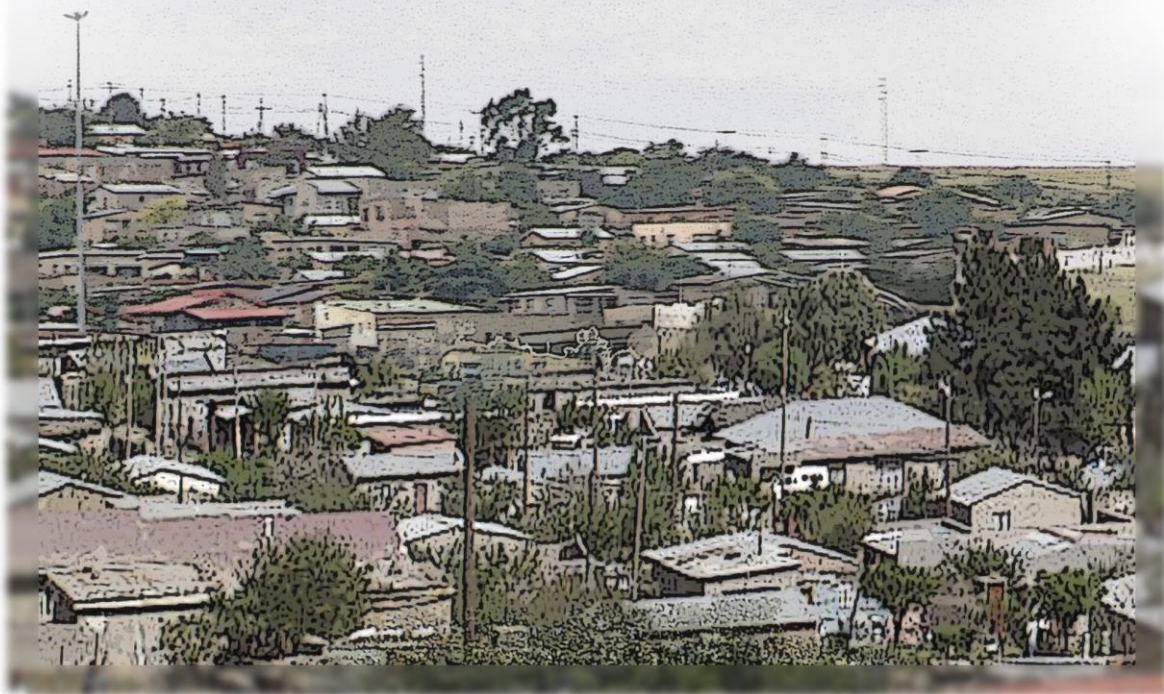


Chapter 2

Governance



2.1 Political and Administrative Governance

Political Leadership



 Mayor Cllr. M. Molapisi Finance Chairperson (PR)	 Cllr. P. Nkomo Speaker				
 Cllr. M. Malindi Chief Whip (PR)	 Cllr. M. Moloedi Petrus Steyn Ward 2	 Cllr. M. Mphaka Arlington (PR)	 Cllr. M. Bignaut Reitz Ward 6		
 Cllr. N. Tshabalala Petsane Ward 7	 Cllr. T Radebe Lindley Ward 3	 Cllr. G. Nhlapo Arlington Ward 5	 Cllr. M. Semela Petsana Ward 9	 Cllr. P. Moshoadiba Lindley (PR)	 Cllr. P. Mofokeng Lindley Ward 4
 Cllr. S. Henning Lindley (PR)	 Cllr. P. Sibeko Reitz Ward 6	 Cllr. M. Nakedi Petrus Steyn	 Cllr. M. Mosia Petrus Steyn Ward 1	 Cllr. K Mokoena Petsane Ward 8	

Not present when photo's were taken
Cllr. S. du Preez

Administrative Leadership



L.I. Mokgathle
Municipal Manager



S.M. Nhlapo
Director Corporate Services



M. Manzi
Director Community Services



M. Moletsane
Director Technical Services



F. Mzizi
Acting Chief Financial Officer

Mayor		Speaker	
Executive Committee	MD Molapisi (PR - ANC) Lindley MS.Malindi (PR - ANC) Chief Whip Arlington PM Moloedi (Ward 2 - ANC) PetrusSteyn MR.Mphaka (PR - ANC) Arlington M Blignaut (Ward 6 - DA) Reitz	IDP Standing Committee	NP Nkomo (PR - ANC) Reitz Mayor MD Molapisi Cllr MS Malindi Cllr PM Moloedi Cllr MR Mphaka Cllr M Blignaut MM: LI Mogatlhe Directors: MS Nhlapo, MP Manzi, MM Moletsane, FV Mzizi Manager IDP &PMS: S.Venter
Finance Standing Committee	Cllr. MD Molapisi Chairperson Cllr. KA Mokoena Cllr. SG Henning Cllr. MT Nakedi Cllr MJ Mosia	Human Resources Standing Committee	Cllr. PM Moloedi Chairperson Cllr. LG Nhlapo Cllr. NS Tshabalala Cllr. MS Semela
Community Services Standing Committee	Cllr MR Mphaka Chairperson Cllr PA Sibeko Cllr. TP Radebe Cllr. SJS Du Preez	Technical Services and Infrastructure Development Standing Committee	Cllr. MS Malindi Chairperson Cllr. PP Mofokeng Cllr. M Blignaut Cllr PZ Moshwadiba

2.1.1 Ward Committees

Figure / Table 2.2: Ward Committee Members

WARD 1 COMMITTEE MEMBERS	WARD 2 COMMITTEE MEMBERS
Cllr. MJ Mosia	Cllr PM Moloedi
1. Maria Mkhwanazi	1. Mmatefo Merriam Nkomo
2. Ida Mokoena	2. Lindiwe Elizabeth
3. Dikiledi Mokoena	3. Monaheng Peter Mokoena
4. Seipati Letsela	4. Simon Tshabalala
5. Madilahloane Sompane	5. Lolo Elias Motaung
6. Thabo Mokoena	6. Mantwa Anna Motaung
7. Daniël Rantso	7. Kgantshe Mofokeng
8. Mbangiso Radebe	8. Mamollo Sana Lelemakoro
9. Elias Moloedi	9. Daniël Nthebe
10. Joseph Mokoena	10. Khahliso Abram Mosia

WARD 3 COMMITTEE MEMBERS	WARD 4 COMMITTEE MEMBERS
Cllr. TP Radebe	Cllr. PP Mofokeng
1. Joël Moosi	1. Mafa Sithole
2. Tieho Leotlela	2. Oupa Nala
3. Johannes Tshabalala	3. Masontaha Mofokeng
4. Monica Matona	4. Lefu Radebe
5. Modiehi Mofokeng	5. Mamosebetsi Mofokeng
6. Gilbert Khumalo	6. Mantja Mofokeng
7. Mlindwane Mpembe	7. Thethiwe Letha
8. Emily Mosia	8. Lerato Mofokeng
9. Joshua Mosia	9. Joseph Shibila
10. David Tladi	10. Johannes Colyn Lamber

WARD 5 COMMITTEE MEMBERS	WARD 6 COMMITTEE MEMBERS
Cllr.LG Nhlapo	Cllr M Blignaut
1. Matshosana Mofokeng	1. Nhlanhla Gaba
2. Kgubedu Mofokeng	2. Betty Nyambose
3. Sello Mokoena	3. Jabulani Nhlapo
4. Molefi Mokoena	4. Mataleate Tshabalala
5. Themba Mbele	5. Thabang Mokoena
6. Motumi Mothamaha	6. Margaret Motsitsi
7. M Mofokeng	7. Daniël Mofokeng
8. Machere Mofokeng	8. Lucas Mposula
9. Fusi Hlahane	9. Mzondeki Maseko
10. Mamphoro Matla	10. -

WARD 7 COMMITTEE MEMBERS	WARD 8 COMMITTEE MEMBERS
Cllr NS Tshabalala	Cllr. KA Mokoena
1. Mathokoana Rasebonang	1. Teboho Mokoena
2. Julia Mphuthi	2. Pule Mahlangu
3. Vangile Mbhela	3. Phinda Dlamini
4. Velaphi Mhlambi	4. John Miya
5. Emma Mofokeng	5. Ntsietseng Mokoena
6. Selina Motaung	6. Khali Mazibuko
7. Mbuyiswa Sithebe	7. Mmadieketseng Mokoena
8. Jabulani Mzizi	8. Vigile Mnguni
9. Sarah Tsotetsi	9. Sarah Tsotetsi
10. Fikile Mphuthi	10. Mokula Molefe

WARD 9 COMMITTEE MEMBERS
Cllr. MS Semela
1. Maria Mokoena
2. Lefu Sotetsi
3. Mosebetsi Radebe
4. Jankie Sekgotho
5. Ditaba Motsoeneng
6. Lucy Molakeng
7. Masontaha Molefe
8. Sonto Mnguni
9. Fikile Makhoba
10. Fanyana Bocibo

Component B: Intergovernmental Relations

Intergovernmental Forums utilised by the Nketoanana Local Municipality:

- Premier's Coordinating Forum (MM and Mayor)
- Premier's Coordinating Technical Forum (MM and Technical Managers)
- SALGA: LED Committee, Finance Committee, Corporate Governance Committee
- Province:
- DWA: Bulk Water Committee
- COGTA: Infrastructure Forum
- District: DME and Electricity Forum, LED Forum, Finance Forum, Technical Forum

Component C: Public Accountability and Participation

The Nketoanana municipality has put in place specific arrangements to ensure the realisation of public accountability in and between its political and administrative branches. These arrangements include the following:

- The separation of duties, with a formal, written set of delegation of powers and authority to arrange the relationship among these various structures.
- Institutional controls, including information systems, administrative policies, plans and strategies.
- The implementation of strategic planning arrangements (IDP, SDBIPs) to formalise Council's performance priorities and guide managers in their operational activities.
- The implementation of a performance management system to monitor and evaluation the performance of the municipality and its managers against the IDP and SDBIP objectives and targets.
- An Audit Committee evaluate the service delivery and financial performance of the municipality and advise Council and management regarding appropriate improvement enhancing initiatives and controls.

The Municipality involve our communities in its affairs by means of public advertisements of the Integrated Development Plan and Service Delivery and Budget Implementation Plan, as well as its performance plans, with specific reference to the Annual Report. They also advertise the activities of the Oversight Report and invite participation from their communities.

The community also participate through the structures of the IDP Representative Forum and the annual IDP and budget road shows that we conduct annually. Politicians and managers also conduct public engagement session when major new (or reviewed) by-laws, policies, strategic or sector plans and strategies are considered.

2.2 IDP Participation and Alignment

The Municipality compiles its IDP in terms of the relevant laws and regulations; implying the following:

- The municipality has identified impact, outcome, input and output indicators
- The IDP contains priorities, key performance indicators and development strategies
- The IDP has short, medium and long-term strategic targets
- The budget is alignment with the performance indicators and targets from the IDP
- The IDP is aligned to the performance agreements of section 56/57 managers
- The IDP indicators and targets are translated into in-year performance indicators and targets through the SDBIP
- The IDP and SDBIP indicators are translated to the public
- A mid-year budget and performance report and an Annual Report were compiled to reflect performance in terms of the IDP and SDBIP

Persisting challenges that reduce the efficiency of existing community engagement structures and processes include the following:

- The possibility always exist that community members and stakeholders do not turn up for meetings. Varied methods of notifying people of the meetings are used to ensure optimum attendance of meetings.

Component D: Corporate Governance

The Municipality has considerably strengthened its corporate governance capacity with implementation of an Audit Committee and the approval of an Anti-fraud and Corruption Policy.

2.3 Risk Management

Accountability is the key to providing a deterrent for fraud and theft. Training limits the opportunity for staff to claim ignorance when policies are being enforced as stated in the Fraud Prevention Plan Strategy.

Risk assessment should address both the internal and external environments and they should cover all functions and operations to establish the level, nature, form and likelihood of risk exposure. This is accomplished by the:

- Identification of specific fraud risks that may be present within each operational management unit
- Assessment of the effectiveness of internal controls in force that would tend to impact on the risks identified.
- Determine of an overall risk rating for each risk identified
- Development of strategic measures to counter the impact of each fraud risk in light of individual risk ratings.

A risk management plan has since been compiled; which will inform the internal audit plan of the municipality.

The Municipality has identified the following key risks:

- Global Warming - Unsustainable extraction of freshwater and other human interference with the water cycle are the immediate causes of water scarcity within a river basin as well as reductions in rain falls which will affect the supply of clean water. Increase in air pollution also affects the quality of water. These will ultimately lead to an increase in purification costs.

- Disaster mechanisms shortfalls. The backups of the financial systems are stored on site, no off-site storage of backups is being done. The data that is back up on site is not tested to ensure it can be restored should the need arise.
- Cost recovery: The municipality has not been able to collect all its debts effectively. Consumer debtors amounted to R195 million in the previous financial year. Provision for impairment amounted to R153 million. There has been slow recovery of debts from the consumer. Non-payments could affect the income generation capacity of the entity and threaten the survival of the municipality.
- Roads Infrastructure: Poor condition and poor maintenance of internal roads infrastructure which impact the service delivery.
- The municipality is rendering the fire brigade services. The staff and equipment located at the Head office has to service the whole of Nketoana Area. However the municipality does not have the necessary equipment and staff to render these services.
- There is a shortage supply of bulk water supply in Petrus Steyn, Lindley and Arlington which affects the service delivery.
- Water networks need to be upgraded so as to avoid possible water contaminations, spillage of water and improve the quality of drinking water.
- Electricity distribution system is currently operating at full capacity and has to be upgraded in order to accommodate future extensions. Existing low voltage problems experienced will also have to be upgraded in future.
- Storm Water: Almost 70% of all systems in both Reitz and Petsana are not functioning properly which could lead to flooding. The lack of maintenance of existing storm water systems contribute to the problem. The maintenance of existing channels are poor and render the channels ineffective when storm water needs to be controlled.
- The municipality renders services with very old vehicles. Equipment maintenance is done regularly due to the age and vehicles spares are not always available. Consequently it becomes very costly for the municipality to maintain and service the vehicles.
- Sanitation: VIP toilets in Arlington need to be converted to water bourn systems.
- There is a lack of distribution failures reporting mechanisms. The community may not be informed timeously regarding electricity and water failures.
- Water Affairs Minister red flagged Nketoana Local Municipality as one of the municipalities within the Free State where residents were warned about the conditions of tap water.

2.4 Anti-Corruption and Fraud

The terms fraud and other fiscal irregularities refer to, but are not limited to:

- Any dishonest or fraudulent act,
- Forgery or alteration of any document, or account belonging to a customer,
- Forgery or alteration of a cheque, bank draft, or any other financial document,
- Misappropriation of funds, securities, supplies, or other assets,
- Impropriety in the handling or reporting of money of financial transactions,
- Accepting or seeking anything of (material) value from vendors or persons providing services/materials to the council (exception: perishable gift less than R100.00 in value intended for a group of employees, such as, (candy, flowers), and which are disclosed.
- Destruction or disappearance of records, furniture, fixtures, or equipment,

- Disclosing to outside persons security arrangement and procedures.
- Irregularities with procurement.

The Municipality has adopted a Fraud Prevention Plan Strategy, which touch on the following matters:

- Nketoana Local Municipality subscribes to the principles of good corporate governance, which requires conducting business in an honest and transparent fashion.
- Consequently Nketoana Local Municipality is committed to fighting fraudulent behaviour at all levels within the organization.
- The Plan is premised on the organizations core ethical values driving the business of
- Nketoana Local Municipality, the development of its systems, policies and procedures, the public and other stakeholders, and even decision-making by individual managers representing the organization. This means that in practice all departments and other business units of Nketoana Local Municipality and even external stakeholders must be guided by the plan as the point of reference for their conduct in relation to Nketoana Local Municipality.
- In addition to promoting ethical conduct within Nketoana Local Municipality, the Plan is also intended to assist in preventing, detecting, investigating and sanctioning fraud and corruption.
- This dynamic document details the steps, which have been, and will continually be taken by Nketoana Local Municipality to promote ethical conduct and address fraud and corruption.

The municipality has further also introduced the following measures to combat fraud and corruption in its ranks:

- Nketoana Local Municipality has created an Internal Audit Unit, which will include anticorruption capacity under the guidance of an Audit Committee. In terms of its Charter, the primary role of the Audit Committee will be to:
 - Evaluate the performance of internal audit;
 - Review the internal audit function's compliance with its mandate as approved by the Audit Committee;
 - Review and approve the internal audit charter, internal audit plans and internal audit's conclusions with regard to internal control;
 - Review significant differences of opinion between management and internal audit function;

Fraud Prevention Plan for Nketoana Local Municipality

- Evaluate the independence and effectiveness of internal auditors; and
- Review the co-operation and co-ordination between the internal and external audit function and co-coordinating the formal internal audit work plans with external auditors to avoid duplication of work.

The anti-corruption capacity within Nketoana Local municipality will be responsible for the investigation of allegations of fraud and corruption that is brought to its attention. Additionally, it will support the risk management procedures from a fraud risk identification perspective.

Nketoana Local Municipality recognises the fact that the positive support by all its managers for Internal Audit and its functions, speedy response to, and the addressing of queries raised by Internal Audit is vital

to the success of the Plan. Where managers are found to be slow in addressing internal control and shortcomings raised by Internal Audit, firm action will be considered.

- Awareness strategies will also be developed to enhance managers' understanding of the role of Internal Audit.
- Nketoana local Municipality is also the subject of annual external audits. These audits include the following tasks:
- Examining evidence supporting the amounts and disclosures in the financial statements;
- Assessing the accounting principles used and significant estimates made by management; and
- Evaluating the overall financial statement presentation.

2.5 Supply Chain Management

The Council implemented a Supply Chain Management policy and system. The policy regulates the procurement of goods and services for the municipality; as well as the management of and control over major municipal assets.

During the 2012/13 financial year, orders and procurement from the operating budget were as follows:

Figure / Table 2.3: Orders and Procurement, 2012/13

Month	Financial Services	Corporate Services	Community Services	Technical Services	Municipal Manager	Capital Projects
Jul 2012	682925.27	785830.63	3469448.00	278870.67	149057.64	1242860.68
Aug 2012	446512.08	406448.79	185728.74	7462409.64	144899.16	923468.54
Sep 2012	1536605.86	428783.09	414067.12	4900533.98	202111.82	1066484.42
Oct 2012	291644.54	827457.48	1544496.49	73352631.48	585665.84	1118104.90
Nov 2012	327541.06	672598.26	663928.11	3286571.07	967969.64	2680733.45
Dec 2012	954097.99	810291.78	1269288.33	3855027.34	223672.94	1123652.89
Jan 2013	2202482.28	617834.98	808844.60	6890337.94	1888042.16	893446.95
Feb 2013	420643.33	682877.55	1984023.01	2761105.41	118460.57	1784319.98
Mar 2013	1080027.20	1346812.80	510827.90	3193995.44	903609.04	4845011.84
Apr 2013	315892.51	1202208.45	2587282.90	8895748.32	226318.48	4970677.16
May 2013	510756.91	640716.52	2193032.11	8222884.67	722209.60	5090032.25
Jun 2013	407363.22	1669244.38	1678491.38	6001785.69	651294.98	2377561.00

2.6 Web-site (www.Nketoanana.gov.za)

The municipality maintains a web-site at www.Nketoanana.gov.za. Although it has not been fully populated by the closing of the 2011/12 financial year, the loading of the required documentation onto the municipality's web-site is currently enjoying attention:

- Current annual and adjustment budgets and related budget documentation
- All current budget-related policies
- The Annual Report
- The current performance agreements of section 57 managers
- All service delivery agreements
- All long-term borrowing contracts
- All supply chain management contracts above the prescribed value
- An information statement containing a list of assets over a prescribed value that has been disposed of in terms of section 14 (2) and (4) of the Municipal Finance Management Act, 2003
- Public-private partnerships agreements entered into by the municipality (if any)
- All quarterly performance reports

