

MALETSWAI LOCAL MUNICIPALITY



ANNUAL REPORT FOR THE FINANCIAL
YEAR ENDED 30 JUNE 2008

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FOREWORD BY THE MAYOR, COUNCILLOR Z.E Pungwani.



The 2007/08 financial year will go down the annals of history, as the year whose events and incidents tested the resilience and enduring character of our institution. With hindsight it could be described as the best of and worst of times. As the winds of devastation and confusion blew across the breadth and length of the municipality, the institution never gave in but remained focused in its resolve to pursue its goals aimed at changing the lives of its citizens for the better. Nevertheless, in every experience that one encounters, good or worse, educative lessons are derived.

The challenges that were experienced with the migration from one financial management system to the other nearly sent the institution tumbling down. This nearly caused the institution to burn and crash. These problems did not only cause the municipality to submit the financial statements late but also affected the cash management measures put in place by the Council.

The post of the manager for corporate services remained vacant for six months during the financial year. This did not leave the municipality unfazed in terms of its service delivery capacity.

The last quarter of the financial year saw the standing committees of council not convening as they ought to, to discharge their responsibilities assigned to them by the Council.

But the crippling effect of the darkness of the night did not inspire a feeling of nothingness into our souls, for, we kept our soul torches glowing in the firm knowledge that the crack of dawn was sure to come. It was this faith that inspired the municipality, in an atmosphere that could have easily seen it consumed in despair, to register success in terms of meeting its target targets. Hereunder are some of the highlights worth lifting up :

- The reviewal of all Human Resources policies, which set parameters for the institution in dealing with all matters pertaining to its human capital;
- Resuscitation of the audit committee to deepen and promote good governance;
- Winning a district competition on the best run library;
- Adoption of the housing sector plan for the first time;
- Development and adoption of the delegation framework;
- Resealing of Young street in town and tarring of Dukathole bus/ taxi route;
- Completion of housing projects that had been blocked for many years;

Despite these successes, the road ahead is still long and arduous. As the poet laureate puts it "ubunzima bomthwalo budala ugkekagxekwano" (the enormity of the problems cause criticism of one another). This we should not allow.

Inadequate financial resources with all its attendant challenges will always be a challenge for the municipality as it attenuates the capacity of the municipality to discharge its responsibilities.

Nonetheless, the fact that the atmosphere around us is contaminated with impurities does not mean we will not breathe. We shall overcome.

2.OVERVIEW OF THE MUNICIPLITY

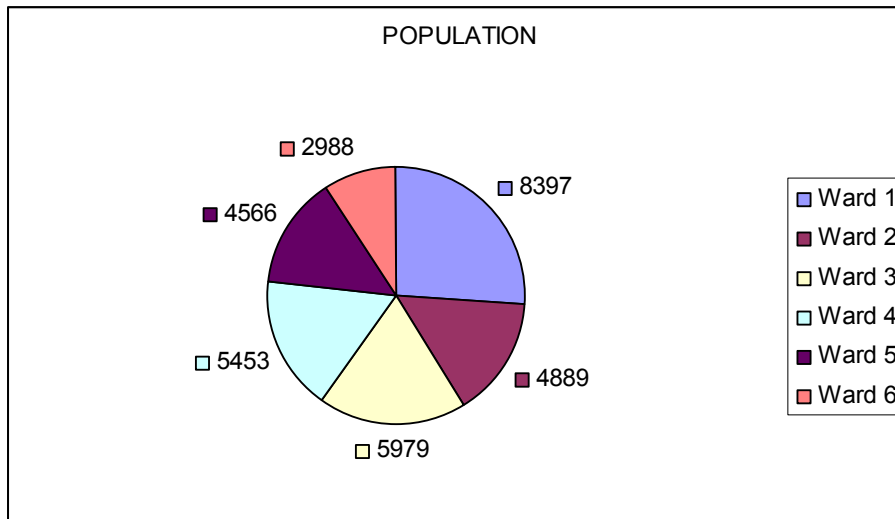
LOCATION

The Maletswai Municipality, comprised of Aliwal North and Jamestown, is situated on the N6 between Bloemfontein and Queenstown. It serves as a commercial centre for the North Eastern Cape area and towns forming part of the Southern Free State. On the north is the Free State; to the west is the North Cape Province with Lesotho to the East.

As a town on the N6 artery, it is a gateway into and out of the Eastern Cape.

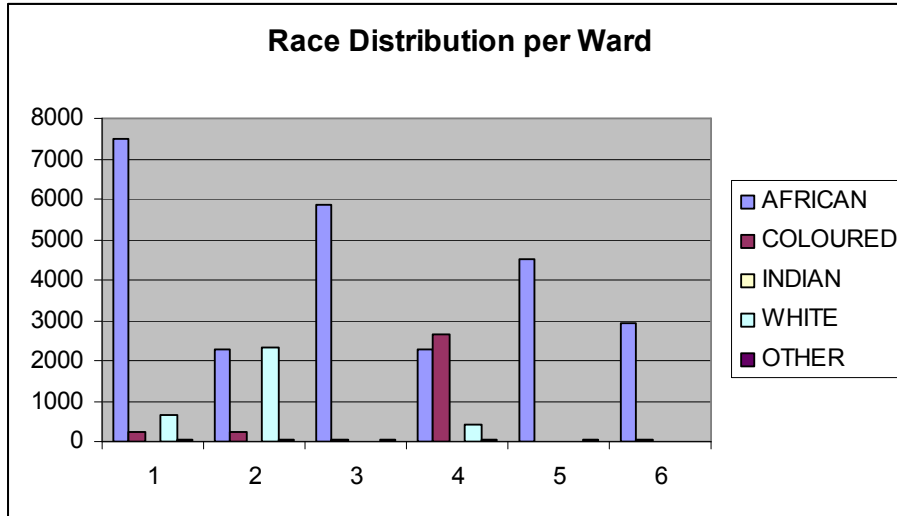
POPULATION DISTRIBUTION AND COMPOSITION

Population distribution: WARD

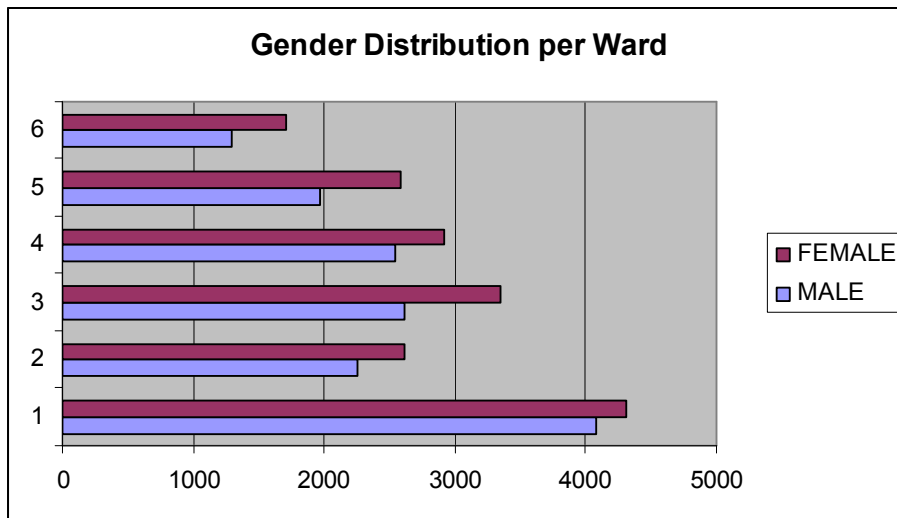


- Maletswai municipality has a total population of approximately 43 000 according to the 2007 survey results released by Statistics South Africa.
- The largest population (26 %) of Maletswai is concentrated in Ward 1, Jamestown and neighboring farms. Jamestown was a municipality on its own under the Cape Administration until it amalgamated with Aliwal North to form Maletswai Local municipality.
- Ward 6, Dukathole, Block H 1 and area 13, has the smallest population (9%). This picture will change once Area 13 housing project is completed.
- Wards 2,4 and 5 are almost of the same size in terms of population.
- The provision of middle- high income houses in ward 2 and the completion of Joe Gqabi Housing project will, of necessity, lead to increase in the population size of this ward

Population composition : RACE



Population composition: Gender



DEVELOPMENT INDICATORS

Human Development Index

The Human Development Index (HDI), as an indicator of life expectancy, literacy and income, is most reliable in the measurement of levels of development. Aliwal North records the highest level of development in the district with 0.55 as compared to the lowest record of 0.42 recorded against Steynsburg. Person living in poverty in Maletswai stands at 16 725 which represent 54.1.

Annual Household Income

Most households (47%) in the Maletswai Local Municipal area fall into the lowest income category (an annual of between R 0 – R 6000) per annum.

Literacy

Maletswai records the highest illiteracy rate at 64.4% in the district.

Education Levels

Ten percent (10%) of people have no formal schooling, with 26% having completed Grade 11 and 14% having completed Matric. Only 5% of the total population, boast a tertiary qualification.

Unemployment

The unemployment rate stands at 34.7 % which represents roughly 3 219 unemployed persons within the Maletswai area.

Skills Levels

Maletswai as a less densely populated part of the district appear to have more skilled people with 15% of working people being skilled. Only 3% of persons are working in Senior Management positions, 10% are in Management positions, 4% are in the Technical Field. Clerks represent 6% and those working in service related jobs represent 9%, 15% are skilled, 9% are in the craft and trade fields, 3% in plant and machinery, with the biggest group in elementary positions.

Formal Sector Employment

A large majority (34%) are employed in Community Services, followed by Households at 18% and Agriculture at 17%.

Informal Employment

The Informal Employment Sector suggest a big percentage (59%) in Wholesale, followed by the Construction sector.

ECONOMIC INDICATORS

Gross Geographic Product (GDP)

Maletswai contributes R 371 million to the GDP of the Ukhahlamba District area spread over a range of sectors. The biggest if Food (contributing 17%), followed by Education (14,5%), Public Services (9%), Agriculture (8%), Furniture (7%) and Insurance Services (6.6%). Others include businesses (5%), Health (4%), Retail (3,6%), Land Transport (3.5%) and Electricity (3%).

SERVICE INFRASTRUCTURE

Water and Sanitation

More than 60% of the population in Maletswai has access to Water and Sanitation. According to the 2007 Community survey 80% of the population has access to piped water as against 62.7 % in 2001.

Only 1.1% of the population is using bucket system. The bucket system has since been removed from the municipality.

TELEPHONES AND ELECTRICITY

Seventy two percent (72%) of households in Maletswai have electricity whilst only 16% have access to telephones at their home or nearby.

TRANSPORT

Roads, Railways and Airfield

The N6 from Bloemfontein to East London passes through the centre of Maletswai with most towns in the District , except Sterkspruit, accessible through an unused rail link which runs from the south-east throughout the District.

There is an airfield, about 3 kilometres from the Central Business District (CBD) of Aliwal North.

3.INSTITUTIONAL GOVERNANCE AND MANAGEMENT

Maletswai local municipality is a category B municipality with a plenary system as established by Section 12 Notice as promulgated by the Department of Housing, Local Government and Traditional affairs in the Eastern Cape. This municipality comprises the former Aliwal North and Jamestown Transitional Local Councils as well as the Transitional Representative council.

The Council consists of 12 Councilors of which the composition is as follows:

- 10 African National Congress Councilors
- 2 Democratic Alliance Councilor

The Mayor/ Speaker is Mr Z.E. Pungwani. The following councilors are the Chairpersons of Standing Committees: {Insert photos}



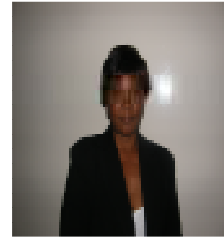
Cllr N Mathetha
Corporate Services



Cllr M Mokhoabane
Technical Services



Cllr N.B. Mokhantso
Financial Services



Cllr Z Betana
Community Services

The Committees of council are constituted as follows:

Corporate Services Committee

- Cllr P Williams
- Cllr M Mokhoabane
- Cllr N Mokhantso



Technical Services Committee

- Cllr Nalisile Mathetha
- Cllr Thobeka Gaba
- Cllr GD Fourie



Financial Services

- Cllr E. Mbana
- Cllr Loest
- Cllr G Swart



Community Services

- Cllr Msokoli Jan
- Cllr Thobeka Gaba
- Cllr Nalisile Mathetha



The municipality has the following five departments headed by Managers indicated next to them.

Municipal Manager



Mr Mcebisi Nonjola

Manager
Technical Services



Mr Tobosela Molefe

Manager
Community Services



Ms Fezeka Ntlemeza

Manager
Financial Services



Manager
Corporate Services



Mr Bennie Rautenbach

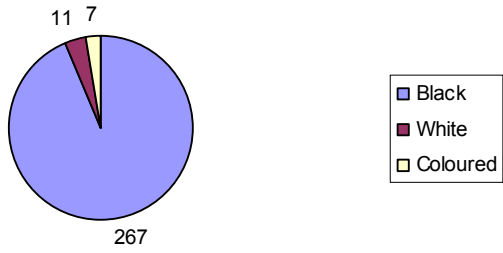
Mr John Jele

STAFF PROFILE

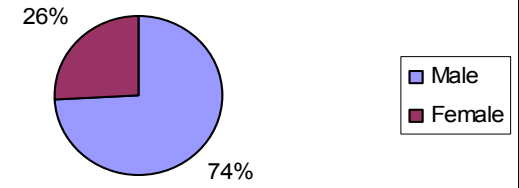
PERSONNEL BREAKDOWN

POST LEVEL	BLACK		WHITE		COLOURED		TOTAL
	M	F	M	F	M	F	
0	1						1
1	2	1	1				4
2							
3		1	3				4
4	4	7	2	1			14
5	3	1					4
6		4		1	1		6
7	10	7	1	1		3	22
8	3	3				1	7
9	7	2					9
10	25						25
11	4						4
12	13	2					15
13	92	31			2		125
14	3	1					4
COTRACTS TEMP	33	7	1				41
TOTAL	200	67	8	3	3	4	285

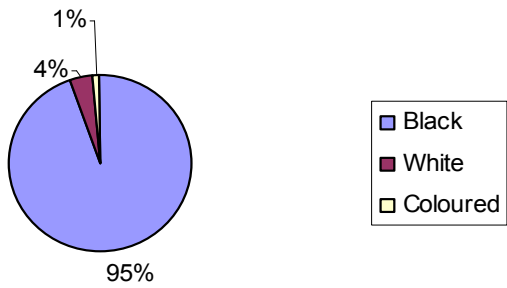
Staff profile by race



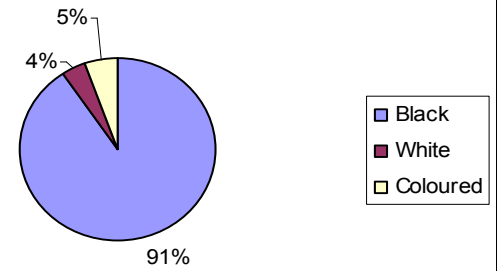
Staff profile by Gender



Male by race



Females by race



4.ANNUAL PERFORMANCE REPORT

PLANNING AND CORPORATE GOVERNANCE

HIGHLIGHTS FOR THE YEAR

- Establishment of Audit Committee.

KPA	Actual performance 2006/07	Target for 2007/08	Actual performance in 2007/08	Key problems and challenges
Integrated Development planning	The process plan for the development and adoption of the IDP and Budget was adopted by council in compliance with Municipal Systems Act.	Adoption of the process plan within the timeframe prescribed by the Municipal Systems Act and MFMA.	The process plan was adopted and made public within the prescribed timeframe.	None
	A 5 year IDP, spanning from 2006/07 to 2011/12, was adopted after consultation with stakeholders, sector Departments and local community.	Review the IDP in line with the requirements of the MSA and MFMA	The IDP was reviewed together with its sector plans and adopted by the Council	Low participation of sector departments which sometimes resulted in postponement of meetings and the final product not reflective of other sector department's plans.
Appointment of management	The Municipal Manager and 3 other section 57 managers were appointed	Appointment of the manager for corporate services	The manager for corporate services was not appointed.	None
	The employment and performance contracts of managers were concluded.	Conclusion of Performance contracts of managers	The performance contracts were signed within the prescribed timeframe.	
Development of	The performance management system was	Development of a performance management	The performance management system	

Performance management System	developed for section 57 managers	system for the entire municipality	was not developed.	
Audit Service	An Audit Committee was established in line with s 166 of the MFMA	Appointment of Audit Committee members in line with the MFMA.	A new audit committee was constituted after the old one resigned	None
	Internal audit unit services were outsourced to a firm of chartered accountants	Implementation of internal audit projects	4 internal audit projects were implemented, namely <ul style="list-style-type: none"> • Revenue and receivables • Aliwal Spa • Fixed assets • Performance review 	
	Risk assessment was undertaken and coverage plan was developed.	Development of a risk profile and coverage plan	The risk profile and the coverage plan were developed.	None
Delegation framework	Delegation framework for the s 57 Managers was developed and implemented.	Development of the delegation framework in terms of the MFMA and the Municipal Systems Act.	The delegation framework was developed and adopted by the Council to guide the work of its structures, office bearers and officials	Vacant positions in other departments result in overloading of other employees and compromise fundamental administrative principle of separation of roles.
Reporting	Annual report was prepared and submitted to the relevant departments	Preparation, adoption and submission of Annual report to DPLG and Provincial Treasury	The Annual report was prepared, adopted and submitted to the relevant Provincial Departments.	None
		Compile an oversight report in accordance with the MFMA provisions.	The oversight report was compiled	

3.CORPORATE SERVICES DEPARTMENT

Highlights:

- The municipality won the most improved work place award from the Local Government Sector Education and Training Authority (SETA)

KPA	Actual performance in 2006/07	Target for 2007/08	Actual performance in 2007/08	Key problems and challenges
Skills Development	<p>1.1 Submission of WSP and Implementation reports</p> <p>1. Submission of Employment Equity Plan.</p> <p>2. Submission of Quarterly reports</p> <p>3. Trained officials, Councillors and Ward Committees on the following: IDP & Community Planning Labour Law First Aid Level1 Advanced OH&S SDF training Advanced debt collection Electrical faulty analysis Electrical Apprentice RPL Electrical (Life Skills) Para-Legal Examiner of vehicles Speed Camera Operation (NaTIS Programme)</p>	<p>1. Submission of WSP and Implementation reports.</p> <p>2. Submission of the Employment Equity Report.</p> <p>3. Submission of quarterly reports.</p> <p>4. Training of officials and councilors</p>	<p>The WSP and implementation reports were submitted to the LGSETA;</p> <p>2. The EER was submitted to the Department of Labour.</p> <p>3. Quarterly reports were submitted to the LGSETA</p> <p>4. Municipal officials and councilors received training in the following fields:</p> <ul style="list-style-type: none"> • Integrated Development Planning • Paralegal matters • Public administration and management • Asset management • Customer Care • Chairing of Disciplinary enquiries 	<p>Insufficient funding for training of both councilors and officials.</p>

	Leadership Development for Women ABET		<ul style="list-style-type: none"> • E-Natis • Supply chain management 	
By-laws	The by-laws were drafted and adopted by the Council after due processes were followed.	To facilitate the promulgation of the by-laws	The by-laws were submitted to the government printers for promulgation.	Lack of legal and technical know-how during the fine-tuning of the by-laws
Labour Relations	Revival of Local Labour Forum	Regular and well attended Local Labour Forum meetings, compliance with the Labour Legislation	No meeting was held during the year under review.	<ol style="list-style-type: none"> 1. Lack of capacity on the part of unions to make impact or initiative labour issues for discussion 2. Budgetary constraints restrict the appointment of sufficient human resources for effective service delivery 3. Poor attendance of LLF meetings due to tight work schedules

Legal matters	1. Legal related matters outsourced for the provision of investigations for disciplinary hearings, opinions, etc.	Establishment of legal desk/unit in the Corporate Services Department for effective legal service delivery	1. Legal related matters outsourced for the provision of investigations for disciplinary hearings, opinions, etc.	Budgetary constraints was the main problem
Ward Committees	The Ward committees held their meetings regularly	Functional ward committees.	Ward Committees holding meetings regularly	Insufficient venues for holding meetings. Limited financial resources restrict the activities of Ward Committees
Occupational Health & Safety	<ol style="list-style-type: none"> 1. Safety representatives trained on first aid course level 1 by Medicare Centre at Aliwal North to ensure that every section of the workplace has a person to assist when emergencies occurs 2. Compliance with the Order issued by the Department of Labour 05 September 2006 in terms of Section 8 of OH&S Act / 1993, subsequent to which all safety representatives and supervisors were trained on legislative 	Functional OH & S committee	The OH & S committee did not convene.	Tight work schedules sometimes compromise the chances of employees to participate in the training programme

	<p>requirements by the service provider Merafi HR Consultancy</p> <p>Protective clothing and equipments issued to employees</p>			
Human Resources management.	<p>Appointment of Service Provider to facilitate the reviewal of all HR related policies and the development of new ones in areas where necessary</p>	<p>Review all HR related policies and develop new ones where necessary</p>	<p>HR policies were reviewed and adopted by the Council</p>	<p>Partial compliance with the adopted HR policies.</p>
Labour Disputes	<p>Coordination of disciplinary hearing activities, keeping of disciplinary hearing records, informing employees about the outcomes of their disciplinary hearing cases, etc.</p>	<p>Improved coordination of disciplinary hearing activities and keeping of records</p>	<p>The disciplinary hearings, records, conciliation records and arbitration awards were co-ordinated and safely kept.</p>	<p>No dedicated staff member to deal with labour relations matters.</p>
Employment Equity Plan	<p>The Employment Equity report was submitted to the Department of Labour.</p>	<p>Implement and review Employment Equity Plan and submit to the Department of Labour on 31 October 2007</p>	<p>Report on the Employment Equity Plan was submitted to the Department of Labour</p>	<p>Partial attainment of equity targets.</p>

<p>Administration</p>	<p>Improve committee work system and the quality of reports submitted to Council and standing committees</p>	<p>Effective Administration</p> <p>Meeting of deadlines</p> <p>Improved Delivery of agendas and minutes</p> <p>Good coordination of venues for meetings</p> <p>Well prepared agendas and minutes</p>	<p>Meeting of deadlines improving steadily</p> <p>Delivery of agendas and minutes gradually improving</p> <p>Venues for meetings well coordinated</p> <p>Agendas and minutes well prepared</p>	<p>Tight work schedules</p>
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MEASURES TAKEN TO ADDRESS CHALLENGES

- Appointment of staff in critical positions to alleviate overload from other employees in the Department;
- Training of some staff members on para-legal and labour relations matters;
- Training of staff was linked to the WSP and Equity targets.
- The support of the Department of Local Government, Housing and Traditional affairs was enlisted to finalise the by-laws.

4. COMMUNITY SERVICES

A REFUSE REMOVAL

The report will briefly outline the highlights of the year in the Community Services Department, the performance targets, actual performance, challenges and measures taken to overcome the challenges.

PERFORMANCE TARGETS AND ACTUALS

Service	Actual performance 2006/2007	Target 2007/2008	Actual performance 2007/2008	Key Challenges
Waste Management	IWMP was advertised for public comments and presented to Council	Adoption of IWMP by Council	IWMP presented twice to Council	IWMP not adopted by Council
Management of dumping site	Electricity was connected and 10 employees were assigned to work at the site and complied with the Dumping site operation manual	Training of waste management staff	10 staff members were trained on waste collection, waste separation, waste recycling and dumping site management.	Mixed waste burnt on the trenches and the land fill site short lived the estimated life span.
Refuse collection	New compactor truck was purchased	Implement the refuse removal programme	Refuse removal programme was implemented	There is a need of a permanent driver for the truck
Management of waste dumped in an open spaces	One container covered with mash was purchased	Conduct awareness campaign on the dangers of illegal dumping	Awareness campaigns conducted	The section operated without the Waste Management officer for since end January 2008.
Encourage recycling of waste	Aliwal Recyclers was permitted to start recycling at the refuse site	Getting PDI communities to recycle waste for commercial purposes	Maletswai Recycling project is operating from the land fill site	Getting PDI communities to recycle waste for commercial purposes
Cleaning of public toilets and streets	People were assigned to clean the public toilets streets	To clean public toilets	People were assigned to clean all public toilets on daily basis	Lack of human resource

3. MEASURES TAKEN TO ADDRESS CHALLENGES

- a) Integrated Waste Management Plan was drafted, published for public comments and presented to Council for approval but was not adopted,
- b) Community awareness outreaches were conducted to separate waste at source,
- c) Ongoing awareness to community and regular collection of refuse heaps,
- d) The post of Waste Management Officer has been re-advertised; and
- e) Cleaning campaign employees assist on the shortage of employees,

B. LIBRARY

HIGHLIGHTS OF THE YEAR

- Aliwal North library received an outstanding Library Award for being the best library in Ukhahlamba District.

Service	Actual performance 2006/2007	Target 2007/2008	Actual performance 2007/2008	Key Challenges
Compliance with SLA Training of staff	Library committee formed	Comply with SLA	Complied with SLA and were awarded Outstanding Library Award in the district	None
	1 assistant Librarian was appointed for Jamestown Library			
	2 Assistant Librarians were trained			
	Vulamazibuko Higher Primary was visited			
Purchase Library building Jamestown		Purchase Library building Jamestown	None	Lack of funds

C . PARKS, PUBLIC SPACES AND CEMETERIES

Service	Actual performance 2006/2007	Target 2007/2008	Actual performance 2007/2008	Key Challenges
Maintenance of parks and public open spaces	Clean and maintain parks and open spaces	Revival of nursery	Nursery partly revived	Shortage human and financial resource
		Maintenance of parks	Parks maintained	
		Maintenance of stadia	Stadia maintained	
Cleaning of cemeteries	Cleaning of cemeteries	Cleaning of cemeteries	Cemeteries cleaned	Shortage of human resource
		Spray weed killer	2 cemeteries sprayed	
		Develop new cemetery	Land identified and public consultations held	
Numbering of graves	Numbering of graves	All graves rows were numbered	Numbering of graves	Ongoing process

3. MEASURES TAKEN TO ADDRESS CHALLENGES

- a) Cleaning Campaign employees were assigned to help in the parks and cemeteries.

D.TRAFFIC MANAGEMENT SERVICES

HIGHLIGHTS OF THE YEAR

1. Appointment of Senior Traffic Officer to oversee the management of the centre
2. Amendment of the Traffic Section Organogram to comply with SLA was done and adopted by Council.
3. All disciplinary hearings relating to this section were finalised.

Service	Actual performance 2006/2007	Target 2007/2008	Actual performance 2007/2008	Key Challenges
Vehicle and drivers testing, traffic control and traffic safety	Vehicle testing, drivers licences and traffic policing or law enforcement	Comply with SLA for the Department of Roads and Transport	The proposal for an organogram that complies with SLA was submitted and adopted by Council. Senior Traffic Officer, an examiner, supervisor e-natis and e-natis clerk were appointed. All services were available	Testing station was function well since November 2007 though staff component was still lacking
Maintenance and upgrading of the aerodrome	Maintenance and upgrading of the aerodrome and complied with aviation legislation	Maintenance of the aerodrome and comply with aviation authority requirements	Aerodrome maintained and aviation permit for the year was obtained	Financial resources
Maintenance and upgrading of the road signs	Upgrading of road marks and maintenance of road signs	Road sign maintenance	Signs were maintained	Financial resources

3. MEASURES TAKEN TO ADDRESS CHALLENGES

a) Department of Road and Transport has from time to time have seconded personnel to help out at the station.

E HOUSING AND LAND ADMINISTRATION

1. Community Services building was purchased and transferred from ECDC.
2. Completion of construction in project 300 area 13;
3. Completion of construction in project 359 Jamestown;
4. Review of Spatial Development Framework was done;
5. For the first time the Municipality adopted a Housing Sector Plan.

Service	Actual performance 2006/2007	Target 2007/2008	Actual performance 2007/2008	Key Challenges
Acquisition of Land	List of potential beneficiaries compiled. Valuations were completed and new offers made	Acquisition of land	Facilitate acquisition of land	Land owners escalating prices and or refusing the offers made
CBD and Spa Spatial Development Framework	Tender was advertised and service providers were appointed	Revise spatial development framework	Spatial Development Framework revised and adopted by Council	Land identified on spatial development framework is privately owned.
Lease of Municipal property	Lease agreements updated for all municipal leased property	Manage municipal leased properties	Contracts were updated	Long and tedious law processes to enforce conditions of lease
Facilitate completion of project 1218 Joe Gqabi	Project blocked	Facilitate completion 135 outstanding units of 1218 Joe Gqabi	129 units complete	Water connections not within the specified distance
Facilitate completion of project 89 Hilton	13 units are 75% complete and 1 demolished	Facilitate completion of 14 outstanding units of Hilton 89	10 units complete	3 units cannot be built as the sites are on a flood line these have been relocated.
Facilitate completion of project 330 Aliwal North	11 units constructed to wall plate	Facilitate completion of 23 outstanding units of project	23 units complete	Unavailability of building material from suppliers and unwillingness of contractors to work

		Aliwal 330		
Facilitate completion of project 300 Area 13	Project is 90% complete	Facilitate completion of the project	All 300 units complete	Electric connection and transfers
Facilitate completion of project 858 Jamestown	List of missing beneficiaries was advertised on a locally circulating news paper and municipal buildings calling for these missing beneficiaries to come forward and claim their houses.	Tracing the missing beneficiaries	Beneficiaries were traced and those who could not be traced, a process of replacement has started.	Lack of human resource to follow up on the beneficiaries.
Facilitate completion of project 378 Jamestown	Application for scaling down the project to 359 was submitted	Facilitate scaling down and completion of the 3 units approved in this project	Project was scaled to 359 and construction of the 3 units was completed.	Lack of interest on the beneficiary side on this project

3. MEASURES TAKEN TO ADDRESS CHALLENGES

- a) Department of Land Affairs has been roped in to help out with the acquisition of land.
- b) Department of Housing has been requested to assist with project management and project planning to bring the historical projects to an end.
- c) List of missing beneficiaries was advertised.
- d) Application for scaling down the project has been submitted.

F. PRIMARY HEALTH CARE

HIGHLIGHTS OF THE YEAR

- TB awareness day
- Candle light memorial
- Renovation of Poly Clinic, Maletswai Clinic and Block H Clinic.

Service	Actual performance 2006/2007	Target 2007/2008	Actual performance 2007/2008	Key Challenges
Facilitate awareness around preventable diseases	Promotion of condom use during condom week was done	Awareness campaigns on preventable diseases.	Promotion of condom use during condom week was done 11/02/08	HIV/AIDS, STIs and teenage pregnancy
	Preventing TB spread encouraging sputum testing,		Preventing TB spread encouraging sputum	Lack of knowledge resulting to MDR, XDR, re-treatment

	<p>completion of treatment for those who have started, encouraging contact tracing, promoting HIV and TB collaboration</p> <p>Preventing MDR, XDR, re-treatment and defaulters</p>		<p>testing, completion of treatment for those who have started, encouraging contact tracing, promoting HIV and TB collaboration</p> <p>Preventing MDR, XDR, re-treatment and defaulters (Ongoing)</p>	<p>and defaulting</p> <p>Lack of houses resulting to overcrowding and spread of the disease</p>
	<p>Candle light memorial Remembrances of those who died of HIV/AIDS</p> <p>Reducing stress and giving courage to those who are infected and affected</p>		<p>Candle light memorial Remembrances of those who died of HIV/AIDS</p> <p>Reducing stress and giving courage to those who are infected and affected</p>	<p>Lack of support and discrimination of the infected which leads to low morale and loss of respect</p>
	<p>TB Imbizo Encouraging community involvement, e.g. Traditional Health Practitioners, Councillors, Clinic Committees and other departments, signing of pledge by the abovementioned stakeholders</p> <p>TB is everybody's responsibility</p>		<p>TB Imbizo Encouraging community involvement, e.g. Traditional Health Practitioners, Councillors, Clinic Committees and other departments, signing of pledge by the abovementioned stakeholders. TB day 20/03/08</p> <p>TB is everybody's responsibility</p>	<p>Poverty and unemployment Shortage of transport for home visits</p>
	<p>HIV/Aids Promotion of use of condom, encourage sputum testing, encourage VCT, explained the services rendered by the clinics Put emphases on ABC</p>		<p>HIV/Aids Promotion of use of condom, encourage sputum testing, encourage VCT, explained the services rendered by the clinics Put emphases on ABC</p>	<p>HIV/AIDS, STIs, TB and teenage pregnancy</p>
	<p>Women's month Promotion of cervical screening and HIV/AIDS, sputum for TB Prevention of cancer. Promote literacy in youth and prevention of TB spread</p>		<p>Women's month Promotion of cervical screening and HIV/AIDS, sputum for TB Prevention of cancer. Promote literacy in youth and prevention of TB spread. 01/12/07</p>	<p>Lack of knowledge</p>

	Increasing immunization coverage and promote use of Health Services Prevention of diseases, e.g. Polio		Increasing immunization coverage and promote use of Health Services Prevention of diseases, e.g. Polio. 20/03/08	Exposure to contagious diseases such as Polio, measles, whooping cough, etc.
Comply with SLA		Comply with SLA	Drugs procured, Daily statistics submitted, Expenditure reports submitted and suggestion boxes opened.	
Implement PHC Services		Compile monthly reports on services rendered	Monthly reports submitted	

MEASURES TAKEN TO ADDRESS CHALLENGES

The Department of Health was consulted and is involved in addressing the staff shortages and fund scarcity.

G.LOCAL ECONOMIC DEVELOPMENT

Service	Actual performance 2006/2007	Target 2007/2008	Actual performance 2007/2008	Key Challenges
Facilitate Local Economic Development		Formulate LED Strategy		The District was to facilitate this
		Establish One stop SMME development centre	Mthombo Sediba Development Agency works as an SMME centre as well	
		Facilitate LED profiling	LED baseline report was produced	
		Facilitate small business support	Three training sessions were held	

H. ALIWAL SPA

HIGHLIGHTS OF THE YEAR

1. No drowning incidents reported this year.

Service	Actual performance 2006/2007	Target 2007/2008	Actual performance 2007/2008	Key Challenges
Implement maintenance plan for accommodation facilities		Implement maintenance plan for accommodation facilities	10 chalets were renovated and cleaning program was done on a daily basis	Lack of funds
Implement maintenance plan for land scaping and gardens		Implement maintenance plan for land scaping and gardens	Land scaping was done and garden maintenance program implemented	Lack of funds and equipment

5. TECHNICAL SERVICES DEPARTMENT

CIVIL SECTION

Highlights of the year

1. Rehabilitation of Aliwal North town Streets
2. Upgrading of the Municipal library
3. Tarring of Dukathole taxi bus route
4. Resealing of Young street (provincial road)

Service	Actual Performance in 2006/7	Target for 2007/8	Actual Performance in 2007/8	Key Problems and Challenges
Water services	Construction of reservoir, rising Main and Purification works completed	Enlargement of Dam approved and construction to start.	Enlargement completed.	Low water levels in the dam.
Weir upgrading for water abstraction	The upgrading of the Weir was 95% complete.	Complete the upgrading of the weir	Upgrading of weir completed	
Sanitation	Construction and implementation 378 sanitation sites	Complete project	Project 100% complete	
Public Toilets	Constructed one new block, Upgrading two existing blocks	Construct new 3 public toilet blocks in ward 3 and 4	Polar Park and Chris Hani Public toilets renovated only painting was not done. Construction only started in July 2008	Budget constraints
Area 13 main sewer line	Construction of 2 pumps stations and pumping main	Complete construction	Construction 97% complete.	Several problems with the pump houses were pointed out. Have to be rectified.
Upgrade sewerage purification works	Upgrade existing purification plant	Complete upgrading of existing plant	Project completed without problems	
Bulk storm Water in Dukathole	Construction of concrete storm water channels in Meje Park and Chris Hani	Complete project	Project completed and retention paid	

	section			
Maintenance of roads	Budget and final drawings, planning completed	Reseal and upgrade roads to the value of R 5m, for 1, Barkly Street, 2.Smith Street, 3.Durban Street, 4.Myburg street, and 5.Murray Street.	Construction completed on Marco Street, Matini Street, Barkly Street, Smith Street, Durban Street, Myburg street, and Murray Street. <i>Section of Young Street was upgraded through Technical services facilitation to the value of R 1.5m</i>	Water and electrical cables and pipes were too close to ground surface, so when contractor used machines services were affected.

Speed humps construction	Budget and Planning	Complete Speed humps construction	5 speed humps build funded by external source	
Bus Route Dukathole	Budget and planning	Complete construction	Dukathole Bus route construction completed	Contractor delays in works completion
Joe Gqabi Community Hall	Planned and Budgeted for erection of hall	Complete construction	Steel structure completed, tender for completion awarded.	
Upgrading of Library	Plan and budgeted	Complete construction	Construction completed	Malfunctioning air conditioner
Servicing of 128 high and middle income sites.	Planning and tendering	Start servicing sites	24 sites serviced and available, Sub-division of 99 into 282 sites approved.	
Re-gravelling of streets in Jamestown	Budgeting and Final Planning	Plan and budget for re-gravelling	Tender for re-gravelling of 10 km awarded	Depth of water pipes is too shallow, vibrating might break if work is done too close.
Purchasing of equipment	Planning	Purchase Grader, Tip-truck and compactor	Tenders closed, waiting for approval.	
Building Maintenance	Painting of Municipal Flats	Renovate 5 municipal buildings	Completed renovations on Council chamber, Municipal Flats at	

			Spyker Street, Technical Services Building, Jamestown Community hall, Nerina Court 3 & 4, Aliwal Spa White flats 8 & 20 Flats Dan Pienaar Street No 6 & 8, Ablution block at spa, Poly clinic, Main building roof covering, Blue hall in springs, Hilton Clinic.	
Re-gravelling of Streets Dukathole, and Joe Gqabi		Re-gravel 3km of streets in Dukathole and Joe Gqabi	Completed re-gravelling of streets in Dukathole, Joe Gqabi and Springs for total length of 4.2km	Storm water in Dukathole remains a challenge to overcome.
Construction of sidewalks in Broadway Street	Planning	Obtain funds for the construction of the sidewalks in Broadway.	Sidewalks construction and storm water are underway	
Joe Gqabi bus route	Budget and Planning	Storm water channel construction	600m of storm water channel stone pitching completed	Budget constrains
Sewer line upgrading	Budgeting and Planning	Sewer upgrading in all areas that continuously give problem in Maletswai Municipality	26m sewer main line Ø250mm was replaced in Chris Hani section.	

MEASURES TAKEN TO MITIGATE CHALLENGES

- Sourcing of additional funding from the Ukhahlamba District municipality to construct public toilets in Dukathole was done with success.
- Problems pertaining to area 13 water pump house were resolved.
- Pipes that were close to the ground surface were rerouted.
- The management of contracts was strengthened and improved.
- Shallow water pipes in Jamestown = since the average width of the roads is 10 to 12 meters we only re-graveled the 8m width of the road which is constantly used by the vehicles.
- A storm water project in Dukathole has been registered and approved for MIG funding in 2009/10 financial year.

6. Financial Services Department

HIGHLIGHTS OF THE YEAR

- Launched a new financial management ,Sebata municipal Financial management Solution
- Initiated General property evaluation processes,

Service	Actual performance 2006/2007	Target 2007/2008	Actual performance 2007/2008	Key Challenges
Completion of Financial Statements	Financial Statement completed on 31 August 2007	Complete Financial Statements on 31 August 2008	Financial Statement completed on 31 September	Limited in-house experience
Budgeting	Operating and Capital Budget completed on 31 May 2007	Complete Operating and Capital Budget before 31 May 2008	Operating and Capital Budget completed on 31 May 2008	
Revenue management	Bank reconciliation done as one for whole year, not monthly	To have up-to-date bank reconciliations at 30 June 2008	Bank reconciliation not completed	Lack of staff and trained staff
Compilation of Section 71 Reports as prescribed in the MFMA	Reports submitted according to the requirements of the MFMA	Monthly reports to be prepared in accordance with Section 71 of the MFMA	Monthly reports submitted since February 2007 according to Section 71 of the MFMA to council and National Treasury.	Limited in-house staff capacity.
Governance and management	All financially related policies developed by 31 May 2007	All financially related policies revised 15 May 2008	All financially related policies revised 15 May 2008	

Expenditure management	All payment claims of SMMEs and/or emerging contractors paid within 10 working days from date of submission. All other creditors paid within 20 working days from date of submission	All payment claims of SMMEs and/or emerging contractors paid within 10 working days from date of submission. All other creditors paid within 20 working days from date of submission.	All payment claims of SMMEs and/or emerging contractors paid within 10 working days from date of submission. All other creditors paid within 20 working days from date of submission	
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3 MEASURES TAKEN TO OVERCOME CHALLENGES

- Three vacant positions in the Department are in the process of being filled.
- Procurement of a new financial management system that is capable of producing reports and other essential information as required by the Municipal Finance Management Act.

5. FUNCTIONAL SERVICE DELIVERY REPORT

Function:	Community Services
Sub Function:	All inclusive

Reporting Level	Detail	Total	
Overview:	Includes all activities associated with the provision of community services		
Description of the Activity:	Provision of sustainable, accessible and affordable community facilities and services to residents and visitors in Maletswai Local Municipality. The strategic functions are: Library Services Refuse Removal and Cleansing Parks and Public Spaces Public Safety Housing and Land Administration Aliwal Spa LED Primary Health Care Services		
Analysis of the Function:			
1	Nature and extent of facilities provided: - Library services - Refuse removal and Cleansing - Parks and Public Spaces - Public Safety - Primary Health Care Services - Housing and Land Administration - LED - Aliwal Spa Note: the facilities figure should agree with the assets register	<i>no of facilities:</i> 2 <i>n/a</i> 19 1 4 1 1 1	<i>no of users:</i>
2	Number and cost to employer of all personnel associated with each community services function: - Library services - Refuse removal and cleansing - Parks and Public Spaces - Public Safety - Primary Health Care Services - Housing and Land Administration - LED - Aliwal Spa	5 37 8 12 1 1	<i>R(000s)</i> <i>n/a</i> <i>n/a</i> <i>n/a</i> <i>n/a</i> <i>n/a</i> <i>n/a</i> <i>n/a</i>
6	Total operating cost of community and social services function		

Function:	Public Safety
Sub Function:	Traffic control and traffic safety

Reporting Level	Detail	Total	
Overview:	Includes law enforcement and traffic (and parking) control		
Description of the Activity:	Provision of traffic safety management services to local community and all road users within our area of jurisdiction. The strategic objectives of this function are to: <i>Testing of vehicle road worthiness, drivers competence, traffic law enforcement, maintenance of the aerodrome, maintenance and upgrading of the road signs.</i>		
Analysis of the Function:			
1	Number and cost to employer of all personnel associated with policing and traffic control: - Professional (Senior Management) - Field (Detectives/Supervisors) - Office (Clerical/Administration) - Non-professional (visible police officers on the street) - Volunteer - Temporary - Contract Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package. Office includes desk bound police and traffic officers, non-professional includes aides	4 <total> 3 4 <total> <total> <total>	R (000s)
2	Total number of call-outs attended: - Emergency call-outs - Standard call-outs Note: provide total number registered, based on call classification at municipality	<total> <total>	
3	Average response time to call-outs: - Emergency call-outs - Standard call-outs Note: provide average by dividing total response time by number of call-outs	<total> <total>	
4	Total number of targeted violations eg: traffic offences:	<total>	
5	Total number and type of emergencies leading to a loss of life or disaster:	<total>	
6	Type and number of grants and subsidies received:	<total>	R (000s) <value>
7	Total operating cost of police and traffic function		R (000s)

Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
Vehicle and drivers testing , traffic control and traffic safety	4 key positions were filled, organogram compliant with SLA was adopted by Council, all DLTC and VTS services were provided.		
Maintenance and upgrading of the aerodrome	Obtained aviation permit for the year.		
Maintenance and upgrading of road signs	signs were maintained		

Function:	Primary Health Care Services
Sub Function:	Clinics

Reporting Level	Detail	Total	
Overview:	Maletswai Local Municipality provides comprehensive primary health care services at 4 fixed clinics.		
Description of the Activity:	<p>The function for the provision of community health clinics within the municipality is administered as follows and includes:</p> <ul style="list-style-type: none"> a. health services, including promotive, preventative and primary level (minor ailments); b. adult curative primary health care services; c. children's primary health care services, including promotive, preventative, primary level (minor ailments) curative health services and curative care for under 13-year olds; d. operating of health facilities, including clinics; e. maternal and reproductive health services, including family planning, PAP smears; f. sexually transmitted disease control, including medication and laboratory service; g. HIV / AIDS Control Programme; h. HIV primary health care; i. tuberculosis control, including screening, medication and laboratory service; j. geriatric care k. specialised primary health care services, including – Epidemiology, Health Information Systems, pharmacy and drug supply and training. 		
	<p>The strategic objectives of this function are to:</p> <p>Facilitate awareness around preventable diseases, comply with SLA, Implement PHC services</p> <p>The key issues for 2005/06 are:</p>		

Analysis of the Function:		To reduce and control communicable diseases including HIV and AIDS, TB and STI's; To reduce maternal and child morbidity and mortality; To implement the comprehensive treatment plan including ARV's; To improve quality care; To facilitate integration of services between DHS and local government.		
	1	Number and cost to employer of all health personnel: - Professional (Doctors/Specialists) - Professional (Nurses/Aides) - Para-professional (Clinic staff qualified) - Non-professional (Labourers) - Temporary - Contract Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package	0 5 3 4 0 0	R (000s) 0 0 0 0
	2	Number, cost of public, private clinics servicing population: - Public Clinics (owned by municipality) - Private Clinics (owned by private, fees based)	4 0	R (000s) 0
	3	Total annual patient head count for service provided by the municipality: 5 years and older Under 5 years		
	4	Estimated backlog in number of and costs to build clinics: Note: total number should appear in IDP, and cost in future budgeted capital works programme		R (000s)
	5	Type and number of grants and subsidies received: Allocation from the ECDOH: July to September 2007 October to December 2007 January to March 2008 April to June 2008 Note: total value of specific health clinic grants actually received during year to be recorded over the four quarters:	1	R (000s) R291039 R311540 R625620 R625620
	6	Total operating cost of health (clinic) function:		

Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
<i>Key Performance Areas</i>			
Facilitate awareness around preventable diseases	Promotion of Condom use;		
Comply with SLA	VTS and prevention of the spread of TB; TB imbizo Prevention of MDR, XDR retreatment and defaulters; candle light memorial;		

	Women's month promotion of cervical screening;		
	Increasing immunization coverage.		
	drugs procured;		
	daily statistics submitted		
	expenditure report submitted		
	suggestion boxes opened		
Implement PHC services	monthly reports submitted		

Function:	Housing and Land Administration
Sub Function:	N/A

Reporting Level	Detail	Total	
Overview:	Maletswai Local Municipality facilitates provision of housing services.		
Description of the Activity:	<p>The function of provision of housing within the municipality is administered as follows and includes:</p> <p><i>Planning for housing delivery, quality assessment, facilitate and manage housing programmes, manage the development and ongoing enhancement of strategy and processes pertaining to housing.</i></p> <p>The strategic objectives of this function are to:</p> <p><i>Provide sustainable housing in the municipality</i></p> <p>The key issues for 2005/06 are:</p> <p><i>Acquisition of Land, CBD and Spatial Development Framework, Lease of Municipal property, facilitate completion of housing projects.</i></p>		
Analysis of the Function:	<p>1 Number and cost of all personnel associated with provision of municipal housing:</p> <ul style="list-style-type: none"> - Professional (Architects/Consultants) - Field (Supervisors/Foremen) - Office (Clerical/Administration) - Non-professional (blue collar, outside workforce) - Temporary - Contract <p>Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package. Professional includes project design, Field includes all tradespersons.</p>	<p>0</p> <p>0</p> <p>1</p> <p>0</p> <p>3</p> <p>0</p>	<p>R (000s)</p> <p>0</p> <p>0</p> <p>0</p> <p>0</p> <p>R 293,484</p>
	<p>2 Number and total value of housing projects planned and current:</p> <ul style="list-style-type: none"> - Current (financial year after year reported on) 	275	R (000s)

	- Planned (future years) Note: provide total project and project value as per initial or revised budget	899	0
3	Total type, number and value of housing provided: <list details by type of dwelling, see below> Note: total number and total value of housing provided during financial year	165	R (000s)
4	Total number and value of rent received from municipal owned rental units		R (000s)
5	Estimated backlog in number of (and costs to build) housing:		R (000s)
6	Type of habitat breakdown: - number of people living in a house or brick structure - number of people living in a traditional dwelling - number of people living in a flat in a block of flats - number of people living in a town/cluster/semi-detached group dwelling - number of people living in an informal dwelling or shack - number of people living in a room/flatlet		
Reporting Level	Detail	Total	
7	Type and number of grants and subsidies received: <i>Subsidy</i> Note: total value of specific housing grants actually received during year to be recorded over the five quarters - Apr to Jun last year, Jul to Sep, Oct to Dec, Jan to Mar, Apr to Jun this year.		R (000s)
8	Total operating cost of housing function		
Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
1. Acquisition of Land	facilitate acquisition of land for the extension of Joe Gqabi and BNG.		
2. CBD and Spatial development framework	SDF reviewed and adopted by Council		
3. Lease of Municipal property	contracts were updated		
	a) Joe Gqabi 1218 (135) :129 units complete		
	b) Hilton 89(14) _____ 10 units complete		
	c) Aliwal 330(23) _____ 23 units complete		
	d) Area 13 300 _____ Electric connections and transfers outstanding		
4. Facilitate completion of housing projects	e) Jamestown 858: process of tracing missing beneficiaries underway		
	f) Jamestown 359-----Complete		

Function:	Cleansing and Refuse Removal
Sub Function:	Waste Management

Reporting Level	Detail	Total	
Overview:	Includes refuse removal, solid waste disposal and landfill, street cleaning and recycling		
Description of the Activity:	<p>The refuse collection functions of the municipality are administered as follows and include:</p> <p><i>Refuse removal, street cleaning, clearing of illegal dumps, management of the land fill site.</i></p> <p>The strategic objectives of this function are to:</p> <p><i>keep the municipal area clean and maintain acceptable health standards</i></p> <p>The key issues for 2007/08 are:</p> <p><i>Waste Management, Management of land fill site, refuse collection, management of waste dumped in open spaces, and encourage recycling of waste, cleaning of public toilets and streets.</i></p>		
Analysis of the Function:			
1	<p>Number and cost to employer of all personnel associated with refuse removal:</p> <ul style="list-style-type: none"> - Professional (EHP) - Supervisor - Office (Clerical/Administration) - Non-professional (blue collar, outside workforce) - Temporary - Contract <p>Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package</p>		R (000s)
		1	<cost>
		1	<cost>
		0	<cost>
		35	<cost>
			<cost>
		100	<cost>
			R
			2,333,686
2	<p>Number of households receiving regular refuse removal services, and frequency and cost of service:</p> <ul style="list-style-type: none"> - Removed by municipality at least once a week - Removed by municipality less often - Communal refuse dump used - Own refuse dump - No rubbish disposal <p>Note: if other intervals of services are available, please provide details</p>		R (000s)
		14854	R 510,977
			<cost>
		1	<cost>
3	<p>Total and projected tonnage of all refuse disposed:</p> <ul style="list-style-type: none"> - Domestic/Commercial - Garden <p>Note: provide total tonnage for current and future years activity</p>		<future>
			<future>
4	<p>Total number, capacity and life expectancy of refuse disposal sites:</p> <ul style="list-style-type: none"> - Domestic/Commercial (number) - Garden (number) 		
		0	0
		0	0

		Note: provide the number of tip sites, their total current capacity and the expected lifespan as at end of reporting period		
Reporting Level		Detail	Total	
5	Anticipated expansion of refuse removal service: - Domestic/Commercial - Garden		10	R (000s) <cost>
	Note: provide total number of households anticipated to benefit and total additional operating cost per year to the municipality		10	<cost>
6	Free Basic Service Provision: - Quantity (number of households affected) - Quantum (value to each household)			
	Note: Provide details of how many households receive the FBS provision, and the average value it means per household. Describe in detail the level of Free Basic Services provided.			
7	Total operating cost of solid waste management function			R (000s)

Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
1. Waste Management	Integrated Waste Management Plan present 2 times to Council but not adopted		
2. Management of dumping site	10 staff members were trained on waste collection, separation, recycling and landfill site management.		
3. Refuse collection	refuse removal programme was implemented		
4. management of illegal dumps	Awareness campaigns on dangers of illegal dumping were conducted		
5. Encourage waste recycling	Maletswai recycling project is operating from the land fill site		
6. cleaning of public toilets and streets	personnel was assigned to clean streets and public toilets on a daily basis		

Sub Function: Aliwal Spa

Reporting Level	Detail	Total	
Overview:	Includes maintenance and sustaining the resort by implementation of maintenance plan for accommodation facilities, implement maintenance plan for landscaping		
Description of the Activity:	Management of Spa and conferencing		

Analysis of the Function:	1	Number and cost to employer of all personnel associated with refuse removal: - Professional - Supervisor - Office (Clerical/Administration) - Non-professional (blue collar, outside workforce) - Temporary - Contract	0 1 2 35 4	
		Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package		R 1,086,121
	Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
	1. Implementation plan for accommodation facilities	10 chalets were renovated, supertube, parking bays, landscaping complete and cleaning program was done on a daily basis	The implementation of the second phase of Aliwal Spa revitalization is underway	To complete the second phase of the Aliwal Spa revitalization during the current year
2. Implement maintenance plan for landscaping and gardens	Landscaping and garden maintenance programme was implemented			

Sub Function: Human Resources			
Reporting Level	Detail	Total	
		Current	Target
Overview:	Includes all activities relating to the human resource management function of the municipality including recruitment, selection and induction - also performance management systems, code of conduct detail and decision making systems.		
Description of the Activity:	The function of human resource management within the municipality is administered as follows and includes:		
Recruitment and selection	- Creation of position, placing of advertisement, accepting of curriculum vitae, short listing of candidates, conducting of interviews and appointments		
Placement and Induction	Introduction of employees ,explaining of policies and procedures, completion of relevant documentation, handing over of employee to relevant department or section.		
Benefit Administration	Retirement Fund, Pension fund, Provident fund, Group life scheme, Medical aid schemes, Subsidies(motor vehicle schemes and housing subsidies)		

Labour relations	Monitoring compliance with labour legislation, Advising management and staff on labour related issues, Conducting and management of disciplinary hearings		
Occupation health and safety	Monitoring compliance with occupational health and safety act, Educating employees on health and safety matters, Regulate inspection of work areas for identification of health and safety hazards, Processing of injury on duty claims		
Maintenance and control of employees records and information	Compiling staff files, Updating of staff files, Safekeeping of employee records, Ensuring confidentiality of employee information		
Leave administration and control	Capturing and collecting of leave applications for all employees, Filling and safekeeping of leave records, Monitoring of negative trends in employee absenteeism, Educating employees on leave policies and conditions of service applicable to it.		
Policy Development and presentation	Responsible for the formulation, development and maintenance of HR policies and procedures, Presentation of the policies and procedures on a regular basis to all employees.		
Employee assistance	Referring employees with problems for counseling, Assisting families in the case of the death of an employee, Processing of all funds due to a deceased employee, Providing advice on financial matters		
Interaction with unions/ organized labour	Disciplinary hearings, Shortlisting of candidates for vacancies, Change in policies and procedures and other related matters		
Skills Development	Implementation of workplace skills plan and conducting skills needs analysis, Implementation of reports – and submitting to the LGSETA, Development of Employment equity reports and plans - and submitting to Department of Labour, Facilitating training of Councillors, Ward committees and officials, Lobby partnership with different service providers, Liaising between the institution, training providers and relevant SETA, Working with Local Labour forum and Training Committee.		
	The strategic objectives of this function are to:		
	Provide effective rendering of Human Resource Management Services. Provide effective Administrative Support Services. Provide effective Marketing and Communication Services. Provide effective Legal Support Services.		
Analysis of the Function:			
1	Number and cost to employer of all municipal staff employed:	284	R 23,260,609
	- Professional (Managerial/Specialist)		

	- Non-professional (blue collar, outside workforce)		
	- Contract Staff		
	Note: total number to be calculated on full-time equivalent (FTE) basis, providing detail of race and gender according to the breakdown described above. Total cost to include total salary package		
Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
<i>Development of the organogram</i>	<i>Review organogram in line with the Integrated Development Plan</i>		
SKILLS DEVELOPMENT	<p>The WSP and implementation reports were submitted to the LGSETA;. The EER was submitted to the Department of Labour.</p> <p>3. Quarterly reports were submitted to the LGSETA4.Municipal officials and councilors received training in the following fields:</p> <ul style="list-style-type: none"> • Integrated Development Planning • Paralegal matters • Public administration and management • Asset management • Customer Care • Chairing of Disciplinary enquiries• E-Natis • Supply chain management 		
BY- LAWS	The by-laws have now been promulgated		
LABOUR RELATIONS	No meeting was held in the year under review.		
LEGAL MATTERS	Legal related matters outsourced for the provision of investigation disciplinary hearings.		
WARD COMMITTEES.	Ward committees are holding their meetings regularly.		
OCCUPATIONAL HEALTH &SAFETY	The OH&S Committee did not convene.		
HUMAN RESOURCE MANAGEMENT.	HR Policies were reviewed and adopted by the Council.		
LABOUR DISPUTES.	The disciplinary hearings, records, conciliation records and arbitration awards were coordinated and safely kept.		
EMPLOYMENT EQUITY PLAN	Report on the Employment Equity Plan was submitted to the department of Labour.		

ADMINISTRATION	Meeting of deadlines is improving steadily. Delivery of agendas and minutes gradually improving. Venues for meetings are well coordinated. Agendas and minutes satisfactorily prepared.		
RECORDS OFFICE.	We do not have archives but only records and information filling system.		

Function:	Road Transport
Sub Function:	Roads

Reporting Level	Detail	Total	Cost
Overview:	Construction and maintenance of roads within the municipality's jurisdiction		
Description of the Activity:	The road maintenance and construction responsibilities of the municipality are administered as follows and include: <i>maintenance of Maletswai Municipal roads i.e. township streets town road network system</i>		
Analysis of the Function:			
1	Number and cost to employer of all personnel associated with road maintenance and construction: - Professional (Engineers/Consultants) - Field (Supervisors/Foremen) - Office (Clerical/Administration) - Non-professional (blue collar, outside workforce) - Temporary - Contract Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package	24 1 1 0 0 25 0	1 645 492 345 000 0 0 0 0 0
2	Total number, kilometers and total value of road projects planned and current: - New bituminized - Existing re-tarred - New gravel - Existing re-sheeted Note: if other types of road projects, please provide details	14.9km 8.9km 3km 3km 0	10 330 000 8 400 000 1 600 000 330 000 0
3	Total kilometers and maintenance cost associated with existing roads provided - Tar - Gravel Note: if other types of road provided, please provide details	25 15 10	540 000 324 000 216 000
4	Average frequency and cost of re-tarring, re-sheeting roads		R (000s)

	- Tar	1	350
	- Gravel	2	180
	Note: based on maintenance records		
5	Estimated backlog in number of roads, showing kilometers and capital cost		R (000s)
	- Tar	43 km	45 000 000
	- Gravel	9	1 080 000
Reporting Level	Detail	Total	Cost
	Note: total number should appear in IDP, and cost in future budgeted road construction programme		
6	Type and number of grants and subsidies received:		R (000s)
	DRaT Allocation	0	0
	MIG Grant funding	4 300 000	4 100 000
7	Total operating cost of road construction and maintenance function	58	500 000

Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
<i>Provision of roads infrastructure</i> <i>provide basic road infrastructure to Maletswai community</i>	Construction completed on Marco Street, Matini Street, Barkly Street, Smith Street, Durban Street, Myburg street, and Murray Street.		Reseal and upgrade roads to the value of R 5m, for 1, Barkly Street, 2.Smith Street, 3.Durban Street, 4.Myburg street, and 5.Murray Street.
	Section of Young Street was upgraded by department of Roads and Transport through Technical services facilitation to the value of R 1.5m		
	5 speed humps build funded by external source		to complete Speed humps construction
	Dukathole Bus route construction completed		to complete construction
	Tender for re-gravelling of 10 km awarded		Planning and budgeting for re-gravelling of streets in Jamestown
	Completed re-gravelling of streets in Dukathole, Joe Gqabi and Springs for total length of 4.2km		Re-gravel 3km of streets in Dukathole and Joe Gqabi
	Sidewalks construction and storm water are underway		Obtain funds for the construction of the sidewalks in

			Broadway.
	600m of storm water channel stone pitching completed		Storm water channel construction in Joe Gqabi

Function:	Waste Water Management
Sub Function:	Sewerage etc

Reporting Level	Detail	Total	Cost
Overview:	Includes provision of sewerage services not including infrastructure and water purification, also includes toilet facilities		
Description of the Activity:	<p>The sewerage functions of the municipality are administered as follows and include:</p> <p><i>Asset Management: Operation and Maintenance thereof which includes treatment of waste water, preventative/scheduled and reactive/corrective maintenance</i></p> <p><i>Revenue collection: Billing and payment receipt</i></p> <p>The municipality has a mandate to:</p> <p><i>Provide waste water infrastructure, set tariffs, develop by-laws, arrange delivery mechanism, overall planning for the waste water services</i></p> <p>The strategic objectives of this function are to:</p> <p><i>Ensure access to waste water services, economic, efficient and effective service delivery, provision of healthy and hygienic facilities</i></p> <p>The key issues for 2007/08 are:</p> <p><i>Bucket eradication, eradication of backlogs</i></p>		
Analysis of the Function:	<p>1 Number and cost to employer of all personnel associated with sewerage functions:</p> <ul style="list-style-type: none"> - Professional (Engineers/Consultants) - Field (Supervisors/Foremen) - Office (Clerical/Administration) - Non-professional (blue collar, outside workforce) - Temporary - Contract <p>Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package</p>	<p>0</p> <p>0</p> <p>0</p> <p>0</p> <p>0</p> <p>19</p>	<p>R (000s)</p> <p>0</p> <p>0</p> <p>0</p> <p>0</p> <p>0</p> <p>1 009 834.92</p>

2	Number of households with sewerage services, and type and cost of service: - Flush toilet (connected to sewerage system) - Flush toilet (with septic tank) - Chemical toilet - Pit latrine with ventilation - Pit latrine without ventilation - Bucket latrine - No toilet provision Note: if other types of services are available, please provide details	12981 0 0 0 0 0 1000	R (000s) 77 886 000 0 0 0 0 0 0
3	Anticipated expansion of sewerage: - Flush/chemical toilet - Pit latrine - Bucket latrine - No toilet provision Note: provide total number of households anticipated to benefit and total additional operating cost per year to the municipality	0 0 0 0	R (000s) 0 0 0 0
4	Free Basic Service Provision: - Quantity (number of households affected) - Quantum (value to each household)	5 441	50.38
Reporting Level	Detail	Total	Cost
	Note: Provide details of how many households receive the FBS provision, and the average value it means per household. Describe in detail the level of Free Basic Services provided p/m	5 441	273 954.35
5	Total operating cost of sewerage function p/m	5 441	273 954.35

Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
Provision of Basic Sanitation facilities	Renovations of public toilets were successfully completed. The painting was not done due budget constrains		Construct new 3 public toilet blocks in ward 3 and 4
	Polar Park and Chris Hani Public toilets renovated only painting was not done.		
	The contractor's performance was hampered by hard rock surface and pump stations designs that had to be re done.		To complete construction of Area 13 main sewer line
	Construction only started in July 2008		Sewer upgrading in all areas that continuously give problem in Maletswai Municipality
	26m sewer main line Ø250mm was replaced in Chris Hani section.		

Construction 97% complete.

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Function:	Water
Sub Function:	Water Distribution

Reporting Level	Detail	Total	Cost
Overview:	Includes the bulk purchase and distribution of water		
Description of the Activity:	The water purchase and distribution functions of the municipality are administered as follows and include: <i>Maletswai is water services provider</i> The municipality has a mandate to: <i>Provide potable water to Maletswai community</i>		
1	Number and cost to employer of all personnel associated with the water distribution function:p/m - Professional (Engineers/Consultants) - Field (Supervisors/Foremen) - Office (Clerical/Administration) - Non-professional (blue collar, outside workforce) - Temporary - Contract Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package.	28 0 2 0 0 0 0 28	161 056.33 0 35 557.94 0 0 0 0 161 056.33
2	Percentage of total water usage per month <i>Aliwal North consumption p/m</i> <i>Jamestown</i> Note: this will therefore highlight percentage of total water stock used per month	312 400kl 14 000kl 326 400kl	<volume>
3	Total volume and cost of bulk water purchases in kilolitres and rand, by category of consumer - Category 1 - Category 2 - Category 3 - Category 4	N/A N/A N/A N/A	R (000s) N/A N/A N/A N/A
4	Total volume and receipts for bulk water sales in kilolitres and rand, by category of consumer: - Category 1 - Category 2	N/A N/A	R (000s) N/A N/A

	- Category 3	N/A	N/A
	- Category 4	N/A	N/A
5	Total year-to-date water losses in kilolitres and rand		R (000s)
		<volume>	<cost>
Reporting Level	Detail	Total	Cost
6	Number of households with water service, and type and cost of service:	12 981	19 471 500
	- Piped water inside dwelling	<total>	<cost>
	- Piped water inside yard	<total>	<cost>
	- Piped water on community stand: distance < 200m from dwelling	<total>	<cost>
	- Piped water on community stand: distance > 200m from dwelling	<total>	<cost>
	- Borehole	<total>	<cost>
	- Spring	<total>	<cost>
	- Rain-water tank	<total>	<cost>
	Note: if other types of services are available, please provide details		
7	Number and cost of new connections:		
	<i>New housing development Area 13</i>	300	450 000
8	Number and cost of disconnections and reconnections:		R (000s)
		0	0
9	Number and total value of water projects planned and current:		R (000s)
	- Current (financial year after year reported on)	0	0
	- Planned (future years)	0	0
	Note: provide total project and project value as per initial or revised budget		
10	Anticipated expansion of water service:		R (000s)
	- Piped water inside dwelling	N/A	N/A
	- Piped water inside yard	N/A	N/A
	- Piped water on community stand: distance < 200m from dwelling	N/A	N/A
	- Piped water on community stand: distance > 200m from dwelling	N/A	N/A
	- Borehole	N/A	N/A
	- Spring	N/A	N/A
	- Rain-water tank	N/A	N/A
	Note: provide total number of households anticipated to benefit and total additional operating cost per year to the municipality		
11	Estimated backlog in number (and cost to provide) water connection:		R (000s)
	- Piped water inside dwelling	N/A	N/A
	- Piped water inside yard	N/A	N/A
	- Piped water on community stand: distance < 200m from dwelling	N/A	N/A
	- Piped water on community stand: distance > 200m from dwelling	N/A	N/A
	- Borehole	N/A	N/A
	- Spring	N/A	N/A
	- Rain-water tank	N/A	N/A

	Note: total number should appear in IDP, and cost in future budgeted capital housing programmes		
12	Free Basic Service Provision: - Quantity (number of households affected) - Quantum (value to each household) The free basic water service is only for the indigent and each indigent receives 6kl free p/m	5 441 1 500 5 441	
13	Type and number of grants and subsidies received: <i>Equitable share</i>		R (000s) 0
14	Total operating cost of water distribution function		786 000

Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
<i>Provision of water Repairs and maintenance</i>	<i>Constant provision of water to Maletswai Consumers. Ensuring that interruptions are limited to minimum figure as much as possible.</i>	Upgrading of weir completed	To complete the upgrading of the weir

Function: Electricity
Sub Function: Electricity Distribution

Reporting Level	Detail	Total	Cost
Overview:	Includes the bulk purchase and distribution of electricity		
Description of the Activity:	The electricity purchase and distribution functions of the municipality are administered as follows and include: Upgrading of the sub-station and network reticulation		
Analysis of the Function:			
1	Number and cost to employer of all personnel associated with the electricity distribution function:		R (000s)

	- Professional (Engineers/Consultants)	1	2 500 000
	- Field (Supervisors/Foremen)	0	0
	- Office (Clerical/Administration)	0	0
	- Non-professional (blue collar, outside workforce)	0	0
	- Temporary	7	283 122
	- Contract	1	263 000
	Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package. p/a	17	1 553 081
2	Total quantity and cost of bulk electricity purchases in kilowatt hours and rand, by category of consumer p/m	4 774656 units	1 244 854.75
	- Residential	<volume>	<cost>
	- Commercial	<volume>	<cost>
	- Industrial	<volume>	<cost>
	- Mining	<volume>	<cost>
	- Agriculture	<volume>	<cost>
	- Other	<volume>	<cost>
3	Total quantity and receipts for bulk electricity sales in kilowatt hours and rand, by category of consumer:		R (000s)
	- Household	<volume>	<cost>
	- Commercial	<volume>	<cost>
	- Industrial	<volume>	<cost>
	- Mining	<volume>	<cost>
	- Agriculture	<volume>	<cost>
	- Other	<volume>	<cost>
4	Total year-to-date electricity losses in kilowatt hours and rand		R (000s)
	<i>Auditors reflected that we have lost about ±9 million units per annum</i>	±9 mill	2 346 492.14
5	Number of households with electricity access, and type and cost of service:		R (000s)
Reporting Level	Detail	Total	Cost
	- Electrified areas		
	- Municipal	<total>	<cost>
	- Eskom	<total>	<cost>
	- Alternate energy source		
	- Gas	0	0
	- Paraffin	0	0
	- Solar	0	0
	- Wood	0	0
	- Non electrified	0	0
	Note: if other types of services are available, please provide details		
6	Number and cost of new connections:		R (000s)
	<i>Masakhane electrification and Area 13</i>	1 158	5 800 000
7	Number and cost of disconnections and reconnections		R (000s)
	<i>Disconnections and reconnections are done daily by technical services.</i>	???	R (000s)

8	Number and total value of electrification projects planned and current: - Current (financial year after year reported on) - Planned (future years) Note: provide total project and project value as per initial or revised budget			R (000s)
		1		2 200 000
		1		3 600 000
9	Anticipated expansion of electricity service: Upgrading of the substation in Aliwal North Upgrading of electrical network/reticulation in Aliwal North Note: provide total number of households anticipated to benefit and total additional operating cost per year to the municipality	1	1	R (000s) 27 000 000 30 000 000
10	Estimated backlog in number (and cost to provide) water connection: <detail total> Note: total number should appear in IDP, and cost in future budgeted capital housing programmes			R (000s)
		N/A		N/A
11	Free Basic Service Provision: - Quantity (number of households affected) - Quantum (value to each household)	5 441		
		127 443		
12	Type and number of grants and subsidies received: DME grant funding for Note: total value of specific electricity grants actually received during year to be recorded over the five quarters - Apr to Jun last year, Jul to Sep, Oct to Dec, Jan to Mar, Apr to Jun this year.			R (000s)
		1		6 800 000
13	Total operating cost of electricity distribution function p/a			600 000

Key Performance Area	Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance	Current	Target
Electricity provision and maintenance	DME approved R60m for the next three years for construction of the sub-station and reticulation upgrading Upgrading of North Ring Feeder from 70mm ² to 185mm ² completed Feeder line From Eskom substation to Municipality substation completed. Contractor appointment Finalization		To obtain funds from DME for sub-station construction and reticulation upgrading Phase 1 Master plan, Upgrading of the North Ring feeder. Upgrading of Feeder line from Eskom substation to Municipal substation Electrification of Area 13

<p>Contractor appointment and project completed</p> <p>Ikhala FET College, Upgrade from 100 to 200kVA. Dicks Scrap Yard, Upgrading from 100 to 200kVA. Dukathole Brick Works, New 100 kVA supply point installed Faulty cable replaced and a new Mini-substation installed at Aliwal Spa Finalizing adjudication for street lighting material supply.</p> <p>New Isuzu LDV purchased</p> <p>160 Houses electrified</p> <p>256 meters were replaced 100% Audits completed in the Township, Blocks A-H.</p>	<p>Electrification of 858 Upgrading of business supply points</p> <p>Street lighting from Hospital to N6 via Joe Gqabi Purchase new LDV Electrify all outstanding households in Joe Gqabi Replacing 220 meters in average Identify all faulty and tempered electrical meters within the Municipality.</p>
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Function:	Electricity
Sub Function:	Street Lighting

Reporting Level	Detail	Total	Cost
Overview:	Includes all activities associated with the provision of street lighting to the community		
Description of the Activity:	Street lighting responsibilities of the municipality are administered as follows and include: <i>Providing street lighting to all maletswai residential areas. Visible lighting.</i>		

Analysis of the Function:		The strategic objectives of this function are to: provide basic electricity to municipal resident.		
		<i>The total number of streets lights in Maletswai Municipality is 1 667</i>		
	1	Number and total operating cost of streetlights servicing population:		<i>R (000s)</i>
		<i>The operating costs for streets lights is not a separate item but incorporated in electrical network maintenance costs.</i>	1 667	7 501 500
		Note: total streetlights should be available from municipal inventory		
	2	Total bulk kilowatt hours consumed for street lighting:		
		<i>133.9 kw</i>	1 667	
	Note: total number of kilowatt hours consumed by all street lighting for year			

ANALYSIS OF THE ANNUAL FINANCIAL STATEMENTS

REVENUE MANAGEMENT

1. Level of Reliance on Government Grants and Subsidies

The purpose of this ratio is to determine what percentage of the municipality's revenue is made up of government grants- to determine the level of reliance on government funding by the municipality.

Year 2006/07			Year 2007/08		
Grants & subsidies	Total revenue	%	Grants & subsidies	Total revenue	%
R	R	%	R	R	%
11,768,545	45,552,834	25.8%	17,213,599	63,089,955	27.3%

Analysis and interpretation

The general norm for grants and subsidies as a percentage of total revenue is 4%.

A percentage more than 10% implies that the municipality relies too heavily on government grants for the funding of its operational activities.

Maletswai's reliance on government grants has increased by 1.5% from 25.8% in 2006/7 to 27.3% in 2007/8 financial year.

Despite the above, the municipality is still too heavily reliant on government grants and subsidies for funding of its operational activities.

2. Actual Vs Budgeted Revenue

The purpose of this ratio is to identify deviations between actual and budgeted revenue and to ascertain reasons for the deviations.

Year 2007/08			
Actual	Budget	Variance	Variance
R	R	R	%
63,089,955	79,667,410	16,577,454	20.8

Analysis and interpretation

The acceptable standard is that the actual revenue for a financial year must equal or exceed the approved budget for the financial year.

Any variation per line item in excess of 10% should be explained.

B. EXPENDITURE MANAGEMENT

3. Personnel cost to total expenditure

The purpose of this ratio is to indicate what percentage of total expenditure is attributable to personnel costs.

Year 2006/07			Year 2007/08		
Personnel costs	Total operating expenditure	%	Personnel costs	Total operating expenditure	%
R	R	%	R	R	%
20,976,446	56,679,023	37.0	23,260,608	56,433,931	41.2

Analysis and interpretation

The norm for this ratio is 35-38%.

There is a increase of 4.2 % from 37.0 % to 41.2% in 2007/8 financial year.

The municipality is not within the norm, and this may increase because of understaffing and vacant posts.

4. ACTUAL EXPENDITURE VS BUDGETED EXPENDITURE

The purpose of this ratio is to identify deviations between actual and budgeted expenditure and to ascertain reasons for deviations.

Year 2007/08			
Actual	Budget	Variance	Variance
R	R	R	%
69,115,077	80,021,910	10,906,832	13.63

The acceptable norm for this ratio is that the actual expenditure should not be less than 90 % of budgeted expenditure and furthermore actual expenditure may not exceed the expenditure budget.

This ratio indicates the percentage of total expenditure that is attributable to interest costs.

Year 2006/7			Year 2007/8		
Interest	Operating expenditure	%	Interest	Operating expenditure	%
R	R		R	R	
634,250	56,679,023	1.1	438,388	56,433,931	0.8

Analysis and interpretation

The norm for this ratio is that interest costs should not exceed 5% of operating expenditure.

6. REPAIRS & MAINTENANCE AS A PERCENTAGE OF TOTAL EXPENDITURE

The purpose of this ratio is to determine whether municipalities are spending adequate amounts on repairs and maintenance of Property Plant and Equipment in order to maintain the useful life of the asset.

Year 2006/7			Year 2007/8		
Repairs and maintenance	Operating Expenditure	Ratio	Repairs and maintenance	Operating Expenditure	Ratio
R	R	%	R	R	%
2,517,684	56,679,023	4.4	2,131,160	56,433,931	3.8

The norm for this ratio is that repairs and maintenance should be at least 13% of the total operating expenditure.

The municipality is not within the expenditure norm indicating that the municipality is not spending adequate funds to maintain its assets.

This further implies that a higher depreciation rate should be used, as the estimated useful life of the asset will decline more quickly than anticipated.

7. CONSUMER DEBTORS COLLECTION PERIOD

The purpose of this ratio is to provide an indication of how long it takes the municipality in terms of the number of days to collect money from debtors. When money is collected in the shortest period of time it will improve the cash flow of the municipality.

Year 2006/7			Year 2007/8		
Debtors consumer services	Annual Levies	Debtors collection period	Debtors consumer services	Annual Levies	Debtors collection period
R	R	Days	R	R	Days
8,337,038	19,136,549	159	5,694,411	15,614,450	133

The norm for the debtors' collection is 42 days and will be used as the basis for interpretation. The longer the collection period, the higher the strain put on the cash flow of the municipality.

8. ACID TEST RATIO

Purpose

The purpose of this ratio is to provide an indication of the ability of the municipality to meet its short term obligations (current liabilities) with short term liquid assets (current assets less inventories)

Year 2006/7			Year 2007/8		
Current assets less inventory	Current liabilities	Acid test ratio	Current assets less inventory	Current liabilities	Acid test ratio
R	R	Ratio	R	R	Ratio
36,259,737	14,126,292	2:57:1	38,564,857	12,266,738	3:14:1

The norm for this ratio is 1:5:1, i.e the current assets less inventory must exceed the current liabilities by 150%.

9. Total liabilities as a percentage of Total assets

The purpose of this ratio is to determine the degree to which the municipality's assets exceed liabilities. The empirical norm for this ratio is 57% and should solvency decline to the point where liabilities exceed assets, the entity has become insolvent and faces termination.

Year 2006/7			Year 2007/8		
Total liabilities	Total assets	Ratio	Total liabilities	Total assets	Ratio
R	R	%	R	R	%
14,126,292	36,274,154	256 %	12,266,738	39,308,924	320 %

7.BIDS AWARDED 2007-2008

NOTICE NUMBER	COMPANY NAME	CLOSING DATE	DATE OF APPROVAL	PURPOSE	AMOUNT	BEE STATUS	DATE EVAL REPORT RECEIVED	AWARDED WITHIN 90 DAYS	AWARDED AFTER 90 DAYS
57/2007	Aliwal North Catering	30 th July 2007	28 September 2007	Lease of the Restaurant Aliwal Spa	Contract	Local		Yes	N/A
55/2007	Ballenden & Robb	13 July 2007	10 August 2007	Consultants for Upgrading Electricity Master Plan	Professional Fees	Local within Eastern Cape in Amatole District	30 July 2007	Yes	N/A
58/2007	Insight Office	23 July 2007	10 August 2007	Table and Chairs for Council Chamber	R85 659.60	Local within Eastern Cape in Amatole District	Part of Evaluation	Yes	N/A
59/2007	Umkhombe Security Services	06 August 2007	05 September 2007	Provision of Security Services for Maletswai Local Municipality	R38 500 per month	Local Company	Part of Evaluation	Yes	N/A
60/2007	Umhlaba	24 August 2007	05 September 2007	Review of the Maletswai Spatial Development Framework	R64 527.42	Amatole District	28 August 2007	Yes	N/A

85/2007	Consolidated Power Project	9 th October 2007	18 December 2007	Supply, Installation, Testing and Commissioning of Bulk Electricity Supply Infrastructure to New Aliwal North 22/11kV Substation Aliwal North	R26 528 541.66	Gauteng	27 November 2008	Yes	N/A
105/2007	Iven Hansen Professional Land Surveyors	14 November 2007	18 December 2008	343 Hilton erven to survey	R 118 335.00	Chris Hani District	28 November 2007	Yes	N/A
111/2007	Dla Twice & Sentebale Construction	10 November 2007	18 December 2007	135 Low Cost Housing	R5 000 000.00	Free State	18 December 2007	Yes	N/A
82/2007	PH Engineering	26 November 2007	18 December 2007	Steel structure for Community Hall Joe Gqabi	R178 729.20	Local	14 December 2007	Yes	N/A

8.MTHOMBO SEDIBA DEVELOPMENT AGENCY

Board of Directors:

- Mrs. Palesa Kokoali-Bushula (Board Chairperson)
- Mr. Themba Kojana
- Mr. Andile Mkhathu
- Mr. Zolile Williams
- Mr. Neo Smouse
- Mr. Gawie Swartz (Resigned)

Human Resources:

- Retsilisitsoe Khamali (COO)
- Neo Chabeli (Project Officer)
- Sizwe Thetyana (Project Assistant)
- Maretha Letsie (Administrator)

Physical Address:

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 27-29 Dan Pienaar Avenue P.O. Box 16
 Aliwal North Aliwal North
 9750 9750
 Tel: +27(0)51 633 3674 Fax: +27(0)51 633 3675 E-mail: general@msda.co.za

Strategy Objective (KPA's)	SUMMARY (KPI's)	Performance Targets	Actual Performance	Challenges
Facilitate suitable conditions	Development of a Tourism Sector	Completed Tourism Sector	This KPI was not	

<p>for sustainable tourism growth, development and beneficiation for community of Maletswai and the whole Ukhahlamba.</p>	<p>Skills Development Plan.</p> <p>Tourism enterprise skills and training opportunities.</p> <p>Tourism awareness.</p> <p>Maletswai tourism website.</p> <p>Launch of the Maletswai Local Tourism Organisation.</p> <p>Production of tourism marketing booklet.</p> <p>Maletswai tourism marketing event.</p> <p>Development of a township tourism brand.</p> <p>Capacity building for Maletswai Tourism.</p>	<p>Skills Development Plan by March '08.</p> <p>50 tourism entrepreneurs' trained or opportunities created.</p> <p>Conduct 20 tourism awareness activities.</p> <p>Maletswai tourism website completed by December 2007.</p> <p>Launch of the Maletswai Tourism done in September 2008.</p> <p>2 tourism marketing booklet or brochure produced by June 2008.</p> <p>A successful tourism marketing event organised by end June 2008.</p> <p>A Township Tourism Brand</p>	<p>undertaken because the UkhDM had funding and planned to undertake it through the district.</p> <p>24 tourism entrepreneurs were trained in 'Legalities and Compliances in Tourism Industry' in partnership with Tourism Enterprise Programme (TEP)</p> <p>13 tourism awareness activities were undertaken.</p> <p>The website couldn't be developed.</p> <p>Maletswai Tourism was launched in September 2008.</p> <p>A tourism marketing booklet and a brochure were produced by June.</p> <p>A successful and inaugural Tourism Gateway Golf Classic was held in April 2008.</p>	<p>The performance target couldn't be achieved because TEP changed its focus in the E.Cape.</p> <p>3 school awareness, 2 talk shows in TCR and 2 meetings in Jamestown were cancelled due to other activities happening.</p> <p>Due to lack of funding for this KPI, it couldn't be undertaken. The UkhDM is to assist in January 2009.</p> <p>Due to lack of funding</p>
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		<p>developed for Maletswai by October 2007; marketing board and brochure created.</p> <p>3 capacity building programme for the Management Board of the Maletswai Tourism conducted by June 2008.</p>	<p>A liberation heritage with Joe Gqabi as an icon was developed, marketing board and brochure created.</p> <p>1 session covering all aspects identified by the LTO was conducted.</p>	<p>other activities couldn't be achieved.</p> <p>Funds weren't permitting to have different sessions.</p>
<p>Create good governance, sound management and administration.</p>	<p>Arrange Board of Directors meetings.</p> <p>Development of organisational reports (financial and performance).</p> <p>Development of annual financial budget.</p> <p>Periodic annual budget expenditure report.</p> <p>Development of the 2007/08 annual report.</p> <p>Adjust annual budget were necessary.</p>	<p>4 ordinary Board of Directors meeting arranged.</p> <p>Submit financial and narrative reports to Board meetings.</p> <p>Compilation of MSDA's annual budget and approval.</p> <p>Compilation of periodic annual budget income and expenditure report.</p> <p>Compilation of MSDA's 2007/08 annual report in a required format by the parent municipality by December 2008.</p> <p>Adjust the 2007/08 annual</p>	<p>5 ordinary Board meeting and 4 special Board meetings were arranged.</p> <p>Financial and narrative reports were presented to the Board in their meetings.</p> <p>The Annual budget was compiled and submitted for approval to the Board and to the parent municipality's CFO.</p> <p>Quarterly statements compiled.</p> <p>The 2007/08 annual report compiled in a required format.</p> <p>The 2007/08 annual budget was adjusted and approved by the Board in January</p>	<p>Sometimes Board meeting are not held as per the plan.</p>

	Provide information to the parent municipality when requested.	budget were necessary and seek approval. Provide information and assistance to the parent municipality when require.	2008. Information and assistance on LED, IDP and others was provided to the parent municipality when requested or required	
Policy development.	Development of policy to govern the operations of the MSDA. <ul style="list-style-type: none"> ➤ Human Resources ➤ Performance Management ➤ Financial Management 	Develop 3 policy documents to assist on governance and operations matters by end June 2008.	2 policies were developed (Financial Management Policy and Performance Management). A parent municipality's HR policy was adopted.	
Networking and partnership development.	Participation in activities organised by relevant sector departments, parent municipality and the district municipality.	Participate in activities relevant to the MSDA mandate organised by other municipalities or sector departments.	MSDA participation in other activities was 80%.	Other activities weren't relevant or organised of days committed to other activities.
Income generation.	Solicit grant funding for the MSDA operations and projects.	Seek funding for MSDA operations and projects.	R900 000.00 was received from DEDEA; R684 000.00 was received from the European Union LED Programme (Thina Sinako).	The parent municipality didn't transfer funding to the MSDA as per the budget, even when requested to do so. Thus leading to spending lesser than 50% of budgeted

				allocation – this is an audit query.
Aliwal Spa Revitalisation Project (ASRP)	<p>Monitor the implementation of phase 1 of ASRP as per DEAT funding.</p> <p>Facilitate the registration of a Special Purpose Vehicle and approval by the parent municipality.</p> <p>Satisfy DEAT requirements for further funding.</p>	<p>Monitor the implementation of the DEAT funded phase as per the funding specification.</p> <p>Drive the process of registering the Aliwal Spa SPV and get approval by the parent municipality.</p> <p>Provide all required/further information necessary for DEAT to grant further funding for the Aliwal Spa Revitalisation Project.</p>	<p>Monitoring and evaluation of activities was done, and where possible complaints were sent to DEAT office in Queenstown.</p> <p>The Aliwal Spa Operating Company was registered with CIPRO, but approval couldn't be received from Council.</p> <p>DEAT's Special Projects Programme was suspended and funds focused on the Coastal Development Programme.</p>	<p>Interference by officials who not part of the project from inception and Councillors. That has affected the completion of the project in time.</p> <p>DEAT run-out funds to complete the project in time.</p> <p>Project Implementers not competent and used sub-standard materials and did not understand the EPWP principles. Lack of understanding on the PPP processes and commitment by management and Councillors led to non approval of the registration of the Aliwal Spa SPV.</p>
Development of a Maletswai Local Economic Development Strategy (LED Strategy).	Source funding for the development of a Maletswai Local Economic Development Strategy. Manage and monitor the	Seek funding for developing the LED strategy for Maletswai. Manage and monitor the	Funding (R684 000.00) was received from the Thina Sinako LED Support Programme.	

	development of a Maletswai LED Strategy.	implementation of the processes leading and concluding the development of the Maletswai LED Strategy.	Project management, monitoring and evaluation is done periodically.	
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**REPORT OF THE AUDITOR-GENERAL TO THE EASTERN CAPE PROVINCIAL
LEGISLATOR AND MALETSWAI MUNICIPAL COUNCIL ON THE FINANCIAL
STATEMENTS AND PERFORMANCE INFORMATION OF MALETSWAI
MUNICIPALITY FOR THE YEAR ENDED 30 JUNE 2008**

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the accompanying financial statements of the Maletswai Municipality which comprise the balance sheet as at 30 June 2008, income statement, statement of changes in net assets/equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, and the accounting officer's report, as set out on pages [xx] to [xx].

Responsibility of the accounting officer for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with the entity-specific basis of accounting, as set out in the accounting policy note 1.1 to the financial statements and in the manner required by the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA). This responsibility includes:
 - designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error
 - selecting and applying appropriate accounting policies
 - making accounting estimates that are reasonable in the circumstances.

Responsibility of the Auditor-General

3. As required by section 188 of the Constitution of the Republic of South Africa, 1996 read with section 4 of the Public Audit Act, 2004 (Act No. 25 of 2004), my responsibility is to express an opinion on these financial statements based on my audit
4. I conducted my audit in accordance with the International Standards on Auditing and *General Notice 616 of 2008*, issued in *Government Gazette No. 31057 of 15 May 2008*. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance on whether the financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but

not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

6. An audit also includes evaluating the:
 - appropriateness of accounting policies used
 - reasonableness of accounting estimates made by management
 - overall presentation of the financial statements.
7. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Basis of accounting

8. The municipality's policy is to prepare financial statements on the entity-specific basis of accounting, as set out in accounting policy note 1.1 to the financial statements.

Basis for adverse opinion

Bank and cash

9. Bank and cash balances of R15.1 million were disclosed in note 19 to the annual financial statements, while the bank confirmation received stated that the balance was R10.5 million. Management did not perform bank reconciliations for the period under review and was therefore unable to provide a comprehensive explanation of the variance of R4.6 million. The entity's books and records did not permit us to perform alternative procedures. Sufficient and appropriate audit evidence on the valuation, completeness, rights and obligations of bank and cash amounting to R15.1 million could not be obtained.

Fixed assets

10. Appendix C of the annual financial statements disclosed fixed assets amounting to R98 million, whereas fixed assets amounting to R113.7 million were recorded in the fixed asset register. Management could not provide a reconciliation or a comprehensive explanation of the variance of R15.7 million. The entity's books and records did not permit us to perform alternative procedures. Sufficient and appropriate audit evidence of the valuation, completeness, rights and obligations of fixed assets amounting to R98 million could not be obtained.
11. Assets with a value of R43 529 could not be verified to determine their physical existence. Assets with a value of R615 546 were sold during the period under review but were not removed from the fixed asset register. Fixed assets amounting to R384 944 were found not to be in working order upon physical verification but were still included in the fixed asset register of the municipality. Management could not provide a comprehensive explanation on these discrepancies. Therefore fixed assets and contributions were overstated by R384 944 as recorded in the annual financial statements, while the fixed asset register was overstated by R615 546.
12. Property owned by the municipality amounting to R1.2 million as per the property title deeds was not recorded in the fixed asset register. Therefore fixed assets as

recorded in appendix C of the annual financial statements are understated by R1.2 million.

13. Per inspection of appendix C to the annual financial statements, contributions to capital expenditure from current income amounted to R11.3 million. This figure comprises the amount for contribution from income of R2.7 million as well as the amount for provisions, reserves and other receipts of R8.5 million. Per inspection of appendix D to the annual financial statements contributions to fixed assets amounted to R9.9 million. Management could not provide a comprehensive explanation of the non-compliance to IMFO code of accounting practice relating to the variance of R1.3 million. The municipality's books and records did not permit us to perform alternative procedures. Sufficient appropriate audit evidence could not be obtained on the accuracy of contributions to fixed assets.

Debtors

14. In terms of section 62(2)(f) of the Municipal Finance Management Act, the accounting officer of the municipality must take all reasonable steps to ensure that the municipality has and maintains a system of internal control in respect of debtors and revenue, as may be prescribed. Audit procedures identified debtors amounting to R4.9 million where no payments were received during the period under review and debtors amounting to R300 306 that have been outstanding for more than three years. This indicates that debtors amounting to R5.2 million were not collectable while the municipality's provision for impairment of debtors amounted to R3.3 million. Management could not provide an explanation for the understatement of R1.9 million of the impairment provision.
15. Management could not provide sufficient and appropriate supporting documentation for a journal entry amounting to R1.2 million that was passed by debiting the customer general ledger account and crediting the appropriation account to agree the debtors sub-ledger to the general ledger. The entity's books and records did not permit us to perform alternative procedures. Sufficient appropriate audit evidence could not be obtained on the accuracy, occurrence and classification on this journal.

Revenue

16. Section 64 of the MFMA states that the accounting officer of a municipality is responsible for the management of the revenue of the municipality and must take all reasonable steps to ensure that the municipality has and maintains a system of internal control in respect of revenue. Section 62(1)(d) further states that the accounting officer of a municipality is responsible for managing the financial administration of the municipality and must for this purpose take all reasonable steps to ensure that losses are prevented. The municipality lost 9 952 732 units of electricity during the period under review or 16,62% of units purchased, as disclosed in appendix F to the annual financial statements. Losses in excess of the 12% were non-technical losses and were avoidable, therefore 2 681 075 units were avoidable. Revenue and debtors were understated by the value of the units lost amounting to R3.7 million.
17. The municipality recorded grants received from the Department of Health amounting to R1.5 million while the service agreement annexure H states that the grants amounted to R1.9 million. The municipality could not provide a

comprehensive explanation on the variance of R400 000. Revenue and debtors is therefore understated by R400 000.

18. Interest received amounting to R1.4 million was duplicated in prior years. The correcting entry was passed during the current year and not in the comparative period. This resulted in the understatement of R1.4 million in interest received in the current year.
19. A variance of R232 605 was identified when the total rates per the manual valuation roll was compared to the property rates raised by the municipality's financial accounting systems. Management was unable to provide an explanation for the understatement of property rates raised in the financial records. The accuracy and completeness of revenue could not be confirmed.
20. Property rates revenue of R4.6 million was understated as the municipality was unable to provide appropriate audit evidence for the inclusion of property improvements in the valuation roll used to calculate the property rates due to the municipality. The entity's books and records did not permit us to perform alternative procedures. Therefore the accuracy and completeness of revenue could not be confirmed.

Value-added tax

21. The municipality failed to adhere to the VAT Act on rental transactions amounting to R8 657 by not recording and paying over the output tax portion on rental revenue. In terms of section 8(8) of the VAT Act 89 of 1999, indemnity payments received under a contract of a short-term insurance were deemed supply in the hands of the municipality. It follows that any payment received as a guarantee against loss, damage, injury or risk of any kind is subject to output tax unless the input VAT could not be claimed on the expenditure. In addition, the municipality failed to record and pay over output VAT amounting R113 438 on an insurance claim received.

Leave provision

22. A number of variances were identified between attendance registers, leave files and the electronic leave register. Audit evidence was obtained that the leave records of the municipality were not accurate. The leave provision was based on the leave records of the municipality. The leave provision amounting to R1.9 million as disclosed in note 10 to the financial statements was not accurate.

Provision for restoration of landfill sites

23. The municipality did not comply with section 28 of National Environmental Management Act, 1998 (Act No. 107 of 1998) (NEMA) and section 20 of the Environmental Conservation Act, 1989 (Act No. 73 of 1989) (ECA). The municipality has not disclosed a provision of the current costs required to restore the environment of the landfill sites at Aliwal North and Jamestown in the annual financial statements.

Adverse opinion

In my opinion, because of the significance of the matters described in the basis for adverse opinion paragraphs, the financial statements do not present fairly, in all material respects, the financial position of the Maletswai Municipality as at 30 June 2008 and its financial performance and cash flows for the year then ended, in accordance with the basis of accounting described in accounting policy note 1.1 and in the manner required by the MFMA.

OTHER MATTERS

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

Internal controls

24. Section 62(1) (c) (i) of the MFMA states that the accounting officer must ensure that the municipality has and maintains effective, efficient and transparent systems of financial and risk management and internal control. The table below depicts the root causes that gave rise to the inefficiencies in the system of internal control, which led to the adverse opinion. The root causes are categorized according to the five components of an effective system of internal control. In some instances deficiencies exist in more than one internal control component.

Reporting item	Control environment	Risk assessment	Control activities	Information and communication	Monitoring
Bank and cash	✓				
Fixed assets	✓				
Debtors	✓				
Revenue	✓				
Provisions	✓				

Control environment: establishes the foundation for the internal control system by providing fundamental discipline and structure for financial reporting.

Risk assessment: involves the identification and analysis by management of relevant financial reporting risks to achieve predetermined financial reporting objectives.

Control activities: policies, procedures and practices that ensure that management's financial reporting objectives are achieved and financial reporting risk mitigation strategies are carried out.

Information and communication: supports all other control components by communicating control responsibilities for financial reporting to employees and by providing financial reporting information in a form and time frame that allows people to carry out their financial reporting duties.

Monitoring: covers external oversight of internal controls over financial reporting by management or other parties outside the process; or the application of independent methodologies, like customised procedures or standard checklists, by employees within a process.

Non-compliance with applicable legislation

- 25. The annual financial statements were not submitted for audit purposes as per the legislated deadlines in section 126 of the MFMA.
- 26. In terms of section 69 (3) of the MFMA, the accounting officer must by no later than 14 days after the approval of an annual budget submit to the mayor a draft service delivery and implementation plan for the budget year and drafts of the annual performance agreements as required in terms of section 57(1)(b) of the Municipal Systems Act, 2000 (Act No. 32 of 2000) (MSA) for the municipal manager and all senior managers. Audit evidence of compliance with sections 69 and 57 of the MFMA was not provided by management.
- 27. The municipality did not comply with section 14 2(a) of Local government: Municipal Planning and Performance Management Regulations, 2001, regarding the annual appointment of a performance audit committee.
- 28. The municipality did not comply with Schedule 1: Code of Conduct for Councillors' per the MSA, section 7 which states that an elected councillor must within 60 days declare in writing to the municipal manager all financial interests held.
- 29. The municipality has not adhered fully to the provisions of section 20(4) of the VAT Act regarding the requirements of valid invoices. The requirements of a "tax invoice" are very specific and any information that is omitted on invoices is non-compliance with the above act.
- 30. The municipality did not perform an annual fixed asset count as required by the the Municipality's Supply Chain Management Policy, chapter 3, section 3.40 - 3.41. and thereby failed to adhere to section 78 of the MFMA.

Matters of governance

- 31. The MFMA tasks the accounting officer with a number of responsibilities concerning financial and risk management and internal control. Fundamental to achieving this is the implementation of certain key governance responsibilities, which I have assessed as follows:

Matter of governance	Yes	No
Audit committee		
• The municipality had an audit committee in operation throughout the financial year.		✓
• The audit committee operates in accordance with approved, written terms of reference.	✓	
• The audit committee substantially fulfilled its responsibilities for the year, as set out in section 166(2) of the MFMA.	✓	
Internal audit		
• The municipality had an internal audit function in operation throughout the financial year.	✓	
• The internal audit function operates in terms of an approved internal audit plan.		✓
• The internal audit function substantially fulfilled its responsibilities for the year, as set out in section 165(2) of the MFMA.		✓

Matter of governance	Yes	No
Other matters of governance		
<ul style="list-style-type: none"> The annual financial statements were submitted for auditing as per the legislated deadlines in section 126 of the MFMA. 		✓
<ul style="list-style-type: none"> The annual report was submitted to the auditor for consideration prior to the date of the auditor's report. 		✓
<ul style="list-style-type: none"> The financial statements submitted for audit were not subject to any material amendments resulting from the audit. 		✓
<ul style="list-style-type: none"> No significant difficulties were experienced during the audit concerning delays or the unavailability of expected information and/or the unavailability of senior management. 		✓
<ul style="list-style-type: none"> The prior year's external audit recommendations have been substantially implemented. 		✓
Implementation of Standards of Generally Recognised Accounting Practice (GRAP)¹		
<ul style="list-style-type: none"> The municipality submitted an implementation plan, detailing progress towards full compliance with GRAP, to the National Treasury and the relevant provincial treasury before 30 October 2007. 		✓
<ul style="list-style-type: none"> The municipality substantially complied with the implementation plan it submitted to the National Treasury and the relevant provincial treasury before 30 October 2007, detailing its progress towards full compliance with GRAP. 		✓
<ul style="list-style-type: none"> The municipality submitted an implementation plan, detailing further progress towards full compliance with GRAP, to the National Treasury and the relevant provincial treasury before 31 March 2008. 		✓

OTHER REPORTING RESPONSIBILITIES

REPORT ON PERFORMANCE INFORMATION

34. I was engaged to audit the performance information.

Responsibility of the accounting officer for the performance information

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

Responsibility of the Auditor-General

36. I conducted my engagement in accordance with section 13 of the PAA read with *General Notice 616 of 2008*, issued in *Government Gazette No. 31057 of 15 May 2008* and section 45 of the MSA.
37. In terms of the foregoing my engagement included performing procedures of an audit nature to obtain sufficient appropriate evidence about the performance information and related systems, processes and procedures. The procedures selected depend on the auditor's judgement.
38. I believe that the evidence I have obtained is sufficient and appropriate to provide a basis for the audit findings reported below.

Audit findings (performance information)

Non-compliance with regulatory requirements

39. The municipality did not comply with the following regulatory requirements:
 - a. Municipal Systems Act, section 26(c). The council's development priorities and objectives for its elected term could not be found in the IDP.
 - b. Municipal Systems Act, section 26(h). The IDP budget projections for the next three years have not been included in the IDP.
 - c. Municipal Systems Act, section 26(i). Key performance indicators and performance targets have not been set.

Measurable objectives and/or indicators and/or targets not consistent

40. While performing system verification procedures on performance information it was ascertained that the municipality has not developed documented policies and procedures over the following relating to information disclosed under performance information:
 - developing and evaluating output performance measures
 - collecting, coordinating and compiling performance information
 - ensuring data integrity and quality assurance over performance information
 - monitoring and managing data measurement and reporting processes
 - reporting sufficient and appropriate information to stakeholders
41. During the audit of the performance information, the following discrepancies were identified:
 - key performance areas for the municipality as a whole were not set in the IDP
 - key performance targets were not set in the IDP
 - an approved SDBIP was not obtained from the client, therefore we were unable to identify the annual targets set
 - the goals set on the IDP did not agree to the goals set per the fourth quarterly report.

We were therefore unable to determine whether the performance reported according to the objectives set by the municipality has actually been achieved.

APPRECIATION

42. The assistance rendered by the staff of the Maletswai Municipality during the audit is sincerely appreciated.

Auditor-General

East London

31 January 2009



AUDITOR-GENERAL

	FINDINGS	CORRECTIVE ACTION	DUE DATE	PROGRESS	RESPONSIBLE PERSON
9	<p>Bank and Cash</p> <p>During the audit work performed by auditors it was identified that the balance per bank statements does not agree to general ledger</p> <p>Management should implement the control of performing reconciliations between the bank statements and the financial statements.</p>	<p>Bank reconciliations are being done for the 2008/2009 until 31 December 2008.</p> <p>The backlog will be tackled and DBSA was requested to render assist.</p> <p>If DBSA can not render assistance council should obtain the services of a provider</p>	30 June 2009	Bank reconciliations are done for the 2008/2009 until 31 December 2008	<p>Manager: Financial Services</p> <p>Assistant Manager: Financial Services</p> <p>Accountant Expenditure</p>
10	<p>Assets</p> <p>During the audit of property, plant and equipment it was noted that the value of assets recorded in the asset register does not agree to the amounts recorded in the annual financial statements.</p>	<p>A timeframe to do assets counts will be drawn-up and will be done before year end.</p> <p>An inventory list will be drawn-up for each location and be countersigned by the person responsible for that location.</p> <p>Non existing assets should be written off by council before 30 June 2009</p>	<p>Starting February 2009 to be completed by end April 2009</p> <p>April 2009</p> <p>April 2009</p>	A take-on form was prepared and send to all managers to be complete for all assets under their control	<p>Manager: Financial Services</p> <p>All Managers</p> <p>Senior Procurement Officer</p>

		The services of a provider will be obtained to make the assets in the ledger GAMAP/GRAP compliant			
11	<p>Assets</p> <p>During the audit of fixed assets, the following errors relating to fixed assets and the fixed asset register were noted:</p> <p>assets contained in the fixed asset register could not be physically verified</p> <p>assets could not be verified as they had been disposed and were not removed from the fixed asset register:</p> <p>assets recorded on the fixed asset register were physically inspected and found to not be in working order and were therefore not being utilised by the municipality:</p>	<p>A timeframe to do assets counts will be drawn-up and will be done before year end.</p> <p>An inventory list will be drawn-up for each location and be countersigned by the person responsible for that location.</p> <p>Non existing assets should be written off by council before 30 June 2009</p> <p>The services of a provider will be obtained to make the assets in the ledger GAMAP/GRAP compliant</p>	<p>Starting February 2009 to be completed by end April 2009</p> <p>April 2009</p> <p>April 2009</p>	<p>A take-on form was prepared and send to all managers to be complete for all assets under their control</p>	<p>Senior Procurement Officer</p> <p>All Managers</p> <p>Manager: Financial Services</p>

	:				
12	The following fixed assets owned by the municipality are not included in the fixed asset register. Land identified as the Weltevrede Farm to the value of R1,200,000 was allocated to the municipality by the Department of Land Affairs to be made available to the community for the grazing of cattle with the condition that the municipality may not sell this land	This will be dealt with at the same time as 10 and 11			Manager: Financial Services

13	<p>Inspection of Appendix C of the Annual Financial Statements, contributions to capital expenditure from current income amounted to R11,303,554. This figure comprises the amount for Contribution from Income of R2,741,166 as well as the amount for Provisions, Reserves and other Receipts of R8,562,388. Per inspection of Appendix D of the Annual Financial Statements, contributions to fixed assets amounted to R9,912,791. There is however a variance of R1,390,763.</p>	<p>This variance was explained to the auditors but the exception was not taken out</p>		<p>Explanation was handed to the auditors</p>	<p>Manager: Financial Services</p>
14	<p>During the audit of receivables, the auditors identified that the municipalities provision for impairment of</p>	<p>Management will identify debt that need to be written-off and obtain council's approval to do so. The bad debt provision as at year end will be calculate correctly</p>	<p>30 June 2009</p>		<p>Debtors Clerks Accountant Revenue Manager: Financial Services</p>

	<p>debtors was understated. The auditors developed an expectation of debts not recoverable by identifying all debts that appeared to not be recoverable based on a lack of movement in the account and no payments for substantial amounts of time, therefore the auditors compared this expectation to the municipalities provision.</p>				
15	<p>The auditors inspected the journals and identified that the journal was passed to reconcile the general ledger to the debtors ledger. The amount of R 1 281 152.72 was the variance between the general and debtors ledger. However, upon enquiry with management, the auditors identified that</p>	<p>Management will ensure that all journals ate accompanied by supporting documents</p>	<p>Immediately</p>		<p>Assistant Manager: Financial Services Accountant: Expenditure Accountant Revenue</p>

	there was no supporting documentation for the amount of the journal. The journal amount was simply the variance between the two ledgers.				
16	The distribution losses were not monitored properly due to the fact that the previous employee in the technical department had not adopted procedures to ensure that distribution losses were kept within the required norm and only susceptible to inherent risks such as faulty meters, illegal connections and tampered meters, copper losses due to heating, loading and magnetic effects of transformers	This matter will received immediate attention and did management already put measures in place to reduce losses	Immediately		Manager: Technical Services Manager: Financial Services Assistant: Manager Technical Services(Electricity) Accountant Revenue
17	The following it was identified during the	Management will investigate all amounts received from the Dept of	Immediately		Accountant: Revenue Manager: Financial Services

	<p>audit work performed and inspection of the service level agreement between the municipality and the Department of Health, that the allocations for personnel and non personnel drugs due to the municipality for the current year under review have not all been received in the current financial year. Therefore it is noted that the municipality does not follow up on revenue subsidies that are supposed to be received from the Department of Health and therefore they are in contravention of the MFMA S64.</p>	<p>Health as the funds received may be receipted under unallocated receipts</p> <p>15 February 2009</p>			
18	<p>Interest that relates to prior years was duplicated and corrected in the current year, there is a risk that</p>	<p>The necessary corrective journal will be past</p>	15 February 2009		Assistant Manager: Financial Services

	revenue is understated.				
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19	<p>When the total property values per the valuation roll on the system was calculated, it was identified that it does not agree to the total amount that is recorded on the manual valuation roll. This is due to the fact that there is more than one copy of the valuation role in circulation and when changes were made, it appears that they were not made to the correct and most updated valuation role. The valuation roll is not accurate and the municipality is receiveing the incorrect amounts for assessment rates and services provided.</p>	<p>The roll was incorrectly added by the valuer. Management will check to resolve the differences</p>	15 March 2009		Accountant Revenue

20	Council did not do interim valuations on a regular basis and therefor loose a potential revenue source.	Council is currently busy doing a General Valuation of all properties within the municipal area which will become effective as from 1 July 2009 Interim Valuation fill then be conducted annually as per council's rate policy	On going		Manager: Financial Services Accountant : Revenue
21	Council do not charge VAT on rental accommodation and whilst performing the audit, it was noted that vat output was not payable on the insurance claim amount of R923,713.88 received by the municipality in the event of fire at the Aliwal spa. The Vat Output amount payable by the municipality thus is R113,438.55	Council is levying VAT on holiday accommodation and does not levy VAT on residential accommodation VAT on insurance claims will be paid over	Immediately		Assistant Manager: Financial Services

22	Audit evidence has revealed that the leave records were not correct. The provision for leave of R1, 9mill may therefor be inadequate.	Council is introducing the Sebata Salary Module which will provide a more accurate leave system. Managers will check the time sheets and compare it with leave forms approved prior to submitting it to the Salary Section	30 April 2009		All Managers Assistant Manager: Financial Services Salary Clerk
23	The municipality did not comply with Section 28 of the National Environmental Management Act, 1998 and Section 20 of the Environmental Conservation Act, 1989. The Council did not disclose a provision of the current cost required to restore the environment of the landfill sites in Aliwal North and Jamestown.	Council will as soon as a permit is obtained and which indicate the requirements determine the cost involve to restore the environment of the landfill sites in Aliwal North and Jamestown	31 May 2009		Manager: Community Services Manager: Technical Services Manager: Financial Services
24	Lack of Internal Controls are covered above				
25	Annual Financial Statements were not submitted to the Auditor General before 31	Due to the hospitalization of the Manager: Financial Services the services of a provider has to be obtained to complete the financial			

	August 2008	statements which causes the late submission			
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26	Draft SDBIP and draft Annual Performance Agreement not submitted within 14 days after approval of the budget to the mayor for approval	The draft SDBIP and draft annual performance agreements were submitted within 14 day after approval of the budget to the mayor but the conformation thereof went missing			Municipal Manager
27	Council did not appoint a performance audit committee	The council did during the 2008/2009 year appoint the Audit Committee as the performance audit committee		Done	
28	Not all councilors have declared all their financial interests within 60 days after election as councilors.	The Municipal Manager will urgently request all councilors to submit all their financial interests	Immediately		Municipal Manager
29	Not all invoices adhere to VAT requirements to constitute a valid tax invoice	Management will ensure that all invoices adhere to VAT requirements so that it constitute a valid tax invoice	Immediately		

30	Management did not cause an annual asset count to be done in terms of the Municipalities Supply Chain Management Policy.	This was dealt with in 11 above			
31	The Municipal Manager failed to ensure; that the municipality had an audit committee in operation throughout the year, that the internal audit function operates in terms of an approved audit plan, that the internal audit function fulfill its responsibilities for the year, that the financial statements were submitted on time, that the annual report was submitted to the auditors for consideration prior to the to the date of the auditor's report, that information was given to the auditor's when so requested, that the prior year's external audit recommendations were implemented, that the GRAP	The Municipal Manager will ensure compliance with all the failures as indicated	30 June 2009		Municipal Manager

	<p>implementation plan was submitted to National Treasury and the relevant provincial treasury before 31 October 2007,</p> <p>that progress on towards full compliance with the GRAP implementation plan was submitted to National Treasury and the relevant provincial treasury before 31 October 2007,</p> <p>that further progress towards full compliance with the GRAP implementation plan was submitted to National Treasury and the relevant provincial treasury before 31 March 2008,</p>				
39	<p>The IDP of council did include the following;</p> <p>the development priorities of the term of office of council,</p> <p>budget provisions for the next three years,</p> <p>key performance indicators and targets</p>	<p>The Municipal Managers will ensure that the IDP to be reviewed in 2008/2009 includes all that has been left out in the previous IDP</p>	Immediately		<p>Municipal Manager and all Section 57 Managers</p>
40	<p>The municipality did not develop documented policies and procedures to;</p>	<p>The Municipal Managers will ensure that the necessary documented policies and</p>	Immediately		<p>Municipal Manager and all Section 57 Managers</p>

	<p>developing and evaluate output performance measures, collecting, coordinating and compiling performance information, ensuring data integrity and quality assurance over performance information, monitoring and managing data measurement and reporting processes, reporting sufficient and appropriate information to stakeholders,</p>	<p>procedures regarding performance management is in place</p>			
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11. CONCLUSION

The report presented above attempted to give account of the performance of the various Departments and the municipality in its entirety during the financial under review. The report has pointed out the successes as well as shortcomings and challenges of the municipality in its endeavor to discharge its fundamental responsibilities outlined in the RSA Constitution and other policy directives of government.

Clearly, the challenges are daunting but none of them are impossible to overcome. Collective wisdom, commitment and effort of both the political and administrative arms of the municipality are essential to finding sustainable solutions to the challenges bedeviling the efficient and effective functioning of the municipality.

It is hoped that this report will serve its intended purpose to its users.