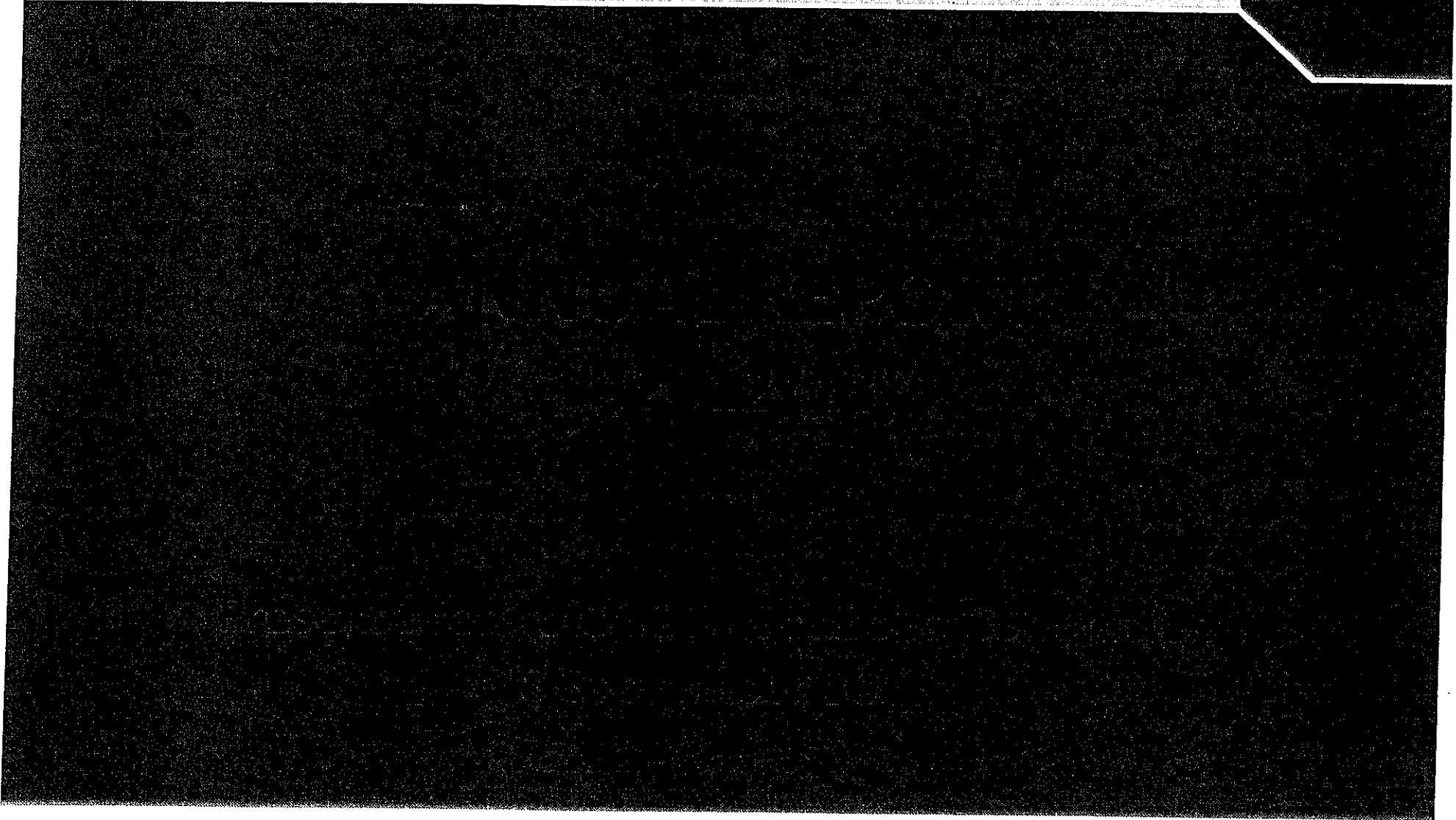


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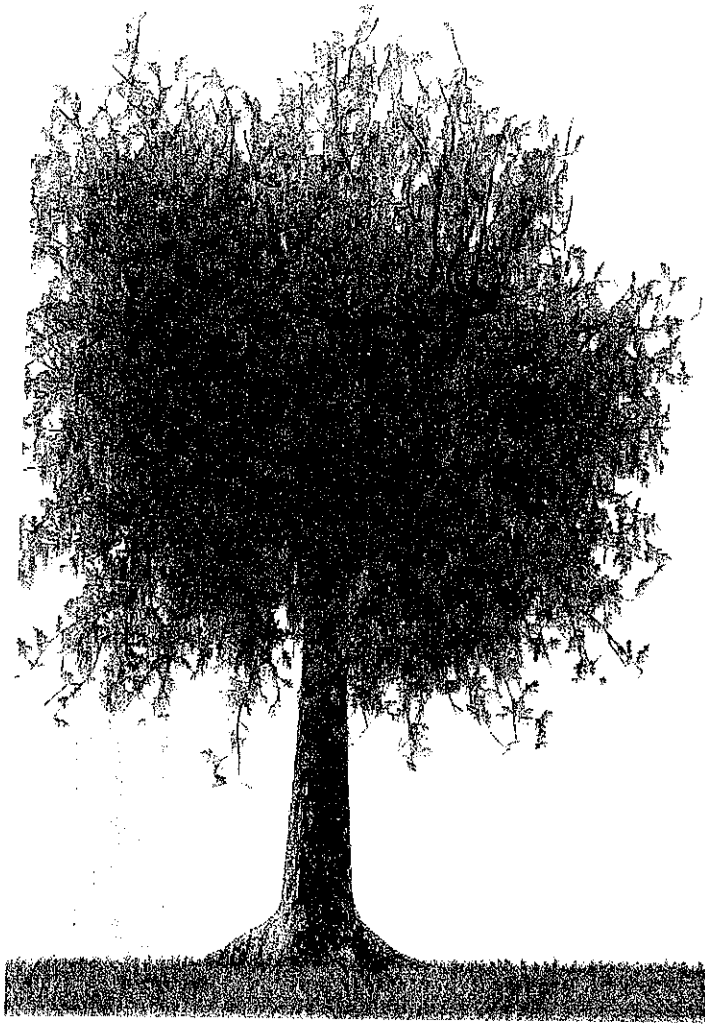


THE PRESENTATION COVERS:

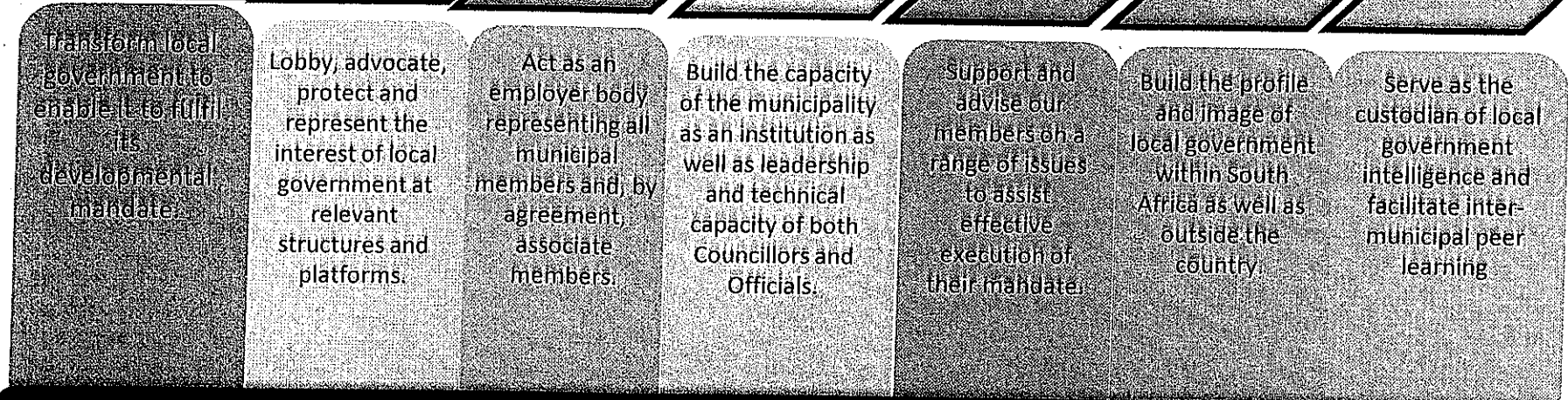
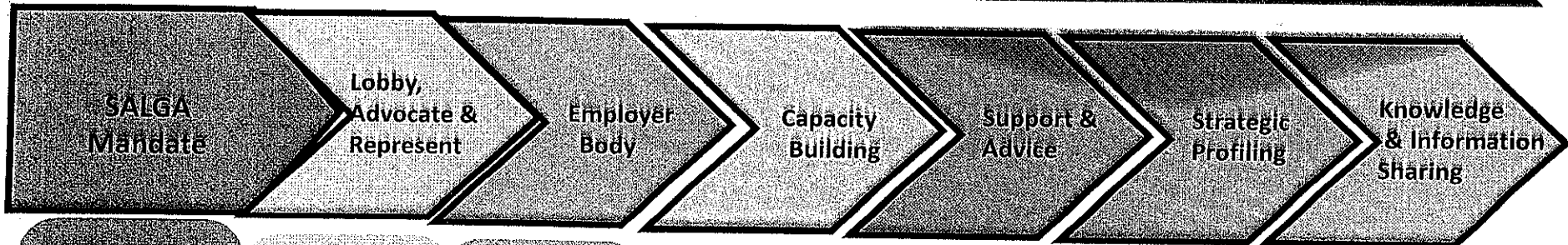
- SALGA Mandate
- Annual Performance 2012/13
- Financial Report
- Highlights of achievements
- Progress on issues raised in the last PC CoGTA engagement
- Key emerging issues
- Innovations/ Priorities for the future

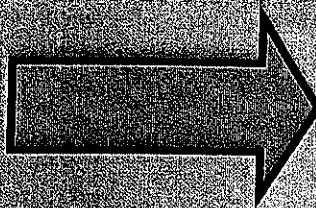


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SALGA MANDATE





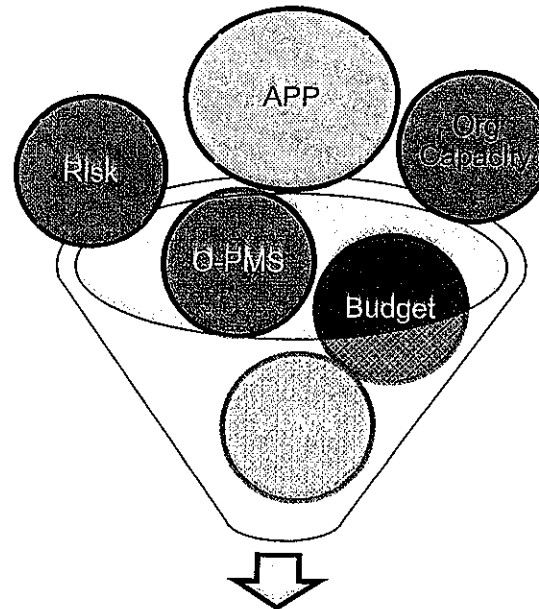
- SALGA MANDATES**
1. Representation
 2. Employer Body
 3. Capacity Building
 4. Support and Advisory Role
 5. Profiling Role
 6. LG Knowledge Hub

- INTER / NATIONAL CONTEXT**
1. MDGs & Global Commitments
 2. National Dev Plan & other national plans/policies
 3. MTSF
 4. LGFAs
 5. Electoral Mandate (2011)

SALGA 5 YEAR STRATEGIC PLAN 2012-2017

7 STRATEGIC GOALS

- 1) Accessible, equitable, sustainable services
- 2) Safe and healthy environment and communities
- 3) Coherent local planning & economic development
- 4) Effective, responsive and accountable local governance for communities
- 5) Human capital development in LG
- 6) Financially and organizationally capacitated municipalities
- 7) Effective and efficient SALGA administration.



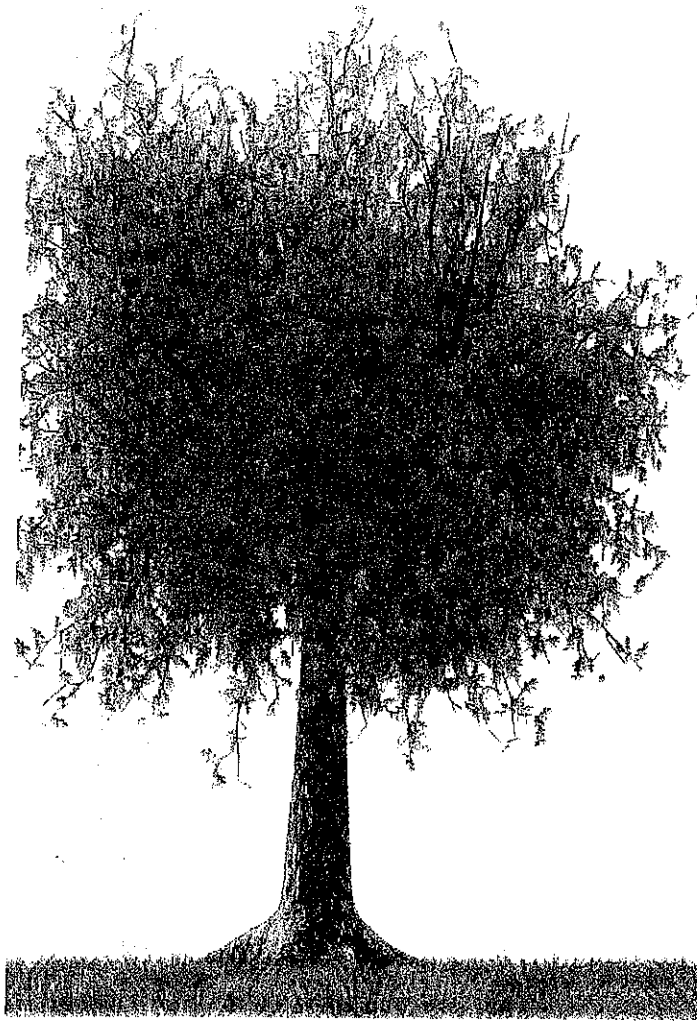
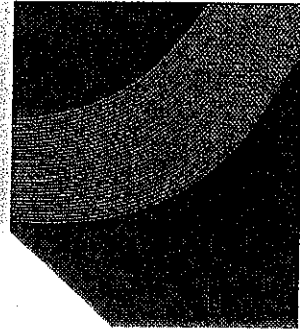
3 APEX PRIORITIES:

1. Review of legislative & policy framework impacting negatively on LG.
2. Review of LG fiscal & financial management framework.
3. Improved municipal capacity.

Differentiated Approach to Managing / Supporting Local Government



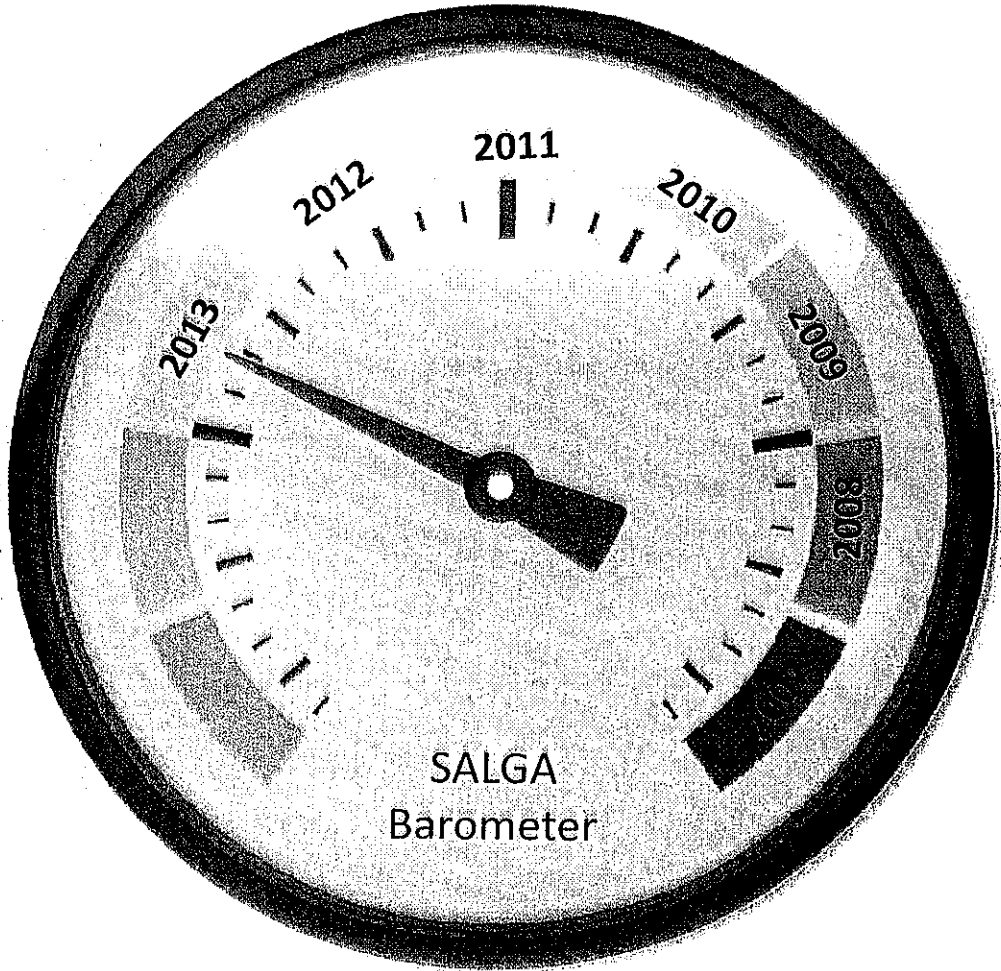
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ANNUAL PERFORMANCE (2012/13)



WE HAVE COME A LONG WAY



- SALGA's transformation was a deliberate process – both systematic and incremental.
- Departed from a administration under pressure, with a disclaimed audit opinion in 2007.
- Consolidating the successes and sustaining the change – resulting in a clean administration in 2013.



WE HAVE GROWN ...

- Strong winds set deep roots ... We have taken our time to establish our roots in order to anchor a mighty tree
- We are maturing in an ever-changing environment - our resilience has paid off
- We are an established force within the LG sector – nationally, regionally and internationally



"Day by day nothing changes ... but one day when you look back everything is different" 8



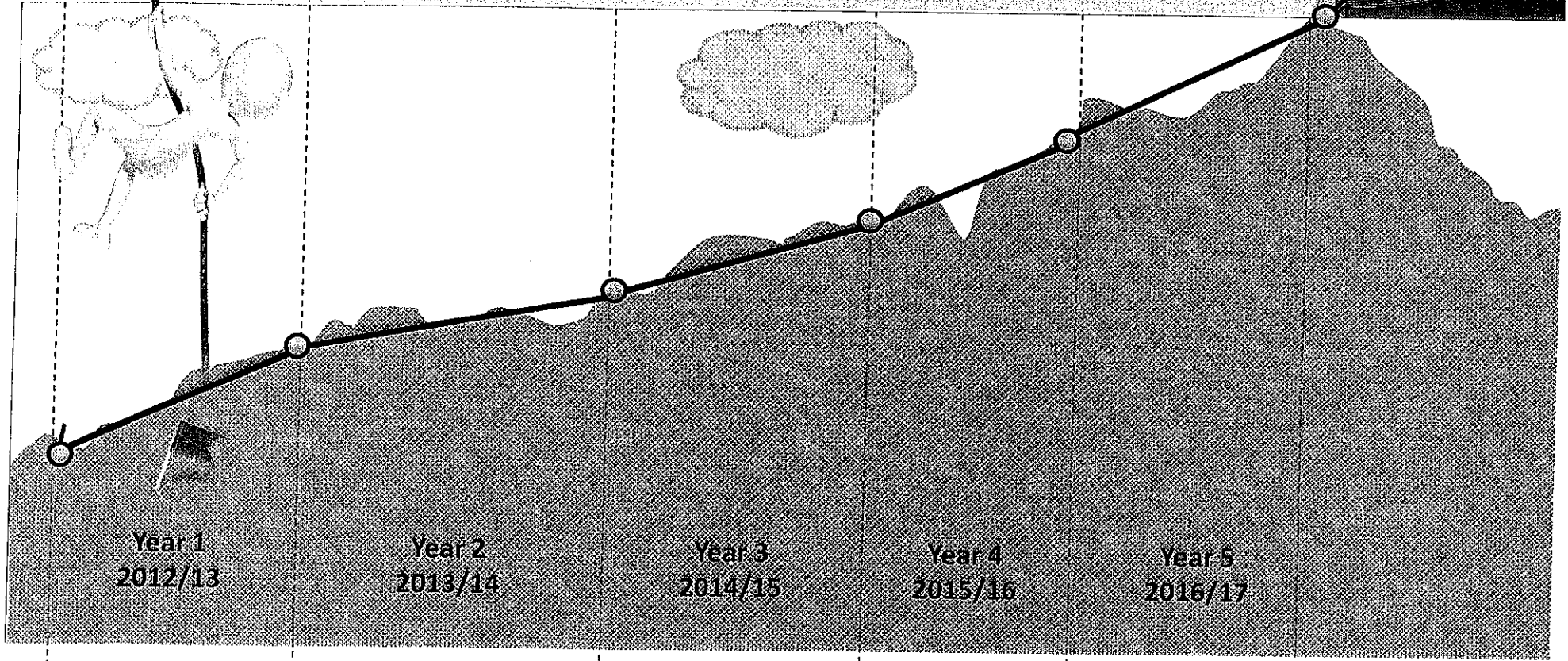
WE HAVE GROWN ...





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YEAR 1/5

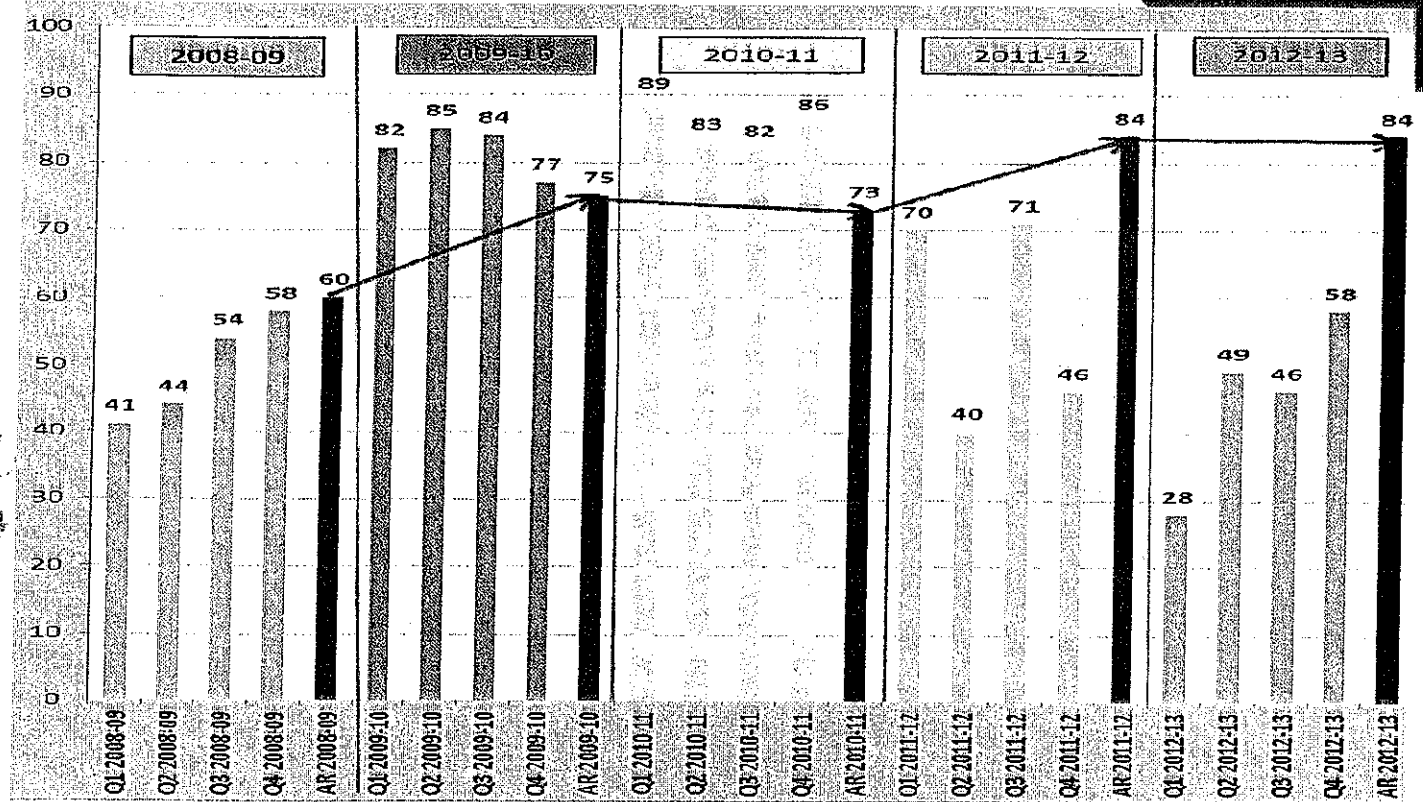


ANNUAL REPORT
2012/13

SALGA STRATEGIC PLAN
2012-2017



OUR PERFORMANCE



- We have established our systems and sustained our performance
- Year-on-year we have intensified the rigor with which we plan and monitor & evaluate our performance



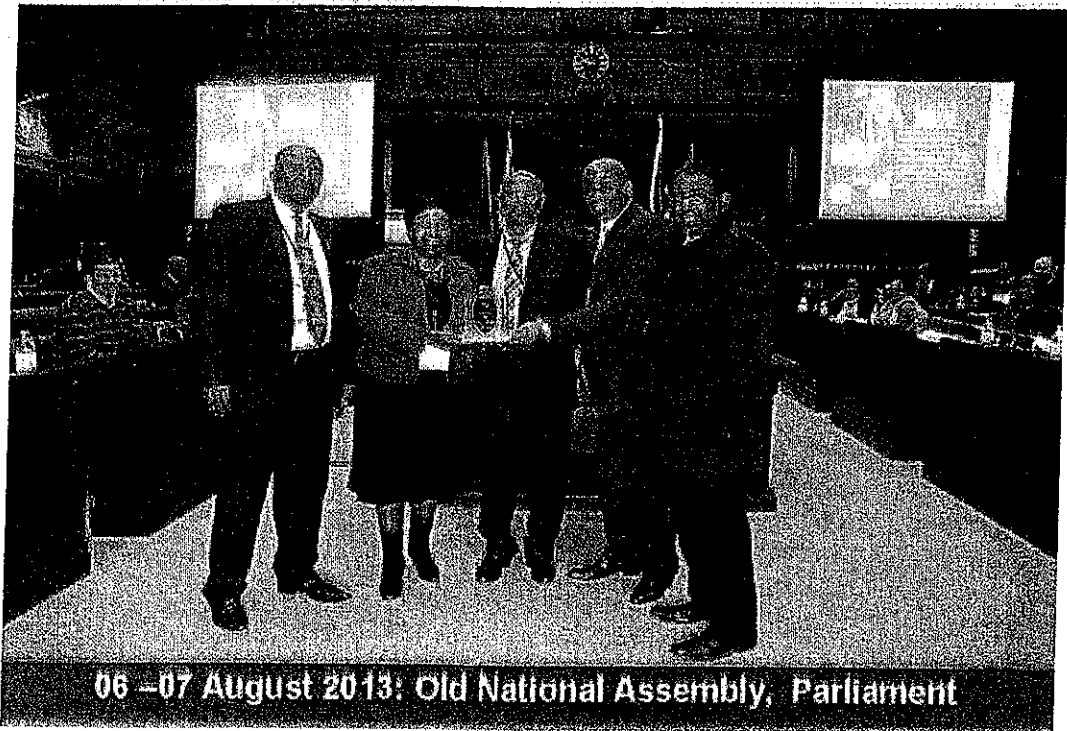
ANNUAL PERFORMANCE IN TERMS OF 7 STRATEGIC GOALS

SALGA 2012-13 Directorate and Provincial Performance Plans Annual Performance Report	TOTAL	ACHIEVED		NOT ACHIEVED	
		Annual KPIs	Number of KPIs	Percent	Number of KPIs
1. LOCAL GOVERNMENT DELIVERING EQUITABLE AND SUSTAINABLE SERVICES	70	48	69		
2. SAFE AND HEALTHY ENVIRONMENT AND COMMUNITIES	55	53	95		
3. PLANNING AND SOCIO-ECONOMIC DEVELOPMENT AT LOCAL GOVERNMENT LEVEL	83	72	87		
4. EFFECTIVE, RESPONSIVE AND ACCOUNTABLE LOCAL GOVERNANCE TO COMMUNITIES	107	93	87		
5. HUMAN CAPITAL DEVELOPMENT IN LOCAL GOVERNMENT	113	95	84		
6. FINANCIALLY AND ORGANISATIONALLY CAPACITATED MUNICIPALITIES	46	38	83		
Total Externally Focused Goals	474	398	84		
7. EFFECTIVE AND EFFICIENT ADMINISTRATION	76	63	83		
Total KPI's iro 2012-13 SALGA ANNUAL PERFORMANCE PLAN	550	463	84		



AUDIT OUTCOME 2012/13

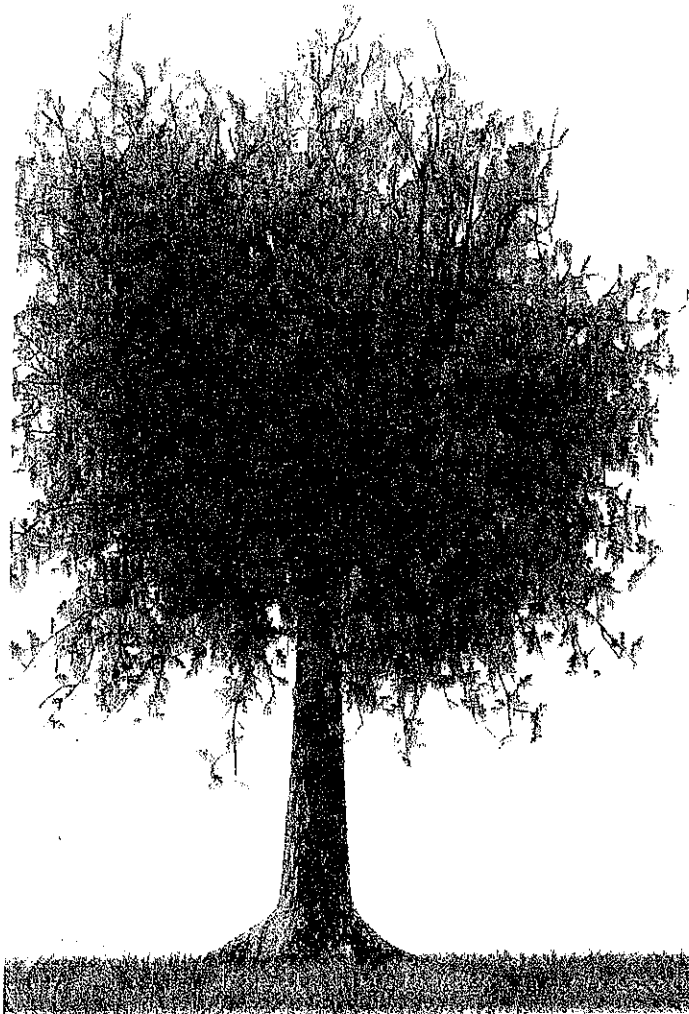
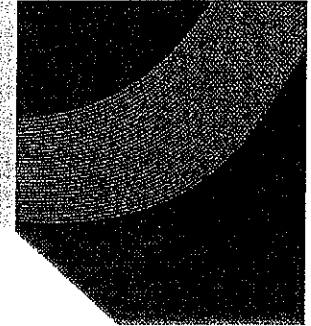
Maturing Phase	Sustainability Phase	Sustainability Phase	Sustainability Phase
2009/10	2010/11	2011/12	2012/13
Unqualified Audit Opinion	Unqualified Audit Opinion	Unqualified Audit Opinion	Unqualified Audit Opinion with NO findings (Clean)



06 -07 August 2013: Old National Assembly, Parliament



SALGA
South African Local Government Association



FINANCIAL REPORT



FINANCIAL ANALYSIS

	2013	2012
Financial indicators		
- Membership levy revenue (R mil)	307.5	217.9
- Government grant - Executive Authority (R mil)	26.7	25.5
- Indirect programme costs as a percentage of operating expenses ¹	19%	22%
- Employee related costs as a percentage of operating expenses ¹	54%	49%
Profitability ratio		
- Net surplus margin	10.7%	5.0%
Liquidity ratio		
- Current ratio	125%	80%
Solvency ratio		
- Solvency ratio	1.61	1.16
- Debt/Equity ratio	5%	16%
- Asset coverage rate (times)	20	7
Activity ratio		
- Debtor-collection period - after impairment (days)	39	47
- Debtor-collection period - before impairment (days)	67	53
- Membership levy payment levels (%)	87%	89%

¹ Excludes depreciation and amortisation

FINANCIAL ANALYSIS

Ratio	2008/2009	2009/2010	2010/2011	2011/2012	2012/2013
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LIQUIDITY RATIOS

Current Ratio	0.72	0.75	0.54	0.80	1.25
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The current ratio measures an entity's ability to honour its obligations in the ordinary course of its business, indicates that SALGA has R1-25 for each R1 of current liability which means that SALGA is liquid with an adequate current ratio. The standard for the public sector is a ratio of 1 to 1.

The current ratio for 2012/2013 financial year indicates a significant improvement i.e. 65 percent when compared to the current ratio five years ago and 35 percent when compared to prior year, where the organisation had 72 cents worth of current assets for each R1 of current liabilities.

Ratio	2008/2009	2009/2010	2010/2011	2011/2012	2012/2013
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ACTIVITY RATIOS

Days Sales in Receivables	79	87	46	47	39
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The days sales outstanding (after allowance for doubtful debt) indicates that it takes the organisation an average 39 days to convert trade receivables into cash. Again this ratio indicates a significant improvement when compared to 5 years ago where the organisation used to take on average 79 days to convert its debtors into cash.

Ratio	2008/2009	2009/2010	2010/2011	2011/2012	2012/2013
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SOLVENCY RATIO

Debt to Equity Ratio	41.2%	15.7%	-40.7%	16.4%	5.2%
Asset coverage rate (times)	3	7	-1	7	20

The solvency ratio indicates that the organisation is solvent with a healthy debt-to-equity ratio of 5.2 percent. This means that the organisation has an adequate asset coverage rate of 20 times versus the rate of 3 times five years ago. The significant improvement of over 500 percent indicates an improvement in the organisation's financial management practices.

STATEMENT OF FINANCIAL POSITION

Statement of Financial Position			
Figures in Rand	Note(s)	2013	2012
Assets			
Current Assets			
Operating lease asset	7	18 338	
Trade and other receivables - exchange transactions	9	35 150 881	29 748 587
Cash and cash equivalents	10	55 688 677	18 921 901
		90 857 896	48 670 488
Non-current Assets			
Investment property	3	4 300 000	4 400 000
Property, plant and equipment	4	25 184 747	18 985 713
Intangible assets	5	64 613	23 002
Deposits	6	813 620	536 178
		30 362 980	23 944 893
Total Assets		121 220 876	72 615 381
Liabilities			
Current Liabilities			
Finance lease liability - exchange transactions	12	1 342 837	757 036
Operating lease liability - exchange transactions	7	6 716 081	4 994 063
Trade and other payables - exchange transactions	15	53 591 332	35 670 511
Unspent conditional grants and receipts	13	6 279 714	11 445 562
Deferred income - exchange transactions	14	4 817 736	7 852 185
		72 747 700	60 719 357
Non-Current Liabilities			
Finance lease liability - exchange transactions	12	1 748 161	1 055 062
Retirement benefit obligation	8	662 477	619 604
		2 410 638	1 674 666
Total Liabilities		75 158 338	62 394 023
Net Assets		46 062 538	10 221 358
Net Assets			
Revaluation reserves	11	2 259 566	2 259 566
Accumulated surplus		43 802 972	7 961 792
Total Net Assets		46 062 538	10 221 358

The statement reflects the financial position of SALGA at a point in time (31 March 2013).

The Financial position of SALGA is healthy with positive net assets of R46.0 million indicating that SALGA is solvent.

Total assets exceed to total liabilities.

In terms of liquidity, SALGA is liquid with current assets exceeding current liabilities.



STATEMENT OF FINANCIAL PERFORMANCE

Statement of Financial Performance

Figures in Rand	Note(s)	for the 12 months ended '31 March 2013	for the 12 months ended '31 March 2012
Revenue from exchange transactions	17	334 528 485	246 752 771
Other operating revenue	19	24 719 571	46 525 260
Gain attributable to transfer of functions between entities not under common control	30	3 905 330	
Operating expenses		(150 576 809)	(142 433 440)
Employee benefit costs	22	(175 311 938)	(138 931 256)
Depreciation and amortisation	4 & 5	(4 643 461)	(3 347 702)
Operating (deficit) / surplus		32 621 178	8 565 633
Investment income	23	4 480 999	2 888 249
Fair value adjustments	24	(100 000)	1 300 000
Finance costs	26	(1 160 997)	(451 939)
Surplus for the year		35 841 180	12 301 943

The statement reflects financial performance of SALGA over the last 12 months.

Financial performance of SALGA has been buoyant resulting in an operating surplus of R35.8 million.

The buoyant financial performance is driven by

- Strong growth in revenue
- Sound financial management practice & budget management
- cost curtailment measures.



CASH FLOW STATEMENT

Cash Flow Statement			
Figures in Rand	Note(s)	2013	2012
Cash flows from operating activities			
Cash receipts from CoGTA and members		353 845 762	288 459 580
Cash paid to suppliers and employees		(316 434 992)	(275 051 976)
Cash generated from operations	21	37 410 769	13 407 604
Interest income	16	4 480 999	2 888 249
Finance costs	17	(1 160 997)	(451 939)
Net cash inflow / (outflow) from operating activities	28	40 730 771	15 843 914
Cash flows from investing activities			
Purchase of property, plant and equipment	4	(5 022 030)	(2 134 495)
Sale of property, plant and equipment	4	128 964	131 535
Purchase of intangible assets	5	(72 388)	0
Transfers of functions between entities not under common control	4	0	0
Movement in financial assets	5	(277 442)	(208 024)
Net cash inflow / (outflow) from investing activities		(5 242 896)	(2 210 984)
Cash flows from financing activities			
Finance lease payments		1 278 900	792 696
Net cash inflow / (outflow) from investing activities		1 278 900	792 696
Total cash movement for the period		36 766 775	14 425 626
Cash at the beginning of the period		18 921 901	4 496 275
Total cash at end of the period	10	55 688 677	18 921 901

Cash generated from operations are positive with a significant increase in cash generated from operations to R40.7 mil.

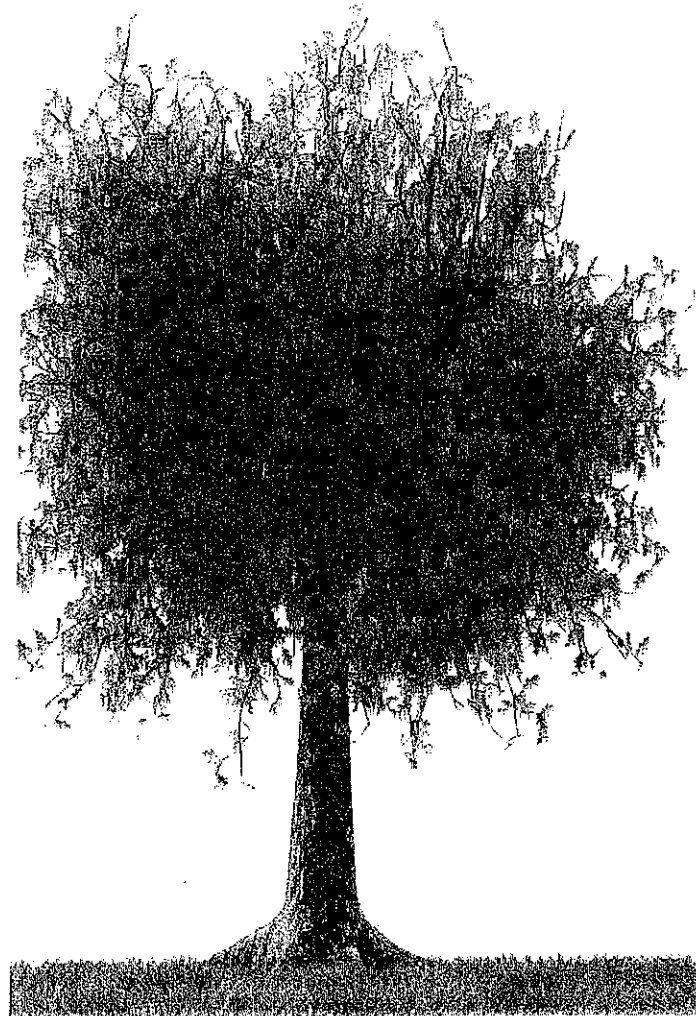
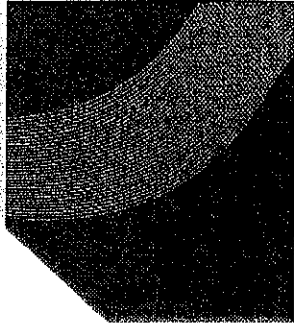
This demonstrates SALGA's ability to generate cash.

Cash reserves of R55.7 mil were realised at year-end.

SALGA is building reserves in order to fund its operations during the 1st quarter



SALGA
South African Local Government Association



HIGHLIGHTS OF ACHIEVEMENTS

GOAL 1

Accessible, Equitable & Sustainable Services

Transport Laws and Related Matters Amendment Bill, 2012

- The Bill was silent on local government issues as it was purely meant for e-toll operations
- Organized local government saw an opportunity to propose issues outside the scope of the Bill and these have subsequently been added as part of the Bill
- Organized local government proposed that: -
 - consideration of socio-economic and traffic impact assessment studies pertaining to proposed toll roads in and around metropolitan spaces should be performed before a road is declared a toll road, and
 - within the process of getting an approval from the Minister of Transport, South African National Roads Agency Limited (SANRAL) has an obligation to indicate: -
 - The outcome of these assessments indicated above;
 - The extent to which any of the matters raised by stakeholders including organised local government have been accommodated; and
 - The steps proposed to mitigate against the impact or likely impact on alternative roads with regard to maintenance and traffic management that may result from declaring a toll road.

GOAL 2

Safe & Healthy Environment & Communities

- In June 2012 The **Local Government Climate Change Champions Committee (LGCCC)**, established in 2011 in the lead-up to South Africa hosting COP17, developed a Programme of Action spanning a period from 2012 to 2016. The LGCCC forms the steering committee of the Local Government Partnership for Climate Change (www.lpg4cc.co.za), which is a partnership between SALGA, the Department of Environmental Affairs (DEA), EThekweni Metropolitan Municipality, and ICLEI. In the period under review, the champions committee lead the following key achievements:
 - ✓ The LGCCC Programme was presented to the Minister of Environmental and Water Affairs, and gained Ministerial endorsement and implementation support
 - ✓ Convened a Municipal Climate Change Summit in the North West Province on 6 and 7 September 2012, The summit was attended by all NW municipalities, with over 100 participants as well as presenters from the North West University, UNISA, SALGA and COGTA.
 - ✓ Convened three (3) District Climate Change Seminars in Mpumalanga, all facilitated by Cllr. L. Dikgale, provincial climate change champion of Mpumalanga and held in Nkangala District Municipality (Middleburg, 12th February 2013) on Gert Sibande District Municipality (Secunda, 13th February 2013) and Ehlanzeni District Municipality (Nelspruit, 14th February 2013).

GOAL 3

Coherent Local Planning & Economic Development

SPATIAL PLANNING AND LAND USE MANAGEMENT BILL (SPLUM):

- The input provided by SALGA on the SPLUM Bill ensured that the draft bill addressed some of the key issues that were raised by the local government sector and reinforced the central role of SALGA as the voice of local government on municipal planning matters.
- Key issues raised by SALGA that were incorporated included:
 - The establishment of Planning Appeals Tribunals,
 - Intergovernmental support and municipal capacity,
 - Municipal differentiation,
 - Powers and functions of municipalities and
 - Transitional arrangements.
- The following issues were however **not considered** and work still remains on advancing them
 - The establishment and composition of Municipal Planning Tribunals,
 - The cost implications to municipalities of some of the provisions in the Bill,
 - The lack of definitions of what constitutes provincial and national interests and the failure to adequately acknowledge the exclusive constitutional competency of municipalities on municipal planning matters

GOAL 4

Effective, Responsive & Accountable Local Governance

- SALGA partnered with the NCOP to host the first ever NCOP **Local Government Week** held from 31 July until 3 August 2012 under the banner: *“Accelerating Service Delivery through Effective Cooperative Governance”*. This provided an opportunity for parliament to focus on Local Government for a whole week thereby enhancing the lobbying and advocacy opportunity for Local Government. The Debate was also the first time that SALGA occupied all its 10 seats in the NCOP. This is the culmination of an increasingly positive relationship between the NCOP and SALGA that recognises SALGA as the mandated voice of Local Government. Local Government week will now be an annual event on the NCOP calendar.

Some of the **key outcomes** of the LG Week are as follows:

- It was resolved that there is a need for consolidation of good governance guidelines so as to assist municipalities in implementing policy and legislation, as well as review the current legislation in order to address constraints impeding local government in performing its functions.
- In considering capacity building for local government to accelerate service delivery, it was resolved that it is important to have a well-capacitated local government in order to address all challenges associated with the implementation of policy framework, sound financial management and effective service delivery.

GOAL 4

Effective, Responsive & Accountable Local Governance

- Some of the **key outcomes** of the LG Week (Cont...):

Sustainable local government financial system and fiscal framework proposals made:

- ✓ The issue of outstanding government debt should be resolved and should be fast tracked.
- ✓ Proper billing and payment systems should be developed
- ✓ NT to develop guidelines to assist municipalities on the write-off of irrecoverable debt
- ✓ Empirical studies into the cost of providing municipal services, governance and administration functions should inform the review of the LGFF including LGES formula;
- ✓ Unfunded mandates be resolved and that national and provincial government should properly cost and budget for agency functions; improve management of service delivery contracts; and that powers and functions arrangements should be reviewed;
- ✓ Comprehensive analysis be conducted on non-financial performance of conditional grants
- ✓ Appropriate funding arrangements be investigated for district municipalities to resolve immediate funding constraints while long-term solutions are investigated for districts

GOAL 4

Effective, Responsive & Accountable Local Governance

- Collectively, SALGA's provincial offices have **adopted 25 municipalities** in the respective provinces and provided support ranging from workshops and one-on-one engagements with the municipalities on:
 - Improving political oversight;
 - Attaining compliance with laws and regulations and the adherence to established procedures and controls within municipalities;
 - Improving reporting and monitoring predetermined objectives;
 - Improving credit control, debt collection, revenue enhancement, tariff setting
 - Functioning of MPACs and Audit Committees.

GOAL 4

Effective, Responsive & Accountable Local Governance

Councillor Support

- Introduction of **reimbursement for all official business travel**, deleting the inclusion of running and maintenance costs incurred on official business travel up to 500 km per month.
- **Increase** in cell phone allowances.
- **Recognition of Chairpersons** of Section 79 Committees as full-time councillors for municipal councils with **more than 40 councillors**.
- Recognition of **part time** Chairpersons of Sec 79 Committees for municipal councils with **less** than 40 councillors.
- Introducing a **set of tools of trade**, which includes personal security to councillors whose personal security is threatened;
- Introducing **risk benefits** to councillors to cover house & car against material damage as a result of riot, public protest, civil unrest;
- Introducing **new pay scales** for Chairpersons of Section 79 Committees;

GOAL 4

Effective, Responsive & Accountable Local Governance

Councillor Support:

- SALGA remains concerned about Councillor welfare and support. SALGA has been very vocal in lobbying the relevant authorities to give effect to these resolutions as mandated by the 2011 SALGA National Conference. We have engaged Parliament, having made representations to both the Select and Portfolio Committees respectively. We've held a number of meetings with the Minister of Cooperative Governance and Traditional Affairs. We've also held engagements and representations to the Independent Commission for the Remuneration of Public Office Bearers. In line with our lobbying mandate we raised issues of Councillor welfare, quite sharply, at the ruling party's Policy and National Conferences of 2012.
- Our lobbying has started paying off very positively, in that the Minister's Upper Limits Notice for the 2012/13 Financial Year introduced a number of improvements as advocated by SALGA. Some of these improvements include the formalisation of the Mayoral residence as a housing benefit, the extension of double travel benefit to Speakers and Deputy Mayors/Deputy Executive Mayors; introducing a set of tools of trade for Councillors; new pay scales for full-time and part-time Chairpersons of Section 79 Committees; new increased cell phone packages and introducing risk benefits extended for Councillors.

GOAL 4

Effective, Responsive & Accountable Local Governance

- We eagerly await the Commission's review of the system of remuneration for Councillors, as this review will begin to respond to a number of the principle issues pertaining to the level and benchmarking of Councillor remuneration. A detailed submission has already been made by SALGA to the Commission in this regard.
- With regard to the **Once-off Gratuity Payment** secured for Councillors who did not return after the May 2011 Municipal Elections, much progress has been made. Of the Councillors who applied, a majority have been paid with only a limited few still outstanding. Full details of the outstanding Councillors and the reasons therefore are available from our respective Provincial Offices (include tax issues, etc).
- With regard to the Municipal Councillors Pension Fund, a new Board of Trustees comprising of 13 trustees has taken up office since September 2011. This was after a process to appoint the Board of Trustees in terms of the Rules of the Fund was embarked upon. In addition to the 9 provincial trustees duly elected by provincial members and the two independent trustees appointed, SALGA appointed its two (2) representatives to the Board of Trustees. It is now within the mandate of this newly elected Board of Trustees to take the Fund to new heights and in particular address the challenges raised by members in the past, especially on ensuring the maintenance of sound corporate governance and prudent financial investments management.

GOAL 5

Human Capital Development in Local Government

- A **Centre for Leadership and Governance** was adopted by the SALGA NEC. The Centre was further endorsed by the sector at the HRM& D Conference which took place from 5-6th March 2013. The Centre for Leadership and Governance is a result of the need to have an integrated approach towards building leadership in local government and is borne out of recognition that real transformation in the sector will only be realised if we are able to build efficient, accountable and capable leadership.
- A research team has been appointed to work with SALGA in order to evaluate the feasibility of establishing a SALGA Centre for Leadership and Governance— the report will highlight the most feasible institutional model/s which could be a combination of brick-and-mortar on the one hand and a virtual college on the other.
- Unlike the School of Government (to be launched by PALAMA) the SALGA Centre for Leadership and Governance has LG Senior Managers and Political Leadership as its target audience.

GOAL 6

Financially & Organisationally Capacitated Municipalities

Review of Equitable Share Formula

- New formula allocations reflect:
 - changes in demographics; extent of poverty; and new formula structure
 - municipalities with high numbers of poor receives highest allocations

Table 1. Allocations and 2011 Census information

Municipality	2012/13 Allocation	2013/14 Allocation	Poor households 2011 Census	Total households 2011 Census
City of Cape Town	1 084 415 057	1 243 295 993	470 237	1 068 572
Buffalo City	651 565 498	653 660 287	134 930	223 568
Mangaung	608 634 209	605 072 473	126 187	231 920
Alfred Nzo DM (WSA)	266 332 150	285 473 557	133 406	169 264
Waterberg DM	19 576 759	21 526 596	111 339	179 864
Fezile Dabi DM	12 668 932	12 470 357	88 751	144 978
Mogale City LM	210 116 679	222 290 607	63 808	117 373
Masilonyana LM	78 655 511	79 850 459	12 155	17 571
Umdoni LM	25 461 548	30 762 718	14 620	22 869

GOAL 6

Financially & Organisationally Capacitated Municipalities

Equitable Share Formula

- New formula allocations reflects revenue raising capacity of different municipalities
- Districts who are not WSA's receives less as they don't provide FBS

GOAL 6

Financially & Organisationally Capacitated Municipalities

Through SALGA's intervention, the Eskom bulk tariff increase was reduced from 16 to 8% which will realise savings for consumers. That benefits municipalities through better revenue collection rates and potentially higher profits.

METRO	2013/14 Projected Electricity Income Based on the Initial 16% Eskom's MYPD Application	2013/14 Budgeted Electricity Income Based on the NERSA Approved 8% for Eskom's MYPD Application	Difference
City of Cape Town	R11 188 634 000 (16% based on certain assumptions at that point in time)	R10 585 713 000 (what was implemented is 7.86% based on certain assumptions)	R602 921 000
Nelson Mandela	R3 457 824 918 (Based on 16%)	R3 219 354 234 (NMMM implemented 7% tariff increase)	R238 470 684
Buffalo City	R1 175 613 731 (Based on 16%)	R1 094 536 922 (Average tariff increase of 10%)	R81 076 809
Mangaung	R 2 301 363 326.05 (Average price increase of 14.27% by Centlec)	R2 125 684 239.45 (Average price increase of 5.35% by Centlec)	R175 679 086.60
Emfuleni	R1 505 200 000 (16% Eskom increase)	R1 392 310 000 (7.3% Eskom increase)	R112 890

GOAL 6

Financially & Organisationally Capacitated Municipalities

METRO	2013/14 Projected Electricity Income Based on the Initial 16% Eskom's MYPD Application	2013/14 Budgeted Electricity Income Based on the NERSA Approved 8% for Eskom's MYPD Application	Difference
City of Johannesburg	R13,969,261,000 (Average Price Increase of 12.70% by City Power)	R13,276,206,000 Average Price Increase of 7 % by City Power	R693,055,000
Ekurhuleni	R11 666 839 244 (+12.69% lower due to Ekurhuleni match Eskom IBT)	R11 068 433 611 (+6,91% lower due to Ekurhuleni match Eskom IBT)	R598 405 633
City of Tshwane	R 9 597 732 322 (16% Eskom increase)	R 9 209 535 957 (City of Tshwane implemented 8.4% tariff increase)	R 388 196 365
eThekweni	R 10 808 297 251 (If eThekwini budgeted for a 16% increase in Bulk Electricity Costs (no growth))	R 10 311 803 031 (If eThekwini budgeted for a 8% increase in Bulk Electricity Costs (no growth))	R 496 494 220

GOAL 6

Financially & Organisationally Capacitated Municipalities

- Engagement with municipalities on poor audit outcomes
 - SALGA engaged political and administrative leadership of **75 municipalities** in October 2012
 - Municipalities signed pledges to improve and SALGA is following up
- Credit Control and Debtors Management Policy Workshops (in partnership with DCoG)
 - Developed a guideline for the improvement of credit control and debtors management policies
 - Conducted 7 workshops covering 120 municipalities from all provinces
- Hands-on support and assistance to municipalities in internal audit, risk management, audit committees and action plans to address AG findings
 - 11 municipalities supported
- SALGA Municipal Finance Weeks
 - 6 provincial workshops
 - Focused on Credit Control, improving financial management and audit outcomes

GOAL 6

Financially & Organisationally Capacitated Municipalities

- During October 2012, SALGA **engaged 75 municipalities on their persistently poor audit outcomes**. Municipalities have also signed pledges committing themselves to improvements in the audit outcomes. The documentation of the SALGA support programme has highlighted the root causes leading to poor audit outcomes of municipalities and the need for a better coordinated approach to address them. SALGA is in the process of developing a **hands-on support programme** for improvement of financial management in the adopted municipalities. The programme will focus on support in the areas of **supply chain management; asset management; governance; financial management; and predetermined objectives**.

GOAL 6

Financially & Organisationally Capacitated Municipalities

- SALGA Municipal Finance Management Support
 - hands-on support will be provided to at least two municipalities per province
 - Municipalities who do not receive support from other LG stakeholders will be targeted
 - Programme Managers: Municipal Finance appointed in each province
- Workshops on Credit Control and Debtors Management Policy improvement will be rolled out further
- Councillors will be trained on the role of audit committees
 - aim is to empower political leadership on the role of audit committees
 - enable political leadership to enhance oversight over internal controls and linkage to audit committee
 - enable political leadership to monitor and evaluate the effectiveness of audit committees

GOAL 7

Effective & Efficient SALGA Administration

- SALGA achieved an Unqualified Audit Opinion with no matters of emphasis (Clean Audit)
- SALGA is considered to be the **most progressive and stable association of organized local government in the region**. It has been called upon to provide technical support to associations in the region to become more effective and efficient Local Government Associations. During 2012/13, direct support has been given to the Swaziland Local Government Association (SWALGA), Botswana Local Government Association (BALA) and the UCLGA Southern African Regional Office (SARO), having played a leading role in its establishment.
- SALGA's leadership in consolidating organised Local Government in Africa: SALGA through its role as facilitator was central to the re-unification of the local government continental body (UCLGA), bringing back unity within the collective local government representative voice in the Continent. Furthermore using our expertise SALGA provided direct support which led to the improvement of internal governance arrangements within UCLGA-SARO (Regional Body); the Swaziland Local Government Association and Namibian Local Government Association.

GOAL 7

Effective & Efficient SALGA Administration

Summarised Outcomes of the UCLGA Elective Congress

The UCLGA Elective Congress proceeded on 7 December 2012 with the following key outcomes relevant to the Re-unification process:-

Governance Structures of the UCLGA – the Southern African region has the following representation to the UCLGA governing structures:-

- **PAN AFRICAN COUNCIL**

- o **National Associations**

- i. Botswana;
- ii. Namibia;
- iii. Mozambique;
- iv. Swaziland;
- v. Zambia; and
- vi. Zimbabwe.

- o **Cities**

- i. Johannesburg (South Africa);
- ii. Luanda (Angola); and
- iii. Maseru (Lesotho).

GOAL 7

Effective & Efficient SALGA Administration

Partnerships

In the last financial year, SALGA has pursued partnerships and collaborations with some key stakeholders, including private sector, the international community, etc, **to leverage on the limited resources to deliver to our members**

GOAL 7

Effective & Efficient SALGA Administration

SALGA Goal	Partners	Partnership and Project Description	Municipal Impact
Safe and Healthy Environment and Communities	Santam, DCOG	Santam Business Adopt A Municipality (BAAM) Programme on Disaster Risk Management: Thulamela Local Municipality, Ulundi Local Municipality, Eden District Municipality, Mafikeng LM	Support for improved planning for disaster risk & Delivery of Essential Fire Fighting Equipment to 5 municipalities (R3Mill)

LEBAN/ALAN/RENS
25 Apr 2013, p 5

Mbombela fire station receives new equipment

There is still a backlog in other areas like Matsulu and Hazylw

Kollega Kolomane
MBOMBELA - In an effort to assist firefighters to execute their jobs more efficiently, one of the country's insurance companies has donated essential equipment. This comes at Mbombela Fire Station and others in four municipalities - Ulundi, Thulamela, Eden and Mafikeng - received equipment valued at R2 million.

Mr John Lomborg, who is the head of stakeholder relations and CSI at Santam, said their company would not only donate equipment, but would offer training for firefighters. He added that they also wanted to create awareness for children on dealing with disasters.

"It is not only the responsibility of firefighters, but of the community as a whole," Lomborg said. He added that the gesture was a continuation of an ongoing process with municipalities.

"The equipment is very useful and it will make us

respond faster," said Mr Simon Selogile of the local station.

He added that they were asking communities to give correct addresses when they reported incidents, to enable them to respond quicker. Selogile said the equipment which consisted of a GPS system, firefighting equipment, first-aid kit and state-of-the-art binoculars would increase their capacity in rural and farm areas.

Mbombela executive mayor, Cllr Cathy Dlamini said they were excited that finally their relationship with the BAM has paid off.

"We are very happy with the initiative, even though we still have backlog in other areas, such as Hazylw and Matsulu but there are plans on the pipeline to establish an integrated centre there that will respond to disaster, fire and firewing.

"There are also municipalities that at times need our support and our plan to the sponsors was that they should also consider these municipalities," said Dlamini



Cllr Cathy Dlamini is shown the ropes by the firefighters.

NEW AGE, THE
06 May 2013, p 23

New fire equipment for Mahikeng municipality

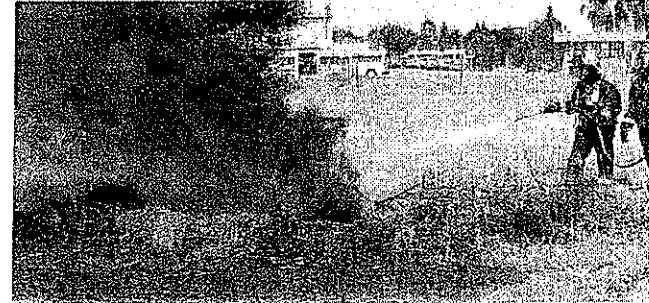
THABO SANTAM

DATA of spending fire fighting resources with other municipalities because of inadequate facilities have come to an end as the Mahikeng local municipality received a donation of equipment valued at R2 million from business partner Santam.

The donation follows a call made by Planning Committee Member to the Provincial Treasurer, Mphahlele, and the launching of the National Development Plan, emphasising partnerships between the government and business.

The Mahikeng municipality then signed a Memorandum of Understanding with Santam under the auspices of Business Adopt A Municipality, selecting the municipality as one of the recipients for much needed equipment and resources to reduce the impact of fires, floods and storm water on municipal infrastructure.

"We welcome the tripartite Understanding made between Santam, Selogile and the Department of Cooperative



FIRE SAFETY: Fire fighters from Mahikeng local municipality create a brush-fire demonstration after the donation of fire fighting equipment from Santam.

Governance signed in 2012. We are committing ourselves to maintain and utilise the equipment donated to the

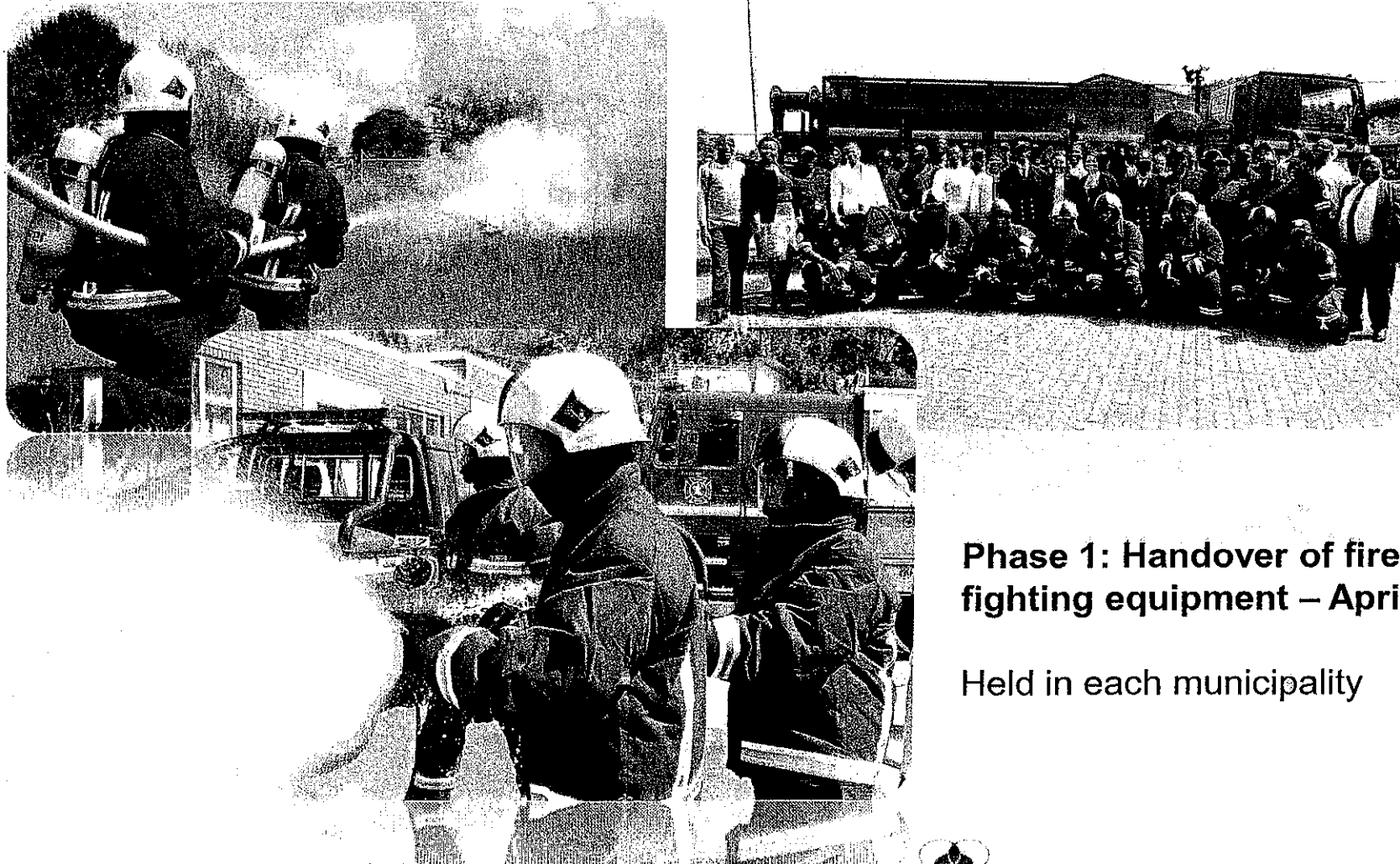
last of our ability to strike to our own communities. "Cooperating on the station will ensure equipping us to better to comply with our respective duties when faced with a challenge.

"The bulk of the Mahikeng area is largely rural with more than 100 villages, for sport," Mphahlele says. Local village will during the handover ceremony held recently.

Apart from Mahikeng, the other four municipalities provided within the national context as emerging or secondary centres of socio-economic development, and attracting migration from small towns and rural areas were the Eden District Municipality (Western Cape) and Mbombela local municipality (Mpumalanga).

Others are Thulamela local municipality (Limpopo) and Ulundi local municipality (KwaZulu Natal), which all received fire fighting equipment valued at R2m.

"The country experienced devastation last year with numerous catastrophic disasters, which were unprecedented in their frequency and severity. Fire was a key form of," Santam Risk Services Director, John McKillop said.



Phase 1: Handover of fire fighting equipment – April 2012

Held in each municipality

GOAL 7

Effective & Efficient SALGA Administration

SALGA Goal	Partners	Partnership and Project Description	Municipal Impact
Safe and Healthy Environment and Communities	Santam, DCOG	Santam Business Adopt A Municipality (BAAM) Programme on Disaster Risk Management: Thulamela Local Municipality, Ulundi Local Municipality, Eden District Municipality, Mafikeng LM	Support for improved planning for disaster risk & Delivery of Essential Fire Fighting Equipment to 5 municipalities (R3Mill)
Effective, Responsive and Accountable Local Governance for Communities	CMRA, DBSA, Stats SA,	Development of a Municipal Barometer for South African Municipalities	Empowered municipal planning, governance, oversight & benchmarking from easily accessible and reliable Local Level Data.
Effective and Efficient SALGA Administration	Anglo American	Building SALGA capacity to manage private sector partnerships towards economic development, community development and service delivery.	Ensuring coordination and Facilitation of Partnerships for LG .

GOAL 7

Effective & Efficient SALGA Administration

SALGA Goal	Partners	Partnership and Project Description	Municipal Impact
Effective and Efficient SALGA Administration	DST, GIZ	German Association of Cities (DST) Learning Exchange in Germany. Improving SALGA's capacity to engage with stakeholders and lobby and advocate on issues of interest to member municipalities	Support and advise in the Focal Area of Local Governance and Municipal Development
Financially and Organisationally Capacitated Municipalities	PWC	Make it Happen Project! Convening audit outcomes workshops where municipalities share their experiences and interventions identified to assist struggling municipalities	Improved Municipal Audit Outcomes
To contribute to the effective and sustainable delivery of municipal services	Swiss Development Agency	Programme on the facilitation of significant reduction of energy consumption in the building sector through enhanced energy efficiency in the full life cycle of buildings.	Municipalities record 10% improvement in energy efficiency by 2013