

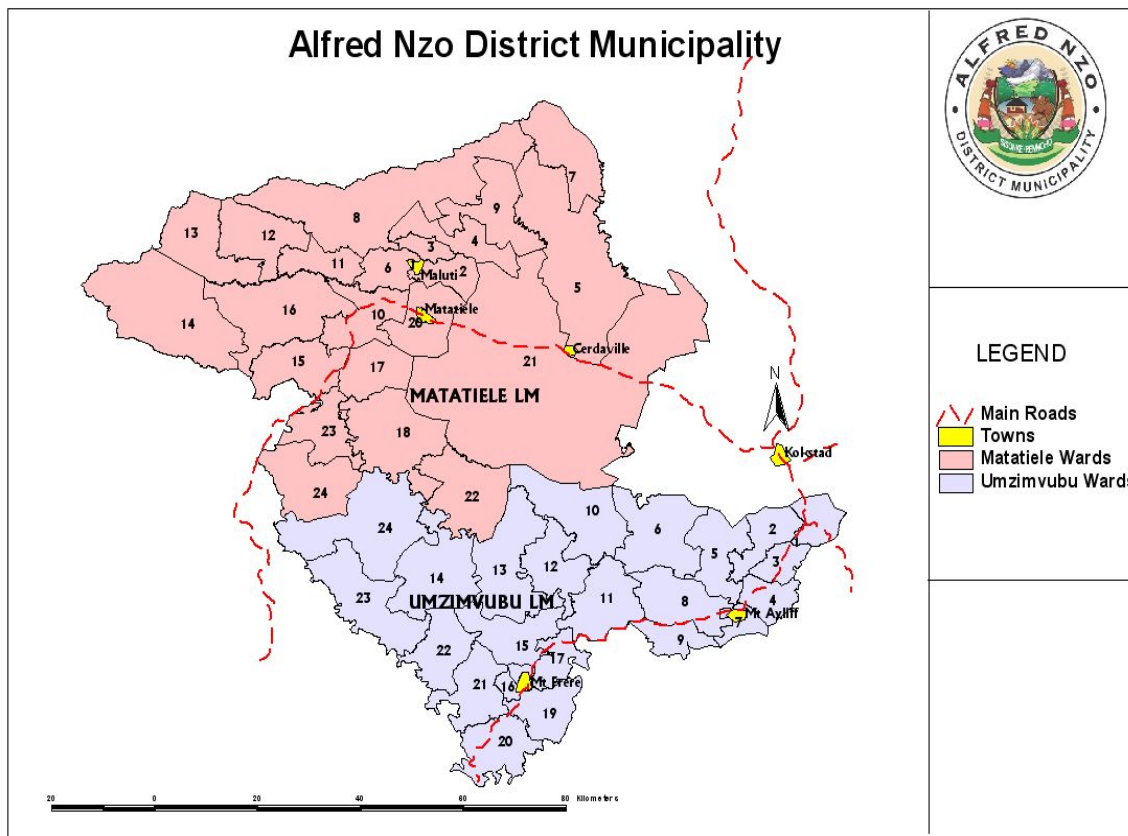


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# MUNICIPAL DEMARCATION MAP FOR ALFRED NZO DISTRICT MUNICIPALITY [ 2006/07 ]





## Message from the Municipal Manager



X. H. Jakuja: Municipal Manager

The 2006/07 Annual Report accounts for municipal activities and municipal financial performance as from 1<sup>st</sup> July 2006 to 30 June 2007. The Municipal activities presented in this annual report demonstrate a positive response by the municipality to the needs of the community that were submitted by the communities themselves towards the end of the previous year during the IDP review and budget preparatory outreach programme. The municipal disclosures made and financial statements included in this report serves to assure the residents and stakeholders of Alfred Nzo District Municipal that our organization shall never fail to be a accountable institution in the local government.

In 2006/07 financial year, the council adopted a total budget of R 232006417 of consisting of Capital Budget of R 164876452 and operational budget of R67129965 This budget funded the council operations to provide a better service for local community through institutional capacity building, effective operation and maintenance of existing infrastructure and implementation of capital projects.

To the community of Alfred Nzo District Municipality I wish to assure re you that areas that could not be reached by our services afforded by the resources allocated for that financial year become the first priorities of our budget in the financial years that follow.

I wish to thank the councilors for their support and acknowledge the good work by the management and staff over the year and in particular I preparation of financial statements and this annual report.

Thank You;



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X.H. Jakuja  
Municipal Manager  
Alfred Nzo District Municipality

## The Mayoral Committee



Cllr. G.G. Mpumza  
Executive Mayor



Cllr M. M. Nyamakazi  
Portfolio Head  
Infrastructure Development



Cllr N. P. Goya  
Portfolio Head  
Budget and treasury



Cllr L. Tshiki  
Portfolio Head  
Human Resources



Cllr V. N. S. Mdingazwe  
Portfolio Head  
Economic Development



## CHAPTER 1

# Overview Of the Municipality



- Mayor's Foreword
- Overview of the Municipality
- Executive Summary

## **1.1 Mayor's Foreword**

(Photo of the Executive Mayor)



Cllr G.G. Mpumza  
Executive Mayor



It is an honour and a privilege to continue serving the community of Alfred Nzo District municipality as the Mayor. Step by step, we realise our mission to create self-sustainable livelihoods becoming a reality. The 2006/07 financial year moved us a step further in realising that mission. By taking stock of our performance in the year under review compared to our past achievements, I am proud to present the 2006/07 Annual report which advocates what Alfred Nzo District Municipality delivered to its community in the year ending 30 June 2006 towards achieving the goals of our mission.

In 2006/07 financial year we partnered with the Provincial Auditor General in the workshop on the implementation of the MFMA. This highlights how our municipality is seized with strategies of how best to implement provisions of MFMA for sound Financial Management objectives.

The year under review has seen policies being developed and reviewed, major projects being completed and other projects beginning in an effort to reach our community with services that meets their most pressing needs. One of the highlights of the year is the full rolling of the rural VIP sanitation programme that provided .households with proper sanitation facilities by end of the year. The Municipality also extended its commitments to proper sanitation facilities at Maluti, Mount Frere. The sanitation programme resulted in creation of job opportunities. Other infrastructure development projects include extension of water services infrastructure to rural areas in an effort to reach the poor households with at least basic level of water services.

We consider local economic development the municipality's great challenge. At this point, would like to make few highlights; the establishment of functional co-operatives to enable the community members to take part in the economy of the district..

Social cohesion is equally a developmental priority of our municipality. Alfred Nzo District Municipality has been in the year under review in showcasing societal values, customs traditions and norms within our communities. The Municipality staged various moral regeneration activities, sport activities, traditional dances and cultural activities that continue to unite a diversity of our community and encourage the younger generation to refrain from criminal activities.

I wish to thank those who have made effort to visit our municipal area and witnessed our performance in serious service delivery. At this note I wish to highlight the visit by German delegation that was taken through our anchor projects in the year under review.



These highlights of the make me believe that our vision to become a self-sustainable municipality is achievable within the shortest space of time afforded by our resources.

Finally, I would like to thank all municipal workers and my fellow councilors for their day-to-day work aimed at keeping the municipality can not be a vibrant place in which to live.

THANK YOU

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Cllr G.G. Mpumza  
EXECUTIVE MAYOR

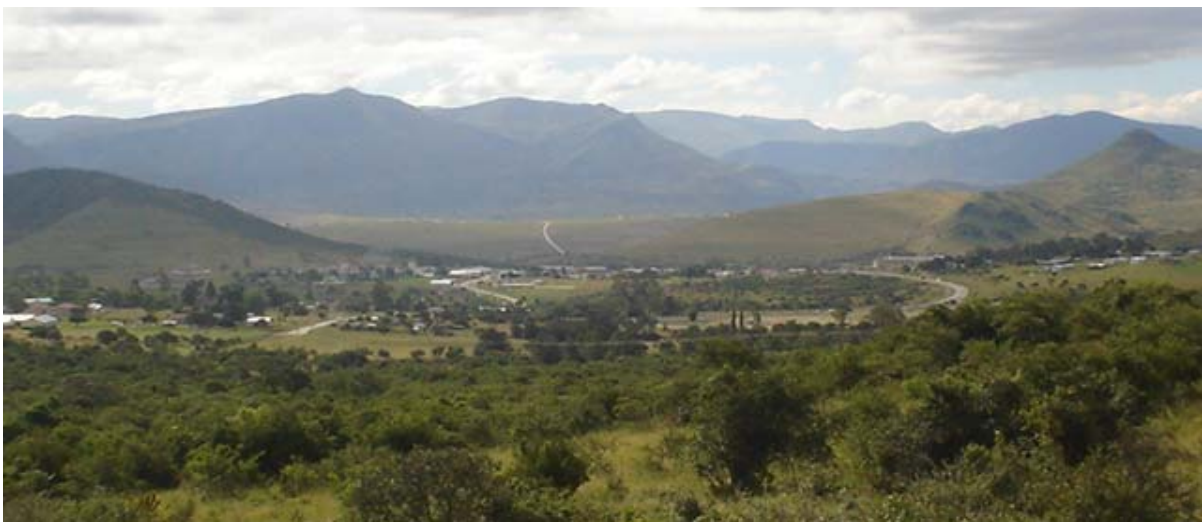
## **1.2 Overview of the Municipality**

### **1.2.1 GEOGRAPHIC PROFILE**

Alfred Nzo District Municipality stretches from the Drakensberg Mountains, borders Lesotho in the West, Sisonke District Municipality to the North and O.R. Tambo District Municipality in the East and South. The District has a total surface area of approximately 6858 square kilometres and is sub-divided into Matatiele and Umzimvubu local municipalities occupying approximately 2506 and 4352 square kilometres respectively. The local municipalities are composed of three former Transitional Local Councils (TLCs) or towns, Mount Frere, Mount Ayliff and Matatiele and one R293 township, Maluti as well as three former Transitional Rural Councils (TRC). The former Transitional Rural Councils are now part of the two local municipalities, Matatiele and Umzimvubu.

Alfred Nzo is one of the four District Municipalities in the Eastern Cape Province, which due to its economic status was declared a node which requires injection in terms of investment, for the sole purpose of changing for the better, the livelihoods of its communities. Alfred Nzo municipal area is naturally well vest with resources of a significant nature. Potential resources that exist within Alfred Nzo municipal area include:

- Agriculture in the form of crop production, fruit production, livestock farming
- Tourism related to arts, crafts, scenery, wildlife, wetlands, and cultural heritage.
- Fishing within dams and rivers.
- Forestry and value addition Strides





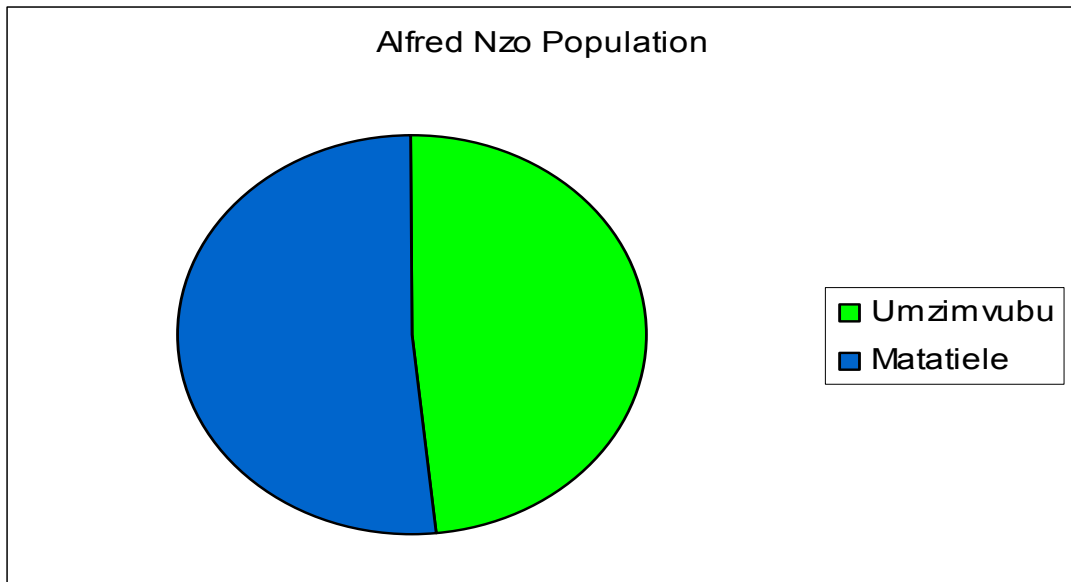


### 1.2.2 DEMOGRAPHIC AND SOCIAL-ECONOMIC PROFILE

Total Population & Population density

	Total Population	Area per square km	Population density
Matatiele	211 165	2506	30
Umzimvubu	197 350	4352	155
<b>Alfred Nzo</b>	<b>408 515</b>	<b>6858</b>	<b>69</b>

The population figures in Alfred Nzo District Municipality are approximately 408 515 for the entire district municipality, 211 165 and 197 350 for Matatiele and Umzimvubu respectively. The population density is 68 persons per square kilometre.



### 1.2.2

#### Information Technology

- Installation and Management of Information systems
- Installation and management of information infrastructure
- Data Management & security
- Website management
- Communication Infrastructure Maintenance

#### a. Governance : Mayoral Committee Support

- To arrange and convene council meetings & standing committees
- Proper monitoring and filling minutes of Councils and standing committee meetings



- b. Development and Planning
  - IDP compilation
  - Surveys Research and Valuations
  - IGR
- c. Communication and Special Programmes
  - Gender Mainstreaming
  - Gender and SPU policies
  - Marketing and branding
  - Communication internally and externally,
  - Review communication Strategy for municipality,
  - Publications and Events Management,
  - Accelerate information dissemination
  - Communication of municipal service delivery
- d. Disaster Management and Fire Rescue
  - DISASTER MANAGEMENT PLAN
  - Risk management
  - Trainings of disaster functionaries and communities
  - Disaster and Fire response
- e. Internal Audit
  - Audit of internal controls
  - Asset and Property Audit
  - Policy Implementation

## **Institutional Arrangement and Capacity Building**

The office of the Municipal Manager is reinforced by the post of the Strategic Manager, which, apart from the overall responsibility of heading the administrative arm of the municipality, is charged with direct responsibility of managing six distinctive sections of Information Technology, Internal Audit, Development and Planning, Communications and Special Programmes, Disaster Management and Fire Rescue.

### **Information Technology**

This section provides IT Support Services to the institution. Out of five posts identified in the adopted organogram, the IT section had four staff members in 2005/06 financial year, headed by IT Manager.



### **Mayoral Committee Support**

This section provides governance support to the Mayoral Committee. Out of three posts of Administrative Clerks identified in the adopted organogram, the section had three Administrative Clerk in 2005/06 financial year.

### **Planning**

This section is responsible for Integrated Development Plan Out of three posts identified in the adopted organogram, the section of had two staff members in 2005/06 financial year.

### **Communications and Special Programmes**

This section is responsible for the Development of Communication Skills internally and externally, Review communication Strategy for Municipality, Branding, Publications and Events Management, Customer care, accelerates information dissemination and update the community on the municipal service delivery. Out of six posts identified in the adopted organogram, the section of had six staff members in 2005/06 financial year.

### **Disaster Management and Fire Rescue**

This section is responsible for Disaster management and fire services. Out of twenty six posts identified in the adopted organogram, the section of had twenty one staff members in 2005/06 financial year.

## **Challenges and Initiatives**

<b>Challenges</b>	<b>Initiatives</b>
<b>Information Technology</b>	
1. Insufficient budgets to implement systems	1.1 Funding has been requested from DBSA
2. No clear institutional and departmental IT requirements	2.1 Development of the Master Systems plan
3. Utilization of systems and tool	3.1 Development of the training plan
<b>Mayoral Committee Support</b>	
4. The Mayoral Committee indicated it had a problem with the recording system	4.1 This has been arranged
5. The Mayoral Committee indicated it had a problem with using the	4.1 The training will be rearranged



recording system	
<b>Internal Auditing</b>	
6. This function has been performed but requires further support as it does not identify the key risk areas and necessary control measures.	6.1 Gobodo and associates has been brought into the picture to fill in the gaps
<b>Development Planning</b>	
7. Land Claims which hinder development	7.1 The Land Claims Commission is dealing with unlocking the land claims
8. Lack of resources and skills for unlocking development.	8.1 The communities are being skilled in various ways in order to enable them to be sufficient. Funding is always a problem for programmes identified for development.
9. Minimal Funding for the development of the IDPs	9.1 Funding is being sourced form different funders ( DPLG and HLG & TA )
<b>Communication and Special Programmes</b>	
10. Separate Communications from SPU	10.1 Separation of these functions in the next financial year
11. Limited budget for SPU & Communications	11.1 Sufficient budget is necessary for both functions i.e. SPU & Communications Skilling of communication practitioners is necessary
12. Proper implementation & evaluation of Employment Equity Act	There will be a need for SPU to target effort towards mainstreaming the targeted groups
<b>Disaster Management and Fire Rescue</b>	
13. Lack of funding for dealing with disaster incidents	13. Requested that Disaster Management be linked to housing development
14. Lack of Human Resources	14 Engaged volunteers and shift system but this
15. Alfred Nzo DM tends to be exposed to varying kinds of disasters annually	does completely not reduce the problem 15. 1 There is a need to increase funds for disaster relief

### 1.2.3 PHYSICAL INFRASTRUCTURE



#### Water Services

Approximately 3% of the population has household connections, 18% households have yard connections and 37% households have access to water through community standpipes that are within a distance of 200m away from their dwelling units. 52% households get water from community standpipes that over 200m away from their dwelling units.

#### Sanitation Services

By the end of the year under review, there were 19,840 households having sanitation at the recommended RDP levels, out of which 2,370 households have flushed toilet, 928 households have flushed septic tanks, 5,379 households have chemical toilets and 1,163 have VIP toilets. A number of 70,771 households have pit latrine type of sanitation and about 1,722 households are using a bucket system of sanitation.

#### Electricity

About 43,528 (35%) households have access to basic electricity services, of which 41,400 households are connected to grid electricity while 2,128 households have Solar Electricity. Approximately 6% of households still use candles and about 59% use paraffin. The average rate of electricity household connection per annum is 3,100 households in grid electricity and 425 households in Solar Electricity.

#### Telecommunications

The majority of the population has no access to telephones. About 71% of the population in the District Municipality have no access to telephones whereas 10% have access to public phones



## Roads

There is approximately 1980 Km of access roads throughout the Alfred Nzo region. The general condition of access roads has improved drastically over the past 3 years, improving access to villages and stimulating public transport through taxis and buses. Where people were previously being transported by bakkies, one see more and more minibus taxis operating on rural roads. Goods are mainly being transported with bakkies.

The District Municipality acquired one complete set of construction equipment (worth about R15m) to execute heavy maintenance as well as reconstruction of access roads.

Within budget constraints the District Municipality manages to spent about R6m annually on heavy maintenance with the construction plant and R1m on labour intensive road maintenance. This equates to about 100 Km of access roads maintained with construction plant and about 60 Km of light maintenance through labour intensive methods.

## Housing

Alfred Nzo District Municipality has 32,679 formal houses, 2,845 informal houses and 87,314 traditional houses The development of low income and middle income housing has been slow. The hindering factors have been the land claims, the lack of housing units.

### 1.2.4 INSTITUTIONAL CHANGES

#### Internal Changes

In 2005/06 financial year, the extension of municipal offices with two additional blocks was completed and other departments were relocated into new blocks. This created more office space and enabled the municipality to employ more staff which enhanced the capacity and effectiveness of the municipality to deliver its mandatory obligations.

#### External Changes

In the year under review, there were no major external changes that affected the operations of the municipality.

## 1.3 Executive Summary

### 1.3.1 MISSION

To create self-sustainable livelihoods through maximum utilisation of natural resources, improvement of human capacities and skills in an integrated manner, that coordinates government people's programmes, which ensure meaningful participation.



### **1.3.2 VISION**

A self-sustainable municipality, which will stimulate social-economic growth and development by 2014.

### **1.3.3 CORE BUSINESS OF THE MUNICIPALITY**

The core business of the Alfred Nzo District Municipality is governed by the principal objectives of the local government, in line with the power powers and functions assigned to it. In this respect, the core business of the municipality include:

- Institutional governance
- Local Economic development
- Infrastructure development and service delivery within assigned powers and functions
- Social development and community support
- Environmental management
- Institutional support to local municipalities.

### **1.3.4 DEVELOPMENTAL PRIORITIES AND GOALS**

Developmental priorities and goals of Alfred Nzo District Municipalities are formulated from the IDP processes, which are reviewed annually based on the pressing needs of the community and challenges that our communities are facing to better their lives. The main challenges facing the living society of Alfred Nzo District Municipality include:

- Low income levels
- Insufficient infrastructure to access basic services
- High levels of unemployment
- Inadequate social and health services due to limited number of schools, clinics, hospitals and recreation facilities.
- Land claims hindering development that would benefit lager society
- Environment related constraints such as land degradation.

Based on the challenges outlined above the following are key development priorities for Alfred Nzo District Municipality;



### **Local Economic Development**

Alfred Nzo District Municipality has developed a Local Economic Development Strategy with the aim of identifying and utilizing local resources and skills to stimulate local economic growth and development.

- Facilitation of sustainable development of local resources, ideas and skills in order to create jobs, eradicate poverty and build the local economy
- Development and promotion of sustainable tourism activities that enhance local economic growth
- Promotion of integrated and sustainable development in the rural areas,
- Promotion of a pollution free environment

### **Infrastructure Delivery**

- Provision of efficient, sustainable, economical and affordable access to water and sanitation for all communities.
- Provision of effective vehicular access to all communities by means of affordably maintained access roads.

### **Social Development**

- Management and monitoring of community's programmes for community development, poverty alleviation, and humanity support, revival of moral regeneration, sport development and Social facilitation.
- Promotion of culture of "UBUNTU" provides support on communities living in health challenges and risks.
- Enhancement of cultural values and social values.
- Inculcation of health and hygiene practises among the community through intensive awareness and motivation programme.

### **Poverty Alleviation**

- Promotion of household food security gardens for the impoverished households, child headed families and HIV/AIDS affected households.
- To ensure vehicular access to all communities by means of affordably maintained access roads.

### **Institutional Development and Capacity Building**





- Establishment of enabling office infrastructure and systems for effective performance and communication of administrative and political mandates.
- Employment of skilled and adequate human resources to ensure that the municipality is able to perform the allocated powers and functions for the benefit of the community.
- Promotion of household food security gardens for the impoverished households, child headed families and HIV/AIDS affected households.

#### **Special Programmes**

- Development and maintenance of municipal communication strategy
- Ensuring that special community groups that are marginalised due to various physical challenges (such as disabled) are involved in and benefit from municipal service delivery programmes.

#### **1.3.5 MUNICIPAL FINANCIAL PROFILE**

**(Summary of Budget to be INSERTED )**



## CHAPTER 2

# Performance Highlights

- Mayor's Foreword
- Overview of the Municipality
- Executive Summary



## **2.1 Review by the Municipal Manager**

### **2.1.1 STRATEGIC PROGRAMMES AND INTERVENTIONS**

- Food security gardens have been developed for female headed families.
- Sanitation programme has been embarked upon to ensure delivery on sanitation
- Water is the major challenge that the municipality has to deal with and the assets that depreciated which have been transferred to District Municipality as the Water Services authority
- LED, public private partnerships and incubation are key strategic directions that the District Municipality need to focus on with the involvement of the business sector.
- Linked to LED is a need for information development and dissemination on a massive side value addition and skills development

### **2.1.2 BUDGET AND FINANCE ADMINISTRATION**

### **2.1.3 HUMAN RESOURCE DEVELOPMENT AND CAPACITY BUILDING**

### **2.1.5 INFRASTRUCTURE DEVELOPMENT**

#### **Water and Sanitation**

##### **Performance highlights:**

Alfred Nzo is predominantly a rural area with about 126 000 households spread over 4 towns and a rural area of about 170Km by 100Km. The Alfred Nzo Council, after conducting a Section 78 Assessment (before re-demarcation, decided on the internal option for water supply. This was fully implemented on the rural supply where the services of three Water Supply Support Agents were terminated and the functions fully provided internally. With respect to the towns the status quo were changed and the DM took over the WSP function from the LM's.



Of this population about 70 000 households are serviced with water in one way or another. This is achieved through 3 regional schemes (transferred from DWAF) and about 100 stand alone rudimentary rural schemes. Of the 100 rural schemes about 34 are driven by diesel engines and about 40 by electricity. The rest are gravity fed.

The annual cost of water provision is in the order of R23m. Only 6 people were permanently employed in the water section for the period under review. About 85 people were transferred from DWAF (mainly general workers), and about 32 people were transferred from Umzimvubu LM and Sisonke DM and about 105 people were part time employed as rural scheme operators to assist with rural schemes. The annual cost of rural scheme operators was in the order of R1m.

With respect to sanitation about \_\_\_\_\_ rural households are presently serviced through VIP pit latrines. Mt Frere, Mt Ayliff, and Matatiele are to a limited extent serviced with water borne sanitation and process is currently underway to eradicate the bucket system in Mt Frere, and Mt Ayliff .

### **Transport and Roads**

Performance highlights:

Detail road report



Madimong road	Road	5	R 300,000.00	<b>R 283,912.71</b>	15	R 12,090.00
Mountain lake dam road		11	R1,300,000.00	<b>R 127,085.84</b>		
Mountain lake dam			NO Budget	<b>R 106889.23</b>	26	R 70,520.00
Pakade Zinkawini		10	R 600,000.00			
Pamlaville bridge			R 550,000.00	<b>R 69,625.23</b>	26	R 22,750.00
			<b>R 2,580,000.00</b>	<b>R 1,863,606.45</b>	<b>114</b>	<b>R 162,920.00</b>

#### LENGTHMAN SYSTEM 06/07

Ntsizwa	Road	27	R 240,000.00	218,021.500	15	R 120,479.00
Sigoga	Road	5	R 40,000.00	R 37,625.00	5	R 37,050.00
Mvalweni	Road	9	R 55,000.00	R 53,685.00	9	R 52,650.00
Koli-Mdakeni	Road	4	R 50,000.00	R 23,491.00	5	R 26,390.00
T17- Sibhozweni	Road	7	R 70,000.00	R 39,338.00	8	R 43,680.00
<b>TOTAL Expenditure</b>		<b>52</b>	<b>R 465,000.00</b>	<b>R 372,160.50</b>	<b>42</b>	<b>R 280,249.00</b>

#### LENGTHMAN SYSTEM 07/08

Siphundu	Road	5	R 65,000.00	R 11,945.00	6	R 13,650.00
Goso	Road	3	R 26,700.00	R 8,025.00	4	R 9,360.00
Caba-Mdeni	Road	4	R 50,000.00	R 13,650.00	5	R 18,525.00
Khauwe	Road	7	R 65,000.00	R 9,625.00	7	R 10,920.00
Dengwane-Hlomendlini	Road	11	R 75,000.00	R 36,925.00	15	R 44,460.00
Sodladla	Road	10	R 70,000.00	R 8,580.00	11	R 17,160.00
Magontsini	Road	1	R 8,300.00	R 595.00	2	
<b>TOTAL</b>		<b>41</b>	<b>R 360,000.00</b>	<b>R 89,345.00</b>	<b>50</b>	<b>R 114,075</b>

Mt.Ayliff Sports Field			R 476,064.00	R 435,309.00		
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Road		Length	Budget	Expenditure	People Employed	Wages to local People
Mt. Frere	Road	9	R 431,750.00	R 650,200.40	23	R 26,595.00
Hlakanelo	Road	4	R 1,410,500.00	R 1,282,911.99	23	R 70,000.00
Marwina	Road	0.5	R 98,347.80	R 98,347.80	5	R325
Xameni	Road	0.4	R 160,915.00	R 158,574.00	6	R 7,000.00
Cancele	Road	1.1	R 158,204.70	R 186,545.82	4	R2800
Pondomise	Road	2.8	R 389,971.20	R 470,957.80	10	R 9000
Dengwane-Hlomendlini	Road	12	R 400,000.00	R 385,387.00	52	R 41 665.00
Caba-Mdeni	Road	4	R 350,000.00	R 404,452.70	11	R 19 235.00
Khauwe	Road	6.7	R 370,000.00	R 265,813.00	16	R 13 570.00
Mateu	Road	4.7	R 260,000.00	R 191,151.62	0	
Nkasela	Road	3.1	R 40,000.00	R 25,279.95		
			<b>R 4,069,688.70</b>	<b>R 4,119,622.08</b>	<b>150</b>	<b>R 103,595.00</b>

#### PLANT MAINTENANCE 07/08

Masakala	Road		R 30,000.00	<b>R 54,251.50</b>		
Sikete	Road	3.4	R 250,000.00	<b>R 86,492.13</b>		
Maluti, Matat & Cerdaville	Road	14.4	R 500,000.00	R 858,165.20	27	R 8,500.00
Kgashole and Bridge	Road	3.4	R 350,000.00	<b>R 384,073.84</b>	20	R 9,060.00



The District Municipality has one complete set of construction plant to assist with heavy road maintenance. During the year under review an additional new grader was purchased with funds generated by the plant. For the period under review heavy road maintenance and partial reconstruction was done on a total of 11 access roads (53Km).

Only two Civil Engineering Technicians are being employed on a full time basis in the Roads Section.

52 Km of access roads were maintained labour intensively which ploughed about R0,5m back into the communities.

### **Building, Electricity and Telecommunications**

Performance highlights:

As the budget priorities for ANDM is focussed towards water and sanitation, the Building Section mainly provides a support function to Local Economic Development and to Local Municipalities. The Section comprises a Deputy Director, a building inspector and a housing technician.

### **Transport, Roads and Public Works**

Performance highlights:

The District Municipality purchased one complete set of construction plant to assist with heavy road maintenance. For the period under review heavy road maintenance and partial reconstruction was done on a total of 6 access roads (56Km).

Only two Civil Engineering Technicians are being employed on a full time basis in the Roads Section.

### **Building, Electricity and Telecommunications**

Performance highlights:

As the budget priorities for ANDM is focussed towards water and sanitation, the Building Section mainly provides a support function to Local Economic Development and to Local Municipalities. The Section comprises a Deputy Director, a building inspector and a housing technician.

Phase 2 of the Municipal Offices in Mt Ayliff was completed at a cost of R12,5m during the period under review.

About 10 building projects were completed at a cost of about R32m.



### **Project Management Unit**

Our municipality continued to implement capital projects with an effort to reduce the huge backlog in infrastructure development that we are facing in our municipal area. The outputs of projects implemented in 2005/6 include:

- i. 128 km of access roads
- ii. 9,336 households benefited from seventeen (17) Water supply projects
- iii. .... households benefited from construction of ..... VIP toilets

While funding remains a limiting factor to speed up the reduction of backlog, these projects had significant impact in reducing backlog in service infrastructure development.

### **Institutional: Water Services Authority Function**

Performance highlights:

### **Project Management Unit**

Our municipality continued to implement capital projects with an effort to reduce the huge backlog in infrastructure development that we are facing in our municipal area. The outputs of projects implemented in 2004/05 include:

- iv. 128 km of access roads
- v. 9,336 households benefited from seventeen (17) Water supply projects
- vi. .... households benefited from construction of ..... VIP toilets

While funding remains a limiting factor to speed up the reduction of backlog, these projects had significant impact in reducing backlog in service infrastructure development.

### **Institutional: Water Services Authority Function**

#### **Section 78 assessment**

Phase 1 of the Section 78 Assessment was completed. After submission of the various options, Council decided to explore also a few external options in order to get a complete holistic view as to all the possibilities available to Council for an informed decision. The first part of the Section 78 phase 3 assessment was completed. As the first part of the phase 3 assessment concentrated mainly on financial data, it was decided to explore a further number of options, not only selected on financial criteria. At year end the DM was still engaged in this phase and it is hoped to complete the Section 78 assessment in the forthcoming financial year.



## 2.1.5 ECONOMIC DEVELOPMENT AND ENVIRONMENTAL MANAGEMENT

The municipality is involved in implementing, supporting and promoting activities that contribute to or offer the potential for economic growth and employment to the community of Alfred Nzo as a whole. In order to maximise the impact on local economic growth, our strategy is to embark on activities that individual businesses can not usually undertake.

It is also the council's responsibility to show case the protection of the environment against malpractices that endanger the sustainable existence of the natural environment. The following activities are the highlights of Council's performance through to 30 June 2006;

### Local Economic Development

- Goxe Cut-Flower: Eleven hectares of proteas planted and One cold storage facility completed at Puffudershoek Farm. Goat handling facilities and camps were completed at the farm. A storage shed, packing shed and office infrastructure was constructed.
- WoodCluster: Phase 2 comprising 10 additional workshops and 1 spraybooth have been completed at the Furntech incubation and training centre in Umzimkhulu. 8 businesses are currently in incubation. A 2ha medicinal plants garden was established at Fodo Monument in Gugwini village, Umzimkhulu
- Vegetable Production: 90 additional household gardens producing under drip-irrigation have been established in Maluti and Mt. Ayliff. 210 hectares of vegetables planted in projects implemented in the year under review. 8 hydroponic tunnels producing tomatoes have been established at Msukeni and Kwakhetha in Mt. Ayliff. 2 storage sheds have been constructed at Tabachecha and Ambrose and a cold storage facility has been constructed at Msukeni
- SMME Support: Vulindlela One-Stop Shop has been established and provides non-financial business support services to SMME's in the District
- Umzimvubu Goats: The facility, comprising a 200 goats holding pen, an abattoire, meat processing plant, leather tannery, craft production facilities, a restaurant, retail outlet and administration block has been constructed and is operational. Village level infrastructure with goat handling facilities and administrative facilities have been completed in Mahobe – Maluti and Osborne – Mt. Frere





- Grain Production: 1022 ha of maize were cultivated in Dangwana and Toleni in Mt. Frere. 2 storage sheds were also constructed in both villages.

### **Promotion of Tourism**

- Ntsikeni Eco-Tourism: May Lodge accommodation with 6 rondavels and a 20 seater conference room were constructed. 2 wooden chalets accommodating 12 people were completed at May Lodge with 6 chalets accommodating 24 people and staff accommodation completed at Ntsikeni Lodge.
- N2 & R56 Tourism: Water infrastructure development completed for Xesibe Tourism. A performance area, 6 traditional bomas, retail and administration centre and 6 accommodation units have been completed at Fodo Cultural Centre in Gugwini, Umzimkhulu. 8 wooden craft production units have been completed at Caba-Mdeni in Malluti. 40 wooden craft production units have been completed in Madlangala, Mtsila, Dangwana, Malubaluba, Dutyini for Leathercrafters.
- Msukeni Enterprises: 7 craft production units and a restaurant have been constructed in Msukeni - Mt. Ayliff

### **Environmental Management**

2 Land Rehabilitation projects were completed in Lwandlana and Msukeni. Environmental management campaigns were taken to 10 schools in Alfred Nzo. Vertiver grass was also planted in those schools for erosion control.

### **Waster Management and Pollution Control**

In the year under review, the municipality continued to promote awareness of waste management and pollution control by which induction sessions were held at two (2) schools

## **2.1.5 SOCIAL DEVELOPMENT**

### **Poverty alleviation**

The municipality continued to implement a food security programme in various centres within the municipal area. The programmes included supply of seedlings, fencing of community gardens and development of irrigation systems for community gardens. The following communities benefited from the poverty alleviation programme in 2005/06 financial year;



- i. .... households in Ntsizwa, Mt Ayliff area,
- ii. .... households in Ntlabeni village of Mt Frere area,
- iii. .... households in Dikamorong village of Maluti area,
- iv. .... households in Dutyini village of Mt Ayliff area

### **Community Development**

The highlights for the 2005/6 financial year in community development include;

#### **i. Moral Regeneration Programme**

Songs had been composed for Moral Regeneration Movement (MRM) and choirs competed successfully in the year under review. Alfred Nzo Choral Music has been in partnership with the office of Social development to carry out this event successfully. The MRM outreach was undertaken at tribal authority level which made remarkable impact in reviving moral values amongst the local society. We have also established Moral Regeneration Committees in the municipal area.

#### **ii. Sports Development**

The highlights in sports development include revival of the District Sports Council and provision of support in organising sports competitions within the local areas.

#### **iii. Career Development**

Four students were awarded bursaries from the 2<sup>nd</sup> year to further their studies in the field of engineering. Winter schools were provided in June last year where, by which teachers were employed to assist.

#### **iv. Cultural Development**

Traditional dances and cultural activities were promoted to boost moral values within the societies.

### **3. SOCIAL FACILITATION**

The centralization of facilitation has been initiated in 2005/6 and due for implementation in 2006/7.

### **4. MUNICIPAL HEALTH SERVICES**

The task team has been established to engage the province on the facilitation of the personnel transfer and secondment of the personnel.

### **5. HIV AND AIDS**



ATIC centre has been established and the staff has been recruited. The budget is 100% funded by the province. The programmes of capacity building of CBO's have implemented.

The awareness programmes have been conducted at ward levels in partnership with PLWA,s support programme. Care and support programme were implemented.

## **2.2 Backlog in Service Delivery**

Backlogs in service delivery show the number of households that do not have access to the minimum services (level and standard) as specified by the relevant sector department or within the national policy. The service standard used in the area of Alfred Nzo District Municipality to determine backlog is as follows.

### **2.2.1 WATER SERVICES**

Backlog in water services is defined as the number of households that do not have access to a minimum requirement of 6 kl of clean water per household per month within a distance of 200mm from a dwelling unit.

The present backlog in water provision is about 56 000 households. This means households that are not provided with any form of water provision.

### **2.2.2 SANITATION SERVICES**

Backlog in sanitation services is defined as number of households that do not have access to a minimum requirement of one VIP toilet per household.

### **2.2.3 REFUSE REMOVAL SERVICES**

Refuse removal falls within the competence of the local municipalities. However, backlog in refuse removal is defined as number of households that do not have access to removal of refuse once per week.

### **2.2.4 ELECTRICITY SERVICES**

Electricity also falls within the competence of the local municipalities with Eskom as Service Provider licensed to distribute electricity. Backlog in electricity services is defined as number of households that do not have access to 30 Kwh of electricity per household per month.

### **2.2.5 ROADS SERVICES**

In Alfred Nzo municipal area, backlog in roads services is defined as total length of roads required to provide households with road service that meet the required minimum standard of a gravel access road.



There are approximately 1 980 Km of access roads that require urgent maintenance within the Alfred Nzo area. This includes roads constructed before 2001. One can safely assume that the under capacity within the DM (in terms of budget and personnel) leads to about 1 900 Km's of access roads not being maintained.

## 2.2.6 HOUSING SERVICES

Housing falls within the competence of the local municipalities whereby backlog in housing services is defined as number of households that do not dwell in a masonry house with a floor area of at least 40 m<sup>2</sup>.

## 2.3 Relating Backlog to Municipal Spending

Service Delivery Backlog [ Note: Areas where data was not available are marked ( - ) ]

	30 June 2004			30 June 2005			30 June 2006		
	Required	Budgeted	Actual	Required	Budgeted	Actual	Required	Budgeted	Actual
<b>Water Backlog (6kl per month)</b>									
Backlogs to be eliminated (No Households Not Receiving Minimum Standard of Service)				R17m			R22m	R15m	R15m
Backlogs to be eliminated (Percent - HH identified as backlogs / HH in municipality)									±44%
Spending on New Infrastructure to Eliminate Backlogs (Rand '000)									
Spending on Renewal of Existing Infrastructure to Eliminate Backlogs (R'000)									
Total Spending to eliminate Backlogs (Rand '000)									
Spending on maintenance to Ensure No New Backlogs Created (R '000)									
<b>Sanitation Backlog (1 VIP Toilet per household)</b>									
Backlogs to be eliminated (No Households Not Receiving Minimum Standard of Service)									
Backlogs to be eliminated (Percent - HH identified as backlogs / HH in municipality)									



Spending on New Infrastructure to Eliminate Backlogs (Rand '000)									
Spending on Renewal of Existing Infrastructure to Eliminate Backlogs (R'000)									
Total Spending to eliminate Backlogs (Rand '000)									
Spending on maintenance to Ensure No New Backlogs Created (R '000)									

**Service Delivery Backlog [ Note: Areas where data was not available are marked ( - ) ]**

	30 June 2003			30 June 2004			30 June 2005		
	Required	Budgeted	Actual	Required	Budgeted	Actual	Required	Budgeted	Actual
<b>Refuse Removal Backlog (once per week)</b>									
Backlogs to be eliminated (No Households Not Receiving Minimum Standard of Service)									
Backlogs to be eliminated (Percent - HH identified as backlogs / HH in municipality)									
Spending on New Infrastructure to Eliminate Backlogs (Rand '000)									
Spending on Renewal of Existing Infrastructure to Eliminate Backlogs (R'000)									
Total Spending to eliminate Backlogs (Rand '000)									
Spending on maintenance to Ensure No New Backlogs Created (R '000)									
<b>Electricity Backlog (30 KWH per month)</b>									
Backlogs to be eliminated (No Households Not Receiving Minimum Standard of Service)									



Backlogs to be eliminated (Percent – HH identified as backlogs / HH in municipality)									
Spending on New Infrastructure to Eliminate Backlogs (Rand '000)									
Spending on Renewal of Existing Infrastructure to Eliminate Backlogs (R'000)									
Total Spending to eliminate Backlogs (Rand '000)									
Spending on maintenance to Ensure No New Backlogs Created (R '000)									

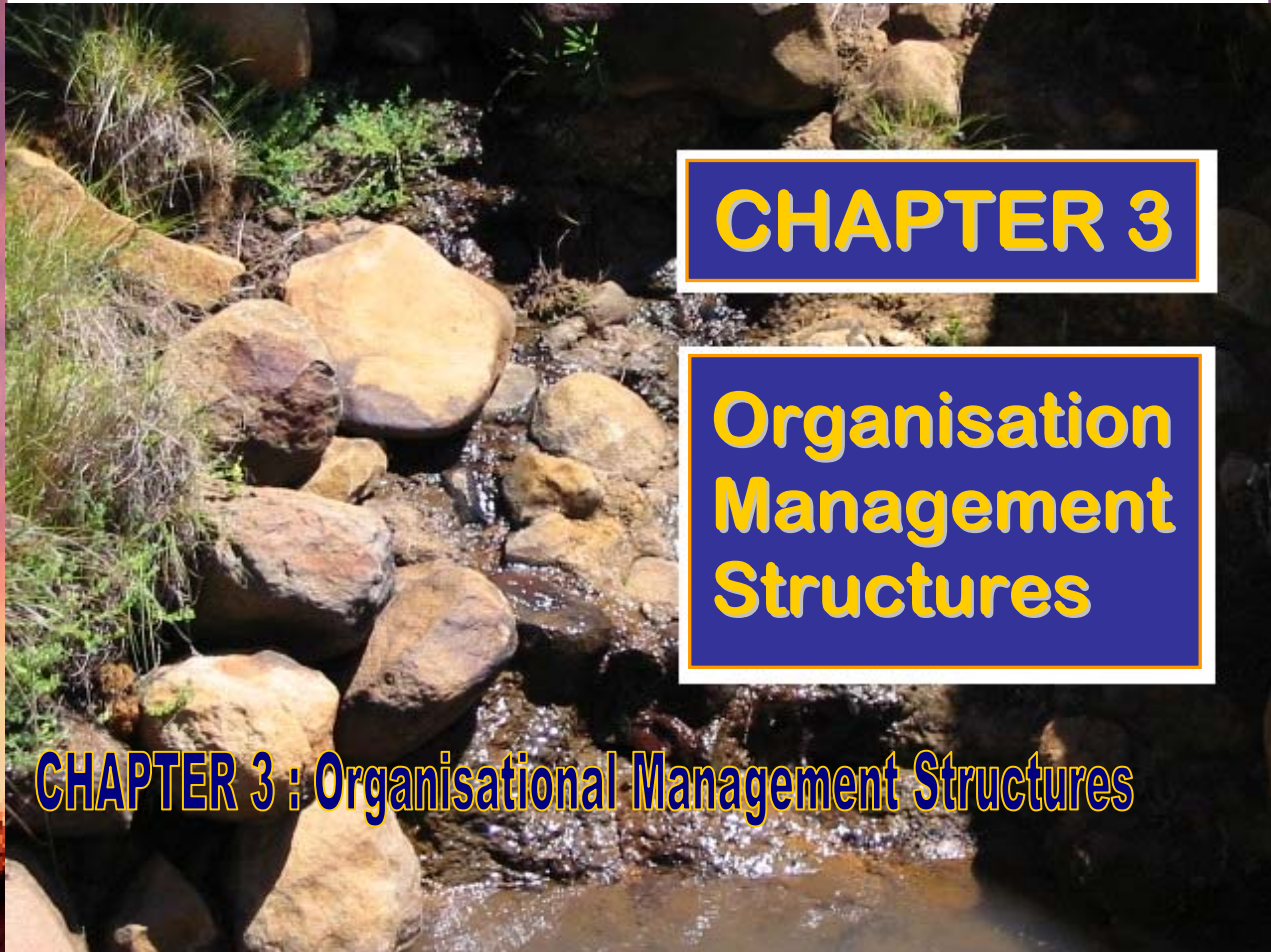
**Service Delivery Backlog [ Note: Areas where data was not available are marked ( - )]**

	30 June 2003			30 June 2004			30 June 2005		
	Required	Budgeted	Actual	Required	Budgeted	Actual	Required	Budgeted	Actual
<b>Roads Backlog (Gravel Access Road)</b>									
Backlogs to be eliminated (No KMs Not Providing Minimum Standard of Service)									1 900
Backlogs to be eliminated (Percent – KMs identified as backlogs / total KMs)									96%
Spending on New Infrastructure to Eliminate Backlogs (Rand '000)									
Spending on Renewal of Existing Infrastructure to Eliminate Backlogs (R'000)									
Total Spending to eliminate Backlogs (Rand '000)									
Spending on maintenance to Ensure No New Backlogs Created (R '000)									R4m
<b>Housing Backlog (40 m<sup>2</sup> per Household)</b>									
Backlogs to be eliminated (No Households Not Receiving Minimum Standard of Service)									



Backlogs to be eliminated (Percent – HH identified as backlogs / HH in municipality)									
Spending on New Infrastructure to Eliminate Backlogs (Rand '000)									
Spending on Renewal of Existing Infrastructure to Eliminate Backlogs (R'000)									
Total Spending to eliminate Backlogs (Rand '000)									
Spending on maintenance to Ensure No New Backlogs Created (R '000)									





# CHAPTER 3

## Organisation Management Structures

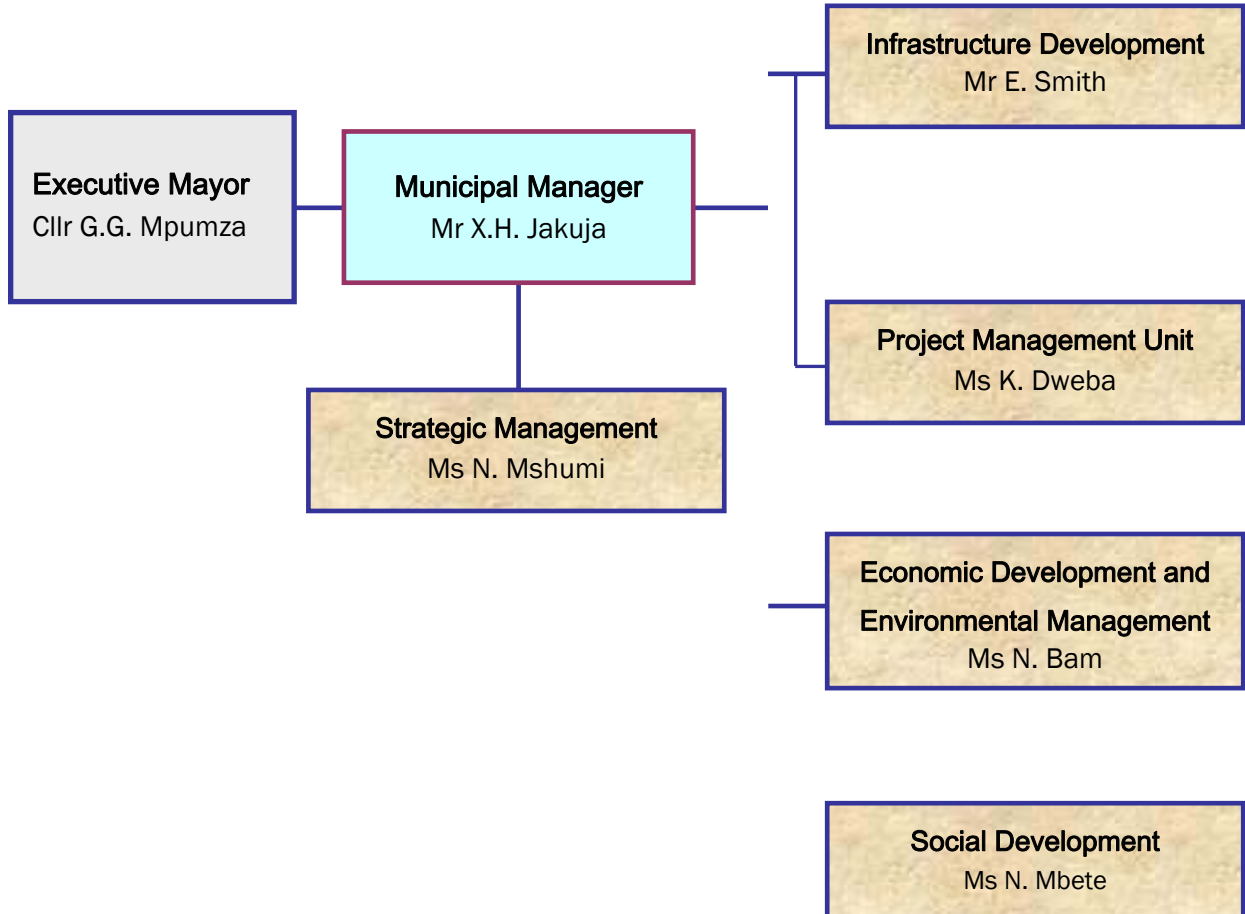
### CHAPTER 3 : Organisational Management Structures

- Mayor's Forward
- Governance and  
Municipal
- Executive Summary

**Human Resource and  
Administrative Support**  
Mr S.V. Poswa

**Budget and Treasury**  
Mr V. Nobongoza (CFO)





### **3.2 Office of the Municipal Manager**



Ms N. Mshumi  
Strategic Manager

The office of the Municipal Manager is responsible for management and accountability in overall performance of the municipality.

### Key Performance Areas

e. Information Technology

- Installation and Management of Information systems
- Installation and management of information infrastructure
- Data Management & security
- Website management
- Communication infrastructure and maintenance

f. Governance : Mayoral Committee Support

- To arrange and convene council meetings & standing committees
- Proper monitoring and filling of Councils and standing committee meetings

g. Development and Planning

- IDP compilation
- Surveys Research and valuations
- IGR

h. Communication and Special Programmes

- Lobby & advocate for Special Groups
- Gender Mainstreaming
- Gender policies
- Marketing and branding
- Communication internally externally,
- Review communication Strategy for municipality,



- Publications and Events Management,
  - Accelerate information dissemination
  - Community on the municipal service delivery
  - Awareness Campaigns
  - Empowerment of the Special Groups
- i. Disaster Management and Fire Rescue
- DISASTER MANAGEMENT PLAN
  - Trainings of disaster functionaries and communities
  - Disaster and Fire response

## **Institutional Arrangement and Capacity Building**

The office of the Municipal Manager is reinforced by the post of Strategic Manager, which, apart from the overall responsibility of heading the administrative arm of the municipality, is charged with direct responsibility of managing six distinctive sections of Information Technology Internal Audit, Development and Planning, Communications and Special Programmes, Disaster Management and Fire Rescue.

### **Information Technology**

This section provides IT Support Services to the institution. Out of five posts identified in the adopted organogram, the IT section had four staff members in 2005/06 financial year, headed by IT Manager.

### **Mayoral Committee Support**

This section provides governance support to the Mayoral Committee. Out of three posts of Administrative Clerks identified in the adopted organogram, the section had three Administrative Clerk in 2005/06 financial year.

### **Development Planning**

This section is responsible for Integrated Development Plan Out of three posts identified in the adopted organogram, the section of had two staff members in 2005/06 financial year.

### **Communications and Special Programmes**



This section is responsible for the Development of Communication Skills internally and externally, Review communication Strategy for municipality, Branding, Publications and Events Management, Customer care, accelerate information dissemination and update the community on the municipal service delivery. Out of five posts identified in the adopted organogram, the section of had five staff members in 2005/06 financial year.

### **Disaster Management and Fire Rescue**

This section is responsible for Disaster management and fire services. Out of twenty six posts identified in the adopted organogram, the section of had twenty one staff members in 2005/06 financial year.

### **Challenges and Initiatives**

<b>Challenges</b>	<b>Initiatives</b>
<b>Information Technology</b>	
16. Insufficient budgets to implement systems	1.1 Funding has been requested from DBSA
17. No clear institutional and departmental IT requirements	2.1 Development of the Master Systems plan
18. Utilization of systems and tool	3.1 Development of the training plan
<b>Mayoral Committee Support</b>	
19. The Mayoral Committee indicated it had a problem with the recording system	4.1 This has been arranged
20. The Mayoral Committee indicated it had a problem with using the recording system	4.1 The training will be rearranged
<b>Internal Auditing</b>	
21. This function has been performed but requires further support as it does not identify the key risk areas and necessary control measures.	6 1 Gobodo and associates has been brought into the picture to fill in the gaps
<b>Development Planning</b>	
22. Land Claims which hinder development	7.1 The Land Claims Commission is dealing with unlocking the land claims
23. Lack of resources and skills for unlocking development.	8.1 The communities are being skilled in various ways in order to enable them to be sufficient.



	Funding is always a problem for programmes identified for development.
24. Minimal Funding for the development of the IDPs	9.1 Funding is being sourced form different funders ( DPLG and HLG & TA )
<b>Communication and Special Programmes</b>	
25. Separate Communications from SPU	9.1 Separation of these functions in the next financial year
26. Limited budget for SPU & Communications	10.1 Sufficient budget for SPU & Communications: skills identified to assist in this regard
27. Proper implementation & evaluation of Employment Equity Act	
<b>Disaster Management and Fire Rescue</b>	
28. Lack of funding for dealing with disaster incidents	13. Requested that disaster Management be linked to housing development
29. Lack of Human Resources	14 Engaged volunteers and shift system but this does completely not reduce the problem

### 3.3 Department of Human Resources



Mr S.V. Poswa  
Director: Human Resources

The Department of Human Resources is charged with the responsibility to provide management and staff with quality human resource support so that the municipality has the employee resources needed to deliver important services to the community. In the year under review, the Department of Human Resources continued to implement capacity building programmes and quality recruitment processes to ensure that we find the best possible candidates to support our community.

## Key Performance Areas

- i. Human Resource Development
- ii. Personnel Career Management
- iii. Labour Relations
- iv. Occupational Health and Safety
- v. Administrative Support Services

## Institutional Development and Capacity Building

In 2005/06 financial year, the Department of Corporate Services had 127 staff members out of 211 posts of identified in the Council's adopted organogram.

*(Indicate any training and capacity building initiatives undertaken within the department in the year under review).*

**Disclosures Concerning Councillors, Directors and Senior Officials:  
for the period 1 July 2005 to 30 June 2006**



Description	Mayor (R)	Other Councillors (R)	Municipal Manager (R)	Chief Financial Officer (R)	Other Senior Managers (R)	TOTAL (R)
<b>Salaries and Wages</b>						
Normal	255 017.50	1 796 716.07	362 423.40	324 002.76	2 228 952.62	4 967 112.35
Overtime	0	0	0	0	0	0
<b>Contributions</b>						
Pensions	53 181.24	93 932.67	45 302.88	91 800.72	199 090.32	<b>483 307.83</b>
Medical Aid	40 392.00	249 480.00	30201.96	43 200.36	110 622.72	<b>473 897.04</b>
Other	0	0	0	0	0	0
<b>Allowances</b>						
Travel and Motor Car	34 254.67	367 31.00	96 646.20	81 000.72	823 308.12	<b>1 086 940.71</b>
Accommodation	0	0	0	0	0	0
Subsistence	0	0	0	0	0	0
Housing Benefits and Allowances (R)	31 871.70	172 107.18	39 262.56	0	155 111.64	<b>398 353.08</b>
Loans and Advances	40 037.02	158 506.46	0	0	0	<b>198 543.48</b>
Other Benefits and Allowances	0	23 400.00	0	0	109 399.20	0
Arrears Owed to Municipality	0	0	0	0	0	0

**Employment Equity**



### Councillors 01 July 2005 – 31 March 2006

Occupational Category	Male				Female				TOTAL
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Speaker	0	0	0	0	1	0	0	0	1
Executive Mayor	1	0	0	0	0	0	0	0	1
Mayoral Committee	4	0	0	0	1	0	0	0	5
Directly Elected Councillors	6	0	0	0	5	0	0	0	11
PR Councillors	6	0	0	0	3	0	0	0	9
Councillors with disabilities	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>17</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>10</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>27</b>

### Councillors 09 April – 30 June 2006

Occupational Category	Male				Female				TOTAL
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Speaker	1	0	0	0	0	0	0	0	1
Executive Mayor	1	0	0	0	0	0	0	0	1
Mayoral Committee	2	0	0	0	2	0	0	0	4
Directly Elected Councillors	3	0	0	0	3	0	0	0	6
PR Councillors	7	0	0	0	6	0	0	0	13
Councillors with disabilities	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>14</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>11</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>25</b>

### Municipal Staff

Post Level	Occupational Categories	Male				Female				TOTAL
		African	Coloured	Indian	White	African	Coloured	Indian	White	





0 & 1	Senior Management Section 57 Employees	5	0	0	1	4	0	0	0	10
2 & 3	Middle Management	11	1	0	1	8	0	0	0	21
4,5,6	Technicians and Professionals	25	1	0	0	17	1	0	0	44
7 & 8	Support Staff	12	0	0	0	20	0	0	0	32
9	Clerks	10	1	0	0	12	0	0	0	23
10	Elementary	3	0	0	0	0	0	0	0	3
12	General Assistants	1	0	0	0	1	0	0	0	2
	Service Workers	10	0	0	0	3	0	0	0	13
	Contract Staff (Cleaners)	3	0	0	0	12	0	0	0	15
	<b>TOTAL PERMANENT</b>	<b>80</b>	<b>3</b>	<b>0</b>	<b>2</b>	<b>77</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>153</b>
	Elementary occupations	0	0	0	0	0	0	0	0	0
	Interns	2	0	0	0	4	0	0	0	6
	In-service training	5	0	0	0	12	0	0	0	17
	Learnerships	3	0	0	0	0	0	0	0	3
	<b>TOTAL ON PAYROLL</b>	<b>86</b>	<b>3</b>	<b>0</b>	<b>2</b>	<b>88</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>180</b>

Employees with Disabilities	1	0	0	0	0	0	0	0	0	1
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## Employment and Vacancies

### Annual Turnover per Budget Vote for 2005/06

Budget Vote	Number of Employees	Appointments 2005/06	Resignations 2005/06	Turnover Rate
1. Office of The Speaker	1	0	0	0
2. Office of The Executive Mayor	1	0	0	0
3. Office of The Municipal Manager	52	10	4	7.6
4. Human Resources	18	5	1	5.5
5. Finance and Treasury	22	2	1	4.54
6. Infrastructure Development	36	20	1	2.7



7.	Economic Development	7	1	1	14.28
8.	Social Development	16	4	0	0
<b>TOTAL</b>		<b>153</b>	<b>42</b>	<b>7</b>	<b>4.57</b>

### Job Evaluation Report

Department	No. of Posts Filled	Number of Completed JAQ's & JDF's	Number of Posts in the Approved Establishment
1. Office of The Municipal Manager	54	31	56
2. Human Resources	18	17	27
3. Finance and Treasury	22	20	45
4. Infrastructure Development	36	11	47
5. Economic Development	7	6	21
6. Social Development	16	14	15
<b>TOTAL</b>	<b>153</b>	<b>111</b>	<b>211</b>

<b>Function:</b>	<b>Finance and Administration</b>
<b>Sub Function:</b>	<b>Human Resources</b>

Reporting Level	Detail	Total	
Overview:	The function includes all activities relating to the human resources management function of the municipality including career management, job evaluation, performance management, labour relations management, employee wellness and human resources development		
Description of the Activity:	<p>The function of human resource management within the municipality is administered as follows and includes:</p> <p><i>1.1 Human Resources Development</i></p> <p><i>1.1.1 Community empowerment</i></p> <p><i>1.1.2 Councillor development</i></p> <p><i>1.1.3 In service training and / learnerships</i></p> <p><i>1.1.4 Capacity building for employees</i></p> <p><i>1.2 Career Management</i></p> <p><i>1.2.1 Job Evaluation</i></p> <p><i>1.2.2 Service delivery and structure design</i></p> <p><i>1.2.3 Performance management system</i></p> <p><i>1.2.4 Recruitment and selection</i></p> <p><i>1.2.5 Benefits administration</i></p> <p><i>1.2.6 Staff transfer</i></p>		



	<p>1.2.7 <i>Leave administration</i></p> <p>1.3 <i>Labour Relations Management</i></p> <p>1.3.1 <i>Compliance with collective agreements and other labour</i></p> <p>1.3.2 <i>Discipline management</i></p> <p>1.3.3 <i>Promotion of sound labour relations through Local Labour Forum</i></p> <p>1.4 <i>Employee Wellness</i></p> <p>1.4.1 <i>HIV/AIDS in the workplace</i></p> <p>1.4.2 <i>Promotion of health and safety</i></p> <p>1.4.3 <i>Employee Assistance Programme</i></p> <p>The municipality has a mandate to:</p> <ol style="list-style-type: none"> <li>1. <i>Provide support to local municipalities</i></li> <li>2. <i>Empower Communities</i></li> <li>3. <i>Job creation through Municipal Service Centre</i></li> </ol> <p>The strategic objectives of this function are to:</p> <ol style="list-style-type: none"> <li>1. <i>Skills development internal and external</i></li> <li>2. <i>Compliance with relevant legislations</i></li> <li>3. <i>Policy development and or reviewal</i></li> <li>4. <i>maintain low turnover rate and high level of employee satisfaction</i></li> </ol>																							
	<p>The key issues for 2005/06 are:</p> <ol style="list-style-type: none"> <li>1. <i>performance management</i></li> <li>2. <i>job evaluation</i></li> <li>3. <i>organisational development</i></li> <li>4. <i>training and development for Councillors and Officials</i></li> <li>5. <i>Community empowerment</i></li> </ol>																							
<p>Analysis of the Function:</p>	<p>&lt;Provide statistical information on (as a minimum):&gt;</p> <p>Number and cost to employer of all municipal staff employed:</p> <table border="1"> <tr> <td>- Professional (Managerial/Specialist)</td> <td>23</td> <td>13732262</td> </tr> <tr> <td>- Field (Supervisory/Foremen)</td> <td>37</td> <td>10333436</td> </tr> <tr> <td>- Office (Clerical/Administrative)</td> <td>43</td> <td>15053421</td> </tr> <tr> <td>- Non-professional (blue collar, outside workforce)</td> <td>36</td> <td>650000</td> </tr> <tr> <td>- Temporary Staff</td> <td>15</td> <td></td> </tr> <tr> <td>- Contract Staff</td> <td>9</td> <td>350000</td> </tr> <tr> <td></td> <td>163</td> <td>44070323</td> </tr> </table>	- Professional (Managerial/Specialist)	23	13732262	- Field (Supervisory/Foremen)	37	10333436	- Office (Clerical/Administrative)	43	15053421	- Non-professional (blue collar, outside workforce)	36	650000	- Temporary Staff	15		- Contract Staff	9	350000		163	44070323	<p><i>R (000s)</i></p>	
- Professional (Managerial/Specialist)	23	13732262																						
- Field (Supervisory/Foremen)	37	10333436																						
- Office (Clerical/Administrative)	43	15053421																						
- Non-professional (blue collar, outside workforce)	36	650000																						
- Temporary Staff	15																							
- Contract Staff	9	350000																						
	163	44070323																						

## Challenges and Initiatives

CHALLENGES

INITIATIVES



<b>Human Resource Development</b>	
1. Implementation of Skills Development Act	1.1 Facilitation new skills development strategies to advance the need for an integrated skills development program
2. Capacity building for Councillors	a. Skills audit for Councillors and training programme
<b>Personnel Career Management</b>	
3. Transfer of staff	a. Conducted audit on all transferred personal files b. Induction of all transferred employees
4. Leave administration	a. Computerization of leave administration Leave balances shown on payslips monthly
5. Utilisation of Human Resources Information System	5.1 Appointment of tax auditors for the existing system 5.2 Acquisition of VIP payroll system to replace the old payroll system
<b>Labour Relations</b>	
5. Implementation of Integrated Employee Wellness Program	5.1 Workshops conducted on Employee Assistance Program 5.2 Draft HIV/Aids Policy and Employee Assistance Program Policy
6. Formation of Employment Equity Forum	6.1 Employment Equity Forum will be included in the Training Committee
7. Sound Labour Relations	7.1 launch of sub committees on HRD, conditions of Service and Workplace Restructuring 7.2 LLF AGM and Monthly LLF meetings 7.3 Implementation of bargaining Council Collective agreements



<b>Occupation Health and Safety</b>	
8. Lack of submission of OHS Plans by construction companies	8.1 Review specification and approve health and safety plans
9. Emergency Preparedness	9.1 Draft evacuation plan
10. Outstanding COIDA payments	9.1 Regular payments 9.2 Re- assessments of submissions

### Status of Policies and Regulatory Framework for for Alfred Nzo District Municipality as at Year Ending 30 June 2006

Policy		Status
1	Cellular Policy for Councillors	Revised in 2004/05
2	Cellular Policy for Official	Revised in 2004/05
3	Employment Equity Policy	Revised in 2004/05
4	Employee Assistance/Wellness	Draft
5	Human Resources Development	Draft
6	HIV/AIDS	Draft
7	Indigent Policy	Adopted in 2003/04
8	Leave Administration	Adopted in 2004/5
9	Occupational Health and Safety Policy	Revised in 2004/05
10	Performance Management Policies	Revised in 2004/05
11	Recruitment and Selection	Draft
12	Reward Scheme	Revised in 2004/05
13	Security	Draft
14	Sexual Harassment	Draft
15	Subsistence and Travel Allowance	Revised in 2004/05
16	Termination of Service	Adopted in 2004/5
17		
Bargaining Council Collective Agreements		Status
1	Grievance Procedure	Adopted
2	Disciplinary Policy	Adopted
3	Bargaining Levels	Adopted
4	Leave Policy	Adopted



Government Regulations		Status
1	Minimum Information Security Standard	Adopted
2	Determination of upper limits	Adopted
By-Laws		Status
	NONE	

### **3.4 Department of Budget and Treasury**



Mr V. Nobongoza  
Chief Finance Officer

The finance Department is responsible for the management of the financial resources of Alfred Nzo District Municipality in an economic, efficient and effective manner and also offers financial support and advice to its local municipalities. The department also provides internal management reporting to ensure that the Council and management are informed when making decisions.

## Key Performance Areas

- i. Collection and Administration of Revenue
- ii. Budgeting and Control of Expenditure
- iii. Administration of grants and reporting

## Institutional Arrangement and Capacity Building

The department is currently divided into Income and Expenditure sections Headed by Director Finance, and Treasury which includes Budget & Procurement which is headed by Chief Finance Officer. The Chief Finance Officer also plays an overseeing role for the whole department of Budget and Treasury.

The goal of the Finance Department institutional programme is to ensure that it has sufficient skills, capacity and resources to fulfil its objectives. In 2004/05 financial year, the Department of Finance Administration had ..... staff members out of ..... posts identified in the Council's adopted organogram.

A new integrated financial system (SAMRAS) has been established to enhance the quality of services that the department is rendering.

## Challenges and Initiatives

Challenges

Initiatives



<b>Collection and Administration of Revenue</b>	
1.	1.1
2.	2.1
<b>Budgeting and Control of Expenditure</b>	
3.	3.1
4.	4.1
<b>Administration of Grants and Reporting</b>	
5.	5.1
6.	6.1

## 5 Infrastructure Development





Mr E. Smith  
Director Infrastructure Development

The Department of Infrastructure Development is responsible for delivery of infrastructure and provision of basic services to the community of Alfred Nzo District Municipality. The Department of Infrastructure Development has made very good progress during the year under review with regard to extending infrastructure in areas where no infrastructure existed. Similarly good progress was made with regard to institutional reform in terms of the National Water Act, as well as establishing a Project Management Unit for management and reporting on all capital projects funded by MIG.

In the area of institutional development, as the Water Services Authority, the Municipality has positioned itself to build internal capacity to ensure that minimum functions are outsourced with respect to water services delivery.

The District Municipality is presently having adequate capacity and know-how in effective and efficient implementation and management of capital projects. The general limitation to infrastructure development and speedy reduction of huge backlog facing the municipality is lack of funding.

## Key Performance Areas

- i. Provision of Water and Sanitation Services
- ii. Provision of Transport, Roads and Public Works Services
- iii. Provision of Building, Electricity and Telecommunication to municipal establishments.



## **Institutional Arrangement and Capacity Building**

The Department of Infrastructure Development had undergone various internal institutional changes in particular with respect to the introduction of the Project Management Unit and the processes subsequent to new authorisations in water and sanitation services. In this respect, the municipality instituted the development of internal institutional capacity to effectively manage the implementation of capital projects by establishing the Project Management Unit and efficiently performing the Water Services Authority function by ringfencing the Water Services Authority function within the municipality. As a result, the Department of Infrastructure Development consists of three distinctive components;

### **3.5.1 OPERATIONS AND MAINTENANCE**

This section is responsible for operation and maintenance, and renewal of infrastructure to ensure that communities have access to at least basic level of services, and to ensure that no new backlog in infrastructure development is created. This section takes over infrastructure from the PMU once the project is physically completed. The section of operation and maintenance consists of three divisions.

#### **Water and Sanitation**

The division of Water and sanitation is responsible for operation, maintenance and renewal of water and sanitation services infrastructure to ensure that communities receive uninterrupted water and sanitation services. The division is also accountable for provision of Free Basic Water and free basic services in sanitation. Out of thirty three (33) posts identified in the adopted organogram, the division had four (4) staff members in the 2004/05 financial year, headed by the Deputy Director: Water and Sanitation.

#### **Transport, Roads and Public Works**

The division of Transport, Roads and Public Works is responsible for operation, maintenance and renewal of transport, roads and public works infrastructure to ensure effective and efficient road network within the Alfred Nzo municipal area and facilitate effective public transport within the area. Out of seven (7) posts identified in the adopted organogram, the division had three (3) staff members in the 2004/05 financial year, headed by the Deputy Director: Transport, Roads and Public Works.



### **Building, Electricity and Telecommunications**

The division of Building, Electricity and Telecommunications is responsible for operation, maintenance and renewal of all municipal buildings and provision of electricity and telecommunication installations to municipal buildings. This division is also responsible in providing support to local municipalities in planning for housing development and household electrification. Out of twelve (12) posts identified in the adopted organogram, the division had three (3) staff members in the 2004/05 financial year, headed by the Deputy Director: Building, Electricity and Telecommunication. The division of building services also provides support to the division of Disaster Management to ensure that household left homeless by various disasters that are persistent in the municipal area, are provided with temporary and permanent housing.

## **3.5.2 WATER SERVICES AUTHORITY FUNCTION**

### **Water Services Authority Function**

The Water Services Authority section is charged with the responsibility to manage process of institutional changes subsequent to authorisations in water and sanitation services, planning for development of water and sanitation services infrastructure, acquisition of water use permits and overall performance of the Water Services Authority function vested on the Alfred Nzo District Municipality. In 2004/05 financial year, Alfred Nzo District Municipality continued to perform the Water Services Authority function for the entire area of its jurisdiction. The Local Municipalities of Umzimvubu and Umzimkhulu continued to perform the Water Services Provider function in their urban centres while Alfred Nzo District Municipality retained the Water Services Provider function in the rural areas. One post was identified to form a section within the municipality that will be charged with the responsibility to of the Water Services Authority function, headed by a Water Service Authority Manager.

### **Transfer of DWAF Staff to the municipality**

In 2004/05 financial year, Alfred Nzo District Municipality took over 92 operational staff from the Department of Water Affairs and Forestry. During the period under review DWAF provided R 5 724 000 towards personnel cost and R 1 460 000 towards operation and maintenance.

### **Section 78 Assessment**

Phase 1 of the Section 78 Assessment was completed. After submission of the various options, Council decided to explore also a few external options in order to get a complete holistic view as to all the possibilities available to Council for an informed decision.



The first part of the Section 78 phase 3 assessment was completed. As the first part of the phase 3, the Section 78 Assessment concentrated mainly on financial data. It was decided to explore further a number of options, not only selected on financial criteria. At year end the Alfred Nzo District Municipality was still engaged in this phase and it was planned to complete the Section 78 Assessment in the forthcoming financial year.

### Water Services Development Plan

The Water Services Development Plan was completed but was at draft stage at the of the year under review.

### **Challenges and Initiatives**

<b>Challenges</b>	<b>Initiatives</b>
<b>Operation and maintenance of Water and Sanitation Infrastructure</b>	
1. Personnel shortage	1.1 Restructuring the section
<b>Operation and maintenance Transport, Roads and Public Works</b>	
2. New backlog created in access roads due lack of maintenance of existing road infrastructure	2.1 Develop a comprehensive road maintenance program
3. Limited budget for maintenance of roads	3.1 Effective use of our own plant to reduce financial requirement of the maintenance budget.

### **3.5.2 PROJECT MANAGEMENT UNIT**



The Project Management Unit (PMU) is responsible for implementation of capital projects, particularly those funded by MIG. The PMU is also accountable for reporting on the deliverables of the municipal capital projects. After physical completion of the capital projects, the completed infrastructure is transferred to the Operation and Maintenance section. By end the year on review, the PMU had ALL the seven (7) posts identified in the adopted organogram, headed by the PMU Manager, with three interns providing support.

## Key Performance Areas

- i) Implementation of all capital Water and Sanitation projects in the MIG fiscal allocation
- ii) Implementation of all Roads, bridges and Public /Community Works Services
- iii) Contractor development management and capacitating.

The following projects were implemented during the 2005/06 financial year;

Water Projects						
Project No.	Project Name	Ward No.	Project Area	Funding Period	Budget Allocation	Number of Households
1307	Ndzongiseni Water Supply	5	Umzimvubu	2004/05	2,504,361.94	634
1308	Mfulamkhulu Water Supply	6	Umzimvubu	2004/05	2,229,231.85	106
1309	Lubaleko Water Supply	5	Umzimvubu	2004/05	2,429,999.33	472
1310	Luyengweni Water Supply	24	Umzimvubu	2004/05	3,267,699.66	830
1311	Outspan Water Supply	3	Matatiele	2004/05	5,754,121.35	867
1328	Magqagqeni Water Supply	22	Umzimvubu	2004/05	157,558.73	381
1329	Mnambithi Water Supply	6	Umzimvubu	2004/05	1,053,902.91	819
1330	Gobizembe Water Supply	3	matatiele	2004/05	1,407,707.32	342







			khulu	05	9	
1245 (24)	T08-Dressini (24)	4	Umzim khulu	2004/05	1,061,862.31	4.0
235	Azariel Access road	4	Umzim vubu	2005/06	1,626,733.00	6.0
245	Ndzongozi Access Road	5	Umzim vubu	2005/06	2,006,736.00	9.0
133	Lekhalong – Mapoliseng Access	14	Umzim vubu	2005/06	3,666,623.64	10.0
132A	Mazaleni Access road	9	Umzim vubu	2005/06	2,093,531.22	7.0
302	Mbodleni access road	15	Umzim vubu	2005/06	1,311,790.00	7.0
238	Majuba access road	20	Umzim vubu	2005/06	2,106,109.04	7.6
242	Mhlanganisweni Access road	21	Umzim vubu	2005/06	2,004,200.00	7.0
240	Qhayizana Mpindweni access road	22	Umzim vubu	2005/06	2,738,894.93	7.0
244	Luyengweni access road	24	Umzim vubu	2005/06	587,072.34	7.0
243	Dingezweni Access road	10	Umzim vubu	2005/06	1,620,360.00	7.0
300	Malongwe Access road	13	Umzim vubu	2005/06	2,723,894.93	14
256	Cabazana Bridge	1	Umzim vubu	2005/06	566.0798.00	
<b>TOTAL</b>		<b>128.0</b>				

### 3.5.3 WATER SERVICES AUTHORITY

#### Water Services Provider Functions

The Water Services Authority section is charged with the responsibility to manage process of institutional changes subsequent to authorisations in water and sanitation





services, planning for development of water and sanitation services infrastructure, acquisition of water use permits and overall performance of the Water Services Authority function vested on the Alfred Nzo District Municipality. In 2004/05 financial year, Alfred Nzo District Municipality continued to perform the Water Services Authority function for the entire area of its jurisdiction. The Local Municipalities of Umzimvubu and Umzimkhulu continued to perform the Water Services Provider function in their urban centres while Alfred Nzo District Municipality retained the Water Services Provider function in the rural areas. A number of ..... posts were identified to form a section within the municipality that will be charged with the responsibility to of the Water Services Authority function, headed by a Water Service Authority Manager.

### Transfer of DWAF Staff to the municipality

In 2004/05 financial year, Alfred Nzo District Municipality took over 92 operational staff from the Department of Water Affairs and Forestry. *(Report on any other issues including financial component of the transfer and how the DWAF staff is functioning in terms of institutional arrangement.)*

### Section 78 Assessment

*(Provide a brief report on Section 78 Assessment for the period of 2004/05, giving the outcome of the Section 78 Assessment and progress made on the implementation of the subsequent decisions).*

### Water Services Development Plan

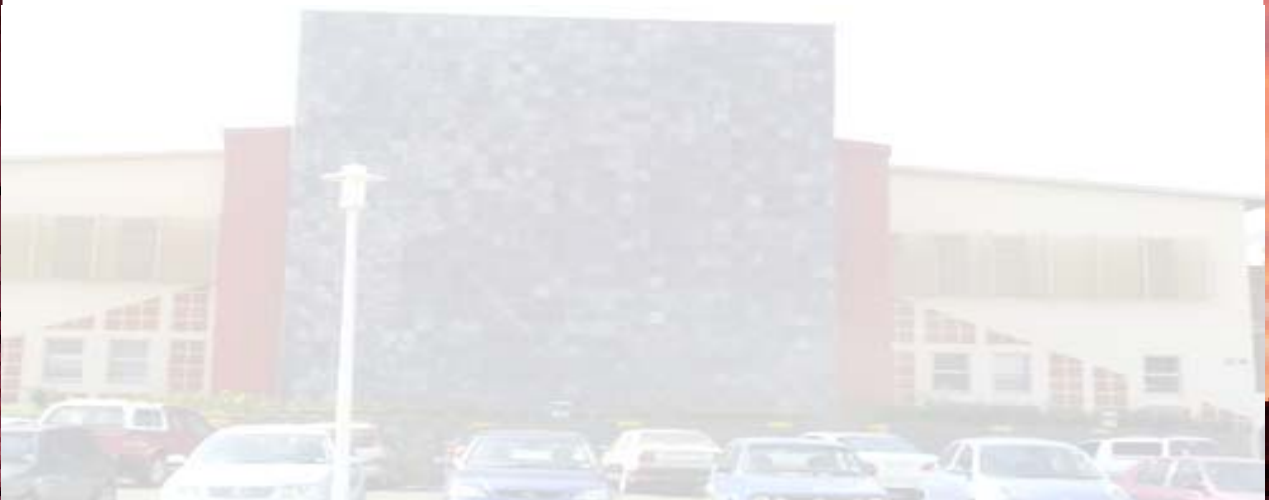
*(Report on the Status of the WSDP and key issues in 2004/05 financial year)*

## **Challenges and Initiatives**

<b>Challenges</b>	<b>Initiatives</b>
Provision of Water and Sanitation	



<b>Services</b>	
4.	
5.	2.1
<b>Provision of Transport, Roads and Public Works</b>	
6.	3.1
7.	4.1
<b>Provision of Building, Electricity and Telecommunication</b>	
8.	5.1
9.	6.1
<b>Delivery of Capital Projects</b>	
7.1. Implementation of Capital projects	The total MIG allocation expenditure was at 92% by end March 2006 and 100% by end June 2006.





<p><b>Sanitation</b></p> <p>10. Zone site establishment after termination of Consultant's contract, due to procurement procedures.</p> <p><b>7.1.2 Water:</b></p> <p>7.1.2. Delays in Luyengweni Water Supply due to rain and snowfalls. Limited construction experience to emerging contractors.</p> <p><b>8. Implementation of Roads and bridges</b></p> <p>8.1. Delays in SMME Development programme due limited experience in emerging contractors. Site monitoring and cash-flow management.</p> <p>8.2. Opening of borrow-pits, Environmental Impact Assessment</p>	<p><b>7.1.1 Sanitation:</b> Five Zone Centres were constructed to manufacture materials for construction of VIP's, production per Zone Site and thus creating approximately 200 job opportunities per month per zone. The programme won a Provincial Award as "Best practises on job creation". Provision of appropriate sanitation technology to Peri-Urban areas. (Planning: Possible year of implementation 2009/10) <i>Five Zone Centres were constructed to manufacture materials for construction of VIP's</i></p> <p><b>7.1.2 Water:</b></p> <p>Youth and women were trained in on-site non-accredited training in the following fields: pipe laying, basic repairs and maintenance, pump stations monitoring (generators, diesel engines) and basic office administration. Abstraction permits where necessary were obtained from DWAF as well as EIA's were conducted before construction of every. A total of 9336 houses receive portable water.</p> <p><b>8.1. Roads &amp; bridges</b></p> <p>On-site non-accredited training was provided to youth and women on the following activities: storm water management (stone-pitching), drainage pipe laying and construction of retaining walls.</p> <p>8.2. Cabazana and Itsolokile bridges were approved and currently under construction to completed mid March</p>
<p><b>9. Contractor Development manage and capacitating.</b></p> <p>9.1. Contractors struggle to obtain NQF qualifications on LIC methods to implement projects according to EPWP guidelines and CIDB registration.</p>	<p>All technical staff in ANDM were trained and received certificates in NQF level 5 qualifications. Workshops were held to capacitate emerging contractors</p> <p>The roads which were identified as EPWP, were constructed using EPWP guidelines. All staff were trained accredited in the EPWP labour intensive methods. EIA approvals were obtained for all the projects and permits for opening borrow pits were also obtained. All new borrow pits will be rehabilitated as part of land care act.</p>
<p><b>Performance of the Water Services Authority Function</b></p> <p>11.</p>	<p>9.1</p>



## **3.6 Department of Economic Development and Environmental Management**

Ms N. Bam  
Director: Economic Development  
and Environmental Management

The Department of Economic Development and Environmental Management is responsible for creating a conducive environment for the development of the local economy and for the conservation and protection of the natural environment of Alfred Nzo District Municipality.

### **Key Performance Areas**

- i. Economic Development
- ii. Development and Promotion of Tourism
- iii. Environmental Management
- iv. Waste Management and Pollution Control

### **Institutional Arrangement and Capacity Building**

The Department of Economic Development has three divisions of Local Economic Development, Tourism and Environmental Management. Out of fifteen (15) posts identified in the adopted organogram, the department of Economic Development had nine (9) staff members in the 2005/06 financial year. The Provincial Department of Environmental Affairs and Tourism has placed an eco-tourism official in the district municipality to provide support in the municipal Poverty Alleviation programme. The department is currently understaffed to effectively deliver services particularly in the



agriculture and forestry. The working for water project, which is to be transferred to Alfred Nzo District Municipality under the Department of Economic Development, brings an additional challenge to the department and the district municipality as a whole.

## Challenges and Initiatives

Challenges	Initiatives
<b>Economic Development</b>	
1. High levels of poverty & unemployment	1.1 Technical and Management Training for Economic Development project beneficiaries
2. Underdeveloped economic sectors	2.1 Agricultural Projects, Tourism Projects, Incubator Programmes, Forestry Projects and Manufacturing Projects
<b>Development and Promotion of Tourism</b>	
3. Underdeveloped tourism sector	3.1 Mehlooding Hiking Trails, Ntsikeni Eco-Tourism, Umzimkhulu Gateway, N2&R56 Tourism, Arts & Crafts Project, Regional Tourism Organizations
4. Low Skills Base	4.1 Technical and Management Training for Tourism project beneficiaries
<b>Environmental Management</b>	
5. Unsustainable development practises	5.1 Awareness creation on sustainable environmental practises
6. Land degradation	6.1 Land rehabilitation initiatives
<b>Waste Management and Pollution Control</b>	
7. High Levels of pollution	7.1 Waste Management initiatives
8. Low public awareness of sustainable waste management practises	8.1 Awareness creation on waste management practises



## 3.7 Department of Social Development

Ms N. Mbetse  
Director: Social Development

The Department of Social Development is responsible for provision of sustainable poverty alleviation programs and development self sufficiency amongst communities of the Alfred Nzo District Municipality. In the year under review, the Department of Social Development continued with the development and implementation of community development such as moral regeneration, cultural promotion programme, sport development, municipal health services, HIV and Aids campaign and social facilitation of projects within the district.

Specific programmes that have been embarked upon in the year under review include amongst others, moral regeneration, sport development and cultural promotion. The overarching objective of these programmes was to instil a wake up call against the decline of societal values, customs, traditions and norms within our communities. This has led us to champion the national framework of uplifting the social values of community within the district. We have worked in partnership with traditional structures, communities and ward councillors in ensuring that we drive the program together and realize the objective incepted to be achieved.

### Key Performance Areas

- i. Poverty Alleviation
- ii. Community Development
- iii. HIV/Aids Campaign and Support



iv. Environmental Health Services

v. Social Facilitation of projects

## Institutional Arrangement and Capacity Building

The department of Social Development has three divisions of Centralization of Social Facilitation and Community Development, Environmental Health and HIV/Aids. The Department of Social Development is faced with a challenge of mainstreaming HIV and AIDS, resistance of centralization of social facilitation and taking over the function of Municipal Health Service from the province. The department staffing is 90% in 2005/6. Capacity building initiatives undertaken within the department include development of performance management plan and various computer courses for staff within the department.

Our strong and purposeful partnership with stakeholders including Social Development and DESRAC to mention the few, has made us to be precise and implement programmes in a manner that realizes municipal objectives of community development.

## Challenges and Initiatives

Challenges	Initiatives
<b>Poverty Alleviation</b>	
1. Community ownership of programme	1.1 Vigorous Social Facilitation
2. Lack of integration with sector departments	2.1 IGF meetings, sector forums strengthening
<b>Community Development</b>	
3. Strengthening partnership with other stakeholders	3.1 Enhance integration and joint planning
4. Lack of capacity and participation	4.1 training and review our community participation strategies as key to development
<b>HIV / Aids Campaign and Support</b>	
5. Lack budget for CBO /NGO support. Vacant posts for an AIDS Educator. Mainstreaming of HIV and AIDS by other municipal departments.	5.1 Each municipal department have to budget for HIV and AIDS for its functions and activities.
Budget of formulation of support group in	Budget for formulation of support groups



each ward for PWA	thorough clinic and CBO initiated by communities.
<b>Social Facilitation</b>	
6. Centralization of social facilitation	6. Submit the proposal to the council and resolution was taken for centralization of facilitation.
<b>Environmental Health</b>	
7. Transfer of Municipal Health Services to the district	7. Task team establishment for facilitation and engagement of DOH for more budget that can cover salary differentiation
8. Plans for Health surveillance of premises	8.1 initiated list of building plans for inspection by the District Municipality for compliance.







# Audited Financial Statements

ER 4





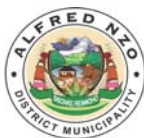
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**GENERAL INFORMATION TO THE ANNUAL FINANCIAL  
STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006**

<b><u>Executive Mayor :</u></b>	<b>01/07/05 to 28/02/06</b>	<b>01/03/06 to 30/06/06</b>
	GG Mpumza	G.G. Mpumza
<b><u>Speaker :</u></b>	P Mabuntana	R.V. Lepheana
<b><u>Mayoral Committee :</u></b>	BJ Magojo BP Mabengu M Nkqayi SK Mnu kwa MD Luga yeni	N. Goya L. Tshiki M. Nyamakazi V.N. Mdingazwe
<b><u>Grade of District Municipality :</u></b>	Grade 4	
<b><u>Auditors :</u></b>	The Office of the Auditor General	
<b><u>Bankers :</u></b>	First National Bank Limited - Mount Frere	
<b><u>Registered Office :</u></b>	Physical Address:	Erf 1400 Ntsizwa Street Mount Ayliff
	Postal Address	Private Bag X 511 Mount Ayliff 4735
<b><u>Municipal Manager/Accounting Officer:</u></b>	X.H. Jakuja	



**GENERAL INFORMATION TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006( CNTD....)**

**Chief Finance Officer** V. Nobongoza

<b><u>Councillors :</u></b>	<b>1/7/2005 - 28/02/2006</b>	<b>01/03/2006 - 30/06/2006</b>
	T Dlamini	M.S. Socikwa
	J Moshoeshoe	S. Mbekeni
	M. Hlanekela	M. Hlanekela
	V. Gijana	X. Jona
	N. Fikeni	C.M. Lebenya
	N.P. Goya	K. Magaya
	M.C. Lebenya	N.A. Magadla
	Z.R. Bala	B.N. Maome
	N. Ganya	M. Makaula
	T. Msindwana	N. Mbele
	N. Ngcingwana	P. Mbuto
	N.C. Mtoto	W.B. Mfulana
	E.N. Ncapai	V.V. Mhlala
	N. Ntsengwane	N. Mpanda
	V.C. Sigalelana	L.S. Mtshoniswa
	C. Nxesi	M.V. Nkqayi
	P. Nombaba	M.M. Notshele
	W.M. Msiya	M.M. Popokhane
	V.W. Zaza	F. Nxuseka
	D.P. Moso	

**APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006**

The annual financial statements set out on pages 2 to 23 were approved by the Finance Portfolio Committee of the District Municipality on.....and are signed by

  
MUNICIPAL MANAGER

  
CHIEF FINANCE OFFISER



## **FOREWORD**

I have pleasure in presenting the Financial Statements, which are subject to audit, for the year ended 30 June 2006.

### **1. Background**

Alfred Nzo District Municipality has been addressing key delivery issues that lay foundation for infrastructure development and designed to make our district financially viable. These programmes ranges from ensuring sustainability that includes budget reform, the implementation of asset registers and the valuation of various District's assets, bringing accounting systems in line with Generally Accepted Municipal Accounting Practice (GAMAP). The Finance Department is formulating a new results oriented approach to service delivery, aligned to good strategic and financial planning, based on efficiency, effectiveness and economical strategies. This will prevent irregular and/or fruitless expenditure and will enable the Auditor-General to issue an unqualified audit report.

The District Municipality's financial policies and procedures shall address the following fiscal goals:

- Maintain the District Municipality in a fiscally sound position in both the long and short term;
- Maintain sufficient financial liquidity through regular reviews and adjustments to meet normal operating and contingent obligations;
- Expansion and broadening of our revenue base by looking for more sources;
- Maintain existing infrastructure and capital assets;
- Provide a framework for the prudent use of debt financing;
- Direct the District's financial resources toward meeting the goals of the Integrated Development Plan(IDP);
- Develop and implement internal control measures.



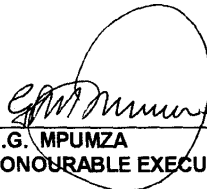
## **2. Operating Results**

It is pleasing to report positive results for the financial year in that Council reflected an operating surplus above the budgeted surplus. We were able to generate an acceptable operating surplus in the 2004/05 financial year amounting to R7, 0 million. The key priority from a financial perspective is the financial viability and sustainability of the District. This goal can best be achieved through effective and efficient financial management.

## **3. Expression of Appreciation**

I wish to express my sincere appreciation to the Political Head of Finance, the Municipal Manager, various Heads of Departments, and all those who those who have made possible in creating a prudent financial environment in our municipality.

I wish to convey a special word of appreciation to the staff responsible for compiling the financial statements for their dedication and hard work, as well as to all the staff in the Finance Directorate for their full support and dedication in all the operations of the Department. I thank you very much. God Bless.



---

**G.G. MPUMZA**  
**HONOURABLE EXECUTIVE MAYOR**





**CHIEF FINANCE OFFICER REPORT ON THE ANNUAL  
FINANCIAL STATEMENT FOR THE YEAR ENDED 30 JUNE 2006**

	<u>2006</u>	<u>2005</u>
	<u>R</u>	<u>R</u>
<b><u>1. OPERATING RESULTS</u></b>		
Accumulated (surplus)/deficit at the beginning of the year	(52,674,817)	(45,464,744)
Current Year (surplus)/deficit	2,107,570	(7,040,628)
Appropriations for the year	350,000	169,445)
<b>Accumulated (surplus)/deficit at the end of the year</b>	<b><u>(50,217,247)</u></b>	<b><u>(52,674,817)</u></b>

*Comment on current year surplus*

financial year amounting to R58,3 million.  
remaining R32,5 million has financed capital expenditure

**2. TRUST FUNDS**

Trust Fund at the end of the financial year amounted to - **See Appendix A:**

<u>82,697,211</u>	<u>71,584,747</u>
-------------------	-------------------

*This represents an increase in trust funds for the current year of R11,112,464.00*

b) Constant growth in the number of Trust Funds created by the municipality





**CHIEF FINANCE OFFICER REPORT ON THE ANNUAL  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE  
2006 (CONT...)**

	<u>2006</u>	<u>2005</u>
	<u>R</u>	<u>R</u>
<b><u>3. INVESTMENTS</u></b>		
Closing balance at financial year end	<u>34,806,325</u>	<u>96,802,046</u>

*This represents an decrease of R62 million from the prior year.  
These investments are held by the District Municipality in call accounts for  
financing various projects.*

**4. LONG TERM DEBTORS**

Long term debtors balance at the end of the financial year end is:	<u>821,926</u>	<u>1,347,420</u>
--	----------------	------------------

*This represents a decrease of R525  
494.00  
This is as a result of car loans issued to staf before 1st July 2004, and hence  
terminated thereafter  
by the implementation of MFMA.  
The primary reason for the decrease is due to payments made by lonees during  
the course of the  
financial year.*

**5. ACCOUNTS RECEIVABLE**

Accounts receivable balance at the end of the year is:	<u>31,000,226</u>	<u>10,928,920</u>
---	-------------------	-------------------

*This represents an increase of R20,1  
million  
The primary reason for the increase is the outstanding amount in favour of ANDM by SAFS*





## **CHIEF FINANCE OFFICER REPORT ON THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006 (CONT...)**

### **5. GOING CONCERN**

The municipality is experiencing a challenge of a very narrow revenue base. On the 30th June 2006, billing for RSC levies has been permanently terminated. The municipality will continue to operate as a going concern as it receives a yearly equitable share grant from National Treasury Department and the RSC Levies will be incorporated in the equitable share in total. Also, the Council took the resolution of taking over the responsibility of providing water from the district municipalities and that will assist in increasing our revenue base. Revenue enhancement strategy is in a process of being developed.

The Alfred Nzo District Municipality has the financial backing of both the National and Provincial Treasury Department and hence the risk of losing its status as a going concern is low.

### **6. SUBSEQUENT EVENTS**

During the process of preparing the financial statements, there was a pending claim from O.R. Tambo District Municipality regarding payment of RSC Levies. These payments were erroneously credited into ANDM account by various government departments. The claim amounts to approx. R6,0 million and it was scheduled to be tabled at the Council meeting dated 23rd August 2006. With the exception of the above-mentioned item there are no subsequent events at the Balance Sheet date that necessitates an adjustment to the annual financial statements. However, it must be stated that there is a pending appeal regarding the demarcation process of Matatiele Local Municipality which is presently in the Constitutional Court of South Africa.

### **7. APPRECIATION**

I would like to thank the Executive Mayor, Finance Political Head, Members of the Mayoral Committee, Councilors, Municipal Manager, Department Heads of Alfred Nzo District Municipality for the support that they have given to me during the financial year. A special word of thanks to the personnel of the Finance Department for their loyalty, commitment and diligence in preparing the financial records of our municipality

**Vuyani Nobongoza**  
**Chief Finance Officer**

**Date:**



## **ACCOUNTING POLICIES FOR THE YEAR ENDED 30 JUNE 2006**

### **1.**

#### **Basis of preparation**

The Annual Financial Statements are prepared in accordance with standards laid down by the Institute of Municipal Treasurers And Accountants (now known as IMFO) in its Code of Accounting Practice (1997) and Report on Published Annual Financial Statements (Second Edition: January 1996).

The Annual Financial Statements are prepared on a historical cost basis. The following are the principal accounting policy directives used by the district municipality which are consistent with those of the previous year, except if otherwise indicated:

### **1.1**

#### **Revenue Recognition**

Revenue is recognised in the financial statements when measurable and available to finance operations and is matched with expenditure to comply with the accrual basis of accounting.

### **1.2 Property, Plant and Equipment**

#### **1.2.1 Property, Plant and Equipment is stated at historical cost; or**

At valuation (based on the market price at the date of acquisition), where assets have been acquired by grant or donation, while they are in existence and fit for use, except in the case of

bulk assets which are written off at the end of their estimated useful life as determined by the treasurer.

#### **1.2.2 Depreciation**

The balance shown against the heading "Loans Redeemed And Other Capital Receipts" in the notes to the balance sheet is a tantamount to a provision for depreciation, however certain structural differences do exist. By way of this "Provision" assets are written down over their



## **ACCOUNTING POLICIES FOR THE YEAR ENDED 30 JUNE 2006 (CONT...)**

### **1.2.2 Depreciation (cont...)**

*Appropriations from income* - Where the full cost of the asset forms an immediate and direct charge against the operating income, it is unnecessary to make an additional depreciation provision; and

*Grant or donation* -The amount representing the value of such grant or donation is immediately credited to the “Loans Redeemed And Other Capital Receipts” account.

### **1.2.3 Financing of Property, Plant and Equipment**

Fixed assets are financed from different sources, including external loans, operating income, endowments and internal advances. Interest is charged to the service concern at the ruling interest rate at the time the advance is made.

### **1.3 Employee benefits**

#### ***Defined contribution plan***

Alfred Nzo District Municipality, employees and Councillors contribute to a Provident Fund and Pension Fund respectively.

These Funds are defined contribution plans in terms of the Pension Fund Act of 1965. Contributions to a defined contribution plan in respect of service in a particular period are recognised as an expense in that period.

### **1.4 Investments**

Investments are stated at the lower of cost or market valuation and are written down only where there is a permanent impairment in value.

### **1.5 Provisions**

Provisions are recognised when the District Municipality has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made.

### **1.6 Inventory**

The Municipality has no stock (or stores) under its control as stock items are bought for direct use.



**ALFRED NZO DISTRICT MUNICIPALITY  
BALANCE SHEET AS AT 30 JUNE 2006**

1.	Basis of preparation	2006	2005
	Note	R	R
<b>ASSETS</b>			
<b>Non-current assets</b>		<b>12,781,923</b>	<b>12,857,417</b>
Property, plant and equipment	3	0	0
Long Term Investments	6	11,959,997	11,509,997
Long-Term Debtors	4	821,926	1,347,420
<b>Current assets</b>		<b>115,817,363</b>	<b>139,692,785</b>
Investments	6	34,806,325	97,090,944
Accounts Receivable	5	35,781,853	10,928,920
Cash and other cash equivalents	11	44,702,902	30,606,354
Pett Cash		789	0
Short-term portion of long-term debtors	4	525,494	1,066,567
<b>TOTAL ASSETS</b>		<b>128,599,286</b>	<b>152,550,202</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Funds and reserves</b>		<b>80,570,204</b>	<b>124,259,563</b>
Accumulated funds	1	0	0
Non-distributable reserve	9	50,217,246	52,674,816
Trust funds	2	30,352,958	71,584,747
<b>Long Term Liabilities</b>		<b>35,755,435</b>	<b>11,391,114</b>
<b>Current liabilities</b>		<b>12,273,647</b>	<b>16,899,525</b>
Bank Overdraft	12	0	7,504,868
Accounts Payable	7	5,058,181	9,044,657
Provisions	8	7,215,466	350,000
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>128,599,286</b>	<b>152,550,203</b>



## INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2006

2004 R	2005 R	2006 R	2006 R
(Surplus)/ Deficit	(Surplus)/ Deficit	Actual Income	Actual Expenditure
(16,450,428)	(25,894,064)	<b>Grants and subsidiaries</b>	(25,894,064)
<b>8,781,792</b>	<b>35,730,806</b>	<b>Operating Income</b>	<b>(11,049,202)    35,730,806</b>
7,668,636	9,836,742	Administration section	(36,943,266)    35,730,806
0	-	Local bodies	-    -
-	-	Regional functions section	-    -
<b>(7,668,636)</b>	<b>9,836,742</b>	<b>Total</b>	<b>(36,943,266)    46,780,008    9,836,742</b>
Appropriations for the year			
1,478,655	169,445.00	(refer to note 9)	-
<b>(6,189,981)</b>	<b>10,006,187</b>	<b>Net (surplus)/deficit for the year</b>	<b>9,836,742</b>
Unappropriated (surplus)/accumulated deficit at the beginning of the year			
<b>(39,274,763)</b>	<b>(45,464,744)</b>		<b>(52,335,928)</b>
Unappropriated (surplus)/accumulated deficit at the end of the year			
<b>(45,464,744)</b>	<b>(35,458,557)</b>		<b>(42,499,186)</b>



**ALFRED NZO DISTRICT MUNICIPALITY**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2006**

	Note	2006	2005
<b>Cash inflows/(outflows) from Operating Activities</b>		<b>3,837,825</b>	<b>-5,899,237</b>
Cash receipts from customers		33,105,440	
Cash paid to suppliers and employees		(46,780,008)	(39,050,835)
<b>Cash generated from operations</b>	<b>10</b>	<b>0</b>	
Investment income		3,837,825	7,775,331
<b>Cash inflows/(outflows) from Investing Activities</b>	<b>0 0</b>	<b>0</b>	
Grants Received			
Additions to fixed assets		(8,079,240)	-22,595,142
		-22,595,142	(2,939,787)
<b>Cash inflows/(outflows) from Financing Activities</b>	<b>41,231,789</b>	<b>9,602,571</b>	<b>(4,844,060)</b>
(Decrease)/Increase in Accumulated Funds	0	0	0
(Decrease)/Increase in Trust funds		41,231,789	9,602,571
			(4,844,060)
<b>Net Increase/(decrease) in cash and other cash equivalent</b>	<b>47,922,314 30,189,122 6,038,638</b>		
<b>Cash and other cash equivalents at beginning of year</b>		<b>30,606,354</b>	
<b>Cash and other cash equivalents at the end of the year</b>			<b>78,528,668</b>



**ALFRED NZO DISTRICT MUNICIPALITY  
NOTES TO THE ANNUAL FINANCIAL STATEMENTS AT 30 JUNE 2006**

	2006	2005
	R	
<b>ACCUMULATED FUNDS</b>		
Capital Development Fund	0	
<b>TRUST FUNDS</b>		
Administration Fund		238,701
Bucket Eradication	2,594,496	
Capital Projects	294,955	1,339,107
Community Based Public Works		241,838
Clydsdale Pilot Housing	4,227,490	323,050
CETA	674,132	
CDW	117,405	
CMIP Projects		258,895
Community Sports		0
Council Offices		8,280,321
Council Allowance	27,928	
Disaster - Mgmt	362,396	302,647
DWAF Capital	1,316,129	
DWAF Sanitation	1,709,599	
Establishment Fund		525,097
HIV / Aids	1,066,325	3,868,269
Holding Account		6,030,990
Ibisi - Township	656,026	919,627
Local Economic Development	96,867	2,142,670
Maluti Township	5,838,096	482,432
Maluti Trading Authority		2,373
MSIG Projects	1,434,506	4,199,547
Municipal Support Grant	16,920	1,322,011
Reserve Funds	9,135,405	10,098,493
Sports & Recreation	703,151	1,231,197
Taxi Ranks	116,400	
Training Fund		478,880



**ALFRED NZO DISTRICT MUNICIPALITY  
NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
AT 30 JUNE 2006 (cont...)**

	<b>2006</b>	<b>2005</b>
		<b>R</b>
<b>PROPERTY, PLANT AND EQUIPMENT</b>		
Property, Plant and Equipment at beginning of the year	0	0
Capital expenditure during the year	12,177,542	22,595,142
Add: Motor Vehicle (Volvo sold on Auction)	460,000	
Less: Assets written off, transferred or disposed of during the year - Volvo	(460,000)	0
Transfer to Sisonke District Municipality	(3,709,204)	
Total fixed assets acquired	8,468,338	22,595,142
Less: Loans redeemed and other capital receipts	(8,468,338)	22,595,142)
<b>Net Property, Plant and Equipment at year end</b>	<b>0</b>	<b>0</b>

*a) Volvo was disposed during 2005/06 financial year having an original cost of R460,000.00 which was acquired during 2004/05 financial year.*

*b) An amount of R3,709,204.00 represents assets that has been transferred from ANDM to Sisonke District Municipality due to incorporation of Umzimkhulu Local Municipality into KZN.*

**LONG-TERM DEBTORS**

Staff Motor Vehicle Loans	1,347,420	2,413,987
Less: Short-term portion of long-term debtors transferred to current assets	(525,494)	(1,066,567)
	<b>821,926</b>	<b>1,347,420</b>

*This represents a decrease of R525,494.00 due to payments made by debtors during the course of the financial year*





**ALFRED NZO DISTRICT MUNICIPALITY**  
**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
**AT 30 JUNE 2006 (cont...)**

	2006	2005
		R
<b>ACCOUNTS RECEIVABLE</b>		
Trade debtors (Establishment & Services Levies)	4,754,628	2,161,700
Staff Study Loans	26,999	26,090
Vat input control account - SARS	31,000,226	8,741,130
	<u><b>35,781,853</b></u>	<u><b>10,928,920</b></u>

**INVESTMENTS**

Call deposits	34,806,325	96,802,046
Long Term Investments - Investec	11,959,997	11,509,997
	<u><b>46,766,322</b></u>	<u><b>108,312,043</b></u>

*Included in the total investment figure is the long term investment from Investec amounting to R11 959 997 which is stated at market value and fair value as at 30 June 2006 Other Investments amounting to R34,806 million, that finances infrastructure and operations have been stated at carrying value as at year end 2006.*





**ALFRED NZO DISTRICT MUNICIPALITY**  
**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
**AT 30 JUNE 2006 (cont...)**

	2006	2005	
		R	
<b>ACCOUNTS PAYABLE</b>			
Trade Creditors	3,909,226	8,471,551	
DBSA Loan Interest Accrued		1,148,955	573,106
Creditors - Provisions	7,215,466		-
	<u>12,273,647</u>		<u>9,044,657</u>

Included in creditors is the provision for outstanding RSC Levies claimed by OR Tambo District Municipality of payments erroneously by by government departments into ANDM account.

**PROVISIONS**

Audit Fees	350,000	350,000
	<u>350,000</u>	<u>350,000</u>

**APPROPRIATIONS**

Appropriation account:		
Accumulated (surplus) at the beginning of the year	(52,674,816)	(45,464,743.00)
Operating deficit/(surplus) for the year	2,107,570	(7,040,628.00)
Appropriation for the year	350,000	(169,445.00)
	<u>(50,217,246)</u>	<u>(52,674,816.00)</u>

**CASH GENERATED BY OPERATIONS**

(Surplus)/Deficit for the year	(2,457,570)	(7,210,073)
Adjustments for :-		
Contribution to capital outlay		-
Investment income	(3,664,438)	(7,766,341)
Operating (surplus)/deficit before changes in net working capital	(6,122,008)	(14,976,414)
<b>Increase/(decrease) in net working capital</b>	<b>(7,552,560)</b>	<b>13,995,275</b>



Decrease/(increase) in accounts receivable, long-term debtors

(3,776,280)

5,889,082

(Decrease)/increase in accounts payable and provisions

(3,776,280)

8,106,193

**(13,674,568)**

**(981,139)**

## ALFRED NZO DISTRICT MUNICIPALITY

### Schedule of Investments for the year ended 30 June 2006

Details	Opening Balance	Movements	Interest on Investments	Closing Balance
Bucket Eradication		2,594,496		2,594,496
CETA - Plant Account	1,554,276	-880,144		674,132
CDW		117,405		117,405
Council Allowances/FMG	1,041,882	-1,013,954		27,928
Disaster Management Centre	42,392	320,005		362,396
HIV / Aids	4,224,447	-3,158,122		1,066,325
DWAF Capital	3,486,565	-2,170,437		1,316,129
DWAF Sanitation	2,465,173	-755,574		1,709,599
Ibisi - Township	973,476	-317,450		656,026
Local Economic Development	2,507,498	-2,410,631		96,867
Provincial Dept. of Roads & Transport - T98 & T85	519,352	5,318,743		5,838,096
MSIG Projects	3,206,784	-1,772,279		1,434,506
Municipal Election Support	352,101	3,875,390		4,227,490
Municipal Support Programme	1,460,370	-1,443,450		16,920
Reserve Funds	10,205,069	-1,069,665		9,135,405
Sports & Recreation	1,277,242	-574,091		703,151
Municipal Infrastructure Grant	27,372,109	-27,290,977		81,132
Capital Projects	1,660,946	-1,365,990		294,955
Vote 2	2,916,721	-2,911,316		5,405
Vote 3	2,860,109	-1,984,769		875,339
Vote 4	2,413,185	-953,351		1,459,834
Vote 5	5,290,107	-5,211,204		78,903
Vote 6	9,469,315	-8,593,322		875,993
Vote 7	3,355,916	-2,198,025		1,157,891
<b>Total</b>	<b>88,655,036</b>	<b>-53,848,711</b>		<b>34,806,325</b>



## ALFRED NZO DISTRICT MUNICIPALITY

### Schedule of Trust Funds for the year ended 30 June 2006

Details	Closing Balance		Movements	Interest Investment
	2006	2005		
Administration Fund	0	-238,701	238,701	
Bucket Eradication	2,594,496	2,594,496	0	
		294,955	-1,044,152	
Community Based Public Works		0	241,838	
Municipal Election Support		4,227,490	3,904,440	
CMIP	0	-258,895	258,895	
CETA	674,132	674,132	0	
CDW	117,405	117,405	0	
Community Sport	0	0	0	
Council Offices	0	-8,280,321	8,280,321	
Council Allowance	27,928	27,928	0	
Disaster - Mgmt		362,396	59,749	
DWAF Capital	1,316,129	1,316,129	0	
DWAF Sanitation	1,709,599	1,709,599	0	
Establishment Fund	0	-525,097	525,097	
HIV / Aids		1,066,325	-2,801,944	
Holding Account	0	-6,030,990	6,030,990	
Ibisi - Township	656,026		-263,601	
Local Economic Development		96,867	-2,045,803	
Provincial Dept. of Roads & Transport - T98 & T85		5,838,096	5,355,664	
Maluti Tribal Authority		0	-2,373	
MSIG Projects		1,434,506	-2,765,041	
Municipal Support Grant		16,920	-1,305,091	
Reserve Funds		9,135,405	-963,088	
Sports & Recreation		703,151	-528,046	
Taxi Ranks		0	-116,400	116,400
Training		0	-478,880	478,880
Water & Sanitation		0	-2,116,313	2,116,313
Municipal Infrastructure Grant		81,132	-26,984,757	27,065,889
	<b>30,352,958</b>	<b>-41,231,789</b>	<b>71,584,747</b>	



**ALFRED NZO DISTRICT MUNICIPALITY  
NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
AT 30 JUNE 2006 (cont...)**

	<b>2006</b>	<b>2005</b>
	<b>R</b>	<b>R</b>
<b>CASH AND OTHER CASH EQUIVALENTS</b>		
ANDM Levies Bank Account	4,272	443,101
ANDM Primary Bank Account	9,891,425	30,162,327
Project Account	91	0
Petty Cash	789	
	<u><b>9,896,577</b></u>	<u><b>30,606,354</b></u>

*Note: The above balances excludes long term investments which are separately disclosed under Note 6.*

**BANK OVERDRAFT**

Project Account	0	7,504,868
	<u><b>0</b></u>	<u><b>7,504,868</b></u>

**CASH AND OTHER CASH EQUIVALENTS**

ANDM Levies Bank Account	4,272	443,101
ANDM Main Bank Account	9,891,425	30,162,327
Project Account	91	
Petty Cash	789	
Investments	34,806,325	96,802,046
Bank Overdraft		(7,504,868)
	<u><b>44,702,902</b></u>	<u><b>119,903,532</b></u>

This note represents the balance of cash and other cash equivalents that is disclosed in the cash flow statement for the year ended 30 June 2006.

**LONG TERM LIABILITIES**

DBSA Loan amount at the beginning of the year	11,391,114	12,026,793
Less: Amount paid during the year	(879,749)	
Add: Additional Loan in the Current Year	9,405,631	-
	<u><b>19,916,996</b></u>	<u><b>11,391,114</b></u>

*a) Loan granted by DBSA to ANDM to finance ANDM Offices amounting to R12,026,793.  
The loan was to finance Phase 2 of the offices during the 2004/05 financial year.*



b) Further Loan amounting to R25,0 million granted by DBSA to ANDM over twenty years to finance capital projects. So far the amount received is R9,405,631.00

### APPENDIX C

#### ALFRED NZO DISTRICT MUNICIPALITY

#### ALYSIS OF PROPERTY, PLANT AND EQUIPMENT FOR THE YEAR ENDED 30 JUNE 2006

Expenditure 2003/2004		Budget 2004/2005	Balance 30-Jun-04	Expenditure 2004/2005
R		R	R	R
0	<b>GRANTS AND SUBSIDIES</b>			0
0	CMIP GRANTS	0	0	0
21,292,771	<b>OTHER INCOME</b>	13,599,000	21,292,771	16,339,196
0	Human resource and finance			
0	Economic development			
0	Office of the mayor			
0	Council general			
0	Technical			
<u>21,292,771</u>	<b>Total Property, Plant and Equipment</b>	<u>13,599,000</u>	<u>21,292,771</u>	<u>16,339,196</u>
21,292,771	<b>Less Loans redeemed and other capital</b>		21,292,771	16,339,196



**receipts**

21,292,771	Contributions from operating income	13,599,000	21,292,771	16,339,196
0	Contributions from grants	0	0	0
0	Contributions from donations	0	0	0
<hr/>				
<b>0</b>	<b>NET PROPERTY, PLANT AND EQUIPMENT</b>	<b>0</b>	<b>0</b>	<b>0</b>

**ALFRED NZO DISTRICT MUNICIPALITY**

**ANALYSIS OF OPERATING INCOME & EXPENDITURE FOR THE YEAR ENDED 30 JUNE 2006**

ACTUAL 2005 R	BUDGET 2006 R	INCOME
<b>(19,477,762)</b>	<b>(18,208,152)</b>	<b>Grants and subsidies</b>
(19,477,762)	(18,208,152)	
<b>(15,076,882)</b>	<b>(18,000,000)</b>	<b>Operating income</b>
(2,482,527)	(1,573,070)	Establishment levy
(4,819,024)	(10,426,930)	Services levy
(7,775,331)	(6,000,000)	Other income
<hr/>		<b>Total Income</b>
<b>(34,554,644)</b>	<b>(36,208,152)</b>	
<hr/>		<b>EXPENDITURE</b>
<b>10,340,112</b>	<b>12,855,133</b>	<b>Human Resource &amp; Finance</b>
5,692,625	7,443,743	Salaries, wages and allowances
4,170,733	4,777,390	General expenses
143	209,000	Repairs and maintenance



	476,611		425,000		Contributions to capital outlay	
	<b>2,740,757</b>		<b>5,287,110</b>		<b>Economic &amp; Social Development</b>	
	2,064,204		4,250,535		Salaries, wages and allowances	
	554,799		859,575		General expenses	
	0		47,000		Repairs and maintenance	
	121,754.94		130,000.00		Contributions to capital outlay	
	<b>8,479,607</b>		<b>17,244,392</b>		<b>Office Of The Mayor</b>	
	5,869,384		11,227,392		Salaries, wages and allowances	9,612,616
	2,302,830		4,525,000		General expenses	
	0		618,000		Repairs and maintenance	
	307,392		874,000		Contributions to capital outlay	776,685

**ALFRED NZO DISTRICT MUNICIPALITY  
DETAILED INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2006**

2005 R	2005 R	2006 R	2006 R
Actual Income	Actual Expenditure	Actual Income	Actual Expenditure
(19,477,762)			
(15,076,882)	27,514,015		
	27,514,015		
		Grants and subsidies	(25,894,064)
		Operating Income	(11,049,201)
		<b>Administration section</b>	
		Human Resource and Finance	
		Economic Development	
		Office of the Executive Mayor	
		Council General	
		Infrastructure Development	
		Capital Development Expenses	
		<b>Local bodies 12(6)(a)</b>	
		Capital Projects	





-	<b>Regional functions section 12(6)(a)</b>	
-	TLC Grants	-
<b><u>(34,554,644)</u></b>	<b><u>27,514,015</u></b>	<b><u>Total</u></b>
<b><u>(36,943,265)</u></b>		<b><u>39,050,835</u></b>

Appropriations for the year  
(refer to note 9)

**NET (surplus)/deficit for the year**

Unappropriated (surplus)/accumulated  
deficit at the beginning of the year

**Unappropriated (surplus)/accumulated  
deficit at the end of the year**





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# Alfred Nzo District Municipality

## GENERAL INFORMATION

OVERVIEW		
<p><u>Budget and Expenditure 2004/05</u> The 2004/05 budget and expenditure was as follows</p> <ul style="list-style-type: none"><li>i. Personnel Expenditure</li><li>ii. General Expenses</li><li>iii. Repairs and Maintenance</li><li>iv. Capital Expenditure</li></ul>	<b>Budgeted</b>	<b>Actual</b>



	<b>Total Expenditure</b>		
--	--------------------------	--	--

Reporting Level	Detail	Total
<b>Information:</b>	<b>Geographic and Demographic Statistical information</b>	
1	Geography:	Total
	<ul style="list-style-type: none"> <li>■ Geographical area in square kilometres <i>(Data Source: Municipal Demarcation Board)</i></li> </ul>	6858
2	Demography:	
	<ul style="list-style-type: none"> <li>■ Total population <i>(Data Source: Statistics South Africa: Census 2001)</i></li> </ul>	408 715
3	Indigent Population	
	<p>Alfred Nzo District Municipality defines indigent household as a household with a combined gross monthly income NOT exceeding R 1 100.</p> <p><u>Individual Monthly Income</u></p> <ul style="list-style-type: none"> <li>■ None</li> <li>■ R 1</li> <li>■ R 401</li> <li>■ R 801</li> <li>■ R 1,601</li> <li>■ R 3,201</li> <li>■ R 6,401</li> <li>■ R 12,801</li> <li>■ Over R 25,600</li> </ul> <p><i>(Source of Data: Statistics South Africa: Census 2001)</i></p>	446,336 33,283 52,339 7,203 5,712 3,894 956 147 532
4	Voters	Total
	Total number of voters <i>(2004 Elections)</i>	No data
5	Aged breakdown:	
	- between 0 and 4 years	68,155
	- between 5 and 14 years	174,111



	- between 15 and 34 years	167,334
	- between 35 and 64 years	106,346
	- 65 years and over	34,454
	<i>(Source of Data: Statistics South Africa: Census 2001)</i>	
Reporting Level	Detail	Total
6	Household income:	No. HH
	<ul style="list-style-type: none"> <li>■ None</li> <li>■ R 1 - R 4,800</li> <li>■ R 4,801 - R 9,600</li> <li>■ R 9,601 - R 19,200</li> <li>■ R 19,201 - R 38,400</li> <li>■ R 38,401 - R 76,800</li> <li>■ R 76,801 - R 153,600</li> <li>■ R 153,601 - R 307,200</li> <li>■ R 307,201 - R 614,400</li> <li>■ R 614,401 - R 1,228,800</li> <li>■ R 1,228,801 - R 2,457,600</li> <li>■ Over R 2,457,600</li> </ul>	<ul style="list-style-type: none"> <li>48,855</li> <li>15,187</li> <li>32,603</li> <li>15,218</li> <li>6,788</li> <li>3,678</li> <li>1,299</li> <li>305</li> <li>132</li> <li>68</li> <li>217</li> <li>59</li> </ul>
	<i>(Source of Data: Statistics South Africa: Census 2001)</i>	





Function:	EXECUTIVE AND COUNCIL
Sub Function:	N/A

**1. OVERVIEW:**

**2. DESCRIPTION OF THE ACTIVITY:**

**2.1 Administrative Arrangements**

The Council

The Executive Committee,

**2.2 The Mandate of the Municipality**

The Municipality has the mandate to;

- i. To Deliver Water and Sanitation Services
- ii. To render support services to local municipalities
- iii. Prepare and review IDP
- iv.

**2.3 Strategic Objectives of the Function**

The strategic objectives of this function are.

- i.
- ii.
- iii.
- iv.



v.

## 2.4 Key Issues for 2005/06

- i.
- ii.
- iii.
- iv.

## 3 ANALYSIS OF THE FUNCTION:

	Statistical information on Executive and Council function include:	Total
3.1	<b>Councillor detail:</b>	
	<ol style="list-style-type: none"> <li>i. Total number of Councillors</li> <li>ii. Number of Councillors in the Mayoral Committee</li> </ol>	5
3.1	<b>Ward detail:</b>	
	<ol style="list-style-type: none"> <li>i. Number of Wards               <ol style="list-style-type: none"> <li>o Mataiele</li> <li>o Umzimvubu Local Municipality</li> </ol> </li> <li>ii. Number of Ward Meetings</li> </ol>	24 24 No Data
3.1	<b>Number and type of Council and Committee meetings:</b>	
	i. Council meetings	4
	ii. Special Council meetings (including budget meeting)	2
	iii. Emergency Council meetings	
	iv. Mayoral Committee meetings	14
	v. Special Mayoral Committee meetings	2
	vi. Budget and Treasury Standing Committee meetings	4
	vii. Human Resources Standing Committee meetings	
	viii. Infrastructure Standing Committee meetings	5
	ix. Economic Development Standing Committee meetings	
	x. Social Development Standing Committee meetings	



xi. Local Labour Forums	
xii. Other (Specify)	

<b>Function:</b>	<b>FINANCE AND ADMINISTRATION</b>
<b>Sub Function:</b>	<b>FINANCE</b>

## 1. OVERVIEW:

The finance function includes all services relating to the finance activities of the municipality. The Financial Statements and Related Financial Information are included in Chapter 4 of this report.

## 2. DESCRIPTION OF THE ACTIVITY:

### 2.1 Administrative Arrangements

Finance is administered within the Department of Budget and Control and includes

- i. Income and Expenditure sections Headed by Director Finance
- ii. Treasury which includes Budget & Procurement which is headed by Chief Finance Officer

### 2.2 The Mandate of the Municipality

- i.
- ii.
- iii.
- iv.
- v.

### 2.3 Strategic Objectives of the Function

The strategic objectives of this function are.

- i.
- ii.
- iii.
- iv.
- v.

### 2.4 Key Issues for 2005/06

- i.





- ii.
- iii.
- iv.

### 3 ANALYSIS OF THE FUNCTION:

3.1 Debtor billings and Collections: number and value of monthly billings and collections:		Water	Sanitation	Sundries	Levy
Month	Number Billed				
July	200	Billing			
		Receipts			
Aug	200	Billing			
		Receipts			
Sep	200	Billing			
		Receipts			
Oct	200	Billing			
		Receipts			
Nov	200	Billing			
		Receipts			
Dec	200	Billing			
		Receipts			
Jan	200	Billing			
		Receipts			
Feb	200	Billing			
		Receipts			
Mar	200	Billing			
		Receipts			
Apr	200	Billing			
		Receipts			
May		Billing			



5	200	Receipts				
Jun		Billing				
5	200	Receipts				
<b>Overall Balance - June 2004</b>						

3.2	Debtor analysis: amount outstanding over 30, 60, 90 and 120 plus days:					
	Period	Water	Sanitation			<b>Total</b>
	30 Days					
	60 Days					
	90 Days					
	120 Days					
	Over 120 Days					
3.3	Write off of debts: number and value of debts written off:					
		Water	Sanitation			<b>Total</b>
	Number					
	Value					
3.4	Property rates (Residential):				<b>Number</b>	<b>Value (R)</b>
	i. Number and value of properties rated					
	ii. Number and value of properties not rated					
	iii. Number and value of rate exemptions					
	iv. Rates collectible for the current year					
3.5	Property rates (Commercial):				<b>Number</b>	<b>Value (R)</b>
	i. Number and value of properties rated					
	ii. Number and value of properties not rated					
	iii. Number and value of rate exemptions					



	iv. Rates collectible for the current year		
3.6	Property rates (Industrial):	Number	Value (R)
	i. Number and value of properties rated		
	ii. Number and value of properties not rated		
	iii. Number and value of rate exemptions		
	iv. Rates collectible for the current year		

	Detail	Total				
3.7	Regional Service Council (RSC) levies:	Number	Value (R)			
	i. Number and value of returns					
	ii. Total Establishment levy					
	iii. Total Services levy					
	iv. Levies collected for the current year					
3.8	Property valuation:					
	i. Year of last valuation					
	ii. Regularity of valuation					
3.9	Indigent Policy:	Number	Value (R)			
	i. Quantity (number of households affected)					
	ii. Quantum (total value across municipality)					
3.10	Creditor Payments: List of five largest creditors					
	Month	1	2	3	4	5
	01 JULY 2004 TO 30 JUNE 2005	(NAME)				
		(Amount)				
3.11	Credit Rating:	R (000s)	Date			
		-	-			
3.12	External Loans:	Received R (000s)	Paid R (000s)			



3.13	Delayed and Default Payments:	R (000s)	Date

3.14	Cost to employer of all finance personnel:	<b>Total</b>	<b>Cost (R)</b>
	<ul style="list-style-type: none"> <li>i. Personnel Expenditure</li> <li>ii. General Expenses</li> <li>iii. Repairs and Maintenance</li> <li>iv. Capital Expenditure</li> </ul>		
	<b>Total Operating Cost for the Function of Finance</b>		

Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Actual	Target
REVENUE MANAGEMENT			
BUDGET PREPARATION	Prepared Budget and adopted by Council		
EXPENDITURE			
ASSET MANAGEMENT	Prepared municipal asset register and updated the register on a continuous basis	On-going	On-going
IT SYSTEMS			



COMPLIANCE WITH LEGISLATION			
SUPPLY CHAIN MANAGEMENT			
IMPLEMENTATION OF INDEGENT POLICY		No. Beneficiary	No. Indigent

<b>Function:</b>	<b>FINANCE AND ADMINISTRATION</b>
<b>Sub Function:</b>	<b>HUMAN RESOURCES AND ADMINISTRATIVE SUPPORT</b>

## 1. OVERVIEW:

This function includes all activities relating to the human resource management function of the municipality including recruitment, selection and induction, performance management systems, code of conduct detail and decision making systems.

## 2. DESCRIPTION OF THE ACTIVITY:

### 2.1 Administrative Arrangement

The function of human resource management within the municipality is administered as follows and includes:

Human Resource Management

Legal Services

Governance Support

### 2.2 The Mandate of the Municipality

The municipality of Alfred Nzo has the mandate to:

i.



ii.

iii.

iv.

### 2.3 Strategic Objectives of the Function

The strategic objectives of this function are.

i.

ii. Compliance with relevant legislation

iii. Effective recruitment and selection process in attracting skilled employees

iv. Maintain low turnover rate and high level of employee satisfaction

### 2.4 Key Issues for 2004/05

Key issues for 2004/05 were:

i.

ii.

iii.

## 3 ANALYSIS OF THE FUNCTION:

Statistical Information			
3.1	Number and cost to employer of all Corporate Services personnel:	<b>Total</b>	<b>Cost (R)</b>
	<ul style="list-style-type: none"> <li>i. Professional (Directors/Managers)</li> <li>ii. Non-Professional (Clerical/Administrative)</li> <li>iii. Temporary</li> <li>iv. Contract</li> </ul>		
3.2	Cost to employer of all Corporate Services personnel:	<b>Total</b>	<b>Cost (R)</b>
	<ul style="list-style-type: none"> <li>i. Personnel Expenditure</li> <li>ii. General Expenses</li> <li>iii. Repairs and Maintenance</li> <li>iv. Capital Expenditure</li> </ul>		
	<b>Total Operating Cost for the Function of Corporate Services</b>		

Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Actual	Target



Systems Administration	Improved information management system		
	Development of Council Policies		
Human Resource Management	Recruited of new staff members to vacant posts budgeted for as part of organisation development		
	Conducted skills training and capacity building to municipal staff		
	Conducted skills training and capacity building to Councillors		
	Implementation of Performance Management System in order to have all senior managers on Performance Contract		

<b>Function:</b>	<b>FINANCE AND ADMINISTRATION</b>
<b>Sub Function:</b>	<b>OTHER ADMINISTRATION (PROCUREMENT)</b>

## 1. OVERVIEW:

This function includes all activities relating to overall procurement functions of the municipality including costs associated with orders, tenders, contract management etc

## 2. DESCRIPTION OF THE ACTIVITY:

### 2.1 Administrative Arrangement

In 2004/05, this function was administered through a Bid Committee, which was making recommendations to the Mayoral Committee on procurement of external services.

### 2.2 The Mandate of the Municipality

The municipality of Alfred Nzo has the mandate to:

- i. Distribute tenders equitably
- ii. Create an enabling environment for development of SMME's
- iii. Ensure involvement of women and youth in service delivery projects.

### 2.3 Strategic Objectives of the Function

The strategic objectives of this function are.

- i. Ensure transparency in procurement of goods and services.
- ii. Deliver efficient tender processes for speedy service delivery.

### 2.4 Key Issues for 2004/05

Key issues for 2004/05 were:

- i.



ii.

iii.

### 3 ANALYSIS OF THE FUNCTION:

Statistical Information			
3.1	Details of bid / procurement activities:	Number	
	<ul style="list-style-type: none"> <li>i. Total number of times that Bid committee met during year</li> <li>ii. Total number of tenders considered</li> <li>iii. Total number of tenders approved</li> <li>iv. Average time taken from tender advertisement to award of tender</li> </ul>		
3.2	Details of Bid Committee:	Position	
	<ul style="list-style-type: none"> <li>i.</li> <li>ii.</li> <li>iii.</li> <li>iv.</li> <li>v.</li> <li>vi.</li> <li>vii.</li> </ul>	<ul style="list-style-type: none"> <li>Chairperson</li> <li>Member</li> <li>Member</li> <li>Member</li> <li>Member</li> <li>Member</li> <li>Member</li> </ul>	

Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
BLACK EMPOWERMENT	Percentage of PDI who benefited for contracts awarded		
PROVISION OF EFFICIENT TENDER PROCESSES	Number of contracts awarded contracts awarded within three months from the date of tender advert		
CONTRACT RISK MANAGEMENT	Number of contracts completed successfully on time		





Function:	PLANNING AND DEVELOPMENT
Sub Function:	ECONOMIC DEVELOPMENT

## 1. OVERVIEW:

This function includes all activities relating to the Local Economic Development, Land Administration, Town Planning and Housing.

## 2. DESCRIPTION OF THE ACTIVITY:

### 2.1 Administrative Arrangement

The function of Planning and Development within the municipality is administered as follows and includes;

#### Local Economic Development

*Indicate administrative arrangements in terms of powers and function and the roles of the Provincial Department, District Municipality and the Local Municipalities*

#### Tourism

*Indicate administrative arrangements in terms of powers and function and the roles of the Provincial Department, District Municipality and the Local Municipalities*

#### Environmental Management

*Indicate administrative arrangements in terms of powers and function and the roles of the Provincial Department, District Municipality and the Local Municipalities*

### 2.2 The Mandate of the Municipality

The municipality of Alfred Nzo has the mandate to:



- i. Support the development of SMMEs
- ii.
- iii.
- iv. Protect the environment

### 2.3 Strategic Objectives of the Function

The strategic objective of the function are:

- i. SMME Development
- ii.
- iii. Promotion and Development of Local Tourism

### 2.4 Key Issues for 2004/05

Key issues for 2004/05 were:

- i.
- ii.
- iii.

## 3 ANALYSIS OF THE FUNCTION:

Statistical Information			
3.1	Number and cost to employer of all economic development personnel:	<b>Total</b>	<b>Cost (R)</b>
	<ul style="list-style-type: none"> <li>i. Professional (Directors / Managers)</li> <li>ii. Non-professional (Clerical / Administrative)</li> <li>iii. Temporary</li> <li>iv. Contract</li> </ul>		
3.2	Detail and cost of incentives for business investment:	<b>Total</b>	<b>Cost (R)</b>
	<ul style="list-style-type: none"> <li>i. Initiative 1</li> <li>ii. Initiative 2</li> </ul>		
3.3	Detail and cost of other urban renewal strategies:	<b>Total</b>	<b>Cost (R)</b>
	<ul style="list-style-type: none"> <li>i.</li> <li>ii.</li> </ul>		
3.4	Detail and cost of other rural development strategies:	<b>Total</b>	<b>Cost (R)</b>
	<ul style="list-style-type: none"> <li>i.</li> <li>ii.</li> </ul>		
3.5	Number of people employed through job creation schemes:		



	i. Short-term employment ii. Long-term employment		
3.6	Number and cost to employer of all Building Inspectors employed:		
	i. Number of Building Inspectors ii. Temporary iii. Contract		
3.7	Details of building plans:		
	i. Number of building plans approved ii. Value of building plans approved		
3.8	Type and number of grants and subsidies received:		
	Grants received during the year are reported on Page 128		
3.9	Cost to employer of Development and Planning personnel	<b>Total</b>	<b>Cost (R)</b>
	i. Personnel Expenditure ii. General Expenses iii. Repairs and Maintenance iv. Capital Expenditure		
	<b>Total Operating Cost for the Function of Planning &amp; Dev.</b>		

Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
LOCAL ECONOMIC DEVELOPMENT	Development of an LED Strategy		
TOURISM	Developed Local Tourism Organization		
ENVIRONMENTAL MANAGEMENT	■		
	■		
	■		
	■		



<b>Function:</b>	<b>HEALTH</b>
<b>Sub Function:</b>	<b>CLINICS</b>

#### **1. OVERVIEW:**

This function includes all activities associated with the provision of health. Health services in the area are provided by the Department of Health, and the private sector

#### **2. DESCRIPTION OF THE ACTIVITY:**

##### **2.1 Administrative Arrangement**

Department of Health implements the District Health system, which includes hospitals, clinics, mobile clinics and primary health care.

##### **2.2 The Mandate of the Municipality**

The municipality of Alfred Nzo has the mandate to:

- i. Facilitate the provision of health services in its area
- ii. Identify community needs of health services in its area
- iii. Join the national campaign against HIV/Aids
- iv. Support communities living with health problems
- v. Provide access roads to clinics and other health centres

##### **2.3 Strategic Objectives of the Function**

The strategic objective of the function are:

- i. Health community actively involved in service delivery programmes
- ii. Effective training and campaign against HIV/Aids.
- iii. Limit the spread of HIV/Aids
- iv. Easy access to health facilities by all communities

##### **2.4 Key Issues for 2004/05**



Key issues for 2004/05 were:

- i. Training of care givers
- ii. Revival Local Aids Council

### 3 ANALYSIS OF THE FUNCTION:

Statistical Information			
3.1	Number and cost to employer of all health personnel:	<b>Total</b>	<b>Cost (R)</b>
	i. Professional (Doctors/Specialists)	0	0.00
	ii. Professional (Nurses/Aides)	0	0.00
	iii. Para-professional (Clinic staff qualified)	0	0.00
	iv. Non-professional (Clinic staff unqualified)	0	0.00
	v. Temporary	0	0.00
	vi. Contract	0	0.00
3.2	Number, cost of public, private clinics servicing population:	<b>Total</b>	<b>Cost (R)</b>
	i. Public Clinics (owned by municipality)	0	0.00
	ii. Public Clinics (owned by Department of Health)		
	iii. Private Clinics (owned by private, fees based)		
3.3	Total annual patient head count for service provided by the municipality:	<b>Total</b>	<b>Cost (R)</b>
	i. 65 years and over	N/A	0.00
	ii. between 40 and 64 years	N/A	0.00
	iii. between 15 and 39 years	N/A	0.00
	iv. 14 years and under	N/A	0.00
3.4	Estimated backlog in number of and costs to build clinics:	<b>Total</b>	<b>Cost (R)</b>
	i. Mt Ayliff Magisterial District Area		
	ii. Mt Frere Magisterial District Area		
	iii. Maluti Magisterial District Area		
3.9	Cost to employer of Clinics	<b>Total</b>	<b>Cost (R)</b>
	i. Personnel Expenditure		0.00



ii.	General Expenses:	0.00
iii.	Repairs and Maintenance	0.00
iv.	Capital Expenditure	0.00
<b>Total Operating Cost for the Function of Health</b>		<b>0.00</b>

Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
HIV/AIDS	Training of care givers	66	66

<b>Function:</b>	<b>COMMUNITY SERVICES</b>
<b>Sub Function:</b>	<b>ALL INCLUSIVE</b>

## 1. OVERVIEW:

This function of includes all activities relating to the function of Community and Social Services of the Municipality. The municipality provides direct services in Environmental Health and Protection Services, Social Services, Traffic and licensing. The municipality also facilitates and provides support in provision of other services such as fire rescue and disaster management, which fall under the competence of the district municipality and the province.

## 2. DESCRIPTION OF THE ACTIVITY:

### 2.1 Administrative Arrangement

The function for the provision of community services within the municipality is administered as follows and includes;

Environmental Health: includes management and control of air pollution, Child care facilities, public nuisances, undertakings that sell liquor to the public, facilities for the accommodation, care and burial of animals, licensing and control of undertakings that sell food to the public, licensing of dogs, markets, municipal abattoirs, noise pollution and pounds. This function was still within the competence of the provincial department by the end of 2005

Disaster Management: includes the provision of the Disaster Management Services.

Fire Fighting and Rescue Services:

The fire services are administered by Alfred Nzo District Municipality.



Health and Hygiene Awareness:

Provision of health and hygiene awareness programmes in conjunction with the municipal sanitation programme.

**2.2 The Mandate of the Municipality**

The municipality of Alfred Nzo has the mandate to:

- i. Facilitate provision of environmental health services by the province
- ii. Manage and monitor the municipality’s programmes of community development, poverty alleviation, humanity support, and reviving cultural and social value
- iii. Maintain data base and report on progress on community development
- iv. To manage and control development in disaster prone areas
- v. To inculcate hygienic practice among the community through intensive awareness and motivation programme

**2.3 Strategic Objectives of the Function**

The strategic objective of the function are:

- i. To ensure that the community is living in a safe environment
- ii. To improve the living standard of the community
- iii. To minimise risk of loss of life and property from various disasters and fire
- iv. To develop a planning framework for provision of community services
- v. To reduce the rate of diseases contacted from lack of hygiene practices among the community

**2.4 Key Issues for 2004/05**

Key issues for 2004/05 were:

- i. Community Development
- ii. Poverty Alleviation
- iii. Health - HV & AIDS

**3 ANALYSIS OF THE FUNCTION:**

Statistical Information			
3.1	Nature and extent of facilities provided	Total	Cost ( R )
	i. Library services	None	0.00
	ii. Museums and art galleries	None	0.00
	iii. Other community halls/facilities	None	0.00
	iv. Cemeteries and crematoriums	None	0.00
	v. Child care (including creches etc)	None	0.00
	vi. Aged care (including aged homes, home help)	None	0.00
	vii. Schools	None	0.00



	viii. Sporting facilities (specify)	None	0.00
	ix. Parks	None	0.00
	x. Library services	None	0.00
3.2	Number and cost to employer of all personnel associated with each community services function:	<b>Total</b>	<b>Cost ( R )</b>
	i. Museums and art galleries	None	0.00
	ii. Other community halls/facilities	None	0.00
	iii. Cemeteries and crematoriums	None	0.00
	iv. Child Care	None	0.00
	v. Aged Care	None	0.00
	vi. Schools	None	0.00
	vii. Sports Facilities	None	0.00
	viii. Parks	None	0.00

3.3	Cost to employer of Disaster Management services personnel:	<b>Total</b>	<b>Cost ( R )</b>
	i. Personnel Expenditure		
	ii. General Expenses : HIV/Aids		
	iii. General Expenses : Other		
	iv. Repairs and Maintenance		
	v. Capital Expenditure		
<b>Total Operating Cost for the Function of Disaster Management</b>			<b>R2 122 678</b>
3.4	Cost to employer of Fire Fighting	<b>Total</b>	<b>Cost ( R )</b>
	vi. Personnel Expenditure		
	vii. General Expenses : HIV/Aids		
	viii. General Expenses : Other		
	ix. Repairs and Maintenance		
	x. Capital Expenditure		
<b>Total Operating Cost for the Function of Fire Fighting</b>			
The Operating Cost for the function health and hygiene is included in the total cost for Social Development.			

Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
ENVIRONMENTAL	Indicate any initiatives in Environmental		





HEALTH	Health		
DISASTER MANAGEMENT		Indicate actual number of call-outs	On-going
FIRE FIGHTING AND RESCUE		Indicate actual number of call-outs	On-going
HEALTH AND HYGIENE AWARENESS	Provided health and hygiene awareness campaign to households in villages planned for VIP toilets	Indicate actual number of household	Indicate planned number of household
<b>Function:</b>	<b>HOUSING</b>		
<b>Sub Function:</b>	<b>N/A</b>		

## 1. OVERVIEW:

This function includes all activities associated with provision of housing.

## 2. DESCRIPTION OF THE ACTIVITY:

### 2.1 Administrative Arrangement

The function for the provision of housing is as follows and includes;

Housing Infrastructure Development: is administered by the Local Municipalities.

### 2.2 The Mandate of the Municipality

The municipality of Alfred Nzo has the mandate to:

- i. Provide support to local municipaluities in development of Housing Sector Plan.

### 2.3 Strategic Objectives of the Function

The strategic objective of the function are:

- i. Improve the living standard of the community
- ii. Ensure safety of temporary and permanent building structures
- iii. Prevent development in areas that are hazardous and environmentally sensitive
- iv. Ensure security of tenure to low and middle income communities
- v. Management and control of land invasion by providing alternative and proper housing for the community.



### 3 ANALYSIS OF THE FUNCTION:

The analysis and performance areas fall within the competence of the local municipalities.

Function:	WASTE WATER MANAGEMENT
Sub Function:	SEWERAGE (SANITATION), ETC

#### 1. OVERVIEW:

This function includes provision of sewerage services and toilet facilities.

#### 2. DESCRIPTION OF THE ACTIVITY:

##### 2.1 Administrative Arrangement

The refuse collection functions of the municipality are administered as follows and include:

Expansion of sewerage infrastructure:

Operation and maintenance;

Alfred Nzo District Municipality is responsible for operation and maintenance budget of the sewerage function for whole municipal area. While Local Municipalities continued to be a Services provider for urban areas, Alfred Nzo District Municipality was subsidising the operational cost of the sewerage function in these urban centres.

Free Basic Services:

The Free Basic Services is funded by Alfred Nzo District Municipality. With respect to the service provider function, local municipalities provide free basic services in sewerage services through subsidy in tariffs charged on



households in urban areas, while Alfred Nzo District municipality provides one (1) VIP toilet in rural areas as a Free Basic Service.

## 2.2 The Mandate of the Municipality

The municipality of Alfred Nzo has the mandate to:

- i.
- ii.
- iii.

## 2.3 Strategic Objectives of the Function

The strategic objective of the function are:

- i.
- ii.
- iii.

## 2.4 Key Issues for 2004/05

Key issues for 2004/05 were:

- i.
- ii.
- iii.

## 3 ANALYSIS OF THE FUNCTION:

Statistical Information			
3.1	Number of all personnel associated with sewerage functions:	<b>Total</b>	<b>Cost (R)</b>
	<ol style="list-style-type: none"> <li>i. Professional (Engineers/Consultants)</li> <li>ii. Field (Supervisors/Foremen)</li> <li>iii. Office (Clerical/Administration)</li> <li>iv. Non-professional (blue collar, outside workforce)</li> <li>v. Temporary</li> <li>vi. Contract</li> </ol>		
3.2	Number of households with sewerage services, and type and cost of service: <i>(source: 2001 census)</i>	<b>Total</b>	<b>Cost (R)</b>
	<ol style="list-style-type: none"> <li>i. Flush toilet (connected to sewerage system)</li> <li>ii. Flush toilet (with septic tank)</li> <li>iii. Chemical toilet</li> <li>iv. Pit latrine with ventilation</li> <li>v. Pit latrine without ventilation</li> <li>vi. Bucket latrine</li> </ol>		



	vii. No toilet provision		
3.3	Anticipated expansion of sewerage:	<b>Total</b>	<b>Cost (R)</b>
	<ul style="list-style-type: none"> <li>i. Flush/chemical toilet</li> <li>ii. Pit latrine</li> <li>iii. Bucket latrine</li> <li>iv. No toilet provision</li> </ul>		
3.4	Total additional operating cost per year to the municipality for the expansion of sewerage:		

3.5	Free Basic Service Provision (2004/05)	<b>Total</b>	<b>Cost (R)</b>
	<ul style="list-style-type: none"> <li>■ In Urban Areas by local municipalities: <ul style="list-style-type: none"> <li>i. Quantity (number of households affected)</li> <li>ii. Quantum (value to each household)</li> </ul> </li> <li>■ In Rural Areas by Alfred Nzo District Municipality: <ul style="list-style-type: none"> <li>i. Quantity (number of households affected)</li> <li>ii. Quantum (value to each household)</li> </ul> </li> </ul>	361	1.264,000
3.6	Cost to employer of all personnel associated with sewerage function:		<b>Cost (R)</b>
	<ul style="list-style-type: none"> <li>i. Personnel Expenditure</li> <li>ii. General Expenses</li> <li>iii. Repairs and Maintenance</li> <li>iv. Capital Expenditure</li> </ul>		1,120,615 47,500 80,285 0.00
	<b>Total Operating Cost of Sewerage Function</b>		<b>1,248,400</b>

Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
Provision of sewerage services	Operated and maintained sewerage system serving the community of households and businesses		
Expansion of sewerage services	Provided new sewerage connection to unserved households	(Number)	(Number)
	Eradicated bucket system to households in	(Number)	(Number)



	urban centres		
Provision of Free Basic Services	Construction of VIP Toilets		

<b>Function:</b>	<b>ROAD TRANSPORT</b>
<b>Sub Function:</b>	<b>ROADS</b>

## 1. OVERVIEW:

This function includes all activities of the municipality relating to construction and maintenance of roads within the municipality's jurisdiction.

## 2. DESCRIPTION OF THE ACTIVITY:

### 2.1 Administrative Arrangement

The refuse collection functions of the municipality are administered as follows and include:

#### Access Roads:

The provision of access roads is a shared function with the district municipality.

These services extend to include construction and maintenance of local roads but do not take account of the National Routes, Provincial and District roads, which fall within the competence of the SA National Roads Agency and the Provincial Department of Roads and Transport.

### 2.2 The Mandate of the Municipality

The municipality of Alfred Nzo has the mandate to

- i. The construction, maintenance, and control of a road which the public has the right to and includes, in addition to the roadway the land of which the road consists or over which the road extends and anything on that land forming part of, connected with, or belonging to the road, and also, includes a street in build-up areas.
- ii. Facilitate the provision of provincial and district roads by provincial and



national roads departments.

- iii. Develop IDP priorities in road transport for the municipal area.

### 2.3 Strategic Objectives of the Function

The strategic objective of the function are:

- i. Provision of basic services in roads services to all households in the municipal area.
- ii. Ensure that the road network in the area provide effective and efficient road net
- iii. Ensure that all households have at least basic level of services in sanitation services.
- iv. Ensure that all public utilities have sanitation facilities

### 2.4 Key Issues for 2004/05

Key issues for 2004/05 were:

- i. Maintenance of old access roads
- ii. Expansion of access roads to non-serviced areas
- iii. Provision of a compulsory stop for trucks on the National Route N2 at Mt Free by the National Department of Transport following a horror accident involving a truck and stationary cars and pedestrians.
- iv. Widening of N2 and provide a barricaded median at Mzimvubu Cuttings by the National Department of Transport to prevent head-on collision of vehicles at the horizontal curve.

## 3 ANALYSIS OF THE FUNCTION:

Statistical Information			
3.1	Number of all personnel associated with road maintenance and construction	<b>Total (Number)</b>	<b>Cost (R)</b>
	<ul style="list-style-type: none"> <li>i. Professional (Engineers/Consultants)</li> <li>ii. Field (Supervisors/Foremen)</li> <li>iii. Office (Clerical/Administration)</li> <li>iv. Non-professional (blue collar)</li> <li>v. Temporary</li> <li>vi. Contract</li> </ul>		
3.2	Total number, kilometres and total value of road projects planned (2005/06) and current (2004/05):	<b>Total (Kms)</b>	<b>Cost (R)</b>
	<ul style="list-style-type: none"> <li>i. Current Projects: New bituminous (number)</li> <li>ii. Current Project: Existing re-tarred (number)</li> <li>iii. Current Project: New gravel (number)</li> <li>iv. Current Project: Existing Rehabilitated (number)</li> <li>i. Planned Projects: New bituminous (number)</li> </ul>		



	<ul style="list-style-type: none"> <li>ii. Planned Projects: Existing re-tarred (number)</li> <li>iii. Planned Projects: New gravel (number)</li> <li>iv. Planned Projects: Existing re-sheeted (number)</li> </ul>		
3.3	Total kilometres and maintenance cost associated with existing roads provided:	<b>Total (Kms)</b>	<b>Cost ( R )</b>
	<ul style="list-style-type: none"> <li>i. Tar</li> <li>ii. Gravel</li> </ul>		
3.4	Average frequency and cost of re-tarring, re-sheeting roads	<b>Total (Kms)</b>	<b>Cost ( R )</b>
	<ul style="list-style-type: none"> <li>i. Tar</li> <li>ii. Gravel</li> </ul>		
3.5	Estimated backlog in number of roads, showing kilometres and capital cost	<b>Total (Kms)</b>	<b>Cost ( R )</b>
	<ul style="list-style-type: none"> <li>i. Tar</li> <li>ii. Gravel</li> </ul>		
3.6	Total value of specific road grants actually received during year		<b>Value ( R )</b>
	<ul style="list-style-type: none"> <li>i. MIG</li> <li>ii. Equitable Share</li> </ul> <p>Grants received during the year are reported on Page 128</p>		
3.7	Cost to employer of all personnel associated with roads function:		<b>Cost ( R )</b>
	<ul style="list-style-type: none"> <li>xi. Personnel Expenditure</li> <li>xii. General Expenses</li> <li>xiii. Repairs and Maintenance</li> <li>xiv. Capital Expenditure</li> </ul>		
	<b>Total Operating Cost of Roads Function</b>		

Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
Construction of new roads	Construction of new gravel access roads	(km)	(km)
	Construction of new surfaced roads	(km)	(km)
Maintenance of existing roads	Re-gravelling of existing gravel access roads	(km)	(km)
	Rehabilitation of existing surfaced roads	(km)	(km)



Function:	ROAD TRANSPORT
Sub Function:	PUBLIC BUSES

## 1. OVERVIEW:

The function includes all activities associated with the provision of a public bus service to the community.

## 2. DESCRIPTION OF THE ACTIVITY:

### 2.1 Administrative Arrangement

The municipality does not provide the public bus service in its area of jurisdiction. The public bus service responsibilities of the municipality are administered as follows and include:

Taxi Services: are administered by the taxi owners associations

Bus Services: are administered by the bus owners associations

Public Transport Management: The municipality's responsibilities are to provide public utilities for public transport and facilitated dialogue amongst various public transport operators.

### 2.2 The Mandate of the Municipality

The municipality of Alfred Nzo has the mandate to

- i. Provide public utilities for public transport operators and the commuters;
- ii. Establish local public transport forums
- iii. Develop Public Transport Framework.

### 2.3 Strategic Objectives of the Function

The strategic objective of the function are:





- i. Availability of public transport to all communities in the area.
- ii. Ensure culture of dialogue amongst public transport operators
- iii. Adequate capacity of public utilities in the transport sector

## 2.4 Key Issues for 2004/05

Key issues for 2004/05 were:

- i. Provision of a taxi rank in Mt Frere to shift taxi operators from the sides of the national route N2 within Mt Frere town
- ii. Establishment of Public Transport Forums
- iii. Facilitation of dialogue between Taxi owners and Bus owners on the use of Mt Ayliff Taxi Rank.

Function:	WATER
Sub Function:	WATER DISTRIBUTION

### 1. OVERVIEW:

This function includes the bulk purchase and distribution of water.

### 2. DESCRIPTION OF THE ACTIVITY:

#### 2.1 Administrative Arrangement

The water purchase and distribution functions of the municipality were administered as follows and include

##### Water Services Authority:

Alfred Nzo District Municipality became the Water Services Authority as from 1 July 2003 and is therefore responsible for water services function in the municipal area.

##### Water Services Providers:

Local municipalities continued as Services Providers in Urban Centres, while Alfred Nzo District Municipality retained the Service Provider function in rural areas.

##### Operation and maintenance:

Alfred Nzo District Municipality is responsible for operation and maintenance budget of the water services function for whole municipal area. While Local municipalities continued to be Water Services providers for urban areas, Alfred Nzo District Municipality was subsidising the operational cost of the water services function in these urban centres.



Free Basic Services:

The Free Basic Services is funded by Alfred Nzo District Municipality. With respect to the service provider function, local municipalities provided free basic services in water services through subsidy in tariffs charged on households in urban areas, while Alfred Nzo District Municipality provides 6kl per household per month as Free Basic Water in rural areas.

**2.2 The Mandate of the Municipality**

The municipality of Alfred Nzo has the mandate to:

- i. Perform Water Services Authority function in its area of jurisdiction
- ii. Operate and maintain water services infrastructure

**2.3 Strategic Objectives of the Function**

The strategic objective of the function are:

- i.
- ii.
- iii. Reduction of backlog in water services

**2.4 Key Issues for 2005/06**

Key issues for 2005/06were:

- i. Provision of clean water in Mt Ayliff town
- ii. Prepare Water Services Development Plan
- iii. Complete Section 78 Assessment
- iv. Taking over of DWAF staff

**3 ANALYSIS OF THE FUNCTION:**

Statistical Information			
3.1	Number of all personnel associated with water function:	Total	Cost ( R )
	<ul style="list-style-type: none"> <li>i. Professional (Engineers/Consultants)</li> <li>ii. Field (Supervisors/Foremen)</li> <li>iii. Office (Clerical/Administration)</li> <li>iv. Non-professional (blue collar)</li> <li>v. Temporary</li> <li>vi. Contract</li> </ul>		
3.2	Percentage of total water usage per month	Percent (%)	Volume ( KI )
	<ul style="list-style-type: none"> <li>i. July - 2003</li> <li>ii. Aug - 2003</li> <li>iii. Sep - 2003</li> <li>iv. Oct - 2003</li> </ul>		



v.	Nov	-	2003		
vi.	Dec	-	2003		
vii.	Jan	-	2004		
viii.	Feb	-	2004		
ix.	Mar	-	2004		
x.	Apr	-	2004		
xi.	May	-	2004		
xii.	Jun	-	2004		
<b>Total</b>					

3.3	Total volume and cost of bulk water purchases in kilolitres and rand, by category of consumer:	<b>Volume (kl)</b>	<b>Cost (R)</b>
	i. Bulk water purchases from DWAF		
	ii. Bulk water purified		
3.4	Total volume and receipts for bulk water sales in kilolitres and rand, by category of consumer:	<b>Volume (kl)</b>	<b>Cost (R)</b>
	i. Units not billed to individual consumers		
	ii. Units billed		
3.5	Total year-to-date water losses in kilolitres and rand	<b>Volume (kl)</b>	<b>Cost (R)</b>
	i. Water Losses		
3.6	Number of households with water service, and type and cost of service	<b>Total (Number)</b>	<b>Cost (R)</b>
	i. Piped water inside dwelling		
	ii. Piped water inside yard		
	iii. Piped water on community stand: distance < 200m from dwelling		
	iv. Piped water on community stand: distance > 200m from dwelling		
	v. Borehole		
	vi. Spring		
	vii. Rain-water tank		
	viii. River / Stream		
	ix. Water vendor		
	x. Other		
3.7	Number and cost of new connections:	<b>Total (Number)</b>	<b>Cost (R)</b>
	Total number of new connections for water services		
3.8	Number and cost of disconnections and reconnections:		
3.9	Number and total value of water projects planned and current:	<b>Total (Number)</b>	<b>Cost (R)</b>



	<ul style="list-style-type: none"> <li>i. Current</li> <li>ii. Planned</li> </ul>		
3.10	Anticipated expansion of water service:	<b>Total (Number)</b>	<b>Cost ( R )</b>
	<ul style="list-style-type: none"> <li>i. Piped water inside dwelling</li> <li>ii. Piped water inside yard</li> <li>iii. Piped water on community stand: distance &lt; 200m from dwelling</li> <li>iv. Piped water on community stand: distance &gt; 200m from dwelling</li> <li>v. Borehole</li> </ul>		
	Anticipated expansion of water service (cont.):		
	<ul style="list-style-type: none"> <li>i. Spring</li> <li>ii. Rain-water tank</li> </ul>		
3.11	Estimated backlog in number (and cost to provide):	<b>Total (Number)</b>	<b>Cost ( R )</b>
	<ul style="list-style-type: none"> <li>i. Piped water inside dwelling</li> <li>ii. Piped water inside yard</li> <li>iii. Piped water on community stand: distance &lt; 200m from dwelling</li> <li>iv. Piped water on community stand: distance &gt; 200m from dwelling</li> <li>v. Borehole</li> <li>vi. Spring</li> <li>vii. Rain-water tank</li> </ul>		
3.12	Free Basic Service Provision (2003/04)	<b>Total</b>	<b>Cost ( R )</b>
	<ul style="list-style-type: none"> <li>■ In Urban Areas by local municipalities               <ul style="list-style-type: none"> <li>i. Quantity (number of households affected)</li> <li>ii. Quantum (value to each household)</li> </ul> </li> <li>■ In Rural Areas by Alfred Nzo District Municipality:               <ul style="list-style-type: none"> <li>i. Quantity (number of households affected)</li> <li>ii. Quantum (value to each household)</li> </ul> </li> </ul>	46,082	94.05
3.13	Type and number of grants and subsidies received:	<b>Total (Number)</b>	<b>Value ( R )</b>
	<ul style="list-style-type: none"> <li>i. MIG</li> </ul> <p>Grants received during the year are reported on Page 128</p>		
3.14	Cost to employer of all personnel associated with Water Distribution functions:		<b>Cost ( R )</b>



	<ul style="list-style-type: none"> <li>i. Personnel Expenditure</li> <li>ii. General Expenses</li> <li>iii. Repairs and Maintenance</li> <li>iv. Capital Expenditure</li> </ul>		
	<b>Total Operating Cost of Water Distribution Function</b>		

Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
Provision of Water Services	Provide continuous supply of water services	(HH)	All households and business units
Reduction of backlog	Expansion of water services to non-serviced areas	(HH)	
Maintenance of Infrastructure	Reduced water losses in the distribution system		





Function:	ELECTRICITY
Sub Function:	Electricity Distribution

## 1. OVERVIEW:

This function includes the bulk purchase and distribution of electricity. The local municipalities are Service Authorities for the function of Electricity Supply in their area of jurisdiction but Eskom is the Service Provider licensed perform the function of electricity distribution in the entire area of Alfred Nzo District Municipality

## 2. DESCRIPTION OF THE ACTIVITY:

### 2.1 Administrative Arrangement

The water purchase and distribution functions of the municipality were administered as follows and include:

#### Grid Electricity:

Grid electricity distribution in urban and rural areas is administered by the Kwa-Zulu Natal Region of Eskom.

#### Non-Grid Electricity:

Non-Grid electricity is distributed in rural areas only and is administered by the Eskom-Shell as the Service Provider.

#### Free Basic Electricity:

The provision of Free Basic Electricity is administered by local municipalities, through funding agreement signed with Eskom for grid electricity and Eskom-Shell for non-grid electricity.

### 2.2 The Mandate of the Municipality

The municipality of Alfred Nzo has the mandate to:

i.



- ii.
- iii.

### 2.3 Strategic Objectives of the Function

The strategic objective of the function are:

- i.
- ii.
- iii.

### 2.4 Key Issues for 2005/06

Key issues for 2005/06 were:

- i. Provision of Free basic Electricity
- ii. Preparation of Electricity Sector Plan
- iii. Consultation with the Department of Minerals and Energy to provide more funding to reduce electricity backlog in the municipal area.

## 3 ANALYSIS OF THE FUNCTION:

Statistical Information			
3.1	Number of all personnel associated with water function:	<b>Total</b>	<b>Cost (R)</b>
	<ul style="list-style-type: none"> <li>i. Professional (Engineers/Consultants)</li> <li>ii. Field (Supervisors/Foremen)</li> <li>iii. Office (Clerical/Administration)</li> <li>iv. Non-professional (blue collar)</li> <li>v. Temporary</li> <li>vi. Contract</li> </ul>		
3.2	Total quantity and cost of bulk electricity purchases in kilowatt hours and rand, by category of consumer	<b>Volume (KI)</b>	<b>Cost (R)</b>
	<ul style="list-style-type: none"> <li>i. Residential</li> <li>ii. Commercial</li> <li>iii. Industrial</li> <li>iv. Mining</li> <li>v. Agriculture</li> <li>vi. Other</li> </ul>		
3.3	Total quantity and receipts for bulk electricity sales in kilowatt hours and rand, by category of consumer:	<b>Volume (KI)</b>	<b>Cost (R)</b>
	<ul style="list-style-type: none"> <li>i. Residential</li> </ul>		



	<ul style="list-style-type: none"> <li>ii. Commercial</li> <li>iii. Industrial</li> <li>iv. Mining</li> <li>v. Agriculture</li> <li>vi. Other</li> </ul>		
3.4	Total quantity and receipts for bulk electricity sales in kilowatt hours and rand, by category of consumer:	<b>Volume ( KI )</b>	<b>Cost ( R )</b>
	i. Quantity Purchased From Eskom less Total Billed	N/A	N/A
3.5	Number of households with electricity access, and type and cost of service:	<b>Quantity (kwh)</b>	<b>Cost ( R )</b>
	<ul style="list-style-type: none"> <li>i. <u>Electrified areas</u> <ul style="list-style-type: none"> <li>■ Grid Electricity (Solar)</li> <li>■ Non-Grid Electricity</li> </ul> </li> <li>ii. <u>Alternate energy source</u> (Data Source: Census 2001) <ul style="list-style-type: none"> <li>■ Gas</li> <li>■ Paraffin</li> <li>■ Candles/Wood</li> </ul> </li> <li>iii. Non electrified (Total of HH less HH Electrified)</li> </ul>		
3.6	Number and cost of new connections:	<b>Total (Number)</b>	<b>Cost ( R )</b>
	i. Grid Electricity	No Data	R 3,780 / HH
	ii. Non-grid Electricity	No Data	R 3,500 / HH
3.7	Number and total value of electrification projects planned and current:	<b>Total (Number)</b>	<b>Cost ( R )</b>
	i. Current	No Data	Unknown
	ii. Planned (by end of 2006)	6,550	24,759,000
3.8	Anticipated expansion of electricity service:	<b>Total (HH)</b>	<b>Cost ( R )</b>
	i. Grid Electricity	6,550	24,759,000
	ii. Non-grid Electricity	300	1,050,000
3.9	Estimated backlog in number (and cost to provide) electricity connection:	<b>Total (Number)</b>	<b>Cost ( R )</b>
	i. Backlog in electricity services	60,188	227,500,000
3.10	Free Basic Service Provision (2005/06)	<b>Total (No. of HH)</b>	<b>Cost ( R )</b>





<ul style="list-style-type: none"> <li>■ FBE on Grid Electricity           <ul style="list-style-type: none"> <li>i. Quantity (number of households affected)</li> <li>ii. Quantum (value to each household) [R/hh/Yr]</li> </ul> </li> <li>■ FBE on Non-grid Electricity           <ul style="list-style-type: none"> <li>i. Quantity (number of households affected)</li> <li>ii. Quantum (value to each household) [R/hh/Yr]</li> </ul> </li> </ul>		
<b>Total Expenditure on Free Basic Electricity (2005/06)</b>	<b>12,909</b>	<b>R 896,090</b>

3.13	Type and number of grants and subsidies received:	<b>Total (Number)</b>	<b>Value ( R )</b>
	<ul style="list-style-type: none"> <li>i. Equitable Share - Free Basic Electricity</li> </ul> Grants received during the year are reported on Page 128		
3.14	Cost to employer of all personnel associated with sewerage functions:		<b>Cost ( R )</b>
	<ul style="list-style-type: none"> <li>i. Personnel Expenditure</li> <li>ii. General Expenses</li> <li>iii. Repairs and Maintenance</li> <li>iv. Capital Expenditure</li> </ul>		0.00
	<b>Total Operating Cost of Electricity Distribution Function</b>		<b>0.00</b>

Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
Provision of Free Basic Electricity	Provide 20 kw per household per month to all households connected to grid electricity		
	Provide 20 kw per household per month to all households connected to grid electricity		
Integrated Planning for Electrification	Preparation of Electricity Sector Plan		

<b>Function:</b>	<b>ELECTRICITY</b>
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<b>Sub Function:</b>	<b>Street Lighting</b>
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**1. OVERVIEW:**

This function includes all activities associated with the provision of street lighting to the community

**2. DESCRIPTION OF THE ACTIVITY:**

**2.1 Administrative Arrangement**

Local municipalities are responsible for street lighting, high must lighting and general lighting at public facilities.

**2.2 The Mandate of the Municipality**

The municipality of Alfred Nzo has the mandate to:

- i.
- ii.

**2.3 Strategic Objectives of the Function**

The strategic objective of the function are:

- i. Ensure that all households have at least basic level of services in sanitation services.
- ii. Improve the living standard of the poor community by providing them with Free basic electricity

**2.4 Key Issues for 2005/06**

Key issues for 2005/06 were:

- i. Provision of street lights in Maluti and Mt Ayliff towns

**3 ANALYSIS OF THE FUNCTION:**

Statistical Information			
3.1	Number and total operating cost of streetlights servicing population:	Total	Cost ( R )
	i.		
	ii.		
	<b>Total</b>		
3.2	Total bulk kilowatt hours consumed for street lighting:		

Key Performance	Performance During the Year, Performance Targets Against Actual	Current	Target
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Area	Achieved and Plans to Improve Performance		
Provision of Street Lighting			
Ensure Public Safety			

**SUMMARY OF GRANTS RECEIVED**

Name of Grant	Source of Grant	Quarter	Amount	Actual Date Received
MUNICIPAL INFRASTRUCTURE GRANT	DPLG	Apr 2004 to June 2004		
		Jul 2004 to Sept 2004		
		Oct 2004 to Dec 2004		
		Jan 2005 to Mar 2005		
		Apr 2005 to Jun 2005		
		<b>Total Funds Received</b>		
EQUITABLE SHARE	NATIONAL TREASURY	Apr 2004 to June 2004		
		Jul 2004 to Sept 2004		
		Oct 2004 to Dec 2004		
		Jan 2005 to Mar 2005		
		Apr 2005 to Jun 2005		
		<b>Total Funds Received</b>		
		Apr 2004 to June 2004		
		Jul 2004 to Sept 2004		
		Oct 2004 to Dec 2004		
		Jan 2005 to Mar 2005		
		Apr 2005 to Jun 2005		
		<b>Total Funds Received</b>		





<b>TOTAL PERSONNEL EXPENSES</b>	<b>20965533.00</b>	<b>13491927.00</b>	<b>28785221.37</b>	<b>46139665.00</b>	

