



FINANCIAL STATEMENTS 2009

BAVIAANS MUNICIPALITY
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FOREWORD

The Baviaans Municipality is extremely proud to be able to have their financial statement completed and ready for submission in the required time frame. This was possible through diligence from the Baviaans Financial Department and the Senior Executive Officer, i.e. the Municipal Manager.

What concerned the Baviaans Local Council the most was the amount of consumer Debtors in 07/08 of R8 850 939.00. This was seen as a major cash flow burden and a project was established to work on better payment for services and a decline in debtors.

Today, at the end of the financial year 2008/2009 the consumer Debtors stands at R3 721 728.00. Looking at the financial performance overview 2008/2009, outstanding debtors to revenue decrease from 47.6% to 15.22%. The Baviaans Municipality council urges management to maintain the decrease of debtors to the benefit of the cash flow situation.

There are a few highlights in analyzing the operating income and expenditure for the year ended 30 June 2009.

- (i) Operating income exceeds the budgeted income with the amount of R1 667 549.00.
- (ii) Salaries, wages and allowance are 40.7% of expenditure.
- (iii) There is only a .3% deviation in total income as a percentage of total income budgeted.

The fact that the Baviaans Municipality under spent their budget with ±R1 400 000.00 places a burden on service delivery and management needs to investigate the pattern of spending. Lack of planning can be the reason for this.

Spending of conditional grants improved dramatically in 2008/2009 and investments decreases from R29 095 848.00 to R11 170 060.00. Our Technical Department can especially be proud of their performance in capital spending.

The lack of planning is control are still our worst enemy and management has to give more attention to areas where planning and control is the most needed.

A word of thanks to the Municipal Management and Administration for their attitude towards the financial turn around plan adopted by council and the success which was achieved thus far.

E.L LOOCK
MAYOR

1. INTRODUCTION

1.1 BAVIAANS MUNICIPALITY PROFILE

The Baviaans Municipality covers an area of 7727.01 square kilometers with two urban nodes, namely Willowmore and Steytlerville. Willowmore serves as the administrative hub of the area in which is situated the local municipal office and the district offices of national government departments and provincial government departments. The area is scarcely populated (0 – 100 people per sq km.).

The municipality is situated between 23 and 25 degrees longitude and 33 and 34 degrees southern latitude and is at 1000 to 1500 meters above sea-level.

The well known Baviaanskloof Nature Reserve is situated to the south. The Mega-Reserve covers 90% of the municipality's area of jurisdiction.

Agriculture, tourism and service industries form the basis of the area's economy.

The Baviaans Municipality is a category B municipality which together with eight other municipalities form the Cacadu District Municipality.

1.2 MUNICIPAL SERVICES

Baviaans Municipality provides the following services to the local community:

- Water
- Electricity Reticulation
- Sanitation / Sewerage
- Refuse Removal and Waste Management
- Housing Development
- Motor Vehicle Registrations (Agency)
- Motor Vehicle Licensing and permits (Agency)
- Clinics (Agency)
- Municipal Planning
- Libraries
- Tourism
- Airfield
- Storm water Management
- Trading Regulations
- Building regulations

1.3 MEMBERS OF THE MUNICIPAL COUNCIL

<u>Name</u>	<u>Political party</u>	<u>Office held</u>
E Loock	DA	Mayor
D Bezuidenhout	DA	Councillor
H Booysen	DA	Councillor
P Daniels	ANC	Councillor
N Miggels	ANC	Councillor

1.4 GRADING OF MUNICIPALITY

Grade 4

1.5 EXTERNAL AUDITORS

Auditor-General
P.O. Box 210917
The Fig Tree
Port Elizabeth
6033

1.6 INTERNAL AUDITORS

PricewaterhouseCoopers Inc.
Ascot Office Park
1 Ascot Road
Greenacres, Port Elizabeth
6045

1.7 BANKERS

ABSA Bank
Knysna Street
Willowmore
6445

Standard Bank
Carel Cilliers Street
Steytlerville
6250

1.8 REGISTERED OFFICE

Baviaans Municipality
42 Wehmeyer Street
Willowmore
6445

1.9 MUNICIPAL MANAGER

Mr. J. Z. A. Vumazonke
Tel Nr. 044 – 923 1004

1.10 CHIEF FINANCIAL OFFICER

J.H. Doyle
Tel Nr. 044 – 923 1004

1.11 ACCOUNTABILITY AND CERTIFICATION OF FINANCIAL STATEMENTS

I am responsible for the preparation of the Annual Financial Statements in terms of Section 126 of the Municipal Finance Management Act, which I have signed on behalf of the Municipality.

I certify that the salaries, allowances and benefits of councilors as disclosed in the notes to the financial statements, are within the upper limits of the framework envisaged in the Constitution, read with the Remuneration of Public Officer Bearers Act and the determinations in accordance with this Act.


J.Z. A. VUMAZONKE
MUNICIPAL MANAGER

Date

31/08/2009

BAVIAANS MUNICIPALITY
FINANCIAL PERFORMANCE OVERVIEW
2008/2009 FINANCIAL YEAR

Operational Performance	2007/2008	2008/2009	Target/Benchmark
Actual operating expenditure to budget	101.7%	93.42%	100%
Actual operating income to budget	107.6%	100.1%	100%
Capital spending to budget	85.0%	108%	90%
Personnel costs to income	41.4%	40.73%	35%
Electricity distribution loss	26.7%	28.8%	8%
Water distribution loss	15.7%	23.1%	10%
Liquidity			
Debtors collection period	220 days	120days	42 days
Outstanding debtors to revenue	47.6%	15.22%	12%

ACCOUNTING POLICIES

1. Statutory framework

In terms of section 62(1)(b) of the Local Government: Municipal Finance Management Act 2003 (Act No 56 of 2003) (MFMA) the Municipal Manager must take all reasonable steps to ensure that full and proper records of the financial affairs of the Municipality are kept in accordance with prescribed norms and standards.

2. Accounting standards

Section 122 of the MFMA requires the preparation of financial statements to comply with the prescripts of the Public Finance Management Act. In terms of the Government Gazette No. 30013 dated 29 June 2007 the municipality is exempted from implementing these requirements until the 2009/10 financial year subject to the financial statements for the financial years 2006/7 , 2007/8, and 2008/9 being prepared using the same basis of accounting applied in the 2005/6 financial year.

Pending the full implementation of the GRAP / GAMAP standards issued by the Accounting Standards Board these financial statements therefore reflect the standards laid down by the Institute of Municipal Finance Officers in its Report on Standardisation of Financial Statements of Local Authorities. (second edition – 1996)

3. Basis of accounting

The financial statements are prepared on the accrual basis using the historical cost convention. The accounting policies are consistent with those applied in the previous year, except when indicated otherwise.

Although many of these accounting policies appear for the first time there has been no change to the accounting practice during the period under review unless specifically identified.

4. Presentation currency

These statements are presented in South African Rand.

5. Going concern assumption

These annual financial statements are prepared on a going concern basis.

6. Recording of expenditure

Expenditures are recorded in the accounting records when –

- materials or services are ordered;
- an obligation to pay has occurred; and
- the impairment of an asset has occurred.

7. Funds and reserves

Various funds and reserves are maintained as follows:

7.1. Capital Development Fund

The existing fund is not subject to any Council policy

7.2 Revolving Fund

A minimum contribution equal to 20% more than the previous year's contribution is provided each year in terms of the previous Municipal Ordinance, No. 20 of 1974 section 74(1)(a) although this legislation is no longer applicable.

7.3 Dog Tax Fund

Administered in respect of the Dog Tax Ordinance and is made up of revenue collected for dog licences.

7.4 Housing Development Fund

This fund is inactive at present.

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 a Housing Development Fund. Housing selling schemes, both complete 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 sales 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 Provincial MEC responsible for housing.

8 Reserves

8.1 Leave Reserve

The municipality's employees are entitled to accrue leave in terms of their conditions of service. The Leave Reserve balance must be maintained to reflect the actual liability for leave standing to the credit of all personnel at year-end. Contributions to the Leave Reserve are made annually according to the budget provision and the liability for leave outstanding.

9 Accounting for fixed assets (Property, Plant and Equipment)

Property, plant and equipment are stated at historical cost while they are in existence and fit for use, except in the case of bulk assets, which are written off at the end of their estimated life as determined by the Chief Financial Officer.

The fixed assets are reflected net of Loans Redeemed and other Capital Receipts. This is tantamount to accounting for depreciation. This is similar to writing down assets over their estimated useful life. However accounting for depreciation is not done in accordance with the GRAP/ GAMAP accounting standards and is to be introduced later.

Impairment losses are recognized as an expense in the year identified. Where an item of property plant or equipment has an estimated recoverable amount less than the carrying amount it will be written down and an expense charged to the Income Statement.

Gains or losses in disposal or retirement of assets are utilized or are applied to the Revolving Fund. Such gains or losses are determined as the difference between the sales proceeds and the carrying value. Such gains or losses are therefore not reflected in the Income Statement or Statement of Financial Performance.

Land and buildings are not revalued.

Apart from advances from various Council funds, assets may also be acquired through:

- Appropriations from operating income where the full cost of the assets forms an immediate and direct charge against operating income, and therefore it is unnecessary to make any further provision for depreciation.
- Grants of donations, where the amount representing the value of such grant or donation is immediately credited to the "Loans Redeemed and other Capital Receipts" account.
- External loans which are repaid over the estimated lives of the assets acquired from such loans. Interest is charged to the service concerned at the ruling interest rate applicable at the time the advance is made.

10. Post Retirement Benefits

Baviaans Municipality provides retirement benefits for its employees. The contributions made to fund obligations for the payment of retirement benefits are charged against revenue in the year they become payable. The defined benefit funds are actuarially valued triennially. Deficits identified are recognised as a liability and are recovered through lump sum payments or increased future contributions on a proportional basis to all participating municipalities.

Any liability in respect of cases of early retirement for reasons such as medical boarding has not been determined or quantified.

In addition the Municipality carries an obligation to pay 70% of the contributions to medical insurance after retirement of an employee. The financial liability has not been quantified and nor does a reserve exist for such liability. At present this is provided annually within the operational budget.

11. Investments in financial instruments

Council has an approved policy to administer investments. Financial instruments include listed government bonds, fixed deposits and short-term deposits with registered commercial banks. At present all investments are short-term deposits. Investments are stated at cost.

When investments have been impaired the carrying value is adjusted by the impairment, which is recognized as expenditure in the period identified.

On disposal of an investment any difference between net proceeds and the carrying amount will be charged or credited to the Income Statement or Statement of Financial Performance.

12. Investments in associates, municipal entities and joint ventures.

The municipality has no such interests at present and therefore has not established a policy in this regard.

13. Inventory

Consumable stores, raw materials, work-in-progress and finished goods shall be valued at the lower of cost and net realisable value. In general, the basis of determining cost shall be the first-in, first-out method.

Unsold properties shall be valued at the lower of cost and net realisable value on a weighted average cost basis. Direct costs, which shall also include a proportion of overhead costs, shall be accumulated for each separately identifiable development.

Redundant and slow-moving inventories shall be identified and written down from cost to net realisable value with regard to their estimated economic or realisable values.

14. Accounts receivable

Accounts receivable (debtors) shall be carried at anticipated realisable value. An estimate shall be made for doubtful receivables based on a review of all outstanding amounts at year-end. Bad debts shall be written off during the year in which they are identified. Amounts that are receivable within 12 months from the reporting date shall be classified as current.

Accounts receivable in respect of property rates and service fees and which are subject to repayment terms longer than 12 months are shown as current.

15. Trade creditors

Trade creditors shall be stated at their nominal value.

16. Revenue recognition

Service charges relating to electricity and water are based on metered consumption. Credit meters are read on a monthly basis and recorded consumption is recognised as revenue when invoiced. Provisional estimates of consumption are made when meter readings have not been obtained. 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 exchange transactions

- Revenue from the sale of prepaid electricity and water recognised at the point of sale.
- Service charges relating to sewage and refuse removal services are recognised as revenue when invoiced.
- Interest and rentals are recognised on a monthly basis.
- Revenue arising from the sale of other services, including the issuing of licences and permits, shall be recognised as revenue when invoiced or when payment is received.
- Revenue from the recovery of unauthorized, irregular, fruitless and wasteful expenditure is based on legislative procedures including those set out in the Municipal Finance Management Act (Act 56 of 2003) and is recognized in

the books of account when the recovery thereof from the responsible persons is virtually certain.

- Income for agency services shall be recognised on a monthly basis once the income collected on behalf of agents has been quantified, consistent with the agency agreement.
- Finance income from the sale of housing by way of instalment sales agreements or finance leases is recognised on a time proportion basis.
- Revenue from the sale of goods is recognised when the risk is passed to the buyer.
- Revenue from public contributions is recognised when all the conditions associated with the contribution have been met or where the contribution is to finance property, plant and equipment, when such items of property, plant and equipment is brought into use. Where public contributions have been received but the Municipality has not met the condition, a liability is recognised

Revenue from non-exchange transactions:

- Revenue from property rates is recognised when the legal entitlement to this revenue arises. Collection charges are recognised when such amounts are legally enforceable.
- Penalty interest on unpaid property rates and other service charges are accrued monthly to accounts that reflect arrears.
- Fines i.e. spot fines and summonses are recognised when payment is received, together with an estimate of spot fines and summonses that will be received based on past collection experience.
- Donations are recognised on a cash receipt basis.
- Contributed property, plant and equipment are recognised when such items of property, plant and equipment are brought into use.
- Revenue from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is recognised when the recovery thereof from the responsible person is virtually certain.

17. Conditional grants and receipts

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

18. Provisions

Provisions shall be recognised when the Municipality has a present or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the

provision can be made. Provisions shall be reviewed at the reporting date and adjusted to reflect the current best estimate.

Non-current provisions shall be discounted to the present value using a discount rate based on the average cost of borrowing to the Municipality.

19. Cash and cash equivalents

Cash includes cash on hand and cash with banks. Cash equivalents are short-term highly liquid investments that are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held on call with banks and investments in financial instruments, net of bank overdrafts. Bank overdrafts shall be recorded based on the facility utilised. Finance charges on bank overdrafts shall be expensed as incurred.

20. 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 organ of state and expenditure in the form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act 56 of 2003). Unauthorised expenditure shall be accounted for as an expense in the Income Statement (Statement of Financial Performance) and where recovered, it shall subsequently be accounted for as revenue in the Income Statement (Statement of Financial Performance).

21. Irregular expenditure

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

22. Fruitless and wasteful expenditure

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

23. Foreign currencies

Transactions in foreign currencies shall initially be recorded at the prevailing exchange rate on the dates of the transactions. Monetary assets and liabilities denominated in such foreign currencies shall be retranslated at the rates prevailing at the reporting date. Exchange differences shall be included in the Statement of Financial Performance.

24. Prior year comparative information

When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts shall be reclassified. The nature and reason for the reclassification shall be disclosed.

25. Establishment of accounts

- Except insofar as current legislation prescribes the format of accounts, the Municipality's accounting records are maintained in the form which the Chief Financial Officer deems to be the most suitable to enable her/him to manage the Municipality's finances effectively.
- The number of accounts shall be limited to the level necessary to ensure the efficient operation of the Municipality unless required by specific agreements. All requests to create new accounts shall be accompanied by proper documentation and approved by the Chief Financial Officer.
- Accounts shall be established in appropriate vote and item groups to reflect the nature of the revenues to be generated and/or the purpose of the expenditures to be incurred.
- All changes to account purpose codes and other account specific information shall be approved by the Chief Financial Officer. Every departmental head shall notify the Chief Financial Officer on a timely basis, of any organisational change, including the movement of staff, affecting reporting responsibility and any general ledger accounts to be deleted, including inactive accounts or special accounts for which the amount has been expended.

26. Reconciliation of accounts

The Chief Financial Officer shall ensure that all control accounts and subsidiary records are reconciled on a monthly basis.

27. Changes to processed information in the financial management system

All changes to processed information in the financial management system shall be done through properly authorised journal forms.

28. Surpluses and Deficits

The overall surplus or deficit shall be retained and carried over to the following year. Council shall deal with the surpluses and deficits once the Chief Financial Officer has submitted a report and recommendations in this regard.

Any surpluses or deficits arising from the electricity and water services are transferred to Rates and General Services. No Council policy exists to define the maximum surplus that may be transferred from any trading service.

REPORT OF THE CHIEF FINANCIAL OFFICER ON THE FINANCIAL STATEMENTS FOR THE YEAR 2008/2009

It is my privilege to present my report on the financial results together with the financial statements for the year ended 30 June 2009.

The primary objective of the Budget and Treasury Office is to assist Heads of Departments to control their budgets and to ensure effective utilisation of financial resources.

1. OPERATING BUDGET

Details of the operating results per department, classification and object of expenditure are included in appendices D and E. The overall operating results are as follows. (Please note the Budgeted figures represent the Adjustment Budget).

INCOME	Actual 2009 R	Actual 2008 R	Variance 2008/2009 %	Budget 2009 R	Variance Actual/Budget %
Operating income	24,442,040	22,555,846	7.72	24,406,259	-0.15
Appropriations	-4,238,559	-1,348,695	208.91		
Closing Deficit/(Surplus)	1,238,326	21,206,351	1.10	24,406,259	
Total	21,441,807	21,206,351	1.10	24,406,259	
EXPENDITURE					
Opening Surplus	-1,348,451	2,155,475	259.85		
Operating expenditure	22,790,257	16,574,564	27.27	24,394,413	6.58
Appropriations	-	2,476,730			
Total	21,441,806	21,206,769	1.10	24,394,413	

The net operating surplus for the year amounted to R 1 651 783. The surplus was generated after a contribution to the provision for bad debts of R 400 000. A value added tax audit was done by Maxiprof which resulted in a payment from SARS to R 2 300 000. The accumulated surplus increased from R 1 348 451 to R 5 556 248.

The main reasons for the surplus is the under expenditure of Salary and Wages to the amount of R 1 132 524.

1.1 RATES AND GENERAL SERVICES

DETAILS	Actual 2009 R	Actual 2008 R	Variance 2008/2009 %	Budget 2009 R	Variance Actual/Budget %
Income	17,714,237	16,175,416	8.69	17,790,764	0.43
Expenditure	17,652,628	12,422,566	29.63	19,174,646	7.94
Surplus/(Deficit)	51,609	3,752,850		-1,383,882	

1.2 TRADING SERVICES

ELECTRICITY	Actual 2009 R	Actual 2008 R	Variance 2008/2009 %	Budget 2009 R	Variance Actual/Budget %
Income	4,889,929	4,524,143	7.48	5,210,495	6.15
Expenditure	3,636,228	2,945,428	19.00	3,683,267	1.28
Surplus/(Deficit)	1,253,701	1,578,715		1,527,228	

WATER	Actual 2008 R	Actual 2007 R	Variance 2007/2008 %	Budget 2009 R	Variance Actual/Budget %
Income	1,837,874	1,855,905	-0.98	1,405,000	30.81
Expenditure	1,501,401	1,206,571	19.64	1,536,500	2.28
Surplus/(Deficit)	336,473	649,334		-131,500	

2. CAPITAL EXPENDITURE AND FINANCING

The expenditure on fixed assets during the year amounted to R 19 002 983 (2007/2008 - R 13 480 487) Hereunder is a summary of the capital expenditure for the year 2007/2008.

DETAILS		Actual 2009 R	Budget 2009 R	Actual 2008 R
Capital Expenditure				
<u>Land</u>				
Buildings		4,163,799	4,304,070	23,600
Municipal Building		410,222	-	-
Community Halls		3,753,577	4,304,070	-
Upgrading Libraries		-	-	22,000
Infrastructure				
Sewerage and Sanitation		12,342,288	18,048,915	13,280,998
Water		2,909,355	3,000,000	2,408,285
Electricity		4,784,805	6,613,796	3,231,681
Housing		-	2,250,000	2,650,949
Streets and Stormwater		4,451,108	5,985,119	4,970,083
Parks		197,000	200,000	-
Roads		-	-	-
Other fixed assets				
Vehicles		2,496,915	3,384,000	197,489
Furniture and Equipment		-	-	197,489
Administration		-	-	-
Finance		2,496,915	3,384,000	-
Water		-	-	-
TOTAL		19,002,983	25,736,965	13,480,487

Resources utilised to finance the fixed assets were as follows:

Resources

DETAILS	Actual 2009 R	Budget 2009 R	Actual 2008 R
Grants and Subsidies	18,805,982	25,536,985	13,431,644
Bankfin Loans			-
Operating Income	197,000	200,000	48,854
TOTAL	19,002,982	25,736,985	13,480,498

A comprehensive analysis of capital expenditure per department classified by service is included in appendix C. Further details regarding external loans used to finance fixed assets is contained in appendix B.

3. EXTERNAL LOANS, INVESTMENTS AND CASH

External loans outstanding on 30 June 2009 amounted to R 100 159 (2008 - R 216 965) as set out in appendix B.

Investments and cash amount to R 15 198 485 (2008 - R 33 003 988)

4. STATUTORY FUNDS, RESERVES AND TRUST FUNDS

Details	Balance at 30/06/2008 R	Contributions during the year R	Interest on investments R	Other income R	Operating expenditure during the R	Capital expenditure during the R	Balance at 30/06/2009 R
Statutory Funds							
Capital Development Fund	9,342						9,342
Revolving Fund	4,112,178	501,203					4,613,381
Dog Tax	134,246				100,000		34,246
Housing Development Fund	531,951				531,951		-
Sub Total	4,787,717	501,203	-	-	631,951	-	4,656,969
Reserves							
Leave Reserve	351,616	121,343			67,803		405,156
Sub Total	351,616	121,343	-	-	67,803	-	405,156

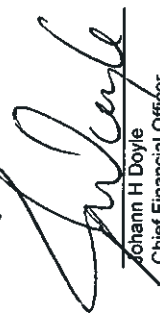
Unspent conditional grants and receipts						
Water & Sanitation Policy	-	87 719	-	-	-	87,719
Water Services Asset	-	614,035	-	-	-	614,035
Water Conservation DWAF	-	600,000	-	261,614	-	338,386
Water Supply Investigation	-	100,000	-	84,423	-	15,577
CIP	-	200,000	-	-	14,618	185,382
Municipal Infrastructure Grant	22,394,562	4,868,907	-	20,656,681	-	6,604,788
Project Consolidate	288,927	400,000	-	688,927	-	0
Spatial Development Framewr	95,637	-	-	95,637	-	-0
Land Sales	-	-	-	-	-	-
Housing Project 460	66,512	21,600	-	88,112	-	0
LED Paper project Steytlervilk	710,193	-	-	-	-	710,193
Electricity donations fund	-	-	-	-	-	-
FMG Grant	362,048	224,978	-	587,026	-	-
HIV Launch	-	-	-	-	-	-
Willowmore Housing Repars (-	-	-	-	-	-
Drought Relief	177,969	-	-	177,969	-	-
CMIP - Steytlerville sewer proj	-	-	-	-	-	-
CMIP - Steytlerville sewer res	-	-	-	-	-	-
Steytlerville Housing project	-	-	-	-	-	-
Property Valuation	5,000,000	-	-	2,386,020	-	2,613,980
PMS/IDP	-	-	-	-	-	-
Sub Total	29,095,848	7,117,239	-	1,594,177	23,178,850	11,170,061
TOTAL FUNDS	34,235,781	2,239,765	-	2,263,931	23,478,850	16,232,786

The balance of the statutory funds, reserves and conditional grants decreased from R 34 234 181 to R 16 110 843 due to all Municipal Infrastructural grants (R 20 658 661) been spend in the 2008/2009 financial year. Furthermore the property valuation was done in this year to a value of R 2 386 020

4. EXPRESSION OF APPRECIATION

I am grateful to the Mayor, Councillors, Heads of Departments and staff of the Budget and Treasury office for the support they have given me and for controlling their budgets in such a way that resulted in the net surplus for the year.

I would also like to express my appreciation to the staff of the Auditor-General for their co-operation and assistance during the audit of the Council's financial statements.



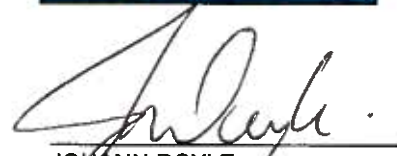
Johann H Doyle
Chief Financial Officer
Baviaans Municipality
31 August 2009

BAVIAANS MUNICIPALITY

BALANCE SHEET AS AT 30 JUNE 2009

	Notes	2009	2008
		R	R
<u>Capital Employed</u>			
Funds and Reserves		5,062,126	5,139,333
Statutory Funds	1	4,656,970	4,787,717
Reserves	2	405,155	351,616
(Accumulated deficit)/ Retained Income	19	-3,437,271	1,348,695
		1,624,854	6,488,028
Trust Funds	3	-	-
Long term liabilities	4	-	53,106
Consumer Deposits	6	130,292	111,796
		1,755,146	6,652,930
<u>Employment of Capital</u>			
Fixed Assets	7	110,157	216,963
<u>Net current assets/(liabilities)</u>		1,644,990	6,435,967
<u>Current Assets</u>			
		18,622,194	38,039,287
Inventory	9	-	-
Debtors	10	2,063,105	3,748,849
Bank and Cash	5	1,360,604	1,491,700
Short-term investments	11	15,198,485	32,798,738
<u>Current liabilities</u>			
		16,977,205	31,603,320
Provisions	13	360,000	360,000
Creditors	14	5,336,986	1,983,615
Unspent conditional grants	3	11,170,060	29,095,846
Short-term portion of long-term liabilities	4	110,159	163,859
		1,755,146	6,652,930


J.Z.A. VUMAZONKE
MUNICIPAL MANAGER


JOHANN DOYLE
CHIEF FINANCIAL OFFICER

BAVIAANS MUNICIPALITY

INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2009

Actual 2008	Actual 2008	Actual 2008
Income	Expenditure	Surplus/(Deficit)
R	R	R

16,175,416	12,422,566	3,752,850
Rates and General Services		

14,844,424	10,901,350	3,943,074
76,679	551,810	-475,131
1,254,313	969,406	284,907

6,380,048	4,151,999	2,228,049
Trading Services		

1,855,905	1,206,571	649,334
4,524,143	2,945,428	1,578,715

22,555,464	16,574,565	5,980,899
TOTAL		

Actual 2009	Actual 2009	Actual 2009	Budgeted 2009
Income	Expenditure	Surplus/(Deficit)	Surplus/(deficit)

17,715,675	17,990,016	-274,341	-1,371,740
------------	------------	----------	------------

15,733,616	15,655,164	78,452	-966,614
63,265	764,237	-700,972	-839,810
1,918,794	1,570,615	348,179	434,684

6,768,612	5,704,896	1,063,716	1,348,569
-----------	-----------	-----------	-----------

1,874,040	1,537,567	336,472	-131,500
4,894,572	4,167,329	727,244	1,480,069

24,484,237	23,694,912	789,325	23,171
------------	------------	---------	--------

-2,476,973 Appropriations for the year (refer note 19)

3,503,926 Net surplus/(deficit) for the year

-2,155,475 Accumulated surplus/(deficit) at the beginning of the year

1,348,451 Accumulated surplus/(deficit) at the end of the year

-5,575,097

-4,785,722

1,348,451

-3,437,271

BAVIAANS MUNICIPALITY

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2009

	NOTES	2009	2008
<u>Cash retained from operating activities</u>		-17,624,543	36,577,998
Cash generated by operations	20	-24,761,761	-15,124,453
Investment income	18	2,027,605	204,360
(Increase)/decrease in working capital	21	5,057,611	2,753,641
Less: External interest paid	18	52,002	52,011
Cash available from operations		-17,624,543	-12,114,441
Cash contributions from public and the State		-	48,692,439
Nett proceeds on disposal of fixed assets			-
Cash utilised in investing activities			
Investment in fixed assets		-	-13,480,253
Net cash flow		-17,624,543	23,097,745
<u>Cash effects of Financing activities</u>			
Increase/(decrease) in long-term loans	22	-106,806	-120,469
(Increase)/decrease in cash investments	23	17,600,253	-24,167,859
(Increase)/decrease in cash	24	131,096	1,190,583
		17,624,543	-23,097,745

BAVIAANS MUNICIPALITY

NOTES TO THE YEAR ENDED 30 JUNE 2009

Note Number	2009	2008
	R	R
1 Statutory Funds	4 856 970	4 787 717
Capital Development Fund	9,342	9,342
Revolving Fund	4,613,382	4,112,178
Dog Tax Fund	34,246	134,246
Housing Development Fund		531,951
(Refer to Appendix A for further details)		
2 Reserves	405 155	351 815
Leave Reserve	405,155	351,815
(Refer to Appendix A for further details)		
3 Unspent Conditional Grants and Receipts	11 170 080	29 095 848
Water & Sanitation Policy	87,719	-
Municipal Infrastructure Grants	6,604,788	22,394,562
Project Consolidate		288,927
Spatial Development Framework		95,637
Water Service Asset	614,035	-
Water Conservation	338,386	-
Water Supply Investigation	15,577	-
Housing Project 460		66,512
LED Paper project (Steytlerville)	710,193	710,193
CIP	185,382	-
FMG Grant		362,048
Drought Relief fund		177,969
Property Valuation	2,613,980	5,000,000
(Refer to Appendix A for further details)		
4 Long-term Liabilities	-	53 108
Long term loans	110,159	216,965
Less: Short term portion	110,159	163,859
(Refer to Appendix B for further details)		

During the 05/06 financial year the Baviaans Municipality entered into a finance lease agreement with ABSA Bank over a period of 60 months. Monthly payments of R 8 111.50 at and interest rate of 10.5 % . The finance lease will be settled in full within the next 12 months.

Loans in respect of vehicles are repaid in monthly instalments.

5 Bank and Cash	1,360,604	1,491,700
Baviaans General Account (ABSA and Standard Bank)	1,005,675	1,424,435
Standard Bank		7,744
Vuyolwethu Housing Account (ABSA Bank)	354,930	59,521
ABSA Bank (Primary Bank Account) account number 4053623514		
Standard Bank account number 280252013		
AbSA Bank (Vuyolwethu Housing Account) account number 4061808429.		
6 Consumer Deposits	130,282	111,795
Water and Electricity	130,292	111,795
7 Fixed Assets		
Fixed assets at the beginning of the year	76,093,433	82,612,936
Capital Expenditure during the year	19,002,983	13,480,497
Less: Assets written off, transferred or disposed of during the year		
Total fixed assets	95,096,416	76,093,433
Less: Loans redeemed and other capital receipts	94,986,259	75,876,470
Nett fixed assets	110,157	216,963
8 Long-term Debtors	-	-
Housing loans	-	-
Less: Provision for bad debts	-	-
9 Inventory	-	-
Inventory represents only fuel	-	-
10 Debtors	2,083,195	3,748,950
Consumer debtors	621,708	2,618,353
Consumer debtors	3,721,728	5,111,152
Less: Provision for bad debts	3,100,020	2,492,799
Other debtors	1,441,397	1,130,497
Sundry debtors	-	270,156
Electricity 373 Houses	-	581,155
Vat	1,404,413	-
Cacadu Claims	6,622	-
IEC	-	7,420
Nursery Electricity	-	78,110
Christmast Lights	-	45,063
Pre-paid sales - outstanding deposit (Lucky 7)	30,363	30,363
Umsobomvu Youth Fund	-	116,230

10.1 Age analysis per service

	Less than 90 days	Over 90 days	Total
	R	R	R
Water	319,735	906,666	1,226,401
Electricity	235,003	278,541	513,544
Sewerage	92,919	396,960	489,879
Refuse	131,890	606,148	738,038
Rates	221,163	464,225	685,387
Other	73,282	270,688	343,970
Total	1,073,992	2,923,248	3,997,240

10.2 Age analysis per category

Provincial Departments	106,796	627	107,423
Industrial/Business	68,569	19,695	88,263
National Departments	552	3,197	3,749
Residents	898,075	2,899,730	3,797,804
Total	1,073,991	2,923,248	3,997,239

11 Short term investments

Total	15,198,485	32,798,738
Unlisted		
ABSA Bank	15,198,485	32,098,122
Standard Bank	-	700,616
Market value of unlisted investments	15,198,485	32,798,738
Average rate of return on investments	10.50%	11.00%

Investments consist of saving accounts and 32 day notice deposits.
No investments were pledged as security for any funding activities of the Council

12 Deferred charges

There are no deferred charges

13 Provisions

Total	360,000	360,000
Audit Fees 2004/2005	-	-
Audit Fees 2008/2009	360,000	360,000
Audit Fees 2009/2010	-	-

14 Creditors

Total	5,336,988	1,983,615
Trade Creditors	5,178,098	811,399
Provision Audit Cost	-	-
Breakage Rent of hall	5,174	-
Seta claims	68,246	-
Deposit - Hire of halls	-	3,813
VAT - Nett position	-	1,168,403
Payments in advance	85,468	-

15 Assessment rates	1,338,185	1,334,434
All properties	1,338,185	1,334,434
	R	R
Valuations of residential, commercial/industries and state refer to Appendix F.		

The above valuations came into effect on 1 July 2000
A project to revalue all property in terms of the Property Rates Act has been implemented - new valuations should be available for 1 July 2009.
The general rate applied for 2008/9 is reflected in Appendix F.

16A Councillor's Remuneration	978,119	753,780
Mayor / Speaker	228,187	208,088
Salary	158,072	140,184
Transport allowance	49,385	46,728
Medical allowance	12,168	12,168
Cellphone	9,562	8,988
Benefits in kind		
Councillor's allowances	746,932	545,712
Salary	512,411	382,320
Transport allowance	186,711	127,440
Medical allowance	-	-
Cellphone	47,810	35,952
Benefits in kind		

16 B Details of arrears as at 30 June 2008 owing by individual Councillors.

Not one of the councillors owed the council on 30 June 2008

Nil

17 Audit Fees	812,646	749,934
Current year	812,646	749,934
Prior year	-	-
18 Finance Transactions	2,027,805	204,360
Total external interest earned or paid		
Interest earned	2,027,805	204,360
Interest paid	-	-
Capital charges debited to operating account		
Interest:	52,002	52,011
External	52,002	52,011
Internal		
Redemption:	52,002	75,656
External	52,002	75,656
Internal		

19 Appropriations

Appropriation Account:		
Accumulated surplus at the beginning of the year	1 348,451	-2 155,475
Operating (deficit)/surplus for the year	789,375	5,980,899
Appropriation for the year	-5,575,087	-2,476,973
Proir year various adjustments	-	-1,898
Wrong allocation See note 40	-	-22,325
Expenditure 2005/2006 See note 40	-	-428,430
Expenditure 2005/2006 See note 40	-	-677,341
Expenditure 2006/2007 See note 40	-	791,323
Electrification 373 Houses See note 40	-	62,434
Unknown deposits See note 40	-	8,564
Clearing suspense account See note 40	-	752,333
IOT Money wrongly raised See note 40	-	-400,009
MIG Funds wrongly allocated See note 40	-	-400,400
Correction of Housing account See note 40	-	-2,422,896
Motor Vehicle Registration See note 40	-	338,556
Provision Audit Fees	-	-360,000
Investments	-	-205,250
Leave Reserve	-	208,059
Bank	-	280,305
Licence Fees	-25,672	-
VAT	454	-
Vat Recon Previous Year	1,146,374	-
Standard Bank	-7,744	-
Debtors	-6,794,573	-
Provision Bad Debts	-2,740,952	-
SARS vat	1,404,415	-
SARS	1,442,601	-
Accumulated deficit at the end of the year	-3,472,271	1,348,451

Operating account:	87,174	71,286
Capital expenditure	87,174	71,286

Contributions to:	666,343	492,410
Revolving Fund	145,000	120,160
Leave Reserve	121,343	52,250
Provision for Bad Debts	400,000	320,000

20 Cash generated by operations

(Deficit)/Surplus for the year	789,375	5,980,899
Adjustments in respect of:		
Previous year's operating transactions	-5,575,087	-2,476,973
Appropriations charged against income	-	603,688
Revolving fund	-	120,160
Leave reserve	-	-
Provisions	-	412,250
Fixed assets	-	71,286
Interest to internal funds	-	-
Less: Operating contributions from Central and Provincial Government	-	-12,498,028
Capital Charges	52,002	127,687
Interest paid:		
to internal funds	-	-
on external funds	52,002	52,011
Redemption:		
of internal advances	-	-
of external loans	-	75,656
Investment income (operating account)	-2,027,605	-204,360
Non-operating income:		
Net income from provisions and reserves	7,742,344	-120,469
Non - Operating expenditure	-	-357,500
Expenditure charged against provisions and Reserves	-25,742,780	-6 179 385
	-24,757,651	-13 124 493

21 (Increase)/decrease in working capital	5,057,611	2,753,641
(Increase)/decrease in inventory	-	-
(Increase)/decrease in debtors, long-term debtors	1,685,744	1,981,420
Increase/(decrease) in creditors, consumers' deposits	3,371,867	772,221
Less: Outstanding grant for Steytleville Library	-	-
22 Increase/(decrease) in long-term loans (external)	-106,806	-120,469
Loans raised	110,159	216,965
Loans repaid	216,965	337,434
23 (Increase)/decrease in external cash investments	17,600,253	-24,167,859
Investments realised	32,798,738	8,630,879
Investments made	15,198,485	32,798,738
24 (Increase)/decrease in cash on hand	131,096	1,190,583
Cash balance at the beginning of the year	1,491,700	2,682,283
Less: Cash balance at the end of the year	1,360,604	1,491,700
25 Retirement benefits		
<p>The municipality contributes to three retirement funds. Employees of the former Willowmore Municipality are members of the Cape Joint pension fund and the SAMWU Provident fund. Employees of the former Steytleville Municipality are members of the SALA pension fund. Refer also accounting policy no.14.</p>		
26 Revolving Fund		
Outstanding advances to borrowing services		
Accumulated fund		
Less: Internal investment in the Rates and General Account	4,613,381	4,112,178
External investments	-4,613,381	-4,112,178
	-	-
27 Government Grants and subsidies	13,295,216	39,585,151
Grants received:		
National Equitable share	7,428,840	5,905,207
Department of Transport	-	-
Finance Management Grant	500,000	500,000
Extra-ordinary allocation (R5m)	-	5,000,000
MIG	4,868,907	21,607,253
Provincial PHB subsidies/housing funds	-	-
Health subsidies	497,469	572,691
Libraries	-	-
Other	-	-
District Municipality (Sportfields Steytleville LED projects)	-	1,000,000
R5m to implement Municipal Property Rating Act	-	5,000,000
Grants Spent / transferred to income:		
Changes to liabilities / balance unspent:		
Grants made:		Nil

Grants due in terms of Division of Revenue Act - payment delayed:

Drought Relief Fund - 1,500,000

28 Senior Management remuneration

Municipal Manager JZA Vumazonke	395,263	30,367
Annual remuneration	320,863	24,167
Performance bonus		
Vehicle allowance	60,000	5,000
Other	14,400	1,200
Chief Financial Officer JH Doyle	322,735	255,760
Annual remuneration	188,021	148,216
Performance bonus		
Vehicle allowance	123,914	102,144
Other	10,800	5,400
Corporate Services Manager: M Lötter	332,851	249,689
Annual remuneration	247,051	172,823
Performance bonus	-	-
Vehicle allowance	75,000	69,592
Other	10,800	7,274
Technical Services Manager: B Arends	323,233	275,509
Annual remuneration	274,320	191,728
Performance bonus	-	-
Vehicle allowance	38,113	78,381
Other	10,800	5,400
Community Services Manager: L De Beer	245,844	-
Annual remuneration	210,056	-
Performance bonus	-	-
Vehicle allowance	30,000	-
Other	5,888	-

29 Municipal entities

This Municipality does not have any entities under its sole or shared control.

30 Contributions to organised local government

Contributions made: 30,487 25,894

Contributions outstanding: nil

31 Taxation and other disclosable expenditure

31.1 Taxes paid:

Levies	nil	
VAT	nil	
PAYE	879,905	641,795
SDL	44,129	42,657
UIF	109,288	88,869

Taxes unpaid at year end: nil

31.2 Pension and Medical Aid contributions

	740,940	818,254
Current year contributions Medical Aid	156,729	271,260
Current year contributions Pension	584,212	546,994

32 Details of current bank accounts (investments excluded)

Standard Bank: Steyterville - cheque		
Opening balance	180,480	434,227
Year-end balance	324,680	180,480
ABSA: Willowmore - cheque		
Opening balance	1,507,619	644,859
Year-end balance	898,696	1,507,619
ABSA: Vuyolwetha Housing Account		
Opening balance	60,445	1,982,848
Year-end balance	354,930	60,445

33 Particulars of any non-compliance with the Municipal finance Management Act

Municipal Finance Management Act implementation plan is attached as Annexure G of the Financial Statements

34 Capital Commitments

Expenditure approved and contracted:	5,427,647
Extension of Wanhoop Phase 2 Willowmore Sportfields	4,123,028 1,304,619
Expenditure approved but not contracted:	None

35 Contingent Liabilities

Court case between Baviaans Municipality and contractor of 503 housing project

36 Unauthorised, Irregular, Fruitless and wastefull expenditure

36.1 Material Unauthorised expenditure:

Unauthorised expenditure council approved on its meeting held on 12 August 2009	317,718
Overtime Line item 17	71,658
Fuel and Oil Line item 60	12,596
Audit Cost Line item 144	164,733
X-Rays Line item 183	8,025
Water Research Line item 204	14,736
Vehicle Maintenance Line item 339	25,967
Capital Cost Redemption Line item 351	10,002
Capital Cost Interest Line item 354	10,002

36.2 Material Irregular expenditure: None

36.3 Material Fruitless and wasteful 84,500

Subsistence and Travel expenses to CW	2,500
PAYE recon not done	82,000

36.4 Any material losses None

36.5 Disciplinary Hearings

- M Larens - 20.02.2009
- J Tarentaal - 20.02.2009
- D Miggels - 20.02.2009
- S Golozana - 20.02.2009
- W Larens - 12.12.2008
- J Tarentaal - 29.07.2008

37 Disclosure of payables to mayor (inservice of the state)

The following payments were made to the mayor because of his transport business.

6,488

Transport Cost

November 2008 Ref 3192 - Willowmore United Sports Club	2,400
November 2008 Ref 3412 - Willowmore United Sports Club	2,400
March 2009 Ref 5249 - Willowmore United Sports Club	500
April 2009 Ref 5479 - Willowmore United Sports Club	500

Other

November 2009 Ref 3370 Glas for Photo frames	400
June 2009 Ref 10016 Meals for EC Parks Board	288

38 Audit Committee Members

The following members served on the Audit Committee for the financial year.

Chair person R Shaw
Audit committee member A Saayman
One vacant

39 Operating leases

322,457

Operating lease rentals are expensed in the income statement under vote 10006078 Administration

The minimum rentals for the next 12 months
The minimum rentals after 1 year less than 5 years

74,550
247,907

40 Movement in Appropriation Account

-2,478,973

Prior year various adjustments	-1,896
An amount of R 22 324.63 was for water research in 2007/2008 which was for the book year 2006/2007 Journal Nr. 51/07/08	-22,325
Correction of creditors paid in 2007/2008 which were creditors during 2006/2007. Journal Nr. 78/07/08	-428,430
This is expenditure made during July 2007 which was for June 2007. Journal Nr. 79/07/08	-677,341
Correction of creditors of the 2006/2007 book year. Journal Nr. 80/07/08	791,323
Electrification of 373 houses - the first 150 Houses. According to Manager Technical all monies have been paid to Benkro. Journal 81/07/08	62,434
This is a correction of unknown deposits of R 99 064.12. R 90 500 was for the Pigs and Poultry project that was corrected. The other R 8 564.12 can not be traced. Journal Nr. 82/07/08	8,564
This was the posting of orders. It was stopped by the Accountant and she never put the journal through. The expenditure was posted from the payment vouchers to the correct vote numbers. Journal Nr. 84/07/08	752,333
During Willowmore Municipality a debtor was raised for R 400 000. The municipality said that National Government owed them R 400 000 of the equitable share. The correction was made because the government did not owed this money to the municipality	-400,009
When payment was made to the Department of Transport a wrong vote number was used. This is the correction. Journal Nr. 97/07/08	-400,400
Correction of housing account Steytleville Journal Nr. 105/07/08	-2,422,896
The municipality paid the Department of Transport R 400 000 re motor registration fees not paid over. Journal Nr. 106/07/08	338,556
Provision for Audit Fees	-360,000
Correction of Investments	-205,250
Correction of Leave Reserve	208,059
Correction of Bank Balance	280,305

BAVIAANS MUNICIPALITY

APPENDIX A
STATUTORY FUNDS, RESERVES AND TRUST FUNDS

	Balance at 30/06/2008 R	Contributions during the year R	Interest on investments R	Other income R	Operating expenditure during the year R	Capital expenditure during the year R	Balance at 30/06/2009 R
Statutory Funds							
Capital Development Fund	9,342						9,342
Revolving Fund	4,112,178	501,203					4,613,381
Dog Tax	134,246				100,000		34,246
Housing Development Fund	531,951				531,951		-
Sub Total	4,787,717	501,203	-	-	631,951	-	4,656,969
Reserves							
Leave Reserve	351,616	121,343			67,803		405,156
Sub Total	351,616	121,343	-	-	67,803	-	405,156
Unspent conditional grants and receipts							
Water & Sanitation Policy		87,719					87,719
Water Services Asset		614,035					614,035
Water Conservation DWAF		600,000				261,614	338,386
Water Supply Investigation		100,000				84,423	15,577
CIP		200,000			14,618		185,382
Municipal Infrastructure Grant	22,394,562	4,868,907				20,658,681	6,604,788
Project Consolidate	288,927	400,000			688,927		0
Spatial Development Framework	95,637				95,637		-0-
Land Sales							
Housing Project 460	66,512	21,600				88,112	0
LED Paper project Steytlerville	710,193						710,193
Electricity donations fund							
FMG Grant	362,048				587,026		
HIV Launch		224,978					
Willowmore Housing Repars (Cacadu)							
Drought Relief	177,969				177,969		
CMIP - Steytlerville sewer project							
CMIP - Steytlerville sewer reservoir							
Steytlerville Housing project							
Property Valuation	5,000,000					2,386,020	2,613,980
PMS/IDP							
Sub Total	29,095,848	7,117,239	-	-	1,564,177	23,475,850	11,170,061
TOTAL FUNDS	34,235,071	7,739,785	-	-	2,263,931	23,475,850	16,232,166

BAVIAANS MUNICIPALITY

APPENDIX B
EXTERNAL LOANS AND INTERNAL ADVANCES

			Balance at 30/06/2008	Received during the year	Redeemed or written off during the	Balance at 30/06/2009
R						
<u>External loans</u>						
Issued		Redeemable				
Development Bank of South Africa:						
1990 - R 35 000 @ 16.52%	2007		-	-	-	-
1990 - R 52 000 @ 13.75%	2007		-	-	-	-
Sub Total			-	-	-	-
ABSA Bank						
2002 - R 341 695 @ 14.87%	2007		-	-	-	-
2005 - R 376 585 @ 11.00%	2010		216,965	1,672	108,478	110,159
Sub Total			216,965	1,672	108,478	110,159
TOTAL			216,965	1,672	108,478	110,159

BAVIAANS MUNICIPALITY

**APPENDIX C
ANALYSIS OF FIXED ASSETS**

Expenditure 2008	Budget 2009		Balance at 30/06/2008		Expenditure during the year		Written off, transferred or disposed		Balance at 30/06/2009	
	R	R	R	R	R	R	R	R	R	R
	197,489	16,873,189	17,460,053	13,807,955						31,268,008
Rates and General Services										
Community Services	7,169,119	5,642,845	5,302,521							10,945,366
Administration	1,184,000	1,169,729	851,413							2,021,142
Public Works	5,985,119	2,366,615	4,451,108							6,817,723
Swimming Pool		54,110								54,110
Civil Defence		1,304								1,304
Traffic Services		221,976								221,976
Television relay station		98,545								98,545
Council General Expenses		1,566,036								1,566,036
Health Services		164,530								164,530
Subsidised Services	6,704,070	2,026,147	5,596,079							7,622,226
Fire Protection		16,625								16,625
Civil Buildings	4,304,070	884,175	3,738,762							4,622,937
Sport Complex		550,351	14,815							565,166
Parks & Recreation	200,000	318,017	197,000							515,017
Cemetery		61,687								61,687
Properties	2,200,000	195,292	1,645,502							1,840,794
Economic Services	3,000,000	9,791,061	2,909,355							12,700,416
Sanitation	3,000,000	9,791,061	2,909,355							12,700,416
Housing Services	4,970,093	21,848,870	21,848,870							21,848,870
Housing Schemes										
Trading Services	5,882,630	8,883,796	36,784,510	5,195,027						41,979,537
Electricity	2,650,949	10,110,025								10,110,025
Water	3,231,681	26,673,679	4,784,805							31,458,484
Abattoir		806	410,222							411,028
TOTAL	13,480,467	25,736,985	76,093,433	19,002,993						95,096,416
Less: Loans redeemed and other capital receipts		75,876,470	19,108,789							84,986,259
Loans redeemed and advances repaid		4,207,787	106,806							4,314,573
Contributions from operating income		2,206,722								2,206,722
Grants		69,461,961	19,002,983							88,464,964
NET FIXED ASSETS		216,953	-105,806							-110,157

BAVIAANS MUNICIPALITY

APPENDIX D

ANALYSIS OF OPERATING INCOME AND EXPENDITURE FOR THE YEAR ENDED 30 JUNE 2009

Actual 2008 R		Actual 2009 R	Budget 2009 R
	Income		
5,534,205	Government - Grants and Subsidies	9,200,757	10,790,279
10,057,437	Operating income	15,283,530	13,615,980
1,334,434	Assessment Rates	1,338,185	1,469,600
4,524,143	Sale of Electricity	4,894,572	5,176,165
1,855,905	Sale of Water	1,874,040	1,405,000
1,254,313	Sanitation and refuse services	1,918,794	1,816,120
1,088,642	Other Services	5,257,939	3,749,095
15,891,542	TOTAL INCOME	24,484,289	23,408,259
	Expenditure		
7,303,208	Salaries, wages and allowances	9,332,173	10,432,892
7,219,632	General Expenditure	10,865,273	11,320,978
2,041,086	Purchase of Electricity	2,725,242	2,780,000
5,178,546	Other	8,140,032	8,540,978
1,651,642	Repairs and Maintenance	2,893,885	2,387,800
127,667	Capital Charges	104,003	84,000
71,286	Contribution to fixed assets	87,174	100,000
492,410	Contribution to funds	666,343	545,000
-291,282	Less: Charged out	-311,671	-441,241
16,574,883	TOTAL EXPENDITURE	23,637,181	24,429,429

BAVIAANS MUNICIPALITY

APPENDIX E

DETAILED INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2009

Actual 2008		Actual 2008		Actual 2009		Actual 2009		Budget 2009			
Actual Income	Expenditure	Surplus/(deficit)	R	Actual Income	Expenditure	Surplus/(deficit)	R	Actual Income	Expenditure	Surplus/(deficit)	R
16,175,416	12,422,566	3,752,850	R	17,715,675	17,990,016	-274,341	R	17,715,675	17,990,016	-274,341	R
14,844,424	10,901,350	3,943,074	R	15,733,616	15,655,164	78,452	R	1,338,185	145,000	1,193,185	R
1,334,434	120,160	1,214,274	R	1,338,185	145,000	1,193,185	R	1,338,185	145,000	1,193,185	R
18,801	2,234,036	-2,215,235	R	180,839	618,087	-618,087	R	180,839	618,087	-618,087	R
12,053,151	3,988,012	8,065,139	R	12,482,823	1,924,963	-1,744,124	R	12,482,823	1,924,963	-1,744,124	R
572,691	577,457	-4,766	R	78,295	1,068,687	-1,068,687	R	78,295	1,068,687	-1,068,687	R
-	1,119,511	-1,119,511	R	497,469	512,732	-434,437	R	497,469	512,732	-434,437	R
527,070	2,762,418	-2,235,348	R	702,732	273,182	-273,182	R	702,732	273,182	-273,182	R
338,277	99,756	238,521	R	453,273	100,574	352,700	R	453,273	100,574	352,700	R
76,679	551,810	-475,131	R	63,265	764,237	-700,972	R	63,265	764,237	-700,972	R
68,784	249,201	-180,417	R	59,386	404,212	-344,826	R	59,386	404,212	-344,826	R
7,895	23,399	-23,399	R	3,879	139,848	-139,848	R	3,879	139,848	-139,848	R
-	48,749	-40,854	R	-	53,922	-50,043	R	-	53,922	-50,043	R
-	230,461	-230,461	R	-	166,255	-166,255	R	-	166,255	-166,255	R
1,254,313	969,406	284,907	R	1,918,794	1,570,615	348,179	R	1,918,794	1,570,615	348,179	R
1,254,313	969,406	284,907	R	1,918,794	1,570,615	348,179	R	1,918,794	1,570,615	348,179	R
6,380,048	4,151,999	2,228,049	R	6,768,612	5,704,896	1,063,716	R	6,768,612	5,704,896	1,063,716	R
4,524,143	2,945,428	1,578,715	R	4,894,572	4,167,329	727,244	R	4,894,572	4,167,329	727,244	R
1,855,905	1,206,571	649,334	R	1,874,040	1,537,567	336,472	R	1,874,040	1,537,567	336,472	R
22,555,464	16,574,565	5,980,899	R	24,484,287	23,694,912	789,375	R	24,484,287	23,694,912	789,375	R
-	-	-	R	-	-	-	R	-	-	-	R
-2,476,973	Appropriations for the year (refer to note 19)	-2,476,973	R	-	-	-	R	-	-	-	R
3,503,926	Nett surplus/(deficit) for the year	3,503,926	R	24,484,287	23,694,912	-4,785,722	R	24,484,287	23,694,912	-4,785,722	R
-2,155,475	Accumulated deficit at the beginning of the year	-2,155,475	R	24,484,287	23,694,912	-4,785,722	R	24,484,287	23,694,912	-4,785,722	R
1,348,451	Accumulated surplus at the end of the year	1,348,451	R	24,484,287	23,694,912	-4,785,722	R	24,484,287	23,694,912	-4,785,722	R

BAVIAANS MUNICIPALITY
APPENDIX F
STATISTICAL INFORMATION

2009 2008 2007 2006 2005

General statistics

Population	16,805	16,805	16,805	15,336	15,336
Registered Voters	-	7,802	7,802	7,802	7,802
Valuation of taxable property					
Land	2,244,820	2,244,820	2,244,820	2,244,820	2,244,820
Improvements	80,789,301	80,789,301	80,789,301	80,789,301	80,789,301
Valuation of non taxable property					
Land	2,191,170	2,191,170	2,191,170	2,191,170	2,191,170
Improvements	8,527,900	8,527,900	8,527,900	8,527,900	8,527,900
Assessment rates					
Willowmore Residential	0.0124	0.01128	0.01025	0.00932	0.00847
Willowmore Commercial	0.01649	0.01499	0.01363	0.01217	0.01059
Steylerville Residential	0.0124	0.01128	0.01025	0.00932	0.00847
Steylerville Commercial	0.01649	0.01499	0.01363	0.01217	0.01059
Number of plots	3983	3854	3854	3854	3851
Number of employees	94	81	81	63	67

Electricity Statistics

Units bought	9,224,004	9,232,715	8,403,939	8,074,219	8,520,263
Units sold	6,560,363	6,771,365	6,225,779	6,443,848	6,012,625
Units lost in distribution	2,663,641	2,461,350	2,178,160	1,630,371	2,507,638
Units lost as a percentage	28.88%	26.66%	25.92%	20.19%	29.43%
Cost per unit sold	0.66	0.44	0.57	R 0.42	R 0.45

Water Statistics

Units purified	592,498	472,176	421,057	429,280	531,260
Units sold	455,606	398,115	331,119.0	362,962	442,717
Units lost in distribution	136,892	74,061	89,938.0	66,318	88,543
Units lost as a percentage	23.10%	15.68%	21.36%	15.45%	16.67%
Cost per unit sold	3.80	3.65	3.65	R 3.65	R 2.35

NATIONAL TREASURY
MFMA IMPLEMENTATION PLAN - TEMPLATE
(Low Capacity Municipality Only)



Name of municipality: Baviaans Municipality
 (eg. City of Johannesburg)

Demarcation code: EC 107
 (eg. G1001)

Plan Ref	Action Required	Act Ref	Responsibility Under	Delegation To	Final Target Date	Date Action Completed	Comments	Who must do what?/ Agreed further action	Comments (NT)
1 MANAGEMENT ARRANGEMENTS									
Reforming the municipality's finances will require a new approach to organisational change, one that takes into account change management processes as well as a clear understanding of the relevant legislation - not only the MFMA, but also the Constitution, Municipal Structures Act, Municipal Systems Act and annual Division of Revenue Act. This section outlines some of the key management and organisational considerations that must be borne in mind when commencing the reforms required. Note that this list is not exhaustive, and must be amended as required to meet the council's own individual circumstances. Refer MFMA Chapters 7, 8, 9, 13, 14 and 15, and s51 and s59 of the MSA, s51 of the MSA describes the organisation of a municipality's administration in more detail.									
CORPORATE MANAGEMENT									
1.1	Council and the mayor	57 59	council	ref s59 of MSA	1-Jul-04	N/A			
1.2	In instances where there is no mayor, executive mayor or executive committee, designate a councillor to exercise the powers and duties assigned to a mayor	58 59	mayor	ref s59(1) of MFMA	1-Jul-04	N/A			
1.3	In instances where there is an executive committee, exercise the powers and functions in consultation with the executive committee	52 59	municipal manager	ref s79(1) of MFMA	1-Jul-04	Done	Actual to Budget report done monthly		Also ref s59(1) of the MSA.
1.3	Take steps to ensure that the mayor is aware of his or her general responsibilities under the MFMA		municipal manager	ref s79(1) of MFMA	1-Jul-04	Done			Also ref s52 of the MSA.
1.4	Municipal officials: municipal manager, CFO and top management		council	ref s59 of MFMA	1-Jul-04	Done			
1.5	Appoint/assign a person to assume the duties of the municipal manager	60 61	mayor	ref s59(1) of MFMA	1-Jul-04	Done			
1.6	Take steps to ensure that the municipal manager is aware of his or her fiduciary responsibilities as the accounting officer of the municipality	60(b) 61	municipal manager	ref s79(1) of MFMA	1-Jul-04	Done			
1.6	Provide guidance and advice on compliance with the MFMA to political structures, political office-bearers and officials and undertake all fiduciary responsibilities	62(1)(a)	municipal manager	ref s79(1) of MFMA	1-Jul-04	Done			
1.7	Implement the appropriate systems to help ensure that the resources of the municipality are used effectively, efficiently and economically	62(1)(b)	municipal manager	ref s79(1) of MFMA	1-Jul-04	Done			
1.8	Implement the appropriate systems to help ensure that full and proper records of the financial affairs of the municipality are kept in accordance with prescribed norms and standards		municipal manager	ref s79(1) of MFMA	1-Jul-04	Done			
1.9	Appoint/assign persons to assume the roles of other senior managers to form a top (or senior) management team	77	council	ref s59 of MSA	1-Jul-04	Done			Appointments of senior managers to be made by council only after consultation with municipal manager (ref s66 of the MSA). Note that persons managing these duties, must meet certain competency levels (to be prescribed). In the interim municipalities should appoint such officials in an acting capacity only.
1.10	Designate a person to assume the duties of the chief financial officer (CFO)	80	municipal CFO	ref s79(1) of MFMA	1-Jul-04	Done			
1.11	Administer the budget office, advise the municipal manager, senior managers and other senior finance officials, and undertake financial duties as delegated by the municipal manager	81	CFO	ref s79(1) of MFMA	1-Jul-04	Done			
1.12	Review contracts of employment in line with compliance with new roles and responsibilities under the MFMA for senior managers and other officials exercising financial responsibilities	78	municipal manager	ref s79(1) of MFMA	1-Jul-08	Not done	Review system of delegation	MM to produce delegation system and record	Also ref s67 of the MSA
1.13	Take all reasonable steps within their respective areas of responsibility to ensure their compliance with s78	78	senior managers & officials exercising	n/a	1-Jul-08	Not done	Review systems	MM to produce written instruction	
1.14	Review of delegations	59 79 82	municipal manager	ref s79(1) of MFMA	1-Jul-08	Not done	Review	Delegation system and register	In reviewing delegations, also ref s16(2) of the Constitution, s52 of the MSA, s 59 to s61 of the MSA.

Plan Ref	Action Required	Act Ref	Responsibility Under	Delegation To	Final Target Date	Date Action Completed	Comments	Who must do what?/? Agreed further action	Comments (NT)
1.15	Review of finance related by-laws and ordinances in conjunction with a review of finance and budget-related policies, review all by-laws and ordinances relating to the budget and financial management (incl tariff policy)	24(2) 53(1)(b)	council	cannot be delegated, mayor to	30-Jun-05	Done	Review done during Budget	CFO to check - rates, Tariff definitions and meanings / review indigence policy	This function may not be delegated by council (ref s180(2) of Constitution), see also s74 & s75 of the MSA
1.16	Budget and treasury office Establish a budget and treasury office with CFO, officials allocated to the CFO and other persons contracted by the municipality for the work of the office	80	municipality	ref s59 of MSA	1-Jul-06	Done	Will be reviewed as part of this project	MFM to review	By capacity - relates to 1 July 2006 for low capacity councils
1.17	Competency levels and training Meet prescribed financial management competency levels	83(1)	municipal manager, CFO, other	n/a	1-Jul-08	Not done	Review / check latest regulations		
1.18	Provide the appropriate resources and opportunities for training of officials to meet the prescribed financial management competency levels	83(2)	municipality	ref s59 of MSA	1-Jul-08	Not done	What is the training budget for 2007/8		
1.19	INTERNAL CONTROL Ensure that the municipality has and maintains effective, efficient and transparent systems of financial and risk management, internal control and internal audit, operating with prescribed norms and standards, and has and implements a tariff policy, a rates policy and credit control and debt collection policy as required by applicable legislation	62(1)(c)&(f)(i)(ii)&(i)	municipal manager	ref s79(1) of MFMA	1-Jul-07	Done	External Service Provider appointed to perform internal audit		By capacity - relates to 2007/08 year for low capacity councils. Note: imposition of rates & other items - Bylaws & orders may not be delegated by council (ref s180(2) of Constitution).
1.20	Establish an internal audit unit in accordance with s165	165	municipality	ref s59 of MSA	1-Jul-07	Done	See above		By capacity - relates to 1 July 2007 for low capacity councils
1.21	Establish a council audit committee in accordance with s166	166	municipality	ref s59 of MSA	1-Jul-07	Done	Audit Committee is meeting		By capacity - relates to 1 July 2008 for low capacity councils. Members of the audit committee to be appointed by council
1.22	RESOLUTION OF FINANCIAL PROBLEMS Put in place an agreed resolution mechanism to ensure disputes concerning municipalities with origins of state of a financial nature are promptly resolved in accordance with s44, in instances when NT is not party to a dispute, report the matter to NT and where appropriate request mediation by NT	44	municipal manager	ref s79(1) of MFMA	1-Jul-08	Not done	Is MM aware?	MM - to produce system agreed	
1.23	Put in place an agreed system to ensure the mayor promptly responds to and initiates any remedial or corrective steps proposed by the municipal manager in cases where the municipality faces serious financial problems and alert the council and MEC for local government in the province	S4(2) 55	mayor	ref s59(1) of MFMA	1-Jul-04	Yes	Is MM / Mayor aware - cashflow is breakeven Monthly report to Council	System?	
1.24	Take steps to ensure that the council, the mayor and top/senior management are aware of the implications of Chapter 13 in particular, what constitutes "serious financial problems" - triggers for provincial intervention and the role of the Municipal Financial Recovery Service	C 13	municipality	ref s59 of MSA	1-Jul-08	Not done	MM - has staff been advised in writing?	MM to Produce written instruction	
1.25	Take steps to ensure that the council, the mayor and top/senior management and other officials are aware of the implications of Chapter 15 in particular, what constitutes "financial misconduct" - offences, penalties, and disciplinary and criminal proceedings, to ensure that the appropriate systems are in place to investigate allegations of financial misconduct	C 15	municipality	ref s59 of MSA	1-Jul-08	Not done	MM - has staff been advised in writing?	MM - system / written instruction to staff	
1.26	GENERAL MATTERS Put in place an appropriate system to ensure that disciplinary action, or when appropriate criminal proceedings are instituted against any official of the municipality who has allegedly committed an act of financial misconduct or an offence in terms of Chapter 15	62(1)(e)	municipal manager	ref s79(1) of MFMA	1-Jul-08	Not done	Review system	MM - produce system	
1.27	Put in place an appropriate system to ensure that the municipality does not enter into any forbidden activity prescribed in s164, and develop a strategy to phase out those activities entered into prior to 1 July 2004	164	municipality	ref s59 of MSA	1-Jul-08	Not done	Review system	MM - produce system	

2 FINANCIAL PLANNING AND BUDGETING

This section incorporates the development of the municipality's annual budget, and the integration of that budget with a review of the municipality's integrated development plan (IDP) and budget-related policies, performance measures as well as annual performance agreements. The tabling and process for approval of the annual budget is described, together with consequences for any failure to table or adopt the budget within an appropriate timeframe. It summarises new requirements involved in implementing the annual budget, using a service delivery and budget implementation plan (SDBIP) and if required an adjustment budget. Refer MFMA Chapters 4, 7 and 8, as well as s34 and s57 of the MSA and s215 of the Constitution.

BUDGET ADMINISTRATION

Plan Ref	Action Required	Act Ref	Responsible Delegation Under To	Final Target Date	Date Action Completed	Comments	Who must do what?/ Agreed further action	Comments (NT)
2.1	Provide general political guidance over the budget process	53(1)(a)	Mayor	1-Jul-04	Done	Process chart is being prepared for 2008/9		Effective date that relates to 2006/06 budget.
2.2	Assist the mayor in performing the budgetary functions assigned to him or her, and provide the administrative support, resources and information necessary for him or her to perform those functions	68	municipal manager	1-Jul-04	Done	2007/8 budget completed on time		Effective date that relates to 2006/06 budget.
PREPARATION OF ANNUAL BUDGET								
2.3	Coordinate annual budget process and review of IDP and budget-related policies to ensure that the tabling budget, IDP and policy revisions are consistent and credible	21(1)(a)	Mayor	1-Jul-04	Done			Effective date that relates to 2006/06 budget.
2.4	When preparing the annual budget take into account the IDP (ensuring its revision under the MSA) and take into account national budget, provincial budget and national government policy, and consult with stakeholders in accordance with s21(2)(d)	21(2), 53(1)(b)	Mayor	1-Jul-04	Done			Effective date that relates to 2006/06 budget. IDP review to be in accordance with s24 of MSA.
2.5	For the purposes of the annual budget, certify that revenues anticipated to be collected are realistic, and confirm that adequate provision for bad and doubtful debts has been made	18	Mayor	1-Jul-04	Done	Possible review of the bad debts provision		Effective date that relates to 2006/06 budget.
2.6	Set out the annual budget in a schedule that shows revenue by source, and expenditure by vote divided into capital and operating accompanied by appropriate draft resolutions, a cash flow projection, IDP and budget policy amendments, particulars on investments, municipal entities, service delivery agreements, grant allocations, employment costs and other prescribed information	17(1)(a), b), d)(i)(e), (2)&(3)(e) & (f)	Mayor	31-Aug-04	Done			Actual date that relates to 2006/06 budget. Must be in accordance with an NT framework (as prescribed).
2.7	Table in council a time schedule outlining the key deadlines for the forthcoming annual budget at least 10 months before the start of the budget year	2(1)(b)	Mayor	1-Sep-04	Busy with 2008/9 process	Target 2007/09/11 Council meeting		Actual date that relates to 2006/06 budget.
2.8	Ensure that in instances where a municipality must transfer an allocation of funds to another municipality notify the receiving municipality by no later than 120 days before the start of the budget year of the projected amount of the allocation during each of the next 3 financial years	37(2)	municipal manager	28-Feb-05	N/A			Actual date that relates to 2006/06 budget - council to notify municipality of 3 year allocations by end of February each year
2.9	Before approving a capital project in terms of the annual budget, consider projected costs covering all financial years until the project is operational and future operational costs and revenue including tariff implications	19(2)	council	1-Jul-06	Done	No loan finance indicated		By capacity - effective date that relates to 2007/06 budget for low capacity councils. Must be in accordance with an NT framework (as prescribed).
2.10	Note: Set out the annual budget as above, but in addition, over a 3 year period, showing revenue and expenditure by vote for the preceding year, with measurable performance objectives for revenue by source and expenditure by vote linked to the IDP	17(1)(c), d)(i)&(3), b)	Mayor	31-Aug-06	Done			By capacity - actual date that relates to 2007/06 budget for low capacity councils. Must be in accordance with an NT framework (as prescribed).
TABLING OF ANNUAL BUDGET								
2.11	Tabling and failure to table Table annual budget at a council meeting at least 90 days before the start of the budget year	18(2)	Mayor	2-Apr-05	Done			Actual date that relates to 2006/06 budget.
2.12	In instances of any delay in tabling the annual budget, approving the service delivery and budget implementation plan (SDBIP) or signing of the annual performance agreements, report the matter promptly to the council and MEC for finance in the province	53(2)	Mayor	2-Apr-05	N/A			Target date dependent upon 2.11 above. Relates to 2006/06 budget. Note: SDBIP - 28 July 2005. Annual performance agreements - 31 July 2005.
2.13	Consultation and revision of annual budget Make public the annual budget and associated documentation immediately after tabling in council, and invite the community to make representations	22(a)	municipal manager	2-Apr-05	Done			Target date dependent upon 2.11 above. Relates to 2006/06 budget.
2.14	Submit the annual budget as tabled in printed and electronic form to NT, the provincial treasury and others as prescribed	22(b)	municipal manager	2-Apr-05	Done			Target date dependent upon 2.11 above. Relates to 2006/06 budget.
2.15	When the annual budget has been tabled in council, consider the views of the local community, NT, the provincial treasury and other provincial or national organs of state or municipalities	23(1)	council	2-Apr-05	Done			Target dependent upon 2.11 above. Relates to IDP/NT budget.
2.16	Provide the mayor with an opportunity to respond to budget submissions made and if necessary revise the budget and table amendments for council consideration	23(2)	council	1-Jun-05	Done			Stipulated target date only. Relates to 2006/06 budget.

Plan Ref	Action Required	Act Ref	Responsible Under	Delegation To	Final Target Date	Data Action Completed	Comments	Who must do what?/ Agreed further action	Comments (NT)
APPROVAL OF ANNUAL BUDGET									
2.17	Approval of budget Approve 2004/05 annual budget before start of financial year	16(1)	council	cannot be delegated, mayor must	30-Jun-04	Done			Actual date that relates to 2004/05 budget. The approval of budgets may not be delegated by council (ref s16(2) of Constitution).
2.18	Where a capital project spans more than 1 year, ensure that a separate appropriation is made in each financial year. Note: such projects not to exceed 3 financial years, unless in compliance with s33.	16(3)	council	cannot be delegated	30-Jun-04	Done	Mainly financed by DORA		Effective date that relates to 2004/05 budget, see s33 and s33. The approval of a separate appropriation in each financial year is a budgetary matter and therefore it may not be delegated by council (ref s16(2) of Constitution).
2.19	Submit the approved annual budget to NT and the provincial treasury	24(3)	municipal council	ref s79(1) of constitution cannot be delegated, mayor must	30-Jun-04	Done			ConA applies until 1 April 2005.
2.20	Consider the approval of the 2005/06 annual budget at least 30 days before the start of the budget year	24(1)	council	cannot be delegated, mayor must	1-Jun-05	Done			Actual date that relates to 2005/06 budget. The approval of budgets may not be delegated by council (ref s16(2) of Constitution).
2.21	Approve annual budget by council resolution, with resolutions to impose and set taxes and tariffs and changes to the IDP and budget-related policy before the start of the budget year	16(1) 24(2) 53(1)(c)(ii)	council	cannot be delegated, mayor must	30-Jun-05	Done			Actual date that relates to 2005/06 budget. The approval of budgets may not be delegated by council (ref s16(2) of Constitution).
2.22	Note: Approve annual budget as above, but in addition, approve measurable performance objectives for revenue by source and expenditure by vote	24(2)	council	cannot be delegated, mayor must	30-Jun-07	Done	Target set for debt collection - other objectives however lack formal performance		By capacity - actual date that relates to 2007/08 budget for low capacity councils. The approval of budgets may not be delegated by council (ref s16(2) of Constitution).
2.23	Failure to approve If the council fails to adopt the annual budget by the first day of the budget year, report the matter immediately to the MEC for Local Government in the province in accordance with s55	25(3)	mayor	ref s59(1) of MFMA	1-Jul-04	N/A			Target date dependent upon 2.21 above. Relates to 2004/05 budget. See s26 of MFMA.
2.24	Inform the MEC for finance in the province in writing of any impending non-compliance with any provision of the MFMA relating to the labelling or approval of a budget or compulsory consultative processes	any 27(1) s5	mayor	ref s59(1) of MFMA	1-Jul-04	N/A			Target date dependent upon 2.21 above.
2.25	If the impending non-compliance referred to in s27(1) pertains to a time provision, apply to the MEC for finance for an extension of time if considered necessary	27(2)	mayor	ref s59(1) of MFMA	1-Jul-04	N/A			Target date dependent upon 2.21 above.
2.26	Inform the council, the MEC for finance and NT in writing of any actual non-compliance with a provision of Chapter 4 and any remedial or corrective measures to be taken to avoid any recurrence of the problem	27(3)	mayor	ref s59(1) of MFMA	1-Jul-04	N/A			Target date dependent upon 2.21 above.
2.27	If the council fails to approve the annual budget before the start of the budget year, reconsider and again vote on the annual budget (as amended) within 7 days of the meeting that failed to approve the budget, and if still not adopted at that time, repeat the process until the budget is adopted	25(1)	council	cannot be delegated	7-Jul-05	N/A			Target date dependent upon 2.21 above. Relates to 2005/06 budget. The approval of budgets may not be delegated by council (ref s16(2) of Constitution).
IMPLEMENTATION OF ANNUAL BUDGET									
2.28	Implement the approved budget in accordance with s69(1)	69(1)	municipal manager	ref s79(1) of MFMA	1-Jul-04	Done			Effective date that relates to 2004/05 budget.
2.29	Inform the provincial treasury in writing of any failure by the council to adopt or implement a budget-related policy or a supply chain management policy or any non-compliance by a political structure or office-bearer with the policy	73	municipal manager	ref s79(1) of MFMA	1-Jul-05	N/A			Effective date that relates to 2005/06 budget.
2.30	Service delivery and budget implementation plan Submit to the mayor a draft service delivery and budget implementation plan no later than 14 days after the approval of the annual budget	69(3)	municipal manager	ref s79(1) of MFMA	14-Jul-07	Done			Target date dependent upon 2.21 above. By capacity - relates to 2007/08 SDBIP for low capacity councils.
2.31	Approve service delivery and budget implementation plan within 28 days after the approval of the budget	53(1)(c)(ii)	mayor	ref s59(1) of MFMA	28-Jul-07	Done			Target date dependent upon 2.21 above. By capacity - relates to 2007/08 SDBIP for low capacity councils.
2.32	Ensure that revenue and expenditure projections for each month and the service delivery targets and performance indicators for each quarter as set out in the service delivery and budget implementation plan are made public no later than 14 days after its approval	53(3)	mayor	ref s59(1) of MFMA, mayor to ensure	1-Jul-08	Not Done	Review		Target date dependent upon 2.21 above. By capacity - relates to 2007/08 SDBIP for low capacity councils.
2.33	Annual performance agreements Submit to the mayor drafts of annual performance agreements for the municipal manager and senior managers no later than 14 days after the approval of the annual budget	69(3)	municipal manager	ref s79(1) of MFMA	14-Jul-08	Busy with 2008/9 process	Review		Target date dependent upon 2.21 above. By capacity - relates to 2007/08 agreements for low capacity councils.

Plan Ref	Action Required	Act Ref	Responsibility Under	Delegation To	Final Target Date	Date Action Completed	Comments	Who must do what?/ Agreed further action	Comments (NT)
2.34	Ensure annual performance agreements comply with the MSA and are linked to the measurable performance objectives approved with the budget and to the service delivery and budget implementation plan	53(1)(c)(i) mayor	53(1)(c)(i) mayor	ref s59(1) of MFMA, mayor to	28-Jul-08	Busy with 2008/9 process	Review	Agreed further action	Target date dependent upon 2.31 above. By capacity - relates to 2007/08 agreements for low capacity councils. Ref a57 of MSA.
2.35	Ensure that performance agreements of the municipal manager, senior managers and other officials prescribed are made public no later than 14 days after the approval of the service delivery and budget implementation plan, and that copies of such performance agreements are submitted to the council and the MEC for local government in the province	53(3)	mayor	ref s59(1) of MFMA, mayor to ensure Note also s60 MSA	11-Aug-08	Busy with 2008/9 process	Review		Target date dependent upon 2.31 above. By capacity - relates to 2007/08 agreements for low capacity councils. Ref a57 of MSA.
2.36	Adjustments budgets Note: format, content and timing of adjustments budgets for the 2004/05 financial year are not prescribed, and should be in a format consistent with council needs Where necessary, prepare an adjustments budget and submit it to the mayor for consideration and tabling	65(2)	municipal manager	ref s79(1) of MFMA	1-Jul-04	Done			Effective date that relates to 2004/05 budget. Adjustments budget to be in format consistent with annual needs.
2.37	Note: format, content and timing of adjustments budgets for the 2005/06 financial year will be prescribed, and therefore target dates may vary Table adjustments budget within prescribed limitations	28(4)	mayor	ref s59(1) of MFMA	1-Jul-05	Done			Effective date that relates to 2005/06 budget. Adjustments budget to be in a prescribed format.
2.38	Where necessary, revise approved annual budget through an adjustments budget in the appropriate format	28(1), (3)&(6) to (7)	council	cannot be delegated	1-Jul-05	Done			Effective date that relates to 2005/06 budget. The approval of a budget must be delegated by council (ref s18(2) of Constitution).

3 INCOME AND EXPENDITURE MANAGEMENT

Income and expenditure management involves the management of a municipality's systems that control the calculation of revenue due, receipt of that income and management of debt due. It also involves the management of a municipality's systems that control expenditures made, ensuring that all expenditure is lawful and paid in an efficient and effective manner. Income is discussed in Chapter 6 of the MFMA, with credit control and debt collection discussed in Chapter 9 of the MSA. Expenditure management is discussed further in Chapters 4 and 8 of the MFMA.

3.1	INCOME MANAGEMENT Maintain responsibility for the management of the municipality's revenue	64(1)	municipal manager	ref s79(1) of MFMA	1-Jul-04	Done			
3.2	Take all reasonable steps to ensure that the municipality's revenue systems comply with s64(2)	64(2)	municipal manager	ref s79(1) of MFMA	1-Jul-04	Done	Review	MM - all income is not accrued / interest is not raised / reconciliations weekly / codes of conduct not enforced	
3.3	Immediately inform NT of any payments due by an organ of state to the municipality in respect of municipal taxes or services if such payments are regularly in arrears for more than 30 days	64(3)	municipal manager	ref s79(1) of MFMA	1-Jul-04	Done			
3.4	Take all reasonable steps to ensure that any funds collected on behalf of another organ of state are transferred at least on a weekly basis and are not used by that municipality for its own purposes	64(4)	municipal manager	ref s79(1) of MFMA	1-Jul-04	Done	In process of repaying vehicle licences		
3.5	Ensure that the municipality has and implements an appropriate rates and tariff policy, and credit control and debt collection policy	62(1)(f)	municipal manager	ref s79(1) of MFMA	1-Jul-07	Done			By capacity - actual date that relates to 2007/08 year for low capacity councils. Also ref a58 of the MSA, & note a58 of the MSA - a by-law must give effect to credit control policy (reviewed annually by council).
3.6	EXPENDITURE MANAGEMENT Expenditure management system								
3.7	Take responsibility for the management of the municipality's expenditure	65(1)	municipal manager	ref s79(1) of MFMA	1-Jul-04	Done			
3.8	Take all reasonable steps to ensure that the municipality's expenditure systems comply with s65(2) (excluding s65(2)(j)) Pay amounts due to other municipalities or to national or provincial organs of state in a timely manner	65(2) 37(1)	municipality	ref s59 of MSA	1-Jul-04	Done			See s65(2)(k) of MFMA; pay accounts within 30 days of receipt of invoice/statement.
3.9	Ensure that funds transferred to an organisation or body outside any sphere of government is done so in accordance with s67	67	municipal manager	ref s79(1) of MFMA	1-Jul-04	N/A	No budget		
3.10	Review the remuneration of political office-bearers and members of political structures to ensure that they are remunerated only in accordance with s167(1), and take steps to remedy irregular expenditure	167	municipality	ref s59 of MSA	1-Jul-04	Done	Paid per Act		
3.11	Report to council on all expenditure on staff salaries, wages, allowances and benefits by type in accordance with s66 and as prescribed	66	municipal manager	ref s79(1) of MFMA	31-Oct-04	Done	Is reported in the monthly Finance Report		Effective date is 1 July 2004. See a59 of MSA - municipalities must publish in the media, state of the remuneration of senior staff by 31 October each year.
3.12	Note in addition to the requirements of s65(2) above, ensure that all financial accounts of the municipality are closed at the end of each month and reconciled	65(2)(j)	municipal manager	ref s79(1) of MFMA	1-Jul-07	Done	Monthly debtor bank and other recons are done per CFO - not inspected		By capacity - relates to 2007/08 year for low capacity councils.

Plan Ref	Action Required	Act Ref	Responsibility Under	Delegation To	Final Target Date	Date Action Completed	Comments	Who must do what?/ Agreed further action	Comments (NT)
3.13	Budgeted expenditure	15(a)	municipality	ref s59 of municipality	1-Jul-04	Done	Monthly Finance Report		Effective date that relates to 2004/05 budget.
3.14	Ensure that all expenditure incurred is in terms of an approved budget. Ensure that all expenditure is within the limits of each budget vote	15(b)	municipality	ref s59 of MSA	1-Jul-05	Done	Monthly Finance Report Accountant and CFO can sign orders above R2000		Effective date that relates to 2005/05 budget.
3.15	Expenditure beyond budget year	33	municipality	ref s59 of MSA	1-Jul-04	Done	CFO aware		By capacity - relates to 2005/07 budget for medium capacity council.
3.16	Enter into a contract that will impose financial obligations in excess of three financial years only in accordance with s33	19(1)	municipality	ref s59 of MSA	1-Jul-05	Done	CFO aware		Effective date that relates to 2005/05 budget. See s18(2) and s37 of MFMA.
3.17	Incur expenditure on a capital project only when the project is budgeted for, and is approved by council after sources of funding have been considered and are available and uncommitted, and the project complies with s33 (regarding contracts with future budgetary implications)	31	municipal manager	ref s79(1) of MFMA	1-Jul-05	Done	CFO aware		Effective date that relates to 2004/05 budget.
3.18	Where appropriations for capital projects span more than 1 year, ensure that shifting of funds between years is in accordance with s31 (the municipal manager must receive prior written approval for the increase from the mayor)	29	mayor	ref s59(1) of MFMA	1-Jul-04	Done	CFO aware		Effective date that relates to 2004/05 budget.
3.19	Unauthorised, irregular or fruitless and wasteful expenditure	32(2)	municipality	ref s59 of MFMA	1-Jul-04	Done	CFO aware		Effective date that relates to 2004/05 budget.
3.20	Approve budget if considered appropriate subject to proper compliance with s29(2) and (3)	32(3)	municipal manager	ref s79(1) of MFMA	1-Jul-04	Done	CFO aware		Effective date that relates to 2004/05 budget.
3.21	Take steps to recover actual unauthorised, irregular or fruitless and wasteful expenditure likely to result in expenditure that is unauthorised, irregular or fruitless and wasteful	32(4)	municipal manager	ref s79(1) of MFMA	1-Jul-04	Done	CFO aware		Effective date that relates to 2004/05 budget.
3.22	Inform the mayor, the MEC for local government in the province and A-G in writing of any expenditure that is unauthorised, irregular or fruitless and wasteful, whether any person is responsible for the expenditure and steps taken to recover or rectify the expenditure and prevent any recurrence	32(6)	municipal manager	ref s79(1) of MFMA	1-Jul-04	Done	CFO aware		Effective date that relates to 2004/05 budget.
3.23	Report to SAPS all cases of alleged irregular expenditure that constitutes a criminal offence or cases of theft or fraud	32(7)	municipal council	ref s59 of MSA	1-Jul-04	Done	CFO aware		Effective date that relates to 2004/05 budget.
3.24	Report to SAPS all cases of alleged irregular expenditure referred to in s32(6) that involve the municipal manager or cases in which the municipal manager has failed to act in accordance with s32(6)	62(1)(d)	municipal manager	ref s79(1) of MFMA	1-Jul-04	Done	CFO aware		Effective date that relates to 2004/05 budget.

4 CASH MANAGEMENT AND BANKING

Cash management and banking involves the management of a municipality's bank accounts, including the structure of those accounts and daily account deposits and withdrawals. This is linked closely with investments (in terms of cash flows and liquid short-term, often overnight investments). In order to establish better controls, the Act requires the creation of a primary bank account, and places the onus on municipalities to advise certain parties of details of all accounts held. This is discussed primarily in Chapter 3 of the MFMA, with some references in Chapter 6.

Plan Ref	Action Required	Act Ref	Responsibility Under	Delegation To	Final Target Date	Date Action Completed	Comments	Who must do what?/ Agreed further action	Comments (NT)
4.1	BANK ACCOUNTS AND BANKING	7(1)	municipal manager	CFO only	1-Jul-04	Done	Two accounts		See s10(1)(c) & 10(2) of MFMA.
4.2	Open and maintain at least one bank account in the name of the municipality	7(2)	municipal manager	CFO only	1-Jul-04	Yes			See s10(1)(c) & 10(2) of MFMA.
4.3	Deposit all money received into the bank account(s) promptly and in accordance with Chapter 3, and any requirements to be prescribed	7(3)	municipal manager	CFO only	1-Jul-04	Yes	Confirmed by CFO		See s10(1)(c) & 10(2) of MFMA.
4.4	Check to ensure that no bank accounts have been opened in contravention of s7(3)	7(4)	municipal manager	CFO only	1-Jul-04	Yes	Confirmed by CFO		See s10(1)(c) & 10(2) of MFMA.
4.5	Check to ensure that money is withdrawn from bank account(s) in terms of s11(1)	8(1)&(5)	municipal manager	CFO only	1-Jul-04	Yes	Confirmed by CFO		See s10(1)(c) & 10(2) of MFMA & DORA.
4.6	Designate and advise NT in writing of details of the primary bank account, or any change in the primary bank account	8(2) to (4)	municipal manager	CFO only	1-Jul-04	No	Deposit in two accounts / No ABSA bank in Stellenbosch, paid to SDBank and then transferred		See s10(1)(c) & 10(2) of MFMA.

Plan Ref	Action Required	Act Ref	Responsibility Under	Delegation To	Final Target Date	Date Action Completed	Comments	Who must do what?/ Agreed further action	Comments (NT)
4.7	Administer all bank accounts, maintain accountability to council and enforce compliance with s7, 8 and 11	10(1)	municipal manager	s10(1)(c) of MFMA to	1-Jul-04	No	No written delegation to CFO		
4.8	Check to ensure that any delegation made in terms of s10(1)(c) is to the CFO only	10(2)	municipal manager	CFO only	1-Jul-04	No	See above		
4.9	Withdraw or authorise withdrawal of money from accounts in accordance with s11(1)	11(1)	municipal manager	CFO or other senior	1-Jul-04	No	No written delegations		
4.10	In cases where a municipality has more than one bank account, ensure that only the municipal manager or CFO is delegated authority to withdraw funds from the primary bank account	11(2)	municipal manager	CFO only	1-Jul-04	No	No written delegations		See s10(1)(c) & 10(2) of MFMA. Must be in accordance with an NT framework (see prescriber).
4.11	Check to ensure that all relief, charitable and trust accounts are set up in the name of the municipality and are administered by the municipal manager	12(1)	municipal manager	ref s79(1) of MFMA	1-Jul-04	Yes	Drought relief fund		
4.12	Deposit all money received for relief, charitable and trust accounts into the correct account, and make withdrawals from those accounts only for the purposes for which the fund was established and where appropriate authorised by the municipal manager	12(2) to (4)	municipal manager	ref s79(1) of MFMA	1-Jul-04	Yes	See above / no other s exist		
4.13	Notify NT of occasions when the bank account(s) of the municipality show an (consolidated) overdraft position for a period exceeding a prescribed period, and provide details of the amount, the reasons for the overdraft and the steps taken to correct the matter	70(2)	municipal manager	ref s79(1) of MFMA	1-Jul-04	Yes	Aware / but no present overdraft		
4.14	Table in council a consolidated report of withdrawals each quarter, and submit a copy of the consolidated report to the provincial treasury and A-G	11(4)	municipal manager	CFO only	30-Oct-04	Yes / No	Reported monthly, but not forwarded to Province / AG	CFO to diarise to send copy at end of each quarter	Effective date is 1 July 2004. See s10(1)(c) & 10(2) of MFMA. To be tabled & submitted by 30 October.
4.15	Submit to provincial treasury and A-G, written details of new bank accounts when opened, and 9 all bank accounts each year	9	municipal manager	ref s79(1) of MFMA	30-Jun-05	Yes	CFO aware		30 January, 30 April & 30 July.

5 SUPPLY CHAIN MANAGEMENT REFORM

The reform of supply chain management systems within municipalities is an important area within the MFMA. Municipalities must first take steps to ensure that the appropriate lines of oversight and accountability are established by taking councillors out of a role of implementation so as to concentrate purely on oversight of the process. Municipalities must ensure that they establish supply chain management systems that are fair, equitable, transparent, competitive and comply with the regulatory framework to be prescribed. Municipalities must also ensure that officers are appropriately trained and skilled to meet the prescribed competency levels. Refer Chapter 11 of the MFMA.

Plan Ref	Action Required	Act Ref	Responsibility Under	Delegation To	Final Target Date	Date Action Completed	Comments	Who must do what?/ Agreed further action	Comments (NT)
SUPPLY CHAIN MANAGEMENT									
Supply chain management system									
5.1	Ensure that councillors do not serve on a municipal bid committee or attend any meetings of these committees, or any other committee evaluating or approving tenders, quotations, contracts or other bids	117	municipal manager	ref s79(1) of MFMA	1-Jul-04	Yes			
5.2	Ensure that no person interferes with the supply chain management system of the municipality or amends or tampers with any tenders, quotations, contracts or bids after their submission	118	municipal manager	ref s79(1) of MFMA	1-Jul-04	Done			
5.3	Ensure that unsolicited bids are dealt with in accordance with s113 and the prescribed regulatory framework	113	municipality	ref s59 of MSA	1-Dec-04	Yes			
5.4	If a tender other than one recommended is approved, notify in writing the A-G, the provincial treasury and NT and advise the reason for deviating from the original recommendation	114	municipal manager	ref s79(1) of MFMA	1-Dec-04	Yes	How is this controlled	Bid Committees	
5.5	Take all reasonable steps to ensure that proper mechanisms and separation of duties are in place in relation to supply chain management systems, to minimise the likelihood of fraud, corruption, favouritism and unfair and irregular practices	115(1)(b)	municipal manager	ref s79(1) of MFMA	1-Jul-08	Done			
5.6	Ensure that all contracts and contract management procedures are administered in accordance with s116	116	municipal manager	ref s79(1) of MFMA	1-Jul-08	Done	See above		
5.7	Implement an appropriate supply chain management policy in accordance with Chapter 11 and the prescribed regulatory framework	62(1)(f) v) 111	municipal manager	ref s79(1) of MFMA	1-Jul-07	Yes	Policy approved / implementation and support systems to be reviewed		By capacity - relates to 2007/08 year for low capacity councils.
5.8	Note: In addition to the above requirements, establish capacity in the administration of all contracts and agreements in accordance with s118(2)(c)	112 116(2)(c)	municipal manager	ref s79(1) of MFMA	1-Jul-08	Not done	How does this function / is there written instruction?		By capacity - relates to 2007/08 year for low capacity councils.
Competency levels and training									
5.9	Meet prescribed supply chain management competency levels	118(1)	municipal manager,	n/a	1-Jul-08	Not done	What are the prescribed levels		
5.10	Provide the appropriate resources and opportunities for training of officials to meet the prescribed supply chain management competency levels	118(2)	municipality	ref s59 of MSA	1-Jul-08	Done			

Plan Ref	Action Required	Act Ref	Responsibility Under	Delegation To	Final Target Date	Date Action Completed	Comments	Who must do what?/ Agreed further action	Comments (NT)
5.11	PUBLIC-PRIVATE PARTNERSHIPS Ensure that the municipality only enters into a public-private partnership in accordance with the conditions and processes outlined in s420	120	municipality	ref s59 of MSA	1-Jul-04	Done	CFO aware / No PPPs at present under consideration		Must be in accordance with an NT framework (as prescribed).
6. MUNICIPAL INVESTMENTS AND BORROWINGS Municipalities must review their investment activities and their short and long-term borrowing arrangements as a high priority. Municipal investments are to be regulated by investment regulations and municipal policy. Municipal borrowings are governed by s160(2), s218 and s230A of the Constitution, and Chapter 6 of the MFMA.									
6.1	INVESTMENTS Establish an appropriate cash management and investment policy	13(2)	municipality	ref s59 & s60(2) of MSA	1-Jul-04	Done			Must be in accordance with an NT framework (as prescribed).
BORROWINGS (INCLUDING DEBT)									
6.2	Short-term debt Check to ensure that all short-term debt is incurred in accordance with the provisions of the MFMA and only when necessary to bridge shortfalls and capital needs within a financial year and signed by the municipal manager to create or acknowledge the debt	45(1)	municipality	ref s59 of MSA	1-Jul-04	N/A	No need at present		Note that the raising of loans can only be done by council, ref s160(2) of Constitution.
6.3	Obtain resolution of council, signed by the mayor approving the short-term debt agreement, and signed by the municipal manager to create or acknowledge the debt	45(2)	municipality	ref s59 of MSA	1-Jul-04	Done			
6.4	Check to ensure that the council resolution above refers to an individual short-term debt transaction, credit facility or line of credit or bank overdraft only	45(3)	municipality	ref s59 of MSA	1-Jul-04	Done			
6.5	Develop a plan to ensure that all short-term debt is fully repaid by 1 July 2008 (with an aim to extinguish debt by 25% pa)	45(4)	municipality	ref s59 of MSA	1-Jul-04	None			NT recommends that debt be extinguished over a 4 year period (maximum)
6.6	Long-term debt Check to ensure that all long-term debt is incurred in accordance with the provisions of the MFMA and only for the purpose of capital expenditure (see s46(4)) and consistent with the capital budget (see s46(6)) or for the re-financing of existing long-term debt (see s46(3))	46(1)	municipality	ref s59 of MSA	1-Jul-04	N/A	No need at present		
6.7	Obtain resolution of council, signed by the mayor approving the long-term debt agreement and signed by the municipal manager to create or acknowledge the debt	46(2)	municipality	ref s59 of MSA	1-Jul-04	N/A	No need at present		
6.8	Enter into long-term debt agreements only in accordance with s46(3)	46(3)	municipality	ref s59 of MSA	1-Jul-04	N/A	No need at present		
6.9	Security over debt Check to ensure that all debt is denominated in Rand and is not indexed or affected by fluctuations against foreign currencies, and in instances where security is to be provided by the municipality it is in accordance with s48(3)	47	municipality	ref s59 of MSA	1-Jul-04	N/A	No need at present		
6.10	Ensure that security over debt obligations is strictly in accordance with s48	48	council	ref s59 of MSA	1-Jul-04	N/A	No need at present		
6.11	Ensure that municipal debt guarantees are only provided in terms of s50	50	municipality	ref s59 of MSA	1-Jul-04	N/A	No need at present		
6.12	Disclosure of information Ensure that all persons involved in the borrowing of money are aware of requirements to disclose information accurately when interacting with a prospective lender	49	all councillors	n/a	1-Jul-04	N/A	No need at present		
7. ASSET AND LIABILITY MANAGEMENT The municipality must put in place appropriate systems of control to safeguard its assets, and to manage liabilities. Refer Chapters 3, 8 and 14 of the MFMA and s60 of the MSA.									
ASSET MANAGEMENT									
7.1	Asset management system Maintain responsibility for management of the municipality's assets and liabilities	63(1)	municipality	ref s79(1) of MFMA	1-Jul-04	Done			
7.2	Take all reasonable steps to ensure that the municipality maintains appropriate systems and controls and that assets and liabilities are valued according to GRAP	63(2)	municipal manager	ref s79(1) of MFMA	1-Jul-08	Busy			By capacity - relates to 2007/08 year for low capacity council.
7.3	Disposal of assets Ensure that an appropriate system is established to dispose of capital assets in accordance with s14 (ie. to ensure that assets required for the minimum level of basic municipal services are not inappropriately disposed)	14	municipality	ref s59 of MSA	1-Jul-04	Done			
7.4	Consider the delegation of power to make determinations to dispose of movable capital assets below a certain value to the municipal manager	14(4)	council	ref s59 & s60(1)(e) of MSA	1-Jul-04	Done			
LIABILITY MANAGEMENT									
7.5	Take appropriate steps to ensure that the municipality does not incur a liability or risk payable in a foreign currency	163	municipality	ref s59 of MSA	1-Jul-04	Done	CFO is aware / have other managers been advised		

Plan Ref	Action Required	Act Ref	Responsibility Under	Delegation To	Final Target Date	Date Action Completed	Comments	Who must do what? Agreed further action	Comments (NT)
8 IN-YEAR AND ANNUAL REPORTING									
The MFMA requires councils to report monthly and quarterly and mid-year, on its budget performance. It also requires that municipalities provide a range of information on the municipal website and contains other additional reporting requirements. Councils must also prepare and review their annual financial statements and provide an annual report within set timeframes. An oversight report must be prepared in response to the auditor's report on the state of municipal finances. Refer primarily to chapters 7, 8 and 12 of the MFMA and s46 of the MSA.									
IN-YEAR REPORTING									
8.1	Monthly reporting Report to council in writing on any impending shortfalls in budgeted revenue and overspending in the budget, and steps taken to prevent or rectify such shortfalls or overspending	70(1)	municipal manager	ref s79(1) of MFMA	1-Jul-04	Done	Monthly report		Effective date is 1 July 2004, however need in context of 8.2 above.
8.2	Consider monthly budget statements and mid-year budget and performance assessment reports: issue appropriate instructions to the municipal manager to ensure revenue and expenditure proceed in line with the budget, identify any real or potential financial problems and submit reports and take appropriate action	54(1)	mayor	ref s58(1) of MFMA	10-Jan-05	Done			Each applies until 1 April 2005; Effective from 1 December 2004 (first monthly report refers to December 2004)
8.3	Note: In addition to the detail provided in the monthly budget statement referred to above, provide information required by s71(1)(e), (f), and (g)	71	municipal manager	ref s79(1) of MFMA	10-Jan-05	Done	Monthly report		By capacity - relates to 2005/07 year for low capacity councils. Effective from 1 July 2005 (first monthly report refers to July)
8.4	Submit to the mayor and provincial treasury no later than 10 working days after the end of each month, a monthly budget statement in the prescribed format reflecting information required by s71(1)(e), (b), (ii), (3), (3) and (4)	71	municipal manager	ref s79(1) of MFMA	10-Aug-06	Done	Monthly report		By capacity - relates to 2007/08 budget for low capacity councils. Effective date is 1 July 2007.
8.5	Note: In addition, check and if necessary make the appropriate amendments to the SDBIP, and make revisions public	54(1)&(3)	mayor	ref s58(1) of MFMA	1-Jul-07	Done			By capacity - relates to 2007/08 budget for low capacity councils. Effective date is 1 July 2007.
8.6	Note: In addition to the detail provided in the monthly budget statement referred to above, provide information required by s71(1)(c), (d), and (g) (i) and (ii)	71	municipal manager	ref s79(1) of MFMA	10-Aug-07	Done			By capacity - relates to 2007/08 year for low capacity councils. Effective from 1 July 2007 (first monthly report refers to July)
8.7	Quarterly reporting Submit a report to the council on the implementation of the budget and state of municipal finances within 30 days of the end of each quarter	52(d)	mayor	ref s59(1) of MFMA	30-Oct-04	Done	Monthly report		To be submitted by 30 October, 30 January, 30 April & 30 July. Note also Durba as.
8.8	Mid-year reporting Submit to the mayor, NT and provincial treasury by 25 January each year, a mid-year budget and performance assessment reflecting information required by s72(1)(a)(i), (ii), (iv), (1)(b), (2) and (3)	72	municipal manager	ref s79(1) of MFMA	25-Jan-07	Done			By capacity - actual date, relates to 2006/07 budget for low capacity councils.
8.9	Note: In addition to the detail provided in the mid-year budget and performance assessment referred to above, provide information required by s72(1)(e)(i)	72	municipal manager	ref s79(1) of MFMA	25-Jan-08	Done			By capacity - actual date, relates to 2007/08 budget for low capacity councils.
8.10	Other reporting Submit information as prescribed or required to NT, the provincial treasury, the provincial department for local government or the A-G.	74(1)	municipal manager	ref s79(1) of MFMA	1-Jul-04	Done			
8.11	If unable to comply with any of the responsibilities contained in the MFMA report that fact with reasons to the mayor and the provincial treasury	74(2)	municipal manager	ref s79(1) of MFMA	1-Jul-04	NA			
8.12	Submit to NT within 3 months of 1 July 2004, a list of corporate entities, public-private partnerships and long-term contracts as detailed in s176(2)	178(2)	municipality	ref s59 of MSA	30-Sep-04	NA			
8.13	Submit to the provincial treasury and A-G, the appropriate documentation authorising lawful over-expenditure in a capital programme within a financial year	31(e)	municipal manager	ref s79(1) of MFMA	1-Jul-05	NA			Effective date that relates to 2005/06 budget.
8.14	Website reporting Place on the website information required by s75, no later than 5 days after its tabling in council or on the date which it must be made public, whichever comes first	75	municipal manager	ref s79(1) of MFMA	1-Jul-08	Done			By capacity - relates to 2007/08 year for low capacity councils.
END-OF-YEAR REPORTING									
8.15	Annual financial statements Prepare 2008/09 annual financial statements in accordance with s122(1) containing disclosures as required by s124 and s125	122(1) 124 125	municipality	ref s59 of MSA	31-Aug-04	Yes			After ref to DORA
8.16	If a municipality encounters a serious financial problem or anticipates problems in meeting its financial commitments, it must immediately seek solutions to the problem and notify the MEC for local government and MEC for finance in the province and SALGA	135	municipality	ref s59 of MSA	1-Jul-05	Aware			Relates to 2004/05 financial statements.
8.17	Submit 2004/05 annual financial statements to the A-G within 2 months after the end of the financial year	126(1)(e)	municipal manager	ref s79(1) of MFMA	31-Aug-05	Done	Signed receipt		Relates to 2004/05 financial statements.
8.18	Note: Ensure that annual financial statements disclose information on intergovernmental and other allocations as required by s123(1)	123(1)	municipality	ref s59 of MSA	31-Aug-05	Done			Relates to 2004/05 financial statements.

Plan Ref	Action Required	Act Ref	Responsibility Under	Delegation To	Final Report Date	Data Action Completed	Comments	Who must do what? Agreed further action	Comments (NT)
8.19	Take appropriate action in terms of s133 in instances where financial statements are not submitted to the A-G	133(1)	council	ref s59 of MSA	31-Aug-05	N/A			Target date dependent upon 8.17 above
8.20	Ensure that the municipally addresses any issues raised by the A-G in the audit report	131	mayor	ref s58(1) of MFMA	3-May-08	Done			Relates to 2004/05 financial statements. How date of 30 June for audit report is 3 months after the report is prepared to A-G at end August, allowing council 80 days to respond (see s131(2) of MFMA).
8.21	Note: In addition to the requirements of s122(1) and (2), prepare annual financial statements and consolidated financial statements in accordance with GRAP The annual report	122(3)	municipality	ref s59 of MSA	1-Jul-08	N/A	See Gazette 30013		By capacity - relates to 2007/08 year for low capacity councils.
8.22	Table in council the 2004/05 annual report of the municipality and any municipal entities within 7 months after the end of the financial year	127(2)	mayor	ref s59(1) of MFMA	14-Apr-08	Done			Relates to 2004/05 annual report. Ref s46(1) of MSA.
8.23	If unable to comply with s127(2), submit to council a written explanation setting out reasons for the delay, labelling the annual report as soon as possible	127(3)	mayor	ref s58(1) of MFMA	3-Jan-08	N/A			Target date dependent upon 8.24 below. Relates to 2004/05 annual report.
8.24	Immediately after the annual report is tabled in council, make public and invite representations on the annual report and submit the annual report to the A-G, the provincial treasury and the provincial department for local government	127(5)	municipal manager	ref s79(1) of MFMA	14-Apr-08	Done			Target date dependent upon 8.24 above. Relates to 2004/05 annual report. Ref s46(3) of MSA.
8.25	Take the appropriate action in terms of s133 in instances where the mayor fails to table the annual report in council	133(1)	council	ref s59 of MSA	31-Jan-08	N/A			Target date dependent upon 8.24 above. Relates to 2004/05 annual report.
8.26	Ensure that council meetings at which the annual report is to be discussed are open to the public	130(1)	council	ref s59 of MSA	14-Apr-08	Done			Relates to 2004/05 annual report. Ref s46(3) of MSA.
8.27	Invite any representatives of the A-G to attend council meetings at which the annual report is to be discussed	130(2)	council	ref s59 of MSA	14-Apr-08	Done			Relates to 2004/05 annual report. Ref s46(3) of MSA.
8.28	Attend council and committee meetings where the annual report is discussed and submit copies of the minutes of those meetings to the A-G, the provincial treasury and the provincial department for local government	129(2)	municipal manager	ref s79(1) of MFMA	31-May-08	Done			Relates to 2004/05 annual report. Ref s46(3) of MSA.
8.29	Prepare the 2006/2007 annual report in accordance with Chapter 12 and containing information required by s121	121	municipality	ref s59 of MSA	14-Apr-08	Done			By capacity - relates to 2006/07 year for low capacity councils. Ref s46(1) of MSA.
8.30	Deal with the annual report within 9 months after the end of the financial year	121	council	ref s59 of MSA	14-Apr-08	Done			By capacity - relates to 2006/07 year for low capacity councils.
The oversight report									
8.31	Adopt an oversight report following consideration of the annual report, containing council's comments on the annual report in accordance with s129(1), no later than 2 months from the date on which the annual report was tabled in council	129(1)	council	ref s59 of MSA	31-May-08	Done			Relates to 2004/05 oversight report.
8.32	Make public the oversight report within 7 days of its adoption by council	129(3)	municipal manager	ref s79(1) of MFMA	7-Jun-08	Done			Target date dependent upon 8.31 above. Relates to 2004/05 oversight report.
8.33	Submit the annual report and oversight report to the provincial legislature within 7 days after being adopted by council	132	municipal manager	ref s79(1) of MFMA	7-Jun-08	Done			Target date dependent upon 8.31 above. Relates to 2004/05 oversight report.

FOR COUNCIL USE ONLY

Prepared by: Johann Dofle
Date: _____

Reviewed by: _____
Date: _____

Disclaimer: Please note that this worksheet has been compiled to assist municipalities in developing their own project management plan - municipalities must review the activities and timeframes listed carefully to ensure that they suit their own individual needs. Municipalities are required to review the accuracy of the template, and therefore National Treasury cannot accept any responsibility for errors or omissions contained within this worksheet. As a template, there may be instances when the information contained here is not relevant to a municipality. This document will evolve over time, and users are requested to advise the National Treasury of any errors or omissions so that the template may be constantly improved and enhanced.