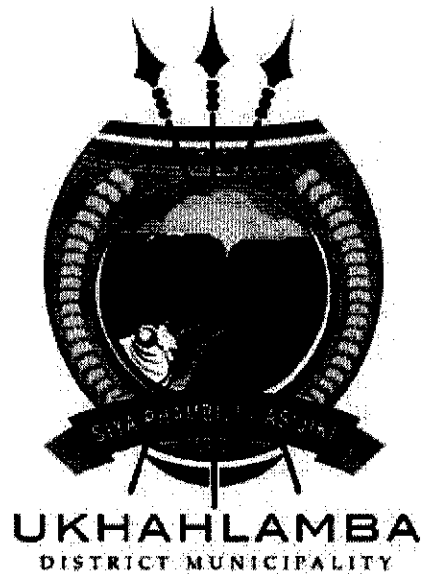


# **DRAFT**

# **ANNUAL REPORT**

# **2006/07**



**24 JANUARY 2008**

**Municipal Manager**  
**Private Bag x102, Barkly East, 9786**  
**045 9793000**

## **Vision**

### **Ukhahlamba District area**

**Fight poverty through stimulating the economy and by meeting basic needs, improving service delivery quality and capacitating local government and communities**

## **Vision**

### **Ukhahlamba District Municipality**

**Improve corporate governance and financial viability to support the effective, efficient and economical delivery of core powers and functions and the creation on an enabling environment for economic development**  
**Zero tolerance on fraud and corruption**  
**Strengthened public participation in decision-making.**

## Table of Contents

<u>Executive Mayors foreword.....</u>	<u>4</u>
<u>1 Introduction.....</u>	<u>5</u>
<u>2 Overview of the Municipality.....</u>	<u>6</u>
<u>2.1 Characteristics.....</u>	<u>6</u>
<u>2.2 Priority issues.....</u>	<u>7</u>
<u>2.3 Strategy for Development.....</u>	<u>7</u>
<u>2.4 Priority Programmes.....</u>	<u>8</u>
<u>3 Background on services provided by the municipality.....</u>	<u>9</u>
<u>3.1 Financial Services .....</u>	<u>9</u>
<u>3.2 Corporate Services .....</u>	<u>10</u>
<u>3.3 Technical Services .....</u>	<u>11</u>
<u>3.4 Community Services and Planning .....</u>	<u>12</u>
<u>3.5 Municipal Managers Office .....</u>	<u>13</u>
<u>4 Organisational Management.....</u>	<u>14</u>
<u>4.1 Institutional Structure.....</u>	<u>14</u>
<u>4.2 Key Oversight committees.....</u>	<u>20</u>
<u>4.3 Organisational Capacity Building, Occupational Health and Safety and Employee Assistance</u> <u>.....</u>	<u>20</u>
<u>4.4 Compliance with Occupational Health and Safety Legislation.....</u>	<u>22</u>
<u>4.5 Financial Information on Medical Aids and Pension Funds.....</u>	<u>23</u>
<u>5 Audit.....</u>	<u>25</u>
<u>5.1 Report of the Auditor General to the Council on the Consolidated Annual Financial</u> <u>Statements for the year ended 30 June 2007.....</u>	<u>25</u>
<u>5.2 Comment of the financial health of the institution.....</u>	<u>25</u>
<u>5.3 Consolidated Annual financial Statements for the year Ended 30 June 2007.....</u>	<u>31</u>
<u>5.4 Response to issues raised in the audit Report.....</u>	<u>31</u>
<u>5.5 Oversight Report from the Audit Committee regarding the Ukhahlamba District</u> <u>Municipality's Annual Report for 2006/7.....</u>	<u>31</u>
<u>6 Functional Area Service Delivery Reporting.....</u>	<u>32</u>
<u>6.1 Primary health care.....</u>	<u>32</u>
<u>6.2 Municipal Health Services.....</u>	<u>32</u>
<u>6.3 Social and Economic Development.....</u>	<u>34</u>
<u>6.4 Infrastructure development (capital projects).....</u>	<u>36</u>
<u>6.5 Water Services Authority.....</u>	<u>44</u>
<u>6.6 Disaster Management.....</u>	<u>46</u>
<u>6.7 Roads Section.....</u>	<u>48</u>
<u>6.8 Working for Water.....</u>	<u>55</u>
<u>6.9 Other service delivery .....</u>	<u>56</u>
<u>7 Performance Audit.....</u>	<u>58</u>
<u>7.1 Performance audit committee Review of Performance Results and systems for Year Ended 30</u> <u>June 2006.....</u>	<u>58</u>
<u>7.2 Report of the Auditor General to the council on Factual Findings on Performance</u> <u>Measurement for the year Ended 30 June 2006.....</u>	<u>58</u>
<u>7.3 Response to Issues Raised in the Performance Audit Report.....</u>	<u>58</u>
<u>8 Annexures.....</u>	<u>59</u>
<u>8.1 Employment Equity Report.....</u>	<u>59</u>

## **EXECUTIVE MAYORS FOREWORD CLLR TL MARAWU**

We told our people that, when the system of local government was introduced in 2000, it was correctly positioned as the sphere of government that is best placed to give practical meaning and substance to the basic political commitment, that the people shall govern through local government, we shall bring democracy to where they live. In our conceptualisation of local government, we placed it at the cutting edge of addressing such basic challenges as underdevelopment, unemployment and poverty. Our people have now experienced this new system of local government for almost seven years. In the initial stages of the five year period we necessarily had to be preoccupied with the first essentials, namely pulling in place core developmental systems. Today, we are more concerned about accelerating service delivery. The core goal for long term sustained approach to fight poverty is the stimulation of the economy and increasing the ability of households to provide for their own needs. Economic study of the area has shown that there is a need to focus on three main areas, agriculture for both short and long term sustainable benefits, tourism for long term sustained benefits and labour based activities for short term benefits as well as pro-poor programmes for potentially more sustained impacts.

In order to focus on the core goals, there has to be a foundation of other activities which will add to the creation of an environment suitable for the fighting of poverty.

In identifying these goals the municipality has taken a strategic decision to relate to that of the Provincial Growth and Development Plan. In order to stimulate the district economy to fight poverty and increase economic benefits in Ukhahlamba District Municipality, there needs to be a supportive environment. This will be achieved through supporting existing business. We need to emphasize that poverty eradication will be achieved through a co-ordinated effort focused in the outstanding district opportunities, agriculture and tourism. Land reform and productive land programmes, skills and mentorship are fundamental to achieving this strategy.

The Ukhahlamba District Municipality actively promoted community participation in the decision making processes of council. This was implemented in a number of ways, including an Integrated Development Plan and budget roadshow in April and May to communities at all our local municipalities. A number of different forums were also held on a regular basis which continued to give representatives of community structures a direct role in policy decisions. These include the District Aids Council, the Disaster Management forums, Gender and Youth forums among others.

The Ukhahlamba District Municipality is fully conscious of the fact that, in a democracy citizens are not meant to be clients of the government – they are meant to own it. Government is not meant to hand things out to them, it is meant to serve them. This is what will make government our government.

I would like to thank all councillors in the District and senior managers for having played such a crucial role in making such a remarkable process to ensure that our people have access to basic services in Ukhahlamba District progress.

## 1 INTRODUCTION

The District Municipality was confronted with critical challenges that are not peculiar to it as most municipalities around the country have similar challenges. These challenges required an army of employees who are committed and skilled to address them since failure to do so would result in the total collapse of service delivery to our communities. The support and strategic guidance of the council to the administration has played an instrumental role to attempt to re-orientate the institution during the 2006/7 year towards the objectives of the five year local government strategy agenda, which represents the overarching direction to be followed by municipalities during this phase of local government transformation.

During the past financial year we had a change of management of the institution, with only one Director remaining from the previous management structure. By the start of the calendar year the new municipal manager started work, and a new corporate services manager was employed by the end of the financial year. This has had a major impact on the performance of the municipality. Despite these changes the management team of the institution (even those acting ) were able to change the work ethic of the institution from which we are now in 2007/8 able to reap the benefits.

Ukhahlamba District Municipality has been on a path to develop a common management vision to face the next five years and this was premised on the following key aspects which are contextualized within the 5 year strategy agenda:

- To introduce a culture of good corporate governance.
- Work towards municipal financial viability.
- Strengthen service delivery, especially in core functions.
- To introduce zero tolerance on fraud and corruption.
- To instill a sense of urgency in the delivery of services.
- To create a positive environment for economic growth and job creation.
- To instill a culture of value for money in the implementation of municipal programmes and activities.
- To strengthen public participation in municipal programmes.

This vision can only be realizable if the institution changed drastically from the way of doing things and transformed itself into a new service delivery machine. Change management as one of the intricate management processes had to be implemented outside the academically designed phases due to the need to balance it with service delivery and compliance with legislations. The municipality had to be motivated to occupy its status as a high capacity municipality in terms of National Treasury categorization and the new budget had to be done in line with the requirements of the MFMA. During the 2006/7 year, for the first time, the 2007/8 budget was adopted together with financial policies and this indicated a big step towards legal compliance. The remaining challenge is the implementation of those financial policies since it is only through them that the municipality will change from the manner of doing things. It has been encouraging to manage the feedback from the implementation of financial policies particularly the policy on levying of administration fees against certain grants, which we must account for as the District Municipality.

## 2 OVERVIEW OF THE MUNICIPALITY

### 2.1 Characteristics

- **Population:** 341,831 people (2001 Census).
- **Size:** 26,518 square kilometers
- **Location:** Eastern Cape Province, borders Free State Province and country of Lesotho to the north. District municipalities of Alfred Nzo, OR Tambo and Chris Hani to the east and south. Northern Cape Province to the west.
- **Municipalities:** Ukhahlamba District; local municipalities: Gariiep, Maletswai, Senqu and Elundini
- **First languages:** Xhosa (72.4%), Sotho (21.0%), Afrikaans (5.5%) and English/other (1.1%) (2001 Census data)
- **Settlement Structure:** There are thirteen towns in the District, with the largest being Aliwal North with a population of about 40,000. Sterkspruit, Maclear and Mount Fletcher are secondary service and retail centers. To the east the settlements consist of sprawling villages and communal land, while to the west the settlements are towns and small collections of people living on farms
- **Economic Activities:** Farming is mainly extensive livestock farming of sheep and cattle. There are areas of crop farming and forestry, especially in the wetter eastern area. There is new forestry potential in the Elundini area. There is very little agricultural processing in the District, and most products are transported by road to larger centres. However, a large timber processing plant is being built in the District (at Ugie). Most towns and villages are small service centres providing for the daily needs of agriculture and living in the area. There are commercial farmers, who are a main economic driver, and also subsistence/emerging farmers, in the communal land areas and elsewhere. Land reform and emerging farmers are critical to a new agrarian economy. New farmers tend to be very dependent on the state for financial support and advice and are usually unable to use land as collateral for obtaining loans. Access to land is a challenge still to be overcome in the District.

Tourism is a growing industry. The economic impact of tourism has been small so far. It is however a growth sector for the District, due to the unique attractions: the only ski resort in southern Africa, hot springs and the largest dam in South Africa.

Employment by the government is the largest economic sector in Ukhahlamba, comprising more than 40% of the GGP. Social grants are a very important component of household incomes.

The informal sector is relatively small in the District and mainly relates to the sale of food and household goods.

The District contributes about 3% of the provincial Gross Geographic Product (GGP)

- **Social Organization:** There are processes underway to strengthen the development of women, youth and the disabled in the District. Organisations have been established and various capacity-building processes have been started to increase the ability of these social groups to effectively interact with government as lobby groups, and guide and influence development. Public participation in government activities is improving and strategies and programmes are being implemented to improve participatory governance. Effective ward committees have been established and Community Development Workers employed.
- **Social issues:** HIV-prevalence among pregnant women is about 27.3% in the District and there are numerous awareness and capacity building initiatives underway to curb its spread as well as to deal with the effects on homes and communities. Educational levels have improved but there is a severe lack of tertiary or technical based learning facilities in the District. Other social issues include housing, crime and waste disposal.
- **Infrastructural issues:** Water and sanitation backlogs are still critical issues facing the District. Access to water is in the region of 70% while access to sanitation is around 50% of

the population. Road access is another critical issue affecting the lives of communities as well as the economy. All the roads in the District need constant maintenance and repair, and this has been neglected in the past.

## 2.2 Priority issues

The following priorities were identified through a democratic and participatory process during the preparation of the IDP:

### Economic Growth

- Stimulation of the Economy: increase new investment.
- Education and skills development
- Environmental protection
- Public economic infrastructure

### Social growth

- Water and sanitation provision across the District
- Social infrastructure (housing, clinics, schools, etc)
- Addressing social issues (poverty, crime, HIV etc)

### Governance and Administration

Local Government:

- Municipal financial viability and management
- Improved capacity for basic service delivery
- Improved capacity for supporting Local Economic Development

Governance generally:

- Building of partnerships and relations and improving cooperation and coordination
- Access to information
- Institutional Capacity Development
- Democratic Governance
- Municipal Institutional Development and transformation
- Good Governance and Public Participation

## 2.3 Strategy for Development

The Ukhahlamba District Municipality, based on the directive from the Presidency that District IDP's should be the key coordination document for all the spheres of government, is of the opinion that the development strategy should have applicability to all three governmental spheres (national, provincial and municipal), and not only to the institution of the District Municipality. This will therefore allow the co-ordination of programmes to occur and enable all spheres to see their role and link to the District Integrated Development Plan. There will of course be sections that directly relate to the institution of the District Municipality but these will be clearly defined.

**Vision:** An improved quality of life for all residents

**District Mission:** Fight poverty through stimulating the economy and by meeting basic needs, improving service delivery quality and capacitating government and communities.

**Ukhahlamba District Municipality Mission:** Improved corporate governance and financial viability that supports the effective, efficient and economic delivery of core powers and functions and the creation of an enabling environment for economic development, and that includes zero tolerance on fraud and corruption, and strengthened public participation in decision-making.

The Strategy for development in Ukhahlamba is based on six key elements. Three of these are

directly concerned with growing the economy and three are related to socio-economic development more generally. Therefore, the economy forms the basis for the development strategy of the Ukhahlamba area.



**Goal 1:** Grow Agriculture, agro-businesses, forestry and timber industries

**Goal 2:** Grow Tourism, trade and related business development programmes

**Goal 3:** Grow labour-intensive and pro-poor development programmes

**Goal 4:** Improve Service Delivery Quality (through efficiency, economy, effectiveness and ethics)

**Goal 5:** Capacity building programmes for government and communities

**Goal 6:** Meet basic needs

Objectives and possible key performance indicators have been developed for these goals. These have led to the development of the priority programmes of the Ukhahlamba District.

## 2.4 Priority Programmes

Eight “Priority Programmes” were identified through the IDP and GDS process as the basis to drive growth and development in the District over the next five to ten years.

The eight priority programmes are:

- **Agriculture Programme:** Aims to improve livelihoods of emerging and subsistence farmers.
- **Timber Programme:** Aims to create new jobs through new afforestation and timber processing
- **Tourism Programme:** Aims to grow the tourism industry
- **Water and sanitation Programme:** Aims to eradicate backlogs in line with national targets
- **Municipal Services Upgrading Programme:** Aims to improve municipal services to create sustainable human settlements, particularly in the seven new rural nodes.
- **Social Safety Net Programme:** Aims to support the poorest, through EPWP, home gardens etc
- **Access and Linkages Programme:** Aims to improve roads and access to electricity and ICT, to support economic development.
- **Governance Programme:** Aims to improve Government’s performance, particularly in supporting economic development and improving service delivery (Co-ordination, health, education etc).

These programmes support the national programme of accelerated and shared growth (AsgiSA) and combine contributions from government, business, civil society, labour and higher education.



### **3 BACKGROUND ON SERVICES PROVIDED BY THE MUNICIPALITY**

#### **3.1 Financial Services**

##### **3.1.1 Financial Management**

These services extend to include all the management functions of the Financial Services Department. This includes the functions of personnel management and training and implementation of the mandate of the Ukhahlamba District Municipality. But do not take the function of the accounting officer, which resides within the jurisdiction of the Municipal Manager. National and Provincial government legislation is adhered to and a constant communication line is kept.

These services extend to include the management of the Integrated Financial system used by the Ukhahlamba District Municipality. The System currently used as an integrated system, is the ABAKUS System. The section of the municipality delivers a financial data management support to all department of the UkDM and sections of the Financial Services Department.

These services further extend to include the management of all income and expenditure occurring in the Ukhahlamba District Municipality. This includes the function of salaries and allowances payments, creditor payments. National and Provincial government circulars are adhered to.

##### **3.1.2 Budgeting and reporting**

These services extend to include the adherence to the Municipal Finance Management Act (Act No. 56 of 2003), (MFMA) regarding budget procedures and financial statements. This includes the function of producing the annual budget as per the budget time table, the monitoring and reporting as required by the MFMA.

Regarding the Annual financial statements this section does the compilation of the Annual Financial Statement according to standards required by legislation. I.e., IMFO, GAMAP, GRAP and adherence to the MFMA and Auditor General's Act

This section is responsible for all the financial reporting required through policies regulations, act and specifically the MFMA. These reports are done on a monthly quarterly, half yearly and annual basis.

##### **3.1.3 Supply Chain Management**

The Ukhahlamba District Municipality (UkDM) developed a Supply Chain Management (SCM) Policy which was adopted on 12 September 2005, Item No 106/05/MC, in terms of section 111 of the MFMA, and implemented as from 1 October 2005. As the nature of the policy is dynamic, a revised SCM Policy has been developed and will be tabled to Council on 28 November 2007.

The SCM Policy empowers the UkDM to assist in redressing the skewed distribution of wealth. It sets targets for the institution and heads of departments. The SCM unit provides advice to tenderers and facilitates all Bid Committees as required by the Supply Chain regulations.

These services extend to include the management of all purchases and sell of goods and services occurring in the Ukhahlamba District Municipality. This includes the function of procurement process and asset management. And taken into account the responsibility of Tender Procedures which lies in the three Bid Committees (Tender Committee) and the accounting officer, i.e. Municipal Manager. Nation and Provincial government circulars are adhered to.

## **3.2 Corporate Services**

### **3.2.1 Council Support**

Council Support renders the following secretarial services to Council:

- Ensuring that Council and its Committees assemble as scheduled
- Co-ordination and monitoring provision of support services to Council
- Ensuring that administrative and political outreaches to local municipalities assemble on a regular basis
- Administering Council securities (contracts, leases and confidential documents)
- Ensuring provision of interpreter services when necessary, communicating outcomes of Council decisions to the relevant bodies
- Ensuring the principles of access to information obtained through translating relevant Council documents in accordance with Council's language policy
- Ensuring that membership and subscription to key bodies is maintained so as to keep up to date with new information
- Ensuring Corporate Services Working Group assembles as scheduled.

### **3.2.2 Auxiliary Services**

Auxiliary Services render an efficient and effective auxiliary function to internal departments, within the District Municipality and external stakeholders by providing the following services:

- Archives and Records Management
- Fleet Management
- The Central Management and maintenance of the fleet.
- Administering the Fleet Management Policy
- Building Administration
- Security
- Switchboard Services
- Cleaning and Messenger Services

### **3.2.3 Legal Services**

The functions and responsibilities of Legal Services have the following key performance areas:

- Providing legal support and advice to Council
- Providing strategic advice to Council in order to ensure optional compliance with pertinent legislation.
- Liaising with external legal Service Providers
- Updating statute books and advising Council on the latest changes and developments.
- Advising and representing Council on all forums relating to legal matters.
- Assists Council in disputes and drafting of legal documentation i.e. tenders, contracts, leases etc.
- Co-ordinate and re-align Municipal By-laws.

### **3.2.4 Information Technology**

The purpose of this unit is to provide IT support services and information management support so as to enable the achievement of the Municipality's vision and mission. Accordingly the Unit is responsible for the following functions:

- IT Systems
- Electronic Communication equipment
- Systems Administration
- Systems Development
- User Support

### **3.2.5 Skills Development**

Skills Development is a mandate of the municipality as per the Skills Development Act of 1998 and the Skills Development Levy Act of 1999. According to these pieces of legislation the aim is to establish a cost effective and high quality skills development system, which supports economic growth, employment creation and social development responsive to the national and individual needs. The following are the functions of the Skills Development Unit:

- Implementation and monitoring of the Employment Equity Plan of the Municipality.
- Ensuring compliance by submitting Employment Equity reports to the Department of Labour annually.
- Evaluation and assessment of Skills Development programmes.
- Communicating with relevant stakeholders on Skills Development and Employment Equity matters.
- Ensuring that appropriate and effective systems for implementing Skills Development interventions are aligned to SAQA standards.
- Managing the Municipality's skills programmes.

## **3.3 Technical Services**

### **3.3.1 The Project Management Unit (PMU)**

The brief outline of the functions of the PMU is as follows:

- Facilitate project identification and prioritisation
- Project planning and feasibility
- Source project funding
- Register project with funder ensuring compliance with all applicable legislation, policies and conditions
- Ensure project alignment with IDP and grant conditions
- Project implementation

### **3.3.2 Water Services Authority (WSA)**

The brief outline of the functions of the WSA is as follows:

- Building the Water Services Authority capacity of the District Municipality
- Regulation by developing policies and By-laws
- Planning for infrastructure development (WSDP)
- Ensure access to water services by communities
- Water services provision arrangements and management

### **3.3.3 Disaster Management (including Fire Fighting Services)**

The brief outline of the functions of the Disaster Management Unit is as follows:

- Establish and implement disaster management framework
- Support, mobilise and co-ordinate response to disasters
- Develop disaster management plans
- Establish disaster management centre
- Establish district and local disaster management fora and Fire Protection Associations (FPAs)
- Ensure prevention and mitigation measures by internal units, LMs and other stakeholders (sector depts) including budget provisions
- Recruitment, training and participation of volunteers
- Reconstruction and repair of disaster struck houses

- Conduct awareness campaigns on prevention and mitigation
- There are Satellite Disaster Centres in each of the four local Municipalities.

### **3.4 Community Services and Planning**

#### **3.4.1 Primary Health Care**

The Ukhahlamba District Municipality renders Primary Health Care (PHC) on an agency basis for the Eastern Cape Department of Health. These services are provided at ---- mobile and ---- fixed clinics in various parts of the district.

#### **3.4.2 Municipal Health Services**

This service is now a function of the District. The Dept of Health still have some environmental health practitioners working in the district, but these work in conjunction with the UkDM staff to deliver this service. The brief outline of the functions of MHS is as follows

- Water Quality control
- Food control
- Waste Management
- Surveillance and prevention of communicable diseases
- Vector Control
- Environmental Pollution Control
- Burial of the dead control

#### **3.4.3 Social and Economic Development**

This service performs the following functions:

- Strategic economic planning
- Coordination of economic development in the district area
- Motivation for funds
- Support to local municipalities around economic development
- Tourism planning and marketing
- Social cluster coordination

This service was significantly impacted on by the financial situation of the institution. Tenders were awarded for a number of programmes but these could not proceed due to the lack of institutional cashflow. The social and economic programmes of the municipal area were however discussed and consensus achieved during the Growth and Development Summit. An economic analysis was also undertaken of the district area and an economic profile of the district completed.

#### **3.4.4 Integrated Development Planning**

The brief outline of the functions of the IDP and planning unit is as follows

- development and improvement of integrated development planning
- Coordination of planning
- It has a strong link to IGR, public participation, economic development, land planning and land management

### **3.5 Municipal Managers Office**

#### **3.5.1 Internal audit unit**

The brief outline of the functions of the IA unit is as follows

- Risk Management
- Systems control and monitoring

Due to staff shortages this activity was in process of being outsourced at the end of the financial year.

### **3.5.2 Communications**

The brief outline of the functions of the Communications unit is as follows

- Development of the communications strategic plan
- Review of the Communications Strategy.
- Inter governmental Relations
- Media articles and speeches
- Public participation activities

### **3.5.3 Special Programmes Unit**

The brief outline of the functions of the Special Programmes unit is as follows

- Create a gender, youth, and disabled's desk that advises the district municipality on the needs of these designated groups.
- Assist the development of affirmative action policy and employment equity policy and to align these policies with the needs of the youth and other designated groups.
- Coordinate programmes in relation to youth, disabled and women as well as assisting in the development of Gender Equity Plan.
- Develop, implement and evaluate youth policies and programmes to instill the moral fibre within communities.
- Implement and coordinate Provincial and National policies including programmes on youth affairs, gender and the disabled with particular focus on HIV/AIDS.
- Assist with research on youth, gender, and the disabled in order to ensure that the municipality is informed about the composition of the staff complement.
- Align gender, youth and disabled projects with National and Provincial initiatives
- Facilitate workshops with regards to youth, gender and disabled issues and monitor feedback mechanisms.
- Provide support and assistance in the administration of applications, recommendations and proposals in respect of special programmes.
- Facilitates applications and recommendations from youth, gender and disabled commissions as well as maintain proposals in respect thereof.
- Align special programmes projects with the district IDP.

### **3.5.4 HIV and Aids Unit**

The brief outline of the functions of the HIV and Aids unit is as follows

- Mainstreaming of issues affecting women, youth, disabled and other marginal groups
- Lobbying and promotion of their issues
- Coordination of activities

## **4 ORGANISATIONAL MANAGEMENT**

### **4.1 Institutional Structure**

The institutional structure of the UKDM consists of two (2) sections: a political structure, and an administrative structure, with the administrative structure being accountable to the political structure.

#### **4.1.1 Political Structure**

The centre of the UKDM's political structure is Council, which operates through a number of committees. The following committees assist Council in carrying out its political responsibilities and mandates:

- Rules Committee
- Audit Committee
- Standing Committees:
- Technical Services
- Corporate Services
- Community Services and Planning
- Financial Services

These committees are established in terms of Sections 79 and 80 of the Local Government Municipal Structures Act 117 of 1998 (as amended). No performance audit committee was established during the year.

**4.1.2 Administrative Structure**

The centre of the UKDM’s administrative structure is the Municipal Manager, who administers the institution. Departments and various units report directly to him/her.

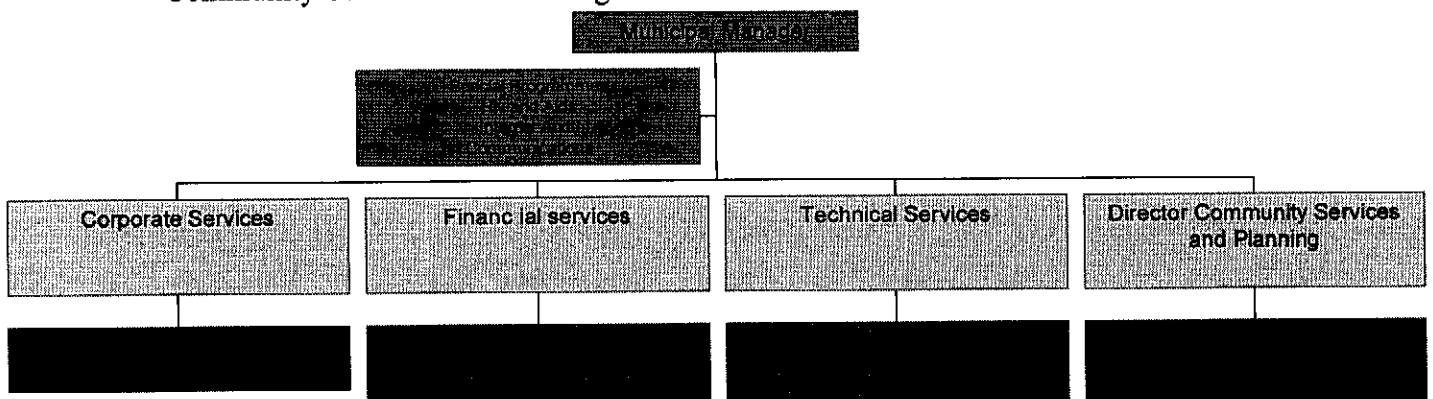
The organisational and establishment plan for the UKDM and the various departments is outlined below.

The UKDM top structure is summarized as follows:

- Name** : Ukhahlamba District Municipality
- Purpose** : To develop and implement an Integrated Development Plan (IDP) and budget for the Ukhahlamba District Municipality.
- Functions** : Management of the municipality.
- Rendering corporate support to the municipality;
  - Rendering financial services to the municipality;
  - Rendering community services and planning services;
  - Rendering technical services;
  - Rendering support to the Municipal Manager’s office and
  - Rendering support to Executive Mayor’s Office.

**There are five (5) departments established to perform the above-mentioned functions. They are:**

- Municipal Manager's Office
- Corporate Services
- Financial Services
- Technical Services
- Community Services and Planning



A BREAKDOWN OF POSTS PER DEPARTMENT AND DIVISION			
DEPARTMENT	NUMBER OF POSTS PER DEPARTMENT	TOTAL	FILLED
Office of the Mayor	Mayoral Committee	10	10
Municipal Manager's Office	Municipal Manager	1	1
	Liaison/Spokesperson	1	1
	Communication Officer	1	1
	Webmaster	1	0
	SPU Manger	1	1
	SPU Field Worker	1	1
	HIV& Manager	1	1
	Administration Assistant	1	1
	HIV & AIDS Counselor	1	0
	Trainer	2	0
	Health Worker	1	0
	Internal Auditing Manager	1	0
	Administration Clerk	1	0
	Cleaner	1	0
	<b>Total</b>	<b>25</b>	<b>17</b>
Financial Services	Director Financial Services	1	1
	Assistant Manager	1	0
	Departmental Secretary	1	1
	Budget & Treasury Chief Accountant	1	1
	Assistant Accountant: Asset	1	1
	Assistant Accountant: expenditure	1	1
	Assistant Accountant: Cash Management	1	1
	Assistant Accountant: Finance Report	1	1
	Chief Accountant	1	1
	Data Analyst	1	1
	Clerk Grade 1: Data Processing	2	2
	Chief Clerk: Salaries	1	1
	Clerk Grade 3: Salaries	1	1
	Senior Debtors Clerk	2	1
	Expenditure Clerk	1	0
	Cashier	1	0
	Chief Accountant Supply Chain	1	0

A BREAKDOWN OF POSTS PER DEPARTMENT AND DIVISION			
DEPARTMENT	NUMBER OF POSTS PER DEPARTMENT	TOTAL	FILLED
	Management		
	Supply Chain Management Officer	1	1
	Supply Chain Management Clerk	1	0
	Senior Store Buyer	1	1
	Assistant Storekeeper	1	0
	Store Helper	1	0
	Store Helper : Clerk	1	0
	<b>Total</b>	<b>25</b>	<b>16</b>
Corporate Services	Director Corporate Services	1	1
	Manager Legal Services	1	0
	Manager Auxiliary Services	1	0
	Departmental Secretary	1	1
	Registry Clerk Grade 1	1	1
	Clerk Grade 3	2	2
	Switchboard Operator	1	1
	Office Assistant	2	2
	Driver	1	1
	Cleaner/ Tea maker	5	5
	Manager Council Services	1	1
	Chief Typist	1	1
	Senior Typist	1	1
	Manager Human resources	1	0
	Human Resources Officer	1	1
	Health and Safety officer	1	0
	HR Student	1	0
	IT Manager	1	1
	EDMS administrator	1	1
	IT Student	1	1
	Skills Development Facilitator	1	0
	<b>Total</b>	<b>27</b>	<b>21</b>
Technical Services	Director Technical Services	1	1
	Departmental Secretary	1	1
	PMU Manager	1	0
	PMU Administrative Officer	1	1
	Project Engineering/Technologist	1	0



A BREAKDOWN OF POSTS PER DEPARTMENT AND DIVISION			
DEPARTMENT	NUMBER OF POSTS PER DEPARTMENT	TOTAL	FILLED
	Technologist/Scientist	1	1
	Sectional Head Technologist	1	1
	Water, Sanitation & Solid waste	1	1
	Project Technicians	5	4
	Construction Technologist Engineer	1	0
	Design Engineer / Technologist	1	1
	QS Technician	1	0
	Design Engineer	1	0
	Manager WSA	1	1
	Co-ordinator GIS/Water information	1	1
	Head WSA Finances	1	0
	Senior Clerk Expenditure	1	0
	Senior Clerk Revenue	1	0
	Data Capture	1	0
	Laboratory Technologist	1	0
	Lab Tech Assistant	2	0
	Head WSA Planning	1	1
	Co-ordinator WSA Projects	1	0
	Technician Planning	1	0
	Head Water Services Provision	1	0
	WSP Technical Officers	8	0
	Head Environmental Services	1	0
	Environmental Health Officers	2	0
	Personal Assistant	1	0
	Typist / Clerk	1	0
	Messenger/ Cleaner	1	0
	Manager Disaster Management	1	1
	Disaster Management Operator	1	0
	Chief Fire Officer	1	1
	Typist / Administration assistant	1	0
	Communication Center Officer	1	0
	Disaster Management Satellite Officers	4	4
	Labourer	45	45
	Operators Gr 1	13	13

A BREAKDOWN OF POSTS PER DEPARTMENT AND DIVISION			
DEPARTMENT	NUMBER OF POSTS PER DEPARTMENT	TOTAL	FILLED
	Operators Gr 2	8	8
	Truck Driver	3	3
	Mechanics	5	5
	Special Workman	3	2
	Mechanical Assistant	9	9
	Handyman	1	1
	Store Assistant	2	2
	Administration Clerk	1	1
	Costing Clerk	1	1
	Senior Foreman	2	2
	Senior Supervisor	7	7
Community Services and planning	Director Community Services and planning	1	1
	IDP Manager	1	0
	PIMMS Administrator	1	1
	Senior Professional Planner	1	0
	Senior Professional Planner	1	0
	Agriculture Development Coordinator	1	1
	Business Coordinator	1	0
	Tourism Coordinator	1	1
	Social Coordinator	1	1
	Municipal Health Services Manager	1	1
	Administration Support	1	0
	Chief EHP	3	1
	Senior EHP'	7	6
	Sanitation Resources Officer	1	1
	Sanitation Resources	1	1
	PHC Manager	1	1
	PHC Supervisor	1	1
	Senior Professional Nurse in charge	2	1
	Senior Professional Nurse	21	19
	Nursing Assistant	14	13
	Health worker	5	5
	Cleaner	3	3

A BREAKDOWN OF POSTS PER DEPARTMENT AND DIVISION			
DEPARTMENT	NUMBER OF POSTS PER DEPARTMENT	TOTAL	FILLED
	General Assistant	1	1
	Gardner	3	3
	Driver	1	1
	Community Services and Planning Clerk	1	1
	<b>Total</b>	<b>252</b>	<b>182</b>
Department of Water Affairs Transferred Staff	Maintenance Foreman	6	5
	Senior Operator	23	23
	Senior	2	2
	Maintenance Supervisor	4	4
	Artisan Foreman	2	1
	Administration Officer	3	3
	HEP Mechanical	1	1
	General Worker	4	3
	Cleaner	1	1
	Workshop Foreman	1	1
	Senior Superintendent	1	0
	Mechanical Artisan	1	1
	<b>Total</b>		
Water Services Orange Fontein	Labourer	2	2
	<b>Total</b>	<b>2</b>	<b>2</b>
	<b>Grand Total</b>	<b>331</b>	<b>238</b>

## 4.2 Key Oversight committees

### 4.2.1 Audit Committee

The audit committee was appointed by the council after all the legal processes were followed by council through the MFMA guidelines.

The audit committee has performed its function and this will be seen in their comments in the oversight report of the year under review and they remain independent from both the administrative and political structures.

### 4.2.2 Performance Audit committee

The municipality has not yet established the performance audit committee and this will be addressed in the SDBIP of the next financial year. Although we have an adopted PMS system it is critical to establish such a committee in line with the performance regulations so that we can improve on corporate governance and accountability for service delivery.

### **4.3 Organisational Capacity Building, Occupational Health and Safety and Employee Assistance**

The strategic objectives of this function are as follows:

#### **Training and development**

- To equip UKDM Councillors and employees with the necessary skills, knowledge and attitude for effective and efficient services delivery.
- To organise opportunities for student trainees to do practical work in the Council (Internships).
- To provide Local Municipalities with assistance on Training and Development matters.
- To develop, implement and report on the UKDM Workplace Skills Plan, Implementation report and Employment Equity report.
- To ensure compliance with all legislation related to training and development.
- To capacitate communities.
- Develop and review all training and development related policies in conjunction with Human Resources.
- To capacitate communities.

#### **Occupational health and safety**

- To implement the requirements of the Occupational Health and Safety Act, as well as the Compensation for Injuries and Diseases Act.
- To develop and review all occupational and safety-related policies.
- To provide local municipalities with assistance and/or advice on workplace health and safety issues.

#### **Employee assistance**

This is not a structured function and is done at random where there is an identified problem.

#### **4.3.1 Organisational Capacity Building**

##### **Council training programme**

The Ukhahlamba District Municipality is complying with all training legislation and participating in training programmes and learnerships that are being offered by SETA's. The council training needs are being aligned with our IDP objectives and the Skills Sector Plan. The training programmes formed the basis of the Workplace Skills Plan for Council, which was submitted to Local Government SETA (LGSETA)

The Council Conducted a Skills Auditing and profiling and we are about to sign agreement on sourcing funds for the training of Councilors before February 2008.

Following below is synopsis of the programme that was implemented for training intervention(s) for UKDM

##### **Training interventions during 2006-07 Financial year**

The were few training intervention took place due to insufficient funds that were allocated for the training.

Below is the table indicating the number of training interventions and number of Councilors and officials who attended training:

NO	TRAINING INTERVENTION		NO. OF COUNCILORS	NO. OF OFFICIALS
	Training Courses	Learnerships		
1	Policy Development			14
2	Project Management			13
3	Assessor Training			2
4	LGRC/LGNET			8
5	Computer		10	
6	Paralegal			4
7	Advance Administration			11

The amount of R100 000 was budgeted for training and 100% expenditure was effected.

TOTAL EMPLOYEE QUALIFICATION PROFILE												
Highest level qualification held by employees shown in NQF equivalent levels												
	Below level 1	1	2	3	4	5	6	7	8	Unknown	Male	Female
Totals	17	27	21	35	36	70	17	4	0	11	166	61

#### 4.3.2 Experiential Training Programme

The Council has been providing students from tertiary institution with Experiential training as part of assisting students to obtain their fully qualification and work experience. The following table stipulates the areas that the Council intervene and the number of students.:

Area	Number of Student(s)
Human Resources	1
Finance	1
Engineering	1

#### 4.3.3 Learnership Programmes

The UKDM, in conjunction Local Government SETA, Embarked the implementation of local Economic Development Officer Learnership Programme at NQF level 4 .The programme started on the 1<sup>st</sup> of May 2005. Twelve unemployed learners participated on the learnership and one drop-out. The eleven learners were declared competent at the end of 18 month period.

The UKDM also engaged on the Municipal Finance & Administration Learnership NQF 4 that consists of two unemployed learners and eleven employed. A total of R209 000.00 will be received from LGSETA subject to the submission of claims and progress reports. The Council is waiting for SETA to process the funding. The training provider was employed.

#### 4.3.4 Bursary Scheme for Students in rare skills

Further to its social responsibility programme, the UKDM is engaged in awarding bursaries to students who pursue studies in rare fields such as engineering, finance and information technology, among others.

#### 4.4 Compliance with Occupational Health and Safety Legislation

In line with the Occupational Health and Safety Act (OHASA) 85 of 1993, the Occupational Health and Safety section is ensuring that all Ukhahlamba District Municipality councilors and officials work in a safe and healthy environment. This section also facilitates compensation for the disabled, death, injuries and diseases contracted or sustained during the course of duty, in line with the Compensation for Occupational Injuries and Diseases Act 130 of 1993.

The Occupational Health and Safety section has continued to render assistance to the Project Management Unit (PMU) in the implementation of the Ukhahlamba District Municipality Health and Safety Plan for Contractors. The PMU is in the process of employing the Health and Safety Officer.

FORMULATION AND IMPLEMENTATION OF HR POLICIES AND EMPLOYMENT EQUITY SKILLS DEVELOPMENT PLANS					
NO	KEY INITIATIVES	KEY SUCCESSES			
1.	<b>Employment policies</b> Recruitment, Promotion and Transfer; Career Succession Planning Policies; and Employment Equity & Skills Development Plans	<p>Motivation for filling vacant posts is done according to the Recruitment Policy.</p> <p>The Executive Mayor and Municipal Manager approve the filling of vacant posts.</p> <p>Short-listing and interviewing committees are constituted according to the Recruitment Policy to ensure transparency and accountability.</p> <p>Relevant competency tests have been used as and when necessary.</p> <p>The rollout strategy for the Promotion and Transfer and Career Succession Planning policies is underway.</p> <p>The Employment Equity profile in the three highest levels of employment was as follows as at June 30, 2006 - 2007:</p>			
		LEVELS OF EMPLOYMENT	TARGET	ACTUAL	VARIANCE
		Percentage of black employees in three highest levels of management	50%	25%	25%
		Percentage of female employees in three highest levels of management	54%	14%	40%
		Percentage of disabled employees in three highest levels of management	20%	19%	1%
2.	<b>Employee health and safety policies:</b> Sexual Harassment, Smoking, Substance Abuse, HIV and AIDS, Vehicle usage Policies	<ul style="list-style-type: none"> <li>▪ Sexual Harassment Policy is in place.</li> <li>▪ Smokers are complying with smoking arrangements. Non-smoking areas have been designated.</li> <li>▪ Employees with substance abuse problems are referred for professional assistance.</li> <li>▪ A comprehensive EAP Unit has not been established.</li> <li>▪ Condoms are distributed in the workplace.</li> </ul>			
3.	<b>Employee capacity building and productivity enhancement policies</b> Training and Development Policy; Performance Management Policy	<ul style="list-style-type: none"> <li>• 7 courses were delivered to 62 participants.</li> <li>• An amount of R100 000-00 was spent on training.</li> </ul>			

#### 4.5 Financial Information on Medical Aids and Pension Funds

2006 – 07 EXPENDITURE ON MEDICAL AID SCHEMES		
NAME OF SCHEME	NUMBER OF MEMBERS AT JUNE 30, 2007	ANNUAL COSTS
Bonitas	12	R226 524.00
LA Health	109	R3 085 620.00
Munimed	3	R92 880.00
Global	1	R31 632.00

2006 – 07 EXPENDITURE ON PENSION FUNDS		
NAME OF SCHEME	NUMBER OF MEMBERS AT JUNE 30, 2007	ANNUAL COSTS
Cape Joint Retirement Fund	88	R2 598 060.00
Cape Joint Pension Fund	509	R141 324.00
SAMWU Provident Fund	78	R1 009 272.00

#### MUNICIPAL FINANCE MANAGEMENT ACT, NO 56 OF 2003: REPORT ON EXPENDITURE ON STAFF BENEFITS: AS AT 30 JUNE 2007

DEPARTMENTS	SALARIES & WAGES	OVERTIME	CONTRIBUTION: TO FUNDS	ALLOWANCE: TRAVELLING	ALLOWANCE: OTHER	ALLOWANCE: HOUSING BENEFITS & ALLOWANCES	TOTAL SALARY & WAGES
MAYOR	0.00	0.00	0.00	0.00	0.00	0.00	0.00
COUNCIL EXPENSES	2,206,149.84	0.00	144,128.11	709,690.13	55,521.00	2,000.00	3,117,489.08
MUNICIPAL MANAGER EXECUTIVE & COUNCIL	873,166.85	0.00	140,620.39	140,535.00	9,327.54	3,450.00	1,167,099.78
	<b>3,079,316.69</b>	<b>0.00</b>	<b>284,748.50</b>	<b>850,225.13</b>	<b>64,848.54</b>	<b>5,450.00</b>	<b>4,284,588.86</b>
DIRECTORATE: FINANCE	0.00	0.00	0.00	0.00	0.00	0.00	0.00
FINANCIAL SERVICES	974,881.73	0.00	266,497.58	158,821.90	0.00	7,200.00	1,407,401.21
BUDGET OFFICE	1,048,286.85	0.00	185,800.57	172,876.50	0.00	16,507.00	1,423,470.92
DATA PROCESSING	324,053.19	0.00	92,765.48	0.00	0.00	5,400.00	422,218.67
SUPPLY CHAIN MANAGEMENT	357,874.41	0.00	87,084.53	(3,000.00)	0.00	0.00	441,958.94
LEVIES	204,073.19	0.00	65,729.08	0.00	0.00	4,800.00	274,602.27
DIRECTORATE: CORPORATE SERVICES	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CORPORATE SERVICES	2,352,862.85	67,131.96	517,918.96	304,231.85	25,978.85	31,438.39	3,299,562.86
HUMAN RESOURCES & SKILL DEV.	745,277.50	0.00	175,712.18	199,448.72	0.00	10,686.00	1,131,124.40
LEGAL SERVICES	337,414.85	0.00	87,284.32	85,634.80	0.00	5,717.00	516,050.97
INTERNAL AUDIT	175,751.67	0.00	52,964.52	67,141.50	0.00	5,109.00	300,966.69
INFOMATION TECHNOLOGY	387,347.79	0.00	42,503.73	114,839.76	0.00	0.00	544,691.28
PROPERTY SERVICES	0.00	0.00	0.00	0.00	0.00	0.00	0.00
FINANCE & ADMIN	<b>6,907,824.03</b>	<b>67,131.96</b>	<b>1,574,260.95</b>	<b>1,099,995.03</b>	<b>25,978.85</b>	<b>86,857.39</b>	<b>9,762,048.21</b>
DIRECTORATE: TECHNICAL SERVICES	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TECHNICAL SERVICES	670,598.28	40.83	289,376.16	160,407.50	25,090.09	0.00	1,145,512.86
PIMSS	227,001.45	0.00	18,570.93	43,725.00	0.00	0.00	289,297.38
PLANNING & DEVELOPMENT	<b>897,599.73</b>	<b>40.83</b>	<b>307,947.09</b>	<b>204,132.50</b>	<b>25,090.09</b>	<b>0.00</b>	<b>1,434,810.24</b>

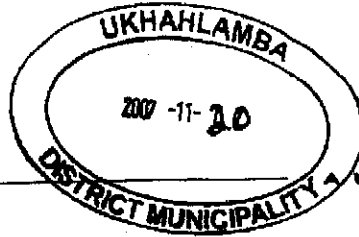
DEPARTMENTS	SALARIES & WAGES	OVERTIME	CONTRIBUTION:	ALLOWANCE:	ALLOWANCE:	ALLOWANCE:	ALLOWANCE:	TOTAL
	WAGES		TO FUNDS	TRAVELLING	OTHER	HOUSING BENEFITS & ALLOWANCES	SALARY & WAGES	
HEALTH SERVICES	180,933.94	0.00	153,219.70	0.00	0.00	1,750.00	335,903.64	
ADMINISTRATION	306,201.45	11,767.55	87,686.42	78,142.20	174.00	4,350.00	488,321.62	
AIDS UNIT	107,945.06	0.00	37,028.88	52,470.00	0.00	5,717.00	203,160.94	
ENVIRONMENTAL HEALTH ADMIN	192,416.05	0.00	39,238.95	79,702.80	0.00	20,380.00	331,737.80	
ENVIRONMENTAL HEALTH ELUNDINI	365,422.83	0.00	109,543.82	135,547.50	0.00	4,400.00	614,914.15	
ENVIRONMENTAL HEALTH GARIEP	150,886.25	0.00	65,426.25	48,918.50	996.00	9,268.50	275,495.50	
ENVIRONMENTAL HEALTH MALETSWAI	377,460.33	0.00	112,422.00	136,688.50	0.00	8,374.00	634,944.83	
ENVIRONMENTAL HEALTH SENQU	468,397.50	0.00	101,062.49	160,585.02	0.00	3,750.00	733,795.01	
SUPERVISOR: DORDRECHT & INDWE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
SUPERVISOR: LADY GREY	169,672.42	0.00	36,755.02	0.00	174.00	0.00	206,601.44	
SUPERVISOR: MACLEAR & UGIE	169,672.42	0.00	53,955.40	52,470.00	174.00	5,717.00	281,988.82	
SUPERVISOR: BURGERSDORP	36,048.18	0.00	17,573.22	13,117.50	58.00	750.00	67,546.90	
HEALTH TOWN: BARKLY EAST	504,953.48	(7,877.17)	108,929.67	0.00	0.00	300.00	606,305.98	
HEALTH TOWN: BARKLY EAST NO.2	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
HEALTH TOWN: DORDRECHT	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
HEALTH TOWN: JAMESTOWN	107,180.42	0.00	11,144.24	0.00	0.00	0.00	118,324.66	
HEALTH TOWN: MACLEAR NO. 2	400,501.89	0.00	48,960.77	0.00	174.00	0.00	449,636.66	
HEALTH TOWN: UGIE	652,398.58	0.00	134,539.68	0.00	522.00	0.00	787,460.26	
HEALTH TOWN: UGIE NO. 2	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
HEALTH TOWN: MACLEAR	576,522.18	0.00	116,122.62	0.00	188.50	6,100.00	698,933.30	
RURAL AREA: ALIWAL NORTH	170,239.08	0.00	45,140.54	0.00	87.00	1,500.00	216,966.62	
RURAL AREA: BARKLY EAST	265,331.84	0.00	74,159.83	0.00	174.00	0.00	339,665.67	
RURAL AREA: BARKLY EAST NO. 2	173,165.94	0.00	45,086.92	0.00	174.00	0.00	218,426.86	
RURAL AREA: BURGERSDORP	129,693.16	0.00	28,986.58	0.00	72.50	2,134.00	160,886.24	
RURAL AREA: DORDRECHT	188,950.80	0.00	53,402.73	0.00	174.00	5,717.00	248,244.53	
RURAL AREA: LADYGREY	195,614.74	0.00	31,819.26	0.00	159.50	0.00	227,593.50	
RURAL AREA: MACLEAR	300,374.28	0.00	64,365.62	0.00	275.50	0.00	365,015.40	
RURAL AREA: STEYNBURG	90,482.28	0.00	75,461.18	0.00	72.50	0.00	166,015.96	
RURAL AREA: UGIE	196,796.15	0.00	42,504.50	0.00	188.50	6,000.00	245,489.15	
RURAL AREA: VENTERSTAD	193,398.21	0.00	37,459.74	0.00	159.50	0.00	231,017.45	
HEALTH	<b>6,670,659.46</b>	<b>3,890.38</b>	<b>1,731,996.03</b>	<b>757,642.02</b>	<b>3,997.50</b>	<b>86,207.50</b>	<b>9,254,392.89</b>	



DEPARTMENTS	SALARIES & OVERTIME	CONTRIBUTION:	ALLOWANCE:	ALLOWANCE:	ALLOWANCE:	TOTAL
		TO FUNDS	TRAVELLING	OTHER	HOUSING BENEFITS & ALLOWANCES	SALARY & WAGES
DIRECTORATE: COMMUNITY SERVICES	0.00	0.00	0.00	0.00	0.00	0.00
STRATEGIC SUPPORT SERVICES	1,483,001.82	81,977.58	260,940.00	0.00	0.00	1,825,919.40
ECONOMIC DEVELOPMENT	277,648.90	62,164.52	48,097.50	0.00	0.00	387,910.92
COMMUNICATIONS	376,844.46	35,629.54	104,940.00	0.00	0.00	517,414.00
SPU - UNIT	303,265.23	12,117.40	105,190.00	0.00	1,000.00	421,572.63
SOCIAL SERVICES	159,114.56	0.00	39,352.50	0.00	2,250.00	243,096.11
DISASTER MANAGEMENT ADMIN	408,370.35	59,709.93	64,049.56	0.00	6,930.00	539,059.84
DISASTER MANAGEMENT ELUNDINI	136,788.16	5,958.17	53,550.00	1,080.00	0.00	225,531.36
DISASTER MANAGEMENT GARIEP	162,754.16	6,365.78	58,887.93	0.00	1,500.00	274,819.38
DISASTER MANAGEMENT MALETSWAI	156,145.79	3,174.53	53,550.00	0.00	0.00	254,598.19
DISASTER MANAGEMENT SENQU	140,327.45	20,390.13	52,470.00	0.00	0.00	261,952.47
<b>COMMUNITY &amp; SOCIAL SERVICES</b>	<b>3,604,255.88</b>	<b>457,942.32</b>	<b>841,027.49</b>	<b>1,080.00</b>	<b>11,680.00</b>	<b>4,951,874.30</b>
PLANT ACCOUNT	2,848,523.71	167,015.85	423,011.34	63,500.00	27,124.15	3,680,501.11
DIRECT ACCOUNT	0.00	0.00	0.00	0.00	0.00	0.00
INDIRECT COST	6,542,354.42	1,200,272.81	209,880.00	405,014.89	49,471.54	9,620,622.36
<b>ROAD TRANSPORT</b>	<b>9,390,878.13</b>	<b>1,367,288.66</b>	<b>1,636,640.04</b>	<b>468,514.89</b>	<b>76,595.69</b>	<b>13,301,123.47</b>
TECHNICAL SUPPORT / PMU	1,386,399.05	0.00	183,230.08	0.00	10,722.00	2,132,166.21
PRIORITY ALLOCATIONS & GRANTS	0.00	0.00	0.00	0.00	0.00	0.00
PRIVATE WORKS & PLANT HIRE	0.00	0.00	0.00	0.00	0.00	0.00
WORKING FOR WATER/WETLANDS	357,202.21	0.00	125,601.10	0.00	7,772.00	544,979.22
<b>OTHER</b>	<b>1,743,601.26</b>	<b>0.00</b>	<b>677,416.18</b>	<b>0.00</b>	<b>18,494.00</b>	<b>2,677,145.43</b>
SANITATION ELUNDINI	1,286,219.00	15,750.00	224,784.00	0.00	0.00	1,526,753.00
SANITATION GARIEP	1,924,442.00	258,383.00	214,443.00	79,159.00	39,911.00	2,567,919.00
SANITATION MALETSWAI	1,168,277.00	16,544.00	216,570.00	0.00	0.00	1,401,391.00
SANITATION SENQU	2,511,443.07	77,293.88	376,625.40	38,292.29	4,727.75	3,021,401.63
<b>WASTE WATER MANAGEMENT</b>	<b>6,890,381.07</b>	<b>367,970.88</b>	<b>1,032,422.40</b>	<b>64,600.24</b>	<b>44,638.75</b>	<b>8,517,464.63</b>
WATER SERVICES AUTHORITY	2,628,836.20	218,160.72	140,422.97	40,330.00	24,272.76	3,052,022.65
WATER SERVICES ELUNDINI	1,006,945.00	0.00	252,799.00	33,313.00	35,357.00	1,350,361.00
WATER SERVICES GARIEP	1,471,029.00	146,840.00	153,085.00	51,581.00	78,276.00	1,967,497.00
WATER SERVICES MALETSWAI	1,656,977.00	38,594.00	288,565.00	3,578.00	0.00	2,004,472.00
WATER SERVICES SENQU	1,848,092.24	0.00	297,821.23	0.00	86,705.25	2,236,012.92
<b>WATER</b>	<b>403,594.72</b>	<b>1,132,693.20</b>	<b>128,802.00</b>	<b>200,338.25</b>	<b>133,057.96</b>	<b>1,998,486.13</b>
<b>UKHahlamba District Council</b>	<b>39,184,516.25</b>	<b>2,245,806.04</b>	<b>8,396,284.52</b>	<b>4,985,046.65</b>	<b>907,299.41</b>	<b>56,181,934.16</b>

5 AUDIT

5.1 Report of the Auditor General to the Council on the Consolidated Annual Financial Statements for the year ended 30 June 2007



Reference : 05254reg06-07  
Enquiries : Mr SM Khusu

The Mayor  
Ukhahlamba Municipality  
Private Bag X102  
BARKLY EAST  
9876

08 November 2007

Dear Sir

**SPECIAL REPORT OF THE AUDITOR-GENERAL ON THE SUBMISSION OF AUDIT REPORT OF UKHAHLAMBA DISTRICT MUNICIPALITY FOR THE FINANCIAL YEAR ENDED 30 JUNE 2007**

The audit report issued in terms of section 126(4) of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003) for the financial year ended 30 June 2007 is submitted herewith for your information.

Yours faithfully

For : AUDITOR-GENERAL  
UMTATA

Date : 08/11/2007

# **SPECIAL REPORT**

**OF THE  
AUDITOR-GENERAL**

**ON THE  
SUBMISSION OF THE AUDIT REPORT  
OF UKHAHLAMBA DISTRICT MUNICIPALITY**

**FOR  
THE FINANCIAL YEAR ENDED 30 JUNE 2007**

**SPECIAL REPORT OF THE AUDITOR-GENERAL TO THE UKHAHLAMBA DISTRICT MUNICIPALITY, THE PROVINCIAL LEGISLATURE AND PARLIAMENT ON THE SUBMISSION OF THE AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2007**

**INTRODUCTION**

In terms of section 126(4) of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA) I must report to the Municipality, the Provincial Legislature and Parliament:

- (a) If the Auditor-General is unable to complete an audit within three months of receiving the financial statements from an accounting officer, the Auditor-General must promptly submit a report outlining the reasons for the delay.

**OUTCOME**

The financial statements of Ukhahlamba district municipality were received on the 31 August 2007. At the time of receipt of these financial statements the auditing of financial statements for the period 2005/06 was not yet completed.

The audit report can therefore not be submitted to the accounting officer due to the time delay caused by the audit of arrear financial statements.

*Auditor-General*

**MTHATHA**

**07 November 2007**



**A U D I T O R - G E N E R A L**

## 5.2 Comment of the financial health of the institution

The new IDP for the next five years ( as developed in the 2006/7 financial year) became the basis from which the 2007/8 budget was developed although our budget was under serious cash flow problems and the municipality was and still is literally unable to meet its financial obligations. The relevant provincial government departments were informed about the financial crisis but the response did not meet our expectations. These financial difficulties indicated clearly that there were huge challenges around the effective implementation of certain requirements of the MFMA particularly on the roles of provincial government departments during instances of financial difficulties in municipalities. The debt amounting to R30 million by the Department of Roads and Transport remained a big problem for the District Municipality. This was so serious that our cash flow problems were blamed on the non payment of this debt. We held numerous meetings with Provincial Treasury and the Roads department to resolve the problems but the situation was still unchanged at the end of the financial year.

The Municipality was also owed an amount of R4.5 million by the Department of Health for the provision of primary health care services on behalf of the department. After a lengthy process of investigation and verification of the claims there was agreement that the District Municipality has spent 4.5 million to deliver these services but the department failed to pay those funds to the municipality.

The blame shifting by departmental officials in relation to this debt is not helping to sustain the commitment between the institutions in terms of the provision of seamless services to the communities

In view of the cash flow problems we experienced during the third quarter of the financial year we managed to do a thorough assessment of the financial situation of the municipality and this resulted into the development of the financial recovery plan. In terms of the plan all unnecessary expenditures were removed from the budget and our approach to the 2007/8 budget was zero based.

This also meant that we planned to apply for salary exemption to the SALGBC in order to delay the payment of staff salary increases so as to enable cashflow recovery.. Our interaction with the unions in relation to these issues was very matured and constructive when we opened up the financial difficulties of the municipality to them.

The financial statements for 2005/6 financial year reflected a deficit of R35 million with assets amounting to a meager 11 million. Through the implementation of the financial strategy we were able to change the financial situation towards a better financial position in a period of 4 months. A project on capturing all the assets for water and sanitation was anticipated to bring in about R 200 million into our balance. Our focus was also on the audit of all the Water Service Providers in order to determine whether what is paid to them is in line with the services they provide to the communities. These planned actions were aimed at improving the district's financial situation for the better as the previous arrangement between the WSA and WSP's was more detrimental to the District Municipality.

We have challenges of huge water losses and the general maintenance of water and sanitation equipment some of which is old and dilapidated and required urgent attention. Unfortunately this is not yet included in the MIG budget since there are still engagements at National level to include operations and maintenance in the MIG budgets. This therefore implied that the replacement costs for infrastructure should be build into the new tariffs so that infrastructure can be refurbished. It was also identified that there was also a tendency from operators of these services to ignore the maintenance of water treatment plants since these belong to the District Municipality. This was an issue that had to be attended to by the WSP's if this service was to still remain with them. In view of our cash flow problems we owe all the WSP's the budgeted expenditure for the 2006/7 budget

year. We have engaged the WSP's about our financial situation and have agreed to off set our accounts as and when we receive funding from those departments that owe us from the previous financial years.

### **5.2.1 Report on financial performance**

The Ukhahlamba District Municipality experienced a continuous decline in its financial position over the last three years. This decline led to a situation where the nett asset position of the municipality became negative in the 2006 financial year, effectively meaning that the municipality could not be regarded financially as a going concern. Unfortunately the real financial position was not timeously known to Council because the past financial statements was not correct, as is evident from the reports of the Auditor-General.

Upon discovering the real financial position of the municipality and in order to turn the financial position of the municipality around, the Council and senior management, on 20 March 2007, held a strategic planning exercise focussing amongst others on:

- Budgeting and Financial Management;
- Service delivery vs Powers and Functions;
- Sources of Revenue; and
- Expenditure control and limitations.

During this planning exercise clear strategies, indicators and timeframes for completion were identified and the staff started immediately to implement the strategies. Unfortunately it was already late in the financial year, but it can be reported that in the short period available, the nett asset position turned around from a negative R 7,9m to a positive R 21,7m, largely because of the partial identification of infrastructure assets to the depreciated value of R 45m which was not previously recognised in the financial statements. Since then, the consultants responsible for this project identified further unreported infrastructure assets worth a depreciated value of R 121m, and which significantly increases the nett asset value.

The full results of the strategic planning exercise will, however, only be evident in the financial statements for the year ending 30 June 2008, but the provisional results for the period ending 31 December 2007 is very positive.

#### **5.2.1.1 STRATEGIC PRIORITIES:-**

The list of strategic priorities identified during the planning exercise was incorporated into the Service Delivery and Budget Implementation Plan and Integrated Development Plan. The priorities are:

- Aim to ensure that the core powers and functions are fully implemented;
- Only contribute minimally to unfunded mandates – SPU, HIV Aids;
- If a grant allocation is received if it is a core power and function then own staff are needed;
- If a grant allocation is received for not a core power and function then staff cannot be procured;
- Non core grant funding should be transferred to local municipalities but they must provide business plans, quarterly reports;
- Utilisation of current staff to perform service delivery functions;
- Zero Based revenue driven budget;
- Proof of grants must be submitted before inclusion in the budget;
- Revenue must be received before spending;
- Guidelines and norms from National Treasury must be followed;
- Budget process must start in August;
- Budget must be compiled according to policies;
- Work towards clean audit reports;
- Contracts with service providers should ensure that skills are transferred;
- Review current contracts on ensuring value for money;
- SLA with local municipalities around each of the core functions – defining costs, services,

- relationship ( water, sanitation, disaster management and municipal health);
- SLA with local municipalities around concurrent functions – defining roles, costs, services and relationships ( tourism and fire fighting);
  - Service level agreements with external funders must be signed before approval of budget;
  - Determine the future of unfunded mandates of the district municipality (SPU, HIV and Aids, communication, broader economic development);
  - Implement tariff restructuring for the water and sanitation function so that income at least matches expenditure (and so that there is funding for replacement costs and maintenance);
  - Investigate the recovery of some service costs for MHS through the implementation of fines and certificate of acceptability ( MHS policies to be developed and linked to bylaws);
  - Capture assets purchased this year, stock take and transfer of assets to local municipalities needed when they are delivering the function and where the DM has developed the asset. Assets that relate to the water and sanitation function need to be on our asset register;
  - Identify and value of infrastructure and other assets;
  - Disposing of unused assets;
  - Clearly define where there are capacity constraints in local municipalities, determine jointly an appropriate response and each stakeholder's role - what the municipality has to do and who is to pay;
  - Shared service debate needs to be re-opened and there is a need to separate capacity building from service delivery of local municipality functions. The affordability of the service needs to be determined;
  - Institute a performance audit committee as per the policy;
  - Strengthen the audit committee and investigate the establishment of a SCOPA;
  - Clarify the role and reporting lines of the internal auditor so as to improve the early warning;
  - Collect debt of councillors and officials;
  - Collection of outstanding levies. Use supply chain management procedures to source a debt collector to be paid on commission. Investigate contract with current suppliers;
  - Reconciliation of control accounts. This requires skills development and systems development;
  - Bank reconciliation must be done monthly;
  - Bylaws should be finalised and the financial policies need to be converted into bylaws;
  - Clearance of Debtors Database;
  - Use existing Costing System in the finance department efficiently;
  - Long Term Financial Plan taking into account changes in water services infrastructure investment, population numbers, security of sources of revenue etc;
  - Payment of staff telephone accounts
  - Debt from provincial structures - Health, Roads etc as well as meetings with DWAF
  - Ask for assistance from province (forensic auditing)
  - Avoid interest due to delayed payments
  - Market related rent from tenants (Houses)
  - Clearing of all suspense accounts (2006/2007)
  - Overdraft from Commercial bank
  - Recovery of costs for Elundini intervention
  - Investigate the recovery of advances paid to contractors (incomplete projects)
  - Water demand management (tariff determination, water losses, cost recovery, metering assets) Include all departments to exercise control. E.g. CS by-laws, Finance financial control and immediate reports, technical services supportive function.
  - Start the application process for increased Equitable Share
  - MIG Administration cost (Top slice) should be included in the operations of the municipality
  - Incorrect allocations from salaries. Do a payroll audit
  - When ordering, commitments should show on the system. Finance system should be accessible by directors. Reporting System on Abakus from Fujitsu
  - Section 71 Reports to be developed and distributed. All expenses and revenue must be included in monthly reports.
  - Policies be reviewed yearly. Audit all policies, identify gaps and address
  - Do away with all priority allocations & grants, keep only those where there is legal commitments
  - Review of tariffs on plant

- Review of tariffs on water & sanitation
- Investigate the recovery of salaries on Tech services from grant moneys.
- Review structure in financial department to address the current need and functions
- Training of staff and Councillors on financial management;
- Proper control measures in Finance, including procedure manuals to assist with knowledge management;
- Segregation of duties especially in Supply Chain Management, audit queries, payroll;
- Section 79 delegations around the management of departmental budgets - and then amend the delegation framework accordingly
- Audit file must be maintained;
- Negotiate with the unions regarding the future of the roads staff;
- Engage management and unions around overtime cost cutting especially on roads section;
- Council to identify key operational needs and include in the 2nd budget adjustment to deal with the R6.2million;
- Investigate the establishment of the Yellow Fleet management system;
- Facilitation of disposal of the Yellow vehicles;
- No new acquisitions and limited repairs on council IT and assets (vehicles) (excludes health and hygiene issues);
- Moratorium on new appointments instead; staff rotation, succession planning and redeployment and also review the critical need of temporal posts and acting allowances. Appointments may happen where it is our power and function and there is funding to cover the salaries;
- Negotiations on later payments of performance bonuses on Municipal Manager and Sec. 57 employees to be aligned to approval of the annual report;
- Reduction on cell & telephone expenditure; limited talk time from Telkom and limit the monthly telephone allowances. Limit access to outgoing calls. •Transfer of cell-phones to individuals ( no more cell-phone accounts in the name of the UKDM);
- No payment of leave encashment - only payment in kind;
- Cutting of luxuries; meals for meeting beverages and entertainment allowance;
- Sharing of transport by officials and councillors;
- Review our current insurance contract, go on tender and only council assets to be insured;
- Review our bank services and go on tender to ensure best service;
- Limit expenditure to only the subsidies for roads and health.

#### **5.2.1.2 FINANCIAL RESULTS FOR THE YEAR ENDED 30 JUNE 2007**

#### **5.2.1.3 FINANCIAL STATEMENTS AND ACCOUNTING STANDARDS:-**

The Ukhahlamba District Municipality is classified by the National Treasury as a high capacity municipality, which means the municipality must comply with the requirements of General Recognised Accounting Practices (GRAP), General Accepted Municipal Accounting Practices (GAMAP), as well as certain SA GAAP/IAS standards. However, due to the vast amount of problems with the audit of the 2006 financial statements in the country, the Minister of Finance exempted high capacity municipalities from the requirements of certain of the SA GAAP/IAS standards. The municipality did not implement any of the standards which was exempted.

#### **5.2.1.4 STATEMENT OF FINANCIAL PERFORMANCE:-**

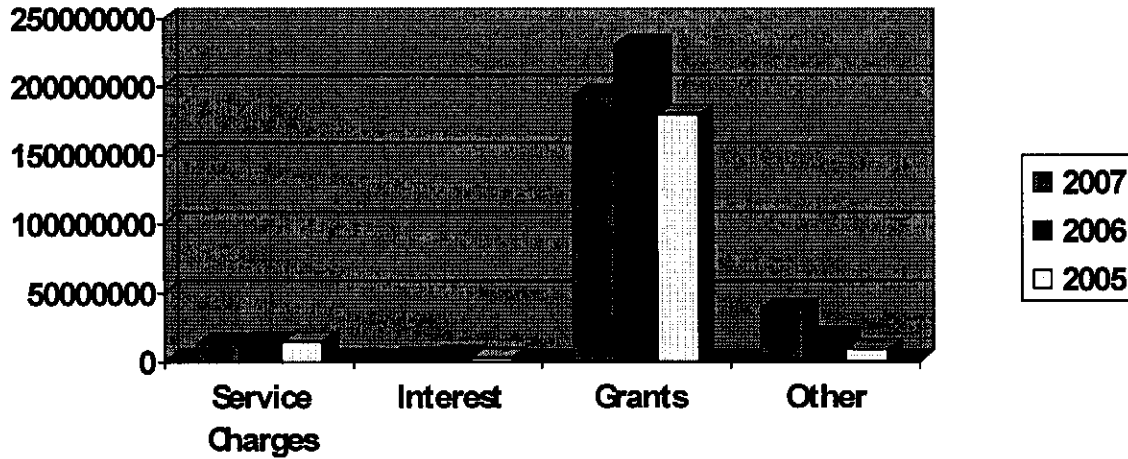
The financial year closed on a deficit of R 10,466m (2006 = -R 35,575m), which, together with other factors, increased the Accumulated Deficit to R 23,569m. (2006 = - R8,624m). As mentioned earlier in this report the positive results of the strategic planning exercise will only be evident in the financial results for the year ending 30 June 2008.

The municipality is very reliant on National- and Provincial grants and subsidies for service delivery, with



revenue from these sources, excluding extraordinary items, contributing 89,67% (2006 = 87,79%) of the total revenue of R 243,8m (2006 = R 262,2m). The decline in revenue is as a result of reduced grants and subsidies as well as the abolishment of the former RSC levies.

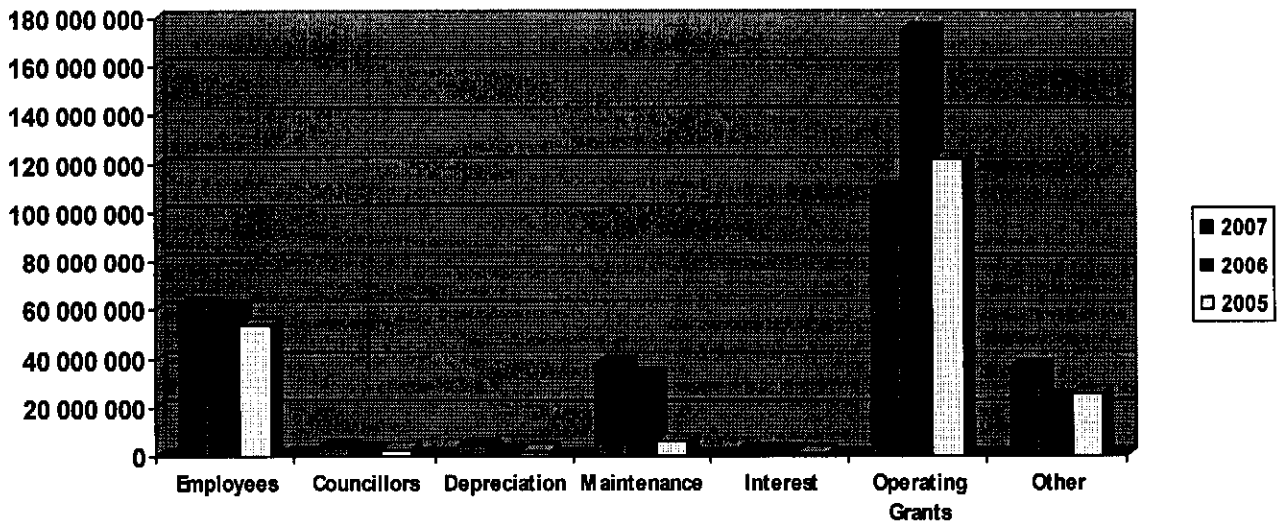
### Revenue by Source



Expenditure declined from R 297,7m to R 254,3m, again as a result of reduced operating grants and subsidies. The main allocations of expenditure are as follows:

- Employee related costs – 24,26% (2006 = 20,63%);
- Repairs and Maintenance – 14,78% (2006 = R 11,01%); and
- Operating grants utilised – 43,05% (2006 = 58,92%).

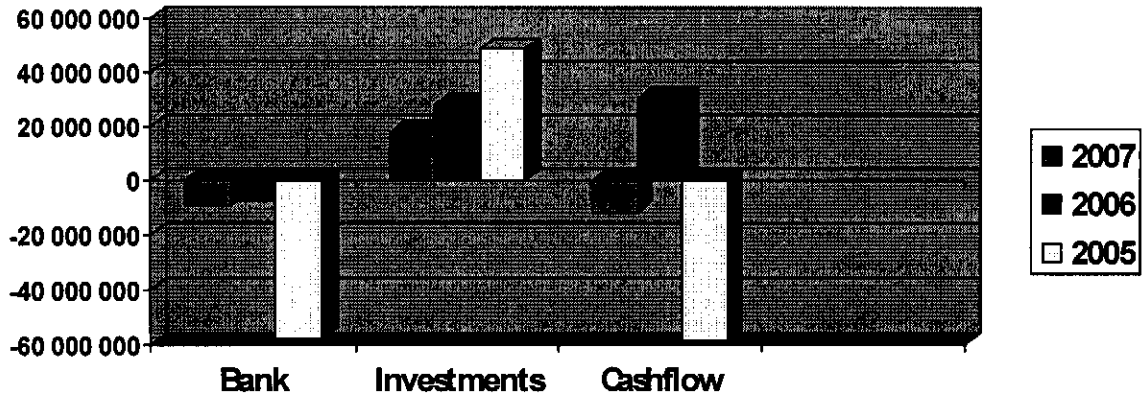
### Expenditure by Item



#### 5.2.1.5 CASH-FLOW

The cash position of the municipality declined with R 11,8m from R 21,1m to R 9,3m, mainly because of the deficit for the year as well as the purchase of Property, Plant and Equipment of R 19,7m. Since implementing the strategic priorities the cash position of the municipality stabilised and it is expected to be positive for the next financial year.

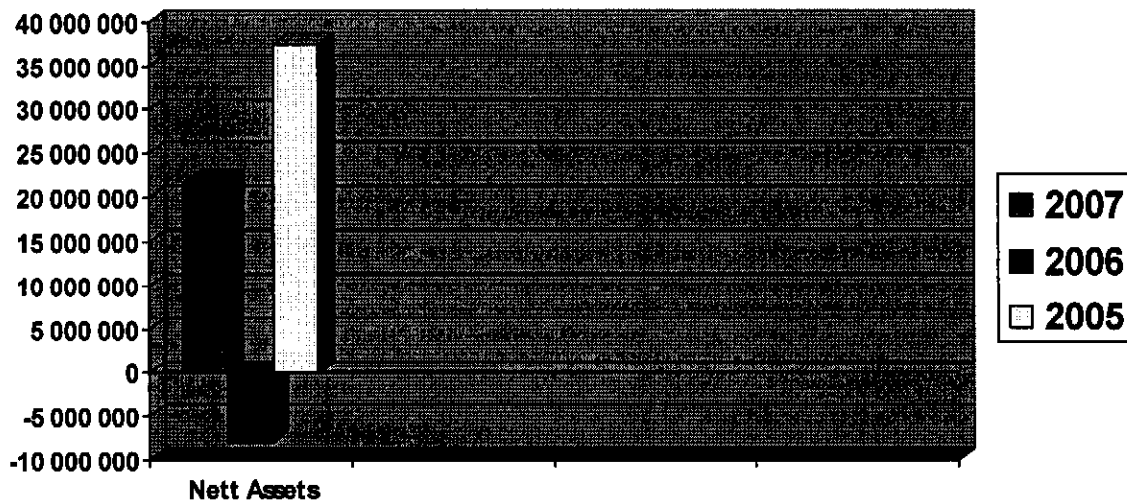
### Cash and Cashflow



#### 5.2.1.6 NETT ASSET POSITION:

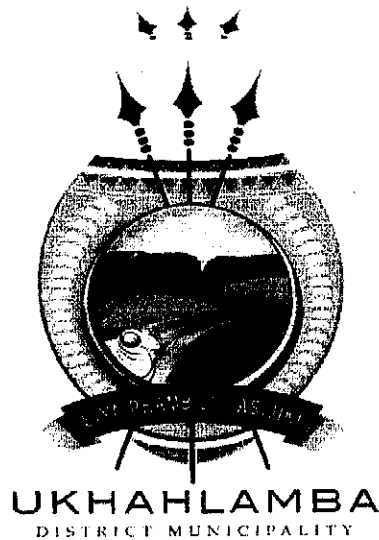
Nett Assets increased from –R 7,9m to R 21,7m, with the Government Grant Reserve increasing from R R0,5m to R R45,2m, as a result of the infrastructure assets not previously recognised. The accumulated deficit, after extraordinary items, increased from –R8,6m to –R23,6m. This is largely due to the recognition of arrear costs of water provision by Bloem Water as well as the cost of water- and sanitation provision by the local municipalities on behalf of the municipality. These costs also increased creditors for these services by R 33,3m. The municipality appointed external consultants to verify these costs in the 2008 financial year, in order to determine whether all claims are correct.

### Nett Asset Position



**5.3 Consolidated Annual financial Statements for the year Ended 30 June 2007**

**Ukhahlamba District Municipality**



**Financial Statements**

**2006 - 2007**

**UKHAHLAMBA DISTRICT MUNICIPALITY  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDING 30 JUNE 2007**

<b>INDEX</b>	<b>Page</b>
Statement of Financial Position	1
Statement of Financial Performance	2
Statement of Change in Net Assets	3
Cash Flow Statement	4
Accounting Policies	5 - 19
Notes to the Annual Financial Statements	20 - 39
Appendix A: Schedule of External Loans	40
Appendix B: Analysis of Property, Plant and Equipment	41
Appendix C: Segmental Analysis of Property, Plant and Equipment	42
Appendix D: Segmental Statement of Financial Performance	43
Appendix E(1): Actual versus Budget (Revenue and Expenditure)	44
Appendix E(2): Actual versus Budget (Acquisition of Property, Plant and Equipment)	45
Appendix F: Disclosure of Grants & Subsidies of Section 123 of MFMA 56 of 2003.	46

**UKHAHLAMBA DISTRICT MUNICIPALITY**

**ANNUAL FINANCIAL STATEMENTS**

**for the year ended**

**30 JUNE 2007**

I am responsible for the preparation of these annual financial statements, which are set out on pages 1 to 48 , in terms of Section 126(1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality.

I certify that the salaries, allowances and benefits of Councillors as disclosed in note 19 of these annual financial statements are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.

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Municipal Manager

---

31 August 2007

Date

**UKHAHLAMBA DISTRICT MUNICIPALITY**  
**STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2007**

	Note	2007 R	2006 R
<b>NET ASSETS AND LIABILITIES</b>			
<b>Net assets</b>		21,704,584	(7,867,836)
Capital replacement reserve			0
Capitalisation reserve	1	115,834	290,203
Government grant reserve	1	45,158,666	466,514
Accumulated Surplus/(Deficit)		(23,569,715)	(8,624,554)
<b>Non-current liabilities</b>		7,950,674	7,933,567
Long-term liabilities	2	7,950,674	7,933,567
Non-current provisions	3	0	0
<b>Current liabilities</b>		72,012,772	50,657,196
Creditors	4	50,871,271	19,818,012
Unspent conditional grants and receipts	5	10,958,524	22,809,249
VAT	6	0	0
Bank overdraft	15	8,586,450	7,244,940
Current portion of long-term liabilities	2	1,596,528	784,995
<b>Total Net Assets and Liabilities</b>		<u>101,668,030</u>	<u>50,722,928</u>
<b>ASSETS</b>			
<b>Non-current assets</b>		58,061,090	8,355,025
Property, plant and equipment	7	58,038,872	8,156,157
Investment property	7	0	0
Investments	8	0	0
Long-term receivables	9	22,217	198,868
<b>Current assets</b>		43,606,940	42,367,902
Inventory	10	594,923	556,974
Other debtors	11	8,519,557	1,305,453
Unpaid Conditional Grants	12	1,798,836	845,893
VAT	13	14,585,971	11,092,906
Current portion of long-term debtors	9	286,658	209,115
Call investment deposits	14	17,850,697	28,356,006
Bank balances and cash	15	300	1,555
<b>Total Assets</b>		<u>101,668,030</u>	<u>50,722,928</u>

UKHAHLAMBA DISTRICT MUNICIPALITY  
STATEMENT OF FINANCIAL PERFORMANCE  
FOR THE YEAR ENDED 30 JUNE 2007

	Note	2007 R	2006 R
<b>REVENUE</b>			
Property rates		0	0
Property rates - penalties imposed and collection charges		0	0
Service charges	17(b)	12,348,692	12,799,155
Regional Service Levies - turnover		0	5,979,083
Regional Service Levies - remuneration		0	531,836
Rental of facilities and equipment		11,056	0
Interest earned - external investments		1,579,098	3,294,442
Interest earned - outstanding debtors		204,253	41,394
Dividends received		0	0
Fines		182,174	154,280
Licences and permits		0	0
Income for agency services		0	1,430,465
Government grants and subsidies	16	192,578,651	230,160,432
Other income	17(a)	36,937,104	6,709,906
Public contributions and donations		0	0
Change in Fair Values		0	1,056,088
Internal Transfers		0	
<b>Total Revenue</b>		<b>243,841,627</b>	<b>262,157,080</b>
<b>EXPENDITURE</b>			
Employee related costs	18	61,708,805	61,410,545
Remuneration of Councillors	19	3,117,489	2,316,219
Bad debts		393,280	204,103
Collection costs		0	0
Depreciation		4,053,051	1,598,049
Repairs and maintenance		37,595,008	32,774,650
Interest paid	20	1,704,351	1,322,230
Bulk purchases	21	66,780	2,292,617
Contracted services		527,857	0
Grants and subsidies paid	22	106,482,717	175,433,532
General expenses	23	35,805,943	20,380,242
Small Assets purchased		54,980	
Contributions to and from Provisions		0	
Loss on disposal of property, plant and equipment		0	0
<b>Total Expenditure</b>		<b>264,306,076</b>	<b>297,732,187</b>
<b>SURPLUS/(DEFICIT)</b>		<b>(10,466,448)</b>	<b>(35,575,106)</b>
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>(10,466,448)</b>	<b>(35,575,106)</b>

Refer to Appendix E(1) for the comparison with the approved budget

UKHAHLAMBA DISTRICT MUNICIPALITY  
STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2007

	<b>Pre-GAMAP Reserves and Funds R</b>	<b>Capital Replacement Reserve R</b>	<b>Capitalisation Reserve R</b>	<b>Government Grant Reserve R</b>	<b>Accumulated Surplus/ (Deficit) R</b>	<b>Total R</b>
<b>2005</b>						
Balance at 30 JUNE 2005	0	0	290,203	466,514	36,697,428	37,454,146
<b>2006</b>						
Balance at 30 JUNE 2005	0	0	290,203	466,514	36,697,428	37,454,146
Implementation of GRAP (Note 24)						
Restated balance	0	0	290,203	466,514	36,697,428	37,454,146
Net surplus/(deficit) for the year					(35,575,106)	(35,575,106)
Correction of error (Note 25)					19,642,010	19,642,010
Additional contribution to Bad Debts Provision					(29,388,885)	(29,388,885)
Transfer to CRR	0	633,443	0	0	(633,443)	
Property, plant and equipment purchased	0	(633,443)	0	0	633,443	
Capital grants used to purchase PPE						
Offsetting of depreciation (Note 1)	0	0	0	0		
Balance at 30 JUNE 2006	0	0	290,203	466,514	(8,624,554)	(7,867,836)
<b>2007</b>						
Balance at 30 JUNE 2006	0	0	0	0	0	0
Restated balance	0	0	290,203	466,514	(8,624,554)	(7,867,836)
Net surplus/(deficit) for the year	0	0	0	0	(10,466,443)	(10,466,443)
Correction of error (Note 25)	0	0	(162,431)	27,738,884	12,462,815	40,038,868
Additional contribution to Bad Debts Provision	0	0	0	0	0	0
Transfer to CRR	0	0	0	0	0	0
Property, plant and equipment purchased	0	0	0	0	0	0
Capital grants used to purchase PPE	0	0	0	19,547,429	(19,547,429)	0
Offsetting of depreciation (Note 1)	0	0	(12,138)	(2,993,992)	2,906,100	0
Balance at 30 JUNE 2007	0	0	115,634	48,458,606	(23,588,115)	21,786,125



JKHAHLAMBA DISTRICT MUNICIPALITY  
CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2007

	Note	2007 R	2006 R
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Cash generated from/(utilised in) operations	26	7,785,972	(2,254,971)
Interest received		1,783,951	3,335,836
Interest paid		(1,704,351)	(1,322,230)
<b>NET CASH FROM OPERATING ACTIVITIES</b>		<b>7,865,572</b>	<b>(241,364)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		(19,687,176)	(633,443)
(Increase)/decrease in non-current loans	9	99,108	22,284,178
(Increase)/Decrease in call investment deposits			0
<b>NET CASH FROM INVESTING ACTIVITIES</b>		<b>(19,588,068)</b>	<b>21,650,735</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
New loans raised/(repaid)	2	(125,578)	8,718,562
<b>NET CASH FROM FINANCING ACTIVITIES</b>		<b>(125,578)</b>	<b>8,718,562</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>(11,848,074)</b>	<b>30,127,933</b>
Cash and cash equivalents at the beginning of the year		21,112,621	(9,015,312)
Cash and cash equivalents at the end of the year		9,264,547	21,112,621
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>(11,848,074)</b>	<b>30,127,933</b>

**1. Summary of significant accounting policies for the year ended 30 June 2007**

The principal accounting policies applied in the preparation of these financial statements are set out below and are consistent with those applied in the previous year unless otherwise stated.

**1.1 Basis of preparation**

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practices (GRAP) and the Standards of Generally Accepted Municipal Accounting Practices (GAMAP) prescribed by the Minister of Finance in terms of General Notice 991 and 992 of 2005.

The standards are summarised as follows:

GRAP 1	Presentation of Financial Statements
GRAP 2	Cash Flow Statements
GRAP 3	Accounting Policies, Changes in Accounting Estimates and Errors
GAMAP 4	The Effects of Changes in Foreign Exchange Rates
GAMAP 6	Consolidated financial statements and accounting for controlled entities
GAMAP 7	Accounting for Investments in Associates
GAMAP 8	Financial Reporting of Interests in Joint Ventures
GAMAP 9	Revenue
GAMAP 12	Inventories
GAMAP 17	Property, Plant and Equipment
GAMAP 19	Provisions, Contingent Liabilities and Contingent Asset
GAMAP 6, 7 and 8 have been complied with to the extent that the requirements in these standards relate to the municipality's separate financial statements. <sup>1</sup>	

Accounting policies for material transactions, events or conditions not covered by the above GRAP and GAMAP Standards have been developed in accordance with paragraphs 7, 11 and 12 of GRAP 3. These accounting policies and the applicable disclosures have been based on the South African Statements of Generally Accepted Accounting Practices (SA GAAP) including any interpretations of such Statements issued by the Accounting Practices Board.

The Minister of Finance has, in terms of General notice 552 of 2007 exempted compliance with certain of the above mentioned standards and aspects or parts of these standards. Details of the exemptions applicable to the municipality have been provided in the notes to the annual financial statements.

A summary of the significant accounting policies, which have been consistently applied except where an exemption has been granted, are disclosed below.

*The Minister of Finance has, in terms of General notice 552 of 2007 exempted compliance with the following requirements of GAMAP 3 (Accounting Policies, Changes of Accounting Estimates and Errors):*

- *Identification and impact of GRAP standards that have been issued but are not yet effective and changes to accounting policies. [Paragraphs 14, 19 and 30-31]*

*The Minister of Finance has, in terms of General notice 552 of 2007 exempted compliance with the following requirements of AC 142 (Non-current Assets held for Sale and Discontinued Operations):*

- *Classification, measurement and disclosure of non-current assets held for sale. [paragraphs 6-14, 15-29 (in so far as it relates to non-current assets held for sale), 38-42]*

*The Minister of Finance has, in terms of General notice 552 of 2007 exempted compliance with AC 109 (Construction Contracts) in its entirety.*

*The Minister of Finance has, in terms of General notice 552 of 2007 exempted compliance with AC 140 (Business Combinations) in its entirety.*

## **1.2 Presentation currency**

These annual financial statements are presented in South African Rand.

## **1.3 Going concern assumption**

These annual financial statements are prepared on the basis that the municipality will remain a going concern for the foreseeable future.

## **1.4 Segmental reporting**

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns that are different from those of segments operating in other economic environments.

*The Minister of Finance has, in terms of General notice 552 of 2007 exempted compliance with AC 115 (Segment Reporting) and AC 146 (Operating Segments).*

## **1.5 Foreign currency transactions**

The Municipality will not incur a foreign currency liability other than that allowed by the MFMA.

## **1.6 Housing Development Fund**

The Housing Development Fund was established in terms of Section 15(5) and 16 of the Housing Act, (Act 107 of 1997), which came into operation on 1 April 1998, requires that the municipality maintain a separate housing operating account. Loans from National and Provincial Government used to finance housing developments undertaken by the Municipality were extinguished on 1 April 1998 and transferred to the Housing Development Fund.

The Housing Act also requires in terms of Section 14(4)(d)(ii)(aa) read with, *inter alia*, Section 16(2) that the net proceeds of any rental, sale of property or alienation, financed previously from government housing funds, be paid into a separate operating account and be utilised by the Municipality for housing development subject to the approval of the Provincial MEC responsible for housing.

The following provisions are set for the creation and utilisation of the Housing Fund:

- The proceeds in this fund are utilised for housing developments in accordance with the National Housing Policy and also for housing development projects approved by the MEC.
- Any contributions to or from the fund are shown as transfers in the Statement of Changes in Net Assets.
- Any surplus / (deficit) on the Housing Statement of Financial Performance must be transferred to the Housing Development Fund.

*The municipality does not currently have a housing development fund.*

## **1.7 Reserves**

### **1.7.1 Capital Replacement Reserve ( CRR)**

In order to finance the future provision of infrastructure and other items of property, plant and equipment from internal sources amounts are transferred out of the accumulated surplus/(deficit) into the Capital Replacement Reserve (CRR) in terms of a Council resolution. The cash allocated to the CRR can only be utilised to finance items of property, plant and equipment. The following provisions are set for the creation and utilisation of the CRR:

- The cash which backs up the CRR is invested until it is utilised. The cash may only be invested in accordance with the investment policy of the municipality. (*Due to insufficient cash available as at the end of the financial year no contributions were made to the CRR.*)
- Interest earned on the CRR investment is recorded as part of total interest earned in the Statement of Financial Performance.
- The CRR may only be utilised for the purpose of purchasing items of property, plant and equipment for the municipality and may not be used for the maintenance of these items.
- The CRR is reduced and the accumulated surplus/(deficit) credited with corresponding amounts when the funds are utilised.
- The amounts transferred to the CRR are based on the Municipality's need to finance future capital projects.
- The Council determines the annual contribution to the CRR.

### **1.7.2 Capitalisation Reserve**

On the implementation of GAMAP/GRAP, the balance on certain funds, created in terms of the various Provincial Ordinances applicable at the time, that had historically been utilised for the acquisition of items of property, plant and equipment have been transferred to a Capitalisation Reserve instead of the accumulated surplus/(deficit) in terms of a directive (budget circular) issued by National Treasury.

The balance on the Capitalisation Reserve equals the carrying value of the items of property, plant and equipment financed from the former legislated funds. When items of property, plant and equipment are depreciated, a transfer is made from the Capitalisation Reserve to the accumulated surplus/(deficit).

When an item of property, plant and equipment is disposed, the balance in the Capitalisation Reserve relating to such item is transferred to the accumulated surplus/(deficit).

### **1.7.3 Government Grant Reserve**

When items of property, plant and equipment are financed from government grants, a transfer is made from the accumulated surplus/(deficit) to the Government Grants Reserve equal to the Government Grant recorded as revenue in the Statement of Financial Performance in accordance with a directive (budget circular) issued by National Treasury. When such items of property, plant and equipment are depreciated, a transfer is made from the Government Grant Reserve to the accumulated surplus/(deficit). The purpose of this policy is to promote community equity and facilitate budgetary control by ensuring that sufficient funds are set aside to offset the depreciation charges that will be incurred over the estimated useful life of the item of property, plant and equipment financed from Government Grants.

When an item of property, plant and equipment financed from government grants is disposed, the balance in the Government Grant Reserve relating to such item is transferred to the accumulated surplus/(deficit).

### **1.7.4 Public Contributions and Donations Reserve**

When items of property, plant and equipment are financed from public contributions and donations, a transfer is made from the accumulated surplus/(deficit) to the Public Contributions and Donations Reserve equal to the Public Contributions and Donations Reserve recorded as revenue in the Statement of Financial Performance in accordance with a directive (budget circular) issued by National Treasury. When such items of property, plant and equipment are depreciated, a transfer is made from the Public Contributions and Donations Reserve to the accumulated surplus/(deficit). The purpose of this policy is to promote community equity and facilitate budgetary control by ensuring that sufficient funds are set aside to offset the depreciation charges that will be incurred over the estimated useful life of the item of property, plant and equipment financed from Public Contributions and Donations.

When an item of property, plant and equipment financed from Public Contributions is disposed, the balance in the Public Contributions and Donations Reserve relating to such item is transferred to the accumulated surplus/(deficit).

### **1.7.5 Revaluation Reserve**

The surplus arising from the revaluation of land and buildings is credited to a non-distributable reserve. Land and buildings are revalued every four years. The revaluation surplus is realised as revalued buildings are depreciated, through a transfer from the revaluation reserve to the accumulated surplus/(deficit). On disposal the net revaluation surplus is transferred to the accumulated surplus/(deficit) while gains or losses on disposal, based on current values, are credited or charged to the Statement of Financial Performance.

### **1.8 Financial Instruments**

Financial instruments carried in the Statement of Financial Position include cash and cash equivalents, investments, accounts receivable, accounts payable and borrowings. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

Financial assets are derecognized when the contractual rights to the cash flows from the financial assets expire or have been transferred and the Municipality has transferred substantially all risks and rewards of ownership. Financial liabilities are derecognized when it is extinguished, i.e. when the contractual right is discharged, cancelled or expires.

*The Minister of Finance has, in terms of General notice 552 of 2007 exempted compliance with AC 144 (Financial Instruments: Disclosure). For AC 133 (Financial Instruments: Recognition and Measurement) the initial measurement of financial assets and liabilities at fair value is exempted. [SAICA Circular 09/06 paragraphs 43, AG 79, AG 64 and AG 65 of AC 133]*

### **1.9 Leases**

#### **1.9.1 Lessee Accounting**

Amounts held under finance leases are initially recognised as assets of the Municipality at their fair value at the inception of the lease or, if lower at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Municipality's policy on borrowing costs.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The Municipality will not incur a foreign currency lease liability other than that allowed by the MFMA.

*The Minister of Finance has, in terms of General notice 552 of 2007 exempted compliance with AC 105 (Leases) with regards to the recognition of operating lease payments / receipts on a straight line basis if the amount is recognised on the basis of the cash flows in the lease agreement. [SAICA Circular 12/06 paragraphs 8-11 and paragraphs 33, 34, 50, 51 of AC 105]*

#### **1.9.2 Lessor Accounting**

Amounts due from lessees under finance leases are recorded as receivables at the amount of the Municipality's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return to the Municipality's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

#### **1.10 Borrowing Costs**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for the intended use or sale, added to the costs of these assets, until such time as the assets are substantially ready for their intended use of sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in the statement of financial performance in the period in which they are incurred.

#### **1.11 Borrowings**

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the Statement of Financial Performance over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Municipality has the unconditional right to defer settlement of the liability for at least 12 months after the date of the Statement of Financial Position.

#### **1.12 Provisions**

A provision is recognised when the municipality has a present obligation (legal or constructive) as a result of a past event and it is probable (i.e. more likely than not) that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The municipality has discounted provisions to their present value when the effect of the time value of money is material. The notional interest charge representing the unwinding of the provision discounting is included in the Statement of Financial Position.

Provisions are reviewed at each Statement of Financial Position date and adjusted to reflect the current best estimate.

### **1.13 Employee Benefits**

#### **(a) Pension obligations**

The Municipality operate various pension schemes. The schemes are generally funded through payments to insurance companies or trustee-administered funds, determined by periodic actuarial calculations. The Municipality has both defined benefit and defined contribution plans. A defined contribution plan is a pension plan under which the Municipality pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a pension plan that is not a defined contribution plan. Typically, defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets, together with adjustments for unrecognised actuarial gains or losses and past service costs. The defined benefit obligation is calculated bi-annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related pension liability.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions in excess of the greater of 10% of the value of plan assets or 10% of the defined benefit obligation are charged or credited to income over the employees' expected average remaining working lives.

Past-service costs are recognised immediately in income, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past-service costs are amortised on a straight-line basis over the vesting period.

For defined contribution plans, the Municipality pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.



**(b) Post Retirement Medical obligations**

The Municipality provides post-retirement healthcare benefits to its retirees. The entitlement to these benefits is usually conditional on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment using the same accounting methodology as used for defined benefit pension plans. Actuarial gains and losses arising from experience adjustments, and changes in actuarial assumptions in excess of the greater of 10% of the value of plan assets or 10% of the defined benefit obligation, are charged or credited to the Statement of Financial Performance over the expected average remaining working lives of the related employees. These obligations are valued annually by independent qualified actuaries.

*The Minister of Finance has, in terms of General notice 552 of 2007 exempted compliance with AC 116 (Employee Benefits) with regards to defined benefit accounting as far as it relates to defined benefit plans accounted for as defined contribution plans and the defined benefit obligation disclosed by narrative information. (paragraphs 29, 48-119, 120A(c) – (q))*

**1.14 Trade Payables (Creditors)**

Trade payables and other receivables are originally carried at fair value and subsequently remeasured at amortised cost using the effective interest method

**1.15 Accrued Leave Pay**

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

**1.16 Unutilised Conditional Grants**

Unutilised conditional grants are reflected on the Statement of Financial Position as a creditor – Unutilised conditional grants. They represent unspent government grants, subsidies and contributions from the public. This creditor always has to be backed by cash. The following provisions are set for the creation and utilisation of this creditor:

- The cash which backs up the creditor is invested until it is utilised.
- Interest earned on the investment is treated in accordance with grant conditions. If it is payable to the funder it is recorded as part of the creditor. If it is the Municipality's interest it is recognised as interest earned in the Statement of Financial Performance.
- Whenever an asset is purchased out of the unutilised conditional grant an amount equal to the cost price of the asset purchased is transferred from the Unutilised Conditional Grant into the statement of financial performance as revenue. Thereafter an equal amount is transferred on the Statement of changes in net assets to a Government Grant Reserve. This reserve is equal to the remaining depreciable value (book value) of assets purchased out of the Unutilised Conditional Grants. The Government Grant Reserve is used to offset depreciation charged on assets purchased out of the Unutilised Conditional Grants.

### **1.15 Value Added Tax**

The Council accounts for Value Added Tax on the cash basis.

### **1.16 Property Plant and Equipment**

Land and buildings held for use in the production or supply of goods and services, or for administrative purposes, are stated in the Statement of Financial Position at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are performed every four years when the municipal valuation roll is updated.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a Revaluation Reserve in the Statement of Changes in Net Assets. Decreases that offset previous increases of the same asset are charged against the Revaluation Reserve directly in the Statement of Changes in Net Assets; all other decreases are charged to the Statement of Financial Performance. Each year the difference between depreciation based on the revalued carrying amount of the asset is charged to the Statement of Financial Performance and depreciation based on the asset's original cost is transferred from the Revaluation Reserve to the Accumulated Surplus/ (Deficit).

Depreciation on revalued land and buildings is charged to the Statement of Financial Performance. On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the Revaluation Reserve is transferred directly to the accumulated surplus / deficit.

Incomplete construction work is stated at historic cost. Depreciation only commences when the asset is commissioned into use.

All other property, plant and equipment are stated at historical cost less depreciation and any accumulated impairment losses. Historical cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Municipality's accounting policy.

The Municipality has adopted a capitalisation threshold whereby all expenditure below the threshold is expensed when incurred. The threshold is currently R 1 500 per item of PPE.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits or service potential associated with the item will flow to the municipality and the cost of the item can be measured reliably. The carrying amount of a replaced part is derecognised. All other repairs and maintenance are charged to the Statement of Financial Performance during the financial period in which they are incurred.

Depreciation is charged so as to write off the cost or valuation of assets, other than land and buildings under construction over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate

accounted for on a prospective basis. The depreciation rates are based on the following estimated useful lives:

	Years		Years
<b>1 Infrastructure</b>		<b>2 Other</b>	
Roads and Paving	30	Buildings	30
Pedestrian Malls	30	Specialist vehicles	10
Electricity	20-30	Other vehicles	5
Water	15-20	Office equipment	3-7
Sewerage	15-20	Furniture and fittings	7-10
Housing	30	Watercraft	15
		Bins and containers	5
<b>Community</b>		Specialised plant and Equipment	10-15
Improvements	30	Other plant and Equipment	2-5
Recreational Facilities	20-30	Landfill sites	15
Security	5		

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised (net) in the Statement of Financial Performance. When revalued assets are sold, the amounts included in the Revaluation Reserve are transferred to the Accumulated Surplus/(Deficit) directly in the Statement of Changes in Net Assets.

Heritage assets, which are defined as culturally significant resources are not depreciated as they are regarded as having an infinite life. Land is also not depreciated for the same reason.

*The Minister of Finance has, in terms of General notice 552 of 2007 exempted compliance with the following requirements of GAMAP 17 (Property, Plant and Equipment):*

- *Review of useful life of item of PPE recognised in the annual financial statements. [Paragraphs 59-61 and 77]*
- *Review of the depreciation method applied to PPE recognised in the annual financial statements. [Paragraphs 62 and 77]*
- *Impairment of non-cash generating assets. [Paragraphs 64-69 and 75(e)(v) – (vi)]*
- *Impairment of cash generating assets. [Paragraphs 63 and 75(e)(v) – (vi)]*

#### 1.17 Investment Property

Investment property, which is property held to earn rentals and/or for capital appreciation, is measured initially at its cost. Subsequent to initial recognition investment properties are shown at fair value, based on periodic, but at least every three years, valuations by external independent valuers. Gains or losses arising from

changes in the fair value of investment property are included in profit or loss for the period in which they arise.

*The Minister of Finance has, in terms of General notice 552 of 2007 exempted compliance with the following requirements of AC 135 (Investment Property):*

- *The entire standard to the extent that property is accounted for in terms of GAMAP 17.*
- *Disclosure of the fair value of investment property if the cost model is applied and where the municipality has recognised investment property in terms of this standard. [Paragraphs 79(e)(i) – (iii)]*

#### **1.18 Intangible Assets**

Intangible assets acquired separately are reported at cost less accumulated amortisation and accumulated impairment losses. Amortisation is charged on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

*The Minister of Finance has, in terms of General notice 552 of 2007 exempted compliance with the following requirements of AC 129 (Intangible Assets):*

- *The entire standards except for the recognition, measurement and disclosure of the computer software and website costs (AC 432) and all other costs were expensed.*

#### **1.19 Impairment of Tangible and Intangible Assets**

At each Statement of Financial Position date the municipality reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the municipality estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A

reversal of an impairment loss is recognised immediately in the Statement of Financial Performance, unless the asset is carried at a revalued amount, in which case the reversal of the impairment is treated as a Revaluation Reserve increase.

*The Minister of Finance has, in terms of General notice 552 of 2007 exempted compliance with AC 128 (Impairment of Assets) in its entirety.*

## **1.20 Financial Assets**

The Municipality classifies its financial assets in the following categories: loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

### **(a) Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the date of the Statement of Financial Position. They arise when the Municipality provides money for goods or services directly to a debtor with no intention of trading the receivable and are initially recognized at fair value and subsequently carried at amortised cost using the effective interest method, less provision for impairment.

## **1.21 Inventories**

Inventories consist of consumables and are stated at the lower of cost and net realizable value. Cost is determined using the first-in-first-out (FIFO) cost method. Net realizable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

Unsold properties are valued at the lower of cost and net realisable value on a weighted average cost basis. Direct costs are accumulated for each separately identifiable development.

Redundant and slow-moving inventories are identified and written down from cost to net realisable value with regard to their estimated economic or realisable values. Consumables are written down with regard to their age, condition and utility.

*The Minister of Finance has, in terms of General notice 552 of 2007 exempted compliance with the following requirements of GAMAP 12 (Inventories):*

- *The entire standard as far as it relates to immovable capital assets inventory that is accounted for in terms of GAMAP 17.*
- *The entire standard to the extent that it relates to water stock that was not purchased by the municipality.*

### **1.22 Trade and other Receivables**

Trade receivables are recognised initially at originating cost and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Municipality will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 90 days overdue) are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the Statement of Financial Performance. When a trade receivable is uncollectible, it is written off in terms of the municipality's Credit Control and Debt Collection Bylaw. Subsequent recoveries of amounts previously written off are credited against to the Statement of Financial Performance.

### **1.23 Cash and Cash Equivalents**

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

### **1.24 Revenue Recognition**

Service charges relating to water are based on consumption. Meters are read on a monthly basis and are recognised as revenue when invoiced. Provisional estimates of consumption are made monthly when meter readings have not been done. The provisional estimates of consumption are recognised as revenue when invoiced. Adjustments to provisional estimates of consumption are made in the invoicing period in which meters have been read. These adjustments are recognised as revenue in the invoicing period. Revenue from the sale of electricity prepaid meter cards are recognised at the point of sale. The local municipalities act as service providers for the municipality for this function.

Service charges from sewerage and sanitation for residential and business properties are levied monthly based on a fixed tariff. The local municipalities act as service providers for the municipality for this function.

Interest and rentals are recognised on a time proportion basis.

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

Interest earned on investments is recognised in the Statement of Financial Performance on a time proportionate basis that takes into account the effective yield on the investment. Interest earned on the following investments is not recognised in the Statement of Financial Performance:

- Interest earned on unutilised conditional grants is allocated directly to the unutilised conditional grant creditor, if the grant conditions indicate that interest is payable to the funder.

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- The municipality has transferred to the buyer the significant risks and rewards of ownership of the goods.
- The municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.
- The amount of revenue can be measured reliably.
- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality.
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Income for agency services is recognised on a monthly basis once the income collected on behalf of agents has been quantified. The income recognised is in terms of the agency agreement.

Revenue from public contributions is recognised when all 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**

Donations are recognised on a cash receipt basis or where the donation is in the form of property, plant and equipment, when such items of property, plant and equipment are brought into use.

Contributed property, plant and equipment is 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 based on legislated procedures, including those set out in the Municipal Finance Management Act (Act No.56 of 2003) and is recognised when the recovery thereof from the responsible councillors or officials is virtually certain.

*The Minister of Finance has, in terms of General notice 552 of 2007 exempted compliance with the following requirements of GAMAP 9 (Revenue):*

- *Initial measurement of fair value discounting all future receipts using an imputed rate of interest. [SIACA Circular 09/06 and paragraph 12]*

#### **Conditional Grants and Receipts**

Revenue received from conditional grants, donations and funding are recognised as revenue to the extent that the Municipality has complied with any of the criteria,

conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met a liability is recognised.

*The Minister of Finance has, in terms of General notice 552 of 2007 exempted compliance with the following requirements of AC 134 (Accounting for Government Grants):*

- *Entire standard excluding paragraphs 24 and 26, replaced by paragraph 08 of GAMAP 12, paragraph 25 of GAMAP 17 and paragraphs 42 – 46 of GAMAP 9.*

#### **1.25 Related parties**

Individuals as well as their close family members, and/or entities are related parties if one party has the ability, directly or indirectly, to control or jointly control the other party or exercise significant influence over the other party in making financial and/or operating decisions. Key management personnel is defined as the Municipal Manager, Chief Financial Officer and all other managers reporting directly to the Municipal Manager or as designated by the Municipal Manager.

#### **1.26 Unauthorised Expenditure**

Unauthorised expenditure is expenditure that has not been budgeted, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state and expenditure in the form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act No.56 of 2003). Unauthorised expenditure is accounted for as an expense in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

#### **1.27 Irregular Expenditure**

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the Municipality's supply chain management policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

#### **1.28 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 is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

#### **1.29 Rounding**

The amounts reflected in the financial statements of the Municipality are all in Rand, and all amounts are rounded off to the nearest Rand.



UKHAHLAMBA DISTRICT MUNISIPALITY  
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING  
30 JUNE 2007

No.	Description	2007 R	2006 R
<b>1 NETT ASSET RESERVES</b>			
	RESERVES	45,274,300	756,718
	Capitalisation Reserve	115,635	290,203
	Government Grant Reserve	45,158,666	466,514
<p>The reserves are being utilised to offset depreciation over the useful lives of the assets purchased funded from the reserves. The municipality is in process of recompiling an asset register and funding methods and will restate offsetting of depreciation once completed. Bank and cash - The reserves are not cash-backed but represent expenditure incurred on property, plant and equipment.</p>			
	Sub-total	45,274,300	756,718
		0	0
	<b>Total Nett Assets Reserves</b>	<b>45,274,300</b>	<b>756,718</b>

**2 LONG-TERM LIABILITIES**

Local Registered Stock Loans			
Annuity Loans		9,547,202	8,718,562
Sub-total		9,547,202	8,718,562
Less : Current portion transferred to current liabilities		(1,596,528)	(784,995)
Annuity Loans		(1,596,528)	(784,995)
<b>Total External Loans - At fair value</b>		<b>7,950,674</b>	<b>7,933,567</b>

Refer to Appendix A for more detail on long-term liabilities.

**Financial Instruments - Fair Value Adjustment**

Interest rates are market related and includes a risk factor.  
A Zero Coupon bond of 30% is secured over the loan.  
The value of the bond is R 339 660 as at year end.

**3 NON-CURRENT PROVISIONS**

Medical/ Retirement Fund	0	0
<b>Total Non-Current Provisions</b>	<b>0</b>	<b>0</b>

The municipality did not obtain an actuarial valuation for post-retirement medical-aid contributions.

**3 NON-CURRENT PROVISIONS (continued)**

The movement in the non-current provisions are reconciled as follows: -

		<u>Leave Payment</u>
Balance at beginning of year	0	
Contributions to provision		0
Expenditure incurred		0
Increase in provision due to discounting		0
Transfer to creditors in terms of GRAP implementation		0
<b>Balance at end of year</b>	<b>0</b>	<b>0</b>

"Exemptions taken according to the exemptions gazetted in terms of Government Notice:-

Employee Benefits (AC116) Defined benefit accounting as far as it relates to defined benefit plans accounted for as defined contribution plans and the defined benefit obligation disclosed by narrative information. (paragraphs 29, 48-119, 120A(c) - (q))"

No.	Description	2007 R	2006 R
<b>4 CREDITORS</b>			
	Trade creditors	560	7,787,644
	Payments received in advance	9,920,880	9,865,965
	Suspence Accounts - Credits	1,373,927	771,061
	Priority Allocations	0	343,758
	Staff leave	1,866,293	1,198,233
	Sundry Creditors	37,709,611	0
	DBSA Loan - Interest Accrued	0	349,490
	<b>Total Creditors</b>	<b>50,871,271</b>	<b>20,316,151</b>
	<i>Financial Instruments - Fair Value Adjustment</i>		(498,139)
	Estimated at 8% over the expected repayment period.		
	<i>Risk - Accounts are being paid within agreed timeframes.</i>	<b>50,871,271</b>	<b>19,818,012</b>

The amount of R37 709 611 for Sundry Creditors consist of the following:

VAT - DEBTORS	138,860
SANITATION GARIEP 2004 - 2005	183,374
WATER ELUNDINI 2004 - 2005	420,716
WATER GARIEP 2004 - 2005	193,787
SANITATION ELUNDINI 2005 - 2006	1,470,113
WATER ELUNDINI 2005 - 2006	1,994,811
SANITATION ELUNDINI 2006 - 2007	1,544,114
SANITATION GARIEP 2006 - 2007	2,614,590
SANITATION MALETSWAI 2006 - 2007	1,186,405
SANITATION SENQU 2006 - 2007	1,841,595
WATER ELUNDINI 2006 - 2007	1,339,763
WATER MALETSWAI 2006 - 2007	861,122
WATER SENQU 2006 - 2007	3,966,237
YEAR END ACRUALS ORDER PAYMENTS	151,241
YEAR END ACRUALS SUNDRY PAYMENTS	2,450,483
YEAR END ACCRUALS BLOEM WATER	17,352,400
	<b>37,709,611</b>

#### 5 UNSPENT CONDITIONAL GRANTS AND RECEIPTS

##### 5.1 Conditional Grants from other spheres of Government

	10,958,524	23,759,635
Ddc Training	101,027	101,027
Working For Water	2,281,164	0
CMPMIG		12,646,934
Elundini Comm Haal And Roads	223,392	223,392
Finance Management Grant	1,035,952	1,055,922
Mtfletcher Mas Food Production		8,223
Bakery Project		145
Gariep Implement Lake	1,999,741	1,863,222
Disaster Management Plan		487,164
Disaster Management Framework	384,789	
Establishment Of Centres	662,372	662,372
Comm Awareness Programme	162,545	162,545
Fire & Emergency Service	111,694	0
Training Of Volunteers	453,062	453,062
M 1 Planning Grant		3,917,489
Remuneration Of Cdw's	796,497	1,726,851
Drought Relief Senqu	580,992	
Drought Relief Elundini	2,066,534	
Trisano Disabled Project		102,525
Disaster Forum	98,763	98,763
Youth Bed & Breakfast		250,000
<i>Financial Instruments - Fair Value Adjustment</i>		(950,385)
<i>Average estimated over 6 months at 8%</i>	<b>10,958,524</b>	<b>22,809,249</b>

No.	Description	2007 R	2006 R
<b>6 VAT</b>			
	VAT payable	0	0
<i>Financial Instruments - Fair Value Adjustment</i>			
VAT is payable the following month.			
<i>RISK - All payments are being paid on time.</i>			
<b>7 PROPERTY PLANT AND EQUIPMENT</b>			
<b>7.1 INVESTMENT PROPERTY</b>			
	Fair Value	0	0
	<b>Total Investment Property</b>	<b>0</b>	<b>0</b>
The municipality does not own any Investment Properties			
<b>8 INVESTMENTS</b>			
<i>Financial Instruments - Fair Value Adjustment</i>			
	There are no long-term investments	0	0
	<b>Total Investments</b>	<b>0</b>	<b>0</b>
<b>9 LONG-TERM RECEIVABLES</b>			
	Car loans	308,875	407,983
	Less : Current portion transferred to current receivables	308,875	407,983
	Car loans	286,658	209,115
	Sewerage connection loans	0	0
	Electricity appliance purchase scheme	0	0
	Housing selling scheme loans	0	0
	<b>Total</b>	<b>22,217</b>	<b>198,868</b>
<i>Financial Instruments - Fair Value Adjustment</i>			
<b>CAR LOANS</b>			
Senior staff are entitled to car loans which attract interest at 8% per annum and which are repayable over a maximum period of 5 years. These loans are repayable in the year 2009.			
There are no fair value adjustments as interest are being charged.			
<i>RISK - The payments are being deducted from the employees' salaries.</i>			
<b>10 INVENTORY</b>			
	Consumable stores – at cost	594,923	556,974
	<b>Total Inventory</b>	<b>594,923</b>	<b>556,974</b>
<i>Financial Instruments - Fair Value Adjustment</i>			
There are no adjustments to fair value. The inventory has got a high turnover rate.			

No.	Description	2007 R	2006 R
<b>11 OTHER DEBTORS</b>			
	Suspence account debits	306,934	424,064
	Sundry Debtors	4,623,138	
	Priority Allocations	0	1,460,719
	Deposits	6,083	6,083
	Current debtors	32,972,288	28,964,822
	Less : Provision for bad debts	(29,388,885)	(29,388,885)
	<b>Total</b>	<b>8,519,557</b>	<b>1,466,802</b>
<b>Rates: Ageing</b>			
	Current (0 – 30 days)	126,042	0
	31 - 60 Days	207,391	0
	61 - 90 Days	136,860	0
	91 - 120 Days	743,487	0
	121 - 150 Days	784,129	0
	+ 150 Days	6,521,648	1,466,802
	<b>Total</b>	<b>8,519,557</b>	<b>1,466,802</b>
<b>Financial Instruments - Fair Value Adjustment</b>			(161,348)
Estimated at 11% over 1 year.			
<b>RISK - Substantial provision for bad debts is provided due to uncertain recovery.</b>			
		<b>8,519,557</b>	<b>1,305,453</b>
<b>12 UNPAID CONDITIONAL GRANTS</b>			
<b>Government grants and subsidies</b>		1,798,835	869,813
DEPT OF WATER AFFAIRS PROJECTS REBUILDING STRUCK HOUSES		194,688	194,688
EXT OFFICE BUILDINGS			39,986
SAN INFOR CENTR EC865 OPENING BALANCE			251,392
BUCKET ERADICATION		1,604,146	383,747
<b>Total Other Debtors</b>		<b>1,798,835</b>	<b>869,813</b>
<b>Financial Instruments - Fair Value Adjustment</b>			(23,920)
Estimated at 11% over 3 months			
<b>RISK - There are no risk for recovery.</b>			
		<b>1,798,835</b>	<b>845,893</b>
<b>13 VAT receivable</b>		14,555,971	11,300,074
<b>Financial Instruments - Fair Value Adjustment</b>			(207,168)
Estimated at 11% over 2 months			
<b>RISK - There are no risk for recovery.</b>			
		<b>14,555,971</b>	<b>11,092,906</b>
<b>14 CALL INVESTMENT DEPOSITS</b>			
Other Deposits		<b>17,850,697</b>	<b>28,356,008</b>
The deposits are ringfenced in order to finance unspent conditional grants. (See note 5)			
<b>Financial Instruments - Fair Value Adjustment</b>			
Interest are being earned at market related rates.			
<b>RISK - There are no risk for recovery. Interest rates fluctuate according to the markets. The municipality does not cover changes in interest rates. No investments are being made other than in South Africa in Rands.</b>			

No.	Description	2007 R	2006 R
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### 15 BANK, CASH AND OVERDRAFT BALANCES

The Municipality has the following bank accounts: -

#### Current Account (Primary Bank Account)

ABSA Bank

Account Number

Cash book balance at beginning of year – overdrawn

(7,244,940)

(57,491,707)

Cash book balance at end of year - overdrawn

(8,586,450)

(7,244,940)

Bank statement balance at beginning of year - (overdrawn)

2,108,798

12,840,591

Bank statement balance at end of year - (overdrawn)

1,987,368

2,108,798

#### Petty Cash

Bank

Account Number

Petty Cash

300

1,555

Bank statement balance

8,586,450

7,244,940

#### *Financial Instruments - Fair Value Adjustment*

Interest are being earned or paid at market related rates.

**RISK - There are no risk for recovery. Interest rates fluctuate according to the markets.**

**The municipality does not cover changes in interest rates.**

**The bank accounts are opened in South Africa only.**

### 16 GOVERNMENT GRANTS AND SUBSIDIES

Contributions: Document Management Syst	999,500
Contribution: Msig	29,700
Equitable Share	17,708,218
Municipal Systems Improvement Grant	156,450
Contributions: Dead Lake Garlep	0
Department: Roads	0
Contribution: Cmp	3,350,244
Contributions Mig	0
Contributions Water Affairs	5,255,850
Contributions: Working F Or Water	9,367,956
Contribution: Msig	29,700
Contribution: Msig	254,450
Equitable Share	755,314
Equitable Share	396,029
Equitable Share	402,529
Contribution: Msig	29,700
Equitable Share	194,980
Contribution: East Cape Aids Council	75,000
Environmental Health	416,856
Environmental Health	321,920
Subsidies	11,000,925
Contributions Roads	4,980,449
Subsidies	9,650,000
Equitable Share	2,511,728
Equitable Share	1,312,366
Equitable Share	2,292,905
Equitable Share	1,456,178
Equitable Share	1,000,276
Equitable Share	796,009
Equitable Share	9,628,890
Equitable Share	5,444,239
Ddc Training - Garlep Expenditure During Year	1,976
Ddc Training - Maletswai Expenditure During Year	37,976
Ddc Training - Senqu Expenditure During Year	1,976
Ddc Training - Elundini Expenditure During Year	1,976
Ddc Training - Ukh Dm Expenditure During Year	11,062
Tf Dm - Expenditure Duri Ng The Year	547,817
Tf Ptf - Expenditure Dur Ing The Year	24,500
Tf Plan Herschel Expenditure During Year	182
Cmp Expenditure During Year	74,268,517

No.	Description	2007 R	2006 R
	Dept Water Affairs Proj Expenditure During Year		2,541,599
	Tf Nwsp - Expenditure Du Ring The Year		523,203
	Tf Utvs - Expenditure Du Ring The Year		797,753
	Elundini Comm Hall&roads Expenditure During Year		2,014,937
	Tf Cbpwp Expenditure During Year		9,963,561
	Tf Ups - Expenditure Dur Ing The Year		137,322
	Tf Zws - Expenditure Dur Ing The Year		473,422
	Tf Xws - Expenditure Dur Ing The Year		387,962
	Tf Ms - Expenditure Duri Ng The Year		12,000
	Tf Xs - Expenditure Duri Ng The Year		107,000
	Tf Ew12s - Expenditure D Uring The Year		67,000
	Tf Sup - Expenditure Dur Ing The Year		4,150
	Finance Management Grant Expenditure During Year		1,672,359
	Youth Skills Dev Centre Expenditure During Year		593,024
	Mifletcher Mas Food Prod Expenditure During Year		494,257
	Gariep Bakery Project Expenditure During Year		200,000
	Garlep Implement Lake Expenditure During Year		379,846
	Establishment Of Centres Expenditure During Year		401,880
	Comm Awareness Programme Expenditure During Year		45,704
	Training Of Volunteers Expenditure During Year		25,228
	Rebuilding Struck Houses Expenditure During Year		801,324
	Fire & Emergency Service Expenditure During Year		1,969,431
	M 1 Planning Grant Expenditure During Year		70,694
	Ukh Dm: Ext Office Build Expenditure During Year		1,171,131
	Env Health Sec 78 Asses Expenditure During Year		326
	Rout. Maint. Roads Drpw Expenditure During Year		579,464
	Reconstruc R3222 Drpw Expenditure During Year		5,879
	Working For Wetlands Expenditure During Year		366,753
	Remuneration Cdws Expenditure During Year		203,352
	Cgsr Gariep 2004 - 2005 Expenditure During Year		43,138
	San Inform Centre Ec865 Expenditure During Year		326,324
	Drought Relief Senqu Expenditure During Year		11,771,470
	Drought Relief Elundini Expenditure During Year		5,799,533
	Water Serv Auth Function Expenditure During Year		2,361,771
	Disaster Forum Expenditure During Year		13,040
	Herschel Hep Fbw Program Expenditure During Year		7,674,193
	Bucket Eradication Expenditure During Year		6,133,156
	Bucket Eraditation Senqu Expenditure During Year		2,203,420
	Bucket Eraditation Expenditure During Year		3,109,484
	SUBSIDY : ENVIRONMENTAL HEALTH	1,514,718	
	SUBSIDY : HEALTH	683,678	
	SUBSIDY : SCDOH	5,182,454	
	SUBSIDY : ROADS DRAT	14,272,187	
	EQUITABLE SHARE	47,994,549	
	MUN FINANCE MANAGEMENT	974,267	
	FIRE BRIGATE SERVICES	(3,850)	
	MSIG	500,000	
	ROADS	2,908,215	
	YOUTH BED & BREAKFAST	290,000	
	ORANJE FONTEIN HOUSE PROJECT	300,000	
	SPATIAL PLANNING	800,000	
	LED ISRDP	950,000	
	LED NODAL STRATEGY	45,844	
	LED DM STRATEGIES	317,000	
	DEV LAND SURVEY	1,052,000	
	LAND VALUATION	0	
	BACKET ERADITATION	6,911,829	
	IDP MUN PERFORMANCE MANAGEMENT SYSTEM	120,000	
	PROVINCE	2,102,980	
	WATER AFFAIRS	1,471,120	
	DEAT: COMMUNITY HALLS ELUNDINI	0	
	COUNCIL REMUNERATION	975,200	
	DEAT: GOAT FARMING	3,500,000	
	WORKING FOR WATER	14,347,096	
	SARS LEVIES	8,661,147	
	DWAF - ELUNDINI LM WATER SHORTAGE	(127,800)	
	CONTRIBUTIONS CMP	11,706,198	
	CONTRIBUTIONS MIG	61,513,674	
	CONTRIBUTIONS: DWAF DRINKING WATER QUAL MON	306,395	
	CONTRIBUTIONS: DWAF TRAINING OF DWAF STAFF	319,200	
	CONTRIBUTION: DROUGHT RELIEF	2,990,550	
		<b>192,578,651</b>	<b>230,160,432</b>

No.	Description	2007 R	2006 R	
<b>17 (a) OTHER INCOME</b>				
	Plant Charges and Stores Handling	4,405,000	5,957,080	
	Connection Fees		130,517	
	ARV Projects		119,947	
	Other income	32,532,104	502,362	
	Recovery of unauthorised, irregular, fruitless and wasteful expenditure (Note 35)		0	
	<b>Total Other Income</b>	<b>36,937,104</b>	<b>6,709,906</b>	
<b>(b) SERVICE CHARGES</b>				
	Sanitation	4,835,578	4,547,473	
	Sewerage Blockage	25,358		
	Water Connections	9,030		
	Water Consumption	7,459,472	8,251,682	
	Water Furrows	1,103		
	Water Reconnections	18,151		
	<b>Total</b>	<b>12,348,692</b>	<b>12,799,155</b>	
<b>18 EMPLOYEE RELATED COSTS</b>				
	Employee related costs - Salaries and Wages and Allowances	53,164,969	52,299,192	
	Employee related costs - Social contributions	8,252,156	8,270,128	
	Overtime	289,680	3,157,444	
	<b>Total Employee Related Costs</b>	<b>61,706,805</b>	<b>63,726,764</b>	
<b>Remuneration of the Municipal Manager</b>				
	Annual Remuneration	528,000	492,911	
	Performance Bonuses	44,000	31,482	
	Car Allowance	48,000	225,714	
	Social Contributions	260,040	97,999	
	<b>Total</b>	<b>880,040</b>	<b>848,106</b>	
<b>Remuneration of Chief Financial Officer</b>				
	Annual Remuneration - All inclusive package	493,968	429,040	
	Performance Bonuses	41,164	30,000	
	Car Allowance	133,524	141,905	
	Social Contributions	79,378	89,807	
	<b>Total</b>	<b>748,034</b>	<b>690,752</b>	
<b>Remuneration of Individual Executive Directors</b>				
<b>30 JUNE 2007</b>				
		<b>Technical Services</b>	<b>Corporate Services</b>	<b>Community Services</b>
		R	R	R
	Annual Remuneration	425,758	478,715	508,553
	Performance Bonuses	35,480	39,893	42,379
	Car Allowance	170,220	145,440	156,000
	Social Contributions	116,576	83,986	41,102
	<b>Total</b>	<b>748,034</b>	<b>748,034</b>	<b>748,034</b>
<b>30 JUNE 2006</b>				
		<b>Technical Services</b>	<b>Corporate Services</b>	<b>Development and Planning</b>
		R	R	R
	Annual Remuneration	424,011	449,511	397,694
	Performance Bonuses	28,500	31,000	29,478
	Car Allowance	155,985	150,339	141,951
	Social Contributions	97,195	67,073	40,771
	<b>Total</b>	<b>705,691</b>	<b>697,923</b>	<b>609,894</b>

No.	Description	2007 R	2006 R
<b>19 REMUNERATION OF COUNCILLORS</b>			
	Executive Mayor	451,352	334,138
	Councillors	2,522,009	1,667,271
	Councillors' pension contribution & Medical Aid	144,128	157,405
	<b>Total Councillors' Remuneration</b>	<b>3,117,489</b>	<b>2,158,814</b>
<b>In-kind Benefits</b>			
The Executive Mayor, Deputy Executive Mayor, Speaker and one other councillor are full-time. Each is provided with an office and secretarial support at the cost of the Council.			
The Executive Mayor has the use of a Council owned vehicle for official duties.			
<b>20 INTEREST PAID</b>			
	Long-term liabilities	1,704,351	697,088
	External Service Providers - Municipalities		625,142
	Finance leases		0
	Bank overdrafts		0
	<b>Total Interest on External Borrowings</b>	<b>1,704,351</b>	<b>1,322,230</b>
<b>21 BULK PURCHASES</b>			
	Electricity		2,203,674
	Water	66,780	88,943
	<b>Total Bulk Purchases</b>	<b>66,780</b>	<b>2,292,617</b>
<b>22 GRANTS AND SUBSIDIES PAID</b>			
	Children: Children Day Events		27,846
	Children: Support District Choir		2,500
	Children: Support Sports Council		23,560
	Clinic Elundini X 1		63,416
	Deat: Community Elundini		45,798
	Deat: Lake Gariep		74,791
	Deat: Maize Production		498,912
	Deat: Masiphakani Bakery		200,000
	Development Of Intergov Relations Policy		10,451
	Dhig fdp Support Fund		188,789
	Dis Tourism & Marketing: Maloti Route		10,000
	Dis Tourism & Marketing: Friendly N6		10,000
	Dis Tourism & Marketing: Marketing Dist Municipal		5,750
	Dis Tourism & Marketing: Marketing Events		5,000
	Dis Tourism & Marketing: Red River Route		10,000
	Disable Programme: Awareness Programme		4,581
	Disable Programme: Disable People Month		217,924
	Disable Programme: Planning 2006/2207 Mteif		17,597
	Disable Programme: Support Operation People		17,106
	Disaster Management		411
	Disaster: Fire Brigade Service		32,774
	District Tourism & Marke Ting		120,000
	Dot: Public Transport Facilities Elundini		1,893,850
	Drought Relief		4,120,476
	Elderly: Elderly Programme		4,496
	Establishment & Maint. Of Dist Econ Dev Forums		4,625
	Events: Annual Review Document		9,300
	Events: Freedom Day Celebrations		10,000
	Events: Gifts Visit Dinitories		4,386
	Events: Heritage Day		14,547
	Events: Idp Document		4,440
	Events: Inauguration New Council		17,406
	Events: Launch Of Projects/progr		63,610
	Events: National Imbizo Events		12,120
	Events: State Of The District Ad		29,899
	Events: State Of The Nation Addr		6,290
	Events: State Of The Prov Address		3,665
	Finance Management Grant		48,219
	Ilima Projects		1,945,690
	Intergovern Relation Pol Tech Serv Work Group		825



No.	Description	2007 R	2006 R
	Intergovern Relation Pol Communicators Forum		2,698
	Intergovern Relation Pol Dimafu		953
	Intergovern Relation Pol Idp/budget Repr Forum		1,540
	Intergovern Relation Pol Led Working Group		700
	Intergovern Relation Pol Outreach Political		20,734
	Intergovern Relation Pol Samwu		2,231
	Intergovern Relation Pol Spu Working Group		7,019
	Intergovern Relation Pol Traditional Leaders		3,216
	Isrdp Shearing Sheds		712,292
	Isrdp 2004 - 2005 Social Infrastructure		165,936
	Isrdp - Agr, Tour & Led Esta & Lrad Campaigns		6,600
	Isrdp - Agr, Tour & Led Goat Farming		115,871
	Isrdp - Agr, Tour & Led Madiba Corridor		168,780
	Isrdp - Agr, Tour & Led Meloti Transfrontier Pro		12,840
	Isrdp - Agr, Tour & Led Support Art & Craft Dev		23,324
	Isrdp - Agr, Tour & Led Tourism & Mark Plans Lms		124,613
	Isrdp - Agr, Tour & Led Tourism Information Dev		70
	Isrdp - Agr, Tour & Led Trans & Dev Tour Industr		2,000
	Isrdp - Agr, Tour & Led Brickmakers Support Prog		3,920
	Isrdp - Agr, Tour & Led Led Mentoring Train Prog		2,310
	Isrdp - Anchor Projects Gariep Complex		62,509
	Isrdp - Anchor Projects Holohlagatsi Dam		514,858
	Isrdp - Anchor Projects Woolclip		1,064,738
	Isrdp - Anchor Projects: Youth B & B Aliwal		60
	Isrdp 2004 - 2005 Roads		3,045
	Isrdp Agr, Tour & Led Led Start Up Fund Alloc.		575,000
	Isrdp Agr, Tour & Led Commonages		506,934
	Leamership Technical Students		418,826
	Library Mt Fletcher		614,035
	Milling Farming Worker Equity Scheme		20,000
	Moral Regeneration: Awareness Programme		39,069
	Msig Grant: Environmental Health Ass		13,960
	Msig Grant: Idp & Pms		148,074
	Msig Grant: Pms		111,529
	Msig Grant: Wast Management Plan		374,347
	Msp		6,970
	Municipal System Improvem Ent Grant		468,860
	Municipal Performance Management System		371,827
	Oranje Fontein Housing Project		1,500
	Prior Allocation: 04/05 Elundini		416,784
	Prior Allocation: 04/05 Gariep		350,000
	Prior Allocation: 04/05 Maletswai		351,500
	Prior Allocation: 04/05 Senqu		450,000
	Prior Allocation: 04/05 Mayoral Fund		319,938
	Projects: Spu		113,893
	Robertson Street Resealing		4,068,528
	Sondela Youth Festival		231,857
	Support Local Government Elections		526,168
	Taxi Rank Aliwal North Fase 3		865,819
	Temblsa Sportsfield		26,886
	Venterstad Sport Facilities		102,850
	Woman Programmes: Sawen House		1,941
	Women Caucus Activities		12,122
	Women Programmes: 16 Days Of Activism		17,200
	Women Programmes: Gender Issues Aware Prog		9,198
	Women Programmes: Planning For 2006/2007		19,052
	Women Programmes: Support Econ Emp Forum		31,901
	Women Programmes: Womens Month		22,729
	Women Programmes: Youth Womens Network Pro		6,028
	Working For Water Potrivier		1,160,410
	Working For Water Tsomo		2,364,744
	Working For Water Umnga		1,274,681
	Working For Water/wet Engobo		498,802
	Working For Water/wet Gatberg		1,555,041
	Working For Water/wet Mooirivier		856,135
	Working For Water/wet Wildebees		504,830
	Working For Water/wet Xuka Drift		2,196,899
	Youth Development Programmes		172,717
	Youth Programmes: Issues Awareness Program		4,820
	Youth Programmes: Planning 2006/2007 Mtef		26,482
	Youth Programmes: Support Youth Council		23,016
	Youth Programmes: Youth Month		27,296
	Contributions: Dot Pub Trans Fac Elundini		6,358
	Ddc Training - Gariep Expenditure During Year		1,976

No.	Description	2007 R	2006 R
	Ddc Training - Maletswai Expenditure During Year		37,976
	Ddc Training - Senqu Expenditure During Year		1,976
	Ddc Training - Elundini Expenditure During Year		1,976
	Ddc Training - Ukh Dm Expenditure During Year		11,062
	Tf Dm - Expenditure Duri Ng The Year		547,817
	Tf Pf - Expenditure Dur Ing The Year		24,500
	Tf Plan Herschel Expenditure During Year		182
	Cmip Expenditure During Year		74,268,517
	Dept Water Affairs Proj Expenditure During Year		2,541,599
	Tf Nwsp - Expenditure Du Ring The Year		523,203
	Tf Utvs - Expenditure Du Ring The Year		797,753
	Elundini Comm Hall&roads Expenditure During Year		2,014,937
	Tf Cbpwp Expenditure During Year		9,963,561
	Tf Ups - Expenditure Dur Ing The Year		137,322
	Tf Zws - Expenditure Dur Ing The Year		473,422
	Tf Xws - Expenditure Dur Ing The Year		387,962
	Tf Ms - Expenditure Duri Ng The Year		12,000
	Tf Xs - Expenditure Duri Ng The Year		107,000
	Tf Ew12s - Expenditure D Uring The Year		67,000
	Tf Sup - Expenditure Dur Ing The Year		4,150
	Finance Management Grant Expenditure During Year		1,672,359
	Youth Skills Dev Centre Expenditure During Year		593,024
	Mtletcher Mas Food Prod Expenditure During Year		494,257
	Gariap Bakery Project Expenditure During Year		200,000
	Gariap Implement Lake Expenditure During Year		379,846
	Establishment Of Centres Expenditure During Year		401,880
	Comm Awareness Programme Expenditure During Year		45,704
	Training Of Volunteers Expenditure During Year		25,228
	Rebuilding Struck Houses Expenditure During Year		801,324
	Fire & Emergency Servlce Expenditure During Year		1,969,431
	M 1 Planning Grant Expenditure During Year		70,694
	Ukh Dm: Ext Office Build Expenditure During Year		1,171,131
	Env Health Sec 78 Asses Expenditure During Year		326
	Rout. Maint. Roads Drpw Expenditure During Year		579,484
	Reconstruc R3222 Drpw Expenditure During Year		5,879
	Working For Wetlands Expenditure During Year		366,753
	Remuneration Cdws Expenditure During Year		203,352
	Cgsr Gariap 2004 - 2005 Expenditure During Year		43,138
	San Inform Centre Ec865 Expenditure During Year		326,324
	Drought Relief Senqu Expenditure During Year		11,771,470
	Drought Relief Elundini Expenditure During Year		5,799,533
	Water Serv Auth Function Expenditure During Year		2,361,771
	Disaster Forum Expenditure During Year		13,040
	Herschel Hep Fbw Program Expenditure During Year		7,674,193
	Bucket Eradication Expenditure During Year		6,133,156
	Bucket Eraditation Senqu Expenditure During Year		3,109,484
	Bucket Eraditation Expenditure During Year		3,109,484
	FINANCE MANAGEMENT	974,267	
	FREE BASIC SERVICES	1,985,397	
	MSIG WAST MANAGE PLAN	204,750	
	MSIG PMS	84,592	
	MSIG IDP & PMS	36,704	
	CLININC ELUNDINI X 1	60,814	
	DISTRICT TOURISM & MARKETING	100,000	
	ESTABLISHMENT & MAINT. OF DIST ECON DEV FORUMS	7,737	
	YOUTH DEVELOPMENT PROGRAMME	108,357	
	DROUGHT RELIEF	2,990,550	
	ISRDP - ANCHOR PROJECT TOURISM GATEWAY	180,000	
	ISRDP - ANCHOR PROJECT HOLOHLAGATSI DAM	566,667	
	ISRDP - ARG. TOUR & LED COMMONAGES	471,122	
	DHLG IDP SUPPORT UNIT	566,528	
	PRIOR ALLOCATION: 04/05 MAYORAL FUND	171,467	
	PRIOR ALLOCATION: 04/05 SENQU	17,852	
	WOMEN PROGRAMMES: SUPPORT ECON EMP FORUM	89,686	
	WOMEN PROGRAMMES: SAWEN HOUSE	84,531	
	WOMEN PROGRAMMES: GENDER ISSUES AWARE PROG	5,000	
	WOMEN PROGRAMMES: WOMAN MONTH	19,500	
	WOMEN PROGRAMMES: PLANNING FOR 06/07	5,500	
	YOUTH PROGRAMMES: SUPPORT YOUTH COUNCIL	51,897	
	YOUTH PROGRAMMES: ISSUES AWARENESS PROGRAM	17,550	
	YOUTH PROGRAMMES: YOUTH MONTH	250	
	YOUTH PROGRAMMES: PLANNING FOR 06/07	3,125	
	DISABLE PROGRAMME: SUPPORT OPERATION PEOPLE	50,664	
	DISABLE PROGRAMME: AWARENESS PROGRAMME	10,384	

No.	Description	2007 R	2008 R
	CHILDREN: CHILDREN DAY EVENTS	16,795	
	ELDERLY: EST OF ELDERLY STRUCTURE	19,900	
	ELDERLY: ELDERLY PROGRAMME	17,028	
	MORAL REGENERATION: AWARENESS PROGRAMME	22,600	
	DIS TOURISM & MARKETING: MARKETING DIST. MUN.	62,455	
	DIST ECON DEV FORUMS: AGRICULTURAL WORK GROUP	12,013	
	INTERGOVERN RELATION POL TRIDISTRICT ALLIANCE	5,071	
	INTERGOVERN RELATION POL OUTREACH ADMINISTRATIVE	3,719	
	INTERGOVERN RELATION POL SAMWU	20,000	
	EVENTS: LAUNCH OF PROJECTS/PROG	7,182	
	ISRDP - ANCHOR PROJECT YOUTH B & B ALI WAL	290,000	
	ISRDP - AGR, TOUR & LED MENTORING TRAIN PROG	2,800	
	ISRDP SHEARING SHEDS	36,175	
	ISRDP - AGR, TOUR & LED DUPPORT SRAD FARMERS	177,984	
	ISRDP - AGR, TOUR & LED TOURISM & MARK PLAN LMS	58,000	
	ISRDP - AGR, TOUR & LED TRANS & DEV TOUR INDUSTR	8,822	
	ISRDP - AGR, TOUR & LED MALOTI TRANSFRONTIER PRO	15,620	
	ROBERTSON STREET RESEALING	52,587	
	DEAT: COMMUNITY ELUNDINI	82,589	
	MUNICIPAL PERFORMANCE MANAGEMENT SYSTEM	256,733	
	TAXI RANK ALI WAL NORTH FASE 3	22,775	
	ORANJE FONTEIN HOUSING PROJECT	976,407	
	VENTERSTAD SPORT FACILITIES	813,090	
	BUCKET ERADICATION	597,315	
	TRAINING OF COUNCILLORS	275,457	
	PROJECTS: SPU	5,237	
	INFORMATION TECHNOLOGY ELECTR COMM. COM&DAILUPS	15,844	
	WORKING FOR WATER/WET BARKLY CRACK WILLOW	69,282	
	WORKING FOR WATER/WET ENGOBO	7,425	
	WORKING FOR WATER/WET MOOIRIVER	66,159	
	WORKING FOR WATER/WET POTRIVER	168,703	
	WORKING FOR WATER/WET TSOMO	151,905	
	WORKING FOR WATER/WET UMNGA	120,383	
	WORKING FOR WATER/WET XUKA DRIFT	192,377	
	WORKING FOR WATER/WET GATBERG	228,119	
	WORKING FOR WATER/WET WILDEBEES	24,684	
	WORKING FOR WATER 06/07 BARKLY EAST	966,335	
	WORKING FOR WATER 06/07 MOOIRIVER	549,146	
	WORKING FOR WATER 06/07 POTRIVER 1	1,046,348	
	WORKING FOR WATER 06/07 UMNGA FLATS 1	1,536,422	
	WORKING FOR WATER 06/07 TSOMO	1,988,445	
	WORKING FOR WATER 06/07 ENGOBO	352,598	
	WORKING FOR WATER 06/07 XUKA DRIFT 2	1,415,230	
	WORKING FOR WATER 06/07 GATBERG	1,862,014	
	WORKING FOR WATER 06/07 WILDEBEES	535,556	
	DISASTER MANAGEMENT RELIEF	7,315	
	DISASTER MANAGEMENT PLANS	345,140	
	DISASTER MANAGEMENT FORUMS	10,340	
	DISASTER MANAGEMENT FIRE SERVICES	68,495	
	DISASTER MANAGEMENT COMMUNITY AWARENESS PROG	130,122	
	DISASTER MANAGEMENT TRAINING OF VOLUNTEERS	162,409	
	DISTR LIASON COMMITTEE	6,000	
	ISRDP - ANCHOR PROJECT LIFESTOCK IMPROVEMENT	833,333	
	WOMEN PROGRAMMES: 16 DAYS OF ACTIVISM	2,400	
	DISABLED PROGRAMME: DISABLED PEOPLES MONTH	12,500	
	DISASTER FORUM	108,650	
	TRADITIONAL LEADERS	4,000	
	IDP DOCUMENT	5,963	
	HERITAGE DAY	10,000	
	SUPPORT UKH EMERG FARMER	8,650	
	GOAT FARMING	446,316	
	MADIBA CORRIDOR	50,000	
	TSITSA RIVER BASIN	1,046,426	
	WITTEBERGEN MISSION	21,557	
	SUPPORT ARTS & CRAFT DEV	12,900	
	LAKE GARIEP	1,962	
	MANAGEMENT SYSTEM	117,400	
	MSIG ENVIRO HEALTH ASSES	(133,901)	
	TRANSPORT INFRASTRUCTURE	644,538	
	LED FMS DM STRATEGIES	187,500	
	PROJECTS: AIDS UNIT	865,565	
	GIS DATABASE DEVELOPMENT	200,000	
	COMPUTER SOFTWARE	47,883	
	LEASE LINE	52,909	

No.	Description	2007 R	2006 R
	XUKA 1	476,711	
	UMNGA FLATS 2	734,061	
	POTRIVER 2	550,911	
	ESTABLISHMENT OF CENTRES	88,099	
	RECONSTRUCTION OF HOUSES	52,771	
	FACILITIES ELUNDINI	18,908	
	TECHNICAL SUPPORT	753,192	
	LIBRARIES	250,000	
	CENTRE	395,102	
	REHAB WEIR ON ORANJE RIV	210,115	
	AUGMENT BULK WATER SUPPL	39,371	
	RURAL WATER SUPPLY	17,058,965	
	REHAB & CONTR CLINICS	853,960	
	SANITATION INFORMAT CENT	670	
	SANITATION TO 378 ERVEN	1,419,018	
	SANITATION DISPOSAL WORK	3,847,212	
	MASAKHANE BUCKET ERADICA	361,249	
	WATER SUPPLY SCHEME	3,748,974	
	BUCKET ERADICATION	814,710	
	NOZIZWE BUCKET ERADICTIO	282,735	
	WASTE WATER TREATMENT W	4,534,858	
	SANITATION	2,477,831	
	TO AREA 13	983,738	
	ORANGE FISH RIVER TUNNEL	10,932,152	
	UPGRADING WATER & SANIT	10,442,024	
	WATER SUPPLY PHASE 2	18,510	
	SANITATION	21,157	
	SANITATION	26,449	
	SANITATION WARD 11	18,421	
	SANITATION WARD 12	247,099	
	SANITATION WARD 8	15,450	
	SANITATION WARD 10	90,454	
	WATER PHASE 2	21,895	
	WATER (EC 422)	8,911,070	
	SANITATION	61,800	
	UPGRAD WATER & SEWER STR	408,690	
	MIG - DISASTER MANAGEMEN PROJETS	2,238,885	
	MIG - MT FLETCHER RURAL WATER SUPPLY	452,420	
	MIG - HERSCHEL SANITATION 700	78,047	
	MASAKHANE BUCKET ERADICA	121,621	
	MIG - MACLEAR OUTFALL SEWER & TREAT WO	245,000	
	MIG - UGIE UPGRADING SANITATION INF	1,459,348	
	MIG - ELUNDINI ACCESS ROADS	38,862	
	MIG - STEYNSBURG ORANGE FISH TUN PUMPING	370,875	
	MIG - PROJECT VATABLE AMOUNT	3,824,574	
	ILIMA PROJECTS	47,745	
	EDUCATIONAL LIT & BOOKS	629	
	DWAF - ELUNDINI LM WATER SHORTAGE	139,781	
	<b>Total Grants and Subsidies</b>	<b>109,482,717</b>	<b>175,433,532</b>

No.	Description	2007 R	2006 R
<b>23 GENERAL EXPENSES</b>			
	Admin Fees		431,020
	Advertising Fees		296,861
	Assesment Water Service Authority		897,942
	Audit Fees		188,697
	Bank Charges		922,795
	Chemicals		34,549
	Cleaning Material		3,499
	Clinic Equipment		0
	Commission Collection		0
	Computer Software Development		10,617
	Computer Software Licenses		21,180
	Computer Costs		0
	Computer Software		526,094
	Consumer Accounts		34,179
	Departmental Catering Meetings		93,189
	District Municipality Levies		63,600
	Dwar Water Purchases		2,013
	Entertainment Ass. Manager Fin. Serv.		379
	Entertainment Chief Accountant: Exp.		1,696
	Entertainment Chief Accountant: Income		781
	Entertainment Chief Internal Auditor		581
	Entertainment Chief Professional Nurse		15,690
	Entertainment: Executive Mayor		0
	Entertainment: Ass Dire Ctor Roads		4,480
	Entertainment: Ass Dire Ctor Services		117,789
	Entertainment: Councill Ors		5,294
	Entertainment: Section Heads		3,457
	Entertainment: Chief Per Sonal Officer		425,331
	Fuel & Oil Equipment		143,039
	General Expenses		11,679
	Gifts		2,014,352
	Indignant Support		36,607
	Information Tegnology Av Software Sophas		10,345
	Information Tegnology Electr Comm: Com&dailups		11,715
	Information Tegnology Electr. Comm: Lease Line		40,596
	Information Tegnology Intranet & Group Comm		200,065
	Insurance: Short Term		155,362
	Laboratory Analysis		16,123
	Legal Fees		52,812
	License Fees		21,215
	Marketing		4,747
	Membership Fees		243,225
	Membership Fees Salga		264,317
	Operating Costs: Attic		6,665
	P/s: Computer Paper		0
	P/s: Computer Ribbons		34,030
	Patient Documentation		2,200
	Pauper Burials		228,020
	Postage		788,095
	Printing & Stationary		15,471
	Professional Services		0
	Publishing & Events		11,733
	Radlo Licenses		5,595
	Refuse Removal		1,500
	Removal Furniture: Staff Appointments		22,200
	Rental Accommodation		35,084
	Rental Offices		46,852
	Rental Plant Department Of Water		0
	Rental: Borehole		426,219
	Rental: Offices		69,627
	Rental: Plant Hire		4,849
	S & T Arv Projects		1,030,438
	S & T: Councillors		2,783,653
	S & T: Personal		7,762
	S/t: Audit Committee		5,000
	Sanitary Containers		723,800
	Security		0
	Service Provider Internal Audit		6,793
	Sewerage		650,161
	Stores & Material		1,859,448
	Telephone		4,212
	Tools & Assesories		

No.	Description	2007 R	2006 R
	Training		11,196
	Training Students		266,216
	Training: Registration Fees		29,003
	Training: Isrds		0
	Training: Training Board		227,391
	Transport Costs		2,596
	Vermis Control		0
	Water Purification		255,444
	Water Research Fee		115,500
	Administration Costs		707,057
	LM Water/sanitation		
	Inventory Items		2,668,519
	ADMINISTRATION COST	788,392	
	ADVERTISING FEES	479,154	
	ASSESSMENT WATER SERVICES AUTHORITY	140,351	
	AUDIT FEES	792,374	
	BANK CHARGES	202,602	
	CHEMICALS	968,935	
	CLEANING MATERIALS	156,610	
	COMMISSION COLLECTION	13,422	
	COMPUTER COST	16,740	
	CONSUMER ACCOUNT	386,964	
	CONSUMER ACCOUNT ELECTRICITY	2,265,271	
	CONSUMER ACCOUNT WATER	96,687	
	CONSUMER ACCOUNT REFUSE	5,874	
	CONSUMER ACCOUNT SEWERAGE	4,814	
	CLINIC EQUIPMENT	4,949	
	DOCUMENT MANAGEMENT SYST. ELUNDINI&MALETSWAI	112,172	
	EMPLOYER ASSISTANCE PROGRAMME	1,347	
	ENTERTAINMENT: DEPT CATERING & MEETINGS	31,530	
	ENTERTAINMENT: MAYOR	17,337	
	ENTERTAINMENT: COUNCILLORS	92,903	
	ENTERTAINMENT: ASS. MAN FINICAL SERVICE	30,177	
	ENTERTAINMENT: CHIEF ACC.: BUDGET&TREAS	1,683	
	ENTERTAINMENT: CHIEF ACCOUNT: INCOME	2,096	
	ENTERTAINMENT: CHIEF INTERNAL AUDITOR	161	
	ENTERTAINMENT: CHIEF PERSONAL OFFICER	4,173	
	ENTERTAINMENT: CHIEF PROFESSIONAL NURSE	1,029	
	ENTERTAINMENT: SECTION HEADS	1,529	
	FLEET MANAGEMENT SYSTEM	10,216	
	FUEL & OIL VEHICLES	152,011	
	FUEL & OIL EQUIPMENT	469,589	
	GIFTS	6,723	
	INSURANCE: SHORT TERM	601,732	
	INSURANCE: WORKMEN'S COMPENSATION	654,097	
	INTERNAL CHARGES	7,095,952	
	LABORATORY ANALYSIS	385,683	
	LEARNERSHIP : TECHNICAL STUDENTS	404,558	
	LEGAL COSTS	26,158	
	LICENCE FEES VEHICLES	4,612	
	LICENCE FEES RADIO'S	13,329	
	MEMBERSHIP FEES	1,818	
	SALGA	274,433	
	OPERATING COST : ATICC	99,403	
	PATIENT DOCUMENTATION	67,650	
	PAUPER BURIALS	3,680	
	POSTAGE	175,678	
	PROFESSIONAL SERVICES	19,308	
	PROVINCIAL STAFF PRINTING & STATIONERY	765,453	
	PRINTING & STATIONERY COMPUTER PAPER	4,423	
	PRINTING & STATIONERY COMPUTER RIBBONS	5,190	
	PHOTOSTAT PAPER PUBLISHING & EVENTS	30,000	
	RENTAL : ACCOMMODATION	17,300	
	RENTAL : OFFICES	465,646	
	RENTAL : PLANT HIRE	11,936	
	RENTAL : EQUIPMENT	49,195	
	RENTAL : OXYGEN	17,825	
	SANITARY CONTAINERS	5,250	
	SECURITY	674,091	
	SKILLS DEVELOPMENT LEVY	207,752	
	SKILLS DEVELOPMENT LEVY : MANAGER	6,551	

No.	Description	2007 R	2006 R
	STORES & MATERIAL	523,179	
	SUBSISTENCE & TRAVEL AUDIT COMMITTEE	22,423	
	SUBSISTENCE & TRAVEL COUNCILLORS	795,661	
	SUBSISTENCE & TRAVEL PERSONNEL	2,074,903	
	SUNDRY EXPENSES	220,630	
	SURVEY	12,770	
	ATTIC EXPENSES	74,129	
	TRANSPORT COST	7,600	
	TELEPHONE	1,454,210	
	TOOLS & ACCESSORIES	1,109	
	TRAINING	10,160	
	TRAINING : BOARD	135,921	
	TRAINING : REGISTRATION	(327,677)	
	UNIFORMS & PROTECTIVE CLOTHING	143,058	
	WATER : PURIFICATION	243,669	
	WATER : RESEARCH FEE	121,275	
	WOMAN CAUCUS ACTIVITIES	1,488	
	ADJUSTMENTS PRIOR YEAR	10,744,917	
		<b>35,605,943</b>	<b>20,380,242</b>

#### 24 CHANGE IN ACCOUNTING POLICY - IMPLEMENTATION OF GRAP 3

The following adjustments were made to amounts previously reported in the annual financial statements of the Municipality arising from the implementation of GRAP: -

##### 24.1 Statutory Funds

Balance previously reported: -

Capital Development Fund

Total

0

Implementation of GRAP in terms of GRAP 3

Transferred to Accumulated Surplus/(Deficit) (see 24.5 below)

Total

0

##### 24.2 Loans Redeemed and Other Capital Receipts

Balance previously reported

Implementation of GRAP in terms of GRAP 3

Redemption and depreciation periods differ

Outstanding Internal Loans Transfer to Capitalisation Reserve

Transferred to Government Grant Reserve

Transferred to Accumulated Surplus/(Deficit) (see 24.5 below)

Total

0

##### 24.3 Property, plant and equipment

Balance previously reported

Implementation of GRAP

Assets previously recorded not on Asset Register

Total

0

0

##### 24.4 Accumulated Depreciation

Balance previously reported

Implementation of GRAP

Backlog depreciation: Land and buildings

Backlog depreciation: Infrastructure

Backlog depreciation: Community

Backlog depreciation: Heritage

Backlog depreciation: Other

Backlog depreciation: Housing Development Fund

Total (debited to Accumulated Surplus/(Deficit)) (see 24.5 below)

0

##### 24.5 Accumulated Surplus/(Deficit)

Implementation of GRAP in terms of GRAP 3

Transferred from statutory funds (see 24.1 above)

Transferred from Loans Redeemed and Other Capital Receipts (see 24.2 above)

Fair value of Property, Plant and Equipment previously not recorded (see 24.3 above)

Backlog depreciation (see 24.4 above)

Total

0

No.	Description	2007 R	2006 R
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## 25 CORRECTION OF ERROR

During the 2 financial years, the Accumulated Surplus was restated due to significant prior year adjustments for the years.

Non cash entries in prior year adjustments

12,462,615  
(6,111,400)

19,642,010

Net effect on surplus/(deficit) for the year

6,351,215

19,642,010

For more information refer to Statement of Changes in Net Assets. Water & Sanitation Assets previously under control of the Local Municipalities are taken into the financial records of Council. Outstanding Invoices to Bloem Water is taken into account (R 5 586 462)

## 26 CASH GENERATED BY OPERATIONS

Net surplus for the year	(10,466,448)	(35,575,106)
Adjustment for:-		0
Prior Year Adjustments - Note 25	6,351,215	19,642,010
Depreciation	4,053,051	1,598,049
Gain on disposal of property, plant and equipment		
Contribution to bad debt provision		(29,388,885)
Bad debt written off	393,280	
Investment income	(1,783,951)	(3,335,836)
Interest paid	1,704,351	1,322,230
<b>Operating surplus before working capital changes:</b>	<b>251,498</b>	<b>(45,737,539)</b>
(Increase) in inventories	(37,949)	(52,207)
(Increase)/decrease in debtors	(7,214,104)	166,305,295
(Increase)/decrease in other debtors		
(Decrease)/increase in conditional grants and receipts payable	(11,850,726)	(118,484,269)
(Decrease)/increase in conditional grants and receipts receivable	(952,941)	50,433,858
(Decrease)/increase in creditors	31,053,259	(46,858,673)
Increase in VAT receivable	(3,463,065)	(7,833,135)
Decrease in VAT payable	0	(28,300)
<b>Cash generated by/(utilised in) operations</b>	<b>7,785,972</b>	<b>(2,254,971)</b>

## 27 UTILISATION OF LONG-TERM LIABILITIES RECONCILIATION

Long-term liabilities (see Note 2)	9,547,202	8,718,562
Used to finance property, plant and equipment – at cost	9,547,202	0
Sub- total	0	8,718,562
Cash set aside for the repayment of long-term liabilities (see note 2)	0	0
<b>Cash invested for repayment of long-term liabilities</b>	<b>0</b>	<b>8,718,562</b>

Long-term liabilities have been utilized in accordance with the Municipal Finance Management Act. The Annuity Loans carry interest of 8.83% and 11.53 % and will be repaid by 2024

## 28 UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED

### Unauthorised expenditure

Reconciliation of unauthorised expenditure		
Opening balance		0
Unauthorised expenditure current year	0	2,986,673
Approved by Council or condoned	0	0
Transfer to receivables for recovery	0	0
Unauthorised expenditure awaiting authorisation	0	2,986,673

Incident	Disciplinary steps/criminal proceedings
Unspent grants used for other purposes.- See Note 5	

### Fruitless and wasteful expenditure

Reconciliation of fruitless and wasteful expenditure		
Opening balance	0	0
Fruitless and wasteful expenditure current year	0	0
Condoned or written off by Council	0	0
To be recovered – contingent asset	0	0
Fruitless and wasteful expenditure awaiting condonement	0	0



No.	Description	2007 R	2006 R
	<b>Incident</b>	<b>Disciplinary steps/criminal proceedings</b>	

**Irregular expenditure**

Reconciliation of irregular expenditure

Opening balance	0	0
Fruitless and wasteful expenditure current year	0	0
Condoned or written off by Council	0	0
Transfer to receivables for recovery – not condoned	0	0
Irregular expenditure awaiting condonement	<u>0</u>	<u>0</u>

<b>Incident</b>	<b>Disciplinary steps/criminal proceedings</b>

**29 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT**

**29.1 Contributions to organized local government**

Opening balance	0	0
Council subscriptions	274,433	0
Amount paid - current year	(274,433)	0
Amount paid - previous years	0	0
<b>Balance unpaid (Included in creditors)</b>	<u>0</u>	<u>0</u>

**29 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT (continued)**

**29.2 Audit fees**

Opening balance	0	0
Current year audit fee	792,374	897,942
Amount paid - current year	(792,374)	(897,942)
Adjustments	0	0
<b>Balance unpaid (Included in creditors)</b>	<u>0</u>	<u>0</u>

**29.3 VAT**

VAT inputs receivables and VAT outputs receivables are shown in note 8. All VAT returns have been submitted by the due date throughout the year.

**29.4 PAYE and UIF**

Opening balance	0	0
Current year payroll deductions	0	0
Amount paid - current year	0	0
Amount paid - previous years	0	0
<b>Balance unpaid (Included in creditors)</b>	<u>0</u>	<u>0</u>

The balance represents PAYE and UIF deducted from the June 2007 payroll. These amounts were paid during July 2007.

**29.5 Pension and Medical Aid Deductions**

Opening balance	0	0
Current year payroll deductions and Council Contributions	0	0
Amount paid - current year	0	0
Amount paid - previous years	0	0
<b>Balance unpaid (Included in creditors)</b>	<u>0</u>	<u>0</u>

The balance represents pension and medical aid contributions deducted from employees in the June 2007 payroll as well as Council's contributions to pension and medical aid funds. These amounts were paid during July 2007.

No.	Description	2007 R	2006 R
-----	-------------	-----------	-----------

**29 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT (continued)**

**29.6 Councillor's arrear consumer accounts**

Councillors do not receive any services from the municipality.

**29.7 Non-Compliance with Chapter 11 of the Municipal Finance Management Act**

None

**30 CAPITAL COMMITMENTS**

Commitments in respect of capital expenditure:

- Approved and contracted for

Infrastructure

Other

Investment Properties

	0	0
0	0	0
0	0	0
0	0	0

- Approved but not yet contracted for

Infrastructure

Other

Investment Properties

	0	0
0	0	0
0	0	0
0	0	0

**Total**

0	0
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This expenditure will be financed from:

- External Loans

- Capital Replacement Reserve

- Government Grants

- Own resources

- District Council Grants

	0	0
	0	0
	0	0
	0	0
	0	0
0	0	

**31 RETIREMENT BENEFIT INFORMATION**

All Councillors and employees belong to 3 defined benefit retirement funds administered by the Provincial Pension Fund. These funds are subject to a triennial actuarial valuation. The last valuation was performed in 2003. These valuations indicate that the funds are in a sound financial position. The estimated liability of the funds is R200,7 million which is adequately financed by assets of R255,4 million.

**32 CONTINGENT LIABILITY**

Liabilities from the B-municipalities resulting from the transfer of the water- and sewerage functions must be included once the unbundling exercise is complete. The extent is still unknown.

0	0
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**33 CONTINGENT ASSET**

Assets from the B-municipalities resulting from the transfer of the water- and sewerage functions must be included once the unbundling exercise is complete. The extent is still unknown.

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No.	Description	2007 R	2006 R
-----	-------------	-----------	-----------

**34 IN-KIND DONATIONS AND ASSISTANCE**

The Municipality received no in-kind donations and assistance

**35 35.1 Financial Risk Management**

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

**(a) Foreign exchange currency risk**

*The municipality does not engage in foreign currency transactions.*

**(b) Interest rate Risk**

The Municipality is mainly exposed to interest rate risk due to the movements in long-term and short term interest rates. This risk is managed on an ongoing basis.

**(c) Credit Risk**

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

Credit risk arises mainly from cash and cash equivalents, instruments and deposits with banks and financial institutions, as well as credit exposures to consumer and grant debtors.

For banks and financial institutions, only independently rated parties with a minimum rating of 'B+' are accepted. Grants are receivable from higher order levels of government. In the case of consumer debtors the municipality effectively has the right to terminate services to customers but in practice this is difficult to apply. This increases the credit risk in respect of consumer debtors. The risk of non-payment is managed on an ongoing basis and where practical, services are terminated and procedures applied to recover outstanding amounts owing and an appropriate level of impairment provision for default is maintained.

**(d) Liquidity Risk**

Liquidity risk is the risk that the municipality will encounter difficulty in raising funds to meet commitments associated with financial liabilities.

Prudent liquidity risk management includes maintaining sufficient cash and marketable securities, the availability of funding from an adequate amount of committed credit facilities and the ability to close out market positions.

The financial liabilities of the municipality are backed by appropriate assets and it has adequate liquid resources. The Council monitors the cash projections and by ensuring that borrowing facilities are available to meet its cash requirements.

**35 EVENTS AFTER THE REPORTING DATE**

The Regional Services Council levies were discontinued by legislation and replaced by an additional Equitable Share allocation from the National Government. The allocation varies on an annual basis but a 3 year projection is annually included in the Division of Revenue Act.

7.2. PROPERTY, PLANT AND EQUIPMENT

30 JUNE 2007							
Reconciliation of Carrying Value	Land and Buildings	Infra-structure	Community	Heritage	Other	Housing Develop. Fund	Total
	R	R	R	R	R	R	R
Carrying values at 01 July 2006	10,576,775	26,408,773	0	0	5,418,199	0	42,404,747
Cost	11,311,183	40,408,758	0	0	8,596,378	0	60,316,319
Correction of error	0	0	0	0	0	0	0
Revaluation	0	0	0	0	0	0	0
Accumulated depreciation	(734,398)	(13,998,985)	0	0	(3,178,179)	0	(17,911,562)
- Cost	(734,398)	(13,998,985)	0	0	(3,178,179)	0	(17,911,562)
- Revaluation	0	0	0	0	0	0	0
Acquisitions	0	19,547,429	0	0	139,746	0	19,687,175
Capital under Construction	0	0	0	0	0	0	0
Increase/decrease in revaluation	0	0	0	0	0	0	0
Depreciation	(329,122)	(2,250,441)	0	0	(1,473,488)	0	(4,053,051)
- based on cost	(329,122)	(2,250,441)	0	0	(1,473,488)	0	(4,053,051)
- based on revaluation	0	0	0	0	0	0	0
Carrying value of disposals	0	0	0	0	0	0	0
Cost/revaluation	0	0	0	0	0	0	0
Accumulated depreciation	0	0	0	0	0	0	0
Impairment losses	0	0	0	0	0	0	0
Correction of error	0	0	0	0	0	0	0
	10,247,653	43,708,761	0	0	4,084,458	0	58,038,872
Carrying values at 30 JUNE 2007	10,247,653	43,708,761	0	0	4,084,458	0	58,038,872
Cost	11,311,183	40,408,758	0	0	8,736,199	0	60,456,340
Revaluation	0	0	0	0	0	0	0
Accumulated depreciation	(1,063,510)	(16,249,428)	0	0	(4,651,741)	0	(21,964,679)
- Cost	(1,063,510)	(16,249,428)	0	0	(4,651,741)	0	(21,964,679)
- Revaluation	0	0	0	0	0	0	0

10. PROPERTY, PLANT AND EQUIPMENT (continued)

30 JUNE 2006							
Reconciliation of Carrying Value	Land and Buildings	Infra-structure	Community	Heritage	Other	Housing Develop. Fund	Total
	R	R	R	R	R	R	R
Carrying values at 01 July 2005	4,215,000	0	0	0	3,941,157	0	9,457,157
Cost	4,300,000	0	0	0	7,802,837	0	12,102,837
Revaluation	0	0	0	0	0	0	0
Correction of Error	0	0	0	0	0	0	0
Accumulated depreciation	(885,000)	0	0	0	(3,861,680)	0	(4,746,680)
- Cost	(885,000)	0	0	0	(3,861,680)	0	(4,746,680)
- Revaluation	0	0	0	0	0	0	0
Acquisitions	0	0	0	0	0	0	0
Capital under construction	0	0	0	0	0	0	0
Increase/decrease in revaluation	0	0	0	0	0	0	0
Depreciation	(449,388)	(13,998,985)	0	0	483,591	0	(13,964,782)
- based on cost	(449,388)	(13,998,985)	0	0	483,591	0	(13,964,782)
- based on revaluation	0	0	0	0	0	0	0
Carrying value of disposals	0	0	0	0	0	0	0
Cost/revaluation	0	0	0	0	0	0	0
Accumulated depreciation	0	0	0	0	0	0	0
Impairment losses	0	0	0	0	0	0	0
Correction of error	6,811,163	40,408,758	0	0	993,451	0	48,213,372
	10,576,775	26,408,773	0	0	5,418,199	0	42,404,747
Carrying values at 30 JUNE 2006	10,576,775	26,408,773	0	0	5,418,199	0	42,404,747
Cost	11,311,183	40,408,758	0	0	8,596,378	0	60,316,319
Revaluation	0	0	0	0	0	0	0
Accumulated depreciation	(734,398)	(13,998,985)	0	0	(3,178,179)	0	(17,911,562)
- Cost	(734,398)	(13,998,985)	0	0	(3,178,179)	0	(17,911,562)
- Revaluation	0	0	0	0	0	0	0

Refer to Appendix B for more detail on property, plant and equipment, including those in the course of construction.

The Municipality has taken advantage of the transitional provisions set out in GAMAP 17. The Municipality is in the process of itemizing all assets to be included in a new asset register, including infrastructure and community assets and will recalculate accumulated depreciation once this exercise has been completed by 30 June 2008. At present depreciation on these assets is calculated on an averaging basis whereby an average useful life has been estimated for each category of infrastructure and community assets, using global historical costs recorded in the accounting. Furthermore, the municipality has not assessed whether items of property, plant and equipment are impaired. It is expected to be done by 30 June 2008.

Assets for the transfer of functions from the B-municipalities will also be included in the new asset register once the unbundling exercise is completed.

APPENDIX A  
UKHAILAMBA DISTRICT MUNICIPALITY  
SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2007

EXTERNAL LOANS	Loan Number	Redeemable	Balance at 30-06-06	Received during the period	Redeemed written off during the period	Balance at 30-06-07	Carrying Value of Property, Plant & Equip	Other Costs in accordance with the MFMA
			R	R	R	R	R	R
<b>LONG-TERM LOANS</b>								
DBSA Loan - Building (R7,4 mil) - 11,53% - 20 years	100878/1	2024	7,341,016		125,578	7,215,438	6,693,029	
DBSA Loan - Sanitation (R1,5 mil) - 8,83% - 2 years	101914/1	2006	1,377,456			1,377,456	1,377,546	
DBSA Loan - Water (R1,4 mil) -	9980/102	2016		954,308		954,308		
<b>Total long-term loans</b>			<b>8,718,472</b>	<b>954,308</b>	<b>125,578</b>	<b>9,547,202</b>	<b>8,070,575</b>	<b>0</b>
<b>OTHER ANNUITY LOANS</b>								
<b>Total Other Annuity Loans</b>			<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL EXTERNAL LOANS</b>			<b>8,718,472</b>	<b>954,308</b>	<b>125,578</b>	<b>9,547,202</b>	<b>8,070,575</b>	<b>0</b>

The Loan for Water R1.4 mil was taken over from Moleetswai Municipality in Aug 2005.  
This Loan was not reflected in previous financial statements.  
The balance as at 30 June 2007 is R954 308.

APPENDIX B  
UKHahlAMSA DISTRICT MUNICIPALITY  
ANALYSIS OF PROPERTY PLANT AND EQUIPMENT AS AT 30 JUNE 2007

	Cost							Accumulated Depreciation					Carrying Value	Budget Additions 2007	
	Opening Balance	Residual Value Opening Balance	Additions	Residual Value Additions	Under Construction	Depreciate	Residual Value Depreciate	Opening Balance	Additions	Depreciate Revenue	Depreciate Grants	Closing Balance			
<b>Land and Buildings</b>															
Land	871,948	45,892	0	0	0	0	0	917,840	0	0	0	0	917,840	917,840	
Buildings	9,873,557	519,856	0	0	0	0	10,393,413	734,388	329,122	0	0	1,063,510	9,330,813	9,330,813	0
	<b>10,745,495</b>	<b>565,748</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>11,311,253</b>	<b>734,388</b>	<b>329,122</b>	<b>0</b>	<b>0</b>	<b>1,063,510</b>	<b>10,247,693</b>	<b>10,247,693</b>	<b>0</b>
<b>Infrastructure</b>															
Drains	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Roads	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Beach Improvements	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Sewerage Mains & Puff	2,995,533	4,500	2,865,838	6,000	0	0	6,827,642	589,386	196,627	0	0	7,613,655	2,039,939	2,039,939	
Electricity Mains	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Electricity Peak Load Equip	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Water Mains & Purification	27,336,752	365,000	8,044,132	0	0	0	36,745,884	10,940,854	1,570,420	0	0	49,256,158	36,204,610	36,204,610	
Reservoirs - Water	9,703,672	13,000	7,641,486	0	0	0	17,358,158	2,458,736	483,394	0	0	2,092,028	14,495,233	14,495,233	
Water Mains	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	<b>40,038,258</b>	<b>382,399</b>	<b>18,941,428</b>	<b>6,000</b>	<b>0</b>	<b>0</b>	<b>56,803,597</b>	<b>13,988,985</b>	<b>2,258,441</b>	<b>0</b>	<b>0</b>	<b>62,050,023</b>	<b>43,704,781</b>	<b>43,704,781</b>	<b>0</b>
<b>Community Assets</b>															
Parks & Gardens	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Libraries	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Recreation Grounds	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Owl Buildings	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Heritage Assets</b>															
Historical Buildings	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Painting & Art Galleries	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total carried forward</b>	<b>50,771,803</b>	<b>948,050</b>	<b>18,941,428</b>	<b>6,000</b>	<b>0</b>	<b>0</b>	<b>71,267,388</b>	<b>14,733,373</b>	<b>2,878,662</b>	<b>0</b>	<b>0</b>	<b>67,394,716</b>	<b>43,704,781</b>	<b>43,704,781</b>	<b>0</b>

\* Includes correction of error referred to in Para 32.

APPENDIX B  
ANALYSIS OF PROPERTY PLANT AND EQUIPMENT AS AT 30 JUNE 2007

	Cost							Accumulated Depreciation					Carrying Value	Budget Additions 2007	
	Opening Balance	Residual Value Opening Balance	Additions	Residual Value Additions	Under Construction	Depreciate	Residual Value Depreciate	Opening Balance	Additions	Depreciate Revenue	Depreciate Grants	Closing Balance			
<b>Total brought forward</b>	<b>50,771,803</b>	<b>948,050</b>	<b>18,941,428</b>	<b>6,000</b>	<b>0</b>	<b>0</b>	<b>71,267,388</b>	<b>14,733,373</b>	<b>2,878,662</b>	<b>0</b>	<b>0</b>	<b>67,394,716</b>	<b>43,704,781</b>	<b>43,704,781</b>	<b>0</b>
<b>Housing</b>															
Housing Market Stock	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Housing Rentals	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Housing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Leased Assets (Infrastructure)</b>															
Sewerage Mains & Purify	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Other Assets</b>															
Office Equipment	448,508	23,856	0	0	0	0	424,652	275,229	74,340	0	0	700,000	222,958	222,958	
Printing & Heflags	2,164,513	113,827	534,276	2,812	0	0	2,304,778	851,104	312,930	0	0	3,158,812	1,170,743	1,170,743	2,038,000
Signs & Containers	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Emergency Equipment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Motor Vehicles	1,502,467	78,077	0	0	0	0	1,580,544	618,051	300,403	0	0	2,198,995	851,890	851,890	
Fire Engines	1,654,848	87,103	0	0	0	0	1,742,000	27,610	390,880	0	0	2,160,490	1,368,881	1,368,881	
Refuse Trucks	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Computer Equipment	1,575,174	82,504	78,333	4,175	0	0	1,736,187	1,021,230	293,236	0	0	2,750,653	887,139	887,139	
Special Vehicles	26,700	1,300	0	0	0	0	28,000	7,417	2,470	0	0	37,887	16,115	16,115	
Tools and Equipment	795,148	41,850	0	0	0	0	837,000	375,618	158,090	0	0	1,270,708	322,590	322,590	
Councils/ Hoops	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Conservancy Tankers	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Watercraft	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	<b>8,944,808</b>	<b>428,810</b>	<b>622,728</b>	<b>6,987</b>	<b>0</b>	<b>0</b>	<b>10,328,532</b>	<b>3,178,170</b>	<b>1,473,468</b>	<b>0</b>	<b>0</b>	<b>14,980,200</b>	<b>4,526,428</b>	<b>4,526,428</b>	<b>2,038,000</b>
<b>Total</b>	<b>59,828,422</b>	<b>1,377,877</b>	<b>19,563,156</b>	<b>12,987</b>	<b>0</b>	<b>0</b>	<b>81,595,920</b>	<b>17,911,543</b>	<b>4,352,130</b>	<b>0</b>	<b>0</b>	<b>96,459,516</b>	<b>48,231,209</b>	<b>48,231,209</b>	<b>2,038,000</b>

APPENDIX C  
 UKHahlamba DISTRICT MUNICIPALITY  
 SEGMENTAL ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT  
 30 JUNE 2007

	Cost							Accumulated Depreciation				Carrying Value	
	Opening Balance	Residual Value Opening Balance	Additions	Residual Value Additions	Under Construction	Disposals	Residual Value Disposals	Closing Balance	Opening Balance	Additions	Disposals		Closing Balance
Executive & Council	848,781	44,673	29,156	1,535	0	0	0	924,144	364,754	157,066	0	521,830	402,314
Treasury & Admin	12,204,049	642,318	96,787	5,094	0	0	0	12,948,249	1,335,830	549,485	0	2,085,315	10,862,933
Planning & Development	434,198	22,863	2,685	141	0	0	0	436,875	168,196	105,308	0	273,504	185,372
Health	1,630,882	85,315	0	0	0	0	0	1,726,296	824,470	272,466	0	1,106,905	819,391
Community & Social Services	1,717,504	90,400	4,132	217	0	0	0	1,812,353	12,579	343,852	0	365,441	1,455,912
Housing	0	0	0	0	0	0	0	0	0	0	0	0	0
Public Safety	0	0	0	0	0	0	0	0	0	0	0	0	0
Sport & Recreation	0	0	0	0	0	0	0	0	0	0	0	0	0
Environmental Protection	0	0	0	0	0	0	0	0	0	0	0	0	0
Waste Management	0	0	0	0	0	0	0	0	0	0	0	0	0
Waste Water Management	5,023,185	113,318	2,855,806	6,000	0	0	0	7,998,311	1,596,175	571,020	0	2,167,204	5,831,107
Road Transport	0	0	0	0	0	0	0	0	0	0	0	0	0
Water	37,070,624	378,000	16,685,621	0	0	0	0	54,134,245	13,390,589	2,053,814	0	15,463,403	38,680,843
Electricity	0	0	0	0	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>88,038,422</b>	<b>1,377,877</b>	<b>19,874,198</b>	<b>12,887</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>88,903,478</b>	<b>17,811,882</b>	<b>4,053,091</b>	<b>0</b>	<b>21,864,802</b>	<b>66,938,672</b>

APPENDIX D  
UKHAHLAMBA DISTRICT MUNICIPALITY  
SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2007

2006 Actual Income R	2006 Actual Expenditure R	2006 Surplus/ (Deficit) R		2007 Actual Income R	2007 Actual Expenditure R	2007 Surplus/ (Deficit) R
0	6,672,572	(6,672,572)	Executive & Council	25,576,916	17,284,645	8,292,271
172,728,930	183,821,241	(11,092,311)	Finance & Admin	16,244,377	16,930,177	(685,800)
1,009,764	1,095,432	(85,668)	Planning & Development	2,299,983	1,961,531	338,452
11,000,925	7,222,016	3,778,909	Health	10,615,511	9,820,702	794,808
802,124	6,082,944	(5,280,821)	Community & Social Services	4,179,101	7,226,351	(3,047,251)
0	0	0	Housing	0	0	0
0	3,230,922	(3,230,922)	Public Safety	0	0	0
0	0	0	Sport & Recreation	0	0	0
738,776	3,241,005	(2,502,229)	Environmental Protection	0	3,999,196	(3,999,196)
12,225,280	14,307,666	(2,082,386)	Waste Management	11,607,375	13,280,552	(1,673,177)
20,405,817	31,439,871	(11,034,055)	Road Transport	21,442,062	32,430,314	(10,988,252)
39,895,221	41,427,913	(1,532,692)	Water	27,904,931	37,088,147	(9,183,216)
0	0	0	Electricity	0	0	0
3,350,244	6,234,352	(2,884,108)	Other	116,504,999	103,422,092	13,082,908
<b>262,157,080</b>	<b>304,775,935</b>	<b>(42,618,854)</b>	<b>Sub Total</b>	<b>236,375,254</b>	<b>243,443,707</b>	<b>(7,068,453)</b>
0	(7,043,748)	7,043,748	Less Inter-Dep Charges	7,466,373	10,864,369	(3,397,996)
<b>262,157,080</b>	<b>297,732,187</b>	<b>(35,575,106)</b>	<b>Total</b>	<b>243,841,627</b>	<b>254,308,076</b>	<b>(10,466,448)</b>
			Add: Share of Associate			



APPENDIX E(1)  
UKHAHLAMBA DISTRICT MUNICIPALITY  
ACTUAL VERSUS BUDGET FOR THE YEAR ENDED 30 JUNE 2007

REVENUE	2007 Actual (R)	2007 Budget (R)	2007 Variance (R)	2007 Variance (%)	Explanation of Significant Variances greater than 10% versus Budget (Explanations to be recorded)
Property rates	0	0	0		
Property rates - penalties imposed and collection charges	0	0	0		
Service charges	12,348,692	10,616,855	1,731,837	16	Collect more revenue than budgeted
Regional Service Levies - turnover	0	0	0		
Regional Service Levies - remuneration	0	0	0		
Rental of facilities and equipment	11,056	8,400	2,656	32	More revenue received than budgeted for
Interest earned - external investments	1,579,698	760,000	819,698	108	Received more interest than budgeted for
Interest earned - outstanding debtors	204,253	230,000	(25,747)	(11)	Less interest received than budgeted for
Dividends received	0	0	0		
Fines	182,174	151,654	30,520	20	More revenue received than budgeted for
Licences and permits	0	0	0		
Income for agency services	0	1,300,000	(1,300,000)	(100)	
Government grants and subsidies	192,578,651	231,708,748	(39,130,097)	(17)	Less subsidy received than budgeted for
Other income	36,937,104	11,892,839	25,044,265	211	More revenue received than budgeted for
Public contributions, donated/contributed PPE	0	0	0		
Change in fair value	0	0	0		
Internal Transfers	0	2,504,136			
<b>Total Revenue</b>	<b>243,841,627</b>	<b>259,172,632</b>	<b>(12,826,869)</b>		
<b>EXPENDITURE</b>					
Executive & Council	18,303,771	7,371,179	10,932,592	148	Less expenditure than budgeted for
Finance & Admin	19,060,528	18,312,468	748,058	4	
Planning & Development	2,181,189	2,716,770	(535,581)	(20)	
Health	10,902,382	11,183,330	(280,948)	(3)	
Community & Social Services	8,572,003	8,762,745	(190,742)	(2)	
Housing	0	0	0		
Public Safety	0	0	0		
Sport & Recreation	0	0	0		
Environmental Protection	4,223,824	3,480,348	743,476	21	
Waste Management	13,280,552	11,221,164	2,059,388	18	Expenditure more than budgeted for
Road Transport	32,435,461	31,860,738	574,723	2	
Water	37,088,147	40,241,281	(3,153,134)	(8)	
Electricity	0	0	0		
Other	108,260,220	119,807,957	(11,547,736)	(10)	
<b>Total Expenditure</b>	<b>254,308,076</b>	<b>254,957,979</b>	<b>(649,904)</b>	<b>(0)</b>	
<b>NET SURPLUS/(DEFICIT) FOR THE YEAR</b>	<b>(10,466,448)</b>	<b>4,214,653</b>	<b>(12,176,965)</b>		

APPENDIX E(1)  
UKHAHLAMBA DISTRICT MUNICIPALITY  
ACTUAL VERSUS BUDGET FOR THE YEAR ENDED 30 JUNE 2006

REVENUE	2006 Actual (R)	2006 Budget (R)	2006 Variance (R)	2006 Variance (%)	Explanation of Significant Variances greater than 10% versus Budget (Explanations to be recorded)
Property rates	0	0	0		
Property rates - penalties imposed and collection charges	0	0	0		
Service charges	12,799,155	10,625,800	2,173,355	20	
Regional Service Levies - turnover	5,979,083	4,500,000	1,479,083	33	
Regional Service Levies - remuneration	531,836	3,500,000	(2,968,164)	(85)	
Rental of facilities and equipment	0	2,400	(2,400)	(100)	
Interest earned - external investments	3,294,442	930,000	2,364,442	254	
Interest earned - outstanding debtors	41,394	0	41,394		
Dividends received	0	0	0		
Fines	154,280	0	154,280		
Licences and permits	0	0	0		
Income for agency services	1,430,465	2,430,465	(1,000,000)	(41)	
Government grants and subsidies	230,160,432	141,047,938	89,112,494	63	
Other income	6,709,906	19,017,662	(12,307,756)	(65)	
Public contributions, donated/contributed PPE	0	0	0		
Gains on disposal of property, plant and equipment	1,056,088	0	1,056,088		
<b>Total Revenue</b>	<b>262,157,080</b>	<b>182,054,265</b>	<b>80,102,815</b>	<b>44</b>	
<b>EXPENDITURE</b>					
Executive & Council	6,672,572	4,450,519	2,222,053	50	
Finance & Admin	183,821,241	49,790,258	134,030,983	269	
Planning & Development	1,095,432	2,253,267	(1,157,835)	(51)	
Health	7,222,016	9,957,785	(2,735,769)	(27)	
Community & Social Services	6,082,944	2,795,829	3,287,115	118	
Housing	0	0	0		
Public Safety	3,230,922	6,918,114	(3,687,192)	(53)	
Sport & Recreation	0	0	0		
Environmental Protection	3,241,005	3,716,918	(475,913)	(13)	
Waste Management	14,307,666	12,477,866	1,829,800	15	
Road Transport	31,439,871	25,203,870	6,236,001	25	
Water	41,427,913	31,531,305	9,896,608	31	
Electricity	0	0	0		
Other	8,234,352	32,819,491	(26,585,139)	(81)	
Inter-departmental charges	(7,043,748)	0	(7,043,748)		
<b>Total Expenditure</b>	<b>297,732,187</b>	<b>181,915,222</b>	<b>115,816,965</b>	<b>64</b>	
<b>NET SURPLUS/(DEFICIT) FOR THE YEAR</b>	<b>(35,575,106)</b>	<b>139,043</b>	<b>(35,714,149)</b>		

APPENDIX E (2)  
UKHAHLAMBA DISTRICT MUNICIPALITY  
ACTUAL VERSUS BUDGET FOR THE YEAR ENDED 30 JUNE 2007

	2007 Actual	2007 Under Construction	2007 Total Additions	2007 Budget	2007 Variance	2007 Variance	Explanation of Significant Variances greater than 6% versus Budget
	R	R	R	R	R	%	(Explanations to be recorded)
Executive & Council	29,156	0	29,156		29,156	0	Budgeted under Finance & Admin
Finance & Admin	96,787	0	96,787	304,000	(207,213)	(1)	Council experience Cash Flow Problem
Planning & Development	2,685	0	2,685	22,000	(19,315)	(1)	Council experience Cash Flow Problem
Health	0	0	0	1,672,000	(1,672,000)	(1)	Council experience Cash Flow Problem
Community & Social Services	4,132	0	4,132	17,000	(12,868)	(1)	Council experience Cash Flow Problem
Housing	0	0	0		0	0	
Public Safety	0	0	0		0	0	
Sport & Recreation	0	0	0		0	0	
Environmental Protection	0	0	0		0	0	
Waste Management	0	0	0		0	0	
Waste Water Management	2,855,808	0					
Road Transport	0	0	0		0	0	
Water	16,685,621	0	16,685,621		16,685,621	0	Asset transfers from Local Municipalities
Electricity	0	0	0		0	0	
Other	0	0	0	20,000	(20,000)	(1)	
<b>Total</b>	<b>19,674,188</b>	<b>0</b>	<b>16,818,380</b>	<b>2,035,000</b>	<b>14,783,380</b>	<b>7</b>	

DISCLOSURES OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 OF 2005 FOR THE YEAR ENDING 30 JUNE 2007

Grant and Subsidies Received

Name of Grants	Name of organ of state or municipal entity	Quarterly Receipts				Quarterly Expenditure				Grants and Subsidies delayed / withheld					Reason for delay/withholding of funds	Did your municipality comply with the grant conditions in terms of grant framework in the latest Division of Revenue Act	Reason for non-compliance	
		Sept	Dec	March	June	Sept	Dec	March	June	March	June	Sept	Dec	March				
DAC Training		0	0	0	0	0	0	0	0									
Disaster Management Plan		0	0	0	0	0	0	0	0									
Working For Water		3,165,553	3,264,598	3,028,028	1,187,066	2,831,481	3,090,212	2,662,569	2,687,871									
GMPP / MRC		6,738,219	7,000,060	37,626,786	22,720,287	10,684,092	17,923,769	21,303,950	26,856,437									
Elanadu Comm Hist And Roads		0	0	0	0	0	0	0	0									
Finance Management Grant		0	500,000	0	0	140,419	454,953	278,535	100,200									
Mifetcha Mass Food Production		0	0	0	0	0	0	0	0									
Gariep Bakery Project		0	0	0	0	0	0	0	0									
Gariep Irrigation Lease		0	0	0	0	0	0	0	0									
Disaster Management Framework		0	0	0	0	0	0	0	0									
Establishment Of Centres		0	0	0	0	0	0	0	0									
Comm Awareness Programme		0	0	0	0	0	0	0	0									
Training Of Volunteers		0	0	0	0	0	0	0	0									
Fire & Emergency Services		0	0	0	0	0	0	0	0									
M1 Planning Grant		17,815	70,984	134,084	64,477	0	0	0	0									
Working for Welfare		952,885	1,780,451	595,153	380,496	0	0	842,323	919,356									
Renovation Of Cde's		0	0	0	0	0	0	0	0									
Disaster Forum		0	0	0	0	0	0	0	0									
Drought Relief Saagu		0	2,989,377	0	802,165	112,722	0	1,382,553	0									
Drought Relief Elandeni		0	0	2,818,424	0	112,722	0	1,382,553	0									
Irrigato Disabled Project		0	0	0	0	0	0	0	0									
Youth Bed & Breakfast		0	0	0	0	0	0	0	0									
Equitable Share		16,860,019	11,895,137	11,856,232	0	0	0	0	0									
Subsidy Environmental Health		713,228	0	801,480	0	0	0	0	0									
Subsidy Health		0	0	683,678	0	0	0	0	0									
Subsidy SCDOH		0	0	3,473,260	1,708,194	0	0	0	0									
<b>Total</b>		<b>18,775,281</b>	<b>15,565,727</b>	<b>44,342,475</b>	<b>24,954,484</b>	<b>13,781,487</b>	<b>21,477,933</b>	<b>27,912,542</b>	<b>30,513,867</b>									

## 5.4 Response to issues raised in the audit Report

No response can be done on issues raised as these issues will be identified and acted upon when the Auditor General's Report is received for the 2006/2007 financial year. Furthermore, the Auditor General indicated in a Special Report that the 2006/2007 Annual Financial Statements have not been audited

## 5.5 Oversight Report from the Audit Committee regarding the Ukhahlamba District Municipality's Annual Report for 2006/7

30 August 2007

### REPORT OF THE AUDIT COMMITTEE

This reports serves to provide Council with a view of the Audit Committee on the financial statements of the Council for the year ended 30 June 2007.

We held a special Audit Committee meeting yesterday 29 August 2007. Unfortunately we learnt at the meeting that one of our members, Ms M Bekker, had tender her resignation from the Audit Committee citing increased work pressures as the main reason, and the level of the attendance fee payable to her as the secondary reason.

We saw the financial statements just before the meeting and the timing of the presentation of financial statements to us did, to a greater extent, limit the level of value adding contribution we could have made on the financial statements as we did not have enough time to apply our minds on the financial statements, however, we were given a high level overview by management on the financial statements.

Our comments on the financial statements are as follows:

#### Statement of financial position

- The statement of financial position reflected a net current liability situation. This situation indicates that as the Council we are faced with a serious cashflow position for the next 12 months in that our current assets will not allow discharge of current liabilities as they fall due for payment.
- Property, plant and equipment increased by more that R50 million due to the transfer of water and sanitation assets from the local municipalities. The note to the financial statements on property, plant and equipment needs to be corrected to reflect the categories of what assets constitute property, plant and equipment.
- This takeover of assets also brought an enormous amount of debt in the form of creditors in respect of this function.
- Our concern in this regard is that there is no corresponding increase in revenue from service charges which would be linked to the transfer of the function to the district. Our view is that the water and sanitation function should be exclusively provided by the district in its entirety with its assets, liabilities, revenue and expenditures. The locals can be granted the water service provider status as the agencies of the district, and be entitled only to agency fees.
- Currently it seems that the district is merely incurring unnecessary expenditures to bridge the shortfall on the inefficiencies by the service providers in the rendering of the function.
- The function is categorized as a trading function, and accordingly municipalities are supposed to generate surpluses from trading services.

- Our suggestion is also that the service level agreements with the service providers need to be revisited as a matter of urgency so that the inefficiencies from the part of the service providers that bring an a burden on the district is addressed.
- There was a huge increase in the other debtors and the note to the financials does not break this down properly to enable the user of the financial statements to make up ones mind on the recoverability thereof.
- The implementation of the credit control policy will assist in the speedy recovery of the debtors so as to assist with the cashflow difficulties the district is faced with currently.
- The provision for doubtful debts did not increase in comparison with the increase in debtors.
- The overdraft increased in comparative terms with last year. This is an indication of an increase in commitments. A speedy action to try and improve on the cashflow position is needed. e.g. recovery of the amount in VAT, other debtors, etc.

#### **Statement of financial performance**

- During the year under review the operations of the district resulted in a deficit of more than R10 million.
- This is and indication of expenditure that exceeded revenue. Management should intensify actions of ensuring control over expenditures and identify further opportunities for generating more revenue.

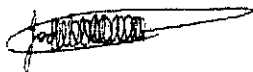
#### **Cashflow statement**

- The cashflow statement format will need to be modified to conform with the specimen financial statements provided by IMFO.
- The cashflow statement indicates that a more that R19 million has been spent on the acquisition of property, plant and equipment. This may not be correct as the assets were transferred to the district without a transfer in cashflow resources to the local municipalities to compensate them for the transferred assets. A further analysis on the outflow of cash needs to be identified and corrected.

#### **Conclusion**

In conclusion we propose for the acceptance of financial statement submitted, subject to corrections. We also commend management for the job well done in compiling the financial statements.

Yours faithfully




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Jack T Mdeni  
Acting Chairperson

## **6 FUNCTIONAL AREA SERVICE DELIVERY REPORTING**

### **6.1 Primary health care**

Services were provided to 15 clinics in the district area in terms of the Service Level Agreement with the Dept of Health. Monthly and quarterly reports were submitted as required. Through functional integration, input was provided into the District Health Plan. The bulk of the compilation of this plan was compiled by the District based on data provided by the Dept of Health. Also through functional integration, the District prepared all the supervision reports for the district area, including for the clinics directly administered by the Dept of Health.

The state of finances within the District Municipality did impact on the delivery of this service as the municipality was unable to provide the required 20% cofunding. This resulted in clinic equipment not being able to be procured as well as vacant posts not being filled until there were sufficient funds. The late payment of subsidies by the Dept of Health also negatively impacted on the service.

Application was made to the Dept of Health for them to audit the UkDM's claim of outstanding debts from the 2001 financial year. Financial and other information was provided and many interactions were held with the Dept of Health as well as Housing Local Government and Traditional Affairs as well as the Provincial Treasury.

The PHC manager at the District Municipality provided mentoring especially to the local municipalities in the district during the year in question. Support was also provided to the Dept of Health when needed.

A patient satisfaction survey was undertaken among District Municipality clinics and the data showed a high level of satisfaction of the services offered.

Special days were held such as a Baby Shows, Condom days, Cervical smears and TB days. A Puppet show was also developed and performed to some of the farm schools in the district area. Campaigns were done with traditional leaders and surgeons around circumcision

The poor state of mobile clinic vehicles was raised repeatedly with the Dept of Health and commitments were made regarding them providing replacement vehicles. To also support these services investigations were initiated to procure radios for mobile clinics.

Professional Nurses undertook dispensing course training, as this is a prerequisite to obtain Dispensing Licenses. This should positively impact on service delivery in the future.

Clinic committees have struggled to keep functioning, however Community Health Workers have been of significant assistance in community follow ups, home visits and the organizing of events.

### **6.2 Municipal Health Services**

As part of the establishment of this service, work protocols for the implementation of the service were developed, as well as prioritized areas for intervention. A baseline for the service was determined through surveys and a database developed. EHPs were also authorised by the Executive Mayor to undertake statutory investigations and services. They are also registered with the Health Professions Council of South Africa.

Support was provided to Amathole District Municipality around their strategic planning processes relating to this service.

A Memorandum of Understanding was signed between the UkDM and the Dept of Health, but due to the amendments made to the MOU, this was not agreed to by the Dept of Health.

Motivations were tabled to the National Treasury for increased funding for Municipal Health Services as part of the equitable share.

### **6.2.1 Water monitoring**

Funds were motivated for and received from DWAF for water quality monitoring and the necessary equipment required to perform the service.

Urban areas are being prioritized for water quality testing.

In some areas e.g. Gariiep, Maletswai and Senqu we could pick up trends at water sources and EHPs acted accordingly.

The table below give a summary of the total number of samples that were taken per Local Municipality area as well as the combined figure for the District Municipality Area for the period from the start of July 2006 till end June 2007

	Total number of samples taken	Total number of samples complying	% Compliance
Senqu	195	33	16.9%
Elundini	115	52	45.2%
Gariiep	74	19	25.7%
Maletswai	117	48	41.0%
<b>UKHAHLAMBA</b>	<b>501</b>	<b>152</b>	<b>30.3%</b>

### **6.2.2 Waste management**

An integrated Waste Management Plan was prepared in conjunction with the local municipalities and approved by the Mayoral Committee in February 2007.

### **6.2.3 Waste Monitoring**

All waste sites are being monitored through regular on site inspections and by taking photos of the current conditions. In Maclear where problems have been more significant, the site is monitored weekly.

Maletswai was assisted with a cleaning campaign through which they also addressed the waste removal services. The Cleanest town project commenced during October 2006 and came to an end during December 2006. Aliwal North was nominated to represent UkDM in the provincial competition, which they also won.

### **6.2.4 Food quality monitoring**

Successful training of food caterers was undertaken throughout the UkDM area, and certificates were handed over.

### **6.2.5 Sanitation monitoring**

The MHS section was successful in addressing the sewerage spill at the Aliwal North Nursery pump station after 2 new sewerage pumps were installed and the building's capacity was increased to keep more sewerage. An investigation was done on other sewerage spills especially in Maclear, Ugie, Barkly East, Aliwal North and Venterstad. A regular monitoring programme is developed and EHPs are identifying sites and monitoring it regularly until it is successfully addressed.

The Maletswai EHPs are fully involved in community projects to make them more aware of waste and initiatives also include cleaning areas.

## **6.3 Social and Economic Development**

### **6.3.1 Agriculture and land**

The municipality supported programmes of the Dept of Agriculture including their land care programme being implemented in ward 4, Senqu. The Dept of Land Affairs' programmes were supported through interaction in the District Screening Committee for Land Reform. As part of this programme, Communal Land Rights workshops were organized and information disseminated. Issues around the speeding up of land claim processes have also been discussed.

Partnerships between organized agriculture as well as Dept of Land Affairs and the Department of Agriculture were facilitated both as preparation for the Growth and Development Summit as well as post summit. This culminated in the establishment of the Ukhahlamba Agricultural Forum. Partnerships were also renewed with the Goldfields Foundation around the continuation of the successful livestock improvement programme being implemented in Elundini whereby monthly over 180 farmers are assisted in commercializing their livestock practices.

Other agricultural activities undertaken and or support include:

- Terms of Reference were developed for an Agricultural Development Plan but due to financial constraints this process could not move forward
- Support for the cross boundary programme in the Tsitsa River basin in Elundini was provided together with the Dept of Agriculture. Fencing of the farming area was funded during the year.
- SLAs were signed with local municipalities around the use of funds for commonage planning and management. These funds were transferred to the them.
- An tender was called for an investigation of the beneficiation related to the timber cluster in Ugie, but due to the cash flow constraints this could not be implemented
- Funds were provided to Senqu for support for the development of the holo Hlahatsi dam
- The food security programme in ward 7 Elundini is progressing well
- Farmers under the Massive Food Programme (Upper Tsitsana) were part of the group that were organized to attend ASGISA training in July.
- Gariep agricultural development was supported through the finalizing of the business plan and submission of the application for water rights was submitted to DWAF
- Two handling facilities for Mount Fletcher Goat Cooperative were contracted in ward 12 and 13, Elundini.
- Support for LRAD farms resulted in the provision of water for two farms in Maletswai
- Service Level Agreement was signed with Gariep and R50 000.00 transferred to Venterstad Disabled project.

### **6.3.2 Business development**

- Tenders were awarded for the reviewal of the Local Economic Development Strategy which was to be linked to Growth and Development Summit in February 2007 but cash flow constraints prevented the implementation of this tender.



- The DM supported Elundini Local Municipality in the development of tourism sector plan, tourism strategy as well as Southern Drakensburg Transfrontier Development.
- The DM participated in the launch of Maletswai Business Chamber and discussions have been made with LM's for the establishment of business structures in the other three LM's. During the GDS process, there was a concerted effort to involve business in discussions. Focus was also given to assisting local municipalities to revive their LED forums that would during the next financial year feed into a district structure.
- A successful District Growth and Development Workshop was held from the 21st to 23rd of February 2007. Agreement was achieved with major roleplayers around the key programmes of the district area. Participation of the private sector was good and there has been some continued post summit involvement in municipal activities. After the summit a Skills Development Work shop was held that localised the skills for economic development aspects of the summit.
- As part of the support for local municipalities, the District LED Practitioners Network is in place. Support was provided by Thina Sinako for some of the activities relating to this network.
- Successful applications were made for funding to Thina Sinako for an economic baseline study and the other for ICT investigation. Other applications were also submitted whereby the district was either the lead applicant or a supporting applicant. Funding applications were also submitted to DEAT and DEAET
- The Memorandum of Understanding with SEDA could not be effected due to the lack of UkDM cofunding of the programme.
- Discussions were held with IDC around the possibility of establishing a development agency around the Garie dam area and the municipality participated in the processes undertaken by Free State DEAT around the development of the business plans to access these funds
- Funds were transferred to Maletswai for the youth bed and breakfast programme, and funds were also transferred to Gariiep to support the Masiphakame Bakery in Venterstad.

### **6.3.3 Tourism**

#### **6.3.3.1 Tourism awareness and education**

Tourism awareness workshops were held in Sterkspruit , Maletswai (through Takalani Radio) and Mt Fletcher( School Tourism Competitions) as part of tourism awareness and education. This was done in conjunction with the local tourism organisations.

#### **6.3.3.2 Organisation development**

Focus was placed on the revival of the Local Tourism Organisations which is anticipated will result in the revival of the District Tourism Organisation in the new financial year. DEAET offered support around the establishment of tourism offices in the local municipalities. Funds for some LTOs were transferred but these were restricted due to the cash flow challenges.

#### **6.3.3.3 Development of a marketing strategy and appropriate marketing information.**

Maletswai LTO and Gariiep LTO were assisted with branding of their areas. A discussion document for the development of the marketing strategy was approved but not taken forward due to cash flow challenges. Ukhahlamba Tourist guide association (UTGA) was assisted with the development of their brochure and UkDM facilitated the process around the filming of the district by Kyknet television breakfast show.

#### **6.3.3.4 Tourism projects**

- A service level agreement was entered into with the Maloti route and funds transferred.
- Support was given to the DEAT poverty alleviation projects that have a tourism focus including those at Aliwal Spa, Sterkspruit, Gariiep as well as Holo Hlahatsi dam

- Support was given to the Wittebergen mission committee to enable them to access funds to develop the mission area.
- ECDC processes around the Madiba Corridor were supported.
- Tourism Plan for the district area was mooted but did not go on tender due to the financial challenges experienced
- Assisted DSRAC with their heritage programme for arts and craft training and other tourism related initiatives. Worked with appointed service providers to recruit appropriate people for learnership in the field.

#### **6.3.4 Social development**

- The Social Cluster forum has been formed and terms of reference agreed to by the members. Relationships with the whole social sector were strengthened through one on one interactions.
- Community Policing Forums have been successfully resuscitated in Barkly East ,Lady Grey and Sterkspruit.
- Sport Against Crime project was supported which is done by Department of Safety and Liason in collaboration with DSRAC ,SAFA-Ukhahlamba and Ukhahlamba Social Service and Planning had initiated crime awareness campaign through sport activities
- Libraries were visited in March and April and service level agreements entered into for the transfer of DSRAC funds received by the district municipality.

#### **6.3.5 IDP and planning**

During the year under review the SDBIP was tabled for the 2006/7 year as well as the 2007/8 financial years. The document has improved substantially and should be easier to monitor during the 2007/8 financial year

A District Framework Plan and a Process Plan of the District Municipality -a requirement of section 27 of the Municipal Systems Act, 2000 was approved by council and the information disseminated to communities.

Some limited support - due to staff capacity constraints - was provided to local municipalities around the preparation of their IDPs

IDP outreaches to municipalities took place during the year and highlighted previous years achievements, discussed current service delivery and deliberated on plans for the next financial year

During the year under review the IDP was totally reviewed taking into account the strategic guidelines from a national and provincial level. As part of the process the Spatial Development Framework was also discussed.

As part of the process representative forums were held to plan together to ensure a participatory approach for more effective and efficient resource allocation, multi-sectoral integration and co-ordination.

#### 6.4 Infrastructure development (capital projects)

In terms of MIG expenditure in line with the National financial year, 2006/2007 was the best performing year for the PMU. The MIG expenditure patterns by Ukhahlamba DM for the previous years are as follows:

Year	Allocation	Expenditure	% Expenditure
2004/2005	R71,023,000	R66,171,585	93,2%
2005/2006	R91,670,000	R84,838,943	92,5%
2006/2007	R69,739,000	R69,740,000	100,0%

It's important to note that Ukhahlamba DM receives the Municipal Infrastructure Grant (MIG) annually from the National Government to eradicate backlogs. These services in essence include water, sanitation, roads, electricity, social facilities and economic infrastructure. When MIG was introduced in April 2004, District Municipalities in the Eastern Cape received the funds on behalf of all the municipalities in its area of jurisdiction.

However, with effect from 01 April 2006, all municipalities received MIG allocations in line with the backlogs relating to their powers and functions. This effectively implied that the DM could no longer make funds available from its allocation for projects that are not its power or function, in exception of those LMs the DM has been requested to manage their allocations for the 2006/06 financial year, such as Gariep LM which receives a MIG allocation below R2 Million. This implies that Ukhahlamba DM must concentrate on water and sanitation services.

##### 6.4.1 MT Fletcher Bulk Water Supply

The project comprises the raw water abstraction from the Tina River, near the town of Mount Fletcher. The raw water is pumped to a modularly designed purification works situated above the maximum expected flood level of the river. The purified water will then be pumped to a command reservoir, where the water will be distributed to the town of Mount Fletcher as well as 10 rural villages by means of gravity pipelines. Some of the villages will be supplied from boreholes, which will require some redevelopment work to enable sustainable yields.

The project has been divided into a number of smaller phases, consisting of the following:

Construction of the dam, Main pipelines, Village reticulation and Water Treatment Works

During the 2006/2007 year, construction commenced on 2 phases. These are the construction of dam and the main pipelines. Meyker Reteng was appointed as the contractor for the dam, and Masakhane Builders for the main lines. There was also an Expanded Public Works Programme (EPWP) as part of the Mt Fletcher Bulk Scheme. Five Learner contractors have been appointed, each having to construct a kilometer of the main pipelines.

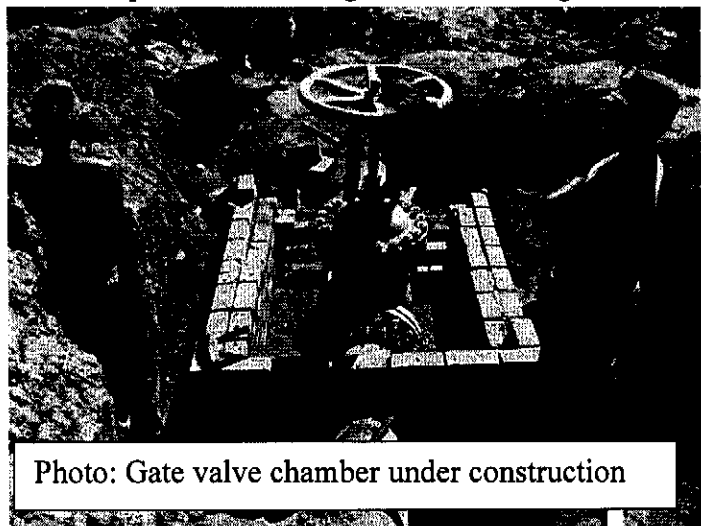


Photo: Gate valve chamber under construction

The following progress was achieved during the year:

- Construction of the main pipelines
- Contract mount = R 10,336,530.04
- Expenditure as at 30 June 2007 = R 5,895,326.26 (57% of tender amount)

- Start date = 06 June 2006
- Planned Completion Date = 20 August 2007

Cumulative figures for employment generation for the year are 78 made up of 60 men and 18 women

#### 6.4.1.1 Construction of the main pipelines by EPWP Learner Contractors:

- Contract mount (All 5 contractors) = R 5, 107, 937.01
- Expenditure to date = R 2,732,811.11
- Start date = 04 September 2006
- Planned Completion Date = 30 April 2007

Each learner contractor has laid a full kilometer of the pipeline but could not fully complete their projects due to pipe fittings which were not delivered on time. These pipe fittings, because of the type of pipe material being used, are only available from China. Great delays were experienced from the suppliers to ship the required fittings. The original completion date for this contract was the 30 April 2007 but it was not met due to this problem. The learner contractors will be going back to class in July 2007. The remainder of the work, such as the installation of the fittings as well as the final pressure testing of the pipes will be completed by the contractor which has been appointed on the main pipe line.

Cumulative figures for employment generation for the year are 125 made up of 55 men and 70 women

#### 6.4.1.2 Construction of the Dam

- Contract mount = R 9, 224,434.03
- Expenditure to date = R 5, 101, 069.88
- Start date = 11 July 2006
- Expected Completion Date = 15 August 2007

The first arch buttress was completed, with the sluice gate also complete. The second arch buttress was partially complete and the contractor was busy excavating for the third arch. The project period has been extended to end November 2007 due to rain delays.

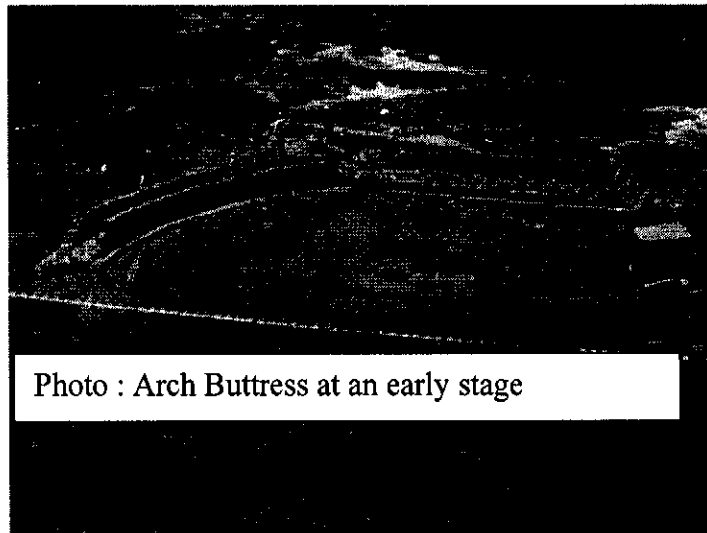


Photo : Arch Buttress at an early stage

There were 3 local sub contractors on the project, which are: Mbabazane, Malumla and Victory Ticket. Cumulative figures for employment generation for the year are 54 made up of 50 men and 4 women

### 6.4.2 Maclear Waste Water Treatment Works

- Total Budget = R 9,025,768
- Expenditure to date = R 4,806,747.28
- Start date = 1 June 2006
- Expected Completion Date = August 2007

The project was initiated by the insufficient capacity in the existing sewerage ponds in Maclear following the development of the town. The ponds were not coping with the raw sewerage flows from the town.

This project comprised the construction of the full conventional treatment works for Maclear town. The scope of works consisted of two reactors, two clarifiers, a sludge thickener, chlorine contact tank, earth dam for more chlorine contact time, dosing room, pump station and sixteen drying beds. To fit into the available budget, one reactor, one clarifier and the chlorine contact tank was eliminated in the first phase of construction.

The works were on track and had progressed to over 60% by the end of the financial year:

Cumulative figures for employment generation for the year are 44 made up of 34 men and 10 women

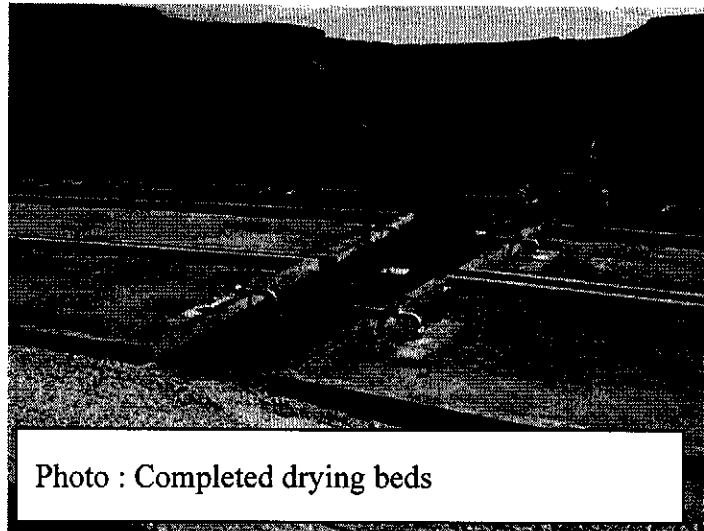


Photo : Completed drying beds

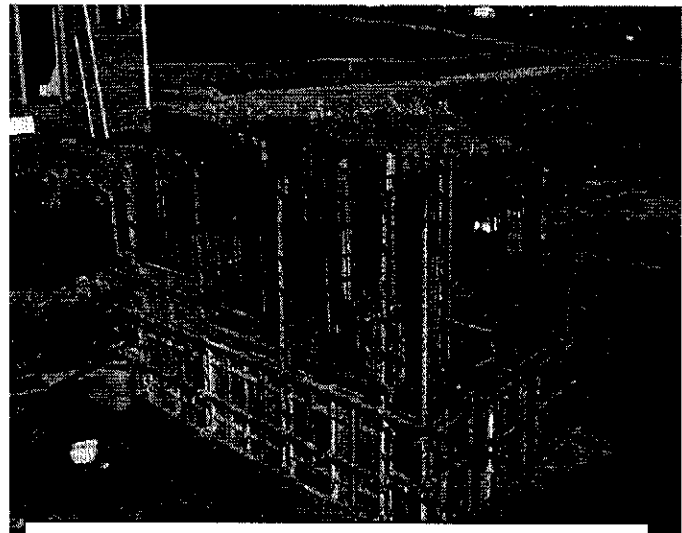


Photo: Sludge Return Pump Station

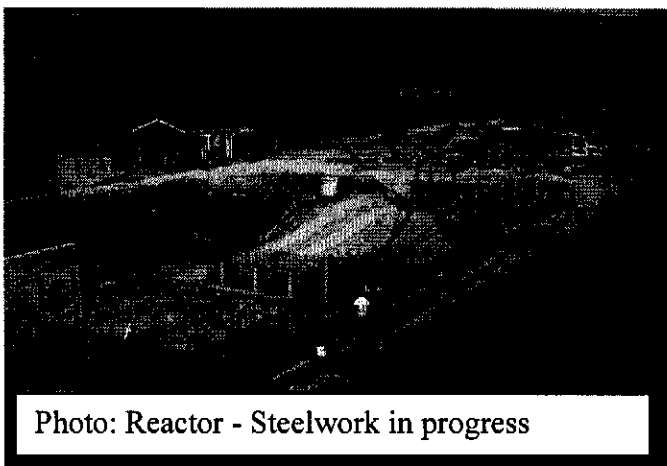


Photo: Reactor - Steelwork in progress

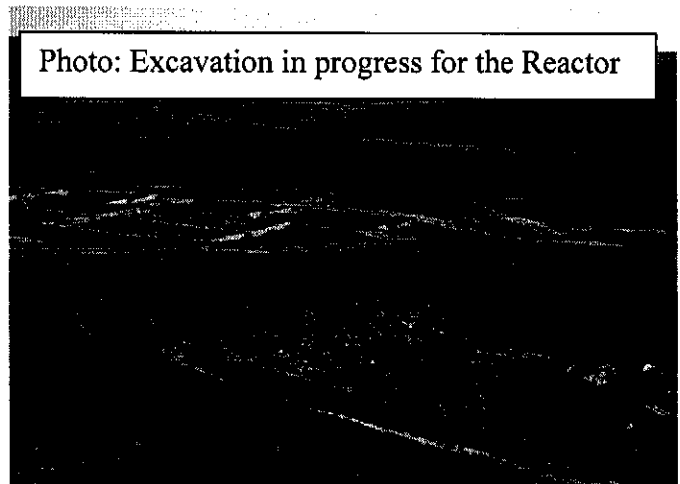


Photo: Excavation in progress for the Reactor

#### **6.4.3 UGIE DEVELOPMENT -PG BISON: Rising mains and clear water pump station – Contract No. 10/2006**

- Total Budget = R5 000 000
- Final Expenditure = R4, 354, 866.60
- Start Date = 30 October 2006
- Completion Date = 16 March 2007

The project comprised the design and construction management of the sewer and water rising main together with the clear water pump station for the new PG Bison plant. The contract was successfully completed on time and within budget.

Cumulative figures for employment generation for the year are 27 made up of 18 men and 9 women

#### **6.4.1 UGIE DEVELOPMENT: Provision of water and sanitation infrastructure to Prentjiesberg Housing Development – Contract No. 86/2006**

The project comprised the design and construction management of the water and sewer reticulations for the new high income housing development in Ugie town. The works included the provision of the waste water treatment package plant.

#### **6.4.2 UGIE DEVELOPMENT: Water & Sanitation pipelines, Roads and Storm water**

Water and Sewerage internal reticulations were completed by end June 2007, whilst the construction of the roads and stormwater had just started. At the end of June 2007, the expenditure stood at R5,087,604 (29,5%).

#### **6.4.3 UGIE DEVELOPMENT: Provision of new and upgrading of existing water infrastructure in Ugie – MIG EC650**

The scope of work comprised a complete design and construction supervision of the project which, consisted of upgrading the existing water services infrastructure in the town of Ugie, Elundini Local Municipality. The service also included the management of environmental authorization, the geotechnical investigation, surveying and registration of servitudes where applicable.

The project was awarded in June for the amount of R2,109,000

The upgrading of the Water Treatment works had been identified by Ukhahlamba as the critical part of the project. The Service Providers worked on this project on a Turnkey method. The upgrading of the plant was completed and the laboratory building was still under construction at the end of the financial year

The project, with a total budget of R25 Million from MIG, would commence in earnest during the 2007/2008 financial year.

#### **6.4.4 UGIE DEVELOPMENT: Provision of new and upgrading of existing sanitation infrastructure in Ugie – MIG EC657**

The scope of work comprised the rational design and construction supervision of the project which, consists of primarily upgrading the existing sanitation infrastructure in the town of Ugie, Elundini Local Municipality. The service also included the management of environmental authorization, the geotechnical investigation, surveying and registration of servitudes where applicable

The project was awarded in June for the amount of R7,028,100.

Design work was underway by the end of the financial year but the project of R70 Million from MIG, would really commence in earnest during the 2007/2008 financial year.

#### **6.4.5 Ward 7 rural villages – MIG EC/0233/W/05/07**

The Elundini Ward 7 rural water supply project was identified by Elundini Local Municipality. After preparing a cost analysis at risk, service providers were then appointed by Ukhahlamba DM to manage the project through a procure and construct method. This project was then identified as a SMIF project and the approved amount is R4,942,200.

The main objective of the project was to address the need for water services of a considerable segment of the population in Ward 7 of Elundini Municipality.

The works comprised the following:

- The geohydrological investigation to determine the ground and surface water sources.
- Drilling and testing of boreholes
- The water supply system at each village which would consist of a borehole, equipped with an enclosed pump, basic reticulation network, communal standpipes and a reservoir.

The drilling and testing of borehole were complete, but some of the borehole test results were not acceptable (too high fluoride content) and therefore could not be used. Construction of the scheme will start in the 2007/2008 financial year.

#### **6.4.6 Jamestown off-channel dam – MIG EC 680**

This was phase 3 of the project for the provision of bulk water to Jamestown. This dam will ensure that there is a sustainable water source by augmenting the capacity of the old dam by increasing the height of the dam wall. The first phase was the construction of 2 Ml concrete reservoir, a rising main and two pump stations of which one will draw water from the treatment works stand will pump through the rising main to the reservoir. The second phase was the construction of the water treatment works that will treat raw water from the Skulpspruit river before distribution to the consumers.

The project entailed the construction of the following:

- To complete the reconstruction of an off-channel dam in Jamestown to raise the height.
- The reconstruction of the side channel spillway for the above dam.
- The construction of the raw water abstraction pump station on the Skulpspruit and a transfer pipeline to fill the new off-channel dam.
- The construction of the outlet pipe work.
- The construction of the raw water pump station and a rising main to convey raw water from the dam to the new treatment works.
- The diversion of an existing gravel road.
- The erection of fencing.

The envisaged project duration was eight (8) months with an expected completion date of end August 2007. The project had fallen behind due to heavy rains and the contractor has applied for extension of time to complete the project.

The project has been awarded for an amount of R4,6 Million and expenditure at end of June 2007 was R3,184,566 (60%).

Cumulative figures for employment generation for the year are 19 made up of 10 men, 2 women and 7 youth.

#### **6.4.7 Steynsburg water treatment works – MIG EC 868**

Steynsburg received water from nine bore holes which yielded about 1210 Kl/day this water was drawn and distributed to consumers without any treatment or disinfection. The water consumption needs were 1620 Kl/day and exceeded the supply. However the water scheme under construction would alleviate this plight. This water will be treated at the treatment works (to be constructed) before it is distributed to the consumers.

The community of Steynsburg consists of 25 448 people that makes out 4971 households that will benefit from the use of the waterborne system once this project is complete. The current backlog stands at 3071 and this will cover the entire backlog in the area that is made up of Steynsburg town, Westdene, Green fields (ext) and Khayamnandi.

The project entailed the construction of conventional water (1, 7M l/day) treatment works and a 2Ml reservoir

The envisaged project duration was nine months with an expected completion date of end October 2007.

Expenditure on the works at the end of June 2007 was: Treatment works = R3,068,967 (35,6%) and 2Ml reservoir = R2,231,563 (74%).

Cumulative figures for employment generation for the year are 38 men, 23 women and 28 youth.

#### **6.4.8 Aliwal North, Sanitation to Area 13 – MIG EC 309**

The servicing of the 722 stands in Area 13, a new low cost housing development, commenced a few years ago with the provision of water in the form of standpipes. The construction of the roads and the sewer connections commenced in 2005. The provision of the complete sewer services including the bulk sewers to convey the sewage from the area to the existing bulk sewers (800mm) was crucial to complete the servicing process. The neighbouring township, Extension 12, had full water borne sewerage system and a formal housing development was partially complete, with some housing units still at slab level. There was envisaged that there would be no capacity problems in the existing bulk sewers which were designed to cater for these developments.

The project entailed the construction of rising mains and gravity mains, a gravity pipe line and outfall sewer line

The start date for construction was 27 November 2006 with an expected completion date of 26 October 2007. The total cost of the project was R3,454,950 and the expenditure at the end of June 2007 was R1,590,585 (46%).

Cumulative figures for employment generation for the year are 5 men, 2 women, 1 disabled and 10 youth.

#### **6.4.9 Herschel sanitation – MIG EC 526**

700 housing units were constructed in Herschel in 2005 which used conservancy tanks with a capacity of 1000L for sewer purposes and this proved to be too small as the tanks filled up and over-flowed within a week . However the local municipality had no capacity to service the tanks on regular basis and hence created an unhealthy state of affairs as pooling of grey water occurred in the streets. The project entailed the construction of the sewer reticulation as well a Sludge Activated Waste Water Treatment Plant.



The project started in September 2006 but was delayed due to a land claim by certain members of the community. The Contractor was instructed by the court to suspend all works until the case could be concluded. The outcome of the case was still awaited by the end of the financial year. The cost of the project is R,6,297,855.00 and the expenditure at the end of June 2007 was R4,209,041.30 (66,8%).

Cumulative figures for employment generation for the year are 47 men, 56 women and 94 youth.

#### **6.4.10 Jamestown bucket eradication – MIG EC 651**

Buckets were still in use on 489 erven in Masakhane and 45 erven in Jamestown. Toilet structures had to be rehabilitated or replaced, flush toilets had to be installed and a sewage network had to be constructed to supply 3 204 people with proper sanitation.

The project entailed the construction of a sewer network to 534 erven and installation of sewerage reticulation to 824 stands.

The designs were almost complete and the final estimate has been done. The tender was awarded at the end of the financial year and the project was expected to be completed by end December 2007 in order to meet the National Target of Bucket eradication.

#### **6.4.11 Barkly East Bucket Eradication – MIG EC 1088**

Barkly East town comprised of two low income residential areas, namely Nkululeko and Fairview & Lulama Hlanjwa Ville, a Central Business District and an Informal settlement. There are a total of 1119 formal households using buckets in Nkululeko and Fairview & Lulama Hlanjwa Ville, with an additional 700 shacks (informal area) also using buckets and in some cases no sanitation at all. There are about 85 households in Lulama and Nkululeko that are using either septic tanks or VIPs.

The total budget required for this project amounts to R25,746,818.60 inclusive of VAT and professional fees. Tenders had been invited for the design and construction supervision of the replacement of bucket system in Barkly East. The project was expected to be completed by end December 2007 in order to meet the National Target of Bucket eradication

#### **6.4.12 Lady Grey: Kwezi-Naledi Bucket Eradication – MIG EC 740**

According to UKDM records, a total of 189 buckets still needed to be eradicated in the town of Lady Grey. In order to eradicate 189 buckets and 197 erven serviced with Ventilated Improved Double Pits (VIDP's) in Lady Grey: Kwezi-Naledi township, a MIG application was submitted to replace bucket with waterborne system for the amount of R6,895,076.00 (Incl. of VAT). The project went out to tender for construction stage and tender closed on the 22 June 2007. This project was expected to be completed by December 2007 in order to meet the National target of bucket eradication.

#### **6.4.13 Fencing to ten farms in the area of Tsitsa River Basin (DHLGTA funding)**

This project was successfully completed at a cost of R1,280,000.00 and the scope works entailed the fencing of fields in Lower Nxotshana and Esiququni villages in Elundini. The project initially had a running length of about 36 km, but this proved difficult to achieve due to the large number of dongas that had to be crossed over. In the end only 30km of fencing could be achieved with the available budget.

Cumulative figures for employment generation for the year are 22 men, 32 women and 3 disabled and 10 youth

#### **6.4.14 Two goat pens in Mount Fletcher (DEAET funding)**

The area of Elundini is predominantly rural with settlements in the eastern to western parts that have a community of about 50 000 people as per census conducted in 2002. Due to the poor economical activity in the area, these communities mostly rely on small scale farming and agricultural activity which does not contribute much to the secondary economy.

Another contributing factor on this is the lack of grazing area and the overlapping boundaries and the drought that has been experienced for the last five years. This trend makes it difficult for large stock farming like cattle. The solution will be to farm small stock like goats that can survive on little food and water and will verge well in this kind of environment. Hence the Department of Agriculture has embarked on an intensive farming programme for the goats and will need an area where these goats will need to be scaled and sorted and be loaded off for sale to the greater market .

Areas that had been identified are Ulundi and Nxotshana which have a thriving breeding programme that needs these type of pens urgently. The pens were successfully completed within budget and within time.

Cumulative figures for employment generation for the year are 24 men, 1 disabled and 5 youth

### **6.5 Water Services Authority**

#### **6.5.1 Water Services Development Plan Review - 2006/2007, R450 000**

Ukhahlamba District Municipality is the Water Services Authority (WSA) in its area of Jurisdiction. In terms of the Water Services Act, Act 108 of 1997, the WSA is required to develop a Water Services Development Plan and review it at certain intervals.

Ukhahlamba District Municipality completed its WSDP during 2005 and would have qualified for an annual review in 2006. Due to financial constraints, the document was not reviewed during 2006

#### **6.5.2 Section 78 Assessment**

Ukhahlamba District Municipality concluded its section 78 (3) assessment during the end of 2006. The recommendations of this assessment were: that local municipalities be appointed as external municipal Water Services Providers on behalf of UkDM.

The implication of this recommendations was that the WSP would have to have the expertise and the capacity to provide and improve the rendering of water services to consumers, and to assist the WSA in extending existing water services in the water services area.

The project commenced in March 2007 .

By the provision of section 20 of the Water Services Act, Ukhahlamba District Municipality is, by default, a Water Service Provider. However section 78 of the Municipal System Act requires the Water Services Authority to follow a certain process in deciding whether it indeed should undertake water services provision by itself or enter into a pact for this service provision with other entities listed under section 76 of the same act.

The WSA engaged Local Municipalities around discussing the implications of section 78 assessment recommendations, looking at all the factors affecting the service provision like the WSP efficiency, Budgets, the WSA support and responsibilities, WSP responsibilities and their Service Provision Business Plans etc.

It was agreed with all LM's that the WSP's require another year in order to prepare themselves for a five-year agreement. It was therefore decided to extend the current agreements by another year, before signing the long term agreement.

### **6.5.3 Revival of dried-up water sources in Elundini LM: R351 000**

Ten Water Supply Schemes in Elundini LM were not functional. This was due to either dried up or collapsed Water Sources. All nine (9) boreholes were fully redrilled and encased and were awaiting pump testing to determine their approximate life span. Most of these boreholes have been relocated to new sites due to ground water shortages. New boreholes had also been drilled deeper than other existing boreholes in the area. The Ncembu Water Supply Scheme Spring was redeveloped and engine running the pump delivering the water from this spring to the Reservoir was also serviced. The cleaning the reservoir and the sand filter as well as the souring of the major pipelines was occurring at the end of the financial year.

### **6.5.4 Technical Support to the WSA: R1,500 000**

Consultants were appointed in April 2007 to assist the WSA office in implementing various activities which qualify as the WSA/WSP Support Activities as discussed hereunder.

#### **6.5.4.1 Water supply improvements in the Elundini LM towns**

The WSA have been able to assist Elundini Local Municipality in emergency water tankering in the Mount Fletcher Town, the Maclear Town and temporal water tankering to the Queen Noti Clinic in Maclear.

In Mt Fletcher, all the existing seven (7) boreholes have been proven to have a very low yield. This work started in during the month of March 2007 and will be terminated by mid July 2007. This is due to the drilling and developing of a borehole in the Mount Fletcher Town. This borehole is producing 2,5 liters per second (approximately 9000 liters per hour) This equates to 108 000 liters per day (on a 12 hr pumping cycle) which is well above the volume supplied by the two (2) Water Tankers operating in the area at the moment. This borehole will be connected into the existing waterline and that will definitely change the water situation in this town.

#### **6.5.4.2 WSP GIS Based Performance Monitoring System**

During the 2006/2007 financial year, key Performance Indicators and Key Performance Areas for the WSP were developed with the assistance of GIS specialists. These consultants assisted the WSP for a period of five (5) months to coach the WSPs in complying with the developed reporting format. This system included all the possible details that can be captured into the GIS Map relating to infrastructure details. It is anticipated that the system will then be updated monthly, informed by the monthly report submitted by the WSPs

The project will result in improved access to information and reporting via a Web based link.

#### **6.5.4.3 Development of Municipal Water and Sanitation Works Specifications, design standards and drawings**

The idea of this activity was to ensure that the WSA has its own specifications to achieve a uniform standard throughout the district and as such a very O&M sensitive programme of designs and project implementation will be able to be put in place.

#### **6.5.4.4 Workshopping of Water and Sanitation By-Laws**

By the end of the financial year plans were in place to start workshopping of by-laws with Councillors, Ward Committee and Village Health Workers. It was estimated that the entire programme would be finished by end of August 2007.

### 6.5.5 Free Basic Services Strategy R328 000

This project is funded by the Department Housing, Local Government, and Traditional Affairs. The main aim was to ensure uniform approach in the entire district in the supply of free basic services mainly; water, sanitation, energy and refuse removal. By the end of the financial year the project was on track. A draft strategy had already been discussed in a project technical meeting and a refined draft strategy and comprehensive project report will be discussed in a workshop with the Local Municipalities by end July 2007.

### 6.5.6 New Projects

The WSA has received funds to do a Hydro census (study of all the available water sources) in Elundini Local Municipality and Monitoring and Evaluation projects. Specifications were done and the project will start by beginning August 2007 to finish in October 2007.

## 6.6 Disaster Management

The following activities were undertaken during the year under review

### 6.6.1 Recruitment and Training of Volunteers

Type of Training	Volunteer Unit	Institution	Course Subjects
Fire Fighting Level 1	Fire Fighting	Mangaung Fire Rescue & EMS Training College	Fire Screams Fire Behaviour Fire Salvage & Over Hall Breathing Apparatus Vehicle Rescue & Extraction Ventilation Forcible Entry Fire Hoses Handling & Maintenance Theory

### 6.6.2 Awareness Campaigns

Municipal Area	Type of Campaign	Remarks
Gariiep Municipality	N/A	Due to the vacant position of satellite officer no campaigns were conducted
Maletswai Municipality	Presentation: Clarifying Roles and Responsibilities of the Disaster Management Unit	The presentation was done to clarify the roles and responsibilities of the Disaster Management Unit to the community of Jamestown in ward 1. A disaster management ward committee was also established during this campaign.
Maletswai Municipality	Disaster Management: Early Warning System	The Local Radio Station Takalane Community radio station is constantly utilised for information dissemination to distribute early warnings
Maletswai Municipality	Disaster Risk Reduction Awareness Day	The International Disaster Risk Reduction Awareness Day was hosted in Sauer Park Stadium with the theme "disaster risk reduction

<b>Municipal Area</b>	<b>Type of Campaign</b>	<b>Remarks</b>
		begins at school”
Senqu Municipality	Build-ups to the Disaster Risk Reduction Awareness Campaigns	Awareness Campaigns were conducted throughout the schools in the municipal area
Senqu Municipality	Fire Prevention and Fire Safety Campaigns	Fire Prevention and fire safety awareness campaigns were conducted throughout the Senqu Municipal area at Hospitals, Schools and Government buildings where people were thought how to use fire extinguishers
Elundini Municipality	Promotion of Sustainable Livelihoods	The campaigns were conducted throughout the schools in the municipal area.
Elundini Municipality	Presentation: Role and Responsibilities Disaster Management Unit	A presentation was conducted for the community in Maclear. The campaign was a joint between UKDM and the DHLG&TA (Emergency Housing) Unit.

### 6.6.3 Incidents

<b>Municipal Area</b>	<b>Type of incident</b>	<b>Remark</b>																
Gariep	Road Accidents	8 road incidents were reported between the period 01 July 2006 and June 2007. Two people lost their lives in these accidents.																
	Fire	One (1) house burned down in Steynsburg in January 2007.																
Maletswai	Road Accidents	Two (2) major accidents were reported between July 2006 and June 2007 at the N6 route.																
	Fire	3 veld fire incidents were reported in February 2007																
Elundini	Infectious disease	Epidemic outbreak of eye infections in Mount Fletcher																
	lightning	On the 7th March 2007 a house struck by lightning at Tshikitsha village. Five (5) people were struck dead by the lightning and six (6) were admitted in a hospital.																
	Heavy rain and storms	On the 15th March 2007 four (4) locations were struck by heavy rains and storms in Ugie. The affected townships were:  <table data-bbox="790 1892 1276 2038"> <tr> <td>Bhekela</td> <td>1466</td> <td>RDP</td> <td>affected</td> </tr> <tr> <td>Landcamp</td> <td>200</td> <td>Units</td> <td>affected</td> </tr> <tr> <td>Takalane</td> <td>10</td> <td>Units</td> <td>affected</td> </tr> <tr> <td>Ntokozweni</td> <td>10</td> <td>Units</td> <td>affected</td> </tr> </table>	Bhekela	1466	RDP	affected	Landcamp	200	Units	affected	Takalane	10	Units	affected	Ntokozweni	10	Units	affected
Bhekela	1466	RDP	affected															
Landcamp	200	Units	affected															
Takalane	10	Units	affected															
Ntokozweni	10	Units	affected															

#### **6.6.4 Disaster housing reconstruction programme**

Ukhahlamba DM repaired disaster struck houses on behalf of the DHLGTA with funding provided by the Department.

The reconstruction programme has commenced at the Elundini Municipal and service providers have been appointed for the supply of building materials. In Senqu and Gariiep meeting were held with the Local Builders Association and the local municipality and ward councilors to establish a project steering committee.

#### **6.6.5 Disaster risk reduction assessment**

A final report had been furnished by the Service Provider. An evaluation and validation meeting has been scheduled for the 24<sup>th</sup> - 25<sup>th</sup> July 2007. The TAC (Technical Advisory Committee) members have been invited to evaluation and validation meeting.

#### **6.6.6 Disaster management policy framework**

The process had started to procure support to assist with the redrafting of the Disaster Management Policy Framework.

#### **6.6.7 Service level agreements**

The process of the signing of the service level agreements between Ukhahlamba District Municipality and Local Municipality was delayed due to a need to amend the SLAs include clauses in the agreement that clarify and specify the role and responsibilities on disaster related issues.

### **6.7 Roads Section**

#### **6.7.1 Routine Maintenance of Proclaimed Provincial Gravel Roads (Divisional Roads)**

A 3-year Service Level Agreement (SLA) between Department of Roads and Transport (DRT) and Ukhahlamba District Municipality was finalized and the document was duly signed by both parties. The 3-year contact period (renewable) started on 1 April 2007 and ends on 31 March 2010. The implementation date (commencement of work) was set as 1 June 2007.

The all inclusive provisional budget for the 3-year SLA amounts to R96 000 000.00 (ninety six million rand), to be disbursed as follows:

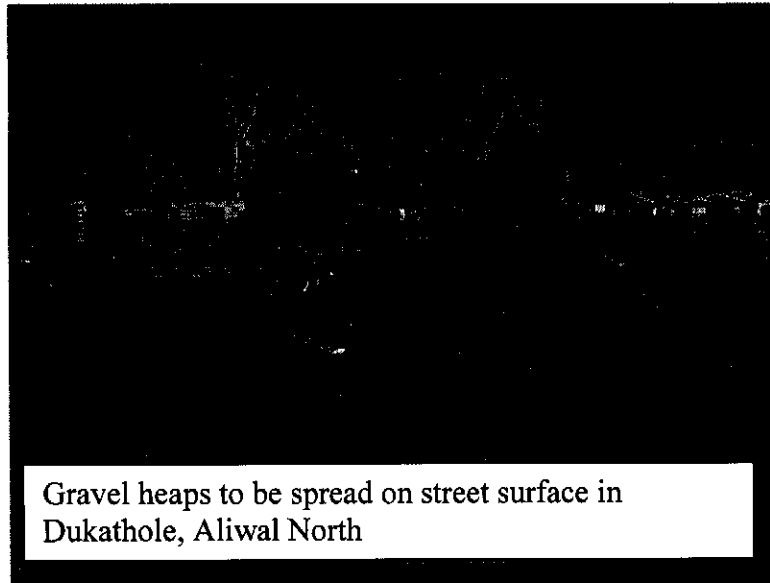
- 2007/2008 financial year: R30 million
  - 2008/2009 financial year: R32 million
  - 2009/2010 financial year: R34 million
- R96 million

The SLA covers the following aspects of work within the following Local Municipal Areas (LM's) situated in the Ukhahlamba District Municipality area of jurisdiction specified as maintenance in Gariiep and Maletswai and regravelling within the entire Ukhahlamba DM area ( as identified by the roads forum).

An amount of R12million was previously made available in the interim period by DRT in two transfers. This amount was earmarked for the Maintenance (including regravelling) of Proclaimed Provincial Gravel Roads for a 4 (four) month period from 01 December 2006 to 31 March 2007 within Senqu, Maletswai and Gariiep LM's. Work commenced in December 2006 and the allocation covered expenses of the Roads Section up to the end of June 2007.

Previously an amount of R11 380 000.00 in various transfers from DRT was transferred and earmarked for repairs to various flood damaged road surfaces and storm water structures within the Senqu LM. Work commenced in the beginning of 2006 and continued up to the end of November 2006.

Due to a lack of funding from DRT, no maintenance work could be executed in both the Gariiep and Maletswai LM's during the first part of the financial year (July 2006 to December 2006). However, these teams were utilized within the Maletswai LM for the grading and regravelling of identified streets within the various towns and townships to the value of approximately R700 000.00, funded



by Maletswai LM.

Various flood damage repairs and other maintenance work in Senqu as well as urgently required maintenance of Proclaimed Provincial Gravel Roads in both the Gariiep and Maletswai LM's were attended to during the year under review.

In the beginning of August 2006 heavy snow falls in the Senqu LM caused certain roads situated in high lying areas to become impassable. The DM promptly assisted in clearing the snow from the road surfaces, which was as thick as 2 (two) meters in places. In the process road surfaces and minor storm water structures were damaged and had to be repaired urgently over and above work on flood damaged roads previously identified.

The following roads situated within the **Senqu LM** were attended to during the 2006/7 financial year. Work included grading; the construction of minor storm water structures and much needed patch gravelling where required:

No.	ROAD NUMBER	DISTANCE (km)	NAME/DESCRIPTION
1	MR00677	4.18	LADYGREY / JAMESTOWN
2	MR00713	25.04	WASCHBANK
3	MR00716	62.97	BARKLY / DORDRECHT
4	MR00717	33.33	MOTKOP
5	MR00719	24.11	STERKSPRUIT
6	MR00723	63.92	BARKLY EAST / Naudé's NEK
7	MR00836	27.18	WARTRAIL / LUNDEANSNEK
8	DR02834	0.90	-
9	DR02854	3.09	-
10	DR02855	2.68	-
11	DR02861	5.03	KAFHOOGTE
12	DR02862	21.57	SAALBOOM
13	DR02864	17.38	ROOIBERG

No.	ROAD NUMBER	DISTANCE (km)	NAME/DESCRIPTION
1	MR00677	4.18	LADYGREY / JAMESTOWN
14	DR02872	13.22	SKILDERKRANS
15	DR02873	20.13	BONTHOEK
16	DR02876	6.00	TEMBU PASS
17	DR02878	4.17	LEEUKRANS
18	DR02880	0.90	SIMONEO
19	DR02881	1.62	WOLWEFONTEIN
20	DR02882	2.62	DRAAIOM
21	DR02883	17.21	RUITJIESVLAKTE
22	DR02884	8.00	BASTERVOETPAD
23	DR02886	16.61	DOORNDRIFT
24	DR02889	9.90	KRANSFONTEIN
25	DR02890	7.22	KOPSHORN
26	DR02894	19.25	MARSHILL
27	DR02895	17.33	BOTTELNEK
28	DR02896	5.78	MILTON
29	DR02897	27.44	HEUNINGNESKLOOF
30	DR02898	14.18	VAALHOEK
31	DR02900	0.31	ROOINEK / KRAAIHOL
32	DR02902	16.80	RIETKLOOF
33	DR03206	8.46	ZUURVLAKTE
34	DR03213	18.96	ESPACHBERG
35	DR03214	25.06	THE FALLS
36	DR03215	12.03	BOKSPRUIT
37	DR03217	28.97	CARABAS
38	DR03218	5.16	WEPNER / DELTA
39	DR03219	15.06	MIDDELPAD / KANTIENPOORT
40	DR03220	3.95	ELIASDALE
41	DR03221	20.92	QUEENSBERRY
42	DR03222	31.25	WARTRAIL
43	DR03224	48.14	JOUBERTSPAS
44	DR03225	6.14	BOSSIESLAAGTE
45	DR03226	11.23	MAARTENSHOEK
46	DR03230	8.06	CARLISEHOEK
47	DR03231		KLOPPERSHOEK
48	DR03236	8.48	FUNNYSTONE
49	DR03238	3.38	MEMO / ELSIESKRAAL
	TOTAL	741.32	

The following roads in the Gariep LM were attended to:

No.	ROAD NUMBER	DISTANCE (km)	NAME/DESCRIPTION
1	DR02619	23.52	ELANDSKUIL
2	DR02623	22.76	STRYDPOORT
3	DR02639	2.65	TEEBUS
4	DR02643	10.36	PLAATFONTEIN
5	DR02644	15.80	GRAAFWATER
6	DR02647	48.53	BULHOEK / HOPEWELL
7	DR-T02649	10.89	TEEBUS / BULHOEK



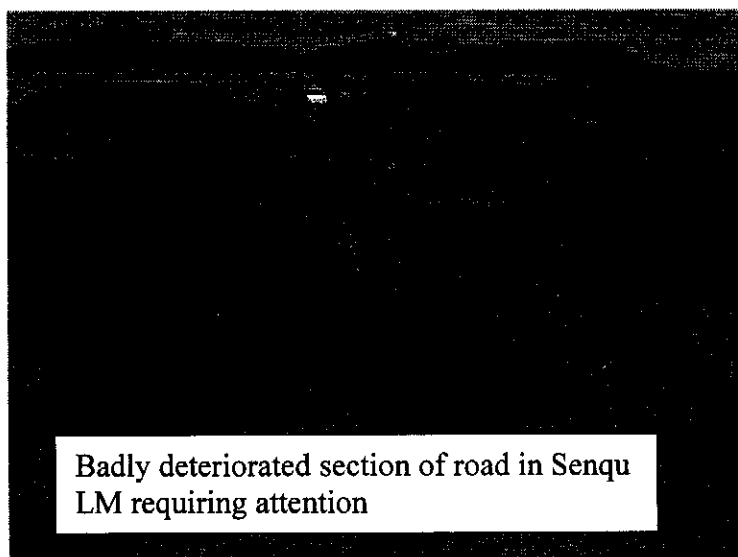
No.	ROAD NUMBER	DISTANCE (km)	NAME/DESCRIPTION
1	DR02619	23.52	ELANDSKUIL
8	DR02653	38.88	SKIETNEK
9	DR02657	3.43	YSTERFONTEIN
10	DR02658	2.28	BULHOEK SKAG 6
11	DR02659	25.22	SWARTFONTEIN
12	DR02660	49.13	ROOSTERFONTEIN
13	DR02661	57.20	WILDEBEEVLEI VS/SB
14	DR02662	27.67	STEYNSBURG / BURGERSDORP
15	DR02664	9.84	STREEPFONTEIN
16	DR02666	6.45	HILMORE
17	DR02667	10.63	YSTERFONTEIN
18	DR02668	1.65	STRYDPOORT
19	DR02670	14.92	LELIEKLOOF ON SPITSKOP
20	DR02672	48.68	STORMFONTEIN / WILDEBEEVLEI
21	DR02675	13.10	WONDERPOORT / DANKFONTEIN
22	DR02677	7.04	VOELFONTEIN / BURGERSDORP
23	DR02678	12.28	KLEINFONTEIN
24	DR02679	6.77	PATRIOTSKLIP
25	DR02680	31.39	KLIPFONTEIN
26	DR02681	19.37	ESELSKLIP
27	DR02682	5.93	HELVETIA
28	DR02686	19.73	KOMMADANTSKOP
29	DR02687	9.97	FONTEINTJIE
30	DR02688	14.90	VETKRAAL
31	DR02689	7.56	KNEL
32	DR02690	34.70	SKILDERKRANS
33	DR03152	27.81	WONDERPOORT / BURGERSDORP
34	DR03155	20.08	WELGEDACHT
35	DR03157	30.13	LUIPERDKOP
36	DR03158	17.12	BULTFONTEIN
37	DR03159	7.88	BADSFONTEIN
38	DR03160	34.77	WASBANK
39	DR03161	33.71	STONEYCROFT
40	DR03162	11.77	UITKOMSFONTEIN
41	DR03163	38.54	VLAKFONTEIN
42	DR03165	3.91	DAMPLAAS
43	DR03166	4.81	ROOIWAL
44	DR03167	18.03	TOLKOP
45	DR03169	36.99	BOESMANSPOORT
46	DR03170	5.43	KEEROM
47	DR03173	4.69	H.T. PRINSLOO & SON (Egg farm)
48	DR03175	11.35	OLIENBOS
49	DR03176	5.00	BESKUITFONTEIN
50	DR03178	6.67	BIESIESFONTEIN
51	DR03179	11.19	STORMFONTEIN
52	DR03183	46.71	KNAPDAAR / ODENDAALSTROOM
53	DR03184	4.98	ELLESMEER
54	DR03185	1.95	GRYSKOPPAN
55	DR03186	13.79	RIETFONTEIN

No.	ROAD NUMBER	DISTANCE (km)	NAME/DESCRIPTION
1	DR02619	23.52	ELANDSKUIL
56	DR03188	10.97	VAALBANK
57	DR03189	14.44	LANGFONTEIN
58	DR03194	8.39	HENNINGKRANS
59	DR03199	18.49	MIERFONTEIN
60	DR03200	32.53	LELIEDAL
61	MR00668	48.82	WITKOP
62	MR00669	24.70	STORMBERG / MOLTENO
63	MR00674	27.66	STEYNSBURG / COLESBERG
64	MR00821	61.90	BETHULIE
65	MR00822	27.52	VLAKFONTEIN
	<b>TOTAL</b>	<b>1,285.96</b>	

The following roads in the **Maletswai LM** were attended to:

No.	ROAD NUMBER	DISTANCE (km)	NAME/DESCRIPTION
1	DR02642	14.02	THYSFONTEIN
2	DR02646	28.74	VAN ZYLS-KRAAL
3	DR02652	3.45	FRERE-DELL
4	DR02665	6.45	
5	DR02669	11.87	SPITSKOP
6	DR02670	3.25	LELIEKLOOF
7	DR02671	8.14	LEEUSPRUIT
8	DR02673	7.20	LELIEKLOOF / JAMESTOWN
9	DR02675	6.07	WONDERPOORT / DANKFONTEIN
10	<b>DR02676</b>	<b>43.84</b>	<b>HANGKLIP</b>
11	DR02677	9.74	VOELFONTEIN
12	DR02679	52.80	PATRIOTSKLIP
13	DR02683	5.60	SCHOEMANSDRIFT
14	DR02684	1.65	COPIA
15	DR02691	16.50	WINDFOGELSPRUIT / FLOUKRAAL
16	<b>DR02853</b>	<b>18.29</b>	<b>Mc'KAYSKOP</b>
17	<b>DR02864</b>	<b>7.04</b>	<b>ROOIBERG</b>
18	DR02872	0.21	SKILDERKRANS
19	<b>DR02874</b>	<b>25.52</b>	<b>VENTERSBERG</b>
20	DR02875	4.32	CYFERSKUIL
21	DR02879	3.03	TOOMNEK
22	DR02880	7.60	SIMONEO
23	DR02885	8.50	DRIPFONTEIN
24	DR02888	38.34	KROMDRAAI / RIETPOORT
25	DR02891	7.10	WINTERSHOEK
26	DR02896	3.58	MILTON
27	<b>DR02900</b>	<b>9.13</b>	<b>ROOINEK / KRAAIHOL</b>
28	DR03151	42.36	BRAAMSPRUIT / PLATKOPPIES
29	<b>DR03152</b>	<b>1.50</b>	<b>ROOIPOORT</b>
30	DR03154	12.14	KALKOENKRANS
31	DR03156	20.51	DWARSVLEI
32	DR03164	45.71	KROMDRAAI / FLOUKRAAL
33	DR03168	10.47	ELANDSHOEK

34	DR03171	0.68	KRAAIRIVIER BRIDGE
35	DR03172	1.53	BRAAMSPRUIT STATION
36	<b>DR03173</b>	<b>4.79</b>	<b>HT PRINSLOO &amp; SON (EGGS)</b>
37	DR03174	0.47	-
38	DR03177	6.84	FM TOWER / WATERVAL
39	DR03180	28.16	STRYDPOORT / WATERVAL
40	DR03181	2.84	LADY GREY / SPRINGS
41	<b>DR03185</b>	<b>11.97</b>	<b>KOMMISIE DRIF</b>
42	DR03219	6.03	MIDDELPAD / KANTIENPOORT
43	DR03223	5.94	STRYDPOORT / VREDERUST
44	DR03227	6.16	BOSSIESLAAGTE
45	DR03228	11.71	MTINI
46	DR03234	2.90	-
47	DR03237	8.26	EENDRACHT
48	DR03238	9.32	MEMO / ELSIESKRAAL
49	<b>DR08596</b>	<b>5.30</b>	-
50	DR08605	0.03	-
51	MR00670	11.30	SNYMANSKRAAL
52	MR00673	4.59	LAGGENDE WATER
53	MR00675	0.97	JAMESTOWN STASIE
54	<b>MR00676</b>	<b>37.37</b>	<b>JAMESTOWN</b>
55	MR00677	52.12	LADY GREY / JAMESTOWN
56	<b>MR00713</b>	<b>2.13</b>	<b>WASCHBANK</b>
57	<b>MR00716</b>	<b>22.36</b>	<b>BARKLY EAST</b>
58	<b>MR00717</b>	<b>44.11</b>	<b>MOTKOP</b>
	<b>TOTAL</b>	<b>772.55</b>	



Badly deteriorated section of road in Senqu LM requiring attention

Roads Forum meetings in Gariiep, Maletswai and Senqu continued to take place on a regular basis in order to report on various issues pertaining to road maintenance works being done by both Ukhahlamba DM and DRT through contracts issued by DRT. Various stakeholders/road users from organizational structures were represented on these Forums.

### 6.7.2 Area Wide Routine Roads Maintenance Programme (AWRRMP)

The AWRRMP, implemented by DRT will cover both the Elundini and Senqu Local Municipal Area for a two (2) year period and commencement thereof was planned for the second part of 2007.

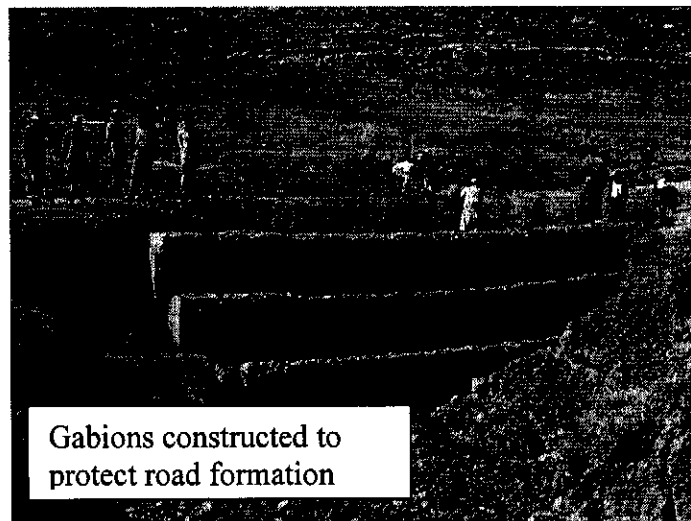
The Roads Section of Ukhahlamba DM will no longer be involved in any Road Maintenance activities within aforementioned two LM's and maintenance activities in Gariep and Maletswai LM's only, will be done in line with the 3-year SLA.

### 6.7.3 Regravelling Teams

1 (one) of the 2 (two) Regravelling Teams within the Roads Section, i.e. Regravelling 84 was utilized for the construction of access roads at Tyinindini, near Hillside within the Senqu LM. A total distance of approximately 8km of access roads and accompanying storm water structures was completed and it was expected that minor outstanding works will be completed by the end of July 2007. This project formed part of a larger housing project in the area being funded by the Department of Housing, Local Government and Traditional Affairs.

Regravelling Team 76 continued to operate as a fully fledged regravelling team and it is envisaged that this team will attend to the regravelling of various road sections that have been neglected in the past and is mainly situated within the Elundini and Senqu LM's.

At the end of the financial year this team was busy with the regravelling of sections of MR00723, i.e. the road leading from Barkly East to Rhodes over Naudé's Nek and ending in Maclear.

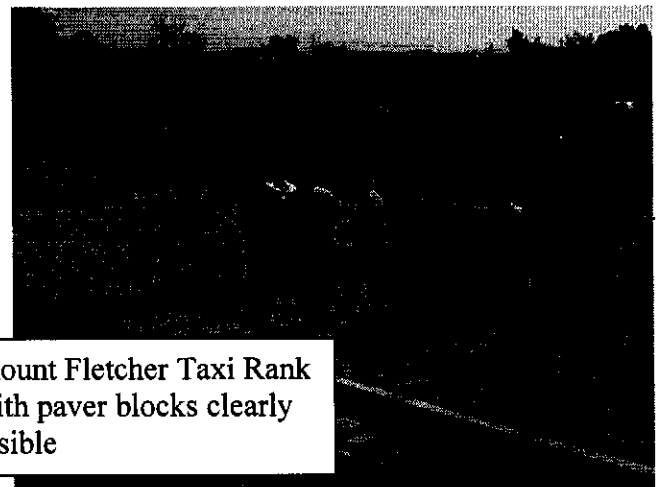


Gabions constructed to protect road formation

### 6.7.4 Construction of Transport Facilities Elundini : Mount Fletcher Taxi Rank

Phase two of this project which comprises of the laying of concrete paver blocks and accompanying kerbs commenced on 28 February 2007. The works were executed on the basis of a "labour only" contract. A local contractor from the Mount Fletcher area has been appointed for the execution of the works.

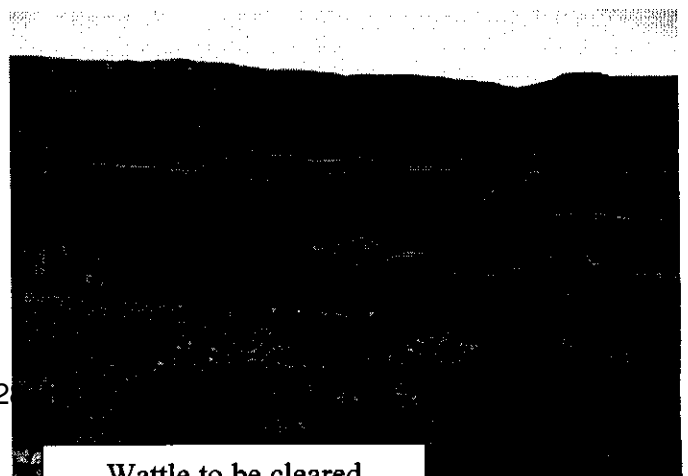
The anticipated completion date of this project was 31 July 2007.



Mount Fletcher Taxi Rank with paver blocks clearly visible

### 6.8 Working for Water

Working for Water is a multi departmental organization driven by the Department of Water Affairs and Forestry. Other departments are: DEAET, Agriculture, Health and Social Affairs, Correctional Services and Labour. The Working for Water programme sustainably controls invading alien species, to optimize the potential use of natural resources, through a process of economic empowerment and transformation. In doing this, the programme intends to leave a



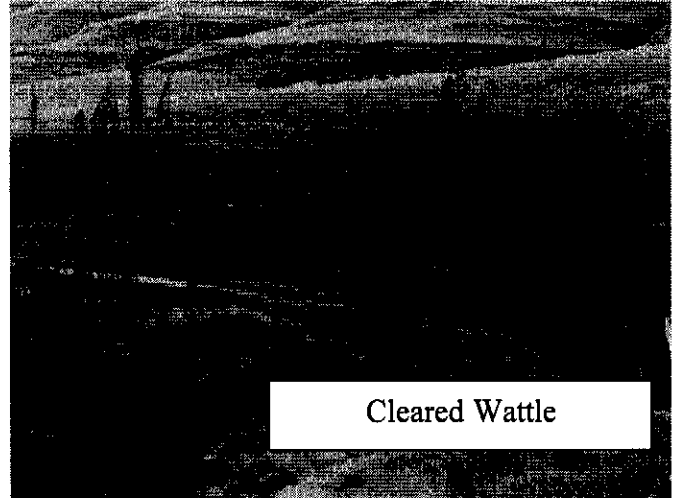
Wattle to be cleared

legacy of social equity and legislative, institutional and technical capacity.

Working for Water started operating in the Ugie and surrounding areas in 1997. The projects that were initiated did not work for long periods of time and were essentially short (3 month), before funding was exhausted or before the end of the financial year.

In the beginning the programme fell directly under DWAF and from accounts, the people at the time had difficulties implementing the programme, because of both administrative and political problems on the ground.

Later the Eastern Cape moved over to Implementing Agents to handle the day to day running and management of the programme.



The relationship with Ukhahlamba D.M., as an implementing agent, has grown from strength to strength and this is evident in the high level of professionalism between the different parties.

Working for Water has also come a long way in the manner in which we conduct our business. Funding has become more sustainable and thus we can ensure better delivery to our clients i.e. both the clearing of wattle (aliens) and to our employees and contractors.

The budget for the 2006/2007 financial year was R6,400,993. With the review of the budget we were able to secure extra funds to increase the budget to R10,635,207, of which 100% was spent. These funds are sourced from DWAF.

Cumulative figures for employment generation for the year are 267 of which 102 were men, 5 disabled 165 women and 116 youth. In line with DWAF policy only one person per household was employed and preference was given to people living with HIV/Aids. All people that were employed were from the local area and are done in conjunction with an advisory committee, which is established within the area of operation.

#### 6.8.1.1 Training

The object of our training and development which WFW undertakes is to prepare and exit people from the program and enable them to find adequate employment. The workers all attend various technical courses, which are accredited, they can then use to find employment with.

The contractors undergo extensive business training in which they are taught the fundamental principals regarding the management of a small business so they can continue once they have left the program and continue to be economically active. Training are done with internal (WfW) funds as well as the DoL

Contractors are trained in the following disciplines:

- Chainsaw Operating
- Herbicide applicator
- Advanced Driving
- Health and Safety
- Fire Fighting
- First Aid
- Business Finance
- Tendering
- Computer Skills
- Financial & Administration Management
- HIV /Aids
- Peer Educator
- Personal Finance

The exit policy is based on 24 months (480 days) of employment in a 5-year cycle. This comes from the EPWP principals, which the program falls under.

**One of the projects implemented by Ukhahlamba DM, the Pott River project, was selected as the best project in the Easter Cape and was the runner up at the National competition.**

## **6.9 Other service delivery**

### **6.9.1 Hiv and Aids Unit**

During the year under review the District Aids Council acknowledged and asserted itself to attempt to deal with the challenges of the HIV/ Aids pandemic. The Council developed various strategies that sought to address and mitigate against the spread of the disease. A process started to ensure that HIV/AIDS is reflected as a critical component of the IDP. The mainstreaming of HIV/Aids into all the operations of the various departments of the municipality was still a challenge.

The meetings of the Aids Council are held once per quarter and so far the Aids Council performs fairly well in implementing its programmes. The relationship between the District Aids Council and the Provincial Aids Council was very positive. We continued to benefit from the support of the Provincial Aids Council in our programmes. The Aids Council continuously received the support of the Ukhahlamba District Municipality in its performance of its duties. In performing its duties the council took steps to support and help establish all the local municipality's Aids Council's although it has been difficult to make progress in some local municipalities.

We submitted an application for funding to the Provincial Aids Council proposing funding for the ULAPWA farm as well as Thina Sinako.

World Aids Day was celebrated

ARV sites are important centers in the fight against HIV/AIDS since they provide treatment to the patients. During the year under review only Emplilisweni was an accredited ARV site. Many arrangements were made during the year under review to support clients getting to this site from all over the district.

### **6.9.2 Special Programmes Unit**

Youth Activities	Support has been provided to the district youth council in increasing awareness and opportunities available for the youth. Activities such as youth against crime, youth in agriculture among others were assisted.
Disabled Activities	International day of disabled was recognised and efforts made to participate in provincial disabled activities. Many of these were done in order to raise awareness of the plight of the disabled.
Women Activities	Womens month as well as programmes supporting non-violence against women were supported
Children and Elderly	Awareness events around the plight of the elderly were supported as well as events to support the importance of children in society.

### **6.9.3 Communications**

A communications strategic plan was developed and in line with the plan meetings were arranged with the communicators of local municipalities where staff were available. Some of the activities in the strategy were implemented with the assistance of both the Provincial and National governments

The Communications strategy was reviewed during the financial year. Part of the strategy involves the dissemination of information through CDWs. Advertisements and interview process was undertaken to identify new CDWs to replace vacant position.

So far we have organized successful public participation meetings and these were well attended by the communities. We still need to improve on how we handle public participation reports and action plans so that we have a consistent track of all the issues raise by the communities. Our media arrangements during such programmes needs to be improved so that we publicize our activities better.

The intergovernmental relations framework policy was developed and was adopted by council, but there is still a need to strengthen those relations between all spheres of government. There is a need to conceptualize the Tri District Alliance properly since it has not functioned effectively in the previous year. We have engaged with other government departments through the IDP forums but we still need a structured way of engaging with other government departments.

## **7 PERFORMANCE AUDIT**

### **7.1 Performance audit committee Review of Performance Results and systems for Year Ended 30 June 2006**

This report is not available as there is currently no active performance audit committee.

### **7.2 Report of the Auditor General to the council on Factual Findings on Performance Measurement for the year Ended 30 June 2006**

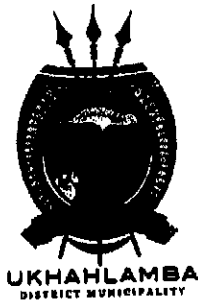
This report is not available due to the audit not having been finalized as yet.

### **7.3 Response to Issues Raised in the Performance Audit Report**

This response is not available and can only be provided once the Performance Audit Report is available.

## **8 ANNEXURES**

### **8.1 Employment Equity Report**



**UKHAHLAMBA**  
DISTRICT MUNICIPALITY  
Striving for Service Delivery Excellence

All correspondence must be addressed to The Municipal Manager

Private Bag x102 Barby East 9786  
Tel: (045) 979 3000 Fax: (045) 979 3028  
www.ukhahlamba.gov.za



*Ikamva eliqonk'ibilyo!*

**Please Quote:**

**Our Ref: 4/11/12**

**Enquiries: Thabang Mokoka  
045 979 3079**

**e-mail [thabang@ukhahlamba.gov.za](mailto:thabang@ukhahlamba.gov.za)**

**18.12.2007**

The Executive Manager  
Employment Equity  
Private Bag X117  
PRETORIA  
0001

Sir

**SUBMISSION OF EMPLOYMENT EQUITY REPORT FOR 2007**

Your correspondence received on 10 December 2007 refers.

Kindly be informed that your correspondence was received on the 10<sup>th</sup> December 2007 by the Council and your office was informed about the delay that took place.

Attached here with is the EEA2 and EEA4 outstanding information as requested.

Hoping that you will find this in order.

Yours faithfully

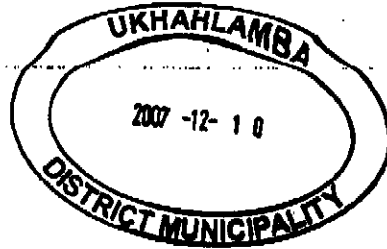
  
**MR ZA WILLIAMS**  
**MUNICIPALITY MANAGER**





labour

Department  
Labour  
REPUBLIC OF SOUTH AFRICA



Private Bag X117, PRETORIA, 0001. Laboria House, 215 Schoeman Street, PRETORIA  
Tel: (012) 309 4000, Fax: (012) 320 5129, www.labour.gov.za

The Chief Executive Officer  
Ukhahlamba District Municipality  
PO Box 7163  
East London  
5200

Dear Sir/Madam

**SUBMISSION OF EMPLOYMENT EQUITY REPORT FOR 2007**

Your employment equity report for the 2007 reporting period refers.

In terms of section 6.3 of the Employment Equity Regulations, Government Gazette No. 29130, dated 18 August 2006, you are deemed not to have reported for the following reason(s):

NB

- The EEA2 form is not signed by the CEO
- The wrong format has been used to complete the EEA2 and/or the EEA4 form
- The EEA2 and/or EEA4 forms are incomplete
- The EEA4 is outstanding
- The EEA2 is outstanding
- The workforce total on tables relating to categories and levels do not tally

Please resubmit your employment equity report (EEA2 form with 23 pages) and income differential statement (EEA4 form with 12 pages) completed in full and signed by no later than 30<sup>th</sup> November 2007. If you fail to submit your report on the 30<sup>th</sup> November 2007, you will be deemed not to have reported for 2007 and as a result, your company name will not appear on the Employment Equity Public Register to be published by the Minister in terms of Section 41 of the Employment Equity Act No.55 of 1998.

Yours faithfully

**N MAMASHELA**  
**EXECUTIVE MANAGER**  
**EMPLOYMENT EQUITY**

**PLEASE READ THIS FIRST**

**PURPOSE OF THIS FORM**

This form enables employers to comply with Section 21 of the Employment Equity Act 55 of 1998.

This form contains the format for employment equity reporting by employers to the Department of Labour. Both small employers (i.e. employers employing fewer than 150 employees) and large employers (i.e. employers employing 150 or more employees) are required to use this form. Those employers who are not designated, but wish to voluntarily comply, must also use this reporting form.

Although all sections of this form apply to large employers, only certain sections of this form should be completed by small employers. Employers who report for the first time are not required to complete the progress report section of this form.

**WHO SHOULD COMPLETE THIS FORM?**

Designated employers that have to submit a report in terms of the Employment Equity Act, 55 of 1998. Employers who wish to voluntarily comply with the reporting requirements of the Act are also required to complete this form.

**WHEN SHOULD EMPLOYERS REPORT?**

- Large employers must submit their first report within six months of being designated, and thereafter annually on the first working day of October; and
- Small employers must submit their first report within twelve months of being designated, and thereafter on the first working day of October of every year that ends with an even number.

**ESSENTIAL REQUIREMENTS**

Large employers, i.e. employers with 150 and more employees, must complete the entire EEA2 reporting form. Small employers, i.e. employers with fewer than 150 employees, must only complete areas of the EEA2 form that apply to them. Large employers, i.e. employers with 150 and more employees, must complete the entire EEA2 reporting form. Small employers, i.e. employers with fewer than 150 employees, must only complete areas of the EEA2 form that apply to them. All relevant areas of the form must be fully and accurately completed by employers. Designated employers who fail to observe this provision will be deemed not to have reported. Guidance to overcome difficulties on how to complete the form properly must be obtained from the Department prior to completing and submitting the report.

SEND TO:  
Employment Equity Registry  
Department of Labour  
Private Bag X117  
Pretoria 0001  
Phone: 012 3094000  
Facsimile: 012 3094737 / 3094188  
E-mail: ee@labour.gov.za

**SECTION A: EMPLOYER DETAILS**

Trade name	UKHahlamba District Mun.
DTI registration name	
DTI registration number	
PAYE/SARS number	42 80 120 101
UIF reference number	UI 8207 044 60
EE reference number	
Industry/Sector	LOCAL GOVERNMENT
Seta classification	LG SETA
Telephone number	045 979 3000
Fax number	045 971 0251
Email address	CORPORATE@ukhahlamba.gov.za
Postal address	PRIVATE BAG X 102 BARKLY - EAST 9786
Postal code	9786
City/Town	BARKLY - EAST
Province	EASTERN CAPE
Physical address	CORNER COLE AND GRAHAM BARKLY EAST
Postal code	9786
City/Town	BARKLY - EAST
Province	EASTERN CAPE

**Details of CEO at the time of submitting this report**

Name and surname	ZOLILE A WILLIAMS
Telephone number	045 979 3006
Fax number	045 971 0251
Email address	zaw@ukhahlamba.gov.za

**Details of Senior Manager for Employment Equity at the time of submitting this report**

Name and Surname	HARRY JANTJIE
Telephone number	045 979 3004
Fax number	045 971 0251
Email address	harry@ukhahlamba.gov.za

**Business type**

- |  |  |
|--|--|
| <input type="checkbox"/> Private Sector              | <input type="checkbox"/> Parastatal              |
| <input type="checkbox"/> National Government         | <input type="checkbox"/> Provincial Government   |
| <input checked="" type="checkbox"/> Local Government | <input type="checkbox"/> Educational Institution |
| <input type="checkbox"/> Non-profit Organization     |  |

**Information about the organization at the time of submitting this report**

- Number of employees in the organization  
 0 to 49  
 50 to 149  
 150 or more
- In terms of Section 14 of the Act, are you voluntary complying?  
 Yes  No
- Is your organization an organ of State?  
 Yes  No

Date of submitting this report 18 DECEMBER 2007

RE Submitting

Please indicate the preceding twelve-month period (in the case of large employers) or twenty-four month period (in the case of small employers) covered by this report, except for first time reporting where this may not be possible:

From (date): 30 JUNE 2006 To (date): 30 JUNE 2007

Please indicate below the duration of your current employment equity plan:

From (date): 30 JUNE 2006 To (date): 30 JUNE 2007

### Please read this first

- a. The preceding twelve-month period (in the case of large employers) or twenty-four month period (in the case of small employers) covered by employment equity employer reports must be the same for every reporting period.
- b. A summary providing guidelines on occupational categories and levels is provided in annexure 3 and annexure 4 of the regulations. Employers must complete the EEA2 form and the EEA4 form in accordance with Annexure 3 and Annexure 4.
- c. Non-permanent workers refer to those workers who are employed to work for less than 24 hours per month, or those workers engaged to work for not more than 3 continuous months.
- d. In Section B, the subtotals in terms of race and gender in the row dealing with **total permanent employees** in the table on occupational categories for **all employees**, which includes people with disabilities, must be exactly the same as the subtotals in the table on occupational levels for **all employees**. The same must apply to the subtotals in the **grand total** rows for occupational categories and levels as well.
- e. In Section B, the subtotals in terms of race and gender in the row dealing with **total permanent employees** in the table on occupational categories for **people with disabilities** must be exactly the same as the subtotals in the table on occupational levels for **people with disabilities**. The same must apply to the subtotals in the **grand total** rows for occupational categories and levels as well.
- f. Employers, from the second cycle of reporting onwards, must complete Section G that deals with progress reports.
- g. Employers must complete Section H that deals with **numerical goals and numerical targets**. **Numerical goals** are the workforce profile the employer is striving to achieve in the workplace at the end of the duration of the employer's current employment equity plan. The numerical goals of the employer must be the same for the entire duration of the employment equity plan. **Numerical targets** are the workforce profile the employer is striving to achieve at the end of the period following the period covered by the current report of the employer.
- h. Large employers, i.e. employers with 150 and more employees, must complete the entire EEA2 reporting form. Small employers, i.e. employers with fewer than 150 employees, must only complete areas of the EEA2 form that apply to them. Areas that only apply to small employers shall be made available by the Department in a separate form as well. All relevant areas of the form must be fully and accurately completed by employers.
- i. The alphabets "A", "C", "I" and "W" used in the tables have the following corresponding meanings and must be interpreted as "Africans", "Coloureds", "Indians" and "Whites" respectively.
- j. "**Designated groups**" means Black people (i.e. Africans, Coloureds and Indians), women and people with disabilities who are natural persons and are citizens of the Republic of South Africa by birth or descent; or are citizens of the Republic of South Africa by naturalization before the commencement date (i.e. 27 April 1994) of the Constitution of the Republic of South Africa Act of 1993; or became citizens of the Republic of South Africa from the commencement date of the Constitution of the Republic of South Africa Act of 1993, but who, not for Apartheid policy that had been in place prior to that date, would have been entitled to acquire citizenship by naturalization prior to that date.
- k. All population groupings who are not part of the Black group, but in substance fall within the definition described in paragraph (j) in terms of citizenship or descent, must be counted and included in the column of each table in the form that require data on the White group.
- l. Foreign nationals and South African citizens that fall outside the definition described in paragraphs (j) or (k) must be counted and included in the column of each table in the form that require data on foreign nationals.

# Section B: Workforce Profile

## 1. Occupational Categories

1.1 Please report the total number of employees (including employees with disabilities) in each of the following occupational categories: Note: A=Africans, C=Coloureds, I=Indians and W=Whites

Occupational Categories	Male			Female				White Male	Foreign Nationals		TOTAL	
	A	C	I	A	C	I	W		Male	Female		
											W	
Legislators, senior officials and managers	4	2		5			2				13	
Professionals	7			1			1				12	
Technicians and associate professionals	20	3		36	3		6	3			73	
Clerks	5			34	4		2	5			45	
Service and sales workers												
Skilled agricultural and fishery workers												
Craft and related trades workers												
Plant and machine operators and assemblers	59	1					23	3			63	
Elementary occupations	60	3		6	1						70	
<b>TOTAL PERMANENT</b>	<b>155</b>	<b>9</b>		<b>82</b>	<b>8</b>		<b>11</b>	<b>11</b>			<b>276</b>	
Non - permanent employees	2			3							5	
<b>GRAND TOTAL</b>	<b>157</b>	<b>9</b>		<b>85</b>	<b>8</b>		<b>11</b>	<b>11</b>			<b>281</b>	

1.2 Please report the total number of employees with disabilities only in each of the following occupational categories: Note: A=Africans, C=Coloureds, I=Indians and W=Whites

Occupational Categories	Male				Female				Foreign Nationals		TOTAL
	A	C	I	W	A	C	I	W	Male	Female	
Legislators, senior officials and managers											
Professionals											
Technicians and associate professionals											
Clerks											
Service and sales workers					1						1
Skilled agricultural and fishery workers											
Craft and related trades workers											
Plant and machine operators and assemblers											
Elementary occupations	4										4
<b>TOTAL PERMANENT</b>	<b>4</b>										<b>4</b>
Non - permanent employees					1						5
					1						1
<b>GRAND TOTAL</b>	<b>4</b>				<b>2</b>						<b>6</b>

2. Occupational levels

2.1 Please report the total number of employees (including employees with disabilities) in each of the following occupational levels: Note: A=Africans, C=Coloureds, I=Indians and W=Whites

Occupational Levels	Male				Female				White Male	Foreign Nationals		TOTAL
	A	C	I		A	C	I	W		W	Male	
	Top management	2	1						1			
Senior management	5				1			1	3			10
Professionally qualified and experienced specialists and mid-management	15	3			20	1		5	5			49
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	8				15	2		2				27
Semi-skilled and discretionary decision making	9	1			35	4			3			52
Unskilled and defined decision making	113	4			6	1						124
<b>TOTAL PERMANENT</b>	<b>152</b>	<b>9</b>			<b>77</b>	<b>8</b>		<b>9</b>	<b>11</b>			<b>266</b>
Non-permanent employees	2				3							5
<b>RAND TOTAL</b>	<b>154</b>	<b>9</b>			<b>80</b>	<b>8</b>		<b>9</b>	<b>11</b>			<b>271</b>

2.2 Please report the total number of employees with disabilities only in each of the following occupational levels: Note: A=Africans, C=Coloureds, I=Indians and W=Whites

Occupational Levels	Male				Female				Foreign Nationals		TOTAL
	A	C	I	W	A	C	I	W	Male	Female	
	Top management										
Senior management											
Professionally qualified and experienced specialists and mid-management											
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents											
Semi-skilled and discretionary decision making					1						1
Unskilled and defined decision making	4										4
<b>TOTAL PERMANENT</b>	<b>4</b>				<b>1</b>						<b>5</b>
Non-permanent employees					1						1
<b>RAND TOTAL</b>	<b>4</b>				<b>2</b>						<b>6</b>

2.3 Core operation functions and Support functions by occupational level

Job evaluation or grading systems, as illustrated in the EEA9, are used to measure a job in terms of content in order to establish its worth or value in relation to other jobs in an organization. The worth or value of a job is represented on a vertical axis as an occupational level. A job could either be a Core operation function or a Support function. Core Operation Function positions are those that directly relate to the core business of an organization and may lead to revenue generation, e.g. sales, production, etc. Whereas Support Functions positions provide infrastructure and other enabling conditions for revenue generation, e.g. human resources, corporate services, etc. Please indicate on table 2.3.1 the number of employees that are in Core Operation Function positions and in table 2.3.2 the number of employees that are in Support Function positions at each occupational level.

2.3.1 Please indicate the total number of employees (including people with disabilities), that are involved in Core Operation Function positions at each level in your organization. Note: A=Africans, C=Coloureds, I=Indians and W=Whites

Occupational Levels	Male				Female				Foreign Nationals		TOTAL
	A	C	I	W	A	C	I	W	Male	Female	
	Top management	2			1						
Senior management	3			2	2						7
Professionally qualified and experienced specialists and mid-management	4	1			2	1		1			9
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents											
Semi-skilled and discretionary decision making	3				17	4					24
Unskilled and defined decision making	1	4			12	1					18
TOTAL PERMANENT	13	5		3	33	6		1			61
Non - permanent employees	2				3						5
GRAND TOTAL	15	5		3	36	6		1			66

2.3.2 Please indicate the total number of employees (including people with disabilities), that are involved in Support Function positions at each level in your organization. Note: A=Africans, C=Coloureds, I=Indians and W=Whites

Occupational Levels	Male				Female				Foreign Nationals		TOTAL
	A	C	I	W	A	C	I	W	Male	Female	
	Top management								1		
Senior management	1	1						1			3
Professionally qualified and experienced specialists and mid-management	12	1			18			2			33
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	8				15	2		2			27
Semi-skilled and discretionary decision making	6	1			19			2			28
Unskilled and defined decision making	11	2									113
TOTAL PERMANENT	138	5			52	2		8			205
Non - permanent employees											
GRAND TOTAL	138	5			52	2		8			205

### Section C: Workforce movement

#### 3. Recruitment

3.1 Please report the total number of new recruits, including people with disabilities. Note: A=Africans, C=Coloureds, I=Indians and W=Whites

Occupational Levels	Male				Female				White Male	Foreign Nationals		TOTAL
	A	C	I		A	C	I	W		Male	Female	
	Top management	/	/									
Senior management	/											2
Professionally qualified and experienced specialists and mid-management	/				7			1				1
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents												
Semi-skilled and unskilled decision making	/				1							2
Unskilled and defined decision making												
<b>TOTAL PERMANENT</b>	<b>4</b>	<b>1</b>			<b>8</b>			<b>1</b>				
on - permanent employees	1							1				14
<b>RAND TOTAL</b>	<b>5</b>	<b>1</b>			<b>9</b>			<b>1</b>				<b>2</b>
												16

3.2 Please report the total number of new recruits with disabilities only in each of the following occupational levels: Note: A=Africans, C=Coloureds, I=Indians and W=Whites

Occupational Levels	Male				Female				Foreign Nationals		TOTAL
	A	C	I	W	A	C	I	W	Male	Female	
	Top management										
Senior management											
Professionally qualified and experienced specialists and mid-management											
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents											
Semi-skilled and unskilled decision making											
Unskilled and defined decision making											
<b>TOTAL PERMANENT</b>											
on permanent employees					/						/
<b>RAND TOTAL</b>					/						/



4. Promotion

4.1 Please report the total number of promotions into each occupational level, including people with disabilities. Note: A=Africans, C=Coloureds, I=Indians and W=Whites

Occupational Levels	Male								Female				White Male	Foreign Nationals		TOTAL
	A	C	I						A	C	I	W		W	Male	
Top management																
Senior management																
Professionally qualified and experienced specialists and mid-management																
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents																
Semi-skilled and discretionary decision making																
Unskilled and defined decision making																
TOTAL PERMANENT																
Non-permanent employees																
GRAND TOTAL																

4.2 Please report the total number of promotions involving people with disabilities only in each occupational level. Note: A=Africans, C=Coloureds, I=Indians and W=Whites

Occupational Levels	Male								Female				Foreign Nationals		TOTAL	
	A	C	I	W					A	C	I	W	Male	Female		
Top management																
Senior management																
Professionally qualified and experienced specialists and management																
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents																
Semi-skilled and discretionary decision making																
Unskilled and defined decision making																
TOTAL PERMANENT																
Non-permanent employees																
GRAND TOTAL																

5.1 Please report the total number of terminations in each occupational level, including people with disabilities. Note: A=Africans, C=Coloureds, I=Indians and W=Whites

Occupational Levels	Male				Female				White Male	Foreign Nationals		TOTAL
	A	C	I		A	C	I	W		Male	Female	
									W			
Top management	1	2										
Senior management												3
Professionally qualified and experienced specialists and mid-management	4	3			1							1
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents					5							12
Semi-skilled and discretionary decision making									1			1
Unskilled and defined routine work	13											
<b>TOTAL PERMANENT</b>	<b>18</b>	<b>5</b>			<b>6</b>				<b>1</b>			<b>13</b>
Non-permanent employees	1											30
<b>TOTAL</b>	<b>19</b>	<b>5</b>			<b>6</b>				<b>1</b>			<b>31</b>

5.2 Please report the total number of terminations involving people with disabilities only in each occupational level. Note: A=Africans, C=Coloureds, I=Indians and W=Whites

Occupational Levels	Male				Female				Foreign Nationals		TOTAL
	A	C	I	W	A	C	I	W	Male	Female	
Top management											
Senior management											
Professionally qualified and experienced specialists and mid-management											
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents											
Semi-skilled and discretionary decision making											
Unskilled and defined routine work											
<b>TOTAL PERMANENT</b>											
Non-permanent employees	1										
<b>TOTAL</b>	<b>1</b>										<b>1</b>

5.3 Please report the total number of terminations in each termination category below. Note: A=Africans, C=Coloureds, I=Indians and W=Whites

Terminations	Male			Female				White Male	Foreign Nationals		TOTAL	
	A	C	I	A	C	I	W		Male	Female		
											W	
Resignation	5	4		5								
Non-renewal of contract		1						1			15	
Dismissal - Operational requirements (retrenchment)											1	
Dismissal - misconduct												
Dismissal - incapacity												
Other (RETIREMENT) 14	14										15	
TOTAL	19	5		6				1			31	

4 Please report the total number of terminations involving people with disabilities only in each termination category below. Note: A=Africans, C=Coloureds, I=Indians and W=Whites

Terminations	Male				Female				Foreign Nationals		TOTAL
	A	C	I	W	A	C	I	W	Male	Female	
Resignation											
Non-renewal of contract											
Dismissal - Operational requirements (retrenchment)											
Dismissal - misconduct											
Dismissal - incapacity											
or Death	1										1
	1										1



**Section D: Disciplinary Action** (This section is *not applicable* to small employers)

6 **Disciplinary action:** (report the total number of disciplinary actions during the twelve months preceding this report). Report on formal outcomes only. Note: A=Africans, C=Coloureds, I=Indians and W=Whites

Disciplinary Action	Male			Female				White Male	Foreign Nationals		TOTAL
	A	C	I	A	C	I	W	Male	Female		
	4	1		1							

# Section E: Skills Development (This section is not applicable to small employers)

## 7 Training

7.1 Please report the total number of people who received training, including for people with disabilities, and not the number of training courses attended, in each occupational category.

Occupational Categories	Male				Female				White Male	Foreign Nationals		TOTAL
	A	C	I		A	C	I	W		Male	Female	
									W			
Legislators, senior officials and managers												
Professionals	1				1							2
Technicians and associate professionals					1							1
Clerks	1				1	1						3
Service and sales workers												
Skilled agricultural and fishery workers												
Craft and related trades workers												
Plant and machine operators and assemblers												
Elementary occupations												
<b>TOTAL PERMANENT</b>	<b>2</b>				<b>3</b>	<b>1</b>						<b>6</b>
Non-permanent employees												
<b>GRAND TOTAL</b>	<b>2</b>				<b>3</b>	<b>1</b>						<b>6</b>

7.2 Please report the total number of people with disabilities only, and not the number of training courses attended, who received training in each occupational category.

Occupational Categories	Male				Female				Foreign Nationals		TOTAL
	A	C	I	W	A	C	I	W	Male	Female	
Legislators, senior officials and managers											
Professionals											
Technicians and associate professionals											
Clerks											
Service and sales workers											
Skilled agricultural and fishery workers											
Craft and related trades workers											
Plant and machine operators and assemblers											
Elementary occupations											
<b>TOTAL PERMANENT</b>											
Non-permanent employees											
<b>GRAND TOTAL</b>											

7.3 Please report the total number of people, including for people with disabilities, and not number of training courses attended, who received training in each occupational level.

Occupational Levels	Male				Female				White Male	Foreign Nationals		TOTAL
	A	C	I		A	C	I	W	W	Male	Female	
	Top management											
Senior management												
Professionally qualified and experienced specialists and mid-management	1				1							2
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents					1							1
Semi-skilled and discretionary decision making	1				1	1						3
Inskilled and defined decision making												
Overall PERMANENT	2				3	1						6
Non-permanent employees												
GRAND TOTAL	2				3	1						6

7.4 Please report the total number of people with disabilities only, and not the number of training courses attended, who received training in each occupational level.

Occupational Levels	Male				Female				Foreign Nationals		TOTAL
	A	C	I	W	A	C	I	W	Male	Female	
	Top management										
Senior management											
Professionally qualified and experienced specialists and mid-management											
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents											
Semi-skilled and discretionary decision making											
Inskilled and defined decision making											
Overall PERMANENT											
Non-permanent employees											
GRAND TOTAL											

**Section F: Qualitative Assessment (This section is not applicable to small employers)**

**8 Awareness of Employment Equity**

8.1 Please indicate which of the following awareness measures were implemented by your organization:

	No. of employees covered	Yes	No	Please explain
Formal written communication	4	X		MEETINGS
Policy statement includes reference to employment equity				
Summary of the Act displayed				
Employment Equity training				
Diversity management programmes	45	X		WORKSHOP (DEP. OF LABOUR)
Discrimination awareness programmes				
Other (please specify):				
Total	54	X		

**9 Consultation**

9.1 Please indicate which stakeholders were involved in the consultation process prior to the development of your employment equity plan and in preparing this Employment Equity Report:

	Yes	No	Please explain
Workplace forum (in terms of the LRA)	X		
Consultative body or employment equity forum			
Registered trade union (s)	X		
Employees	X		E.E. QUESTIONNAIRE
Other (Please specify):			

9.2 What was the level of agreement reached in the formulation of the plan? Please choose one.

Total	Sufficient	Some	None
	X		

3 How regularly do you meet with the stakeholders mentioned in 9.1? Please choose one.

Weekly	Monthly	Quarterly	Yearly	Other
		X		

10.1 Please indicate in which categories of employment policy or practices barriers to employment equity were identified:

Categories	Yes	No	Please explain
Recruitment procedures	X		
Advertising positions	X		
Selection criteria	X		
Appointments	X		
Job classification and grading		X	
Remuneration and benefits		X	
Terms and conditions of employment		X	
Job assignments		X	
Work environment and facilities	X		TRAINING IS MOSTLY GIVEN TO PDIS
Training and development		X	
Performance and evaluation systems	X		
Promotions		X	
Transfers	X		
Demotions	X		
Succession and experience planning			N/A
Disciplinary measures	X		
Dismissals	X		
Corporate culture	X		
HIV and AIDS education and prevention programmes	X		
Other (please specify):			



11.1 Please indicate in which categories affirmative action measures have been implemented:

Categories	Yes	No	Please explain
Recruitment procedures	X		
Advertising positions	X		
Selection criteria	X		
Appointments	X		
Job classification and grading		X	
Remuneration and benefits		X	
Terms and conditions of employment		X	
Job assignments	X		
Work environment and facilities		X	
Training and development	X		
Performance and evaluation systems		X	
Setting numerical goals	X		
Promotions		X	
Transfers	X		
Demotions			
Succession and experience planning	X		
Disciplinary measures	X		
Diversity programme and sensitization	X		
Community investment and bridging programme	X		
Retention measures	X		
Reasonable accommodation	X		
Other (please specify):			

12 Resources

12.1 Please indicate what resources have been allocated to the implementation of employment equity during the past year:

Allocation of Resources	Yes	No	Please explain
Appointed a senior manager/s to manage the implementation and monitoring progress		X	
Allocated a budget to support the implementation goals of employment equity		X	
Time off for employment equity consultative committee (or equivalent) to meet on a regular basis		X	
Other (Please specify)			TOP MANAGEMENT COMMITTEE DECIDES ON EMPLOYMENT EQUITY

13 Monitoring and evaluation of implementation:

13.1 How regularly do you monitor progress on the implementation of the employment equity plan? Please choose one.

Weekly	Monthly	Quarterly	Yearly	Other
		X		

# Section G: Progress Report

(Section G to be completed from the second cycle of reporting onwards)

14 Reporting period: From 30 JUNE 2006 to 30 July 2007

14.1 Did you achieve the numerical targets as set out in your employment equity plan for this period?

Yes	No
	X

14.2 Did you achieve the affirmative action objectives as set out in your employment equity plan for this period?

Yes	No
	X

14.3 If not, what were the obstacles you experienced:

What were the obstacles to reaching the employment equity goals and objectives during the past year?
Budgetary Constraints
Capacity - Staff Support
Lack of Management Commitment

14.4 If yes, what factors promoted the accomplishment of your goals and objectives:

What were the factors that contributed to the accomplishment of the employment equity goals and objectives during the past year?

14.5 Please indicate the numerical goals you have set to achieve for the total number of employees (including people with disabilities) at the end of your current employment equity plan in terms of occupational categories. Note: A=Africans, C=Coloureds, I=Indians and W=Whites:

Occupational Categories	Male				Female				White Male	Foreign Nationals		TOTAL
	A	C	I		A	C	I	W		Male	Female	
									W			
Legislators, senior officials and managers	2	1			3	1		1				9
Professionals	2				2			1				6
Technicians and associate professionals	3	1			2			1				8
Clerks	2				7	2			1			11
Service and sales workers												
Skilled agricultural and fishery workers												
Craft and related trades workers												
Plant and machine operators and assemblers	2	2			3							7
Elementary occupations												
TOTAL PERMANENT	11	4			17	3		3				41
Non-permanent employees												
RAND TOTAL	11	4			17	3		3				41

14.6 Please indicate the numerical goals you have set to achieve for the total number of employees with disabilities only at the end of your current employment equity plan in terms of occupational categories. Note: A=Africans, C=Coloureds, I=Indians and W=Whites:

Occupational Categories	Male				Female				Foreign Nationals		TOTAL	
	A	C	I	W	A	C	I	W	Male	Female		
Legislators, senior officials and managers												
Professionals	1											
Technicians and associate professionals	1				1	1						3
Clerks	3				1							2
Service and sales workers												3
Skilled agricultural and fishery workers												
Craft and related trades workers												
Plant and machine operators and assemblers												
Elementary occupations												
TOTAL PERMANENT	5				2	1						8
Non-permanent employees												
TOTAL	5				2	1						8

14.7 Please indicate the numerical goals you have set to achieve for the total number of employees (including people with disabilities) at the end of your current employment equity plan in terms of occupational levels. Note: A=Africans, C=Coloureds, I=Indians and W=Whites:

Occupational Levels	Male				Female				White Male	Foreign Nationals		TOTAL
	A	C	I		A	C	I	W		Male	Female	
									W			
Top management	1	1			1							3
Senior management	1								1			2
Professionally qualified and experienced specialists and mid-management	1				2	1		1	1			6
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	3	1			2							6
Semi-skilled and discretionary decision making	4	2			10	2			2			20
Unskilled and defined decision making												
<b>TOTAL PERMANENT</b>	10	4			15	3		1	4			37
Permanent employees												
<b>TOTAL</b>	10	4			15	3		1	4			37

14.8 Please indicate the numerical goals you have set to achieve for the total number of employees with disabilities only at the end of your current employment equity plan in terms of occupational levels:

Occupational Levels	Male				Female				Foreign Nationals		TOTAL	
	A	C	I	W	A	C	I	W	Male	Female		
Top management												
Senior management	1											3
Professionally qualified and experienced specialists and mid-management	1				1	1						2
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents												
Semi-skilled and discretionary decision making	3											3
Unskilled and defined decision making												
<b>PERMANENT</b>	5				2	1						8
Permanent employees												
<b>TOTAL</b>	5				2	1						8

14.9 Please indicate the numerical targets you have set to achieve for the total number of employees (including people with disabilities) for the end of the period following the period covered by the current report in terms of occupational categories.

Occupational Categories	Male				Female				White Male	Foreign Nationals		TOTAL
	A	C	I		A	C	I	W		Male	Female	
									W			
Legislators, senior officials and managers	2	1			3	1		1				9
Professionals	3				3	1		1				9
Technicians and associate professionals	4	1			2	1		1				10
Clerks	5				7	2						14
Service and sales workers												
Skilled agricultural and fishery workers												
Craft and related trades workers												
Plant and machine operators and assemblers	2	2			3							7
Elementary occupations												
<b>TOTAL PERMANENT</b>	<b>16</b>	<b>4</b>			<b>18</b>	<b>5</b>		<b>3</b>	<b>3</b>			<b>49</b>
on - permanent employees												
<b>RAND TOTAL</b>	<b>16</b>	<b>4</b>			<b>18</b>	<b>5</b>		<b>3</b>	<b>3</b>			<b>49</b>

14.10 Please indicate the numerical targets you have set to achieve for the total number of employees with disabilities only for the end of the period following the period covered by the current report in terms of occupational categories. Note: A=Africans, C=Coloureds, I=Indians and W=Whites

Occupational Categories	Male				Female				Foreign Nationals		TOTAL	
	A	C	I	W	A	C	I	W	Male	Female		
Legislators, senior officials and managers												
Professionals	1											3
Technicians and associate professionals	1				1	1						2
Clerks	3				1							3
Service and sales workers												
Skilled agricultural and fishery workers												
Craft and related trades workers												
Plant and machine operators and assemblers												
Elementary occupations												
<b>PERMANENT</b>	<b>5</b>				<b>2</b>	<b>1</b>						<b>8</b>
Permanent employees												
<b>TOTAL</b>	<b>5</b>				<b>2</b>	<b>1</b>						<b>8</b>

14.11 Please indicate the numerical targets you have set to achieve for the total number of employees (including people with disabilities) for the end of the period following the period covered by the current report in terms of occupational levels. Note: A=Africans, C=Coloureds, I=Indians and W=Whites

Occupational Levels	Male				Female				White Male	Foreign Nationals		TOTAL
	A	C	I		A	C	I	W		Male	Female	
									W			
Top management	2				1							
Senior management	1				2				1			3
Professionally qualified and experienced specialists and mid-management	1				2			1				4
Skilled technical and academically qualified workers, junior management, supervisors, foreman, and superintendents	4				2							6
Semi-skilled and discretionary decision making	2	2			10							14
Unskilled and defined job making	2	2			3							7
TOTAL PERMANENT	12	4			20			1	1			38
Non - permanent employees												
RAND TOTAL	12	4			20			1	1			38

14.12 Please indicate the numerical targets you have set to achieve for the total number of employees with disabilities only for the end of the period following the period covered by the current report in terms of occupational levels. Note: A=Africans, C=Coloureds, I=Indians and W=Whites

Occupational Levels	Male				Female				Foreign Nationals		TOTAL
	A	C	I	W	A	C	I	W	Male	Female	
Top management											
Senior management											
Professionally qualified and experienced specialists and mid-management					1	1					2
Skilled technical and academically qualified workers, junior management, supervisors, foreman, and superintendents					1						1
Semi-skilled and discretionary decision making	2										2
Unskilled and defined job making											
TOTAL PERMANENT	2				2	1					5
Non permanent employees											
RAND TOTAL	2				2	1					5


**Section H: Signature of the Chief Executive Officer**

**Chief Executive Officer:**

I hereby declare that I have read, approved and authorized this report.

Signed on this 18 day of 12 year 2007

At place: BARKLY - EAST

  
Signature: Chief Executive Officer

Zolile A. Williams  
Full Name



**PLEASE READ THIS FIRST**

**WHAT IS THE PURPOSE OF THIS FORM?**  
This form contains the format for reporting income differentials to the Employment Conditions Commission.

**WHO FILLS IN THIS FORM?**  
All designated employers must complete every section of this statement.

**SEND TO:**  
Employment Equity Registry  
The Department of Labour  
Private Bag X117  
Pretoria 0001  
Telephone: 012 3094000  
Facsimile: 012 3094737 / 3094188  
e-mail: ee@labour.gov.za

**Income differential statement**

**SECTION A: EMPLOYER DETAILS**

Trade name	UKHAWLAMBA D M
DTI registration name	
DTI registration number	
PAYE/SARS number	42 80 120 101
UIF reference number	UE 8207 044 60
EE reference number	
Industry/Sector	LOCAL GOVERNMENT
Seta classification	LG SETA
Telephone number	045 979 3000
Fax number	045 971 0251
Email address	KORREKTE@ukhahlamba.gov.za
Postal address	PRIVATE BAG X 103 BARKLY - EAST
Postal code	9786
City/Town	BARKLY - EAST
Province	EASTERN CAPE
Physical address	CORNER COLE AND GRAHAM BARKLY - EAST
Postal code	9786
City/Town	BARKLY - EAST
Province	EASTERN CAPE

**Details of CEO at the time of submitting this report**

Name and surname	SOLICE A. WILLIAMS
Telephone number	045 979 3006
Fax number	045 971 0251
Email address	mn@ukhahlamba.gov.za

**Details of Senior Manager for Employment Equity at the time of submitting this report**

Name and Surname	HARRY JANTJIE
Telephone number	045 979 3004
Fax number	045 971 0251
Email address	hantj@ukhahlamba.gov.za

**Business Type**

<input type="checkbox"/> Private Sector	<input type="checkbox"/> Parastatal
<input type="checkbox"/> National Government	<input type="checkbox"/> Provincial Government
<input checked="" type="checkbox"/> Local Government	<input type="checkbox"/> Educational Institution
<input type="checkbox"/> Non-profit Organization	

**Information about the organization at the time of submitting this report**

Number of employees in the organization	<input type="checkbox"/> 0 to 49 <input type="checkbox"/> 50 to 149 <input checked="" type="checkbox"/> 150 or more
In terms of Section 14 of the Act, are you voluntary complying?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Is your organization an organ of State?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Date of submitting this report	18 DECEMBER 2007

## WHAT MUST BE TAKEN INTO CONSIDERATION WHEN COMPLETING THE EEA4 FORMS

1. Foreign nationals, i.e. all those individuals who are not citizens of South African, should be excluded when completing the EEA4 forms.
2. Non-permanent employees should be included in the EEA4 forms in terms of the relevant occupational category and occupational level.
3. The calculation of remuneration must include twelve months of a financial year that is in line with the period covered by the EEA2 reporting form. Where this is not possible, e.g. in the case of non-permanent employees, the total payment the person received for the period worked should be divided by the number of months worked, and then multiplied by twelve.
4. The payments below indicates what must be included and what must be exclude in an employee's remuneration for the purposes of calculating pay in order to complete the EEA4 forms.

### INCLUDED:

- Salaries and fees paid to directors
- Salary payments made to directors, executives and managers
- Payments for all types of leave which relate to the reference period
- Commissions paid
- Employer's contribution to pension, provident, medical aid, sick pay and other funds (e.g. UIF and CC)
- Payments for piecework, incentive or profit sharing schemes
- Fringe benefits paid in cash such as housing, mortgage and rent subsidies and transport allowance (e.g. monthly petrol allowance)
- Allowances and penalty payments relating to ordinary time hours
- Performance and other bonuses
- Value of any salary sacrificed
- Amounts paid

### EXCLUDED:

- Payments to independent contractors
- Imputed value of fringe benefits
- Fringe benefits tax
- Reimbursement for expenses e.g. travel, entertainment, meals and other expenses
- Amounts paid from abroad to employees based in SA e.g. embassy employees
- Severance, terminations and redundancy payments
- Overtime pay
- Payments which do NOT relate to the reference period.

# SECTION B: INCOME DIFFERENTIALS STATEMENT

Please use the table below to indicate the total remuneration paid to all employees in each OCCUPATIONAL CATEGORY

Occupational categories	Total workers in Category	Total Remuneration	Male						Female									
			African		Coloured		Indian		White		African		Coloured		Indian		White	
			No of workers	Total Remuneration	No of workers	Total Remuneration	No of workers	Total Remuneration	No of workers	Total Remuneration	No of workers	Total Remuneration	No of workers	Total Remuneration	Total workers	Total Remuneration	Total workers	Total Remuneration
Legislators, senior officials and managers	13	217,230.00	4	210,570.00	2	254,465.00	3	46,119.96	1	114,447.00	5	15,400.00	5	15,400.00	1	114,447.00	2	15,400.00
Professionals	12	1,871,060.00	7	1,405,770.00	3	333,590.00	5	215,500.00	36	2,490,000.00	3	2,130,000.00	34	2,110,500.00	4	2,190,000.00	6	2,130,000.00
Technicians and associate professionals	73	2,162,130.00	20	1,111,205.00	3	333,590.00	5	215,500.00	36	2,490,000.00	3	2,130,000.00	34	2,110,500.00	4	2,190,000.00	6	2,130,000.00
Clerks	45	2,091,000.00	5	2,170,000.00														
Service and sales workers																		
Skilled agricultural and fishery workers																		
Craft and related trades workers																		
Plant and machinery operators and assemblers	69	5,161,720.00	59	3,030,000.00	1	26,914.00	3	5,030,000.00										
Elementary occupations	70	2,161,720.00	60	2,360,000.00	3	2,12,904.00												
TOTAL	276	15,161,720.00	155	11,145,500.00	9	10,76,719.00	11	13,030,000.00	6	2,112,500.00	1	23,307.00	82	2,110,500.00	8	2,110,500.00	11	2,110,500.00

PLEASE PROVIDE REASONS FOR DISPARITIES WITHIN EACH OCCUPATIONAL CATEGORY BELOW:  
 Legislators, senior officials and managers

1.	CONTRACT EMPLOYEES AND PERMANENT EMPLOYEE
2.	SALARY SCALES (NOTCHES)
3.	DATES OF APPOINTMENT
4.	PART-TIME LEGISLATORS
5.	POST LEVELS

Professionals

1.	DATES OF APPOINTMENT
2.	SALARY SCALES (NOTCHES)
3.	CONTRACT EMPLOYEES AND PERMANENT EMPLOYEES
4.	Post levels

Technicians and associate professionals

1.	CONTRACT EMPLOYEES AND PERMANENT EMPLOYEES
2.	SALARY SCALES (NOTCHES)
3.	DATES OF APPOINTMENT
4.	POST LEVELS

Clerks

1.	DATES OF APPOINTMENT
2.	SALARY SCALES
3.	CONTRACT EMPLOYEES AND PERMANENT
4.	POST LEVELS

Service and sales workers


Skilled agricultural and fishery workers




Elementary occupations

1.	DATES OF APPOINTMENT
2.	SALARY SCALES
3.	POST LEVELS



Please use the table below to indicate the total remuneration paid to all employees in each OCCUPATIONAL LEVEL

Occupational levels	Total workers in level	Total Remuneration	Male						Female											
			African		Coloured		Indian		White		African		Coloured		Indian		White			
			No. of workers	Total Remuneration	No. of workers	Total Remuneration	No. of workers	Total Remuneration	No. of workers	Total Remuneration	No. of workers	Total Remuneration	No. of workers	Total Remuneration	No. of workers	Total Remuneration	No. of workers	Total Remuneration		
Top Management	4	R152 798.47																		
Senior Management	10	R153 582	2	R153 771.55	1	R87 601.71														
Professionally qualified and experienced specialists and mid-management	49	R208 801.00	5	R216 810.00	3	R157 610.00														
Skilled/technical and academically qualified workers, junior management, supervisors, agencies and apprentices	27	R257 219.00	8	R67 166.00																
Semi-skilled and discretionary decision making	152	R274 411.00	9	R157 166.00	1	R6 991.00														
Unskilled and defined decision making	124	R87 883.00	113	R106 258.00	4	R19 922.00														
<b>Total</b>	<b>266</b>	<b>R103 5659.00</b>	<b>152</b>	<b>R8106.55</b>	<b>9</b>	<b>R22 188.96</b>	<b>11</b>	<b>R211 355.00</b>	<b>77</b>	<b>R516 974.00</b>	<b>8</b>	<b>R465.57</b>	<b>107</b>	<b>R113.00</b>	<b>5</b>	<b>R207.00</b>	<b>2</b>	<b>R19 355.00</b>	<b>9</b>	<b>R19 046.00</b>

PLEASE PROVIDE REASONS FOR DISPARITIES WITHIN EACH OCCUPATIONAL LEVEL BELOW:

Top Management

- 1. DATES OF APPOINTMENT
- 2. SALARY SCALES (NOTCHES)
- 4. PERFORMANCE BONUSES

Senior Management

- 1. Post levels
- 2. CONTRACT EMPLOYEES AND PERMANENT EMPLOYEES.
- 3. DATES OF APPOINTMENT
- 4. SALARY SCALES

Professionally qualified and experienced specialists and mid-management

1. CONTRACT EMPLOYEES AND PERMANENT EMPLOYEES
2. POST LEVELS
3. SALARY SCALES
4. DATES OF APPOINTMENT

Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents

1. CONTRACT EMPLOYEES AND PERMANENT EMPLOYEES
2. POST LEVELS
3. SALARY SCALES
4. DATES OF APPOINTMENT

Semi-skilled and discretionary decision-making

- 1. Post levels
- 2. Salary Scales
- 3. RATES OF APPOINTMENT

Unskilled and defined decision-making

- 1. Post levels
- 2. Salary Scales
- 3. RATES OF APPOINTMENT