Glen. Roads numbered 370, 371, 372, 373, and 374 are shown. The map also features several rivers and streams.

FRANCES BAARD DISTRICT MUNICIPALITY

ANNUAL REPORT 2006 - 2007

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FOREWORD BY EXECUTIVE MAYOR

I present our annual report for the financial year of 2006/2007. This Annual Report is prepared in terms of section 121(1) of the Municipal Finance Management Act (MFMA), and Section 46(1) of the Municipal Systems Act, 2000.

As the Frances Baard District Municipality we are mindful of our performance as a municipality, the Strategic Pillars, Key Performance Areas, Key Performance Indicators and Targets we set for ourselves and the context in which we performed as a district – as all of these factors have influenced what we are presenting in this annual report. Democracy in South Africa is underpinned by a contract between the governed (i.e. the citizenry) and the authority that governs. This is especially true at local government level, which is the closest sphere of government to the citizenry. In terms of this social contract, elected leaders are required to involve citizens in decisions regarding their own government, including the determination of priorities and key programmes of the municipality.

Local government is best positioned to create the participatory framework that defines and enhances the relationship between representatives and the citizenry. Part of this mandate requires that the leadership of the municipality provides regular and predictable reporting on programme performance and the general state of affairs in their locality.

Frances Baard is the hub of development in the Northern Cape Province. This in itself creates unique challenges for the municipality considering its size. At a time like this we therefore have to look back on what the municipality has achieved, where we have failed and where we still need to make improvements. In the year under review we have managed to build on the solid foundation that has already been built since the transformation of local government in 2000.

The Integrated Development Plan (IDP) for the District has been aligned to reflect the five year strategic agenda for the development of local government. The district has managed to gorge ahead in terms of the implementation of its developmental mandate. However, there are a number of outstanding challenges that we need to address.

Our delivery effort over the past year has once more focussed on assisting category B- municipalities in terms of infrastructure for the provision of free basic services.

This approach has assisted greatly in ensuring that the District is on track to meet its service delivery targets set for local government. Our Operation and Maintenance support to municipalities in the district is already bearing positive spin-offs. The shared service concept is now fully operational as we managed to address the issue of scarce skills in the local municipalities.

Local Economic Development suffered a setback as council struggled to retain staff. Recruiting qualified personnel in this area remains a challenge and impacts on Council's ability to perform in this area. Despite these constraints Council is finalising the Growth and Development Strategies to guide growth and developmental in the District. Mining, agriculture and tourism still remain the backbone of the economy of the district.

We have managed to develop a District Spatial Development Framework for the district and are assisting local municipalities to have theirs in place. Special attention is also given to local municipalities to produce credible IDP's. Further assistance to the local municipalities includes environmental health and disaster management.

We have to admit that though we have managed to achieve a number of milestones, we are not a picture of perfection. If we were, there would be no more room for improvement and we are all aware that this is certainly not the case. We have to acknowledge that if municipalities in our district have problems, then so do we. We have not adequately addressed economic development in our district, and this need to be a more intense area of focus now that we have the guiding framework of the Growth and Development Strategy. We have to ensure that our programmes are aligned with National and Provincial priorities, whilst prioritising those most acute needs at a local level. We have to insist on the participation of national and provincial departments in our IDP's.

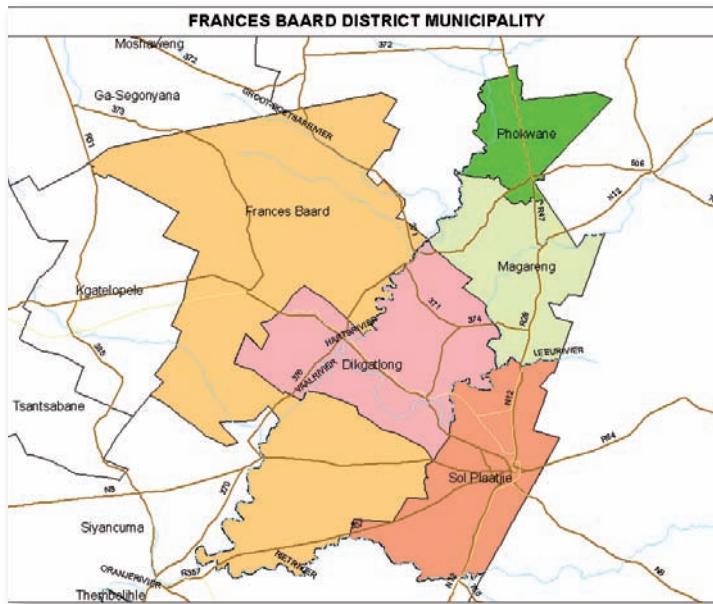
As a Council, we have not been afraid to take on challenges. We are now GRAP compliant and we are proud to have received an unqualified audit report for the year under review. The District has also scooped the Provincial Vuna Awards for the second year running. It is our determination as Council to ensure the maintenance of good governance.



Executive Mayor
Achmat Florence



CHAPTER 1 - INTRODUCTION AND OVERVIEW



Geographic Profile

The district municipality (DC9) is located in the far western portion of the North Cape Province. It shares its northern border with the North West Province and its eastern with the Free State. It consists of 4 local municipalities namely: Dikgatlong, Magareng, Phokwane and Sol Plaatje; as well as a District Management Area (DMA). The geographical area of the province is 12349.4822 square kilometres.

Demographic Profile

The population of the Northern Cape is mainly dominated by Coloureds – 51.6%. However, in Frances Baard District municipality Tswana, Sotho and Xhosa are the dominant (60.5%) racial group. The outstanding characteristic of the population composition is its dominance by the youth. Over 30% of the population is less than 15 years of age and about 65% of the population is economically active (16-64 years). Only 5.3% of the population are pensioners (65 years) further demonstrating the youthfulness of the population. Similar to the province and to the rest of the country the gender composition of the district is dominated by female (51.8%) whereas the Northern Cape Province is 51.2%. Statistics indicate that the district as a whole experienced negative growth between 1996 and 2001, only Phokwane municipality had a positive growth rate of 1.2% per annum.

Internal and External Changes

In the year under discussion was increasingly expected to take leadership and play a pivotal role in co-ordinating and aligning the actions of a wide spectrum of actors to bring about social and economic transformation.

Emphasis was placed on the need to include a geographical dimension to growth and employment. It was important that the district municipality address the question of local economies by focussing on the key question of how the district goes about achieving its objectives of accelerating growth and addressing poverty and inequality.

Executive Summary

Vision, Mission and Values

Vision

The Frances Baard District Municipality will be a municipality with a clear developmental focus, providing quality services to all its people.

Mission

The Frances Baard District Municipality is committed to provide and improve the quality of services and therefore improve the lives of all its communities by:

- Promoting Social and Economic Development
- Providing and maintaining affordable and optimal quality services
- The economic, efficient and effective utilisation of all its available resources, and;
- Effective Stakeholders and Democratic Community Participation

Values

The Municipality has adopted the motto “We Serve the Community” and is committed to the following core values of:

- Development as an empowering process within and outside our Municipality;
- Pride in the professional delivery of services and in the attainment of planned actions;
- Recognition of the district municipality as an expression of the cultural diversity and tolerance within the district municipality;
- Honesty and integrity as an internal force driving service excellence;
- Being driven by the aspirations of our people; we will respect and uphold the Constitutional of the Republic of South Africa;
- Commitment to the code of conduct for Councillors and officials in accordance with the Municipal Systems Act, 2000;
- Commitment to the principles of sound financial management;
- Subscribing to the principles of “Batho Pele”

Key Performance Areas (KPA's)

- Municipal Transformation and Institutional Development
- Local Economic Development
- Basic service delivery and infrastructure investment
- Financial Viability and Financial Management, and
- Good Governance and Community Participation

District-wide priority issues

- Provision of water, sanitation, electricity and housing
- Stimulation of Local Economic Development (LED)
- Identification and provision of land
- Roads and public transport
- HIV and Aids
- Education facilities
- Health and clinic services
- Cemeteries
- Tourism development / poverty alleviations
- Safety and security
- Sports, recreation, arts and culture
- Social development and welfare services
- Waste management and environmental quality
- More emphasis on maintenance of infrastructure

The FBDM strives to promote sound financial management and good governance in order to perform and sustain its developmental role. In order to do this, Council follows a practice of sound, conservative budgeting aimed at enhancing financial resources through maximised revenue collection and controlling costs to the minimum necessary expenditure. Council also utilizes all possible sources of external financing to supplement its own infrastructure investment strategies, including the use of State grants and loan funding from the Development Bank of Southern Africa.

Integrated Development Planning (IDP) is the corner stone of facilitating sustainable development in the District. Given the nature of the Integrated Development Plan, it was necessary to revise and update financial strategies on a continuous basis. Pre-determined key performance indicators in the IDP and operational outcomes have informed and driven the financial planning process about what is financially affordable given the financial targets and expenditure limits determined by National Treasury.

The outcome of the key strategic goals and priorities with regard to the impact on the community is the reduction of backlogs in infrastructure e.g., increased access to free basic services, increased community participation in affairs of the municipality, customer care, job creation and poverty alleviation, increased economic growth, safe and healthy environment.

Although access to municipal services such as water, electricity, sanitation and refuse removal in general is higher than the provincial average and compares favourable to the national average the District Municipality remains focus to eradicate backlogs concentrated in the three project municipalities of Dikgatlong, Sol Plaatje (URP Node) and Phokwane. The District Municipality awarded 44,34% of the total approved expenditure budget towards infrastructure and other special projects as identified in the IDP for the financial year under review.

The economic growth of the Frances Baard District (consisting of Sol Plaatje, Dikgatlong, Magareng and Phokwane Municipalities) is 3,7% per annum which is above the national average of 2,5% per annum and the fifth highest growth rate of all districts in the country according to a survey done by CSIR over the period 1995 to 2003.

The Community Wealth (Reserves and Unappropriated Surplus) has grown from approximately R61,63 million to approximately R70,99 million for the financial year under review. All of the provisions and resources are cash backed.

Council holds a substantial amount of conditional grants and receipts. The amount allocated in terms of DoRA decrease for the financial year under review due to the fact that most of the national grants have been directly allocated to the Category B municipalities, it is envisaged that most of the remaining unspent grants will be expended before the end of the next financial year as per already approved business plans.

In order to create an efficient, effective and economical administrative structure, Council embarked on a Organisational Review Process to enable it to achieve the strategic objective and service delivery expectation. The revised structure is directed at capacitating the local municipalities and implementation of the shared service concept where there is scarce skills shortage.



CHAPTER 2 - PERFORMANCE HIGHLIGHTS

Service Delivery

The services that the Frances Baard District Municipality renders to communities in the district includes:

- Infrastructure (Physical Infrastructure Development; assisting local municipalities with Operation and Maintenance of infrastructure assets; providing municipal services to a small community in the DMA; roads maintenance and mechanical support services)
- Local Economic Development
- Planning and Development
- Disaster Management
- Community Development,
- Environmental Health
- Rezoning and sub-division of land
- Water, sanitation, electricity and cemeteries and;
- Financial capacity building support to local municipalities.

The Department of Technical Services is in several ways busy improving the infrastructure for basic services in the whole District. The funding for these projects comes from different sources:

Frances Baard Capital Programme

Frances Baard District Municipality made an amount of R16 000 000 available for infrastructure development. This amount was allocated as follows to the local authorities:

• Dikgatlong Municipality	-	R 4 957 623
• Magareng Municipality	-	R 4 985 000
• Phokwane Municipality	-	R 5 057 377
• Sol Plaatje Municipality	-	R 1 000 000
TOTAL		R16 000 000

The allocations were in general made to improve infrastructure for clean water distribution, waste water and electricity. Counterfunding was also provided for projects where MIG did not provide funding for the total cost of certain projects.

Equitable Share

The Equitable Share is used to develop infrastructure in the DMA and to provide services to the small community of Koopmansfontein. During the 2006/07 financial year the majority of the allocation, namely R1 200 222 were spent as part of a joint venture between the District Municipality, Eskom and the farming community to provide electricity to 92 households on farms in the Koopmansfontein area.

The rest of the Equitable Share allocation of R1 942 000 were spent in the DMA on providing free basic services to the Koopmansfontein community as well as providing infrastructure for water and sanitation to farmworkers.

Operation & Maintenance

Infrastructure is provided on a regular basis in the local municipalities. This is mainly done through funding provided by MIG or the District Municipality. The smaller municipalities struggle to operate and maintain these infrastructure facilities properly because of cashflow problems.

The need to provide assistance in this field became very urgent. Frances Baard District Municipality got involved in a pilot program with several roleplayers that include the Department of Housing and Local Government, Development Bank of Southern Africa, Sida and the Department of Water Affairs and Forestry.

A total amount of R4 926 171 was spent on operation and maintenance activities in local municipalities. Spending was mainly aimed at improving the quality of drinking water and waste water. The spending is still more reactive than pro-active. Three Engineering Technicians were appointed late in the financial year. (01 June 2007). It is envisaged that in future this support unit will be able to assist in a more pro-active way to build capacity and to implement systems that will improve the day-to-day operation and maintenance of infrastructure in the District.

Eradication of Buckets

The programme is progressing. Problems at one site resulted in the cancellation of the contract and the appointment of a new contractor. Valuable time was lost but it is still envisaged to meet the deadline of 31 December 2007. An amount of R10 421 157 was spent during the financial year on this project.

Job Creation

Frances Baard District Municipality remains committed to the principles of the Expanded Public Works Program. Included in funding agreements with local municipalities is a clause stating that local labour should be used as extensively as possible and they should adhere to the EPWP principles as far as possible. Municipalities are expected to report on this on a monthly basis. During the financial year a total number of 406 jobs were created by these projects.

Roads Maintenance

In the Northern Cape the maintenance of some proclaimed roads is done by District Municipalities on behalf of the Department of Roads, Transport and Public Works. Frances Baard District Municipality is responsible for the routine maintenance on proclaimed gravel roads in its area of jurisdiction.



The total budget for the 2006/07 financial year was R5 785 280. Due to the fact that no roads are regravelled at this stage, it becomes increasingly difficult to maintain roads at an acceptable standard by just grading them. According to the Service Level Agreement between Frances Baard District Municipality and the provincial department normal routine maintenance is all that is allowed for in the budget.

Mechanical Support Function

The Mechanical Section is in essence there to support the Roads Maintenance function.

This section is funded through the plant hire component when the plant is used during maintenance activities. The Mechanical Section struggles to be an economically viable entity and several measures were introduced during the year to ensure that this section operates more economically and efficiently i.e.:

- Repairs to plant from the Department of Transport, Roads and Public Works
- Repairs to vehicles and plant from local municipalities

Building and Zoning Plans

Table 1

Applications outstanding 01 July 2006	Category	No. of new applications received in 2006/07	Total value of applications received in Rand	Applications outstanding 30 June 2007
Nil	Residential New	1	n/a	Nil
Nil	Residential Additions	4	n/a	Nil
Nil	Commercial farming	n/a	n/a	n/a
Nil	Recreation Facilities	2	n/a	Nil



CHAPTER 3 -

HUMAN RESOURCE & ORGANISATIONAL MANAGEMENT

Political Office Bearers



Cllr. A Florence
Executive Mayor



Cllr. M Chwarisang
Speaker



Cllr. P.N Jammer
Mayoral Committee
Chair: Infrastructure
Development



Cllr. P Everyday
Mayoral Committee
Chair: Economic
Development



Cllr. D.M Moeketsi
Mayoral Committee
Chair: Policy &
Institutional
Development



Cllr. M.M Moloi
Mayoral Committee
Chair: Social
Development



Cllr. W Johnson
Mayoral Committee
Chair: Finance



Cllr. G.P Kock
Economic
Development



Cllr. K.G Mthukwane
Economic
Development



Cllr M Mogwazeni
Infrastructure
Development



Cllr M.S Mooketsi
Infrastructure
Development



Cllr. K.J de Kock
Finance



Cllr. B.M Maribe
Infrastructure
Development



Cllr. D.J Stubbe
Finance



Cllr. L.J Letebele
Policy & Institutional
Development.



Cllr. M.A Africa
Social Development



Cllr. E.J Damoense
Policy & Institutional
Development.



Cllr A.K Jabetla
Social Development



Cllr. M Hattingh
Economic
Development



Cllr. R.D Gopane
Infrastructure
Development



Cllr. H.E Booyens
Economic
Development



Cllr. L.O Motjomme
Finance



Cllr. T.S Kgaladi
Finance



Cllr. M.J Beylefeld
Social Development



Cllr. M.A Gabanele
Social Development

Senior Management



Thabo Nosi
Municipal Manager



Hannes van Biljon
Chief Financial Officer

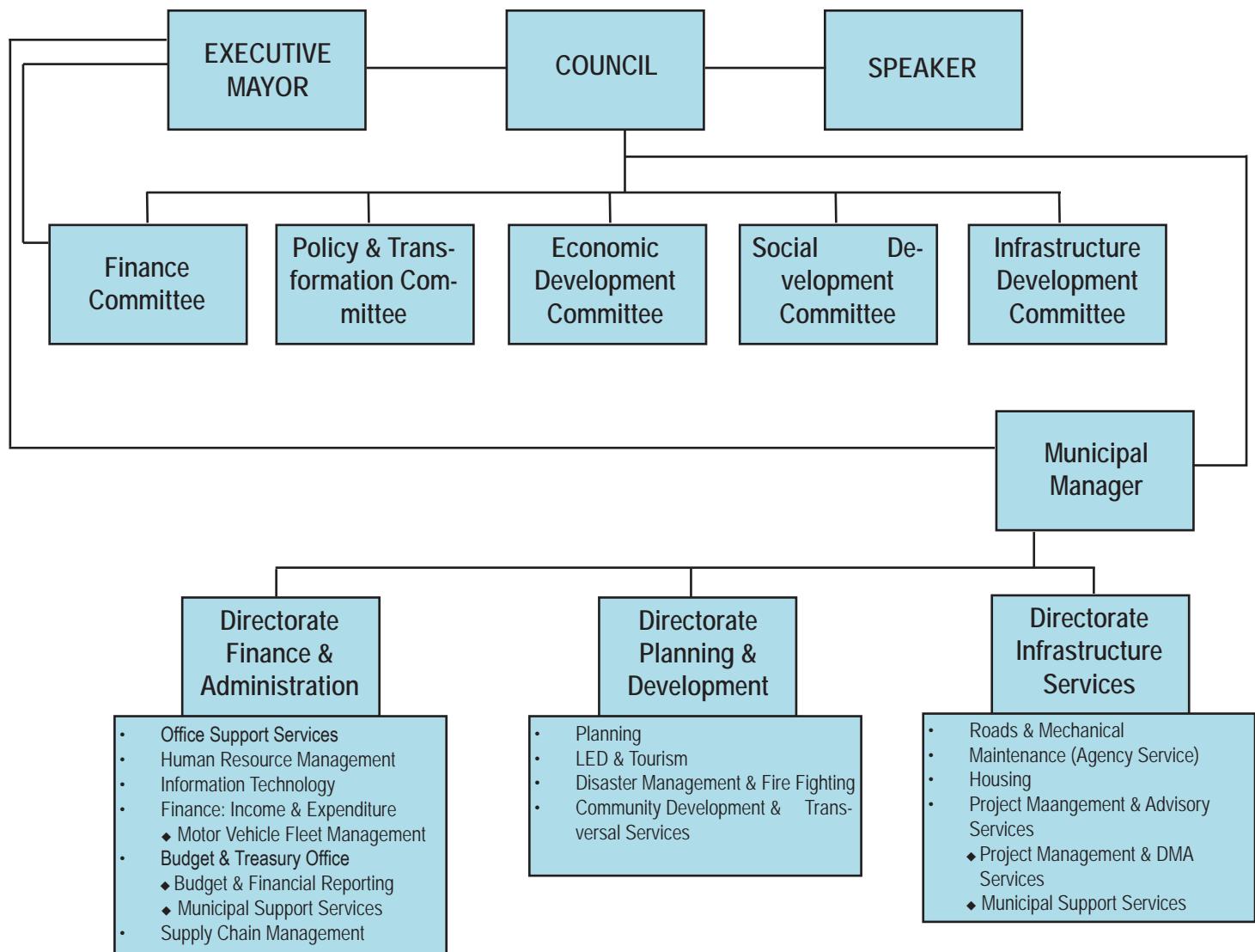


Peet van der Walt
Director Technical Services



Nomama Kgantsi
Director Administration

Organisational Structure



Overall staff complement of 129 and a total of 149 funded posts, 25 of the 156 strong component are Councillors of FBDM.

Executive directors and senior management	18
Professionals, technicians and associate professionals	35
Clerical and administrative staff	25
Service and sales staff	4
Craft and related trade workers	8
Operators and assemblers	7
Elementary occupations	32



The Institutional Plan

The municipality developed an Institutional Development Plan to address the challenges relating to transformation to ensure that the delivery of services conforms to the principles of service delivery as contained in Government policies and legislation.

Great strides have been made in the pursuance of the transformation agenda. The developmental mandate assigned to the municipality by the Constitution and relevant legislation calls for drastic reorientation of the municipality. Various policies were developed and reviewed and these include:

Delegation of Powers Policy, Performance Management Policy, Anti-Corruption Policy, Bereavement Policy, Cellular Phone Policy, Tariff Policy (amend), Subsistence and Travel Policy (amend)

The Institutional Development Plan is an important tool in assisting the municipality reorganise its administration for improved service delivery.

Pursuant to this end organisational structure re-engineering has been commissioned and was completed in the year under review. The structure gives impetus to the shared service concept whereby specific scarce skills have been identified and placed at the district municipality to support local municipalities. This include GIS, Town Planning, Engineering, IT, Financial and Audit.

Employment equity

The employment equity policy of the municipality aims to:

- Foster diversity in the workplace
- Eliminate all forms of discrimination
- Ensure that all people in South Africa are equitably represented within the municipal administration
- Prepare the ground for effective change through appropriate and ongoing investment in training and development
- Prohibit and combat unfair discrimination and harassment among employees
- Provide reasonable accommodation of designated groups, and in particular people with disabilities

In terms of the 3-year employment equity plan great strides has been made in addressing the issues of gender. The plan addresses numerous affirmative actions such as the auditing of policies for discriminatory clauses, diversity management interventions and an audit of the work environment for “friendliness” to people with disabilities. All employment policies and practice are reviewed to be in line with best practice and legislative requirements.

Table 2 (pg. 15) represents the employment profile of the District.

Skills development

The Council recognises that raising motivation and skills levels is essential to continued improved service delivery. As a result skills development of the employees of Council is a top priority. Skills development is aimed at developing skilled employees to perform their jobs to acceptable standards.

This includes re-skilling (when employees move to new roles and/or new systems) and up-skilling (as part of continuous improvement).

The Skills Development programme planned for 2006/07 financial year targeted all employees from executive to elementary levels. An increased number of officials make use of the Council bursary scheme to improve on their qualifications.

Employee Assistance Programme

The Employee Assistance Programme offers specific interventions to employees experiencing problems in the following areas:

- Marital, family and relationship problems;
- Substance abuse (alcohol, drugs, prescription medication) and other addictive behaviour such as gambling;
- HIV / AIDS Counselling;
- Workplace Violence and Trauma Counselling;
- Workplace discrimination or victimisation, for example discrimination against people with disabilities or from designated groups;
- Personal debt and financial management problems;
- Stress (family, social, job); Family violence;
- Psychological problems;
- Sexual harassment;
- Work related conflicts.

The programme through the afore mentioned interventions afford employees the following benefits:-

- Addressing problems early prevents complications that negatively affect both work performance and life in general.
- Sustained optimal functioning of staff leads to greater productivity and improved quality of life for individuals and their families.
- Providing of an EAP encourages an organizational culture in the district municipality that is both task oriented and caring.

Confidentiality underpins the consultation processes in the Employee Assistance Programme. Employee access to the programme is voluntary.

Performance Management

Improvements

The Performance Management System (PMS) has been reviewed to comply with the new Regulations for PMS (no. R805 of August 2006).

- Performance Plans for section 57 managers as well as for the rest of the staff have also been reviewed and key performance indicators amended to enhance the levels of measurement and to link even better with the set objectives of the municipality.
- Reporting on corporate performance was refined to link seamlessly with the Service Delivery and Budget Implementation Plan (SDBIP) of the municipality and to comply with the requirements of the Systems Act and the applicable resolutions of Council in this regard.
- Internal performance control has been improved since the implementation of internal auditing of quarterly performance reports.
- The corporate reports reflect on the municipal performance more accurately and in comparison with the set objectives and targets of the municipality.
- The budgets of departments were more closely linked to the key performance indicators of the units and reflect the mandate and objectives of Council much more clearly in expenditure and activities.

The Performance Management System can be defined as a framework that describes and represents how the organisation's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed, including determining roles of the different role-players.

It links the vision, mission and key objectives of the municipality with operational activities of individual employees, with the view of ensuring increased, efficient and effective service delivery.

Governance

Senior Management Meetings

In the quest to ensure efficient strategic oversight, management and coordination of the municipality's operations, the Municipal Manager convenes regular management meetings with the Senior Management Team.

The Senior Management team often act as the steering committee on all issues relating to the administration of the Municipality.

The Municipal Manager also convenes general management meetings which comprises the Senior Managers and the Middle Managers.

These meetings not only ensure integrated planning and strategic coordination but also inter-departmental coordination and management.

The Service Delivery and Budget Implementation Plan is an important item on the agenda as it ensures that the municipality is focused in performing on its mandate.

Council has put in place a number of new and upgraded policies and strategies during the year under review to give direction to the administration.



Audit Committee Report

The audit committee is a formal committee of the Frances Baard District Municipality Council and its functions are set out in section 166 of the Municipal Finance Management Act (Act No 56 of 2003).

The primary functions of the audit committee include:

- Monitoring the integrity of the council's financial statements
- Reviewing the effectiveness of the council's internal control and risk management
- Overseeing the relationship between management and the municipality's external auditors
- The Committee will make recommendations to management via Council , resulting from activities carried out by the Committee in terms of its reference
- The compilation of reports to Council, at least twice during a financial year
- To review the quarterly reports submitted to it by the internal audit
- Evaluate the activities of the Internal Audit function in terms of their role as prescribed by legislation.
- Review audit results and action plans implemented by management
- Making recommendations to Council and also carrying out its responsibility to implement the recommendations

The committee is authorised to investigate any matters within its terms of reference and co-opt any resources (including external professional assistance) it sees fit in order to fulfill its duties. However, the committee has no executive function and its primary objective is to review and advise, rather than assume responsibility for any matters within its remit.

Composition of the Audit Committee

The committee comprised of the following members:

- Mr. Denzil Beukes (Chairperson)
- Mr. Michiel van Niekerk (Chartered Accountant)
- Ms. Sharon Matthews (Financial Services Consultant)
- Ms Hilda Ackerman (VAT Auditor)

Committee members are appointed for the period of three years. The term of office of Mr. D Beukes expires October 2008, that of Ms. S Matthews in February 2009. Ms Ackerman's term of office expires April 2010. Meetings of the committee are attended by the Municipal Manager, the Chief Financial Officer, the Assistant Director: Finance and Council's Senior Administrative officer (who acts as scribe to the committee). The internal auditors attend all committee meetings and are afforded private meetings with the committee as and when required.

Internal Audit

Throughout the year ended June 2007 Gobodo Risk Management acted as internal auditors for the Council on a co-sourced basis with the municipality's internal audit staff member. The contract with Gobodo Risk Management expired on 30 June 2007.

External Audit

The external audit for the year was performed by the Office of the Auditor-General of the Northern Cape.

1. Effectiveness of the Audit Committee

The effectiveness of the audit committee was compromised to a minimal extent as the audited annual financial statements of 30 June 2007 were presented to the Audit Committee on 31st August 2007, which is the same date for submission of the financial statements to the Office of the Auditor-General.

2. Effectiveness of Internal Audit and Internal Control

A quality assessment review (QAR) was conducted by the Institute of Internal Auditors - SA, to ascertain whether the Shared Internal Audit Unit of Frances Baard District Municipality conforms to the norms and standards of the professional practise of internal audit. Findings from the QAR report were noted and the recommendations are being implemented. All audits were performed as per approved audit plan by the Audit Committee.

3. Evaluation of financial statements

Refer to point (1) above.

4. Activities of Audit Committee for the year end on 30 June 2007

All quarterly meetings of the Audit Committee were held for the financial period. The dates of the meetings were as follows:

- 16 August & 6 December 2006
- 6 February & 19 April 2007

A special meeting was scheduled for the 31 August 2007 for the approval of the financial statements by the Audit Committee before submission to the Office of Auditor General. All internal audit reports were forwarded to Council with recommendations from the Audit Committee.



Staff Component

Table 2

Occupational Categories	Male						Female						Foreign Nationals						TOTAL					
	A			C			I			A			C			I			W			Male		
	A	C	I	A	C	I	A	C	I	A	C	I	A	C	I	A	C	I	W	Male	Female	Male	Female	
Legislators, senior officials and managers	6	2	0		1			1	0		2			5			5		1	0		18		
Professionals	3	1	0		2			0	0		5			1			1		0	0		12		
Technicians and associate professionals	5	5	0		3			1	0		0			2			0		0	0		16		
Clerks	7	2	0		7			5	0		3			0			0		0	0		24		
Service and sales workers	1	1	0		0			1	0		1			0			0		0	0		4		
Skilled agricultural and fishery workers	0	0	0		0			0	0		0			0			0		0	0		0		
Craft and related trades workers	3	3	0		1			0	0		0			1			0		0	0		8		
Plant and machine operators and assemblers	6	0	0		1			0	0		0			0			0		0	0		7		
Elementary occupations	26	2	0		4			0	0		0			0			0		0	0		32		
TOTAL PERMANENT	57	16	0		19			8	0		11			9			1		0	0		121		
Non – permanent employees	11	4	0		12			2	0		5			1			0		0	0		35		
GRAND TOTAL	68	20	0		31			10	0		16			10			1		0	1		156		



Skills Profile

Occupational Categories	African			Coloured			Indian			White			TOTAL			PWD			Age Categories		
	M	F	M	M	F	M	F	M	F	M	F	M	F	M	F	-20	21-30	31-40	41-50	51+	
Legislators																					
Executive Mayor	1																			1	
Speaker																				1	
Councillors	10	5	3	2			1	2	14	9					2	5	7	9			
Directors and Corporate Managers																					
Municipal Manager	1									1										1	
General Managers	1							2		2	1									2	
Corporate Services Manager	1							1		1										1	
Finance Manager	1							1		1										1	
Policy and Planning Managers	1							1		2										2	
Engineering Manager								1		1										1	
Construction Manager								1		1										1	
Commissioned Fire Officer								1		1										1	
Environmental Manager								1		1										1	
LED Manager	1							1		1										1	
Professionals																					
Corporate Services: Community Development	1	1								1	1									1	
Communications							1			1										1	
Information Technology										1										1	
HR and Training	2									2										1	
Financial Services: Client Services	2	2	1						1	5	4	7					4	4	2	1	
Environmental Management: Environmental Health	1								1	1	1						1	1		1	
Municipal Planning: IDP/Urban Planning	1								1	1	1						1	1	1	1	
Land Use Management									1	1	1									1	
Technical Services: Roads and Stormwater																					
Technicians and Trade Workers																					
Corporate Services: Information Technology	1	1								1	1						2				
Community Services: Parks	3									3							1	1	1	1	
Technical Services: Roads and Stormwater										3										3	
Community and Personal Service Workers																					
Corporate Services: Core Administration	2	1			1					2	2						1	3			
Clerical and Administrative Workers																					
Corporate Services: Core Administration	6	5	1	4						5	7	14					5	5	6	5	
Core Finance	1	1	1	1						1	3	2					1	2	2		
Machine Operators and Drivers																					
Corporate Services: Core Administration	1	1								1	1									2	
Technical Services: Roads and Stormwater	8		1							9							1	3	5		
Labourers																	2		6		
Corporate Services: Core Administration	2	5	1							3	5						2			6	
Technical Services: Roads and Stormwater	23		1							24							6	10	8		
TOTAL	68	26	15	9						10	12	93	47				20	31	51	36	



Disclosures - Concerning Executive Mayor, Speaker, Mayoral Committee

Description	Mayor	Speaker	Cllr. P. Everyday	Cllr. W. Johnson	Cllr. P.N Jammer	Cllr. D.M Moeketsi	Cllr. M.M Moloi
Salaries & Wages	282,766	165,969	147,820	39,832	33,398	41,275	142,278
Normal	282,766	165,969	147,820	39,832	33,398	41,275	142,278
Overtime	0	0	0	0	0	0	0
Contributions R'000	56,141	0	0	6,425	5,010	0	5,542
Pensions	43,973	0	0	6,425	5,010	0	5,542
Medical Aid	12,168	0	0	0	0	0	0
Other	0	0	0	0	0	0	0
Allowances R'000	125,975	61,814	51,790	17,011	15,352	15,352	51,790
Travel	125,975	61,814	51,790	17,011	15,352	15,352	51,790
Accommodation	0	0	0	0	0	0	0
Subsistance	0	0	0	0	0	0	0
Housing Benefits & Allowances R'000	0	0	0	0	0	0	0
Loans & Advances R'000	0	0	0	0	0	0	0
Other benefits & Allowances R'000 (specify) Cellphone	0	8,364	0	0	0	0	8,364
Telephone	0	0	0	0	0	0	0
Meeting Allowance	0	0	0	0	0	0	0
Facilities Allowances	0	0	0	0	0	0	0
Arrears owed to Municipality	0	0	0	0	0	0	0
TOTAL	464,882	227,783	207,974	63,267	53,760	56,627	207,974



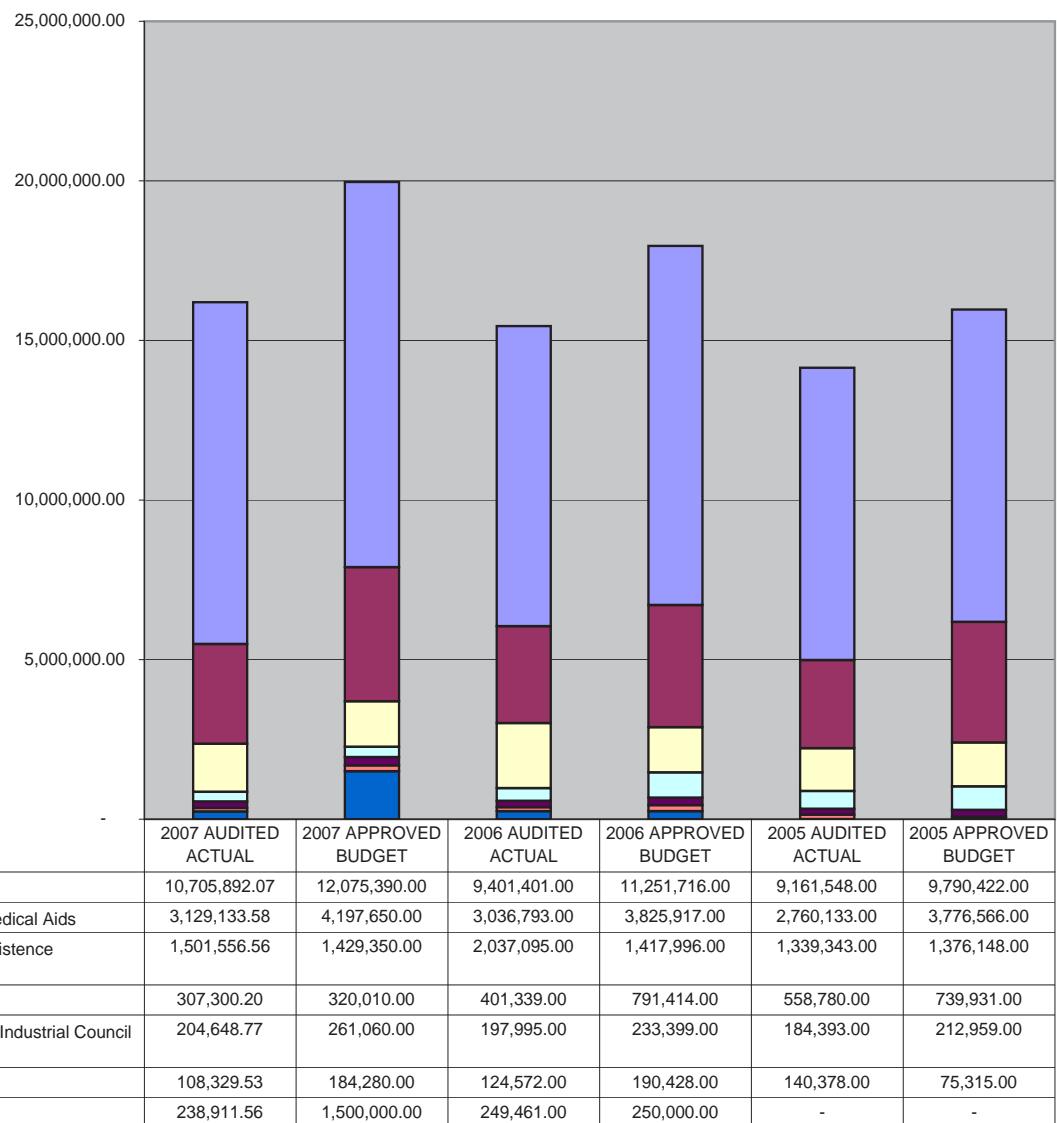
Disclosures - Municipal Manager, Directors

Description	Municipal Manager	Chief Financial Officer	Director Administration	Director Technical Services
Salaries and Wages R'000				
Basic Salary & Bonus	386,598	347,725	329,065	357,786
Performance Bonus	76,118	50,873	55,960	55,960
	0	0	0	0
Housing Subsidy	81,246	0	7,556	0
Allowances (Computer, Telephone & Entertainment)	0	0	0	0
Car Allowance	138,000	103,800	115,409	88,822
Medical	31,068	32,580	34,440	35,616
Pension	61,320	60,497	58,132	62,377
Other Contributions	0	0	0	0
TOTAL	774,352	595,475	600,562	600,562



Personnel - Expenditure

TRENDS ON PERSONNEL EXPENDITURE COMPARED TO BUDGET



Personnel - Pension & Medical Aid Funds

Social Contributions

Council makes defined contributions to several Pension Funds and Medical Aids in the following proportions:

Pension Funds	Employer %	Employee %
Cape Joint Pension Fund	18.00	9.00
Cape Joint Retirement Fund	18.00	9.00
Samwu National Provident Fund	18.00	9.00
Pension for Municipal Councillors	15.00	13.75



Personnel - Pension & Medical Aid Funds

Council pays Ex Gratia pension to four (4) past employees who at the time of their services with Council did not belong to any pension fund, whilst the other pensioners receive their monthly pensions from their various pension funds directly.

Medical Aids	Employer %	Employee %
Bonitas	60.00	40.00
Samwumed	60.00	40.00
Munimed	60.00	40.00
Hosmed	60.00	40.00
LA Health	60.00	40.00
Post Service Medical Aid	Employer %	Employee %
	70.00	30.00

Assessment of future risks or liabilities

Current employees	Incorrect deductions from employees salaries as well as inaccurate payments to the various medical aid schemes
Post service personnel	Verifications of the existence of ex-employees receiving post-service medical aid benefits prior to payments being done by FBDM which could result in invalid payments



Municipal Performance - Key Performance Area 1

No.	Reference	Objective	Indicator	Unit of Measurement	Responsible Dept.	Annual Target Unit	4th Qtr. Target	Actual Performance	% Variance	Reason(s) for Deviation	Improvement plan	Budget (Year) 2006/07	Actual Expenditure
NATIONAL KEY PERFORMANCE AREA 1 : BASIC SERVICE DELIVERY													
1.1	Tech/01/06	To eradicate infrastructure backlog in the district.	Percentage households serviced.	Dept. Tech. Infra. Dev.	100%	100%	79%	-21%	Only 5 rural households applied for water provision.	Landowners and rural households will be encouraged to apply for water provision in the next financial year.	7 507 912	5 896 506	
1.1.1		Provide 830 households with potable water.	Percentage households serviced.	Dept. Tech. Infra. Dev.	100%	100%	97%	-3%	Less funds were spent on rural sanitation due to fewer applications received.	Landowners and rural households will be encouraged to apply for sanitation provision in the next financial year.	2 339 354	2 276 380	
1.1.2		Provide sanitation facilities to 100 households.	Percentage households serviced.	Dept. Tech. Infra. Dev.	100%	100%	80%	-20%	The electrical self-building scheme was delayed due to the outstanding approval from Spoorstet.	The project will be completed in July 2007. (New financial year)	5 732 734	4 586 863	
1.1.3		Provide residential electricity to 825 households.	Percentage households serviced.	Dept. Tech. Infra. Dev.	100%	100%	0%	-100%	Municipality implements project and only claims when the project is completed.	Sol Plaatje will be requested to claim expenditure.	350 000	0	
1.1.4		Provide approved community facilities.	Percentage of project completed.	Dept. Tech. Infra. Dev.	100%	100%	0%	-100%	Tender advertised late by Magareng Municipality. No service provider appointed.	Magareng Municipality will be requested to speed up process.	1 180 000	0	
1.1.5		Complete approved township development.	Percentage households serviced.	Dept. Tech. Infra. Dev.	100%	100%	0%	-100%					
1.2	Tech/02/06	To provide sustainable basic services in Koopmansfontein.	Percentage households serviced.	Dept. Tech. Infra. Dev.	95%	95%	95%	0%	No interruptions in service delivery.	n/a	10 400	11 868	
1.2.1		Provide basic potable water to 37 households in Koopmansfontein.	Percentage households serviced.	Dept. Tech. Infra. Dev.	95%	95%	95%	0%	No interruptions in service delivery.	n/a	3 000	600	
1.2.2		Provide basic sanitation to 37 households in Koopmansfontein.	Percentage households serviced.	Dept. Tech. Infra. Dev.	95%	95%	95%	0%	No interruptions in service delivery.	n/a	12 700	6 499	
1.2.3		Provide basic electricity to 37 households in Koopmansfontein.	Percentage households serviced.	Dept. Tech. Infra. Dev.	95%	95%	95%	0%	No interruptions in service delivery.	n/a			
1.3	Tech/03/06	To provide infrastructure maintenance services in the district.	Percentage services rendered.	Dept. Tech. Infra. Dev.	90%	90%	90%	0%	No interruptions in service delivery.	R 11 m has again been budgeted for in Phokwane Municipalities have not been completed in the financial year.	23 000	0	
1.3.1		Provide infrastructure maintenance services to FBDM DMA.	Percentage services rendered.	Dept. Tech. Infra. Dev.	90%	90%	82%	-8%	Two projects in Magareng and Phokwane Municipalities have not been completed in the financial year.	R 130 000 of this budget will be carried by Prov. Dept. regarding alterations to workshop.	5 950 000	4 851 076	
1.3.2		Provides infrastructure maintenance services to the category B municipalities in the district.	Percentage services rendered.	Dept. Tech. Infra. Dev.	90%	90%	97%	+2%	Sol Plaatje Municipality was not able to implement the project in the current financial year.	Project will be carried over to the next financial year.	215 000	208 875	
1.3.3		Provide maintenance to the council buildings and gardens.	Percentage services rendered.	Dept. Tech. Infra. Dev.	95%	95%	97%	+2%					
1.3.4		Compile long term O&M Plan for Sol Plaatje Municipality linked to Provincial O&M Plan.	Percentage of O&M Plan completed.	Dept. Tech. Infra. Dev.	100%	0%	0%	0%					
1.4	Tech/04/06	To provide a roads agency function in the district.	Percentage compliance.	Dept. Tech. Infra. Dev.	100%	100%	100%	0%	n/a	n/a	\$	\$	
1.4.1		Comply to the conditions set out in the Roads Agency Agreement with the Department of Transport.											

\$: System does not allow the financial breakdown of indicator.

Variance = % (Target reached)
Positive Variance = +%
Negative Variance = -%



Municipal Performance - Key Performance Area 2 & 3

No.	Reference	Objective	Indicator	Unit of Measurement	Responsible Dept.	Annual Target Unit	4th Qtr. Target	Actual Performance	% Variance	Reason(s) for Deviation	Improvement plan	Budget (Year) 2006/07	Actual Expenditure
NATIONAL KEY PERFORMANCE AREA 2 : MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION													
2.1 Admin#0106 To implement the Institutional Plan of the municipality													
2.1.1		Align the organisational structure to the Integrated Development Plan (IDP)	Percentage compliance.	Dept. Admin.. MM & HODs	90%	90%	90%	0%	n/a	n/a	n/a	\$	\$
2.1.2		Developed Job Descriptions according to the TASK format.	Percentage compliance.	Dept. Admin.. HR	90%	90%	60%	-30%	HR Concepts conducting a review of 2006/2007 JD's according to TASK Format.	Consultants will submit the completed JDs before end of September 2007.	n/a	\$	\$
2.1.3		Performance plans developed and implemented for non-Section 57 staff.	Percentage compliance.	Dept. Admin.. HR	90%	90%	90%	0%	HR Practitioner was inundated with HR related work without any assistance from the manager.	The newly appointed HR Manager will commence duty on 03 September 2007 and one his first duties will be to address the backlog situation.	n/a	\$	\$
2.1.4		Reporting on quarterly performance reviews.	Percentage compliance.	Dept. Admin.. HR	100%	100%	90%	-10%	Bylaws have been drafted, but still need to be presented to the Policy Project Team.	Bylaws will be presented to the Policy Project Team before being submitted to Council for approval.	n/a	\$	\$
2.1.5		Municipal By-laws developed and implemented	Percentage compliance.	Dept. Admin.. Admin	100%	100%	50%	-50%	The operational plan for the new financial year will include measures to ensure the implementation of projects and plans.	The operational plan for the new financial year will include measures to ensure the implementation of projects and plans.	n/a	\$	\$
2.1.6		Percentage success rate in development and implementation of Workplace Skills Plan.	Percentage compliance.	Dept. Admin.. Corp. Serv.	90%	90%	70%	-20%	Not being finalised and submitted.	The operational plan for the new financial year will include measures to ensure the implementation of projects and plans.	n/a	\$	\$
2.1.7		Percentage success rate in development and implementation of Employment Equity Plan.	Percentage compliance.	Dept. Admin.. Corp. Serv.	70%	70%	70%	0%	n/a	The operational plan for the new financial year will include measures to ensure the implementation of projects and plans.	n/a	\$	\$
2.1.8		Development and implementation of IT and IT Systems.	Percentage compliance.	Dept. Admin.. IT Unit	90%	90%	90%	0%	n/a	The operational plan for the new financial year will include measures to ensure the implementation of projects and plans.	n/a	\$	\$
NATIONAL KEY PERFORMANCE AREA 3 : LOCAL ECONOMIC DEVELOPMENT													
3.1 Admin#0206 To implement approved LED business plans according to set timeframes and operational plan.													
3.1.1		Percentage progress in approval of credible LED business plans in terms of the Departmental Operational Plan.	Percentage compliance.	Dept. Admin.. LED Unit	100%	100%	100%	0%	n/a	All business plans have been approved by Council, however, the implementation of the plans have been very slow.	n/a	\$	\$
3.1.2		Percentage implementation of approved credible LED business plans in terms of the Departmental Operational Plan.	Percentage compliance.	Dept. Admin.. LED Unit	80%	80%	65%	-15%	The operational plans for the new financial year will include measures to expedite the implementation of projects.	The operational plans for the new financial year will include measures to expedite the implementation of projects.	n/a	\$	\$
3.2 Admin#0306 To implement approved Tourism business plans according to set timeframes and operational plan.													
3.2.1		Percentage progress in approval of credible Tourism business plans in terms of the Departmental Operational Plan.	Percentage compliance.	Dept. Admin.. Tourism Unit	100%	100%	100%	0%	n/a	Positive Variance = +%	\$	\$	\$
3.2.2		Percentage implementation of approved credible Tourism business plans in terms of the Departmental Operational Plan.	Percentage compliance.	Dept. Admin.. Tourism Unit	80%	80%	80%	0%	n/a	Negative Variance = -%	\$	\$	\$
\$: System does not allow the financial breakdown of indicator.													
Variance = 0% (Target reached)													



Municipal Performance - Key Performance Area 4

No.	Reference	Objective	Indicator	Unit of Measurement	Responsible Dept.	Annual Target	4th Qtr. Target	Actual Performance	% Variance	Reason(s) or Deviation	Improvement plan	Budget (Year 2006/07)	Actual Expenditure
NATIONAL KEY PERFORMANCE AREA 4: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT													
4.1 Fin0106 To ensure the effective financial management of departmental functions in terms of the provisions of the MFMA.													
4.1.1		Comply to the timelines of the MFMA in preparation of the budget and the prescribed reporting to National Treasury.	Percentage compliance.	Finance	Budget Office	100%	100%	100%	0%	n/a	n/a	\$	\$
4.1.2		Submit monthly, quarterly and annual reports to Council, National and Provincial Treasuries in terms of the MFMA.	Percentage compliance.	Finance	Responsible Sections	100%	100%	100%	0%	n/a	n/a	\$	\$
4.1.3		Submit Mid-year Report to Council, National and Provincial Treasury as per the MFMA.	Percentage compliance.	Finance	Responsible Sections	100%	100%	100%	0%	n/a	n/a	\$	\$
4.1.4		Submit Annual Financial Statements to Auditor-General according to the format and prescriptions of SRAF.	Percentage compliance.	Finance	Responsible Sections	100%	100%	100%	0%	n/a	n/a	\$	\$
4.1.5		Exercise monthly control and reconciliation of general ledger accounts and reporting.	Percentage compliance.	Finance	Responsible Sections	100%	100%	90%	-10%	Definite improvement with regard to the monthly reconciliations to general ledger accounts. All general ledger accounts have been reconciled and checked at year end. However, the monthly checking and signing off by supervisors still needs some improvement for quality assurance purposes.	Systems of control and supervision will be further refined to ensure monthly reconciliations of high quality on time as per approved performance plans as sub-ordinates. Capacity building and training of will continue on an ongoing basis as per needs identified.	\$	\$
4.1.6		Approve service level agreements and frameworks with specific timelines for financial management support and capacity building in respect of each category B municipality.	Percentage compliance.	Finance	Responsible Sections	100%	100%	60%	-40%	Have started with ad-hoc support at Magareng and Phokwane Municipalities. Service level agreements (SLAs) will only be commenced as from the 2007/08 financial year.	Presentation on the framework and strategy of support to Category 'B' municipalities will take place as part of the operational plans for the 2007/08 financial year.	\$	\$
4.1.7		Implement the approved SLAs and frameworks for financial management support and capacity building in category B municipalities.	Percentage compliance.	Finance	Responsible Sections	100%	100%	60%	-40%	Have started with ad-hoc support at Magareng and Phokwane Municipalities. Service level agreements (SLAs) will only be commenced as from the 2007/08 financial year.	Presentation on the framework and strategy of support to Category 'B' municipalities will take place as part of the operational plans for the 2007/08 financial year.	\$	\$
4.1.8		Monitor and report as stipulated by approved SLAs and frameworks for financial support and capacity building programmes.	Percentage compliance.	Finance	Responsible Sections	100%	100%	60%	-40%	Have started with ad-hoc support at Magareng and Phokwane Municipalities. Service level agreements (SLAs) will only be commenced as from the 2007/08 financial year.	Presentation on the framework and strategy of support to Category 'B' municipalities will take place as part of the operational plans for the 2007/08 financial year.	\$	\$
4.1.9		Develop and implement a strategy on the phasing out of the RSC levy System and redeploy the remaining levy staff.	Percentage compliance.	Finance	Responsible Sections	100%	100%	100%	0%	n/a	n/a	\$	\$
4.1.10		Implement an effective system for collection and receipt of grant funding as per DOPA allocations promulgated.	Percentage compliance.	Finance	Responsible Sections	100%	100%	100%	0%	n/a	n/a	\$	\$
4.1.11		Review and implement the approved credit control and debt collection policy.	Percentage compliance.	Finance	Responsible Sections	100%	100%	100%	0%	n/a	n/a	\$	\$
4.1.12		Develop and implement a Property Rates Policy for the DWA as per applicable legislation.	Percentage compliance.	Finance	Responsible Sections	100%	100%	85%	-15%	Draft Property Rates Policy has been completed and will be submitted to Council in the 2007/08 financial year for principle approval before workshoped with the community.	On-going process to review and up-date policy. Need to amend policy to address the abolishment of RSC Leves.	\$	\$
4.1.13		Review and implement revenue policies as required by the MFMA.	Percentage compliance.	Finance	Responsible Sections	100%	100%	90%	-10%	On-going process as part of the budget process.	On-going process as part of the budget process.	\$	\$
4.1.14		Recover consumer and sundry debt exceeding 90 days.	Percentage compliance.	Finance	Responsible Sections	100%	100%	90%	-1%	Item will be submitted to Council during the 2007/08 financial year with regard to recoverable outstanding debtor accounts.	On-going process as part of the budget process.	\$	\$
4.1.15		Implement an effective system for expenditure control in compliance with MFMA requirements.	Percentage compliance.	Finance	Responsible Sections	100%	100%	100%	0%	n/a	n/a	\$	\$
4.1.16		Implement the supply chain management regulations and approved policy.	Percentage compliance.	Finance	Responsible Sections	100%	100%	75%	-25%	Supply Chain Management Unit not established to date and as a result the action plan for implementation is lacking behind. The delay is mainly due to the late approval of the reviewed organogram by Council and the dispute declared by SAMWU in this regard.	Reviewed action plan will be submitted to Council during the new financial year in order to get the Supply Chain Management Unit functional and compliant as per approved policy.	\$	\$
4.1.17		Apply an effective cash flow and investment management system as per approved policy.	Percentage compliance.	Finance	Responsible Sections	100%	100%	0%	+10%	Existing store facility will be amended and upgraded after establishment of the Supply Chain Unit.	On-going process.	\$	\$
4.1.18		Establish and implement an effective store and inventory system.	Percentage compliance.	Finance	Responsible Sections	100%	100%	90%	+10%	Expenditure Policy still in process of development.	Completion will be early in the new financial year after fully established the Supply Chain Management Unit.	\$	\$
4.1.19		Maintain and secure a general ledger accounting system.	Percentage compliance.	Finance	Responsible Sections	100%	100%	100%	0%	n/a	n/a	\$	\$
4.1.20		Review and implement an effective expenditure policy as per MFMA.	Percentage compliance.	Finance	Responsible Sections	100%	100%	80%	-20%	Variance = 0% (Target reached)	Positive Variance = +%	\$	\$
4.1.21		Implement an effective asset and risk management system in compliance with the requirements of the MFMA.	Percentage compliance.	Finance	Responsible Sections	100%	100%	100%	0%	Negative Variance = -%		\$	\$

\$: System does not allow the financial breakdown of indicator.



Municipal Performance - Key Performance Area 5

No.	Reference	Objective	Indicator	Unit of Measurement	Responsible Dept.	Annual Target	4th Qtr. Target	Actual Performance	% Variance	Reason(s) for Deviation	Improvement plan	Budget (Year) 2006/07	Actual Expenditure
NATIONAL KEY PERFORMANCE AREA 5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION													
5.1	MM/01/06	To effectively support internal political interfaces.											
5.1.1		Provide full administrative support to Council and all committees of Council.	Percentage	Admin Comms	100%	100%	100%	0%		n/a		\$	\$
5.2	MM/02/06	To effectively support external political interfaces.											
5.2.1		Implement decisions and action plans of the Inter Governmental Relation forum. (IGR Forum)	Percentage compliance.	Office MM MM	100%	100%	100%	0%		n/a		\$	\$
5.3	MM/03/06	To effectively support high level strategic and operational interfaces and activities.											
5.3.1		Ensure performance from internal departments according to set targets and timeframes in their operational plans.	Percentage compliance.	Office MM HODS	100%	100%	84%	-16%		Internal lack of capacity due to unforeseen shortages of staff and external under-performance of some local municipalities.	Staff component will be capacitated and local municipalities will be more closely monitored in new financial year.	\$	\$
5.3.2		Ensure the corporate implementation of a Performance Management System according to the Act and PMS Regulations.	Percentage compliance.	Office MM IDPPMS Unit.	100%	100%	95%	-5%		Late appointment of Municipal Manager impacted negatively on some of the institutional implementation.	n/a	\$	\$
5.3.3		Ensure the review, approval and implementation of a credible Integrated Development Plan. (IDP)	Percentage compliance.	Office MM IDPPMS Units.	100%	100%	98%	-2%		Some policies and by-laws are still not in place due capacity constraints in some of the units.	Training and the appointment of new staff in some units will address the matter in the new financial year.	\$	\$
5.3.4		Ensure the development and implementation of policies and by-laws.	Percentage compliance.	Office MM HODS	100%	100%	75%	-25%		The finalisation and approval of the Communication Strategy delayed the development and implementation of a customer-care policy.	The policy will be fully implemented in the next financial year.	\$	\$
5.3.5		Ensure the development and implementation of a customer-care policy.	Percentage compliance.	Office MM HODS	100%	100%	75%	-25%		The establishment of the Supply Chain Management Unit was lacking behind due to the late approval of the new organogram and the dispute with the labour unions.	The Supply Chain Management Unit will be established to start operating at the beginning of the new financial year.	\$	\$
5.3.6		Ensure sound financial management.	Percentage compliance.	Office MM HODS	100%	100%	90%	-10%					
5.3.7		Ensure effective administrative management.	Percentage compliance.	Office MM HODS	90%	90%	86%	-4%		n/a		\$	\$
5.4	Admin/04/06	To assist and support the implementation of approved social development programmes.											
5.4.1		Percentage assistance and support to social development programmes in terms of the Operational Plan.	Percentage compliance.	Admin CDD Office	100%	100%	100%	0%		n/a		\$	\$
5.5	Admin/05/06	To assist and support the implementation of approved social development projects.											
5.5.1		Percentage assistance and support to social development projects in terms of the Operational Plan.	Percentage compliance.	Admin CDD Office	100%	100%	100%	0%		n/a		\$	\$

\$: System does not allow the financial breakdown of indicator.
 Variance = 0% (Target reached)
 Positive Variance = +%
 Negative Variance = -%



Municipal Performance - Key Performance Area 6

No.	Reference	Objective	Indicator	Unit of Measurement	Responsible Dept.	Unit	Annual Target	4th Qtr. Target	Actual Performance	% Variance	Reason(s) for Deviation	Improvement plan	Budget (Year) 2006/07	Actual Expenditure
MUNICIPAL KEY PERFORMANCE AREA 6: MARKETING AND COMMUNICATION														
6.1	MMM/04/06	To implement the external and internal communication strategies of the municipality.	Profile the external achievement and position statements in terms of the communication strategy.	Percentage compliance.	Office MM	Comm Unit	100%	100%	100%	0%	n/a	n/a	\$	\$
6.1.1			Profile the internal achievement and position statements in terms of the communication strategy.	Percentage compliance.	Office MM	Comm Unit	100%	100%	80%	-20%	Induction process is a shared activity with HR. Was still waiting for completion of induction policy by HR.	Production of an induction brochure in conjunction with HR will be done in the new financial year.	\$	\$
6.1.2	MMM/05/06	To implement the marketing and branding strategy of the municipality.	Implement the approved brand identity of the municipality.	Percentage compliance.	Office MM	Comm Unit	100%	100%	25%	-75%	Tender process was delayed due to inputs awaited from the Department of Economic Affairs & Tourism.	Completion of tender process will be finalised. Appointment of service provider and phased implementation of processes will commence in the new financial year.	\$	\$
6.2.1			Implement the approved communication related policies of the municipality.	Percentage compliance.	Office MM	Comm Unit	100%	100%	75%	-25%	Capacity constraints resulted in all new policies being in the draft phase of development.	Completion of communication policy and all related policies will ensure implementation in the new financial year.	\$	\$
6.2.2														
MUNICIPAL KEY PERFORMANCE AREA 7 : HEALTHY AND SAFE ENVIRONMENT.														
7.1	Admin/06/06	To assist and support the implementation of approved environmental health programmes.	Percentage assistance and support to environmental health programmes in terms of the Departmental Operational Plan.	Percentage compliance.	Admin	EH Unit	100%	100%	100%	0%	n/a	n/a	\$	\$
7.1.1														
7.2	Admin/07/06	To assist and support the implementation of approved environmental health projects.	Percentage assistance and support to environmental health projects in terms of the Departmental Operational Plan.	Percentage compliance.	Admin	EH Unit	100%	100%	100%	0%	n/a	n/a	\$	\$
7.2.1														
7.3	Admin/08/06	To implement the approved Disaster Management Plan.	Implementation of the approved Disaster Management Plan in compliance with the Disaster Management Act and the Departmental Operational Plan.	Percentage compliance.	Admin	Dis. Man.	100%	100%	95%	-5%	A small backlog still remains due to the moratorium on implementation that was still binding for a major part of the financial year.	The new operational plan for the Disaster Management Unit provides for the obliteration of the backlog early in the new financial year.	\$	\$
7.3.1														
\$: System does not allow the financial breakdown of indicator. Variance = 0% (Target reached) Positive Variance = +% Negative Variance = -%														



**CHAPTER 4 -
AUDITED STATEMENTS & RELATED FINANCIAL INFORMATION**

**FRANCES BAARD
DISTRICT MUNICIPALITY**



**ANNUAL FINANCIAL STATEMENTS
30 JUNE 2007**



FRANCES BAARD DISTRICT MUNICIPALITY

ANNUAL FINANCIAL STATEMENTS AS AT 30 JUNE 2007

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GENERAL INFORMATION



GENERAL INFORMATION

GRADING

Grade 4 = Category C

Council is accorded the same grading as the largest Category B municipality in the district, namely Sol Plaatje Municipality, which is a Grade 4 local authority.

AUDITORS

2.1 External Auditors

The Office of the Auditor-General
Private Bag X5013
KIMBERLEY

2.2 Internal Auditors

Internal audit function has been implemented during March 2004, based on an external audit service provider required to establish a self-sufficient in-house function in accordance with Council policy. Following the details of service provider.

Gobodo Chartered Accountants (SA)
P.O. Box 4242
CAPE TOWN

2.3 Members of the Audit Committee

Mr. DW Beukes
Ms. S Matthews
Chairperson
Ms. H Ackermann



3. BANKERS

Absa Bank
80 Bulffontein Rd
KIMBERLEY

Type of Account: Current Account
Account Number: 940 000 327

4. REGISTERED OFFICE

Frances Baard District Municipality
51 Drakensberg Avenue
CARTERS GLEN 8301

5. GENERAL ACTIVITIES

Council undertakes the spectrum of a Category C municipality activities allocated by legislation, as well as the district roads maintenance function on behalf of the Northern Cape Provincial Department of Transport, Roads & Public Works.

6. COUNCILLORS

Council's structure is based on the Executive Mayoral System, Incorporating:

*District Management Area; and
Category B Municipalities—*

- Sol Plaatje : Grade 4
- Phokwane : Grade 2
- Dikgathong : Grade 2
- Magareng : Grade 2

6.1. Executive Mayor of District Municipality:

Mr. A Florence
Proportional



6.2 Speaker of District Municipality

Ms. M Chwarieng

Sol Plaatje Municipality

6.3 Members of the Mayoral Committee:

Mr. A Florence	(Chairperson)
Mr. P Everyday	Proportional
Mr. PN Jammer	Proportional
Mr. W Johnson	Dikgatlong Municipality
Ms. DM Moeketsi	Magareng Municipality
Ms. MM Moloi	Phokwane Municipality
	Proportional

6.4 Ordinary Council Members:

Mr. MA Africa	Sol Plaatje Municipality
Ms. MJ Beylefeld	Sol Plaatje Municipality
Ms. KJ de Kock	Sol Plaatje Municipality
Mr. EJ Damoense	Sol Plaatje Municipality
Mr. AK Jabetla	Sol Plaatje Municipality
Mr. GP Kock	Sol Plaatje Municipality
Ms. M Mogwazeni	Sol Plaatje Municipality
Ms. KG Mthukwane	Dikgatlong Municipality
Ms. RD Gopane	Phokwane Municipality
Mr. MS Mooketsi	District Management Area
Mr. MA Gabanele	Proportional
Ms. HE Booyens	Proportional
Ms. M Hattingh	Proportional
Mr. TS Kgaladi	Proportional
Mr. DJ Stubbe	Proportional
Mr. LJ Letebele	Proportional
Mr. BM Maribe	Proportional
Mr. LJ Mothomme	Proportional



7. MANAGEMENT STRUCTURE

Council's senior management structure consists of the Municipal Manager and heads of the three main departments. The Office of the Municipal Manager includes management functions pertaining to municipal systems improvement and integrated development planning functions.

Municipal Manager

Mr. TJ Nosi
B.Admin; B.Admin(Hons)

Director: Administration

Ms. NG Kgantsi
B.Admin

Director: Technical Services

Mr. PJ van der Walt
B.Sc.Eng; M.Eng.(Civil); ECSA

Director: Finance

Mr. P.J van Biljon
B.A; Nat Dipl.; (AIMFO)

7. CERTIFYING OF FINANCIAL STATEMENTS

I am responsible for the preparation of these financial statements, which are set out on pages FR-1 to FR-10, AP-1 to AP-11 and FS-1 to FS-34, in terms of section 126(1) of the Municipal Finance management Act and which I have signed on behalf of the Municipality.



I certify that the salaries, allowances and benefits of Councillors as disclosed in note 16 of these financial statements are within the upper limits of the framework envisaged in section 219 of the Constitution, read with the Remuneration of Public Office Bearers Act and the Minister of the Provincial and Local Government's determination in accordance with this act.



MUNICIPAL MANAGER

DATE: 31 August 2007



AUDITOR GENERAL REPORT



REPORT OF THE AUDITOR-GENERAL TO THE NORTHERN CAPE PROVINCIAL LEGISLATURE ON THE FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION OF FRANCES BAARD DISTRICT MUNICIPALITY FOR THE YEAR ENDED 30 JUNE 2007

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the accompanying financial statements of Frances Baard District Municipality which comprise the statement of financial position as at 30 June 2007, statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, and the accounting officer's report, as set out on pages AP-1 to AP-10 and FS-1 to FS-28.

Responsibility of the accounting officer for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with the basis of accounting determined by the National Treasury, as set out in accounting policy note 1.1 and in the manner required by the Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA). This responsibility includes:
 - designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error
 - selecting and applying appropriate accounting policies
 - making accounting estimates that are reasonable in the circumstances.

Responsibility of the Auditor-General

3. As required by section 188 of the Constitution of the Republic of South Africa, 1996, read with section 4 of the Public Audit Act, 2004 (Act No. 25 of 2004), 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. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant



to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

6. An audit also includes evaluating the:

- appropriateness of accounting policies used
 - reasonableness of accounting estimates made by management
 - overall presentation of the financial statements.
7. Paragraph 11 et seq. of the Statement of Generally Recognised Accounting Practice, GRAP 1 *Presentation of financial statements* requires that financial reporting by entities shall provide information on whether resources were obtained and used in accordance with the legally adopted budget. As the budget reporting standard is still in the process of being developed, I have determined that my audit of any disclosures made by Frances Baard District Municipality in this respect will be limited to reporting on non-compliance with this disclosure requirement.
8. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Basis of accounting

9. The municipality's policy is to prepare financial statements on the basis of accounting determined by the National Treasury, as set out in accounting policy note 1.

Emphasis of matter

Without qualifying my audit opinion, I draw attention to the following matter:

Basis for preparation

10. As set out in accounting policy 1 the National Treasury approved a deviation from the basis of accounting applicable to the municipality in terms of General Notice 552 of 2007 issued in Government Gazette No. 30013 of 29 June 2007.

Opinion

11. In my opinion the financial statements present fairly, in all material respects, the financial position of Frances Baard District Municipality as at 30 June 2007 and its financial performance and cash flows for the year then ended, in accordance with the basis of accounting determined by the National Treasury, as set out in accounting policy note 1.1 and in the manner required by the MFMA.



OTHER MATTERS

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

Material non-compliance with applicable legislation

12. The municipality did not have a by-law for the provision of water as required by section 21(1) of the Water Services Act, 1997 (Act No. 108 of 1997).

Material corrections made to the financial statements submitted for audit

13. a) Income and reserves were incorrectly stated by R3 040 192 due to the incorrect treatment of revaluation of Land and Buildings.
 b) Commitments were understated by R24 196 688.

Internal control

14. 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 of the matters indicated, as they relate to the five components of internal control. In some instances deficiencies existed in more than one internal control component.

Reporting item	Control environment	Assessment of risks	Control activities	Information and communication	Monitoring
Other matters					
Non-compliance with applicable laws and regulations					
By-law for the provision of water			X		

OTHER REPORTING RESPONSIBILITIES

Reporting on performance information

15. I have audited the performance information as set out in the annual report.

Responsibilities of the accounting officer

16. 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).



Responsibility of the Auditor-General

17. I conducted my engagement in accordance with section 13 of the PAA, read with *General Notice 646 of 2007*, issued in Government Gazette No. 646 of 25 May 2007.
18. 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.
19. I believe that the evidence I have obtained is sufficient and appropriate to provide a basis for the audit findings.

Audit findings

20. No significant findings were identified as a result of my audit.

APPRECIATION

21. The assistance rendered by the staff of Frances Baard District Municipality during the audit is sincerely appreciated.



Kimberley

30 November 2007



A U D I T O R - G E N E R A L



CHIEF FINANCIAL OFFICER REPORT



FINANCIAL PERFORMANCE REVIEW

1. INTRODUCTION

The main aim of the Department of Finance is to ensure that the Frances Baard District Municipality is financially sustainable to fulfill its developmental role.

In order to do this, Council follows a practice of sound, conservative budgeting aimed at enhancing financial resources through maximised revenue collection and controlling costs to the minimum necessary expenditure. Council also utilizes all possible sources of external financing to supplement its own infrastructure investment strategies, including the use of State grants and loan funding from the Development Bank of Southern Africa.

Integrated Development Planning (IDP) is the corner stone of facilitating sustainable development in the District. Given the nature of the Integrated Development Plan, it was necessary to revise and update financial strategies on a continuous basis. Pre-determined key performance indicators in the IDP and operational outcomes have informed and driven the financial planning process about what is financially affordable given the financial targets and expenditure limits determined by National Treasury.

The outcome of the key strategic goals and priorities with regard to the impact on the community is the reduction of backlogs in infrastructure e.g., increased access to free basic services, increased community participation in affairs of the municipality, customer care, job creation and poverty alleviation, increased economic growth, safe and healthy environment. Although access to municipal services such as water, electricity, sanitation and refuse removal in general is higher than the provincial average and compares favourable to the national average the District Municipality remains focus to eradicate backlogs concentrated in the three project consolidate municipalities of Dikgatlong, Sol Plaatje (URP Node) and Phokwane. The District Municipality awarded 44,34% of the a total approved expenditure budget to towards infrastructure and other special projects as identified in the IDP for the financial year under review.

The economic growth of the Frances Baard District (consisting of Sol Plaatje, Dikgatlong, Magareng and Phokwane Municipalities) is 3,7% per annum which is above the national average of 2,5% per annum and the fifth highest growth rate of all districts in the country according to a survey done by CSIR over the period 1995 to 2003.

The Community Wealth (Reserves and Unappropriated Surplus) has grown from approximately R61,63 million to approximately R70,99 million for the financial year under review. All of the provisions and resources are cash backed

Council holds a substantial amount of conditional grants and receipts. The amount allocated in terms of DORA decrease for the financial year under review due to the fact that most of the national grants have been directly allocated to the Category B municipalities, it is envisaged that most of the remaining unspent grants will be expended before the end of the next financial year as per already approved business plans.

By the Chief Financial Officer



2. OPERATING RESULTS

Council has achieved a significant operating surplus to the amount of R3,55m before taking into account appropriations to the amount of R2,54m for the past financial year. The positive results are mainly due to high returns on invested cash reserves, unspent grant funding rolled-over from previous financial year and spent during the financial year under review as well as savings on expenditure like salaries, contracted services, general expenses and repairs & maintenance.

The operating results for the year ended 30 June 2007 are as follows:

Revenue & Expenditure	Actual 2006 R	Actual 2007 R	Variance 2006/07 %	Budget 2007 R	Variance Actual / Budget %
Operating Income for the year	77,221,241	74,199,592	-3.91%	60,846,152	-21.95%
Operating Expenditure for the year	(62,267,587)	(70,649,872)	13.46%	(77,548,400)	8.90%
<i>SURPLUS / (DEFICIT) FOR THE YEAR</i>	<i>14,953,653</i>	<i>3,549,721</i>		<i>(16,702,248)</i>	
Accumulated Surplus / (Deficit) at the beginning of the year	28,764,083	56,554,537			
Appropriations for the year	12,836,800	-2,548,083	-119.85%	4,487,727	156.78%
<i>Accumulated Surplus / (Deficit) at the end of the year</i>	<i>56,554,537</i>	<i>57,556,174</i>		<i>(12,214,521)</i>	

Details of the operating results per classification and object of income and expenditure are included in the statement of performance and appendix E(1), whilst the detailed operating results per National Treasury functional classification are reflected in appendix D.

Council's performance, when compared to the budget, must be seen in the context of conservative budgeting practices influenced by other external factors such as the inability of some Category B Municipalities to implement grant & subsidy allocated projects.



Comments relating to budgeted income and expenditure as per National Treasury functional classifications are as follows:

2.1

Executive and Council:

Revenue & Expenditure	<i>Actual</i>		<i>Variance</i>		<i>Budget</i>		<i>Variance</i>	
	<i>2006</i>	<i>R</i>	<i>2006/07</i>	<i>%</i>	<i>2007</i>	<i>R</i>	<i>Actual / Budget</i>	<i>%</i>
Revenue	1,916,193		1,075,664	-43.86%	1,060,000		-1.48%	
Expenditure	8,463,571		9,766,543	15.40%	14,529,970		32.78%	
SURPLUS / (DEFICIT)	(6,547,378)		(8,690,879)	32.74%	(13,469,970)		35.48%	

Executive and Council consists of Council activities, the office of the Municipal Manager, Internal Audit unit and Communications section and reflects a net deficit of R8,69m compared to the approved deficit of R13,46m. The under-expenditure to the amount of R4,78m can mainly be attributed to the ad hoc grant receipts for financial support to category B municipalities which were not promulgated as part of the DoRA allocations nor budgeted in the 2006/07 financial year as well as savings on expenditure budget.

The expenditure for Executive & Council reflects under-expenditure to the amount of R4,76m which is mainly due to the following reasons:

- Budgeted for fulltime Mayoral Committee and full benefits like pension as well as medical aid to all councillors which was not utilised by all.
- A number of new positions in the office of the Executive Mayor have been budgeted for the full year whilst they have not been filled accordingly.
- An amount of R1,5m has been budgeted for performance bonuses to all level employees but due to lack of an approved performance system with criteria to employees other than the section 57 managers a saving to the estimated amount of R1,26m realised for the year under review.

2.2

Finance & Administration:

Revenue & Expenditure	<i>Actual</i>		<i>Variance</i>		<i>Budget</i>		<i>Variance</i>	
	<i>2006</i>	<i>R</i>	<i>2006/07</i>	<i>%</i>	<i>2007</i>	<i>R</i>	<i>Actual / Budget</i>	<i>%</i>
Revenue	49,604,269		57,546,110	16.01%	50,093,646		-14.88%	
Expenditure	13,158,804		12,362,598	-6.05%	15,884,895		22.17%	
SURPLUS / (DEFICIT)	36,445,466		45,183,512	23.98%	34,208,751		-32.08%	



The vote of Finance & Administration reflects a positive deviation of R10,97m or 32,08% compared to the approved budget. The following factors mainly contributed to the positive variance:

Revenue:

Interest earned on external investments reflected a positive deviation of R4,13m compared to the approved amount of R3,58m. The significant deviation is mainly due to higher than planned levels of cash reserves throughout the year.

High cash reserve levels are attributed to increase of income and reserves as well as to delayed expenditure patterns.

Expenditure:

Expenditure reflects a saving to the amount of R3,52m or 22,18% compared to the approved budget for Finance and Administration. Main reasons for the under expenditure are:

- A number of new and approved vacant positions in the Departments of Finance and Administration have been budgeted for the full year whilst they have not been filled accordingly.
- Over budget in terms of general expenditure and repairs & maintenance eg. Consultancy fees, postage, photocopiers, etc.

Planning & Development::

Revenue & Expenditure	Actual		Variance 2006/07 %	Budget 2007 R	Variance Actual / Budget %
	2006 R	2007 R			
Revenue	22,000,515	14,788,503	-32,78%	15,650,565	5,51%
Expenditure	33,495,078	43,997,061	31,35%	30,603,900	-43,76%
SURPLUS / (DEFICIT)	(11,494,563)	(29,208,558)	154,11%	(14,953,335)	-95,33%

Revenue:

The negative deviation of 5,51% on revenue compared to the approved budget is mainly due to grant funding in respect of the 2006/07 financial year not spent in full at 30 June 2007. The total value of grants and subsidies received has been adjusted to match the nature of the grant in question:

- Unconditional grants are fully reflected as revenue; while



- Conditional grants are reflected as revenue equivalent to the expenditure incurred in terms of the grant.

Expenditure:

The main reasons for the over expenditure to the amount of R13,39m on the vote of Planning and Development are:

- Unspent grants and subsidies in respect of infrastructure projects rolled-over from the previous financial year and spent during the financial year under review for which nothing was budgeted.

2.4 Health:

Revenue & Expenditure	Actual		Variance		Budget		Variance		Actual / Budget	
	2006	R	2007	%	2006/07	R	2007	R	Actual / Budget	%
Revenue	75,000		87,000	16.00%			81,000		-7.41%	
Expenditure	1,260,232		1,236,390	-1.89%			1,556,850		20.58%	
SURPLUS / (DEFICIT)	(1,185,232)		(1,149,390)		-3.02%		(1,475,850)		22.12%	

The environmental health section reflects a total saving to the amount of R326k or 22,12% compared to the approved budget due to special projects to the amount of R239k not completed according to the approved service delivery and budget implementation plan.

Community & Social Services:

Revenue & Expenditure	Actual		Variance		Budget		Variance		Actual / Budget	
	2006	R	2007	%	2006/07	R	2007	R	Actual / Budget	%
Revenue	-		-		0.00%		-		0.00%	
Expenditure	557,775		584,731	4.83%			784,660		25.48%	
SURPLUS / (DEFICIT)	(557,775)		(584,731)		4.83%		(784,660)		25.48%	

The under expenditure to the amount of R199k or 25,48% compared to the approved budget is mainly attributed to special community projects to the value of R297k not spent according to identified and pre-determined projects.



2.6 Public Safety:

Revenue & Expenditure	Actual 2006 R	Actual 2007 R	Variance 2006/07 %	Budget 2007 R	Variance Actual / Budget %
Revenue	1,061,028	689,058	-34.97%	935,000	26.21%
Expenditure	1,593,786	1,546,675	-2.96%	2,057,860	24.84%
SURPLUS / (DEFICIT)	(532,757)	(856,718)	60.81%	(1,122,860)	23.70%

Fire Fighting and Disaster Management section reflects an under expenditure to the amount of R266k compared to the approved budget. The main reason for the variation is due the late approval of business plan to utilise the Fire fighting and Disaster Management grant (2006/07) to the total value of R462k for fire fighting and disaster management projects in the district.

2.7 Water Service – Koopmansfontein:

Revenue & Expenditure	Actual 2006 R	Actual 2007 R	Variance 2006/07 %	Budget 2007 R	Variance Actual / Budget %
Revenue	10,308	12,357	19.87%	66,539	81.43%
Expenditure	13,320	36,817	176.41%	89,860	59.03%
SURPLUS / (DEFICIT)	-3,011	(24,460)	712.22%	-23,321	-4.88%

The deviation of the actual revenue and expenditure compared to the approved budget is not regarded as significant.

3. APPROPRIATIONS

Appropriations for the year amount to a net outflow of R2,54m which can mainly be attributed to:

- Transfer to Capital Replacement Reserve R4,181,660
- Pre-payment penalty fee – DBSA loan R 800,000



4. POST-BALANCE SHEET EVENTS

No other significant events have occurred between the balance sheet date and the time of issuing this report.

5. CAPITAL EXPENDITURE AND FINANCING

	<i>Actual 2007 R</i>	<i>Budget 2007 R</i>	<i>Variance Actual / Budget %</i>	<i>Actual 2006 R</i>
<u>Capital Expenditure</u>				
Executive & Council	53,042	41,500	-100.00%	3,943
Finance & Administration	823,015	835,160	1.45%	882,512
Planning & Development	14,484	3,064,000	99.53%	101,071
Health	167,825	181,000	0.00%	-
Community & Social Services	-	-	0.00%	-
Public Safety	80,851	860,000	90.60%	279,837
Water Services	-	-	0.00%	-
TOTAL CAPITAL EXPENDITURE:	1,139,216	4,981,660	100.00%	1,267,363
<u>Financing of Fixed Assets</u>				
Capital Replacement Reserve	1,090,431	4,981,660	78.11%	716,921
Government Grants & Subsidies	48,784			550,442
TOTAL FUNDING OF CAPITAL EXPENDITURE:	1,139,216	4,981,660	77.13%	1,267,363

Actual expenditure incurred on fixed assets represents an decrease of R128k or (10,11%) in comparison with the 2005/06 financial year.

The actual capital expenditure reflects 77,13% or R3,84m less than the approved budget and can mainly be attributed to the delay by the responsible Provincial Department in providing proper specifications for Disaster Management software. According to a letter received from the Department

Housing and Local Government the new timeframe for implementation of a disaster management information system has been scheduled for the 2007/08 financial year.

Tenders for the building of a new Council Chamber were invited and the unspent portion of the approved amount has been rolled-over for spending in the 2007/08 financial year.

Council attained a capital efficiency ratio of 22,87% which needs to be closely monitored and improved in the coming financial years.

(A complete analysis of capital expenditure per asset classification is included in appendix B)

6. EXTERNAL LOANS

External loans outstanding as at 30 June 2007 amounted to zero due to the full settlement of external loan to the capital value of R7,5m as set out in Appendix A.

Some financial ratios relevant to external loans are:

	<u>2006/07</u>	<u>2005/06</u>
Interest Bearing Debt to Revenue	-	9,35%
Average Interest Paid to Debt	15,57%	15,87%
Capital Charges to Operating Expenditure	1,56%	1,89%

7. CASH AND INVESTMENTS

Council's cash and investments to the amount of R71,63m reflected an decrease of R4,83m or 6,32% compared to the previous financial year. Investments to the amount of R500k are ceded as collateral security on housing loans for officials of Council.

(Refer to notes 10 & 11)



8. OUTSTANDING DEBTORS

Overall debtors including the short term portion of long term debtors reflect a decrease of R5,98m compared to the previous financial year. The 61,90% decrease can mainly be attributed to the effective implementation of credit control policy and debt management procedures for the year under review. Provision for bad debts decreased by R1,31m due to an agreement by the Department of Roads, Transport and Public Works to settle the outstanding debt before the end of August 2007. (*Details with regard to the breakdown of debtors per category is set out in Notes 8 & 9*)

Some financial ratios relevant to debtors are:

	<u>2006/07</u>	<u>2005/06</u>
Debt to Revenue	7,61%	9,35%
Outstanding Water Consumer Debtors to Revenue	2,32%	1,93%
Days Debtors Outstanding – Koopmansfontein Water	6 Days	7 Days

9. OUTSTANDING CREDITORS

Decrease of outstanding creditors to the amount of R1,16m or 31,78% can mainly be attributed to sundry creditors which is R1,07m less compared to the provision of the previous financial year.

Unspent government grants reflect an decrease of 27,38% mainly due to an increase in the spending grants and subsidies rolled-over from the previous financial year.

Some financial ratios relevant to creditors are:

	<u>2006/07</u>	<u>2005/06</u>
Creditors Management	100%	100%

Creditors system efficiency
A trademark of the District Municipality is its commitment and ability to fully settle its creditors' accounts within the required terms of 30 days or as per applicable legislative requirement. This statement is supported by the constant 100% payment levels to creditors.

(*Details with regard to outstanding creditors is set out in Notes 2 & 3*)



10. RATIO ANALYSIS / BENCHMARKS

Financial viability and sustainability is one of the key performance areas of the District Municipality as determined in the IDP. In order to ensure that the District Municipality maintains a healthy financial position, appropriate financial ratios / benchmarks are used to assist the District Municipality in assessing its financial wealth.

The appropriate financial ratios / benchmarks to assets the District Municipality's financial position are:

<u>Liquidity</u>	<u>2006/07</u>	<u>2005/06</u>
Liquidity - Current Ratio	3,77: 1	3,40: 1
Cash to Current Liabilities	3,50: 1	3,05: 1
Total Asset Turnover	6,81 Times	7,51 Times
Grant Dependency (Actual receipts per DoRA allocation)	84,83%	37,42%
<u>Efficiency</u>	<u>2006/07</u>	<u>2005/06</u>
Personnel costs to operating expenditure	26,94%	26,49%

11. EXPRESSION OF APPRECIATION

I am grateful to the Executive Mayor, the Speaker, Councillors, the Municipal Manager, Heads of Departments and staff for their support and co-operation received during the past financial year.

A special word of appreciation to the staff involved with the compilation of the financial statements for their dedication and hard work, as well as to all the staff in the Directorate Finance for their full support and commitment in the operations of the Directorate.

P.J. VAN BILJON
CHIEF FINANCIAL OFFICER



ACCOUNTING POLICIES



**ACCOUNTING PRINCIPLES AND POLICIES APPLIED IN THE
FINANCIAL STATEMENTS**

1. BASIS OF PREPARATION

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practices (GRAP) and the Standards of Generally Accepted Municipal Accounting Practices (GAMAP) prescribed by the Minister of Finance in terms of General Notice 991 and 992 of 2005.

The standards are summarised as follows:

GRAP 1	Presentation of Financial Statements
GRAP 2	Cash Flow Statements
GRAP 3	Accounting Policies, Changes in Accounting Estimates and Errors
GAMAP 4	The Effects of Changes in Foreign Exchange Rates
GAMAP 6	Consolidated financial statements and accounting for controlled entities
GAMAP 7	Accounting for Investments in Associates
GAMAP 8	Financial Reporting of Interests in Joint Ventures
GAMAP 9	Revenue
GAMAP 12	Inventories
GAMAP 17	Property, Plant and Equipment
GAMAP 19	Provisions, Contingent Liabilities and Contingent Asset
GAMAP 6, 7 and 8	have been complied with to the extent that the requirements in these standards relate to the municipality's separate financial statements. ¹

Accounting policies for material transactions, events or conditions not covered by the above GRAP and GAMAP Standards have been developed in accordance with paragraphs 7, 11 and 12 of GRAP 3. These accounting policies and the applicable disclosures have been based on the South African Statements of Generally Accepted Accounting Practices (SA GAAP) including any interpretations of such Statements issued by the Accounting Practices Board.

The Minister of Finance has, in terms of General notice 552 of 2007 exempted compliance with certain of the above mentioned standards and aspects or parts of these standards. Details of the exemptions applicable to the municipality have been provided in the notes to the annual financial statements.



FRANCES BAARD DISTRICT MUNICIPALITY

A summary of the significant accounting policies, which have been consistently applied except where an exemption has been granted, are disclosed below.

2. PRESENTATION CURRENCY

Amounts reflected in the financial statements are in South African Rand and at actual values. No financial values are given in an abbreviated display format. No foreign exchange transactions are included in the statements.

3. GOING CONCERN ASSUMPTION

These annual financial statements have been prepared on a going concern basis.

4. RESERVES

4.1 Capital Replacement Reserve (CRR)

In order to finance the provision of infrastructure and other items of property, plant and equipment from internal sources, amounts are transferred from the accumulated surplus / (deficit) to the CRR in terms of a Council Resolution for approval thereof. The cash in the CRR can only be utilized to finance items of property, plant and equipment. The CRR is reduced and the accumulated surplus / (Deficit) are credited by a corresponding amount when the amounts in the CRR are utilized.

The amount transferred to the CRR is based on the municipality's need to finance capital projects included in the Integrated Development Plan.

The CRR may only be utilized for the purpose of purchasing/ construction of items of property, plant and equipment and may not be used for the maintenance of these items.

4.2 Government Grant Reserve

When property, plant and equipment are financed from government grants, a transfer is made from the accumulated surplus / (deficit) to the Government Grants Reserve equal to the Government Grant recorded as revenue in the Statement of Financial Performance in accordance with the directive issued by National Treasury. When such items of property, plant and equipment are depreciated, a transfer is made from the Government Grant Reserve to the accumulated surplus / (deficit). The purpose of this policy is to promote community equity by ensuring that the future depreciation expenses that will be incurred over the useful lives of government grant funded items of property, plant and equipment are offset by transfers from this reserve to the accumulated surplus / (deficit).



When an item of property, plant and equipment financed from government grants is disposed, the balance in the Government Grant Reserve relating to such item is transferred to the accumulated surplus / (deficit).

4.3 *Revaluation Reserve*

The surplus arising from the revaluation of land and buildings is credited to a non-distributable reserve. The revaluation reserve is realized as revaluated buildings are depreciated, through a transfer from the Revaluation Reserve to the accumulated surplus / (deficit). On disposal, the net revaluation surplus is transferred to the accumulated surplus / (deficit) while gains or losses on disposal, based on revaluated amounts, are charged to the Statement of Financial Performance.

5. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment, is stated at cost, less accumulated depreciation and accumulated impairment losses, except land and buildings, which are revaluated as indicated below. Heritage assets, which are culturally significant resources and which are shown at cost, are not depreciated owing to the uncertainty regarding their estimated useful lives. Similarly, land is not depreciated as it is deemed to have an indefinite life.

Where items of property, plant and equipment have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the period that the impairment is identified except where the impairment reverses a previous revaluation.

When impaired land and buildings are revalued, the increase in value of land and buildings are recognized as revenue to the extent that it reverses the impairment loss previously recognized as expense.

The cost of an item of property, plant and equipment acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary or non-monetary assets was measured at its fair value. If the acquired item could not be measured at its fair value, its cost was measured at the carrying amount of the asset given up.

5.1. *Asset Classification*

- (a) Council owns and utilizes assets for its core administrative needs and its mandated functions, which assets consist of the head office premises and buildings, as well as movable assets used in its operations.

The GAMAP classification of "Other Assets" is applicable to all Council's assets.



- (b) All movable assets and inventory items are duly recorded and accounted for in the asset tracking system. The conceptual asset register includes a separate listing of fixed properties registered to Council's ownership, most of which are in the process of being transferred to succeeding authorities.
- (c) No existence and amount of restrictions on title, property, plant and equipment has been pledged as security for liabilities.
- (d) The carrying value of assets has been reviewed to determine whether the current value is more than the realized value. No impairments were realized.

5.2. Depreciation

Assets are depreciated in accordance with GAMAP / GRAP guidelines. Depreciation is calculated on cost, using the straight line method over the estimated useful lives of assets. Depreciation begins when the asset is available for use and continues until the asset is derecognized, even if it is idle.

The depreciation rates are based on the following estimated asset lives:

➤ Buildings	30 years	3.3%
➤ Furniture & Fittings	10 years	10.0%
➤ Computer equipment	3 years	33.0%
➤ Other movable assets	5 years	20.0%

5.3. Disposal of assets

- Assets are written off on disposal.
- The difference between the net book value of assets (cost less accumulated depreciation) and the sales proceeds it's reflected as a profit or loss in the Statement of Financial Performance.

6. REVALUATION OF LAND AND BUILDINGS

Land and buildings are stated at revaluated amounts, being the fair value at the date of revaluation less subsequent accumulated depreciation and impairment losses on the buildings.



7. INVESTMENTS

The District Municipality classified its investments in debt and equity securities into the following categories: trading, held-to-maturity and available-for-sale. The classification is dependent on the purpose for which the investments were acquired. Management determines the classification of its investments at the time of the purchase and re-evaluates such designation on a regular basis. Investments that are acquired principally for the purpose of generating a profit from short-term fluctuations in price are classified as trading investments and included in current assets.

Investments with a fixed maturity that management has the intent and ability to hold to maturity are classified as held-to-maturity and are included in non-current assets, except for maturities within 12 months from the balance sheet date which are classified as current assets; during the period the District Municipality did not hold any investments in this category. Investments intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, are classified as available-for-sale; and are included in non-current assets unless management has the express intention of holding the investment for less than 12 months from the balance sheet date or unless they will need to be sold to raise operating capital, in which case they are included in current assets.

Purchases and sales of investments are recognised on the trade date, which is the date that the District Municipality commits to purchase or sell the asset. Cost of purchase includes transaction costs. Trading and available-for-sale investments are subsequently carried at fair value. Held-to-maturity investments are carried at amortised cost using the effective yield method. Realised and unrealised gains and losses arising from changes in the fair value of trading investments are included in the income statement in the period in which they arise. The fair value of investments is based on quoted bid prices or amounts derived from cash flow models. Equity securities for which fair values cannot be measured reliably are recognised at cost less impairment. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments are included in the income statement as gains and losses from investment securities.

8. FINANCIAL INSTRUMENTS

8.1 Financial Instruments.

- Financial instruments, which include, fixed deposits and short-term deposits invested in registered commercial banks, are stated at cost.
- On disposal of an investment. The difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Financial Performance

8.2 Measurement

- 8.2.1 Financial instruments carried on the balance sheet include embedded cash and bank balances, accounts receivable, interest bearing borrowings and provision for financial liabilities. These instruments are generally carried at their estimated value. This particular recognition methods are disclosed in the individual policy statements associated with each item.



8.3 Trade and other receivables

Trade and other receivables originated by the municipality are stated at cost less provision for doubtful debts.

8.4 Cash and cash equivalents.

Cash and equivalents are measured at fair value.

8.5 Financial liabilities.

Non-derivative financial liabilities are recognized at amortized cost, comprising original debt less principal payments and amortizations.

9. INVENTORIES

Stores and materials held by Council are solely for use in the Roads Agency's operations and have been transferred to the relevant accounts. The balance sheet value of stores and materials, shown on the Roads Agency balance sheet as from June 2003, is determined by physical count and calculated at applicable cost.

10. ACCOUNTS RECEIVABLE

Accounts receivable are carried at original invoice amount less an estimate made for impairment based on a review of all outstanding amounts at year-end. Bad debts are written off during the year in which they are identified. Amounts that are receivable within twelve months from the reporting date are classified as current.

11. TRADE CREDITORS

Trade creditors and other payables are carried at the fair value of the consideration to be paid in future for goods or services that have been received or supplied and invoiced or formally agreed with the supplier.



12. REVENUErecognition

Service charges relating to water sales at Koopmansfontein are based on consumption. Meters are read on a monthly basis and are recognised as revenue When invoiced.

Interest and rentals are recognised on a time proportion basis.

Revenue for agency services is recognised on a monthly basis in accordance with the agency agreement.

Other revenue is recognised when all conditions associated with the service rendered have been met.

13. CONDITIONAL GRANTS AND SUBSIDIES

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

13.1 Unutilized Conditional Grants

Unutilized conditional grants are reflected on the Statement of Financial Position as a creditor. They represent unspent government grants, subsidies and contributions from the public. This creditor always has to be backed by cash. The following provisions are set for the creation and utilization of this creditor.

- The cash, which backs up the creditor, is invested until it is utilized.
- Interest earned on the investment is treated in accordance with grant conditions, if it is payable to the funder it is recorded as part of the creditor. If it is the municipality's interest it is recognized as interest earned in the Statement of Financial Position.
- Whenever an asset is purchased out of an unutilized conditional grant, an amount equal to the cost price of the asset is transferred from Unutilized Capital Receipts to the Statement of Financial Performance as revenue. Therefore an equal amount is transferred on the statement of changes in the net assets to the donations and public contributions reserve. This reverse is equal to the remaining depreciable value (book value) of assets purchased out of unutilized capital receipts. The reserve is used to offset depreciation charged on assets purchased out of unutilized capital receipts.



14. PROVISIONS

A provision is recognized when the municipality has a present obligation(legal or constructive) as a result of a past event and it is probable(i.e. more likely than not) that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation, and a reliable estimate can be made of the obligation.

Council's provisions for future liabilities include:

- *Personnel leave benefits*, based on the total leave days due on the reporting date, calculated at salary scales applicable at the reporting date. No provision is made for leave obligations in respect of Roads Agency personnel as this liability does not apply to Council.

15. CASH AND CASH EQUIVALENTS

Cash includes cash on hand and cash with banks. Cash equivalents are short-term highly liquid investments that are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value.

For the purpose of the cash flow statement, cash and cash equivalents comprise of cash on hand, deposits held on call with banks and investments in financial instruments and the net value of bank overdrafts. In the balance sheet, bank overdrafts are included in borrowings under current liabilities.

Bank overdrafts are recorded based on facility utilised. Finance charges on bank overdraft are expensed as incurred.

16. EMPLOYEE BENEFITS

16.1 Post retirement pension benefits

The District Municipality contributes to the following post retirement funds - Cape Joint Pension fund, Cape Joint Retirement fund and SAMWU Retirement fund which provides for retirement benefits to its employees.

Actuarial gains and losses arising from experience adjustments and charges in actuarial assumptions in excess of the greater of 10% of the value of plan assets or 10% of the defined benefit obligation are charged or credited to the income over the employees expected average remaining working lives.

Past-service costs are recognized immediately in income, unless the changes to the pension plan are conditional on the employees remaining in services for a specific period of time (vesting period). In this instance the past-service costs are amortised on a straight-line basis over the vesting period.

For defined contribution plans, the District Municipality pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The contributions are recognized as employee benefit expenses when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or reduction in the future payments is available.

At present Council is paying, out of own funds, pensions to certain persons from the former Divisional Council Vaalrivier who retired before 31 December 1990.

It is an unfunded post-employment benefit and the amount paid per year is recognised as an expense on the operating account.

16.2. Post -retirement medical benefits

The District Municipality provides post-retirement medical benefits by subsidizing the medical aid contributions of certain retired staff according to the rules of the medical aid funds. Council pay 70% as contribution and remaining 30% are paid by members. The entitlement to these benefits is usually conditional on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment using the same accounting methodology as used for defined benefit pension plans.

Actuarial gains and losses arising from the experience adjustments and changes in actuarial assumptions in excess of the greater of 10 % of the value of plan assets or 10% of the defined obligation, is charged or credited to the Statement of Financial Performance over the expected average remaining working lives of the related employees. These obligations are valued annually by independent qualified actuaries. (See note: 27)

However no valuations of these obligations were carried out for the year end as 30 June 2007, by independent actuaries due to the Minister of Finance promulgation per General Notice 522 of 2007 where municipalities are exempted from compliance with regards to AC 116 (Employee Benefits) defined benefit accounting as far as it relates to defined benefit plans accounted for as defined contribution plans and the defined benefit obligation disclosed by narrative information. [Paragraphs 29, 48-119, 120A(q)] .

17. UNAUTHORISED EXPENDITURE

Unauthorised expenditure is expenditure that has not been budgeted, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state and expenditure in a form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act No. 56 of 2003). Unauthorised expenditure is accounted for as an expense in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

18. IRREGULAR EXPENDITURE

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



19. FRUITLESS AND WASTEFUL EXPENDITURE

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

20. COMPARATIVE INFORMATION

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

21. CONTINGENT LIABILITIES

Contingent liabilities existent at the reporting date include housing loan guarantees issued by arrangement with Council's bankers. An investment has been ceded to the bank for global security against individual guarantees issued for collateral security provided for approved employees. Other known contingent liabilities are reflected in the financial statements.

22. AGENCY SERVICES

Council performs a cost-based roads maintenance service on behalf of the Department of Transport, Roads and Public Works of the Northern Cape Province.

Financial reporting on agency services is excluded from these statements as the principal requires reports to be submitted for processing on their independent system.

Inter-authority obligations relevant to the agency service on the reporting date are reflected in the balance sheet.

23. SEGMENTAL INFORMATION

The principle segments have been identified according to service operation (Internal Structure) and by classification of revenue and expenditure as per functional grouping of activity cost determined by National Treasury.

24. AMENDED DISCLOSURE POLICY

Amendments to accounting policies are reported as and when deemed necessary based on the relevance of any such amendment to the format and presentation of the financial statements. The principal amendments to matters disclosed in the current financial statements include fundamental errors, and the treatment of assets financed by external grants.



FINANCIAL STATEMENTS

30 JUNE 2007



FRANCES BAARD DISTRICT MUNICIPALITY

STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED ON 30 JUNE 2007

NET ASSETS AND LIABILITIES

Net Assets
 Capital Replacement Reserve
 Government Grant Reserve
 Fixed Property Revaluation
 Accumulated Surplus / (Deficit)

Non-current Liabilities
 Long-term Liabilities

Current Liabilities

Creditors
 Unspent Conditional Grants and Receipts
 Current Portion of Long-term Liabilities
 Bank Overdraft

TOTAL: NET ASSETS AND LIABILITIES

ASSETS

Non-current Assets
 Property, Plant and Equipment
 Investments
 Long-term Receivables

Current Assets

VAT
 Consumer Debtors
 Other Debtors
 Current Portion of Long-term Debtors
 Call Investment Deposits
 Bank Balances and Cash

TOTAL: ASSETS

	Note	2007 R	2006 R
NET ASSETS AND LIABILITIES			
Net Assets		71,025,548	64,435,636
Capital Replacement Reserve		5,921,921	2,864,544
Government Grant Reserve		688,081	1,011,938
Fixed Property Revaluation		6,859,372	4,004,617
Accumulated Surplus / (Deficit)		57,556,174	56,554,537
Non-current Liabilities		6,961,253	6,961,253
Long-term Liabilities	1	-	-
Current Liabilities		21,528,331	24,764,670
Creditors	2	2,495,463	3,462,567
Unspent Conditional Grants and Receipts	3	15,360,600	21,150,613
Current Portion of Long-term Liabilities	1	-	151,490
Bank Overdraft	11	3,672,269	-
TOTAL: NET ASSETS AND LIABILITIES		92,553,879	96,161,559
ASSETS			
Non-current Assets		11,382,152	8,478,616
Property, Plant and Equipment	4	11,376,430	8,398,840
Investments	5	5,722	5,722
Long-term Receivables	6	-	74,055
Current Assets		81,171,727	87,682,942
VAT	9	2,155,966	943,717
Consumer Debtors	7	287	199
Other Debtors	8	3,684,784	10,105,745
Current Portion of Long-term Debtors	6	27,389	171,301
Call Investment Deposits	10	75,300,000	73,800,000
Bank Balances and Cash	11	3,300	2,661,980
TOTAL: ASSETS		92,553,879	96,161,559



FRANCES BAARD DISTRICT MUNICIPALITY

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED ON 30 JUNE 2007

	Budget	2006		Actual	
	2007 R	R		2007 R	2006 R
			REVENUE		
	18,052	35,435	Service charges	12	10,308
-	-	27,000,000	Regional Services Levies – turnover	13	26,344,086
-	-	13,000,000	Regional Services Levies - remuneration	13	16,512,406
-	-	23,496	Rental of facilities and equipment		23,496
3,580,000	2,280,000	2,280,000	Interest earned - external investments		5,594,266
18,300	608,600	608,600	Interest earned - outstanding debtors		269,875
640,000	610,000	610,000	Income for agency services		599,712
56,234,000	18,697,000	18,697,000	Government grants and subsidies		27,249,137
285,800	238,804	238,804	Other income		429,379
70,000	-	-	Gains on disposal of property, plant and equipment		188,575
60,846,152	62,493,335		TOTAL REVENUE	74,199,592	77,221,241
			EXPENDITURE		
	18,456,890	17,963,973	Employee related costs	16	16,195,772
4,505,370	3,074,087	3,074,087	Remuneration of Councilors	17	2,538,856
16,010	14,561	14,561	Bad debts		1,225
550,000	395,000	395,000	Collection costs		452,860
1,384,865	991,814	991,814	Depreciation		1,195,494
1,536,780	1,024,803	1,024,803	Repairs and maintenance		840,050
1,083,550	1,113,005	1,113,005	Interest paid	18	1,083,539
22,700	33,725	33,725	Bulk purchases	19	18,540
4,410,390	4,130,592	4,130,592	Contracted services		2,603,867
38,703,705	34,707,500	34,707,500	Grants and subsidies paid	20	40,795,353
6,878,140	4,584,528	4,584,528	General expenses		3,811,374
	2,863,150	2,863,150	Pre-payment Penalty on Settlement - DBSA Loan		3,492,602
	-	-	Change in Estimates: Adjustment i.r.o provision for bad debt		1,684,464
			Loss on disposal of property, plant and equipment		2,286,440
77,548,400	70,896,738		TOTAL EXPENDITURE	70,649,872	62,267,587
			(8,403,403)	3,549,721	14,953,653
			SURPLUS / (DEFICIT) FOR THE YEAR		
	(16,702,248)				



FRANCES BAARD DISTRICT MUNICIPALITY

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED ON 30 JUNE 2007

	Capital Replacement Reserve R	Government Grant Reserve R	Revaluation Reserve R	Accumulated surplus (Deficit) R	Total R
2006					
Balance at 1 July 2005	1,982,221	777,945	4,157,350	28,764,083	35,681,599
Surplus/(deficit) for the year				14,953,653	14,953,653
Transfer from Engen Claim Liability				13,800,383	13,800,383
Transfer to Capital Replacement Reserve	1,599,244			(1,599,244)	-
Property, plant and equipment purchased	(716,921)			716,921	-
Capital grants used to purchase Property Plant & Equipment		550,442		(550,442)	-
Asset disposals		(316,449)		469,182	-
Offsetting of depreciation			(152,733)		-
BALANCE AT 30 JUNE 2006	2,864,544	1,011,938	4,004,617	56,554,537	64,435,636
2007					
Correction of error					-
Change in accounting policy					-
RESTATED BALANCE	2,864,544	1,011,938	4,004,617	56,554,537	64,435,636
2007					
Surplus/(deficit) for the year				3,549,721	3,549,721
Revaluation of Land & Buildings				-	3,040,192
Transfer to Capital Replacement Reserve	4,181,660			(4,181,660)	-
Property, plant and equipment purchased	(1,124,283)		48,784	1,124,283	-
Capital grants used to purchase Property Plant & Equipment				(48,784)	-
Donated/contributed Property Plant & Equipment					-
Asset disposals			(372,641)		-
Offsetting of depreciation			(185,437)	558,078	-
BALANCE AT 30 JUNE 2007	5,921,921	688,081	6,859,372	57,556,174	71,025,548



FRANCES BAARD DISTRICT MUNICIPALITY

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 30 JUNE 2007

	Note	2007 R	2006 R
CASH FLOW FROM OPERATING ACTIVITIES			
Cash receipts from ratepayers, government and other		68,176,150	64,862,964
Cash paid to suppliers and employees		(65,443,720)	(57,760,329)
Cash generated from/(utilised in) operations		2,732,430	7,102,635
Dividends received		7,724,309	5,900,502
Interest received		(1,083,539)	(1,104,528)
Interest paid			
NET CASH FROM OPERATING ACTIVITIES	23	9,373,200	11,898,609
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(1,139,216)	(1,267,363)
Proceeds on disposal of property, plant and equipment		55,789	188,575
Increase in investment properties		(217,966)	(351,678)
Increase / (decrease) in non-current receivables			
Increase in non-current investments			
(Increase) / decrease in call investment deposits			
NET CASH FROM INVESTING ACTIVITIES		(1,301,393)	(1,430,467)
CASH FLOWS FROM FINANCING ACTIVITIES			
New loans raised / (repaid)		(7,112,743)	(130,501)
Increase in consumer deposits		(5,790,013)	685,058
Increase in unspent grants & subsidies			
Decrease / (increase) in short-term loans			
NET CASH FROM FINANCING ACTIVITIES		(4,830,949)	11,022,699
NET DECREASE IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at the beginning of the year			
Cash and cash equivalents at the end of the year	24	76,461,980	65,439,281
		71,631,031	76,461,980



FRANCES BAARD DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

1 LONG-TERM LIABILITIES

	2006 R	2007 R
Local Registered Stock Loans	-	-
Annuity Loans	-	-
Capitalised Lease Liability	-	-
Government Loans - Other	-	-
Sub-total	7,112,743	7,112,743
 Less : Current portion transferred to current liabilities	 151,490	
Local Registered Stock Loans	-	-
Annuity Loans	-	-
Capitalised Lease Liability	-	-
Government Loans - Other	-	151,490
 Total External Loans	 6,961,253	

Refer to Appendix A for more detail on long-term liabilities.

External Loan with DBSA to the capital value of R7,5 m have been settled at year end as per Council Resolution FIN 03 06/07 dated 20 / 06 / 07. A pre-payment penalty to the amount of R0,80m have been charged by DBSA in terms of settlement in the loan agreement.

2 CREDITORS

Leave Provision	724,433	724,433
Other Creditors	1,741,622	2,738,134
 Total creditors at year end	 2,495,463	 3,462,567
 2.1 Leave Provision	 	
Balance at beginning of year	724,433	851,407
Net movement	29,408	(126,974)
Total: Leave Provision	753,841	724,433

Annual leave provision is based on the total number of leave days due on 30 June, at individual salary values effective on the reporting date. Net movement on leave provision included in employee cost for the financial year under review.

Council does not make provision for leave benefits due to the Roads Agency personnel.

Obligations for accumulated leave at the reporting date amount to:

Roads Agency obligations are dealt with as part of the annual operating subsidy provided by the principal. No accumulated obligations are accounted for in the Agency financial reports.

175,895	153,754
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FRANCES BAARD DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

	2006 R	2007 R
2.2 Other Creditors		
Payments received in advance		
Retentions	18,171	19,574
Creditors Control	518,611	542,076
Payments received in advance - RSC Levies		
Sundry Creditors	15,222	20,581
ABSA Fleet Card	194,334	-
Salary Control:- Workmen's Compensation	452,508	1,601,506
Salary Control: - SARS SITE / PAYE	15,330	12,881
Salary Control: - Skills Development Levy	96,676	97,913
Salary Control: - Medical Aid Fund	-	2,750
Salary Control: - Group Life Insurance	-	6
Salary Control: - Pension Fund	-	5,402
Salary Control: - KGA Deductions	-	438
Salary Control: - ADMED Deductions	48	8,320
Suspense Account	-	38
Staff Bonus Provision	430,722	46
Total: Other Creditors	1,741,622	2,738,134
2.3 RSC Claim Liability - Engen Petroleum Ltd		
Total Claim Component	-	11,889,263
Interest Previous Years	-	4,826,656
Interest Current Year	-	1,684,464
Less: Settlement Paid	-	-4,600,000.00
Less: Transfer to Accumulated Surplus	-	-13,800,383.15
Total: RSC Claim Liability - Engen Petroleum Ltd	-	-

*The matter has been resolved by payment of a settlement amount of R4,6m during the 2005 / 06 financial year.
 The fair value of trade and other payables approximate their carrying value.*



FRANCES BAARD DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

3 UNSPENT CONDITIONAL GRANTS AND RECEIPTS

3.1 Conditional Grants from other spheres of Government

	2007 R	2006 R
3.1.1	Equitable Share	2,883,132
3.1.2	Financial Management Grant	466,456
3.1.3	Municipal Systems Improvement Grant	1,966,326
3.1.4	DWAF - Sanitation (Mvula Trust)	1,495,912
3.1.5	DWAF - Infrastructure	-
3.1.6	Department of Transport: Expanded Works Program	604,792
3.1.7	District Aids Council	62,550
3.1.8	NEAR Control Centre	-
3.1.9	NCPA - Housing Accreditation Grant	346,776
3.1.10	NCPA Firefighting Equipment	300,525
3.1.11	NCPA - Sewerage System: Dikgatlong	446,634
3.1.12	NCPA - Eradication of Bucket System	4,824,407
3.1.13	DWAF - Development Holpan (Project NC145)	1,373,623
3.1.14	NCPA - Municipal Support Program	-
3.1.15	DWAF - Warrenton (Project NC 148)	135,181
3.1.16	MIG - Projects	161,328
3.1.17	NCPA - O & M Electricity Grant	4,807,499
3.1.18	SETA - Skills Grant	2,251,888
3.1.19	Drought Relief Funds	28,045
3.2	Koopmansfontein Craft Project	88,422
		123,900
		290,000
		21,610
		1,610
	15,360,600	21,150,613
	15,360,600	20,554,903
	15,360,600	27,859,195
	15,360,600	48,414,098
	15,360,600	(27,263,485)
	15,360,600	21,150,613

Summary of Movements - External Funds

Balance unspent at beginning of year

Current year receipts

Gross Funding

Conditions met – transferred to Government Grant Reserve

Conditions met – transferred to revenue

Unspent Portion at Year end

The following allocations were made to the municipality according to the stipulations of the Division of Revenue Act. Revenue received are recognised as revenue to the extent that the conditions or obligations are met.
Conditions still to be met are transferred to liabilities. No allocations were delayed or withheld.



FRANCES BAARD DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

	2006		2007	
	R	R	R	R
3.1.1 Equitable Share				
Balance unspent at beginning of year			2,783,740	
Current year receipts			2,552,040	
Gross Funding	5,335,780			
Conditions met – transferred to Government Grant Reserve			-	
Conditions met – transferred to revenue			(2,452,648)	
Unspent Portion at Year end	2,883,132			
 <i>Department of Provincial & Local Government</i>				
<i>Objective: To assist municipalities to provide basic infrastructure and services to low income households.</i>				
 3.1.2 Financial Management Grant				
Balance unspent at beginning of year	466,456		662,857	
Current year receipts	500,000		2,000,000	
Gross Funding	966,456		2,662,857	
Conditions met – transferred to Government Grant Reserve			-	
Conditions met – transferred to revenue			(2,196,401)	
Unspent Portion at Year end	-		466,456	
 <i>National Treasury</i>				
<i>Objective: To finance the reform programme for municipal budgeting and financial management practices</i>				
 3.1.3 Municipal Systems Improvement Grant				
Balance unspent at beginning of year	1,966,326		3,983,924	
Current year receipts	1,000,000		1,000,000	
Gross Funding	2,966,326		4,983,924	
Conditions met – transferred to revenue			(1,333,705)	
Unspent Portion at Year end	1,632,621		1,966,326	
 <i>Department of Provincial & Local Government</i>				
<i>Objective: To assist municipalities to build capacity for the new development system of local government.</i>				
 3.1.4 DWAF - Sanitation (Mvula Trust)				
Balance unspent at beginning of year	1,495,912		1,222,899	
Current year receipts	2,719,991		3,041,781	
Gross Funding	4,215,903		4,264,880	
Conditions met – transferred to revenue			(1,858,364)	
Unspent Portion at Year end	2,357,539		1,495,912	
 <i>Department of Water Affairs & Forestry</i>				
<i>Objective: To provide adequate water and sanitation facilities to farm workers in the rural areas in the district</i>				



FRANCES BAARD DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

	2006		2007	
	R	R	R	R
3.1.5 DWAF - Infrastructure				
Balance unspent at beginning of year				89,349
Current year receipts				-
Gross Funding				89,349
Conditions met – transferred to revenue				(89,349)
Unspent Portion at Year end				-
 <i>Department of Water Affairs & Forestry</i>				
<i>Objective: To provide adequate water and sanitation facilities to farm workers in the rural areas in the district</i>				
 3.1.6 Department of Transport: Expanded Works Program				
Balance unspent at beginning of year			604,792	5,274,905
Current year receipts			-	-
Gross Funding			604,792	5,274,905
Conditions met – transferred to revenue			(89,891)	(4,670,112)
Unspent Portion at Year end			514,902	604,792
 <i>Department of Transport, Roads and Public Works</i>				
<i>Objective: To maintain and support job creation opportunities within the district in order to relieve poverty</i>				
 3.1.7 District Aids Council				
Balance unspent at beginning of year			62,550	62,746
Current year receipts			-	-
Gross Funding			62,550	62,746
Conditions met – transferred to revenue			(16,534)	(196)
Unspent Portion at Year end			46,015	62,550
 <i>Department of Health - Northern Cape Province</i>				
<i>Objective: To finance the costs of District Aids Councils in the campaign against AIDS.</i>				
<i>against Aids . Also to provide HIV /AIDS prevention care programs and services in the region.</i>				
 3.1.8 NEAR Control Centre				
Balance unspent at beginning of year			-	81,049
Current year receipts			499,000	499,000
Gross Funding			499,000	580,049
Conditions met – transferred to revenue			(499,000)	(580,049)
Unspent Portion at Year end			-	-
 <i>Department of Housing & Local Government - Northern Cape Province</i>				
<i>Objective: To maintain effective functioning of the NEAR control centers</i>				
<i>and provide additional funds for the training of NEAR personnel.</i>				



FRANCES BAARD DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

	2006		2007	
	R	R	R	R
3.1.9 NCPA - Housing Accreditation Grant				
Balance unspent at beginning of year				-
Current year receipts				-
Gross Funding	346,776		346,776	
Conditions met – transferred to revenue				-
Unspent Portion at Year end	346,776		346,776	
 <i>Department of Housing & Local Government - Northern Cape Province</i>				
<i>Objective: To enable the District Municipality to obtain full accreditation to administer national housing programmes in terms of the delegation of functions from Department of Housing and Local Government.</i>				
 3.1.10 NCPA Firefighting Equipment				
Balance unspent at beginning of year		55,020		100,000
Current year receipts		436,000		436,000
Gross Funding	491,020		536,000	
Conditions met – transferred to revenue		(190,496)		(480,980)
Unspent Portion at Year end	300,525		55,020	
 <i>Department of Housing & Local Government - Northern Cape Province</i>				
<i>Objective: To enhance municipalities' capacity to deal with fire hazards.</i>				
 3.1.11 NCPA - Sewerage System: Dikgatlong				
Balance unspent at beginning of year			632,640	
Current year receipts			-	
Gross Funding	536,763		632,640	
Conditions met – transferred to revenue		(90,129)		(95,877)
Unspent Portion at Year end	446,634		536,763	
 <i>Department of Housing & Local Government - Northern Cape Province</i>				
<i>Objective: To provide improved quality sewerage connector lines in the residential areas of Proteahof and De Beershoogte</i>				
 3.1.12 NCPA - Eradication of Bucket System				
Balance unspent at beginning of year		6,005,990		1,054,152
Current year receipts		7,595,000		7,059,757
Gross Funding	13,600,990		8,113,909	
Conditions met – transferred to revenue		(8,776,584)		(2,107,918)
Unspent Portion at Year end	4,824,407		6,005,990	
 <i>Department of Housing & Local Government - Northern Cape Province</i>				
<i>Objective: To eliminate the use of bucket sanitation systems in the district over a three - year period</i>				



FRANCES BAARD DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

		2007	2006
		R	R
3.1.13	DWAF - Development Holpan (Project NC145)		
	Balance unspent at beginning of year	1,419,631	1,503,337
	Current year receipts – included in public health vote	-	-
	Gross Funding	1,419,631	1,503,337
	Conditions met – transferred to revenue	(46,009)	(83,706)
	Unspent Portion at Year end	1,373,623	1,419,631
3.1.14	NCPA - Municipal Support Program		
	Balance unspent at beginning of year	174,627	1,025,374
	Current year receipts	-	600,000
	Gross Funding	174,627	1,625,374
	Conditions met – transferred to revenue	(174,627)	(1,450,747)
	Unspent Portion at Year end	174,627	174,627
3.1.15	DWAF - Warrenton (Project NC 148)		
	Balance unspent at beginning of year	161,328	674,253
	Current year receipts	-	-
	Gross Funding	161,328	674,253
	Conditions met – transferred to revenue	-26,146,88	-512,925,02
	Conditions still to be met	135,181	161,328
3.1.16	MIG - Projects		
	Balance unspent at beginning of year	4,807,499	1,290,925
	Current year receipts	-	10,200,237
	Gross Funding	4,807,499	11,491,162
	Conditions met – transferred to Government Grant Reserve	-	-
	Conditions met – transferred to revenue	(2,555,611)	(6,683,662)
	Unspent Portion at Year end	2,251,888	4,807,499

*Department of Housing & Local Government - Northern Cape Province
Objective: To administer funding for the upgrading of the bulk water supply to Holpan and rudimentary reticulation for 200 erven.*

*Department of Housing & Local Government - Northern Cape Province
Objective: To assist municipalities to prevent cash flow problems and to institute proper cash flow management procedures.*

*Department of Housing & Local Government - Northern Cape Province
Objective: To administer funding for the extension of the existing reticulation network of Ikhutseng to supply water tp 241 erven.*

MIG - Projects

Balance unspent at beginning of year
Current year receipts
Gross Funding
Conditions met – transferred to Government Grant Reserve
Conditions met – transferred to revenue
Unspent Portion at Year end

*Department of Provincial & Local Government
Objective: To provide service delivery infrastructure to households in poorer residential areas*



FRANCES BAARD DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

	2006 R	2007 R
3.1.17 NCPA - O & M Electricity Grant		
Balance unspent at beginning of year	40,000	40,000
Current year receipts	50,000	-
Gross Funding	90,000	-
Conditions met – transferred to revenue	-	-
Unspent Portion at Year end	90,000	90,000
<i>Department of Housing & Local Government - Northern Cape Province</i>		
<i>Objective: To improve the operation and maintenance of the Electricity infrastructure in the district</i>		
3.1.18 SETA - Skills Grant		
Balance unspent at beginning of year	72,550	72,550
Current year receipts	88,422	128,975
Gross Funding	217,396	201,524
Conditions met – transferred to revenue	(128,975)	(72,550)
Unspent Portion at Year end	88,422	128,975
<i>Sector Education and Training Authority</i>		
<i>Objective: To be used for training and capacity building of employees as per approved Skills Work Plan.</i>		
3.1.19 DPLG Drought Relief Funds		
Balance unspent at beginning of year	-	290,000
Current year receipts	-	290,000
Gross Funding	290,000	290,000
Conditions met – transferred to revenue	(166,100)	-
Unspent Portion at Year end	123,900	290,000
<i>Department of Provincial and Local Government</i>		
<i>Objective: To assist municipalities to fund emergency water services supply to communities affected by drought.</i>		
3.2 Other Conditional Receipts		
Koopmansfontein Craft Project		
Balance unspent at beginning of year	1,610	205
Current year receipts	20,000	1,405
Gross Funding	21,610	1,610
Conditions met – transferred to revenue	-	-
Unspent Portion at Year end	21,610	1,610
<i>Koopmansfontein Craft Project</i>		
<i>Objective: To enable the local community to generate funds to become self sufficient. The funds received from sales are held in trust by the FBDM until a Private Corporate Entity has been established to manage the funds.</i>		



FRANCES BAARD DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

4 PROPERTY PLANT & EQUIPMENT

4.1 Other Assets

Value at cost at the beginning of the year

Cost

Revaluation

Movements for the year

Acquisitions

Disposals

Other movements-cost

Other movements-revaluation

Value at cost at the end of the year

Cost

Revaluation

Accumulated depreciation at the beginning of the year

Cost

Revaluation

Movements for the year

Depreciation- cost

Depreciation- revaluation

Disposals

Other movements-cost

Other movements-revaluation

Accumulated depreciation at the end of the year

Cost

Revaluation

Carrying value at the end of the year

Cost

Revaluation

2007

R

14,229,332	13,458,912
9,601,055	8,830,635
4,628,277	4,628,277

2006

R

14,229,332	13,458,912
9,601,055	8,830,635
4,628,277	4,628,277



FRANCES BAARD DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

	2006	2007
	R	R
4.2 Community Assets		
Value at cost at the beginning of the year	219,330	219,330
Cost	219,330	-
Revaluation	-	-
Movements for the year		
Acquisitions	-	-
Disposals	-	-
Other movements-cost	199,254	-
Other movements-revaluation	-20,075	-
Value at cost at the end of the year	219,330	219,330
Cost	219,330	-
Revaluation	-	-
Accumulated depreciation at the beginning of the year	(10,988)	(10,988)
Cost	(10,988)	-
Revaluation	-	-
Movements for the year		
Depreciation- cost	(10,988)	(10,988)
Depreciation- revaluation	-	-
Disposals	-	-
Other movements-cost	(26,087)	-
Other movements-revaluation	-	-
Accumulated depreciation at the end of the year	(37,074)	(37,074)
Cost	(37,074)	(10,988)
Revaluation	-	-
Carrying value at the end of the year	182,255	208,342
Cost	182,255	208,342
Revaluation	-	-
Carrying value of total assets	11,376,430	8,398,840
Other assets	11,194,175	8,190,498
Community assets	182,255	208,342

The revaluation of council's land and buildings was done by professional valuers (De Bruyn & Strauss Incorporated) on the method of estimated building cost less depreciation with the effective date 01 February 2007

(Appendix B & C in respect of property, plant and equipment have reference)



FRANCES BAARD DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

	2007	2006
	R	R
5 INVESTMENTS		
Unlisted		
Preference shares of 1c each, with a premium of 99c	3,433	3,433
Preference shares of R1.00 each	2,289	2,289
TOTAL INVESTMENTS	5,722	5,722
<i>Shares held in the agricultural co-operative society, acquired through purchase of operational materials. Although Council trades with GWK and receives a discount on its trading account, Council does not have any proprietary interest in the cooperative society.</i>		
6 LONG-TERM RECEIVABLES		
Car loans		
Nel JA	-	-
Mdee F	-	-
Long Term Portion of Long Term Debt	46,665	46,665
Short Term Portion of Long Term Debt	27,389	27,389
Long Term Debt at Reporting Date	27,389	245,356
<i>Long-term debtors reflect only the long-term portion of the total debt owed for financing loans in terms of the approved motor vehicle loan scheme at an interest rate of 8% per annum. Phasing out as no new loans are allowed after 1st July 2004 in terms of section 164 of the Municipal Finance Management Act. (MFMA)</i>		
7 CONSUMER DEBTORS		
Water service		
Balances due at the end of the financial year	1,745	431
Less: Provision for bad debt	1,457	233
TOTAL CONSUMER DEBTORS	287	199



FRANCES BAARD DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

	2007	2006
	R	R
Summary of Debtors by Customer Classification		
Consumers		
Current (0 – 30 days)	181	144
31 – 60 Days	63	39
61 – 90 Days	43	16
91 – 120 Days	1,457	233
121 – 365 Days	-	-
+ 365 Days	-	-
Sub-total	1,745	431
Less: Provision for bad debts	1,457	233
TOTAL CONSUMER DEBTORS	287	199
8 OTHER DEBTORS		
	3,684,784	10,105,745
	3,083,245	9,464,395
	601,540	641,350
8.1 Sundry Debtors - Other Recoverable Expenditure - Fraudulent Transactions		
	71,896	96,728
	17,833	19,314
	1,099,001	7,361,019
	373,592	137,273
	103,764	131,520
	17,760	-
	10,731	5,706
	60	-
	9,841	2,920,707
	10	10
	350	350
	-	28
	2,498,835	75,000
Total Other Debtors	4,193,832	10,757,497
Less: Provision for Bad Debt	1,110,588	1,293,102
Total Other Debtors	3,083,245	9,464,395

The fair value of trade and other receivables approximate their carrying value.



FRANCES BAARD DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

	2006 R	2007 R
8.2 Recoverable Expenditure - Fraudulent Transactions		
Recoverable unauthorised expenditure	1,974,758	1,707,950
Less: Provision for bad debt	-	1,066,600
Less: Written off by Council Resolution	(1,373,218)	-
Total Recoverable Expenditure - Fraudulent Transactions	601,540	641,350

Fraudulent transactions to the total value of R1,978,497.72 have been discovered in August 2006 after a proper investigation was completed by SHAG Forensics (Pty).

A portion to the value of R601,540 is in process to be recovered from council's insurance and the pension fund of the official involved. - Accountant Expenditure.

According to a report received from SHG Forensic, it was indicated that the amount to the value of R1 373 218.47 can be regarded as unrecoverable. Based on the report, Council resolve to write off the estimated unrecoverable amount to the value of R1.38M. (Council resolution MAYCON 01 06/07 dated 20 June 2007)

Refer to note 26 for more detail.

9 VAT		2,155,966	943,717
VAT Receivable			

VAT is payable on the receipts basis. Only once payment is received from debtors is VAT paid over to SARS. All VAT returns have been submitted by the due date throughout the year.

10 CALL INVESTMENT DEPOSITS

Other Deposits

Short Term Investments	74,000,000	72,500,000	73,800,000
Absa Bank	27,000,000	29,500,000	29,000,000
First Rand	-	-	-
Nedcor	5,000,000	7,000,000	14,000,000
Standard Bank	7,000,000	35,000,000	20,000,000
Old Mutual Bank	35,000,000	1,300,000	1,300,000
Term Deposits	1,300,000	500,000	500,000
Absa Bank [Collateral]	800,000	800,000	800,000
Absa [Leave Provision]			

Council provide collateral security for housing loans issued by commercial banks in favour of certain of Council's personnel. This security is provided by a block investment of R500,000 ceded to ABSA against which the bank issues letters of guarantee to the home loan financing institutions.

Trading and available-for-sale investments are subsequently carried at fair value. Average interest rate on investments in respect of the financial year under review reflects on 8,90%.



FRANCES BAARD DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

11 BANK, CASH AND BALANCES

The Municipality has the following bank accounts: -

11.1 Current Account (Primary Bank Account)

	2007 R	2006 R
ABSA Bank Kimberley (Central Business District) Account Number 940 000 327 Cash book balance at end of year	(3,672,269)	2,658,180
	<u>3,300</u>	<u>3,800</u>
	<u><u>(3,668,969)</u></u>	<u><u>2,661,980</u></u>
TOTAL CASH ON HAND		

The cash book balance in the ledger reflects an overdraft to the amount of R3,67m whilst the bank statement reflects a positive balance of R46k. The reason for the overdraft was due to the fact that surplus funds were invested on year end without taking in consideration the amount of outstanding cheques at the time of investment. The error was corrected on 3 July 2007 with a transfer of an investment to the amount of R3,50m to the operating bank account.

12 SERVICE CHARGES

Sale of water	12,357	10,308
Total Service Charges	<u><u>12,357</u></u>	<u><u>10,308,42</u></u>

13 REGIONAL SERVICES COUNCIL LEVIES

Cash Receipts	-	36,820,800
Regional Service Levy	-	15,457,454
Regional Establishment Levy	-	21,363,346
Plus: Provision for RSC Levies Debtors		
Regional Service Levy	-	1,054,952
Regional Establishment Levy	-	4,980,740
6,035,692		



FRANCES BAARD DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

14 GOVERNMENT GRANTS AND SUBSIDIES

	2006 R	2007 R
Equitable Share	2,452,648	47,923,395
Financial Management Grant	2,196,401	966,456
Municipal Systems Improvement Grant	3,017,597	1,333,705
DWAF - Sanitation (Mvula Trust)	2,768,768	1,858,364
DWAF - Infrastructure	-	-
Department of Transport: Expanded Works Program	4,670,112	89,891
District AIDS Council	196	16,534
NEAR Control Centre	580,049	499,000
NCPA - Housing Accreditation Grant	-	-
NCPA Firefighting Equipment	480,980	190,496
NCPA - Sewerage System: Dikgatlong	95,877	90,129
NCPA - Eradication of Bucket System	2,107,918	8,776,584
DWAF- Development Holpan (Project NC145)	83,706	46,009
NCPA - Municipal Support Program	1,450,747	174,627
DWAF - Warrenton (Project NC 148)	512,925	26,147
Local Economic Development Grant	500,000	-
MIG - Projects	6,683,662	2,555,611
NCPA - O & M Electricity Grant	101,955	101,955
SETA - Skills Grant	128,975	-
DPLG Drought Relief Funds	166,100	72,550
Environmental Health	87,000	-
Total Government Grant and Subsidies	65,530,976	27,249,137

*The unspent portions of the conditional grants are treated as current liabilities and disclosed per Note 3 above.
Only the actual expenditure amounts are transferred to the relevant operating statement to cover the expenditure incurred in terms of the grant conditions*

15 OTHER INCOME

Commission: Insurance Payments	4,579
Fines	7,340
Salary allocation to Roads Agency (30%) - Director Technical Services	174,497
SALGA: Traveling costs recovered	-
Salary allocation to Roads Agency - Transferred personnel	105
Cemetery Fees	-
Tender Fees	3,500
Other	19,693
Total Other Income	210,009

429,379



FRANCES BAARD DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

16 EMPLOYEE RELATED COSTS

Employee related costs – Salaries and Wages	10,705,892
Employee related costs – Contributions for UIF, pensions and medical aids	3,129,134
Travel, motor car, accommodation, subsistence and other allowances	1,501,557
Housing benefits and allowances	307,300
Compulsory cost:- Skills Levy; Workmens Compensation; Industrial Council Contributions	204,649
Group Insurance	108,330
Performance bonus	238,912
Total Employee Related Costs	16,195,772

There were no advances to employees. Loans to employees are set out in note 6.

Social contributions:

Council makes defined contributions to several pension funds in the following proportions:

*Cape Joint Pension Fund
Cape Joint Retirement Fund
SAMWU National Pension Fund
Pension Fund for Municipal Councillors*

<i>Remuneration of the Municipal Manager</i>	
Annual Remuneration (Total cost to Employer)	698,234
Performance Bonuses	76,118
Total	774,352

<i>Remuneration of the Chief Finance Officer</i>	
Annual Remuneration (Total cost to Employer)	634,319
Performance Bonuses	73,306
Total	707,625

<i>Remuneration of executive directors</i>	
Administration and technical services	544,602
Annual Remuneration (Total cost to Employer)	50,873
Performance Bonuses	58,718
Total	595,475

<i>Remuneration of executive directors</i>	
Administration and technical services	544,602
Annual Remuneration (Total cost to Employer)	55,960
Performance Bonuses	58,718
Total	600,562

2007 R

Employee related costs – Salaries and Wages	10,705,892
Employee related costs – Contributions for UIF, pensions and medical aids	3,129,134
Travel, motor car, accommodation, subsistence and other allowances	1,501,557
Housing benefits and allowances	307,300
Compulsory cost:- Skills Levy; Workmens Compensation; Industrial Council Contributions	204,649
Group Insurance	108,330
Performance bonus	238,912
Total Employee Related Costs	15,448,656

Employer %	Employee %
18,00	9,00
18,00	9,00
18,00	9,00
15,00	13,75

Employer %	Employee %
18,00	9,00
18,00	9,00
18,00	9,00

Employer %	Employee %
18,00	9,00
18,00	9,00
15,00	13,75

Employer %	Employee %
18,00	9,00
18,00	9,00
18,00	9,00



FRANCES BAARD DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

17 REMUNERATION OF COUNCILLORS

	2007 R	2006 R
Executive Mayor	420,910	350,965
Speaker	227,783	196,685
Mayoral Committee Members	572,626	469,897
Councillors	1,150,422	843,914
Councillors' pension contribution	146,656	142,114
Other Obligatory Contributions (Skills Levy,etc.)	20,460	11,020
Total Councillors' Remuneration	<u>2,538,856</u>	<u>2,014,596</u>

In-kind Benefits

The Executive Mayor and Speaker are full time.

Each is provided with a cellphone, office and secretarial support at cost of council. (Cell phone benefit does not exceed the limits as determined by the Remuneration of Public Office Bearers Act)

The Executive Mayor makes use of a Council owned vehicle for ceremonial duties

18 INTEREST ON EXTERNAL BORROWINGS

External Loans	1,083,539	1,104,528
Finance Leases	-	-
Bank Overdrafts	-	-
Total Interest on External Borrowings	<u>1,083,539</u>	<u>1,104,528</u>

Refer to note 11 for explanation on the bank overdraft.

19 BULK PURCHASES

Water	11,866	3,609
Total Bulk Purchases	<u>11,866</u>	<u>3,609</u>
Dikgatlong Municipality	10,325,481	6,811,338
Streets & Storm Water	1,579,725	2,982,026
Sanitation	3,939,268	2,876,901
Water	1,943,780	620,541
Development of erven	318,898	-
Electricity	2,862,707	12,973

20 GRANTS AND SUBSIDIES PAID TO OTHER MUNICIPALITIES

20.1 Dikgatlong Municipality

Streets & Storm Water

Sanitation

Water

Development of erven

Electricity



FRANCES BAARD DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

	2007	2006
	R	R
20.2 Magareng Municipality		2,413,183
Cemeteries	-	257,124
Water	3,071,468	1,167,555
Sanitation	663,499	988,505
Streets & Storm Water	238,237	-
Machinery & Equipment	-	-
20.3 Phokwane Municipality	7,083,343	2,709,408
Electricity	1,454,776	4,177
Streets & Storm Water	-	27,336
Water	3,183,072	2,391,081
Sanitation	2,445,494	-
Development of erven	-	286,814
20.4 Sol Plaatje Municipality	5,872,498	2,042,398
Sanitation	3,438,490	292,398
Housing	2,000,000	-
Cemeteries	434,007	-
Public transport	-	-
Streets & Storm water	-	-
20.5 District Management Areas	3,578,222	6,681,772
Cemeteries	-	-
Other Infrastructure Projects	85,148	-
Electricity	203,814	249,142
Housing	2,992,234	242,137
Water	10,000	-
Sanitation	287,026	6,190,493
Summary of infrastructure grants paid to other municipalities		20,658,100
Dikgatlong Municipality	10,325,481	6,811,338
Magareng Municipality	3,973,204	2,413,183
Phokwane Municipality	7,083,343	2,709,408
Sol Plaatje Municipality	5,872,498	2,042,398
District Management Areas	3,578,222	6,681,772
<i>Council makes allocations to participating bodies within its area of jurisdiction. Such allocations are primarily for infrastructure development and are treated as grants in kind. Assets with regard to property, plant and equipment funded becomes the property of the participating body who controls the asset. (Unspent portion of Council's contribution amounted to R4,23m whilst the unspent portion of conditional grants reflects under Note 3 above)</i>		
21 GRANTS PAID TO OTHER ORGANS OF STATE	150,000	100,000
Northern Cape Tourism Authority	150,000	100,000

Council makes allocations to participating bodies within its area of jurisdiction. Such allocations are primarily for infrastructure development and are treated as grants in kind. Assets with regard to property, plant and equipment funded becomes the property of the participating body who controls the asset. (Unspent portion of Council's contribution amounted to R4,23m whilst the unspent portion of conditional grants reflects under Note 3 above)

GRANTS PAID TO OTHER ORGANS OF STATE

Northern Cape Tourism Authority

150,000

100,000

150,000

100,000



FRANCES BAARD DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

22 OTHER SPECIAL PROJECTS

	2007 R	2006 R
22 OTHER SPECIAL PROJECTS		10,430,082
Council	229,962	200,156
Municipal Manager	280,590	1,463,453
Communications	132,773	82,630
Administration	29,342	-
Other Infrastructure Projects	5,662,583	4,930,265
IDP / PMS Projects	6,260	19,754
Tourism Projects	465,370	206,036
PIMMS Center	476,766	2,146,356
Local Economic Development	1,807,258	535,905
Environmental Health Projects	183,864	482,481
Community Development	261,518	269,465
Disaster Management	276,320	93,580
	40,795,353	31,188,183

Summary of Grants and Subsidies Paid

Grants and subsidies paid to other municipalities (Note 20)
 Grants paid to other organs of state (Note 21)
 Other special projects (Note 22)

Total Grants and Subsidies
23 CASH GENERATED BY OPERATIONS
Surplus for the year
Adjustment for:-

Depreciation	1,195,494	942,930
Gain on disposal of property, plant and equipment	(55,789)	(188,575)
Contribution to provisions – non-current	-	-
Contribution to provisions – current	-	-
Internal Motor vehicle charges	(85,397)	3,244
Contribution to bad debt provision	307,843	2,286,440
Appropriation receipts	2,799,809	33,395
Investment income	(7,587,037)	(5,726,869)
Extraordinary items - Pre-payment penalty fee - DBSA	800,000	1,684,464
Other non-cash activities	97,004	(1,708,558)
Interest paid	1,083,539	1,104,528



FRANCES BAARD DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

	2007	2006
	R	R
<i>Operating surplus before working capital changes:</i>		
(Increase) / Decrease in Inventories	-	-
(Increase) / Decrease in Debtors	3,852,973	(88)
(Increase) / Decrease in Other Debtors	5,790,013	3,594
(Decrease) Increase in Conditional Grants and Receipts	(1,162,635)	(292,125)
(Decrease) Increase in Creditors	(3,234,337)	685,058
(Increase) / Decrease in VAT Receivables	(1,212,249)	(3,234,337)
	<u>9,373,200</u>	<u>11,898,609</u>
<i>Cash generated by operations</i>		

24 CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the cash flow statement comprise the following statement of amounts indicating financial position :

Bank balances and cash	75,303,300	76,461,980
Bank overdraft	3,672,269	-
<i>Total cash and cash equivalents</i>	<u>71,631,031</u>	<u>76,461,980</u>

25 UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED

25.1 Unauthorised expenditure

Reconciliation of unauthorized expenditure	1,707,950	1,717,829
Opening balance	331,316	-
Unauthorised expenditure current year	(1,437,727)	-9,879
Approved by Council or condoned	-	-
Transfer to receivables for recovery	-	-
Unauthorised expenditure awaiting authorisation		

Unauthorised expenditure to the amount of R1,44m was considered and approved by council.

The Accountant Expenditure involved was found guilty in terms of an internal disciplinary hearing and dismissed on 6 December 2006.

The outcome of the criminal procedures is still pending and is likely to be resolved in the 2007 / 08 financial year.



FRANCES BAARD DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

	2006 R	2007 R
25.2 Fruitless and wasteful expenditure		
Reconciliation of fruitless and wasteful expenditure		
Opening balance	-	-
Fruitless and wasteful expenditure current year	46,658.80	46,658.80
Condoned or written off by Council	-46,658.80	-
To be recovered – contingent asset	-	-
Fruitless and wasteful expenditure awaiting condonement	19,230	19,230
	=====	=====
25.3 Irregular expenditure		
Reconciliation of irregular expenditure		
Opening balance	-	-
Unauthorised expenditure current year	73,053	73,053
Approved by Council or condoned	-	-
Transfer to receivables for recovery	-	-
Irregular expenditure awaiting authorisation	-	-
	=====	=====
	<i>Irregular expenditure to the amount of R73 053 was considered and approved by council</i>	
<i>The amount of R19 230 is still under investigation.</i>		
26 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT		
26.1 Contributions to organized local government		
Opening balance	-	-
Council subscriptions	103,439	97,584
Amount paid – current year	(103,439)	(97,584)
Amount paid – previous years	-	-
Balance unpaid (included in creditors)	-	-
	=====	=====
26.2 Audit fees		
Opening balance	-	-
Current year audit fee	596,409	381,705
Amount paid – current year	(596,409)	(381,705)
Amount paid – previous years	-	-
Balance unpaid (included in creditors)	-	-
	=====	=====



FRANCES BAARD DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

	2007	R	2006	R
26.3 PAYE and UIF				
Opening balance	2,750,00		-	
Current year payroll deductions	2,925,874		2,865,479	
Amount paid – current year	(2,928,624)		(2,862,729)	
Amount paid – previous years	-		-	
<i>Balance unpaid (included in creditors)</i>	<u>2,750</u>		<u>2,750</u>	
26.4 Pension and Medical Aid Deductions				
Opening balance	14,511		-	
Current year payroll deductions and Council Contributions	3,481,438		4,665,871	
Amount paid – current year	(3,495,950)		(4,651,360)	
Amount paid – previous years	-		-	
<i>Balance unpaid (included in creditors)</i>	<u>14,511</u>		<u>14,511</u>	
26.5 Non-Compliance with Chapter 11 of the Municipal Finance Management Act				
<i>Supply Chain Management Policy has been adopted by Council with an effective date of 1st January 2006 for implementation.. To ensure adherence and full implementation of the Supply Chain Management Policy a number of challenges still needs to be address in the next financial year. Following some challenges to be addressed:</i>				
- Establishment of an effective Supply Chain Management Unit				
- Review, develop and implementation of new procurement procedure aligned with SCM policy				
- Review and amendment of procedures with regard to the tender committee system (Specification, Evaluation and Adjudication Committees)				
- Develop systems to monitor and report on supply chain management as required in terms of the policy				
- Development of a proper supplier contract register.				
- Ongoing update of the SCM supplier database and verification of information received				
27 RETIREMENT BENEFIT INFORMATION				
27.1 Pension fund contributions				
<i>The District Municipality contributes to the following post retirement funds - Cape Joint Pension fund, Cape Joint Retirement fund and SAMWU Retirement fund which provides for retirement benefits to its employees. All Councillors and employees belong to these defined benefit retirement funds administered by the Provincial Pension Fund. These funds are subject to a triennial actuarial valuation.</i>				
<i>An amount of R1 677 555 (2006 : R1 531 585) was contributed by Council in respect of Councillor and employees retirement funding. These contributions have been expensed.</i>				



FRANCES BAARD DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

2006

R

Pensions

At present Council is paying, out of own funds, pensions to eight persons from the former Divisional Council Vaalrivier who retired before 31 December 1990.

It is an unfunded post-employment benefit and the amount recognised as an expense on the operating account amounted to R90 194 for the year under review.

27.3 Continued medical aid contributions

The municipality provides post-retirement medical benefits by subsidizing the medical aid contributions of certain retired staff according to the rules of the medical aid funds. Council pay 70% as contribution and remaining 30% are paid by members. The liability for these benefits is charged to the statement of financial performance in the year of payment.

It is an unfunded post-employment benefit and the amount recognised as an expense on the operating account amounted to R930 969 for the year under review.

28 CAPITAL COMMITMENTS

Commitments in respect of capital expenditure
Approved and contracted for
Community

-	<u>3,024,000</u>
---	-------------------------

The expenditure will be financed from
Internal Funding (Own Resources)

An estimated amount of R24m is budgeted for the building of a council chamber of which an amount of R3,02m was approved for the 2006 / 07 financial year for the initial planning phase.

An amount of R17 740 was paid towards the planning phase which includes the advertisement, appointment of architects and the drawing of building plans before tenders are requested for the construction work.

29 CONTINGENT LIABILITIES

Transnet: Sale of Koopmansfontein

Sighning of an agreement to sell Koopmansfontein to the District Municipality has been concluded on 17 November 2003 pending ministerial approval for the sale.

In terms of the signed agreement, the purchaser will be liable to pay a monthly occupational rent amounting to 1% of the purchase price (R45 000) if the purchaser elect to take occupation and possession before the date of registration. Due to the fact that the sale of Koopmansfontein has not been approved by the minister, the occupational rental to the estimated amount of R21 600 has not been paid since the date of signing of the contract.

Computers Direct: Rental of Photocopying Machine

Rental of the equipment amounted to R31 814 for the year under review and further payments to the amount of R64 101 for the remainder of the contract period.



FRANCES BAARD DISTRICT MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

30 FINANCIAL RISK MANAGEMENT

The activities of the District Municipality exposed it to a variety of financial risks, including market risk (comprising currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The District Municipality's:

301 Foreign Exchange Currency Risk

The District Municipality does not engage in foreign currency transactions.

Interest Rate Risk:

The District Municipality is mainly exposed to interest rate risk due to the movements in long-term and short term interest rates:

The risk is management on an on-going basis.

Credit Risk: Credit risk is the risk that a counter party to a financial asset will fail to discharge an obligation and cause the District Municipality to incur financial loss.

Credit risk arises mainly from cash and cash equivalents, instruments and deposits with banks and financial institutions, as well as credit exposures to grant debtors.

For banks and financial institutions, only independently rated parties with minimum rating of "B+" are excepted. Grants are receivable from higher order levels of government

304 Liquidity Risk

Liquidity risk is the risk that the District Municipality will encounter difficulty in raising funds to meet commitments associated with financial obligations.

Prudent liquidity risk management includes maintaining sufficient cash and marketable securities, the availability of funding from an

The financial liabilities of the District Municipality are backed by appropriate assets and it has adequate liquid resources. The District

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2006 R
2007 R



APPENDIX A

FRANCES BAARD DISTRICT MUNICIPALITY: SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2007

Loan Number	Redeemable	Balance at 01/07/2006	Received during the period	Redeemed written off during the period	Balance at 30/06/2007	Carrying Value of Property, Plant & Equipment	Other Costs in accordance with MfMA		
EXTERNAL LOANS									
LONG-TERM LOANS									
Registered Stock Loans		R	R	R	R	R			
Total Long-Term Loans		-	-	-	-	-			
ANNUITY LOANS									
Annuity Loans		-	-	-	-	-			
Total Annuity Loans		-	-	-	-	-			
GOVERNMENT LOANS									
DBSA Loan:-									
Hartswater:- Sewerage Scheme	13,515	31/12/2020	7,112,743	-	7,112,743		7,500,000		
Total Government Loans			7,112,743	-	7,112,743		-	7,500,000	
LEASE LIABILITY									
Lease Liability		-	-	-	-	-			
Total Lease Liability									
TOTAL EXTERNAL LOANS		7,112,743						7,500,000	



APPENDIX B

FRANCES BAARD DISTRICT MUNICIPALITY: ANALYSIS OF PROPERTY PLANT AND EQUIPMENT AS AT 30 JUNE 2007

	Cost / Revaluation				Accumulated Depreciation				Carrying Value	Budget Additions 2007
	Balance at 01/07/2006	Additions	Under Construction	Disposals	Balance at 30/06/2007	Balance at 01/07/2006	Additions	Disposals	Balance at 30/06/2007	
COMMUNITY ASSETS										
Land & Buildings	106,676	-	-	-	106,676	-	3,556	-	3,556	103,120
Security Measures	112,654	-	-	-	112,654	10,988	22,531	-	33,519	79,136
Total: Community Assets	219,330	-	-	-	219,330	10,988	26,087	-	37,074	182,256
OTHER ASSETS										
Land & Buildings	9,196,877	3,044,892	-	-	12,241,769	3,128,165	281,910	-	3,410,075	8,831,694
Office Equipment	396,295	82,690	-	-	478,985	276,311	49,279	-	325,590	153,395
Furniture & Fittings	249,616	5,461	-	-	255,077	103,393	21,667	-	125,060	130,017
Plant & Machinery	247,921	167,439	-	-	415,360	25,402	57,059	-	82,461	332,900
Emergency Equipment	374,811	25,751	-	7,293	393,269	169,964	47,460	971	216,452	176,817
Motor Vehicle	1,858,203	694,718	-	123,645	2,429,277	1,000,734	387,359	123,645	1,264,448	1,164,828
Computer Equipment	1,905,607	158,456	-	-	2,064,063	1,334,866	324,674	-	1,659,540	404,523
Total: Other Assets	14,229,331	4,179,408	-	130,938	18,277,801	6,038,835	1,169,407	124,616	7,083,626	11,194,175
TOTAL ASSETS	14,448,661	4,179,408	-	130,938	18,497,131	6,049,823	1,195,494	124,616	7,120,700	11,376,430



APPENDIX C

FRANCES BAARD DISTRICT MUNICIPALITY: SEGMENTAL ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AS AT 30 JUNE 2007

	Cost					ACCUMULATED DEPRECIATION				Carrying Value
	Balance at 01/07/2006	Additions	Under Construction	Disposals / Adjustments	Balance at 30/06/2007	Balance at 01/07/2006	Additions	Disposals / Adjustments	Balance at 30/06/2007	
Executive and Council										
132,244	53,042	-	(22,386,3) *	162,900	88,955	19,008	(10,934) *	97,029	65,871	
13,455,954	3,863,207	-	24,394,5 *	17,219,911	5,568,344	1,064,427	9,542 *	-	10,701,243	
321,070	14,484	-	(7,204) *	328,349	176,090	19,007	(528) *	194,569	133,780	
22,783	167,825	-	2,146 *	192,753	17,737	15,286	447 *	33,470	159,283	
7,558	-	-	3,050 *	10,608	3,902	2,629	-	-	2,605	
Housing	-	-	-	-	-	-	-	-	-	
Public Safety	509,052	80,851	-	582,610	194,796	75,137	-	268,962	313,648	
Sport & Recreation	-	-	-	-	-	-	-	-	-	
Environmental Protection	-	-	-	-	-	-	-	-	-	
Waste Management	-	-	-	-	-	-	-	-	-	
Road Transport	-	-	-	-	-	-	-	-	-	
Water	-	-	-	-	-	-	-	-	-	
Electricity	-	-	-	-	-	-	-	-	-	
Other	-	-	-	-	-	-	-	-	-	
TOTAL ASSETS	14,448,661	4,179,408	-	130,938 *	18,497,131	6,049,823	1,195,494	124,616 *	7,120,701	11,376,431

* *Internal Transfers*

APPENDIX D

FRANCES BAARD DISTRICT MUNICIPALITY: SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE AS AT 30 JUNE 2007

	Actual Income 2006 R	Actual Expenditure 2006 R	Surplus / (Deficit) 2006 R	Actual Income 2007		Actual Expenditure 2007 R	Surplus / (Deficit) 2007 R
				R	R		
1,916,193	(12,423,345)	(10,507,152)	Executive and Council	1,075,664	(10,873,161)	(9,797,497)	
52,158,804	38,999,393	Finance & Admin		57,546,110	(12,362,598)	45,183,512	
(33,296,617)	(11,296,103)	Planning & Development		14,788,503	(43,997,061)	(29,208,558)	
(1,260,232)	(1,185,232)	Health		87,000	(1,236,390)	(1,149,390)	
(557,775)	(557,775)	Community & Social Services		-	(584,731)	(584,731)	
-	-	Housing		-	-	-	
(1,557,494)	(496,466)	Public Safety		689,958	(1,559,113)	(869,155)	
-	-	Sport & Recreation		-	-	-	
-	-	Environmental Protection		-	-	-	
-	-	Waste Management		-	-	-	
-	-	Road Transport		-	-	-	
(13,320)	(3,011)	Water		12,357	(36,817)	(24,460)	
10,308	-	Electricity		-	-	-	
-	-	Other		-	-	-	
77,221,241	(62,267,587)	14,953,653	SUB TOTAL	74,199,592	(70,649,872)	3,549,721	
			Less: Inter-Departmental Charges				
77,221,241	(62,267,587)	14,953,653	TOTAL	74,199,592	(70,649,872)	3,549,721	



APPENDIX E1**FRANCES BAARD DISTRICT MUNICIPALITY: ACTUAL VERSUS BUDGET (REVENUE AND EXPENDITURE) FOR THE YEAR ENDED 30 JUNE 2007**

					Explanation of Significant variances greater than 10 % versus Budget	
		Actual R	Budget R	Variance R	Variance %	
REVENUE						
Service charges	12,357	18,052	(5,695)	-46.09%		Over budget in respect of the 2006/07 financial year
Rental of facilities and equipment	42,843	-	42,843.18	100.00%		Not applicable
Interest earned - external investments	7,716,239	3,580,000	4,136,239	53.60%		Under budget due to conservative budgeting practices
Interest earned - outstanding debtors	8,071	18,300	(10,229)	-126.75%		Over budget in respect of the 2006/07 financial year
Income for agency services	623,308	640,000	(16,692)	-2.68%		Deviation not significant
Government grants and subsidies	65,530,976	56,234,000	9,296,976	14.19%		Positive variance as per expenditure occurred in respect of grants received
Other income	210,009	285,800	(75,791)	-36.09%		Under budget due to accounting treatment of revaluation of land & buildings
Gains on disposal of property, plant and equipment	55,789	70,000	(14,211)	-25.47%		Deviation not significant
Total Revenue	74,199,592	60,846,152	13,353,440	18.00%		
EXPENDITURE						
Employee related costs	16,195,772	18,456,890	(2,261,118)	-13.96%		Approved vacant positions not filled during the year under review
Remuneration of Councillors	2,538,856	4,505,370	(1,966,514)	-77.46%		Budgeted for full time mayoral committee and full Councillor benefits that did not realise
Bad debts	1,225	16,010	(14,785)	-1207.15%		Amount not significant
Collection costs	452,860	550,000	(97,140)	-21.45%		Under spending due to lower collection rate by external levy inspectors
Depreciation	1,195,494	1,384,865	(189,371)	-15.84%		Under spending due to capital budget
Repairs and maintenance	840,050	1,536,780	(696,730)	-82.94%		Over budget to accommodate maintenance needs of council property.
Interest on external borrowings	1,083,539	1,083,550	(11)	0.00%		Not applicable
Bulk purchases	18,540	22,700	(4,160)	-22.44%		Over budget in respect of the 2006/07 financial year
Contracted services	2,603,867	4,410,390	(1,806,523)	-69.38%		Projects not completed as per Service Delivery and Budget Implementation Plans in relation to various projects by different departments.
Grants and subsidies paid	40,795,353	38,703,705	2,091,648	5.13%		Deviation not significant
General expenses - other	3,811,374	6,878,140	(3,066,766)	-80.46%		Over estimates in respect general expenditure by various departments
Pre-payment Penalties on Settlement - DBSA Loan	800,000	-	800,000	100.00%		Extraordinary - No budget provison
Change in Estimates: Adjustment i.r.o provision for bad debt	306,618	-	306,618	100.00%		Extraordinary - No budget provison
Loss on disposal of property, plant and equipment	6,323	-	6,323	100.00%		Not applicable
Total Expenditure	70,649,872	77,548,400	(6,898,528)	-9.76%		



APPENDIX E2

**FRANCES BAARD DISTRICT MUNICIPALITY: ACTUAL VERSUS BUDGET (ACQUISITION OF PROPERTY PLANT AND EQUIPMENT) FOR THE
YEAR ENDED 30 JUNE 2007**

Revenue					Explanation of Significant variances greater than 10 % versus budget	
	Actual R	Budget R	Variance R	Variance %		
COMMUNITY ASSETS						
Land & Buildings	-	800,000	(800,000)	100.00%		Establishment of Disaster Management Centre did not realised due to lack of specifications by DPLG.
Security Measures	-	-	0	0.00%		
Total: Community Assets	-	800,000	(800,000)	0.00%		
OTHER ASSETS						
Land & Buildings	3,044,892	3,024,000	20,892	0.69%		Building of council chambers rolled over to next financial year
Office Equipment	82,690	45,000	37,690	45.58%		Amount not significant
Furniture & Fittings	5,461	5,000	461	8.44%		Deviation not significant
Plant & Machinery	167,439	160,000	7,439	4.44%		Deviation not significant
Emergency Equipment	25,751	30,000	(4,249)	-16.50%		Amount not significant
Motor Vehicle	694,718	695,000	(282)	-0.04%		Deviation not significant
Computer Equipment	158,456	222,660	(64,204)	-28.52%		Amount not significant
Total Other Assets	4,179,408	4,181,660	0	-0.05%		
TOTAL ASSETS	4,179,408	4,981,660	(802,252)	-19.20%		



CHAPTER 5 - FUNCTIONAL AREA SERVICE DELIVERY REPORTING

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General Information

Reporting Level	Detail	Total
Overview:	<p>Council is on track with regards to fulfilling its developmental mandate. Council has invested resources in putting in place institutional and infrastructural mechanisms for the realisation of its motto: "Re Direla Setshaba". Great strides have been made with regard to institutional, financial and infrastructural strategic pillars. Our service delivery targets are within reach in terms of the performance target dates determined for the municipality.</p> <ul style="list-style-type: none"> ✓ 79% of households in the district have access to basic sanitation ✓ 93% of the households have access to basic water/water supply ✓ 75% of households have access to electricity 	
Information:	<p><Provide statistical information on (as a minimum):></p> <p>Geography:</p> <p>1 Geographical area in square kilometres Note: Indicate source of information</p> <p>Demography:</p> <p>2 Total population Note: Indicate source of information</p> <p>3 Indigent Population Note: Indicate source of information and define basis of indigent policy including definition of indigent</p> <p>4 Total number of voters</p> <p>5 Aged breakdown:</p> <ul style="list-style-type: none"> - 65 years and over - between 40 and 64 years - between 15 and 39 years - 14 years and under <p>Note: Indicate source of information</p> <p>6 Household income:</p> <ul style="list-style-type: none"> - over R3,499 per month - between R2,500 and R3,499 per month - between R1,100 and R2,499 per month - under R1,100 per month <p>Note: Indicate source of information</p>	



General Information

Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
	To eradicate infrastructure backlogs in the district: <ul style="list-style-type: none">• Provide 830 households with potable water.• Provide sanitation facilities to 100 households.• Provide residential electricity to 825 households.• Provide approved community facilities.• Complete approved township development.	79% 97% 80% 0% 0%	100% 100% 100% 100% 100%
Basic service delivery	To provide sustainable basic services in Koopmansfontein: <ul style="list-style-type: none">• Provide basic potable water to 37 households in Koopmansfontein.• Provide basic sanitation to 37 households in Koopmansfontein.• Provide basic electricity to 37 households in Koopmansfontein. To provide infrastructure maintenance services in the district: <ul style="list-style-type: none">• Provide infrastructure maintenance services to FBDM/ DMA.• Provide infrastructure maintenance services to the category B municipalities in the district.• Provide maintenance to the council buildings and gardens• Compile long term O&M Plan for Sol Plaatje Municipality linked to Provincial O&M Plan To provide a roads agency function in the district: <ul style="list-style-type: none">• Comply to the conditions set out in the Roads Agency Agreement with the Department of Transport.	95% 95% 95% 90% 82% 97% 0%	95% 95% 95% 90% 90% 95% 100%
Municipal Institutional Development and Transformation	To implement the Institutional Plan of the municipality: <ul style="list-style-type: none">• Align the organisational structure to the Integrated Development Plan. (IDP)• Developed Job Descriptions according to the TASK format• Performance plans developed and implemented for non-Section 57 staff• Reporting on quarterly performance reviews• Municipal By-laws developed and implemented• Percentage success rate in development and implementation of Workplace Skills Plan• Percentage success rate in development and implementation of Employment Equity Plan• Development and implementation of IT and IT Systems To implement approved LED business plans according to set timeframes and operational plan: <ul style="list-style-type: none">• Percentage progress in approval of credible LED business plans in terms of the Departmental Operational Plan• Percentage implementation of approved credible LED business plans in terms of the Departmental Operational Plan To implement approved Tourism business plans according to set timeframes and operational plan: <ul style="list-style-type: none">• Percentage progress in approval of credible Tourism business plans in terms of the Departmental Operational Plan• Percentage implementation of approved credible Tourism business plans in terms of the Departmental Operational Plan	100% 70% 90%	100% 100% 80% 100% 80% 80% 80%



General Information



General Information

Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
	<p>To effectively support internal political interfaces:</p> <ul style="list-style-type: none"> • Provide full administrative support to Council and all committees of Council <p>To effectively support external political interfaces:</p> <ul style="list-style-type: none"> • Implement decisions and action plans of the Inter Governmental Relation forum. (IGR Forum) <p>To effectively support high level strategic and operational interfaces and activities:</p> <ul style="list-style-type: none"> • Ensure performance from internal departments according to set targets and timeframes in their operational plans • Ensure the corporate implementation of a Performance Management System according to the Act and PMS Regulations • Ensure the review, approval and implementation of a credible Integrated Development Plan. (IDP) • Ensure the development and implementation of policies and by-laws • Ensure the development and implementation of a customer-care policy • Ensure sound financial management • Ensure effective administrative management <p>To assist and support the implementation of approved social development programmes:</p> <ul style="list-style-type: none"> • Percentage assistance and support to social development programmes in terms of the Operational Plan <p>To assist and support the implementation of approved social development projects:</p> <ul style="list-style-type: none"> • Percentage assistance and support to social development projects in terms of the Operational Plan 	100% 100% 84% 95% 98% 75% 75% 90% 86% 100%	100% 100% 100% 100% 100% 100% 100% 90%
Good Governance and Public Participation	<p>To implement the external and internal communication strategies of the municipality:</p> <ul style="list-style-type: none"> • Profile the external achievement and position statements in terms of the communication strategy • Profile the internal achievement and position statements in terms of the communication strategy <p>To implement the marketing and branding strategy of the municipality:</p> <ul style="list-style-type: none"> • Implement the approved brand identity of the municipality • Implement the approved communication related policies of the municipality <p>To assist and support the implementation of approved environmental health programmes:</p> <ul style="list-style-type: none"> • Percentage assistance and support to environmental health programmes in terms of the Departmental Operational Plan <p>To assist and support the implementation of approved environmental health projects:</p> <ul style="list-style-type: none"> • Percentage assistance and support to environmental health projects in terms of the Departmental Operational Plan <p>To implement the approved Disaster Management Plan:</p> <ul style="list-style-type: none"> • Implementation of the approved Disaster Management Plan in compliance with the Disaster Management Act and the Departmental Operational Plan 	100% 100% 100% 100% 100% 100% 100%	100% 100% 100% 100% 100%
Marketing and Communication			
Healthy and Safe Environment			



Executive & Council

Reporting Level	Detail	Total
Overview:	The governance system of the Frances Baard District Council is a mayoral executive system which comprises of Section 80 Committees (Finance, Policy & Institutional Development, Social Development, Infrastructure Development and Economic Development). Council is made up of 25 members - 10 female, 15 male.	
Description of the Activity:	<p>The function of executive and council within the municipality is administered as follows and includes:</p> <p>The Executive Mayor heads the municipality and fulfills this governance task in collaboration with the 24 councillors. 14 of these councillors represent the Category B municipalities in the district and 10 councillors were elected through proportional representation, 1 councillor represents the District Management Area. The mayoral committee functions in a manner similar to that of a cabinet with its main function to ensure integration of the work of the council across political portfolios and departments. The Speaker is a councillor elected as chairperson of the municipal council as per legislation and presides over the meetings of council. The Speaker also oversees the effective functioning of the council committee system. The committees of council meet on a monthly basis and formulate recommendations based on their portfolios.</p> <p>The municipality has a mandate to:</p> <ul style="list-style-type: none"> Provide a democratic and accountable government for local municipalities Ensure the provision of services to communities in a sustainable manner Promote social and economic development Promote a safe and healthy environment Encourage the involvement of communities and community organizations in the matter of <p>The district does not account for the provision of bulk electricity and water to Category B municipalities as this falls in the jurisdiction of these municipalities as concluded in the Structures Act. The housing function is currently still in the jurisdiction of the Provincial Department of Housing & Local Government but will be transferred to the district municipality.</p>	
Analysis of the Function:		
1	Councillor detail:	
	Total number of Councillors	25
	Number of Councillors on Mayoral Committee	6
2	Ward detail:	
	Total number of Wards (District, Magareng, Phokwane, Dikgatlong, Sol Plaatje)	49
3	Number and type of Council and Committee meetings:	
	<i>Council, Mayoral and Section 80 Committees</i>	
	<i>Council meetings</i>	11
	<i>Mayoral Committee meetings</i>	13
	<i>Section 80 Committee meetings</i>	40



Office of the Municipal Manager

Reporting Level	Detail	Total																
Overview:	The Municipal Manager is the head of administration for the Frances Baard District Municipality together with the Director Administration, the Director Technical Services and the Director Finance. The Municipal Manager and his team of senior managers are appointed on 5-year performance based contracts. These team provides the interface between the political and administrative arms of the municipality. As the administrative nexus, the office of the Municipal Manager provides various functions which are predominantly outward focussed with a view of providing strategic and advisory competencies to the district. This function consists of 4 sub-directorates namely Internal Auditing, PIMSS Centre, Communication and IDP/PMS.																	
Description of the Activity:	<p>The above-mentioned functions are administered as follows:</p> <p>PIMSS Centre: The centre is responsible for the development, review and implementation of IDP's and PMS in the district municipality, facilitate the preparation of sector plans, facilitate the capacity building in Category B-municipalities. Facilitate the implementation and review of PMS. Facilitate the management of the MSIG Grant.</p> <p>IDP/PMS: The development, review and implementation of the IDP</p> <p>Communication: Is responsible for the empowerment of the district municipality and its communities</p> <p>Internal Audit: Payroll and leave administration, fixed asset s, performance management, procurement, recruitment and Roads Agency.</p> <p>The strategic objectives of this function are to: The formation and development of an efficient, effective and accountable administration.</p> <p>The key performance areas for 2006/07 are:</p> <ul style="list-style-type: none"> • Municipal Institutional Development and Transformation • Infrastructure Development and Basic Service Delivery • Local Economic Development (LED) • Municipal Financial Viability and Management • Good Governance and Public Participation 																	
Analysis of the Function:	<p><Provide statistical information on (as a minimum):></p> <table> <tr> <td>1 Number and cost to employer of all municipal staff employed:</td> <td>13</td> <td>R 3,207,131.00</td> </tr> <tr> <td>- Managerial/Specialist</td> <td>2</td> <td>R 1,194,926.00</td> </tr> <tr> <td>- Professional/Supervisory</td> <td>2</td> <td>R 423,115.00</td> </tr> <tr> <td>- Office (Clerical/Administrative)</td> <td>5</td> <td>R 700,696.00</td> </tr> <tr> <td>- Contract Staff</td> <td>4</td> <td>R 888,394.00</td> </tr> </table> <p><i>Note: total number to be calculated on full-time equivalent (FTE) basis, providing detail of race and gender according to the breakdown described above. Total cost to include total salary package</i></p>	1 Number and cost to employer of all municipal staff employed:	13	R 3,207,131.00	- Managerial/Specialist	2	R 1,194,926.00	- Professional/Supervisory	2	R 423,115.00	- Office (Clerical/Administrative)	5	R 700,696.00	- Contract Staff	4	R 888,394.00		
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- Office (Clerical/Administrative)	5	R 700,696.00																
- Contract Staff	4	R 888,394.00																

Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
The formation and development of an efficient, effective and accountable administration	Implementation of the Internal Audit Services	100%	100%
	Implementation of the Communication Services	100%	100%
	Management of the Municipality	100%	100%
	Implementation of Council Resolutions	100%	100%
	Implementation of national and provincial legislation applicable to the municipality	100%	100%
	Implementation and participation in IGR structures	100%	100%



Reporting Level		Total	Detail
Overview:	The Department of Finance is responsible for the following: • Ensuring sustained financial viability for maximum development support. • Sound financial administration. • Financial monitoring and reporting. • Internal control over Council's financial activities and • Equitable financial advisory support to all stakeholders internally as well as externally to Category B Municipalities. The Department consists of the following Sub-Directorates: Financial Administration, Revenue Collection, Asset & Expenditure Control and Budget & Treasury Office.		
Description of the Activity:	<p>Financial Administration: This Sub-Directorate manages the treasury function in the municipality. As a result the Department is responsible for the management of the General Ledger, providing management accounting information, reconciliation of control accounts and all financial statistical reporting which is not located within a specific sub-element of the department</p> <p>Revenue Collection: This Sub-Directorate has the sole sanction for the collection and administration of the revenue base</p> <p>Asset and Expenditure Control: Is responsible for the proper control over and utilisation of Council assets, ensuring that the all salaries and expenses are paid in accordance with the relevant prescripts</p> <p>Budget and Treasury Office: Provides financial administrative support services to the Category B Municipalities in the district, while facilitating the objective of FMG by mentoring trainee accountants for local government. These services extend to include all the afore-mentioned areas, but do not take account of Treasury functions which resides within the jurisdiction of National Department Finance.</p> <p>The strategic objectives of this directorate are:</p> <p>Revenue collection – with its sole focus on the collection of revenue and administration of the revenue base, consisting of and inspectorial & legal enforcement unit and administrative unit.</p> <p>Financial Administration – being the overall managerial role of the treasury function, included the management of general ledger, providing of management accounting information, reconciliation of control accounts and all financial statistical reporting, which is not located within a specific sub-element of the department</p> <p>Asset & Expenditure control – responsible for the proper control over and utilisation of Council assets, ensuring that all salaries and expenses are paid in accordance with relevant prescriptions.</p> <p>District Support Services – providing financial administrative support service to the smaller Category B municipalities in the district, while facilitating the objectives of the FMG by mentoring trainee accountants for local government</p>		

Finance

	<p>The key issues for the 2006/07 financial year are:</p> <ul style="list-style-type: none"> To ensure 100% effective financial management of departmental functions as prescribed in terms of the MFMA. Improve budget and planning system in compliance with MFMA. To ensure that the budget is fully aligned with the IDP. To ensure 100% compliance with regard to financial reporting to all stakeholders as prescribed in terms of the MFMA. <p>To ensure 100% compliance with GAMAP / GRAP.</p> <p>To implement effective asset and risk management policies.</p> <p>To establish a framework to assist category "B" municipalities with regard to financial management support and capacity building.</p> <p>To ensure the development and implementation of a strategy on the phasing out of the RSC Levy System and redeploy the remaining levy staff.</p> <p>To ensure the implementation of an effective system for expenditure control in compliance with MFMA requirements.</p> <p>To ensure 100% implementation of the supply chain management regulations and approved policy.</p> <p><Provide statistical information on (as a minimum):></p>																																																																																					
Analysis of the Function:	<p>1 Debtor billings: number and value of monthly billings:</p> <p>Water at Koopmansfontein</p> <ul style="list-style-type: none"> - Number and amount billed in respect of Koopmansfontein water services for the financial year under review. Note: create a suitable table to reflect monthly billed and received (against billed) across debtors by function (eg: water, electricity etc) <p>2 Debtor collections: value of amount received and interest: (See table below)</p> <p>Only water function at Koopmansfontein</p> <p>Note: create a suitable table to reflect amount received from that month's billings plus interest from the previous month across debtors by function</p> <p>3 Debtor analysis: Amount outstanding over 30, 60, 90 and 120 plus days:</p> <p>4 Write off of debts: Number and value of debts written off.</p> <ul style="list-style-type: none"> - Total debts written off each month across debtors by function (eg: water, electricity etc) Note: create a suitable table to reflect write offs each month across debtors by function <p>5 Property rates (Residential) :</p> <ul style="list-style-type: none"> - Number and value of properties rated - Number and value of properties not rated - Number and value of rate exemptions - Rates collectible for the current year <p><i>Property in the District Management Area (DMA) valued but property rates not yet implemented.</i></p> <p>6 Property rates (Commercial) :</p> <ul style="list-style-type: none"> - Number and value of properties rated - Number and value of properties not rated - Number and value of rate exemptions 	<p>R (000s)</p> <p><total> R</p> <p>R (000s)</p> <p>R</p>																																																																																				
	<table border="1"> <thead> <tr> <th></th> <th>Jul-06</th> <th>Aug-06</th> <th>Sep-06</th> <th>Oct-06</th> <th>Nov-06</th> <th>Dec-06</th> <th>Jan-07</th> <th>Feb-07</th> <th>Mar-07</th> <th>Apr-07</th> <th>May-07</th> <th>Jun-07</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>Received</td> <td>440.23</td> <td>660.96</td> <td>757.96</td> <td>963.03</td> <td>1,072.14</td> <td>890.49</td> <td>1,704.56</td> <td>1,233.18</td> <td>882.17</td> <td>860.70</td> <td>568.18</td> <td>578.39</td> <td>10,612.00</td> </tr> <tr> <td>Billed</td> <td>546.49</td> <td>627.46</td> <td>1,136.18</td> <td>1,705.10</td> <td>1,638.99</td> <td>1,707.62</td> <td>1,622.00</td> <td>1,076.13</td> <td>793.81</td> <td>476.77</td> <td>543.50</td> <td>482.94</td> <td>12,357.00</td> </tr> <tr> <td>Amount</td> <td></td> <td></td> <td></td> <td>Days outstanding</td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td>30</td> <td>60</td> <td>90</td> <td>120</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td>R 181.00</td> <td>R 63.00</td> <td>R 43.00</td> <td>R</td> <td>R</td> <td>R</td> <td>R</td> <td>R</td> <td>R</td> <td>R</td> <td>R</td> <td>R</td> <td>R 1,457.00</td> </tr> </tbody> </table>		Jul-06	Aug-06	Sep-06	Oct-06	Nov-06	Dec-06	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07	Total	Received	440.23	660.96	757.96	963.03	1,072.14	890.49	1,704.56	1,233.18	882.17	860.70	568.18	578.39	10,612.00	Billed	546.49	627.46	1,136.18	1,705.10	1,638.99	1,707.62	1,622.00	1,076.13	793.81	476.77	543.50	482.94	12,357.00	Amount				Days outstanding						30	60	90	120								R 181.00	R 63.00	R 43.00	R	R	R	R	R	R	R	R	R	R 1,457.00									
	Jul-06	Aug-06	Sep-06	Oct-06	Nov-06	Dec-06	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07	Total																																																																									
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External Loans: <i>(See table below)</i>	- Rates collectible for the current year	N/A	R (000s)
7 Regional Service Council (RSC) levies:			
- Number and value of returns	N/A		N/A
- Total Establishment levy	N/A		N/A
- Total Services Levy	N/A		N/A
- Levies collected for the current year	N/A		N/A
8 Property valuation:			
- Year of last valuation	<year> 2004		
- Regularity of valuation	<cycle> 4		
9 Indigent Policy:			
- Quantity (number of households affected)	<total> 28		
- Quantum (total value across municipality)	<value> R 18,540		
10 Creditor Payments:			
<List creditors here>	<value> R (000s)		
Note: Create a suitable table to reflect the five largest creditors individually, with the amount outstanding over 30, 60, 90 and 120 plus days	<age> None		
11 Credit Rating:			
<List credit rating details here>	<date> N/A		
List here whether your Council has a credit rating, what it is, from whom it was provided and when it was last updated			
12 External Loans:			
- Total loans received and paid during the year	<Received> R (000s)		<Paid> R (000s)
Note: Create a suitable table to reflect the balance of each external loan at the beginning of the year, new loans raised during the year and loans repaid during the year as well as the balance at the end of the year. Interest rates payable on each loan,	R 0		R 0
			R 7,112,743
13 Delayed and Default Payments:			
<List delayed and default payments here>	<value> R 0		<date> -
List here whether Council has delayed payment on any loan, statutory payments or any other default of a material nature			

External loan reference	Balance at 01/07/2006	Received during period	Redeemed written off during period	Balance at 30/06/2007
DBSA (Ref no: 13515)	R 7,112,743.00	-	R 7,112,743.00	-



Finance

Key Performance Area	Performance During the Year, Performance Targets Achieved and Plans to Improve Performance	Unit of measurement	Current	Target
Budget and Treasury	Comply to the timeframes of the MFMA in preparation of the budget and the prescribed reporting to National Treasury. Submit monthly, quarterly and annual reports to Council, National and Provincial Treasuries in terms of the MFMA.	Percentage compliance.	100%	100%
	Submit Mid-Year Report to Council, National and Provincial Treasury as per the MFMA.	Percentage compliance.	100%	100%
	Submit Annual Financial Statements to Auditor-General according to the format and prescriptions of GRAP.	Percentage compliance.	100%	100%
Financial Management	Exercise monthly control and reconciliation of general ledger accounts and reporting.	Percentage compliance.	90%	100%
Financial Management Support & Capacity Building	Approve service level agreements and frameworks with specific timeframes for financial management support and capacity building in respect of each category B municipality. Implement the approved SLA's and frameworks for financial management support and capacity building in category B municipalities. Monitor and report as stipulated by approved SLA's and frameworks for financial support and capacity building programmes.	Percentage compliance.	60%	100%
Revenue Management	Develop and implement a strategy on the phasing out of the RSC Levy System and redeploy the remaining levy staff. Implement an effective system for collection and receipt of grant funding as per DORA allocations promulgated.	Percentage compliance.	60%	100%
	Develop and implement a Property Rates Policy for the DMA as per applicable legislation.	Percentage compliance.	100%	100%
	Review and implement revenue policies as required by the MFMA.	Percentage compliance.	85%	100%
	Recover consumer and sundry debt exceeding 90 days.	Percentage compliance.	90%	100%
Credit Control	Review and implement the approved credit control and debt collection policy.	Percentage compliance.	99%	100%
Expenditure Management	Implement an effective system for expenditure control in compliance with MFMA requirements. Apply an effective cash flow and investment management system as per approved policy.	Percentage compliance.	100%	100%
	Establish and implement an effective store and inventory system.	Percentage compliance.	90%	100%
	Maintain and secure a general ledger accounting system.	Percentage compliance.	100%	100%
	Review and implement an effective expenditure policy as per MFMA.	Percentage compliance.	80%	100%
Asset & Risk Management	Implement an effective asset and risk management system in compliance with the requirements of the MFMA.	Percentage compliance.	100%	100%



Finance - Procurement

Reporting Level	Detail	Total
Overview:	Procurement in the Frances Baard District Municipality is conducted in accordance with the prescripts of Chapter 11 of the MFMA and the Preferential Procurement Policy Act no 5 of 2000. The purpose and objective of the preferential procurement policy is to provide a framework within which to give effect to the principles of preferential procurement while insuring adherence to transparent economic, efficient and effective procurement practices.	
Description of the Activity:	<p>The function of procurement within the municipality is administered as follows and includes:</p> <p>The Supply Chain Management Unit in the Department of Finance controls and manage all procurement of the municipality. Any amount above R200 000 is put to tender. The Adjudication and Tender the Adjudication and Tender Committees are responsible for the finalisation of the tender process.</p> <p>The strategic objectives of this function are to:</p> <p>To give effect to prescribed legislation on supply chain management</p> <p>To ensure that public funds are managed in an efficient way so that all segments of the South African population benefit from such expenditure</p> <p>To address the imbalances of the past</p> <p>To strike a balance between empowering Historically Disadvantaged Individuals (HDI's) and value for money procurement</p> <p>To stimulate and promote local economic development</p> <p>To promote small and emerging business, especially locally based enterprise</p> <p>To obtain the best service and products at the most competitive prices within the framework of existing legislation applicable to procurement.</p> <p>The key issues for 2006/07 are:</p> <p>To ensure 100% implementation of the supply chain management regulations and approved policy of Council..</p>	
Analysis of the Function:	<p><Provide statistical information on (as a minimum):></p> <p>1 Details of tender / procurement activities:</p> <ul style="list-style-type: none"> - Total number of times that tender committee met during year - Total number of tenders considered - Total number of tenders approved - Average time taken from tender advertisement to award of tender <p>Note: Figures should be aggregated over year across all municipal functions</p> <p>2 Composition of tender committee:</p> <p>Tender Specification Committee</p> <p>Composition according to expertise and experience required.</p> <p>Tender Evaluation Committee</p> <p>Manager :PiMSS Manager</p> <p>Manager :LED</p> <p>Manager : Physical Infrastructure Development</p> <p>Manager : Fire and Disaster Management</p> <p>Manager: IDP/PMS Manager</p> <p>Manager: IT/GIS</p> <p>Assistant Director: Finance</p> <p>Tender Adjudication Committee</p> <p>Municipal Manager:</p> <p>Director Finance:</p> <p>DirectorTechnical Services:</p> <p>Director Administration:</p>	<p>10 10 10 30 - 45 days</p>
Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	<p>Unit of measurement</p> <p>Current</p> <p>Target</p>
Supply Chain Management	Implement the supply chain management regulations and approved policy.	<p>Percentage compliance.</p> <p>75%</p> <p>100%</p>



Administration

Reporting Level	Detail	Total	
Overview:	The Directorate Administration of the Frances Baard District Municipality provides an effective and efficient administrative system. This include the overall management, co-ordination and monitoring of projects to ensure a sustained human resource and corporate support function, all activities relating to the human resource management function.		
Description of the Activity:	<p>The Department Administration is responsible for the sub-directorates:</p> <ul style="list-style-type: none"> • Fire and Disaster Management • Social development and Environmental Health • Corporate Services • Local Economic Development & Tourism • Information Technology • Geographic Information Services <p>The municipality has a mandate on:</p> <p>Human Resources and Institutional Transformation Local Economic Development Social Development Democratic Governance</p> <p>The strategic objectives of this function are to:</p> <p>Ensure that all IT/MIS projects are implemented Ensure the promotion and implementation of an integrated human resources management and development programmes. Ensure the implementation of the Integrated Institutional Plan for the Department: Administration Ensure implementation of approved LED and Tourism business plans. Ensure the promotion, support and implementation of approved social development programmes Ensure the promotion and implementation of approved Environmental Health programmes. Ensure the development of the Disaster Management Plan and compliance with Disaster Management Act Ensure the provision of administrative support services to all committees of Council (Mayoral and Council)</p> <p>Key issues for 2006/07 are:</p> <p>Review/ completion of HR policies and aligned to appropriate legislation Implementation of PMS for all staff and performance indicators and performance reviewed on a quarterly basis Developed and completed a comprehensive Workplace Skills Plan (WSP) Implementation of the Employment Equity Plan Successfully completed the upgrade of the server room and network system Developed/ completed the District LED Strategy Promote and support registered SMME's in the District Promote and support job creation initiatives within the whole district</p> <p><i><Provide statistical information on (as a minimum):></i></p>		
Analysis of the Function:	<p>1 Number and cost to employer of all municipal staff employed:</p> <ul style="list-style-type: none"> - Professional (Managerial/Specialist) - Field (Supervisory/Foremen) - Office (Clerical/Administrative) - Non-professional (blue collar, outside workforce) - Temporary Staff - Contract Staff <p>Note: total number to be calculated on full-time equivalent (FTE) basis, providing detail of race and gender according to the breakdown described above. Total cost to include total salary package</p>	<p>1 10 16 9 2 4</p> <p>R 6,131,297 R 600,562.00 R 2,076,212.00 R 1,554,222.00 R 482,269.00 R 65,900.00 R 1,218,808.00</p>	

Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
Municipal institutional development and transformation	Completed and submitted Employment Equity report to Dept: Labour	100%	100%
	Completed and submitted the WSP to LGSeta	100%	100%
	Succesfully complied with statutory obligations	100%	100%
	Succesfully implemented PMS for all managerial and clerical staff	100%	100%
	Developed and successfully implemented Employee Assistance Programme	100%	100%
	Succesfully completed the upgrade of the server room and the network system	100%	100%
Good governance and public participation	Succesfully reviewed the institutional structure and aligned to the IDP	100%	100%
	Succesfully utilized the Discretionary Funds to provide relief to vulnerable communities during disasters	70%	100%
Local Economic development(LED)	HIV/ AIDS and other approved social programmes successfully extended throughout the District	70%	100%
	Developed and completed the District LED strategy	100%	100%
	Koopmansfontein Craft Project successfully registered as a Coorporative	100%	100%



Local Economic Development

Reporting Level	Detail	Total	
Overview:	The Sub-Directorate Local Economic Development is a sub function of the Department Administration. It's primary mandate is derived from Section 152 (c)of the Objects of Local Governement, "To promote socio-economic development "		
Description of the Activity:	<p>The function of economic planning / development within the municipality includes:</p> <ul style="list-style-type: none"> • The promotion of the economic profile of the District , • Capacity building of local communities with the necessary skills for economic and social development, • Attraction of investment to the District through the creation of an investment friendly environment, • Provide a channel for network information between business and sector departments and communities. 		
	The strategic objectives of this function are:		
	•SMME Development and Support		
	•Formation of Public-Private Partnerships		
	•Investment Promotion		
	•Tourism development		
	The key issues for 2006/07 are:		
	•Completion and adoption of the District LED Strategy		
	•Support and assistance to SMME's		
	•Development of an investment and marketing strategy		
	• Support rendered to SMMEs in the District to showcase Tourism products		
	• Provide ongoing support to Koopmansfontein Craft Project		
	• Plan and launch the District Growth and Development Summit		
	• Facilitate Public/Private Partnership with PWC to establish a clay brick manufacturing plant		
Analysis of the Function:	<Provide statistical information on (as a minimum):>		
1	Number and cost to employer of all economic development personnel:	R 979,355	
	- Professional	2 R 608,202	
	- Non-professional	3 R 316,217	
	- Blue Collar	1 R 54,933	
	Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package		
2	Detail and cost of incentives for business investment:	n/a R (000s)	
	Note: list incentives by project, with total actual cost to municipality for year:	n/a R (000s)	
3	Detail and cost of other Urban Renewal Strategies:	n/a R (000s)	
	Note: list strategies by project, with total actual cost to municipality for year	n/a R (000s)	
4	Detail and cost of other rural development strategies:	n/a R (000s)	
	Note: list strategies by project, with total actual cost to municipality for year		
5	Number of people employed through job creation schemes:		
	- Short-term employment (Koopmansfontein Craft Project)	19	
	- Temporary employment	n/a	
	Note: total number to be calculated on full-time equivalent (FTE) basis, and should only be based on direct employment as a result of municipal initiatives		
	Note: Figures should be aggregated over year to include building plan approvals only		
7	Type and number of grants and subsidies received:		
	Department of Sport, Arts & Culture (National)	R 250,000	
	<list each grant or subsidy separately>	<total> <value>	
	Note: total value of specific planning and development grants actually received during year to be recorded over the five quarters - Apr to Jun last year, Jul to Sep, Oct to Dec, Jan to Mar, Apr to Jun this year.		
Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
District LED Strategy completed and adopted by Council	District LED strategy successfully completed	100%	100%
Support and Assistance to SMME's	Ongoing support and assistance to showcase products and services	100%	100%
Participation of identified SMME's in Tourism Indaba	Successfully showcased SMME products and services	100%	100%
Facilitate Public/Private Partnership (job creation project)	Successfully registered Koopmansfontein Craft Project as a Cooperative	100%	100%
Launch District Growth and Development Summit (DGDS)	Successfully planned and launched DGDS	100%	100%



Environmental Health

Reporting Level	Detail	Total																																																	
Overview:	This Sub-Directorate is mandated by the National Health Act and Regulations, National Environmental Management Act, Foodstuffs, Cosmetics and Disinfectant Act and Regulations, SANS code, National Air Pollution Act including all other Environmental Health Acts, Regulations and By-laws.																																																		
Description of the Activity:	<p>The function of Environmental Health within the municipality is administered as follows and includes:</p> <p>Environmental Health is responsible for the rendering of direct, and on an agency basis environmental health services which includes the identification, monitoring, evaluation, facilitation of all environmental health issues within the DMA, Magareng and Dikgatlong Municipalities and the rural hinterland of Phokwane Municipality. These services include: Food sampling, evaluation of food and non-food premises, water sampling, health education, pauper burials and exhumations, evaluation and upgrading of landfills, pollution monitoring and poverty alleviation projects.</p> <p>The strategic objectives of this function are to: Maintain an efficient and effective delivery of Environmental Health Services within the District</p> <p>The key issues for 2006/07 are: Monitoring and evaluation of Food Premises and Non -Food premises Monitoring and evaluation of water and sanitation environment. Management of Health risks in the Local Municipalities. Facilitate HIV/AIDS programmes. Coordinate control and spreading of possible disease outbreaks Planning and implementation of recycling projects. Facilitate and implement cleanup campaigns.</p> <p><i><Provide statistical information on (as a minimum):></i></p>																																																		
Analysis of the Function:	<table border="1"> <tr> <td>1</td> <td>Number and cost to employer of all municipal staff employed:</td> <td>4</td> <td>R 824 728,90</td> </tr> <tr> <td></td> <td>- Professional (Managerial/Specialist)</td> <td>3</td> <td>546 753,80</td> </tr> <tr> <td></td> <td>- Contract Staff</td> <td>1</td> <td>278 005,10</td> </tr> <tr> <td>2</td> <td>Number, cost of public,private premises servicing population:</td> <td></td> <td></td> </tr> <tr> <td></td> <td>Monitoring and evaluation of Food Premises.</td> <td></td> <td></td> </tr> <tr> <td></td> <td>Monitoring and evaluation of Non Food Premises</td> <td></td> <td></td> </tr> <tr> <td></td> <td>Foodsample taken (from total district)</td> <td></td> <td></td> </tr> <tr> <td>3</td> <td>Special projects:</td> <td></td> <td></td> </tr> <tr> <td></td> <td>HIV/Aids campaigns</td> <td>10</td> <td>R46 358,97</td> </tr> <tr> <td></td> <td>Clean-up campaigns</td> <td>7</td> <td>R56 290,18</td> </tr> <tr> <td></td> <td>Recycling projects</td> <td>3</td> <td>R85 299,00</td> </tr> <tr> <td></td> <td>Fencing of Landfill site</td> <td>1</td> <td>R16 384,52</td> </tr> </table>	1	Number and cost to employer of all municipal staff employed:	4	R 824 728,90		- Professional (Managerial/Specialist)	3	546 753,80		- Contract Staff	1	278 005,10	2	Number, cost of public,private premises servicing population:				Monitoring and evaluation of Food Premises.				Monitoring and evaluation of Non Food Premises				Foodsample taken (from total district)			3	Special projects:				HIV/Aids campaigns	10	R46 358,97		Clean-up campaigns	7	R56 290,18		Recycling projects	3	R85 299,00		Fencing of Landfill site	1	R16 384,52		
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	Fencing of Landfill site	1	R16 384,52																																																
Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target																																																
Evaluation of food premises to ensure compliance to all relevant legislation	Succesfull implementation	80%	100%																																																
Take food samples to ensure compliance with legislation	Succesfull implementation	88%	100%																																																
Present and facilitate HIV/ AIDS awareness campaigns throughout the district	Succesfull implementation	83%	100%																																																
Implementation of recycling projects.	Succesfull implementation	50%	100%																																																
Implementation of clean-up campaigns	Succesfull implementation	100%	100%																																																
Fencing of landfill site at Koopmansfontein	Succesfull implementation	100%	100%																																																



Community Development

Function:	Administration
Sub Function:	Community Development

Reporting Level	Detail	Total	
Overview:	<p>The function of provision of various community and social services within the municipality is administered as follows and includes:</p> <p>The strategic objectives of this function are to: <i>Sub-Directorate Social Development and Environmental Health: (Community Development): This sub-directorate is responsible for ongoing liaisons with various stakeholders including the communities within the district. The function is responsible for interalia. Assisting communities to receive access government and private donor programmes (i.e access to Social Grants from Social Services, ID's and birth certificates from Home Affairs). Assisting in the creating of awareness around HIV/ AIDS and the distribution of promotional material</i></p> <p>The key issues for 2006/07 are: <i><List here></i></p> <p><i><Provide statistical information on (as a minimum):></i></p> <p>1 Number and cost to employer of all municipal staff employed: - Professional (Managerial/Specialist) - Field (Supervisory/Foremen) - Office (Clerical/Administrative) - Non-professional (blue collar, outside workforce) - Temporary Staff - Contract Staff</p> <p>Note: total number to be calculated on full-time equivalent (FTE) basis, providing detail of race and gender according to the breakdown described above. Total cost to include total salary package</p>		
Analysis of the Function:	<p>2</p>	2 none none none none none none	R 331,578 n/a n/a n/a n/a n/a n/a

Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
HIV/AIDS and related deceases	Successfully implemented	85%	100%
Community out reach programmes	sucessfully implemented	100%	100%
Community capacity building	sucessfully implemented	100%	100%
Participatory governance programme	Challenge: Failure to extend services to vulnerable communities in the DMA due to budgetary constraints	50%	100%
Community crime prevention and social security programmes	Successfully implemented crime prevention Awareness programmes.	100%	100%



Corporate Services

Reporting Level	Detail	Total	
Overview:			
Description of the Activity:	<p>The rendering of corporate services is an internally focused unit. These services ensure that the municipality and council function optimally. The sub-directorate consists of the following units:</p> <ul style="list-style-type: none"> Office Support (Rephotography, Cleaning and Archive services) Human Resources and Committee Services <p>The strategic objectives of this function are to: <i>To effectively and efficiently manage all administrative services vested in the department of administration</i></p> <p>The key issues for 2006/07 are: Development, completion and alignment of HR Policy as well as with relevant legislation. Submission of the Employment Equity Plan to DOL. Submission of the WSP to LGSETA. Implementation and monitoring of the PMS. All Statutory meetings held and payment obligations fulfilled.</p>		

Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
	The drafting of HR Policies and alignment with relevant legislation.	90%	100%
	Submission of the WSP to the LGSETA	100%	100%
	Submission of the Employment Equity report.	100%	100%
	Statutory obligations: successfully complied.	100%	100%
	Implementation of PMS as per councils policy: Successfully undertaken	100%	100%
	Percentage success in the issue of EAP advocacy programme	40%	100%
	Percentage success in the issue of EAP policy to officials (in a language of their preference).	20%	100%
	Percentage in success in convening in EAP advocacy programme.	40%	100%



Reporting Level	Detail	Total																													
Overview:																															
Description of the Activity:	<p>The function of IT/GIS within the municipality is administered as follows and includes:</p> <p>The strategic objectives of this function are to: <i>This services includes the provision of IT services to end-users in the municipality and the development of implementation of GIS functions for the district. The GIS section plans to extend its services to category B municipalities in collaboration with the provincial GIS section.</i></p> <p>The key issues for 2006/07 are: <i>Ensure the municipality has an effective and efficient IT system for storage, manipulation and dissemination of information.</i> <i>Percentage of requests for the updating, repair or maintenance of printer and hardware that could be attended to within three working days of the request.</i> <i>Success rate in retrieving the lost data</i> <i>Percentage progress made with the maintenance of the IT Network Layout Plan.</i> <i><Provide statistical information on (as a minimum):></i></p>																														
Analysis of the Function:	<table border="1"> <tr> <td>1</td> <td>Number and cost to employer of all municipal staff employed:</td> <td>4</td> <td>R 290, 385.20</td> </tr> <tr> <td></td> <td>- Professional (Managerial/Specialist)</td> <td>1</td> <td>R 144, 127.00</td> </tr> <tr> <td></td> <td>- Field (Supervisory/Foremen)</td> <td><i>none</i></td> <td></td> </tr> <tr> <td></td> <td>- Office (Clerical/Administrative)</td> <td><i>none</i></td> <td></td> </tr> <tr> <td></td> <td>- Non-professional (blue collar, outside workforce)</td> <td><i>none</i></td> <td></td> </tr> <tr> <td></td> <td>- Temporary Staff</td> <td>2</td> <td>R 24,240.00</td> </tr> <tr> <td></td> <td>- Contract Staff</td> <td>1</td> <td>R 122, 018.20</td> </tr> </table>	1	Number and cost to employer of all municipal staff employed:	4	R 290, 385.20		- Professional (Managerial/Specialist)	1	R 144, 127.00		- Field (Supervisory/Foremen)	<i>none</i>			- Office (Clerical/Administrative)	<i>none</i>			- Non-professional (blue collar, outside workforce)	<i>none</i>			- Temporary Staff	2	R 24,240.00		- Contract Staff	1	R 122, 018.20		
1	Number and cost to employer of all municipal staff employed:	4	R 290, 385.20																												
	- Professional (Managerial/Specialist)	1	R 144, 127.00																												
	- Field (Supervisory/Foremen)	<i>none</i>																													
	- Office (Clerical/Administrative)	<i>none</i>																													
	- Non-professional (blue collar, outside workforce)	<i>none</i>																													
	- Temporary Staff	2	R 24,240.00																												
	- Contract Staff	1	R 122, 018.20																												
	Note: total number to be calculated on full-time equivalent (FTE) basis, providing detail of race and gender according to the breakdown described above. Total cost to include total salary package																														

Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
IT Systems	Ensure the municipality has an effective and efficient IT system for storage, manipulation and dissemination of information.	100%	100%
	Percentage of requests for the updating, repair or maintenance of printer and hardware that could be attended to within two working days of the request.	60%	100%
	Success rate in retrieving the lost data.	100%	100%
	Percentage progress made with the maintenance of the IT Network Layout Plan.	80%	100%
	Review capacity needs for users.	Ongoing	Ongoing
	Percentage of database system set-up and maintenance for various FBDM users that did not bomb up or major adjustments during the measurement period (procurement, IT hardware and software infrastructure).	80%	100%
	Percentage of the required times that the FBDM's information has been safely backed-up with a 1 years recovery cycle.	100%	100%

Firefighting & Disaster Management

Function: Sub Function:	Administration Fire Fighting & Disaster Management	
Reporting Level	Detail	Total
Description of the Activity:	<p>The fire fighting and Disaster Management subdirectorates of the municipality are administered as follows and includes:</p> <p>The fire fighting and disaster Management Subdirectorate is responsible for: The implementation of the Disaster Management act (Act 57 of 2002); The development and updatement of the District Disaster Management Plans. The establishment of the District Disaster Management Centre and the Satellite Disaster Management centres within the Category "B". Training of volunteers in the handling of incidents of the identified risks. Fulfill the Disaster Management mandate in the Category "B" municipalities as they do not have the capacity. The implementation of the Veld and Forest fires Act (Act 100 of 98). Assist in the establishing of Fire Prevention Associations (FPA's) within the District. Capacitating of FPA's.</p>	<p>The strategic objectives of this function are to: To manage Fire fighting and Disaster Management services for the District</p> <p>The key issues for 2006/07 are: Implementation of the approved Disaster Management Plan Develop of a planning document for the Establishment of the District Disaster Veldfire fighting training for the emerging farmers in the District Establishment of FPA's in the District</p>



Firefighting & Disaster Management

Analysis of the Function:	
1 Number and cost to employer of all municipal staff employed:	R 769 270
- Professional (Managerial/Specialist)	1 R352 750
- Field (Supervisory/Foremen)	0
- Office (Clerical/Administrative)NEAR	5 R416 520
- Non-professional (blue collar, outside workforce)VOLUNTEERS	100 0
- Temporary Staff	0
- Contract Staff	0
Note: total number to be calculated on full-time equivalent (FTE) basis, providing detail of race and gender according to the breakdown described above. Total cost to include total salary package	
2 Number of call outs attended	
Emergency call outs:	
Veldfires:	
District Municipal Area	5
Dikgallong	4
Magareng	6
Phokwane	7
Structural fires:	
Dikgallong Dwelling	4
Phokwane Dwelling	2
Gaiforce winds (Damage to Structures):	
Dikgallong	1
Magareng	1
Note: the total number registered, based on call classification at municipality.	
3 Average response time to call outs	2 min
4 Total number of Disasters occurred:	0
Total number of incidents:	
Floods	0
Veldfires	23
Gaiforce winds (Damage to Structures):	
Warnings issued to prevent cholera from spreading	2
5 Total number and type of emergencies leading to a loss of life or Disaster	7
6 Type and number of grants and subsidies received:	0
NEAR grant, Fire Fighting grant	2
Note: Total value of specific public safety grants actually received during the year to be recorded over five quarters- April to June last year, Jul- Sept, Oct to Dec, Jan-Mar, Apr to Jun this year.	R 961 000
7 Total operating cost of Fire and Disaster function	R 1 543 159
Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance
Training of Fire prevention Associations in fire fighting techniques	Successfully Completed
Development of planning document for the establishing of the District Disaster management Centre.	Successfully Completed
Assistance in terms of disasters/ incidents in conjunction with municipalities	100% 100%
	100% 100%



Technical Services

Function:	Technical Services	
Reporting Level		Total
Overview:	Description of the Activity:	Detail
	<p>The following sub-directorates resort under Technical Services:</p> <ul style="list-style-type: none"> (1) Physical Infrastructure Development (2) MIG Project Management Units (PMU) (3) Roads Maintenance; and (4) Mechanical Support Service. <p>The Directorate Technical Services is managed as follows:</p> <p>The Sub-Directorate: Physical Infrastructure Development is responsible for the development of infrastructure in Category B Municipalities and the DMA. It also provides basic services to rural settlements in the DMA. Funds allocated for infrastructure development in the Category B Municipalities either from the MIG or PIG grants as well as own capital budget are channelled through this Sub Directorate. A total of R16 000 000 was allocated for infrastructure development. Most of these funds were spent on basic needs projects. Due to the lack of maintenance on Municipal infrastructure, a pilot site for operations and maintenance was established at District level. This pilot site is operated in co-operation with DWAF, DH&LG, DBSA and SIDA. In total an amount of R5 152 120 was spent on upgrading of infrastructure and training of personnel.</p> <p>The Project Management Unit was established in the 2005/06 financial year with the sole purpose of assisting municipalities with the implementation of Municipal Infrastructure Grant projects. The unit is responsible for managing MIG funding, co-ordination of projects, project feasibility studies and business plans, contract management, project management, monitoring and reporting and evaluation. The unit consist of a Technician, an Administrative Officer and a Community Liaison Officer. The PMU is funded through the MIG allocation of the District.</p> <p>The Roads Maintenance section is an agency function for the Provincial Department of Transport, Roads and Public Works. Proclaimed roads are maintained on behalf of the provincial department. The funding for this function has not kept pace with the growing demand and difficulties experience in the maintenance of the district roads.</p> <p>The Mechanical Support Function forms part of the roads agency. The primary aim is to offer mechanical support to the Roads Maintenance Section. Mechanical Support is also provided to the eastern region of the Provincial Roads Maintenance section. To a lesser degree, mechanical assistance is provided to the DM in terms of its own vehicle fleet.</p> <p>The municipality has a mandate on:</p> <ul style="list-style-type: none"> Service Delivery and eradication of backlog <p>The strategic objectives of this function are to:</p> <ul style="list-style-type: none"> • To effectively manage all administrative services vested in the Department of Technical Services. • To effectively manage the Roads Agency Function • To effectively manage Infrastructure development • To effectively implement National Key Performance Indicators <p>Key issues for 2006/07 are:</p> <ul style="list-style-type: none"> • Provide water and sanitation to targets set by National Government • Completion of business plans or project plans • Work within parameters of SLA with Department of Transport Roads and Public Works • Number of jobs created through the municipality's initiatives and capital projects 	



Technical Services

Analysis of the Function:				
1	Number and cost to employer of all municipal staff employed: - Senior Professional (Managerial/Specialist) - Field (Supervisory/Foremen) - Office (Clerical/Administrative) - Non-professional (blue collar, outside workforce) - Temporary Staff - Contract Staff	5 5 4 33 0 0	R 1,675,478 R 685,816 R 481,678 R 2,065,641 0 0	R 4,908,612.00
	Note: total number to be calculated on full-time equivalent (FTE) basis, providing detail of race and gender according to the breakdown described above. Total cost to include total salary package			
	Number of households with services, and type and cost of service: - Pit latrine with ventilation (Urine diversion systems) - Water provision (in house)	37 37	R 100.00 R 150.00	
	Anticipated expansion of services: - Electricity supply (house connections)	92	R 4,200,000.00	
	Free Basic Service Provision - Sanitation - Water provision (6 kl per household per month) - Electricity supply	37 37 37	0 9 15	
	Frances Baard District Municipality provides free basic services (water and sanitation) to RDP Standards to the communities residing in the DMA. Sol Plaatje, Magareng, Phokwane and Dikgatlong Municipality each provide sanitation to RDP standards while Magareng, Dikgatlong and Phokwane provide free basic water (6 kl) only to indigents. Sol Plaatje provides 12 kl to indigents. Of the 85 307 households in the district, 46 088 of these are registered indigents. In essence this indicates that 54% of the district is indigents.			

Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
Reduction of backlog in Basic Infrastructure	An amount of R12 132 232 was spent on eradicating backlogs. 1 037 erven were provided with water; 825 with electricity. R7 606 986 of this allocation were used to upgrade bulk services in water and sanitation to improve service delivery. The rest of the allocation of R16 000 0 were not spent because local authorities could not award tenders.		
Provide sustainable basic services in Koopmansfontein	Free Basic Services were provided to the Koopmansfontein community without any interruption during the year.		
Maintenance of municipal infrastructure in district	An amount of R2 239 560 from DWAF as well as R2 686 611 from own funds were spent on operation and maintenance activities in the local municipalities. A further R2 912 560 was committed to major O & M projects still to be completed. All applications for assistance with O & M were met.		
Road Agency function	Function was performed according to the signed service level agreement with the Department of Transport, Roads and Public Works. The function was done within the allocated budget. An amount of R224 961 was paid over to cover PR50 in monthly payments on time. All reporting were done to relevant authorities on time.		



GLOSSARY

DBSA	-	Development Bank of South Africa
DMA	-	District Management Area
DWAF	-	Department Water Affairs & Forestry
EAP	-	Employee Assistance Programme
EPWP	-	Expanded Public Works Project
FBDM	-	Frances Baard District Municipality
FPA	-	Fire Prevention Association
GIS	-	Geographic Information System
GRAP	-	Generally Recognised Accounting Practice
IDP	-	Integrated Development Plan
IGR	-	Inter-Governmental Relations
KPA	-	Key Performance Area
KPI	-	Key Performance Indicator
LED	-	Local Economic Development
LGSETA	-	Local Government Sector Education & Training Authority
MFMA	-	Municipal Finance Management Act
MIG	-	Municipal Infrastructure Grant
NEAR	-	National Emergency Alarm Radio System
O&M	-	Operation and Maintenance
PAYE	-	Pay As You Earn
PMS	-	Performance Management System
PMU	-	Project Management Unit
SDBIP	-	Service Delivery & Budget Implementation Plan
SDF	-	Spatial Development Framework
SIDA	-	Swedish International Development Agency
SITE	-	Standard Income Tax Employees
SLA	-	Service Level Agreement
WSP	-	Workplace Skills Plan



Contact Information

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Notes

