



ENGCOBO LOCAL MUNICIPALITY REPORT ABOUT THE SET OBJECTIVES ACHIEVED FINANCIAL YEAR 2006/2007

Introduction and Overview

- 1.1 Foreword: Mayor.
- 1.2 Speaker's Report.
- 1.3 Overview by the municipal manager.

2. Chairpersons Standing Committees

- 2.1 Infrastructure.
- 2.2 Budget and Treasury Office.
- 2.3 Housing and SPU.
- 2.4 LED and Administration.
- 2.5 Social Needs.

3. Performance Reports

- 3.1 Communications and IDP.
- 3.2 LED
- 3.3 SPU.
- 3.4 Disaster
- 3.5 Corporate Services.
- 3.6 Budget and Treasury Office.
- 3.7 Internal Audit Report.

SIPHUHLISA NGOLIMO,
NGAMAHLATHI NAMANZI

VISION & MISSION



VISION

A well capacitated, clean, safe and friendly municipality characterized by vibrant agriculture and tourism sector with skilled and empowered communities.

MISSION

To provide basic and affordable services, alleviate poverty and improve the quality of lives of the Engcobo Community through social and economic development of the area and by creating a safe healthy and secure environment.

VALUES

The Engcobo Local Municipality is committed to upholding the following values:

- Client Orientation
- Transparency and openness
- Accountability
- Objectivity
- Accessibility
- Democratic principles
- Sound Labour relations
- Human Resource Development
- Performance Management
- Employment Equity

SIPHUHLISA NGOLIMO,
NGAMAHLATHI NAMANZI

ENGCOBO LOCAL MUNICIPALITY: EXECUTIVE AND COUNCIL STRUCTURE



HON. CLLR. L. JIYOSE
EXECUTIVE MAYOR



HON. CLLR. S. MBOLO
SPEAKER



CLLR. Y. PONOSHE
CHIEF WHIP



CLLR. N. GEDENI
HEAD: HOUSING & SPU



CLLR. S. MARENENE
HEAD: SOCIAL NEEDS



CLLR N. NOLUDWE
HEAD: INFRASTRUCTURE
& TECHNICAL SERVICES



CLLR. T. MPIKA
HEAD: BUDGET AND
TREASURY



CLLR M. MBENYANA
HEAD: ADMIN & LED

ENCOBO LOCAL MUNICIPALITY: ADMINISTRATIVE STRUCTURE



D.M.MVULANE
MUNICIPAL MANAGER



F.BUWA
TECHNICAL MANAGER



F.GAUSHE
CORPORATE SERVICES MANAGER



N. SONGO
CHIEF FINANCIAL OFFICER



M.GIQO
COMMUNITY SERVICES MANAGER





Foreword Executive Mayor

It is the responsibility of every Municipality to prepare annual report. This report will cover a number of aspects, unlike the previous term the organizational structure has changed. After the Local Elections we came to office with a clear mandate from our political parties and the voters in general, that of improving the lives of our people for the better.

This Municipality has a clear vision of developing this area focusing on Agriculture and Tourism. Its mission is to provide basic services and fight poverty through the economic development.

In terms of Organizational Structure we have executive committee which drives various departmental programmes. Each committee/department has got its own budget allocation, we have also address gender balance by electing three women as EXCO members out of five members. At the same time, the office of the Speaker is separate from the office of the Mayor unlike the previous term where the Speaker was also called the Mayor due to the Municipal size

The Council is busy with the capacitation of Councillors by conducting different workshops. The aim is to bring quality services to the people some of these programmes involve the staff members.

We have managed to employ Municipal Manager and we believe that the decisions of the Council will be carried out efficiently and effectively. Again, we have employed an Internal Auditor we will be sharing the Audit Committee with Chris Hani District Council.

Through MIG we have managed to utilize the allocation in various projects. The main challenge is the MIG allocation versus various demands of our people. It becomes very difficult to meet the National target especially in areas like water, electricity and sanitation as a result of the amount of money we received from the National Treasury (equitable share).

We are working with almost all Stakeholders. We held a number of Imbizos and we were fortunate to be visited by the Deputy President of RSA. There are meetings which are taking place between the Municipality and different Stakeholders like Chiefs and religious Groups etc. Some of these meetings are also involving Ward Committees and CDW's during the IDP/Budgets process all wards were participating fully. In these meetings we are able to account about work done and to be done.

Although there were successes but challenges will need combination of strategies. We must not rely on equitable share allocation. We must develop other plans of alleviating poverty and accelerate service delivery.



Speaker's Report

Introduction

The representation of this annual report is an exciting benchmark that reflects systematically on the progress of our Municipality. It is so because the annual report is our key public document through which transparency and accountability are achieved. In it we lay bare our actual performance against predetermined objectives. In doing so, role players and communities are enabled to assess our institution's success and to see whether we are achieving our Constitutional and legislative mandates as developmental change agent.

- In terms of section 9(b) of the Municipal Structures Act 117 of 1998, Engcobo Local Municipality Council has an Executive Committee system combined with a Ward Participatory System.
- The Council has a six-member Executive Committee with a Chief Whip, Speaker and 31 elected Councillors, 15 were elected in terms of the system of proportional representation and 16 Councillors represent wards.
- In terms of section 72-78 of the Municipal Structures Act 117 of 1998, Council has established 160 Ward Committees. The committees are chaired by their respective ward Councillors, and each has ten other elected members represented on the committee.
- Ward Committees do not have formal powers; however submissions are made to Council through the Ward Councillor.
- With ward committees being consultative community structures, its purpose is to broaden participation in the democratic process of Council and to assist the Ward Councillor with organizing consultation disseminating information and encouraging participation from residents in the ward.
- In terms of section 79-80 of the Municipal Structures Act 117 of 1998 and Section 160 of the Constitution, standing committees have been established to assist the Council and aligned the political and administrative structures of Engcobo Local Municipality in 2002 by aligning the standing committees with the organizational structures and creating both operational and strategic standing committees.

1. OPERATIONAL STANDING COMMITTEES WERE FORMED i.e.

- LED and Admin
- Engineering services and Infrastructure
- Budget and Treasury Office
- Health and Community Services
- Housing & SPU

2. STRATEGIC STANDING COMMITTEES

- IDP, BUDGET & PERFORMANCE MANAGEMENT COMMITTEE
- SPECIAL PROGRAMMES COMMITTEE
- ECONOMIC DEVELOPMENT & TOURISM COMMITTEE
- SUSTAINABLE DEVELOPMENT & INTEGRATED ENVIRONMENTAL MANAGEMENT COMMITTEE

3. COMMUNITY PARTICIPATION

3.1

In terms of Section 16(a) (1) to Section 21 of Municipal Systems Act 32 of 2000, the Engcobo Local Municipality developed a culture of community participation by involving all the community structures in IDP and BUDGET process. For example business people, church fraternity, Women, Youth disability and traditional leaders.

3.2

The Council sits once a quarter. In the Council meeting discussions are opened for the public to come and observe all the resolutions that are then by the Council.

3.3

At ward level, the chairperson of ward committee i.e. Ward Councillor call a quarterly meeting to give them reports and the committees are re-imbursed with a stipend.

3.4

Government introduced Community Development Workers (CDW), currently we have 16 CDW's that are that are working closely with ward Councillors to disseminate the information to the community also bring problems and challenges of the communities to the attention of government. We have a challenge where there are 2 CDW's per ward that is 1 & 5 and those wards that do not have CDW's at all that is 11 & 12



Overview by the Municipal Manager

1. Background

- The year 2006/2007 has come and gone and it has been a challenging year. Chapter 7 of the constitution of South Africa deals with the objectives and status of Local Municipalities. Municipalities are therefore changed to strive to achieve the objectives of a local Development government.
- The Municipal Finance Management ACT (MFMA) requires of the Accounting officer to be able to present an annual report to the mayor of the municipality within six months after the end of the financial year and subsequently the mayor must present or table it to the council within seven months.
- This report must therefore strive to give a clear picture of our operations and functions and the level of service that we render to our communities.

2. Processes Followed

As directed by the Municipal systems act we have;

- Reviewed our IDP
- Adopted our Performance Management System.
- Engaged in Community Consultations.
- Passed and adopted by laws.
- Conducted Capacity Building workshops.
- Risk Management workshop.
- Many of the issues will be raised through departmental reports.

SIPHUHLISA NGOLIMO,
NGAMAHLATHI NAMANZI

C. Challenges

- Our IDP, ORGANOGRAM need to be Reviewed and aligned with the Budget.
- Strengthening of the Budget and Treasury office
- Establishment of the Internal Audit Unit.
- Training of all our Committees.
- Establishment of a strategy to deal with the audit reports and change the Audit opinions to something better.
- Management of the political interface.
- Relations between CLLRS and officials.
- Development of jobs-Descriptions for easy management of work-related ethics.
- Develop a plan to establish a strategy to monitor performance.

Conclusion

- The local municipality is a rural Municipality and as such it must serve as beckon of hope to the marginalized poor masses of our area.
- Communities, NGO'S. Church leaders, Traditional leaders and all people must be encouraged to participate in all the affairs of the municipality as the municipality is belonging to them.
- To our loyal councilors under the guidance and leadership of the mayor congratulations for providing guidance to the institution as a whole, to Head of Departments, Officials and all workers thank you very much for the job well done.
- Problems will always manifest themselves in any work environment and the recourse to that is the ability to always rise above such and always move forward as soldiers hungry for victory and success.

SIPHUHLISA NGOLIMO,
NGAMAHLATHI NAMANZI

Communications and IDP Department

The municipal systems Act no 32 of 2000 requires the municipality to adopt a five years integrated development plan which had to be received annually. In the council meeting held on the 30th May 2006, the final IDP and budget were adopted. As reflected in our IDP document our municipality is faced with a huge backlog on service delivery; such as roads, water and sanitation, electricity, high poverty and unemployment levels etc.

There is little close to nothing revenue that we are generating on our own which then makes us to mainly depend on the grants we receive which are too little or insufficient to meet our needs. Out of the basketful of community needs we only afforded to budget for fewer, which then become a drop in an ocean. Following is the summary of what we managed to achieve in the municipal set objectives, starting from consultative processes that maximized community participation up to projects done.

- August 2006 - Talk show - Mhlobo Wenene (Publicity of the adopted IDP and budget)
- Adverts at Mhlobo Wenene and Vukani Community radio about our local program on the Women's month.
- 19 September 2006 adoption of the IDP/ Budget process plan by the council
- End of October Mayoral inauguration was held (well attended)
- 20-30 November 2006, IDP road shows were held where the EXCO was visiting wards
- Purchase of local Municipal dairies and calendar by early December 2006.
- Christmas and Happy New Year messages at Daily dispatch and printed wishing cards.
- February 2007 - Valentines message was done, purchased wishing cards
- March 2007 the draft IDP/Budget was adopted by the council
- Beginning April 2007 - a talk show was held with Mhlobo Wenene publicizing the adopted draft IDP/Budget
- Road shows were conducted by the Exco for public comments at all the wards
- First week of May 2007 we held a mayoral Ibiza, all wards were represented people raised their problems, concerns and appreciated.
- 30 May 2007 the final IDP and Budget were adopted by the council.

It has been discovered notion wide that there is not much done in internal communication at the municipalities which has lead into most employees not knowing what council resolution have been adopted by the council. This also has caused municipal departments to work in silos. In a SALGA communication conference held in Pretoria 2006. It was resolved that all municipalities department and be headed by the section 57 manager. The head must sit at the council meeting the mayoral committees or EXCO's and at the management meetings. Our municipality was one of the municipalities at had ready established the dept. That the unit head does at the above mentioned meeting. Due to unavailability or insufficiency of money the municipality has not yet employed a section 57 manager of the department.

A plan to improve internal communication for better service delivery is in place. This will contribute to sense of belonging of everyone in the municipality employ.

According to local gaut municipal systems act 32 of 2000 chapter 5 section 23

The planning undertake by a municipality must be aligned with and complement the development plans and strategies of other state organs so as to give effect to the principles of co-operative government contained in section 41 of the constitution. We are still having problems with regard to this because of lack of cooperation by the government department. It is only the department. That cooperates in the IDP rep forums to make all the major stakeholders to partake. The MGO'S, C BO'S, church frittering political organization, traditional leaders and business sector are taking part in IDP process.

Monitoring of the achievement of objectives needs more effort.

LED Department

KEY AREAS OF THE DEPARTMENT

- a) FUNCTIONS OF THE LED
- b) FOCUS
- c) OBJECTIVES
- d) PRIORITIES
- e) KEY CHALLENGES
- f) KEY ACHIEVEMENTS
- g) PROJECTS FUNDED 2006/2007

1. FUNCTIONS OF LED

- Promotion of Economic development
- Facilitation of economic development initiatives
- Mobilization of stakeholders both Government and Private stakeholders
- Mobilization of resources both Technical and Financial.

2. FOCUS

- Facilitation of economic activities.
- Facilitate a conducive environment for citizen to benefit in the economic growth

3. OBJECTIVES

- Poverty alleviation
- Upliftment of economic conditions
- Create conducive environment for business to develop or to prosper.

4. PRIORITIES

- Agriculture
- SMME 's and investment
- Tourism Development
- Forestry initiative Development

5. ACHIEVEMENTS

- Projects have resulted in job creation especially the beneficiaries and some community members.
- Beneficiaries were also trained in various skills through funding by the Department of labour.
- LEDF have been established
- Reduce poverty with small percentage

6. KEY CHALLENGES

- Not enough resources for LED
- Unorganized community structure e.g. business chamber, formal and informal businesses.
- Social stability.
- Inadequate Infrastructure

7. PROJECTS FUNDED 2006-2007

PROJECT NAME	BUDGET	AMOUNT EXPENDITURE
Agriculture		
Gcina	R888 760.00	R 761 367,35
Masihlangabezane	R1,1M	R 1,1M
Masiphathisane	R100 000.00	R 596 21,00
Goboti agric project	R100 000.00	R 91 903,46
Sisulu	R100 000.00	R 52 552,35
Zihlaheni	R150 000.00	R 143 748,20
Sikhulasonke	R100 000.00	R 47 000.00
Khulanathi	R50 000.00	R 10 260.00

POULTRY

Masizame	R 15 000.00	R 12 138 .99
Tshatshatsha	R 15 000.00	R 14 853.03
Luncedo	R 15 000.00	R 12 138.99
Masonwabisane	R 15 000.00	R 12 138,99
Sijongokuhle	R 15 000.00	R 11 996.42
Ikhwezi	R 15 000.00	R 14 474.20
Siyabonga	R 15 000.00	R 13 236.20

SIPHUHLISA NGOLIMO,
NGAMAHLATHI NAMANZI

BAKING PROJECT

Vukuzenzele	R 65 000.00	R63 000.00
Imizamo yethu	R 65 000.00	R63 244.80
<u>Siyazama</u>	R 65 000.00	R60 186.86
<u>Masizakhe</u>	R 65 000.00	R54 494 .53

SEWING

<u>Masizame</u>	R 40 000.00	R 35 761.37
<u>Lukhanyo</u>	R 65 000.00	R 62 045.15
<u>Nqungeluwela</u>	R 10 000.00	R10 000.00

OTHER PROJECTS

Project	Budget	Expenditure
Nonkqubela (Fencing)	R 20 000.00	R19 978.00
Zabasa (Shearing Shed)	R235 000,00	R225 040,70
Khuseluncedo	R100 000,00	R86 985,35
TOURISM Sector Plan was to be developed	R0	R0
SMME	R0	R0
FORESTRYDEVELOPMENT INITIATIVE Sawmilling, Charcoal and Furniture Factory have to be developed.	R0	R0

PILOT PROJECTS

During 2006/2007 financial year R500 000, 00 was budgeted for the following nine Pilot Projects i.e. Manzana, Ntibaneni, Majija, Mbekeni, Lahlangubo, Mkhanzi, Xhentu, Thwane and Yawa and was utilized to buy Inputs, Fuel and for Tractor drivers salaries.

1. CHALLENGES FACING THE UNIT

- Less commitment, dedication and decline by project beneficiaries.
- Capacitating building and training
- Budget Constraints
- Non availability of developable land.
- Shortage of Staff (LED Clerk and 10 tractor drivers)

SPU Unit

1. FUNCTIONS OF THE UNIT:

- To mobilize and coordinate the development of the previously disadvantaged groups. Ensuring that there is nothing done about them without them. Work with government departments & civil society organizations to explore opportunities for service.

2. FOCUS IS:

- Youth, Women, Disabled People, Elderly and Children development.
- Lobbying, advocacy, project identification, monitoring and policy Framework.

3. OBJECTIVES:

- To inculcate a culture of service by supporting Youth, Women, Disabled People, Elderly and Children to participate constructively in nation-building, to improve these target groups i.e. Youth, Disabled People and Women's employability through opportunities for work experience, Skills development and support to gain access to economic and Further learning opportunities.
- To promote a positive and integrated method of Youth Disabled People etc.
- To ensure these structures participate to Local, District, Provincial, And National Government events.

4. PRIORITIES:

- Establishment of the Youth Council, Disabled People, Women, Elderly, Cultural and Sport structures.
- Introduction of the above structures to other stakeholders' i.e. Government Departments.
- Information day.
- Identification of projects.
- Awareness campaign on human rights.
- Mayoral Cup Tournament (Sport development at Ward level).

5. KEY ACHIEVEMENTS:

- Youth, Disabled People, Women, Elderly, Cultural and Sport structures.
- We managed to organized Department of Health to render service i.e. assessment of Disabled People for assistive devices.
- MONA ARTS FESTIVAL: we managed to identify Cultural talented groups in our communities.
- 40 groups participated on the event and they represented various organizations.
- We had a turn over of about 1000 people.
- As the festival progressed, some people were coming to take part in this event.
- Impact: Cultural Groups became organized.
- A local brand activist who got the contacts was Mrs. Joy on the basis Of her performance and communication skills.

- Impact cont.: Thembinkosi Mdali (Terra) was contracted by MONA Company As camera man to Videorize and taking photos assisting at various Municipalities.
- Information Day: We organized Tertiary institutions i.e. Universities, FET Colleges. About 40 Youth benefited to that programme. This programme is done yearly and is targeting a scholar from a disadvantage family.
- Employment Equity: Only one Business institution employed a Disabled Person Through the assistance of the SPU office.
- Mayoral Cup: Sport Clubs were identified and the participation was maximum.

Siyakhana (CBO): This organization is targeting street kids. It is doing rehabilitation to a child. It is also assisting in the development of a child.

Also doing referrals the affected Department for assistance. Due, to their financial constraints they approached us for assistance in school uniform.

Lilitha Day Care Centre for Disabled Children: Social Development conducted a Participation Rural Appraisal (PRA) in order to develop a Business Plan.

Disaster Unit

On January 2007 the disaster unit has manage to built four houses for the victims/beneficiaries who were affected by lightning at Qebe A/A, where 5 young people were killed. This happened on the 6th of January 2007 where the unit has manage to burry the kids assisted by Abathuthuzeli Funeral Services by donating 5 coffins and tent, Shoprite donated with glossary and Social Development had given Social relief for the families.

On the 3rd of March 2007 there was also a disaster Tornado that affected and destroy more than 100 households at Mbekeni A/A,Nkondlo A/A,Ntibane A/A,& Majija A/A. We bought roofing material at an amount of R190251.85 for the affected families.

The unit managed to build three structures at Mbekeni A/A.Ntibaneni,Nkondlo,Majija A/A's affected beneficiaries were given the building material for repairs.

We have a programme known as ISDR which is run by schools. The schools were doing three items such as Drama; Visual Art & Music. We manage to utilize an amount of R67 283.00.The purpose of this programme is to reduce disasters at school levels and in communities. This programme is international.

The schools that worn the competition were given an amount of R46, 500.00 as an award.

On November 2007 we have bought building material for repairs for the affected families and we are in the process of distributing it to the beneficiaries.

The Disaster Management Volunteers who are occupying the Disaster office are on the Standby Patrols working hand in hand with the Municipal Traffic Officers, Provincial Traffic Officers and the SAPS, as usual during Festive and Easter time. This programme is running as from the 1st of December 2007 until January 2007.

SIPHUHLISA NGOLIMO,
NGAMAHLATHI NAMANZI

Corporate Services Department

1. INTRODUCTION

In the financial year 2006\07 the department made some efforts to improve the administration support services to the Municipal Council by promoting good human resource management so as to comply with the constitution Act 108 of 1996 and the municipal System Act 32 of 2000.

The department has registered a number of achievements but there are still challenges that need to be addressed.

2.ORGANOGRAM

According to the 2006\07 organogram there were vacancies that needed to be filled in order to meet the objectives of the municipality, for example the post of Municipal Manager; Internal Auditor e.t.c, these posts are filled.

3.SKILLS DEVELOPMENT

3.1 BUDGET AND TREASURY

In this department many employees attended training at Durban in financial related issues.

3.2 MUNICIPAL MANAGER'S OFFICE

Municipal manager is attending training in Local Government Management Programme at Belgravia Institute of Management and also Communications officer.

3.3 TECHNICAL SERVICES DEPARTMENT

The manager of this department also attended the Local Government Management programme at Belgravia.

3.4 COMMUNITY SERVICES DEPARTMENT

3.4.1 Librarian attended training in national library at Pretoria.

3.4.2 All Managers and also Labour forum members were trained in labour relations.

3.4.3 Financial interns are attending training in Local government management programme at Belgravia.

4. LABOUR RELATIONS

4.1 Municipality has never been without cases nevertheless we dealt with number of cases and some of them we won and others are pending.

4.2 Meetings with labour union has been the order of the day to discuss matters of mutual interest.

4.3 Differences with labour union (SAMWU) are manageable.

5. Casual Employees

5.1 We are working hard as a department trying to solve the issue of casuals.

5.2 The focus is on employing casuals who are budgeted and who are in the organogram. These are our recommendations to the council.

6. MINUTE TAKING AND COUNCIL MEETINGS

6.1 REPORT ON COUNCIL MEETING

The Municipality is holding 4 ordinary council meetings, each year or if there are some other issues special council meetings are concerned. Councilors are obliged to sign attendance register which is a note book form presently, as they used to sign on a designed attendance register form which is kept in a file. There are standing committees whereby each department is represented, that is where all departmental related issues are being discussed fully with recommendations. The recommendations of each department are thereafter taken to executive council for its consideration.

6.2 RECOMMENDATIONS TO THE COUNCIL

The council is the last body to decided and then resolved for implementation by departments under the supervision of managers.

INFRASTRUCTURE DEPARTMENT

This Infrastructure Services Department deals with the activities of council that concentrates on the physical development namely:

- Basic services i.e.(water, electricity, roads and sanitation)
- Housing

The department is actively involved with the Infrastructure Services Budget (ISB).

The department plays a role of integrating the National and Provincial capital grant fund implementation projects.

Services	Allocation Approved R
Water and Sanitation *	R29 500 000.00
Housing	R4 500000.00 (partially)
Electricity (Eskom)	

* Competency of the District Section 78 rural water scheme done by the Chris Hanoi District Municipality (CHDM), Local Municipality still maintains urban areas.

ACCESS ROADS

We managed to construct the following, Ngcacu Bridge R5, 335 000.00 , Ngubengcuka Access Road R3, 256 790.43

A number of access roads have been constructed which cost about R7 million, a bridge that cost about R 5 million. The Municipality has its own roads construction machinery, access roads are done with this equipment and some are outsourced to emerging contractors. A large portion in terms of percentage was done by the contractors that the Municipality employed.

DEPARTMENT ROADS

The Engcobo Municipality is very fortunate to have the area wide maintenance for a period of two years end July 2008. Even though this function is performed by the Roads Authority [Department of Roads and Transport], the municipality continues to provide input into the maintenance programme. The programme of maintenance of provincial roads in rural areas as well as the Ngcobo to Elliot Tar Road is done by the Provincial Roads and Transport Department at a cost of about R 26 538 509.84 the Municipality has an input in the prioritizing process.

HOUSING

A number of housing initiatives have been undertaken by the municipality. These housing initiatives include i.e.

- Middle income housing 128 site (extension 10)
- Completion of masonwabenati low cost housing; requested additional funding R4,5 million
- Extension 11 about 1800 erevn (1600 residential and 100 unresidential erevn).

EXTENSION 11

Extension 11 has been partially approved by the Department of Local Government and Housing, this project will be phased in construction of 450 units at a time. Outstanding issue is that of the infrastructure of the development i.e. water, sanitation and roads which has to be catered for by the Department.

MASONWABENATI HOUSING PROJECT

A total of 952 units form this project of which 792 units are completed and 160 units are still uncompleted. The Municipality has requested a some of about R4 500 000.00 to complete the whole project. This has been conditional approved by all the relevant Department personal and is awaiting the signature of the MEC.

RURAL HOUSING

The following villages have been submitted to the Department of Local Government and Housing.

- Mntuntloni 300 units
- Debera 300 units

No feed back has been received from the department with regards to the rural housing.

EXTENSION 10

This project consists of 128 erven. This project has been partially approved by the Department of Local Government and Housing for subsidy funding.

Finance Department

As municipality, we have received grants and subsidies, which we are bound by legislation to report on expenditure on monthly basis. The municipality needs to adopt sound financial policies, procedures and systems to be able to lay a sound foundation of accountability. This dept in support to the municipal managers office and continues to provide statutory prescribed framework.

To respond to rapidly changing financial environment in development of local government finance. There is a need of each local municipality to capacitate its personnel in order to respond to such challenges. Due to increasingly staff turnover, the finance department has no opportunity to capacitate its staff because of key personnel leaving the department for greener pastures.

On continuously reviews and implementation of financial policies and procedures that are:

- Suitable for the jurisdiction of EM
- Acceptable to the community of EM
- Addressing challenges that are facing Engcobo community
- Policies and procedures that are in line with national treasury regulations
- Ensure sustainability of Engcobo Municipality
- Implemental by staff

THE FOLLOWING ARE THE KEY REPORTS:

- AFS
- Budget
- IDP (Reviewed)

THE FOLLOWING POLICIES HAVE BEEN TABLED TO THE COUNCIL:

- Revenue and debt collection
- Indigent support policy
- Tariff policy
- Investment banking policy
- FA management policy
- SCM policy

DURING FINANCIAL YEAR, WE RECEIVED THE FOLLOWING GRANTS:

- Equitable share
- FMG (Finance Management Grant)
- MIG (Municipal Infrastructure Grant)

For financial year 2006/2007 when this report was printed, the Auditor General was still engaged on auditing the published annual financial statements.

Internal Audit Unit

INTRODUCTION

The Internal Audit Unit is one of the very important functionaries at both the private and public sectors. Its importance can be observed in that it is operational even at international level. The audit activity is governed by a CHARTER i.e. Internal Audit Charter which clearly outlines all activities to be performed at a particular time and subject to well and properly designed plans, but within the legal provisions. The Municipal Finance Management Act No.56 of 2003 provides for establishment of the Internal Audit Unit as per Section 165.

The Engcobo Municipality has therefore established her internal Audit Unit which has been in operational since November 2006. However, it may be advised that as to-date, the Audit Committee which, in terms of Section 166 of the Municipal Finance Management Act 2003, has not yet been established and this anomalous situation poses challenges which will always render internal audit functions to be ineffective in so far as reporting which, statutorily is the prerogative of the Audit Committee. It should also be observed that only one post of an Internal Audit has been provided and accordingly filled in the authorized establishment thus resulting in various problems, which limit the auditing scope.

REPORTING

Within the very limited capacity that is staffing, it has been possible to identify laxity in systems, and controls. Endeavors were made of instilling statutory compliance in some activities. I was forced to go all out of my programme and assist in designing registers and also to conduct workshops apply to the "hands on" policy. The outstanding support by the Executive Committee is worth mentioning and highly commended. All my Internal Audit Reports were always well cherished. All endeavors were made to seriously address queries contained in the Auditor-Generals Report, to the extent of even assisting management in compiling "Management Responses" to the said reports.

The internal Auditor has developed the procedures to be followed on day-to-day running of the municipality. The following departments Finance and Corporate Services specifically required a strategically approach to officials.

The 50% of Internal Audit recommendations were implemented and it was due to the assistance of the internal auditor, that compliance with statutes, internal policies, procedures and controls including record keeping controls, information systems and reports applied to day-to- day management of the Municipality. Action Plans had been drawn with time frames in the recent disclaimer Audit Reports.

CONCLUSION

It would be appreciated that at least, as a start three posts could be provided and filled as some crucial statutory activities cannot be done by only present Internal Auditor. The effectiveness of the Internal Audit Unit together with the Audit Committee greatly benefit the Municipality as the Office of the Auditor-General will not spend more time in auditing resulting in the reduction of "Audit Fees".

IN CONCLUSION, IT IS WORTH CONSIDERING THAT:-

- The municipality should budget for the website as it had been long queried by the Auditor- General.
- Performance contracts and performance evaluations should be developed for Managers directly accountable to the Accounting Officer.
- As the processes for the property valuations had been started then that need a proper follow-up by management to the Provincial Department.
- Property valuation has direct bearing in the Municipal Revenue and therefore requires priority consideration more so that a By-Law is required before implementation of tariffs in ratable properties. Since the implementation of the "By - Laws" by the Municipality is subject to approval by the National Department all means must be devised to expedite processing thereof.
- Proper planning in preparing financial statements should be a first priority because the Main Annual Report of the Municipality should contain audited Financial Statements.

SIPHUHLISA NGOLIMO,
NGAMAHLATHI NAMANZI



ANNUAL FINANCIAL STATEMENTS

ENGCOBO

LOCAL MUNICIPALITY

30 JUNE 2007

**SIPHUHLISA NGOLIMO,
NGAMAHLATHI NAMANZI**

ENGCOBO LOCAL MUNICIPALITY

CONTENTS FOR THE YEAR ENDED 30 JUNE 2007

	PAGE
1. GENERAL INFORMATION AND APPROVAL OF FINANCIAL STATEMENTS	26
2. FOREWORD	27
3. REPORT OF THE AUDITOR GENERAL	28
4. CHIEF FINANCIAL OFFICER'S REPORT	36
5. ACCOUNTING POLICIES	37
6. BALANCE SHEET	40
7. INCOME STATEMENT	42
8. CASH FLOW STATEMENT	43
9. NOTES TO THE FINANCIAL STATEMENTS	45
10. APPENDICES	
A STATUTORY FUNDS, RESERVES AND PROVISIONS	56
B EXTERNAL LOANS AND INTERNAL ADVANCES	58

C	ANALYSIS OF FIXED ASSETS	59
D	ANALYSIS OF OPERATING INCOME AND EXPENDITURE FOR THE YEAR ENDED 30 JUNE 2007	61
E	DETAILED INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2007	62
F	STATISTICAL INFORMATION	65

ENGCOBO LOCAL MUNICIPALITY

GENERAL INFORMATION

FOR THE YEAR ENDED 30 JUNE 2007

GRADING OF LOCAL MUNICIPALITY

Grade 2

AUDITORS

The Auditor-General

BANKERS

First National Bank

Meeg Bank

Standard Bank

REGISTERED OFFICE

Union Street

Engcobo

PO Box 24

Engcobo

Tel No.:

(047) 548 1221

Fax No.:

(047) 548 1078

APPROVAL OF FINANCIAL STATEMENTS

The annual financial statements set out on pages 4 to 34 were approved by the Municipal Manager and the Council on 26 September 2007

Mr D M Mvulane
MUNICIPAL MANAGER



T L Mketsu
ACTING CHIEF FINANCIAL OFFICER



ENGCOBO LOCAL MUNICIPALITY

FOREWORD

As in the previous financial years , the council is working very hard to provide better life for all by focusing on providing basic services for the community of Engcobo and putting most effective strategy of fighting backlogs that exists.

The council will come with better strategies inorder to ensure that the municipality attends the challenges of present day as well as the needs of our community.

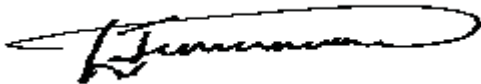
We are attempting to provide for these backlogs in a structured and planned approach. The Intergrated Development Plan is the basic tool for provision of essential services such as water, electricity, refuse removal, sanitation and Local Economic Development.

The municipality will have to come with more effective revenue enhancement strategies and also improve payment levels of services rendered by the municipality to its community.

The municipality has limited funding, which it makes it difficult to fund its IDP because of limited resources. The municipality solely depending on the national grants mainly Equitable share.

It is essential that we prioritise our resources in order to ensure that they are applied to the best advantage. We always advise the community of the challenges we facing due to the lack of resources.

I would like to thank my fellow councillors, municipal manager and all other personnel for their commitment and hard work during the past financial year.



Councillor: L Jiyose
Mayor

REPORT OF THE AUDITOR-GENERAL TO EASTERN CAPE PROVINCIAL LEGISLATURE AND THE COUNCIL OF ENGCOCO MUNICIPALITY ON THE FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION OF ENGCOCO MUNICIPALITY FOR THE YEAR ENDED 30 JUNE 2007

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I was engaged to audit the accompanying financial statements of the Engcoco Municipality which comprise the statement of financial position as at 30 June 2007, statement of financial performance, statement of changes in net assets and consolidated and separate cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages...to....

Responsibility of the [accounting officer/accounting authority] for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with the standards laid down by the Institute of the Municipal Financial Officers in its Code of Practice for Local Government Accounting (1997) and the Published Annual Financial Statements for Local Authorities (2nd edition 1996, as amended), and in the manner required by the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA), Auditor-General Audit Circular 1 of 2005. This responsibility includes:
 - designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error
 - selecting and applying appropriate accounting policies
 - making accounting estimates that are reasonable in the circumstances.

Responsibility of the Auditor-General

3. As required by section 188 of the Constitution of the Republic of South Africa, 1996 read with section 4 of the Public Audit Act, 2004 (Act No. 25 of 2004)] [section of applicable legislation], my responsibility is to express an opinion on these financial statements based on my audit in accordance with the International Standards on Auditing. Because of the matters discussed in the Basis for disclaimer of opinion paragraphs, however, I was not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis of accounting

4. The municipality's policy is to prepare financial statements on the basis of accounting determined by the National Treasury, in accordance with the standards laid down by the Institute of the Municipal Financial Officers in its Code of Practice for Local Government Accounting (1997) and the Published Annual Financial Statements for Local Authorities (2nd edition 1996, as amended) as set out in accounting policy note 1.

Basis for disclaimer of opinion

Funds and Reserves

5. The revolving fund amounting to R623 442 as disclosed in the financial statements is not sufficiently backed by concomitant assets such as cash and

investments. The dedicated investment for revolving fund amounts to R69 343. Accordingly I could not verify the validity of the revolving fund.

Supporting documentation in respect of journals amounting to R199 384, processed in the accumulated surplus/deficit was not provided for audit purposes and as a result I could not confirm validity of transactions contained therein.

Supporting documentation in respect of expenses amounting to R100 000 incurred in the mayoral fund was not submitted for audit purposes and as a result validity and occurrence of these expenses could not be confirmed.

Fixed Assets

6. The accounting policy of Engcobo Municipality indicates that assets procured using advances will be depreciated in line with the capital redemption of the advances and loans. By way of this fixed assets are always equal to the capital amount of advances outstanding. There are advances amounting to R8, 3 million included in creditors acquired for the procurement of fixed assets. Accordingly assets have been understated by an undisclosed amount.

Additions to fixed assets amounting to R186 069.82 have not been recorded in the assets register of the municipality and as a result completeness of the assets register maintained by the municipality could not be confirmed.

During the verification process of assets in the assets register, existence of fixed assets amounting to R589 354 could not be confirmed and accordingly the valuation of assets disclosed in the financial statements could not be confirmed.

Accounts Receivable

7. The debtors ageing analysis submitted for audit purposes reflects a balance of R2,2 million whereas the financial statements in respect of current consumer debtors discloses an amount of R2,5 million in note 9 to the annual financial statements. Accordingly debtors have been understated by R242 355.

Supporting documentation as well as the basis of the provision for bad debts amounting to R1 million as disclosed in the annual financial statements could not be submitted for audit purposes and as a result I could not confirm the valuation of accounts receivable.

Investments

8. Investments totalling to R769 508 have not been included in the investment register of the municipality submitted for audit purposes. The investments of R9 .8 million as disclosed in the annual financial statements are therefore overstated by the same amount.

Bank confirmations confirm an amount of R9,8 million whereas the bank statements used in the preparation of bank reconciliations and cash book of the municipality reflect an investment balance of R9,7 million. Accordingly the bank account has been overstated by R332 552.

Cash and Bank

9. The municipality does not have a practice of clearing its suspense accounts timeously, consequently journals and other supporting documentation in respect of suspense account amounting to R846 579 were not produced at year end for audit purposes. Accordingly I was unable to determine the impact of the journal entries in the financials statements.

Stale cheques amounting to R1,3 million were written back at year end. Proof that journal entries were processed to adjust expenses and creditors could not be

produced for audit purposes. I was therefore unable to determine the impact of this in the annual financial statements disclosures.

Comparative figures of cash and bank of R1 million reflect an overdraft per note 20 of the financial statements. However the same note reflects a favourable balance as an opening balance of the current year. Accordingly the valuation of cash and bank could not be confirmed.

Bank confirmations confirm an amount of R146 413 whereas bank statements used in the preparation of bank reconciliations and cash book of the municipality reflect a balance of R502 029. Accordingly the bank account has been overstated by R501 572.

Provisions

10. Engcobo municipality has disclosed provisions amounting to R 111 559 in the financial statements submitted for audit purposes. However the municipality's legal advisors have confirmed legal claims amounting to R202 000. Furthermore a leave provision was not disclosed, and leave records were not properly maintained by the municipality and the leave register was incomplete. I could not confirm completeness of the provisions disclosed in the annual financial statements.

Accounts Payable

11. Monitoring controls such as reviews and reconciliations were not effective at Engcobo Municipality for the period under review, and as a result an amount of R8,3 million in respect of internal advances has been included in the creditors' amount of R9,6 million disclosed in the financial statements. Accordingly the creditors have been overstated by R8,3 million.

Supporting documentation in respect of Debit journal entries amounting to R662 409 and credit journal entries amounting to R174 217 processed through accounts payable were not submitted for audit purposes. I was thus unable to determine the impact of these journals in the accounting records as my scope was limited.

A creditors listing and creditors' sub-ledger detailing all individual creditors' balances were not maintained by the municipality for the period under review. Accordingly I could not satisfy myself as to the existence of obligations of the account balance of R9,6 million.

Value Added Tax

12. The VAT returns (VAT 201's) with an amount of R799 769 submitted for audit purposes did not agree with the amount of R1,8 million per the financial statements by R1 million.

Expenditure

13. The total amount of expenditure of R38,3 million as disclosed in the financial statements of Engcobo municipality, includes unauthorised journals amounting to R239 966 processed without supporting documentation.

Irregular expenditure

14. Payments amounting to R83 164 were made on quotations, and no invoices were submitted for audit purposes and no disclosure of this has been made in the financial statements.

Unauthorised Expenditure

15. The municipality has overspent its expenditure budget by R442 754 and the over expenditure is therefore regarded as unauthorised. The unauthorised expenditure has not been appropriately disclosed in the annual financial statements.

Disclaimer of opinion

16. Because of the significance of the matters described in the Basis for disclaimer of opinion paragraphs, I have been unable to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial statements of Engcobo Municipality. Accordingly, I do not express an opinion on the financial statements.

Emphasis of matters

I draw attention to the following matter(s):

Going concern

17. The accounting officer's report on page 4 of the financial statements, indicates that Engcobo Municipality incurred a closing deficit of R2, 9 million for the year ended 30 June 2007 and as at that date, the municipality's total liabilities exceeded its total assets by R2 million. These conditions along with other matters, point to the existence of a material uncertainty that may cast significant doubt on the entity's ability to continue as a going concern.

OTHER MATTERS

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

Internal control

18. Section 62(1)(c)(i) of the MFMA states that the accounting officer must ensure that the municipality has and maintains effective, efficient and transparent systems of financial and risk management and internal control. The table below depicts the root causes of the matters indicated, as they relate to the five components of internal control. In some instances deficiencies exist in more than one internal control component.

Reporting item	Control environment	Assess of risks	Control activities	Information and Communication	Monitoring
Basis for disclaimer of opinion					
Provision on the disclosed does not agree to the financial statements			✓		
Unauthorised journals without supporting documentation					✓
Internal advance has been incorrectly included in the creditors					✓

amount					
Supporting documentation not submitted for audit purposes					✓
Accrual listing and creditors sub-ledger not provided for audit purpose					✓
Internal advance not supported by the assets					✓
Assets register not timeously updated					✓
Assets not included in the assets register					✓
VAT amount differ to the financial statements				✓	
Debtors amount differ to the financial statements				✓	
Basis of provision for bed debts could not be provided for audit purpose					✓
Investment register amount differ to the financial statements				✓	
Investment amount per the bank confirmation differ to the financial statements				✓	
Suspense account not timeously cleared					✓
No documentation on supporting journals made for the stale					✓

cheques written back					
Cash and bank in the balance sheet does not agree to the note				✓	
Cash and bank amount per the bank statements differs with the bank confirmation				✓	
Concomitant assets does not exist for the funds held by the municipality					✓
Supporting documentation for journals were not provided for audit purposes					✓
Supporting documentation for expenditure relating to funds were no provided for audit purposes					✓
Irregular expenditure					✓
The municipality overspent its expenditure budget					✓
Emphasis of matter					
Municipality's total liabilities exceeded its total assets				✓	

Other Matters					
Unapproved overdraft facilities				✓	
Late submission of the financial statements					✓

Control environment

18. The municipality did not establish the key elements of a control environment to achieve sound financial management. This resulted in an inadequate level of skills and knowledge to enable the financial statements to be accurately prepared in accordance with the applicable basis of accounting, which in turn gave rise to the numerous qualifications concerning non-adherence to the accounting standards as well as many corrections to the financial statements resulting from matters identified.

Control activities

19. The effectiveness of control activities over business and accountancy processes was not adequate. This is evident from the reported matters relating to debt recovery, suspense account, bank reconciliations and the asset register.

Monitoring of controls

20. The monitoring of controls, such as the review of reconciliations, confirmations from external parties and the internal audit process, was not effective. This contributed to the reported matters relating to the recoverability of debtors and the completeness and accuracy of account balances. The internal audit division did not provide an effective service to management by assisting them in their governance responsibilities.

Material non-compliance with applicable legislation

21. Municipal Finance Management Act, No.56 of 2003; section 45(4)(a) and (b) provides that a municipality must pay off short term debt within the financial year; and may not renew or refinance short-term debts, whether its own debt or that of any other entity, where such renewal or refinancing will have the effect of extending the short-term debt into a new financial year. However the municipality did not have an approved overdraft facility and the overdraft totalling to R463 691 is disclosed in the financial statements.

The Municipal Finance Management Act, No.56 of 2003; section 126(1)(a) prescribes that the accounting officer of a municipality must prepare the annual financial statements of the municipality and, within two months after the end of the financial year to which those statements relate, submit the statements to the Auditor-General for auditing. However the financial statements of the municipality were submitted on the 04 October 2007, three months after year-end.

Matters of governance

22. The Municipal Structures act No.117 of 1998, section 18(2), provides that a municipal council must meet at least quarterly during the financial year; however during the current financial year the municipality did not comply with this section as only 2 council meetings were held according to the minutes of the meetings provided for audit purposes.

OTHER REPORTING RESPONSIBILITIES

Reporting on performance information

I was engaged to audit the performance information of Engcobo Municipality.

Responsibility of the accounting officer

23. In terms of section 121(3)(c) of the MFMA, the annual report of a municipality must include the annual performance report of the municipality prepared by the municipality in terms of section 46 of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) (MSA).

In terms of section 121(4) (d) of the MFMA, the annual report of a municipal entity must include an assessment by the entity's accounting officer of the entity's performance against any measurable performance objectives set in terms of the service delivery agreement or other agreement between the entity and its parent municipality.

Responsibility of the Auditor-General

24. I conduct my engagements in accordance with section 13 of the Public Audit Act, 2004 (Act No. 25 of 2004) read with *General Notice 646 of 2007*, issued in *Government Gazette No. 646 of 25 May 2007* and section 45 of the Municipal Systems Act.

In terms of the foregoing my engagement includes performing procedures of an audit nature to obtain sufficient appropriate evidence about the performance information and related systems, processes and procedures. The procedures selected depend on the auditor's judgment.

Audit findings

25. Engcobo Municipality did not submit the performance information for the period under review, accordingly performance information of Engcobo municipality was not audited.

APPRECIATION

26. The assistance rendered by the staff of the Engcobo Municipality during the audit is sincerely appreciated.

Auditor-General

Mthatha

29 April 2008



AUDITOR-GENERAL

ENGCOBO LOCAL MUNICIPALITY

REPORT OF THE CHIEF FINANCIAL OFFICER

FOR THE YEAR ENDED 30 JUNE 2007

EXPRESION OF APPRECIATION

I am grateful to the Mayor, the Municipal Manager, Councilors and Departmental Managers for the support they have given to the department during the 2006/7 financial year. A special word of appreciation is extended to the team from the financial services department for the months of hardwork, sacrifices and concentrated efforts during the financial year to enable us to finalize these financial statements.

T.L Mketsu
Acting Chief Finance Officer
Engcobo Local Municipality
Date: 26 September 2007



ENGCOBO LOCAL MUNICIPALITY

ACCOUNTING POLICIES

FOR THE YEAR ENDED 30 JUNE 2007

1. Basis of presentation

- 1.1. These financial statements have been prepared to conform to the standards laid down by the Institute of Municipal Finance Officers in its Code of Practice for Local for Local Government Accounting (1997) and the Published Annual Financial Statements for Local Authorities (2nd edition 1996, as amended).
- 1.2. The financial statements are prepared on the historical cost basis, adjusted for capital expenditure as more fully detailed in note 2. The accounting policies are consistent with those applied in previous years, except if otherwise indicated.
- 1.3. The financial statements are prepared on the accrual basis:
Income is accrued when measurable and available. Certain direct income is recorded when received, such as governmental grants.
Expenditure is accrued in the year it is incurred.

2. Consolidation

The balance sheet includes Rate and General Services, Housing Service, Trading Services and the Different funds, reserves and provisions. All inter-departmental charges are set-off against each other, with the exception of assessment rates, refuse removal, sewerage, which are treated as income and expenditure in the respective departments.

3. Fixed assets

- 3.1. Fixed assets are stated at historical cost or at valuation (based on market price at date of acquisition), where assets have been acquired by grant or donation, 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 Treasurer.
- 3.2. Depreciation: The balance shown against the heading "Loans Redeemed and other Capital Receipts" in the notes to the balance sheet is tantamount to a provision for depreciation, however, certain structural differences do exist. By way of this "provision" assets are written down over their estimated useful life.
Apart from advances from the various council funds, assets may also be acquired through:
Appropriations from operating income, where the full cost of the asset forms an immediate and direct

charge against operating income, and therefore it is unnecessary to make any further provision for depreciation.

Grant or donation, where the amount representing the value of such grant or donation is immediately credited to the "Loans Redeemed and other Capital Receipts" account.

3.3. All net proceeds from the sale of fixed property are credited to the Land Trust Fund. Net proceeds from the sale of other assets are credited to Income or the Accumulated Surplus Account.

3.4. Capital assets are financed from operating income and grants received from National and Provincial Governments.

4 Trust Funds

Transactions relating to funds held by the Council for the benefit of third parties accounted for only in the balance sheet with no recognition of income or expenditure in the income statement

From time to time, National and Provincial Governments provide funds to Municipalities for the undertaking of certain prescribed projects. The funds so provided are not treated as operational grants upon receipt but revenue is recognised only upon spending of the funds for the designated purpose, to the extent of the expenditure.

Funds that are set aside for projects will only be utilized for that specific project

Revolving fund was calculated at 7.5% on previous financial year assessment rates

5 Provisions

Provisions are created for liabilities or contingencies which are known at the date of the balance sheet, but for which the amounts involved cannot be determined with substantial accuracy.

6 Retirement benefits

All employees are contributing to the pension fund

7 Surpluses and deficits

Any surpluses or deficits arising from the operation of services are transferred to Rate and General Services to alleviate the tax burden of rate payers.

ENGCOBO LOCAL MUNICIPALITY
ACCOUNTING POLICIES (CONTINUES)

FOR THE ENDED 30 JUNE 2007

8 Treatment of administration and other overhead expenses

The cost of internal support services are transferred to the different services in accordance with the IMFO's Report on Accounting for Support Services.

9 Investments

Investments are shown at the lower of cost or market value if a permanent decline in the value occurred, and are invested according to the provisions contained in Circular 26 of 1991 issued by the Provincial Administration.

10 Income recognition

Electricity and water billings

Only water is provided by the municipality.

All meters are read and billed monthly. Where meters cannot be read during a particular month, they are provisionally billed with the necessary adjustments made in the month they are indeed read.

Assessment Rates

Assessment rates are levied on the land value of the property.

11 Sale of fixed property/stands

The revenue generated through the sale of fixed assets must be allocated to the Land Trust Fund.

ENGCOBO LOCAL MUNICIPALITY

BALANCE SHEET AT 30 JUNE 2007

	2,007 R	2,006 R
CAPITAL EMPLOYED		
FUNDS AND RESERVES		
Statutory Funds	5,800,423	6,587,202
Reserves	623,442	527,963
Trust Funds	5,176,981	6,059,239
	814,451	3,944,116
RETAINED SURPLUS	6,614,874	10,531,318
CONSUMER DEPOSITS - SERVICES	55,984	38,597
	6,670,858	10,569,915
EMPLOYMENT OF CAPITAL		
FIXED ASSETS	(13,547)	(13,547)
LONG TERM DEBTORS	-	133,440
	(13,547)	119,893
NET CURRENT ASSETS	6,684,405	10,450,023

Note

1

2

3

16

4

5

7

ENGCOBO LOCAL MUNICIPALITY

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2007

	Note	2007 R	2006 R
CASH RETAINED FROM OPERATING ACTIVITIES			
Cash generated by operations	17	(2,189,184)	9,572,250
Investment Income	15	634,950	
(Increase) / decrease in working capital	18	(1,393,160)	606,511
		3,768,274	16,862,467
CASH AVAILABLE FROM OPERATIONS			
Cash contributions from the public and State	5	(2,947,394)	10,178,761
Net proceeds on disposal of fixed assets	5	6,566,987	6,683,706
		148,681	
CASH UTILISED IN INVESTMENT ACTIVITIES			
Investment in Fixed Assets	5	(9,077,879)	(10,663,156)
NET CASH FLOW		(5,309,605)	6,199,311
CASH EFFECTS ON FINANCING ACTIVITIES			

(Increase) / decrease in cash investments	19	3,769,014	(3,224,782)
(Increase) / decrease in cash	20	1,540,591	(2,974,529)
NET CASH (GENERATED) / UTILISED		5,309,605	(6,199,311)

ENGCOBO LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2007

	2007 R	2006 R
1 STATUTORY FUNDS		
Revolving Fund	623,442	527,963
Employers Levy Fund	-	-
	<u>623,442</u>	<u>527,963</u>
(Refer to appendix A for more detail)		
2 RESERVES AND PROVISIONS	-	-
	<u>-</u>	<u>-</u>
3 TRUST FUNDS		
Transitional Fund	504,134	476,495
Pilot Housing	1,820	1,784
Integrated Development and Planning	100,000	
Disaster Management	27,507	32,346
Town Planning	169,107	191,098
Motor Vehicle Testing Ground	541,037	659,866
MSP Grant	319,604	374,099
Kwa-Gcina Project	20,065	46,193
Soil Conservation Fund	40,070	149,878
Khuseluncedo Development Fund	56,370	54,036
CMIP	282,798	258,279
Insurance Fund	196,413	183,327
Municipal Infrastructure Grant	244,486	1,910,829
MFMA Grant	232,502	12,803
Municipal Administration Program	76,953	72,096
System Improvement Fund	1,600,881	1,129,071
Project Consolidation Fund	543,234	507,040
Cleaning Campaign Fund	120,000	
LED Grant	100,000	
	<u>5,176,981</u>	<u>6,059,239</u>
4 CONSUMER DEPOSITS - SERVICES		
Consumer Deposits	55,984	38,597
Other Deposits	955,820	122,198
[Water Deposits have been reclassified in the Balance Sheet]	<u>1,011,804</u>	<u>160,795</u>

5	FIXED ASSETS		
	Fixed assets: beginning of the year	100,026,169	89,363,013
	Capital expenditure during the year	9,077,879	10,663,156
	Less: Assets written off, redeemed, transferred or disposed of during the year	<u>148,681</u>	<u> </u>
	Total fixed assets	108,955,367	100,026,169
	Less: Loans redeemed and other capital receipts	<u>(108,968,914)</u>	<u>(100,039,716)</u>
	Net fixed assets	<u>(13,547)</u>	<u>(13,547)</u>
	Capital expenditure amounting to R9,077,879 is financed as follows:		
	Grants	R 6,566,987	
	Income	R 2,510,892	
		2007	2006
		R	R
12	ASSESSMENTS RATES		
		Actual income	Actual income
	Residential, Commercial and Government	1,352,455	1,233,229
		<u>3</u>	<u> </u>
	Totals	<u>1,352,458</u>	<u>1,233,229</u>
	Assessment rates are calculated on land valuations.		
		R	R
13	COUNCILLOR'S REMUNERATION		
	Mayor's allowance	305,270	0
	Executive Committee Members	503,695	0
	Councillor's allowance (Full time)	228,953	863,415
	Speaker's Allowances (Part time)	244,216	64,658
	Councillor's allowance (Part time)	2,197,933	
	Pension contributions allowance	258,618	0
	Personal facilities	0	91,500
	Travelling allowance	1,263,885	207,940
	Telephone	<u>263,147</u>	<u>232,350</u>
		<u>4,456,752</u>	<u>1,459,863</u>
14	AUDITOR'S REMUNERATION		
	Audit fees	<u>550,000</u>	<u> </u>
		<u>550,000</u>	<u>0</u>
15	FINANCE TRANSACTIONS		
	<i>Total external interest earned and paid</i>		
	Interest earned	<u>634,950</u>	<u>400,406</u>
		<u>634,950</u>	<u>400,406</u>

ENGCOBO LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2007 (CONTINUED)

	2007	2006
16 APPROPRIATIONS		
Appropriation account		
Accumulated surplus / (deficit): beginning of year	3,944,116	1,196,972
Operating surplus / (deficit) for the year	(2,908,662)	3,553,921
Appropriations for the year	(221,003)	1,881
Prior year adjustments	-	(808,658)
Accumulated surplus / (deficit): end of year	<u>814,451</u>	<u>3,944,116</u>
17 CASH GENERATED BY OPERATIONS		
Surplus / (deficit) for the year	(2,908,662)	3,553,921
Adjustments in respect of previous years' operating	(221,003)	(806,777)
Fixed assets from operating income	2,510,892	3,979,450
Investment Income (Interest Received)	(634,950)	
Non operating income	-	
Investment income (Interest Received) Non Operating	498,344	151,895
Trust Funds (Other income)	9,104,946	6,562,586
Non operating expenditure	-	
Trust Funds	(10,390,070)	(3,868,825)
Net proceeds on disposal of assets	<u>(148,681)</u>	
	<u>(2,189,184)</u>	<u>9,572,250</u>
18 (INCREASE) / DECREASE IN WORKING CAPITAL		
(Increase) / decrease in debtors	(1,240,975)	(265,432)
Increase / (decrease) in creditors	(152,185)	871,943
	<u>-</u>	
	<u>(1,393,160)</u>	<u>606,511</u>
19 (INCREASE) / DECREASE IN EXTERNAL CASH INVESTMENTS		

Investments realized	<u>3,769,014</u>	<u>(3,224,782)</u>
	<u>3,769,014</u>	<u>(3,224,782)</u>

2007	2006
R	R

20 (INCREASE) / DECREASE IN CASH ON HAND

Cash balance: beginning of the year	1,076,900	(1,897,629)
<i>Less balance at end of year</i>		
Housing		(1,255,724)
Petty cash	(38,339)	(33,839)
Cash balance Meeg Bank	-	(33,483)
Cash balance FNB	-	-
Cash balance FNB Main Account	<u>502,030</u>	<u>246,146</u>
Cash balance at end of year	463,691	(1,076,900)
	<u>1,540,591</u>	<u>(2,974,529)</u>

21 RETIREMENT BENEFITS

Personnel are members of the Pension Fund or Retirement Fund.

22 CONTINGENT LIABILITIES AND CONTRACTUAL OBLIGATIONS

None

23 EXTRAORDINARY ITEMS

None

24 CAPITAL COMMITMENTS FOR THE UPCOMMING FINANCIAL YEAR

An amount of R 7,855,000 has been provided for capital expenditure on the budget for the 2007/2008 financial year.

The amount of R 7,855,000 will be financed by Grants from National Government.

ENGCOBO LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2007 (continued)

24 25 DISCLOSURES IN TERMS OF SEC. 123 OF THE MUNICIPAL FINANCE MANAGEMENT ACT, 2003

Subsection 123(1)(a): Allocations received by the municipality from -

(i) an organ of state in the national or provincial sphere of government;

- 1 National Treasury - MFMA Grant - R500,000
- 2 Systems Improvement Grant - R367,000
- 4 Municipal Infrastructure Grant - R5,483,041

Subsection 123(1)(b): Allocations made by the municipality to a municipal entity or another municipality or any other organ of state;

Nil.

Subsection 123(1)(c): How any allocations referred to in (a) were spent, per vote, excluding allocations received as equitable share or otherwise prescribed by the allocations;

- 1 MFMA Grant - Appointment of 3 interns in April 2005-R 295 732
- 2 Municipal Infrastructure Grant - R 6 371 048

Subsection 123(1)(d): Compliance with conditions in subsection 214(1)(c) of the Constitution and any allocations by organs of state other than by national organs of state;

Yes.

Subsection 123(1)(e): Reasons for the non compliance with paragraph (d);

N/A.

ENGCOBO LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2007 (continued)

Subsection 123(1)(f): Whether funds to the municipality i.t.o. the Division of Revenue Act were delayed or withheld and the reasons given;

No.

25 DISCLOSURES IN TERMS OF SEC. 124 OF THE MUNICIPAL FINANCE MANAGEMENT ACT, 2003

Subsection 124(1)(a): Particulars of the salaries, allowances and benefits of political office bearers and councillors of the municipality and whether they are within the upper limits of the framework in section 219 of the Constitution;

Disclosed in Note 13. Councillors are remunerated within the upper limits of the framework as a grade 2 municipality i.t.o. the Public Office Bearers Act.

Subsection 124(1)(b): Arrears owed by individual councillors for rates or services which were outstanding for more than 90 days including the names of those councillors;

None

Subsection 124(1)(c): Salaries, allowances and benefits of the municipal manager, chief financial officer and senior managers;

Municipal manager: Total cost to employer - R 423 046

Senior managers: Total cost to employer (4 @ 395 197 each) R 1 580 788

The total cost to employer includes pension, medical aid, transport allowance and cellphone allowance.

26 DISCLOSURES IN TERMS OF SEC. 125 OF THE MUNICIPAL FINANCE MANAGEMENT ACT, 2003

Subsection 125(1)(a): List of all municipal entities under sole or shared control of the municipality during the financial year and as at the last day of the financial year;

None.

ENGCOBO LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2007 (continued)

Subsection 125(1)(c): Particulars of any contingent liabilities of the municipality as at the end of the financial year;(continued)

Claims on behalf of the Municipality

Subsection 125(2)(d): Particulars of any material losses or wasteful expenditures, unauthorised expenditure during the financial year and whether it is recoverable. Criminal or disciplinary steps taken and recovered losses or write offs must be included;

Subsection 125 (2)(e): Particulars of Any non compliance with Municipal Finance Management Act, 2003;

None

ENGCOBO LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2007 (continued)

SALGA Eastern Cape - R107 728

Auditors fees - R914 099

Skills development levy - R151 556

District municipality levies - R

Pension fund contribution - R 1 399 966

Medical aid contribution - R 449 490

UIF contribution - R 117 179

ABSA current account (Housing), opening balance (R35, 312.01), closing balance (R15, 396.44).

Date

Opening

Date

05/07/01	1,777.24			30/06/2007		
05/07/01	51,235.96			30/06/2007		
05/11/29	3,364,784.88			30/06/2007		
05/11/29	34,927.57			30/06/2007		
05/07/01	961,774.04			30/06/2007		
05/11/29	46,192.92			30/06/2007		
05/07/01	143,677.59			30/06/2007		
05/07/01	453,329.76			30/06/2007		
05/07/01	14,580.21			30/06/2007		
05/11/29	3,488,598.71			30/06/2007		
05/07/01	68,356.36			30/06/2007		
05/11/29	12,803.07			30/06/2007		
05/07/01	254,148.01			30/06/2007		
05/11/29	72,096.77			30/06/2007		
05/07/05	54,036.41			30/06/2007		
16	Transitional Grant	05/07/01	476,477.89		504,117.03	FNB
17	MSP Grant	05/07/20	374,084.73		395,722.18	FNB
18	Systems Improvement Grant	05/07/01	1,129,059.92		1,602,853.92	FNB
19	Project Consolidate Fund	2006/03/07	507,039.59		543,233.88	FNB
20	Soil Conservation Fund	2005/07/01	149,876.63		40,069.51	FNB
21	Self Insurance Fund	2005/03/01	183,326.75		196,413.27	FNB
22	Revolving Fund	2005/07/03	66,356.44		69,343.23	FNB
23	Town Planning Fund	2006/02/28	191,098.43		204,986.43	FNB
24	Engcobo Insurance Fund	2005/11/29	186,710.59		200,269.30	FNB
25	Meeg Bank Call Account	2005/07/01	88,914.51		-	Meeg
26	Meeg Investment	2005/07/01	458,035.04		1,723,063.65	Meeg
27	Testing Station Investment Housing Project-Money	2006/02/15	694,875.89		736,085.98	FNB
28	Market Integrated Development Fund	2005/07/01	33,301.61		33,301.61	ABSA
29	***	2007/02/03			100,000.00	FNB
30	Engcobo municipality	2006/08/24	4,000,000		36,663.00	FNB

Investment			
Cleaning Campaign CHDM			
***	2006/07/11	120,000.00	FNB
31			

ENGCOBO LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2007 (continued)

Subsection 125(1)(c): Particulars of any contingent liabilities of the municipality as at the end of the financial year;

Claims against the Municipality

- 1 **ENGCOBO MUNICIPALITY/NYAMEKO MASETI**
This matter is coming before the court on the 25th of September 2007.
It will not proceed on that day as Mr Makaula is acting as a Judge of the High Court.
It will be postponed without a date pending further arrangements.

- 2 **ZAMA BUKA/ENGCOBO MUNICIPALITY & FELIX**
This matter is part-heard and not been finalized.

- 3 **DALUBUHLE MFIKI/ENGCOBO MUNICIPALITY**
This file is held in abeyance pending instruction from the municipality.

- 4 **MANETYI WILLIE/ENGCOBO MUNICIPALITY**
We are still negotiating an out of court settlement in this matter.

- 5 **KIRUBIN NAIDOO t/a DOTCOM SOLUTIONS/ENGCOBO MUNICIPALITY**
This matter is coming before court on the 17th September 2007. We will appreciate the presence of all the employees involved herein.

- 6 **ENGCOBO MUNICIPALITY / OGLE - HIGH COURT CASE**
We have served Mr Ogle with the Notice of Taxation. Our bill of costs is set down for the 12th day of September 2007 for taxation.

- 7 **NETTIE / ENGCOBO MUNICIPALITY**
Our correspondents are waiting for the payments to transcribe the records.

- 8 **ENGCOBO MUNICIPALITY / SAMWU LABOUR COURT CASE NO.P351/06**
We have not managed, at this stage to get a date for Taxation. We shall try to get it soon.

- 9 **O.T.NGCANGA / ENGCOBO MUNICIPALITY**
We have filed away our file pending further instructions. Kindly notify us of any summons received in respect of this matter.

ENGCOBO LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2007 (continued)

Subsection 125(1)(c): Particulars of any contingent liabilities of the municipality as at the end of the financial year;(continued)

Claims on behalf of the Municipality

Subsection 125(2)(d): Particulars of any material losses or wasteful expenditures, unauthorised expenditure during the financial year and whether it is recoverable. Criminal or disciplinary steps taken and recovered losses or write offs must be included;

Subsection 125 (2)(e): Particulars of Any non compliance with Municipal Finance Management Act, 2003;

None

Subsection 125(2)(f): Any other matters that may be prescribed;

None.

ENGCOBO LOCAL MUNICIPALITY

APPENDIX A

STATUTORY FUNDS, TRUST FUNDS AND PROVISIONS

FOR THE YEAR ENDED 30 JUNE 2007

	Balance at 30/06/06	Contributions during the year	Interest on investments	Other income	Expenditure during the year	Balance at 30/06/07
STATUTORY FUNDS	R	R	R	R	R	R
Revolving Fund	527,963	92,492	2,987			623,442
	527,963	92,492	2,987	0		623,442
TRUST FUNDS						
Transitional Fund	476,495	-	27,643		4	504,134
Pilot Housing	1,784	-	36		-	1,820
Integrated Development & Planning				100,000	-	100,000
Disaster Management	32,346		1,288	100,000	106,127	27,507
Town Planning	191,098		13,888		35,879	169,107
Motor Vehicle Testing Ground	659,866		41,230		160,059	541,037
MSP Grant	374,099		21,637		76,132	319,604
Kwagcina Project			1,703		27,831	

ENGCOBO LOCAL MUNICIPALITY

APPENDIX B

EXTERNAL LOANS AND INTERNAL ADVANCES

FOR THE YEAR ENDED 30 JUNE 2007

EXTERNAL LOANS	Balance at 30/06/06	Received during the year	Interest Capitalized	Redeemed or written off during the year	Balance at 30/06/2007
Annuity loans	R	R		R	R

ENGCOBO LOCAL MUNICIPALITY

APPENDIX C

ANALYSIS OF FIXED ASSETS

FOR THE YEAR ENDED 30 JUNE 2007

	Expenditure 2006 R	SERVICE	Budget 2006/07 R	Balance at 30/06/06 R	Expenditure 2006/07 R	Written off, transferred, redeemed or disposed off during year R	Balance at 30/06/07 R
	10,009,965	RATE AND GENERAL SERVICES	12,736,347	90,760,921	8,962,950	148,681	# 99,575,190
	10,009,965	COMMUNITY SERVICES	12,736,347	85,685,916	8,962,950	148,681	94,500,185
	1,137,865	Land & Buildings	750,000	15,412,596	527,319		15,939,915
	269,606	Plant & Equipment	650,000	5,473,619	406,847		5,880,466
		Motor Vehicles	2,320,000	8,432,609	35,879	148,681	8,283,928
		Township Development	-	29,373			65,252
	7,819,736	General Improvements	8,099,000	45,605,335	7,343,735		52,949,070
							-

ENGCOBO LOCAL MUNICIPALITY

APPENDIX D ANALYSIS OF OPERATING INCOME AND EXPENDITURE FOR THE YEAR ENDED 30 JUNE 2007

Actual 2006		Actual 2007	Budget 2007
R		R	R
	INCOME		
24,794,376	Grants & subsidies: Govern. & Provincial	27,945,064	
0	Grants District Council	0	
0	Vehicle Testing Centre Grant		
1,233,229	Assessment rates	1,352,455	
987,908	Water sales	1,561,134	
507,669	Sanitation	617,516	
422,333	Refuse removal	543,328	
1,102,240	Traffic and Licensing	1,664,698	
1,564,773	Other income	1,718,545	
30,612,528	Sub Total Income	35,402,740	
	Transfers from Appropriations and Reserves		
30,612,528		35,402,740	
	EXPENDITURE		
11,424,087	Salaries, wages and allowances	19,606,657	
9,407,523	General expenses	12,832,434	
1,801,008	Repairs and Maintenance	2,556,999	
0	Depreciation	0	
0	Capital charges		
4,425,989	Contribution to Fixed assets	2,466,030	
	Contribution to Approved Funds	849,282	
27,058,607	Gross expenditure	38,311,402	
27,058,607	Net expenditure	38,311,402	

ENGCOBO LOCAL MUNICIPALITY

APPENDIX E DETAILED INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2007

2006 Actual income	2006 Actual Expend iture	2006 Surplus / (Deficit)		2007 Actual income	2007 Actual Expend iture	2007 Surplus / (Deficit)	Budget Surplus / (Deficit)
R	R	R		R	R	R	R
29,624,620	24,669,682	4,954,938	RATE AND GENERAL SERVICE	33,804,397	36,168,250	(2,363,853)	(518,609)
28,692,779	22,480,252	6,212,527	COMMUNITY SERVICES	32,635,369	33,586,913	(951,544)	739,150
500	2,077,122	(2,076,622)	Council general expenses	0	8,001,246	(8,001,246)	(7,126,420)
315,000	628,472	(313,472)	Accounting Officer Administration		1,773,622	(1,773,622)	(2,265,714)
156,440	2,512,899	(2,356,459)	Local Economic Development	214,791	1,787,561	(1,572,770)	(978,932)
0		-	Special Programmes Unit		131,103	(131,103)	(289,399)
59,555	5,878,262	(5,818,707)	Corporate Services Administration	41,146	6,989,012	(6,947,866)	(4,649,078)
			Human Resource		53,506	(53,506)	(829,169)
			Information Technology		348,958	(348,958)	
			Community Services Administration		329,979	(329,979)	(2,818,432)
			Library	203		203	(212,928)
			Municipal Buildings		5,000	(5,000)	(845,977)
			Pound				(119,334)
			Swimming Pool	880		880	(49,857)
			Licensing		586,068	(586,068)	(140,374)
			Testing Station				966,780
1,102,240	1,547,932	(445,692)	Traffic	1,664,698	3,402,351	(1,737,653)	490,382

							653)	
			Housing Development	1,042,885		1,042,885		
			Budget Planning & Implementation		185,770	(185,770)		27,278,775
			Finance and Asset Management		13,939	(13,939)		(585,401)
			Revenue and Debt Collection	1,086		1,086		105,225
26,152,001	2,464,977	23,687,024	Finance and Governance	29,667,517	3,945,848	25,721,669		(1,058,301)
907,043	7,370,588	(6,463,545)	Roads and Works	2,163	6,032,950	(6,030,787)		(6,132,696)
930,002	2,189,430	(1,259,428)	ECONOMIC SERVICES	1,169,028	2,581,337	(1,412,309)		(1,257,759)
422,333	2,026,070	(1,603,737)	Refuse removal	543,648	2,348,560	(1,804,912)		(1,538,100)
507,669	163,360	344,309	Sanitation	625,380	232,777	392,603		280,341
1,839		1,839	Housing Services					
987,908	2,388,925	(1,401,017)	TRADING SERVICES	1,598,343	2,143,152	(544,809)		551,719
987,908	2,388,925	(1,401,017)	Water services	1,598,343	2,143,152	(544,809)		551,719
30,612,528	27,058,607	3,553,921	TOTAL	35,402,740	38,311,402	(2,908,662)		33,110
		3,553,921	Net (deficit) for the year			(2,908,662)		

	1,196,972	Accumulated surplus at the beginning of the year	3,944,116
	(808,658)	Prior year adjustments	16
	1,881	Prior year adjustments	(221,003)
	3,944,116	Accumulated surplus at the end of the year	814,451

ENGCOBO LOCAL MUNICIPALITY

APPENDIX F

STATISTICAL INFORMATION

FOR THE YEAR ENDED 30 JUNE 2007

	2007	2006	2005
General statistics			
Population	149,659	149,659	148,000
Registered voters	56,456	56,456	56,736
1999 General Valuation - effected on 01/07/2003			
Assessment rates tariff		.012c/R	.009c/R
Service charges:			
Water			
Residential (basic charge per month)	50.91	48.03	45
(metered consumption per kl)	1.86	1.75	3
Commercial Mogwase (basic charge per month)	165.12	155.77	146
Commercial Mogwase (metered consumption per kl)	3.17	2.99	3
Water deposits (per consumer)	530.00	500.00	
New connection fees	190.00	180.00	
Reconnection fees	212.00	200.00	
Refuse Removal			
Residential (per month)	66.05	62.31	58
Commercial & other premises (per month)	189.89	179.14	167
Households (low income per month)	21.20	20.00	
Special refuse removal (per load)	160.00	150.00	
Sanitation			
Residential (per month)	57.80	54.53	51
Commercial & other premises (per month)	189.89	179.14	167
Septic tank (clearing per load)Rural	233.92	220.68	206
Septic tank (per load) in Town	218.61	206.24	
Drain unblockings - business	212.00	200.00	
Drain unblockings - residential	106.00	100.00	

Sewer line connections	795.00	750.00	
Number of employees	140	118	122
Number of councillors	31	31	29
Number of Traditional Leaders	0	0	6



ENGOBO MUNICIPALITY
ANNUAL REPORT FOR THE FINANCIAL YEAR
ENDED 2006/2007

