



Beaufort West Annual Report 2010/11

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EXECUTIVE MAYOR'S FOREWORD



In presenting this Annual Report of the Beaufort West Municipality, we will account for the work that was done from July 2010 until June 2011. This Annual Report will highlight our achievements and will reflect on the challenges facing our various and diverse communities.

In our quest to enhance the system of participatory Democracy, we are proud to report that ward committees are firmly established in order to give communities a direct say in the governance of their towns.

As we enter the new phase of Democracy, we firmly believe that we are still on course in executing the mandate that was given to us by the people to fight poverty and to create a better life for all. During our Integrated Development Plan (IDP) – Budget review process, we have started a public consultation process where communities identified key priorities, which were included in our strategic plan. Institutional arrangements have been geared towards realising these priorities. With gratitude and appreciation, we recognise the role of officials and councillors for their diligence and hard work.

I want to express my sincere appreciation to our taxpayers and residents who steadfastly adhered to paying their dues to the Municipality.

Let us work together to make Beaufort West Municipality truly a place of opportunity.

Truman Prince
Executive Mayor

MUNICIPAL MANAGER'S FOREWORD



The year under review was a busy one for the Beaufort West Municipality. The highlight was the Local Government Election that took place in May 2011 ushering a new council mandate to govern Beaufort West Municipality for the next five years.

The people residing in Beaufort West municipality need hope. They want local government to lead. Our people want government, business, labour and social organisations to work together to create a better economic future. Our people want to be energised so they can take initiative to improve their own lives and communities. People want action on jobs, growth and poverty.

The period under review challenged us to look for different answers and solutions. We have used our own resources, the equitable share and conditional grants to extend the provision of infrastructure.

The provision of infrastructure is becoming more difficult and costly. The revenue generation and collection from services provided by the municipality have not been optimal in order to enable reinvestment in operations and maintenance. The skills shortage or inappropriate recruitment of skills has been placing a huge pressure on our service delivery capacity.

There is an urgent need to focus on the governance and decision making and financial management to deal with budgeting, tariff setting, revenue collection, customer services, operations and maintenance planning and infrastructure asset management.

Due to good financial management and good internal control and accountability we were able to obtain an unqualified opinion from the Auditor General for the 5th financial year in a row. The relationship between financial management and financial viability remain a challenging factor and the focus on the next financial year will be on maintaining a balance between financial management and viability. The focus on financial viability will be on revenue enhancement including debt management.

This annual report outlines the details of the various programmes managed by the municipality and how we have performed towards meeting the specific annual targets we have set. We firmly believe that we have made significant progress towards achieving our strategic goals.

And as we rightly enjoy and take pride in this achievement, we know that we must extend the same extraordinary efforts to addressing our critical social and economic challenges:-

- We will be ambitious yet realistic,
- We will be bold yet pragmatic,
- We will be creative and inventive, yet we will build on sound, secure foundations.

We know the resources that we have at our disposal belong to the people. If we do not use these wisely and sensibly, our contract with the people is eroded.

We need to become an opportunity society because too many people remain trapped in a cycle of poverty, with few realistic prospects relying on state hand-outs to survive.

In an opportunity society, your path in life is not determined by the circumstances of your birth, but rather by your talents and your efforts. In an opportunity society, a child born in poverty should nevertheless be able to become a brain surgeon or a company CEO, provided he/she has the talent and puts in the effort required to succeed.

Beaufort West Municipality's success could widely be attributed to the contribution and harmonisation between the politicians and administration in ensuring that all systems flourish.

It is indeed an honour to present this report to you. Allow me to congratulate the devoted citizens, councillors, officials and all the stakeholders for their continuing support during the year.

In closing, I would like to sincerely express my gratitude to the dedicated employees of Beaufort West Municipality who continue to provide quality services to our residents. Without them, the achievements mentioned above could not have been accomplished. We are also very fortunate to have a much skilled and committed group of directors who are doing their best, under difficult circumstances, to help our workforce to optimise their output.

I must, however, acknowledge the Executive Mayor for his commitment to our vision of making Beaufort West a place of opportunity to all its citizens. I remain confident that if our municipality continues to work closely with all community partners and residents then the year 2010/11 will even be more successful than 2009/10.

Jaffie Booysen
Municipal Manager

CHAPTER 1

MUNICIPAL OVERVIEW



CHAPTER 1: INTRODUCTION AND MUNICIPAL OVERVIEW

1.1 MUNICIPAL OVERVIEW

This report addresses the performance of the Beaufort West Municipality in the Western Cape in respect of its core legislative obligations. Local government must create the participatory framework that defines and enhances the relationship between elected leaders and their communities. This requires that the council of the municipality provides regular and predictable reporting on programme performance and the general state of affairs in their locality.

The 2010/11 Annual Report reflects on the performance of the Beaufort West Municipality for the period 1 July 2010 to 30 June 2011. The Annual Report is prepared in terms of Section 121(1) of the Municipal Finance Management Act (MFMA), in terms of which the Municipality must prepare an Annual Report for each financial year.

1.1.1 VISION AND MISSION

The Beaufort West Municipality committed itself to the vision and mission of:

Vision:

“Beaufort West land of space in the Great Karoo aims to improve the lives of all its residence, including Merweville and Nelspoort by being a sustainable, expending and safe town”

Mission:

- ***To reflect the will of the South African people as reflected by the Constitution and Parliament***
 - ***An effective municipal system, maintained with the highest standards***
 - ***To create affordable and sustainable infrastructure for all residents and tourists***
 - ***Business initiatives and the optimisation of tourism (South African and foreign)***
- ***Empowerment of personnel, management and council members for effective service delivery***
 - ***Creating and maintaining an effective financial management system***
 - ***To develop the region as sport and recreational Mecca of the Karoo***
 - ***To create a crime free, safe and healthy environment***
- ***Facilitate economic development and job creation to reduce unemployment to acceptable levels***
 - ***To reduce poverty and to promote the empowerment of women***
 - ***To support government interventions relating to HIV/AIDS***

1.1.2 DEMOGRAPHIC INFORMATION

A) MUNICIPAL GEOGRAPHICAL INFORMATION

Beaufort West is the economic, political and administrative heart of the Central Karoo. Located about 460 km north east of Cape Town, the town was founded on the farm Hooivlakte in 1818. The municipal area covers 16 330.10 km² and include the areas of Beaufort West, Droërvier, Hillcrest, Letjiesbos, Merweville, Nelspoort, Renosterkop, Restvale, Rosedene, Wiegnaarspoort

Beaufort West was originally established as a service centre for rail- and road transport and to a lesser degree for rural agriculture. The historical reason for the town's existence is, however, the railways. It is reported that during the 1970's and 80's, 90% of the towns economically active people were employed by the railways. Even though both rail transport and agriculture are in decline in terms of economic opportunities, the town has managed to maintain a minimal level of growth due to the high volume of passing road traffic. The National Road from Cape Town to Johannesburg (N1) bisects the town, and is still responsible for generating a significant portion of the town's income. The town has all the features of a modern town: shopping centres, a magistrate's court, Internet Cafes, hotels, medical facilities, and restaurants and all the other amenities and services usually found in modern towns around the world.

Wards

The Municipality was structured into the following 7 Wards for the biggest part of the 2010/11 financial year:

WARD	AREAS
1	Hillside, Central Town, Hospital Hill, Noord Einde, and Murraysburg
2	Nelspoort, Hanekuil, Hospitaalheuwel and Noord Einde
3	Nieveldpark and part of Essopville
4	Part of Kwa Mandlenkosi and Die Lande
5	Rustdene, New Lands, New Town, Hooivlakte, Paddavlei and part of Kwa Mandlenkosi
6	Rustdene and Prince Valley
7	Hillside 2, Barrake, Scheurfontein, Tweeriviere, Klawersvlei and Merweville

Table 1: Municipal Wards

Below is a map of the Western Cape that indicates the location of the Municipality in the Central Karoo District area:

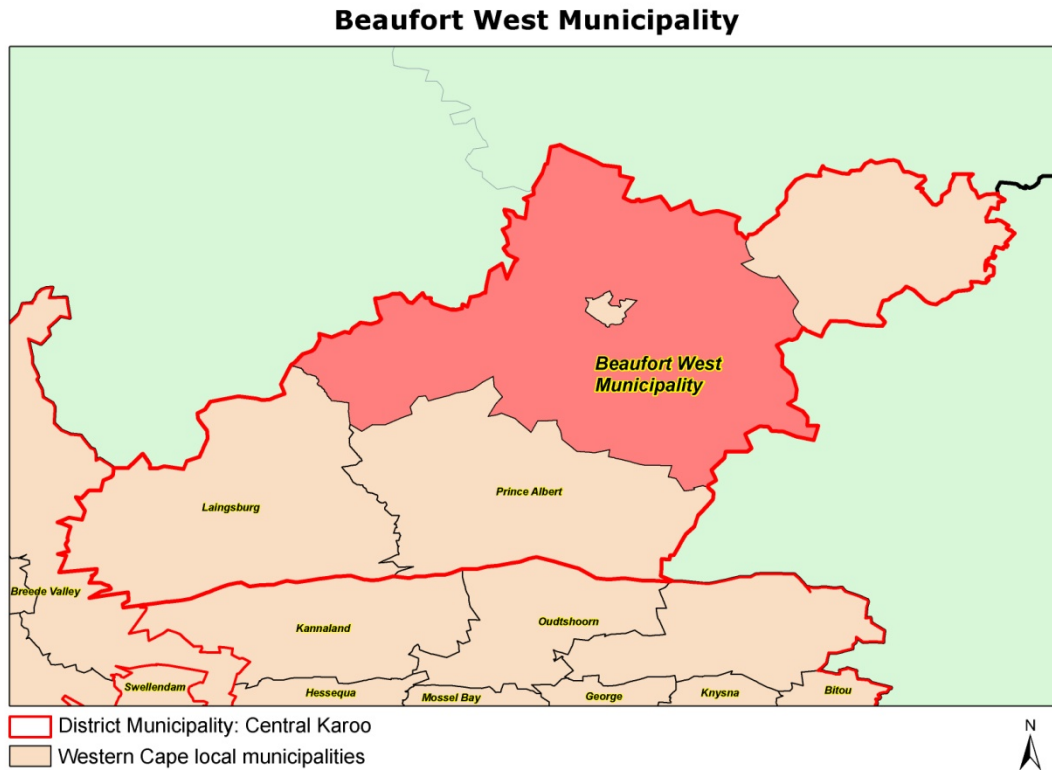


Figure 1: Western Cape Area map

There are a total number of 8 690 households in Beaufort West. 82.2% of the population live in urban areas with remaining 17,8% living in rural areas. Between 2001 and 2006 the Beaufort West population increased from 34 999 to 37 598, equal to an annual average of 1,4%. The provincial treasury projected in its socio economic profile (2006) that the population growth will slow down to 0,1 % between 2006 and 2010.

For Africans, the only year that showed migration into the area was in 2001, when 227 Africans migrated to the region. From 2002 onwards Africans recorded net out-migration. It is projected that Africans will continue to out migrate until 2025. On the other hand there has been a significant in-migration of coloureds (1 681) in 2001. It is also anticipated that in-migration of coloureds to Beaufort West will continue until 2016. For the white population grouping it is shown that, since 2001, they have been out-migrating from Beaufort West Municipality. This picture may change given the prospects of future economic development, uranium mining in particular.

B) POPULATION

The municipality is estimated to account for 65% or 37 101 of the Central Karoo District's population (56 323).

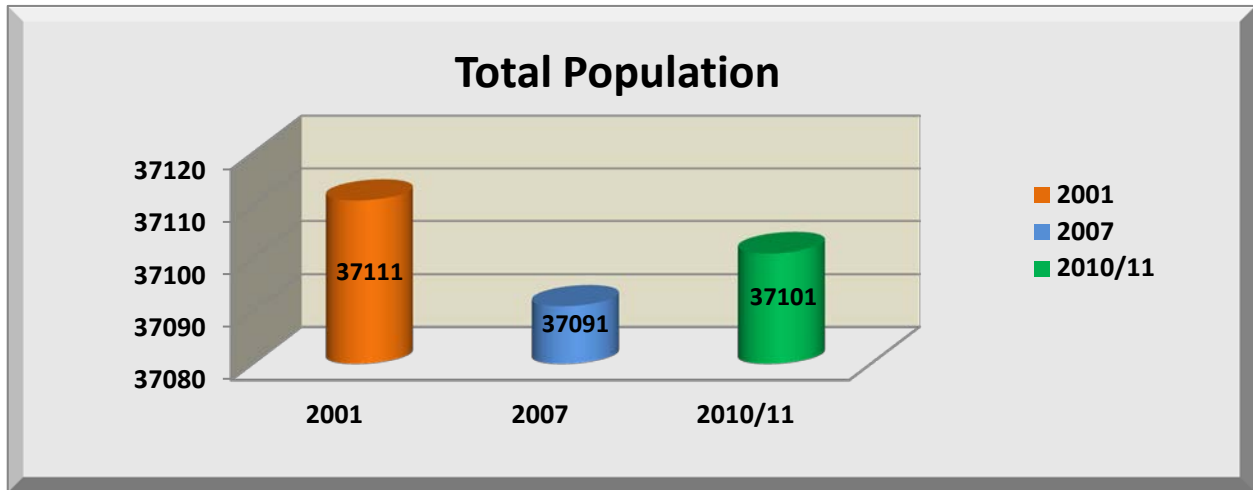
a) Total Population

The table below indicates the total population within the municipal area:

2001	2007	2010/11	Population Growth
37 111	37 091	37 101	0.001%

Table 2: Demographic Information of the municipal area – Total population

The graph below illustrate the yearly population growth for the municipal area.



Graph 1: Total Population Growth

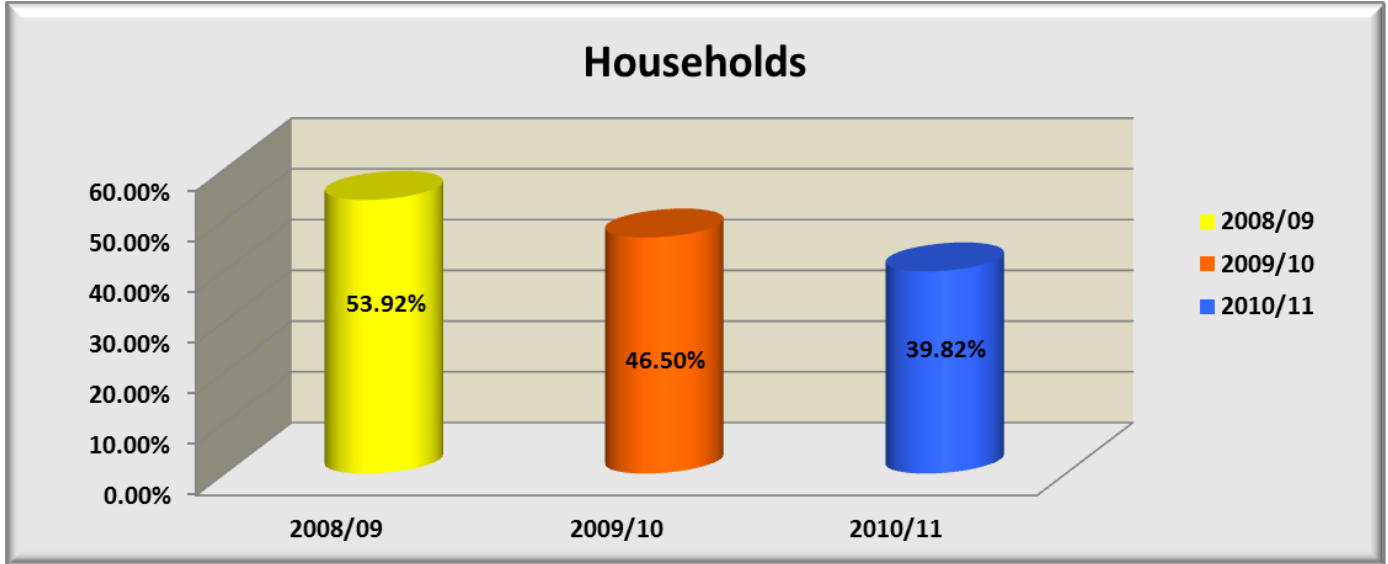
C) HOUSEHOLDS

The total number of households within the municipal area increased from 7 902 households in 2008/09 financial year to a total of 10 043 households in 2010/11 financial year. This indicates an increase of 1.27% in the total number of households within the municipal area over the two years.

Households	2008/09	2009/10	2010/11
Number of households in municipal area	7 902	8 690	10 043
Number of indigent households in municipal area	4 261	4 041	3 999

Table 3: Total number of households

The graph below shows that the total number of indigent households decreased from **53.92%** in 2008/09 to **39.82%** in the 2010/11 financial year. The indigent households show an annual decrease of **14.1%** over the two years.



Graph 2: Total % Indigent households within the municipal area

D) KEY ECONOMIC ACTIVITIES

Agriculture forms the backbone of Beaufort West economy and accounts for the largest labour to date. Despite the harsh climate and poor carrying capacity of the veldt, it still offers opportunities for growth and employment creation. The Municipality is dependent upon the following economic activities:

Key Economic Activities	Description
Agriculture and agri-processing	Fresh meat (mutton, game, Karoo lamb, ostrich, goat, beef)
	Processed meat (biltong, cold meats, "droë wors")
	Fresh fruit and vegetables (figs, olives, apricots, grapes, herbs)
	Processed fruit and vegetables (chutney, dried figs, olives, jams)
	Animal by-products (skins, hides, wool, mohair, milk)
	Processed animal by-products (leather products, dairy products, wool and mohair products)
	Other (traps for problem animals – manufacturing and servicing)
Transportation	The transportation sector in the Central Karoo is one of the strongest contributors to the regional economy and completely dominated by Beaufort West, which contributes 86.4% of the total GGP in this sector.
Tourism	Wide-open spaces, magnificent landscapes, panoramas and the sense of solitude attractions
	Historic and Cultural attractions

Table 4: Key Economic activities

1.1.3 SOCIO ECONOMIC INFORMATION

A) SOCIO ECONOMIC GROWTH

The socio-economic information for the municipal area is as follows:

Housing Backlog	Unemployment Rate	Households with No Income	People older than 14 years illiterate	HIV/AIDS Prevalence	Urban/rural household split
3 039	32%	7.10%	39.70%	32%	2.90

Table 5: Socio Economic Information

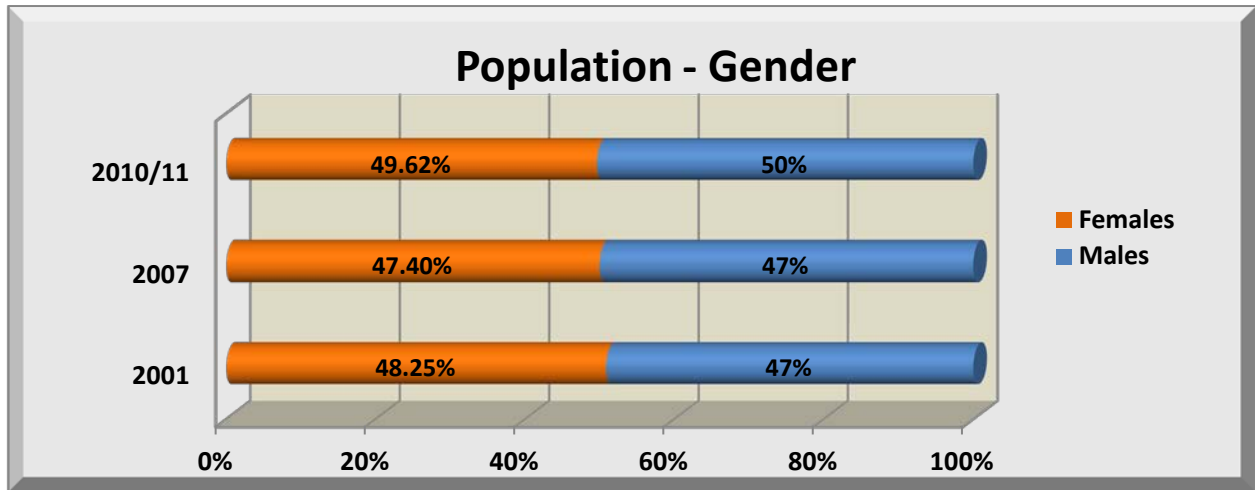
B) POPULATION BY GENDER

In 2001 the Beaufort West population showed that females represent 14 839 (50.85%) and males represent 14 343 (49.15%). In 2007 the population is closely balanced with 49.97% (19 371) representation of females and 50.33% (19 631) of males. This indicates that females had a growth rate of 23% whilst males had a growth rate of 27%.

Population - Gender	2001	2007	2010/11	Growth rate
Females	18 871	18 534	18 410	-0.007%
Males	18 240	18 557	18 691	1.007%
Total	37 111	37 091	37 101	1.0%

Table 6: Demographic Information of the municipal area – Gender

The following graph displays the female to male ratio.



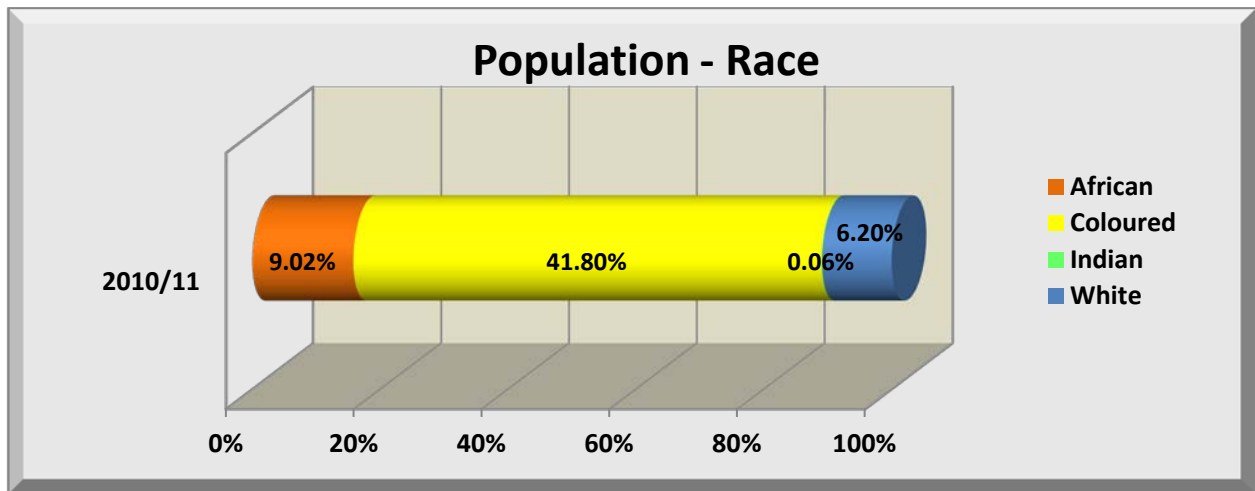
Graph 3: Gender Population

C) POPULATION BY RACE CATEGORIES

Population - Racial	2010/11
African	5 861
Coloured	27 168
Indian	42
White	4 030
TOTAL	37 101

Table 7: Demographic Information of the municipal area – Race categories

The graph below shows the population by race.



Graph 4: Population by race

1.1.4 MUNICIPAL CHALLENGES

The following general challenges are experienced by the municipality:

CHALLENGES	ACTIONS TO ADDRESS
Job creation and unemployment	Strengthening of EPWP and close relationship with NGO's, CBO's and business
Water shortage	Development of alternative and sustainable water resources
Deteriorating bulk infrastructure	Explore funding sources
Growing housing need (rural migration)	Integrate needs in housing plan
Extension of services (water & sanitation) to agriculture	Explore funding sources
Low revenue base	Attract business initiatives to Central Karoo
Development and employment of opportunities for the youth	Appointment of transformation officer and development of programmes with role players

Table 8: Municipal Challenges

CHAPTER 2

GOVERNANCE



CHAPTER 2: Governance

Good governance has 8 major characteristics. It is participatory, consensus oriented, accountable, transparent, responsive, effective and efficient, equitable and inclusive and follows the rule of law. It assures that corruption is minimized, the views of minorities are taken into account and that the voices of the most vulnerable in society are heard in decision-making. It is also responsive to the present and future needs of society.

After the election in May 2011 the ANC (7) has an outright majority and the opposition consists on the DA(5) and ICOSA (1).

2.1 NATIONAL KEY PERFORMANCE INDICATORS - GOOD GOVERNANCE AND PUBLIC PARTICIPATION

The following table indicates the municipality's performance in terms of the National Key Performance Indicators required in terms of the Local Government: Municipal Planning and the Performance Management Regulations 7146 2001 and section 43 of the MSA. This key performance indicator is linked to the National Key Performance Area - Good Governance and Public Participation.

KPA & INDICATORS	MUNICIPAL ACHIEVEMENT	MUNICIPAL ACHIEVEMENT	MUNICIPAL ACHIEVEMENT
	2008/09	2009/10	2010/11
The percentage of a municipality's capital budget actually spent on capital projects identified for a particular financial year in terms of the municipality's integrated development plan	64.0	68.8	82

Table 9: National KPIs - Good Governance and Public Participation Performance

2.2 PERFORMANCE HIGHLIGHTS - GOOD GOVERNANCE AND PUBLIC PARTICIPATION

Highlight	Description
Completion of ward based plans	To inform IDP review and budget
Improved functioning of the Audit Committee	Improved oversight
Appointment of internal auditor	Improvement and strengthening of internal controls
Functional ward committees	5 of the 7 wards met regularly and improve community participation
Finalization of anti-corruption strategy	Raised awareness internally and externally
Review of communication strategy	Improved communication

Table 10: Good Governance and Public Participation Performance Highlights

2.3 CHALLENGES - GOOD GOVERNANCE AND PUBLIC PARTICIPATION

Description	Actions to address
Stability within Council	Training

Table 11: Good Governance and Public Participation Challenges

2.4 GOVERNANCE STRUCTURE

2.4.1 POLITICAL GOVERNANCE STRUCTURE

The council performs both legislative and executive functions. They focus on legislative, oversight and participatory roles, and have delegated its executive function to the Executive Mayor and the Mayoral Committee. Their primary role is to debate issues publicly and to facilitate political debate and discussion. Apart from their functions as decision makers, Councillors are also actively involved in community work and the various social programmes in the municipal area.

A) COUNCIL

The Council comprises 13 elected Councillors before the Local Government elections in May 2011, made up from 7 Ward Councillors and 6 Proportional Representation (PR) Councillors. The portfolio committees are made up of councillors drawn from all political parties.

Below is a table that categorises the councillors within their specific political parties and wards before 18 May 2011:

Name of councillor	Capacity	Political Party	Ward representing or proportional	Meetings Attendance
Councillor J Jonas	Executive Mayor: 1 July 2011 till 29 August 2010 Speaker: 30 August 2010 till 10 February 2011 Councillor: 11 February 2011 till 18 May 2011	ANC	Ward 1	73.91%
Councillor S Nortje	Councillor	DA	Ward 2	100.0%
Councillor L Basson (Councillor from 21 July 2010)	Councillor	DA	Ward 3	82.60%
Councillor E Njadu	Councillor	ANC	Ward 4	69.56%
Councillor AD Willemse	Councillor	DA	Ward 5	95.56%

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Name of councillor	Capacity	Political Party	Ward representing or proportional	Meetings Attendance
Councillor A Daniels	Councillor: 1 July 2011 till 12 October 2011 Deputy Executive Mayor: 11 August 2010 till 1 February 2011 Executive Mayor: 2 February 2011 till 18 May 2011	ICOSA	Ward 6	100.0%
Councillor W Toto	Fulltime Councillor till 1 February 2011	ANC	Ward 7	86.95%
Alderman DJ September (Councillor from 5 October 2010)	Councillor	ANC	Proportional	65.21%
Councillor ACR Madumbo (Councillor from 11 August 2010)	Councillor	DA	Proportional	82.60%
Councillor W Joernaal (Councillor from 8 April 2011)	Councillor: 8 April 2011 till 11 April 2011 Executive Deputy Mayor: 12 April 2011 till 18 May 2011	ICOSA	Proportional	100.0%
Councillor G Jonas (Councillor from 19 January 2011)	Councillor: 19 January till 10 February 2011 Speaker: 11 February 2011 till 18 May 2011	ICOSA	Proportional	100.0%
Councillor V Lewis	Councillor: 1 July 2010 till 1 February 2011 Fulltime Councillor: 2 February 2011 till 18 May 2011	SDP	Proportional	65.21%
Alderman T Prince (Resigned on 10 January 2011)	Councillor: 1 July 2010 till 4 October 2010 Executive Deputy Mayor: 5 October 2010 till 10 January 2011	ICOSA	Proportional	83.33%
Councillor J van Wyk (Resigned on 4 April 2011)	Speaker: 1 July 2010 till 29 August 2010 Executive Mayor: 30 August 2010 till 4 April 2011	ICOSA	Proportional	82.60%
Councillor A J Lyon	Executive Deputy Mayor: 1 July till 10 August 2010 Councillor: 11 August 2010 till 18 May 2011	NPP	Proportional	73.91%
Councillor M Matunzi (Deceased on 7 September 2010)	Councillor	ANC	Proportional	66.66%

Table 12: Council until 18 May 2011

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Below is a table that categorised the councillors within their specific political parties and wards after 18 May 2011:

Name of councillor	Capacity	Political Party	Ward representing or proportional	Meetings Attendance
Councillor D Hugo (Deceased on 19 June 2011)	Deputy Executive Mayor	ANC	Ward 1	100.%
Councillor AM Slabbert	Councillor	DA	Ward 2	100.%
Councillor G de Vos	Councillor	ANC	Ward 3	100.%
Councillor SM Mostoane	Speaker	ANC	Ward 4	100.%
Councillor M Furmen	Councillor	ANC	Ward 5	80.00%
Councillor GP Adolph	Fulltime Councillor	ANC	Ward 6	100.%
Councillor J Bostander	Councillor	ANC	Ward 7	100.%
Alderman T Prince	Executive Mayor	ANC	Proportional	100.%
Councillor DE Welgemoed	Councillor	DA	Proportional	60.00%
Councillor G Murray (Appointed as Councillor on 21 June 2011)	Councillor	DA	Proportional	100.%
Councillor RA van der Linde (Appointed as Councillor on 21 June 2011)	Councillor	DA	Proportional	100.%
Councillor MDA de Klerk (Resigned on 31May 2011)	Councillor	DA	Proportional	100.%
Councillor PJ Sam (Resigned on 31May 2011)	Councillor	DA	Proportional	100.%

Table 13: Council after 18 May 2011

Below is a table which indicates the Council meetings attendance for the 2010/11 financial year:

Meeting dates	Council Meetings Attendance	Apologies for non-attendance
Council meeting - 09 September 2010	61.53%	30.76%
Council meeting - 05 October 2010	84.62%	15.38%
Council meeting - 30 November 2010	92.31%	7.69%
Council meeting - 09 December 2010	100.%	0%
Council meeting - 31 January 2011	92.31%	7.69%
Council meeting - 12 April 2011	76.92%	30.77%
Council meeting - 28 June 2011	100%	0%
Special Council meeting – 11 August 2010	91.67%	8.33%
Special Council meeting – 17 August 2010	76.92%	23.08%

Meeting dates	Council Meetings Attendance	Apologies for non-attendance
Special Council meeting – 30 August 2010	92.31%	7.69%
Special Council meeting – 27 September 2010	76.92%	23.08%
Special Council meeting – 15 October 2010	92.31%	7.69%
Special Council meeting – 15 November 2010	92.31%	7.69%
Special Council meeting – 13 December 2010	69.23%	30.76%
Special Council meeting – 20 December 2010	69.23%	30.76%
Special Council meeting – 19 January 2011	92.31%	7.69%
Special Council meeting – 02 February 2011	100.0%	0%
Special Council meeting – 12 February 2011	69.23%	30.76%
Special Council meeting –16 February 2011	92.31%	7.69%
Special Council meeting – 28 February 2011	100%	0%
Special Council meeting – 14 March 2011	92.31%	7.69%
Special Council meeting – 25 March 2011	76.92%	23.08%
Special Council meeting – 28 March 2011	69.23%	30.76%
Special Council meeting – 13 May 2011	69.23%	30.76%
28 June 2011	100%	0
Special Council meeting – 26 May 2011	100%	0%
Special Council meeting – 21 June 2011	100%	0%
Special Council meeting – 23 June 2011	58%	42.00%
Special Council meeting – 30 June 2011	83.3%	16.70%

Table 14: Council meetings

B) EXECUTIVE MAYORAL COMMITTEE

The Executive Mayor of the Municipality, Alderman T Prince, assisted by the Mayoral Committee, heads the executive arm of the Municipality. The Executive Mayor is at the centre of the system of governance, since executive powers are vested in him to manage the day-to-day affairs. This means that he has an overarching strategic and political responsibility. The key element of the executive model is that executive power is vested in the Executive Mayor, delegated by the Council, and as well as the powers assigned by legislation. Although accountable for the strategic direction and performance of the Municipality, the Executive Mayor operates in concert with the Mayoral Committee.

The name and portfolio of each Member of the Mayoral Committee for the period 1 July 2010 to 18 May 2011 is listed in the table below:

Name of member	Capacity
1 July 2010 to 10 August 2010	

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Name of member	Capacity
Councilor J Jonas	Executive Mayor
Councilor AJ Lyon	Deputy Executive Mayor
Councilor W Toto	Fulltime Councilor
11 August 2010 to 29 August 2010	
Councilor J Jonas	Executive Mayor
Councilor A Daniels	Deputy Executive Mayor
Councilor W Toto	Fulltime Councilor
30 August 2010 to 10 January 2011	
Councilor J van Wyk	Executive Mayor
Councilor T Prince	Deputy Executive Mayor
Councilor W Toto	Fulltime Councilor
11 January 2011 to 1 February 2011	
Councilor J van Wyk	Executive Mayor
Councilor A Daniels	Deputy Executive Mayor
Councilor W Toto	Fulltime Councilor
2 February 2011 to 03 April 2011	
Councilor J van Wyk	Executive Mayor
Councilor T Prince	Deputy Executive Mayor
Councilor V Lewis	Fulltime Councilor
4 April 2011 to 18 May 2011	
Councilor A Daniels	Executive Mayor
Councilor W Joernaal	Deputy Executive Mayor
Councilor V Lewis	Fulltime Councilor

Table 15: Executive Mayoral Committee until 18 May 2011

The name and portfolio of each Member of the Mayoral Committee for the period 18 May 2011 to 30 June 2011 is listed in the table below:

Name of member	Capacity
Alderman T Prince	Executive Mayor
Councilor D Hugo (deceased 19 th June 2011)	Executive Deputy Mayor
Councilor GP Adolph	Fulltime Councilor

Table 16: Executive Mayoral Committee after 18 May 2011

The table below indicates the dates of the Committee meetings and the number of reports submitted to Council for the 2010/11 financial year:

Meeting date	Number of reports submitted to council
23 September 2010	1 report (Council 05 October 2010)
20 June 2011	1 report (Council 28 June 2011)

Table 17: Committee Meetings

c) PORTFOLIO COMMITTEES

Section 80 committees are permanent committees that specialise in a specific functional area of the municipality and may in some instances make decisions on specific functional issues. They advise the executive committee on policy matters and make recommendations to Council. Section 79 committees are temporary and appointed by the executive committee as needed. They are usually set up to investigate a particular issue and do not have any decision making powers. Just like Section 80 committees they can also make recommendations to Council. Once their *ad hoc* task had been completed, Section 79 committees are usually disbanded. External experts, as well as Councillors can be included on Section 79 committees.

Please note that the name and functions of the committees have on numerous occasions been altered due to the change of council.

The portfolio committees for the 2006/11 Mayoral term and their Chairpersons are as follow:

a) Financial Services and Development Committee

Name of member	Capacity
Councilor J Jonas	Chairperson (Executive Mayor)
Councilor PS Botha	Ordinary member
Councilor AD Willemse	Ordinary member
Councilor M Matunzi	Ordinary member
05 October 2010 till 11 April 2011	
Councilor J van Wyk	Chairperson (Executive Mayor)
Councilor J Jonas	Ordinary member
Councilor ACR Madumbo	Ordinary member
Councilor V Lewis	Ordinary member
Councilor L Basson	Ordinary member
Alderman DJ September	Ordinary member
Councilor AD Willemse	Ordinary member

BEAUFORT WEST LOCAL MUNICIPALITY ANNUAL REPORT 2010/11

Name of member	Capacity
12 April 2011 till 18 May 2011	
Councilor A Daniels	Chairperson (Executive Mayor)
Councilor J Jonas	Ordinary member
Councilor ACR Madumbo	Ordinary member
Councilor V Lewis	Ordinary member
Councilor L Basson	Ordinary member
Alderman DJ September	Ordinary member
Councilor AD Willemse	Ordinary member

Table 18: Financial Services & Development Portfolio Committees

Meeting dates	Number of reports submitted to council
03 August 2010	7
08 October 2010	
07 September 2010	
02 November 2010	
01 February 2011	
13 April 2011	
07 June 2011	
03 August 2010	

Table 19: Financial Services & Development Portfolio Committee Meetings

b) Corporate Services and Social Development Committee

Name of member	Capacity
05 October 2010 till 11 April 2011	
Alderman T Prince	Chairperson
Councilor PS Botha	Ordinary member
Councilor A Maans	Ordinary member
Councilor EZ Njadu	Ordinary member
Councilor J van Wyk	Ordinary member
Councilor S Nortje	Ordinary member
12 April 2011 till 18 May 2011	
Councilor S Nortje	Chairperson
Councilor V Lewis	Ordinary member
Councilor L Basson	Ordinary member
Councilor EZ Njadu	Ordinary member

Name of member	Capacity
Councilor J van Wyk	Ordinary member
Alderman DJ September	Ordinary member
19 May 2011 currently	
Councilors SM Motsoane	Chairperson
Councilor GP Adolph	Ordinary member
Councilor J Bostander	Ordinary member
Councilor PJ Jacobs	Ordinary member
Councilor AD Willemse	Ordinary member
Councilor AM Slabbert	Ordinary member

Table 20: Corporate Services & Social Development Portfolio Committee

Meeting dates	Number of reports submitted to council
4 August 2010	6
8 September 2010	
3 November 2010	
2 February 2011	
14 April 2011	
09 June 2011	

Table 21: Corporate Services & Social Development Portfolio Committee Meetings

c) Human Resource Development Committee

Name of member	Capacity
01 Julie 2010 till 04 October 2010	
Councillor AJ Lyon	Chairperson
Councillor PS Botha	Ordinary member
Councillor S Nortjé	Ordinary member
Councillor M Matunzi	Ordinary member
05 October 2010 till 11 April 2011	
Councilor AJ Lyon	Chairperson
Councilor S Nortje	Ordinary member
Councilor M Matunzi	Ordinary member
Councilor PS Botha	Ordinary member
12 April 2011 till 18 May 2011	
Councilor S Nortje	Chairperson
Councilor V Lewis	Ordinary member

Name of member	Capacity
Councilor AJ Lyon	Ordinary member
Alderman DJ September	Ordinary member
19 May till 30 June 2011	
Councilor M Furmen	Chairperson
Councilor GP Adolph	Ordinary member
Councilor GT Murray	Ordinary member
Councilor AM Slabbert	Ordinary member

Table 22: Human Resource Development Portfolio Committee

Meeting dates	Number of reports submitted to council
07 October 2010	4
02 February 2011	
13 April 2011	
07 June 2011	

Table 23: Human Resource Development Portfolio Committee Meetings

- d) Municipal Services and Infrastructure Committee [Community Development Committee & Technical Services Committee)

Name of member	Capacity
01 Julie 2010 till 04 October 2011	
Councilor W Toto	Chairperson
Councilor J van Wyk	Ordinary member
Councilor A Daniels	Ordinary member
Councilor PS Botha	Ordinary member
Councilor EZ Njadu	Ordinary member
Councilor AD Willemse	Ordinary member
Alderman T Prince	Ordinary member
05 October 2010 till 11 April 2011	
Councilor W Toto	Chairperson
Councilor J van Wyk	Ordinary member
Councilor AD Willemse	Ordinary member
Councilor A Daniels	Ordinary member
Councilor V Lewis	Ordinary member
12 April 2011 till 18 May 2011	
Councilor AD Willemse	Chairperson
Councilor A Daniels	Ordinary member

Name of member	Capacity
Councilor W Toto	Ordinary member
Councilor EZ Njadu	Ordinary member
Councilor V Lewis	Ordinary member
19 May 2011 currently	
Councilor G de Vos	Chairperson
Alderman T Prince	Ordinary member
Councilor SM Motsoane	Ordinary member
Councilor PJ Jacobs	Ordinary member
Councilor DE Welgemoed	Ordinary member
Councilor AD Willemse	Ordinary member

Table 24: Municipal Services & Infrastructure Portfolio Committee

Meeting dates	Number of reports submitted to council
04 August 2010	6
08 September 2010	
07 October 2010	
03 November 2010	
02 February 2011	
14 April 2011	

Table 25: Municipal Services & Infrastructure Portfolio Committee Meetings

2.4.2 ADMINISTRATIVE GOVERNANCE STRUCTURE

The Municipal Manager is the Chief Accounting Officer of the Municipality. He is the head of the administration, and primarily has to serve as chief custodian of service delivery and implementation of political priorities. He is assisted by his direct reports, which constitutes the Management Team, whose structure is outlined in the table below:

Name of Official	Department	Performance agreement signed
		(Yes/No)
Mr J Booysen	Municipal Manager	Yes
Ms N Mfundisi	Director: Corporate Services	Yes
Mr D Louw	Director: Financial Services	Yes
Mr AC Makendlana	Director: Community Services	Yes
Mr JCL Smit	Director: Engineering Services	Yes
Mr RE van Staden	Director: Electro Technical Services	Yes

Table 26: Administrative Governance Structure

2.5 PUBLIC ACCOUNTABILITY

Section 16 of the Municipal Systems Act (MSA) refers specifically to the development of a culture of community participation within municipalities. It states that a municipality must develop a culture of municipal governance that complements formal representative government with a system of participatory governance. For this purpose it must encourage and create conditions for the local community to participate in the affairs of the community. Such participation is required in terms of:

- the preparation, implementation and review of the IDP;
- establishment, implementation and review of the performance management system;
- monitoring and review of the performance, including the outcomes and impact of such performance; and
- preparation of the municipal budget.

2.5.1 WARD COMMITTEES

The ward committees support the Ward Councillor who receives reports on development, participate in development planning processes, and facilitate wider community participation. To this end, the municipality constantly strives to ensure that all ward committees function optimally with community information provision; convening of meetings; ward planning; service delivery; IDP formulation and performance feedback to communities.

Ward 1: Hillside, Central Town, Hospital Hill, Noord Einde, and Murraysburg

Name of representative	Capacity representing	Dates of meetings held during the year
Mrs S Nortje	Ward Councillor	26 August 2010 21 October 2011 13 December 2011 10 February 2011
Mrs S Roman	Member of the public	
Mr N Nel	Farmers	
Mrs M Breda	Church & Hillside 2	
Mrs M Lottering	Youth	
Mrs H Bredenkamp	Member of the public	
Mr H De Ridder	Sport	
Mr B Byl	Stats South Africa	
Mrs M Harmse	Tourism & Business Sector	

Table 27: Ward 1 Committee Meetings

Ward 2: Nelspoort, Hanekuil, Hospitaalheuwel and Noord Einde

Name of representative	Capacity representing	Dates of meetings held during the year
Mrs J Jonas	Ward Councillor	24 November 2010 13 December 2010 20 January 2011
Mrs G Maans	School Governing Body & Education	
Mrs S Maya	Housing	
Mr J Mocke	GPF & Police	
Mr D Bostander	Youth	
Mr J Matroos	Member of the public	
Mr K Vorster	Farms	
Mrs M van Heerden	Karoo Bossie (Golden Games)	
Mrs J le Roux	Cancer Association	
Mrs S Rooi	Workers Forum	

Table 28: Ward 2 Committee Meetings

Ward 3: Nieveldpark and part of Essopville

Name of representative	Capacity representing	Dates of meetings held during the year
Mrs L Basson	Ward Councillor	0
Mrs L July	Sonstraaltjie Creche	
Mrs M Lottering	Youth	
Mr A Jonkers	Advice Office	
Mr R Bezuidenhout	Member of the public	
Mrs D Swarts	Member	
Mr C Swarts	Pastorale Bediening	
Mrs M Jantjies	Health	
Mr G Oersen	Sport & Recreation	
Mrs Y Robertson	Transnet Housing	

Table 29: Ward 3 Committee Meetings

Ward 4: Part of Kwa Mandlenkosi and Die Lande

Name of representative	Capacity representing	Dates of meetings held during the year
Mr EZ Njadu	Ward Councillor	2 September 2010
Mrs C Mankayi	Youth	
Mrs T Lambert	Women	
Mr S Nkanyezi	Sport	
Rev K Siwa	Religion	
Mr G du Plessis	Unemployed	
Mr B Solomon	Police	
Mr M Mpompo	Government	
Mrs M Ntuli	Traditional Healers	
Mrs J Diederipcks	Women	
Mr A September	Member of the public	

Table 30: Ward 4 Committee Meetings

Ward 5: Rustdene, New Lands, New Town, Hooyvlakte, Paddavlei and part of Kwa Mandlenkosi

Name of representative	Capacity representing	Dates of meetings held during the year
Mr AD Willemsse	Ward Councillor	19 August 2010
Mr G Cedras	Youth	
Mr J Faroa	Disabled	
Mrs K Bailey	Women	
Mr P Appies	Religion	
Mr D Koopman	Business	
Mrs S Lottering	Member of the public	
Mrs L Klaazen	Member of the public	
Mr W Joernaal	Sport	
Mr G Marray	Member of the public	

Table 31: Ward 5 Committee Meetings

Ward 6: Rustdene and Prince Valley

Name of representative	Capacity representing	Dates of meetings held during the year
Mrs A Daniels	Ward Councillor	0
Mrs CL Links	Member of the public	
Mr AM van Zyl	Unemployed	
Mrs J Louw	Women	
Mrs S Montzinger	Member of the public	
Mrs KM Hoorn	Member of the public	
Mr ED Jansen	Disabled	
Mrs R Linders	Youth	
Mrs EL Hendricks	Member of the public	

Table 32: Ward 6 Committee Meetings

Ward 7: Hillside 2, Barrake, Scheurfontein, Tweeriviere, Klawersvlei and Merweville

Name of representative	Capacity representing	Dates of meetings held during the year
Mr W Toto	Ward Councillor	23 November 2010 18 August 2010
Mr E Ngqandela	Business	
Mr G Petersen	Sport Forum	
Mrs Pumla Mbalo	Unemployed	
Mrs S Tsulelo	Traditional	
Mr L Stuurman	Small Farmers	
Mr N Siphon	Religion	
Mrs M Nontsikellelo	Police Forum	
Mrs B Khedama	Woman	

Table 33: Ward 7 Committee Meetings

2.5.2 FUNCTIONALITY OF WARD COMMITTEE

The purpose of a ward committee is:

- to get better participation from the community to inform council decisions;
- to make sure that there is more effective communication between the Council and the community; and
- to assist the ward councilor with consultation and report-backs to the community.

Ward committees should be elected by the community they serve. A ward committee may not have more than 10 members and women should be well represented. The ward councilor serves on the ward committee and act as the chairperson. Although ward committees have no formal powers, they advise the ward councilor who makes specific submissions directly to the council. These committees play a very important role in the development and annual revision of the integrated development plan of the area.

The table below provides information on the establishment of Ward Committees and their functionality:

Ward Number	Committee established (Yes / No)	Number meetings held during the year	Committee functioning effectively (Yes / No)	Actions to address
1	Yes	4	Yes	<ul style="list-style-type: none"> • Training and capacity building of all newly formed ward committees. • Communication campaign to inform the public of the role and functions of the ward committees.
2	Yes	3	Yes	
3	Yes	0	No	
4	Yes	1	Yes	
5	Yes	1	Yes	
6	Yes	0	No	
7	Yes	2	Yes	

Table 34: Functioning of Ward Committees

2.5.3 REPRESENTATIVE FORUMS

A) LABOUR FORUM

The table below specifies the members of the Labour forum for the 2010/11 financial year:

Name of representative	Capacity	Meeting dates
1 June 2010 to 18 May 2011		
Councilor PS Botha	Employer: Councilor	Six meetings scheduled of which none were held due to the constant non availability of several members
Councilor S Nortje	Employer: Councilor	
Councilor AJ Lyon	Employer: Councilor	
Councilor EZ Njadu	Employer: Councilor	
Mr J Booysen	Employer Municipal Manager	
Mr JCL Smit	Employer Director Engineering Services	
Mr H Maans	Labour: SAMWU	
Mr C McLeod	Labour: SAMWU	
Mr V Seyisi	Labour: SAMWU	
Me M Vlok	Labour: IMATU	
Mr A Hendricks	Labour: IMATU	

Name of representative	Capacity	Meeting dates
18 May 2011 to 30 June 2011		
Councilor GP Adolph	Employer: Councilor	No meetings of the Labour Forum were scheduled during this period
Councilor G de Vos	Employer: Councilor	
Councilor J Bostander	Employer: Councilor	
Mr J Booysen	Employer Municipal Manager	
Mr JCL Smit	Employer Director Engineering Services	
Mr H Maans	Labour: SAMWU	
Mr C McLeod	Labour: SAMWU	
Mr V Seyisi	Labour: SAMWU	
Me M Vlok	Labour: IMATU	
Me E Jonker	Labour: IMATU	

Table 35: Labour Forum

2.6 CORPORATE GOVERNANCE

Corporate governance is the set of processes, practices, policies, laws and stakeholders affecting the way an institution is directed, administered or controlled. Corporate governance also includes the relationships among the many stakeholders involved and the goals for which the institution is governed.

2.6.1 ANTI-CORRUPTION AND ANTI-FRAUD

Section 83(c) of the MSA refers to the implementation of effective bidding structures to minimize the possibility of fraud and corruption and the Municipal Finance Management Act (MFMA), section 112(1) (m)(i) identify supply chain measures to be enforced to combat fraud and corruption, favoritism and unfair and irregular practices. Section 115(1) of the MFMA states that the accounting officer must take steps to ensure mechanisms and separation of duties in a supply chain management system to minimize the likelihood of corruption and fraud.

A) DEVELOPED STRATEGIES

Name of strategy	Developed Yes/No	Date Adopted/Reviewed
Anti-corruption and Fraud Prevention strategy	Yes	November 2009

Table 36: Strategies

2.6.2 AUDIT COMMITTEE/S

Section 166(2) of the MFMA states that an audit committee is an independent advisory body which must - (a) advise the municipal council, the political office-bearers, the accounting officer and the management staff of the municipality, on matters relating to –

- internal financial control;
- risk management;
- performance Management; and
- effective Governance.

A) FUNCTIONS OF THE AUDIT COMMITTEE

The Council decided that the Audit Committee will also act as the Performance Committee.

The Audit Committee have the following main functions as prescribed in section 166 (2) (a-e) of the Municipal Finance Management Act, 2003 and the Local Government Municipal and Performance Management Regulation:

- To advise the Council on all matters related to compliance and effective governance.
- To review the annual financial statements to provide Council with an authoritative and credible view of the financial position of the municipality, its efficiency and its overall level of compliance with the MFMA, the annual DoRA and other applicable legislation.
- Respond to the council on any issues raised by the Auditor-General in the audit report.
- Carry out such investigations into the financial affairs of the municipality as council may request.
- To review the quarterly reports submitted to it by the internal audit.
- To evaluate audit reports pertaining to financial, administrative and technical systems.
- To evaluate the compliance to existing policies and relevant legislation.
- To review the performance management system and make recommendations in this regard to Council.
- To assess whether the performance indicators are sufficient.
- To determine possible reasons for discrepancies between performance and targets.
- To identify major risks to which Council is exposed and determine the extent to which risks have been minimized.
- To review the annual report of the municipality.

- Investigating cases of fraud, misbehaviour and conflict of interest involving employees.
- Review the plans of the Internal Audit function and in so doing; ensure that the plan addresses the high-risk areas and ensure that adequate resources are available.
- Review audit results and action plans implemented by management.
- Provide support to the Internal Audit function.
- Ensure that no restrictions or limitations are placed on the Internal Audit section.

B) MEMBERS OF THE AUDIT COMMITTEE

Name of representative	Capacity	Meeting dates
A Hooker	Chairperson	5 August 2010 14 October 2010 February 2011
KE McKay	Deputy Chairperson	
T Solomon	Member	
W Hawker	Member	

Table 37 Members of the Audit Committee

2.6.3 INTERNAL AUDITING

Section 165 (2) (a), (b)(iv) of the MFMA requires that:

The internal audit unit of a municipality must –

- (a) prepare a risk based audit plan and an internal audit program for each financial year; and
- (b) advise the accounting officer and report to the audit committee on the implementation on the internal audit plan and matters relating to:
- (c) risk and risk management.

The Municipality has an In-house Internal Audit function consisting of 1 auditor.

Annual Audit Plan

The Risk Based Audit Plan for 2010/11 was implemented. The table below provides detail on audits completed:

Description		No of days/ hours	Date completed	
Phase 1				
Revisiting current risk profile and priorities		30 days	March 2011	
Pro Audit Process Inputs		30 days	March 2011	
Phase 2				
Compiling Risk Based Audit Plan		14 days	15 July 2010	
Phase 3				
Audit Engagement	Departmental System	Detail	No of days/ hours	Date completed
Finance	Financial Services	Revenue: Water & Electricity	80 hours	To be finalized in 2011
		Asset Management	40 hours	To be finalized in 2011
		Ad-hoc audit of cash points	7 days	October &, November 2010 & 19 January 2011
		Ad-hoc audit telephone accounts	2 Days	19 August 2010 & 3 August 2011
		Annual Stock Take	10 hours	September & December 2010 & January 2011
		Stores & SCM	160 hours	August 2010
		Payroll-Deductions	48 hours	March 2011
		Policies and Procedures	-	Included in all audits
		Expenditure	64 hours	September 2010
		Budget Management	80 hours	October 2010
Corporate Services	HR	Human Resource Management	40 hours	To be finalized in 2011
		Risk Management	20 days	March 2011
Engineering Services	Fleet Management	Fleet cards	80 hours	July 2010
Performance Information	SDBIP Reports	Top Level Performance Report	-	January 2011
		Operational SDBIP Report	-	October 2010
Governance Review			48	February 2011

Table 38: Internal Audit Coverage Plan

Below are the functions of the Internal Audit Unit that was performed during the financial year under review:

Function	Date/Number
Risk analysis completed/reviewed	March 2011
Risk based audit plan approved for 2010/11 financial year	5 August 2010
Internal audit programme drafted and approved	5 August 2010
Number of audits conducted and reported on	46
Audit reports included the following key focus areas:	
Internal controls	Yes
Accounting procedures and practices	Yes
Risk and risk management	Yes
Performance management	Yes
Loss control	Yes
Compliance with the MFMA and other legislation	Yes

Table 39: Internal Audit Functions

2.6.4 AUDITOR GENERAL

Beaufort West Local Municipality was audited by the Auditor-General of South Africa in terms of section 188 of the Constitution and section 4 of the Public Audit Act and section 126 of the MFMA and the audit report for the financial year under review is in Annexure B of this report.

2.6.5 BY-LAWS AND POLICIES

Section 11 of the MSA gives municipal Councils the executive and legislative authority to pass and implement by-laws and policies.

Below is a list of all the by-laws developed and reviewed during the financial year:

By-laws developed/revised	Date adopted	Public Participation Conducted Prior to adoption of By-Laws (Yes/No)	Date of Publication
Rates Policy By-law	13 May 2011	Yes	17 June 2011

Table 40: By-laws

Below is a list of all the policies developed and reviewed during the financial year:

Policies developed/ revised	Date adopted	Public Participation Conducted Prior to adoption of policy (Yes/No)	Date of Publication
Rates Policy By-law	13 May 2011	Yes	17 June 2011

Table 41 Policies

2.6.6 COMMUNICATION

Local government has a legal obligation and a political responsibility to ensure regular and effective communication with the community. The Constitution of the Republic of South Africa Act 1996 and other statutory enactments all impose an obligation on local government communicators and require high levels of transparency, accountability, openness, participatory democracy and direct communication with the communities to improve the lives of all.

The communities, on the other hand, have a right and a responsibility to participate in local government affairs and decision-making and ample provision is made in the abovementioned legislation for them to exercise their right in this respect. Our democratic government is committed to the principle of *Batho Pele* and this, in simple terms, means that those we elect to represent us (councillors at the municipal level) and those who are employed to serve us (the municipal officials at municipal level) must always put people first in what they do.

South Africa has adopted a system of developmental local government, which addresses the inequalities, and backlogs of the past while ensuring that everyone has access to basic services, to opportunities and an improved quality of life.

To be successful, communications must focus on the issues that are shown to impact on the residents' perceptions, quality of service, value for money and efficiencies. They should ideally look to close the communication-consultation loop, i.e. tell people how they can have a say and demonstrate how those who have given their views have had a real impact.

Good customer care is clearly of fundamental importance to any organisation, and analysis here shows that local residents view the municipality's people relations in a negative light. A successful communication strategy therefore links the people to the municipality's programme for the year.

Below is a communication checklist of the compliance to the communication requirements:

Communication activities	Yes/No
Communication unit	No
Communication strategy	Yes
Communication Policy	No
Customer satisfaction surveys	No
Functional complaint management systems	Yes
Newsletters (monthly internal newsletters)	Yes

Table 42: Communication Activities

2.6.7 WEBSITES

A municipal website should be an integral part of a municipality's communication infrastructure and strategy. It serves as a tool for community participation, improves stakeholder involvement and facilitates stakeholder monitoring and evaluation of municipal performance. Section 75 of the MFMA requires that the municipalities place key documents and information on their website, including the IDP, the annual budget, adjustments budgets and budget related documents and policies.

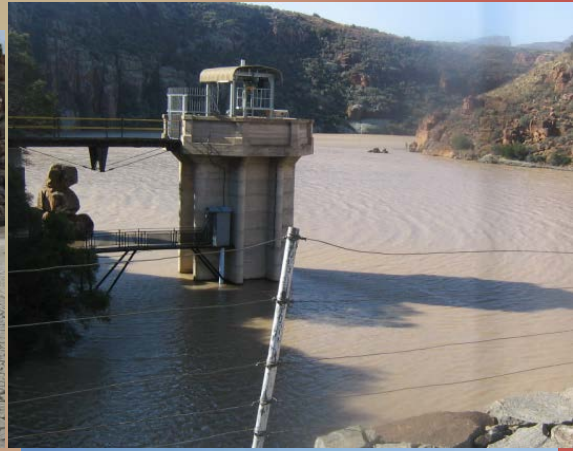
Below is a website checklist to indicate the compliance to Section 75 of the MFMA:

Documents published on the Municipal website	Date Published
Current annual and adjustments budgets and all budget-related documents	Yes
Budget implementation policy: Tariff policy	Yes
Budget implementation policy: Credit control policy	Yes
Budget implementation policy: Rates policy	Yes
Budget implementation policy: SCM policy	No
Annual report for 2010/11	Yes
Performance agreements required in terms of section 57 (1) (b) of the Municipal Systems Act for 2010/11	Yes
All service delivery agreements for 2010/11	No
All long-term borrowing contracts for 2010/11	No
All supply chain management contracts above the prescribed value for 2010/11	Yes
Information statement containing a list of assets over a prescribed that have been disposed of in terms of section 14 (2) or (4) of the MFMA during for 2010/11	Yes
Contracts agreed in 10/11 to which subsection (1) of section 33 of the MFMA apply, subject to subsection (3) of that section	n/a
Public-private partnership agreements referred to in section 120 of the MFMA made in 2010/11	n/a
All quarterly reports tabled in the council in terms of section 52 (d) of the MFMA during 2010/11	Yes

Table 43: Website Checklist

CHAPTER 3

ORGANISATIONAL DEVELOPMENT PERFORMANCE



CHAPTER 3: ORGANISATIONAL DEVELOPMENT PERFORMANCE

3.1 NATIONAL KEY PERFORMANCE INDICATORS – MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT

The following table indicates the municipality's performance in terms of the National Key Performance Indicators required in terms of the Local Government: Municipal Planning and the Performance Management Regulations of 2001 and section 43 of the MSA. These key performance indicators are linked to the National Key Performance Area – Municipal Transformation and Organisational Development.

KPA & INDICATORS	MUNICIPAL ACHIEVEMENT	MUNICIPAL ACHIEVEMENT	MUNICIPAL ACHIEVEMENT
	2008/09	2009/10	2010/11
The number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan	14	14	14
The percentage of a municipality's budget actually spent on implementing its workplace skills plan	3.10	1.10	0.06

Table 44: National KPIs– Municipal Transformation and Organisational Development

3.2 PERFORMANCE HIGHLIGHTS – MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT

Highlight	Description
39 Job Descriptions submitted for re-evaluation	37 Job Descriptions evaluated and audited

Table 45 Performance Highlights– Municipal Transformation and Organisational Development

3.3 CHALLENGES – MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT

Challenge	Actions to address
Successful re-evaluation of job descriptions received on a regular basis from the different departments	Submit duly completed and signed job descriptions for re-evaluation to TASK Evaluation Unit/Committee and TASK Audit Unit/Committee
Full functioning of Occupational Health & Safety Overhead Committee	Arrange OHSO Committee meetings every 3 months and submit to Council
Submit Employment Equity Report according to EE Plan to Department: Labour on 1 October of every year	Complete EE Report and submit to LLF at September meeting
Successful appointment of staff in vacancies within 3 months after closing date	To arrange Staff Appointment meetings for short listing / competency tests / interviews /appointments within 3 month

Challenge	Actions to address
	after closing date
Evaluation of staff after probation period	Diarize staff files six months from employment and request evaluation
Induction of new staff members	Arrange meetings with Municipal Manager and new staff members within two months after appointment for induction
LLF meeting	To arrange LLF meetings at least every 2 months

Table 46: Challenges – Municipal Transformation and Organisational Development

3.4 INTRODUCTION TO THE MUNICIPAL WORKFORCE

The Beaufort West Municipality currently employs 333 (excluding non permanent positions) officials, who individually and collectively contribute to the achievement of Municipality's objectives. The primary objective of Human Resource Management is to render an innovative HR service that addresses both skills development and an administrative function.

3.4.1 EMPLOYMENT EQUITY

The Employment Equity Act (1998) Chapter 3, Section 15 (1) states that affirmative action measures are measures designed to ensure that suitable qualified people from designated groups have equal employment opportunities and are equitably represented in all occupational categories and levels in the workforce of a designated employer. The national performance indicator also refers to: "Number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan"

A) EMPLOYMENT EQUITY TARGETS/ACTUAL

African			Coloured			Indian			White		
Target June	Actual June	Target reach	Target June	Actual June	Target reach	Target June	Actual June	Target reach	Target June	Actual June	Target reach
62	83	133.8%	288	222	77%	0	0	0	39	28	71.8%

Table 47: 2010/11 EE targets/Actual by racial classification

Male			Female			Disability		
Target June	Actual June	Target reach	Target June	Actual June	Target reach	Target June	Actual June	Target reach
150	246	164%	239	87	36%	4	4	100%

Table 48: 2010/11 EE targets/actual by gender classification

B) EMPLOYMENT EQUITY VS. POPULATION

Description	African	Coloured	Indian	White	Total
Population numbers	5 861	27 168	42	4 030	37 101
% Population	16%	73%	0%	11%	100%
Number for positions filled	83	222	0	28	333
% for Positions filled	25%	67%	0%	8%	100%

Table 49: EE population 2010/11

C) OCCUPATIONAL CATEGORIES - RACE

Below is a table that indicate the number of employees by race within the specific occupational categories:

Posts filled									
Occupational categories	Male				Female				Total
	A	C	I	W	A	C	I	W	
Legislators, senior officials and managers	1	5	0	5	1	1	0	1	14
Professionals	0	1	0	1	0	1	0	0	3
Technicians and associate professionals	0	3	0	0	0	0	0	0	3
Clerks	3	10	0	0	11	32	0	14	70
Service and sales workers	3	9	0	1	4	5	0	0	22
Craft and related trades workers	9	39	0	6	0	0	0	0	54
Plant and machine operators and assemblers	8	25	0	0	1	0	0	0	34
Elementary occupations	37	79	0	0	5	12	0	0	133
Total permanent	61	171	0	13	22	51	0	15	333
Non- permanent	0	7	0	2	3	9	0	1	22
Grand total	61	178	0	15	25	60	0	16	355

Table 50: Occupational Categories

D) OCCUPATIONAL LEVELS - RACE

The table below categories the number of employees by race within the occupational levels:

Occupational Levels	Male				Female				Total
	A	C	I	W	A	C	I	W	
Top Management	1	2	0	2	1	0	0	0	6
Senior management	0	4	0	5	0	0	0	1	10
Professionally qualified and experienced	0	2	0	1	0	4	0	0	7

Occupational Levels	Male				Female				Total
	A	C	I	W	A	C	I	W	
specialists and mid- management									
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	5	23	0	4	4	7	0	4	47
Semi-skilled and discretionary decision making	17	61	0	1	11	28	0	10	128
Unskilled and defined decision making	38	79	0	0	6	12	0	0	135
Total permanent	61	171	0	13	22	51	0	15	333
Non- permanent employees	0	7	0	2	3	9	0	1	22
Grand total	61	178	0	15	25	60	0	16	355

Table 51: Occupational Levels

E) DEPARTMENTS - RACE

The following table categorises the number of employees by race within the different departments:

Department	Male				Female				Total
	A	C	I	W	A	C	I	W	
Municipal Manager	1	3	0	2	1	1	0	1	9
Corporate Services	2	2	0	1	5	13	0	3	26
Financial Services	1	8	0	1	4	13	0	7	34
Community Services	14	39	0	1	9	12	0	1	76
Engineering Services	37	107	0	4	2	11	0	2	162
Electro-Technical Services	6	12	0	4	1	1	0	1	25
Total permanent	61	171	0	13	22	51	0	15	333
Non- permanent	0	7	0	2	3	9	0	1	22
Grand total	61	178	0	15	25	60	0	16	355

Table 52: Department - Race

3.4.2 VACANCY RATE

The approved organogram for the municipality had **392** posts for the 2010/11 financial year. The actual positions filled are indicated in the tables below by post level and by functional level. **59** Posts were vacant at the end of 2010/11, resulting in a vacancy rate of **15.05%**.

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Below is a table that indicates the vacancies within the municipality:

PER POST LEVEL		
Post level	Filled	Vacant
MM & MSA section 57 & 56	6	0
Middle management	15	4
Admin Officers	68	7
General Workers	244	45
Total	333	56
PER FUNCTIONAL LEVEL		
Functional area	Filled	Vacant
Municipal Manager	9	1
Corporate Services	27	2
Financial Services	34	4
Community Services	76	11
Engineering Services	162	33
Electro-Technical Services	25	6
Total	333	56

Table 53: Vacancy rate per post and functional level

The table below indicates the number of staff per level expressed as total positions and current vacancies expressed as full time staff equivalents:

Salary Level	Number of current critical vacancies	Number total posts as per organogram	Vacancy job title	Vacancies (as a proportion of total posts per category)
Municipal Manager	0	1	n/a	n/a
Chief Financial Officer	0	1	n/a	n/a
Other Section 57 Managers	0	4	n/a	n/a
Senior management	1	24	Manager: Housing	4.16%
Highly skilled supervision	1	19	Superintendent: Waste Management	5.26%
Total	2	49	n/a	n/a

Table 54: Vacancy rate per salary level

3.4.3 TURNOVER RATE

A high turnover may be costly to a municipality and might negatively affect productivity, service delivery and institutional memory/organizational knowledge. Below is a table that shows the turnover rate within the municipality. The turnover rate shows an increase from 21% in 2009/10 to 70% in 2010/11.

The table below indicates the turn-over rate over the last three years:

Financial year	Total no of posts filled	New appointments	No Terminations during the year	Turn-over Rate
2009/10	333	33	7	2.10%
2010/11	333	27	19	5.71%

Table 55: Turnover Rate

3.5 MANAGING THE MUNICIPAL WORKFORCE

Managing the municipal workforce refers to analyzing and coordinating employee behavior.

3.5.1 INJURIES

An occupational injury is a personal injury, disease or death resulting from an occupational accident. Compensation claims for such occupational injuries are calculated according to the seriousness of the injury/disease and can be costly to a municipality. Occupational injury will influence the loss of man hours and therefore financial and productivity performance.

The injury rate shows an increase for the 2010/11 financial year to 29 employees injured against 9 employees in the 2009/10 financial year.

The table below indicates the total number of injuries within the different directorates:

Directorates	2008/09	2009/10	2010/11
Municipal Manager	0	0	1
Corporate Services	0	0	1
Financial Services	1	0	1
Community Services	7	3	5
Engineering Services	18	6	18
Electro-Technical Services	2	0	3
Total	28	9	29

Table 56: Injuries

3.5.2 SICK LEAVE

The number of day's sick leave taken by employees has service delivery and cost implications. The monitoring of sick leave identifies certain patterns or trends. Once these patterns are identified, corrective action can be taken.

The total number of employees that have taken sick leave during the 2010/11 financial year shows an **increase** when comparing it with the 2009/10 financial year.

The table below indicates the total number sick leave days taken within the different directorates:

Department	2009/10	2010/11
Municipal Manager	37	21
Corporate Services	40	194
Financial Services	77	226
Community Services	350	847
Engineering Services	203	1 836
Electro-Technical Services	61	553
Total	728	3 677

Table 57: Sick Leave

3.5.3 HR POLICIES AND PLANS

Policies and plans provide guidance for fair and consistent staff treatment and a consistent approach to the managing of staff.

The table below shows the HR policies and plans that are approved and that still needs to be developed:

Approved policies	
Name of policy	Date approved/ revised
Employment Policy	2003
Internal Conditions of Service	2003
Sexual harassment	2007
Subsistence and Traveling	2007
Training & Development	2007
Language	2007
Support Staff	2007
Cell Phone	2007
Induction Training and Staff Orientation	2007
Internal control: Salaries and grants	2007
Study	2007
IT	2007

Name of policy	Date approved/ revised
HIV/AIDS	2007
Induction programme	2008
Recruitment and Selection	To be revised and approved in 2012 together with employment policy – combine documents
Employment Equity	To be revised and approved 2012
Incapacity / Ill-Health	To be revised and approved 2012
Substance Abuse	To be revised and approved 2012
Smoking Policy	To be revised and approved 2012
Overtime	To be revised and approved 2012
Retirement Planning	To be revised and approved 2012
Unauthorized Absence	To be revised and approved 2012
Uniform Protective Clothing	To be revised and approved 2012
Policies still to be developed	
Name of policy	Proposed date of approval
Vetting	March 2012

Table 58: HR policies and plans

3.5.4 EMPLOYEE PERFORMANCE REWARDS

In accordance with regulation 32, a performance bonus, based on affordability, may be paid to an employee, after -

- (1) the annual report for the financial year under review has been tabled and adopted by the municipal council;
- (2) an evaluation of performance in accordance with the provisions of regulation 23; and
- (3) approval of such evaluation by the municipal council as a reward for outstanding performance.

The evaluation of the performance of Section 57 managers forms the basis for rewarding outstanding performance.

The table below shows the total number of S57 that received performance rewards:

Race	Gender	Number of beneficiaries	Total number of employees received performance rewards	% Employees who received performance rewards
African	Female	1	1	100%
	Male	1	1	100%
Asian	Female	0	0	-
	Male	0	0	-
Coloured	Female	0	0	-
	Male	2	2	100%
White	Female	0	0	-
	Male	2	2	100%
Total		6	6	100%

Table 59: Performance Rewards

3.6 CAPACITATING THE MUNICIPAL WORKFORCE

Section 68(1) of the MSA states that municipality must develop its human resource capacity to a level that enables it to perform its functions and exercise its powers in an economical, effective, efficient and accountable way. For this purpose the human resource capacity of a municipality must comply with the Skills Development Act (SDA), 1998 (Act No. 81 of 1998), and the Skills Development Levies Act, 20 1999 (Act No. 28 of 1999).

3.6.1 SKILLS MATRIX

The table below indicates the number of employees that received training in the year under review:

Management level	Gender	Number of employees identified for training at start of the year	Number of Employees that received training
MM and S57	Female	1	1
	Male	5	5
Legislators, senior officials and managers	Female	1	1
	Male	12	12
Associate professionals and Technicians	Female	0	0
	Male	4	3
Professionals	Female	4	4
	Male	5	5
Clerks	Female	20	18

Management level	Gender	Number of employees identified for training at start of the year	Number of Employees that received training
	Male	10	8
Service and sales workers	Female	8	8
	Male	13	13
Craft and related trade workers	Female	0	0
	Male	13	13
Plant and machine operators and assemblers	Female	0	0
	Male	14	14
Elementary occupations	Female	6	6
	Male	200	50
Sub total	Female	40	38
	Male	276	123
Total		161	316

Table 60: Skills Matrix

3.6.2 SKILLS DEVELOPMENT – TRAINING PROVIDED

The Skills Development Act (1998) and the Municipal Systems Act, (2000), require employers to supply employees with the necessary training in order to develop its human resource capacity. Section 55(1)(f) states that as head of administration the Municipal Manager is responsible for the management, utilization and training of staff.

Occupational categories	Gender	Training provided within the reporting period						
		Learnerships		Skills programmes & other short courses		Total		
		Actual	Target	Actual	Target	Actual	Target	% Variance
MM and S57	Female	1	1	1	1	2	2	0
	Male	5	5	5	5	10	10	0
Legislators, senior officials and managers	Female	1	1	1	1	2	2	0
	Male	12	12	12	12	24	24	0
Professionals	Female	4	4	4	4	8	8	0
	Male	5	5	5	5	10	10	0
Technicians and associate professionals	Female	0	0	0	0	0	0	0
	Male	3	3	3	3	6	6	0

Occupational categories	Gender	Training provided within the reporting period						
		Learnerships		Skills programmes & other short courses		Total		
		Actual	Target	Actual	Target	Actual	Target	% Variance
Clerks	Female	20	20	20	20	40	40	0
	Male	12	12	12	12	24	24	0
Service and sales workers	Female	0	0	8	8	8	8	0
	Male	0	0	12	12	12	12	0
Craft and related trade workers	Female	0	0	0	0	0	0	0
	Male	0	0	13	13	13	13	0
Plant and machine operators and assemblers	Female	0	0	0	0	0	0	0
	Male	14	14	14	14	28	28	0
Elementary occupations	Female	6	6	6	6	12	12	0
	Male	25	25	92	92	117	117	0
Sub total	Female	32	32	40	40	143	143	0
	Male	76	76	168	168	244	244	0
Total		108	108	208	208	387	387	0

Table 61 Skills Development

3.6.3 SKILLS DEVELOPMENT - BUDGET ALLOCATION

The table below indicates that a total amount of R200 251 was allocated to the workplace skills plan and that 173.5% of the total amount was spending in the 2010/11 financial year:

Total personnel budget	Total Allocated	Total Spend	% Spend
48 184 662	200 251	347 542	173.5

Table 62: Budget allocated and spent for skills development

3.7 MANAGING THE MUNICIPAL WORKFORCE EXPENDITURE

Section 66 of the MSA states that the accounting officer of a municipality must report to the Council on all expenditure incurred by the municipality on staff salaries, wages, allowances and benefits. This is in line with the requirements of the Public Service Regulations, (2002), as well as National Treasury Budget and Reporting Regulations SA22 and SA23.

3.7.1 PERSONNEL EXPENDITURE

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The percentage personnel expenditure is essential in the budgeting process as it reflects on current and future efficiency. The table below indicates the percentage of the municipal budget that was spent on salaries and allowance for the past three financial years and that the municipality is well within the national norm of between 35 to 40%:

Financial year	Total Expenditure salary and allowances	Total Operating Expenditure	Percentage
	R'000	R'000	%
2008/09	34 646	140 431	25
2009/10	40 693	139 470	29
2010/11	48 179	173 827	28

Table 63: Personnel Expenditure

Below is a summary of Councilor and staff benefits for the year under review:

Financial year	2008/9	2009/10	2010/11		
Description	Actual	Actual	Original Budget	Adjusted Budget	Actual
	R	R	R	R	R
<u>Councillors (Political Office Bearers plus Other)</u>					
Salary	2 175 269	2 295 404	2 522 294	2 522 294	2 537 452
Pension Contributions	153 165	122 312	132 096	132 096	74 972
Medical Aid Contributions	12 654	17 721	18 060	18 060	3 076
Motor vehicle allowance	576 663	664 408	722 615	722 615	548 174
Cell phone allowance	143 624	182 034	180 000	180 000	180 041
Housing allowance	0	0	0	0	0
Other benefits or allowances	0	0	0	0	0
In-kind benefits	0	0	0	0	0
Sub Total	3 061 375	3 281 879	3 575 065	3 575 065	3 343 715
% increase-	-	7	9	-	(6)
<u>Senior Managers of the Municipality</u>					
Pension Contributions	2 068 509	2 675 765	2 813 739	2 813 739	2 773 628
Pension Contributions	367 905	457 394	518 253	518 253	555 689
Medical Aid Contributions	38 980	46 226	48 888	48 888	46 370
Motor vehicle allowance	484 122	501 118	504 000	504 000	436 234
Cell phone allowance	40 500	42 000	42 000	42 000	40 000
Housing allowance	0	0	0	0	0
Performance Bonus	240 936	213 517	407 264	407 264	419 536
Other benefits or allowances	0	0	0	0	0

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Financial year	2008/9	2009/10	2010/11		
Description	Actual	Actual	Original Budget	Adjusted Budget	Actual
	R	R	R	R	R
In-kind benefits	0	0	0	0	0
Sub Total	3 240 952	3 936 020	4 334 144	4 334 144	4 271 457
% increase	-	21	10	-	(1.4)
Other Municipal Staff					
Basic Salaries and Wages	20 652 210	24 680 387	32 867 699	30 481 004	29 440 459
Pension Contributions	4 245 570	4 134 531	5 306 187	4 679 025	4 558 321
Medical Aid Contributions	686 429	768 966	1 603 988	1 512 362	825 802
Motor vehicle allowance	531 964	472 939	480 098	427 661	562 654
Cell phone allowance	0	0	0	0	0
Housing allowance	328 496	245 478	239 006	224 616	211 088
Overtime	2 160 623	2 893 830	2 156 000	3 711 700	3 184 669
Other benefits or allowances	2 799 904	3 560 472	3 000 951	2 814 150	5 124 788
Sub Total	31 405 196	36 756 603	45 653 929	43 850 518	43 907 781
% increase	-	17	24	(4)	0
Total Municipality	37 707 523	43 974 502	53 563 138	51 759 727	51 522 953
% increase	-	17	22	(3)	0

Table 64: Personnel Expenditure

CHAPTER 4

STRATEGIC PERFORMANCE



CHAPTER 4: STRATEGIC PERFORMANCE

This chapter will provide information on the strategic performance of the municipality and will indicate how well the municipality is meeting its objectives and which policies and processes are working. All government institutions must report on strategic performance to ensure that service delivery is efficient, effective and economical. Municipalities must develop strategic plans and allocate resources for the implementation. The implementation must be monitored on an ongoing basis and the results must be reported on during the financial year to various role-players to enable them to timeously implement corrective measures where required.

This chapter speaks to the strategic performance highlights in terms of the Municipality's IDP, performance on basic service delivery and backlogs addressed the MIG projects as well as the spending priorities for the following year. It addresses the communication and public participation processes of the Municipality to give a holistic view of how the Municipality communicates performance to its stakeholders.

The Municipal Systems Act, 2000 (Act 32 of 2000) and the Local Government: Municipal Planning and the Performance Management Regulations 2001 require municipalities to adopt a performance management system. Once the IDP and budget have been prepared and approved, the Municipality prepared their Service Delivery and Budget Implementation Plan (SDBIP) in accordance with the MFMA and MFMA Circular 13. The SDBIP indicates monthly performance targets, financial performance targets and assigns responsibility to execute the respective performance targets. The Municipality assessed its performance on a monthly basis and reported progress on performance against targets set to Council quarterly and ultimately presents the annual performance results in this annual report.

4.1 NATIONAL KEY PERFORMANCE INDICATORS – BASIC SERVICE DELIVERY AND LOCAL ECONOMIC DEVELOPMENT

The following table indicates the municipality's performance in terms of the National Key Performance Indicators required in terms of the Local Government: Municipal Planning and the Performance Management Regulations of 2001 and section 43 of the MSA. These key performance indicators are linked to the following two National Key Performance Areas: Basic Service Delivery and Local Economic Development.

KPA & INDICATORS	MUNICIPAL ACHIEVEMENT	MUNICIPAL ACHIEVEMENT	MUNICIPAL ACHIEVEMENT
	2008/09	2009/10	2010/11
<u>Basic Service Delivery</u>			
The percentage of households earning less than R1100 per month with access to free basic services	100	100	100
The percentage of households with access to basic level of water	100	100	100
The percentage of households with access to basic level of sanitation	100	100	100

KPA & INDICATORS	MUNICIPAL ACHIEVEMENT	MUNICIPAL ACHIEVEMENT	MUNICIPAL ACHIEVEMENT
	2008/09	2009/10	2010/11
The percentage of households with access to basic level of electricity	100	100	100
The percentage of households with access to basic level of solid waste removal	100	100	100
Local economic development			
The number of jobs created through municipality's local economic development initiatives including capital projects	943	1 260	1 560

Table 65: National KPIs – Basic Service Delivery and Local Economic Development

4.2 GENERAL PRIORITY AREAS

The following table indicates the specific areas in which challenges are experienced by the municipality. They are categorised in general priority areas that are aligned with the National Key Performance areas.

National Key Performance Area	Priority Area	Challenges	Actions to address
Municipal Transformation and Institutional Development	Skills shortage due to financial constrains	Financial constraints	Introduction of scarce skills allowances
	Training of personnel	Cost implication (Subsistence costs)	Utilization of alternative training techniques
	Organizational design	Alignment of skills with job function	Review of organization structure and initiate Section 78 investigation
Municipal Financial Viability and Management	Unemployment and poverty	Low economic growth	Develop infrastructure and promote LED
	Tax base	Limited potential for revenue	Stimulate economic growth
	Reporting and Compliance	Lack of capacity	Skills training and appointment of staff
Good Governance and Public Participation	Training & development of councillors	Understanding of the role and functions of council	Training programmes through SALGA and Provincial Department Local Government
	Ward committees	Functionally of ward committees	Training of ward committee members

Table 66: General priority areas

4.3 STRATEGIC SERVICE DELIVERY BUDGET IMPLEMENTATION PLAN (TOP LEVEL)

The purpose of strategic performance reporting is to report specifically on the implementation and achievement of IDP outcomes. This section should provide an overview on the strategic achievement of a municipality in terms of the strategic intent and deliverables achieved as stated in the IDP. The top layer SDBIP is the municipality's strategic scorecard and shows the strategic alignment between the different documents. (IDP, Budget and Performance Agreements). The municipality compiled a top layer SDBIP for the first time in the 2010/11 financial year.

In the paragraphs below the performance achieved is illustrated against the top layer SDBIP according to the 5 National Key Performance Areas linked to the Municipal Key Performance Areas and IDP (strategic) Objectives.

The following figure illustrates the method in which the strategic service delivery budget implementation plan is measured:







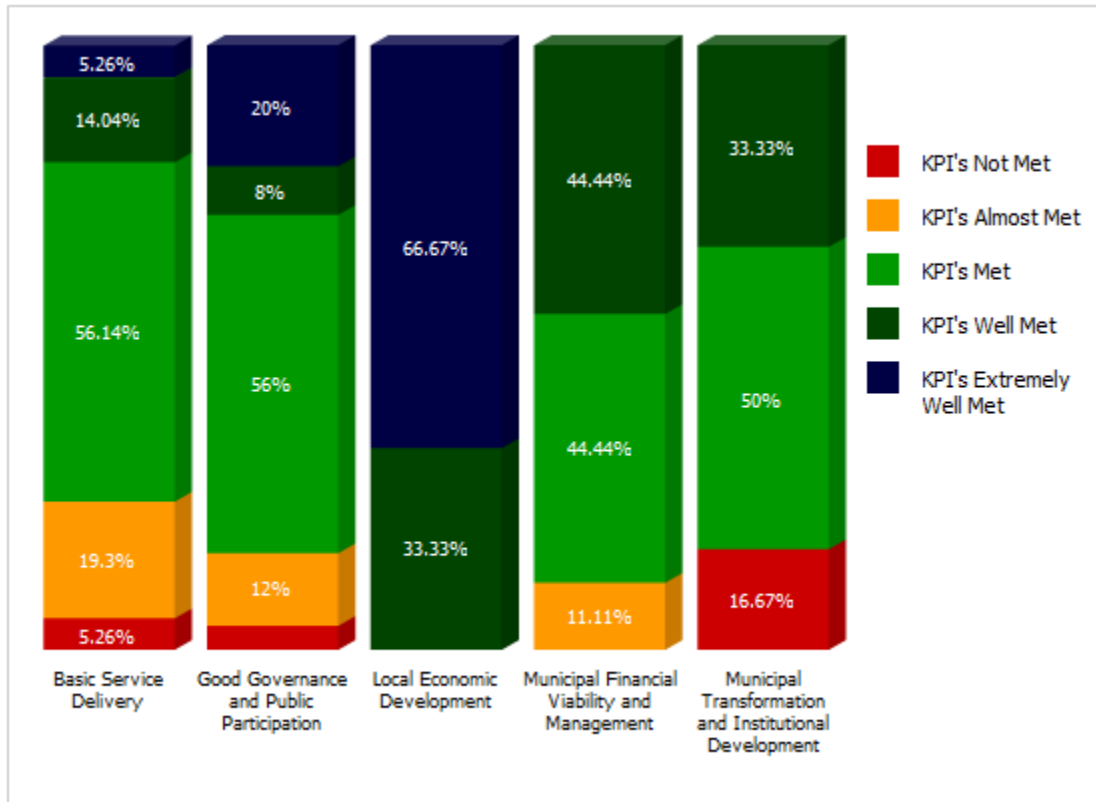
Category	Color	Explanation
KPI's Not Yet Measured		KPIs with no targets or actuals in the selected period.
KPI's Not Met		0% >= Actual/Target < 75%
KPI's Almost Met		75% >= Actual/Target < 100%
KPI's Met		Actual/Target = 100%
KPI's Well Met		100% > Actual/Target < 150%
KPI's Extremely Well Met		Actual/Target >= 150%

Figure 2: SDBIP measurement categories

The graph below displays the performance per National Key Performance Areas:



Graph 5: Performance per National Key Performance Area

4.3.1 TOP LEVEL SDBIP - GOOD GOVERNANCE AND PUBLIC PARTICIPATION

The National Key Performance Area Good Governance and Public Participation are linked to the Municipal Key Performance Area namely, "*Good Governance and Public Participation*". The municipal objectives that are linked to Good Governance and Public Participation are:

- "*Ensure adoption and implementation of IDP*".
- "*Improved administrative processes*".
- "*Improved financial viability and sustainability*".
- "*Provision of democratic and accountable governance*".
- "*Strengthening of oversight structures*".
- "*Strengthening of public participation structures*".

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KPI name	Unit of Measurement	Ward	Baseline	Actual 2009/10	Performance 2010/11		Performance Comment	Corrective measures
					Target	Actual		
Develop 3rd generation IDP	IDP approved by May 2011	All	100%	New KPI	100%	100%	n/a	n/a
IDP to include all required sectoral plans	No of required sectoral plans included	All	5	New KPI	7	4	Insufficient funds to compile	Will include in future years if sufficient funds are available
Annual performance reporting	Annual report and oversight report of council submitted before legislative deadline	All	100%	New KPI	100%	100%	n/a	n/a
Institutional Performance management system in place	Individual performance management system implemented to at least first level of reporting	All	70%	New KPI	80%	60%	Still in process	Being implemented with a phased approach
Institutional Performance management system in place	No of performance agreements signed on time s57	All	6	New KPI	6	10	n/a	n/a
Approval of adjustments budget	Approval of adjustments budget before legislative deadline	All	end February 2011	New KPI	100%	100%	n/a	n/a
Approval of Main budget	Approval of Main budget before legislative deadline	All	end May 2011	New KPI	100%	100%	n/a	n/a
Approval of SDBIP	Approval of SDBIP before legislative deadline	All	end June 2011	New KPI	100%	100%	n/a	n/a
Effective functioning of committee system	No of Section 79 committee meetings per committee per annum	All	4	New KPI	4	17	n/a	n/a
Effective functioning of council	No of council meetings	All	4	New KPI	4	43	n/a	n/a

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KPI name	Unit of Measurement	Ward	Baseline	Actual 2009/10	Performance 2010/11		Performance Comment	Corrective measures
					Target	Actual		
Municipality complying with all relevant legislation	0 findings in the report of the Auditor-General	All	70%	New KPI	75%	100%	n/a	n/a
Functional Audit Committee	No of meetings of Audit Committee	All	3	New KPI	4	4	n/a	n/a
Functional Internal Audit unit	Ongoing implementation of Risk based audit plan by June 2011	All	100%	New KPI	100%	85%	Still in process, limited capacity	In process
Effective functioning of ward committees	No of ward committee meetings per ward per annum	All	6	New KPI	6	13	n/a	n/a
Improved good governance	% Implementation of anti-corruption policy	All	75%	New KPI	80%	80%	n/a	n/a
Spatial development plan aligned with PSDF and PGDS	% of gaps identified by province	All	0	New KPI	0	75	n/a	n/a
IDP endorsed by all wards	No of ward committees endorsing IDP	All	8	New KPI	8	8	n/a	n/a
Risk Management Plan	Development of a Risk Management Plan	All	0	New KPI	100%	95%	Still in process, limited capacity	In process
Effective communication with communities	Review of communication strategy	All	100%	New KPI	100%	100%	n/a	n/a
IDP endorsed by community organisations and stakeholders as local social compacts	% of community organisations and stakeholders endorsing IDP	All	100%	New KPI	100%	100%	n/a	n/a
Strengthen role of communities	No of ward based development	All	4	New KPI	4	4	n/a	n/a

KPI name	Unit of Measurement	Ward	Baseline	Actual 2009/10	Performance 2010/11		Performance Comment	Corrective measures
					Target	Actual		
	plans completed							
MFMA Section 71 Reporting	% reporting	All	100%	New KPI	100%	100%	n/a	n/a
Reporting on conditional grant spending - capital	% of total conditional capital grants spent as planned per quarter	All	100%	New KPI	100%	100%	n/a	n/a
Reporting on conditional grant spending - operational	% of total conditional operational grants spent as planned per quarter	All	100%	New KPI	100%	100%	n/a	n/a
Creation of effective capacity	% vacancy rate (funded posts)	All	16%	New KPI	14.00%	7.50%	n/a	n/a

Table 67: Top Level SDBIP – Good Governance and Public Participation

4.3.2 TOP LEVEL SDBIP - MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT

The National Key Performance Area Municipal Transformation and Institutional Development are linked to the Municipal Key Performance Area namely, “*Institutional Development*”. The municipal objectives that are linked to Municipal Transformation and Institutional Development is:

- “*Improved administrative processes*”.

KPI name	Unit of Measurement	Ward	Baseline	Actual 2009/10	Performance 2010/11		Performance Comment	Corrective measures
					Target	Actual		
Effective and up to date By-laws	No of by-laws updated as requested by Directors and approved by Council	All	0	New KPI	3	1	Only one needed to be amended	n/a
Effective labour relations	No of meetings of the LLF	All	6	New KPI	6	7	n/a	n/a
Review & implementation of the Skills Development Plan	Plan reviewed and implemented	All	100%	New KPI	80%	100%	n/a	n/a

KPI name	Unit of Measurement	Ward	Baseline	Actual 2009/10	Performance 2010/11		Performance Comment	Corrective measures
					Target	Actual		
Targeted skills development	% of approved personnel budget spent on skills development	All	1%	New KPI	1%	1%	n/a	n/a
Review Employment Equity Plan in line with approved organogram	Plan reviewed by October 2010	All	100%	New KPI	100%	100%	n/a	n/a
Effective and up to date HR policies	Development & revision of top 2 HR priority policies by March 2011	All	0	New KPI	2	2	n/a	n/a

Table 68: Top Level SDBIP – Municipal Transformation and Institutional Development

4.3.3 TOP LEVEL SDBIP - MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT

The National Key Performance Area Municipal Financial Viability and Management are linked to the Municipal Key Performance Area namely, "*Financial Viability*". The municipal objectives that are linked to Municipal Financial Viability and Management is:

- "*Improved financial viability and sustainability*".

KPI name	Unit of Measurement	Ward	Baseline	Actual 2009/10	Performance 2010/11		Performance Comment	Corrective measures
					Target	Actual		
Asset management	Maintained moveable asset register	All	100%	New KPI	100%	100%	n/a	n/a
Clean audit	% of audit queries addressed	All	95%	New KPI	95%	100%	n/a	n/a
Effective SCM system	Zero successful appeals	All	0	New KPI	0%	0%	n/a	n/a
Financial Viability	Cost coverage ((Available cash+ investments)/ Monthly fixed operating expenditure	All	2.40%	New KPI	2.00%	2.10%	n/a	n/a
Financial Viability	Debt coverage ((Total	All	40.37%	New KPI	40.75%	32.48%	Economic decline	Improve indigent

KPI name	Unit of Measurement	Ward	Baseline	Actual 2009/10	Performance 2010/11		Performance Comment	Corrective measures
					Target	Actual		
	operating revenue-operating grants received)/debt service payments due within the year)							support & credit control
Financial Viability	Service debtors to revenue – (Total outstanding service debtors/ revenue received for services)	All	31%	New KPI	37.00%	53.55%	n/a	n/a
Improved revenue collection	% Debt recovery rate	All	80%	New KPI	85%	108%	n/a	n/a
Preparation of financial statements	Financial statements submitted on time	All	100% (August 2010)	New KPI	100%	100%	n/a	n/a
Updated indigent register for the provision of free basic services	Updated indigent register monthly	All	100%	New KPI	100%	100%	n/a	n/a

Table 69: Top Level SDBIP – Municipal Financial Viability and Management

4.3.4 TOP LEVEL SDBIP - LOCAL ECONOMIC DEVELOPMENT

The National Key Performance Area Local Economic Development is linked to the Municipal Key Performance Area namely, “*Economic Development*”. The municipal objectives that are linked to Municipal Financial Viability and Management is:

- “*Promotion of tourism, agriculture and economic development*”.

KPI name	Unit of Measurement	Ward	Baseline	Actual 2009/10	Performance 2010/11		Performance Comment	Corrective measures
					Target	Actual		
Employment through job creation schemes	No of permanent jobs created	All	5	New KPI	5	960	n/a	n/a
Employment through job	No of temporary jobs created	All	720	New KPI	700	1235	n/a	n/a

KPI name	Unit of Measurement	Ward	Baseline	Actual 2009/10	Performance 2010/11		Performance Comment	Corrective measures
					Target	Actual		
creation schemes								
Enhancement of economic development	Value of contracts assigned to emerging contractors	All	Info not available	New KPI	R 1,000,000	R 1,200,030	n/a	n/a

Table 70: Top Level SDBIP – Local Economic Development

4.3.5 TOP LEVEL SDBIP - BASIC SERVICE DELIVERY

The National Key Performance Area Basic Service Delivery is linked to the Municipal Key Performance Area namely, "Infrastructure Development" and "Social Development". The municipal objectives that are linked to Basic Service Delivery is:

- "Provision and maintenance of municipal services and infrastructure".

KPI name	Unit of Measurement	Ward	Baseline	Actual 2009/10	Performance 2010/11		Performance Comment	Corrective measures
					Target	Actual		
No of HH receiving free basic electricity	No of HH	All	4261	New KPI	4,271.00	4,113.75	Received less applications than expected	n/a
Quantum of free basic electricity received	50Kwh per month per household	All	50Kwh	New KPI	50	50	n/a	n/a
No of HH receiving free basic refuse removal	No of HH	All	1083	New KPI	1,800.00	1,504.75	Received less applications than expected	n/a
Quantum of free basic refuse removal received	R value per month per household	All	27.08	New KPI	R 29.38	R 33.96	n/a	n/a
No of HH receiving free basic sanitation	Number of HH	All	3616	New KPI	4,271	3,972	Received less applications than expected	n/a
Quantum of free basic sanitation received	R value per month per household	All	33.43	New KPI	R 36.27	R 45.27	n/a	n/a
No of HH	No of HH	All	4261	New KPI	4,271.00	4,115.25	Received less	n/a

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KPI name	Unit of Measurement	Ward	Baseline	Actual 2009/10	Performance 2010/11		Performance Comment	Corrective measures
					Target	Actual		
receiving free basic water							applications than expected	
Quantum of free basic water received	6KI per month per household	All	6KI	New KPI	6	6	n/a	n/a
Percentage electricity losses	KW billed/ KW used by municipality	All	11%	New KPI	8.50%	13.82%	Difficult to calculate, still within national norm	Implement more vigorous initiatives to limit theft
Effective capital spending	% spent of approved electricity capital projects as planned per quarter	All	100%	New KPI	100%	80%	All project completed except 132 kV Substation, waiting for Eskom	Will be completed in 2011/12
Maintenance of electricity assets	% of approved maintenance schedule executed	All	100%	New KPI	100%	100%	n/a	n/a
Maintenance of electricity assets	% of maintenance budget of electricity spent as planned per quarter	All	99%	New KPI	100%	100%	n/a	n/a
New electricity connections	% of new applications connected	All	100%	New KPI	100%	100%	n/a	n/a
Percentage of HH with street lights and high mast lighting	% of HH with adequate street lighting	All	100%	New KPI	100%	99%	All households have minimum standard	n/a
Percentage/ No of HH that meet agreed service standards (connected to the national grid) -Formal areas	% of HH achieving agreed service standards	All	100%	New KPI	100%	100%	n/a	n/a
Percentage/ No of HH that meet agreed service standards (connected to	% of HH achieving agreed service standards	All	99%	New KPI	99%	99%	n/a	n/a

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KPI name	Unit of Measurement	Ward	Baseline	Actual 2009/10	Performance 2010/11		Performance Comment	Corrective measures
					Target	Actual		
the national grid) - Informal areas								
Improvement of electricity distribution capacity	% improvement	All	5%	New KPI	5%	5%	n/a	n/a
Maintenance of grave yards	% of maintenance budget of grave yards spent as planned per quarter	All	100%	New KPI	95%	104%	n/a	n/a
Maintenance of recreational areas	% of maintenance budget of recreational areas spent as planned per quarter	All	100%	New KPI	95%	112%	n/a	n/a
Development and implementation of a public transport system	No of projects - (PTIP, Industrial area roads & and upgrade of gravel roads)	All	3	New KPI	6	21	n/a	n/a
Effective capital spending	% spent of approved municipal roads capital projects as planned per quarter	All	100%	New KPI	100%	90%	All project completed, amount spent exclude professional fees	n/a
Maintenance of municipal roads	% implementation of approved roads resealed maintenance schedule (ongoing program)	All	100%	New KPI	100%	93%	Project stopped due to rain, did however repaired more potholes	n/a
Maintenance of municipal roads and Stormwater	% of maintenance budget of municipal roads spent as planned per quarter	All	100%	New KPI	100%	94%	Savings on salaries & depreciation & Admin costs are not included yet	n/a
% of HH with no	% of HH with access to	All	50%	New KPI	50%	100%	n/a	n/a

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KPI name	Unit of Measurement	Ward	Baseline	Actual 2009/10	Performance 2010/11		Performance Comment	Corrective measures
					Target	Actual		
recreational areas	recreational areas							
Provision of sport facilities	% of wards with access to sport facilities	All	100%	New KPI	100%	100%	n/a	n/a
Effective capital spending	% spent of approved stormwater capital projects as planned per quarter	All	100%	New KPI	100%	100%	n/a	n/a
Number of HH with no stormwater system - Informal areas	# of HH without	All	15HH	New KPI	15	15	n/a	n/a
Percentage of HH with no stormwater system - Formal areas	% of HH without	All	30%	New KPI	30%	30%	n/a	n/a
Effective capital spending	% of approved waste water management capital projects spent as planned per quarter	All	100%	New KPI	100%	100%	n/a	n/a
Improvement of sanitation system capacity	% of capacity improvement	All	5%	New KPI	5%	8%	n/a	n/a
Maintenance of sanitation assets	% of maintenance budget of sanitation spent as planned per quarter	All	100%	New KPI	100%	87%	Savings on salaries & depreciation & Admin costs are not included yet	n/a
No of HH that do not meet agreed sanitation service standards (at least VIP on site) - Informal areas	# of HH that do not meet minimum standard sanitation	All	15HH	New KPI	15	15	n/a	n/a

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KPI name	Unit of Measurement	Ward	Baseline	Actual 2009/10	Performance 2010/11		Performance Comment	Corrective measures
					Target	Actual		
Percentage of HH that meet agreed sanitation service standards (at least VIP on site) -Formal areas	% of HH that meet minimum standard sanitation	All	100%	New KPI	100%	100%	n/a	n/a
Quality of waste water discharge	% water quality level of waste water discharge	All	83%	New KPI	95%	95%	n/a	n/a
Excellent water quality	% water quality level as per blue drop project	All	83%	New KPI	83.00%	99.90%	Blue Drop and Green drop Status was Awarded to Beaufort West Municipality	n/a
Improvement of water purification system capacity	% of capacity improvement	All	15%	New KPI	15%	15%	n/a	n/a
Maintenance of water assets	% of maintenance budget of water spent as planned per quarter	All	100%	New KPI	100%	100%	n/a	n/a
New water connections	% of new water connections on receipt of application	All	100%	New KPI	100%	100%	n/a	n/a
Percentage of HH that meet agreed service standards (cleaned piped water 200m from household) - Informal areas	% of HH achieving agreed service standards	All	94%	New KPI	99.75%	99.75%	n/a	n/a
Percentage of HH that meet agreed service standards (cleaned	% of HH achieving agreed service standards	All	100%	New KPI	100%	100%	n/a	n/a

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KPI name	Unit of Measurement	Ward	Baseline	Actual 2009/10	Performance 2010/11		Performance Comment	Corrective measures
					Target	Actual		
piped water 200m from household) - Formal areas								
Percentage of unaccounted water losses	KL billed/ KL used by municipality	All	25%	New KPI	20%	0%	Cannot calculate correctly	Will address in 2011/12
Maintenance of halls	Development and implementation of maintenance schedule for halls	All	100%	New KPI	100%	100%	n/a	n/a
Maintenance of recreational areas	Development and implementation of maintenance schedule for recreational areas (parks & public open spaces)	All	0	New KPI	-	-	n/a	n/a
Maintenance of stormwater assets	% of approved maintenance schedule executed	All	95%	New KPI	95.00%	97.50%	n/a	n/a
Maintenance of stormwater assets	% of maintenance budget of stormwater spent as planned per quarter	All	100%	New KPI	100%	94%	Depreciation and admin costs excluded	n/a
Maintenance of sanitation assets	% of approved maintenance schedule executed	All	95%	New KPI	95%	100%	n/a	n/a
Effective capital spending	% spent of approved water capital projects as planned per quarter	All	100%	New KPI	100%	100%	n/a	n/a
Maintenance of water assets	% of approved maintenance schedule executed	All	100%	New KPI	100%	100%	n/a	n/a
Maintenance of halls and facilities	% of maintenance budget of halls	All	100%	New KPI	95%	95%	n/a	n/a

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KPI name	Unit of Measurement	Ward	Baseline	Actual 2009/10	Performance 2010/11		Performance Comment	Corrective measures
					Target	Actual		
	spent as planned per quarter							
Implementation of Integrated Human Settlement Plan	No of projects adhering to the requirements of the Human Settlement Plan	All	1	New KPI	1	1	n/a	n/a
Effective fire brigade service	% of Fire Brigade service that meets agreed standards	All	50%	New KPI	30%	30%	n/a	n/a
Effective capital spending per quarter as planned	% spent of approved waste management capital projects as planned per quarter	All	100%	New KPI	100%	100%	n/a	n/a
Maintenance of refuse removal assets	% of maintenance budget of refuse removal spent as planned per quarter	All	100%	New KPI	100%	100%	n/a	n/a
Percentage that meet agreed refuse removal service standards (at least once a week) - Formal areas	% of HH that meet minimum standard sanitation	All	100%	New KPI	100%	100%	n/a	n/a
Percentage that meet agreed refuse removal standards (at least once a week) - Informal areas	% of HH that meet minimum standard sanitation	All	100%	New KPI	100%	100%	n/a	n/a
Develop and implement a comprehensive law enforcement strategy	Strategy completed and implemented	All	0	New KPI	100%	10%	Not sufficient funds available to complete	Will complete when funds are made available

KPI name	Unit of Measurement	Ward	Baseline	Actual 2009/10	Performance 2010/11		Performance Comment	Corrective measures
					Target	Actual		
Reviewed Disaster Management Plan	Disaster Management Plan reviewed annually	All	100%	New KPI	100%	0%	Not sufficient funds available to complete	Will complete when funds are made available
Improvement of refuse sites' capacity	% improvement	All	0	New KPI	-	-	n/a	n/a
Maintenance of refuse removal assets	% of approved maintenance plan executed	All	95%	New KPI	95%	95%	n/a	n/a

Table 71: Top Level SDBIP – Basic Service Delivery

4.4 DEVELOPMENT AND SERVICE DELIVERY PRIORITIES FOR 2011/12

The main development and service delivery priorities for 2011/12 forms part of the municipality's top layer SDBIP for 2011/12 and are indicated in the table below:

Municipal KPA	KPI	Unit of Measurement	Annual Target
Basic Services	Provision of cleaned piped water to all formal HH within 200m from the household	Percentage of formal HH that meet agreed service standards for piped water	100
Basic Services	Provision of cleaned piped water to all informal HH within 200m from the household	Percentage of informal HH that meet agreed service standards for piped water	100
Basic Services	Provision of free basic water in terms of the equitable share requirements	No of HH receiving free basic water	4271
Basic Services	Quatum of free basic water per household in terms of the equitable share requirements	Quantum (KI's) of free basic water provided per household	6
Basic Services	Provision of sanitation systems limited to domestic waste water and sewerage disposal to formal HH	Percentage of formal HH that have at least VIP on site	100
Basic Services	Provision of sanitation systems limited to domestic waste water and sewerage disposal to informal HH	Percentage of informal HH that have at least VIP on site	100
Basic Services	Provision of free basic sanitation in terms of the equitable share requirements	No of HH receiving free basic sanitation	4271
Basic Services	Provision of free basic sanitation in terms of the equitable share requirements	Quantum (R value) of free basic sanitation provided per HH	75.31
Basic Services	Provision of electricity that are connected to the national grid to all formal areas	Percentage of HH in formal areas that meet agreed service standards	100
Basic Services	Provision of electricity that are connected to the national grid to all informal areas	Percentage of HH in informal areas that meet agreed service standards	99

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Municipal KPA	KPI	Unit of Measurement	Annual Target
Basic Services	Provision of free basic electricity in terms of the equitable share requirements	No of HH receiving free basic electricity	4271
Basic Services	Provision of free basic electricity in terms of the equitable share requirements	Quantum (Kwh) of free basic electricity per household	50
Basic Services	Provision of refuse removal, refuse dumps and solid waste disposal to all formal areas	Percentage of formal HH for which refuse is removed at least once a week	100
Basic Services	Provision of refuse removal, refuse dumps and solid waste disposal to all informal areas	Percentage of informal HH for which refuse is removed at least once a week	100
Basic Services	Provision of free basic refuse removal in terms of the equitable share requirements	No of HH receiving free basic refuse removal	1800
Basic Services	Provision of free basic refuse removal in terms of the equitable share requirements	Quantum (R value) of free basic refuse removal per month per household	R43.40
Local Economic Development	The number of jobs created through municipality's local economic development initiatives including capital projects	Number of temporary jobs opportunities created	500
Good governance and Public Participation	Strengthen the role of communities by facilitating ward based development plans	No of ward based development plans completed	7
Local Economic Development	Local Economic Development is driven by a strategy	LED strategy approved/reviewed by January 2012	100
Local Economic Development	No of initiatives implemented in terms of the approved LED strategy	No of initiatives	2
Local Economic Development	Contracts assigned to SMME's to enhance economic development	% of contracts assigned	10
Basic Services	Recreational areas is maintained measured by the % of the maintenance budget spent	% of budget spent	100
Basic Services	Municipal parks and recreational areas is provided to all HH measured by the no of HH with access to recreational areas	% of HH with access or without access to recreational areas	100
Basic Services	Graveyards is maintained measured by the % of the maintenance budget spent	% of budget spent	100
Basic Services	Maintenance of halls and facilities	% of maintenance budget of halls and facilities spent	100
Basic Services	Implementation of Integrated Human Settlement Strategy measured by the % implemented or % adherence to policy or no of projects complying with approved strategy by the end of June	No of PHP houses completed in Merweville	10
Basic Services	Develop and implement a comprehensive law enforcement strategy to decrease high risk violations	No of law enforcement operations per annum	12
Basic Services	Effective stormwater capital spending measured by the % of budget spent	% spent of approved stormwater capital projects	100

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Municipal KPA	KPI	Unit of Measurement	Annual Target
Basic Services	Stormwater assets is maintained in terms of the maintenance budget spent	% of maintenance budget of stormwater spent	100
Basic Services	Quality of waste water discharge measured by the % water quality level	% water quality level of waste water discharge	95
Basic Services	Sanitation assets is maintained in terms of the maintenance budget spent	% of maintenance budget of sanitation spent	100
Basic Services	Maintenance of sanitation assets	% of maintenance budget of sanitation assets spent	100
Basic Services	Improvement of refuse sites' capacity by the end of June	Material recovery facility project completed	100
Basic Services	Effective waste management capital spending measured by the % of budget spent	% spent of approved waste management capital projects (MIG funding)	
Basic Services	Maintenance of refuse removal assets	% of maintenance budget of refuse removal spent	
Basic Services	Provision of municipal roads measured by the km of new road for previously un-serviced areas	No of kilometres	1
Basic Services	Effective municipal roads capital spending measured by the % of budget spent	% spent of approved roads capital projects	100
Basic Services	Municipal roads is maintained measured by the kms/square meters of roads patched and resealed according to approved maintenance plan	Square meters of roads patched and resealed	20000
Basic Services	Maintenance of municipal roads	% of maintenance budget of municipal roads spent	100
Basic Services	Excellent water quality measured by the quality of water as per SANS 241 criteria	% water quality level	83
Basic Services	Effective water capital spending measured by the % of budget spent	% spent of approved water capital projects	100
Basic Services	Water assets is maintained in terms of the maintenance budget spent	% of maintenance budget of water spent	100
Basic Services	Development of a Water Demand Management plan by the end of June	Plan developed by June 2012	100
Basic Services	Improvement of electricity distribution capacity	% of Final phase of project completed to upgrade network from 13Mva to 20Mva with cooperation of Eskom	54
Basic Services	Effective electricity capital spending measured by the % of budget spent	% spent of approved electricity capital projects	100
Basic Services	Electricity assets is maintained in terms of the maintenance budget spent	% of maintenance budget of electricity spent	100

Table 72: Development and Service Delivery Priorities for 2011/12

4.5 BASIC SERVICE DELIVERY

4.5.1 BASIC SERVICES DELIVERY PERFORMANCE HIGHLIGHTS

Highlight	Description
Refuse recycling at source	Implementation of recycling project: Intention to minimize waste going to the land fill site
Implementation of Blue Bag System	
Electrification of 216 dwellings in Nelspoort	Supply of electricity
Electrification of 90 dwellings in Merweville	Supply of electricity
High mast lights: De Lande in Beaufort West	Installation of 4 x high mast lights

Table 73: Basic Services Delivery Highlights

4.5.2 BASIC SERVICES DELIVERY CHALLENGES

Service Area	Challenge	Actions to address
Refuse Removal	Inadequate and old refuse collection vehicles	Budget allocation for the purchase of new vehicles
Electricity	Ageing infrastructure - 11 kV switch gear Inadequate funding	Submit business plans to DME and MIG
Electricity	Ageing vehicle fleet for electrical services especially cherry pickers. Inadequate funding	Submit business plan to alternative funding sources
Electricity	Establishment of a wind farm to create sustainable energy source	Submit business plan to alternative funding sources

Table 74: Basic Services Delivery Challenges

4.5.3 ACCESS TO FREE BASIC SERVICES

The following table indicates the percentage of indigent households that have access to free basic municipal services. In accordance with the approved indigent policy of the municipality, all households earning less than R2 080,00 per month will receive the free basic services as prescribed by national policy.

The table below indicates that 47% of the total number of households received free basic services in 2008/09 financial year whilst it increased to 40% in the 2010/11 financial year:

Financial year	Number of households								
	Total no of HH	Free Basic Electricity		Free Basic Water		Free Basic Sanitation		Free Basic Refuse Removal	
		No Access	%	No Access	%	No Access	%	No Access	%
2008/09	7 902	4 261	54	4 261	54	3 616	46	1 083	14

Financial year	Number of households								
	Total no of HH	Free Basic Electricity		Free Basic Water		Free Basic Sanitation		Free Basic Refuse Removal	
		No Access	%	No Access	%	No Access	%	No Access	%
2009/10	8 690	4 041	47	4 041	47	3 826	44	1 292	15
2010/11	10 043	3 999	40	3999	40	3436	34	1 248	12

Table 75: Free basic services to indigent households

The access to free basic services is summarised into the different services as specified in the following table:

Electricity									
Financial year	Indigent Households			Non-indigent households			Households in Eskom areas		
	No of HH	Unit per HH (kwh)	Value	No of HH	Unit per HH (kwh)	Value	No of HH	Unit per HH (kwh)	Value
			R'000			R'000			R'000
2008/09	4 261	50	1 370	4 765	0	0	216	50	35
2009/10	4 041	50	1 624	5 084	0	0	0	0	0
2010/11	3 999	50	1 715	6 044	0	0	0	0	0

Table 76: Free basic Electricity services to indigent households

Water						
Financial year	Indigent Households			Non-indigent households		
	No of HH	Unit per HH (kl)	Value	No of HH	Unit per HH (kl)	Value
			R'000			R'000
2008/09	4 261	6	1 578	5 027	0	0
2009/10	4041	6	1669	5084	0	0
2010/11	3 999	6	3 556	5 544	0	0

Table 77: Free basic Water services to indigent households

Sanitation						
Financial year	Indigent Households			Non-indigent households		
	No of HH	R value per HH	Value	No of HH	Unit per HH per month	Value
			R'000			R'000
2008/09	3 616	401.27	1 451	5 672	0	0
2009/10	3 826	411.92	1 576	5 699	0	0
2010/11	3 436	500.87	1 721	6 607	0	0

Table 78: Free basic Sanitation services to indigent households

Refuse Removal						
Financial year	Indigent Households			Non-indigent households		
	No of HH	Service per HH per week	Value	No of HH	Unit per HH per month	Value
			R'000			R'000
2008/09	1 083	1	352	8 205	0	0
2009/10	1 292	1	436	8 133	0	0
2010/11	1 248	1	502	8 795	0	0

Table 79: Free basic Refuse Removal services to Indigent households per type of service

4.5.4 ACCESS TO BASIC LEVEL OF SERVICES

The following table indicates the number of households that gained access for the first time to the different types of basic services during the 2010/11 financial year:

Type of service	2007/08	2008/09	2009/10	2010/11
Housing: Hillside	144	454	0	0
Housing: Merweville	0	90	90	0
Housing: Nelspoort	0	216	216	0
Water	144	454	306	0
Sanitation	144	454	306	0
Refuse removal	144	454	306	0
Electricity	108	603	216	0
Streets & Storm Water	144	454	306	0

Table 80: Access to basic level of services

A) CAPITAL BUDGET SPENT ON MUNICIPAL SERVICES

The percentage (%) of the total approved capital budget spent on each municipal service respectively for the 2008/09, 2009/10 and 2010/11 financial years respectively are as follows:

Financial Year	Housing	Water	Sanitation	Refuse Removal	Electricity	Streets & Storm Water	Community facilities
	(%)	(%)	(%)	(%)	(%)	(%)	(%)
2008/09	100.0	93.3	8.0	81.0	62.1	47.8	96.3
2009/10	100.0	110.7	110.6	100.0	37.9	58.2	72.9
2010/11	0	15.4	1 083.5	300.8	108.7	30	270.8

Table 81: Capex

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The following table indicates the total amount of capital expenditure on assets by asset class for the past three financial years:

Description	2007/08	2008/09	2009/10	2010/11		
	Actual	Actual	Actual	Original Budget	Adjustment Budget	Actual Expenditure
Capital expenditure on new assets by Asset Class/Sub-class (R'000)						
Infrastructure	23 890 100	39 940 006	16 007 640	48 516 000	53 805 760	41 747 292
Infrastructure - Road transport	4 656 871	2 488 584	5 356 800	0	0	0
Roads, Pavements & Bridges	3 733 787	0	5 356 800	12 105 000	12 105 000	3 136 132
Infrastructure - Electricity	4 094 987	11 831 728	19 644 300	2 251 000	7 440 760	7 681 294
Transmission & Reticulation	319 553	10 785 567	19 644 300	0	0	0
Street Lighting	375 434	1 046 161	0	270 000	0	0
Infrastructure - Water	2 077 553	1 217 808	6 384 900	29 325 000	29 695 000	3 785 221
Dams & Reservoirs	0	0	0	0	0	0
Water Purification	0	0	6 384 900	0	0	0
Reticulation	2 077 553	1 217 808	0	0	0	0
Infrastructure - Sanitation	2 887 702	533 806	4 705 370	2 400 000	2 400 000	27 002 792
Reticulation	2 869 086	533 806	0	0	0	0
Sewerage Purification	18 616	0	4 705 370	0	0	0
Infrastructure - Other	389 479	5 142 369	106 000	2 165 000	2 165 000	131 653
Waste Management	0	0	0	0	0	10 200
Other	389 479	5 142 369	106 000	0	0	0
Community	602 428	239 121	0	0	0	0
Parks & gardens	0	0	0	0	0	0
Sportsfields & stadia	169 347	239 121	0	0	0	0
Community halls	0	0	0	0	0	0
Recreational facilities	433 081	0	0	0	0	0
Social Renting Housing	0	0	0	0	0	0
Heritage assets	0	0	0	0	0	0
Investment properties	0	0	0	0	0	0
Other assets	2 769 306	2 617 452	2 185 229	1 631 800	1 970 800	4 007 116
General vehicles	0	0	0	0	138 000	136 306
Plant & equipment	2 167 825	2 099 555	1 803 708	1 366 700	1 567 700	710 225
Computers-Hardware /equipment	317 806	62 677	93 621	103 000	103 000	174 033

Description	2007/08	2008/09	2009/10	2010/11		
	Actual	Actual	Actual	Original Budget	Adjustment Budget	Actual Expenditure
Furniture and other office equipment	283 675	410 674	287 900	162 100	162 100	83 688
Civic Land and Buildings	0	0	0	0	0	0
Other	0	44 546	0	0	0	2 902 864
Agricultural assets	0	0	0	0	0	0
Biological assets	0	0	0	0	0	0
Intangibles	0	0	0	0	0	0
Total Capital Expenditure on new assets	27 261 834	42 796 579	18 192 869	50 147 800	557 76 560	45 754 408

Table 82: Total capital expenditure on assets

B) PERCENTAGE SPENDING ON TOTAL CAPITAL BUDGET

The total percentage (%) of the capital budget for the past three years is indicated in the table below:

Financial year	% of Capital budget spent	Reasons for under spending
2007/08	81	Expenditure in respect of low cost housing
2008/09	64	Expenditure in respect of low cost housing
2009/10	69	Unbundling of assets
2010/11	82	Expenditure i.r.o Neighbourhood Development Grant and 132 kV Substation

Table 83: Total capital expenditure

C) SUMMARY OF BACKLOGS THAT MUST STILL BE ADDRESSED

The following backlogs exist in the municipal area that must still be addressed:

Area	Total nr of households affected	Timeframe to be addressed	Cost to address
			R'000
Housing	3 039	December 2015	182 340
Water (on site)	28	December 2012	355
Sanitation	28	December 2014	600
Refuse removal (at least once a week at site)	0	n/a	0
Electricity (in house)	0	n/a	0
Streets and storm water	1 916	December 2015	8 825

Table 84: Backlogs

4.5.5 WATER AND SANITATION

Water is probably the most fundamental and indispensable of natural resources – fundamental to life, the environment, food production, hygiene and power generation. Poverty reduction and improved water management are inextricably linked. Section 4B of the Constitution lists water and sanitation services limited to potable water supply systems and domestic wastewater and sewerage disposal systems as a local government function. Basic water is defined as 25 liters of potable water per day supplied within 200 meters of a household.

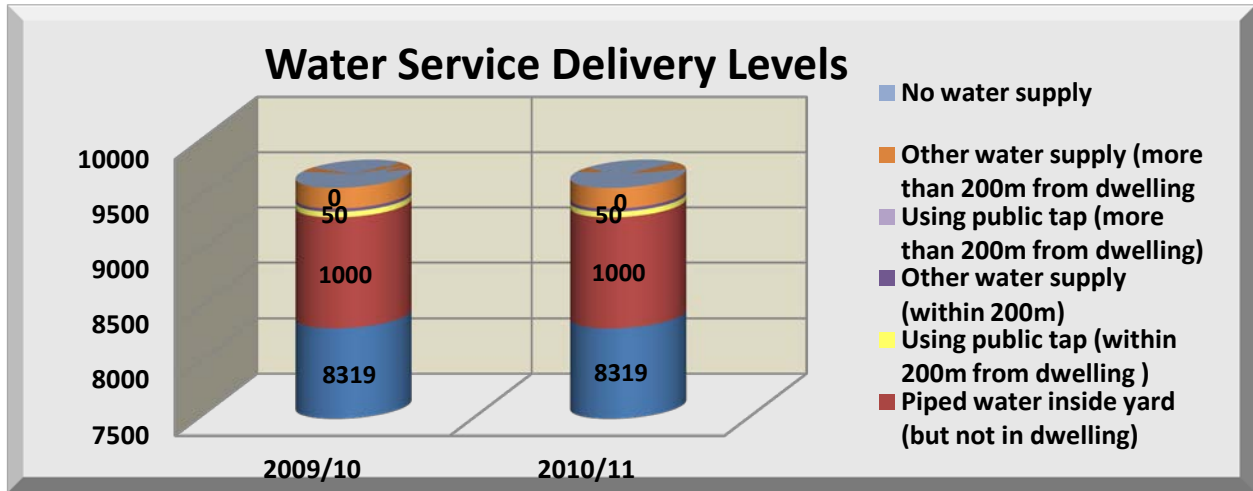
A) WATER SERVICE DELIVERY LEVELS

The table below specifies the different water service delivery levels per households for the financial years 2008/09, 2009/10 and 2010/11 in the areas in which the municipality is responsible for the delivery of the service:

Description	2009/10	2010/11
	Actual	Actual
Household		
<i>Water: (above minimum level)</i>		
Piped water inside dwelling	8 319	8 319
Piped water inside yard (but not in dwelling)	1 000	1 000
Using public tap (within 200m from dwelling)	50	50
Other water supply (within 200m)	30	30
<i>Minimum Service Level and Above sub-total</i>	9 399	9 399
<i>Minimum Service Level and Above Percentage</i>	84	84
<i>Water: (below minimum level)</i>		
Using public tap (more than 200m from dwelling)	0	0
Other water supply (more than 200m from dwelling)	187	187
No water supply	0	0
<i>Below Minimum Service Level sub-total</i>	187	187
<i>Below Minimum Service Level Percentage</i>	16	16
Total number of households (formal and informal)	9 586	9 586

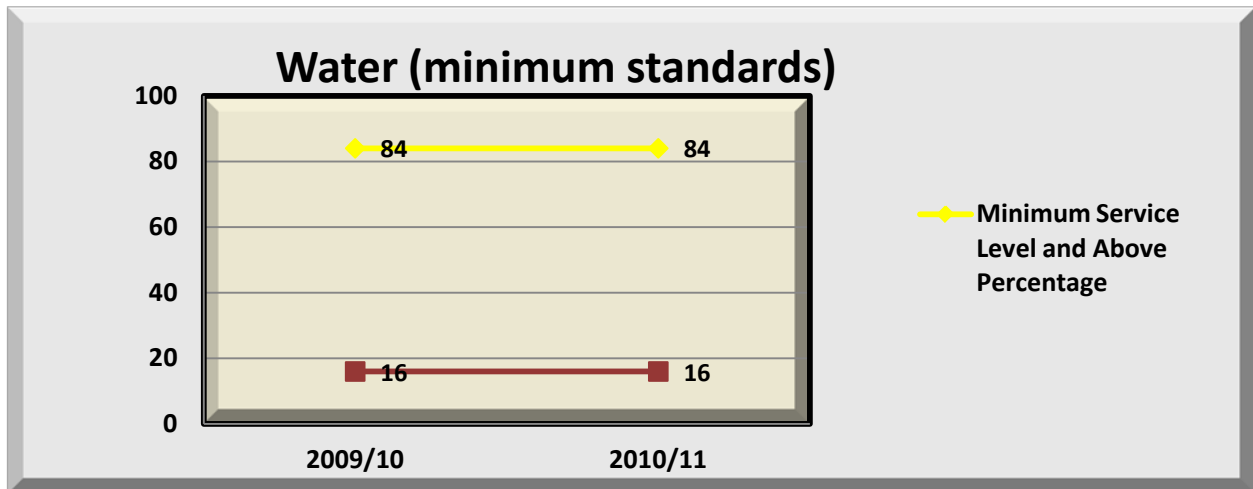
Table 85: Water service delivery levels

The graph below shows the different water service delivery levels per total households and the progress per year



Graph 6: Water service delivery levels

The graph below reflects the water service level below and above minimum standards.



Graph 7: Water with minimum service level

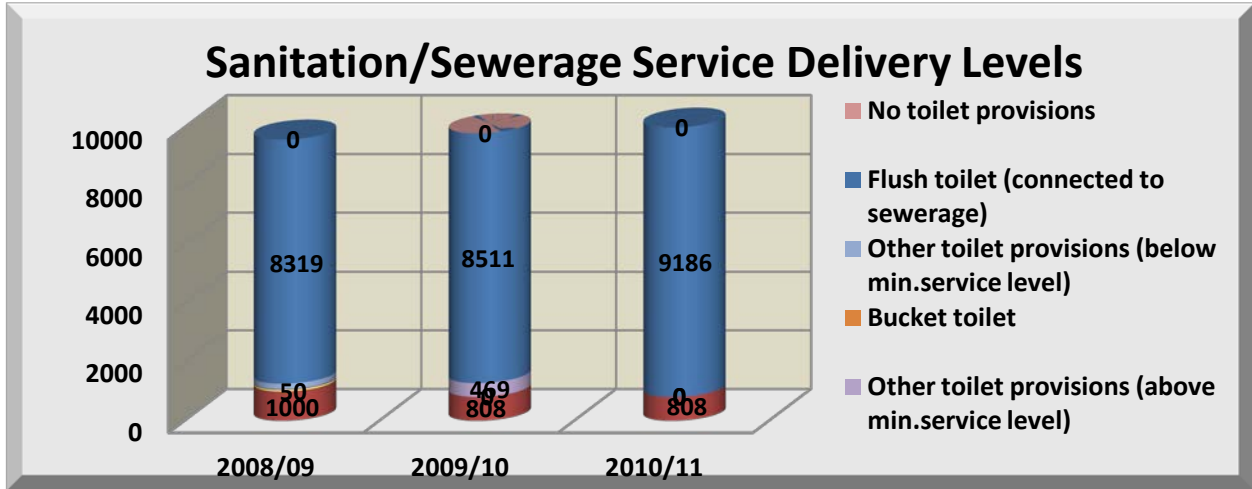
B) SANITATION SERVICE DELIVERY LEVELS

The table below specifies the different sanitation service delivery levels per households for the financial years 2008/09, 2009/10 and 2010/11 in the areas in which the municipality is responsible for the delivery of the service:

Description	2008/09	2009/10	2010/11
	Actual	Actual	
Household			
<i>Sanitation/sewerage: (above minimum level)</i>			
Flush toilet (connected to sewerage)	8 319	8 511	9 186
Flush toilet (with septic tank)	1 000	808	808
Chemical toilet	50	0	0
Pit toilet (ventilated)	30	10	0
Other toilet provisions (above minimum service level)		469	0
Minimum Service Level and Above sub-total	9 399	9 798	9 994
Minimum Service Level and Above Percentage	84	100	100
<i>Sanitation/sewerage: (below minimum level)</i>			
Bucket toilet	0	0	0
Other toilet provisions (below minimum service level)	187	0	0
No toilet provisions	0	0	0
Below Minimum Service Level sub-total	187	0	0
Below Minimum Service Level Percentage	16	0	0
Total number of households	9 586	9 798	9 798

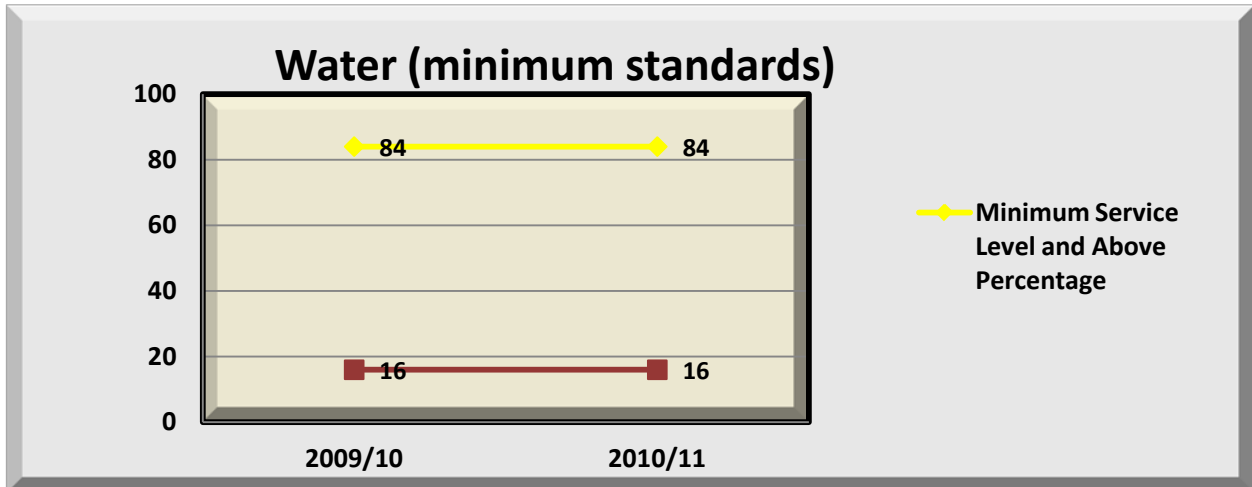
Table 86: Sanitation service delivery levels

The graph below shows the different sanitation/sewerage service delivery levels per total households and the progress per year.



Graph 8: Sanitation/Sewerage Service Delivery Levels

The graph below shows the total number of households which that are below and above minimum sanitation standards.



Graph 9: Sanitation/Sewerage minimum standards

4.5.6 ELECTRICITY

Local Government plays a very important role in the provision of electricity. Section 153 of the Constitution places the responsibility on municipalities to ensure the provision of services to communities in a sustainable manner for economic and social support. The table below indicates the different service delivery level standards for electricity in all formal areas within the municipality:

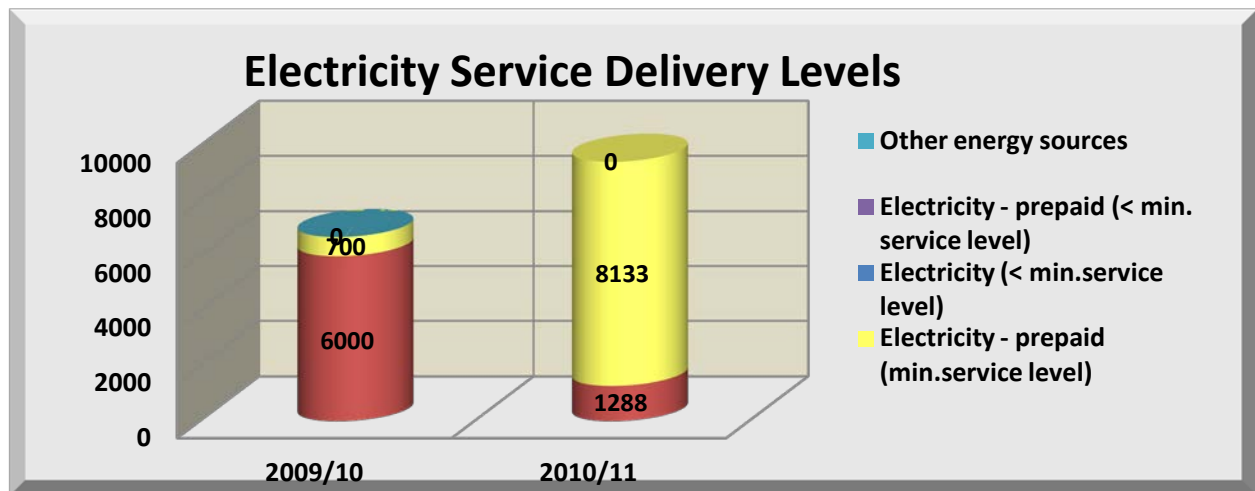
The Energy Losses for the 2009/10 financial year was 13,06% whilst the losses in the 2010/2011 financial year were only 15,59%. This outcome gives an end result of 2,53% reduction in energy losses that is a huge achievement for the municipality.

The table below indicates the different service delivery level standards for electricity within the municipality:

Description	2009/10	2010/11
	Actual	Actual
Household		
<i>Electricity: (above minimum level)</i>		
Electricity (at least minimum service level)	6 000	1 288
Electricity - prepaid (minimum service level)	700	8 133
Minimum Service Level and Above sub-total	6 700	9 421
Minimum Service Level and Above Percentage	100	100
<i>Electricity: (below minimum level)</i>		
Electricity (< minimum service level)	0	0
Electricity - prepaid (< min. service level)	0	0
Other energy sources	0	0
Below Minimum Service Level sub-total	0	0
Below Minimum Service Level Percentage	0	0
Total number of households	6 700	9 421

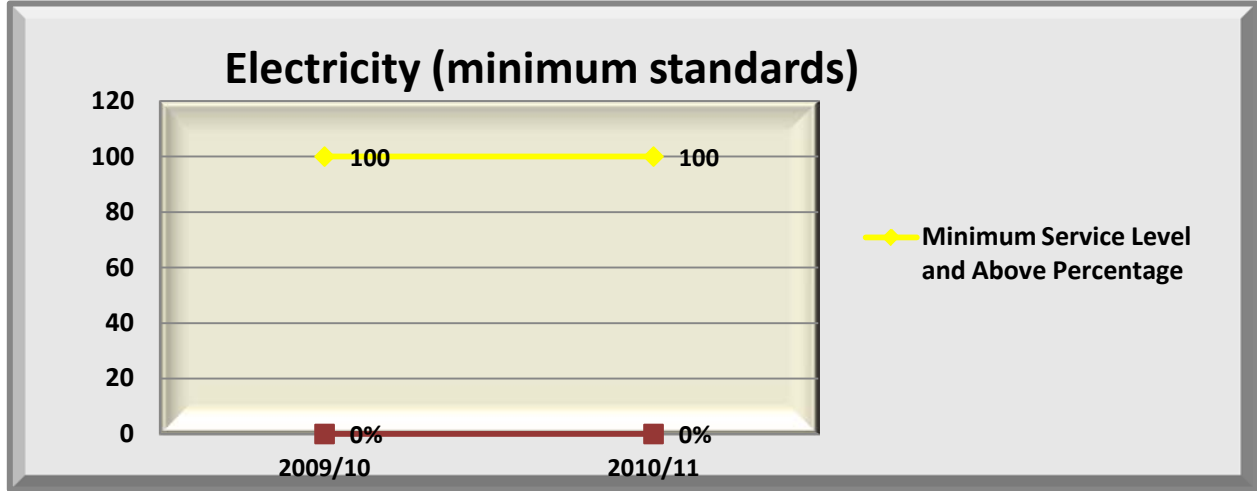
Table 87: Electricity service delivery levels

The graph shows the number of households categorised into the different service levels.



Graph 10: Electricity Service Delivery Levels

The graph below shows the amount of households that receive electricity above minimum electricity standards.



Graph 11: Electricity levels above minimum standards

4.5.7 HOUSING

The following table shows the increase in the number of people on the housing waiting list. There are currently approximately 4855 housing units on the waiting list.

Housing waiting list	Nr of people on Housing waiting list	% Housing waiting list increase/decrease
2007/08	3 272	5% increase
2008/09	4 079	10% increase
2009/10	4 718	8% increase
2010/11	4 816	2% increase

Table 88: Housing waiting list

A total amount of R6 121 million was allocated to build houses during the financial year under review. A summary of houses built, includes:

Financial year	Allocation (R'000)	Amount spent (R'000)	% spent	Number of houses built	Number of sites serviced
2007/08	7 009	12 812	129	144	598
2008/09	30 570	30 152	99	454	0
2009/10	28 593	26 021	91 (Retention)	306	0
2010/11	6 121	0	0	0	0

Table 89: Housing

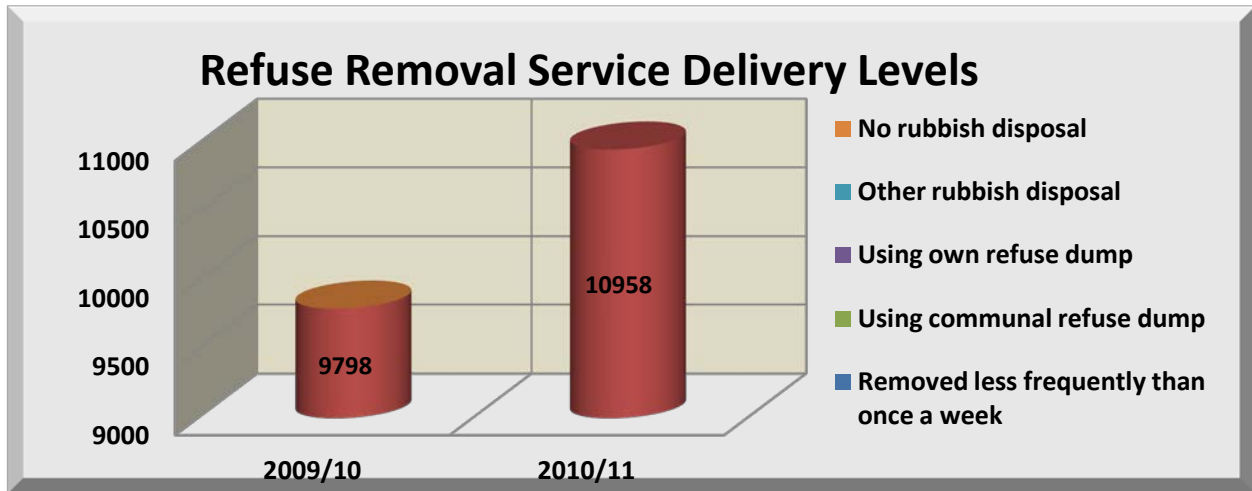
4.5.8 REFUSE REMOVAL

The table below indicates the different refuse removal service delivery level standards within the municipality:

Description	2009/10	2010/11
	Actual	Actual
Household		
<i>Refuse Removal: (Minimum level)</i>		
Removed at least once a week	9 798	10 958
Minimum Service Level and Above sub-total	9 798	10 958
Minimum Service Level and Above percentage	100%	100%
<i>Refuse Removal: (Below minimum level)</i>		
Removed less frequently than once a week	0	0
Using communal refuse dump	0	0
Using own refuse dump	0	0
Other rubbish disposal	0	0
No rubbish disposal	0	0
Below Minimum Service Level sub-total	0	0
Below Minimum Service Level percentage	0	0
Total number of households	9 798	10 958

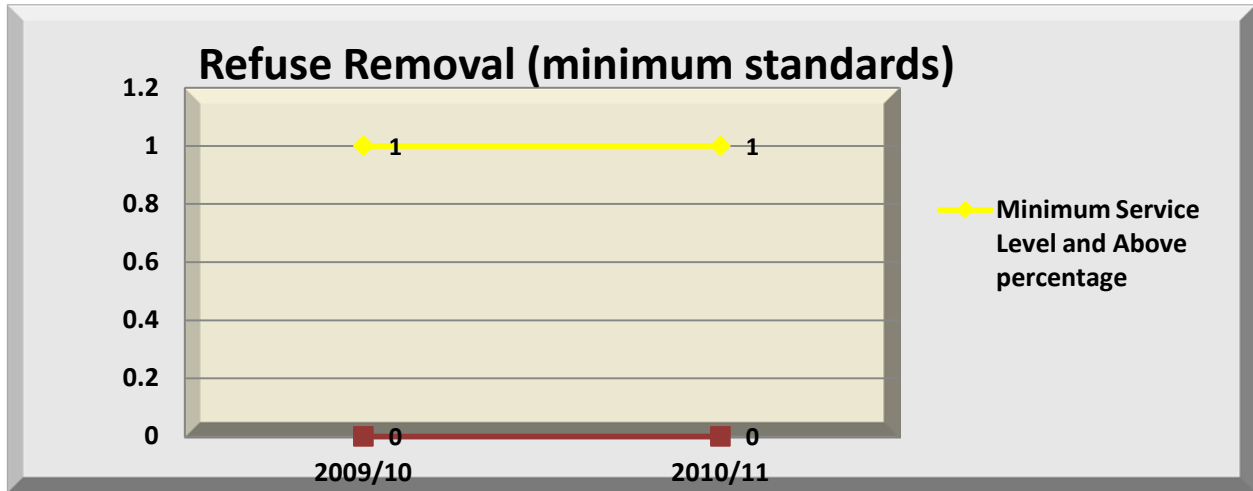
Table 90: Refuse removal service delivery levels

The graph indicates the different refuse removal standards which the households are receiving



Graph 12: Refuse removal service delivery levels

The graph below shows that all households within Beaufort West municipal area receive the minimum refuse removal standards



Graph 13: Refuse removal levels above standards

4.5.9 ROADS

The following tables give an overview of the total kilometers of roads maintained and new roads tarred:

A) TARRED ROADS

Financial year	Total km tarred roads	Km of new tar roads	Km existing tar roads re-tarred	Km of existing tar roads re-sheeted	Km tar roads maintained
2009/10	94 037	0	0	0	94 037
2010/11	94 437	400m	0	5km	94 437

Table 91: Tarred roads

B) GRAVELED ROADS

Financial year	Total km gravel roads	Km new gravel roads constructed	Km gravel roads upgraded to tar	Km gravel roads graded/maintained
2009/10	59 231	4	0	59 231
2010/11	55 231	0	400m	55 231

Table 92 Gravelled roads

C) COST OF CONSTRUCTION/MAINTENANCE

The table below shows the costs involved for the maintenance and construction of roads within the municipal area:

Financial year	New & Replacements R'000	Resealed R'000	Maintained R'000
2009/10	0	0	2 006
2010/11	0	5km	0

Table 93: Cost of construction/maintenance of roads

4.5.10 STORMWATER

A) STORM WATER INFRASTRUCTURE

The table below shows the total kilometers of stormwater maintained and upgraded as well as the kilometers of new stormwater pipes installed:

Financial year	Total km Stormwater measures	Km new stormwater measures	Km stormwater measures upgraded	Km stormwater measures maintained
2008/09	98	1	0	73
2009/10	99	0	0	75
2010/11	99	0	0	75

Table 94: Stormwater infrastructure

B) COST OF CONSTRUCTION/MAINTENANCE

The table below indicates the amount of money spend on stormwater projects:

Financial year	Stormwater Measures		
	New R'000	Upgraded R'000	Maintained R'000
2009/10	0	1 069	Not kept separately
2010/11	0	1 069	Not kept separately

Table 95 Cost of construction/maintenance of stormwater systems

4.5 MUNICIPAL INFRASTRUCTURE AND OTHER GRANTS

The Municipality had a total amount of **R52,674** million for infrastructure and other capital projects available that was received in the form of grants from the National and Provincial Governments during the 2010/11 financial year. The performance in the spending of these grants is summarised as follows:

Description	2008/09		2009/10		2009/10		2010/11		
	Amount Received R'000	Amount Spent R'000	Amount Received R'000	Amount Spent R'000	Amount Received R'000	Amount Spent R'000	Amount Received R'000	Amount Spent R'000	% Spent
National Government:									
Finance Management Grant	250	357	500	484	1 000	807	1 000	1 082	108
Water Services Development Plan	0	0	36	0	0	39	0	0	0
Water Meter Audit	0	0	90	0	0	0	0	0	0
Water asset registration survey	274	97	46	47	0	0	0	0	0
Municipal Systems Improvement Grant	734	759	735	453	735	1 533	750	653	87.06
License applications bore holes	0	0	24	0	56	80	0	0	0
EIA Nelspoort/ Beaufort West	0	0	30	0	70	100	0	0	0
WTW Nelspoort/ Beaufort West	0	0	45	0	75	120	0	0	0
Financial module water tariffs	0	0	24	3	56	0	0	52	100
Stormwater master plan	0	0	72	0	0	0	0	0	0
132/22 KV Substation	0	0	10 000	8 913	4 456	3 986	0	200	100
Bulk water	0	0	60	0	0	60	0	0	0
Electrification Central Karoo	0	0	9 550	2 248	17 030	16 307	11 632	20 482	176.08
Electrification Nelspoort Dwellings	0	0	0	0	1 800	1 666	0	59	100
Electrification Hillside/ Rustdene Houses	2 220	2 425	0	0	0	0	0	0	0
Skills training	58	48	0	0	0	17	0	1	100
Fencing pig stables	120	87	0	0	0	0	0	0	0
Water & sanitation	15	0	0	0	0	0	0	0	0

BEAUFORT WEST LOCAL MUNICIPALITY ANNUAL REPORT 2010/11

Description	2008/09		2009/10		2009/10		2010/11		
	Amount Received R'000	Amount Spent R'000	Amount Received R'000	Amount Spent R'000	Amount Received R'000	Amount Spent R'000	Amount Received R'000	Amount Spent R'000	% Spent
survey									
Development of Aquifers	671	630	310	74	0	0	0	357	100
Stormwater N1	367	239	399	807	1 660	1 069	1 500	1 090	72.66
Lighting Kwa Mandlenkosi Road	0	0	500	504	0	0	0	0	0
Bulk water	0	0	1 552	1 117	5 199	5243	0	0	0
Lighting Gamka River	0	0	250	237	0	18	0	0	0
External stormwater Nelspoort	0	0	170	630	680	585	0	51	100
Telemetry	0	0	232	232	633	633	0	0	0
Project Management Unit	0	0	18	30	49	112	126	121	96.03
High Mass Lights De Lande	0	0	0	0	610	783	0	7	100
High Mass Lights Hillside	750	272	0	587	0	4	0	0	0
Electricity Masterplan	63	55	0	8	0	0	0	0	0
PTIP	164	0	0	0	0	164	0	0	0
Water filter system	80	80	0	0	0	0	0	0	0
Transformation Funds	0	0	0	0	0	0	0	19	100
Kwa Mandlenkosi Infills	0	0	0	0	0	0	368	200	54.34
Drought Relief	0	0	0	0	0	0	28 600	28 512	99.69
Upgrade Gravel Roads	0	0	0	0	0	0	1 616	2 571	159
50 Street Lights Nelspoort	0	0	0	0	0	0	0	410	100
Retenion Dams Hillside	0	0	0	0	0	0	660	434	65.75
Provincial Government:									
Community development workers	180	120	240	195	240	169	299	339	113.37
Housing Consumer Education Programme	150	84	120	108	100	23	0	50	100

BEAUFORT WEST LOCAL MUNICIPALITY ANNUAL REPORT 2010/11

Description	2008/09		2009/10		2009/10		2010/11		
	Amount Received R'000	Amount Spent R'000	Amount Received R'000	Amount Spent R'000	Amount Received R'000	Amount Spent R'000	Amount Received R'000	Amount Spent R'000	% Spent
Hillside housing	17 451	16 800	30 312	31 367	0	0	0	0	100
PTIP	0	0	5 000	542	0	1 570	3 500	3 007	85.91
Public Library Services	151	150	238	238	357	328	279	268	96.05
Repairing of damaged houses	0	0	244	464	0	0	0	0	0
216 Dwellings Nelspoort	0	0	788	605	18 984	18 912	0	0	0
Existing houses Nelspoort	0	0	1 293	25	0	0	0	1 304	100
90 Dwellings Merweville	0	0	361	139	6 680	7 079	0	0	0
Internships	0	0	310	196	0	18	195	166	85.12
Soup kitchen	261	30	0	220	400	354	400	445	111.25
Upgrading electricity network Nelspoort	82	123	0	23	0	174	0	110	100
Upgrading Nelspoort civil services	207	316	0	36	0	0	0	0	0
Multipurpose centre operational expenditure	140	70	0	65	0	15	0	0	0
Central Business Area	0	0	0	0	0	0	0	43	100
Project Preparation – Spatial Development	0	0	0	0	0	0	0	157	100
GRAP Asset Register	0	0	0	0	0	0	100	100	100
Pre-paid water meters indigents	0	0	0	0	0	0	0	45	100
District Municipality:									
Sewerage Merweville	0	0	61	61	0	0	0	0	0
Job Creation							75	75	100
Other grant providers:									
Electrification KOUP ESKOM	0	0	1 350	1 166	0	0	0	0	0
Electrification KOUP Farmers	70	0	605	500	0	0	0	0	0

BEAUFORT WEST LOCAL MUNICIPALITY ANNUAL REPORT 2010/11

Description	2008/09		2009/10		2009/10		2010/11		
	Amount Received R'000	Amount Spent R'000	Amount Received R'000	Amount Spent R'000	Amount Received R'000	Amount Spent R'000	Amount Received R'000	Amount Spent R'000	% Spent
Beneficiaries Merweville Housing	0	0	15	0	12	5	0	0	0
Existing houses Nelspoort	0	0	339	0	495	21	663	1 396	210.55
Beneficiaries Nelspoort housing	0	0	5	0	35	0	0	0	0
Electricity Central karoo --ESKOM	0	0	0	0	873	0	223	1 096	491.47
Electricity Central karoo --Farmers	0	0	0	0	1331	1 054	397	674	169.77
Capacity Building - DBSA	495	495	0	0	322	322	140	116	82.85
Marathon	0	0	0	0	28	28	0	0	0
Electrification Multipurpose Centre	647	424	0	3	0	332	0	57	100
Pre-paid Water Meters - ASLA	38	0	0	0	0	38	0	0	0
Electricity installation Beaufort West Mall	1144	1144	0	0	0	0	0	0	0
Electricity Hillside/ Rustdene dwellings ASLA	469	21	0	448	0	0	0	0	0
Arts & Crafts	0	0	0	0	0	0	0	173	100
Water Crisis	0	0	0	0	0	0	148	70	47.29
Upgrade Rustdene Sport Fields	0	0	0	0	0	0	0	4	100
Repair Indigent Dwelling	0	0	0	0	0	0	3	3	100
Total	27 251	24 826	65 924	52 775	63 966	63 768	52 674	42 023	79.78

Table 96: Spending of grants

4.6 ADDITIONAL PERFORMANCE

The table below enclose all additional performance of the municipality:

Type of service	2010/11
General Law enforcement	
Animals impounded	171
Motor vehicle licenses processed	9 878
Learner driver licenses processed	1 458
Driver licenses processed	1 014
Driver licenses issued	1 716
Fines issued for traffic offenses	8 314
R-value of fines collected	5 987 113
Roadblocks held	14
Complaints attended to by Traffic Officers	33
Fire Services	
Operational call-outs	87
Reservists and volunteers trained	15
Awareness initiatives on fire safety	2
Town Planning and Building Control	
Building plans application processed	103
Total surface (m ²)	4146
Approximate value	12 437 990
Residential extensions	103
Land use applications processed	1
Libraries	
Library members	4 941
Books circulated	86 442
Exhibitions held	4 per month
Internet users	14 per day
New library service points or Wheelie Wagons	1
Children programmes	2 per month
Visits by school groups	4 per month
Book group meetings for adults	2 per month
Primary and Secondary Book Education sessions	5 per month
Social Services	

Type of service	2010/11
Trees planted	130 at school at Beaufort West School and Karoo National Park 110 for new housing development in Merweville
Veggie gardens established	63 residential veggie gardens established
Soup kitchens established or supported	7 (one in each ward)
Initiatives to increase awareness on child abuse	Financial support for programmes of Molo Songololo
Youngsters educated and empowered	30 tourism learnerships sponsored with CKDM at Karoo National Park
Initiatives to increase awareness on disability	Supporting in partnership with ABSA – Kreupelsorg Craft Centre
Initiatives to increase awareness on women	Support various programs financially and none financially during women's month
Women empowered	Increase the number of women in municipal training activities
Initiatives to increase awareness on HIV/AIDS	Provide accommodation for 2 NGO's
Initiatives to increase awareness on Early Childhood Development	Financial and none financial support to Sonstraaltjie Creche
Initiatives to increase awareness on substance abuse and high drug and alcohol related crimes	Financial support to CPF to support youngsters involved in drug and substance abuse activities
Special events hosted (World's Aids Day, World Labour day, World Disability Day, Youth Day, 16 Days of activism against women abuse)	Cooperation with responsible sector department on all international and national events
Local Economic Development initiatives	
Small businesses assisted	Open Day for SMME for municipal tender information
SMME's trained	Training programs and accommodation at the Arts & Craft Centre
Community members trained for tourism	30 learners trained in Tourism
Local artisans and crafters assisted	Workshop held for crafters in the region (beading)

Table 97: Additional Performance

4.7 LED

4.7.1 CHALLENGES: LED

The following challenges with regard to the implementation of the LED strategy are:

Description	Actions to address
Review of the LED Strategy	Submit a grant application to IDC
Alignment with budget and availability of funds	Application of grant funding and investigate alternative funding sources
Alignment with the CKDM LED initiatives and strategies	Integrated planning and communication

Table 98: LED Challenges

4.7.2 LED STRATEGY

The LED Strategy was reviewed within the 2009/10 financial year, but not approved. The LED forum was established, but is not functional.

The sectors that are contributing the most to the town's economy are transport and communication (25,3%), wholesale and retail trade (16,8%), general government services (14,4%), manufacturing (10,9%) and agriculture (7,7%). The ability of the local economy to create jobs is limited and is reflected in the current high unemployment figure of 35,5% compared to the provincial unemployment rate of 15,9 percent, this situation is further aggravated by the inability of the current markets to pay living wages i.e. household income is estimated at R 850 pm – R 1500 pm

The high unemployment coupled with the low skills level of the labour force have been identified as of critical importance at the regional growth and development summit that was held for the district during March 2007. Local government, therefore, also has to play a role in the development of skills of the local labour force. The challenge for the Beaufort West Municipality is therefore not only to grow the economy and tax base, but to also develop skills so that the jobs that are created through the growing economy can be taken up by the local unemployed residents.

The Beaufort West Municipality have an approved Local Economic Development strategy that was compiled during a comprehensive and transparent formulation process. However this plan has not been reviewed in three years, making it very difficult to measure progress and challenges. A senior official in top management is responsible for economic development and implementation, which is challenging due to limited resources and capacity. The IDP Manager oversees the LED plan and resides within the office of the Municipal Manager.

4.8 SERVICE PROVIDERS STRATEGIC PERFORMANCE

Although the municipality has not implemented a system to measure the performance of the service providers, they did have to address the performance of any service providers. All appointed service providers have delivered services in terms of agreements and appointment letters.

CHAPTER 5

FUNCTIONAL PERFORMANCE



CHAPTER 5: FUNCTIONAL PERFORMANCE

This chapter provides information on the functional performance of the municipality on the implementation of the Top Layer and Departmental SDBIP for 2010/11.

The municipal functional areas are as indicated below:

Municipal Function	Municipal Function: Yes / No
Constitution Schedule 4, Part B functions:	
Air pollution	No
Building regulations	Yes
Child care facilities	Yes
Electricity and gas reticulation	Yes
Fire fighting services	Yes
Local tourism	Yes
Municipal airports	No
Municipal planning	Yes
Municipal health services	No
Municipal public transport	Yes
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law	No
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto	No
Stormwater management systems in built-up areas	Yes
Trading regulations	Yes
Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems	Yes
Constitution Schedule 5, Part B functions:	
Beaches and amusement facilities	Yes
Billboards and the display of advertisements in public places	Yes
Cemeteries, funeral parlours and crematoria	Yes
Cleansing	Yes
Control of public nuisances	Yes
Control of undertakings that sell liquor to the public	Yes
Facilities for the accommodation, care and burial of animals	Yes
Fencing and fences	Yes
Licensing of dogs	Yes
Licensing and control of undertakings that sell food to the public	No

Municipal Function	Municipal Function: Yes / No
Local amenities	Yes
Local sport facilities	Yes
Markets	No
Municipal abattoirs	No
Municipal parks and recreation	Yes
Municipal roads	Yes
Noise pollution	Yes
Pounds	No
Public places	Yes
Refuse removal, refuse dumps and solid waste disposal	Yes
Street trading	Yes
Street lighting	Yes
Traffic and parking	Yes

Table 99: Functional Areas

5.1 PERFORMANCE HIGHLIGHTS PER FUNCTIONAL AREAS

Directorate/ Functional area	Sub Directorate	Highlights
Council and Executive	Council & Municipal Manager	Regular council meeting held and oversight role fulfilled
	IDP	Ward based planning finalized
		Adoption of IDP within legislative timeframe
	Internal Audit	Risk based plan completed
Initiate the institutionalization of risk management		
Corporate Services	Administration	Training of personnel in record management
Financial Services	Income	Improved collection rate
		Improved turnover rate in resolving customer enquiries
	Budget Office	Unqualified audit report for 2009/10
	Information Technology	Establishment of a functional IT committee
	Supply Chain Management	No successful appeals in respect of bids awarded
	Stores	Needs analysis performed to determine minimum stock levels
Engineering Services	Building Control	103 Plans to value of R12 437 990
	Municipal Buildings	Upgrade of Museum

Directorate/ Functional area	Sub Directorate	Highlights
	Planning and Development	Sites planned for 2000 sub economic houses
	Waste Water Management	Receiving Green Drop Award for the 4 th place in the Western Cape and 7 th nationally
		Completion of new water reclamation plant
	Water Purification	Receiving Blue Drop Excellence Award for the 2 nd year
		Providing town with water during the drought
Cemeteries	Monthly maintenance of all cemeteries	
Electro-Technical Services	Reticulation – High Voltage	Supply availability of 99,6 to all high voltage users
	Reticulation – Low Voltage	Supply availability of 99,4 to all high voltage users

Table 100: Performance highlights per functional area

5.2 OVERVIEW OF PERFORMANCE

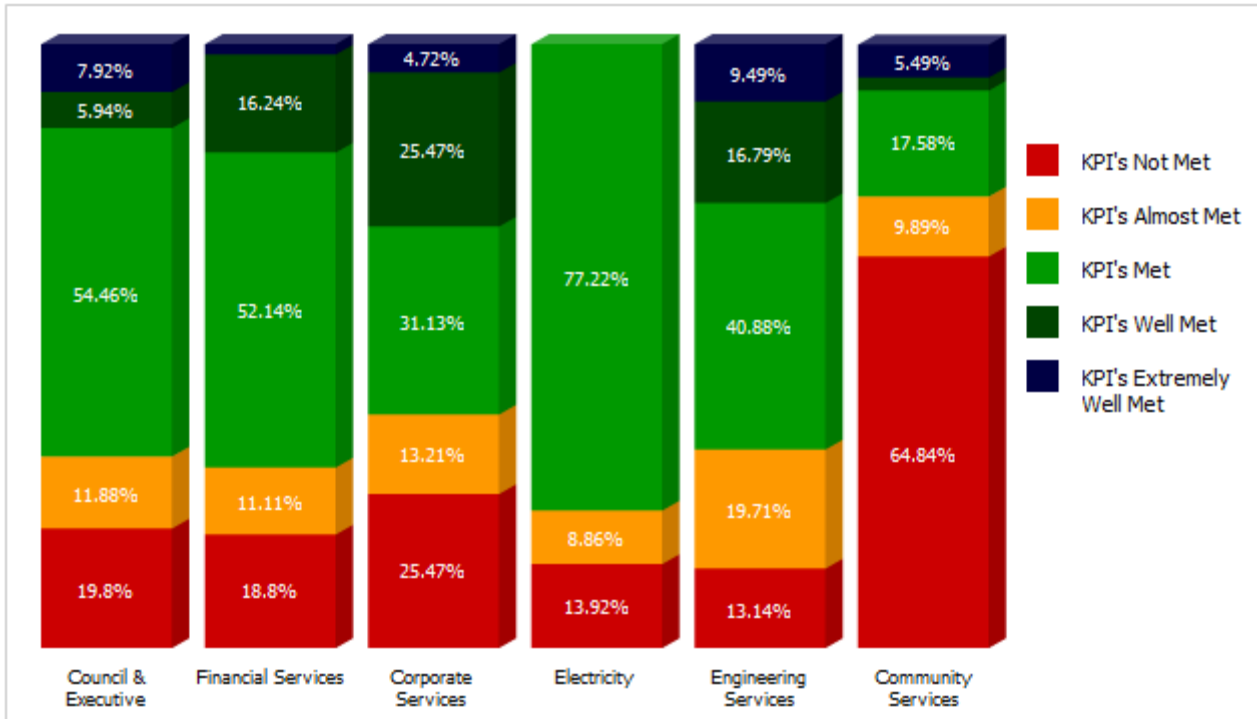
The performance statistics in the table below and all the graphs in the following sub paragraphs include performance in terms of the Departmental SDBIP, which measures operational performance, as well as, the performance in terms of the Top Layer SDBIP. The graph for each directorate is an overview of the overall results of all the KPI's measured in terms of the municipal SDBIP performance management system.

Directorates	% Performance 2009/10	2010/11					
		Total KPIs	KPIs extremely well met	KPI's well met	KPIs met	KPIs almost met	KPIs not met
Council and Executive	72.73	101	8	6	55	12	20
Corporate Services	75.28	106	5	27	33	14	27
Financial Services	83.51	117	2	19	61	13	22
Community Services	64.77	91	5	2	16	9	59
Engineering Services	75.00	137	13	23	56	27	18
Electro-Technical Services	79.71	79	0	0	61	7	11
Beaufort West Municipality	75.23	631	33	77	282	82	157

Table 101: Summary of total performance

Note: The table above exclude KPI's not measured yet in the Top Layer and Departmental SDBIP

The following graph indicates the overall results of all the KPI's measured of the various directorates in terms of the municipal SDBIP performance management system



Graph 14: Overall performance of directorates

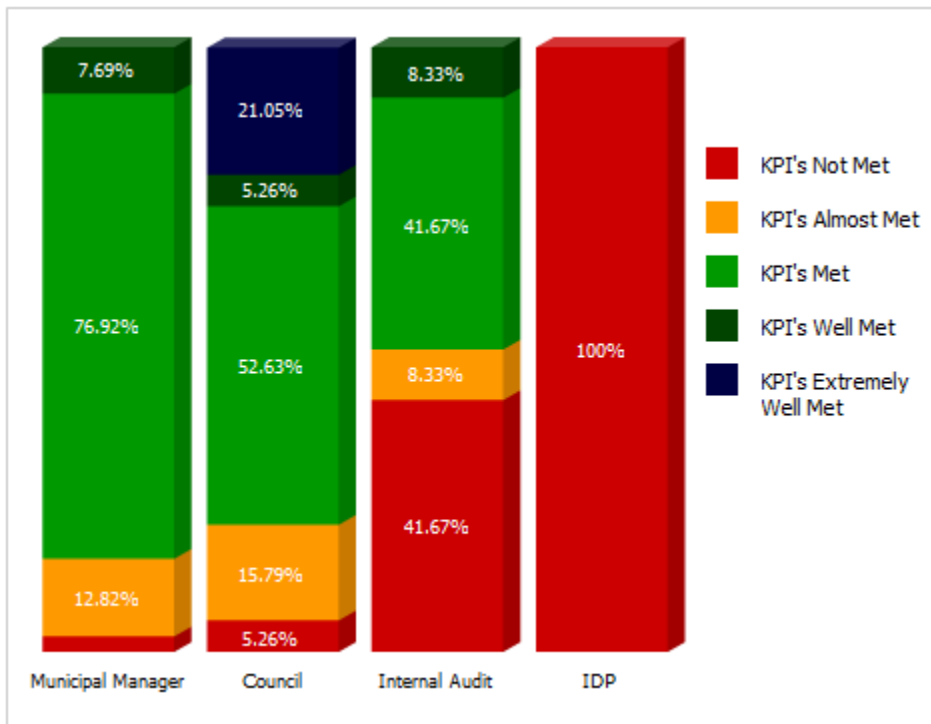
5.3 PERFORMANCE PER FUNCTIONAL AREA (DEPARTMENTAL/OPERATIONAL SDBIP)

5.3.1 COUNCIL AND EXECUTIVE

The Office of the Municipal Manager consists of the following divisions:

- Council
- Municipal Manager
- IDP
- Internal Audit

The following graph indicates the overall results of all the KPI's measured of the various sub-directorates within the Council and Executive directorate in terms of the municipal SDBIP performance management system



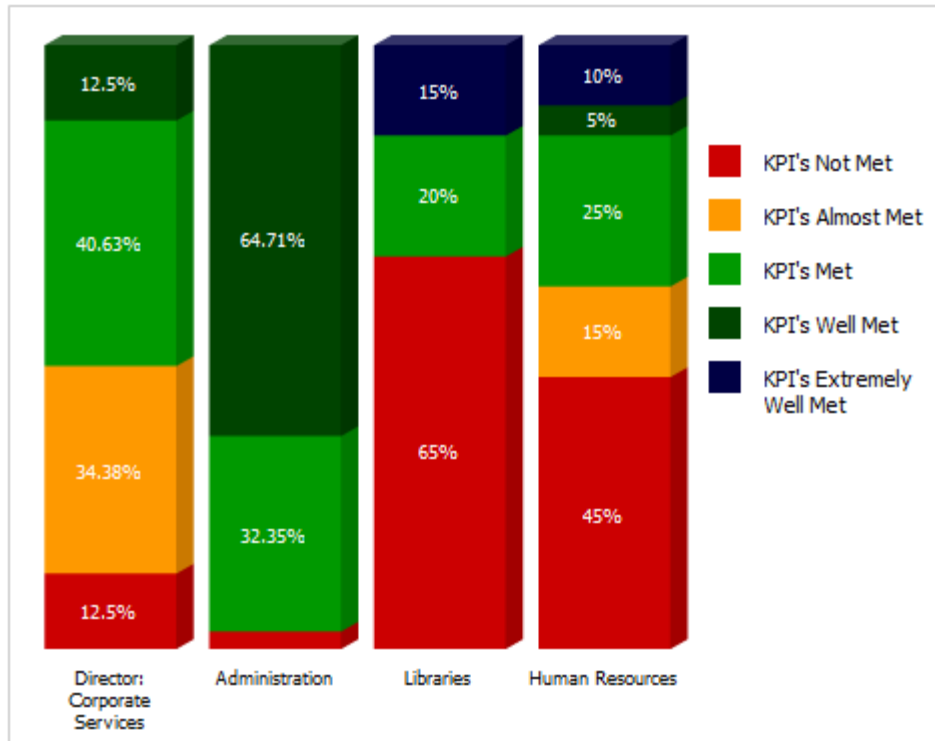
Graph 15: Executive and Council sub-directorate performance

5.3.2 CORPORATE SERVICES

Corporate Services consists of the following divisions:

- Director: Corporate Services; Administration; Human Resources & Libraries

The following graph indicates the overall results of all the KPI's measured of the various sub-directorates within the Corporate Services directorate in terms of the municipal SDBIP performance management system



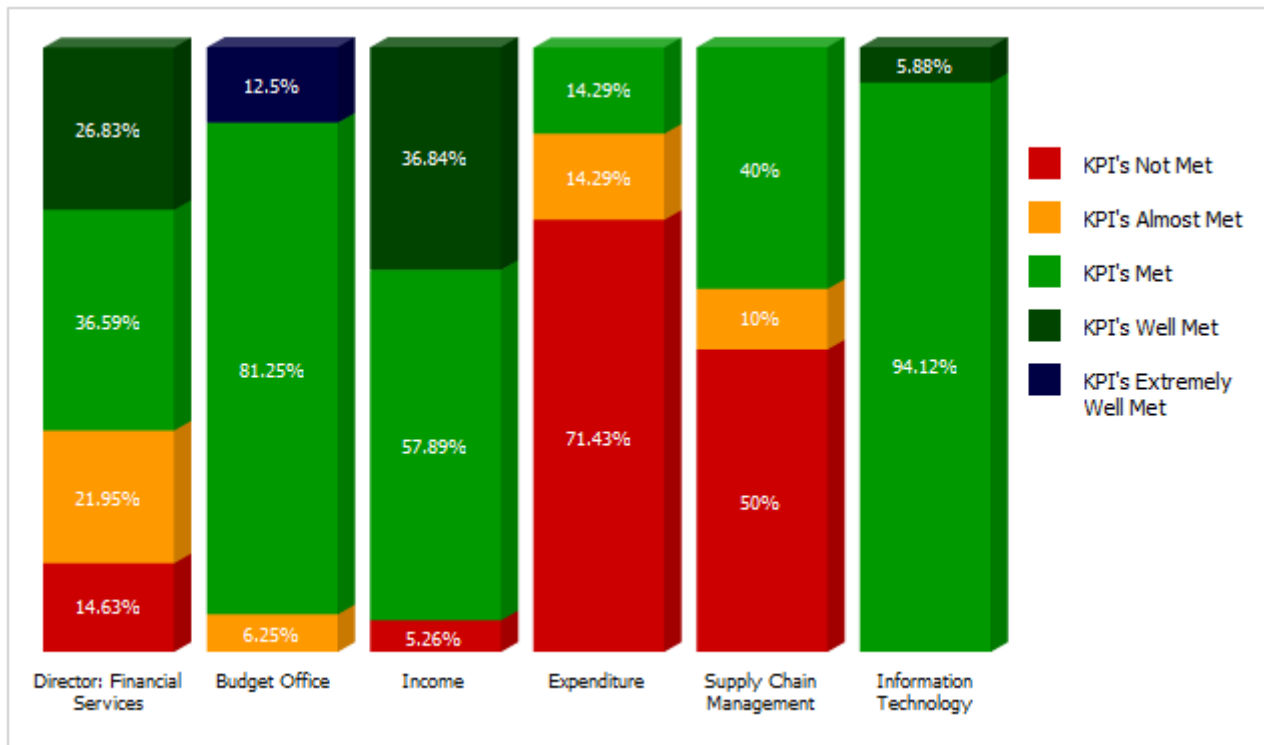
Graph 16: Corporate Services sub-directorate performance

5.3.3 FINANCIAL SERVICES

Financial Services consists of the following divisions:

- Director: Financial Services; Budget Office; Information Technology; Expenditure; Income; Supply Chain Management & Stores

The following graph indicates the overall results of all the KPI's measured of the various sub-directorates within the Financial Services directorate in terms of the municipal SDBIP performance management system



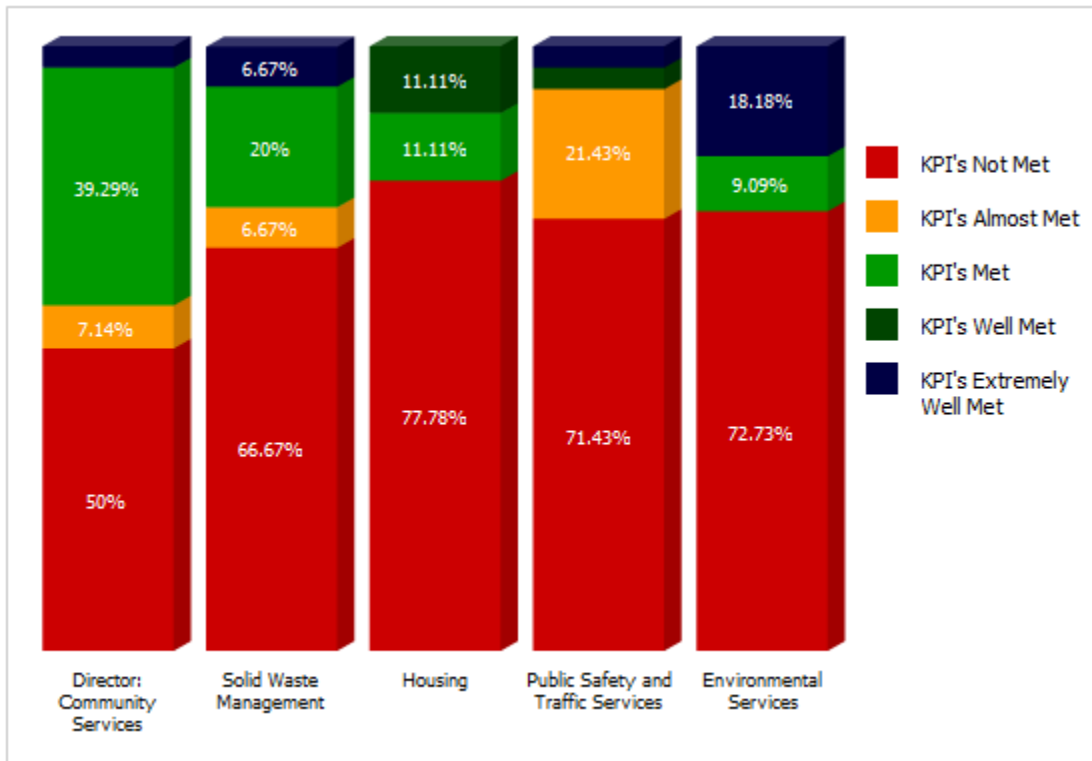
Graph 17: Financial Services sub-directorate performance

5.3.4 COMMUNITY SERVICES

Community Services consists of the following divisions:

- Director: Community Services; Environmental Services; Housing; Public Safety; Solid Waste & Traffic Services

The following graph indicates the overall results of all the KPI's measured of the various sub-directorates within the Community Services directorate in terms of the municipal SDBIP performance management system



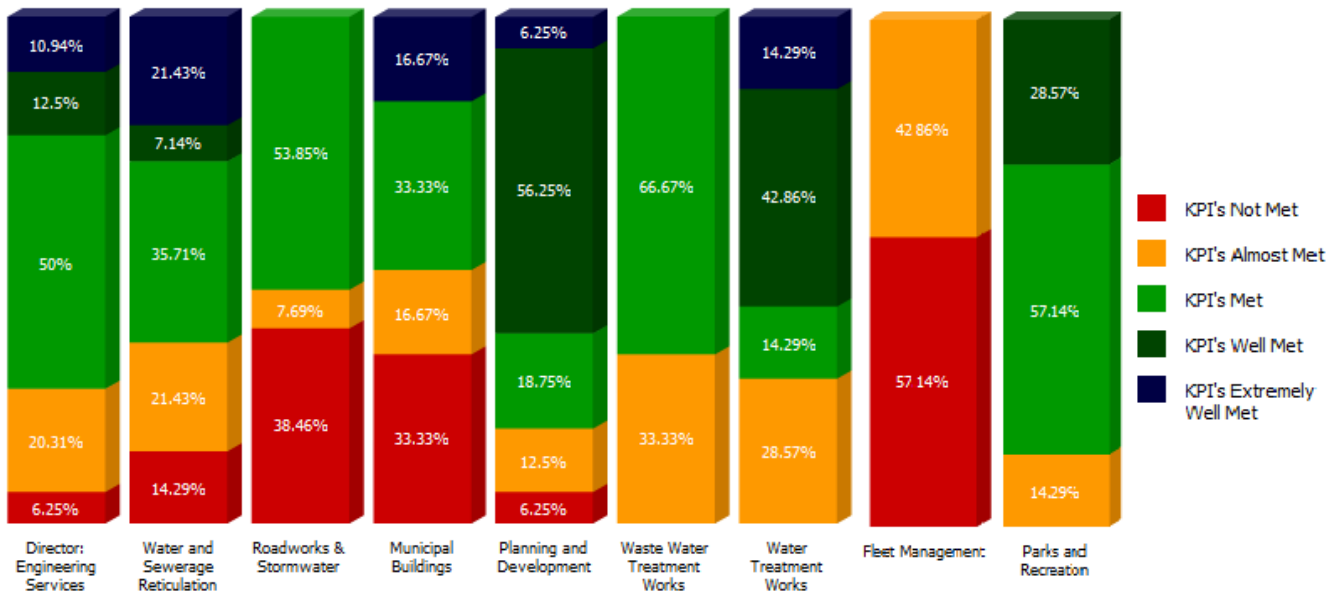
Graph 18: Community Services sub-directorate performance

5.3.5 ENGINEERING SERVICES

Engineering Services consists of the following divisions:

- Director: Engineering Services; Building Control; Fleet Management; Municipal Buildings; Planning and Development; Road Works & Stormwater; Sewerage Reticulation; Sport and Recreation; Waste Water Management; Water Purification; Water Reticulation 7 Cemeteries

The following graph indicates the overall results of all the KPI's measured of the various sub-directorates within the Engineering Services directorate in terms of the municipal SDBIP performance management system



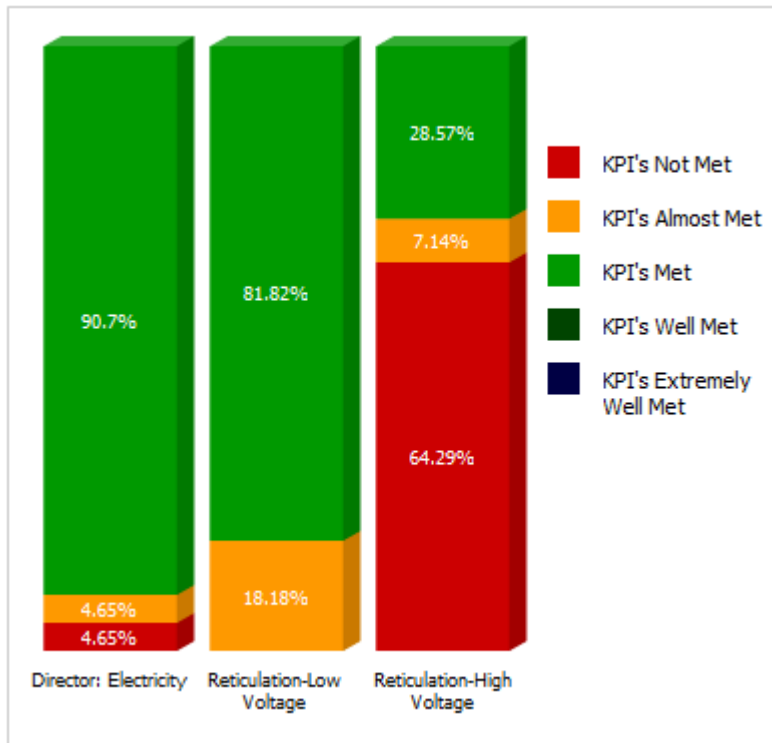
Graph 19: Engineering Services sub-directorate performance

5.3.6 ELECTRO-TECHNICAL SERVICES

Engineering Services consists of the following divisions:

- Director: Electro-Technical Services; Reticulation – High Voltage & Reticulation – Low Voltage

The following graph indicates the overall results of all the KPI's measured of the various sub-directorates within the Electro-Technical Services directorate in terms of the municipal SDBIP performance management system



Graph 20: Electro-Technical Services sub-directorate performance

CHAPTER 6

FINANCIAL PERFORMANCE

CHAPTER 6: FINANCIAL PERFORMANCE

6.1 NATIONAL KEY PERFORMANCE INDICATORS - MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT

The following table indicates the municipality's performance in terms of the National Key Performance Indicators required in terms of the Local Government: Municipal Planning and the Performance Management Regulations of 2001 and section 43 of the MSA. These key performance indicators are linked to the National Key Performance Area namely Municipal Financial Viability and Management.

KPA & INDICATOR	2007/08	2008/09	2009/10	2010/11
Debt coverage ((Total operating revenue-operating grants received)/debt service payments due within the year)	42.35	40.37	38.31	26.45
Service debtors to revenue – (Total outstanding service debtors/ revenue received for services)	39.3	31	38.29	40
Cost coverage ((Available cash+ investments)/ Monthly fixed operating expenditure)	1.7	2.4	2.6	1.4

Table 102: National KPI's for financial viability and management

6.2 FINANCIAL VIABILITY CHALLENGES

Challenge	Action to address
Financial viability affected, increase in debtors	MEC to consult with the council on the consequences of the credit control policy on the financial viability of the municipality
Ineffective systems operation, management and data retrieval for reporting	Recruit and appoint suitable personnel; contract service provider to capacitate personnel; investigate options to simplify data e.g. migration to new system or modules
Internal Audit function	Appointment of skilled personnel and interns
Functioning of Audit Committee	
Ineffective supply chain structure and operations, inadequate storage and stock control	Investigate <i>status quo</i> , consider alternative structure and implementation of capacity building programme
Fiscal discipline in adhering to legal prescriptions and expenditure management	Implementation of budget database and monitoring/reporting system; ongoing training
Difficulty with GAMAP compliance	Appointment of service provider and capacitating of internal staff
Capacity: Risk management – organogram does not make provision for this post	Review the organogram
Insufficient budget for the maintenance of the aging infrastructure	Assessment of the state of infrastructure in the municipality; comprehensive bulk infrastructure study (water and sanitation)
Insufficient funds to meet full scope of service delivery	Implementation of revenue enhancement strategies

Challenge	Action to address
support and indigent/FBS needs	

Table 103: Financial Viability Challenges

6.3 FINANCIAL SUSTAINABILITY

6.3.1 OPERATING RESULTS

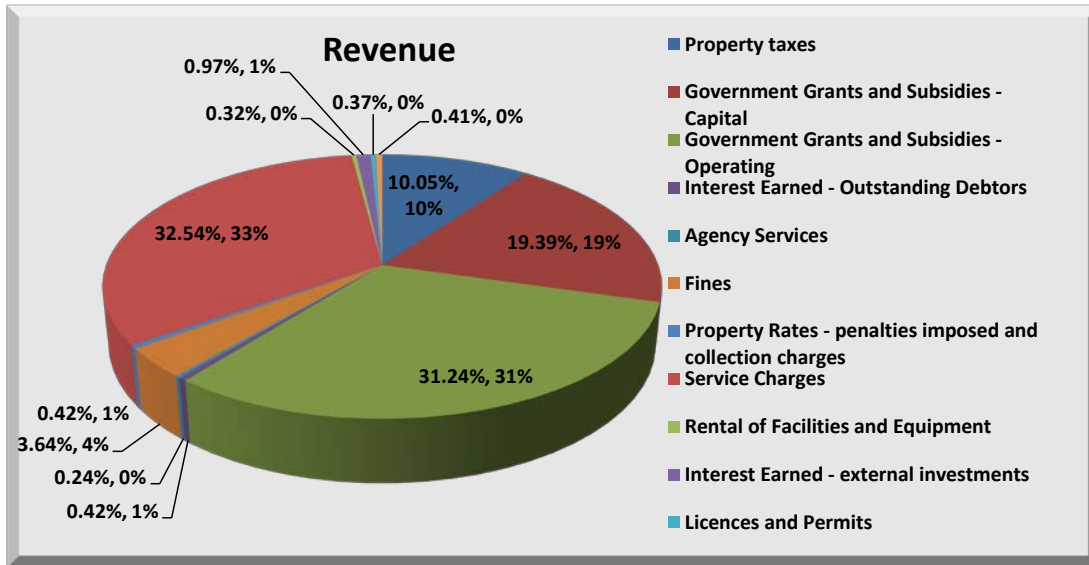
The table below shows a summary of performance against budgets

Financial Year	Revenue				Operating expenditure			
	Budget	Actual	Diff.	%	Budget	Actual	Diff.	%
	R'000	R'000	R'000		R'000	R'000	R'000	
2008/09	116 717	150 322	33 605	28.8	98 386	140 431	(42 045)	42.7
2009/10	191 669	164 960	(26 709)	14	173 792	139 470	34 322	20
2010/11	191 312	177 855	(13 457)	(7)	155 925	173 827	17 902	11.5

Table 104: Performance against budgets

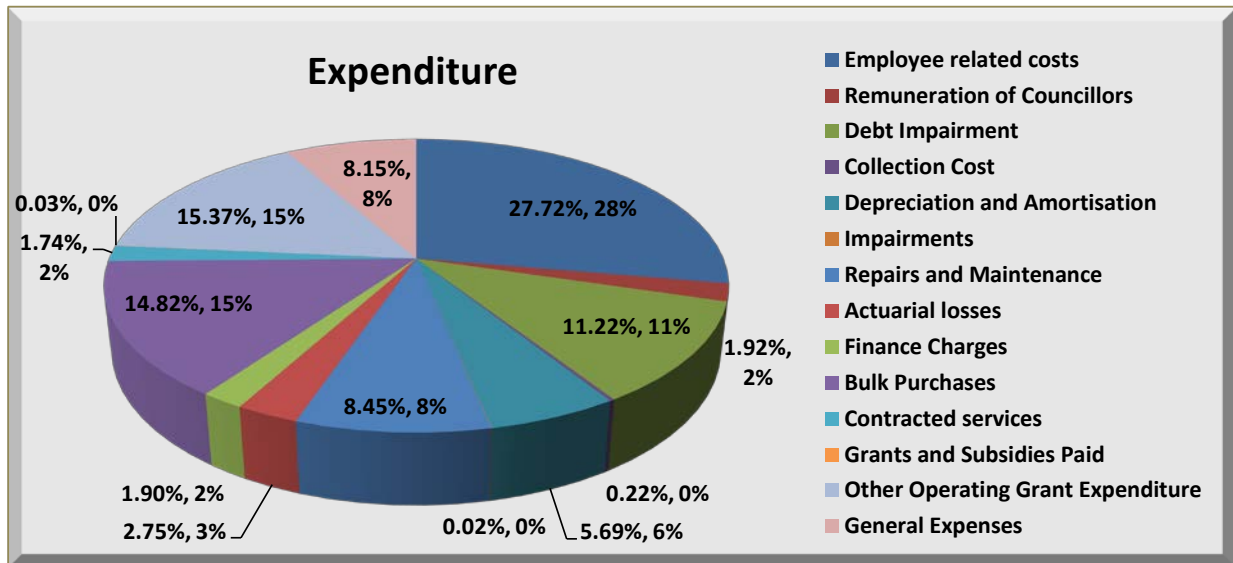
The municipality received R 177 854 795 revenue for the year of which R 173 826 981 was utilized for operating expenditure. Salaries and Councillor allowances were 28% of the operating expenditure for the year under review and the percentage is well within the national norm of between 35-40%. Bulk purchases of water and electricity and expenditure with regards to grants and subsidies that were received from other spheres of government along with salaries and allowances makes up most of the total operating expenditure of the municipality. Grant and subsidies received, property tax and service charges, account for most of the revenue for the year under review.

The following graph indicates the various types of revenue items in the municipal budget for 2010/11



Graph 21: Revenue

The following graph indicates the various types of expenditure items in the municipal budget for 2010/11



Graph 22: Operating expenditure

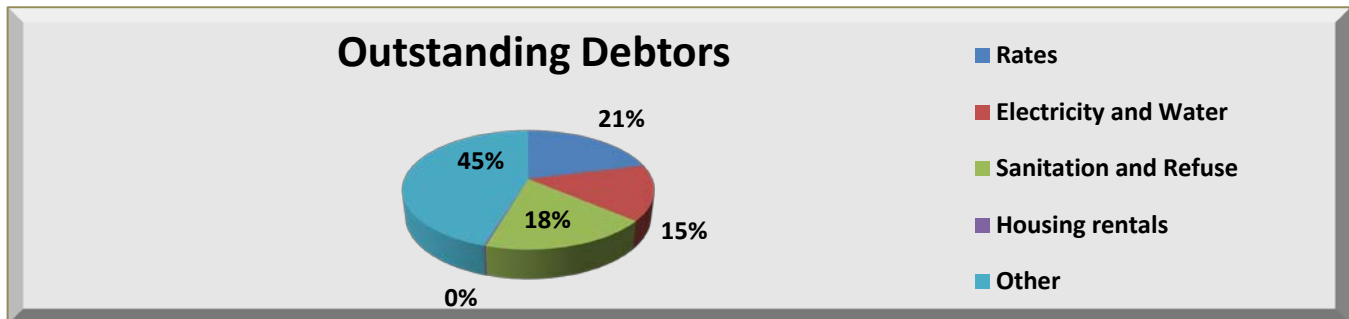
6.3.2 OUTSTANDING DEBTORS

A) GROSS OUTSTANDING DEBTORS PER SERVICE

Financial year	Rates	Trading services (Electricity and Water)	Economic services (Sanitation and Refuse)	Housing rentals	Other	Total
	R'000	R'000	R'000	R'000	R'000	R'000
	2009/10	6 517	6 031	8 566	93	12 225
2010/11	8 791	6 318	7 684	81	18 899	41 773
Difference	2 274	287	(882)	(12)	6 674	8 341
% growth year on year	34.9	4.8	(10.3)	(14.8)	54.6	24.9

Table 105: Gross outstanding debtors per service

The following graph indicates the total outstanding debt per type of service for 2010/11



Graph 23: Debt per type of service

B) TOTAL DEBTORS AGE ANALYSIS

Financial year	Less than 30 days (R'000)	Between 30-60 days (R'000)	Between 60-90 days (R'000)	More than 90 days (R'000)	Total (R'000)
2009/10	5 466	840	628	26 498	33 432
2010/11	6 417	983	1 265	33 108	41 773
Difference	951	143	637	6 610	8 341
% growth year on year	17.4	17	101.4	24.9	24.9

Table 106: Service debtor age analysis

Note: Figures exclude provision for bad debt

6.3.3 VIABILITY INDICATORS

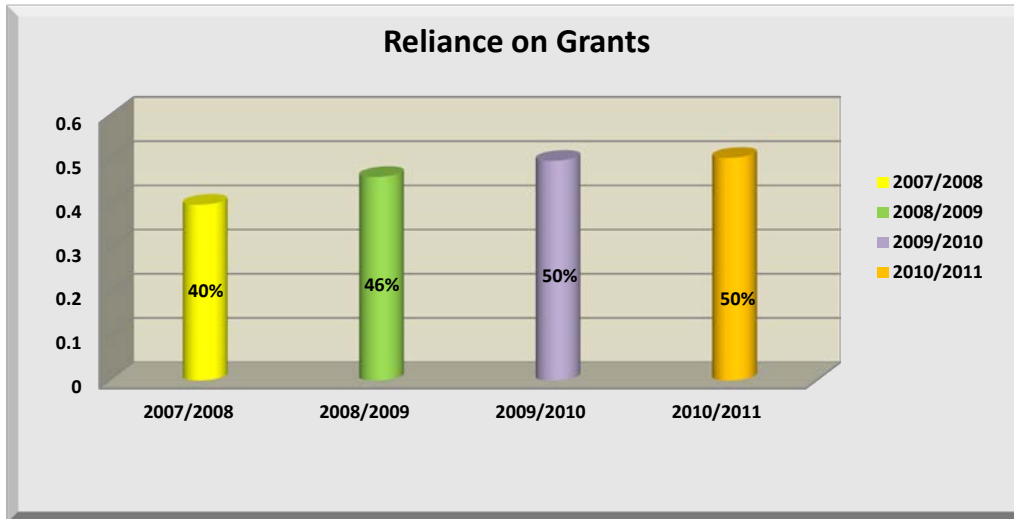
A) LEVEL OF RELIANCE ON GRANTS AND SUBSIDIES

Financial year	Total grants and subsidies received	Total Operating Revenue	Percentage
	R'000	R'000	
2007/08	47 416	119 262	40
2008/9	69 220	150 322	46
2009/10	81 783	164 498	50
2010/11	89 599	177 855	50

Table 107: Reliance on grants

The municipality is more reliant on grants to finance expenditure than other municipalities with the same nature, due to our limited revenue raising capacity.

The following graph indicates the municipality's reliance on grants as percentage for the last three financial years



Graph 24: Reliance on grants as %

Year on year the reliance showed no movement. The growth of future Division of Revenue Act (DORA) allocations increase above the normal inflation rate; with the effect that the reliance ratio will be under pressure. The high growth rate in own revenue for 2010/2011 was mostly due to increased income from electricity service charges due to higher than inflation rate tariff increases.

B) LIQUIDITY RATIO

Financial year	Net current assets (R'000)	Net current liabilities (R'000)	Ratio
2007/08	34 639	21 607	1.60:1
2008/09	51 709	40 992	1.26:1
2009/10	62 518	42 601	1.47:1
2010/11	38 881	38 413	1.01:1

Table 108: Liquidity ratio

The ratio indicates that the municipality is in a favorable position to meet its short term liabilities. The ratio is currently below the national norm of 1.5:1. It is therefore imperative to develop and implement more vigorous revenue raising initiatives, especially with regard to outstanding debtors to improve our cash-flow generation for much needed own funding for infrastructure development.

6.3.4 AUDITED OUTCOMES

Year	2005/2006	2006/2007	2007/2008	2008/2009	2009/2010	2010/11
Status	Qualified	Unqualified	Unqualified	Unqualified	Unqualified	Unqualified

Table 109: Audit outcomes

The following tables provide the details on the audit outcomes for the past two financial years with the correctives steps that will be implemented:

2009/10	
Issue raised	Corrective step implemented
Emphasis of matter:	
Restatement of corresponding figures	10. The municipality has restated its comparative figures to reflect the effect of the adoption of new or revised accounting standards, changes to the accounting policies and the correction of errors.
Material losses	11. The municipality has conducted a water meter audit, the results of which will only be reflected in the unaccounted for water measured in 2010/11. Furthermore, a pressure control system is being installed to reduce water losses in the event of pipe bursts.
Material under spending of the budget	12. The delays causing the non-completion of the two projects are not within the control of the municipality. Funds for PTIP projects were only received in the last quarter of the financial year while the suppliers of the 132 kv substation did not deliver according to the specifications, hence the imported goods had to be returned.

2009/10	
Issue raised	Corrective step implemented
Non-compliance with regulatory requirements	<p>17. The municipality is currently in process of reviewing the service delivery and budget implementation plan to assess and evaluate the level of compliance of the key performance indicators.</p> <p>18. An assessment of the functionality of the municipality's performance management system will be included in the risk based audit plan of internal audit.</p> <p>19. Internal audit will also be required to assess the extent to which the municipality's performance measurements are reliable in measuring the general and key performance indicators.</p> <p>20. The risk based audit plan of the internal audit will be amended to include the audit of performance measurement on a continuous basis and to submit reports to the municipal manager and the audit committee.</p>
Usefulness of reported performance information	<p>21. The municipality is currently in process of reviewing the service delivery and budget implementation plan to assess and evaluate the level of compliance of the key performance indicators.</p> <p>22. A high level review to assess the completeness of the performance information reported in the annual report will be conducted before submission of the annual report for audit.</p> <p>23. The municipality is currently in process of reviewing the service delivery and budget implementation plan to assess and evaluate the level of compliance of the key performance indicators.</p> <p>24. A high level review to assess the completeness, accuracy and relevance of the performance information reported in the annual report will be conducted before submission of the annual report for audit.</p>
Reliability of performance information	<p>25. A high level review to assess the completeness, validity and accuracy of the performance information reported in the annual report will be conducted before submission of the annual report for audit.</p> <p>26. The municipality will ensure that sufficient and appropriate audit evidence to support the performance on reported targets. An audit file will be compiled throughout the year. In addition, the key performance indicators will be reassessed to determine the measurability thereof.</p>
Compliance with laws and regulations	<p>27. The overspending of the budget is attributed to increased depreciation charges as a result of the unbundling of infrastructure assets as well as the inconsistent treatment of financial information for budgeting purposes compared to reporting for financial statement purposes.</p> <p>28. The expenditure relates to projects that were started</p>

BEAUFORT WEST LOCAL MUNICIPALITY ANNUAL REPORT 2010/11

2009/10	
Issue raised	Corrective step implemented
	during the 2008/09 financial year and that have not been advertised then. Processes and procedures were put in place to ensure that all construction contracts are advertised on the CIDB website and compliance is monitored on a regular basis as part of a supply chain management checklist.
Leadership	<p>31. The municipality is currently in process of reviewing the service delivery and budget implementation plan to assess and evaluate the level of compliance of the key performance indicators. A high level review to assess the completeness, validity and accuracy of the performance information reported in the annual report will be conducted before submission of the annual report for audit.</p> <p>32. We do not agree that management did not identify and mitigate the risk of unauthorized expenditure. As stated in paragraph 27, the unauthorized expenditure occurred as a result of matters that were not entirely within management's control. In respect of the irregular expenditure, the tenders were awarded during the previous financial year.</p>
Financial and performance management	33. A high level review to assess the completeness, validity and accuracy of the performance information reported in the annual report will be conducted before submission of the annual report for audit. In addition, the municipality will embark on a process of training the relevant officials in order to understand and address the current shortcomings.
Governance	34. The risk based audit plan of the internal audit will be amended to include the audit of performance measurement on a continuous basis and to submit reports to the municipal manager and the audit committee.

Table 110: 2009/10 Detail on audit outcomes

2010/11	
Issue raised	Corrective step implemented
Emphasis of matter:	
Restatement of corresponding figures	9. The municipality has restated its comparative figures to reflect the effect the correction of prior period errors.
Material losses and impairments	<p>10. The unaccounted for water have been reduced from 32% in 2009/10 to 23.5% and the municipality is currently putting measures in place to further reduce the unaccounted for water and electricity. These measures include a meter audit and granting amnesty to consumers with illegal connections.</p> <p>11. The provision for bad debt has been substantially increased due to the poor collection rate and the</p>

BEAUFORT WEST LOCAL MUNICIPALITY ANNUAL REPORT 2010/11

2010/11	
Issue raised	Corrective step implemented
	<p>increase in debtors older than 90 days. A review of the collectability of the debt will be performed and all irrecoverable debt will be written off during 2011/12. The credit control policy of the municipality will also be strictly enforced.</p>
Material underspending of the budget	<p>12. The delays in the implementation of the capital projects were not in the control of the municipality and the budget will have to be adjusted downwards in instances where funds are not available.</p>
Predetermined objectives	<p>16. The municipality will review the KPI's on the corporate scorecard to ensure that they are well defined and at the same time review the targets to conform to the requirements that it must be measurable and time-bound.</p> <p>18. A portfolio of evidence will be maintained for all targets and the evidence and supporting documentation will be regularly reviewed to ensure validity, accuracy and completeness of the reported performance information.</p>
Compliance with laws and regulations	<p>20. The bidders have made declarations that none of its directors or shareholders is in the service of the state and therefore the bids were awarded based on the declarations. It is very difficult to verify the accuracy of the declarations as the municipality does not have access to an updated database of persons in the service of the state.</p> <p>21. The overspending of the operating expenditure budget is due to inter alia the following:</p> <ul style="list-style-type: none"> • Actuarial losses and interest on the employee benefits. This is very difficult to budget for as these amounts are unknown at the time when the budget is prepared. • Provision for debt impairment – This is an estimate based on the expected collection ratio. However the Auditor-General has not accepted the approach and the basis upon which we have calculated the provision. • Operating grant expenditure relating to the electrification of the Central Karoo – These were roll-over funds from the previous year. <p>The overspending of the capital budget relates to the incorrect budgeting of the water reclamation plant under the water vote, but when the asset was eventually capitalized, it had to be componentized with the result that almost the full amount was capitalized under waste water management and not under water. It is therefore incumbent upon the technical departments to ensure that the capital budget is prepared according to the different components.</p>
Leadership	<p>23. Strict budget control will be exercised and future budgets will be reviewed and adjusted where necessary to prevent any future unauthorized expenditure.</p> <p>24. A complete review of the corporate scorecard including</p>

2010/11	
Issue raised	Corrective step implemented
	<p>the KPI's and targets will be undertaken during the 2011/12 financial year. Regular reporting and review of the portfolio of evidence will also be required to ensure the validity, completeness and accuracy of performance information.</p> <p>25. A review of the indicators and targets will be undertaken to ensure that these are logically linked in accordance with the guidelines.</p>

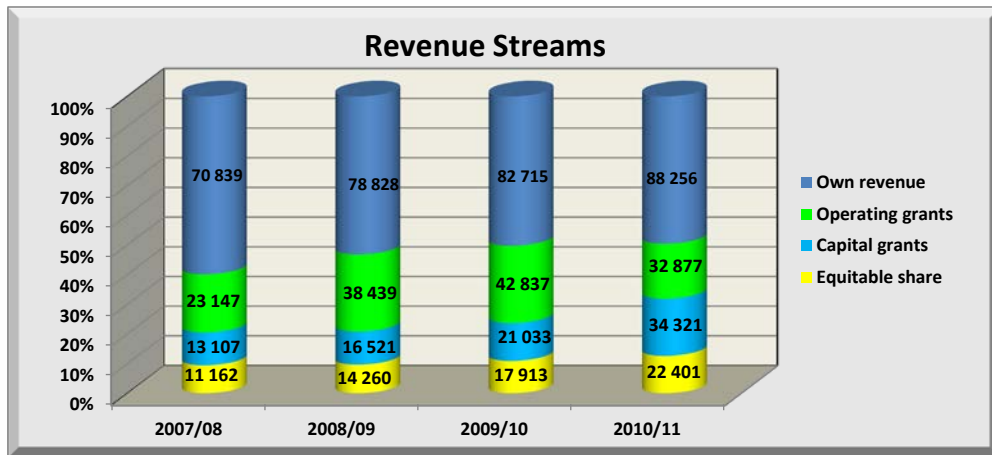
Table 111: 2010/11 Detail on audit outcomes

6.3.5 EQUITABLE SHARE VS TOTAL REVENUE

Description of revenue	Amount received 2007/08	Amount received 2008/09	Amount received 2009/10	Amount received 2010/11
	R'000	R'000	R'000	R'000
Equitable share	11 162	14 260	17 913	22 401
Capital grants	13 107	16 521	21 033	34 321
Operating grants	23 147	38 439	42 837	32 877
Own revenue	70 839	78 828	82 715	88 256
Total revenue	118 255	148 048	164 498	177 855

Table 112: Equitable share vs total revenue

The following graph indicates the various revenue streams of the municipality for the past three financial years



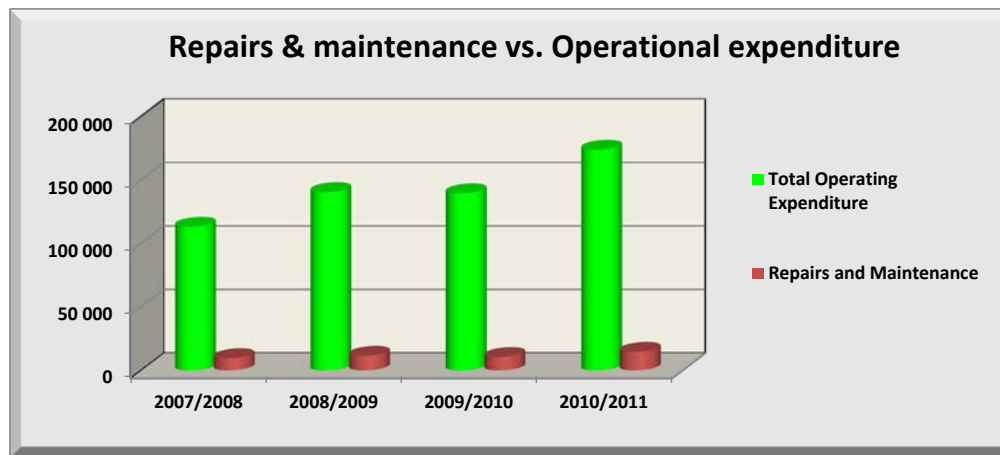
Graph 25: Revenue streams

6.3.6 REPAIRS AND MAINTENANCE

Description	2007/2008 (R'000)	2008/2009 (R'000)	2009/2010 (R'000)	2010/11 (R'000)
Total Operating Expenditure	113 178	140 431	139 470	173 827
Repairs and Maintenance	9 639	11 533	10 570	14 695
% of total OPEX	8.5	8.2	7.6	8.5

Table 113 Repairs & maintenance as % of total OPEX

The following graph indicates the percentage of the budget that was spent on repairs & maintenance in relation to the operational budget



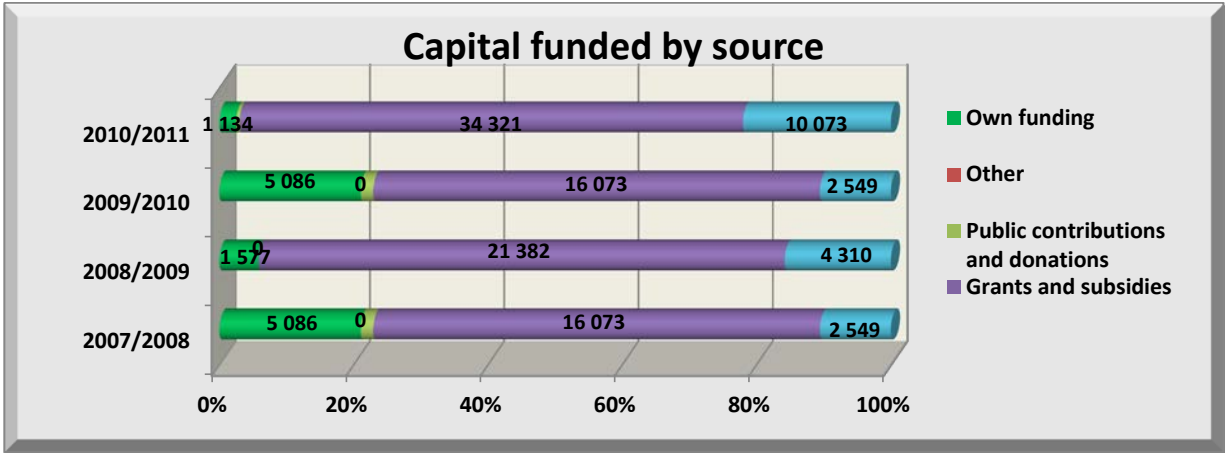
Graph 26: Repairs and maintenance as percentage of OPEX

6.3.7 CAPITAL FUNDED BY SOURCE

Description Source	2007/2008 (R'000)	2008/2009 (R'000)	2009/2010 (R'000)	2010/11 (R'000)
External loans	2 549	4 310	2 549	10 073
Grants and subsidies	16 073	21 382	16 073	34 321
Public contributions and donations	448	0	448	226
Own funding	5 086	1 577	5 086	1 134
Other	0	0	0	
Total capital expenditure	24 156	27 269	24 156	45 754

Table 114: Capital funded by source

The following graph indicates capital expenditure funded by the various sources



Graph 27: Capital funded by source

LIST OF ABBREVIATIONS

AG	Auditor-General
CAPEX	Capital Expenditure
CBP	Community Based Planning
CFO	Chief Financial Officer
DPLG	Department of Provincial and Local Government
DWAF	Department of Water Affairs and Forestry
EE	Employment Equity
GAMAP	Generally Accepted Municipal Accounting Practice
GRAP	Generally Recognised Accounting Practice
HR	Human Resources
IDP	Integrated Development Plan
IFRS	International Financial Reporting Standards
IMFO	Institute for Municipal finance officers
KPA	Key Performance Area
KPI	Key Performance Indicator
LED	Local Economic Development
MAYCOM	Executive Mayoral Committee
MFMA	Municipal Finance Management Act (Act No. 56 of 2003)
MIG	Municipal Infrastructure Grant
MM	Municipal Manager
MMC	Member of Mayoral Committee
MSA	Municipal Systems Act No. 32 of 2000
MTECH	Medium Term Expenditure Committee
NGO	Non-governmental organisation
NT	National Treasury

OPEX	Operating expenditure
PMS	Performance Management System
PT	Provincial Treasury
SALGA	South African Local Government Organisation
SAMDI	South African Management Development Institute
SCM	Supply Chain Management
SDBIP	Service Delivery and Budget Implementation Plan
SDF	Spatial Development Framework

Beaufort West

MUNICIPALITY

FINANCIAL STATEMENTS

30 JUNE 2011

BEAUFORT WEST LOCAL MUNICIPALITY

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BEAUFORT WEST LOCAL MUNICIPALITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

GENERAL INFORMATION

NATURE OF BUSINESS

Beaufort West Municipality is a local municipality performing the functions as set out in the Constitution. (Act no 105 of 1996)

COUNTRY OF ORIGIN AND LEGAL FORM

South African Category B Municipality (Local Municipality) as defined by the Municipal Structures Act. (Act no 117 of 1998)

JURISDICTION

The Beaufort West Municipality includes the following areas:

Beaufort West
Nelspoort
Merweville

MUNICIPAL MANAGER

Mr. J. Booysen

CHIEF FINANCIAL OFFICER

Mr. D. Louw

REGISTERED OFFICE

112 Donkin Street
BEAUFORT WEST
6970

AUDITORS

Office of the Auditor General (WC)

PRINCIPLE BANKERS

ABSA Bank, Beaufort West

ATTORNEYS

Crawford Attorneys, Beaufort West

RELEVANT LEGISLATION

Municipal Finance Management Act (Act no 56 of 2003)
Division of Revenue Act
The Income Tax Act
Value Added Tax Act
Municipal Structures Act (Act no 117 of 1998)
Municipal Systems Act (Act no 32 of 2000)
Municipal Planning and Performance Management Regulations
Water Services Act (Act no 108 of 1997)
Housing Act (Act no 107 of 1997)
Municipal Property Rates Act (Act no 6 of 2004)
Electricity Act (Act no 41 of 1987)
Skills Development Levies Act (Act no 9 of 1999)
Employment Equity Act (Act no 55 of 1998)
Unemployment Insurance Act (Act no 30 of 1966)
Basic Conditions of Employment Act (Act no 75 of 1997)
Supply Chain Management Regulations, 2005
Collective Agreements
Infrastructure Grants
SALBC Leave Regulations

BEAUFORT WEST LOCAL MUNICIPALITY

MEMBERS OF THE BEAUFORT WEST LOCAL MUNICIPALITY

WARD	COUNCILLOR
1	Vacant
2	A.M. Slabbert
3	G. de Vos
4	S.M. Motsoane
5	M. Furmen
6	G.P. Adolph
7	J. Bostander
Proportional	P.A. Jacobs
Proportional	G.T. Murray
Proportional	T. Prince
Proportional	R. van der Linde
Proportional	D.E. Welgemoed
Proportional	A.D. Willemse

APPROVAL OF FINANCIAL STATEMENTS

I am responsible for the preparation of these annual financial statements, which are set out on pages 1 to 66 in terms of Section 126 (1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality.

Mr. J. Booysen
Municipal Manager

28 November 2011
Date

BEAUFORT WEST LOCAL MUNICIPALITY

STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2011

	Notes	2011 R	2010 R
NET ASSETS AND LIABILITIES			
Net Assets		231 939 978	227 912 168
Capital Replacement Reserve	2	2 798 227	2 138 834
Housing Development Fund	2	3 807 893	3 710 453
Self Insurance Reserve	2	522 627	424 668
Accumulated Surplus/(Deficit)		224 811 231	221 638 213
Non-Current Liabilities		38 032 329	26 730 933
Long-term Liabilities	3	16 597 333	10 687 556
Employee benefits	4	19 244 396	13 862 977
Non-Current Provisions	5	2 190 600	2 180 400
Current Liabilities		38 413 117	43 510 163
Consumer Deposits	6	1 035 912	999 104
Current Employee benefits	7	4 462 726	3 966 750
Payables From Exchange Transactions	8	17 024 536	12 395 539
Unspent Conditional Government Grants and Receipts	9	9 816 698	20 432 453
Unspent Public Contributions	10	477 624	1 315 255
Operating Lease Liability	20.1	2 439	3 167
Cash and Cash Equivalents	21	2 321 040	2 193 884
Current Portion of Long-term Liabilities	3	3 272 142	2 204 011
Total Net Assets and Liabilities		308 385 424	298 153 264
ASSETS			
Non-Current Assets		269 504 082	236 683 425
Property, Plant and Equipment	12	255 060 202	220 597 455
Investment Property	13	10 249 777	10 529 049
Non-current Assets Held For Sale	14	1 318 840	-
Intangible Assets	15	541 079	625 008
Long-Term Receivables	16	2 334 184	4 931 913
Current Assets		38 881 342	61 469 839
Inventory	17	2 877 248	2 171 658
Trade Receivables from exchange transactions	18	9 921 793	19 123 930
Other Receivables from non-exchange transactions	19	5 807 979	7 645 093
Unpaid Conditional Government Grants and Receipts	9	863 618	388 382
Operating Lease Asset	20.2	9 069	8 320
Taxes	11	4 251 199	1 298 038
Current Portion of Long-term Receivables	16	-	1 053
Cash and Cash Equivalents	21	15 150 436	30 833 365
Total Assets		308 385 424	298 153 264

BEAUFORT WEST LOCAL MUNICIPALITY

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2011

	Notes	2011 (Actual) R	2010 (Restated) R	Correction of error R	2010 (Previously reported) R
REVENUE					
Revenue from Non-exchange Transactions		113 827 487	106 197 990	(10 500)	106 208 490
Taxation Revenue		17 790 898	16 756 058	-	16 756 058
Property taxes	22	17 790 898	16 756 058	-	16 756 058
Transfer Revenue		89 599 177	82 024 819	-	82 024 819
Government Grants and Subsidies - Capital	23	34 321 329	21 199 783	-	21 199 783
Government Grants and Subsidies - Operating	23	55 277 848	60 825 036	-	60 825 036
Other Revenue		6 437 412	7 417 113	(10 500)	7 427 613
Fines		6 437 412	7 417 113	(10 500)	7 427 613
Revenue from Exchange Transactions		63 140 614	58 305 332	(154 202)	58 459 534
Property Rates - penalties imposed and collection charges		734 441	442 517	-	442 517
Service Charges	24	57 586 617	52 397 040	-	52 397 040
Rental of Facilities and Equipment		571 668	720 267	-	720 267
Interest Earned - external investments		1 710 889	1 889 195	(154 202)	2 043 397
Interest Earned - outstanding debtors		741 006	694 423	-	694 423
Licences and Permits		655 756	624 959	-	624 959
Agency Services		419 767	430 315	-	430 315
Other Income	25	720 470	1 106 616	-	1 106 616
Total Revenue		176 968 101	164 503 322	(164 702)	164 668 024
EXPENDITURE					
Employee related costs	26	48 179 238	40 698 665	-	40 698 665
Remuneration of Councillors	27	3 343 715	3 281 879	-	3 281 879
Debt Impairment	28	19 496 310	608 376	344 554	263 822
Collection Cost		386 631	329 264	-	329 264
Depreciation and Amortisation		9 886 498	8 466 897	751 792	7 715 105
Impairments	29	35 487	38 640	-	38 640
Repairs and Maintenance		14 694 933	10 808 134	-	10 808 134
Actuarial losses	4	4 785 571	106 274	-	106 274
Finance Charges	30	3 308 666	2 590 551	-	2 590 551
Bulk Purchases	31	25 763 149	20 992 353	-	20 992 353
Contracted services		3 021 911	2 381 584	-	2 381 584
Grants and Subsidies Paid	32	45 850	49 532	-	49 532
Other Operating Grant Expenditure		26 715 253	42 189 299	563 557	41 625 742
General Expenses	33	14 163 770	8 711 347	11 023	8 700 324
Total Expenditure		173 826 982	141 252 795	1 670 926	139 581 869
Operating Surplus for the Year		3 141 119	23 250 527	(1 835 628)	25 086 155
Gain on disposal of Property, Plant & Equipment/Investment Proper		886 694	461 628	-	461 628
NET SURPLUS/(DEFICIT) FOR THE YEAR		4 027 813	23 712 155	(1 835 628)	25 547 783

BEAUFORT WEST LOCAL MUNICIPALITY

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2011

	Self Insurance Reserve	Housing Development Fund	Capital Replacement Reserve	Accumulated Surplus/ (Deficit)	Total
	R	R	R	R	R
Balance at 1 JULY 2009	343 044	3 432 795	2 236 414	104 229 529	110 241 782
Correction of error - See Note 34.1	-	-	-	93 817 332	93 817 332
Restated Balance at 1 JULY 2009	343 044	3 432 795	2 236 414	198 046 861	204 059 114
Net Surplus/(Deficit) for the year	-	-	-	25 547 783	25 547 783
Correction of error - See Note 34.11	-	-	-	(1 835 611)	(1 835 611)
Contribution to Insurance Reserve	511 366	-	-	(511 366)	-
Insurance claims processed	(429 742)	-	-	429 742	-
Transfer to CRR	-	-	1 533 308	(1 533 308)	-
Property, Plant and Equipment purchased	-	-	(1 630 888)	1 630 888	-
Transfer to Housing Development Fund	-	277 658	-	(277 658)	-
Rounding	-	-	-	19	19
Balance at 30 JUNE 2010	424 668	3 710 453	2 138 834	221 497 350	227 771 305
Correction of error - See Note 34.1	-	-	-	140 863	140 863
Restated Balance at 1 JULY 2010	424 668	3 710 453	2 138 834	221 638 213	227 912 168
Net Surplus/(Deficit) for the year	-	-	-	4 027 813	4 027 813
Transfer to CRR	-	-	1 793 576	(1 793 576)	-
Property, Plant and Equipment purchased	-	-	(1 134 183)	1 134 183	-
Contribution to Insurance Reserve	189 053	-	-	(189 053)	-
Insurance claims processed	(91 094)	-	-	91 094	-
Transfer to Housing Development Fund	-	97 440	-	(97 440)	-
Rounding	-	-	-	(3)	(3)
Balance at 30 JUNE 2011	522 627	3 807 893	2 798 227	224 811 231	231 939 978

BEAUFORT WEST LOCAL MUNICIPALITY

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2011

	Notes	2011 R	2010 R
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts			
Ratepayers and other		75 678 543	70 931 667
Government - operating		55 277 848	60 825 036
Government - capital		34 321 329	21 199 783
Interest		2 451 895	2 583 618
Payments			
Suppliers and employees		(145 345 003)	(128 509 520)
Finance charges	30	(3 308 666)	(2 590 551)
Transfers and Grants		(45 850)	(49 532)
Net Cash from Operating Activities		19 030 096	24 390 501
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment		(45 730 751)	(27 363 415)
Proceeds on Disposal of Fixed Assets		2 619 570	429 826
Purchase of Intangible Assets		(23 657)	(76 208)
(Increase)/Decrease in Assets held for sale		(1 318 840)	-
Net Cash from Investing Activities		(44 453 678)	(27 009 797)
CASH FLOW FROM FINANCING ACTIVITIES			
New loans raised		10 073 436	6 506 688
New loans (repaid)		(3 095 528)	(2 295 302)
(Increase)/Decrease in Long-term Receivables		2 598 782	1 152 363
Increase/(Decrease) in Consumer Deposits		36 808	148 809
Rounding		(1)	18
Net Cash from Financing Activities		9 613 497	5 512 576
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(15 810 085)	2 893 280
Cash and Cash Equivalents at the beginning of the year		28 639 481	25 746 201
Cash and Cash Equivalents at the end of the year	37	12 829 396	28 639 481
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(15 810 085)	2 893 280

BEAUFORT WEST MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

1. ACCOUNTING PRINCIPLES AND POLICIES APPLIED IN THE FINANCIAL STATEMENTS

1.1. BASIS OF PREPARATION

The annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention unless specified otherwise.

The annual financial statements have been prepared in accordance with the effective standards of Generally Recognised Accounting Practices (GRAP), including any interpretations and directives issued by the Accounting Standards Board (ASB) in accordance with Section 122(3) of the Municipal Finance Management Act, (Act No 56 of 2003).

The standards are summarised as follows:

GRAP 5	Borrowing Costs
GRAP 6	Consolidated and Separate Financial Statements
GRAP 7	Investments in Associates
GRAP 8	Interests in Joint Ventures
GRAP 101	Agriculture
GRAP 102	Intangible assets
IGRAP 1	Applying the probability test on initial recognition of exchange revenue
IPSAS 20	Related Party Disclosure
IFRS 3 (AC140)	Business Combinations
IFRS 4 (AC141)	Insurance Contracts
IFRS 6 (AC143)	Exploration for and Evaluation of Mineral Resources
IAS 12 (AC102)	Income Taxes
IAS 19 (AC116)	Employee Benefits
SIC – 21 (AC421)	Income Taxes – Recovery of Revaluated Non-Depreciable Assets
SIC – 25 (AC425)	Income Taxes – Changes in the Tax Status on an Entity or its Shareholders
SIC – 29 (AC429)	Service Concessions Arrangements – Disclosures
IFRIC 2 (AC435)	Members' Shares in Co-operative Entities and Similar Instruments
IFRIC 4 (AC437)	Determining whether an Arrangement contains a Lease
IFRIC 9 (AC442)	Reassessment of Embedded Derivatives
IFRIC 12 (AC445)	Service Concession Arrangements
IFRIC 13 (AC446)	Customer Loyalty Programmes
IFRIC 14 (AC447) IAS19	The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

BEAUFORT WEST MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

IFRIC 15 (AC448)	Agreements for the Construction of Real Estate
IFRIC 16 (AC449)	Hedges in a Net Investment in a Foreign Operation

The Municipality resolved to early adopt the following GRAP standards which have been issued but are not effective yet.

Standard	Description	Effective Date
GRAP 1 (Revised)	Presentation of Financial Statements	1 April 2011
GRAP 2 (Revised)	Cash Flow Statements	1 April 2011
GRAP 3 (Revised)	Accounting Policies, Changes in Accounting Estimates and Errors	1 April 2011
GRAP 4 (Revised)	The Effects of changes in Foreign Exchange Rates	1 April 2011
GRAP 9 (Revised)	Revenue from Exchange Transactions	1 April 2011
GRAP 10 (Revised)	Financial Reporting in Hyperinflationary Economics	1 April 2011
GRAP 11 (Revised)	Construction Contracts	1 April 2011
GRAP 12 (Revised)	Inventories	1 April 2011
GRAP 13 (Revised)	Leases	1 April 2011
GRAP 14 (Revised)	Events after the reporting date	1 April 2011
GRAP 16 (Revised)	Investment Property	1 April 2011
GRAP 17 (Revised)	Property, Plant and Equipment	1 April 2011
GRAP 19 (Revised)	Provisions, Contingent Liabilities and Contingent Assets	1 April 2011
GRAP 21	Impairment of non-cash-generating assets	1 April 2012
GRAP 23	Revenue from Non-Exchange Transactions	1 April 2012
GRAP 26	Impairment of cash-generating assets	1 April 2012
GRAP 100 (Revised)	Non-current Assets held for Sale and Discontinued Operations	1 April 2011

The Municipality resolved to formulate an accounting policy based on the following GRAP standards which have been issued but are not effective yet.

Standard	Description	Effective Date
GRAP 25	Employee Benefits	Unknown
GRAP 104	Financial Instruments	UNKnown

Accounting policies for material transactions, events or conditions not covered by the above GRAP have been developed in accordance with paragraphs 7, 11 and 12 of GRAP 3.

BEAUFORT WEST MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

A summary of the significant accounting policies, which have been consistently applied, are disclosed below.

Assets, liabilities, revenue and expenses have not been offset except when offsetting is permitted or required by a Standard of GRAP.

The accounting policies applied are consistent with those used to present the previous year's financial statements, unless explicitly stated. The details of any changes in accounting policies are explained in the relevant notes to the Financial Statements.

In terms of Directive 4: "Transitional Provisions for Medium and Low Capacity Municipalities" issued by the Accounting Standards Board the municipality has adopted the transitional provisions for the following GRAP Standards in prior periods and not the current financial period as the municipality must comply with all the GRAP Standards applicable at the reporting date. (Refer to correction of error note as transitions were not utilised in the prior year):

GRAP 12 – Inventories
GRAP 16 – Investment Property
GRAP 17 – Property, Plant and Equipment
GRAP 19 – Provisions, Contingent Liabilities and Contingent Assets
GRAP 100 – Non-current Assets Held for Sale and Discontinued Operations
GRAP 102 – Intangible Assets

In terms of Directive 7: "The Application of Deemed Cost on the Adoption of Standards of GRAP" issued by the Accounting Standards Board, the Municipality applied deemed cost to Investment Property, Property, Plant and Equipment and Intangible assets where the acquisition cost of an asset could not be determined.

1.2. 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.

1.3. GOING CONCERN ASSUMPTION

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

1.4. COMPARATIVE INFORMATION

As noted below, GRAP 24 is not effective yet, however budget information required in terms of GRAP 1 paragraph 11 to 14 have been disclosed in the financial statements.

When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are restated, unless a standard of GRAP does not require the restatements of comparative information. The nature and reason for the reclassification is disclosed. Where material accounting errors have been identified in the current year, the correction is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly. Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly.

BEAUFORT WEST MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

1.5. MATERIALITY

Material omissions or misstatements of items are material if they could, individually or collectively, influence the decision or assessments of users made on the basis of the financial statements. Materiality depends on the nature or size of the omission or misstatements judged in the surrounding circumstances. The nature or size of the information item, or a combination of both, could be the determining factor. In general, materiality is determined as 1% of total expenditure.

1.6. STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

The following GRAP standards have been issued but are not yet effective and have not been early adopted by the Municipality:

Standard	Description	Effective Date
GRAP 6 (Revised)	Consolidated and Separate Financial Statements No significant impact is expected as the Municipality does not participate in such business transactions.	Unknown
GRAP 7 (Revised)	Investments in Associate No significant impact is expected as the Municipality does not participate in such business transactions.	Unknown
GRAP 8 (Revised)	Interest in Joint Ventures No significant impact is expected as the Municipality does not participate in such business transactions.	Unknown
GRAP 18	Segment Reporting Information to a large extent is already included in the notes to the annual financial statements.	Unknown
GRAP 24	Presentation of Budget Information in Financial Statements Information to a large extent is already included in the notes to the annual financial statements.	1 April 2012
GRAP 103	Heritage Assets Heritage assets are included in PPE and will be moved to Heritage assets with implementation 30 June 2013.	1 April 2012
GRAP 105	Transfer of Functions Between Entities Under Common Control No significant impact is expected as the Municipality does not participate in such business transactions.	Unknown
GRAP 106	Transfer of Functions Between Entities Not Under Common Control No significant impact is expected as the Municipality does not participate in such business transactions.	Unknown
GRAP 107	Mergers No significant impact is expected as the Municipality does	Unknown

BEAUFORT WEST MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

	not participate in such business transactions.	
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These standards, amendments and interpretations will not have a significant impact on the Municipality once implemented.

1.7. RESERVES

1.7.1 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. 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.

1.7.2 Housing Development Fund

The Housing Development Fund was established in terms of the Housing Act, (Act No. 107 of 1997). Loans from National and Provincial Government, used to finance housing selling schemes undertaken by the Municipality, were extinguished on 1 April 1998 and transferred to the Housing Development Fund. Housing selling schemes, both completed and in progress as at 1 April 1998, were also transferred to the Housing Development Fund. In terms of the Housing Act, all proceeds from housing developments, which include rental income and sale of houses, must be paid into the Housing Development Fund. Monies standing to the credit of the Housing Development Fund can be used only to finance housing developments within the municipal area subject to the approval of the MEC responsible for housing.

1.7.3 Self Insurance Reserve

A Self Insurance Reserve has been established and, subject to external insurance where deemed necessary, covers claims that may occur. Premiums are charged to the respective services taking into account claims history and replacement value of the insured assets.

- Contributions to the fund by Business Units are transferred via the Statement of Changes in Net Assets to the reserve in line with amounts budgeted for in the operating budget. The contributions to the reserve are charged to the Business Units based on the previous year's insured value of the assets under their control.
- The Council determines annually to contribute to the Self Insurance Reserve.
- The total amount of insurance premiums paid to external insurers are regarded as expenses and must be shown as such in the Statement of Financial Performance. These premiums do not affect the Self Insurance Reserve.
- Claims received from external insurers are recognised as revenue in the Statement of Financial Performance.
- Claims received to meet repairs of damages on assets are reflected as income in the statement of financial performance.
- Repair and replacement costs not fully covered by external insurance are financed from the insurance reserve. The repair and replacement cost is regarded as an expense and is reflected in the Statement of financial performance. An amount equal to the expense is transferred from the Insurance Reserve to the Unappropriated Surplus via the Statement of changes in net assets.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

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- Amounts paid on behalf of employees in respect of medical costs for injuries sustained whilst on duty are regarded as expenses and are recorded in the Statement of Financial Performance when incurred. An amount equal to these expenses is transferred from the Insurance Reserve to the Unappropriated Surplus account via the Statement of Changes in Net Assets.

1.8. LEASES

1.8.1 Municipality as Lessee

Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the Municipality. Property, plant and equipment or intangible assets subject to finance lease agreements are initially recognised at the lower of the asset's fair value and the present value of the minimum lease payments. The corresponding liabilities are initially recognised at the inception of the lease and are measured as the sum of the minimum lease payments due in terms of the lease agreement, discounted for the effect of interest. In discounting the lease payments, the Municipality uses the interest rate that exactly discounts the lease payments and unguaranteed residual value to the fair value of the asset plus any direct costs incurred.

Subsequent to initial recognition, the leased assets are accounted for in accordance with the stated accounting policies applicable to property, plant and equipment or intangibles. The lease liability is reduced by the lease payments, which are allocated between the lease finance cost and the capital repayment using the effective interest rate method. Lease finance costs are expensed when incurred. The accounting policies relating to derecognition of financial instruments are applied to lease payables.

Operating leases are those leases that do not fall within the scope of the above definition. Operating lease rentals are recognised on a straight-line basis over the term of the relevant lease.

1.8.2 Municipality as Lessor

Under a finance lease, the Municipality recognises the lease payments to be received in terms of a lease agreement as an asset (receivable). The receivable is calculated as the sum of all the minimum lease payments to be received, plus any unguaranteed residual accruing to the Municipality, discounted at the interest rate implicit in the lease. The receivable is reduced by the capital portion of the lease instalments received, with the interest portion being recognised as interest revenue on a time proportionate basis. The accounting policies relating to derecognition and impairment of financial instruments are applied to lease receivables.

Operating leases are those leases that do not fall within the scope of the above definition. Operating lease rentals are recognised on a straight-line basis over the term of the relevant lease.

1.9. UNSPENT CONDITIONAL GOVERNMENT GRANTS AND RECEIPTS

Unspent conditional grants are financial liabilities that are separately reflected on the Statement of Financial Position. They represent unspent government grants, subsidies and contributions from the public.

This liability always has to be cash-backed. The following provisions are set for the creation and utilisation of this creditor:

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

- Unspent conditional grants are recognised as a liability when the grant is received.
- When grant conditions are met an amount equal to the conditions met are transferred to revenue in the Statement of Financial Performance.
- The cash which backs up the creditor is invested as individual investment or part of the general investments of the Municipality until it is utilised.
- 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 recognised as interest earned in the Statement of Financial Performance.

1.10. PROVISIONS

Provisions are recognised when the Municipality has a present legal or constructive obligation as a result of past events, it is possible that an outflow of resource embodying economic benefits will be required to settle the obligation and a reliable estimate of the provision can be made. Provisions are reviewed at reporting date and adjusted to reflect the current best estimate. Where the effect is material, non-current provisions are discounted to their present value using a discount rate that reflects the market's current assessment of the time value of money, adjusted for risks specific to the liability (for example in the case of obligations for the rehabilitation of land).

The Municipality does not recognise a contingent liability or contingent asset. A contingent liability is disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is disclosed where an inflow of economic benefits is possible.

Future events that may affect the amount required to settle an obligation are reflected in the amount of a provision where there is sufficient objective evidence that they will occur. Gains from the expected disposal of assets are not taken into account in measuring a provision. Provisions are not recognised for future operating losses. The present obligation under an onerous contract is recognised and measured as a provision.

A provision for restructuring costs is recognised only when the following criteria over and above the recognition criteria of a provision have been met:

- (a) The Municipality has a detailed formal plan for the restructuring identifying at least:
- the business or part of a business concerned;
 - the principal locations affected;
 - the location, function and approximate number of employees who will be compensated for terminating their services;
 - the expenditures that will be undertaken; and
 - when the plan will be implemented.
- (b) The Municipality has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

The amount recognised as a provision shall be the best estimate of the expenditure required to settle the present obligation at the reporting date.

Provisions shall be reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

benefits or service potential will be required to settle the obligation, the provision shall be reversed.

1.11. EMPLOYEE BENEFITS

(a) *Post Retirement Medical obligations*

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 pays 70% as contribution and the remaining 30% are paid by the 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 present value of the defined benefit liability is actuarially determined in accordance with GRAP 25 – Employee benefits (using a discount rate applicable to high quality government bonds). The plan is partially funded.

These contributions are charged to the Statement of Financial Performance when employees have rendered the service entitling them to the contribution. The liability was calculated by means of the projected unit credit actuarial valuation method. The liability in respect of current pensioners is regarded as fully accrued, and is therefore not split between a past (or accrued) and future in-service element. The liability is recognised at the fair value of the obligation. Payments made by the Municipality are set-off against the liability, including notional interest, resulting from the valuation by the actuaries and are charged against the Statement of Financial Performance as employee benefits upon valuation.

Actuarial gains and losses arising from the experience adjustments and changes in actuarial assumptions, is charged or credited to the Statement of Financial Performance in the period that it occurs. These obligations are valued periodically by independent qualified actuaries.

(b) *Long Service awards*

Long service awards are provided to employees who achieve certain pre-determined milestones of service within the Municipality. The Municipality's obligation under this plan is valued by independent qualified actuaries periodically and the corresponding liability is raised. Payments are set-off against the liability, including notional interest, resulting from the valuation by the actuaries and are charged against the Statement of Financial Performance as employee benefits upon valuation. Defined benefit plans are post-employment plans other than defined contribution plans.

Actuarial gains and losses arising from the experience adjustments and changes in actuarial assumptions, is charged or credited to the Statement of Financial Performance in the period that it occurs.

(c) *Accrued Leave Pay*

Liabilities for annual leave are recognised as they accrue to employees. The liability is based on the total amount of leave days due to employees at year end and also on the total remuneration package of the employee.

(d) *Performance bonuses*

A provision, in respect of the liability relating to the anticipated costs of performance bonuses payable to Section 57 employees, is maintained. Municipal entities'

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

performance bonus provisions are based on the employment contract stipulations as well as previous performance bonus payment trends.

1.12. PROPERTY, PLANT AND EQUIPMENT

1.12.1 Initial Recognition

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one year. Items of property, plant and equipment are initially recognised as assets on acquisition date and are initially recorded at cost. The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the municipality. Trade discounts and rebates are deducted in arriving at the cost. The cost also includes the necessary costs of dismantling and removing the asset and restoring the site on which it is located.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Where an asset is acquired by the Municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the assets acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

Major spare parts and servicing equipment qualify as property, plant and equipment when the municipality expects to use them during more than one period. Similarly, if the major spare parts and servicing equipment can be used only in connection with an item of property, plant and equipment, they are accounted for as property, plant and equipment.

1.12.2 Subsequent Measurement – Revaluation Model

Subsequent to initial recognition, Property, Plant and Equipment are carried at a revalued amount, unless otherwise stated in the relevant Notes to the Financial Statements, being its fair value at the date of revaluation less any subsequent accumulated depreciation and impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation is credited directly to a revaluation surplus reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in surplus or deficit.

A decrease in the carrying amount of an asset as a result of a revaluation is recognised in surplus or deficit, except to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

BEAUFORT WEST MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

1.12.3 Subsequent Measurement – Cost Model

Subsequent to initial recognition, items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated as it is deemed to have an indefinite useful life.

Where the Municipality replaces parts of an asset, it derecognises the part of the asset being replaced and capitalises the new component. Subsequent expenditure incurred on an asset is capitalised when it increases the capacity or future economic benefits associated with the asset.

1.12.4 Depreciation and Impairment

Depreciation is calculated on the depreciable amount, using the straight-line method over the estimated useful lives of the assets. Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Components of assets that are significant in relation to the whole asset and that have different useful lives are depreciated separately. The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis. The annual depreciation rates are based on the following estimated useful lives

	Years		Years
<u>Infrastructure</u>		<u>Other</u>	
Roads and Paving	8-55	Buildings	30-100
Refuse	15-30	Specialist vehicles	3-60
Electricity	10-100	Other vehicles	3-30
Water	10-100	Office equipment	3-25
Sewerage	10-100	Furniture and fittings	2-30
Housing	30	Watercraft	15
		Bins and containers	5
<u>Community</u>		Specialised plant and	
Buildings	10-100	Equipment	3-40
Recreational Facilities	20-100	Other plant and	
Security	30	Equipment	3-40
Halls	30-100	Landfill sites	10-100
Libraries	100	Quarries	5-25
Parks and gardens	100	Emergency equipment	3-30
Other assets	10-100	Computer equipment	3-20
<u>Finance lease assets</u>			
Office equipment	3-5		
Other assets	3-5		

Property, plant and equipment are reviewed at each reporting date for any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. The impairment charged to the Statement of Financial Performance is the excess of the carrying value over the recoverable amount.

An impairment is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined had no impairment been recognised. A reversal of an impairment is recognised in the Statement of Financial Performance.

1.12.5 De-recognition

Items of property, plant and equipment are derecognised when the asset is disposed or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

1.12.6 Land and buildings and Other Assets – application of deemed cost (Directive 7)

The Municipality opted to take advantage of the transitional provisions as contained in Directive 7 of the Accounting Standards Board, issued in December 2009. The Municipality applied deemed cost where the acquisition cost of an asset could not be determined. For Land and Buildings the fair value as determined by a valuator was used in order to determine the deemed cost as on 1 July 2008. For Other Assets the depreciated cost method was used to establish the deemed cost as on 1 July 2008.

1.13. INTANGIBLE ASSETS

1.13.1 Initial Recognition

An intangible asset is an identifiable non-monetary asset without physical substance.

An asset meets the identifiability criterion in the definition of an intangible asset when it:

- is separable, i.e. is capable of being separated or divided from the entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, asset or liability; or
- arises from contractual rights (including rights arising from binding arrangements) or other legal rights (excluding rights granted by statute), regardless of whether those rights are transferable or separable from the entity or from other rights and obligations.

The Municipality recognises an intangible asset in its Statement of Financial Position only when it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the Municipality and the cost or fair value of the asset can be measured reliably.

Internally generated intangible assets are subject to strict recognition criteria before they are capitalised. Research expenditure is never capitalised, while development expenditure is only capitalised to the extent that:

- the Municipality intends to complete the intangible asset for use or sale;
- it is technically feasible to complete the intangible asset;
- the Municipality has the resources to complete the project; and
- it is probable that the municipality will receive future economic benefits or service potential.

Intangible assets are initially recognised at cost.

Where an intangible asset is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

1.13.2 Subsequent Measurement – Cost Model

Intangible assets are subsequently carried at cost less accumulated amortisation and impairments. The cost of an intangible asset is amortised over the useful life where that useful life is finite. Where the useful life is indefinite, the asset is not amortised but is subject to an annual impairment test.

1.13.3 Amortisation and Impairment

Amortisation is charged so as to write off the cost or valuation of intangible assets over their estimated useful lives using the straight line method. Amortisation of an asset begins when it is available for use, i.e. when it is in the condition necessary for it to be capable of operating in the manner intended by management. Components of assets that are significant in relation to the whole asset and that have different useful lives are amortised separately. The estimated useful lives, residual values and amortisation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis. The annual amortisation rates are based on the following estimated useful lives:

Intangible Assets	Years
Computer Software	3-5
Computer System	5-10

1.13.4 De-recognition

Intangible assets are derecognised when the asset is disposed or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an intangible asset is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

1.13.5 Application of deemed cost (Directive 7)

The Municipality opted to take advantage of the transitional provisions as contained in Directive 7 of the Accounting Standards Board, issued in December 2009. The Municipality applied deemed cost where the acquisition cost of an asset could not be determined. For Intangible Assets the depreciated cost method was used to establish the deemed cost as on 1 July 2008.

1.14. INVESTMENT PROPERTY

1.14.1 Initial Recognition

Investment property shall be recognised as an asset when, and only when:

- it is probable that the future economic benefits or service potential that are associated with the investment property will flow to the entity, and
- the cost or fair value of the investment property can be measured reliably.

Investment property includes property (land or a building, or part of a building, or both land and buildings held under a finance lease) held to earn rentals and/or for capital appreciation, rather than held to meet service delivery objectives, the production or supply of goods or services, or the sale of an asset in the ordinary course of operations. Property with a currently undetermined use, is also classified as investment property.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

At initial recognition, the Municipality measures investment property at cost including transaction costs once it meets the definition of investment property. However, where an investment property was acquired through a non-exchange transaction (i.e. where it acquired the investment property for no or a nominal value), its cost is its fair value as at the date of acquisition.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner occupied property becomes an investment property, the Municipality accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use. The cost of self-constructed investment property is the cost at date of completion.

1.14.2 Subsequent Measurement – Cost Model

Subsequent to initial recognition, items of investment property are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated as it is deemed to have an indefinite useful life.

1.14.3 Depreciation and Impairment

Depreciation is calculated on the depreciable amount, using the straight-line method over the estimated useful lives of the assets. Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Components of assets that are significant in relation to the whole asset and that have different useful lives are depreciated separately. The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

<u>Investment Property</u>	Years
Buildings	30

1.14.4 De-recognition

Investment property is derecognised when it is disposed or when there are no further economic benefits expected from the use of the investment property. The gain or loss arising on the disposal or retirement of an item of investment property is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

1.14.5 Application of deemed cost - Directive 7

The Municipality opted to take advantage of the transitional provisions as contained in Directive 7 of the Accounting Standards Board, issued in December 2009. The Municipality applied deemed cost where the acquisition cost of an asset could not be determined. The fair value as determined by a valuator was used in order to determine the deemed cost as on 1 July 2008.

1.15. NON-CURRENT ASSETS HELD FOR SALE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

1.15.1 Initial Recognition

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

1.15.2 Subsequent Measurement

Non-current assets held for sale (or disposal group) are measured at the lower of carrying amount and fair value less costs to sell.

A non-current asset is not depreciated (or amortised) while it is classified as held for sale, or while it is part of a disposal group classified as held for sale.

Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale are recognised in surplus or deficit.

1.16. IMPAIRMENT OF NON-FINANCIAL ASSETS

1.16.1 Cash-generating assets

Cash-generating assets are assets held with the primary objective of generating a commercial return.

The Municipality assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the municipality estimates the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. Impairment losses are recognised in the Statement of Financial Performance in those expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Municipality estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Statement of Financial Performance.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

1.16.2 Non-cash-generating assets

Non-cash-generating assets are assets other than cash-generating assets.

The Municipality assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Municipality estimates the asset's recoverable service amount.

An asset's recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use. If the recoverable service amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. That reduction is an impairment loss recorded in the Statement of Financial Performance.

The value in use of a non-cash-generating asset is the present value of the asset's remaining service potential. The present value of the remaining service potential of the asset is determined using any one of the following approaches:

- *depreciated replacement cost approach* - the present value of the remaining service potential of an asset is determined as the depreciated replacement cost of the asset. The replacement cost of an asset is the cost to replace the asset's gross service potential. This cost is depreciated to reflect the asset in its used condition. An asset may be replaced either through reproduction (replication) of the existing asset or through replacement of its gross service potential. The depreciated replacement cost is measured as the reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated on the basis of such cost, to reflect the already consumed or expired service potential of the asset.
- *restoration cost approach* - the cost of restoring the service potential of an asset to its pre-impaired level. Under this approach, the present value of the remaining service potential of the asset is determined by subtracting the estimated restoration cost of the asset from the current cost of replacing the remaining service potential of the asset before impairment. The latter cost is usually determined as the depreciated reproduction or replacement cost of the asset, whichever is lower.
- *service unit approach* - the present value of the remaining service potential of the asset is determined by reducing the current cost of the remaining service potential of the asset before impairment, to conform with the reduced number of service units expected from the asset in its impaired state. As in the restoration cost approach, the current cost of replacing the remaining service potential of the asset before impairment is usually determined as the depreciated reproduction or replacement cost of the asset before impairment, whichever is lower.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

The Municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for an asset may no longer exist or may have decreased. If any such indication exists, the Municipality estimates the recoverable service amount of that asset.

An impairment loss recognised in prior periods for an asset is reversed if there has been a change in the estimates used to determine the asset's recoverable service amount

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

since the last impairment loss was recognised. If this is the case, the carrying amount of the asset is increased to its recoverable service amount. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods. Such a reversal of an impairment loss is recognised in the Statement of Financial Performance.

1.17. NON CURRENT INVESTMENTS

Financial instruments, which include, investments in municipal entities and fixed deposits invested in registered commercial banks, are stated at amortised cost.

Where investments 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.

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.

The carrying amounts of such investments are reduced to recognise any decline, other than a temporary decline, in the value of individual investments.

1.18. INVENTORIES

1.18.1 Initial Recognition

Inventories comprise current assets held for sale, consumption or distribution during the ordinary course of business. Inventories are initially recognised at cost. Cost generally refers to the purchase price, plus non-recoverable taxes, transport costs and any other costs in bringing the inventories to their current location and condition. Where inventory is manufactured, constructed or produced, the cost includes the cost of labour, materials and overheads used during the manufacturing process.

Where inventory is acquired by the Municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of the item on the date acquired.

1.18.2 Subsequent Measurement

Inventories, consisting of consumable stores, raw materials, work-in-progress and finished goods, are valued at the lower of cost and net realisable value unless they are to be distributed at no or nominal charge, in which case they are measured at the lower of cost and current replacement cost. Redundant and slow-moving inventories are identified and written down in this way. Differences arising on the valuation of inventory are recognised in the Statement of Financial Performance in the year in which they arose. The amount of any reversal of any write-down of inventories arising from an increase in net realisable value or current replacement cost is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

The carrying amount of inventories is recognised as an expense in the period that the inventory was sold, distributed, written off or consumed, unless that cost qualifies for capitalisation to the cost of another asset.

In general, the basis of allocating cost to inventory items is the weighted average method.

1.19. FINANCIAL INSTRUMENTS

Financial instruments recognised on the Statement of Financial Position include trade and other receivables (both from exchange transactions and non-exchange transactions), cash and cash equivalents, annuity loans and trade and other payables.

1.19.1 Initial Recognition

Financial instruments are initially recognised when the Municipality becomes a party to the contractual provisions of the instrument at fair value plus, in the case of a financial asset or financial liability not at fair value, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability

1.19.2 Subsequent Measurement

Financial Assets are categorised according to their nature as either financial assets at fair value, financial assets at amortised cost or financial assets at cost. , Financial Liabilities are categorised as either at fair value, financial liabilities at cost or financial liabilities carried at amortised cost ("other"). The subsequent measurement of financial assets and liabilities depends on this categorisation.

1.19.2.1 Investments

Investments, which include listed government bonds, unlisted municipal bonds, fixed deposits and short-term deposits invested in registered commercial banks, are categorised as either held-to-maturity where the criteria for that categorisation are met, or as loans and receivables, and are measured at amortised cost. Where investments have been impaired, the carrying value is adjusted by the impairments and is calculated as being the difference between the carrying amount and the present value of the expected future cash flows flowing from the instrument. 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. The balance as at 30 June included accumulated interest.

1.19.2.2 Trade and Other Receivables

Trade and other receivables are classified as loans and receivables, and are subsequently measured amortised cost using the effective interest rate method.

For amounts due from debtors carried at amortised cost, the Municipality first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. Objective evidence of impairment includes significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments (more than 90 days overdue). If the Municipality determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the Statement of Financial Performance. Interest income continues to be accrued on the reduced carrying amount based on the original effective interest rate of the asset. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the municipality. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is recognised in the Statement of Financial Performance.

The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate, if material. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

1.19.2.3 Trade and Other Payables and Annuity Loans

Financial liabilities consist of trade and other payables and annuity loans. They are categorised as financial liabilities held at amortised cost, are initially recognised at fair value and subsequently measured at amortised cost using an effective interest rate, which is the initial carrying amount, less repayments, plus interest.

1.19.2.4 Cash and Cash Equivalents

Cash includes cash on hand (including petty cash) and cash with banks. Cash equivalents are short-term highly liquid investments, readily convertible into known amounts of cash 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 purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, highly liquid deposits and net of bank overdrafts. The Municipality categorises cash and cash equivalents as financial assets carried at amortised cost.

Bank overdrafts are recorded based on the facility utilised. Finance charges on bank overdraft are expensed as incurred. Amounts owing in respect of bank overdrafts are categorised as financial liabilities. Other financial liabilities carried at amortised cost.

1.19.3 De-recognition of Financial Instruments

1.19.3.1 Financial Assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired; or
- the Municipality has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Municipality has transferred substantially all the risks and rewards of the asset, or (b) the Municipality has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Municipality has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

substantially all the risks and rewards of the asset nor transferred control of the asset, a new asset is recognised to the extent of the Municipality's continuing involvement in the asset.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Municipality could be required to repay.

When continuing involvement takes the form of a written and/or purchased option (including a cash settled option or similar provision) on the transferred asset, the extent of the Municipality's continuing involvement is the amount of the transferred asset that the Municipality may repurchase, except that in the case of a written put option (including a cash settled option or similar provision) on an asset measured at fair value, the extent of the Municipality's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

1.19.3.2 Financial Liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the Statement of Financial Performance.

1.19.4 Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously

1.20. REVENUE

1.20.1 Revenue from Non-Exchange Transactions

Revenue from non-exchange transactions refers to transactions where the Municipality received revenue from another entity without directly giving approximately equal value in exchange. Revenue from non-exchange transactions is generally recognised to the extent that the related receipt or receivable qualifies for recognition as an asset and there is no liability to repay the amount.

Revenue from property rates is recognised when the legal entitlement to this revenue arises. Collection charges are recognised when such amounts are legally enforceable. Interest on unpaid rates is recognised on a time proportionate basis as an exchange transaction.

Fine Revenue constitutes both spot fines and summonses. Revenue from spot fines and summonses is recognised based on an estimation of future collections of fines issued based on prior period trends and collection percentages.

Revenue from public contributions and donations is recognised when all conditions associated with the contribution have been met or where the contribution is to finance

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

property, plant and equipment, when such items of property, plant and equipment qualifies for recognition and first becomes available for use by the Municipality. Where public contributions have been received but the Municipality has not met the related conditions, it is recognised as an unspent public contribution (liability).

Revenue from third parties i.e. insurance payments for assets impaired, are recognised when it can be measured reliably and is not being offset against the related expenses of repairs or renewals of the impaired assets.

Contributed property, plant and equipment is recognised when such items of property, plant and equipment qualifies for recognition and become available for use by the Municipality.

Revenue from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures, including those set out in the Municipal Finance Management Act (Act No. 56 of 2003) and is recognised when the recovery thereof from the responsible councillors or officials is virtually certain.

Revenue shall be measured at the fair value of the consideration received or receivable.

When, as a result of a non-exchange transaction, a Municipality recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the present obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability will be recognised as revenue.

1.20.2 Revenue from Exchange Transactions

Revenue from exchange transactions refers to revenue that accrued to the Municipality directly in return for services rendered/ goods sold, the value of which approximates the consideration received or receivable.

Service charges relating to electricity and water are based on consumption and a basic charge as per Council resolution. Meters are read on a monthly basis and are recognised as revenue when invoiced. Provisional estimates of consumption are made monthly when meter readings have not been performed. The provisional estimates of consumption are recognised as revenue when invoiced. Adjustments to provisional estimates of consumption are made in the invoicing period in which meters have been read. These adjustments are recognised as revenue in the invoicing period.

Revenue from the sale of electricity prepaid meter cards is recognised at the point of sale.

Service charges relating to refuse removal are recognised on a monthly basis in arrears by applying the approved tariff to each property that has improvements. Tariffs are determined per category of property usage, and are levied monthly based on the recorded number of refuse points per property.

Service charges relating to sewerage are recognised on a monthly basis in arrears by applying the approved tariff. Tariffs are determined per category.

Service charges from sewerage are based on a basic charge as per Council resolution.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

Interest revenue is recognised using the effective interest rate method.

Revenue from the rental of facilities and equipment is recognised on a straight-line basis over the term of the lease agreement.

Dividends are recognised on the date that the Municipality becomes entitled to receive the dividend.

Revenue arising from the application of the approved tariff of charges is recognised when the relevant service is rendered by applying the relevant tariff. This includes the issuing of licences and permits.

Revenue from the sale of goods is recognised when substantially all the risks and rewards in those goods are passed to the consumer.

Revenue arising out of situations where the municipality acts as an agent on behalf of another entity (the principal) is limited to the amount of any fee or commission payable to the municipality as compensation for executing the agreed services.

Revenue shall be measured at the fair value of the consideration received or receivable.

The amount of revenue arising on a transaction is usually determined by agreement between the entity and the purchaser or user of the asset or service. It is measured at the fair value of the consideration received or receivable taking into account the amount of any trade discounts and volume rebates allowed by the entity.

In most cases, the consideration is in the form of cash or cash equivalents and the amount of revenue is the amount of cash or cash equivalents received or receivable. However, when the inflow of cash or cash equivalents is deferred, the fair value of the consideration may be less than the nominal amount of cash received or receivable. When the arrangement effectively constitutes a financing transaction, the fair value of the consideration is determined by discounting all future receipts using an imputed rate of interest. The imputed rate of interest is the more clearly determinable of either:

- The prevailing rate for a similar instrument of an issuer with a similar credit rating; or
- A rate of interest that discounts the nominal amount of the instrument to the current cash sales price of the goods or services.

The difference between the fair value and the nominal amount of the consideration is recognised as interest revenue.

When goods or services are exchanged or swapped for goods or services which are of a similar nature and value, the exchange is not regarded as a transaction that generates revenue. When goods are sold or services are rendered in exchange for dissimilar goods or services, the exchange is regarded as a transaction that generates revenue. The revenue is measured at the fair value of the goods or services received, adjusted by the amount of any cash or cash equivalents transferred. When the fair value of the goods or services received cannot be measured reliably, the revenue is measured at the fair value of the goods or services given up, adjusted by the amount of any cash or cash equivalents transferred.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

1.20.3 Grants, Transfers and Donations (Non-Exchange Revenue)

Grants, transfers and donations received or receivable are recognised when the resources that have been transferred meet the criteria for recognition as an asset. A corresponding liability is raised to the extent that the grant, transfer or donation is conditional. The liability is transferred to revenue as and when the conditions attached to the grant are met. Grants without any conditions attached are recognised as revenue when the asset is recognised.

1.21. RELATED PARTIES

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions or if the related party entity and another entity are subject to common control.

Related parties include:

- Entities that directly, or indirectly through one or more intermediaries, control, or are controlled by the reporting entity;
- Individuals owning, directly or indirectly, an interest in the reporting entity that gives them significant influence over the entity, and close members of the family of any such individual;
- Key management personnel, and close members of the family of key management personnel; and
- Entities in which a substantial ownership interest is held, directly or indirectly, by any person described in the 2nd and 3rd bullet, or over which such a person is able to exercise significant influence.

Key management personnel include:

- All managers or members of the entity, being the Mayor and members of the Council.
- Other persons having the authority and responsibility for planning, directing and controlling the activities of the reporting entity being the Municipal Manager, Chief Financial Officer and all other managers reporting directly to the Municipal Manager or as designated by the Municipal Manager.

1.22. 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.

1.23. 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 when recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

1.24. 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.

1.25. CONTINGENT LIABILITIES

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. A contingent liability could also be a present obligation that arises from past events, but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to the obligation or the amount of the obligation cannot be measured with sufficient reliability.

Management judgement is required when recognising and measuring contingent liabilities.

1.26. PRESENTATION OF BUDGET INFORMATION

The presentation of budget information was prepared in accordance with the best practice guidelines issued by National Treasury. The presentation of budget information is in line with the basis of accounting as per the GRAP Framework. GRAP 24: Presentation of Budget Information in Financial Statements is not yet effective. This standard brings new rules in respect of presentation of budget information.

1.27. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

In the process of applying the Municipality's accounting policy, management has made the following significant accounting judgements, estimates and assumptions, which have the most significant effect on the amounts recognised in the financial statements:

Post retirement medical obligations, Long service awards and Ex gratia gratuities

The cost of post retirement medical obligations, long service awards and ex-gratia gratuities are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

Impairment of trade receivables

The calculation in respect of the impairment of debtors is based on an assessment of the extent to which debtors have defaulted on payments already due, and an assessment of their ability to make payments based on their creditworthiness. This was performed per service-identifiable categories across all classes of debtors.

Property, plant and equipment

The useful lives of property, plant and equipment are based on management's estimation. Infrastructure's useful lives are based on technical estimates of the practical

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

useful lives for the different infrastructure types, given engineering technical knowledge of the infrastructure types and service requirements. For other assets and buildings management considers the impact of technology, availability of capital funding, service requirements and required return on assets to determine the optimum useful life expectation, where appropriate. The estimation of residual values of assets is also based on management's judgement whether the assets will be sold or used to the end of their useful lives, and in what condition they will be at that time.

For deemed cost applied to other assets as per adoption of Directive 7, management used the depreciated cost method which was based on assumptions about the remaining duration of the assets.

For deemed cost applied to land and buildings as per adoption of Directive 7, management made use of an independent valuator. The valuator's valuation was based on assumptions about the market's buying and selling trends.

Intangible assets

The useful lives of intangible assets are based on management's estimation. Management considers the impact of technology, availability of capital funding, service requirements and required return on assets to determine the optimum useful life expectation, where appropriate.

For deemed cost applied to intangible assets as per adoption of Directive 7, management used the depreciated cost method which was based on assumptions about the remaining duration of the assets.

Investment Property

The useful lives of investment property are based on management's estimation. Management considers the impact of technology, availability of capital funding, service requirements and required return on assets to determine the optimum useful life expectation, where appropriate. The estimation of residual values of assets is also based on management's judgement whether the assets will be sold or used to the end of their economic lives, and in what condition they will be at that time.

For deemed cost applied to Investment Property as per adoption of Directive 7, management made use of an independent valuator. The valuator's valuation was based on assumptions about the market's buying and selling trends and the remaining duration of the assets.

Provisions and contingent liabilities

Management judgement is required when recognising and measuring provisions and when measuring contingent liabilities. Provisions are discounted where the effect of discounting is material using actuarial valuations.

Revenue Recognition

Accounting Policy 1.20.1 on Revenue from Non-Exchange Transactions and Accounting Policy 1.20.2 on Revenue from Exchange Transactions describes the conditions under which revenue will be recognised by management of the Municipality.

In making their judgement, management considered the detailed criteria for the recognition of revenue as set out in GRAP 9: Revenue from Exchange Transactions and

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

GRAP 23: Revenue from Non-Exchange Transactions.). Specifically, whether the Municipality, when goods are sold, had transferred to the buyer the significant risks and rewards of ownership of the goods and when services are rendered, whether the service has been performed. Revenue from the issuing of spot fines and summonses has been recognised on the accrual basis using estimates of future collections based on the actual results of prior periods. The management of the Municipality is satisfied that recognition of the revenue in the current year is appropriate.

1.28. TAXES – VALUE ADDED TAX

Revenue, expenses and assets are recognised net of the amounts of value added tax. The net amount of Value added tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

1.29. 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.

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NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

	2011 R	2010 R
2 NET ASSET RESERVES		
RESERVES	7 128 747	6 273 955
Capital Replacement Reserve	2 798 227	2 138 834
Housing Development Fund	3 807 893	3 710 453
Self Insurance Reserve	522 627	424 668
Total Net Asset Reserve and Liabilities	7 128 747	6 273 955

The above balances are represented by cash of R151 429 for the current year and R117 700 (2010) and is invested together with the other investments of the municipality (See Note 21)

	2011 R	2010 R
3 LONG TERM LIABILITIES		
Annuity Loans - At amortised cost	16 938 866	11 016 228
Capitalised Lease Liability - At amortised cost	2 930 609	1 875 339
	19 869 475	12 891 567
Less: Current Portion transferred to Current Liabilities	3 272 142	2 204 011
Annuity Loans - At amortised cost	1 738 844	1 402 614
Capitalised Lease Liability - At amortised cost	1 533 298	801 397
Total Long-term Liabilities - At amortised cost using the effective interest rate method	16 597 333	10 687 556

Annuity loans at amortised cost is calculated at 6.75%-16.24% interest rate, with last maturity date of 31 December 2029. Refer to Appendix A for descriptions, maturity dates and effective interest rates of structured loans and finance.

	2011 R	2010 R
The obligations under annuity loans are scheduled below:		
	Minimum annuity payments	
Amounts payable under annuity loans:		
Payable within one year	3 507 460	2 615 666
Payable within two to five years	10 728 109	7 965 017
Payable after five years	14 856 131	7 764 482
	29 091 700	18 345 165
Less: Future finance obligations	(12 152 834)	(7 328 937)
Present value of annuity obligations	16 938 866	11 016 228

	2011 R	2010 R
The obligations under finance leases are scheduled below:		
	Minimum lease payments	
Amounts payable under finance leases:		
Payable within one year	1 802 659	979 407
Payable within two to five years	1 499 810	1 178 813
Payable after five years	-	-
	3 302 469	2 158 220
Less: Future finance obligations	(371 860)	(282 881)
Present value of lease obligations	2 930 609	1 875 339

Refer to Appendix A for descriptions, maturity dates and effective interest rates of structured loans and finance.

Leases are secured by property, plant and equipment - Note 12

	2011 R	2010 R
4 EMPLOYEE BENEFITS		
Post Retirement Benefits - Refer to Note 4.1	16 842 028	12 409 386
Long Service Awards - Refer to Note 4.2	2 402 368	1 453 591
Total Non-current Employee Benefit Liabilities	19 244 396	13 862 977
Post Retirement Benefits		
Balance 1 July	13 061 300	12 268 420
Contribution for the year	(654 541)	(710 194)
Expenditure for the year	1 497 239	1 398 988
Actuarial Loss/(Gain)	3 679 978	104 086
Total post retirement benefits 30 June	17 583 976	13 061 300
Less: Transfer of Current Portion - Note 7	(741 948)	(651 914)
Balance 30 June	16 842 028	12 409 386

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NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

4	EMPLOYEE BENEFITS (CONTINUE)	2011	2010
		R	R
	<u>Long Service Awards</u>		
	Balance 1 July	1 740 386	1 557 968
	Contribution for the year	(284 165)	(134 743)
	Expenditure for the year	341 066	314 973
	Actuarial Loss/(Gain)	1 105 593	2 188
	Total long service 30 June	2 902 880	1 740 386
	Less: Transfer of Current Portion - Note 7	(500 512)	(286 795)
	Balance 30 June	2 402 368	1 453 591

	2011	2010
	R	R
<u>TOTAL NON-CURRENT EMPLOYEE BENEFITS</u>		
Balance 1 July	14 801 686	13 826 388
Contribution for the year	(938 706)	(844 937)
Expenditure for the year	1 838 305	1 713 961
Actuarial Loss/(Gain)	4 785 571	106 274
Total employee benefits 30 June	20 486 856	14 801 686
Less: Transfer of Current Portion - Note 7	(1 242 460)	(938 709)
Balance 30 June	19 244 396	13 862 977

4.1 **Post Retirement Benefits**

The Post Retirement Benefit Plan is a defined benefit plan, of which the members are made up as follows:

In-service (employee) members	52	50
In-service (employee) non-members	318	-
Continuation members (e.g. Retirees, widows, orphans)	26	28
Total Members	396	78

	2011	2010
	R	R
The liability in respect of past service has been estimated to be as follows:		
In-service members	7 277 383	4 234 313
Continuation members	10 306 593	8 826 987
Total Liability	17 583 976	13 061 300

The municipality makes monthly contributions for health care arrangements to the following medical aid schemes:

Bonitas;
LA Health
Hosmed
Samwumed; and
Keyhealth.

The Municipality's Accrued Unfunded Liability at 30 June 2011 is estimated at R 17 583 976. The Current-service Cost for the year ending 30 June 2011 is estimated at R 321 811. It is estimated to be R 524 774 for the ensuing year.

Key actuarial assumptions used:

	2011	2010
	%	%
i) Rate of interest		
Discount rate	8.62%	9.22%
Health Care Cost Inflation Rate	7.27%	7.56%
Net Effective Discount Rate	1.26%	1.55%

ii) Mortality rates

The PA 90 ultimate table, rated down by 1 year of age was used by the actuaries.

iii) Normal retirement age

It has been assumed that in-service members will retire at age 63 for males and 58 for females, which then implicitly allows for expected rates of early and ill-health retirement.

	2011	2010
	R	R
The amounts recognised in the Statement of Financial Position are as follows:		
Present value of fund obligations	17 583 976	13 061 300
Net liability/(asset)	17 583 976	13 061 300

The municipality has elected to recognise the full increase in this defined benefit liability immediately as per IAS 19, Employee Benefits, paragraph 155 (a).

BEAUFORT WEST MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

	2011 R	2010 R
4 EMPLOYEE BENEFITS (CONTINUE)		
Reconciliation of present value of fund obligation:		
Present value of fund obligation at the beginning of the year	13 061 300	12 268 420
Total expenses	842 698	688 794
Current service cost	321 811	294 633
Interest Cost	1 175 428	1 104 355
Benefits Paid	(654 541)	(710 194)
Actuarial (gains)/losses	3 679 978	104 086
Present value of fund obligation at the end of the year	17 583 976	13 061 300
Less: Transfer of Current Portion - Note 7	(741 948)	(651 914)
Balance 30 June	16 842 028	12 409 386

The liability in respect of periods commencing prior to the comparative year has been

	2009 R	2008 R	2007 R
In-service members	3 977 271	2 589 761	-
Continuation members	8 291 149	7 206 934	-
Total Liability	12 268 420	9 796 695	-

Sensitivity Analysis on the Accrued Liability

Assumption	In-service members liability (R'000)	Continuation members liability (R'000)	Total liability (R'000)	% change
Central Assumptions	7.277	10.307	17.584	

The effect of movements in the assumptions are as follows:

Assumption	Change	In-service members liability (R'000)	Continuation members liability (R'000)	Total liability (R'000)	% change
Health care inflation	1%	8.716	11.555	20.271	15%
Health care inflation	-1%	6.129	9.255	15.384	-13%
Post-retirement mortality	-1 year	7.521	10.683	18.204	4%
Average retirement age	-1 year	7.883	10.307	18.190	3%
Withdrawal Rate	-50%	7.842	10.307	18.149	3%

4.2 Long Service Bonuses

The Long Service Bonus plans are defined benefit plans. As at year end, 344 employees were eligible for Long Service Bonuses.

The Employer's Unfunded Accrued Liability at 30 June 2011 is estimated at R 2 902 880. The Current-service Cost for the years ending 30 June 2011 and 30 June 2012 are estimated at R 194 818 and R 434 110 respectively.

Key actuarial assumptions used:	2011 %	2010 %
i) Rate of interest		
Discount rate	7.74%	9.14%
General Salary Inflation (long-term)	6.26%	6.59%
Net Effective Discount Rate applied to salary-related Long Service Bonuses	1.40%	2.40%

The amounts recognised in the Statement of Financial Position are as follows:

	2011 R	2010 R
Present value of fund obligations	2 902 880	1 740 386
Net liability/(asset)	2 902 880	1 740 386

	2011 R	2010 R
Reconciliation of present value of fund obligation:		
Present value of fund obligation at the beginning of the year	1 740 386	1 557 968
Total expenses	56 901	180 230
Current service cost	194 818	178 503
Interest Cost	146 248	136 470
Benefits Paid	(284 165)	(134 743)
Actuarial (gains)/losses	1 105 593	2 188
Present value of fund obligation at the end of the year	2 902 880	1 740 386

BEAUFORT WEST MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

Less: Transfer of Current Portion - Note 7	(500 512)	(286 795)
Balance 30 June	<u>2 402 368</u>	<u>1 453 591</u>

BEAUFORT WEST MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

4 EMPLOYEE BENEFITS (CONTINUE)

Sensitivity Analysis on the Unfunded Accrued Liability

Assumption	Change	Liability (Rm)	% change
Central assumptions		2.903	
General salary inflation	1%	3.094	7%
General salary inflation	-1%	2.731	-6%
Average retirement age	-2 yrs	2.522	-13%
Average retirement age	2 yrs	3.437	18%
Withdrawal rates	-50%	3.377	16%

5 NON-CURRENT PROVISIONS

Provision for Rehabilitation of Landfill-sites

Total Non-current Provisions

	2011 R	2010 R
Provision for Rehabilitation of Landfill-sites	2 190 600	2 180 400
Total Non-current Provisions	2 190 600	2 180 400

Exemptions taken according to Directive 4 - Transitional Provisions for Medium and Low Capacity Municipalities in prior periods and not the current financial period. Refer to Note 52.1

Landfill Sites

Balance 1 July
Contribution for the year

Balance 30 June

	2011 R	2010 R
Balance 1 July	2 180 400	1 798 000
Contribution for the year	10 200	382 400
Balance 30 June	2 190 600	2 180 400

Rehabilitation of the Beaufort West landfill-site (36ha plot), will be done in 2015. The current cost of rehabilitation in rand value is R2 190 600, with escalation of 10% per year will result in a total cost in 2015 of R3 207 260.

6 CONSUMER DEPOSITS

Water & Electricity

Total Consumer Deposits

	2011 R	2010 R
Water & Electricity	1 035 912	999 104
Total Consumer Deposits	1 035 912	999 104

The fair value of consumer deposits approximate their carrying value. Interest is not paid on these amounts.

7 CURRENT EMPLOYEE BENEFITS

Current Portion of Post Retirement Benefits - Note 4
Current Portion of Long-Service Provisions - Note 4
Performance Bonuses
Staff Leave

Total Current Employee Benefits

	2011 R	2010 R
Current Portion of Post Retirement Benefits - Note 4	741 948	651 914
Current Portion of Long-Service Provisions - Note 4	500 512	286 795
Performance Bonuses	345 405	357 679
Staff Leave	2 874 861	2 670 362
Total Current Employee Benefits	4 462 726	3 966 750

The movement in current employee benefits are reconciled as follows:

Performance Bonuses

Balance at beginning of year
Contribution to current portion
Expenditure incurred

Balance at end of year

Balance at beginning of year	357 679	337 243
Contribution to current portion	407 264	233 953
Expenditure incurred	(419 538)	(213 517)
Balance at end of year	345 405	357 679

Performance bonuses are being paid to Municipal Manager and Directors after an evaluation of performance by an executive performance committee.

Staff Leave

Balance at beginning of year
Contribution to current portion
Expenditure incurred

Balance at end of year

Balance at beginning of year	2 670 362	1 957 554
Contribution to current portion	454 603	834 688
Expenditure incurred	(250 104)	(121 880)
Balance at end of year	2 874 861	2 670 362

Staff leave accrued to employees according to collective agreement. Provision is made for the full cost of accrued leave at reporting date. This provision will be realised as employees take leave.

Exemptions taken according to Directive 4 - Transitional Provisions for Medium and Low Capacity Municipalities in prior periods and not the current financial period. Refer to Note 52.1

BEAUFORT WEST MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

8	PAYABLES FROM EXCHANGE TRANSACTIONS	2011	2010
		R	R
	Trade Payables	14 830 729	10 772 994
	Deposits: Other	874 752	822 017
	Payments received in advance	293 345	173 218
	Receivable accounts with credit balances	1 025 710	627 310
	Total Trade Payables	17 024 536	12 395 539

Payables are being paid within 30 days as prescribed by the MFMA. Payables are being recognised net of any discounts.

9	UNSPENT CONDITIONAL GOVERNMENT GRANTS AND RECEIPTS	2011	2010
		R	R
	Unspent Grants	9 816 698	20 432 453
	National and Provincial Government Grants	9 816 698	20 432 453
	Less: Unpaid Grants	863 618	388 382
	National and Provincial Government Grants	863 618	388 382
	Total Conditional Grants and Receipts	8 953 080	20 044 071

See appendix "F" for reconciliation of grants from other spheres of government. The Unspent Grants are cash-backed by term deposits. The municipality complied with the conditions attached to all grants received to the extent of revenue recognised. No grants were withheld.

9.01 Equitable share

Opening balance	-	-
Grants received	22 401 162	17 913 085
Conditions met - Operating	(22 401 162)	(17 913 085)
Conditions met - Capital	-	-
Conditions still to be met	-	-

The Equitable Share is the unconditional share of the revenue raised nationally and is being allocated in terms of Section 214 of the Constitution (Act 108 of 1996) to the municipality by the National Treasury.

9.02 National Grants

Opening balance	10 598 292	10 376 932
Grants received and transfers	42 372 891	24 702 872
Conditions met - Operating	(22 538 216)	(18 526 898)
Conditions met - Capital	(28 719 759)	(5 954 613)
Conditions still to be met	1 713 208	10 598 293

National Grants received with conditions to be met.

9.03 Provincial Grants

Opening balance	7 047 683	8 690 741
Grants received and transfers	7 154 304	27 885 094
Conditions met - Operating	(4 081 198)	(23 012 645)
Conditions met - Capital	(3 154 676)	(6 515 507)
Conditions still to be met	6 966 113	7 047 683

Provincial Grants received with conditions to be met.

9.04 Municipal Infrastructure Grant

Opening balance	1 119 638	158 905
Grants received and transfers	4 010 443	9 339 305
Conditions met - Operating	(2 692 124)	(118 506)
Conditions met - Capital	(2 349 402)	(8 260 064)
Conditions still to be met	88 555	1 119 639

Municipal Infrastructure Grant received with conditions to be met.

9.05 Local Economic Development

Opening balance	329 578	308 195
Grants received and transfers	12 425	21 383
Conditions met - Operating	(157 955)	-
Conditions met - Capital	(15 129)	-
Conditions still to be met	168 919	329 578

Local Economic Development received with conditions to be met.

BEAUFORT WEST MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

9	UNSPENT CONDITIONAL GOVERNMENT GRANTS AND RECEIPTS	2011	2010
		R	R
	9.06 ESKOM		
	Opening balance	930 056	363 082
	Grants received and transfers	222 211	899 360
	Conditions met - Operating	(1 095 508)	-
	Conditions met - Capital	(56 759)	(332 385)
	Conditions still to be met	<u>-</u>	<u>930 056</u>
	ESKOM received with conditions to be met.		
	9.07 LOTTERY		
	Opening balance	11 761	110 826
	Grants received and transfers	614	-
	Conditions met - Operating	(925)	-
	Conditions met - Capital	(2 655)	(99 066)
	Conditions still to be met	<u>8 795</u>	<u>11 761</u>
	LOTTERY received with conditions to be met.		
	9.08 Central Karoo District Municipality Funds		
	Opening balance	7 063	6 690
	Grants received and transfers	75 375	373
	Conditions met - Operating	(75 000)	-
	Conditions met - Capital	-	-
	Conditions still to be met	<u>7 438</u>	<u>7 063</u>
	Central Karoo District Municipality Funds received with conditions to be met.		
	9.09 Public Contributions		
	Opening balance	1 315 255	407 770
	Grants received and transfers	1 421 077	2 374 278
	Conditions met - Operating	(2 235 760)	(1 428 646)
	Conditions met - Capital	(22 948)	(38 147)
	Conditions still to be met	<u>477 624</u>	<u>1 315 255</u>
	Public Contributions received with conditions to be met.		
10	UNSPENT PUBLIC CONTRIBUTIONS		
	Unspent Public Contribution	477 624	1 315 255
	Public Contributions and Receipts	<u>477 624</u>	<u>1 315 255</u>
	See appendix "F" for reconciliation of grants from other spheres of government. The Unspent Grants are cash-backed by term deposits. The municipality complied with the conditions attached to all grants received to the extent of revenue recognised. No grants were withheld.		
11	TAXES	2011	2010
		R	R
	VAT	(1 755 364)	(135 918)
	Adjustment to the VAT - Note 34.08	-	(505 642)
	Contribution to provision for impairment of trade receivables from exchange transactions	(2 495 835)	(656 478)
	Adjustment to the VAT - Note 34.08	<u>-</u>	<u>(656 478)</u>
		<u>(4 251 199)</u>	<u>(1 298 038)</u>
	VAT is payable on the payments basis. Only once payment is received from debtors is VAT paid over to SARS.		

BEAUFORT WEST MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

	2011 R	2010 R
12 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)		
Fully Depreciated assets still in use were as follows:		
Cost	-	313 812
Infrastructure	-	313 812
Accumulated depreciation	-	(313 812)
Infrastructure	-	(313 812)
Carrying value	-	-
Carrying value of assets retired from active use and held for disposal:		
Cost	1 335 600	-
Land and Buildings	1 335 600	-
Accumulated depreciation	(16 760)	-
Land and Buildings	(16 760)	-
Carrying value	1 318 840	-
Impairment of property plant and equipment		
Impairment charges on Property, plant and equipment recognised in statement of financial performance		
Lease Assets	17 202	32 404
Other	18 285	6 236
	35 487	38 640

Assessment of impairment of assets will only be performed 30 June 2012, as GRAP 17 was only fully implemented 30 June 2011 after the transitional provision according to Directive 4. The Impairment losses disclosed is normal PPE written off or stolen during the year under review.

Details of property plant and equipment carried at fair value

No property, plant and equipment are carried at fair value.

BEAUFORT WEST MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

12 PROPERTY, PLANT AND EQUIPMENT

Reconciliation of Carrying Value

	Cost				Accumulated Depreciation				Carrying Value
	Opening Balance	Additions	Disposals/ Impairments/ Transfers	Closing Balance	Opening Balance	Additions	Disposals/ Impairments/ Transfers	Closing Balance	
	R	R	R	R	R	R	R	R	R
30 JUNE 2011									
Land and Buildings	50 520 167	131 653	(1 335 600)	49 316 220	460 658	157 678	(16 760)	601 576	48 714 644
Land	35 355 801	22 349	-	35 378 150	-	-	-	-	35 378 150
Buildings	15 164 366	109 304	(1 335 600)	13 938 070	460 658	157 678	(16 760)	601 576	13 336 494
Infrastructure	163 616 114	41 615 639	(405 401)	204 826 352	16 758 729	6 563 020	-	23 321 749	181 504 603
Stormwater Network	22 174 032	1 302 863	-	23 476 895	2 841 184	1 076 358	-	3 917 542	19 559 353
Road Network	51 332 656	1 833 269	-	53 165 925	6 796 242	2 357 716	-	9 153 958	44 011 967
Sanatation Network	18 668 958	27 002 792	-	45 671 750	1 156 094	521 330	-	1 677 424	43 994 326
Electricity Network	30 500 707	7 681 294	-	38 182 001	1 647 003	657 173	-	2 304 176	35 877 825
Water Network	40 159 074	3 785 221	(405 401)	43 538 894	4 206 393	1 885 892	-	6 092 285	37 446 609
Refuse Network	780 687	10 200	-	790 887	111 813	64 551	-	176 364	614 523
Community Assets	14 380 766	-	-	14 380 766	428 842	147 770	-	576 612	13 804 154
Taxi Rank	252 000	-	-	252 000	7 567	172	-	7 739	244 261
Museum	3 160 000	-	-	3 160 000	94 887	55 550	-	150 437	3 009 563
Cemeteries	17 200	-	-	17 200	516	5 455	-	5 971	11 229
Community centurms	5 555 000	-	-	5 555 000	166 802	31 600	-	198 402	5 356 598
Recreation sites	4 851 066	-	-	4 851 066	142 690	52 473	-	195 163	4 655 903
Libraries	545 500	-	-	545 500	16 380	2 520	-	18 900	526 600
Lease Assets	3 361 970	2 284 200	(1 174 670)	4 471 500	1 553 929	1 231 396	(1 157 469)	1 627 856	2 843 644
Office Equipment (Lease)	236 670	-	(71 170)	165 500	87 751	60 755	(58 029)	90 477	75 023
Vehicles (Lease)	3 125 300	2 284 200	(1 103 500)	4 306 000	1 466 178	1 170 641	(1 099 440)	1 537 379	2 768 621

BEAUFORT WEST MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

12 PROPERTY, PLANT AND EQUIPMENT

Reconciliation of Carrying Value

	Cost				Accumulated Depreciation				Carrying Value
	Opening Balance	Additions	Disposals/ Impairments/ Transfers	Closing Balance	Opening Balance	Additions	Disposals/ Impairments/ Transfers	Closing Balance	
	R	R	R	R	R	R	R	R	R
Heritage Assets	-	-	-	-	-	-	-	-	-
Museum & Art Gallery	-	-	-	-	-	-	-	-	-
Other Assets	13 103 724	1 699 259	(163 797)	14 639 186	5 183 128	1 399 776	(136 875)	6 446 029	8 193 157
Computer hardware	1 985 375	174 033	(14 000)	2 145 408	1 005 019	302 589	(11 346)	1 296 262	849 146
Air conditioners	542 551	21 952	-	564 503	205 456	110 410	-	315 866	248 637
Chairs	286 036	2 927	-	288 963	148 633	33 681	-	182 314	106 649
Concrete Mixer	11 938	-	-	11 938	7 316	926	-	8 242	3 696
Desks & Tables	335 233	1 055	-	336 288	151 414	41 192	-	192 606	143 682
Compactors	31 779	-	-	31 779	19 310	3 431	-	22 741	9 038
Compressors	25 635	184 375	-	210 010	10 876	11 562	-	22 438	187 572
Tools	507 127	122 116	-	629 243	245 689	73 495	-	319 184	310 059
Electronic Equipment	516 299	116 059	(15 175)	617 183	240 950	94 888	(5 006)	330 832	286 351
Fire Extinguishers	22 188	119 928	-	142 116	10 497	4 293	-	14 790	127 326
Lawn Equipment	229 996	-	-	229 996	150 743	19 420	-	170 163	59 833
Trucks/LDV	5 703 258	595 007	(119 614)	6 178 651	1 692 366	372 119	(110 520)	1 953 965	4 224 686
Motor Vehicles	314 654	136 306	-	450 960	127 871	17 046	-	144 917	306 043
Office Equipment	443 876	15 213	(15 008)	444 081	214 694	72 884	(10 003)	277 575	166 506
Office Furniture	559 374	13 636	-	573 010	280 535	66 474	-	347 009	226 001
Trailers	372 000	-	-	372 000	224 921	41 023	-	265 944	106 056
Tracktors	523 342	-	-	523 342	164 899	20 033	-	184 932	338 410
Toolbox	248 608	28 905	-	277 513	39 297	43 453	-	82 750	194 763
Gym Equipment	116 803	-	-	116 803	46 756	12 339	-	59 095	57 708
Generators	60 160	135 008	-	195 168	24 249	14 687	-	38 936	156 232
Radio Equipment	267 492	32 739	-	300 231	171 637	43 831	-	215 468	84 763
	244 982 741	45 730 751	(3 079 468)	287 634 024	24 385 286	9 499 640	(1 311 104)	32 573 822	255 060 202

BEAUFORT WEST MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

12 PROPERTY, PLANT AND EQUIPMENT

Reconciliation of Carrying Value

	Cost				Accumulated Depreciation				Carrying Value
	Opening Balance	Additions	Disposals/ Impairments/ Transfers	Closing Balance	Opening Balance	Additions	Disposals/ Impairments/ Transfers	Closing Balance	
	R	R	R	R	R	R	R	R	R
30 JUNE 2010									
Land and Buildings	50 399 851	120 316	-	50 520 167	307 156	153 502	-	460 658	50 059 509
Land	35 355 801	-	-	35 355 801	-	-	-	-	35 355 801
Balance previously reported	4 142 632	-	-	4 142 632	-	-	-	-	4 142 632
Correction of error. Refer note 34.03 & 34.07	31 213 169	-	-	31 213 169	-	-	-	-	31 213 169
Buildings	15 044 050	120 316	-	15 164 366	307 156	153 502	-	460 658	14 703 708
Balance previously reported	143 389	62 349	-	205 738	4 272	4 541	-	8 813	196 925
Correction of error. Refer note 34.03 & 34.07	14 900 661	57 967	-	14 958 628	302 884	148 961	-	451 845	14 506 783
Infrastructure	141 023 992	22 592 122	-	163 616 114	11 114 056	5 644 673	-	16 758 729	146 857 385
Stormwater Network	20 946 499	1 227 533	-	22 174 032	1 894 987	946 197	-	2 841 184	19 332 848
Balance previously reported	9 915 634	1 654 156	-	11 569 790	5 354 794	319 367	-	5 674 161	5 895 629
Correction of error. Refer note 34.03 & 34.07	11 030 865	(426 623)	-	10 604 242	(3 459 807)	626 830	-	(2 832 977)	13 437 219
Road Network	49 937 959	1 394 697	-	51 332 656	4 532 895	2 263 347	-	6 796 242	44 536 414
Balance previously reported	37 238 684	2 290 831	-	39 529 515	15 159 340	1 211 385	-	16 370 725	23 158 790
Correction of error. Refer note 34.03 & 34.07	12 699 275	(896 134)	-	11 803 141	(10 626 445)	1 051 962	-	(9 574 483)	21 377 624
Sanatation Network	12 674 408	5 994 550	-	18 668 958	739 507	416 587	-	1 156 094	17 512 864
Balance previously reported	21 168 762	4 733 202	-	25 901 964	7 932 244	472 671	-	8 404 915	17 497 049
Correction of error. Refer note 34.03 & 34.07	(8 494 354)	1 261 348	-	(7 233 006)	(7 192 737)	(56 084)	-	(7 248 821)	15 815
Electricity Network	23 004 843	7 495 864	-	30 500 707	1 071 501	575 502	-	1 647 003	28 853 704
Balance previously reported	47 501 969	6 857 404	-	54 359 373	20 687 026	926 333	-	21 613 359	32 746 014
Correction of error. Refer note 34.03 & 34.07	(24 497 126)	638 460	-	(23 858 666)	(19 615 525)	(350 831)	-	(19 966 356)	(3 892 310)
Water Network	34 061 996	6 097 078	-	40 159 074	2 800 590	1 405 803	-	4 206 393	35 952 681
Balance previously reported	22 900 944	6 674 129	-	29 575 073	11 066 954	539 455	-	11 606 409	17 968 664
Correction of error. Refer note 34.03 & 34.07	11 161 052	(577 051)	-	10 584 001	(8 266 364)	866 348	-	(7 400 016)	17 984 017
Refuse Network	398 287	382 400	-	780 687	74 576	37 237	-	111 813	668 874
Balance previously reported	2 298 000	382 400	-	2 680 400	230 898	151 693	-	382 591	2 297 809
Correction of error. Refer note 34.03 & 34.07	(1 899 713)	-	-	(1 899 713)	(156 322)	(114 456)	-	(270 778)	(1 628 935)

BEAUFORT WEST MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

12 PROPERTY, PLANT AND EQUIPMENT

Reconciliation of Carrying Value

	Cost				Accumulated Depreciation				Carrying Value
	Opening Balance	Additions	Disposals/ Impairments/ Transfers	Closing Balance	Opening Balance	Additions	Disposals/ Impairments/ Transfers	Closing Balance	R
									R
Community Assets	14 281 700	99 066	-	14 380 766	286 025	142 817	-	428 842	13 951 924
Taxi Rank	252 000	-	-	252 000	5 047	2 520	-	7 567	244 433
Balance previously reported	-	-	-	-	-	-	-	-	-
Correction of error. Refer note 34.03 & 34.07	252 000	-	-	252 000	5 047	2 520	-	7 567	244 433
Museum	3 160 000	-	-	3 160 000	63 287	31 600	-	94 887	3 065 113
Balance previously reported	-	-	-	-	-	-	-	-	-
Correction of error. Refer note 34.03 & 34.07	3 160 000	-	-	3 160 000	63 287	31 600	-	94 887	3 065 113
Netball fields	-	-	-	-	-	-	-	-	-
Balance previously reported	28 556	-	-	28 556	23 767	1 124	-	24 891	3 665
Correction of error. Refer note 34.03 & 34.07	(28 556)	-	-	(28 556)	(23 767)	(1 124)	-	(24 891)	(3 665)
Tennis courts	-	-	-	-	-	-	-	-	-
Balance previously reported	308 442	-	-	308 442	246 513	14 553	-	261 066	47 376
Correction of error. Refer note 34.03 & 34.07	(308 442)	-	-	(308 442)	(246 513)	(14 553)	-	(261 066)	(47 376)
Swimming pools	-	-	-	-	-	-	-	-	-
Balance previously reported	775 058	-	-	775 058	664 798	36 452	-	701 250	73 808
Correction of error. Refer note 34.03 & 34.07	(775 058)	-	-	(775 058)	(664 798)	(36 452)	-	(701 250)	(73 808)
Golf fields	-	-	-	-	-	-	-	-	-
Balance previously reported	109 440	-	-	109 440	76 351	5 178	-	81 529	27 911
Correction of error. Refer note 34.03 & 34.07	(109 440)	-	-	(109 440)	(76 351)	(5 178)	-	(81 529)	(27 911)
Yoke-skey fields	-	-	-	-	-	-	-	-	-
Balance previously reported	180 115	-	-	180 115	83 583	8 555	-	92 138	87 977
Correction of error. Refer note 34.03 & 34.07	(180 115)	-	-	(180 115)	(83 583)	(8 555)	-	(92 138)	(87 977)
Sport fields	-	-	-	-	-	-	-	-	-
Balance previously reported	23 674 901	99 066	-	23 773 967	6 757 696	1 119 007	-	7 876 703	15 897 264
Correction of error. Refer note 34.03 & 34.07	(23 674 901)	(99 066)	-	(23 773 967)	(6 757 696)	(1 119 007)	-	(7 876 703)	(15 897 264)
Other Buildings	-	-	-	-	-	-	-	-	-
Balance previously reported	81 867	57 968	-	139 835	3 877	1 570	-	5 447	134 388
Correction of error. Refer note 34.03 & 34.07	(81 867)	(57 968)	-	(139 835)	(3 877)	(1 570)	-	(5 447)	(134 388)
Plots	-	-	-	-	-	-	-	-	-
Balance previously reported	323 398	-	-	323 398	-	-	-	-	323 398
Correction of error. Refer note 34.03 & 34.07	(323 398)	-	-	(323 398)	-	-	-	-	(323 398)
Ambulance and Fire Station	-	-	-	-	-	-	-	-	-
Balance previously reported	103 816	-	-	103 816	32 902	3 288	-	36 190	67 626
Correction of error. Refer note 34.03 & 34.07	(103 816)	-	-	(103 816)	(32 902)	(3 288)	-	(36 190)	(67 626)
Cemeteries	17 200	-	-	17 200	344	172	-	516	16 684
Balance previously reported	412 546	-	-	412 546	73 193	13 064	-	86 257	326 289
Correction of error. Refer note 34.03 & 34.07	(395 346)	-	-	(395 346)	(72 849)	(12 892)	-	(85 741)	(309 605)

BEAUFORT WEST MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

12 PROPERTY, PLANT AND EQUIPMENT

Reconciliation of Carrying Value

	Cost				Accumulated Depreciation				Carrying Value
	Opening Balance	Additions	Disposals/ Impairments/ Transfers	Closing Balance	Opening Balance	Additions	Disposals/ Impairments/ Transfers	Closing Balance	
	R	R	R	R	R	R	R	R	R
Community centrums	5 555 000	-	-	5 555 000	111 252	55 550	-	166 802	5 388 198
Balance previously reported	5 720 808	-	-	5 720 808	873 675	181 159	-	1 054 834	4 665 974
Correction of error. Refer note 34.03 & 34.07	(165 808)	-	-	(165 808)	(762 423)	(125 609)	-	(888 032)	722 224

BEAUFORT WEST MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

12 PROPERTY, PLANT AND EQUIPMENT

Reconciliation of Carrying Value

	Cost			Accumulated Depreciation			Carrying Value	
	Opening Balance	Additions	Disposals/ Impairments/ Transfers	Closing Balance	Opening Balance	Additions		Disposals/ Impairments/ Transfers
	R	R	R	R	R	R	R	R
Clinics and hospitals	-	-	-	-	-	-	-	-
Balance previously reported	394 365	-	-	394 365	175 167	12 488	-	187 655
Correction of error. Refer note 34.03 & 34.07	(394 365)	-	-	(394 365)	(175 167)	(12 488)	-	(187 655)
Parks and public conveniences	-	-	-	-	-	-	-	-
Balance previously reported	1 623 610	-	-	1 623 610	299 239	51 414	-	350 653
Correction of error. Refer note 34.03 & 34.07	(1 623 610)	-	-	(1 623 610)	(299 239)	(51 414)	-	(350 653)
Recreation sites	4 752 000	99 066	-	4 851 066	95 170	47 520	-	142 690
Balance previously reported	39 367	-	-	39 367	17 466	1 247	-	18 713
Correction of error. Refer note 34.03 & 34.07	4 712 633	99 066	-	4 811 699	77 704	46 273	-	123 977
Structure plans	-	-	-	-	-	-	-	-
Balance previously reported	332 210	-	-	332 210	315 600	-	-	315 600
Correction of error. Refer note 34.03 & 34.07	(332 210)	-	-	(332 210)	(315 600)	-	-	(315 600)
Abattoirs	-	-	-	-	-	-	-	-
Balance previously reported	757	-	-	757	456	24	-	480
Correction of error. Refer note 34.03 & 34.07	(757)	-	-	(757)	(456)	(24)	-	(480)
Caravan parks	-	-	-	-	-	-	-	-
Balance previously reported	57 173	-	-	57 173	35 229	1 810	-	37 039
Correction of error. Refer note 34.03 & 34.07	(57 173)	-	-	(57 173)	(35 229)	(1 810)	-	(37 039)
Hostels & tourism	-	-	-	-	-	-	-	-
Balance previously reported	238 852	-	-	238 852	98 390	7 564	-	105 954
Correction of error. Refer note 34.03 & 34.07	(238 852)	-	-	(238 852)	(98 390)	(7 564)	-	(105 954)
Office buildings	-	-	-	-	-	-	-	-
Balance previously reported	3 015 061	-	-	3 015 061	1 084 342	95 477	-	1 179 819
Correction of error. Refer note 34.03 & 34.07	(3 015 061)	-	-	(3 015 061)	(1 084 342)	(95 477)	-	(1 179 819)
Markets	-	-	-	-	-	-	-	-
Balance previously reported	206 137	-	-	206 137	26 481	6 528	-	33 009
Correction of error. Refer note 34.03 & 34.07	(206 137)	-	-	(206 137)	(26 481)	(6 528)	-	(33 009)
Libraries	545 500	-	-	545 500	10 925	5 455	-	16 380
Balance previously reported	657 764	-	-	657 764	134 402	20 829	-	155 231
Correction of error. Refer note 34.03 & 34.07	(112 264)	-	-	(112 264)	(123 477)	(15 374)	-	(138 851)
Lease Assets	2 082 770	2 063 900	(784 700)	3 361 970	1 322 947	1 015 682	(784 700)	1 553 929
Office Equipment (Lease)	99 570	165 500	(28 400)	236 670	58 202	57 949	(28 400)	87 751
Balance previously reported	99 570	165 500	(28 400)	236 670	58 202	57 949	(28 400)	87 751
Correction of error. Refer note 34.03 & 34.07	-	-	-	-	-	-	-	-
Vehicles (Lease)	1 983 200	1 898 400	(756 300)	3 125 300	1 264 745	957 733	(756 300)	1 466 178
Balance previously reported	1 983 200	1 898 400	(756 300)	3 125 300	1 264 745	957 733	(756 300)	1 466 178
Correction of error. Refer note 34.03 & 34.07	-	-	-	-	-	-	-	-

BEAUFORT WEST MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

12 PROPERTY, PLANT AND EQUIPMENT

Reconciliation of Carrying Value

		Cost			Accumulated Depreciation			Carrying Value
Opening Balance	Additions	Disposals/ Impairments/ Transfers	Closing Balance	Opening Balance	Additions	Disposals/ Impairments/ Transfers	Closing Balance	
R	R	R	R	R	R	R	R	R

BEAUFORT WEST MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

12 PROPERTY, PLANT AND EQUIPMENT

Reconciliation of Carrying Value

	Cost				Accumulated Depreciation				Carrying Value
	Opening Balance	Additions	Disposals/ Impairments/ Transfers	Closing Balance	Opening Balance	Additions	Disposals/ Impairments/ Transfers	Closing Balance	
	R	R	R	R	R	R	R	R	R
Heritage Assets	-	-	-	-	-	-	-	-	-
Museum & Art Gallery	-	-	-	-	-	-	-	-	-
Balance previously reported	735 062	-	-	735 062	176 258	23 277	-	199 535	535 527
Correction of error. Refer note 34.03 & 34.07	(735 062)	-	-	(735 062)	(176 258)	(23 277)	-	(199 535)	(535 527)
Other Assets	10 858 182	2 487 861	(242 319)	13 103 724	4 277 002	1 141 606	(235 480)	5 183 128	7 920 596
Computer hardware	1 860 607	306 074	(181 306)	1 985 375	907 858	272 310	(175 149)	1 005 019	980 356
Balance previously reported	1 830 070	306 074	(181 306)	1 954 838	906 949	268 211	(175 149)	1 000 011	954 827
Correction of error. Refer note 34.03 & 34.07	30 537	-	-	30 537	909	4 099	-	5 008	25 529
Air conditioners	497 653	44 898	-	542 551	101 503	103 953	-	205 456	337 095
Balance previously reported	492 853	-	-	492 853	100 594	105 526	-	206 120	286 733
Correction of error. Refer note 34.03 & 34.07	4 800	44 898	-	49 698	909	(1 573)	-	(664)	50 362
Chairs	261 020	25 016	-	286 036	117 257	31 376	-	148 633	137 403
Balance previously reported	255 067	44 898	-	299 965	118 917	31 265	-	150 182	149 783
Correction of error. Refer note 34.03 & 34.07	5 953	(19 882)	-	(13 929)	(1 660)	111	-	(1 549)	(12 380)
Concrete Mixer	11 938	-	-	11 938	6 390	926	-	7 316	4 622
Balance previously reported	22 932	25 016	-	47 948	11 966	1 867	-	13 833	34 115
Correction of error. Refer note 34.03 & 34.07	(10 994)	(25 016)	-	(36 010)	(5 576)	(941)	-	(6 517)	(29 493)
Desks & Tables	300 177	35 056	-	335 233	112 822	38 592	-	151 414	183 819
Balance previously reported	297 909	-	-	297 909	113 070	38 687	-	151 757	146 152
Correction of error. Refer note 34.03 & 34.07	2 268	35 056	-	37 324	(248)	(95)	-	(343)	37 667
Compactors	30 029	1 750	-	31 779	16 147	3 163	-	19 310	12 469
Balance previously reported	25 129	35 056	-	60 185	14 382	2 640	-	17 022	43 163
Correction of error. Refer note 34.03 & 34.07	4 900	(33 306)	-	(28 406)	1 765	523	-	2 288	(30 694)
Compressors	25 635	-	-	25 635	7 514	3 362	-	10 876	14 759
Balance previously reported	15 735	1 750	-	17 485	5 036	2 125	-	7 161	10 324
Correction of error. Refer note 34.03 & 34.07	9 900	(1 750)	-	8 150	2 478	1 237	-	3 715	4 435
Tools	371 250	135 877	-	507 127	194 919	50 770	-	245 689	261 438
Balance previously reported	485 264	136 027	-	621 291	269 458	62 605	-	332 063	289 228
Correction of error. Refer note 34.03 & 34.07	(114 014)	(150)	-	(114 164)	(74 539)	(11 835)	-	(86 374)	(27 790)
Electronic Equipment	413 904	103 408	(1 013)	516 299	163 327	78 556	(933)	240 950	275 349
Balance previously reported	417 369	103 408	(1 013)	519 764	175 620	80 636	(933)	255 323	264 441
Correction of error. Refer note 34.03 & 34.07	(3 465)	-	-	(3 465)	(12 293)	(2 080)	-	(14 373)	10 908
Fire Extinguishers	22 188	-	-	22 188	6 204	4 293	-	10 497	11 691
Balance previously reported	20 588	-	-	20 588	5 804	4 093	-	9 897	10 691
Correction of error. Refer note 34.03 & 34.07	1 600	-	-	1 600	400	200	-	600	1 000
Lawn Equipment	223 767	6 229	-	229 996	131 774	18 969	-	150 743	79 253

BEAUFORT WEST MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

12 PROPERTY, PLANT AND EQUIPMENT

Reconciliation of Carrying Value

	Cost				Accumulated Depreciation				Carrying Value
	Opening Balance	Additions	Disposals/ Impairments/ Transfers	Closing Balance	Opening Balance	Additions	Disposals/ Impairments/ Transfers	Closing Balance	
	R	R	R	R	R	R	R	R	R
Balance previously reported	233 846	6 229	-	240 075	137 847	19 955	-	157 802	82 273
Correction of error. Refer note 34.03 & 34.07	(10 079)	-	-	(10 079)	(6 073)	(986)	-	(7 059)	(3 020)

BEAUFORT WEST MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

12 PROPERTY, PLANT AND EQUIPMENT

Reconciliation of Carrying Value

	Cost				Accumulated Depreciation				Carrying Value
	Opening Balance	Additions	Disposals/ Impairments/ Transfers	Closing Balance	Opening Balance	Additions	Disposals/ Impairments/ Transfers	Closing Balance	R
			R				R		
Trucks/LDV	4 137 766	1 605 492	(40 000)	5 703 258	1 488 671	243 620	(39 925)	1 692 366	4 010 892
Balance previously reported	4 712 957	1 689 363	(40 000)	6 362 320	2 391 425	448 490	(39 925)	2 799 990	3 562 330
Correction of error. Refer note 34.03 & 34.07	(575 191)	(83 871)	-	(659 062)	(902 754)	(204 870)	-	(1 107 624)	448 562
Motor Vehicles	314 654	-	-	314 654	112 443	15 428	-	127 871	186 783
Balance previously reported	553 497	-	-	553 497	366 411	41 748	-	408 159	145 338
Correction of error. Refer note 34.03 & 34.07	(238 843)	-	-	(238 843)	(253 968)	(26 320)	-	(280 288)	41 445
Office Equipment	409 493	34 383	-	443 876	146 897	67 797	-	214 694	229 182
Balance previously reported	424 980	34 383	-	459 363	162 209	70 792	-	233 001	226 362
Correction of error. Refer note 34.03 & 34.07	(15 487)	-	-	(15 487)	(15 312)	(2 995)	-	(18 307)	2 820
Office Furniture	512 422	46 952	-	559 374	218 436	62 099	-	280 535	278 839
Balance previously reported	500 722	46 952	-	547 674	216 998	61 309	-	278 307	269 367
Correction of error. Refer note 34.03 & 34.07	11 700	-	-	11 700	1 438	790	-	2 228	9 472
Trailers	372 000	-	-	372 000	183 894	41 027	-	224 921	147 079
Balance previously reported	444 537	-	-	444 537	200 734	56 887	-	257 621	186 916
Correction of error. Refer note 34.03 & 34.07	(72 537)	-	-	(72 537)	(16 840)	(15 860)	-	(32 700)	(39 837)
Tracktors	543 342	-	(20 000)	523 342	163 813	20 559	(19 473)	164 899	358 443
Balance previously reported	279 538	-	(20 000)	259 538	117 773	17 771	(19 473)	116 071	143 467
Correction of error. Refer note 34.03 & 34.07	263 804	-	-	263 804	46 040	2 788	-	48 828	214 976
Toolbox	115 192	133 416	-	248 608	15 078	24 219	-	39 297	209 311
Balance previously reported	115 192	133 416	-	248 608	15 078	24 219	-	39 297	209 311
Correction of error. Refer note 34.03 & 34.07	-	-	-	-	-	-	-	-	-
Gym Equipment	113 200	3 603	-	116 803	34 916	11 840	-	46 756	70 047
Balance previously reported	58 200	3 603	-	61 803	26 443	7 609	-	34 052	27 751
Correction of error. Refer note 34.03 & 34.07	55 000	-	-	55 000	8 473	4 231	-	12 704	42 296
Generators	54 453	5 707	-	60 160	17 542	6 707	-	24 249	35 911
Balance previously reported	34 199	5 707	-	39 906	17 028	3 825	-	20 853	19 053
Correction of error. Refer note 34.03 & 34.07	20 254	-	-	20 254	514	2 882	-	3 396	16 858
Radio Equipment	267 492	-	-	267 492	129 597	42 040	-	171 637	95 855
Balance previously reported	308 721	-	-	308 721	145 754	50 371	-	196 125	112 596
Correction of error. Refer note 34.03 & 34.07	(41 229)	-	-	(41 229)	(16 157)	(8 331)	-	(24 488)	(16 741)
	218 646 495	27 363 265	(1 027 019)	244 982 741	17 307 186	8 098 280	(1 020 180)	24 385 286	220 597 455

Exemptions taken according to Directive 4 - Transitional Provisions for Medium and Low Capacity Municipalities in prior periods and not the current financial period. Refer to Note 52.5

BEAUFORT WEST MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

13	INVESTMENT PROPERTY	2011	2010
		R	R
	Net Carrying amount at 1 July	10 529 049	10 808 320
	Cost	11 609 924	11 609 924
	Balance previously reported	11 609 924	1 869 614
	Correction of error. Refer to note 34.04	-	9 740 310
	Accumulated Depreciation	(1 080 875)	(801 604)
	Balance previously reported	-	(274 876)
	Correction of error. Refer to note 34.07	-	(526 728)
	Depreciation for the year	(279 272)	(279 271)
	Balance previously reported	-	(59 204)
	Correction of error. Refer to note 34.07	-	(220 067)
	Net Carrying amount at 30 June	10 249 777	10 529 049
	Cost	11 609 924	11 609 924
	Accumulated Depreciation	(1 360 147)	(1 080 875)
	Revenue derived from the rental of investment property:		
	Sanlam Building	182 904	217 713
	Operating expenditure incurred on properties generating revenue	30 755	47 029
	There are no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements.		
	The cost model in terms of GRAP 16 is being applied on Investment Property.		
	Estimated Fair Value of Investment Property at 30 June	11 609 924	11 609 924
	Cost at implementation of GRAP 16 and fair value was determined by valuation roll of 1 July 2009.		
	Exemptions taken according to Directive 4 - Transitional Provisions for Medium and Low Capacity Municipalities in prior periods and not the current financial period. Refer to Note 52.2		
14	NON-CURRENT ASSETS HELD FOR SALE		
	Non-current assets held for sale at beginning of year - at book value	-	-
	Transfer from Property Plant & Equipment	1 318 840	-
	Non-current assets sold/written off during the year	-	-
	Non-current assets held for sale at end of year - at book value	1 318 840	-
	Disposal group:		
	Non-Current Asset - Property Plant & Equipment - Land & Buildings	1 318 840	-
		1 318 840	-
	Land and buildings on demand was identified by management and approved by Council to be disposed within the next 12 months during the 2011/12 financial year in accordance with Section 14 of the MFMA, Asset Transfer Regulations and the Supply Chain Management Regulations.		
15	INTANGIBLE ASSETS		
	Computer System & Software		
	Net Carrying amount at 1 July	625 008	638 129
	Cost	1 010 777	934 569
	Balance previously reported	1 010 777	136 634
	Correction of error. Refer to note 34.05	-	797 935
	Accumulated Amortisation	(385 769)	(296 440)
	Balance previously reported	(385 769)	(129 803)
	Correction of error. Refer to note 34.06	-	(166 637)
	Acquisitions	23 657	76 208
	Amortisation for the year	(107 586)	(89 329)
	Balance previously reported	-	(9 536)
	Correction of error. Refer to note 34.06	-	(79 793)
	Net Carrying amount at 30 June	541 079	625 008
	Cost	1 034 434	1 010 777
	Accumulated Amortisation	(493 355)	(385 769)
	Exemptions taken according to Directive 4 - Transitional Provisions for Medium and Low Capacity Municipalities in prior periods and not the current financial period. Refer to Note 52.3		
	The following material intangible assets are included in the carrying value above		
		Carrying Value	
		2011	2010
		R	R
	<u>Description</u>		
		<u>Remaining Amortisation</u>	
		<u>Period</u>	
	None		

BEAUFORT WEST MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

No intangible asset were assessed as having an indefinite useful life.
There are no intangible assets whose title is restricted.
There are no intangible assets pledged as security for liabilities

BEAUFORT WEST MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

	2011 R	2010 R
16 LONG-TERM RECEIVABLES		
Cripple Care Loans - At amortised cost	-	14 081
Housing Loans	723 287	816 914
Housing Loans previously not identified transferred from Accumulated Surplus - Note 34.12		971 117
Housing Loans previously not identified transferred to St of Fin Performance - Note 34.12		-154 203
Receivables with arrangements	2 118 321	5 099 089
Less: Current portion transferred to Trade and other receivables from exchange transactions	(507 424)	(997 118)
Less: Current portion transferred to Current Portion of Long-term Receivables	-	(1 053)
	<u>2 334 184</u>	<u>4 931 913</u>
Less: Provision for Impairment of Long Term Receivables	-	-
Total Long Term Receivables	<u>2 334 184</u>	<u>4 931 913</u>
CRIPPLE CARE		
The outstanding amount relates to prior years and is still collectable. Association were entitled to loans which attract interest at 1% per annum and which are repayable over a maximum period of 30 years. These loans are repayable in the year 2011.		
ARRANGEMENTS		
Municipal account holders can make arrangements with the municipality, agreeing to pay the outstanding accounts over a predetermined period at a fixed monthly instalment. When a monthly instalment is not paid, the account is transferred back to Trade receivables where it will be included in the calculation of Provision for Impairment.		
HOUSING LOANS		
The outstanding amount relates to prior years and is still collectable. General public were entitled to housing loans which attract interest at 13,5% per annum and which are repayable over a maximum period of 30 years. These loans are repayable in the year 2026.		
17 INVENTORY		
Consumable Stores - Stationery and materials - At cost	2 796 834	2 116 640
Water – at cost	80 414	55 018
Total Inventory	<u>2 877 248</u>	<u>2 171 658</u>
Consumable stores materials written down due to losses as identified during the annual stores counts.	<u>49 412</u>	<u>91 855</u>
Consumable stores materials surpluses identified during the annual stores counts.	<u>20 307</u>	<u>28 497</u>
Exemptions taken according to Directive 4 - Transitional Provisions for Medium and Low Capacity Municipalities. Refer to Note 52.4		
18 TRADE AND OTHER RECEIVABLES FROM EXCHANGE TRANSACTIONS		
Service Receivables		
Water	2 484 275	2 934 900
Electricity	3 833 535	3 095 611
Housing Rentals	80 778	93 041
Refuse	2 636 935	2 719 155
Sewerage	5 047 301	5 846 917
Total Service Receivables	<u>14 082 824</u>	<u>14 689 624</u>
Less: Allowance for Doubtful Debts	(11 271 067)	(4 630 684)
Net Service Receivables	<u>2 811 757</u>	<u>10 058 940</u>
Other Receivables		
Other Arrears	16 162 203	9 779 915
Total Other Receivables	<u>16 162 203</u>	<u>9 779 915</u>
Less: Allowance for Doubtful Debts	(9 052 167)	(714 925)
Net Other Receivables	<u>7 110 036</u>	<u>9 064 990</u>
Total Net Receivables from Exchange Transactions	<u>9 921 793</u>	<u>19 123 930</u>
Ageing of Receivables from Exchange Transactions		
(Electricity): Ageing		
Current (0 - 30 days)	2 934 094	2 333 505
31 - 60 Days	54 307	73 325
61 - 90 Days	34 506	34 423
+ 90 Days	810 628	654 358
Total	<u>3 833 535</u>	<u>3 095 611</u>
(Water): Ageing		
Current (0 - 30 days)	437 331	568 518
31 - 60 Days	75 248	105 772
61 - 90 Days	58 412	99 993
+ 90 Days	1 913 284	2 160 617

BEAUFORT WEST MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

Total

<u>2 484 275</u>	<u>2 934 900</u>
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BEAUFORT WEST MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

18	TRADE AND OTHER RECEIVABLES FROM EXCHANGE TRANSACTIONS (CONTINUE)	2011 R	2010 R
	<u>(Refuse): Ageing</u>		
	Current (0 - 30 days)	329 024	301 715
	31 - 60 Days	102 386	101 967
	61 - 90 Days	89 597	90 777
	+ 90 Days	2 115 928	2 224 696
	Total	2 636 935	2 719 155
	<u>(Sewerage): Ageing</u>		
	Current (0 - 30 days)	659 773	623 050
	31 - 60 Days	197 965	197 909
	61 - 90 Days	172 103	176 248
	+ 90 Days	4 017 460	4 849 710
	Total	5 047 301	5 846 917
	<u>(Housing Rentals Debtors): Ageing</u>		
	Current (0 - 30 days)	5 879	6 243
	31 - 60 Days	1 422	1 790
	61 - 90 Days	1 422	1 647
	+ 90 Days	72 055	83 361
	Total	80 778	93 041
	<u>(Other Debtors): Ageing</u>		
	Current (0 - 30 days)	1 152 597	795 511.00
	31 - 60 Days	334 962	113 445.00
	61 - 90 Days	733 382	97 862.00
	+ 90 Days	13 941 262	8 773 097.00
	Total	16 162 203	9 779 915
19	TRADE AND OTHER RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS	2011 R	2010 R
	Service Receivables		
	Taxes - Rates	8 791 114	6 517 550
	Other Receivables	2 736 834	2 728 975
	Total Service Receivables	11 527 948	9 246 525
	Less: Allowance for Doubtful Debts	(5 719 969)	(1 601 432)
	Net Service Receivables	5 807 979	7 645 093
	Total Net Receivables from Non-Exchange Transactions	5 807 979	7 645 093
	Ageing of Receivables from Non-Exchange Transactions		
	<u>(Rates): Ageing</u>		
	Current (0 - 30 days)	898 125	837 537
	31 - 60 Days	217 128	246 088
	61 - 90 Days	175 737	126 573
	+ 90 Days	7 500 124	5 307 352
	Total	8 791 114	6 517 550
	<u>(Other Receivables): Ageing</u>		
	Current (0 - 30 days)	-	23 610
	31 - 60 Days	-	-
	61 - 90 Days	-	-
	+ 90 Days	2 736 834	2 704 764
	Total	2 736 834	2 728 374

BEAUFORT WEST MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

19	TRADE AND OTHER RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS (CONTINUE)			2011 R	2010 R
<u>Summary of Receivables by Customer Classification</u>					
	Residential, Industrial & Commercial R's	Other Debtors R's	National and Provincial Government R's	Total R's	
2011					
Total Receivables	40 730 669	-	1 042 306	41 772 975	
Less: Provision for doubtful debts	(26 043 203)	-	-	(26 043 203)	
Total Recoverable debtors by customer classification	14 687 466	-	1 042 306	15 729 772	

<u>Summary of Receivables by Customer Classification</u>					
	Residential, Industrial & Commercial R's	Other Debtors R's	National and Provincial Government R's	Total R's	
2010					
Total Receivables	32 994 666	-	721 398	33 716 064	
Less: Provision for doubtful debts	(6 947 041)	-	-	(6 947 041)	
Total Recoverable debtors by customer classification	26 047 625	-	721 398	26 769 023	

Trade and other receivables impaired

2011			
	Exchange Transactions R's	Non-Exchange Transactions R's	Total R's
Total	(20 323 234)	(5 719 969)	(26 043 203)
2010			
	Exchange Transactions R's	Non-Exchange Transactions R's	Total R's
Total	(5 345 609)	(1 601 432)	(6 947 041)

Debts are required to be settled after 30 days, interest is charged after this date at prime +1%.
The fair value of trade and other receivables approximates their carrying amounts.

Reconciliation of the Total doubtful debt provision

	2011 R	2010 R
Balance at beginning of the year	6 947 041	9 563 761
Contributions to provision	21 335 667	263 822
Additional interest transferred to provision	42 702	53 356
Doubtful debts written off against provision	(2 282 208)	(2 933 898)
Balance at end of year	26 043 202	6 947 041

In determining the recoverability of a trade receivable, the Municipality considers any change in the credit quality of the trade receivable from the date the credit was initially granted, up to the reporting date. The concentration of credit risk is limited due to the customer base being large and unrelated. Accordingly, management believes no further credit provisions are required in excess of the present allowance for doubtful debts.

BEAUFORT WEST MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

	2011 R	2010 R
20 OPERATING LEASE ARRANGEMENTS		
20.1 The Municipality as Lessee		
Balance on 1 July	3 167	2 827
Operating Lease Liability for the current year	(728)	340
Balance on 30 June	2 439	3 167

At the Statement of Financial Position date, where the municipality acts as a lessee under operating leases, it will pay operating lease expenditure as follows:

Up to 1 Year	14 101	12 937
1 to 5 Years	3 600	17 700
More than 5 Years	-	-
Total Operating Lease Arrangements	17 701	30 637

20.2 The Municipality as Lessor

Balance on 1 July	8 320	7 464
Operating Lease Asset for the current year	749	856
Balance on 30 June	9 069	8 320

Beaufort West Municipality is leasing land to rate payers for periods of 119 months with escalations of 10% per year.

	2011 R	2010 R
At the Statement of Financial Position date, where the municipality acts as a lessor under operating leases, it will receive operating lease income as follows:		
Up to 1 Year	34 321	68 977
1 to 5 Years	69 984	91 067
More than 5 Years	5 263	18 500
Total Operating Lease Arrangements	109 568	178 544

This lease income was determined from contracts that have a specific conditional income and does not include lease income which has a undetermined conditional income.

The leases are in respect of land being leased out for a period until 2017

	2011 R	2010 R
21 CASH AND CASH EQUIVALENTS		
Assets		
Call Investments Deposits	15 138 266	30 821 195
Cash Floats	12 170	12 170
Total Cash and Cash Equivalents - Assets	15 150 436	30 833 365
Liabilities		
Primary Bank Account	(2 321 040)	(2 193 884)
Total Cash and Cash Equivalents - Liabilities	(2 321 040)	(2 193 884)

Call Investments Deposits to an amount of R10 294 322 are held to fund the Unspent Conditional Grants (2010: R21 747 708).

Bank overdraft of R3 500 000 exists at ABSA Bank and ABSA Bank also has a credit card overdraft facility of R20 000 and fuel overdraft facility of R300 000.

BEAUFORT WEST MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

		2011 R	2010 R
21	CASH AND CASH EQUIVALENTS (CONTINUE)		
	The municipality has the following bank account:		
	<u>Current Account</u>		
	<i>Beaufort West ABSA - Account Number 40 5053 8936 (Primary Account):</i>		
	Cash book balance at beginning of year	(2 193 884)	(1 468 125)
	Cash book balance at end of year	<u>(2 321 040)</u>	<u>(2 193 884)</u>
	Bank statement balance at beginning of year	(238 451)	673 479
	Bank statement balance at end of year	<u>480 106</u>	<u>(238 451)</u>
	The municipality also had the following bank accounts:		
	<i>SBR Housing Account (Absa Bank Beaufort West - Account Number: 40 5068 4777)</i>		
	Cash book balance at beginning of year	-	2 584
	Cash book balance at end of year	<u>-</u>	<u>-</u>
	Bank statement balance at beginning of year	-	2 584
	Bank statement balance at end of year	<u>-</u>	<u>-</u>
	<i>IDT Housing Account (Absa Bank Beaufort West - Account Number: 15 4015 0288)</i>		
	Cash book balance at beginning of year	-	7 534
	Cash book balance at end of year	<u>-</u>	<u>-</u>
	Bank statement balance at beginning of year	-	7 534
	Bank statement balance at end of year	<u>-</u>	<u>-</u>
	<u>Call Investment Deposits</u>		
	Call investment deposits consist out of the following accounts:		
	Investec	4 536 143	11 817 265
	First National Bank	-	4 451 999
	ABSA	10 306 213	11 057 686
	Standard Bank	295 910	3 494 246
		<u>15 138 266</u>	<u>30 821 196</u>

22	PROPERTY RATES		
	<u>Actual</u>		
	Rateable Land and Buildings	19 440 024	18 269 525
	Residential, Commercial Property, State	<u>19 440 024</u>	<u>18 269 525</u>
	Less: Rebates	(1 649 126)	(1 513 467)
	Total Assessment Rates	<u>17 790 898</u>	<u>16 756 058</u>

Valuations on 30 JUNE 2011: IN ANY FORMAT YOU CAN GIVE

		2011 R	2010 R
	Residential	1 133 309 255	1 325 631 764
	Commercial	223 533 680	223 063 430
	Governments	36 585 385	45 608 135
	Schools	36 650 650	35 002 650
	PSI	47 377 422	59 026 398
	Farms	1 094 490 970	1 099 502 734
	Vacant Erven	701 015	437 270
	Building Clause	5 547 973	6 795 443
	Total Property Valuations	<u>2 578 196 350</u>	<u>2 795 067 824</u>

Valuations on land and buildings are performed every four years. The last valuation came into effect on 1 July 2009. Rebates were granted on land with buildings used solely for dwellings purposes as follows:
Residential - The first R19 000 on the valuation is exempted.

Rates are levied monthly and payable by the 12th of the following month. Interest is levied at the prime rate plus 1% on outstanding monthly rates.

Rebates can be defined as any income that the Municipality is entitled by law to levy, but which has subsequently been forgone by way of rebate or remission.

BEAUFORT WEST MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

23	GOVERNMENT GRANTS AND SUBSIDIES	2011 R	2010 R
	Unconditional Grants	22 401 162	17 913 085
	Equitable Share - Refer to Note 23.1	22 401 162	17 913 085
	Conditional Grants	67 198 015	64 111 734
	Municipal Infrastructure Grant	4 920 566	8 266 572
	Finance Management Grant	1 081 736	758 294
	Department of Water Affairs and Forestry	52 073	172 105
	Department of Mineral and Energy ESKOM	20 940 324	21 959 342
	Municipal System Improvement Grant	1 152 267	332 385
	Public Transport Infrastructure Program (PTIP)	653 342	1 407 125
	Provincial Administration Western Cape (PAWC)	3 007 278	-
	Government Grants	3 889 714	29 359 308
	National Lottery	2 339	9 900
	Development Bank of South Africa	3 580	99 066
	Neighbourhood Development Programme (NDP)	115 758	321 601
	Donations and Public Contributions	120 961	111 998
	Local Economic Development	2 140 450	1 145 191
	Disaster Fund	173 084	-
	National Transformation Fund	2 500	-
	Drought Relief	16 396	-
	Job Creation	28 511 764	-
	Community Development Workers	75 000	-
		338 883	168 847
	Total Government Grants and Subsidies	89 599 177	82 024 819
	Government Grants and Subsidies - Capital	34 321 328	21 199 783
	Government Grants and Subsidies - Operating	55 277 848	60 825 036
		89 599 176	82 024 819

The municipality does not expect any significant changes to the level of grants.

23.1 Equitable share

In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members. All registered indigents receive 6kl free water and 50kwh free electricity per month, which is funded from this grant.

All registered indigents receive a monthly subsidy as per approved budget, funded from this grant. Indigent subsidies is based on the cost of free basic services for the geographical area concerned

See Appendix F & note 9 for a reconciliation of all grants.

24	SERVICE CHARGES	2011 R	2010 R
	Electricity	39 132 930	33 329 707
	Service Charges - Electricity	40 847 774	34 999 068
	<u>Less:</u> Rebates	(1 714 844)	(1 669 361)
	Water	6 381 110	7 826 089
	Service Charges - Water	9 937 594	9 450 603
	<u>Less:</u> Rebates	(3 556 484)	(1 624 514)
	Refuse removal	3 830 844	3 627 848
	Service Charges - Refuse	4 333 181	4 063 523
	<u>Less:</u> Rebates	(502 337)	(435 675)
	Sewerage and Sanitation Charges	8 241 733	7 613 396
	Service Charges - Sewerage	10 029 101	9 189 324
	<u>Less:</u> Rebates	(1 787 368)	(1 575 928)
	Other Service Charges	-	-
	Total Service Charges	57 586 617	52 397 040

Rebates can be defined as any income that the Municipality is entitled by law to levy, but which has subsequently been forgone by way of rebate or remission.

BEAUFORT WEST MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

25	OTHER REVENUE	2011 R	2010 R
	Insurance excess revenue	126 953	422 895
	Vat contribution	-	174 744
	Selling of burial sites	155 498	126 726
	Subsidies	41 604	78 843
	Fees: swimming pool	3 577	68 172
	Commission on insurances	64 987	61 171
	Re-connections	62 859	60 284
	Building plans	35 237	51 558
	Other income represents sundry income such as administration income, sale of sand and photocopies.	229 755	62 223
	Total Other Income	720 470	1 106 616
		<hr/>	<hr/>
26	EMPLOYEE RELATED COSTS		
	Standby Allowances	1 435 996	1 213 000
	Housing Subsidy	211 088	245 478
	Bonus	2 619 417	2 156 573
	Essential Users	556 831	478 976
	Overtime	3 184 669	1 680 833
	Long Service Awards	14 500	15 000
	Salaries	32 214 087	27 356 154
	Uniform Allowance	43 027	37 197
	Leave Reserve Fund	454 603	834 688
	Transport Allowance	442 057	501 118
	Group Insurance	57 395	36 471
	Medical Aid Contribution	872 172	815 191
	Provident Fund SAMWU	472 198	419 776
	Pension Fund Contribution	4 641 812	4 172 151
	Occupational Health/Safety	141 000	-
	Unemployment Fund	301 757	262 923
	Long Service Bonus	194 818	178 503
	Post Retirement Medical	321 811	294 633
	Total Employee Related Costs	48 179 238	40 698 665
		<hr/>	<hr/>
KEY MANAGEMENT PERSONNEL			
<p>Municipal Manger is appointed on a 6-year fixed contract and the Director Community Services, Director Corporate Services and Director Finance on a 5-year fixed contract. There are no post-employment or termination benefits payable to them at the end of the contract period.</p>			
REMUNERATION OF KEY MANAGEMENT PERSONNEL			
Remuneration of the Municipal Manager			
	Annual Remuneration	634 109	577 449
	Performance Bonuses	96 904	57 171
	Car Allowance	117 496	119 502
	Contributions, Medical and Pension Funds	136 412	110 584
	Total	984 921	864 706
		<hr/>	<hr/>
Remuneration of the Director Financial Services			
	Annual Remuneration	273 368	368 239
	Performance Bonuses	67 531	39 842
	Car Allowance	43 288	106 492
	Contributions, Medical and Pension Funds	136 644	88 031
	Total	520 831	602 604
		<hr/>	<hr/>
Remuneration of the Director Electrical Services			
	Annual Remuneration	522 205	504 861
	Performance Bonuses	66 926	39 484
	Car Allowance	72 000	72 001
	Contributions, Medical and Pension Funds	87 307	73 277
	Total	748 438	689 623
		<hr/>	<hr/>
Remuneration of the Director Community Services			
	Annual Remuneration	490 404	444 424
	Performance Bonuses	68 342	42 152
	Car Allowance	60 000	72 001
	Contributions, Medical and Pension Funds	96 913	78 969
	Total	715 659	637 546
		<hr/>	<hr/>
Remuneration of the Director Engineering Services			
	Annual Remuneration	486 341	445 545
	Performance Bonuses	71 447	18 811
	Car Allowance	72 000	59 999
	Contributions, Medical and Pension Funds	93 541	75 266
	Total	723 329	599 621
		<hr/>	<hr/>
Remuneration of the Director Corporate Services			
	Annual Remuneration	367 201	335 247
	Performance Bonuses	48 386	16 057
	Car Allowance	71 450	71 123

BEAUFORT WEST MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

Contributions, Medical and Pension Funds	91 242	77 492
Total	578 279	499 919

BEAUFORT WEST MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

	2011 R	2010 R
27 REMUNERATION OF COUNCILLORS		
Executive Mayor	404 491	338 923
Deputy Executive Mayor	323 634	311 808
Speaker	308 846	311 808
Mayoral Committee Members	302 637	250 591
Councillors	1 197 844	1 082 274
Councillors' pension contribution	74 972	122 312
Councillors' medical aid	3 076	17 721
Councillors' car allowance	548 174	664 408
Telephone Allowance	180 041	182 034
Total Councillors' Remuneration	3 343 715	3 281 879
<i>In-kind Benefits</i>		
The Executive Mayor, Deputy Executive Mayor, Speaker and one other councillor are full-time. Each is provided with an office and secretarial support at the cost of the Council. The Executive Mayor has the use of a Council owned vehicle for official duties.		
	2011 R	2010 R
28 DEBT IMPAIRMENT		
Long term Receivables - Note 16	-	-
Trade Receivables from exchange transactions - Note 18	15 214 260	203 006
Trade Receivables from non-exchange transactions - Note 18	4 282 050	60 816
Total Contribution to Impairment Provision	19 496 310	263 822
29 IMPAIRMENTS		
Property Plant & Equipment - Leased Assets	17 202	32 404
Property Plant & Equipment - Other Assets	18 285	6 236
	35 487	38 640
30 FINANCE CHARGES		
Long-term Liabilities	1 632 782	1 150 723
Finance leases	334 588	189 272
Post Retirement Charges	1 321 676	1 240 825
Overdraft Facilities	19 620	9 731
Total finance charges	3 308 666	2 590 551
31 BULK PURCHASES		
Electricity	25 158 962	19 640 407
Water	604 187	1 351 946
Total Bulk Purchases	25 763 149	20 992 353
32 GRANTS AND SUBSIDIES		
Donations	45 850	49 532
Total Grants and Subsidies	45 850	49 532
33 GENERAL EXPENSES		
Advertisement Costs	316 702	298 166
Banking Charges	281 395	305 123
Bursaries	293 139	216 669
CDW's	201 287	167 815
Organisations	647 003	527 625
Insurance	261 884	603 900
Licences/ Agreements	907 358	-
Printing & Stationary	538 398	526 935
Property Rates Act	5 367	144 554
Soup Kitchen	445 223	338 595
Subsistence & Travel	693 005	631 189
Audit fees	1 962 867	1 126 999
Telephone Costs	931 156	936 776
Training Costs	167 912	226 719
W.S.D.P.	85 154	163 845
Ward Committee	161 297	139 861
Transfer existing housing	2 700 124	20 766
Vehicle Cost	411 105	120 187
Postage	279 992	265 923
Digging of graves	162 545	105 015
Job Creation	225 283	168 981
Legal expenses	129 659	16 399
Rental Fees	182 891	31 014
Other expenditure	2 173 024	1 628 291
General Expenses	14 163 770	8 711 347

BEAUFORT WEST MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

General expenses contains administrative and technical expenses otherwise not provided for in the line-items of the Statement of Financial performance. This include items such as telecommunications, travelling, legal fees and auditing fees.

BEAUFORT WEST MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

	2010 R	2009 R
34 CORRECTION OF ERROR IN TERMS OF GRAP 3		
34.01 Directive 4: "Transitional Provisions for Medium and Low Capacity Municipalities"		
In terms of Directive 4: "Transitional Provisions for Medium and Low Capacity Municipalities" issued by the Accounting Standards Board the municipality has transitional provisions for the following GRAP Standards in prior periods and not the current financial period as the municipality must comply with all the GRAP Standards applicable at the reporting date:		
GRAP 12 – Inventories		GRAP 19 – Provisions, Contingent Liabilities and Contingent Assets
GRAP 16 – Investment Property		GRAP 100 – Non-current Assets Held for Sale and Discontinued Operations
GRAP 17 – Property, Plant and Equipment		GRAP 102 – Intangible Assets
34.02 Long Term Liabilities		
Balance previously reported	-	-
Correction of Long term Liabilities to exclude accruals with Trade and other Payables Note	-	-
VAT calculation corrected for PPE out of External Loans - Note 34.03	-	17 710
Total	<u>-</u>	<u>-</u>
34.03 Property, Plant and Equipment - GRAP 17		
Property, Plant and Equipment recorded as they are required by GRAP.		
Balance previously reported	224 361 660	197 923 681
Opening balance GRAP movements 2009	20 705 101	-
Implementation of GRAP		
Unbundling of Land&Buildings, Infrastructure and Loose Assets restated PPE from Accumulated Surplus/deficit - See Note 34.10	-	19 369 501
Land&Buildings previously not identified restated from Accumulated Surplus/deficit - See Note 34.10	-	1 335 600
Trade Payables not recorded 2010 - Note 34.09	(83 871)	-
Correction on incorrect disclosure in Annual Financial Statements 2010 - See Note 34.10	(150)	-
VAT calculation corrected for PPE out of External Loans - Note 34.02	-	17 710
Total	<u>244 982 740</u>	<u>218 646 492</u>
34.04 Investment Properties		
Investment Properties recorded as they are required by GRAP.		
Balance previously reported	-	1 869 615
Investment Property previously not identified - Restate from Accumulated Surplus/deficit - See Note 34.10	-	9 740 310
Total	<u>-</u>	<u>11 609 925</u>
34.05 Intangible Assets		
Intangible Assets recorded as they are required by GRAP.		
Balance previously reported	-	136 634
Intangible Assets previously not identified - Restate from Accumulated Surplus/deficit - See Note 34.10	-	797 935
Total	<u>-</u>	<u>934 569</u>
34.06 Accumulated Amortisation		
Balance previously reported	(139 338)	(129 803)
Opening balance GRAP movements 2009	(166 637)	-
Implementation of GRAP		
Intangible Assets not previously identified - Recalculated Accumulated Amortisation from Accumulated Surplus/deficit - See Note 34.10 & 34.11	(79 793)	(166 637)
Total	<u>(385 768)</u>	<u>(296 440)</u>
34.07 Accumulated Depreciation		
Balance previously reported	(85 437 621)	(78 752 234)
Opening balance GRAP movements 2009	60 643 440	-
Implementation of GRAP		
Unbundling of Land&Buildings, Infrastructure and Loose Assets restated Accumulated Depreciation from Accumulated Surplus/deficit - See Note 34.10 & 34.11	(447 724)	61 178 548
Land & Buildings previously not identified restated Accumulated Depreciation from Accumulated Surplus/deficit - See Note 34.10 & 34.11	(4 190)	(8 380)
Investment Properties not previously identified - Recalculated Accumulated Depreciation from Accumulated Surplus/deficit - See Note 34.10 & 34.11	(220 067)	(526 728)
Total	<u>(25 466 162)</u>	<u>(18 108 794)</u>
34.08 Taxes		
Balance previously reported	(135 918)	-
Opening balance GRAP movements 2009	(1 145 816)	-
Implementation of GRAP		
Adjustment to the VAT Output Account for output VAT declared erroneously - Note 34.10	(141 013)	(144 784)
Provision for impairment of trade receivables from exchange transactions not previously charged against the VAT Liability - Note 34.10 & Note 34.11	344 554	(1 001 032)
Trade Payables not recorded 2010 - Note 34.09	(219 845)	-
Total	<u>(1 298 038)</u>	<u>(1 145 816)</u>

BEAUFORT WEST MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

	2010 R	2009 R
34 CORRECTION OF ERROR IN TERMS OF GRAP 3 (CONTINUE)		
34.09 Payables From Exchange Transactions		
Balance previously reported	(11 654 136)	-
Opening balance GRAP movements 2009	(19 750)	-
Implementation of GRAP		
Contempt of court not previously disclosed as Trade Payables - Note 34.10	(10 500)	(19 750)
Trade Payables not recorded 2010 - Note 34.10	(710 553)	-
Total	(12 394 939)	(19 750)
34.10 Accumulated Surplus/(Deficit)		
Unbundling of Land&Buildings, Infrastructure and Loose Assets restated Accumulated Depreciation from Accumulated Surplus/deficit - See Note 34.07	-	61 178 548
Unbundling of Land&Buildings, Infrastructure and Loose Assets restated PPE from Accumulated Surplus/deficit - See Note 34.03	-	19 369 501
Investment Property previously not identified - Restate from Accumulated Surplus/deficit - See Note 34.04	-	9 740 310
Intangible Assets previously not identified - Restate from Accumulated Surplus/deficit - See Note 34.05	-	797 935
Housing Loans previously not identified transferred from Accumulated Surplus - Note 34.12	-	971 117
Intangible Assets not previously identified - Recalculated Accumulated Amortisation from Accumulated Surplus/deficit - See Note 34.06	-	(166 637)
Investment Properties not previously identified - Recalculated Accumulated Depreciation from Accumulated Surplus/deficit - See Note 34.07	-	(526 728)
Land&Buildings previously not identified restated from Accumulated Surplus/deficit - See Note 34.03	-	1 335 600
Provision for impairment of trade receivables from exchange transactions not previously charged against the VAT Liability - 1 July 2009 - Note 34.08	-	1 001 032
Land & Buildings previously not identified restated Accumulated Depreciation from Accumulated Surplus/deficit - See Note 34.07	-	(8 380)
Adjustment to the VAT Output Account for output VAT declared erroneously - Note 34.08	141 013	144 784
Contempt of court not previously disclosed as Trade Payables - Note 34.09	-	(19 750)
Correction on incorrect disclosure in Annual Financial Statements 2010 - See Note 34.03	(150)	-
Total	140 863	93 817 332
34.11 Changes to Statement of Financial Performance		
Balance previously reported	25 547 783	-
Unbundling of Infrastructure & Loose Assets restated Accumulated Depreciation from Statement of Financial Performance - See Note 34.07	(447 724)	-
Intangible Assets not previously identified - Recalculated Accumulated Amortisation from Accumulated Surplus/deficit - See Note 34.06	(79 793)	-
Housing Loans previously not identified transferred to St of Fin Performance - Note 34.12	(154 203)	-
Investment Properties not previously identified - Recalculated Accumulated Depreciation from Accumulated Surplus/deficit - See Note 34.07	(220 067)	-
Land & Buildings previously not identified restated Accumulated Depreciation from Accumulated Surplus/deficit - See Note 34.07	(4 190)	-
Provision for impairment of trade receivables from exchange transactions not previously charged against the VAT Liability - Note 34.08	(344 554)	-
Contempt of court not previously disclosed as Trade Payables - Note 34.09	(10 500)	-
Trade Payables not recorded 2010 - Note 34.09	(574 580)	-
Total	23 712 172	-
34.12 Long Term Receivables		
Balance previously reported	4 114 999	-
Opening balance GRAP movements 2009	971 117	-
Implementation of GRAP		
Housing Loans previously not identified transferred from Accumulated Surplus - Note 34.10	-	971 117
Housing Loans previously not identified transferred to St of Fin Performance - Note 34.11	(154 203)	-
Total	4 931 913	971 117
35 RECONCILIATION BETWEEN NET SURPLUS/(DEFICIT) FOR THE YEAR AND CASH GENERATED/(ABSORBED) BY OPERATIONS		
Surplus/(Deficit) for the year	4 027 813	23 712 155
Adjustments for:		
Depreciation	9 778 912	8 377 568
Amortisation of Intangible Assets	107 586	89 329
(Gain)/Loss on disposal of property, plant and equipment	(886 694)	(461 628)
Impairments	35 487	38 640
Contribution from/to employee benefits - non-current	(938 706)	(844 937)
Contribution from/to employee benefits - non-current - expenditure incurred	1 838 305	1 713 961
Contribution from/to employee benefits - non-current - actuarial losses	4 785 571	106 274
Contribution from/to provisions - non-current	10 200	382 400
Contribution to employee benefits – current	861 867	1 068 641
Contribution to employee benefits – current - expenditure incurred	(669 642)	(335 397)
Contribution to provisions – Debt Impairment	21 335 667	263 822
Impairment written off	(2 239 506)	(2 880 542)
Operating lease income accrued	(749)	(856)
Operating lease expenses accrued	(728)	340
Operating Surplus/(Deficit) before changes in working capital	38 045 383	31 229 770

BEAUFORT WEST MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

36	RECONCILIATION BETWEEN NET SURPLUS/(DEFICIT) FOR THE YEAR AND CASH GENERATED/(ABSORBED) BY OPERATIONS (CONTINUE)	2011	2010
		R	R
	Changes in working capital	(19 015 287)	(6 839 269)
	Increase/(Decrease) in Trade and Other Payables	4 628 997	612 914
	Increase/(Decrease) in Unspent Conditional Government Grants and Receipts	(10 615 755)	(275 558)
	Increase/(Decrease) in Unspent Conditional Public Contributions and Receipts	(837 631)	907 486
	Increase/(Decrease) in Taxes	(2 953 161)	878 251
	(Increase)/Decrease in Inventory	(705 590)	(13 898)
	(Increase)/Decrease in Unpaid Conditional Government Grants and Receipts	(475 236)	304 257
	(Increase)/Decrease in Trade Receivables from exchange transactions	(5 775 488)	(5 458 170)
	(Increase)/Decrease in Other Receivables from non-exchange transactions	(2 281 423)	(3 794 551)
	Cash generated/(absorbed) by operations	19 030 096	24 390 501

37	CASH AND CASH EQUIVALENTS	2011	2010
		R	R
	Cash and cash equivalents included in the cash flow statement comprise the following:		
	Call Investments Deposits - Note 21	15 138 266	30 821 195
	Cash Floats - Note 21	12 170	12 170
	Bank - Note 21	-	-
	Bank overdraft - Note 21	(2 321 040)	(2 193 884)
	Total cash and cash equivalents	12 829 396	28 639 481

38	RECONCILIATION OF AVAILABLE CASH AND INVESTMENT RESOURCES		
	Cash and Cash Equivalents - Note 37	12 829 396	28 639 481
	Less:	12 829 396	28 639 481
		7 342 177	22 460 968
	Unspent Committed Conditional Grants - Note 9	8 953 080	20 044 071
	Unspent Public Contribution - Note 10	477 624	1 315 255
	Unpaid Committed Conditional Grants - Note 9	(863 618)	(388 382)
	Staff Leave - Note 7	2 874 861	2 670 362
	VAT - Note 11	(4 251 199)	(1 298 038)
	Cash Portion of Housing Development Fund - Note 2	151 429	117 700
	Net cash resources available for internal distribution	5 487 219	6 178 513
	Allocated to:		
	Capital Replacement Reserve	2 798 227	2 138 834
	Resources available for working capital requirements	2 688 992	4 039 679

39	UTILISATION OF LONG-TERM LIABILITIES RECONCILIATION		
	Long-term Liabilities - Note 3	19 869 475	12 891 567
	Used to finance property, plant and equipment - at cost	(19 869 475)	(12 891 567)
	Cash set aside for the repayment of long-term liabilities	-	-
	Cash invested for repayment of long-term liabilities	-	-

Long-term liabilities have been utilized in accordance with the Municipal Finance Management Act. The Annuity Loans carry interest of between 6.75 % and 16.24 % and will be repaid by 2029

40	BUDGET COMPARISONS				
		2011	2011	2011	2011
		R	R	R	(%)
		(Actual)	(Budget)	(Variance)	(%)
40.1	Operational				
	Revenue by source				
	Property Rates	17 790 898	17 572 500	218 398	1%
	Government Grants and Subsidies - Capital	34 321 329	23 000 000	11 321 329	49%
	Government Grants and Subsidies - Operating	55 277 848	71 229 974	(15 952 126)	-22%
	Public Contributions and Donations	-	-	-	0%
	Actuarial Gains	-	-	-	0%
	Fines	6 437 412	9 136 450	(2 699 038)	-30%
	Property Rates - penalties imposed and collection charges	734 441	660 000	74 441	11%
	Service Charges	57 586 617	66 431 030	(8 844 413)	-13%
	Rental of Facilities and Equipment	571 668	482 788	88 880	18%
	Interest Earned - external investments	1 710 889	360 471	1 350 418	375%
	Interest Earned - outstanding debtors	741 006	736 000	5 006	1%
	Licences and Permits	655 756	563 250	92 506	16%
	Agency Services	419 767	450 000	(30 233)	-7%
	Other Revenue	720 470	688 431	32 039	5%
		<u>176 968 101</u>	<u>191 310 894</u>	<u>(14 342 793)</u>	<u>-7%</u>

BEAUFORT WEST MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

Expenditure by nature

Employee Related Costs	(48 179 238)	(48 184 662)	5 424	0%
Remuneration of Councillors	(3 343 715)	(3 575 065)	231 350	-6%
Debt Impairment	(19 496 310)	(8 353 652)	(11 142 658)	133%
Collection Cost	(386 631)	(380 000)	(6 631)	2%
Depreciation and Amortisation	(9 886 498)	(11 050 492)	1 163 994	-11%
Impairments	(35 487)	-	(35 487)	100%
Repairs and Maintenance	(14 694 933)	(12 106 670)	(2 588 263)	21%
Unamortised Discount - Inrerest	-	-	-	0%
Actuarial losses	(4 785 571)	-	(4 785 571)	100%
Finance Charges	(3 308 666)	(1 569 489)	(1 739 177)	111%
Bulk Purchases	(25 763 149)	(26 196 000)	432 851	-2%
Contracted services	(3 021 911)	(3 006 600)	(15 311)	1%
Grants and Subsidies	(45 850)	-	(45 850)	100%
Operating Grant Expenditure	(26 715 253)	(24 998 053)	(1 717 200)	7%
General Expenses	(14 163 770)	(14 028 099)	(135 671)	1%
Contributions to/from Reserves	-	(2 475 800)	2 475 800	-100%
	(173 826 982)	(155 924 582)	(20 378 200)	13%

Other Gains/Losses

Loss on Disposal of PPE	-	-	-	0%
Gains on Disposal of PPE	886 694	1 500	885 194	59013%
	886 694	1 500	885 194	59013%

Net Surplus for the year

	4 027 813	35 387 812	(33 835 799)	-96%
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Details of material variances

Repairs and Maintenance - Road Transport - Resurface of gravel road - Classed as capital in budget.
 Operating Grant Expenditure - Electricity for Rural Areas in Central Karoo
 Debt Impairment - Change in calculation of Allowance for Doubtful Debts
 Actuarial losses - Not budgeted for Actuarial losses.
 Finance Charges - Not budgeted for Post Retirement Finance Charges

	2011 R (Actual)	2011 R (Budget)	2011 R (Variance)	2011 (%)
40.2 Expenditure by Vote				
Executive & Council	(20 324 642)	(13 817 085)	(6 507 557)	47%
Budget & Treasury	(10 909 573)	(11 432 908)	523 335	-5%
Corporate Services	(2 925 516)	(3 217 561)	292 045	-9%
Planning & Development	(4 132 217)	(4 160 530)	28 313	-1%
Health	-	-	-	0%
Community & Social Services	(4 251 863)	(4 162 700)	(89 163)	2%
Housing	(4 608 508)	(11 029 104)	6 420 596	-58%
Public Safety	(8 096 507)	(8 304 025)	207 518	-2%
Sport & Recreation	(5 441 648)	(5 560 235)	118 587	-2%
Environmental Protection	-	-	-	0%
Waste Management	(5 343 208)	(5 397 803)	54 595	-1%
Waste Water Management	(3 995 655)	(4 065 881)	70 226	-2%
Road Transport	(17 993 157)	(16 229 080)	(1 764 077)	11%
Water	(23 748 280)	(15 689 472)	(8 058 808)	51%
Electricity	(70 432 622)	(56 305 523)	(14 127 099)	25%
Less: Interdepartmental Charges	8 376 415	3 447 325	4 929 090	143%
	(173 826 981)	(155 924 582)	(17 902 399)	11%

Details of material variances

Road Transport - Resurface of gravel road - Classed as capital in budget.
 Electricity - Electricity for Rural Areas in Central Karoo
 Water & Electricity - Change in calculation of Allowance for Doubtful Debts
 Executive & Council - Not budgeted for Actuarial losses and Post Retirement Finance Charges

40.3 Capital expenditure by vote

Executive & Council	(14 781)	(176 600)	161 819	-92%
Budget & Treasury	(162 060)	(229 700)	67 640	-29%
Corporate Services	(322 665)	(2 175 000)	1 852 335	-85%
Planning & Development	(2 037)	-	(2 037)	100%
Health	-	-	-	0%
Community & Social Services	(253 235)	(93 500)	(159 735)	171%
Housing	-	(7 000)	7 000	-100%
Public Safety	(706 826)	(160 000)	(546 826)	342%
Sport & Recreation	(204 811)	(330 000)	125 189	-38%
Environmental Protection	-	-	-	0%
Waste Management	(180 475)	(60 000)	(120 475)	201%
Waste Water Management	(27 033 943)	(2 495 000)	(24 538 943)	984%
Road Transport	(3 660 344)	(12 307 000)	8 646 656	-70%
Water	(4 592 943)	(29 841 000)	25 248 057	-85%
Electricity	(8 596 631)	(7 910 760)	(685 871)	9%
	(45 730 751)	(55 785 560)	10 054 809	-18%

Details of material variances

Waste Water Network - Sewerage Purification plant to produce drinking water were budgeted under Water Department.

BEAUFORT WEST MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

Public Safety - Finance Lease Assets not Budgeted for.

Electricity - Unbundling of infrastructure allocated more assets to electricity from differed service projects.

BEAUFORT WEST MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

41	UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED	2011 R	2010 R														
41.1	Unauthorised expenditure																
	Reconciliation of unauthorised expenditure:																
	Opening balance	-	-														
	Unauthorised operating expenditure current year	30 546 704	7 455 625														
	Unauthorised capital expenditure current year	26 053 887	9 799 854														
	Approved by Council or condoned	-	(17 255 479)														
	Transfer to receivables for recovery	-	-														
	Unauthorised expenditure awaiting authorisation	56 600 591	-														
	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Incident</th> <th style="text-align: left;">Disciplinary steps/criminal proceedings</th> </tr> </thead> <tbody> <tr> <td><i>Actual vs Budgeted spending</i></td> <td><i>None</i></td> </tr> </tbody> </table>	Incident	Disciplinary steps/criminal proceedings	<i>Actual vs Budgeted spending</i>	<i>None</i>												
Incident	Disciplinary steps/criminal proceedings																
<i>Actual vs Budgeted spending</i>	<i>None</i>																
41.2	Fruitless and wasteful expenditure																
	Reconciliation of fruitless and wasteful expenditure:																
	Opening balance	-	-														
	Fruitless and wasteful expenditure current year	-	-														
	Condoned or written off by Council	-	-														
	Transfer to receivables for recovery - not condoned	-	-														
	Fruitless and wasteful expenditure awaiting condonement	-	-														
	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Incident</th> <th style="text-align: left;">Disciplinary steps/criminal proceedings</th> </tr> </thead> <tbody> <tr> <td><i>None</i></td> <td><i>None</i></td> </tr> </tbody> </table>	Incident	Disciplinary steps/criminal proceedings	<i>None</i>	<i>None</i>												
Incident	Disciplinary steps/criminal proceedings																
<i>None</i>	<i>None</i>																
41.3	Irregular expenditure																
	Reconciliation of irregular expenditure:																
	Opening balance	-	10 093 428														
	Irregular expenditure current year	25 535	33 048 263														
	Condoned or written off by Council	-	(43 141 690)														
	Transfer to receivables for recovery - not condoned	-	-														
	Irregular expenditure awaiting condonement	25 535	-														
	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Incident</th> <th style="text-align: left;">Disciplinary steps/criminal proceedings</th> </tr> </thead> <tbody> <tr> <td><i>Non-compliance with Supply Chain Policy. Tenders not advertised on CIDB website - R32 817 903</i></td> <td><i>None</i></td> </tr> <tr> <td><i>Nokukhanya Jersey Ngondo from Thango Tours was in the service of state (South African Police Service) - R960</i></td> <td><i>None</i></td> </tr> <tr> <td><i>Transactions are similar in nature and relates to one service which is the management of the refuse/waste site. R.H Simpson invoices is a splitting of this service. R178 340</i></td> <td><i>None</i></td> </tr> <tr> <td><i>Fountain Driving School not a specialized service provider. R4 550</i></td> <td><i>None</i></td> </tr> <tr> <td><i>Karoo Beton Werke not the only available suppliers locally. R46 509</i></td> <td><i>None</i></td> </tr> <tr> <td><i>Purchases made from suppliers where no quotations were obtained. R25 535</i></td> <td><i>None</i></td> </tr> </tbody> </table>	Incident	Disciplinary steps/criminal proceedings	<i>Non-compliance with Supply Chain Policy. Tenders not advertised on CIDB website - R32 817 903</i>	<i>None</i>	<i>Nokukhanya Jersey Ngondo from Thango Tours was in the service of state (South African Police Service) - R960</i>	<i>None</i>	<i>Transactions are similar in nature and relates to one service which is the management of the refuse/waste site. R.H Simpson invoices is a splitting of this service. R178 340</i>	<i>None</i>	<i>Fountain Driving School not a specialized service provider. R4 550</i>	<i>None</i>	<i>Karoo Beton Werke not the only available suppliers locally. R46 509</i>	<i>None</i>	<i>Purchases made from suppliers where no quotations were obtained. R25 535</i>	<i>None</i>		
Incident	Disciplinary steps/criminal proceedings																
<i>Non-compliance with Supply Chain Policy. Tenders not advertised on CIDB website - R32 817 903</i>	<i>None</i>																
<i>Nokukhanya Jersey Ngondo from Thango Tours was in the service of state (South African Police Service) - R960</i>	<i>None</i>																
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<i>Karoo Beton Werke not the only available suppliers locally. R46 509</i>	<i>None</i>																
<i>Purchases made from suppliers where no quotations were obtained. R25 535</i>	<i>None</i>																
41.4	Material Losses																
	Electricity distribution losses																
	Units purchased (Kwh)	55 161 365	55 686 029														
	- Units lost during distribution (Kwh)	8 597 093	7 274 070														
	- Percentage lost during distribution	15.59%	13.06%														
	Water distribution losses																
	Kilolitres purified	1 428 007	1 965 917														
	- Kilolitres lost during distribution	336 009	628 340														
	- Percentage lost during distribution	23.53%	31.96%														

BEAUFORT WEST MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

42	ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT	2011 R	2010 R
42.1	<u>Contributions to organised local government - [MFMA 125 (1)(b)] - SALGA CONTRIBUTIONS</u>		
	Opening balance	-	-
	Council subscriptions	226 745	192 410
	Amount paid - current year	(226 745)	(192 410)
	Amount paid - previous years	-	-
	Balance unpaid (included in creditors)	-	-
42.2	<u>Audit fees - [MFMA 125 (1)(b)]</u>		
	Opening balance	-	-
	Current year audit fee	1 962 867	1 129 646
	External Audit - Auditor-General	1 962 867	1 129 646
	Amount paid - current year	(1 962 867)	(1 129 646)
	Amount paid - previous year	-	-
	Balance unpaid (included in creditors)	-	-
42.3	<u>VAT - [MFMA 125 (1)(b)]</u>		
	VAT	4 251 199	1 298 038
	VAT is payable on the payments basis. Only once payment is received from debtors is VAT paid over to SARS.		
42.4	<u>PAYE, SDL and UIF - [MFMA 125 (1)(b)]</u>		
	Opening balance	-	-
	Current year payroll deductions and Council Contributions	5 765 405	4 546 075
	Amount paid - current year	(5 765 405)	(4 546 075)
	Balance unpaid (included in creditors)	-	-
42.5	<u>Pension and Medical Aid Deductions - [MFMA 125 (1)(b)]</u>		
	Opening balance	-	-
	Current year payroll deductions and Council Contributions	9 184 097	8 114 471
	Amount paid - current year	(9 184 097)	(8 114 471)
	Amount paid - previous year	-	-
	Balance unpaid (included in creditors)	-	-
42.6	<u>Councillor's arrear consumer accounts - [MFMA 125 (1)(b)]</u>		
	The following Councillors had arrear accounts for more than 90 days as at 30 JUNE 2011:		
		2011 R	2010 R
		Outstanding more than 90 days	Outstanding more than 90 days
	Councillor HT Prince (010956/010957)	-	4 948
	Councillor G Adolph (021180/032194)	8 772	-
	Councillor HT Prince(012333/010957)	3 521	-
	Councillor M Furmen (023379/023380)	7 019	-
	Councillor R van der Linde (020002/020003)	484	-
	Total Councillor Arrear Consumer Accounts	19 796	4 948
42.7	<u>Quotations awarded - Supply Chain Management</u>		
	Refer to Supply Chain Management Implementation Report for the year ended 30 June 2011: Appendix G		
42.8	<u>Other non-compliance</u>		
	MFMA Section 52(d) - Report on implementation of the Budget		
	The reports prepared in terms of section 52(d) must, within 30 days of the end of each quarter be submitted to Council. The said report for the third quarter was tabled late at Council.		
	SCM Regulations 13(c) - General preconditions for consideration of written quotations or bids		
	Purchases to the value of R717 399 were made from companies with members/ directors in service of the state.		

BEAUFORT WEST MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

		2011 R	2010 R
43	CAPITAL COMMITMENTS		
	Commitments in respect of capital expenditure:		
	Approved and contracted for:	6 298 791	12 968 475
	Infrastructure	6 298 791	12 968 475
	Total	6 298 791	12 968 475
	 This expenditure will be financed from:	2011 R	2010 R
	External Loans	-	7 362 839
	Government Grants	6 298 791	5 605 636
		6 298 791	12 968 475

44 FINANCIAL RISK MANAGEMENT

The activities of the municipality expose it to a variety of financial risks, including market risk (comprising fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The municipality's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the municipality's financial performance.

(a) Foreign Exchange Currency Risk

The municipality does not engage in foreign currency transactions.

(b) Price risk

The municipality is not exposed to price risk.

(c) Interest Rate Risk

As the municipality has significant interest-bearing liabilities, the entity's income and operating cash flows are substantially dependent on changes in market interest rates.

The municipality analyses its potential exposure to interest rate changes on a continuous basis. Different scenarios are simulated which include refinancing, renewal of current positions, alternative financing and hedging. Based on these scenarios, the entity calculates the impact that a change in interest rates will have on the surplus/deficit for the year. These scenarios are only simulated for liabilities which constitute the majority of interest bearing liabilities.

The municipality did not hedge against any interest rate risks during the current year.

The potential impact on the entity's surplus/deficit for the year due to changes in interest rates were as follow:

	2011 R	2010 R
0.5% (2009 - 0.5%) Increase in interest rates	(12 051)	(100 618)
0.5% (2009 - 0.5%) Decrease in interest rates	12 051	100 618

(d) Credit Risk

Credit risk is the risk that a counter party to a financial or non-financial asset will fail to discharge an obligation and cause the municipality to incur a financial loss.

Credit risk consist mainly of cash deposits, cash equivalents, trade and other receivables and unpaid conditional grants and subsidies.

Trade and other debtors are disclosed net after provisions are made for impairment and bad debts. Trade debtors comprise of a large number of ratepayers, dispersed across different sectors and geographical areas. Ongoing credit evaluations are performed on the financial condition of these debtors. Credit risk pertaining to trade and other debtors is considered to be moderate due the diversified nature of debtors and immaterial nature of individual balances. In the case of consumer debtors the municipality effectively has the right to terminate services to customers but in practice this is difficult to apply. In the case of debtors whose accounts become in arrears, Council endeavours to collect such accounts by "levying of penalty charges", "demand for payment", "restriction of services" and, as a last resort, "handed over for collection", whichever procedure is applicable in terms of Council's Credit Control and Debt Collection Policy.

All rates and services are payable within 30 days from invoice date. Refer to note 18 for all balances outstanding longer than 30 days. These balances represent all debtors at year end which defaulted on their credit terms. Also refer to note 18 for balances included in receivables that were re-negotiated for the period under review.

No trade and other receivables are pledged as security for financial liabilities.

Due to the short term nature of trade and other receivables the carrying value disclosed in note 18 of the financial statements is an approximation of its fair value. Interest on overdue balances are included at prime lending rate plus 1% where applicable.

BEAUFORT WEST MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

44 FINANCIAL RISK MANAGEMENT (CONTINUE)

2011
R

2010
R

The provision for bad debts could be allocated between the different classes of debtors as follows:

	2011 %	2011 R	2010 %	2010 R
Electricity	1.92%	499 901	2.33%	162 058
Water	3.62%	943 279	11.96%	831 067
Housing Rentals	0.29%	74 937	0.63%	44 065
Refuse	14.25%	3 711 298	19.61%	1 362 002
Sewerage	23.20%	6 041 652	32.12%	2 231 492
Other Consumer Arrears	34.76%	9 052 167	10.29%	714 925
Rates	21.96%	5 719 969	23.05%	1 601 432
	<u>100.00%</u>	<u>26 043 203</u>	<u>100.00%</u>	<u>6 947 041</u>

The entity only deposits cash with major banks with high quality credit standing. No cash and cash equivalents were pledged as security for financial liabilities and no restrictions were placed on the use of any cash and cash equivalents for the period under review. Although the credit risk pertaining to cash and cash equivalents are considered to be low, the maximum exposure are disclosed below.

The risk pertaining to unpaid conditional grants and subsidies are considered to be very low. Amounts are receivable from national and provincial government and there are no expectation of counter party default.

Long-term Receivables and Other Debtors are individually evaluated annually at Balance Sheet date for impairment or discounting. A report on the various categories of debtors is drafted to substantiate such evaluation and subsequent impairment / discounting, where applicable.

Financial assets exposed to credit risk at year end are as follows:

	2011 R	2010 R
Long term receivables	2 334 184	4 932 966
Trade receivables and other receivables	15 729 772	26 769 023
Cash and Cash Equivalents	15 150 436	30 833 365
Unpaid conditional grants and subsidies	863 618	388 382
	<u>34 078 010</u>	<u>62 923 736</u>

(e) Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying business, the treasury maintains flexibility in funding by maintaining availability under credit lines.

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

The table below analyses the entity's financial liabilities into relevant maturity groupings based on the remaining period at the financial year end to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Less than 1 year	Between 1 and 5 years	Between 5 and 30 years
2011			
Long Term liabilities	3 507 460	10 728 109	14 856 131
Capital repayments	1 738 844	5 751 633	10 552 489
Interest	1 768 616	4 976 476	4 303 642
Trade and Other Payables	15 705 481	-	-
Unspent conditional government grants and receipts	8 953 080	-	-
	<u>31 673 481</u>	<u>21 456 218</u>	<u>29 712 262</u>
2010			
Long Term liabilities	2 615 666	7 965 017	7 764 481
Capital repayments	1 402 614	4 731 475	4 882 137
Interest	1 213 052	3 233 542	2 882 344
Trade and Other Payables	11 595 011	-	-
Unspent conditional government grants and receipts	20 044 071	-	-
	<u>34 254 748</u>	<u>7 965 017</u>	<u>7 764 481</u>

BEAUFORT WEST MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

	2011 R	2010 R
45 FINANCIAL INSTRUMENTS		
In accordance with GRAP 104 the financial instruments of the municipality are classified as follows:		
The fair value of financial instruments approximates the amortised costs as reflected below.		
45.1 Financial Assets	Classification	
Long-term Receivables		
Cripple Care Loans	Financial instruments at amortised cost	- 14 081
Receivables with arrangements	Financial instruments at amortised cost	2 118 321 5 099 089
Consumer Debtors		
Trade receivables from exchange transactions	Financial instruments at amortised cost	14 082 824 14 689 624
Other receivables from exchange transactions	Financial instruments at amortised cost	16 162 203 9 779 915
Other receivables from non-exchange transactions	Financial instruments at amortised cost	11 527 948 9 246 525
Unpaid Conditional Grants and Receipts		
Other Spheres of Government	Financial instruments at amortised cost	863 618 388 382
Current Portion of Long-term Receivables		
Cripple Care Loans	Financial instruments at amortised cost	- 1 053
Short-term Investment Deposits		
Call Deposits	Financial instruments at amortised cost	15 138 266 30 821 195
Bank Balances and Cash		
Cash Floats and Advances	Financial instruments at amortised cost	12 170 12 170
	59 905 350	70 052 034
SUMMARY OF FINANCIAL ASSETS		
Financial instruments at amortised cost	59 905 350	70 052 034
45.2 Financial Liability	Classification	
Long-term Liabilities		
Annuity Loans	Financial instruments at amortised cost	15 200 022 9 613 614
Capitalised Lease Liability	Financial instruments at amortised cost	1 397 311 1 073 942
Trade Payables		
Trade creditors	Financial instruments at amortised cost	14 830 729 10 772 994
Unspent Conditional Grants and Receipts		
Other Spheres of Government	Financial instruments at amortised cost	9 816 698 20 432 453
Public Contributions	Financial instruments at amortised cost	477 624 1 315 255
Bank Balances and Cash		
Bank Balances	Financial instruments at amortised cost	2 321 040 2 193 884
Current Portion of Long-term Liabilities		
Annuity Loans	Financial instruments at amortised cost	1 738 844 1 402 614
Capitalised Lease Liability	Financial instruments at amortised cost	1 533 298 801 397
	47 315 566	47 606 153
SUMMARY OF FINANCIAL LIABILITY		
Financial instruments at amortised cost	47 315 566	47 606 153

BEAUFORT WEST MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

46 EVENTS AFTER THE REPORTING DATE

The municipality was allocated the town Murraysburg as a new area under the municipality's management from Central Karoo District Municipality that was previously a District Management Area (DMA).

47 IN-KIND DONATIONS AND ASSISTANCE

The municipality did not receive any in-kind donations or assistance during the year under review.

48 PRIVATE PUBLIC PARTNERSHIPS

Council has not entered into any private public partnerships during the financial year.

49 CONTINGENT LIABILITY

49.1

Contingent Liability – SALA Pension Fund

SALA Pension Fund has unilaterally increased the employer contribution rate in respect of pension fund contributions from 18.07% to 20.78% with effect from 1 July 2003. The municipality did not pay the increased contributions based on advice by SALGA that the increase by the SALA Pension Fund was illegal. The SALA Pension Fund has subsequently issued a summons against the municipality claiming the arrear contributions together with interest thereon.

The municipality has instructed its legal representatives to defend the matter and Council's plea was henceforth with filed with the High Court on 13 March 2009. It is uncertain when the case will be heard and the matter finalized. Based on legal advice we are of the opinion that the matter will be successfully defended.

The claim by SALA Pension Fund is estimated at R 1 735 437 as at 30 June 2011.

49.2

The following guarantees also qualify as contingent liabilities:

NAME / REG NO	GUARANTEE ISSUED TO	2011 R	2010 R
Maria Aletta van Niekerk/139	Housing loan: Allied Bank	Not indicated	Not indicated
Daniel Ngondo/141	Housing loan: Allied Bank	9 800	9 800
M. Vlok (Gerber)/148	Housing loan: Volkskas Bank	16 000	16 000
Malcolm Edwards Lawrence/213	Housing loan: ABSA Bank	14 000	14 000
Amos Collin Makendlana/215	Housing loan: ABSA Bank	15 000	15 000
ABSA/227	Eskom: Supply Electricity - Nelspoort	41 000	41 000
1165040859	Eskom	34 500	-
ABSA/237	Dept. of Mineral & Energy - Rehabilitation of Quarry	6 000	6 000
Total		136 300	101 800

50 CONTINGENT ASSETS

BANK / FIRM	PURPOSE	REG NO	2011 R	2010 R
Nedbank/ Farad Engineering	Installation of load control system	180	59 218	59 218
Nedbank/Transformer and Associated Control Eq	8 MVA 22/11 Kv transformer	193	-	772 577
First National Bank	Electricity supply	147	2 020	2 020
Standard Bank - Junius/Duncan Construction	Duncan Construction	250	628 436	628 436
FNB/Shoprite	Electricity Supply	88	12 265	12 265
FNB/Ackermans	Electricity Supply	91	2 080	2 080
ABSA/Alles Vars	Water & Electricity	192	2 000	2 000
Nedbank	Supply pumping equipment	256	-	182 322
FNB/Trucon	Construction stormwater channel	257	-	204 685
FNB/De Jager Loodgieters	PTIP projects - B/W / Nelspoort / Merweville		-	49 639
Lombard Insurance Group/CSV Construction	Construction water works		-	922 059
FNB/De Jager Loodgieters	Waste Water Treatment		-	178 626
Lombard Insurance Group/AGMS	Housing Project: Merweville	248	210 450	210 450
Lombard Insurance Group/SWANSA	Reclamation Plant	261	260 068	-
Lombard Insurance Group/SWANSA	Reseal of various roads	263	210 477	-
Investec Private Bank/SA Tolling	Tend DID01/2008&Corp13/2008	264	3 056 000	-
FNB/De Jager Loodgieters	Upgrading of Klipblom Street	265	201 098	-
Total			4 644 112	3 226 378

BEAUFORT WEST MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

51 RELATED PARTIES

Key Management and Councillors receive and pay for services on the same terms and conditions as other ratepayers / residents.

51.1 Related Party Transactions

	Rates - Levied 1 Jul 10 - 30 Jun 11	Service Charges - Levied 1 Jul 10 - 30 Jun 11	Other - Levied 1 Jul 10 - 30 Jun 11	Outstanding Balances 30 June 2011
Year ended 30 JUNE 2011				
Councillors	22 025	80 565	2 481	26 587
Councillor AM Slabbert (010137/011832)	5 940	10 463	37	1 424
Councillor AM Slabbert (028981/031495)	717	-	-	60
Councillor DE Welgemoed (012158/012159)	8 620	14 678	23	2 261
Councillor G Adolph (021180/032194)	360	1 582	223	9 329
Councillor G de Vos (014633/014634)	2 492	13 667	-	1 115
Councillor HT Prince (010956/010957)	3 309	15 884	-	-
Councillor HT Prince(012333/010957)	-	13 777	-	3 521
Councillor M Furmen (023379/023380)	-	2 187	-	7 168
Councillor PA Jacobs (024348/024349)	-	2 572	2 198	345
Councillor R van der Linde (014909/020003)	-	1 377	-	-
Councillor R van der Linde (020002/020003)	480	2 278	-	1 187
Councillor SM Motsokane (022661/022662)	107	2 100	-	177
Municipal Manager and Section 57 Employees	24 944	50 246	9 001	628
Municipal Manager : J Booysen(020051/020052)	-	853	-	-
Municipal Manager : J Booysen(010964/032381)	2 033	11 578	-	-
Municipal Manager : J Booysen(004922/032381)	752	1 344	-	-
Director : D Louw (009237/031809)	-	3 634	9 001	-
Director : A Makendlane (012180/029959)	6 195	1 344	-	628
Director : R van Staden (011989/011990)	8 326	13 088	-	-
Director : JCL Smit (011486/011487)	7 638	17 717	-	-
Director : NE Mfundisi (036117/040042)	-	688	-	-

The rates, service charges and other charges are in accordance with approved tariffs that were advertised to the public. No bad debt expenses have been recognised in respect of amounts owed by related parties.

51.2 Related Party Loans

Since 1 July 2004 loans to councillors and senior management employees are not permitted. Loans granted prior to this date, together with the conditions, are disclosed in note 16 to the Annual Financial Statements.

51.3 Compensation of key management personnel

The compensation of key management personnel is set out in note 26 to the Annual Financial Statements.

51.4 Other related party transactions

The following purchases were made during the year where Councillors or Management have an interest:

<u>Councillor/Staff Member</u>	<u>Entity</u>
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The Mayor (Councillor J. Jonas) is a trustee of the Vuyani Development Trust. The trust leases a piece of land from the municipality at an annual lease payment of R12,00. At 30 June 2011 an amount of R3,45 was outstanding in respect of the lease payments.

Mr. T Prince (a council member of the Beaufort West Municipality) is the president of Beaufort West Local Football Association. The property on which the soccer club is built belongs to the municipality and is leased to the club at an annual amount of R36,000. At 30 June 2011 an amount of R72,016 was outstanding in respect of the lease payments.

52 TRANSITIONAL PROVISION TAKEN ACCORDING TO THOSE IN DIRECTIVE 4 - TRANSITIONAL PROVISIONS FOR MEDIUM AND LOW CAPACITY MUNICIPALITIES

The municipality utilised the transitional provisions provided for in Directive 4, issued by the Accounting Standards Board, for the prior periods. The municipality is classified by the National Treasury as a medium capacity municipality and as a consequence the municipality must comply with all the GRAP Standards applicable at the reporting date.

52.1 GRAP 19 - Provisions, contingent liabilities and contingent Assets

Since the previous reporting date the following provisions were measured in accordance with GRAP 19 and restated retrospectively:

	2011 R	2010 R
Refuse tip-sites financed by way of a provision;	10 200	2 180 400
	10 200	2 180 400

BEAUFORT WEST MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

52 TRANSITIONAL PROVISION TAKEN ACCORDING TO THOSE IN DIRECTIVE 4 - TRANSITIONAL PROVISIONS FOR MEDIUM AND LOW CAPACITY MUNICIPALITIES (CONTINUE)

52.2 GRAP 16 - Investment Properties

Since the previous reporting date the following Investment Properties were measured at fair value in accordance with GRAP 16 and restated retrospectively:

	2011 R	2010 R
Land and Buildings.	-	9 740 310
Accumulated depreciation on buildings	-	(746 795)
Total not previously recognised now restated retrospectively	<u>-</u>	<u>9 740 310</u>

52.3 GRAP 102 - Intangible Assets

Since the previous reporting date the following Intangible Assets were measured in accordance with GRAP 102 and restated retrospectively:

	2011 R	2010 R
Computer software;	-	797 935
Accumulated amortisation on computer software	-	(246 430)
Total not previously recognised now restated retrospectively	<u>-</u>	<u>797 935</u>

52.4 GRAP 12 - Inventories

Since the previous reporting date the following inventories were measured in accordance with GRAP 12 and restated retrospectively:

	2011 R	2010 R
Water;	25 396	11 201
	<u>25 396</u>	<u>11 201</u>

52.5 GRAP 17 - Property, Plant and Equipment

Since the previous reporting date the following Property, Plant and Equipment were measured in accordance with GRAP 17 and restated retrospectively:

	2011 R	2010 R
Property, Plant and Equipment	-	20 621 080
Accumulated depreciation on Property, Plant and Equipment	-	60 718 254
Total not previously recognised now restated retrospectively	<u>-</u>	<u>81 339 334</u>

Refer to Note 12

**APPENDIX A - Unaudited
BEAUFORT WEST LOCAL MUNICIPALITY
SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2011**

EXTERNAL LOANS	Rate	Loan Number	Redeemable	Balance at 30 JUNE 2010	Correction of Error	Balance at 30 JUNE 2010 Restated	Received during the period	Redeemed written off during the period	Balance at 30 JUNE 2011
				R	R	R	R	R	R
ANNUITY LOANS									
Sewerage Purification Works - AA10/12/16	16.24%	11291/101/561	20 years	108 962	-	108 962	-	108 962	-
DBSA SANLAM Building - General RB 21.10.03 It 5.44	10.46%	101257/1	2019/12/31	1 266 683	-	1 266 683	-	83 298	1 183 385
DBSA - Merweville Sewerage Farm	6.75%	103464/2	2024/12/31	543 376	-	543 376	2 134 702	113 678	2 564 400
DBSA - Electrification Housing Scheme - AA10/12/4	12.00%	9055	2013/09/30	2 772 216	-	2 772 216	-	680 739	2 091 477
DBSA - Load Control System - RB 12.5.98 It 2	15.00%	10619	2019/03/31	1 854 801	-	1 854 801	-	113 142	1 741 659
DBSA - 20MVA Transformer	10.90%	103464/1	2029/12/31	-	-	-	4 499 004	32 705	4 466 299
DBSA - Hansrivier Farm	10.90%	103464/1	2029/12/31	2 262 177	-	2 262 177	-	279 409	1 982 768
DBSA - Pressure Control System	10.90%	103464/1	2029/12/31	-	-	-	463 878	15 552	448 326
ABSA - Mercedes Benz Refuse Truck - CZ 4118	14.50%	67801453	5 years	10 094	-	10 094	-	10 094	-
ABSA - Trailer CZ 2854	14.50%	71832908	3 years	2 304	-	2 304	-	2 304	-
ABSA - Tractor CZ 2482	14.50%	71831421	3 years	7 629	-	7 629	-	7 629	-
ABSA - Tractor CZ 10625	14.50%	75588777	2012/10/31	72 410	-	72 410	-	29 310	43 100
ABSA - Tata Truck CZ 16014	14.50%	77186994	2013/06/30	115 614	-	115 614	-	35 360	80 254
ABSA - Cherry Picker CZ 15919	14.50%	76879287	2013/06/30	136 701	-	136 701	-	41 809	94 892
ABSA - Cherry Picker CZ 15926	14.50%	76879163	2013/06/30	136 701	-	136 701	-	41 809	94 892
ABSA - Dyna Cherry Picker CZ 4930	9.50%	80343235		-	-	-	437 722	42 189	395 533
ABSA - Compressor CZ 4860	9.50%	80164276		-	-	-	181 534	19 432	162 102
ABSA - Isuzu LDV CZ 5929	10.00%	79864507		-	-	-	72 396	20 028	52 368
DBSA - Tractor CZ 17798	10.74%	WC 103464.4	2014/06/30	121 086	-	121 086	-	25 689	95 397
DBSA - Truck with crane CZ 2954	10.86%	103464/3	2017/06/30	705 426	-	705 426	-	71 824	633 602
DBSA - Refuse Truck CZ 3484	10.86%	103464/3	2017/06/30	900 048	-	900 048	-	91 636	808 412
Total Annuity Loans				11 016 228	-	11 016 228	7 789 236	1 866 598	16 938 866

APPENDIX A - Unaudited
BEAUFORT WEST LOCAL MUNICIPALITY
SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2011

EXTERNAL LOANS	Rate	Loan Number	Redeemable	Balance at 30 JUNE 2010	Correction of Error	Balance at 30 JUNE 2010 Restated	Received during the period	Redeemed written off during the period	Balance at 30 JUNE 2011
				R	R	R	R	R	R
LEASE LIABILITY									
Gestetner DSM 415	12.06%	Mimosa Library	2010/11/30	2 184	-	2 184	-	2 184	-
CZ 10589 - Opel Corsa	12.15%	Refuse Removal	2010/08/31	4 492	-	4 492	-	4 492	-
CZ 10586 - Isuzu	12.23%	Refuse Removal	2010/08/31	6 565	-	6 565	-	6 565	-
CZ 10587 - Isuzu	12.23%	Traffic	2010/08/31	6 565	-	6 565	-	6 565	-
CZ 10585 - Isuzu	12.23%	Streets	2010/08/31	6 565	-	6 565	-	6 565	-
CZ 10629 - Nissan	11.98%	Traffic	2010/08/31	7 589	-	7 589	-	7 589	-
CZ 10627 - Nissan	11.98%	Traffic	2010/08/31	7 589	-	7 589	-	7 589	-
CZ 10628 - Nissan	11.98%	Traffic	2010/08/31	7 589	-	7 589	-	7 589	-
CZ 10626 - Nissan	11.98%	Traffic	2010/08/31	7 589	-	7 589	-	7 589	-
CZ 10724 - Opel Corsa	12.14%	Water Purification	2010/10/31	13 242	-	13 242	-	13 242	-
CZ 10725 - Isuzu	12.40%	Housing Office	2010/10/31	8 986	-	8 986	-	8 986	-
CZ 10588 - Isuzu	12.23%	Housing Office	2010/08/31	6 565	-	6 565	-	6 565	-
CZ 16750 - Isuzu	12.00%	Engineering	2011/08/31	53 299	-	53 299	-	45 223	8 076
Sharp Photocopier	12.00%	Engineering	2011/06/30	9 527	-	9 527	-	9 527	-
Sharp Photocopier	12.00%	Traffic	2011/06/30	9 527	-	9 527	-	9 527	-
Nashua Ricoh MP6001	12.02%	Corporate Services	2012/11/30	112 232	-	112 232	-	42 546	69 686
AR1206 Multyfunction System	11.97%	Church Street Library	2012/07/31	22 454	-	22 454	-	10 084	12 370
CZ 1902 Toyota Corolla 1.4 Prof	12.14%	Traffic	2012/06/30	86 136	-	86 136	-	40 470	45 666
CZ 1863 Toyota Hilux 2.5 D-4D P/U S/C	12.02%	Streets	2012/06/30	100 413	-	100 413	-	47 208	53 205
CZ 1883 Toyota Corolla 1.4 Prof	12.14%	Traffic	2012/06/30	86 136	-	86 136	-	40 470	45 666
CZ 1873 Toyota Hilux 2.5 D-4D P/U S/C	12.02%	Water Distribution	2012/06/30	100 413	-	100 413	-	47 208	53 205
CZ 1877 Toyota Hilux 2.5 D-4D P/U S/C	12.02%	Municipal Buildings	2012/06/30	100 413	-	100 413	-	47 208	53 205
CZ 1876 Toyota Hilux 2.5 D-4D P/U S/C	12.02%	Water Distribution	2012/06/30	100 413	-	100 413	-	47 208	53 205
CZ 3359 Toyota Yaris	11.94%	Building Control	2013/03/31	91 100	-	91 100	-	29 742	61 358
CZ 3363 Toyota Hilux	12.01%	Water Distribution	2013/03/31	137 776	-	137 776	-	44 952	92 824
CZ 3368 Toyota Hilux	12.01%	Reticulation: High Voltage	2013/03/31	137 776	-	137 776	-	44 952	92 824
CZ 3370 Toyota Yaris	11.94%	Finance	2013/03/31	91 100	-	91 100	-	29 742	61 358
CZ 3373 Toyota Hilux	12.01%	Recreation Sites	2013/03/31	137 776	-	137 776	-	44 952	92 824
CZ 3439 Toyota Hilux	12.01%	Reticulation: High Voltage	2013/03/31	137 776	-	137 776	-	44 952	92 824
CZ 3457 Toyota Hilux	12.01%	Water Distribution	2013/03/31	137 776	-	137 776	-	44 952	92 824
CZ 3465 Toyota Hilux	12.01%	Water Distribution	2013/03/31	137 776	-	137 776	-	44 952	92 824
CZ 4548 Toyota Corolla 1.3 Impact	11.98%	Housing Office	2013/09/30	-	-	-	104 500	22 733	81 767
CZ 4557 Toyota Corolla 1.3 Impact	11.98%	Dir: Traffic Services	2013/09/30	-	-	-	104 500	22 733	81 767
CZ 4560 Toyota Corolla 1.3 Impact	12.01%	Dir: Community Services	2013/09/30	-	-	-	123 500	26 856	96 644
CZ 4561 Toyota Corolla 1.3 Impact	12.01%	Dir: Traffic Services	2013/09/30	-	-	-	127 300	27 682	99 618
CZ 4554 Toyota Corolla 1.3 Impact	12.01%	Dir: Traffic Services	2013/09/30	-	-	-	127 300	27 682	99 618
CZ 4741 Toyota Hilux 2.5 D-4D P/U S/C	12.09%	Street works & Storm Water	2013/09/30	-	-	-	140 500	30 524	109 976
CZ 4584 Toyota Hilux 2.5 D-4D P/U S/C	12.09%	Recreation Sites	2013/09/30	-	-	-	140 500	30 524	109 976
CZ 4567 Toyota Hilux 2.5 D-4D P/U S/C	12.09%	Recreation Sites	2013/09/30	-	-	-	140 500	30 524	109 976
CZ 4577 Toyota Hilux 2.5 D-4D P/U S/C	12.04%	Dir: Community Services	2013/09/30	-	-	-	142 800	31 040	111 760
CZ 4566 Toyota Hilux 2.5 D-4D P/U S/C	12.04%	Street works & Storm Water	2013/09/30	-	-	-	142 800	31 040	111 760
CZ 4754 Toyota Hilux 2.5 D-4D P/U S/C	11.99%	Water Purification	2013/09/30	-	-	-	147 700	32 126	115 574
CZ 4746 Toyota Hilux 2.5 D-4D P/U S/C	11.99%	Dir: Traffic Services	2013/09/30	-	-	-	147 700	32 126	115 574
CZ 4336 Toyota Hilux 2.5 D-4D P/U S/C	12.13%	Street works & Storm Water	2013/10/31	-	-	-	146 000	28 037	117 963
CZ 4738 Toyota Hilux 2.5 D-4D P/U S/C	12.06%	Municipal Buildings	2013/11/30	-	-	-	127 000	10 642	116 358
CZ 4730 Toyota Hilux 2.5 D-4D P/U S/C	12.06%	Water Purification	2013/11/30	-	-	-	127 000	10 642	116 358
CZ 2543 Toyota Hilux 2.5 D-4D P/U S/C	11.99%	Dir: Electricity Services	2012/08/31	-	-	-	114 700	11 277	103 423
CZ 2533 Toyota Corolla 1.3 Impact	12.03%	Dir: Traffic Services	2012/08/31	-	-	-	65 200	10 070	55 130
CZ 3947 HILUX 2.5 D-4D SRX 4X4 P/U S	11.99%	Water Purification	2013/06/30	-	-	-	114 700	11 277	103 423
Total Lease Liabilities				1 875 339	-	1 875 339	2 284 200	1 228 930	2 930 609

APPENDIX A - Unaudited
 BEAUFORT WEST LOCAL MUNICIPALITY
 SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2011

EXTERNAL LOANS	Rate	Loan Number	Redeemable	Balance at 30 JUNE 2010	Correction of Error	Balance at 30 JUNE 2010 Restated	Received during the period	Redeemed written off during the period	Balance at 30 JUNE 2011
				R	R	R	R	R	R
TOTAL EXTERNAL LOANS				12 891 567	-	12 891 567	10 073 436	3 095 528	19 869 475

**APPENDIX B - Unaudited
BEAUFORT WEST LOCAL MUNICIPALITY
ANALYSIS OF PROPERTY PLANT AND EQUIPMENT AS AT 30 JUNE 2011**

	Cost/Revaluation							Accumulated Depreciation				Carrying Value	
	Opening Balance	Residual Value Opening Balance	Additions	Residual Value Additions	Under Construction	Disposals	Residual Value Disposals	Closing Balance	Opening Balance	Additions	Disposals		Closing Balance
Land and Buildings													
Land	35 355 801	-	22 349	-	-	-	-	35 378 150	-	-	-	-	35 378 150
Buildings	15 164 366	-	109 304	-	-	(1 335 600)	-	13 938 070	460 658	157 678	(16 760)	601 576	13 336 494
	50 520 167	-	131 653	-	-	(1 335 600)	-	49 316 220	460 658	157 678	(16 760)	601 576	48 714 644
Infrastructure													
Electricity Network	30 500 708	-	7 681 294	-	-	-	-	38 182 002	1 647 003	657 173	-	2 304 176	35 877 826
Road Network	51 332 656	-	1 833 269	-	-	-	-	53 165 925	6 796 242	2 357 716	-	9 153 958	44 011 967
Stormwater Network	22 174 033	-	1 302 863	-	-	-	-	23 476 896	2 841 185	1 076 358	-	3 917 543	19 559 353
Sewerage Network	18 668 959	-	27 002 792	-	-	-	-	45 671 751	1 156 094	521 330	-	1 677 424	43 994 327
Water Network	40 159 074	-	3 785 221	-	-	(405 401)	-	43 538 894	4 206 392	1 885 892	-	6 092 284	37 446 610
Refuse Network	780 687	-	10 200	-	-	-	-	790 887	111 813	64 551	-	176 364	614 523
	163 616 117	-	41 615 639	-	-	(405 401)	-	204 826 355	16 758 729	6 563 020	-	23 321 749	181 504 606
Community Assets													
Cemeteries	17 200	-	-	-	-	-	-	17 200	516	172	-	688	16 512
Community Centurms	5 555 000	-	-	-	-	-	-	5 555 000	166 802	55 550	-	222 352	5 332 648
Libraries	545 500	-	-	-	-	-	-	545 500	16 380	5 455	-	21 835	523 665
Museum	3 160 000	-	-	-	-	-	-	3 160 000	94 887	31 600	-	126 487	3 033 513
Recreation sites	4 851 066	-	-	-	-	-	-	4 851 066	142 690	52 473	-	195 163	4 655 903
Taxi Rank	252 000	-	-	-	-	-	-	252 000	7 567	2 520	-	10 087	241 913
	14 380 766	-	-	-	-	-	-	14 380 766	428 842	147 770	-	576 612	13 804 154
Heritage Assets													
Historical Buildings	-	-	-	-	-	-	-	-	-	-	-	-	-
Museum & Art Gallery	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-
Total carried forward	228 517 050	-	41 747 292	-	-	(1 741 001)	-	268 523 341	17 648 229	6 868 468	(16 760)	24 499 937	244 023 404

APPENDIX B - Unaudited
BEAUFORT WEST LOCAL MUNICIPALITY
ANALYSIS OF PROPERTY PLANT AND EQUIPMENT AS AT 30 JUNE 2011

	Cost							Accumulated Depreciation				Carrying Value	
	Opening Balance	Residual Value Opening Balance	Additions -	Residual Value Additions	Under Construction	Disposals -	Residual Value Disposals	Closing Balance	Opening Balance	Additions -	Disposals		Closing Balance
Total brought forward	228 517 050	-	41 747 292	-	-	(1 741 001)	-	268 523 341	17 648 229	6 868 468	(16 760)	24 499 937	244 023 404
Housing Rental Stock													
Housing Rentals	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-	-	-	-	-
Leased Assets													
Office Equipment (Lease)	236 670	-	-	-	-	(71 170)	-	165 500	87 751	60 755	(58 029)	90 477	75 023
Vehicles (Lease)	3 125 300	-	2 284 200	-	-	(1 103 500)	-	4 306 000	1 466 178	1 170 641	(1 099 440)	1 537 379	2 768 621
	3 361 970	-	2 284 200	-	-	(1 174 670)	-	4 471 500	1 553 929	1 231 396	(1 157 469)	1 627 856	2 843 644
Other Assets													
Computer hardware	1 985 375	-	174 033	-	-	(14 000)	-	2 145 408	1 005 019	302 589	(11 346)	1 296 262	849 146
Air conditioners	542 551	-	21 952	-	-	-	-	564 503	205 456	110 410	-	315 866	248 637
Chairs	286 037	-	2 927	-	-	-	-	288 964	148 634	33 681	-	182 315	106 649
Concrete Mixer	11 938	-	-	-	-	-	-	11 938	7 315	926	-	8 241	3 697
Desks & Tables	335 233	-	1 055	-	-	-	-	336 288	151 414	41 192	-	192 606	143 682
Compactors	31 779	-	-	-	-	-	-	31 779	19 309	3 431	-	22 740	9 039
Compressors	25 635	-	184 375	-	-	-	-	210 010	10 876	11 562	-	22 438	187 572
Tools	507 127	-	122 116	-	-	-	-	629 243	245 689	73 495	-	319 184	310 059
Electronic Equipment	516 298	-	116 059	-	-	(15 175)	-	617 182	240 950	94 888	(5 006)	330 832	286 350
Fire Brigade Equipment	22 188	-	119 928	-	-	-	-	142 116	10 497	4 293	-	14 790	127 326
Lawn Equipment	229 996	-	-	-	-	-	-	229 996	150 742	19 420	-	170 162	59 834
Trucks/LDV	3 934 257	1 769 000	372 007	223 000	-	(119 614)	-	6 178 650	1 692 366	372 119	(110 520)	1 953 965	4 224 685
Motor Vehicles	189 654	125 000	24 106	112 200	-	-	-	450 960	127 871	17 046	-	144 917	306 043
Office Equipment	443 876	-	15 213	-	-	(15 008)	-	444 081	214 694	72 884	(10 003)	277 575	166 506
Office Furniture	559 374	-	13 636	-	-	-	-	573 010	280 535	66 474	-	347 009	226 001
Trailers	372 000	-	-	-	-	-	-	372 000	224 922	41 023	-	265 945	106 055
Tracktors	321 342	202 000	-	-	-	-	-	523 342	164 899	20 033	-	184 932	338 410
Toolbox	248 607	-	28 905	-	-	-	-	277 512	39 297	43 453	-	82 750	194 762
Gym Equipment	116 803	-	-	-	-	-	-	116 803	46 755	12 339	-	59 094	57 709
Generators	60 160	-	135 008	-	-	-	-	195 168	24 249	14 687	-	38 936	156 232
Radio Equipment	267 492	-	32 739	-	-	-	-	300 231	171 637	43 831	-	215 468	84 763
	11 007 722	2 096 000	1 364 059	335 200	-	(163 797)	-	14 639 184	5 183 126	1 399 776	(136 875)	6 446 027	8 193 157
Total Property, Plant and Equipment	242 886 742	2 096 000	45 395 551	335 200	-	(3 079 468)	-	287 634 025	24 385 284	9 499 640	(1 311 104)	32 573 820	255 060 205
Investment Property													
Investment Property	11 609 925	-	-	-	-	-	-	11 609 925	1 080 876	279 272	-	1 360 148	10 249 777
	11 609 925	-	-	-	-	-	-	11 609 925	1 080 876	279 272	-	1 360 148	10 249 777
Intangible Assets													
Computer Software	212 842	-	23 657	-	-	-	-	236 499	146 170	27 792	-	173 962	62 537
Computer System	797 935	-	-	-	-	-	-	797 935	239 599	79 794	-	319 393	478 542
	1 010 777	-	23 657	-	-	-	-	1 034 434	385 769	107 586	-	493 355	541 079
Total	255 507 444	2 096 000	45 419 208	335 200	-	(3 079 468)	-	300 278 384	25 851 929	9 886 498	(1 311 104)	34 427 323	265 851 061

APPENDIX C - Unaudited
BEAUFORT WEST LOCAL MUNICIPALITY
SEGMENTAL ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT

		Cost							Accumulated Depreciation				Carrying Value	
		Opening Balance	Residual Value Opening Bal	Additions	Residual Value Additions	Under Construction	Disposals	Residual Value Disposals	Closing Balance	Opening Balance	Additions	Disposals		Closing Balance
Admin: Commun Serv	Community & Social Services	407 934	46 000	237 247	-	-	-	-	691 181	203 466	136 719	-	340 185	350 996
Admin: Corp Serv	Executive & Council	65 397 469	-	58 328	112 200	-	(1 344 600)	-	64 223 397	1 206 634	422 713	(23 738)	1 605 609	62 617 788
Admin: Electrical	Electricity	16 702 159	448 000	2 191 926	-	-	(9 999)	-	19 332 086	2 186 182	657 635	(5 445)	2 838 372	16 493 714
Admin: Engineering Serv	Planning & Development	1 250 460	202 000	2 037	-	-	(25 485)	-	1 429 012	783 151	159 334	(19 224)	923 261	505 751
Admin: Fin Serv	Budget & Treasury	1 389 727	13 000	14 699	-	-	(31 110)	-	1 386 316	594 034	246 427	(24 175)	816 286	570 030
Admin: Nelspoort	Budget & Treasury	346 618	94 000	-	-	-	(4 384)	-	436 234	149 662	37 080	(3 976)	182 766	253 468
Admin: Traffic	Public Safety	1 232 463	14 000	694 163	-	-	(564 000)	-	1 376 626	853 356	293 929	(564 000)	583 285	793 341
Admin: Water	Water	10 556	-	-	-	-	-	-	10 556	5 047	1 077	-	6 124	4 432
Building Control	Planning & Development	119 480	-	-	-	-	-	-	119 480	9 594	36 963	-	46 557	72 923
Fire Brigade	Public Safety	33 507	-	12 663	-	-	-	-	46 170	4 312	6 503	-	10 815	35 355
General Expenses	Executive & Council	97 513	-	-	-	-	-	-	97 513	13 772	15 033	-	28 805	68 708
IDP: Co-Ordinator	Planning & Development	41 580	-	-	-	-	-	-	41 580	29 488	5 622	-	35 110	6 470
Information Technology	Budget & Treasury	-	-	147 361	-	-	-	-	147 361	-	8 890	-	8 890	138 471
Kwa-Mand Comm Hall	Community & Social Services	8 602	-	-	-	-	-	-	8 602	5 131	1 200	-	6 331	2 271
Kwa-Mand Office	Budget & Treasury	81 233	-	-	-	-	-	-	81 233	41 998	14 375	-	56 373	24 860
Library Church Street	Community & Social Services	218 734	-	-	-	-	(15 175)	-	203 559	97 589	39 311	(5 006)	131 894	71 665
Library Mimosa	Community & Social Services	216 800	-	15 988	-	-	(20 200)	-	212 588	108 200	37 646	(19 580)	126 266	86 322
Library Nelspoort	Community & Social Services	21 253	-	-	-	-	-	-	21 253	4 622	2 403	-	7 025	14 228
Main Road	Road Transport	8 693	-	-	-	-	-	-	8 693	2 866	1 433	-	4 299	4 394
Mechanical Workshop	Road Transport	23 728	-	2 144	-	-	(21 000)	-	4 872	21 141	1 361	(20 832)	1 670	3 202
Municipal Buildings	Corporate Services	255 777	-	160 386	-	-	(100 000)	-	316 163	142 194	65 341	(100 000)	107 535	208 628
Municipal Manager	Executive & Council	147 444	-	4 388	-	-	-	-	151 832	83 066	21 263	-	104 329	47 503
Recreation Sites	Sport & Recreation	341 375	5 000	204 811	-	-	-	-	551 186	86 096	64 370	-	150 466	400 720
Refuse Removal	Waste Management	1 595 708	195 000	180 475	-	-	(68 500)	-	1 902 683	177 958	172 662	(68 500)	282 120	1 620 563
Reticulation: H Volt	Electricity	10 823 592	-	3 925 728	-	-	-	-	14 749 320	24 891	100 485	-	125 376	14 623 944
Reticulation: L Volt	Electricity	4 631 812	-	2 252 133	183 000	-	-	-	7 066 945	38 011	158 129	-	196 140	6 870 805
Rustdene Comm Hall	Community & Social Services	10 046	-	-	-	-	-	-	10 046	5 363	1 923	-	7 286	2 760
Rustdene Office	Budget & Treasury	270 395	-	-	-	-	(69 000)	-	201 395	153 508	41 070	(67 362)	127 216	74 179
Sewerage Farm	Waste Water Management	2 589 513	25 000	26 935 228	-	-	-	-	29 549 741	403 425	135 930	-	539 355	29 010 386
Sewerage System	Waste Water Management	16 288 036	-	98 715	-	-	-	-	16 386 751	840 507	412 027	-	1 252 534	15 134 217
Stores	Budget & Treasury	3 118 495	1 030 000	-	-	-	(330 564)	-	3 817 931	1 881 758	309 079	(327 853)	1 862 984	1 954 947
Street Cleansing	Waste Management	16 954	-	-	-	-	-	-	16 954	-	3 391	-	3 391	13 563
Street Lightening	Electricity	-	-	43 843	-	-	-	-	43 843	-	108	-	108	43 735
Street works & Storm Water	Road Transport	73 872 841	24 000	3 626 074	20 000	-	-	-	77 542 915	9 729 355	3 608 415	-	13 337 770	64 205 145
Swimming Pool Birds	Sport & Recreation	7 674	-	-	-	-	-	-	7 674	501	1 070	-	1 571	6 103
Swimming Pool Nieuveld	Sport & Recreation	7 674	-	-	-	-	-	-	7 674	536	1 385	-	1 921	5 753
Town Commonage	Corporate Services	7 197	-	-	-	-	-	-	7 197	1 858	806	-	2 664	4 533
Traffic Court	Public Safety	2 750	-	-	-	-	-	-	2 750	715	340	-	1 055	1 695
Vehicle Registration	Road Transport	5 137	-	5 773	-	-	-	-	10 910	1 897	1 421	-	3 318	7 592
Vehicle Testing Station	Road Transport	-	-	8 497	-	-	-	-	8 497	-	1 403	-	1 403	7 094
Water Purification	Water	1 771 941	-	604 231	20 000	-	(70 050)	-	2 326 122	333 917	166 651	(61 414)	439 154	1 886 968
Water Reticulation	Water	39 455 352	-	3 968 712	-	-	(405 401)	-	43 018 663	4 125 427	2 099 284	-	6 224 711	36 793 952
Gymnasium	Sport & Recreation	58 520	-	-	-	-	-	-	58 520	34 061	7 433	-	41 494	17 026
TOTAL		242 886 742	2 096 000	45 395 550	335 200	-	(3 079 468)	-	287 634 024	24 385 289	9 499 640	(1 311 105)	32 573 824	255 060 200

APPENDIX C - Unaudited
BEAUFORT WEST LOCAL MUNICIPALITY
SEGMENTAL ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AS AT 30 JUNE 2011
GENERAL FINANCE STATISTICS CLASSIFICATION

	Cost/Revaluation							Accumulated Depreciation				Carrying Value	
	Opening Balance	Residual Value Opening Bal	Additions	Residual Value Additions	Under Construction	Disposals	Residual Value Disposals	Closing Balance	Opening Balance	Additions	Disposals		Closing Balance
Executive & Council	983 868	-	14 781	-	-	(30 000)	-	968 649	435 072	162 356	(27 810)	569 618	399 031
Budget & Treasury	5 222 996	1 137 000	162 060	-	-	(435 058)	-	6 086 998	2 821 233	658 752	(423 365)	3 056 620	3 030 378
Corporate Services	64 944 525	-	210 465	112 200	-	(1 435 600)	-	63 831 590	1 033 423	364 105	(116 760)	1 280 768	62 550 822
Planning & Development	1 411 520	202 000	2 037	-	-	(25 485)	-	1 590 072	822 233	201 919	(19 224)	1 004 928	585 144
Community & Social Services	868 632	46 000	253 235	-	-	(35 375)	-	1 132 492	424 146	217 729	(24 586)	617 289	515 203
Public Safety	1 268 720	14 000	706 826	-	-	(564 000)	-	1 425 546	858 383	300 772	(564 000)	595 155	830 391
Sport & Recreation	413 451	5 000	204 811	-	-	-	-	623 262	121 147	73 899	-	195 046	428 216
Waste Management	1 612 661	195 000	180 475	-	-	(68 500)	-	1 919 636	177 958	176 053	(68 500)	285 511	1 634 125
Waste Water Management	18 877 549	25 000	27 033 943	-	-	-	-	45 936 492	1 243 932	547 957	-	1 791 889	44 144 603
Road Transport	73 887 406	24 000	3 640 344	20 000	-	-	-	77 571 750	9 734 287	3 612 728	-	13 347 015	64 224 735
Water	41 237 850	-	4 572 943	20 000	-	(475 451)	-	45 355 342	4 464 390	2 267 012	(61 414)	6 669 988	38 685 354
Electricity	32 157 563	448 000	8 413 631	183 000	-	(9 999)	-	41 192 195	2 249 085	916 357	(5 445)	3 159 997	38 032 198
	242 886 741	2 096 000	45 395 551	335 200	-	(3 079 468)	-	287 634 024	24 385 289	9 499 639	(1 311 104)	32 573 824	255 060 200

APPENDIX D - Unaudited
BEAUFORT WEST LOCAL MUNICIPALITY
SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2011
MUNICIPAL VOTES CLASSIFICATION

2010 Actual Income R	2010 Actual Expenditure R	2010 Surplus/ (Deficit) R		2011 Actual Income R	2011 Actual Expenditure R	2011 Surplus/ (Deficit) R
18 236	(1 336 944)	(1 318 708)	Admin: Commun Serv	84 877	(1 710 401)	(1 625 524)
-	(3 660 972)	(3 660 972)	Admin: Corp Serv	-	(5 542 568)	(5 542 568)
24 630 127	(22 156 498)	2 473 629	Admin: Electrical	23 548 865	(36 935 693)	(13 386 828)
306 968	(4 065 335)	(3 758 367)	Admin: Engineering Serv	278 448	(2 846 591)	(2 568 143)
2 509 539	(7 361 022)	(4 851 483)	Admin: Fin Serv	2 041 088	(7 654 515)	(5 613 427)
368	(249 631)	(249 263)	Admin: Nelspoort	253	(183 410)	(183 157)
7 573 594	(5 390 462)	2 183 132	Admin: Traffic	6 400 800	(6 661 916)	(261 116)
158 235	(2 412 088)	(2 253 853)	Admin: Water	619 798	(12 349 952)	(11 730 154)
53 908	(474 732)	(420 824)	Building Control	38 212	(547 782)	(509 570)
130 965	(274 499)	(143 534)	Cemetries	157 107	(351 387)	(194 280)
17 775	(499 271)	(481 496)	Fire Brigade	-	(907 568)	(907 568)
15 920 496	(7 376 638)	8 543 858	General Expenses	18 239 370	(12 681 739)	5 557 631
21 414 674	(22 133 189)	(718 515)	Housing Office	3 562 058	(4 548 486)	(986 428)
343 595	(649 134)	(305 539)	IDP: Co-Ordinator	445 223	(737 844)	(292 621)
-	-	-	Information Technology	-	(1 020 501)	(1 020 501)
9 459	(38 486)	(29 027)	Irrigation Water	9 225	(56 358)	(47 133)
7 060	(60 651)	(53 591)	Kwa-Mand Comm Hall	7 078	(69 179)	(62 101)
-	(298 215)	(298 215)	Kwa-Mand Office	20	(333 461)	(333 441)
199 842	(1 129 500)	(929 658)	Library Church Street	158 639	(1 089 409)	(930 770)
138 062	(732 601)	(594 539)	Library Mimosa	130 831	(884 171)	(753 340)
8 618	(68 023)	(59 405)	Library Nelspoort	1 607	(56 277)	(54 670)
78 843	(95 664)	(16 821)	Main Road	41 604	(52 005)	(10 401)
48	(1 246 037)	(1 245 989)	Mechanical Workshop	1 184	(1 342 711)	(1 341 527)
346 260	(2 934 754)	(2 588 494)	Municipal Buildings	417 881	(2 811 000)	(2 393 119)
-	(1 487 454)	(1 487 454)	Municipal Manager	16 396	(1 932 376)	(1 915 980)
16 761 229	-	16 761 229	Municipal Rates	17 792 077	-	17 792 077
4 869	(25 472)	(20 603)	Pound	4 113	(20 222)	(16 109)
538	(167)	371	Private Work	420	-	420
341 924	(4 138 516)	(3 796 592)	Recreation Sites	144 572	(4 861 347)	(4 716 775)
4 636 806	(4 116 257)	520 549	Refuse Removal	4 955 684	(4 459 902)	495 782
-	(1 615 589)	(1 615 589)	Reticulation: H Volt	-	(2 334 083)	(2 334 083)
35 092 912	(22 256 149)	12 836 763	Reticulation: L Volt	41 247 935	(28 387 084)	12 860 851
13 440	(86 945)	(73 505)	Rustdene Comm Hall	18 037	(91 039)	(73 002)
-	(362 431)	(362 431)	Rustdene Office	-	(339 433)	(339 433)
92 700	-	92 700	S/E 1 Rustdene	10 405	-	10 405
8 368	(8 368)	-	S/E 4 Rustdene	9 704	(9 704)	-
34 549	(34 549)	-	S/E 8 Rustdene	34 792	(34 792)	-
10 310	(10 310)	-	S/E 9 Rustdene	15 526	(15 526)	-
137 714	(287 432)	(149 718)	Service Connections	133 493	(180 927)	(47 434)
-	(1 835 945)	(1 835 945)	Sewerage Farm	-	(2 600 105)	(2 600 105)
14 367 490	(1 302 184)	13 065 306	Sewerage System	10 503 026	(1 395 550)	9 107 476
-	(1 320 448)	(1 320 448)	Stores	-	(1 378 253)	(1 378 253)
-	(604 000)	(604 000)	Street Cleansing	-	(686 565)	(686 565)
16 468	(2 712 604)	(2 696 136)	Street Lightening	16 468	(2 550 159)	(2 533 691)
3 436 133	(10 096 438)	(6 660 305)	Street works & Storm Water	7 308 929	(15 850 480)	(8 541 551)
33 167	(224 003)	(190 836)	Swimming Pool Birds	3 577	(251 294)	(247 717)
38 292	(395 942)	(357 650)	Swimming Pool Nieuveld	-	(329 007)	(329 007)
26 000	(131 565)	(105 565)	Tourism	-	(167 959)	(167 959)
30 049	(93 510)	(63 461)	Town Commonage	24 522	(114 516)	(89 994)
-	(493 229)	(493 229)	Traffic Court	-	(506 801)	(506 801)
-	(38 093)	(38 093)	Traffic Lights	-	(44 676)	(44 676)
76 936	(168 429)	(91 493)	Vacuum Services	16 299	(196 741)	(180 442)
466 584	(275 177)	191 407	Vehicle Registration	456 974	(326 836)	130 138
140 500	(255 448)	(114 948)	Vehicle Testing Station	162 373	(421 125)	(258 752)
5 917 989	(5 068 916)	849 073	Water Purification	28 892 009	(4 675 406)	24 216 603
9 413 311	(3 891 488)	5 521 823	Water Reticulation	9 903 296	(6 666 564)	3 236 732
164 964 950	(147 981 404)	16 983 546	Sub Total	177 854 795	(182 203 396)	(4 348 601)
-	(6 728 611)	6 728 611	Less Inter-Departmental Charges	-	8 376 415	8 376 415
164 964 950	(154 710 015)	23 712 157	Total	177 854 795	(173 826 981)	4 027 814

APPENDIX D - Unaudited
BEAUFORT WEST LOCAL MUNICIPALITY
SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2011
GENERAL FINANCE STATISTIC CLASSIFICATIONS

2010 Actual Income R	2010 Actual Expenditure R	2010 Surplus/ (Deficit) R		2011 Actual Income R	2011 Actual Expenditure R	2011 Surplus/ (Deficit) R
15 946 496	(12 656 629)	3 289 867	Executive & Council	18 255 766	(20 324 642)	(2 068 876)
19 271 136	(9 591 747)	9 679 389	Budget & Treasury	19 833 438	(10 909 573)	8 923 865
376 309	(3 028 264)	(2 651 955)	Corporate Services	442 403	(2 925 516)	(2 483 113)
704 471	(5 189 201)	(4 484 730)	Planning & Development	761 883	(4 132 217)	(3 370 334)
516 223	(3 689 163)	(3 172 940)	Community & Social Services	558 176	(4 251 863)	(3 693 687)
21 560 601	(22 186 416)	(625 815)	Housing	3 632 485	(4 608 508)	(976 023)
7 596 238	(6 408 434)	1 187 804	Public Safety	6 404 913	(8 096 507)	(1 691 594)
413 383	(4 758 461)	(4 345 078)	Sport & Recreation	148 149	(5 441 648)	(5 293 499)
4 713 742	(4 888 686)	(174 944)	Waste Management	4 971 983	(5 343 208)	(371 225)
14 367 490	(3 138 129)	11 229 361	Waste Water Management	10 503 026	(3 995 655)	6 507 371
4 122 108	(11 968 764)	(7 846 656)	Road Transport	7 971 064	(17 993 157)	(10 022 093)
15 498 994	(11 410 978)	4 088 016	Water	39 424 328	(23 748 280)	15 676 048
59 877 759	(49 066 532)	10 811 227	Electricity	64 947 181	(70 432 622)	(5 485 441)
						-
164 964 950	(147 981 404)	16 983 546	Sub Total	177 854 795	(182 203 396)	(4 348 601)
-	(6 728 611)	6 728 611	Less Inter-Departmental Charges	-	8 376 415	8 376 415
164 964 950	(154 710 015)	23 712 157	Total	177 854 795	(173 826 981)	4 027 814

**APPENDIX E(1) - Unaudited
BEAUFORT WEST LOCAL MUNICIPALITY
REVENUE AND EXPENDITURE
ACTUAL VERSUS BUDGET FOR THE YEAR ENDED 30 JUNE 2011
MUNICIPAL VOTES CLASSIFICATION**

	2011 Actual (R)	2011 Budget (R)	2011 Variance (R)	2011 Variance (%)
REVENUE				
Property Rates	17 790 898	17 572 500	218 398	1.24%
Government Grants and Subsidies	89 599 177	94 229 974	(4 630 797)	-4.91%
Fines	6 437 412	9 136 450	(2 699 038)	-29.54%
Property Rates - Penalties & Collection Charges	734 441	660 000	74 441	11.28%
Service Charges	57 586 617	66 431 030	(8 844 413)	-13.31%
Rental of Facilities and Equipment	571 668	482 788	88 880	18.41%
Interest Earned - External Investments	1 710 889	360 471	1 350 418	374.63%
Interest Earned - Outstanding Debtors	741 006	736 000	5 006	0.68%
Licences and Permits	655 756	563 250	92 506	16.42%
Agency Services	419 767	450 000	(30 233)	-6.72%
Other Revenue	720 470	688 431	32 039	4.65%
Gains on Disposal of PPE	886 694	1 500	885 194	59012.93%
Total Revenue	177 854 795	191 312 394	(13 457 599)	-7.03%
EXPENDITURE				
Admin: Commun Serv	(1 710 401)	(1 583 108)	(127 293)	8.04%
Admin: Corp Serv	(5 542 568)	(4 297 220)	(1 245 348)	28.98%
Admin: Electrical	(36 935 693)	(22 600 878)	(14 334 815)	63.43%
Admin: Engineering Serv	(2 846 591)	(2 740 403)	(106 188)	3.87%
Admin: Fin Serv	(7 654 515)	(8 293 627)	639 112	-7.71%
Admin: Nelspoort	(183 410)	(152 258)	(31 152)	20.46%
Admin: Traffic	(6 661 916)	(6 915 949)	254 033	-3.67%
Admin: Water	(12 349 952)	(7 831 314)	(4 518 638)	57.70%
Building Control	(547 782)	(579 032)	31 250	-5.40%
Cemetries	(351 387)	(435 159)	83 772	-19.25%
Fire Brigade	(907 568)	(824 187)	(83 381)	10.12%
General Expenses	(12 681 739)	(7 520 496)	(5 161 243)	68.63%
Housing Office	(4 548 486)	(10 906 592)	6 358 106	-58.30%
IDP: Co-Ordinator	(737 844)	(841 095)	103 251	-12.28%
Information Technology	(1 020 501)	(1 310 000)	289 499	-22.10%
Irrigation Water	(56 358)	(50 675)	(5 683)	11.21%
Kwa-Mand Comm Hall	(69 179)	(49 369)	(19 810)	40.13%
Kwa-Mand Office	(333 461)	(360 783)	27 322	-7.57%
Library Church Street	(1 089 409)	(1 103 161)	13 752	-1.25%
Library Mimosa	(884 171)	(840 214)	(43 957)	5.23%
Library Nelspoort	(56 277)	(86 642)	30 365	-35.05%
Main Road	(52 005)	(52 365)	360	-0.69%
Mechanical Workshop	(1 342 711)	(1 238 682)	(104 029)	8.40%
Municipal Buildings	(2 811 000)	(3 098 447)	287 447	-9.28%
Municipal Manager	(1 932 376)	(1 848 824)	(83 552)	4.52%
Pound	(20 222)	(28 850)	8 628	-29.91%
Private Work	-	(20 000)	20 000	-100.00%
Recreation Sites	(4 861 347)	(5 125 341)	263 994	-5.15%
Refuse Removal	(4 459 902)	(4 460 328)	426	-0.01%
Reticulation: H Volt	(2 334 083)	(2 199 334)	(134 749)	6.13%
Reticulation: L Volt	(28 387 084)	(30 842 780)	2 455 696	-7.96%
Rustdene Comm Hall	(91 039)	(65 047)	(25 992)	39.96%
Rustdene Office	(339 433)	(350 443)	11 010	-3.14%
S/E 4 Rustdene	(9 704)	(28 360)	18 656	-65.78%
S/E 8 Rustdene	(34 792)	(47 596)	12 804	-26.90%
S/E 9 Rustdene	(15 526)	(46 556)	31 030	-66.65%
Service Connections	(180 927)	(180 920)	(7)	0.00%
Sewerage Farm	(2 600 105)	(2 395 914)	(204 191)	8.52%
Sewerage System	(1 395 550)	(1 669 967)	274 417	-16.43%
Stores	(1 378 253)	(965 797)	(412 456)	42.71%
Street Cleansing	(686 565)	(730 962)	44 397	-6.07%
Street Lightening	(2 550 159)	(419 111)	(2 131 048)	508.47%
Street works & Storm Water	(15 850 480)	(14 175 090)	(1 675 390)	11.82%
Swimming Pool Birds	(251 294)	(184 434)	(66 860)	36.25%
Swimming Pool Nieuveld	(329 007)	(250 460)	(78 547)	31.36%
Tourism	(167 959)	(150 545)	(17 414)	11.57%
Town Commonage	(114 516)	(119 114)	4 598	-3.86%
Traffic Court	(506 801)	(535 039)	28 238	-5.28%
Traffic Lights	(44 676)	(42 500)	(2 176)	5.12%
Vacuum Services	(196 741)	(206 513)	9 772	-4.73%
Vehicle Registration	(326 836)	(331 902)	5 066	-1.53%
Vehicle Testing Station	(421 125)	(431 041)	9 916	-2.30%
Water Purification	(4 675 406)	(3 575 742)	(1 099 664)	30.75%
Water Reticulation	(6 666 564)	(4 231 741)	(2 434 823)	57.54%
Less Inter-Departmental Charges	8 376 415	3 447 325	4 929 090	142.98%
Total Expenditure	(173 826 981)	(155 924 582)	(17 902 399)	11.48%
SURPLUS / (DEFICIT) FOR THE YEAR	4 027 814	35 387 812	(31 359 998)	-88.62%

**APPENDIX E(1) - Unaudited
BEAUFORT WEST LOCAL MUNICIPALITY
REVENUE AND EXPENDITURE
ACTUAL VERSUS BUDGET FOR THE YEAR ENDED 30 JUNE 2011
GENERAL FINANCE STATISTIC CLASSIFICATIONS**

	2011 Actual (R)	2011 Budget (R)	2011 Variance (R)	2011 Variance (%)
REVENUE				
Property Rates	17 790 898	17 572 500	218 398	1.24%
Government Grants and Subsidies	89 599 177	94 229 974	(4 630 797)	-4.91%
Fines	6 437 412	9 136 450	(2 699 038)	-29.54%
Property Rates - Penalties & Collection Charges	734 441	660 000	74 441	11.28%
Service Charges	57 586 617	66 431 030	(8 844 413)	-13.31%
Rental of Facilities and Equipment	571 668	482 788	88 880	18.41%
Interest Earned - External Investments	1 710 889	360 471	1 350 418	374.63%
Interest Earned - Outstanding Debtors	741 006	736 000	5 006	0.68%
Licences and Permits	655 756	563 250	92 506	16.42%
Agency Services	419 767	450 000	(30 233)	-6.72%
Other Revenue	720 470	688 431	32 039	4.65%
Gains on Disposal of PPE	886 694	1 500	885 194	59012.93%
Total Revenue	177 854 795	191 312 394	(13 457 599)	-7.03%
EXPENDITURE				
Executive & Council	(20 324 642)	(13 817 085)	(6 507 557)	47.10%
Budget & Treasury	(10 909 573)	(11 432 908)	523 335	-4.58%
Corporate Services	(2 925 516)	(3 217 561)	292 045	-9.08%
Planning & Development	(4 132 217)	(4 160 530)	28 313	-0.68%
Community & Social Services	(4 251 863)	(4 162 700)	(89 163)	2.14%
Housing	(4 608 508)	(11 029 104)	6 420 596	-58.22%
Public Safety	(8 096 507)	(8 304 025)	207 518	-2.50%
Sport & Recreation	(5 441 648)	(5 560 235)	118 587	-2.13%
Waste Management	(5 343 208)	(5 397 803)	54 595	-1.01%
Waste Water Management	(3 995 655)	(4 065 881)	70 226	-1.73%
Road Transport	(17 993 157)	(16 229 080)	(1 764 077)	10.87%
Water	(23 748 280)	(15 689 472)	(8 058 808)	51.36%
Electricity	(70 432 622)	(56 305 523)	(14 127 099)	25.09%
Less: Interdepartmental Charges	8 376 415	3 447 325	4 929 090	142.98%
Total Expenditure	(173 826 981)	(155 924 582)	(17 902 399)	11.48%
SURPLUS / (DEFICIT) FOR THE YEAR	4 027 814	35 387 812	(31 359 998)	-88.62%

APPENDIX E (2) - Unaudited
BEAUFORT WEST LOCAL MUNICIPALITY
ACTUAL VERSUS BUDGET FOR THE YEAR ENDED 30 JUNE 2011
ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT & INTANGIBLE ASSETS
MUNICIPAL VOTES CLASSIFICATION

	2011 Actual	2011 Under Construction	2011 Total Additions	2011 Budget	2011 Variance	2011 Variance
	R	R	R	R	R	%
Admin: Commun Serv	237 247	-	237 247	7 000	230 247	3289.24%
Admin: Corp Serv	170 528	-	170 528	25 000	145 528	582.11%
Admin: Electrical	2 191 926	-	2 191 926	40 000	2 151 926	5379.82%
Admin: Engineering Serv	2 037	-	2 037	-	2 037	0.00%
Admin: Fin Serv	14 699	-	14 699	48 000	(33 301)	-69.38%
Admin: Traffic	694 163	-	694 163	150 000	544 163	362.78%
Fire Brigade	12 663	-	12 663	10 000	2 663	26.63%
Housing Office	-	-	-	7 000	(7 000)	-100.00%
Information Technology	147 361	-	147 361	156 700	(9 339)	-5.96%
Library Church Street	-	-	-	40 000	(40 000)	-100.00%
Library Mimosa	15 988	-	15 988	10 000	5 988	59.88%
Library Nelspoort	-	-	-	36 500	(36 500)	-100.00%
Mechanical Workshop	2 144	-	2 144	-	2 144	0.00%
Municipal Buildings	160 386	-	160 386	2 200 000	(2 039 614)	-92.71%
Municipal Manager	4 388	-	4 388	151 600	(147 212)	-97.11%
Recreation Sites	204 811	-	204 811	310 000	(105 189)	-33.93%
Refuse Removal	180 475	-	180 475	60 000	120 475	200.79%
Reticulation: H Volt	3 925 728	-	3 925 728	6 825 000	(2 899 272)	-42.48%
Reticulation: L Volt	2 435 133	-	2 435 133	345 760	2 089 373	604.28%
Sewerage Farm	26 935 228	-	26 935 228	2 400 000	24 535 228	1022.30%
Sewerage System	98 715	-	98 715	95 000	3 715	3.91%
Street Lightening	43 843	-	43 843	700 000	(656 157)	-93.74%
Street works & Storm Water	3 646 074	-	3 646 074	12 163 000	(8 516 926)	-70.02%
Swimming Pool Birds	-	-	-	10 000	(10 000)	-100.00%
Swimming Pool Nieuveld	-	-	-	10 000	(10 000)	-100.00%
Vehicle Registration	5 773	-	5 773	14 000	(8 227)	-58.76%
Vehicle Testing Station	8 497	-	8 497	130 000	(121 503)	-93.46%
Water Purification	624 231	-	624 231	28 641 000	(28 016 769)	-97.82%
Water Reticulation	3 968 712	-	3 968 712	1 200 000	2 768 712	230.73%
Total	45 730 750	-	45 730 750	55 785 560	(10 054 810)	-18.02%

**APPENDIX E (2) - Unaudited
BEAUFORT WEST LOCAL MUNICIPALITY
ACTUAL VERSUS BUDGET FOR THE YEAR ENDED 30 JUNE 2011
ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT & INTANGIBLE ASSETS
GENERAL FINANCE STATISTIC CLASSIFICATIONS**

	2011 Actual	2011 Under Construction	2011 Total Additions	2011 Budget	2011 Variance	2011 Variance
	R	R	R	R	R	%
Executive & Council	14 781	-	14 781	176 600	(161 819)	-91.63%
Budget & Treasury	162 060	-	162 060	229 700	(67 640)	-29.45%
Corporate Services	322 665	-	322 665	2 175 000	(1 852 335)	-85.16%
Planning & Development	2 037	-	2 037	-	2 037	0.00%
Community & Social Services	253 235	-	253 235	93 500	159 735	170.84%
Housing	-	-	-	7 000	(7 000)	-100.00%
Public Safety	706 826	-	706 826	160 000	546 826	341.77%
Sport & Recreation	204 811	-	204 811	330 000	(125 189)	-37.94%
Waste Management	180 475	-	180 475	60 000	120 475	200.79%
Waste Water Management	27 033 943	-	27 033 943	2 495 000	24 538 943	983.52%
Road Transport	3 660 344	-	3 660 344	12 307 000	(8 646 656)	-70.26%
Water	4 592 943	-	4 592 943	29 841 000	(25 248 057)	-84.61%
Electricity	8 596 631	-	8 596 631	7 910 760	685 871	8.67%
Total	45 730 751	-	45 730 751	55 785 560	(10 054 809)	-18.02%

**APPENDIX F - Unaudited
BEAUFORT WEST LOCAL MUNICIPALITY
DISCLOSURES OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 OF 2003**

Grant Description	Balance 1 JULY 2010	Correction of error	Restated balance 1 JULY 2010	Transfer in	Contributions during the year	Interest on Investments (Only if a condition)	Interest Transferred to Revenue	Operating Expenditure during the year Transferred to Revenue	Capital Expenditure during the year Transferred to Revenue	Transfer out	Balance 30 JUNE 2011
	R	R	R	R	R	R	R	R	R	R	R
UNSPENT/UNPAID CONDITIONAL GOVERNMENT GRANTS AND RECEIPTS											
NATIONAL											
Elec Klawervlei	30 737	-	30 737	-	-	-	-	-	-	30 737	-
MSIP Grant - Municipal System Improvement	2 213	-	2 213	-	-	-	2 213	-	-	-	-
Finance Management Restruc. Transformation	227 403	-	227 403	-	1 000 000	-	-	1 081 736	-	-	145 667
Skills Training	23 123	-	23 123	-	-	-	4 388	18 735	-	-	-
Water Master Plan	3 252	-	3 252	-	-	162	-	553	-	-	2 861
Meter, oudit management & maintainance strategy	72 284	-	72 284	-	-	3 834	-	-	-	-	76 118
Fencing Pig Stables	173 170	-	173 170	-	-	9 186	-	-	-	-	182 356
Water Asset Register Survey	38 363	-	38 363	-	-	2 035	-	-	-	-	40 398
Water & Sanitation Survey	131 507	-	131 507	-	-	6 976	-	-	-	-	138 483
Fin Model, water tarrifs & tech audit	18 034	-	18 034	-	-	957	-	-	-	-	18 991
Stormwater Masterplan	81 455	-	81 455	-	-	2 014	-	51 520	-	-	31 949
132/22KV Substation & 20 MVA Transformer	81 590	-	81 590	-	-	4 328	-	-	-	-	85 918
Electrification of Central Karoo	1 556 164	-	1 556 164	-	-	-	-	-	199 745	-	1 356 419
Electricity Nelspoort Dwelling	8 025 243	-	8 025 243	30 737	12 000 000	-	-	20 481 713	-	368 000	(793 733)
Disaster Drought Relief	133 754	-	133 754	-	-	-	-	58 867	-	-	74 887
Improve Service Delivery	-	-	-	-	28 600 000	-	-	-	28 511 764	-	88 236
Electrify Dwelings	-	-	-	368 000	750 000	-	-	645 092	8 250	-	96 658
	-	-	-	-	-	-	-	200 000	-	-	168 000

APPENDIX F - Unaudited
BEAUFORT WEST LOCAL MUNICIPALITY
DISCLOSURES OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 OF 2003

PROVINCIAL												
Community Development Workers (CDW's)	209 822	-	209 822	-	299 000	12 251	-	202 577	136 306	-	-	182 190
Central Business Area	72 143	-	72 143	-	-	3 720	-	4 883	-	-	-	70 980
Central Business District	38 019	-	38 019	-	-	1 179	-	38 019	-	-	-	1 179
Consumer Housing Education Program	173 017	-	173 017	-	-	7 291	-	49 909	-	-	-	130 399
Human Rights, Youth & Gender	1 533	-	1 533	-	-	-	-	1 533	-	-	-	-
Management Support Programme	44 502	-	44 502	-	-	-	-	44 502	-	-	-	-
Nelspoort Project Base Subsidy	21 927	-	21 927	-	-	894	-	-	-	-	-	22 821
Project Provincial Funds	26 084	-	26 084	-	-	1 384	-	-	-	-	-	27 468
Project Preparation Grant Planning	296 129	-	296 129	-	-	11 908	-	156 934	-	-	-	151 103
Public Transport Infrastructure	4 124 655	-	4 124 655	-	3 500 000	152 460	-	-	3 007 278	-	-	4 769 837
Refuse Recycling Project	16 226	-	16 226	-	388 487	495	-	407 811	-	-	-	(2 603)
Rezoning Scheme Regulations	11 493	-	11 493	-	-	610	-	-	-	-	-	12 103
Sanitation Master Plan	8 691	-	8 691	-	-	461	-	-	-	-	-	9 152
Tourisme Potential Nelspoort	114 678	-	114 678	-	-	6 083	-	-	-	-	-	120 761
Tourisme Tokens	6 359	-	6 359	-	-	337	-	-	-	-	-	6 696
Upgrading electricity network Nelspoort	261 904	-	261 904	-	-	11 719	-	109 942	-	-	-	163 681
Public Library Services	38 120	-	38 120	-	279 000	4 125	-	257 268	11 092	38 120	-	14 765
Upgrading Nelspoort Civil Services	2 184	-	2 184	-	-	117	-	-	-	-	-	2 301
Water Masterplan	10 906	-	10 906	-	-	579	-	-	-	-	-	11 485
Multi Purpose Centre	(77)	-	(77)	77	-	-	-	-	-	-	-	-
Soup Kitchens	76 121	-	76 121	-	400 000	13 615	-	445 223	-	-	-	44 513
Damaged Houses	(56 676)	-	(56 676)	-	-	-	-	-	-	-	-	(56 676)
Nelspoort 216 Houses	361 095	-	361 095	-	-	11 424	-	226 464	-	-	-	146 055
Excisting Housing Nelspoort	1 303 942	-	1 303 942	-	-	-	-	1 303 942	-	-	-	-
Merweville 90 Dwellings	(219 890)	-	(219 890)	-	1 116 056	27 275	-	565 753	-	-	-	357 688
Internship: Water	104 776	-	104 776	-	-	2 803	-	63 158	-	-	-	44 421
Grap Asset Register	-	-	-	-	100 000	-	-	100 000	-	-	-	-
Internship: Roads	-	-	-	-	195 000	3 556	-	103 280	-	-	-	95 276
10 Hph Dwelling Merweville	-	-	-	-	631 810	8 761	-	-	-	-	-	640 571
MIG												
Stormwater N1	486 238	-	486 238	-	1 500 000	50 272	-	-	1 090 466	946 043	-	-
Bulk water supply	637 316	-	637 316	157 966	-	10 803	-	-	357 297	427 985	-	20 803
Lighting Gamka river	53	-	53	-	-	-	53	-	-	-	-	-
External Stormwater Nelspoort	50 993	-	50 993	-	-	2 665	-	-	50 993	9 215	-	(6 550)
PMU - Project Management Unit	5 416	-	5 416	10 797	126 000	2 403	-	120 961	-	-	-	23 655
Supply Highmass Lights	(111 816)	-	(111 816)	139 076	-	5 465	-	-	6 635	-	-	26 090
Improve surface of gravel roads	51 438	-	51 438	877 210	1 616 000	22 459	-	2 571 163	-	-	-	(4 056)
50 Streetlights Nelspoort	-	-	-	427 985	-	2 582	-	-	410 037	-	-	20 530
Retension Dams	-	-	-	-	660 000	11 847	-	-	433 974	229 791	-	8 082
LOCAL ECONOMIC DEVELOPMENT												
Arts & Crafts	329 578	-	329 578	-	-	12 425	-	157 955	15 129	-	-	168 919

**APPENDIX F - Unaudited
BEAUFORT WEST LOCAL MUNICIPALITY
DISCLOSURES OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 OF 2003**

ESKOM											
Multi Purpose Centre	56 848	-	56 848	-	-	-	12	-	56 759	77	-
Electrification Central Karoo	873 208	-	873 208	-	222 300	-	-	1 095 508	-	-	-
LOTTERY											
Upgrading Rustdene Sport Grounds	11 761	-	11 761	-	-	614	-	925	2 655	-	8 795
CKDM											
Website	7 063	-	7 063	-	-	375	-	-	-	-	7 438
Job Creation	-	-	-	-	75 000	-	-	75 000	-	-	-
Total	20 044 071	-	20 044 071	2 011 848	53 458 653	434 449	6 666	30 640 926	34 298 380	2 049 968	8 953 080
UNSPENT/UNPAID CONDITIONAL PUBLIC CONTRIBUTION											
PRIVAAT											
Repair Indigent Dwellings	-	-	-	-	2 500	-	-	2 500	-	-	-
Electrification Central Karoo	277 520	-	277 520	-	396 557	-	-	674 077	-	-	-
Beneficiaries Merweville Housing	24 676	-	24 676	-	-	1 007	-	-	-	-	25 683
Existing Houses Nelspoort	971 160	-	971 160	-	663 175	66 573	-	1 396 182	-	-	304 726
Beneficiaries Nelspoort Housing	41 899	-	41 899	-	-	1 709	-	-	-	-	43 608
Improve Capacity	-	-	-	-	139 851	461	-	115 758	-	-	24 554
Relief Water Scarcity	-	-	-	-	147 743	1 501	-	47 243	22 948	-	79 053
Total	1 315 255	-	1 315 255	-	1 349 826	71 251	-	2 235 760	22 948	-	477 624
Total Receipts	21 359 326	-	21 359 326	2 011 848	54 808 479	505 700	6 666	32 876 686	34 321 328	2 049 968	9 430 704

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Deviations Approved by Municipal Manager for July					
Applicable paragraph in SCM Policy	Suppliers	Amount	Date	Reason for deviation	
(b)	Sole supplier				
	B&B Sweiswerke	R 4 653.00	2010/06/30	Sole supplier in town to deliver service	
	B&B Sweiswerke	R 2 524.00	2010/07/02	Sole supplier in town to deliver service	
	Beaufort West & Karoo C.L.C(Abet)	R 10 800.00	2010/07/16	Educational service for municipal officials after hours	
	Beaufort Alarms Bk	R 2 546.75	2010/07/09	Sole supplier in town to deliver service	
	Karoo Drukkery	R 2 203.60	2010/06/21	Sole supplier in town to deliver service	
	Central Karoo District Municipality	R 10 000.00	2010/07/26	Amount estimated 10 000 only provider who could repair the gravel roads in Merweville	
	Swans Driving School	R 9 450.00	2010/07/19	Sole supplier in district for code 14 and motor cycle	
(d)	Any exceptional case where it is impractical or impossible to follow the official procurement processes	Engen Truck	R 24 670.50	2010/07/22	Only available supplier to deliver service
	B&B Sweiswerke	R 5 862.30	2010/07/13	Only 2 providers localy to provide service	
	Mondior Manor Guest Accomodation	R 6 150.00	2010/07/05	Closest accommodation approximate to the venue	
	M.H Botha	R 5 340.00	2010/07/19	Medals for marathon runners	
	Beaufort Cellular	R 1 350.00	2010/07/29	Upgrading of 9 contracts	
	Karoo Drukkery	R 2 286.50	2010/07/28	Application forms for mayoral golf day	
	Mini Molders	R 5 340.00	2010/07/20	Required to obtain from provider, to ensure that the medals look the same	
	Brits Boorkontrakteur	R 15 000.00	2010/07/13	Sole local available supplier for drilling of boreholes	
	Outback Promotions	R 5 402.00	2010/07/20	Supplier for banner for marathon	
	B&B Sweiswerke	R 5 862.30	2010/07/13	Supplier for repair of windmill	
	Traffic Environmental Services	R 30 983.57	27/07/2010	Traffic camera enforcement services procured	
		R 8 476.56	20/07/2010		
		R 3 101.09	2010/07/20		
		R 6 194.65	2010/07/30		
Sm Consultants	R 28 500.00	2010/07/14	Traffic fines summonses service provider		

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		Effective Human Intervention	R 7 408.86	2010/07/29	Engineering course-Mr JCL Smit
		Luzuko Security Services	R 6 800.00	2010/07/29	Security services at flagship
		George Lawnmowers & Chainsaws	R 2 131.26	2010/07/07	Agents of specified stihl machinery
		Chris And Sons Painting Group	R 2 500.00	2010/07/19	Additional work-painting of street names in Nelspoort
		Karoo Drukkery	R 2 203.60	2010/06/21	Only service available provider to do printing on boards
		Trentyre Beaufort West	R 2 700.00	2010/07/07	Cz 16014-only available supplier with stock (new tyre)
		Trentyre Beaufort West	R 2 380.00	2010/07/30	New tyre: only supplier with stock
		CQS Technology Holdings	R 253 604.40	2010/07/30	Software provider for reporting to national and Provincial Treasury
		Lithotech	R 99 650.00	2010/07/27	Specialized printing services for municipal accounts
		Health Innovation Products	R 18 307.26	2010/07/27	First aid kits as per Health and Safety Act
		Ian Dickie	R 5 900.00	2010/07//30	Agents for pump parts
(d)(i)	Any contract relating to the publication of notices and advertisements by the municipality	Media24	R 6 268.18	2010/07/16	Advertisements in Die Burger
			R 3 760.91	2010/07/27	
			R 4 701.13	2010/07/21	
		Die Courier	R 3 262.68	2010/07/27	Advertisements- local paper
			R 2 537.64	2010/07/27	
				2010/07/27	
(d)(iii)	Any contract with an organ of state, a local authority or a public utility corporation or company	Department Of Transport	R 10 927.50	29/07/2010	Driving licence cards provided by Prodiba
(d)(vi)	Ad-hoc repairs to plant and equipment where it is not possible to ascertain the nature or extent of the work required in order to call for bids.	Tricom	R 8 830.44	2010/07/28	Repair robot submersible pump
		F&R Phakisa Operations (Pty) Ltd	R 8 936.00	2010/07/30	Cz 16556-repairs
		F&R Phakisa Operations (Pty) Ltd	R 3 664.94	2010/07/07	Cz 5945-service and faults on rotation basis
		Karoo Motors Werkswinkel	R 5 939.40	2010/07/07	Cz 8093- ad hoc service and repairs
		Karoo Motors Werkswinkel	R 2 770.20	2010/07/07	Cz 2448-service and repairs
		Brupumps & Services	R 3 649.00	2010/07/23	Repair chlorine pump
		B/Wes Toyota	R 3 789.38	2010/07/15	Maintenance plan agents parts available at agents only

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	Nel's Truck And Car Repairs	R	4 482.34	2010/07/02	Cz 17469-repairs
	Bw Presisie Motor Ingenieurs (Edms) Bpk	R	9 767.52	2010/07/08	Reapair of machinery-concrete cutter
	Cz Mechanical Repairs	R	2 545.00	2010/07/15	Cz 10085-repair clutch on rotation basis
	Nashua George	R	2 403.25	2010/07/27	Repair of photo copier machine-traffic dept.

DEVIATIONS APPROVED BY MUNICIPAL MANAGER FOR AUGUST					
APPLICABLE PARAGRAPH IN SCM POLICY	SUPPLIERS	AMOUNT	DATE	REASON FOR DEVIATION	
	Watertite	R	46 170.00	2010/08/02	Manufacturer of smart flow valve.
	B & B Sweiswerke	R	3 174.00	2010/08/03	Only provider locally which renders the specific service-borehole
		R	5 643.00	2010/08/25	
		R	6 270.00	2010/08/12	
	Karoo Fire	R	2 965.00	2010/08/10	Only company which can supply fire extinguishers for a locally
		R	2 025.00	2010/08/11	
	Elster Kent Metering	R	3 520.00	2010/06/22	Water meter faulty and has to be replace
		R	12 272.10	2010/08/02	
	Huber Technology	R	19 250.00	2010/08/18	Repair & Deliver the existing SG34 motor/ gearbox
		R	17 800.00	2010/08/18	Supply & delivery of one new BS40 motor / gearbox
		R	2 800.00	2010/08/18	Installation cost for option 1 or option 2
	Gordans Camp and Gas	R	2 286.00	2010/08/17	Sole local provider to render service
	Swans Driving School	R	28 350.00	2010/08/13	Sole local driving school for code 14 and motor cycle
(d) Any exceptional case where it is impractical or impossible to follow the official procurement processes	Forms media independent	R	8 641.20	2010/08/24	Specialized printing service for summonses used for TCS software
		R	10 103.82	2010/08/24	
	Total Computer services	R	7 125.00	2010/08/11	TCS provides software for the traffic service.
	GJA Auto Engineering	R	28 000.00	2010/08/19	Second hand pump
	Waltons	R	5 229.92	2010/08/24	Only two service providers for safety posters
	Traffic Environmental Service	R	46 832.14	2010/08/30	Traffic Camera enforcement service procured prior to inception of SCM Policy
R		2 411.96	2010/08/19		

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			R	34 792.60	2010/08/31	
			R	18 852.90	2010/08/31	
			R	2 205.22	2010/08/04	
		Kruiper Spares	R	10 091.51	2010/08/02	Agents for specified fleet parts.
		George Lawnmowers & Chainsaws	R	2 458.81	2010/08/12	Agents of specified STIHL Machinery
		JV Specialized Services	R	8 000.00	2010/08/30	Specialized service for annual load test-compressor
		C&C Fitters	R	2 980.00	2010/08/24	Only two service providers locally for replacement of carpets
		Calitzdorp Spa	R	2 748.00	2010/08/23	Closest accommodation approximate to the venue
		Alles Vars	R	6 528.78	2010/08/10	Supplier for the transportation of recycling material
		Ubertech	R	7 303.90	2010/08/03	Repairs & maintenance computers
	R		1 618.80	2010/08/06		
	R		93 229.20	2010/08/26		
		Geoss	R	7 535.40	2010/08/30	Water resource monitoring software service provider
			R	3 270.38	2010/08/13	
(d)(i)	any contract relating to the publication of notices and advertisements by the municipality	Media 24	R	4 701.13	2010/08/04	Media 24 is the newspaper agency circulating in the Western Cape
		Die Courier	R	18 200.17	2010/08/24	Only Local Newspaper circulating in Central Karoo District
		Ayanda Mbanga Communications	R	6 688.20	2010/08/18	Agency placing advertisement on behalf of Municipality
(d)(iii)	any contract with an organ of state, a local authority or a public utility corporation or company	Department of Transport	R	14 149.50	2010/08/24	DRIVING LICENCE CARDS PROVIDED BY PRODIBA
		The Water Academy	R	72 000.00	2010/08/02	Service provider was appointed by SETA
(d)(v)	the appointment of any person to provide professional advice or services, where the value of such appointment is less than R200 000 or any such	Crawfords Attorneys	R	2 280.00	2010/08/12	Local Official Law Practitioner handling the transportations, valuations etc
			R	2 485.00	2010/08/24	

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	greater amount as may be legislated from time to time					
(d)(vi)	ad-hoc repairs to plant and equipment where it is not possible to ascertain the nature or extent of the work required in order to call for bids.	Marais Motors	R	31 975.20	2010/08/02	Repair Accident Damage - CZ 3359
			R	6 731.62	2010/08/02	Repair Accident Damage- CZ 2533
			R	2 166.00	2010/08/04	Repair Accident Damage- CZ 10589
		Nels Truck & Car Repair	R	2 500.00	2010/08/11	Repair Accident Damage - CZ 2533
			R	4 482.34	2010/08/18	Repair faults - CZ 17469
		Beaufort West Truck Centre	R	12 023.93	2010/08/18	Repairs- CZ 8049
			R	6 979.08	2010/08/18	Repair clutch- CZ 5401
		Supa Quick	R	2 644.80	2010/08/16	CZ 3373-replace old tyres, supplier of Equestra
		Trentyre	R	4 738.67	2010/08/27	Call out 20km from Merweville- CZ16556
			R	2 455.00	2010/08/10	Only available supplier with stock for new tyre and repair. CZ 8149
		CZ Mechanical Repairs	R	2 043.61	2010/08/02	Repair Ring gear- CZ 17157
		PG Glass	R	4 077.72	2010/08/27	Replace front window- CZ 2543
		Beaufort West Precision Motor Engineers	R	2 147.76	2010/08/27	Repair of equipment-Yanmar L48
		Karoo Motors Werkswinkel	R	9 451.74	2010/08/30	Repair brakes- CZ 5401
			R	8 310.60	2010/08/10	Out on Rotation basis-repairs CZ 7713
R	2 984.52		2010/08/30	Repair faults- Bomag		
R	6 544.74		2010/08/30	Service and repairs - CZ 5234		

DEVIATIONS APPROVED BY MUNICIPAL MANAGER FOR SEPTEMBER

APPLICABLE PARAGRAPH IN SCM POLICY	SUPPLIERS	AMOUNT	DATE	REASON FOR DEVIATION
	Beaufort Alarms	R 2 546.71	2010/09/01	Sole local provider to render alarm service
	B & B Sweiswerke	R 1 920.00	2010/09/7	Only provider locally which renders the specific service-borehole
	Elster Kent Metering	R 20 297.70	2010/09/9	Water meter faulty and has to be replace
		R 348 853.96	2010/09/8	Sole provider of Elster Meters and strainers
	Perfecto Builders	R 9 120.00	2010/09/9	Only available supplier for the hiring of machine
	SV Vervoer	R 15 000.01	2010/09/30	Only available supplier for the upgrading of

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					roads.
		Karoo Beton Werke	R 7 200.00	2010/09/29	Manufacturer of concrete products locally.
		Gene Louw Traffic College	R 110 595.00	2010/09/13	Only traffic college in Western Cape for basic traffic training
		Swans Driving School	R 2 200.00	2010/09/17	Sole local driving school for code 14 and motor cycle
(d)	Any exceptional case where it is impractical or impossible to follow the official procurement processes	SM Consultants	R 53 700.00	2010/09/13	Service provider for distribution of traffic sumonsses
			R 3 070.00	2010/09/22	
		Actebis 268 CC	R 2 479.50	2010/09/22	Service provider- Removal of Hazardous Chemical Waste
		Sebata Municipal Solutions	R 43 411.20	2010/09/10	Service provider for Financial Management System.
		Traffic Environmental Service	R 29 820.00	2010/09/21	Traffic Camera enforcement service procured prior to inception of SCM Policy
			R 160 873.00	2010/09/28	
			R 81 503.50	2010/09/14	
			R 5 530.00	2010/09/03	
			R 12 059.80	2010/09/02	
		Luzuko Security Services	R 7 064.00	2010/09/01	Security services at Flagship
			R 7 064.00	2010/09/29	
		Lithotech	R 111 037.37	2010/09/27	Specialized printing service for municipal accounts
		Piet Chops Slaghuis	R 2 222.75	2010/09/14	Only available supplier to render service
		PJ Sound & Vision	R 2 800.00	2010/09/03	Only available supplier to render service
		Cubenco 150	R 5 286.75	2010/09/06	Only available supplier with compressor-landfill site
		Moving Violation Systems	R 7 421.40	2010/09/27	Service provider for distribution of traffic sumonsses
		Pressure Sealers	R 11 820.32	2010/09/08	Service of machine for printing of municipal accounts
Alles Vars	R 5 928.65	2010/09/16	Supplier for the transportation of recycling material		
	R 5 581.44	2010/09/10			

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		Ubertech	R 44 049.60	2010/09/10	Repairs & maintenance computers
			R 5 869.86	2010/09/30	
		Geoss	R 3 309.42	2010/09/14	Water resource monitoring software service provider
(d)(i)	any contract relating to the publication of notices and advertisements by the municipality	Media 24	R 3 760.91	2010/09/04	Media 24 is the newspaper agency circulating in the Western Cape
		Radio Gamka Land	R 9 000.00	2010/09/03	Only Local Radiostation broadcasting in Central Karoo District
		Die Courier	R 18 200.17	2010/09/28	Only Local Newspaper circulating in Central Karoo District
		Ayanda Mbanga Communications	R 7 165.92	2010/09/28	Agency placing advertisement on behalf of Municipality
(d)(iii)	any contract with an organ of state, a local authority or a public utility corporation or company	Gronum & Associates	R 178 494.02	2010/09/07	Contract with Eskom- Electrification Grootfontein
(d)(v)	the appointment of any person to provide professional advice or services, where the value of such appointment is less than R200 000 or any such greater amount as may be legislated from time to time	JT Venter	R 5 112.09	2010/09/14	Consulting service for Green Drop evaluation
		Crawfords Attorneys	R 3 420.00	2010/09/14	Local Official Law Practitioner handling the transportations,valuations etc
		Beaufort West Truck Centre	R 27 755.37	2010/09/13	Repair faults- CZ 3906
			R 6 979.08	2010/09/08	Repair faults- CZ 5401
		Trentyre	R 3 317.40	2010/09/27	Only available supplier -CZ 15569
			R 10 997.58	2010/09/23	Only available supplier -CZ 4032
		Beaufort West Toyota	R 2 092.39	2010/09/27	Toyota Dealer-CZ 3465
		F&R Phakisa Operations	R 3 147.88	2010/09/08	Repairs- CZ 14741
			R 2 804.30	2010/09/30	Repairs- CZ 3484
		Beaufort West Precision Motor Engineers	R 5 948.52	2010/09/06	Repair of electrical motor

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			R	8 953.56	2010/09/09	Service and repairs - CZ 4118
			R	2 824.92	2010/09/16	Repair faults-CZ 5401
		Karoo Motors Werswinkel	R	2 460.12	2010/09/16	Service and repairs- CZ 5307
			R	2 823.78	2010/09/16	Service and repairs - CZ 3703
			R	8 953.56	2010/09/09	Service and faults-CZ 4118

DEVIATIONS APPROVED BY MUNICIPAL MANAGER FOR OCTOBER					
APPLICABLE PARAGRAPH IN SCM POLICY		SUPPLIERS	AMOUNT	DATE	REASON FOR DEVIATION
(a)	EMERGENCY	Ubertech	R 10 049.10	05/10/2010	Replace computer & monitor due to theft
		Beaufort West Precision Motors engineers	R 6 544.74	07/10/2010	Lister - water crisis
(b)	SOLE SUPPLIER	Karoo Betonwerke	R 3 975.00	12/10/2010	Local manufacturer of concrete products
		Beaufort Alarms	R 4 142.80	28/10/2010	Sole local provider to render alarm service
		Karoo Fire	R 3 236.00	07/10/2010	Supplier for fire Extinguisher
		Elster Kent Metering	R 11 431.01	26/10/2010	Elster Meters and accesories
		Trans Atlantic	R 2 166.00	11/10/2010	Manufacturer of the speedguard apparatus
(d)	Any exceptional case where it is impractical or impossible to follow the official procurement processes	Mosselbaai Pump Service	R 5 236.76	15/10/2010	Supplied parts for water pump
		Drs Theron & Van Niekerk	R 13 391.00	05/10/2010	Examinations and treatment on employees who are exposed to hazardous chemicals
		WW Millard Konstruksie Dienste	R 7 581.00	05/10/2010	Repairs to roof of Church street Library
		Sebata Municipal Solutions	R 6 064.80	18/10/2010	Service provider for Financial Management System.Training
		Youngs halfway house	R 7 600.00	22/10/2010	Mayoral Golf day- accomodation
		Protea Hotel Edward	R 4 420.76	13/10/2010	Only available accomodation - J van Wyk
		KFC	R 2 000.00	29/10/2010	Mayoral Golf day- meal for players
		First Care Medics	R 8 600.00	13/10/2010	First aid training
		Traffic Environmental Service	R 118 099.59	27/10/2010	Traffic Camera enforcement service procured prior to inception of SCM Policy
			R 5 168.48	26/10/2010	
	R 30 905.00	22/10/2010			

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			R 19 180.00	18/10/2010	
			R 9 240.00	06/10/2010	
			R 35 162.00	05/10/2010	
			R 36 300.90	04/10/2010	
		Ubertech	R 44 094.60	14/10/2010	IT service provider for repairs&maintenance services
		Moving Violation Systems	R 2 576.40	20/10/2010	Service provider for distribution of traffic sumonsses
		SM Consultants	R 24 450.00	18/10/2010	
		Pressure Sealers	R 4 000.00	25/10/2010	Service of machine for printing of municipal accounts
(d)(i)	any contract relating to the publication of notices and advertisements by the municipality	Media 24	R 3 760.91	08/10/2010	Newspaper agency circulating in the western cape
		Media 24	R 4 701.13	08/10/2010	Newspaper agency circulating in the western cape
		Courier	R 3 912.88	18/10/2010	Only Local Newspaper circulating in Central Karoo District
(d)(iii)	any contract with an organ of state, a local authority or a public utility corporation or company	Department of Transport	R 14 554.50	25/10/2010	Driving licence cards provided by Prodiba
		HJ Surveyors cc	R 22 287.00	15/10/2010	Contract with Eskom- Electrification Grootfontein
(d)(v)	the appointment of any person to provide professional advice or services, where the value of such appointment is less than R200 000 or any such greater amount as may be legislated from time to time	JP Cellier	R 2 450.00	21/10/2010	Legal Advice
		Crawfords Attorneys	R 3 648.00	01/10/2010	Local Official Law Practitioner handling the tranportations,valuations etc
			R 7 524.00	27/10/2010	
		Kleynhans & Assosiate	R 24 800.00	04/10/2010	Safety Inspection Springfontein Dam
(d)(vi)	ad-hoc repairs to plant and equipment where it is not possible to ascertain the nature or extent of the work required in order to call for bids.	B/West Auto Electrical	R 2 291.45	21/10/2010	Attend to starter CZ 5234
		Toyota Beaufort West	R 4 184.78	19/10/2010	Agent- CZ 3465
		Kruiper Spares	R 4 605.60	18/10/2010	Repair to cylinder
		Beaufort West Precision Motors Engineers	R 5 050.20	14/10/2010	Replacement of pump engine-water crisis
		Kriess Hydraulics cc	R 3 721.70	07/10/2010	Repair to engine crane
		Karoo Motors Werkswinkel	R 3 970.62	07/10/2010	Rotation Basis CZ 3906

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		R 4 740.12	07/10/2010	Rotation Basis CZ 1888
		R 5 416.14	05/10/2010	Rotation Basis CZ 17137
		R 9 870.12	04/10/2010	Rotation basis CZ 8149
		R 9 941.94	04/10/2010	Rotation basis CZ 8545
		R 3 568.20	04/10/2010	Rotation basis CZ 18436
		R 4 941.90	06/10/2010	Repair Water manifold-CZ 17137
		R 5 750.16	06/10/2010	Rotation basis CZ 1888
	Auto Bodies	R 2 028.30	06/10/2010	Repair Accident Damage-CZ 1902
	Diesel Services	R 4 845.00	28/10/2010	Tow-in services tractor on Merweville
		R 3 534.00	28/10/2010	Tow-in services trailer in Nelspoort
	CZ Mechanicals	R 2 102.44	05/10/2010	Rotation basis CZ 4164
	CZ Mechanicals	R 2 072.94	05/10/2010	Rotation basis CZ 3084
	CZ Mechanicals	R 2 337.67	28/10/2010	Rotation basis CZ 10085
	CZ Mechanicals	R 3 586.05	05/10/2010	Rotation basis CZ 17157
	Mega Roller shutter doors	R 7 910.00	04/10/2010	Service of 14 x Roller doors
		R 18 582.00	12/10/2010	Repair of 5 Roller Doors
	Tren Tyre	R 5 814.00	21/10/2010	Supply New Tyre
		R 2 750.00	01/10/2010	Supply New Tyres- CZ 15569
		R 2 665.00	06/10/2010	New Tyre CZ 16556
		R 2 750.00	06/10/2010	Two new tyres CZ 15569
		R 2 102.24	07/10/2010	Supply New Tyres- CZ 3373
		R 10 997.58	23/09/2010	Supply two new tyres CZ 4032
		R 5 939.00	13/10/2010	Supply new tyre
	Akura	R 2 655.06	20/10/2010	Only service provider that can provide the pump and coupling
	WCC Cables	R 12 142.06	29/10/2010	Repair damaged electrical equipment
		R 10 111.80	29/10/2011	
	Denver Agricultural Tractor Spares	R 4 062.29	20/10/2010	No suppliers in town which can provide the specific parts

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Deviations Approved By Municipal Manager for November					
Applicable Paragraph In SCM Policy		Suppliers	Amount	Date	Reason For Deviation
(A)	Emergency	De Jagers Loodgieters	R 2 805.00	29/11/2010	Available Supplier For Part To Disconnect Borehole.
(B)	Sole Supplier	Conlog	R 6 675.84	03/11/2010	Only Company That Refurbish Conlog Pre-Payed Meters
		Sebata	R 41 040.00	03/11/2010	Upgrading
		B&B Sweiswerke	R 3 986.80	03/11/2010	Only Local Supplier To Render This Service
			R 2 537.45	29/11/2010	
			R 4 627.60	29/11/2010	
		Elster Kent Metering	R 10 812.90	16/11/2010	Sole Manufacture Of Elster Kent Meters And Strainers
		Karoo Drukkery	R 29 000.00	16/11/2010	Only Local Service Provider Who Can Make Signs
		Beaufort Wes Verspreiders	R 2 433.33	16/11/2010	Only Service Provider Who Had Stock Immediately

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		Penny Pinchers	R 26 685.46	16/11/2010	Only Supplier With Stock
		Karoo Betonwerke	R 2 450.00	16/11/2010	Only Manufacturer Of Concrete Products In Beaufort West
		B & B Sweiswerke	R 2 100.00	22/11/2010	Only Service Provider Who Supplies These Specific Services
		PJ Sound & Vision	R 2 800.00	23/11/2010	Only Local Service Provider To Provide All Inclusive Services-Community Project
		W.M Van Der Heever	R 15 916.00	30/11/2010	Only Local Supplier Provide Surveying Services
(D)	Any Exceptional Case Where It Is Impractical Or Impossible To Follow The Official Procurement Processes	Outback Promotions	R 38 705.80	22/10/2010	Mayoral Golf Day- Supplier Gholf T-Shirts
		PJ Sound & Vision	R 3 200.00	04/11/2010	Mayoral Golf Day- Supplier Of Sound And Photos
		Alles Vars Groentemark	6200.46	25/11/2010	Supplier For The Transportation Of Recycling Material
		Matoppo Inn	R 2 300.00	11/11/2010	Welcoming Of Judge Schlope - Accommodation
		Moving Violation Systems	R 4 694.80	23/11/2010	Service Provider For Distribution Of Traffic Summonses
		SM Consultants	R 24 750.00	23/11/2010	
		Traffic Environmental Service	R 11 865.00	29/11/2010	Traffic Camera Enforcement Service Procured Prior To Inception Of SCM Policy
			R 39 797.30	26/11/2010	
			R 77 447.60	30/11/2010	
			R 77 447.60	30/11/2010	
R 9 555.00	22/11/2010				
R 31 644.40	05/11/2010				
R 2 067.39	01/11/2010				
R 3 920.00	02/11/2010				

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		TS Consultants	R 58 597.43	30/11/2010	
			R 20 505.75	05/11/2010	
			R 85 348.30	02/11/2010	
		Ubertech	R 11 075.10	26/11/2010	It Service Provider For Repairs & Maintenance Services
			R 44 049.60	29/11/2010	
		TMS Hasler	R 6 400.00	2010/11/19	Service Provider Of A Franking Machine Service Procured Prior To The Inception Of The SCM Policy
		Total Computer Services	R 7 125.00	2010/11/17	Tcs Provides Software For The Traffic Service.
(D)(I)	Any Contract Relating To The Publication Of Notices And Advertisements By The Municipality	Ayanda Mbanga Communications	R 10 987.76	11/11/2010	Agency Placing Advertisement On Behalf Of Municipality
		Die Courier	R 3 033.52	24/11/2010	Only Local Newspaper Circulating In Central Karoo District
			R 15 162.40	24/11/2010	
(D)(Iii)	Any Contract With An Organ Of State, A Local Authority Or A Public Utility Corporation Or Company	HJ Surveyors CC	R 119 438.00	26/11/2010	Contract With Eskom- Electrification Grootfontein
(D)(V)	The Appointment Of Any Person To Provide Professional Advice Or Services, Where The Value Of Such Appointment Is Less Than R200 000 Or Any Such Greater Amount As May Be Legislated From Time To Time	Crawfords Attorneys	R 3 420.00	16/11/2010	Local Official Law Practitioner Handling The Tranportations,Valuations Etc
			R 2 280.00	11/11/2010	
(D)(Vi)	Ad-Hoc Repairs To Plant And Equipment	Diesel Service Beaufort West CC	R 3 534.00	03/11/2010	Urgent Matter: Testing Of Trailors

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Where It Is Not Possible To Ascertain The Nature Or Extent Of The Work Required In Order To Call For Bids.		R 4 845.00	03/11/2010	
	CZ Mechanical Repairs	R 2 337.67	2/11/2010	CZ 10085- Repairs On Rotation Basis
		R 2 750.38	03/11/2010	CZ 2640-Service Of Faults
	Jupiter Towing	R 2 675.00	03/11/2010	Only Available Provider For Towing Services
		R 2 770.00	19/11/2010	Only Available Provider For Towing Services-CZ 4032
	Denver Agricultural Tractor Spares Cape	R 5 173.31	09/11/2010	Only supplier for specific parts
	Denver Agricultural Tractor Spares Cape	R 2 212.88	09/11/2010	Agent For Tractor-CZ 5715
	Karoo Motors Werkswinkel	R 8 972.94	09/11/2010	CZ 5291-Repairs On Rotation Basis
	Karoo Motors Werkswinkel	R 36 569.00	08/11/2010	Repair to gearbox-CZ 8769
		R 3 215.00	03/11/2010	Repair Of Tractor On Rotation Basis
	Verma Engineering	R 8 715.00	19/11/2010	Repair Of Hydraulic Faults-CZ 2148
	DTM George	R 7 199.56	19/11/2010	Repairs Of Vehicles That Was Tested At Nissan Agent-CZ 10627&CZ 10629
	Kruiper Spares	R 2 334.72	19/11/2010	Agent For Specific Parts
	Beaufort West Precision Motor Spares	R 4 929.36	19/11/2010	Repair Of Vehicle-Merweville
		R 8 949.00	24/11/2010	Scarce Tyres Has To Be Imported-CZ 10092
	Tren Tyre	R 2 789.00	12/11/2010	New Tyre CZ 5945
	R 2 743.99	12/11/2010	New Tyre- CZ 17469	

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			R 2 102.25	12/11/2010	New Tyre- CZ 3465
			R 3 064.00	12/11/2010	New Tyre-CZ 3906
			R 2 400.00	25/10/2010	New Tyre CZ 5945
		Metsi Chem Ikapa	R 2 394.00	3/11/2010	Repair Of Turbidity Meter
		Niftylift SA	R 7 283.80	17/11/2010	Repairs-Yearly Safety Test CZ 15919
		Beaufort Midas	R 2 085.61	16/11/2010	Only available supplier with stock.
		Audensberg Toyota	R 10 261.20	30/11/2010	Repairs- Vehicle Under Warranty
		F & R Phakisa Operations	R 4 035.61	3/11/2010	Repair Clutch CZ 5401

DEVIATIONS APPROVED BY MUNICIPAL MANAGER FOR DECEMBER					
APPLICABLE PARAGRAPH IN SCM POLICY		SUPPLIERS	AMOUNT	DATE	REASON FOR DEVIATION
(a)	EMERGENCY	JJ Du Plessis	R 11 728.30	10/12/2010	Drilling of boreholes for water crisis
			R 61 773.20	29/12/2010	
			R 77 479.00	17/12/2010	
(b)	SOLE SUPPLIER	Karoo Drukkery	R 4 500.00	14/12/2010	Only supplier who can provide chromadek signs locally
		B & B Sweiswerke	R 3 153.60	14/12/2010	
			R 2 100.00	06/12/2010	
			R 2 169.50	06/12/2010	

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		Beaufort Alarms	R 11 911.10	21/12/2010	Sole local provider to render alarm system service
		Beaufort West&Karoo	R 9 000.00	21/12/2010	Sole supplier to render educational services after hours
		Elster Kent Metering	R 47 845.80	22/12/2010	Sole supplier of Elster Kent Meters and accesories
		Karoo Betonwerke	R 5 750.07	22/12/2010	Local manufacturer of concrete products
		Karoo Fire	R 2 926.50	03/12/2010	Supplier for supply&service fire Extinguisher
			R 3 359.00	22/12/2010	
(d)	Any exceptional case where it is impractical or impossible to follow the official procurement processes	Penny pinchers	R 3 095.98	14/12/2010	Only supplier locally who could provide specific paint
		Alles Vars Groentemark	R 3 515.76	21/12/2010	Supplier for the transportation of recycling material
			R 6 170.00	15/12/2010	
		TMS Hasler	R 6 400.00	21/12/2010	Service provider of a franking machine service procured prior to the inception of the SCM Policy
		D Fortuin	R 2 670.00	15/12/2010	Exstra work to be done
		PJ Sound & Vision	R 3 000.00	11/12/2010	Only available supplier to render service
			R 4 300.00	13/12/2010	Only supplier locally who could provide stage for function
			R 12 150.00	31/12/2010	Only supplier locally who could provide stage for function and music system
		Pressure Sealers	R 11 962.82	28/12/2010	Specialized repair service for pressure sealer machine
		Moving Violation Systems	R 5 871.00	15/12/2010	Service provider for distribution of traffic sumonsses
		SM Consultants	R 36 820.00	15/12/2010	
		Traffic Environmental Service	R 2 555.00	30/12/2010	Traffic Camera enforcement service procured prior to inception of SCM
			R 5 320.00	10/12/2010	

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			R 8 470.00	13/12/2010	Policy
			R 42 034.20	14/12/2010	
			R 71 959.30	21/12/2010	
		TS Consultants	R 16 152.40	21/12/2010	
			R 16 359.00	14/12/2010	
			R 44 049.60	24/12/2010	IT service provider for repairs&maintenance services
		Ubertech	R 2 109.00	14/12/2010	
		TMS Hasler	R 6 400.00	21/12/2010	Service provider of a franking machine service procured prior to the inception of the SCM Policy
		Total Computer services			TCS provides software for the traffic service.
			R 7 125.00	30/12/2010	
(d)(i)	any contract relating to the publication of notices and advertisements by the municipality	Die Courier	R 19 609.90	15/12/2010	Only Local Newspaper circulating in Central Karoo District
		Ayanda Mbanga Communications	R 6 688.20	21/12/2010	Agency placing advertisement on behalf of Municipality
(d)(iii)	any contract with an organ of state, a local authority or a public utility corporation or company	Central Karoo District Municipality	R 6 361.57	03/12/2010	Repair gravel roads in Merweville
		Department of Transport	R 6 696.00	10/12/2010	Driving licence cards provided by Prodiba
			R 12 150.00	28/12/2010	
		Citrine Construction	R 39 724.50	20/12/2010	Contract with Eskom- Electrification Grootfontein
(d)(v)	the appointment of any person to provide professional advice or services, where the value of such appointment is less than R200 000 or any such greater amount as may be legislated from time to time	Crawfords attorney's	R 9 529.00	06/12/2010	Local Official Law Practitioner handling the tranportations,valuations etc
			R 3 274.40	06/12/2010	
			R 3 420.00	09/12/2010	
			R 3 169.20	15/12/2010	
(d)(vi)		CZ Mechanical	R 4 703.18	21/12/2010	Service CZ 3704-Out on Rotation basis
		Karoo Motors Werkswinkel	R 14 082.42	21/12/2010	Repair engine CZ 5234-Out on Rotation basis

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		R 3 317.40	21/12/2010	Service CZ 16014-Out on Rotation basis
		R 9 989.82	01/12/2010	CZ 8477- Service and faults,
		R 6 936.76	01/12/2010	CZ 3084- Repairs on rotation basis
		R 6 935.00	01/12/2010	CZ 3084- Repairs on rotation basis
		R 11 426.22	01/12/2010	CZ 17137-Repair clutch-rotation basis
		R 2 431.62	15/12/2010	Service CZ 8049-Out on Rotation basis
		R 9 305.82	29/12/2010	CZ 6542- Specialized repair of tractor
	BW Presisie motor Ing. Werke	R 4 024.20	15/12/2010	Repair engine CZ 17798-Specialized services
	Bru Pumps & Service	R 3 649.00	10/12/2010	Repair pressure pump
		R 2 866.01	30/12/2010	CZ 4118- New tyre
	Trentyre	R 2 400.00	30/12/2010	CZ 8149- New tyre

DEVIATIONS APPROVED BY MUNICIPAL MANAGER FOR JANUARY				
APPLICABLE PARAGRAPH IN SCM POLICY	SUPPLIERS	AMOUNT	DATE	REASON FOR DEVIATION
(a)		R 200 640.00	25/01/2011	
	Inclledon	R 21 429.72	25/01/2011	Pipe+fittings for water crises
		R 23 769.00	23/11/2010	
	Civil Corp	R 3 106.50	23/11/2010	Pipe+fittings for water crises
		R 3 214.80	18/01/2011	
		R 8 624.10	07/01/2011	
		R 2 702.37	28/01/2011	
	Diesel Services Beaufort West	R 7 472.70	18/01/2011	Transportation services for watertanks and concrete blocks for water crisis.
	Bru Pumps & Services	R 7 797.60	20/12/2010	Sewerage pump

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		B&B Sweiswerke	R 2 464.00	27/01/2011	Repair of Windpump
		JJ Du Plesis	R 35 910.00	11/01/2011	Drilling of borehole
		Karoo Drukkery	R 2 203.60	16/11/2010	Only supplier who can provide signs locally
		M Vivier	R 3 800.00	14/12/2010	Signs or water crisis
		Mosselbay Pump Services	R 2 400.84	13/12/2010	Parts for pressure pump
		Tanker Services	R 6 999.60	14/01/2011	Transport of water from Oudtshoorn
		Well Tek Services	R 64 203.85	26/01/2011	Testing of boreholes
(b)	SOLE SUPPLIER	Excel Knowledge Consulting	R 8 299.20	18/01/2011	Training B Fredericks-credit control
		W/Cape Approved Electrical Inspection Authority	R 5 472.00	10/01/2011	Electrical Training- R.A Meshilinie
		Sebata	R 5 198.40	10/01/2011	Financial Management System training- L De Wet
		PG Glass	R 4 902.00	19/01/2011	CZ 2533-Only local supplier
		P.J Onderhouds dienste	R 3 921.60	18/01/2011	Transport for SS60-only available supplier
(d)	Any exceptional case where it is impractical or impossible to follow the official procurement processes	Klein Merino	R 4 300.00	18/01/2011	Only supplier who could provide the service on short notice
		Beaufort West Verspreiders	R 2 160.94	20/01/2011	Fencing material for electricity office
		Total Client Services	R 7 125.00	13/01/2011	TCS provides software for the traffic service.
		Traffic Environmental Service	R 61 357.50	18/01/2011	Traffic Camera enforcement service procured prior to inception of SCM Policy
			R 29 873.80	19/01/2011	
			R 24 587.00	21/01/2011	
			R 54 017.70	27/01/2011	

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			R 5 005.00	24/01/2011	
			R 21 904.03	04/01/2011	
		TS Consultants	R 3 119.33	21/01/2011	
			R 3 249.00	27/01/2011	
			R 9 561.75	04/01/2011	
		Alles Vars Groentemark	R 3 573.90	27/01/2011	Supplier for the transportation of recycling material
		SM Consultants			Service provider for distribution of traffic sumonsses
			R 54 600.00	28/01/2011	
			R 44 049.60	25/01/2011	IT service provider for repairs&maintenance services
			R 3 996.10	26/01/2011	
		Ubertech	R 15 863.90	25/01/2011	
	any contract relating to the publication of notices and advertisements by the municipality	Media 24	R 4 061.32	22/01/2011	Newspaper agency circulating in the western cape
			R 5 416.09		
(d)(i)		Die Courier	R 7 612.93	26/01/2011	Only Local Newspaper circulating in Central Karoo District
(d)(iii)	any contract with an organ of state, a local authority or a public utility corporation or company	Central Karoo District Municipality	R 4 317.57	14/01/2011	Maintenance of Merweville roads
		Powertech Transformers	R 3 718 548.00	07/01/2011	Contract with Eskom-Electrification Grootfontein
(d)(v)	the appointment of any person to provide professional advice or services, where the value of such appointment is less than R200 000 or any such greater amount as may be legislated from time to time	Crawfords prokureurs			Local Official Law Practitioner handling the transportations, valuations etc
			R 2 584.50	11/01/2011	

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(d)(vi)	ad-hoc repairs to plant and equipment where it is not possible to ascertain the nature or extent of the work required in order to call for bids.	CZ Mechanical Repairs	R	4 703.18	06/01/2011	CZ 3704-Service on rotation basis
		PG Glass	R	4 902.00	19/01/2011	CZ 2533-Only local supplier
		Karoo Motors Werkswinkel	R	2 611.74	19/01/2011	CZ 8477-Rotation basis
		Karoo Motors Werkswinkel	R	3 339.06	06/01/2011	Roadworthy faults
		Karoo Motors Werkswinkel	R	3 339.06	06/01/2011	CZ 14769-Roadworthy faults
		George Lawnmowers	R	3 286.96	11/01/2011	No stock available in town
			R	4 941.67	26/01/2011	Agent for parts
		DTM George	R	2 569.78	24/01/2011	Agent for parts
			R	3 332.54	20/01/2011	Agent for parts
		Transtech	R	5 505.85	14/01/2011	CZ 3484-Service of compactor
		Diesel Services Beaufort West	R	2 702.37	06/01/2011	Replace fuel line and clean tank
		Beaufort West Electrical Repairs	R	2 613.90	29/01/2011	CZ 4651- Replace old starter with new one
		Auto Bodies	R	3 132.00	28/01/2011	CZ 4754-Insurance repairs
		Trentyre	R	2 400.00	11/01/2011	CZ 1849- New tyre and repairs
			R	2 015.00	11/01/2011	CZ 17137- New tyre
			R	5 400.00	27/01/2011	CZ 8769- New tyres
			R	2 024.00	20/01/2011	CZ 4032-Repairs
			R	3 670.00	20/01/2011	CZ 17137-Repairs
			R	2 935.73	26/01/2011	CZ 3084- New tyre
			R	2 400.00	26/01/2011	CZ 16556-New tyre
R	2 750.00	20/01/2011	CZ 8769-Repairs			

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			R 5 559.98	20/01/2011	CAW-43097-Repairs
			R 2 000.00	13/01/2011	Replace tyres of water truck-DTW 692 FS
			R 4 335.00	20/01/2011	CZ3703-Repairs

DEVIATIONS APPROVED BY MUNICIPAL MANAGER FOR FEBRUARY					
APPLICABLE PARAGRAPH IN SCM POLICY	SUPPLIERS	AMOUNT	DATE	REASON FOR DEVIATION	
(a)	Inclendon George	R 9 883.80	07/02/2011	Pipe+fittings for water crises	
		R 18 616.20	25/02/2011	Delivery of water pipes	
		R 46 090.20	02/02/2011	Delivery of water bottles	
	Diesel Services	R 22 674.60	11/02/2011	Shifting of water tanks	
	BKB	R 15 770.00	25/02/2011	Water tanks for water crisis	
	Civil Corp	R 6 270.00	15/02/2011	Pipe+fittings for water crises	
	Kontrei Elektries	R 126 000.00	04/02/2011	Water crisis: Supply and Erection of 11kV overhead to Walker's Dam	
	Beaufort-Wes Verkoeling	R 4 271.48	09/02/2011	Repair of Aircon Compressor	
	Well Tek Services	R 30 859.80	02/02/2011	Testing of boreholes	
(b)	SOLE SUPPLIER	Beaufort-Wes Alarms	R 6 292.80	08/02/2011	Only supplier that can provide service locally
(d)	Any exceptional case where it is impractical or impossible to follow the official procurement processes	Geowater Systems CC	R 5 392.20	09/02/2011	Supply of Solinst Water Level Meters 101 & 102
		PJ Sound and Vision	R 3 500.00	25/02/2011	Thanksgiving service for watercrises
		Danie's Enterprise	R 3 750.60	22/02/2011	Specialized printing services
		Karoo Park Ontspanningsklub	R 3 556.50	25/02/2011	Only available suitable venue for event- Honoured Citizenship
		Traffic Environmental Service	R 59 404.22	17/02/2011	Traffic Camera enforcement service procured prior to inception of SCM Policy
	R 46 880.78	25/02/2011			

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			R 29 574.43	04/02/2011	
		TS Consultants	R 7 110.75	17/02/2011	
			R 2 465.25	04/02/2011	
		TMS Hasler	R 11 100.00	24/02/2011	Service provider of a franking machine service procured prior to the inception of the SCM Policy
			R 6 400.00	03/02/2011	
		SM Consultants	R 31 330.00	16/02/2011	Service provider for distribution of traffic summonses
		Moving Violations Systems	R 4 423.20	23/02/2011	
		Geoss International	R 7 410.00	28/02/2011	Water resource monitoring software service provider
		Pressure Sealers	R 4 000.00	15/02/2011	Specialized repair service for pressure sealer machine
		Ubertech	R 93 469.00	25/02/2011	IT service provider for repairs&maintenance services
			R 44 049.60	23/02/2011	
			R 11 888.97	28/02/2011	
(d)(i)	any contract relating to the publication of notices and advertisements by the municipality	Media 24	R 6 091.98	08/02/2011	Newspaper agency circulating in the western cape
		Ayanda Mbanga Communications	R 24 501.06	07/02/2011	
		Die Courier	R 30 954.64	28/02/2011	Only Local Newspaper circulating in Central Karoo District
(d)(iii)	any contract with an organ of state, a local authority or a public utility corporation or company	Department of Transport	R 6 675.00	04/02/2011	Driving licence cards provided by Prodiba
(d)(v)	the appointment of any person to provide professional advice or services, where the value of such appointment is less than R200 000 or any such greater amount as may be legislated from time to time	D Louw	R 24 823.00	28/02/2011	Drafting of Reviewed Budget
			R 15 000.00	02/02/2011	Drafting of Article 72 Report & Annual Report
		H Rademeyer	R 23 940.00	08/02/2011	Legal services rendered
		Crawford Prokureurs	R 8 098.75	25/02/2011	Local Official Law Practitioner handling the transportations, valuation, legal services ect.
			R 6 162.50	21/02/2011	
		R 4 788.00	03/02/2011		
(d)(vi)	ad-hoc repairs to plant and	Cape Mowers CC	R 2 249.57	21/02/2011	Agents for parts

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equipment where it is not possible to ascertain the nature or extent of the work required in order to call for bids.	C Chubb	R 14 122.21	21/02/2011	CZ 8545-Repairs: Equipment
	Motolek B/Wes	R 2 500.00	07/02/2011	CZ 5401-New Wiper motor
	Beaufort Wes Toyota	R 5 444.66	15/02/2011	CZ 3465-Replace clutch kit
	WCC Cables (Pty) Ltd	R 33 459.00	28/02/2011	Strip & Repair Transformers
	Spectrum Communications (Pty) Ltd	R 26 880.00	09/02/2011	Repair of Telemetry System
	Raakvat Herstel Dienste	R 3 626.02	17/02/2011	Repair Services
	Excolink (Pty) Ltd	R 123 735.60	10/02/2011	Repair of brake testing machines at Vehicle testing station (essential service)
	CZ Mechanical	R 2 078.05	22/02/2011	CZ 14741 -CZ Mechanical on rotation basis.
		R 2 212.49	21/02/2011	CZ 8093 -CZ Mechanical on rotation basis.
	Diesel Service	R 4 725.30	08/02/2011	CZ 5234 -Diesel Services Beaufort Wes, vehicle on rotation basis
	George Lawn Mowers	R 5 435.55	22/02/2011	3X Grass cutters for repairs, suppliers is outside town
	Karoo Motors Werkswinkel	R 3 392.64	24/02/2011	CZ 3906- Repair brake lights, remove & fit fuel tank and replace oil seals
		R 14 565.78	24/02/2011	Remove, strip & clean engine and Overhaul complete & fit engine
		R 2 105.58	23/02/2011	CZ 1219 -On rotation basis
		R 5 332.92	23/02/2011	CZ 4118 -On rotation basis
		R 9 975.00	14/02/2011	CZ 5740 -Karoo Motors issue with roadworthy faults to repairs, on rotation basis
		R 14 565.78	24/02/2011	CZ 18436 -On rotation basis
		R 5 275.92	21/02/2011	CZ 10629 -On rotation basis
	Trentyre	R 3 616.97	17/02/2011	CZ 16556 – Available supplier
		R 2 400.00	15/02/2011	CZ 8769 -offer was the lowest
		R 2 015.00	24/02/2011	CZ 17137-New Tyre Repairs
	Kruipers Spares (Pty) Ltd	R 2 559.30	03/02/2011	CZ 16750-Repair of Vehicle
	B/West Precision Motor Eng.	R 83 676.00	24/02/2011	CZ 4032-Repairs

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DEVIATIONS APPROVED BY MUNICIPAL MANAGER FOR MARCH					
APPLICABLE PARAGRAPH IN SCM POLICY		SUPPLIERS	AMOUNT	DATE	REASON FOR DEVIATION
(a)	Emergency	JCR Du Toit Vervoer BK	R 20 520.00	28/03/2011	Transport of water from Touwsriver
(b)	SOLE SUPPLIER	Beaufort-Wes Alarms	R 9 222.60	04/03/2011	Only supplier that can provide service locally
		Elster Kent Metering (Pty) Ltd	R 24 840.58	09/03/2011	Elster Kent Metering (Pty) Ltd, is the sole supplier of the prepaid meters.
			R 34 814.46	11/03/2011	Elster Kent Metering (Pty) Ltd, is the sole supplier of the prepaid meters.
			R 57 558.60	28/03/2011	Elster Kent Metering (Pty) Ltd, is the sole supplier of the prepaid meters.
		Utility Systems	R 1 134.30	10/03/2011	They are the only supplier that can provide 50 WMD + HO CT Jumbo + s/ck + Meter + Seal.
		Karoo Betonwerke	R 15 260.00	30/03/2011	Only local manufacturer of concrete products.
		Karoo Fire	R 3 950.00	07/03/2011	Only Local supplier for the refill of fire distinguishers in Central Karoo District
(d)	Any exceptional case where it is impractical or impossible to follow the official procurement processes	Alles Vars Groentemark	R 5 615.64	04/03/2011	Supplier for the transportation of recycling material
		CZ Electrics	R 10 465.00	16/03/2011	The Electricity Department recommended CZ Electrical.
		Frames & Art	R 4 070.00	04/03/2011	Honourable citizenship for Amoré Bekker and Theuns Coetsee for their assistant in water crisis during December 2010.
		Outback Promotions	R 5 128.60	18/03/2011	Supplier is in position of a master copy of our emblem for embloiderly purposes.
		UberTech	R 33 692.70	15/03/2011	IT service provider for repairs&maintenance services
			R 2 223.00	24/03/2011	
R 12 939.00	31/03/2011				
R 44 049.60	22/03/2011				

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	Bright ideas	R 29 650.00	29/03/2011	Follow up training-Supervisor course	
	Total Client Service	R 7 980.00	28/03/2011	TCS provides software for the traffic service.	
	Traffic Environmental Service	R 67 444.85	29/03/2011	Traffic Camera enforcement service procured prior to inception of SCM Policy	
	Littlewood Funeral services	R 8 015.70	23/03/2011	The office was unable to acquire additional quotation without the consent of the family.	
	SM Consultants	R 59 400.00	24/03/2011	Service provider for distribution of traffic summonses	
	Traffic Environmental Service	R 7 005.54	01/03/2011	Traffic Camera enforcement service procured prior to inception of SCM Policy	
		R 19 102.54	18/03/2011		
		R 26 531.51	03/03/2011		
	Karoo Park Onspanningsklub	R 3 556.50	14/03/2011	Only available suitable venue for event- Honoured Citizenship	
	TMS Hasler	R 9 410.00	17/03/2011	Service provider of a franking machine service procured prior to the inception of the SCM Policy	
	Actebis 268 CC	R 5 112.90	17/03/2011	Service Provider for the removal of Hazardous Chemical Waste.	
	High Pressure Systems	R 2 406.99	23/03/2011	High Pressure Systems is an Authorised agent for the Bauer International.	
	E Esterhuizen	R 19 380.00	10/03/2011	The only supplier who was available to transport gravel.	
	CTE Water Tech cc	R 4 835.88	01/03/2011	Water purification urgently needed DR2800-Lithium Battery and it could not be found anywhere in the country.	
	Belloak™ Investment (Pty) Ltd	R 4 566.84	15/03/2011	System is under warranty till April 2011.	
	Spectrum Communications (Pty) Ltd	R 52 410.36	30/03/2011	Repair of Telemetry System	
	Syntell (Pty) Ltd	R 9 607.32	29/03/2011	Specialised service	
	De Jagers Loodgieter	R 3 180.50	31/03/2011	Only available supplier who could provide irrigation products.	
	M Vivier	R 4 060.00	31/03/2011	Available supplier for the replacement of lids at Sewerage pumps station.	
(d)(i)	any contract relating to the publication of notices and	Ayanda Mbanga Communication	R 24 245.70	23/03/2011	Agency placing advertisement for the municipality

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	advertisements by the municipality	Die Courier	R 3 011.65	23/03/2011	Only Local Newspaper circulating in Central Karoo District
		Radio Gamka Land	R 2 037.00	24/03/2011	Radio Gamka Land is the only radio station locally, to broadcast the very important honorary freedom event for Amore Bekker and Theuns Coetzee on the 22 February 2011.
		Media 24	R 6 091.98	30/03/2011	Newspaper agency circulating in the western cape
(d)(iii)	any contract with an organ of state, a local authority or a public utility corporation or company	Central Karoo District Municipality	R 6 273.43	30/03/2011	Maintenance of Merweville roads
			R 4 023.39	14/03/2011	Water testing services
		Department of Transport	R 22 800.00	28/03/2011	Driving licence cards - Prodiba
(d)(v)	the appointment of any person to provide professional advice or services, where the value of such appointment is less than R200 000 or any such greater amount as may be legislated from time to time	Crawfords	R 10 504.90	31/03/2011	Local Official Law Practitioner handling the transportations, valuations etc
		D.Louw	R 28 987.00	25/03/2011	Consultant services for compilation of Council's Budget
		A.G.L Murray	R 5 183.56	02/03/2011	Only local service provider for Balju services
		Sabata Municipal Solution	R 5 198.40	04/03/2011	Our financial management system service provider
			R 5 198.40	15/03/2011	
		Mubesko Africa	R 30 580.00	30/03/2011	Consultant services
		Karoo Motors Werkswinkel	R 4 669.44	29/03/2011	CZ81149- Karoo motors, on a rotation basis.
(d)(vi)	ad-hoc repairs to plant and equipment where it is not possible to ascertain the nature or extent of the work required in order to call for bids.		R 3 984.30	29/03/2011	CZ1311- Karoo motors, on a rotation basis.
			R 5 990.70	29/03/2011	CZ4118- Karoo motors, on a rotation basis.
			R 4 815.36	17/03/2011	CZ5401- Karoo motors, on a rotation basis.
			R 4 797.12	17/03/2011	CZ8769- Karoo motors, on a rotation basis.
			R 6 985.92	08/03/2011	CZ8477- Karoo motors, on a rotation basis.
			R 79 817.10	08/03/2011	CZ7713- Karoo motors, on a rotation basis.
			R 8 890.86	04/03/2011	CZ10084- Karoo motors, on a rotation basis.
			R 4 807.95	08/03/2011	CZ4118- Karoo motors, on a rotation basis.
		CZ Electrics	R 5 137.02	03/03/2011	A complete inspection and preliminary test had to be done on the Rustdene sport pub.
		Jupiter Towing	R 2 305.00	04/03/2011	CZ6556- There was a call out, and they were the only supplier available.

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		R 2 305.00	04/03/2011	CZ16556- There was a call out, and they were the only supplier available.
	Sentraal Karoo Autolec	R 2 500.00	09/03/2011	CZ5234-Sentraal Karoo Autolec, on a rotation basis
	F & R Phakisa Operations	R 4 414.37	10/03/2011	CZ3484- Vehicle guaranteed by the agent who did the service.
	Diesel services	R 4 725.30	29/03/2011	CZ5234- Diesel services, issue on rotation basis.
		R 4 332.00	29/03/2011	CZ16556- Diesel services, issue on rotation basis.
	Southern Cape Auto	R 3 627.40	24/03/2011	CZ2148- Parts were only available at the agent.
	CZ Mechanical Repairs	R 3 904.03	22/03/2011	CZ4164- CZ Mechanical, on rotation basis.
	George Lawn Mowers	R 2 188.80	24/03/2011	George Lawn Mowers are the only suppliers that supply Cub Caddet 50.
	Torro Green	R 22 239.89	14/03/2011	Cape Mowers is the Agent for Torro
	Kruiper Spares	R 5 865.07	16/03/2011	CZ8782- Kruiper Spares is the agent for caterpillar machines.
		R 6 999.60	04/03/2011	CZ52591- Kruiper Spares is the agent for caterpillar machines.
		R 109 000.00	02/03/2011	CZ4032-Kruiper Spares, is the cheapest supplier with the same guarantee as the other suppliers.
	Southern Cape Bolt	R 4 781.95	07/03/2011	Southern Cape Bolt, to buy tools, to do urgent work.
	Valken Grasnyers	R 2 210.60	14/03/2011	Cape Mowers Agent for grass cutters.
	Tren Tyre	R 2 673.82	29/03/2011	CZ5945- Only two quotations were received, whereby Tren Tyre was the lowest, the third one Erasmus Tyre does not keep stock, they only order on demand.

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		R 2 675.00	29/03/2011	CZ8149- Only two quotations were received, whereby Tren Tyre was the lowest, the third one Erasmus Tyre does not keep stock, they only order on demand.
		R 2 400.00	24/03/2011	Erasmus tyre were not able to provide new tyres, only received two quotations from suppliers, whereby Tren Tyre was the cheapest.
		R 2 675.00	04/03/2011	CZ16556- Tren Tyre offerd the lowest price.
		R 2 102.25	10/03/2011	CZ3373- Only two suppliers locally and Tren Tyre is the cheapest.
		R 2 564.45	04/03/2011	CZ1888- Offered the lowest price.
		R 3 573.90	02/03/2011	CZ8149- Offered the lowest price
	Transtech	R 5 505.85	31/03/2011	CZ- 3484 Transtech is the manufacturer of the Compactor.
	Stanmar Motors	R 5 620.31	04/03/2011	CZ1888- Only supplier that was available from the Mercedes Benz agent.
	WCC Cables (Pty) Ltd	R 36 086.30	31/03/2011	Strip & Repair Transformers
	Precision Motor	R 83 676.00	02/03/2011	CZ4032- Precision Motors, is the cheapest supplier with the same guarantee as the other suppliers.

DEVIATIONS APPROVED BY MUNICIPAL MANAGER FOR APRIL				
APPLICABLE PARAGRAPH IN SCM POLICY	SUPPLIERS	AMOUNT	DATE	REASON FOR DEVIATION
SOLE SUPPLIER	Ecoguard Distributors (Pty) Ltd	R 2 667.60	29/04/2011	Eco Guard is the manufacturer of ecoblue dye.
	W.M Van Der Heever	R 12 097.00	13/04/2011	Only Local Supplier Provide Surveying Services
	Elster Kent Metering (Pty) Ltd	R 3 560.22	06/04/2011	Elster Kent Metering (Pty) Ltd, is the sole supplier of the prepaid meters.
		R 13 754.06	28/04/2011	Elster Kent Metering (Pty) Ltd, is the sole supplier of the prepaid meters.

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(d)	Any exceptional case where it is impractical or impossible to follow the official procurement processes	Alles Vars Groentemark	R 5 684.04	21/04/2011	Supplier for the transportation of recycling material
		UberTech	R 21 637.20	07/04/2011	IT service provider for repairs&maintenance services
			R 44 049.60	21/04/2011	
			R 7 303.90	28/04/2011	
		Bright ideas	R 29 650.00	12/04/2011	Follow up training-Supervisor course
		High Pressure Systems	R 2 406.99	28/04/2011	High Pressure Systems is an Authorised agent for the Bauer International.
		Ceramco (Pty) Ltd	R 4 030.10	28/04/2011	Sabricon and Ian Dickies are the two service providers that can provide sewerage equipment.
		Cape Town Routes Unlimited	R 4 800.00	26/04/2011	Only receive rental accounts for rental from Cape Town Routes Unlimited.
		DR Theron & Van Niekerk	R 9 930.20	26/04/2011	Doctor has done the examination and treatment for the employees who are exposed to hazardous chemicals of the municipality.
		National Computer College	R 4 000.00	07/04/2011	The only service provider that can provide us with this course in locally.
		TMS Hasler	R 6 400.00	12/04/2011	Service provider of a franking machine service procured prior to the inception of the SCM Policy
		Traffic Environmental Service	R 3 815.00	08/04/2011	Traffic Camera enforcement service procured prior to inception of SCM Policy
			R 6 720.00	19/04/2011	
			R 7 210.00	21/04/2011	
			R 15 193.62	04/04/2011	
			R 19 824.32	07/04/2011	
			R 30 091.22	18/04/2011	
Geoss International	R 2 938.92	20/04/2011	Water resource monitoring software service provider		
Geo Water systems	R 5 392.20	07/04/2011	Supply of Solinst Water Level Meters 101 & 102		
Tanker Services	R 6 999.60	04/04/2011	Transport of water from Oudtshoorn		

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		E Esterhuizen	R 10 788.96	29/04/2011	The only supplier who was available to transport gravel.
(d)(i)	any contract relating to the publication of notices and advertisements by the municipality	Media 24	R 3 807.49	29/04/2011	Newspaper agency circulating in the western cape.
			R 4 738.20	12/04/2011	
			R 5 067.65	07/04/2011	
			R 6 768.86	28/04/2011	
		Die Courier	R 6 556.03	29/04/2011	Only Local Newspaper circulating in Central Karoo District.
			R 19 092.40	01/04/2011	
R 2 344.68	01/04/2011				
	any contract with an organ of state, a local authority or public utility corporation or company	Central Karoo District Municipality	R 6 063.70	26/04/2011	Maintenance of Merweville roads.
(d)(v)	the appointment of any person to provide professional advice or services, where the value of such appointment is less than R200 000 or any such greater amount as may be legislated from time to time	Ignite Advisory Service	R 12 312.00	04/04/2011	Service provider of Performance Management Software.
		A.G.L Murray	R 5 256.06	01/04/2011	Balju service
		Crawfords	R 3 672.40	01/04/2011	Local official, law practitioner handling the transportation valuation etc
			R 106 614.40	11/04/2011	
(d)(vi)	ad-hoc repairs to plant and equipment where it is not possible to ascertain the nature or extent of the work required in order to call for bids.	Karoo Motors Werkswinkel	R 5 906.34	07/04/2011	CZ2448- Karoo motors, on a rotation basis.
			R 3 192.00	07/04/2011	CZ7713- Karoo motors, on a rotation basis.
			R 4 987.50	08/04/2011	CZ17801- Karoo motors, on a rotation basis.
			R 2 673.30	07/04/2011	CZ8149- Karoo Motors, on a rotation basis.
		CZ Electrical	R 12 795.36	21/04/2011	Electrical fault repaired at Mimosa Library.
		Southern Cape Auto	R 2 967.91	07/04/2011	CZ2148- Parts were only available at the agent.
		CZ Mechanical Repairs	R 6 144.42	01/04/2011	CZ1888- CZ Mechanical, on rotation basis.
			R 3 903.03	11/04/2011	CZ4164- CZ Mechanical, on rotation basis.

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	George Lawn Mowers	R 2 026.32	04/04/2011	George Lawn Mowers are the only suppliers that supply Cub Caddet 50.
	Beaufort-West Lugreeling verkoeling	R 2 694.16	04/01/2011	The air conditioner had to be stripped and be tested to the extent of the repairs to be made.
	Kruiper Spares	R 7 695.00	18/04/2011	Kruiper Spares by agent.
		R 4 887.86	20/04/2011	
		R 2 559.30	28/04/2011	CZ16750- Kruiper Spares Agent.
		R 6 999.60	28/04/2011	CZ52591- Kruiper Spares Agent.
		R 5 865.07	28/04/2011	CZ8782- Kruiper Spares Agent.
	R & S Communications	R 5 280.48	14/04/2011	Repairs of radios
	Tren Tyre	R 2 675.00	28/04/2011	CZ8149- Only two quotations were received, whereby Tren Tyre was the lowest, the third one Erasmus Tyre does not keep stock, they only order on demand.
	Cape Mowers	R 2 210.60	28/04/2011	Valken mowers- Cape Mowers agent for mowers.
	BW Precision Motor	R 32 298.99	28/04/2011	CZ16556- Precision Motors, on a rotation basis.

DEVIATIONS APPROVED BY MUNICIPAL MANAGER FOR MAY					
APPLICABLE PARAGRAPH IN SCM POLICY	SUPPLIERS	AMOUNT	DATE	REASON FOR DEVIATION	
(a)	EMERGENCY	De Jager Loodgieter Kontrakteurs	R 2 089.95	31/05/2011	Urgent repair work had to be done to our irrigation systems

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		Perfecto Builders	R 3 420.00	31/05/2011	Only available supplier with TLB machine for urgent repair works
(b)	SOLE SUPPLIER	Elster Kent Metering (Pty) Ltd	R 10 277.09	31/05/2011	Elster Kent Metering (Pty) Ltd, is the sole supplier of the prepaid meters.
		Pressure Sealers	R 4 000.00	31/05/2011	Preventative Maintenance service and check settings
		E Esterhuizen	R 10 788.96	06/05/2011	The only supplier who was available to transport gravel.
		M Vivier	R 4 005.00	04/05/2011	The only supplier who was available.
		Aberdare Cables	R 152 258.40	17/05/2011	Manufacturer of electrical cables
		Beaufort-Wes Alarms	R 5 327.22	04/05/2011	Only supplier that can provide service locally.
			R 4 091.44	10/05/2011	
			R 3 642.35	10/05/2011	
		Karoo Drukkery	R 8 913.70	06/05/2011	Only supplier that can provide us with the specific stickers.
		Hue~Tone Manufacturing (Pty) Ltd	R 2 316.91	24/05/2011	The only supplier who could supply us with bar-code plates for Asset management.
		Spectrum Communications (Pty) Ltd	R 15 134.50	26/05/2011	The only supplier who supply their products. All the required products are needed for the telemetric system to function properly.
		Alles Vars Groentemark	R 6 395.40	31/05/2011	Supplier for the transportation of recycling material
(d)	Any exceptional case where it is impractical or impossible to follow the official procurement processes	UberTech	R 2 964.00	05/05/2011	IT service provider for repairs&maintenance services
			R 44 049.60	20/05/2011	
			R 28 055.40	24/05/2011	
		TMS Hasler	R 6 400.00	16/05/2011	Service provider of a franking machine service procured prior to the inception of the SCM Policy
		Karoo Betonwerke	R 23 023.44	04/05/2011	Only local manufacturer of concrete products.
			R 5 650.00	23/05/2011	

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			R 2 400.00	23/05/2011	
		Geoss International	R 19 598.99	25/05/2011	Water resource monitoring software service provider
		SM Consultants	R 64 200.00	05/05/2011	Service provider for distribution of traffic sumonsses
			R 30 150.00	31/05/2011	
		Traffic Environmental Service	R 28 697.20	05/05/2011	Traffic Camera enforcement service procured prior to inception of SCM Policy
			R 3 220.00	06/05/2011	
			R 19 585.25	17/05/2011	
			R 5 005.00	26/05/2011	
			R 21 665.56	30/05/2011	
(d)(i)	any contract relating to the publication of notices and advertisements by the municipality	Media 24	R 4 061.32	11/05/2011	Newspaper agency circulating in the western cape
			R 5 076.65	28/05/2011	
			R 3 807.49	26/05/2011	
			R 5 075.65	25/05/2010	
			R 5 076.65	25/05/2011	
		Die Courier	R 20 974.28	23/05/2011	Only Local Newspaper circulating in Central Karoo District
(d)(v)	the appointment of any person to provide professional advice or services, where the value of such appointment is less than R200 000 or any such greater amount as may be legislated from time to time	Ignite Advisory Service	R 8 539.10	13/05/2011	Service provider of Performance Management Software
		Crawfords	R 4 027.40	23/05/2011	Local Official Law Practitioner handling the tranportations,valuations etc
			R 8 558.30	26/05/2011	
			R 3 672.40	16/05/2011	
		W.M Van Der Heever	R 23 636.14	04/05/2011	Only Local Supplier Provide Surveying Services
Ubertech	R 17 510.40	11/05/2011	Switching of financial system data from CKDM to Sebata (Murraysburg)		

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(d)(vi)	ad-hoc repairs to plant and equipment where it is not possible to ascertain the nature or extent of the work required in order to call for bids.	Karoo Motors Werkswinkel	R 2 478.36	20/05/2011	CZ5307- Rotation basis.
			R 3 353.88	20/05/2011	CZ17920- Rotation basis.
			R 9 862.14	20/05/2011	CZ17137- Rotation basis.
			R 2 964.00	27/05/2011	CZ17469- Hino-Fuel Starvation. Are all on a rotation basis.
			R 4 970.40	03/05/2011	CZ8149- Rotation basis.
			R 9 918.00	03/05/2011	CZ5945-Repairs; brakes, handbrake, water leak and window winder. Out on rotating basis.
			R 4 943.04	30/05/2011	CZ2148- Hyundai-Replace oil sender terminal. Out on rotation basis.
			R 2 478.36	20/05/2011	CZ5307-Services and Faults. Vehicle out on a rotation basis.
			R 5 503.92	03/05/2011	CZ10085- Rotation basis.
		Motolek Beaufort West	R 3 083.70	19/05/2011	CZ8545-Rotation basis.
		Diesel services Beaufort West cc	R 5 954.22	05/05/2011	CZ8545-Out on rotation basis.
		B & B Sweiswerke	R 2 180.00	31/05/2011	The door of the safe had to be repaired, and necessary stripping had to be done
		Southern Cape Auto	R 3 627.40	24/05/2011	CZ2148- Parts were only available at the agent.
		George Lawn Mowers	R 4 039.90	19/05/2011	Parts were only available from the agent, George Lawn Mowers.
			R 2 668.04	19/05/2011	
		Kriess Hydraulics	R 18 901.20	23/05/2011	CZ16556- Craintruck - repairs of pump.
		R & S Communications	R 5 280.48	06/05/2011	Repairs of radios
Syntell	R 10 627.08	31/05/2011	Specialized repair services of traffic controller		
Precision Motor	R 13 839.60	27/05/2011	CZ6542-Repair pump-tractor		

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DEVIATIONS APPROVED BY MUNICIPAL MANAGER FOR JUNE					
APPLICABLE PARAGRAPH IN SCM POLICY	SUPPLIERS	AMOUNT	DATE	REASON FOR DEVIATION	
(a)	Emergency	Flo Specialized Product Solutions	R 6 247.20	28/06/2011	Urgent repair work had to be done to locate the faulty supply cable to the lande
		Trucon	R 8 002.80	01/06/2011	Only available supplier for hiring of TBL machine-Cleaning of sewerage channel
		Jirah Construction	R 7 200.00	03/06/2011	Only available supplier for hiring of equipment for Cleaning of sewerage channel
(b)	Sole Supplier	Penny Pinchers	R 4 009.58	20/06/2011	The only supplier who are immeditely available with the material
		E Esterhuizen	R 8 208.00	21/06/2011	The only supplier who can provide the municipality with a grader and trucks
			R 15 777.60	27/06/2011	
		Utility Systems	R 56 715.00	30/06/2011	They are the only supplier that can provide 50 WMD + HO CT Jumbo + s/ck + Meter + Seal.
		Elster Kent Metering (Pty) Ltd	R 10 277.09	29/06/2011	Elster Kent Metering (Pty) Ltd, is the sole supplier of the prepaid meters.
			R 3 072.30		
		Karoo Drukkery	R 2 380.60	21/06/2011	Only supplier that can provide us with the specific stickers.
			R 2 603.70	10/06/2011	Only local specialized printing supplier-budget
B&B Sweiswerke	R 5 942.00	07/06/2011	The only supplier who can lift and reinstall borehole pumps		

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			R 2 189.00	28/06/2011	Only supplier that can provide us with the specific service.
		Trucon	R 112 860.00	03/06/2011	Only available supplier for G5 material.
		Karoo Betonwerke	R 1 900.00	26/04/2011	Only local manufacturer of concrete products.
		ICASA	R 6 486.00	03/06/2011	Renewal notice for radio communication
		Beaufort-Wes Alarms	R 4 735.56	30/06/2011	Only supplier that can provide service locally.
			R 5 327.22	03/06/2011	
			R 8 710.29	21/06/2011	
		Beaufort West & Karoo C.L.C(Abet)	R 9 000.00	08/06/2011	Educational service for municipal officials after hours
(d)	Any exceptional case where it is impractical or impossible to follow the official procurement processes	Alles Vars Groentemark	R 6 395.40	02/06/2011	Supplier for the transportation of recycling material
		Ubertech	R 44 049.60	24/06/2011	IT service provider for repairs & maintenance services
			R 9 211.20	28/06/2011	
			R 9 376.50	15/06/2011	
			R 12 055.50	01/06/2011	
			R 18 023.40	30/06/2011	
		TMS Hasler	R 2 500.00	08/06/2011	Service provider of a franking machine service procured prior to the inception of the SCM Policy
			R 2 000.00	23/06/2011	
			R 2 000.00	24/06/2011	
		Garden Route Casino	R 6 350.00	15/06/2011	Accommodation cost for GRAP training at hotel
		Pressure Sealers	R 4 000.00	02/06/2011	Service of machine for printing of municipal accounts
		Swartberg Motors	R 75 000.00	13/06/2011	Second Hand Vehicle that was bought
		Mamela Driving School	R 4 300.00	29/06/2011	Only two suppliers locally to provide code EC1 services
Matoppo Inn	R 4 263.00	23/06/2011	Refreshments for workshop-BBP'S Marketing		

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		PJ Sound & Vision	R 4 000.00	30/06/2011	Only available supplier for sound systems for Council meeting
			R 2 500.00	28/06/2011	
		Raakvat Herstel Dienste	R 5 718.13	07/06/2011	Only two suppliers locally to provide services at Springfontein.
		Total Client Service	R 7 837.50	21/06/2011	TCS provides software for the traffic service.
		SM Consultants	R 48 600.00	23/06/2011	Service provider for distribution of traffic summonses
		Ignite Advisory Service	R 8 356.20	30/06/2011	Service provider of Performance Management Software
			R 11 058.00	13/06/2011	
			R 39 187.50	08/06/2011	
		IMQS Software	R 13 041.60	13/06/2011	Software services for water, sewerage and road services
		Traffic Environmental Service	R 2 067.39	02/06/2011	Traffic Camera enforcement service procured prior to inception of SCM Policy
			R 3 605.03	10/06/2011	
			R 6 891.30	06/06/2011	
			R 25 542.01	03/06/2011	
			R 26 770.50	15/06/2011	
(d)(i)	any contract relating to the publication of notices and advertisements by the municipality	MEDIA 24	R 3 807.49	25/06/2011	Notice No.67/2011 - SCM No. 28/2011
				R 3 045.99	17/06/2011
		Courier	R 23 135.26	01/06/2011	Only Local Newspaper circulating in Central Karoo District
				R 36 686.52	
	any contract with an organ of state, a local authority or a public utility corporation or company	Central Karoo District Municipality	R 2 694.51	10/06/2011	Maintenance of Merweville roads
				R 5 772.36	
(d)(v)	the appointment of any person to provide professional advice or services, where the value of	Mubesko Africa	R 12 500.00	14/06/2011	GRAP Workshop 2011 at Mosselbay
		Crawfords	R 3 036.00	27/06/2011	Local Official Law Practitioner handling the transportation, valuations etc
			R 4 737.40	06/06/2011	

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	such appointment is less than R200 000 or any such greater amount as may be legislated from time to time	A.G.L Murray	R 3 181.15	01/06/2011	Only service provider locally for Balju service
(d)(vi)	ad-hoc repairs to plant and equipment where it is not possible to ascertain the nature or extent of the work required in order to call for bids.	Auto Bodies CP NEL BEAUFORT WES	R 2 090.00	27/06/2011	CZ 2533 Repair accident damage
			R 4 619.00	15/06/2011	CZ 1902- Repair accident damage
			R 2 111.36	10/06/2011	CZ 5401 Isuzu vehicle- Agents
			R 2 844.30	10/06/2011	CZ 5929 Isuzu vehicle Repair starter
			R 3 117.42	10/06/2011	CZ 10629 Nissan Tida Repair Clutch
		Precision Motor	R 4 202.04	03/06/2011	CZ 4574 Massey Ferguson Tractor Repairs
		Karoo Motors	R 4 202.04	03/06/2011	CZ 4574-Repair Tractor
			R 3 967.20	20/06/2011	CZ 18436-Repairs to Mazda B2000
			R 4 504.14	07/06/2011	CZ 18436-Repairs faults
			R 3 431.40	20/06/2011	CZ 8149- Repairs truck
			R 5 977.02	07/06/2011	CZ 3703-Repairs to vehicle
		R 65 627.20	20/06/2011	CZ 4032- Repair transport box	

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Addendum 3

APPLICABLE PARAGRAPH IN SCM POLICY		SUPPLIERS	AMOUNT	DATE	REASON FOR DEVIATION
(d)	Any exceptional case where it is impractical or impossible to follow the official procurement processes	Stears Security	R 19 123.50	28/07/2010	Cash-in Transit Services
		Juta & Co Ltd	R 3 193.00	29/07/2010	Service provider for legislative issues
		Ubertech	R 41 744.70	27/07/2010	Repairs & maintenance computers
		Welcomp Computers	R 53 055.90	30/07/2010	
			R 3 229.21	16/07/2010	
		Lithotech	R 4 970.40	16/07/2010	Specialized printing services for municipal accounts
	Ignite	R 49 004.40	12/07/2010	Service provider of Performance Management Software	
(d)(i)	any contract relating to the publication of notices and advertisements by the municipality	Die Courier	R 4 815.27	27/07/2010	ADVERTISEMENTS- LOCAL PAPER
			R 7 884.81	27/07/2010	

APPLICABLE PARAGRAPH IN SCM POLICY		SUPPLIERS	AMOUNT	DATE	REASON FOR DEVIATION
(d)	Any exceptional case where it is impractical or impossible to follow the official procurement processes	Stears Security	R 19 123.50	2010/08/31	Cash-in Transit Services
		Quidity	R 3 648.00	2010/08/02	Service Provider of Application Software essential for Operation.
		Nyala Communications	R 2 599.01	2010/08/31	Web-hosting service provider
		TMS Hasler	R 6 400.00	2010/08/17	Service provider of a franking machine service procured prior to the inception of the SCM Policy
(d)(v)	the appointment of any person to provide professional advice or services, where the value of such appointment is less than R200 000 or any such greater amount as may be legislated from time to time	Rantsane Mario Training	R 6 838.86	2010/08/25	Executive secretaries training
		Ignite Advisory Service	R 43 057.80	2010/08/24	Service provider of Performance Management Software
		DMS	R 16 510.00	2010/08/03	Disaster risk management training

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APPLICABLE PARAGRAPH IN SCM POLICY		SUPPLIERS	AMOUNT	DATE	REASON FOR DEVIATION
(d)	Any exceptional case where it is impractical or impossible to follow the official procurement processes	Stears Security	R 19 123.50	2010/09/30	Cash-in Transit Services
		Quidity	R 3 648.00	2010/09/10	Service Provider of Application Software essential for Operation.
		Juta & Co Ltd	R 4 735.00	2010/09/30	Service provider for legislative issues
		TMS Hasler	R 6 400.00	2010/09/16	Service provider of a franking machine service procured prior to the inception of the SCM Policy
(d)(v)	the appointment of any person to provide professional advice or services, where the value of such appointment is less than R200 000 or any such greater amount as may be legislated from time to time	Rantsane Mario Training	R 6 838.86	2010/09/15	Executive secretaries training
		Ignite Advisory Service	R 12 312.00	2010/09/14	Service provider of Performance Management Software
		Alusani Skills & Training	R 6 838.86	2010/09/09	Construction training-JCL Smit

APPLICABLE PARAGRAPH IN SCM POLICY		SUPPLIERS	AMOUNT	DATE	REASON FOR DEVIATION
(d)	Any exceptional case where it is impractical or impossible to follow the official procurement processes	Stears Security	R 19 123.50	2010/10/29	Cash-in Transit Services
		Quidity	R 3 648.00	2010/10/14	Service Provider of Application Software essential for Operation.
		Nyala communications	R 2 599.01	2010/10/29	Web-hosting service provider
		Procon	R 2 850.00	2010/10/29	IT backup services
		TMS Hasler	R 6 400.00	2010/10/20	Service provider of a franking machine service procured prior to the inception of the SCM Policy
(d)(v)	the appointment of any person to provide professional advice or services, where the value of such appointment is less than R200 000 or any such greater amount as may be legislated from time to time	Ignite Advisory Service	R 6 726.00	2010/10/05	Service provider of Performance Management Software

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Applicable Paragraph In SCM Policy		Suppliers	Amount	Date	Reason For Deviation
(D)	Any Exceptional Case Where It Is Impractical Or Impossible To Follow The Official Procurement Processes	Stears Security	R 20 377.50	2010/11/30	Cash-In Transit Services
		Quidity	R 3 648.00	2010/11/29	Service Provider Of Application Software Essential For Operation.
(D)(V)	The Appointment Of Any Person To Provide Professional Advice Or Services, Where The Value Of Such Appointment Is Less Than R200 000 Or Any Such Greater Amount As May Be Legislated From Time To Time	Ignite Advisory Service			Service Provider Of Performance Management Software
			R 6 777.30	2010/11/10	
			R 22 800.00	2010/11/16	

APPLICABLE PARAGRAPH IN SCM POLICY		SUPPLIERS	AMOUNT	DATE	REASON FOR DEVIATION
(d)	Any exceptional case where it is impractical or impossible to follow the official procurement processes	Stears Security	R 20 377.50	28/12/2010	Cash-in Transit Services
		Quidity	R 3 648.00	28/12/2010	Service Provider of Application Software essential for Operation.
		Nyala communications	R 2 599.01	30/12/2010	Web-hosting service provider
		Centracell	R 13 829.50	31/12/2010	SMS services for Council
		Procon	R 5 700.00	31/12/2010	IT backup services

APPLICABLE PARAGRAPH IN SCM POLICY		SUPPLIERS	AMOUNT	DATE	REASON FOR DEVIATION
(d)	Any exceptional case where it is impractical or impossible to follow the official procurement processes	Quidity	R 3 648.00	17/01/2011	Service Provider of Application Software essential for Operation.

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		Centracell	R 12 390.70	31/01/2011	SMS services for Council
		Nyala Communications	R 2 599.01	31/01/2011	Web-hosting service provider
		Afrox	R 2 201.60	28/01/2011	Oxygen cylinders service provider
(d)(v)	the appointment of any person to provide professional advice or services, where the value of such appointment is less than R200 000 or any such greater amount as may be legislated from time to time	Ignite Advisory Service	R 44 767.80	10/01/2011	Service provider of Performance Management Software
			R 5 916.60	06/01/2011	
APPLICABLE PARAGRAPH IN SCM POLICY		SUPPLIERS	AMOUNT	DATE	REASON FOR DEVIATION
(d)	Any exceptional case where it is impractical or impossible to follow the official procurement processes	Quidity	R 3 648.00	14/02/2011	Service Provider of Application Software essential for Operation.
		Stears Security Services	R 33 516.00	01/02/2011	Cash-in Transit Services
			R 20 377.50	28/02/2011	
		Centracell	R 15 928.90	28/02/2011	SMS services for Council
		Nyala Communications	R 2 599.01	28/02/2011	Web-hosting service provider
(d)(v)	the appointment of any person to provide professional advice or services, where the value of such appointment is less than R200 000 or any such greater amount as may be legislated from time to time	Ignite Advisory Service	R 9 940.80	03/02/2011	Service provider of Performance Management Software
APPLICABLE PARAGRAPH IN SCM POLICY		SUPPLIERS	AMOUNT	DATE	REASON FOR DEVIATION
(d)	Any exceptional case where it is impractical or impossible to follow the official procurement processes	Quidity	R 3 648.00	15/03/2011	Service Provider of Application Software essential for Operation.

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		Stears Security Services	R 22 415.25	30/03/2011	Cash-in Transit Services
		Centracell	R 13 867.12	31/03/2011	SMS services for Council
		Nyala Communications	R 4 399.00	31/03/2011	Web-hosting service provider
(d)(v)	the appointment of any person to provide professional advice or services, where the value of such appointment is less than R200 000 or any such greater amount as may be legislated from time to time	Ignite Advisory Service	R 9 279.60	04/03/2011	Service provider of Performance Management Software

APPLICABLE PARAGRAPH IN SCM POLICY		SUPPLIERS	AMOUNT	DATE	REASON FOR DEVIATION
(d)	Any exceptional case where it is impractical or impossible to follow the official procurement processes	Quidity	R 3 648.00	14/04/2011	Service Provider of Application Software essential for Operation.
		Stears Security Services	R 22 415.25	26/04/2011	Cash-in Transit Services
		Nyala Communications	R 3 499.00	29/04/2011	Web-hosting service provider
(d)(v)	the appointment of any person to provide professional advice or services, where the value of such appointment is less than R200 000 or any such greater amount as may be legislated from time to time	Ignite Advisory Service	R 11 799.00	05/04/2011	Service provider of Performance Management Software

APPLICABLE PARAGRAPH IN SCM POLICY		SUPPLIERS	AMOUNT	DATE	REASON FOR DEVIATION
(d)	Any exceptional case where it is impractical or impossible to follow the official procurement processes	Quidity	R 3 648.00	12/05/2011	Service Provider of Application Software essential for Operation.
		Stears Security Services	R 21 035.85	30/05/2011	Cash-in Transit Services
		Centra cell	R 12 565.45	31/05/2011	SMS services for Council

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		Nyala Communications	R 3 499.00	31/05/2011	Web-hosting service provider
(d)(v)	the appointment of any person to provide professional advice or services, where the value of such appointment is less than R200 000 or any such greater amount as may be legislated from time to time	Ignite Advisory Service	R 30 426.60	11/05/2011	Service provider of Performance Management Software

APPLICABLE PARAGRAPH IN SCM POLICY		SUPPLIERS	AMOUNT	DATE	REASON FOR DEVIATION
(d)	Any exceptional case where it is impractical or impossible to follow the official procurement processes	Stears Security Services	R 21 035.85	30/06/2011	Cash-in Transit Services
		Juta	R 5 114.00	22/06/2011	Legislation information
		Centra cell	R 11 900.47	30/06/2011	SMS services for Council
		Nyala Communications	R 3 499.00	30/06/2011	Web-hosting service provider

REPORT OF THE AUDITOR-GENERAL TO THE WESTERN CAPE PROVINCIAL PARLIAMENT AND THE COUNCIL ON BEAUFORT WEST MUNICIPALITY

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the accompanying financial statements of the Beaufort West Municipality, which comprise the statement of financial position as at 30 June 2011, and the 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 information, as set out on pages 3 to 66.

Accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Local Government: Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2010 (Act No. 1 of 2010) (DoRA), and for such internal control as management determines necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor-General's responsibility

3. As required by section 188 of the Constitution of the Republic of South Africa, 1996 and section 4 of the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), my responsibility is to express an opinion on these financial statements based on my audit.
4. I conducted my audit in accordance with International Standards on Auditing and *General Notice 1111 of 2010* issued in *Government Gazette 33872 of 15 December 2010*. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
6. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

7. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Beaufort West Municipality as at 30 June 2011, and its financial performance and cash flows for the year then ended in accordance with SA Standards of GRAP and the requirements of the MFMA and DoRA.

Emphasis of matters

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

Restatement of corresponding figures

9. As disclosed in note 34 to the financial statements, the corresponding figures for 30 June 2010 have been restated as a result of errors discovered during the 2010-11 financial year in the financial statements of the Beaufort West Municipality at and for the year ended, 30 June 2010.

Material losses and impairments

10. As disclosed in note 41.4 to the financial statements the municipality incurred, material water losses of 23,5% or 336 009 kilolitres, as well as material electricity losses of 15,6% or 8 597 093 kilowatts.

11. As disclosed in note 28 to the financial statements, trade receivables have been materially impaired by R19 496 310.

Material underspending of the budget

12. As disclosed in note 40.3 to the financial statements, the municipality has materially underspent its capital budget by R10 054 809 (18% of budget). As a consequence, the municipality has not fully achieved the service delivery objectives relating to the Public Transport Infrastructure Project on sidewalks and paving, roads in the industrial area and the N1 storm water project.

Additional matter

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

Unaudited supplementary schedules

14. The supplementary annexures set out on pages 67 to 127 do not form part of the financial statements and are presented as additional information. I have not audited these schedules and accordingly I do not express an opinion thereon.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

15. In accordance with the PAA and in terms of *General notice 1111 of 2010*, issued in *Government Gazette 33872 of 15 December 2010*, I include below my findings on the annual performance report as set out on pages xxx to xxx and material non-compliance with laws and regulations applicable to the municipality.

Predetermined objectives

Usefulness of information

16. The reported performance information was deficient in respect of the following criteria:

- **Relevance:** There is no clear and logical link between the objectives, outcomes, outputs, indicators and performance targets.
- **Measurability:** The indicators are not well defined and verifiable, and targets are not specific, measurable and time bound.

17. The following audit findings relate to the above criteria:

- For the selected indicators, 31% of the indicators were not well defined in clearly identifying the nature and the required level of performance.
- For the selected targets, 53% of the targets were not measurable in identifying the required performance and not time-bound in respect of identifying specific target dates.

Reliability of information

18. The reported performance information was deficient in respect of the following criteria:

- Validity: The reported performance did not occur and does not pertain to the entity.
- Accuracy: The amounts, numbers and other data relating to reported actual performance have not been recorded and reported appropriately.
- Completeness: All actual results and events that should have been recorded have not been included in the reported performance information.

19. The following audit finding relates to the above criteria:

- For the selected objectives the validity, accuracy and completeness of 78% of the reported targets selected could not be established as sufficient appropriate audit evidence and relevant source documentation could not be provided.

Compliance with laws and regulations

Procurement and contract management

20. Awards were made to providers whose directors or principal shareholders are persons in service of other state institutions in contravention of the requirements of SCM regulations 44.

Budgets

21. The municipality incurred expenditure in excess of the limits of the amounts provided for in the votes in the approved budget, in contravention of section 15 of the MFMA.

INTERNAL CONTROL

22. In accordance with the PAA and in terms of *General notice 1111 of 2010*, issued in *Government Gazette 33872 of 15 December 2010*, I considered internal control relevant to my audit, but not for the purpose of expressing an opinion on the effectiveness of internal control. The matters reported below are limited to the significant deficiencies that resulted in the findings on the annual performance report and the findings on compliance with laws and regulations included in this report.

Leadership

23. The accounting officer did not identify and mitigate the risk of unauthorised expenditure, as part of its budget and expenditure management.
24. With regard to predetermined objectives, the accounting officer did not exercise adequate oversight responsibility over reporting to ensure complete and accurate reporting on predetermined objectives and over compliance with the relevant laws and regulations.

Financial and performance management

25. A lack of oversight by management resulted in inadequate monitoring of compliance with applicable laws and regulations to ensure that indicators and targets are logically linked in accordance with the guidelines.

Auditor-General

Cape Town

30 November 2011



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

**REPORT OF THE AUDIT COMMITTEE
FOR THE YEAR ENDED 30 JUNE 2011**

**REPORT OF THE AUDIT COMMITTEE TO THE EXECUTIVE MAYORAL
COMMITTEE AND COUNCIL OF THE BEUAFORT WEST MUNICIPALITY**

The Committee presents its report for the financial year ended 30 June 2011.

AUDIT COMMITTEE MEMBERS AND ATTENDANCE

The committee consisting of a minimum of four members as listed below, should meet at least four times per annum as per its approved terms of reference and additional special meetings may be held as the need arises. During the year under review, three Audit Committee meetings were held. The fourth meeting was not held due to the absence of the internal auditor who was on maternity leave. No specific meetings were held with the Auditor-General.

Name of Member	Number of meetings attended
Mr A. Hooker (Chairperson)	3
Mr K.E. McKay (Deputy Chairperson)	3
Mr W. Hawker	3
Ms T. Solomon	3

AUDIT COMMITTEE RESPONSIBILITY

The committee reports that it has, as far as possible, complied with its responsibilities arising from the audit charter, including relevant legislative requirements.

REVIEW AND EVALUATION OF THE ANNUAL FINANCIAL STATEMENTS

The Committee is pleased that the Auditor-General issued an unqualified audit opinion on the annual financial statements of the municipality for the year ended 30 June 2011. It should be noted that it is the 5th consecutive unqualified audit opinion. However, the Committee would like to urge management to move from an unqualified to a clean audit report. The annual financial statements were prepared in accordance with the standards of GRAP and in a manner required by the Local Government Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act, 2007 (Act No. 1 of 2007) (DoRA). The Committee draws attention to the emphasis of matters and other paragraphs contained in the Auditor-General's report.

EFFICIENCY AND EFFECTIVENESS OF INTERNAL CONTROL

The Committee has considered the work performed by Internal Audit and wish to highlight the following areas that require attention:

- Although the municipality has a number of policies and standard procedures in place, these are not well documented in a standard operating procedure manual. It is however noted that the municipality is currently in process of compiling such a manual.
- Compliance with laws and regulations;
- The delegation of authority must be reviewed and updated, and sub-delegations should also be documented and implemented; and
- Monthly reconciliations of inventory, creditors, assets and VAT should be performed.

Sustainability

There is a lack of capital expenditure to upgrade infrastructure and to build new infrastructure. Furthermore, the vacancy rate and filling of vacancies are also cause for concern. The municipality's risk management programme and occupational health and safety should be improved. A disaster recovery plan needs to be compiled.

Legislation, regulations, policies and procedures

There is inconsistent application of policies and improved communication of policies is required to ensure consistency in the application thereof. Some policies and procedures still have to be formalized and/or reviewed.

Information technology

There is a lack of an IT continuity controls to ensure the availability of performance and financial information in instances of data loss or a disaster. No capacity planning for IT applications and infrastructure exists within the municipality.

Internal Audit

A risk based audit plan was adopted and internal audit work was performed in accordance with the plan. However, the municipality has only one staff member assisted by an intern in the internal audit section which is insufficient as was proved when the internal auditor was on maternity leave.

SCOPA

The municipality does not have a Standing Committee on Public Accounts to strengthen the oversight function. An oversight committee was established to review the annual report.

PERFORMANCE MEASUREMENT

Although there have been improvements in the performance reporting to Council, the Committee wishes to highlight the following areas that require attention:

- The indicators were not well defined and verifiable and targets are not specific, measurable and time-bound;
- Sufficient and appropriate evidence and relevant source documentation could not be provided.

RISK MANAGEMENT

The municipality has conducted a risk assessment but no action plans were compiled to address the identified risks.

A risk management policy and framework exists but further initiatives are required to embed risk management in the municipality. These include the establishment of departmental risk management committees and risk champions.

CONCLUSION

The Committee is pleased with the unqualified opinion as expressed by the Auditor-General on the annual financial statements of the municipality for the year ended 30 June 2011. It is also noted that whilst there has been some improvements in risk management, internal control, performance management and overall governance, much still has to be done to achieve a clean audit report. The Committee concurs and accepts the conclusions of the Auditor-General.

The Committee recommends the acceptance of the Audited Financial Statements for the year ended 30 June 2011.

A. Hooker

Chairperson of the Audit Committee

11 January 2012